

business insurance

**13th
annual
agent/broker
profiles issue**

Reporting weekly for corporate risk, employee benefit and financial executives/\$3 a copy; \$52 a year

Entire contents copyright 1984 by
Crair Communications Inc. All rights reserved.

Brokers take a brutal beating

They are down but not out.

Commercial insurance brokers took their worst beating in 1983. Their revenues from placing property and casualty insurance were pounded by continuing rate competition among insurers. Their investment income was slashed by lower interest rates. Even their increasing revenues from expansion into foreign markets were bruised by the strength of the dollar against foreign currencies.

Nonetheless, commercial insurance brokers continued to fight for risk managers' business. And now, many also are making an all-out effort to put a hammerlock on benefit managers' business, too.

These are the trends revealed in the 13th annual *Business Insurance* survey of the commercial insurance brokerage business.

Our special report this year is bigger and more

exhaustive than ever, providing both the most extensive tabulation of commercial brokers' financial results published and the most in-depth look at the brokers' operations. Presented is financial and management information on 295 brokers generating \$5.1 billion in revenues from the placement of insurance and servicing of risk management and employee benefit accounts.

Again, *BI* presents its exclusive ranking of the 20 largest U.S.-based brokers. Just how badly the brokers suffered in 1983 is evident from the scant 2.1% growth in gross revenues generated by the giants in the commercial brokerage business (see chart below). It was the smallest growth ever recorded by the country's 20 largest brokers in the 13 years that *BI* has surveyed the business.

How these 20 brokers eked out any growth in 1983

and their plans for 1984 and beyond are reported on page 3 and in individual articles on each of the brokers beginning on page 10.

BI also ranks the next 80 largest U.S. brokers, whose collective revenues totaled \$379 million (see chart, page 3).

Financial and management information about these 80 brokers and 155 more whose combined revenues total \$370.8 million is reported in an alphabetical listing beginning on page 89.

And, *BI* ranks the world's 20 largest brokers, 10 of which are the 10 largest U.S. brokers (see chart, page 3). Profiles of the other 10 leading brokers are also published, beginning on page 125.

A special geographical index by state and city to all the U.S. offices of U.S.-based brokers begins on page 117.

Top 20 U.S. brokers: 1983 performance

Company	Ranking		Gross revenues (000)			Employees			Rev./Employee	
	1983	1982	1983	1982	Change	1983	1982	Change	1983	1982
Marsh & McLennan Cos. Inc.	1	1	\$959,591	\$924,294	3.8%	15,474	15,791	-2.0%	\$62,013	\$58,533
Alexander & Alexander Services Inc.	2	2	556,200	567,400 ¹	-2.0	10,650	10,400	2.4	52,225	54,558 ¹
Frank B. Hall & Co. Inc.	3	3	365,175	372,610 ¹	-2.0	7,000	7,000	—	52,168	53,230 ¹
Johnson & Higgins	4	4	336,600 ²	323,705 ²	4.0	6,100 ²	5,950 ²	2.6	55,180 ²	54,404 ²
Fred S. James & Co. Inc.	5	5	244,900	241,300 ¹	1.5	4,616	4,422	4.4	53,055	54,568 ¹
Corroon & Black Corp.	6	6	172,095	172,078	—	2,962	2,915 ¹	1.6	58,101	59,032 ¹
Rollins Burdick Hunter Co.	7	7	122,457	118,366 ¹	3.5	2,054	2,070 ¹	-0.8	59,619	57,182 ¹
Bayly, Martin & Fay International Inc.	8	8	79,951	84,818	-5.7	1,398	1,584	-11.7	57,190	53,547
The Crump Cos. Inc.	9	9	55,415	49,296	12.4	1,048	929	12.8	52,877	53,064
Arthur J. Gallagher & Co.	10	10	53,358	48,477	10.1	956	893	7.1	55,814	54,286
Reed Stenhouse U.S.A. ³	11	— ⁴	50,900	42,600	19.6	886	961	-7.8	57,450	44,329
Jardine Insurance Brokers Inc.	12	11	37,903	34,051	11.3	639	625	2.2	59,316	54,482
Emett & Chandler Cos. Inc.	13	12	30,950	29,783 ¹	3.9	518	549 ¹	-5.6	59,749	54,250 ¹
Republic Hogg Robinson Inc.	14	14	27,974	25,192 ¹	11.0	622	597	4.2	44,974	42,198 ¹
Financial Guardian Group Inc.	15	15	21,475	22,317	-3.8	356	376	-5.3	60,323	59,354
Poe & Associates Inc.	16	13	20,677	20,953 ¹	-1.3	465	475 ¹	-2.1	44,467	44,112 ¹
Hilb, Rogal & Hamilton Co.	17	16	18,900	17,600	7.4	355	382	-7.1	53,239	46,073
Robinson-Conner Inc.	18	25	15,000	9,600	56.3	306	210	45.7	49,020	45,714
Lawton-Byrne-Bruner	19	18	14,706	13,532	8.7	262	258	1.6	56,130	52,450
John L. Wortham	20	17	14,341	14,470	-0.9	225	230	-2.2	63,738	62,913
Totals/Averages			3,198,568	3,132,442	2.1	56,892	56,617	—	56,222	55,327

¹ Restated.

² *BI* estimate.

³ Conversion rate on Dec. 31, 1983—\$1 Canadian=76 cents (U.S.).

⁴ Ranked for the first time.

Top 20 world brokers and the next top 80 U.S. brokers ... Page 3

**J&H thinks the way to
get the best international
insurance service
is to get the best broker
in each country.**

What do you think?

If you think that local experience is vital to risk management programs in foreign countries, we couldn't agree more.

That's the concept that built the J&H international network, the most experienced in the world.

Starting in the 1890's, we enlisted the outstanding insurance broker in each country as our exclusive working partner. Where this wasn't possible, we opened our own J&H offices.

In Europe, our correspondents are now linked in a unique working relationship we call UNISON, a network within our network. Besides offering an unsurpassed grasp of local requirements, UNISON adds new dimensions to our ability to coordinate programs internationally.

Today, the J&H international network is a global organization of 13,000 people dedicated to serving clients with a single standard of excellence.

This is why we're the primary international broker for 30 of the top 100 U.S. multinationals and why 38 more have us on their team.

We'd like to talk with you about this.

Johnson & Higgins
We answer only to you.

business insurance

JUNE 25, 1984

update

Superfund reauthorization approved by House panel

WASHINGTON—The House Energy and Commerce Committee approved a bill June 20 to reauthorize the federal Superfund program for toxic-waste cleanup after committee members rewrote key provisions of the measure, including liability provisions that raised concern in the insurance industry.

Those provisions would create a new federal cause of action under
Continued on next page

Reporting weekly for corporate risk, employee benefit and financial executives/\$3 a copy; \$52 a year

Entire contents copyright 1984 by Crain Communications Inc. All rights reserved.

Casualty risks head back to London

By STACY SHAPIRO

LONDON—For the market watchers, there's a sure sign that the U.S. insurance market is hardening: Casualty business is headed back to London.

When the commercial insurance market contracted in the mid-1970s, business that had been underwritten in the United States poured into the London market. Now, London is preparing for a similar flood.

Stung by heavy underwriting losses and finding it difficult to reinsure casualty risks, U.S. casualty insurers are beginning to reduce their capacity.

Although currently only the "tough" risks are being affected and the tightening of the market is still sporadic, insurers and brokers on both sides of the ocean say the restrictions placed on special risks today most likely will be the norm by 1985.

The U.S. casualty business that left London during the last four years of rate cutting among U.S. insurers is just now beginning to

trickle back into the London market, but torrential rains are predicted by 1985 when the tightening of the U.S. casualty market peaks.

To prepare, London brokers and underwriters are already increasing their staffs. And, when the U.S. risk managers do come knocking at their doors, they will be greeted with London's typically higher rates.

This migration back to London follows other changes in the market that U.S. risk managers are discovering as they prepare for July 1 renewals.

As reported earlier this year, rates in some casualty lines—like some professional liability, energy, earthquake and trucking, and excess and umbrella property/casualty coverages—were already up 10% to 25% (BI, March 5).

Now those looking for coverage for these special risks and excess-of-loss medical malpractice, environmental liability and difficult product liability risks will find:

- Rates as much as doubled.
- Increased retentions.

• More layers of coverage necessary to provide the same amount of insurance.

As business returns to London, the underwriters there are being asked to quote rates not only on the higher \$50 million umbrella layers, but also on lower layers.

"New accounts are coming back to London in all classes," says Peter Wilson, managing director of H.S. Weavers (Underwriting) Agencies Ltd. in London.

"We are asked to provide extra money on the layers."

And, London brokers are getting increased orders, says Brian Hibbert, chairman of Bowring Marine Insurance Brokers Ltd. and Bowring Non-marine Insurance Brokers Ltd. "Instead of 50% of an order being placed in London, now it is 60%," he said.

And, accounts that Lloyd's brokers have not been asked to quote on at all are now being presented to them, said Nigel Chamberlain, joint managing director of C.E. Heath & Co. International Ltd.

But, rates are up in London.

Mr. Wilson said rates quoted by Weavers are around 25% higher for most accounts, but companies with bad loss experience could be hit with increases of 100% to 200%.

"Things are coming back," agrees Robin Jackson, director of Merrett Holdings P.L.C., "and rates are going up quite a bit—40% to 50%."

"For a number of years London underwriters have been surprised at the low premiums U.S. underwriters were quoting," pointed out Peter Foster, director of J.H. Minet & Co. in a conference call with Barry Beamish, managing director of the North American division of J.H. Minet, and Colin Bird, executive director of the North American division.

"But the signs now are that underwriters have had enough in the United States. And there is anticipation rather than a reality that more business is coming back to London," said Mr. Foster.

"More people are talking to us... That is
Continued on page 130

Insurance will pay only a fraction of the value of racehorse Swale

By MICHAEL BRADFORD and STACY SHAPIRO

PARIS, Ky.—The insurance covering Swale, winner of the Kentucky Derby and Belmont Stakes, will only pay a portion of his projected value of \$40 million to \$50 million.

The six-member partnership that owned the 3-year-old colt insured Swale for about \$14 million, according to sources in the industry.

London sources said last week that \$10.5 million in coverage, representing 75% of the total coverage on Swale, was placed through Lloyd's of London broker Hughes-Gibb Co. About 50% of this amount was placed with Lloyd's and other London underwriters, sources say.

Swale, sired by 1977 Triple Crown winner Seattle Slew, died after a routine 1½-mile gallop June 17 at Belmont Park in Elmont, N.Y. He won \$1.58 million in his 11-month racing career, including nine victories.

Based on earnings of similar horses that were retired from racing for breeding duties, racing industry experts predicted Swale could have earned more than \$40 million in stud fees during his lifetime.

The portion of Swale's coverage placed by Hughes-Gibb was brokered by the Clay Ward Agency in Paris, Ky., for the Raceland Partnership, the six-member group that owned the thoroughbred, says Shack Parrish, vp and general manager of the agency.

The rest of the coverage was placed by Kiger-Parks Insurance Group of Lexington, Ky., with American Livestock Insurance Co. for Peter Brant, who owned a 25% share of Swale. Mr. Brant also owns Conyers Farm, a Connecticut
Continued on page 130



Photo: Wide World

Insurance will cover only part of the value of Swale, winner of the Kentucky Derby and the Belmont Stakes.

New 501(c)(9) proposal doesn't please employers

By JERRY GEISEL

WASHINGTON—Employer groups say a compromise proposal that would effectively limit the reserves that could be held by 501(c)(9) benefit trusts and experience-rated benefit insurance plans is not acceptable.

Employers last week were lobbying the congressional conference committee that is drafting tax legislation not to accept the proposed compromise because it would discriminate against companies that operate 501(c)(9) trusts or have experience-rated plans outside of a collective bargaining agreement.

The proposed compromise stems from a provision in the tax bill passed by the House that says employers cannot deduct contributions to 501(c)(9) trusts or premiums paid to experience-rated plans if the reserves held by the trusts or plans exceed 75% of the average claims paid out over the firm's two most recent tax years (BI, April 23).

Employers argue that reserve limits would be inadequate to fund long-term benefit obligations, like long-term disability and post-retirement health care coverages, where benefits may be paid for decades.

The Senate tax bill, H.R. 2163, does not contain this restriction on benefit reserves. Instead, the Senate bill would impose financial penalties on employers if too many 501(c)(9) trust benefits are paid to top executives, a provision that employers generally endorse.

To reconcile this difference between the House and Senate bills, House Ways and Means Committee staffers drafted a compromise for the conferees to consider.

Under that proposal, employers could not receive tax deductions if the reserves established to pay for long-term disability benefits exceed 75% of the annual pay of the company's disabled workers or \$90,000 per worker, whichever is less.

Also, the reserves for short-term disability benefits could not exceed 17.5% of benefits paid out the previous year, plus the company's administrative costs.

In addition, reserves for medical and hospitalization coverages could not exceed 35% of benefits paid out the previous year, plus administrative costs.

The compromise, however, would bar the use of 501(c)(9) trusts or experience-rated plans to fund post-retirement health care benefits.

Experts say the limits contained in the compromise, with the exception of the ban on reserves for post-retirement health benefits, would be much more palatable for employers who use 501(c)(9) trusts.

These limits should allow most trusts to accumulate sufficient reserves to pay benefit obligations, including long-term disability benefits, says John Hickey, a partner at benefit consultant Kwasha Lipton in Fort Lee, N.J.

However, Mr. Hickey said the ban on reserves for post-retirement health benefits was not a realistic proposition.

And, some business groups argue the compromise is not acceptable because of a provision that was not contained in either of the original House and Senate bills.

According to the compromise, the reserve limits would only apply to 501(c)(9) trusts and experience-rated plans that are not set up as part of a collective bargaining agreement. Employers who contribute to the trusts or plans as part of a labor agreement would not have to observe the reserve limitations.

Employers have been quick to denounce the proposal as a violation of government neutrality on labor-management issues.

The proposal "suggests a new tax principle giving preference to unionized agreements," said a statement released by the U.S. Chamber
Continued on page 134

'If adopted, (the proposal) would... encourage the unionization of employees,' the Chamber says.

update

House panel OKs Superfund bill

Continued from previous page

which companies that generate or dispose of toxic waste could be held jointly and severally liable for damages claimed by individuals.

The bill, H.R. 5640, would authorize the expenditure of \$9 billion over five years under the Comprehensive Environmental Response, Compensation and Liability Act. The bill now goes to the House Public Works and Transportation Committee. That committee has until July 24 to report out the reauthorization measure.

House Speaker Thomas P. O'Neill Jr., D-Mass., has agreed to bring the bill to the House floor during the first two weeks of August, according to a spokesman for Rep. James J. Florio, D-N.J., sponsor of the reauthorization measure.

Insurer files Manville motion

SAN FRANCISCO—Travelers Indemnity Co. has filed a motion detailing alleged concealment of information by Manville Corp. relating to asbestos operations going back to the 1930s.

The filing comes three weeks after announcement of a tentative \$315 million settlement between Manville and its three major insurers—Travelers, Home Insurance Co. and Lloyd's of London. Manville is suing 27 insurers in San Francisco Superior Court, claiming it is entitled to more than \$600 million in insurance to help compensate asbestos victims.

Manville said earlier that the agreement would probably be signed within three weeks and that the insurers would subsequently be dismissed from the suit. Last week, attorneys for Travelers and Manville said that the settlement is not in jeopardy and that it will probably be signed in two to four weeks.

Manville General Counsel Richard Von Wald and Travelers Associate General Counsel George McKeon said both parties were continuing with the litigation until the settlement is signed.

The motion was filed at this time because of a "technical legal procedure" that, if not followed, would have jeopardized Travelers' right to amend its answer if the settlement ultimately does not work out, Mr. McKeon added.

Among the allegations in Travelers' filing are that Manville knew as early as the 1930s that conditions in its facilities were unhealthy and that it failed to take steps to protect its workers.

TMI cleanup funds expected

WASHINGTON—Recent action by a utility industry trade group could free more than \$81 million for cleanup of the Three Mile Island nuclear plant near Harrisburg, Pa.

The Edison Electric Institute, which organized a program in January 1983 to raise \$150 million for the cleanup, last week decided to waive a requirement that pledges from individual utility companies reach a \$100 million threshold before funds would be released.

So far, the fund has received only \$81 million in pledges, which contributing utilities will take as tax deductions, an EEI spokeswoman said.

The action by EEI's board of directors clears the way for the first of six annual payments to be made by Jan. 1. The money will go to General Public Utilities Corp. of Mountain Lakes, N.J., owner of the TMI plant, which was damaged March 28, 1979, in the worst accident in the history of commercial nuclear power industry.

At its targeted funding level of \$150 million, the EEI program would contribute \$25 million each year to the cleanup. At its present level, payments would amount to only \$13.5 million per year.

Any shortage below the targeted \$25 million annual payment will be made up by contributions from GPU and from neighboring utilities in Pennsylvania and New Jersey.

The "overwhelming reason" for EEI's action is to ensure that cleanup continues after January, when a shortage of available funds might have hampered GPU's efforts, the EEI spokeswoman said. GPU estimates that the total cost of the cleanup will hit \$1 billion. About \$410 million has already been spent.

Most of this has come from GPU's property insurer, American Nuclear Insurers of Farmington, Conn., which provided \$300 million in coverage at the time of the accident. ANI completed paying the limits of the policy May 1.

Workers comp fund bill passed

SACRAMENTO, Calif.—A statewide guaranty fund to provide workers compensation benefits to employees of failed self-insured businesses whose security bonds are insufficient or inaccessible is one step closer to being established.

The state Assembly passed A.B. 1285 June 14 by a vote of 77-0. The bill had cleared the state Senate May 31, and it is now awaiting the governor's signature, which is expected. Since the legislation has been given urgency status, it will take effect at that time.

The bill would initially produce a fund of \$1.6 million to \$1.8 million. The fund is expected to be tapped immediately to expedite payment of benefits to employees of California Cannery & Growers, a cooperative that filed for bankruptcy in June 1983 without adequate funds to cover its work comp liabilities (BI, April 9, June 4).

index

Classifieds	132	Chicago, Ill. 60611. Second-class postage is paid at Chicago, Ill., and at additional mailing offices. Postmaster: Send address changes to Business Insurance, circulation department, 740 Rush St., Chicago, Ill., 60611; 312-649-5221. Copyright 1984 by Crain Communications Inc.
Insurance services guide	134	
Letters	8	
Opinions	8	
Spotlight report	3	
Ticker	135	
Vol. 18, No. 26—Business Insurance (ISSN 0007-6864) is published weekly at 740 Rush St.,		

Primary asbestos insurers ruled liable for legal costs

By STEPHEN TARNOFF

CHICAGO—In one of the broadest decisions on allocation of defense costs in asbestos coverage disputes, Raymark Corp. is guaranteed its primary insurers will pick up virtually the entire tab for legal services.

In a decision handed down June 15, Cook County Circuit Court Judge James C. Murray ruled that primary insurers on pre-1967 policies have an unlimited duty to defend asbestos defendants even if policy limits are exhausted. In at least two other asbestos coverage cases, courts have ruled similarly that primary insurers on pre-1966 policies have an unlimited duty to defend.

Moreover, Judge Murray ruled that under post-1967 policies, primary insurers of asbestos defendants must continue to provide defense for cases they are currently defending even if policies are exhausted.

He is apparently the first judge to make such a ruling in an asbestos coverage case.

However, he added that insurers on post-1967 policies—unlike those on pre-1967 policies—in general do not have an unlimited duty to defend after limits are exhausted.

Barring a successful appeal by the insurers, Judge Murray's ruling means that Raymark's \$370 million in excess liability insurance can be tapped solely to indemnify asbestos injury damages assessed against it and

does not have to be used for defense costs, Raymark says.

"Defense costs represent a major portion of asbestos litigation expense," said Frederick J. Ross, Raymark's president and chief executive officer. "With this decision, our excess coverage will not be depleted by defense costs, and more insurance will be available to meet the liability costs associated with current and future asbestos litigation."

The decision also paves the way for Raymark of Trumbull, Conn., to recover more than \$20 million it has itself paid in defense and liability costs in asbestos-injury cases—plus interest.

Judge Murray's decision expands on an opinion he handed down last September that said Raymark's primary insurers during asbestos victims' exposure to the hazardous fiber and primary insurers on Raymark's risk when asbestos diseases are manifested—but not necessarily insurers at risk during the disease latency period—are liable. (BI, Oct. 10).

Since that decision, the insurers have been sharing Raymark's defense and indemnification costs under an interim order issued by Judge Murray last November and modified last February, which established a \$1.5 million trust fund (BI, Dec. 5).

Primary insurers named in the suit are Zurich

Continued on page 133

Minet, A&A offer to pay P.C.W. loss

By STACY SHAPIRO

LONDON—Alexander & Alexander Services Inc. and Minet Holdings P.L.C. are willing to pay 1,100 Lloyd's of London members of P.C.W. Underwriting Agencies Ltd. 38.17 million pounds (\$52.29 million) to cover almost all losses for the years 1979-81 for which the members are liable.

In return, the members would have to agree not to sue.

The members of the Minet-controlled syndicates have been called on by Lloyd's to pay \$38.9 million pounds (\$53.29 million) by July 21 to cover losses incurred by six P.C.W. syndicates (BI, June 4). Originally, members were to pay this money by last week, but Lloyd's extended the deadline.

The losses resulted from the alleged misappropriation of reinsurance premiums and underreserving for claims, Minet has charged. Some members with larger shares in the syndicates face up to 250,000 pounds (\$342,500) in losses, said Graham White, managing director of P.C.W.'s successor agency, Richard Beckett Underwriting Agency.

Continued on page 133

LA chief, agent/broker editor join Business Insurance staff

CHICAGO—Business Insurance has appointed a new bureau chief in its Los Angeles office and a new associate editor for its Agent/Broker Topics section, announced Editor Kathryn J. McIntyre.



Mr. Finlayson

Robert A. Finlayson, 27, is the new Los Angeles bureau chief. Mr. Finlayson was an editor of Chemical Regulation Reporter, a publication of the Bureau of National Affairs Inc. in Washington before joining BI June 18.

Before that, he was editor of Hazardous Waste News, a weekly newsletter based in Washington covering environmental issues related to toxic chemicals and waste.

He also previously was a Washington correspondent for a number of newspapers in the Northwest.

He is a 1978 graduate of the University of Maryland with a bachelor of science degree in journalism.

Besides directing the operation of BI's LA office, Mr. Finlayson will be reporting on environmental liability issues and other risk management and benefit topics. He can be reached at 213-651-3710.

In Chicago, Linda J. Collins joins the staff as associate editor of Agent/Broker Topics, a demographic section published monthly by Business Insurance for insurance agents and brokers.

Ms. Collins, 28, formerly was managing editor of Rough Notes, an agent's trade magazine based in Indianapolis, where she worked the past 4½ years.

Ms. Collins is a graduate of Purdue University in West Lafayette, Ind., and also has a Certificate in General Insurance from the Insurance Institute of America. She can be contacted at 312-649-5482.

Ms. Collins

Multiemployer pension amendment upheld

By JERRY GEISEL

WASHINGTON—Employers that left underfunded multiemployer pension plans during a five-month period in 1980 are on the line for tens of millions of dollars in withdrawal liability payments to the plans, the Supreme Court says.

The court last week unanimously upheld a retroactive provision in the Multiemployer Pension Plan Amendments Act of 1980 that says employers that left the plans before President Carter signed the law—but after its effective date—can be slapped with withdrawal liability charges.

Congress can make a law's effective date retroactive as long as it has a rational legislative purpose in doing so, said Justice William Brennan, who wrote the decision.

"We believe it was eminently rational for Congress to conclude that the purposes of the MPPAA could be more fully effectuated if its withdrawal liability provisions were applied retroactively," the high court said.

The recent Supreme Court decision means that, unless Congress overturns the ruling, dozens of employers that withdrew from the plans between April 29, 1980, the law's effective date, and Sept. 26, 1980, the date that the law was signed, will have to pay their debts to the

plans.

The Pension Benefit Guaranty Corp. estimates that the decision will have an impact on at least 74 employers that owe plans about \$70 million in withdrawal liability payments. But some pension attorneys say the decision may affect hundreds of employers that withdrew from the plans during that five-month period.

The decision only resolves whether the retroactive provision in the act is constitutional. It does not settle whether the entire act is constitutional, an issue that someday could come up in another case.

The 1980 law plugged a loophole in the Employee Retirement Income Security Act of 1974 that, according to a 1978 PBGC report, actually encouraged employers to withdraw from multiemployer plans.

For example, before the passage of the Multiemployer Amendments Act, an employer could withdraw from a plan and not pay a single dollar promised to participants as long as the plan didn't fold within five years of withdrawal.

To discourage employers from leaving underfunded plans, and thus dumping the plans' liabilities on remaining employers, the Multiemployer Amendments Act says that companies withdrawing from multiemployer plans would have to pay a share of the plan's

Continued on page 132

Top 20 brokerages struggle in storm of damaging forces

By KATHRYN J. McINTYRE

The repercussions of yet another dismal year for the commercial insurance brokerage business are echoing throughout the offices of the 20 largest U.S.-based insurance brokers.

Top executives and management committees—many of them newly appointed—are reorganizing and reorienting their companies. Among the recurring themes: Expand employee benefit business, seize opportunities in reinsurance brokerage, beef up mass-marketing and dedicated insurance programs, specialize in growth areas and retrench from unprofitable business and offices.

And, control expenses.

Higher property/casualty insurance rates would help, the brokers add, but most agree at best they see signs of higher rates and/or reduced capacity in selected difficult classes of risks.

The 20 largest U.S.-based brokers were squeezed from every side in 1983, stunting their collective revenue growth for the second year running.

Collectively, the revenues of the Top 20 U.S. brokers grew just 2.1% to \$3.2 billion, the lowest in the 13 years that *Business Insurance* has tracked the brokers' growth (see chart, page 1). The Top 20's 10% revenue growth in 1982, which marked the first slowdown in the brokers' growth in 12 years, now appears enviable.

In 1983, as in 1982, growth from acquisitions played a factor in collective revenue growth for the 20 largest brokers.

Several brokers also suffered declining profits.

You name it, it went wrong for the brokers in 1983:

- Lower interest rates slashed the investment income brokers earned on the premiums they collect from clients before turning premiums over to insurers.
- Competition among insurers raged throughout 1983, cutting further into the commissions brokers earn for placing insurance.
- The strength of the U.S. dollar against foreign currency sapped the strength from healthy international

operations when foreign results were translated for consolidated statements.

• More money had to be poured into underwriting subsidiaries with inadequate reserves and bond trading losses surfaced at the world's largest broker.

Buffeted by these forces, holding their ground was the best most of the brokers could do.

Sixteen of the 20 brokers did hold their relative positions in the marketplace, a fact somewhat obscured by the addition to the Top 20 chart for the first time of the U.S. operations of Canada's Reed Stenhouse Cos. Ltd. The addition of Reed Stenhouse in the No. 11 spot, made in recognition of its strong U.S. presence with \$50.9 million in U.S. revenues, bumped each of the smaller members of the Top 20 brokers down a notch.

The other most notable shake-ups among the Top 20 in 1983 were the departure of Dinner Levison Co., No. 19 last year, which was acquired by fifth-ranked Fred S. James & Co., and the emergence of Robinson-Conner Inc. as the 18th-largest broker, up from No. 25 last year on the strength of a string of acquisitions.

Also, Poe & Associates Inc. fell three slots to No. 16, while John L. Wortham & Son fell to No. 20 from 17th place. Both brokerages showed revenue declines: Poe's revenues slid 1.3% to \$20.7 million due to losses on underwriting operations, while Wortham's revenues dipped 0.9% to \$14.3 million, reflecting the slowdown in the Texas economy.

Among the next 80 largest U.S. brokers, which collectively produced revenues of \$379 million (only \$14 million more than third-ranked Frank B. Hall & Co. Inc. alone), 27 new brokers are listed compared with last year and four that participated in the *BI* survey last year declined to do so this year. The new cutoff for making the Top 100 is \$2.15 million in 1983 gross revenues, up from \$1.42 million in 1982.

Among the Top 20, four other brokers in addition to Poe and Wortham saw their revenues decline in 1982. Hardest hit: eighth-ranked Bayly, Martin & Fay, whose revenues fell 5.7% in 1983 to just under \$80 million, due

Continued on next page

The 20 largest U.S.-based brokers were squeezed from every side in 1983.

Dollar's strength aids U.S. brokers

The strength of the U.S. dollar helped the American companies listed in *Business Insurance's* ranking of the world's largest insurance brokerages.

The dollar's muscle knocked two foreign brokers completely off the list, while the weakness of the pound and a change in British accounting rules hurt the British members of the Top 20.

Four U.S. brokerages, led by Marsh & McLennan Cos. Inc., head the ranking, which is based on the com-

panies' 1983 gross revenues.

The largest non-U.S. broker, Britain's Sedgwick Group P.L.C., dropped a notch to fifth place behind Johnson & Higgins, which held the No. 5 spot last year.

One of the reasons behind Sedgwick's fall was the strength of the dollar. If the year-end 1982 exchange rate had been used to convert Sedgwick's 1983 results into dollars, the Lloyd's broker would have posted revenues of \$335.5 million, just \$100,000 less than fourth-place Johnson & Higgins.

And if Sedgwick had not excluded the results of companies in which it holds a minority interest, as now required by British law, the London brokerage would have maintained its former position as the world's fourth-largest broker.

In addition, the weakness of the pound cost Jardine Insurance Brokers Ltd. 10th place, while Bain Dawes P.L.C. would have moved ahead two places if the value of the pound had not weakened during 1983.

But the two biggest victims of the strong dollar do not even appear in the rankings.

The strength of the dollar against the French franc knocked Groupe Faugere & Jutheau off the chart from 18th place last year. F&J's actual revenues increased 13.4% in 1983, but currency conversion reduced its revenues stated in dollars to \$48.6 million from \$53.2 million in 1982.

A broker in much the same position was Dutch-based Hudig-Langeveldt Groep B.V., which was inadvertently omitted from the 1982 rankings even though its 1982 revenues of \$55.9 million would have put it ahead of F&J. Hudig-Langeveldt saw its 1983 revenues shrink to \$47.7 million when converted from guilders to dollars. That was not good enough to make this year's Top 20.

Only one new face appeared in this year's listing: Arthur J. Gallagher & Co. Gallagher, whose revenues increased 10.1% in 1983 to \$53.4 million, took the No. 18 spot that was vacated by F&J.

With the addition of Gallagher, 10 of the world's 20 largest brokers are based in the United States. Eight are British-owned companies, while two are headquartered in Canada.

Three of the foreign brokerages in the Top 20—Jardine, Reed Stenhouse Cos. Ltd. and Hogg Robinson Group P.L.C.—have affiliates that are ranked among the 20 largest U.S. brokers.

Profiles of the largest U.S. brokers begin on page 10, while the largest foreign brokers are profiled beginning on page 125.

The next top 80 U.S. brokers

Company	Gross Revenues
21. Rhulen Agency Inc.	\$14,014,000
22. McDonough Caperton Insurance Group	13,500,000
23. Walter Kaye Associates Inc.	13,322,000
24. B.R.I. Coverage Corp.	12,100,000
25. McGriff, Seibels & Williams Inc.	10,707,187
26. Frenkel & Co. Inc.	8,585,000
27. FBS Insurance	8,250,000
28. Rebsamen Insurance	8,033,042
29. Olliver/Pilcher Insurance Inc.	7,787,213
30. The Redland Group	7,769,061
31. Cal-Surance Associates Inc.	7,288,000
32. Brown & Brown Inc.	6,990,400
33. Frank Crystal & Co. Inc.	6,645,000
34. Keenan & Associates	6,600,000
35. Robert F. Driver Co. Inc.	6,500,000
36. Carswell Insurance Group Inc.	6,184,000
37. Holmes, Murphy & Associates Inc.	6,041,535
38. Lawrence Agency Corp.	6,010,000
39. The Leavitt Group	5,998,176
40. Meeker Sharkey Financial Group	5,800,000
41. North American Insurance Agency Inc.	5,530,042
42. Kendall Insurance Inc.	5,335,000
43. Haas & Wilkerson Inc.	5,000,000
43. J. Smith Lanier & Co.	5,000,000
45. The Daniel & Henry Co.	4,998,032
46. Insurance Management Associates Inc.	4,834,208
47. ISU/Hastings-Tapley Insurance	4,725,911
48. Alliance Brokerage Corp.	4,500,000
48. Thomas E. Wood Inc.	4,500,000
50. NIA Ltd./National Insurance Associates	4,498,000
51. MacIntyre, Fay & Thayer Insurance Agency Inc.	4,457,841
52. The Lockton Insurance Agency Inc.	4,316,000
53. Meadowbrook Insurance Group	4,300,000
54. Mahoney & Wright Insurance Agencies	4,256,000
55. Sander A. Kessler & Associates Inc.	4,236,156
56. McElroy-Minister Co.	4,214,103
57. Laub Group Inc.	4,130,000
58. Atkins Insurance Corp.	3,932,000
59. S.H. Gow & Co. Inc.	3,926,716
60. Babb Inc.	3,900,000
61. Walter P. Dolle Inc.	3,815,000
62. Anderson & Anderson Insurance Brokers Inc.	3,800,000
63. Fred A. Moreton & Co.	3,771,000
64. Warren & Welsh Co.	3,666,000
65. Arthur L. Owen Co. Inc.	3,655,000
66. Henderson & Phillips Inc.	3,650,000
67. John M. Riehle & Co. Inc.	3,600,000
68. Insurance & Risk Management	3,573,000
69. Lasher-Cowie Agency Inc.	3,568,974
70. Wisenberg Insurance Agency	3,500,000
71. Mack & Parker	3,456,599
72. W.K.P. Wilson & Son Inc.	3,400,000
73. American Coverage Corp.	3,315,000
74. ISU/Pierson & Smith Inc.	3,238,000
75. Associated Agencies Inc.	3,230,767
76. Lester Eckert & Co.	3,200,000
77. MDM Associates	3,110,000
78. Richard N. Goldman & Co.	3,100,000
78. Marshall & Sterling Inc.	3,100,000
80. Foa & Son Corp.	3,042,000
81. Brandow, Howard, Kohler & Rosenbloom Inc.	3,000,000
81. Kelter-Thorner Inc.	3,000,000
81. U.S. Shelter Insurance Group	3,000,000
84. ISU/Ulrich Voorhees Warner Associates	2,963,000
85. Seitlin & Co.	2,910,643
86. Montgomery & Montgomery Inc.	2,900,000
87. James Econn & Co.	2,792,167
88. Baumann & Ozzie Financial Group Inc.	2,700,000
89. Wharton/Lyon & Lyon	2,631,982
90. Harris & Co.	2,571,000
91. Mason-McDuffie Insurance Service Inc.	2,500,000
92. Robertson-Ryan & Associates Inc.	2,367,000
93. Blumencranz, Klepper & Wilkins Ltd.	2,360,000
94. ISU/Midwest Commerce Insurance	2,353,646
95. Woodsmall, Frick & Innis Inc.	2,353,000
96. Paul Hertel & Co. Inc.	2,322,923
97. ISU/Euclid Insurance Agencies Inc.	2,250,825
98. Robert M. Schrayner Co.	2,200,000
99. Kinney, Pike, Bell & Conner Inc.	2,197,601
100. Calco Insurance-Brokers & Agents	2,150,000

Top 20 world brokers

Company	Gross revenues (in millions)
1. Marsh & McLennan (U.S.)	\$959.6
2. Alexander & Alexander (U.S.)	556.2
3. Frank B. Hall (U.S.)	365.2
4. Johnson & Higgins (U.S.)	336.6 ¹
5. Sedgwick Group (U.K.)	300.3 ²
6. Fred S. James (U.S.)	244.9
7. Reed Stenhouse (Canada)	225.4 ³
8. Willis Faber (U.K.)	181.7 ²
9. Corroon & Black (U.S.)	172.1
10. Rollins Burdick Hunter (U.S.)	122.5
11. Jardine Insurance Brokers (U.K.)	110.2 ^{1, 2}
12. Stewart Wrightson (U.K.)	96.7 ²
13. C.E. Heath (U.K.)	96.3 ²
14. Hogg Robinson (U.K.)	93.4 ²
15. Minet Holdings (U.K.)	91.4 ²
16. Bayly, Martin & Fay (U.S.)	80.0
17. The Crump Cos. (U.S.)	55.4
18. Arthur J. Gallagher (U.S.)	53.4
19. Bain Dawes (U.K.)	52.6 ²
20. Sodarcan Inc. (Canada)	51.2 ³

¹ Estimate.
² Conversion rate on Dec. 31, 1983—1 pound=\$1.45 (U.S.).
³ Conversion rate on Dec. 31, 1983—\$1 Canadian=76 cents (U.S.).

Brokers' worries

Continued from previous page partly to its former association with Baldwin-United Corp.

No. 15 Financial Guardian Group Inc.'s revenues fell 3.8% to \$21.5 million during 1983.

The No. 2 and No. 3 brokers, Alexander & Alexander Services Inc. and Frank B. Hall, held their revenue losses to 2%, posting 1983 revenues of \$556.2 million and \$365.2 million, respectively.

The biggest dollar gainer was Marsh & McLennan Cos. Inc., the world's largest broker. Its 3.8% growth in revenues to \$959.6 million represented \$35.3 million in new business—an amount larger than the 1983 revenues of 13th-ranked Emmett & Chandler Cos. Inc.

Against their own records in 1982, the biggest gainers in the Top 20 grew through acquisitions. Reed Stenhouse's 19.6% U.S. growth reflects the first full year of results

produced by its 1982 acquisition of Schiff Terhune International. Robinson-Conner boosted its 1983 revenues 56.3% to \$15 million by pooling the results of the brokerages and agencies it acquired in 1983 and 1984 in its 1983 results.

Only four other brokers produced double-digit growth. The Crump Cos. Inc.—No. 9—grew 12.4% to \$55.4 million, mostly with new business. No. 12 Jardine Insurance Brokers Inc. grew 11.3% to \$37.9 million, also owing to new business. No. 14 Republic Hogg Robinson Inc. grew 11% to nearly \$28 million in revenues, partly due to more employee benefits business.

Arthur J. Gallagher & Co. held its position as the 10th-largest broker with 10.1% growth to \$53.4 million. The company, which completed its initial public offering of \$1.21 million shares June 20 (after its profile on page 61 went to press), grew because of a "turned-on sales force" and an integrated approach

to risk management, says President Robert E. Gallagher.

Six Top 20 brokers besides M&M produced single-digit growth in gross revenues. Lawton-Byrne-Bruner, No. 19, grew 8.7% to \$14.7 million. Hilb, Rogal & Hamilton Co., No. 17, grew 7.4% to \$18.9 million. Emmet & Chandler, No. 13, grew 3.9% to almost \$31 million.

Also, Rollins Burdick Hunter Co., No. 7, grew 3.5% to \$122.5 million, and Fred S. James eked out 1.5% growth to \$244.9 million.

Business Insurance also estimates that Johnson & Higgins, the fourth-largest broker, grew 4% to an estimated \$336.6 million in gross revenues. As a privately held broker, J&H will not disclose its gross revenues for publication.

No. 6 Corroon & Black grew slightly, to \$172.1 million.

Collectively, the 20 largest brokers increased their employees by only 275, to 56,892.

Nine of the brokers cut staff, Hall

held steady at 7,000, and 10 increased their staff. The largest percentage increase was Robinson-Conner, which almost doubled its staff through acquisitions.

Reductions in staff contributed to the increase in revenues per employee for nine of the 15 brokers that showed increased productivity by this yardstick. The other six brokers with higher revenues per employee in 1983 than in 1982 increased their revenues more than they increased their staffs.

Collectively, the Top 20 brokers produced \$56,222 in revenue per employee in 1983, up from \$55,327 in 1982, when 56,617 employees produced \$3.1 billion in revenues.

Of the five with lower productivity in 1983, none cut staff against their falling revenues.

The highest revenues per employee were produced by 20th-ranked Wortham at \$63,733, followed closely by top-ranked M&M at \$62,013. Financial Guardian was

the only other broker to break the \$60,000 mark, with \$60,323.

Poe reported the lowest revenues per employee, \$44,467, but Republic Hogg Robinson was only slightly higher at \$44,974.

Among the 14 of the 20 largest disclosing profit information, seven reported increased profits: A&A, Corroon & Black, Crump, Gallagher, Jardine, Emmett & Chandler and Financial Guardian.

At two companies, increased profits came from one-time gains on the sales of operations and/or securities or a capital loss carryforward rather than operations. Corroon & Black and Emmett & Chandler both boosted profits using one or more of these opportunities.

Bayly, Martin & Fay said it produced a profit, contradicting statements contained in court papers.

M&M and Hall both reported lower profits, M&M's due to its bond trading debacle.

Poe reported its first operating loss, due to losses associated with its underwriting operations. Reed Stenhouse says it cut its losses.

James and RBH produced losses for their parent companies after the amortization of costs associated with their acquisitions.

The other six brokers, all privately held, did not comment on their profit performance.

The effect of lower interest rates on brokers' revenues was most dramatic at A&A, where investment income fell 44.6%. Hall's investment income fell 26%, and Corroon & Black's fell 20%. M&M's was off 12.5% even before the discovery of unauthorized trading in long-term bonds, which resulted in a 22% drop in M&M's 1983 investment income.

The continuing competition in 1983 cut further into the brokers' commissions. M&M reported flat property/casualty revenues, while these revenues fell 4.2% at A&A.

Those with large international operations suffered from the strength of the dollar against foreign currency. M&M's C.T. Bowring & Co, A&A's Alexander Howden Group, Hall's Leslie & Godwin and James' Wigham Poland all did better than the dollar-translated revenues would suggest.

But, these currency exchange problems have not dampened the brokers' enthusiasm for international expansion. Hall hired former AFIA Worldwide President Paul Butler this year to further develop its international business, and James moved its international headquarters to London from New York in search of more global revenues.

A&A and Poe suffered the most from underwriting subsidiaries, requiring that precious brokerage income be allocated to reserves that fell short of expected losses.

Some brokers got out of the risk-taking business. M&M divested its underwriting operations acquired with C.T. Bowring in 1980, using most of the \$123 million in proceeds to reduce the company's long-term debt. Only \$5.7 million was included in pretax income.

Emmett & Chandler completed its withdrawal from insurance and reinsurance underwriting by reinsuring the outstanding liabilities of its Bermuda-based insurer.

Almost all the brokers are more optimistic for the future.

J&H and Financial Guardian are each shooting for 15% revenue gains in 1984. RBH is targeting 10% in 1985 and plans to double its size in five years.

Eight of the 20 largest brokers have new management committees or new chief executives.

At A&A, a 1982 reorganization that created three U.S. regions was reversed and the regions were again consolidated into East and West for management control. And, Michael K. White, formerly an executive vp, was named president and chief operating officer.

Continued on page 6

IN BUSINESS, THERE'S MORE THAN ONE RISK.

THAT'S WHY YOU NEED A MORE-THAN-ONE-COMPANY AGENT.

Computer Crash. Pollution Liability. Product Recall. D&O Liability. Business Interruption Losses. Product Liability. Key Person Losses. These are just some of the many risks that businesses must face every day. What's the best way to manage these risks? Many risk managers turn to their Independent Insurance Agent. They know that an Independent Agent is a true professional who can recommend creative programs that

utilize traditional insurance, self-insurance, co-insurance, captives, or a combination that best suits the special needs of your business. And because Independent Agents represent several insurance companies not just one, they can help you select the best business coverages at the best price.

So no matter how big or small your business, it's a good idea to consult an Independent Insurance Agent. They're the

more-than-one-company agents ... and helping you manage your business risks is their business.

Contact your Independent Insurance Agent today. You'll find one wherever you find this symbol.



THE MORE-THAN-ONE-COMPANY INSURANCE AGENT.

Protecting the firm that builds excitement into flooring.



Can a *floor* be exciting? If it comes from Dollar Bay, Michigan it can. That's where the Horner Flooring Company turns out the equivalent of 100 acres of hardwood flooring, *annually!* Part of that goes into portable basketball floors all over the world — including a number of NBA sports arenas.

Wausau has provided business insurance to Horner for over 30 years. What's our record?

John Hamar, Horner's president says, "A good insurance company should advise its customers about whatever is

new and interesting. Wausau has done that for us. As changes occur, they keep us up-dated.

"We also feel we have an obligation to Wausau. It's a two-way street. We're 'teammates,' so to speak."

Our success in keeping Horner Flooring on a firm footing is why Wausau now carries six lines of insurance for this policyholder. And, just maybe, helps Horner get the jump on its competition.

Horner is a fast-growing company. Wausau *anticipates* their changing needs in business insurance.

There are two things you can count on:

**TIMES CHANGE.
WAUSAU WORKS.SM**



**WAUSAU
INSURANCE
COMPANIES**

Wausau.Wisconsin54401

Photographed at Michigan Technological University (also a Wausau policyholder).

Brokers' worries

Continued from page 4

cer of A&A Inc. to free A&A's parent company president, Tinsley H. Irvin, to concentrate on managing A&A Services.

At Hall, a new management committee was formed at the end of last year to plan and coordinate both long- and short-term goals and to review and coordinate all of Hall's worldwide activities.

James reorganized its five regional divisions into three and realigned reporting responsibility within its top management.

At Rollins Burdick Hunter, a new management team was disrupted when President and Chief Executive Officer Harold H. Hines Jr. died earlier this month. Mr. Hines, who had become president in November 1983, had replaced former RBH President Charles Hall, who resigned one year after Combined International

Corp. acquired RBH.

Mr. Hines already had restructured management at RBH by appointing managers of four newly created regions. Combined Chairman Patrick G. Ryan is now acting as chief executive.

At M&M Inc., the retirement of Alessandro C. di Montezemolo as chairman and chief executive officer was followed by the appointment of President Bruce Schnitzer as chief executive as well. Robert J. Newhouse Jr., who had been vice chairman of M&M Cos., became chairman of M&M Inc., and Robert Clements, former vice chairman of M&M Inc., became chairman of the brokerage subsidiary's newly formed executive committee.

At Jardine Insurance Brokers Inc., Harold R. Talbot became president and chief executive officer in February, replacing Bernard H. Mizel, who resigned.

Republic Hogg Robinson's management also is new. Charles E.

Keller became president and chief executive officer upon the December resignation of Alfred B. Schaeffer, the founder of the original company.

At Poe, Chairman William F. Poe expects improved sales under the leadership of new President V.C. Jordan, who rejoined the company when Poe acquired his agency.

While managements new and old struggle to combat falling property/casualty insurance revenues, many want more of the same growth in revenues generated in 1983 by employee benefit plans and consulting that offset—and in some companies more than compensated for—declines in property/casualty related revenues.

At Marsh & McLennan, the February acquisition of Meidinger Inc. by its William M. Mercer Inc. subsidiary has created a powerhouse of a benefits consulting group. Together with M&M Group Associ-

ates, which markets affinity-based group insurance plans, first-quarter employee benefits revenues shot up 41%.

Johnson & Higgins made five significant acquisitions of benefit and actuarial consulting businesses in its effort to expand its fee-based revenues generated by benefits and consulting operations.

James says it is discussing acquiring three unnamed benefit consultants.

Corroon & Black is diversifying into preferred provider organizations and health maintenance organizations via joint ventures.

Several of the primarily retail brokerage companies are looking for growth in their reinsurance intermediary operations as reinsurance rates rise. Those with facultative reinsurance brokers expect contractions in the treaty markets to drive up their business as ceding companies look for support.

• A&A expects its Thomas A.

Greene & Co. and Howden Reinsurance Brokers to grow rapidly in the coming years.

• Hall anticipates more activity from its Frank B. Hall (Re) Holdings.

• J&H has teamed up with its long time correspondent, Lloyd's broker Willis Faber P.L.C., to increase its North American reinsurance business.

• James is targeting new growth for its John F. Sullivan Co. subsidiary where James J. Meenaghan, the former president and chief operating officer of Fireman's Fund Insurance Cos., has become president.

• Corroon & Black's G.L. Hodson & Son Inc. opened new offices and expanded staff.

• Reed Stenhouse says that one of the fastest-growing U.S. branches is its reinsurance intermediary Sten-Re, Cole & Associates.

This diversification can be expected to further reduce the percentage of revenues the major brokers generate by traditional retail brokerage activities. Among the Top 20, the percentage of retail brokerage business—commissions and fees generated by placing insurance for clients—ranged from a low of 48% at Poe to a high of 93% at Wortham.

Whatever retail brokerage business they do, most of the brokers want to specialize in growing areas. Financial guarantees and political risk coverages are frequently mentioned.

The so-called middle-market account, defined variously by the brokers as ranging from \$5,000 in annual premiums up to \$500,000, is also targeted. Mass-marketing insurance programs to associations and attracting them as individual accounts to be placed with insurers to whom brokers have dedicated certain size and types of accounts are two popular strategies for developing this business.

This consolidation of accounts with fewer insurers is more economical for brokers and insurers and often pays increased commissions to the broker.

But, the brokers also say they are reducing the number of markets with which they will do business because they are concerned about the financial stability of some insurers. Of course, no one would name names.

While all the brokers would like to see increases in property/casualty insurance rates that would boost their commissions, some are also preparing for insurance buyers to turn to self-insurance if rate hikes become too high. Crump, for example, is expanding its claims administration services for just such a development. Emmett & Chandler is hoping a new surge in self-insurance will benefit its claims administration business, which has been hard-hit of late by the economic recession.

More brokers are expanding their risk management services in their quest for growth. RBH and Bayly, Martin & Fay both are marketing recently developed computerized risk management information systems.

Brokers also have retrenched from unprofitable offices and businesses, in sharp contrast to only a few years ago when it seemed the major brokers were expanding everywhere.

A&A, Corroon & Black, RBH, Bayly, Martin & Fay and Republic Hogg Robinson all closed offices in one or more cities.

Less-profitable accounts have been culled from some books. Financial Guardian sold some underwriting management operations to concentrate on retail brokerage. Emmett & Chandler has eliminated accounts producing less than \$1,000 in annual revenues.

Alphabet Scoop

ASSUREX INTERNATIONAL CORPORATION

providing Assurex partners with education and expertise to enhance client services

ASSUREX DEVELOPMENT CORPORATION

providing planning and financial assistance for partner agency perpetuation

ASSUREX GROUP INSURANCE TRUST

providing group life, accident and health coverage for small employer clients

ASSUREX RISK MANAGEMENT INSTITUTE

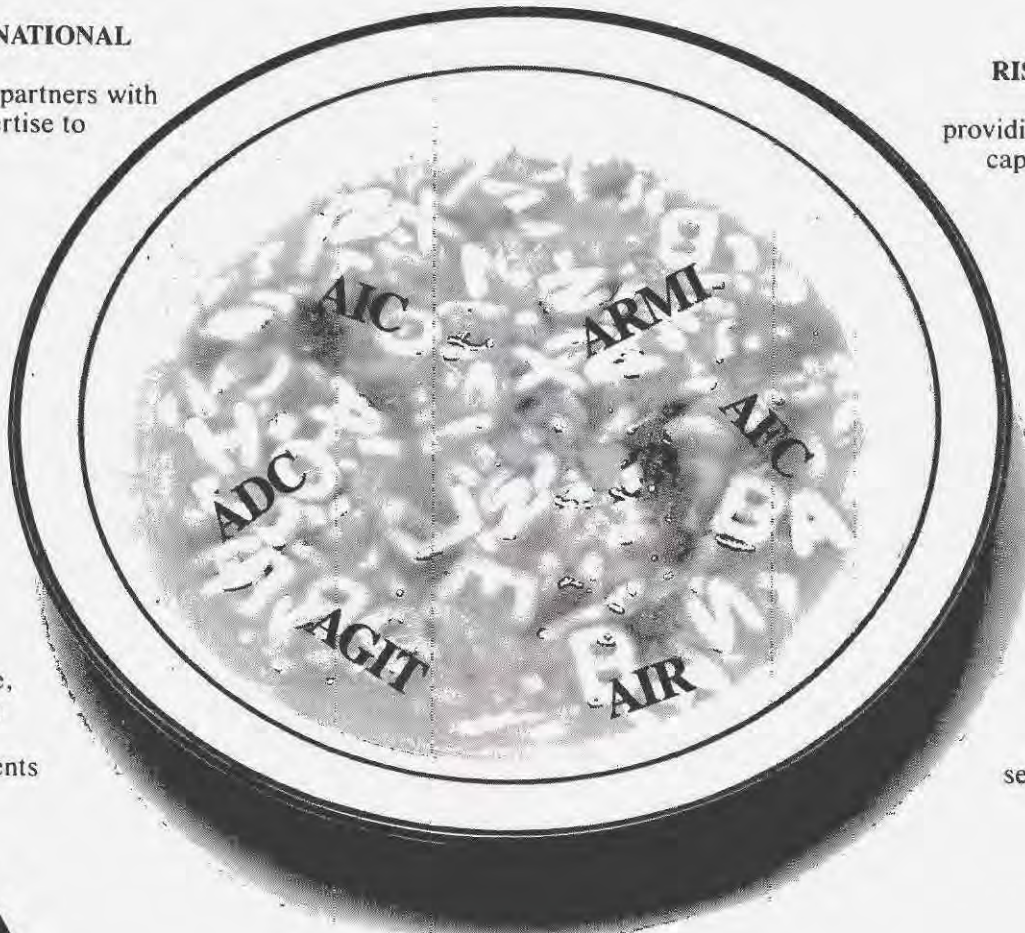
providing risk management capabilities to partners' clients

ASSUREX FINANCIAL CORPORATION

providing financial/investment products and services to qualified clients

ASSUREX INTERNATIONAL REINSURANCE, LTD.

providing cost effective coverage, services and reinsurance for a select group of clients



Assurex

For years, many of our clients have compared our services with "the alphabets." Which was flattering at a time when we wanted to be like them. Today, there's a whole new thrust to Assurex International. Owing to the special relationships which we are building with many leading insurance companies, Assurex is pioneering the development of innovative, new services for our partners and their clients. And what we've done so far is only a peek at tomorrow. Who knows, perhaps someday the alphabets will be flattered to be compared with us.

Six of Assurex International's worldwide partners are:

THE DANIEL & HENRY COMPANY
 100 North Jefferson
 St. Louis, MO 63103

DAY, WEBB AND TAYLOR
 3138 South Parker Road
 Aurora, CO 80014

McELDOWNEY, McWILLIAMS, DEARDEUFF & JOURNEY, INC.
 125 Park Avenue
 Oklahoma City, OK 73102

THE FRANKEL COMPANY LIEBERMAN/FRANKEL ASSOCIATES
 1051 Brinton Road
 Pittsburgh, PA 15221

GILLIS, ELLIS & BAKER, INC.
 135 St. Charles Avenue
 Suite 700
 New Orleans, LA 70130

MORSE, PAYSON & NOYES
 130 Middle Street
 Portland, ME 04112

At last! A company eager to write flexible benefits for your clients with as few as 500 lives.

The company with the stag.

It's not easy to underwrite flexible benefits for smaller groups. So it's not surprising that most other insurance companies are reluctant to even try.

At The Hartford, we know how to control the employee benefit-selection process and other variables to underwrite attractive flexible benefits plans for as few as 500 lives, or as many as 5,000 or more. That's what we do with StarscanSM, our own cafeteria-style benefits service. And we can apply our experience and expertise to underwrite *your* clients' plans—in a way that reflects their employee benefits philosophy.

We also offer an array of optional flexible benefits services. They include our localized and highly effective medical care cost containment program. And our innovative and affordable administrative software package—a stand-alone system that won't interfere with existing payroll processing.

The Hartford wants to underwrite your clients' flexible benefits programs. Contact David Washburn, Director of New Products, Hartford Life Insurance Company, 6 Griffin Road North, Windsor, CT 06095, (203) 683-8435.



THE HARTFORD

The Insurance People of **ITT**

opinions

A leader and a friend

THE COMMUNITY OF INSURANCE and risk management professionals lost an original thinker and a leader when Harold H. Hines Jr. died suddenly at age 59 this month.

Those who knew Mr. Hines personally, however briefly, also lost a friend.

Mr. Hines will be remembered for his contributions to broker Marsh & McLennan Inc., where he gave 12 years of his career, rising through the ranks from the small agency in Chicago that M&M acquired in 1968 to the president's office 10 years later.

Mr. Hines' contributions to Ryan Insurance Group, which he joined as president in 1980, and finally Combined International Corp., which acquired Ryan and later broker Rollins Burdick Hunter, are no less important, although the time he spent there was shorter. Combined and Rollins Burdick Hunter are heirs to the strategic plan Mr. Hines drew for marshaling the marketing and underwriting forces of the company.

But, Mr. Hines did not limit his contributions to corporations. He applied his intellectual curiosity and creativity to the broader issues of risk management and commercial insurance underwriting and marketing. He eschewed conventional thinking and delved deeper into the issues of the day, always questioning their impact on the future.

When many doubted the longevity of the emerging profession of risk management and risk-financing through captive insurance companies, for example, Mr. Hines was analyzing how these developments would revolutionize the way corporations fund for losses and transform the business of commercial insurance underwriting and marketing.

Mr. Hines analyzed interrelationships in the world of commercial insurance that others took for granted, such as the inherent conflicts in the relationship between brokers and risk managers.

And Mr. Hines shared his analyses and conclusions with the public, through speeches and articles. When Mr. Hines put pen to paper, he carefully constructed every sentence to capture every nuance. Some readers found his writing difficult to comprehend. But, an editor who asked Mr. Hines to translate one of his passages for the less ambitious reader always felt that something had indeed been lost in the translation.

Meeting Mr. Hines personally could be as taxing to the intellectually lazy as reading his articles. There was little small talk with Mr. Hines. He asked questions that made one stretch for the answers.

While committed to his profession, Mr. Hines was not a one-dimensional man. He was a devoted husband and father who cherished his family, and a community leader.

Mr. Hines' search for perfection in his work and his devotion to his family and the community of Chicago was most strikingly revealed when he resigned from Marsh & McLennan rather than move his family to New York, a move that he said was necessary to effectively function as president of the New York-based company.

Never arrogant or overbearing, Mr. Hines made personal friends with great ease. He took an interest in other peoples' goals and delighted in their accomplishments. One always left a meeting with Mr. Hines uplifted, intellectually and emotionally.

And, Mr. Hines was an ethical man. He believed that one's moral judgment could not be suspended while making business decisions.

As a successful businessman, an intellectual, a family man, a charitable man and a friend to many, Mr. Hines made a difference, not only in his profession of more than 30 years and in the institutions that he served, but also in the lives of those who knew him. He will be greatly missed.



Harold H. Hines Jr.

letters

Official adds to discussion of NAIC model act

To the editor: Your article on the NAIC-adopted model act designed to regulate public employer workers compensation self-insurance pools (BI, June 18) did not address an important point that I as the immediate past president of the pooling section of the Public Risk & Insurance Management Assn. feel is my responsibility to bring to your attention.

On June 5, Greg Berg, vp of the Connecticut Interlocal Risk Management Agency and representative of PRIMA, in concurrence with the National League of

Cities, reached an agreement with Jay Newman, senior vp of the American Insurance Assn. and J. Michael Low, director of the Arizona Department of Insurance and chairman of the NAIC Workers Compensation Task Force, that the model act was not meant to cover pools that provide more property/casualty coverage than just workers compensation in a multiline package. Therefore, no changes in the model act were necessary.

However, this agreement is significant as PRIMA and its constituents may confi-

dently take the position that the model act does not apply to pools with multiline coverage packages by virtue of the fact that it was never meant to cover them.

In this regard it is important for this point to become a matter of public record, and I would appreciate it if you would bring it to the attention of your readers.

David C. Epps
Executive Director
Missouri Intergovernmental
Risk Management Assn.
Columbia, Mo.

NAIC model work comp law not meant to address multiline pools

To the editor: The model law governing workers compensation pools for public entities that was adopted by the National Assn. of Insurance Commissioners earlier this month (BI, June 18) would have the effect of regulating multiline composite-rated intergovernmental self-insurance pools out of existence, or at the least, mandating such changes in their method of operations so as to negate the principal benefits of such arrangements.

I cannot believe that Gregory Berg could have said, as quoted in your article, that "And I think the bill will not do much to harm existing pools." That simply is not true as regards multiline pools in Illinois, Texas and Missouri, which are the only states in which such pools now

exist. (Intergovernmental Risk Management Agency, which was formed in Illinois on Jan. 1, 1979, was the first multiline, composite-rated intergovernmental self-insurance pool, and it is still the largest one.)

I believe that when the drafting committee forwarded its model bill to the full NAIC, they indicated that they did not intend it to include multiline pools.

Edward D. Hansen
Risk Manager
Intergovernmental Risk
Management Agency
Downers Grove, Ill.

■ Mr. Berg was commenting on the effect the model bill would have on workers

compensation pools. The application of the model law to multiline pools was not discussed until the final drafting session. When the issue was raised, the drafters of the bill said their intent was not to address multiline pools. No specific comment on this issue, however, accompanies the model bill, its drafters say.

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

business insurance®

Reporting weekly for corporate risk, employee benefit and financial executives

Publisher: Alfred Malecki (New York)

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

Managing Editor: Lorrie Gibson (Chicago)

Assistant Managing Editor: James M. Burcke (Chicago)

CHICAGO: Alison Kittrell (Copy Editor)
Carol Cain (Associate Editor)
Sallie J. Drury (Associate Editor)
Stephen Tarnoff (Associate Editor)
Linda J. Collins (Agent/Broker Topics Associate Editor)
Claudette Dampier (Assistant Copy Editor)
Amy Palmer (Graphic Artist)
Dorothy Parr Riesen (Proofreader)
Diane Kastiel (Editorial Assistant)
Marilou Jones (Directory Editor)

LONDON: Stacy Shapiro (London Editor)

LOS ANGELES: Robert A. Finlayson (Bureau Chief)
Steve Taravella (Associate Editor)

NEW YORK: Douglas McLeod (Bureau Chief)
Judy Greenwald (Associate Editor)

WASHINGTON: Jerry Geisel (Washington Editor)

Corporate: Joe Faraci (Corporate Art Director)

Advertising Director: Donald A. Walsh (New York)

Midwest Sales Manager: Robert L. Niesse (Chicago)

CHICAGO: Deborah D. Neale (District Manager)
Beverly J. Kluxdal (District Manager)
Fran Prybylo (Production Manager)

LOS ANGELES: Sue Eisenberg (District Manager)

NEW YORK: Charles A. Horvath (District Manager)
Jack Forrest (District Manager)
Nancy Ellen Zelman (District Manager)

Marianne J. Dueweke (Financial Advertising Manager)

Director of Communications: Ronnie I. Drachman
(New York)

EDITORIAL: Chicago: 312-649-5398
London: 01-404-4228
Los Angeles: 213-651-3710
New York: 212-210-0100
Washington: 202-662-7200

ADVERTISING: New York: 212-210-0133
Chicago: 312-649-5276
Los Angeles: 213-651-3710

COMMUNICATIONS: New York: 212-210-0132

CIRCULATION: Chicago: 312-649-5221

Published by Crain Communications Inc., Chicago

G.D. CRAIN JR.
Founder (1885-1973)

MRS. G.D. CRAIN
Chairman

KEITH E. CRAIN
Vice-chairman

S.R. BERNSTEIN
Chairman/executive committee

RANCE CRAIN
President

MARY KAY CRAIN
Treasurer

MERRILEE P. CRAIN
Secretary

JAMES M. FRANKLIN
Vp/finance

Published weekly at 740 Rush St., Chicago, Ill. 60611. Offices: 220 East 42nd St., New York, N.Y. 10017; Suite 814, National Press Building, Washington, D.C. 20045; 6404 Wilshire Blvd., Los Angeles, Calif. 90048; 20-22 Bedford Row, London WC1R 4EB, England. \$1.50 a copy. \$52 a year in U.S. Canada and all other foreign add \$14 for surface mail. Europe and Middle East only add \$44 for air delivery. First-class mail to U.S. and Canada only, add \$50. Bermuda only, \$97 per year expedited delivery. WILLIAM STRONG, vp-circulation. ROBERT FIORITO, circulation manager. ROGER DIGREGORIO, fulfillment director. Four weeks' notice required for change of address. Send subscription correspondence to Circulation Dept., Business Insurance, 740 Rush St., Chicago, Ill. 60611 or phone 312-649-5221. Telex 25-4248; Cable CRAINCOM. Microfilm copies are available from University Microfilms, 300 Zeeb Rd., Ann Arbor, Mich. 48013. Microfiche copies available: Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. Portions of the editorial content of this issue are available for reprint or reproduction in other media. For information and rates to reproduce in general circulation media, contact: ART MERTZ, The Crain Syndicate, 740 Rush St., Chicago, Ill. 60611, 312-649-5303. For reprints or reprint permission contact: Reprint Dept., Business Insurance, 220 E. 42nd St., New York, N.Y. 10017, 212-210-0229.



Member of Business
Publications Audit of Circulation



WHO IS SERVING THE CUSTOMER?

A glance behind recent headlines reveals a grim scenario unfolding within the insurance industry. Reports of non-insurance companies buying insurance companies, management shake-ups, and the start of withdrawals from the insurance marketplace indicate that a lot is going on. And much of it is bad.

Bad because there is destructive competition among a number of insurers with no better orientation than a short-term interest in cash flow. This, inevitably, leads to the discarding of sound underwriting standards in favor of price-cutting to attract new customers and retain current business.

In the long run a fixation with lower prices at any cost will hurt buyer and seller alike. Meanwhile, the entire industry's governing principles and stability are being compromised as more and more insurers, unable to make an underwriting profit, strain to make up for underwriting losses with investment income-or worse-financial wizardry.

Who, then, is serving the customer?

Certainly not those whose fascination with short-term gain hampers their ability to safeguard their customers' best interests.

Insurance is a business that cannot function without trust and confidence. The customer must believe that his legitimate claims will be paid. But how much confidence can insurance buyers really have today?

It is crucial that we return to a more stable

and responsible insurance marketplace. And it is you, the customer, who must lead the way. How?

- By trusting the reliable agent or broker, not the one merely chasing a bargain.
- By demanding products and services tailored to your needs and accepting nothing less.
- By insisting that the insurer to whom you entrust your present and future security has a firm commitment to sound underwriting.

There is no other way to be certain of the continuity and security you are paying for.

At American International Group, we have long recognized that it takes years to build a responsive, stable insurance organization. It cannot happen overnight.

We also recognize there is no shortcut to sound underwriting practices. No easy way to keep pace with customer needs. It takes a team of dedicated professionals. And hard work.

That's why our underwriters have to be the finest in the industry. It's why AIG has grown to be one of the world's largest and most successful international insurance organizations. And why we can offer comprehensive, coordinated coverages nearly anywhere in the world.

We know today's problems call for new solutions. And we will have them because of our one fundamental philosophy:

Serve your customers imaginatively and thrive. Serve your customers or else.



American International Group, Inc.
Corporate Headquarters, 70 Pine Street, New York, New York 10270

Bond trading losses not M&M's only worry

1

Marsh & McLennan Cos. Inc.

1221 Avenue of the Americas, New York, N.Y. 10024; 212-997-2000

	1983	1982
Premium volume	\$10 billion	\$10 billion
Gross revenues	\$959,591,000	\$924,294,000
Brokerage: Retail	52%*	51%*
Wholesale	3%*	3%*
Services	20%*	19%*
Other	25%*	27%*
Employees	15,474	15,791
Rev./employee	\$62,013	\$58,533
Offices	310	300

*BI estimate.

Even before the story of its massive bond trading losses began to unravel, Marsh & McLennan Cos. Inc. was fighting to survive another

year for the insurance brokerage industry.

Employee benefits and asset management services produced big gains for the world's largest brokerage holding company, but insurance services—M&M's largest revenue source by far—remained stagnant in 1983.

Overall revenues last year—after being restated to account for the bond losses—amounted to \$959.6 million, up only 3.8% from \$924.3 million in 1982. Growth was less than half of what it had been the previous year, when revenues rose 9.2% from \$846.8 million in 1981.

In order to shore up the erosion of revenues caused mainly by shrinking brokerage commissions, M&M last year:

- Expanded its employee bene-

fits consulting services with the acquisition of Meidinger Inc. by M&M subsidiary William M. Mercer Inc.

- Widened the operations of its Putnam asset management unit, which added several new mutual fund products.

- Broadened its financial services capability with the acquisition of National Economic Research Associates, an economic forecasting firm based in White Plains, N.Y.

- Continued its emphasis on specialized services for clients of various industries, and increased the ranks of "managing directors," experts who oversee the company's operations in various fields.

- Reassigned 400 domestic brokerage employees to work in the

company's group insurance division.

President L. Patton Kline's feelings about his company's performance last year appear mixed.

"We are very pleased with our company in all aspects of it that we consider to be under the control of our management and our fine professionals," Mr. Kline said. "The part that we're not altogether happy with is the fact that we have variables in our results."

Among the variables, he noted, were the soft insurance market and foreign exchange rates.

The continuing rate competition among property/casualty insurers put a stranglehold on brokers' commissions.

"Pricing of insurance is in a sense beyond our control," Mr.

Kline observed.

About 60% of the business at Marsh & McLennan Inc., the company's principal brokerage unit, comes from "risk management accounts," large, sophisticated clients with whom M&M negotiates its compensation in advance and where the brokerage expects to see most of its growth, according to Bruce W. Schnitzer, M&M Inc.'s president and chief executive officer.

This agreed-upon compensation may take the form of either fees or "controlled commissions," which are negotiated with the client.

The other 40% of the firm's business derives from "commercial brokerage accounts"—medium and small-sized insurance buyers—and from personal lines, where M&M takes a standard commission from insurers.

(Personal lines, placed mainly with Chubb Corp. for clients who are important to M&M for commercial reasons, account for less than 4% of revenues, Mr. Kline said.)

The effects of the soft market are felt in both groups, though M&M's "winners" have been mainly large risk management accounts and specialty risks such as satellites, offshore oil drilling and chemicals and pharmaceuticals, Mr. Schnitzer said.

Foreign exchange rates also hurt M&M's performance in 1983.

The U.S. dollar has been unusually strong against other currencies—especially the English pound sterling and French franc—and this has reduced the value of revenues produced outside the U.S.

Only about 50% of M&M's \$700 million in 1983 insurance and reinsurance brokerage revenues were produced in the U.S. Seventeen percent came from Europe, 17% from the United Kingdom, 5% from Canada and 11% from other countries.

"In both (Britain and France), we have had terrifically fine results during the last year and continuing into this year, but it's not reflected in our reports," Mr. Kline said.

Foreign exchange rates also have worked in favor of some M&M operations, though. C.T. Bowring & Co. Ltd., M&M's London-based brokerage subsidiary, reported that its 16% increase in operating revenues last year was due in part to the strength of other currencies against the pound sterling.

The biggest variable in M&M's performance last year, though, was one that some say should have been well within the company's control: the \$165 million pretax loss produced by "unauthorized" trading of intermediate and long-term government bonds by M&M treasury department personnel.

M&M Chairman John M. Regan Jr. recently announced that M&M had dismissed "six or eight" treasury department employees including Chester A. Gan, vp and treasurer; Richard O. Post Jr., vp and head of the company's investment management group; and Dorothy M. Conway, M&M's chief bond trader (BI, June 18).

In addition, Vp of Finance James W.S. Macdonald will be reassigned to as yet undetermined duties at M&M's London subsidiary, C.T. Bowring & Co. Ltd., though the move is not connected to the bond trading losses, according to Mr. Regan.

M&M first announced in early April that a \$2 billion bond portfolio, bought on margin beginning in April 1983, would produce a \$120 million pretax loss after liquidation. This translated to a \$60 million aftertax loss, which the company had planned to charge to

Continued on page 12

We don't make a single claim about our system.

We Make MultiClaims.™

Introducing an affordable packaged software system for medical, dental and disability claims.

Its name is MultiClaim.™

Lawson Associates designed it to give you an inexpensive but effective alternative to service bureaus, manual systems and limited capacity automated systems. An alternative that simply solves problems.

MultiClaim helps your clients contain health care costs. By providing coordination of benefits, verification of coverage at multiple levels, duplicate expense checking, historical tracking of deductibles and benefits, verification of charges using reasonable and

customary data, and calculation and payment of claims with full audit capability for claim check and account history.

MultiClaim holds down processing costs. By enabling you to buy an internal, turnkey solution for no more than several months of service bureau fees. Yet, at only a fraction of the cost of expensive systems that deliver the features you need, but also a lot

of frills you don't need. And MultiClaim grows as you grow.

Unlike other systems, it easily adapts to bigger, faster hardware. Or you can add clients without additional programming, because MultiClaim is fully parameterized.

Other features? Full data security. Fund account procedures. Extensive prompting and edit checks. And complete documentation, source code and onsite training are included in the price of this online system.

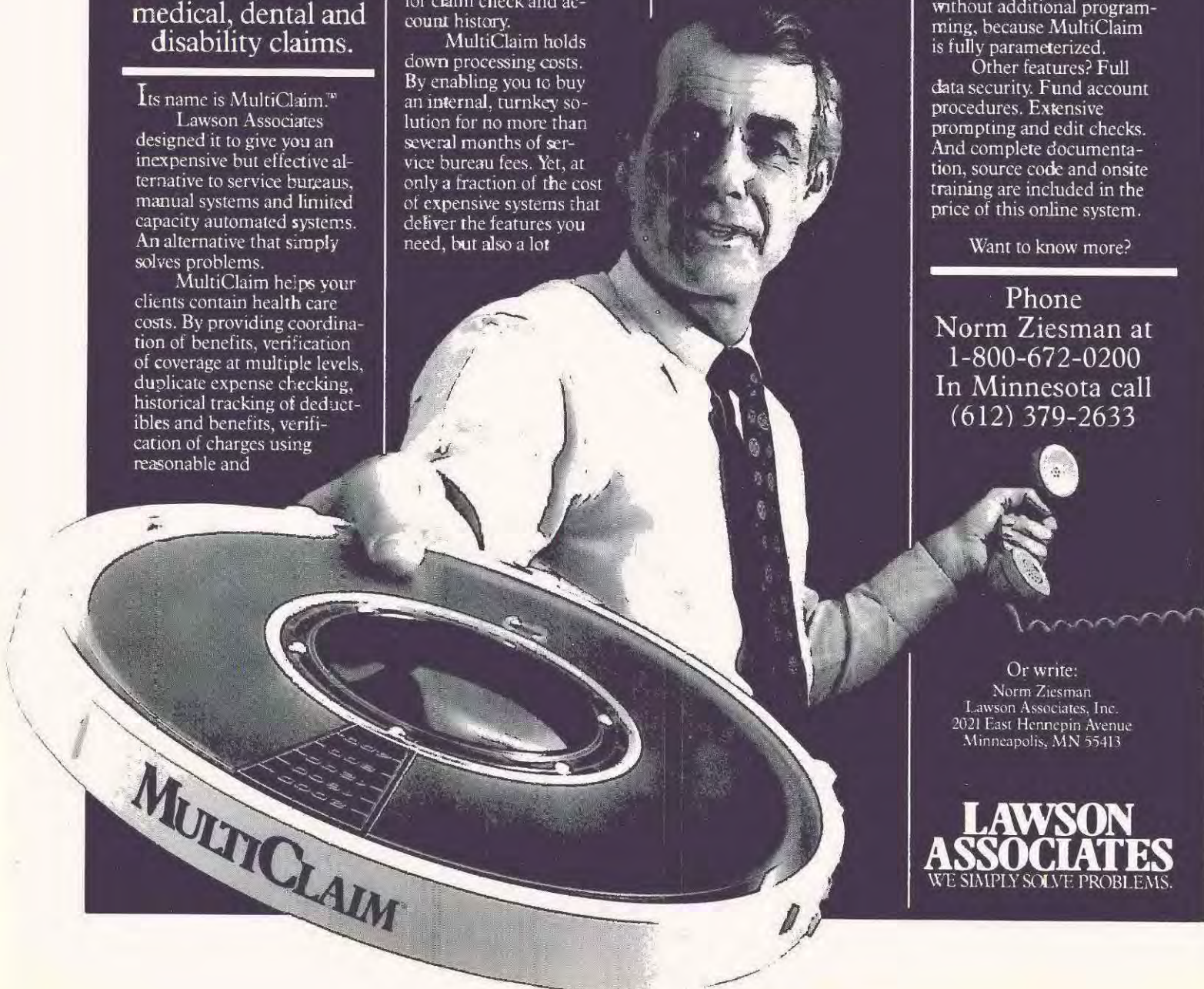
Want to know more?

