NEWSPAPER

JULY 22, 1996

Business Insurance®

Reporting Weekly For Corporate Risk, Employee Benefit and Financial Executives/ $25

©Entire contents copyright 1996 by Crain Communications Inc. All rights reserved

25th ANNUAL AGENT/ BROKER PROFILES ISSUE

Brokers keep growth alive

1995 gains made in spite of competition

The world's 20 largest insurance brokers may finally have figured out how to beat the soft market.

For a second year in a row, the leading brokers in 1995 turned in impressive gains in gross revenues. The combined gross revenues of the 20 companies increased 8.6% last year. That comes on the heels of an 8.7% increase in gross revenues the previous year, ending several years of sluggish growth (*BI*, July 17, 1995).

Acquisitions continued to fuel revenue growth.

Aon Group Inc., which boosted gross revenues 19.6% in 1995, bought 25 brokers and consultants last year.

Despite continued consolidation, there were no major mergers among the Top 20 last year. However, Bain Hogg Group P.L.C. was placed on the block in 1995 by its parent and courted by Aon and Alexander & Alexander Services Inc. before a sale was withdrawn in favor of a public offering later this year.

Other brokers relied on expanding risk management consulting and other fee-based services to buoy generally flat commissions.

Forbes Financial Services Group (Pty.) Ltd., for example, turned in the largest increase in revenues among the top 20—a 28.9% gain—after devoting itself to a strategy of boosting consulting and other services to meet all of the financial needs of its clients.

C.E. Heath P.L.C., meanwhile, illustrates a trend among some brokers to refocus on core brokerage operations and away from unrelated activities. Heath this year shed its substantial computer services and underwriting operations to focus solely on insurance brokerage.

The exchange rate played a small part in some brokers' results. The U.S. dollar was slightly weaker against foreign currencies last year, strengthening the results of several non-U.S. brokers. *Business Insurance* uses average annual exchange rates to convert foreign currencies into U.S. dollars. For example, the average 1995 value of the British pound is 3% greater than its 1994 value; a year ago, it was 1.9% greater.

Revenue gains in a broker's home currency are shown in a chart on page 4.

There was one new broker in the 1995 rankings: HSBC Gibbs Holdings Ltd., a brokerage subsidiary of HSBC Holdings P.L.C. that was catapulted into the ranks as No. 19 after the 1995 acquisition of another London-based broker.

Forbes Financial was mistakenly overlooked in last year's Agent/Broker Profiles issue. That error was subsequently corrected, and Forbes, previously named Price Forbes Group (Pty.) Ltd., was ranked No. 17 a year ago (*BI*, July 24, 1995).

The additions of HSBC Gibbs and Forbes edged Groupe Le Blanc de Nicolay and Poe & Brown Inc. out of the rankings.

Also, there was some repositioning within the ranks in 1995: Fueled by strong revenue gains, Aon overtook Sedgwick Group P.L.C. for the No. 2 spot. Forbes climbed two spots to No. 15 from No. 17; and Arthur J. Gallagher & Co., Minet Group and Lowndes Lambert Group Holdings P.L.C. each moved up one notch.

This year's report on commercial insurance brokers includes listings of 240 companies—including the 20 largest brokers in the world—that reported a total of $16.93 billion in gross revenues for 1995, up 9% from $15.53 billion in 1994.

Business Insurance's 25th annual Agent/Broker Profiles report, which begins on page 3, also includes:

- Charts of the 100 largest brokers of U.S. business and the leading retail insurance brokers in the United States.
- An overview of the commercial insurance brokerage business in 1995.
- A report on what chief executive officers of the major publicly held U.S. brokers earned in 1995.
- In-depth profiles of the world's 20 largest brokers.
- A directory of commercial insurance brokers, followed by a geographic index.

World's 20 largest brokers

COMPANY	Ranking 1995	Ranking 1994	Gross revenues 1995	Gross revenues 1994	% Change	Employees 1995	Employees 1994	% Change	Rev./employee 1995	Rev./employee 1994
Marsh & McLennan Cos. Inc.	1	1	$3,788,000,000	$3,446,800,000	9.9%	27,200	26,100	4.2%	$139,265	$132,061
Aon Group Inc.	2	3	1,701,000,000	1,422,000,000	19.6	13,400	11,850	13.1	126,940	120,000
Sedgwick Group P.L.C.	3	2	1,469,907,000 [1]	1,422,308,800 [1]	3.3	15,128	15,415	-1.9	97,165	92,268
Alexander & Alexander Services Inc.	4	4	1,282,400,000	1,323,900,000	-3.1	11,940	13,312	-10.3	107,404	99,452
Willis Corroon Group P.L.C.	5	5	1,114,699,200 [1]	1,087,260,400 [1]	2.5	10,227	11,283 [9]	-9.4	108,996	96,363
Johnson & Higgins	6	6	1,082,700,000	1,008,600,000	7.3	8,729	8,727	0.0	124,035	115,572
Acordia Inc.	7	7	555,064,000	466,396,000	19.0	6,638	5,485	21.0	83,619	85,031
Arthur J. Gallagher & Co.	8	9	411,998,000	367,664,000 [7]	12.1	3,739	3,415 [7]	9.5	110,189	107,661
Minet Group	9	10	370,910,000	347,572,000	6.7	3,715	3,749	-0.9	99,841	92,711
JIB Group P.L.C.	10	8	359,784,000 [1]	367,680,000 [1]	-2.1	3,076	3,739	-17.7	116,965	98,336
Bain Hogg Group P.L.C.	11	11	345,974,922 [1]	326,610,144 [1,7]	5.9	4,109	4,386	-6.3	84,199	74,467
C.E. Heath P.L.C.	12	12	309,521,466 [2]	283,028,660 [2]	9.4	3,349	3,142	6.6	92,422	90,079
Jauch & Huebener KGaA	13	13	216,380,000 [3]	194,656,000 [3]	11.2	1,400	1,500	-6.7	154,557	129,771
Gras Savoye S.A.	14	14	204,376,800 [4]	166,972,500 [4]	22.4	1,710	1,613	6.0	119,519	103,517
Forbes Financial Services Group (Pty.) Ltd.	15	17	169,266,600 [5]	131,320,000 [5]	28.9	3,100	2,890	7.3	54,602	45,439
Lowndes Lambert Group Holdings P.L.C.	16	15	161,437,374 [2]	151,191,095 [2]	6.8	1,792	1,776	0.9	90,088	85,130
ABN-AMRO Verzekeringen B.V.	17	18	155,750,000 [6]	121,550,000 [6,7]	28.1	3,300	3,300 [7]	0.0	47,197	36,833
Hilb, Rogal & Hamilton Co.	18	16	148,100,000	140,810,000	5.2	1,700	1,630	4.3	87,118	86,387
HSBC Gibbs Holdings Ltd.	19	—	141,073,200 [1]	121,028,000 [1]	16.6	1,635	1,314	24.4	86,283	92,107
CECAR	20	19	138,288,000 [4]	110,410,000 [4]	25.2	900	699	28.8	153,653	157,954
TOTAL/AVERAGES			$14,126,630,562	$13,007,757,599	8.6%	126,787	125,325	1.2%	$111,420	$103,792

[1] British pound=$1.578 (1995), $1.532 (1994) [2] Fiscal year ending 3/31: British pound=$1.566 (1996), $1.555 (1995) [3] German mark=$0.698 (1995), $0.616 (1994) [4] French franc=$0.201 (1995), $0.181 (1994) [5] Fiscal year ending 3/31: South African rand=$0.271 (1996), $0.28 (1995) [6] Dutch guilder=$0.623 (1995), $0.550 (1994) [7] Restated

Source: BI survey

GRAPHIC BY JOHN HALL



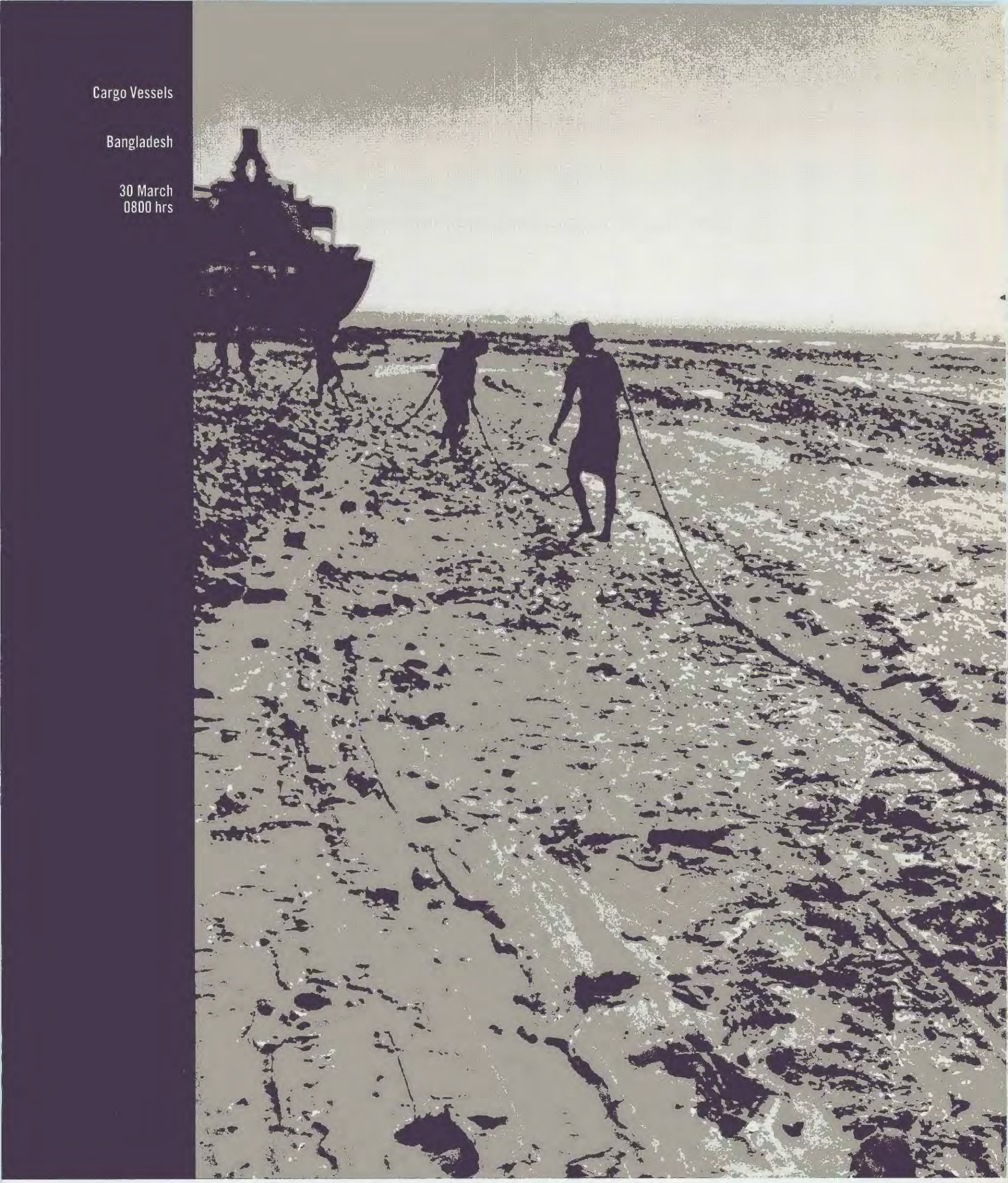
VOLATILE COMMODITY MARKETS AND SHAREHOLDER LAWSUITS.

In fact, AIG is the only worldwide insurance and financial organization with a broad range of customized services to manage all your business risks and preserve shareholder value. Services like economic assessment, loss control and engineering, and political risk coverage. And we've got the top financial ratings to back us up. So we'll be there when you need us. And possibly keep your business afloat.

AIG

WORLD LEADERS IN INSURANCE AND FINANCIAL SERVICES

American International Group, Inc., Dept. A, 70 Pine Street, New York, NY 10270



SOME SEE STRANDED SHIPS. WE SEE IDLE ASSEMBLY LINES,

If AIG helps protect you against risk better than others, it's because we understand more kinds of risk.

Threats to a healthy bottom line can come from many directions. The key to global risk management is a partner that sees beyond the obvious. What AIG offers is expertise not only in insurance, but in managing total marketplace risk, garnered during 75 years of international operation. With offices in approximately 130 countries and jurisdictions throughout the world, AIG has an unmatched knowledge of local conditions and regulations.

NEWSPAPER

JULY 22, 1996

Business Insurance®

Reporting Weekly on Corporate Risk, Employee Benefit and Managed Health Care News / $4

© Entire contents copyright 1996 by Crain Communications Inc. All rights reserved

Updates

First-half catastrophe losses second-highest on record

RAHWAY, N.J.—The first six months of 1996 marked the second-costliest such period on record, with an estimated $4.2 billion in insured property damages, according to the Property Claim Services division of New York-based American Insurance Services Group Inc.

Only the first half of 1994, which included the Northridge earthquake among its $15.5 billion in insured property damages, was costlier than the first half of 1996.

This year also will go on record with 23

See **Updates** *on next page*

TWA insured for claims from crash

By MICHAEL SCHACHNER

NEW YORK—Trans World Airlines has $500 million of all-risk hull and liability coverage for claims arising from the crash of a 747 jumbo jet last Wednesday, which killed all 230 passengers and crew on board.

TWA's ultimate liability will depend on the cause of the crash, which as of last week had not been determined, though it was suggested to be the work of terrorists.

Even if the cause of the crash is found to have been caused by a bomb, one plaintiffs attorney last week noted that Pan American World Airways Inc. had been found negligent for failing to detect the bomb that blew up Flight 103 over Lockerbie, Scotland, in 1988.

TWA Flight 800, which was en route to the Charles de Gaulle Airport in Paris from New York's John F. Kennedy International Airport, exploded in a fireball and crashed into the Atlantic Ocean off Long Island only 29 minutes after taking off on the evening of July 17.

Although federal and local authorities as of Friday had not determined exactly what caused the 25-year-old jet to crash, a bomb or some sort of other explosion, possibly even a surface-to-air missile, is suspected as the cause of the downing.

The National Transportation Safety Board, which is generally responsible for looking into air crashes and determining their cause, was leading the investigation of the crash site late last week. But if it is determined that sabotage was involved, the Federal Bureau of Investigation, which has already assigned more than 100 agents to the case, will immediately take jurisdiction over the investigation.





U.S. Coast Guard vessels, below, searched in vain last week for survivors of TWA Flight 800, which exploded and crashed off the coast of Long Island last Wednesday.

AP/WORLD WIDE PHOTO

The NTSB last week was working with the FBI and other law enforcement agencies to retrieve wreckage from the downed plane, including the aircraft's two "black box" flight data recorders.

As of Friday, the NTSB and FBI were refraining from labeling the crash a terrorist attack, but the likelihood that a plane with no history of serious mechanical problems could explode on its own is very slim, agency officials acknowledged. On Friday, the FBI set up a toll-free number seeking information on possible criminal activity.

See **TWA** *on page 112*

The loss of TWA Flight 800 is not expected to increase aviation insurance rates .....Page 112

Lloyd's R&R funding wins vote of support

By SARAH GODDARD

LONDON—Support for Lloyd's of London's ambitious reconstruction and renewal plan is running high among its members, boding well for the success of the plan and the launch of reinsurer Equitas Ltd. later this summer.

In the first formal vote of the membership at side meetings to last week's annual general meeting, a landslide number of names—more than 90%—underwriting on each of the 1993, 1994 and 1995 years of account opted to contribute 1.5% of their premium limits for those years to help fund the market's recovery program.



Lloyd's Chairman David Rowland, right, and Chief Executive Ron Sandler addressed questions at the meeting.

This decision puts £440 million ($680 million) into the plan's coffers, in addition to the £246 million ($380 million) profit from the sale of Lloyd's publishing subsidiary L.L.P. Ltd. and its flagship headquarters on Lime Street (*BI*, Feb. 12). Lloyd's also has plans to mortgage its other central London site, its former headquarters also on Lime Street, for about £25 million ($38.6 million).

The main meeting last Monday, Lloyd's annual general meeting, proved a more subdued affair than in previous years, though more than 3,000 members made the journey to London's Royal Festival Hall to hear about R&R progress and to air their views.

Lloyd's Chairman David Rowland used the meeting to announce the improvement of the settlement package by an additional £100 million ($154.6 million), bringing the total to £3.2 billion ($4.95 billion).

Part of the extra money will be used to reduce the threat of litigation by U.S. state securities regulators.

Late the previous week, Lloyd's entered a conditional agreement with the North American Securities Administrators Assn. to resolve state securities disputes. That agreement includes providing an extra £40 million ($61.8 million) in settlement funds for U.S. names, which will be used to offset the names' liabilities.

In return, state securities administrators accepting the agreement promised not to pursue any action in their states that would threaten

See **Lloyd's** *on page 111*

IIE sees its troubles as opportunity

By MEG FLETCHER

CHICAGO—The Illinois Insurance Exchange expects to survive the first syndicate liquidation in its 14-year history, but only as a leaner and meaner market for surplus lines risks.

The IIE will trigger its guaranty fund to cover claims from the insolvent syndicate—and also try to maintain its customer base and rebuild its reputation in light of negative publicity—under the watchful eyes of state insurance regulators and the insurance industry.

Coincidentally, the Illinois Insurance Department is conducting a routine examination of the exchange, according to James M. Skelton, the IIE's president and chief executive officer. He expects a copy of the exam report soon, though an Insurance Department official declined to comment.

The IIE's newest challenge stems from a Cook County Circuit Court's July 11 ruling that Geneva Assurance Syndicate Inc. is insolvent by $4.5 million and should be placed in liquidation (*BI*, July 15).

"There will be some rough sledding for us, but it is an opportunity," Mr. Skelton said.

The IIE as a market ranked fifth among U.S.-based surplus lines insurers in 1995, with a record $294.65 million in gross premiums in 1994 (*BI*, Sept. 11, 1995).

However, the 1995 withdrawal of the now-insolvent Geneva Assurance Syndicate Inc. and its merger partner Classic Syndicate Inc. dropped the IIE's gross premium writings for that year to $172.5 million (see chart, page 109). In the first quarter of this year, IIE syndicates together wrote $45.9 million.

The Geneva liquidation will be the first test of the IIE's prefunded $35 million guaranty fund,

See **Syndicate** *on page 109*

Alpine Insurance Co. is still battling California insurance regulators ..... Page 109

Regulators target benefit trust

Plan sponsor sues over unpaid claims

By DOUGLAS McLEOD

NOVATO, Calif.—In late 1994, the Texas Pharmacy Assn. thought it had found a creative health benefit plan to offer its 3,000 members: a single-employer trust arrangement supervised by Thorndyke International Inc., a California administrator.

Nearly two years later, the plan doesn't look so good. Association members have allegedly been stuck with more than $750,000 in unpaid claims, and the group is suing Thorndyke and others to recover the losses.

The Texas pharmacists aren't alone in their experience with Thorndyke, and the problems are attracting regulatory attention. Despite having sold plans to more than 550 employers in the last year, Thorndyke has not set up any of the trusts required to fund benefits, the Illinois Insurance Department found.

And because the trusts haven't been set up, a Delaware insurer that agreed to provide stop-loss coverage for the plans has not yet issued any policies, despite receiving premiums, a lawyer for the insurer confirmed.

The Illinois department issued a cease and desist order in May against Novato-based Thorndyke, its president and several others. Regulators in at least three other states are also investigating.

Some of those involved in operating the Thorndyke plans are no strangers to legal trouble.

John B. Hyde, Thorndyke's president, filed for personal bankruptcy in 1988 and was hit by the bankruptcy court with a $1.8 million judgment for defrauding an Arizona life insurer, court records show.

Officials of two firms that provide claims administration and

See **Trusts** *on page 110*

Updates

First-half cats total $4.2 billion

Continued from previous page
catastrophic events in the first half, second only to the first half of 1991, with 27.

Hurricane Bertha, which brushed by the Caribbean islands and Leeward Islands and then bashed the Atlantic coastline earlier this month, is the first catastrophe on record for the second half of 1996.

The Insurance Information Institute estimates the Category 2 storm caused $194 million in insured property damage in the continental United States.

Risk Management Solutions Inc. estimates the storm caused $300 million to $500 million in losses in the continental United States, including commercial and residential property and business interruption claims.

Sources in Puerto Rico and the Leeward Islands reported little damage from Hurricane Bertha, which swirled through the Caribbean at her greatest strength two weeks ago (*BI*, July 15).

While no insured property damage estimate is yet available for North Carolina, which received Bertha's brunt, the fleeing of 250,000 vacationers from the North Carolina coastline days before the storm made landfall resulted in about $30 million in lost tourism revenues, a spokeswoman at the North Carolina Division of Travel & Tourism said.

And the North Carolina Agricultural Department said Hurricane Bertha caused an additional estimated $155 million in damage to the state's Southeastern farming community. A spokesman said the losses primarily affected tobacco, corn, cotton and soybean crops, and that most of the losses are covered by the federal crop insurance program.

Effort on to save portability bill

WASHINGTON—With time ticking away, congressional negotiators and their staffs are floating new proposals involving medical savings accounts in an 11th-hour effort to salvage a popular health care portability bill.

The latest proposals—floated by Senate Democrats—would cap at 750,000 the number of people who could participate in tax-favored MSAs during a four-year experimental period. After that, Congress would decide whether or not to expand MSAs.

But several key Republican leaders oppose such a cap and believe it might be unconstitutional, said Jack Strayer, director of federal affairs at the Council for Affordable Health Insurance, a pro-MSA insurer group in Alexandria, Va.

Meanwhile, business groups warn they will actively oppose the legislation if yet another proposal, this one involving mental health care benefits parity, is accepted in a final version of the legislation. Under that proposal, advanced by Sen. Pete Domenici, R-N.M., health care plans would be barred from setting lower annual or lifetime limits for mental health care expenses than they impose for physical illness.

Congressional conferees have yet to formally meet to iron out differences in the health care portability bills earlier passed by the House and Senate. Both bills would curb the ability of health care plans to deny coverage for pre-existing medical conditions.

Two states pass MSA laws

COLUMBUS, Ohio—Beginning next year, Ohio employers will be able to make annual tax-deductible contributions to employees' medical savings accounts under legislation signed this month by Gov. George Voinovich.

Under the measure, employers can contribute up to $3,000 for an employee with single coverage and $6,000 for a married couple regardless of the number of additional dependents.

Employer contributions to MSAs and interest earned on those contributions would be exempt from Ohio state taxes as long as the contributions were used to pay for uncovered health care expenses.

In another MSA development, Wisconsin Gov. Tommy Thompson last month signed legislation giving MSAs favorable state tax treatment. Employers could contribute up to $2,000 for employees opting for individual coverage, $4,000 for married couples, plus $1,000 for each additional dependent without those contributions being added to employees' taxable income.

The Wisconsin law goes into effect on Jan. 1, 1997, or whenever Congress passes legislation giving MSA contributions favorable federal tax treatment, whichever is later.

Natural disaster bill debated

WASHINGTON—Backers of a bill designed to make natural disaster insurance more available are pushing to get the measure to the Senate floor despite opposition by the Clinton administration.

That decision came after Sen. Ted Stevens, R-Alaska, threatened to suspend a hearing on S. 1043, the Natural Disaster Protection and Insurance Act, in exasperation after Deputy Treasury Secretary Lawrence Summers outlined White House objections to the measure.

S. 1043, a scaled-back version of an earlier measure, would permit, among other things, the creation of a national reinsurance pool that would respond to a catastrophic natural disaster (*BI*, June 17).

Sen. Stevens, the chief GOP sponsor of the measure, said he was "stunned" by the opposition, some of which centered on the proposed auction of excess-of-loss contracts to increase catastrophe insurance capacity. The administration initially suggested such an auction, but Mr. Summers said the White House decided it needed more work. He also voiced concerns about giving reinsurers broader exemption from antitrust laws, what he regarded as inadequate mitigation provisions and the creation of a federal role in setting some insurance rates.

"I can appreciate your caution," said Sen. Daniel Inouye, D-Hawaii, the measure's chief Democratic sponsor. But he stressed that an earlier

See **Updates** *on page 110*

Do plans measure up?

NCQA offers new tools to compare managed care plans

By ROBERT KAZEL

WASHINGTON—Employers will have a much more accurate and comprehensive way to compare managed health care plans starting next year under a proposed revision of performance measures released last week by the National Committee for Quality Assurance, according to the drafters of the proposal.

But the revamped measurement tool may not go far enough in tracking plan outcomes—patients' improvement after treatment—to satisfy all plan sponsors.

The Washington-based NCQA, a non-profit consortium of public and private insurance buyers and health plans formed in 1990, unveiled the newest version of its managed care measures with assurances that they go a long way to reliably gauge health treatment outcomes—long a desire of employers who have lobbied for a more results-oriented approach to the evaluation of health maintenance organizations.

"The measures are much more sophisticated, much more precise and they are based on science and evidence," said Helen Darling, manager of health care strategy and programs at Stamford, Conn.-based Xerox Corp. and co-chairperson of an NCQA committee that has developed the revision over the past year.

The committee's measurement system, called Health Plan Employer Data and Information Set, or HEDIS, is intended to serve as

See **NCQA** *on page 108*

N.Y. reforms offer savings for employers on health bills

By JERRY GEISEL

ALBANY, N.Y.—Group health care costs in New York, which rank well above the national average, could moderate under a new law that will deregulate hospital rates.

Effective Jan. 1, New York's 13-year-old rate-setting system, under which hospital rates are fixed by the state based on a patient's diagnosis, will come to an end.

Instead, insurers, preferred provider organizations and self-insured employers will be able to directly negotiate rates with hospitals. Currently, only health maintenance organizations can negotiate rates with hospitals.

The new law—known as the Health Care Reform Act of 1996—also scraps a 13% surcharge on hospital bills that all payers—except Blue Cross & Blue Shield plans and HMOs with a high percentage of Medicaid patients—were assessed. In its place is a new 8.18% surcharge, which covers both inpatient and outpatient hospital bills as well as free-standing laboratories and ambulatory surgery centers.

Opening up hospital rates to negotiation will inject new competition into the New York

See **Reform** *on page 104*

California protocols for comp care assailed

Payers fear erosion of cost controls

By ROBERTO CENICEROS

SAN FRANCISCO—Proposed protocols for treating work-related back injuries in California could cost employers millions of dollars while thwarting cost-containment advances, insurers and employers warn.

They contend the protocols being developed by California's Industrial Medical Council would allow treatment to go on for too long before being reviewed for appropriateness or effectiveness. Other protocols, such as those adopted by many self-insured employers, workers compensation insurers and the federal Agency for Health Care Policy Research, call for peer review and medical management much sooner, which payers say is crucial to holding down costs.

In addition, the IMC protocols would allow some treatments whose effectiveness has not been verified, one group contends.

"The effect could be to undermine a lot of the managed care efforts that are under way right now, because it would allow so much utilization," a spokesman for San Francisco-based California Workers' Com-

See **Protocols** *on page 104*

Suits target products used to harm

Terrorism on trial

By JOANNE WOJCIK

OKLAHOMA CITY—If you can't legislate terrorism out of existence, why not use the courts to try to prevent it?

That seems to be the tactic employed by plaintiffs lawyers who brought a civil suit against the suppliers of ammonium nitrate fertilizer used in last year's bombing of the Oklahoma City federal building, seeking unspecified damages for the harm caused by their product.

While the first named defendant—Dallas-based ICI Explosives USA Inc.—was dismissed from the suit July 2, the team of plaintiffs lawyers led by Johnnie Cochran, the Los Angeles attorney who won notoriety for his role in successfully defending O.J. Simpson against murder charges, is preparing to appeal.

Still named in the suit, however, are ICI's parent company, Imperial Chemical Industries P.L.C. of London, and related companies ICI Canada Inc. of Toronto and ICI America Inc. of Wilmington, Del.

If plaintiffs lawyers are successful in bringing the fertilizer case to trial, it could trigger even

See **Litigate** *on page 112*

Inside

- Brokers and buyers should move more toward fee-based insurance services, this week's editorial says. **PAGE 8**
- Texas officials are investigating an oil rig explosion in Dime Box. **PAGE 110**

Top 20 broker profiles

ABN-AMRO Verzekeringen B.V. 64
Acordia Inc. 35
Alexander & Alexander Services Inc. 24
Aon Group Inc. 21
Bain Hogg Group P.L.C. 44
CECAR 69
Forbes Financial Services Group (Pty.) Ltd. 60
Arthur J. Gallagher & Co. 36
Gras Savoye S.A. 54
HSBC Gibbs Holdings Ltd. 67
C.E. Heath P.L.C. 48
Hilb, Rogal & Hamilton Co. 66
Jauch & Huebener KGaA 50
JIB Group P.L.C. 40
Johnson & Higgins 30
Lowndes Lambert Group Holdings P.L.C. 63
Marsh & McLennan Cos. Inc. 14
Minet Group 37
Sedgwick Group P.L.C. 22
Willis Corroon Group P.L.C. 26

Departments

Advertiser Index 93
Classifieds 106
Directory of Agents & Brokers 71
Insurance Services Guide 107
International 105
Letters 8
Markets 108
Opinions 8
Reader Reply Service 93
Ticker 111

Business Insurance (ISSN 0007-6864) Vol. 30, No. 30, is published weekly by Crain Communications Inc., 740 N. Rush St., Chicago, Ill. 60611-2590. Periodicals postage is paid at Chicago and at additional mailing offices. POSTMASTER: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207. $4 a copy and $85 a year in U.S. $105 in Canada and Mexico (includes GST). All other countries $205 a year (includes expedited air delivery). Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0293512, GST No. 136760444. Printed in U.S.A. Copyright 1996 by Crain Communications Inc.

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	1995 U.S. revenues
1. Marsh & McLennan & Cos. Inc.	$2,409,657,200 [1]
2. Aon Group Inc.	1,173,690,000
3. Johnson & Higgins	858,581,100
4. Sedgwick Group P.L.C.	632,060,010 [2]
5. Alexander & Alexander Services Inc.	602,728,000
6. Willis Corroon Group P.L.C.	574,612,920 [2]
7. Acordia Inc.	553,953,872
8. Arthur J. Gallagher & Co.	370,798,200
9. Minet Group	215,127,800
10. Hilb, Rogal & Hamilton Co.	146,619,000
11. JIB Group P.L.C.	133,120,080 [2]
12. Poe & Brown Inc.	106,365,000
13. USI Insurance Services Corp.	78,400,000
14. Lockton Cos.	70,609,000
15. American Phoenix Corp.	63,818,000
16. Norwest Insurance Inc.	63,500,000
17. Near North Insurance Brokerage Inc.	58,000,000
18. Kaye Group Inc.	51,375,000
19. McGriff, Seibels & Williams Inc.	50,493,745
20. Frank Crystal & Co. Inc.	40,076,200
21. Palmer & Cay Inc.	37,909,141
22. Keenan & Associates	37,700,000
23. John L. Wortham & Son L.L.P.	37,489,000
24. Meadowbrook Insurance Group	33,875,192
25. Frenkel & Co. Inc.	33,756,000
26. Talbot Financial Corp.	32,938,000
27. NIA/Kornreich Group of Cos.	32,409,000
28. Lowndes Lambert Group Holdings P.L.C.	32,287,475 [2,3]
29. Healthcare Insurance Services Inc.	31,364,541
30. Alburger Basso de Grosz Insurance Services Inc.	31,007,000 [4]
31. Robert F. Driver Co. Inc.	27,600,000 [5]
32. C.E. Heath P.L.C.	27,299,793 [2,3]
33. Hobbs Group Inc.	25,443,000
34. Bollinger Fowler Co.	25,165,000
35. Marshall & Sterling Enterprises Inc.	24,614,831
36. Meeker Sharkey Financial Group Inc.	22,997,660
37. Rebsamen Insurance Inc.	21,398,946
38. J. Smith Lanier & Co. Inc.	21,279,897
39. Insurance Management Associates Inc.	20,558,536
40. Andreini & Co.	20,220,000
41. Tanenbaum-Harber Co. Inc.	19,701,000
42. First Chicago NBD	19,387,127
43. Holmes, Murphy & Associates Inc.	18,890,689 [6]
44. Calco Insurance Brokers & Agents Inc.	18,810,000
45. Mesirow Insurance Services Inc.	18,064,633
46. Timberline Insurance Managers Inc.	17,818,385
47. Lawrence Agency Corp.	17,684,083
48. The Graham Co.	17,433,000
49. The Cal-Surance Cos.	17,183,366
50. Hastings-Tapley Insurance Agency Inc.	16,633,222 [6]
51. Van Gilder Insurance Corp.	16,282,000
52. BWD Group Ltd.	15,776,720
53. Saldana & Associates Inc.	15,727,000
54. The Daniel & Henry Co.	15,387,000
55. Cameron M. Harris & Co.	14,920,129
56. Hylant-MacLean Group	14,798,000
57. Associated Agencies Inc.	14,500,000
58. The BGS&G Cos.	13,762,468
59. Bain Hogg Group	13,493,022 [2]
60. Anderson & Anderson Insurance Brokers Inc.	13,129,000
61. Kelter-Thorner Inc.	13,110,000
62. The James B. Oswald Co.	13,100,000
63. Anco Insurance Managers Inc.	13,051,436
64. Allied Coverage Corp.	13,000,000 [3]
65. Van Beurden Insurance Services Inc.	12,871,031
66. Insurance & Risk Management	12,810,000
67. Henderson & Phillips Insurance	12,682,774
68. Parker, Smith & Feek Inc.	12,191,000 [7]
69. UVW/Elizabeth Group	11,986,920
70. Fringe Benefits Management Co.	11,807,339
71. MLW Services Inc.	11,800,050
72. Silver Stone Group	11,725,000
73. Lawley Service Inc.	11,565,610 [6]
74. Proctor Homer Warren Inc.	11,400,000
75. Dann Brothers Inc.	10,951,000
76. The Loomis Co.	10,901,000
77. Berwanger Overmyer Associates	10,683,487
78. Gow & Hanna Inc.	10,683,000
79. The Pilgrim Organization	10,623,242
80. Fred A. Moreton & Co.	10,596,975
81. R.C. Knox & Co. Inc.	10,592,375
82. Starkweather & Shepley Inc.	10,300,000
The Tribus Cos.	10,300,000 [3]
84. Daniel James Insurance	10,292,700
85. John Burnham & Co.	10,285,480
86. Haas & Wilkerson Inc.	10,274,220
87. Robertson-Ryan & Associates	10,226,520
88. Hibbs-Hallmark & Co.	10,214,055
89. Anchor Pacific Underwriters Inc.	10,200,000
90. The Mathog & Moniello Cos. Inc.	10,167,000 [9]
91. Charles L. Crane Agency Co.	10,145,673
92. Clair Odell Group	10,138,466
93. Lovitt & Touche Inc.	10,134,720
94. McCay Corp.	10,066,000
95. Richard N. Goldman & Co.	10,000,000
96. Capax Management & Insurance Services	9,790,083
97. Mack & Parker Inc.	9,740,000
98. Seitlin & Co.	9,730,000
99. CECAR	9,680,160
100. Bolton/RGV Insurance Brokers	9,680,000
TOTAL	$9,599,776,299

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

Source: *BI survey*

GRAPHIC BY TONY BUCCINI

Brokers see change, but also more of same

By DAVE LENCKUS

Fueled by the need for more sophisticated services by risk managers at both large and mid-sized companies, consolidation of the insurance broker industry will continue—gobbling up even some of the largest U.S. brokers.

At the same time, brokers also are attempting to beef up revenues, which are under pressure from lower commissions and increased demands from risk managers for fee-based products. Brokers are jumping headlong into disparate areas that promise strong revenue growth, like employee benefits.

That was then—*and* that is now.

While that overview of the insurance broker industry sums up a few of the most significant industry forces at work today, it was part of the conclusions a securities analyst reached about the broker industry in a study released in 1972, the first year that *Business Insurance* profiled property/casualty insurance brokers, based on their 1971 results.

As predicted, the industry has gone through some dramatic changes in the last 25 years. Consider:

- In 1971, the $151 million of revenues that Marsh & McLennan Inc. reported topped all other U.S. brokers. A broker with that much in revenue today would not crack the top 10 among the largest brokers of U.S. business, though it would make it into the ranking of the world's 20 largest brokers at No. 18.
- Revenues per employee among the top 15 U.S. brokers in 1971 ranged from $21,000 to $33,000. Among the world's 20 largest broker in 1995, the average was $111,420, a 7.3% increase from $103,792 the year before.
- Only four of the top 15 U.S. brokers in 1971 still ranked among the top 100 brokers of U.S. business in 1995. Many of those big names of the past—like Frank B. Hall & Co. Inc., Fred S. James & Co. Inc., Corroon & Black Co. and Bayly, Martin & Fay Inc.— are no longer around because they were consumed in consolidations during the past decade.
- Risk managers today can turn to their brokers not only for placing insurance and administering self-funded programs, but also for risk management consulting services and financial management expertise.

But, the more things change, the more they stay the same. In this 25th annual Agent/Broker Profiles issue, the top brass at the world's top brokers stress the new direction in services that they are taking.

To bolster revenues in what many executives now call "the market," omitting "soft" as a redundancy, brokers are turning their attention to mid-sized clients and are offering products and financial services that they hope differentiate themselves from other brokers.

And, in hopes of running more efficiently, many brokers are reorganizing and investing huge sums in technology.

To reinvent themselves in a hurry—as well as to quickly bolster revenue—many brokers are acquiring other brokers that may have the needed expertise but lack the capital to reshape their own operations. Broker values still are far better than they were four years ago, though public brokers' values gained steadily over the past two years.

As a whole, the world's Top 20 brokers have generated a stable growth rate over the past two years employing those strategies.

In 1995, gross revenues grew a respectable 8.6%, down only slightly from an 8.7% increase in 1994 but far better than the lackluster 2.3% and 4.5% increases of the previous two years, respectively.

More Top 20 brokers last year hit or exceeded the industry's revenue growth average. While only seven brokers bettered the group's average in 1994, 11 did so last year.

And, while three brokers reported revenue declines in 1994, two did last year. But, revenues for one of those two brokers, Alexander & Alexander Services Inc., slid only because the broker sold some operations.

Among all 240 brokers listed in this year's directory—including the Top 20—total gross revenues were up 9% in 1995, compared with the 8.6% increase they reported a year earlier.

The impetus behind today's brokerage industry's gyrations are different and more profound than they were 25 years ago.

In 1971, brokers' revenues were being squeezed in a vise: Inflation was driving some insurance buyers to look for alternative risk financing, and insurers' were cutting brokers' commission rates.

Today, brokers' revenues are being hammered by rate competition among insurers—a market condition that is spreading worldwide. German property rates, for example, fell 40% to 50% last year after the collapse of semi-cartel insurance consortiums that historically had dictated property rates for large risks.

For brokers, the ongoing soft market is "a threat right at the jugular, I think," said John L. Ward, chief executive officer of Ward Financial Group, a Cincinnati-based management consultant.

And, barring congressional action, brokers likely will face stiffer competition from banks, as well as other financial services companies, after the U.S. Supreme Court decided that nationally chartered banks can sell insurance nationwide from small towns (*BI*, April 1).

At the same time that brokers' margins are under pressure, commercial insurance buyers increasingly are requiring their brokers to go through the expensive process of rebidding for their business to ensure the brokers are providing the best price and services.

To ease the drag on revenues from both soft rates and the expected additional competition from banks and other financial services providers, U.S.- and foreign-based brokers have set their sights on the middle market.

"The Fortune 1,000—there are a small number of them," observed Bernard H. Mizel, chairman and chief executive officer of fast-growing USI Insurance Services Corp. "The big market is really the middle market."

Two-year-old USI jumped 66 places in *BI*'s annual list of the 100 largest brokers of U.S. business to No. 13 last year by buying brokers that focus on mid-sized accounts and offering those accounts a variety of services.

Even brokers that traditionally have catered to that group are developing new products and services to build on what they have.

For example, Arthur J. Gallagher & Co.'s new middle-market captive services division last year helped roughly two dozen mid-sized companies—most with heterogeneous risks—establish three group captives.



While the soft market makes such products tougher to sell, middle-market accounts are beginning to look beyond the price of coverage to the entire cost of processing claims, said J. Patrick Gallagher, president and CEO.

Today, mid-market accounts are asking the same questions large accounts asked 15 years ago: Why are they buying coverage retail and where are their services? Mr. Gallagher said.

Brokers also are looking beyond providing traditional insurance and risk management services to clients. Many offer or plan to provide various financial services, a move that could give brokers a more level field on which to compete with financial services companies.

"We're in the business to help build, fix and protect balance sheets," said Frank G. Zarb, A&A's chairman, president and CEO. "We're not an insurance-selling company."

Unlike 10 years ago, "The industry today is a service industry," and selling insurance is just one service brokers provide, said Patrick G. Ryan, chairman and CEO of Aon Group Inc.

Clients increasingly want to integrate services for various exposures, like health care, workers compensation and disability,

See **Brokers** *on next page*

Brokers

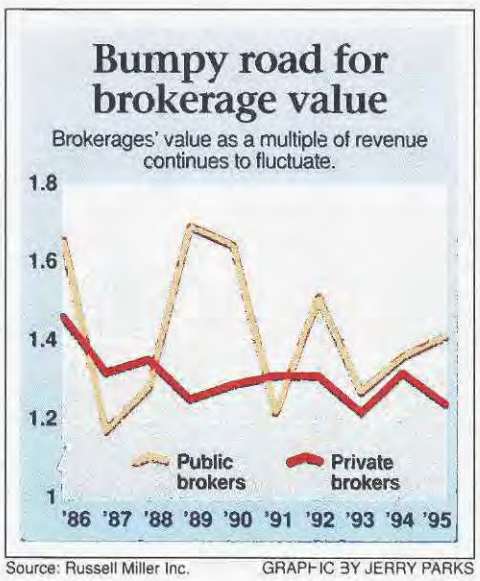
Continued from previous page
observed Quill O. Healey, head of Sedgwick Group P.L.C.'s North American retail operations and chairman and CEO of Sedgwick James Inc., Sedgwick's U.S. retail broker operation.

"They don't want to go and talk to four different people with four different (broker units) that are fighting each other all the time as to who's going to get the revenue," he said.

"The degree of sophistication required in the broker industry to continue to do business and serve clients" is one of the most significant changes in the industry over the past quarter century, asserted Bill Weiland, president of Hales & Associates Inc. of Westchester, Ill., an agency management consultant.

That is especially true with mid-sized clients, USI's Mr. Mizel observed. Risk managers for those companies often are financial officers with several other responsibilities, he said. "The more they can consolidate at one source, it is a big added value to a company with under 500 employees."

Aon executives point to the broker's interdependence—the concept of bringing two or more Aon units together to solve a client's problem—as a value added for clients. For example, Aon's new Aon Employment Risk Alliance combines the services and expertise of Aon's retail broker and employee benefits units to offer solutions to employment needs like developing return-to-work programs, training disabled employees and developing retirement plans.



Source: Russell Miller Inc. GRAPHIC BY JERRY PARKS

A&A, which has entered joint ventures with two securities brokers, is experimenting with combining investment banking and risk transfer services to clients to cover their various exposures, Mr. Zarb explained.

"This is only the tip of the iceberg," said Mr. Zarb, the former chairman of investment bank Smith Barney.

Employers have begun to see Jauch & Huebener KGaA's services as a means to reduce cost, said Christian Dahms, one of the broker's six partners. "We were successful in educating our people to be consultants first and then a broker. We created new products. . .and gained new clients."

HSBC Gibbs Holdings Ltd., which is in the Top 20 list for the first time, is developing an initiative to provide small companies with financial planning services on matters ranging from tax liabilities to investment decisions.

Brokers also see additional opportunities in Europe as governments privatize their health care and workers compensation systems.

For example, "The (Dutch) government is shifting social security responsibilities to employers and private individuals, and it's creating great business opportunities for us," noted Jan F. Haverkort, senior vp and director of commercial lines for ABN-AMRO Verzekeringen B.V.

Targeting the middle-market and offering new products and services are just two of the avenues brokers are heading down to drive up revenues.

Many also are joining networks in an effort to deliver their goods to more clients more efficiently.

The world's six largest brokers have joined forces to develop a global electronic network that is not yet operational. When it is, the World Insurance Network will allow any subscribing brokers and insurers worldwide to exchange underwriting and claims information electronically (*BI*, Nov. 6, 1995).

"The industry needs to change the way we do business," said Dennis L. Mahoney, chairman and CEO of Alexander Howden Group, A&A's reinsurance and specialty lines unit, and also current chairman of WIN. "There is a huge amount of expense we can take out of the business."

Meanwhile, Acordia Inc., Dale-Parizeau Inc. of Montreal, Bain Hogg Group of London, Inchcape Insurance Services of Hong Kong, Paris-based CECAR; and Boels & Begault of Brussels, Belgium, have joined forces through a proprietary risk management information system so they can serve multinational clients better.

The ExcelNet network, modeled after Johnson & Higgins' long-running UNISON network, allows the six to provide one another reciprocal services in 243 offices in 70 countries (*BI*, Sept. 11, 1995).

Hilb, Rogal & Hamilton Co. has not joined such a network, but it is reorganizing so that its confederation of small, independent insurance agency offices—many of which came to the broker through acquisitions—can draw on each other's strengths to meet clients' needs.

Many other brokers also are reorganizing in an effort to run more
See **Brokers** *on page 6*

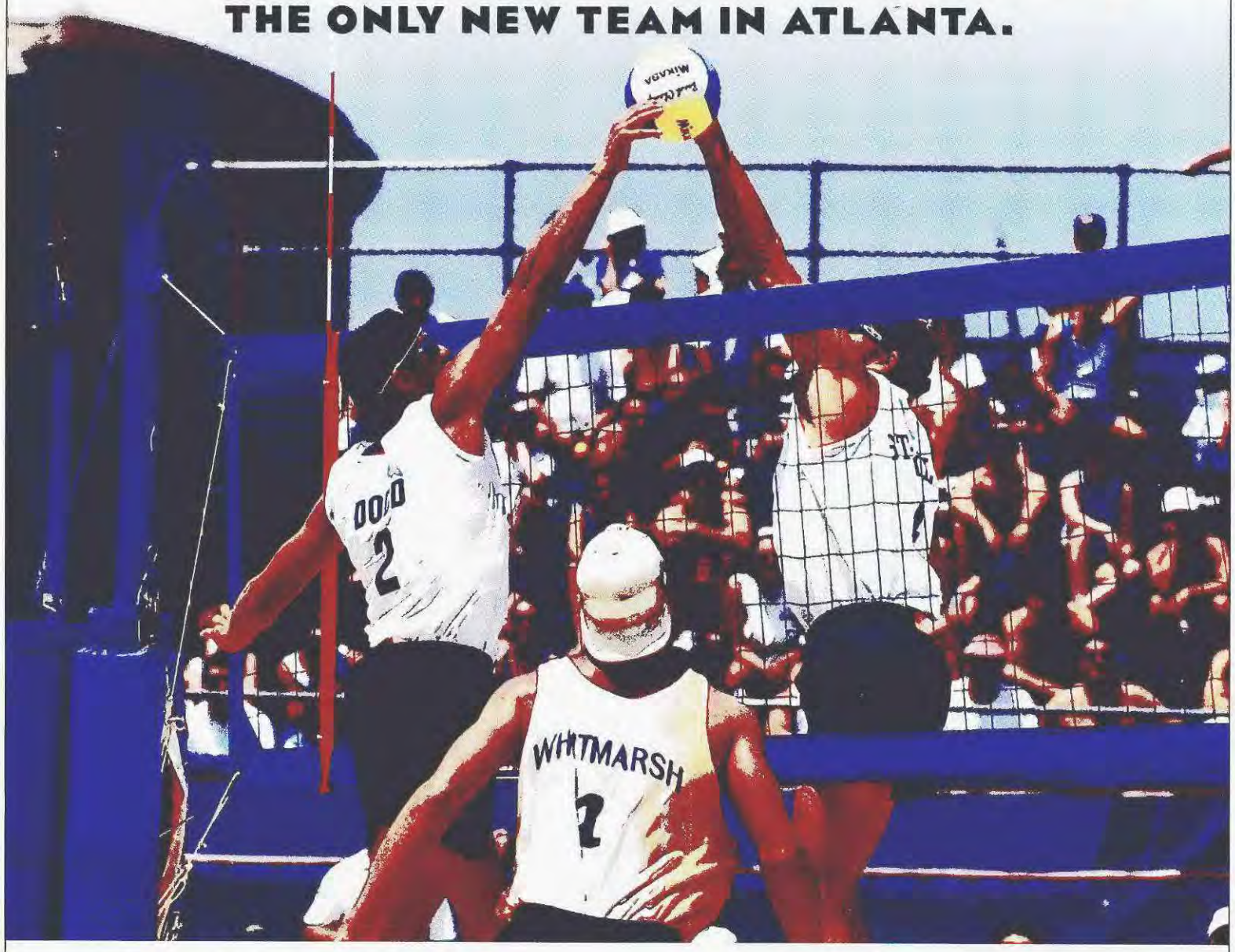
Top 20 brokers' revenue growth or loss in home currency

Broker	1995 revenue growth
1. Forbes Financial[1]	33.2%
2. Aon Group	19.6
3. Acordia Inc.	19.0
4. HSBC Gibbs	13.2
5. ABN-AMRO	13.1
6. CECAR	12.8
7. Arthur J. Gallagher	12.1
8. Gras Savoye	10.2
9. Marsh & McLennan	9.9
10. C.E. Heath[1]	8.6
11. Johnson & Higgins	7.3
12. Minet Group	6.7
13. Lowndes Lambert[1]	6.0
14. Hilb, Rogal & Hamilton	5.2
15. Bain Hogg	2.8
16. Sedgwick	0.0
17. Willis Corroon Group	-0.5
18. Jauch & Huebener	-1.3
19. Alexander & Alexander	-3.1[2]
20. JIB Group	-5.0

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

GRAPHIC BY JOHN HALL

THE U.S. BEACH VOLLEYBALL TEAM OF MIKE WHITMARSH AND MIKE DODD WON'T BE THE ONLY NEW TEAM IN ATLANTA.



When Bob Bridges, the Risk Manager for **Randstad Staffing Services**, faced the challenge of handling workers' comp claims arising from 20,000 Olympic employees during the games, he asked **Ward-THG** to tailor a responsive program.

More and more risk managers are calling our team of professionals for Third Party Administration, Field Adjusting and Specialty Risk Services. For the best in claims services, call Ward-THG at (800) 274-9844.

In Association With
Thomas Howell Group

P.S. Good luck to Mike and Mike.
Bring home The Gold!

Ward-THG
Claims Adjusters & Administrators

A step ladder tips over.

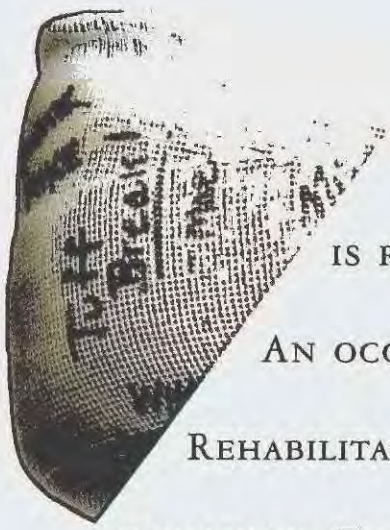
CAUSING A FALL. THE INJURED EMPLOYEE RECEIVES EMERGENCY CARE AS THE ACCIDENT IS REPORTED TO A REGISTERED NURSE.

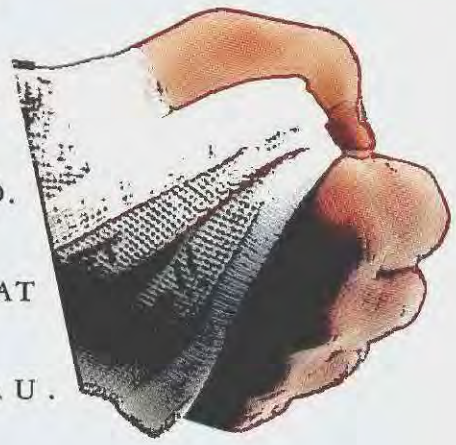
AN OCCUPATIONAL SPECIALIST IS SELECTED.

REHABILITATION AND RETURN-TO-WORK PROGRAMS DEVELOPED. THE EMPLOYEE RETURNS TO WORK SOONER.

LOSS COSTS LOWERED, LITIGATION MINIMIZED.

THANKS TO THE EXPERTS AT WAUSAU.





The business insurance experts. WAUSAU

WAUSAU INSURANCE COMPANIES • 2000 WESTWOOD DR., WAUSAU, WI 54401 • 1-800-320-7771 • A+ A.M. BEST RATING • NATIONWIDE INSURANCE ENTERPRISE®

Brokers

Continued from page 4
efficiently.

For example, C.E. Heath P.L.C. for the first time in its 100-year history is concentrating solely on brokering after divesting its computer operation and completing the sale of its underwriting activities.

Sedgwick also has reorganized its operations, combining retail, wholesale and reinsurance brokering and risk consulting under a single management team. The move is expected to cut costs by £9 million (about $14.1 million) this year.

And, J&H has united its U.S. and international retail operations, which the broker expects will make its retail operation more efficient.

Brokers also are extensively updating their technology—A&A spent $45 million in 1995—to achieve greater efficiencies.

A&A's Access A&A service provides clients electronic links to their A&A account service teams, and it gives them access to their insurance portfolios, industry information, proprietary A&A research, insurance products and alternative solutions on a real-time basis.

Aon's technology movement is designed to help clients analyze and reduce their overall cost of risk.

Many brokers also have established World Wide Web sites or Internet e-mail addresses.

All of this reshaping of business strategies and infrastructure by brokers portends a new face for the industry.

Many smaller brokers and even some of the larger companies need significantly more capital to develop and expand their offerings and update their technology, industry executives and other observers agree. Combining that with brokers' desires to beef up revenues while trotting out new products and battling competitive pressures creates a powerful fuel for industry consolidation.

Referring to the world's six largest brokers, Merrill Lynch & Co. analyst Jay A. Cohen said, "It would not surprise me if there were four left within five years."

Noting the squeeze on revenues, Mr. Cohen said, "If you can't grow, one way to get additional revenues is to buy someone else."

Another force that will drive a couple of mega-mergers is the expense savings that such transactions would mean for the brokers involved since they could eliminate redundant operations, said Mr. Cohen, an assistant vp in New York.

Strategic and synergistic reasons also will lead to a few mega-mergers, he predicted.

The consolidation of other industries also is stoking broker consolidation, Hale & Associates' Mr. Weiland said. "As you get larger and larger companies, it requires more geography and expertise to service them."

The average value of public brokers strengthened for the third consecutive year in 1995 to 1.42 times revenue from 1.37 the year before and 1.28 in 1993, according to San Francisco-based investment bank Russell Miller Inc., which specializes in insurance.

The value of private brokers, though, slipped to 1.25 times revenue from 1.33 in 1994 (see chart, page 4).

Public brokers' values fared better because of the bullish stock market during that period and Wall Street's expectations that the brokers would manage their costs better and that soft property/casualty insurance rates would firm up at some point, said John Wicher, managing director of Russell Miller.

During the July 15 stock market plunge, when the Dow Jones Industrial Average fell 2.9%, Hilb was the only U.S. broker that saw its stock price fall meaningfully—4.9%—to $12 per share.

However, public brokers' stock values have been falling all year, and both Hilb's and A&A's stock last week hit new 52-week lows. The market realized it "got ahead of itself" in expecting brokers to reduce their cost structure, though most brokers are working hard to do so, Mr. Wicher said.

Despite the additional services and greater efficiency that industry consolidation will bring, it will create at least one drawback for risk managers, according to Mr. Wicher.

"As you have fewer brokers handling major accounts, you by definition have less diversity" among the brokers, he said.

How much will the industry consolidate? Agent and broker management consultant Marsh, Berry & Co. of Concord, Ohio, predicts 10,000 of the nation's 28,000 agencies and broker entities will not be around at the end of the century.

But, regional brokers will not disappear, said Tom Harvey, president and CEO of Columbus, Ohio-based broker network Assurex International, which has 59 U.S. members and 22 members or affiliates in as many countries.

Regional brokers also are acquiring smaller brokers—those with less than $3 million of annual revenues—to beef up their ability to serve local clients, Mr. Harvey noted.

"National brokers have not figured out how to serve the middle market," he said. Regional brokers, unlike the alphabet houses, can put their top talent on local accounts, Mr. Harvey noted.

And, often that top talent is the insurance buyer's neighbor or a fellow church congregation member, which adds a measure of comfort to their business transactions with one another, he said.

Growing through acquisitions is not a strategy for all brokers.

Bain Hogg Group P.L.C., formed two years ago by the merger of U.K. brokers Bain Clarkson Ltd. and Hogg Group P.L.C., is ready this year for a demerger from its U.K. parent, international distribution group Inchcape P.L.C. Bain Hogg executives say they are not interested in any takeovers or mergers before or after the demerger.

And, at least one broker is willing to take one step back before taking a few forward in building its revenues.

JIB Group P.L.C. last year sold most of its U.S. offices to A&A. The deal helped strengthen A&A's presence on the West Coast, where JIB had been particularly strong.

Surrendering an edge to a competitor is fairly unusual, acknowledged JIB Chief Executive John Barton. But, he contends it was a positive move for both organizations. Indeed, it was the type of strategic move that all brokers should make: giving up some market share "in a market that we are not very good at" and instead focusing on specialty areas, he said.

"Brokers never like to give up anything, but it doesn't mean sometimes logic doesn't prevail," he said.

Lucien P. Laborde Jr., a senior vp with Willis Corroon Americas in Nashville and a former president of the National Assn. of Insurance Brokers, said: "I don't think the industry has found an equilibrium. What is very clear is that it still is a very people-oriented industry. Relationships and knowledge are still very important." BI



Your First Market for Program Business

Sooner or later, your book of program business is going to be threatened by "hit-and-run" carriers, mergers or retrenchment. With our fifty-year background of agency experience, we know exactly how you dread that day.

FRONTIER - PROGRAM DRIVEN

Providing markets for your program is our mission and core business. If you have a substantial or growing book of program business, then you should "think*Frontier!*" Even if you just developed, tested and are ready to launch a new program - again - think*Frontier!*

A STRONG, STABLE MARKET

Frontier (NYSE: FTR) is nearing $200,000,000 in policyholder surplus and one billion dollars in assets.

We're rated "A-" (Excellent) by A.M. Best; "A+" (Strong) by Standard & Poor's for Insurer Claims Paying Ability and "A Prime" (Unsurpassed Financial Stability) by Demotech. Our companies are admitted, and surplus lines approved, in all states, Puerto Rico and the District of Columbia.

ADD VALUE TO YOUR PROGRAM BUSINESS

We make the market for over 100 specialty programs. As a Frontier Program Administrator, you too, will have these have powerful advantages:

- You'll profit from our decades of success with specialty programs.
- You won't be put off by red tape. We listen and respond.
- Our ability to create added value features gives you a strong competitive edge.
- We help your program grow - you grow with it!

TAKE THE FIRST STEP

If you need direct access to the carrier that "Makes the Market," call Frontier at 1-800-836-2100. Ask for Peter Foley, Ext. 675. Or Fax 914-796-1906. Remember, "think*Frontier.*" You'll be glad you thought of us first!

Frontier INSURANCE GROUP
Specialty Markets for the 21st Century
ROCK HILL, NEW YORK 12775-8000

Aon Group

Aon Risk Services
Aon Consulting
Aon Specialty Group
Aon Re Worldwide

Unlock the power of Aon's specialized knowledge and worldwide resources.

When you turn to Aon for innovative solutions to your retail insurance brokerage, risk management, reinsurance and wholesale brokerage or consulting services needs, you are unlocking the power of Aon Group's 14,000 dedicated employees in more than 350 offices around the world.

Aon Group, the world's second-largest, fastest-growing international insurance brokerage and consulting organization, is your key to the powerful world of creative insurance and consulting solutions. We offer you expertise, talented professionals, interdependent services and local market knowledge worldwide.

Now there's only one name you need to know for innovative insurance brokerage and risk management solutions anywhere in the world...

AON

Aon Group

Opinions

Move to fee-based services

MORE AND MORE, brokers are transforming themselves into one-stop shopping services.

Get your insurance and reinsurance, risk management and benefit consulting, claims handling, investment banking, derivatives, captive management and shoes shined all under one roof!

The impetus for this expansion of service is to lure the buyer to a panoply of fee-based services to augment the broker's woefully low commissions.

We support the move to more fee-based services—as does a majority of risk managers—but we think the brokers are in for a rude awakening if they think sophisticated risk managers are going to rush into contracts with a single service provider to meet all their needs.

Brokers will have to be the best at each service they offer a risk manager if they expect to get all that risk manager's business, not only services traditionally offered by insurance brokers but also those that have been the purview of Wall Street.

To increase their revenues in the short term, and more important, the long term, brokers should accelerate the move to providing *insurance* services on a fee basis, rather than reserve fees just for the complementary and add-on services such as consulting that have become prominent in recent years.

Once brokers start charging a fee for all services—including insurance placements, claims settlement with insurers and attendant safety consulting—they can truly compete on service, rather than on finding the cheapest deal in the market.

Risk managers paying fees for all brokerage services would then shop for only those services they want and from those providers that do the job best. Already, some risk managers are persuading competing brokers to team up on the placement of one line of insurance when two brokers are indeed better than one.

We hear many brokers complain that their commissions don't cover the cost of servicing the client and that fees would be a more equitable basis of remuneration.

Risk managers profess a preference for fees, too. A survey of risk managers by Alexander & Alexander Services Inc. earlier this year found that 78% prefer to compensate brokers by a flat or negotiated fee, with only 11% preferring a commission and the remainder some other method (*BI*, April 15).

So if brokers and risk managers are in agreement, what's holding them back?

One reason is reluctance to take the first step. Why be the one to test the waters, buyers and brokers are



likely asking.

Another factor is that for some buyers a fee-based system will cost them more, while for some brokers, they surely will earn less. In both cases, that most likely will be appropriate given the service delivered.

Yet another impediment is that some states, in the interest of consumer protection, bar insurance brokers from charging fees for certain insurance services. This rule should be eliminated for sophisticated buyers of insurance.

Fee-based compensation for all services provided by brokers also could encourage more long-term relationships between risk managers and their brokers. Commissions connote commodity products, which in turn promotes the notion that risk management programs are to be shopped, not serviced.

This is already in evidence in the lengths to which buyers make brokers jump through hoops in an annual exercise called rebidding the account. It is an expensive process that likely would be among the first functions for which brokers charge a fee.

Fees also connote professionalism. Most companies don't shop their legal business or accounting business every year.

We hope brokers and buyers do more than talk about a move to fee-based services. It would give risk managers greater flexibility to choose as many or as few services as they require. For brokers, it would mean they could charge a fair price for the service delivered.

Letters

Florida lawmaker's conflict of interest

To the editor: Your July 1 article, "Insurer Under Fire for Private Investigation of JUA Chief," details a blatant conflict of interest concerning state Sen. Locke Burt and his dealings with the Florida Residential Property & Casualty Joint Underwriting Assn.

In the article, *Business Insurance* reported Sen. Burt receives a commission for various deals that he assists Guy Carpenter & Co. in securing, including those involving various insurance and reinsurance matters relating to the State of Florida. Please note Sen. Burt received $130,000, or 10% of $1.3 million, the reinsurance brokerage amount from the prior year, for his "advisory" role in the 1995 JUA reinsurance program that Guy Carpenter & Co. handled.

In 1996, several reinsurance intermediaries—including ours—were invited to make presentations to the JUA regarding their upcoming reinsurance renewal. Although E.W. Blanch Co. was ultimately selected to provide reinsurance services, Guy Carpenter & Co. has now been allowed to resubmit a second proposal.

I'm unclear as to why the other intermediaries involved in the 1996 selection process weren't allowed to resubmit proposals.

If Sen. Burt was employed as a lobbyist, his actions would be permissible. Yet he is an elected official, operating under the regulations of the Florida Legislature and sworn to conduct himself in an ethical manner for the good of the Florida taxpayers he was elected to serve. How can the Florida Commission on Ethics not determine his actions to constitute a conflict of interest?

Sen. Burt justifies his position by stating the JUA isn't a state agency, and thus his dealings don't present a conflict of interest. If the JUA isn't a state agency, then why does it maintain the privilege of collecting assessments from other insurance organizations conducting business in Florida? Perhaps Allstate and State Farm should be advised of this privilege.

Sen. Burt should conduct his business matters in a more scrupulous way and know when to leave his "private citizen hat" off.

The reinsurance intermediary community would be most appreciative.

Andrew T. Pyle
Assistant Vp
Cypress Creek Intermediaries Inc.
Heathrow, Fla.

Business Insurance welcomes letters to the editor. The section is intended to be a forum for readers' opinions and comments. We reserve the right to edit letters for clarity or space. We will not publish unsigned letters. Please send your letters to Letters to the Editor, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611; fax: 312-280-3174; e-mail: pwinston@crain.com.

Business Insurance

Reporting weekly on corporate risk, employee benefit and managed health care news

Vice President/ Publisher/Editorial Director:	Kathryn J. McIntyre, A.R.M. (Chicago)
Editor:	Paul D. Winston (Chicago)
Editor-at-Large:	Jerry Geisel (Washington)
Managing Editor:	Roseanne White (Washington)
International Editor:	Stacy Shapiro (London)
Senior Editors:	Meg Fletcher, A.R.M. (Chicago)
	Judy Greenwald (San Jose)
	Dave Lenckus (Chicago)
	Douglas McLeod (New York)
	Joanne Wojcik (Los Angeles)
Assistant Managing Editor:	Regis J. Coccia (Chicago)
Washington Editor:	Mark A. Hofmann (Washington)
Bureau Chief:	Michael Schachner (New York)
Graphics Editor:	Kathy L. Knight (Chicago)
Copy Editors:	Todd J. Behme (Chicago)
	Sara J. Harty (Chicago)
	Lee Velker (Chicago)
Associate Editors:	Michael Bradford (Dallas)
	Deborah Shalowitz Cowans (Chicago)
	Roberto Ceniceros (Los Angeles)
	Sarah Goddard (London)
	Robert Kazel (Chicago)
	Sally Roberts (Chicago)
	Gavin Souter (New York)
	Rodd Zolkos (Chicago)
Directory Editor:	Sandra L. Budde (Chicago)
Assistant Directory Editor:	Rich Trout (Chicago)
Editorial Assistant:	Ovie M. Dent (Chicago)
Assistant to the Publisher:	Karen Brown Tucker (Chicago)
Editorial Cartoonist:	Roger Schillerstrom (Chicago)
Advertising Director:	Martin J. Ross III (New York)
Eastern Advertising Manager:	Stephen P. Lincoln (New York)
Midwest Advertising Manager:	Robert L. Niesse (Chicago)
District Managers:	Cynthia Bykowski (New York)
	Blake Delany (New York)
	Barrie Harmelin (New York)
	Deborah D. Neale (Chicago)
Sales Assistant	Lori Lieberman (Los Angeles)
Classified Advertising Manager:	Cheryl Butler-Adeszko (Chicago)
Production Manager:	Elmer Kerstowske (Chicago)
Director of Communications:	Ronnie I. Drachman (New York)
Promotion Coordinator:	Barbara O'Brien (New York)

EDITORIAL:	Chicago:	312-649-5398
	Dallas:	214-361-2295
	London:	171-457-1400
	Los Angeles:	213-651-3710
	New York:	212-210-0100
	San Jose:	408-774-1500
	Washington:	202-662-7200
ADVERTISING:	New York:	212-210-0228
	Chicago:	312-649-5276
	Los Angeles:	213-651-3710
COMMUNICATIONS:	New York:	212-210-0132
SUBSCRIPTIONS:	Detroit:	800-678-9595

Published by Crain Communications, Inc., Chicago

Founder	G.D. Crain Jr. (1885-1973)
Chairman Emeritus	Mrs. G.D. Crain Jr.
Vice Chairman	Keith Crain
President	Rance Crain
Chairman-executive committee	S.R. Bernstein (1907-1993)
Treasurer	Mary Kay Crain
Secretary	Merrilee P. Crain
Executive Vice President-operations	William A. Morrow
Vice President-production	Robert C. Adams
Circulation director	Peter J. Johnson

Published weekly at 740 Rush St., Chicago, Ill. 60611-2590, Fax 312-280-3174, E-Mail 76735.3045@CompuServe.com, Cable CRAINCOM. Offices: 220 E. 42nd St., New York, N.Y. 10017-5806, Fax 212-210-0704, CRAIN COM NYK; Suite 114, 8950 N. Central Expressway, Dallas, Texas 75231; Fax 214-696-1936; Suite 814, National Press Building, Washington, D.C. 20045-1801, Fax 202-638-3155; 6500 Wilshire Blvd., Suite 2300 Los Angeles, Calif. 90048-4947, Fax 213-655-8157; 967 Bermuda Court, Sunnyvale, Calif. 94086-6750, Fax 408-774-1155; New Garden House, 78 Hatton Garden, London EC1N 8JQ England, Fax 171-457-1440. $4 a copy and $85 a year in U.S. $105 in Canada and Mexico (includes GST). All other countries $205 a year (includes expedited air delivery). DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Send subscription correspondence to Circulation Department, Business Insurance, 965 E. Jefferson Ave., Detroit, Mich., 48207-3185, or phone 800-678-9595 or 313-446-0450, Fax 313-446-6777. Microfilm copies are available from University Microfilms, 300 Zeeb Road, Ann Arbor, Mich. 48013. Microfiche copies available: Bell & Howell, Micro Photo Division, Old Mansfield Road, Wooster, Ohio 44691. Portions of the editorial content of this issue are available for reprint or reproduction in other media. For information and rates to reproduce in general circulation media, contact: JOSEPH P. HANLEY, Crain News Service, 220 E. 42nd St., New York, N.Y. 10017-5806, 212-254-0890. For reprints or reprint permission contact: KAREN BROWN TUCKER, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590, 312-649-5319, Fax 312-280-3174.

TO SUBSCRIBE TO THE WORLD'S LEADING COMMERCIAL INSURANCE PUBLICATION, CALL
800-678-9595
313-446-0450 outside of the United States

BPA INTERNATIONAL
AMERICAN BUSINESS PRESS

We're Not Just Making Waves.

We're Charting New Waters.



Winning requires more than just hard work and energy. Success demands talent, direction and focus. At TIG Insurance Company, our penchant for action is guided by a deliberate strategy for the future. Steered by financial strength, TIG is positioning for a new era as a leading property-casualty program insurance provider. To this end, we're developing partnerships with a select group of sophisticated production sources to provide specialized programs where flexibility, underwriting expertise and fast action are fundamental. Our goal is to ensure competitive advantages necessary to keep our production partners and their clients in the lead. And, in the process, chart a new course for success.

TIG INSURANCE.

Spotlight report

Consolidation fueling brokerages' retail revenue increases

By LEE VELKER

Acquisitions of small and midsize agents and brokers continues to fuel growth in brokers' U.S. revenues.

The gross revenues generated from U.S. clients by the Top 100 brokers of U.S. business climbed nearly 14% to $9.60 billion from $8.43 billion in 1994. That more than doubles 1994's gross revenue gain of 5.8% by the Top 100 brokers (*BI*, July 17, 1995).

Estimated 1995 revenues from the top 20 U.S. retail brokerages jumped 6.2% to $4.24 billion from $3.99 billion in 1994.

The amount of estimated U.S. revenues necessary to make the ranking of the 100 largest brokers of U.S. business climbed nearly 13% to $9.68 million in 1995, compared with $8.51 million the previous year.

USI Insurance Services Corp. made the most significant climb on this year's Top 100 chart—to No. 13 from No. 79 last year. USI acquired The Anderson Co. and 26 other smaller agents and brokers in 1995.

Major growth strides also were made by: First Chicago NBD—formerly NBD Insurance—to No. 42 from No. 92; No. 43 Holmes, Murphy & Associates Inc. from No. 59 after acquiring Insurance Designers; and No. 15 American Phoenix Corp. from No. 23 after acquiring Kalvin-Miller International Inc.

Talbot Financial Corp., which ranks 26th with 1995 U.S. revenues of $32.94 million, was the most prominent of the 11 newcomers.

Lawrence Agency Corp., which was ranked No. 18 two years ago, re-entered the chart at No. 47.

Both Talbot and Lawrence would have made the Top 100 chart last year if they had submitted a questionnaire.

Associated Agencies Inc. joined the chart at No. 57 with revenues of $14.50 million after acquiring LaSalle Financial Services.

Others that would have made last year's chart if they had submitted questionnaires are: Fringe Benefits Management Co., No. 70; Silver Stone Group—formerly ranked at 69 in 1993 revenues as Redland & Associates—No. 72; and Capax Management & Insurance Services, No. 96.

Acquisitions and internal revenue increases propelled The Tribus Cos., No. 83; The Mathog & Moniello Cos. Inc., No. 90; and CECAR, No. 99, into this year's chart.

Based on restatements of 1994 revenues, Proctor Homer Warren Inc., which ranks No. 74 this year, and Seitlin & Co., which ranks No. 98 this year, would have made last year's chart.

Besides The Anderson Co. and Kalvin-Miller International, two other of the nine brokers that dropped from the chart this year were acquired. McElroy-Minister Co. was acquired by No. 7 Acordia Inc., and Mahoney & Wright Insurance Agency Inc. was acquired last month by Allied American Agency Inc.

Roanoke Brokerage Services Inc., which ranked No. 47 last year, did not file a questionnaire this year.

The Simkiss Cos., Wharton/Lyon & Lyon, LaGere & Walkingstick Insurance Agency Inc. and Arthur A. Watson & Co. Inc. were victims of this year's increased revenue cutoff.

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

Leading U.S. retail brokers

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

Company	1995	1994	% change
1. Marsh & McLennan Cos. Inc.	$829.1	$804.1[1]	3.1%
2. Aon Group Inc.	739.9	639.9	15.6
3. Johnson & Higgins	458.6	455.7	0.6
4. Sedgwick Group P.L.C.	408.7	409.0	-0.1
5. Alexander & Alexander Services Inc.	390.4	383.4	1.8
6. Willis Corroon Group P.L.C.	315.6	330.9	-4.6
7. Arthur J. Gallagher & Co.	211.8	195.5[2]	8.3
8. Acordia Inc.	190.6	169.3[2]	12.6
9. Hilb, Rogal & Hamilton Co.	115.5	104.2	10.6
10. JIB Group P.L.C.	74.2	102.6	-27.7
11. Minet Group	68.6	60.7	13.0
12. Lockton Cos.	67.0	53.7	24.8
13. USI Insurance Services Corp.	58.0	8.5	583.2
14. Poe & Brown Inc.	53.2	48.8[2]	9.1
15. American Phoenix Corp.	51.7	22.4	131.1
16. Near North Insurance Brokerage Inc.	49.3	46.8	5.5
17. McGriff, Seibels & Williams Inc.	42.4	42.8	-0.9
18. Kaye Group Inc.	41.6	45.6	-8.8
19. John L. Wortham & Son L.L.P.	36.4	33.6	8.3
20. Frank Crystal & Co. Inc.	35.7	32.3	10.5
TOTALS	$4,238.3	$3,989.7	6.2%

[1]BI estimate [2]Restated
Source: *BI* survey

GRAPHIC BY TONY BUCCINI

The 14 members of global UNISON network reported a combined $1.7 billion in 1995 gross revenues, which would have made the network the world's third-largest brokerage.

The 57 members of Assurex International combined made $480 million in revenues, which would have made the Columbus, Ohio-based agency network No. 8 in the world.

If the 59 franchises in independent agency franchise organization ISU Corp. could combine their revenues, the total would be $129.4 million.

Estimated revenues from U.S. retail business grew about 6.2% this year—to $4.24 billion from $3.99 billion—down slightly from last year's growth rate of 7.4%.

Both USI's and American Phoenix's acquisitions helped place them among the top 20 U.S. retail brokers with gains of 583.2% and 131.1%, respectively. Other significant gains were reported by: Aon Group Inc., up 15.6%; Minet Group, up 13%; Acordia Inc., up 12.6%; and Hilb, Rogal & Hamilton Co., up 10.6%.

Five brokers reported declines in retail brokerage revenues: JIB Group P.L.C., down 27.7% after selling many of its U.S. operations; Kaye Group Inc., down 8.8%; Willis Corroon Group P.L.C., down 4.6%; McGriff, Seibels & Williams Inc., down 0.9%; and Sedgwick Group P.L.C., down 0.1%. BI

...for assuring quality care and controlling the costs of Workers' Compensation, Group Health, Disability and Casualty claims.

GENEX℠

Managed Care Solutions

Integrated Cost-Reduction Services
Utilization Management
Case Management
Medical Review Services
National Provider Networks

ProVention Services
Injury Management Program
Pre-Certification
PPO Program

Intervention Services
Continued Stay Review
Medical Case Management
Independent Medical Exam
Vocational Rehabilitation
Disability Management Program

Review Services
Bill Review
Peer Review

Corporate Headquarters:
735 Chesterbrook Blvd., Suite 200, Wayne, Pennsylvania 19087
610-993-2800 ***1-800-31-GENEX*** *fax 610-993-2819*

WHAT IF

THIS IS JUST THE CALM

BEFORE THE STORM?



Security. In property catastrophe reinsurance, nothing matters more than your reinsurer's ability to withstand the most significant natural catastrophes. At CAT Limited, our state-of-the-art exposure management technology permits us to demonstrate that, after the storm calms, you can count on us to shore up your balance sheet. Ask your broker to call Paul Hasse or Charles Kline at (809) 292-2102 for more information.

CAT LIMITED

COMBINING CAPITAL AND TECHNOLOGY

Spotlight report

More CEO compensation based on earnings

Most broker execs see pay increases and decreases keep up with company profits

By SALLY ROBERTS

The 1995 paychecks of two top brokerage executives are prime examples of how more boards of directors are tying CEO compensation to the companies' earnings performance.

Aon Group Inc.'s 28.8% increase in 1995 pretax net income, to $204.6 million from $158.8 million in 1994, helped boost Chief Executive Officer Patrick G. Ryan's cash compensation—salary and bonus—by 22.8%, to $1,629,468 from $1,327,233 a year earlier.

At the same time, Acordia Inc.'s 18.1% dip in profits, to $23.6 million from $28.8 million in 1994, resulted in a 45.5% pay cut for L. Ben Lytle, chairman and chief executive. He took home only $240,000 in salary and no bonus in 1995, compared with a combined $440,000 salary and bonus the year before.

Despite Mr. Lytle's smaller paycheck, the top executives at the six largest publicly held U.S. brokers overall received an average 9.4% pay raise in 1995, taking home on average $1,099,912 in salary and bonus, compared with $1,004,956 in 1994.

Last year, a slightly different list of executives received an average 26% pay raise over their 1993 salaries and bonuses (*BI*, July 17, 1995).

The 1995 pay hikes were consistent with profit gains at the top U.S.-based publicly traded brokerages. Five of the brokers reported increased profits in 1995; Acordia was the lone exception.

The biggest jump in profits was reported by Alexander & Alexander Services Inc., whose net income catapulted 164.5% in 1995 to $89.4 million, compared with a $138.7 million loss in 1994. Likewise, A&A Chief Executive Frank G. Zarb saw the greatest pay differential. His base salary and bonus of $1,878,005 in 1995 is 26.3% larger than the $1,487,500 pro-rated salary and bonus he made in 1994 for the seven months he served at the helm of the New York-based broker.

Mr. Zarb was about $22,000 shy of becoming the highest-paid brokerage CEO, but the 4.1% pay raise received by A.J.C. Smith, chief executive at Marsh & McLennan Cos. Inc., was enough to secure his No. 1 spot.

Mr. Smith, 61, received a $1,125,000 base salary and a $775,000 bonus in 1995 as M&M's profits rose 8.5% to $402.9 million from $371.5 million in 1994. New York-based M&M, the world's largest broker, also reported a 9.9% rise in gross revenues to $3.79 billion from $3.45 billion in 1994.

Much of M&M's top- and bottom-line increases are attributable to its Boston-based investment management unit, The Putnam Cos., which reported a 21.9% gain in revenues in 1995. Reflecting Putnam's strong performance, Lawrence J. Lasser, president of the unit, received an $820,000 base salary and $5,000,000 bonus in 1995, making him the highest-paid executive among all the brokerages surveyed.

In addition to Mr. Smith's $1,900,00 cash compensation, as of Feb. 29 he had sole voting and investment power over 100,371 shares of M&M stock. At a July 16 stock price of $88 each, his shares were worth $8.8 million.

Mr. Zarb, 61, who completed his first full year at A&A in 1995, received a $900,000 base salary and $978,005 bonus. His $1,878,005 cash compensation, however, is more than $1 million short of the $2,933,333 salary and bonus he took home in 1993 as group chief executive of The Travelers Inc., the position he held prior to joining A&A.

While profits rose more than 100% at A&A, revenues dipped 3.1% for the year, to $1.28 billion from $1.32 billion in 1994. But, after factoring in operations sold in 1995, revenues increased 5.6%.

As of Feb. 16 Mr. Zarb directly and indirectly owned 299,087 shares of A&A stock. At a July 16 stock price of $17.25, those shares were worth $5.2 million.

Capping off the million dollar club, Aon Group's Mr. Ryan, 58, made $886,968 in base salary and $742,500 in bonus in 1995, compared with an $832,233 base salary and $495,000 bonus in 1994. According to the company's proxy statement, Mr. Ryan is deferring $651,462 of his salary.

In addition to the 28.8% rise in pretax net income, revenues at the Chicago-based broker jumped 19.6% for the year, to $1.7 billion from $1.42 billion in 1994.

As of Feb. 28, Mr. Ryan beneficially owned 12,886,451 shares of Aon stock. At a July 16 stock price of $47.63, those shares were worth $613.8 million.

As brokerages tier off in terms of revenue size in the worldwide rankings, so do the CEOs in terms of cash compensation.

The next highest-paid CEO after Mr. Ryan made one-third of what the Aon chief executive received in 1995.

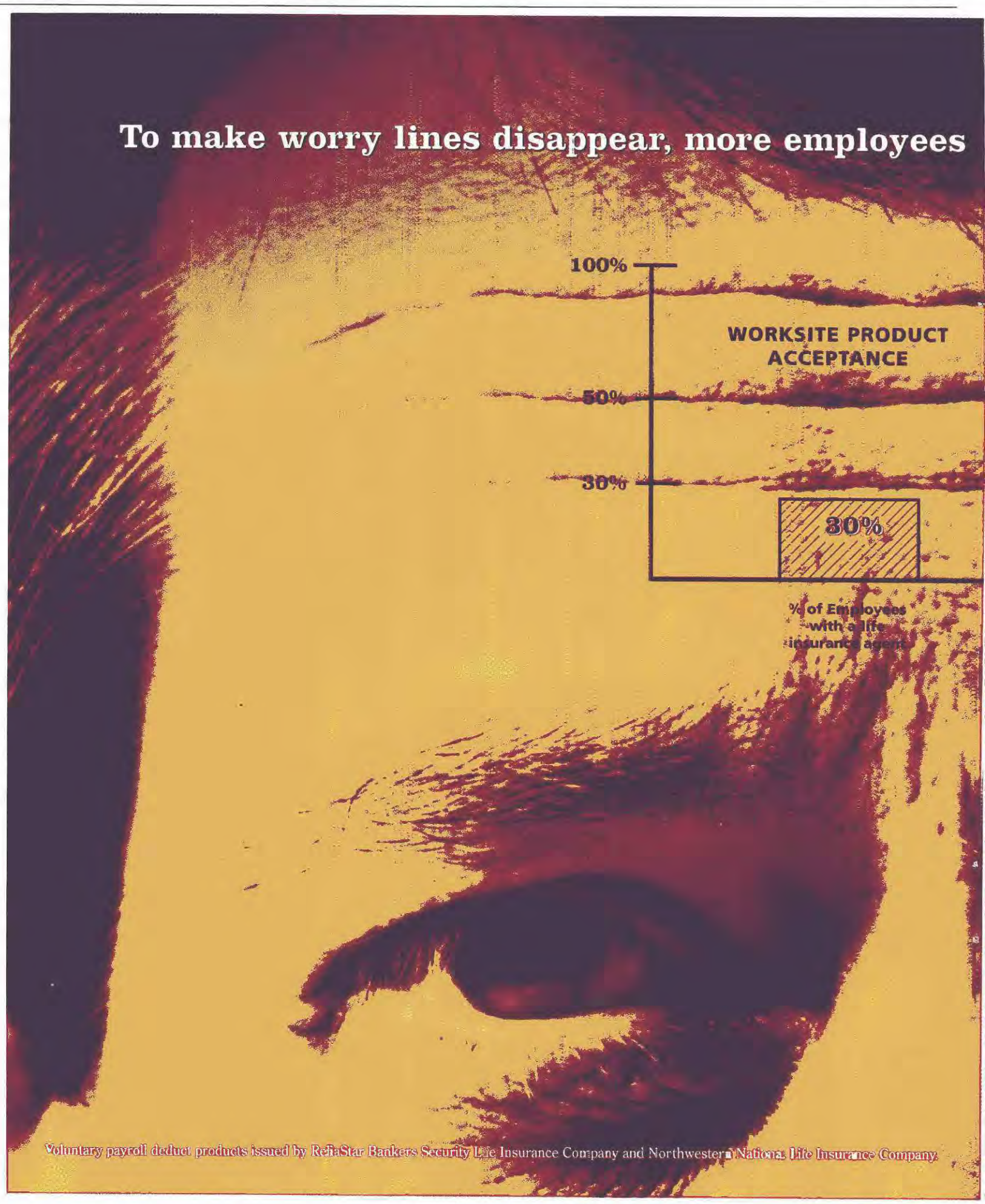
Robert H. Hilb, chief executive of Hilb, Rogal & Hamilton Co., brought home $380,000 in salary and $140,000 in bonus for a combined $520,000 cash compensation package in 1995. This was a 2.8% pay cut for Mr. Hilb, whose brokerage reported a modest 3.8% growth in profits in 1995 to $11.8 million from $11.4 million.

Revenues fared slightly better, increasing 5.2% to $143.1 million from $140.8 million in 1994.

On March 1, Mr. Hilb, 69, beneficially owned 291,500 shares of HRH stock, excluding exercisable stock options. Based on a July 16 stock price of $11.63, Mr. Hilb's shares were worth $3.4 million.

New to the top brokerage executive list but not an unfamiliar name, J. Patrick Gallagher Jr. succeeded his uncle, Robert E. Gallagher, as CEO of Arthur J. Gallagher & Co. in

Continued on next page



Continued from previous page
1995.

In 1994, while president of the Itasca, Ill.-based broker, Patrick Gallagher earned $415,000—$341,250 in salary and $76,000 in bonus. After taking on the additional role of CEO at the beginning of 1995, he received a 4.1% pay raise, which included a $356,000 salary and $76,000 bonus.

According to the company's proxy statement, Mr. Gallagher's modest increase in compensation reflects the desire of the compensation committee to withhold any significant increases until the effect of Mr. Gallagher's leadership on the company's profitability can be determined.

In 1995, profits at Arthur J. Gallagher rose 20.6% to $41.5 million from $34.4 million in 1994. Revenues also increased, rising 12.1% to $412 million from $367.7 million in 1994.

Top brokerage execs' 1995 compensation

Based on CEOs' salaries and bonuses; compared with brokerages' net incomes.

Name Broker	1995	1994	Percent change	1995 net income (in millions)	Percent change
A. J. C. Smith Marsh & McLennan Cos. Inc.	$1,900,000	$1,825,000	4.1%	$402.9	8.5%
Frank G. Zarb Alexander & Alexander Services Inc.	1,878,005	1,487,500	26.3	89.4	164.5
Patrick G. Ryan Aon Group Inc.	1,629,468	1,327,233	22.8	204.6[1]	28.8
Robert H. Hilb Hilb, Rogal & Hamilton Co.	520,000	535,000	-2.8	11.8	3.8
J. Patrick Gallagher Jr. Arthur J. Gallagher & Co.	432,000	415,000[2]	4.1	41.5	20.6
L. Ben Lytle Acordia Inc.	240,000	440,000	-45.5	23.6	-18.1

[1]Pretax [2]Compensation as president
Source: Securities and Exchange Commission documents

GRAPHIC BY JOHN HALL

On Dec. 31, 1995, Mr. Gallagher, 44, beneficially owned 107,566 shares of the broker's stock. At a July 12 stock price of $31.75, those shares were worth $3.4 million.

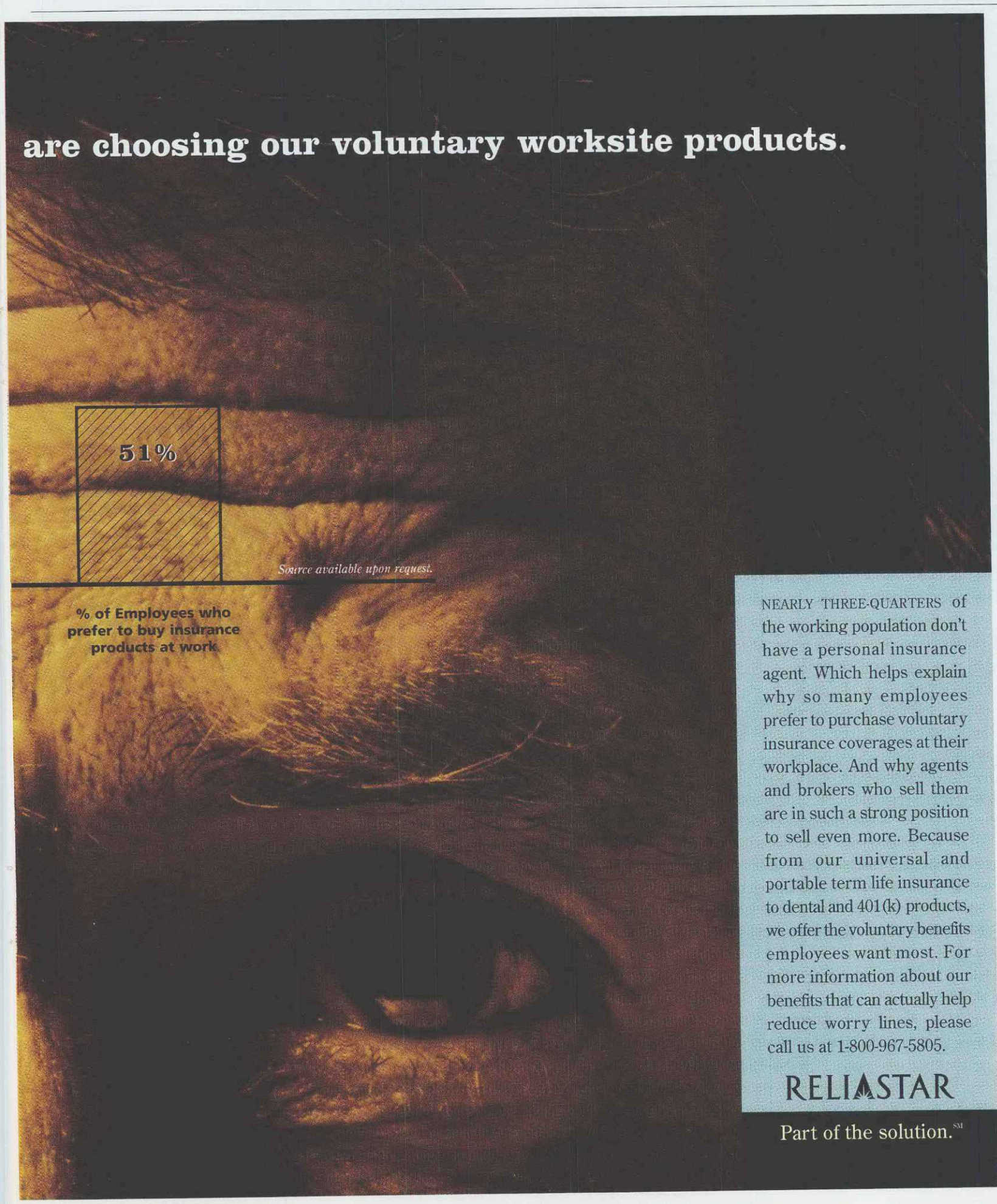
While Acordia Inc. reported a 34.7% increase in gross revenues for the year, profits slipped 18.1% to $23.6 million from $28.8 million in 1994.

Acordia executives partially attribute top- and bottom-line gains the broker has achieved in prior years to the company's incentive-based compensation program, which ties bonuses to profitability.

Due to the company's performance, Mr. Lytle only took home a $240,000 base salary in 1995, a 45.5% drop from his $240,000 salary and $200,000 bonus in 1994.

The $240,000, however, represents only the portion of Mr. Lytle's compensation for his services to Acordia. Mr. Lytle also is chairman, president and chief executive officer of Anthem Inc., Acordia's parent.

As of March 25, Mr. Lytle, 49, beneficially owned 131,832 shares of Acordia stock. At a July 7 stock price of $32, those shares were worth $4.2 million. BI



Business Insurance®

• EVENTS •

RISK MANAGER OF THE YEAR AND RISK MANAGEMENT HONOR ROLL AWARDS

These awards recognize individual accomplishments in the field of risk management. For nominating forms and rules, write or call:

BUSINESS INSURANCE
Editorial Department
740 N. Rush Street
Chicago, IL 60611-2590
phone: 312/649-5319
fax: 312/280-3174

EMPLOYEE BENEFITS COMMUNICATION AWARDS

The EBC awards honor employers for excellence in communicating benefits programs to their employees. Insurance companies and consulting firms also are recognized for their participation in the preparation of award-winning communication programs. For entry forms and rules, write or call:

BUSINESS INSURANCE
Communication Services
220 E. 42nd Street
New York, NY 10017-5806
phone: 212/210-0299
fax: 212/210-0704

WORKERS COMPENSATION CONFERENCE

Presented in conjunction with IBF Conferences, this event addresses the specific concerns of corporate executives managing workers comp programs and rehabilitation services. Sessions cover this rapidly changing environment and creative and innovative strategies to curb costs.

For details on registration or exhibition for any *BI* conference, write or call:

BUSINESS INSURANCE
Communication Services
220 E. 42nd Street
New York, NY 10017-5806
phone: 212/210-0299
fax: 212/210-0704

For more information, call one of the numbers listed below:

Advertising Information: 212/210-0228
Subscription Information: 800/678-9595



FOR LONG-TERM DISABILITY THAT'S UNPARALLELED,

In your search for superior employee coverage and breakthrough cost-containment solutions, you'll discover the road leads to Fortis. In becoming the second-largest provider of group long-term disability insurance, Fortis Benefits has paved the way with new product designs that manage the full disability continuum and provide powerful incentives for employees to return to work.*

For example, Fortis Benefits pioneered the concept of **Value Options.** *An innovation in LTD coverage, Value Options can potentially cut employer costs up to 35% by designing specific limited-duration coverage for new disabilities such as chronic fatigue syndrome and environmental allergic illness.*

And when it comes to getting your employees back to work, Fortis leads the way with a unique **Return to Work Scale** *that statistically and scientifically evaluates new claims and predicts rehabilitation success. By evaluating claims quickly, Fortis can direct rehabilitation resources where most appropriate and effective. This proprietary*

* Employee Benefit Plan Review, April 1995 based on the number of master contracts in force.

Long-term disability insurance contracts are issued and underwritten by Fortis Benefits Insurance Company, Kansas City, MO and Woodbury, MN; and, in New York State, First Fortis Life Insurance Company, Syracuse, NY. Other insurance contracts are issued and underwritten by these insurance companies and by Time Insurance Company, Milwaukee, WI. Securities offered through Fortis Investors, Inc., St. Paul, MN 55164, 1-800-800-2638. ©1995 Fortis, Inc. Fortis® and Fortis® are service marks of Fortis AMEV and Fortis AG.



THERE'S ONLY ONE PLACE TO GO.

system, combined with incentives like payment of educational and/or child care expenses and vocational or job retraining assistance, helps employees get back to work as quickly as possible while lowering your costs.

And in a world of voice mail and institutionalized buck-passing, Fortis Benefits is quick, responsive and dedicated to treating you like a person.

Part of a worldwide financial services organization 178 years old and $125 billion strong, Fortis Benefits not only believes in the value of long-term relationships, but also understands how they turn into long-term results. It's this approach to long-term thinking that has elevated Fortis Benefits to its leadership position in employee benefits.

For long-term disability coverage with a difference, find out what Fortis thinks.

Call them at 1-800-319-4773. *www.castleadventure.com*

fortis

SOLID ANSWERS FOR A CHANGING WORLD®

MUTUAL FUNDS/ANNUITIES · LIFE INSURANCE · HEALTH CARE PLANS · LONG-TERM CARE INSURANCE · EMPLOYEE BENEFITS

Continued from page 14

Risk Capital Re seeks to differentiate itself from other reinsurers by investing much of its funds in insurance company stock, including investments in some of the insurance companies it is reinsuring.

Other M&M developments in the United States include a restructuring of its units and its management.

All of the M&M insurance brokering units have now been brought under one structure, headed by Robert J. Newhouse, executive vp, who now is chairman of U.S. operations.

Ralph O. Hanley, executive vp, becomes head of the five U.S. regional practices and reports to Mr. Newhouse.

The large-account business and middle-market business will continue to be handled by separate departments but will fall under the same senior management structure.

Executives of M&M have frequently stated that rather than work with unrelated partners or take minority holdings in brokers. . .it prefers to own all of its units outright.

M&M also saw developments in its overseas operations in the past year.

In Spain, the broker bought out the minority interest of its local partner. When the Spanish unit was established in the 1970s, local laws prevented foreign insurance brokers from owning 100% of local brokers.

"We now own 100% of everything we have in Europe," Mr. Holbrook said.

Executives of M&M have frequently stated that rather than work with unrelated partners or take minority holdings in brokers in other markets, it prefers to own all of its units outright throughout the world.

Now, M&M only owns less than 100% of the shares of its affiliated companies where local laws prevent the brokerage from owning the local operations outright, Mr. Holbrook said.

As it increased its stake in Spain, M&M cut its operations in the United Kingdom through the sale of The Frizzell Group Ltd. in June this year. M&M only owned Frizzell for three and a half years.

Frizzell specializes in insurance program management business for affinity groups. M&M paid about $162 million for the brokerage in December 1992. It sold it in June this year for $290 million to Liverpool Victoria Friendly Society.

"The nature of the business changed with the growth of the direct-writing approach, and we concluded that perhaps it would be better for Frizzell to link with an institution that was focused on that area," Mr. Sinnott said.

The European operation also is seeing a change in its top management.

Philip J. Brown, the former chairman of Marsh & McLennan Europe, retired at the end of 1995. Now the European operations are overseen by an executive committee.

The committee is headed by Hamish M.J. Ritchie, executive vp, and the members are seven managing directors of M&M units throughout Europe.

In other overseas developments, M&M is extending its office network in China by opening a representative office in Shanghai. The broker has an existing office in Beijing.

M&M's Chinese offices handle a variety of business including insurance coverage for Chinese satellite launches, according to Mr. Sinnott.

"We have our space and satellite specialists from London working with our offices in Asia," he said.

In Latin America, M&M has purchased a broker in Brazil and a reinsurance broker in Mexico.

Pallas Gradmann & Holler do Brazil serves mainly German businesses in Brazil. The purchase is M&M's second in Brazil in two years. In 1994 it bought Tudor Insurance.

In Mexico, M&M bought a majority interest in Corredores Internacionales de Reaseguros S.A., a reinsurance broker in Mexico City.

Elsewhere in Latin America, M&M has offices in Chile and Argentina.

Technological developments to increase the efficiency of placing global business at M&M remain on track to be deployed before the end of 1996 in the United States and United Kingdom, Mr. Holbrook said.

The project was designed three years ago to handle large-capacity property/casualty placements for M&M's large U.S. and foreign clients.

It will replace conventional placements, where M&M account managers deal separately with several other M&M offices to place different coverages on a large account.

Under the system, account managers will go directly to the Global Broking Centre and deal directly with insurers and local M&M offices.

The system has been built and the brokerage is just entering the deployment stage of the project, Mr. Holbrook said.

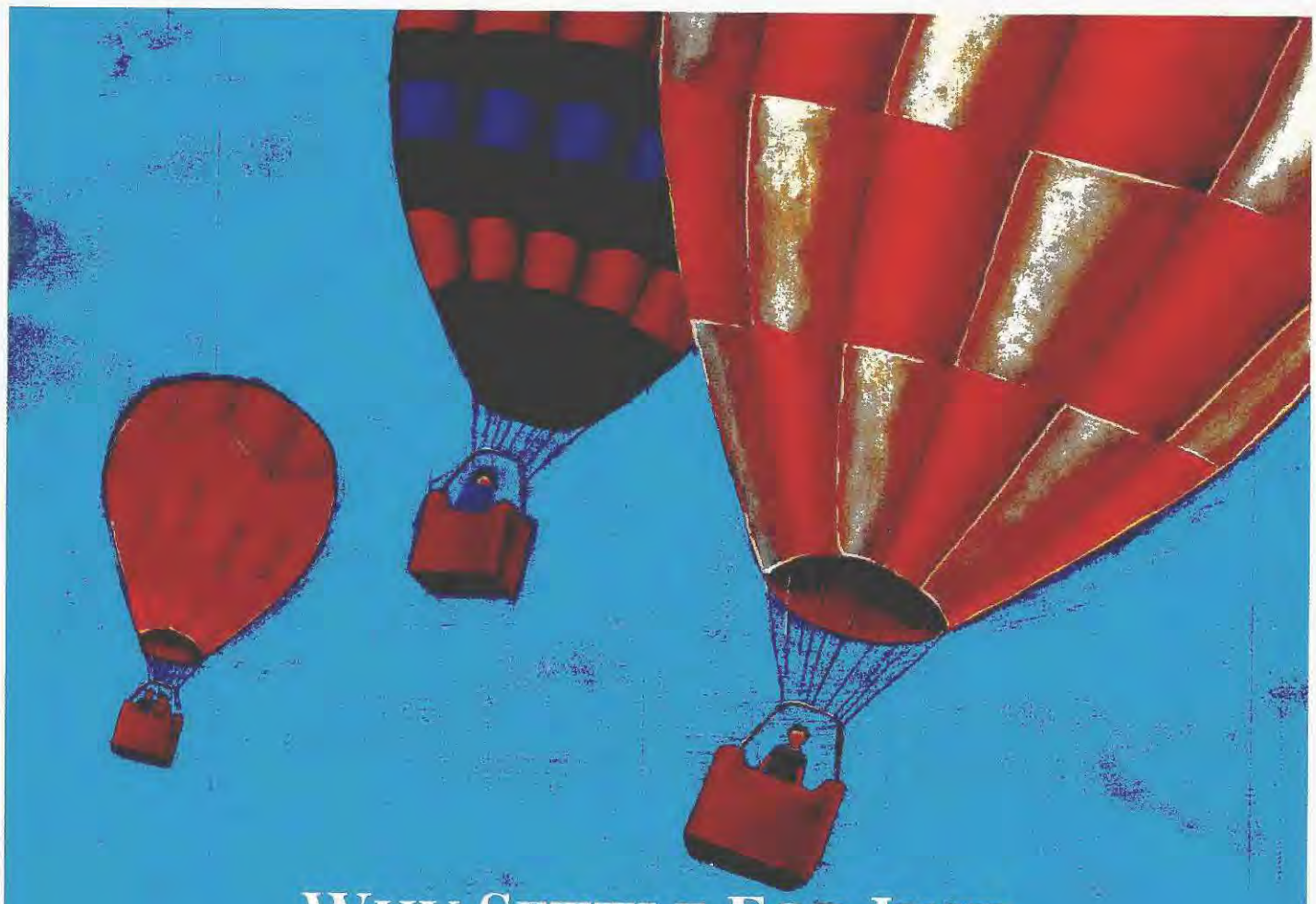
M&M also progressed with its plans to develop more "expert practices."

Under that system, specialists in various lines are used to handle coverage placements and deal with clients.

In the past year, M&M has set up five new expert practices: transportation, health care, high technology, construction and utilities.

Unlike the first three expert

Continued on page 20



WHY SETTLE FOR JUST MANAGING DISABILITY WHEN YOU CAN MAXIMIZE HUMAN POTENTIAL.

Aetna Disability Management: a higher perspective on your most valuable asset.

Disability management is much more than handling illness and injury.

At Aetna, it means helping employers form true partnerships with employees...encouraging company cultures marked by individual responsibility, teamwork and high regard for human resources and productivity.

And understanding that someone with a disability is an individual who values work as an essential part of life.

Lofty ideas?

Here are some solid realities: Aetna has a managed health approach that uses unique health and vocational assessments...state-of-the-art protocols ...and sophisticated managed care capabilities to maximize individual potential.

To learn more, call Drew King at 860-636-3634. We'll also send you the free brochure, *Planning for Disability Management,* published by the American Compensation Association.

Because if your goal is a healthier, more productive work force, we'll help you rise to the challenge.

Aetna

The more you know, the better you feel.SM

Aetna, Inc.
http://www.aetnahealth.com



The path to progress has its share of potholes. Consider them filled.

It pays to think a step ahead. To consider uncertainties before they become liabilities. • As the leading provider of environmental insurance, ECS Underwriting, Inc., through Reliance National, will cover your environmental exposure. This is essential if your business is involved with the environment—and even if it isn't. • With specialized Customer Business Units and industry-specific expertise, we'll develop the right coverage for you. To provide the proper insurance *and* the assurance that your business won't fall through the cracks. • Plus, as an ECS company, ECS Underwriting gives you access to the full range of ECS services. • Step confidently on your path to progress. And learn more about ECS Underwriting or any of the ECS companies by calling 1.800.ECS.1414.

ECS Underwriting, Inc.

The ECS Companies • ECS Underwriting, Inc. • Consulting Services, Inc. Environmental Claims Administrators, Inc. • ECS International • ECS Reinsurance

Programs are underwritten by Reliance National Indemnity Company, a member of the Reliance Insurance Group.

Spotlight report

Continued from page 18

practices—aviation, global marine and aviation, and professional coverages—the specialists in the five new practices support and assist other offices rather than take over the whole placement themselves.

The changes in operations at M&M have been instituted in the ongoing competitive insurance market, said Mr. Sinnott.

In the United States, especially, the soft market held back growth.

Revenues derived from insurance services in the United States fell 2.1% to $1.01 billion in 1995, from $1.03 billion in 1994.

General property and casualty rates were either stable or slightly down, he said.

One of the few highlights was middle-market business, which M&M calls Insurance Brokerage business—typically client companies that do not have full-time risk managers.

Revenues improved by more than 50% in 1995 over 1994, Mr. Holbrook said.

But this stellar rise is due to an increase in clients rather than an increase in insurance rates, he said.

'The pricing of any so-called capital markets product has to be competitive with traditional risk financing, so I think there is more work to be done in that area,' says John T. Sinnott.

M&M only started to target middle-market business in 1993, so the increases in revenues are from a relatively low base, Mr. Sinnott said.

Much of that increase is due to growth within the satellite and airline business, he said.

Reinsurance brokering did not fare so well.

Revenues derived from reinsurance brokering declined 1.1% to $295.1 million in 1995 from $298.5 million in 1994.

"It continues to be a very difficult environment for reinsurance broking and not just in the U.S.," he said.

Continued consolidation in the insurance industry reduces the number of clients for reinsurance brokers, Mr. Sinnott said.

Overseas, the stand-out area in terms of growth in 1995 was the Pacific Rim. Revenues increased about 28% to $79.1 million from $61.8 million in 1994.

European operations also saw double-digit growth, with revenues increasing 10.4% to $784 million in 1995 from $709.9 million in 1994.

Overall insurance services revenues worldwide increased about 4% to $1.96 billion in 1995, from $1.89 billion in 1994.

But once again, M&M total gross revenues were bolstered significantly by revenues from its investment management unit, Putnam Investments Inc., which accounted for 20% of M&M's gross revenues.

Putnam's revenues shot up 22% in 1995 to $750 million from $615.4 million in 1994 thanks to the booming mutual fund market.

Putnam also accounted for the increase in staff at M&M to 27,200 from 26,100 in 1994.

Net income for all M&M units increased 8.5% to $402.9 million in 1995 from $371.5 million in 1994.

Marsh & McLennan Cos. Inc.'s 1995 year-end stock price stood at $88.75, compared with $79.25 in 1994. As of July 12, M&M stock was trading at $92.13 per share.

In September 1995, the company started a stock repurchase plan of up to 3 million shares. "The shares were a good investment at the prices they were trading at," Mr. Sinnott said.

First-quarter 1996 results for M&M continue the trends of 1995.

Gross revenues increased 12% to $1.07 billion during the first three months of 1996, compared with $955.2 million during the same period in 1995.

Insurance services revenues increased 2.6% to $555.5 million, compared with $541.4 million in the first quarter of 1995.

Within that total, reinsurance brokering again showed a decrease, with revenues falling 8.2% to $87.6 million, compared with $95.4 million in the first quarter of 1995.

Conversely, Putnam's revenues increased 45% to $238.3 million in the first quarter of 1996, from $164.2 million during the same period in 1995.

Overall, M&M's first-quarter net income increased 14.7% to $143.1 million, compared with $124.8 million in the first quarter of 1995.

During the past year several other executive changes were made at various M&M Cos. units.

MMRC, the insurance investment company, appointed Jeffrey Greenberg chairman and CEO. Mr. Greenberg left American International Group Inc. in a surprise move last year. He had been widely tipped as the successor to Maurice Greenberg, chairman of AIG.

The sudden resignation sparked speculation on what his next move would be. Little was heard until he emerged in his new $750,000-plus position as the head of MMRC.

He replaces Robert Clements, who is retiring as an executive of MMRC but will stay on as a consultant.

Philip L. Wroughton retired as vice chairman of M&M in June. He also retired as chairman of Bowring Group Ltd., a London unit of M&M.