Phone
Norm Ziesman at
1-800-672-0200
In Minnesota call
(612) 379-2633

Or write:

Norm Ziesman
Lawson Associates, Inc.
2021 East Hennepin Avenue
Minneapolis, MN 55413

LAWSON ASSOCIATES
WE SIMPLY SOLVE PROBLEMS.



Teamwork.

The first team in the field is still the leader.

The Structured Settlements Company, over ten successful years, has developed the one system that assures:

- The most effective third-party influence to achieve prompt settlement.
- Quality funding sources for structured settlements.
- The ultimate in fast, efficient and professional structured settlement service.
- Continuous access to a well-coordinated team of experts—nationwide—all thoroughly familiar with the details of your case.
- Coast-to-coast attendance at settlement conferences, at no cost to clients.

Many have entered the field since we originated it, but The Structured Settlements Company is still in a league by itself.

THE STRUCTURED SETTLEMENTS^{T.M.} COMPANY



JOE LONG



JOHN HARRIS



GREG HOLCOMB



MARK PERRY



LINDA WILCOX



JACK TURK



RICH CARROLL



PAUL DONLON



NEIL SMALL



LEN BEISER



MARK DICKSON



LEN BLONDER



HARVEY BENNETT



ALLAN WHITE



PETE KLINGLER



RAY STOLL



FRANK BARKER



STEVE HUSSEY

Tenth Season



AL DUPLACE

THE STRUCTURED SETTLEMENTSTM COMPANY

5757 West Century Blvd., Suite 620
Los Angeles, CA 90045-0023
800-421-2022 213-642-1999

1325 Snell Isle Blvd. NE, Suite 202
St. Petersburg, FL 33704-2426
800-237-6361 813-823-2666

Offices in:
San Francisco: 800-421-2022 415-391-0340
Cincinnati: 800-247-6200 513-861-6200
New York: 800-237-6361 212-938-7878

Continued from page 10
first-quarter 1984 earnings.

But in a review of the firm's cash and securities holdings begun after the bond position was discovered on April 5, M&M found more intermediate and long-term bond investments. After liquidating these positions, the company raised its loss estimate to \$165 million before taxes, or \$90 million after taxes.

Mr. Regan would not reveal the value of the newly discovered bonds, but said that the total position was under \$2.5 billion.

The company also found that client premium funds had been used to buy bonds and finance the margined bond purchases, a violation of New York insurance law that requires fiduciary funds to be deposited in banks or invested in bank certificates of deposit or money market accounts.

The state insurance department says it may impose sanctions ranging from a notice of violation to fines of \$100,000 or more.

The bond trading activity, the company said, had been "improperly reported" to conceal the bond trading from senior management.

Margin payments were entered in the company's books as purchases of new securities and bond coupon dates were entered as ma-

turity dates to disguise their long-term nature.

The bond portfolio was discovered by accident when an M&M treasury department official met with an executive of one of the bond



Mr. Kline

brokerages that had handled the trading.

Mr. Regan said that M&M senior management had approved the use of corporate cash and some fiduciary funds for trading in the "when issued" market, which involves government bond issues that have been announced by the U.S. Treasury Department but not actually issued yet.

Mr. Regan added that M&M did not intend to buy bonds with maturities of more than two years. However, the company found that its bond traders had acquired a substantial portfolio of bonds with maturities of more than two years and had entered into repurchase agreements by which the company acquired bond positions on credit.

Mr. Gan had approved the use of \$25 million to buy bonds with maturities of up to 30 years and some of Mr. Gan's superiors knew about his authorization of long-term bond purchases, according to an M&M spokesman.

The company would not comment on which superiors knew about the authorizations.

Finding that about \$1.2 billion in bonds were acquired during 1983, M&M restated its 1983 results, allocating \$55 million of the pretax losses to last year and the remaining \$110 million to 1984's first quarter.

The losses put a big dent in last year's numbers and more than wiped out earnings for this year's first quarter.

Operating revenues for 1983 were only slightly affected by the restatement, dropping to \$959.6 million from \$968 million, still marginally ahead of the \$959.6 million generated in 1982.

Net income was where the loss showed, however, dropping from \$123.5 million before the restatement to \$93.8 million afterward. The originally reported earnings would have been a 2.6% increase over 1982's net income of \$120.4 million. But after the bond losses were deducted, net income had dropped by 22% compared with 1982.

Earnings per share dropped from

'We don't think our clients are served well when their insurance is placed with insurance companies that aren't getting a sufficient price for their product to stay solvent,' says Marsh & McLennan's L. Patton Kline.

\$3.49 before the restatement to \$2.65 afterward, compared with earnings of \$3.36 per share in 1982.

The company's 1983 financial position was improved somewhat by \$123 million in net proceeds from the sale of several subsidiaries, including insurance underwriting op-

erations acquired with C.T. Bowring in 1980.

M&M's 75% interest in Crusader Insurance P.L.C. was sold to CIGNA Corp.; English & American Insurance Co. Ltd. was sold to its senior executives and to Providence Capitol Group; and Ameri-

can Overseas Group was sold to Royal Reinsurance Co. Ltd.

In addition, Bowmaker (Plant) Ltd., an equipment distributor, was sold to Finning Tractor & Equipment Co. Ltd. of Vancouver, Canada.

The bond trading losses hit the first quarter's bottom line even harder, though. Revenues were up 9.1% to \$279.2 million from a restated figure of \$255.9 million for the first quarter of 1983.

But after the \$110 million charge and taxes, \$70 million in pretax income was reduced to a \$28.3 million loss. The company's restated earnings for the first quarter of 1983 amounted to \$36.5 million.

This translated to a loss of 78 cents per share compared with earnings of \$1.03 per share in 1983's first quarter.

M&M had some success on the expense control front in 1983, with operating expenses rising only 6.6% to \$761 million in 1983 from \$714 million in 1982. This was an improvement from the previous year when expenses rose 11.6% from \$640 million in 1981.

Compensation and benefits for M&M employees, which account for more than half of operating expenses, increased by 6% last year. About 2% of the expense growth was attributed to the acquisition of

Continued on facing page



**Tomorrow is here.
Let us help you get
your share of it...
TODAY.**

**The sky is the limit
because**

Royal Responds

A recognized leader with extensive worldwide operations and financial resources, Royal Insurance has a long and proud history in the U.S. of fair dealings with its agents and policyholders. Staffed by professionals whose only business is insurance, our people make decisions at the local level and are keenly aware of producer needs. We are a growth-oriented company that considers itself a winner, and we encourage agency representation of equal calibre that best serves our mutual interests. Today's challenges are tomorrow's opportunities... and tomorrow is here at Royal Insurance.

Continued from facing page
National Economic Research Associates.

However, expense growth bounded back in the first quarter of 1984, rising 13.5% to \$213 million from \$187.7 million in 1983's first quarter, mainly due to the Meidinger acquisition.

Mr. Schnitzer says the company didn't do anything new to cut costs last year, but simply continued expense control measures begun in 1981 and 1982.

"It takes awhile in a large company before it shows up," he said.

The company reduced its total work force by 2% to 15,474 employees from 15,791 in 1982.

The combination of M&M Inc. and C.T. Bowring—already the largest retail and wholesale insurance brokerage operation in the world—grew even larger last year with the addition of about 10 offices to give M&M a total of about 310 locations in more than 50 countries.

In addition, M&M in February 1984 completed its earlier announced acquisition of the Henrjean International brokerage group of Belgium.

Nevertheless, insurance brokerage revenues, while climbing 2% in the U.S., amounted to \$459 million worldwide last year, unchanged from 1982.

"That, of course, was considered good, comparatively," Mr. Schnitzer said. "It doesn't meet our goals and we're not satisfied, but it's better to be performing better than competitors than the opposite."

New business growth hit an all-time high, he noted, but just barely managed to offset the loss of renewal business to competitors.

M&M is operating under the assumption that the insurance marketplace will remain soft. Thus, the company will keep hustling for new business and keep trying to contain costs, Mr. Schnitzer said.

But he added that a few faint signs of rising prices can be divined, especially on reinsurance

contracts and in the London market, though rate increases are yet to be reflected in M&M's results.

"Early this year we would have said we don't see it in (our) numbers and we don't feel it in the wind," he observed. "Today, I'd say we still don't see it in the numbers...but in terms of what you feel in the wind, I would say there's a lot of indication that at least in some areas, the weather is changing."

While M&M tries to obtain the lowest rates possible for its clients, it warns some clients that low rates may not last, Mr. Kline added.

"When we think it's the right

long-term rate, we recommend it to our clients. If it's the same rate—quite low—but we think it's the wrong long-term rate, we may still recommend it to our clients but with certain caveats about what might happen to that rate in terms of its volatility in the near future."

Volatility is most likely in small and medium-sized commercial brokerage accounts, he pointed out.

"At the level most Marsh & McLennan clients are at in size, there are a number of options" that could keep insurance costs down including various forms of self-insurance, Mr. Kline pointed out.

But M&M's larger clients aren't concerned exclusively with the price of insurance, worrying about such things as the structure of an overall risk management program, the financial effects of the program, the security of insurers and the advice M&M can provide on these and other subjects.

"With these type of clients, insurance isn't the whole picture," Mr. Kline explained. "It isn't a premium cost-driven service we're giving to major clients."

But M&M's philosophy of negotiating compensation with clients won't change even if the market itself does, according to Mr. Schnitzer, who said the company will pursue compensation agreements "forever."

Results were slightly better—but not much—in reinsurance brokerage, where Guy Carpenter & Co. Inc. and Bowring reinsurance operations combine to make M&M the world's largest intermediary.

Reinsurance brokerage revenues rose almost 5% to \$172 million in 1983 from \$164 million in 1982. But this growth rate is off from the previous year, when revenues rose nearly 14% from \$144 million in 1981.

Again, U.S. revenues rose faster than the worldwide average: While reinsurance commissions and fees were up 5% worldwide, they were up 7% in the U.S.

Though revenues for insurance and reinsurance brokerage operations didn't actually decline, interest income on fiduciary premium funds did, dropping about 22% to \$69 million in 1983 from \$88 million in 1982. The bond trading debacle accounted for about \$8 million of the decline, but discounting this, interest income was still down 12.5% and outpaced the previous year's 9% decline from \$97 million in 1981.

M&M didn't have to strain to find good news in some of its other operations, though.

The "hottest thing around," according to Mr. Kline, is M&M's employee benefit services operation, consisting in 1983 of William M. Mercer Inc. and M&M Group Associates, which markets affinity-based group insurance plans.

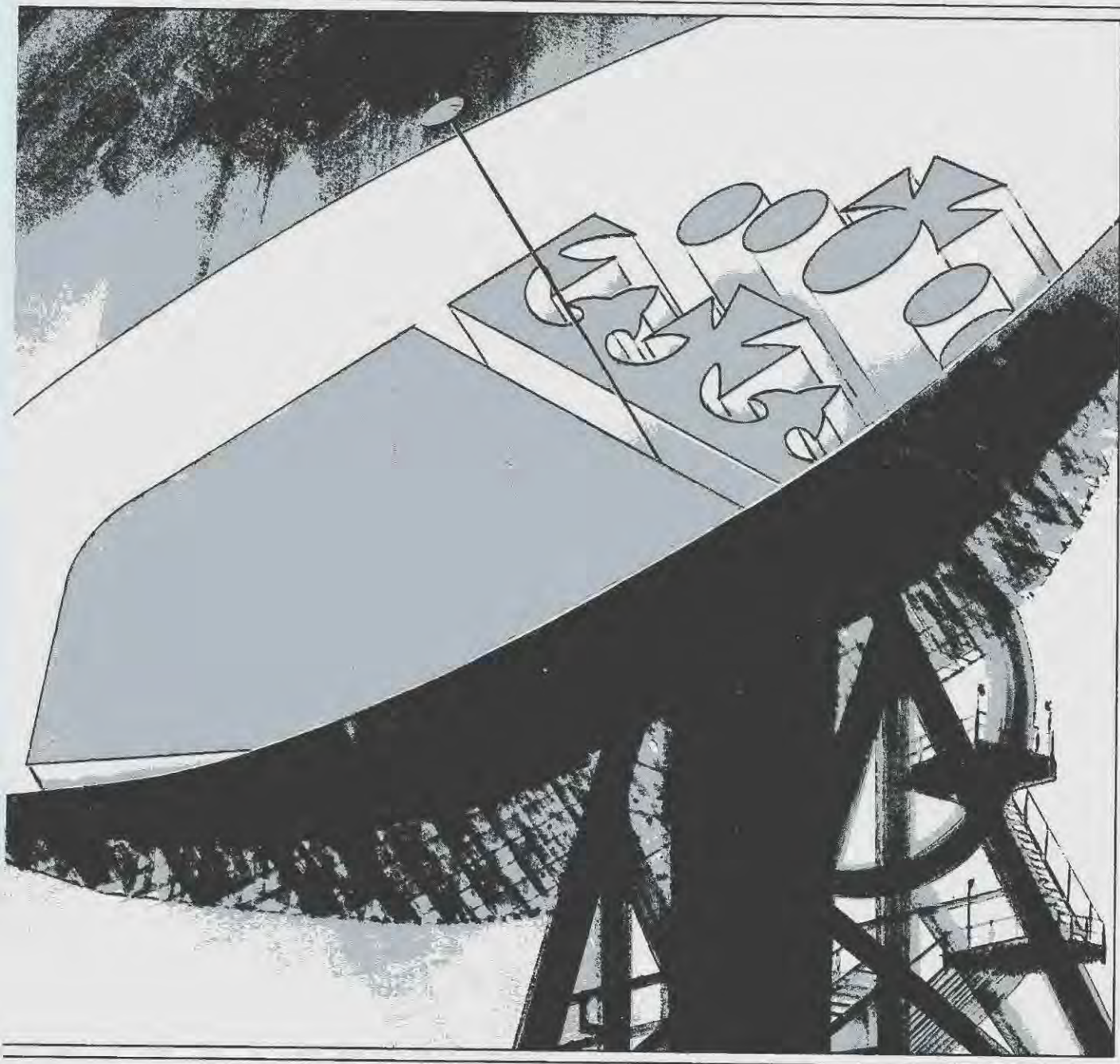
Together, the two units produced 1983 revenues of \$191 million, up 16.5% from 1982 revenues of \$164 million and comparable to the previous year's growth rate of 15%.

About 77% of this revenue came from the U.S., with 17% produced in Canada and 6% in other countries.

In February, Mercer completed its acquisition of Meidinger Inc., becoming William M. Mercer-Meidinger Inc. and increasing the number of benefits offices in the U.S. and Canada.

The first quarter of 1984 saw revenues from employee benefits shoot up 41% to \$61.7 million from \$43.7 million in 1983's first quarter. Excluding Meidinger's contribu-

Continued on page 16



"Agency Automation and Company Interface are two of the more important issues facing the insurance industry today. Whether you're thinking of purchasing, financing and/or linking your software systems, we've got the answers. The choice is yours."

John D. Kempter, Vice President-EDP



"Aggressive, determined, motivated... appropriate descriptions for our new RAMS International Division. We've combined boiler and machinery, bonds and inland marine departments with ocean marine and international departments to give you a single source for these products, as well as better service."

Warren P. Noll, Vice President-RAMS International



"Sometimes a risk comes along that is attractive but may prove difficult to place. We'd like to help. With our new Excess and Special Risks Division we can give you both the market and capacity you need. And perhaps other profit opportunities you hadn't thought of."

John E. Amico, Vice President-Reinsurance Excess & Surplus Lines/Risk Management



"Our commitment to our producers' growth extends beyond offering quality and timely products. Royal's strength and stability are built on its service dimension, marketing capabilities and producer-support programs... that keep you ahead of the competition."

Blaine A. Bontempo, Vice President-Marketing

For more information, contact the Royal Insurance office nearest you.



Royal Insurance
150 William Street,
New York, N.Y. 10038



Gold Key® Policies To The Needs Of Your ...New And Unusual

Introducing The Exclusive Gold Key® \$50,000,000 Personal Excess and Catastrophe Policy

This policy stands alone because nowhere else today do such extraordinary limits for personal liability insurance exist. It rounds out the exceptional coverages developed by The Home as we move to become a market for this exclusive segment of personal lines business.

This unparalleled policy directs its benefits to The Home's preferred automobile and homeowner policyholders — — people who need more coverage because they have more at stake than most. With a single premium, liability protection is provided for: a policyholder's primary and two additional residences, three cars, a recreational vehicle plus a sailboat and motorboat.

(Additional exposures can be added.)

Gold Key® \$50,000,000 Personal Excess and Catastrophe insurance can provide your well-to-do client with a considerable measure of security — — in a climate where the number of personal liability awards in multi-million dollar amounts is becoming more and more alarming. Home Insurance has dedicated itself to developing coverages that are right for the times... and this is just one more example.

Gold Key Elitesm Homeowners Policy With Extra Features For Owners of High-Value Homes

Gold Key Elitesm Homeowners is one of The Home's most successful personal lines products because it can give your higher-income clients *precisely* the kinds of coverages they may need. At the top of the

**THE HOME
INSURANCE
COMPANY**

A City Investing Company

Specifically Targeted More Affluent Clients From The Home.

list is full replacement cost for the home itself and for personal property. Protection for contents would be automatically provided at 75% of the coverage on the home.

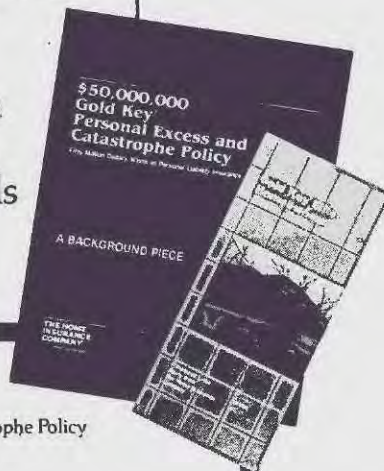
Special features of great appeal to those with abundant assets to protect include: higher-than-usual limits for Credit Card loss and theft of Silverware. Also built into the coverage at no extra cost are higher limits for Jewelry and Furs, plus Personal Records. Even Refrigerated Food Spoilage coverage is included as a regular part of the policy.

It's a Special Opportunity to Offer Your Best Clients The Best Possible Forms of Coverage Available Today

We'll send you all the facts on The Home's exclusive new Gold Key® \$50,000,000 Personal Excess and Catastrophe Policy

and our Gold Key Elitesm Homeowners Policy. Both are available in most states. For more information, contact The Home field office nearest you or return this coupon. Then you'll know what all the excitement is about at The Home Insurance Company.

We're a company on the move... with policies designed to meet the needs of *today's* insurance buyers.



Please send me more information on:

- Gold Key® Personal Excess and Catastrophe Policy
 Gold Key Elitesm Homeowners Policy

Mail to: The Home Insurance Company
Marketing Department—3rd Floor
59 Maiden Lane
New York, N.Y. 10038

BI

Name _____
Agency _____
Address _____
City/State/Zip _____
Telephone _____



59 MAIDEN LANE, NEW YORK, NY 10038

Continued from page 13

tion, growth would have been about 15%.

With interest rising in such areas as health care cost containment and government regulation of benefit plans, the potential for Mercer-Meidinger is huge, Mr. Kline said.

M&M Asset Management Co. Inc., which includes the company's Putnam and Eberstadt units, also grew in 1983. Revenues here jumped nearly 41% last year to \$69 million from \$49 million.

Putnam, the larger of the two units in managed assets, introduced several new mutual funds in 1983, including Putnam California Tax Exempt Income Fund and Putnam Information Sciences Trust, the firm's largest initial offering ever.

Together, Putnam and Eberstadt managed \$15.4 billion in assets last year, up nearly 16% from \$13.3 billion in 1982.

Another highlight, Mr. Kline noted, was the acquisition of Na-

tional Economic Research Associates, which adds economic consulting to the roster of M&M specialties. NERA's activities range from making antitrust and trade regulation studies to performing economic analyses for the public utility, telecommunications, sports, energy, health, insurance and transportation industries.

The NERA and Meidinger acquisitions are only the latest steps in M&M's drive to provide clients with expert services in a variety of specialized areas.

"In all our businesses, we have emphasized more and more three things: specialization, specialization, specialization," Mr. Kline emphasized.

This emphasis led M&M Inc. to form "client-industry committees" to develop expertise in various types of risks, including aviation and aerospace; chemicals and pharmaceuticals; communications and high technology; construction and

engineering; energy and maritime industries; financial and professional services; forest products; gas and electric utilities; health care; manufacturing; public entities and educational institutions; and retail, franchise and consumer products.

It also led, starting in 1981, to a management reorganization at M&M Inc. intended to arrange operations around brokerage specialties. The company replaced its pyramid structure of vps. senior vps and executive vps with a flat structure of "managing directors," experts in their given fields.

"It becomes much easier to call in the expert on finance or the expert on technical loss prevention and have them working together as a team," Mr. Kline said.

"You have much better teamwork at the top level. The top experts can work much better as a team if they all feel they have the same managing director responsi-

lities."

Mr. Schnitzer said, "We believe in a decentralized approach in which those closest to the client tend to know best. And yet we have a sense of common responsibility. That's the essence of a professional partnership, and that's what the managing director role means."

Last year, M&M also fine-tuned the operations of some of its branch offices, shifting the focus of services to concentrate on Group Associates business. In the process, about 400 employees were reassigned to work in the group insurance area.

Group Associates produced about \$100 million in revenues in 1983, said Mr. Schnitzer.

M&M brokerage offices take one of three forms, he explained: Some concentrate on the large risk management accounts, others on middle market commercial brokerage accounts, and others on the mass

marketing of group insurance programs provided by M&M Group Associates.

If the company finds that one type of business isn't developing in a particular branch office, it may change the focus of that office or move its business into another nearby office.

The emphasis on specialization rather than size also will govern M&M Inc.'s future acquisitions, he added. If the company feels it's weak in a particular field, such as computer fraud, it may acquire a firm to bolster its expertise in that field.

"But we're not going to say, 'Gee, maybe we should acquire a regional brokerage,'" Mr. Schnitzer observed.

One place M&M would like to expand is Japan, Mr. Kline noted. While the company already has a Tokyo office, many Japanese companies deal directly with insurers and "brokers are not a way of life there," he explained.

M&M's ability to serve its clients will be tested by several "big" risk management issues that aren't being adequately addressed now, Mr. Schnitzer said. These include environmental liability, occupational hazards, product liability and the tort liability system in general, he explained.

The major problem in these areas is finding insurance coverage, he indicated.

"What we have is a mismatch in capacity where we've had too much capacity for all the traditional risks at prices the insurance companies say are improperly low, and yet not enough capacity for the emerging big problems," he explained.

On the other hand, Mr. Kline pointed out, brokers have to worry about the financial success of the insurers handling their clients' risks.

In order to take on the emerging liability risks, or big property risks like satellites, "we're going to have to have healthy insurance companies," Mr. Kline said. "And they don't look healthy to me. It looks to me like they're having trouble."

"We don't think our clients are served well when their insurance is placed with insurance companies that aren't getting a sufficient price for their product to stay solvent," Mr. Kline commented. "We're more and more concerned about the possibility of a flight of capital from the business."

M&M made several management changes in 1983.

Following the retirement of Alessandro C. di Montezemolo, chairman and chief executive officer of M&M Inc., Mr. Schnitzer, president of the brokerage subsidiary, took on the additional title of chief executive. Robert J. Newhouse Jr., who had been vice chairman of M&M Cos., took over as chairman of M&M Inc.

Robert Clements, former vice chairman of M&M Inc., was named chairman of the brokerage subsidiary's newly formed executive committee.

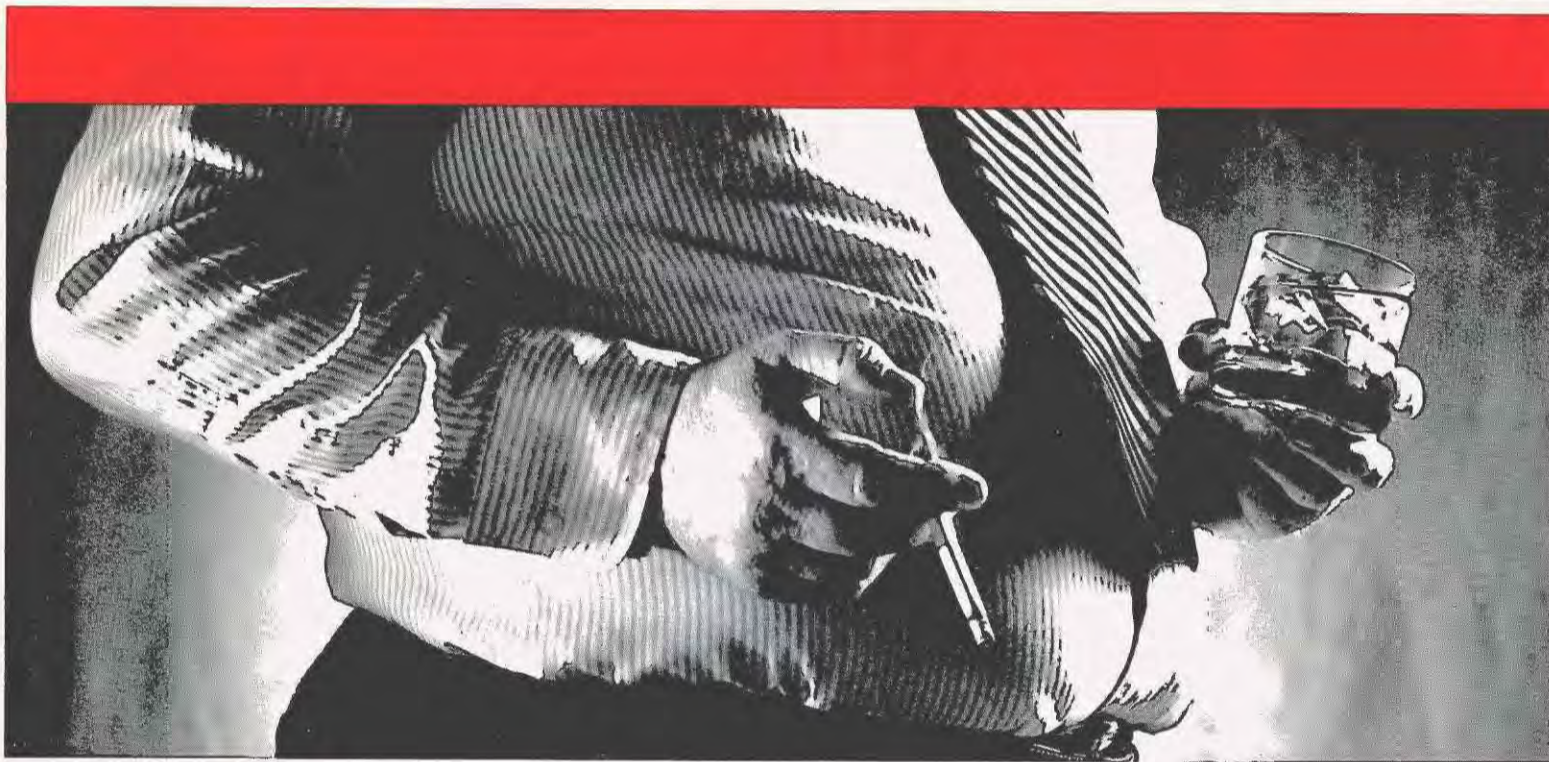
Wilbert A. Walker, former chairman of United States Steel Corp., and Kennedy B. Galpin left the board of directors. Mr. Galpin continues as a senior executive at M&M Inc. Richard S. Hickok, former chairman and managing partner of the accounting firm of Main Hurdman, joined the board.

In addition to Mr. Regan, Mr. Kline and Mr. Schnitzer, M&M's top management includes Peter Bowring, vice chairman of M&M Cos.

Salaries, fees, directors' fees and commissions for top officers, according to the Securities and Exchange Commission, were:

L. Patton Kline	\$376,167
Robert J. Newhouse Jr.	\$326,833
John M. Regan Jr.	\$611,000
A.J.C. Smith	\$336,000
Frank J. Tasco	\$319,800

—By Douglas McLeod



Is this what your employee health benefits dollars are buying?

Today ten percent of America's gross national product goes to pay for health care. Ten percent.

American business picks up the lion's share of the tab—\$85 billion-plus in 1984 for the direct costs of employee health benefits. And anybody's guess in the indirect costs of lost work days, reduced productivity, personnel turnover and disability.

In return, they'll afford employees medical care for virtually every health risk except one: the number one killer in America.

It's called lifestyle.

Diet. Exercise. Alcohol consumption. Smoking. Common sense. They add up to the single most important factor in human health.

The Taking Care Program.

For less than a fraction of one percent of your employee health care benefits cost, we'll show your

employees how to take better care of themselves and their families. How to be healthier, fitter, more productive human beings who fall ill less often—and less seriously. And we'll give them the confidence and motivation to care for themselves—and rely less on unnecessary medical care for minor complaints.

We call it The Taking Care Program. And we're building it on solid research that proves it can reduce visits to doctors' offices by as much as 35 percent. That can translate into lower costs for employee benefits. And it can mean substantial gains in your employees' productivity.

Now You Can Do Something About Runaway Health Care Costs.

Act now to find out how much The Taking Care Program can mean to you and your employees.

Send for a free copy of *How You Can Control Employee Health Care Benefits Costs* today. Or call (703) 620-5666.



To: The Center for Corporate Health Promotion
 1900 Association Drive
 Reston, VA 22091

Tell me how I can reduce health care benefits costs and boost employee morale through the Taking Care Program.

Name _____

Title _____

Company _____

Street _____

City _____ State _____ Zip _____

 **The Center for Corporate Health Promotion**
 One of The Travelers Companies

Good health isn't something we buy. It's something we do.

**THE PHONE RINGS.
YOUR EMPLOYEE'S CHILD HAS BEEN KIDNAPPED.
HER LIFE DEPENDS ON YOUR EVERY WORD.
ARE YOU WILLING TO RISK MAKING A MISTAKE?**

If you are not, you should re-examine your Kidnap/Ransom/Extortion policy in terms of your carrier's emergency crisis capability.

PIA offers you important facts to help you determine the complete adequacy of your policy.

**WHAT DO YOU CONSIDER
MOST IMPORTANT
WHEN BUYING A
KIDNAP/RANSOM/EXTORTION
POLICY?**

- **PRICE**
- **COVERAGE**
- **SERVICE**

Price and coverage are usually the consideration when buying a Kidnap/Ransom policy. However, in the event of an extortion or kidnap, *service* becomes the most important factor.

If your policy forces you to rely upon your local law enforcement agency, you should consider this carefully: law enforcement is often unable to adequately respond to all the sensitive complications of Kidnap/Extortion. Call them and ask about the services they render; you may discover they can only explain the options open to you. At no time will they advise you on what course of action to take.

Extortionists and kidnapers are basically mentally unstable. An inexperienced response to such mentalities can lead to complications that create a life-threatening situation.

FACTS

According to the FBI statistics, in 1981 there were over 200 domestic kidnappings. This record may be incomplete because all kidnapping acts are not a violation of Federal law. There were in excess of 4,700 extortion attempts in the U.S. and over 235 violations of the Hobbs Act.

SERVICE IS PRIMARY

When that critical phone call comes, it must be handled by *experts* who have experience in dealing with extortionists and kidnapers. Most underwriters of K/R policies do not have the resources to supply you with this specialized domestic assistance. This renders their "broad coverage policy" inadequate when you need this specialized *service*.

Question your insurer and broker now, as to the qualifications of their negotiators and ask for details regarding their domestic response capabilities. The answer you get may be very enlightening.

PIA does not deal directly with insureds. For further information, please have your broker contact Albert Van Wagenen, V.P., at PIA for our complete kit with detailed information regarding Kidnap/Ransom/Extortion insurance.

THE PIA ADVANTAGE

PIA Kidnap/Ransom/Extortion Insurance offers the services of Paul Chamberlain International, a highly trained staff of primarily, former Special Agents of the FBI, with expertise in handling kidnapping, extortion and other terrorist matters, virtually *anywhere in the world*. The PIA K/R policy offers this professional capability in high-pressure crisis situations, so that you, your family, your employees, colleagues and their families can be spared the anguish and possible physical and mental damage that could otherwise result.

There simply is no indemnification high enough to cover such losses. *Price and broad coverage are of no consequence without a specialized negotiating service*. Only PIA Kidnap/Ransom/Extortion insurance can adequately protect you from the rapidly rising wave of Kidnap/Extortion incidents.

Regardless of whether you consider price, coverage or service as the single most important factor in determining where you purchase your Kidnap/Ransom/Extortion coverage, PIA is ranked Number 1 in *all categories* by those who understand the various values of a Kidnap/Ransom/Extortion policy.

Re-read your policy. Then call your agent or broker and have him contact PIA.



**The Broker's Broker.
Professional Indemnity Agency, Inc.**

409 Manville Road
P.O. Box 130
Pleasantville, N.Y. 10570
(914) 747-1818
Telex: 646929 TWX: 710-572-2197

2

**Alexander & Alexander
 Services Inc.**

1211 Ave. of the Americas, New
 York, N.Y. 10036; 212-840-8500.

	1983	1982
Premium volume	\$4,400,000,000	\$4,300,000,000
Gross revenues	\$556,200,000	\$567,400,000
Brokerage: Retail	83%*	85%*
Wholesale	3%*	3%*
Services	11%*	10%*
Other	3%*	2%*
Employees	10,650	10,400
Rev./employees	\$52,225	\$54,558
Offices	200	204

*-BI estimate.
 Continuing problems at Alexander Howden Group P.L.C. made a tough year for Alexander & Alexander Services Inc. even tougher.

A&A, the world's second-largest broker in the *Business Insurance* rankings, was forced to add an estimated \$20 million to the reserves of Howden underwriting units in the

United States and Bermuda in last year's fourth quarter.

Although A&A suffered from other problems that are plaguing almost all brokers, including depressed property/casualty insurance rates and falling investment income, the firm blamed the reserve additions for holding its 1983 bottom-line profit to a meager \$700,000.

However, 1983 saw several management changes at Howden and some of its underwriting subsidiaries, and A&A's president and chief operating officer, Tinsley H. Irvin, suggests the company has put the worst of the Howden affair behind it.

"(Our job in) 1983 was getting the house in order after the trauma of 1982," Mr. Irvin reflected. "Last year, we got our arms around the Howden acquisition."

He added that the company doesn't expect to make any substantial contributions to under-

writing reserves this year and that changes in underwriting operations—including cancellation of some books of business—will minimize losses in the future.

Other developments at A&A last year included:

- Acquisition of O'Brien Russell & Co., a Boston-based broker.
- The sale of Southeastern Aviation Underwriting Inc. and the Banque du Rhone et de la Tamise S.A., a Swiss bank that A&A took over following the Howden acquisition.
- A reorganization of U.S. brokerage operations along with several management changes.
- Consolidation of small commercial and personal lines business with fewer insurance companies. This business accounts for about 8% of A&A's total revenues.
- The breakdown of discussions last July concerning the possible acquisition of A&A Services by Lloyd's of London broker Sedg-

wick Group P.L.C., which reportedly offered between \$750 million and \$875 million for A&A's stock (see story, page 125).

A&A bought Howden in 1982 for \$299.9 million and claims it discovered soon after that top Howden executives had illegally diverted more than \$55 million from the company.

According to a lawsuit A&A filed in London, four Howden officials—former Chairman Kenneth V. Grob, former Chief Financial Officer Alan J. Page, and former directors Ronald C. Comery and Jack H. Carpenter—used corporate assets to set up Panamanian insurance companies to accept retroceded business from Howden's Bermuda-based reinsurance unit,



Mr. Irvin

Sphere Drake Insurance P.L.C. The Panamanian firms, which were never licensed as insurance companies; reinsured business that had been ceded to Sphere Drake from Lloyd's of London syndicates managed by Howden's chief underwriter, Ian R. Posgate, the suit claims.

At least some of the reinsurance premiums paid to the Panamanian firms ended up in accounts at Banque du Rhone, which Howden had owned but which was sold in 1980 to an unnamed group of investors that allegedly included Messrs. Grob, Page, Comery, Carpenter and Posgate.

A&A took a \$40 million extraordinary charge against its third-quarter 1982 earnings, and the firm reported a \$25.8 million net loss for the year, despite a 35.4% increase in 1982 operating revenues to \$573.3 million.

In April, A&A settled its suit against Messrs. Grob, Page, Comery and Carpenter, avoiding claims arbitration hearings that were scheduled for May. A&A agreed to drop all claims against the men in exchange for an additional \$1.6 million in assets. A&A already had recovered assets valued at more than \$20 million from them (BI, April 23).

The suit against Mr. Posgate—who was fired from Howden and remains suspended from further underwriting at Lloyd's—is pending, and A&A Chairman and Chief Executive Officer John A. Bogardus Jr. says the company is not discussing a settlement with him.

The extraordinary charge against 1982 earnings didn't end A&A's Howden-related headaches, though.

After an "exhaustive" review of its underwriting operations, the company announced earlier this year that it would be forced to bolster the reserves of the newly acquired insurance units, principally of Atlanta International Insurance Co. and the reinsurance operations of its Bermuda companies, including Trent Insurance Co. Ltd. and Capital Marine Insurance Co. Ltd.

A&A hasn't said exactly how much was added to reserves, but most of the company's \$21 million net loss for the 1983 fourth quarter is believed to be traceable to the reserve strengthening.

Meanwhile, A&A's insurance units haven't escaped the beating being taken by most property/casualty underwriters: All booked underwriting losses in 1983 and only one showed an operating profit:

- Sphere Drake booked net premiums of \$73.6 million last year, but suffered underwriting losses of \$23.8 million. These were only partially offset by investment earnings of \$19.4 million, producing a net operating loss of \$4.4 million.

- Atlanta International, a domestic property/casualty insurer, booked \$13.6 million in net premiums. Underwriting losses of \$20.2 million were partially offset by investment income of \$6.1 million and other income to produce a \$7.3 million net loss.

- Trent and Hemisphere Marine & General Insurance Co. Ltd., two Bermuda-based insurers, were the hardest hit, suffering underwriting losses of \$27.9 million while generating \$9.1 million in net premiums. Investment income of \$3.7 million narrowed the net loss slightly to \$24.2 million.

- Evanston Insurance Co., a market for property/casualty excess and surplus lines managed by A&A subsidiary Shand, Morahan & Co., was the only unit to post a net profit. Evanston, not part of the Howden Group, booked \$12 million in net premiums and suffered underwriting losses of \$3.7 million. Investment income amounted to \$6.1 million and net income hit \$3.6 million.

Continued on page 22



Disability

Disability Income From Accident or Sickness

Designed to protect the high income of individuals who need disability benefits in excess of what is normally available through Group LTD or other individual contracts.

- Up to \$25,000.00 Per Month
- 30 to 365 Day Waiting Period
- Up to 5 Years Benefit Period
- Annual or Multi Year Policies

In addition to the monthly benefit, a lump sum Permanent Total Disability benefit can be purchased to fund lifetime disability beyond the five-year maximum.

Coverage

Permanent Total Disability Accident or Sickness

Ideally suited to fund disability buyout agreements for partnerships, closely held corporations and other employment or performance contract situations.

- Multi Million Limits Available
- Lump Sum or Periodic Payments
- 12-Month Minimum Qualification Period
- Own Occupation or Any Occupation Definitions



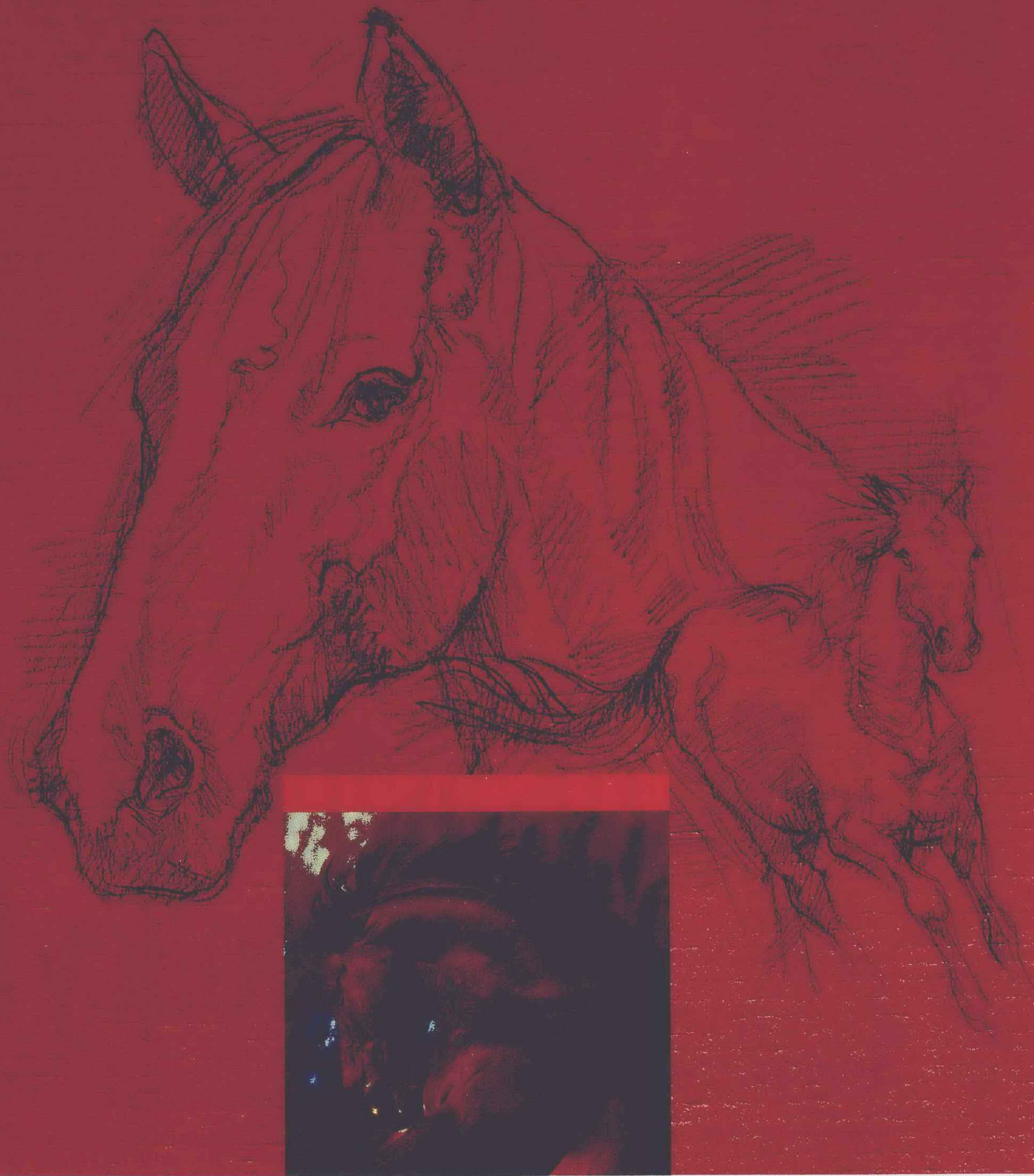
*Lockwood, Dipple & Green
 Incorporated*

Main Office:

300 Unicorn Park Drive, Woburn, Massachusetts 01801
 617-938-9010 / Telex 921712 / Fax No. 617-933-0364

Branch Office:

Five Post Oak Park, Suite 1980, Houston, Texas 77027
 (713) 961-4870 / Telex 792333



RESPONSIVENESS

Our rapid response to major shifts in the underwriting needs of our Special Purpose Insurance and Reinsurance clients is but one measure of First State Insurance Co. and New England Re's superior flexibility in a field of continuing changes.

□ Worldwide we stand apart. With ideas that make a difference.

Photo: Stockphotos, Inc.



Cameron and Colby

Rising to the Challenge of Change

Boston, New York, Atlanta, Chicago, San Francisco, Los Angeles



If a disaster hit Morton their policy be

Building collapse and hurricanes.

Two disasters any company can do without. Especially if that company is Morton Thiokol, who recently completed a major merger.

Since the merger, the company's annual sales have approached \$2 billion and its earnings are up 22 percent. It is a leader in four significant areas: Specialty Chemicals, High-Technology Propulsion Systems, Salt and Texize Household Products.

With all this activity, Morton Thiokol isn't about to place such diverse risks in the hands of just any insurer. They need a flexible, versatile and responsive insurer. One that is as comfortable in an underground salt mine as it is in outer space.

Which is why they chose Arkwright-Boston.

GO AHEAD, GROW.

For years, we found handling Morton, the world's largest salt company, to be an interesting challenge.

They were involved in many diverse operations. And we faced all kinds of situations. For example, coming up with ways to protect flammable electronic chemicals and high performance adhesives and coatings.

But when they merged with Thiokol Corporation in September of 1982, they presented us with an array of new challenges:

Writing new coverages for high-performance propulsion systems that are used in the Space Shuttle Boosters and satellite insertion motors. Which we did.

And expanding their policy to include coverage for locations in 15 countries throughout the world. Which we did with a worldwide All Risk Policy.



Morton Thiokol, would worth its salt?

The All Risk Policy is a new type of program that is designed to provide extremely broad and comprehensive coverage. With few exceptions, it gives Morton Thiokol total coverage against any fortuitous property loss.

And if that sounds like an incredibly simple policy that's easy to manage, that's because it is.

WE DON'T JUST COVER YOU. WE PROTECT YOU.

Something else we offer Morton Thiokol. Our loss prevention engineers.

We believe these engineers are the best in the world at what they do, which is to show our clients how to avoid disasters and minimize loss.

In fact, we're showing Morton Thiokol how to do that right now by applying our experience to the problems of safer warehouse storage for aerosol products.

We know what you're thinking. That coverage like this would have to be rather expensive.

Well, you'll find we are competitive in the pricing area.

But don't take our word for it. Ask WestPoint Pepperell. Or Digital Equipment. Or American Greetings. They're all our clients. And we've designed programs for their individual needs, too.

So if the idea of an insurance company that protects you from head to toe intrigues you, call or write us. But do it soon. Because getting hit with a disaster that you're not covered for will only rub salt in the wound.

Arkwright-Boston Insurance, Marketing Services, 225 Wyman St., Waltham, MA 02154, 1-617-890-9300, Ext. 3295.

**ARKWRIGHT
BOSTON
INSURANCE**

Continued from page 18

Losses from the underwriting operations in 1983 totaled \$31.6 million. The loss included an offsetting gain of \$2.4 million from loss reserve transfers by some of the Howden units to outside reinsurers.

In addition to building reserves, A&A took steps to minimize future underwriting losses.

Atlanta International, for example, has canceled nearly all of its long-haul trucking policies, cut back writings in miscellaneous liability lines and canceled the majority of its contracts with managing general agencies, according to Mr. Irvin.

The Bermuda operations, he added, stopped accepting outside business in 1982.

One of A&A's major challenges, Mr. Bogardus says, is making sure that underwriting is "moving in the right direction."

"I think we felt that we really wanted to do everything possible to meet (the reserve deficiencies) head on and get it behind us last year. And while, as you know, you can never be 100% sure on reserves, we did everything possible to be conservative," he explained. "We reviewed almost every single claims file in order to get that behind us."

"You don't have any control over

what happened five years ago or 10 years ago, but you do have control over what's happening now as far as your underwriting is concerned," he observed.

A&A also hopes that some management changes at Howden units will improve underwriting results.

Joseph E. Morahan Jr., former chairman and chief executive officer of Shand, Morahan and now a senior vp of A&A



Mr. Bogardus

Services, took charge of Sphere Drake and Atlanta International. These operations and Shand now report to him through their chief executive officers: Joseph J. Prochaska Jr. of Shand, Morahan; Ian H. Dean of Sphere Drake; and William J. Wall of Atlanta.

Other changes at Howden last year included the appointment of Richard M. Page—former executive vp in charge of Eastern operations for A&A Inc., the domestic brokerage subsidiary—as chairman and chief executive officer of Alexander Howden Group.

In addition, Ronald A. Iles was named deputy chairman of Alexander Howden Group and chair-

man of Alexander Howden Reinsurance Brokers Ltd.; and Anthony D. Shead, former deputy chairman of Alexander Howden Insurance Brokers Ltd., was named chief administrative officer and deputy chairman of Alexander Howden Group.

Howden's underwriting problems turned out to be only one of the pressures on A&A's bottom line last year.

Total operating revenues dropped 2% last year to \$556.2 million from \$567.4 million in 1982.

The decline can be traced to the insurance services sector, which accounts for about 85% of total revenues and which includes A&A's insurance and reinsurance brokering, underwriting management and risk management services operations.

Insurance services revenues dropped 4.2% to \$475.7 million from \$496.5 million in 1982.

This was due not only to continuing property/casualty rate competition, but also to the strong performance of the U.S. dollar against foreign currencies, notably the British pound sterling, the company says.

About 55% of A&A's brokerage revenues come from casualty business, about 30% from property and 15% from marine, Mr. Irvin says. Between 35% and 40% of the firm's retail brokerage revenues were generated by fees and agreed commissions last year, he added.

Revenues from employee benefit and management consulting operations, which account for about 11% of total revenues, jumped 10% to \$63.2 million in 1983 from \$58 million in 1982.

A&A last year completed the reorganization of its Human Resources Management group, making it a separate profit center rather than a property/casualty division. HRM—which includes A&A's employee benefits sales and consulting divisions, its Benefacts Inc. benefits communication unit and compensation consulting units—produced a 65% increase in operating income in 1983.

Although revenues from benefit communication services declined, the drop was offset by increases in actuarial and management consulting services.

Revenue from such other sources as property tax consulting, investment and other advisory services grew 34.1% in 1983 to \$17.3 million from \$12.9 million in 1982.

Meanwhile, operating expenses declined 0.8% to \$512.9 million in 1983 from \$517 million in 1982. The decline was due mainly to changes in the actuarial cost method and other actuarial assumptions used in calculating A&A's pension expense, changes that reduced the company's pension costs by \$8.7 million last year.

Excluding the pension accounting changes, expenses were held to 1982 levels. Mr. Bogardus points to this as a significant achievement considering that expenses—exclusive of Howden-connected costs—had risen 14.2% between 1981 and 1982.

Overall staff increased to 10,650 last year from 10,400 in 1982, reflecting partly the O'Brien Russell acquisition, which added about 118 employees.

A&A is also gradually adding staff to its British wholesale brokerage operation, Alexander Howden Ltd., Mr. Bogardus noted.

"We're trying to build up our wholesale capabilities, particularly to place strictly U.S. business into the London market. We're beefing up that part of our organization," he said.

Excluding the merger with O'Brien, A&A's 1982 merger with San Francisco-based Clifton & Co. and other acquisitions, head count was actually down slightly, Mr. Bo-

Continued on page 24

Protection

Saturday May 7th 1887

A special meeting of the executive committee of the proposed Protection Mutual Fire Insurance Company was held this day at the office of the Amazon Hoising Co No 199 Madison Street Chicago Illinois. Present Messrs Porcell, Schmidt and Weber. On motion of Mr Porcell Schmidt was elected permanent chairman of said committee.

It's Our Word.

Sharing not only risk, but technology, information and expertise. That's what brought our founders together nearly a century ago.

And that's what has brought tens of thousands of businesses to Protection Mutual in our long history.

The devastation that a catastrophic loss can mean to a business is the same today as it was in 1887.

That's why we are committed to engineering, research, training and loss control as well as to providing the most innovative broad risk coverage.

All our technology, information and underwriting expertise for these goals: to prevent disaster before it occurs, and provide sound, comprehensive coverage if it should occur.

A shared commitment: Protection. It's our word. And yours.

Protection Mutual

Protection Mutual Insurance Company
300 South Northwest Highway
Park Ridge, Illinois 60068

312/825-4474

Factory Mutual System

We've made an art out of insuring groups.



No two groups are alike. So no one pre-packaged insurance plan is likely to fit your particular group's needs. Fortunately, shaping group plans to meet individual group needs is something we've got a particular talent for.

As the Group Agency Department of Washington National Insurance Company, we've got the specific insurance alternatives to help you wrap your group from top to bottom. As pioneers in the field of Teachers Group disability insurance, we've got over fifty years of experience for you to draw upon. Backed by Washington National, with over \$16 billion worth of life insurance

in force, we're in a position to give you a lot more than artistic advice.

So whether yours is a large or small business, a health and welfare fund, or a not-for-profit organization, call the Group Agency Department. We've elevated group insurance to an art. And when it comes to helping you do the job, we've got that down to a science.

For immediate assistance call (312) 866-3410 or contact your nearest Washington National Group Office. In the Yellow Pages under Insurance.



**Washington
National**
INSURANCE COMPANY
EVANSTON, ILLINOIS 60201

Continued from page 22

gardus added. A&A last year reduced staff in offices "where we felt adequate progress was not being made."

A&A's equity in unconsolidated operations produced a \$33.6 million net loss including tax benefits, a further decline from the \$12 million loss recorded in 1982. The underwriting operations accounted for \$31.6 million of this. The company's equity in U.S. premium finance subsidiaries produced a \$1 million profit, and equity in North American and European brokerage operations produced a \$1.6 million profit.

The European brokerage operations include a 21% interest in Cie. Europeenne de Courtage d'Assurances et de Reassurances of France; a 20% interest in Industrie-Assekuranz G.m.b.H. & Co. of West Germany; and a 40% interest in Bekouw Mendes B.V. in the Netherlands.

While revenues and equity in unconsolidated operations declined, investment income also eroded, dropping 44.6% to \$22.4 million in 1983 from \$40.4 million in 1982.

All of this translated to a bottom line profit for A&A of \$700,000 last year, up from the \$24.7 million loss recorded in 1982.

The first quarter of 1984 showed even more improvement. Although gross revenues declined 3.9% to \$136.7 million from \$142.3 million in the first quarter of 1983, net income rose 8.9% to \$8.6 million from \$7.9 million.

The company maintained its grip on operating expenses, which fell to \$126 million from \$127 million in 1983's first quarter.

Despite A&A's troubles, Mr. Bogardus says that, on balance, he was "satisfied" with the company's performance last year.

A&A Inc. generated \$88 million in new business, and 85% of the do-

mestic brokerage division's operating units met budgeted profits, he noted.

In addition to the company's success in holding down expenses, A&A's British reinsurance brokerage operation, Howden Reinsurance Brokers, "turned the corner" last year, making money for the company, Mr. Bogardus explained.

Reinsurance brokerage services—also provided by Thomas A. Greene & Co. Inc. in New York—will be an area of rapid growth for A&A in coming years, Mr. Bogardus added.

Growth will also come from such specialty property/casualty lines as financial guarantees and political risk coverage and from A&A's property tax consulting, risk management services and employee benefit operations, Mr. Bogardus said.

A&A is expecting particularly good results from HRM.

"We have an enormous opportu-

nity in the employee benefit area. We have much less of a market share there than in property/casualty and marine," Mr. Bogardus explained.

U.S. retail brokerage is one area where Mr. Bogardus doubts that much growth potential is left, however.

"The whole economy is changing, and you have less and less industry and more and more service businesses. That in itself is a considerable change in the future that we have to be prepared for," Mr. Bogardus observed.

"We don't have a feeling that there is an expanding U.S. market other than by inflation, although as the economy recovers there will be that increase or as we enter a recession there will be some decrease. But forgetting that, I don't think there's a natural expansion of the market."

Nevertheless, A&A expanded its U.S. brokerage operations last year

with the acquisition of O'Brien Russell, a Boston broker that handles more than \$50 million in annual premiums.

The firm has become part of A&A of Massachusetts Inc.

The O'Brien acquisition followed A&A's shelf registration of 2.75 million new common shares, and the deal reportedly cost A&A 400,000 shares valued at \$7.9 million.

More acquisitions are likely in the next year or two, especially in the employee benefit consulting area, Mr. Bogardus says.

A&A also sold Southeastern Aviation Underwriting of Atlanta to American International Group Inc. late last year for about \$9 million. Southeastern was a managing general agency specializing in aviation risks.

Further paring back certain operations, A&A sold its offices in El Paso, Texas, and Charleston, S.C., reducing its total of U.S. offices to 80 from 82.

Meanwhile, A&A recorded \$2.9 million in operational and other losses from Banque du Rhone, which it agreed to sell late last year. Proceeds from the sale will be recognized in the company's 1984 statement.

Feeling the need to streamline its domestic brokerage operations, A&A also reversed a reorganization move that it had undertaken in 1982. At that time, the company decided to divide its U.S. operations into three regions, concluding that the two regions then in existence were too cumbersome to manage effectively.

Last year, however, A&A's three regions were once again consolidated into an Eastern and a Western region.

Several management changes accompanied this move. Michael K. White, formerly an executive vp, was named president and chief operating officer of A&A Inc. This appointment freed Mr. Irvin, who had been overseeing domestic brokerage operations, to concentrate on managing the parent company, A&A Services.

Bob J. Cline, formerly director of the Southwestern region, was named vice chairman of A&A Inc. and director of the newly formed Western region. James A. McCormick, formerly director of insurance services, replaced Richard Page as director of the Eastern group.

In addition, Angelo M. D'Allesandro became HRM's chief operating officer and James B. Lockhart III, formerly with Gulf Oil Corp., joined A&A Services as vp and corporate treasurer.

A&A is hoping that further efficiency will result from developing "working relationships" with individual insurance companies for marketing certain types of insurance products, Mr. Bogardus commented.

The company has had some "short-term" exclusive insurer relationships in the past, such as the relationship between A&A's Beverly Hills, Calif.,-based entertainment brokerage, Albert G. Ruben & Co. Inc., and Fireman's Fund Insurance Cos.

To this end, A&A is consolidating its small commercial and personal lines business with fewer insurance companies, Mr. Bogardus said. Each of the two areas produces about 4% of A&A's revenues.

The company also hopes to expand its association and group insurance business, which now accounts for less than 5% of A&A's revenues.

The highest-paid A&A officers and their salaries in 1983, according to the Securities and Exchange Commission, were:

John A. Bogardus Jr.	\$381,301
Tinsley H. Irvin	\$285,188
Kenneth W.S. Soubry	\$229,058
John C. Sienkiewicz	\$209,135
Joseph E. Morahan Jr.	\$399,152

—By Douglas McLeod

maxi

Courtesy of IBM

mini

micro

Courtesy of Apple Computer Inc.

McGEE INSURES ALL SIZES

Hardware... Software... Accessories... Owned... Leased... Transportation.
Every policy custom-molded to the individual need. We know how because we've been doing it since 1964.

If you have a client who has a computer—**SEE McGEE**



Wm. H. McGEE & Co., Inc.

MARINE UNDERWRITERS SINCE 1887

Four World Trade Center, New York, N.Y. 10048
212-775-1300

Atlanta · Baltimore · Boston · Chicago · Clifton, N.J. · Columbus · Dallas · Detroit
Hamilton, Bermuda · Houston · Los Angeles · New Orleans · New York Regional
Philadelphia · Pittsburgh · San Francisco · Seattle · Syracuse · Toronto · Vancouver

Correspondents throughout the World

BLADES CAN CUT IT!

Energy. Property. Casualty. Marine.
We solve the toughest, most difficult
insurance problems working closely with
the nation's leading agents and brokers
...and, with the world's finest insurers.

**The tougher the problem, the bigger the problem,
the more complex the problem...the better for us.**

J.H. BLADES INSURANCE

HEADQUARTERS: HOUSTON 713/780-8770 TELEX 791392 REGIONAL OFFICES: DALLAS, NEW ORLEANS, TULSA



J. H. Blades & Co., Inc. A Crum and Forster Organization

3

Frank B. Hall
& Co. Inc.549 Pleasantville Road, Briarcliff
Manor, N.Y. 10510; 914-769-9200

	1983	1982
Premium volume	NA	NA
Gross revenues	\$365,175,000	\$372,610,000*
Brokerage: Retail	55%**	54%**
Wholesale	15%**	15%**
Services	15%**	13%**
Other	15%**	18%**
Employees	7,000	7,000
Rev./employees	\$52,168	\$53,230
Offices	318	318

*—Restated from 1983.
**—BI estimate.

In the wake of falling revenues and shrinking profits, Frank B. Hall & Co. Inc. is consolidating its operations, has a new management committee, is focusing on its international resources and is continuing to emphasize its special services.

"It's always disappointing to have a poor year, but we have come through it very well, running more efficiently than ever," said John F. McCaffrey, executive vp of the country's third-largest brokerage company. "We have been through a tough patch and we've spent a lot of time positioning ourselves for the future, consolidating and organizing."

That "tough patch" is more than evident in Hall's financial statements for 1983, with decreases in total revenues and net income.

Total revenues in 1983 dropped 2% from a 1982 high of \$372.6 million (after restatement for acquisitions) to \$365.2 million in 1983.

Mr. McCaffrey attributes the drop to lower interest income, since revenues from commissions and fees were up slightly. Hall generated \$332.5 million in commissions and fees last year, 1.3% more than the \$328.4 million it collected in 1982.

The positive effect of this gain

was nowhere close to the 26% drop in interest income in 1983. Hall's investments last year produced only \$32.7 million, compared with \$44.3 million in 1982.

The profit picture is even gloomier. The \$12.5 million net income Hall posted in 1983 was a 48% drop from \$24.3 million in 1982. And, it was 59% lower than the \$30.7 million the broker netted in 1981, the most profitable of the last five years.

Net income in 1983 includes \$900,000 that Hall says is the cumulative effect on prior years of a change in an accounting principle. Fee income is now recognized when earned rather than when billed. Excluding this cumulative effect on prior years, the effects of the change on 1983 were immaterial, the company says.

Though net income per share of common stock was cut in half, to \$1.02 in 1983 from \$2.05 a share in 1982, Hall cut its dividends only

10%, to \$1.53 from \$1.70 a share.

The first quarter 1984 results also were down from 1983. Hall's net income for the first three months of 1984 was \$3.6 million, down 48.5% from first quarter 1983, when the broker posted \$7.1 million in income.

But Mr. McCaffrey says this is not an apt comparison, for several reasons, including the fact that the first-quarter 1983 revenues were inflated by some one-time billings.

"The first quarter (of 1984) we had just a little above what was budgeted," he said. "We had budgeted decreases (compared to 1983's first quarter).

"We believe we're on the upturn," he said, "and we expect to see continued increases in the second, third and fourth quarter of this year."

While "further rate decreases" in insurance prices contributed to the poor results for 1983, "we really can't complain about that," Mr.

McCaffrey said. "It's not in the worst interest of our clients to have low rate levels."

Nevertheless, "the impression we are getting now is that there is stabilization," he continued. "I just hope we won't see insurers panicking with massive increases."

A corporatewide reorganization and consolidation program is in the works to streamline operations and cut costs. The consolidation process is still under way, but in 1983 it held operational cost increases to 4% for the year.

"We still have 7,000 employees and we didn't close any offices," said Mr. McCaffrey. Hall reports that it has 318 offices in 119 U.S. cities and in 85 foreign cities.

"We tried not to have wholesale cuts and tried to maintain our skilled people through these hard times," Mr. McCaffrey continued. "You always have to worry about the morale of the troops, but the morale has been good.

"But, the consolidation of operations has made some jobs unnecessary and created some new ones. Where possible, we reallocated responsibilities where we most needed employees. We did most of our cost containment by consolidating, and that is our biggest highlight of the year."

For example, all of Hall's 12 specialty companies performing adjusting services are now operating under one name: Adjustco Inc., with 150 offices around the country.

By the time consolidation is complete, Hall's list of about 40 brokerage specialties and services should be whittled down to about six specialty areas, Mr. McCaffrey said.

From the risk manager's perspective, Hall's consolidation means easier access to the broker's specialty areas, Mr. McCaffrey said. "The risk manager will have fewer specialty names to pick from, so he can readily identify where he can go at Frank B. Hall," he said.

Hall also has formed a new management committee to plan and coordinate both long- and short-term goals and to review and coordinate all of Hall's worldwide activities.

The committee has met an average of twice a month since November. So far, the committee has improved communication among the various regional managers and among committee members, said Mr. McCaffrey, a member of the committee.

Other members of the committee are Chairman, President and Chief Executive Officer Albert J. Tahmouh, Vice Chairman William C. Bartholomay, and Executive Vps Douglas L. King and Peter T. Pruitt.

Hall also is beefing up its efforts in international business. To start, it recently hired Paul F. Butler, former president and chief executive officer of AFIA Worldwide Insurance (recently purchased by CIGNA Corp.), as chairman of Frank B. Hall Overseas Inc. Mr. Butler will head all international and reinsurance operations for Hall. He replaces William R. Dolan, who left the company in 1983.

Mr. Butler will continue Hall's efforts to develop a multinational client base and also develop services for Hall's present multinational clients. "I foresee a lot of emphasis in the Far East, Southeast Asia and Europe," Mr. Butler said.

"Also, I think we will see more interface within the Hall offices around the U.S. and overseas," he continued, "and that will be very productive."

Mr. Butler anticipates activity in the reinsurance area as well. "This is a very difficult time for reinsurance. I can foresee perhaps a greater amount of facultative reinsurance being purchased as markets tighten up and treaty limits contract."

Continued on page 28

Think of our Group Sales reps as Ph.D's on LTD's.



That's our way of saying that our Group Sales Representatives—working out of 22 strategically located offices—bring a world of experience and knowledge to bear when they support you in selling Mutual Benefit Long Term Disability.

It's experience that counts when it comes to LTD. The experience of our reps adds up to hundreds of years in the group insurance business—most of those years right here at Mutual Benefit Life.

All that group rep experience works right along with you—to provide just the right LTD combination for a specific customer or prospect. That's because flexibility is built into our LTD program. Some examples: a dual definition of disability ... the 80% earnings test plan ... the alternative of Executive LTD without offsets ... preferred rates for professional groups ... the potential of dividends for larger groups ... plus COLA, the all-important Cost of Living Adjustment.

No one knows better than you that some difficult questions can surface when it comes to LTD. The experience of our sales reps gives you answers ... fast.

No one knows better than you that administering LTD can get pretty complex. Our experienced Home Office people come through with the assistance that helps you keep that LTD business you worked so hard to get.

And when it comes to the insured employees, we're very experienced in expediting claims equitably and accurately.

Now, if you take the experienced support Mutual Benefit provides with its LTD ... and add to that the highly attractive, flexible nature of the LTD program itself ... you're going to wind up with some very solid results—a lot more LTD business!

Call our nearest office for details on Mutual Benefit's LTD. We're in the White Pages ... or write: Group Sales Division, 570 Broad Street, Newark, NJ 07101.



Mutual Benefit Life

Newark, NJ, Kansas City, MO.

You can control the cost of disability if you know where to look.



We know where to look.

Your large case clients have faced substantial increases in long term disability costs over the years. Despite what some may think, rising costs are not inevitable. Control is possible. If you know where to look.

Our unique Wellness Plan focuses on prevention, the best form of cost containment, by identifying potential disabilities before they happen. Unionmutual's Personal Profiles estimate an individual's risk of illness and injury, and, combined into a Group Summary Report, give the employer an overall risk report card of his employees. In addition, we have rehabilitative specialists throughout the country, whose primary concern is to get the disabled back to work as quickly as possible.

Our Cash Flow Plus LTDSM gives employers with more than 500 lives an opportunity to participate immediately in plan experience and to improve cash flow. And our unique Fund Balance LTDSM, a standard feature on plans with 1,000 or more lives, allows employers to participate in "new money rate" investment gains in order to reduce plan costs.

Our large case underwriters handle large cases only and, as specialists, are thoroughly familiar with their every aspect. This ensures plans that are among the most cost effective in the industry.

We'd like to show you risk management that focuses on disability cost containment. Send for our LTD Risk Management Guide today, or give us a call and we'll take a look, a long hard look.

Send me your free comprehensive LTD Risk Management Guide.

Name _____

Address _____

City _____

State _____ Zip _____

Phone number _____

Mail to: Fred Brown, Vice President, LTD Products
Unionmutual, 2211 Congress Street,
Portland, Maine 04122



Unionmutual

Putting employee benefits
in a whole new light.

Unionmutual Stock Life Insurance Co. of America, Portland, Maine 04122 (All states except New York)
Unionmutual Stock Life Insurance Company of New York, Elmsford, New York 10523 (New York State only)

Continued from page 26

Hall's reinsurance brokerage subsidiary is Frank B. Hall (Re) Holdings Inc.

"And, with rates going up in aviation, there's going to be a lot of activity there," he said. "Hall will devote a lot of attention and its in-house expertise to reinsurance."

International risks and reinsurance are a growing concern to risk managers, Mr. McCaffrey said, and Hall's increased activity in this area is a reflection of market demand.

"I think there's going to be a much heavier concentration on international business," he said. "Risk managers are getting more and more involved in international risks."

Hall has been firmly established in London since 1978, when it acquired Lloyd's of London syndicate Leslie & Godwin. The broker continued to expand its international interests

in 1983 by acquiring Blom & Van der Aa Holdings B.V., a retail broker in Amsterdam.

"International has been profitable, and we're confident it will be even more so with Paul Butler," Mr. McCaffrey said.

Hall classifies its sources of revenues into seven categories: property/casualty, employee benefits including life, marine, reinsurance, aviation, adjusting and "other."

(For purposes of comparison, *Business Insurance* estimated on page 26 Hall's revenues in the format *BI* requested that brokers report for this issue.)

According to Hall's classifications, property/casualty brokerage and services accounted for the largest portion of Hall's revenues from commissions and fees last year, contributing 56 percent of the \$332.5 million total, or about \$186.2 million.

This represents a decrease of less than 1% from the amount contributed by property/casualty business in 1982, when this group accounted for 57% of a \$328.4 million total, or about \$187.2 million.

"Our retail brokerage continued to show growth," Mr. McCaffrey said.

Hall picked up several new accounts. Four airlines are among them: Eastern, Air Florida, Braniff and Pacific Southwest. Also, Hyatt Corp. and Manville Corp. moved their accounts to Hall.

Mr. McCaffrey did not name the accounts lost by Hall in the last year, but said, "the only large accounts we have lost have been through acquisitions and mergers. I can't think of any large accounts the company's lost outright."

About 50% of Hall's business is generated by commissions and about 50% from fees. "We have gone more toward fees in the past three years, and part of it is doing more services because we are not converting a lot of accounts from commission to fee," Mr. McCaffrey said. "Our major growth in fee income is coming from services provided."

One of the better performers in the property/casualty group was Risk Science International, Mr. McCaffrey said. For the risk management consulting firm specializing in environmental consulting, "1983 was the year it really came into its own," he said. "We are very proud to see it gain momentum."

Another 1983 highlight was "Innovator Claims Management Systems," a computer project resulting from Hall's purchase of CTS Services Inc. in Dallas in August.

The computer software company offers time sharing to all types of businesses, not limited to risk management and insurance projects.

"We hired them as consultants

for a project and liked the company so well we bought them," Mr. McCaffrey said.

The Innovator will help Hall meet a wider variety of clients' systems and software needs. CTS will help Hall better track its internal information and better target where the broker needs to direct growth in the future, Mr. McCaffrey said.

Hall's brokerage services include special departments for unusual risks. Some of these include:

- "Interest Guard," a specialty

product developed in conjunction with General Reinsurance Corp., that protects corporate borrowers with variable rate loans from huge

fluctuations in interest rates. This specialty was "stable" in 1983, Mr. McCaffrey said, but Hall expects it will do well if interest rates rise in

'I think there's going to be a much heavier concentration on international business. Risk managers are getting more and more involved in international risks,' says John F. McCaffrey, executive vp of Frank B. Hall & Co. Inc.

1984.

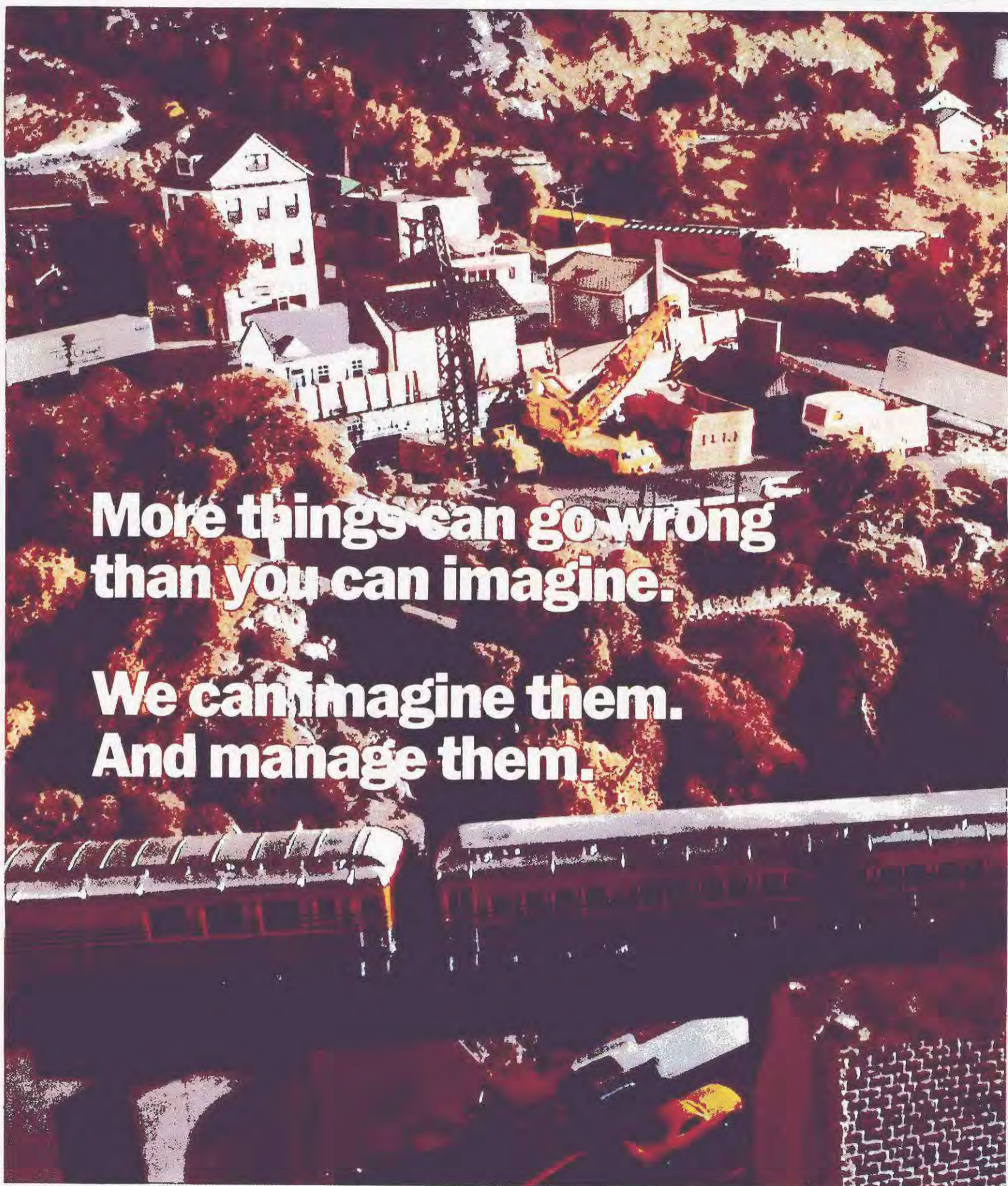
- The Winner's Circle, a program for bloodstock risks.
- Communications satellite users coverage.
- Environmental impairment programs.

And, Hall is adding another new product. The broker will soon announce a new program, developed in conjunction with auction house Sotheby's of London and New York, for buyers of fine art. The program will be offered to muse-

Continued on facing page



Mr. McCaffrey



**More things can go wrong
than you can imagine.**

**We can imagine them.
And manage them.**

**WE'RE SERIOUS
ABOUT YOUR
BUSINESS.**

That's why we've organized Risk Management Economics. Risk Management Economics is a division of BRI Coverage Corp. designed specifically to analyze, evaluate, design, and administer the various aspects of risk management . . . from cash flow to engineering . . . from loss prevention to tax planning.

Should you self insure? We'll evaluate and, if the answer is yes, design and administer your self insurance program. Is your Workers Compensation program effective? We'll analyze it and implement the adjustments necessary to increase its efficiency of

Continued from facing page
 ums and owners of large personal collections to protect art pieces from political risk, including kidnap and ransom, and also to guarantee appraisals and authenticity.

"We expect this to be very successful and exciting, and we will be having experts in the fine arts working with us on it," he said.

Hall reports that about 13% of its revenues, or \$47.5 million, is related to employee benefits and life insurance. This is 1% more than in 1982, when this category contrib-

'It's hard to tell what the problems will be in 1984 and beyond, but the most changes will either be in legislation or interest rates. Those have an effect on our clients and our markets, and so they have an effect on us,' Mr. McCaffrey says.

uted 12% of revenues.

And, "We would like to see employee benefits become a much larger segment of our business,"

Mr. McCaffrey said.

Marine insurance produced 7% of revenues, unchanged for the last three years. Reinsurance produced

6%, also unchanged for the last three years. Aviation contributed 5%, up from 4% in 1982 and 1981.

Adjusting services contributed 4%, unchanged for the last three years.

The "other" category, principally investment income, decreased to 9% from 10% in 1982 and 12% in 1981.

Other acquisitions made by Hall in 1983 included:

• Everett & Associates Inc. a general property/casualty broker in Miami Shores, Fla., together

with its affiliate, Benefit Planners & Administrators Inc., which specializes in the administration of self-insured benefit plans. Both companies merged into the Coral Gables, Fla., office of Hall.

• Chas. Lunsford Sons & Associates Inc. of Roanoke, Va., a retail property/casualty broker.

• Riggs-Edwards Insurance Agency, a general property/casualty agent in Salinas, Calif., which merged with Frank B. Hall Calif.

The acquisitions of Blom & Van der Aa, Everette & Associates, Chas. Lunsford Sons and Riggs-Edwards were accounted for as poolings of interests, so Hall's 1983 financials include the companies' results as if they had been owned the entire year and 1982 revenues were also restated to reflect the acquisitions. CTS Services was accounted for as a purchase transaction, so its results are reported only since the August acquisition.

Hall's efforts to expand by acquisition and a broader client base will continue into 1984, but will remain flexible, Mr. McCaffrey said.

"It's hard to tell what the problems will be in 1984 and beyond," he said, "but the most changes will either be in legislation or interest rates. Those have an effect on our clients and our markets, and so they have an effect on us.

"Environmental issues, the tax treatment of losses and all kinds of taxes are being discussed in Washington. There is a lot of legislative activity, and we are monitoring it and helping our clients understand what happens," he said.

"We are going to have a kind of deregulation in our industry. I think the banks will make their entry into the insurance industry in personal lines, and we are going to get other folks coming into the business that really don't know much about risk management.

"But, risk managers are far better educated and more important to their companies than they ever were before. They are getting out there and designing insurance programs on their own. Risk managers are going to have a lot of places to go (to get insurance) and they are going to have to make a closer evaluation of whom they are dealing with," he said.

Whatever the challenges, Mr. McCaffrey said Hall's management is ready.

To start, Hall's newest managers come from risk management and financial backgrounds, not from agencies as in the past, he said.

"Look at the new people we are bringing in. We've got a lot of the top risk managers—maybe 23 or 24 former risk managers," he said. For example, Thomas V. Hallett, senior vp of Frank B. Hall, president of Risk Science International and head of Adjustco, is the former risk manager for General Motors Corp.

And, Raymond W. Stephens II, former director of risk management for Dillingham Corp. in Walnut Creek, Calif., is now a vp for Hall in the Walnut Creek office. As such, he coordinates the property/casualty computer services for clients in the Innovator project.

"We're getting the ones out of business school with the financial background, too," Mr. McCaffrey continued. "Management is getting younger, and more financial-oriented. It's going to be a change, over a long period, for Hall, but we think it will be a good one."

To further position itself in the future, Hall is "taking a long hard look at personal lines," where it sees opportunities to be more effective.

The highest-paid officers and their salaries in 1983, according to the Securities & Exchange Commission, were:

Albert J. Tahmoush.....	\$406,208
William C. Bartholomay.....	\$233,395
Henry E. Froebel.....	\$233,395
John F. McCaffrey.....	\$225,367
Peter T. Pruitt.....	\$191,625

—By Sallie J. Drury



operation and administration. Are you taking all the steps necessary to minimize your possible exposure? Our staff of loss prevention experts will examine your operation and, if need be, develop appropriate measures to prevent a crippling loss.

Risk Management Economics will provide the medium to large company with the additional input needed to increase the efficiency of the risk management operation. And we'll provide the smaller company with all the risk management services it requires without absorbing the additional cost of a risk management department.

Risk Management Economics. Designed to manage the things that go wrong . . . before they go wrong.



BRI COVERAGE CORP.

156 William Street, New York, N.Y. 10038
 212-233-7171 800-221-5080

4

Johnson & Higgins

65 Wall St., New York, N.Y. 10005;
212-701-7500

	1983	1982
Premium volume	NA	NA
Gross revenues	\$336,000*	\$323,705,000*
Brokerage: Retail	74%*	75%*
Wholesale	2%*	2%*
Services	17%*	14%*
Other	7%*	9%*
Employees	6,100*	5,950
Fees/employees	\$55,180*	\$54,400*
Offices	88	85

*-BI estimate.

NEW YORK—Fees will account for a growing portion of Johnson & Higgins' revenues this year as the company moves away from its longstanding commitment to commission-based compensation.

Most of the new fee revenue will flow from J&H's employee benefits and actuarial consulting operations,

dramatically expanded in 1983 in a rapid-fire series of acquisitions.

While benefit consulting produced about 26.7% of the company's estimated \$336.6 million in 1983 revenues, that share will rise to about 30% in 1984, according to President Edwin L. Knetzger Jr.

Privately held J&H is also switching to fees for many other non-benefit services such as risk management studies, he added.

"Every day we are agreeing to do some kind of service that just a few years ago we would not have undertaken on a fee basis," he said.

The change in direction at the nation's fourth-largest brokerage came during another year in which commissions were depressed by property/casualty insurance rate competition. It also reflects the firm's rather gloomy forecast of more of the same.

"Broadly speaking, our specific goal is to earn reasonable compensation regardless of the product or

service involved," Mr. Knetzger said. "To continue to do more and more that is better and better for less and less income is not a very smart thing to do."

In many lines—notably aviation—J&H has seen some markets tighten, either by raising rates, refusing further rate reductions or imposing more restrictive policy conditions or "astronomically" higher deductibles, he said.

"And we know that the reinsurance market has tightened a lot. There are a lot of reinsurance treaties that have not been filled out, and those that have more often than not have reflected pretty significant price increases," he added.

"But we're still seeing wild things happening in individual situations," he said. "If an underwriter wants to handle a certain piece of business at a 30% or 40% or 50% discount from a premium that's clearly inadequate—that is still happening."

However, J&H no longer sees—as it did in 1982—commissions paid by insurers on top of commissions for new business, said Chairman Robert V. Hatcher Jr.

"I would strongly suggest to you that we wouldn't accept one today. I think the industry is in such serious condition that anybody who would be irresponsible enough to offer us a special bonus to get a piece of business is headed out of business," Mr. Hatcher said.

In a recent letter to J&H field offices and about 25 insurance companies, Mr. Hatcher emphasized the need to stress insurer stability over price. J&H is willing to lose some clients who are "unclearly abusive of a fair price" though Mr. Hatcher doesn't expect to lose any clients. (BI, June 18).

In expanding its fee-based consulting services, J&H is betting against the return of the kind of hard market buyers suffered through in the mid-1970s as well as

the return of a dependable three-year rate cycle.

"A lot of people feel that this is not just another stretch of the traditional cycle, that we may have a buyer's market from now on," Mr. Knetzger said. "It may not be quite as serious from the underwriter's standpoint as it has been—we don't think it can stay at that level. But three good years followed by three bad years—that would not be a very sound prediction."

"We really did feel for a long time that we don't have to be terribly concerned if prices are very soft and our income goes down this year—it'll come back," he explained. "And maybe the income was a little excessive for two or three years and now it's a little short of what we need, in the long run things will work out... And they did. We did very well for a long time."

"But I think the ground rules have changed. We're not nearly as confident about the return of the kind of hard market we have lived through every few years in the past."

"Besides," Mr. Knetzger added, "there's an increasing number of (corporate) senior officers out there selecting professional advisers who aren't terribly wild about commissions as a basis of compensation anyway. Why die on that rock trying to convert them? It's like arguing about religion."

While J&H positioned itself for a more profitable future, it fought through another year in which victory meant not losing any ground.

"In absolute terms, it was not a good year for Johnson & Higgins," Mr. Knetzger said. "We wouldn't be the firm we are today if we continued to operate for many years with the profit margins that we generated last year."

Still, he said, the company's revenues grew at a higher rate than those of its brokerage competitors.

In keeping with the tenets of its private ownership, J&H has traditionally declined to release financial data. However, *Business Insurance* estimates that the firm's commissions and fees grew 4% in 1983 to \$336.6 million from \$323.7 million in 1982.

In addition to the 26.7% of revenues from benefits consulting, 34.2% came from casualty business, 17.3% from property business and 12.8% from marine, unchanged from 1982. (Marine cargo and hull business was again the company's weakest sector, reflecting the depressed shipping market.)

The remaining 7% of revenues came from other sources, including Willcox Inc. Reinsurance Intermediaries and investment income, which was "down a little" last year compared with 1982, Mr. Knetzger said.

Meanwhile, expenses rose by about 11% last year, up from 1982's expense increase of 8.2%. Total staff grew to 6,100 from 5,950 in 1982.

The pressure on commissions, increase in expenses and decline in investment income constituted "kind of a one-two-three punch" for J&H, Mr. Knetzger observed.

However, new business production in 1983 was up more than 20% over 1982, an all-time record for J&H, he said. At the same time, the company posted its best record ever for retaining business.

"On a relative basis, we're quite pleased with what we've done," he said.

J&H is shooting for a 15% increase in revenues and operating profits in 1984, Mr. Knetzger said. To hasten that kind of growth, the company has taken several steps in addition to its acquisitions in the benefit and actuarial consulting fields. These include:

- A continued push for middle-market business through its Commercial Accounts Divisions.
- Expansion into mass market-

Continued on page 32

Forge your own frontier with GNMA II futures.

Interested in a GNMA contract that closely tracks current production mortgages... a futures contract to help manage mortgage price risk.

Here it is.

Complate with actual certificate delivery of either GNMA IV or GNMA I's, a six month delivery window, and a 102.5 price cap.

Industry experts anticipate an active forward market, simplified hedge management, reduced basis risk, attractive arbitrage opportunities, and the same type of liquidity, depth and affordable transaction costs that the existing Chicago Board of Trade interest rate futures and option contracts already offer you.

To explore our latest response to your hedging needs, call your broker or the Chicago Board of Trade at


1-800-621-4641

In Illinois 1-800-572-4217

Forging Financial Frontiers

for 136 years

 Chicago Board of Trade



**“You can’t just plunk
down a bunch of
computers in an office
and expect things to
happen. You’ve got
to prepare people for
office automation.
Give them all the
support you can
...and more.”**

With Wang, you can get all the support you need. Whenever and wherever you need it.

Support that begins long before installation and extends for the life of the system.

So whether you need assistance in customer engineering, training, documentation, implementation, supplies or software, with Wang you get a response, not a referral.

A response from the people who’ve been in office automation longer than anyone else in the industry.

WANG

The Office Automation Computer People.

Continued from page 30

ing of group insurance products through a joint venture with Kirk Van Orsdel, a privately held brokerage based in Des Moines, Iowa.

- A new push for North American reinsurance business in conjunction with Willis Faber P.L.C., the United Kingdom's second-largest brokerage and a longtime exclusive correspondent of J&H.

- The creation of a new reinsurance facility for Bermuda captive insurers managed by J&H Ltd. of Bermuda.

- The opening of two new domestic and two foreign offices, and the addition of Kessler & Co. of Switzerland to J&H's network of overseas correspondents.

- Institution of a new quality-control program in which account managers and clients review the adequacy of J&H's services.

- Continued efforts to reduce expenses.

Benefits and actuarial consulting is an area where Mr. Knetzger sees "no limit" to the company's potential growth.

It's certainly an area in which J&H is taking strides to increase its market share. Last year, the company acquired:

- Sibson & Co., an executive compensation and salary planning consultant based in Princeton, N.J. The firm also has offices in New York and Los Angeles.

- Sorensen & Associates Inc. of Hartford, Conn. The firm's services, aimed primarily at insurance companies, include the design and modification of life insurance products and analyses of insurance companies for acquisition or new business activity. It also analyzes life insurance products for corporate clients and provides actuarial and benefits consulting services. Sorensen operates as a subsidiary of J&H of Connecticut Inc.

- Winklevoss & Associates Inc. of Philadelphia. The firm specializes in developing computer software programs for forecasting pension liabilities. The programs are designed to review data on pension plan design, funding policies and asset management to help corporate financial officers make decisions about appropriate funding levels and asset composition.

- Edward H. Friend & Co., an employee benefits and casualty risk consulting firm based in Washington, D.C. Its specialties include analyses of self-insured workers compensation and professional liability programs.

- Kass, Germain & Co., an actuarial consulting firm based in Cleveland. J&H had been a "small potato" in actuarial consulting in the Cleveland area, and the acquisition will allow it to compete with larger firms such as Wyatt Co. and Towers, Perrin, Forster & Crosby, Mr. Knetzger said. Kass, Germain's services include analyses of retirement, group insurance and other employee benefit plans. It operates as a subsidiary of J&H of Ohio Inc.

Mr. Knetzger is especially excited about the prospects for Winklevoss, which has performed 57 pension planning studies since August 1983, mainly for Fortune 1000 companies.

Winklevoss found that about 80% of its clients had overfunded their plans, sometimes significantly, according to Mr. Knetzger.

The firm has been able to help establish more "realistic" funding patterns by looking at such factors as the composition of a client's work force, probable future salaries, cost of living adjustments and pension accounting rules established by the Financial Accounting Standards Board.

(FASB, the rule-making body of the accounting profession, is considering a new set of pension accounting rules that would move unfunded liabilities onto employers' balance sheets.)

"In unbelievably quick time, (you can) figure out that 20 years from now—if you have a funding objective that goes that long—you will, by contributing 4% of payroll instead of the 9% that your actuary has been telling you for the last 18 years, have more than enough money to be realistically funded," Mr. Knetzger said.

"That is really a joyous discovery for financial officers who are under a lot of heat to find some ways to make that (profit and loss statement) look better."

Backing up local J&H benefit consultants are the company's Variable Benefits Task Force, whose members contribute their expertise to the tailoring of client benefit plans, and its Data Base Management System, a computer system designed to track overuse and abuse of medical benefits.

While J&H hopes its 1983 acquisitions lay a foundation for future

growth, actual growth last year was led by a department the company formed in 1982: commercial accounts.

Commercial Accounts Divisions, located in several J&H branch offices, are aimed at "middle market" clients with up to \$500,000 in annual premiums. The divisions coordinate employee benefit consulting with property/casualty and other services for these clients.

In the larger offices that have kept track of commercial accounts separately, business in 1983 grew 30% over 1982, Mr. Knetzger reported. In the first four months of 1984, business is up 40% over the same period in 1983.

Last year, J&H also expanded operations aimed at association and group insurance clients with the formation of a joint venture with Des Moines-based Kirk Van Orsdel Inc., a privately held broker/ad-

Continued on facing page



J&H President Edwin Knetzger, left, and Chairman Robert Hatcher.

Only Equitable healthy savings for your group health program.

Continued from facing page
 administrator of group insurance programs.

The joint venture, J&H/KVI, will mass market insurance products for associations as well as finance-related products such as tax-deferred annuities and payroll deduction life insurance programs.

KVI has more than 350 employees, with branch offices in Spencer, Iowa; Washington, D.C.; and Phoenix, Ariz.

The joint venture expands J&H's Association Accounts Division, formed in 1982 along with the Commercial Accounts Divisions. Association Accounts produced about 5% of J&H's revenues in 1983, Mr. Knetzger said.

While J&H is thinking smaller with its commercial and association account business, it may soon think smaller still, Mr. Knetzger added.

The company will decide shortly whether to expand its personal lines business—including private

passenger automobile, homeowners and excess catastrophe liability coverages—which currently generates only about 1% of revenues.

"We're goaded by a lot of factors, including what our competitors are doing, and we keep looking at the gross size of the personal lines market and it's huge," he said. "We really feel we don't have the luxury of ignoring that big a segment of the total market."

J&H probably would go after the "top segment" of the personal lines market—the most affluent individuals—just as Marsh & McLennan Cos. Inc. has done through its facility with Chubb Corp.

J&H would probably not have an exclusive relationship with a single insurer, but would arrange facilities with "a limited number of markets," Mr. Knetzger explained.

The company may experiment with personal lines expansion in New York—"which, God knows, is a high-cost area"—and depending

on the results may make it a separate profit center, he said.

While J&H hopes to "dramatically expand" its stable of medium- and small-sized clients, though, it is still "heavily weighted" to very large corporate accounts, noted Gardner M. Mundy, a J&H director. Sixty-eight of the largest 100 multinational companies are J&H clients, up from 57 early in 1983.

Reinsurance is another area where J&H has made changes to bring in new business. Last December, the company completed the sale of a 49% interest in Willcox Inc. Reinsurance Intermediaries, its domestic reinsurance unit, to longtime London correspondent Willis Faber (BI, Oct. 3, 1983).

As part of that deal, Willis Faber formed a new Lloyd's of London broker, Willis Faber & Willcox Ltd., to handle North American reinsurance business produced by the joint venture.

Kenneth A. Hecken, a J&H se-

nior vp and director, was named chairman and chief executive officer of Willcox. Mr. Hecken had projected the operation would generate about \$20 million in revenues in 1983 and the company expects it to produce "significant" growth as it goes up against the better-established Marsh & McLennan reinsurance unit, Guy Carpenter & Co., Mr. Knetzger said.

The joint venture handles North American reinsurance only: J&H decided in November 1982 to transfer its overseas reinsurance business to a newly formed International Reinsurance Department. The international reinsurance staff has doubled since the department's formation, expanding from 11 employees to 22.

Another reinsurance development last year was the unveiling of CAPTOR, a risk pooling mechanism for captive insurance firms developed jointly by J&H Intermediaries Ltd. of Bermuda and Gen-

eral Reinsurance Services Ltd.

The CAPTOR program pools the U.S. workers compensation and casualty risks of member captives, covering excess of \$25,000 and up to \$1 million per occurrence. It was designed to complement J&H's First Island Reinsurance Assn., which pools the first \$25,000 layer of participants' risks.

The two pools are intended for captive insurers managed by J&H Ltd., the company's Bermuda captive management subsidiary.

CAPTOR needs three participants in order to become active, and J&H expects to have three signed up by July 1.

J&H Ltd.—the island's second-largest manager by premium volume and largest by number of captive clients—had an otherwise lackluster year in 1983, adding 13 single-parent captives and two association captives to its stable while losing five existing clients to liquidation, according to President Brian R. Hall. Premium volume stayed flat at about \$520 million.

Meanwhile, J&H expanded its office locations in the U.S. and abroad last year. North American offices opened in Charleston, W. Va., and St. John's, Newfoundland, bringing the U.S. and Canadian total to 49. The company also plans to open a San Jose, Calif., office to handle high-tech clients in nearby Silicon Valley.

The total of international offices rose to 39, with openings in Kuala Lumpur, Malaysia, and Bologna, Italy. An office will soon be opened in Jakarta, Indonesia.

About 25% of J&H's revenues are generated by international business, with the remaining 75% generated domestically.

J&H also strengthened UNISON, the network of European brokers with which it maintains exclusive correspondent relationships. Kessler & Co., a Swiss broker, joined the network last year, bringing the number of exclusive J&H correspondents to 12.

Other members include Willis Faber; Boels & Begault of Belgium; Bonner & Co. of Denmark; Costa Duarte y Lima Ltda. of Portugal; Gil y Carvajal S.A. of Spain; Gras Savoye & Cie. of France; Jauch & Hubener of West Germany; Johnson & Higgins SpA of Italy; Mercury Insurance Agencies Ltd. of Greece; Mees & Zoonen Assurantien D.V. of the Netherlands; and Joachim Grieg & Co. of Norway.

Together, UNISON members maintain 97 offices in 36 countries around the world.

To ensure that it retains as much business as possible—and thus loses as little revenue as possible—J&H last year put together a "quality control" program for its account managers and clients.

A manual prepared for the program outlines four phases in the quality control review:

- An "account management matrix," a review by all managers working on an account of that client's potential exposures and the extent to which they're covered.

- Client review, in which J&H clients offer critiques of the broker's performance.

- A client checklist, designed to help clients review their own exposures and coverage.

- A "stewardship report," in which J&H account executives offer a complete review to a client's senior management of that client's risk management and insurance program.

"If our account is going to be under attack—and that is our basic assumption—we'll be better able to withstand any competitive attack if we critique our own work in-house," Mr. Knetzger pointed out.

These procedures aren't necessarily new, but have simply been formalized in the manual, Mr. Knetzger explained.

Account managers are now con-

Continued on next page

guarantees

RIOD 01/02
 ...PROJECTED
 COSTS:

\$1,000,000.00
 \$900,000.00
 Blue

Save 5 times what you spend on dental benefits review or don't spend a dime.

Our dental benefits program controls claim costs before there's a claim. With incentives for preventive care, consistent peer review and objective claim audits.

We give you a case manager for those special cases that need managing.

To that one-in-one-thousand case

that needs specialized, targeted care, we assign a medical case management coordinator to assure care-effective treatment that's cost-effective as well.

Our Pre Admission Review program guarantees savings.

In fact, our track record is four dollars saved for every dollar spent on The Equitable PAR program. Our clients are finding that PAR helps reduce the number of days a patient spends in the hospital.

Our claims system is programmed to do more than just pay claims.

With Equi-Claims, every hospital admission is monitored, every claim is reviewed and every dollar saved is reported accurately back to you.

If your group health program can't guarantee savings like these, write or have your benefits advisor write EVP Gil Reich at The Equitable, 1633 Broadway, Suite 1604, N.Y., N.Y.10019. He'll help you keep the cost of health care down while keeping the quality of health care up.

No other group health program can make that claim.

THE EQUITABLE
 Financial Services

Continued from previous page
ducting their first quality-control reviews for selected clients, though managers are expected eventually to conduct some form of the review for all clients, Mr. Knetzger said.

J&H also hopes to strengthen revenues by getting a grip on expenses. This will mean a continued careful review of all new hiring, Mr. Knetzger said.

In 1982, the company put a "deep chill" on hiring, requiring that all additions to the staff be approved by a special hiring committee and Mr. Hatcher. Last year, however, that restriction was eased slightly: J&H managers may now request certain staffing levels in the annual budget plans and must get Mr. Hatcher's approval only for staff additions beyond the requested level, Mr. Knetzger said.

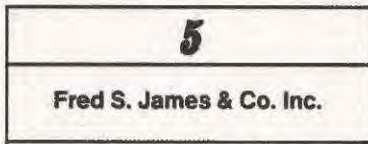
Johnson & Higgins is owned by its board of directors. Two additions were made to the board last year: Sam Aiena in the New York

office and James Altman in the San Francisco office.

In addition to Mr. Hatcher, Mr. Knetzger, Mr. Mundy and Mr. Hecken, New York directors include George D. Benjamin, Peter B. Bickett, Peter M. Black, Prescott S. Bush Jr., Gilbert H. Dunham, James G. Harlow, Kenneth K. Keene, Harvey M. Kelsey Jr., John P. Keyser, John H. McEown, Richard E. Meyer, Thomas G. Patzau, Richard J. Rice, J. Kenneth Seward, George H. Shattuck and Gustave S. Werner.

Directors in other offices include Peter A. Bergsten, David W. Bianchi, Robert A. Cameron, Walter H. Clemens, Rodney D. Day III, Denver C. Ginsey, E. Eric Johnson, W. Mitchell LaMotte, Albert S. McGhee, Richard A. Nielsen, David A. Olsen, George F.B. Owens Jr., Dickinson C. Ross, Kenneth B. Ross and E. Massie Valentine.

—By Douglas McLeod



Fred S. James & Co. Inc.
55 Water St., New York, N.Y. 10041;
212-747-6600

	1983	1982
Premium volume	2,800,000,000	2,800,000,000
Gross revenues	244,900,000	241,300,000
Brokerage: Retail	67%	70%
Wholesale	1%	1%
Services	19%	16%
Other	13%	13%
Employees	4,616	4,422
Rev./employees	\$53,055	\$54,568
Offices	115	111

NEW YORK—Fred S. James & Co. Inc. is hoping that expansion on the international scene will help it through what is generally expected to be another difficult year for brokers.

James, the fifth-largest broker and a unit of Transamerica Corp., announced in January that it

would move its international headquarters to London from New York.

Alton F. Irby III, executive vp-international, also has relocated to London and was named chairman of Wigham Poland Holdings Ltd., the British brokerage of which James is 65% owner.

"We are convinced that this sector has the potential for the greatest development of new business in both our retail and reinsurance activities," says Charles A. O'Malley, chairman, president and chief executive officer of James.

The thrust of the operation will be to pursue indigenous foreign business, though James also hopes to pick up the international business of U.S. clients and the U.S.-based business of foreign firms, he suggested.

"The international (expansion) will achieve the double benefit of creating new markets overseas and improving market penetration do-

mestically. We feel our development in this areas is critical to the company's success," Mr. O'Malley said.

Only about 15% of James' total revenues are derived from foreign sources, with 85% generated from domestic business.

The expanded operation should also be able to take advantage of an expected rise in London market business as U.S. markets raise rates for certain types of coverage.

"The flow is beginning to move into the U.K. market," he explained. "As the U.S. market tightens, people are testing London to see what they can get."

Nevertheless, the bulk of Wigham Poland's business continues to come from foreign sources, he added.

"U.S. business in Wigham Poland is peanuts compared with its overall volume," Mr. Irby said.

Only about 25% of James' London placements are through Wigham Poland, added Timothy J. Mahoney, senior executive vp. Many of the placements, he said, are through the London subsidiaries of James' main competitors, including C.T. Bowring & Co. Ltd., a unit of Marsh & McLennan Cos. Inc.; Leslie & Godwin (Holdings) P.L.C., a unit of Frank B. Hall & Co. Inc.; and Alexander Howden Group P.L.C., a unit of Alexander & Alexander Services Inc.

"We can't afford to seem too self-serving," Mr. Mahoney explained.

Acquisitions will be the major building blocks of James' international expansion. James is in the "final stages" of negotiations to acquire four European brokerage firms, said Mr. Irby, who wouldn't reveal the names of the brokers involved. Some of the acquisitions will be in the U.K., he said.

In addition, the firm is in the midst of "conversations" with brokers in such Far Eastern countries as Malaysia and Indonesia about possible acquisitions or joint ventures, Mr. Irby said.

While James is planning for overseas expansion in the future, it wasn't inactive last year. The firm opened a new office in Singapore and expanded its existing Puerto Rican operations with the acquisition of a San Juan brokerage, Aruba Renna Insurance Agency, which specializes in financial and bank-related insurance products, according to Mr. Mahoney.

Several important domestic clients have recently built plants in Puerto Rico, prompting James' decision to increase its presence on the island, he explained.

Other developments at James in the last year include:

- Several U.S. acquisitions, including Dinner Levison Co. of San Francisco, which was ranked 19th in last year's *Business Insurance* ranking of the Top 20 U.S. brokers.

- The acquisition of all the business of James' parent, Transamerica.

- The development of new products and services, particularly in the employee benefits, environmental and financial guarantee areas.

- A realignment of reporting responsibility within top management that shifts some of Mr. O'Malley's responsibilities to Mr. Mahoney.

- The formation of an executive management committee and senior management group, which will oversee the company's long-term planning as developed by a strategic planning committee.

- The appointment of James J. Meenaghan as president of James' reinsurance broking subsidiary, John F. Sullivan Co. Mr. Meenaghan was formerly president and chief operating officer of Fireman's Fund Insurance Cos.

The Dinner Levison acquisition helped James recover from its slight 1981-82 revenue decline,

Continued on page 36

Bayly, Martin & Fay International, the nation's 8th largest insurance broker is now 100% owned by BMF Management and Bass Interests*

*Members of, or individuals associated with, the Bass Family of Fort Worth, Texas.

There's a new energy at BMF. Focusing on a future filled with possibilities, we've said yes to change. Under new ownership we're directing our resources toward what we do best — managing risk for our clients.

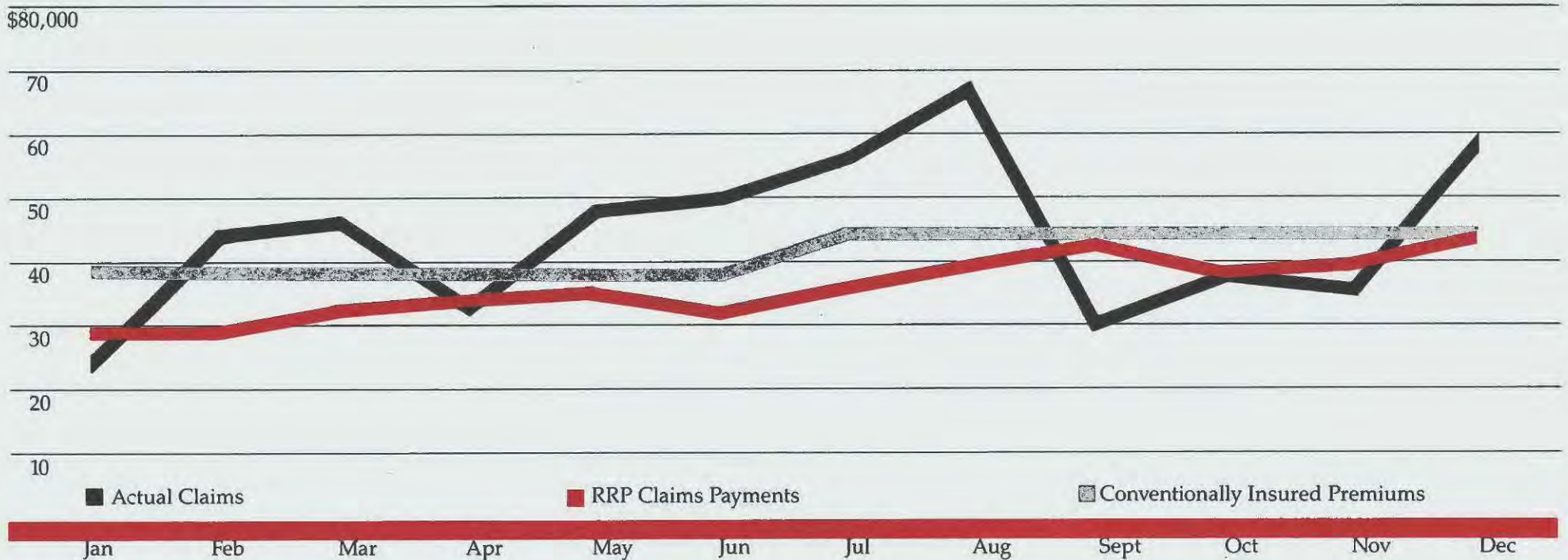
With our commitment to excellence, we're working better for you.

BMF
Bayly, Martin & Fay International, Inc.

INSURANCE BROKERS
BUILDING ON EXCELLENCE

CORPORATE HEADQUARTERS:

660 Newport Center Drive / Newport Beach, CA 92660 / (714) 644-7940 / TELEX: 692-306



stabilize.

Introducing MONY's exclusive Restructured Risk Plan. It protects employer budgets against fluctuating monthly claims.

No matter whether you have an alternate funding arrangement or conventional insurance, the built-in cost fluctuations can ruin the best-laid budget plans. With alternate funding, claims can fluctuate greatly from month to month. With conventional insurance, it's the sizeable renewal increases at year end that disrupt cash flow and break the budget.

That's why MONY developed the Restructured Risk Plan (RRP): to smooth out and stabilize those fluctuations and improve cash flow.

RRP combines all the advantages of alternate funding plus the financial security of conventional coverage. The result is a plan that, for the first time, allows the medium-sized company to truly self-fund its employee medical, dental and short term disability plans—without taking on an unacceptable level of risk.

A New Funding Concept

MONY's plan is based on a new variation of the "pooling" concept. "Pooling" simply means spreading the claims risk among a number of entities so that otherwise unbudgetable losses will be spread over all members of the pool. However, with RRP, instead of spreading the risk among employers, the risk is spread out over time, usually 12 months. With RRP, an employer pays a rolling average to cover only its own claims risks, not the risks of others. Such averaging has a surprisingly stabilizing effect on monthly claims.

10 Advantages of RRP

1. Better monthly and annual funding stability, by paying a rolling average over a 12-month period.

2. Better cash flow than any other funding alternative (including 90-day grace period plans, cost plus arrangements, minimum premium, ASO/Stop Loss or pure self insurance).
3. Savings of up to 100% of State Premium Tax.
4. Protection against runoff liabilities at plan termination.
5. Protection against prior plan runoffs. (Optional)
6. No reserve requirements.
7. Liability limits determined by actual claims—not an insurance company.
8. Elimination of insurer margin factors and risk charges.
9. Guaranteed once-a-month claims funding.
10. Avoidance of state mandated benefits.

Catastrophic Claims Protection

RRP also provides individual and aggregate stop loss protection. There's an initial guarantee that RRP payments will not exceed 125% of expected claims during the first 16 months. This is followed by a second year guarantee and an ultimate guarantee, to keep monthly RRP payments at predictable levels.

Plan Design

MONY's RRP is meant for plans with 150* or more lives and \$150,000 in expected claims. It provides coverage for medical and dental care and for non-statutory Weekly Disability Income. MONY provides all the standard administrative services as well as many useful optional services.

To learn more about how this unique funding alternative can stabilize your monthly costs, fill out the coupon.

*1000 lives for dental only

Mr. Jack Williams
Vice President—Group Sales
MONY, Mail Drop 14-1,
1740 Broadway, NY, NY 10019
(212) 708-2614

Please send me more information on MONY's new RRP product.

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone _____ BI

✂

RRP

MONY

THE MUTUAL LIFE INSURANCE
COMPANY OF NEW YORK
1740 BROADWAY
NEW YORK, NEW YORK 10019

Continued from page 34
 though 1983 was still far from a stellar year for the brokerage. Gross revenues last year rose a modest 1.5% to \$244.9 million after declining in 1982 to \$241.3 million from \$241.5 million in 1981.

James included about \$2 million of Dinner Levison's 1983 revenue—two months' worth—in its figures for last year, Mr. Mahoney said.

In all, between 10% and 15% of James' domestic revenues last year came from new business, he added.

The mix of the company's domestic brokerage business changed slightly. Casualty business accounted for 44% of 1983's commissions and fees, up from 43% in 1982; and reinsurance broking accounted for 12%, up from 11% in 1982. Property business, however, dropped to 16% of the firm's total in 1983 from 18% in 1982.

Meanwhile, employee benefits/life insurance produced 19%,

marine 5% and bonds 4%, unchanged from the previous year.

Total commissions and fees from domestic brokerage were up 4.6% to \$183 million last year from \$175 million in 1982. As was the case in 1982, fees generated about 40% of total revenues last year, Mr. Mahoney said.

However, contingent commissions—which underwriters pay brokers for business that proves to be profitable—dropped to \$5 million in 1983 from \$6 million in 1982. Investment income fell 31% to \$9 million last year from \$13 million the year before, after falling 28% from \$18 million in 1981.

Adding income from miscellaneous sources, total domestic revenues were \$209 million in 1983, up 3% from \$203 million in 1982.

Foreign revenues, however, fell 5% to \$36 million from \$38 million in 1982.

Wigham Poland's performance last year was flattened by the

strength of the U.S. dollar against the British pound sterling, according to John C. Crane, executive vp of finance and administration.

"Their performance in pounds was good, but when you convert that to dollars, it all goes away," he explained.

Operating expenses, including salaries, benefits and other costs, rose 6% to \$221.9 million in 1983 from \$209.3 million in 1982, mainly because of increased head count, Mr. Crane said.

Although James reduced its work force by 3% between 1981 and 1982, that kind of reduction couldn't continue, Mr. O'Malley indicated. "If you cut any further, you start to cut into essential services," he explained. "You can't af-

ford to do that."

James' employees numbered 4,805 as of last Dec. 31, up 8.7% from 4,422 at the end of 1982. Most of the increase can be traced to the company's 1983 acquisitions—170 employees from Dinner Levison, for example—and since these employees were with the company only part of the year, James prorated the number for reporting purposes, coming out with a 1983 average of 4,616 employees.

Excluding the acquisitions, expenses increased by about 4% in 1983, and a "goodly portion" of this reflected the planned addition of about 50 employees to the staff of John F. Sullivan, Mr. Crane said.

He added that operating profits in the reinsurance division were down because of the staff additions.

Overall, operating income at James dropped 26% to \$11 million in 1983 from \$14.8 million in 1982, a further decline from the \$19.3 million in operating profits for 1981.



Mr. O'Malley

Your Best Benefit Package Includes PAID

By adding PAID Prescriptions — you get the plan that saves you money by eliminating wasteful abuse, minimizes clerical errors and ensures tighter claims controls.

If your plan doesn't have PAID's benefits, you're missing a lot. And if you have another drug or vision claims processing plan, find out what you're missing.

PAID Prescriptions adds that essential "plus" factor that does much more for you.

First, we cover vision and hearing as well as pharmaceutical claims. And because we pay claims quickly and accurately, the PAID card is welcomed by more than 60,000 providers in the 50 states, Canada, Puerto Rico and Guam.

Second, we're part of Computer Sciences Corporation, the world's leader in information services. Our financial stability means we'll be here when you need us.

Third, through our remote computer network, INFONET, we are able to verify eligibility for benefits online so that you have access to this important information when you need it.

Fourth, we're a totally independent third-party claims processor. Your interests are our interests, and we'll manage your claims payment dollars as if they were our own.



Fifth, PAID's identification card production facilities have set the standard for the industry. With the most modern equipment and thoroughly trained staff, our daily card production turnaround time is substantially better than our competitors.

And **sixth**, PAID's computerized audit of claims saves money — often it saves enough to cover our nominal administrative fee. PAID's audit system reduces invalid claims and eliminates over-charging and errors.

Six good reasons to learn more about PAID. If you don't your competition will.

Get your information package by calling (800) 631-1679. Or, mail the coupon to P. O. Box 434, Paramus, New Jersey 07652.

Yes, I'd like to learn more about PAID Prescriptions. . .

- Please have a salesman call
- Send me your brochure

Name _____

Company _____

Address _____

City _____ State _____ Zip _____

Telephone _____



PAID PRESCRIPTIONS

A Subsidiary of Computer Sciences Corporation
 Major Offices and Facilities Throughout the United States

However, because of \$12.3 million in amortized costs associated with its 1982 acquisition by Transamerica, James posted a net loss of \$1.3 million for its parent company.

The first quarter produced somewhat more heartening results, with revenues rising about 15% to \$68.7 million from \$59.8 million in the first quarter of 1983.

James suffered through a lean 1983 along with other top brokers, but it had one major advantage: the backing of Transamerica.

San Francisco-based Transamerica contributed \$15 million in capital to James last year, allowing the broker to spend \$20 million on acquisitions.

Principal among these was privately held Dinner Levison, which posted \$12.5 million in revenues last year, unchanged from 1982. DL's 1981 revenues were \$10.2 million.

When James acquired DL last October, it also got one of DL's recent acquisitions, San Francisco-based FPE Group, a loss-control engineering and consulting firm.

DL—which was one of Transamerica's brokers before the acquisition—has offices in San Francisco and Newport Beach, Calif. The San Francisco office is now being merged with James' office in that city, though Mr. Mahoney said that there will be no staff reductions in San Francisco and that personnel may even be added.

Mr. O'Malley noted that James last year became the broker for all of Transamerica's various subsidiaries, which include life, title and property/casualty insurance companies; consumer lending and equipment leasing companies; Transamerica Delaval, a diversified manufacturer; Transamerica Airlines; and Budget Rent a Car.

Commissions and fees from Transamerica-related business account for less than 1% of James' total revenues, Mr. O'Malley said, adding that only 0.1% of revenues were generated by outside business placed with Transamerica-owned insurers.

Other acquisitions include:

- Diversified Risk Managers of Boise, Idaho, acquired in January 1984. DRM specializes in third-party administration of self-insurance programs and will bolster James' Claims Management Services division, Mr. Mahoney says.

About 80% of Claims Management revenues are derived from workers compensation claims administration services, though Claims Management offers the same services for liability and other self-insured programs.

DRM will be merged into James' existing Boise office.

- Wolfstone & Co., a general brokerage firm based in Seattle. Wolfstone, acquired in March 1984, will be merged into James' existing Seattle office.

- Henry-Rust Inc., a Boise, Idaho, brokerage firm.

James isn't through with domestic acquisitions this year, either: The firm is now talking with three employee benefits consulting firms about possible buy-outs, said Mr. Mahoney, who wouldn't reveal the names of the companies involved.

He added that James expects its employee benefits consulting operation—James Benefits—to be among its fastest-growing. Although benefits consulting produced 19% of total domestic revenues in 1983, that number will rise to about 22% this year, he said.

Part of the growth in the benefits area will come not from acquisitions, but from new products, adds Charles L. Ruoff, senior vp of property and casualty.

James has also been developing new products in other areas, Mr. Ruoff added. These include:

- Environmental impairment liability. Though James' Technical

Continued on page 40



Managing Risk

**Nobody does it better
than Gallagher**

If you're considering self-insurance for your organization, you're talking risk. You owe it to your bottom line to talk to the people who know what managing risk is all about. Arthur J. Gallagher & Co., international brokers of insurance and risk management services. Nobody does it better.

We do it better because we've put 20 years into building the most comprehensive risk management service in the industry.

We do it better by working directly with you through Gallagher Bassett, our service organization. Gallagher Bassett can function either as an extension of your in-house insurance department or as your full-service claims administration organization.

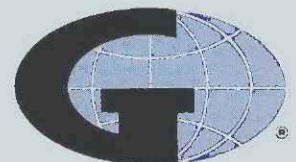
We do it better because we are seasoned professionals in loss control and claims management service. And by aggressively pursuing subrogation, posting property and casualty loss recoveries that far exceed the industry average.

And, we do it better with RISX-FACS™, an on-line computerized reporting system that provides both ordinary and extra-ordinary information to you. You'll have everything you need to know to manage your program. And you'll have it when you want it, in the form you want it.

When it comes to managing risk, ask someone who knows what it's all about. Arthur J. Gallagher & Co.

Write or call us today. Find out for yourself why nobody does it better.

**Go for it.
You're with Gallagher.**



ARTHUR J. GALLAGHER & CO.
10 Gould Center, Golf Road
Rolling Meadows, IL 60008
312/640-8500

**IN AMERICA THE
ARCHITECTS COULD STILL
BE LIABLE FOR IT.**



They might be hard to find.

But they could be liable.

Because in most states architects can be sued for the work they did no matter how long ago they did it.

And so can engineers.

So if a roof falls in or a floor gives out, they, or their firms, or even their estates, can be brought to court over something built 50 years ago.

Or 150 years ago.

In fact, even if a roof doesn't fall in, architects and engineers can still be involved in a suit.

After a crime in a suburban mall, for example, an architectural firm was actually sued for designing a shopping center that was "conducive to kidnapping."

And if that seems absurd, consider this: an engineer was called in as a consultant on a problem limited to the roof at the Hyatt Hotel in Kansas City. He was later sued for failing to notice structural weakness in the skywalk that collapsed there.

The point of all this is that the threat of professional liability is not only real, but growing.

Which is why, at INA, a CIGNA company, we have a special division

dealing exclusively with this risk.

And we'll not only insure architects and engineers for claims made against them while they're our clients, we can even cover their liability for work they did before coming to us.

We'll also provide protection after they retire.

And, maybe most important, we'll do everything we can to help them reduce their likelihood of being sued in the first place.

With seminars and manuals specifically on that topic.

And with a highly specialized in-house claim staff that may well know more about the fine points of design liability than any other group in the business.

If you're interested in this subject and would like more information, please write to Insurance Company of North America at 1600 Arch Street, Dept. RC, Philadelphia, Pa. 19101.

Or if you're an architect or engineer and would like to discuss your specific situation, please call your agent or broker.

After all, you never know when something might go wrong.

The CIGNA logo consists of the word "CIGNA" in a bold, white, sans-serif font, centered within a solid blue rectangular box.



AMERICAN COVERAGE CORPORATION

CORPORATE INSURANCE SPECIALISTS

185 GREAT NECK ROAD, P.O. Box 464, GREAT NECK, N.Y. 11022 (516) 487-3800

Continued from page 36

Services division has seen a lot of demand for environmental audits, the brokerage has been "disappointed" in the response from buyers to actual pollution liability coverage, Mr. Ruoff said.

James' answer has been to "segment the market," developing waste management and pollution liability insurance programs for specific industry groups.

The firm's environmental liability group is one of several specialized marketing groups that cover aviation, energy, government services, bonding and group captives.

• Financial guarantees, like lease guarantees, efficacy insurance for waste energy plants and guarantees for limited partnerships.

While James struggled for growth last year, it also adjusted certain lines of operational responsibility within the firm.

Richard J. Galbraith, senior vp

in charge of James Benefits, and Mr. Ruoff now report to Mr. Mahoney rather than Mr. O'Malley.

This follows James' consolidation of five regional divisions into three: West, headed by Senior Vp Robert C. Nevins, former president of Diner Levison; Central, headed by Lawrence W. Burkhardt, senior vp; and East, headed by Daniel V. Malloy, senior vp.

The regional heads also report to Mr. Mahoney, who said the consolidation freed him for broader responsibility.

Mr. O'Malley, who turns 67 this year, added that extending Mr. Mahoney's responsibilities will prepare for greater management continuity management as he nears retirement.

Earlier this year, James also announced the formation of an executive management committee, chaired by Mr. O'Malley and comprised of Mr. Mahoney, Mr. Crane and Mr. Irby. The committee, which monitors overall management, is supported by a senior management group consisting of executive committee members: Mr. Malloy, Mr. Galbraith, Mr. Ruoff, Mr. Burkhardt and Mr. Nevins; and John R. Patchett, Quill O. Healey and Donald K. Morford, senior vps.

One job of the executive committee will be to review the work of a recently formalized strategic planning committee, headed by Mr. Crane and charged with developing long-range goals for the firm.

"Everybody is always looking at first-quarter results," Mr. O'Malley lamented. "That forces us into (playing by a) three-month game plan. Isn't it ridiculous to have a three-month game plan?"

The planning committee has just finished its first phase, assessing strengths and weaknesses and reviewing the distribution of resources, Mr. O'Malley said. The second phase, developing long-term goals, should be done by October.

Top management at James remained stable last year, except that James Meenaghan took over May 15 as president of John F. Sullivan. Mr. Meenaghan resigned from Fireman's Fund earlier this year in a shakeup of top management that followed the addition of \$230 million to the insurer's reserves by its parent, American Express. He will succeed W.E. Taylor as chairman and chief executive officer of Sullivan on Jan. 1, 1985.

Other James operations include:

• New Amsterdam Excess Inc., the firm's excess and surplus lines brokerage unit, which opened a San Francisco office last year as Pyramid Excess Inc. Wholesale brokerage produced only about 1% of James' total revenues in 1983.

• James (Bermuda) Ltd. and James (Cayman) Ltd., captive management subsidiaries. James (Bermuda) manages 45 captives with premium volume of \$200 million, making it the sixth-largest manager on the island.

• SYNCORP, formerly UMC Management Services Inc., which manages syndicates on the New York Insurance Exchange and Paladin Reinsurance Corp., a joint venture of which James owns 20%. UMC had been jointly owned by James and Howden, but James acquired 100% ownership last year.

James Operations Management System—JOMS—a computer system for handling internal administrative work, is now operating in 20 U.S. offices, up from 11 early in 1983. The system will be working in all James offices except San Francisco by the end of this year.

James Unified Risk Information System, a computer data base for handling clients' risk management information needs, went on-line in 35 offices last year.

Because of the merger with Transamerica, compensation figures for James' top officers are no longer filed with the Securities and Exchange Commission.

—By Douglas McLeod

... ESPECIALLY WHEN IT COMES TO D & O!

With more than 10 markets currently available for Directors and Officers Insurance, the choices can be confusing. Unless you have the expertise in marketing this coverage, you may be under the illusion that you're making the proper decisions for your client.

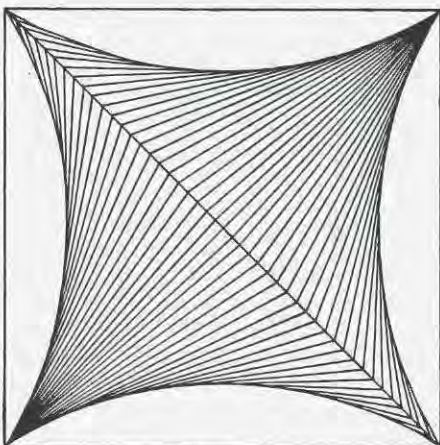
At AVRECO, we represent your best interests when placing your D & O business and can provide the answers to these important questions:

DO YOU KNOW?

- ✓ The size of deductibles likely to be imposed? WE DO!
- ✓ The types of risks entertained? ... WE DO!
- ✓ The individual claim handling capabilities? WE DO!
- ✓ The importance of not only choosing the right application but completing it correctly? WE DO!
- ✓ What supportive material must accompany submissions? WE DO!
- ✓ The significant differences between the various policy wording? WE DO!

In addition to Directors and Officers Insurance, our expertise also extends to: Association Professional Liability • SEC Liability • Kidnap/Ransom Insurance • Mutual Funds Errors and Omissions • IRA/KEOGH Insurance • Fidelity Bond Coverage • Investment Counselors Errors and Omissions • Trust Department Errors and Omissions • Management Consultants Errors and Omissions • Fiduciary Liability Insurance • Social Workers Professional Liability Insurance • Lawyers, Accountants, Architects and Engineers Professional Liability • Livestock Mortality Insurance • Police Professional Liability • Psychoanalysts Errors and Omissions • Limited Partnership Liability • Insurance Company Errors and Omissions • Residual Value Insurance • Other Financial Guarantees.

THINGS ARE NOT ALWAYS WHAT THEY APPEAR TO BE!



SEEING IS NOT BELIEVING. At first glance, all of the lines in this illustration appear to curve. However, the entire figure is an illusion drawn with straight lines.

Shouldn't you learn more about AVRECO?

PHONE TOLL-FREE 800/446-4655 (IN NEW YORK CALL 212/775-0850)

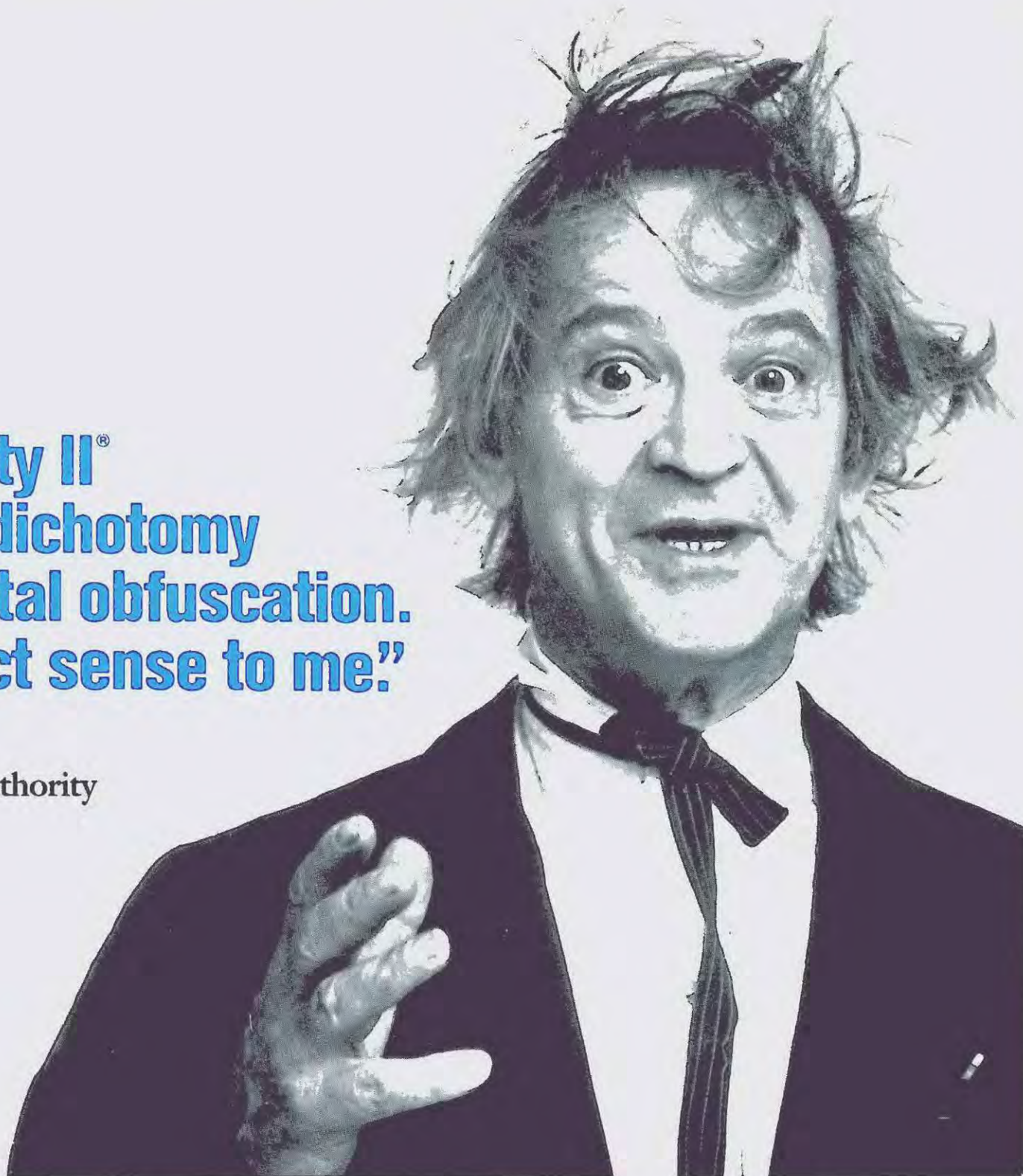
OR WRITE RICHARD A. FIERSTEIN

for a copy of our informative new brochure outlining our products and services.

AVRECO, INC. • ONE WORLD TRADE CENTER, SUITE 9871 • NEW YORK, N Y 10048

**“Midland’s Futility II[®]
expresses the dichotomy
of transcendental obfuscation.
It makes perfect sense to me.”**

**Professor Irwin Corey
The World’s Foremost Authority**



Back in 1971, we at Midland saw things in the marketplace that disturbed us. Too many in the industry seemed to act as if they thought insurance was a game which they could win through sharp buying and selling.

So, to make a point, we invented Futility[®]—“the game of buying and selling insurance.” Not only was it a fun game for people in the industry, it also cleverly pointed up the pitfalls of trying to “beat” the other players.

This year, Midland is celebrating our 25th Anniversary... 25 years of treating those we deal with as partners, not opponents. In honor of this milestone, we have created Futility II[®], a completely updated edition of the classic original. Only Professor Corey could find it a logical, rational enterprise. It will probably drive *you* up the wall. In an enjoyable way of course.

But at Midland, we don’t play games. Our insurance professionals can deal logically and rationally with you on any real insurance problems.

If you would like a copy of Futility II[®], mail the coupon. But act quickly. When these are gone, you may have to wait another 25 years for our next edition.

**Midland Insurance Company
160 Water St., New York, NY 10038**

Please send me a copy of Futility II.
I am enclosing \$5.95 for shipping and handling costs.

NAME _____

TITLE _____

COMPANY _____

ADDRESS _____

CITY/STATE/ZIP _____



**MIDLAND INSURANCE COMPANY
160 Water Street, New York, NY 10038
(212) 248-1130**

 **ASHFORD
HOLDING
CORPORATION**

The Decisive People

6

Corroon & Black Corp.

Wall Street Plaza, New York, N.Y.
10005; 212-363-4100

	1983	1982
Premium volume	\$1,711,000,000	\$1,679,000,000
Gross revenues	\$172,095,000	\$172,078,000
Brokerage: Retail	66%	68%
Wholesale	15%	14%
Other	19%	18%
Employees	2,962	2,915
Rev./employees	\$58,101	\$59,032
Offices	140	146

If it weren't for Corroon & Black Corp.'s employee benefits and reinsurance businesses, 1983 would have been a lot worse for the sixth-largest U.S. broker.

C&B's employee benefits and reinsurance businesses compensated for declines in brokerage services and underwriting management interests, said Chairman and Chief Executive Officer Robert F. Cor-

roon, allowing C&B to squeak out a \$17,000 gain in gross revenues to \$172.1 million in 1983 compared with 1982.

However, net operating income fell to \$12.9 million in 1983 from \$14.8 million in 1982. Except for a small gain in 1982, this figure has been declining steadily over the past five years, from \$20.7 million in 1979.

Like most of the other major brokers, C&B saw interest in income fall. For C&B, income from interest, dividends and revenues other than commissions and fees fell from \$15.1 million in 1982 to just over \$12 million in 1983, a 20% drop.

A \$5.1 million gain from securities transactions made the differ-

ence and boosted net income 7.8% to \$18 million from \$16.7 million in 1982.

Nevertheless, the quarterly dividend for December was cut to 25 cents a share from 45 cents a share.

The year 1984 is looking better, Mr. Corroon says. "We are seeing some firming in the market, and have already seen some very good numbers for the beginning of this year," he said. First quarter 1984 revenues of \$47 million represent a 11.3% increase from the first quarter last year. But, net income dropped slightly, by less than 1%, to \$3.25 million from \$3.26 million.

Of Corroon & Black's four operating units—brokerage services, benefits and specialty sales, reinsurance and underwriting management—brokerage services represented 66% of the broker's \$160 million in 1983 revenues from commissions and fees, or \$106.1 million. The group's performance deteriorated from 1982, when it gen-

erated \$107.5 million, or 68% of gross revenues for the year.

The brokerage services group, comprised of 43 subsidiaries, will continue to stake its success in such specialty areas as construction, aerospace, energy and livestock mortality coverages.

Corroon & Black Inspace Inc., which handles such stellar coverages as satellite launches, is part of this group.

Inspace had a "decent" year in 1983, "and thus far in 1984 revenues are up," said Stephen A. Crane, senior vp and chief financial officer for C&B. However, it's difficult to quantify Inspace's success, he said, "because you might do nothing for a quarter, then have a lot of business. Inspace business comes in great, large lumps."

Inspace was the broker for one of the satellites launched by the space shuttle in 1983 that was lost, Palapa B2 from Indonesia. The loss will have a mixed effect on Inspace, Mr.

Crane said. "It will probably delay satellite launches for a while, and so there will be less business. But, on the other hand, rates will be increased, which means more money for each risk."

"And that is good," he continued, "because rates had been inadequate."

Mr. Corroon boasts that C&B is a leader in financial risk coverages. "We have picked out a niche in which we think we are leading the industry—financial guarantee," he said.

The company began promoting financial guarantee programs in 1983, including investor bonds, performance guarantees on industrial and utility projects, asset value insurance to insure a specific projected value for a piece of equipment and municipal lease insurance to protect lessors of equipment, such as sanitation trucks, in the event a municipality cannot meet its financial obligations.

Also, early this year the group designated a Financial Guarantee Division.

This division will be open for business by some recent C&B acquisitions and start ups:

- IDBI Managers Inc., in New York, acquired in March of this year. IDBI is a managing general agent representing Continental Insurance Co. and specializing in protection for investors in industrial development bonds by guaranteeing payment of interest and principal.

- Municipal Lease Insurance Managers Inc. in Nashville, Tenn., an MGA formed in 1983 to underwrite municipal lease and non-appropriation insurance on behalf of Fireman's Fund Insurance Co.

- D.G. Morris Inc. in New York, acquired late in 1982, specializing in financial risks.

Another specialty area was the subject of one major project for the group in 1983 when The Advanced Risk Management Services Division developed an employee benefits program for the Building Service Contractors Assn. This division specializes in applying analytical techniques to risk management problems, and includes C&B's research and development headquarters in Nashville, Tenn.

As part of this group, and in anticipation of increased construction business if the overall economy improves, C&B formed a construction task force in 1983. Brokerage representatives with construction expertise gather from across the country to share their knowledge and experience in an effort to standardize service nationally.

The benefits and specialty sales group, headquartered in Nashville, produced the next largest share of commissions and fees, with 15% or \$24.2 million in revenues. This was a 10.5% increase from 1982, when the group produced \$21.9 million and represented 14% of the total commission and fee income.

The Corroon & Black benefits group capitalized on the growing demand for alternate delivery systems for health care and entered the arena of preferred provider organizations and health maintenance organizations.

After planning throughout 1983, C&B entered into an agreement in March 1984 with National Medical Enterprises Inc. of Los Angeles, a large hospital chain with facilities across the country, but concentrated on the West Coast.

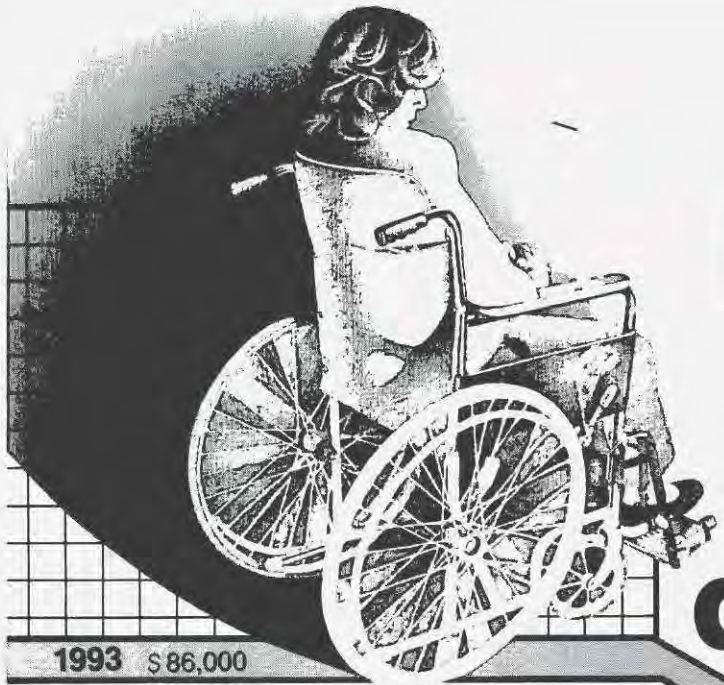
With NME, Corroon & Black intends to market and administer a national PPO under the trade name HealthPace, beginning in California later this year. New York Life Insurance Co. will act as insurer, and NME will provide the health care services and utilization review.

"The joint venture (with NME) is one of the most exciting things we did in benefits in 1983," Mr. Cor-

Continued on page 44



Mr. Corroon



How can you counter an emotional demand with cold, hard numbers?

This is Sharon Walker. She was hit by one of your insured. Hers is the kind of injury that wins huge awards—and her attorney knows it. He won't discuss a structured settlement.

Sharon's injuries are real, her needs are genuine and if you're going to convince her that a creative settlement package will completely match those needs, you'll need a specialist. Litigation Support Corporation. Using our no-cost evaluation of plaintiff's medical expenses, we'll help you convince her attorney that year in and year out our structured settlement will serve Sharon's needs *better* than a lump-sum award.

Call Litigation Support Corporation and talk to Dennis Sarni. He'll demonstrate how our method can help you win settlements in more massive injury cases.

We'll show you how you can provide for the needs of a victim without becoming a victim yourself.

LITIGATION SUPPORT CORPORATION

18 Professional Center Parkway, San Rafael, California 94903 (415) 499-1000

116 John Street, Suite 1400, New York, New York 10038 (212) 406-3410

**The company
with the stag has
unique LTD features
for your clients—and
something special
for you.**

Top commissions.

At The Hartford, innovation in LTD is not an abstract concept. It's a practical and effective way of boosting our sales—and yours. We've created a unique LTD package with options tailored to your specific groups.

For most groups, we offer an "own occupation" definition of disability with benefits payable up to age 65 or 70—not just for two years as in other plans. For self-funded groups, we offer flexible extended elimination periods and other cash-flow alternatives. And, we offer an attractive two-year rate guarantee, even for groups as large as 1,000 lives.

Best of all, we've created a special top-scale commission schedule and an easy-to-use producer package for you. For details, contact any Hartford Group Sales office. Or, contact Bud Peterson, Group Sales-Vice President, Hartford Life Insurance Company, Hartford, CT 06115, (203) 683-8843.



THE HARTFORD
The Insurance People of **ITT**

Continued from page 42

roon said. "We expect it will be the beginning of some rather exciting growth."

Also, the group has contracted with a group of physicians to develop, administer and market an HMO in Tennessee, called Health-Master, beginning in the next few months.

Also, in January 1984, RKC & Co. of San Diego was added to the group. This acquisition specializes in group benefit plans for public and corporate entities.

The reinsurance group also did well in 1983, when it contributed 10% of commissions and fees, or about \$16.1 million. This was an improvement of 32% from 1982, when the group produced \$12.2 million, or 8% of overall commissions and fees.

G.L. Hodson & Son Inc. of New Hyde Park, N.Y., a reinsurance intermediary that places treaty and

'Reinsurance during 1983 contributed strongly to profits, and I believe it will on in 1984. . . . The combination of the talent of our existing people and adding to the professional staff will keep the group strong,' Mr. Corroon said.

facultative contracts for major insurers, leads the group.

During 1983, Hodson opened offices in Georgia, mainly for treaty reinsurance, and in Minnesota for facultative placements. Having already increased Hodson staff by 23% in 1983, the group intends to add more staff to the new Minnesota office.

"We are building on the talent and reputation we have," Mr. Corroon said.

"Reinsurance during 1983 contributed strongly to profits, and I believe it will on in 1984. We now

have three offices, and they are all doing well. The combination of the talent of our existing people and adding to the professional staff will keep the group strong," he explained.

The underwriting management group did not do as well in 1983 as in 1982, when it produced the strongest revenue gains of the four. Revenues dropped 11% to \$13.7 million in 1983 from \$15.4 million the year before. And, the group contributed only 9% of all commissions and fees in 1983, which was

down from 10% in 1982.

Included in the underwriting management group is Baccala & Shoop Insurance Services of Newport Beach, Calif., an underwriter of excess property and liability insurance and specialized primary property coverages, which felt the pinch most severely, C&B reports.

Although Baccala & Shoop has declined to comment, sources in the industry say that the underwriting manager suffered from recent contractions in the reinsurance marketplace and lost some capacity to underwrite risks.

Also adversely affected by the market conditions was the Dallas-based Global Aviation Insurance Managers Inc., which provides hull, liability and AD&D coverages in the general aviation market.

The group managed a new venture in 1983, however, with the formation of Professional Liability Underwriting Managers Inc. in Minneapolis, insuring the profes-

sional liability risks of lawyers, paralegals, tax practitioners, real estate agents, appraisers and other professionals.

Also a member of the group, National Excess Insurance Co.—an admitted insurer in 32 states with 10 more state licenses pending, and managed by Baccala & Shoop—realized profits from the direct writing of auto physical damage coverages for high-valued vehicles in California.

The program produced a combined loss and expense ratio of less than 99%.

In anticipation of rising insurance rates and the opportunity to expand underwriting, C&B invested an additional \$5 million in NATEX at the end of 1983.

In all, C&B has domestic operations in 80 U.S. cities.

For all the ups and downs of 1983 performance, Mr. Corroon was most enthusiastic about the broker's overseas endeavors through Corroon & Black International. The broker has a presence in 60 foreign offices, including subsidiary offices, the office of J.H. Minet Holdings P.L.C., in which C&B has a 20% interest, and foreign correspondents.

Although he could not break out the percentage of revenues international business produces, he said, "1983 was an extremely good year for our international division, definitely better than 1982. We recognize that we have opportunities and, as with the reinsurance brokerage group, we will be investing in professional talents because we foresee considerable growth in the future.

"We are doing some substantial business with new and existing clients in connection with political risk, and we brought on a specialist in the area," he continued, referring to Richard D. Abrams, vp of political and financial risks for the division. Mr. Abrams is based in C&B's New York office. Mr. Abrams had been executive vp of INAMIC Ltd., the political and credit risk division of INA, a division of CIGNA Corp.

Working with banks and other sources, C&B gathers information on foreign exchange, natural resources, political and economic development and industrial relations to forecast the climate in countries where potential clients plan to do business.

One new product developed protects the property of expatriate employees against forced abandonment, expropriation or property damage from acts of war.

New products on the drawing board for overseas risks include financial guarantees for foreign investments, loss control services for political risks and insurance to compensate for shortfalls from standard government insurance programs.

In other international business, the company's 20% interest in London-based Minet Holdings P.L.C. was disappointing in 1983. Earnings from Minet fell 27% last year, to \$2 million from \$2.7 million in 1982.

During late 1982, two underwriting agency subsidiaries of Minet came under investigation by Minet, Lloyd's of London and the British Department of Trade for possible reinsurance fraud.

Mr. Corroon had no comment on the investigation, which is still under way, but C&B's 1983 earnings from Minet were reduced by \$780,000 for expenses related to the investigation.

C&B's auditor's, Coopers & Lybrand, qualified their audit of C&B's financial statements subject to the outcome of the investigation of Minet.

"It is not possible at the present time to determine the outcome of the investigations or potential adjustments, if any, which may af-

Continued on page 48

ALL PREMIUM FINANCING AT ONE LOCATION.



CUPAC, your premium finance supermarket, lets you do it all at one location. You can finance premiums for your largest, most sophisticated clients as usual, and now you can also finance clients with premiums as low as \$500. CUPAC offers supermarket service to any independent insurance agent who represents any acceptable insurance company for personal as well as commercial lines business. Your clients get the widest

range of options possible to satisfy their specific needs. Plus, CUPAC offers highly competitive rates, a nationwide service network and an interesting array of programs to intrigue your clients at all levels...from the largest to the smallest. Why run all over town looking for what exists in one, convenient location? CUPAC...the one stop premium financing supermarket.

CUPAC, Inc.
Attn: Mr. Ben Brenton
One Heritage Drive
Quincy, MA 02269

Please send me more information about CUPAC's Premium Financing Supermarket.

Name _____
Address _____
City _____ State _____ Zip _____
Phone _____

HOW DOES YOUR REINSURANCE COMPARE?

For programs that won't go sour,
nothing beats the quality and security of General Re.

**General
Re**

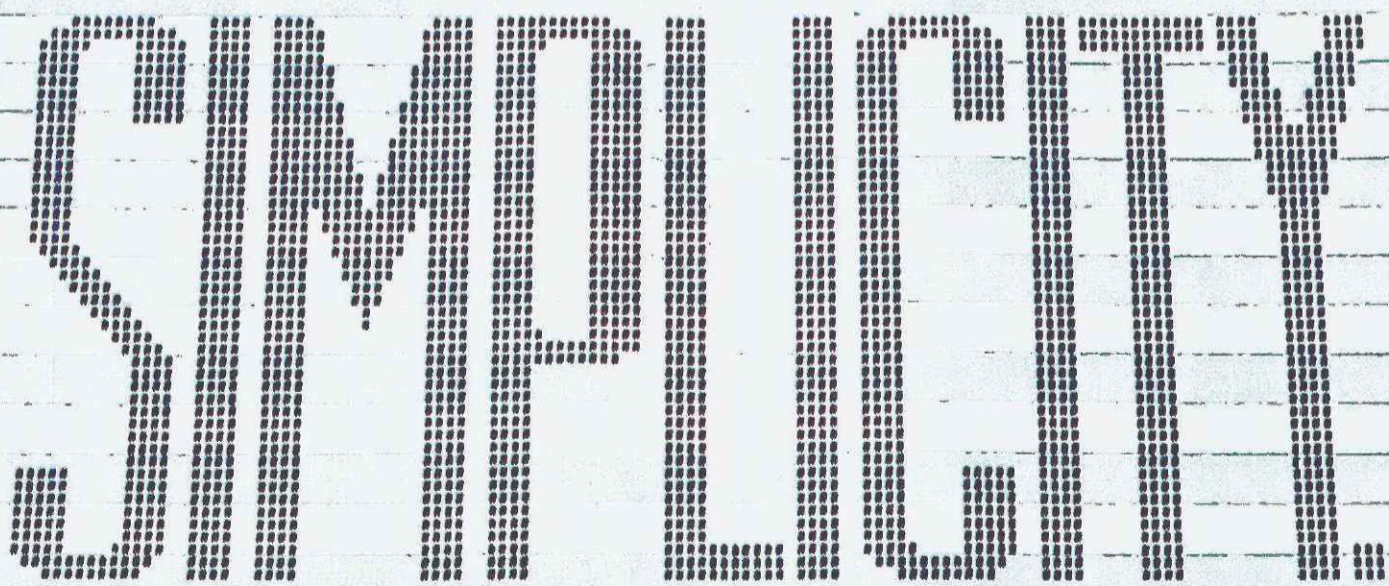
America's Largest Reinsurer



General Reinsurance Corporation, 600 Steamboat Road, Greenwich, Connecticut 06830
Atlanta, Chicago, Columbus, Dallas, Des Moines, Hartford, Kansas City, Los Angeles, New York, Philadelphia, St. Paul, San Francisco, Seattle, Montreal and Toronto

©1984 GRC

**METROPOLITAN'S
FLEXIBLE BENEFITS
PROGRAM OFFERS
ONE UNUSUAL
OPTION.**



SIMPLY

Everyone agrees that flexible benefits programs can be an extremely valuable tool for employer and employee alike. If they can be made manageable and comprehensible.

But that's a big if.

Because a program that's endlessly flexible may also be endlessly complicated. At Metropolitan, we've created flexible benefits programs that are easier to administer and easier for employees to understand.

Metropolitan's modular approach is one example. By grouping benefits into a fixed number of prepackaged options, your employees get a simpler means of tailoring a plan to their individual needs. And that can help you attract and retain desirable employees.

Equally important is the computerized administration Metropolitan provides. To help set up a plan. And to keep it running smoothly.

Talk to America's leading group insurer about flexible benefits. You'll get knowledgeable advice on how to create a manageable, cost-effective plan.

And that's the simple truth.

For more information on any of our group benefits programs, call your broker/consultant or your Metropolitan Group Representative.



Group Life/Health Insurance

METROPOLITAN REALLY STANDS BY YOU.