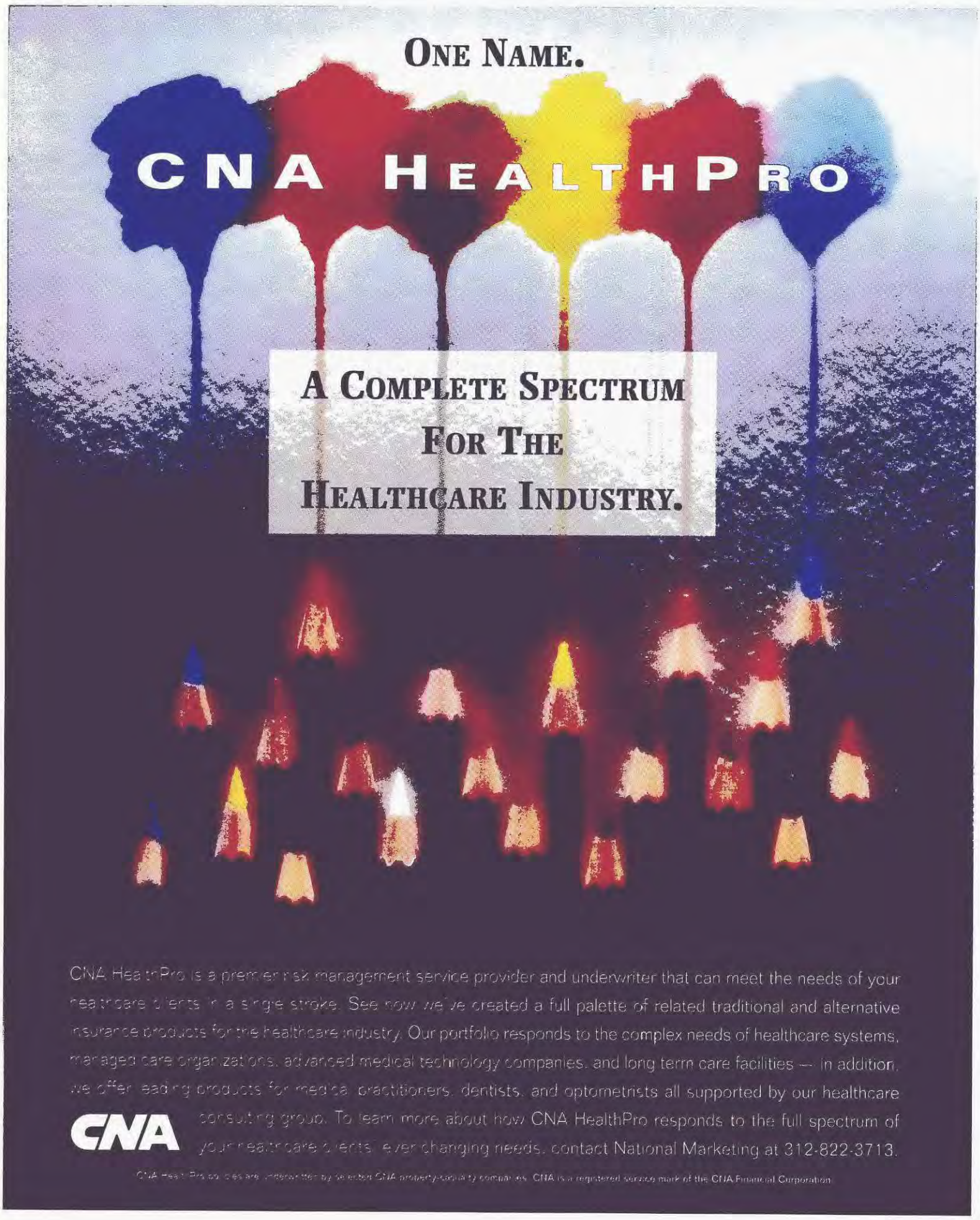
Mr. Wroughton is replaced as chairman of Bowring by Hady Wakefield, who also was made chairman of Guy Carpenter, replacing Mr. Blum.

In turn, Mr. Wakefield has been replaced as president of Guy Carpenter by Brandon Sweitzer.

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

Lawrence J. Lasser	$5,820,000
A.J.C. Smith	$2,237,348
Richard H. Blum	$1,227,872
David D. Holbrook	$1,203,861
Peter Coster	$1,105,037

—By Gavin Souter



2

Aon Group Inc.

123 N. Wacker Drive, Chicago, Ill. 60606; 312-701-4000; Fax: 312-701-3080. Internet: http://www.aon.com

	1995	1994
Premium volume	N/A	N/A
Gross revenues	$1.70 billion	$1.42 billion
Brokerage: Retail	56%*	60%
Wholesale	14%*	15%*
Reinsurance	11%*	10%*
Services	15%*	12%
Investment Income	4%	3%
Employees	13,400	11,850
Rev./Employee	$126,940	$120,000
Offices	350	322

* BI *estimate.*

With $1.2 billion in his pocket, Patrick G. Ryan, chairman and chief executive officer of Aon Group Inc., is shopping the brokerage marketplace.

The sale earlier this year of Aon Corp.'s two life insurance units, Life Insurance Co. of Virginia and Union Fidelity Life Insurance Co., to GE Capital Corp. has left Mr. Ryan with ample cash to obtain his goal of building Aon Corp.'s global retail brokerage operations.

And with 25 acquisitions of brokers and consultants in the United States and abroad under his belt in 1995 and six so far in 1996, Mr. Ryan, more often than not, is on the buying end of the acquisition grapevine.



An acquisition 'must strategically fit, culturally fit and, of course, fit the financial profile of our return needs,' Patrick G. Ryan says.

Rumors continue to run rampant as to which insurance broker will become the next addition to Aon Group, and most speculation focuses on one of the world's Top 10.

"The rumors are just everywhere. . .it just keeps going on and on and on and it always moves around," Mr. Ryan said. "It used to be Willis everyday, then it was A&A everyday, then it became Sedgwick. . .then it became A&A again, and now all of the sudden it's Willis again," he said.

Mr. Ryan would not comment on any of the speculation, but he did confirm he would "like to use essentially most of (the capital) for expansion in our brokerage services distribution sector."

"We will reinvest our money in a prudent fashion," added Michael D. O'Halleran, who became president of Aon Group in 1995 and remains chairman and CEO of Aon Re Worldwide Inc. "We're not going to be rushed into any form of a decision in terms of timing."

A prudent acquisition is one that meets Mr. Ryan's three conditions: "It must strategically fit, culturally fit and, of course, fit the financial profile of our return needs," Mr. Ryan said.

One broker that caught Mr. Ryan's attention late last year was Bain Hogg Group P.L.C., the world's 11th largest broker.

Inchcape P.L.C., Bain Hogg's parent, discussed divesting its brokerage unit to several parties, including Aon and Alexander & Alexander Services Inc. (*BI*, Dec. 18, 1995).

Inchcape later decided to seek a stock market listing for Bain Hogg rather than sell it to bidders. British stock analysts speculated the bidders were not willing to pay Inchcape's price, estimated at $462 million.

Aon's focus on building its retail brokerage operation comes on the heels of an in-depth internal strategic analysis Aon conducted during 1995.

Periodically, a company needs "introspection" and to sharpen its focus into where it wants to go, Mr. Ryan said.

"We essentially had been building our brokerage business after we'd expanded the life business," he continued. "As we looked at both the life and brokerage sectors, it was clear both were consolidating sectors of the insurance industry, and we really didn't feel we could be a player in two consolidating sectors both from a capital perspective and a management/time perspective."

What resulted was the sale of two of Aon's life companies and the decision earlier this year to sell Ryan Dealer Group, which distributes auto credit policies and extended warranties in North America. Life Reassurance Corp. of America and a team from Ryan Dealer Group bought the unit, which has been renamed Resource Dealer Group, for an undisclosed amount.

The strategic analysis at Aon also led to a name change to more closely align the brokerage service unit with its parent, Aon Corp.

Rollins Hudig Hall Group Inc., which reflected the 1993 combination of Rollins Burdick Hunter Group Inc., Hudig-Langeveldt B.V. and Frank B. Hall Cos. Inc., now is Aon Group Inc. RHH Co., the retail brokerage unit, now is Aon Risk Services Cos. Inc., and Godwins International, the benefit and human resource consulting unit, now is Aon Consulting Worldwide Inc.

Aon Re Worldwide Inc., formed in 1993 to bring together all reinsurance operations of Aon Risk Services Inc., became its own unit in 1995. ARS' remaining wholesale brokerage, underwriting management and third-party claims administration business now is part of Aon Specialty Group Inc., which continues under the same moniker.

And, more broadly, the strategic analysis also resulted in a redefined direction Aon took in 1995 to focus more sharply on global distribution of its products and services.

"We're looking at every continent and looking at the dynamics of change going on in those continents and evaluating whether it makes sense to deliver brokerage, consulting and management services to the commercial, industrial and insurance world," Mr. O'Halleran said.

Aon expanded its worldwide reach and broadened its services in 1995 through several international acquisitions, including the purchase of the remaining interest of HHL (Holdings) Ltd. from its joint venture partner, London-based C.E. Heath P.L.C.

HHL, headquartered in Hong Kong, now is Aon Holdings Asia Ltd., and gives Aon a greater presence in Hong Kong, Japan, Korea, Malaysia, Taiwan, Vietnam, Singapore and the Philippines, said Dirk P.M. Verbeek, chairman of Aon Risk Services for Europe and Asia Pacific.

"The Far East is a major area of development and focus" for Aon, he said. As part of this focus, Aon obtained a license to open a representative office in 1995 in Beijing.

The Aon/China initiative is the first step in Aon's goal to obtain an insurance brokerage license in the country, Mr. Verbeek said, adding that Aon also wants to establish a representative office in India.

In addition to the Far East, Aon opened offices in 1995 in Portugal and Northern Ireland. It also purchased the Robert Barrow (New South Wales) Pty. Ltd. brokerage in Sydney, Australia, and Lumley South Africa (Pty) Ltd. in Johannesburg, South Africa, expanding its scope of services in those areas, Mr. Verbeek said.

Even though "Aon had a very good year," Mr. Ryan said he is not completely satisfied.

"It's a very competitive market," he said. "You never win as often as you feel you should. We're gaining a lot of market share, but are we gaining it as fast as we'd like? No."

But financially, Mr. Ryan said, he has no complaints.

Aon Group reported a 19.6% increase in gross revenues in 1995 to $1.70 billion from $1.42 billion in 1994. The gain was more than enough to push Aon up one notch past Sedgwick Group P.L.C. into the No. 2 spot in the *Business Insurance* worldwide rankings. Pretax profits catapulted 28.8% to $204.6 million from $158.8 million in 1994.

As Aon continues to grow, it still faces challenges from the soft property/casualty market, executives say.

However, by differentiating itself from its competitors and adding value for its clients, they say Aon is poised to succeed in the difficult marketplace.

Executives point to the broker's interdependence—the concept of bringing two or more Aon units together to solve a client's problem—as a value added for clients.

This interdependence is exemplified by Aon's new Aon Employment Risk Alliance, formed in the first quarter of 1996. The alliance combines the services and expertise of Aon Risk Services and Aon Consulting to offer clients solutions to employment needs such as training disabled employees, or developing return-to-work programs, or developing the right retirement plans.

In addition to interdependence, executives say Aon adds value to clients because it is made up of experts with unlimited creative potential.

Aon has spent the past few years "building an organization that is based totally on the attraction of the most creative experts in the business, and we're not going to, in any case, encumber or limit them on what they can do," said Richard A. Riley, president of Aon Risk Services.

"We're going to respond to the needs of the clients, and were going to do it in partnership with anybody that can help the client," he said.

Not only does this mean working and forming alliances with insurers and reinsurers, it also means if a client wants Aon to work with another broker, it will.

Currently, "we are teaming up with two different competitors (on separate accounts) because the client said, 'I value the individual expertise you both have,' " Mr. Riley said.

One of those clients is Corning Inc., for which Aon and Johnson & Higgins are co-brokers on Corning's property insurance program (*BI*, April 22).

"We have been modeling a behavior to get what's best for the client done if the expertise is there," he continued. "If we don't have the expertise, we're not going to make it up."

Putting money where their mouths are, executives say they like the concept of incentive pay, where clients pay Aon according to pre-set achievement goals.

To help achieve those goals for clients, executives are looking to new and developing technology within the company that they say will improve efficiency and communication with clients, as well as help clients reduce their overall cost of risk.

In 1994, Aon installed a new global e-mail system, dubbed the "Knowledge Network," which allows all Aon's employees all over the world to work together (*BI*, July 17, 1995).

In 1995 and 1996, Aon expanded its technology capabilities with a new risk management information system. The RMIS is a repository of claims and loss data, allowing clients and their Aon representatives to view their own loss and claims histories from an exposure or location viewpoint anywhere and anytime.

The Aon Decision Support System also was developed as an extension to the RMIS. ADSS allows clients to take their claims and loss data and compare it with other data from similar risk classes. Through the system, clients can conduct risk performance evaluations as well as risk financing efficiency evaluations, for instance.

Soon clients will have access to Aon's experts and expertise through the system, and the broker also is putting the final touches on its home page on the Internet's World Wide Web.

In addition, Aon is one of the founding partners of the World Insurance Network. The global electronic network, funded by the world's six largest brokers, is aimed at improving efficiency and productivity in the marketplace by linking brokers and insurers and allowing for electronic claims processing and exchange of underwriting information (*BI*, Nov. 6, 1995).

In addition to the retail brokerage operation, Aon Group consists of three other units:

• **Aon Consulting Worldwide Inc.**

Revenues at Aon Consulting increased 12.8% in 1995 to $250.6 million from $222.2 million in 1994. Based on 1995 benefit consulting revenues of $166 million, Aon Consulting is the 10th largest benefit consultant in the world (*BI*, Dec. 11, 1995).

While a majority of Aon Consulting's revenues is derived from benefits design and consulting, the 1994 acquisitions of HRStrategies Inc. and Pecos River Learning Centers has expanded its breadth of services and expertise in the human resource and organizational management areas.

Opportunities in the marketplace are not limited to benefits and compensation consulting, said Donald Ingram, chairman of Aon Consulting.

"You read every day about the downsizing in corporations," he said. "What you don't read about is how those jobs come back" into a corporation in new positions, requiring new job descriptions, compensation plans and benefit plans.

During 1995, Aon Consulting added four more services to its existing employee benefits, compensation, human resource and change management consulting practices. The new services include organizational assessment, job design and competency modeling, workforce recruitment and selection, and work force assessment and development.

Like the rest of Aon, Aon Consulting looks to integrate these services for clients but will sell the services unbundled.

The challenge at hand, however, is to develop the capabilities to deliver all of these services globally. Currently, Aon Consulting has operations in the United Kingdom, Amsterdam, The Netherlands and Australia. With Aon's acquisition of HHL last year, it will expand its benefit consulting business into Asia.

• **Aon Re Worldwide**

Aon Re Worldwide ranked as the second largest U.S.-based reinsurance broker based on 1994 gross revenues of $156 million.

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

In 1995, Aon Re globally integrated all its reinsurance operations under one name and continued its "very strong cultural commitment to Aon's interdependence effort," said H. Rocker Channell Jr., president of the unit.

The reinsurance unit also is taking advantage of the changing marketplace, which presents the unit its greatest challenge.

Risk managers are retaining a much larger portion of risk today, Mr. Channell said. Aon Re therefore must make sure buyers have available different ways to purchase traditional, finite and blended insurance programs. "We take advantage of exploring every possible alternative available in the marketplace," he said. "What we have to ensure is that we have the resources to be on the leading edge."

Aon Re also is looking optimistically at Lloyd's of London.

"I have every confidence the reconstruction and renewal plan of Lloyd's will come into fruition," said Alan H.C. Colls, chairman of Nicholson Jenner Leslie Group Ltd., adding the company has spent much time, energy and effort in explaining Lloyd's situation with customers. "We've lost very little business as a result of the problems with Lloyd's," he said.

At the same time, NJL formed a new division in 1995, Aon Re U.K., which places reinsurance business in the London company market, Mr. Colls said.

Nicholson Jenner Leslie, formerly Nicholson Leslie Group, changed its name in 1995 to reflect the 1994 acquisition of Jenner Fenton Slade Group Inc.

NJL, which places wholesale and reinsurance business with Lloyd's of London and the London company market, reports its reinsurance and wholesale revenues separately to Aon Re Worldwide and Aon Specialty Group, respectively.

• **Aon Specialty Group Inc.**

In addition to developing and providing highly specialized insurance products and services for professional groups, service businesses, governments, health care providers and commercial organizations, Aon Specialty now is home to all of Aon's managing general underwriting, wholesale placing and third-party administration business.

Among these units are: Wexford Underwriting Managers Inc., Sherwood Insurance Services and SLE Inc.

It makes sense to have these units a part of Aon Specialty's direct marketing business, Chairman Michael D. Rice said of the reorganization.

Another highlight in 1995 came from the acquisition of Berkely-ARM Inc., a Garden City, N.Y.-based broker that provides coverage for cruise line trip cancellations, Mr. Rice said.

For the rest of 1996, Aon Specialty "will have a significant focus on health care," Mr. Rice said. ASG already has a significant position in health care. For instance, it formed The Aon Alliance in 1993 to provide risk management, loss prevention, software, actuarial and reinsurance services to the health care industry.

The unit also formed Aon Managed Care, an underwriting management facility that provides, among other things, capitation coverage for health maintenance organizations.

During last year, Aon's stock price ranged from $29.25 to $35.75. On July 12, it closed at $49.88.

The cash compensation, including salary and bonuses, of the top five officers of Aon Corp. in 1995, as reported to the Securities and Exchange Commission, follows:

Patrick G. Ryan	$1,629,468
Michael A. Conway	$519,512
Daniel T. Cox	$766,805
Harvey N. Medvin	$789,850
Raymond I. Skilling	$789,850

—By Sally Roberts

Spotlight report

3

Sedgwick Group P.L.C.

Sackville House, 143-152 Fenchurch St., London EC3N 6BM, England; 44-171-377-3456; fax: 44-171-377-3919. Internet: http://www.sedgwick.com

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

	1995	1994
Premium volume	$11.03 billion	$11.25 billion
Gross revenues	$1.47 billion	$1.43 billion
Brokerage: Retail	55%	54%
Wholesale	10%	10%
Reinsurance	7%	8%
Services	22%	23%
Investment income	5%	5%
Employees	15,128	15,415
Rev./employee	$97,217	$92,526
Offices	232	230

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

As it struggles to expand commission revenue in a fiercely competitive market, Sedgwick Group P.L.C. has streamlined its operations and is looking for support from its growing stable of fee-based consulting businesses.

With 1995 gross revenues virtually flat, Sedgwick has been overtaken by Aon Group Inc. as the world's second-largest broker and has dropped to No. 3 in *Business Insurance's* ranking of the world's 20 largest brokers.



By reorganizing, Sedgwick aims to integrate its various services to make the broker more appealing to its clients, says Sax Riley.

Several segments of Sedgwick's business, from North American retail brokerage to U.K. employee benefits consulting, showed flat or declining revenues last year. The only bright spots appeared to be European retail brokerage and non-U.K. benefit consulting.

Sedgwick officials say much of the revenue stagnation is linked to the still-softening commercial property/casualty market.

"We've never seen market conditions as soft on a worldwide basis," said Chief Executive Officer Sax Riley. "We have no reason to think that is changing, and it's getting worse as 1996 unfolds. That is why we are trying to build our consulting and fee businesses."

The broker took a big step toward its goal of a 50/50 split of commission and fee revenues with its 1993 acquisition of benefit consultant Noble Lowndes & Partners Ltd., now Sedgwick Noble Lowndes Group. Last month, it expanded the benefits consulting business with an acquisition in South Africa.

In recent months, it has also formed a risk management consulting joint venture with accountant Price Waterhouse, expanded its Lloyd's of London underwriting agency operations with a major acquisition and created another joint venture to develop capital markets products for insurance and reinsurance risks.

At the same time, Sedgwick has reorganized its operations, in part to keep costs under control. As of Jan. 1, the broker merged its Sedgwick Europe and London-based Sedgwick Payne units, combining retail, wholesale and reinsurance broking and risk management consulting under a single management team.

The move is expected to cut Sedgwick's costs by £9 million ($14 million) this year.

Mr. Riley said the main motive for the reorganization was not cost-cutting but integrating Sedgwick's various services to make the broker more attractive to clients.

"It's all about bringing together the right sets of expertise," he said. "It gives us a much better chance to grow."

The move was in keeping with Sedgwick's philosophy of "one company, one team," added Quill O. Healey, chairman and CEO of Sedgwick James Inc. and head of North American retail operations. "We want to work throughout the organization as a single company," Mr. Healey said.

Clients are increasingly looking to integrate services for various exposures, such as health care, workers compensation and disability management, he said.

"They don't want to go and talk to four different people with four different (brokerage units) that are fighting each other all the time as to who's going to get the revenue," Mr. Healey observed.

Meanwhile, Sedgwick is not neglecting its retail brokerage business: After eking out a modest increase in retail revenues last year, the company earlier this year acquired insurance and reinsurance brokers in Germany and London and opened an office in Azerbaijan.

Like most brokers, though, Sedgwick hasn't had an easy time of it as commercial insurance rates continue to fall.

Overall, Sedgwick registered a barely perceptible increase in gross revenues to £931.5 million last year from £928.4 million in 1994. In dollar terms, revenues rose 3.4% to $1.47 billion last year from $1.42 billion the previous year.

The 1994 figures exclude several million dollars in income from underwriting operations. Sedgwick disposed of those operations in 1994 and did not report any such income in 1995 gross revenues.

A growing part of Sedgwick's revenue in recent years has been produced by fee-based services rather than commissions: In addition to the fees from benefit consulting, roughly 35% of the company's retail brokerage revenue is fee-generated.

The shift to a "fee environment"—including providing fee-based risk management consulting and other services to clients that formerly only bought insurance—has required brokers to become better managers of their own businesses, Mr. Healey observed.

To stay profitable, brokers now have to understand how much it will cost them to provide these services, he explained.

"Instead of just lump-summing it and hoping we're getting enough to cover it all," Sedgwick managers have to know what their costs will be to set appropriate fees, he said.

Sedgwick's U.S. offices produced a slightly smaller share of its retail brokerage revenues last year: Revenues from U.S. offices fell to £259 million ($408.7 million) from £267 million ($409 million) the year before, while revenues from non-U.S. offices rose to £252 million ($397.7 million) from £237 million ($363.1 million).

As with most brokers, employee salaries and related expenses accounted for the lion's share—£536.3 million ($846.3 million)—of Sedgwick's total operating expenses of £841.2 million ($1.33 billion).

Those expenses last year included £7.8 million ($12.3 million) in costs stemming from the merger of Sedgwick Europe and London-based specialty and reinsurance brokerage unit Sedgwick Payne to create Sedgwick Europe Risk Services.

Sedgwick has consolidated worldwide reinsurance brokering operations within SERS through a new unit, Sedgwick Global Reinsurance Services Ltd., headed by Chairman John Mellows, a former Sedgwick Payne director.

Separate energy and marine and cargo units have been merged into Sedgwick Energy & Marine, headed by Chairman Stephen Hirst, former chairman of Sedgwick Marine & Cargo.

Richard Titley, former chairman of Sedgwick Europe, is now chairman of SERS.

The reorganization is aimed at completing the integration of Sedgwick's insurance and reinsurance services within three geographic regions: Europe, North America and the Asia Pacific region.

And, while it cost Sedgwick money last year, the reorganization is expected to save the company $14 million this year.

After operating expenses and other gains, losses and taxes, Sedgwick finished the year with net profits before shareholder dividends of £68.9 million ($108.7 million), up 14.5% from £60.2 million ($92.2 million) in 1994.

Sedgwick's exceptional gains last year included profits of £6.7 million ($10.6 million) on the sale or termination of subsidiaries.

The company sold its Netherlands-based travel insurance business for a profit of £4.2 million ($6.6 million).

It also revised the amount needed to run off its discontinued Americas Insurance Co. specialty underwriting unit, releasing £2.5 million ($3.9 million) to profit.

The year before, Sedgwick had taken a charge against earnings to shut down Americas, and had separately sold another underwriting unit, Mendip Insurance & Reinsurance.

The broker maintains a 49% stake in U.K.-insurer River Thames Insurance Co. Ltd., which last year produced £2.5 million ($3.9 million) in pretax profits for Sedgwick.

So far this year, the brokerage has continued to shed what it considers non-essential operations. In February, Sedgwick James of Pennsylvania Inc. sold its third-party administration business for $2.1 million. In January, Sedgwick also sold a unit that facilitates access to Lloyd's for non-Lloyd's brokers.

In its 1995 annual report, Sedgwick breaks down its £880.9 million ($1.4 billion) in brokerage commissions and fees—excluding investment income—among several operating groups, which had varying results. Those groups are:

• North American retail, which continued to account for the largest share—32%—of Sedgwick's total commission and fee revenue.

Excluding the effect of exchange rates, though, North American revenues were virtually unchanged from 1994 to 1995.

Along with large global corporations, Sedgwick continues to target smaller but fast-growing companies that it calls "Business America" accounts. While global clients typically have more than $1 billion in sales and a full-time risk manager, Business America clients may have between $100 million and $1.5 billion in sales and do not yet have large, sophisticated risk management programs, Mr. Healey said.

Some of these companies may grow fast enough to break fairly quickly into the Fortune 100, at which point they will need much more than simple insurance purchasing services, he suggested.

"We continue to see that as the fastest growing area of opportunity," Mr. Healey observed. "Those companies, as they grow, become increasingly interested in risk management, and as they grow tend to buy less risk transfer and more services."

• Europe retail, which had not yet been merged with Sedgwick Payne at year end.

Accounting for about 21% of Sedgwick's commissions and fees, Europe retail was one of the broker's few bright spots last year, posting a 6% increase in revenues over 1994, excluding the effect of exchange rates.

The European unit includes brokerage operations in the United Kingdom, continental Europe, the Middle East, Africa and Latin America.

Sedgwick expanded its German operations in May with the acquisition of Wiesbaden-based broker Kurt Hamm & Sohn Versicherungsmakler GmbH for £3.6 million ($5.6 million) in cash plus deferred consideration based on Hamm's net retained brokerage in 1996 and 1997.

An affiliate, Sedgwick Azeri Ltd., opened a registered office in Baku, Azerbaijan, becoming the first international broker to do so. Sedgwick Azeri acts as broker for an oil drilling consortium in which the Azerbaijan government is a partner.

• Asia Pacific retail, which accounted for only about 5% of the broker's commissions and fees last year and which saw no growth in underlying revenues from 1994.

• Sedgwick Payne, which produced 18% of Sedgwick's commission and fee revenue and which has been merged with Sedgwick Europe.

Excluding the effect of exchange rates, Sedgwick Payne's revenues actually fell 4% last year from 1994 as the unit continued to struggle with soft market conditions in London, particularly in the energy and marine sectors.

Earlier this month, Sedgwick announced the acquisition for stock of Richard Sparrow Holdings Ltd., a London-based marine reinsurance broker.

• Sedgwick Noble Lowndes, created in 1993 to expand Sedgwick's fee-based consulting business. The benefit consultant accounted for about 23% of Sedgwick's 1995 commission and fee revenue, though revenue from the unit was down marginally from the year before.

Nearly half of Sedgwick Noble Lowndes business comes from the United Kingdom, where underlying revenue declined by 6% last year; the remainder comes from the United States and other markets, and this business saw a roughly 4% increase in underlying revenue between 1994 and 1995.

Sedgwick last month acquired a 50% stake in Ginsburg Malan & Carsons Consultants & Actuaries (Pty) Ltd., one of the largest benefit consultants in South Africa.

In May, the broker also expanded its Lloyd's underwriting agency business, merging Sedgwick Lloyd's Underwriting Agents Ltd. with Oakwood Underwriting Agencies Ltd. to create the largest members agency at Lloyd's.

The new unit, Sedgwick Oakwood, now represents 10% of Lloyd's membership and also 10% of the underwriting capacity of non-corporate Lloyd's names. Before the merger, Sedgwick Lloyd's had managed 926 individual names and two corporate names with total 1996 capacity of £497 million ($771.8 million); Oakwood had managed 347 names with total capacity this year of £204 million ($316.8 million).

Sedgwick discloses in its 1995 annual report that Sedgwick Lloyd's and its subsidiaries are "actual or prospective" defendants in lawsuits brought by names who were hammered by losses in certain syndicates.

While some cases involving the unit have resulted in judgments, Sedgwick reported that the litigation will not have a material effect on its financial position.

The soft market continued to hamstring Sedgwick in the first quarter of this year: Commission and fee revenue rose only slightly to £243.2 million ($369.4 million) from £234.4 million ($372.7 million) in the first quarter of 1995.

Investment income declined marginally to £11.7 million ($17.8 million) from £11.9 million ($18.9 million) in the previous year's first quarter, leaving total revenues of £254.9 million ($386.1 million) for the first three months compared with revenues of £246.3 million ($391.6 million) in 1995's first quarter.

Expenses at constant exchange rates remained flat, and after factoring in these costs and other gains and losses and taxes, Sedgwick reported net earnings of £30.2 million ($45.9 million), up from £27.1 million ($43.1 million) in the first quarter of 1995.

Sedgwick has continued efforts to expand its fee-based businesses with two new joint ventures this year.

In February, it announced a risk management consulting joint venture with Price Waterhouse L.L.P. The new London-based operation, Risk Strategies Group, will combine the accounting, tax and finance expertise of Price Waterhouse with the risk and insurance management know-how of Sedgwick, Mr. Riley explained. The joint venture is targeting large corporations "where insurance is becoming less of an issue but risk is increasing," he said.

Risk Strategies is headed by Nick Chipman, managing director.

Meanwhile, Sedgwick Re Insurance Strategy Inc. formed a capital markets joint venture with Chicago-based consultant Lane Financial Inc. (*BI*, July 15).

Sedgwick Lane Financial L.L.C., based in Chicago, will develop capital markets products to securitize insurance and reinsurance risks. A licensed securities broker-dealer, Sedgwick Lane will also be able to execute capital markets transactions as well as advise clients on alternative risk products available worldwide, the company announced.

Morton N. Lane, president of Lane Financial, is also president of Sedgwick Lane.

Calling the joint venture "frontier work," Sedgwick executives concede that capital markets solutions have a number of hurdles to clear before they become a fertile source of growth.

Sedgwick also sees opportunities in the information services business: Last year, it created Sedgwick Information Exchange, a unit to monitor, analyze and market information the brokerage collects on "risk-carrying entities" like insurers and reinsurers.

The company has entered into a joint cooperation agreement with news agency Reuters Holdings P.L.C. to distribute market insurance information worldwide.

"It's a symbiotic relationship," Mr. Riley observed, noting that Sedgwick has information and Reuters has a distribution system.

Two Sedgwick directors have retired from the board, Sir Michael Richardson in April and Jonathan Gilbert at the end of last year. Named to the board in January was Ann McLaughlin, a former U.S. Secretary of Labor.

In addition to those already named, Sedgwick officers include: Rob White-Cooper, vice chairman of the parent company and chairman of Sedgwick Noble Lowndes; and Stuart Tarrant, group finance director.

—By Douglas McLeod

Expertise is to be expected. But which carrier adds speed and agility to the equation?

The Fund.



© 1995, Fireman's Fund Insurance Co., Novato, CA

http://www.the-fund.com

Fireman's Fund

4

Alexander & Alexander Services Inc.

1185 Ave. of the Americas, New York, N.Y. 10036; 212-840-8500; fax 212-444-4697. Internet: http://www.alexalex.com

	1995	1994
Premium volume	N/A	N/A
Gross revenues	$1.28 billion	$1.32 billion
Brokerage:Retail	54.8%	51.8%
Wholesale*	8.7%	7.8%%
Reinsurance*	12.3%	10.7%
Personal	2.0%	3.1%
Services	17.3%	23/3%
Investment income	4.9%	3.9%
Employees	11,940	13,312
Rev./Employee	$107,404	$99,452
Offices	260	260

* BI *estimate.*

After shoring up its earnings and cleaning up its balance sheet during 1994 and 1995, Alexander & Alexander Services Inc. is now focused on helping its clients do the same.

"We're in the business to help build, fix and protect balance sheets," said Frank G. Zarb, A&A's chairman, president and chief executive officer. "We're not an insurance-selling company. We help the builder repair balance sheets, and we help guide corporate clients in a select range of employee benefits services."



'In all, 1995 was a very good year for the company. We set out a number of goals, and we've achieved all of them,' Frank G. Zarb says.

And with its corporate restructuring behind it, A&A is poised to grow.

The restructuring, which included laying off more than 2,500 employees in 1994 and 1995, divesting non-core businesses and consolidating some of its operations, has helped A&A shed more than $100 million in expenses. Half of the savings has been redeployed in new technology, products and employee training.

"In all, 1995 was a very good year for the company," Mr. Zarb said. "We set out a number of goals, and we've achieved all of them."

A&A cleaned up its balance sheet and ended the year with a large amount of cash and an upgrade from credit agencies, he said.

Indeed, by the end of 1995, A&A had $283.4 million in cash. While this includes $76 million A&A gained from the sale of its personal lines business and third-party administration business, it is $48.6 million less than it had in 1994. However, A&A paid out roughly $85 million to settle its outstanding contingencies—namely its involvement with the Mutual Fire, Marine & Inland Insurance Co. insolvency and the sale of Sphere Drake Insurance Group—as well as a tax settlement with the Internal Revenue Service (*BI*, July 18, 1994).

A&A also paid down debt and made several acquisitions during 1995.

In addition to an improved balance sheet, A&A reported an $89.4 million profit in 1995, compared with a $138.7 million loss in 1994. Both improvements and the settling of its contingencies prompted Moody's Investors Service Inc. to upgrade A&A's preferred stock to ba2 from ba3.

Revenues dipped 3.1% for the year to $1.28 billion from $1.32 billion in 1994. But, after factoring operations sold in 1995, namely its third-party-administration unit Alexis Inc., revenues increased 5.6% for the year.

Despite the drop in revenues, A&A retained its No. 4 spot in *Business Insurance*'s worldwide rankings.

To help client repair balance sheets, A&A will work with risk managers, chief financial officers or chief executive officers to assess the companies' contingent liabilities and corporate risks and come up with solutions, some of which may or may not include of capital market alternatives.

"We are not out there to sell derivatives," Mr. Zarb said. "Whether we can securitize a risk or not using an insurance approach to get the price down is second to the question. The question is, should that risk be on the client's balance sheet as a contingent liability or are there other measures to handle it whether or not it is an insured product" he asked.

To enhance its emphasis on offering clients financial solutions, A&A is testing joint ventures with two securities firms in Chicago and Atlanta. The joint ventures, which involve A&A's health care middle market, real estate and aircraft segments, will explore whether an insurance broker and a securities firm can successfully combine forces to provide investment banking and risk transfer services to clients, explained Mr. Zarb, who was formerly chairman and CEO of investment banking firm Smith Barney Inc.

In addition to focusing on rebuilding clients' balance sheets, A&A's strong cash position allows the broker "to extend and expand the size of our distribution system as other companies become available for acquisition," Mr. Zarb said.

A&A during the second half of 1995 made its first move into the growth phase of its restructuring with the acquisition of most of Jardine Insurance Brokers Inc.'s U.S. operations (*BI*, Sept. 18, 1995).

A&A purchased 12 of London-based JIB Group P.L.C.'s 16 U.S. offices for a price not exceeding $48.3 million. The domestic offices, which particularly increase A&A's market share in California, generated $53 million in 1994 revenues.

In the fourth quarter of 1995, A&A took a $17.6 million pretax charge primarily related to the JIB acquisition. About $4.3 million of the charge represented costs associated with other involuntary workforce reductions in the United States, according to A&A's annual report.

"Jardine turned out to be a very good opportunity and has done very well," Mr. Zarb said.

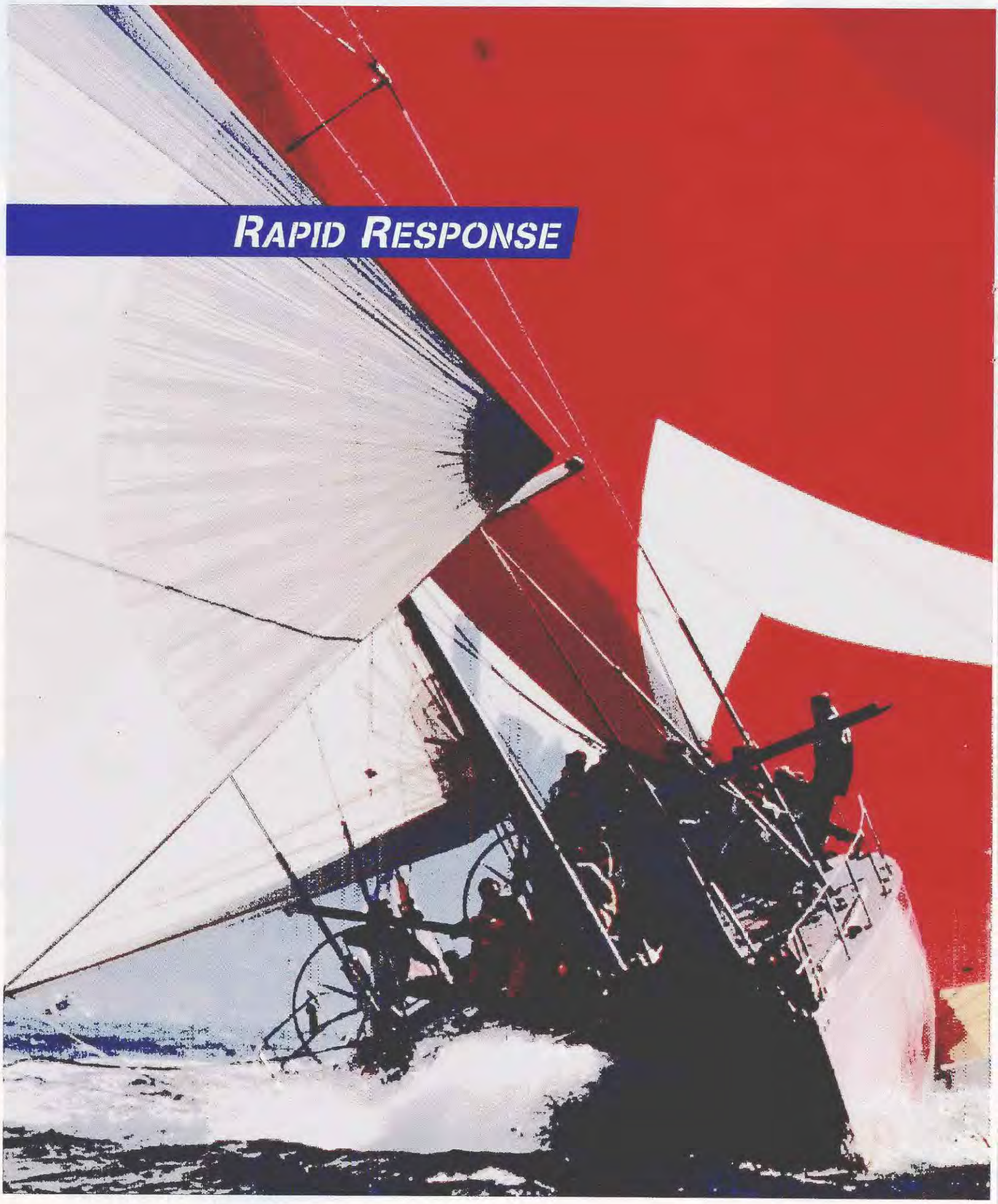
In addition to Jardine, A&A expanded its Asia Pacific operation during the first quarter of 1996 with the purchase of AIBA Holdings Pty Ltd., a Sydney, Australia-based broker that specializes in the construction and education fields. The transaction included roughly 46 offices that generated $23 million in 1995 revenues. "We're now the largest broker in Australia," said Kenneth J. Davis, chairman and CEO of A&A's global operations and chairman of retail brokerage arm Alexander & Alexander Inc.

India is A&A's next major focus, Mr. Davis added.

"It's safe to predict this year we will close six to 12 more acquisitions" inside and outside the United States, Mr. Zarb said.

After several years of speculation that another broker would acquire A&A, A&A spent much of 1995 on the other end of such transactions.

Continued on next page



Continued from previous page

A&A's reinsurance and specialty broker, Alexander Howden Group Ltd., for example, was rumored to be a potential bidder for London-based Steel Burrill Jones Group P.L.C. (*BI*, Aug. 7, 1995). At the same time that SBJ announced it had terminated all talks with potential bidders, it announced David Forcey, a director of the company and chairman of Meacock Samuelson & Dewitt, was leaving to join Alexander Howden (*BI*, Sept. 18, 1995).

A few months later, A&A was among the bidders for London-based Bain Hogg Group (*BI*, Dec. 18, 1995). Although Bain's parent Inchcape P.L.C., later decided to seek an initial public offering for its brokerage subsidiary, British stock analysts speculated bidders for Bain Hogg might have been unwilling to pay Inchcape's estimated asking price of $462 million for Bain Hogg.

Since A&A hired Mr. Zarb from Travelers Inc. in 1994, it has settled its outstanding liabilities, restructured its business and management, shored up its earnings and now is focusing on developing new products and growing the company.

"I think Frank Zarb has done a lot and that (A&A) is a leaner and meaner operation than it's been in probably 15 to 20 years," said David Seifer, an analyst with Donaldson, Lufkin & Jenrette Inc. in New York. However, "primary commercial pricing in the U.S. continues to erode, so there is still pressure on (A&A's) revenue stream. They are positioned to do much better, but they need the market to help them out," he said.

"I wanted to be out and positioned well enough to take advantage of the turmoil in the industry," Mr. Zarb said. "We had a lot to do and no question the 1993 and 1994 period created some disruption. We lost a lot of good people and some of those good people took away good clients, which flowed through into 1995 and 1996. We're paying for the sins of yesteryear, and that's always a little distracting," he said.

Going forward, "we have to do more business, we have to be a quality producer, we have to be the producer of choice and we have to do it at the lowest cost," according to Mr. Zarb.

So once A&A shored up its financials, Mr. Zarb named new managers.

In May, Elliot S. Cooperstone was named president and CEO of the retail brokerage unit, A&A Inc. Mr. Cooperstone, who is the third CEO to fill that post in the last three years, came to A&A in 1994 after serving as assistant to Mr. Zarb at Travelers.

Mr. Cooperstone succeeds Lawrence E. Burk, who became chairman and CEO of A&A Inc. in late 1993, after Ron Forrest resigned from the company. Mr. Forrest is currently chairman and CEO of Bain Hogg Group in London.

Mr. Burk has since become deputy chairman of A&A Inc., as well as president and chief operating officer of A&A's global retail operation. Meanwhile, Mr. Davis, chairman of A&A Inc., is relocating to New York from London.

In addition to having a well trained and enlightened team at A&A, "we needed to have the mentality that understood the benefits of technology. We needed to have a global knowledge of the industry and the universe, and we needed to connect the two and subsequently improve the state of art in which we deal with clients," Mr. Zarb said of the management changes.

While "it's never a badge of honor to say we've had three leaders in three years, it's far better to have made the changes you need to make than to sit without making changes because you don't want to have such an outlandish track record," he said. "I'm comfortable at where we are now."

With the new management in place, A&A now is emphasizing expanding its products and services.

Earlier this year, A&A's Alexander Capital Consultants unit, together with Swiss Reinsurance Co., introduced a multiyear property and liability product that provides at least $300 million in excess limits to large industrial policyholders (*BI*, Jan. 8).

And in late June, Access A&A—a custom Internet-based service—became available to A&A clients via the World Wide Web. Through Access A&A, clients not only have electronic links to their A&A account service teams, but they also can access their insurance portfolios, industry information, proprietary A&A research, insurance products and alternative solutions on a real-time basis. Access A&A also connects users to insurance-related home pages on the Web, eliminating the need for lengthy searches.

Access A&A was just one part of A&A's $45 million information technology investment made last year.

The broker also is developing an Intranet version of Access A&A called ACORN—an acronym for A&A's core network. ACORN will link all of A&A's computers, software and databases around the world to a single server-based system. The system will be menu driven and use hypertext links and other Internet software techniques to access internal telephone directories, training courses and client data.

Both Access A&A and ACORN stem from a larger infrastructure called the A&A Way, which the broker has been developing over the past couple of years. The A&A Way is the process of re-engineering A&A's workflows using best practices. The A&A Way system incorporates these processes and standardizes policy data, exposure data and claims data throughout A&A's offices. The standardized data, which includes a single insurance application, can be downloaded to clients through Access A&A as well as to A&A employees through ACORN.

With A&A's "single broking application existing throughout the world, coupled with the ability to give our clients access to us as a company electronically over the Internet, we become the only broker to offer risk managers real-time access to their data, anywhere they would like it, in any format they want, analysis ready," explained Mr. Cooperstone.

In addition to A&A's internal and client proprietary technology, A&A was one of the founding six partners of the World Insurance Network, owned equally by the world's six largest brokers (*BI*, Nov. 6, 1995).

The global network will provide the infrastructure necessary for brokers and insurers to link up with each other around the globe to electronically process claims and exchange risk information that is not client specific or proprietary.

"The industry needs to change the way we do business," said Dennis L. Mahoney, chairman and CEO of Alexander Howden Group and current chairman of WIN. "There is a huge amount of expense we can take out of the business." While Mr. Mahoney could not pinpoint a specific date in which WIN will be up and running, he did say all the partnering brokers are working "extremely cooperatively" and all want the network out in the industry as soon as possible.

In 1996, A&A "will continue to roll out additional technology, all of

Continued on next page

"A major client in upstate New York requested a cash call.

We wired the money ahead of any other reinsurer on the account."

John Thys, Vice President

When we react quickly, we allow our clients to do the same, with profitable results. Results that perfectly reflect Constitution's winning combination of commanding speed and state-of-the-art technology.

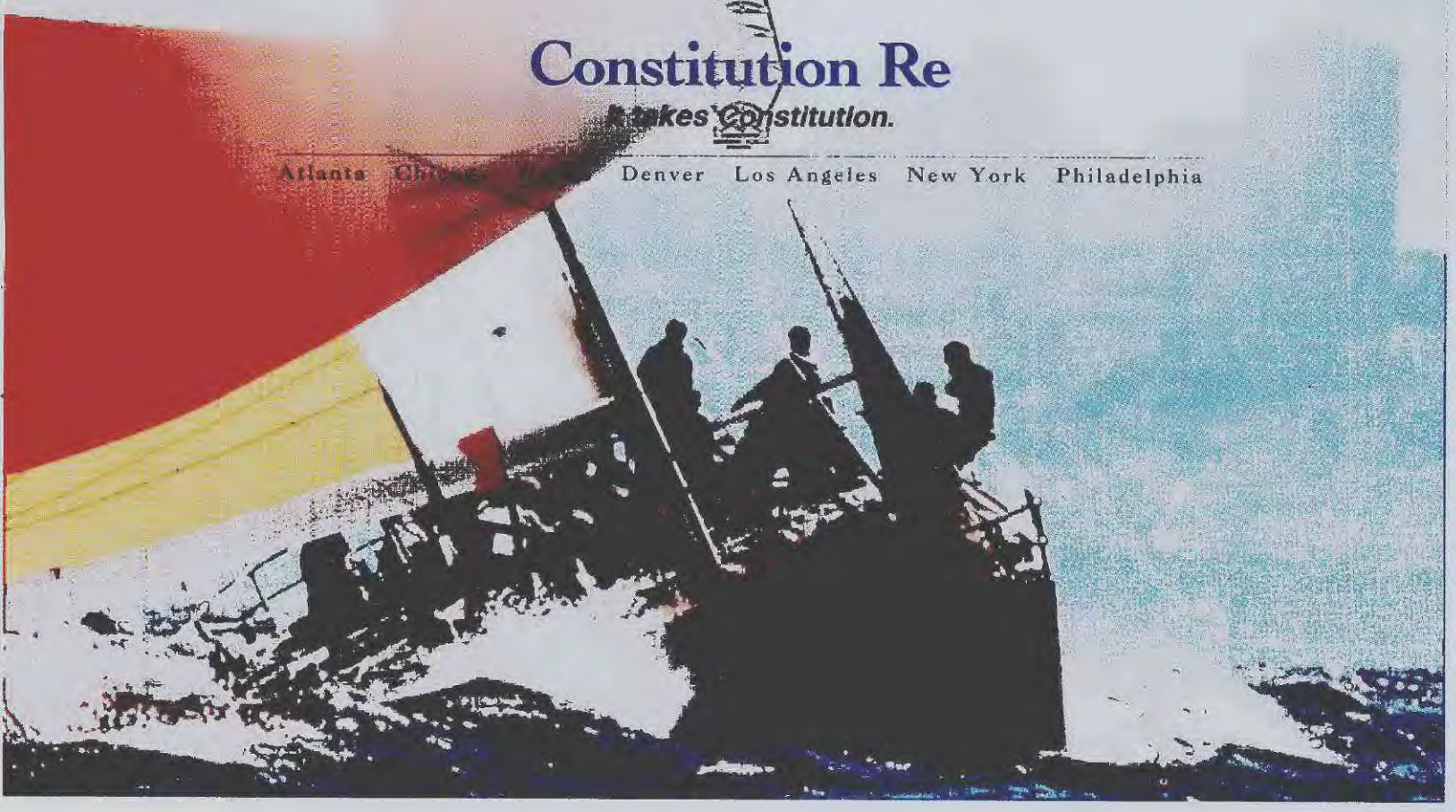
Constitution promotes a unique management philosophy of individual empowerment, which works so well for our clients that more than 35% of them have enjoyed a successful partnership with us for over a decade. A distinguished benchmark, since that's longer than many other reinsurance companies have been in existence.

For more detailed examples of Constitution's commitment to rapid response, call 800-255-5530. You'll receive a complete package in rapid fashion. Because Constitution knows that's what it takes to be a recognized leader.

Constitution Re

It takes Constitution.

Atlanta Chicago Denver Los Angeles New York Philadelphia



Continued from previous page
which is costing a lot of money that will not be paid back until 1997 and 1998," Mr. Zarb said.

Indeed, first-quarter results reflect A&A's investment.

Revenues for the first three months of 1996 fell 3.1% to $314.3 million from $324.2 million in 1995. Net income fell 69% to $13.1 million from $41.7 million in 1995.

In addition to offering new products and services, A&A is developing new programs that integrate two or more of its units.

"There are lots of areas (in which) we're working together as a family that didn't exist a couple of years ago," said Donald L. Seeley, president and CEO of Alexander Consulting Group Inc., A&A's benefits and human resource consulting unit.

For instance, A&A developed a new employment practice liability program that partners A&A Inc., ACG and the New York law firm of Jackson, Lewis, Schnitzler & Krupman, Mr. Seeley said.

A&A Services places the coverage, ACG helps clients lower their risk of employment liability and the law firm will give legal advice and representation if needed.

'There are lots of areas (in which) we're working together as a family that didn't exist a couple of years ago,' says Donald L. Seeley of Alexander Consulting Group Inc.

A&A Inc. and ACG also are working together to provide clients the necessary services to manage and coordinate their employee benefit and workers compensation programs through a new integrated benefits practice, Mr. Seeley said. The units also are working together to help clients's human resource and risk management departments analyze what areas need to be kept in-house and what areas are better out-sourced.

After a disappointing late 1993 when ACG had to restate revenues because it inadequately reserved for shortfalls in its non-collected consulting revenues, ACG is now focused on growth, Mr. Seeley said.

Based on 1995 revenues of $196 million, ACG ranked as the eighth largest benefit consultant in the world (*BI*, Dec. 11, 1995).

During the first quarter of 1996, A&A's board of directors authorized the repurchase of up to two million shares of A&A common stock that will be used to fund the broker's equity-based compensation and employee benefits plan.

During 1995, A&A's stock price ranged from $18.50 to $26.44 per share. On July 12, it closed at $18.25.

The 1995 salaries and bonuses of the five highest-paid A&A executives, as reported to the Securities and Exchange Commission, follow:

Frank G. Zarb	$1,878,005
Kenneth J. Davis	$723,664
Ronald A. Iles	$889,156
Edward F. Kosnik	$705,016
Dennis L. Mahoney	$814,439

—By Sally Roberts

5

Willis Corroon Group P.L.C.

10 Trinity Square, London EC3P 3AX;
44-171-488 8111;
fax: 44-171-488-8223
Willis Corroon Plaza, 26 Century Blvd.,
Nashville, Tenn. 37214;
615-872-3000; fax: 615-872-3091.
Internet: http://www.wcg.co.uk

	1995	1994
Premium volume	**$11.05 billion**	$10.7 billion
Gross revenues	**$1.11 billion**	$1.09 billion
Brokerage: Retail	**42%**	44%
Wholesale	**19%**	22%
Reinsurance	**17%**	12%
Personal	**5%**	5%
Services	**10%**	10%
Investment income	**7%**	6%
Other	**NA**	1%
Employees	**10,227**	11,283
Rev./Employee	**$108,996**	$96,363
Offices	**163**	168

Converted at applicable exchange rates.

Willis Corroon Group P.L.C.'s revenues in British pounds fell slightly last year from 1994, but profits rebounded dramatically following stringent expense reductions and divestitures of some non-core business.

Although gross revenues fell less than half a percent to £706.4 million in 1995 from £709.7 million, converted to U.S. dollars at average exchange rates, revenues grew 2.5% to $1.11 billion from $1.09 billion in 1994.

As a result, Willis maintained its position as the fifth-largest broker in the world. Its former strategic partner, Johnson & Higgins, however, is close behind.



Willis expects to show 'at least a respectable performance' in 1996 and 'further profitable development,' says John Reeve.

Pretax operating profits rebounded dramatically, up 38% to £79 million ($124.7 million) from £57.4 million ($87.9 million) in 1994.

The recovery is even more dramatic when the effect of discontinued operations on pretax profits is considered: a £50.2 million ($79.2 million) profit in 1995, compared with a £5.6 million ($8.6 million) profit in 1994.

And pretax profits in the first quarter of this year, while not meteoric, were up 3.8% to £46.7 million ($73.1 million) from £45 million ($70 million) for the same period last year.

Revenues were up 1.6%, to £198.5 million ($310.9 million) from £195.4 ($303.8 million) posted in the first quarter last year.

Overall, Willis expects to show "at least a respectable performance" in 1996 and "further profitable development," says Executive Chairman John Reeve, who assumed his position Dec. 1.

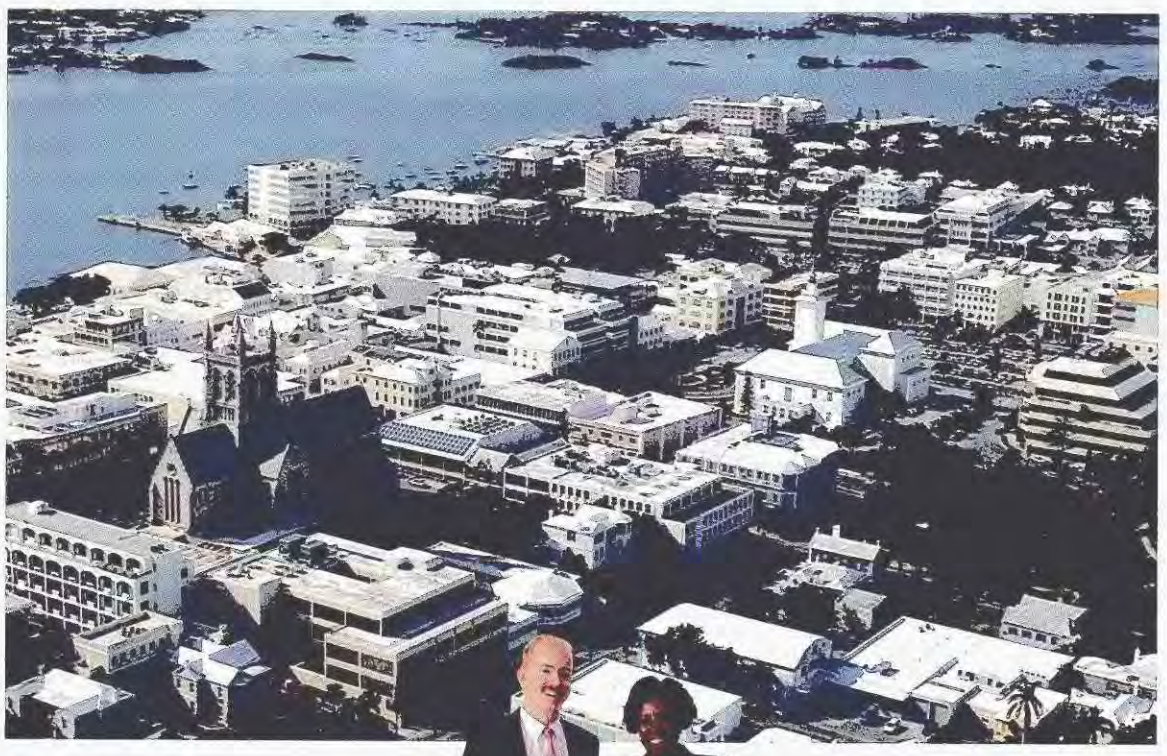
But, operating in a fiercely competitive insurance market, most major brokers will report revenue growth only through acquisitions, which Willis will consider on a "sensible scale," he added.

Willis' profit rebound in 1995 reflected "the first phase of the work to improve the group's performance," explained Mr. Reeve.

That work actually began in June 1994, under then-Chairman Roger Elliott, who retired late last year. Consultant McKinsey & Co. was hired in the second half of that year,

Continued on page 28

Within this one square mile of the city of Hamilton rests the secret of our success.



From Pitt's Bay Road to Parliament Street...just four short blocks wide and about three deep... you will find a concentrated mecca for the insurance buyer. It's all here.
The brokers, the intermediaries, the big CATS, the little captives, the bankers, lawyers, auditors and insurance professionals who form the experienced work force, and most importantly billions of dollars in unencumbered capital. Combine that with the latest in fibre optic communication technology and a successful Industry/ Government Partnership and you'll understand why industry leaders say "There is no better place to do business." And you can walk to every meeting.



BERMUDA

THE PREMIER OFFSHORE DOMICILE FOR INSURANCE, MANAGEMENT AND FINANCIAL REINSURANCE

For more information call or write to: The Insurance Information Office
The Bermuda Insurance Institute, P.O. Box HM 2911, Hamilton HM LX, Bermuda.
Telephone: 441-292-9829 Fax 441-295-3532



Paula Marshall-Chapman, CEO
Bama Foods, Ltd.

SHE BAKED 3 MILLION BISCUITS YESTERDAY. AND WE HELPED.

At Bama Foods, making three million biscuits from scratch for the world's most famous fast-food restaurants is all in a day's work. And from the raw ingredients to specially built ovens to frozen delivery, the biscuits—and the rest of Bama—are insured by Chubb. Coverages for product liability, equipment and transit are part of the policy Bama's insurance agent created with Chubb. As a leading business insurer, Chubb has more than 112 years of experience—along with the highest ratings for financial strength—to help protect what the world's businesses, big and small, can cook up. To see how your independent agent or broker can work with Chubb to help your business, call 1-800-36 CHUBB.

INSURE
YOUR WORLD
WITH CHUBB

CHUBB

For promotional purposes, Chubb refers to member insurers of the Chubb Group of Insurance Companies underwriting coverage. The precise coverage offered is subject to the terms, conditions and exclusions of the policies as issued. Coverage may not be available in all jurisdictions. Chubb Group of Insurance Companies, Box 1615, Warren, NJ 07061-1615.

Continued from page 26
and what followed was a nearly 10% reduction in the Willis Corroon workforce to 10,227. Expenses were cut 3.8%, or £24.8 million ($39.1 million), to £627 million ($989.4 million) from £651.8 million ($998.6 million) in 1994, reviving Willis' profits.

The reduction in workforce was required because Willis had expanded staff too rapidly in the United States following the 1990 merger of Willis Faber and Corroon & Black Corp.

Costs grew faster than revenues, resulting in a dismal first quarter in 1994 and a plunge in Willis' stock price.

Excluding investment income, Willis reported £665.1 million ($1.05 billion) in brokerage and fee income, down less than 1% from 1994. The mix of business changed little from 1994.

North American retail operations contributed 41%, or £274.9 million ($433.8 million); global specialty contributed 29%, or £194.1 million ($306.3 million); U.K. retail operations contributed 18%, or £119.7 million ($188.9 million); U.S. wholesale contributed 6% or £39.2 million ($61.9 million); international operations contributed 5% or £33.8 million ($53.3 million); and other operations contributed £3.4 million ($5.4 million).

More than 55% of Willis' brokerage and fee revenues are generated by clients based in North America, compared with 24% from clients based in the United Kingdom and 21% based elsewhere in the world.

In addition to reducing expenses in its continuing operations, Willis improved its balance sheet by disposing of non-core business, including:

• Gryphon Holdings Inc., a holding company with two subsidiaries, Associated International Insurance Co. and Calvert Insurance Co., which underwrite specialized commercial property and casualty coverages. Willis sold 64% of its interest in Gryphon in December 1993 through a public offering.

Willis disposed of its remaining shares in two transactions. The first was in September, when it sold 1.5 million shares to Gryphon for $24.75 million. Two months later, it sold the remaining 1.44 million shares it held to U.S. investors for $23.72 million.

The November transaction marked Willis' full withdrawal from U.S. insurance underwriting.

• IPRC Hinton Ltd., part of Willis Corroon Hinton Ltd. The U.K.-based company provides advisory services on employment law, personnel management, health and safety and taxation. A consortium of IPRC directors purchased the business in November for £5.5 million ($8.7 million); its annual revenues were £8.5 million ($13.4 million).

• Heddington Brokers Ltd., a Bermuda-based broker. Willis had a 50% interest in Heddington, which primarily places reinsurance for Heddington Insurance Ltd., Texaco Inc.'s Bermuda-based captive insurance company. Heddington Insurance already owned 50% of Heddington Brokers and bought the remaining interest in December from Willis for $10.1 million.

At the same time, Willis bought the 49% share of Willis Corroon Heddington Ltd. owned by Heddington Brokers for £44,840 ($70,756).

Also sold, at year-end 1995, was the group's U.S. headquarters in Nashville. Shorenstein Realty Investors Two L.P. paid $52.4 million, which resulted in an exceptional cost of $1.8 million because the book value of the building was $54.2 million.

Since the beginning of 1996, two more businesses have been shed, health care specialist Management Science Associates Inc., for which Willis received $8.3 million, and Personal Performance Consultants U.K. Ltd., an employee assistance program provider, sold for about £1.2 million ($1.9 million).

The £6.6 million ($10.4 million) profit from the sale of Gryphon in 1995, the only sale to produce a profit, was used to reduce the group's debt.

Profits from this year's disposals are expected to be published in the second-quarter results due in early August.

There is still more shedding to be done, confirmed Mr. Reeve, though most of the program has been completed. He noted that this does not mean a further reduction in employees at Willis, which will try to redeploy individuals within the organization.

The 1995 restructuring reduced Willis' costs "around £38 million ($60 million) per annum," Mr. Reeve said, referring both to cost reductions in continuing and discontinued operations. "And all that was achieved without damage to revenues."

The stock market has not exactly rewarded Willis for its improved results. Its stock price closed at 146 pence ($2.28) per share on July 12, exactly the same as on July 6, 1995, and still substantially lower than its high of 243 pence ($3.60) in January 1994. During 1995, the stock fell as low as 118 pence in early October from its high of 169 pence in late May.

Also at the end of last year, Richard Miller retired from his post as vice chairman and chief executive emeritus of Willis Corroon Corp. Late in 1994, he had stepped down from his post as chief executive officer of Willis Corroon Corp. and was succeeded by Ken Pinkston.

Now, Willis is about to embark on the next phase of the program—its strategy for the future.

"We are doing a great deal of analysis work on that," Mr. Reeve said. Analyses of both the business and its clients are nearing completion and are being looked at in the context of prevailing and predicted future market conditions.

"As a general comment, looking ahead, we assume that market conditions are going to remain very difficult within the industry—that is our planning background," said Mr. Reeve. The individual business units in Willis are being scrutinized and strategies developed to encourage their growth and performance. Performance targets are being set for each activity, providing benchmarks for the next few years.

Mr. Reeve advocates market research about customers "to get a really deep understanding of customer needs now and in the future, and customer buying habits and propensities. What is most important to customers?"

Opinions have been solicited on both sides of the Atlantic, from clients—and non-clients—of all sizes. "It is providing us with a very valuable guide for the future as to how to segment the market more accurately than we have in the past," said Mr. Reeve, "and how to produce focused, valid propositions for the customer base. A great deal of strategy, I

Continued on next page



Continued from previous page
think, has to be driven by a thorough understanding of what customers are requiring. Therefore, that's a very important, fundamental piece of work for us to have undertaken."

The headline results are already in Mr. Reeve's hands, but more detailed analysis is under way and the program is to be updated. "It's not just a one-time exercise," he said.

Management focus also has turned to enhancing customer service while reducing costs. Many of its systems have evolved over the years, rather than developed in a structured way. "If you were starting again today, you wouldn't do it the way that most of the brokers do it," explained Mr. Reeve. "We think there's a significant opportunity for improvement and streamlining those processes both physically in the way that transactions are handled as well as the application of new technology."

Changes will begin toward the end of the year, predicted Mr. Reeve, and will be rolled out in waves during 1997.

One analyst in London said the market is waiting for the results of this strategic review before Willis' stock price will move.

Formerly the managing director of life insurer Sun Life Corp., Mr. Reeve is not only the first chairman of Willis to come from outside the insurance brokerage business but also is the first Willis chairman to be appointed from outside Willis.

Mr. Reeve's background includes appointments as finance director of Mercantile House Holdings and the British Aluminum Co. His experience in other industries is expected to put Willis in good stead to address the management issues plaguing the brokerage business.

"Overall, I think there is substantial room for the introduction of better management practice into the brokerage industry," he said. "They tend to be technically strong but in terms of management skills, management ability and strategic focus, financial services generally have lagged behind many other industries."

Willis' strategy now, he said, is to upgrade the "general professionalism" in the business in a customer-focused way.

"A major component of the work is to look at it through the eyes of the customers, because you can otherwise spend an awful lot of time improving things, but if those things aren't noticeable to the customer, then that effort is largely wasted," said Mr. Reeve.

While streamlining and disposing of non-core businesses, Willis continues to acquire complementary operations.

Last year, for example, it purchased the majority of the assets and retail brokerage business of Jardine Insurance Agency in Troy, Mich., for $3.2 million. At the same time, it acquired a much smaller operation from Jardine in Phoenix for what Richard Dalzell, group finance director, described as a "modest" amount.

"We continue to look for opportunities to make sensible-scale acquisitions that enhance and strengthen our existing businesses," Mr. Reeve said. One of the priorities in the United States is to be the leading broker in targeted cities.

Mr. Reeve also intends to make acquisitions to strengthen specialties and extend international operations.

"They are really very much to support our focused development of particular activities to reach certain leadership positions in the market where we wish to be."

Internationally, Willis wants to become a full broker in Japan when it becomes legally possible, complementing the group's strong reinsurance connections in the country. India is another market on the verge of liberalization, appealing to Willis' international expansion. "We are planning in some considerable detail our approach to the Indian market," said Mr. Reeve. "I think the day is now much closer that we will start to see the first effects of liberalization."

Operations also are being expanded in Latin America, where reinsurance opportunities are opening up, according to Mr. Reeve. All these moves "are not overnight opportunities," he pointed out. "With a lot of these markets, you have to at the very least take a medium-term view, and in some instances longer than that. . .as to whether you wish to commit resources and to participate. That means one needs to be focused."

Much of the international expansion is in conjunction with existing reinsurance relationships that have developed over the years. But, where the Willis Faber name is not as well known, for example in Southeast Asia, development is cautious. "There are opportunities for us, but we have to be selective and focused," said Mr. Reeve, "and not dissipate our resources too widely."

Willis intends to be a leader in markets. To achieve that, the group is willing to establish new operations or purchase existing ones. "The choice of method is driven by circumstances," said Mr. Reeve, adding that it is vital to have "extremely high-quality local management."

A new emphasis also is being placed on developing the people within the organization. "We want to attract, motivate and retain people of the highest quality," said Mr. Reeve. As part of that program, Willis is increasing investment in personal development of staff, and senior employees will have clear development plans, including education and training. Mr. Reeve said he wants to see technically oriented Willis executives develop other management skills.

Streamlining in the brokerage sector in general is needed, Mr. Reeve contended, and he sees the World Insurance Network as a step in the right direction. WIN is global electronic trading system established by several of the world's largest brokers. "There is massive duplication and far too much paperwork," he said. "We must drive out the frictional costs and WIN is one aspect of doing that."

Mr. Reeve sees his initial task as developing and improving Willis' core businesses, "so we can build on the tremendous strengths and quality of people and market positions we have in the group, which I think over the last few years have been somewhat underdeveloped and underexploited."

After that is achieved, Mr. Reeve said he will focus on new activities and opportunities. "But I think the main thing is there's a lot of potential in the businesses we have, and I think the immediate exciting challenge is to optimize the development of some of those businesses."

—By Sarah Goddard

If you're an insurance agent, you never know what may hit your clients next. Prepare them to stand up to any risk — with insurance coverages from CRC. **Umbrella/Excess Casualty.** Representing every major insurance market, we offer virtually any product you could need — buffers, lead umbrellas, excess umbrellas, excess auto liability, and much more — to cover everything from standard market risks to the most complex high-hazard accounts. **Professional Liability/ Directors and Officers.** No one performs like CRC when covering complex and hard-to-place D&O and E&O risks. We specialize in serving professionals with unique risk needs for D&O, professional, and employment practices liability exposures. **Primary Casualty.** We specialize in creative, competitive solutions for difficult primary casualty risks, from Products Liability to Environmental/ Pollution to Real Estate Management. **Property.** We provide innovative solutions, simple to complex, from CALIFORNIA EARTHQUAKE to DEDUCTIBLE BUY-BACKS to FLORIDA WIND EXPOSURES to CARIBBEAN RISKS. **Marine.** CRC offers a comprehensive selection of products for inland and ocean marine exposures, from Hull & Protection Indemnity to Marina packages to Casino Boats and Yachts. **Underwriting.** CRC provides fast, cost-effective binding authority solutions, writing package accounts generally under $50,000 and monoline property, general liability, and liquor liability. Protect your clients from unexpected blows. Call CRC today. No matter what risk you face, we'll ensure that you and your clients come out on top. PERFORMANCE IS THE DIFFERENCE

Without The Right Coverage, Even The Most Ordinary Risk Can Topple Your Clients.

CRC

POST OFFICE BOX 59689 • BIRMINGHAM, ALABAMA 35259-9689 • 205-870-7790 • 800-824-1709 • FAX 205-879-3739

Spotlight report

6

Johnson & Higgins

125 Broad St., New York, N.Y. 10004;
212-574-7000; fax: 212-574-7676.
Internet: http://www.jh.com

	1995	1994
Premium volume	N/A	N/A
Gross revenues	$1.08 billion	$1.01 billion
Brokerage: Retail	60.6%	63.1%
Wholesale	6.3%	6.1%
Reinsurance	4.8%	4.9%
Personal	0.3%	0.3%
Services	23.8%	22.6%
Investment income	4%	2.9%
Other	0.2%	0.1%
Employees	8,729	8,727
Rev./Employee	$124,035	$115,572
Offices	134	130

Companies looking to acquire a big insurance broker will not see any "For Sale" signs at Johnson & Higgins, says David A. Olsen, chairman and chief executive officer.

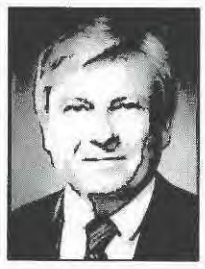
The brokerage instead is more interested in buying competitors, he said. However, the private structure of the brokerage could make it difficult to make very large purchases, he acknowledged.

Still, over the past year J&H acquired brokerages that will expand its reach in Scotland and shore up marine expertise in London.

Internally, the brokerage in 1995 established a formal risk consulting department to help clients explore ways to tackle large risks. Other restructuring within the brokerage last year, such as uniting international and domestic departments and consolidating its areas of operations in the United States, is expected to bring greater efficiency.

In addition, a continued emphasis on the broker's 4-year-old quality initiative and the implementation of a client survey should improve client service at J&H, Mr. Olsen says.

Change also is being forced on the brokerage from a court ruling forbidding the principle behind its former retirement policy for company directors.



'For the first time in a long time, every division of J&H. . .has done better than last year and better than plan,' David A. Olsen says.

But that change will not put off the retirement of the two most senior directors at the end of 1997. Their successors are expected to be announced this fall.

The changes have capped another year of steady but unspectacular growth at J&H. Gross revenues grew 7.3%, to $1.08 billion in 1995 from $1.01 billion in 1994.

In achieving that rate of growth, all divisions' revenues exceeded the annual business plan expectations, Mr. Olsen said.

"For the first time in a long time, every division of J&H, whether it's U.S. retail, international, employee benefits consulting, captive management—you name it—has done better than last year and better than plan," he said.

J&H's employee benefit consulting unit, A. Foster Higgins & Co. Inc., one of the world's largest benefit consultants, saw steady growth in 1995. Gross benefit consulting revenues from Foster Higgins and other J&H benefit consulting services increased 6.1%, to $226 million in 1995 from $213 million in 1994.

New and additional business was up, lost business was down, and efficiency improved, Mr. Olsen added.

J&H is unlikely to become part of a rival's growth plans, even though additional consolidation among the largest insurance brokers is expected to occur, Mr. Olsen said.

"There's no question that we are not for sale," he said.

J&H's senior management still owns the 151-year-old brokerage, and when the directors retire, they are required to sell their shares to the other directors.

While the arrangement protects J&H from being bought by a competitor, it also makes it difficult for the brokerage to raise money to finance a mega-purchase itself, the company's senior executives acknowledge.

If the opportunity to buy a very large broker arose, J&H would have to seriously consider whether it would be worth changing its structure and go public to make the purchase, said Richard A. Nielsen, president and COO.

"If a $1 billion or $2 billion acquisition presented itself, we would have to look at it," he said.

Internally, the most impressive growth over the past year was in overseas operations, Mr. Nielsen said.

Revenues from non-U.S. business grew in the double digits last year, compared with the single-digit gains in the United States, he said. However, the broker's overseas business is growing from a substantially lower base, he noted.

Total commercial retail revenues increased 3.1%, to $656.1 million in 1995 from $636.4 million in 1994.

Commercial retail brokerage revenues generated through U.S. offices edged up less than 1%, to $458.6 million from $455.7 million in 1994. Retail brokerage generated through overseas offices increased 9%, to $197.5 million in 1995 from $180.8 million in 1994.

Among J&H's overseas operations, Asian markets produced the largest revenue growth, Mr. Nielsen said. "Asia is at a point in its evolution where there is dramatic growth among the economies there," he said.

J&H also is growing in Southeast Asia. In the past year, J&H opened an office in Shanghai, China, to augment its existing office in Beijing.

Latin American operations continued to grow, with units in Argentina, Brazil and Chile showing the strongest growth.

Europe was a mixed bag, however.

Italy and the Netherlands "had a terrific year," Mr. Nielsen said.

But limited economic development in Germany and Spain held back growth in those countries, he said.

Unlike some other large international brokerages, J&H has relied on its participation in the UNISON brokerage network to spread its reach around the world.

UNISON is a combination of subsidiaries, joint ventures and corresponding brokers in 72 countries. J&H owns 100% of the operations in 20 countries, has majority or minority shares in operations in 12 countries and has correspondent relationships, where it has no shareholdings, in the remaining 40 countries.

In the past year, J&H increased its own operations in the United Kingdom through the purchase of Corporate Risk P.L.C. in Edinburgh, Scotland, and Peter Smart Associates (Insurance Brokers) Ltd., a small protection and indemnity club broker in London.

Corporate Risk had £3 million ($4.7 million) in total revenues in 1995. The broker specializes in larger middle-market accounts (*BI*, March 4).

Continued on page 34



Last Year, We Saved Our Customers A Lot Of Paperwork.

Delta Dental has managed dental costs and care since 1954, when we pioneered group benefit programs. Today, we lead the way with the most advanced cost management ideas in the business. Like using the latest technical advances to carefully review claims, making sure only necessary services are covered.

It's just one facet of a comprehensive cost management system that includes contracting agreements with 2 out of 3 dentists nationwide, predetermination of claims, utilization reviews, and much more. Besides these cost-cutting measures, our PPO and HMO-type programs mean even more savings. So it's no surprise we saved our groups and subscribers over $500 million last year. If your current dental plan can't save you paperwork like that, give us a call at 1-800-964-6644.

DELTA DENTAL
America's Choice.

The **explosion** started *50* years ago.



The *shock wave* is about to hit your company's **health care costs.**

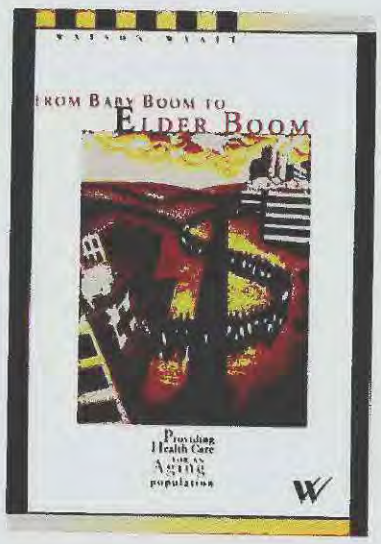
Every eight seconds, for the next ten years, another baby boomer will turn 50.

The aging workforce alone will cost your company dearly. After all, annual health care costs for a man aged 50 to 54 run three times higher than those aged 30 to 34. Add in medical inflation and escalating medical technology costs and the cost implications are clear.

Fortunately, Watson Wyatt can help you take steps to offset this demographic shock wave.

Our new study, *From Baby Boom to Elder Boom,* is a good start. It looks closely at the factors behind rising health care costs and offers a range of solutions. We can also offer diagnostic tools that measure the elder boomers' impact on your company's bottom line, as well as entirely new ways of thinking about retirement strategies, plan designs, and funding methods.

For more information, call Watson Wyatt at 1-800-851-4346 and find out what you can do to keep the elder boom from turning into a bust for your company.



Learn why health care costs are rising and find out what your company can do about them in Watson Wyatt's newest 128-page study, *From Baby Boom to Elder Boom: Providing Health Care for an Aging Population.* The cost is $125 and comes with a free copy of *The Sleeping Giant Awakens,* our pioneering study about the impact that our aging workforce will have on retirement policy. To order, call 1-800-851-4346.

Watson Wyatt *Worldwide*

Making Strategy Work.™


SWISS RE
GOLD
999.9
1KILO
651362
SWISS RE
GOLD
999.9
1KILO
651362
SWISS RE
GOLD
999.9
1KILO
651362
SWISS RE
GOLD
999.9
1KILO
651362

Swiss Re.
The Gold Standard In Reinsurance.

Swiss Re has been known as a leader in reinsurance for the 133 years our company has been in business.

Over all that time, we've built a global base of experience that allows us to examine your reinsurance problems from many possible perspectives.

Because Swiss Re has the most broadly diversified book of business, no other reinsurer is better at helping to assess risk and optimize capacity.

That's why Swiss Re, with over $38.5 billion in invested assets and more than 60 offices worldwide, is the reinsurer that companies know they can rely on.

Swiss Re. The gold standard in reinsurance.

Swiss Re America



SWISS REINSURANCE AMERICA CORPORATION 237 PARK AVENUE, NEW YORK, NY 10017 TOLL FREE (888) SWISS RE
ATLANTA BOSTON CHICAGO DALLAS NEW YORK PHILADELPHIA PHOENIX SAN FRANCISCO

Spotlight report

Continued from page 30

Corporate Risk's chairman, Doug Smith, has become chairman of J&H U.K. Ltd., the retail operation. The former chairman of J&H U.K. Ltd., Dan Jones, now heads up J&H's entire European operations.

The purchases will help J&H grow in the United Kingdom. The broker has been building its U.K. presence since 1990. Prior to then, J&H placed business in London through its former UNISON partner Willis Faber P.L.C. Willis Faber left the network after its 1990 merger with Corroon & Black Corp.

J&H now has offices in seven U.K. cities, and its revenues in the United Kingdom increased by 18% last year.

"One of the reasons why 1995 was so good for J&H was because the U.K. (operation) was a major contributor," Mr. Olsen said.

In the United States, J&H has created a new department, J&H Strategic Risk Consulting, to take a fresh look at large risks.

"They are working with very large clients in a process that starts with a clean piece of paper regarding risk," Mr. Nielsen said.

The unit will look at traditional insurance, non-traditional insurance and non-insurance solutions to a client's exposures, he said.

"A client may have the best insurance program in the world and we would look at it and see if there are other ways to deal with the risk," Mr. Nielsen said.

The new group has a staff of about 10 specialists who will work with risk managers and financial officers at client companies, he said.

Strategic Risk Consulting is led by two senior vps: Kenneth Zignorski and David Undis.

"It's a consulting approach; there is no product involved. We were doing things like this before with clients but now we are formalizing it," Mr. Nielsen said.

While J&H will look at non-traditional approaches to risk financing, it has not established a special unit to pursue capital markets-based products, unlike some other brokers.

While there has been much publicity surrounding the possibility of using capital markets to provide insurance-type coverage, very few deals have actually been completed, Mr. Nielsen noted.

Other new departments in the United States include three new industry groups: sports stadiums, technology and higher education. The industry groups, which now number 10, focus the broker's expertise to service specific industries.

J&H also has consolidated its regional organization in the United States into three areas: West, Central and East. The South, previously a separate region, has now has been merged into the other regions.

The brokerage also has opened two new U.S. offices: Jacksonville, Fla., and Kansas City, Mo.

The offices will service a growing client base in the two cities and the surrounding areas, Mr. Nielsen said.

In the United States, companies involved in the insurance business still need to make adequate profits in a soft market to survive, Mr. Olsen said.

"We operate under the assumption that the soft market is here forever," he said.

Regardless of the market, there are still plenty of opportunities to boost earnings, Mr. Olsen said.

"We are very happy with the insurance broking/consulting business and we are completely committed to the business," he said.

However, to operate successfully, brokers must differentiate themselves as superior advisers and suppliers of services, rather than rely on placing coverage for revenues, Mr. Olsen said.

"Pure transaction-type business continues to be important, but it is less important than it was a few years ago," he said.

Strong areas for J&H in 1995 include reinsurance, wholesale and middle-market business, Mr. Olsen said.

"We are very pleased with the middle-market business. On the benefits side it has grown substantially, and on the property/casualty side it has grown, too," he said.

Reinsurance brokerage business will be aided this year by the purchase of H.S. Fox Corp., a reinsurance intermediary based in Dallas, Mr. Olsen said.

The company will operate as a unit of Willcox Inc., which is J&H's reinsurance brokerage subsidiary. Willcox's branch office in Dallas will be merged with H.S. Fox.

The acquisition will broaden Willcox's capability to place life, accident and health reinsurance, said Willis T. King, chairman and chief executive officer of Willcox.

Brokers must differentiate themselves as superior advisers and suppliers of services, rather than rely on placing coverage for revenues, says David Olsen.

In another reorganization, J&H has united its U.S. and international retail brokerage operations. Previously, they had been separate entities based in New York.

"Many of the same resources apply around the world, so we thought it made sense to look at things as one company rather than two," Mr. Nielsen said.

The move to unite the two departments should make the retail operation more efficient, said Mr. Olsen.

"There has to be an increased efficiency in doing it this way, and along with that comes simplicity," he said.

Other moves designed to improve service include the distribution of an annual client survey.

The survey is designed to give the broker feedback from clients about what they want J&H to provide and whether the company is meeting those expectations.

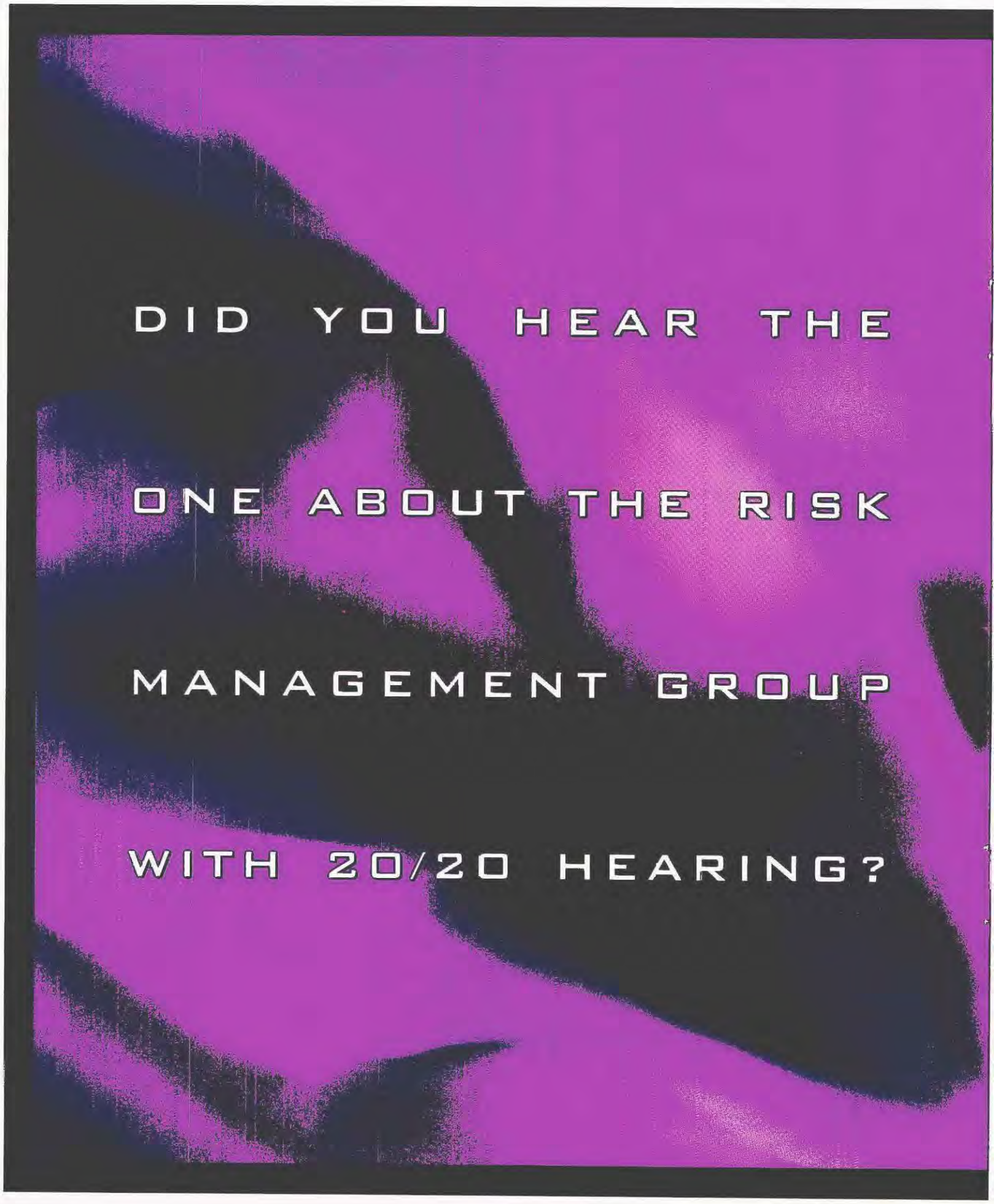
It has been tested on a sample of clients and will be sent to a wider range of clients during the remainder of 1996.

The first survey will go out to 80% of J&H's U.S. clients and in future years will include clients in other countries, Mr. Nielsen said.

All of the surveys will include a follow-up visit from a J&H broker, and 20% of those visits will be made by a senior manager, Mr. Olsen said.

"It's a much more sophisticated way of finding out what clients want. Before, you might say, 'Is everything OK?' and the client says, 'I guess so,' and that would be the end of it. In the survey, the questions are constructed so that we get real an-

Continued on next page



Continued from previous page

swers," he said.

In another move aimed at improving service, J&H is continuing its quality initiative. The program began in 1992 to improve employee performance and customer service.

One of the core aspects of the program is for senior staff members at J&H to visit local offices and work with J&H employees and clients to improve performance.

"It has now become so ingrained in the way we operate that it is part of everyday life," Mr. Olsen said.

The broker's permanent training facility in Norwalk, Conn., also is aimed at improving employee performance. The facility opened in 1995 and now has 12 permanent staff.

Senior J&H managers teach many of the courses, which included leadership, insurance management and an induction for new employees.

One change imposed on J&H over the past year has been the abandonment of its retirement policy for directors.

Since 1983, J&H has required directors to resign at age 62, or at age 60 if they have been directors for 15 years.

The Equal Employment Opportunity Commission brought a suit against J&H charging the policy violates the Age Discrimination in Employment Act. J&H defended the policy but lost in federal district court last June (*BI*, June 19, 1995).

J&H abandoned that retirement policy in accordance with the ruling. "We no longer have an official retirement policy," Mr. Olsen said.

Nevertheless, Messrs. Olsen and Nielsen intend to retire at the end of 1997, when both will be 60.

Successors likely will be announced later this year, Mr. Olsen said.

Last July, J&H created four executive vps from whose ranks it appears the future chairman will be drawn.

One of those executive vps, Robert F. Powell Jr., died in May. Mr. Powell had been chairman of Foster Higgins, the brokerage's benefit consulting unit. He had been with J&H for 29 years.

The other three executive vps are Norman Barham, Joseph P. Platt and John W. Gussenhoven. The future chairman is widely expected to be one of these three executives.

Mr. Powell was succeeded as chairman of Foster Higgins by Alan G. Page, a director of J&H and manager of management information systems since 1989.

Other executive changes at J&H include the retirement of two directors, David W. Bianchi and E. Massie Valentine, and the retirement of a managing principal, Robert F. O'Leary.

The brokerage also appointed five new managing principals: Robert L. Amoroso, Christine DiBona, Franco Fratini, Donald L. Holmes and David F. Peck.

The total number of employees at J&H rose very slightly to 8,729, compared with 8,727 in 1994.

This year the brokerage also decided to turn what was supposed to be a one-time day off for community work into an annual event.

Last year, the company gave all of the employees a paid day off to conduct community work in celebration of J&H's 150th anniversary. The day proved so popular that now all J&H offices can select a day to break off every year, Mr. Olsen said.

"It was so popular with our people and the organizations that we decided to keep doing it, and the only difference is that instead of having one day they can pick any day in the week of May 5," he said.

—By Gavin Souter

JUST LISTEN.

It all begins when we listen to our clients. They share their goals and business philosophies. We listen. Their specialists work with our specialists to truly understand the nature of the industry. We listen some more. Then we respond with a flexible array of products and services that create a precise solution - whether it's the compelling benefits offered by captives, taking advantage of cutting-edge cost management strategies or controlling total costs. And once we put them to work, we pay attention to every detail. If you like the sound of all this, call your broker today.

CNA RISK MANAGEMENT GROUP

WE GET THERE BY LISTENING™

CNA

7

Acordia Inc.

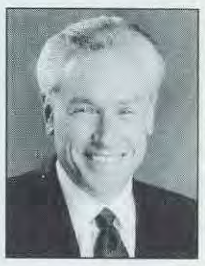
120 Monument Circle, Indianapolis, Ind. 46204-4903; 317-488-6666; fax: 317-488-6547; Internet: http://www.acordia.com.

	1995	1994
Premium volume	**$4.84 billion**	$3.89 billion
Gross revenues	**$555,064,000**	$466,396,000
Brokerage: Retail	**34.34%**	36.30%
Wholesale	**6.24%**	7.40%
Reinsurance	**0.13%**	0.25%
Personal	**10.58%**	10.80%
Services	**46.76%**	42.97%
Investment income	**1.30%**	1.11%
Other	**0.65%**	1.17%
Employees	**6,638**	5,485
Rev./Employee	**$83,619**	$85,031
Offices	**87**	78

During Acordia Inc.'s annual meeting in May, L. Ben Lytle, chairman and chief executive officer, reminisced about the Indianapolis-based company's inception.

"Nine years ago, I was sitting on my patio designing a company," he told shareholders. "What was a dream that started on a 8½-by-11inch piece of paper is now a company with $555 million in revenues and more than 6,000 employees. My dream has certainly come true."

That dream, however, was tempered with a dose of reality in the second half of 1995, as recognition dawned that profits would drop for the first time in its seven-year history. At year-end, profits had dipped



'We were growing too fast and we didn't stop and think: "Is there something we are missing? Is there something we should tighten up?" ' says L. Ben Lytle.

18.1% to $23.6 million from $28.8 million in 1994.

After growing at a record pace for years, Acordia fell victim to its own success, the broker's executives say.

They point to several factors behind the bottom line tumble. Weak



What transpired in the second half of the year was 'one of the better things to happen to a new company,' says Frank C. Witthun.

workers compensation, construction and managed care markets in California hampered earnings, as did the reorganization of Indiana operations and the integration of Bain Hogg Robinson Inc., which Acordia bought in early 1995 (*BI*, Oct. 16, 1995).

"When we look back at some of those things, even though they were environmental, we should have measured for them," Mr. Lytle said. "We were growing too fast and we didn't stop and think: 'Is there something we are missing? Is there something we should tighten up?' "

"Part of it was an entrepreneurial stall," he continued. "We had had such dramatic growth. . .every quarter was a success, and we probably got a little sloppy."

At the same time, what transpired in the second half of the year was "one of the better things to happen to a new company," said Frank C. Witthun, president and chief operat-

Continued on next page

Continued from previous page
ing officer, during the annual meeting.

"There's nothing like missing projections to get focused on making sure we do not have these issues in the future," he said.

Mr. Witthun, who became president and COO of Acordia in 1994, in the past year has increasingly assumed responsibility for day-to-day operations from Mr. Lytle, who also is president and CEO of Anthem Inc., Acordia's parent company.

If first-quarter results are any indication, Acordia already is on back on track.

Profits were up 1.3% to $7.3 million for the first three months of 1996, compared with $7.2 million during the same period last year, while revenues climbed 24.2% to $164.7 million from $132.6 million in the first quarter of 1995.

To make sure profits don't slide again, however, Acordia this year is keeping a sharp eye on its operating expenses, which had increased 41.7% in 1995 to $511.1 million from $361.0 million in 1994.

Not only is Acordia continuing an 18-month-old hiring freeze, it also does not plan to make any large acquisitions this year. Large acquisitions, such as Robinson-Conner Inc., American Business Insurance Inc. and Bain Hogg Robinson Inc., have fueled Acordia's revenue growth in recent years and helped catapult the broker up *Business Insurance*'s Top 20 rankings.

Acordia is the world's seventh-largest broker, based on 1995 gross revenues of $555.1 million, up 19% from $466.4 million in 1994.

"We are not going to grow huge revenue numbers by large acquisitions this year," Mr. Lytle said. Acordia will make smaller acquisitions, but they will be agencies in cities where it already has a presence and can be rolled into an existing Acordia company, thereby reducing expenses, he said.

"Really, what we are concentrating on is cutting our operating expenses," he said.

Some expense savings will come from Acordia's push to regionalize its operations.

When Acordia was formed in 1989, it was structured 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 is able to offer property/casualty coverage, managed health care services and life insurance coverage and has its own board of directors as well as a CEO who has strong incentives to grow the company.

Each Acordia company targets mid-market firms with between 150 and 4,000 employees, or with annual revenues of $10 million to $400 million.

Originally the companies focused on such companies in a specific geographic, demographic or industry market. However, Acordia in 1994 began consolidating its industry-focused Acordia companies into geographic-focused companies to keep pace with a health care market that was becoming more localized (*BI*, July 17, 1995).

And in 1995, Acordia began grouping a majority of its Acordia companies into five regions, located in the Midwest, Northwest, Southeast, Northeast and Mid-Atlantic. Acordia companies in California, Colorado, Michigan, Minnesota, New Mexico and Texas remain independent of the regional operations.

The reorganization was designed primarily to help Acordia companies become stronger, more powerful companies and to better match the regional marketing focus of insurers, rather than to save money, Mr. Witthun explained.

However, he added, each region, as opposed to each Acordia company, now will have one CEO, one chief financial officer and one board of directors, which will reduce some overhead costs.

In addition to regionalizing its companies, Acordia is re-engineering its third-party claims administration business.

Acordia administers workers compensation claims and health care claims, Mr. Witthun explained.

While the broker will continue administering workers comp claims from its current locations, it will continue administering health care claims in states only where Acordia has significant market share.

As a result, Acordia no longer will administer health care claims in Florida, Georgia, Mississippi and Texas.

Acordia sold these health care TPA operations to Anthem, its parent, for an undisclosed amount.

"The marketplace has changed the TPA business," Mr. Witthun said. With the move toward managed care, specifically capitated health care plans, the "old TPA business is under lots of pressure," he said.

At the same time it reorganizes existing operations, executives also are enthusiastic about new initiatives at the brokerage.

"We've got some really exciting things going on between Acordia and Anthem," Mr. Lytle said of its parent company, which changed its name to Anthem from the Associated Group in 1995.

For example, Anthem last year merged with Community Mutual Insurance Co. and created Anthem Blue Cross & Blue Shield. Acordia became the marketing arm for the insurer, which offers BC/BS products in Indiana, Kentucky and Ohio.

In addition to this and other health care initiatives, Acordia is expanding its international property/casualty reach through a new broker network.

ExcelNet, a joint reciprocal arrangement between 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, has been up and running for six months now (*BI*, Sept. 11, 1995).

Through the network, all the brokerages' 243 offices in 70 countries are linked through a proprietary risk management information system, enabling the brokers to provide clients with information about their international risk, insurance, premiums and claims positions at any time.

ExcelNet has been "very successful," Mr. Witthun said. "I think the reason why it has been successful is the operations that are involved are real significant players in their own markets," he said.

Mr. Witthun said while Acordia does not have many international clients—only 0.2% of its revenues were generated from clients based outside the United States in 1995—it has picked up new business through the network.

ExcelNet is an extension of the original reciprocal arrangement with London-based Bain Hogg Group that Acordia gained through its acquisition of American Business Insurance Inc. in 1993 (*BI*, Aug. 30, 1993).

When Acordia acquired the U.S. operations of Bain Hogg in the beginning of 1995, it announced the two brokers would expand their existing relationship and establish a 50/50 joint venture company to develop and sell products and services to multinational clients. Specifically, the joint venture would allow Acordia to market its health insurance products overseas.

However, late last year, Inchcape P.L.C., Bain Hogg's parent, put the broker on the block (*BI*, Dec. 18, 1995). After failed attempts by Alexander & Alexander Services Inc. and Aon Group to acquire Bain Hogg, Inchcape instead opted for an initial public offering.

"That slowed down some of those efforts," Mr. Witthun said of the joint venture. Acordia and Bain Hogg instead decided to focus "on what was more practical for both companies," which was to form a network by which members could place and receive business.

"Clearly, there still is interest on both our parts to look at doing something on a joint venture basis," Mr. Witthun added.

Despite its size, Acordia is "very different from the alphabet houses," Mr. Lytle said of the broker's overall strategy. "We are a company that is focused on the mid-market, focused on building strong regional operations with a high degree of autonomy, and we have a big health care practice, and that's just really different from the alphabet houses."

Indeed, while Acordia continues to increase its property/casualty business through acquisitions, a majority of its revenues—58.8%—still are generated by the health care business. In 1995, 36.2% of Acordia's revenues were derived from property/casualty business, up from 34.8% in 1994. The remaining 5% was derived from life insurance business.

Acordia acquired seven brokers in 1995 that helped boost its property/casualty business.

In addition to Bain Hogg Robinson, which Acordia purchased in January 1995, it purchased Criterion International Managers Inc., a Dallas-based excess and surplus lines broker.

Last June, it purchased McElroy-Minister Co. of Columbus, Ohio, and a month later it purchased Rudy E. Facciani Co. Insurance Marketing Inc., a Fresno, Calif.-based managing general agency and claims administrator. Last August it purchased The Moore-Peterson Co. Inc., a Youngstown, Ohio-based broker.

Acordia also purchased two smaller agencies in 1995: Atkinson & Associates in Phoenix and American & Associates in Minneapolis.

In 1995, Anthem authorized the purchase of up to 1 million shares of Acordia common stock, bringing its ownership of Acordia to 62.1% from 59.5% in 1994.

Stock prices ranged from a high of $34.50 in March 1995 to a low of $23.50 in December 1995. Acordia's stock was trading at $32.38 on July 12.

The 1995 cash compensation paid to the five highest-paid Acordia officers, including salaries and bonuses, as reported in the prospectus, follows:

Mr. Lytle's compensation from Anthem, where he is chairman and CEO, is not included.

L. Ben Lytle	$240,000
Frank C. Witthun	$230,002
Michael B. Henning	$190,008
Robert S. Schneider	$163,097
Thomas E. Vanneman	$110,006

—By Sally Roberts

8

Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143; 708-773-3800; fax: 708-285-4000

	1995	1994
Premium volume	N/A	N/A
Gross revenues*	$411,998,000	$367,664,000
Brokerage: Retail*	55%	57%
Reinsurance	1%	1%
Personal	1%	1%
Services*	39%	38%
Investment Income	4%	3%
Employees*	3,739	3,415
Rev./Employee	$110,189	$107,661
Offices	62	57

** Restated for 1994.*

A relatively robust performance by Arthur J. Gallagher & Co. in 1995 makes a long-term goal of the broker look attainable, which would make Gallagher look notably different by the second year of the new millennium.

Springboarding off its 12% revenue growth last year, Gallagher expects to cross the $1 billion threshold in total gross revenues by year-end 2002, said J. Patrick Gallagher Jr., president and chief executive officer.

When it reaches that watershed, Gallagher's U.S. broker network will be nearly filled out, and the company will have a much greater presence internationally, he said. Gallagher still will cater to midsize insurance buyers, but it also will be providing risk-financing services to many more large accounts.



The 'main thrust for mergers and acquisitions is people-driven,' says J. Patrick Gallagher.

Those risk-financing services will also look different, and the broker plans to expand its offerings beyond traditional brokerage fare.

"We have to reinvent ourselves every so often," Mr. Gallagher said.

The need for continued evolution is evident when last year's financials are broken down and the success of the broker's most recently introduced services are evaluated.

While it remains Gallagher's largest business segment, retail brokerage is not expanding as rapidly as other business segments.

Meanwhile, two new operations that encapsulate much of Mr. Gallagher's vision of a reinvented company have taken off well. One of those is a captive services unit for midsize accounts. The other is a joint venture that provides services to U.K. public entity risks that have turned to alternative risk-financing methods.

Two central figures in Gallagher's development over the past several decades, though, will not see Gallagher reach that milestone. John P. Gallagher, 68, a son of the company's founder who joined the brokerage in 1950 and was named vice chairman in 1990, died in March.

Sterling Bassett, 81, who in the early 1960s co-founded Gallagher Bassett Services Inc., Gallagher's third-party administration subsidiary, died in May.

Itasca, Ill.-based Gallagher last year boosted gross revenues 12.1% to nearly $412 million from a restated $367.7 million in 1994. The increase was the largest for the broker since its whopping 24.9% gain in 1986, the last full year of the last hard property/casualty insurance market.

Based on 1995 gross revenues, Gallagher ranks as the world's eighth-largest broker, up from ninth last year.

Retail brokerage revenues, though, grew at about 5% to 6%—less than half the company's overall pace—in 1995, according to Mr. Gallagher.

Regardless, the overall gain has put Gallagher in a position to reach its longstanding goal of $1 billion in annual revenues in 2002.

To date, only the world's top six brokers have climbed to that lofty perch, with the second tier of brokers reaching no higher than slightly less than half of that amount.

To reach that goal, Gallagher would have to compile average annual revenue increases of only about 7%, a mark it has exceeded in nine of the past 10 years.

That growth rate, though, would depend on Gallagher maintaining a steady merger and acquisition pace. Gallagher accounts for those transactions on a pooling basis, which means it restates its prior year's revenues to account for the new operations as if they had been part of Gallagher for the entire year. Over the past decade, those restatements have boosted Gallagher's revenues in each prior year by an average of 6.1%.

Mergers and acquisitions indeed are a vital element in Gallagher's growth plan, Mr. Gallagher said.

Increasing revenues by attracting new clients to existing and new services will be more challenging in some areas than in others.

Gallagher plans to play off of an advantage that Mr. Gallagher said many other brokers do not have: its traditional large book of business with midsize accounts, or those that typically pay about $500,000 to $1 million in premiums annually.

Large brokers currently are vying to increase their business with midsize accounts. Gallagher long has catered to midsize commercial, public entity, educational, religious and agricultural accounts. And now the brokerage is looking for new ways to help them finance their risk.

For example, the new Gallagher Captive Services division last year helped roughly two dozen middle market companies—most with heterogeneous risks—establish three group captives.

Mr. Gallagher hopes to improve on those numbers this year and ultimately create 100 captives during the division's first 10 years—a pace he described as "slow but exciting."

Middle-market accounts "have the very same feeling that large companies had 15 years ago" before they began turning to captives and other alternative risk-financing vehicles, which today account for about 40% of the risk financing market.

More of those midsize accounts are asking themselves why they are buying coverage retail and where are their services, he said.

The soft market makes it harder to sell the captive concept, especially with the softening of the workers comp market, Mr. Gallagher acknowledged. But, middle-market accounts are beginning to look beyond the price of coverage to the entire cost of processing a claim, he said.

The CEO also is "very happy" with Gallagher's new London-based Risk Management Partners Ltd. operation, which exceeded expectations last year in providing insurance products and risk management services to U.K. public entities in search of alternative market strategies. U.K. public entities are facing a hard market comparable to the one U.S. risks faced in the mid-1980s.

RMP is a joint venture with Am Re Managers Inc. of Princeton, N.J., a subsidiary of American Re-Insurance Co. that writes coverage excess

Continued on next page

Continued from previous page
of alternative risk-financing arrangements. Gallagher Bassett subsidiary Gallagher Bassett International Ltd. is the exclusive provider of third-party claims administration services for RMP.

GBI provides, among other things, claims management and loss-control services.

RMP currently is servicing 22 public entities, Mr. Gallagher said. "We're making some inroads in the public sector business in the U.K."

While RMP is focusing on public entities for now, Mr. Gallagher expects that it will expand beyond that market "at one point."

And, with GBI offices now in London; Norfolk, Wales; and Sterling, Scotland; RMP gives Gallagher "the ability to go do there what we did here" with Gallagher Bassett Services Inc.

What Gallagher did about 10 years ago was unbundle its Gallagher Bassett risk management services operation and run it at arms length from its retail brokerage business. Gallagher Bassett, which paid more than $1 billion of property/casualty claims last year, topped $100 million of revenues for the first time in 1995.

The operation late last year also unveiled a new service, called GB Investigative Services, to help its workers comp clients fight fraudulent claims.

In the risk control area, Gallagher Bassett last year added two services: crisis management and substance abuse prevention in the workplace.

Gallagher Bassett's international expansion is not limited to the United Kingdom. It opened an operation in Argentina in late June. It also has created a joint venture company in Canada and has opened a small loss control office in Australia this year.

"It's marching around the world," Mr. Gallagher said.

Noting that the firm has no plans to expand its retail brokerage business overseas, Mr. Gallagher said, "We'll ride the Gallagher Bassett horse for the next 20 years."

Meanwhile, Gallagher last year continued filling out its U.S. retail brokerage network and adding to revenues by acquiring nine firms: RMI Insurance Services Inc. of Granada Hills, Calif.; IMC Risk Management Group Inc. and W. Lawrence Pfeiffer & Associates Inc. of Kansas City, Mo.; BHK&R Inc. and Schadow Agency Inc. of Minneapolis; The Planning Corp. and Environmental Claims Management Inc. of Reston, Va.; Walter P. Bryce Insurance Agency Inc. of Tulsa, Okla.; and Mirtz & Josephson Insurance Agency and Brokerage Inc. of Van Nuys, Calif.

More of the same can be expected over the next several years.

So far this year, Gallagher has acquired three firms.

Gallagher last month acquired Lamberson Koster & Co. of San Francisco, which offers risk management services and all lines of commercial insurance and sureties for the construction industry.

Gallagher also has acquired Alliance Insurance Group Inc. of Phoenix, a regional brokerage established in 1923 that markets all lines of commercial, personal, life, health and disability insurance products.

Gallagher also acquired Levitt/Kristan Co. of Los Angeles this year.

"Mergers and acquisitions will play a bigger role" in Gallagher's growth in the years ahead, Mr. Gallagher said.

While Mr. Gallagher hopes "to beef up a lot of operations around the country" by acquiring entrepreneurial firms, the "main thrust for mergers and acquisitions is people-driven," he said.

Many of Gallagher's executives have joined the firm through acquisitions, and all have a clear picture of "who they are," said John Wicher, managing director of San Francisco-based investment bank Russell Miller Inc., which specializes in insurance. "We perceive it as a company doing a good job of growing through acquisitions and maintaining shared values within the firm," Mr. Wicher said. "This tells me they've been very careful about who they've selected and have grown the business successfully."

Despite Gallagher's revenue growth last year and its plan to top $1 billion of revenues by 2002, the company's stock has not fared well this year, losing about 14.4% of its value as of July 12, when Gallagher stock closed at $31.88.

Many brokers' stock values have been hurt by Wall Street's perception that brokers are facing cost pressures and stagnant revenues, Mr. Wicher observed.

The theory is that "some of the new fee-based products don't offer the same level of profitability that true brokerage offered," he said.

John L. Ward, CEO of Ward Financial Group, a Cincinnati-based management consulting firm, said Gallagher may have been "unfairly" penalized by the stock market for its "soft" 1.3% gain in commission-based revenues during the first quarter, even though earnings increased a respectable 22%. Total gross revenues grew nearly 4.2% to $100.7 million during the first quarter from almost $96.7 million during the same period last year.

Gallagher's commissions suffered because of the amount of workers compensation business it places, Mr. Ward said, noting that the workers comp market is softening.

However, "they're very good at bringing their costs in line with their revenues," he said.

Other Gallagher units that reported significant revenue increases last year were:

- Reinsurance intermediary and surplus lines brokerage Arthur J. Gallagher Intermediaries Inc., which boosted revenues 27%.
- Gallagher Benefit Services, which offers benefit plan design, funding and administration services. Revenues for this unit grew 13% last year.

Other Gallagher units are:

- Lloyd's of London broker Arthur J. Gallagher (U.K.) Ltd.
- Reinsurance intermediary Arthur J. Gallagher & Co. (Bermuda) Ltd., which specializes in placing excess coverage in the Bermuda market for captives, pools, risk retention groups and other self-insurance arrangements.
- Gallagher Bassett Benefit Administrators.

Gallagher later this year plans to unveil a new subsidiary and service. Arthur J. Gallagher & Co. Financial Services Inc. will offer commercial clients investment expertise.

The firm's investment income soared 52% in the first quarter to $4.3 million from $2.8 million after jumping 66% last year to $16.1 million from $9.7 million in 1994. That year, though, investment income fell 41.2%. Gallagher blamed a portion of the 1994 decline on outside fund managers. In 1993 and 1992, investment income grew 20.4% and 23.4%, respectively.

As reported to the Securities and Exchange Commission, Gallagher's five highest-paid officers in 1995 and their cash compensation, including bonuses, were:

J. Patrick Gallagher Jr.	$432,000
Michael J. Cloherty	$410,000
Gary M. Van der Voort	$364,860
Robert E. Gallagher	$305,000
John P. Gallagher	$302,500

—By Dave Lenckus

9

Minet Group

Minet House, 66 Prescot St., London E1 8HG; 44-171-481-0707; fax: 44-171-488-9786

1114 Ave. of the Americas, New York, N.Y. 10036; 212-782-6000; fax: 212-782-6100

	1995	1994
Premium volume	$4.1 billion	$3.84 billion
Gross revenues	$370,910,000	$347,572,000
Brokerage: Retail	43%	43%
Wholesale	18%	22%
Reinsurance	21%	23%
Personal	2%	2%
Services	3%	2%
Investment income	9%	6%
Other	4%	2%
Employees	3,715	3,749
Rev./Employee	$99,841	$92,711
Offices	93	NA

Good things may come to those who wait, but Minet Group is finding that the wait sometimes can be quite long.