Continued from page 44

fect the equity in the earnings of or the investment in Minet," the auditors commented.

No provision for any adjustment that may result was made in the financial statements.

"Minet has had a good 1983 from the standpoint of their operations—their brokerage business has been strong," Mr. Corroon said.

"Within the past two years Minet has substantially reorganized and has spread the (leadership) responsibility among a group of younger executives that have performed extremely well.

"There will continue to be ups and downs, based on the relative strength of the dollar," he continued, "but we have a very extensive network of international correspondents, including the 24 or 25 offices of Minet. We see great opportunities there."

No major accounts were lost in

'But, we still do business with a great, great number of markets. . . Also, we work closely with our markets in sharing expertise for new product development. That trend will continue as well,' Mr. Corroon says.

1983, Mr. Corroon said, and he would not name any won, but he said, "Most of the new business last year came from medium-size accounts. There were a great many more medium-size risks than small or very large."

Although the company sees evidence that the market is tightening, "There is nothing dramatic at this point," and tough times are not over yet, said Richard A. Maxwell, executive vp.

"If insurance companies continue to produce the kind of results they produced in the first quarter, I

think we are going to see some failures," Mr. Corroon said.

"We are monitoring the financial health of the insurers—we have two people that do that almost exclusively—and we try to perfect it to the point of having an early warning system (in case of failure)."

Mr. Maxwell added, "But, the industry hasn't really perfected ways of knowing far enough in advance of what companies are in trouble. That's what worries us."

"We are definitely seeing a trend

in the direction of using fewer markets, and we have already cut out some of markets we felt might be a little too shaky," Mr. Crane said.

"But, we still do business with a great, great number of markets," added Mr. Corroon, "and we don't mean reducing to only 20 or 50 markets. Also, we work closely with our markets in sharing expertise for new product development. That trend will continue as well."

Belt-tightening will continue, he said, since the company was able to hold down expenses for 1983 to a 3% increase, in contrast to 9% and 10% increases in 1982 and 1981, respectively.

Operating expenses were cut by reducing some advertising expenditures, cutting out unnecessary travel and eliminating first-class ticketing for all employees, including Mr. Corroon.

And, though neither payroll nor

personnel were slashed, employees in some operations declined through attrition. Overall, C&B's employees increased by 47 to 2,962 due to acquisitions.

Revenues per employee at Corroon & Black declined to \$58,101 from \$59,032.

C&B sold two general property/casualty brokerage offices in Tennessee—one in Greenville and one in Kingsport—"that were not particularly productive offices. They didn't have much potential," Mr. Corroon said. "But it was not for the purpose of cutting down operating expenses."

"We felt they didn't fit into the long-term plans for the company," Mr. Crane said.

Although the company speaks optimistically about insurance rates going up, it has not staked its money on a turnaround.

"We expect 1984 will be better than 1983, but our projections are based on a flat renewal rate," Mr. Crane said.

"So, if we get firming in the underwriting market that will be an added plus."

Corroon & Black's principal officers, in addition to Mr. Corroon and Mr. Crane, are: Frank M. Hagan, chairman of the executive committee; Richard M. Miller, president; Joseph V. Ambrose Jr., senior vp, secretary and general counsel; William P. Baccala, Crawford A. Black, Paul T. Carter, Joseph O. Estes, Donald R. King and John S. Sturges, senior vps; Gerald W. Cusack, Marnix L.K. Guillaume, Robert H. Kaiser, John A. Corroon, James V. Davis, John R. Lamberson and Fred Michel Jr., vps; and Robert P. Cuthbert, controller.

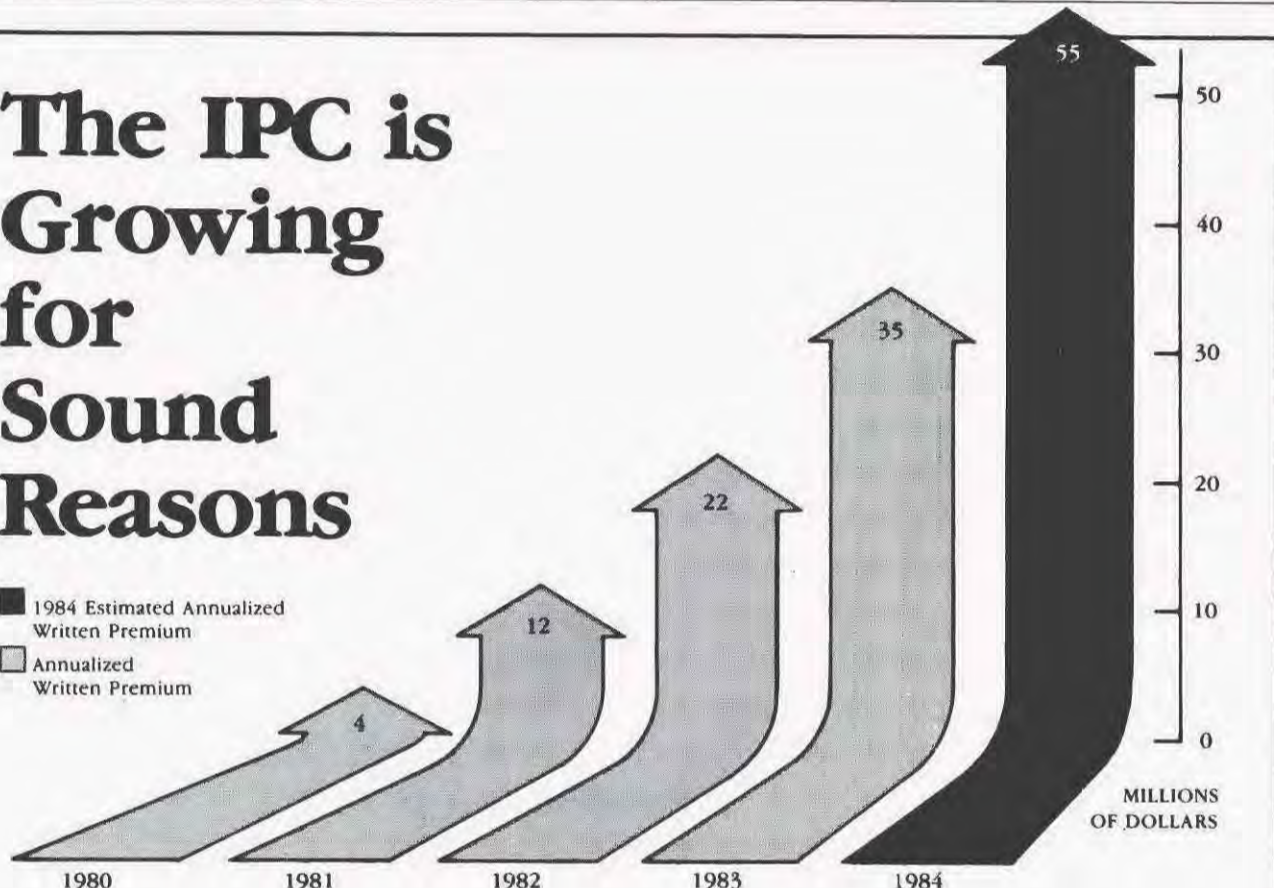
As reported to the Securities & Exchange Commission, the five highest-compensated executives in salaries, commission and bonuses were:

Robert F. Corroon	\$324,450
Richard M. Miller	\$257,500
J. Bransford Wallace	\$195,700
William P. Baccala	\$175,100
Donald R. King	\$232,010

—By Sallie J. Drury

The IPC is Growing for Sound Reasons

■ 1984 Estimated Annualized Written Premium
 □ Annualized Written Premium



IPC—the Insurance Profit Center from Aneco—can substantially reduce the after-tax cost of property and casualty insurance. That reason alone shows you why so many corporations, associations, and agencies are discovering the IPC. But it is a reason that keeps good company.

The IPC and ANECO

Aneco is Bermuda's only publicly-held reinsurance company. And Aneco makes financial information as accessible for you as any company publicly-traded in the U.S. Aneco also offers financial benefits—often including tax free accumulation of the IPC income—that are rarely matched by competing programs. And participants receive returns based on contractual guarantees.

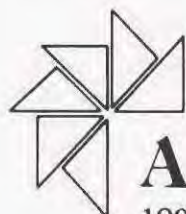
Flexibility

The IPC can be used for nearly all lines of insurance. Retrospectively-rated, guaranteed cost or dividend approaches can be taken. Investment and underwriting returns are timed to maximize their financial benefit. And reinsurance can be provided by the policy-issuing carrier or can be arranged separately—creating innovative solutions to difficult or unusual risk-funding problems.

Independence

Aneco is responsive to you and is free to work with any brokerage house, independent agency, insurance company, claims firm, or other professional. Aneco's independence gives you unprecedented control.

To hear more sound reasons why you should be part of the IPC growth. Write or call:



ANECOM Aneco Marketing Company, Ltd.

1900 Market Street
 Philadelphia, PA 19103
 (215) 569-1800
 Telex: 902164 ANECO PHA

44 Montgomery Street
 San Francisco, CA 94104
 (415) 433-8020
 Telex: 171041 HQ SFO

From The Reprint Department Of:

business insurance

Reporting weekly for corporate risk, employee benefit and financial executives

Do you need to distribute copies of articles appearing in Business Insurance at your meetings or for your mailings?

Business Insurance has expanded its reprint department to meet your needs.

For fast, low cost* reprints of articles appearing in Business Insurance, or to obtain reprint permission for your own copies, call or write:

Reprint Department
Business Insurance
 220 E. 42nd St.
 New York, N.Y. 10017
 212-210-0131
 212-210-0229

*New prices effective 1/1/84

7

**Rollins Burdick
Hunter Co.**

After the following article had been written, Rollins Burdick Hunter Co. President and Chief Executive Officer Harold H. Hines Jr. died suddenly of a heart attack in Chicago.

The article is published as it had been written before Mr. Hines' death, an editorial decision that was endorsed by Patrick G. Ryan, president of Combined International Corp., who is now acting as chief executive officer of RBH.



Mr. Hines

"We will follow the strategic plan that he had laid down. We will proceed along that path," Mr. Ryan said.

"He accomplished a great deal while he was here," Mr. Ryan added. "We are all far better off for it."

10 South Riverside Plaza, Chicago,
Ill. 60606; 312-454-1400

	1983	1982
Premium volume	NA	NA
Gross revenues	122,457,000	\$118,366,000
Brokerage: Retail	77%	77%
Wholesale	1%	2%
Services	15%	14%
Other	7%	7%
Employees	2,054	2,070
Rev./employees	\$59,619	\$57,182
Offices	66	64

Beginning with at least 10% real growth at each of its 66 brokerage and service offices in 1985, Combined International Corp.'s Rollins Burdick Hunter Co. intends to double its size in five years, excluding the effects of inflation.

Not one of the recently appointed regional managers objected when president and chief executive officer of seven months, Harold H. Hines Jr., revealed the real growth target for 1985.

"We mean to double our size in five years," volunteered Fred Feldman, senior vp and regional manager for the middle states.

These targets are the kind that send managers in Alka-Seltzer commercials reaching for the stress-created-upset-stomach cure, but the managers at RBH radiate a go-get-'em attitude that leads one to believe they have all been in the parent company's library reading Combined Chairman W. Clement Stone's book "Success Through Positive Mental Attitude."

The RBH managers say that they can attain these growth targets by following RBH's strategic plan, which was written by Mr. Hines. The plan defines how the company can capitalize on the resources assembled after the December 1982 acquisition of RBH by Combined.

The year 1983, however, was one spent consolidating the resources of three formerly independent brokerage operations: RBH, Ryan Insurance Group's brokerage subsidiary Youngberg-Carlson and the offices of James S. Kemper & Co. that had been acquired by Ryan in April 1981.

Of the brokerage operations, only Scarborough & Co., the former Ryan subsidiary specializing in financial institutions, retains its independent identity.

During this consolidation, gross revenues at RBH increased just 3.5% in 1983 to \$122.5 million from \$118.4 million in 1982. And, before taxes but after allowance for the amortization of purchase adjustments, RBH lost \$7 million in 1983.

While 3.5% growth is substantially less than the 1985 target, it is three times the 1% growth recorded in 1982 for the merged brokers when compared with their 1981 revenues. And, RBH retains its position as the seventh-largest U.S.-

based broker and is the 10th-largest in the world.

The parent company, which in 1983 completed its first full year as an integrated insurance marketing organization, including insurance underwriting and brokerage sales and services, increased its revenues 13.3% to \$1.2 billion and its operating earnings 47% to \$127 million. The best performers were the direct sales units, the Superior Policy Division of Combined and the Eyan auto dealer service group.

The consolidation of brokerage operations in 1983 was managed by former RBH President Charles Hall, under the guidance of Mr. Hines as executive vp of Combined.

Mr. Hines became president and chief executive officer of RBH while remaining executive vp of Combined in November 1983 when Mr. Hall resigned.

At the same time, Patrick G. Ryan, former chairman and chief executive officer of Ryan Insurance Group, who became president and chief executive officer of Combined when it purchased Ryan in July 1982, became chairman of RBH.

"Pat Ryan and I are assuming major positions at RBH to underline our commitment to the brokerage business," Mr. Hines said at the time.

Continued on next page

- **Self-Insurance & Captive Concepts, Feasibility, Program Design, & Special Facilities Identified.**
- **Totally Independent of National Brokerage & Insurance Company Affiliation.**

Risk Managers & Brokers, call *Roy Erwin* (619) 235-0386

The diagnosis is favorable for health care professionals liability insurance.



A healthy new generation of medical and patient-care facilities and professions has grown up around us during the past decade. And Shand, Morahan continues to meet the challenge of this changing profession with another custom-tailored coverage: Specified Medical Professions Liability.

HMOs, PPOs, free-standing emergency centers and out-patient surgical centers; also, technicians involved with the latest types of medical equipment; these are just a few of the health-care providers covered by this program.

This malpractice insurance also covers out-patient clinics, blood banks, labs, medical schools, home-care agencies, ambulance services and the whole spectrum of personnel involved in today's diverse medical industry.

Because these agencies and individuals are involved with many of the functions previously handled only by physicians and surgeons, they have inherited increased liability exposure. This is why all of these individuals and organizations should be made aware of their exposure, and the program we have designed precisely for them.

For more information about this coverage, and Shand, Morahan's other programs for physicians and for hospitals, call or write us today.

**SM Shand, Morahan
& Company, Inc.**

Shand Morahan Plaza Evanston IL 60201
312/866-2800 Telex 72-4328



Photo: Mary Herlehy

Veteran RBH Executive Vp Karl R. Palmer, second from right, provides management continuity to RBH's new regional managers; from left to right, John R. Pacholick, Roger M. Simpson Jr., Henry A. Revzan and Fred Feldman.

Continued from previous page

Mr. Hines was somewhat reluctant to outline how the RBH strategic plan calls for capitalizing on all the resources of RBH and its parent company for all RBH's competitors to read. But, he revealed segments of the plan by describing how RBH management efforts in the past year have focused on four areas:

- Sales, both customer creation and customer maintenance.
- Controlling expenses.
- Simplifying management communications by introducing simple, effective procedures for evaluating ongoing performance.
- Creating four regions and appointing four regional managers "to bring the company to the offices by stimulating communications."

While RBH managers admit the consolidation efforts diverted their energies from sales in 1983, they say RBH has marshaled its available resources in its sales efforts. New accounts contributed about 9%

of RBH's 1983 gross revenues.

RBH is capitalizing on the direct mail expertise and systems of Combined International, which specializes in individual accident and health insurance products. RBH is tapping this expertise and these systems to mass market commercial property/casualty insurance and benefits to small and large commercial accounts.

Mr. Hines admitted that programs to mass market employee benefit products are more developed than property/casualty programs and efforts are focused on developing more mass-marketed property/casualty programs. "That's where a lot of future lies," he observed.

Already, RBH believes that its 9% of total revenues contributed by mass-marketed insurance programs is the highest percent of revenues generated by mass marketing of all the brokers.

RBH is able to tap this mass-marketing expertise not only for its own benefit, but also for the benefit of its clients, Mr. Hines noted.

As an example, he cited a commercial client with a chain of retail stores that wanted to sell insurance as well. RBH suggested supplemental health insurance could be sold via brochures placed in the stores, underwritten by Combined's subsidiary, Union Fidelity Insurance Co. Three sites have been chosen for testing the sales effort.

"RBH has become dynamic, sales-minded and customer-oriented," declared Mr. Hines.

The regional managers agreed. "We have a real feeling that we are privileged to rent the business from our clients. We don't own it. I think our competitors lose sight of that," said Henry A. Revzan, senior vp and regional manager for the Eastern region.

"We create customers, not attract them. We sell ideas, not insurance," added Roger M. Simpson Jr., senior vp and Central region manager.

In addition to being sales-minded and customer-oriented, RBH also became expense-minded. Staffs were reduced, duplicate and marginal offices closed and all other expenses examined line-by-line.

In aggregate, however, total employment at RBH decreased by just 16 to 2,054 at year-end 1983 compared with the end of 1982. But, combined with the growth in revenues, RBH's revenues per employee increased to \$59,619 in 1983 from \$57,182 in 1982.

In addition to the closing of duplicate offices in certain cities, offices were closed in 1983 in Baltimore and in Pittsburgh. In 1984, the RBH office in Syracuse, N.Y., was closed.

No new offices were opened in 1983 or so far this year.

RBH brokerage offices number 44, but including offices of affiliated service companies, RBH reports 66 offices, two more than last year due to Ryan Insurance Group expansion.

Mr. Hines said that eliminating redundant offices required making "very unpleasant, very disagreeable decisions" and that the process was "traumatic."

But, RBH managers tried not to upset customer relations, maintaining the same people on accounts where possible.

Performance review was streamlined by adopting one-page progress reports that contain information on revenues, expenses, sales, lost business and head counts. The reports have been "well-received and are producing an effective dialogue among managers at all levels," Mr. Hines said.

Improving dialogue among managers also was one reason regional managers were appointed in February. In addition to Mr. Feldman for the middle states, Mr. Simpson for the Central region and Mr. Revzan for the Eastern region,

Continued on page 52

Fine Quality. Solid. And Swiss.



We're American. In every way. Contemporary. Innovative. Productive.
But our Swiss heritage makes us sticklers for quality. Sticklers for doing things right. State-of-the-art ideas tempered by old world standards.
Good reasons why you should have an American organization of Swiss descent protecting your valued business.

Good reasons to choose Zurich-American Insurance Companies.
We create world class insurance that's in a class by itself.
Come to Zurich-American for sound business insurance advice. Vast technical expertise. And the financial strength to protect your enterprise.
You'll find we speak plain English. But if you listen closely, you'll hear our Swiss accent on quality.

Zurich-American American Creativity. Swiss Dependability.



ZURICH-AMERICAN INSURANCE COMPANIES
Zurich Insurance Company • American Guarantee and Liability Insurance Company • Schaumburg, IL 60196

EVERY YEAR, MILLIONS OF AMERICANS GLADLY DO SOMETHING THEY DON'T HAVE TO.



Every year, Americans are asked to support the nation by buying Savings Bonds.

And every year, Ameri-

cans across the nation respond.

From the tens of thousands of volunteers who put their time and their energies into getting the Savings Bond message out to the public—

To the countless leaders of

industry and government who lend their strength and their resources to the effort—

From the business people who conduct payroll savings drives in their companies—

To the millions of Americans who buy the billions of dollars worth of Savings Bonds in response—

All are doing what they can to help their country.

Once again American International Group has been asked to head the drive for new payroll savers in the insurance industry.

And we believe that, once again, the insurance industry will more than meet its set goal of 30,000 new savers.

Why? Partly because the Savings Bond is still the good practical investment it's always been, with company payroll plans still the easiest way to save.

And partly because the Bond's market-based interest rate, with no limit on earnings and a guaranteed minimum yield, now allows the small saver to take advantage of variable market rates.

But more importantly, this year's

campaign will succeed because Savings Bonds continue to represent something far more than dollars and cents to the Americans who—by buying them—are accepting their share of personal responsibility for the nation's well-being.

And doing something to bring that well-being about.

American International Group

Marlice R. Greenberg,
President and Chief Executive Officer



Continued from page 50

John R. Pacholick has been named senior vp and regional manager for the Western region.

Mr. Feldman had been with Youngberg-Carlson. Mr. Simpson was manager of the Chicago office of RBH before it was acquired by Combined, and Mr. Revzan was on the corporate staff of RBH. Mr. Pacholick joined RBH just a month ago from Marsh & McLennan.

"The company is managed by these four people," Mr. Hines said, sweeping his arm around the room where he had assembled the managers. The shared management responsibility was reinforced throughout the morning interview as Mr. Hines asked his managers to respond to questions rather than taking the last word himself.

Among the regional managers' responsibilities has been reviewing the managers of RBH offices "to ensure we have first-rate people in place," Mr. Hines said. Some office

managers were replaced.

But the regional managers are not dictating local office operations. Instead, they are encouraging office managers to take charge and make decisions.

Providing continuity to the managers is veteran RBH Executive Vp Karl R. Palmer.

Mr. Hines said 1984 is "a year of change, a year of progress. The bottom line will be much better, but revenue growth will be as budgeted." He declined to reveal the budget, but admitted 1984 growth "will not be as dramatic as 1985 and onward."

Mr. Hines projected 1985 growth of 10% with or without increases in depressed commercial insurance rates. But, with 85% of RBH's compensation for insurance brokerage on a commission basis, higher rates would certainly help the company reach its goal.

Prices are increasing already, Mr. Feldman noted, "but the mar-

ket is still very, very competitive." Nonetheless, "risk managers seem to be very sensitive to the changing market and are doing more competitive bidding than they might have a year ago. They may be happy with their programs, but because of the talk of changing prices, they are hiring another broker as a hedge against the unknown," he added.

"Underwriters are much more conservative," said Mr. Revzan. Underwriters are picking and choosing the type of risk they will underwrite and are "less willing to extend coverage. There is not the variety of quotations we had six months or a year ago."

But, not even the regional managers agree on how high rate increases might go. Mr. Feldman suggested rates might rise as much as 50% on average by the end of 1985.

"It sounds a bit rich to me," said Mr. Simpson.

Mr. Hines predicted that rate

hikes will be less than in the mid-1970s because there "is less economic inflation, less social inflation and less uncertainty."

RBH managers also anticipate that as rates go up, risk managers will demand more negotiated commissions and fee-based compensation, mitigating the impact of rates on the broker's revenues.

Mr. Hines predicted that the 10% growth in 1985 would come from a larger share of major accounts and mass marketing.

RBH is a smokestack broker as opposed to a mercantile broker, but management would like to expand its mercantile client list.

RBH is especially proud of its large market share in the railroad and financial services industries.

While most operations of the formerly independent brokerages were consolidated, not consolidated were the financial services broking operations of Scarborough and Rollins-Wrightson, the joint venture

formed by RBH and London-based Stewart Wrightson Holdings P.L.C.

"They do cooperate on some major banks," Mr. Hines said, but they operate independently, even competing on some accounts. And, they had separate dinners for their clients during the Risk & Insurance Management Society conference, a strong statement of their independence from each other.

Also operating independently of these two organizations is the Mortgage Bankers Insurance Services Division of RBH.

RBH also is "very strong," Mr. Hines said, in aviation, utilities and the high-technology business of electronic data processing and computer manufacturing.

If there is any element missing in the vertically integrated organization of Combined and RBH, it is an equity position in a London-based Lloyd's of London broker. But, as Mr. Revzan volunteered, RBH considers this an asset. "We have the freedom to choose the best broker."

"London people tell us that we have more business in Lloyd's per dollar of revenues than any other broker," Mr. Hines said proudly.

In London, RBH primarily turns to C.E. Heath & Co. Ltd. and Stewart Wrightson, although it also has "important relationships," according to Mr. Hines, with Fenchurch Insurance Holdings, Minet Holdings P.L.C. and Sedgwick Group P.L.C.

RBH Vice Chairman George Burrows is in charge of international and Lloyd's relationships.

"We have no plans for our own broking office in London," Mr. Hines added.

In 1983, about 77% of RBH's gross revenues was generated by commercial insurance brokerage, including certain Ryan Insurance Group revenues as well as Scarborough revenues. The 15% of RBH revenues produced by services includes the revenues of affiliates Self-Insurers Services Inc., a claims administrator; Self-Insurance Benefits Services, a medical claims auditing and benefit administrator; and American Benefit Corp., an employee benefit consultant serving Virginia and the Ohio River Valley.

About 1% of RBH's revenues is related to wholesale brokerage, and 7% is generated by other sources.

In brokerage, RBH's business was 21% casualty, 15% property, 15% employee benefits, 10% multi-peril, 9% workers compensation, 5% surety, 5% aviation, 4% ocean marine, 1% boiler and 15% all other lines.

Although RBH enjoys its reputation as a big-account broker and intends to develop a large market share in mass marketing insurance programs to clients of all sizes, the brokerage also wants to attract small commercial accounts outside of the mass-marketing program.

In an effort to do so, RBH is negotiating agreements with insurance companies that give it underwriting authority for small commercial accounts. In Chicago, for example, RBH has a year-old agreement with Fireman's Fund Insurance Cos. that gives RBH underwriting authority to issue policies to small commercial accounts generating \$25,000 in premiums.

All RBH's small commercial clients in Chicago were transferred to Fireman's Fund, but Mr. Simpson is quick to point out that the Fireman's Fund policies are competitive with other products both in coverage offered and in price.

Similar programs are being developed with other insurers around the country.

RBH also uses primarily one market—Chubb Group—to underwrite its personal lines business, which generates only about 4% of its annual gross revenues.

"More small accounts will move to these types of arrangements,"
Continued on facing page

Now, more than ever, PCS is the #1 Administrator of Prescription Drug Plans.

A while ago, PCS spoke of "100 reasons" for being the #1 administrator of prescription drug programs: our insurance company clients. Since then, this number has grown to 125. PCS is still #1...only more so!

PCS now administers plans for 50,000 groups, covering 2,500,000 cardholders plus their dependents. Today over 7 million individuals use a PCS card to fill their prescriptions.

Why this outstanding response to PCS?

- PCS' commitment to cost containment, via systems edits and utilization reviews.
- the highest benefit visibility for the lowest possible cost.
- the ease and convenience of using the card.
- a nationwide network of more than 50,000 member pharmacies.
- capability of offering plans throughout North America: the U.S., Canada & Puerto Rico.

No doubt, it's all these reasons put together that make PCS #1. Find out for yourself.

If we can be of assistance, call or write:
 Robert W. Field, CLU, V.P., Sales and Marketing, Pharmaceutical Card System, Inc.
 2005 N. Central Avenue, Phoenix, AZ 85004
 (602) 256-4652

PCS

Logos featured include: American General Life, United of Omaha, Godmen Life, California Life Insurance Company, Provident Life & Accident Insurance Company, American States Life Insurance Company, Life of Georgia, National Life Insurance Company, Durham Insurance Co. Life, American Teachers Life Insurance Company, TRANSPORTATION, NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY, NATIONAL SAVINGS LIFE Insurance Company, American Fidelity Assurance, HOME LIFE INSURANCE COMPANY, The Travelers, John Hancock, THE HARTFORD, General American, AMERICAN NATIONAL, Prudential, US LIFE, PACIFIC MUTUAL, THE BANKERS LIFE, The Midland, MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, Sentry Life Insurance Company, Allstate, UNION CENTRAL LIFE, Blue Cross of Louisiana, TEXAS CONSUMER LIFE, NEW YORK LIFE, THE PAUL REVERE LIFE INSURANCE COMPANY, Transamerica Occidental Life, MEMBER OF THE AMERICA GROUP, State Mutual Life Assurance Company of America, CONNECTICUT GENERAL, ulico, American Community Mutual Insurance Company, Coastal States, Blue Cross of California, THE THE GUARDIAN, Wausau Insurance Companies, Great-West Life ASSURANCE COMPANY, EQUITABLE, LINCOLN NATIONAL LIFE INSURANCE COMPANY, FOREMOST, AMERICAN STATES LIFE INSURANCE COMPANY, Liberty Life, Washington National Insurance Company, celtic life insurance company, UNITED INSURANCE COMPANY OF AMERICA, CONFEDERATION LIFE, MS Mutual Security Life Insurance Company, WASHINGTON DIPLOMAT INSURANCE CO., Blue Cross Blue Shield of Arkansas, FIREMAN'S FUND AMERICAN LIFE INSURANCE COMPANY, AUL, GLG, LIBERTY MUTUAL, GULF LIFE GROUP INSURANCE COMPANY, CAPITOL LIFE.

Continued from facing page

predicted Mr. Hines, adding that small regional brokers, as well as the major brokers will find that consolidating business with fewer markets is more cost-efficient.

One product RBH managers are especially enthused about is the company's internally developed computerized risk management information system, Riskan. It has been in development for the last 2½ years and offered to clients over the last 18 months.

The system is primarily for computerizing casualty risks information. By analyzing policy, loss an exposure information, Riskan aids risk managers in budgeting, assessing alternative funding options, assessing loss reserves and setting retention levels.

RBH managers are not at all apologetic about introducing a risk management information system several years after major competitors offered the service. "It helps to be later because the technology has changed," contends R. David Turner, manager of risk management services for RBH. "In the last several years there have been real developments in the software packages."

"We learned from our competitors," adds Mr. Revzan.

"When we show risk managers the nuts and bolts of this, they get excited. It's not a shelf product," said Mr. Stimpson.

"It's the most flexible," added Mr. Hines.

Riskan is tailored to each clients' needs. For example, rather than offering one premium and loss cost allocation model to all clients, an RBH actuary works with each client to establish the most appropriate model.

Mr. Revzan says RBH's product is priced "middle market" with its competitors.

RBH has 16 staffers assigned to marketing and servicing the 16 clients who have purchased the system.

Users span the scope of U.S. business, including companies involved in pharmaceuticals, heavy industry, hospitals, high technology and banks. Ten of the users are among the Fortune 500 largest industrials.

RBH is targeting the medium to large account market to sell its information system. Generally, Mr. Turner says, a client should have about 500 claims a year before computerizing its claims information. But, RBH has one client who has just 50 claims a year.

When a client calls up the RBH mainframe, it can access its own claims information in an unlimited number of formats, some of which have been specifically designed for the individual client. For example, a client could ask the system to identify all claims at a particular location of a specific value that resulted in back injuries caused by slips and falls.

As soon as data bases in individual industries are large enough, data could be aggregated for loss forecasting purposes.

RBH management efforts were concentrated on domestic operations in 1983. Internationally, RBH maintained its 19 overseas offices, primarily in South America and the Far East, many of which are operated as joint ventures with London broker C.E. Heath and Holland's Hudig-Langeveldt.

These offices are not major contributors to RBH's revenues but service RBH's multinational clients.

The highest-paid executives of Combined International Corp. in 1983, according to documents filed with the Securities and Exchange Commission, were:

W. Clement Stone	\$351,345
Patrick G. Ryan	\$305,000
Charles R. Hall	\$232,987
Harold H. Hines Jr.	\$232,987
Ronald K. Holmberg	\$233,921

—By Kathryn J. McIntyre

8

Bayly, Martin & Fay International Inc.

660 Newport Center Drive, Suite
1000, Newport Beach, Calif. 92660;
714-644-7940

	1983	1982
Premium volume	NA	NA
Gross revenues	\$79,951,000	\$84,818,000
Brokerage: Retail	79.9%	81.5%
Wholesale	6.1%	6.4%
Services	8.4%	7.0%
Other	5.1%	5.0%
Employees	1,398	1,584
Rev./employees	\$57,190	\$53,547
Offices	54	54

Ask a room filled with Bayly, Martin & Fay International Inc. officials what kind of relationship the brokerage now has with Baldwin-United Corp., and you'll hear a resounding, "Absolutely none!"

Officers of the company, including President and Chief Executive Officer Joseph N. Tate, are quick to

point out that whatever ties once existed between BMF and its former parent were officially severed April 30 when BMF entered into a partnership with members of Texas' oil-rich Bass family.

The result is a new parent company, BMF Services Inc., which is a privately held, Texas-registered corporation. The new holding company is equally owned by about 40 members of BMF's senior management and about 10 individuals affiliated with the Bass family.

Even a survey of the company's locations reflects the change. BMF has closed its office in Cincinnati, where Baldwin is based, and plans to open a branch within 60 to 90 days in Fort Worth, headquarters of Bass Enterprises Inc.

The Bass brothers are listed among the wealthiest men in the United States with assets estimated at more than \$1 billion. Bass' involvement in BMF's day-to-day operations will generally consist of

helping the brokerage make contacts to obtain future clients, BMF officials explain. Only one Bass representative, Richard Rainwater, will serve on the board of directors.

The broker's venture with Bass caps two years of working to withdraw from Baldwin's shadow.

In December 1982, Baldwin sold the broker, which it had acquired the previous year along with Sperry & Hutchinson Co., to members of BMF management in a leveraged buyout financed with about \$60 million in loans issued by two Baldwin affiliates, National Business Services Inc. and National Equity Life Insurance Co.

But, because of the unusual financing and the convertible debenture arrangement with National Equity that would have allowed the insurer to convert the debt into more than 75% of BMF stock, the real ownership of the broker was often called into question.

BMF officials will not discuss ex-

actly how the split with Baldwin was financed, but they note that the Bass interests assumed a substantial portion of the \$60 million owed to the Baldwin subsidiaries.

Although BMF now claims complete independence from Baldwin, the stigma of the Baldwin connection has not yet been wiped out.

Papers filed in April by Baldwin with the U.S. Bankruptcy Court in Cincinnati, where Baldwin's Chapter 11 reorganization is being handled, allege that BMF's business was severely hampered because of the broker's association with the financial services conglomerate.

BMF's operating results before taxes, interest and intangibles deteriorated to a net loss of \$2.5 million in 1983, compared with profits of \$7.7 million just three years earlier, according to the statement filed by Peter A. Martosella Jr., Baldwin's president and chief oper-

Continued on next page

Stewart Smith

*Imagination...
and the Experience
to back it up.*

We're known for solving brokers' most difficult insurance problems.

Insurance and Reinsurance of all types for unusual risks requiring a creative approach.

Stewart Smith

Member Stewart Wrightson Group

Chicago

125 South Wacker Drive
Chicago, Ill. 60606
(312) 236-7333

Los Angeles

3200 Wilshire Blvd.
Los Angeles, Calif. 90010
(213) 382-6201

Dallas

1430 Empire Central
Dallas, Tx. 75247
(214) 688-1051

New York

123 William Street
New York, N.Y. 10038
(212) 964-2929

The Creative Link Between Insurers and Brokers

Continued from previous page
ating officer

The company's operations have experienced "low margin operations, serious collection problems, high errors and omissions claims and substantial legal problems," Mr. Martosella reported in the document, adding that major customers have threatened to withdraw their business unless actions were taken to improve BMF's "business environment."

Samuel Alcorn, the brokerage's senior vp of operations, international development and market relations, would not comment on the statements filed by Baldwin in the bankruptcy court, but he concedes that the company's affiliation with Baldwin had hindered its progress.

He recalls one buyer telling him, "If I were to take the name of your firm—which rightly or wrongly has been in the trade press linked to Baldwin-United—to my management, they'd fire me!"

Mr. Alcorn does say that the company was profitable last year, although he declined to reveal by how much. He reports "a modest growth" in the number of clients, although he declined to identify any new accounts.

Gross revenues at BMF declined 5.7% during in 1983 to just less than \$80 million, compared with \$84.8 million in revenues in 1982. Despite this drop, the brokerage maintains its position as the eighth-largest U.S. broker in the annual *Business Insurance* rankings.

BMF tightened its belt last year, reducing staff by almost 12%, to 1,398 from 1,584. Most of that reduction resulted from closing offices in Cincinnati and Honolulu and relinquishing a minority interest in a Portland, Ore., operation. But the reduction also reflects cut-backs made after an across-the-board review of staff, Mr. Alcorn points out. This follows staff reductions made in both 1982 and 1981.

The company now says it isn't dwelling on its past problems, either the connection with Baldwin or its sagging revenues.

"We feel we've come through this," Mr. Tate says. "It's been very tough for a time, as you know. It's hard to keep your morale up when you're going through fighting that type of (atmosphere) with rumors, innuendo, loss of confidence.

"But our clients and employees have been very loyal. We feel we're much stronger and healthier now than we were two years ago, and really poised to move."

BMF views its relationship with Bass as the tool to improve its standing in the market. Reaction

from clients to the new partnership between BMF and Bass has been "very good," Mr. Tate observes.

"We had a pretty good relationship with our clients all along. There was a lot of pressure put on them by competitors, a lot of rumors and a lot of publicity—and I don't believe we lost a single major client."

BMF officers say major account activity has picked up considerably since the announcement of Bass' investment, which is the family's first in the insurance industry.

As Mr. Alcorn explains, "The minute everybody agrees the linkage is gone, the doors open."

Mr. Alcorn attributes about one-third of last year's revenue reduction to a decline in interest income, and about two-thirds of the reduction to the effects of rate cuts.

Since almost 92% of the company's compensation is based on commissions, price cutting leaves a definite mark on its revenues, he

notes, though the amount of business the company has generated on a fee basis has been increasing gradually over the past few years.

"I'm pleased with our performance, but I'm not pleased with the results we had to live with," Mr. Alcorn says. "Our people did an outstanding job, but you can only do so much in an environment of rate cutting and (of) inflating the battles of the Baldwin-United situation."

He expects this downward trend to continue modestly throughout 1984. "I just don't see the commercial rates turning fast enough to have any impact on our revenues in 1984," he observes.

Mr. Alcorn does see higher rates in personal lines products, which account for about 6% of BMF's gross revenues. In commercial lines, "We see a movement of the major carriers toward firming rates," but he adds that insurers are more reluctant to hike rates for large accounts than for smaller businesses.

Many of the industries in which BMF clients are involved were affected last year by poor economic conditions, which also contributed to the revenue decline.

"We took our licks in the oil industry, and that (loss) certainly had to be shared by a number of (our) offices that are directly tied to that industry," Mr. Alcorn says. Because of a slowdown in oil production, offices in Texas, Oklahoma and Denver produced less business last year than in 1982.

Los Angeles, the oldest and largest of BMF's 50 branch locations, generated the most business last year.

BMF places business with more than 200 insurers, including most of the major U.S. underwriters, but the brokerage became more selective last year and stopped doing business with several markets.

"We have tightened what we term our security standards," Mr. Alcorn explains. "We've tightened the string a little bit and we're monitoring it more closely with our offices. It's an extremely painful process because many of the people running very fine small companies are people we've known for years and people we respect."

Severing relationships with insurers is difficult, but necessary, Mr. Alcorn says. Because the market is changing so rapidly, what once was considered a reasonable surplus position "today appears to be to us totally inadequate as a safety margin" for both large and small insurers, he says.

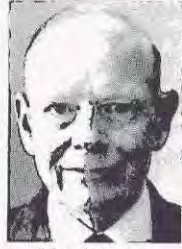
"Years ago, when you could set up an insurance company for \$3 million for a multiple-line charter, \$3 million provided a fair cushion for a company. With today's volatility, it can disappear. The company can be under-reserved, the actuaries can walk in and the whole surplus just disappears before you know about it."

Like many other brokers, BMF is looking closely at the booming financial services field, which Mr. Alcorn dubs "the fastest-growing segment in the industry," and estimates it generated \$500 million in premium industrywide last year.

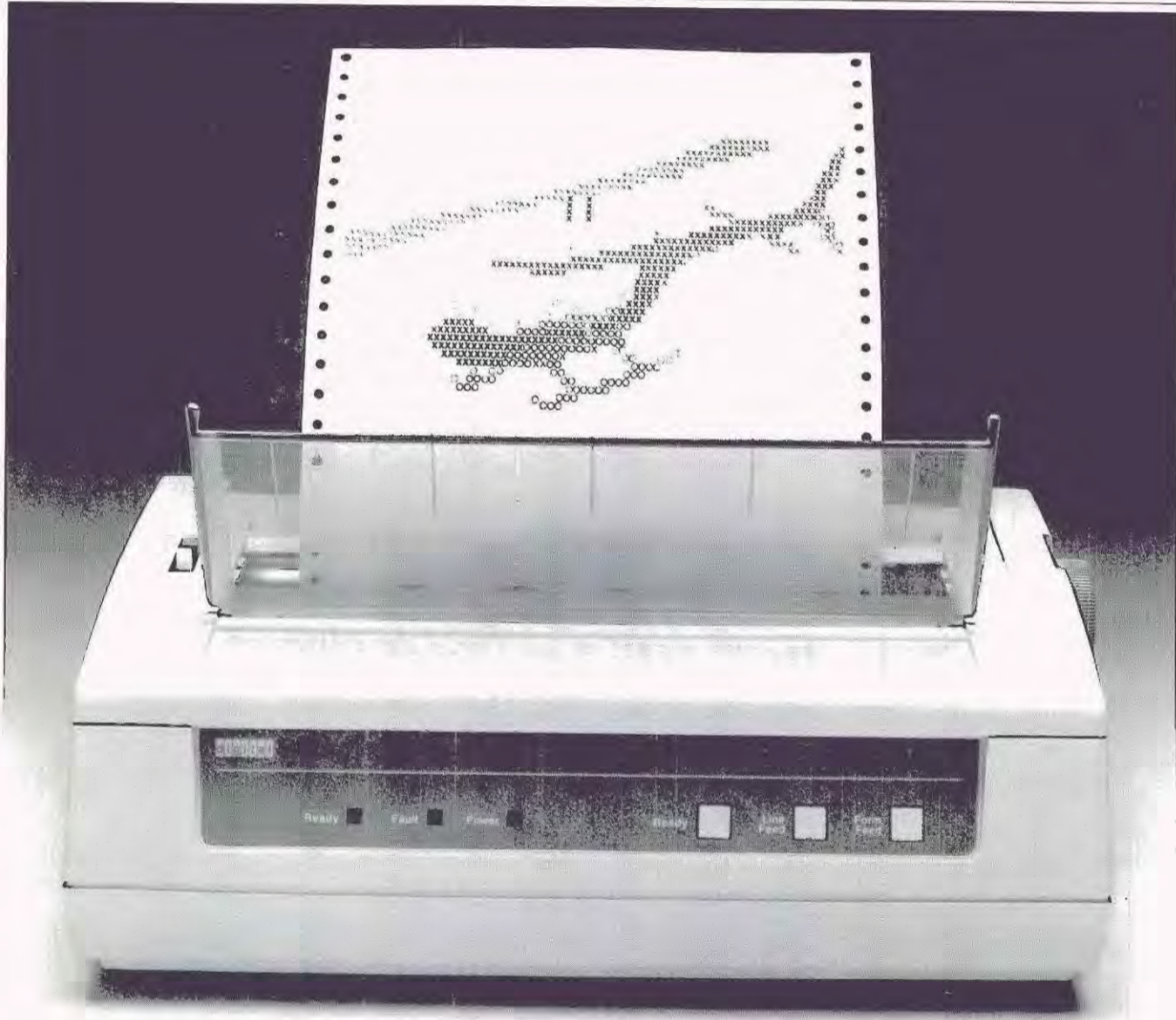
Financial guarantees, in particular, have caught BMF's eye. The company is considering marketing guarantees for lease-purchase arrangements on fine art objects, such as paintings and sculpture. Lease guarantees for yachts are another possibility, Mr. Alcorn notes (BI, May 14).

But marketing these types of coverage won't mark the first time BMF dips its hand into financial service-related products. The company's St. Louis office, for example, brokers investment tax credit recapture insurance for businesses involved in the renovation of historic buildings. The coverage responds if an insured peril results in

Continued on page 56



Mr. Alcorn



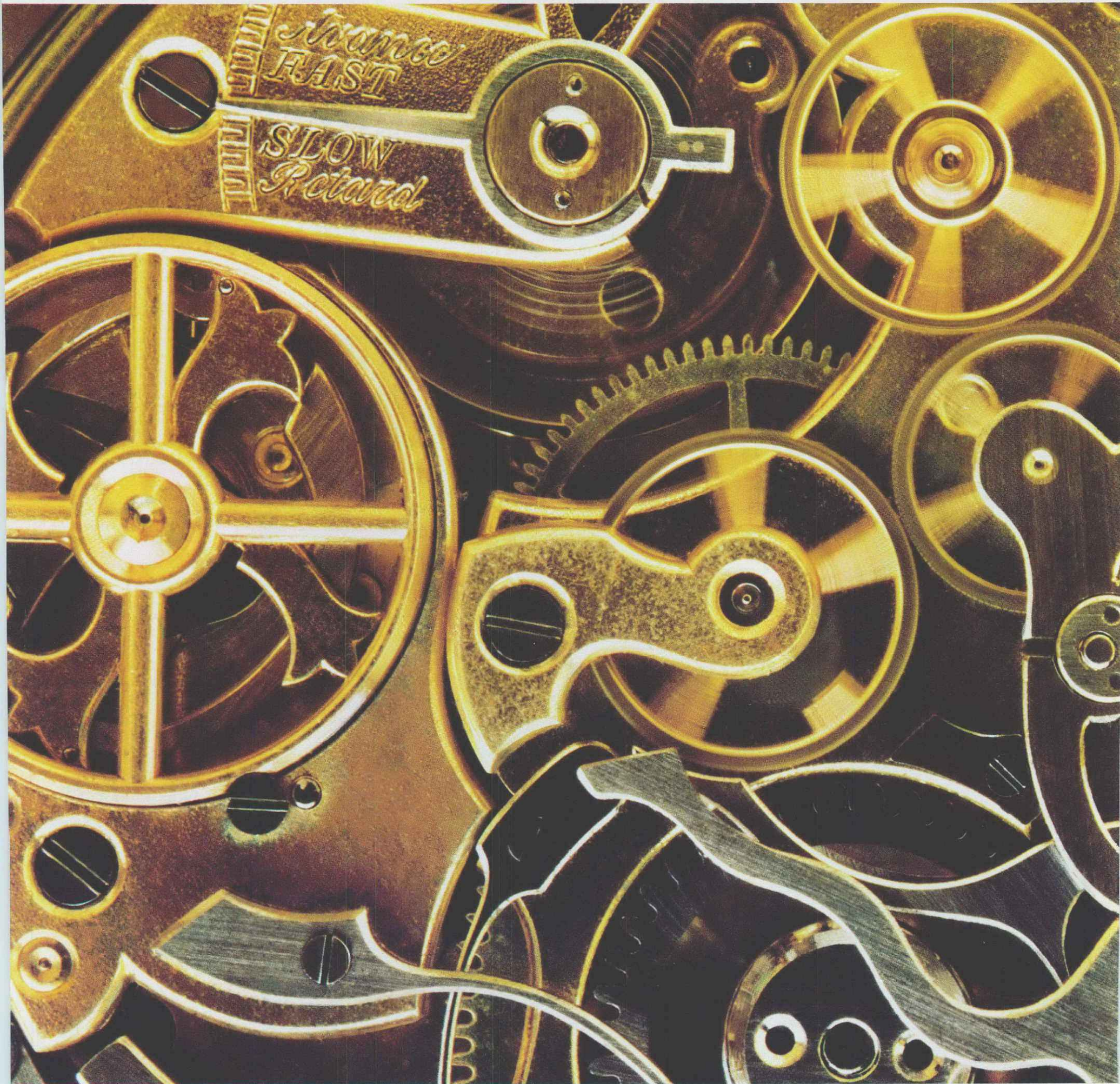
DIGITAL LIKES OUR PROGRAM.

It doesn't take a computer to figure out why AAU's aviation insurance programs are unsurpassed in the industry. Or why we're the choice of so many fast-paced companies like Digital Equipment Corporation. Simply add it up for yourself. Fast, creative under-

writing. Highly efficient claims service. Plus a 50-year reputation of financial strength and stability. No wonder Digital Equipment Corporation has been on-line with us since 1973. To get the complete story on all our programs and how they can

interface with your clients, contact your nearest AAU office. **AAU** FLYING FIRST CLASS

Everything runs like clockwork.



When an insurance company knows what makes your business tick.

When you work with Sentry, everything winds up working in your favor. Our National Accounts, Risk Management and Special Risks units operate as a single, coordinated department with the flexibility to come through for you, time after time.

By paying close attention to the details of your business, we can design insurance or service programs geared precisely to your needs. With imaginative techniques that match premiums to exposure.

We can also help you minimize those exposures through a complete line of risk management services, including loss control, claims administration, industrial hygiene, loss experience reports, and every service you need to administer self-insurance and captive programs.

And when you work with us, you're not working with a faceless voice on the telephone. You get the personal attention of an account executive who knows your business

inside and out.

If you'd like to see the benefits of working with people who understand your business, give our business a call at (715) 346-6863.



Sentry Insurance

National Accounts Department
Sentry World Headquarters
1800 North Point Drive
Stevens Point, WI 54481

Continued from page 54

investors either losing their investment tax credit or the Internal Revenue Service recapturing a portion of the credit after the investor claims it.

Mr. Alcorn says the hardest risks to place now are those with a long-term potential for claims, like pharmaceutical risks.

"When you're dealing with areas such as asbestos or toxic shock (syndrome) or areas that may bring you second-generation claims, yes, you've got a tight market, and you have underwriters that are becoming more conservative."

He recalls trying to place coverage for one client recently when a number of toxic shock syndrome claims against the company rolled in.

"I won't tell you how many days, how many phone calls, how many markets were pursued all over the world to put together the cover," he says.

'We feel we've come through this. It's been very tough for a time, as you know. It's hard to keep your morale up when you're going through fighting that type of (atmosphere) with rumors, innuendo, loss of confidence.' Mr. Tate explains.

Placing insurance for contractors that remove asbestos from schools and other buildings is also becoming difficult. "The underwriters won't touch that liability insurance; they're afraid that some of that asbestos might get loose in the neighborhood and they'll get claims from all of the exposed people," Mr. Alcorn says.

The company's entertainment division was one of BMF's "stronger performing areas" last year, Mr. Alcorn notes. He attributes this, to some degree, to a shift in the film industry toward pro-

ducing movies with smaller budgets and, hence, less exposure.

Some recent films for which the company arranged coverage include "Sixteen Candles," "Scarface" and "Streets of Fire."

Risk & Benefit Management Systems, BMF's captive and risk management and self-insurance services division, contributed about 8.4% to total revenues. He singled out the growth of Imperial Industries, its Los Angeles-based employee benefits subsidiary that specializes in plan design and claims administration services.

"(Imperial's) revenues will continue to grow, but I expect growth in the brokerage recovery to exceed (Imperial's) in 1985," predicts Mr. Alcorn.

In addition, last year RBMS developed an on-line computer system, based in Boise, Idaho, called CORAS (Cost of Risk Analysis System). The system is a sophisticated risk management tool that projects loss trends and helps in analyzing alternate methods of handling a client's exposure, such as through self-insurance or through a captive insurance company.

Employee benefit services, including claims administration and benefit products, generated about 12% of gross revenues.

"(Employee benefits) is an area we'll continue to focus on, and we hopefully will expand and continue to build in it," Mr. Alcorn says.

To that end, BMF in March acquired Baker-Knox Co. in Costa Mesa, Calif., and renamed the com-

pany BMF Compensation Strategies. The operation specializes in designing and administering insured executive compensation plans, like supplemental retirement income programs.

Risk & Benefit Management Systems' captive management companies have offices in Hamilton, Bermuda, and Aurora, Colo. The Colorado office also handles Vermont captive business. The majority of the companies' clients are single-owner captives.

"I think the question of future direction (of captive insurance companies) is going to hinge very, very heavily on the current tax legislation. The potential of increasing the taxes on business exported... could have an impact on the competitiveness of the Bermuda market," he says.

Mr. Alcorn calls current captive issues "a major concern of everyone in that business."

(The congressional conference committee has rejected the proposal to increase the excise tax on reinsurance premiums paid abroad.)

Although questions regarding BMF's ownership have been resolved, the company still faces a \$10.5 million suit filed last year by former BMF Treasurer William F. Luke, who claims that from 1980 to March 1983 BMF financed operations and acquisitions with premium deposits kept in trusts for insurers and others.

He also claims he was wrongfully fired after he demanded the company cease using premium deposits or authorize him to report the potentially improper procedures to authorities (BI, May 23, 1983).

BMF has denied the allegations. BMF offices are located in 50 U.S. cities and in Paris; London and Ruislip, England; and Hamilton, Bermuda.

Principal officers, other than Mr. Tate and Mr. Alcorn, include William A. Mizell, executive vp and chief operating officer; Paul Weitz, executive vp-Eastern operations; and William Baxter, executive vp-production and aviation.

—By Steve Taravella

Rhulen Makes The Market

In Animal Related Insurance

Plus:

Children's Camps Ski Areas (including shops/touring) College & University Student Accident & Sickness Gymnastic Schools & Clubs Martial Arts Schools & Tournaments Amateur Youth Sports Accident Coverage For Group Activities Dance / Exercise / Fitness Schools CATV Systems (property / casualty / bonds) Solid Fuel (manufacturers, distributors, dealers) Self-funding Programs for Employee Health Benefits Surety Bonds for Small Contractors Excess & Surplus Coverages Broker Member N.Y. Insurance Exchange

**For Special Risks
Call the Specialists!**

OFFICES IN: Atlanta, GA; Greer, SC; Grove City, OH; Levittown, PA; Los Angeles, CA; Murfreesboro, TN; New York, NY; Toronto, Canada

Rhulen AGENCY, INC.
INSURANCE

217 BROADWAY / MONTICELLO, NY 12701 / (914) 794-8000
Call Toll Free Within New York State (800) 942-3874
Call Toll Free Outside New York State (800) 431-1270

North America's Largest Administrator of Specialty Insurance Programs.

From The Reprint Department Of:
**business
insurance**
Reporting weekly for corporate risk,
employee benefit and
financial executives

Do you need to distribute copies of articles appearing in Business Insurance at your meetings or for your mailings?

Business Insurance has expanded its reprint department to meet your needs.

For fast, low cost* reprints of articles appearing in Business Insurance, or to obtain reprint permission for your own copies, call or write:

Reprint Department
Business Insurance
220 E. 42nd St.
New York, N.Y. 10017
212-210-0131
212-210-0229

*New prices effective 1/1/84

9

**The Crump
Cos. Inc.**

 5350 Poplar Ave., Memphis, Tenn.
38119; 901-761-1550

	1983	1982
Premium volume	\$428,000,000	\$375,000,000
Gross revenues	\$55,415,000	\$49,296,000
Brokerage: Retail	58%	56%
Wholesale	15%	14%
Services	2%	1%
Other	25%	29%
Employees	1,048	929
Rev./employees	\$52,877	\$53,064
Offices	62	66

The Crump Cos. Inc.'s new name and new logo symbolize the company's confidence in its continuing growth and expanding scope in the insurance marketplace.

In the new logo, two large Cs encircling a world map represent the scope of the company's business and the global significance of the insurance industry, according to the company's annual report.

The logo is a fitting representation of a company that has doubled in size in 2½ years and intends to keep up the pace.

While executives say 1983 was a year of consolidation after two years of rapid expansion, Crump continued to acquire agencies and books of business and increased its gross revenues 12.4% to \$55.4 million from \$49.3 million in 1982.

"1983 was a year of operating rather than just acquiring," says John M. Power, who was named president and chief operating officer in 1983. "We've shown we know how to acquire. What we did last year was improve our overall results."

"That doesn't mean we are not interested in good opportunities,"

lines, with life and benefit business contributing 10% of revenues.

Wholesale brokerage activities generated 15% of revenues, services 2% and other activities, including underwriting activities and reinsurance generated 14%.

Insurance commissions and fees increased \$7.3 million or 16.5% to \$51.7 million. Other income in 1983 declined significantly from 1982 because in 1982 other income was artificially inflated by the sale of Fisher-Brown Inc., an agency.

"We are basically a large writer," Mr. Stewart says of Crump's business, although the company also writes medium and small accounts.

"We are not a writer of jumbo accounts to any great degree," which he characterizes as anything generating more than \$500,000 in premium.

Among the goals that Mr. Stewart and Mr. Powers cite for 1984 are to increase profitability

Continued on next page

MOORE & SCHLEY, MARIC INC.

Specialists in
Mergers and Acquisitions
for the Insurance Industry

New York
2 Broadway
New York, NY 10004
(212) 732-0926

New Jersey
310 South Street
Morristown, NJ 07960
(201) 540-0540

We worked with Brewster Bros. in 1886, and we work with them today.

For nearly 100 years, this agency has been providing the community with the full-service insurance it has needed to grow and prosper.

At CU, we've been perfecting our service, products and professionalism for

generations. We have kept up with trends, technology and the changing needs of agencies all over America. And we're still here today, doing those same things.

Brewster Brothers, the oldest agency in Newburyport, Massachusetts. We were with them then and we're with them today . . . serving our agents and the insurance-buying public . . . for generations.



CU Insurance
Commercial Union Insurance Company
One Beacon Street
Boston, Massachusetts 02108



PROVIDING GENERATIONS OF SERVICE



Les Sinton (C.P.C.U.), Vice President and General Manager of Brewster Brothers, Newburyport.



Mr. Power adds.

Sidney A. Stewart relinquished his title as president in 1983, but remains as chairman and chief executive officer. Mr. Power had been vice chairman and chief financial officer.

Also reflecting Crump's improved operations was a 15% hike in net income to almost \$3 million, producing growth in earnings per share to 75 cents from 66 cents.

And, 1984 looks like more of the same. Net income for the first quarter increased 56% to \$1.4 million from 1983, and earnings per share climbed to 35 cents from 22 cents.

The 12.4% increase in gross revenues produced in 1983 is considerably higher than a 3.2% increase Crump registered between 1982 and 1983, a reflection of mostly new business production and an estimated net gain of less than 5% from the sale and purchase of agencies and books of business.

The growth allowed Crump to maintain its ranking of the ninth-largest U.S. brokerage operation in the annual Business Insurance survey of insurance brokers.

Developing new business "is about the only way to survive in the market that's existed," Mr. Stewart says.

"You can cut expenses so far and that's all."

Crump operates five different operations, but the main component is retail insurance broking, accounting for 69% of its revenues, of which 58% are generated in commercial lines and 11% in personal lines. Most of the commercial brokerage is in property/casualty

Continued from previous page and continue to expand, with emphasis in two areas: existing locations where offices aren't as large as the company would like, and areas with people that have specialized talents and abilities.

Crump also plans to continue to dispose of real estate, extend computer capabilities, improve internal communications and market electronic data processing products.

Crump is making a major commitment to expanding claims administration services. It is adding administrative and advisory facilities for workers compensation, malpractice and other lines that corporations self-insure.

One step in this direction was the acquisition earlier this year of Atkins & Roberts Enterprises Inc. & Subs., which includes All Risk Corp. companies in Florida and Louisiana. Crump paid \$5.7 million for the business.

The All-Risk purchase follows

the 1982 purchase of the outstanding capital stock of Warren & Sommer Inc., a large Denver-based retail agency.

And, just last month, Crump also acquired the outstanding capital stock of Mann-Webb Insurance Agency Inc. and Webb Insurance Inc. of Fort Myers, Fla.

"We feel that as premiums begin to increase and the cycle turns, more people will turn to self-insurance of various forms and we're trying to position ourselves to be able to handle it," Mr. Stewart says.

Other Crump 1983 acquisitions include Keator-Smith of Fairfield, Conn.; Hickman, Smith, Brett & Fendley of Baton Rouge, La., and the Van Camp Agency of Los Angeles, as well as other small books of business. The revenues of Hickman, Smith, Brett & Fendley are reported on a pooling basis, as though the company had been owned the entire year, while the revenues of the two other major

broker acquisition in 1983 are reported on a purchase basis, including their revenues only since the dates of acquisition.

In 1984, in addition to the Mann-Webb acquisitions, the company also purchased insurance renewals of Commercial & Industrial Insurance Inc., through Crump's Crump-Nashville subsidiary.

Also in 1984, Crump increased its ownership to 100% in two surplus lines brokerages: Lovelace & Co. in Atlanta, now Crump Lovelace, and Crump London of Ohio. The revenues generated by these offices in 1983 are not reported in Crump's 1983 gross revenues.

The company also sold some

business in 1983. Crump-Haris of Philadelphia and agencies or books of business in Tennessee, Arkansas and California were sold.

Crump Haris, in which Crump had a 20% minority interest, was purchased in 1982 and sold in October 1983 at a large loss, according to the company's annual report, after the company concluded that the likelihood of continuing losses outweighed the prospect of future profits.

The sale, combined with write-downs of non-insurance investments and disposition of a group of securities that were sold to reposition the investment portfolio of a subsidiary, the Southern American Insurance Co., reduced Crump's income for 1983 by \$1.7 million.

Crump's expansion probably will continue to focus on the South and West, where the company believes it already has a niche and it can consolidate operations.

Expansion is done "for geogra-

phic reasons or in areas where we have existing offices that we want to make somewhat larger and get more efficiency out of them," Mr. Stewart says.

The company also wants to get into "special niches" through mergers with people who have specialized talent, as it did with All-Risk.

Like other brokers, Crump has found it necessary to take a number of steps to control expenses.

Last year, for example, Crump eliminated the company fleet of automobiles and placed automobile users on an auto allowance.

Another change that ultimately will reduce costs is the ongoing installation of an on-line computer system in all major retail offices.

So far Crump has felt the costs associated with the system but has yet to receive the benefits of increased efficiency.

"There's a learning curve to go through," Mr. Power says.

"We know how it can work.

We've seen it work. It's just a matter of training, retraining and retraining."

Expense control has not, however, included reducing staff, as it has in almost half the other Top 20 brokers.

Crump's employee roster increased 12.8%, close to its increase in gross revenues, to 1,048 in 1983 from 929 in 1982. Some employees joined with the mergers, and others were hired in staff expansion.

There was also an increase due to the transfer of personnel from the company's underwriter, Southern American Insurance Co., a wholly-owned non-consolidated subsidiary that shares facilities, services and personnel with Crump.

Personnel cuts have taken place among corporate staff. For example, the company has been able to combine the functions of certain employees, like secretaries.

Crump has also tried to standardize functions in certain areas, such as payroll and benefits, to avoid duplication and allow for more concentration on sales.

Still, revenues per employee fell slightly, to \$52,877 in 1983 from \$53,064 in 1982.

Recently, Crump changed the name of its excess and surplus lines operation to CIS/Creatives Insurance Specialists.

The company's annual report says this was because Crump wants to emphasize the nature of the services offered by these operations.

By de-emphasizing the Crump name, it also lets others know that the group is available to all independent agents and brokers.

Crump is involved in surplus lines not only as a broker but also as an underwriter, through its Southern American subsidiary.

The company has operated it conservatively, and always maintained an A-plus rating, Mr. Stewart says. The combined ratio last year was 102%.

"We've said rather than take business at cheaper prices, we will just let our writings fall. So our writings have fallen," he adds.

Southern American also has reduced its retention on risks to generally \$50,000 on any one risk, ceding the rest to reinsurers. The company writes umbrella policies for up to \$10 million.

This maintaining of prices and reduction of the company's net retention reduced Southern American's net premiums from \$5.6 million for 1979 to \$1.9 million for 1983.

Mr. Stewart believes that Southern American's conservative approach gives it the flexibility and means to write more excess and surplus business.

Continued on page 60



Mr. Stewart



Mr. Power

IT'S NOT HOW MUCH YOUR INSURANCE COSTS, IT'S HOW MUCH YOU END UP PAYING FOR IT.

You know insurance can cost a lot more than just premiums. That's why you need Aetna. When you call us in, we put our National Accounts Department to work for you.

Our National Accounts team specializes in flexible underwriting. They'll design a creative program to meet your cash flow needs. And, they're so flexible, they'll even work out a personalized plan for paying your premiums.

At the same time, our engineers initiate an in-depth Loss Control analysis. They'll go over your operation with a fine-tooth comb. They'll evaluate your machinery and production process - and point out potential employee hazards.

We do everything we can to reduce your insurance costs in the first place, so you don't end up paying for it later.

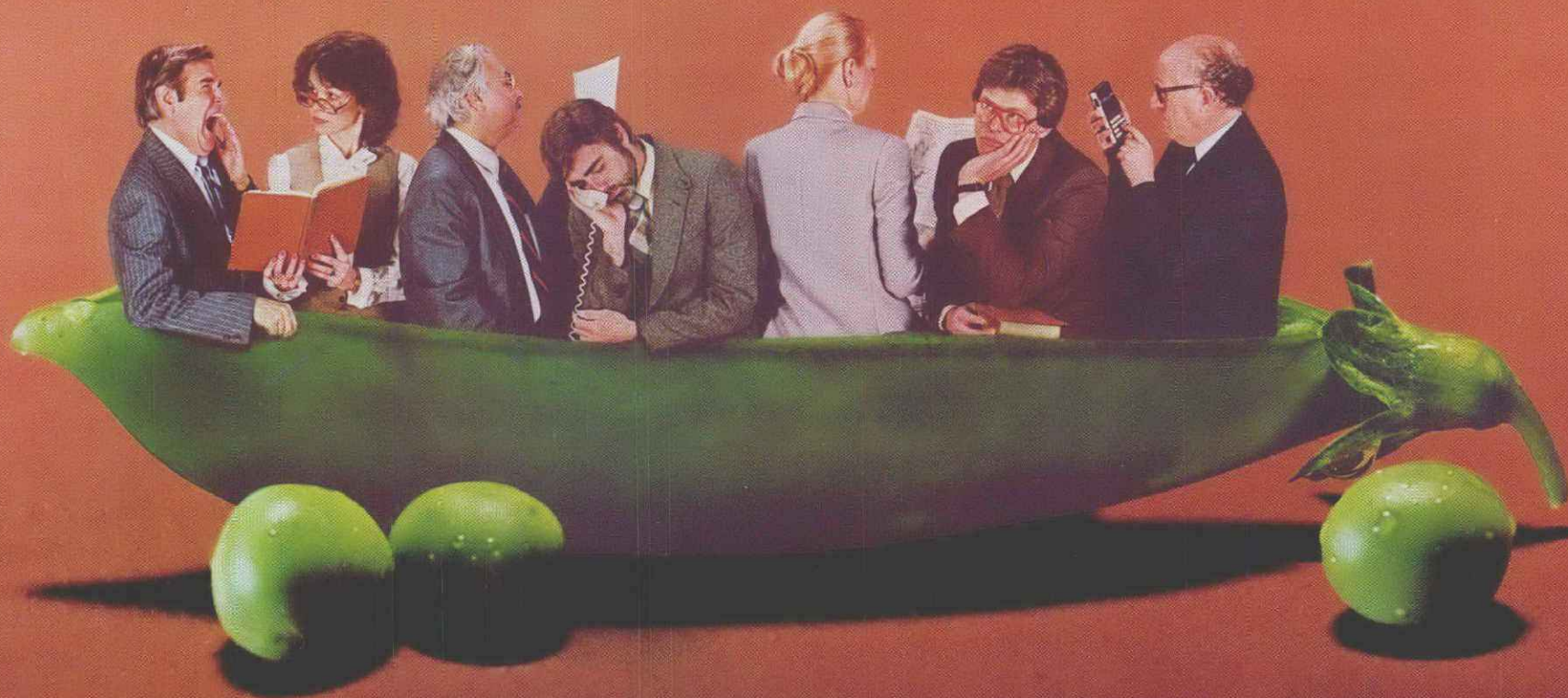
We'll be happy to send you our National Accounts brochure. Just get in touch with your local Aetna agent, broker, or call Ralph Ellis at (203) 273-2992.

YOU'LL BE GLAD YOU MET AETNA.



The Aetna Casualty and Surety Company
The Standard Fire Insurance Company
The Automobile Insurance Company of Hartford, Connecticut
Aetna Casualty & Surety Company of Illinois





DON'T LOOK FOR US WHERE YOU FIND ALL THE REST.

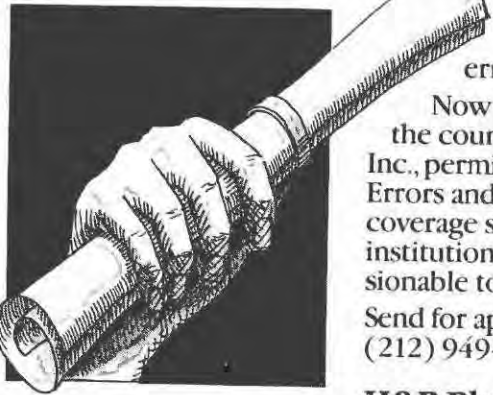
If insurance brokers all seem like peas in a pod with the same attitudes, same programs, same coverages, perhaps it's time to look at Frank B. Hall. We're the world's most inventive insurance services firm. The Protection Connection™ to 21st Century insurance and risk management technology for significant corporations, both large and small, around the globe. At Frank B. Hall, we're never too busy, or too complacent, or too distracted to get excited about your needs. We're the creative force in our industry. Look for us today in a convenient location. Find out what a unique firm we really are. And how we can satisfy your every corporate insurance requirement in our own special way.

FRANK B. HALL & CO.

**The Protection
Connection™**

The Protection Connection is a trademark and service mark of Frank B. Hall & Co. Inc. © Frank B. Hall & Co. Inc., 1983. All rights reserved.

Important new coverage that no college can afford to be without.



You may have provided your college clients with Comprehensive General Liability coverage, but the trustees and staff still face the risks which arise from a negligent act, error or breach of duty.

Now through an exclusive arrangement with one of the country's largest insurance groups, H&R Phillips, Inc., permits you to protect them with a special Educators' Errors and Omissions Liability policy. This essential coverage supplements the CGL policy. No educational institution can afford to be without it. And it is commissionable to brokers.

Send for applications today or call Phyllis Kelty at (212) 949-9100 for further information.

H&R Phillips, Inc., 622 Third Avenue, New York, NY 10017

Continued from page 58

"We don't have the problem of unearned premiums from unprofitable years."

"If we think they (rates) are adequate we can increase our premium writings very, very substantially. Very few companies can say that."

Whether or not insurance prices increase significantly in 1984, Crump believes it will do substantially better than it has in the past.

"The things we've done will allow us to have a good year in what we believe will be one of the better years in the industry," says Mr. Stewart.

"We're saying this will happen whether or not there is a major change in the market," Mr. Stewart says.

"Our planning is based on the market continuing as is."

But Mr. Stewart says the problems in the industry have reached the point where changes must

occur, and that the ability of some companies to survive is threatened.

"We have put down certain standards," he says. "We don't want Crump officers to use companies that don't meet these standards without approval."

"We think the situation is that critical."

Mr. Stewart already sees some hardening of the market in "certain spotty classes," such as trucking risks and certain malpractice exposures, minimum premiums on umbrella, earthquake capacity, difference in conditions in Florida, difficult products lines and municipalities.

"We write a major municipality where a premium for a certain layer was \$50,000 and our renewal quote was \$200,000," Mr. Stewart says, pointing out that the city's loss experience was not good.

"They tried to improve on it and couldn't anywhere else. They were lucky to get it for \$200,000."

"We're seeing something we never saw last year," Mr. Stewart comments. "We are seeing (tightening) all over."

"What you're finding is that if a risk is a desirable risk companies will do what is necessary to keep it and might reduce rates more. But generally they are taking a pretty hard line."

Since Jan. 1, Mr. Stewart cites marine, trucking, products and municipalities as risks that have been difficult to place.

Recently, Crump also diversified from purely insurance-related products and began to market insurance by-products such as an EDP software system for excess and surplus offices and smaller retail agencies. It is also in the process of marketing a "telecommunications product," geared to large companies such as insurers and investment houses that will help reduce telephone costs.

Also significant for 1983, Crump's auditors, Deloitte Haskins & Sells, removed the "subject to" qualification from the company's 1982 and 1981 financial statements. The auditor's opinion had been subject to the outcome of litigation charging Crump with unfair competition and tortious interference with contractual relationships.

The litigation was resolved without an impact to the financial statements.

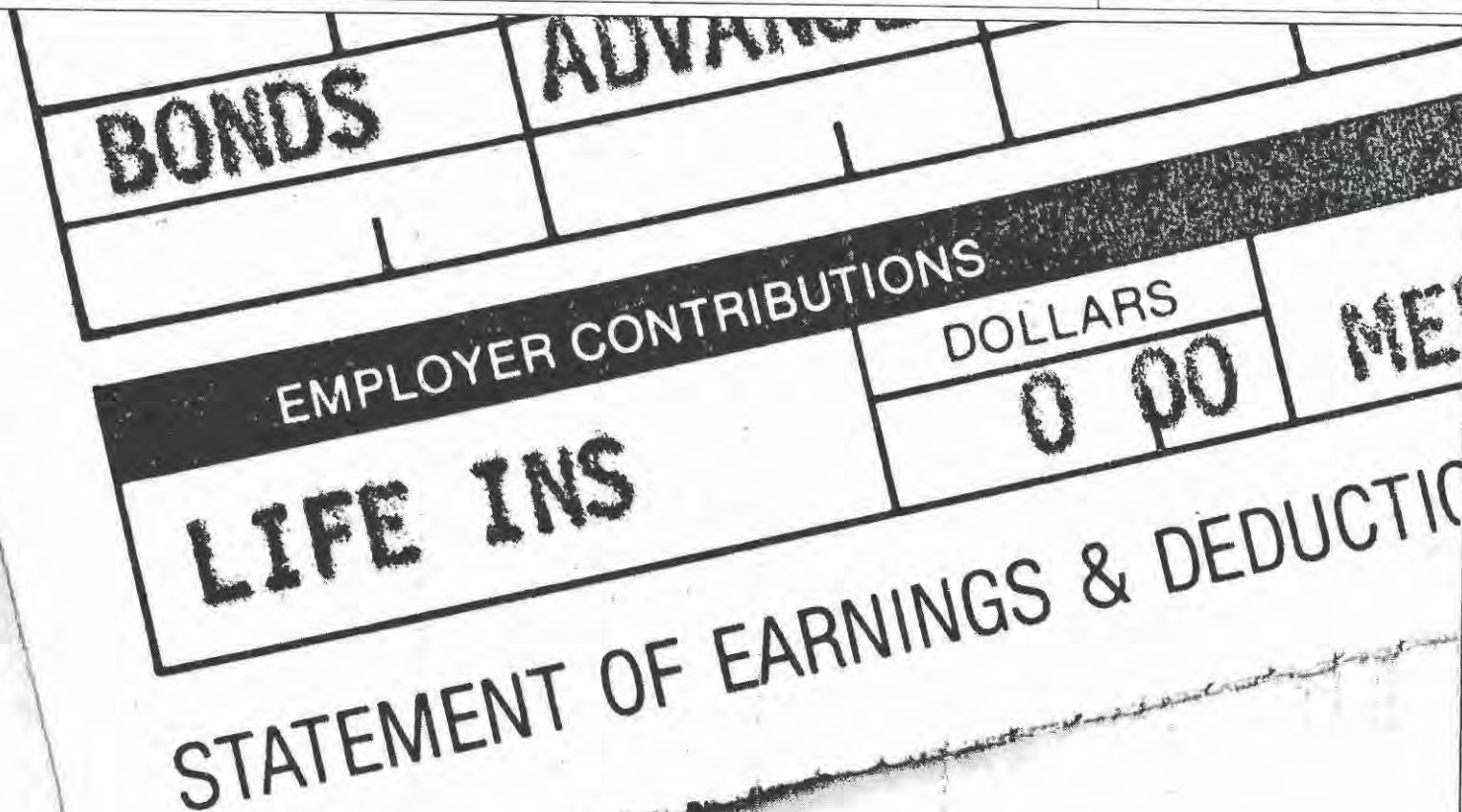
Crump has offices in 23 states and Bermuda. They include more than 30 insurance agencies, seven employee benefits offices, four self-insurance service offices, 17 excess/surplus/specialty offices, seven reinsurance offices, three underwriting and underwriting management offices and one data processing office, according to the company's 1984 directory.