Minet continues to struggle financially as it awaits results from a turnaround program of concentrating on specialty lines of business, automation and hiring key people that it embarked on three years ago.

Minet posted a pretax loss for the fiscal year ended Sept. 30, 1995, of $13 million, a 30% increase from fiscal 1994's $10 million loss.

Revenues, however, did increase 6.7% to $370.9 million from $347.6 million. And, Minet moved up one in the rankings, to the ninth largest broker from 10th last year because JIB Group P.L.C. reported reduced revenues after selling most of its U.S. business.



'There is a buildable position for the non-megabroker—the international, large but multiniche global broker,' says Peter Christie.

While there was a slight improvement in revenues from last year, said Chairman and Chief Executive Peter Christie, the loss grew due to lease commitments on vacated property and general and administrative expenses allocated for the first time by parent The St. Paul Co. Inc. to Minet Inc., the U.S. brokerage unit.

Mr. Christie is disappointed that the ambitious turnaround he started three years ago is taking longer than he originally anticipated.

"We have not been performing as well as we had hoped," he said. "We have been investing fairly heavily with the expectation and knowledge that the revenues for that would take some time to come in. . . .What happened in the interim is that the margins in some of our very solid, long-term businesses have declined." The margins on professional liability for U.S. lawyers, for example, have declined in what has become a very competitive line of business, he said.

As a result, businesses that Minet expected would become profitable in five years are being re-evaluated and the performance deadlines are being tightened for some of those businesses.

"I think we've got to start to get pretty focused about which of those ventures we consider to be successful and which we don't," said Mr. Christie. "We are clearly at the stage now of beginning to have to look pretty closely as to what extent do we want to continue that investment."

All lines of business are being reviewed for their profitability. Factors influencing which lines will be continued include how long it will take the loss-making operations to turn around and how secure the eventual profit is judged to be. Investments may be reduced or Minet may even withdraw from some businesses, Mr. Christie said.

But Mr. Christie is hoping to see some rewards in this year's results—though not as great as he would like.

"We did not anticipate making a profit" in 1996, he said. "But we did expect a very substantial improvement this year and we will not see the degree of improvement I would have wanted." However, "we anticipate. . .we will post a very substantially improved result."

All is not doom and gloom.

Minet's U.S. technology practice, specializing in biotechnology and emerging information technology companies—particularly for directors and officers liability coverage because high-tech companies are prone to D&O lawsuits—continues to thrive.

"It's a tough risk. You have to understand the risk," he said. "It is precisely the sort of business we want to be in because it is very specialized, quite difficult in the sense that you need some skills, and we have been able to nationalize it. Now what we'd like to do is take it internationally."

A team already is working on D&O coverage in the United Kingdom. Southeast Asia is another region Minet is considering for expanding its technology products, which include property and casualty insurance as well as D&O.

Specialty business contributed 18% of Minet's 1995 revenues, a percentage that is likely to grow as the broker develops niche areas where it aims to be the leader.

"There is a buildable position for the non-megabroker—the international, large but multiniche global broker. We want to pick two or three product or customer lines and be the largest in those globally," Mr. Christie said.

Helped by St. Paul, Minet continued to acquire new divisions in 1995, including the purchase of Special Risk Services, a London-based insurance broker and consultant to the financial sector.

Pulling Special Risk Services into Minet's financial risk division's fold was one of the highlights of last year, Mr. Christie said. He added that he does not foresee any more acquisitions until Minet starts turning a profit and can afford to make purchases with its own funds.

"We have spent a lot of money and a lot of investment in building financial institutions in the U.S. to a fair degree of success, and we were facing the prospect of going through that long painful process in the U.K. so we could start to build a global practice," he said.

"We were delighted to find a highly professional, highly specialized broker that was willing to be acquired because it gave us everything we wanted without having to go through that long period of growth," Mr. Christie said. Special Risk Services brought 54 new employees to Minet.

Minet's expansion of its financial risk brokerage has catapulted it into the top ranks of the world's financial risk insurance brokers, Mr. Christie said.

Also in 1995, Minet acquired William Gallagher Associates in Boston, a specialist in technology risks, and Enterprise Structured Settlements Group in Providence, R.I.

Another important step last year, in Mr. Christie's eyes, was the strengthening of Minet's African presence by purchasing 25% of MIB Group (Pty.) Ltd. in Johannesburg, a former subsidiary that Minet had sold to MIB management.

Minet has retail brokerage units in Botswana, Kenya, Lesotho, Nigeria, Swaziland, Uganda and Zimbabwe and now South Africa.

"With the liberalization and emergence of South Africa, if one does see that being the beginning of creating a pan-African marketplace, we are better positioned than everyone else in the world," he pointed out.

Streamlining is not only going on within Minet, but the broker also intends to consolidate its relationships with insurers. Currently, Minet deals with more than 1,000 insurance providers—a number Mr. Christie admits is too high if the broker is to establish and maintain strategic alliances. As a result, a global market liaison initiative has been launched to reduce the number of insurers with which Minet does business.

Dick Peterson, who had been head of Minet North America and a member of the executive management group since 1994, is now leading the initiative with the new title of vice chairman of Minet Holdings Inc. Leading up a small team, Mr. Peterson is now responsible for identifying what the various insurance markets are up to, and finding opportunities for Minet to forge partnerships aimed at developing particular sectors of business.

Mr. Peterson was reassigned to this position earlier this year, recognizing his marketing expertise gained when he was with Sedgwick Group, a Minet spokesman said.

J. Bernard Friemann, already group executive vp and CEO of Minet Risk Services (New York), is the new CEO of Minet North America.

The Minet Group operating unit profile now includes:

- Minet North America, headed up by Mr. Friemann and subdivided into Minet North America Retail and Minet North America Wholesale.

The retail side is run by Executive Vp Edward Constant and specializes in large corporations and institutions, financial institutions, energy, construction, professional service firms, technology businesses and Japanese companies doing business in North America.

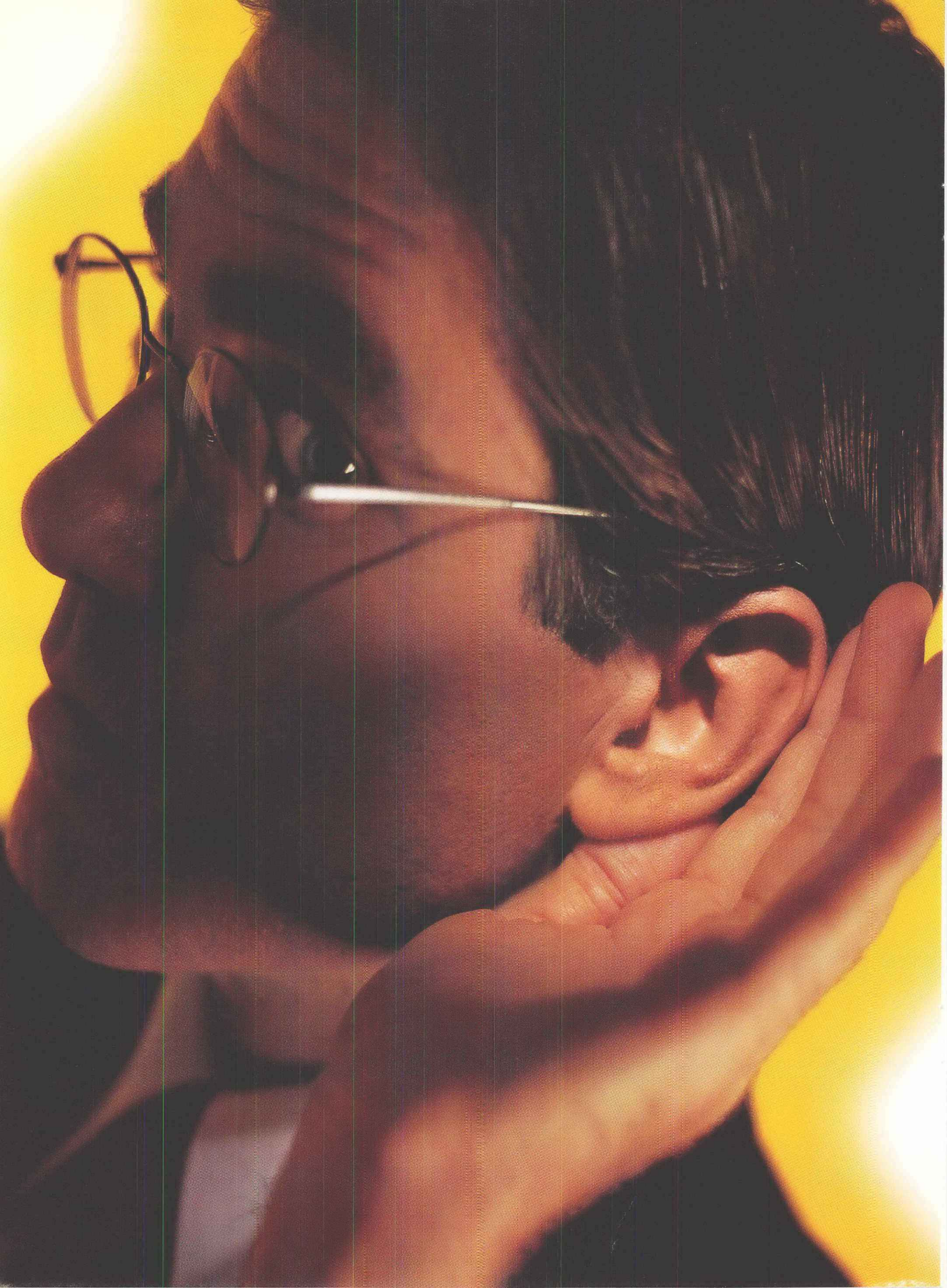
The wholesale side is Swett & Crawford Group, led by President and CEO Warren Stanley. Areas of specialization include property and difference-in-conditions insurance, construction, directors and officers liability, errors and omissions and professional liability, energy, commercial and public auto and liquor liability.

- New York-based Minet Risk Services, under Mr. Friemann, is principally involved in alternative risk financing, actuarial services, insurance portfolio audits, premium allocation system development, corporate risk management services, captive consulting and management, business continuity planning, environmental liability, insurance market security, workers compensation cost containment services, employee benefits brokering and cost containment services, and settlement services.
- Global Professional Services, based in both London and New York, is headed by Chairman and CEO Geoffrey W. Morris, who is also a group executive vp.

Specialties include risk financing products for international accountants, professional liability for media companies, mutual insurance company advisory services and consulting on legal reform efforts.

- Minet Re International Ltd. has headquarters in both London and New York and offices in seven countries. It is headed by Chairman and CEO Mark T. Hvidsten, who also is a group executive vp.
- Minet Broking Services is based

Continued on page 40



Maybe you've heard it all before. *Old ideas, older answers.* Except, everything is changing. *And change is what we thrive on.* Fresh, flexible responses created to meet *your* needs. We hear you.

STRONG CREATIVE INSIGHTFUL	
$600 MILLION+ SURPLUS	
BEST'S A RATING	S&P AA- RATING
NYSE: ZRC	

ZRC

RAISING THE STANDARD FOR REINSURANCE

MEMBER OF THE ZURICH INSURANCE GROUP

CITY	ATLANTA	CHICAGO	NEW ENGLAND	NEW YORK	SAN FRANCISCO	SPECIAL ACCOUNTS
TEL	800.955-3294	800.729-3838	800.335-7826	800.915-8333	800.757-1447	203.965-8800
FAX	770.668-2371	312.554-3839	203.965-8850	212.898-5008	415.777-0310	203.965-8850

Continued from page 37
in London and led by Steven J. Quick, group executive vp and CEO. Specialties include professional liability, E&O, financial institutions, D&O, accident and health, property and legal liability, accessing worldwide markets.

• Minet Energy, Mining & Construction in London is headed by CEO Richard Karpin, who succeeded Paul Cotterill, who left the company.

• International Retail, also in London, is led by CEO Michael J. Barrett, who also is a group executive vp. It has divisions in Africa, Asia, Australasia and Continental Europe, as well as specialty business in the United Kingdom.

Being a late but enthusiastic investor in technology and computer systems has benefited Minet, since the broker now has a state-of-the-art system that is highly responsive to the changes in that sector. For example, Minet has access to the London Insurance Market Network electronic placing support system (*BI*, May 8, 1995) and the World Insurance Network, the electronic trading network set up by six of the world's largest insurance brokerages (*BI*, Nov. 6, 1995). The heavy investment Minet made three years ago is beginning to show rewards as infrastructure processing costs have begun to decline.

Whether WIN will succeed is open to conjecture, but he sees it as the first step in rationalizing administrative systems—and cutting costs to clients. "The problem is the public isn't going to pay for it 10 times over—that's the big issue."

Insurance buyers are increasingly paying fees instead of commissions, Mr. Christie said. Approximately 25% of Minet's 1995 revenues is generated by fees. And incentive fee arrangements are being developed for professional liability business.

Mr. Christie noted that Minet is addressing how to account for fees, an issue he says brokers have not properly addressed. Some brokers account for fees in the year they are paid but the cost of serving the account may well be spread over more than one year. The United Kingdom, has yet to adopt an accounting standard on fee income, he said.

"We have begun to make some changes in how we recognize some fee income over the life of the contract or up front," he explained. An insurance contract, even if only for one year, needs to be serviced for claims after the duration of the policy—a problem many London brokers, including Minet, are having to face in terms of long-term liabilities that are coming back to roost.

As much as 15% of Minet's costs are due to the administration of old U.S. liabilities, according to Mr. Christie. That has meant taking what he described as "a more conservative accounting policy," which in turn has reduced 1995 income.

Mr. Christie predicts that the proportion of brokerage income derived on a fee basis will increase as client services are extended. "We would like to see large parts of our business in the future being on the basis that we are providing a broad set of services to our clients, not just taking risks to the market, and it is probable that will be on a fee."

Part of what Mr. Christie wants his organization to deliver to the client is what he calls an "institutionalized" service. It is not the relationship between the individual Minet employee and the client that counts, but it is the provision of "the Minet standard of service and the Minet expertise and the Minet delivery."

—By Sarah Goddard

10

JIB Group P.L.C.

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

	1995	1994
Premium volume	**$2.88 billion**	$3.15 billion
Gross revenues	**$359,784,000**	$367,680,000
Brokerage: Retail	**68%**	64%
Wholesale	**13%**	17%
Reinsurance	**12%**	12%
Investment income	**7%**	6%
Other	**0%**	1%
Employees	**3,076**	3,739
Rev./Employee	**$116,965**	$98,336
Offices	**71**	88

Converted at applicable exchange rates.

JIB Group P.L.C. went through a year of considerable changes in 1995, shedding businesses in North America and restructuring its U.K. operations, while coping with soft market conditions.

However, continuing growth in JIB's Asia-Pacific operations helped mitigate the effects of the disposals, as did a blossoming affinity group business, which Chief Executive Officer John Barton says reflects JIB's strategy of developing new business in niche areas.



'We should be giving up maybe some market share in a market that we are not very good at and gaining in markets or sectors we are strong in,' says John Barton.

It was this focus on specialty business that led to the sale of half of JIB's North American operations last year (*BI*, Sept. 18, 1995). The sold operations, including 12 of its 16 U.S. offices, represented general insurance brokerage operations, which had not been profitable. The disposal of the U.S. operations—which did not include JIB's personal lines, reinsurance, wholesale, marine and affinity business—was a major step in the repositioning program JIB had undertaken.

The broker's U.K. operations also saw substantial changes over the year, including a merger of retail and wholesale operations as of Jan. 1 to lower expenses.

JIB's operations varied by geographic region, reflecting diverse market conditions worldwide.

For example, JIB's French affiliate, Societe Internationale d'Assurances pour le Commerce et l'Industrie S.A.—in which JIB holds a 27% stake—reported a 14% increase in profits last year. In contrast, JIB's Asia-Pacific operations showed higher revenue but falling profits as a result of lower returns from long-term investments.

Profits also were down from JIB's reinsurance activities, though results varied by market.

Overall, JIB reported pretax profits of £21.3 million ($33.6 million) in 1995. But, after writing off goodwill from operations that were sold, reorganization costs and the cost of its contribution to the Lloyd's of London reconstruction and renewal plan, this became a loss of £49.6 million ($78.3 million). That compares with a profit of £24.4 million ($37.4 million) in 1994.

However, Mr. Barton is confident that the restructuring and refocusing of JIB's operations will improve JIB's 1996 results.

For 1995, JIB reported £228 million in gross revenues, down 5%

Continued on page 42



Freedom of Choice. It's an American Custom.

When it comes to specialty insurance coverage, you need a dependable team. American Custom provides specialty insurance that's based on your business's individual needs.

Our success is built upon the strength of long-term relationships. You can count on our commitment to provide you coverage throughout the changes in the marketplace.

To find out how we can serve you — call American Custom today.

AMERICAN CUSTOM INSURANCE SERVICES®, INC.
A Member of the Great American Insurance Companies®

Specialty underwriting through select surplus line brokers.

5750 Wilshire Blvd. Suite 360
Los Angeles, CA 90036
(213) 937-8600
Fax (213) 937-0174

300 S. Wacker Dr. Suite 2800
Chicago, IL 60606
(312) 427-7200
Fax (312) 427-1655



Mike Tawney, Vice President, Risk Management for Loomis Armored Inc., on why they chose Sedgwick.

"We think of Loomis as more than an armored car company. We're really in the risk management business, because every day we provide secure care, custody and transportation for other people's cash and valuables. But five years ago Loomis' own cost of risk had gotten so high that profits had disappeared.

"New management hired me to find solutions, and we turned to Sedgwick as a key partner in reaching that goal. Sedgwick answered the challenge, and we implemented creative new programs for loss control, risk financing, claims management and risk administration. In just over four years, we have cut our cost of risk by 53 per cent. And Sedgwick's quality systems mean they are good on details. That's the kind of reliability that I have come to depend on from Sedgwick.

"Today we keep $10,000,000 more in the bank annually than we did before. It's a key part of the Loomis profitability strategy. I guess you could say Sedgwick helped Loomis save a truckload."

When you want sound advice about risk and quality service, you want Sedgwick. For more information, see your Sedgwick representative or call our chairman, Quill Healey, at (404) 239-6444.

Sedgwick

Sound Advice About Risk

Insurance Broking *Risk Services* *Employee Benefits*

http://www.sedgwickna.com

Continued from page 40
from £240 million in 1994.

Converted to U.S. dollars using average exchange rates, JIB's revenues were down 2.1% to $359.8 million from $367.7 million. JIB dropped two notches to No. 10 in *Business Insurance*'s ranking of the world's largest brokers.

The changes last year made for a traumatic year for JIB, admitted Mr. Barton. But he now sees a more streamlined operation that is more focused on the specialty business he said is JIB Group's strength and future.

"In the U.S. our general corporate business was just that—general corporate business," he said. "We had tried for a number of years to focus into specialty areas and we had a number of small specialties but nothing substantial."

This had left JIB in the position of being a general middle-market broker in the U.S. market, often fulfilling the risk management as well as a more traditional brokering role for clients, he said.

At the beginning of last year, discussions with Alexander & Alexander Services Inc. evolved into the sale in October of most of JIB's U.S. offices for about $50 million, with "a couple of offices" being sold to Willis Faber Group P.L.C. at the same time.

This also resulted in the closure of JIB's U.S. corporate headquarters in San Francisco, the cost of which had wiped out any potential profits from the general brokering business in 1994, according to Mr. Barton.

The deal helped strengthen A&A's presence on the West Coast, where JIB had been particularly strong. It was a fairly unusual move for a broker to give up such an edge to a competitor, Mr. Barton acknowledged. But he contends it not only was a positive move for both organizations, but also the type of strategic move that should be made as brokers increasingly focus on specialty areas.

"Absolutely what we should all be doing is looking at each other's business and making the business more efficient by giving up maybe some market share in a market that we are not very good at and gaining in markets or sectors we are strong in," he said. "Brokers never like to give up anything, but it doesn't mean sometimes logic doesn't prevail. I wish there were more (of these deals) and I think it would help the industry."

About half of JIB's North American operations were sold in the deals, though it retained its affinity business specialist, marine and reinsurance operations and its Horan Goldman/Frank R. MacNeill unit, a managing general agent and claims adjusting specialist.

Also retained is JIB's Canadian operation, Vancouver-based Jardine Rolfe Ltd.

The full effect of the disposals will not be fully apparent for some time, but Mr. Barton is unequivocal about their general impact on JIB. "We sold about $60 million so I guess our turnover will go down by around that amount."

But he is confident the realigned operations will deliver better results in the specialty areas JIB is targeting.

A good example is Intermediary Insurance Services Inc., a San Francisco-based stop-loss provider for self-funded medical plans and health care provider-owned insurers.

Mr. Barton said IIS has enjoyed "steady" revenue growth, which has been as high as 25% in some years.

Although Mr. Barton had no specific figures for IIS' 1995 performance, he said provider stop-loss had grown faster than employer stop-loss, though the employer's product has accelerated this year.

JIB also retained its U.S. reinsurance brokerage subsidiary, Princeton, N.J.-based Jardine Sayer & Co. Inc., which specializes in U.S. property and casualty business, as well as marine and aviation treaty reinsurance and international business. It lost a major account in the first half of 1995, but a combination of reduced overhead and added business production should lead to increased revenues in 1996, Mr. Barton said.

Within its U.S. operations, which now form one of the four main operating units into which JIB has been reorganized, Mr. Barton is particularly proud of the performance of Jardine Group Services, a unit that specializes in developing programs for affinity groups and associations. Globally, affinity group business represents about 25% of JIB's gross revenues. JGS has four U.S. offices, nine U.K. locations and is expanding into the Asia-Pacific region.

JGS has consistently contributed to profits, though last year's returns were slightly down because of deferred income on a major account. But it has gained some clients, including General Motors Corp., for which it created a self-insured dental health care program for which JGS provides claims management and utilization review services.

JGS now is looking at marketing the product to other Fortune 100 corporations with self-insured dental plans and eventually extending its market to organizations with 20,000 or more lives covered.

Interestingly, the broker is moving away from a traditional role into claims consulting, Mr. Barton contends. "Inevitably, as time goes by. . .our business will be more and more focused on the real cost of insurance, which is claims."

A direct result of this, he said, is that fee-based services will increase, contributing a greater proportion of brokers' bottom-line figures.

Mr. Barton estimates 20% of JIB's revenues is derived from fees, a figure set to increase in his view. Negotiated commissions also represent a substantial proportion of revenues, though no figures are kept as to the amount.

JIB's consolidation of its U.K. retail and wholesale operations also impacted revenues and profits and resulted in a 10% reduction in staff across the organization. The change was the result of strategic planning initiatives constantly being carried out at JIB. The initiative reviews the success—or otherwise—of all sectors of JIB's operations.

U.K. commercial brokerage, which accounts for about 12% to 13% of JIB's revenues, saw rate cuts of up to 25% in certain market sectors during 1995. Although about 75% of the sector's income is commission-based, the prevailing competitive environment has resulted in stiff competition among brokers.

"That's something that we all have to be careful of—that we can make money out of the services we provide," said Mr. Barton. This has led to a closer definition of the services the broker will—and will not—provide to the client.

Conversely, "clients now want to know how not to buy insurance and then, if how not to buy insurance, how to deal with the risk, which means much more interest in self-retention," he said.

As in the United States, group affinity business performed well in the United Kingdom last year, providing products such as homeowners coverage and auto insurance to

Continued on page 44

BIG IS BETTER.

Your big business needs big capacity... CNA and Sherwood.

$5,000,000 facility for major property risks, including boiler & machinery. For regional, national and global risks... ***we mean big business.***

CNA
For All the Commitments You Make®
This program is underwritten by one or more of the CNA Insurance Companies. CNA is a registered service mark of the CNA Financial Corporation/CNA Plaza/Chicago, IL 60685

SHERWOOD INSURANCE SERVICES
201 California Street, Suite 1000 • San Francisco, CA 94111 • (415) 956-3236 • FAX (415) 956-1204
21700 Oxnard Street, Suite 300 • Woodland Hills, CA 91367 • (818) 593-2008 • FAX (818) 593-2042
4675 MacArthur Court, Suite 1430 • Newport Beach, CA 92660 • (714) 261-2570 • FAX (714) 261-2576

THINGS AIN'T WHAT THEY USED TO BE.

It's as if the sun came up one morning and shone down on a world it had never known. That's how quickly it seemed to happen.

Suddenly, every aspect of our political, social and business environment has been transformed, as the world has become at once more complex and more competitive. And witnessing it all, businesses have found themselves presented with an array of challenges unlike any before.

We're Summit Global Partners, Inc., an international insurance brokerage and consulting organization



uniquely suited to the challenges of today's world. We're a new company with extraordinary resources and a clean slate, an organization with a fresh approach and a clear focus on speed and effectiveness. We're lean and agile, unencumbered by bureaucracy, driven by technology.

Our resources include a 60-country global network, along with skilled specialists in today's key industries.

Through autonomous, local-area sales and service offices, buttressed by high-quality resource teams armed with today's advanced technologies, we offer superior solutions and deliver them cost-effectively. And because our resources are located in cities throughout the U.S., rather than collected together at a distant headquarters location, they're exactly where our clients need them.

SUMMIT
GLOBAL
PARTNERS

Please let us tell you more about Summit Global Partners. Call us at 1-800-494-9418.



SOLUTIONS FOR THE WORLD WE LIVE IN.

©1995 Summit Global Partners, Inc.

Continued from page 42

groups like the British Medical Assn. "Our skill there is the marketing of the insurance product," which has been rewarded by revenue and profit growth, Mr. Barton said.

The firm's U.K. employee benefit consulting operation, which JIB acquired in 1994, did not perform as well as anticipated, due to the problems in the U.K. pensions market.

U.K. speciality business posted a 4% drop in revenues last year, mainly because of rate competition in the London marine market, particularly in the energy sector. These reductions were partly offset by gains in revenue from brokering fine art, non-marine international and construction business.

Construction-related lines are performing particularly well in JIB's Asia-Pacific region, where it has been the main focus for the past five years.

Despite a 15% increase in revenues from Asia-Pacific operations, profits from the region fell slightly last year because of investments in computer systems and new offices in India, the Philippines, Indonesia and Malaysia.

Although individual markets in the region generally are still quite small—with notable exceptions being Singapore and Hong Kong—they are growing fast, and are rapidly increasing in their sophistication. For example, "at the top end, there's much more interest in self-insurance," said Mr. Barton. Captives and other alternative risk financing programs are proving popular with large clients, and JIB is looking to expand its captive management services.

JIB's longstanding presence in Asia—and the association of its ultimate holding company, Jardine Matheson Holdings Ltd., now incorporated in Bermuda but originally established in Hong Kong—gives it a distinct advantage over competitors: Because of the relative youth of the local markets, newcomers accustomed to expansion by acquisition are finding few targets to give them a toe-hold in the region.

In the future, Mr. Barton said, JIB will have three main roles:

- A marketing role that has proved particularly successful in its affinity business.
- The more traditional brokering role of placing insurance for clients that do not wish to retain their risk, "getting the best deal for the client."
- Taking on the risk management role and providing related services.

"Last year was a year of change. It has provided a good base for growth," said Mr. Barton. Nevertheless, he added, insurance brokering remains "very competitive."

—By Sarah Goddard

11

Bain Hogg Group P.L.C.

Lloyd's Chambers, 1 Portsoken St., London E1 8DF; 44-171-680-4000; fax: 44-171-301-4007

	1995	1994
Premium volume	N/A	N/A
Gross revenues*	$345,974,922	$326,610,144
Brokerage: Retail	57.1%	56.0%
Wholesale	13.7%	15.2%
Reinsurance	12.9%	13.4%
Personal	7.2%	6.9%
Services	0.9%	0.6%
Investment income	8.2%	7.9%
Employees	4,109	4,386
Rev./Employee	$84,199	$74,467
Offices	87	90

** Restated for 1994.*
Converted at applicable exchange rates.

Bain Hogg Group P.L.C., formed only two years ago by the merger of U.K. brokers Bain Clarkson Ltd. and Hogg Group P.L.C., is now preparing for a de-merger of sorts later this year.

However, the spinoff will be from its U.K. parent, Inchcape P.L.C., and should put to rest—at least for the time being—recent speculation that the world's 11th-largest broker would be acquired by a rival.

Now that two years of consolidation after the merger of Bain and Hogg is complete, Chief Executive Ron Forrest says the broker is virtually certain to be spun off from Inchcape this year.



'We want to stay independent. We don't see the need for a merger, and it's not on the agenda,' says Ron Forrest.

General Manager Ian Marshall agreed, noting that the most likely time is October or November, which would exactly meet Inchcape's declaration that it would sell or demerge Bain Hogg within two years of its formation.

Mr. Forrest said the process will be simple.

Bain Hogg shares will be transferred to Inchcape's existing shareholders—eliminating the need to attract new investors—and ownership of the broker will be the same as Inchcape's. That simplifies the process, including a lot of the legal requirements, he said.

Mr. Forrest conceded that it still is uncertain whether Inchcape's shareholders will also want to own a broker for the long term. However, he said, while some trading of Bain Hogg's shares is expected immediately after the de-merger process, "we're quite comfortable after speaking to our professional advisers that that's a process that can be managed very well."

In addition, no single Inchcape shareholder has more than a 4.5% stake, so there is little likelihood after the de-merger that a large block of Bain Hogg shares would become available from one source.

Although Inchcape held talks right up to the end of last year with potential buyers for its brokerage subsidiary, including Alexander & Alexander Services Inc. and Aon Corp., Mr. Forrest said Bain Hogg is now determined to remain independent and added that there is little chance of a hostile takeover.

"I'm pretty clear in my own mind that the chances of Bain Hogg being acquired, having considered a trade sale last year, are really to do with what the management of Bain Hogg want, and we want to stay independent. We don't see the need for a merger, and it's not on the agenda," he stressed.

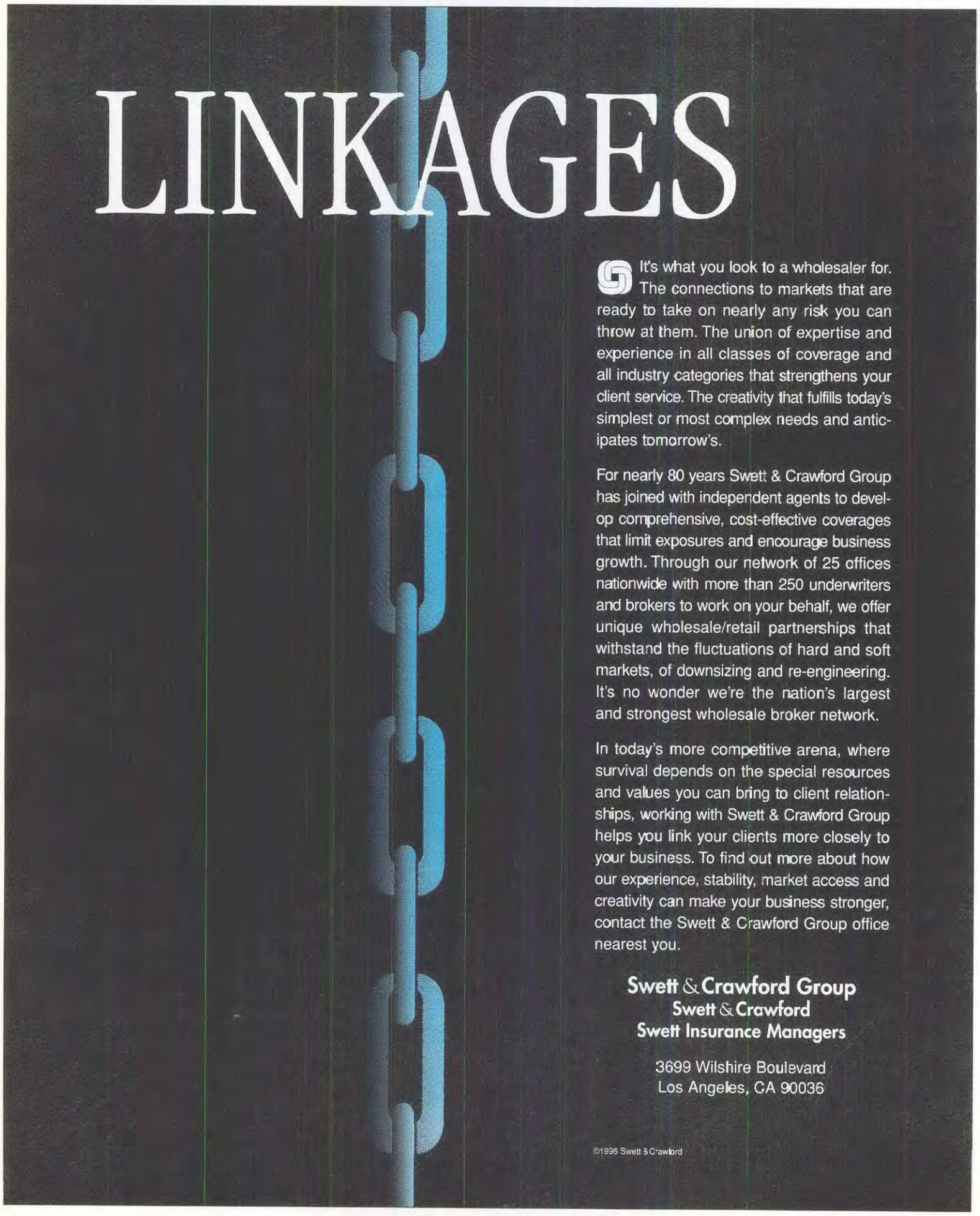
The company also is uninterested in any takeovers or mergers in the period leading up to or following the de-merger, said Chairman Anthony Howland Jackson.

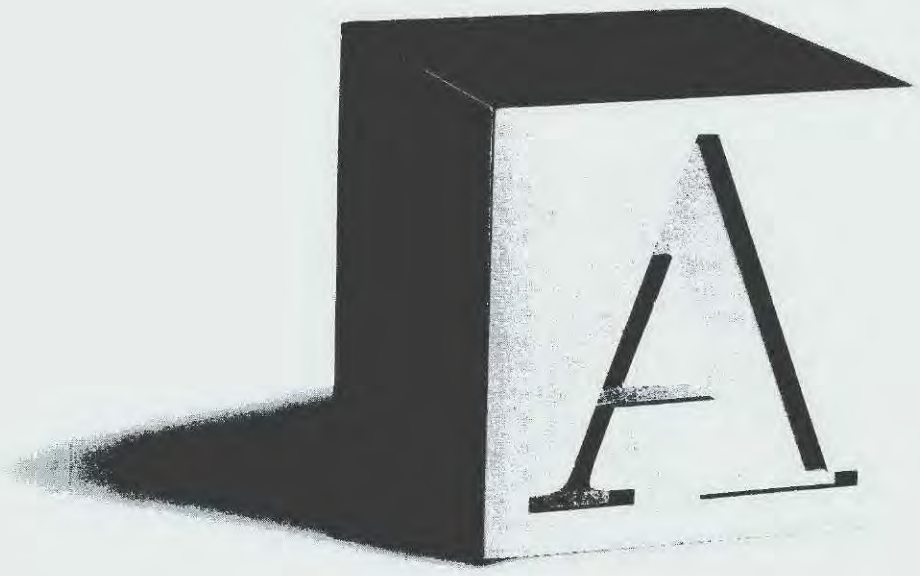
Mr. Forrest said that whether the de-merger makes any difference in Bain Hogg's strategy depends on "how, if at all, we change our behavior once we're an independent company."

But, he said he doesn't see a need for any change because Bain Hogg has always had a lot of autonomy as a unit of Inchcape.

"Within Bain Hogg we already have all the disciplines in place of a public company," said Mr. Howland Jackson, who added that indepen-

Continued on page 46





(Rated "A" by A.M. Best.)

It's something we plan to build on.

Thanks to the efforts of our employees and agents, we've regained our "A" rating from A.M. Best. We've rebuilt USF&G to the level of prominence it has held for most of its 100-year history. And we're aiming higher still. Because when you work hard, the successes stack up.

USF+G INSURANCE

United States Fidelity and Guaranty Co. F&G Re Discover Re
Commercial Insurance Home and Auto Insurance Fidelity/Surety Reinsurance

Continued from page 44
dence "won't change the focus of the strategy that we're on at the moment; I think it will just sharpen it."

Independence is particularly important to Bain Hogg after two years of reshaping itself into a brokerage that management believes is positioned to succeed in today's competitive environment.

"We now have a group that has a very strong focus on Europe and Asia. We have a strong focus on specialty businesses—things like credit insurance and our London market operations. As it stands at the moment, we certainly don't have any plans for any major disposals or strategic repositions," Mr. Forrest said.

The past two years have seen the sale of about 10 non-core businesses—including its U.S. retail brokerage operations—and a reduction in employees to 4,109 at year-end 1995 from 4,386 in 1994 and about 5,900 prior to the merger of Bain and Hogg. In addition, the number of global retail brokerage offices now stands at 87, down from 90 at year-end 1994 with the consolidation of some U.K. units.

Total gross revenues grew by only 2.8% last year to £219.3 million from £213.2 million in 1994, a sign both of the difficult marketplace and Bain Hogg's consolidation.

However, converted to U.S. dollars using average exchange rates, Bain Hogg's revenues climbed 5.9% to $346 million from $326.6 million.

Based on its 1995 gross revenues, *Business Insurance* ranks Bain Hogg as the world's 11th-largest broker, unchanged from a year ago.

Bain Hogg believes that, having gone through the consolidation process, it now has a leg up on its competition and will be a model for other companies that go through the contraction and mergers that many forecast will take place among the world's top insurance brokers.

"A lot of our competitors haven't grasped the nettle on some of their problematical business issues—profitability and otherwise. We've gained critical mass and leading market positions in businesses where we can be strong and where we can take a lead in a profitable market. So we might be on a slightly smaller scale than some of our competitors, but I think in terms of execution we're probably more advanced than some of the others," Mr. Forrest said.

After the 1994 merger that created Bain Hogg, management devised a clear strategy of the type of broker it wanted to be.

According to Mr. Forrest, Bain Hogg wasn't aiming to be a global broker that would be all things to all people, but instead would focus on particular geographic regions and business lines or niches.

Bain Hogg maintains that such concentration has made it the largest retail broker to British businesses in the United Kingdom, the largest broker in Asia and the world's largest credit insurance broker.

Bain Hogg also aims to become a major broker in continental Europe.

Toward that end, it has formed a joint venture, CECAR Europe, with Paris-based broker CECAR. CECAR Europe, owned 60% by CECAR and 40% by Bain Hogg, will combine the businesses of the two brokers in continental Europe outside France.

Merging operations and cutting out duplication should "significantly" reduce overhead costs of brokering business, the venture's partners say.

Bain Hogg and CECAR already have merged their operations in Italy and Spain, and Mr. Forrest said the rest of their operations in continental Europe "dovetail together quite nicely" and should be operating sometime later this year.

One of the most important initiatives to help Bain Hogg's growth was the launch last September of the ExcelNet, a joint reciprocal arrangement among Acordia Inc. of Indianapolis, Dale-Parizeau Inc. of Montreal, CECAR, Bain Hogg, Inchcape Insurance Services of Hong Kong and Boels & Begault of Brussels, Belgium (*BI*, Sept. 11, 1995).

Through the network, all the brokerages' 243 offices in 70 countries are linked through a proprietary risk management information system, enabling the brokers to provide clients with information about their international risk, insurance, premium and claims positions.

Mr. Forrest acknowledged that the model for ExcelNet was the UNISON network, an international alliance of brokerages led by Johnson & Higgins, and that ExcelNet's creation was a defensive measure.

ExcelNet has assessed and adopted the best practices of the participating brokers and developed an up-to-date risk management information system for coordinating global risk programs. High quality standards will be ensured by having each office subject to random testing by independent auditors.

Credit insurance brokerage is one of the niche areas where Bain Hogg has carved out a significant role.

Its Credit Insurance Assn. subsidiary, which is the last Bain Hogg unit to retain any U.S. offices, was formed by merging all the group's global credit insurance operations worldwide under one umbrella. Last year was its first full year as a single unit, and CIA Chairman and Managing Director Nigel Bovingdon said it achieved "very satisfactory" results.

Apart from its three U.K. offices and U.S. offices in New York and Chicago, CIA added offices over the past year in Milan, Italy; Brussels, Belgium; and Helsinki, Finland.

Mr. Bovingdon sees "enormous" growth opportunities for CIA in Eastern Europe, Latin America and Asia Pacific because of a combination of these areas' strong export growth and poor local export credit insurance services.

Mr. Howland Jackson said that another objective of Bain Hogg is to have all of its product lines on the wholesaling side be among the leaders in their categories. Bain Hogg believes it now is among the top three brokers for three of its wholesale specialities—accident & health, political risks and aviation.

Wholesale brokerage accounted for 13.7% of Bain Hogg's revenues last year.

To increase profit margins worldwide, Bain Hogg is re-engineering the process by which it does business, mainly by moving staff into client service and sales and reducing administrative positions.

This is being done through the

Continued on page 48



The answer? Around the globe.

We're ExcelNet, the brainchild of six world class insurance organisations. Launched in September 1995, we're offering a much greater commitment to quality and a total dedication to quality audit.

We are also developing a unique risk management information system. It's perhaps the most advanced intelligence network of its kind, delivering fast, accurate, relevant information worldwide. Allowing you to make quicker, better informed decisions wherever your marketplace.

We operate through more than 240 offices in 70 countries and clearly we offer the best of both worlds: global strength and unrivalled local knowledge.

In short, only one network is altogether better equipped to meet your needs. Ours. To find out more about the reasons why, please call Kevin Conboy in Morristown, New Jersey, on 1-800 227 0185.

excelNet

Bain Hogg An Inchcape Company · Acordia · Boels & Bégault · CECAR · Dale-Parizeau Inc. · Inchcape Insurance Services

Merger and Acquisition Expertise

Acordia Inc.
Indianapolis, IN
acquired
The Moore-Peterson Company
Youngstown, OH
September, 1995
Hales Capital Advisors initiated the transaction and advised the buyer.

USI Insurance Services Corp.
San Francisco, CA
acquired
The Insurance Exchange
Manchester, NH
October, 1995
Hales Capital Advisors initiated the transaction and advised the seller.

Acordia of Colorado
Colorado Springs, CO
acquired
National Target Group Administrators
Pueblo, CO
October, 1995
Hales Capital Advisors advised the buyer.

Acordia of West Virginia
Charleston, WVA
acquired
Chamberlaine & Flowers
Clarksburg, WVA
October, 1995
Hales Capital Advisors advised the buyer.

Progressive Plan Admin.
New York, NY
acquired substantially all of the assets of
Innovative Retirement Concepts
New York, NY
November, 1995
Hales Capital Advisors initiated the transaction and advised the seller.

The Insurance Exchange
Manchester, NH
acquired substantially all of the assets of
Stone & Michaud
Manchester, NH
April, 1996
Hales Capital Advisors initiated the transaction and advised the buyer.

American Phoenix Corp.
Avon, CT
acquired
The Garlington Group
Marietta, GA
September, 1995
Hales Capital Advisors initiated the transaction and advised the seller.

USI Insurance Services Corp.
San Francisco, CA
acquired
Henderson & Phillips
Norfolk, VA
June, 1996
Hales Capital Advisors initiated the transaction and advised the buyer.

Acordia of Lousiville
Lousiville, KY
acquired
ReagerHarris, Inc.
Lousiville, KY
February, 1996
Hales Capital Advisors advised the buyer.

The Insurance Exchange
Manchester, NH
acquired substantially all of the assets of
Bechard Insurance Agency
Nashua, NH
October, 1995
Hales Capital Advisors advised the buyer.

Acordia Inc.
Indianapolis, IN
acquired
McElroy-Minister Co.
Columbus, OH
January, 1996
Hales Capital Advisors initiated the transaction and advised the buyer.

Daugherty & Company
Stockton, CA
acquired substantially all of the assets of
Summit Perspectives
Sacramento, CA
April, 1996
Hales Capital Advisors initiated the transaction and advised the seller.

Acordia of Northeast Indiana
Ft. Wayne, IN
acquired substantially all of the assets of
Midwest Benefits Services
Ft. Wayne, IN
February, 1996
Hales Capital Advisors advised the buyer.

Acordia of West Virginia
Charleston, WVA
acquired
Flat Top Insurance
Bluefield, WVA
July, 1996
Hales Capital Advisors advised the buyer.

USI Insurance Services Corp.
San Francisco, CA
acquired
The Anderson Co.
Houston, TX
April, 1996
Hales Capital Advisors initiated the transaction and advised the seller.

Auto & Home Insurance Agency, Inc.
Downers Grove, IL
acquired
The Property-Casualty Business of
LaSalle Financial Services, Inc.
Chicago, IL
June, 1996
Hales & Associates, Inc. initiated the transaction and advised the seller.

Sedgwick James
Memphis, TN
acquired
Penn General of Michigan
Lansing, MI
May, 1996
Hales Capital Advisors initiated the transaction and advised the seller.

USI Insurance Services Corp.
San Francisco, CA
acquired
Thomas E. Wood
Cincinnati, OH
July, 1995
Hales Capital Advisors initiated the transaction and advised the buyer.

Acordia of Northeast Indiana
Ft. Wayne, IN
acquired
Repka Associates
Ft. Wayne, IN
April, 1996
Hales Capital Advisors advised the buyer.

HALES *Capital Advisors, LLC*

Chicago
One Westbrook Corporate Center
Suite 460
Westchester, IL 60154
(708) 409-0080
Fax: (708) 409-1241

San Francisco
One Maritime Plaza
Suite 1919
San Francisco, CA 94111
(415) 782-6900
Fax: (415) 782-6907

Spotlight report

Continued from page 46

group's "Century 21" project, which aims to make more use of information systems and computers "to reduce the need to have people intern in the office and to get the focus more on client contacts and new business."

Bain Hogg has similarly invested in computer systems in Asia, having just put a new client service computer system into its Hong Kong office. That is being extended to other Bain Hogg offices in the Far East, including the Philippines, Singapore and Malaysia.

At the end of 1995, Bain Hogg entered a "very promising" partnership in the Philippines with Ayala Corp., one of the country's leading industrial groups.

This venture, in which it holds a 49% stake, replaces a partnership formed in 1994 with trading company Zuellig International Ltd., which came to an abortive end over complications in getting a brokerage license. Ayala already had a license because of its local insurance interests.

In Hong Kong, Bain Hogg sold Inchcape Insurance Agency, its general underwriting business, in January this year to concentrate on brokering and risk management services.

In China, where Bain Hogg says

'We now have a better viable position to trade than if we were in the United States,' says Ron Forrest.

it is "probably involved in more business than any other broker," the insurance broker launched a China Advisory Board last November designed to enable it to keep abreast of developments during the country's economic liberalization process.

Bain Hogg has a representative office in Beijing and has applied to the Chinese government to convert the Shanghai and Nanjing offices of Inchcape Insurance Services to the Bain Hogg name.

Bain Hogg has no regrets about its strategic decision at the end of 1994 to sell most of the businesses of its U.S. brokerage unit, Bain Hogg Robinson Inc., to Acordia. The unit, whose operations were concentrated in the Northeast, were not very profitable and would have required added investment.

It also did not fit in with the newly merged company's strategy of being a major player in selected markets, "and frankly, given the highly competitive state of the (U.S.) market and the low profitability for brokers, it wasn't a priority," said Mr. Forrest.

The pending de-merger imposes legal restriction on Bain Hogg's freedom to forecast future prospects, but Mr. Forrest said the broker is not anticipating any improvement in the U.K. marketplace.

And he maintained that the fact that Bain Hogg is not active in the United States, where the commercial property/casualty market remains soft, "has proven to be a good commercial decision."

Furthermore, Mr. Forrest said, "I have absolutely no doubts that by playing in the European and Asian markets we now have a better viable position to trade than if we were in the United States as well."

—By Edwin Unsworth

12

C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH, England; 44-171-234-4000; fax: 44-171-234-4181

	1995/96	1994/95
Premium volume	N/A	N/A
Gross revenues	$309,521,466	$283,028,660
Brokerage: Retail	21.86%	22.45%
Wholesale	21.06%	21.81%
Reinsurance	11.66%	13.77%
Personal	7.88%	6.61%
Services	0.42%	0.53%
Investment income	7.73%	6.79%
Other	29.39%	28.01%
Employees	3,349	3,242
Rev./Employee	$92,422	$90,079
Offices	63	60

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

C.E. Heath P.L.C. for the first time in more than 100 years of business is concentrating solely on insurance brokering.

In a radical move that has been welcomed by shareholders, the company this year de-merged its successful computer operations and completed the sale of its underwriting subsidiaries.

As a result, the company is smaller but more focused, said Chief Executive John Mackenzie Green.

"I have no doubt that it was the right thing to have done. People now know what we are. It is a simpler story to sell to clients, our staff, and a simpler company to run," he said.

Datasure Ltd. and Peterborough Software Ltd., the group's two former computer service subsidiaries were de-merged as a single entity and listed on the London Stock Exchange as Regus Group P.L.C. on April 16, 1996. As a result, Heath's annual figures for the year ended March 31, 1996, include the full year's figures for the computer subsidiaries.

Total revenues for the combined group, including investment revenues, totaled £197.6 million, up 8.6% from £182 million in 1995.



Heath's de-merger of its computer operations and sale of its underwriting subsidiaries has made the broker more focused, says John Mackenzie Green.

Converted to U.S. dollars using average exchange rates, Heath's gross revenues totaled $309.4 million in fiscal 1995/96, up 9.4% from $283 million a year earlier.

Insurance brokerage revenues totaled £118.3 million ($185.3 million), up 1% from £117.1 million ($182.1 million). Telephone marketing of personal lines auto and homeowners insurance in the United Kingdom brought in an additional £6 million ($9.4 million) in revenues last year, up substantially from the 1994/95 total of £1.6 million ($2.5 million).

Although pretax profits of £21.7 million ($34 million) for year-end March 31, 1996, are up 5.5% from the prior year's figure of £19.1 million ($29.7 million), it is not a straightforward comparison.

The fiscal 1995/96 earnings include several significant exceptional items, including one-time gains from the sale of subsidiaries, subletting unused office space and expenses related to the de-merger.

The company's net profits slumped 45% to £5.7 million ($8.9 million) from £10.5 million ($16.3 million).

Continued on next page

WITHOUT
LOW RA
JUST A N
GA

In premium financing, low rates are important. But the combination of low rates with an unmatched commitment to service sets A.I.Credit apart. We're not just talking quick turnaround. Our expert analysts can help design a premium payment plan uniquely suited to each client's individual needs. It's hard to find flexibility like that anywhere else.

We assign each of our agency partners an account team to assure the quick access and turnaround you need to make your sale. Agents' relationships with their account teams are their best resource in serving their customers. And it's a relationship agents grow to enjoy and rely on as they get to know and trust their teams. These are professional financial analysts, who respond to financing challenges on the spot.

Continued from previous page

Although Heath this year ranks 12th in *Business Insurance*'s rankings of the world's largest brokers, unchanged from the year earlier, de-merging the company's computer activities, which had grown to represent nearly a third of the group's revenues, is likely to move the company down several notches in next year's rankings.

But Mr. Mackenzie Green said he strongly believes that Heath will benefit from concentrating on core brokerage activities.

For years, the company suffered both in terms of the image it portrayed to shareholders and from management problems because of juggling three diverse operations, said Mr. Mackenzie Green.

The sale of its underwriting activities has been on-going for several years now (*BI*, July 17, 1995), and was finally completed last month with the conditional sale of Lloyd's of New York Insurance Co. to Stirling Cooke North America Holding Ltd. for about $4.5 million.

Although the computer operations had been more successful than Heath's underwriting activities in recent years, they had almost become too big for the combined group.

Both computer companies "need lots of money to invest in research and development and the cash was always going to go into the broking business as a primary need," said Mr. Mackenzie Green.

The de-merger will now make it easier for Heath to expand its brokerage business, under a new management team headed by Mr. Mackenzie Green as CEO, replacing Peter Presland, who is now CEO of Rebus.

C.E. Heath's board of directors, meanwhile, has been reduced with Tim Broadhurst and Callum Stewart stepping down to join a newly formed Executive Committee, which will focus on business strategy for the brokerage.

Mr. Mackenzie Green said he has no qualms about now being regarded as a smaller company because Heath never had pretensions of competing with the mega-brokers.

Heath does not try to market itself as being able to offer branches in every country to service every division of a multinational company, said Mr. Mackenzie Green.

"We don't try to be something we are not. We are not all things to all men. But what we're good at, we are very good at," he said.

For example, the company is a major U.K. retail broker able to offer a full range of services to the largest U.K.-based corporations. Retail brokerage revenues from the United Kingdom last year totaled £31.4 million ($49.2 million), with U.K. wholesale revenues totaling £11.8 million ($18.3 million). The company has some 20 offices throughout the United Kingdom, though these are being reduced in number to cut costs.

"I believe that we can cover the whole of the United Kingdom with about 12 offices outside of London," said Mr. Mackenzie Green, pointing out that the company has already cut down from 30 offices in recent years.

Among the household corporate names that are clients of Heath are British Steel P.L.C.; Group 4 Security; paper and packaging group Bowater P.L.C.; furnishing retail group MFI Furniture Group P.L.C.; and new client this year Hazelwood Foods P.L.C., a major food supplier.

Mr. Mackenzie Green said Heath is able to offer such companies more than its larger rival brokers.

"We provide them with our No. 1 team and we can react quicker," he said.

Heath's U.K. financial services operation has undergone a major reorganization during the last year as the British financial services, pensions and employee benefits sector has gone through rapid changes. Now renamed Heath Consulting Co. Ltd., the division provides employee benefit services for employers ranging from small businesses to larger multinationals.

In addition to the United Kingdom, Heath is a major retail broker in Australia, where it has offices in New South Wales, Victoria, Queensland, Western Australia and South Australia. Among its major Australian clients are Qantas Airways Ltd., and restaurant chain McDonald's Australia, an account won this year in a competitive bid.

In New Zealand, the company's operation includes as its clients the New Zealand Dairy Group and Air New Zealand Ltd.

Heath regards itself as the biggest aviation broker in the Southern Hemisphere.

Aviation brokerage, headed by Mike Hughes, division chairman, is an important part of Heath's specialist divisions worldwide.

"Aviation has been hugely successful," said Mr. Mackenzie Green, with new clients including Groupe Air France S.A. and Air Aruba.

Heath won Air France, one of the world's largest aviation accounts, from Willis Corroon Group P.L.C., through one of its French retail brokerage affiliates, Groupe Le Blanc de Nicolay.

Health's marine and oil and gas divisions, headed by Ken Eldret, division chairman, have not fared so well during the past year due to plummeting rates in that segment of the market, said Mr. Mackenzie Green. The broker is seeing some marine accounts renewing for one-third of the expiring rate and that follows 50% reductions the year before, he pointed out.

However, new accounts have been secured in the sector, including Malaysian Petroleum National Co.

International facultative reinsurance business, under Jonathon Proctor, managing director-international, has continued to do well, with revenues increasing for the 11th year in a row. Treaty reinsurance, under division Chairman Tim Broadhurst and Deputy Chairman Callum Stewart, also continues to do well considering competitive market conditions, as does the group's financial institutions business, headed by Jeremy Underwood, managing director-financial and professional indemnity.

Outside the United Kingdom, Heath mainly operates as a wholesale broker for local suppliers.

In Western Europe, apart from a few partly owned associate companies in Germany, Italy, Spain and Portugal, Heath largely obtains wholesale business through independent retail brokers. The company has no plans to open its own offices in Western Europe because that strategy would produce conflicts with its suppliers, pointed out Mr. Mackenzie Green.

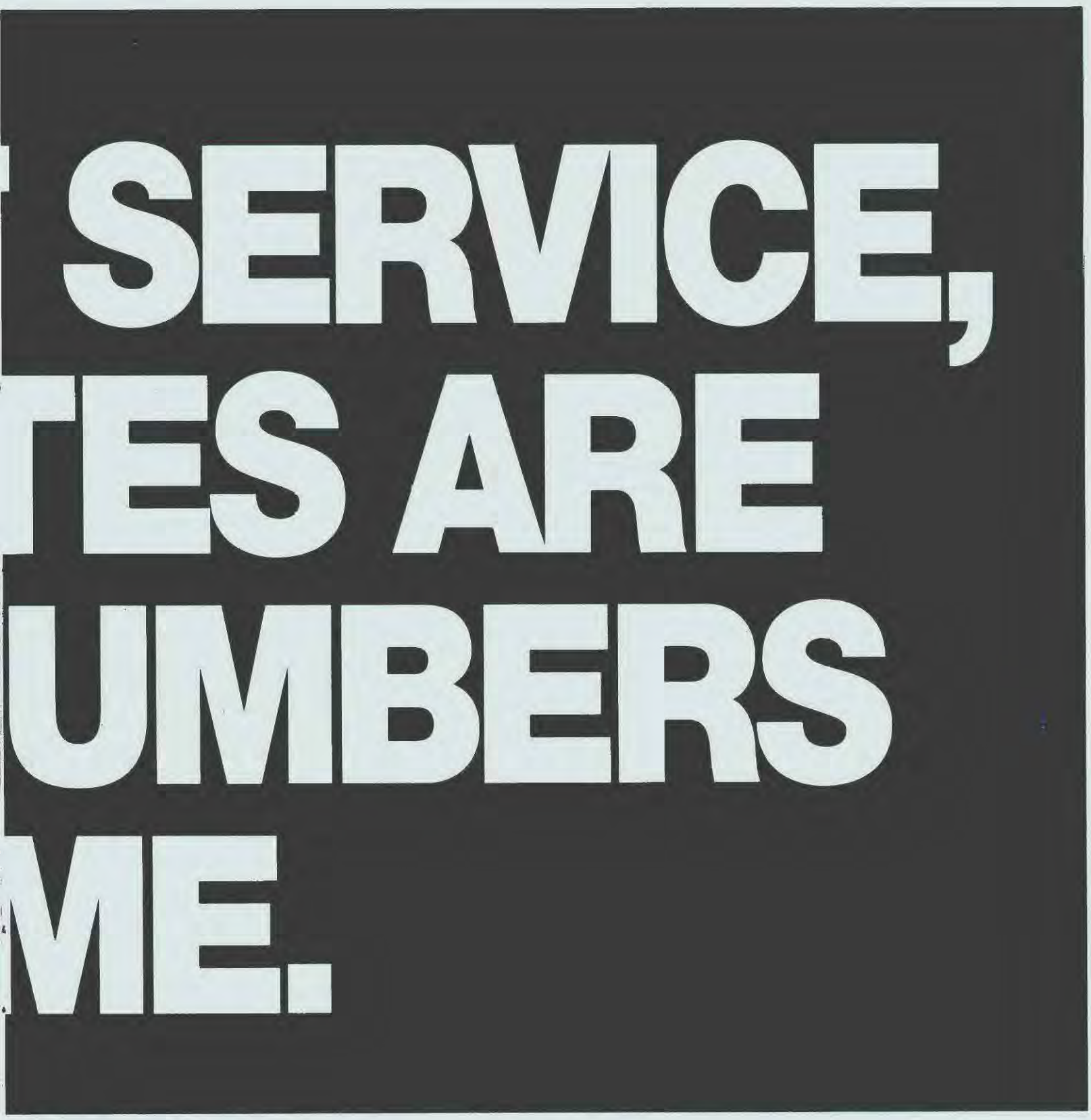
In Eastern Europe, however, where traditional sources of business are not strong and the potential for insurance growth is huge, Heath is adopting another strategy.

"We are looking very hard in Eastern Europe. It is an area where we have big plans," said Mr. Mackenzie Green.

These plans include setting up brokerage operations in the Czech Republic, Poland, Kazakhstan and the Commonwealth of Independent States, possibly through joint ventures with local management.

In the United States, the company set up a wholesale brokerage

Continued on next page



And of course, we handle billing and collection so you can spend your valuable time selling.

So when your customers need premium financing, don't just play the numbers. Because when you consider rates, service, and flexibility, we're really the only game in town.

For more information, call 1-800-221-3450, Ext. 5509.

AIG World leaders in insurance and financial services.

A.I. Credit Corp., a member company of American International Group, Inc. AICCO, Inc., a wholly owned subsidiary of A.I. Credit Corp., markets these products in California.

AIC AI Credit AICCO

Continued from previous page
operation four years ago with offices in Dallas, Chicago, Atlanta, San Francisco and Houston. Although the competitive excess and surplus lines market in the United States "has been in a bloodbath," first-quarter results from the U.S. operation for this year "look encouraging," said Mr. Mackenzie Green.

Heath remains a major reinsurance broker throughout Latin America; while in the Middle East the company has a branch office in Dubai and a joint venture in Kuwait.

In October 1995, the company sold its 50% shareholding in HHL (Holdings) Ltd., a Hong Kong-based joint venture with Rollins Hudig Hall Holdings BV. Heath received £16 million ($25.1 million) in cash for its shareholding plus an agreement that allows Heath to continue to receive revenues from wholesale business placed with Health in London on behalf of HHL for at least five years. The company has not yet decided what to do in the future in Hong Kong, where the name Heath has been present for many years, said Mr. Mackenzie Green.

Elsewhere in the Far East, the company already has a joint venture in China and is looking at also setting up joint brokerage ventures in Malaysia and Thailand.

As part of a long-established trading group, Heath has a name that is recognized and respected in many parts of the world, noted Financial Director Paul Hughes.

As a result, the group often is perceived as being a much bigger broker than it is, said Mr. Mackenzie Green.

Back in the United Kingdom, the broker has broken new ground with the success of its new direct marketing venture, Premium Search, which sells personal lines coverage via telemarketers.

Mr. Mackenzie Green said he now believes personal lines insurance market increasingly will rely on telephone brokering. Sales via the Internet, though growing in other markets, are not yet popular in the United Kingdom.

Looking ahead in general, Mr. Mackenzie Green is bullish about Heath's future.

"Our balance sheet is as strong as possible. We continue to attract people who want to shine. Brokers have to have flair and space. Our brokers have that," he said.

—By Carolyn Aldred

13

Jauch & Huebener KGaA

Katharinenstrasse 10,
20457 Hamburg, Germany;
49-40-36050; fax: 49-40-367787

	1995	1994
Premium volume	N/A	N/A
Gross revenues	$216,380,000	$194,656,000
Brokerage: Retail	82%	82%
Reinsurance	13%	11%
Personal	2%	2%
Services	3%	5%
Employees	1,400	1,500
Rev./Employee	$154,557	$129,771
Offices	26	25

Converted at applicable exchange rates.

A soft property/casualty market and the demise of German insurance consortiums are leading Jauch & Huebener KGaA to expand its business beyond placing coverage.

Known as an innovator in placing complex risks for Germany's chemical industry, the Hamburg-based broker now is expanding its risk consulting capacity in an effort to become the leading broker



'To maintain a high-cost operation—in terms of quality—we had to look for new business and boost productivity,' says Christian Dahms.

in continental Europe.

Legal, political and economic changes in Germany have taken Jauch & Huebener in new directions over the past 25 years, bringing revenue growth. After the breakup of the Soviet Union, the broker expanded its operations into Eastern Europe.

Last year, the brokerage did not increase revenues, ending a growth streak that dates back at least to 1989. A sluggish German economy and the continued soft market combined to bring growth to a standstill.

Jauch & Huebener's gross revenues slipped 1.3%, to 310 million DM in 1995 from 316 million DM. Converted to U.S. dollars, however, the broker's gross revenues increased 11.2%, to $216.4 million last year from $194.7 million. As a result, the broker was forced to realign its focus.

While initiating cost-cutting measures, the broker sought growth from consulting services, new products and middle-market clients—companies with up to 50 million DM ($32.8 million) in gross annual revenues.

"Competition is tough," said Christian Dahms, one of the company's six partners.

"To maintain a high-cost operation—in terms of quality—we had to look for new business and boost productivity," he said.

The broker cut costs, reduced its number of employees to 1,400 from 1,500 and decentralized operations to give more authority to units that handle key accounts.

Such steps helped Jauch & Huebener counter effects of a soft property/casualty market, which continues to hold down premiums and commissions, Mr. Dahms pointed out.

Last year, German property rates fell dramatically after the demise of cartel-like insurance

Continued on page 52



MAYBE BECAUSE IT'S THE ONE SOLUTION THAT REALLY MEETS THEIR NEEDS.

MGAs, Wholesalers and E&S Brokers have distinct automation needs that can't be answered by just any system. That's why we specifically designed VISTA™ for Windows® with your business in mind. It's the most comprehensive, fully-integrated automation solution available.

With VISTA for Windows, Delphi delivers the business tools you need right to your desktop. To perform rating, policy printing, submissions and clearance, claims management, calculation of surplus taxes and fees, word processing, spread sheets and more. All these features are fully integrated, so that once information is entered, it's shared throughout the entire system. And since VISTA is a Microsoft® Windows application, it's as easy to use as moving a mouse.

Which helps explain why VISTA is already at work in over 50 specialty operations across the country. They're gaining advantages that come not only from the system, but from the company that designed it. Delphi. As the recognized leader in automation, we offer the most extensive training and support, including Service Centers on both coasts. All because our clients expect nothing but the best.

For a free demo diskette of VISTA for Windows, call 1-800-4-DELPHI, Ext. 125.

DELPHI INFORMATION SYSTEMS

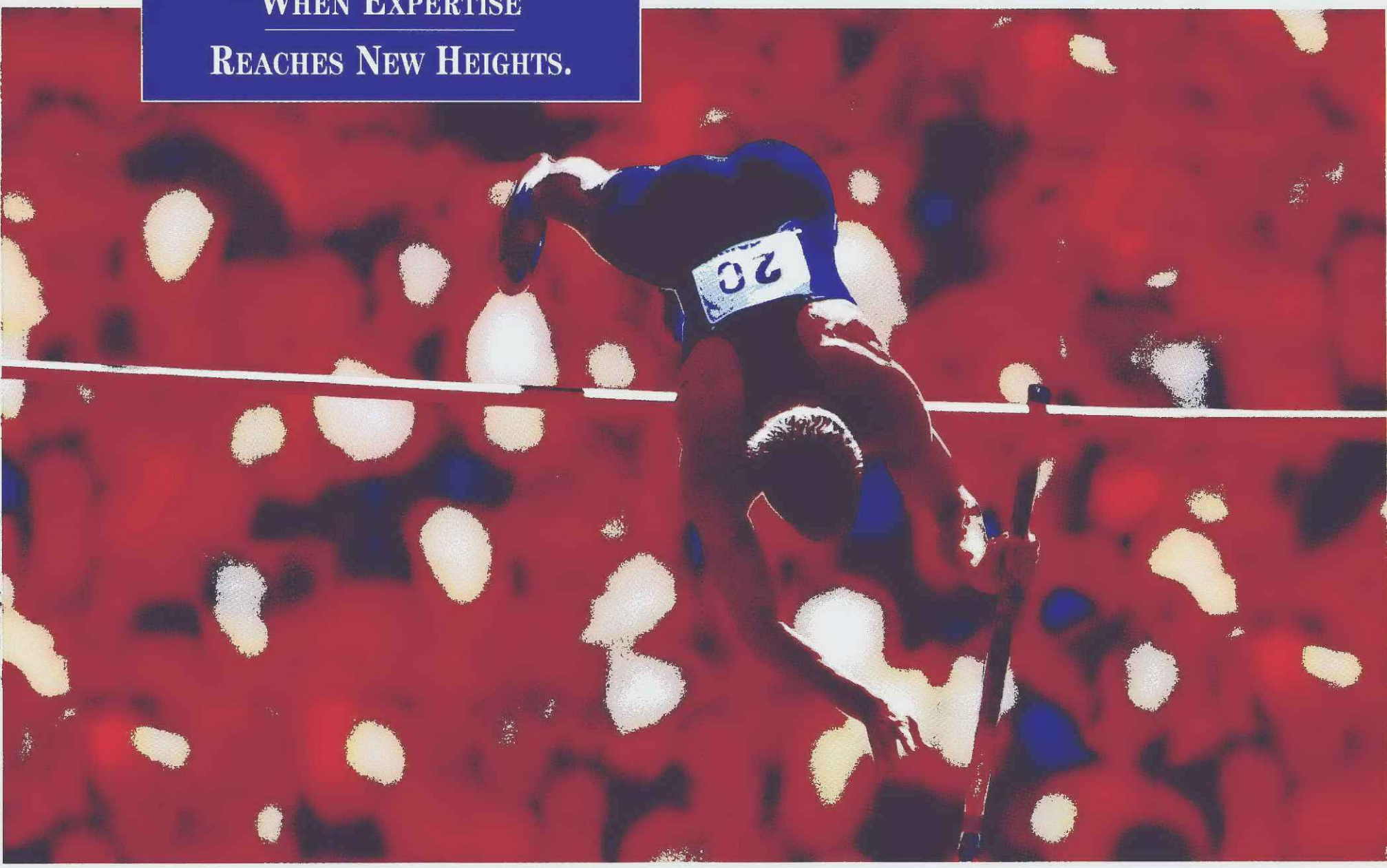


VISTA for Windows®

DELIVERING SOLUTIONS FOR TODAY AND TOMORROW.

Windows is a registered trademark of Microsoft Corporation.

Amazing What Happens When Expertise Reaches New Heights.



Experience. It's the sum of knowledge, training and persistence. Applied correctly, it creates a higher standard that propels you forward, every time.

We're Met DisAbility, and our track record speaks for itself. Over time, we've developed an extensive line of disability products based upon our customers' needs. Products backed by a team of group disability experts committed to minimizing disability costs, and helping employees return to work sooner. It's what you'd expect from one of the true pioneers in managed disability.

Now, after more than a century of service, we're certain we have the right combination of products and services to meet your company's needs. Just call your local MetLife® Group Representative today. Because when your standards get progressively higher, it's amazing how far expertise can take you.

Met DisAbility

We put abilities to work℠

1-800-METLIFE

H9605LDO(exp0697)MLIC-LD ©1996 Metropolitan Life Insurance Co., NY, NY

Spotlight report

Continued from page 50

consortiums, known as KOKOs, that previously had dictated property rates for large risks (*BI*, July 10, 1995).

The ensuing battle of property/casualty insurers for market share caused rates to drop by 40% to 50% in many cases.

That forced Jauch & Huebener to re-market every property policy on its books.

However, more work did not translate into higher revenues. "The bottom line was more services for less remuneration," he admitted.

Last year, growing competitive pressures and high costs of operations forced the broker to consider switching to a fee-based system, Mr. Dahms said.

While this process is just beginning in Germany, Mr. Dahms sees support in the market for fee-based services and estimates 1% of Jauch & Huebener's revenues is earned this way.

Last year, Jauch & Huebener's retail brokerage revenues were flat, while earnings from consulting and administration services—which include pension administration—declined slightly.

However, the broker's employees are marketing consulting services more, Mr. Dahms said. "We were successful in educating our people to be consultants first and not a broker. We created new products—along the lines of deferred compensation, for example—and gained new clients."

Pension plan consulting in particular profited from a shift toward employee-financed plans. "For cost reasons, employers do not want to maintain pension plans themselves and prefer to place that responsibility in the hands of their employees," he said.

With ongoing government action aimed at reducing German social benefits, Mr. Dahms said employees are responsive to alternative pension programs.

About 75% of revenues in the area of company pensions are earned from fees and not commissions, Mr. Dahms said.

Three of Jauch & Huebener's subsidiaries are retail brokerage units—Agte Gebreuder GmbH, Joost & Preuss GmbH and George Wildegans & Co. GmbH—while the others deal in risk management consulting, administration services and personal lines business.

A stronger focus on the middle market began to give the broker some growth late last year and provided a strong start this year. In the first six months of 1996, Jauch & Huebener reported a 7% increase in revenues compared with the year-earlier period.

Mr. Dahms attributed growth to several factors, including a new "business focus" by its employees. The broker's staff is becoming more client-focused and aware of their economic impact on clients, he explained. "Instead of just reacting to what we are told by the client, we are taking the incentive and improving quality at the same time."

According to Mr. Dahms: "Insurance is not necessarily the final answer today. We must think in terms of total cost of risk. Not just focus on losses, but the cost of administration and loss control."

The administration of risk management programs is a Jauch & Huebener strength, he said. "If times demand different solutions, the broker has to come up with alternatives—like alternative financing, how to manage deductibles, how to get claims down, how to cut costs in insurance administration."

Jauch & Huebener has a solid reputation in Germany as a risk management and loss control consultant for large risks, particularly in fire prevention and safety technology.

The broker has built its service around teams that consult in specialty areas, such as foreign production facilities, foreign liability, cargo, marine and aviation.

One factor helping Jauch & Huebener is a growing interest in safety and loss control.

For example, events such as a fire at the Dusseldorf airport, Germany's second largest, which killed 17 people and caused more than 350 million DM ($229.4 million) in property damage, demonstrated buyer vulnerability (*BI*, June 10).

Non-compliance with safety standards is said to have contributed to the fire and insurers may not settle the claim. "It meant a lot in terms of demonstrating loss potential—not only to other airports—but to industry in general," said Mr. Dahms.

When insurers canceled the airport's property coverage on suspicion of negligence, Jauch & Huebener moved quickly to find replacement coverage. With 1.7 billion DM ($1.11 billion) of coverage at stake, "we had inquiries from around the world and within minutes had answers from our broker network on which airport is insured how."

Such speedy answers came through its partners in the UNISON broker network, of which Jauch & Huebener is the second-largest member.

The UNISON system "allowed us to get information on rates at airports from Washington, D.C., to Oslo. The client in Germany gets worldwide information on rates and conditions," Mr. Dahms said.

As risks become more complex, clients require more information, noted Mr. Dahms. "We offer risk definition, value definition and claims definition worldwide. Through the network, we make the market intelligible and give better service."

Reinsurance business was one of the broker's growth factors in 1995, despite market pressures, said Mr. Dahms. "Primary insurers increased their net retention, which lowered volume overall, but we had growth in gaining new clients."

A trend toward non-proportional insurance also affected business. "Insurers looked to retain risk themselves, which made non-proportional excess-of-loss coverage more attractive."

Financial reinsurance and other alternatives to traditional reinsurance are examples of the new directions, he said. "If the conventional insurance market is not able to offer tailor-made solutions, financial reinsurers—and here I include investment banks—may be the only solution in the future." Mr. Dahms also sees a growing interest for balance sheet protection in the reinsurance market.

While Jauch & Huebener does not break down its revenues, Mr. Dahms confirmed *Business Insurance* estimates that reinsurance revenues increased by about 2%. Nearly all the broker's reinsurance revenues come from treaty business.

Jauch & Huebener's global capabilities also have helped it develop new insurance products. For example, the broker worked earlier this year with American International Group Europe S.A. on creating an environmental impairment liability policy for German companies (*BI*, May 27; March 11).

Such costs have been excluded from pollution coverage since Germany introduced EIL insurance in 1993. At that time, German insurers only covered pollution liability for third parties and not property be-

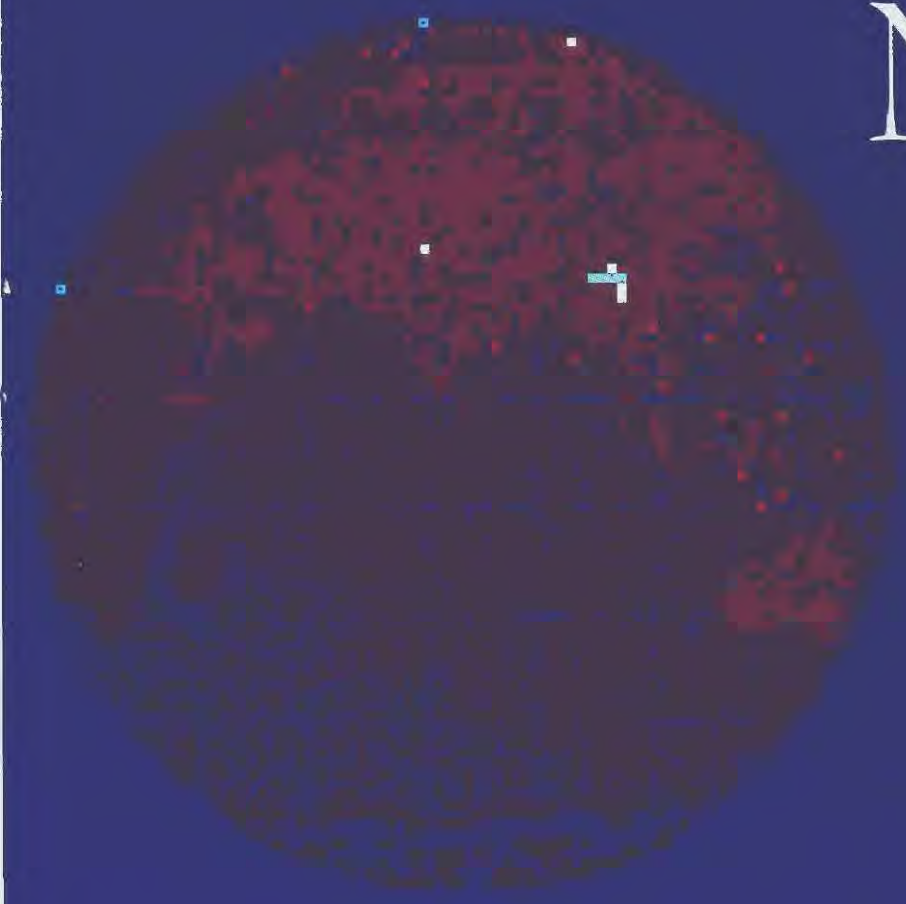
Continued on page 54



Nobody's Faster. Most dental insurers aren't known for their speed, but we are. Clients' claims will be paid in an average of five days, and we'll issue renewal notices at least 30 days in advance. Plus, we answer most member questions immediately over the phone. We're even fast to save clients money using our unique claims processes. We believe in delivering fast, accurate and efficient service. So hurry. The sooner you call the faster we can respond. For information, make a quick call to your producer or call us at 1-800-776-9446.

AMERITAS® LIFE INSURANCE CORP.

Ameritas Life Insurance Corp. products are available nationwide, except in New York where products are available through Ameritas Bankers Assurance Company. For more information on Ameritas products in New York, call 1-800-201-8562. ©1995 Ameritas and the bison symbol are registered service marks of Ameritas Life Insurance Corp.



Not quite clear where on earth to find it ?

It's clear. Your best resource is here !

1995 DIRECTORIES

Issue Date	Directory
Feb 6	Third-Party Administrators
Feb 20	Utilization Review Providers & Case Managers
Mar 6	Benefit Information & Claims Systems
Mar 20	Risk Management Consultants
Apr 3	Prescription Benefit Managers
Apr 24	Captive Managers
May 29	Alternative Facilities
Jun 12	Property Loss Control Consultants
Jun 26	EAPs & Mental Health Networks
Jul 17	Agents & Brokers
Jul 31	Dependent Care Resource & Referral Services
Aug 14	401(k) Plan Administrators
Aug 28	Leading Reinsurers Worldwide
Sep 11	Surplus Lines Insurers & Wholesalers
Oct 2	Environmental Risk Management Consultants
Oct 9	Safety Consultants & Rehabilitation Services
Oct 23	Reinsurance Brokers
Nov 6	International Insurers & Benefit Networks
Nov 20	Benefit Communication Systems
Dec 4	Risk Management Information Systems
Dec 11	Employee Benefit Consultants
Dec '95	Managed Care Providers—HMOs & PPOs

If you're in immediate need, order now from our list of 1995 issues, while quantities last, call Dorothy Wood at 1-800-678-9595.

Are you looking for a list of agents and brokers, TPAs, UR providers and case managers, HMOs and PPOs, captive managers or alternative facilities, safety consultants and rehabilitation services, international insurers and benefit networks, or other suppliers of insurance services?

Search no more. Every year, the editors of *Business Insurance* compile the most comprehensive directories of the insurance services providers that you need.

But these issues are so popular they might not make it past the first name on your company's routing slip.

So when you're trying to locate lists of suppliers you know must exist somewhere, don't go to the ends of the earth trying to find them. Just take a look at the exclusive directories *BI* offers.

You're sure to find the ones that are right for you ... To order your copies, call **1-800-678-9595.**

1996 DIRECTORIES

Issue Date	Directory
Feb 5	Third-Party Administrators
Feb 19	Utilization Review Providers & Case Managers
Mar 4	Risk Management Consultants
Mar 18	Benefit Information & Claims Systems
Apr 22	Captive Managers
May 20	401(k) Plan Administrators
Jun 3	Alternative Risk Financing Facilities
Jun 24	EAPs & Dependent Care Resource 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
Nov 18	International Insurers & Benefit Networks
Dec 2	Risk Management Information Systems
Dec 9	Employee Benefit Consultants
Dec '96	Managed Care Providers—HMOs & PPOs

To reserve your 1996 directory issues, call Dorothy Wood at 1-800-678-9595.
For directory information, contact Sandra Budde at (312) 649-5279.

Business Insurance®
a publication of Crain Communications Inc

Continued from page 52

longing to the polluter as a reaction to new stringent pollution laws.

Loss of coverage hurt companies with soil pollution exposures, said Dirk Grote, a Jauch & Huebener environmental pollution liability expert based in Munich, Germany.

Insurers' refusal to cover cleanup costs meant 80% of risks that used to be insured were excluded from coverage, Mr. Grote said.

New coverage enables companies to insure potential soil contamination exposures, which can represent a grave financial risk.

Environmental risk has created business opportunities for the broker as well, he said. Part of Jauch & Huebener's risk consulting operation deals with audits for companies that wish to document environmental management to the public.

"It's a seal of approval," said Christel Liedke, a risk management consultant with the broker. "With interviews and a check of the company's facility, we can determine how well environment management works. The result is a recommendation and suggested steps to improve management."

The German insurance market currently is characterized by heightened competition and flexible rates due to deregulation, said Mr. Grote.

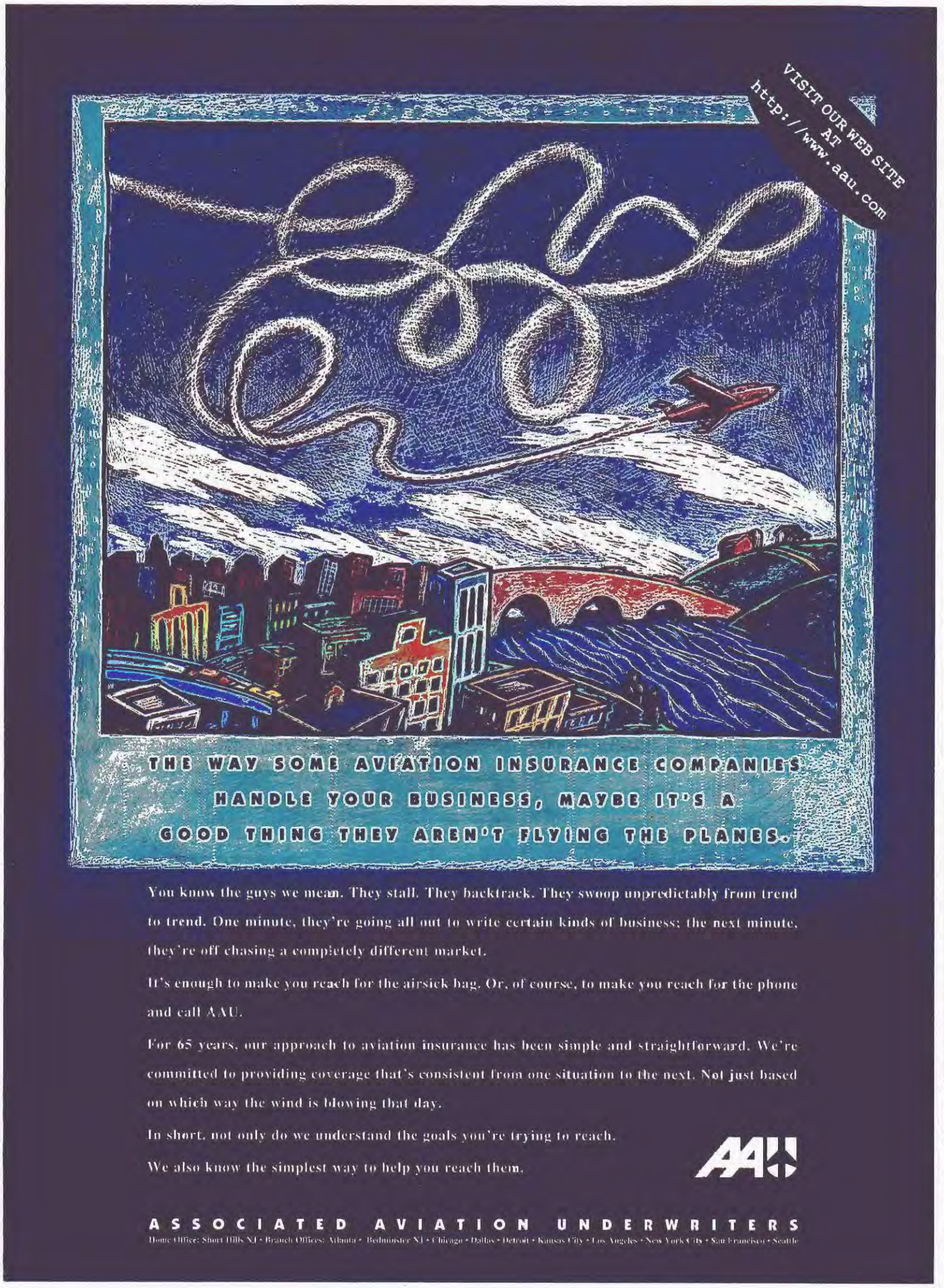
"The development of a single European market has greatly changed the environment and structure of the insurance industry," noted Paul Grothaus, a Jauch & Huebener managing director based in Muelheim, Germany. Rates and conditions no longer need to be approved by the Berlin-based German Supervisory Authority for Insurance Matters, and an influx of foreign insurers "has led to a previously unseen variety of products."

As a major partner in UNISON, Jauch & Huebener also can refer its German multinational clients to other UNISON members to help solve global insurance and risk management problems.

Last year, the broker opened an office in Bratislava, Czech Republic, bringing its total worldwide to 26. While the broker does not plan to open any new offices this year, it will strengthen itself at home with cost control measures.

The broker plans to invest in electronic data processing to help improve communication with clients and also conduct business electronically, Mr. Dahms said.

—By Don Lewis Kirk



14

Gras Savoye S.A.

2-8 Rue Ancelle, 92200 Neuilly-sur-Seine, France; 331-41-43-5000; fax: 331-41-43-5555

	1995	1994
Premium volume	N/A	N/A
Gross revenues	$204,376,800	$166,972,500
Brokerage: Retail	78.35%	77.70%
Reinsurance	1.39%	1.85%
Personal	10.17%	10.90%
Services	2.23%	1.05%
Investment income	7.2%	8.2%
Other	0.66%	0.3%
Employees	1,710	1,613
Rev./Employee	$119,519	$103,517
Offices	73	71

Converted at applicable exchange rates.

A focus on retaining clients and a drive for new business over the past year have allowed Gras Savoye S.A. to remain France's largest insurance broker and the 14th-largest in the world amid competitive conditions.

Despite its focus on existing clients, Patrick Lucas, chairman and chief executive of the brokerage, is seeing stiff competition and has seen one of its major clients, paper manufacturer Arjo Wiggins Appleton P.L.C., move to another broker this year.



'I think the competition is getting worse. Every broker needs urgently to get new accounts and, therefore, they are all very active,' says Patrick Lucas.

"I think the competition is getting worse. I'm under the impression now that every broker needs urgently to get new accounts and, therefore, they are all very active," he said.

Mr. Lucas admitted that Gras Savoye probably lost the AWA account, which went to bid not just on price but on a total service basis, because the broker failed to take into account the widely spread and decentralized nature of the Anglo-French paper products group.

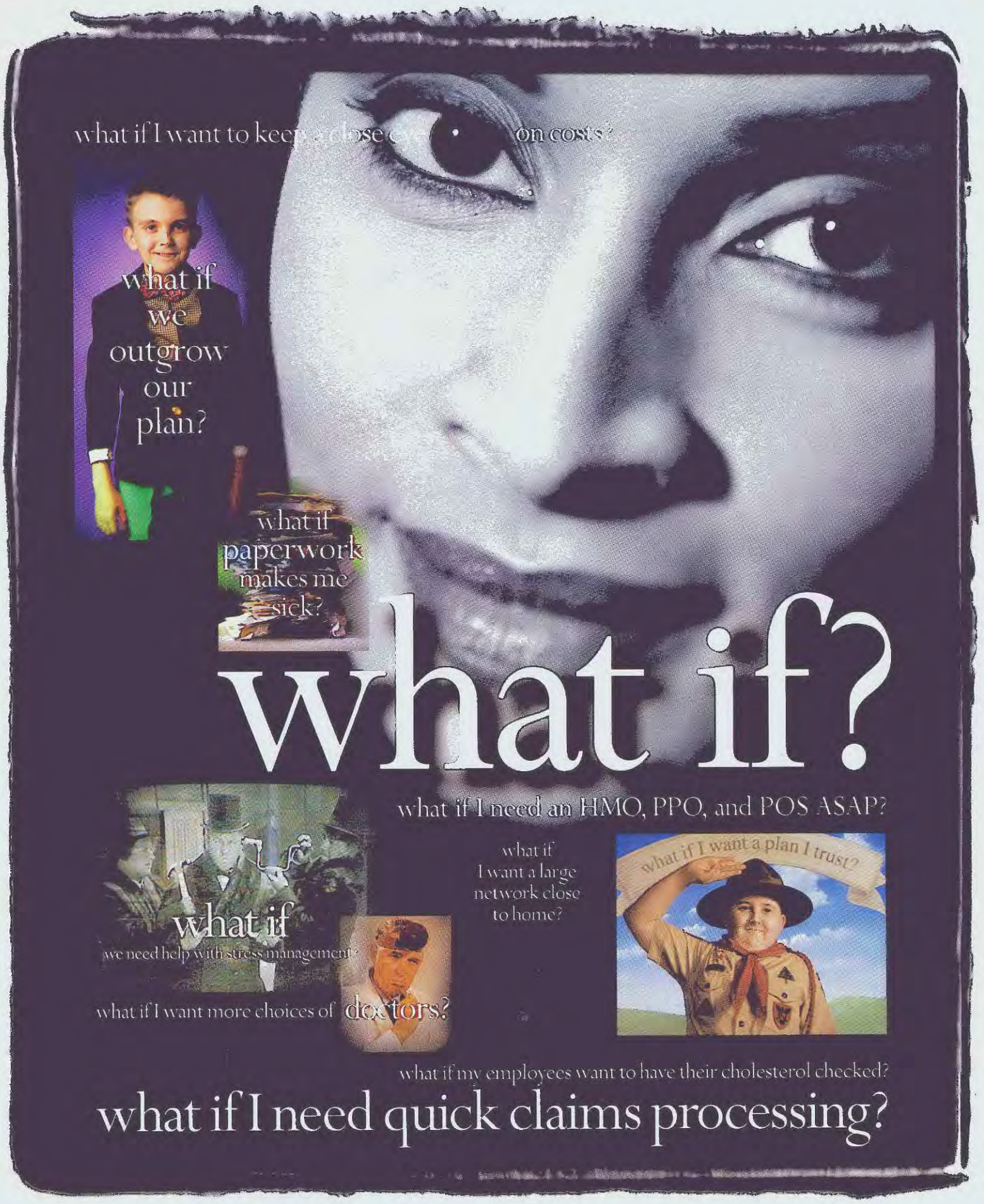
"We missed the fact that we should, because of the firm's complicated structure, have considered each subsidiary of AWA in all different countries as a separate client, rather than considering the holding company as the client," he said.

He also sees the loss as a symptom of French market conditions, where the depressed economy is encouraging companies to cut costs wherever they can. In insurance brokering this means a growing client tendency to seek bids for the lowest-cost business rather than stick with long-term service relationships.

However, Mr. Lucas also maintains that because Gras Savoye delivered its service to AWA at such a low cost anyway in this competitive climate, the lost renewal hurts morale more than the broker's finances.

Also, Gras Savoye last year won a number of new accounts, which Mr. Lucas said will more than make up for the lost revenues. New clients include French Telecom, for which Gras Savoye is placing insurance coverage on a 54,000-vehicle fleet; the French postal service; road construction group Jean Le Feure; and Bollore

Continued on page 58



what if?

what if you didn't have to worry about health care?

What if there were a health care organization with innovations that anticipated the health care needs of your business? With an extensive choice of cost effective, customized managed care options, and the flexibility to change as your needs do? 1-800-244-BLUE. http://www.bluecares.com **BlueCross® BlueShield®**

©1996 Blue Cross and Blue Shield Association, an Association of Independent Blue Cross and Blue Shield Plans. ©1996 Columbia Pictures; Comedy III Productions, Inc.
All Rights Reserved. The Three Stooges™ The Three Stooges is a trademark of Comedy III Productions, Inc.



Wexford

The Wexford Group

SAN FRANCISCO 415.397.2962

NEW YORK CITY 212.962.3030

CHICAGO 312.456.8686

PHILADELPHIA 610.251.9204

NORTH PALM BEACH 407.844.4243

SEATTLE 206.621.8808

M P E N S A T I O N



FOR TEN YEARS, WEXFORD HAS BEEN A LEADER IN PROVIDING WORKERS COMPENSATION SOLUTIONS.

Though much has changed in the past ten years, Wexford remains the source for innovative excess workers compensation solutions for the self-insured. As the exclusive representative of all member companies of the CNA Insurance Companies for this coverage, we offer you the best of both worlds – Wexford's seasoned underwriters and case managers and CNA's financial strength and stability.

Because Wexford recognizes that your workers compensation needs have grown, we have added a broad array of new services, including self-insured retention buy-down, actuarial analysis, rating services, and captive and risk management services. After all, helping you stay ahead of marketplace changes is a Wexford tradition.

EXCESS WORKERS COMPENSATION • ACTUARIAL ANALYSIS • RATING SERVICES • CAPTIVE AND RISK MANAGEMENT SERVICES

Continued from page 54
Technologies, a diversified manufacturer and distributor.

Such accounts helped push up Gras Savoye's total gross revenues last year by 10.2% to 1.02 billion francs from 922.5 million francs in 1994.

Converted to U.S. dollars using average exchange rates, the increase was an even more impressive 22.4%, to $204.4 million from $167 million.

The result just meets the target Gras Savoye had set to increase 1995 revenues by 10% before acquisitions. Mr. Lucas said the firm enjoyed growth in all geographic regions and product areas, though French regional and foreign offices performed better than its Paris office.

Employee benefits was a particularly strong area, though Mr. Lucas said this is unlikely to last because of the way many large employers are downsizing and, therefore, reducing the size of staff and benefit programs.

He also foresees an increasing shift away from commission income to fee-based business. However, commissions still accounted for 95% of Gras Savoye's retail brokerage revenues last year, down only slightly from 96% in 1994.

Gross revenues from retail brokering have remained constant over the past year at about 78%. There was little change in the amount of business coming from personal lines, at just more than 10%, while the contribution of fees from services slightly more than doubled to 2.2%.

Mr. Lucas attributes the company's success in part to Gras Savoye's Department of Development and Innovation and also to a more recent quality improvement drive.

A cornerstone of the work of its Department of Development and Innovation is to set up a dedicated committee every time Gras Savoye is dealing with a potential new client or renewal of a client's business.

The committees consist of people from different parts of the company to bring together varying points of view and skills regarding the entire business and needs of the clients. The committees reconvene every three or four weeks until they are ready to present proposals. During renewal periods, new people are brought into the committee to gain a fresh approach and assess Gras Savoye's performance over the year.

The broker's quality program concentrates on what Gras Savoye terms the "*acceuil*," or welcoming, of the client. Its basic aim is to train staff in dealing efficiently with clients and insurers, and to instill in them the principle that they are not there to sell or try to force the client in a certain direction, but to listen and understand its needs.

Unlike its main French broker rival, CECAR, whose major clients own a significant number of its shares, 89-year-old Gras Savoye still is 70% owned by the Gras and Lucas families and 30% owned by three French insurance companies. Union des Assurances de Paris, Assurances Generales de France and Athena Assurances each hold a 10% stake in the broker.

Gras Savoye's clients fall into four primary categories: large and multinational companies; midsize companies; personal lines; and municipalities and public authorities.

Mr. Lucas cites two examples of innovative ways Gras Savoye is looking for new business.

In France it has set up a special unit to help an estimated 5,000 private owners of historical properties.

Owners of stately homes, castles and chateaux had claimed that existing insurance policies were cumbersome and slow given their special needs in conserving old, and often very large, properties requiring specialist craftsmen and expensive materials.

Gras Savoye spent about a year working with the two associations representing private owners of historical properties and came up with a tailor-made policy available this year to meet their special needs.

In a second example of innovation, Gras Savoye has opened four medical centers in the Ivory Coast specifically designed to bring down soaring medical costs. Mainly by introducing a computerized system to keep track of prescriptions, it has helped to lower health care costs by about 30% over two years. The system is being expanded to Senegal, with other African countries showing interest, said Mr. Lucas.

Gras Savoye is also a broker to the Olympic Games, and has been working with UNISON partner Johnson & Higgins to place coverage and provide services for the Summer Games in Atlanta. The main area it is involved in for the Olympics is placing coverage protecting television rights in the event of cancellation or interruption of the Games.

The film industry, in fact, is an area targeted for expansion, with Gras Savoye placing insurance coverage for the producers of a number of French television series and advertising agencies. It also is about to provide insurance brokerage services on its second feature film.

A year ago, Gras Savoye began a feasibility study for one of France's largest banking groups, Paris-based Societe Generale, on developing non-life insurance products that could be sold through the group's retail banking network. However, Societe General never pursued Gras Savoye's proposals, deciding instead to set up its own insurance company in partnership with two existing insurance companies.

Mr. Lucas denied that this was a blow for Gras Savoye. "We never knew whether we would go further, so it's no disappointment," he said.

Partly through its participation in the UNISON network, Gras Savoye generates just over one-fifth of its revenues from foreign clients, including about 2% from U.S.-based clients.

Mr. Lucas says a particular advantage of participating in the UNISON network is that its participants are committed exclusively to dealing with one another. Such a reciprocal network of well-known, dedicated brokerage partners is the best way to meet the needs of multinational clients, he said.

Apart from 20 regional offices in France, down from 21 last year, Gras Savoye has 26 foreign units.

These include European offices in Belgium, Luxembourg, Switzerland, Poland, Spain, Portugal, Greece and Turkey; Middle East offices in Lebanon and Iran; as well as offices on the African continent in Morocco, Tunisia, Benin, Cameroon, Ivory Coast, Gabon,

Continued on page 60

It's Not for Everyone

But it can be...

You wouldn't go rafting without an experienced guide...Why should it be any different with the Alternative Market.



When negotiating the rapids, it's best to have someone along who's been this way before. Same thing with **Workers' Compensation.** You need a strong, steady, experienced hand at the controls. Or else...

Commonwealth Risk, an acknowledged Alternative Market leader, has negotiated the challenges of a rapidly changing, continually shrinking Workers' Compensation market. Strength of product, expertise, and the support of The MRM Companies make the difference.

Times have changed. Business has changed. Companies in touch with the market change. Commonwealth Risk has an array of products to accompany its success in Workers' Compensation. Packaged with Auto and General Liability coverages, they represent multi-line casualty capabilities.

We also have distinct advantages on association/group programs. Offshore and onshore captive management facilities offer unique features to insureds. Agency captives, which are becoming popular, present attractive opportunities to brokers and agents. Whatever your commercial property-casualty needs, we can find a solution to your particular situation.

Never considered an Alternative Market company? No reason to hesitate. Commonwealth Risk has the knowledge and expertise to guide you along the way. That comes from knowing the current.

For more information, please call:
Philadelphia, PA (215) 979-3300
Orange, CA (714) 978-0577
London, England 071-247-1066

CommonwealthRisk

An **MRM** Company

A leader in Alternative Risk Financing **CommonwealthRisk®**



BE FREE TO SERVE YOUR CLIENTS INSTEAD OF BEING LOCKED INTO SALES QUOTAS.

Being an independent agent is tough enough. But to be restrained from getting the right kind of coverage for your clients is sheer punishment.

What's the alternative? The AIG companies.

Unlike other carriers whose limited coverages often fail to meet your clients' needs, we offer a full range of custom-tailored products and services.

Our growing regional company network gives you responsive, personalized service. And you can access the AIG companies' unmatched international capabilities as well, including our worldwide claims and underwriting services. Everything's backed by our unsurpassed financial strength (triple-A rated by the major ratings services).

What's more, the AIG companies have no minimum volume requirements and will entertain submissions from any licensed broker.

So you're never held back from delivering the best solutions to your small and medium sized business clients. No matter where they do business.

Call us to get the full story on how AIG can help strengthen your business.

After all, you have nothing to lose but your chains.

EAST	MIDWEST	WEST & PACIFIC	SOUTH	GULF STATES	CALIFORNIA & TEXAS
Granite State Insurance Co. 1-800-569-2030	Illinois National Insurance Co. 1-800-569-2030	American International Pacific Insurance Co. 1-800-569-2030	American International South Insurance Co. 1-800-569-2030	Audubon Insurance Co. 1-800-274-9830	New Hampshire Insurance Co. 1-800-569-2030

WORLD LEADERS IN INSURANCE AND FINANCIAL SERVICES

American International Companies, 70 Pine Street, Dept. A, New York, NY 10270

AIG

Continued from page 58

Senegal and Togo. In Asia, Gras Savoye has offices in Vietnam, Hong Kong and Singapore. The broker also has offices in areas of French colonial influence: Guadeloupe, the Reunion Islands and Martinique. In the Martinique, it bought the island's main broker, Reynal, earlier this year.

Two new East European offices will join Gras Savoye's list. The first is in Bucharest, Romania, operated in conjunction with its German UNISON partner Jauch & Huebener KGaA, and the second is in the Republic of Georgia.

Mr. Lucas said Gras Savoye also is expanding in Africa, and soon expects to open offices in Burkina Faso, the Congo and Niger.

Nearer to home, Gras Savoye has continued to grow through acquisitions. In May 1995 it bought a controlling 51% stake—increased to 60% this year—in Paris-based SAGER, a company that primarily studies human behavior, particularly that of drivers. This is owned by one of Gras Savoye's specialist units that does consulting and management of technical and natural risks for clients.

Gras Savoye is expanding in Eastern Europe and Africa, says Chairman and Chief Executive Patrick Lucas.

In January this year Gras Savoye bought Ami, a Paris-based broker bringing in a book of mainly medium-sized clients.

—By Edwin Unsworth

15

Forbes Financial Services Group (Pty.) Ltd.

P.O. Box 61689, Marshalltown, 2107
South Africa; 27-11-637-2999;
fax: 27-11-637-2166

	1995	1994
Premium volume	$2.03 billion	$1.93 billion
Gross revenues	$169,266,600	$131,320,000
Brokerage: Retail	74%	79%
Reinsurance	3%	2%
Personal	7%	5%
Services	13%	10%
Investment income	3%	4%
Employees	3,100	2,890
Revenue/employee	$54,602	$45,439
Offices	37	34

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

Forbes Financial Services Group (Pty.) Ltd. has adopted a moniker with a message: The brokerage sees itself as a full-service company ready to meet all its clients' financial needs.

Restructured last year from the former Price Forbes Group (Pty.) Ltd., the strategy now is to expand its consulting business and grow internationally.

"We believe it is fundamental to offer consultancy services," said Chairman Paul Heinamann. The company's clients include the top 100 companies listed on the Johannesburg stock exchange. Forbes' clients generate annual commissions from 50,000 to 1 million rand ($13,550 to $271,000), said Mr. Heinamann.

This full-service growth strategy helped Forbes generate gross revenues of 624.6 million rand for the fiscal year that ended March 31, 1996, up 33.2% from 469 million rand for the previous year. In U.S. dollars, the company's 1995 revenues totaled $169.3 million, up 28.9% from the $131.3 million reported for the previous fiscal year.

Based on the latest fiscal year revenues, Forbes ranked 15th in *Business Insurance's* 1996 ranking of the world's 20 largest brokers, up from No. 17 in 1995.

The full-service strategy comes at a time when the de-merger trend is hitting South Africa. Large South African companies, such as mining companies, are unbundling, or spinning off their diverse interests into independent companies.

Gencor, a conglomerate based in Johannesburg that included mining, financial services, energy and real estate interests, is an example of one company that de-merged into five independent companies. The impetus for the unbundling was largely political pressure to reform the South African economy away from dominance by a small number of large conglomerates, executives said.

The challenge for Forbes in this process was to develop insurance programs for individual companies that no longer had as great a risk-bearing capacity as when they were part of a large conglomerate.

In reviewing its risk management strategy for its clients, Forbes decided to insure as little as possible, said Mr. Heinamann. Advising clients to self-insure spawned Forbes Guardrisk Insurance Co., a licensed insurer that acts as a fronting insurer to a program similar to a rent-a-captive.

It is designed for companies that want a captive insurer but are not large enough to own their own captive.

In Guardrisk, the clients do not pool their risks, said Mr. Heinamann. And participating companies in Guardrisk are required to provide some of the captive's capital, he explained.

The companies make an investment in risk control, self-insure up to a certain level and transfer catastrophe risks to conventional reinsurers.

Forbes Financial Services' interest in Guardrisk is held through Integrated Risk Consultants, Forbes' risk financing consulting subsidiary, which has offices in Johannesburg and Sandton, South Africa, and London. This organization is separate from Forbes' loss control consulting subsidiary, CRM International.

The success of Integrated Risk Consultants and Guardrisk in South Africa has spawned the expansion of IRC International. The London office opened in March this year.

IRC International Chairman Tony Valsamakis said the consultant hopes to use this office as a springboard for alternative risk financing business in the Asia-Pacific and Latin-America regions, as well as the United Kingdom and Europe. He explained that as consultants in the South Africa market, they have operated in a similar economic culture to other emerging economies.

The consultant's clients tend to be multinational corporations looking to finance risks difficult to cover in the conventional insurance market, such as environmental hazards.

The idea is to help clients set up self-insurance vehicles that also may take a form similar to a rent-a-captive, based on the experience with Guardrisk in South Africa. Mr. Valsamakis said his company also helped set up a similar Guardrisk facility for clients in Eu-

Continued on page 62

Smart Moves to Fortis Benefits Provider Excess Insurance

"I'd highly recommend Fortis. With Fortis' knowledge, they have a wider variety of solutions to offer you."

Before your insurer can offer a flexible provider excess product, they first need to be extremely knowledgeable about catastrophic risk.

"Since they do have a greater breadth of knowledge, they were able to offer more imaginative and more flexible solutions," explains David J. Kanzler, Vice President of Finance for Chicago Partners, Inc., one of the largest practice management companies in Illinois. These flexible solutions equate into a custom-fit plan that is also more cost-effective. "We were able to have substantial bottom-line savings from Fortis as opposed to buying from the HMOs."

Fortis Benefits is also the only company recommended by the American Hospital Association for provider excess insurance.

Call us at 1-800-952-3111. Knowledge. What separates us from the competition.



David J. Kanzler
Vice President of Finance
Chicago Partners, Inc.

fortis

Insurance products are issued and underwritten by Fortis Benefits Insurance Company, Woodbury, Minnesota, or American Security Life Insurance Company, Atlanta, Georgia and administered by Fortis Benefits Insurance Company.

HFMA HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

AHA-IRI has an exclusive sponsorship from the Healthcare Financial Management Association.

©1996 Fortis Benefits Insurance Company

Zurich-American on Umbrella & Excess Coverage:

WHAT GOOD IS STRENGTH WITHOUT FLEXIBILITY?

How does Zurich-American's Power of Partnership exert such extraordinary force in umbrella & excess coverage? For openers, only Zurich-American gives you the strength of up to 50 million dollars in capacity and the flexibility to custom-tailor innovative risk-management solutions. Our speed in delivering prompt turnaround is unbeatable and our extensive regional underwriting and service structure is unmatched. In addition, our A.M. Best A+ and Standard & Poor's AAA ratings make Zurich-American a clear winner in the umbrella & excess arena. To find out more, contact your agent or broker or call 1-800-382-2150.

ZURICH-AMERICAN
INSURANCE GROUP

The Power of Partnership®

A MEMBER OF THE
WORLDWIDE ZURICH INSURANCE GROUP

©1996 Zurich Insurance Company

Continued from page 60
rope but declined to disclose its name.

As South African corporations themselves expand internationally, IRC International wants to be strategically placed in international markets to service their needs.

One of the reasons IRC became a pioneer in alternative risk financing was because of South Africa's isolation in the apartheid era, and the resulting need to find a viable solution in the domestic market to clients' risk financing problems. "South Africa management has been very innovative. . .We were operating as consultants in that economy and had to create solutions," Mr. Valsamakis said.

Forbes Financial Services' focus will remain in South Africa, but Mr. Heinamannn said the environment in which it operates gives it experience to move to similar markets in developing countries in Latin America and Southeast Asia.

"In five years time, our revenue base will be far more internationalized than at present," he said.

But this process will be slow and cautious. The first step toward internationalization has been a 7.5% stake in London-based insurance broker Nelson Hurst P.L.C. Initially, Forbes acquired a 3.3% stake in the broker in 1995, and Mr. Heinamann says that the plan is to acquire up to 10% this year "and maybe more beyond that."

'We are not in the business of acquisitions for the sake of them,' says Forbes' Chairman Paul Heinamann.

One of the attractions for acquiring a stake in the London-based broker is that Nelson Hurst is large and well-established in Latin America. Mr. Heinamann is a member of the Nelson Hurst board of directors.

The connection with Nelson Hurst goes back to 1993, when the then-Price Forbes Group bought the South African operation of Willis Faber, which traded as Willis Faber Enthoven. Willis Faber Enthoven then opened its first overseas office in London under the name of PFV London, which had an agency agreement with Lloyd's of London broker Nelson Hurst Group Ltd.

The only other acquisition last year was the purchase of 75% of broker LIB Zambia, based in that country's capital, Lusaka. The company has been included as a subsidiary from that date. Forbes' only other office in another African country is in Windhoek, Namibia.

With all but a small, undisclosed portion of its earnings in South African rand, Forbes Financial Services is very vulnerable to the effects of the removal of exchange controls in South Africa. Exchange controls have so far only been abolished for non-residents. Political analysts have pointed out that the South African government now is trapped in a dilemma: The continuation of exchange controls has tended to undermine foreign investor confidence in the country, while the removal of controls may provoke the currency to plummet.

Mr. Heinamann is not fazed by the uncertainties in the currency and the economy. "We also see this as a benefit to our business" due to lower service costs for international clients because of devalued currency. He sees his company's operational expertise as well-suited to working in developing country environments.