In addition to Mr. Stewart and Mr. Power, principal officers of The Crump Cos. are: Edward B. Morrow Jr., Gordon E. Noble and Donald A. Thomas, executive vps.

The highest paid officers and directors at Crump Cos. in 1983 and their salaries, fees and commissions, according to documents filed with the Securities and Exchange Commission, were:

Sidney A. Stewart Jr.	\$175,000
Gordon E. Noble	\$149,800
James M. Power	\$145,000
Donald A. Thomas	\$125,000
E.B. Morrow Jr.	\$125,000

—By Stephen Tarnoff



Reality is, that a lot of workers today are part of a market segment that many in the insurance industry aren't giving their attention to.

But with our Working LifeSM insurance program you can make life insurance available to them without any hard costs. That's right. Now when employee benefits expenditures are going through the proverbial roof, Working Life will barely cost your company anything.

How's it possible?

It's possible because it's all paid for by your employees through payroll deductions. Your employees and their spouses and children can all obtain it. The rates are specially

HOW COULD A LIFE INSURANCE PROGRAM THAT MEANS SO MUCH TO YOUR EMPLOYEES, MEAN NOTHING TO YOU?

priced to make it very affordable, and each employee owns their policy outright. Joining is completely voluntary, and since we guarantee issue to all eligible employees and their dependents, there are no medical exams or questions required. Because Working Life is owned individually by your employees, there are no post-retirement conversion costs,

nor any involvement by your stockholders, the IRS, ERISA or other government agencies.

There are whole life, universal life, and term and annuity Working Life plans. Instituting one at your company would be one of the most meaningful things you could do for your employees. Not to mention your bottom line. For complete information call 1-800-535-5210. Or write R.C. Kuntemeier, Vice President — Life Insurance Marketing & Operations, Puritan Life Insurance Company, P.O. Box 9200, Providence, R.I. 02940.



Puritan Life Insurance Company is an affiliate of the General Electric Credit Corporation.



10

Arthur J. Gallagher
& Co.10 Gould Center, Golf Road,
Rolling Meadows, Ill. 60008;
312-640-8500

	1983	1982
Premium volume	\$225,000,000*	\$225,000,000*
Gross revenues	\$53,358,000	\$48,477,000
Brokerage: Retail	55%	55%
Services	39%	40%
Other	6%	5%
Employees	956	893
Rev./employees	\$55,814	\$54,286
Offices	71	70

*BI estimate.

The plans to go public by privately held Arthur J. Gallagher & Co., which were announced last year and filed with the Securities and Exchange Commission in February, are still on hold because of the stock market slump.

"We're all ready, we're set, but we're waiting for a little breeze at our back instead of a gale in our face," said Robert E. Gallagher, president of the 57-year-old brokerage founded by his father, Arthur J. Gallagher, who is now chairman of the board.

"These are extraordinary times in the stock market. We thought they would be very good times, but they're not. We don't want to force (the offering). They're (Morgan Stanley & Co.) the professionals," he said.

Investment banker Morgan Stanley is managing the offer for AJGCo., the second-largest privately held broker after Johnson & Higgins (BI, Feb. 13).

"Many, many initial public offerings are on hold... It's something totally outside of our control. So business is back to the basics: building our company; that's what we're about," he said.

Rather than nest on its public stock plan, idly waiting for it to hatch, AJGCo. has left the offering up to Morgan Stanley and instead is concentrating on the day-to-day running of the corporate business, Mr. Gallagher said.

And that business has grown steadily during the past decade, showing an average 28% increase in revenues.

Last year's 10% jump in revenues was good enough for AJGCo. to maintain its 10th place spot for the third consecutive year in the *Business Insurance* ranking of the 20 largest U.S. brokers.

"We did very well compared with the rest of the industry," Mr. Gallagher said. Gross revenues for 1983 were \$53,358,000, compared with \$48,477,000 in 1982.

About 55.4% of the revenues come from commissions, 38.5% from fees and the remaining 6.1% from investment income, Mr. Gallagher said.

The total revenues for the first quarter of 1984, as reported in AJGCo.'s first quarter report to shareholders, were \$15,730,000, a 10.8% jump over 1983 first-quarter results. Mr. Gallagher predicts a 10% to 15% increase in total revenues this year, pushing the end-of-the-year revenue figure near \$60 million.

"We have a turned-on sales force, supported by a strategy... and that strategy hasn't changed, it's just better," Mr. Gallagher said, citing reasons for the steady growth.

Key to AJGCo.'s strategy is its integrated approach to risk management.

Pointing to a diagram of

overlapping circles to illustrate this integrated approach, Mr. Gallagher explained that AJGCo. and its subsidiary, Gallagher Bassett Insurance Service, offers its customers not only basic brokering services, but also several other services important to those that self-insure their workers compensation, general liability, property liability, auto liability and employee benefits programs.

Gallagher Bassett, for instance, which was ranked as the largest claims administrator specializing in workers compensation claims for self-insurers (BI, Jan. 30), offers claims, litigation, management and

subrogation management services to its almost 400 clients.

In 1983, Gallagher Bassett paid out \$125 million in claims for its clients, handling 496,102 new claims in all lines of business. The company also saved its clients \$10.4 million by coordinating benefits paid under self-insured group employee benefit plans. That's 15.1% of paid claims, Mr. Gallagher stressed, "which is way above the indus-



Mr. Gallagher

try average."

Gallagher Bassett also was able to recover for its clients through property/casualty subrogations some \$2.6 million, which represents 15.3% of fees, Mr. Gallagher pointed out.

The AJGCo. subsidiary, which was founded in 1961, has an in-house staff of loss control experts, including professional engineers. And Gallagher Bassett does property appraisals, Mr. Gallagher said.

But the special ingredient in AJGCo.'s integrated approach to risk management is Risk-Facs—a year-old computerized risk management reporting system, which is

able to supply risk managers with detailed monthly reports on a variety of topics.

Currently, 173 of AJGCo.'s clients, all which are self-insurers, have been successfully put on-line with Risk-Facs.

New clients go on-line immediately, Mr. Gallagher said, and the bulk of the remaining clients, more than 200, should be on-line by the end of the year.

Risk-Facs originally was available exclusively to AJGCo. clients. But in January, AJGCo. began offering this service through broker Johnson & Higgins to some of J&H's clients.

Continued on next page



A group medical plan that pays you to stay out of the hospital. From the only company with all the tools.

New England Life has an alternative to the high cost of medical care.

Our Outpatient Incentive Benefits program can reduce medical costs for both your client's company and its employees. By choosing less expensive outpatient care, employees are reimbursed at 100% of the usual and customary charges with no deductible applied for second surgical opinions, out-patient surgery, and/or pre-admission tests.

To find out how New England Life can help keep total medical plan costs down, contact the company with all the tools. Simply fill out our coupon below or attach your business card.

Please send me more information on your Outpatient Incentive Benefits program.

Name _____

Title _____

Company _____

Address _____

City _____

State _____ Zip _____

Phone _____

Send to:
George L. Mason III, CLU
Second Vice President
Group Marketing
New England Life
501 Boylston St.
Boston, MA 02117

**New
England
Life**

BI FR684

Continued from previous page

"The purpose? To help spread the cost base of Risx-Facs," Mr. Gallagher said. This agreement between the two largest privately held brokers is non-traditional and very courageous, Mr. Gallagher contends, but one that should benefit both of them, as well as their clients.

More than 323,000 claims currently are stored on Risx-Facs, Mr. Gallagher said, and 16,000 Risx-Facs transactions are processed each day.

"We have an awesome commitment to our (computer) system," Mr. Gallagher said, which is one reason the firm wants to go public.

AJGCo. hopes to raise \$15 million to \$20 million through the stock offering, half of which will be used to replace capital that left the corporation when it bought out retired or deceased shareholders. The other half will be retained for future development, which includes

the expansion of computer capabilities, he said (*BI*, Sept. 12, 1983).

New computerized products are continually being developed at AJGCo. to enhance Risx-Facs. One client already is using Micro-Facs, a program that allows individual clients to tap into Risx-Facs with their own micro-computers.

And clients can now input directly into AJGCo.'s main Tandem terminal.

AJGCo.'s computer center is high-tech all the way, with raised floors; double-locked, secret-coded entrance doors; and heavy-duty sprinkler systems and fire extinguishing equipment.

But computerized services and AJGCo.'s integrated approach extend beyond the main company and Gallagher Bassett. Other subsidiaries take the Gallagher philosophy and apply it in other areas, like reinsurance, marine services and foreign markets.

In the international marketplace, Gallagher brokers through Gallagher, Hinton & Vereker Ltd. in London and AJGCo. Ltd. in Bermuda.

Arthur J. Gallagher International Inc. in Cranston, R.I., spearheads the corporation's overseas activities, including reinsurance, risk management and engineering services for international clients.

"One of our strategic areas of development is international," Mr. Gallagher said in last year's *BI* profile, refusing to elaborate. He's still remaining mum on that strategy again this year.

"We have new clients...brisk business...it's no big deal. We see our position internationally as a great opportunity, not a fait accompli (an established fact) by any means," he said.

"What we basically plan on doing is staying where we're strong: exporting Gallagher Bassett services, Risx-Facs...into those countries

that developed a need for risk management," Mr. Gallagher said.

"But that's the next year, I would rather talk about that after the fact.

"But we do covet an international position in risk management...it can take many different shapes and forms, but at this stage in our development, we see just so many opportunities here," he said.

It's this integrated approach to risk management and the ability to "export it" across the country or across the world that makes AJGCo. different from its peers, Mr. Gallagher said.

"Nobody has that. We're the only one (that has) an integrated approach from one integrated source," he said.

Although no new subsidiaries joined AJGCo.'s rank in 1983, one of its newer ones, Benefit Planning Services, which is about six years old, seems to be growing the fastest, Mr. Gallagher said.

Benefit Planning Services, head-

quartered in Rolling Meadows, along with Gallagher Bassett and AJGCo., specializes in risk management of human resources, primarily for self-insurers. The products it provides include employee benefits, deferred compensation, life and pension plans and tax shelters.

AJGCo. isn't announcing any plans for acquisitions in 1984, though "we're always looking, and that will be easier once we go public," Mr. Gallagher said.

And as far as starting up any more new subsidiaries, Mr. Gallagher says, "I can't talk about it...but we've got some damn viable things in the pipeline in new esoteric areas."

Some of those areas probably will be designed to attract more clients from the Fortune 500 ranks, where AJGCo.'s penetration is small at present.

Most of the broker's insured clients fall in the medium-size category and are spread across commercial, industrial, governmental and religious accounts. But the self-insurers, which account for about 65% of AJGCo.'s business, are larger, major corporations and institutions. Only about 2% of AJGCo.'s business is in personal lines.

Mr. Gallagher estimates that about 60% of AJGCo.'s business is in casualty lines; 23%, property; 10%, employee benefits; 5%, a combination of marine, aviation and reinsurance; and 2%, personal lines.

Premium volume, sometimes used as an indicator of how well a business is doing, couldn't be estimated by Mr. Gallagher.

"We never pay any attention to premium volume because we don't pay out bills with premium," he said.

Business Insurance estimates the brokers premium volume at \$225 million.

Profits is another area Mr. Gallagher hesitated to get into.

"I'm not good at predicting...but we'll be ahead," he said.

AJGCo.'s 1983 earnings were \$4.3 million.

AJGCo., which grew to 956 employees in 1983, up from 893 in 1982, is still growing, though it keeps a close watch on hiring. So far this year, another 14 employees have been added.

"The staff increases are up only 5%; that's hard for us," Mr. Gallagher said, explaining that in the 1970s the staff grew by 25% but because of the soft market and hard economic times growth is much slower now. At AJGCo., it's the people that help make the difference, Mr. Gallagher said, referring to what he calls "Gallagher culture."

"...entrepreneurial sparks. We try to keep those burning brightly, however, with an emphasis on strategic planning and the corporate direction," he said.

AJGCo. doesn't control at the corporate level, it directs, to give that entrepreneurial spirit room to glow, Mr. Gallagher said, stressing that there is a mandated direction for employees to follow.

Besides Mr. Gallagher, AJGCo.'s principle officers are John P. Gallagher, executive vp; Donald J. Krutek, vp of risk management sales; John G. Campbell, vp and president of Gallagher Bassett; Michael J. Cloherty, vp of finance; and Walter F. McClure, vp of sales branches.

The highest-paid officers and directors of AJGCo. in 1983, according to the preliminary prospectus filed with the Securities and Exchange Commission, received the following cash compensation:

Robert E. Gallagher	\$160,000
John P. Gallagher	\$160,000
Michael J. Cloherty	\$125,000
Donald J. Krutek?	\$107,500

—By Carol Cain

JOHN L. WORTHAM & SON

Insurance

AGENTS & BROKERS

SPECIALIZING IN COMMERCIAL INSURANCE

FOR ACCOUNTS REQUIRING THE HIGHEST

LEVEL OF PROFESSIONAL SERVICES

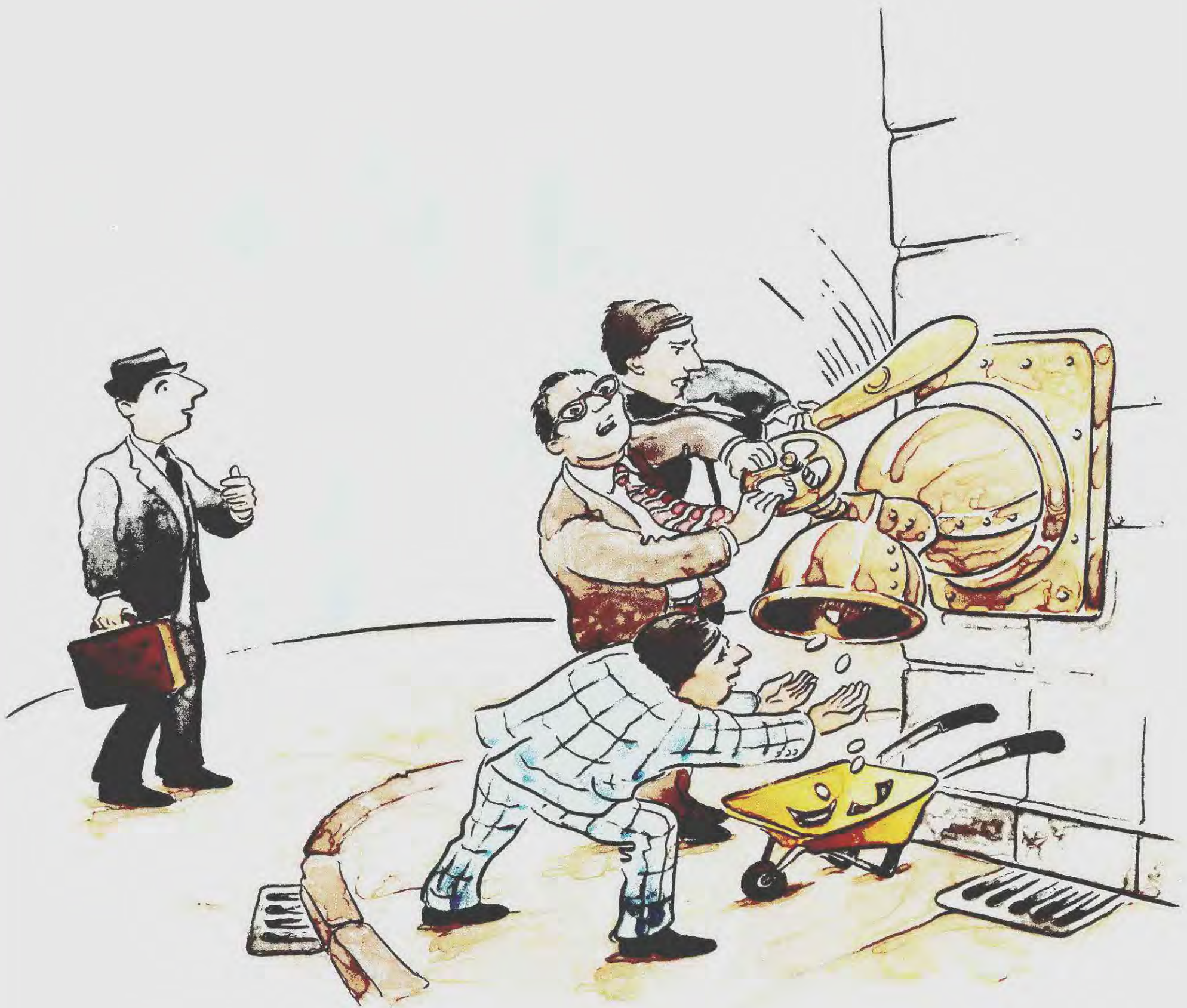
A PARTNERSHIP

FOUNDED IN 1915

HOUSTON, TEXAS

One Of The Nations Largest Privately-Owned Insurance Firms

If the cash flow dries up, how liquid will your reinsurer be?



High rates of return lured some very naive entities into the reinsurance business.

But today, lower interest rates, rock bottom premiums and escalating claims have exposed the weaknesses of cash flow underwriting.

If a reinsurer should ever default, it could threaten the policyholder

surplus of primary insurers. And even their insureds.

At North American Re, our financial strength has been built through sound underwriting and investment practices.

That's why we never have to break the bank to meet our obligations.

NORTH AMERICAN



**We Take Your Risk
Out Of Reinsurance.**

11

**Reed Stenhouse
U.S.A.**

88 Pine St., New York, N.Y., 10005;
212-483-1204

	1983	1982
Premium volume	\$304,000,000	\$266,000,000
Gross revenues	\$50,900,000	\$42,600,000
Brokerage: Retail	80%*	80%*
Wholesale	5%*	5%*
Services	5%*	5%*
Other	10%*	10%*
Employees	886	961
Rev./employees	\$57,450	\$44,329
Offices	20	22

*-BI estimate.

Success has been a long time coming for Reed Stenhouse Holdings Inc., the U.S. division of Canadian-based Reed Stenhouse Cos. Ltd. In fact, its executives admit total success is still a few steps away.

But, after a decade of extensive acquisitions of U.S. agencies and brokerages and intensive new business campaigns, Reed Stenhouse Holdings is firmly entrenched as one of the top U.S.—as well as Canadian—brokerages.

In recognition of that fact, this year *Business Insurance* is including Reed Stenhouse in its listing of the 20 largest U.S. brokers, occupying the No. 11 spot.

Reed Stenhouse Holdings, the U.S. holding company, unites the corporation's direct insurance brokerage division, Reed Stenhouse Inc.; its marine brokerage and loss adjusting company, Great Eastern Associates; its risk management services company, Reed Risk Management Inc.; and its reinsurance brokerage, Sten-Re, Cole & Associates.

In 1983, the U.S. holding company earned record gross revenues of \$67 million Canadian (about \$50.9 million U.S. according to year-end exchange rates) up 19.6% from \$56 million (about \$42.6 million U.S.) in 1982. Management attributed the gain to the inclusion of the full-year results of Schiff Terhune International Inc., the large New York broker that Reed Stenhouse purchased during the second half of 1982.

However, despite this large revenue increase, the U.S. operating company did not turn a profit for its parent.

In fact, the U.S. operating company has never turned a profit for Reed Stenhouse, though its operating deficit continues to shrink each year.

William M. Wilson, president of parent Reed Stenhouse Cos. Ltd. in Toronto, admits that he is disappointed that the U.S. operation was not in the black in 1983, but adds that it did cut its operating losses by more than half to about \$1.3 million Canadian (\$988,000 U.S.), which is a major achievement.

"It's still a loss and we were hoping that we would reach a break-even point," he said. "But the loss was a simple result of the marketplace. With the exception of Marsh & McLennan, every U.S. brokerage was hard hit by the soft rates in the commercial marketplace," he said, referring to corporate earnings.

Mr. Wilson is again hoping to break even this year, but he doesn't really expect to achieve that goal unless the commercial marketplace hardens even further.

"I don't think we are there (at a break-even point), but we are getting closer," he says. "We have sorted out most of the problems related to our acquisitions over the years and reduced the total head count by about 150 since May 1982."

In 1983 alone, Reed Stenhouse Holdings reduced its number of employees by 7.8% to 886 from 961 in 1982, which—on top of the revenue gain—boosted its per-employee revenues 29.6% to \$57,450 from

\$44,329.

Reed Stenhouse has had a difficult time breaking into the U.S. brokerage industry, despite an aggressive acquisition pace for more than 10 years, culminating with the 1982 purchase of Schiff Terhune.

"In the early days of our acquisitions, we may have made some bad decisions," Mr. Wilson admits. "But we have been getting better and better at this. Schiff Terhune still stands out as a very successful acquisition."

"We needed a large, respected New York operation in order to be taken seriously in the United States, and Schiff Terhune cer-

tainly provided us with that. It also helped us develop the kind of service that we need to further promote ourselves in the U.S.," he says.

What Reed Stenhouse didn't get from Schiff Terhune was immediate leadership for its U.S. operations. When Schiff Terhune was acquired, many brokerage industry observers expected that the Canadian parent company would tap a Schiff Ter-



Mr. Wilson

hune executive as the new president of its U.S. operations.

Instead, the company last year appointed David C. French, formerly chairman of Reed Stenhouse's operations in Australia and New Zealand, to the post of president and chairman of its U.S. operations, replacing Peter Leitch, a Reed Stenhouse executive from Canada who returned to the company's Toronto headquarters.

Frank Schiff, who was president of Schiff Terhune at the time of the takeover, remains in charge of the New York branch.

Mr. French recalls that he arrived in the United States with an

expertise that was generally in short supply in North America—experience in coping with soft property/casualty rates.

"It seems that for the last 10 years, I have been fighting soft markets," he says. "Before I came to the United States, I had already been fighting heavy market competition in Australia and New Zealand for several years. The competition started in Australia in 1976, and I predicted it would last about two years."

"It lasted much longer and only ran its course there about one year ago, so I have learned what to do under these circumstances."

Continued on facing page



Continued from facing page

Cost control and management reorganization were Mr. French's highest priorities for the U.S. operation, he says, adding that the U.S. company has made lots of changes in these areas in the past year. The staff reductions, cited by Mr. Wilson, were part of the cost-control efforts, but also reflect a management realignment, Mr. French says.

Reed Stenhouse Holdings consolidated its several New York offices, which had been acquired over the past few years, into two offices: one for the U.S. corporate staff and the other for its New York branch operations. Great Eastern Associates,

the company's marine insurance brokerage and loss adjusting unit, is also based in the New York branch office.

Also merged were the Portland, Ore., and Palo Alto, Calif., offices into the large San Francisco operation. And, in 1984, the small Oakland, Calif., branch was merged with the larger office across San Francisco Bay.

"Basically what we have been trying to do is tidy up the conglomerations of agencies we acquired through acquisitions and turn the company into a large, consolidated brokerage operation with services that meet 1984 commercial standards," Mr. French says. "In gen-

eral, I think we have done so, though it required some rationalization of staff and reorganization of offices."

Reed Stenhouse now has offices in 19 U.S. cities and made only one small acquisition in 1983, adding IBC Inc. to its St. Louis office.

Mr. French has also made some changes at the top.

Earlier this year, Mr. French passed on the president's title to Richard Irving, formerly the top executive in Reed's San Francisco office and one of the first major brokerage executives to join Reed Stenhouse in the United States when his California agency was acquired early in the corporation's

U.S. expansion.

Mr. Irving, whose national involvement in the brokerage industry includes several years as the company's representative to the National Assn. of Insurance Brokers, will directly oversee the brokerage's branch and national service offices, which are also undergoing some changes.

Several of the branch offices have undergone management shakeups, Mr. French notes, and the company has realigned the management of some of its service subsidiaries.

For example, the leadership of Reed Risk Management Inc. of San Francisco, the company's risk man-

agement services operations, was changed. President Alan Monroe, the company's risk management information system's whiz, stepped down to senior vp-risk management services and was replaced by Ward Chung, a computer expert with a stronger administrative background, Mr. French says.

"Alan Monroe is a risk management genius and we want him out doing what he does best all the time, not bogged down with administrative details. Ward Chung is also a fine technician, but he is more of an administrator. With the two of them working together, the company has expanded growth potential," Mr. French says.

Reed Stenhouse also formed Reed Stenhouse Associates Inc. in the United States, an employee benefits division and a sister company to Reed Stenhouse Associates Ltd. in Canada. Employee benefits contribute 15% to 20% of the U.S. operation's revenues, Mr. French says, and the new national organization, which unites all business generated previously by branch offices, should help boost benefits sales even more.

Mr. French expects that centralized service and employee benefits expertise will put Reed Stenhouse in competition with the employee benefits divisions of larger U.S. brokers, like Marsh & McLennan Cos. Inc., which owns William M. Mercer-Meidinger Inc.

Another subsidiary, treaty reinsurance intermediary Sten-Re, Cole & Associates, is one of the the company's fastest growing branches, Mr. French adds. Sten-Re, based in Edison, N.J., took advantage of the tightening reinsurance market to boost its premium volume considerably, executives say.

Mr. French would not estimate just how much the reinsurance branch improved its business, but he noted that the gains coincided with the changes in the reinsurance marketplace, in which Mr. French said rates have risen 10% to 30% depending upon the type of treaty.

"I know that we have said it before, but there is still a decent chance we will be in the black for 1984," Mr. French remarked. "It all depends on three factors.

"Certainly the rates for coverage in the commercial market must increase, and there are some strong signs that this will happen—and in some areas it is already happening," he said.

"Also, we will need our New York office to operate at full efficiency and productivity. Now that the Schiff Terhune merger has been fully rationalized, I expect that factor will be satisfied."

The third factor is how Reed Stenhouse fares in the oil and gas industry. Mr. French notes. Following in the tradition of its Canadian parent, Reed has always been a strong brokerage competitor for large oil and gas accounts.

But, when the bottom fell out of the oil and gas drilling business, Reed Stenhouse suffered. Not only did the brokerage lose new commissions that would have been generated by a growing business, but it also was forced to return commissions because many clients canceled their coverage when they closed their offshore drilling operations.

If the oil and gas business turns around, Reed Stenhouse Holdings may indeed wind up back on the road to success.

Aside from its two New York offices, Reed Stenhouse Holdings maintains branches in Anchorage, Alaska; Boston; Chicago; Dallas; Denver; Edison, N.J.; Fort Lauderdale, Fla.; Honolulu; Houston; Kansas City, Mo.; Los Angeles; Minneapolis; Philadelphia; Pittsburgh; St. Louis; San Francisco; Seattle; and Washington, D.C.

—By Len Strazewski

GAB introduces policy year claim reporting.

Because association members never sign up on the same day.

It's an insurance problem that everyone connected with associations knows all too well.

The numbers you get in claim reports don't give you the information to reduce or eliminate risk.

The reason is infuriatingly simple. Claim reporting is done by the calendar or contract year. But coverage of association members runs according to individual policy years. So you get only part of the picture with ordinary systems. Then, you have to convert it to policy year. That takes time and money.

Now GAB has changed all that, with the first claim reporting system done by the policy year. Here's how it works.

Every month, you get the regular summary reports on the association as a whole. They cover all risks insured or self-insured: property, casualty and workers compensation. Then, you get another report on each

individual member, based on his own policy year.

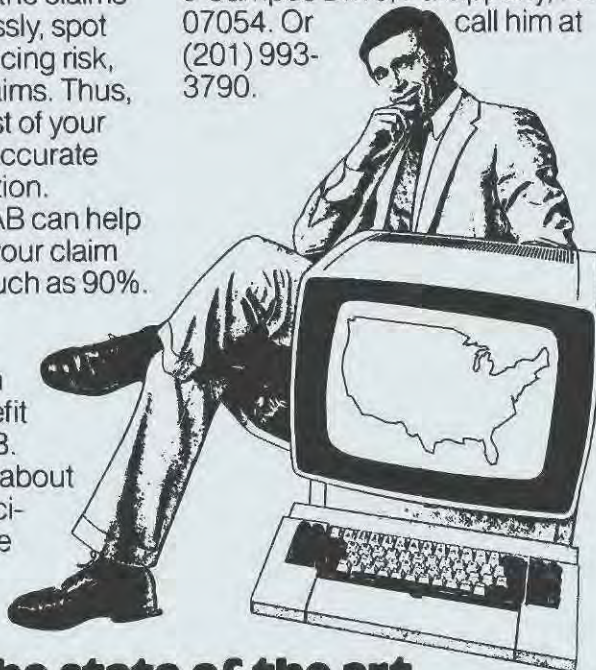
At last, you can see where and when all losses are occurring. You can identify the claims you're paying needlessly, spot opportunities for reducing risk, and start reducing claims. Thus, you can lower the cost of your insurance and have accurate re-insurance information.

What's more, GAB can help you slash the size of your claim fund deposit by as much as 90%. That savings comes with our Automated Cash Transfer system (ACT)—another benefit you get only with GAB.

To find out more about the savings that associations can get with the only policy year reporting system

in the business, contact GAB.

Write to: Paul K. Dougherty, Senior VP, Claims Management Division, GAB, Linden Plaza, 9 Campus Drive, Parsippany, NJ 07054. Or call him at (201) 993-3790.



GAB The state of the art of claims management.

12

Jardine Insurance
Brokers Inc.50 Francisco St., San Francisco,
Calif. 94133; 415-391-2600

	1983	1982
Premium volume	NA	NA
Gross revenues	\$37,903,000	\$34,051,000
Brokerage: Retail	90%	90%
Wholesale	9%	7%
Services	1%	1%
Other	0%	2%
Employees	639	625
Rev./employees	\$59,316	\$54,482
Offices	16	18

It hasn't taken Harold R. Talbot Jr. long to settle in at his newly-appointed position as chairman and chief executive officer of Jardine Insurance Brokers Inc.

Mr. Talbot, 48, arrived at the broker's San Francisco headquarters in February from London, where

he had worked for two years coordinating Jardine Insurance Broker's worldwide retail broking operations. His office is now decorated with personal wall hangings, and he readily speaks with ease when referring to the company's U.S. operations.

"It's really great fun being in the U.S. insurance brokerage business," says the native New Yorker who supervised European operations for Marsh & McLennan Cos. Inc. for 25 years in New York before joining J.I.B.I.

Mr. Talbot replaces Bernard H. Mizel, who headed the company and its predecessor, Albert M. Bender Co., since 1966. Mr. Mizel, who resigned early this year, is now chairman and chief executive officer of ABI Management Inc., a San Francisco insurance brokerage arm of Cincinnati-based American Financial Corp.

Mr. Mizel left J.I.B.I. on amicable

terms, Mr. Talbot reports; however, Mr. Mizel declined comment for this article.

Mr. Talbot arrived after a productive year for the company—J.I.B.I.'s revenues increased 11.3% last year, to \$37.9 million from \$34.1 million in 1982. Mr. Talbot says he was "very pleased" with that performance, particularly considering the tough market conditions brokers battled in 1983.

The company slightly increased its profits, Mr. Talbot reports, but he declined to reveal by how much.

Despite such encouraging results, the broker dropped one notch in the annual *Business Insurance* rankings because the U.S. operations of Reed Sterhouse Cos. Ltd. were ranked among the U.S. brokers for the first time. Reed Sterhouse Holdings Inc. entered the rankings at No. 11, pushing Jardine down to 12th place.

Revenues so far this year are up 6% to 7%, but Mr. Talbot expects faster growth to develop. By this time next year, he predicts, the company may have annual revenues of more than \$50 million.

That's a 32% increase in 18 months, but Mr. Talbot is a confident man.

"We think it's manageable. It's a challenge, but we think it's doable," he says.

Property, casualty and marine placements last year produced 60% of J.I.B.I.'s U.S. revenues; group and association business generated 20%; employee benefit products accounted for 15%; and personal lines business contributed about 5%, Mr. Talbot estimates.

No particular class of business contributed to the increase more than others; revenues increased relatively across-the-board, Mr. Talbot explains. Geographically, however, offices in San Francisco,

Schenectady, N.Y., and Parsippany, N.J., shined.

"We did extremely well on the new business side last year, and extremely well on the lost business side last year. We lost business—everybody loses business—but I'd say our ratio was very favorable, probably \$3 (of new business) to \$1 (of lost business)," he says.

The company's client roster can boast large, national clients, such as Chrysler Corp., but regional clients still make up what Mr. Talbot calls "the bedrock of our business."

That regional emphasis reflects J.I.B.I.'s history, that of two different operations. The former Albert M. Bender Co., headquartered in San Francisco with strong offices along the West Coast, had acquired broker Ter Bush & Powell, headquartered in New York with locations along the East Coast.

Bender was then purchased by Bache Group Inc., which in turn was purchased by Prudential Insurance Co. of America. British-owned, Hong Kong-based Jardine, Matheson & Co. Ltd. bought the Bache insurance brokerage operations in March 1982.

Ultimate integration of the operations under Jardine, Matheson was given a big boost in January, when New York offices received permission from state insurance authorities to operate as Jardine Insurance Brokers Inc., to which Mr. Talbot sighs, "Thank goodness!"

Until recently, New York state laws barred brokers from using the word *insurance* in their names, so Jardine operated in that state as Jardine Ter Bush & Powell, hampering recognition as one nationwide organization.

Mr. Talbot speaks of a "very good synergism between the two" operations, but notes, "Nonetheless, today it is pretty clear that we are two strong regional organizations, and the strengths are different; the histories are different, the marketplaces are different."



Mr. Talbot

Virtually all of the group and association business, for example, is produced by East Coast offices.

Jardine, Matheson, founded in Asia more than 150 years ago, is a diversified multinational corporation with worldwide operations in areas like financial services, marketing and distribution, engineering and construction, real estate, natural resource development and transportation. Belonging to such a organization gives J.I.B.I. certain advantages, Mr. Talbot pointed out.

"By virtue of being part of a world organization, we certainly have more resources than the local agent or broker," Mr. Talbot explains.

"We have long-term stability by virtue of being part of a company with \$1.5 billion in revenues, (and) we have access to world insurance markets."

Today, J.I.B.I. produces almost 10% of Jardine, Matheson's revenues and has about 25,000 commercial accounts. Recent catches include the Boston Bruins; the New Jersey Housing Authority; Hawaii Trust Co.; Bank of the West in San Francisco; The Mennen Co., the men's toiletry manufacturer, in Morristown, N.J.; and SavinCorp., the Stamford, Conn.-based office copier giant.

The broker reported last year it was targeting clients with between \$25,000 and \$500,000 in annual premium. This year, Mr. Talbot reports that J.I.B.I. is seeking a larger average client size. He would not say how much more in premium

Continued on facing page

CHUBB DNI

Our Department of Financial Institutions continually finds new ways to insure the complex financial services market. Ask your agent or broker about the benefits of the Chubb program.



Group of Insurance Companies
Warren, New Jersey 07060

Chubb is proud to play a part in bringing you *American Playhouse*. Watch for it on your local PBS station.

Continued from facing page volume the company would like its clients to produce, but adds, "We are not going to turn down a client because he doesn't have \$25,000 in premium."

The company placed more business last year with Great American Insurance Co. than with any other underwriter, Mr. Talbot says. Two years ago, JIBI probably placed more of its business with Los-Angeles-based Mission Insurance Co., he notes.

The market shift resulted largely from a successful partnership between Jardine and Great American, Mr. Talbot explains. Great American, a subsidiary of Cincinnati-based American Financial Corp., has a branch office with 30 employees in Jardine's San Francisco headquarters, dedicated exclusively to serving JIBI's West Coast offices.

"A very high level of mutual respect and mutual understanding has developed," Mr. Talbot says of the relationship. "We can arrive at our placement quickly on terms we know are going to be satisfactory to our client and to Great American."

"We seem to have developed the kind of business they like, and their expense ratio on our business is lower, I think, than it is on the remainder of their business in general. And, as best we can determine, our expense ratio appears to be lower with them in general," he notes.

The 2-year-old dedicated-unit relationship between JIBI and Great American is the first of about 10 close ties the broker hopes to establish with major underwriters.

JIBI still has strong ties to Mission, and in 1983 strengthened its ties with Boston-based Commercial Union Insurance Co., Travelers Insurance Co. in Hartford, Conn., The Home Insurance Co. in New York and Continental Insurance Co., which Jardine, Matheson works with in the Far East.

Continental's New York-based parent, Continental Corp., acquired 60% of JM's wholly-owned subsidiary, The Lombard Insurance Group, in exchange for Continental's interest in five other underwriters in Malaysia, Taiwan, the Philippines, Hong Kong and South Korea (BI, March 28, 1983).

Mr. Talbot describes JIBI's strengthened relationships with certain insurers as "a sharing of resources with insurers to improve the efficiency of the transaction and lower the cost of it, while (also allowing us) to insist on our independence and upon our client orientation."

The concern for client relations is one Mr. Talbot takes to heart.

"I feel very strongly that, as insurance brokers, we are an extension of the client. If there's a dangerous experiment going on in the industry today, it's the one which would make the broker much more of an extension of the insurance marketplace. We must never lose focus of whom we represent."

JIBI made no acquisitions last year, contrary to earlier predictions that acquisitions would add between \$10 million and \$15 million to revenues by the first quarter of 1984.

But that doesn't mean the company has lost interest in expansion.

"We're looking much more this year and next year to develop ourselves internally," Mr. Talbot says. Any acquisitions that JIBI does make will be to strengthen existing operations and not just grow larger. Brokers in coastal locations are the most likely candidates, he says. An office along the Gulf Coast, probably in Houston or New Orleans, will be operating "certainly within 12 months, but hopefully within six," he says. It may be an acquisition or a start-up operation.

But, JIBI has its eyes focused on

Bermuda at the moment. Jardine, Matheson shareholders are expected to approve a plan to move the holding company for worldwide operations to Bermuda from Hong Kong on July 1.

Mr. Talbot says Jardine's day-to-day operations will remain relatively unaffected by the change. "There's no intention to move anything other than a brass plate from Hong Kong to Bermuda," he says, pointing out that JM's executive offices will remain in Hong Kong.

But the shift will put Jardine in a "convenient corporate climate," he says, likening the move to that of an U.S. company that establishes its headquarters in Delaware for tax

and regulatory purposes.

The impetus for the move was a desire to allay any fear and uncertainty that Jardine clients or business associates may have about the company's future when control of Hong Kong reverts to China from Britain in 1997, Mr. Talbot explains.

"Anybody with whom we have a long-term relationship has a right to healthy skepticism as to what will happen in 1997. We believe Hong Kong will go on as it always has, that it will continue to be an island of free enterprise on the mainland of China. But I can say that until I'm blue in the face, and

Continued on page 70

Every risk manager needs*
PRACTICAL RISK MANAGEMENT
"The Professional's Handbook"



For brochure, write
Practical Risk Management
P.O. Box 10093
Oakland, CA 94610
(415) 653-3687

*Brokers, too

\$235 for two volumes and one year maintenance
\$225 if prepaid

A Warren, McVeigh & Griffin publication

ERISA makes you an easier target for lawsuits. So get new, broad protection from F&D.



Target:
Corporation's
Assets

Target:
Plan Manager's
Personal Assets

Target:
The Plan's
Assets

The passage of ERISA made it easier for Pension and Benefit Plan Managers to be sued. At stake are their personal assets, as well as the assets of their employer and the Plan.

F&D Fiduciary Responsibility Insurance was created to cover these specific financial risks. Ask your insurance agent or broker to contact our local office. Or, if more convenient, you may write: FRI Information, Fidelity and Deposit Company of Maryland, P.O. Box 1227, Baltimore, Maryland 21203.

The
F&D
Companies





Allendale announces the first sprinkler in the wo

It's called ESFR, Early Suppression Fast Response—a remarkable breakthrough in sprinkler technology, designed to respond to a fire faster and more effectively.

Under "high-challenge" fire conditions, existing sprinklers may not throw enough water to penetrate to the base of the fire, and flames might not be suppressed quickly enough.

One way or another, your inventory goes up in smoke.

At Allendale, we've thought a lot about these problems. Enough to fund an extensive research

program through the Factory Mutual System to develop the ESFR sprinkler.

Entirely new testing methods were used in an effort to better understand the characteristics of high-challenge fires and how to suppress them. Years of research produced the ESFR program. These new sprinklers will be capable of meeting the task of a high-challenge fire, typical of highly-combustible materials. And capable of greater cost-effectiveness.

ESFR's performance is designed to be twofold: Early Suppression means this sprinkler will



ld designed to kill the fire and spare the inventory.

produce larger water drops resulting in better fire penetration. Fewer sprinkler heads should operate, so less water is needed overall.

Fast Response means the sprinklers have a greater thermal sensitivity and activate much earlier. So a fire is doused before it even has a chance to spread.

And best of all, your precious inventory is spared.

Prototype ESFRs are currently in development by major sprinkler manufacturers and will soon be available for installation.

ESFR is just one way

Allendale is showing you that we're more than an ordinary insurance company. Our concern for the companies we insure goes well beyond the property coverages we provide.

This is the Allendale approach. Working to take more of the risk out of risk management.

For an update on the ESFR program, write on your letterhead to Michael C. McIntyre, Sr. V.P. Marketing Staff, P.O. Box 7500, Johnston, Rhode Island 02919.

Allendale Insurance/Factory Mutual System.

World leaders in risk management.

Continued from page 67

if you don't believe me, what can I tell you? The best way for us to contend with it (skepticism), as Jardine, Matheson, was to see that we were legally incorporated someplace else."

JIBI's marine and international trade division, whose launch Mr. Talbot calls "the most important initiative that took place in 1983," is riding on high seas.

The division began last May under the command of Michael Gribbin, executive vp in San Francisco, and just last month captured the account of Esprit de Corp, a San Francisco-based clothing design and distribution company whose business depends heavily on the transport of goods between the United States and the Far East.

"We have a serious desire to expand our marine and international trade presence in those coastal areas that have a high growth potential," says Mr. Talbot, pointing

out that most of JIBI's current offices are in coastal cities.

The broker's experience in matters of international trade may provide it a port of entry into the growing sea of financial services.

"We're very interested in what the banks are going to do and whether there's a role for us with them. I believe that in specific areas, there is," Mr. Talbot notes.

For example, he believes certain financial institutions could benefit from the broker's expertise in international trade, and he reveals that he is now discussing joint ventures with two banks.

Mr. Talbot also suggests that wealthy consumers might prefer to handle their personal insurance needs—such as homeowners insurance or yacht coverage—at their bank, rather than through their insurance agent.

The newest addition to the broker's strong line of specialty products is a package for golf courses.

The product, only about 3 months old, is underwritten by The Home, and covers all the exposures a commercial golf course typically faces, including third-party liability and workers compensation.

JIBI offices are located in San Francisco, Los Angeles, Arcata, Santa Rosa, Santa Clara and Santa Ana, Calif.; Spokane, Wash.; Honolulu; Boston; New York, Schenectady, Syracuse and Cedarhurst, N.Y.; and Parsippany, N.J. The company sold its office in Hoosick Falls, N.Y., last year.

Other principal officers are J. William Campo, vice chairman; Robert L. Rossi, chief operating officer; Edward A. Greenberg, executive vp-Western division; W. Michael Carroll, executive vp-Eastern division and benefit services group; Michael Gribbin, executive vp-marine and international trade division; and E. Paul Hansen, chief financial officer.

—By Steve Taravella

13
Emett & Chandler
Cos. Inc.

1800 Av. of the Stars, Suite 1410,
 Los Angeles, Calif. 90067;
 213-553-4600

	1983	1982
Premium volume	NA	NA
Gross revenues	\$30,350,000	\$29,783,000*
Brokerage: Retail	53%	46%
Who. resale	4%	6%
Services	36%	36%
Other	7%	12%
Employees	518	549*
Rev./employees	\$59,749	\$54,250*
Offices	31	27

*-Restated.

Los Angeles-based Emmett & Chandler Cos. Inc. is out of the insurance and reinsurance underwriting business and is focusing its resources on insurance brokerage and claims administration.

During 1983, E&C reinsured sub-

stantially all of the outstanding liabilities of its Bermuda-based underwriting subsidiary, Transworld Insurance Co.

This move followed the 1981 sale of its U.S. reinsurance subsidiary, Presidio Insurance Co., which now is the subject of litigation.

Although it focused on its brokerage operations in 1983, E&C suffered a whopping 394% increase in its operating loss to \$918,000 from a \$186,000 operating loss in 1982, of which \$262,000 was related to brokerage and insurance services.

But, E&C in 1983 was able to report substantially increased net income of \$133,000, compared with \$16,000 in 1982, primarily due to the sale of an option to buy an affiliated company that created a gain of \$840,000 and the use of a capital loss carryforward that created an extraordinary item of \$131,000.

It also used the \$936,000 gain from the reinsurance portfolio transfer to reduce its losses and expenses related to its Bermuda operation, producing a pretax income of \$1.6 million for the Bermuda operation.



Mr. Emmett

Emmett & Chandler had income of 7 cents per share in 1983, up from 1 cent per share in 1982, but still a far cry from the 83 cents per share that the company produced in 1981.

The company increased its gross revenues 3.9% to almost \$31 million in 1983 from \$29.8 million in 1982.

The growth would have been enough to maintain E&C as the 12th-largest insurance broker, but instead E&C is the 13th-largest in the BI rankings because Reed Stenhouse's U.S. operation is ranked among the U.S. brokers this year.

E&C's brokerage and insurance services division produced most of the revenue growth, which was the result of new-account production and the maturation of some of the broker's scratch-start offices.

Insurance brokerage revenues at E&C increased 19% last year. Results like this prompt Robert L. Emmett, chairman and chief executive officer, to proclaim, "The company is running better now than it has in years and years."

Richard A. Archer, the newly-elected president and former vice chairman of Emmett & Chandler, estimates that 80% of the broker's increase in revenues can be attributed to new-account production, "which we think has been outstanding."

"To be able to grow in the face of your base business dropping because of the soft market, we think is a great achievement. We're very pleased with it," he says.

Most of the new accounts that the company has acquired are large corporate accounts, the officers say, although neither will reveal the names of any newly acquired clients.

They say, however, that the clients are household names and are involved in major industries, including food franchising and transportation.

New accounts were produced across-the-board in the company's offices last year; the effort was not concentrated in selected branch locations, Mr. Archer says.

The company plans to continue courting large clients. "We've had very good results with it, so we must be doing something right," Mr. Archer notes.

But to focus its energies on serving larger clients efficiently, the broker has had to cull some smaller, less-profitable brokerage accounts from its book of business.

Continued on facing page

LOST

IN THE HEALTH CLAIMS MANAGEMENT SYSTEM JUNGLE?

Things are tough out there in the employee benefits administration world. Cutting through a thicket of computerized claims systems...replacing an inadequate system...striving for cost containment...lots of hazards.

At RIMS, we've created the Q Team, an experienced team of insurance, systems and employee benefits professionals. The winning team in employee benefits administration technology with more than 80 QicClaim installations. Third Party Administrators, Insurance Companies, Self Administering Corporations and Associations have joined the Q Team and found the most capable, yet affordable system available today...backed by the finest service, training and support in the industry.

Let the Q Team guide you out of the jungle. Get the facts today. Send for this FREE management report and systems evaluation checklist entitled, "Making Dollars and Sense from your Health Claims Management System."

QicClaim™

HEALTH CLAIMS MANAGEMENT SYSTEM

RIMS RESOURCE INFORMATION MANAGEMENT SYSTEMS, INC.

2015 Spring Road, Suite 220,
 Oak Brook IL, 60521
 312/789-0230

COME OUT OF THE JUNGLE.

Free Management Report & Systems Evaluation Checklist.

Name _____ Title _____

Company _____

Address _____ City/State/Zip _____

Mail to: RIMS, 2015 Spring Road, Suite 220, Dept. BI 4625
 Oak Brook IL, 60521

ENDORSED BY:
MDS DANTEL BUSINESS COMPUTERS
 A Mohawk Data Sciences Company

Continued from facing page

Mr. Archer reports. These, he says, were commercial accounts that generally produced between \$400 and \$1,000 in annual revenues. The company has also shied away from taking on any new business of this type.

"We attempt to pre-qualify the type of accounts we're trying to generate. We don't want to concentrate on producing business we know is historically unprofitable or marginally profitable," Mr. Archer explains.

Less than 5% of the company's revenues last year came from personal lines business, Mr. Archer estimates, not including revenues from Emmett & Chandler Insurance Services, a Pasadena-based consumer mass-merchandising operation that uses credit card mailing lists to market specialty lines of personal insurance.

The focus on brokerage and insurance services business was begun more than four years ago when the company decided to divest itself of reinsurance underwriting operations and funnel those assets back into the insurance brokerage and services business.

"We concluded that we wanted to commit our assets to insurance services, and we're not of the size that we can commit assets everywhere," Mr. Archer explains. "We're effectively out of that business (reinsurance underwriting)."

At least one loose end remains, however. A suit filed by Beloit Corp. over its purchase of E&C's domestic reinsurance company, Presidio Insurance Co., is still pending. Beloit is suing the broker to rescind the \$6.3 million sale, charging that Presidio's financial statements at the time of the purchase were false and misleading, in that surplus and income were materially overstated and that reserves were materially understated (BI, June 6, 1983; June 27, 1983).

E&C's services business, primarily self-insurance claims administrator R.L. Kautz & Co., based in Irvine, Calif., did not produce the 19% growth of the brokerage operations. Combined, E&C's brokerage and insurance services division produced revenues of \$30.1 million, up just 9.4% from 1982.

E&C's annual report admits that "the company's self-insurance claims administration subsidiaries were particularly hard hit by the economic condition in 1982 and through most of 1983 as their revenues are generally related to the revenues or number of employees of their clients, both of which declined during the economic slowdown."

And, as previously reported, Kautz has been a financial drain on E&C for three or four years (BI, June 27, 1983; Oct. 31, 1983). Robert C. Emmett, president of Kautz and Mr. Emmett's son, told BI last October that the claims administration company had not recorded a profit through March 1983 but that it was expected to be profitable in the fourth quarter of last year.

But, Mr. Emmett said in an interview, "There's been substantial improvement over the past year," at Kautz. The subsidiary started an office in Milwaukee last year, while it closed two others in St. Louis and Orlando, Fla.

And, Mr. Emmett is optimistic about Kautz's future performance. "I think the coming firm market will help self-insurance business nationwide," he predicts.

Still, the combined brokerage and services operation produced an operating loss of \$262,000 in 1983 compared with an operating profit of \$62,000 in 1982. "The effect of the dramatically lower premium rates in 1982 and 1983 and the expenses associated with expansion of the insurance brokerage operations were the major contributors to the decline in operating profits," the company's annual report says.

The \$840,000 gain on the sale of an option to acquire an affiliated company and a gain of \$32,000 from the sale of an equity investment produced pretax profits for the brokerage and services division of \$609,000.

Now, Emmett & Chandler says it expects commercial insurance prices to turn upward—soon.

"We're pretty convinced that the market is now making its adjustment. We don't expect it will reflect much in our financial results in '84, simply because it takes a long time from when the market starts turning until it reflects on your business," Mr. Archer explains.

Mr. Archer, however, does predict that commercial insurance brokers will see higher incomes in 1985 due to higher insurance premiums and therefore larger commissions.

In particular, he says, the com-

Continued on next page

Inland AND Ocean Marine

FACILITIES AVAILABLE
TO AGENTS & BROKERS OF MEMBER COMPANIES

MUTUAL MARINE OFFICE, INC.

100 PARK AVENUE, NEW YORK, N.Y. 10017 • 212-953-0580

General Managers

NEW YORK MARINE AND GENERAL INSURANCE COMPANY

— Marine Managers —

AMERICAN LIBERTY INSURANCE COMPANY
ARKWRIGHT-BOSTON INSURANCE COMPANY
ARKWRIGHT-BOSTON MANUFACTURERS MUTUAL
INS. COMPANY
EMCASCO INSURANCE COMPANY
EMPLOYERS MUTUAL CASUALTY COMPANY
GRAPHIC ARTS MUTUAL INSURANCE COMPANY

LUMBER MUTUAL INSURANCE COMPANY
MUTUAL FIRE, MARINE & INLAND INS. COMPANY
PENNSYLVANIA NATIONAL MUTUAL CASUALTY
INS. CO.
REPUBLIC-FRANKLIN INSURANCE CO.
UNION MUTUAL INS. CO. OF PROVIDENCE
UTICA MUTUAL INSURANCE COMPANY



**WE TAKE THE RISK.
YOU GET THE GLORY.**

Alexander Howden
Insurance Services, Inc.
Underwriting Managers and
Specialty Line Brokers

Commercial Property •
Umbrella • Inland Marine •
General Liability/OL&T, M&C, Products •
Errors & Omissions • Directors & Officers •
Environmental Impairment Liability •
Long Haul Trucking • Excess W.C. •
Financial Institutions • Associations •
Broad Form Property Damage •
Unique Specialty Coverages •

Branch Offices in
Atlanta, Georgia
Boston, Massachusetts
Columbia, Maryland
Dallas, Texas
Independence, Ohio
King of Prussia, Pennsylvania
Livingston, New Jersey
Newport Beach, California
New York, New York
Seattle, Washington



Alexander Howden
Insurance Services, Inc.

1705 Commerce Drive, NW
Atlanta, GA 30318
404 351-5880

Continued from previous page
 company says directors and officers liability coverages and some umbrella coverages are "changing rapidly and dramatically."

He says the company first noticed a reluctance among reinsurers to assume D&O risks about February. "There's still a competitive market out there (for D&O), but it's not a broad market," he says.

He notes that capacity to underwrite property insurance for certain high-risk structures, such as buildings that are substandard or have a high exposure to earthquake damage, has been "tightening substantially."

Some markets, he adds, will still underwrite risks they always have, but not with the same breadth of coverage, and more frequently with exclusions or endorsements.

He also notices excess/surplus markets leading rate increases.

"We're positioning ourselves for a hard market. When the market's

hard, the professionals are the winners and the amateurs drop off like flies," he says.

"We're working harder and smarter and leaner—I wouldn't say we're going to be like Ford or General Motors, coming out the other side—but clearly, we're a stronger company as a result of the disciplines we've had to structure into our company."

Among the disciplines he refers to are an emphasis on aggressive marketing and on maintaining a tighter grip on expenses.

One way E&C has controlled its operating costs, Mr. Archer says, is by assessing the areas where employees are most productive.

"We're being careful to cull out losing things. Rather than add more people sometimes, we'll cull out what we know are loss lines, and then re-employ those people into things that are more productive," he explains.

Mr. Archer admits that a sub-

stantial amount of E&C's business won't be affected when, and if, higher rates arrive. Compensation



Mr. Archer

by fee, not commission, generates 37% of the company's gross revenues, but almost all insurance brokerage is compensated on a commission basis.

"Our philosophy principally is that we expect our clients to compensate us so that we can cover our costs and make a reasonable profit. If the commission generates too much income, those commissions are always negotiated," he says.

"There's a lot of business we have that doesn't lend itself to fees. If you have a client who's paying you \$20,000 a year annual income, you can't put him on a fee. You just

can't cost-account it—you'd go broke trying to keep track of your time."

Emett & Chandler is keeping to a course it began several years ago to establish offices in 18 of the top 25 cities in the United States, by either opening new offices or acquiring existing commercial brokerage operations. Mr. Archer says that, at any one time, the company is pursuing eight or nine opportunities to hang its banner in a new city.

E&C's former president, Charles F. Smith, sometimes helps the firm evaluate brokerages for acquisition. Mr. Smith resigned in August to form his own merger and acquisition firm, Charles F. Smith & Co.

"We're always out trolling (for broker acquisitions). Our prospects are the fish under the water, and we snag 'em every once in a while," Mr. Archer says jokingly.

For example, the company said earlier this month that it was hoping to snag an agency in Houston.

Houston is familiar to E&C. The broker had hoped to exercise its purchase option on an office there that had been operating under the E&C name since 1980 through a lease-purchase option agreement. But, the agency owner exercised his option and terminated the arrangement, producing the \$840,000 gain (BI, June 27, 1983).

E&C opened an office last July in Kansas City, Mo., called Emett & Chandler Missouri Inc. Mr. Emett calls the office "one of the best starts we've had in any scratch-start office," without identifying its contribution to total E&C revenues.

Now, an office in the southeastern part of the country is a "very high priority," Mr. Archer said.

Further southeast are E&C's thriving captive management companies, Pinehurst Management Co. (Bermuda) Ltd. and its subsidiary, Pinehurst Management Co. (Caymans) Ltd. They serve more than 50 captive insurance firms, says Mr. Emett, who describes the current captive management industry as "very lucrative." About 12 of the clients are association captives, he says. Pinehurst managed 42 captives at this time last year.

Managing reinsurance pools for Pinehurst's clients is Los Angeles-based Pinex Insurance Services, one of E&C's two reinsurance-related subsidiaries. The other is ECRIS Inc., its New York-based reinsurance brokerage operation.

Galaher Settlements & Insurance Services Co. Inc., E&C's 2-year-old subsidiary specializing in structuring large personal injury, property and workers compensation claims with periodic payment plans, opened two new offices earlier this year in New York and Boston.

The company, which arranges the settlements with insurance annuities issued by about 15 different companies, is "a very profitable operation," Mr. Emett reports.

Emett & Chandler brokerage offices are located in Los Angeles, San Francisco and Orange, Calif.; New York; Chicago; Houston; Phoenix, Ariz.; and Kansas City, Mo. R.L. Kautz has offices in Irvine, San Diego, Union City and Bakersfield, Calif.; Troy, Mich.; Des Plaines, Ill.; Pittsburgh; and Milwaukee.

Claims administrator Laverack & Haines is based in Buffalo, N.Y. It closed offices in Albany and Schenectady, N.Y., last year and opened ones in Syracuse and New York.

Risk Management Inc. is based in Los Angeles. Galaher Settlements & Insurance Services Co. Inc. is headquartered in Claremont, Calif., with offices in Houston, Chicago, New York and Boston. Emett & Chandler Services Inc. is based in Pasadena, Calif.

Reinsurance broker ECRIS Inc. has offices in New York, Chicago and Los Angeles. Pinehurst Management Co. Ltd. has offices in Hamilton, Bermuda, and the Cayman Islands.

In addition to Mr. Emett and Mr. Archer, other principal officers of the company are: Thomas B. Arney, vp-E&C Cos. Inc., chairman-E&C-Arizona and E&C-New York; George W. Brown, vp-E&C Cos. Inc., president-E&C-Northern California; Leonard P. Lawrence, president of E&C-Los Angeles; Oren E. Lane, vp-E&C Cos. Inc., chairman-E&C-Los Angeles; Lawrence H. Patton, chief financial officer and treasurer-E&C Cos. Inc.; E.V. Schmidt, vp-E&C Cos. Inc., chairman-R.L. Kautz; James L. Sobeski, vp-administration.

As reported to the Securities and Exchange Commission, the five highest compensated executives in salaries, commissions and bonuses in 1983 were:

T.B. Arney	\$257,529
L.P. Lawrence	\$250,716
R.L. Emett	\$200,000
O.E. Lane	\$164,049
R.A. Archer	\$150,000

—By Steve Taravella

RISK MANAGERS!

THANKS FOR THE REPORT CARD

18% BROKERAGE GROWTH IN A TOUGH YEAR

You make out our report card.

Yes, Risk Managers like you decide who gets what insurance brokerage business. At the end of the year, it's all totaled up. For the industry as a whole, the report card was not very good. Many of the majors actually showing no growth or a decline in a soft market, but...

Emett & Chandler showed an 18% growth in brokerage.

In 1983, more firms like yours switched to Emett & Chandler for their broad range of insurance needs. Just as important, present clients expanded their insurance business with Emett & Chandler.

We are especially pleased because it's harder for a 50-year-old, established company like ours to show growth. It confirms our faith in the Emett & Chandler way of doing business.

Why does Emett & Chandler lead in growth?

The people who make the big difference—share in the company's ownership.

When you own it, you care more about it. You work smarter and harder.

And, the best way we've found to work both smarter and harder is to put ourselves in

our client's position. Figure out what they need—to do their job and look good. Then do the nitty-gritty detail work that gets it done.

Every facet of our complete scope of brokerage services gets this important attention.

Quite simply, at Emett & Chandler tomorrow is today!

One of our shareholders is near you. Call and learn just why the report card the industry gave us is no surprise to us, and will be a pleasant surprise for you...

... and just may improve your report card, too!

Emett & Chandler Companies Where Tomorrow is Today

Emett & Chandler, Los Angeles
 (213) 553-2711

Emett & Chandler, New York
 (212) 916-3000

Emett & Chandler, Northern California
 (415) 981-1100

Emett & Chandler, Orange County
 (714) 937-1560

Emett & Chandler, Illinois
 (312) 630-0030

Emett & Chandler, Missouri
 (913) 362-5221

Emett & Chandler, Arizona
 (602) 957-8635

14

**Republic Hogg
Robinson Inc.**

11620 Wilshire Blvd., Los Angeles,
Calif. 90025; 213-820-7070

	1983	1982
Premium volume	NA	NA
Gross revenues	\$27,974,000	\$25,192,000
Brokerage: Retail	70%	68%
Services	30%	32%
Employees	622	597
Rev./employees	\$44,974	\$42,198
Offices	28	33

Republic Hogg Robinson Inc. doesn't ever want to become the largest insurance broker in the United States, its chief executive officer says.

"We just want to become the most professional in the cities we're in," notes Charles E. Keller, president and chief executive officer.

And the brokerage's 1983 financial results indicate this approach has been successful in stimulating the company's growth.

Revenues at Republic Hogg Robinson—a joint venture between Republic Steel Corp. and Lloyd's of London broker Hogg Robinson Group P.L.C.—jumped 11% to almost \$28 million from \$25.2 million in 1982.

In 1982, RHR's revenues increased only 1.8%.

Seventy percent of RHR's 1983 revenues was generated by retail commercial brokerage, while 30% came from third-party claims administration for clients that are self-insured.

And, RHR's revenue increase has gained more momentum in 1984, said Mr. Keller, who joined RHR last June from Fred S. James & Co. Inc., where he had been executive vp since 1978.



Mr. Keller

"We're a different company than we were a year ago," Mr. Keller said.

"Our philosophy has changed.

"We've tried to give our offices leadership responsibility and set up a partnership between senior management and the offices that won't take away from our (office) people's entrepreneurship" Mr. Keller explained.

Philosophy isn't the only thing that has changed at RHR in the past year.

Its management has been significantly shuffled, too.

Alfred B. Schaeffer, the founder of the brokerage now known as Republic Hogg Robinson, resigned as chairman in December 1983 because, he said, "It was time for a change."

The move, made on good terms, will allow him to concentrate on more entrepreneurial activities, he said.

Mr. Schaeffer is now president, chairman and chief executive officer of Financial Institution Advisory Group Inc., a Los Angeles-based consultant to banks and savings and loan companies that are considering entering the insurance business.

Mr. Schaeffer also is serving as a consultant to RHR's senior management.

The brokerage's new chairman is Arnold Bergson, who moved up from vice chairman.

Unlike Mr. Schaeffer, who worked in Republic Hogg Robinson's Los Angeles headquarters, Mr. Bergson is based in New York, where he manages the RHR office and oversees its East Coast branches.

And shortly, Joseph I. Cline Jr. will assume the presidency of the company's newly established Spe-

cial Services Division, which was formed to increase the amount of business RHR generates from larger policies.

Mr. Cline is currently vp-insurance services for Republic Steel Services Group, which oversees Republic Steel Corp.'s financial services operations.

Mr. Cline said he foresees "mammoth opportunities" for his new position, which he will assume immediately after the merger between Republic and LTV Corp. is completed.

All that remains for that deal to be finalized is approval from federal courts, which is expected next

'Our philosophy has changed. We've tried to give our offices leadership responsibility and set up a partnership between senior management and the offices that won't take away from our (office) people's entrepreneurship,' Charles Keller says.

month.

The transaction was approved by both companies' shareholders in May.

Said Mr. Cline, "The financial services business is becoming concentrated, like a large department store," and the merger will mean

RHR will be "one of the two or three companies that can take advantage of this change in distribution."

Republic Hogg Robinson's immediate plans for the Special Services Division, to be headquartered in Cleveland, which is Republic

Steel's home city, call for it to focus on larger accounts and more innovative coverages.

As a result of his service with Republic, Mr. Cline "is experienced and knows the right people (to help RHR increase its volume of larger policies)," Mr. Keller said.

Mr. Cline said he's looking forward to assuming his new role because "my focus will change from holding company responsibilities to operating company responsibilities."

The special services operation will represent something of a change in emphasis for RHR, Continued on page 75



ADDRESSING TOMORROW TODAY.

Imagine.

A remarkable new ZIP Code system for business mailers. So precise it can actually pinpoint specific streets, specific buildings. Even specific building floors.

That's the ZIP + 4 code.

Now imagine a computerized sorting system so advanced that it automatically reads the last line of the address off your envelope. Reducing sorting time while increasing sorting efficiency.

That's the Optical Character Reader (OCR).

EFFICIENCY.

Perhaps most amazing is the fact that both the ZIP + 4 program and our OCR's are already in place. Ready to bring technological efficiency to the

mountainous task of moving 100 billion pieces of business mail per year.

But to deliver the future, we need your help.

Begin by being sure that the entire address on all your business mail is totally visible, legible and located properly. Your local post office can give you all the information you need.

ECONOMY.

Use of ZIP + 4 codes is voluntary. But by adopting them, you'll be rewarded in the form of more stable postal rates. In fact, when you meet the eligibility requirements, you can start saving postage right away.

If you're a First-Class mailer of 500 pieces or more who already presorts, you can save a half-cent per piece

when you use ZIP + 4 codes. And that's on top of the three-cent discount for presorting.

If you're a First-Class mailer who doesn't presort but mails 250 pieces at a time, you can save nine-tenths of a cent per letter.

And no matter how many, or how few, pieces you mail, using ZIP + 4 codes can give you a cleaner, more efficient mailing list. Plus more consistent delivery.

COOPERATION.

Let us show you how you can put more zip in your mail service. Contact your local Postmaster or Customer Service Representative. And send yourself into the future.



© USPS 1983

Test your ideas, not your patience.



information you have in The Travelers data bank. This means that individual claim descriptions can be available at the push of a button. Or grouped together by date. Or by a given dollar amount. Or by type of accident. Or by location. Or by any combination of these. It's up to you.

And this information becomes more meaningful since reports are produced and designed by you. You and your staff spend less time thumbing through, and manually creating reports because CARMA does the work for you. The result: a more productive workforce.

What's more, CARMA is more than a decision support system. It's a decision development system. Ask a question. If the answer suggests yet another question, ask it. Because CARMA can answer your questions as fast as you can think them up, it can actually aid your thought process. As you explore options, CARMA molds data into information and eventually, decisions. As a result, when your needs extend beyond mere claim facts to financial planning, accident analyses, or even monitoring your safety program, CARMA can help.

And if you've ever been intimidated by the high tech world and jawbreaking jargon of computers, you'll especially like CARMA. It can be very user friendly. You use simple English language commands. Your

As the simple practice of buying insurance has evolved into the complex science of managing risk, the risk management function has assumed ever-increasing importance to a company's stability and financial well-being. And, as anyone involved in the risk management process knows, in order to forge an efficient and effective program, you must make the right decisions at the right time.

This is where The Travelers can help. Our new Client Access Risk Management Analysis "CARMA"SM System can put the information you require to make decisions where you need it, when you need it. At your fingertips. Immediately.

CARMA gives you direct, on-line access to claim

answers come back the same way. So you don't need a data processing background to understand what CARMA tells you.

Best of all it's from The Travelers. We've been a leader in the insurance industry for over a century. As the needs of our clients have changed, so have we. As a result, for CARMA customers, the handwriting is on the wall. Increased speed and flexibility. Improved efficiency. Even better, the data is on the terminal screen. In your office. At your convenience.

For more information about CARMA, contact Linda Sundram, The Travelers, One Tower Square, Hartford, CT 06115. (203) 277-6943. Or send us the coupon below:

To:
The Travelers
One Tower Square
Hartford, CT 06115

Please send more information about the CARMA system to:

BI 6-25

Name _____

Company _____ Phone _____

Address _____

City _____ State _____ Zip _____

Att:
Linda Sundram

"CARMA" is a servicemark of The Travelers Indemnity Company

TheTravelers

The Travelers Indemnity Company
and its Affiliates
Hartford, Connecticut 06115

Continued from page 73

which traditionally has concentrated on small to medium-sized accounts and predictable risks.

But the broker's main line of business will continue to be generated by the same kinds of accounts.

Indeed, most of RHR's growth during the past year came from adding coverages to existing clients' insurance programs, rather than soliciting new clients, Mr. Keller pointed out.

In large part, companies have increased the scope of their coverage brokered by RHR because it has done a good job with existing policies, Mr. Keller said.

He added, "Our offices do medium to large-sized companies best. We're trying to target the things we already do well."

RHR also writes some specialized risks.

Among those on which it focuses are fine arts coverage for museums and galleries, which is handled from its New York office; trucking companies, from its Burlington, N.C., office; local Chinese-owned businesses, from its Boston office; and businesses located in Japan, from its Los Angeles office, where the brokerage has seven Japanese-speaking staff members.

In the future, RHR hopes to expand this expertise to include energy-related risks, Mr. Keller said.

Heading this effort will be Regional Vp Michael Tyler, who also directs RHR's Texas business from the company's Dallas office.

"We hope this (energy) business will develop some synergy," Mr. Keller said, "so we can expand to do other kinds of specialty business."

Republic's ongoing merger discussions with LTV haven't affected RHR's business much, Mr. Keller said, largely because the brokerage is almost autonomous from its parents.

"At the moment, we're continuing business as usual," he said. "I don't know what will happen in the future."

Acquisitions are a subject very familiar to the brokerage.

Before 1982, RHR had been an independent company known as Penn General Agencies, though the name change has had little negative impact on business, Mr. Keller said, because "our individuals are the ones whom people identify with, and they're doing a good job in each city."

Still, he said, RHR "needs to improve its name identification" among companies that buy insurance, as well as those that self-insure.

Claims and other services for self-insured clients, provided through subsidiary Penn General Services Corp., represented about 30% of RHR's 1983 revenues, about the same as in 1982.

But the portion of PGSC's business generated by employee benefits accounts increased, as the importance of property/casualty accounts declined, Mr. Keller said.

Most of this shift was attributable, he said, to the strong performance turned in by Pension Planning Associates, an actuarial consulting firm in New York acquired by RHR in February 1983 that is part of PGSC and employs about 35 people.

The brokerage's only divestiture during the past year was the sale of Seaboard Underwriters Inc., a wholesale broker headquartered in Burlington, N.C., to U.S. Insurance Group, a Crum & Forster subsidiary (BI, Oct. 1983).

"The feeling was we should concentrate on retail business, not wholesale," Mr. Keller explained.

The past year has also brought a location shift for some of RHR's administrative activities.

While the brokerage's main

'For certain administrative functions, we don't care where they're performed. If we can learn to live with the time zones, we may be able to work things out as they are,' RHR's Mr. Keller says.

offices remain in Los Angeles, some of these responsibilities are being handled by Mr. Bergson's staff in New York and Mr. Keller's staff in Boston.

"For certain administrative functions, we don't care where they're performed," Mr. Keller said.

"If we can learn to live with the time zones, we may be able to work things out as they are."

In the meantime, the current arrangement means that Mr. Keller is spending a lot of time traveling. He spends about a week each month in

Los Angeles and visits New York about once a week.

As some of the broker's administrative responsibilities are moving away from Los Angeles, Mr. Keller said he hopes the geographic distribution of RHR's business will become more evenly spread.

"The majority of our business had been on the East Coast before, because our bigger offices were there," he said.

"Now, we're trying to nationalize our business and increase our strength in all parts of the country."

The expansion of RHR's Texas energy business should also contribute to this shift, Mr. Keller pointed out.

While he doesn't expect the move away from Los Angeles to weaken RHR's book of California business, the brokerage wasn't especially strong there before. It was not among that state's 10 largest brokers, according to a 1983 *Business Insurance* survey (BI, Oct. 31, 1983.)

RHR's commercial brokerage offices are located in Los Angeles and Burlingame, Calif.; Phoenix, Ariz.; Miami; Boston; New York; Scitfield and Saginaw, Mich.; Burlington, N.C.; Beachwood, Ohio; Wynnewood, Pa.; and El Paso, Lubbock, Dallas and Houston, Texas.

Penn General Service Corp. offices are located in Los Angeles; New York; Dallas; Miami and Tampa, Fla.; Caribou, Falmouth and Jackman, Maine; Scitfield

and Cadillac, Mich.; Springfield, Mass.; Barrington, N.H.; and Austin, Texas.

The Austin office was the only one that opened in 1983.

RHR and PGSC each closed two offices during the year. RHR closed offices in San Diego and Amarillo, Texas. PGSC closed offices in Burlington, N.C., and Grand Rapids, Mich.

The brokerage's sale of Seaboard Underwriters also reduced its number of offices.

RHR's principal officers are Arnold Bergson, chairman; Charles E. Keller, president and chief executive officer; William J. Nietschmann, senior vp; and Vernon E. Dockendorf, Donald A. Benyas, Donald F. Bercu and Michael Tyler, regional vps.

Joseph I. Cline Jr. will become president of RHR's Special Services Division as soon as the Republic-LTV merger is completed.

—By Jim Davis

You'll thank us all the way to the bank.



Fast Forward claims administration systems will improve your bottom line, regardless of how you are presently processing claims. They are exceptionally fast, inherently flexible, on-premises systems: Any conceivable plan configuration; any number of employers, insureds and processing stations; complete customizing of employer and claimant reports; and much, much more.

Call 502-244-0961 today to arrange a demonstration, or to receive our brochure. It'll mean money in the bank, guaranteed, or your money back.

Fast Forward, Inc.

P.O. Box 58278
Louisville, KY 40258
502-244-0961



15

**Financial Guardian
 Group Inc.**

3100 Broadway, Kansas City, Mo.
 64111; 816-561-8630

	1983	1982
Premium volume	NA	NA
Gross revenues	\$21,475,421	\$22,317,113
Brokerage: Retail	70%	65%
Wholesale	27%	32%
Services	3%	3%
Employees	356	376
Rev./employees	\$60,323	\$59,354
Offices	19	20

Faced with a slight decline in gross revenues and the ever-present need to control costs, Financial Guardian Group Inc. is going back to the basics of insurance brokerage.

"We've put the emphasis back on the retail side," says Lee Beets, founder, chairman and chief exec-

utive officer of the privately held broker, based in Kansas City, Mo. "This is not to say we won't be involved with excess/surplus lines or our managing general agency, but we're minimizing activities that do not relate to industrial broking."

These "minimized" activities include reinsurance. Financial Guardian recently sold the reinsurance underwriting management division of subsidiary World American Underwriters to Royal American Managers Inc. of Kansas City, Mo.

But, other types of business have also been sold. On Dec. 31, the broker also sold its Stockyard Insurance Agencies retail brokerage subsidiaries, located in Kansas City and St. Joseph, Mo., and Omaha, Neb., to Livestock Insurance Services Inc. of Shawnee Mission, Kan.

And, earlier in the year, Financial Guardian closed the Dallas office of Worldsurance Inc., a manag-

ing general agency and surplus lines subsidiary.

"We felt top management's time could better be spent on the basic core of business," Mr. Beets says. "We're endeavoring to stay with the areas we know best and with which we do the best."

All this is in accordance with a business plan that Financial Guardian recently adopted, which gives the company a new direction and purpose as it enters fiscal 1984, he says. Among other things, FG's new business plan states that:

- Its primary activity will be as an insurance broker and provider of risk management services.
- It will divest itself of or limit operations foreign to this primary activity or not conducive to profit.
- It is committed to automation of commodity insurance products (small commercial and personal lines) while continuing to give customized service to large commercial accounts.

• It will seek overall revenue increases of 15% a year for the four years following 1984.