The company says its profits are up 30% and earnings per share are up 24% after a renewed focus on the needs of clients and of investing in associated companies. Earnings for associated companies like Guardrisk, the medical aid administrators health insurer MedScheme and the holding in Nelson Hurst P.L.C. are included in Forbes overall revenues but are not broken out separately in company's accounts.

Mr. Heinamann said most of the major earnings growth came from its employee benefits division, Alexander Forbes Consultants & Actuaries. Thus, in terms of the percentage of total services revenues, the employee benefits business accounted for 37% in the 1995-1996 fiscal year, up from 36% in the year-earlier period.

Alexander Forbes Consultants & Actuaries was restructured last year into seven specialty divisions focusing on retirement funds administration, consulting and actuarial services, investment consulting, negotiated benefits, health care consulting, executive financial planning, and services which are offered exclusively in South Africa, such as disability assessment and AIDS counseling.

Revenue growth for the Alexander Forbes division in 1995-96 was 32% higher than the previous year, said Leon Lewis, joint managing director of Alexander Forbes Consulting & Actuaries.

The retirement funds administration division registered the strongest growth. However, expenses for this area also rose by 36% over the same period because of a strong investment in new infrastructure, such as upgrading the computer system.

Alexander Forbes is unique in South Africa for its disability management service, which provides clients and insurance companies with a computer-based disability claims assessment service.

The company's shareholding in MedScheme is held by the Forbes Financial Services and not by Alexander Forbes. "We are health care consultants, so we need to keep 'Chinese walls' between ourselves and MedScheme," Mr. Lewis said.

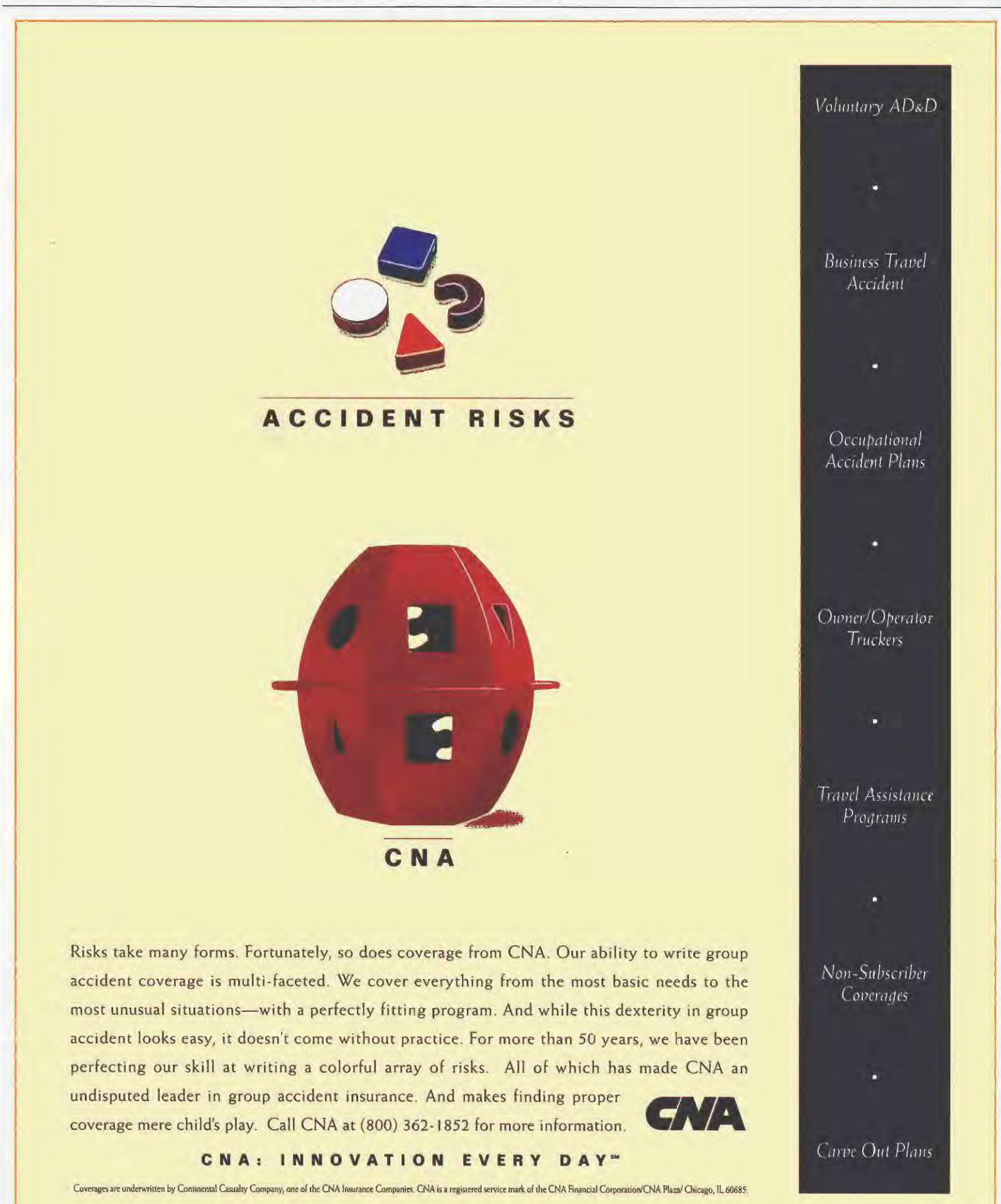
MedScheme employs its own AIDS adviser, Clive Evian, a medical doctor, as a consultant on dealing with AIDS in the workplace. Dr. Evian also advises the South African government on AIDS policy. Other medical doctors are employed as advisers on disability assessment.

MedScheme used to be run on a fee for its service. Employees paid a fee for the service, while doctors were reimbursed for their costs. The effect has been to write a blank check for health care as people visited their doctors too many times. As the South African government tries to control medical care costs as well as extending medical coverage to the entire population, there are many opportunities in this field for new players. Mr. Heinaman says that in this context, Forbes' stake in MedScheme could be for sale.

"If we got a very interesting offer on the table, we would think about it." But no other part of the company is likely to be put up for sale.

Future acquisitions have to be made with an eye to providing better earnings per share. "We are not in the business of acquisitions for the sake of them. We want to provide earnings per share for shareholders and opportunities for our staff," Mr. Heinamann said.

—By Maria Kielmas



16

Lowndes Lambert Group Holdings P.L.C.

Friary Court, Crutched Friars,
London EC3N 2NP England;
0171-560-3000; fax: 0171-560-3502.
Internet: http://www.compulink.co.uk/~aitches/welcome.html

	1995	1994
Premium volume	$2.11 billion	$1.94 billion
Gross revenues	$161,437,374	$151,191,095
Brokerage: Retail	70%	68%
Wholesale	14%	14%
Reinsurance	11%	13%
Personal	2%	2%
Investment income	3%	3%
Employees	1,792	1,776
Rev./Employee	$90,088	$85,130
Offices	60	58

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

Lowndes Lambert Group P.L.C. is optimistic about future growth despite the death late last year of its chairman, Richard Shaw.

Mr. Shaw, who died of a heart attack Nov. 23 at age 59, had been responsible for the restructurings and acquisitions in recent years that increased the broker's growth.

For the fifth consecutive year, Lowndes Lambert's gross revenues increased, though the company's profits fell.

Revenues for the year ended March 31, 1996, rose 6% to £103.1 million from £97.2 million the year before. Converted to U.S. dollars using average exchange rates, revenues increased 6.8% to $161.4 million from $151.2 million.

Lowndes Lambert earned £4.6 million ($7 million) from the sale of its 30% stake in Datasure Ltd., a computer services division of C.E. Heath P.L.C., which Heath then spun off.

However, continued competition in the market and an increase in Lowndes' expenses resulted in lower profits, explained Chief Executive David Margrett. Profits fell 8.5%, to £14 million from $15.3 million (to $21.9 million from $23.8 million).



'Being an independent broker of our size, we are in a good position to provide high levels of senior involvement with our clients,' says Chief Executive David Margrett.

"Expenses are up because we have been investing in new people," said Mr. Margrett, adding the investment will pay dividends in the future.

In the past year, Lowndes Lambert recruited several senior market specialists and other personnel to strengthen its position as an independent broker, he said.

Sir Robert Clark, who succeeded Mr. Shaw as chairman, agreed that Lowndes' profits will resume.

Mr. Shaw's "leadership and enthusiasm contributed much to our company and we will miss him greatly," said Sir Robert. "His many friends and colleagues throughout the world will miss him, too."

However, Mr. Shaw "left behind a company well structured to deal with the changes and challenges that face it," Sir Robert said in a statement of the broker's results.

Mr. Shaw had been appointed to return Lowndes Lambert to profit in 1979 by its owner at the time, Hill Samuel Group P.L.C.

Lowndes posted a profit in 1982 and Mr. Shaw led a management buyout in 1988 before steering the broker onto the London Stock Exchange in 1991.

His death "was an emotional shock for us. He was the founder of our business in its present form and we miss him personally," Mr. Margrett said. It is a great credit to Mr. Shaw's "very participative management that he left the company in such good shape to continue" without him.

On the morning of Mr. Shaw's death, the company held a board meeting to announce what happened. "Although there wasn't a dry eye in the house, work carried on. We haven't lost a single piece of business and no one has left the company as a result," Mr. Margrett said. "It is a great tribute to the stature of Richard Shaw."

Such loyalty among employees and clients sets Lowndes Lambert apart from its larger competitors, Mr. Margrett said.

"Being an independent broker of our size, we are in a good position to provide high levels of senior involvement with our clients," he said.

"Most of our directors have been with us for a long time," he said, adding that most people who join Lowndes Lambert as a result of an acquisition stay with the company.

The broker made only one significant acquisition in fiscal 1995, buying Blackwall Group Ltd., the holding company for London-based broker Blackwall Green Ltd. Blackwall Green specializes in protection and indemnity, fine arts and other international business.

Lowndes Lambert agreed to pay 0.85 times the broker's average annual revenues, up to a maximum of £10 million ($15.4 million) per year, for the three years ending Sept. 30, 1997, in three installments. For fiscal 1995, Blackwall Green posted a net loss of £132,000 ($204,000) on brokerage revenues of £5.6 million ($8.6 million).

The acquisition has strengthened Lowndes Lambert's marine business, particularly in P&I business, Mr. Margrett said. In February 1995, Lowndes acquired a leading P&I broker, Godfrey Merritt Robertson Ltd. (*BI*, July 17, 1995). According to Lowndes, the Blackwall acquisition added £1.2 million ($1.9 million) to its fiscal 1995 revenues.

Lowndes Lambert's reorganization last year into three divisions—marine, U.K. non-marine and international—is working well, Mr. Margrett said.

Despite depressed rates in the marine hull market, Lowndes' marine division produced higher revenues in 1995, he said. Also, the acquisition of Blackwall Green and recruitment of a small team of specialist P&I brokers helped broaden Lowndes Lambert's client base.

The U.K. non-marine division maintained a high level of client retention, with some new business gains despite a competitive market, according to Mr. Margrett.

In addition to finding coverage for clients, Lowndes Lambert is developing risk management and claims management services, he noted. While these services will add value to what the broker can offer to its customers, Mr. Margrett said he does not anticipate a shift toward fee-based services.

"I do not believe that fees are the universal panacea some consider them to be," he said.

Lowndes Lambert's specialty group programs, including professional indemnity coverage for architects, investment managers and computer consultants, continued to do well last year, while some new programs were developed.

Since its July 1994 acquisition of U.K. retail broker Whiteley Henshaw Hindle Holdings Ltd., Lowndes Lambert should be in a good position to meet the growing demand for financial services expertise in the wake of changes in the U.K. pension system, Mr. Margrett said.

The international division continued its growth in revenues and profits, particularly from Kininmonth Lambert Ltd., the broker's treaty reinsurance intermediary, he said.

Other areas in which revenues increased last year included construction and entertainment business.

Lowndes Lambert's efforts to boost its U.S. business also are beginning to pay off. In fall 1995, the broker appointed Richard Kerr as a director. Mr. Kerr is chief executive officer of Lowndes Lambert U.S. Holdings, which was established in 1995 to develop U.S. business, and its subsidiary, Lowndes Lambert of Texas Inc.

U.S. clients generated 20%, or about $32.3 million, of the U.K. broker's business last year, mainly through wholesale. That figure is up slightly from 19% in 1994.

"We have edged around the U.S. for a long while," said Mr. Margrett, adding he hopes the move will centralize and bring greater focus to Lowndes' U.S. operations.

Continued on next page

WHY ARE MORE VEHICLE LEASING BROKERS CHOOSING TRI-ARC?

PROVEN EXPERT CLAIMS MANAGEMENT
SINGLE SOURCE FOR ALL NEEDS
AUTO AND TRUCK COVERAGE
COMPETITIVE PRICING
SUPERIOR SERVICE

INTERIM CAR COVERAGE
LESSOR ONLY EXCESS LIABILITY
LESSORS CONTINGENT LIABILITY
LESSORS CONTINGENT PHYSICAL DAMAGE
ADDITIONAL COVERAGES INCLUDE: GAP, VSI, CPI AND RESIDUAL VALUE

CALL NOW...
PUT US TO THE TEST.
1-800-446-5950

TRI-ARC
FINANCIAL SERVICES, INC.

P.O. BOX 6745, WAYNE, PA 19087
610-254-9890 - FAX 610-254-9893

Continued from previous page

Lowndes Lambert's U.S. operations include a small broker specializing in the armored car industry, Lambert Green Inc. in Canton, Conn., and a Houston-based wholesale energy broker, Ambrit International Insurance Inc.

Canadian operations had a record year in 1995, thanks to a program that gave its group of directors a 45% share in the business when they hit certain revenue targets. Those targets were hit, and the directors now have a vested interest in the success of the company, he said.

European results were mixed.

Paris-based La Securite Nouvelle S.A., of which Lowndes Lambert is the largest shareholder, with a 45% stake, made a good contribution to European earnings, he said.

LLG Italy S.p.A., based in Milan, in which Lowndes has a 49% stake, reorganized its two offices and reduced staff. Lowndes' office in Leipzig, Germany, is suffering from a depressed economy in the former East Germany. And, joint ventures in Croatia and Macedonia still are developing, Mr. Margrett said.

Business increased 20%, though, for the broker's small Norwegian unit, he said.

Australasian operations had record revenues, led by Lowndes' appointment last year as broker for a $1.7 billion Australian ($1.35 billion) highway project in Melbourne. The project is being undertaken for the 2000 Olympic Games.

Speaking on the future of Lloyd's of London, Mr. Margrett said he is hopeful that the reconstruction and renewal plan will succeed and said Lloyd's is proving to be a very professional organization.

While adverse publicity and closure of some syndicates has meant the London market has had to work harder to attract business, he noted that insurer insolvency is high in other areas of the world.

Mr. Margrett said he believes there will continue to be demand for medium-sized brokers.

"We are very keen on having high levels of senior involvement with our clients," which cannot be achieved at a large broker, he said.

Although Mr. Margrett said he expects more consolidation among the medium-sized and small brokers in the London market, the lost business and staff often associated with a merger or acquisition can outweigh any cost savings and other benefits.

—By Carolyn Aldred

17

ABN-AMRO Verzekeringen B.V.

Berhardstraat 1, Zwolle, Netherlands;
31-38-992106; fax: 31-38-225948

	1995	1994*
Premium volume	N/A	$242,598,000
Gross revenues	$155,750,000	$121,550,000
Brokerage: Retail	50%	55%
Wholesale	1%	1%
Personal	40%	32%
Services	3%	6%
Investment income	6%	6%
Employees	3,300	3,300
Rev./Employee	$47,197	$36,833
Offices	33	33

Converted at applicable exchange rates.
** Restated.*

As growth in commercial property/casualty business slows, ABN-AMRO Verzekeringen B.V. is turning to corporate and individual life and pension business and personal lines to boost revenues.

The Zwolle, Netherlands-based broker is somewhat of an enigma in the ranks of the world's leading brokers. ABN-AMRO has a total of 60,200 clients but has a relatively small base of about 200 clients with global insurance needs. The Dutch broker's specialty remains small and mid-size commercial clients.

A 1991 outgrowth of the Netherlands's largest bank merger, ABN-AMRO's represents a union of leading Dutch commercial banks Algemeine Bank Nederland N.V. and Amsterdam-Rotterdam Bank.

In a country where banks dominate insurance brokering, ABN-AMRO ties to its bank parent are advantageous. Between 15% and 20% of the ABN-AMRO bank customers are clients of its brokerage subsidiary.

By focusing on mid-market business, personal lines and the valuable link to its bank parent, the brokerage has become a formidable factor in the Dutch market and is the Netherlands' top insurance broker.

Last year, the company capitalized on political and economic changes in the Netherlands, including a tax break for life insurance policyholders and government privatization in the public sector.

Gross revenues rose 13.1% to 250 million guilders in 1995 from 221 million guilders a year earlier. That gain marks a dramatic turnaround from 1994 and 1993, when revenues fell 4% and 11.3%, respectively.

Converted to U.S. dollars using average exchange rates, ABN-AMRO's revenues increased 28.1% to $155.8 million from $121.6 million in 1994.

"The government is shifting social security responsibilities to employers and individuals, and it's creating great business opportunities for us," said Jan F. Haverkort, senior vp and director of commercial lines brokerage.

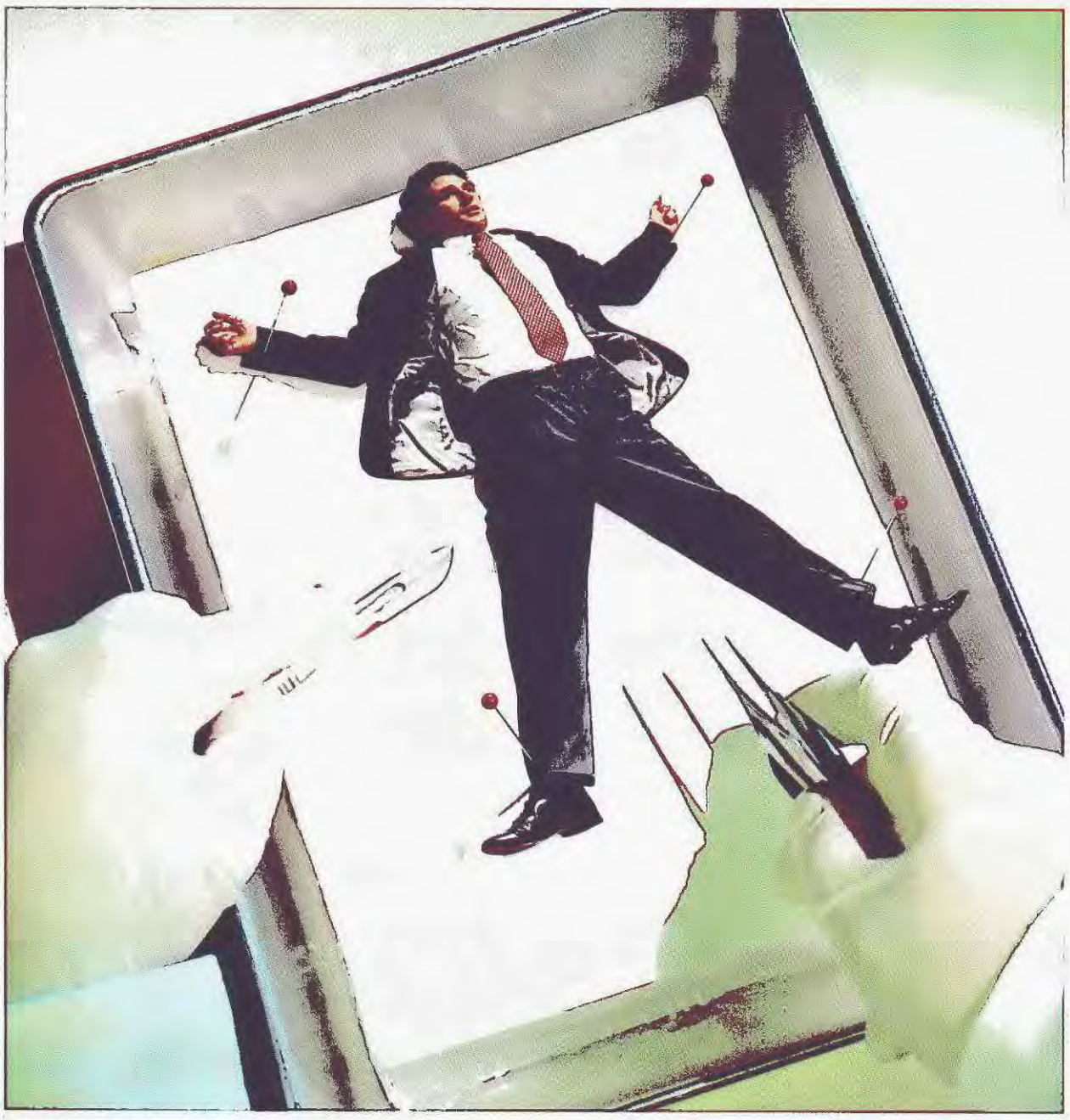
In 1995, Dutch legislators modified tax laws to allow employers to arrange tax-free savings plans for their employees of up to 2,500 guilders ($1,462) per worker per year. Employers may contribute more, but additional contributions will not be tax-free. Employers used these funds to purchase extra retirement benefits such as life insurance, to supplement state-provided benefits.

As employers and employees looked for pension solutions, Mr. Haverkort says ABN-AMRO is benefiting from its affiliation with the bank, which helps the brokerage design life insurance and annuity products for corporate and individual clients.

"When we look at employee benefits, we consider total financing. The solution can be insurance, but it can also be an investment plan. What we

Continued on next page

A FEW MOMENTS AGO, HE WAS A POWERFUL DECISION MAKER.



Executive Risk has the D&O protection financial institutions need, any way you slice it. We're rated "A (Excellent)" by A.M. Best and "A+" by Standard & Poor's. Call for more information and discover a whole new standard of responsiveness. 1-800-432-8168 or fax 860-408-2288.

Executive Risk

Executive Risk Management Associates provides directors and officers (D&O), bond, and fiduciary liability insurance coverages for financial institutions, including commercial banks, savings banks, savings and loans, community banks, insurance companies, reinsurance companies, risk retention groups, investment bankers, mortgage bankers and brokers, real estate investment trusts, as well as general partnership liability. Executive Risk Management Associates is the directors and officers liability insurance underwriting manager for Executive Risk Indemnity Inc. (ERII), Executive Risk Specialty Insurance Company (ERSIC) and The Aetna Casualty and Surety Company. In addition to financial institutions, it also underwrites D&O, errors and omissions, bond and fiduciary liability coverages for a variety of other organizations.

Coverage may not be available in all states.

Continued from previous page

try to do is combine banking with insurance," said Mr. Haverkort.

While pension funds and other annuity products gain in popularity, life insurance still is one of the broker's main revenue sources. Both corporate and individual life clients represent a large percentage of ABN-AMRO business.

As an indication of growth in this sector, Mr. Haverkort says the bank's life insurer, ABN-AMRO Levensverzekeringsmy, saw premium volume soar to more than 300 million guilders last year from 105 million guilders in 1994 (to $186.9 million from $57.8 million). This year, the insurance company expects to increase premium volume to more than 500 million guilders ($292.5 million).

ABN-AMRO's personal lines business has grown to about 40% of gross revenues in 1995 from 30% four years ago.

Overall, the broker now derives only 50% of its gross revenues from commercial retail brokerage, down from 55% in 1994.

Wholesale brokerage accounted for 2% of revenues, unchanged from 1994, while services revenues slipped slightly. The brokerage also has investment income amounting to 6% of revenues, unchanged from 1994.

To tap the growing demand for life insurance and employee benefit business, the broker began a new marketing program last year. Taking its cue from the success of telemarketing in banking and insurance throughout Europe, the broker introduced a 24-hour customer-service phone line in the Netherlands. Customers may use the service to buy life insurance and other products over the phone.

Telemarketing combined with retail sales through ABN-AMRO bank branches is expected to fuel revenue growth this year. The broker says the new service has been advertised on radio and in newspapers since last year. This year, the brokerage also plans to advertise on TV.

In addition, Mr. Haverkort expects more health insurance business as a result of changes in the Dutch political climate.

In March, legislators moved to modify health care and worker compensation laws. As a result, much of the cost of illness, normally paid from social insurance, is expected to now fall on employer-provided medical insurance.

New Dutch health care reforms increased employee sick leave to one year from three weeks. The reform slashed government assistance and left companies largely on their own to provide medical benefits. As a result, Mr. Haverkort expects a boom in the private health insurance market this year.

The broker also has capitalized on Dutch legislative changes that place much of the burden for workers comp benefits on the private sector.

With a new product designed to meet both sickness and workers comp disability insurance needs, Mr. Haverkort says the brokerage has made valuable inroads—particularly with its main clientele—small and midsize businesses.

Mid-market business is promoted by the broker's affiliation with the bank, says Mr. Haverkort, who estimates the bank has a 35% to 40% share of these commercial clients in Holland. To tap this resource, the broker has made a substantial investment in technology, which helps it sell products through bank channels as well as its own offices.

An expert system permits the design of "fully new products based on the total cost of clients' risk," says Mr. Haverkort.

"It is a risk management tool, which gives our clients a better view of total risk. It's not an insurance view, but a view from a risk standpoint," he said.

The risk analysis program aids evaluation of client's liability, property and transportation exposures.

Small and midsize companies—from drugstores to appliance manufacturers—are ABN-AMRO's main clients, and he acknowledges simplicity of product is a key to holding a large share of this market.

Mr. Haverkort said mid-market corporate clients are particularly vulnerable to government reform changes, but are not willing to spend great sums on risk analysis.

ABN-AMRO's software tool helps to speed up risk evaluation, he said.

A focus on simplicity does not mean the broker will not address complex risk issues for its clients, including product liability, product recall insurance and business interruption insurance coverage.

"We advise companies to consider these issues carefully. Our experience is that most companies are not insured sufficiently," says Mr. Haverkort. "Often it's because there have been changes in the legal system of which they are not aware."

One instance is new developments in third-party liability law in the Netherlands concerning directors and officers.

A new civil code now extends liability for "erroneous actions, which include improper performance of duties, negligence, errors and incorrect or misleading statements." As a result, D&O insurance is a growing consideration for Dutch companies.

Another issue is product liability. "We have a spate of instances in which companies have been held liable for their products. If there is an exposure like this, we emphatically advise companies to take out third-party liability insurance as soon as possible."

While active in more areas, Mr. Haverkort says that commissions are falling under the weight of the softening Dutch property/casualty market. To compensate, the broker is looking to its ties to the bank for new clients.

Last year, one of the broker's highlights was business gained from trade colleges and various newly privatized agencies of municipalities in the Netherlands, which had been forced by government to privatize their operations.

The brokerage was able to increase its business reach to universities and gain a 60% market share. It now brokers life and non-life business for universities, which before privatization did not need coverage.

Mr. Haverkort says ABN-AMRO also was able to use its own technical advisers to help colleges implement loss prevention plans, part of the comprehensive package of services included in its commissions.

The mid-market commercial sector in the Netherlands is characterized by a growing focus on European exports, says Mr. Haverkort. Another 200 ABN-AMRO clients are large, multinational companies, which also require insurance solutions for their operations in Europe.

ABN-AMRO can place risks worldwide through cooperation agreements with several international brokerages, including Jauch & Huebener KGaA, Sedgwick Group P.L.C and Willis Corroon P.L.C.

Such cooperation also is key factor in maintaining ABN-AMRO's reputation as fine art insurance brokerage for international exhibitions.

Early this year, the broker helped place insurance for an exhibition of Dutch painter Jan Vermeer in Washington, D.C., and The Hague, Netherlands.

—By Don Lewis Kirk



Global claims management brought down to earth

You are a major international business. You operate worldwide. Your pace of change and systems integration is accelerating. You need a claims management partner who can run with you now.

Operating from over three hundred offices worldwide, McLarens Toplis offers a global solution to claims management. We back a strategic partnership approach with:

- **the technical flexibility to integrate with your systems**
- **the resources to meet your requirements**
- **a proven track-record that speaks for itself**

For a single standard of claims management, globally, talk to us now.

Richard E. Gray
McLarens Toplis
5901-B Peachtree Dunwoody Road, Suite 300,
Atlanta, GA 30328.
Tel: (770) 396 3030. Toll Free: 800 346 7471.
Fax: (770) 396 3536.

Alex M. Gargolinski
McLarens Toplis
Ibex House, Minories, London EC3N 1DY.
Tel: (0171) 481 3399. Fax: (0171) 481 3554.

World Wide Web:
http://www.MCLARENSTOPLIS.COM

McLARENS TOPLIS

GLOBAL CLAIMS MANAGEMENT

Spotlight report

18

Hilb, Rogal & Hamilton Co.

4235 Innslake Drive,
P.O. Box 1220, Glen Allen, Va.
23060-1220; 804-747-6500;
fax: 804-747-6046

	1995	1994
Premium volume	$1 billion	$950,000,000
Gross revenues	$148,100,000	$140,810,000
Brokerage: Retail	78%	74%
Personal	16%	16%
Services	3%	7%
Investment income	3%	3%
Employees	1,700	1,630
Rev./Employee	$87,118	$86,387
Offices	57	52

A renewed sales push and the reorganization of a decentralized system of agencies into a regional framework are key facets of the strategy Hilb, Rogal & Hamilton Co. believes will put it in a stronger competitive position as the new century approaches.

"We feel we're on the right track," said Chairman Robert H. Hilb.

The heightened emphasis on internal growth doesn't mean HRH has abandoned its traditional strategy of growth through acquisition, Mr. Hilb added. While emphasizing growth within its existing offices, the Glen Allen, Va.-based brokerage continued to acquire independent agencies throughout its operating territories, including its new Canadian operations.

In fact, between its inception in 1982 and the present, HRH has acquired or merged with about 150 agencies.

At the end of last year, Hilb had 57 offices, compared with 52 at the end of 1994. Since July 1, 1995, Hilb has acquired agencies in Amarillo, Texas; Phoenix; Tampa, Fla.; Birmingham, Ala.; North Haven, Conn.; Pittsburgh; Ontario, Calif.; Towson, Md.; and Winnipeg, Manitoba.

Despite tough market conditions, HRH's profits grew in 1995. HRH's net income rose 3.8% to more than $11.8 million in 1995, compared with slightly less than $11.4 million a year earlier.

Revenues grew 5.2% to $148.1 million in 1995 from $140.8 million a year earlier. But operating expenses also increased 5.3% to $128.5 million from $122 million in 1994. Despite the increase, 1995's expenses still remained below those of 1993.

HRH's revenue performance gave it the 18th spot on *Business Insurance's* world 20 largest brokerages ranking, down from 16th a year ago.

HRH's financial performance continued to improve during the first quarter of this year. HRH reported a 4.8% increase in net income for the three months ended March 31, 1996, to about $5.16 million from $4.93 million during the same period a year earlier. Revenues had increased by nearly 9.2% to about $43.1 million from $39.5 million during the same period a year earlier, but both expenses and the income tax bite also grew.

Net income per share of common stock grew to 82 cents in 1995 from 77 cents the previous year. HRH's stock price ranged from $10.50 to $14.38 last year. It closed at $12.63 on July 12.

HRH has been repurchasing its own stock since 1990, and is currently authorized to buy back up to 2.9 million shares. By the end of last year, HRH had repurchased more than 1.6 million shares. Mr. Hilb said the program is "doing exactly what we wanted it to do.

"It's our opinion that our stock is underpriced. Therefore it becomes a quality acquisition. Until such time as Wall Street sees fit to value our company where we believe it should be, we'll continue to buy back our stock," he said.



'Until such time as Wall Street sees fit to value our company where we believe it should be, we'll continue to buy back our stock,' says Robert H. Hilb.

HRH also has launched an effort to become a more effective sales operation.

"We're now more concerned with creating in this company, the culture, the feeling, and the thrust of a sales organization. We've got our eye on the top line now, we're tired of hearing about the depressed markets. The idea is to get out there and sell something," said Andrew Rogal, HRH's president and chief operating officer. Mr. Rogal succeeded Mr. Hilb as president in 1995.

Sales efforts focus on clients who span the "absolute range of every conceivable type of business," said Mr. Hilb.

Mr. Rogal explained the "who" HRH targets in terms of qualities instead of premium volume.

"I think a typical client is going to be a commercial account that's typified by the absence of a professional risk manager, professional insurance buyer or risk management department. The buyer or the client is a controller or a treasurer or a president. The client is interested in a more sophisticated approach than simply, 'I'll sell you an insurance policy,' " he said.

"What these people want is some control over their destiny. They want information, they want analyzed information, they want the ability to control some of the risk that they retain, they want a certain amount of sophistication in the approach to the business, and they want quality people to handle the business. Ultimately, our people need to be better than the other people who deal in this segment, and we're moving hard in the company to make sure that's true," he explained.

Mr. Rogal described HRH as a "midmarket intermediary." Many large brokers treat that market segment as "commodity business," he said.

But "the independent agencies we compete with can't do much other than deliver them some price on an insurance policy, they try to provide service and they provide personal attention, but they're under a lot of pressure. What we can do for that marketplace is to bring a tremendous amount of service and expertise, which we are building now throughout our system in terms of claims management, loss control and other parts of the product mix," he said.

Mr. Hilb freely admits that when HRH competes with an industry giant like Marsh & McLennan Cos. Inc., odds are the smaller brokerage doesn't bring much additional value to the table. But in smaller cities, "we are the competition" to the traditional independent agencies, he said. In addition to the services Mr. Rogal noted, Mr. Hilb said HRH brings something less tangible but no less important: the attitude of "people who are winners."

The creation last year of a regional framework for some of HRH's offices is designed to improve its ability to deliver quality service.

Continued on next page



Continued from previous page

"The company has undergone a tremendous amount of change. We have really taken a much more aggressive and somewhat different direction in the past year," Mr. Rogal said.

Mr. Rogal noted that HRH traditionally has followed a strategy of growth through acquisition, resulting in a decentralized agency system. Market conditions have made it "very hard for us to create value this way." Mr. Rogal was assigned the task of creating a "cohesive operating approach" that would strengthen HRH while allowing for the continuation of growth through merger and acquisition.

Mr. Rogal explained the situation at HRH's annual meeting in April by pointing out that many acquisitions "continued to function in much the same way as they had before they joined the company." Despite HRH's imposition of cost control and business discipline, the acquisitions remained a "confederation of small, independent insurance agencies."

As such, "they lacked the resources and individual revenue base to be really meaningful to insurance companies or other trading partners; to afford and deploy the increasingly sophisticated services and products required by our upper mid-market client and prospect base and consequently to create the bottom-line profit required by our board and shareholders," he said.

By creating regional operating units, HRH has created more effective profit centers that can respond better to the needs of customers and deal better with underwriters than the confederation of agencies could, he said.

The financial critical mass means HRH is "able to do a lot more with a $40 million Mid-Atlantic region" than it could with fragmented agencies, he said.

Hilb has created five formal regions in the United States so far. The Mid-Atlantic region—HRH's largest in terms of revenue—encompasses offices in Maryland, New Jersey, Pennsylvania and Virginia. The Southeast region encompasses offices in Alabama and Georgia. California includes offices in Nevada as well as California, and the Texas and Florida regions are organized on a single-state basis.

The Canadian operations constitute a sixth region.

Mr. Hilb said the company's Canadian operations—which began with the acquisition of Winnipeg, Manitoba-based Hayhurst Elias Dudek in 1995—have been going very well.

"We're very satisfied with their profitability," he said. He stressed that the Canadian operation is not so much integrated into Hilb's U.S. operations as a parallel operation of its own. "It's a different country and it's a totally different way of doing business," he said. Nevertheless, Hilb's Canadian clients are very similar to its U.S. clients, he said.

Looking back at 1995, Mr. Hilb said the company's best move was appointing Mr. Rogal president and assigning him to bring operations around. The biggest disappointment was having to close HRH's Green Bay, Wis., office. "We had high hopes for it and it just wasn't going anywhere," Mr. Hilb said.

The cash compensation, including salary and bonuses, received in 1995 by the five highest-paid officers of the brokerage, according to the company's proxy statement, follows:

Robert H. Hilb	$520,000
Andrew L. Rogal	$341,593
John C. Adams Jr.	$288,000
Ronald J. Schexnaydre	$243,000
Timothy J. Korman	$160,500

—By Mark A. Hofmann

19

HSBC Gibbs Holdings Ltd.

Bishops Court
27-33 Artillery Lane
London E1 7LP; 0171-247-5433;
fax: 0171-377-2139

	1995	1994
Premium volume	$1.1 billion	$995,800,000
Gross revenues	$141,073,200	$121,028,000
Brokerage: Retail	22%	21%
Wholesale	27%	30%
Reinsurance	4%	6%
Personal	6%	5%
Services	34%	35%
Investment income	4%	3%
Employees	1,635	1,314
Rev./Employee	$86,283	$92,107
Offices	24	23

Converted at applicable exchange rates.

A parent with $20 billion might provide many blessings, but for HSBC Gibbs Holdings Ltd. it also brings many questions.

Virtually every troubled broker suspects that HSBC Gibbs will buy it soon, said Chairman Graham Puttergill.

Gibbs' parent company, HSBC Holdings P.L.C., is one of the largest banking and financial services organizations in the world.

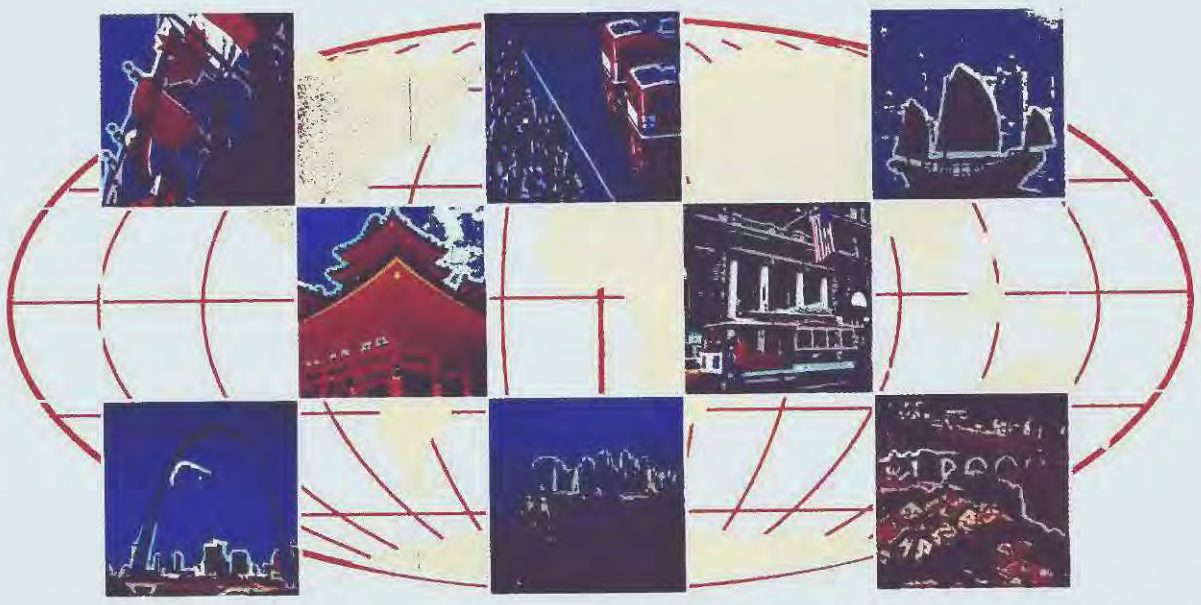
The predator epithet is a result of a contested bid three years ago for London broker Hogg Group, today part of Bain Hogg Group. HSBC withdrew from the bidding when the price, in its opinion, was pushed unjustifiably high. But there are no plans to launch another hostile bid for a broker, at least not for the next 12 months, Mr. Puttergill said. "Hogg was a specific situation; we thought long and hard about it."

He said he is not impressed by the current push to merge among insurance brokers. "In acquisitions, brokers seem to have allowed their egos to get the better of them. Almost every major acquisition has meant a decrease in value for shareholders."

But HSBC Gibbs certainly is not as quiet as it would have the industry believe. The company will make acquisitions when they fit with its strategy as a London market retail broker. Last year, it acquired broker Holmwoods Insurance Brokers Ltd. for an undisclosed sum, which helped catapult it into the ranks of the world's largest brokers for the

Continued on next page

THINK GLOBALLY...INSURE LOCALLY



Assurex International has gained market prominance through its global network of professional brokers. In your city...in your state...across the nation ...and around the globe you will find an Assurex partner to provide innovative and cost-efficient answers to your insurance and risk management questions.

Through our global electronic network your local Assurex partner can access experience and expertise from insurance and risk management professionals across the nation and around the globe.

If your company has international locations your Assurex partner can provide valuable information on insurance laws and regulations, local customs, and industry specific practices.

The wide scope of services provided by our network of local brokers makes Assurex International the priority choice for your risk management program.

Assurex International is a global organization with the capabilities to meet you at your point of need — national and international.

Assurex Network of National and International Partners

UNITED STATES

ALABAMA
McGriff, Seibels & Williams, Inc.
Thames Batre Mattei Beville & Ison
ARIZONA
The Mahoney Group
ARKANSAS
Ramsey, Krug, Farrell & Lensing, Inc.
CALIFORNIA
Barney & Barney
Bolton/RGV Insurance Brokers
Woodruff-Sawyer & Co.
COLORADO
Van Gilder Insurance Corporation
CONNECTICUT
Arthur A. Watson & Co., Inc.
FLORIDA
J. Rolfe Davis Insurance Agency, Inc.
Seitlin & Company
GEORGIA
Hamilton Dorsey Alston Company
Palmer & Cay, Inc.
HAWAII
American Mutual Underwriters, Ltd.
ILLINOIS
Mack and Parker, Inc.
INDIANA
Insurance & Risk Management
IOWA
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
Early, Cassidy & Schilling, Inc.
Riggs, Counselman, Michaels & Downes, Inc.
MASSACHUSETTS
Fred C. Church, Inc.
MINNESOTA
W. A. Lang Co.
MISSISSIPPI
Fox-Everett, Inc.
MISSOURI
The Daniel and Henry Co.
Gilbert-Magill Company
MONTANA
Terry Payne & Co., Inc.
NEBRASKA
The Harry A. Koch Co.
NEVADA
Cragin & Pike, Inc.
NEW JERSEY
NIA, Ltd.
NEW MEXICO
Daniels Insurance Agency, Inc.
NEW YORK
Frenkel & Co., Inc.
Hatch-Leonard Markin-Shaw, Inc.
NORTH CAROLINA
Cameron M. Harris & Co.
OHIO
Berwanger Overmyer Associates
The James B. Oswald Company
Picton Cavanaugh, Inc.
Schiff, Kreidler-Snell, Inc.
OKLAHOMA
North American Group
OREGON
JBL&K Insurance, Inc.
PENNSYLVANIA
Clair Odell Group
Engle-Hambright & Davies, Inc.
The HDH Group, Inc.
RHODE ISLAND
Starkweather & Shepley, Inc.
SOUTH CAROLINA
Boyle-Vaughan Associates, Inc.
TENNESSEE
Polk & Sullivan Group, Inc.
Treadwell & Harry Insurance Agency
TEXAS
Roach Howard Smith & Hunter
John L. Wortham & Son, L.L.P.
UTAH
Fred A. Moreton & Company
VERMONT
Kinney, Pike, Bell & Conner, Inc.
VIRGINIA
DeJarnette & Paul, Inc.
WASHINGTON
Parker, Smith & Feek, Inc.
WISCONSIN
Laub Group Inc.

CANADA

BRITISH COLUMBIA
Parsons Brown & Company Ltd.
MANITOBA
Ryan Gateway Insurance Brokers Inc.
NEW BRUNSWICK
Wilson Insurance Ltd.
NEWFOUNDLAND
Anthony Insurance Inc.
NOVA SCOTIA
Fraser & Hoyt Insurance Ltd.
ONTARIO
Stevenson & Hunt Insurance Brokers Limited
Tower-Chisholm Ferguson Limited
QUEBEC
Roger Viau & Fils Inc.

INTERNATIONAL

ARGENTINA
Herzfeld & Levy S.A.
AUSTRALIA
J.M.D. Ross Insurance Brokers Pty. Ltd.
Western United Insurance Brokers Pty. Ltd.
BELGIUM
Ch. Le Jeune Limited n.v.
BERMUDA
Harnett & Richardson Ltd.
BRAZIL
Adams & Porter Ltda.
CHINA
New World Insurance Services (China) Limited
ENGLAND
Robert Fleming Insurance Brokers Limited
FRANCE
SGAP
GERMANY
Wesselhoeft Ahlers & Schües
HONG KONG
New World Insurance Services Limited
IRELAND
Coyle Hamilton Limited
ITALY
Assiteca S.p.A.
JAPAN
The Kyoritsu Co., Ltd.
MACAU
New World Insurance Consultants Ltd.
MALAYSIA
NWI Risk Management Consultants Sdn Bhd
MEXICO
Lorant Martinez Salas y Cia
NETHERLANDS
Kamerbeek Assurantiemakelaars b.v.
SINGAPORE
New World Insurance Brokers (Singapore) Pte. Limited
SPAIN
Comercial Gestora, S.A. (COGESA)
SWITZERLAND
Kamerbeek Schweiz AG
THAILAND
P.A.P. New World Insurance Brokers (Thailand) Limited
ZAIRE
Ch. Le Jeune Limited (Zaire) sprl

Community Corporate Center • 445 Hutchinson Avenue • Columbus, OH 43235 • 614-888-4869

Assurex INTERNATIONAL

Continued from previous page
first time (*BI*, Oct. 2, 1995).

The acquisition was incorporated as the Holmwoods Insurance Services division and is the U.K. market leader in placing coverage for schools.

Other specialty divisions of the broker include:

• Hartley Cooper & Warner, which is one of the largest brokers in Lloyd's of London's motor market, serving as a wholesale broker to retail brokers seeking to cover motor risks. It generated about £180 million ($284 million) in gross written premiums last year and more than 2,000 brokers use its services.

• HSBC Gibbs International Property, which specializes in worldwide property coverage, including property catastrophe reinsurance.

• HSBC Gibbs (HCA) Ltd., a specialist broker for the jewelry and diamond trade, bullion dealers, cash carriers and any enterprise dealing with valuables.

• HSBC Treaty Ltd., which specializes in placing non-marine treaty reinsurance business, and also handles facultative and marine reinsurance business.

HCBC Gibbs' revenues in 1995 were £89.4 million, a 13.2% increase from £79 million in 1994. Converted to U.S. dollars at average exchange rates, HSBC Gibbs posted a 16.6% increase in revenues to $141.1 million from $121 million. It ranks as the world's 19th largest broker.

This year, revenues are expected to be in the range of £95 million to £100 million ($147.6 million to $155.4 million), estimated Finance Director Michael Dixon.

About 20% of its revenues comes in U.S. dollars. The company has insurance against currency risk in place and thus avoided losses on the dollar's fall earlier this year.

However, while many international risks are paid for in U.S. dollars, only about 5% of its revenues come from U.S.-based clients. Because it is owned by a banking group, HSBC Gibbs cannot own a broker in the United States under the Glass-Steagall Act.

The company's original U.S. activities were chiefly in general liability and directors and officers liability, reflecting the particular experience of the executives who set up the company. But today the broker's North American strategy is to provide specialist wholesale facilities for U.S. and Canadian brokers.

HSBC Gibbs' corporate clients range from one-person operations to companies generating as much as £100,000 ($155,380) annually in commissions. "Once you get beyond that it is what we regard as a big global account," Mr. Puttergill said.

Bigger clients would require operating on a retail basis worldwide, something the company does not plan to do, Mr. Puttergill said. However, other brokers are happy to pass on their wholesale business since HCBC Gibbs typically is not a competitor on the retail side.

HSBC Gibbs traces its origins in the London market back to 1808, when Anthony Gibbs, a London-based finance house was established and named for the founder. It specialized in international trade insurance, particularly to South America.

Gibbs developed its specialist service to cover the schools' sector after World War I. has been active in aviation since the industry's early days and opened offices in the Middle East during the oil boom years of the 1970s. It was one of the first brokers to open branch offices in southeast Asia when that region's economic boom began.

The brokering arm of Anthony Gibbs Bank underwent several name changes, from Gibbs Sage—to reflect insurance partner Lionel Sage—to a merger with Hartley Cooper to become Gibbs Hartley Cooper Ltd. It was sold in 1980 to the-then Hongkong & Shanghai Banking Corp.

"We were the baggage which came along. The bank didn't know what to do with us, so we were largely left on our own. It was only in the mid-1980s that they realized that insurance broking could be a useful revenue stream," Mr. Puttergill said.

The origins of today's brokerage growth were in 1985. As the London market grew and more brokers set up shop, HSBC Gibbs decided on a strategy for the future. There was a choice of either packing up and getting out of a crowded market, leaving it to a few large brokers and niche players, or to go on the acquisition trail. But competition for acquisitions was fierce. "There was a flood of offers with very high price-to-earnings ratios. We didn't have the nerve for that kind of investment. We took a gloomy view of the market," Mr. Puttergill said.

The plan, therefore, was to recruit aggressively in those sectors where HSBC Gibbs had particular expertise, especially in North American business and marine and aviation.

The company's largest overseas office is in Hong Kong, where HSBC Gibbs (Asia-Pacific) provides comprehensive property and liability programs for some of Asia's largest companies. The Singapore office has a separate ownership because of local regulations but for management purposes reports to London. The other principal overseas offices are in Oman, Dubai, Cyprus—where it is the only Lloyd's broker—Dublin, Bermuda and Chicago.

HSBC Gibbs has provided what could be estimated as an infinite return on investment for HSBC Holdings, because the bank has not really invested in the broker, said Mr. Puttergill. Compared with the other banking subsidiaries, the insurance broker's revenues are a "dripfeed."

"But that does not mean that in any way we are ignored. We have a very substantial support," Mr. Puttergill said, citing as an example the financial backing to make a bid for the Hogg Group.

There are also advantages in being a private company and not having to take heed of daily stock market reactions. It also means that up to now, HSBC Gibbs has avoided coverage in the business press. "We like to keep a low profile; this (interview) is an unusual experience," Mr. Puttergill said.

There is operating autonomy, but the various HSBC divisions, which are tightly supervised by the parent company, have to make financial reports "with terrifying frequency" to the corporate headquarters. The hand of the head office usually makes itself felt through harmonizing things such as computer purchases, an effective way of keeping down costs in financial institutions.

At the moment Gibbs is happy to operate independently, taking care of its specialist sectors. There is no ambition to expand further into non-brokering services such as consulting. Already such services account for 34% of revenues, down from 35% last year. This percentage is likely to fall further as the company concentrates more on wholesale and retail brokering activities.

He is optimistic about the future and on the company's growth.

"We started from a smaller base; that's why we are confident," Mr. Puttergill said. HSBC Gibbs also has every intention of remaining independent and, to the extent possible, low key.

—By Maria Kielmas

GERLING AMERICA INSURANCE COMPANY

WE SPECIALIZE IN INSURANCE PROGRAMS FOR EUROPEAN AND U.S. INDUSTRIES

Gerling America is part of the Gerling Group, an international insurance and reinsurance group headquartered in Cologne, Germany. Founded in 1904, the Group operates in more than 27 countries with a premium volume of U.S. $12 billion, invested assets of U.S. $28 billion and a total of 9,600 employees.

Gerling America Insurance Company (GAIC) writes industrial and commercial property, casualty and ocean marine insurance. It is rated "A" by A.M. Best and its Financial Rating is Class VIII, with capital surplus of over U.S. $100 million.

GERLING AMERICA INSURANCE COMPANY
717 Fifth Avenue • New York, New York 10022
Telephone: (212) 756-2600 • Facsimile: (212) 319-5626

20

CECAR

75 Rue de Tocqueville, 75017 Paris, France; 33-1-4-415-5500; fax: 33-1-615-5505

	1995	1994
Premium volume	$1.48 billion	$1.27 billion
Gross revenues	$138,288,000	$110,410,000
Brokerage: Retail	85%	85%
Reinsurance	3%	3%
Personal	3%	2%
Service	2%	2%
Investment income	7%	8%
Employees	900	699
Rev./Employee	$153,653	$157,954
Offices	52	45

Converted at applicable exchange rates.

Among the lofty list of big-name clients that Cie. Europeenne de Courtage d'Assurances et de Reassurances acquired last year, the one that the brokerage is most proud of is Arianespace, the French satellite launch organization owned by the European Space Agency.

CECAR, France's second-largest broker, has been trying to win the Arianespace account for several years, according to CECAR's co-presidents, Philippe Carle and Philippe Faure.



'Now we can say that we have reached a position whereby we are really in the game of the big international brokers in operation,' says Philippe Carle.

The two executives say that as a result of new clients, continued expansion of existing business, and hard work the stage is set for CECAR, a Paris-based company owned largely by its management and its key clients, to enter the top ranks of brokers.

Indeed, CECAR ranks 20th in *Business Insurance*'s ranking of the world's largest brokers based on 1995 gross revenues.

CECAR posted gross revenues of 688 million francs last year, up 12.8% from 610 million francs in 1994. In dollar terms, the improvement was even better, rising 24.9% in 1995 to $138.3 million from $110.4 million. CECAR's growth last year—the largest of any French broker—was split almost equally between increased business from existing operations and from acquisitions.

A major driver behind the broker's continued growth will be CECAR Europe, a new unit expected to be up and running throughout Europe later this year—though the exact timing still is uncertain because of the technical and legal issues involved. This company, owned 60% by CECAR and 40% by another of CECAR's major shareholders, U.K. broker Bain Hogg Group P.L.C., will jointly manage all the European retail brokering operations for the two companies outside France and the United Kingdom.



'Five years ago we were in France and Spain, more or less—that was it. Now we are everywhere in Europe and have 19 subsidiaries throughout the world,' says Philippe Faure.

While CECAR already operates throughout continental Europe, it is an area seen as still having strong growth potential. Bain Hogg's experience with small to medium-sized accounts is expected to complement CECAR's expertise in handling larger clients. "Now we can say that we have reached a position whereby we are really in the game of the big international brokers in operation," said Mr. Carle.

Referring to hopes for CECAR Europe and for added expansion in CECAR's main non-European market, Latin America, Mr. Carle said, "In all these countries we have (some of) the top accounts already on our books. . . .The reference points are there, the team is obviously good, and for the future it looks good. So we are very optimistic. . . .We have reached a new stage."

Added Mr. Faure: "Five years ago we were in France and Spain, more or less—that was it. Now we are everywhere in Europe and have 19 subsidiaries throughout the world. . . .To put it another way, three or four years ago, our future was not clear. We could either stay independent on the one hand, or become the French partner of a bigger broker. And so now it's clear that we can be independent and survive and develop without any problems."

Mr. Carle said that if the CECAR Europe venture is successful, it could eventually lift CECAR's commission earnings by some 40%-45% to around 1 billion francs ($194.3 million) annually.

Also key in CECAR's future growth plans is its participation in ExcelNet, a 10-month-old reciprocal network of insurance brokers operating from some 240 offices in 70 countries to provide services for multinational companies.

ExcelNet was formed in September 1995 as a partnership of six brokers—CECAR; Bain Hogg; Acordia Inc., based in Indianapolis; Inchcape Insurance Services of Hong Kong; Boels & Begault of Brussels; and Dale Parizeau Inc. of Montreal.

For CECAR, a particular advantage of participating in the network is the extension of its brokering links for multinational clients to Asia and North America.

The list of ExcelNet's advantages for clients, CECAR officials say, are: constant monitoring of improvement to the network's technical standards; a skill register of the expertise of each individual, so as to match relevant skills with the clients' specific needs; and a risk management information system which can deliver data on any aspect which has a bearing on a client's risk and insurance needs. Also, all of ExcelNet's offices are subject to random inspections by the independent quality auditors, Bureau Veritas Quality International.

ExcelNet's benefits to CECAR have already started to show, Mr. Carle said. He cited as an example CECAR's search for an investment partner in Italy. With ExcelNet's attractiveness as a lure, CECAR struck up a deal with Parmalat, the major Italian dairy products group. Parmalat acquired a 15% stake in Milan-based ItalCECAR, and, like other CECAR shareholder clients, it is able to use the ExcelNet network around the world to manage its international insurance program.

Last year was a particularly good year for attracting new clients, CECAR executives say, though most were enlisted before the launch

Continued on next page

There are three sides to our story of success.

Customer Support Services

- Support desk with guaranteed performance
- State-of-the-art customer support tracking system
- Systems, Operations, Integration and other consulting engagements
- Training Centers
- On-site training and installation alternatives
- The Pyramid User Association
- Electronic Bulletin Board
- National and Regional User Meetings
- Account Executive Program

Customer Based Solutions

We wouldn't be at the forefront of software for the insurance industry if we didn't base our software designs on customer needs.

That's why a commitment to service is the foundation of our full line of Windows and DOS software. And why 92% of our customers rate our support calls as meeting or exceeding their expectation.

Windows Client/Server & DOS Software

Claims Administration Systems • Medical Cost Containment • Risk Management Systems • Case Management/UR • 1st Report • Paperless Office • Bill Re-Pricing

Windows • Oracle • Sybase • SqlServer NT • System Integration Consulting

Call our corporate office today and find out how Pyramid is uniquely qualified to maximize your systems technology for higher productivity, better performance and greater peace of mind.

203-438-3883, Ext. 260

Pyramid Services, Inc.

Customer-based solutions for performance-driven companies.

Pyramid services inc. An AON Company

Continued from previous page
of ExcelNet.

Among these new clients are Carrefour, the major French retail chain; Sodexho, France's leading industrial caterer; Socpresse, a major French media group; Cie. des Signouex, a French electronics group; Chanel, the perfumes, cosmetics and designer apparel group; and Lalique, the leading French crystal group.

CECAR last year also won as a client the European Space Agency—an account the broker had been after for years. Unfortunately, the business was won just in time for Ariane 5, which exploded seconds after launch on June 4 in French Guyana (*BI*, June 10).

However, to CECAR's co-presidents this was not at all a bad break for the company—in fact, quite the opposite. The rocket itself and its cargo of satellites were uninsured, while CECAR was broker only for the liability coverage, which is expected to result in only minor claims.

Said Mr. Faure: "We're sorry for the rocket, but for us it was not bad, because everybody mentioned us—TV, radio and newspapers."

Mr. Carle added: "Certainly we will have to face some claims—pollution and all that. But the rocket collapsed in the protected area, so it's not going to be a big loss."

Winning the first ESA business after years of effort, Mr. Carle said, could prove the initial step in a much bigger space brokering program.

"The European Space Agency had only one broker for years, which was Marsh & McLennan. Now they have opened the door to competition. Faced with competition, we won this case, and we hope to be good enough to win some other bids," he said.

In addition to new clients, CECAR is expanding in new geographic directions.

In Latin America, CECAR has offices in Argentina and Brazil. Participation in these two countries stems largely from investment there by a CECAR shareholder, Renault S.A. The automaker's recent $1.5 billion investment in producing cars in Argentina and Brazil is providing a launching pad for CECAR to expand in the two countries. Not only does CECAR place business for Renault, but also for its French suppliers—which were also already CECAR clients—that have followed the French car maker into South America.

According to Mr. Carle, CECAR Brasil is already a broker for some top companies there, and last month it won three more large industrial accounts. It has expanded its Brazilian team to almost 30 people, while the Argentinian office opened in Buenos Aires last year is in the process of hiring more staff.

CECAR's links with Renault were also behind its acquisition late last year of Paris-based broker Franchelli & Louvet. Renault was its biggest client, but it also brought a number of medium-sized accounts.

Mr. Faure also cited "historical reasons" that give CECAR a ready-made market, alluding to the feeling that French business people prefer to do business with other French business people. He said France still has a large French-owned industrial sector, which often operates internationally, and these companies are most comfortable using a French broker.

"We follow them and they are confident in us. We try to have them as shareholders. One or two big ones should join us this year again. It's our natural market," Mr. Faure concluded.

North Africa is serviced by an office in Tunisia, which CECAR opened last year after winning an account from the national oil company, Enterprise Tunisienne de Petroles. The markets served by CECAR Tunisie include Morocco, Algeria and Libya, although Mr. Carle stressed that these are markets that are used to being directly served by insurers and so have to be educated in the value added services which brokers can provide.

Last November CECAR acquired the former office in Istanbul of Alexander & Alexander Services Inc. to launch a new unit, CECAR Turquie, to place all types of risks.

This contributed to CECAR's current total of 19 foreign subsidiaries, up from 10 a year ago. Those foreign subsidiaries together generate about 35% of group revenue, as opposed to a 30% contribution in 1995.

For 23-year-old CECAR, its shareholders have long been a main source of business. The Carle family still owns a 12% stake, but 45% is held by CECAR Participation, a group which includes CECAR directors and three leading French companies-the Suez Group, Rhone-Poulenc and Renault. Two French energy companies, Elf Acquitain S.A. and TOTAL S.A., also hold small stakes outside CECAR Participation.

The biggest change in ownership, and one which had been in the cards a year ago when Mr. Carle noted plans for a restructuring of CECAR's capital, was an increase in shareholding by Bain Hogg.

The U.K. broker gradually increased its CECAR stake during 1995 to 40.6% from 27%, with firm declarations on both sides that there were no plans for Bain Hogg ever to attempt to gain control. The rationale is to forge links, as typified by CECAR Europe, to become a major global player.

In a global market where consolidation through mergers and acquisition of brokers is commonly forecast, CECAR sees its ownership structure as helping to ensure its independence.

Stressing the improbability of a takeover, Mr. Faure said, "We have a good return on investment, the shareholders are clearly identified and there is no risk at all because we don't have any problem with the control of the company. Nothing can happen."

As for business strategy, Mr. Carle emphasized that CECAR's aim with its international expansion and new developments like CECAR Europe and ExcelNet, is not merely to increase income. "Our objective is, one, to serve our clients and, two, to have our shareholders happy with the return on investment."

CECAR's growth last year—the largest of any French broker—was split almost equally between increased business from existing operations and from acquisitions.

CECAR specialties—and the subsidiaries that provide them—include: financial risks, CECAR-Assurances & Finances; medical expense management, Elysees Prevoyance Gestion; personal lines, GIE Moral/CECAR; motor leasing risks, CAPA; reinsurance brokering, CECAR Reassurances; consulting and risk management, Sagitere; employee benefits and pension consulting, Prim S.A.; captive management, Sogecore. CECAR also is the largest marine and offshore energy insurance broker in France through its Guian S.A. subsidiary, and claims to be one of only four brokers able to secure capacity of over $350 million for these risks.

—By Edwin Unsworth

Directors & Officers Liability
Insurance For Condominiums, Co-ops,
Homeowners Associations

IHG
Ian H. Graham, Inc.
INSURANCE
Administrator

Ian H. Graham, Inc. (IHG, Inc.) is the number one writer of Directors and Officers (D&O) Liability Insurance for Community Associations nationwide.

Over 25,000 associations have placed their D&O insurance with IHG, Inc. The program is underwritten by member insurers of the Chubb Group of Insurance Companies.

CHUBB

IHG, Inc. offers: ◆ Exceptional service ◆ Competitive rates ◆ One of the broadest forms on the market ◆ Fair and expert claim handling that the Chubb Group is known for worldwide.

That's why the Community Associations Institute, the largest trade association in the U.S. representing the interests of Community Associations both nationally and locally, has given its exclusive endorsement to the Ian H. Graham, Inc. program.

Ian H. Graham, Inc. offers the same exceptional service and underwriting expertise in:
◆ Community Association Fidelity Bonds
◆ Property Managers E&O
◆ Miscellaneous Non-Profit D&O

Call Ian H. Graham, Inc. Insurance for a quote on any of these coverages. Ian H. Graham, Inc., 16130 Ventura Blvd. Suite 100, Encino, CA 91436, 1-800-621-2324, 818-905-3949, Fax: 818-905-3948.

Coverage underwritten by Federal Insurance Company.

25th annual international directory of agents and brokers

A

ABN-AMRO Verzekeringen B.V.

Bernhardstraat 1, Zwolle, The Netherlands; 31-38-992106; fax: 31-38-225948

Officers: C.H. Sipsma, B. Wapstra, J.F. Haverkort, K.vd Velde, L. van Herk.
Contact: J.F. Haverkort.
See profile on page 64.
See geographical listing on page 92.

Acordia Inc.

120 Monument Circle, Indianapolis, Ind. 46204; 317-488-6666; fax: 317-488-6547

Officers: L. Ben Lytle, chairman/CEO; Frank C. Witthun, president/COO; Patrick M. Sheridan, executive vp/CFO; Michael B. Henning, executive vp; Robert S. Schneider, senior vp/controller.
Contact: Robert S. Schneider.
See profile on page 35.
See geographical listing on page 92.

T.J. Adams & Associates Inc.

2021 Spring Road, Oak Brook, Ill. 60521; 708-572-1550; fax: 708-574-3278

	1995	1994
Premium volume	**$50,000,000**	$43,000,000
Gross revenues	**$6,700,000**	$5,800,000
U.S. clients	**100%**	100%
Brokerage: Retail	**96%**	97%
U.S. offices	**$6,432,000**	$5,626,000
Personal lines	**2.0%**	1.5%
Invstmt. income	**2.0%**	1.5%
Employees	**63**	58
Offices	**1**	1

Founded: 1967.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 12% of revenues.
Officers: Richard Miller, CEO; Dennis D. Gamache, president; John Adams, executive vp; John Kegaly, vp.
Contact: Dennis D. Gamache.

Affiliated Insurance Consultants Inc.

7650 S. County Line Road, Burr Ridge, Ill. 60521; 708-789-1234; fax: 708-789-1294

	1995	1994
Premium volume	**$42,109,356**	$41,649,000
Gross revenues	**$3,713,500**	$3,834,640
U.S. clients	**100%**	100%
Brokerage: Retail	**92%**	86%
U.S. offices	**$3,416,420**	$3,297,800
Personal lines	**8%**	14%
Employees	**40**	41
Offices	**1**	1

Founded: 1967.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 20% of revenues.
Licensed excess/surplus broker in: Illinois, Indiana.
Officers: Edwin E. Tomei, chairman/CEO; Daniel C. Pancake, vice chairman; Thomas G. Klehr, president; Raymond Sommers, executive vp; Miki Pankow, COO.
Contact: Miki Pankow.

AirSure Ltd.

25548 Genesee Trail Road, Golden, Colo. 80401; 303-526-5300; fax: 303-526-5303

	1995	1994
Premium volume	**$26,114,000**	$23,120,000
Gross revenues	**$3,458,139**	$3,021,490
U.S. clients	**98%**	97%
Non-U.S. clients	**2%**	3%
Brokerage: Retail	**80%**	77%
U.S. offices	**$2,766,511**	$2,326,547
Wholesale	**9%**	13%
Personal lines	**3%**	4%
Services	**2%**	1%
Invstmt. income	**6%**	5%
Employees	**16**	16
Offices	**3**	3

Founded: 1984.
Parent: Airsure Ltd. Holdings Inc.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 1% of revenues.
Retail brokerage offices: Boise, Idaho; Philadelphia.
Licensed excess/surplus broker in: Colorado, Idaho, Pennsylvania.
Officers: Bill Behan, president; Anne Salemmo, senior vp; Todd Guelich, vp-sales; Bill Tabbert, vp-administration; Patricia 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

	1995*	1994*
Premium volume	**$425,000,000**	$350,000,000
Gross revenues	**$31,007,000**	$20,550,000
U.S. clients	**100%**	100%
Brokerage: Retail	**83.4%**	83.0%
U.S. offices	**$25,845,000**	$17,056,500
Personal lines	**6.5%**	6.0%
Services	**7.1%**	8.0%
Invstmt. income	**3.0%**	2.0%
Other	**NA**	1.0%
Employees	**240**	160
Offices	**5**	4

* Fiscal years ending 1/31/95 and 1/31/94.

Founded: 1946
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 25% of revenues.
Acquisitions: Bayside, Menlo Park, Calif., May 1995; Metzger-Wilkey, Petaluma, Calif., March 1996; Willis Corroon, Sacramento, Calif., June 1996.
Retail brokerage offices: Brea, Capitola, Petaluma and Sacramento, Calif.
Licensed excess/surplus broker in: California.
Officers: Frederick J. de Grosz, CEO; Bruce Basso, president; J. Douglas Alburger, chairman; Sam Jones, Andrew Sterngold, George Jaynes, executive vps.
Contact: Fred de Grosz.

Alexander & Alexander Services Inc.

1185 Avenue of the Americas, New York, N.Y. 10036; 212-840-8500; fax: 212-444-4697

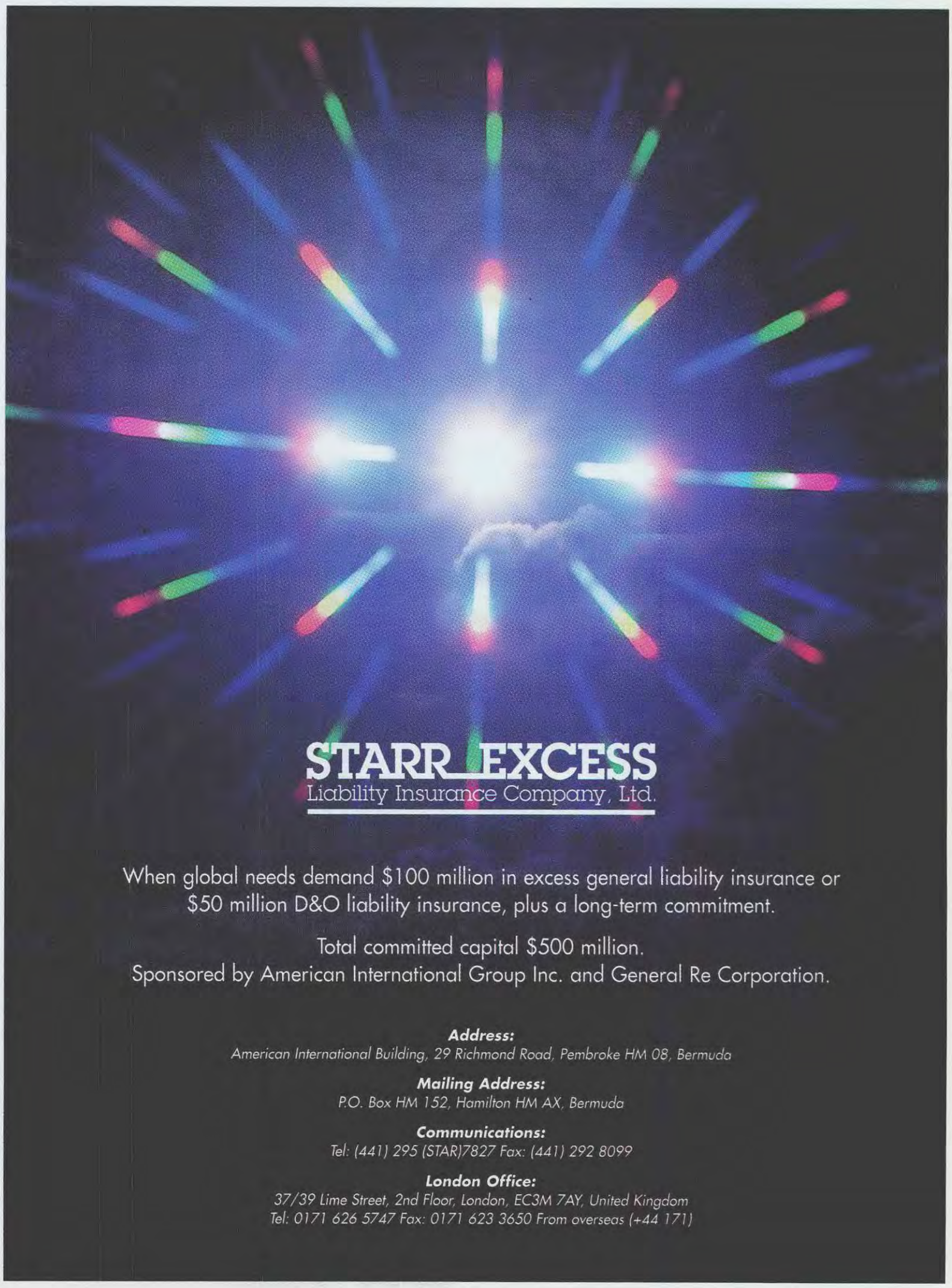
Officers: Frank G. Zarb, chairman/CEO-Alexander & Alexander Services Inc.; Edward F. Kosnik, senior executive vp/CFO-Alexander & Alexander Services Inc.; Elliot S. Cooperstone, executive vp-Alexander & Alexander Services, president/CEO-Alexander & Alexander Inc.; Kenneth J. Davis, executive vp-Alexander & Alexander Services, chairman-Alexander & Alexander Inc., CEO-Alexander & Alexander Europe Ltd.; Ronald A. Iles, deputy chairman-Alexander & Alexander Services Inc., chairman-Alexander Howden Group Ltd.; Donald L. Seeley, president/CEO-The Alexander Consulting Group; James S. Horrick, president/CEO-Alexander & Alexander/Reed Stenhouse.
Contact: Gary Sullivan, director-corporate communications.
See profile on page 24.
See geographical listing on page 92.

Alliance Insurance Group Inc.*

3420 E. Shea Blvd., Phoenix, Ariz. 85028; 602-996-7600; fax: 602-494-1175

	1995	1994
Premium volume	**$18,500,000**	$15,000,000
Gross revenues	**$2,500,000**	$2,020,717
U.S. clients	**100%**	100%

Continued on next page



Continued from previous page

Brokerage: Retail	65%	77%
U.S. offices	$1,625,000	$1,555,595
Wholesale	5%	2%
Personal lines	20%	15%
Services	5%	5%
Invstmt. income	5%	1%
Employees	34	29
Offices	4	3

Founded: 1923.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 5% of revenues.
Retail brokerage offices: Tucson, Ariz.; LaGuna Hills, Calif.; Parker, Colo.
Licensed excess/surplus broker in: Arizona.
Officers: Guy LaBelle, CEO; Steve Frieg, Edith Lasson, Elton Baker, vps.
Contact: Guy LaBelle.
** Recently acquired by Arthur J. Gallagher & Co.*

Allied American Agency Inc.

233 W. Central St., Natick, Mass. 01760; 508-651-7700; fax: 508-651-7701

	1995	1994
Premium volume	$40,000,000	$34,000,000
Gross revenues	$5,400,000	$4,800,000
U.S. clients	100%	100%
Brokerage: Retail	24.5%	14.5%
U.S. offices	$1,325,000	$696,000
Personal lines	75.0%	85.0%
Invstmt. income	0.5%	0.5%
Employees	68	62
Offices	6	7

Founded: 1993.
Retail brokerage: 100% commissions.
Employee benefits: 7% of revenues.
Acquisitions: Riley & Rielly Insurance, Quincy, Mass., January 1995; Mahoney & Wright, Boston, June 1996; Bristol Insurance Agency, Bristol, Vt., April 1996.
Retail brokerage offices: Andover, Braintree, Boston, Cohasset, Dedham, Haverhill, Middleboro, Newton, N. Attleboro, Peabody, Plymouth, Reading, Rockland, Scituate, Tewksbury, Wakefield, Westboro, Weymouth, Worcester, Wrentham and Yarmouth, Mass.; Bristol, Vt.
Officers: Robert A. Morrissey, president; John F. Koegel, Mark S. Molloy, vps.
Contact: John F. Koegel.

Allied Coverage Corp.

390 N. Broadway, Jericho, N.Y. 11753; 516-733-9200; fax: 516-681-7460

	1995*	1994*
Premium volume	$130,000,000	$125,000,000
Gross revenues	$13,000,000	$12,500,000
U.S. clients	100%	100%
Brokerage: Retail	93%	93%
U.S. offices	$12,090,000	$11,625,000
Wholesale	3%	3%
Personal lines	2%	2%
Invstmt. income	2%	2%
Employees	109	115
Offices	6	4

* Fiscal years ending 11/30/95 and 11/30/94.

Founded: 1979.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 1% of revenues.
Retail brokerage offices: Allied Brokerage Services Group Inc., Cranford, N.J.; Allied Coverage Corp. of Albany, Albany, N.Y.; 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 York.
Officers: William A. Marino, CEO; Henry C. Lombardi, president; David H. Stevenson, president-Atlantic Star Intermediaries Inc.; Nicholas E. Castellano, president-Allied Brokerage Services Group Inc.; Edward McCormick, president-Project Technologies International L.L.C.; Daniel Zirpoli, vp; Anthony J. Auliano, treasurer.
Contact: Henry C. Lombardi.

Alper Services Inc.

60 W. Superior St., Chicago, Ill. 60610; 312-642-1000; fax: 312-944-7000

	1995	1994
Premium volume	$30,000,000	$29,000,000
Gross revenues	$4,800,000	$4,600,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	76%	76%
U.S. offices	$3,650,000	$3,496,000
Personal lines	5%	5%
Services	15%	15%
Invstmt. income	3%	3%
Other	1%	1%
Employees	48	48
Offices	1	1

Founded: 1966.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Howard C. Alper, president/CEO; John F. Wheaton, executive vp/COO; Russell M. Cortino, Herbert M. Singer, executive vps; John A. Hamilton, vp; Craig A. Kanter, vp.
Contact: Howard C. Alper.

American Phoenix Corp.

10 State House Square, Hartford, Conn. 06103; 860-247-1811; fax: 860-278-8620

	1995	1994
Premium volume	$580,220,000	$225,822,000
Gross revenues	$63,818,000	$29,432,000
U.S. clients	100%	100%
Brokerage: Retail	81%	76%
U.S. offices	$51,692,580	$22,368,320
Wholesale	1%	1%
Personal lines	15%	22%
Services	2%	NA
Invstmt. income	1%	1%
Employees	605	320
Offices	16	13

Founded: 1981.
Parent: Phoenix Home Life Mutual Insurance Co.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 11% of revenues.
Acquisitions: Associated Insurance Brokers, Clifton, N.J., April 1996; Cass-Knoblock, Orlando, Fla., February 1996; The Garlington Group, Atlanta, November 1995; Goodwin, Loomis & Britton, Hartford, Conn., July 1995; Howard Hall Agency, Gainesville, Fla., April 1996; Kalvin-Miller International, New York, July 1995.
Retail brokerage offices: American Phoenix/Burkar Associates, Parsippany, N.J.; American Phoenix of Chambersburg, Chambersburg, Pa.; American Phoenix of Hartford, Hartford, Conn.; American Phoenix of Maryland, Baltimore; American Phoenix of Miami, Miami; American Phoenix of Orlando, Orlando, Fla.; American Brokerage of Philadelphia, Philadelphia; American Phoenix of Tampa Bay, St. Petersburg, Fla.; American Phoenix of York, York, Pa.; Associated Insurance Brokers, Clifton, N.J.; Caddell & Byers Insurance Agency, Lowell, Mass.; Erickson-Swan-Rowley, Jamestown, N.Y.; The Garlington Group, Atlanta; Howard Hall Agency, Gainesville, Fla.; Kalvin-Miller International, New York; Nicholas & Cannon Agency, Sarasota, Fla.
Non-retail brokerage subsidiaries: American Phoenix Managing Agency Group, Hartford, Conn.; Integrated Healthcare Resources, Baltimore; Premium Funding Assn., Hartford, Conn.
Licensed excess/surplus broker in: Connecticut, Florida, Pennsylvania.
Officers: Martin L. Vaughan III, president; William E. Ryan, vp/CFO; Karl E. Manke, vp-sales/marketing; Linda D. Hopcraft, vp-operations.
Contact: Martin L. (Mell) Vaughan

American Risk Associates Ltd.*

1818 Market St., Philadelphia, Pa. 19103; 215-299-8750; fax: 215-299-2220

	1995	1994
Premium volume	$14,105,000	$12,782,000
Gross revenues	$1,387,000	$1,006,000
U.S. clients	100%	100%
Brokerage: Retail	99%	99%
U.S. offices	$1,373,130	$995,940
Wholesale	1%	1%
Employees	10	9
Offices	1	1

Founded: 1986.
Parent: Day & Zimmermann Inc.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Stephen R. Kirkman, president; John Ercolani, senior vp; Brian R. Schofield, vp.
Contact: Stephen R. Kirkman.
** Specializes in design/build professional liability and general construction insurance only.*

Anchor Pacific Underwriters Inc.

1800 Sutter St., Suite 400, Concord, Calif. 94520; 510-682-7707; fax: 510-676-9317

	1995	1994
Premium volume	$115,000,000	$110,000,000
Gross revenues	$10,200,000	$9,600,000
U.S. clients	100%	100%
Brokerage: Retail	30.6%	27.7%
U.S. offices	$3,121,200	$2,659,200
Personal lines	6%	7%
Services	60%	63%
Invstmt. income	3.4%	2.3%
Employees	127	130
Offices	2	2

Founded: 1986.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 60% of revenues.
Acquisitions: Dutcher Insurance, Stockton, Calif., February 1995; R.L. Ferguson Insurance, Walnut Creek, Calif., February 1996; J.R. McPherson, San Ramon, Calif., May 1996; N.A. Robins, Walnut Creek, Calif., April 1996.
Non-retail brokerage subsidiaries: Benefit Resources Inc. and 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; Lynn Boyd, president-employee benefits division; Gerard J. Laurita, COO-property/casualty division.
Contact: James R. Dunathan.

Anco Insurance Managers Inc.

1733 Briarcrest Drive, Bryan, Texas 77802; 409-776-2626; fax: 409-776-1308

	1995	1994
Premium volume	$76,826,068	$84,040,220
Gross revenues	$13,051,436	$13,664,180
U.S. clients	100%	100%
Brokerage: Retail	48%	42%
U.S. offices	$6,264,689	$5,738,956
Wholesale	6%	5%
Personal lines	36%	48%
Services	5%	3%
Invstmt. income	4%	1%
Other	1%	1%
Employees	181	215
Offices	8	9

Founded: 1873.

Continued on next page

Everybody wants to look like a million.



Unfortunately, many top executives look like 25 million.

It is well known that more than a handful of today's top corporate executives pull down high six- or seven- figure salaries. Which makes them particularly attractive targets in lawsuits involving corporate wrongdoing.

In fact, many directors and officers these days are spending more time in the courtroom and less time in the boardroom.

Yet, as the magnitude of claims continues to escalate, few insurance companies have been able to provide adequate D&O protection.

Great American offers limits up to $25 million.

Our marketing and underwriting staff will help you tailor coverage to meet the specific needs of those clients who face substantial liability. And, in the event of a claim, we'll respond quickly and efficiently.

So, if your idea of looking like a million involves an $800 suit and an absence of attorneys, then we'd like to talk.

Have your independent agent or broker call Pattie Schueneman at (708) 330-6789 for further details, or write Great American Insurance Companies, Executive Liability Division, P.O. Box 66943, Chicago, IL 60666.

After all, the only suit you want your client to be in is hanging in the closet.

GREAT AMERICAN®
INSURANCE COMPANIES

25th annual agent/broker directory listings explained

The 1996 directory of agents and brokers is based on companies' responses to a *Business Insurance* questionnaire.

The directory is published as an editorial service and there is no charge to be included. However, companies must generate at least $500,000 of their gross revenues from commercial retail brokering in order to be listed in the directory.

Listings begin with the address, telephone and fax number of the company.

Next is **premium volume** and **gross revenues** for both 1995 and 1994, and the percentage of gross revenues generated from **U.S.-based clients** vs. **non-U.S.-based clients**.

Percent of gross revenues generated by commercial **retail brokerage** is next, followed by a breakdown in dollars as generated through **U.S. offices** vs. **non-U.S. offices**.

Percent of gross revenues generated by **wholesale** brokerage, **reinsurance** brokerage, **personal lines** brokerage, fee-based services, **investment income** and **other** activities follow.

The number of **employees** in full-time equivalents and the number of commercial retail brokerage **offices** for 1995 and 1994 also are included in the listing.

Next, the year **founded**, **parent** company and the percent of commercial **retail brokerage** generated by commissions and by fees are given.

Acquisitions, locations of **retail brokerage branch offices** and **non-retail brokerage subsidiaries** and states in which companies are **licensed as excess/surplus lines brokers** are listed.

Principal **officers** and a **contact** for readers seeking more information complete the listing.

If the location and telephone number of the contact is different from that of the main office it is also provided.

If you wish to locate a company by state or country, refer to the geographic index following the directory listings.

Locations of home offices as well as retail brokerage branch offices are included.

All figures are listed in U.S. dollars. The applicable yearly average exchange rate was used to convert figures for non-U.S. based organizations. The following exchange rates are for fiscal years ending Dec. 31, 1995 and Dec. 31, 1994, unless otherwise noted: British pound=$1.578 (1995), $1.532 (1994), $1.566 (fiscal year ending 3/31/96), $1.555 (FYE 3/31/95); Canadian dollar=$0.73 (1995), $0.73 (1994), $0.73 (FYE 7/31/95), $0.74 (FYE 7/31/94), $0.73 (FYE 8/31/95), $0.73 (FYE 9/30/95), $0.74 (FYE 9/30/94), $0.74 (FYE 8/31/94), $0.73 (FYE 10/31/95), $0.74 (FYE 10/31/94), $0.74 (FYE 4/30/96), $0.73 (FYE 4/30/95); Chilean peso=$0.00246 (FYE 12/31/95 and 12/31/94); Colombian peso=$0.0011 (1995), $0.0012 (1994); Dutch guilder=$0.623 (1995), $0.550 (1994); French franc=$0.201 (1995), $0.181 (1994); German mark=$0.698 (1995), $0.616 (1994); Hong Kong dollar=$0.13 (FYE 6/30/95 and FYE 6/30/94); Japanese yen=$0.01 (FYE 3/31/96 and 3/31/95); Mexican peso=$0.16 (1995), $0.29 (1994); South African Rand=$0.276 (1995), $0.28 (1994), $0.271 (FYE 3/31/96), $0.28 (FYE 3/31/95).

The information in each entry was compiled by *Business Insurance* based on data supplied by the agents and brokers. Although every effort is made to provide complete and accurate information, no public records are available to allow *BI* to verify the information supplied by privately-held brokers.

If you would like to receive a questionnaire to be listed in next year's Agent/Broker directory, contact Richard Trout, *Business Insurance*, 740 N. Rush St., Chicago, Ill. 60611-2590; 312-649-5483.

Continued from previous page

Retail brokerage: 100% commissions.
Employee benefits: 7% of revenues.
Retail brokerage offices: Anco Insurance Capital City, Austin, Texas; Anco Insurance Dallas/Fort Worth, Dallas; Anco Insurance-GSM, Rockport, Texas; Anco Insurance, Jernigan-Dabney, Livingston, Texas; Anco Insurance Metroplex, Arlington, Texas; Anco Insurance Pioneer-Mart, Mart/Waco, Texas; Anco Insurance of Temple, Temple, Texas; Anco Insurance of The Woodlands, The Woodlands, Texas.
Non-retail brokerage subsidiaries: AIM Premium Finance Inc., Bryan, Texas; Anco Insurance Services of Bryan/College Station, Bryan, Texas; Anco Insurance Services of Texas Inc., Bryan, Texas; Emerald Surplus Lines Inc., Bryan, Texas; Keifer Marshall Insurance Agency Inc., Temple, Texas.
Licensed excess/surplus broker in: Texas.
Officers: M.L. "Red" Cashion, chairman emeritus; Dick Haddox, chairman; Norman Kiecke, president; Adrian McDonald, senior vp; Joyce Pankonien, vp/CFO.
Contact: Joyce Pankonien.

Anderson & Anderson Insurance Brokers Inc.

2495 Campus Drive, Irvine, Calif. 92715; 714-476-4300; fax: 714-752-7587

	1995*	1994*
Premium volume	$122,000,000	$130,000,000
Gross revenues	$13,129,000	$12,673,000
U.S. clients	100%	100%
Brokerage: Retail	92.1%	93.1%
U.S. offices	$12,091,809	$11,798,563
Personal lines	2.6%	2.5%
Services	3.2%	2.2%
Invstmt. income	2.1%	2.2%
Employees	113	126
Offices	3	3

* Fiscal years ending 3/31/95 and 3/31/94.

Founded: 1953.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 10.5% of revenues.
Retail brokerage offices: Glendale, Irvine and Stockton, Calif.
Non-retail brokerage subsidiaries: CAP Managers Ltd., Hamilton, Bermuda; Captive Assurance Partners, Irvine, Calif.
Officers: Robert M. Anderson, president/CEO; Ben F. Hernandez, senior vp/CFO; Sam J. Cunningham, executive vp/chief benefits officer; Ed Shumaker, executive vp/chief information officer; Everett Newman, executive vp/COO; Steve King, executive vp.
Contact: Robert M. Anderson.

Andreini & Co.

220 W. 20th Ave., San Mateo, Calif. 94403; 415-573-1111; fax: 415-341-4361

	1995	1994
Gross revenues	$20,220,000	$19,502,000
U.S. clients	100%	100%
Brokerage: Retail	96%	96%
U.S. offices	$19,411,200	$18,721,920
Personal lines	2%	2%
Invstmt. income	2%	2%
Employees	172	170
Offices	9	8

Founded: 1951.
Retail brokerage: 98% commissions, 2% fees.
Retail brokerage offices: Phoenix; Irvine, Oxnard, Salinas, San Diego, Santa Monica and Stockton, Calif.; Dallas.
Licensed excess/surplus broker in: Alaska, California.
Officers: John Andreini, chairman; Michael J. Colzani, CEO; David Hoskins, president; Dan Centoni, executive vp.
Contact: John Andreini.

Andueza y Cia. Corredores de Seguros S.A.

Gertrudis Echenique 30, Piso 15, Santiago, Chile; 562-206-5533; fax: 562-206-5651

	1995	1994
Premium volume	$63,100,000*	$58,900,000*
Gross revenues	$4,220,000*	$3,980,000*
U.S. clients	10%	10%
Non-U.S. clients	90%	90%
Brokerage: Retail	100%	100%
Non-U.S. offices	$4,220,000*	$3,980,000*
Employees	44	43
Offices	1	1

* Converted at applicable exchange rates.

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: Martin Senoret or Andres Alcalde.

Aon Group Inc.

123 N. Wacker Drive, Chicago, Ill. 60606; 312-701-4000; fax: 312-701-3080

Officers: Patrick G. Ryan, chairman; Michael D. O'Halleran, president-Aon Group Inc., chairman-Aon Re Worldwide Inc.; Arthur F. Quern, chairman-Aon Risk Services Cos. Inc.; Dirk P.M. Verbeek, chairman-Aon Holdings B.V.; Michael D. Rice, chairman-Aon Specialty Group Inc.; Daniel T. Cox, chairman-Aon Consulting Worldwide Inc.; Donald C. Ingram, chairman-Aon Consulting; J. Hunter Devine, chairman-Godwins Ltd.; Alan H.C. Colls, chairman-Nicholson Leslie Group Ltd.
Contact: Joan Steel, senior vp-Aon Group Communications, 312-701-3016 or Paul Cristiano, vp-Aon Risk Services Communications, 914-742-3093.
See profile on page 21.
See geographical listing on page 92.

Associated Agencies Inc.

1701 Golf Road, 3 Continental Towers, Suite 700, Rolling Meadows, Ill. 60008; 847-427-8400; fax: 847-427-3559

	1995	1994
Premium volume	$122,000,000	$110,000,000
Gross revenues	$14,500,000	$10,000,000
U.S. clients	100%	100%
Brokerage: Retail	63%	70%
U.S. offices	$9,135,000	$7,000,000
Personal lines	27%	20%
Services	10%	10%
Employees	92	70
Offices	3	3

Founded: 1889.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 37% of revenues.
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, executive vp; Karen Z. Vacko, Arthur B. Friedman, executive vps; Thomas J. Schaffler, senior vp.
Contact: Robert M. Schrayer, 847-427-3500.

The Auten Group Inc.

1915 Southfield Road, Birmingham, Mich. 48009; 810-258-6500; fax: 810-258-5618

	1995*	1994*
Premium volume	$9,152,000	$9,091,000
Gross revenues	$1,349,000	$1,263,000
U.S. clients	100%	100%
Brokerage: Retail	79.92%	79.0%
U.S. offices	$1,078,121	$997,770
Personal lines	18.83%	20.0%
Invstmt. income	1.1%	0.9%
Other	0.15%	0.10%
Employees	14	14
Offices	1	1

* Fiscal years ending 9/30/95 and 9/30/94.

Founded: 1984.
Retail brokerage: 100% commissions.
Employee benefits: 9% of revenues.
Licensed excess/surplus broker in: Michigan.
Officers: Bruce J. Auten, president; Nancy A. Bearc, senior vp.
Contact: Bruce Auten.

Aviation Insurance Services

333 N. Rancho Drive, Suite 400, Las Vegas, Nev. 89106; 702-647-2333; fax: 702-647-5433

	1995*	1994*
Premium volume	$42,000,000	$30,000,000
Gross revenues	$4,112,000	$3,471,000
U.S. clients	91%	91%
Non-U.S. clients	9%	9%
Brokerage: Retail	87.6%	88.0%
U.S. offices	$3,602,112	$3,054,480
Wholesale	2.0%	2.0%
Reinsurance	7.5%	8.0%
Personal Lines	0.5%	0.5%
Services	0.5%	0.5%
Invstmt. income	1.9%	1.0%
Employees	20	20
Offices	2	4

* Fiscal years ending 6/30/95 and 6/30/94.

Founded: 1977.
Parent: Aviation Insurance Holdings Inc.
Retail brokerage: 93% commissions, 7% fees.
Retail brokerage offices: Salt Lake City; Aviation Insurance Services of Utah, Park City, Utah.
Licensed excess/surplus broker in: Nevada, Utah.
Officers: Ronald A. Hill, chairman/CEO; Richard R. Gorsuch, vice chairman; Leslie C. DeWald, president-Utah; Teresa K. Heckart, vp-finance/CFO.
Contact: Richard R. Gorsuch.

B

The BGS&G Cos.

44 Baltimore St., Cumberland, Md. 21502; 301-777-1500; fax: 301-724-3953

	1995	1994
Premium volume	$60,409,951	$54,994,303
Gross revenues	$13,762,468	$13,489,945
U.S. clients	100%	100%
Brokerage: Retail	40%	33%
U.S. offices	$5,504,987	$4,451,682
Wholesale	5%	4%
Personal lines	12%	12%
Services	2%	2%
Other	41%	49%
Employees	167	165
Offices	10	10

Founded: 1921.
Parent: Beall, Garner, Screen & Geare Inc.

Continued on next page

The Emperor of China

had hundreds of servants to make sure his every wish and comfort were attended to. Your employees deserve health care that's just a little bit better.

Great people deserve great care and service, whether they're an emperor or an employee. This principle has guided John Hancock for over 130 years. And it's just one of the many reasons your company should offer our exceptional line of managed care plans.

John Hancock is committed to being a leader in the managed care market. Our dedication to providing quality, affordable plans and excellent service is second to none. Proof of this is our Signature line of network-based managed care plans. Your employees can count on them for access to great care and one-of-a-kind personal attention. The Signature managed care line includes PPO, POS, prescription drug and dental plans. A John Hancock representative will help you craft an integrated and easily managed health care solution. **To learn more about any of our managed care programs, call 1-800-352-8179.**

John Hancock.



John Hancock Mutual Life Insurance Company and affiliated companies, Boston, MA 02117

Continued from previous page

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 33% of revenues.

Acquisitions: S-H-Y, Cumberland, Md., January 1996; Associated Insurance, Penn Hills, Pa., January 1995.

Retail brokerage offices: Washington; Columbia, Frostburg, Hagerstown and Oakland, Md.; Johnstown, Pa.; Keyser, W.Va.; Associated Insurance Agency, Pittsburgh; Dyer & Hughes Insurance Agency, Uniontown, Pa.

Licensed excess/surplus broker in: District of Columbia, Maryland, Pennsylvania, West Virginia.

Officers: Marc E. Zanger, chairman/CEO; Robert H. Garner, vice chairman/CFO; Page T. Shanklin, executive vp; Randolph B. Screen, senior vp.

Contact: Page T. Shanklin.

BWD Group Ltd.

3000 Marcus Ave., P.O. Box 5028, Lake Success, N.Y. 11042; 516-327-2700; fax: 516-327-2770

	1995	1994
Premium volume	**$170,000,000**	$157,000,000
Gross revenues	**$15,856,000**	$14,260,000
U.S. clients	**99.5%**	98%
Non-U.S. clients	**0.5%**	2%
Brokerage: Retail	**76%**	70%
U.S. offices	**$12,050,560**	$9,982,000
Wholesale	**15%**	20%
Personal lines	**8%**	7%
Services	**NA**	2%
Invstmt. income	**1%**	1%
Employees	**130**	110
Offices	**2**	1

Founded: 1929.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 10% of revenues.

Retail brokerage offices: Hauppauge, N.Y.

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

Officers: Roger A. Blumencranz, CEO; Stuart B. Wilkins, COO; Marc J. Blumencranz, vp; Eric S. Blumencranz, vp; Robert L. Dubofsky, managing director.

Contact: Roger A. Blumencranz.

Bain Hogg Group P.L.C.

Lloyd's Chambers, 1 Portsoken St., London E1 8DF, England; 44-171-680-4000; fax: 44-170-301-4007

Officers: Anthony Howland Jackson, chairman; Ron W. Forrest, chief executive; Ian Marshall, general manager.

Contact: Miranda Bellord, corporate affairs manager.

See profile on page 44.

See geographical listing on page 92.

Bartlett Agency Inc.

P.O. Box 970, Moline, Ill. 61266-0970; 309-764-9666; fax: 309-764-8153

	1995	1994
Premium volume	**$21,153,000**	$18,483,000
Gross revenues	**$3,869,000**	$3,558,000
U.S. clients	**100%**	100%
Brokerage: Retail	**50%**	48.2%
U.S. offices	**$1,934,500**	$1,715,000
Personal lines	**11.0%**	11.6%
Services	**0.7%**	0.3%
Invstmt. income	**1.3%**	1.5%
Other	**37%**	38.4%
Employees	**48**	46
Offices	**2**	1

Founded: 1945.

Retail brokerage: 100% commissions.

Employee benefits: 37% of revenues.

Acquisitions: Bartlett Bozeman & Levin L.L.C., Lombard, Ill., October 1995.

Retail brokerage offices: Bartlett Bozeman & Levin L.L.C., Lombard, Ill.

Licensed excess/surplus broker in: Illinois.

Officers: Richard J. Miles, president; Thomas K. Bracke, executive vp/secretary; John J. Barrett, Bradley T. Boyle, vps; Deanne Mainey, treasurer.

Contact: Richard J. Miles.

Berwanger Overmyer Associates

2245 Northbank Drive, Columbus, Ohio 43220; 614-457-7000; fax: 614-457-1507

	1995	1994
Premium volume	**$65,000,000**	$60,000,000
Gross revenues	**$10,683,487**	$10,026,133
U.S. clients	**100%**	100%
Brokerage: Retail	**78.7%**	80.2%
U.S. offices	**$8,407,904**	$8,040,959
Wholesale	**1.5%**	1.5%
Personal lines	**6%**	6%
Services	**10%**	10%
Invstmt. income	**3.5%**	2.0%
Other	**0.3%**	0.3%
Employees	**113**	108
Offices	**3**	3

Founded: 1973.

Retail brokerage: 84% commissions, 16% fees.

Employee benefits: 25.8% of revenues.

Acquisitions: Turner & Shepard Inc., Columbus, Ohio, March 1996.

Retail brokerage offices: BOA Cincinnati, Cincinnati; BOA of Pennsylvania Inc., Pittsburgh.

Licensed excess/surplus broker in: Ohio.

Officers: Edwin L. Overmyer, president/CEO; Joseph M. Berwanger, Richard E. Moore, Richard W. Daley, executive vps; Jerry L. Esselstein, COO/treasurer.

Contact: Edwin L. Overmyer.

Groupe Le Blanc de Nicolay (GLN)

134 rue Danton, F-92300 Levallois-Perret, France; 331-47-59-11-11; fax: 331-47-59-93-82

	1995	1994
Gross revenues	**$112,560,000***	$100,455,000*
Non-U.S. clients	**100%**	100%
Brokerage: Retail	**35%**	37%
Non-U.S. offices	**$39,396,000***	$37,168,350*
Reinsurance	**58%**	55%
Invstmt. income	**7%**	8%
Employees	**232**	239
Offices	**7**	7

* Converted at applicable exchange rates

Founded: 1928.

Employee benefits: 28% of revenues.

Retail brokerage offices: Le Blanc de Nicolay Assurance, Levallois-Perret, France; Le Blanc de Nicolay Espancla, Madrid, Spain; Societe Centrale de Courtage D'Assurance (S.O.C.E.C.A.), Levallois-Perret, France; Tarrazi Recoing, Marseille, France.

Non-retail brokerage subsidiaries: Le Blanc de Nicolay Catalunya, Barcelona, Spain; Le Blanc de Nicolay Iberica, Madrid; Groupe Le Blanc de Nicolay Luxembourg, Luxembourg; Le Blanc de Nicolay Reassurance, Paris; Le Blanc de Nicolay Reassurance, Tokyo; Le Blanc de Nicolay Reassurance, Stockholm; Le Blanc de Nicolay Riassirurazioni, Bologne, France; Le Blanc de Nicolay U.S., New York; Le Blanc de Nicolay Zurich, Zurich, Switzerland; LBN Asia, Singapore; Suys & Janssens, Brussels, Belgium.

Officers: Vincent Redier, CEO; Claude Marie, vice chairman; Olivier de Passage.

Contact: Eric Bocquet, financial manager.

Grupo Bobadilla y Rehder, Agente de Seguros S.A. de CAv.

Cuauhtemoc 1217-202, Mexico City, DF 03610, Mexico; 525-605-9601; fax: 525-688-7743

	1995	1994
Premium volume	**$12,948,000***	$26,955,500*
Gross revenues	**$1,619,280***	$1,946,770*
U.S. clients	**16%**	9.9%
Non-U.S. clients	**84%**	90.1%
Brokerage: Retail	**96.9%**	98.7%
Non-U.S. offices	**$1,569,079***	$1,921,466*
Personal lines	**1.2%**	0.9%
Services	**0.1%**	0.2%
Invstmt. income	**1.2%**	0.2%
Other	**0.6%**	NA
Employees	**25**	27
Offices	**1**	1

* Converted at applicable exchange rates.

Founded: 1988.

Retail brokerage: 99.9% commissions, 0.1% fees.

Employee benefits: 23.4% of revenues.

Officers: Oscar Bobadilla, president; Ricardo O'Hara, executive vp; Armando Mata, director; 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: 201-467-0061

	1995	1994
Premium volume	**$155,600,000**	$152,300,000
Gross revenues	**$25,165,000**	$24,779,000
U.S. clients	**100%**	100%
Brokerage: Retail	**46%**	48%
U.S. offices	**$11,576,000**	$11,985,000
Wholesale	**32%**	32%
Personal lines	**17%**	16%
Services	**2%**	2%
Invstmt. income	**3%**	2%
Employees	**179**	187
Offices	**1**	1

Founded: 1876.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 12% of revenues.

Acquisitions: Fowler Agency of New Jersey, Florham Park, N.J., May 1995; Shepard, Caulfield & McCue, Short Hills, N.J., July 1995.

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

Officers: John A. Windolf, chairman/CEO; Richard C. Fowler Jr., president/COO; Douglas T. Cook, John L. Dana, executive vps; Philipp J. Ott, senior vp/CFO.

Contact: John A. Windolf.

Bolton/RGV Insurance Brokers

1100 El Centro St., South Pasadena, Calif. 91031; 818-799-7000; fax: 818-441-3233

	1995	1994
Premium volume	**$81,500,000**	$84,000,000
Gross revenues	**$9,680,000**	$9,700,000
U.S. clients	**100%**	100%
Brokerage: Retail	**86%**	84%
U.S. offices	**$8,324,800**	$8,148,000
Wholesale	**1%**	NA
Personal lines	**11%**	14%
Invstmt. income	**2%**	2%
Employees	**98**	97
Offices	**2**	2

Founded: 1931.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 14% of revenues.

Retail brokerage offices: Oxnard, Calif.

Licensed excess/surplus broker in: California.

Officers: William Bolton, CEO; James Bolton, president; William Redell, COO; William Van Rooy, CFO.

Contact: William Bolton.

Boockford & Co.

1 Oakbrook Terrace, Oakbrook Terrace, Ill. 60181; 708-932-4000; fax: 708-932-7315

	1995	1994
Premium volume	**$62,000,000**	$52,000,000
Gross revenues	**$6,000,000**	$5,400,000
U.S. clients	**100%**	100%
Brokerage: Retail	**94.7%**	95.6%
U.S. offices	**$5,682,000**	$5,162,000
Personal lines	**1%**	1.3%
Invstmt. income	**4.3%**	3.1%
Employees	**52**	52
Offices	**1**	1

Founded: 1950.

Retail brokerage: 88% commissions, 12% fees.

Employee benefits: 29% of revenues.

Licensed excess/surplus broker in: Illinois.

Officers: W.D. Boockford Jr., chairman; Charles J. Bretz, president; James F. Schuster, vp-employee benefits operations; Mario Remegi, vp-property/casualty operations; Richard M. McGrath, vp.

Contact: Charles J. Bretz.

Roger Bouchard Insurance Inc.

101 Starcrest Drive, Clearwater, Fla. 34618; 813-447-6481; fax: 813-449-1267

	1995	1994
Premium volume	**$50,000,000**	$40,000,000
Gross revenues	**$4,659,620**	$4,395,000
U.S. clients	**100%**	100%
Brokerage: Retail	**74.95%**	71.35%
U.S. offices	**$3,492,385**	$3,120,450
Wholesale	**8.51%**	7.60%
Personal lines	**13.00%**	12.00%
Services	**0.20%**	0.75%
Invstmt. income	**0.44%**	0.60%
Other	**2.90%**	7.70%
Employees	**43**	48
Offices	**1**	1

Founded: 1948.

Retail brokerage: 100% commissions.

Employee benefits: 7.6% of revenues.

Officers: Richard Bouchard, president; Tim Bouchard, Ray Bouchard, vps; Mike Hamby, executive vp.

Contact: Gary Caruolo or Rick Bouchard.

Brady & Co.

1031 W. Fourth Ave., Suite 400, Anchorage, Alaska 99501; 907-276-5617; fax: 907-276-6292

	1995	1994
Premium volume	**$79,000,000**	$83,000,000
Gross revenues	**$6,200,000**	$7,200,000
U.S. clients	**100%**	100%
Brokerage: Retail	**81%**	70%
U.S. offices	**$5,022,000**	$5,040,000
Wholesale	**6%**	20%
Personal lines	**8%**	7%
Invstmt. income	**5%**	3%
Employees	**44**	53
Offices	**2**	3

Founded: 1994.

Retail brokerage: 82% commissions, 18% fees.

Employee benefits: 9% of revenues.

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

	1995	1994
Premium volume	**$18,400,000**	$18,051,000
Gross revenues	**$2,393,000**	$2,060,000
U.S. clients	**100%**	100%
Brokerage: Retail	**52%**	57%
U.S. offices	**$1,244,360**	$1,174,200
Personal lines	**44%**	38%
Invstmt. income	**3%**	4%
Other	**1%**	1%
Employees	**28**	27
Offices	**1**	1

Founded: 1969.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 1% of revenues.

Acquisitions: Malmstead Insurance Agency, Worcester, Mass., January 1995.

Licensed excess/surplus broker in: Massachusetts

Officers: Thomas M. Braley, chairman; 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

	1995	1994
Premium volume	**$17,502,789***	$15,765,619*
Gross revenues	**$2,792,989***	$2,567,974*
U.S. clients	**2%**	2%
Non-U.S. clients	**98%**	98%
Brokerage: Retail	**43%**	42%
Non-U.S. offices	**$1,200,985***	$1,078,549*
Personal lines	**32%**	56%
Invstmt. income	**2%**	1%
Other	**3%**	1%
Employees	**46**	45
Offices	**1**	1

* Converted at applicable exchange rates.

Founded: 1950.

Retail brokerage: 100% commissions.

Employee benefits: 3% of revenues.

Officers: T.M. Hannan, president; S.A. Marsh, general manager; B.M. Hamerston, commercial manager, K. Kiely, marketing manager.

Contact: T. M. Hannan.

Britton-Gallagher & Associates Inc.

6240 SOM Center Road, Cleveland, Ohio 44139; 216-248-4711; fax: 216-248-5406

	1995	1994
Premium volume	**$24,000,000**	$21,000,000
Gross revenues	**$4,000,000**	$3,500,000
U.S. clients	**100%**	100%
Brokerage: Retail	**86%**	87%
U.S. offices	**$3,440,000**	$3,045,000
Personal lines	**12%**	11%
Invstmt. income	**2%**	2%
Employees	**36**	32
Offices	**1**	1

Founded: 1942.

Retail brokerage: 94% commissions, 6% fees.

Licensed excess/surplus broker in: Ohio.

Officers: Don R. Britton, CEO; Bruce H. Ball, president; John L. Hazen, senior vp; Thomas A. Brackett, secretary/treasurer; Terry Dragan, vp; Hal Rindels, vp-marketing.

The Brooks & Stafford Co.

75 Public Square, Cleveland, Ohio 44113; 216-696-3000; fax: 216-621-7336

	1995	1994
Premium volume	**$16,500,000**	$16,200,000
Gross revenues	**$2,787,000**	$2,742,000
U.S. clients	**97%**	97%
Non-U.S. clients	**3%**	3%
Brokerage: Retail	**56%**	55%
U.S. offices	**$1,570,720**	$1,508,100
Wholesale	**2%**	2%
Personal lines	**40%**	41%
Services	**1%**	1%
Invstmt. income	**1%**	1%
Employees	**47**	47
Offices	**2**	2

Founded: 1849.

Retail brokerage: 97% commissions, 3% fees.

Employee benefits: 46% of revenues.

Licensed excess/surplus broker in: Ohio.

Officers: Robert E. Hutchinson, president; R.E. Kunze, first vp; W.J. Coming, treasurer.

Contact: Robert E. Hutchinson.

Brown-Hiller-Clark & Associates

5500 Euper Lane, P.O. Box 3529, Fort Smith, Ark. 72913; 501-452-4000; fax: 501-484-5185

	1995*	1994*
Premium volume	**$13,304,796**	$13,124,362
Gross revenues	**$2,327,167**	$1,876,479
U.S. clients	**100%**	100%

Continued on next page

HURWITZ & FINE, P.C.

ATTORNEYS AT LAW

INSURANCE COVERAGE LITIGATION
DISPUTE RESOLUTION

Contact Sheldon Hurwitz, Dan Kohane or Thomas Cunningham

1300 Liberty Building
Buffalo, New York 14202
716/849-8900

256 Third Street
Niagara Falls, New York 14303
716/284-8047

STAMFORD FINANCIAL GROUP

(A Division of Financial Analysis and Control Systems Corporation)

Our knowledge and experience can be the key to your financial success. Thorough due diligence, high-quality analysis, and straightforward advice have enabled Stamford Financial Group to achieve success as insurance industry leaders. This success, combined with our commitment to our clients, is why people who do business with us once, usually end up doing business with us again.

Representing Insurance Companies, Agents & Brokers in:

MERGERS, ACQUISITIONS & BUSINESS VALUATION SERVICES

WE ALSO PROVIDE:

- ACTUARIAL SERVICES
- EXPERT TESTIMONY & LITIGATION SUPPORT
- AUDIT & CLAIMS SERVICES
- REASONABLE COMPENSATION STUDIES
- FINANCIAL MODELING
- INVESTMENT RESEARCH SERVICES

655 Washington Boulevard □ Suite 806 □ Stamford, Connecticut 06901
Tel: (203) 324-9797 Fax: (203) 324-1614

Continued from previous page

Brokerage: Retail	68%	69%
U.S. offices	$1,582,474	$1,294,771
Personal lines.....	17%	17%
Invstmt. income	2%	1%
Other.....	13%	13%
Employees.....	33	29
Offices.....	5	5

* Fiscal year ending 9/30/95 and 9/30/94.

Founded: 1915.
Retail brokerage: 100% commissions.
Employee benefits: 10% of revenues.
Retail brokerage offices: BHC of Eureka Springs, Eureka Springs, Ark.; BHC Life & Group Specialists Inc., Eureka Springs, Ark.; BHC Life & Group Specialists Inc., 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 & Group Specialists Inc.; Gary Winton, president-BHC of Oklahoma Inc.
Contact: Janice A. Butler, vp-administration.

John Burnham & Co.

610 W. Ash St., San Diego, Calif. 92101-3212; 619-231-1010; fax: 619-236-9134

	1995	1994
Premium volume.....	$143,300,000	$130,000,000
Gross revenues.....	$10,942,000	$10,669,000
U.S. clients	94%	94%
Non-U.S. clients..	6%	6%
Brokerage: Retail	92.7%	91.5%
U.S. offices	$10,143,000	$9,762,000
Personal lines.....	1.3%	2.7%
Services.....	4.7%	4.7%
Invstmt. income	1.3%	1.1%
Employees.....	104	114
Offices.....	2	2

Founded: 1891.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 22.7% of revenues.
Retail brokerage offices: Irvine, Calif.
Licensed excess/surplus broker in: California.
Officers: Bradley Orr, president; William Pope, executive vp; Jack Lupien, Randy Williams, Michele Jones, senior vps.
Contact: Brad Orr.

Byrne, Byrne & Co.

101 N. Wacker Drive, Chicago, Ill. 60606; 312-346-2150; fax: 312-346-4637

	1995	1994
Premium volume.....	$34,000,000	$32,620,000
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.....	10%	10%
Services.....	10%	10%
Employees.....	17	17
Offices.....	1	1

Founded: 1898.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 20% of revenues.
Officers: Richard Byrne, chairman; Stephen Byrne, president; Dan Byrne, William Reif, William McLaughlin, vps.
Contact: Steve Byrne.

C

CFG Insurance Services

9800 Brea Road E., Minnetonka, Minn. 55343; 612-945-0200; fax: 612-945-9477

	1995	1994
Premium volume.....	$72,000,000	$67,000,000
Gross revenues.....	$6,859,000	$6,598,000
U.S. clients	100%	100%
Brokerage: Retail	85.2%	86.4%
U.S. offices	$5,844,000	$5,701,000
Wholesale.....	2.9%	3.3%
Personal lines.....	5.7%	6.2%
Services.....	5.0%	3.1%
Invstmt. income	1.2%	1.0%
Employees.....	77	72
Offices.....	2	2

Founded: 1974.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 67% of revenues.
Retail brokerage offices: Sauk Rapids, Minn.
Officers: Eldon Oldre, president; Scott Drew, A.J. Dordel, Bob Schmitz, Loren Kix, vps.
Contact: A.J. Dordel.

Cal-Central Insurance & Management Services Inc.

2455 W. Shaw Ave., Suite 101, Fresno, Calif. 93711; 209-222-4471; fax: 209-225-5041

	1995*	1994*
Premium volume.....	$11,988,733	$13,039,445
Gross revenues.....	$1,889,540	$1,735,833
U.S. clients	100%	100%
Brokerage: Retail	66%	63%
U.S. offices	$1,247,096	$1,093,575
Wholesale.....	29%	28%
Services.....	2%	2%
Invstmt. income	3%	3%
Other.....	NA	4%
Employees.....	10	10
Offices.....	1	1

* Fiscal year ending 6/30/95 and 6/30/94.

Founded: 1983.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 12% of revenues.
Officers: Ronald J. Stewart, president; James E. Williams, executive vp; Catherine A. Adams, Daniel B. Frainer, vps; David M. Stewart, assistant vp.
Contact: Ronald J. Stewart.

The Cal-Surance Cos.

333 City Blvd. W., Orange, Calif. 92668; 714-939-0800; fax: 714-939-7445

	1995	1994
Premium volume.....	$131,156,700	$135,916,688
Gross revenues.....	$17,183,366	$16,785,891
U.S. clients	100%	100%
Brokerage: Retail	85%	78.1%
U.S. offices	$14,684,910	$13,109,781
Wholesale.....	2%	1.0%
Reinsurance	NA	2.6%
Services.....	7%	8.8%
Invstmt. income	5%	4.3%
Other.....	1%	5.2%
Employees.....	129	122
Offices.....	2	2

Founded: 1962.
Parent: Chartered Financial Services Corp.
Retail brokerage: 100% commissions.
Employee benefits: 39.2% of revenues.
Acquisitions: Trans Asian Insurance Services, Orange, Calif., June 1995.
Retail brokerage offices: Cal-Surance Associates Inc., Orange, Calif.; Cal-Surance Group Benefit Plans, Torrance, 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, CEO/president-Cal-Surance Cos.; Thomas R. Linn, senior vp/CFO-Cal-Surance Cos.; Donald H. Mehlig, CEO-Cal-Surance Benefit Plans Inc.; Jim Hall, president-Cal-Surance Group Benefit Plans Inc.
Contact: Donald E. Martin.

Calco Insurance Brokers & Agents Inc.

2000 Alameda de las Pulgas, San Mateo, Calif. 94403-1298; 415-574-0773; fax: 415-572-4622

	1995	1994
Premium volume.....	$231,000,000	$210,000,000
Gross revenues.....	$19,000,000	$17,800,000
U.S. clients	99%	99%
Non-U.S. clients..	1%	1%
Brokerage: Retail	98%	97%
U.S. offices	$18,620,000	$17,266,000
Wholesale.....	1%	1%
Personal lines.....	0.5%	1%
Invstmt. income	0.5%	1%
Employees.....	160	150
Offices.....	6	7

Founded: 1937.
Parent: California Casualty Management Co.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 16% of revenues.
Retail brokerage offices: Glendale, Orange, Sacramento, San Diego, San Francisco and San Mateo, 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.

Caledonian Insurance Group Inc.

3023 80th Ave. S.E., Suite 1000, Mercer Island, Wash. 98040-2985; 206-232-9870; fax: 206-232-9515

	1995	1994
Premium volume.....	$13,000,000	$11,500,000
Gross revenues.....	$1,550,000	$1,445,000
U.S. clients	90%	93%
Non-U.S. clients..	10%	7%
Brokerage: Retail	91.5%	93.0%
U.S. offices	$1,418,250	$1,343,850
Wholesale.....	4.0%	3.0%
Personal lines.....	1.0%	0.7%
Invstmt. income	3.5%	3.3%
Employees.....	13	13
Offices.....	2	2

Founded: 1988.
Retail brokerage: 96% commissions, 4% fees.
Retail brokerage offices: Spokane, Wash.
Licensed excess/surplus broker in: Alaska, Utah, Washington.
Officers: Anthony H. Cowan, president; Larry J. Maloney, Nita Marchant, vps; Michael C. Weaver, assistant vp; JoAnn Trimble, assistant vp/controller.
Contact: Anthony H. Cowan.

Cambridge Underwriters Ltd.

15415 Middlebelt Road, Livonia, Mich. 48154; 313-525-2412; fax: 313-525-0612

	1995*	1994*
Premium volume.....	$26,437,000	$24,896,000
Gross revenues.....	$4,415,242	$4,169,372
U.S. clients	100%	100%
Brokerage: Retail	83%	89%
U.S. offices	$3,664,651	$3,711,000
Personal lines.....	5%	6%
Services.....	3%	1%
Invstmt. income	2%	2%
Other.....	7%	2%
Employees.....	38	34
Offices.....	1	1

* Fiscal year ending 9/30/95 and 9/30/94.

Founded: 1974.
Retail brokerage: 98% commissions, 2% fees.
Licensed excess/surplus broker in: Michigan.
Contact: Kenneth R. Hale.

Capacity Coverage Co. of New Jersey Inc.

120 Pleasant Ave., Upper Saddle River, N.J. 07458; 201-236-9800; fax: 201-236-0480

	1995	1994
Premium volume.....	$29,090,460	$23,660,000
Gross revenues.....	$3,781,760	$3,172,890
U.S. clients	100%	100%
Brokerage: Retail	74%	82%
U.S. offices	$2,798,502	$2,601,769
Wholesale.....	7%	4%
Personal lines.....	18%	13%
Invstmt. income	1%	1%
Employees.....	33	30
Offices.....	13	9

Founded: 1980.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 1% of revenues.
Acquisitions: Applegate Agency, Westmont, N.J., February 1995; Joe Dargan Agency, Pitman, N.J., June 1996; Fromhertz Agency, Westfield, N.J., June 1996; The 300 Group, Montvale, N.J., July 1996.
Retail brokerage offices: Hartford, Conn.; Lakewood and Pitman, N.J.; Apple Gate Insurance Agency, Westmont, N.J.; Academy Financial Services, Ridgewood, N.J.; Capacity Insurance & Surety Group Inc., Fort Lauderdale, Fla.; The Joe Dargan Insurance Agency, Pitman, N.J.; The Eagle Agency, Somerdale, N.J.; The Fromhertz Agency, Westfield, N.J.; Lir.-Ray Insurance Agency, Turnerville, N.J.; Mediterranean Agency, Garfield, N.J.; The 300 Group, Montvale, N.J.; The Wright Agency, East Brunswick, N.J.
Licensed excess/surplus broker in: California, Connecticut, Delaware, Florida, Illinois, New Jersey, New York, Pennsylvania.
Officers: Mark B. Weinraub, chairman/CEO; Robert G. Lull, president/CFO/COO; Debra Lynn Stanton, executive vp; Donald W. Daves, vp.
Contact: Robert G. Lull.

Capax Management & Insurance Services

1150 Ninth St., Suite 1400, Modesto, Calif. 95353; 209-526-3110; fax: 209-521-1620

	1995	1994
Premium volume.....	$60,184,813	NA
Gross revenues.....	$9,790,083	NA
U.S. clients	100%	NA
Brokerage: Retail	63.1%	NA
U.S. offices	$6,177,542	NA
Wholesale.....	4.2%	NA
Personal lines.....	9.3%	NA
Services.....	17.4%	NA
Invstmt. income	1.5%	NA
Other.....	4.5%	NA
Employees.....	110	NA
Offices.....	4	NA

Retail brokerage: 92.8% commissions, 7.2% fees.
Employee benefits: 30.6% of revenues.
Retail brokerage branches: Giddings Corby Hynes Inc., Modesto, Calif.; Matteucci-Maxwell Insurance Agency, Stockton, Calif.; Sacramento Valley Insurance Agents/Brokers, Sacramento, Calif.; Zimmerman Insurance Agency, Oakdale, Calif.
Non-retail brokerage subsidiaries: Capax Management Consulting Group, Osborne Organization Inc., Modesto, Calif.
Officers: Joel W. Geddes Jr., chairman/CEO; James Griffith, Phyliss McManus, vps; Al Sarina, Nicolas Mascitelli, regional vps/directors; James Chernu, president-Sacramento Valley Insurance Agents/Brokers, director.
Contact: James Griffith.

Carlin Insurance Agency Inc.

233 W. Central St., Natick, Mass. 01760; 508-655-0522; fax: 508-655-8853

	1995	1994
Premium volume.....	$49,400,000	$40,400,000
Gross revenues.....	$5,340,000	$4,800,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$4,272,000	$3,840,000
Personal lines.....	20%	20%
Employees.....	68	65
Offices.....	1	2

Founded: 1968.
Retail brokerage: 100% commissions.
Retail brokerage offices: Lawrence Carlin Insurance Agency Inc., Falmouth, Mass.
Licensed excess/surplus broker in: Massachusetts
Officers: Robert F. Danahy, president; Gregory O. Hunter, vp-sales; Frank J. Smith, Barry D. Rosen, executive vps; Robert J. Meyer, CFO/treasurer.
Contact: Robert J. Meyer.

Grupo Cassab Machaen Agente de Seguros S.A. de C.V.

Masaryk 17, Fourth Floor, Suite 501, Mexico City, 11570, Mexico; 525-255-4615; fax: 525-531-2751

	1995	1994
Premium volume.....	$4,800,000*	$17,400,000*
Gross revenues.....	$4,744,094*	$15,736,397*
U.S. clients	9%	2%
Non-U.S. clients..	91%	98%
Brokerage: Retail	63%	47%
Non-U.S. offices..	$2,988,779*	$7,396,107*
Wholesale.....	12%	25%
Personal lines.....	13%	25%
Services.....	3%	NA
Invstmt. income	9%	3%
Employees.....	2,240	1,255

* Converted at applicable rates.

Founded: 1993.
Retail brokerage: 99% commissions, 1% fees.
Acquisitions: Grupo Cassab Machaen, Mexico City, June 1995.
Retail brokerage offices: Ciudad Cuernavaca, Mexico.
Licensed excess/surplus broker in: Mexico.
Officers: Alfonso Cassab, general manager; Jose A. Serrano, marketing director; Alfonso Victoria Soto, director-operations; Eduardo Cassab Machaen, director-customer service.
Contact: Eduardo Cassab Machaen, 525-254-8221.

Cassady Neeser & Brasseur

P.O. Box 778, 340 Columbia Place, South Bend, Ind. 46624; 219-233-9443; fax: 219-289-9504

	1995	1994
Premium volume.....	$30,000,000	$27,000,000
Gross revenues.....	$3,440,000	$3,267,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$2,924,000	$2,776,950
Personal lines.....	10%	10%
Services.....	5%	5%
Employees.....	36	35
Offices.....	2	2

Founded: 1936.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 10% of revenues.
Retail brokerage offices: Cassady Neeser & Brasseur Corp., Oakbrook Terrace, Ill.
Licensed excess/surplus broker in: Indiana.
Officers: Robert O. Neeser, William Reynolds, Jack Sukup, Greg L. Brasseur, Thomas R. Cassady Jr., partners.
Contact: Jack Sukup.

CECAR

75 Rue de Tocqueville, Paris, 75017 France; 44-15-55-00; fax: 44-15-55-05

Officers: Andre Carle, president-Conseil de Surveillance; Philippe Carle, co-president; Philippe Faure, co-president; Jean-Pierre Gay, secretary general.
Contact: Andre Melly, director-strategic studies and communications.
See profile on page 69.
See geographical listing on page 92.

Century Financial Services

Century Financial Plaza, 185 N.W. Spanish River Blvd., Suite 170, Boca Raton, Fla. 33431; 561-362-0111; fax: 561-362-0133

	1995*	1994*
Premium volume.....	$29,900,000	$27,600,000
Gross revenues.....	$4,500,000	$4,200,000
U.S. clients	98%	98%
Non-U.S. clients..	2%	2%
Brokerage: Retail	62%	58%
U.S. offices	$2,790,000	$2,436,000
Wholesale.....	5%	5%
Personal lines.....	15%	18%
Services.....	17%	18%
Invstmt. income	1%	1%
Employees.....	40	38
Offices.....	1	1

* Fiscal year ending 10/31/95 and 10/31/94.

Founded: 1983.
Retail brokerage: 91% commissions, 9% fees.
Employee benefits: 21% of revenues.
Acquisitions: Donald A. Chinni Insurance Management, Boca Raton, Fla., 1995.
Licensed excess/surplus broker in: Florida.
Officers: Ronald Reshefsky, president; Gary H. Morris, Richard J. Leonard, senior vps; Ellen R. Segal, secretary.
Contact: Ronald Reshefsky.

Clair Odell Group

120 W. Germantown Pike, Plymouth Meeting, Pa. 19462; 610-825-5555; fax: 610-828-3349

	1995	1994
Premium volume.....	$81,295,968	$74,643,160
Gross revenues.....	$10,138,466	$9,291,998
U.S. clients	100%	100%
Brokerage: Retail	90.9%	91.3%
U.S. offices	$9,215,865	$8,483,594
Personal lines.....	4.4%	5.1%
Invstmt. income	4.7%	3.6%
Employees.....	91	86
Offices.....	1	1

Founded: 1932.
Retail brokerage: 84.5% commissions, 15.5% 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.

Commercial Insurance Services Inc.

P.O. Box 26227, 909 S. Meridian, Suite 608, Oklahoma City, Okla. 73126-0227; 405-947-7660; fax: 405-942-5840

	1995	1994
Premium volume.....	$26,198,243	$21,903,278
Gross revenues.....	$2,814,668	$2,368,762
U.S. clients	100%	100%
Brokerage: Retail	92.7%	92.6%
U.S. offices	$2,609,197	$2,193,474
Personal lines.....	1.2%	1.5%
Services.....	1.1%	3.3%
Invstmt. income	5.0%	2.6%
Employees.....	27	21
Offices.....	3	2

Founded: 1977.
Retail brokerage: 95.4% commissions, 4.6% fees.
Retail brokerage offices: DeLand, Fla.; Tulsa, Okla.; Smyrna, Tenn.
Officers: John G. Sullivan, chairman; W. Wesley Carroll, president; Brian G. Sullivan, executive vp/CFO; Wayne M. Osmond, Tyrone D. Smith, vps.
Contact: W. Wesley Carroll.

Companias De Lima S.A.

Avenida el Dorado 69 A-51, Bogota, Colombia; 571-412-41-11; fax: 571-410-94-51

	1995	1994
Premium volume.....	$195,984,859*	$174,171,600*
Gross revenues.....	$25,341,569*	$22,920,000*
Non-U.S. clients..	100%	100%
Brokerage: Retail	93%	94%
Non-U.S. offices..	$23,567,658*	$21,544,800*
Personal lines.....	4%	3%
Invstmt. income	3%	3%
Employees.....	615	573
Offices.....	10	10

* Converted at applicable exchange rates.

Founded: 1953.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 5% of revenues.
Retail brokerage offices: Armenia, Barranquilla, Bucaramanga, Cali, Cartagena, Ibague, Manizales, Medellin and Pereira, Colombia.
Non-retail brokerage subsidiaries: Ancor, Bogota, Colombia; Consultores de Proteccion, Bogota, Colombia.
Officers: Ernesto DeLima, chairman; Jorge Alberto Uribe, president; Pedro Piedrahita, financial vp; Federico Moreno, commercial vp; Terry Factor, international manager.
Contact: Jorge Alberto Uribe or Terry Factor.

Conseco Risk Management Inc.

111 Congressional Blvd., Carmel, Ind. 46032; 317-817-5000; fax: 317-817-5151

	1995	1994
Premium volume.....	$22,000,000	$19,000,000
Gross revenues.....	$3,000,000	$2,300,000
U.S. clients	100%	100%
Brokerage: Retail	84%	85%
U.S. offices	$2,520,000	$1,955,000
Personal lines.....	10%	10%
Services.....	4%	2%
Invstmt. income	2%	3%
Employees.....	105	26
Offices.....	5	1

Founded: 1989.
Parent: Conseco Inc.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 6% of revenues.
Acquisitions: Wells & Co., Indianapolis, January 1996 for total annualized revenues of $10.8 million.
Retail brokerage offices: Bloomington, Evansville and Indianapolis, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: Donald Collins, president; W. Michael Wells, executive vp; Dan Power, Cindy Stellhorn, Paul Cardamon, Mike Deer, Mark Dilts, Joe Dial, Keith Phelps, vps.
Contact: Donald M. Collins.

Charles L. Crane Agency Co.

100 S. Fourth St., St. Louis, Mo. 63102; 314-241-8700; fax: 314-444-4970

	1995	1994
Premium volume.....	$82,870,992	$81,727,000
Gross revenues.....	$10,145,673	$9,661,000
U.S. clients	100%	100%
Brokerage: Retail	82.7%	81.2%
U.S. offices	$7,298,073	$7,844,732
Personal lines.....	15.2%	15.8%
Services.....	0.1%	0.8%
Invstmt. income	1.0%	1.2%
Other.....	1.0%	1.0%
Employees.....	123	127
Offices.....	2	1

Founded: 1885.
Retail brokerage: 99.9% commissions, 0.1% fees.
Employee benefits: 14% of revenues.
Licensed excess/surplus broker in: Illinois, Missouri.
Officers: Ralph Boschert, chairman; Edwin A. Lips Jr., president; Elliot Beniost, executive vp; Michael T. Reedy, treasurer; William P. Carleton, secretary.
Contact: Jerry Burnett.

Continued on next page

Continued from previous page

Frank Crystal & Co. Inc.

40 Broad St., New York, N.Y. 10004; 212-344-2444; fax: 212-952-1095

	1995	1994
Gross revenues	$40,076,200	$36,666,240
U.S. clients	100%	100%
Brokerage: Retail	89%	88%
U.S. offices	$35,667,818	$32,266,291
Personal lines	7%	7%
Services	4%	5%
Employees	215	205
Offices	5	4

Founded: 1933.

Retail brokerage: 98% commissions, 2% fees.

Retail brokerage offices: Frank Crystal & Co. Inc.: Lenexa, Kansas; New York. 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; Richard Fuhrman, Mark Freitas, Vincent Gandolfo, senior vps.

Contact: James W. Crystal.

Cumbre Inc.

1126 W. Foothill Blvd., Suite 100, Upland, Calif. 91786; 909-981-2116; fax: 909-949-6116

	1995	1994
Premium volume	$22,000,000	$20,000,000
Gross revenues	$22,000,000	$20,000,000
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$22,000,000	$20,000,000
Employees	20	20
Offices	1	2

Founded: 1984.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 10% of revenues.

Retail brokerage offices: Upland, Calif.

Officers: James A. Contreras, CEO; Ray Medina, president; Tony Contreras, vp.

Contact: Tony Contreras.

If you wish to locate a company by state or country, refer to the geographic index following the directory listings. Locations of home offices as well as retail brokerage branch offices are included.

D

Dalton Smith Macnaughton Ltd.

25 Bruce St., P.O. Box 2007, Kitchener, Ontario N2H 6K8, Canada; 519-578-6030; fax: 519-578-0549

	1995*	1994*
Premium volume	$32,850,000**	$19,610,000**
Gross revenues	$5,475,000**	$3,330,000**
Non-U.S. clients	100%	100%
Brokerage: Retail	45.0%	45.0%
Non-U.S. offices	$2,463,750**	$1,498,500**
Wholesale	7.0%	4.0%
Personal lines	44.5%	48.5%
Invstmt. income	3.0%	2.0%
Other	0.5%	0.5%
Employees	88	86
Offices	1	1

* Fiscal years ending 10/31/95 and 10/31/94.
** Converted at applicable rates.

Founded: 1911.

Retail brokerage: 95% commissions, 5% fees.

Officers: Ronald Gordon Dalton, chairman; Ronald Scot Dalton, president; Gregory Gordon Dalton, executive vp; Stephen John Hicksor., vp-finance; Tracey Patricia Dalton, vp-marine; Timothy Pawlowski, vp-sales.

Contact: Steve Hickson.

The Daniel & Henry Co.

2350 Market St., Suite 400, St. Louis, Mo. 63103; 314-421-1525; fax: 314-444-1900

	1995	1994
Premium volume	$132,000,000	$119,000,000
Gross revenues	$15,387,000	$14,144,000
U.S. clients	100%	100%
Brokerage: Retail	82.4%	85.0%
U.S. offices	$12,679,000	$12,022,000
Personal lines	14.0%	11.3%
Services	0.2%	0.2%
Invstmt. income	2.0%	1.3%
Other	1.4%	2.2%
Employees	178	168
Offices	1	1

Founded: 1921.

Retail brokerage: 93.5% commissions, 6.5% fees.

Employee benefits: 10% of revenues.

Licensed excess/surplus broker in: Missouri.

Officers: Charles S. Drew Jr., chairman/president; Michael W. Cremins, COO/executive vp; M. Henry Johnson, executive vp; John S. Childress, executive vp; 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

	1995	1994
Premium volume	$86,000,000	$80,000,000
Gross revenues	$10,292,700	$10,464,000
U.S. clients	100%	100%
Brokerage: Retail	84%	87%
U.S. offices	$8,645,868	$9,104,000
Personal lines	14%	12%
Services	1%	NA
Invstmt. income	1%	1%
Employees	96	103
Offices	3	3

Founded: 1975.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 12% of revenues.

Acquisitions: Insurance Resources Inc., Indianapolis, March 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, controller.

Dann Brothers Inc.

650 Dundee Road, Northbrook, Ill. 60062; 847-509-3600; fax: 847-509-3601

	1995	1994
Gross revenues	$10,951,000	$10,668,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$9,855,900	$9,601,200
Personal lines	4%	4%
Services	3%	1%
Invstmt. income	2%	2%
Other	1%	4%
Employees	104	92
Offices	3	2

Founded: 1948.

Retail brokerage: 91% commissions, 9% fees.

Employee benefits: 12% of revenues.

Acquisitions: Rose-Tillman, Edwardsville, Ill., November 1995; Rose-Tillman, Gurnee, Ill., November 1995.

Retail brokerage offices: Edwardsville and Highland Park, Ill.

Licensed excess/surplus broker in: Illinois.

Officers: Scott Dann, president/director; Russell Dann, CEO/director; Marvin Rotstein, executive vp/director; Julie Dann, executive vp/director.

Contact: Scott Dann.

Davis Baldwin Inc.

P.O. Box 25277, Tampa, Fla. 33622; 813-287-1936; fax: 813-286-7164

	1995	1994
Premium volume	$105,000,000	$70,021,660
Gross revenues	$9,458,283	$7,939,141
U.S. clients	100%	100%
Brokerage: Retail	92.5%	92.6%
U.S. offices	$8,748,911	$7,351,645
Personal lines	4.0%	4.3%
Services	1.5%	NA
Invstmt. income	2.0%	2.1%
Other	NA	1.0%
Employees	76	64
Offices	1	1

Founded: 1936.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 10.3% of revenues.

Licensed excess/surplus broker in: Florida.

Officers: Chuck Davis, chairman/CEO; Lowry Baldwin, president; John I. Baldwin, executive vp; Jack Neu, senior vp; Marybeth McNinch, COO.

Contact: Chuck Davis.

J. Rolfe Davis Insurance Agency Inc.

11 S. Bumby Ave., Orlando, Fla. 32803; 407-896-0550; fax: 407-896-6926

	1995*	1994*
Premium volume	$45,000,000	$40,000,000
Gross revenues	$7,000,000	$6,705,000
U.S. clients	100%	100%
Brokerage: Retail	85.5%	86%
U.S. offices	$5,985,000	$5,766,300
Personal lines	12.0%	12%
Services	1%	1.0%
Invstmt. income	1.5%	1%
Employees	64	62
Offices	2	2

* Fiscal years ending 9/30/95 and 9/30/94.

Founded: 1942.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 26% of revenues.

Retail brokerage offices: Longwood, Fla.

Licensed excess/surplus broker in: Florida.

Officers: Marion Hatcher, chairman; F. David McKinney, president/CEO; L. Kipp Minter, C.D. McBryde, Donald B. Boone, senior vps; Mike Hatcher vp.

Contact: John F. Watson Jr., senior vp.

Debis Assekuranz Vermittlungs GmbH

Epplestr 225, Stuttgart 70567, Germany; 49-711-17-92512; fax: 49-711-17-94373

	1995	1994
Premium volume	$609,354,000*	$442,904,000*
Gross revenues	$66,310,000*	$46,816,000*
U.S. clients	0.6%	0.7%
Non-U.S. clients	99.4%	99.3%
Brokerage: Retail	77%	77%
U.S. offices	$418,800*	$369,600*
Non-U.S. offices	$51,303,000*	$35,666,400*
Reinsurance	1%	NA
Personal lines	22%	23%
Employees	445	353
Offices	24	22

* Converted at applicable exchange rates.

Founded: 1990.

Parent: Daimler-Benz-Group.

Retail brokerage: 100% commissions.

Employee benefits: 0.7% of revenues.

Acquisitions: IHA, Koblenz, Germany, December 1995.

Retail brokerage offices: Norwalk, Conn.; Berlin, Germany; Bremen, Germany; Fellbach, Germany; Frankfurt/Main, Germany; Hannover, Germany; Hamburg, Germany; Manching, Germany; Immenstaad, Germany; Leipzig, Germany; Mulheim, Germany; Munich, Germany; Nurnberg, Germany; Ottobrun, Germany; Schortens, Germany; Stuttgart, Germany; Unterfohring, Germany; WeBling, Germany; Rome; Tokyo; Singapore; Debis Risk Consult GmbH: Berlin and Frankfurt/Main, Germany. Theoreme S.A., Paris.

Officers: Henner D. Gottschling, chairman; Dieter Beck, Hadubrand Jungklaus, Lothar Schwarz, Egon Schubert, members-board of management.

Diversified Insurance Brokers

136 E. South Temple, 23rd Floor, University Club Building, Salt Lake City, Utah 84111; 801-325-5000; fax: 801-532-2804

	1995	1994
Premium volume	$26,000,000	$24,000,000
Gross revenues	$5,000,000	$4,400,000
U.S. clients	100%	100%
Brokerage: Retail	44%	43%
U.S. offices	$2,200,000	$1,892,000
Wholesale	1%	1%
Services	54%	55%
Invstmt. income	1%	1%
Employees	53	50
Offices	2	1

Founded: 1963.

Retail brokerage: 90% commissions, 10% fees.

Retail brokerage offices: Phoenix.

Non-retail brokerage subsidiaries: Pinnacle Risk Management Services Inc.: Phoenix; Santa Ana, Calif.; Boise, Idaho; Las Vegas; Albuquerque, N.M.; Portland, Ore.

Licensed excess/surplus broker in: Utah.

Officers: Kenneth F. Palmer Jr., president; Reed M. Jenkins, Timothy P. Foley, Lawrence Hart, senior vps.

Contact: Kenneth F. Palmer Jr.

Robert F. Driver Co. Inc.

1620 Fifth Ave., San Diego, Calif. 92101; 619-238-1828; fax: 619-699-1327

	1995*	1994*
Premium volume	$283,000,000	$292,000,000
Gross revenues	$27,600,000	$26,000,000
U.S. clients	100%	100%
Brokerage: Retail	91%	91%
U.S. offices	$25,116,000	$23,660,000
Wholesale	2%	2%
Personal lines	3%	3%
Invstmt. income	2%	1%
Other	2%	3%
Employees	210	208

* Fiscal years ending 7/31/95 and 7/31/94.

Founded: 1925.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 21% of revenues.

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; Robert H. Campbell, executive vp/COO; Roger G. Combe, executive vp/director-property/casualty division; W. Sonny Lofbom, vp/treasurer/CFO/chief information officer; Andrea M. Calabrese, secretary.

Contact: Robert H. Campbell, 619-699-1382.

Continued on next page

ARMed for Success



Steve Wilder and Bill Fairbanks say the ARM designation has provided a sound foundation for their risk management thinking, a strong technical knowledge base, and professional credibility.

Steve Wilder, ARM, Vice President of Risk Management, The Walt Disney Company, and 1st Vice President, RIMS (right), and Bill Fairbanks, CPCU, ARM, Senior Vice President/Special Risk Strategist, Sedgwick James.

Steve Wilder, ARM, a corporate risk manager, and Bill Fairbanks, CPCU, ARM, a risk management adviser, speak the same language. They share the knowledge of risk control and risk financing provided by the Associate in Risk Management (ARM) program. In business today, forming partnerships is a key competitive strategy. The Institutes and the Risk and Insurance Management Society (RIMS) formed an educational partnership in the 1970s that resulted in the creation of the ARM program. The ARM designation is now one of the most highly respected credentials in risk management. Prepare yourself to form valuable business partnerships—and to advance your career—by earning the ARM designation. You'll be ARMed for success.

AICPCU IIA

AMERICAN INSTITUTE FOR CPCU
INSURANCE INSTITUTE OF AMERICA

720 Providence Road • P.O. Box 3016 • Malvern, PA 19355-0716
Phone: (800) 644-2101 • Fax: (610) 640-9576

Continued from previous page

E

James Econn & Co.

445 S. Figueroa St., 36th Floor, Los Angeles, Calif. 90071; 213-629-3131; fax: 213-629-4440

	1995	1994
Premium volume	$41,672,412	$47,577,587
Gross revenues	$5,207,429	$5,388,532
U.S. clients	100%	100%
Brokerage: Retail	92%	92%
U.S. offices	$4,790,835	$4,957,449
Personal lines	4%	4%
Invstmt. income	4%	4%
Employees	39	43
Offices	1	1

Founded: 1919.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 6% of revenues.
Officers: James Econn, Brett Borisoff, Donald Killian, Greg Econn, directors.
Contact: Brett Borisoff.

Eifert, French & Ketchum

330 Fifth Ave., Pelham, N.Y. 10803; 914-738-4011; fax: 914-738-4303

	1995	1994
Premium volume	$34,181,880	$33,200,000
Gross revenues	$4,785,261	$4,516,485
U.S. clients	100%	100%
Brokerage: Retail	52%*	51%*
U.S. offices	$2,483,369	$2,312,769
Wholesale	7%	7%
Personal lines	29%	30%
Invstmt. income	4%	4%
Other	8%	8%
Employees	47	50
Offices	2	2

* Service fees included in retail brokerage revenues.

Founded: 1933.
Parent: Eifert, French & Co. Inc.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5.5% of revenues.
Acquisitions: R.P. Scaretta, Yonkers, N.Y., January 1995.
Retail brokerage offices: Tenafly, N.J.
Officers: Donald A. Eifert, president; Robert G. Eifert, secretary; James B. Gilman, executive vp; Charles S. McAllister, F.P. Tobin, vps.
Contact: Philip Eifert, vp.

Employee Benefit Specialists Inc.

9351 Grant St., Suite 300, P.O. Box 29999, Denver, Colo. 80229; 303-280-1215; fax: 303-280-1821

	1995*	1994*
Premium volume	$40,000,000	$36,000,000
Gross revenues	$2,010,538	$1,808,580
U.S. clients	100%	100%
Brokerage: Retail	64%	63.0%
U.S. offices	$1,286,744	$1,139,405
Reinsurance	24%	26.0%
Services	11%	10.5%
Other	1%	0.5%
Employees	24	23
Offices	2	1

* Fiscal years ending 3/31/96 and 3/31/95.

Founded: 1976.
Retail brokerage: 73% commissions, 27% fees.
Employee benefits: 100% of revenues.
Retail brokerage offices: Employee Benefit Specialists Insurance Brokerage Inc., Springville, Utah.
Licensed excess/surplus broker in: Colorado.
Officers: Alan M. Curtis, president; Lynn M. Dobbs, senior vp; Darrel G. Hall, Karen Biddle, Stan W. Bell, vps.
Contact: Alan Curtis.

Euclid Insurance Agencies Inc.

977 Oaklawn Ave., Suite 300, Elmhurst, Ill. 60126; 708-833-1000; fax: 708-833-1747

	1995	1994
Premium volume	$50,000,000	$49,000,000
Gross revenues	$7,400,000	$7,265,548
U.S. clients	100%	100%
Brokerage: Retail	69%	70%
U.S. offices	$5,106,000	$5,085,883
Wholesale	26%	26%
Personal lines	2%	3%
Invstmt. income	3%	1%
Employees	74	72
Offices	1	1

Founded: 1952.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 25% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Peter G. Colis, president; John N. Colis, executive vp; Karen Knippen, vp; Robert C. Cavallo, divisional president; Karen Skrzypczynski, controller.
Contact: John N. Colis.

F

Falkins Insurance Group Ltd.

911 Baker St., Cranbrook, British Columbia V1C 1A4, Canada; 604-426-2205; fax: 604-426-7499

	1995*	1994*
Premium volume	$18,000,000**	$16,500,000**
Gross revenues	$2,000,000**	$1,750,000**
Non-U.S. clients	100%	100%
Brokerage: Retail	57.5%	55%
Non-U.S. offices	$1,150,000**	$962,500**
Personal lines	42.5%	45%
Employees	23	23
Offices	5	5

*Converted at applicable rate
* **Fiscal years ending 7/31/95 and 7/31/94.*

Founded: 1897.
Retail brokerage: 100% commissions.
Retail brokerage offices: Cranbrook (Tamarack Shopping Centre), Elkford, Fernie and Sparwood, British Columbia.
Officers: Simon N. Murphy, president; Sandra L. Westover, secretary/treasurer; Robert McGill.
Contact: Simon N. Murphy.

Financial Guardian of Texas Inc.

13101 Northwest Freeway, Suite 220, Houston, Texas 77040; 713-939-9898; fax: 713-939-7416

	1995	1994
Premium volume	$39,000,000	$40,000,000
Gross revenues	$4,500,000	$4,100,000
U.S. clients	100%	100%
Brokerage: Retail	91%	95%
U.S. offices	$4,095,000	$3,895,000
Personal lines	7%	3%
Invstmt. income	2%	2%
Employees	48	45
Offices	2	1

Founded: 1967.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 4% of revenues.
Retail brokerage offices: Conroe, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Robert G. Cox, chairman; Ronald L. Rudloff, president.
Contact: Ronald L. Rudloff.

Financial Independence Co.

21700 Oxnard St., Suite 1040, Woodland Hills, Calif. 91367; 818-592-0205; fax: 818-592-6345

	1995	1994
Premium volume	$30,000,000*	$21,000,000*
Gross revenues	$1,000,000	$700,000
U.S. clients	100%	100%
Brokerage: Retail	95%	95%
U.S. offices	$950,000	$665,000
Wholesale	5%	5%
Employees	2	1

* Estimate.

Founded: 1984.
Retail brokerage: 100% commissions.
Employee benefits: 11% of revenues.
Retail brokerage offices: Phoenix.
Officers: Sheila Hartman, president.
Contact: Sheila Hartman or Ralph McMillan.

First Chicago NBD

900 Tower Drive, Suite 600, Troy, Mich. 48098; 810-828-6871; fax: 810-879-5230

	1995	1994
Premium volume	$102,342,145	$95,967,206
Gross revenues	$19,387,127	$17,400,897
U.S. clients	100%	100%
Brokerage: Retail	48%	54%
U.S. offices	$9,291,583	$9,335,151
Personal lines	41%	35%
Services	10%	10%
Invstmt. income	1%	1%
Employees	170	176
Offices	6	6

Founded: 1910.
Retail brokerage: 100% commissions.
Employee benefits: 24% of revenues.
Retail brokerage offices: Deer Insurance Services, Fox River Grove, Ill.; NBD Insurance Co. Phoenix; NBD Insurance, Elkhart, Indianapolis and Jeffersonville, Ind.; NBD Insurance Agency, Troy, Mich.; Seed-Robers Agency, Birmingham, Mich.
Non-retail brokerage subsidiaries: Pyramid Benefit Services, Mishawaka, Ind.
Licensed excess/surplus broker in: Indiana, Michigan.
Officers: Webb F. Martin, senior vp; Donald R. Anderson, director-insurance services (Indiana); William E. Roberts Sr., director-insurance services (Michigan); David Miller, acting director-insurance services (Illinois); Russel C. Browne, director-direct sales programs; Ronald C. Braun, director-life insurance/financial planning.
Contact: Webb F. Martin.

Fitzgerald, Clayton, James & Kasten Inc.

735 N. Water St., Suite 1328, Milwaukee, Wis. 53202-4117; 414-271-3717; fax: 414-271-2935

	1995	1994
Premium volume	$25,000,000	$21,000,000
Gross revenues	$3,124,913	$2,259,219
U.S. clients	100%	100%
Brokerage: Retail	81.0%	87.1%
U.S. offices	$2,531,180	$1,967,780
Wholesale	7.7%	1.5%
Personal lines	7.9%	9.0%
Invstmt. income	3.4%	2.4%
Employees	32	32
Offices	1	1

Founded: 1850.
Retail brokerage: 99.6% commissions, 0.4% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: Wisconsin.

Continued on next page

LINDSEY MORDEN IS YOUR NEXUS TO FUTURISTIC CLAIMS SERVICE



Because of the rapid growth and fast pace of world commerce, Lindsey Morden works ceaselessly to meet the changing claim service needs of our clients. This goal can only be accomplished through a total commitment to research, development and implementation of new ideas and products.

INTERNATIONAL NETWORK

We've watched the evolution of transportation and communication and their effect in making the world smaller. So, we understand the need for international capabilities to address the future claim service needs of our clients. As a result, Lindsey Morden, in conjunction with Cunningham Lindsey, now offers a worldwide array of claim services, including those required for risk management programs.

INNOVATIVE PRODUCTS

Lindsey Morden continues to develop and integrate new innovations into our products. Technological advances such as computerized damage assessment, report dictation/transcription, imaging, electronic data transmission and telecommunications are rapidly becoming applicable and adaptable innovations for tomorrow. New methods of fraud detection, early return-to-work programs, medical case management, and loss and safety procedures are also becoming a daily reality.



PARTNERSHIP WITH OUR CLIENTS

Lindsey Morden is committed to seeing the realization of the vision you hold for your company's future claim services. Upon embarking into the future, you will find a capable and willing partner when you make this journey together with Lindsey Morden. Just call or fax us and you may find that we have already ventured to where you want to go.

For more information from a representative in your area, contact: Ms. Jody Jernigan at 1-800-581-7165.

Linking You to a World of Resources℠

Lindsey Morden, P.O. Box 6030, Tyler, Texas 75711 • 903-561-6700 • Fax 903-561-7013
Lindsey Morden, 155 University Ave., Suite 600, Toronto, Ontario M5H 3N5 Canada • 416-362-6762 • Fax 416-362-8692

LINDSEY MORDEN®

Continued from previous page

Officers: Charles V. James, chairman emeritus; Todd D. James, chairman/CEO; Dale Van Dam, president/COO; Karen A. Rechlicz, vice chairman; Jeffrey A. Thiel, vice chairman.

Contact: Todd A. James.

Forbes Financial Services Group (Pty.) Ltd.

25 Sauer St. Extension, Johannesburg, 2000 South Africa; 27-11-637-2999; fax: 27-11-637-2166

Officers: Paul L. Heinamann, chairman/chief executive; David J. Bergman, financial director; Mike R. Hofmeyr, MD-Price Forbes; Graeme W. Kerrigan, Joint MD-Alexander Forbes; Leon D. Lewis, Joint MD-Alexander Forbes.

Contact: Short-term insurance: D.R. Buchanan, director-Price Forbes (Pty.) Ltd., 27-11-637-3162; employee benefits: M.C. Harding, director-Alexander Forbes Consultants & Actuaries, 27-11-269-0157; risk control: F.D. Butler, managing director-CRM International, 27-11-322-8000; risk finance: L. Ferreira, managing director-Integrated Risk Consultants (Pty.) Ltd., 27-11-832-3511 or A.C. Valsamakis, IRC International, 44-171-497-5220; group/general: J.N. Foot, director-Forbes Financial Services Group, 27-11-637-2999.

See profile on page 60.
See geographical listing on page 92.

Forrest Sherer Inc.

24 N. Sixth St., P.O. Box 900, Terre Haute, Ind. 47808; 812-232-0441; fax: 812-232-1783

	1995	1994
Premium volume	**$46,795,500**	$47,850,000
Gross revenues	**$5,387,800**	$4,906,100
U.S. clients	**100%**	100%
Brokerage: Retail	**82.9%**	79.5%
U.S. offices	**$4,482,650**	$4,106,400
Wholesale	**2.4%**	5.6%
Personal lines	**9.1%**	9.8%
Services	**0.7%**	0.8%
Invstmt. income	**4.7%**	3.6%
Other	**0.2%**	0.7%
Employees	**58**	62
Offices	**2**	3

Founded: 1920.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 8.5% of revenues.
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, vps.
Contact: John W. Dinkel.

Frenkel & Co. Inc.

123 William St., New York, N.Y. 10038; 212-267-2200; fax: 212-693-0298

	1995	1994
Premium volume	**$344,700,000**	$372,600,000
Gross revenues	**$34,800,000**	$36,555,000
U.S. clients	**97%**	90%
Non-U.S. clients	**3%**	10%
Brokerage: Retail	**87%**	84%
U.S. offices	**$30,276,000**	$30,700,000
Reinsurance	**1%**	NA
Personal lines	**7%**	12%
Services	**2%**	1%
Invstmt. income	**3%**	3%
Employees	**267**	291
Offices	**4**	3

Founded: 1878.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 7% of revenues.
Retail brokerage offices: Bay Shore, N.Y.; Frenkel of California Inc., Burbank, Calif; Frenkel of New Jersey Inc., Franklin Township, N.J.
Licensed excess/surplus broker in: California, New Jersey, New York.
Officers: Alan S. Samuels, vice chairman; Robert E. Shunk, president; John F. Kelly, executive vp/COO; Raymond F. Courtien, Gerald I. Benson, executive vps.
Contact: Robert E. Shunk.

Fringe Benefits Management Co.

1720 S. Gadsden St., Tallahasse, Fla. 32301; 904-425-6200; fax: 904-425-6220

	1995	1994
Gross revenues	**$11,807,339**	$11,124,929
U.S. clients	**100%**	100%
Brokerage: Retail	**84.88%**	84.88%
U.S. offices	**$10,022,069**	$9,442,839
Services	**7.52%**	6.67%
Other	**7.60%**	8.45%
Employees	**153**	162

Founded: 1976.
Retail brokerage: 28% commissions, 72% fees.
Employee benefits: 79% of revenues.
Retail brokerage offices: Fringe Benefits Management Co. of Louisiana, New Orleans.
Non-retail brokerage subsidiaries: Vista Management Co., Tallahasse, Fla.
Officers: Michael H. Sheridan, president/CEO; Lorraine S. Ritch, senior vp-marketing; Agnes R. McMurray, executive vp-administration; Debra Tougas, senior vp/controller; William Bischoff, senior vp/corporate counsel.
Contact: Lorraine Ritch.

The agent/broker directory begins on page 71; terms and methodology are explained on page 72.

G

Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143; 708-773-3800; fax: 708-285-4000

Officers: Robert E. Gallagher, chairman; J. Patrick Gallagher Jr., president/CEO; Michael J. Cloherty, executive vp; Gary Van der Voort, vp.
Contact: Michael J. Cloherty.

See profile on page 36.
See geographical listing on page 92.

Gersten-Hillman Agency Inc.

P.O. Box 1150, 20 Anawana Lake Road, Monticello, N.Y. 12701-8150; 914-794-5544; fax: 914-794-0430

	1995*	1994*
Premium volume	**$6,500,000**	$6,500,000
Gross revenues	**$830,000**	$850,000
U.S. clients	**100%**	100%
Brokerage: Retail	**72%**	70%
U.S. offices	**$597,600**	$595,000
Wholesale	**1%**	1%
Personal lines	**25%**	27%
Invstmt. income	**1%**	1%
Other	**1%**	1%
Employees	**14**	13
Offices	**1**	1

* Fiscal years ending 10/31/95 and 10/31/94.

Founded: 1932.
Retail brokerage: 100% commissions.
Employee benefits: 1% of revenues.
Officers: Joyce A. Salimeno, secretary/treasurer/CEC; Julius Cohen, president.
Contact: Joyce A. Salimeno.

Gilbert-Magill Co.

323 W. Eighth St., Suite 800, Kansas City, Mo. 64105; 816-474-3535; fax: 816-842-5795

	1995	1994
Gross revenues	**$3,540,327**	$3,426,887
U.S. clients	**100%**	100%
Brokerage: Retail	**62%**	64%
U.S. offices	**$2,195,003**	$2,193,208
Wholesale	**7%**	8%
Personal lines	**8%**	9%
Services	**16%**	14%
Invstmt. income	**1%**	1%
Other	**6%**	4%
Employees	**47**	44
Offices	**1**	1

Founded: 1964.
Retail brokerage: 76% commissions, 24% fees.
Employee benefits: 26% of revenues.
Licensed excess/surplus broker in: Missouri.
Officers: John W. Bovard, president/CEO; Edward G. Gilbert, chairman; Joseph J. Piatczyc, executive vp; Lori Langley, senior vp/COO; James B. Koenigsdorf, vp.
Contact: Lori Langley.

The Gleason Agency Inc.

P.O. Box 8, BT Financial Plaza, Suite 204, Johnstown, Pa. 15907; 814-532-0200; fax: 814-536-7266

	1995	1994
Premium volume	**$43,600,000**	$44,110,000
Gross revenues	**$4,600,000**	$4,617,000
U.S. clients	**100%**	100%
Brokerage: Retail	**90.1%**	39.6%
U.S. offices	**$4,144,600**	$4,121,600
Personal lines	**2.1%**	2.1%
Invstmt. income	**3.5%**	3.4%
Other	**4.3%**	4.9%
Employees	**46**	46
Offices	**3**	3

Founded: 1924.
Retail brokerage: 90.8% commissions, 9.2% fees.
Retail brokerage offices: Philadelphia; Pittsburgh.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Robert A. Gleason Jr., chairman/CEO; Christopher K. Gleason, president; Michele Baker, treasurer; Tony Kamnikar, Robert Zedreck, Gregg Murawsky, Diana Reitz, vps.
Contact: Robert A. Gleason Jr.

Richard N. Goldman & Co.

1 Bush St., Ninth Floor, San Francisco, Calif. 94104; 415-981-1141; fax: 415-398-4986

	1995	1994
Gross revenues	**$10,000,000**	$9,700,000
U.S. clients	**100%**	100%
Brokerage: Retail	**87.7%**	89.5%
U.S. offices	**$8,770,000**	$8,682,000
Personal lines	**7.0%**	6.9%
Services	**1.8%**	1.0%
Invstmt. income	**3.5%**	2.6%
Employees	**70**	68
Offices	**1**	1

Founded: 1949.
Retail brokerage: 87.7% commissions, 12.3% fees.
Employee benefits: 11.5% of revenues.
Licensed excess/surplus broker in: California.
Officers: Richard N. Goldman, chairman/CEO; Stuart W. Seiler, vice chairman; John D. Goldman, president; Lawrence A. Colton, executive vp; Mary L. Arbuckle, secretary.
Contact: Lawrence A. Colton.

Gow & Hanna Inc.

100 Maiden Lane, New York, N.Y. 10038; 212-509-6100; fax: 212-509-9291

	1995	1994
Premium volume	**$98,900,000**	$99,600,000
Gross revenues	**$10,683,000**	$10,746,000
U.S. clients	**100%**	100%
Brokerage: Retail	**76%**	71.5%
U.S. offices	**$8,119,000**	$7,683,000
Wholesale	**19%**	19.0%
Services	**3%**	7.5%
Invstmt. income	**2%**	2.0%
Employees	**61**	66
Offices	**5**	5

Founded: 1986.
Parent: Gow & Hanna Group Inc.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 1% of revenues.
Retail brokerage offices: Gow & Hanna Inc. of Connecticut, Hartford, Conn.; Gow & Hanna Inc. of Texas, Houston; Gow & Hanna Inc. of Upstate New York, Buffalo, New York.; Gow & Hanna West Inc. Insurance Services, Irvine, Calif.
Licensed excess/surplus broker in: New York, Texas.
Officers: Timothy Gow, president; Thomas E. Lyng, secretary/treasurer; C. Richard Clark, president-Gow & Hanna Inc. of Texas; Woodrow Baird, president-Gow & Hanna Inc. of Connecticut.
Contact: Timothy Gow.

Grace/Mayer Insurance Agency Inc.

10050 Regency Circle, Suite 300, Omaha, Neb. 68114-3722; 402-397-5050; fax: 402-397-6675

	1995	1994
Premium volume	**$33,000,000**	$30,000,000
Gross revenues	**$3,500,000**	$3,100,000
U.S. clients	**100%**	100%
Brokerage: Retail	**78%**	78%
U.S. offices	**$2,700,000**	$2,400,000
Personal lines	**14%**	14.0%
Invstmt. income	**2%**	1.0%
Other	**6%**	7.0%
Employees	**40**	39
Offices	**1**	1

Founded: 1917.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 2% of revenues.
Licensed excess/surplus broker in: Nebraska.
Officers: Martin Lehr, chairman; Arnold Joffe, president; Gary Kaplan, John Lehr, vps.

The Graham Co.

1 Penn Square W., Philadelphia, Pa. 19102; 215-567-6300; fax: 215-567-3203

	1995	1994
Premium volume	**$90,853,000**	$82,077,000
Gross revenues	**$17,433,000**	$15,845,200
U.S. clients	**100%**	100%
Brokerage: Retail	**96%**	97%
U.S. offices	**$16,735,680**	$15,369,800
Personal lines	**1%**	1%
Invstmt. income	**3%**	2%
Employees	**119**	113
Offices	**1**	1

Founded: 1950.
Retail brokerage: 68% commissions, 32% fees.
Licensed excess/surplus broker in: Pennsylvania, New Jersey.
Officers: William A. Graham IV, president/CEO; John B. McCormick, treasurer; Margaret C. Jones, corporate secretary; Michael Tiagwad, vp-sales; Michael J. Mitchell, Harry R. Johnson, vps; Kenneth L. Ewell, vp-marketing.
Contact: Margaret C. Jones.

Gras Savoye S.A.

2-8 Rue Ancelle, 92200 Neuilly-sur-Seine, France; 331-41-43-50-00; fax: 331-41-43-55-55

Officers: Patrick Lucas, chairman/CEO; Daniel Naftalski, COO; Emmanuel Gras, COO; Jean-Herve Lorenzi, deputy operating officer.
Contact: Hubert Moreno, deputy operating officer.

See profile on page 54.
See geographical listing on page 92.

Greene-Hazel & Associates Inc.

1301 Riverplace Blvd., Suite 2300, Jacksonville, Fla. 32207; 904-398-1234; fax: 904-396-7432

	1995	1994
Premium volume	**$25,000,000**	$23,000,000
Gross revenues	**$2,500,000**	$2,250,000
U.S. clients	**100%**	100%
Brokerage: Retail	**86%**	85%
U.S. offices	**$2,150,000**	$1,912,500
Personal lines	**12%**	13%
Invstmt. income	**2%**	2%
Employees	**27**	25
Offices	**1**	1

Founded: 1984.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 20% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: Thomas A. Hazel, president; Theresa Greene-Hazel, executive vp; William R. Handaker, Timothy B. Gaskin, R.E. Livingston, vps.
Contact: Theresa Greene-Hazel.

H

The HDH Group Inc.

USX Tower, Suite 5900, Pittsburgh, Pa. 15219; 412-391-7300; fax: 412-391-7322

	1995	1994
Premium volume	**$150,000,000**	$123,000,000
Gross revenues	**$7,584,697**	$6,618,107
U.S. clients	**100%**	100%
Brokerage: Retail	**79%**	82%
U.S. offices	**$5,995,861**	$5,426,848
Wholesale	**12%**	11%
Reinsurance	**4%**	2%
Services	**2%**	2%
Invstmt. income	**2%**	2%
Other	**1%**	1%
Employees	**46**	42
Offices	**1**	1

Founded: 1982.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 42% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Bryan C. Hondru, president; Wallace Merrell, Frank Mikan, William Hartz, senior vps; Kathryn Turnbull, assistant secretary/treasurer.
Contact: Bryan C. Hondru.

H&R Phillips Inc.

The Empire State Building, 350 Fifth Ave., Suite 5400, New York, N.Y. 10118; 212-239-5353; fax: 212-239-5454

	1995	1994
Gross revenues	**$2,400,000**	$2,400,000
U.S. clients	**100%**	100%
Brokerage: Retail	**70%**	69%
U.S. offices	**$1,680,000**	$1,656,000
Personal lines	**14%**	13%
Services	**9%**	9%
Invstmt. income	**0.5%**	0.5%
Other	**6.5%**	8.5%
Employees	**23**	22
Offices	**1**	1

Founded: 1964.
Retail brokerage: 100% commissions.
Employee benefits: 51% of revenues.
Licensed excess/surplus broker in: New York.
Officers: Judith L. Robinson, president; Eli Mishanie, Carmen Barros, vps.
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; fax: 44-171-247-7373

Officers: G.F. Puttergill, chairman; S.R. Harraux, deputy chairman; Art Dixon, fi-

Continued on next page

VISION

At Crump, your needs are our vision.

We see beyond the obvious and search the entire world to serve your excess and surplus needs. Crump's worldwide access to over 100 domestic and international markets gives you that extra reach that will set you apart from your competition.

Crump is a multi-line wholesale brokerage group with over 40 years of providing the insurance industry with unparalleled service and technical expertise.

Crump!

Look to us, when you want to see the world.

• **Ambulances** • **Automobile** • **Directors & Officers** • **Employment Practices Liability**
• **Environmental Liability** • **Financial Institutions** • **Hotels & Resorts**
• **Kidnap & Ransom** • **Parking Lot/Garage & Valet Operators**
• **Property** • **Repossessed Assets** • **Umbrella & Excess Liability**

Atlanta, GA (800) 241-8870
Bellevue, WA (800) 221-9628
Boston, MA (617) 451-6880
Glendale, CA (818) 846-3644
Casselberry, FL (407) 678-4552
Chicago, IL (312) 899-1480
Dallas, TX (800) 52CRUMP
Denver, CO (303) 296-8444

Crump Group

Houston, TX (800) 835-8366
Irvine, CA (714) 753-0575
Memphis, TN (800) 26CRUMP
Nashville, TN (800) 473-2265
New York, NY (212) 312-4260
Portland, OR (503) 293-9555
San Diego, CA (619) 297-9410
San Francisco, CA (415) 391-3080

Continued from previous page
nance director; R. Haines, managing director-consulting.
Contact: G.F. Puttergill.
See profile on page 67.
See geographical listing on page 92.

Haas & Wilkerson Inc.

4300 Shawnee Mission Parkway, Shawnee Mission, Kan. 66205; 913-432-4400; fax: 913-432-6159

	1995*	1994*
Premium volume	$65,578,000	$67,600,000
Gross revenues	$10,378,000	$10,600,000
U.S. clients	99%	98%
Non-U.S. clients	1%	2%
Brokerage: Retail	93%	94%
U.S. offices	$9,651,540	$9,964,000
Wholesale	1%	1%
Personal lines	3%	3%
Services	1%	1%
Invstmt. income	1%	NA
Other	1%	1%
Employees	99	99
Offices	6	6

* Fiscal years ending 1/31/96 and 1/31/95.

Founded: 1939.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 5% of revenues.
Retail brokerage offices: Los Angeles; 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/COO; L'Mitchell Castor, CFO; Dan Allan, vp.
Contact: Frederick P. Dunn.

Cameron M. Harris & Co.

P.O. Box 220748, Charlotte, N.C. 28222; 704-366-8834; fax: 704-366-8245

	1995	1994
Premium volume	$129,706,000	$115,848,686
Gross revenues	$14,920,129	$13,392,957
U.S. clients	100%	100%
Brokerage: Retail	67.0%	66.0%
U.S. offices	$9,996,486	$8,839,352
Personal lines	12.6%	14.3%
Services	0.7%	0.8%
Invstmt. income	0.8%	0.8%
Other	18.9%	18.1%
Employees	179	156
Offices	5	5

Founded: 1979.
Parent: C.M. Harris Holding Co.
Retail brokerage: 88.6% commissions, 11.4% fees.
Employee benefits: 9.4% of revenues.
Retail brokerage offices: Boone, Greensboro, Morganton and Raleigh, N.C.
Licensed excess/surplus broker in: North Carolina.
Officers: Cameron M. Harris, president/CEO; M. Eugene Link, executive vp/COO; James F. Walker, executive vp; William A. Richard Jr., CFO/secretary/treasurer; Harold J. Wilkerson, vp.
Contact: Harold J. Wilkerson.

Hastings-Tapley Insurance Agency Inc.

271 Cambridge St., Cambridge Mass. 02141; 617-876-7510; fax: 617-876-7155

	1995*	1994*
Premium volume**	$113,452,877	$115,176,933
Gross revenues	$16,633,222	$16,355,226
U.S. clients	100%	100%
Brokerage: Retail	51.19%	51.68%
U.S. offices	$8,514,547	$8,452,381
Personal lines	18.35%	21.52%
Services	29.46%	26.00%
Invstmt. income	1.00%	0.80%
Employees	205	205
Offices	13	13

* Fiscal years ending 9/30/95 and 9/30/94.
** Does not include life and group health.

Founded: 1866.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 1% of revenues.
Retail brokerage offices: Fairfield, Conn.; Danvers, Gloucester, Ipswich, North Reading, Quincy, Saugus, Watertown, Woburn, Mass.; Albany, N.Y.; Governmental Entities Management Services Inc., Glen Allen, Va.
Non-retail brokerage subsidiaries: Hastings-Tarpley Services Inc., Cambridge, Mass.; Lane England Accociates Inc., Cambridge, Mass.; Governmental Entities Management Services Inc.: Albany, N.Y.; Glen Allen, Va.
Licensed excess/surplus broker in: Massachusetts.
Officers: Frederick J. England Jr., chairman; Marsha K. Burridge, executive vp; E. Donald Lewis, president; 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

	1995	1994
Premium volume	$266,630,637	$159,025,922
Gross revenues	$31,364,541	$24,139,002
U.S. clients	100%	100%
Brokerage: Retail	54.7%	59.4%
U.S. offices	$17,156,404	$14,338,567
Wholesale	15.7%	12.1%
Reinsurance	8.8%	5.5%
Services	17.4%	21.1%
Invstmt. income	3.4%	1.9%
Employees	158	116
Offices	7	2

Founded: 1983.
Parent: The Galtney Group Inc.
Retail brokerage: 88.3% commissions, 11.7% fees.
Employee benefits: 1.1% of revenues.
Acquisitions: Jadil Inc. Birmingham, Ala., November 1995; James & Gable Insurance Brokers Inc., San Francisco, April 1996.
Retail brokerage offices: Arlington, Va.; Healthcare Insurance Services of Louisiana Inc., Lafayette, La.; Healthcare Insurance Services of Tennessee Inc., Nashville, Tenn.; Healthcare Insurance Services of Virginia Inc., Columbia, Md.; Healthcare-West Insurance Services Inc., Alamo, Calif.; Professional Risk Management Services of Texas Inc., Houston.
Non-retail brokerage subsidiaries: Healthcare Risk Management Services Inc. (HRMS), Houston; Professional Risk Management Services Inc. (PRMS), Arlington, Va.; Western Litigation Specialists Inc. (WLSI), Houston; WorkCare Inc. (WCI), Houston; WorkCare Southeast Inc. (WCSE), Birmingham, Ala.
Licensed excess/surplus broker in: 22 states.
Officers: William F. Galtney Jr., chairman; William J. Reese, president; Phil Reischman, president (HRMS); Robert Blasio, president (WLSI); Richard Harris, president (PRMS); Michael Nadler, president (WCI).
Contact: William F. Galtney Jr.

C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH, England; 44-171-234-4000 fax: 44-171-234-4181

Officers: M.H. Kier, chairman; J.G. Mackenziegreen, chief executive; P.J Hughes, finance director; C.H. Sporborg, deputy chairman
Contact: Tim Tookey, group finance manager.
See profile on page 48.
See geographical listing on page 92.

Joseph Held Co. Inc.

Wall St. Plaza, 88 Pine St., Seventh Floor, New York, N.Y. 10005-1801; 212-732-3508; fax: 212-797-5413

	1995	1994
Premium volume	$18,750,000	$18,500,000
Gross revenues	$2,450,000	$2,400,000
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	87.0%	87.0%
U.S. offices	$2,131,500	$2,088,000
Wholesale	7.5%	7.5%
Personal lines	1.5%	1.5%
Services	1.0%	1.0%
Invstmt. income	3.0%	3.0%
Employees	8	8
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.

Henderson & Phillips Insurance

P.O. Box 3427, Norfolk, Va. 23514; 804-625-1800; fax: 804-625-4849

	1995	1994
Premium volume	$90,000,000	$85,000,000
Gross revenues	$12,682,774	$12,020,051
U.S. clients	100%	100%
Brokerage: Retail	50.5%	53.9%
U.S. offices	$6,404,801	$6,474,733
Wholesale	17.9%	14.1%
Reinsurance	2.3%	2.8%
Personal lines	19.5%	22.0%
Services	6.4%	5.9%
Invstmt. income	2.3%	1.1%
Other	1.1%	0.2%
Employees	127	120
Offices	6	5

Founded: 1896.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 5.8% of revenues.
Retail brokerage offices: Henderson & Phillips Inc., Newport News, Va.; Firestone Insurance Services, Hampton and Newport News, Va.
Non-retail brokerage subsidiaries: Overstreet & Newell Inc., Atlanta.
Licensed excess/surplus broker in: Georgia, Virginia.
Officers: George G. Phillips Jr., chairman; F. Dudley Fulton, president/CEO; Jeffrey A. Snyder, executive vp/CFO; W. Douglas Russell, executive vp; Eleanor V. Rathbun, assistant vp/secretary.
Contact: F. Dudley Fulton.

Hibbs-Hallmark & Co.

P.O. Box 8357, 501 Shelley Drive, Tyler, Texas 75711; 903-561-8484; fax: 903-581-5988

	1995	1994
Premium volume	$28,204,574	$28,122,044
Gross revenues	$10,214,055	$9,153,920
U.S. clients	100%	100%

Continued on next page

SOME RISKS CAN ONLY BE HANDLED BY AN EXPERT. THAT'S WHY YOU NEED A HORSE OF A DIFFERENT COLOR.



Sometimes inland marine and ocean marine risks demand special attention. That's when you need Wm. H. McGee & Co.

THE EXPERIENCE TO ANTICIPATE NEEDS

Because we're specialists, our underwriters have a different way of looking at things and an uncanny ability to come up with innovative solutions you don't get from your average insurance market.

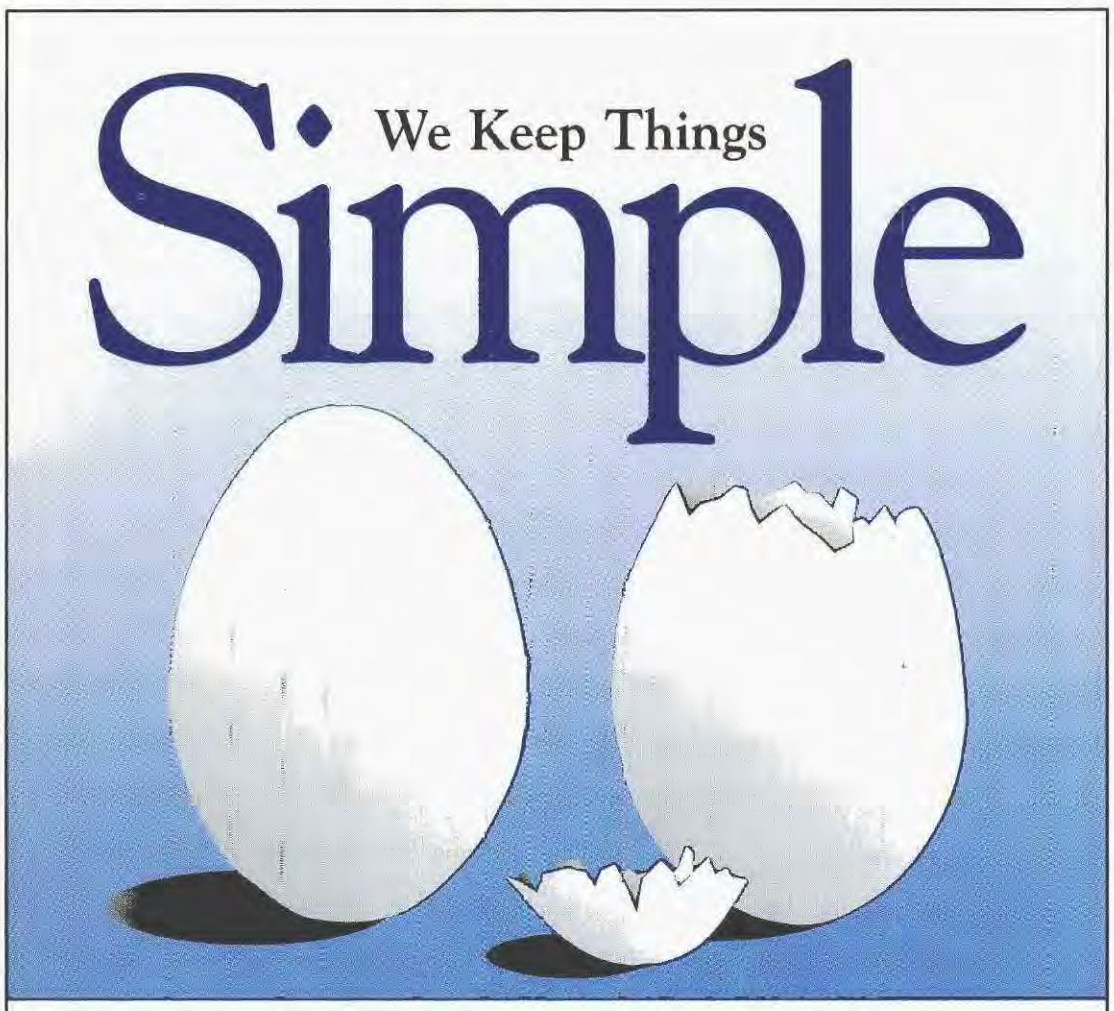
FLEXIBILITY YOU WON'T FIND JUST ANYWHERE

Take a policy we put together for a gallery specializing in Far Eastern art. We designed a single policy that combined ocean marine, inland marine and property coverages. It covered the artwork from the time it left the Far East until it arrived and was hanging at the gallery. We built in a special feature that extended coverage for the artwork if it was on loan to a museum.

So the next time you need special handling on inland marine or ocean marine coverages, don't take chances. Get a horse of a different color. And discover the difference a specialist makes. To find out more about what we can do for you, call 1-800-235-6029.

WM. H. McGEE & CO., INC.
WORLD WIDE COVERAGE · UNDERWRITING MANAGERS SINCE 1887 ®

CORPORATE HEADQUARTERS
FOUR WORLD TRADE CENTER
NEW YORK, NY 10048
1-800-235-6029
OFFICES IN THE US AND CANADA
CORRESPONDENTS THROUGHOUT THE WORLD



It's what pleases our customers most.

Visit or call any of our PFS offices nationwide and you'll meet friendly people who provide fast, hassle-free service, and always at very competitive rates.

Because we are nearby, we know your local market and have a genuine interest in your needs.

Call today for your free sales kit and quoting software, 1-800-255-6316.

Now isn't that simple?

PFS — THE BETTER WAY TO GO · BETTER FOR YOU · BETTER FOR YOUR CLIENTS

PREMIUM FINANCING SPECIALISTS

13520 Wyandotte
Kansas City, MO 64141-6090

Continued from previous page

Brokerage: Retail	28.68%	32.41%
U.S. offices	$2,929,391	$2,966,785
Reinsurance	1.71%	1.62%
Personal lines.....	3.56%	4.36%
Services.....	63.71%	59.67%
Invstmt. income	1.02%	0.83%
Other.....	1.31%	1.11%
Employees.....	101	96
Offices.....	2	2

Founded: 1930.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 7.73% of revenues.
Retail brokerage offices: Longview, Texas.
Non-retail brokerage subsidiaries: Claims Administrative Serivces Inc., Tyler, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Billy E. Hibbs, president; Barry Jones, executive vp; Billy E. Hibbs Jr., Brenda Thomas, vps; Mary H. Smith, secretary/treasurer.
Contact: Billy E. Hibbs.

Hilb, Rogal & Hamilton Co.

4235 Innslake Drive, Glen Allen, Va. 23060; 804-747-6500; fax: 804-747-6046

Officers: Robert H. Hilb, chairman/CEO; Andrew L. Rogal, president/COO; Timothy J. Korman, executive vp/CFO/treasurer; John C. Adams Jr., executive vp; Dianne F. Fox, senior vp/secretary.
Contact: Robert H. Hilb or Dianne F. Fox.
See profile on page 67.
See geographical listing on page 92.

Hirsch Wolf & Co. Inc.

1505 Coney Island Ave., Brooklyn, N.Y. 11230; 718-252-2800; fax: 718-253-9682

	1995*	1994*
Premium volume.....	$24,000,000	$20,000,000
Gross revenues.....	$2,000,000	$1,800,000
U.S. clients	100%	100%
Brokerage: Retail	79%	82%
U.S. offices	$1,580,000	$1,476,000
Personal lines.....	10%	10%
Services.....	3%	1%
Invstmt. income	8%	7%
Employees.....	25	23
Offices.....	2	1

* Fiscal years ending 6/30/95 and 6/30/94.

Founded: 1958.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues.
Non-retail brokerage subsidiaries: ARM, Passaic, N.J.
Licensed excess/surplus broker in: New York.
Officers: Hirsch Wolf, president; Lon G. Grayson, vp-operations; Raquel Wolf, Gershon Ginsberg, vps-sales.
Contact: Lon G. Grayson.

The Hirshorn Co.

14 E. Highland Ave., Philadelphia, Pa. 19118; 215-242-8200; fax: 215-247-6366

	1995*	1994*
Premium volume.....	$12,000,000	$12,000,000
Gross revenues.....	$1,664,211	$1,534,086
U.S. clients	90%	90%
Non-U.S. clients..	10%	10%
Brokerage: Retail	79%	81%
U.S. offices	$1,314,727	$1,242,610
Personal lines.....	12%	12%
Services.....	1%	1%
Invstmt. income	6%	4%
Other.....	2%	2%
Employees.....	18	18
Offices.....	1	1

* Fiscal years ending 6/30/95 and 6/30/94.

Founded: 1931.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 2% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Ralph S. Hirshorn, chairman; B. Graeme Frazier III, vice chairman/secretary; George Connelly, president; Stephen Wetherill, Dennis Murphy, vps.
Contact: Ralph Hirshorn, 800-242-8221.

Hitachi Insurance Service Ltd.

11-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100, Japan; 813-3636-5521; fax: 813-3636-4051

	1995*	1994*
Premium volume.....	$630,987,480**	$589,093,890**
Gross revenues.....	$75,712,250**	$70,837,850**
U.S. clients	0.5%	0.5%
Non-U.S. clients..	99.5%	99.5%
Brokerage: Retail	26.4%	26.9%
Non-U.S. offices..	$19,990,530**	$19,022,350**
Reinsurance	0.1%	NA
Personal lines.....	68.3%	69.2%
Invstmt. income	1.8%	3.8%
Other.....	3.4%	0.1%
Employees.....	407	414
Offices.....	36	36

* Fiscal years ending 3/31/96 and 3/31/95.
** Converted at applicable rates.

Founded: 1949.
Parent: Hitachi Ltd.
Retail brokerage: 100% commissions.
Employee benefits: 25.2% of revenues.
Retail brokerage offices: Japan: Fukuoka, Haranomachi, Hiratsuka, Hiroshima, Hitachi, Hitachinaka, Kashiwa, Kawasaki, Kitakyushu, Kokubunji, Koriyama, Kudamatsu, Kure, Kuwana, Kyoto, Maoka, Mobara, Nagoya, Narashino, Nigata, Odate, Osaka, Sapporo, Sendai, Shimizu, Shimodate, Takamatsu, Takasaki, Tochigi, Toyama, Toyokawa, Tsuchiura, Yamanashi and Yokohama; Hitachi Family Insurance Services Ltd., Tokyo; Hitachi Medical Insurance Services Ltd., Tokyo.
Non-retail brokerage subsidiaries: Concord Enterprise Insurance Co. Ltd., Hamilton, Bermuda; Hitachi Insurance Services (Hong Kong) Ltd., Hong Kong.
Officers: Noboru Hatano, president; Hiroshi Yamamoto, senior executive managing director; Hiroshi Ishizaki, Yasuto Iikura, executive managing directors; Rikuo Takuhara, managing director.

Hobbs Group Inc.

225 Wyman St., P.O. Box 9049, Waltham, Mass. 02254-9049; 617-890-1455; fax: 617-890-0075

	1995	1994
Premium volume.....	$231,000,000	$236,000,000
Gross revenues.....	$25,700,000	$24,700,000
U.S. clients	99.0%	98.0%
Non-U.S. clients..	1.0%	2.0%
Brokerage: Retail	92.2%	93%
U.S. offices.....	$23,321,400	$22,628,100
Non-U.S. offices..	$374,000	$417,000
Reinsurance	1.0%	1.5%
Personal lines.....	2.1%	2.0%
Invstmt. income	4.3%	2.8%
Other.....	0.4%	0.4%
Employees.....	168	178
Offices.....	17	17

Founded: 1954.
Parent: Arkwright Holdings Inc.
Retail brokerage: 74% commissions, 26% fees.
Employee benefits: 1.9% of revenues.
Retail brokerage offices: Long Beach and San Mateo, Calif.; Greenwich, Conn.; Orlando, Fla.; Atlanta; Schaumburg, Ill.; Lexington, Mass.; Columbia, Md.; New York; Cleveland; Malvern, Pa.; Austin, Texas; Houston; Toronto; London.
Licensed excess/surplus broker in: Alaska, California, Massachusetts, New York.
Officers: W.G. Yancey, chairman; Thomas A. Golub, president/CEO; Daniel J. Donovan, John F. McGrath, Edward F. McNulty, executive vps.
Contact: Glenn Hetu, controller, 617-890-9300 ext. 2475.

Holman Insurance Brokers Ltd.

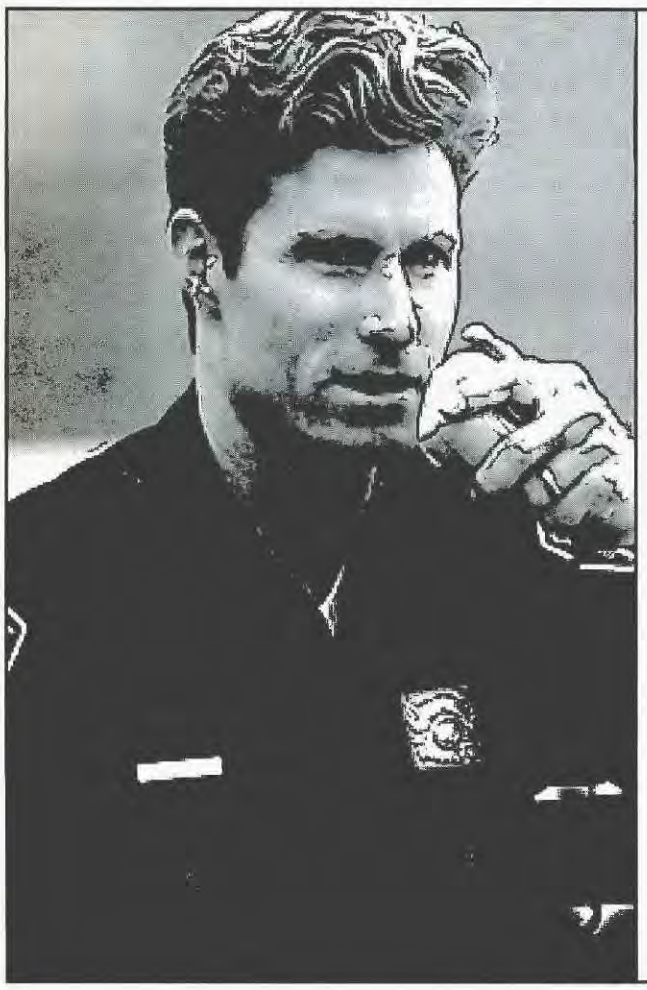
165 E. Beaver Creek Road, Richmond Hill, Ontario L3T 3A7, Canada; 905-886-5630; fax: 905-886-5622

	1995*	1994*
Premium volume.....	$21,352,434**	$19,463,991**
Gross revenues.....	$2,302,016**	$2,122,847**
U.S. clients	0.01%	0.01%
Non-U.S. clients..	99.99%	99.99%
Brokerage: Retail	41%	43%
U.S. offices	$989,880**	$955,281**
Non-U.S. offices..	$988,877**	$954,326**
Wholesale.....	2%	2%
Personal lines.....	52%	50%
Services.....	2%	2%
Invstmt. income	2%	2%
Other.....	1%	1%
Employees.....	62	60
Offices.....	1	2

* Fiscal years ending 8/31/95 and 8/31/94.
** *Converted at applicable rates.*

Founded: 1982.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 1% of revenues.
Officers: Frank T. Holman, president; Paul D. Holman, Mark A. Holman, Sylvia

Continued on next page



We were the first...

to offer tailored insurance coverages for security guard firms, investigators and licensed detectives.

In 1963, William H. Brownyard pioneered, designed and introduced these coverages. And for over 3 decades, The Brownyard Group has been the leading administrator of these coverages, including: Guard, P.I. and Fidelity Bonds; Workers Compensation; Employment Related Practices; Liability, Umbrella and Excess.

Today, Brownyard continues to be the leading provider of the coverages—all backed by insurers rated "Excellent" by A.M. Best Company, the industry's premier rating organization.

For the very best in coverages, "talk to the Brownyards." Call Bryan or Brendan Brownyard.

We're still the best!

THE BROWNYARD GROUP
21 Maple Avenue, CN9175
Bay Shore, NY 11706-9175
(800) 645-5820 • In NY (516) 666-5050 • FAX: (516) 666-5723

Continued from previous page
R. Holman, Chris Holman, vps.
Contact: David Ehrenworth, 905-886-5630 ext. 226.

Holmes, Murphy & Associates Inc.
420 Keo Way, Des Moines, Iowa 50309; 515-286-4400; fax: 515-286-4494

	1995	1994
Premium volume	$168,165,830	$153,966,441
Gross revenues	$18,890,689	$17,248,975
U.S. clients	100%	100%
Brokerage: Retail	80%	82%
U.S. offices	$15,112,551	$14,144,159
Personal lines	1%	3%
Services	11%	8%
Invstmt. income	1%	1%
Other	7%	6%
Employees	167	158
Offices	5	5

Founded: 1932.
Retail brokerage: 89% commissions, 11% fees.
Employee benefits: 31% of revenues.
Acquisitions: Insurance Designers, Bloomington, Ill., April 1995.
Retail brokerage offices: Bloomington, Ill.; Cedar Rapids and West Des Moines, Iowa; Dallas.
Licensed excess/surplus broker in: Illinois, Iowa, Texas.
Officers: J. Douglas Reichardt, chairman/CEO/director; Nickolas J. Henderson, president/COO/secretary/director; James S. Swift, senior vp/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

	1995	1994
Premium volume	$180,000,000	$150,000,000
Gross revenues	$15,100,000	$11,350,000
U.S. clients	98%	100%
Non-U.S. clients	2%	NA
Brokerage: Retail	88%	98%
U.S. offices	$13,288,000	$11,100,000
Personal lines	1%	1%
Services	10%	NA
Invstmt. income	1%	1%
Employees	150	125
Offices	5	5

Founded: 1935.
Retail brokerage: 50% commissions, 50% fees.
Employee benefits: 10% of revenues.
Retail brokerage offices: Detroit; Portland, Maine; Cleveland and Columbus, Ohio.
Non-retail brokerage subsidiaries: Hylant Administrative Services Inc., Toledo, Ohio.
Licensed excess/surplus broker.
Officers: Patrick R. Hylant, president; William F. Buckley, vp/COO; J. Scott Stewart, Kyle R. Latham, Stephen R. Hylant, vps.
Contact: Dianne Cameron.

I

ISU/Beauchamp & McSpadden Inc.
231 W. Canal St., P.O. Box 687, Wabash, Ind. 46992; 219-563-8821; fax: 219-563-7957

	1995	1994
Premium volume	$22,935,000	$23,450,000
Gross revenues	$3,094,000	$3,285,000
U.S. clients	100%	100%
Brokerage: Retail	57.6%	47.5%
U.S. offices	$1,782,100	$1,560,400
Personal lines	24.7%	26.9%
Invstmt. income	12.2%	18.2%
Other	5.5%	7.4%
Employees	45	50
Offices	4	4

Founded: 1927.
Retail brokerage: 100% commissions.
Employee benefits: 1.8% of revenues.
Retail brokerage offices: North Manchester and Warsaw, Ind.; Morrison Galliher/ISU Inc., Muncie, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: Robert W. Beauchamp., president; Joseph W. McSpadden, secretary/vp; Larry D. McSpadden, vp; Michael J. Beauchamp, treasurer/vp; Frederick H. Squires, vp.
Contact: Robert W. Beauchamp.

ISU/Corporate Insurance Management
1 Insurance Center Plaza, St. Louis, Mo. 63141; 314-434-3000; fax: 314-434-2917

	1995	1994
Premium volume	$14,785,218	$13,140,533
Gross revenues	$1,626,374	$1,400,898
U.S. clients	100%	100%
Brokerage: Retail	87%	84%
U.S. offices	$1,414,945	$1,169,417
Personal lines	11%	14%
Invstmt. income	2%	2%
Employees	15	14
Offices	1	1

Founded: 1932.
Retail brokerage: 100% commissions.
Employee benefits: 11% of revenues.
Retail brokerage offices: St. Louis.
Licensed excess/surplus broker in: Missouri.
Officers: W. Dale Finke, chairman/CEO; H.F. James, Carey M. Prewitt, vps.
Contact: W. Dale Finke.

ISU/Bob Gabriel Co.
2325 Wilshire Blvd., Santa Monica, Calif. 90403; 310-829-0305; fax: 310-453-0302

	1995	1994
Premium volume	$8,000,000	$7,560,000
Gross revenues	$1,250,000	$1,150,000
U.S. clients	100%	100%
Brokerage: Retail	45%	39%
U.S. offices	$562,500	$448,500
Personal lines	44%	50%
Invstmt. income	1%	1%
Other	10%	10%
Employees	14	13
Offices	1	1

Founded: 1936.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 6% of revenues.
Contact: Robert (Bob) M. Gabriel.

ISU/Hoffman Insurance Services
141 Linden St., Wellesley, Mass. 02181; 617-235-0087; fax: 617-235-6665

	1995*	1994*
Premium volume	$7,558,000	$7,361,000
Gross revenues	$1,177,491	$1,041,930
U.S. clients	100%	100%
Brokerage: Retail	49%	47%
U.S. offices	$576,970	$489,707
Personal lines	51%	53%
Employees	13	13
Offices	1	1

* Fiscal years ending 8/31/95 and 8/31/94.
Founded: 1957.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Massachusetts.
Officers: Robert S. Hoffman III, president; Charles L. Hoffman, treasurer.
Contact: Robert S. Hoffman III.

ISU/Insurance Services of San Francisco
100 Pine St., Suite 1700, San Francisco, Calif. 94111; 415-788-9810; fax: 415-397-5530

	1995	1994
Premium volume	$20,000,000	$20,000,000
Gross revenues	$2,700,000	$2,700,000
U.S. clients	100%	100%
Brokerage: Retail	70%	70%
U.S. offices	$1,890,000	$1,890,000
Personal lines	28%	28%
Invstmt. income	1%	1%
Other	1%	1%
Employees	27	29
Offices	1	1

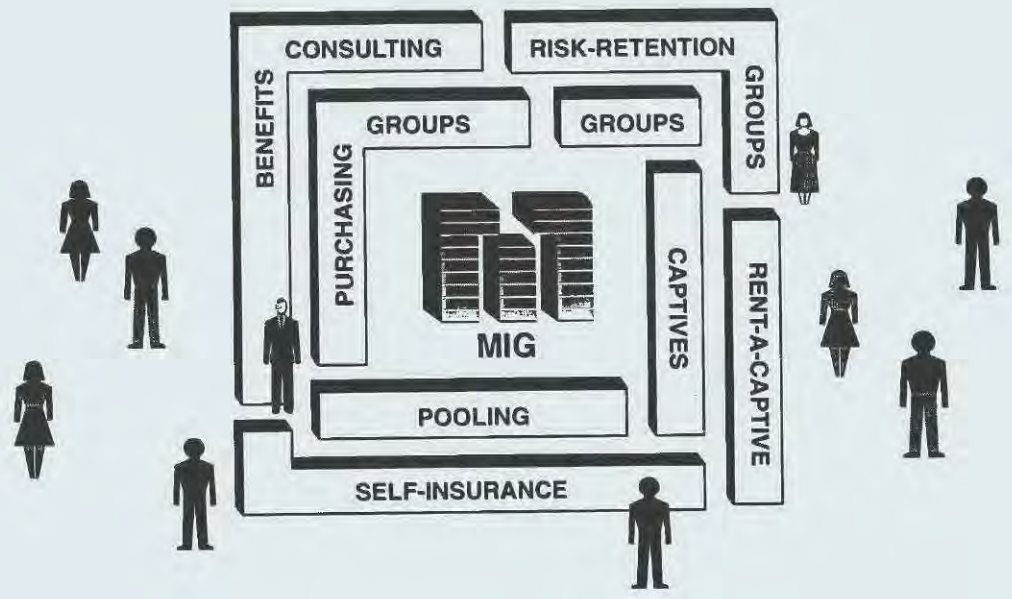
Founded: 1989.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 0.5% of revenues.
Licensed excess/surplus broker in: California.
Officers: Grace Ryan, president; Tonamy Ryan, chairman; T.J. Ryan III, executive vp.
Contact: Grace Ryan.

ISU/Massie & Beck Insurance Services
P.O. Box 1272, Lafayette, Calif. 94549; 510-283-5750; fax: 510-283-5751

	1995	1994
Premium volume	$4,670,000	$4,400,000

Continued on next page

Let Us Help You Through The Maze.



The Alternatives People.℠

It's easy to get lost in the insurance marketplace. At Meadowbrook Insurance Group, we can help you through the decision-making process on how to best serve your clients in the alternative marketplace.

At Meadowbrook Insurance Group, we are The Alternatives People who specialize in: property and casualty, benefit consulting and integrated benefit programs, including group captives, risk-retention groups, rent-a-captives, purchasing groups and other alternative risk transfer options.

We have been the unique alternative for 40 years to associations, brokers, risk consultants, all types of industry and commerce affinity groups and risk managers...almost anyone requiring special solutions to today's business challenges.

MEADOWBROOK INSURANCE GROUP

26600 Telegraph Road • Southfield, Michigan • 48034-2438

Star Insurance Company, Rated A- (Excellent) by A.M. Best,
Savers Property and Casualty Insurance Company, Rated A- (Excellent) by A.M. Best,
American Indemnity Insurance Company, Ltd.

Ask for a Meadowbrook Alternatives Representative.

1-800-482-2726

MIG
Listed
NYSE

Continued from previous page

Gross revenues	**$836,000**	$740,000
U.S. clients	**100%**	100%
Brokerage: Retail	**65.0%**	64.0%
U.S. offices	**$543,400**	$481,000
Personal lines	**34.5%**	35.5%
Invstmt. income	**0.5%**	0.5%
Employees	**8**	8
Offices	**1**	1

Founded: 1962.
Parent: Massie & Beck Insurance Brokers Inc.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 2% of revenues.
Acquisitions: E. Demonte & Co., San Francisco, July 1995.
Officers: David W. Massie, president; Karla T. 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

	1995	1994
Premium volume	**$10,429,000**	$9,981,000
Gross revenues	**$1,673,000**	$1,621,000
U.S. clients	**100%**	100%
Brokerage: Retail	**80%**	85%
U.S. offices	**$1,338,400**	$1,377,850
Personal lines	**19%**	14%
Invstmt. income	**1%**	1%
Employees	**17**	15
Offices	**1**	1

Founded: 1949.
Retail brokerage: 100% commissions.
Employee benefits: 0.1% of revenues.
Licensed excess/surplus broker in: All states.
Officers: Paul May, president; John May, secretary/treasurer.
Contact: Paul May.

ISU/Oliver & Shopen Insurance Agency

P.O. Box 2199, 6920 W. 79th St., Overland Park, Kan. 66204; 913-341-1900; fax: 913-649-4624

	1995*	1994*
Premium volume	**$11,000,000**	$10,800,000
Gross revenues	**$1,270,000**	$1,251,000
U.S. clients	**100%**	100%
Brokerage: Retail	**61.0%**	62.0%
U.S. offices	**$775,310**	$775,620
Personal lines	**38.0%**	37.0%
Services	**0.6%**	0.5%
Invstmt. income	**0.4%**	0.5%
Employees	**19**	21
Offices	**1**	1

* Fiscal years ending 4/30/95 and 4/30/94.

Founded: 1967.
Parent: Oliver Insurance Agency Inc.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 4% of revenues.
Licensed excess/surplus broker in: Kansas, Missouri.
Officers: Keith C. Oliver, president; Keith L. Oliver, chairman; Kim Acton, vp; Jear. Oliver, secretary.
Contact: Keith C. Oliver.

ISU/Stewart, Brimner & Co. Inc.

P.O. Box 5577, 3111 E. Coliseum Blvd., Fort Wayne, Ind. 46895; 219-482-6900; fax: 219-482-7305

	1995	1994
Premium volume	**$14,469,000**	$12,032,000
Gross revenues	**$2,286,000**	$1,927,000
U.S. clients	**100%**	100%
Brokerage: Retail	**83%**	83%
U.S. offices	**$1,897,380**	$1,599,410
Wholesale	**3%**	3%
Personal lines	**9%**	9%
Services	**4%**	4%
Invstmt. income	**1%**	1%
Employees	**31**	30

Founded: 1985.
Retail brokerage: 99.9% commissions, 0.1% fees.
Employee benefits: 99.9% of revenues.
Acquisitions: Haines Insurance Agency, Fort Wayne, Ind., January 1995.
Retail brokerage offices: Kendallville, Ligonier and New Haven, Ind.; Stewart, Brimmer & Steffey, Greenwood, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: Stephen E. Stewart, chairman; John H. Brimner, president.
Contact: John Brimner or Steve Stewart.

ISU/Valley Insurance Service Inc.

861 S. Oak Park Road, Covina, Calif. 91723; 818-966-3664; fax: 818-966-3995

	1995*	1994*
Premium volume	**$19,000,000**	$16,600,000
Gross revenues	**$1,900,000**	$1,600,000
U.S. clients	**100%**	100%
Brokerage: Retail	**82%**	80%
U.S. offices	**$1,558,000**	$1,230,000
Wholesale	**1%**	1%
Personal lines	**12%**	13%
Services	**2%**	3%
Invstmt. income	**3%**	3%
Employees	**21**	20
Offices	**6**	5

* Fiscal years ending 5/31/96 and 5/31/95.

Founded: 1940.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 9% of revenues.
Retail brokerage offices: Scottsdale, Ariz.; Escondido, Laguna Hills, Palm Desert and Ventura, Calif.
Officers: Harold J. Borak, president; Barbara J. Borak, owner; Candy Cole, treasurer.
Contact: Harold (Harry) J. Borak.

Insurance Benefit Consultants Inc.

5215 Old Orchard Road, Suite 850, Skokie, Ill. 60077; 847-581-9100; fax: 847-581-3115

	1995	1994
Premium volume	**$87,425,000**	$86,375,000
Gross revenues	**$3,976,452**	$3,959,776
U.S. clients	**100%**	100%
Brokerage: Retail	**86%**	84%
U.S. offices	**$3,419,749**	$3,326,212
Wholesale	**2%**	2%
Reinsurance	**7%**	8%
Personal lines	**2%**	2%
Services	**1%**	2%
Invstmt. income	**2%**	2%
Employees	**31**	36
Offices	**2**	2

Founded: 1984.
Retail brokerage: 100% commissions.
Employee benefits: 90% of revenues.
Officers: Helene C. Migala, David N. Schwimmer, Steven B. Foreman, principals.
Contact: David Schwimmer.

Insurance & Consulting Services of Greenville Inc. dba Fickling & Clement Insurance

P.O. Box 1626, 105 Arlington Blvd., Greenville, N.C. 27834; 919-756-8300; fax: 919-756-9092

	1995	1994
Premium volume	**$6,697,083**	$7,066,713
Gross revenues	**$1,068,935**	$1,098,939
U.S. clients	**100%**	100%
Brokerage: Retail	**72.4%**	72.0%
U.S. offices	**$773,909**	$791,236
Personal lines	**16.5%**	18.0%
Other	**11.1%**	10.0%
Employees	**14**	14
Offices	**1**	1

Founded: 1979.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: North Carolina.
Officers: W. Kurt Fickling, president; James E. Clement Jr., vp; Sherry B. Edwards, vp-personal lines; Sandra W. Sawyer, vp-commercial lines; Barbara D. Matthews, secretary.
Contact: Barbara D. Matthews.

Insurance Management Co.

P.O. Box 1133, 123 W. Ninth St., Erie, Pa. 16512-1133; 814-452-3200; fax: 814-454-5598

	1995*	1994*
Premium volume	**$21,388,014**	$21,339,267
Gross revenues	**$2,691,007**	$2,403,916
U.S. clients	**100%**	100%
Brokerage: Retail	**100%**	100%
U.S. offices	**$2,691,007**	$2,403,916
Employees	**31**	26
Offices	**1**	1

* Fiscal years ending 6/30/95 and 6/30/94.

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

	1995	1994
Premium volume	**$250,000,000**	$220,000,000
Gross revenues	**$20,558,536**	$18,219,610
U.S. clients	**100%**	100%
Brokerage: Retail	**93.8%**	88.2%
U.S. offices	**$19,283,906**	$16,069,696
Personal lines	**3.1%**	4.5%
Services	**0.5%**	4.2%
Invstmt. income	**2.6%**	3.1%
Employees	**228**	204
Offices	**4**	4

Founded: 1974.
Retail brokerage: 89.1% commissions, 10.9% fees.
Employee benefits: 11.1% of revenues.
Licensed excess/surplus broker in: All states.
Officers: W.C. Cohen Jr., CEO; Joe Moddrell Jr., chairman; Joseph C. Lukens, president-IMA of Wichita; Ray Merz, president-Risk Management Assn.; Robert L. Cohen, president-IMA of Colorado; Velma Pollock, president-IMA of Topeka; Mike Price, president-Entertainment & Sports Insurance Experts.
Contact: W.C. Cohen Jr.

Insurance Marketing Agencies Inc.

306 Main St., Worcester, Mass. 01608; 508-753-7233; fax: 508-754-0487

	1995*	1994*
Premium volume	**$27,000,000**	$26,000,000
Gross revenues	**$3,600,000**	$3,500,000
U.S. clients	**100%**	100%
Brokerage: Retail	**68%**	69%
U.S. offices	**$2,448,000**	$2,415,000
Personal lines	**15%**	14%
Services	**NA**	1%
Invstmt. income	**1%**	1%
Other	**16%**	15%
Employees	**41**	41
Offices	**2**	2

* Fiscal years ending 9/30/95 and 9/30/94.

Founded: 1924.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 16% of revenues.
Non-retail brokerage subsidiaries: 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 Resources Brokerage Group L.L.C.*

25 Rockwood Place, Englewood, N.J. 07631; 201-569-8090; fax: 201-569-9893

	1995	1994
Premium volume	**$36,000,000**	$28,000,000
Gross revenues	**$5,100,000**	$4,150,000
U.S. clients	**100%**	100%
Brokerage: Retail	**62%**	62%
U.S. offices	**$3,162,000**	$2,573,000
Wholesale	**1%**	1%
Personal lines	**25%**	24%
Services	**1%**	1%
Invstmt. income	**1%**	1%
Other**	**10%**	11%
Employees	**45**	45
Offices	**1**	1

** Includes life, health and group.

Founded: 1995.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues.
Non-retail brokerage subsidiaries: IRG Financial Serivces Inc., Englewood, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Jay Bergstein, CEO; Alvin Chait, chairman; Ron Bergstein, executive vp; Martin A. Lebson, Michael Bergstein, vps; Ted Kadison, president-IRG Financial Services Inc.
Contact: Martin A. Lebson.
** Merger between P.L.B. Insurance Group and Erick Courant & Co. Inc. as of 10/31/95.*

Insurance & Risk Management

P.O. Box 1705, 3811 Illinois Road, Fort Wayne, Ind. 46804; 219-436-1616; fax: 219-432-4083

	1995	1994
Premium volume	**$81,000,000**	$80,000,000
Gross revenues	**$12,810,000**	$12,231,000
U.S. clients	**100%**	100%
Brokerage: Retail	**80%**	80%
U.S. offices	**$10,248,000**	$9,784,800
Personal lines	**17%**	16%
Services	**1%**	1%
Invstmt. income	**2%**	3%
Employees	**180**	167
Offices	**6**	6

Founded: 1963.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 33% of revenues.
Retail brokerage offices: Indianapolis, Muncie and Warsaw, Ind.; Insurance & Risk Management Agencies of Ohio Inc., Defiance and Sylvania, Ohio.
Officers: Ronald J. Harruff, chairman; Bart Bircheff, COO; James Van Dyck, Duwan Tagtmeyer and Harold Everett, managing partners.
Contact: Mark A. Bienz, controller.



AT LEAST HE CAN COUNT ON HIS D&O INSURANCE

QUALITY MATTERS WHEN YOUR CLIENT IS UNDER THE GUN. That's why it makes sense to look to RLI for D&O insurance. A.M. Best rates us "A" (Excellent). Our career D&O underwriters average 12 years in the field. We are flexible enough to write admitted and non-admitted policies up to $10 million in limits and maintain rock-solid reinsurance.

Together, this all spells strength, stability, and experience. In other words, quality. If quality matters to you, call our specialists today at (619) 689-2696.

RLI

Fundamentally Innovative

J

JIB Group P.L.C.

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

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. Gribben, CEO-U.K.; R.D. Guy, CEO-Asia Pacific.
Contact: K.N. Lucas, group financial controller.
See profile on page 40.
See geographical listing on page 92.

The Jacobs Co. Inc.

8955 Guilford Road, Suite 260, Columbia, Md. 21046; 301-621-8858; fax: 410-995-6611

	1995	1994
Premium volume	**$22,030,000**	$19,850,000
Gross revenues	**$2,729,000**	$2,580,000
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**90%**	90%
U.S. offices	**$2,431,539**	$2,298,780
Non-U.S. offices	**$24,561**	$23,220
Wholesale	**1%**	1%
Personal lines	**3%**	3%
Services	**3%**	3%
Invstmt. income	**1%**	1%
Other	**2%**	2%
Employees	**21**	21
Offices	**3**	3

Founded: 1989.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: California, Mid-Atlantic states.
Officers: Frank L. Jacobs Jr., president/CEO; John L. Voigt Jr., vp.
Contact: Frank L. Jacobs Jr.

Jauch & Huebener KGaA

Katharinenstraase 10, D-20457, Hamburg, Germany; 49-40-36050; fax: 49-40-367787

Officers: Christan Dalms, Gerhard Groh, Jurgen Grupe, Frank Preuss, Volker Preuss, Jodhen Scheele, general partners.
Contact: Peter Hermes, public relations department, 49-208-307268.
See profile on page 50
See geographical listing on page 92.
Continued on next page

Continued from previous page

Johnson & Higgins

125 Broad St., New York, N.Y. 10004; 212-574-7000; fax: 212-574-7676

Officers: David A. Olsen, chairman/CEO; Richard A. Nielsen, president/COO; Norman Barham, John W. Gussenhoven, Joseph P. Platt Jr., executive vps.

Contact: Al Modugno, vp-public relations, 212-574-7031.

See profile on page 30.
See geographical listing on page 92.

Jones & Hawkins Insurance

18167 U.S. Highway 19 N., Suite 300, Clearwater, Fla. 34624; 813-535-6868; fax: 813-530-4772

	1995	1994
Premium volume	$39,800,000	$34,235,000
Gross revenues	$4,192,000	$4,093,000
U.S. clients	100%	100%
Brokerage: Retail	72.2%	71.0%
U.S. offices	$3,027,000	$2,906,000
Personal lines	5.7%	6.0%
Services	20.1%	21.1%
Invstmt. income	1.8%	1.4%
Other	0.2%	0.5%
Employees	49	20
Offices	2	2

Founded: 1980.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 33.4% of revenues.

Non-retail brokerage subsidiaries: Self-Insured Benefit Administrators Inc., Clearwater, Fla.

Licensed excess/surplus broker in: Florida.

Officers: Terrell V. Hawkins, president; Charles B. Honeywell, executive vp; Michael A. McClain, senior vp; Glenn L. Allen, CFO.

Contact: Charles B. Honeywell.

K

Kaye Group Inc.

122 E. 42nd St., New York, N.Y. 10168; 212-338-2100; fax: 212-986-2808

	1995	1994
Premium volume	$802,734,000	$859,000,000
Gross revenues	$51,375,000	$54,969,000
U.S. clients	100%	100%
Brokerage: Retail	81%	83%
U.S. offices	$41,614,000	$45,624,000
Wholesale	9%	9%
Reinsurance	2%	2%
Personal lines	4%	3%
Services	1%	1%
Invstmt. income	3%	2%
Employees	356	399
Offices	4	5

Founded: 1952.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 10% of revenues.

Retail brokerage offices: Kaye Corp. of Connecticut, Southport, Conn.; Kaye Insurance Associates Inc., 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; Lawrence Greenfield, vice chairman; Bruce D. Guthart, president/CEO; Michael P. Sabanos, CFO.

Contact: Bruce D. Guthart.

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; 310-212-3344; fax: 310-212-0354

	1995	1994
Gross revenues	$37,700,000	$35,300,000
U.S. clients	100%	100%
Brokerage: Retail	38%	36%
U.S. offices	$14,326,000	$13,767,000
Services	60%	62%
Invstmt. income	1%	1%
Other	1%	1%
Employees	373	378
Offices	9	9

Founded: 1972.

Retail brokerage: 50% commissions, 50% fees.

Employee benefits: 40% of revenues.

Retail brokerage offices: Campbell, Chico, Emeryville, Fresno, Riverside, Sacramento, San Diego, Santa Ana and Westlake Village, Calif.

Licensed excess/surplus broker in: California.

Officers: John R. Keenan, CEO; Keith R. Pippard, CFO; David J. De Wenter, executive vp/COO; Sean K. Smith, Dick Stewart, executive vps.

Contact: David J. De Wenter.

Kelter-Thorner Inc.

210 S. Woodward Ave., Suite 200, Birmingham, Mich. 48009; 810-540-3131; fax: 810-540-2002

	1995*	1994*
Premium volume	$109,500,000	$108,401,000
Gross revenues	$13,110,000	$13,008,000
U.S. clients	100%	100%
Brokerage: Retail	78.36%	83.00%
U.S. offices	$10,272,996	$10,796,640
Wholesale	7.94%	3.5%
Personal lines	8.55%	10.10%
Services	2.34%	1.2%
Invstmt. income	2.81%	2.20%
Employees	95	98
Offices	5	5

* Fiscal years ending 9/30/95 and 9/30/94.

Founded: 1930.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues.

Retail brokerage offices: Kelter-Thorner Inc. of Michigan, Birmingham, Mich.; Kelter-Thorner Inc. of New Jersey, Fords, N.J.; Kelter-Thorner Inc. of Northern California, Redwood City, Calif.; Kelter-Thorner Inc. of Southern California, 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: Michigan.

Officers: Theodore R. Keltner, chairman; Marilyn Chernoff, president; John B. Washburn, Ronald A. Young, Jeffrey G. Swarbrick, executive vps.

Contact: Lisa Arthur.

Sander A. Kessler & Associates Inc.

9570 W. Pico Blvd., Los Angeles, Calif. 90035; 310-247-3200; fax: 310-278-6396

	1995*	1994*
Premium volume	$65,000,000	$55,000,000
Gross revenues	$8,573,941	$7,417,078
U.S. clients	100%	100%
Brokerage: Retail	92.95%	93.22%
U.S. offices	$7,969,478	$6,914,200
Personal lines	4.37%	3.71%
Invstmt. income	2.68%	3.07%
Employees	77	72
Offices	1	1

* Fiscal years ending 5/31/95 and 5/31/95.

Founded: 1956.

Retail brokerage: 9.96% commissions, 90.04% fees.

Employee benefits: 10.5% of revenues.

Officers: Ron Bloom, president; Steve Kessler, secretary/treasurer; Ken Kessler, executive vp; Mel Moss, Howard Massey, senior vps.

Contact: Ron Bloom, 310-247-3216.

R.C. Knox & Co. Inc.

1 Goodwin Square, Hartford, Conn. 06103-4305; 860-524-7600; fax: 860-240-1587

	1995	1994
Premium volume	$110,000,000	$110,000,000
Gross revenues	$10,592,375	$11,097,000
U.S. clients	100%	100%
Brokerage: Retail	80%	77%
U.S. offices	$8,473,900	$8,545,000
Personal lines	11%	14%
Services	1%	1%
Invstmt. income	8%	8%
Employees	82	86
Offices	1	1

Founded: 1893.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 6% of revenues.

Licensed excess/surplus broker in: Connecticut.

Officers: Norman C. Kayser, chairman/president; John F. Byrnes, executive vp; Harold A. Smullen Jr., Timothy H. Coppage, senior vps.

Contact: Norman C. Kayser, 860-524-7601.

L

LaGere & Walkingstick Insurance Agency Inc.

P.O. Box 409, Chandler, Okla. 74834; 405-258-0804; fax: 405-258-4220

	1995	1994
Premium volume	$88,706,550	$90,403,275
Gross revenues	$8,281,924	$8,622,738
U.S. clients	100%	100%
Brokerage: Retail	41%	43%
U.S. offices	$3,395,589	$3,707,777
Wholesale	58%	56%
Invstmt. income	1%	1%
Employees	58	56
Offices	1	1

Founded: 1964.

Parent: Chandler Inc.

Retail brokerage: 94% commissions, 6% fees.

Licensed excess/surplus broker in: Oklahoma.

Continued on next page



Free your company with objective answers from Aetna Pharmacy Management.



Whether you know it or not, your pharmacy management company may be a "controlled substance," owned and controlled by a pharmaceutical company.

On the other hand, Aetna Pharmacy Management is free to provide your company with unbiased, independent solutions. As part of a diverse organization with the broadest picture of health care in the industry – encompassing medical benefits, utilization and case management, disease management and much more – Aetna Pharmacy Management bases its recommendations on delivering *total health care.*

This opens the way to more quality services, more positive clinical outcomes, more cost savings. Your employees experience a rise in quality care while you're free to enjoy lower health care costs.

For more information – with no strings attached – about how Aetna Pharmacy Management can put the benefits of independence to work for you, contact Nancy Baba, Director of Sales and Marketing at 860-636-7050.

Ætna

The more you know, the better you feel.SM

Aetna, Inc.
http://www.aetnahealth.com

Continued from previous page

Officers: William B. LaGere, chairman/CEO; Ben Walkingstick, president; Brenda Watson, Ernie Pierce, vps; Robert E. Crum, secretary.
Contact: Robert E. Crum.

Lamb, Little & Co.