This last goal may appear ambitious, considering that Financial Guardian's gross revenue dipped 3.8% in 1983 to \$21.5 million from \$22.3 million. But, Mr. Beets indicates the 1983 revenue figure does not tell the whole story about his lean, newly focused organization.

"Even though gross revenues declined in 1983, net revenue after brokerage and commissions was almost unchanged from 1982," he said in a recent report to shareholders.

While its operating results for the past four years reflect the diffi-

culties created by declining premium and inflationary effects on operating costs, "The company's financial position remains sound," he said.

Financial Guardian, despite the heavy market competition, managed to produce a small profit during 1983, Mr. Beets says. "We did not fare as badly as some of our competitors when you go on pure operation minus investment income."



Mr. Beets

Commercial retail brokerage operations grew 5%, to 70% of Financial Guardian's total business, with employee benefits lines contributing greatly to the increase, he says. Wholesale business fell 5%, to 27% of the company's total business from 32% in 1982.

According to the shareholders' report, "Wholesale operations resulted in a loss compared to a profit in the prior year."

"The main reason we dropped some in revenue was that wholesale was somewhat reduced," Mr. Beets says. "Market conditions were extremely soft and there was less demand for MGA services and excess/surplus lines."

Founded in 1969 by Mr. Beets, Financial Guardian has grown quickly. The broker markets coverages in nearly every state and has offices in 16 cities. Fourteen offices specialize in property/casualty, six in employee benefits, four in excess/surplus lines, one in underwriting management and one in risk management services. It also owns a Bermuda reinsurer.

The bulk of its commercial clients are medium-sized (between \$5,000 and \$75,000 in annual premium), but as Mr. Beets says, size is relative. "To us, large customers are larger than we've been used to dealing with. We're endeavoring to direct our sales activities toward those who generate \$10,000 or more in premium a year."

He estimates FG has some 40,000 clients.

As for its specialties, he says, "It is well known that we write a good many of the McDonald's and Pizza Hut franchises, as well as a good many other operations."

Financial Guardian also markets a limited partnership surety product that substitutes for a letter of credit in oil production partnerships, he says. "It was new when we got into it several years ago and has grown into a big program. Our Houston office is quite active in it."

Employee benefits is one area in which FG is growing in "new clients and future revenues," Mr. Beets said in the shareholders' report. The percentage of business generated by employee benefits—15.8%—stayed even compared with 1982, but is almost double the 8.4% reported in 1980.

Property/casualty lines grew 1% in 1983 to 72.9% of total business, while personal lines stayed about even at 7.8%, which means brokerage operations continued to generate 96.5% of FG's total revenues. The remaining 3.5% was generated by risk management services, underwriting management and reinsurance activities.

"We don't have a tremendous amount of investment income," Mr. Beets says. "We're building from within, so it is earning more than it shows."

The bulk of Financial Guardian's business is domestic he says. "International is not significant for us. Our main operation is in Bermuda (Financial Guardian Reinsurance Ltd. in Hamilton). We have operations in France, Cayman and Holland, but will be discontinuing them."

Although it is difficult for brokers to be aggressive in the current competitive marketplace, there are

Continued on facing page



A way to control your health care costs that really hits home.

Now there's a way for your company to control health care costs more effectively. And at the same time deliver a health benefit to your employees.

Through Home Pharmacy, your employees can mail-order the prescription drugs they need on a regular basis and have all their maintenance medications delivered directly to their homes. At prices that average below those of traditional pharmacies.

Home Pharmacy is unique because we offer you competitive prices, with no hidden shipping charges or unnecessary add-on costs. No start-up charges or third-party administration fees.

We provide you with computerized reports that improve your ability to forecast and budget benefit costs more accurately. We'll also help you tailor a payment plan that meets your specific requirements.



We maintain confidential computerized customer profiles and automatically monitor potentially harmful drug interactions. And provide a quality of service that reflects the standards of our nationally renowned parent organization: Rush-Presbyterian-St. Luke's Medical Center in Chicago.

Call 1-312/942-8381 today.

Call and ask for our free brochure. We'll be happy to answer any questions you may have. Or to arrange a presentation of our program. We're ready to show you how cost control begins at home.

Home Pharmacy from ArcVentures, Inc.
 A subsidiary of Rush-Presbyterian
 St. Luke's Medical Center
 1725 West Harrison Street
 Chicago, IL 60612

Home Pharmacy

A direct mail prescription service

Continued from facing page

some glimmers of hope for recovery, Mr. Beets says.

"We had one of the best first quarters this year that we've had in a long time. Indications are that conditions in the industry are improving both in wholesale and retail. I don't see any drastic jumps, but envision some strengthening of the market by the end of the year."

Financial Guardian should be well-positioned to benefit from it, not only because of the company's financial soundness but because of other attributes—among them a lean staff of hardworking, talented professionals, Mr. Beets says.

The broker began focusing on cost control three years ago, setting cost guidelines and educating employees on the need for austerity, he says. At the same time the company reorganized internally to bring experienced producers out of commodity lines and into areas where they could be most effective.

"We had already gotten lean then, when it was evident we were in a down cycle and inflation was still with us," Mr. Beets says. "And we have tried to stay lean, adding people only when revenue growth was there."

The broker's head count dropped by 5% in 1983 to 356 employees from 376 in 1982, due in part to staff reduction in the wholesale lines offices. This brought a corresponding rise in revenue per employee to \$60,323 from 1982's \$59,354.

"We've been trying to control labor costs and operate more effectively," Mr. Beets says. "The sell-off of the three (Stockyard Insurance Agency) locations Dec. 31 helped in that."

Financial Guardian's heavy orientation toward compensation by commissions rather than fees should also help the broker recover if the market firms, he says. "I think the fact that we have fewer contractual fees will mean we're well off if and when there is a rate increase. I don't think fees have been reduced as drastically as commissions during the down cycle, so we shouldn't expect them to rise as much."

About 85% of FG's total compensation is by commissions, while 15% is fees, which roughly equals the proportion of business between property/casualty and employee benefits lines, Mr. Beets says. "We're postured well to benefit from a recovery in the property/casualty business."

Though bonus commissions from insurers do not play a large role in FG's compensation, Mr. Beets says, "We've had some and benefited from them. If carriers are writing at a loss, as they have been, the brokers don't get in on profit-sharing and this helps make up for it."

One of the most encouraging factors aiding Financial Guardian during the past year has been the national economic recovery and the possibility that stability in pricing is just around the corner, Mr. Beets says. "It breeds enthusiasm in our people."

Automation is an important part of the broker's new business plan, not only in keeping up with changes in the insurance industry, but as a tool with which to address rising costs.

"We've been computerized since we started," Mr. Beets says. Financial Guardian is now a member of Insurnet, an agent/broker computer network that eventually will give limited interface between brokers and insurers, as well as inter-office communication for individual companies.

All offices are expected to be on-line with Insurnet by the middle of this year, the shareholders' report says. Those offices, through Insurnet, will have word processing, letter writing and customer data base capacity.

"We are programmed for our

own special needs," Mr. Beets says. "We have a prospect development and sales informational system that we have programmed to run on Insurnet, which manages data that helps salespeople make decisions on whom to call and keeps them abreast of what has been done with each account."

He sees automation as a real aid for future control of expenses, he says. "We're spending now to save in the future."

This is particularly true of small commercial and personal lines, the shareholders' report says. "It is visualized the majority of these writings will be automated with insurance carriers, thus reducing the cost of handling and the providing of services."

"In these cases we will somewhat reduce the number of markets in which we place business," Mr. Beets says. "We will be on-line with dedicated carriers to simplify

Continued on next page

KM INSURANCE COMPANY

A Member of the K mart Insurance Group

Commercial Lines

- Writing Workers' Compensation, General Liability and Commercial Automobile coverages for medium to large size accounts.
- Working through independent agents and brokers offering competitive programs.
- Serving the market with a stable company staffed by experienced professionals in underwriting, claims and loss control.

For more information, call or write:

Diane N. Sandlin, Assistant Vice President

5720 LBJ FREEWAY, SUITE 500, DALLAS, TEXAS 75240

(214) 991-1515



The BackersSM: Protecting Professionals

For many years, **The Backers** at the Interstate Insurance Group have been coming up with practical solutions to the insurance problems of professional people. We provide umbrella liability coverage for dentists, and property coverage for the instruments of professional musicians. Of course, these are only two of the many creative programs we've designed for a wide range of professions. If your book of business includes professional people, you should talk business with **The Backers**.



Interstate Insurance Group

Interstate Fire & Casualty Company Chicago Insurance Company
Interstate Indemnity Company

55 East Monroe Street, Chicago, Illinois 60603 312/346-6400

Atlanta Boston Chicago Dallas Houston Los Angeles
Minneapolis New Orleans New York Philadelphia San Francisco

Member Companies of Interstate National Corporation, one of the Fireman's Fund Insurance Companies

Continued from previous page
 internal handling, which is a cost factor. Obviously, we intend to have adequate markets."

FG's emphasis will remain on larger commercial accounts, he says. "We feel we need to be able to deal with a broad market for the larger accounts, while automating to handle the commodity lines."

As the shareholders' report stresses, "Deregulation of financial services is resulting in rapid changes in the insurance industry and the expected impact on the traditional distribution system requires changes in the agency/brokerage system." The report calls for brokers and agents and their carriers to become better partners and end duplication in their functions.

In its 14 years, FG has made 85 mergers and acquisitions, but market conditions have restricted such growth recently, Mr. Beets says.

During 1983, it purchased two small agencies—the Judson E.

Terry Jr. Agency of Wichita, Kan., and the J. Melvin Gagliardi Agency of San Jose, Calif.

Mr. Beets says the fastest-growing subsidiaries and departments are involved in employee benefits, like Insured Benefits Inc., doing business as Byerly & Co. in Denver and Cheyenne, Wyo. Those likely to shrink are underwriting management offices, like World American Underwriters Inc. in Houston.

FG's two major subsidiaries are its retail brokerage, Financial Guardian Inc. and wholesale brokerage Worldsurace Inc.

Retail Financial Guardian offices are located in Phoenix, Ariz.; San Jose, Calif.; Denver; Stamford, Conn.; Des Moines, Iowa; Atchison and Wichita, Kan.; Detroit; Kansas City, Mo.; St. Louis; Hinsdale, Ill.; New York; Houston; and Cheyenne, Wyo. Worldsurace operates offices in Los Angeles, Houston, New Orleans and Troy, Mich.

Others subsidiaries include Fi-

Financial Guardian Technical Services Inc. of New York, the company's risk management services division; Motor Truck Owners Conference Inc. of Kansas City Mo., a retail brokerage; FG Brokerage Services Inc. of New York, a retail brokerage; Financial Guardian Insurance Brokers Inc. of San Jose, Calif. a retail brokerage; Financial Guardian International Ltd. and Financial Guardian Reinsurance Ltd. of Hamilton, Bermuda; and Worldsurace Insurance Brokers Inc., another surplus lines subsidiary with offices in Los Angeles; Denver; Hinsdale, Ill.; New Orleans and Metairie, La.; and Houston.

FG is licensed as an excess/surplus broker in Arizona, California, New York, Texas, Louisiana, Missouri, Michigan and Colorado.

Key officers include Mr. Beets and Donald F. Weber, president of Financial Guardian Inc. and executive vp of the parent company.

—By Steve Sherwood

16
Poe
& Associates Inc.

702 N. Franklin, Tampa, Fla. 33602;
 813-228-7367

	1983	1982
Premium volume	NA	NA
Gross revenues	\$20,677,000	\$20,953,000
Brokerage: Retail	48%	47%
Wholesale	45%	49%
Services	7%	4%
Employees	465	475
Rev./employee	\$44,467	\$44,112
Offices	20	19

Poe & Associates of Tampa, Fla., the nation's 16th largest insurance broker, has three wishes for the remainder of 1984.

First, Chairman William F. Poe would like to see commercial insurers increase rates to what he believes are more reasonable levels, thereby increasing brokerage com-

missions.

Second, Mr. Poe would like expense control measures that were initiated in 1983 to hold tight through 1984.

Third, Mr. Poe hopes the leadership of new president V. C. Jordan Jr. will inspire improved sales and expanded creativity in the area of commercial insurance sales and service.

Mr. Poe believes that some positive signs of improvement already recorded in 1984 indicate that his wishes for his company may come true.

Mr. Poe's optimism for 1984, however, comes against a backdrop of a terrible 1983, the first year that Poe ever has posted an operating loss.

Gross revenues from brokerage services in 1983 dropped 1.3% to \$20.7 million from almost \$21 million in 1982, dropping Poe three slots among the Top 20 U.S. brokers to No. 16.

Brokerage services posted a \$976,000 net loss in 1983, down from net income of almost \$1.4 million in 1982.

In addition, Poe's underwriting operations, primarily Whiting National Insurance Co. which now is carried as "discontinued operations," posted a loss of \$2.6 million, double the \$1.3 million loss reported in 1982.

The combined net loss in 1983 for both operations was over \$3.5 million compared with net income of \$131,000 in 1982. The total loss per share reached \$1.24 compared with net earnings of 5 cents per share in 1983. In 1982, the company had earnings of 58 cents per share on net income of \$1.6 million. That year, the insurance operations reported \$307,000 in operating income.



Mr. Poe

"1983 was the worst year our firm has had in 27 years of business. There's just no way to dress that up," Mr. Poe remarks.

"The losses were the result of two major problems which continue to plague us. First, we needed to establish new claims reserves and add to old claims reserves for Whiting National. Second, we had to set up another reserve for our Stetzel, Thomson unit in London, against the uncollectibility of debts and reinsurance premium owed," he explains.

Whiting National Insurance Co., which had specialized in professional liability insurance for lawyers, was to be spun off from Poe into a separate corporation, which would be owned by the same shareholders as Poe & Associates.

The reasoning for this move, according to Mr. Poe, was simply to separate the operations for improved management and operation evaluation. But, due to Whiting's continuing losses, insurance regulatory complications and insurance market uncertainties, the Poe board decided earlier this year to table the plans indefinitely.

Despite efforts to stem Whiting's losses—including a year-end loss reserve portfolio reinsurance agreement—Poe had to make a capital contribution of \$1.1 million to Whiting in 1983 due to continuing development of losses on attorneys' professional liability policies it had issued.

Stetzel, Thomson, the other problem operation, was an underwriting agent for 20 to 30 London and internationally based reinsurers, including several Bermuda captive insurers. On Jan. 1, it ceased current underwriting activities and is only processing prior years' business.

Continued on facing page

Ctek can make your employees Super Sleuths.

We'll train your managers and supervisors to detect safety and health hazards. First-hand knowledge of safety and health hazards in the plant means the difference between profit and loss.

How do you control and minimize employee accidents? How can they be prevented? What tell-tale clues do you look for? You may not be staffed to answer these questions. But you can still do something about it. You can have your company's managers and supervisors become Super Sleuths...and find out how to reduce risks. It'll make a big difference in the short and long term health and safety of your employees...your property... your products...and your profits.

Ctek can help you make the difference. We're a national full service loss control organization. And one aspect of our comprehensive service is to train your managers and supervisors in the proper safety and loss control practices of the workplace. Our 5-part, 5-hour audio/visual course, *Supervising for Safety*, includes:

- Safety Program Overview
- Safety Audit and Inspection
- Accident Investigation, Record Keeping, and Reporting
- Developing and Maintaining Positive Safety Attitudes
- Job Hazard Analysis

Supervising for Safety is not "canned". Each segment includes a slide/cassette presentation followed by a workshop and guided discussion. And we'll teach it at your place, our place, or any place you choose.

Let us make your people Super Sleuths. Investigate us. Ask our accounts about us. Arc call or write to Ray Auckerman, Marketing Manager, for literature about this training course, and others. Everyone in your company benefits when you do.

We're the Super Sleuths of environmental health



2 Corporate Place South, Piscataway, New Jersey 08854
 (201) 981-4501



Continued from facing page

In the past, the company had been a moneymaker for Poe, but as reinsurance premiums shrank in the soft market, the company's profitability also shrank, until early last year when the operation was dealt a terrific financial blow.

Several insurers in South America and Mexico, weathering an economic storm, simply stopped paying their bills, according to Mr. Poe. And when a few insurers stopped paying and seemed to get away with it, other insurers that had been keeping their payments current, followed suit.

Income from these areas virtually stopped.

Poe established a \$1.9 million expense provision for uncollectible fees, resulting in a net operating loss for Stetzel, Thomson of \$296,000.

Mr. Poe says he hopes the Mexican and South American insurers, which he would not name, will eventually honor their debts.

"It's just a question of getting these companies to recognize their obligations and working out the accounting and currency exchange problems which have developed recently," Mr. Poe says. "We are reviewing whether or not to attempt arbitration with these companies.

"We are not totally without options in this matter. Some of the funds should be obtainable," he says.

Poe is carrying Stetzel, Thomson as an unconsolidated subsidiary with its 80% investment valued at \$1 million.

Auditors Ernst & Whinney said their opinion of Poe's financial statements is subject to the adequacy of loss reserves established for Whiting National and subject to the realization of the \$1 million value established for Stetzel, Thomson.

Mr. Poe believes, however, that the major troubles with Whiting National and Stetzel, Thomson are now behind the company and will no longer be a serious drain on earnings.

"We have taken our bath, so to speak, and despite the cumulative results for 1983, we have been working successfully to develop new business prospects which will

'We... have been working successfully to develop new business prospects,' Mr. Poe says.

Bank Programs Inc., a personal lines insurance organization that was sold early this year. Income from Matterhorn will be accounted for later in the year, according to Mr. Poe, and should amount to about \$500,000 after taxes.

Now, Mr. Poe is concentrating on an improved 1984. He says his staff is beginning to see some small signs of rate increases, especially in aviation and professional liability lines of coverage.

Since Poe has long specialized in mass-marketed liability programs to professionals, including dentists and attorneys, a rebound in the speciality market could be a quick pick-up for the brokerage.

Poe, for example, is the national administrator of one of the largest dental malpractice insurance plans, sponsored by the American Dental Assn.

The ADA plan was switched from the Chubb Group of Insurers

Continued on next page



HAVE YOU REALLY LOOKED AT YOUR MEDICAL STOP/LOSS CONTRACT LATELY?

BEST LIFE ASSURANCE COMPANY OF CALIFORNIA

has one of the strongest contracts in the market... and at a price that won't make you squint! For more information call our Director of Marketing on our toll free lines (Qualified TPA inquiries accepted) —

In California 1-800-821-8837 Outside California 1-800-854-7417

BEST LIFE ASSURANCE COMPANY OF CALIFORNIA 4201 Birch Street, Newport Beach, California 92660-1990

Of sound concept and efficient structure

The New York Insurance Exchange: a bridge linking the diverse perspectives of underwriters, brokers and clients. For information on the structure and strength of this growing insurance and reinsurance market, write to the Exchange at 59 John Street, New York, NY 10038.

NYINSURANCE EXCHANGE



pay off throughout 1984," he says.

The first-quarter results for 1984 do show some overall improvement, especially in brokerage operations. Gross revenues grew 22% to about \$5.99 million from \$4.9 million for the same period in 1983. Net income from brokerage operations grew tremendously—189.4%—to \$518,000 from \$179,000 in 1983.

However impressive Poe's brokerage services rebound may seem, Whiting National continued to hinder the overall growth of the organization, especially when the results are compared to the corresponding period in 1983 when the operation was still making money.

Whiting reported a loss of \$70,000 in the first quarter of 1984 compared with a profit of \$65,000 in the first three months of 1983. The first-quarter loss from underwriting amounted to 2 cents per share compared with net earnings of 2 cents in last year's corresponding period.

The company's combined first-quarter results showed net income of \$448,000 or 16 cents per share, up 83.6% from \$244,000, or 9 cents per share in 1983.

The first-quarter results do not include the results of the company's 1984 sale of Matterhorn

Continued from previous page

"I've even gone so far as to point out that I pump my own gas for my car when I talk to the sales staff," Mr. Hilb said.

"It may sound very nit-picky, but I wonder if John Regan (chairman of Marsh & McLennan) pumps his own."

Although he doesn't expect that it will save the company any money, Mr. Hilb noted that the firm is beginning to install an automation system. The system should be in place in all 16 locations within the next two years.

The computerized system is now up and running in two locations, Fort Myers, Fla., and in Chesapeake, Va., near Norfolk. A third office will receive its computer within weeks.

"I expect it will help with the mail situation, and by making us able to add our offices' numbers into our computer, it should make us more efficient," Mr. Hilb said,

'I expect it (automation) will help with the mail situation, and by making us able to add our offices' numbers into our computer, it should make us more efficient, and should ultimately increase the bottom line,' Mr. Hilb says.

"and should ultimately increase the bottom line."

Mr. Hilb pointed out that, "I'm getting a lot more information on my producers' performances from using the IBM PC we have in our office."

Mr. Hilb showed a printout of a producer ranking that included information such as amount of new business, calls made and expiration dates noted for potential new business.

"By going down this list, I can rapidly determine if producers are

giving the effort they should be giving," he said.

Although Mr. Hilb says he expects commercial lines to be the brokerage's most significant source of growth in the future, he says personal lines will play an important role, too.

"About 25% of our business is personal lines," he said. "It's very important to the growth of the firm."

He expressed concern that some underwriters are circumventing agents and brokers with personal lines programs mass-marketed

through groups and associations. For example, he noted the arrangement between Hartford Insurance Co. and the American Assn. of Retired Persons.

"This kind of arrangement raises the question: Is the consumer really best served by eliminating the broker?" Mr. Hilb said. "Can individuals rely on their association to do the best job of buying insurance for them?"

"You can cut out the agent or broker and save 10% or 15% on your policy," he continued, "out is that a wise savings? Is my advice worth something?"

Hilb, Rogal & Hamilton subsidiaries include: Baumhauer-Croom Insurance in Mobile, Ala.; Hamilton & Shackelford Insurance in Birmingham, Ala.; Percy H. Goodwin Insurance Services in San Diego; The Insurance Management Center in Manchester, Conn.; Herndon Iles & Scott Inc. in Or-

lando, Fla.; Insurance Management Corp. of South Florida, in Fort Myers, Fla.; and Insurance Management Corp. of Tampa Bay in Tampa.

Additional subsidiaries include: Leide Associates, Atlanta; Jackson Insurance Agency Inc., Jackson, Mich.; Underwood-Dawson Inc., Goldsboro, N.C.; Meuche Hickman & Snow Agency, Dayton, Ohio; Rogal Co. Inc., Pittsburgh; Insurance Management Corp. of Charlottesville, Va.; Insurance Management Corp. of Tidewater in Chesapeake, Va.; and Mutual Insurers Inc. in Richmond, Va.

In addition to Mr. Hilb, the company's principal officers include: David W. Hamilton and Alvin Rogal, executive vps; Timothy J. Korman, vp and treasurer; Dianne F. Fox, who was promoted to vp and corporate secretary; and Andrew T. Gabor, assistant vp and comptroller.

—By Margaret LeRoux

Sometimes even solutions need solutions. Just a few short years ago, the settlement annuity was

ment before joining the firm. They prepare a complete economic analysis of a case before offering

Now that the problem has been solved, the problem solving can begin.

created to solve the major problem of personal injury liability litigation. It offered a solution, but created another problem. A solution is only as good as the people who apply it. The fact is, this is one solution not everyone applies with equal skill. That may explain the success of English & Associates, Inc. No firm brings greater skill, knowledge, and experience to the field of settlement annuities. No one tailors the overall solution to specific problems with greater understanding or creativity. Each of the experts at English & Associates has worked in claims manage-

a solution. Then, because they have no commitments to anyone other than their clients, they arrange for and negotiate the most efficient, most effective settlement plan. English & Associates has offices in major cities across the country, with more planned for the near future. It serves clients of all kinds and sizes, from major corporations to small, self-insured entrepreneurs. The company also handles worker's compensation cases in states where settlement annuities are allowed. The settlement annuity solved one problem, but it created another. Now even that problem has been solved. The solution to your needs is as close as the telephone number of the English & Associates office nearest you.

English & Associates, Inc.
 Settlement Annuity Consultants

27285 Las Ramblas
 Suite 230
 Mission Viejo, CA 92691
 (714) 643-2144
 Dennis English
 Paul Ward, Esq.
 Dave Snyder

One Greentree Centre
 Suite 201
 Marlton, NJ 08053
 (609) 596-8585
 Thomas Connolly, C.P.C.U.

1660 School Street
 Moraga, CA 94556
 (415) 631-0610
 Alan G. Cooper

One Galleria Tower
 13355 Noel Road
 Suite 561
 Dallas, TX 75240
 (214) 934-8208
 Robert Ernst

8600 W. Bryn Mawr
 Suite 200 North
 Chicago, IL 60631
 (312) 399-2051
 James J. Volanti

18

Robinson-Conner Inc.

1030 State St., Erie, Pa. 16501; 814-452-6881

	1983	1982
Premium volume...	\$70,000,000	\$45,000,000
Gross revenues...	\$15,000,000	\$9,600,000
Brokerage: Retail...	85%	84%
Services...	15%	16%
Employees...	306	210
Rev./employee...	\$49,020	\$45,714
Offices...	16	10

After more than two years of acquiring agencies at a rapid clip, Robinson-Conner Inc. is pausing to take a nice, deep breath.

The Erie, Pa.,-based brokerage's aggressive acquisition program in 1982 and 1983 propelled it to No. 18 in the *Business Insurance* ranking of the largest U.S. brokers this year from No. 25 in 1983, the first time it participated in the survey.

Robinson-Conner reports the gross revenues of its 1983 and 1984 acquisitions on a pooled basis, as though they had been owned the entire year. On that basis, the privately held firm produced \$15 million in gross revenues in 1983, up 56.3% from 1982 when it produced \$9.6 million in gross revenues.

The growth is more astounding when compared with 1981 gross revenues of \$5.7 million—nearly triple in three years.

The biggest chunk of the firm's business is placing casualty insurance for medium-sized businesses that produce annual commissions of \$5,000 to \$75,000.

Its 16 branch offices, all but two of which operate under different names, are located in small cities or the outskirts of major ones across the country from South Carolina to Wyoming and Colorado.

Robinson-Conner has a small corporate headquarters staff of 12, and the branches, which are frequently run by their former owners, have virtual autonomy.

Although additional acquisitions are planned, for the rest of this year, Robinson-Conner plans to take advantage of this breather to introduce a companywide computer system, establish a cash-management program and pare down its markets, said William B. Conner, its soft-spoken, 51-year-old president.

Because of the slowdown in acquisition activity and the competitive insurance market, Mr. Conner said, the firm has conservatively established a "very modest" goal of 5% in revenue growth for 1984.

Robinson-Conner developed its acquisition strategy over a period of more than 25 years.

When Mr. Conner joined his late father's insurance brokerage in 1956 after college and the service, the staff consisted of his father,

Continued on facing page

Continued from facing page

William B. Conner Sr., and a secretary. The firm, which had been founded by the elder Conner in the mid-30s, generated about \$100,000 in premiums annually.

Slowly, the agency began acquiring other agencies in the area, including the Robinson agency across the street from its headquarters, whose name was added to the firm's.

By the early 1970s, Mr. Conner said, the agency had five offices in small towns outside Erie. However, difficulties, including personnel problems, developed.

"The towns were small and there was little growth in them, and if a person who was running it left, it was not easy to find a replacement for him to move to that town," he said.

The brokerage, Mr. Conner said, decided to target its growth in larger population areas, and it began to acquire agencies in Pittsburgh and Buffalo and Rochester, N.Y., among other locations. The small town offices eventually were phased out.

But by 1982, still another shift in strategy was called for, Mr. Conner said, and the agency decided to seek acquisitions even further afield.

"There was little opportunity for acquisitions where we were," he said. "And, secondly, we were trying to broaden our geographic base."

The Northeast, he noted, was particularly hard-hit by the recession and so there were few opportunities for growth.



Mr. Conner

Even more important, Mr.

Conner said, "We felt that to secure ourselves in the insurance business in the future it was necessary for us to be larger than we were. Once we accepted that premise, we had to sit down and figure out how to accomplish that."

Robinson-Conner's previous experience was helpful, he said. "By that time, our confidence level in running a local operation increased, so we were confident we could run an agency 200-300 miles away as well as one 50-100 miles away."

Its first major acquisition was the Louisville, Ky.-based Fox, Puckett, Cohen & Associates, in January 1982, which generated \$1.8 million annually in commissions.

Also in 1982, Robinson-Conner acquired Active Insurance Services in Mechanicsburg, Pa.; William C. Hanley in Pittsburgh and Associated Agencies in Meadville, Pa.

In addition to agencies, Robinson-Conner acquired in 1982 Cleveland-based Worker's Compensation Service Co., which handles claims administration for large self-insured companies.

In 1983, five additional insurance agencies were acquired: Multi-Services Corp. in Louisville and Lexington, Ky.; Ed Murray & Sons in Cheyenne, Wyo.; Tolley-Weidman Insurance Agency Inc. with offices in Colorado Springs and Denver, Colo.; Nelson Insurance Agency in Colorado Springs; and the Husted Insurance Agency in Harrisburg, Pa.

So far in 1984, four more agencies have been acquired: Insurance Services Corp. in Philadelphia; Hyde Insurance Agency, with offices in Asheville, Raleigh and Greensboro, N.C.; Ellis-Tomberlin Agency in Asheville, N.C.; and Colorado Notary Assn. in Denver.

The number of employees has almost tripled since 1981, to 306 at year-end 1983 from 115 in 1981.

The acquisitions were financed through a combination of internally generated funds, borrowed funds and funds from The Home

Insurance Co., which has a 20% interest in the firm.

Mr. Conner, who is the majority owner, said he's not interested in being taken over himself by a larger company. "It's not currently in our plans."

Because Robinson-Conner tends to make acquisitions either in smaller cities or at the outskirts of larger ones, often the local offices operate without any direct competition from major brokerages.

Daniel P. Kuzio, Robinson-Conner's senior vp, notes that although several major brokerage firms have branches in Casper, Wyo., there are none in Cheyenne.

There was no "conscious effort,"

to avoid these major players as competitors, Mr. Conner said. The agency just tried to acquire locations in "those areas where we can do the best job and be the most successful in, and there's just some wonderful opportunities in towns with populations of a half million or less."

As for future acquisitions, "Our first choice is to add to the offices that we already have, because there's usually a substantially higher degree of profit when you add to an office that's in existence," he said.

"In addition to that, we are looking around for, and would consider, freestanding offices in a fairly se-

lect group of areas," such as North Carolina, he said.

However, any acquisitions this year, particularly in new locations, are unlikely, Mr. Kuzio said. It would have to be "something unusual."

One project that will occupy the brokerage this year is paring down the number of markets in which it places business. Now, Robinson-Conner deals with about 40 insurers, with 11 accounting for 65% of its total business, Mr. Conner said. The agency has already started the process of paring down its list so that 75% of its business will be accounted for by 10 insurers, he said.

The brokerage is still compiling

its list, but it will certainly include The Home and Aetna Life & Casualty Insurance Co., he said.

Aside from that, Mr. Conner said, the agency is not making any special efforts to cut costs. "We've always been tough on budgets," he said.

Another project on the boards for this year is introducing a company-wide computer system.

"We put in a new data processing department system, and we see it as a major project this year and next year to convert all of these offices over to that system," Mr. Conner said. Right now, he said, several branches have their own systems.

Continued on next page

**Independent.
But never alone.**

Keeping today's independent agent and broker in control of their business. That's what we do at McCracken Computer.

Developed for IBM® System/36 and System/38, our Insurance Management System takes care of everything. From in-depth policy files and claim file histories. To accounting, marketing, policy retrieval and file management.

What's more, we offer direct electronic interface with your companies central data files. So you can provide better service with faster turnaround and less chance for error.

McCracken Computer. We give you the tools to be totally self-sufficient. But we're always there with support and innovations to increase office productivity and increase your bottom line.

To find out more, get in touch with us today. 2 Militia Drive, Lexington, Massachusetts 02173. 617-862-3083.

MC **MCCRACKEN COMPUTER INC.**

Continued from previous page

The companywide computer system will contain policy data, process work comp claims and handle billing and financial reporting.

The firm also will introduce its first formal cash management program this year, said its treasurer, Patrick J. Quirk. "We're taking a centralized approach to consolidate funds from all our offices."

In addition, Robinson-Conner plans to expand marketing of products that were acquired.

For instance, a product developed by the Lexington office, Multi-Services Corp., will be introduced companywide. The product is sold to banks and covers a bank's losses if a borrower stops paying on a loan that was used to buy property and the property has been destroyed or damaged and there is no other collectible insurance. The cost of the insurance is passed on to the borrower.

And, a "sales center" concept developed by the Harrisburg, Pa., office also will be expanded. Customers will be targeted for specific types of policies, then their business solicited by letter and phone.

There is little direct supervision of branch managers, Mr. Kuzio noted. Mr. Conner, Mr. Kuzio and Mr. Quirk are the firm's only officers. Branch managers operate as the agency's second layer of authority.

To a certain extent, Mr. Conner said, each branch office mirrors the strengths and interests of the manager running it. "We don't insist on all our branches selling the same policies from the same insurers."

He noted that the branches are contributing to the development of the preferred list of insurance markets and that once the list is developed, each office will decide which market it will use more often.

And, despite the brokerage's focus on medium-sized firms, one branch services a company with \$200 million a year in revenues.

"We rely very heavily on our local men," Mr. Conner said. Headquarters' main concern is that the branch stays within budget.

Robinson-Conner's interest in agencies whose owners are willing to stay on and operate independently makes it particularly attractive to operators who want to stay active, he noted.

Robinson-Conner has terminated employees in only two cases in its acquisitions, he said. The firm is hesitant, he said, to fire people before it gets the "flavor" of an office, and generally by then, "attrition has taken care of the problem."

With rapid growth, Robinson-Conner suffered a drop in revenues per employee in 1982 to \$45,714 from \$49,565 in 1981, but the measure of productivity rebounded in 1983 to \$49,020. But, that measure doesn't particularly concern the firm, Mr. Conner noted. "We're more concerned with total payroll costs to revenues than per person."

Overall, 65% of Robinson-Conner's revenues are produced by placing commercial lines. Of this, about two-thirds is commercial casualty, including commercial auto, workers compensation and general liability. The other third is property business, including fire packages and inland marine.

An additional 10% of revenues represents the agency's service companies' business, primarily the Worker's Compensation Service Co., and an additional 7% of revenues is accounted for by life and employee benefits, including both administration fees and direct commissions. The remaining 18% is from personal lines other than life.

For the future, Robinson-Conner

plans to become increasingly involved in third-party administration. And, "As time goes on, we would like to develop good, strong life departments," Mr. Conner said.

Virtually all of Robinson-Conner's brokerage revenues are generated via commissions. Bonus commissions, paid by insurers to reward brokers for placing new accounts or a certain volume of business, Mr. Conner said, are "not a significant factor in any of our revenues." Although the firm is not reluctant to collect bonus commissions it is entitled to, pursuing them "would be rather short-sighted," he said. "It's more important to have the right insurance companies."

Besides, he added, there are many other important services insurers offer besides cash incentives, including marketing techniques.

Expressing disappointment that insurers have failed so far to "get back to basic underwriting," Mr. Conner said the agency's growth probably would have been modest last year if not for its acquisitions. Although it has a modest 5% goal for this year, he said he is optimistic the agency will exceed that.

Robinson-Conner operates branch offices under its name in Erie, Pittsburgh and Rochester, N.Y. Other branch offices are still operating under their original names, but over the next few years the branch names will be changed to Robinson-Conner. In addition to the tranches identified by their dates of acquisition, Moore & Eshelman in Clearfield, Pa., is a Robinson-Conner branch office.

Another Robinson-Conner subsidiary is Claims Service Inc., which operates out of the Erie headquarters, adjusting claims for major insurers that do not have offices in the area.

By Judy Greenwald

19
Lawton-Byrne-Bruner
Insurance Agency Co.

10 Broadway, St. Louis, Mo. 63102;
 314-621-5540

	1983	1982
Premium volume	N/A	N/A
Gross revenues	\$14,706,120	\$13,532,100
Brokerage: Retail	91%	93%
Wholesale	1%	1%
Services	4%	4%
Other	4%	4%
Employees	262	258
Fav./employees	56,130	52,450
Offices	1	1

After a year of flat growth in 1982, Lawton-Byrne-Bruner Insurance Agency Co. bounced back in 1983 with an 8.7% increase in revenue.

And, relying on its mainstay of regional insurance broking, it is targeting modest growth this year and up to 15% growth in 1985.

In 1983 the 95-year-old, privately held St. Louis broker increased gross revenues to \$14,706,120 from \$13,532,100 in 1982. By contrast, the 1982 revenues were barely above 1981's \$13,527,100.

LBB's growth in 1983 kept it in the top 20 in *Business Insurance's* annual ranking of U.S. brokers. However, it slipped one notch to 19th place from 18th due to the addition of Reed Stenhouse's U.S. operations to the list.

David R. Anderson, LBB senior vp of operations, is very optimistic about 1984 because the market is already tightening, he says, and higher insurance prices will return.

"There's no doubt the market is changing," he adds. "We're seeing that practically on a daily basis."

The increase in prices started at the beginning of 1984 in excess liability insurance and lately has spread across most other commercial lines, Mr. Anderson says.

The years 1982 and 1983 were essentially spent "running in place," LBB Chairman William W. Fetner said. Any increase in business was lost due to price reductions, he explained.

But through the combination of a tighter insurance market and LBB's increase in new business in railroads, utilities and manufacturing, LBB hopes to increase gross revenues some in 1984 and by 12% to 15% in 1985.

Income in 1984 is already up "a good 10%" over last year, says Mr. Anderson, due partly to the improvement in the market.

In 1983, LBB picked up "some pretty substantial" new property/casualty accounts, he says. As a result, gross revenues from property/casualty business were up 2%.

"In today's market, we're happy with a 2% increase in property/casualty," says Mr. Anderson.

Property/casualty business accounted for 66% of LBB's income in 1983, with 38% from casualty and 28% from property coverage.

LBB generated 13% of its business in specialty lines, which includes marine and aviation, and 4% in personal lines. Benefit services represent 17% of the company's business. LBB does little reinsurance broking.

LBB will continue to emphasize the selling of insurance, which has always been its strength and focus. And most of its clients will continue to be in the St. Louis region.

Approximately 65% of LBB's business is regional, although it has some major accounts outside its home area. About 3% to 4% of its business comes from selling insurance overseas.

LBB has about 16,000 accounts, mostly in the medium-size range although it has some large and

Continued on facing page

Umbrella . . . SMP . . . Trucking
E & O . . . Fire . . . Products . . . G. L.
Physical Damage . . . Specialty Lines
Market Exclusivity . . . DVUA.

D V U A [®]

DELAWARE VALLEY UNDERWRITING AGENCY, INC.
 Corporate Headquarters
 420 S. York Road, Harboro, Pa. 19040 215-443-3500

WESTERN PA. 412-369-2500	NEW JERSEY 800-772-2207 201-564-9633	OHIO 800-362-2907 216-449-0351	NEW YORK 212-227-8606	WEST VIRGINIA 800-642-9718 304-342-4835
------------------------------------	---	---	---------------------------------	--

Continued from facing page small accounts, too.

Mr. Anderson sees the company's "across-the-board book of business," as "one of our strengths."

"We're still a one-office regional operation with no plans to open up offices anywhere else," he says.

The business LBB does generate outside the region comes to it in basically two ways, Mr. Anderson explains.

First, the company has producers with a particular expertise in certain lines of insurance, such as railroads. They will solicit railroad business throughout the country.

Second, the company has several special programs it markets around the country, like insurance for excursion vessels.

This is marketed "wherever there's water," says Mr. Anderson, and includes areas along the East Coast and Florida.



Mr. Anderson

LBB also has some nationwide association "mass marketing" programs, such as a property/casualty program for the American Society of Consulting Engineers. It sells insurance to all members of the association around the country, and LBB's affiliate John O. Felker Benefits Services provides benefits to society members.

About 95% of LBB's gross revenues are from commissions and 5% from fees. There was some increase in fee business last year partly generated through insurance consulting and claims management.

Employee benefits are handled both on a commission and a fee basis and LBB does some claims administration, for which it is paid a fee. The company may also take fees on larger accounts, where it provides unbundled services.

In 1983, LBB took several steps to limit its expenses. These included controlling salaries, which represent its largest expense, and holding the line on telephone and postage costs.

But, it also tackled the problem through computerization. "It is as much a way of increasing (business) without adding to staff as it is a savings," Mr. Anderson says.

"I don't know if we have reduced our staff because of the computers, but we think we can handle additional business without adding to the staff," he explains.

The number of employees increased slightly in 1983 to 262 from 258. A few were added in the employee benefits area while there was a decrease on the property/casualty side.

"There are no significant plans to add or subtract" employees, he says. "Our objective is to increase business without adding to staff."

The computer system has not yet been implemented totally in production and sales areas, but it has been effective in high volume mass merchandising programs when quotes, proposals and mailings could be computerized.

"We've seen some efficiencies in what we've done so far, but we haven't really implemented the whole system yet," Mr. Anderson says. "To that extent, we're running a little bit behind schedule."

Last year, LBB reduced to 25 from 30 the number of non-specialty lines insurers it uses. Altogether, it taps more than 100 markets.

However, Mr. Anderson does not plan to arbitrarily reduce the number of markets LBB uses.

"We have not said arbitrarily that we will reduce our number of insurance markets, as some people have," he says.

"I think that the industry trend is to reduce the number of markets, and it's going to continue. We will reduce them, but not arbitrarily."

LBB currently has underwriting authority for Commercial Union Insurance Co. in Boston and for St. Paul Fire & Marine Insurance Co., for personal lines. It probably will obtain additional underwriting authority in the future, Mr. Anderson says.

"Hopefully, there would be a financial incentive to do it. And there is a definite time-saving involved on our part by not having to follow up with insurance companies," he adds.

LBB has a unique structure. It is owned by 13 managing directors, each of whom runs a separate profit center, responsible for paying its own expenses and generating income.

The directors earn no salaries but do share in the agency profits.

'We have not said arbitrarily that we will reduce our number of insurance markets. . . . I think that the industry trend is to reduce the number of markets, and it's going to continue. We will reduce them, but not arbitrarily,' Mr. Anderson says.

They collectively manage the company and individually service insurance accounts with staffs of varying sizes.

The 13 managing directors are down from 14 a year ago because one partner left the group.

"In this particular case, it (the loss) didn't have much of an effect," Mr. Anderson says. "But obviously if a partner leaves, that means there is one less partner to share in the expenses of the agency."

LBB also has independent bro-

kers who also own their own businesses for whom LBB provides services and who receive only commissions.

Recently, LBB has also employed its own salesmen to solicit business for LBB itself and not on behalf of any managing partner. This is a way to finance new salesmen who perhaps could buy a share of the business after several years, Mr. Anderson explains.

LBB is licensed as an excess and surplus lines broker in Missouri and Illinois with about 25% of its

business excess and surplus insurance.

Besides John O. Felker Benefits Services in St. Louis, LBB's only other affiliate is Parcel Insurance Plan Inc.

John O. Felker Benefits Services, which has 76 employees, administers health insurance, and pension and profit-sharing programs for national associations.

Parcel Insurance Plan, also of St. Louis, provides parcel post insurance for companies using postage meters. It has complete underwriting authority from Fireman's Fund Insurance Co.

Besides Mr. Anderson and Mr. Fetner, LBB principal officers include H. Robert Larkin, president; Chester P. Skwiot and Peter Reeves, executive vps; J.B. Andrews Jr., senior vp and secretary; and David R. Smith, senior vp and treasurer.

—By Stephen Tarnoff

A leading insurance executive discusses safety and the company plane.

John V. Brennan, President of U.S. Aviation Underwriters, America's largest insurer of corporate aircraft.



Business aircraft have never been built better—and safer—than they are today. However, due to the complexity and high performance of these planes, pilot training is something every company must think about.

"Nine out of every ten aircraft accidents have pilot-related causes. We strongly urge our policyholders to set up regular refresher training programs using simulators that represent their exact make of aircraft.

Pilot training is critical

"I insist that the pilots who fly our own company jet take simulator training twice each year—the same as airline pilots. We do our training with FlightSafety International.

"Our experience shows that simulators are the safest possible training environment. They enable pilots to practice and perfect all

normal and emergency procedures under controlled conditions. The alternative of training in the aircraft is hazardous and incomplete—in addition, it wastes fuel.

Simulators: the safety factor

"Typically, the cost of refresher training for two pilots is less than the cost of one back-up flight instrument. That should be a worthwhile investment for any company."



FlightSafety International® offers simulator training programs for almost every type of jet and turboprop business aircraft. For more information send this coupon or call Jim Waugh, V.P. Marketing at (212) 565-4120 collect.

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

Mail to: FlightSafety International, Marine Air Terminal, Dept. U-064, LaGuardia Airport, Flushing, N.Y. 11371.

FlightSafety
international

20

John L. Wortham & Son

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

	1983	1982
Premium volume	\$107,752,187	\$108,952,695
Gross revenues	\$14,341,241	\$14,470,496
Brokerage: Retail	86%	88%
Other	14%	12%
Employees	225	230
Rev./employees	63,738	62,913
Offices	1	1

As Houston goes, so goes John L. Wortham & Son. And, last year wasn't a good one for Houston.

"We were pretty flat in 1983," partner Fred C. Burns says of Wortham's revenues. "But we're happy to stay even."

Mr. Burns notes that Wortham, a privately held partnership, is

closely tied to the economy of Houston, where it maintains its only office.

"There was a considerable reduction in oil patch activity because of the oil surplus. Unemployment here was above average for Texas—a first. Normally, this is a boom city."

With a large amount of its major business originating in Houston, this city's hard times could not help but affect Wortham's revenues. Although gross revenues rose 10% in 1982, they fell a fraction of a percent in 1983, to \$14.34 million from \$14.47 million.

The slight decline pushed Wortham into 20th place in *Business Insurance's* rankings of the largest U.S. commercial brokers. Wortham had been 17th in the 1982 survey.

Wortham suffered a corresponding 1.1% fall in premium volume in 1983 to \$107.7 million from \$108.9

million.

The company's net income was down slightly, reflecting rising expenses, but Mr. Burns says that as in previous years Wortham will not balance its books by laying off personnel.

However, the broker's employee roster fell 2.2% through attrition, to 225 from 230, boosting its per-employee revenues slightly to \$63,738, compared with \$62,913 in 1982.

Property/casualty lines make up 78% of Wortham's brokerage operation. Of this, about half is casualty and half property, Mr. Burns says, adding that about 15% of the property business involves marine coverage while the rest is spread among a diversity of insurance lines for such clients as banks, utilities and major oil companies—a cross-section of the Houston economy.

"I would not single out any particular area as an expertise," Mr. Burns says. "We are basically fully

'As a true broker, I can honestly say this (contingent commission) is not a factor in our selection of a market. We try to match the market with the customer for the best fit,' John L. Wortham & Son partner Fred C. Burns says.

staffed in all commercial areas. We cover all bases."

An estimated 15% of Wortham's commercial brokerage business is generated by employee benefits and life insurance, he says. Of this, employee benefits makes up 11% and life contributes 4%.

In all, the broker's commercial retail broking operations accounted for 86% of its total revenues in 1983, down 2% from 1982, with investments, services and its managing general agency accounting for the other 7%. Wortham's business is overwhelmingly domestic—95%—with a modest amount of international business placed through several London brokers.

Personal lines brings in an additional 7%.

Services offered, other than retail brokerage, are fairly standard and include claims assistance, loss control and financial planning, Mr. Burns says. "We're not into writing insurance yet."

About 50% of Wortham's clients could be classified as large commercial (more than \$75,000 in premium per year) and 50% as medium-sized (between \$5,000 and \$75,000 per year), he says. "We are heavy in the oil business, but each area seeks its own level naturally," meaning the brokerage does not specialize in specific areas.

Ordinary commissions make up 95% of Wortham's revenues, with fees contributing the other 5%.

Contingent commissions for profitable business made up far less than 1% of Wortham's revenues. Mr. Burns says he sees no conflict of interest in contingency payment.

"As a true broker, I can honestly say this is not a factor in our selection of a market. We try to match the market with the customer for the best fit," he says.

The brokerage, founded in 1915, is in its 70th year of partnership, and Mr. Burns says he believes the same thing that makes Wortham unique to the Top 20—its status as a private partnership—has been one key to its success over the years.

"All agencies used to be partnerships," he says. "We believe it is fundamental to our ability to perform. It is difficult to have a professional organization with outside stockholders. Insurance broking is not a capital-intensive business."

As a partnership Wortham pays no corporate income tax. Each partner is taxed as an individual, Mr. Burns says. "Revenues that are generated go toward providing services."

Wortham now has 29 partners, down from 30 in 1983 because of one retirement. The firm is managed by an executive committee of partners including managing partner Allen H. Carruth and partners Mr. Burns, Joseph G. Cutler, John W. Hervey, Robert H. Moffatt and, a recent addition, James R. Davis.

"All have areas of expertise, but as a committee they handle the overall management decisions," Mr. Burns says. "All partners have considerable input into the decision-making process."

Wortham's greatest strength is unquestionably its permanent staff, he says. "It is very difficult to provide good service with transient people. The average length of service for a partner here is 20 years."

Another advantage is its single location, he says. Because the broker's entire operation is contained

in one building, there is a constant exchange of information. This is to the clients' advantage as well as the firm's, since clients have direct access to Wortham's corps of specialists.

Many clients elect to work directly with a number of staff specialists, while others prefer to have an account executive act as liaison to whom they can go with all their questions, he says. "We will accommodate customers on the way they want to function."

This flexibility also applies to the type of insurance Wortham will place, Mr. Burns says. Customer demand ultimately determines the areas of expertise in which the broker trains its staff.

Automation has played an important part in Wortham's business for the past 16 years, and the broker now is interfaced with three insurers, Mr. Burns says.

"This gives us access to data they have stored in their computers, which cuts down on duplication in record keeping. This is critical in controlling costs and has helped significantly on the expense side."

Automation is most useful in handling smaller commercial and personal product lines, which produce a lot of paper, he says.

"We haven't found a way to automate professionals. The strength is still in the professional staff and their knowledge, but automation gives them the information they need to work efficiently."

Although 1983 was not a good year for Houston—and Wortham—Mr. Burns sees hope for recovery in the near future, he says.

"I see growth in 1984, compared to 1983—modest, not spectacular. Today we are ahead of where we were last year."

He expects Houston's economy to gradually recover, which should help Wortham.

In addition, "We have received written notification in the last month from insurers that rates will be firming, but this is in the future tense," he said. "Our London people say the firming is beginning to manifest itself more there than in the United States. My gut feeling is there is no substance in it."

Competition is still present, but that's not necessarily bad, Mr. Burns says, adding that Wortham's staff performs best in a competitive environment.

"We have very capable people who are knowledgeable and professional," he says. "There is no substitute for doing the job well."

Wortham's subsidiaries, all based in Houston, include managing general agency John L. Wortham & Son Inc., securities brokerage Wortham & Son Investment Inc. and Services for Risk Handling Inc., a risk management services firm. Several partners are involved in each of these companies' operations, but the management of each of these units is handled by Wortham's executive committee.

Wortham itself founded American General Insurance Co., based in Houston, but the two companies went their separate ways in 1965. There is a historical, but not a financial, connection between them, Mr. Burns says.

Wortham's growth through the years has been entirely internal, he says. It has never made a major acquisition.

"We're the same people doing the same thing," Mr. Burns says. "We're just trying to do it better and more efficiently. Our customers almost insist on it."

—By Steve Sherwood



We Won't Let It Rain On Your Parade ...

While many other companies start with a broad umbrella contract and endorse down—perhaps leaving you partially exposed—we at Sayre and Toso begin with a strong foundation and endorse up to provide whatever special coverage you might need over time. This tailored and individual approach makes for complete protection without overprotection. And whether yours is a large, sophisticated account, or one of more modest size and needs, you stay protected.

Since 1906, we've provided our clients—both big and small—with the best coverage available. Now we've refined and expanded our umbrella approach to bring you even more comprehensive service. With our expanded umbrella and the expertise that only comes with Sayre and Toso's decades of experience, your parade will see nothing but sunshine.



MEMBER, MISSION INSURANCE GROUP INC.

S&T Sayre & Toso, Inc.
SPECIAL RISK UNDERWRITERS FOR OVER 75 YEARS

NATIONAL SALES OFFICES: Los Angeles • San Francisco • Sacramento • Fresno • Orange • Phoenix • Seattle • Portland
Denver • Dallas • Houston • Minneapolis • Milwaukee • Detroit • Chicago • Cleveland • St. Louis
New Orleans • Atlanta • Tampa • Charlotte • Philadelphia • New York • Morristown • Boston

Rhulen narrowly misses spot in Top 20 rankings

By JUDY GREENWALD

Several brokers narrowly missed making it into the *Business Insurance* Top 20 this year—one because *BI* changed the rules.

Rhuler Agency Inc., which had the No. 20 position last year, would have held its spot if *BI* had not added the U.S. operations of Reed Stenhouse Cos. to the Top 20 chart. Even though Robinson-Conner Inc. catapulted from No. 25 to No. 18 with \$15 million in gross revenues, an opening in the Top 20 was created by the acquisition of Dinner Levison, No. 19 last year, by Transamerica, which merged it with its subsidiary Fred S. James, the fifth-largest U.S. broker.

Rhulen, which has built its business on creating and developing specialty lines, boosted its revenues 13.7% to \$14 million from \$12.3 million in 1982, while the number of its employees grew to 235 from 190.

In 1982, though, while many agencies struggled to stay even, the 50-year-old agency enjoyed a 25.9% revenue increase from \$9.8 million on internal growth alone.



Mr. Rhulen

Two factors cut the agency's growth in 1983, says Walter A. Rhulen, president of the agency, which is located in the resort area of Monticello, N.Y. Intense price competition among insurers spread to Rhulen's specialty lines, and bigger competitors in search of more revenues turned their attention to these lines as well.

In normal times, these competitors would not handle specialty lines "under any circumstances," but in a soft market, "they'll handle anything that walks," says Mr. Rhulen. He anticipates that as a result, this year the firm will have a more modest revenue boost of 10%.

In the meantime, Rhulen, half of whose insurance business comes from broking insurance for other agents, continues to seek out and develop new market niches. Four new national programs, in solid fuel and cable TV, and for Camp Fire Inc. and the Boys Clubs of America, have recently been introduced while others are planned.

As a managing general agent for four insurers writing livestock insurance, Rhulen took a hand in ending the severe price competition in its livestock lines, which accounts for about half its revenues.

Rhulen, which is the largest livestock insurance brokerage in the United States, introduced 15% to 30% price increases in October, and plans additional 5% to 20% hikes for July as well, says Peter L. Rhulen, Walter's brother and vp and secretary. Their father, Max, is the agency's founder and chairman.

Sports and recreation lines, which include insurance for camps, gymnastics, aerobic dance studios and karate schools, account for 19% of revenues. Insurance for college student health and accident coverage accounts for 17%. Other commercial lines account for 12% of insurance revenues and personal lines produce 2%.

Rhulen is a centralized operation. While it maintains several branch offices, they are essentially sales offices, Mr. Rhulen said.

Rhulen is owned by the Frontier-Columbus Corp., a 12-member partnership with majority control in the Rhulen family's hands. Frontier-Columbus also owns Frontier Insurance Co., which

wrote \$16 million in gross premiums in 1983, up from \$9.6 million in 1982. Frontier underwrites animal mortality, inland marine, physicians medical malpractice and general liability insurance.

The Christopher Columbus Insurance Co., Rhulen's captive insurer in the Cayman Islands, was divested last year for tax purposes, Mr. Rhulen said.

The 22nd-largest broker this year as well as last is McDonough Caperton Insurance Group of Charleston, W. Va., which increased its revenues 12.5% to \$13.5 million in 1983 from \$12 million in 1982. The number of employees decreased by four, to 286 from 290.

Continued on next page

WHAT HAPPENS WHEN THE PEOPLE WHO INVITED CORPORATIONS IN . . . ARE OUT?

In many parts of the world, governments can change overnight and the people who welcome corporations today with open arms may not be there tomorrow.

MacLean, Oddy's experience in Political Risk can offer corporations significant protection for their overseas business interests. It can cover them against confiscation, expropriation, nationalization, deprivation, terrorism, emergency repatriation, contract frustration including import and export embargo and business interruption for substantial limits.

DON'T TAKE THAT RISK WITHOUT US! Contact Anita Chanpong, Miles Lowein, or Lafay Westbrook today for details on how to protect corporations against the hazards of tomorrow.



MACLEAN, ODDY & ASSOCIATES, INC.

2121 SAN JACINTO
SUITE 1818, L. B. 7
DALLAS, TEXAS 75201

(214) 969-0090
TELEX 730542

(Exclusively through insurance agents and brokers)

ODDBALL RISK? TAKE YOUR CUE FROM NORTH STAR.

Most insurance problems come in ordinary shapes and sizes. Normal policies can adequately cover normal risks. But in today's rapidly changing world, new ventures, mergers, technologies, and systems can produce new risks that defy old solutions.

That's when North Star comes into play. Our responsive specialists are adept at designing particular plans for unusual circumstances. North Star leads the way in such areas as

- prior acts liability,
- warranty covers,
- financial risk covers,
- umbrellas for professionals,
- promotion liability,
- malpractice coverage for

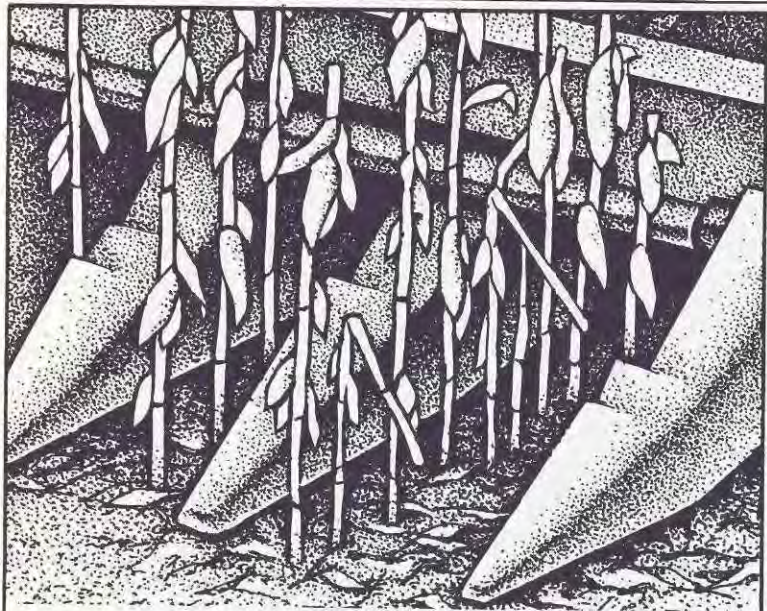
hospitals, clinics and individual doctors, and any type of unusual event or exposure requiring innovative underwriting.

When ordinary solutions no longer meet your needs, turn to North Star, your guide for complex risks.

NORTH STAR MANAGEMENT CORPORATION

New York (212) 770-0150
Chicago (312) 346-7890
Los Angeles (213) 383-7734





The Case of the Collapsing Cornpicker

The lawsuit was unusually complex. A self-propelled threshing machine had collapsed while its corn header was being bolted on. The injuries were fatal.

Why did the machine collapse? Was the product misused? Did the manufacturer use reasonable foresight in designing the machine? Were warnings posted properly? Countrywide investigators amassed facts, secured expert testimony, and researched competitive products. They discovered all warnings and safety features had been bypassed and that the product reflected the latest technology. The case was won.

Details have been disguised to protect the confidentiality of our client. But this case typifies our claims management work for major self-insured manufacturers throughout America and abroad. Unlike insurance investigators, we are not settlement oriented. Our primary concern is to help you defend the integrity of your product.

Please write down our phone number. We'll manage your most sensitive cases.



Countrywide Services Corporation

Specializing in product liability claims management

11933 Westline Drive, St. Louis, MO 63141, 314/878-3306

Several brokers come close to Top 20

Continued from previous page

The brokerage is now in the second year of a three-year program to almost double its revenues from 1982's \$10.2 million to \$20 million, according to President Gaston Caperton III.

Although this means it must generate a 48% increase in 1984, the firm still intends to meet its goal, says Mr. Caperton. "We think we'll make it this year. We feel really positive about that." Mr. Caperton says the firm expects to generate \$4 million to \$5 million in internal growth and another \$2 million from acquisitions.

It will seek acquisitions within a 500-mile radius of Charleston, he says, adding, "That gives you a lot of places." The firm opened one new office in Virginia in 1983.

Retail brokerage accounts for 60% of McDonough's revenues, with 90% of its insurance business in commercial lines. In addition to eight property/casualty brokerage subsidiaries, the firm has two employee benefit sales and service subsidiaries, a mass-marketing branch for association health plans and a captive management company that sets up and manages captive insurance companies for its clients.

Employee benefit sales was the fastest-growing segment last year, contributing about 75% of total revenue growth, Mr. Caperton says. The brokerage has orders for this year that will double the size of its employee benefits business, he adds.

New York-based Walter Kaye Associates Inc. posted a 26.2% boost in revenues last year, to \$13.3 million from \$10.6 million, moving up from last year's No. 24 position to No. 23.

To handle the greater amount of business, it increased the number of its employees to 198 from 163 in 1982 and has since increased the total to 220 so far this year, says Howard Kaye, the agency's president.

The firm, 90% of whose business is in broking commercial insurance, boosted its revenues by focusing for the first time on medical malpractice insurance and insurance for various industry associations, says Mr. Kaye. The agency

plans to continue to emphasize these areas of business this year, he adds.

The firm, which was founded in 1952, also plans to actively seek acquisitions for the first time this year, concentrating on the East Coast.

Mr. Kaye said he anticipates that as a result of internal growth and acquisitions, the firm will maintain the rapid pace of growth set in 1983.

"We've had a helluva spurt this year," he says.

Walter Kaye branch offices are located in Beverly Hills, Calif., Chicago and Fairfield, Conn. Subsidiaries include TKG Agencies Inc., a brokerage, and American Administrators Corp., a direct mail organization dealing in life and health insurance.

New York-based B.R.I. Coverage Corp., which had almost flat gross revenues of \$12.1 million in 1983 vs. \$12.2 million, slipped to the No. 24 spot from No. 21 in 1983. The number of its employees fell by one, to 131. While the firm had an "extremely good year" in attracting new business, the soft market made it difficult to boost revenues, says Howard Miller, B.R.I.'s senior vp-sales.

The agency's biggest area of business is casualty insurance, which accounts for about 40% of its business, says Mr. Miller. Marine insurance represents 20%, property 20%, crime/surety 10% and miscellaneous, primarily personal lines, the remaining 10%.

While the agency continues to operate its Montreal branch office, its Toronto office was closed last year. "There was just no need for it," says Mr. Miller.

A new emphasis this year has been foreign business, placing U.S. business overseas and placing insurance for foreign companies with U.S. insurers. This business grew from an insignificant amount in 1982 to 5% to 10% of its total business, and promises to become more important in the future, he says.

Its biggest growth this year and last was recorded by B.R.I.'s Risk Management Economics Inc., which administers claims for self-funded clients and manages claims for three offshore captive insurers

that it manages and five commercial insurance companies.

B.R.I. also has two offshore captives, UNISEA Insurance Co. Ltd. in Hamilton, Bermuda, and the International General Insurance Co. Ltd. in the Cayman Islands. Other subsidiaries are the Whitehouse Agency Inc., the firm's life insurance and employee benefit sales subsidiary, and B.R.I. International Agency, Inc., a reinsurance intermediary.

Birmingham-based McGriff, Seibels & Williams, Inc. slipped from the No. 23 position to No. 25 last year. Revenues dropped only slightly, to \$10.7 million from \$10.8 million, despite an 11.1% drop in premium volume to \$65.2 million from \$73.3 million. The number of employees increased by five, to 215.

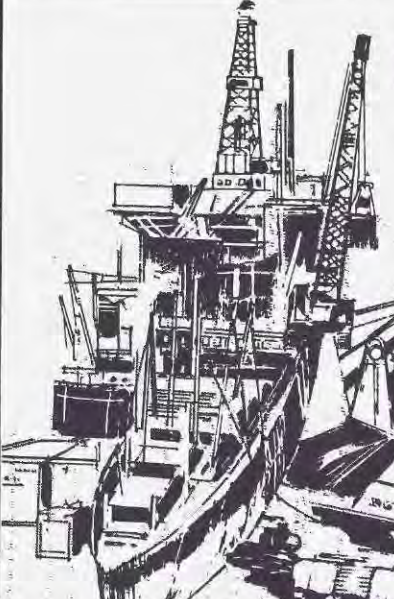
The lost business was the result of the acquisition of several major accounts by larger companies, which then dropped McGriff as their broker, says Lee McGriff, chairman and chief executive officer. The agency specializes in utilities and energy-related companies, such as generating stations.

The brokerage was able to maintain its level of revenues thanks to strong growth in its Southern Risk Services Inc. subsidiary. The third-party administrator of employee benefit plans generated 12% to 15% of total revenues. About another 15% of revenues was produced by selling personal lines and group insurance.

Mr. McGriff said the agency has already more than recovered last year's lost business. Revenues from the agency's property/casualty insurance sales for the first five months of the year are 32% ahead of the comparable period a year ago, he says. The agency is not doing anything new, though, he says. "We're just doing the same thing, but more of it."

Mr. McGriff notes that while the company plans no acquisitions this year, it does plan to open one or two more offices, possibly in Mississippi or Louisiana, to add to its present total of six.

In addition to McGriff's headquarters in Birmingham other offices are located in Florence, Gadsden and Mobile, Ala., and Pensacola and Orlando, Fla.



OCEAN MARINE INSURANCE

HULLS-OCEAN
Hull and Machinery, Increased Value etc., Builders Risk, War Risk, and Miscellaneous Commercial Craft.

CARGO
Import/Export, River, Coastal, By Vessel or Airplane, Cargo Liabilities, War Risk Including Block War, Bunkers, Collect Freight.

MARINE LIABILITIES
Charterers, Shiprepairers, Stevedores, Terminal Operators, Wharfingers; Cargo Legal Liability, Excess Marine Liabilities, Marine Bumpershoot, Water Pollution Liability, Offshore Liabilities.

ENERGY
Drilling Vessels, Rigs, Platforms, Pipelines, Supply Vessels, War & Political Risks, and Other Related Exposures.

MARINE REINSURANCE
All Forms of Marine Risks.



New York Marine Managers, Inc.

Underwriters and Managers representing American Companies

123 William Street, New York, N.Y. 10038 Phone: 212-349-1600 Telex: 129200NYMM NYK

Producer inquiries invited.

BI's directory of agents and brokers

A

Jay Adams & Associates Inc.

P.O. Drawer 70, 121 N. Ridgewood Ave., Daytona Beach, Fla. 32015; 904-252-3701

	1983	1982
Premium volume	\$7,350,000	\$6,700,000
Gross revenues	\$1,227,000	\$1,099,692
Brokerage: Retail	98%	98.5%
Wholesale	0.5%	0.5%
Services	1.5%	1%
Employees	25	22
Offices	1	1

Year founded: 1920.

Compensation: 99% commissions; 1% fees.

Principal officers: Jay Adams, president; Charles Bultman, Gerard M. White, Richard Fulton, vps; Sandi S. Wells, secretary/treasurer.

Licensed excess/surplus broker in: Florida.

Subsidiaries: Alliance Life Associates, Westbury, N.Y.; Atlantic Cycle Agency Inc., Westbury, N.Y.; Alliance Health Management Services Inc., Westbury, N.Y.; Cycle Insurance Service, Westbury, N.Y., and Wayne, N.J.; Central Claims Adjustment Inc., Westbury, N.Y.; Atlantic Excess & Surplus Inc., Westbury, N.Y., and U.S. Virgin Islands; Alliance Brokerage Corp., Westbury, N.Y., and St. Petersburg, Fla.; Antilles Insurance Inc., St. Thomas and St. Croix, U.S. Virgin Islands; Antilles Insurance Ltd., Tortola, British Virgin Islands.

Principal officers: Herbert N. Zack, president/treasurer; Benjamin R. Mintz, executive vp/secretary; Marshall M. Krassner, senior vp; Richard Stewart, president.

Antilles Insurance Inc.

Licensed excess/surplus broker in: New York and U.S. Virgin Islands.

Alper Agency Inc.

60 W. Superior St., Chicago, Ill. 60610; 312-642-1000

	1983	1982
Premium volume	\$6,000,000	\$6,000,000
Gross revenues	\$1,300,000	\$1,200,000
Brokerage: Retail	60%	70%
Services	20%	15%
Other	20%	15%
Employees	22	22
Offices	1	1

Year founded: 1966.

Compensation: 70% commissions; 30% fees.

Subsidiaries: AuditRate Inc., Chicago, Ill.

Parent company: Alper Services Inc.

Principal officers: Howard C. Alper, president; Martin F. Blake III, Russell M. Cortino, Edward J. Priz, vps.

Seymour Alper & Co. Ltd.

5165 Queen Mary Road, Third floor, Montreal, Quebec H3W1X8; 514-489-8601

	1983	1982
Premium volume	\$12,000,000	\$9,905,000
Gross revenues	\$2,194,000	\$1,810,000
Brokerage: Retail	89.3%	65%
Wholesale	10.7%	35%
Employees	39	40
Offices	1	1

Year founded: 1951.

Compensation: 97.5% commissions; 2.5% fees.

sions; 2.5% fees.

Principal officers: Seymour Alper, president; Michel LaBelle, first vp; Lita Alper, treasurer; Elliott Alper, secretary.

American Coverage Corp.

185 Great Neck Road, Great Neck, N.Y. 11022; 516-487-3800

	1983	1982
Premium volume	\$21,000,000	\$14,640,000
Gross revenues	\$3,315,000	\$2,309,000
Brokerage: Retail	96%	97%
Wholesale	1%	—
Services	1%	1%
Other	2%	2%
Employees	54	48
Offices	1	1

Year founded: 1935.

Continued on next page

Alliance Brokerage Corp.

990 Westbury Road, Westbury, N.Y. 11590; 516-333-7300

	1983	1982
Premium volume	\$37,500,000	\$36,000,000
Gross revenues	\$4,500,000	\$4,400,000
Brokerage: Retail	90%	95%
Wholesale	5%	—
Services	5%	5%
Employees	90	85
Offices	6	5

Year founded: 1897.

Compensation: 90% commissions; 10% fees.

Branch offices: Alliance Brokerage Corp., Westbury, N.Y.; St. Petersburg, Fla.; Cycle Insurance Service, Wayne, N.J.; Antilles Insurance Inc., St. Thomas and St. Croix, U.S. Virgin Islands; Antilles Insurance Ltd., Tortola, British Virgin Islands.

Guide to directory

New information is provided this year about each of the agencies and brokerages responding to the *Business Insurance* agent/broker questionnaire.

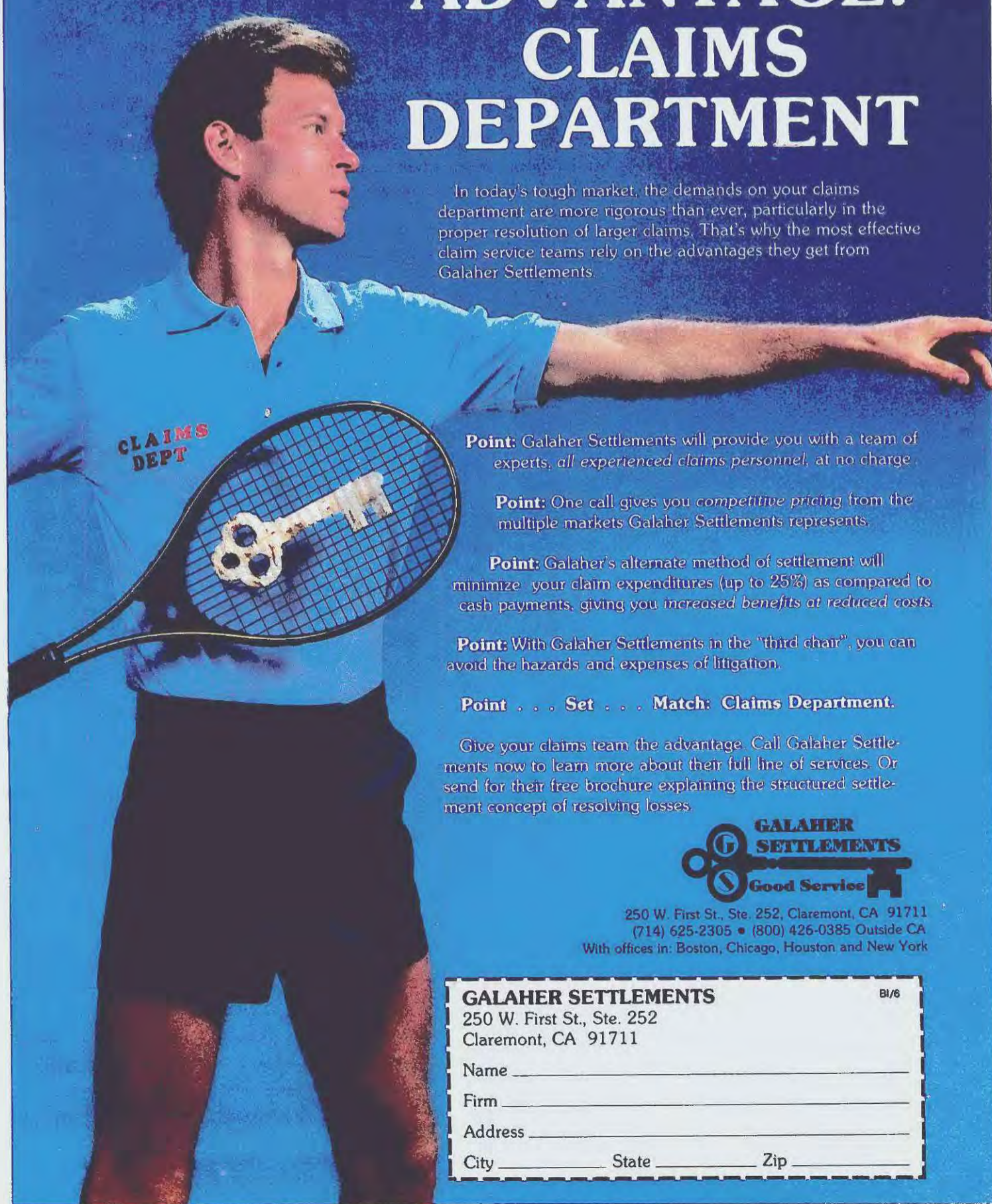
In addition to providing premium volume, gross revenues, number of employees and management information, the profiles this year identify what percentage of each company's gross revenues is generated by commercial retail and wholesale brokerage, services and other activities, which include personal lines insurance marketing. The year the company was founded, its number of offices and what percent of its revenues are generated by commissions vs. fees also are listed for the first time.

As in previous years, also listed are acquisitions in the past and current year, branch offices, subsidiaries, parent company, principal officers and the states in which the company is a licensed excess/surplus lines broker.

To qualify for a listing, the agency or brokerage must deal directly with corporate or institutional policyholders and generate at least \$500,000 in gross revenues through this retail commercial brokerage business. These profiles are an editorial service and are published at no charge to the brokerages.

The information in each profile was compiled by *Business Insurance* based on information supplied by the individual agents and brokers.

ADVANTAGE: CLAIMS DEPARTMENT




In today's tough market, the demands on your claims department are more rigorous than ever, particularly in the proper resolution of larger claims. That's why the most effective claim service teams rely on the advantages they get from Galaher Settlements.