5301 Keystone Court, Rolling Meadows, Ill. 60008; 847-398-7060; fax: 847-398-7077

	1995	1994
Premium volume	$42,919,985	$40,875,000
Gross revenues	$6,837,400	$6,719,000
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$5,128,050	$5,039,250
Personal lines	10%	10%
Invstmt. income	10%	8%
Other	5%	7%
Employees	79	76
Offices	2	2

Founded: 1947.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 11% of revenues.
Retail brokerage offices: Chicago.
Licensed excess/surplus broker in: Illinois.
Officers: Raymond Clancy, chairman; Frank Hoffeller, executive vp; Roy Holle, president; David Peck III, senior vp; Bruce Wahlborg, vp/treasurer; Toby Bonham, corporate vp; Thomas Brandt, Gary Johnson, Bernard Napolski, vps; Richard Rubner Jr., vp/corporate secretary.
Contact: Robert J. Power.

J. Smith Lanier & Co. Inc.

300 W. 10th St., P.O. Box 70, West Point, Ga. 31833; 706-645-2211; fax: 706-643-0606

	1995	1994
Premium volume	$132,355,000	$126,173,012
Gross revenues	$21,279,897	$20,285,900
U.S. clients	100%	100%
Brokerage: Retail	59.8%	59.1%
U.S. offices	$12,725,378	$11,988,967
Wholesale	0.5%	0.4%
Personal lines	16.3%	17.8%
Services	0.4%	1.6%
Invstmt. income	3.1%	2.2%
Other*	19.9%	18.9%
Employees	187	190
Offices	13	10

* Includes life and health commissions.

Founded: 1868.
Retail brokerage: 95.1% commissions, 4.9% fees.
Employee benefits: 15.4% of revenues.
Retail brokerage offices: Huntsville, LaFayette, Montgomery and Opelika, Ala.; Atlanta, Carrollton, Columbus, Manchester, Newnan, Tifton and West Point, Ga.; Jackson, Miss.
Licensed excess/surplus broker in: Alabama, Georgia.
Officers: J. Smith Lanier II, 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

	1995	1994
Premium volume	$74,279,616	$66,399,437
Gross revenues	$11,565,610	$9,895,599
U.S. clients	100%	100%
Brokerage: Retail	75.0%	68.5%
U.S. offices	$8,674,207	$6,778,485
Wholesale	0.5%	1.5%
Personal lines	21.9%	27.5%
Services	NA	1.0%
Invstmt. income	2.6%	1.5%
Employees	133	129
Offices	4	4

Founded: 1955.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 3.6% of revenues.
Acquisitions: Freedman-Harris Agency, Buffalo, N.Y., January 1996.
Retail brokerage offices: Genesee Agency, Batavia, N.Y.; Tradition Agency, Dunkirk, Fredonia and Jamestown, N.Y.
Officers: William J. Lawley Sr., president; William J. Lawley Jr., executive vp/secretary; Christopher D. Ross, executive vp/treasurer; Todd F. Best, executive vp; Michael R. Lawley, vp.
Contact: Mark P. Higgins, 716-849-8624.

Lawrence Agency Corp.

430 State St., Schenectady, N.Y. 12305-2394; 518-370-4900; fax: 518-346-2993

	1995	1994
Premium volume	$102,135,506	$130,546,382
Gross revenues	$17,684,083	$37,839,560
U.S. clients	100%	100%
Brokerage: Retail	29.4%	31.2%
U.S. offices	$5,205,094	$11,812 009
Wholesale	17.8%	8.4%
Personal lines	7.2%	7.4%
Services	36.2%	35.0%
Invstmt. income	1.4%	1.2%
Other	8.0%	16.8%
Employees	237	363
Offices	12	34

Founded: 1954.
Parent: Lawrence Group Inc.
Retail brokerage: 100% commissions.
Employee benefits: 30.6% of revenues.
Retail brokerage offices: Albany River Rats, Albany, N.Y.; LUC Insurance Agency of Southern California, San Diego; A.W. Lawrence & Co., Atlanta; Albany and Schenectady, N.Y.; A.W. Lawrence & Co./LHAS, Westbury, N.Y.; Lawrence Education & Government, Scottsdale, Ariz.; Albuquerque, N.M.; Glen Falls, N.Y.; Lawrence Group Inc., West Palm Beach, Fla.; New York and Schenectady, N.Y.; Lawrence Healthcare, Jamestown, N.Y.; Lawrence Healthcare Administrative Services (LHAS), Waltham, Mass.; Schenectady, N.Y.; Lawrence Risk Management, Schenectady, N.Y.; Lawrence United Corp., Rochester, N.Y.; Lawrence United Corp. of North Carolina, Greensboro, N.C.; Senate Insurance Co. Ltd., Hamilton, Bermuda; United Republic Insurance Co., Houston.
Non-retail brokerage subsidiaries: Lawrence Healthcare Administrative Services Inc., Atlanta; Schenectady and Westbury, N.Y.; Lawrence Risk Services, Schenectady, N.Y.
Licensed excess/surplus broker in: Arizona, New York, Pennsylvania.
Officers: Albert W. Lawrence, chairman; William Mather, president-LAC; Janet Lawrence, president-LHAS, Helen Whimple, president-AWL; Rancy Ezick, secretary.
Contact: William Mather, 518-38[illegible]-9000.

Lee & Hawthorne Agency

88 Pine St., New York, N.Y. 10005; 212-495-8700; fax: 212-495-8717

	1995	1994
Premium volume	$6,800,000	$5,000,000
Gross revenues	$1,700,000	$1,250,000
U.S. clients	86%	89%
Non-U.S. clients	14%	11%
Brokerage: Retail	100%	100%
U.S. offices	$1,462,000	$1,112,500
Non-U.S. offices	$238,000	$137,500
Employees	19	17
Offices	4	4

Founded: 1970.
Retail brokerage: 100% commissions.
Officers: Kenneth Lee, Robert Hawthorne, general agents; Dennis Pecoraro, vp-operations.
Contact: Dennis Pecoraro, Phillip Bray, vp-administration.

Lockton Cos.

7400 State Line Road, Prairie Village, Kan. 66208; 913-676-9000; fax: 913-676-9180

	1995	1994
Premium volume	$1,000,000,000	$775,000,000
Gross revenues	$72,050,000	$59,000,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	93%	91%
U.S. offices	$67,006,500	$53,690,000
Personal lines	1%	1%
Services	2%	3%
Invstmt. income	4%	5%
Employees	617	512
Offices	8	5

* Fiscal years ending 4/30/96 and 4/30/95.

Founded: 1966.
Retail brokerage: 70% commissions, 30% fees.
Employee benefits: 11% of revenues.
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, Tennessee, 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.

P.O. Box 7011, 850 Park Road, Wyomissing, Pa. 19610; 610-374-4040; fax: 610-374-6578

	1995	1994
Premium volume	$96,000,000	$95,000,000
Gross revenues	$11,000,000	$10 500,000
U.S. clients	99.1%	99.9%
Non-U.S. clients	0.1%	0.1%
Brokerage: Retail	55%	59%
U.S. offices	$6,050,000	$6,222,000
Wholesale	1%	1%
Reinsurance	3%	4%
Personal lines	12%	11%
Services	26%	22%
Invstmt. income	2%	2%
Other	1%	1%
Employees	138	131
Offices	4	3

Founded: 1955.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 35% of revenues.
Acquisitions: Fairfax, Va., April 1996.
Retail brokerage offices: Fort. Lauderdale, Fla.; Annapolis, Md.; Fairfax, Va.
Licensed excess/surplus broker in: Florida, Maryland, Pennsylvania, Virginia.
Officers: James R. Loomis, president/CEO; Kathy Schlegel, treasurer; Edward J. Cavanaugh, Gerald Blaum, H. Edmond Smith, vps.
Contact: James R. Loomis.

Lovitt & Touche Inc.

7202 E. Rosewood, Tucson, Ariz. 85710; 520-722-3000; fax: 520-722-7245

	1995	1994
Premium volume	$100,727,968	$93,267,000
Gross revenues	$10,134,720	$9,384,000
U.S. clients	100%	100%
Brokerage: Retail	86.5%	83.0%
U.S. offices	$8,766,533	$7,788,720
Personal lines	6.5%	7.0%
Services	6.0%	9.0%
Invstmt. income	1.0%	1.0%
Employees	108	99
Offices	4	4

Founded: 1911.
Parent: Financial Services Group Inc.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 15% of revenues.
Retail brokerage offices: Phoenix and Taylor, Ariz.; Las Vegas.
Non-retail brokerage subsidiaries: Mountain States Adjusting Agency, Phoenix, Taylor and Tucson, Ariz.; Las Vegas; 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, vp.
Contact: James R. Spring.

Lowndes Lambert Group Holdings P.L.C.

Friary Court, Crutched Friars, London EC3N 2NP, England; 44-171-560-3000; fax: 44-171-560-3502

Officers: D.B. Margrett, chief executive; W.H.G. Wilks, finance director; S.R.D. Wilson, managing director-overseas; M.A. Barnfield, chairman-U.K. non-marine division; M.J. Caley, chairman-international division; B.P. Blackshields, chairman-marine division.
Contact: D.B. Margrett.
See profile on page 63
See geographical listing on page 92.

MLW Services Inc.

100 William St., New York, N.Y. 10038; 212-797-9600; fax: 212-425-0719

	1995	1994
Premium volume	$84,000,000	$80,000,000
Gross revenues	$12,165,000	$11,129,350
U.S. clients	97%	98%
Non-U.S. clients	3%	2%
Brokerage: Retail	54%	52%
U.S. offices	$6,569,100	$5,787,260
Wholesale	41%	43%
Personal lines	2%	2%
Services	2%	2%
Invstmt. income	1%	1%
Employees	67	68
Offices	1	1

Founded: 1986.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: 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, senior vp; Bruce D. Tindal, senior vp; Catherine Pipitone, vp.
Contact: Andrew H. Marks.

Mack & Parker Inc.

55 E. Jackson Blvd., Chicago, Ill. 60604; 312-922-5000; fax: 312-922-5358

	1995	1994
Gross revenues	$9,740,000	$8,600,000
U.S. clients	100%	99%
Non-U.S. clients	NA	1%
Brokerage: Retail	79.97%	79.40%
U.S. offices	$7,780,000	$6,800,000
Reinsurance	1.00%	1.00%
Personal lines	3.70%	4.30%
Services	9.87%	10.50%
Invstmt. income	5.24%	4.80%
Other	0.22%	NA
Employees	98	86
Offices	2	2

Founded: 1935.
Retail brokerage: 83.3% commissions, 16.7% fees.
Employee benefits: 24.83% of revenues.
Non-retail brokerage subsidiaries: 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. Renainger, Robert J. Jonak, Michael J. Ahlert, vps.
Contact: Edward E. Mack III or Martin P. Hughes.

Marsh & McLennan Cos. Inc.

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

Officers: A.J.C. Smith, chairman/CEO; Gregory Van Gundy, general counsel; Frank J. Borelli, senior vp/CFO; Francis N. Bonsignore, senior vp-human resources/administration; Richard H. Blum, Marsh & McLennan Cos. Inc.
Contact: Doug Kingman Jr., 212-345-5573.
See profile on page 14.
See geographical listing on page 92.

Marshall & Sterling Enterprises Inc.

110 Main St., Poughkeepsie, N.Y. 12601; 914-454-0800; fax: 914-454-0880

	1995	1994
Premium volume	$150,000,000	$152,000,000
Gross revenues	$24,614,831	$25,150,374
U.S. clients	100%	100%
Brokerage: Retail	63%	64%
U.S. offices	$15,507,343	$16,096,239
Wholesale	2%	2%
Personal lines	28%	27%
Invstmt. income	2%	2%
Other	5%	5%
Employees	232	240
Offices	13	13

Founded: 1864.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Middletown, New Windsor, Schenectady and Syracuse, New York; St. Croix, U.S. Virgin Islands; Grossmann Insurance Agency, Cairo, Catskill, Coxsackie and Greenville, N.Y.; George T. Whalon Agency, Millbrook, N.Y.; Theodore Tunick & Co., St. Thomas, U.S. Virgin Islands.
Licensed excess/surplus broker in: New York, U.S. Virgin Islands.
Officers: John P. O'Shea, president; Michael J. McDermott, vp; 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.
Contact: John P. O'Shea.

The Mathog & Moniello Cos. Inc.

P.O. Box 650, Mariner's Point, 100 S. Shore Drive, East Haven, Conn. 06512; 203-468-3400; fax: 203-468-3494

	1995*	1994*
Premium volume	$81,368,000	$64,640,000
Gross revenues	$10,167,000	$8,508,000
U.S. clients	100%	100%
Brokerage: Retail	64%	60%
U.S. offices	$6,512,170	$5,104,800
Wholesale	1%	NA
Personal lines	6%	2%
Services	27%	35%
Other	2%	3%
Employees	90	72
Offices	2	1

* Fiscal years ending 5/31/95 and 5/31/94.

Founded: 1934.
Retail brokerage: 72% commissions, 28% fees.
Employee benefits: 2.5% of revenues.
Acquisitions: Abrahms Insurance Agency, Newington, Conn., April 1996.
Retail brokerage branches: Newington, Conn.
Licensed excess/surplus broker in: Connecticut.
Officers: James J. Moniello, president; Alan D. Mathog, Frank E. Hall, managing principals; Nicholas Zangari, vp-operations.
Contact: Alan D. Mathog.

Continued on next page



Continued from previous page

May-Davis Inc.

5227 E. Trent, P.O. Box 11589, Spokane, Wash. 99211; 509-535-8783; fax: 509-534-0318

	1995*	1994*
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%
Employees	5	6
Offices	1	1

* Fiscal years ending 6/30/96 and 6/30/95.

Founded: 1974.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues.
Officers: William H. Davis, president; William A. May, secretary.
Contact: William H. Davis.

McCay Corp.

P.O. Box 679, Routes 130 & 206, Bordentown, N.J. 08505; 609-298-5005; fax: 609-298-8177

	1995	1994
Premium volume	$75,000,000	$74,022,000
Gross revenues	$10,066,000	$9,407,022
U.S. clients	100%	100%
Brokerage: Retail	75.0%	76.2%
U.S. offices	$7,550,000	$7,168,151
Wholesale	1.0%	1.0%
Personal lines	20.0%	20.8%
Invstmt. income	1.0%	1.0%
Other	3.0%	1.0%
Employees	110	105
Offices	4	5

Founded: 1953.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 10.5% of revenues.
Retail brokerage branches: 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 D. Houlihan, president/CEO; Robert J. Petras, executive vp/secretary; Frederick O. Boysen, Michael D. Smith, Robert N. Cowan, senior vps.
Contact: Robert Petras, 609-291-5140.

McGriff, Seibels & Williams Inc.

2211 Seventh Ave. S., Birmingham, Ala. 35202; 205-252-9871; fax: 205-252-9293

	1995	1994
Premium volume	$435,850,434	$434,717,000
Gross revenues	$50,493,745	$49,743,655
U.S. clients	100%	100%
Brokerage: Retail	84%	86%
U.S. offices	$42,415,000	$42,780,000
Wholesale	8%	7%
Personal lines	1%	1%
Services	2%	1%
Invstmt. income	4%	3%
Other	1%	2%
Employees	410	424
Offices	7	7

Founded: 1886.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Birmingham and Mobile, Ala.; Orlando and Pensacola, Fla.; Atlanta; New Orleans; Houston.
Non-retail brokerage subsidiaries: Wood & Co., Atlanta.
Licensed excess/surplus broker in: Alabama, Florida, Georgia, Louisiana, Texas.
Officers: Bruce C. Dunbar Jr., chairman/CEO; Gary M. Cooney, vice chairman; William M. Whitten, Walter M. Wallace, senior vps; Thomas A. Lambert III, senior vp/CFO.
Contact: Bruce C. Dunbar Jr.

Meadowbrook Insurance Group Inc.

26600 Telegraph Road, Southfield, Mich. 48034-2347; 810-358-1100; fax: 810-358-1614

	1995	1994
Premium volume	$129,069,517	$123,153,754
Gross revenues	$34,217,366	$26,403,821
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	49%	51%
U.S. offices	$16,231,538	$13,066,641
Non-U.S. offices	$534,971	$399,308
Reinsurance	3%	3%
Personal lines	2%	2%
Services	44%	41%
Invstmt. income	2%	2%
Other	NA	1%
Employees	411	321
Offices	13	11

Founded: 1955.
Retail brokerage: 49% commissions, 51% fees.
Employee benefits: 1% of revenues.
Acquisitions: MIG-Nevada, Reno, Nev., July 1995.
Retail brokerage branches: Montgomery, Ala.; San Jose, Calif.; Miami; Overland Park, Kan.; Traverse City, Mich.; Bloomington, Minn.; Las Vegas and Reno, Nev.; New York.
Non-retail brokerage subsidiaries: Bridgetown, Barbados; Hamilton, Bermuda; Grand Rapids, Mich.
Licensed excess/surplus broker in: Alabama, Michigan, Minnesota.
Officers: Merton J. Segal, chairman; Warren D. Gardner, vice chairman; James R. Parry Sr., Joseph C. Henry, Robert S. Cubbin, executive vps.
Contact: James R. Parry Sr.

Meeker-Magner Co.

2360 E. Devon Ave., Suite 3010, Des Plaines, Ill. 60018; 847-699-1400; fax: 847-699-6383

	1995	1994
Premium volume	$23,000,000	$22,000,000
Gross revenues	$2,850,000	$2,810,000
U.S. clients	100%	100%
Brokerage: Retail	82%	81%
U.S. offices	$2,337,000	$2,276,100
Wholesale	3%	4%
Personal lines	11%	11%
Invstmt. income	4%	4%
Employees	25	24
Offices	1	1

Founded: 1902.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues.
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

	1995	1994
Premium volume	$160,400,000	$150,000,000
Gross revenues	$23,467,940	$19,636,804
U.S. clients	98%	100%
Non-U.S. clients	2%	NA
Brokerage: Retail	65.0%	77.0%
U.S. offices	$15,253,360	$15,207,051
Personal lines	8.5%	1.0%
Services	6.1%	7.0%
Invstmt. income	2.1%	2.0%
Other	18.3%	3.0%
Employees	210	187
Offices	5	5

Founded: 1864.
Parent: MSFG Inc.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 13% of revenues.
Retail brokerage branches: Kumin Marine Insurance Agency, Vail N.J.; Meeker Sharkey Benefit Consultants, Cranford, N.J.; Meeker Sharkey Bonding, Cranford, N.J.; Meeker Sharkey & DiLeo, Piscataway, N.J.; Meeker Sharkey Financial Services, Cranford, N.J.; Meeker Sharkey Gervasio & Lane, Burlington, N.J.; Meeker Sharkey & MacBean, Cranford N.J. Meeker Sharkey & Moffatt, Wall N.J.; Meeker Sharkey Public Entities Group, Cranford N.J.; Meeker Sharkey Realtors, Cranford, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Thomas J. Sharkey Sr., chairman; Brian Leddy, vice chairman, Thomas J. Sharkey Jr., president Jon E. Jennings, president-Meeker Sharkey Risk Management; James O'Connor, president-Meeker Sharkey Benefits.
Contact: Thomas J. Sharkey Jr., 908-931-3002.

Merritt & McKenzie Inc.

400 Northcreek, Suite 400 3715 Northside Parkway, Atlanta, Ga. 30327-2813 404-266-7160; fax: 404-266-7199

	1995	1994
Premium volume	$65,000,000	$50,000,000
Gross revenues	$6,400,000	$6,000,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$5,440,000	$5,100,000
Personal lines	10%	10%
Services	3%	3%
Invstmt. income	2%	2%
Employees	53	52
Offices	1	1

Founded: 1926.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues.
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.

350 N. Clark St., Chicago, Ill. 60610; 312-595-6200; fax: 312-595-7205

	1995*	1994*
Premium volume	$220,000,000	$180,000,000
Gross revenues	$18,064,633	$16,330,575
U.S. clients	100%	100%
Brokerage: Retail	83.5%	85.0%
U.S. offices	$15,083,969	$13,880,989
Personal lines	14.0%	13.0%
Invstmt. income	1.5%	1.0%
Other	1.0%	1.0%
Employees	133	127
Offices	3	3

* Fiscal years ending 3/31/96 and 3/31/95.

Founded: 1972.
Parent: Mesirow Financial.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 23% of revenues.

Continued on next page

Your business is clearly different from the rest of the flock. You're out on the cutting edge of technology or about to go public, or acquiring or merging with another company, or even working yourselves out of financial difficulty. And because your circumstances aren't like everybody else's, your chances of getting comprehensive, cost-effective D&O insurance aren't the same as the other guys'. They're lots worse.

To make sure that the companies that have the greatest need for D&O protection get adequate access to it, we created Pine Street Management Company. Our only business is underwriting D&O insurance coverage for tough, non-standard or unique situations. Through Pine Street your firm can acquire up to $5 million in primary and excess D&O protection, on a claims made basis, at competitive and equitable rates. This program is backed by TIG Specialty Insurance Company and TIG Insurance Company of Michigan, (TIG) both A (Excellent) rated by A. M. Best. TIG is managed by underwriters with more than two decades of experience in putting together innovative D&O programs for even the toughest risks.

So if your company management is hatching plans that some have said are too risky to insure, have your broker head for Pine Street. Or call, write or fax Luis Roman, Managing Underwriter, for a copy of our free brochure. He's ready to deliver for you.

PINE STREET MANAGEMENT COMPANY
80 Pine Street, New York, New York 10005
(212) 742-9792 Fax: (212) 742-9594

INTRODUCING D&O INSURANCE FOR COMPANIES THAT DON'T FIT THE MOLD.



Continued from previous page

Acquisitions: The Novak Insurance Agency, Barrington, Ill., February 1996.
Retail brokerage branches: Elgin and Highland Park, Ill.
Licensed excess/surplus broker in: Illinois.
Officers: Richard S. Price, president; Stephen Ware, Howard Engel, James Styer, Arnold Pritsker, executive vps.
Contact: Richard Price, 312-595-6050.

Minet Group

Minet House, 66 Prescot St., London E1 8HG, England; 44-171-481-0707; fax: 44-171-488-9786

Officers: Peter Christie, chairman/CEO-Minet Group; Michael J. Barrett, group executive vp/CEO-international retail; J. Bernard Friemann, group executive vp/CEO-Minet Risk Services & Energy, Mining and Construction; David Hammond, group executive vp-international resource; Mark T. Hvidsten, group executive vp/CEO-reinsurance; Geoffrey W. Morris, group executive vp/CEO-global professional services & financial risks; Steven J. Quick, group executive vp/CEO-Minet Broking Services.
Contact: Jay Foley (New York) or Janis Gibson (London).
See profile on page 37.
See geographical listing on page 92.

Mones & Associates Insurance Brokers Inc.

126, 6325 103rd St., Edmonton, Alberta T5H 5H6, Canada; 403-435-4862; fax: 403-437-6768

	1995*	1994*
Premium volume	$6,890,362**	$6,659,960**
Gross revenues	$1,057,390**	$1,054,485**
Non-U.S. clients	100%	100%
Brokerage: Retail	78%	75%
Non-U.S. offices	$824,530**	$790,364**
Personal lines	22%	25%
Employees	18	23
Offices	2	3

* Fiscal years ending 4/30/96 and 4/30/95.
** *Converted at applicable rates.*

Founded: 1983.
Retail brokerage: 95% commissions, 5% fees.
Retail brokerage branches: Saskatoon, Saskatchewan.
Officers: James G. Mones, president; Mel White, Brian Murphy, Bob Jones Sandra Mones, vps.
Contact: Brian Murphy.

Fred A. Moreton & Co.

649 East South Temple St., Salt Lake City, Utah 84102; 801-531-1234; fax: 801-531-6117

	1995	1994
Premium volume	$150,000,000	$90,000,000
Gross revenues	$10,596,975	$9,537,270
U.S. clients	100%	100%
Brokerage: Retail	86.7%	89.0%
U.S. offices	$9,187,577	$8,488,170
Wholesale	0.8%	1.1%
Personal lines	4.6%	4.7%
Services	0.5%	0.2%
Invstmt. income	7.0%	3.9%
Other	0.4%	1.1%
Employees	84	86
Offices	2	2

Founded: 1910.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 17.8% of revenues.
Retail brokerage branches: Boise, Idaho.
Non-retail brokerage subsidiaries: Moreton Financial Corp., Salt Lake City; Moreton General Agency, Salt Lake City; Risk Services Inc., Salt Lake City.
Licensed excess/surplus broker in: Idaho, Utah.
Officers: Edward E. Moreton, president; Craig L. Smith, executive vp; William R. Moreton, executive vp/treasurer; Scott Smith, vp-risk management; Jonathan M. Jepson, vp.
Contact: Craig L. Smith.

Morris & Mackenzie Inc.

1130 Sherbrooke St. W., Montreal, Quebec H3A 3K4, Canada; 514-499-0999; fax: 514-499-9188

	1995*	1994*
Gross revenues	$10,877,000**	$10,286,000**
Brokerage: Retail	70%	70%
Non-U.S. offices	$7,613,900**	$7,200,200**
Personal lines	25%	25%
Invstmt. income	5%	5%
Employees	150	141
Offices	4	4

* Fiscal years ending 9/30/95 and 9/30/94.
** Converted at applicable rates.

Founded: 1939
Parent: Mackmor Ltd.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 5% of revenues.
Retail brokerage branches: Calgary, Alberta; Toronto; and Vancouver, British Columbia.
Officers: Frank Dougan, president/CEO; Maurice Sauve, senior vp; Alfred Parke, Victor Allen, 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

	1995	1994
Gross revenues	$32,409,000	$29,250,000
U.S. clients	100%	100%
Brokerage: Retail	68%	69%
U.S. offices	$22,038,120	$20,182,500
Wholesale	7%	4%
Personal lines	19%	21%
Services	3%	3%
Invstmt. income	2%	2%
Other	1%	1%
Employees	318	280
Offices	8	8

Founded: 1926.
Parent: The NIA Group.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 14% of revenues.
Acquisitions: Knox, Lent & Tucker, White Plains, N.Y., July 1995; Robert Muller Insurance Agency, Teaneck, N.J., December 1995.
Retail brokerage offices: 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; Matthew Kornreich, Morton Kornreich, vice chairmen; Alan Klein, Roger Gross, Steven Grossberg, William Kornreich, James Kornreich, Thomas Kornreich, executive vps.
Contact: Paul L. Gross.

National Coverage Corp.

520 Broadhollow Road, Suite 3, Melville, N.Y. 11747-3678; 516-454-1500; fax: 516-454-1860

	1995	1994
Premium volume	$20,000,000	$32,250,000
Gross revenues	$2,264,934	$3,404,624
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$2,038,441	$3,064,162
Personal lines	8%	8%
Invstmt. income	2%	2%
Employees	22	27
Offices	1	1

Founded: 1964.
Retail brokerage: 100% commissions
Employee benefits: 15% of revenues.
Officers: Ronald P. D'Alessandro, president; Russell J. Tillman, vp.
Contact: William A. Kulesh, director.

National Insurance Agency

P.O. Box 6750, Corpus Christi, Texas 78466; 512-993-6700; fax: 512-993-0870

	1995	1994
Premium volume	$7,767,879	$8,733,772
Gross revenues	$939,709	$1,026,546
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$704,782	$769,909
Personal lines	25%	25%
Employees	16	16
Offices	1	1

Founded: 1965.
Retail brokerage: 100% commissions.
Officers: Robert Harris, president; Scot Oshman, Claude Watts, John McFall, vps.
Contact: Robert Harris.

Near North Insurance Brokerage Inc.

875 N. Michigan Ave., 20th Floor, Chicago, Ill. 60611; 312-280-5600; fax: 312-280-5602

	1995	1994
Premium volume	$509,000,000	$482,000,000
Gross revenues	$58,000,000	$55,000,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$49,300,000	$46,750,000
Reinsurance	4%	4%
Personal lines	2%	2%
Services	5%	5%
Invstmt. income	4%	4%
Employees	494	428
Offices	12	12

Founded: 1962.
Parent: Near North National Group.
Retail brokerage: 89% commissions, 11% fees.
Employee benefits: 6% of revenues.
Retail brokerage offices: Washington; Dallas; Near North Entertainment Ltd., Shepperton, England; Near North Insurance Brokerage of California Inc., Los Angeles; Near North Insurance Brokerage of New York Inc., New York.
Non-retail brokerage subsidiaries: Fire Safety Testing, Chicago, International Film Guarantors, Los Angeles; Near North National Title Corp., Chicago; Settlement Planning Associates: Chicago; Dallas; Tampa, Fla.; Arlington, Va. Sentry Fire, Chicago; THB Intermediaries Inc.: Los Angeles; Chicago; New York; Orpington, England.
Licensed excess/surplus broker in: District of Columbia, Florida, Illinois, New York, Pennsylvania.
Officers: Michael Segal, president/CEO; Steven Coleman, Thomas V. Ealy, Bill Hines, Ruth R. Tave, group executive vps/managing directors; Lisa A. Novak, president-Near North National Title Corp./group executive vp/managing director.
Contact: Nancy L. Oblinger, 312-280-5659.

New World Insurance Services Ltd.

18th Floor, Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong; 852-2845-4373; fax: 852-2845-5146

	1995*	1994*
Premium volume	$50,310,000**	$39,000,000**
Gross revenues	$4,940,000**	$4,550,000**
Non-U.S. clients	100%	100%
Brokerage: Retail	80.00%	79.85%
Non-U.S. offices	$3,952,000**	$3,633,175**
Reinsurance	3.50%	3.30%
Personal lines	12.60%	14.50%
Invstmt. income	3.90%	2.35%
Employees	117	98
Offices	13	13

* Fiscal years ending 6/30/96 and 6/30/95.
** Converted at applicable rates.

Founded: 1988.
Parent: New World Development Co. Ltd.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 15% of revenues.
Retail brokerage offices: Beijing; British Columbia and Ontario, Canada; Hong Kong; Wuhan, China; NWI Risk Management Consultants Sdn Bhd, Kuala Lumpur, Malaysia; New World Insurance Consultants Ltd.: Hong Kong; Macao. New World Insurance Management Ltd.: Hong Kong; Kuala Lumpur and Labuan, Malaysia. New World Insurance (Singapore) Pte. Ltd., Singapore; PAP New World Insurance Brokers (Thailand) Ltd., Thailand.
Non-retail brokerage subsidiaries: International Reinsurance Management Ltd., Hong Kong.
Officers: Paul S.K. Lam, director/group chief executive; Nancy N.S. Tsing, director/assistant group chief executive; Ricky W.K. So, Michael T.L. Wong, directors; William B. Terry, group marketing director.
Contact: Paul S.K. Lam.

North American Insurance Agency Inc.

P.O. Box 25928, 3800 Classen Blvd., Oklahoma City, Okla. 73125; 405-523-2100; fax: 405-556-2332

	1995	1994
Premium volume	$46,990,516	$40,175,239
Gross revenues	$6,115,425	$5,120,615
U.S. clients	100%	100%
Brokerage: Retail	66%	66.8%
U.S. offices	$4,036,180	$3,420,570
Personal lines	16%	18.0%
Other	18%	15.2%
Employees	85	77

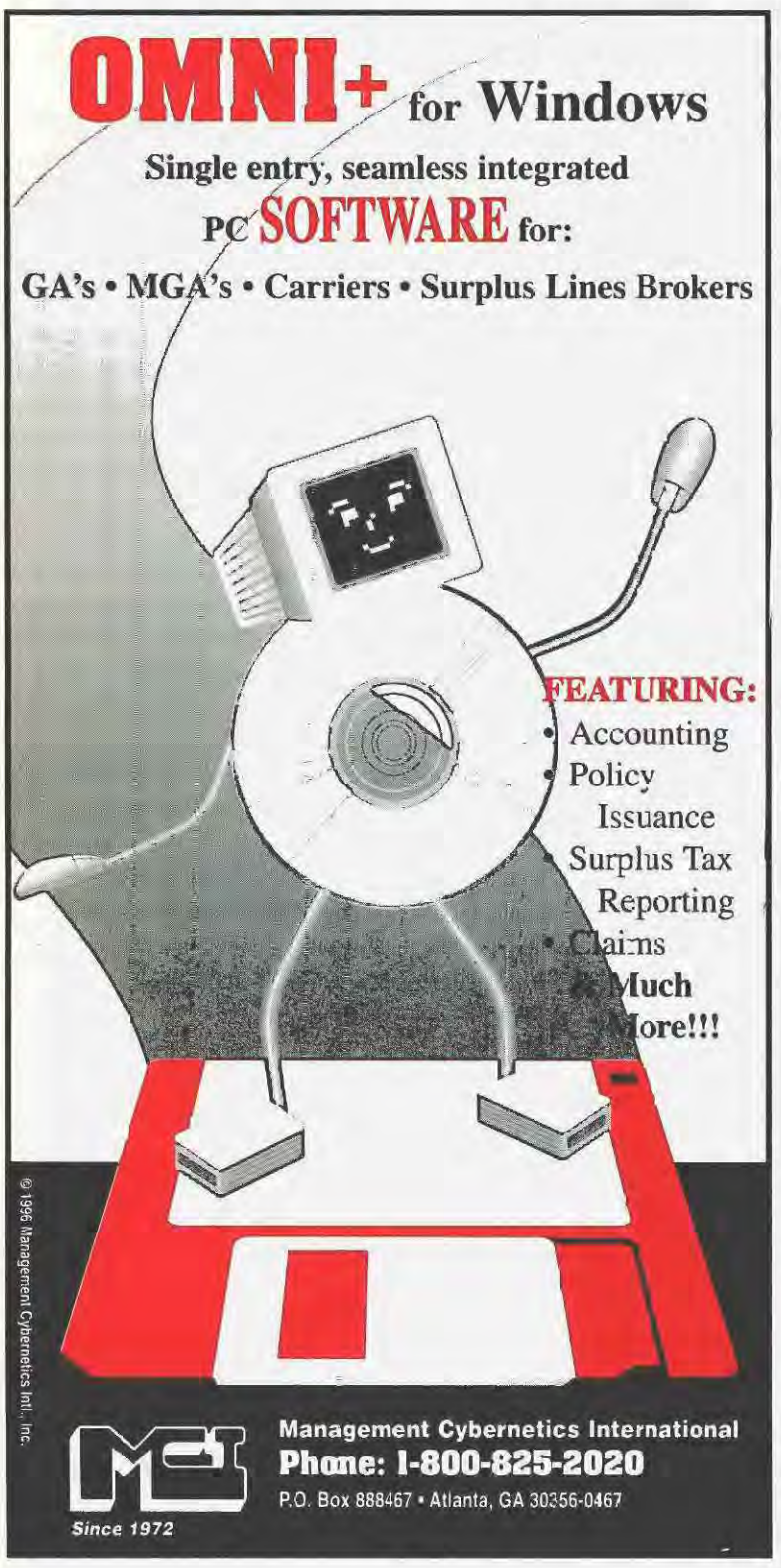
Founded: 1959.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 13% of revenues.
Acquisitions: Agar-Ford, Norman, Okla., January 1995.
Retail brokerage offices: Agar-Ford-Mudrow-Jarman, Norman, Okla.; NAS Insurance Agency, Houston; North American Insurance Agency of Louisiana, Metairie, La.; North American Insurance Agency of New Mexico, Albuquerque, N.M.; North American Insurance Agency Inc. of Tulsa, Tulsa, Okla.
Licensed excess/surplus broker in: Louisiana, Oklahoma.
Officers: John L. McMahan, president; Donald W. Glaspey, executive vp; Michael F. Ross, vp-sales; Stephen Garrett, secretary; Monica L. Swink, treasurer.
Contact: Monica L. Swink.

Norwest Insurance Inc.

IDS Tower, Suite 355, 80 S. Eighth St., Minneapolis, Minn. 55479-2119; 612-667-5600; fax: 612-667-2681

	1995	1994
Premium volume	$492,000,000	$483,000,000

Continued on next page





Continued from previous page

Gross revenues	$63,500,000	$65,100,000
U.S. clients	100%	100%
Brokerage: Retail	10.6%	10.5%
U.S. offices	$6,700,000	$6,800,000
Personal lines	18.0%	11.5%
Invstmt. income	1.2%	1.0%
Other	70.2%	77.0%
Employees	551	509
Offices	48	46

Founded: 1929.
Parent: Norwest Corp.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 1% of revenues.
Acquisitions: Directors Insurance Service Inc., Colton, Calif., March 1995.
Retail brokerage offices: Colton and Davis, Calif.; Denver; Des Moines, Metrowest and Sioux City, Iowa; Anoka, Edina, Duluth, Ely, Fergus Falls, Grand Rapids, Hibbing, Litchfield, Mankato, Marshall, Minneapolis, St. Cloud, Thief River Falls and Virginia, Minn.; Omaha and Norfolk, 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, Mobridge, Rapid City, Redfield, Sioux Falls, Watertown and Yankton, S.D.; Bryan, Texas.
Officers: Timothy J. King, president; Steven C. Veno, executive vp/COO; Kevin P. Berg, senior vp/CFO.
Contact: Michelle Leschisin, 612-667-5596.

O

O'Gorman & Young Inc.

159 Main St., Chatham, N.J. 07928; 201-635-1800; fax: 201-635-7744

	1995	1994
Gross revenues	$5,000,000	$5,150,000
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$4,300,000	$4,429,000
Personal lines	13%	13%
Invstmt. income	1%	1%
Employees	39	33
Offices	2	2

Founded: 1894.
Retail brokerage: 100% commissions.
Employee benefits: .01% of revenues.
Retail brokerage offices: GR Murray Insurance, Princeton, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Simeon H. Rollinson, president; Eugene V. Tracey, executive vp/treasurer; E.J. Lawton III, Peter J. Redfern, Richard Farnow, vps.
Contact: Eugene V. Tracey.

The James B. Oswald Co.

1 Erieview Plaza, Suite 600, Cleveland, Ohio 44114; 216-241-0468; fax: 216-241-4520

	1995	1994
Premium volume	$82,000,000	$76,000,000
Gross revenues	$13,100,000	$12,100,000
U.S. clients	100%	100%
Brokerage: Retail	64%	62%
U.S. offices	$8,400,000	$7,500,000
Personal lines	7%	7%
Services	22%	24%
Invstmt. income	1%	1%
Other	6%	6%
Employees	155	155
Offices	5	5

Founded: 1893.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 6% of revenues.
Retail brokerage offices: Oswald, Trippe & Co. Inc: Cape Coral, Fort Myers, Miami and Naples, Fla.
Licensed excess/surplus broker in: Ohio.
Officers: James R. Pender, chairman/CEO; John E. Warfel, Gary V. Trippe, Marc S. Byrnes, presidents; Robert J. Martin, vp; Robert A. Bracci, executive vp/COO.
Contact: Robert A. Bracci.

P

Palley Simon Associates Inc.

165 Township Line Road, P.O. Box 508, Jenkintown, Pa. 19046; 215-884-2100; fax: 215-881-2473

	1995	1994
Premium volume	17,174,000	$18,174,000
Gross revenues	$2,950,000	$2,760,000
U.S. clients	100%	100%
Brokerage: Retail	53.0%	58.7%
U.S. offices	$1,565,000	$1,627,000
Personal lines	15.7%	16.7%
Services	2.0%	2.6%
Invstmt. income	3.8%	3.2%
Other	25.5%	18.8%
Employees	30	28
Offices	1	1

Founded: 1974.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 3% of revenues.
Officers: Mahlon B. Simon Jr., chairman; Samuel M. Palley, president; Reid B. Sander, vp; Donna Weinraub, assistant vp; Elaine Greenwald, secretary.
Contact: Samuel M. Palley.

Palmer & Cay Inc.

25 Bull St., Savannah, Ga. 31401; 912-234-6621; fax: 912-234-3001

	1995	1994
Premium volume	389,570,140	$345,891,586
Gross revenues	$37,909,141	$33,658,773
U.S. clients	100%	100%
Brokerage: Retail	84%	83%
U.S. offices	$31,794,058	$27,897,645
Personal lines	8%	7%
Services	5%	8%
Invstmt. income	3%	2%
Employees	382	362
Offices	18	15

Founded: 1868.
Retail brokerage: 84% commissions, 16% fees.
Employee benefits: 14% of revenues.
Acquisitions: McMurray, Daly & Leonard, Knoxville, Tenn., January 1996; McMurray, Daly & Leonard, New Tazewell, Tenn., January 1996.
Retail brokerage offices: Heffron Ingle McDowell & Cooper, Charleston, S.C.; IMS of Texas Inc., Dallas; Jordan/Woolfolk Insurance Inc., Columbus, Ga.; Midyette-Moor, Tallahassee, Fla.; Palmer & Cay of Florida Inc., Jacksonville, Fla.; Palmer & Cay of Georgia Inc.: Tallahassee, Fla.; Atlanta, Augusta, Brunswick, Savannah and Vidalia, Ga.; Greenvile, S.C. Palmer & Cay of North Carolina Inc., Charlotte, N.C.; Palmer & Cay of South Carolina Inc., Florence, S.C.; Palmer & Cay of Tennessee Inc., Knoxville and New Tazewell, Tenn.; Palmer & Cay of Virginia Inc., Glen Allen, Va.
Licensed excess/surplus broker in: Georgia, Virginia.
Officers: John E. Clay 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.
Contact: Kavir. Smith, vp.

Palomar Insurance Corp.

4525 Executive Park Drive, Montgomery, Ala. 36116; 334-270-0105; fax: 334-271-0499

	1995	1994
Premium volume	96,700,000	$73,000,000
Gross revenues	$8,200,000	$6,600,000
U.S. clients	100%	100%
Brokerage: Retail	91%	89%
U.S. offices	$7,500,000	$5,900,000
Personal lines	7%	9%
Invstmt. income	2%	2%
Employees	90	78
Offices	4	2

Founded: 1954.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 7% of revenues.
Retail brokerage offices: Birmingham, Ala.; Fort Lauderdale, Fla.; Atlanta.
Licensed excess/surplus broker in: Alabama.
Officers: John R. Pacholick, chairman/CEO; G.W. Skipper III, president; J. Richard Harruff, vp.
Contact: John R. Pacholick.

Grupo Panamena de Comercio

Via Argentina No. 12, Panama City, Panama; 507-264-5577; fax: 507-223-8826

	1995	1994
Premium volume	9,560,000	$8,465,000
Gross revenues	$1,453,000	$1,236,000
U.S. clients	1%	1%
Non-U.S. clients	99%	99%
Brokerage: Retail	75.0%	75.5%
Non-U.S. offices	$1,104,280	$945,540
Personal lines	22.0%	20.5%
Other	3%	4%
Employees	38	35
Offices	2	2

Founded: 1968.
Parent: Panamena de Comercio S.A.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 6.5% of revenues.
Retail brokerage offices: Colon Free Zone, Colon City, Panama.
Non-retail brokerage subsidiaries: Bienes Raices Panamena de Comercio S.A., Panama City, Panama.
Licensed excess/surplus broker in: Panama.
Officers: Panayotis Kitras, president; Apostolos Costarangos, vp; David Perez Almillano, Stavros Costarangos, directors; Abdiel Teran, life manager.
Contact: Stavros Costarangos, 507-223-5192.

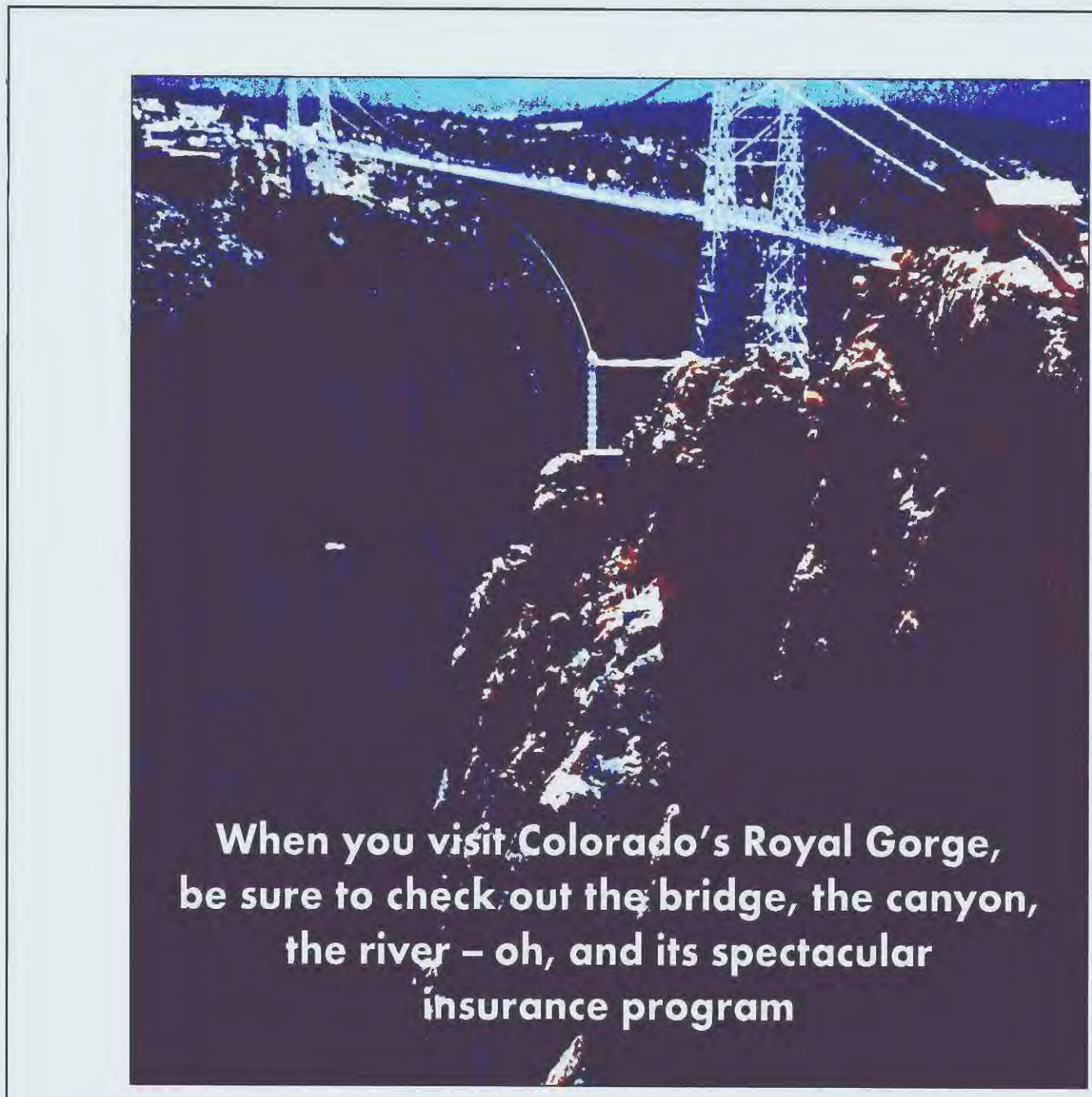
Parker, Smith & Feek Inc.

999 Third Ave., Suite 1700, Seattle, Wash. 98104; 206-382-7900; fax: 206-382-4015

	1995	1994
Premium volume	110,500,000	$110,000,000
Gross revenues	$12,191,000	$12,276,000
U.S. clients	100%	100%
Brokerage: Retail	82%	80%
U.S. offices	$10,000,000	$9,800,000
Personal lines	5%	5%
Invstmt. income	2%	2%
Other	11%	13%
Employees	123	130
Offices	2	2

Founded: 1937.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 14% of revenues.

Continued on next page



General Accident's **Premier Property Program** is not your average commercial insurance policy.

Unlike some other carriers, GA provides your customers with the convenience of banding their inland marine coverages with their much needed casualty insurance package.

By purchasing the **Premier Property Program**, your customers will receive attractive rates, expanded coverages and increased protection.

For more information on Colorado's Royal Gorge, contact your travel agent.

For more information on our exclusive **Premier Property Program** and other Inland Marine products, contact your local GA Branch Office.

GA General Accident Insurance

Continued from previous page

Retail brokerage offices: Anchorage, Alaska.

Licensed excess/surplus broker in: Alaska, Washington.

Officers: Vic Parker, president; John Zefkeles, chairman; Denny Westover, John Tracey, senior vps; Greg Collins, vp/COO.

Contact: Steve Wolf, director-information services.

Pembroke Insurance Agency Inc.

4668 Pembroke Blvd., Suite 117, Virginia Beach, Va. 23455; 804-497-9611; fax: 804-497-4162

	1995	1994
Premium volume	13,250,000	$13,000,000
Gross revenues	$1,910,000	$1,850,100
U.S. clients	100%	100%
Brokerage: Retail	79%	79%
U.S. offices	$1,508,900	$1,461,579
Personal lines	14%	14%
Other	7%	7%
Employees	16	16
Offices	1	1

Founded: 1969.

Retail brokerage: 100% commissions.

Licensed excess/surplus broker in: Virginia.

Officers: W.K. Hammaker, president; Dennis P. Browne, Brenda H. Hammaker, senior vps; James B. Carver, vp.

Contact: W.K. Hammaker.

The Pilgrim Organization

518 Stuyvesant Ave., P.O. Box 615, Lyndhurst, N.J. 07071-0615; 201-460-8400; fax: 201-460-7415

	1995	1994
Premium volume	38,000,000	$35,000,000
Gross revenues	$10,623,242	$10,490,596
U.S. clients	100%	100%
Brokerage: Retail	45%	45%
U.S. offices	$4,780,459	$4,720,768
Personal lines	5%	5%
Services	48%	48%
Invstmt. income	2%	2%
Employees	82	82
Offices	3	4

Founded: 1972.

Retail brokerage: 52% commissions, 48% fees.

Employee benefits: 1% of revenues.

Retail brokerage offices: Griffith-Prideaux, Morristown, N.J.; 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-Pilgram Insurance Agency; William Kennedy, president-Kennedy Insurance Agency; Jack Prideaux, president-Griffith-Prideaux.

Contact: Robert A. Nicosia.

Poe & Brown Inc.

220 S. Ridgewood Ave., Daytona Beach, Fla. 32114; 904-239-7250; fax: 904-239-7252

	1995	1994
Premium volume	$950,000,000	$800,000,000
Gross revenues	$106,365,000	$101,580,000
U.S. clients	100%	100%
Brokerage: Retail	50%	48%
U.S. offices	$53,182,500	$48,758,400
Wholesale	26%	26%
Reinsurance	4%	3%
Personal lines	6%	8%
Services	10%	10%
Invstmt. income	3%	5%
Other	1%	NA
Total employees	1,035	993
Total offices	23	22

Founded: 1956.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 10% of revenues.

Acquisitions: Boger & Reid, Atlanta, April 1996; Florida Intracoastal Underwriters, Miami, January 1996; C.A. Hansen, Fort Lauderdale, Fla., October 1995; Scott Henry, Fort Lauderdale, Fla., October 1995; Insurance West, Phoenix, March 1995; King Insurance Inc., Naples, Fla., January 1995; S. Lloyd Underwriters, Fort Lauderdale, Fla., April 1995; Robert Scott Gordon, Philadelphia, July 1995; Roehrig Flood & Associates, St. Petersburg, Fla., July 1995.

Retail brokerage offices: Brooksville, 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 New Jersey, Somerset, N.J.; Poe & Brown of North Carolina, Charlotte, N.C.; Poe & Brown of Pennsylvania, Philadelphia; Poe & Brown of Texas, Houston.

Non-retail brokerage subsidiaries: Florida Intracoastal Underwriters Ltd., Miami Lakes, Fla.; Halcyon Underwriters Inc., Orlando, Fla.; Health Care Insurers Inc., Colorado Springs, Colo.; 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; James A. Orchard, CFO; Laurel Lenfestey, vp/general counsel.

Contact: James A. Orchard.

Cecil W. Powell & Co.

P.O. Box 41490, Jacksonville, Fla. 32203; 904-353-3181; fax: 904-353-5722

	1995*	1994*
Premium volume	50,000,000	$45,000,000
Gross revenues	$4,250,000	$3,790,000
U.S. clients	95%	95%
Non-U.S. clients	5%	5%
Brokerage: Retail	96.5%	96.5%
U.S. offices	$3,896,250	$3,475,350
Non-U.S. offices	$205,000	$182,000
Personal lines	3.0%	3.0%
Invstmt. income	0.5%	0.5%
Employees	41	34
Offices	1	1

* Fiscal years ending 5/31/95 and 5/31/96.

Founded: 1935.

Retail brokerage: 92% commissions, 8% fees.

Employee benefits: 15% of revenues.

Licensed excess/surplus broker in: Florida.

Officers: Fitzhugh K. Powell Sr., chairman; Fitzhugh K. Powell Jr., president; Thomas S. Powell, treasurer; Robert T. Thews, John C. Cowart, Richard Abis, vps.

Contact: Fitzhugh K. Powell Sr.

Proctor Homer Warren Inc.

295 Kirts Blvd., Troy, Mich. 48084; 800-521-6800; fax: 810-269-5752

	1995	1994
Premium volume	37,000,000	$36,000,000
Gross revenues	$11,400,000	$11,100,000
U.S. clients	100%	100%
Brokerage: Retail	7%	6%
U.S. offices	$798,000	$666,000
Wholesale	83%	87%
Personal lines	2%	2%
Services	5%	2%
Invstmt. income	2%	2%
Other	1%	1%
Employees	92	86
Offices	2	2

Founded: 1884.

Retail brokerage: 100% commissions.

Employee benefits: 2% of revenues.

Retail brokerage offices: Hollywood, Fla.

Non-retail brokerage subsidiaries: Mid Atlantic Reinsurance Co. Ltd., Hamilton, Bermuda

Licensed excess/surplus broker in: California, Florida, Georgia, Michigan, Virginia, 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: Mark Leidlein, 810-269-5716.

Purdy Insurance Agency Inc.

136 Market St., Sunbury, Pa. 17801; 717-286-5855; fax: 717-286-0219

	1995	1994
Premium volume	14,980,000	$14,870,000
Gross revenues	$1,670,000	$1,807,100
U.S. clients	100%	100%
Brokerage: Retail	69%	57%
U.S. offices	$1,152,300	$1,030,047
Wholesale	5%	5%
Personal lines	16%	16%
Invstmt. income	1%	1%
Other	9%	21%
Employees	24	25
Offices	1	1

Founded: 1926.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 6% of revenues.

Officers: T. Chris Purdy, president; J. Craig Purdy, vp; William H. Purdy, treasurer.

Contact: Stephen A. Engle.

BREAKTHROUGH!

USI INSURANCE SERVICES CORPORATION

maintains its breakaway stride, charging past the

$100 MILLION REVENUE THRESHOLD.*

The nation's fastest growing diversified insurance and related financial services corporation produces extraordinary results for clients of our partner firms:

The Anderson Company
Association Growth Enterprises
Bechard Insurance
Beckwith-Hightower & Renberg
Benefit Plan Administrators
Black/White & Associates
Campbell Galt & Newlands
Carpenter & Pelton
Daugherty & Company
El Camino Insurance Agency
Flanigan, O'Hara, Gentry & Associates
Henderson & Phillips Insurance
Hurley, Atkins & Stewart
Innovative Retirement Concepts
The Insurance Exchange
Insurance Risk Managers
Inter/National Risk Managers
Julius Moll & Son
Progressive Plan Administrators
Rental Industry Services
Thomas E. Wood, Inc.
Tri West Insurance Services
USI California Insurance Services
Warren Welsh & Thomson

Look to USI for general and specialty property and casualty insurance brokerage; employee benefits, third party administration, life insurance and related consulting services; and insurance wholesale operations.

*June 1996

USI

USI Insurance Services Corp.
235 Pine Street 10th Floor
San Francisco, CA 94104
415-983-0100



The Quarles Group

5810 E. Skelly Drive, Third Floor, Tulsa, Okla. 74135; 918-665-1252; fax: 918-665-2119

	1995*	1994*
Premium volume	NA	$40,000,000
Gross revenues	$4,875,000	$4,488,139
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$4,387,500	$4,350,000
Reinsurance	4%	4%
Personal lines	4%	4%
Invstmt. income	2%	2%
Employees	44	43
Offices	4	3

* Fiscal years ending 4/30/96 and 4/30/95.

Founded: 1979.

Retail brokerage: 97% commissions, 3% fees.

Employee benefits: 10% of revenues.

Retail brokerage offices: Omega Insurance Agency, Irving, Texas; The Quarles Agency: Smyrna, Ga.; Oklahoma City.

Licensed excess/surplus broker in: Georgia, Oklahoma, Texas.

Officers: C. Gene Quarles, chairman; Robin Buerge, president; Dale Wells, president-Omega Insurance Agency; John Bilton, vp-The Quarles Agency of Georgia; Tom Hoyt, vp-The Quarles, Agency of Georgia.

Contact: C. Gene Quarles.

Rebsamen Insurance Inc.

1500 Riverfront Drive, Little Rock, Ark. 72202; 501-661-4800; fax: 501-666-9592

	1995	1994
Premium volume	127,849,269	$133,283,974
Gross revenues	$21,398,946	$19,614,258
U.S. clients	100%	100%
Brokerage: Retail	64.90%	66.81%
U.S. offices	$13,887,916	$13,104,286
Wholesale	18.11%	19.55%
Personal lines	3.75%	4.06%
Services	9.34%	6.53%
Invstmt. income	3.90%	3.05%
Employees	150	150
Offices	3	3

Founded: 1929.

Retail brokerage: 94% commissions, 6% fees.

Employee benefits: 8.62% of revenues.

Acquisitions: Crockett Adjustment Inc., Little Rock, Ark.

Retail brokerage offices: Fort Smith and Springdale, Ark.

Non-retail brokerage subsidiaries: Insurisk Excess & Surplus Lines, Little Rock, Ark.

Licensed excess/surplus broker in: Arkansas.

Officers: Allen J. McDowell, president/CEO; William R. Stringfellow, general counsel/senior vp; John H. O'Donnell, CFO; William R. Fisher, senior vp-marketing; Joe H. Stafford, senior vp-sales.

Contact: John H. O'Donnell.

Ricci Associates Inc.

1910 Pine St., St. Louis, Mo. 63103; 314-231-2277; fax: 314-231-1641

	1995	1994
Premium volume	13,821,000	$12,880,000
Gross revenues	$1,589,500	$1,503,000
U.S. clients	100%	100%
Brokerage: Retail	92.5%	93.5%
U.S. offices	$1,470,288	$1,405,305
Wholesale	0.5%	0.5%
Reinsurance	NA%	0.5%
Personal lines	5.0%	4.5%
Services	0.5%	NA%
Invstmt. income	1.5%	1.0%
Employees	18	17
Offices	2	2

Founded: 1985.

Parent: RAI Insurance Group.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 16% of revenues.

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 Wittenberg, executive vp; Tony Miller, vp.

Contact: Thomas C. Ricci Jr.

Wm. Rigg Co.

309 W. Seventh, Fort Worth, Texas 76102; 817-335-4444

	1995	1994
Premium volume	80,000,000	$75,000,000
Gross revenues	$7,500,000	$7,300,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$6,375,000	$6,205,000
Wholesale	1%	NA%
Personal lines	8%	8%
Services	4%	5%
Invstmt. income	2%	2%
Employees	102	96
Offices	4	5

Founded: 1894.

Parent: Rigg Group.

Retail brokerage: 95% commissions, 5% fees.

Retail brokerage offices: Dallas; Houston; Hertel Rigg L.L.P., Austin, Texas.

Licensed excess/surplus broker in: Texas.

Officers: Cecil Ray, chairman; Harry Johnson, president, George Kane, senior vp-marketing; Wade Nowlin, senior vp; Tom Gillis, executive vp.

Contact: Harry Johnson.

Riverside Insurance Associates Inc.

257 Riverside Ave., Westport, Conn. 06880; 203-226-1551; fax: 203-454-9942

	1995	1994
Premium volume	13,100,000	$12,500,000
Gross revenues	$1,345,000	$1,300,000
U.S. clients	90%	90%
Non-U.S. clients	10%	10%
Brokerage: Retail	67%	70%
U.S. offices	$901,150	$910,000
Personal lines	5%	5%
Services	24%	23%
Invstmt. income	4%	2%
Employees	8	8
Offices	1	1

Founded: 1985.

Retail brokerage: 74% commissions, 26% fees.

Employee benefits: 26% of revenues.

Licensed excess/surplus broker in: Connecticut.

Officers: Kenneth T. Knechtel, president; Beverly E. Setz, vp.

Contact: Kenneth T. Knechtel.

Robertson-Ryan & Associates

660 E. Mason St., Milwaukee, Wis. 53202; 414-271-3575; fax: 414-271-0196

	1995	1994
Premium volume	56,404,574	$57,271,073
Gross revenues	$10,226,520	$9,829,396
U.S. clients	100%	100%
Brokerage: Retail	84%	84%
U.S. offices	$8,590,276	$8,256,693
Personal lines	12%	13%
Invstmt. income	4%	3%
Employees	79	79
Offices	1	1

Founded: 1960.

Retail brokerage: 96% commissions, 4% fees.

Employee benefits: 35% of revenues.

Licensed excess/surplus broker: All states.

Contact: Charles V. Johnson.

M.H. Ross/Doud Insurance Brokers

16933 Parthenia St., North Hills, Calif. 91343; 800-581-7677; fax: 818-892-6576

	1995	1994
Premium volume	27,176,380	$29,268,187
Gross revenues	$4,200,767	$4,120,000
U.S. clients	100%	100%
Brokerage: Retail	89.50%	89%
U.S. offices	$3,759,686	$3,666,800
Personal lines	5.00%	5%
Services	0.25%	NA%
Invstmt. income	1.25%	1%
Other	4.00%	5%
Employees	49	51
Offices	1	1

Founded: 1954.

Retail brokerage: 97% commissions, 3% fees.

Employee benefits: 4% of revenues.

Officers: Murray H. Ross, chairman; Lloyd T. Ross, president; Bennett F. Witeby, Curt Witeby, Connie Grisanti, executive vps.

Contact: Bennett F. Witeby, 818-895-6558.

Saldana & Associates Inc.

701 Ponce de Leon Ave., Centro de Seguros Building, Suite 303, Santurce, Puerto Rico 00904; 787-721-2600; fax: 787-721-1093

	1995	1994
Premium volume	$129,000,000	$133,000,000
Gross revenues	$15,727,000	$15,138,000
U.S. clients	100%	100%
Brokerage: Retail	94%	95.5%
U.S. offices	$14,783,380	$14,456,790
Personal lines	3%	2.5%
Invstmt. income	3%	2%
Employees	132	114
Offices	3	3

Founded: 1972.

Retail brokerage: 100% commissions.

Employee benefits: 15.3% of revenues.

Acquisitions: Miguel A. Tirado Insurance, San Juan, Puerto Rico, June 1995; John Morris Inc., San Juan, Puerto Rico, September 1995.

Retail brokerage offices: Riverdale, N.J.; Ponce, Puerto Rico.

Continued on next page

Continued from previous page

Licensed excess/surplus broker in: Puerto Rico.

Officers: Ralph G. Christiansen Jr., president; Eduardo R. Emanuelli, executive vp. Ruben A. Jordan, treasurer/senior vp; Manuel J. Mendez, secretary/senior vp; Jose E. Vazquez, director/senior vp.

Contact: Ralph G. Christiansen Jr.

San Diego Associates Inc.

3550 Camino Del Rio N., Suite 206,
San Diego, Calif. 92108;
619-283-7800; fax: 619-283-8686

	1995	1994
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%
Employees	**6**	6
Offices	**1**	1

Founded: 1984.

Retail brokerage: 80% commissions, 20% fees.

Employee benefits: 100% of revenues.

Officers: David N. Peterson, president; Bruce N. Kesler, director.

Contact: Bruce N. Kesler.

Schwartz Brothers Insurance

135 S. LaSalle St., Suite 2035,
Chicago, Ill. 60603; 312-630-0800;
fax: 312-630-0833

	1995	1994
Premium volume	**$61,325,000**	$59,494,000
Gross revenues	**$8,084,000**	$7,782,000
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	86%
U.S. offices	**$6,871,400**	$6,692,500
Personal lines	**8%**	8%
Services	**1%**	NA
Invstmt. income	**6%**	6%
Employees	**60**	62
Offices	**1**	1

Founded: 1919.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 6% of revenues.

Licensed excess/surplus broker in: Illinois.

Officers: Edward Schwartz, president; Robert Schwartz, executive vp; Mark Nahin, secretary/treasurer.

Contact: David Kunkel, 312-630-0821.

Scott Insurance

P.O. Box 10489, Lynchburg,
Va. 24506; 804-832-2100;
fax: 804-832-2190

	1995	1994
Premium volume	**$62,144,597**	$54,590,046
Gross revenues	**$8,395,768**	$6,940,323
U.S. clients	**100%**	100%
Brokerage: Retail	**63.78%**	65.65%
U.S. offices	**$5,354,821**	$4,556,322
Personal lines	**12.04%**	15.94%
Invstmt. income	**6.84%**	4.59%
Other	**17.34%**	13.82%
Employees	**73**	71
Offices	**5**	5

Founded: 1864.

Retail brokerage: 89.49% commissions, 10.51% fees.

Employee benefits: 5.61% of revenues.

Retail brokerage offices: Danville, Richmond and Roanoke, Va.; Greensboro, N.C.

Licensed excess/surplus broker in: Virginia.

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: Craig K. Ryder.

Seaman Ross & Wiener Inc.

6851 Jericho Turnpike, Syosset,
N.Y. 11791; 516-921-9100;
fax: 516-496-4040

	1995	1994
Premium volume	**$14,125,000**	$13,740,000
Gross revenues	**$2,984,521**	$2,867,236
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	85%
U.S. offices	**$2,536,842**	$2,437,150
Personal lines	**10%**	10%
Services	**3%**	3%
Invstmt. income	**2%**	2%
Employees	**14**	14
Offices	**1**	1

Founded: 1950.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 11% of revenues.

Officers: Douglas Schenendorf, chairman; Alex Seaman, president; Christopher Brady, vp.

Contact: Douglas Schenendorf.

Sedgwick Group P.L.C.

Sedgwick House, 143-152 Fenchurch
St., London EC3N 6BM, England;
44-171-377-3456;
fax: 44-171-377-3919

Officers: Lord Fanshawe, chairman; Saxon Riley, chief executive; W.R. White-Cooper, vice chairman; Q.O. Healey, CEO-Sedgwick James U.S.A.; S.S. Tarrant, finance director.

Contact: Julia C. Fish, director-corporate communications.

See profile on page 22.
See geographical listing on page 92.

Seitlin & Co.

2001 N.W. 107th Ave., Suite 200,
Miami, Fla. 33172; 305-591-0090;
fax: 305-593-6993

	1995	1994
Premium volume	**$89,000,000**	$83,600,000
Gross revenues	**$9,730,000**	$8,600,000
U.S. clients	**100%**	100%
Brokerage: Retail	**88%**	89%
U.S. offices	**$8,560,000**	$7,650,000
Personal lines	**11%**	10%
Invstmt. income	**1%**	1%
Employees	**94**	90
Offices	**2**	2

Founded: 1945.

Retail brokerage: 100% commissions.

Employee benefits: 14% of revenues.

Retail brokerage offices: Fort Lauderdale, Fla.

Officers: M. Stephen Jackman, president; Sam Seitlin, chairman; Ned Black, John U. Harrold, Richard Johnson, Barry Ladis, vps.

Contact: M. Stephen Jackman.

Seltzer Serra & Bonnett Insurance Brokers Inc.

1100 E. Hector St., Suite 425,
Conshohocken, Pa. 19428;
610-940-0400; fax: 610-940-0410

	1995	1994
Premium volume	**$9,500,000**	$9,000,000
Gross revenues	**$1,060,000**	$965,000
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**90%**	90%
U.S. offices	**$954,000**	$868,500
Personal lines	**8%**	8%
Services	**1%**	1%
Invstmt. income	**1%**	1%
Employees	**10**	11
Offices	**1**	1

Founded: 1936.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 10% of revenues.

Officers: Frank A. Serra, president/CEO; Charles Bonnett, executive vp; C. Scott Seltzer, Marvin J. Klein, senior vps.

Contact: Frank A. Serra.

Jordan Shields Insurance Agency Inc.

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

	1995	1994
Premium volume	**$18,000,000**	$16,000,000
Gross revenues	**$630,000**	$600,000
U.S. clients	**100%**	100%
Brokerage: Retail	**98%**	98%
U.S. offices	**$618,000**	$588,000
Services	**2%**	2%
Employees	**5**	5
Offices	**1**	1

Founded: 1986.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 100% of revenues.

Officers: Jordan D. Shields, president.

SilverStone Group

535 W. Broadway, Counci Bluffs,
Iowa 51502; 712-325-1010

	1995	1994
Premium volume	**$117,000,000**	$112,500,000
Gross revenues	**$11,725,000**	$11,000,000
U.S. clients	**100%**	100%
Brokerage: Retail	**75%**	90%
U.S. offices	**$8,812,500**	$9,900,000
Personal lines	**4%**	3%
Services	**20%**	7%
Invstmt. income	**1%**	NA
Employees	**153**	140
Offices	**3**	3

Founded: 1945.

Retail brokerage: 80% commissions, 20% fees.

Employee benefits: 69% of revenues.

Acquisitions: Mathis & Associates, Omaha, Neb., April 1995.

Retail brokerage offices: Omaha, Neb.

Licensed excess/surplus broker in: Iowa, Nebraska.

Officers: Gary L. Hurley, president-Redland & Associates; Lewis E. Trowbridge, president-Mammel & Associates; John T. Sarich, vp-SilverStone Group.

Contact: John T. Sarich, 712-325-5838.

The Simkiss Cos.

150 Radnor-Chester Road, St. Davids,
Pa. 19087-8710; 610-902-5000;
fax: 610-902-5016

	1995*	1994*
Premium volume	**$70,376,000**	$66,455,000
Gross revenues	**$9,605,000**	$9,011,000
U.S. clients	**99%**	100%
Non-U.S. clients	**1%**	NA
Brokerage: Retail	**91%**	92%
U.S. offices	**$8,741,000**	$8,290,000
Personal lines	**5%**	5%
Services	**1%**	1%
Invstmt. income	**3%**	2%
Employees	**62**	61
Offices	**1**	1

* Fiscal years ending 3/31/96 and 3/31/95.

Founded: 1965.

Retail brokerage: 84% commissions, 16% fees.

Employee benefits: 5% of revenues.

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.

Continued on next page



Continued from previous page

Simons & Rose Insurance Agency Inc.

2901 Bridgeport Ave., Coconut Grove, Fla. 33133; 305-443-4886; fax: 305-441-0460

	1995	1994
Premium volume	**$40,000,000**	$37,000,000
Gross revenues	**$5,500,000**	$4,900,000
U.S. clients	**100%**	100%
Brokerage: Retail	**95%**	95%
U.S. offices	**$5,225,000**	$4,655,000
Personal lines	**5%**	5%
Employees	**31**	30
Offices	**2**	2

Founded: 1961.
Retail brokerage: 100% commissions.
Employee benefits: 10% of revenues.
Retail brokerage offices: Boca Raton, Fla.
Licensed excess/surplus broker in: Florida.
Officers: Jeffrey Samas, president/secretary; Melvin L. Shapanka, vp/treasurer.
Contact: Jeffrey Samas.

The Sklover Group Inc.

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

	1995	1994
Premium volume	**$17,500,000**	$18,000,000
Gross revenues	**$2,000,000**	$2,100,000
U.S. clients	**90%**	90%
Non-U.S. clients	**10%**	10%
Brokerage: Retail	**75%**	75%
U.S. offices	**$1,350,000**	$1,417,500
Non-U.S. offices	**$150,000**	$157,500
Reinsurance	**10%**	10%
Personal lines	**10%**	10%
Services	**3%**	3%
Invstmt. income	**2%**	2%
Employees	**8**	8
Offices	**2**	2

Founded: 1964.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 5% of revenues.
Retail brokerage offices: New York.
Non-retail brokerage subsidiaries: The Sklover Benefits Group Inc.
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

	1995	1994
Premium volume	**$105,000,000**	$106,000,000
Gross revenues	**$4,780,000**	$4,872,000
U.S. clients	**100%**	100%
Brokerage: Retail	**87%**	84%
U.S. offices	**$4,158,600**	$4,092,430
Personal lines	**6%**	7%
Services	**4%**	4%
Invstmt. income	**3%**	5%
Employees	**65**	75
Offices	**3**	3

Founded: 1965.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 19% of revenues.
Retail brokerage offices: Wallingford, Conn.; New York; Richmond, Va.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: Donald F. Smith, chairman; William B. Stephenson, president; R.M. Neumann, executive vp; Robert B. Bainbridge, senior vp; Cynthia K. List, vp.
Contact: R.M. Neumann.

Smith-Field Insurance Agency Inc.

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

	1995	1994
Premium volume	**$14,000,000**	$14,000,000
Gross revenues	**$2,150,000**	$2,150,000
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	85%
U.S. offices	**$1,827,500**	$1,827,500
Wholesale	**8%**	8%
Personal lines	**4%**	4%
Invstmt. income	**3%**	3%
Employees	**25**	26
Offices	**1**	1

Founded: 1960.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 22.8% of revenues.
Licensed excess/surplus broker in: Virginia.
Officers: Thomas S. Field, chairman; Philip A. Colclough, president; Ernest E. DeConti, secretary; Daniel Quillin, treasurer.
Contact: Philip A. Colclough.

Sodarcan Inc.

1801, McGill College, Suite 550, Montreal, Quebec H3A 3P2, Canada; 514-288-0100; fax: 514-282-9841

	1995	1994
Premium volume	**$715,735,800***	$656,760,560*
Gross revenues	**$73,316,820***	$69,133,920*
U.S. clients	**4%**	7%
Non-U.S. clients	**96%**	93%
Brokerage: Retail	**31.9%**	32.5%
U.S. offices	**$160,600***	$160,600*
Non-U.S. offices	**$23,227,140***	$22,308,070*
Wholesale	**4.4%**	3.3%
Reinsurance	**21.8%**	22.4%
Personal lines	**16.8%**	16.5%
Services	**22.4%**	22.7%
Invstmt. income	**2.1%**	2.0%
Other	**0.6%**	0.6%
Employees	**1,079**	1,032

* Converted at applicable rates.

Founded: 1972.
Retail brokerage: 81.3% commissions, 18.7% fees.
Retail brokerage offices: Dale Intermediaries Ltd.: Vancouver, British Columbia; Halifax, Nova Scotia; Hamilton, London, Niagara Falls, Ottawa, Sarnia, Toronto and Windsor, Ontario. Dale-Parizeau Inc.: Hull, Jonquiere, Laval, Montreal, Quebec and Sherbrooke, Quebec.
Non-retail brokerage subsidiaries: BEP International Corp.: Jersey City, N.J.; Minneapolis, Minn.; Seattle, Wash. BEP International Holding Inc., Toronto; Montreal.
Officers: Robert Parizeau, president/CEO; Mario Myre, executive vp-insurance brokerage; Raymond Gilbert, executive vp-reinsurance brokerage; Louis P. Gagnon, vp-actuarial services/employee benefits consulting; Louise Menard, vp-corporate affairs & legal affairs/secretary; Domenic J. Luccisano, vp-administration; Claudette Leblanc, vp-human resources; Denis Chabot, vp-finance/treasurer.
Contact: Denis Chabot.

Starkweather & Shepley Inc.

60 Catamore Blvd., East Providence, R.I. 02914; 401-435-3600; fax: 401-438-0150

	1995	1994
Premium volume	**$81,000,000**	$74,000,000
Gross revenues	**$10,300,000**	$9,123,000
U.S. clients	**100%**	100%
Brokerage: Retail	**73%**	74%
U.S. offices	**$7,519,000**	$6,751,020
Wholesale	**10%**	10%
Personal lines	**13%**	12%
Services	**1%**	2%
Invstmt. income	**3%**	2%
Employees	**100**	92
Offices	**3**	3

Founded: 1879.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 5% of revenues.
Acquisitions: Capalbo & Morrone, Westerly, R.I., May 1995; Claim Strategies, Providence, R.I., November 1995; C.D. Paige, East Providence, R.I., January 1996.
Retail brokerage offices: John P. Slade & Son Insurance Agency Inc., Fall River, Mass.; Starkweather & Shepley Insurance Inc., Westerly, R.I.
Non-retail brokerage subsidiaries: RISCO Inc., East Providence, R.I.
Licensed excess/surplus broker in: Massachusetts, Rhode Island.
Officers: Richard A. Bentfield, president; Fred R. Tripp, executive vp; Natale P. Calamis, senior vp; William P. McGillivray, vp/treasurer.
Contact: Richard A. Bentfield.

Steel Burrill Jones Group P.L.C.

2 Minster Court, Mincing Lane, London EC3R 7FT, England; 44-171-816-2000; fax: 44-171-816-2247

	1995	1994
Premium volume	**$615,420,000***	$597,680,000*
Gross revenues	**$76,848,600***	$75,374,400*
U.S. clients	**9%**	10%
Non-U.S. clients	**91%**	90%
Brokerage: Retail	**34%**	31%
Non-U.S. offices	**$26,194,800***	$23,439,600*
Wholesale	**19%**	22%
Reinsurance	**14%**	17%
Personal lines	**8%**	8%
Services	**14%**	13%
Invstmt. income	**11%**	9%
Employees	**799**	807
Offices	**11**	11

* Converted at applicable rates.

Founded: 1977.
Retail brokerage: 45% commissions, 55% fees.
Employee benefits: 11% of revenues.
Acquisitions: INTERMAR Ltd., United Kingdom, March 1995; James Hunt Dix (Insurance) Ltd., United Kingdom, January 1995; Travel Insurance Services Ltd., United Kingdom, May 1995.
Retail brokerage offices: Devitt Insurance Services Ltd., London; SBJ Actuaries & Consultants Ltd., Reading, England; SBJ Benefit Consultants Ltd., Birmingham, Bristol, Leatherhead, London and Stockport, England; SBJ Employment & Safety Services Ltd., Coventry, England; SBJ Stephenson Ltd., Birmingham, Bristol, Gravesend, London and New Malden, England.
Non-retail brokerage subsidiaries: London: Helix UK Ltd., ISU (Europe) Ltd., Meacock Samuelson & Devitt Ltd., Nelson Steavenson Bloodstock Ltd., Steel Burrill Jones Ltd., SBJ International, SBJ Financial Institutions, SBJ Group Services Ltd., SBJ Marine Reinsurance Brokers, SBJ Marine & Energy, SBJ Professional Risks, SBJ Specialty Ltd., SBJ TLO.
Officers: Clive Richards, chairman; George Boden, CEO; Christopher Birrell, CFO; Bill Barratt, retail; Jim Clark, London market; Peter Gray, employee benefits.
Contact: Christopher Birrell.

DeWitt Stern Group Inc. (DeWitt Stern Group Planning Services L.L.C.)

420 Lexington Ave., New York, N.Y. 10170; 212-867-3550; fax: 212-983-6483

	1995	1994
Gross revenues	**$7,810,000**	$7,250,000
U.S. clients	**90%**	90%
Non-U.S. clients	**10%**	10%
Brokerage: Retail	**76%**	76%
U.S. offices	**$5,342,040**	$4,960,000
Non-U.S. offices	**$593,560**	$550,000
Wholesale	**1%**	1%
Personal lines	**22%**	22%
Services	**1%**	1%
Employees	**83**	77
Offices	**3**	3

Founded: 1899.
Parent: DeWitt Stern Group Inc.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 9% of revenues.
Retail brokerage offices: DeWitt Stern Imperatore Ltd., Weehawken, N.J.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: Jolyon F. Stern, president/CEO; Gilbert Andrus, executive vp; James L. Lippe, senior vp; Bertram B. Fisher, 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: 214-740-2752

	1995*	1994*
Premium volume	**$57,820,000**	$46,270,000
Gross revenues	**$8,260,000**	$6,610,000
U.S. clients	**94%**	92%
Non-U.S. clients	**6%**	8%
Brokerage: Retail	**87%**	86%
U.S. offices	**$7,186,200**	$5,684,600
Personal lines	**6%**	5%
Services	**4%**	6%
Invstmt. income	**3%**	3%
Employees	**73**	51
Offices	**9**	6

* Fiscal years ending 3/31/96 and 3/31/95.

Founded: 1995.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 7% of revenues.
Acquisitions: Durango Insurance Brokers Inc., Durango, Colo., April 1996; Premiere Risk Management Inc., Chicago, February 1996; Ben Reid & Associates, Houston, May 1996; Wright Mains Koester Inc., Albuquerque, N.M., April 1996.
Retail brokerage offices: Durango, Colo.; Atlanta; Chicago; Albuquerque, N.M.; Burlington, N.C.; Dallas; Houston; Milwaukee; Hamilton, Bermuda.
Licensed excess/surplus broker in: Colorado, Georgia, Illinois, New Mexico, North Carolina, Texas, Wisconsin.
Officers: Gary R. Griffith, chairman/CEO; Robert J. Hogan, president/COO; Sandra Valiquette, controller.
Contact: Gary R. Griffith.

T

Talbot Financial Corp.

7770 Jefferson N.E., Suite 200, Albuquerque, N.M. 87109; 505-828-4000; fax: 505-828-0732

	1995	1994
Premium volume	**$950,000,000**	$650,000,000
Gross revenues	**$32,938,000**	$24,947,000
U.S. clients	**100%**	100%
Brokerage: Retail	**38%**	36%
U.S. offices	**$12,516,440**	$8,980,000
Personal lines	**11.0%**	10.0%
Services	**1%**	1%
Invstmt. income	**1.7%**	1.6%
Other	**48.3%**	51.4%
Employees	**332**	257
Offices	**9**	7

Founded: 1957.
Parent: SAFECO Corp.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 6.8% of revenues.
Acquisitions: Chriss Crawford Insurance, Missoula, Mont., May 1996; FNI Insurance, Dillon, Mont., May 1996; Inland Surety Bonds & Insurance Services, Riverside, Calif., January 1996; Inman Insurance, Chinook, Mont., May 1996; McElvany Insurance Services Inc., Ontario, Calif., January 1996; L.K. Runner Insurance Services, Upland, Calif., January 1995.
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

	1995	1994
Premium volume	**$195,000,000**	$190,000,000
Gross revenues	**$19,900,000**	$19,800,000
U.S. clients	**99%**	99%
Non-U.S. clients	**1%**	1%
Brokerage: Retail	**83%**	83%
U.S. offices	**$16,217,000**	$16,134,000
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%
Employees	**180**	172
Offices	**6**	6

Founded: 1860.
Retail brokerage: 91% commissions, 9% fees.
Employee benefits: 10% of revenues.
Retail brokerage offices: San Diego; Miami; Boston; D.R. Reiff & Associates, New York.
Non-retail brokerage subsidiaries: Common Market Agency: New York; London; Tannenbaum-Harber Reinsurance Intermediaries, New York; Thesco Consulting Actuaries, New York.
Licensed excess/surplus broker in: New York.
Officers: Robert K. Harris, chairman; Walter L. Harris, president; Alan N. Rovin, executive vp; James V. Mannino, Robert V. Donovan, Ronald S. Hanstein, Robert J. Pulver, senior vps; Randa Globerman, treasurer; Richard J. Fleder, president-Thesco Consulting Actuaries.
Contact: Robert Harris or Walter Harris.

Continued on next page

BING S.A.
INSURANCE BROKERS
25 de Mayo 596, 1002 Buenos Aires, Argentina.
Tel.: (541) - 311-1670/312-6328/8377 / Fax: (541) - 313-6108.

Carvill
Reinsurance Intermediary
INDEPENDENCE
INTEGRITY
SERVICE
CONSISTENT PHILOSOPHY & PERFORMANCE
SINCE 1977
Atlanta Bermuda Chicago London Stamford

Continued from previous page

Texas Insurance Agency Inc.

7550 IH-10 West, Suite 700, San Antonio, Texas 78229-5814; 210-366-0671; fax: 210-524-2087

	1995	1994
Premium volume	$71,000,000	$65,000,000
Gross revenues	$7,350,000	$7,200,000
U.S. clients	100%	100%
Brokerage: Retail	68%	68%
U.S. offices	$5,000,000	$4,900,000
Personal lines	26%	26%
Services	1%	1%
Invstmt. income	5%	5%
Employees	131	125
Offices	4	4

Founded: 1973.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 11% of revenues.
Acquisitions: Lawrence Ilfrey & Co., May 1995.
Retail brokerage offices: Austin, Houston and Uvalde, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Joe Minihan, president-Austin, Houston, San Antonio; Greg Stevens, vp; W.W. McAllister, secretary; Jim Calisle, president-Uvalde; Mike Minihan, manager-Houston.
Contact: Joe Minihan.

Thilman & Filippini

1 E. Wacker Drive, Suite 1800, Chicago, Ill. 60601; 312-527-9500; fax: 312-527-9509

	1995	1994
Premium volume	$60,000,000	$55,000,000
Gross revenues	$6,400,000	$6,200,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$5,440,000	$5,270,000
Personal lines	5%	5%
Services	8%	8%
Invstmt. income	2%	2%
Employees	61	61
Offices	1	1

Founded: 1980.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 20% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: E. Thomas Thilman, John Atkinson, Eric Mezmar, Thomas W. Philippini, 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: 415-853-3882

	1995*	1994*
Premium volume	$60,000,000	$60,000,000
Gross revenues	$5,092,069	$5,588,896
U.S. clients	100%	100%
Brokerage: Retail	84%	87%
U.S. offices	$4,277,338	$4,862,340
Personal lines	10%	8%
Services	2%	2%
Invstmt. income	4%	3%
Employees	51	54
Offices	2	2

* Fiscal years ending 1/31/95 and 1/31/94.

Founded: 1891.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 22% of revenues.
Retail brokerage offices: San Francisco.
Officers: Donald A. Way, CEO; Kenneth K. Peterson, COO;.
Contact: Donald A. Way.

Timberline Insurance Managers Inc.

1300 Mopac Expressway S., Fourth Floor, Austin, Texas 78746; 512-434-8464; fax: 512-434-8647

	1995	1994
Premium volume	$209,000,000	$235,000,000
Gross revenues	$17,818,385	$17,524,840
U.S. clients	100%	100%
Brokerage: Retail	44.5%	38.5%
U.S. offices	$7,929,181	$6,741,639
Wholesale	4.9%	4.9%
Personal lines	7.3%	8.0%
Services	1.1%	1.2%
Invstmt. income	2.3%	1.7%
Other	39.9%	45.7%
Employees	112	107
Offices	5	5

Founded: 1957.
Parent: Lumbermen's Investment Corp.
Retail brokerage: 75.4% commissions, 24.6% fees.
Employee benefits: 0.8% of revenues.
Acquisitions: National Insurance Counselors, Austin, Texas, August 1995; Rubiola, Blair & Associates, San Antonio, Texas, January 1996.
Retail brokerage offices: Timberline Insurance Services Inc., Baytown, Dallas, El Paso and San Antonio, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Hal Shults, president; Larry Bynum, senior vp; Brian Elkouri, treasurer; Pat Bridgewater, vp; J. Bradley Johnston, secretary.
Contact: Brian Elkouri.

Tower-Chisholm Ferguson Ltd.

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

	1995*	1994*
Premium volume	$12,447,078	$12,016,749
Gross revenues	$2,020,479	$1,950,559
U.S. clients	7%	9%
Non-U.S. clients	93%	91%
Brokerage: Retail	52%	62%
U.S. offices	$73,545	$107,085
Non-U.S. offices	$977,104	$1,082,756
Wholesale	2%	3%
Personal lines	34%	32%
Services	11%	1%
Invstmt. income	1%	2%
Employees	23	22
Offices	1	1

* Fiscal years ending 10/95 and 10/94.

Founded: 1928.
Retail brokerage: 85% commissions, 15% fees.
Officers: Herbert Schwartze, chairman; Darryl D. Ticknor, president; Debbie Massa, CFO/vp.
Contact: Darryl D. Ticknor.

Trade Insurance Services Inc.

1450 E. American Lane, 20th Floor, Schaumburg, Ill. 60173; 847-517-2990; fax: 847-517-2399

	1995	1994
Premium volume	$43,500,000	$38,000,000
Gross revenues	$8,400,000	$8,000,000
U.S. clients	97.5%	98.5%
Non-U.S. clients	2.5%	1.5%
Brokerage: Retail	80%	78%
U.S. offices	$6,520,000	$6,112,000
Non-U.S. offices	$200,000	$128,000
Invstmt. income	4%	7%
Other	16%	15%
Employees	100	94
Offices	13	12

Founded: 1980.
Parent: Intercargo Corp.
Retail brokerage: 99% commissions, 1% fees.
Retail brokerage offices: Los Angeles and San Francisco, Calif.; Miami; Atlanta; Boston; New York; Charlotte, N.C.; Charleston, S.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: Debbie Geuss, director-marketing, 847-517-2359 or Patti Earnest, executive assistant, 847-517-2351.

Transportation Insurance Managers

11300 N. Central, Suite 510, Dallas, Texas 75243; 214-373-4566; fax: 214-373-4572

	1995	1994
Premium volume	$11,000,000	$10,800,000
Gross revenues	$954,489	$946,992
U.S. clients	100%	100%
Brokerage: Retail	96.6%	98.2%
U.S. offices	$922,036	$929,946
Invstmt. income	3.4%	1.8%
Employees	NA	8
Offices	4	4

Founded: 1983.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 1% of revenues.
Retail brokerage offices: Charlotte, N.C.; Memphis, Tenn.; Houston.
Officers: Dale Weatheread, president; Jerry Gillikin, vp; Bob Hunt, vp/secretary.
Contact: Bob Hunt.

The Tribus Cos.

65 Willowbrook Blvd., Wayne, N.J. 07470; 201-890-1818; fax: 201-890-7841

	1995*	1994*
Premium volume	$206,000,000	$162,000,000
Gross revenues	$10,300,000	$8,100,000
U.S. clients	100%	100%
Brokerage: Retail	99%	98%
U.S. offices	$10,197,000	$7,938,000
Personal lines	1%	2%
Employees	142	106
Offices	3	3

* Fiscal years ending 3/31/95 and 3/31/94.

Founded: 1967.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 75% of revenues.
Retail brokerage offices: Jamesburg, and Lakewood, N.J.
Non-retail brokerage subsidiaries: Agency Resources Inc., Wayne, N.J.
Officers: Don Tribus, CEO; Howard Maltzman, president; Bob Musto, Jeff Schwarzwaelder, William Bittner, senior vps.
Contact: Jack Appleman, 201-890-1818, ext. 499.

U

USI Insurance Services Corp.

235 Pine St., 10th Floor, San Francisco, Calif. 94104; 415-983-0100; fax: 415-983-0101

	1995	1994
Premium volume	$597,250,000	$87,500,000
Gross revenues	$78,400,000	$10,050,000
U.S. clients	100%	100%
Brokerage: Retail	74.0%	84.5%
U.S. offices	$58,016,000	$8,492,250
Personal lines	9.7%	12.5%
Services	12.6%	NA%
Invstmt. income	2.4%	2.0%
Other	1.3%	1.0%
Employees	858	194
Offices	14	3

Founded: 1994.
Retail brokerage: 87.4% commissions, 12.6% fees.
Employee benefits: 16.5% of revenues.
Acquisitions: The Anderson Co., Houston, April 1996; Association Growth Enterprises Inc., Landover, Md., June 1995; Bechard Insurance Agency, Nashua, N.H., October 1995; Beckwith-Hightower & Renburg, Stockton, Calif., January 1996; Benefit Plan Administrators Inc., Melville, N.Y., July 1995; Black/White & Associates, Oakland, Calif., February 1996; Campbell, Galt & Newlands, Portland, Ore., February 1995; Carpenter & Pelton Inc., Mount Kisco, N.Y., March 1996; Clinton L. Booth Inc., Sherman Oaks, Calif., April 1995. Compensation Management Inc., Exton, Pa., January 1995; Daugherty & Co., Stockton, Calif., January 1996; El Camino Insurance Agency, Vista, Calif., May 1995; Flanigan, O'Hara, Gentry & Associates, Fort Washington, Pa., April 1995; Flanigan, O'Hara, Gentry & Associates-Allentown, Allentown, Pa., September 1995; Gillette & Co., Portland, Ore., January 1996; Hambrecht & Quist Insurance Brokers, San Francisco, Calif., May 1995; Henderson & Phillips Insurance, Norfolk, Va., June 1996; Hogg Robinson, New York, November 1995; Insurance Exchange, Manchester, N.H., October 1995; Julius Moll & Son Inc., Chicago, June 1995; Progressive Plan Administrators Inc., New York, March 1995; Stone & Michaud. Manchester, N.H., April 1996; Summit Perspectives, Stockton, Calif., April 1996; United California Insurance Agency, Sherman Oaks, Calif., May 1995; Ken Ulis & Co., Sherman Oaks, Calif., June 1995; Vista Insurance Professionals, Vista, Calif., January 1996; Thomas E. Wood Inc., Cincinnati, July 1995.
Retail brokerage offices: Max Behm & Associates Inc., Sherman Oaks, Calif.; Insurance Risk Managers Inc., San Clemente, Calif.; InterNational Rental Insurance Inc., San Clemente, Calif.; Rental Industry Services, San Clemente, Calif.; TriWest Insurance Services, Sherman Oaks, Calif.; Warren Welsh & Thomson, Exton, Pa. See acquisitions for other retail brokerage offices.
Licensed excess/surplus broker.
Officers: Bernard Mizel, chairman/CEO; John Addeo, executive vp/COO; Mike Leonard, senior vp-administration; Robert Norwood, vp-sales/marketing; Carol Krause, vp-human resources; Jay Scarborough, vp/general counsel.
Contact: Robert Norwood.

UVW/Elizabeth Group

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

	1995	1994
Premium volume	$91,600,000	$82,300,000
Gross revenues	$12,108,000	$11,200,000
U.S. clients	99%	97%
Non-U.S. clients	1%	3%
Brokerage: Retail	64%	64%
U.S. offices	$7,749,120	$7,168,000
Personal lines	27.0%	20.0%
Services	5.2%	12.0%
Invstmt. income	1.8%	1.5%
Other	2.0%	2.5%
Employees	92	87
Offices	2	2

Founded: 1995.
Retail brokerage: 91% commissions, 9% fees.
Employee benefits: 9.5% of revenues.
Acquisitions: Rasmussen Agency, Somerset, N.J., October 1995.
Retail brokerage offices: Cranford, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: John N. Vorhees III, chairman; Stephan A. Warner, chairman-executive committee; Donald Readlinger, president, Robert Canarick, CFO/general counsel.
Contact: Stephen A. Warner.

V

Van Beurden Insurance Services Inc.

1600 Draper St., Kingsburg, Calif. 93631-1911; 209-897-2975; fax: 209-897-4070

	1995	1994
Premium volume	$126,601,421	$116,321,141
Gross revenues	$12,871,031	$12,075,031
U.S. clients	100%	100%
Brokerage: Retail	75%	80%
U.S. offices	$9,653,273	$9,660,024
Wholesale	10%	5%
Personal lines	8%	8%
Invstmt. income	7%	7%
Employees	114	115
Offices	13	13

Founded: 1934.
Retail brokerage: 100% commissions.
Employee benefits: 9% of revenues.
Retail brokerage offices: Caruthers, Fresno, Los Osos, Modesto, Paso Robles, San Bernardino, Visalia and Woodland, Calif.; Atlanta; Michael E. James Insurance Agency, Alpine, Calif.; 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; Donald K. Bingham, president-Van Beurden-Washington Corp.; Michael E. James, president-Alpine Office Wholesale Division; Charles R. Hayes, president-Van Beurden-Hayes Oregon Corp.
Contact: Steven C. Wigh.

Truman Van Dyke Co.

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

	1995	1994
Premium volume	$10,067,204	$9,556,256
Gross revenues	$1,678,738	$1,310,518
U.S. clients	98%	99%
Non-U.S. clients	2%	1%
Brokerage: Retail	75%	82%
U.S. offices	$1,259,054	$1,074,625
Wholesale	25%	18%
Employees	19	18
Offices	1	1

Founded: 1953.
Retail brokerage: 95% commissions, 5% fees.
Licensed excess/surplus broker in: California.
Officers: Truman Van Dyke Jr., president; Rose Van Dyke, chairman/CFO; Kent Hamilton, executive vp.
Contact: Truman Van Dyke Jr.

Van Gilder Insurance Corp.

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

	1995	1994
Premium volume	$110,277,000	$104,415,000
Gross revenues	$16,282,000	$14,212,000
U.S. clients	100%	100%
Brokerage: Retail	78.2%	88.5%
U.S. offices	$12,733,000	$12,578,000
Personal lines	9.4%	11.5%
Invstmt. income	12.4%	NA
Employees	160	150
Offices	4	4

Founded: 1905.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 6.3% of revenues.
Retail brokerage offices: Sterling, Colo.; Kansas City, Kan.; Casper, Wyo.
Licensed excess/surplus broker in: United States.
Officers: Dell Van Gilder, president; Gerry Ray, COO; Henry Higginbotton, CFO; Velma Lane, Rick Warren, senior vps.
Contact: Dell Van Gilder.

Van Meter Insurance

1240 Fairway St., P.O. Box 1779, Bowling Green, Ky. 42102; 502-781-2020; fax: 502-843-8808

	1995	1994
Premium volume	$85,000,000	$70,000,000
Gross revenues	$8,811,260	$6,820,802
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	78%	79%
U.S. offices	$6,872,783	$5,388,433
Reinsurance	1%	1%
Personal lines	6%	7%
Services	10%	6%
Invstmt. income	2%	2%
Other	3%	5%
Employees	115	106
Offices	5	5

Founded: 1977.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 7% of revenues.
Retail brokerage offices: Lexington, Owensboro and Russellville, Ky.; Nashville, Tenn.
Licensed excess/surplus broker in: Kentucky, Tennessee.
Officers: William B. Van Meter, chairman; Larry P. Schaeffer, president; Louis Berman, Tim Renfro, Jerry Heming, vps.
Contact: Larry P. Schaeffer.

Continued on next page

If your company generates at least $500,000 in gross revenues from commercial retail brokerage, but was not listed in the directory, please call Richard Trout at 312-649-5483 to receive a questionnaire for next year.

JEFFERSON INSURANCE GROUP

IN PURSUIT OF EXCELLENCE SINCE 1950



The Jefferson Team is committed to be a leader in providing superior insurance products and services to the Jefferson General Agent, our partner. Through dedication to excellence, we strive to achieve an underwriting profit so that Jefferson, its shareholders, staff and general agents may consistently grow and prosper.

A (EXCELLENT) CLASS VII
A.M. BEST RATING

Operating on a licensed and/or excess/surplus lines basis in all 50 states.

Represented exclusively by general agents and wholesale brokers.

JEFFERSON INSURANCE GROUP
MEMBER COMPANIES
JEFFERSON INSURANCE COMPANY OF NEW YORK
MONTICELLO INSURANCE COMPANY
JEFFCO MANAGEMENT COMPANY, INC.

Newport Tower • 525 Washington Boulevard
Jersey City, New Jersey 07310-1693
Telephone: (201) 222-8666 • Fax: (201) 222-9161

AAMGA
ASSOCIATE MEMBER AMERICAN ASSOCIATION OF MANAGING GENERAL AGENTS

JEFFERSON...
The General Agents' Partner of Choice!

Continued from previous page

Wallace Welch & Willingham Inc.

3810 16th St. N., St. Petersburg, Fla. 33703; 813-522-7777; fax: 813-521-2902

	1995*	1994*
Premium volume	$34,000,000	$32,500,000
Gross revenues	$3,650,000	$3,600,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	76%	73%
U.S. offices	$2,774,000	$2,628,000
Personal lines	20%	24%
Services	1%	NA
Invstmt. income	2%	2%
Other	1%	1%
Total employees	49	49
Total offices	1	1

* Fiscal years ending 7/95 and 7/94.

Founded: 1925.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 15% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: John I. Welch, chairman; Weyman T. Willingham Jr., president; Robert J. Stambaugh, CEO; Alycia Weigley, CFO.
Contact: Stanley B. Shreve, senior vp.

Arthur A. Watson & Co. Inc.

225 Spring St., Wethersfield, Conn. 06109; 860-563-8111; fax: 860-563-5201

	1995	1994
Premium volume	$77,000,000	$82,000,000
Gross revenues	$8,621,976	$8,546,741
U.S. clients	100%	100%
Brokerage: Retail	61%	64%
U.S. offices	$5,259,405	$5,469,914
Personal lines	22%	20%
Invstmt. income	1%	1%
Other	16%	15%
Employees	85	86
Offices	1	1

Founded: 1929.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 16% of revenues.
Licensed excess/surplus broker in: Connecticut.
Officers: Thomas A. Willsey, president; Elliot H. Levin, Peter E. Peterson, executive vps; Alan S. Currie, CFO; Michael E. Watts, senior vp.
Contact: Thomas A. Willsey.

Watson Insurance Agency Inc.

P.O. Box 879, 245 E. Second Ave., Gastonia, N.C. 28053; 704-865-8584; fax: 704-866-9866

	1995	1994
Premium volume	$35,119,000	$32,668,000
Gross revenues	$5,292,000	$4,732,000
U.S. clients	100%	100%
Brokerage: Retail	62%	61%
U.S. offices	$3,281,000	$2,887,000
Personal lines	36%	37%
Invstmt. income	1%	1%
Other	1%	1%
Employees	79	72
Offices	6	5

Founded: 1934.
Retail brokerage: 100% commissions.
Employee benefits: 9% of revenues.
Acquisitions: North State Insurance Agency, Lincolnton, N.C., October 1995.
Retail brokerage offices: Belmont, Cherryville, Lincolnton and Mount Holly, 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

	1995*	1994*
Premium volume	$53,000,000	$47,000,000
Gross revenues	$6,523,000	$6,300,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	88.3%	89.0%
U.S. offices	$5,759,809	$5,607,000
Wholesale	5.0%	5.0%
Personal lines	4.0%	5.0%
Services	1.0%	NA
Invstmt. income	1.7%	1.0%
Employees	52	52
Offices	1	1

* Fiscal years ending 5/31/95 and 5/31/94.

Founded: 1979.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 4.3% of revenues.
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

	1995*	1994*
Gross revenues	$8,948,000	$8,698,000
U.S. clients	100%	100%
Brokerage: Retail	87%	87%
U.S. offices	$7,784,760	$7,567,260
Personal lines	12%	12%
Invstmt. income	1%	1%
Employees	77	80
Offices	3	5

* Fiscal years ending 6/30/95 and 6/30/94.

Founded: 1912.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 12% of revenues.
Retail brokerage offices: Wharton/Atlantic, Oakhurst, N.J.; Wharton Financial, Livingston, N.J.
Officers: Richard Hebert, president; Dennis F. Klein, executive vp; Andrew Stillo, senior vp; Bruce Gilson, Robert Sileno, 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

Officers: John Reeve, executive chairman; J. Max Taylor, COO; Richard Dalzell, group finance director; Ken Pinkston, chairman/CEO-Willis Corroon Americas, Willis Corroon Corp., George Nixon, chairman-Willis Corroon Ltd., chairman-Willis Corroon International Holdings.
Contact: Peter R. Stevens, director-corporate communciations, 44-171-481-7045.
See profile on page 26.
See geographical listing on page 92.

Wisconsin Insurance Management Inc.

300 Wisconsin Ave., P.O. Box 1630, Waukesha, Wis. 53187; 414-542-8822 or 800-837-8822; fax: 414-542-9750

	1995	1994
Premium volume	$140,000,000	$140,000,000
Gross revenues	$8,820,177	$8,367,753
U.S. clients	100%	100%
Brokerage: Retail	52%	51%
U.S. offices	$4,586,492	$4,267,554
Wholesale	1%	1%
Personal lines	24%	23%
Services	3%	3%
Other	20%	22%
Employees	88	84
Offices	2	2

Founded: 1978.
Parent: First Financial Corp.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 10% of revenues.
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.

Wisenberg Insurance & Risk Management

24 Greenway Plaza, Suite 1100, Houston, Texas 77046-2401; 713-507-9476; fax: 713-507-9432

	1995*	1994*
Premium volume	$80,000,000	$80,000,000
Gross revenues	$7,000,000	$7,000,000
U.S. clients	100%	100%
Brokerage: Retail	70%	64%
U.S. offices	$4,900,000	$4,480,000
Wholesale	3%	2%
Personal lines	7%	7%
Services	11%	18%
Invstmt. income	1%	1%
Other	8%	8%
Employees	62	63
Offices	1	1

* Fiscal years ending 4/30/95 and 4/30/94.

Founded: 1934.
Retail brokerage: 86% commissions, 14% fees.
Employee benefits: 8% of revenues.
Non-retail brokerage subsidiaries: Risk Analysts Inc., Houston.
Licensed excess/surplus broker in: Texas.
Officers: Irving Pozmantier, chairman; Joe L. Williams, president; Jay Williams, Jeff Pozmantier, Tom Francis, executive vps.
Contact: Joe L. Williams, 713-507-4702.

Wittner & Co.

5999 Central Ave., Suite 400, St. Petersburg, Fla. 33710; 813-384-3000; fax: 813-345-8509

	1995	1994
Premium volume	$254,000,000	$223,921,000
Gross revenues	$4,618,137	$4,783,446
U.S. clients	100%	100%
Brokerage: Retail	42.4%	41.3%
U.S. offices	$1,958,090	$1,975,563
Wholesale	52.0%	53.5%
Services	5.4%	4.5%
Invstmt. income	0.2%	0.7%
Employees	24	26
Offices	2	3

Founded: 1955.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 100% of revenues.
Retail brokerage offices: Orlando, Fla.
Non-retail brokerage subsidiaries: 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

1430 E. Missouri Ave., Suite 225, Phoenix, Ariz. 85014; 602-230-9200; fax: 602-230-8207

	1995	1994
Premium volume	$16,300,000	$15,900,000
Gross revenues	$2,000,000	$1,300,000
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
U.S. offices	$2,000,000	$1,800,000
Employees	11	12
Offices	1	1

Founded: 1986.
Retail brokerage: 99% commissions, 1% fees.
Licensed excess/surplus broker in: Arizona, California.
Officers: David A. Wood, president; Robert J. Gano, executive vp; Phil Hamilton, senior vp.
Contact: David A. Wood.

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

2727 Allen Parkway, Houston, Texas 77019; 713-526-3366; fax: 713-522-3056

	1995	1994
Premium volume	$395,000,000	$368,000,000
Gross revenues	$37,489,000	$34,965,000
U.S. clients	100%	100%
Brokerage: Retail	97%	96%
U.S. offices	$36,364,000	$33,566,400
Personal lines	2%	3%
Invstmt. income	1%	1%
Employees	250	243
Offices	1	1

Founded: 1915.
Retail brokerage: 100% commissions.
Employee benefits: 9% of revenues.
Non-retail brokerage subsidiaries: John L. Wortham & Son Inc., Houston; John L. Wortham & Son Investments Inc., Houston.
Licensed excess/surplus broker in: Texas.
Officers: Fred C. Burns, managing partner; Allen H. Carruth, chairman-executive committee; James R. Davis, Charles Flournoy, Robet B. Hixon, members-executive committee.
Contact: Fred C. Burns. BI

Geographical listing of agents and brokers by individual states

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 will be listed under its operating name followed by the parent company name in parentheses.

Alabama

Birmingham
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Johnson & Higgins
McGriff, Seibels & Williams
Palomar Insurance
Sedgwick
Willis Corroon
Fairbanks
Willis Corroon
Huntsville
J. Smith Lanier & Co.
Sedgwick
LaFayette
J. Smith Lanier & Co.
Mobile
Hilb, Rogal & Hamilton
McGriff, Seibels & Williams
Sedgwick
Willis Corroon
Montgomery
J. Smith Lanier & Co.
Meadowbrook Insurance Group
Palomar Insurance
Willis Corroon
Opelika
J. Smith Lanier & Co.

Alaska

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

Arizona

Flagstaff
Hilb, Rogal & Hamilton
Mesa
Hilb, Rogal & Hamilton
Phoenix
Acordia
Alexander & Alexander Services
Alliance Insurance Group Inc.
Andreini & Co.
Diversified Insurance Brokers
Financial Independence Co.
Hilb, Rogal & Hamilton
Johnson & Higgins
Lovitt & Touche
Marsh & McLennan
NBD Insurance (First Chicago NBD)
Poe & Brown of Arizona
Sedgwick
Willis Corroon
The Wood Insurance Group
Scottsdale
Arthur J. Gallagher
A.W. Lawrence & Co. (Lawrence Agency)
ISU/Valley Insurance Service
Taylor
Lovitt & Touche
Tucson
Alliance Insurance Group Inc.
Hilb, Rogal & Hamilton
Lovitt & Touche
Sedgwick

Arkansas

Eureka Springs
BHC Life & Group Specialists (Brown-Hiller-Clark & Associates)
BHC of Eureka Springs (Brown-Hiller-Clark & Associates)
Fayetteville
Sedgwick
Fort Smith
BHC Life & Group Specialists (Brown-Hiller-Clark & Associates)
Brown-Hiller-Clark & Associates
Rebsamen Insurance
Jacksonville
Arthur J. Gallagher
Little Rock
Arthur J. Gallagher
Marsh & McLennan
Rebsamen Insurance
Sedgwick
North Little Rock
Arthur J. Gallagher
Springdale
Rebsamen Insurance

California

Alamo
Arthur J. Gallagher
Healthcare-West Insurance Services
Alpine
Michael E. James Insurance Agency (Van Beurden Insurance Services)
Anaheim
Arthur J. Gallagher
Aptos
Arthur J. Gallagher
Bakersfield
Hilb, Rogal & Hamilton
Belmont
Alburger Basso de Grosz Insurance Services
Beverly Hills
Kaye Insurance Services (Kaye Insurance Associates)
Brea
Alburger Basso de Grosz Insurance Services
Burbank
Frenkel of California (Frenkel & Co.)
Campbell
Keenan & Associates
Canoga Park
Aon Specialty Group
Capitola
Alburger Basso de Grosz Insurance Services
Caruthers
Van Beurden Insurance Services
Chico
Keenan & Associates
Colton
Norwest Insurance
Concord
Anchor Pacific Underwriters
Aon Specialty Group
Costa Mesa
Alexander & Alexander Services
Aon Group
Johnson & Higgins
Covina
ISU/Valley Insurance Service
Davis
Norwest Insurance
Diamond Bar
Aon Specialty Group
Dinuba
Hilb, Rogal & Hamilton
Emeryville
Keenan & Associates
Encino
Acordia
Escondido
ISU/Valley Insurance Service
Robert F. Driver Co.
Fresno
Aon Group
Cal-Central Insurance & Management Services
Hilb, Rogal & Hamilton
Keenan & Associates
Van Beurden Insurance Services
Fullerton
Hilb, Rogal & Hamilton
Glendale
Anderson & Anderson Insurance Brokers
Calco Insurance Brokers & Agents
Willis Corroon
Grass Valley
Acordia
Hollywood
Truman Van Dyke Co.
Irvine
Anderson & Anderson Insurance Brokers
Andreini & Co.
John Burnham & Co.
Arthur J. Gallagher
Gow & Hanna West
Sedgwick
Kingsburg
Van Beurden Insurance Services
Lafayette
ISU Massie & Beck Insurance Services
Laguna Hills
Alliance Insurance Group Inc.
Arthur J. Gallagher
ISU/Valley Insurance Service
Lodi
Acordia
Long Beach
Acordia
Hobbs Group
Los Angeles
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Specialty Group
Cumbre Inc. Insurance Services
Arthur J. Gallagher
Haas & Wilkerson
James Econn & Co.
Johnson & Higgins
Sander A. Kessler & Associates
Lockton Cos.
Marsh & McLennan
Minet Insurance Services
Near North Insurance Brokerage of California
Sedgwick
Trade Insurance Services
Los Osos
Van Beurden Insurance Services
Modesto
Capax Management & Insurance Services
Van Beurden Insurance Services
Newport Beach
Aon Consulting
Aon Specialty Group
Robert F. Driver Co.
Kelter-Thorner Inc.
Marsh & McLennan
North Hills
M.H. Ross/Doud Insurance Brokers
Novato
Jordan Shields Insurance Agency
Oakland
Black/White & Associates (USI Insurance Services)
Ontario
Clover Insurance Agency (Hilb, Rogal & Hamilton)
Orange
Calco Insurance Brokers & Agents
Cal-Surance Associates (The Cal-Surance Cos.)
The Cal-Surance Cos.
Oxnard
Andreini & Co.
Bolton/RGV Insurance Brokers
Palm Desert
HRH Insurance Services (Hilb, Rogal & Hamilton)
ISU/Valley Insurance Service
Palo Alto
Minet Insurance Services
Thoits Insurance Service
Pasadena
Alexander & Alexander Services
Paso Robles
Van Beurden Insurance Services

Continued on next page

READER REPLY SERVICE

PRODUCTS & SERVICES LISTING

Issue of July 22

READER SERVICE #	ADVERTISER	PAGE #
1	Aetna Group Disability	18
2	Aetna Pharmacy Management	83
3	A. I. Credit	48-49
4	AIG Corporate	Cov. 2, 2A/B
5	AIG Middle Market	59
6	American Custom Insurance Co.	40
7	American Institute for CPCU	107
–	American Institute for CPCU	76
8	Ameritas Life Insurance Co.	52
–	AMS Management Systems Group	66
9	AON Group	7
–	Arkwright Insurance	84
10	Assoc. Aviation Underwriters	54
11	Assurex International	67
–	Bain Hogg London	46
–	Bell Atlantic	53R
12	Bene Com Associates	107
13	Bermuda Government	26
–	Bing S.A.	90
–	Blue Cross Blue Shield-Assn.	55R
14	Brownyard Group	80
15	Burnham Systems	107
–	Business Insurance	53
16	Carvill America, Inc.	90
17	CAT Limited	11
–	Chubb Group of Insurance Co's	27
–	Chubb Group of Insurance Co's	70
18	CNA/Disability Mgmt.	62
19	CNA/Healthpro	20
20	CNA/Risk Management	34-35
–	CCIA	53R
21	Commonwealth Risk Service	58
22	Constitution Reinsurance Corp.	24-25
23	Continental Underwriters	86
24	CRC	28-29
25	Crump E & S Group	78
–	Delphi Information Systems	50
26	Delta Dental Plan Assoc.	30
–	Eagle Group International	107
27	ECS Underwriting Inc.	19
28	Executive Risk Mgmt. Assoc.	64
29	Facts Services Inc.	107
	Fireman's Fund	23
	First State Management Group	89
30	Fortis Benefits Ins. Co.	60
31	Fortis Inc.	16-17
32	Frontier Insurance Co.	6
34	General Accident Ins.	87
70	Genesis/PRMS, Inc.	95
35	GENEX	10
36	Gerling America	68
–	GHI	53R
37	Great American Insurance Co.	72
38	Hales & Associates	47
39	John Hancock Mutual Life	73
40	Harbor Capital Advisors	97
41	HIAA/Health Ins. Assoc	98
–	Hurwitz & Fine P.C.	74
42	Insurance Overload Systems	101
–	I O A Re	14
–	IR Group	96
43	Izzo Insurance Services, Inc.	100
–	Jefferson Insurance Group	91
44	Johnson & Higgins	15
45	Lindsey Morden	77
71	Management Cybernetics Intl.	86
46	Wm. H. McGee & Co., Inc.	79
47	McLarens-Toplis	65
48	Meadowbrook Insurance Group	81
–	Media/Professional Ins.	36A/D
49	Met Disability	51
50	Parts by Weller	107
51	Premium Financing Specialist	80
52	Pyramid Services Inc.	69
53	Reliance National	B. Cov.
54	Reliastar	12-13
55	RLI Insurance Co./D&O	82
56	SBPA Systems, Inc.	107
57	Sedgwick James	41
–	Sherwood Insurance	42
58	Stamford Financial Group	74
–	Starr Excess Liability	71
–	State Comp. Ins. Fund	53R
59	Summit Global Partners	43
–	Sun America Financial	94
60	Swett & Crawford Group	44
61	Swett & Crawford Group	85
62	Swiss Re America	32-33
63	TIG Insurance	9
64	Tri-Arc Financial Services	63
65	United Healthcare Corp.	I. B. Cov.
–	USF&G	45
66	USI Insurance Services	88
–	Ward-THG	4
–	Watson Wyatt Worldwide	31
–	Wausau Insurance Company	5
67	Wexford Underwriting Mgrs.	56-57
68	Zurich-American	61
69	Zurich Reinsurance Centre	38-39

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 So. Clark St., 6th Fl.
Chicago, IL 60605-1702

Business Insurance

FREE LITERATURE FOR READERS

Issue Date: JULY 22, 1996
Card Expiration: SEPTEMBER 16, 1996

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 22, 1996** issue. Cards with more than 20 items circled will not be processed. This card expires **September 16, 1996.**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150

Please print clearly

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone ( ) _____

Continued from previous page

Petaluma
Alburger Basso de Grosz Insurance Services
Pleasanton
Arthur J. Gallagher
Rancho Cordova
Robert F. Driver Co.
Redwood City
Kelter-Thorner Inc.
Riverside
Keenan & Associates
Sacramento
Acordia
Alburger Basso de Grosz Insurance Services
Aon Group
Calco Insurance Brokers & Agents
Arthur J. Gallagher
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Keenan & Associates
Sedgwick
Salinas
Andreini & Co.
Aon Group
San Bernardino
Van Beurden Insurance Services
San Clemente
Insurance Risk Managers (USI Insurance Services)
InterNational Rental Insurance (USI Insurance Services)
Rental Industry Services (USI Insurance Services)
San Diego
Andreini & Co.
John Burnham & Co.
Calco Insurance Brokers & Agents
Robert F. Driver Co.
Arthur J. Gallagher
Johnson & Higgins
Keenan & Associates
Marsh & McLennan
San Diego Associates
Sedgwick
Tanenbaum-Harber Co.
Willis Corroon
San Francisco
Acordia
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Re Worldwide
Aon Specialty Group
Calco Insurance Brokers & Agents
Frank Crystal & Co.
Arthur J. Gallagher
Richard N. Goldman & Co.
Intermediary Insurance Services (JIB Group)
ISU/Insurance Services of San Francisco
Johnson & Higgins
Marsh & McLennan
S.J. Petrakis Insurance Services (Sedgwick)
Poe & Brown of California
Sedgwick
Thoits Insurance Service
Trade Insurance Services
USI California Insurance Services
USI Insurance Services
Willis Corroon
San Jose
Alexander & Alexander Services
Johnson & Higgins
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)
Santa Ana
Keenan & Associates
Special Risk Services (Minet Group)
Willis Corroon
Santa Barbara
Alexander & Alexander Services
Santa Monica
Andreini & Co.
ISU/Bob Gabriel Co.
Santa Rosa
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Sherman Oaks
Max Behm & Associates (USI Insurance Services)
Clinton L. Booth (USI Insurance Services)
TriWest Insurance Services (USI Insurance Services)
Ken Ulis & Co. (USI Insurance Services)
United California Insurance Agency (USI Insurance Services)
South Pasadena
Bolton/RGV Insurance Brokers
Stockton
Alexander & Alexander Services
Anderson & Anderson Insurance Brokers
Andreini & Co.
Beckwith-Hightower & Renburg (USI Insurance Services)
Daugherty & Co. (USI Insurance Services)
Summit Perspectives (USI Insurance Services)
Torrance
Aon Specialty Group
Cal-Surance Group Benefit Plans (The Cal-Surance Cos.)
Keenan & Associates
Truckee
Acordia
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Universal City
Aon Specialty Group
Upland
Cumbre Inc. Insurance Services
Vallejo
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Ventura
ISU/Valley Insurance Service
Visalia
Van Beurden Insurance Services
Vista
El Camino Insurance Agency (USI Insurance Services)
Vista Insurance Professionals (USI Insurance Services)
Walnut Creek
CIA (Bain Hogg Group)
Sedgwick
Westlake Village
Keenan & Associates
Woodland
Van Beurden Insurance Services
Woodland Hills
Aon Specialty Group
Arthur J. Gallagher
Financial Independence Co.

Colorado

Castle Rock
Arthur J. Gallagher
Colorado Springs
Acordia
Arthur J. Gallagher
Denver
Acordia
Alexander & Alexander Services
Aon Group
Employee Benefit Specialists
Arthur J. Gallagher
Hilb, Rogal & Hamilton/The Talbert Corp.
Jardine Group Services (JIB Group)
Johnson & Higgins
Lockton Cos.
Marsh & McLennan
Norwest Insurance
Sedgwick
Van Gilder Insurance
Durango
Acordia
Summit Global Partners
Englewood
Arthur J. Gallagher
Golden
AirSure
Montrose
Acordia
Parker
Alliance Insurance Group
Sterling
Van Gilder Insurance

Connecticut

Canton
Arthur J. Gallagher
Lambert Green (Lowndes Lambert Group)
East Haven
The Mathog & Moniello Cos.
Fairfield
Hastings-Tapley Insurance Agency
Farmington
Arthur J. Gallagher
Willis Corroon
Greenwich
Alexander & Alexander Services
Aon Group
Aon Re Worldwide
Hobbs Group
Hartford
Alexander & Alexander Services
American Phoenix
Aon Consulting
Aon Group
Capacity Coverage Co. of New Jersey
Gow & Hanna
Johnson & Higgins
R.C. Knox & Co.
Marsh & McLennan
Sedgwick
Meriden
Aon Group
New Haven
The Burton Co. (Hilb, Rogal & Hamilton)
Newington
The Mathog & Moniello Cos.
Norwalk
Aon Consulting
Debis Assekuranz Vermittlungs
Ridgefield
Aon Group
Southport
Kaye of Connecticut (Kaye Insurance Associates)

Continued on next page

Continued from previous page

Stamford
Alexander & Alexander Services
Aon Re Worldwide
Aon Specialty Group
Johnson & Higgins
Marsh & McLennan
Sedgwick
Wallingford
Donald F. Smith & Associates
Westport
Riverside Insurance Associates
Wethersfield
Arthur A. Watson & Co.

Delaware

Wilmington
Johnson & Higgins
Sedgwick

District of Columbia

Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Specialty Group
The BGS&G Cos.
Johnson & Higgins
Marsh & McLennan
Near North Insurance Brokerage
Sedgwick

Florida

Boca Raton
Acordia
Aon Group
Century Financial Services
Arthur J. Gallagher
Simons & Rose Insurance Agency
Brooksville
Poe & Brown
Cape Coral
Oswald, Trippe & Co. (The James B. Oswald Co.)
Clearwater
Acordia
Arthur J. Gallagher
Roger Bouchard Insurance
Jones & Hawkins Insurance
Coconut Grove
Simons & Rose Insurance Agency
Coral Gables
Alexander & Alexander Services
Aon Group
Aon Specialty Group
Marsh & McLennan
Coral Springs
Arthur J. Gallagher
Daytona Beach
Hilb, Rogal & Hamilton
Poe & Brown
DeLand
Commercial Insurance Services
Deltona
Arthur J. Gallagher
Eustis
Arthur J. Gallagher
Fort Lauderdale
Alexander & Alexander Services
Aon Specialty Group
Capacity Coverage Co. of New Jersey
Frank Crystal & Co.
Hilb, Rogal & Hamilton
The Loomis Co.
Marsh & McLennan
Palomar Insurance
Poe & Brown
Sedgwick
Seitlin & Co.
Fort Myers
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Oswald, Trippe & Co. (The James B. Oswald Co.)
Poe & Brown
Sedgwick
Gainesville
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Howard Hall Agency (American Phoenix)
Hollywood
Proctor Homer Warren
Jacksonville
Aon Consulting
Aon Group
Arthur J. Gallagher
Greene Hazel & Associates
Johnson & Higgins
Marsh & McLennan
Palmer & Cay of Florida
Poe & Brown
Cecil W. Powell & Co.
Kissimmee
Poe & Brown
Leesburg
Poe & Brown
Longwood
J. Rolfe Davis Insurance Agency
Maitland
Acordia
Arthur J. Gallagher
Sedgwick
Melbourne
Poe & Brown
Miami
Acordia
Alexander & Alexander Services
American Phoenix
Aon Consulting
Aon Specialty Group
Arthur J. Gallagher
Johnson & Higgins
Meadowbrook Insurance Group
Frank R. MacNell & Son (JIB Group)
Oswald, Trippe & Co. (The James B. Oswald Co.)
Poe & Brown
Seitlin & Co.
Tanenbaum-Harber Co.
Trade Insurance Services
Naples
Oswald, Trippe & Co. (The James B. Oswald Co.)
Poe & Brown
Sedgwick
North Palm Beach
Aon Specialty Group
Orlando
American Phoenix
J. Rolfe Davis Insurance Agency
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Hobbs Group
Johnson & Higgins
McGriff, Seibels & Williams
Poe & Brown
Wittner & Co.
Palm Beach
Marsh & McLennan
Palm Beach Gardens
Aon Group
Pensacola
McGriff, Seibels & Williams
Sedgwick
Sarasota
Nicholas & Cannon Agency (American Phoenix)
Poe & Brown
Stuart
Acordia
St. Petersburg
American Phoenix
Haas & Wilkerson
Wallace Welch & Willingham
Wittner & Co.
Sunrise
Arthur J. Gallagher
Tallahassee
Fringe Benefits Management Co.
Arthur J. Gallagher
Midyette-Moor (Palmer & Cay)
Palmer & Cay of Georgia
Tampa
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Specialty Group
Davis Baldwin
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Johnson & Higgins
Marsh & McLennan
Poe & Brown
Sedgwick
Willis Corroon
West Palm Beach
Acordia
Arthur J. Gallagher
A.W. Lawrence & Co. (Lawrence Agency)
NIA/Kornreich Group of Cos.
Poe & Brown
Sedgwick
Winter Haven
Poe & Brown

Georgia

Atlanta
Acordia
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Specialty Group
Arthur J. Gallagher
The Garlington Group (American Phoenix)
Hilb, Rogal & Hamilton
Hobbs Group
Johnson & Higgins
J. Smith Lanier & Co.
A.W. Lawrence & Co. (Lawrence Agency)
Marsh & McLennan
McGriff, Seibels & Williams
Merritt & McKenzie
Minet
Palmer & Cay of Georgia
Palomar Insurance
Poe & Brown of Georgia
Sedgwick
Summit Global Partners
Trade Insurance Services
Van Beurden Insurance Services
Willis Corroon
Augusta
Palmer & Cay of Georgia
Brunswick
Palmer & Cay of Georgia
Carrollton
J. Smith Lanier & Co.
Columbus
J. Smith Lanier & Co.
Palmer & Cay of Georgia
Cordele
Sedgwick
Duluth
Project Technologies International (Allied Coverage)
Manchester
J. Smith Lanier & Co.
Marietta
Arthur J. Gallagher
McDonough
Arthur J. Gallagher
Newnan
J. Smith Lanier & Co.
Norcross
Arthur J. Gallagher
North Columbus
J. Smith Lanier & Co.
Savannah
Hilb, Rogal & Hamilton
Palmer & Cay
Smyrna
The Quarles Agency of Georgia
St. Simons Island
Hilb, Rogal & Hamilton
Tifton
J. Smith Lanier & Co.
Vidalia
Palmer & Cay of Georgia
West Point
J. Smith Lanier & Co.

Hawaii

Honolulu
Alexander & Alexander Services
Aon Group
Johnson & Higgins
Marsh & McLennan
Sedgwick
Wailuku
Alexander & Alexander Services

Idaho

Boise
AirSure
Johnson & Higgins
Fred A. Moreton & Co.
Sedgwick

Illinois

Arlington Heights
Arthur J. Gallagher
Burr Ridge
Affiliated Insurance Consultants
Chicago
Alexander & Alexander Services
Alper Services
Aon Consulting
Aon Group
Aon Re Worldwide
Aon Specialty Group
Associated Agencies
Byrne, Byrne & Co.
CIA (Bain Hogg Group)
Arthur J. Gallagher
HSBC Gibbs
Jardine Group Services (JIB Group)
Johnson & Higgins
Julius Moll & Son (USI Insurance Services)
Lamb, Little & Co.
Lockton Cos.
Mack & Parker
Marsh & McLennan
Mesirow Insurance Services
Minet
Near North Insurance Brokerage
Schwartz Brothers Insurance Agency
Sedgwick
Summit Global Partners
Thilman & Filippini
Willis Corroon
Des Plaines
Meeker Magner
Downers Grove
Arthur J. Gallagher
Associated Agencies
Edwardsville
Dann Brothers
Elgin
Mesirow Insurance Services
Elmhurst
Euclid Insurance Agencies
Fox River Grove
Deer Insurance Services (First Chicago NBD)
Glen Ellyn
Arthur J. Gallagher
Highland Park
Dann Brothers
Mesirow Insurance Services
Itasca
Arthur J. Gallagher
Lombard
Bartlett, Bozeman & Levin (Bartlett Agency)
Moline
Bartlett Agency
Naperville
Aon Group
Naperville
Willis Corroon
Northbrook
Dann Brothers
Oak Brook
T.J. Adams & Associates
Jardine Group Services (JIB Group)
Oakbrook Terrace
Boockford & Co.
Cassady Neeser & Brasseur
Peoria
Arthur J. Gallagher
Rockford
Arthur J. Gallagher
Rolling Meadows
Aon Re Worldwide
Associated Agencies
Lamb, Little & Co.
Schaumburg
Acordia
Arthur J. Gallagher
Hobbs Group
Trade Insurance Services
Skokie
Insurance Benefit Consultants

Indiana

Bloomington
Conseco Risk Management
ISU/The May Agency
Carmel
Conseco Risk Management
Elkhart
NBD Insurance (First Chicago NBD)
Evansville
Acordia
Conseco Risk Management
Arthur J. Gallagher
Fort Wayne
Acordia
Aon Group
Aon Specialty Group
ISU/Stewart, Brimner & Co.
Insurance & Risk Management
Greenwood
Acordia
ISU/Stewart, Brimner & Co.
Indianapolis
Acordia
Alexander & Alexander Services
Aon Group
Arthur J. Gallagher
Conseco Risk Management
Daniel James Insurance
Insurance & Risk Management
Johnson & Higgins
Marsh & McLennan
NBD Insurance (First Chicago NBD)
Jasper
German American/Forrest Sherrer Agency (Forrest Sherer)
Jefferson
NBD Insurance (First Chicago NBD)
Jeffersonville
NBD Insurance (First Chicago NBD)
Kendallville
ISU/Stewart, Brimner & Co.
Ligonier
ISU/Stewart, Brimner & Co.
Mishwaka
Acordia
Muncie
Insurance & Risk Management
Morrison Galliher/ISU (ISU/Beauchamp & McSpadden)
New Albany
Acordia
New Haven
ISU/Stewart, Brimner & Co.
North Manchester
ISU/Beauchamp & McSpadden
Shelbyville
Acordia
South Bend
Cassady Neeser & Brasseur
Arthur J. Gallagher
Terre Haute
Forrest Sherer
Wabash
ISU/Beauchamp & McSpadden
Warsaw
ISU/Beauchamp & McSpadden
Insurance & Risk Management

Iowa

Cedar Rapids
Aon Consulting
Holmes, Murphy & Associates
Council Bluffs
SilverStone Group
Des Moines
Alexander & Alexander Services
Holmes, Murphy & Associates
Norwest Insurance
Metrowest
Norwest Insurance
Sioux City
Norwest Insurance
West Des Moines
Arthur J. Gallagher

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
Topeka
Alexander & Alexander Services
Wichita
Aon Group
Arthur J. Gallagher
Insurance Management Associates
Willis Corroon

Continued on next page

$4,375,000

Acquisition Bridge Loan

provided to

NIPF Holding Company

Parent Company to

NIPF
National IPF Company

Funds provided by:

SunAmerica Inc.

Originated and Arranged by:

SunAmerica Financial Resources

- Premium Finance Company Liquidity Programs
- Agency Equipment Finance
- Acquisition Finance
- Financing for Alternative Market Programs
- Commercial Premium Finance
- Contact (800) 388-8828, ext. 165

May 1996

Continued from previous page

Kentucky

Ashland
Acordia
Bowling Green
Acordia
Van Meter Insurance
Covington
Acordia
Fort Wright
Acordia
Lexington
Acordia
Alexander & Alexander Services
Van Meter Insurance
Louisville
Acordia
Alexander & Alexander Services
Aon Specialty Group
Arthur J. Gallagher
Johnson & Higgins
Owensboro
Acordia
Van Meter Insurance
Paducah
Acordia
Pikeville
Acordia
Pineville
Acordia
Russelville
Van Meter Insurance

Louisiana

Alexandria
Alexander & Alexander Services
Arthur J. Gallagher
Baton Rouge
Arthur J. Gallagher
Lafayette
Healthcare Insurance Services of Louisiana
Metairie
Arthur J. Gallagher
Hilb, Rogal & Hamilton
North American Insurance Agency
Monroe
Arthur J. Gallagher
New Orleans
Alexander & Alexander Services
Aon Group
Aon Specialty Group
Arthur J. Gallagher
Fringe Benefits Management Co. of Louisiana
Johnson & Higgins
Marsh & McLennan
McGriff, Seibels & Williams
Sedgwick
Willis Corroon
Roseland
Sedgwick
Shreveport
Alexander & Alexander Services
Arthur J. Gallagher

Maine

Bangor
Sedgwick
Portland
Arthur J. Gallagher
Hylant-MacLean Group
Johnson & Higgins
Marsh & McLennan
Sedgwick
South Portland
Arthur J. Gallagher

Maryland

Annapolis
The Loomis Co.
Baltimore
Alexander & Alexander Services
American Phoenix
Hilb, Rogal & Hamilton
Johnson & Higgins
Bethesda
Willis Corroon
Bridgeton
Arthur J. Gallagher
Columbia
The BGS&G Cos.
Arthur J. Gallagher
Healthcare Insurance Services of Virginia
Hobbs Group
The Jacobs Co.
Marsh & McLennan
Minet Insurance Brokers (Minet Group)
Sedgwick
Cumberland
The BGS&G Cos.
Frostburg
The BGS&G Cos.
Hagerstown
The BGS&G Cos.
Hunt Valley
Willis Corroon
Landover
Association Growth Enterprises (USI Insurance Services)
Oakland
The BGS&G Cos.
Owings Mills
Alexander & Alexander Services
Rockville
Hilb, Rogal & Hamilton

Massachusetts

Andover
Allied American Agency
Bedford
Sedgwick
Boston
Acordia
Alexander & Alexander Services
Allied American Agency
Aon Consulting
Aon Group
Arthur J. Gallagher
Johnson & Higgins
Marsh & McLennan
Minet Insurance Brokers (Minet Group)
Sedgwick
Tanenbaum-Harber Co.
Trade Insurance Services
Willis Corroon
Braintree
Allied American Agency
Arthur J. Gallagher
Cambridge
Hastings-Tapley Insurance Agency
Canton
Sedgwick
Cohasset
Allied American Agency
Danvers
Hastings-Tapley Insurance Agency
Dedham
Allied American Agency
Fall River
John P. Slade & Son (Starkweather & Shepley)
Falmouth
Lawrence Carlin Insurance Agency (Carlin Insurance Agency)
Gloucester
Hastings-Tapley Insurance Agency
Hampden
Arthur J. Gallagher
Haverhill
Allied American Agency
Ipswich
Hastings-Tapley Insurance Agency
Lexington
Hobbs Group
Lowell
Caddell & Byers Insurance Agency (American Phoenix)
Middleboro
Allied American Agency
Natick
Allied American Agency
Carlin Insurance Agency
New Bedford
Mariners Insurance Agency (Sedgwick)
Maritime Adjusters (Sedgwick)
Newburyport
Alexander & Alexander Services
Newton
Allied American Agency
North Attleboro
Allied American Agency
North Reading
Hastings-Tapley Insurance Agency
Peabody
Allied American Agency
Plymouth
Allied American Agency
Quincy
Hastings-Tapley Insurance Agency
Reading
Allied American Agency
Rockland
Allied American Agency
Saugus
Hastings-Tapley Insurance Agency
Scituate
Allied American Agency
Tewksbury
Allied American Agency
Wakefield
Allied American Agency
Waltham
A.W. Lawrence & Co. (Lawrence Agency)
Hobbs Group
Watertown
Hastings-Tapley Insurance Agency
Wellesley
ISU/Hoffman Insurance Services
Westborough
Allied American Agency
Arthur J. Gallagher
Weymouth
Allied American Agency
Woburn
Hastings-Tapley Insurance Agency
Worcester
Allied American Agency
Braley & Wellington Insurance Agency
Insurance Marketing Agencies
Wrentham
Allied American Agency
Yarmouth
Allied American Agency

Michigan

Birmingham
The Auten Group
Kelter-Thorner Inc.
Seed-Roberts Agency (First Chicago NBD)
Detroit
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Specialty Group
Hylant-MacLean Group
Johnson & Higgins
Marsh & McLennan
Sedgwick
East Lansing
Arthur J. Gallagher
Grand Rapids
Acordia
Aon Consulting
Aon Group
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Johnson & Higgins
Marsh & McLennan
Willis Corroon
Grosse Pointe
Aon Consulting
Livonia
Cambridge Underwriters
Willis Corroon
Negaunee
Sedgwick
Port Huron
Hilb, Rogal & Hamilton
Saginaw
Acordia
Southfield
Acordia
Arthur J. Gallagher
Meadowbrook Insurance Group
Traverse City
Meadowbrook Insurance Group
Troy
Arthur J. Gallagher
First Chicago NBD
NBD Insurance (First Chicago NBD)
Proctor Homer Warren

Minnesota

Anoka
Norwest Insurance
Bloomington
Aon Group
Meadowbrook Insurance Group
Duluth
Norwest Insurance
Edina
Arthur J. Gallagher
Norwest Insurance
Ely
Norwest Insurance
Fergus Falls
Norwest Insurance
Grand Rapids
Norwest Insurance
Hibbing
Norwest Insurance
Litchfield
Norwest Insurance
Mankato
Norwest Insurance
Marshall
Norwest Insurance
Minneapolis
Acordia
Alexander & Alexander Services
Aon Consulting
Arthur J. Gallagher
Johnson & Higgins
Marsh & McLennan
Norwest Insurance
Sedgwick
Willis Corroon
Minnetonka
CFG Insurance Services
Ranier
Sedgwick
Sauk Rapids
CFG Insurance Services
St. Cloud
Norwest Insurance
Thief River Falls
Norwest Insurance
Virginia
Norwest Insurance
Winona
Arthur J. Gallagher

Mississippi

Jackson
Arthur J. Gallagher
J. Smith Lanier & Co.

Missouri

Hazelwood
Alexander & Alexander Services
Jackson
Johnson & Higgins
Kansas City
Alexander & Alexander Services
Aon Group
Aon Specialty Group
Arthur J. Gallagher
Gilbert-Magill Co.
Johnson & Higgins
Lockton Cos.
Marsh & McLennan
Sedgwick
Maryland Heights
Arthur J. Gallagher
Raytown
Arthur J. Gallagher
Springfield
Public Entity Risk Managers (Ricci Associates)
St. Louis
Alexander & Alexander Services
Aon Consulting
Aon Group
Charles L. Crane Agency
The Daniel & Henry Co.
Arthur J. Gallagher
Haas & Wilkerson
ISU/Corporate Insurance Management
Johnson & Higgins
Lockton Cos.
Marsh & McLennan
Ricci Associates
Sedgwick
Welsch, Flatness & Lutz
Willis Corroon

Nebraska

Lincoln
Alexander & Alexander Services
Norfolk
Norwest Insurance
Omaha
Alexander & Alexander Services
Aon Group
Grace/Mayer Insurance Agency
Johnson & Higgins
Norwest Insurance
Sedgwick
SilverStone Group

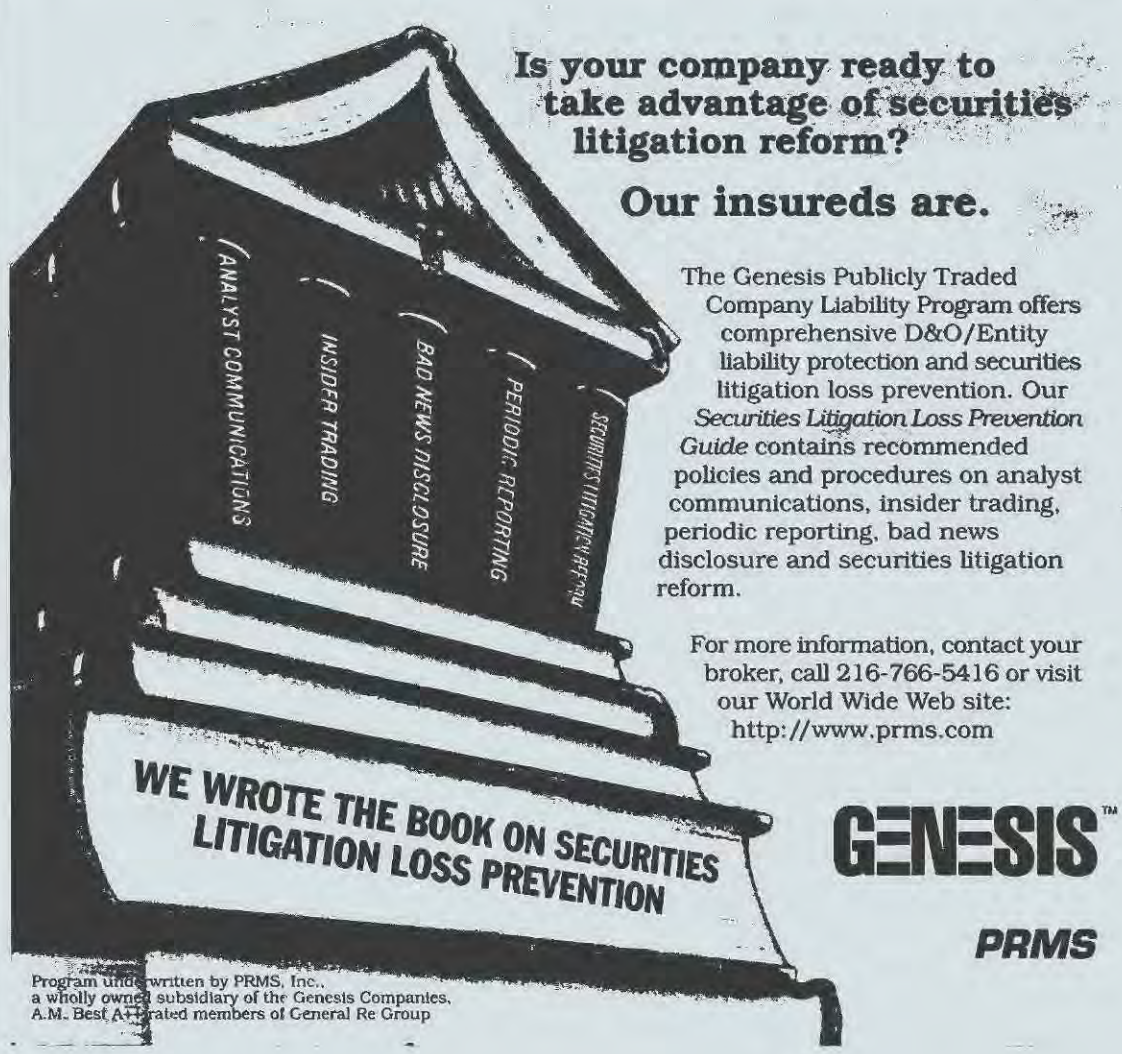
Nevada

Incline Village
HRH of Northern California Insurance Services (Hilb, Rogal & Hamilton)
Las Vegas
Aon Group
Aviation Insurance Services
Johnson & Higgins
Lovitt & Touche
Marsh & McLennan
Meadowbrook Insurance Group
Sedgwick
Reno
Meadowbrook Insurance Group
Sedgwick

New Hampshire

Bedford
Arthur J. Gallagher
Concord
Arthur J. Gallagher
Horan Goldman Cos. (JIB Group)
Manchester
Acordia
Insurance Exchange (USI Insurance Services)
Stone & Michaud (USI Insurance Services)
Nashua
Bechard Insurance Agency (USI Insurance Services)

Continued on next page



Is your company ready to take advantage of securities litigation reform?

Our insureds are.

The Genesis Publicly Traded Company Liability Program offers comprehensive D&O/Entity liability protection and securities litigation loss prevention. Our *Securities Litigation Loss Prevention Guide* contains recommended policies and procedures on analyst communications, insider trading, periodic reporting, bad news disclosure and securities litigation reform.

For more information, contact your broker, call 216-766-5416 or visit our World Wide Web site: http://www.prms.com

GENESIS™

PRMS

Program underwritten by PRMS, Inc., a wholly owned subsidiary of the Genesis Companies, A.M. Best A+ rated members of General Re Group

Continued from previous page

Rochester
Willis Corroon

New Jersey

Bordentown
McCay Corp.
Burlington
Meeker Sharkey Gervasio & Lane (Meeker Sharkey Financial Group)
Cedar Knolls
Marsh & McLennan
Chatham
O'Gorman & Young
Clark
Giblon & Claffey Agency (Poe & Brown)
Clifton
Associated Insurance Brokers (American Phoenix)
Cranford
Allied Brokerage Services Group Inc. (Allied Coverage)
Arthur J. Gallagher
Meeker Sharkey Benefit Consultants
Meeker Sharkey Bonding
Meeker Sharkey Financial Group
Meeker Sharkey Financial Services
Meeker Sharkey Public Entities Group
Meeker Sharkey Realtors
Meeker Sharkey & MacBean
UVW/Elizabeth Group
East Brunswick
Capacity Coverage Co. of New Jersey
Eatontown
Kennedy Insurance Agency (The Pilgrim Organization)
Englewood
Insurance Resource Brokerage Group
Fords
Kelter-Thorner Inc.
Franklin Township
Frenkel of New Jersey (Frenkel & Co.)
Freehold
NIA/Kornreich Group of Cos.
Garfield
Capacity Coverage Co. of New Jersey
Jamesburg
Aon Specialty Group
The Tribus Cos.
Jersey City
Arthur J. Gallagher
Lakewood
Allied Coverage
Capacity Coverage Co. of New Jersey
The Tribus Cos.
Lawrenceville
Donald F. Smith & Associates
John D. Sayer & Co. (JIB Group)
Livingston
Wharton Financial (Wharton/Lyon & Lyon)
Wharton/Lyon & Lyon
Long Valley
NIA/Kornreich Group of Cos.
Lyndhurst
Alexander & Alexander Services
The Pilgrim Organization
Marlton
McCay Corp.
Medford
Arthur J. Gallagher
Horan Goldman Cos. (JIB Group)
Montvale
Capacity Coverage Co. of New Jersey
Morris Plains
Willis Corroon
Morristown
Acordia
Griffith-Prideaux (The Pilgrim Organization)
Marsh & McLennan
Mount Holly
McCay Corp.
Mount Laurel
Arthur J. Gallagher
Northfield
McCay Corp.
Oakhurst
Wharton/Atlantic (Wharton/Lyon & Lyon)
Paramus
NIA/Kornreich Group of Cos.
Parsippany
American Phoenix/Burkar Associates
Aon Consulting
Aon Group
Johnson & Higgins
Piscataway
Meeker Sharkey & Dileo (Meeker Sharkey Financial Group)
Pitman
Capacity Coverage Co. of New Jersey
The Joe Dargan Insurance Agency (Capacity Coverage Co. of New Jersey)
Princeton
G.R. Murray Insurance (O'Gorman & Young)
Randolph
NIA/Kornreich Group of Cos.
Ridgewood
Academy Financial Services (Capacity Coverage Co. of New Jersey)
Riverdale
Saldana & Associates
Short Hills
Bollinger Fowler Co.
Somerdale
The Eagle Agency (Capacity Coverage Co. of New Jersey)
Somerset
Poe & Brown of New Jersey
UVW/Elizabeth Group
Tenafly
Eifert, French & Ketchum
Tinton Falls
Horan Goldman Cos. (JIB Group)
Turnersville
Lin-Ray Insurance Agency (Capacity Coverage Co. of New Jersey)
Voorhees
Hilb, Rogal & Hamilton
Wall
Kurmin Marine Insurance Agency (Meeker Sharkey Financial Group)
Meeker Sharkey & Moffatt (Meeker Sharkey Financial Group)
Wayne
Arthur J. Gallagher
The Tribus Cos.
Weehawken
Dewitt Stern Imperatore (Dewitt Stern Group)
West Atlantic City
Aon Group
Westfield
The Fromhertz Agency (Capacity Coverage Co. of New Jersey)
Westmont
Apple Gate Insurance Agency (Capacity Coverage Co. of New Jersey)

New Mexico

Albuquerque
A.W. Lawrence & Co. (Lawrence Agency)
Alexander & Alexander Services
Arthur J. Gallagher
Mack & Parker
North American Insurance Agency
Sedgwick
Summit Global Partners
Talbot Financial Corp.
Santa Fe
Aon Consulting

New York

Albany
Allied Coverage
Governmental Entities Management Services (Hastings-Tapley Insurance Agency)
A.W. Lawrence & Co. (Lawrence Agency)
Amherst
Arthur J. Gallagher
Batavia
Genesee Agency (Lawley Service)
Bayshore
Frenkel & Co.
Bohemia
Aon Specialty Group
Briarcliff Manor
Aon Consulting
Aon Group
Brooklyn
Hirsch Wolf & Co.
Buffalo
Alexander & Alexander Services
Gow & Hanna
Johnson & Higgins
Lawley Service
Marsh & McLennan
Cairo
Grossman Agency (Marshall & Sterling)
Catskill
Grossman Agency (Marshall & Sterling)
Coxsackie
Grossman Agency (Marshall & Sterling)
Dunkirk
Tradition Agency (Lawley Service)
Fredonia
Tradition Agency (Lawley Service)
Garden City
Aon Specialty Group
Glens Falls
A.W. Lawrence & Co. (Lawrence Agency)
Greenville
Grossman Agency (Marshall & Sterling)
Hauppauge
BWD Group Ltd.
Jamestown
Erickson-Swan-Rowley (American Phoenix)
A.W. Lawrence & Co. (Lawrence Agency)
Tradition Agency (Lawley Service)
Jericho
Allied Coverage
Lake Success
BWD Group Ltd.
Latham
Jardine Group Services (JIB Group)
Melville
Alexander & Alexander Services
Benefit Plan Administrators (USI Insurance Services)
Arthur J. Gallagher
National Coverage Corp.
Sedgwick
Middleton
Marshall & Sterling
Arthur J. Gallagher
Millbrook
George T. Whalen Agency (Marshall & Sterling)
Monticello
Gersten-Hillman Agency
NIA/Kornreich Group of Cos.
Mount Kisco
Carpenter & Pelton (USI Insurance Services)
New Hyde Park
Willis Corroon
New Windsor
Marshall & Sterling
New York
Acordia
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Re Worldwide
Aon Specialty Group
CIA (Bain Hogg Group)
Frank Crystal & Co.
French American Risk Advisors (MLW Services)
Frenkel & Co.
Arthur J. Gallagher
Gow & Hanna
H&R Philips Inc.
Joseph Held Co.
Hobbs Group
Innovative Retirement Concepts (USI Insurance Services)
Jardine Group Services (JIB Group)
Jardine Insurance Brokers (JIB Group)
Jauch & Huebener
Johnson & Higgins
Kalvin-Miller International (American Phoenix)
Kaye Group Inc.
Kaye Insurance Associates
A.W. Lawrence & Co. (Lawrence Agency)
Lee & Hawthorne
Edward Lloyd (Lowndes Lambert Group)
Lockton Cos.
MLW Services
Marsh & McLennan
Meadowbrook Insurance Group
Minet
NIA/Kornreich Group of Cos.
Near North Insurance Brokerage of New York
Progressive Plan Administrators (USI Insurance Services)
D.R. Reiff & Associates (Tanenbaum-Harber Co.)
Sedgwick
The Sklover Organization
Donald F. Smith & Associates
Dewitt Stern Group
Tanenbaum-Harber Co.
Trade Insurance Services
Willis Corroon
North Syracuse
Arthur J. Gallagher
Ogdensburg
Arthur J. Gallagher
Pelham
Eifert, French & Ketchum
Poughkeepsie
Marshall & Sterling
Rochester
Arthur J. Gallagher
Johnson & Higgins
Marsh & McLennan
Sedgwick
Schenectady
A.W. Lawrence & Co. (Lawrence Agency)
Lawrence Agency
Marshall & Sterling
Scotia
Arthur J. Gallagher
Suffern
Arthur J. Gallagher
Syosset
Seaman Ross & Wiener
Syracuse
Alexander & Alexander Services
Lee & Hawthorne
Marsh & McLennan
Marshall & Sterling
Tarrytown
Allied Coverage
Uniondale
Aon Group
Marsh & McLennan
Utica
Alexander & Alexander Services
Valhalla
Arthur J. Gallagher
Wappingers Falls
Marshall & Sterling
Westbury
The Sklover Organization
White Plains
Arthur J. Gallagher
NIA/Kornreich Group of Cos.
Yonkers
Arthur J. Gallagher

North Carolina

Arden
Arthur J. Gallagher
Asheville
Acordia
Sedgwick
Belmont
Watson Insurance Agency
Boone
Cameron M. Harris & Co.
Burlington
Summit Global Partners
Chapel Hill
Acordia
Willis Corroon
Charlotte
Acordia
Alexander & Alexander Services
Aon Consulting
Aon Group
Arthur J. Gallagher
Cameron M. Harris & Co.
Johnson & Higgins
Marsh & McLennan
Palmer & Cay of North Carolina
Poe & Brown of North Carolina
Sedgwick
Trade Insurance Services
Transportation Insurance Managers
Willis Corroon
Cherryville
Watson Insurance Agency
Gastonia
Watson Insurance Agency
Greensboro
Acordia
Cameron M. Harris & Co.
A.W. Lawrence & Co. (Lawrence Agency)
Scott Insurance
Greenville
Insurance & Consulting Services of Greenville
Sedgwick
King
Norwest Insurance
Lincolnton
Watson Insurance Agency
Morgantown
Cameron M. Harris & Co.
Mount Holly
Watson Insurance Agency
Raleigh
Aon Consulting
Cameron M. Harris & Co.
Marsh & McLennan
Sedgwick
Winston-Salem
Alexander & Alexander Services
Aon Consulting
Aon 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

Continued on next page

Insurance Resources Consultants

IR Group

- Strategic Planning
- Market Penetration
- Merger / Acquisition
- Perpetuation Planning
- Organization Assessment
- Client Surveys
- Valuations
- IR Execucorps

Helping insurance organizations excel since 1977.

Shoemaker-Weber
Don Weber
(805) 773-0812

IR Group of Los Angeles
Allan Keller
(310) 441-9946

IR Group of San Francisco
Gene Boscacci
(415) 346-0910

Shoemaker-Schexnayder, Inc.
(916) 721-5511
Lee Schexnayder
Retail - Wholesale
Don Houser
Benefits - TPAs

IR Group Companies
Richard Shoemaker

Continued from previous page

Ohio

Akron
- Aon Group

Beachwood
- Acordia

Blue Ash
- Acordia

Canton
- Acordia

Cincinnati
- Acordia
- Alexander & Alexander Services
- Aon Group
- Berwanger Overmyer Associates
- Johnson & Higgins
- Marsh & McLennan
- Thomas E. Wood (USI Insurance Services)

Cleveland
- Acordia
- Alexander & Alexander Services
- Aon Group
- Arthur J. Gallagher
- Britton-Gallagher & Associates
- The Brooks & Stafford Co.
- Hobbs Group
- Hylant-MacLean Group
- Johnson & Higgins
- Marsh & McLennan
- The James B. Oswald Co.
- Willis Corroon

Columbus
- Acordia
- Alexander & Alexander Services
- Aon Consulting
- Arthur J. Gallagher
- Berwanger Overmyer Associates
- Daniel James Insurance
- Hylant-McCloy (Hylant-MacLean Group)
- Johnson & Higgins
- Marsh & McLennan
- Sedgwick

Dayton
- Acordia

Defiance
- Insurance & Risk Management

Dublin
- Willis Corroon

Mansfield
- Arthur J. Gallagher

Middleburg Heights
- Kelter-Thorner Inc.

Pepper Pike
- Acordia

Perrysburg
- Daniel James Insurance

Springfield
- Aon Specialty Group

Sylvania
- Insurance & Risk Management

Toledo
- Arthur J. Gallagher
- Hylant-MacLean Group
- Sedgwick

West Chester
- Arthur J. Gallagher

Youngstown
- Acordia
- Arthur J. Gallagher

Oklahoma

Chandler
- LaGere & Walkingstick Insurance Agency

Norman
- Agar-Ford-Muldrow-Jarman (North American Insurance Agency)

Oklahoma City
- Commercial Insurance Services
- Arthur J. Gallagher
- Hilb, Rogal & Hamilton
- Marsh & McLennan
- North American Insurance Agency
- Sedgwick
- The Quarles Agency

Sallisaw
- BHC of Oklahoma (Brown-Hiller-Clark & Associates)

Tulsa
- Alexander & Alexander Services
- Aon Group
- Commercial Insurance Services
- Arthur J. Gallagher
- Johnson & Higgins
- Marsh & McLennan
- North American Insurance Agency
- The Quarles Group
- Sedgwick

Oregon

Eugene
- Willis Corroon

Great Falls
- Sedgwick

Medford
- Sedgwick

Newport
- Acordia

Portland
- Acordia
- Alexander & Alexander Services
- Aon Consulting
- Aon Group
- Campbell, Galt & Newlands (USI Insurance Services)
- Gillette & Co. (USI Insurance Services)
- Johnson & Higgins
- 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)
- Arthur J. Gallagher

Bethlehem
- Sedgwick
- Willis Corroon

Chambersburg
- American Phoenix

Conshohocken
- Aon Group
- Seltzer Serra & Bonnett Insurance Brokers

Erie
- Acordia
- Insurance Management Co.

Exton
- Compensation Management (USI Insurance Services)
- WRIMS (USI Insurance Services)
- Warren, Welsh & Thomson (USI Insurance Services)

Fort Washington
- Flannigan, O'Hara, Gentry & Associates (USI Insurance Services)

Greensburg
- Arthur J. Gallagher

Harrisburg
- Alexander & Alexander Services
- Marsh & McLennan
- Sedgwick

Hershey
- Aon Group

Jenkintown
- Palley Simon Associates

Johnstown
- The BGS&G Cos.
- The Gleason Agency

Malvern
- Hobbs Group

Mechanicsburg
- Acordia
- Arthur J. Gallagher

Philadelphia
- Acordia
- AirSure
- Alexander & Alexander Services
- American Brokerage of Philadelphia (American Phoenix)
- American Risk Associates Ltd.
- Aon Group
- Aon Re Worldwide
- Arthur J. Gallagher
- The Gleason Agency
- The Graham Co.
- Haas & Wilkerson
- The Hirshorn Co.
- Johnson & Higgins
- Marsh & McLennan
- Poe & Brown of Pennsylvania
- Sedgwick

Pittsburgh
- Acordia
- Alexander & Alexander Services
- Aon Consulting
- Aon Group
- The BGS&G Cos.
- Berwanger Overmyer Associates
- The Gleason Agency
- The HDH Group
- Hilb, Rogal & Hamilton
- Johnson & Higgins
- Marsh & McLennan
- Sedgwick
- Willis Corroon

Plymouth Meeting
- Clair Odell Group

Radnor
- Willis Corroon

Scranton
- Arthur J. Gallagher

St. Davids
- The Simkiss Cos.

Sunbury
- Purdy Insurance Agency

Trevose
- Aon Specialty Group
- Arthur J. Gallagher

Uniontown
- The BGS&G Cos.

Wayne
- Aon Specialty Group
- Horan Goldman Cos. (JIB Group)

Williamsport
- Sedgwick

Wyomissing
- The Loomis Co.

York
- American Phoenix

Puerto Rico

Hato Rey
- Alexander & Alexander Services
- Sedgwick

Ponce
- Saldana & Associates

Santurce
- Saldana & Associates

Rhode Island

Cranston
- Arthur J. Gallagher

East Providence
- Starkweather & Shepley

Providence
- Aon Group

Warwick
- Arthur J. Gallagher
- Johnson & Higgins

Westerly
- Starkweather & Shepley Insurance

South Carolina

Charleston
- Heffron Ingle McDowell & Cooper (Palmer & Cay)
- Sedgwick
- Trade Insurance Services

Columbia
- Horan Goldman Cos. (JIB Group)
- Marsh & McLennan
- Sedgwick
- Willis Corroon

Florence
- Palmer & Cay of South Carolina

Greenville
- Arthur J. Gallagher
- Intermediary Insurance Services (JIB Group)
- Johnson & Higgins
- Marsh & McLennan
- Palmer & Cay of Georgia
- Willis Corroon

Jackson
- Sedgwick

Lake Wylie
- Watson Insurance Agency

Sumter
- Frank R. MacNell & Son (JIB Group)

South Dakota

Aberdeen
- Norwest Insurance

Brookings
- Norwest Insurance

Chamberlain
- Norwest Insurance

Dell Rapids
- Norwest Insurance

Groton
- Norwest Insurance

Huron
- Norwest Insurance

Lake Preston
- Norwest Insurance

Madison
- Norwest Insurance

Milbank
- Norwest Insurance

Mobridge
- Norwest Insurance

Rapid City
- Norwest Insurance

Redfield
- Norwest Insurance

Sioux Falls
- Arthur J. Gallagher
- Norwest Insurance

Watertown
- Norwest Insurance

Yankton
- Norwest Insurance

Tennessee

Brentwood
- Aon Specialty Group

Chattanooga
- Willis Corroon

Hendersonville
- Acordia

Knoxville
- Aon Group
- McMurray Daly & Leonard (Palmer & Cay)
- Sedgwick
- Willis Corroon

Memphis
- Arthur J. Gallagher
- Sedgwick
- Transportation Insurance Managers

Nashville
- Alexander & Alexander Services
- Arthur J. Gallagher
- Haas & Wilkerson
- Healthcare Insurance Services of Tennessee
- Johnson & Higgins
- Lockton Cos.
- Marsh & McLennan
- Sedgwick
- Van Meter Insurance
- Willis Corroon

New Tazewell
- McMurray Daly & Leonard (Palmer & Cay)

Smyrna
- Commercial Insurance Services

Texas

Abilene
- Brook Crawford Insurance Services (Hilb, Rogal & Hamilton)

Amarillo
- Hilb, Rogal & Hamilton

Arlington
- Anco Metroplex (Anco Insurance Managers)

Austin
- Alexander & Alexander Services
- Anco Capitol City (Anco Insurance Managers)
- Arthur J. Gallagher
- Hertel Rigg (Wm. Rigg Co.)
- Hobbs Group
- Texas Insurance Agency
- Timberline Insurance Managers

Baytown
- Timberline Insurance Services

Bryan
- Anco Insurance Managers
- Norwest Insurance

Conoe
- Financial Guardian of Texas

Corpus Christi
- Hilb, Rogal & Hamilton
- National Insurance Agency
- Shelton Insurance Agency

Cuero
- Hilb, Rogal & Hamilton

Dallas
- Alexander & Alexander Services
- Anco Dallas-Fort Worth (Anco Insurance Managers)
- Andreini & Co.
- Aon Group
- Aon Specialty Group
- Brook Crawford Insurance Services (Hilb, Rogal & Hamilton)
- Arthur J. Gallagher
- Hilb, Rogal & Hamilton
- Holmes, Murphy & Associates
- IMS of Texas (Palmer & Cay)
- Johnson & Higgins
- Lowndes Lambert Group
- Marsh & McLennan
- Near North Insurance Brokerage
- Wm. Rigg Co.
- Sedgwick
- Summit Global Partners
- Timberline Insurance Services
- Transportation Insurance Managers
- Willis Corroon

Continued on next page

MERGER & ACQUISITION REPRESENTATION

Wright & Company, Inc. • Washington, D.C.
has been acquired by
Special Agents Mutual Benefit Association (SAMBA) • Rockville, Maryland

The undersigned initiated this transaction and acted as financial advisor to Wright & Co.

Horton Insurance Agency, Inc. • Orland Park, Illinois
has acquired the assets of
Berent & Co. • Skokie, Illinois

The undersigned initiated this transaction and acted as financial advisor to Horton Insurance Agency.

A.C. Edwards Inc. • Sayville, New York
has entered into an agreement to manage with an option to purchase the assets of
National Coverage Corp. • Melville, New York

The undersigned acted as financial advisor to National Coverage Corp.

Harbor Capital Advisors, Inc.

Financial Consultants to the Insurance Industry

For information regarding investment banking services please contact:
Paul J. Di Stefano, CPA, CPCU, Managing Director
800-858-2732

New York • Maryland

Continued from previous page

El Paso
Arthur J. Gallagher
Timberline Insurance Services
Fort Worth
Alexander & Alexander Services
Aon Group
Wm. Rigg Co.
Willis Corroon
Houston
Alexander & Alexander Services
AmBrit International Insurance (Lowndes Lambert Group)
The Anderson Co. (USI Insurance Services)
Aon Consulting
Aon Group
Aon Specialty Group
Frank Crystal & Co.
Financial Guardian of Texas
Arthur J. Gallagher
Gow & Hanna
Healthcare Insurance Services
Hilb, Rogal & Hamilton
Hobbs Group
Johnson & Higgins
A.W. Lawrence & Co. (Lawrence Agency)
Lockton Cos.
Marsh & McLennan
McGriff, Seibels & Williams
Minet Insurance Services
NAS Insurance Agency (North American Insurance Agency)
Poe & Brown of Texas
Wm. Rigg Co.
Sedgwick
Summit Global Partners
Texas Insurance Agency
Trade Insurance Services
Transportation Insurance Managers
Willis Corroon
Wisenberg Insurance & Risk Management
John L. Wortham & Son
Irving
Omega Insurance Agency (The Quarles Group)
Kingwood
Aon Consulting
Livingston
Anco Jernigan-Dabney (Anco Insurance Managers)
Longview
Hibbs-Hallmark & Co.
Lubbock
Arthur J. Gallagher
Mart
Anco Pioneer (Anco Insurance Managers)
McAllen
Insurance Brokers (Hilb Rogal & Hamilton)
Midland
Alexander & Alexander Services
Richardson
Aon Specialty Group
Rockport
Anco-GSM (Anco Insurance Managers)
San Antonio
Alexander & Alexander Services
Aon Specialty Group
Arthur J. Gallagher
Intermediary Insurance Services (JIB Group)
Marsh & McLennan
Texas Insurance Agency
Timberline Insurance Services
Temple
Anco Insurance of Temple (Anco Insurance Managers)
Tyler
Hobbs-Hallmark & Co.
Uvalde
Texas Insurance Agency
Victoria
Hilb, Rogal & Hamilton
The Woodlands
Anco Insurance of The Woodlands (Anco Insurance Managers)

Utah

Salt Lake City
Aon Group
Aon Re Worldwide
Aviation Insurance Services
Diversified Insurance Brokers
Johnson & Higgins
Fred A. Morrison & Co.
Willis Corroon
Springville
Employee Benefit Specialists
Insurance Brokerage

U.S. Virgin Islands

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

Vermont

Berlin
Sedgwick
Bristol
Allied American Agency
Burlington
Alexander & Alexander Services
Aon Re Worldwide
Arthur J. Gallagher
Marsh & McLennan
Willis Corroon

ENROLL IN 3 NEW COURSES

SECURE
your future

EARN
prestigious designations and CEUs

MANAGED CARE
DISABILITY INCOME
HEALTH CARE FRAUD

CALL: 1-800-509-HIAA
FAX: 202-824-1800

HIAA

Virginia

Alexandria
Acordia
Aon Specialty Group
Smith-Field Insurance Agency
Arlington
Healthcare Insurance Services
Charlottesville
Hilb, Rogal & Hamilton
Danville
Scott Insurance
Fairfax
The Loomis Co.
Fredericksburg
Hilb, Rogal & Hamilton
Glen Allen
Governmental Entities Management Services (Hastings-Tapley Insurance Agency)
Hilb, Rogal & Hamilton
Palmer & Cay of Virginia
Hampton
Firestone Insurance Services (Henderson & Phillips Insurance)
Herndon
Aon Group
Lynchburg
Scott Insurance
Newport News
Colonial Premium Finance Co. (Henderson & Phillips Insurance)
Firestone Insurance Services (Henderson & Phillips Insurance)
Henderson & Phillips Insurance
Norfolk
Henderson & Phillips Insurance
Marsh & McLennan
Reston
Arthur J. Gallagher
Richmond
Acordia
Alexander & Alexander Services
Aon Specialty Group
Arthur J. Gallagher
Hilb, Rogal & Hamilton
Johnson & Higgins
Marsh & McLennan
Scott Insurance
Donald F. Smith & Associates
Roanoke
Acordia
Aon Group
Scott Insurance
Vienna
Willis Corroon
Virginia Beach
Acordia
Hilb, Rogal & Hamilton
Pembroke Insurance Agency

Washington

Bellevue
Aon Specialty Group
Mercer Island
Caledonian Insurance Group
Seattle
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Re Worldwide
Arthur J. Gallagher
Johnson & Higgins
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
Clarksburg
Acordia
Elkins
Acordia
Huntington
Acordia
Keyser
The BGS&G Cos.
Morgantown
Acordia
Parkersburg
Acordia
Wheeling
Acordia

Wisconsin

Appleton
Marsh & McLennan
Big Bend
Arthur J. Gallagher
Brookfield
Arthur J. Gallagher
Green Bay
Alexander & Alexander Services
Madison
Arthur J. Gallagher
Milwaukee
Alexander & Alexander Services
Aon Group
Arthur J. Gallagher
Fitzgerald, Clayton, James & Kasten
Johnson & Higgins
Marsh & McLennan
Robertson-Ryan & Associates
Summit Global Partners
Willis Corroon
Waukesha
Wisconsin Insurance Management

Wyoming

Casper
Van Gilder Insurance

Canadian broker offices

Alberta

Calgary
Alexander & Alexander Services
Hayhurst Elias Dudek (Hilb, Rogal & Hamilton)
Jardine Rolfe (JIB Group)
Johnson & Higgins
Marsh & McLennan
Minet
Morris & Mackenzie
Sedgwick
Willis Corroon
Edmonton
Alexander & Alexander Services
Hayhurst Elias Dudek (Hilb, Rogal & Hamilton)
Jardine Rolfe (JIB Group)
Johnson & Higgins
Lowndes Lambert Group
Marsh & McLennan
Mones & Associates Insurance Brokers
Sedgwick
Willis Corroon
Grande Prairie
Alexander & Alexander Services

British Columbia

New World Insurance Services
Cloverdale
Willis Corroon
Cranbrook
Falkins Insurance Group
Elkford
Falkins Insurance Group
Fernie
Falkins Insurance Group
Kamloops
Sedgwick
Langley
Willis Corroon
Prince George
Alexander & Alexander Services
Sedgwick
Sparwood
Falkins Insurance Group
Surrey
Willis Corroon
Vancouver
Alexander & Alexander Services
Dale Intermediaries (Sodarcan)
Hayhurst Elias Dudek (Hilb, Rogal & Hamilton)
Jardine Rolfe (JIB Group)
Johnson & Higgins
Lowndes Lambert Group
Marsh & McLennan
Morris & Mackenzie
Sedgwick
Willis Corroon
White Rock
Willis Corroon

Manitoba

Winnipeg
Alexander & Alexander Services
Hayhurst Elias Dudek (Hilb, Rogal & Hamilton)
Johnson & Higgins
Lowndes Lambert Group
Marsh & McLennan

Newfoundland

St. John's
Alexander & Alexander Services
Johnson & Higgins
Marsh & McLennan

Northwest Territories

Yellowknife
Alexander & Alexander Services

Nova Scotia

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

Ontario

Etobicoke
Canadian Actuarial & Consulting
Lowndes Lambert Group
Hamilton
Dale Intermediaries (Sodarcan)
Park Insurance Division (Sedgwick)
Kitchener
Dalton Smith Macnaughton
London
Alexander & Alexander Services
Dale Intermediaries (Sodarcan)
Johnson & Higgins
Niagara Falls
Dale Intermediaries (Sodarcan)
Ottawa
Alexander & Alexander Services
Canadian Actuarial & Consulting Group (C.E. Heath)
Dale Intermediaries (Sodarcan)
Johnson & Higgins
Marsh & McLennan
Sedgwick
Willis Corroon
Richmond Hill
Holman Insurance Brokers
Sarnia
Dale Intermediaries (Sodarcan)
Scarboro
Breckles Insurance Brokers
Sudbury
Sedgwick
Thunder Bay
Alexander & Alexander Services
Toronto
Alexander & Alexander Services
Aon Group
Dale Intermediaries (Sodarcan)
Hayhurst Elias Dudek (Hilb, Rogal & Hamilton)
Hobbs Group
Jardine OME (JIB Group)
Johnson & Higgins
Lee & Hawthorne
Marsh & McLennan
Minet
Morris & Mackenzie
Sedgwick
Trade Insurance Services
Willis Corroon
Willowdale
Tower Chisholm Ferguson
Windsor
Dale Intermediaries (Sodarcan)

Quebec

Hull
Dale-Parizeau (Sodarcan)
Jonquiere
Dale-Parizeau (Sodarcan)
Laval
Parizeau-Brunet (Sodarcan)
Montreal
Alexander & Alexander Services
Dale-Parizeau (Sodarcan)
Hayhurst Elias Dudek (Hilb, Rogal & Hamilton)
Johnson & Higgins
Lamarre, Caty, Houle (Sedgwick)
Lee & Hawthorne
Lowndes Lambert Group
Marsh & McLennan
Minet
Morris & Mackenzie
Sodarcan
Willis Corroon
Quebec
Poitras, Lavigueur (Sodarcan)
Quebec City
Lamarre, Caty, Houle (Sedgwick)
Marsh & McLennan
Sherbrooke
Dunn-Parizeau (Sodarcan)

Saskatchewan

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

Yukon Territory

Whitehorse
Alexander & Alexander Services

International brokerage offices listed by nation

Anguilla

Alexander & Alexander Services

Antigua & Barbuda

St. John's
Sedgwick
Alexander & Alexander Services

Argentina

Buenos Aires
Alexander & Alexander Services
Aon Re Worldwide
CECAR
C.E. Heath
Jardine (JIB Group)
Johnson & Higgins
Marsh & McLennan
Sedgwick

Aruba

Oranjestad
Alexander & Alexander Services
Aon Group

Australia

Adelaide
Alexander & Alexander Services
Bain Hogg Group
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet
Sedgwick
Willis Corroon
Albury
Jardine Australian Insurance Brokers (JIB Group)
Banksdown Aerodrome
Fielding Aviation Insurance Broking (C.E. Heath)
Brisbane
Alexander & Alexander Services
Aon Group
Bain Hogg Group
Heath Fielding (C.E. Heath)
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet
Sedgwick MacDermott
Willis Corroon
Cairns
Alexander & Alexander Services
Bain Hogg Group
Jardine Australian Insurance Brokers (JIB Group)
Canberra
Alexander & Alexander Services
Marsh & McLennan
Sedgwick
Coffs Harbour
Jardine Australian Insurance Brokers (JIB Group)
Darwin
Alexander & Alexander Services
Lowndes Lambert Group
Devonport
Lowndes Lambert Group
Dubbo
Jardine Australian Insurance Brokers (JIB Group)
Dulwich
Aon Group
Gold Coast
Alexander & Alexander Services
Hobart
Alexander & Alexander Services
Lowndes Lambert Group
Marsh & McLennan
Sedgwick
Willis Corroon
Launceston
Lowndes Lambert Group
Marsh & McLennan
Lismore
Jardine Australian Insurance Brokers (JIB Group)
Maroochydore
Fielding Aviation Insurance Broking (C.E. Heath)
Melbourne
Alexander & Alexander Services
Aon Consulting Pty. Ltd.
Aon Group
Bain Hogg Group
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet
Sedgwick
Willis Corroon
Newcastle
Alexander & Alexander Services
North Sydney
Minet
Minet Agricultural Insurance Brokers
Parramatta
Alexander & Alexander Services
Peregian
Aviation Office of Australia (C.E. Heath)
Perth
Alexander & Alexander Services
Aon Group
Bain Hogg Group
Heath Fielding (C.E. Heath)
Jardine Australian Insurance Brokers (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Minet
Sedgwick
Willis Corroon
Rockhampton
Alexander & Alexander Services
South Yarra
Accident Compensation Management Services (C.E. Heath)
Fielding Premium Finance (C.E. Heath)
Heath Fielding (C.E. Heath)
Sydney
Alexander & Alexander Services
Aon Consulting Pty. Ltd.
Aon Group
Aon Specialty Group
Bain Hogg Group
Heath Fielding (C.E. Heath)
Jardine Australian Insurance Brokers (JIB Group)
Jardine Thompson Graham (JIB Group)
Lowndes Lambert Group
Marsh & McLennan
Sedgwick
Willis Corroon
Alexander & Alexander Services
Sedgwick
Townsville
Alexander & Alexander Services
Jardine Australian Insurance Brokers (JIB Group)
Unley
Heath Fielding (C.E. Heath)
Willetton
Fielding Aviation Insurance Broking (C.E. Heath)

Austria

Graz
Jauch & Huebener
Hohenems
Jauch & Huebener
Innsbruck
Jauch & Huebener
Linz
Jauch & Huebener
Salzburg
Jauch & Huebener
Vienna
Alexander & Alexander Services
Aon Group
C. Wuppensahl & Co. (Willis Corroon)
Gradman & Holler & Kiefhaber (Marsh & McLennan)
Jauch & Huebener
MVM Versicherungsmakler GES M.B.H. (Sedgwick)
Risiko Service (CECAR)
Sedgwick

Bahamas

Freeport
Alexander & Alexander Services
Marsh Harbour
Alexander & Alexander Services
Nassau
Alexander & Alexander Services

Bahrain

Manama
Alexander & Alexander Services
Arab Commercial Enterprises
Sedgwick
WLL (Sedgwick)
Willis Faber (Willis Corroon)

Barbados

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

Belgium

Antwerp
Alexander & Alexander Services
Aon Group
Assaubra (Willis Corroon)
Boels & Begault (Bain Hogg Group)
Continental Insurance & Reinsurance Agency (Sedgwick)
Gras Savoye
Henrijean (Marsh & McLennan)
Sedgwick
Thibaut Colson de Nef (Lowndes Lambert Group)
Thilly Van Eessel (Sedgwick)
UNISON Belgium (Johnson & Higgins)
Anvers
CECAR
Brussels
Alexander & Alexander Services
Aon Group
Assaubra (Willis Corroon)
Boels & Begault (Bain Hogg Group)
CECAR
Gras Savoye
Henrijean (Marsh & McLennan)
Jardine SIACI & Partners (JIB Group)
Thibaut Colson de Nef (Lowndes Lambert Group)
Thilly Van Eessel (Sedgwick)
UNISON Belgium (Johnson & Higgins)
Charleroi
Boels & Begault (Bain Hogg Group)
CECAR
Ch. Vander Elst & Cie (Sedgwick)
Gras Savoye
Thibaut Colson de Nef (Lowndes Lambert Group)
UNISON Belgium (Johnson & Higgins)
Courtai
Boels & Begault (Bain Hogg Group)
Courtray
CECAR
UNISON Belgium (Johnson & Higgins)
Ghent
CECAR
Aon Group
Boels & Begault (Bain Hogg Group)
Gras Savoye
Thibaut Colson de Nef (Lowndes Lambert Group)
UNISON Belgium (Johnson & Higgins
Hasselt
Gras Savoye
Kortrijk
Assaubra (Willis Corroon)
Liege
Boels & Begault (Bain Hogg Group)
Gras Savoye
Henrijean (Marsh & McLennan)
Thibaut Colson de Nef (Lowndes Lambert Group)
Thilly Van Eessel Liege (Sedgwick)
UNISON Belgium (Johnson & Higgins
Roeselare
Fritz Devos (Sedgwick)
Verviers
Gras Savoye

Belize

Belize City
Alexander & Alexander Services

Bermuda

Hamilton
Alexander & Alexander Services
Aon Group
Aon Re Worldwide
Arthur J. Gallagher
HSBC Gibbs
Jardine Pinehurst Management Co. (JIB Group)
Johnson & Higgins
Marsh & McLennan
Minet Professional Services
Sedgwick
Senate Insurance Co.(Lawley Agency)
Summit Global Partners
Willis Corroon

Bolivia

La Paz
Alexander & Alexander Services

Botswana

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

Brazil

Belo Horizonte
Johnson & Higgins
York (Willis Corroon)
Campinas
Alexander & Alexander Services
Johnson & Higgins
York (Willis Corroon)
Curitiba
Johnson & Higgins
Porto Alegre
Johnson & Higgins
Recife
York (Willis Corroon)
Rio de Janeiro
Alexander & Alexander Services
Aon Group
Heath do Brasil (C.E. Heath)
Jardine Corretagem de Seguros (JIB Group)
Johnson & Higgins
Sedgwick
York (Willis Corroon)
Tudor-Marsh & McLennan (Marsh & McLennan)
Salvador
Johnson & Higgins
York (Willis Corroon)
Sao Paulo
Alexander & Alexander Services
Aon Group
CECAR
Jardine Corretagem de Seguros (JIB Group)
Jauch & Huebener
Johnson & Higgins
Sedgwick
Tudor-Marsh & McLennan (Marsh & McLennan)
York (Willis Corroon)
Vitoria
York (Willis Corroon)

British Virgin Islands

Road Town
Alexander & Alexander Services

Brunei

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

Cameroon

Douala
Gras Savoye
Yaounde
Gras Savoye

Cayman Islands

George Town
Alexander & Alexander Services
Sedgwick

Chile

Santiago
Alexander & Alexander Services
Andueza y Cia Corredores de Seguros S.A.
Andueza y Compania (Sedgwick)
Aon Group
Aon Re Worldwide
Bain Hogg Group

Continued on next page

August 26

a golden opportunity for readers of *Business Insurance*

WARD'S RESULTS

BI's August 26 issue will report on the internationally recognized Ward's 50 benchmarks for both Life/Health and Property/Casualty insurers.

Corporate buyers of commercial insurance and employee benefits, plus thousands of consultants, agents, brokers, reinsurers and state insurance departments rely on Ward's Results to supplement their financial analysis of U.S.-domiciled insurers.

And now, they'll also rely on *BI* for the first to report on the results from Ward's 1996 editions.

As an insurer, there's no better time, and certainly no better place, to reinforce your strengths to *BI's* 155,000* readers. *BI's* August 26 issue is your time to shine. Call now to reserve your ad space.

Ad Closing: August 14

Business Insurance®

New York: 212-210-0133
Chicago: 312-649-5276 ● Los Angeles: 213-651-3710
*Includes pass-along readership.

Continued from previous page
Claro, Marsh & McLennan (Marsh & McLennan)
Johnson & Higgins
Karlezi y Cia (JIB Group)

China

Beijing
Alexander & Alexander Services
Aon Re Worldwide
Bain Clarkson (Bain Hogg Group)
Johnson & Higgins
Marsh & McLennan
New World Insurance Services
Sedgwick
Nanjing
Inchcape Nanjing Investment (Bain Hogg Group)
Shanghai
Inchcape Trading (Bain Hogg Group)
Johnson & Higgins
Sedgwick
Wuhan
New World Insurance Services

CIS*

**Commonwealth of Independent States*
Moscow
Alexander & Alexander Services
Bain Hogg Group
Jauch & Huebener
Sedgwick
Willis Corroon
St. Petersburg
Aon Group

Colombia

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

Costa Rica

San Jose
Alexander & Alexander Services

Croatia

Zagreb
Kininmonth Lambert (Lowndes Lambert Group)

Curacao

Willemstad
Alexander & Alexander Services
Aon Group

Cyprus

Alexander & Alexander Services
HSBC Gibbs

Czech Republic

Brno
Aon Group
Liberec
Minet
Ostrava
Minet
Prague
Alexander & Alexander Services
Aon Group
Ceska Sedgwick Risk Services (Sedgwick)
Jauch & Huebener
Marsh & McLennan
Minet
Risiko Service (CECAR)
Willis Corroon

Denmark

Copenhagen
Alexander & Alexander Services
Aon Consulting
Aon Group
Marsh & McLennan
Sedgwick
Willis Corroon

Djibouti

Alexander & Alexander Services

Dominica

Alexander & Alexander Services

Dominican Republic

Santo Domingo
Alexander & Alexander Services

Ecuador

Guayaquil
Alexander & Alexander Services

Egypt

Alexander & Alexander Services

El Salvador

San Salvador
Alexander & Alexander Services

England

Aberdeen
Sedgwick
Abingdon
Willis Corroon
Banbury
Lowndes Lambert Group
Barking
Roger Lark (Sedgwick)
Billericay
Blackwall Green (Lowndes Lambert Group)
Birmingham
Alexander & Alexander Services
Aon Consulting
Aon Group
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
Arthur J. Gallagher
HSBC Gibbs
Heath Corporate Risks (C.E. Heath)
Jardine Insurance Services (JIB Group)
Johnson & Higgins
Lowndes Lambert Group
Minet
Minet Consultancy Services
Minet Professions
Sedgwick
Steel Burrill Jones
Willis Corroon
Bolton
Heath Corporate Risks (C.E. Heath)
Bournemouth
Alexander & Alexander Services
Bradford
Bowring Financial Services (Marsh & McLennan)
Jardine Insurance Services (JIB Group)
Bridgewater
Minet
Bristol
Alexander & Alexander Services
Aon Consulting
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
HSBC Gibbs
Heath Corporate Risks (C.E. Heath)
Lowndes Lambert Group
Minet Professions
Sedgwick
Steel Burrill Jones
Willis Corroon
Cambridge
Bain Hogg Group
Canterbury
Bain Hogg Group
Carlisle
Bowring Marsh & McLennan (Marsh & McLennan)
Caterham
Bain Hogg Group
Lowndes Lambert Group
Chelmsford
Alexander & Alexander Services
Jardine Insurance Services (JIB Group)
Willis Corroon
Colchester
Bain Hogg Group
Coventry
Steel Burrill Jones
Derby
Nelson Hurst Corp. Services (Forbes Financial Services Group)
Dudley
Bain Hogg Group
Exeter
Aon Consulting
Bowring Marsh & McLennan (Marsh & McLennan)
Fareham
Bain Hogg Group
Minet Commercial
Farnborough
Aon Consulting
Aon Group
Forest Row
Aon Group
Gravesend
Steel Burrill Jones
Grimsby
Alexander & Alexander Services
Guildford
Bain Hogg Group
Harlow
Aon Consulting
Harrogate
Aon Consulting
Harrow
Alexander & Alexander Services
Haywards Heath
Bain Hogg Group
HSBC Gibbs
Heathrow
Air Crew Underwriting Agencies (Minet Group)
Hemel Hempstead
Willis Corroon
Hertford
Heath Corporate Risks (C.E. Heath)
Hinckley
Willis Corroon
Hitchin
Bowring Marsh & McLennan (Marsh & McLennan)
Horsham
C.E. Heath
Hull
Heath Corporate Risks (C.E. Heath)
Ilford
C.E. Heath
Ipswich
Willis Corroon
Iver
Aon Group
Kendal
Aon Consulting
Kingston upon Thames
Willis Corroon
Leatherhead
Steel Burrill Jones
Leeds
Alexander & Alexander Services
Aon Consulting
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
The Credit Insurance Assn. (Bain Hogg Group)
HSBC Gibbs
Heath Corporate Risks (C.E. Heath)
Lowndes Lambert Group
Minet
Minet Professions
Sedgwick
Willis Corroon
Leicester
Bain Hogg Group
Sedgwick
Willis Corroon
Leigh
C.E. Heath
Liverpool
Alexander & Alexander Services
Bowring Marsh & McLennan (Marsh & McLennan)
Willis Corroon
London
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Re Worldwide
Aon Specialty Group
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
Commercial & Political Risk Consultants (Bain Hogg Group)
Cork, Bays & Fisher (Minet Group)
The Credit Insurance Assn. (Bain Hogg Group)
Fielding Smeaton Jones (C.E. Heath)
Arthur J. Gallagher
Heath Bloodstock (C.E. Heath)
C.E. Heath
Heath Construction & Commercial Property (C.E. Heath)
Heath Financial & Professional Indemnity (C.E. Heath)
Heath International Broking (C.E. Heath)
Heath Martens Horner Holdings (C.E. Heath)
Heath North America & Special Risks (C.E. Heath)
HSBC Gibbs
Hobbs Group
Jardine Reeves Brown (JIB Group)
Jardine Thompson Graham (JIB Group)
JIB Group
Jauch & Huebener
Johnson & Higgins
Lowndes Lambert Group
Minet
Minet Consultancy Services
Minet International
Nelson Hurst Corp. Services (Forbes Financial Services Group)
Nicholson Leslie Group (Aon Group)
Sedgwick
Steel Burrill Jones
Wellesley Barratt Insurance Management (C.E. Heath)
Willis Corroon
Maidstone
Heath Corporate Risks (C.E. Heath)
WHH Life & Pensions (Lowndes Lambert Group)
Willis Corroon
Manchester
Alexander & Alexander Services
Aon Consulting
Aon Group
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
The Credit Insurance Assn. (Bain Hogg Group)
HSBC Gibbs
Jardine Insurance Services (JIB Group)
Jardine Reeves Brown (JIB Group)
Johnson & Higgins
Lowndes Lambert Group
Rochester Kemp (C.E. Heath)
Sedgwick
Willis Corroon
Middlesex
Near North Entertainment (Near North Insurance Brokerage)
Milton Keynes
Bowring Marsh & McLennan (Marsh & McLennan)
New Malden
Steel Burrill Jones
Newcastle
Alexander & Alexander Services
Aon Consulting
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
HSBC Gibbs
Heath Corporate Risks (C.E. Heath)
Willis Corroon
Sedgwick
Newmarket
Willis Corroon
Northampton
Aon Consulting
Norwich
Aon Group
Heath Corporate Risks (C.E. Heath)
Lowndes Lambert Group
Premium Search (C.E. Heath)
Sedgwick
Nottingham
Aon Consulting
Lowndes Lambert Group
Minet
Minet Consultancy Services
Willis Corroon
Orpington
C.E. Heath
Peterborough
Heath Corporate Risks (C.E. Heath)
Plymouth
Aon Consulting
Bain Hogg Group
Poole
HSBC Gibbs
Portsmouth
Aon Consulting
Preston
WHH Life & Pensions (Lowndes Lambert Group)
Willis Corroon
Reading
Alexander & Alexander Services
Bain Hogg Group
The Credit Insurance Assn. (Bain Hogg Group)
Heath Corporate Benefits (C.E. Heath)
Johnson & Higgins
Sedgwick
Steel Burrill Jones
The Heath Consulting Co. (C.E. Heath)
Willis Corroon
Redditch
Sedgwick
Redhill
Alexander & Alexander Services
Minet
Minet Consultancy Services
Sedgwick
Rochdale
HSBC Gibbs
Romford
Alexander & Alexander Services
Sevenoaks
Aon Consulting
Sheffield
Alexander & Alexander Services
Aon Consulting
Bain Hogg Group
Lowndes Lambert Group
Sedgwick
Willis Corroon
Shrewsbury
Bain Hogg Group
Sidcup
Bowring Marsh & McLennan (Marsh & McLennan)
Solihull
The Credit Insurance Assn. (Bain Hogg Group)
Southampton
Alexander & Alexander Services
Aon Group
Bowring Marsh & McLennan (Marsh & McLennan)
Jardine Insurance Services (JIB Group)
Nelson Hurst Corp. Services (Forbes Financial Services Group)
Willis Corroon
Southend
Heath Corporate Risks (C.E. Heath)
Southend on Sea
Alexander & Alexander Services
Stockport
Steel Burrill Jones
Heath Corporate Risks (C.E. Heath)
St. Albans
Aon Consulting
Swansea
Heath Corporate Risks (C.E. Heath)
Swindon
Aon Consulting
Lowndes Lambert Group
Tonbridge
Bowring Gauntlet (Marsh & McLennan)
C.E. Heath
Truro
Aon Consulting

Continued on next page

9 out of 10 firms save on Workers' Compensation & General Liability with us.

In fact, more than 96% of the firms we serve save substantially. That's because most security guard, alarm and investigative firms are paying way too much money for their existing workers' compensation and general liability insurance. And their claims are not always processed efficiently.

Not so at Izzo. Insurance specialists with more than 20 years in the security industry, Izzo Insurance created the Gold Shield Advantage™ to offer security firms the following advantages:

- Lower Premiums!
- Comprehensive coverages, written specifically for the security industry!
- Newly expanded to include all states!
- Professional, efficient claims handling!
- Interest-free installments on workers' compensation!
- No penalty in most states to change mid-term from an existing surcharged assigned risk workers' compensation policy!

To find out how much money can be saved on workers' compensation and general liability insurance, call Izzo for an application today. And put the Gold Shield Advantage to work for you.

GOLD SHIELD ADVANTAGE™

Workers' Compensation & General Liability Insurance for Security Firms

An Exclusive of Izzo Insurance Services, Inc.

1 (800) 800-1704
In IL **(708) 452-1700**
7234 W. North Ave. • Elmwood Park, IL 60707

Continued from previous page

Wakefield
C.E. Heath
Waltham Cross
Minet
Minet Consultancy Services
Warrington
Minet
Minet Consultancy Services
Watford
Sedgwick
Wickford
Minet Professions
Witham
Sedgwick
Woking
Alexander & Alexander Services
Jardine Insurance Services (JIB Group)
York
Minet
Minet Consultancy Services

Estonia

Tallinn
Aon Group
Estonia Lowndes Lambert Group

Fiji

Lautoka
Marsh & McLennan
Sedgwick
Nadi
Alexander & Alexander Services
Suva
Alexander & Alexander Services
Bain Hogg Group
Heath (C.E. Heath)
Marsh & McLennan
Sedgwick

Finland

Helsinki
Alexander & Alexander Services
Aon Group
Lowndes Lambert Group
Minet First Brokers
Sedgwick
Willis Corroon

France

Aix-en-Provence
Sedgwick
Antibes
Gras Savoye
Besancon
Aon Group
Bordeaux
Gras Savoye
La Securite Nouvelle (Lowndes Lambert Group)
Brest
Aon Group
Caen
Gras Savoye
Clermont-Ferrand
Aon Group
Douai
Gras Savoye
Grenoble
Gras Savoye
Le Havre
Guian (CECAR)
Levallois-Perret
Le Blanc de Nicolay
Capa (CECAR)
Franchelli & Louvet (CECAR)
Lille
Gras Savoye
Groupe Triangle Assurances (Sedgwick)
La Securite Nouvelle (Lowndes Lambert Group)
Lyon
Alexander & Alexander Services
Aon Group
Cabinet Loire (Sedgwick)
Faugere & Jutheau (Marsh & McLennan)
Gras Savoye
Office Des Assures (CECAR)
Marseille
Aon Group
Faugere & Jutheau (Marsh & McLennan)
Gras Savoye
Guian (CECAR)
Tarrazi Recoing (Le Blanc de Nicolay)
La Securite Nouvelle (Lowndes Lambert Group)
Metz
Gras Savoye
Montpellier
Aon Group
Gras Savoye
Nancy
Gras Savoye
Nanterre
Guian (CECAR)
Nantes
Gras Savoye
Neuilly-sur-Seine
Gras Savoye
Noisy Le Grand
Gras Savoye
Ormes
Gras Savoye
Paris
A Morel et Cie (Minet Group)
Alexander & Alexander Services
Aon Group
Bargheon (CECAR)
Le Blanc de Nicolay
Cabinet Billet et Cie (Sedgwick)
CECAR
The Credit Insurance Assn. (Bain Hogg Group)
Debis Assekuranz Vermittlungs
Diot Minet France (Minet Group)
Energie Courtage (CECAR)
Faugere & Jutheau (Marsh & McLennan)
GS Re (Gras Savoye)
Jardine Thompson Graham (JIB Group)
La Securite Nouvelle (Lowndes Lambert Group)
Risque Et Finance (Minet Group)
Sedgwick
Societe Centrale de Courtage D'Assurance (Le Blanc de Nicolay)
Societe Intercontinental d'Assurances pour le Commerce et l'Industrie (JIB Group Willis Corroon)
Rouen
Gras Savoye
Guian (CECAR)
Saint Dizier
Aon Group
Saint Etienne
Gras Savoye
Strasbourg
Alexander & Alexander Services
Aon Group
Gras Savoye
Toulouse
Gras Savoye
Valence
Gras Savoye

Gabon

Franceville
Gras Savoye
Libreville
Gras Savoye
Port Gentil
Gras Savoye

Germany

Baden-Baden
Jauch & Huebener
Beckum
Aon Group
Berlin
Alexander & Alexander Services
Aon Group
CECAR
Debis Risk Consult (Debis Assekuranz Vermittlungs)
Gradmann & Holler (Marsh & McLennan)
Jauch & Huebener
Sedgwick
C. Wuppensahl & Co. (Willis Corroon)
Bielefeld
Alexander & Alexander Services
Jauch & Huebener
Bremen
Debis Assekuranz Vermittlungs
C. Wuppensahl & Co. (Willis Corroon)
Chemnitz
C. Wuppensahl & Co. (Willis Corroon)
Cologne
Alexander & Alexander Services
CECAR
Sedgwick
Dresden
CECAR
Jauch & Huebener
Sedgwick
Duesseldorf
Aon Group
Gradmann & Holler (Marsh & McLeannan)
Jauch & Huebener
CECAR
C. Wuppensahl & Co. (Willis Corroon)
Erfurt
C. Wuppensahl & Co. (Willis Corroon)
Fellbach
Debis Assekuranz Vermittlungs
Frankfurt
Alexander & Alexander Services
Aon Group
CECAR
Gradmann & Holler (Marsh & McLeannan)
Sedgwick
C. Wuppensahl & Co. (Willis Corroon)
Frankfurt am Main
Debis Risk Consult (Debis Assekuranz Vermittlungs)
Jauch & Huebener
Hamburg
Alexander & Alexander Services
Aon Group
CECAR
CIA Deutschland Debis Assekuranz Vermittlungs
Gradmann & Holler (Marsh & McLeannan)
Jauch & Huebener
Kreditvershicherungsmakler (Bain Hogg Group)
Sedgwick
C. Wuppensahl & Co. (Willis Corroon)
Hannover
Alexander & Alexander Services
Debis Assekuranz Vermittlungs
Immenstaad
Debis Assekuranz Vermittlungs
Karlsruhe
Inter-Assekuranz-Heger (Sedgwick)
Leipzig
Alexander & Alexander Services
Aon Group
Debis Assekuranz Vermittlungs
Gradmann & Holler (Marsh & McLeannan)
Jauch & Huebener
Lowndes Lambert Group
Sedgwick
Manching
Debis Assekuranz Vermittlungs
Monheim
Aon Group
Mulheim an der Ruhr
Debis Assekuranz Vermittlungs
Jauch & Huebener
Munich
Alexander & Alexander Services
Aon Group
CECAR
Debis Assekuranz Vermittlungs
Gradmann & Holler (Marsh & McLeannan)
Jauch & Huebener
Sedgwick
C. Wuppensahl & Co. (Willis Corroon)
Nurnberg
Debis Assekuranz Vermittlungs
Jauch & Huebener
Ottobrun
Debis Assekuranz Vermittlungs
Rostock
CECAR
Saarbrucken
Aon Group
Schortens
Debis Assekuranz Vermittlungs
Stuttgart
Alexander & Alexander Services
Aon Group
Debis Assekuranz Vermittlungs
Gradmann & Holler (Marsh & McLeannan)
Jauch & Huebener
Sedgwick
Unterfohring
Debis Assekuranz Vermittlungs
WeBling
Debis Assekuranz Vermittlungs
Wiesbaden
Alexander & Alexander Services

Greece

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

Grenada

St. George's
Alexander & Alexander Services

Guadeloupe

Baie Mahault
Alexander & Alexander Services
Point a Pitre
Gras Savoye

Guam

Tamuning
Atkins Kroll Insurance (Bain Hogg Group)

Guatemala

Guatemala City
Alexander & Alexander Services

Guernsey

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

Guyana

Georgetown
Alexander & Alexander Services

Haiti

Alexander & Alexander Services

Honduras

San Pedro Sula
Alexander & Alexander Services
Tegucigalpa
Alexander & Alexander Services

Hong Kong

Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Re Worldwide
CECAR
HMH Insurance Brokers (C E. Heath)
HSBC Gibbs
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins
Marsh & McLennan
Minet
Minet China
Minet RAIA Insurance Brokers
Nicholson Leslie Group (Aon Group)
Sedgwick
Trade Insurance Services
Willis Faber (Willis Corroon)
Wan Chai
Inchcape Insurance (Bain Hogg Group)
Wanchai
Lambert Brothers (Lowndes Lambert Group)
New World Insurance Consultants
New World Insurance Management
New World Insurance Services

Hungary

Budapest
Alexander & Alexander Services
Aon Group
Jauch & Huebener
Marsh & McLennan
Risiko Service (CECAR)
Sedgwick

India

Bombay
Alexander & Alexander Services
Aon Re Worldwide
Jardine Insurance Consultants (JIB Group)
Sedgwick
Tower Insurance & Reinsurance Services (Willis Corroon)
Calcutta
Tower Insurance & Reinsurance Services (Willis Corroon)
Madras
Tower Insurance & Reinsurance Services (Willis Corroon)
New Delhi
Jardine Insurance Consultants (JIB Group)
Tower Insurance & Reinsurance Services (Willis Corroon)

Indonesia

Jakarta
Alexander & Alexander Services
P.T. Jardine Insurance Brokers (JIB Group)
P.T. Sedgwick Dharmala
Surabaya
Alexander & Alexander Services

Iran

Tehran
Aon Group

Ireland

Cork
Jardine Insurance Services (JIB Group)
Marsh & McLennan
Sedgwick
Dublin
Alexander & Alexander Services
Aon Group
Bowring (Marsh & McLennan)
HSBC Gibbs
Jardine Insurance Services (JIB Group)
Johnson & Higgins
Minet
Sedgwick
Willis Corroon
Galway
Sedgwick
Limerick
Marsh & McLennan

Isle of Man

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

Israel

Tel Aviv
Alexander & Alexander Services

Italy

Arezzo
Minet
Bologna
Johnson & Higgins
Bolzano/Bozen
MVM Italia (Sedgwick)
Brescia
Marsh & McLennan

Continued on next page

ONLY ONE STAFFING SERVICE CAN FIND ALL THE "MISSING PIECES"
INSURANCE OVERLOAD SYSTEMS IS YOUR SINGLE SOURCE NATIONWIDE

With one phone call to any of our 50 offices nationwide, we will handle all your staffing needs, from a single temporary placement to managing whole departments to outplacement services. We provide experienced personnel covered by Fidelity, GL, W/C and E&O insurance in all lines including:

- Underwriters/Account Managers
- Claims Examiners/ Processors
- Managed Care Examiners/Auditors
- Raters/Coders/Billers
- Clerical & Support Staff

Through our customized Single Source Management Program, we will use our expertise to manage your entire flexible work force, on-site or off. We tailor billing to your specifications and provide quality controls that guarantee the maximum return on your staffing dollars.

Call 1-800-822-2422 to learn about all the advantages of using Insurance Overload Systems.

INSURANCE OVERLOAD SYSTEMS

Formerly Claims Overload Systems

Continued from previous page

Cremona
ITALCECAR (CECAR)
Revasa (Bain Hogg Group)
Florence
Minet
UTA SpA (Willis Corroon)
Genoa
Alexander & Alexander Services
Sedgwick
UTA SpA (Willis Corroon)
Milan
Alexander & Alexander Services
Aon Group
Aon Re Worldwide
A&B Reinsurance (C.E. Heath)
CIA (Bain Hogg Group)
ITALCECAR (CECAR)
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins
La Securite Nouvelle (Lowndes Lambert Group)
Marsh & McLennan
Minet
Nicholson Leslie Group (Aon Group)
Sedgwick
UTA SpA (Willis Corroon)
Padua
Johnson & Higgins
Marsh & McLennan
Rome
Alexander & Alexander Services
Aon Group
Debis Assekuranz Vermittlungs
Johnson & Higgins
Marsh & McLennan
Sedgwick
Turin
Alexander & Alexander Services
Johnson & Higgins
Sedgwick
UTA SpA (Willis Corroon)
Verona
Sedgwick
Vicenza
UTA SpA (Willis Corroon)

Ivory Coast

Abidjan
Gras Savoye

Jamaica

Kingston
Alexander & Alexander Services
Montego Bay
Alexander & Alexander Services

Japan

Fukuoka
Hitachi Insurance Services
Haranomachi
Hitachi Insurance Services
Hiratsuka
Hitachi Insurance Services
Hiroshima
Hitachi Insurance Services
Hitachi
Hitachi Insurance Services
Hitachinaka
Hitachi Insurance Services
Kashiwa
Hitachi Insurance Services
Kawasaki
Hitachi Insurance Services
Kitakyushu
Hitachi Insurance Services
Kokubunji
Hitachi Insurance Services
Koriyama
Hitachi Insurance Services
Kudamatsu
Hitachi Insurance Services
Kure
Hitachi Insurance Services
Kuwana
Hitachi Insurance Services
Kyoto
Hitachi Insurance Services
Maoka
Hitachi Insurance Services
Mobara
Hitachi Insurance Services
Nagoya
Hitachi Insurance Services
Narashino
Hitachi Insurance Services
Niigata
Hitachi Insurance Services
Odate
Hitachi Insurance Services
Osaka
Hitachi Insurance Services
Johnson & Higgins
Marsh & McLennan
Sapporo
Hitachi Insurance Services
Sendai
Hitachi Insurance Services
Shimizu
Hitachi Insurance Services
Shimodate
Hitachi Insurance Services
Takamatsu
Hitachi Insurance Services
Takasaki
Hitachi Insurance Services
Tochigi
Hitachi Insurance Services
Tokyo
Alexander & Alexander Services
Aon Group
Aon Re Worldwide
Bain Clarkson (Bain Hogg Group)
Debis Assekuranz Vermittlungs
Hitachi Insurance Services
Jardine Insurance Agency (JIB Group)
Johnson & Higgins
Marsh & McLennan
Minet
Nicholson Leslie Group (Aon Group)
Sedgwick
Willis Corroon
Toyama
Hitachi Insurance Services
Toyokawa
Hitachi Insurance Services
Tsuchiura
Hitachi Insurance Services
Yamanashi
Hitachi Insurance Services
Yokohama
Hitachi Insurance Services

Kazakhstan

Almaty
Alexander & Alexander Services

Kenya

Eldoret
Minet ICDC Insurance Brokers
Mombasa
Alexander & Alexander Services
Minet ICDC Insurance Brokers
Nairobi
Alexander & Alexander Services
Minet ICDC Insurance Brokers
Sedgwick

Kuwait

Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)
Intercontinental Insurance Brokers (Sedgwick)

Le Reunion

St. Dennis
Gras Savoye

Lebanon

Beirut
Arab Commercial Enterprises (Sedgwick)
Gras Savoye

Lesotho

Maseru
Minet Kingsway

Luxembourg

Boels & Begault (Bain Hogg Group)
Gras Savoye
GS Re (Gras Savoye)
Marsh & McLennan
Sedgwick
Sogecore (CECAR)
Willis Corroon
Senningerberg
Alexander & Alexander Services

Macau

Inchcape Insurance (Bain Hogg Group)
New World Insurance Consultants

Malawi

Blantyre
Bain Hogg Group
Lilongwe
Bain Hogg Group

Malaysia

Johor Bahru
Alexander & Alexander Services
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Kuala Lumpur
Alexander & Alexander Services
Amanah Lowndes Lambert (Lowndes Lambert Group)
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Aon Group
Aon Re Worldwide
Asli-Jardine Insurance Brokers (JIB Group)
Inchcape Insurance Brokers (Bain Hogg Group)
Johnson & Higgins
NWI Risk Management Consultants
New World Insurance Management
Willis Faber (Willis Corroon)
Kuching
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Inchcape Insurance Brokers (Bain Hogg Group)
Labuan
New World Insurance Management
Penang
Alexander & Alexander Services
Antah Sedgwick Chartered Insurance Brokers (Sedgwick)
Johnson & Higgins
Perak
Alexander & Alexander Services

Malta

Valletta
Bain Hogg Group

Martinique

Fort de France
Gras Savoye

Mexico

Aguascalientes
Brockman y Schuh (Johnson & Higgins)
Cancun
Aon Group
Chihuahua
Alexander & Alexander Services
Brockman y Schuh (Johnson & Higgins)
Ciudad Juarez
Brockman y Schuh (Johnson & Higgins)
Ciudad Satelite
Brockman y Schuh (Johnson & Higgins)
Guadalajara
Alexander & Alexander Services
Aon Group
Brockman y Schuh (Johnson & Higgins)
Hermosillo
Brockman y Schuh (Johnson & Higgins)
Juarez
Aon Group
Matamoros
Alexander & Alexander Services
Mexico City
Agencia Interoceanica Assesores E Intermediarios (C.E. Heath)
Alexander & Alexander Services
Aon Group
Aon Re Worldwide
Aon Specialty Group
Bain Hogg Group
Brockman y Schuh (Johnson & Higgins)
Grupo Bobadilla y Rehder
Grupo Cassab Machaen Aguete de Seguros
Marsh & McLennan
Monterrey
Alexander & Alexander Services
Aon Group
Brockman y Schuh (Johnson & Higgins)
Puebla
Alexander & Alexander Services
Brockman y Schuh (Johnson & Higgins)
Reynosa
Brockman y Schuh (Johnson & Higgins)
San Luis Potosi
Brockman y Schuh (Johnson & Higgins)
Tehuacan
Alexander & Alexander Services
Tijuana
Alexander & Alexander Services
Aon Group
Brockman y Schuh (Johnson & Higgins)
Marsh & McLennan
Torreon
Brockman y Schuh (Johnson & Higgins)

Montserrat

Alexander & Alexander Services

Morocco

Alexander & Alexander Services
Casablanca
Gras Savoye
Bain Hogg Group

Myanama

Yangon
Jardine Thompson Graham (JIB Group)

Namibia

Windhoek
Forbes Financial Services Group

Netherlands

Alkmaar
ABN-AMRO Verzekeringen
Amersfoort
ABN-AMRO Verzekeringen
Amsterdam
ABN-AMRO Verzekeringen
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Re Worldwide
Mees & zoonen (Johnson & Higgins)
Scheuer Insurance Brokers (Willis Corroon)
Sedgwick
Apeldoorn
ABN-AMRO Verzekeringen
Arnhem
ABN-AMRO Verzekeringen
Assen
ABN-AMRO Verzekeringen
Beek
ABN-AMRO Verzekeringen
Breda
ABN-AMRO Verzekeringen
Delft
ABN-AMRO Verzekeringen
Den Bosch
ABN-AMRO Verzekeringen
Den Haag
ABN-AMRO Verzekeringen
Dordrecht
ABN-AMRO Verzekeringen
Eindhoven
ABN-AMRO Verzekeringen
Groningen
ABN-AMRO Verzekeringen
Aon Group
Haarlem
ABN-AMRO Verzekeringen
Hengelo
ABN-AMRO Verzekeringen
Aon Group
Hilversum
ABN-AMRO Verzekeringen
Leeuwarden
ABN-AMRO Verzekeringen
Leiden
ABN-AMRO Verzekeringen
Maastricht
Aon Group
Middelburg
ABN-AMRO Verzekeringen
Nijmegen
ABN-AMRO Verzekeringen
Aon Group
Noordwijk
Aon Group
Rotterdam
ABN-AMRO Verzekeringen
Alexander & Alexander Services
Aon Consulting
Aon Group
Marsh & McLennan
Mees & zoonen (Johnson & Higgins)
Sedgwick
Terneuzen
ABN-AMRO Verzekeringen
The Hague
Alexander & Alexander Services
Aon Group
Tilburg
ABN-AMRO Verzekeringen
Aon Group
Utrecht
ABN-AMRO Verzekeringen
Venlo
ABN-AMRO Verzekeringen
Aon Group
Zaandam
ABN-AMRO Verzekeringen
Zwolle
ABN-AMRO Verzekeringen

New Zealand

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

Nicaragua

Managua
Alexander & Alexander Services

Nigeria

Ibadan
Alexander & Alexander Services
FIM Consultants (Sedgwick)
Scib Nigeria & Co. (Sedgwick)
Kaduna
Alexander & Alexander Services
FIM Consultants (Sedgwick)
Scib Nigeria & Co. (Sedgwick)
Lagos
Alexander & Alexander Services
FIM Consultants (Sedgwick)
Glanvill Enthoven & Co. (JIB Group)
Minet
Scib Nigeria & Co. (Sedgwick)

Northern Ireland

Belfast
Alexander & Alexander Services
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
Sedgwick
Willis Corroon

Norway

Melbu
Lowndes Lambert Group
Oslo
Alexander & Alexander Services
Aon Group
Marsh & McLennan
Minet
Sandvika
Lowndes Lambert Group
Nilsen Brokers (C.E. Heath)
Nilsen Brokers (C.E. Heath)

Oman

Muscat
Alexander & Alexander Services
HSBC Gibbs
Sedgwick

Pakistan

Alexander & Alexander Services

Panama

Colon City
Grupo Panamena de Comercio
Panama City
Alexander & Alexander Services
Grupo Panamena de Comercio

Papua New Guinea

Lae
Alexander & Alexander Services
Port Moresby
Alexander & Alexander Services
Kila Bowring Insurance (Marsh & McLennan)
Lowndes Lambert Group
Sedgwick

Paraguay

Alexander & Alexander Services

Peru

Lima
Alexander & Alexander Services
Johnson & Higgins
Sedgwick

Philippines

Cebu City
H.I. Group (Johnson & Higgins)
Jardine Davis Insurance Brokers (JIB Group)

Continued on next page

Continued from previous page

Davao City
Jardine Davis Insurance Brokers (JIB Group)
Manila
Alexander & Alexander Services
Aon Re Worldwide
H.I. Group (Johnson & Higgins)
Jardine Davis Insurance Brokers (JIB Group)
SEDFEMA Insurance Brokers (Sedgwick)
Sedgwick

Poland

Crakow
Gras Savoye
Opole
Gras Savoye
Stettin
Aon Group
Szczecin
Gras Savoye
Warsaw
Alexander & Alexander Services
Aon Group
CISCO (Willis Corroon)
Gras Savoye
Jardine Insurance Brokers (JIB Group)
Marsh & McLennan
Sedgwick
Wroclaw
Gras Savoye

Portugal

Leiria
Newstead & Porter (Marsh & McLennan)
Lisbon
Alexander & Alexander Services
Aon Group
CECAR
Gil Y Carvajal (Gras Savoye)
Heath y Amorim re Sociedade Corretora de Resseguros (C.E. Heath)
Heath y Amorim re Sociedade Corretora de Resseguros (C.E. Heath)
Newstead & Porter (Marsh & McLennan)
Sedgwick
Willis Faber (Willis Corroon)
Oporto
Newstead & Porter (Marsh & McLennan)
Sedgwick
Willis Faber (Willis Corroon)

Qatar

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

Saipan

Microl Insurance (Bain Hogg Group)

Saudi Arabia

Al Khobar
Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)
INTERSERVE (Johnson & Higgins)
Dammam
Arab Commercial Enterprises (Sedgwick)
Alexander & Alexander Services
Jeddah
Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)
Jubail
Arab Commercial Enterprises (Sedgwick)
Mecca
Arab Commercial Enterprises (Sedgwick)
Riyadh
Alexander & Alexander Services
Arab Commercial Enterprises (Sedgwick)
INTERSERVE (Johnson & Higgins)
Yanbu al Sinaiyah
Arab Commercial Enterprises (Sedgwick)

Scotland

Aberdeen
Alexander & Alexander Services
Aon Consulting
Bowring Marsh & McLennan (Marsh & McLennan)
HSBC Gibbs
Heath (C.E. Heath)
Willis Corroon
Brechin
Heath (C.E. Heath)
Dundee
Bowring Marsh & McLennan (Marsh & McLennan)
Heath (C.E. Heath)
Willis Corroon
Edinburgh
Alexander & Alexander Services
Aon Consulting
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
Heath (C.E. Heath)
Jardine Insurance Services (JIB Group)
Johnson & Higgins
Sedgwick
Willis Corroon
Glasgow
Alexander & Alexander Services
Aon Consulting
Aon Group
Bain Hogg Group
Bowring Marsh & McLennan (Marsh & McLennan)
HSBC Gibbs
Heath (C.E. Heath)
Johnson & Higgins
Minet
Minet Professions
Sedgwick
The Credit Insurance Assn. (Bain Hogg Group)
Willis Corroon
Gloucester
Jardine Insurance Services (JIB Group)
Inverness
Heath (C.E. Heath)
Peterhead
Heath (C.E. Heath)
Stirling
Arthur J. Gallagher

Senegal

Dakar
Gras Savoye

Singapore

Alexander & Alexander Services
Aon Group
Aon Re Worldwide
Arthur J. Gallagher
Debis Assekuranz Vermittlungs
Gras Savoye
HSBC Gibbs
Inchcape Insurance Brokers (Bain Hogg Group)
Jardine Insurance Brokers (JIB Group)
Jardine Thompson Graham (JIB Group)
Jauch & Huebener
Johnson & Higgins
Marsh & McLennan
Minet
New World Insurance Brokers
Nicholson Leslie Group (Aon Group)
Sedgwick
Willis Faber (Willis Corroon)

Slovak Republic

Bratislava
Aon Group
Marsh & McLennan
Minet
Poprad
Minet

Solomon Islands

Honiara
Bain Hogg Group

South Africa

Benoni
Forbes Financial Services Group
Bloemfontein
Aon Group
Forbes Financial Services Group
Cape Town
Forbes Financial Services Group
Durban
Forbes Financial Services Group
East London
Forbes Financial Services Group
George
Forbes Financial Services Group
Graaf-Reinet
Forbes Financial Services Group
Groblersdal
Forbes Financial Services Group
Johannesburg
Alexander & Alexander Services
Aon Group
Forbes Financial Services Group
Kimberley
Forbes Financial Services Group
Klerksdorp
Forbes Financial Services Group
Louis Trichardt
Forbes Financial Services Group
Nelspruit
Forbes Financial Services Group
Paarl
Forbes Financial Services Group
Pietermaritzburg
Forbes Financial Services Group
Pietersburg
Forbes Financial Services Group
Pinetown
Aon Group
Port Elizabeth
Forbes Financial Services Group
Pretoria
Forbes Financial Services Group
Richards Bay
Forbes Financial Services Group
Rustenburg
Forbes Financial Services Group
Sandton
Forbes Financial Services Group
Somerset West
Aon Group
Stellenbosch
Forbes Financial Services Group
Upington
Forbes Financial Services Group
Welkom
Forbes Financial Services Group
Witbank
Forbes Financial Services Group

South Korea

Seoul
Alexander & Alexander Services
Aon Group
Bain Hogg Group
Jardine Insurance Brokers International (JIB Group)
Marsh & McLennan
Sedgwick
Taegu
Aon Group

Spain

Barcelona
Alexander & Alexander Services
Aon Group
Gras Savoye
IBERCECAR (CECAR)
Interbroker Correduria de Reaseguros (Lowndes Lambert Group)
Marsh & McLennan
Sedgwick
S&C Correduria de Seguros (Willis Corroon)
Bilbao
Alexander & Alexander Services
Sedgwick
S&C Correduria de Seguros (Willis Corroon)
IBERCECAR (CECAR)
Madrid
Alexander & Alexander Services
Aon Group
Gras Savoye
Heath y Associados (C.E. Heath)
IBERCECAR (CECAR)
Interbroker Correduria de Reaseguros (Lowndes Lambert Group)
Jardine Insurance Brokers International (JIB Group)
Le Blanc de Nicolay
Marsh & McLennan
Sedgwick
S&C Correduria de Seguros (Willis Corroon)
San Sebastian
Gras Savoye
IBERCECAR (CECAR)
S&C Correduria de Seguros (Willis Corroon)
Santander
S&C Correduria de Seguros (Willis Corroon)
Seville
Marsh & McLennan
S&C Correduria de Seguros (Willis Corroon)
Valencia
S&C Correduria de Seguros (Willis Corroon)
Valladolid
Gras Savoye
Vitoria
IBERCECAR (CECAR)

Sri Lanka

Colombo
Insurance Services International (Willis Corroon)

St. Kitts & Nevis

Alexander & Alexander Services

St. Lucia

Castries
Alexander & Alexander Services

St. Vincent & Grenadines

Alexander & Alexander Services

Suriname

Paramaribo
Alexander & Alexander Services

Swaziland

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

Sweden

Goteborg
Aon Group
Gothenburg
Marsh & McLennan
Willis Faber (Willis Corroon)
Helsingboug
Minet
Malmo
Aon Group
Stockholm
Alexander & Alexander Services
Aon Group
Marsh & McLennan
Minet
Sedgwick
Willis Faber (Willis Corroon)

Switzerland

Feldmeilen
Jauch & Huebener
Geneva
Alexander & Alexander Services
Marsh & McLennan
Sedgwick
Lausanne
Gras Savoye
Lugano
MVM Versicherungsmakler (Sedgwick)
St. Gallen
MVM Versicherungsmakler (Sedgwick)
Zurich
Alexander & Alexander Services
C. Wuppensahl & Co. (Willis Corroon)
Marsh & McLennan
Minet
Sedgwick

Taiwan

Taipei
Alexander & Alexander Services
Aon Group
Bain Hogg Group
Jardine Insurance Brokers (JIB Group)
Johnson & Higgins
Minet
Sedgwick
Yin Hwa Insurance Agent (Bain Hogg Group)

Thailand

Bangkok
Alexander & Alexander Services
Aon Consulting
Aon Group
Aon Re Worldwide
Inchcape Insurance Brokers (Bain Hogg Group)
Jardine Services (JIB Group)
Johnson & Higgins
Minet
Multi-Risk Consultants (Willis Corroon)
New World Insurance Brokers
Sedgwick

Togo

Lome
Sicar Gras Savoye (Gras Savoye)

Trinidad & Tobago

Port of Spain
Alexander & Alexander Services

Tunis

CECAR

Turkey

Ankara
Alexander & Alexander Services
CECAR
Istanbul
Alexander & Alexander Services
Aon Group
Aon Re Worldwide
CECAR
Marsh & McLennan
Nicholson Leslie Group (Aon Group)
San Insurance & Reinsurance Brokerage (Johnson & Higgins)
San Sigorta (Gras Savoye)
Sedgwick
Izmir
CECAR

Turks & Caicos Islands

Providenciales
Alexander & Alexander Services

Uganda

Kampala
Bain Hogg Group
Minet

Ukraine

Kiev
Bain Hogg Group

Continued on next page

ATTENTION READERS

READER SERVICE

The ***Business Insurance*** **Reader Service Program** provides a direct line of communication between you and the companies providing the products and services you may need.