- Point:** Galaher Settlements will provide you with a team of experts, all experienced claims personnel, at no charge.
- Point:** One call gives you competitive pricing from the multiple markets Galaher Settlements represents.
- Point:** Galaher's alternate method of settlement will minimize your claim expenditures (up to 25%) as compared to cash payments, giving you increased benefits at reduced costs.
- Point:** With Galaher Settlements in the "third chair", you can avoid the hazards and expenses of litigation.

Point . . . Set . . . Match: Claims Department.

Give your claims team the advantage. Call Galaher Settlements now to learn more about their full line of services. Or send for their free brochure explaining the structured settlement concept of resolving losses.



GALAHER SETTLEMENTS
250 W. First St., Ste. 252, Claremont, CA 91711
(714) 625-2305 • (800) 426-0385 Outside CA
With offices in: Boston, Chicago, Houston and New York

GALAHER SETTLEMENTS BI/6

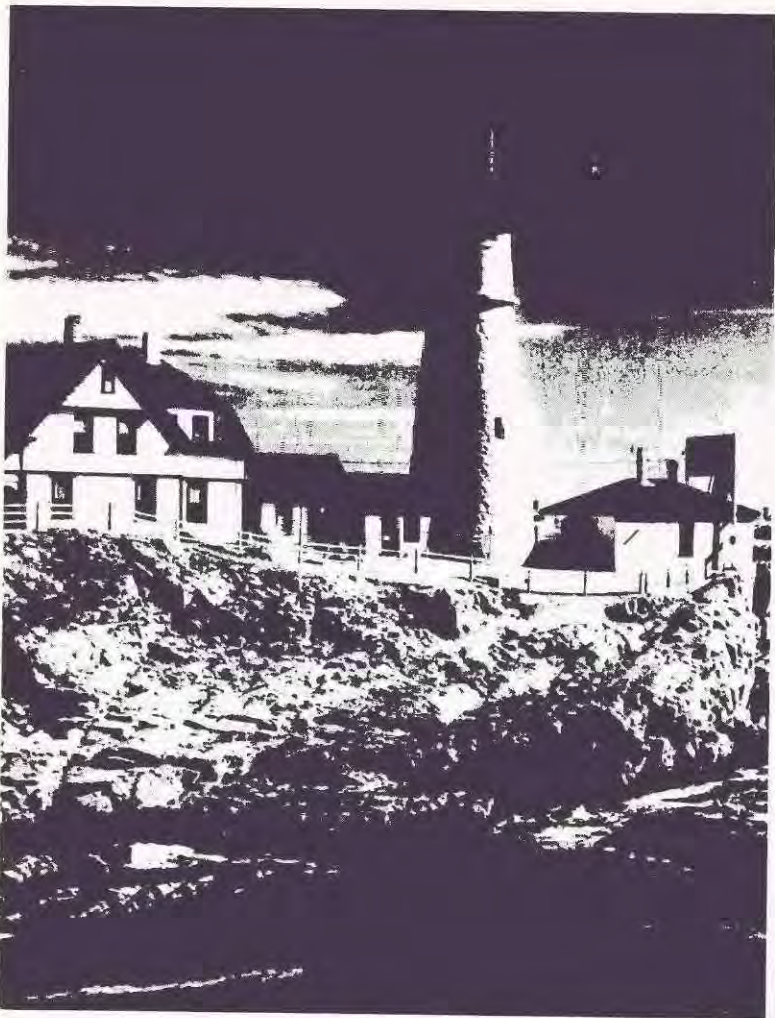
250 W. First St., Ste. 252
Claremont, CA 91711

Name _____

Firm _____

Address _____

City _____ State _____ Zip _____



When George F. Brown opened his one-desk brokerage office in 1912, he was facing a tough, no-nonsense world. World War I was looming, industrial and financial giants were sprawling over the world and technology was in its infancy. "Aeroplanes" were little more than novel toys. And rock-solid agreements were sealed with no more than a handshake, because in those days a man's word was his bond. George F. Brown was that kind of a man, and the business he organized seven decades ago has become known as "the brokers' broker" throughout much of the Western world...primarily because the basic philosophies upon which the business was built have never changed.

Call us...when you need a broker with

OLD-FASHIONED INTEGRITY



Geo. F. Brown & Sons, Inc.

The Placement SpecialistsSM

Offices across the nation...coverages around the world

Atlanta 404/396-7620	Chicago 312/977-9400	Houston 713/578-7222
Los Angeles 213/383-7501	San Francisco 415/777-3278	

A subsidiary of Interstate National Corporation, one of the Fireman's Fund Insurance Companies.

Continued from previous page

Year founded: 1946.
Compensation: 100% commissions.

Acquisitions: A.W. Daniels & Co., Glenview Ill., pooled.

Branch offices: Arlington Heights, Ill.

Principal officers: William T. Billings, president; Richard Covelli, executive vp.

Licensed excess/surplus broker in: Illinois.

Beal & Associates Insurance Counselors Inc.

5635 E. Thomas Road, Phoenix, Ariz. 85018; 602-990-1111

	1983	1982
Premium volume	\$6,000,000	\$6,000,000
Gross revenues	\$1,500,000	\$1,339,000
Brokerage: Retail	99%	85%
Wholesale	1%	15%
Employees	35	33
Offices	1	3

Year founded: 1958.
Compensation: 92% commissions; 8% fees.

Principal officers: William A. Beal, president; Thomas W. Beal, vp; Norma J. Beal, secretary/treasurer.

Licensed excess/surplus broker in: Arizona.

Beauchamp & McSpadden

231 W. Canal St., P.O. Box 687, Wabash, Ind. 46992; 219-563-8821

	1983	1982
Premium volume	\$7,041,000	\$6,100,000
Gross revenues	\$1,273,000	\$1,100,000
Brokerage: Retail	65%	65%
Other	35%	35%
Employees	29	32
Offices	3	3

Year founded: 1927.
Compensation: 100% commissions.

Branch offices: Wabash and North Manchester, Ind.; Beauchamp McSpadden Strayer Insurance, Warsaw, Ind.

Subsidiaries: IFM Life & Health Inc., Wabash, Ind.

Parent company: Insurance & Financial Management Inc., Wabash, Ind.

Principal officers: Robert W. Beauchamp, president; Joseph W. McSpadden, vp; Michael J. Beauchamp, treasurer; Frederick H. Squires, secretary.

Beck/Wm. Schwartz Inc.

13403 Northwest Freeway, Houston, Texas 77040; 713-895-9900

	1983	1982
Premium volume	\$11,000,000	\$7,000,000
Gross revenues	\$800,000	\$525,000
Brokerage: Retail	90%	90%
Wholesale	5%	5%
Services	5%	5%
Employees	8	5
Offices	1	1

Year founded: 1981.
Compensation: 95% commissions; 5% fees.

Principal officers: William M. Schwartz, chairman; Gary G. Beck, president; Philip R. Swift, Sandra J. Bryant, vps.

Licensed excess/surplus broker in: Texas.

Bennett Wallace Welch & Green Insurance Inc.

2200 16th St. N., P.O. Box 3842, St. Petersburg, Fla. 33731; 813-822-4616

	1983	1982
Premium volume	\$6,000,000	\$7,000,000
Gross revenues	\$1,300,000	\$1,325,000
Brokerage: Retail	60%	60%
Other	40%	40%
Employees	34	34
Offices	3	3

Year founded: 1968.
Compensation: 100% commissions.

Branch offices: Seminole and Dunedin, Fla.

Principal officers: William P. Wallace, chairman/president; John I. Welch, Stanley C. Shaver Jr., senior vps; Jack Fessler, Al Klutts, J.

Sherwood White, Rick Hyman, vps.

Licensed excess/surplus broker in: Florida.

Robert E. Bill Associates Inc.

100 Broad Hollow Road, Farmingdale, N.Y. 11735; 516-249-1000

	1983	1982
Premium volume	\$7,400,000	\$7,200,000
Gross revenues	\$1,300,000	\$1,200,000
Brokerage: Retail	85%	80%
Other	15%	20%
Employees	21	22
Offices	2	2

Year founded: 1972.
Compensation: 83% commissions; 2% fees.

Branch offices: Fort Myers, Fla.
Principal officers: Robert E. Bill, chief executive officer/president; Robert S. Klipera, Henry G. Arntsen, vps-special risk department; Robert K. Clausen, vp-research and development.

Blumencranz, Klepper & Wilkins Ltd.

3000 Marcus Ave., Lake Success, N.Y. 11040; 212-445-2300

	1983	1982
Premium volume	\$24,000,000	\$20,000,000
Gross revenues	\$2,360,000	\$1,950,000
Brokerage: Retail	85%	98%
Wholesale	5%	2%
Employees	34	30
Offices	1	1

Year founded: 1929.
Compensation: 80% commissions; 20% fees.

Acquisitions: Joda Associates Inc., New York, pooled.

Subsidiaries: BBK&W Agency Inc., Lake Success, N.Y.

Principal officers: Roger A. Blumencranz, president; Aaron A. Wilkins, Stuart B. Wilkins, Joyce Rubin, Frank Ali, Valerie Sanborn, Hamilton, vps.

Licensed excess/surplus broker in: New York.

Boccaccio & Susanin Inc.

141 Washington St., Hartford, Conn. 06106; 203-249-6811

	1983	1982
Premium volume	\$5,249,768	\$5,862,795
Gross revenues	\$962,683	\$1,119,119
Brokerage: Retail	100%	100%
Employees	21	21
Offices	1	1

Year founded: 1962.
Compensation: 100% commissions.

Principal officers: Richard P. Boccaccio, president; Ernest S. Susanin, vp.

Licensed excess/surplus broker in: Connecticut.

Boockford & Co.

2015 Spring Road, Oak Brook, Ill. 60521; 312-789-5000

	1983	1982
Premium volume	NA	NA
Gross revenues	\$1,535,000	\$1,420,000
Brokerage: Retail	100%	100%
Employees	25	24
Offices	1	1

Year founded: 1950.
Compensation: 95% commissions; 5% fees.

Principal officers: William D. Boockford, president; Louis J. Chiodo, vp; William D. Boockford Jr., secretary.

Licensed excess/surplus broker in: Illinois.

Boynton Brothers & Co.

200 Jefferson St., Perth Amboy, N.J. 08862; 201-442-3300

	1983	1982
Premium volume	NA	NA
Gross revenues	\$2,000,000	\$1,900,000
Brokerage: Retail	80%	80%
Other	20%	20%
Employees	42	42
Offices	1	1

Year founded: 1399.
Compensation: 95% commissions; 5% fees.

Principal officers: Edwin

Stewart Jr., chairman; Michael J. McMahon, president; Kenneth F. Warcnal, executive vp; Robert Sikora, vp; Barry A. Cruikshank, secretary/treasurer.

Licensed excess/surplus broker in: New Jersey.

Brandow, Howard, Kohler & Rosenbloom Inc.

3601 Park Center Blvd., Minneapolis, Minn. 55416; 612-929-5551

	1983	1982
Premium volume	\$28,000,000	\$28,000,000
Gross revenues	\$3,000,000	\$3,000,000
Brokerage: Retail	80%	80%
Other	20%	20%
Employees	55	55
Offices	1	1

Year founded: 1963.
Compensation: 95% commissions; 5% fees.

Subsidiaries: Attitude Helpers Inc., Minneapolis.

Principal officers: John Kohler, president; Frank Howard, treasurer; Jim Dockman, Amos Rosenbloom, John Lietzke, vps.

Brown & Brown Inc.

P.O. Box 427, Daytona Beach, Fla. 32015; 904-252-6454

	1983	1982
Premium volume	\$55,000,000	\$40,000,000
Gross revenues	\$6,890,400	\$4,566,900
Brokerage: Retail	56.4%	60.6%
Wholesale	11.8%	12.8%
Services	11.8%	6.4%
Other	20.2%	20.2%
Employees	184	111
Offices	13	6

Year founded: 1939.
Compensation: 73.2% commissions; 11.8% fees.

Acquisitions: Associated Insurance Services Inc., Fort Myers, Fla., purchased; James/Hawkins Associates Inc., West Palm Beach, Fla., purchased.

Branch offices: Daytona Beach, Boynton Beach, Cape Coral, Delray Beach, Fort Myers Beach, North Fort Myers, Orlando, Port Charlotte, Sanibel, Tampa, Sarasota and West Palm Beach, Fla.

Subsidiaries: MacDuff Underwriters Inc., Daytona Beach, Fla.; MacDuff Exchange Inc., Miami; James & Johansing Inc., Coconut Creek, Fla.

Principal officers: J. Hyatt Brown, president; Pete Thomas, senior vp; H. Van Massey, senior executive vp; Kenneth E. Hill, executive vp; Donald F. Pelling, vp.

Licensed excess/surplus broker in: Florida.

Business Coverage Corp.

2124 Highway 35, Holmdel, N.J. 07733; 201-671-5111

	1983	1982
Premium volume	\$7,000,000	\$6,000,000
Gross revenues	\$800,000	\$750,000
Brokerage: Retail	100%	100%
Employees	20	18
Offices	1	1

Year founded: 1969.
Compensation: 98% commissions; 2% fees.

Principal officers: Alan N. Curry, president; Margaret F. Curry, John F. Baldwin, Ralph Ialleggio, Lilly Owens, vps.

Bynum Insurance Inc.

2401 Fountainview, Suite 800, Houston, Texas 77057; 713-783-9902

	1983	1982
Premium volume	\$8,000,000	\$6,261,178
Gross revenues	\$1,085,000	\$929,899
Brokerage: Retail	80%	77%
Other	20%	23%
Employees	18	19
Offices	1	1

Year founded: 1957.
Compensation: 100% commissions.

Subsidiaries: Bynum Life & Benefits Inc., Houston.

Principal officers: David D. Bynum, president; William M. Duncan, Robert E. Adams, vps; Hilda Hines, secretary; Fred A.

Continued on facing page

Continued from facing page
Carpenter, president-Bynum Life & Benefits Inc.
Licensed excess/surplus broker in: Texas.

C

Calco Insurance-Brokers & Agents

1900 Alameda de las Pulgas, San Mateo, Cal f. 94402; 415-572-4418

	1983	1982
Premium volume.	\$21,000,000	\$17,200,000
Gross revenues...	\$2,150,000	\$1,770,000
Brokerage: Retail.	100%	100%
Employees.....	NA	NA
Offices.....	5	5

Year founded: 1927.

Compensation: 100% commissions.

Branch offices: San Mateo, San Francisco, Fresno, Glendale, Orange, Calif.

Parent company: California Casualty Management Co.

Principal officers: Thomas R. Brown, director/chairman; Peter Goldberg, director/executive vp-operations; Robert Tuthill, senior vp; William D. Hall, vp-manager.

Cal-Surance Associates Inc.

3475 Torrance Blvd., Torrance, Calif. 90503; 213-543-1660

	1983	1982
Premium volume.	\$61,358,200	\$50,037,000
Gross revenues...	\$7,288,000	\$6,168,942
Brokerage: Retail.	80%	95%
Wholesale.	10%	—
Services.....	9%	4%
Other.....	1%	1%
Employees.....	135	118
Offices.....	4	4

Year founded: 1962.

Compensation: 88% commissions; 12% fees.

Branch offices: Torrance, San Jose and Fresno, Calif.

Subsidiaries: Lancer Claims Services, Torrance, Calif.

Parent company: Chartered Financial Services.

Principal officers: Donald E. Martin, president; Earl D. Butler, vp/chief operating officer; Mike Bogen, vp-commercial division; George Francis, chief operating officer-MGA marketing; Dave Isselhard, president-Lancer Claims Services.

Licensed excess/surplus broker in: California.

Capitol Risk Concepts Ltd.

1 Water St., White Plains, N.Y. 10601; 914-946-7161

	1983	1982
Premium volume.	\$10,450,000	\$8,020,000
Gross revenues...	\$1,045,000	\$802,000
Brokerage: Retail.	99%	99%
Services.....	1%	1%
Employees.....	16	17
Offices.....	4	4

Year founded: 1976.

Compensation: 85% commissions; 15% fees.

Branch offices: Fort Lauderdale, Fla.; New York; Nashua N.H.

Subsidiaries: Capitol Risk Management Services Ltd., White Plains, N.Y.; Capitol Risk Concepts of Florida Inc., Fort Lauderdale, Fla.

Principal officers: John F. Keane Jr., president; Peter T. Sutherland, vp; Richard L. Kohlhausen, secretary/treasurer; Eric Freeman, president-Capitol Risk Concepts of Florida Inc.

Carlin Insurance Agency Inc.

235 W. Central St., Natick, Mass. 01760; 617-655-0522

	1983	1982
Premium volume.	\$10,200,000	\$7,150,000
Gross revenues...	\$1,400,000	\$850,000
Brokerage: Retail.	98%	98%
Other.....	2%	2%
Employees.....	27	23
Offices.....	1	1

Year founded: 1968.

Compensation: 100% commis-

sions.

Acquisitions: A.A. Proctor & Co. Inc., Newton, Mass., pooled.

Parent company: Consolidated Resources Corp.

Principal officers: James A. Cotter, president; William A. Yetman, David A. Proctor, executive vps; Paul A. Neeson, Rosemary W. Fulham, vps.

Licensed excess/surplus broker in: Massachusetts.

Carpezi Agency Inc.

400 E. Route 59, Nanuet, N.Y. 10954; 914-623-0050

	1983	1982
Premium volume.	\$3,970,000	\$3,850,000
Gross revenues...	\$702,000	\$665,000
Brokerage: Retail.	97%	95%
Wholesale.	3%	5%
Employees.....	13	10
Offices.....	1	1

Year founded: 1971.

Compensation: 70% commissions; 30% fees.

Principal officers: Leonard J. Carpezi, president; Virginia Pellicciotta, office manager; Rory O'Brien, commercial production; Patrick D. Auria, personal lines production.

Carswell Insurance Group Inc.

P.O. Box 1368, Savannah, Ga. 31402; 912-234-1671

	1983	1982
Premium volume.	\$48,000,000	\$46,000,000
Gross revenues...	\$6,184,000	\$5,563,000
Brokerage: Retail.	76%	79%
Services.....	14%	16%
Other.....	10%	5%
Employees.....	120	115
Offices.....	7	7

Year founded: 1868.

Compensation: 66% commissions; 24% fees.

Acquisitions: Almours-Carswell Inc., Jacksonville, Fla., pooled. Carswell of Florida Inc. merged in 1983 with Jacksonville Properties Inc. to form Almours-Carswell Inc.

Branch offices: Savannah, Vidalia and Atlanta, Ga.; Almours-Carswell Inc., Fernandina Beach, St. Petersburg and Jacksonville, Fla.; Carswell of Carolina, Hilton Head Island, S.C.

Principal officers: John D. Carswell, president/treasurer; William H. Brown, executive vp; Edwin P. Bendin, Carl G. Carlson, vps; Archie L. Morris, secretary/general counsel.

Clair Insurance Agency Inc.

717 Bethlehem Pike, Erdenheim, Pa. 19118; 215-242-5555

	1983	1982
Premium volume.	\$15,363,992	\$14,346,918
Gross revenues...	\$1,997,178	\$1,830,566
Brokerage: Retail.	100%	100%
Employees.....	50	53
Offices.....	1	1

Year founded: 1932.

Compensation: 90% commissions; 10% fees.

Subsidiaries: Morgan Insurance Agency.

Principal officers: Robert A. Clair, president/treasurer; Milton B. Kohn, vp/secretary; David A. Collins Jr., Frank D. Svitek, vps.

Commercial Carriers Insurance Agency Inc.

17418 S. Studebaker Road, Cerritos, Calif. 90701; 213-860-1955

	1983	1982
Premium volume.	\$6,185,000	\$5,541,000
Gross revenues...	\$1,075,000	\$833,452
Brokerage: Retail.	97%	99%
Other.....	3%	1%
Employees.....	29	20
Offices.....	5	3

Year founded: 1979.

Compensation: 100% commissions.

Branch offices: Cerritos, Oakland, Fresno, Sacramento and Ontario, Calif.

Principal officers: Henry H. Escalante, president; Shannon S. Walker, Dennis L. Rieger, J. Scott

Fleming, Gary MacFarlane, vps.

Consolidated Insurance Center Inc.

7130 Rutherford Road, Baltimore, Md. 21207; 301-654-6850

	1983	1982
Premium volume.	NA	NA
Gross revenues...	\$1,200,000	\$1,200,000
Brokerage: Retail.	60%	70%
Other.....	40%	30%
Employees.....	28	30
Offices.....	1	1

Year founded: 1969.

Compensation: 100% commissions.

Subsidiaries: Consolidated Insurance Consultants Inc., Baltimore, Md.

Principal officers: John T. Doetzer, president; Thomas F. Campion, executive vp/treasurer; Frederick R. Buck, vp; Joanne Schutz, assistant treasurer.

Licensed excess/surplus broker in: Maryland and Washington, D.C.

Couper-Ackerman-Sampson Inc.

2 Court St., P.O. Box 1970, Binghamton, N.Y. 13902; 607-772-1444

	1983	1982
Premium volume.	\$5,000,000	\$5,000,000
Gross revenues...	\$915,000	\$865,000
Brokerage: Retail.	100%	100%
Employees.....	25	25
Offices.....	1	1

Year founded: 1890.

Compensation: 95% commissions.

Continued on next page

CUT COSTLY PAPERWORK AND CUT YOURSELF IN ON MORE VALUABLE SELLING TIME.

Ms. Karen Atkinson
COMP-U-COMP
P.O. Box 26721, Elkins Park, PA 19117
Dear Ms. Atkinson:
Please send me more information or have a representative call.
Name _____
Agency _____
Address _____
City _____ State _____ Zip _____ B.I. _____

CUT A HOLE IN THIS PAGE.

Comp-U-Comp can make you a cut above by comparing the net cost of workers' compensation rating plans for up to four carriers simultaneously. Projections use plan factors and loss

experience enabling you to offer clients all the important information. Convenience and high technology are yours at a fraction of the cost. Write or call today.



A division of Instech Computer Services, Inc.
Post Office Box 26721, Elkins Park, PA 19117



Comp-U-Comp is fully sanctioned by the IIFA.

For more details call toll-free 800 545-COMP; in PA (215) 635-COMP

WHO SAYS SMALL EMPLOYERS CAN'T HAVE COST CONTAINMENT?

At Union Central Life we think small employers need cost containment too. That's why our ESB Trust offers a very competitive health plan with "cost containment" features and a wide variety of options for employers of 10 to 99 lives. So, next time . . . and every time . . . you need group insurance, call Union Central Life.

ATLANTA
(404) 951-9311

FLORIDA
(305) 491-8851

LOS ANGELES
(213) 385-2176

CINCINNATI
(513) 621-1330

HOUSTON
(713) 659-8812

NEW YORK
(212) 867-7767

DALLAS
(214) 231-9888

KANSAS CITY
(913) 831-1172

VIRGINIA
(804) 827-5800

(Soon to be in Chicago)



Union Central Life

Union Central Life Insurance Company, Inc. is a member of Union Central Life Group

Continued from previous page
 sions; 5% fees.

Acquisitions: Brink-Stabler Agency Inc., Endwell, N.Y., not reported.

Principal officers: John F. Russell, president; William C. McPhail, executive vp; Robert H. White, vp/secretary; Thomas L. Moore, vp/treasurer; Glen McNeil, vp.

Frank Crystal & Co. Inc.
 61 Broadway, New York, N.Y.
 10006; 212-344-2444

	1983	1982
Premium volume	NA	NA
Gross revenues	\$6,645,000	\$5,811,000
Brokerage: Retail	100%	100%
Employees	51	42
Offices	1	1

Year founded: 1933.

Compensation: 97% commissions; 3% fees.

Branch offices: Frank Crystal & Co. Inc. (Texas), Houston.

Subsidiaries: Frank Crystal & Associates, New York.

Principal officers: James W. Crystal, president/chief executive officer; I. Frank Crystal, chairman; Kenneth Liebman, executive vp; Arthur Littman, vp/chief financial officer; Kenneth Gamble, vp-sales; William Mann, vp-marketing; Vincent Gandolfo, vp-benefits.

Licensed excess/surplus broker in: New York and Texas

D

The Daniel & Henry Co.
 100 N. Jefferson, St. Louis, Mo.
 63103; 314-421-1525

	1983	1982
Premium volume	\$29,562,000	\$29,100,000
Gross revenues	\$4,998,032	\$4,650,000
Brokerage: Retail	84.3%	88.5%
Services	5.78%	2.14%
Other	9.92%	9.36%
Employees	120	120
Offices	2	2

Year founded: 1921.

Compensation: 99% commissions; 1% fees.

Branch offices: Two in St. Louis.

Principal officers: C. Peyton Daniel, president/chief executive officer; Charles S. Drew Jr., chairman; John S. Childress, executive vp; John A. Harrison, vp; Ronald C. Mueller, treasurer.

Licensed excess/surplus broker in: Missouri

Davis-Garvin Agency Inc.
 P.O. Box 21627, 1 Harbison Way,
 Brookside Building, Columbia, S.C.
 29221; 803-732-0060

	1983	1982
Premium volume	\$8,590,000	\$5,100,000
Gross revenues	\$1,273,785	\$754,091
Brokerage: Retail	85%	85%
Wholesale	5%	5%
Services	5%	5%

	5%	5%
Other	5%	5%
Employees	20	8
Offices	2	1

Year founded: 1981.

Compensation: 92% commissions; 8% fees.

Branch offices: Savannah, Ga. **Subsidiaries:** Davis-Garvin Agency of Mississippi, Jackson, Miss.; Davis-Garvin Agency of Arkansas, Eudora, Ark.

Principal officers: Hinton G. Davis, president; Jimmie O. Garvin, vp.

Licensed excess/surplus broker in: South Carolina, North Carolina, Georgia, Alabama, Florida, Mississippi, Arkansas, Maine, New Hampshire, New York, Kentucky, Tennessee, Vermont.

Davis-Grosse Inc.

168 E. Lake, Box 579, Elmhurst, Ill.
 60126; 312-834-0056

	1983	1982
Premium volume	\$5,900,000	\$5,850,000
Gross revenues	\$1,071,887	\$1,067,385
Brokerage: Retail	91%	91%
Wholesale	8%	8%
Services	1%	1%
Employees	17	17
Offices	1	2

Year founded: 1916.

Compensation: 99% commissions; 1% fees.

Principal officers: Edward L. Grosse, president; William Opelka, senior vp; Alfred E. Barr, vp/secretary; James H. Davis, vp/treasurer.

Dawkins, Clark & Associates Inc.

790 E. Broward Blvd., Fort Lauderdale, Fla. 33301;
 305-467-3833

	1983	1982
Premium volume	\$4,600,000	\$4,600,000
Gross revenues	\$560,000	\$506,000
Brokerage: Retail	100%	100%
Employees	14	10
Offices	1	1

Year founded: 1979.

Compensation: 100% commissions.

Principal officers: Tim Dawkins, president; Ted Jensen, vp.

Curtis Day & Co.

1 California St., San Francisco, Calif.
 94111; 415-433-0480

	1983	1982
Premium volume	\$11,500,000	\$8,800,000
Gross revenues	\$1,730,000	\$1,370,000
Brokerage: Retail	100%	100%
Employees	26	24
Offices	1	2

Year founded: 1966.

Compensation: 92% commissions; 8% fees.

Principal officers: Phillip J. Buchanan, president/treasurer; Julie A. Ferro, vp/secretary.

Walter P. Dolle Inc.

Dixie Terminal Building, Cincinnati,
 Chic 45202; 513-421-6515

	1983	1982
Premium volume	\$39,100,000	\$37,800,000
Gross revenues	\$3,815,000	\$3,745,000
Brokerage: Retail	97%	97%
Wholesale	1%	1%
Services	2%	2%
Employees	64	64
Offices	1	1

Year founded: 1872.

Compensation: 85% commissions; 15% fees.

sions; 15% fees.

Principal officers: Jack R. Trainer, chairman; Robert D. Lang, president; H. Russell Reigart, vp.

Licensed excess/surplus broker in: Ohio.

Dowis Agency Inc.

214 S. Third St., Sterling, Colo.
 80751; 303-522-6260

	1983	1982
Premium volume	\$4,683,000	\$5,194,000
Gross revenues	\$1,056,000	\$1,044,000
Brokerage: Retail	75%	75%
Wholesale	1%	1%
Services	6%	5%
Other	18%	19%
Employees	22	21
Offices	1	1

Year founded: 1924.

Compensation: 76% commissions; 0.5% fees.

Subsidiaries: Dowis Management Corp., Dowis Systems Inc.

Principal officers: Richard W. Dowis, president; Lyle D. Graham, first vp; H.M. Dickson Jr., second vp; Michael T. McCune, third vp; Richard A. Warren, secretary/treasurer.

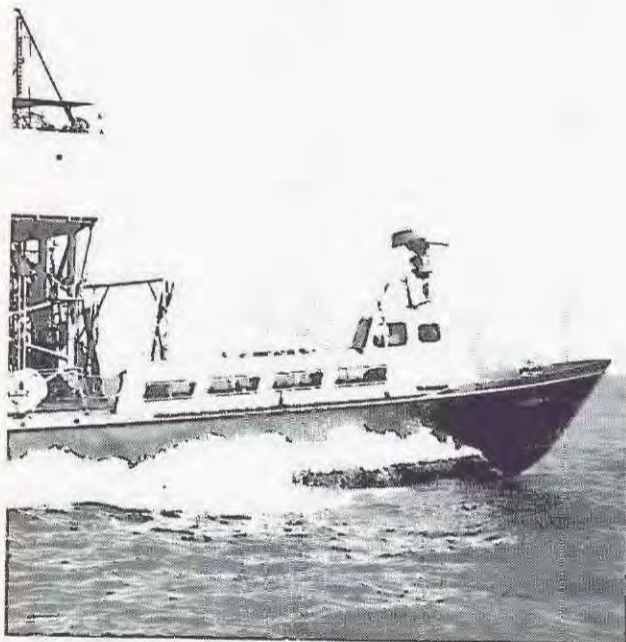
Robert F. Driver Co. Inc.

1475 Sixth Ave., San Diego, Calif.
 92112; 619-238-1828

	1983	1982
Premium volume	\$32,000,000*	\$27,300,000*
Gross revenues	\$6,500,000	\$5,500,000
Brokerage: Retail	80%	80%
Services	15%	15%
Other	5%	5%
Employees	130	117
Offices	4	4

*Premium volume does not include life, group and health, which is \$3 million to \$5 million annually.

Continued on facing page



We Specialize In MARINE INSURANCE

And in The Reliable Underwriting of a Wide Variety of Risks. We're not the largest marine insurance company, but big doesn't necessarily mean best. And as the service record shows, our reputation for reliability and innovation is unrivaled. Our clients include small fishing boat operators as well as large multi-national corporations. Whoever they are, whatever their risks, all receive the same personalized attention and share the benefits of fair, competitive rates and comprehensive protection. If you are in a business requiring underwriting of marine related risks, please give us a call. You won't be sorry.

We offer onshore as well as offshore coverage to the oil and natural gas drilling industries for rig physical damage, cost of control, loss of earnings, seepage and pollution, drilling and re-drilling and comprehensive general liability.

Call or write for a copy of our brochure—Continental Underwriters, Ltd., "Who We Are, What We Can Do For You."

Continental Underwriters, Ltd.

419 Decatur St.
 New Orleans, LA 70130
 Telephone (504) 581-7493
 Telex: 58-318 • 266052 CULTD

Correspondents at Lloyds of London



No one's more
INNOVATIVE

THE
JERSEY INTERNATIONAL GROUP

ADMIRAL INSURANCE COMPANY
 Surplus Lines Division of the W. R. Berkley Corporation

Continued from facing page

Year founded: 1925.
Compensation: 90% commissions; 10% fees.
Branch offices: La Jolla, Newport Beach and Escondido, Calif.
Subsidiaries: Driver Equity Co. and Premium Advance Co., San Diego, Calif.

Principal officers: Robert F. Driver, chairman; Irwin B. Sklar, president; Robert H. Herring, secretary/treasurer/comptroller; LeGrand L. Rane, senior vp; Robert J. Young, executive vp.

Licensed excess/surplus broker in: California.

The Ducey Agency Inc.

Route 9-W, Haverstraw, N.Y. 10927; 914-429-5000

	1983	1982
Premium volume...	\$3,800,000	\$3,900,000
Gross revenues...	\$525,000	\$535,000
Brokerage: Retail...	100%	100%
Services.....	8	8
Employees.....	1	1

Year founded: 1915.

Compensation: 100% commissions.

Acquisitions: Pat F. Matone Inc., Haverstraw, N.Y., pooling or purchased not reported.

Principal officers: Thomas W. Torpey, president; Edward C. Smith, vp.

E

**Lester Eckert & Co.,
 Corporate Insurance
 Brokers**

3050 Post Oak Blvd., Suite 1700,
 Houston, Texas 77056;
 713-960-8686

	1983	1982
Premium volume...	\$30,000,000	\$20,000,000
Gross revenues...	\$3,200,000	\$2,900,000
Brokerage: Retail...	100%	99%
Services.....	—	0.5%
Other.....	—	0.5%
Employees.....	32	35
Offices.....	1	1

Year founded: 1980.

Compensation: 80% commissions; 20% fees.

Subsidiaries: Ekco Protection Consultants Inc., Houston.

Principal officers: Lester W. Eckert, chairman/president; Robert B. Hanson, executive vp; Virginia Hilley, senior vp.

Licensed excess/surplus broker in: Texas.

James Econn & Co.

3055 Wilshire Blvd., Los Angeles,
 Calif. 90010; 213-386-3131

	1983	1982
Premium volume...	\$16,655,000	\$13,967,000
Gross revenues...	\$2,792,167	\$2,328,666
Brokerage: Retail...	99%	99%
Wholesale...	1%	1%
Employees.....	31	30
Offices.....	3	2

Year founded: 1919.

Compensation: 99% commissions; 1% fees.

Branch offices: Newport Beach and Foster City, Calif.

Subsidiaries: Affiliated companies are JEM Co. Insurance Services, James Econn & Co. Life Agency and Home Buyers Insurance Agency.

Principal officers: James W. Econn, chairman; B.F. Grier, president; Richard C. Econn, executive vp.

Epps-McLendon Co. Inc

249 W. Main St., Lake City, S.C.
 29560; 803-394-2018

	1983	1982
Premium volume...	\$3,901,287	\$4,198,298
Gross revenues...	\$688,928	\$630,875
Brokerage: Retail...	95%	95%
Services.....	2%	2%
Other.....	3%	3%
Employees.....	22	23
Offices.....	2	2

Year founded: 1907.

Compensation: 90% commissions

10% fees.

Branch offices: Kingstree, S.C..

Principal officers: James Vernon Epps, president; Dorothy R. Epps, secretary/treasurer.

Licensed excess/surplus broker in: South Carolina.

F

FBS Insurance

1700 Soo Line Building, P.O. Box
 522, Minneapolis, Minn. 55480;
 612-370-5191

	1983	1982
Premium volume...	\$65,000,000	\$65,000,000
Gross revenues...	\$8,250,000	\$8,400,000
Brokerage: Retail...	98%	99%
Services.....	2%	1%
Employees.....	188	220
Offices.....	62	62

Year founded: 1929.

Continued on next page

**FIRE
 PROTECTION
 ENGINEERING
 AND
 CONSULTING**

**SYSTEMS
 DESIGN**

**BOILER AND
 MACHINERY
 LOSS CONTROL**

**SAFETY
 MANAGEMENT**

San Francisco • Wichita • Chicago • Philadelphia • Washington, D.C.
 649 Mission Street • San Francisco CA 94105 • (415) 495-3310



The FPE Group

**INNOVATORS IN
 COST EFFECTIVE
 LOSS CONTROL**



**No other claims administrator
 even comes close.**

Control Data's Benefit Services Division provides total service and management of your self-insured health and dental plans. Its fast, accurate claims administration and detailed management reports give you the service and information you need for better cost control.

You also get an important combination of computer automation and human judgement. Together our sophisticated automated claims processing/payment system

and experienced staff handle all communication with patients and providers.

You can monitor virtually every facet of your plan with detailed management reports. Benefit Services can analyze and create exactly the information you need to establish an accurate data base for future management planning.

Total benefit plan management using solid expertise and today's most advanced technology. All

from one company—a world leader in the development of computer technology and its applications to human needs.

For more information, including case histories of how Benefit Services has helped other self-insured groups, call 1-800-828-8001, Ext. 567 (in Minnesota, 1-612-921-4400, Ext. 567).

**Control Data
 Healthcare Services**



"Oh, yes it is."

YOU KNOW your clients are taking their health insurance and workers' compensation in-house through self-insurance. This can mean greater — not less — revenue to you and your company. CAM Systems is providing individual employers on up to TPA's with a microcomputer package that gives you revenue and solves their problems.

But can a package so affordable really be as good as some people say it is? Can it really be as useable as packages that cost twenty times as much? Oh, yes it can.

CAM Systems can help you build your future.

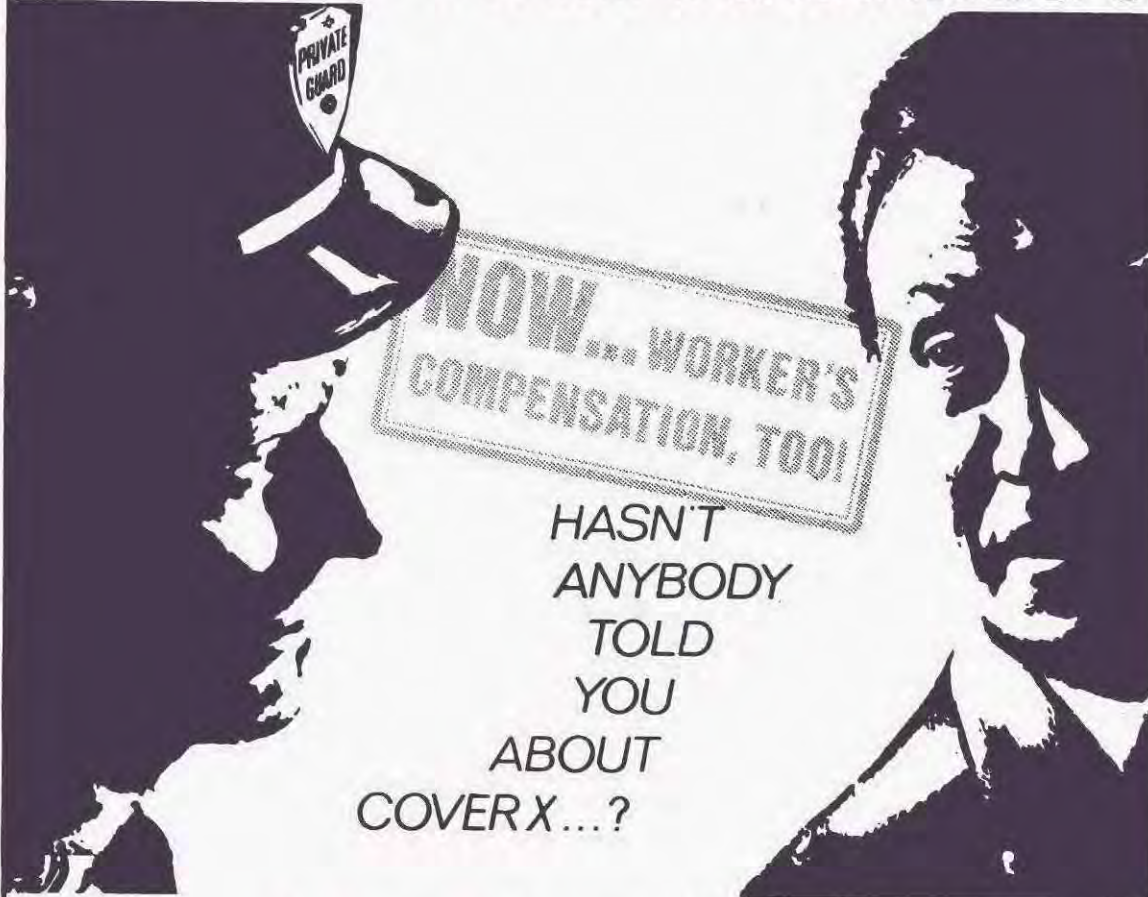


CAM SYSTEMS

8726 S. SEPULVEDA BLVD. #B-84
LOS ANGELES, CALIFORNIA 90045
(213) 638-7767



Security Guard, Detective and Patrol Services - Burglar and Fire Alarm Monitors and Installers



HASN'T ANYBODY TOLD YOU ABOUT COVER X...?

If you have a current or potential client involved in security work and haven't told them about CoverX Corporation, odds are your competitor will.

As one of the leading underwriters of this class of business in the U. S., CoverX has the necessary expertise, facilities and authority to provide the prompt, efficient and competitive responses required by both broker and insured.

Our comprehensive liability product together with limits of liability up to \$10,000,000 makes a CoverX quote a must for any insurance professional.

For further information or applications call or write . . .

COVER X CORPORATION

P. O. Box 5096, Southfield, Michigan 48086
Telephone: (313) 358-4010 — Telex: 23-5635

Continued from previous page

Compensation: 98% commissions; 2% fees.

Branch offices: First Insurance in Albert Lea, Alexandria, Austin, Babbitt, Benson, Blaine, Blue Earth, Cloquet, East Grand Forks, Fairmont, Hibbing, Hopkins, Ivanhoe, Lakefield, Litchfield, Little Falls, Luverne, Mankato, Minneapolis-Produce, Minneota, Northfield, Paynesville, Pipestone, Robbinsdale, St. Paul-Grand, St. Paul-Merchants, St. Paul-Security, St. Paul-State, Sauk Centre, Spring Valley, Waseca, Wheaton, White Bear Lake, Willmar, Windom and Worthington, Minn.; FBS Insurance in Forsyth and Fort Benton, Montana; First Insurance in Cando, Cavalier, Cooperstown, Jamestown, Langdon, Lidgerwood, Minot, Park River, Rolla, Valley City and Wahpeton, N.D.; First Insurance in Clark, Corsica, Gettysburg, Highmore, Hot Springs, Lemmon, Madison, Miller, Platte, Presho, Redfield, Vermillion and Westington Springs, S.D.

Subsidiaries: First Bank System Life Insurance Co., Phoenix, Ariz.

Parent company: First Bank System, Minneapolis.

Principal officers: Mark W. Sheffert, president; E. Warren Bessler, senior vp-agencies division; John C. Larson, senior vp-consumer insurance division; Michael R. Hogan, senior vp-business development; Diane L. Thormodsgard, senior vp-operations.

Licensed excess/surplus broker in: Minnesota, North Dakota and South Dakota.

Financial Insurance Service Inc.

2603 W. 22nd St., Suite 22, Oak Brook, Ill. 60521; 312-850-9500

	1983	1982
Premium volume	\$21,036,807	\$16,070,110
Gross revenues	\$2,109,300	\$1,653,242
Brokerage: Retail	38%	41%
Wholesale	10%	9%
Services	51%	48%
Other	1%	2%
Employees	36	33
Offices	1	1

Year founded: 1968.

Compensation: 48% commissions; 51% fees.

Subsidiaries: Financial Insurance Service Consultants Inc., Oak Brook, Ill.

Principal officers: Joseph T. Ambrose, president; Robert J. Peele, vp/secretary; Ronald O. An-fenson, treasurer.

Licensed excess/surplus broker in: Illinois.

FitzGerald, Clayton, Noyes & Kasten Inc.

757 N. Broadway, Milwaukee, Wis. 53202; 414-271-3717

	1983	1982
Premium volume	\$5,100,000	\$4,600,000
Gross revenues	\$875,000	\$890,000
Brokerage: Retail	94%	94%
Wholesale	6%	6%
Employees	16	19
Offices	2	2

Year founded: 1850.

Compensation: 97% commissions; 3% fees.

Acquisitions: Harry G. Packee Agency Inc., Milwaukee, Wis., pooled.

Principal officers: Robert T. Clayton, president/treasurer; William D. Hoppenjan, vp/secretary; Gladys Vierguth, assistant secretary.

Licensed excess/surplus broker in: Wisconsin.

Foa & Son Corp.

1 World Trade Center, New York, N.Y. 10048; 212-432-1234

	1983	1982
Premium volume	\$35,788,000	\$27,500,000
Gross revenues	\$3,042,000	\$2,050,000
Brokerage: Retail	85%	88%
Wholesale	3%	1.5%
Services	2%	0.5%
Other	10%	10%
Employees	66	53
Offices	3	2

Year founded: 1861.

Compensation: 94% commissions; 6% fees.

Acquisitions: William Morrison & Co. Inc., New Hyde Park, N.Y., pooled.

Branch offices: Chappaqua and New Hyde Park, N.Y..

Subsidiaries: Monthly Premium Corp.; Foa Leasing Co.

Principal officers: Mario Foa, chairman; Conrad Foa, president/chief executive officer; Dick Impastato, executive vp/chief operations officer; William Morrison, president-WMCO division; Stanley Apicella, senior vp.

Fowler Agency Inc.

29 River Road, Chatham, N.J. 07928; 201-635-1700

	1983	1982
Premium volume	\$7,500,000	\$7,000,000
Gross revenues	\$850,000	\$800,000
Brokerage: Retail	85%	85%
Wholesale	1%	1%
Services	1%	1%
Other	13%	13%
Employees	16	14
Offices	1	1

Year founded: 1931.

Compensation: 80% commissions; 7.5% fees.

Acquisitions: Greenwich Financial Group, Fairfield, N.J., not reported.

Principal officers: Richard C. Fowler Jr., president; Donald W. Wright executive vp; Donna Mercadante, vp.

The Frankel Co.

1051 Brinton Road, Pittsburgh, Pa. 15221; 412-244-7500

	1983	1982
Premium volume	\$6,500,000	\$6,500,000
Gross revenues	\$1,660,000	\$1,436,000
Brokerage: Retail	82%	78%
Other	18%	22%
Employees	32	28
Offices	1	1

Year founded: 1924.

Compensation: 82% commissions; 18% fees.

Subsidiaries: Lieberman/Frankel Associates and Integrated Equities, both in Pittsburgh.

Principal officers: Robert M. Frankel, president; F. William Neely, senior vp; William K. Lieberman, president-Lieberman/Frankel Associates; Gary Droz, partner-Integrated Equities.

Licensed excess/surplus broker in: Pennsylvania.

Frenkel & Co. Inc.

123 William St., New York, N.Y. 10038; 212-267-2200

	1983	1982
Premium volume	NA	NA
Gross revenues	\$8,585,000	\$8,165,000
Brokerage: Retail	90%	88%
Other	10%	12%
Employees	150	150
Offices	1	2

Year founded: 1878.

Compensation: 99% commissions; 1% fees.

Acquisitions: Weissman & Weissman, New York, pooled.

Principal officers: Charles W. Pachner, chairman; James J. Costa, president; Alan S. Samuels, Robert E. Shunk, executive vps.

Licensed excess/surplus broker in: New York.

Friedman & Friedman Agency Inc.

75 Powerhouse Road, Box 1368, Roslyn Heights, N.Y. 11577; 516-484-4100

	1983	1982
Premium volume	\$7,400,000	\$7,600,000
Gross revenues	\$925,000	\$970,000
Brokerage: Retail	85%	85%
Other	15%	15%
Employees	25	27
Offices	1	1

Year founded: 1946.

Compensation: 99% commissions; 1% fees.

Principal officers: Maurice Friedman, Harry D. Friedman.

Continued on facing page

Continued from facing page

G

Gersten-Hillman Agency Inc.

P.O. Box 209, Anawana Lake Road, Monticello, N.Y. 12701; 914-794-5544

	1983	1982
Premium volume	\$5,000,000	\$3,950,000
Gross revenues	\$760,000	\$606,000
Brokerage: Retail	99%	99%
Wholesale	1%	1%
Employees	22	18
Offices	4	4

Year founded: 1970.
Compensation: 100% commissions.

Acquisitions: Ray Benton & Associates Inc., Middletown, N.Y., pooled.

Branch offices: Middletown, Goshen and Wappinger Falls, N.Y.

Principal officers: Julius Cohen, president; Joyce Salimeno, secretary/treasurer.

Other	3%	3.9%
Employees	26	25
Offices	2	2

Year founded: 1873.
Compensation: 97% commissions.

Branch offices: Grand Rapids, Mich.

Principal officers: Dale E. Van Lente, president; John A. Heyboer Jr., executive vp; David Lake, James R. Van Kuiken, David L. Krombeen, vps.

Grubb & Ellis Insurance Brokerage Group

2390 E. Orangewood Ave., Suite 570, Anaheim, Calif. 92806; 714-937-0441

	1983	1982
Premium volume	\$11,580,000	\$10,400,000
Gross revenues	\$1,760,000	\$1,475,000
Brokerage: Retail	85%	85%
Services	5%	5%
Other	10%	10%
Employees	40	40
Offices	3	3

Continued on next page

MARINE INSURANCE

\$25,000,000 IN-HOUSE CAPACITY

No Prohibited Class
Of Business



Over 35 Years
Of Experience

G & M MARINE, INC.

One of The Crump Companies

203 Carondelet St. • New Orleans, LA 70130 • 504/588-9044 • TLX 58-7339

The Gleason Agency Inc.

Main Street East Building, Suite 204, P.O. Box 8, Johnstown, Pa. 15907; 814-535-8411

	1983	1982
Premium volume	\$8,631,295	\$9,549,722
Gross revenues	\$1,215,000	\$1,202,000
Brokerage: Retail	93%	93%
Other	7%	7%
Employees	23	24
Offices	2	2

Year founded: 1924.
Compensation: 99% commissions; 1% fees.

Branch offices: Altoona, Pa.

Principal officers: Robert A. Gleason Jr., president; Christopher K. Gleason, vp; Carolyn Zierer, secretary/operations manager.

Licensed excess/surplus broker in: Pennsylvania.

Richard N. Goldman & Co.

1 Maritime Plaza, San Francisco, Calif. 94111; 415-981-1141

	1983	1982
Premium volume	NA	NA
Gross revenues	\$3,100,000	\$2,800,000
Brokerage: Retail	90%	90%
Other	10%	10%
Employees	45	42
Offices	1	1

Year founded: 1947.
Compensation: 95% commissions; 5% fees.

Principal officers: Richard N. Goldman, chairman; Stuart W. Seiler, president; Gerald J. Fitzgerald, senior vp/secretary; Helen A. Castro, senior vp/treasurer; Alden Ames III, senior vp.

Licensed excess/surplus broker in: California.

S.H. Gow & Co. Inc.

344 Delaware Ave., Buffalo, N.Y. 14202; 716-856-5877

	1983	1982
Premium volume	\$25,400,000	\$22,600,000
Gross revenues	\$3,926,716	\$3,362,128
Brokerage: Retail	87%	90%
Wholesale	5%	4%
Services	6%	5%
Other	2%	1%
Employees	76	73
Offices	3	3

Year founded: 1951.
Compensation: 94% commissions; 6% fees.

Branch offices: Buffalo, Rochester, Syracuse, N.Y.

Subsidiaries: Gow Management Services Inc., Buffalo, N.Y.

Principal officers: Stephen H. Gow, chairman; Timothy Gow, president.

Licensed excess/surplus broker in: New York.

Grand Rapids Holland Insurance Agency Inc.

19 W. Eighth St., P.O. Box 3010, Holland, Mich. 49423; 616-396-4611

	1983	1982
Premium volume	\$7,307,093	\$7,369,863
Gross revenues	\$1,437,801	\$1,392,999
Brokerage: Retail	97%	96%
Services	—	0.1%

QUESTION: WHAT AGENCY OFFERS AN EXTRAORDINARY INSURANCE PORTFOLIO AND THE EXPERIENCE TO MATCH?

Necessity is the mother of convention.

Which is why basic needs are so often met by basic products.

But at Brougner, we believe that experience is the mother of invention. Which is why our portfolio does more than just reflect current trends. It anticipates them.

So whether its Reinsurance, Employee Benefits, or Special Risks. Brougner products replace convention with invention.

BROUGHER. The Answer.



BROUGHER AGENCY, INC.
Lloyd's London Correspondent
P.O. Box BAI, Greenwood, Indiana 46142
(317) 535-8212

Continued from previous page

Year founded: 1977.
Compensation: 97% commissions; 3% fees.
Branch offices: Grubb & Ellis Insurance Services, Anaheim and Oakland, Calif.; Krueger/Grubb & Ellis Insurance Services, Concord, Calif.

Parent company: Grubb & Ellis Co.

Principal officers: Harold Ellis Jr., president/chief executive officer/chairman; Donald V. Jones, senior vp/chief financial officer.

Gundermann & Gundermann Inc.

175 W. Carver St., Huntington, N.Y.
 11743; 516-271-0600

	1983	1982
Premium volume	\$8,500,000	\$7,000,000
Gross revenues	\$1,500,000	\$1,200,000
Brokerage: Retail	35%	42%
Wholesale	12%	12%
Services	8%	8%
Other	45%	38%
Employees	40	34
Offices	2	2

Year founded: 1937.
Compensation: 98% commissions; 2% fees.

Acquisitions: The Harness Brokerage, White Plains, N.Y., pooled and merged offices.

Branch offices: Hauppauge, N.Y. (personal lines only).

Principal officers: J.A. Gundermann Jr., president; D.E. Gundermann, secretary/treasurer; J.A. Gundermann III, Robert Rossiter, vps; Russell Crawford, president-Harness Brokerage.



Haas & Wilkerson Inc.

4300 Johnson Drive, Fairway, Kan.
 66205; 913-432-4400

	1983	1982
Premium volume	\$30,000,000	\$23,556,660
Gross revenues	\$5,000,000	\$3,675,088

Brokerage: Retail	92%	92%
Wholesale	8%	8%
Employees	94	72
Offices	4	3

Year founded: 1938.
Compensation: 99% commissions; 1% fees.

Branch offices: Haas-Wilkerson-Wohlberg Inc., St. Petersburg, Fla., and St. Louis, Mo.; Haas & Wilkerson Inc., Philadelphia.

Principal officers: W.R. Wilkerson Jr., president; C.J. Jordan, vp/treasurer; W.R. Wilkerson III, J.M. Palmer, vps; H.F. Walter, secretary.

Licensed excess/surplus broker in: Kansas, Florida, Missouri.

Hackett, Valine & MacDonald Inc.

198 College St., P.O. Box 488,
 Burlington, Vt. 05402; 802-658-1100

	1983	1982
Premium volume	\$8,400,000	\$3,646,283
Gross revenues	\$1,492,263	\$1,545,649
Brokerage: Retail	75%	75%

Other	25%	25%
Employees	28	25
Offices	1	1

Year founded: 1930.
Compensation: 100% commissions.

Subsidiaries: Hackett & Co.
Parent company: HVM Corp.

Principal officers: Luther F. Hackett, president; Duane A. Valine, executive vp; Donald R. MacDonald, senior vp; Richard L. Seavey, Fred Wuensch, vps.

Licensed excess/surplus broker in: Vermont.

Wayland Hancock Insurance Agency

2211 Norfolk, Suite 610, P.O. Box
 22780, Houston, Texas 77227;
 713-528-5383

	1983	1982
Premium volume	\$6,500,000	\$6,600,000
Gross revenues	\$1,092,000	\$1,075,000
Brokerage: Retail	47%	49%
Other	53%	51%
Employees	16	17
Offices	1	1

Year founded: 1953.
Compensation: 100% commissions.

Subsidiaries: Wayland Hancock Century 21 Realtors.

Principal officers: Wayland "Buddy" Hancock, R.J. (Hollis) Waldt, Wilbur D. Scott, partners.

Harding-Conley-Drawert-Tinch Insurance Agency Inc.

P.O. Box 29069, San Antonio, Texas
 78229; 512-732-9601

	1983	1982
Premium volume	\$3,443,477	\$3,603,546
Gross revenues	\$600,215	\$673,000
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	7	7
Offices	1	1

Year founded: 1959.
Compensation: 100% commissions.

Principal officers: Homer M. Conley, president; T.A. Drawert, vp; A.C. Tinch Jr., vp/secretary.

Harris & Co.

940 Starks Building, Louisville, Ky.
 40202; 502-584-2193

	1983	1982
Premium volume	\$14,899,619	\$12,751,405
Gross revenues	\$2,571,000	\$2,285,000
Brokerage: Retail	82%	82%
Wholesale	5%	5%
Other	13%	13%
Employees	57	57
Offices	1	1

Year founded: 1915.
Compensation: 95% commissions; 5% fees.

Principal officers: W. Grant Lewis, chairman; Elaine M. Muselman, president.

Licensed excess/surplus broker in: Indiana and Kentucky.

Joseph Held Co. Inc.

116 John St., Suite 1600, New York,
 N.Y. 10038;
 800-221-9940/212-962-3122

	1983	1982
Premium volume	\$5,100,000	\$4,250,000
Gross revenues	\$650,000	\$530,000
Brokerage: Retail	90%	90%
Wholesale	10%	10%
Employees	11	9
Offices	3	4

Year founded: 1897.
Compensation: 95% commissions; 5% fees.

Acquisitions: Atlanta, Ga., representative R.N. Schoenbrun and Long Island, N.Y., representative R.F. Held, both merged with New York office, pooled.

Branch offices: Hollywood and Vero Beach, Fla.

Subsidiaries: Standard Insurance Management Co. Inc., Fla.

Principal officers: Kenneth S. Held, president/chief executive officer; Arnold M. Held, executive vp; Dana M. Sanders, president-Standard Insurance Management Co.; Dana M. Sanders, president-Vero Beach service office.

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

Henderson & Phillips

P.O. Box 267, Norfolk, Va. 20501;
 804-625-5353

	1983	1982
Premium volume	\$23,000,000	\$20,800,000
Gross revenues	\$3,650,000	\$3,300,000
Brokerage: Retail	75%	73%
Other	25%	27%
Employees	83	75
Offices	4	3

Year founded: 1896.
Compensation: 100% commissions.

Acquisitions: Larasan Insurance Agency, Virginia Beach, Va., purchased.

Branch offices: Commercial Insurance Agency, Portsmouth, Va.; Harrison & Lear Insurance, Hampton, Va.

Subsidiaries: Self-Insurance Services Inc., Richmond, Va.

Principal officers: George Phillips Jr., chairman/president; Charles J. Cralle, Barry F. Gidley,

Continued on facing page

With NATLSCO...

POLLUTION NOISE CONTROL
VENTILATION ENGINEERING
REHABILITATION
SAFETY
INDUSTRIAL HYGIENE
LABORATORY
FIRE PROTECTION
TRAINING

You Can Slice the Package Any Way You Want it.

NatlSCO will provide you with the best loss control services . . . no matter who else is in the package.

NATLSCO
 National Loss Control Service Corporation
 Long Grove, Illinois 60049

For information, contact:
 Dick Odum
 Vice President, Safety Services
 Call Toll Free 800-323-9585
 In Illinois (312) 540-2011

Continued from facing page senior vps.

Licensed excess/surplus broker in: Various states.

Paul Hertel & Co. Inc.

Northeast Corner, Third & Chestnut Streets, Philadelphia, Pa. 19106; 215-925-7656

	1983	1982
Premium volume.	\$16,000,000	\$13,000,000
Gross revenues...	\$2,322,923	\$1,594,000
Brokerage: Retail.	100%	100%
Employees.....	44	42
Offices.....	3	4

Year founded: 1908.
Compensation: 99% commissions; 1% fees.
Branch offices: Media and Roxborough, Pa.
Principal officers: Paul R. Hertel Jr., president; James McLaughlin, Jeremiah A. Caron, vps.
Licensed excess/surplus broker in: Pennsylvania.

ger. N.V., Antwerp, Belgium. Hudig Langeveldt Pty. Ltd., Sydney, Melbourne, Adelaide, Brisbane, Australia; Hudig-Langeveldt (Antillen) N.V., Curacao and Aruba; Hudig-Langeveldt North America B.V. Inc., Atlanta; Safeguard Risk Services (Bermuda) Ltd., Bermuda.

Subsidiaries: Moulin & Langeveldt S.A., Paris; Nespa S.A., Madrid and Barcelona, Spain; Marsh & McLennan Italia & Co. SpA, Milan, Rome, Brescia, Padua, Italy; Hudig-Langeveldt-Hopkins, West Perth, Australia; P.T.Langeveldt Indonesia, Jakarta, Indonesia; Hudig-Langeveldt-Kyoritsu Ltd., Tokyo; HLR (Holdings) Ltd., Hong Kong; Singapore; Kuala Lumpur, Malaysia; Bangkok, Thailand; Manila, Philippines.

Principal officers: J. Fortuin, chairman; F.E.L. Dorhout Mees, J.P.E. Teding van Berkhout, members-executive board.

Continued on next page

Proud of our past / Confident of our future

THE TEMPLETON FUNDS

Investing in U.S. & foreign securities since 1954.

Total Assets Under Management—in excess of \$2½ billion.

TEMPLETON GROWTH FUND A Canadian Mutual Fund (established in 1954).

TEMPLETON WORLD FUND A U.S. Mutual Fund (established in 1978) investing in U.S. & foreign companies.

TEMPLETON FOREIGN FUND A U.S. Mutual Fund (established in 1982) investing in foreign companies only.

For more complete information about the Templeton Funds, including charges and expenses, send this coupon for a prospectus.

Institutional Marketing Securities Fund Investors, Inc. P.O. Box 3942 St. Petersburg, FL 33731

Please send prospectus and other descriptive material.

Name _____

Title _____

c/o Name of Company _____

Address _____

City, State, Zip _____

BI 6/25

The Hirshorn Co.

14 E. Highland Ave., Philadelphia, Pa. 19118; 215-242-8200

	1983	1982
Premium volume.	\$3,500,000	\$3,700,000
Gross revenues...	\$604,953	\$617,299
Brokerage: Retail.	94.6%	94.7%
Other.....	5.4%	5.3%
Employees.....	13	14
Offices.....	1	1

Year founded: 1931.
Compensation: 98% commissions; 2% fees.
Principal officers: Ralph S. Hirshorn, president/treasurer; B. Graeme Frazier, executive vp/secretary; M. Bruce Hirshorn, vp; Margaret J. McAllister, assistant secretary.
Licensed excess/surplus broker in: Pennsylvania.

Holmes, Murphy & Associates Inc.

420 Keo Way, Des Moines, Iowa 50309; 515-286-4400

	1983	1982
Premium volume.	\$68,861,000	\$57,349,000
Gross revenues...	\$6,041,535	\$5,116,532
Brokerage: Retail.	99.7%	100%
Services.....	0.3%	-
Employees.....	76	64
Offices.....	1	1

Year founded: 1932.
Compensation: 99.7% commissions; 0.3% fees.
Acquisitions: Higgs, Warnock & Palis, Des Moines, Iowa, pooled.
Subsidiaries: Employers Claims Administrative Services, Des Moines, Iowa.
Principal officers: Robert A. Dee, president; Harry S. Barrows, executive vp/treasurer; Richard J. Noyce, senior vp/secretary; Daniel J. Grimm, senior vp.
Licensed excess/surplus broker in: Executive vp licensed in Iowa.

Hudig-Langeveldt Group B.V.

Wijnhaven 61, 3011 WJ, Rotterdam, The Netherlands; 010-647-111

	1983	1982
Premium volume.	\$529,000,000	\$595,000,000
Gross revenues...	\$47,407,000	\$55,906,000
Brokerage: Retail.	70%	69%
Wholesale.	4%	4%
Other.....	26%	27%
Employees.....	1,216	1,269
Offices.....	28	28

Year founded: 1750.
Compensation: 97.5% commissions; 2.5% fees.
Acquisitions: Coens Verzekeringen N.V., Antwerp, Belgium, not reported.
Branch offices: Hudig-Langeveldt Insurance Brokers, Rotterdam, Amsterdam, The Hague, Netherlands; Hudig-Langeveldt GmbH, Hamburg and Dusseldorf, West Germany; Coens Verzekerin-



Ed Sembell, Executive Secretary, Illinois Lumber and Material Dealers Association, Inc., explains why General American has handled their group benefits package since 1949.

“With 4,000 lives we appreciate General American’s flexible coverage and great claims service.”

“Our association members, located throughout Illinois, face different local situations in meeting their employees’ health care costs. Our association’s benefit designs and claim services must vary greatly compared to most group plans. Fortunately, General American is more interested in solving our problems than in prescribing its way of doing things.

Today, our employer members

have a choice of three group life and health plans . . . plus dental options. Although all plans provide \$1,000,000 major medical coverage, deductibles and coinsurance features vary significantly. There is also variety in the other cost containment features offered. And we have tough claim service requirements.

I’ve been managing our plan for 35 years . . . and General American’s people have consistently met the

challenges. To me, General American means flexibility, quality benefits, competitive costs, and meaningful service.”

If you’re looking for proven large group plan expertise, contact Frederick M. Siegfried, CEBS, Vice President, General American, 700 Market Street, St. Louis, MO 63101.

“Top of the Market” in employee benefits

General American
 LIFE INSURANCE COMPANY

Continued from previous page

Charles S. Hyde Agency Inc.

277 Main St., Port Washington, N.Y. 11050; 516-883-6300

	1983	1982
Premium volume...	\$3,850,000	\$2,958,000
Gross revenues...	\$651,286	\$503,007
Brokerage: Retail...	90%	90%
Wholesale...	5%	5%
Services...	5%	5%
Employees...	16	14
Offices...	2	2

Year founded: 1906.

Compensation: 95% commissions; 5% fees.

Acquisitions: Biggs-Fogarty Agency, Glen Cove, N.Y., pooled.

Branch offices: Port Washington, N.Y.; Biggs-Fogarty Agency, Glen Cove, N.Y.

Principal officers: Charles Hyde Walker, chairman; John E. Hardy, president; Thomas C. Smith

Jr., vice president.

ISU/Armstrong Roth Cady Co. Inc.

930 Main, Seneca Building, Buffalo, N.Y. 14203; 716-854-7800

	1983	1982
Premium volume...	\$4,690,000	\$4,560,000
Gross revenues...	\$885,000	\$860,000
Brokerage: Retail...	65%	60%
Other...	35%	40%
Employees...	12	13
Offices...	1	1

Year founded: 1830.

Compensation: 100% commissions.

Principal officers: David H. Eslick, president; C. Morgan Epes Jr., chairman; Richard A. Deveans, Davis R. Heussler, vps.

ISU/Bigler-Ketchum Inc.

700 Fifth Ave., Pittsburgh, Pa. 15219; 412-391-5525

	1983	1982
Premium volume...	\$4,800,000	\$4,420,000
Gross revenues...	\$820,000	\$780,000
Brokerage: Retail...	90%	90%
Services...	10%	10%
Employees...	12	13
Offices...	1	1

Year founded: 1977.

Compensation: 90% commissions; 10% fees.

Acquisitions: Molert & Associates, Pittsburgh, not reported.

Subsidiaries: Structured Annuities Inc., Pittsburgh.

Principal officers: Chandler G. Ketchum, chairman; Harold S. Bigler, president.

Licensed excess/surplus broker in: Various states.

ISU/Blake Agency Inc.

150 Greenleaf Ave., Portsmouth, N.H. 03801; 603-436-0200

	1983	1982
Premium volume...	\$4,820,000	\$3,800,000
Gross revenues...	\$820,000	\$723,000
Brokerage: Retail...	65%	60%
Other...	35%	40%
Employees...	23	22
Offices...	1	1

Year founded: 1935.

Compensation: 99% commissions.

Principal officers: Thomas E. Jackson, president; Eric G. Gustafson, Gary I. Gansburg.

Licensed excess/surplus broker in: New Hampshire.

ISU/Bottari, Holland & Sweetman

2150 Franklin St., Suite 600, Oakland, Calif. 94612; 415-835-4600

	1983	1982
Premium volume...	\$4,750,000	\$4,500,000
Gross revenues...	\$812,785	\$656,652
Brokerage: Retail...	95%	95%
Wholesale...	1%	1%
Other...	4%	4%
Employees...	21	20
Offices...	1	1

Year founded: 1959.

Compensation: 96% commissions.

Acquisitions: Arnold N. Hamstad, Oakland, Calif., pooled.

Principal officers: John P. Holland Jr., chairman; Robert G. Sweetman, president; Marie L. Long, Walter R. Schreiner, vps; Victor Bottari Jr., founder; James B. Hess Jr., secretary/treasurer.

ISU/Bowers, Schumann & Welch

P.O. Box 272, Washington, N.J. 07882; 201-689-1092

	1983	1982
Premium volume...	\$11,000,000	\$9,500,000
Gross revenues...	\$1,589,000	\$1,435,000
Brokerage: Retail...	63%	63%
Wholesale...	1%	1%
Other...	36%	36%
Employees...	42	NA
Offices...	2	NA

Year founded: 1967.

Compensation: 100% commissions.

Principal officers: Scott Welch, president.

ISU/Bradley & Parker

420 Jericho Turnpike, P.O. Box 286, Jericho, N.Y. 11753; 516-822-4000

	1983	1982
Premium volume...	\$5,142,000	\$2,900,000
Gross revenues...	\$720,000	\$406,000
Brokerage: Retail...	100%	100%
Employees...	21	14
Offices...	1	1

Year founded: 1939.

Compensation: 100% commissions.

Acquisitions: KLS Regent Agency Ltd., Bayport, N.Y.; purchased.

Subsidiaries: KLS Regent Agency Ltd., Jericho, N.Y.

Parent company: Cook-Griesmeyer Ltd.

Principal officers: T. Richard Cook, president; Joan M. Griesmeyer, executive vp; John E. Gibbons, R. Lee DiPietro, vps.

ISU/Brown-Hiller-Clark & Associates

5500 Euper Lane, P.O. Box 3529, Fort Smith, Ark. 72913; 501-452-4000

	1983	1982
Premium volume...	\$6,690,445	\$6,013,874
Gross revenues...	\$1,093,889	\$1,054,123
Brokerage: Retail...	96.7%	96.5%
Wholesale...	3.3%	3.5%
Employees...	27	23
Offices...	2	2

Year founded: 1915.

Compensation: 97% commissions.

Acquisitions: McConnell-Coolley Agency, Fort Smith, Ark., purchased.

Subsidiaries: BHC Life & Group Specialists Inc., Fort Smith, Ark.; and BHC of Oklahoma Inc., Sallisaw, Okla.

Principal officers: Sam B. Hiller, president/treasurer; Larry R. Clark, executive vp/secretary; William J. Green, senior vp; Gaylon B. Brown, vp.

Licensed excess/surplus broker in: Arkansas.

ISU/Bruner Cassady Neeser Agency Inc.

1002 E. Jefferson Blvd., South Bend, Ind. 46617; 219-233-9443

	1983	1982
Premium volume...	\$5,000,000	\$4,400,000
Gross revenues...	\$855,000	\$800,000
Brokerage: Retail...	70%	65%
Wholesale...	01%	01%
Other...	29.9%	34.9%
Employees...	16	18
Offices...	1	1

Year founded: 1926.

Compensation: 100% commissions.

Principal officers: Thomas R. Cassady, president; Robert O. Neeser, executive vp/treasurer; David P. Fegley, vp/secretary.

ISU/Cape Insurance Center Inc.

303 New Jersey Ave., North Wildwood, N.J. 08260; 609-522-1004

	1983	1982
Premium volume...	\$5,952,334	\$5,599,206
Gross revenues...	\$1,185,877	\$1,084,853
Brokerage: Retail...	94.5%	94%
Wholesale...	1.5%	3%
Other...	4%	3%
Employees...	34	27
Offices...	2	1

Year founded: 1972.

Compensation: 100% commissions.

Acquisitions: Baiada Insurance Agency, Delanco, N.J., purchased.

Branch offices: Delanco, N.J.

Principal officers: Ernest L. Yarborough, president; David I. Von Savage, secretary/treasurer; Wesley H. Ludlam, vp.

Licensed excess/surplus broker in: New Jersey.

ISU/Chandler Insurance Agency Inc.

1733 California Drive, Burlingame, Calif. 94010; 415-692-9500

	1983	1982
Premium volume...	\$15,000,000	\$7,628,226
Gross revenues...	\$2,100,000	\$1,144,234
Brokerage: Retail...	87%	95%
Wholesale...	13%	5%
Employees...	35	24
Offices...	1	1

Year founded: 1969.

Compensation: 92% commissions; 8% fees.

Acquisitions: ISU/Jones-Horn, San Francisco, purchased.

Principal officers: Michael L. Chandler, chairman; Robert E. Jones, president.

ISU/Corporate Insurance Management

111 West Port Plaza, Suite 800, St. Louis, Mo. 63146; 314-434-3000

	1983	1982
Premium volume...	\$5,000,000	\$4,200,000
Gross revenues...	\$600,000	\$520,000
Brokerage: Retail...	95%	95%
Other...	5%	5%
Employees...	10	10
Offices...	1	1

Year founded: 1920.
Compensation: 100% commissions.

Acquisitions: ABI St. Louis, St. Louis, pooled.

Subsidiaries: Church Insurance Management, St. Louis; Columbus, Ohio; Chicago; Kansas City, Mo.; Cincinnati.

Parent company: Wm. H. Finke Insurance Agency Inc.

Principal officers: William Dale Finke, Mark W. Shoemaker, Jim Yager, Tim Carolan.

Licensed excess/surplus broker in: Missouri.

ISU/Crosby & Henry Inc.

590 Cascade West Parkway, Grand Rapids, Mich. 49506; 616-942-5480

	1983	1982
Premium volume...	\$7,500,000	\$7,000,000
Gross revenues...	\$1,000,000	\$900,000
Brokerage: Retail...	100%	100%
Employees...	20	20
Offices...	1	1

Year founded: 1858.

Compensation: 90% commissions; 10% fees.

Principal officers: William H. Henry, president; James M. Crosby, executive vp.

ISU/Ebersberger Cos.

570 Ritchie Highway, Severna Park, Md. 21146; 301-647-4200

	1983	1982
Premium volume...	\$6,500,000	\$5,500,000
Gross revenues...	\$900,000	\$800,000
Brokerage: Retail...	80%	80%
Services...	3%	3%
Other...	17%	17%
Employees...	20	20
Offices...	1	1

Year founded: 1950.

Compensation: 97% commissions; 3% fees.

Principal officers: George Ebersberger, president; Arthur Ebersberger, executive vp; Adolph Ebersberger, secretary/treasurer.

Licensed excess/surplus broker in: Maryland, District of Columbia, Virginia and Pennsylvania.

ISU/Ellingson & Jones Insurance Services

4415 Sonoma Highway, Suite A, Santa Rosa, Calif. 95405; 707-539-5300

	1983	1982
Premium volume...	\$6,500,000	\$6,000,000
Gross revenues...	\$988,300	\$947,500
Brokerage: Retail...	100%	100%
Employees...	19	20
Offices...	1	1

Year founded: 1964.

Compensation: 99% commissions; 1% fees.

Subsidiaries: Auto/Home Insurance Mart, Santa Rosa, Calif.

Principal officers: Darryl E. Ellingson, president; Samuel L. Jones III, vp; Jody L. Schmoll, secretary; Kenneth A. Brenk, treasurer.

ISU/Euclid Insurance Agencies Inc.

977 N. Oaklawn, #300, Elmhurst, Ill. 60126; 312-833-1000

	1983	1982
Premium volume...	NA	NA
Gross revenues...	\$2,250,825	\$1,932,573
Brokerage: Retail...	100%	100%
Employees...	43	41
Offices...	1	1

Year founded: 1964.

Compensation: 100% commissions.

Acquisitions: Woodward Insurance Services, Arlington Heights, Ill.; Security Funding, Clarendon Hills, Ill., both not reported.

Subsidiaries: Second Euclid Life Insurance Agencies Inc., Elmhurst, Ill.

Principal officers: Peter G. Colis, president; Shirley Goode, secretary/corporate comptroller.

Licensed excess/surplus broker in: Illinois.