Turn to our Advertiser Index *now* to receive information *immediately* from the advertisers in this issue of *BI* – fill out the reply card or coupon, mail or fax it to our fulfillment bureau.

Take action and make contact now. When you need information *Business Insurance* is the best resource available.

If your card is missing from this issue,
call Carol Peacock at 212-210-0236 and ask for another.

Business Insurance®

Continued from previous page

United Arab Emirates

Abu Dhabi
- Arab Commercial Enterprises (Sedgwick)

Dubai
- Alexander & Alexander Services
- Al-Futtaim Willis Faber (Willis Corroon)
- Aon Group
- Arab Commercial Enterprises (Sedgwick)
- HSBC Gibbs
- International Insurance Services Gulf (Marsh & McLennan)
- Sedgwick

Sharjah
- Aon Group
- Aon Re Worldwide
- Nicholson Leslie Group (Aon Group)

Uruguay

- Alexander & Alexander Services

Montevideo
- Johnson & Higgins

Uzbekistan

Tashkent
- Alexander & Alexander Services

Vanuatu

Port Vila
- Bain Hogg Group

Venezuela

Barquisimeto
- Johnson & Higgins

Caracas
- Alexander & Alexander Services
- Bain Hogg Group
- Heath de Venezuela (C.E. Heath)
- Jauch & Huebener
- Johnson & Higgins

Maracaibo
- Alexander & Alexander Services
- Johnson & Higgins

Puerto La Cruz
- Johnson & Higgins

Valencia
- Alexander & Alexander Services
- Johnson & Higgins

Vietnam

Hanoi
- Aon Group
- Inchinbrok (Bain Hogg Group)
- Jardine Insurance Services (JIB Group)

Ho Chi Minh City
- Aon Group
- Inchinbrok (Bain Hogg Group)
- Jardine Insurance Services (JIB Group)

Wales

Cardiff
- Alexander & Alexander Services
- Aon Consulting
- Heath Corporate Risks (C.E. Heath)
- Marsh & McLennan
- Sedgwick
- Willis Corroon

Zaire

Kinshasa
- Alexander & Alexander Services

Zambia

Lusaka
- LIB Zambia (Forbes Financial Services Group)

Zimbabwe

Bulawayo
- Minet
- Sedgwick
- Willis Corroon

Harare
- Minet
- Sedgwick
- Willis Corroon

Mutare
- Minet

BI

Branch offices operating under names similar to their parent company are indexed under the parent company's name. If a branch office name is significantly different from that of the parent, the office is listed under its own name followed by the parent company in parentheses.

Reform

Continued from page 2

health care market as hospitals will face demands from big buyers of health care services—such as preferred provider organizations—to cut rates.

"Big networks with the most covered lives and that operate" where hospitals compete for patients will be the big winners, according to Michael Langan, a principal with Towers Perrin in Valhalla, N.Y.

"This is a very positive development for buyers like PPOs that have the clout to negotiate rates but couldn't do so under the old law," added Mary Case, a principal with Kwasha Lipton L.L.C. in Fort Lee, N.J.

While self-funded employers also will be able to directly negotiate rates with hospitals, few are expected to do so—at least initially.

Except for the very largest organizations, employers may lack the concentration of employees in a geographic area to have the buying clout to negotiate rates, noted Charles Blanksteen, a managing director at William M. Mercer Inc. in New York.

But over time, the new law could encourage the formation of employer purchasing coalitions established to give employer members more buying power, said David Rahill, a principal with A. Foster Higgins & Co. Inc. In New York.

Benefit consultants say that hospitals—fearful of losing market share—will have no choice but to negotiate with big buyers of health care services.

"If you don't negotiate, you could lose thousands of admissions. You could lose everything overnight," notes Mercer's Mr. Blanksteen.

But how much a hospital will discount rates will depend on how many other hospitals operate in its area, as well as the size of buyers.

"Discounts will vary market by market. The name of the game is market share, and hospitals will figure out who are the biggest buyers," said Harvey Sobel, a principal and consulting actuary with Buck Consultants Inc. in Secaucus, N.J.

But while the new law creates a new group of winners—big buyers of health care services and efficiently run hospitals—there will be losers, too.

Poorly run hospitals that have been protected from real competition because of state-mandated rate setting will suffer.

"If a hospital can't keep its costs down, its prospects are poor," said Mr. Langan of Towers Perrin.

In addition, HMOs, which had been able to negotiate hospital rates under the old law, will face new competitive pressures from PPOs and other big buyers of hospital services.

Potentially, Blue Cross & Blue Shield plans also could be losers under the new law. Unlike other big health care buyers, they were exempt from the old 13% surcharge on inpatient hospital charges. That gave Blues' plan a competitive advantage over other insurers.

Now, Blues' plans will, like other purchasers, be liable for the new 8.18% inpatient and outpatient bills.

But benefit experts say Blues' plans—because of their enormous buying power—should be able to wring discounts from hospitals.

"It is not a given that Blues plans will lose. They will move away from a fixed and unique discount to a situation where discounts will vary depending on their strength in different parts of the state," said Buck's Mr. Sobel. BI

Protocols

Continued from page 2

pensation Institute, an organization sponsored by insurers and self-insured employers, said of the IMC protocols. "You would leave the door wide open for all types of unnecessary treatment."

The IMC is responsible for monitoring the delivery of medical benefits within California's workers comp system.

It is a unit of the Department of Industrial Relations, as is the Division of Workers' Compensation, which oversees the state's workers comp courts.

Under 1993 reform legislation, the IMC must develop guidelines for treatment of work-related injuries. The IMC expects to issue treatment guidelines for lower-back injuries by August, with protocols for other injuries to follow. It has held public hearings on its proposed protocols, and employers and insurers are anxiously waiting to see if the panel will heed their suggestions.

A spokeswoman for the IMC said it would be premature for the IMC to respond to criticism of its guidelines because it has only recently concluded public hearings and is still evaluating the testimony of payers and other parties.

Kenlyn Boyd, manager of medical services for Applied Risk Management, an Oakland, Calif.-based third-party administrator, has closely followed the protocols issue. The IMC's proposed lower-back guidelines would allow trial physical treatment for two to four weeks with an additional two to six weeks of patient education and active care before peer review is deemed appropriate or necessary, she said.

In comparison, most other protocols in use by employers and insurers call for only six to eight physical medicine treatments before peer review of the treatment, she added.

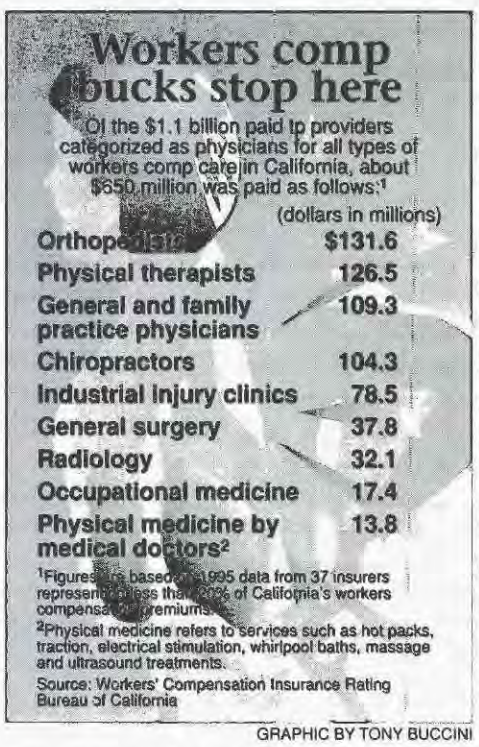
The IMC proposal sends the wrong message to employees, Ms. Boyd said, contending it will lead them to expect that care will be drawn out.

"And as you know, the big push of managed care is early intervention, so that you establish the injured worker's expectation," Ms. Boyd explained.

Although employers and insurers will not be legally bound to follow the guidelines, payers fear that Workers Compensation Appeals Board judges will settle disputes over treatment in favor of employees citing the IMC's protocols.

"In reality they will be mandatory, because the Workers Compensation Appeals Board is going to rely heavily on what the IMC comes out with vs. what some carrier comes out with in terms of their own guidelines for treatment or referrals," said Hank Krizl, executive vp for Fremont Compensation Insurance Co. in Glendale, Calif.

There are millions of dollars at stake, according to the CWCI. The organization points out that physical therapists, chiropractors, and medical doctors rendering physical medicine received one-third of the $1.1 billion insured California employers paid to physicians last year for worker injuries. That total includes about $360 million in unclassified payments to physicians. Physical medicine includes such therapies as hot packs, traction, electrical stimulation, whirlpool baths, massage and ultrasound treatments.



GRAPHIC BY TONY BUCCINI

Most workers comp physical medicine expense is related to back-injury cases, the CWCI asserts. Data from 1993, the most recent available, shows that lower-back injuries are the single most common type of work injury, accounting for 18% of all workers comp claims, or nearly $509 million, the CWCI reports.

An Ernst & Young study commissioned by the CWCI finds that under the IMC's proposed guidelines, back-injury treatment costs in the first three months after injury would increase from the current price tag of $41 million a year to $172 million for California's insured employers, according to a recent CWCI bulletin. The CWCI refused to release the study results.

The burden of higher treatment costs could fall hardest on insurers and on small to medium-sized employers, said Jennifer Cech, supervisor for California workers comp claims for Hunt Wesson Inc./Con Agra Co. in Fullerton, Calif. Hunt Wesson currently is formulating its own treatment protocols, which could be more stringent than the IMC's.

But Ms. Cech doesn't believe Hunt Wesson will have problems, as long as its protocols prove to be effective and they are implemented consistently. She points out that employers in California have control of employee treatment for 30 days, and that a proactive approach to injuries typically heads off most employee complaints to the state Workers Comp Appeals Board.

But she agrees that back injuries present some of the most costly workers comp claims, in part because decisions about appropriate care are often highly subjective.

"Unfortunately the medical council's protocols are liberal enough so that if (an employer's) peer doctors, or whoever you use for your protocols, are more stringent, there is always the risk" that a Workers Comp Appeals Board judge could decide the IMC's protocols are more appropriate than he employer's, she said.

The CWCI and the California Self-Insurers Assn. in Sacramento would prefer to see the IMC adopt treatment protocols developed by the AHCPR. Several large employers and states, including Florida, Kentucky and Oregon, endorse the AHCPR's guidelines.

The CWCI claims the AHCPR guidelines are more specific while those from the IMC are more vague. The Ernst & Young report also notes that there are contradictions between AHCPR and IMCA protocols.

In addition to calling for earlier peer review of injury treatment, the report found "31 discrepancies between the clinically based back-treatment protocols developed by AHCPR and the IMC protocols, which were based on physician consensus rather than clinical evidence," the CWCI bulletin states.

But payers say that California's IMC is eager to avoid irritating groups like the state's chiropractors and physical therapists by limiting the time in which they can treat a patient without their care being reviewed.

"That's a political statement made for political purposes," the IMC spokeswoman said.

Craig Little, chair of insurance and industrial relations for the Sacramento-based California Chiropractic Assn., said the IMC protocols were developed without political input.

He also maintains that there is very little difference between IMC and AHCPR protocols. BI

Travelers/Aetna earnings up in first combined quarter

HARTFORD, Conn.—In its first full quarter of operations, Travelers/Aetna Property Casualty Corp. reported core operating earnings of $213 million, exceeding company officials' and analysts' earlier estimates by more than 10%.

"Earnings exceeded our expectations, and we're off to a good start," said Robert I. Lipp, chairman and chief executive officer. He attributed the gains to successful expense reduction efforts and strong net investment income.

"The company is really coming together. We've received huge support from our agents and brokers, most of which participated in our IPO," Mr. Lipp said. About $90 million, or 10% of the shares, was bought by the company's employees as well as agents and brokers.

However, had Travelers/Aetna included its a one-time aftertax charge of $391 million—related to Travelers' acquisition and integration of Aetna Casualty & Surety Co. (*BI*, Dec. 4, 1995)—it would have posted a net loss for the three months ending June 30 of $216.2 million.

But Peter Wade, an analyst with Lehman Brothers in New York, said one should factor out the charge to get a clear picture of where the insurer is headed. He said Travelers/Aetna had announced an expected $750 million pretax charge before the quarter, which ultimately turned out to be only $601.5 million on a pretax basis.

"If you want to use current earnings as a predictor, you have to exclude the charge. With respect to expenses, premium growth, investment income and cash flow, they did equal to or better than what the market thought," he said.

Second-quarter net premiums written were $1.8 billion, compared with $1.9 billion for the same period in 1995 at Travelers and Aetna separately. Excluding a one-time adjustment for a reinsurance transaction, combined net written commercial lines premiums were $1.1 billion for the quarter, compared with $1.3 billion in second-quarter 1995. Commercial lines core earnings were $178.3 million.

—By Michael Schachner

INTERNATIONAL

Eruptions may prompt ski areas to file claim for lost business

AUCKLAND, New Zealand—Two New Zealand ski areas have notified their insurer of potential claims after volcanic eruptions forced them to close for a second consecutive ski season.

Mount Ruapehu, in the middle of New Zealand's north island, has been active again this year, with reports of lava eruptions beginning July 7.

Last year, Mount Ruapehu erupted Sept. 24, 1995, and the Whakapapa and Turoa ski areas were closed for almost three weeks (*BI*, Oct. 16, 1995).

Business interruption claims for both resorts totaled about $2.5 million ($1.72 million), said Stuart Murray, account manager with broker Willis Corroon Ltd. in Auckland and broker for both resorts.

Wellington-based State Insurance Ltd. is the underwriter. Mr. Murray said State, a New Zealand government-owned company is the only insurance company that will write property and business interruption coverage for the ski areas.

Mount Ruapehu is still erupting, and Mr. Murray said it could be three weeks before the resorts could re-open. The resorts normally open between late June and mid-July.

He added, though, that he expected claims this season would be less than in 1995, unless the resorts still are closed during the peak season of the September school holidays in late September and early October. The last week of September is the peak ski period.

The insurer reinstated the ski resorts' coverage after last year's claims, but Mr. Murray said he expected State would now want to renegotiate the coverage and implement increased deductibles and possibly more restrictive conditions on claims from volcanic interruptions.

Assessors were on site the week of July 8, but Mr. Murray said the amount of potential business interruption claims had not yet been determined.

Weekly revenues at the two resorts total about $1 million ($688,500).

Volcanic ash from the erupting volcano also has caused New Zealand's civil aviation authorities to close Auckland's airport several times.

—By Kate Tiley



AP/WIDE WORLD

Volcanic eruptions on Mount Ruapehu in New Zealand will prompt business interruption claims from two ski areas for the second year.

Risk exec seeks new look at business interruption

By SARAH GODDARD

DUBLIN, Ireland—Risk managers who do not take steps to protect against increasing business interruption exposures do so at their peril, a property loss prevention expert warns.

As industries consolidate, new products develop and the operating environment changes, risk managers are dealing with constantly moving targets, said Martin Callaghan, risk engineering manager at Brentford, Middlesex-based pharmaceutical giant SmithKline Beecham P.L.C. He spoke at the Eighth Arkwright International Risk Management Symposium last month, sponsored by Uxbridge, Middlesex-based Arkwright International Ltd.

Benchmarks for business interruption coverage limits can be misleading as well, he said, because global exposures are not necessarily site-specific; real business interruption exposure is not just property loss and downtime on a plant, but also how that affects other plants in other places involved in the manufacturing process of a particular product.

Mr. Callaghan illustrated his point by explaining how SmithKline Beecham had quantified its major business interruption exposures throughout its global operations.

ARKWRIGHT

SmithKline Beecham, like many large corporations, was created in a large merger in 1989, which made it one of the world's top three pharmaceutical companies. It sells more than 80 products into 200 markets, has more than 100 production sites in 30 countries, employs more than 50,000 people and has a market capitalization of about £19 billion ($12.18 billion).

Late in 1994, the pharmaceutical company decided it had to develop a set of practices to properly recognize business interruption exposures throughout the organization. To comply with SmithKline Beecham's total quality management culture, the system needed to be reliable—to be a standardized and repeatable program that could continually monitor changes.

"We wanted a way to be able to continually assess serious impacts on our business in order to protect it and avoid losing market position—or even becoming an acquisition target," he explained.

Central to this objective was an internal analysis team. SmithKline Beecham turned to risk management consultants for help "but, in the end, they can't know our business as well as we do," said Mr. Callaghan. The company did use advice from the consultant, Arkwright.

"Arkwright was in many ways an unofficial fourth member (of the team) providing advice in methodology and other areas."

Although the team had just three members—representing

See **Interruption** *on page 107*

Holistic risk management

Big-picture approach helpful amid changing conditions

By SARAH GODDARD

DUBLIN, Ireland—Risk management is facing moving targets, with change afoot and business as usual out the door, a leading risk manager says.

The risk management environment is facing "challenging times, exciting times, demanding times, frightening times," said Louis Drapeau, manager-insurance and risk management at Troy, Mich.-based The Budd Co. and president of the Risk & Insurance Management Society Inc.

Risk managers increasingly have to deal with global exposures, set against a background of corporate re-engineering, technological advancements and changing social environments within organizations.

And to do so effectively, risk managers need to look at the developing trends, Mr. Drapeau told attendees at last month's Eighth Arkwright International Risk Management Symposium, sponsored by Uxbridge, Middlesex-based Arkwright International Ltd.

Risk managers need to tackle the issue of risk in a holistic way, Mr. Drapeau said.

"It simply means taking all risks—pure risk, speculative and portfolio risk, as well as negative risks long associated with risk management—and putting them in a single basket," he explained.

Risk managers need to be particularly aware of this because "there are other players in contention for the job (of risk manager)," he warned. Other departments within the organization, such as finance, legal and benefits, already are managing risk in one way or another, and senior management is becoming more aware of risk. "And, over the long run, (the holistic approach) will make (companies) more comfortable with assuming more and more risk internally," said Mr. Drapeau.

As risk management departments themselves are the subject of corporate re-engineering techniques and downsizing, risk managers increasingly will find themselves working in teams

See **Holistic** *on page 108*

U.K. group seeking pension reforms

By EDWIN UNSWORTH

LONDON—A group of insurers and pension advisers is calling on the British government to simplify both employer-sponsored and personal pension plans to make them more flexible and portable.

The Pensions Simplification Group primarily is calling for the simplification or removal of caps on the percentage of income that can be contributed to tax-free pension plans.

It also recommends the creation of "personal retirement funds," which could include existing personal pensions, that would hold all of an individual's personal and state pension contributions. Such funds would operate alongside employer-sponsored pension plans for those who have them.

The group is chaired by former Permanent Secretary at the Department of Social Security Sir Michael Partridge and comprises representatives from Prudential Corp. P.L.C. and other insurers, the National Assn. of Pension Funds—an association of occupational pension administrators and trustees—and The Consumers' Assn., an independent body protecting consumers' rights.

The insurers and pension advisers also recommend that:

- All adults be allowed to contribute to an approved pension arrangement, irrespective of earnings and employment status.
- Without mentioning specific levels, employers should still be able to contribute to an employee's pension.
- The link between pension contributions and earnings should be ended. All caps on tax-exempt pension contributions—which currently average about 17% of income, depending on an employee's age—should either be removed or tax free contributions allowed up to either £6,000 ($9,360) per year or £250,000 ($390,000) over a lifetime. The limit would be based on an index of national average earnings rather than an individual's income.
- Pension contributions be allowed from any legal source of revenue, not just from an individual's own earnings. This would allow a married person to receive contributions from his or her spouse.
- Contributions could be made at any time to utilize unused tax relief. For example, if the £6,000 per year ceiling was implemented and an employee contributed only £5,000 one year, he could contribute £7,000 the following year. This would particularly benefit those with volatile earnings patterns, whether employees or self-employed.

The report claims "current pension rules, and in particular the relevant tax rules, are enormously and unnecessarily complex" and contribute to the current substantially low participation across a broad spectrum of those of working age, particularly women.

Sir Michael said changes are needed because more people are leaving employment in middle-age and living more of their lives on a pension.

This means "the existing pensions framework was crafted to meet the needs of a world that no longer exists."

Meanwhile, the U.K. Treasury has completed a study of extending private insurance to cover pensions, sickness and unemployment. It emphasizes that the proposals, part of a far-reaching examination of ways to reduce the welfare state, are purely the work of treasury officials and are only now being considered by the government.

The study, "Strategic Considerations for the Treasury 2000 to 2005," examines models elsewhere, including U.S. Republicans' "Contract with America." It says privatizing contributory benefits covering insurable risks, such as retirement, incapacity and unemployment, is gaining support.

The study cites as examples programs in Germany allowing people to contract out of sickness benefits; in Chile where private insurance is available for all pension provision; and in Singapore where there are compulsory savings toward a range of welfare provisions.

U.K. Chancellor Kenneth Clark

See **Pensions** *on page 107*

The Professional Marketplace

RATES AND CLOSING TIME:

Rates: *Display classified is $153.00 per column inch, minimum of one inch. Straight classified is $13.50 per line, minimum of 5 lines. Count 34 characters per line (include each space and punctuation as a character). Additional $22.00 charge for all blind box ads. Only those responses which fit into a business size envelope will be forwarded. Responses are forwarded daily.*

Closing: *Published every Monday. Copy must be in typewritten form by 5:00 Tuesday, 6 days preceding publishing date. No verbal phone copy accepted. Most major credit cards accepted. Mail ads to, Cheryl Butler-Adeszko, Classified Advertising, 740 North Rush Street, Chicago, Illinois 60611. For more information call 312-649-5340 or FAX 312-649-7799.*

INTERNET SERVICES

INSURANCE CAREER CENTER
http://connectyou.com/

Where insurance professionals get hired! Place your resume online confidentially or in a public forum. Search hundrecs of current Insurance positions listed by top Compan es, Brokers and Recruiters.
Call our hotline today for more information!
(410) 266-3970

BUSINESS OPPORTUNITY

VIRGIN ISLANDS INS. INFO.

Consultant has information on wind, property & casualty coverages & insurance markets available in U.S. Virgin Islands.

Call Paul Lichtman
(610) 642-0700 or fax (610) 642-7952

HELP WANTED

FREE LANCE WRITER

National newsletter publisher needs writers with expertise in workers' comp settlements, mediation, cost control. Also risk management cost control. Send resume to Mike at Northeast Publishing Group, 23 Drydock Ave, Boston, MA 02210 or fax to 617-345-9646.

FOR SALE

MULTI-LINE AGENCY IN SOUTHWEST OHIO

$250,000+/- book P&C, health specialty P&C product with exclusive territory also available.
Contact Chuck @ (513) 474-1122.

HELP WANTED

INSURANCE AGENTS WANTED

We are willing to pay up to 75/25 commission split (new & renewal) in favor of the agent for your commercial property & casualty business. Licensed nationally. Representing: Hartford, Chubb, CNA, C&F, Travelers Aetna & others. Located in Herndon, VA. Call Larry at 1-800-833-7090.

HELP WANTED

DIRECTOR OF UNDERWRITING

The Director of Underwriting (for newly established for-profit health insurance subsidiary of leading Midwest regional healthcare system) will be responsible for the overall planning, direction and management of underwriting administration. The Director of Underwriting will be responsible for directing the formulation and implementation of underwriting and risk taking policies and objectives; providing guidance and counsel to various underwriting areas and assist in major case underwriting; directing and monitoring the performance of the underwriting department (budgeting, financial reporting, financial analysis, etc.), and ensuring the company's underwriting and pricing practices are in compliance with applicable government and regulatory agency requirements.

We seek candidates with a minimum of seven years total experience in the underwriting and financial fields, ideally with experience managing an underwriting department for a commercial insurance company. Experience with health/life underwriting; success working with customers who have employee groups of 25 to 500 would be beneficial. Candidates must have a four year degree, Master's Degree desirable but not required.

Interested, qualified candidates send resume to: Business Insurance, Box 2995, 740 North Rush Street, Chicago, IL 60611.

EOE M/F/D/V

HELP WANTED

"Where Professionals Insure Their Careers"

EXECUTIVE RECRUITERS NATIONWIDE

- ❑ Risk Management
- ❑ Safety & Loss Control
- ❑ Claims Management
- ❑ Insurance Brokerage
- ❑ Risk Management Consulting

Also Ask About Our Temporary Opportunities!

15 James Street, Main Level, Florham Park, NJ 07932
Call 201-765-9000 • Fax 201-765-9009

RMA Richard Meyers & Associates, Inc.

HELP WANTED

RISK MANAGER

St. John's Hospital, a 600+ bed teaching facility, is seeking an individual for the position of Risk Manager. The general responsibilities include: claims management of general and professional liability; collaboration with hospital Safety Officer to coordinate Safety Program; and supervision of the Worker Comp Program. The preferred candidate will have a Bachelor's degree in a health related field, with experience greater than or equal to five years. Three to four years in a healthcare supervisory role. Clinical experience, such as Nursing, is preferred. Excellent communication skills (written and verbal) are required.

Individuals interested in this position, please submit a resume by August 2nd, with salary history to: Personnel Recruiter, Personnel Department, St. John's Hospital, 800 East Carpenter St., Springfield, IL 62769. Phone: (217) 525-5644. Fax: (217) 525-5601. EOE.

HELP WANTED

CORPORATE RISK MANAGER

Fastest growing Insurance Brokerage firm in the country, USI Insurance Services Corp seeks experienced professional to provide risk management services for our corporate account. Responsible for creating, executing and monitoring a comprehensive insurance program for our 23 offices throughout the country. Travel 25% to perform due diligence prior to acquisitions and to evaluate current offices and their programs.

Degreed individual with 10 plus years in a brokerage environment as Account Manager for large C/L accounts fits our success mold. Industry accreditation (ARM, CPCU) a plus. Reports to Vice Chairman, Insurance Committee. NYC metro location. Compensation package includes salary, benefits and expense account. Send resume w/salary history to: Business Insurance, Box 2996, 740 North Rush Street, Chicago, IL 60611.

HELP WANTED

MERGER & ACQUISITION MANAGING DIRECTOR

Russell Miller, Inc., insurance industry specialty investment banker, is looking for a merger and acquisition managing director in its San Francisco office. Your skills will be tested on a national basis with some of the best insurance companies in the country. Successful candidates will have at least five years' experience in some aspect of the insurance industry and a demonstrated ability to develop business. A full understanding of the deal process in a "hands on" environment is critical. You will be working with a results oriented, experienced team which is committed to the very highest professional standards. Send your resume to:

Russell Miller
300 Montgomery Street, Suite 900
San Francisco, CA 94104

HELP WANTED

LOOKING FOR ASSOCIATED BROKER

32-year-on-the-market Argentine broker is looking for U.S. mid-size brokers wishing to be represented in Argentina and eventually the Mercosur.
The idea is to service YOUR international clients already established here (or about to come to this emerging market) with YOUR efficiency, YOUR customer service, YOUR style and YOUR rates.

ESTUDIO ACCINELLI
Insurance Brokers
Lavalle 1718
1048 - Buenos Aires - ARGENTINA
011.54.1.375.0380
Fax: 011.54.1.476.2277
e-mail: **cdi@datamar.com.ar**

HELP WANTED

THE WEST COAST — INSURANCE SEARCH FIRM

BARRY M. GOLD & CO.
MANAGEMENT CONSULTANTS • EXECUTIVE SELECTION & APPRAISAL

THE TRUSTED NAME IN EXECUTIVE SEARCH FOR OVER 27 YEARS

- Producers
- Agency Management
- Sales/Management
- Commercial P & C
- Employee Benefits/Healthcare
- Underwriting Management
- Claims Management
- Risk Management

MOST POSITIONS $35,000 - $200,000+
12459 Lewis St., Suite 102, Garden Grove, CA 92840
(714) 740-1414 • Fax (714) 740-0610

HELP WANTED

CYPRESS INTERNATIONAL, INC. & ROBERT MURPHY ASSOCIATES

(Formerly of 230 Park Avenue, New York City)

CONFIDENTIAL NATIONWIDE INSURANCE RECRUITING
(Since 1969)

6305 Songbird Way • Tampa, Florida 33625-1620
Tel: (813) 962-3300 • Fax: (813) 962-4465

HELP WANTED

CONTRACT RISK MANAGER

Koch Industries, Inc., the second largest privately held firm in the United States, has more than 13,000 employees worldwide. Our progressive management approach has enabled us to become one of the largest, most successful, diverse and dynamic companies in the world. We now seek a highly-motivated individual to join our corporate headquarters in Wichita, Kansas as **Risk Management Team Member.**

Requirements: Minimum of 2-3 years' contractual risk management experience with large complex exposures. Must also have working knowledge of risk transfer related contract language, insurance coverages, excellent communication skills, and the ability to function effectively in a team oriented environment.

Candidates must have effective interpersonal skills, a customer-focused approach and the ability to work in a fast-paced environment.

Koch offers a comprehensive benefits package and competitive salary commensurate with experience.

For consideration, please fax or mail resume and cover letter to: **Bryn Wiley, Koch Industries, Inc., P.O. Box 2256, Wichita, KS 67201, FAX (316) 828-5913.** We are proud to be an equal opportunity employer.

KOCH INDUSTRIES INC

HELP WANTED

ATTORNEY OPENINGS

HealthCare COMPARE Corp., the national leader in managed care, offers the following outstanding opportunities for attorneys at its suburban Chicago, Illinois headquarters. These positions require a J.D., Illinois license, and excellent communication, organizational & analytical abilities.

STAFF ATTORNEY

You will perform a variety of transactional functions in our contract division of our corporate law department, including the evaluation & negotiation of issues relating to business deals, vendor contracts and other agreements. Requires at least 3 years experience in transactional law and contracts.

ASSOCIATE COUNSEL

This position requires 3-5 years of health insurance law experience and a thorough understanding of the regulatory aspects of the health insurance industry, including group health, small employer, and multiple employer arrangements.

We offer a competitive compensation, excellent benefits, and good career opportunities with room for growth within our dynamic corporate environment. For confidential consideration, please forward your resume with salary requirements, and a cover letter stating position preferred, to: **HealthCare COMPARE, Human Resources, PC/SA-AC, 3200 Highland, Downers Grove, IL 60515.**

HealthCare COMPARE

eoe m/f/d/v

LEGAL NOTICE

IN THE SUPREME COURT OF BERMUDA COMPANIES (WINDING-UP) 1992: No. 331

IN THE MATTER OF THE COMPANIES ACT 1981

AND IN THE MATTER OF DESERT INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN that Peter C.B. Mitchell, Christopher J. Hughes and Maurice C. Withall, the Joint Liquidators of the above-named Company, have obtained an order from the Supreme Court of Bermuda ("the Court") affecting all creditors having provable claims, including future, unliquidated and contingent claims, against the above-named Company, which is in compulsory liquidation. By the terms of the said Order, all creditors are required to lodge with the Joint Liquidators on or before 31st August 1996 duly completed Claim Forms in respect of any and all of their claims. If the Joint Liquidators do not receive such a completed Claim Form from a creditor on or before the said date (or prior to the distribution mentioned below), that creditor, in respect of any amount not proved, will not be admitted to rank for, or be entitled to receivedividends declared and paid by the Joint Liquidators in accordance with the Order of the Court. Forms of Claim Form have been dispatched to all known creditors. Any creditor who has not received a form of Claim Form should contact the Joint Liquidators in writing at the following address:

Desert Insurance Company Limited (in liquidation)
Coopers & Lybrand
P.O. Box HM 1191
Hamilton HM EX
Bermuda

Mr. Peter C.B. Mitchell
Christopher J. Hughes
Maurice C. Withall
Joint Liquidators of
Desert Insurance Company Limited (in liquidation)

INTERNATIONAL

Interruption

Continued from page 105

supply organization planning, accounting and risk management—Mr. Callaghan defended the decision. "I believe the small size of our group enabled us to get things done efficiently," he said.

And one breakthrough was discarding the language of insurance and risk management in favor of business terminology. For example, "loss/catastrophe exposures" became "gross profit exposures."

"We adopted our standard accounting gross profit figures as the basis of our study, which was understood immediately by everyone with whom we spoke and, very importantly, accepted by them as a valid basis," Mr. Callaghan said. Familiar language was a powerful weapon in the fight for acceptance across the organization.

A team of three cannot analyze every business interruption exposure in an organization the size of SmithKline Beecham, so the team adopted an "80/20 rule"—"because about 80% of our profits are generated by 20% of our major products" and identified the 16 top products in terms of gross profit, plus four new products, he said.

To complete the picture, the team decided to analyze exposures in light of markets SmithKline Beecham sold to, rather than on a site-specific basis. The company took a look from the sales point backward, rather than the factory forward. The same 80/20 rule was applied to identify the markets producing 80% of the company's profit. "Limiting our focus in this way made the entire project much more manageable without compromising the validity of its results," said Mr. Callaghan.

With the terms of reference set, the team could begin gathering the data it needed.

Complex supply chain maps were simplified on paper using a proportional block approach—representing the amount of product coming from each company production site by a block. The bigger the block, the more product came from that site.

Gross profit figures, plans showing how future production may change, loss scenarios for each production facility and mitigating factors, such as other sources of product, were added to the equation. This data was entered into a three-dimensional spreadsheet.

Then came the most important step: communicating the findings to senior management.

"The truth is, there is absolutely no point in undertaking a business interruption analysis such as this if it is not properly communicated throughout the organization," pointed out Mr. Callaghan, "but most importantly, to the top senior management level." To this end, using business language proved invaluable, as did a "gross profit dependency chart" that showed the impact on gross profits of serious property losses at different plants.

Headline figures on the chart showed, for example, that a serious fire at a particular site would cause a property loss of £1 million ($1.56 million) but reduce gross profits by £56 million ($87.37 million).

Results such as these generally prompt management to challenge or accept the validity of the information. Either way, managers "acknowledge the extent of the business interruption exposure," said Mr. Callaghan. And once it has been accepted, it can be integrated into the organization's planning processes, to:

- Prioritize contingency planning.
- Identify locations with higher exposures that would benefit from highly protected risk upgrades.
- Help in the budgeting process, by showing which locations need funding for priority actions.
- Assist in long-term business plans.

SmithKline Beecham has seen "clear benefits" from the process, said Mr. Callaghan. First, it exposed the "major errors" in the approach the organization had previously taken to business interruption exposures. "Previously, the allocated insurable values had been used as the basis for determining (business interruption) exposures at site level," he explained. "This incorrectly attributed values to the distribution end of the process."

Instead, the gross profit dependency model SmithKline Beecham created showed the greatest exposures were at the production sites. "We found tenfold increases in (business interruption) exposures at primary sites and a comparable tenfold decrease at secondary packaging and distribution sites," said Mr. Callaghan.

What's more, senior management has become much more aware of the exposures and potential impact of loss on the organization.

They have, said Mr. Callaghan, become "partners" in reducing major exposures, and the figures are validated and accepted for contingency planning.

"Last, but not least," he said, "we have the reliable process we wanted to maintain exposure figures." BI

Pensions

Continued from page 105

was questioned last Wednesday by opposition members of Parliament about the study, but Mr. Clark declined to confirm a report that the U.K. government had held talks with insurers on the proposals.

However, a spokeswoman for the Assn. of British Insurers confirmed that talks between the government and insurers on various aspects of the welfare state have taken place.

The ABI spokeswoman said insurers have already taken on some risks traditionally met by the social security system, such as providing insurance that will pay mortgage interest when an employee loses a job.

Until recently, the social security system paid mortgage interest for the unemployed, but the department will no longer do this until a person has been out of work for nine months. Private insurers now provide insurance to pay mortgage interest during this waiting period.

However, the ABI spokeswoman added that there will always be some people who present too great a risk for private insurance companies to insure—such as those who have been out of work for more than a year or who are in poor health.

This means the state will be left with some responsibility in most of these areas. BI

Services Guide

CPCU® and IIA candidates
I guarantee you will learn more in less time with The Burnham System — or your money back
Ray Burnham, CPCU, CLU, ARM
19 Everett Street, Southbridge, MA 01550
Call 1-800-GET-CPCU Now!

WANTED DAMAGED RVS
Current to 4 years
- MOTORHOMES
- TRAVEL TRAILERS
- CONVERSION VANS



Chris @ WELLER RV (800) 822-2375

To learn how to start and to succeed in CPCU and IIA study
Come to the Source
AICPCU IIA
American Institute for CPCU
Insurance Institute of America
CALL 1-800-644-2101

SBPA SYSTEMS
Medical • Dental • Vision • Disability • Life
Self-Administrated Companies • TPA's
Managed Care Organizations • Insurance Companies
Eligibility, Billing, Agent Commissions and Claims
1-800-444-1189
10777 Westheimer, Suite 125 • Houston, TX 77042 • FAX 713-974-3544

ANTI-FRAUD COMPLIANCE All States
Individually designed Anti-fraud Programs may include:
- State Regulatory Compliance • Anti-fraud Plans
- SIU/State Compliance Manual
- Analysis and Investigation of Claims
- Referral to Regulatory Agencies

Industry proven results.
Eagle Group International, Inc.
(703) 218-8015, Fax (703) 218-8012.
Visit our web page at www.eagleinv.com or e-mail at eagle@soho.ios.com.

Business Insurance

Circulation Breakdown
Commercial Consumers

Administrative:	
CEO's, Presidents, and Owners, Vice Presidents, General Managers and Other Administrative Personnel	4,961
Financial:	
Chief Financial Officers and Vice Presidents of Finance	3,172
Secretaries, Treasurers, controllers and other Financial Personnel	3,028
Risk/Employee Benefits:	
Vice Presidents, Directors, Managers and other related department personnel of: insurance, risk, employee benefits personnel, compensation, pension, safety, security, industrial relations, human resources and employee labor relations	17,213
Sub-total	**30,164**
Associations	311
Government, Unions and Educational Institutions	881
Commercial Consumers	
Sub-total	**31,356**
Insurance Agents and Brokers	8,013
Insurance Companies	7,685
Accountants, Actuaries, Attorneys & Consultants	3,586
Adjusters, Appraisers, TPA's, Captive Managers & Health Care Providers	1,858
Others Allied to the Field	1,091
Total Qualified	**53,589**
Non-qualified	7
TOTAL CIRCULATION	**53,596**

★ *Source Business Occupational breakdown of qualified circulation, November 27,1995 Issue, as submitted to BPA for December 1995 BPA Publisher's Statement*

BENECOM ASSOCIATES
Benefit Communications Specialists
Design and Production of Custom Communications
- Brochures
- Enrollment and Claim Kits
- Summary Plan Descriptions
- Video
- Newsletters
- *and more*

Serving Employers, Insurers, Consultants, HMOs, and TPAs
For More Information Call Bill Gaipa at [illegible]
152 Simsbury Road, Avon, CT 06001
FORTUNE 500 EXPERIENCE

For Everything You Need *And Expect* In A Managed Health Care Administration System...
GET THE FACTS®
Fully automated/integrated software and hardware solutions for the processing and administration of medical, dental, vision, drug, disability and COBRA claims for indemnity, PPO, HMO, and PHO plans. Related training, support, and consulting. All FACTS® products are year 2000 compliant. **FACTS' full featured product line includes systems for:** Managed Care; Workers' Compensation with Integrated Managed Care; Flexible Benefits; Pre-Authorization and Referrals; Premium Billing, Accounting, and Commissions; Claims Editing; EDI; Optical Imaging/IOCR; Automatic Adjudication; POS; MICR Laser Check/EOB Encoding; Electronic Claim Workflow Distribution System; over 150 reports and custom report generator.
FACTS Services, Inc.
1575 San Ignacio, Suite 406, Coral Gables, FL 33146
(305) 284-7400
General Automation Value Added Reseller

PUBLISHING: AUGUST 5TH!
BENEFITS:
Managed Care Market Report
DIRECTORY:
Prescription Benefit Managers
Ad Closing July 24th!

For advertising information contact: Cheryl Butler-Adeszko, Classified & Services Guide Advertising, 740 North Rush Street, Chicago, Illinois 60611. Telephone (312) 649-5340 • Fax (312) 649-7799

INTERNATIONAL

Holistic

Continued from page 105

with people from other disciplines. "The business problems you encounter today and the projects you are now undertaking require the input and expertise of people from different areas," Mr. Drapeau pointed out. "The same blurring of boundaries is taking place in dealing with external, as well as internal, partners—your relationships with your brokers and insurers."

Business interruption exposures are becoming better recognized and self-insurance continues as attitudes toward risk become more sophisticated. But despite these developments, risk management as a profession is lagging behind in harnessing technology—to its peril. "Firstly, if we remain paper-based as the world moves to electronic storage and communication, we create more paper than ever, a paper overload, on the way to a paperless society," warned Mr. Drapeau.

"We could be an awful lot more efficient and productive if we used available technology appropriately," he said.

As all these changes are happening around the risk management function, so is the function itself moving to a different plane. "There is no way a corporation can look at risk holistically, or stay abreast of it with the broadened expanse of business interruption exposures, or manage a sophisticated financing program or cope effectively with any of the...trends without elevating the significance of the risk management function," he said.

To look at risk holistically, a company must elevate the risk management function, says Louis Drapeau.

But whether it will be the risk manager retaining this function is in doubt. It is up to the individual to make sure he or she is aware of the full risk profile of the organization, he said, and take a long-term perspective.

New demands on the risk manager include less focus on risk transfer and greater concentration on managing risks retained within the organization. And partners involved in risk transfer may well change, away from the traditional insurance market to financial markets.

The job now requires greater attention to detail to identify new exposures, and uninsurable assets such as market share and corporate reputation no longer can be pushed "under the rug," Mr. Drapeau said.

And security problems increase as an issue. "Our world is not getting any nicer; sabotage is not going to abate," said Mr. Drapeau. And security issues will increase with greater use of technology—computer chip theft and Internet misuse are current problems that only will grow.

In response to this, the risk manager of the future will need a different set of skills. As the function moves from the specific identification and transfer of risk to an overview role, technical functions will become less important—more, it will be a case of knowing who can perform those functions on the risk manager's behalf.

"Change is still the order of the day," according to Mr. Drapeau, "and the insurance industry is moving very rapidly. Keeping up with it is a major challenge in and of itself." BI

U.K. Labour Party proposes mandating coverage for fines

By EDWIN UNSWORTH

LONDON—British insurers are skeptical of a Labour Party proposal to force privatized utilities to insure themselves against hefty fines the government would impose whenever the utilities fail to provide supplies to the public.

In a leaked copy of its forthcoming industrial policy document, obtained by a British newspaper, Labour Party Shadow Industry Secretary Margaret Beckett proposes that private insurers provide coverage for fines, basing their premiums on the utility's record on quality and service continuity of its supply.

The policy document says that by requiring utilities to take out insurance against their failure to deliver, "those utilities behaving in an irresponsible fashion will be subject to short-term financial penalties in the form of higher insurance premiums."

However, a spokeswoman for the Assn. of British Insurers pointed out that insuring against fines generally is considered bad public policy, mainly because a fine is a punishment for not behaving properly.

Insuring against fines is bad public policy because a fine is a form of punishment, says an ABI spokeswoman.

Insurers have been reluctant to arrange these types of insurance and would be unlikely to do so in the future unless there was a major policy change, the spokeswoman added.

The failure of some utilities to meet public supply demands was highlighted during last summer's droughts when many homes faced water shortages. The water companies came under strong criticism for failing to prepare for the droughts and failing to provide adequate quality control of their networks which, in some cases, were found to be leaking up to a quarter of their water supplies into the ground.

The Labour Party has long maintained it would punish such companies for putting shareholder profits and large executive pay rises ahead of customers' needs.

A Labour Party spokeswoman confirmed the proposals were under "active consideration," but she did not know if they had been discussed with insurers.

The final Labour Policy industrial policy document is due to be published by the end of this month.

A general election must be called by next April. Opinion polls consistently show the Labour Party to be ahead. BI

"Be sure that you return it."

If you're racing through this issue of *Business Insurance* because you "borrowed" it from a colleague, you should have your own subscription. Then you'll be first on the list. You can take as much time as you like with all of *Business Insurance's* exclusive worldwide news of loss prevention, risk financing and benefit management every week.

To subscribe, use the card in this issue or Call 1 (800) 678-9595 Toll-Free.

Ask about our special 20%-off group subscription rate for five or more subscriptions. A great way to save money. And avoid pass-along problems.

Subscription Rates in U.S. Dollars for 1 year, 52 Issues.

USA	$85
Canada/Mexico	$105*
All other countries by expedited air.	$205

*Price includes Candian GST.

Business Insurance.
Subscription Dept.
965 E. Jefferson
Detroit, MI 48207
Outside the USA
Call (313) 446-0450

NCQA

Continued from page 2

the foundation of health plan "report cards" developed by individual buyers or coalitions and to educate consumers.

The version put out for public comment last week is HEDIS 3.0, a substantial reshaping of the previous set of measures and a means to judge managed care organizations by eight broad criteria: effectiveness of care, access to and availability of care, member satisfaction, informed health care choices, descriptive information such as the plan's structure, cost of care, plan stability and use of services.

A new feature to HEDIS 3.0 is a standardized, detailed satisfaction survey that employees and plan-covered family members will complete, with the results to appear in HEDIS reports.

Earlier versions of HEDIS have been implemented by more than 330 health plans, according to NCQA, and the organization expects the newest revision to significantly boost that number.

"It takes HEDIS into some new areas," said Alan Peres, manager of health care policy for Chicago-based Ameritech Corp. and a member of the drafting committee. "The previous versions of HEDIS concentrated on preventive services, and this one has a lot more on acute services and chronic care." These conditions include new measurement sets on the HIV virus, cancer, diabetes, breast cancer, and smoking addiction.

Other new measures relate to health plans' use of beta blockers to treat patients after heart attacks, appropriate treatment for asthma, promoting the health of senior citizens, adolescent immunizations and ear infection treatments.

To plan sponsors, the increased emphasis of HEDIS 3.0 on outcomes instead of clinical procedures may prove most useful, though they may have to wait a while to see the fruition of this process.

Although there are some outcomes-oriented measurements in the document, most have been placed in a "testing" category, and managed care programs will be exempt from reporting on them in 1997. Gradually, more of these test measures will be made part of HEDIS after being tried with a smaller number of managed care organizations that volunteer.

But NCQA, by continuing to cautiously focus on "process" issues such as when a doctor administers an immunization, is continuing to take a more conservative approach to outcomes measurement than the Foundation for Accountability, a Portland, Ore.-based study group that recently began releasing its own measurement sets for managed care (*BI*, July 1). FACCT's approach calls for more direct measurement of consumer health to evaluate the skill and effectiveness of providers: for instance, the quality of breast cancer care through analysis of mammography exam records, cancer histories, patient questionnaires and analysis of cancer status five years after diagnosis.

NCQA will incorporate some of FACCT's outcomes measurements into its testing category and possibly adopt them for all managed care groups later.

Participating health plans will start reporting HEDIS 3.0 data on Jan. 1 to buyers, said Carolyn Cocotas, NCQA assistant vp. Scores attained by a given health plan do not determine whether the plan receives NCQA accreditation, which is a separate program, but many employers look for both accreditation and high HEDIS marks when shopping for a plan, she said. BI

PPOs combine forces

ROSELAND, N.J.—Prudential HealthCare, the preferred provider organization unit of The Prudential Insurance Co. of America, beginning next year will offer self-insured employers access to the preferred provider network offered by Beech Street Corp. under a contractual agreement announced last week.

Irvine, Calif.-based Beech Street is the nation's third-largest health care PPO with about 9 million enrollees, a network of 2,900 hospitals and about 200,000 physicians in 49 states. Prudential HealthCare is considerably smaller with about 300,000 enrollees and a network of 1,477 hospitals and 109,000 physicians.

Prudential's PPO network is available in 35 states, although its presence in several states is very small, a spokesman said.

"The addition of Beech Street's comprehensive provider network will virtually eliminate the need for clients to contract with other companies in locations where we do not currently have a provider network," according to Dick LaBrecque, director of sales for Prudential HealthCare in Roseland, N.J.

Markets

Gerling forms U.S. unit

NEW YORK—Gerling Global Reinsurance Corp. has formed a new U.S. reinsurance company, with the goal of expanding and solidifying Gerling's U.S. presence.

The new company, funded with $200 million in new capital, is expected to operate under the name Gerling Global Reinsurance Corp. of America.

The new company, which will focus on treaty reinsurance business, will provide property, casualty and surety reinsurance to domestic companies through the intermediary market, and will be run by the same management team as the U.S. branch of Gerling Global Reinsurance under the direction of Fred G. Marziano, president and chief executive officer.

The U.S. branch of Gerling Global Reinsurance Corp. will continue to manage existing liabilities and operate as a branch office of Gerling Global Reinsurance.

Effective Jan. 1, 1997, the company's active business will be transferred to the new company.

For more information call 212-754-7500.

E.W. Blanch forms unit

SAN ANTONIO—E.W. Blanch Wholesale Insurance Services Inc., a subsidiary of E.W. Blanch Holdings Inc., has formed a new venture, Rockwood Programs Inc., to manage, market and underwrite program business for insurance clients.

Based in Wilmington, Del., Rockwood Programs will be led by Chief Executive Officer Glenn W. Clark, and will also provide outsourced marketing services to insurers and other program administrators through its Rockwood Marketing Services unit.

For more information call 210-734-2015. BI

Syndicate

Continued from page 1

which is the only guaranty fund for surplus lines insurance buyers apart from a state program in New Jersey.

IIE board members are working to clarify the guaranty fund's response to Geneva claims by precisely defining general terms like "claimant," Mr. Skelton said.

Current estimates are that the maximum $15 million available to pay an insolvent syndicate's claims under IIE rules will be at least $4.5 million short of Geneva's estimated claim costs. Payouts to individual claimants are limited to $300,000.

Geneva's mostly small, commercial policyholders suffered property damage as a result of hurricanes in the Caribbean and Florida as well as the 1994 Northridge, Calif., earthquake. Policyholders with losses will have to wait at least a year before liquidators are able to assess total liabilities and make any claim payments because the court gave policyholders one year from the date of insolvency to report claims.

The insolvency of Geneva Assurance, which wrote about $55.5 million in gross premiums in 1994, likely is too small to negatively impact the availability and price of such coverages in the United States. However, its demise may be felt more in its smaller markets, such as the Caribbean islands.

The impact of Geneva Assurance's insolvency on individual syndicates is expected to be negligible because the $35 million in accumulated guaranty fund assets exceed the maximum $15 million payout under IIE rules. Those assets were accumulated from policyholder surcharges and required syndicate contributions.

While no additional insolvencies are anticipated, exchange rules are designed to limit syndicate liability, which is good for the IIE but could be bad for policyholders with unpaid claims.

For example, a second syndicate insolvency within 90 days would be combined with Geneva Assurance and treated as one insolvency, according to IIE rules. Also, if guaranty fund assets were exhausted, a syndicate's liability would be capped at $500,000 per insolvency, up to the maximum of $1 million. The IIE currently holds assets equal to $1 million for each syndicate.

The exchange will attempt to maintain its customer base, though three of its 10 active syndicates have filed to withdraw in recent weeks.

However, spokesmen for two of the three syndicates say Geneva Assurance's insolvency was not a direct factor in their withdrawal requests. Spokesmen for both Transco Syndicate #1 Ltd. and Comprehensive Ensurers Market Syndicate Inc. both cited internal business reasons for their decisions to withdraw.

However, Lawrence T.P. Molloy, CEM's underwriting manager and chief operating officer, said CEM has gradually removed itself from exchange operations in recent years and now is uncomfortable with the exchange because its executives are not familiar with new IIE members. However, CEM intends to remain an IIE broker.

"There is absolutely no reason that this needs to be a death knell for the exchange," if the IIE gets out in front with both words and actions, Mr. Molloy said. "What the exchange is going through is nowhere near as cataclysmic as what Lloyd's (of London) has gone through, and Lloyd's has survived."

The president of the third syndicate to withdraw, Jerome M. Shaw of First Mercury Syndicate Inc., declined to comment since his request is still pending before the board—of which he also is a member.

The IIE expects to approve the withdrawal requests as promptly as possible, probably by next month, Mr. Skelton said. However, withdrawing syndicates must leave behind enough money for possible guaranty fund contributions within the next few years.

Following the withdrawals and Geneva's liquidation, the IIE expects to shrink in size as well as in gross premium writings, which are expected to be less than $200 million this year, Mr. Skelton said.

The negative publicity about Geneva Assurance's insolvency is expected to cause some policyholders to seek coverage elsewhere, syndicate and IIE executives agree.

For example, more agents are asking Britamco Underwriters Inc. to write its wide variety of property, liability and liquor coverages through its stand-alone surplus lines insurer instead of its IIE syndicate, said Scott Weicholtz, the syndicate's chief operating officer in Coral Springs, Fla.

While the company has been offering dual sources of coverage in two dozen states since January, the IIE syndicate's gross premium writings are still about even with the previous year, Mr. Weicholtz said. Britamco's IIE writings may decline a maximum of 15% for the year, he estimated.

"We are just responding to the environment," he said. "We don't see any risk to our company to continue to be a member of the exchange."

Prime Syndicate Inc.'s involvement with the IIE is a mixed blessing, said Rick J. Lindsey, president and chief executive officer. Negative publicity may make it more difficult to obtain reinsurance, though his business has increased as a result of its IIE involvement, which includes guaranty fund protection. He also hopes his writings will grow with a revival in the IIE of a lead-follow approach to underwriting.

"Wholesale brokers need to look at the financial solvency of the individual syndicates they are dealing with, but theoretically, they have been doing that all along," said George Locascio, a senior vp with Aon Risk Services Cos. Inc. in Chicago.

The IIE sees its future as not only leaner but also meaner, in terms of requiring syndicates to more closely adhere to IIE rules and regulations.

"We are aware, in hindsight, that mistakes in regulatory judgment have occurred and we recognize that certain transactions should not have been tolerated," the IIE staff wrote in a recent six-page analysis of operations. For example, the IIE should not have approved certain intersyndicate transfers of investments like those between Transco and Classic Syndicate Inc., Mr. Skelton said.

The IIE's inadequate regulatory response to Geneva Assurance's problems was a "moderate" contributing factor to its demise, he said. "In and of itself, it (IIE oversight) would not have killed it," he said, pointing also to the catastrophic claims Geneva incurred.

The IIE has learned lessons from the self-analysis and will no longer make exceptions to regulations. It also will respond quicker to early indications of problems, such as delinquent filings of financial statements, the analysis said.

The IIE had previously made other changes.

Since last year, it has required that the National Assn. of Insurance Commissioners' Securities Valuation Office review all invested assets and determine their worth for syndicates.

In addition, the IIE is supporting a more independent, 13-member board by increasing public members to five from four, which reduces syndicate representatives to eight from nine. The bill also would allow public members to have insurance experience, but would exclude syndicate employees. The Illinois General Assembly, which approved the establishment of the exchange in 1979, has approved a bill allowing the change, which is awaiting the governor's signature.

Arnold L. Dutcher, chief deputy director of the Illinois Insurance Department, said he generally agrees with the IIE's conclusions about the importance of those lessons as well as the need for a more independent board.

The IIE also has hired Jim Schacht, Mr. Dutcher's predecessor, who is now director of the insurance regulatory practice for Coopers & Lybrand L.L.P. in Chicago, to help in mapping out a strategy for the exchange's future.

One key component of the IIE's future is the reaction of regulators inside and outside Illinois. Many have long been wary of the exchange concept because it failed in New York and Florida and may have contributed to Lloyd's financial problems.

"As long as the regulatory environment allows the exchange to operate, it will," Britamco's Mr. Weicholtz said.

The IIE as an entity is accepted as an eligible surplus lines writer in about three dozen states. However, its syndicates are accepted on an individual basis in only six states—California, Colorado, Florida, Nevada, Texas and Washington.

State regulation varies because regulators have different ideas about how to ensure that policyholders' claims are paid.

For example, some IIE syndicates are no longer allowed to write in Texas because the state raised its minimum capitalization requirements to $5 million per syndicate and won't recognize letters of credit as acceptable capital.

The IIE likes syndicates to use irrevocable LOCs, which are kept in the exchange's lock box, because they are not as subject to theft as cash, Mr. Skelton said. BI

Illinois Insurance Exchange syndicates

Ranked by gross premium volume in thousands of dollars

Active syndicates	1995 gross premiums written	% change from 1994	1995 policyholder surplus	% change from 1994[2]
Britamco Underwriters Inc.	$55,660	38.70%	$44,997	19.90%
First Oak Brook Corp. Syndicate Inc.	34,809	23.70	10,179	72.40
Agora Syndicate Inc.	23,173	-16.60	10,700	47.70
Transco Syndicate #1 Ltd.	22,582	-9.00	18,412	-15.40
First Mercury Syndicate Inc.	16,583	-33.10	26,737	20.80
Resure Inc.	13,052	-34.40	7,988	17.20
Prime Syndicate Inc.	2,807	-9.90	5,440	-2.90
AAI Syndicate #1 Ltd.	1,863	-41.80	4,187	4.60
Comprehensive Ensurers Market Syndicate Inc.	1,223	-62.20	4,510	-6.60
RCA Syndicate #1 Inc.	730	NA	5,293	36.6
Total	**$172,482[1]**	**-1.5%**	**$138,443**	**15.7%**

[1]IIE's year-end 1995 figures do not include the Classic Syndicate Inc. or Geneva Assurance Syndicate Inc., both of which were active for part of 1995 and together probably totaled $75 million, according to James M. Skelton, president and chief executive officer of the exchange.
[2]Percentage changes reflect restated 1994 policyholder surplus figures.

Source: Illinois Insurance Exchange

GRAPHIC BY JERRY PARKS

Alpine fighting California ruling barring it from state business

By JOANNE WOJCIK

SOLVANG, Calif.—Alpine Insurance Co. is fighting California regulators' assertion that the Chicago-based surplus lines insurer is technically insolvent and can no longer write business in the state.

The finding was based on an examiner's report that disallowed several of Alpine's assets, including reinsurance placed with its parent, a syndicate on the Illinois Insurance Exchange that ceased writing business in June (*BI*, July 1).

As a result, the California Department of Insurance denied Alpine's application for a certificate of authority to write business on an admitted basis in California and removed the company from its List of Eligible Surplus Lines Insurers, otherwise known as the "LESLI" list.

However, Alpine petitioned the San Francisco Superior Court for relief, and the court on July 3 ordered the department to withdraw its June 24 denial of Alpine's application for a certificate of authority and to give the insurer until July 25 to submit additional financial information on the reinsurance contracts.

The court also ordered the department to consider all information Alpine supplies to it until July 25. While the department has until Aug. 14 to rule on the application, it must provide at least 10 business days' advance notice if it intends to again deny Alpine's application.

The court also ordered Alpine to suspend writing business in California until the issues are resolved. The insurer also remains off of the LESLI list.

If its application for a certificate of authority is approved, California would become the second state in which Alpine writes on an admitted basis. Alpine is admitted in Illinois and writes on a surplus lines basis in 41 states, according to David Harrison, one of the insurer's attorneys at San Francisco-based Aguilar & Sebastinelli.

Because Alpine has been writing architects and engineers professional liability, contractors liability and product liability coverages on a surplus lines basis in California for 10 years with no substantive policyholder complaints, Mr. Harrison suggested that someone in the department is making a concerted effort to blacklist the company.

Mr. Harrison pointed to a recent article in the California "Insurance Journal," a regional insurance industry publication, which quoted Chief Examiner Norris Clark as saying the department would reject Alpine's application regardless of any new financial information it submits.

However, Deputy Commissioner Richard A. Wiebe clarified the statement attributed to Mr. Clark as "with its existing reinsurance contracts, this company does not qualify for a certificate of authority."

"The California Department of Insurance was clearly acting imprudently when it declared Alpine to be insolvent and operating in a financial condition hazardous to its policyholders and creditors," wrote Peter J. O'Shaughnessy, chairman and chief executive officer of Exstar Financial Corp., the Solvang, Calif.-based holding company that owns Alpine's parent company, in a memo to California regulators.

"Alpine only needed $3.7 million in surplus to be admitted," Mr. O'Shaughnessy told *Business Insurance*. "The department disallowed $15-plus million of reinsurance recoverables from Signet Star Re, an 'A' rated California admitted reinsurer. Under no circumstances can the department disallow this reinsurance."

Insurance Department examiners disallowed the $15.2 million reinsurance agreement with Signet Star because it did not comply with the California insurance code nor with the National Assn. of Insurance Commissioners Accounting Practices and Procedures Manual for Property and Casualty Companies, according to the examiners report.

Specifically, because the agreement involves both Alpine and Transco Syndicate #1 Ltd., which is an IIE syndicate and Alpine's immediate parent, "there may be a problem of commingling or accountability of funds between Alpine and Transco," examiners explained in a June 24 letter to Alpine's attorneys.

Furthermore, examiners said a provision of the agreement that states "the parties may agree to commute at any time upon terms to be mutually agreed" raises the question of whether it provides true risk transfer.

"The department objects to any commutation," the examiners' letter said.

In response, Mr. O'Shaughnessy's memo to the insurance department charged that regulators "never intended to approve Alpine's application for admittance, nor 'cooperate in good faith'...thus the department had no real interest in determining whether or not the treaty involved risk transfer."

Alpine and Transco have operated in California since Sept. 12, 1985, according to Mr. O'Shaughnessy. Transco, however, decided to quit writing California business.

Since 1985, the companies collectively wrote $191 million in premiums and paid out $61 million in claims. Alpine currently has $17 million in reserves for additional known losses and millions of additional dollars reserved for future claims, Mr. O'Shaughnessy said.

"During this entire period neither Alpine nor Transco received any material complaints, either in California or any other state, regarding the servicing of its policyholders or the payment of its claims," Mr. O'Shaughnessy said in his memo to regulators.

Trust

Continued from page 1

insurance consulting services to Thorndyke—Donald K. Anderson and Martin Levine—were sued by the U.S. Department of Labor for their roles in operating a failed welfare fund sponsored by an allegedly bogus labor union, the National Council of Allied Employees Local 555 (*BI*, May 18, 1992).

Mr. Anderson and Mr. Levine last year signed consent orders with the Labor Department barring them from acting as fiduciaries or "service providers" for benefit plans governed by federal law or from holding "any position that involves. . .custody or control of the assets or administration" of such plans.

Mr. Levine was also a principal of American Benefits Ltd. Trust, which at the time it collapsed in 1982 was the largest self-funded multiple employer trust failure on record (*BI*, Oct. 4, 1982).

Mr. Levine, Mr. Hyde and other officials of Thorndyke could not be reached.

Mr. Anderson said he believes that all of the trusts needed for the Thorndyke program have been established and that stop-loss policies will soon be issued.

He also said that he has not violated the terms of his consent order with the Labor Department by acting as president of Thorndyke's claims administrator and as a Thorndyke insurance consultant.

"I don't believe so," he said. "My attorney tells me not."

The structure of the Thorndyke benefit program is intended to prevent it from being considered a multiple employer welfare arrangement subject to state insurance regulation, those involved say.

Rather than establishing a single trust fund to cover benefits for many employers, the Thorndyke plan involves setting up hundreds of separate trusts for individual employers. These trusts, Thorndyke says, are governed by the federal Employee Retirement Income Security Act of 1974 and, therefore, preempted from state oversight.

An employer pays "contributions"—the equivalent of premiums—into its own trust, and a trustee uses a portion of the money to buy stop-loss insurance, documents describing the plan show.

Health claims would be paid by the trust, which would then be reimbursed by the stop-loss insurer once the claims hit the stop-loss attachment point.

"They have done everything possible to avoid having any relationship to a MEWA," Mr. Anderson noted.

The program has gone through numerous changes over the last two years.

In late 1994, Thorndyke acted as "plan supervisor" for a single employer trust program sponsored by the National Assn. of Preferred Providers Inc., a Houston-based entity, court documents say.

Fidelity American Life Insurance Co.—a Texas insurer that has since entered voluntary dissolution—provided stop-loss coverage, while Thorndyke provided billing, accounting and other services and arranged contracts with other service providers, court documents say.

Benefit Plans Administrators, Mr. Anderson's Novato-based firm, was one of the plan's claims administrators, court papers say. International Managers & Intermediaries Inc., a consultant run by Mr. Anderson and Mr. Levine, also arranged reinsurance on the program with Northwestern National Life Insurance Co. of Minneapolis, Mr. Anderson said.

The plans were sold to several hundred individual employers in New Jersey, New York, Texas and other states, and quickly generated complaints about unpaid claims.

The Texas Pharmacy Assn. filed suit in state court earlier this year against Thorndyke, Mr. Hyde, Benefit Plans Administrators, NAPP, Northwestern National and several others.

The suit, since moved to federal court in Austin, charges that the plans have failed to pay more than $750,000 in claims from about 150 participants after Thorndyke repeatedly—and fraudulently—said the claims would be covered.

Thorndyke also claimed that Fidelity American would be reinsured by four companies, including three Australian reinsurers that later told the Texas Pharmacy Assn. they had no knowledge of the program, the suit alleges.

Herbert Davis, a Los Angeles lawyer representing Thorndyke and Mr. Hyde, denied the charges, saying that any failure to pay claims was the fault of the plans' insurer, not Thorndyke. He also said there had been a "good faith belief" that the Australian reinsurers would participate.

Late last year, Thorndyke parted company with NAPP and began offering the trust program on its own, acting as plan administrator.

Security Continental Insurance Co., a unit of Delta Dental of Illinois, agreed earlier this year to provide stop-loss coverage to the individual trusts retroactive to last Nov. 1.

Benefit Plans Administrators acts as claims administrator for the program, and Mr. Anderson confirmed that International Managers & Intermediaries acts as an insurance consultant, providing "underwriting assistance" and helping Security Continental place reinsurance with Northwestern National and Pan American Life Insurance Co. of New Orleans.

The revised program has been sold to more than 550 employers in more than 20 states, predominantly in Maryland, New Jersey, New York, and Texas, those familiar with the plans say.

However, the new program has also run into problems.

The Illinois department issued a cease and desist order charging that Thorndyke sold the ERISA plans starting in November 1995 but that "as of April 15, 1996, not one trust has been established."

The order, alleging that the Thorndyke program represents unauthorized sale of insurance, also names Mr. Hyde, Mr. Anderson, Benefit Plans Administrators and International Managers & Intermediaries.

Hazel S. Fisher, a lawyer representing Security Continental, said that the insurer has not yet issued any stop-loss policies to Thorndyke trusts because the trusts haven't been set up.

Ms. Fisher added that she believes the trusts are in the process of being established—at Washington-based Riggs National Bank, which will act as sole trustee—and that once the trusts are in place the insurer will issue policies retroactively.

Security Continental has already received premium "up to a certain date" for Thorndyke stop-loss covers, but is not writing any new Thorndyke business, Ms. Fisher said.

She said she does not know how Thorndyke has held other employer premiums pending formation of the trusts.

Meanwhile, the Thorndyke plans have already been hit with claims and one of these claims has pierced the anticipated stop-loss cover, according to Ms. Fisher, who is with Oppenheimer, Wolff & Donnelly in Chicago. Security Continental will honor the claim only after that employer's trust is set up and a policy issued, she said.

The months-long delay in issuing the stop-loss policies backing Thorndyke's program is not unusual, Ms. Fisher suggested.

"Policies sometimes have a lag time, and a lot of the time documents are issued way after a deal is struck in the ERISA world," she said.

Mr. Davis, the attorney representing Thorndyke and who also represents Mr. Anderson, Mr. Levine and their companies, disagreed with Ms. Fisher's description of the program's status.

Mr. Davis said it is his understanding that the trusts have been established and that stop-loss policies have been issued.

A hearing on the Illinois cease and desist order is expected later this summer.

Regulators in other states, including California, New Jersey and Texas, are also investigating Thorndyke. BI

Oil and gas rig explodes

DIME BOX, Texas—State officials are investigating whether an oil and gas rig that exploded and killed two workers met the Texas Railroad Commission's extensive completion requirements.

The rig, owned by WCS Oil & Gas Inc. of Dallas, blew apart July 13 as workers were preparing a well to go back into service. The well struck a natural gas formation, exploding and killing two workers. Firefighters and blowout specialists at the site in Dime Box, Texas, were expected to take several days to extinguish the gas-fueled blaze. The blast turned the steel rig into a mass of twisted metal.

Company officials did not return calls, and coverage details were unavailable last week.

If WCS Oil & Gas is found to have violated the Texas Railroad Commission's completion standards, penalties include a range of fines depending on the severity of the violation, said a spokesman for the commission. The cause of the explosion is not expected to be determined until investigators can survey the damage after the fire is out.

No estimates were available on the amount of property damage or the value of the burning gas.

—By Michael Bradford



Losses were still unknown last week from a rig explosion in Texas that killed two workers.

Updates

Natural disaster bill debated

Continued from page 2

version of the bill had been held up in 1994 in deference to the White House and asked how long the measure would have to be delayed.

In the end, after hearing the testimony of a panel of consumer representatives, both senators agreed to try to move the bill to a vote by the full Commerce, Science and Transportation Committee, perhaps as early as this week.

Confed may pay all benefits

LANSING, Mich.—Confederation Life Insurance Co.'s annuity policyholders are likely to receive all future benefits, according to the rehabilitation plan filed in a Michigan circuit court earlier this month.

While the assets of Confed (U.S.) total less than the future liabilities, the life insurer still expects to be able to continue to pay existing and future benefits, said a spokeswoman for the company.

According to the latest estimates, Confed (U.S.) has $6.1 billion of liabilities, she said. Up-to-date estimates for the assets are not available, but the most recent estimate was $5.4 billion (*BI*, Feb. 26).

Meanwhile, Canadian Confed policyholders likely will receive at least 89% of their benefits and maybe as much as 99%, according to a report filed by Confed's liquidator in an Ontario court last week.

To try to close the gap between assets and liabilities, Confed (U.S.) is suing 27 former directors and officers of Confed, Harris Trust & Savings Bank and Ernst & Young L.L.P. for $600 million that was allegedly removed from trusts. Confed's U.S. and Canadian operations have been separated for the purpose of compensating policyholders to avert cross-border litigation.

Mitsubishi to begin training

CHICAGO—Mitsubishi Motor Manufacturing of America Inc. next month will begin training all 4,000 employees at its Normal, Ill., plant in preventing sexual harassment.

Mitsubishi was hit in April with a $150 million sexual harassment lawsuit filed by the U.S. Equal Employment Opportunity Commission on behalf of female workers at the plant.

At a press conference last week in Chicago, Tsuneo Ohinouye, chairman and CEO of the auto manufacturer, declined to comment about the sexual harassment lawsuit. Mitsubishi last month filed a denial of the agency's claims (*BI*, June 24).

Mr. Ohinouye did say the company does not have employment practices liability insurance. Mitsubishi also will train company management and union leadership in preventing sexual harassment.

U.S. names lose another round

HOUSTON—U.S. courts continue to reject attempts by U.S. names to sue Lloyd's of London outside English courts.

Last week, a third federal court threw out an action by disgruntled names on the grounds that Lloyd's-related litigation over losses must be conducted in England.

U.S. District Court Judge Lynn Hughes of the Southern District of Texas dismissed a case brought by 77 U.S. names, 53 of whom had brought similar federal cases in California and New York. "Both of these cases. . .resulted in judgments that the choices of law and forum in the membership agreement were to be enforced," she ruled.

Since 1986, Lloyd's membership documentation has contained the so-called "forum selection clause" stating that all cases must be heard in English courts.

Briefly noted

Aetna Life & Casualty Co.'s $8.9 billion acquisition of U.S. Healthcare Inc. was completed Friday following Thursday's shareholder approval of the deal (*BI*, April 8). As part of the merger, Aetna Life & Casualty Co. has been renamed Aetna Services Inc., and a new holding company, called Aetna Inc., has been formed as Aetna Services' and U.S. Healthcare's parent company. Separately, Aetna said it regrets Standard & Poor's downgrade of the claims-paying ability rating of two subsidiaries, Aetna Life Insurance Co., to A from A-plus, and Aetna Life Insurance Co. & Annuity Co., to AA- from AA. S&P cited decreased capital strength following the deal as a factor in the downgrades. . . .**Tobacco companies** have filed a pre-emptive lawsuit in a Utah court charging that the state's attorney general has no authority or basis for a suit against cigarette makers. The companies said in the complaint they felt a suit seeking recovery of health care costs for treating smokers was imminent in Utah. Connecticut, a state tobacco companies had targeted with a pre-emptive suit earlier this year, is the latest to sue the industry, with a $1 billion lawsuit filed last week. . . .The National Council on Compensation Insurance Inc. last week filed for a 4.2% decrease in **Virginia's workers comp** voluntary loss costs/base rates and a 10.4% increase in the assigned risk premium. . . .A group of House Democrats has introduced legislation that would make it illegal for insurers to cancel, non-renew or "overprice" fire insurance for any house of worship. Insurers would face civil fines of up to $500,000 for violations of the **Church Insurance Protection Act**. The prohibition would not apply in cases where premiums had not been paid. . . .Shortly after the New York Legislature passed a bill calling for sweeping workers compensation reforms (*BI*, July 15), Superintendent of Insurance Edward J. Muhl announced that he will delay a final decision on a New York Compensation Insurance Rating Board's filing for a **12% rate decrease.** An Insurance Department spokesman said the new rates, which would go into effect Oct. 1, should drop even further than 12% due to the reforms. . . .**Royal Insurance U.S.** was upgraded last week to A from A-by A.M. Best Co. Also, the merger of its parent in London with Sun Alliance was completed, creating Royal & Sun Alliance Insurance Group P.L.C.

Lloyd's

Continued from page 1

names residing there from accepting the settlement offer and reinsuring their liabilities into Equitas, and to prevent Lloyd's from implementing its R&R plan.

By Wednesday last week, 34 states, representing more than 80% of Lloyd's U.S. members by capacity, had accepted the agreement, with the six remaining states that have taken action—Arizona, Illinois, Missouri, Tennessee, Utah and West Virginia—rejecting the offer. The offer became unconditional once the 80% mark was hit.

Members residing in the six states that have rejected the offer will likely not be offered a share of the extra settlement money for U.S. names, a Lloyd's spokesman said.

But the securities commissioners in those states will be able to continue with their litigation against Lloyd's, he acknowledged.

Lloyd's is financing the extra funding using the £300 million syndicated loan facility it recently negotiated with Citibank International P.L.C., NatWest Capital Markets Ltd. and Royal Bank of Canada Europe Ltd. The loan will be used also for bridging purposes, to cover settlement funds submitted late, for example, said Mr. Sandler. He anticipated that about half the money available through the facility will be used during the course of the next few months.

Of the extra approximately £100 million ($154.6 million), £25 million ($38.6 million) comes from increased funds provided by managing agents and a £20 million ($30.9 million) contribution from agents for uncovered errors and omissions losses.

U.K. names expressed disappointment at the U.S. deal. Speaking at the AGM, many said they thought it was unfair and demanded similar treatment to help them cope with the Equitas premiums they will be expected to pay in September to reinsure their liabilities.

Lloyd's Chief Executive Officer Ron Sandler agreed but said the settlement with U.S. securities regulators was in the best interests of the membership as a whole.

"We have thought long and hard about this issue of fairness," he said. "We have, however, concluded that, if the actions taken by the state securities regulators were not addressed in the way that I have outlined, our ability to complete the reconstruction would be imperiled, and the far greater unfairness to the membership would be our failure to deliver R&R."

"It does stick in everybody's gullet," commented Mr. Rowland.

Using the AGM as an opportunity to air their opinions, some members were particularly upset that the R&R plan hadn't, in their eyes, fully addressed the problems of fairness to all sectors of the membership. Widows of names, unemployed names and names who have paid their losses to date all felt they had been unjustly dealt with under the settlement fund allocation program.

"We can't square the circle," replied Mr. Rowland to one questioner who had posed the problem of paying names who effectively end up paying more than names who have litigated and balked at paying. "We have sought to make (the offer) as palatable as we possibly can."

A balance had to be struck between helping names no longer involved in active underwriting and those going forward with the market because without a future Lloyd's, he said, there would be no settlement. "It is. . .the 'fairest' that we can propose and to each and every one offers a better solution than any alternative that we, or indeed anyone else, has been able to devise."

Increasing the settlement money by another £100 million ($156 million) led names to question whether even more cash could become available. In situations such as the R&R plan, sums always are held back in case of contingency situations, explained Mr. Sandler. This was such a situation, but there was definitely no more money available to improve the offer, he said, echoing the words of former CEO Peter Middleton after the first settlement offer of £900 million ($1.39 billion) Lloyd's made to names in 1993.

After providing the credit to U.S. names, the £60 million ($92.7 million) balance of the increased settlement funds will be used to help the hardest-hit names, said Mr. Sandler.

"We have said consistently from the start that no name should be prevented from achieving finality by virtue of lack of resources." Now, work has been completed showing in more detail how much money will be needed to achieve that aim, he said.

"We have now, however, clarified our determination to assist the hardest hit by ensuring that funds at Lloyd's will be protected to the extent that their draw down would threaten a basic housing need and, furthermore, we have given certain undertakings regarding income support for names in the most reduced of circumstances," Mr. Sandler said.

Generally, the names at the meeting were highly appreciative of the work that has been put into the R&R plan, particularly by Mr. Rowland. One name's suggestion that Mr. Rowland should be bestowed with "the highest honor in the land" met with the loudest applause of the meeting. Mr. Rowland appeared suitably embarrassed.

A knighthood traditionally was bestowed to Lloyd's chairmen until Murray Lawrence's term of office, which was completed at the end of 1990.

The extraordinary general meeting, which had been convened by 1,500 names wanting changes to the R&R plan, was even less animated than the main meeting of the day.

Alan Porter, chairman of the Devonshire Names Action Group and Cuthbert Heath Names Assn., proposed four motions designed to lessen the burden on the most suffering names. He conceded the R&R plan in its current form was likely acceptable to the vast majority of Lloyd's members, but it had serious flaws, he contended. In putting the package together, Lloyd's had made "discretionary, arbitrary decisions," he said, and the plan still was offering insufficient funds, particularly from managing agents.

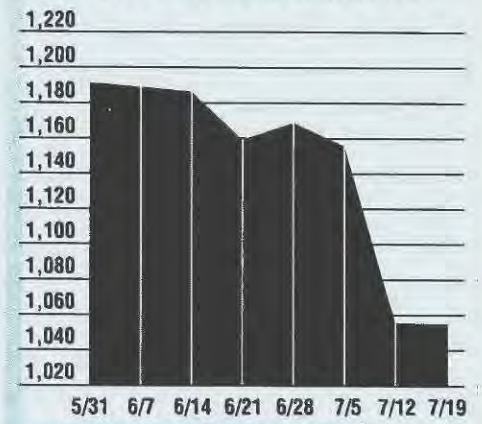
They have recently received what Mr. Porter described as "windfall profits" from the release of surplus reserves in the 1993 global accounts. "It is offensive to see underwriting agents walking away with any windfall profits which derive directly from the mechanics of the settlement process," he said.

Lloyd's Council member David James responded to Mr. Porter's remarks. He pointed out that the R&R structure was delicately balanced, and any tinkering could result in the whole thing tumbling down. Mr. Porter's proposals would not enhance the plan, but would increase the risk of failure, he asserted.

Names agreed with Mr. James, resoundingly defeating Mr. Porter's calls for: a 2% annual levy on the market for the next 15 years to raise extra funds for R&R; the omission of auditors from the settlement, which would allow members to sue; the exclusion of Lioncover, a facility set up by Lloyd's to cover losses from the PCW syndicates, from the settlement; and the removal of the special levy on resigned names. On each of the four resolutions, 84% or more of the voters disagreed with Mr. Porter's proposals.

A greater percentage of names voted in favor of the levies. Corporate members unanimously supported the levies, while 94% of 1993 names, 96% of 1994 names and 98% of 1995 names voted for the contribution. BI

BI Insurance Index



Base=100 on Dec. 29, 1978
Source: Nordby International Inc.

PCS catastrophe options

As of July 19

Call spread	Price bid/ask	Call spread	Price bid/ask
Eastern September 1996		**California Annual**	
40/60	3/4	40/60	.8/1.6
50/70	1/—	80/100	.5/1.4
80/100	2.5/4	200/250	.5/3
Southeast Sept. 1996		**Western Annual**	
40/60	2.5/4.1	40/60	1/2
80/100	1.6/3.5	80/100	.6/1.6
Texas Sept. 1996		**Northeast Sept. 1996**	
40/60	1.2/2.2	40/60	1/1.6
80/100	.5/2	80/100	.6/2

Total volume: 262 Total open interest: 3,529

For information on PCS cat options, call the Chicago Board of Trade at 312-435-3674.
Source: Chicago Board of Trade

British Issues

July 18 Companies	Price pence	P/E	Div. pence	Yield %	1 week high—low
Comml Union	575	11.0	35.3	6.3	575—561
Genl Accident	626	9.4	38.8	6.2	626—622
Gdn Royal Exch	237	8.8	11.3	4.8	237—231
Independent	462	8.6	14.1	3.1	465—462
Royal	390	7.3	20.0	5.1	393—386
Sun Alliance	365	8.3	21.6	5.9	366—361
Brokers					
Bradstock	70	11.7	7.1	10.1	72—70
Fenchurch	97	6.5	10.6	10.9	99—97
CE Heath	92	10.8	6.3	6.8	92—92
JIB Group	112	11.1	9.4	8.4	114—112
Lloyd Thmpson	180	11.0	11.3	6.3	182—180
Lowndes Lmbrt	133	8.7	10.5	7.9	136—133
Nelson Hurst	188	11.5	9.8	5.2	188—188
Sedgwick Grp	125	9.8	8.1	6.5	127—124
Steel Brl Jones	39	5.1	5.6	14.3	39—39
Willis Corroon	150	13.5	8.3	5.5	150—145

Source: Philip Olsen, London

BI Industry Stock Report JULY 15, 1996, THROUGH JULY 19, 1996

BROKERS		Price	Weekly % change	Year to date % change	Year to date High	Year to date Low	Vol.(000)
Acordia Inc.	NYS	31.875	-1.54	7.14	33.75	23.50	13
Alexander & Alexander	NYS	17.5	-4.11	-7.89	25.50	16.75	370
E.W. Blanch Holdings Inc.	NYS	18.5	-1.99	-20.86	25.50	16.50	79
Gallagher Arthur J. & Co.	NYS	32	0.39	-14.09	39.50	30.00	87
Hilb, Rogal & Hamilton	NYS	13	2.97	-2.80	14.38	11.38	71
Kaye Group Inc.	NDQ	5.375	0.00	-32.81	9.25	5.38	0
Marsh & McLennan	NYS	90.75	-1.49	2.25	101.63	76.63	908
Poe & Brown	NDQ	24.5	1.03	-1.51	25.50	22.75	6
BROKERS	AVERAGE		-0.6	-8.8			
INSURERS/REINSURERS							
ACE Ltd.	NYS	43.5	-1.69	9.43	50.38	29.00	641
Acceptance Insurance Cos.	NYS	18	1.41	21.01	18.63	13.13	67
AEGON N.V.	NYS	45.75	-3.94	3.98	50.38	33.25	33
Aetna Life & Casualty	NYS	61.375	-2.39	-11.37	78.75	55.38	11046
AFLAC Inc.	NYS	30	2.13	3.45	33.13	24.38	819
Allied Group Inc.	NDQ	35.75	-5.92	-0.69	44.25	27.75	398
Allmerica Prop. & Casualty	NYS	25.875	-0.96	-4.17	27.25	21.88	64
Allstate Corp.	NYS	42.25	-0.88	2.74	46.75	29.25	3623
AMBAC Indemnity Corp.	NYS	48.5	0.26	3.47	55.25	39.50	204
American Bankers Ins.	NDQ	42.25	4.00	8.33	44.25	30.75	289
American Financial Group	NYS	30	3.00	-2.04	34.50	25.25	260
American General	NYS	35	-3.45	0.36	39.13	31.00	2677
American Heritage Life Ins.	NYS	20.75	3.11	-9.29	24.25	18.88	27
American Indemnity/Fin'l	NDQ	11	2.33	10.00	13.38	9.00	2
American International	NYS	93.375	0.13	0.95	103.38	71.00	4478
American Re Corp.	NYS	45.375	4.31	11.01	46.38	34.00	208
Aon Corp.	NYS	49.25	-1.25	-1.25	56.00	36.25	2244
Argonaut Group	NDQ	30	-0.83	-7.69	35.00	28.88	186
AVEMCO Corp.	NYS	15	4.35	-6.25	17.50	11.75	28
Baldwin & Lyons Inc.	NDQ	19.25	-2.53	18.46	20.75	14.25	6
Berkley W.R. Corp.	NDQ	40.875	0.00	-23.95	55.50	36.25	158
Berkshire Hathaway Inc.	NYS	31800	1.68	-0.93	38000.00	23650.00	1
Capital RE Corporation	NYS	34.75	-4.14	13.01	38.25	25.63	156
Capsure Holdings Corp.	NYS	17.75	-0.70	0.71	18.75	13.00	254
Chartwell Re	NDQ	21.75	1.16	NA	24.75	10.00	209
Chubb Corp.	NYS	45.125	-3.22	-6.72	52.25	39.00	1609
CIGNA Corp.	NYS	111.125	0.79	7.63	125.50	78.00	1017
CNA Financial Corp.	NYS	100.375	-0.37	-11.56	123.25	86.00	180
EMC Insurance Group Inc.	NDQ	13.25	15.22	-3.64	15.25	10.13	27
Everest Reinsurance	NYS	24.125	-1.53	3.21	26.50	18.50	403
Executive Risk Inc.	NYS	35.875	2.87	23.71	38.25	18.38	53
EXEL Ltd.	NYS	67.375	1.32	10.68	73.63	51.75	347
Fremont General Corp.	NYS	22.25	-1.11	-9.18	26.25	16.63	305
Frontier Insurance Group	NYS	33.375	0.00	4.30	38.00	25.25	63
Gainsco Inc.	ASE	9.5625	-4.38	-15.93	12.38	8.31	158
GCE Holding Ltd.	NDQ	22.0625	-5.61	NA	27.25	19.75	1522
General RE Corp.	NYS	149.5	-0.66	-3.55	158.25	129.50	1231
Gryphon Holdings	NDQ	14.625	-1.68	-24.03	20.25	14.38	28
Guaranty National Corp.	NYS	14.5	-3.33	-5.69	18.63	13.38	308
Harleysville Group	NDQ	26	-2.80	-19.69	33.00	24.25	29
Hartford Steam Boiler	NYS	43.875	-2.77	-12.25	52.50	42.63	247
HCC Insurance Holdings	NYS	23.625	-5.97	27.70	25.50	10.25	205
IPC Holdings Ltd.	NDQ	19.75	-3.07	NA	22.25	19.00	188
ITT Hartford Group	NYS	53.625	2.63	10.85	54.75	44.50	2105
LaSalle Re Ltd.	NDQ	21.125	-3.43	NA	23.63	19.50	164
Lincoln National	NYS	42	-3.45	-21.86	57.00	39.75	897
Markel Corp.	NDQ	89.75	-2.45	18.87	94.50	59.00	28
MBIA Insurance Group	NYS	75.625	-0.17	0.83	80.88	63.25	558
Meadowbrook Insur. Grcup	NYS	27.75	-1.77	-17.16	34.13	24.00	26
Mid Ocean Ltd.	NYS	40	1.59	7.74	43.00	30.88	391
MMI Cos. Inc.	NYS	30.75	-0.81	28.13	31.50	18.88	192
Mutual Risk Mgmt. Ltd.	NYS	28.875	1.32	-15.85	34.88	25.13	95
NAC Re Corp.	NYS	32.25	4.45	-10.42	39.00	28.50	78
National Re Corp.	NYS	51.25	0.24	34.87	51.75	30.00	794
Navigators Group	NDQ	17.625	2.17	0.00	20.25	13.50	18
Nobel Insurance Ltd.	NDQ	11.125	-2.20	-2.20	12.75	10.13	128
Ohio Casualty Corp.	NDQ	34.5	6.15	-10.97	40.00	30.00	327
Old Republic Int'l	NYS	21	-1.75	-11.27	24.38	16.88	781
Orion Capital Corp.	NYS	48.875	-1.01	12.68	51.00	39.25	171
Partner Re Ltd.	NDQ	28	-5.88	1.82	31.88	23.75	1107
Penn-America Group Inc.	NDQ	14.75	-2.48	3.51	16.75	9.50	15
Philadelphia Cons. Holdin g	NDQ	18	-2.70	10.77	22.50	15.25	30
PXRE Corp.	NDQ	22.5	-4.76	-15.09	29.75	22.38	78
Reliance Group Holdings	NYS	7.875	5.00	-8.70	9.25	6.25	1160
Reliastar Financial Corp.	NYS	42.875	-2.00	-3.38	51.63	36.25	457
RenaissanceRe Holdings Ltd.	NDQ	29.25	-3.31	-3.70	33.13	20.72	82
Risk Capital Holdings	NDQ	17.625	-2.76	-24.60	23.38	16.75	48
RLI Corp.	NYS	23.625	0.53	-5.50	25.88	21.75	12
St. Paul Companies	NYS	54.25	0.23	-2.47	60.50	46.13	805
SAFECO Corp.	NDQ	33.125	0.00	-3.99	39.75	28.25	1100
Seibels Bruce Group	NDQ	2.375	-2.56	58.33	4.25	0.44	53
Selective Ins. Group	NDQ	33.25	1.53	-6.34	38.75	30.75	80
Sphere Drake Holdings	NYS	9.75	-2.50	-30.36	19.13	9.75	10
TIG Holdings	NYS	27.25	-2.68	-4.39	34.25	22.25	616
Titan Holdings, Inc.	NYS	14.5	-0.85	0.87	16.63	11.75	93
Tokio Marine & Fire	NDQ	63.75	4.08	-3.41	69.25	50.88	12
Torchmark Corp.	NYS	40.75	-0.91	-9.94	49.88	38.00	410
Transatlantic Holdings	NYS	68.125	1.30	-7.16	75.25	62.38	79
Transnational Re Corp.	NDQ	22.5	-1.10	-8.16	27.25	20.63	121
Travelers Aetna Property	NYS	26.625	9.23	NA	28.50	23.13	1024
Travelers Corp.	NYS	42	0.60	0.60	47.25	29.75	7679
Trenwick Group Inc.	NDQ	51.5	-1.44	-8.44	57.50	43.00	72
Unico American Corp.	NDQ	7.625	0.00	22.00	7.75	5.50	37
Unionamerica Holdings	NYS	15.5	0.81	NA	18.13	14.75	29
United Fire & Casualty	NDQ	31	-7.46	10.71	40.00	19.38	7
Unitrin	NDQ	46	0.00	-4.17	51.75	44.25	361
UNUM Corp.	NYS	58.25	-4.12	5.91	63.25	45.38	617
US Facilities Corp.	NDQ	16.875	0.00	-21.05	23.38	16.25	186
USF&G Corp.	NYS	15.625	0.00	-7.41	19.50	14.25	1156
USLIFE Corp.	NYS	30.25	-2.81	1.26	33.25	26.38	388
Washington National	NYS	27.25	1.87	-1.36	30.50	20.50	264
Zenith National Ins.	NYS	27.5	1.38	28.65	28.88	20.00	25
Zurich Reinsurance Centr.	NYS	30.25	-2.81	-0.41	32.63	27.88	58
INSURERS/REINSURERS	AVERAGE		-0.5	-0.4			
HEALTH MAINTENANCE ORGANIZATIONS							
FHP International	NDQ	26	13.04	-8.77	34.25	21.75	2150
Healthsource Inc.	NYS	13.5	-7.69	-62.50	40.88	13.13	4806
Humana Inc.	NYS	16.5	2.33	-39.73	28.88	15.00	3430
Oxford Health Plans	NDQ	32.875	-6.07	-11.00	55.25	23.00	10951
Pacificare Health Sys.	NDQ	60	-11.11	-31.03	98.75	52.00	294
Safeguard Health Enter.	NDQ	18.25	-1.35	56.99	20.63	10.50	49
Sierra Health Services	NYS	27.875	3.24	-12.20	36.00	23.25	198
United Healthcare Corp.	NYS	34.125	3.02	-47.80	69.00	30.00	11494
U.S. Healthcare	NDQ	52.75	2.93	13.44	55.88	29.88	21658
Wellpoint Health Networks	NYS	25.75	-9.25	-19.84	39.13	25.00	251
HMOs	AVERAGE		-1.1	-16.2			
ALL COMPANIES	AVERAGE		-0.7	-8.5			

Top advancing issues: EMC Insurance Group Inc., FHP International, Travelers Aetna Property. Leading decliners: Pacificare Health Sys., Wellpoint Health Networks, Healthsource Inc. Most active issue: U.S. Healthcare. The BI Index fell 0.1%; the Dow Jones 30 Industrials fell 1.5%; the S&P 500 decreased 1.2% and the NYSE Composite lossed 1.1%. Average P/E: Brokers, 15.0; Insurers/reinsurers, 16.5; HMOs, 22.6.

System design: Nordby International Inc.

TWA

Continued from page 1

Dozens of witnesses along the south shore of Long Island on Thursday reported seeing flashes and streaks near the plane before it burst into fire and crashed, leading to speculation that a missile may have been fired at the plane, possibly from a boat. However, by Friday, investigators were shying away from that theory, pointing out that the plane's elevation when it exploded was out of the range of most surface-to-air missile devices.

The plane, a Boeing 747-100 that went into service in 1971, began its day last Wednesday in Athens, Greece, where it flew to New York. After a three-hour turnaround, it left for Paris but lasted less than 30 minutes in the air.

Civil officials in Athens, where the airport has been consistently cited for having poor security, insisted the plane underwent a thorough safety inspection before leaving for the United States. In April, the Federal Aviation Administration lifted a warning to passengers about security in Athens.

Ultimately, what level of liability TWA and its insurers will face will depend on if it can be proved that terrorism caused the crash and whether willful misconduct and gross negligence by TWA contributed to the disaster. If it is found that TWA was not grossly negligent, liability is limited to $75,000 per passenger under the Warsaw Convention of 1929.

Many major airlines, however, are preparing to abandon the Warsaw Convention's limitations in an effort to reduce costly litigation after a crash. Under the Intercarrier Agreement on Passenger Liability—which has been signed by 41 major U.S. air carriers, including Delta Airlines Inc. and American Airlines Inc., but not TWA—starting Nov. 1, airlines will be able to waive protection under Warsaw, and with it, limits on compensation.

But TWA has not signed that agreement and it isn't effective yet, rendering IATA moot at this point, said aviation lawyers.

According to documents filed with the U.S. Department of Transportation, TWA's insurance coverage, which was renewed Oct. 1, 1995, is led by U.S. Aircraft Insurance Group with 25% of the risk and Lloyd's of London underwriters and other London insurers with 23.4%.

The remaining insurers are: La Concorde Compagnie d'Assurance of Paris with 20%; Assurance France Aviation and Associated Aviation Underwriters of Short Hills, N.J., 10% each; Illinois National Insurance Co., a unit of American International Group Inc., 5%; New York Marine & General Insurance Co., 4.6%; and Somerset Aviation Inc., 2%.

Frankona Reinsurance Co. and Munich Reinsurance Co. last week confirmed that they were among the reinsurers on the TWA program.

Aviation insurance sources in London said the plane's hull was insured for $10.7 million.

Johnson & Higgins' Minneapolis office placed the coverage for TWA in the U.S. market, while J&H also placed TWA's London-based coverages, including a hull war risk rider that would apply if terrorists downed the plane. TWA's hull war risk coverage is led by Lloyd's and other London insurers, with 60.5% of the risk. La Concorde has the next 17%, followed by Somerset with 15% and New York Marine with 7.5%.

For London-insured layers of coverage, Westminster Aviation Group, part of Paris-based Compagnie d'Assurances Maritimes Aeriennes et Terrestres, or CAMAT, is the lead.

TWA, which is based in St. Louis, could not be reached for comment on insurance or any other matters related to the crash.

Aviation attorneys speculated last week on what type of potential liability exposure TWA could face from the crash.

Desmond T. Barry Jr., a partner with Condon & Forsyth in New York, said families of passengers will be limited under the Warsaw Convention to $75,000 per person unless they can prove negligence and willful misconduct on the part of the airline, in which case they could seek unlimited damages.

"These passengers were all on international tickets, so TWA's liability is entirely governed by the Warsaw Convention. That would then lead to applying the law of the applicable forum, which because this occurred more than one marine league offshore, would be the Death on the High Seas Act, which does not permit damages for grief, mental anguish or loss of concert. Losses under this law are pecuniary only and are based on dependency," he said.

Lee Kreindler, a plaintiffs attorney with Kreindler & Kreindler in New York, who represents the families of victims killed in the crash of Pan Am Flight 103 in ongoing litigation, said his firm has already been retained by the family of at least one victim to explore pursuing a case against TWA.

A federal jury in 1992 found Pan Am guilty of willful misconduct in its security procedures for not detecting that a terrorist had planted a bomb aboard Flight 103 (*BI*, July 20, 1992).

Mr. Kreindler suggested that TWA would be wise to waive its willful misconduct protection under the Warsaw Convention and avoid a negligence trial, which he said doomed Pan Am.

"We'll see if Warsaw is still applicable. They could waive it if they wanted to," he said. "The fact that the FBI has been involved from the very start tells you what the authorities think caused this crash, even if they aren't saying anything."

But Chris Barth, an attorney with Blatt, Hammesfahr & Eaton, an insurer defense law firm based in Chicago, warned against jumping to conclusions. "There is no indication at this time that TWA did anything to cause this incident. But it will be interesting to see if the facts of this case eventually mirror Pan Am and Lockerbie," he said.

Lockerbie has turned out to be a nightmare for defunct Pan Am and its insurers. Pan Am and its insurers have paid out $500 million so far, with one jury award totaling $13 million, said Mr. Kreindler. And, other claims are still being litigated.

Furthermore, U.S. Aviation Underwriters, the managing agent for USAIG, is being investigated by the U.S. Attorney's office in Brooklyn, N.Y., and the FBI for possible fraud in the handling of claims from the Lockerbie crash (*BI*, July 8).

Like many international flights, TWA Flight 800 carried several upper-level executives at major corporations, including at least a pair of insurance companies.

Confirmed killed in the crash were Charles H. Gray III, president and chief operating officer of Midland Financial Group Inc., a broker based in Memphis, Tenn., as well as C. Kirk Rhein Jr., president and CEO of Danielson Holding Corp. of New York, and William Story, president and CEO of DHC subsidiary, National American Insurance Co. of California, based in Long Beach, Calif. BI

Litigate

Continued from page 2

more litigation against manufacturers and suppliers of all kinds of products with potential lethal uses, defense lawyers fear.

In fact, the Oklahoma City product liability suit already closely resembles legal actions filed against the makers and distributors of guns used in violent crimes—a legal strategy that is increasing in popularity.

For example, a federal district judge in New York ruled in May that victims of handgun violence may proceed with a lawsuit against the firearms industry alleging that it failed to take adequate steps to prevent weapon sales to illegal buyers such as teen-agers.

And a California judge permitted a suit filed against the manufacturer of a gun used in a 1993 shooting rampage at a San Francisco law firm (*BI*, April 17, 1995; June 20, 1994).

Litigation that moves through the manufacturing chain searching for a deep pocket is endemic to the U.S. legal system, defense lawyers say.

These types of suits illustrate how "our tort system has become a business," observed Rod Eshelman, a partner in the San Francisco office of Carol, Burdick & McDonough.

"Plaintiffs counsel try to expand liability as much as possible, because that's how they get paid," he said.

That's why he wasn't surprised by the fertilizer suit being filed in connection with the bombing, Mr. Eshelman said. "I was looking for the fertilizer suit the day" the bombing occurred, he said.

But, in general, "injury resulting from obvious misuse of a product doesn't create liability on the part of the manufacturer," said Robert B. Flaig, chairman of the litigation department at Sheppard, Mullin, Hamilton & Richter in Los Angeles.

The usual test applied under most product liability statutes is whether a manufacturer knew or should have known its product had potentially lethal uses, he explained.

Tom Denver, managing partner at Hoge, Fenton, Jones & Appel in San Jose, Calif., agreed.

"If manufacturers of legitimate products or providers of raw materials that can be perverted to unlawful use can be held responsible, that would create unlimited liability," he said. "Then why not sue the chemical manufacturers that provided the constituent chemicals that went into the fertilizer?"

Attorneys representing ICI Explosives and the other companies named in the suit declined to comment for this article.

But plaintiffs lawyers involved in the case allege that the fertilizer maker knew the product could be made safer.

"They conducted tests in 1968 to support a patent to make ammonium nitrate non-detonable by adding diammonium phosphate," said John Merritt, co-counsel with Mr. Cochran on the case. Mr. Merritt is with Merritt & Rooney Inc. in Oklahoma City.

"They also knew since the mid-1970s that ammonium nitrate might be used for destructive purposes by criminals and terrorists," he said, pointing out that Imperial Chemical conducted a seminar on that subject at the time.

ICI lawyers declined to comment.

The ruling "confirms that the only people responsible for the tragedy in Oklahoma City are the terrorists," an ICI spokesman said. He also said the company is insured for the product liability exposure, but would not provide coverage details.

In his July 2 decision dismissing ICI, which has not yet been published, U.S. District Judge David L. Russell did not address either of these issues, which were brought up in the third amended complaint filed by plaintiffs in November 1995.

Instead, the judge found that "defendant's production, marketing or sale of ammonium nitrate in whatever form did not logically compel or induce the bombing, and certainly conception of a plan to bomb a building or the bombing itself is not an ordinary response to and does not logically flow from the availability of ammonium nitrate in whatever form in the fertilizer market."

"It defies all logic and common sense to suggest that the very existence or availability of a substance which can be used as or employed in a weapon invites persons to use it as or in a weapon," the judge added. "The bombing did not occur because Nichols and McVeigh acquired (ammonium nitrate) fertilizer. The bombing occurred only because of the terrorists' intent to cause harm."

•

Lena E. Gaines-Tabb et al. vs. ICI Explosives USA Inc. et al., U.S. District Court for the Western District of Oklahoma; No. CIV-95-719-R.

Aviation market competitive despite 1996 losses

LONDON—Whatever the effects of last week's air crash on Trans World Airlines, the loss of the Boeing 740-100 and 230 lives is not expected to increase aviation insurance rates.

At most the crash may stop the recent decreases in rates, aviation underwriters say.

Aviation hull rates have been falling this year, with some fleets being insured at the July 1 renewals with reductions in premiums of up to 30%.

Martyn Hedley, an aviation broker at Willis Faber & Dumas Ltd. in London, said the timing of the TWA crash is significant, because in the next few weeks the aviation insurance community will start considering the October renewals.

However, he said, "This claim in itself will not alter the market's softness." Mr. Hedley added that three recent losses—the ValuJet crash in May near Miami and the losses in February of a Faucett Airlines B737-222 in Peru and an ALAS/Birgenair B757-225 off the Dominican Republic—have not put 1996 aviation underwriting in the red.

It's difficult to know if the TWA crash will hike rates during the next renewal round, because there is no clear idea yet of how high the total loss will be, said Mr. Hedley.

TWA's liability will be limited to $75,000 per passenger under the Warsaw Convention unless the airline is proved guilty of willful misconduct and gross negligence.

Mark Reith, war risk underwriter with the Brockbank syndicate, said that while the TWA loss is a "catastrophic incident" in terms of loss of life, the hull value of some $11 million is not a very big insurance loss.

Yet another senior aviation underwriter who expects the TWA crash to have little significant impact on insurance rates is John Westcott, chairman of the Lloyd's Aviation Assn. He said the incident will not cause a reverse in rates, and it's even "unlikely rates will stop going down."

Mr. Westcott said of the TWA crash, "This amongst others should be a timely reminder that airline rates need considerable corrective action," meaning the rates should be higher.

Aviation insurance rates started falling with this year's renewals after a decline in accidents during 1995, resulting in the insured cost of major aircraft full and partial losses falling to $434 million from a record high in 1994 of $820 million.

—By Edwin Unsworth

Major aviation losses in 1996

These 10 incidents are among those that have led to aircraft total losses and, in some cases, significant losses of lives so far this year.

Feb. 6 -ALAS Nacionales Airlines Boeing 757 passenger charter crashes off Puerto Plata in the Dominican Republic

Feb. 19 -Continental Airlines DC-9 damaged on landing in Houston

Feb. 29 -Faucett Airlines Boeing 737 crashes on landing near Araquipa, Peru

April 3 -A U.S. military jet carrying Commerce Secretary Ron Brown, government officials and business executives on a trade mission crashes near Dubrovnik, Croatia

May 1 -FLY S.A. Boeing 727 passenger charter damaged during abortive takeoff in Quito, Ecuador

May 11 -ValuJet DC-9 crashes in the Florida Everglades

May 14 -An Allegro Air DC-9 passenger charter damaged on landing in Tampico, Mexico

June 13 -Garuda DC-10 damaged on takeoff in Fukuoka, Japan

July 6 -Pratt & Whitney JT8D engine explodes on a Delta Airline MD-88

July 17 -TWA Boeing 747-100 crashes in the Atlantic Ocean off Long Island, N.Y.

Source: Airclaims Ltd. and *Business Insurance*



©1996 United HealthCare Corporation

There's a revolution in health care. Its lifeblood is information.

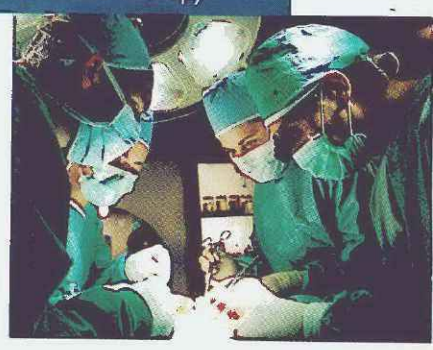
You might expect the next breakthrough in American health care to come out of a laboratory. Or a legislative committee. But there's a different kind of revolution going on. A revolution based on knowledge.

Without fanfare, United HealthCare has grown to be one of America's largest health care management services companies. We did it with a concept we call "shared intelligence"—the idea that, by constantly analyzing our *ten million* patient-years of data, we can consistently improve our services.

It's enabled participating providers to increase the use of lifesaving drug treatments for cardiac patients. To decrease the rate of blindness among diabetics. Even to raise the life expectancy of transplant patients while reducing transplant costs. This sea of information is also the basis for innovative health programs. From HMOs to PPOs to an affordable concept called *Open Access* that keeps both patients and employers happy with more freedom and better cost containment.

In other words, programs that treat people not as a business to manage, but as the managers of their own health.

In analyzing claims data for recovering heart attack patients, we found only 57% were using beta-blockers, a drug therapy recommended by the American College of Cardiology. Health plan physicians were notified, and within six months one plan posted an 11% increase in the use of this therapy.



UNITEDhealthcare℠
http://www.uhc.com

RELIANCE NATIONAL'S
Engineered Technical Risks

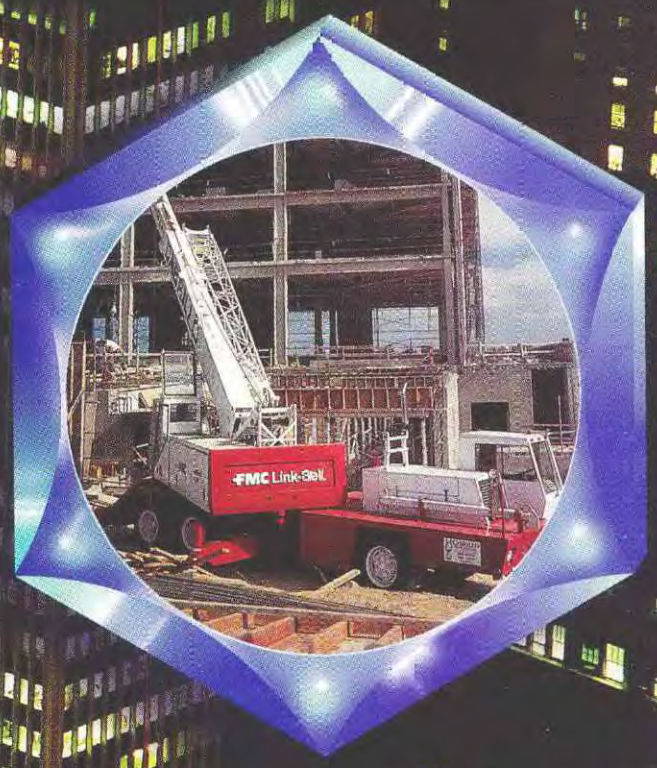
Within the realm of property exposures lies a vast array of construction, chemical, energy and machinery intensive risks known as Engineered Technical Risks. This describes our unit perfectly, since the unique insurance requirements presented by these risks require a higher degree of technical expertise by loss control, underwriting and claims.

At Reliance National, our team of industry specialists cater to the individual needs of corporations, contractors, property owners and developers. By incorporating tailor-made coverage with sound claims and loss control handling, we're building comprehensive insurance packages for your property clients.

Primary classes of business for the three departments within Engineered Technical Risks include:

- **Boiler and Machinery Department**
  Public & Private Electrical Generation, Steel, Primary Metals, Mining, Cement, Pulp and Paper, Chemical, Petrochemical, Heavy Manufacturing, Large Real Estate including major hotels, office buildings, casinos, hospitals, universities and shopping malls.
- **Engineered Risk Department**
  Builders Risk, Tollway Authorities, Contractors Package, Equipment Schedules, Port Terminal and Ship Building, Sewer and Water Authorities, Alternative Energy Facilities.
- **Technical Risk Property Department**
  Oil, Natural Gas, Chemicals, Petrochemicals and Related Properties, Fertilizers, Plastics, Paints, Coal Mining, Electric Utilities and Energy Related Companies.

Protecting your client's engineered technical risk exposures with skill and precision begins at THE CHOICE, Reliance National.







THE CHOICE

Reliance National
A Reliance Group Holdings Company

77 Water Street, New York, N.Y. 10005
http://RelianceNational.com

For further information
write us or call (212) 858-6602

Reliance National products and programs underwritten by Reliance Insurance Company, Reliance National Indemnity Company, Reliance National Insurance Company, Reliance Insurance Company of Illinois, Reliance Insurance Company of California, United Pacific Insurance Company and/or Reliance Surety Company.

©1996 Reliance National Insurance Company