Continued on facing page



Crump Excess Surplus Specialty Offices

IS NOW

CIS

CREATIVE INSURANCE SPECIALISTS

We've changed our name to better reflect what we've been doing for agents and brokers—and their commercial lines customers—throughout the country for over 25 years.

You can expect us to continue growing. You can rely on us for the latest innovations in reliable commercial coverage placement. You may challenge our creative ability. We specialize in finding the right marketing program from the most conventional to the most unusual of commercial lines risks.

If you liked Crump Excess/Surplus/Specialty Offices, you'll love Creative Insurance Specialists; and, if you've never tried us, there's no time like the present.

Contact the Creative Insurance Specialist in your area.

CIS
CREATIVE INSURANCE SPECIALISTS
 5350 Poplar Ave., • Memphis, TN 38117 • 901/761-1550

Crump-Davis, Inc. • Dallas, TX • 214/363-7636
 Crump-Davis, Inc. • Denver, CO • 303/320-5300
 Crump-Davis of Houston, Inc. • Houston, TX • 713/664-7112
 Crump London Illinois • Chicago, IL • 312/238-5033
 Crump London of Ohio, Inc. • Columbus, OH • 614/451-3636
 Crump London Northwest, Inc. • Kirkland, WA • 206/827-8702
 Crump London Underwriters (Florida) • Sanford, FL • 305/321-2040
 Crump London Underwriters • Memphis, TN • 901/761-1770
 Crump-Loveless, Inc. • Atlanta, GA • 404/393-4788
 Crump-Northeast Risk Managers Ltd. • New York, NY • 212/425-7788
 G & M Marine, Inc./Surplus Lines • New Orleans, LA • 504/588-9044




Continued from facing page

ISU/Fairlane Associates Inc.
15350 Commerce Drive N., Dearborn, Mich. 48120; 313-271-8200

	1983	1982
Premium volume	\$8,582,000	\$8,958,000
Gross revenues	\$1,297,000	\$1,314,000
Brokerage: Retail	46%	50%
Other	54%	50%
Employees	26	27
Offices	1	1

Year founded: 1926.
Compensation: 99% commissions; 1% fees.
Principal officers: Robert G. Maldegen, president/treasurer; Michael J. Maldegen, vp/secretary; Carl F. Fricke, vp.
Licensed excess/surplus broker in: Michigan.

ISU/Feinerman Insurance Agency

1721 N. Front St., P.O. Box 2679, Harrisburg, Pa. 17105; 717-234-6108

	1983	1982
Premium volume	\$3,200,000	\$2,900,000
Gross revenues	\$526,000	\$424,000
Brokerage: Retail	100%	100%
Employees	13	12
Offices	1	1

Year founded: 1939.
Compensation: 100% commissions.
Principal officers: Aaron S. Feinerman, president; Leon J. Feinerman, Walter A. Smith Jr., vps.

ISU/Fenderson Insurance

44 Central St., P.O. Box 655, Bangor, Maine 04401; 207-947-6751

	1983	1982
Premium volume	\$5,000,000	\$4,000,000
Gross revenues	\$800,000	\$640,000
Brokerage: Retail	66%	62%
Wholesale	5%	—
Other	29%	38%
Employees	20	19
Offices	3	3

Year founded: 1836.
Compensation: 100% commissions.
Acquisitions: Gordon-Carlisle, Bangor, Maine, pooled.
Branch offices: Calais and Eastport, Maine.
Principal officers: David M. Fenderson, president; Robert L. Norman, vp; Normand P. Liberty, secretary.
Licensed excess/surplus broker in: Maine.

ISU/Griffith-Prideaux Insurers

225 Madison Ave., CN1917, Morristown, N.J. 07960; 201-538-6300

	1983	1982
Premium volume	\$4,226,192	\$3,726,674
Gross revenues	\$613,589	\$597,893
Brokerage: Retail	99.5%	98.3%
Wholesale	0.5%	1.7%
Employees	16	16
Offices	1	1

Year founded: 1899.
Compensation: 94.3% commissions.
Acquisitions: C. Edward Dobbins, Morris Plains, N.J., not reported.
Principal officers: John R. Prideaux Jr., president; J. Raymond Prideaux III, vp.

ISU/Griffith/Sincock Insurance Brokers

1800 E. 16th St., Santa Ana, Calif. 92701; 714-953-9521

	1983	1982
Premium volume	\$9,300,000	\$7,200,000
Gross revenues	\$1,450,000	\$1,050,000
Brokerage: Retail	100%	100%
Employees	18	16
Offices	1	1

Year founded: 1979.
Compensation: 100% commissions.
Principal officers: Edward W. Griffith, president; Brian C. Sincock, secretary/treasurer.

ISU/Harshaw's Inc.

150 S. Broad St., Grove City, Pa. 16127; 412-458-9520

	1983	1982
Premium volume	NA	NA
Gross revenues	\$710,000	\$670,000
Brokerage: Retail	100%	100%
Employees	12	15
Offices	1	1

Year founded: 1891.
Compensation: 100% commissions.
Principal officers: Demi Coutsoloutsos, president.
Licensed excess/surplus broker in: Pennsylvania.

ISU/Hastings-Tapley Insurance

271 Cambridge St., Cambridge, Mass. 02141; 617-876-7510

	1983	1982
Premium volume	\$27,475,925	\$22,828,849
Gross revenues	\$4,725,911	\$3,786,820
Brokerage: Retail	50.9%	51%
Wholesale	1.4%	1.5%

Year founded: 1866.
Compensation: 96% commissions; 2.9% fees.
Acquisitions: Alexander Insurance Agency, Gloucester, Mass., purchased.
Branch offices: Danvers, Essex, Gloucester, Ipswich, Medford, North Reading, Reading, Saugus, Topsfield, Watertown and Woburn, Mass.
Subsidiaries: Lane England Associates Inc., affiliated company.
Parent company: Hastings-Tapley Corp.
Principal officers: David J. Lane, chairman; Frederick J. England Jr., president; Frederick J. England, treasurer; Marsha K. Burridge, E. Donald Lewis, executive vps.
Licensed excess/surplus bro-

	2.9%	3.2%
Services	44.8%	44.3%
Other	115	93
Employees	12	13
Offices		

ker in: Massachusetts.

B. Hauff Life Associates Inc.

ISU/Dan B. Hauff & Associates

1107 S. Grady Way, Renton, Wash. 98057; 206-228-1500

	1983	1982
Premium volume	\$8,000,000	\$4,400,000
Gross revenues	\$1,300,000	\$780,000
Brokerage: Retail	99%	99%
Wholesale	1%	1%
Employees	32	18
Offices	3	2

Year founded: 1968.
Compensation: 100% commissions.
Branch offices: Dan B. Hauff Life Associates Inc., Renton and Olympia, Wash.
Subsidiaries: Dan B. Hauff Life Associates Inc.
Principal officers: Dan B. Hauff, president; R. Doug Humble, vp; Harold Goetting, president-Dan

ISU/Herke Insurance Center Inc.

727 E. 86th St., Indianapolis, Ind. 46240; 317-251-7100

	1983	1982
Premium volume	\$7,500,000	\$7,000,000
Gross revenues	\$1,200,000	\$1,100,000
Brokerage: Retail	100%	100%
Employees	30	29
Offices	1	1

Year founded: 1927.
Compensation: 99% commissions; 1% fees.
Acquisitions: Nicholas Agency Inc., Indianapolis, not reported.
Subsidiaries: Nichols-Herke Insurance Inc.
Principal officers: C. Salen Herke, chief executive officer; Philip R. Peterson, president.
Licensed excess/surplus broker in: Indiana.

Continued on next page

Maybe we should be called Western Eastern Northern Southern & Central Employers Insurance



Let's face it, sometimes being called Western Employers creates a little confusion. Our name implies that we're only in the west when actually we're all over the country.

We started in the west and quickly grew by providing the finest loss control, rehabilitation and benefits programs for larger companies.

Each account is assigned a complete service team to help reduce accidents and effectively handle losses. Their direct involvement greatly reduces

your administrative time and results in a considerable savings to your client.

Today, Western Employers serves every state from regional headquarters throughout the United States.

We have built quite a name for ourselves. We think we'll keep it.



515 North Cabrillo Park Drive
Santa Ana, California 92702
(714) 973-2813 (213) 588-5151

Continued from previous page

ISU/T.D. Howe & Associates Inc.
P.O. Box 219168, Houston, Texas
77218; 713-558-8585

	1983	1982
Premium volume	\$3,100,000	\$3,300,000
Gross revenues	\$649,260	\$656,604
Brokerage: Retail	81%	84%
Other	19%	16%
Employees	9	10
Offices	1	1

Year founded: 1966.
Compensation: 95% commissions; 5% fees.
Subsidiaries: T.D. Howe & Associates, Houston, Texas.
Principal officers: T.D. Howe III, president; J.W. Franklin, secretary/treasurer.

ISU/Huggins/Dreckman Insurance Agency Inc.
444 W. Ocean Ave., Long Beach, Calif. 90801; 213-436-9837

	1983	1982
Premium volume	\$5,767,128	\$4,500,000
Gross revenues	\$982,436	\$876,587
Brokerage: Retail	70%	70%

	1983	1982
Other	30%	30%
Employees	15	15
Offices	1	2

Year founded: 1960.
Compensation: 98.6% commissions; 1.4% fees.
Parent company: Huggins/Dreckman Corp.
Principal officers: H. Gene Dreckman, president; Stan G. Dreckman, Don Gath, vps.

ISU/Insurance Marketing Agencies Inc.
1200 Mechanics Bank Tower, Worcester, Mass. 01608; 617-753-7233

	1983	1982
Premium volume	\$8,000,000	\$8,000,000
Gross revenues	\$1,320,000	\$1,300,000
Brokerage: Retail	80%	80%
Other	20%	20%
Employees	29	30
Offices	1	1

Year founded: 1924.
Compensation: 95% commissions; 5% fees.

ISU/Interstate Insurance Agency Inc.
1500 E. University Drive, College Station, Texas 77840; 409-696-8806

	1983	1982
Premium volume	\$5,783,000	\$4,230,000
Gross revenues	\$986,000	\$767,000
Brokerage: Retail	80%	80%
Services	10%	7%
Other	10%	13%
Employees	22	20
Offices	2	2

Year founded: 1975.
Compensation: 90% commissions; 10% fees.
Principal officers: Richard Poland, president; Adrian McDonald Jr., vp; Dale Kelly, secretary/treasurer; Denise Littlejohn, assistant vp.

ISU/Klein & Son Inc.
2350 South Ave., La Crosse, Wis. 54601; 608-788-5200

	1983	1982
Premium volume	\$6,200,000	\$5,300,000
Gross revenues	\$1,300,000	\$1,030,000
Brokerage: Retail	77%	80%
Other	23%	20%
Employees	30	28
Offices	2	2

Year founded: 1900.
Compensation: 100% commissions.
Acquisitions: Hieb Insurance, Black River Falls, Wis.; Weisensel, La Crosse, Wis.; Dimmick, Black River Falls, Wis.; all purchased. Jacobson Insurance, Osseo, Wis.; not included.
Branch offices: Dimmick-Hieb Insurance, Black River Falls, Wis.; Jacobson Insurance, Osseo, Wis.
Subsidiaries: Dimmick-Hieb Insurance, Black River Falls, Wis.; Jacobson Insurance, Osseo, Wis.
Principal officers: Edward C. Tanke, president; Steven P. Tanke, vp; Ronald Wilhelm, secretary.
Licensed excess/surplus broker in: Wisconsin.

ISU/Lance & Co. Inc.
Box 488, 119 N. Court St., Medina, Ohio 44258; 216-723-3631

	1983	1982
Premium volume	\$4,450,000	\$4,270,000
Gross revenues	\$800,000	\$770,000
Brokerage: Retail	100%	100%
Employees	13	16
Offices	2	2

Year founded: 1934.
Compensation: 100% commissions.
Branch offices: Brunswick, Ohio.
Principal officers: Frederick M. Greenwood, chairman; John W. Dye, president; Lloyd A. Vaughn, vp; John C. Graff, secretary.

ISU/Alvin Lobell Associates Inc.
25-79 Francis Lewis Blvd., Bayside, N.Y. 11358; 212-352-3200

	1983	1982
Premium volume	\$4,000,000	\$2,300,000
Gross revenues	\$800,000	\$350,000
Brokerage: Retail	90%	95%
Wholesale	5%	2%
Services	3%	3%
Other	2%	—
Employees	12	6
Offices	1	1

Year founded: 1923.
Compensation: 95% commissions; 5% fees.
Acquisitions: Dillworth-Lavin Co., New York, pooled.
Subsidiaries: Dillworth-Lavin & Lobell Inc. and Hi Tech Coverage Corp.
Principal officers: Alvin Lobell, president; John H. Wall, vp; Dillworth-Lavin & Lobell Inc.; Shirley Walker, secretary/treasurer; Dillworth-Lavin & Lobell Inc.

ISU/MBAH Insurance
P.O. Box 5609, 2663 Duncan Road, Lafayette, Ind. 47903; 317-423-5421

	1983	1982
Premium volume	\$6,700,000	\$7,185,000
Gross revenues	\$1,010,000	\$1,078,000
Brokerage: Retail	100%	100%
Employees	20	22
Offices	1	1

Year founded: 1924.
Compensation: 100% commissions.
Principal officers: R.E. "Buffy" Mayerstein, president; Andrew A. Bain, vp; Steen K. Horner, secretary; William W. Heath, treasurer.
Licensed excess/surplus broker in: Indiana.

ISU/McCallum Cole & Forbes Insurance Inc.
420 N. Meridian St., P.O. Box 998, Puyallup, Wash. 98371; 206-848-0301

	1983	1982
Premium volume	\$2,700,000	\$2,500,000
Gross revenues	\$756,580	\$720,883
Brokerage: Retail	76.1%	81.7%
Other	23.9%	18.3%
Employees	21	22
Offices	2	2

Year founded: 1937.
Compensation: 100% commissions.
Branch offices: Sumner, Wash.
Subsidiaries: SRS Inc.
Principal officers: David G. McCallum, president; Dena B. McCallum, secretary/treasurer; Sandra Richmond, president-SRS Inc.; David G. McCallum, secretary/treasurer-SRS Inc.

ISU/McDowell Insurance Inc.
338 Lincoln Way East, Chambersburg, Pa. 17201; 717-263-8401

	1983	1982
Premium volume	\$8,068,938	\$7,681,907
Gross revenues	\$1,714,294	\$1,575,907
Brokerage: Retail	65%	62%
Other	35%	38%
Employees	48	45
Offices	6	6

Year founded: 1910.
Compensation: 99% commissions; 1% fees.
Branch offices: Greencastle, Waynesboro, Mercersburg and Carlisle, Pa.; Hagerstown, Md.
Subsidiaries: WNS Properties Inc., Chambersburg, Pa.
Principal officers: Edward C. Zimmerman, president/treasurer/chief executive officer; Karl A. Shreiner, executive vp/secretary/chief operating officer; Robert C. Reymer Jr., William R. Gingrich, vps.
Licensed excess/surplus broker in: Pennsylvania.

ISU/Midwest Commerce Insurance
107 W. Franklin St., Elkhart, Ind. 46516; 219-293-4565

	1983	1982
Premium volume	\$15,000,000	\$14,000,000
Gross revenues	\$2,353,646	\$2,202,255
Brokerage: Retail	87%	87%
Other	13%	13%
Employees	54	52
Offices	2	2

Year founded: 1915.
Compensation: 100% commissions.
Branch offices: Goshen, Ind.
Parent company: Midwest Commerce Corp.
Principal officers: Ward J. Merchant, president; Donald R. Anderson, Gaylord L. Russell, Farrel J. Zehr, vps.
Licensed excess/surplus broker in: Indiana.

ISU/Moloney & O'Neill Inc.
405 Columbia Building, Spokane, Wash. 99204; 509-747-6066

	1983	1982
Premium volume	\$6,000,000	\$5,000,000
Gross revenues	\$750,000	\$650,000
Brokerage: Retail	70%	70%
Wholesale	3%	3%
Other	27%	27%
Employees	20	17
Offices	1	1

Year founded: 1945.
Compensation: 95% commissions; 5% fees.
Subsidiaries: Moloney & O'Neill Life Inc., Spokane, Wash.
Principal officers: Frank W. O'Neill, president; Thomas A. Black, vp; John P. Moloney Jr., secretary/treasurer.

ISU/Moore & Povenz Inc.
1923 Holland Ave., Port Huron, Mich. 48060; 313-987-6161

	1983	1982
Premium volume	\$3,175,201	\$5,058,153
Gross revenues	\$1,464,486	\$926,588
Brokerage: Retail	99%	99.2%
Services	1%	0.8%
Employees	33.5	22.5
Offices	2	2

Year founded: 1923.
Compensation: 99% commissions; 1% fees.
Acquisitions: Grant Moore Agency, Port Huron, Mich., pooled.
Branch offices: Flecksig & Associates Inc., Richmond, Mich.
Parent company: Moore & Povenz Inc.
Principal officers: Douglas S. Povenz, president; William H. Moore, executive vp; R. James March, vp/secretary; Robert E. Wilbrett, vp/treasurer.

ISU/John D. Moten Inc.
110 W. Lancaster Ave., Wayne, Pa. 19087; 215-687-4616

	1983	1982
Premium volume	\$5,716,385	\$5,526,416
Gross revenues	\$766,173	\$661,903
Brokerage: Retail	100%	100%
Employees	11	13
Offices	1	1

Year founded: 1971.
Compensation: 100% commissions.
Principal officers: John D. Moten, president; Robert B. Risnychok, James E. Dwyer, vps; Margaret M. Klein, secretary.
Licensed excess/surplus broker in: Pennsylvania.

ISU/Neale Pypers Co. Inc. & Affiliates
580 Monroe St., Sylvania, Ohio 43560; 419-882-0016

	1983	1982
Premium volume	\$10,400,000	\$6,000,000
Gross revenues	\$1,760,000	\$1,020,000
Brokerage: Retail	60%	60%
Wholesale	5%	5%
Other	35%	35%
Employees	42	26
Offices	2	1

Year founded: 1933.
Compensation: 100% commissions.
Acquisitions: Deatrack-Horman Galliers, Defiance, Ohio, pooled.
Branch offices: Deatrack-Horman Galliers, Defiance, Ohio.
Subsidiaries: Graham & Fine Agency Inc.; Roberts Feters Agency; Charles V. Cupp Agency.
Parent company: Neal Pypers Co. Inc. and L. Theodore Meuche Agency Inc.
Principal officers: L. Theodore Meuche, chairman; Harry Nickerson, president; R.W. Diemer, vp.
Licensed excess/surplus broker in: Ohio.

ISU/Ollis & Co.
2274 E. Sunshine, P.O. Box 10346, Springfield, Mo. 65808; 417-881-8333

	1983	1982
Premium volume	\$5,733,991	\$5,940,094
Gross revenues	\$808,000	\$919,485
Brokerage: Retail	92%	90%
Other	8%	10%
Employees	19	19
Offices	1	1

Year founded: 1885.
Compensation: 92% commissions.
Principal officers: Lawrence M. Ollis, president.
Licensed excess/surplus broker in: Missouri.

Continued on facing page



ONE STOP SHOPPING.

Now You Can Offer Your Employees Four Salary Deduction Plans From One Source.

And not pay a penny for any of them!

Employee benefits keep morale and productivity high, but usually cost you plenty.

With Bankers Security payroll deduction plans, you can offer your employees a wide range of excellent life insurance protection at absolutely no cost to you.

Bankers Security is the first insurance company to make both Variable Life and Universal Life policies available through payroll deduction. We also offer traditional Whole Life and Flexi-Premium Plans. All at low individual rates.

We back up this unparalleled range of products with a responsive, professional staff, computerized billing and support systems. For further information on some of the best employer benefits you'll ever find, call Philip G. Brimer, CLU, at (202) 463-3494.



Bankers Security

LIFE INSURANCE SOCIETY
a United Services Life Company
Executive Office: New York, NY

1701 Pennsylvania Avenue, N.W., Washington, D.C. 20006

The Professionals!

Continued from facing page

ISU/O'Shea Associates Inc.
P.O. Box 714, Garden City, N.Y.
11530; 516-485-6200

	1983	1982
Premium volume	\$4,000,000	\$1,500,000
Gross revenues	\$675,000	\$285,000
Brokerage: Retail	90%	90%
Services	10%	10%
Employees	16	9
Offices	1	1

Year founded: 1975.
Compensation: 90% commissions; 10% fees.
Branch offices: Hempstead, N.Y.
Parent company: Philip J. O'Shea Associates Inc.
Principal officers: Philip J. O'Shea, president; T. Roger Eltringham, vp; Ethan O'Shea, treasurer.
Licensed excess/surplus broker in: New York.

ISU/Pembroke Insurance Agency Inc.

Suite 626, 281 Independence Blvd.,
Virginia Beach, Va. 23462;
804-497-9611

	1983	1982
Premium volume	\$4,250,000	\$2,225,000
Gross revenues	\$735,000	\$585,670
Brokerage: Retail	82%	80%
Other	18%	20%
Employees	13	13
Offices	1	1

Year founded: 1969.
Compensation: 100% commissions.
Parent company: Pembroke Enterprises Inc.
Principal officers: W. Kirk Hammaker, president; Brenda H. Roach, vp-marketing operations; Richard E. Olivieri, vp/treasurer; F.J. Napolitano, chairman.
Licensed excess/surplus broker in: Virginia.

ISU/Pierson & Smith Inc.

65 Broad St., Stamford, Conn.
06901; 203-327-2727

	1983	1982
Premium volume	\$17,300,000	\$11,100,000
Gross revenues	\$3,236,000	\$2,478,000
Brokerage: Retail	63%	60%
Other	37%	40%
Employees	44	38
Offices	4	3

Year founded: 1935.
Compensation: 100% commissions.
Acquisitions: Polis, Blackwood Associates Inc., Norwalk, Conn., purchased expirations only, pooled.
Branch offices: New Canaan, Norwalk and Danbury, Conn.
Principal officers: Samuel F. Pierson, president; Richard H. Smith, executive vp; Jon Rudiger, treasurer; Michael G. Watts, secretary.
Licensed excess/surplus broker in: Connecticut.

ISU/Rogers & Belding Insurance Agency Inc.

2525 Gateway West, El Paso, Texas
79903; 915-544-3111

	1983	1982
Premium volume	\$10,545,000	\$9,091,000
Gross revenues	\$1,920,841	\$1,652,138
Brokerage: Retail	92%	92%
Services	8%	8%
Employees	38	33
Offices	1	1

Year founded: 100.
Compensation: 100% commissions.
Principal officers: James E. Rogers Sr., president; James E. Rogers Jr., William D. Tippin, Walter H. Stowe, Kenneth L. North Jr., vps.

ISU/Rothschild, Bell & Walseth Inc.

380 Lafayette Road, St. Paul, Minn.
55107; 612-221-0205

	1983	1982
Premium volume	\$5,000,000	\$4,500,000
Gross revenues	\$775,000	\$705,000
Brokerage: Retail	90%	93%
Wholesale	8%	5%

	1%	1%
Services	1%	1%
Other	1%	1%
Employees	22	20
Offices	2	2

Year founded: 1885.
Compensation: 99% commissions; 1% fees.
Branch offices: Waterloo, Iowa.
Principal officers: Bruce B. Walseth, president; Lowell N. Faa, vp; Clyde Nelson, treasurer.

ISU/Savill-Schnieders-Kuehr

3370 Founders Road, Indianapolis,
Ind. 46268; 317-872-3510

	1983	1982
Premium volume	\$6,500,000	\$6,000,000
Gross revenues	\$1,300,000	\$1,200,000
Brokerage: Retail	70%	70%
Other	30%	30%
Employees	30	30
Offices	1	1

Year founded: 1969.
Continued on next page

Business Insurance puts more into it so you'll get more out of it.



Use this form, or the card in this issue, to enter your subscription to Business Insurance. Or call (312) 649-5221.

Business Insurance
Circulation Dept. 740 Rush Street Chicago, IL 60611

Business Insurance gives you total news coverage of loss prevention, risk financing and benefit management. Every week. Annual subscription (52 issues) in U.S. dollars.
(Check here) Surface Mail. By Air.
USA \$52 \$102
Canada \$66 \$97
Bermuda (Air only) \$96
Europe/Middle East (Air only) \$96
All other foreign \$66 Rates on request.
 new subscription, renewal, payment enclosed.
 bill me, bill company.

name _____ (please print)
title _____
company _____
nature of business _____
 business or home address
city _____ state/country _____ zip/postal code _____
 Please send information on your special 20% off group rate for five or more subscriptions.
 I prefer not to receive information or advertising by mail from companies not affiliated with Crain Communications.
Mail to: Business Insurance
Circulation Dept. 740 Rush Street Chicago, IL 60611

Look who just turned two:

ÆGEN. The Foreign Policy Experts.

If you write overseas coverage for U.S. businesses or U.S. coverage for overseas companies, you really should get to know ÆGEN International.

ÆGEN had 225 years of experience before it existed.

ÆGEN pools the resources and experience of three of the oldest and biggest names in insurance: Aetna Life & Casualty, Generali of Trieste, and Taisho of Tokyo.

ÆGEN gives you competitive pricing from the North to the South Pole.

Thanks to ÆGEN'S international network, our experienced staff will work with you to design and implement competitively-priced insurance programs anywhere in the world.



Call ÆGEN at 1-800-245-4506

Why not call Tom McLenithan, President, Dennis Fassett or Frank Makovec, Vice Presidents. Just dial toll-free 1-800-245-4506 (in New York State 212-285-8080) and ask for a no-obligation review of any risk package you're handling.

We think you'll find our claim of being competitive in service and price is no mere claim.

Continued from previous page

Compensation: 99% commissions.
Principal officers: Milton E. Savill, Donald W. Kuehr Sr., George A. Schnieders, partners.

ISU/The Schaefer Agency Inc.

201 E. Main St., Smithtown, N.Y.
 11787; 516-979-7474

	1983	1982
Premium volume	\$5,600,000	\$4,800,000
Gross revenues	\$1,000,000	\$1,000,000
Brokerage: Retail	65%	60%
Other	35%	40%
Employees	15	12
Offices	1	1

Year founded: 1976.
Compensation: 100% commissions.
Principal officers: Charles Schaefer, president; Ernest Graner, general manager.

ISU/Scott Insurance

2241 Langhorne Road, Lynchburg, Va., 24506; 804-847-0111

	1983	1982
Premium volume	\$19,000,000	\$16,600,000
Gross revenues	\$2,100,000	\$1,834,000
Brokerage: Retail	100%	100%
Employees	51	48
Offices	7	7

Year founded: 1866.
Compensation: 100% commissions.

Acquisitions: Acree-Bailey-McCarthy, Lynchburg, Va., purchased.

Branch offices: Roanoke, Danville, Altavista, Rustburg, Madison Heights, and Timberlake, Va.

Subsidiaries: Central Virginia Insurance Consultants Inc., Lynchburg, Va.; Self Insurance Services Inc., Richmond, Va.

Parent company: James A. Scott & Son Inc.

Principal officers: Robert Nein, president; Clay Chapman, Bill McBratney, Joel Nichols, vps;

Leonard Morris, treasurer.

ISU/Thoits Insurance

541 Cowper St., Palo Alto, Calif. 94301; 415-324-0606

	1983	1982
Premium volume	\$4,150,000	\$4,000,000
Gross revenues	\$858,026	\$831,683
Brokerage: Retail	100%	100%
Employees	15	16
Offices	1	1

Year founded: 1891.
Compensation: 99% commissions; 1% fees.

Principal officers: Donald A. Way, president; Herbert G. Hill, Kenneth K. Peterson, vps.

ISU/Travaille Daugherty & Co.

2495 W. March Lane, Suite 200, Stockton, Calif. 95207; 209-957-6800

	1983	1982
Premium volume	\$8,400,000	NA
Gross revenues	\$1,396,000	NA
Brokerage: Retail	80%	NA
Wholesale	3%	NA
Other	17%	NA
Employees	34	NA
Offices	3	NA

Year founded: Company merged with another in 1933.

Compensation: 100% commissions.

Acquisitions: Travaille Daugherty formed in 1983. Figures represent statistics of Travaille Daugherty, plus Travaille Insurance and Cutting Thompson Insurance, merged.

Branch offices: Modesto and Sacramento, Calif.

Subsidiaries: Affiliated companies, Travaille Insurance and Cutting Thompson Insurance.

Principal officers: William J. Travaille, chairman; Scott Daugherty, president.

ISU/Ulrich Voorhees Warner Associates

100 Davidson Ave., P.O. Box 228, Somerset, N.J. 08873; 201-469-3000

	1983	1982
Premium volume	\$22,000,000	\$20,400,000
Gross revenues	\$2,963,000	\$2,850,000
Brokerage: Retail	65%	65%
Services	10%	10%
Other	25%	25%
Employees	38	42
Offices	1	1

Year founded: 1972.
Compensation: 90% commissions; 10% fees.

Principal officers: John N. Voorhees III, president; Stephen A. Warner, executive vp; Allen I. Preville, vp-sales; Adrienne Soricelli, assistant vp-claims/loss control; Michael Godfrey, vp-commercial division.

Licensed excess/surplus broker in: New Jersey.

ISU/Wellington Insurance Services

4465 Wilshire Blvd., First floor, P.O. Box 76969, Los Angeles, Calif. 90076; 213-937-8510

	1983	1982
Premium volume	\$13,500,000	\$12,000,000
Gross revenues	\$2,009,000	\$1,901,000
Brokerage: Retail	80%	79%
Other	20%	21%
Employees	31	33
Offices	1	1

Year founded: 1971.
Compensation: 100% commissions.

Principal officers: Wilbert W. Stein, chairman; John Antignas, president; Gerald Richbook, Earl B. Gross, senior vps; Arthur M. Newman, vp.

Industrial Insurance Agency Inc.

600 Woodfield Drive, Schaumburg, Ill. 60195; 312-884-6100

	1983	1982
Premium volume	NA	NA
Gross revenues	\$934,420	\$746,000
Brokerage: Retail	100%	100%
Employees	12	10
Offices	1	1

Year founded: 1960.
Compensation: 100% commissions.

Principal officers: Melvin E. Rodney, chief executive officer; Richard A. Rodney, president.

Licensed excess/surplus broker in: Illinois.

Instech Inc.

450 N. Sunnyslope Road, Brookfield, Wis. 53005; 414-785-9490

	1983	1982
Premium volume	\$8,300,000	NA
Gross revenues	\$1,583,000	NA
Brokerage: Retail	52%	NA
Wholesale	8%	NA
Services	40%	NA
Employees	30	NA
Offices	2	NA

Year founded: 1983.
Compensation: 64% commissions; 36% fees.

Acquisitions: Meigs & Cope Agency Inc., Butler, Wis.; Morgan & Associates Inc. and Wilson Insurance Services Inc., Wauwatosa, Wis., pooled.

Branch offices: Brookfield and Butler, Wis.

Parent company: Insurance Resources Inc.

Principal officers: Gary R. Griffith, president; Robert M. Anger, Steven G. Franke, Charles L. Schiltz, vps.

Licensed excess/surplus broker in: Wisconsin.

Insurance & Risk Management

P.O. Box 1705, Fort Wayne, Ind. 46801; 219-436-1616

	1983	1982
Premium volume	\$16,100,000	\$16,900,000
Gross revenues	\$3,573,000	\$3,473,000
Brokerage: Retail	54%	54%
Services	12%	12%
Other	34%	34%
Employees	89	89
Offices	5	5

Year founded: 1963.
Compensation: 99% commissions; 1% fees.

Branch offices: Fort Wayne, Muncie, Elkhart, Hartford City and Indianapolis, Ind.

Principal officers: Harry Crawford, Julian Bowers, Roland Weber, Leonard Koeller, Paul Porter.

Licensed excess/surplus broker in: Various states.

Insurance Management Associates Inc.

600 IMA Plaza, 250 N. Water, Wichita, Kan. 67202; 316-267-9221

	1983	1982
Premium volume	\$38,122,694	\$32,245,000
Gross revenues	\$4,834,208	\$4,159,594
Brokerage: Retail	72%	74%
Services	14%	12%
Other	14%	14%
Employees	94	92
Offices	2	2

Year founded: 1973.
Compensation: 72% commissions; 14% fees.

Acquisitions: Harris Burns Inc., Wichita, Kan., pooled.

Branch offices: Topeka, Kan.

Principal officers: Paul C. Yankee Jr., chairman; William C. Cohen Jr., chief executive officer; Joe Moddrell Jr., executive vp; Paul Starr, Richard Matassarini, senior vps.

Licensed excess/surplus broker in: Kansas.

Insurance Marketing Associates

8150 Corporate Park Drive, Cincinnati, Ohio 45380; 513-526-3111

	1983	1982
Premium volume	\$7,500,000	\$8,800,000
Gross revenues	\$1,150,000	\$1,015,000
Brokerage: Retail	100%	100%
Employees	12	9
Offices	3	3

Year founded: 1977.

Compensation: 97% commissions; 3% fees.

Branch offices: Phelan Insurance Agency Inc., Versailles, Ohio; Bauer Insurance Agency, Loveland, Ohio.

Principal officers: James B. Phelan, president; Larry L. Prenger, David M. Kuczaj, vps; Richard R. Theders, secretary.

Licensed excess/surplus broker in: Ohio.

Insurance Professionals Inc.

P.O. Box 292, 15 Prospect St., Paramus, N.J. 07652; 201-265-7110

	1983	1982
Premium volume	\$5,800,000	\$5,200,000
Gross revenues	\$760,000	\$710,000
Brokerage: Retail	75%	73%
Other	25%	27%
Employees	11	12
Offices	2	2

Year founded: 1965.
Compensation: 98% commissions; 2% fees.

Branch offices: Florida Insurance Professionals, West Palm Beach, Fla.

Principal officers: John Jones, president.

J

Jay & Renfro Insurance Brokers

333 N. Newport Blvd., Newport Beach, Calif. 92663; 714-645-9000

	1983	1982
Premium volume	\$13,500,000	\$11,300,000
Gross revenues	\$1,700,000	\$1,500,000
Brokerage: Retail	95%	95%
Wholesale	5%	5%
Employees	39	42
Offices	1	1

Year founded: 1923.
Compensation: 100% commissions.

Subsidiaries: Marine Insurance Services Inc. and Producers Insurance Services Inc., Newport Beach, Calif.

Principal officers: Mac R. Renfro, Dee R. Renfro, partners.

Licensed excess/surplus broker in: California.

Johannesen-Farrar Inc.

110 S. Third St., Delavan, Wis. 53115; 414-728-2631

	1983	1982
Premium volume	\$3,627,505	\$3,693,397
Gross revenues	\$645,199	\$649,337
Brokerage: Retail	100%	100%
Employees	13	13
Offices	3	3

Year founded: 1931.
Compensation: 100% commissions.

Branch offices: Elkhorn, East Troy, Wis.

Subsidiaries: Johannesen-Farrar Real Estate Inc., Delavan, Wis.

Principal officers: Joseph J. Walters, president; Eugene F. Groth, vp.

Licensed excess/surplus broker in: Wisconsin.

Johnson, Kendall & Johnson Inc.

Penns Trail & Route 332, Newtown, Pa. 18940; 215-968-4741

	1983	1982
Premium volume	\$6,433,000	\$5,912,000
Gross revenues	\$1,021,000	\$977,000
Brokerage: Retail	100%	100%
Employees	21	21
Offices	1	1

Year founded: 1959.
Compensation: 98% commissions; 2% fees.

Principal officers: Edwin T. Johnson, president; Richard B. Willis, Douglas D. Peterson, William J. Alder, vps; Mary J. Rounsavill, secretary/treasurer.

Continued on facing page

U CAN'T AFFORD TO NEGLECT YOUR EMPLOYEES' EYE CARE!

SIGHT — our most precious sense — is strangely neglected in most employee health care programs. As a result, most employees fail to have periodic eye exams while many others are wearing inadequate or outdated prescriptions.

With an estimated 60% of the nation's work force requiring corrective lenses, it's just good business to provide a company vision care program. In addition to benefiting the employee personally, there are tangible benefits to the employer as well:

- Reduction of errors and accidents
- Decreased fatigue and headaches due to eye strain
- Reduced absenteeism
- Improved morale and company good will

The bottom line? **Increased productivity!**

Plan now to correct this oversight in *your* company — contact Vision Service Plan (VSP). We're specialists . . . group vision care is our only business! We're the largest provider of vision care in the nation. Our plans provide free choice of doctor, periodic vision exams, lenses and frames when prescribed. Administration is easy and the cost is very affordable.

For the location of the office nearest you, call our toll-free number today. *Seeing is believing!*



VISION SERVICE PLAN
 1000 Des Peres Road, Suite 280
 St. Louis, Missouri 63131

1-800-325-8499

Continued from facing page



Walter Kaye Associates Inc.

122 E. 42nd St., New York, N.Y.
10168; 212-210-9200

	1983	1982
Premium volume	\$195,000,000	\$150,000,000
Gross revenues	\$13,322,000	\$10,559,000
Brokerage: Retail	90%	90%
Wholesale	8%	8%
Services	2%	2%
Employees	198	163
Offices	4	4

Year founded: 1952.
Compensation: 90% commissions; 10% fees.

Acquisitions: Part of book of business of Bunker Hill Agency Inc., New York, purchased.

Branch offices: Beverly Hills, Calif.; Chicago; Fairfield, Conn.

Subsidiaries: Walter Kaye Corp. of California, Walter Kaye Corp. of Connecticut, TKG Agencies Inc., American Administrators Corp.

Parent company: The Kaye Group Inc.

Principal officers: Walter Kaye, chairman; Howard Kaye, president; Lawrence Greenfield, executive vp; Marc Silverman, senior vp-finance; Richard Bass, Stanley Feinberg, Lester Edelman, Roger Levey, first vps; Laura LeValley, vp/general manager-California office.

Licensed excess/surplus broker in: New York and Connecticut.

Keenan & Associates

3715 W. Lomita Blvd., P.O. Box 4328, Torrance, Calif. 90510; 213-373-8811

	1983	1982
Premium volume	NA	NA
Gross revenues	\$6,600,000	\$6,215,000
Brokerage: Retail	53%	55%
Services	42%	40%
Other	5%	5%
Employees	138	136
Offices	9	10

Year founded: 1972.
Compensation: 71% commissions; 29% fees.

Branch offices: Fresno, Riverside, Sacramento, San Diego, San Jose, San Rafael, Santa Ana and Thousand Oaks, Calif.

Principal officers: John R. Keenan, president; Richard C. Phillips, David G. Guyer, Murton L. Munson, senior vps.

Kelter-Thorner Inc.

24600 Northwestern Highway, Southfield, Mich. 48075; 313-353-2200

	1983	1982
Premium volume	\$25,000,000	\$15,000,000
Gross revenues	\$3,000,000	\$1,800,000
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	54	46
Offices	6	5

Year founded: 1952.
Compensation: 100% commissions.

Acquisitions: Anderson & Anderson, San Jose, Calif., pooled.

Branch offices: Kelter-Thorner Inc. of New Jersey, Fords, N.J.; Kelter-Thorner Inc. of Southern California, Costa Mesa, Calif.; Kelter-Thorner Inc. of California, Redwood City, Calif.; Kelter-Thorner Insurance Agency Inc. (Ohio), Cleveland; Atlantic Underwriters Inc., Southfield, Mich.

Principal officers: Theodore R. Kelter, president; Marilyn Chernoff, executive vp; Theodore R. Kelter III, vp.

Licensed excess/surplus broker in: Michigan.

Kendall Insurance Inc.

90 S. Main St., Rochester, N.H. 03867; 603-332-5800

	1983	1982
Premium volume	NA	NA
Gross revenues	\$5,335,000	\$5,100,000
Brokerage: Retail	34.4%	36.8%
Wholesale	16.5%	19.2%

Services	20.3%	15.9%
Other	28.8%	28.1%
Employees	110	110
Offices	3	3

Year founded: 1867.
Compensation: 66.5% commissions; 20.3% fees.

Branch offices: Dover, N.H.; Burpee, Griffin, Perkins/Kendall, Manchester, N.H.

Principal officers: Kennett F. Kendall Jr., president; Robert N. Kendall, Richard L. Williams, John R. Dulude, executive vps.

Licensed excess/surplus broker in: Maine and New Hampshire.

Keough Kirby Associates Inc.

Stadium Building, Monument Square, Woonsocket, R.I. 02895; 401-769-8100

	1983	1982
Premium volume	\$6,500,000	\$6,000,000
Gross revenues	\$1,080,000	\$1,030,000
Brokerage: Retail	65%	65%
Wholesale	5%	5%

Other	30%	30%
Employees	28	25
Offices	2	2

Year founded: 1914.
Compensation: 100% commissions.

Branch offices: Keough Kirby Insurance Agency Inc., Wellesley, Mass.

Principal officers: Edgar Mantel, president; William J. Lutz, executive vp; Roger D. Duprat, Douglas T. Brown, Kevin K. Coleman, Paul C. Pay, Joseph H. O'Donnell, Peter D. Butler, Norman D. Cianfarani, vps.

Licensed excess/surplus broker in: Rhode Island and Massachusetts.

Sander A. Kessler & Associates Inc.

9570 W. Pico Blvd., Los Angeles, Calif. 90035; 213-278-8740

	1983	1982
Premium volume	\$29,000,000	\$23,000,000

Gross revenues	\$4,236,156	\$3,497,866
Brokerage: Retail	100%	100%
Employees	69	63
Offices	1	1

Year founded: 1956.
Compensation: 99% commissions; 1% fees.

Principal officers: Sander A. Kessler, president; Ronald A. Bloom, executive vp; Bernard M. Kirsch, secretary/treasurer.

Licensed excess/surplus broker in: California.

Kinney, Pike, Bell & Conner Inc.

98 Merchants Row, Rutland, Vt. 05701; 802-775-2311

	1983	1982
Premium volume	NA	NA
Gross revenues	\$2,197,001	\$2,130,940
Brokerage: Retail	98.5%	98%
Wholesale	1.5%	2%
Employees	44	47
Offices	5	5

Year founded: 1904.

Compensation: 98.25% commissions; 1.75% fees.

Acquisitions: Bernardo Insurance Agency, Poultney, Vt.; Barrett Insurance Agency, Poultney, Vt.; Hanbury Insurance Agency, Rutland, Vt.; Wills Insurance Agency, Rutland, Vt.; all pooled.

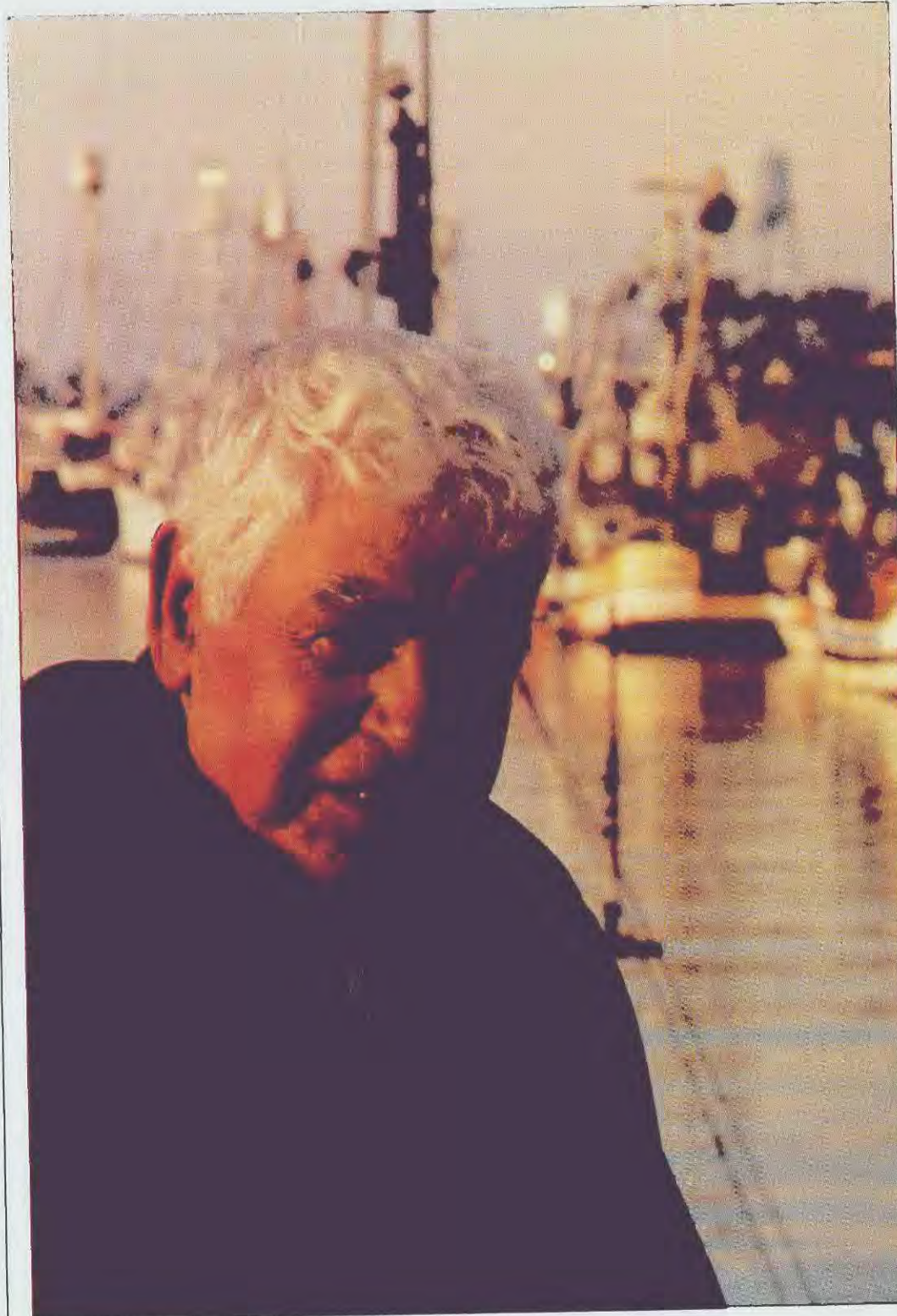
Branch offices: Kenney, Pike/Brattleboro, Brattleboro, Vt.; Kenney, Pike/Essex Junction, Essex Junction, Vt.; Kinney, Pike/Hartford, Hartford, Vt.; Kinney, Pike/Poultney, Poultney, Vt.

Subsidiaries: KPB&C Life Corp., Rutland, Vt.; Vermont Captive Management, Rutland, Vt.; Northeast Appraisal Service, Rutland, Vt.

Principal officers: Edward C. (Ned) Pike, president; Robert C. Coyle, vp/general manager; Steven Carbine, vp; Roger Pike, treasurer.

Licensed excess/surplus broker in: Vermont.

Continued on next page



**He's seen them come.
He's seen them go.**

Rawley Jacobi's fished these waters for thirty years. Not too many men can say that.

You see, over the years the fishermen have come and gone in perfect unison with the fish. A few good years in a row and new faces show up in the harbor, anxious to take advantage of the largesse. But when things get lean, it's always the same hearty souls who stick around to see things through.

At ERC, we understand Rawley Jacobi. Years in the business have shown us that many reinsurance companies ebb and flow with the marketplace. When things are good, new faces spring up everywhere. But when times are tough, most people know who the survivors will be.

Like Rawley Jacobi, we've seen them come and we've seen them go.

Employers Reinsurance Corporation

5200 Metcalf, Overland Park, Kansas 66201

Atlanta Boston Chicago Columbus Houston
Los Angeles New York San Francisco Toronto

Continued from previous page

H.C. Knight & Co.

320 Walnut St., Philadelphia, Pa.
 19106; 215-923-5440

	1983	1982
Premium volume	\$15,208,192	\$16,434,225
Gross revenues	\$1,397,430	\$1,313,175
Brokerage: Retail	90%	90%
Other	10%	10%
Employees	31	34
Offices	1	1

Year founded: 1888.
Compensation: 75% commissions; 25% fees.
Principal officers: John A. Philbrick III, Charles B. Achuff, partners.
Licensed excess/surplus broker in: Pennsylvania.

Knox, Lent & Tucker Inc.

170 Hamilton Ave., White Plains, N.Y. 10602; 914-946-3600

	1983	1982
Premium volume	NA	NA
Gross revenues	\$1,650,000	\$1,650,000
Brokerage: Retail	85%*	70%*
Other	35%	30%
Employees	30	32
Offices	1	1

*includes some wholesale brokerage business.
Year founded: 1876.
Compensation: 100% commissions.
Parent company: Harcourt Brace & Jovanovich Inc.
Principal officers: H. Bruce Len, chairman; John Hanney, president; Henry Sondheim, treasurer.
Licensed excess/surplus broker in: All 50 states.

The Kooper Group

666 Fifth Ave., New York, N.Y.
 10019; 212-246-2188

	1983	1982
Premium volume	NA	NA
Gross revenues	\$825,000	\$750,000
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	9	9
Offices	1	2

Year founded: 1966.
Compensation: 95% commissions; 5% fees.
Principal officers: Michael Kooper, president; Michael D. Rockman, vp.



Lachance, Bertrand, Benoit, Lavigne Ltd.

1320 Graham Blvd., Montreal, Quebec, Canada H3P3E7;
 514-342-5430

	1983	1982
Premium volume	\$6,000,000	\$5,700,000
Gross revenues	\$1,275,000	\$1,230,000
Brokerage: Retail	50%	45%
Services	7%	5%
Other	43%	50%
Employees	25	24
Offices	1	1

Year founded: 1971.
Compensation: 83% commissions; 7% fees.
Principal officers: Robert Lachance, president; John Louis Benoit, secretary/treasurer; Andre Bertrand, Claude Lavigne, Morris Lachance, Guy Lachance, vps.

Lachance, Pare, Forte & Associates Ltd.

5125 du Trianon, Suite 280, Montreal, Quebec, Canada H1M2S5; 514-354-2161

	1983	1982
Premium volume	\$4,800,000	\$4,200,000
Gross revenues	\$900,000	\$725,000
Brokerage: Retail	60%	60%
Services	10%	10%
Other	30%	30%
Employees	21	17
Offices	1	1

Year founded: 1926.
Compensation: 90% commissions; 10% fees.
Principal officers: Joseph J. Pare, president; Marc Lachance, secretary/treasurer; David Millroy, vp.
Licensed excess/surplus broker in: Canada.

Lamb Little & Co.

309 W. Washington, Chicago, Ill.
 60606; 312-332-5541

	1983	1982
Premium volume	\$11,300,000	\$12,500,000
Gross revenues	\$1,800,000	\$2,000,000
Brokerage: Retail	90%	80%
Other	10%	20%
Employees	34	43
Offices	1	1

Year founded: 1947.
Compensation: 100% commissions.
Principal officers: Raymond J. Clancy, chairman; Roy H. Holle, president; David B. Peck III, senior vp; K.L. McVickers, vp/treasurer; Dale Somers, vp/secretary.
Licensed excess/surplus broker in: Illinois.

J. Smith Lanier & Co.

P.O. Box 70, West Point, Ga. 31833;
 404-645-2211

	1983	1982
Premium volume	\$25,000,000	\$15,000,000
Gross revenues	\$5,000,000	\$3,000,000
Brokerage: Retail	40%	40%
Other	60%	60%
Employees	130	80
Offices	10	7

Year founded: 1868.
Compensation: 100% commissions.
Acquisitions: J. Smith Lanier & Co., Atlanta; Columbus Interstate Insurance Agency and Dillard-Woolfolk Co. both in Columbus, Ga., purchased.

Branch offices: Lafayette, Ala.; Manchester, Franklin, Bremen, Columbus and Atlanta, Ga.; Tri-County/Lanier in Carrollton, Villa Rica and Bowden, Ga.
Principal officers: J. Smith Lanier II, chief executive officer; D. Gaines Lanier, vp/secretary; William T. Parr, Ann B. Adams, vps.

Licensed excess/surplus broker in: Alabama.

Lasher-Cowie Agency Inc.

1807 N. Central Ave., Phoenix, Ariz.
 85004; 602-258-3421

	1983	1982
Premium volume	NA	NA
Gross revenues	\$3,568,974	\$2,531,073
Brokerage: Retail	60%	60%
Services	1%	1%
Other	39%	39%
Employees	70	57
Offices	3	3

Year founded: 1959.
Compensation: 99% commissions; 1% fees.
Acquisitions: Norman Gray Agency, Tucson, Ariz., purchased.
Branch offices: Lasher-Cowie-Turner, Flagstaff, Ariz.; Lasher-Cowie-Tucson, Tucson, Ariz.

Subsidiaries: Innkeepers International, Phoenix, Ariz.; Rocky Mountain General Agency, Phoenix, Ariz.
Principal officers: Robert P. Cowie, president; Richard J. Seminoff, secretary/treasurer; Ken Whitley, Bob McKinney, vps.
Licensed excess/surplus broker in: California, New Mexico, Colorado.

Laub Group Inc.

324 E. Wisconsin Ave., Milwaukee, Wis. 53202; 414-271-4292

	1983	1982
Premium volume	NA	NA
Gross revenues	\$4,130,000	\$3,839,000
Brokerage: Retail	85.1%	82.9%
Wholesale	12.9%	15.1%
Services	2%	2%
Employees	71	75
Offices	5	5

Year founded: 1931.
Compensation: 98% commissions; 2% fees.
Branch offices: Racine, Madison, Wausau and Appleton, Wis.
Parent company: Intertye Corp.
Principal officers: Raymond H. Laub, president; George Stevoff, executive vp.
Licensed excess/surplus broker in: Wisconsin.

Lawrence Agency Corp.

258 State St., Albany, N.Y. 12210;
 518-370-1720

	1983	1982
Premium volume	\$54,100,000	\$36,800,000
Gross revenues	\$6,010,000	\$4,310,095
Brokerage: Retail	70%	73%
Wholesale	10%	10%
Services	15%	12%
Other	5%	5%
Employees	145	105
Offices	17	15

Year founded: 1954.
Compensation: 85% commissions; 15% fees.
Acquisitions: Lee King Agency, Clearwater, Fla.; Strong Agency, Whitney Point, N.Y.; Healthcare Administrative Service, Clifton Park, N.Y.; all pooled.
Branch offices: Boston; Clearwater and Fort Lauderdale, Fla.; Harrisburg, Pa.; Louisville, Ky.;

Niles, Ohio; Phoenix, Ariz.; Albany, Buffalo, Cortland, Glens Falls, New York, Rochester, Schenectady, Syracuse, Troy and Whitney Point, N.Y.

Subsidiaries: Healthcare Administrative Services, Albany, N.Y.; Independent Risk Management Group, Syracuse, N.Y.; Fitts-Lawrence Inc., Schenectady, N.Y.
Principal officers: A.W. Lawrence, chairman; G. Keehufus, president; T. Hali, C. Roberson, J. Orłowski, vps.

Licensed excess/surplus broker in: New York.

The Leavitt Group

P.O. Box 130, Cedar City, Utah
 84720; 801-586-6553

	1983	1982
Premium volume	\$40,235,654	\$33,367,688
Gross revenues	\$5,998,176	\$5,338,830
Brokerage: Retail	98%	98%
Services	2%	2%
Employees	147	149
Offices	38	49

Year founded: 1952.
Compensation: 98% commissions; 2% fees.

Acquisitions: Turner-Leavitt & Co. and Protection Inc., Salt Lake City; LaPaz Insurance Agency, Parker, Ariz., all pooled.

Branch offices: Armistead-Leavitt, Midvale, Utah; Barton-Leavitt, Kanab, Utah; Blonquist-Leavitt, Coalville, Utah; Bowen-Leavitt, Orem, Utah; Briggs-Leavitt, Salina, Utah; Bringham-Leavitt, Hurricane, Utah; Gardner-Leavitt, Spanish Fork, Utah; Manis-Leavitt, Delta, Utah; Dixie Leavitt Agency, Cedar City, Utah; Okerlund-Leavitt, Richfield, Utah; Olsen-Leavitt, St. George, Utah; Peterson-Leavitt, Heber City, Utah; Roberts-Leavitt, Salt Lake City; Savage-Leavitt, American Fork, Utah; Sheedy-Leavitt, Roosevelt, Utah; Smith-Leavitt, Brigham City, Utah; Stowell-Leavitt, Nephi, Utah; Taylor/Bowen-Leavitt, Provo, Utah; Turner, Leavitt & Co., Salt Lake City; Whitaker-Leavitt, Fillmore, Utah; Wilkinson/Bowen-Leavitt, Orem, Utah; Bourne-Leavitt, Lake Havasu City, Ariz.; Butler-Leavitt, Dawn-Leavitt and Minard-Leavitt, Phoenix, Ariz.; LaPaz-Leavitt, Parker, Ariz.; Massey-Leavitt, Mesa, Ariz.; Riviera-Leavitt, Riviera, Ariz.; BHW-Leavitt, Cahill/Griffith-Leavitt, Clark-Leavitt, Fleet-Leavitt, Hunt-Leavitt, Leavitt Insurance Agency, Parus-Leavitt and Summerfield-Leavitt, Las Vegas, Nev.; Long-Leavitt, Overton, Nev.; Call-Leavitt, Twin Falls, Idaho.

Parent company: Security Enterprises Ltd.
Principal officers: Michael O. Leavitt, president/chief executive officer; Dane O. Leavitt, executive vp/chief operating officer; Kelly R. Russell, secretary/treasurer.
Licensed excess/surplus broker in: Utah, Nevada, Arizona.

Ledbetter Insurance & Risk Management Inc.

1000 N.W. Grand Blvd., P.O. Box 18799, Oklahoma City, Okla. 73154;
 405-840-9090

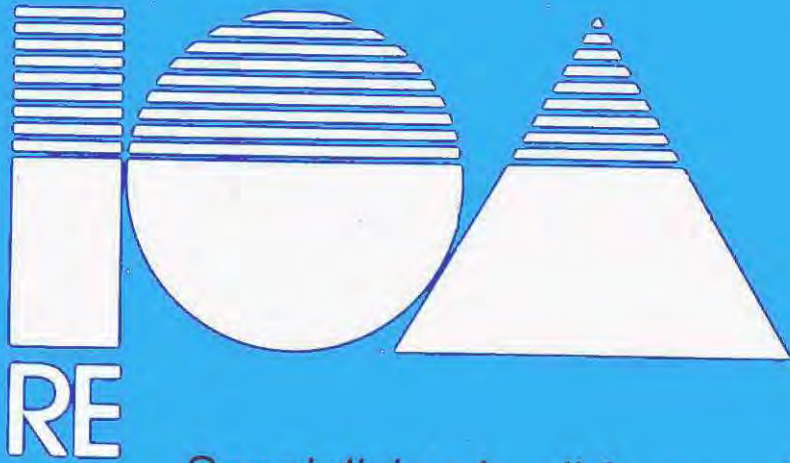
	1983	1982
Premium volume	\$9,000,000	\$7,500,000
Gross revenues	\$1,080,000	\$900,000
Brokerage: Retail	80%	78.5%
Other	20%	21.5%
Employees	30	26
Offices	1	1

Year founded: 1918.
Compensation: 95% commissions; 5% fees.
Acquisitions: TKB Insurance, Oklahoma City, and Pace Insurance Agency, Oklahoma City, purchased.

Subsidiaries: Ledco Risk Management Services, Oklahoma City.
Principal officers: E.R. Ledbetter Jr., president; G.E. Moore, Terry K. Banker, vps; Ed C. Warren, secretary.
Licensed excess/surplus broker in: Oklahoma.

Continued on page 108

REINSURANCE



Specializing in all forms of life, accident and health Reinsurance.

FACULTATIVE/TREATY

Underwriting and loss adjusting intermediary for LLOYDS of LONDON for over 30 years.

- Stop Loss for Self-Funded Employee Benefit Plans
- Stop Loss for Aviation Workers' Compensation
- Catastrophe Excess Treaties
- Special Risks
- Aviation Accident
- Admitted Liability
- Group Travel
- Life

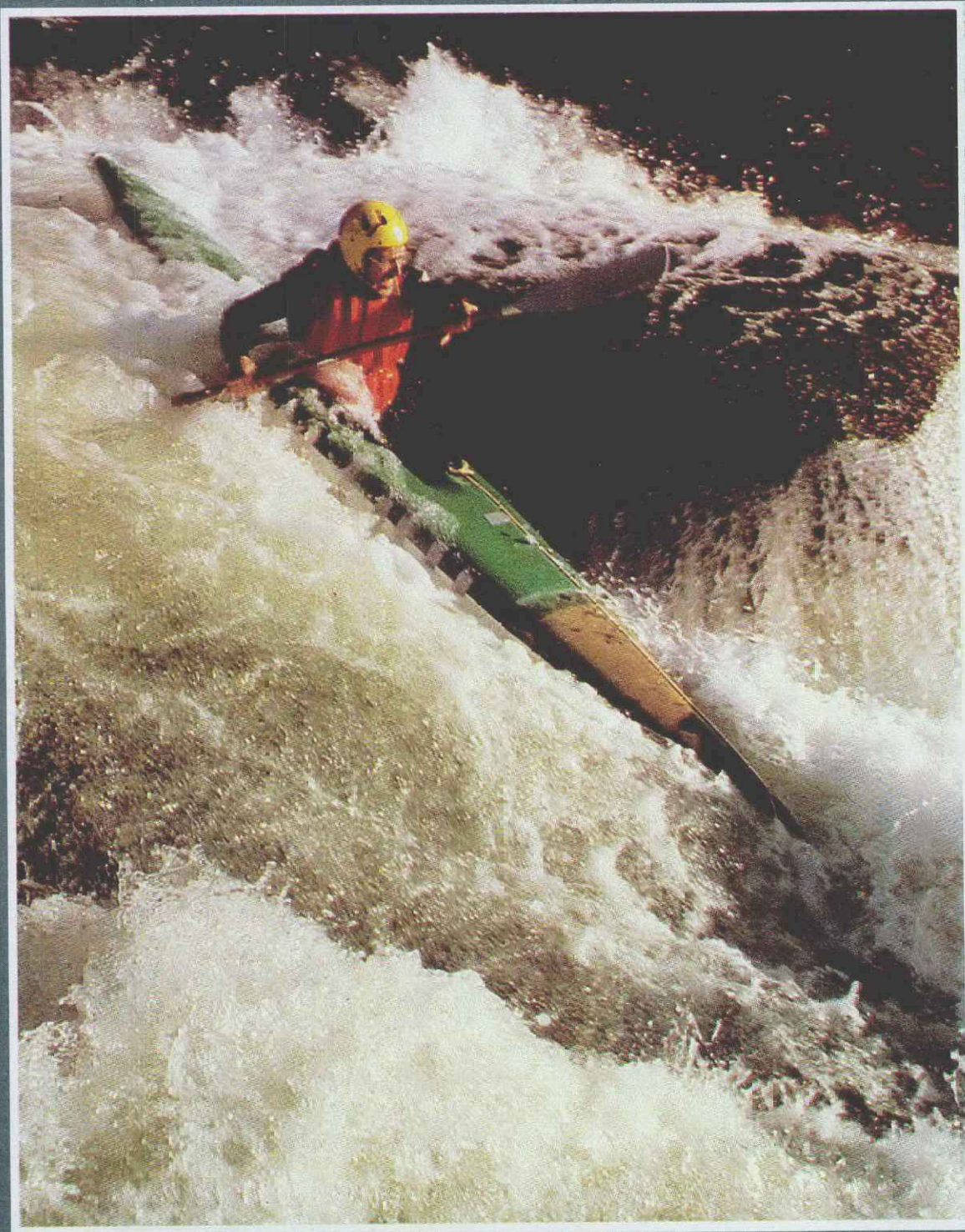
John W. Parker, Jr.
 Deborah Perna
 Milo W. Zidek
 Ralph P. Pillischer
 William R. Guckes, Jr.

215-569-9595

1760 MARKET STREET ■ PHILADELPHIA, PA 19103

Other principal cities in the U.S.: Coral Gables • Dallas • New York • San Francisco
 And abroad: Bogota • Brussels • Buenos Aires • Caracas • Hamilton • Lima • London • Maracaibo • Mexico City • Milan • Panama City • Paris • Santiago • Sydney

**REINSURING THE STRENGTH
OF YOUR ASSETS.
RISK UNDER CONTROL.**



For any primary insurer, a well-designed reinsurance program controls and reinforces cash flow. Reinsurance gives invested assets a chance to grow and provides stability to earnings. National Reclient companies gain these advantages, plus prompt claims payment, as we help you control your risk. Contact us.



National Reinsurance Corporation

777 Long Ridge Road, P.O. Box 10167, Stamford, CT 06904 • 203-329-7700 Telex: 96593E
Chicago • Dallas • Hartford • New York

Continued from page 106

Leslie Wright & Rolfe Ltd.
P.O. Box 11102, Royal Centre, 1055
W. Georgia St., Vancouver, B.C.,
Canada V6E 4G2; 604-682-4211

	1983	1982
Premium volume	\$15,593,000	\$14,936,000
Gross revenues	\$3,156,000	\$3,311,000
Brokerage: Retail	100%	100%
Employees	84	90
Offices	4	NA

Year founded: 1900.

Compensation: 96% commissions; 4% fees.

Branch offices: Victoria, B.C.; Kamloops, B.C.; Calgary, Alberta, Canada.

Principal officers: B. John L. Rolfe, president; M. Havelock Rolfe, H.W.R. Harrison, A.E. leNobel, executive vps; Brian Johnston, vp/controller.

Levinson Brothers Inc.

101 California St., 27th Floor, San Francisco, Calif. 94111; 415-434-3200

	1983	1982
Premium volume	\$14,830,547	\$13,781,241
Gross revenues	\$2,103,413	\$1,638,289
Brokerage: Retail	96%	92%
Other	4%	8%
Employees	25	23
Offices	1	1

Year founded: 1956.

Compensation: 100% commissions.

Principal officers: Fred Levinson, president; Mort Levinson, David J. Levinson, B.S. Green-dorfer, vps.

Licensed excess/surplus broker in: California.

M. J. Lieberman & Co.

354 Eisenhower Parkway,
Livingston, N.J. 07039;
201-992-6500

	1983	1982
Premium volume	\$7,738,000	\$7,325,000
Gross revenues	\$1,244,000	\$1,136,000
Brokerage: Retail	93%	93%
Other	7%	7%
Employees	19	19
Offices	1	1

Year founded: NA.

Compensation: 97% commissions; 3% fees.

Principal officers: Morris Lieberman, president; Philip Lieberman, secretary/treasurer; Robert A. Kososki, Robert Emmons, vps.

The Lockton Insurance Agency Inc.

7600 State Line Road, Prairie Village, Kan. 66208; 913-381-3100

	1983	1982
Premium volume	\$23,000,000	\$18,000,000
Gross revenues	\$4,316,000	\$3,580,000
Brokerage: Retail	95%	95%
Services	1%	1%
Other	4%	4%
Employees	80	65
Offices	3	2

Year founded: 1967.

Compensation: 94% commissions; 6% fees.

Branch offices: Lockton Insurance Agency of Colorado Inc., Denver; Lockton Insurance Agency of St. Louis Inc., St. Louis, Mo.

Principal officers: John T. Lockton III, president; Michael C. Frost, managing vp; Gary F. Ham-bright, vp-insurance; James C. Pat-teidl, vp-surety; David M. Lockton,

executive vp.

Licensed excess/surplus broker in: Various states.

C. Loftberg Co.

363 Cedar Lane, P.O. Box 308,
Teaneck, N.J. 07666; 201-836-2100

	1983	1982
Premium volume	\$5,400,000	\$5,000,000
Gross revenues	\$930,000	\$900,000
Brokerage: Retail	90%	60%
Services	10%	40%
Employees	22	21
Offices	1	1

Year founded: 1927.

Compensation: 90% commissions; 10% fees.

Principal officers: Richard C. Loftberg, chairman/chief executive officer; Paul W. Loftberg, president; Franklin D. Lutz, executive vp; David Holmgren, senior vp; Adele Kirschbaum, secretary.

Licensed excess/surplus broker in: New Jersey.



MDM Associates

5730 Uplander Way, Culver City,
Calif. 90230; 213-670-0172

	1983	1982
Premium volume	NA	NA
Gross revenues	\$3,110,000	\$2,775,000
Brokerage: Retail	72%	69%
Other	28%	31%
Employees	45	41
Offices	1	1

Year founded: 1970.

Compensation: 90% commissions; 10% fees.

Parent company: Mort-Kane Corp.

Principal officers: Morton Firestone, president/chief executive officer; William Roeder, executive vp/chief operating officer; David Kane, senior vp.

MacIntyre, Fay & Thayer Insurance Agency Inc.

1 Wells Ave., Newton, Mass. 02159;
617-332-5100

	1983	1982
Premium volume	\$23,070,700	\$21,239,500
Gross revenues	\$4,457,841	\$4,013,256
Brokerage: Retail	43%	42%
Wholesale	21%	22%
Other	36%	36%
Employees	81	72
Offices	1	1

Year founded: 1945.

Compensation: 99% commissions; 1% fees.

Subsidiaries: Surplus Services Insurance Agency Inc. and Marketing Associates Insurance Agency Inc., Newton, Mass.

Principal officers: Joseph J. Fay, chairman; Richard E. Eagan, president; Walter P. Corcoran, executive vp; Sanford D. Elsass, Michael J. Susco, vps.

Licensed excess/surplus broker in: Massachusetts.

Mack & Parker Inc.

Xerox Center, 55 W. Monroe,
Chicago, Ill. 60603; 312-346-1221

	1983	1982
Premium volume	NA	NA
Gross revenues	\$3,456,589	\$3,612,741
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	70	67
Offices	1	1

Compensation: 90% commissions; 10% fees.

Principal officers: Edward E. Mack Jr., chairman; Edward E. Mack III, president/chief executive officer; John P. Mack, vp/treasurer; Martin P. Hughes, vp; Charles S. Mack, vp/secretary.

Licensed excess/surplus broker in: Illinois.

Mahoney & Wright Insurance Agencies

141 Tremont St., Boston, Mass.
02110; 617-482-4086

	1983	1982
Premium volume	\$27,082,000	\$25,475,000
Gross revenues	\$4,256,000	\$3,850,000
Brokerage: Retail	50%	52%
Other	50%	48%
Employees	120	115
Offices	16	16

Year founded: 1927.

Compensation: 99% commissions; 1% fees.

Acquisitions: Kea Agency, Wayland, Mass., and Johnson Insurance Agency, Walpole, Mass.; both purchased.

Branch offices: Boston, Newton, Weymouth, Falmouth, Warmouth, Wakefield, Scituate, Fitchburg, Dedham, Rockland, Manchester, Middleboro, Tewksbury, Peabody, Walpole and Wayland, Mass.

Principal officers: Norman R. Wright, chief executive officer; Richard D. Forrest, Donald Beale, Daniel O'Rourke, Richard Grant, vps.

Licensed excess/surplus broker in: Massachusetts.

Marshall & Sterling Inc.

75 Washington St., Poughkeepsie,
N.Y. 12601; 914-454-0800

	1983	1982
Premium volume	\$20,000,000	\$18,000,000
Gross revenues	\$3,100,000	\$2,800,000
Brokerage: Retail	100%	100%
Employees	65	66
Offices	3	3

Year founded: 1864.

Compensation: 92% commissions; less than 1% fees.

Acquisitions: Young-Clark Insurance Ltd., Christiansted, St. Croix, U.S. Virgin Islands.

Branch offices: Poughkeepsie, Wappingers Falls, N.Y.; Chris-

tiansted, St. Croix, U.S. Virgin Islands.

Subsidiaries: Caribbean Insurance Agency Inc.

Principal officers: John P. O'Shea, president; Harry E. Reis Jr., vp/general manager-Wappingers Falls branch; Larry W. Frey, vp/general manager-St. Croix branch; Peter T. Bennett, Frank R. Rinaudo, vps.

Licensed excess/surplus broker in: New York; U.S. Virgin Islands.

Mason-McDuffie Insurance Service Inc.

4 Orinda Way, Suite 100B, Orinda,
Calif. 94563; 415-254-8900

	1983	1982
Premium volume	\$12,100,000	\$8,900,000
Gross revenues	\$2,500,000	\$2,133,000
Brokerage: Retail	100%	100%
Employees	42	38
Offices	2	2

Year founded: 1887.

Compensation: 100% commissions.

Acquisitions: Selected accounts of Rollins, Burdick, Hunter Co. offices in San Francisco and Palo Alto, Calif.; and Krueger Insurance Agency, San Francisco; not reported.

Branch offices: Orinda and Fullerton, Calif.

Principal officers: Jay P. O'Brien, president; Donald C. Hook, executive vp; Gary N. Lewis, chief financial officer.

Maxson-Mahoney-Turner Inc.

3601 Cedar Springs, Dallas, Texas
75219; 214-521-1113

	1983	1982
Premium volume	\$13,811,587	\$10,027,414
Gross revenues	\$2,027,541	\$1,613,015
Brokerage: Retail	100%	100%
Employees	34	34
Offices	1	1

Year founded: 1915.

Compensation: 100% commissions.

Principal officers: David O. Turner, president; Harry J. Brownlee, executive vp; Steven W. Pond, partner; Michael O. Williams, partner/agency manager.

May-Davis Inc.

Box 11589, Spokane, Wash. 99211;
509-535-8783

	1983	1982
Premium volume	\$4,000,000	\$4,250,000
Gross revenues	\$500,000	\$500,000
Brokerage: Retail	100%	100%
Employees	6	6
Offices	1	1

Year founded: 1974.

Compensation: 100% commissions.

Principal officers: L.E. May, president; William H. Davis, executive vp.

McCrea & Gallen Inc.

992 Old Eagle School Road, P.O.
Box 311, Wayne, Pa. 19087;
215-964-9250

	1983	1982
Premium volume	\$7,500,000	\$7,000,000
Gross revenues	\$814,000	\$814,000
Brokerage: Retail	98%	98%
Other	2%	2%
Employees	17	19
Offices	1	1

Year founded: 1981.

Compensation: 75% commissions; 25% fees.

Principal officers: Thomas F. McCrea, president; Thomas J. Gallen, secretary/treasurer.

McDonough Caperton Insurance Group

P.O. Box 1551, Charleston, W.Va.
25326; 304-346-0611

	1983	1982
Premium volume	\$150,000,000	\$130,000,000
Gross revenues	\$13,500,000	\$12,000,000
Brokerage: Retail	60%	60%
Services	40%	40%
Employees	286	290
Offices	10	9

Continued on facing page

The Underwriters, Inc.

National Managing General Agent
For



FORUM INSURANCE COMPANY
(1984 Best Rating A 12)

A New Team
For
Commercial Umbrella and Excess Liability

T.U.I. Headquarters

Lanidex Center
400 Lanidex Plaza
Parsippany, N.J. 07054
Phone: 201-884-0430
Telex: 752455

California

T.U.I. Insurance Services
of California
3325 Wilshire Blvd.
Los Angeles, California 90010
P.O. Box 75172
Phone: 213-387-8484
Telex: 194317

Continued from previous page

Year founded: 1936.
Compensation: 60% commissions; 40% fees.
Branch offices: McDonough Caperton Beckley, Beckley, W.Va.; McDonough Caperton Cleveland, Cleveland; McDonough Caperton Fairmont/Henry & Hardesty Inc., Fairmont, W.Va.; McDonough Caperton Kentucky, Lexington, Ky.; McDonough Caperton Parkersburg, Parkersburg, W.Va.; McDonough Caperton Pittsburgh, Pittsburgh; McDonough Caperton Wheeling/Lee Paul Insurance, Wheeling, W.Va.; McDonough Caperton International Inc., Hamilton, Bermuda.
Subsidiaries: McDonough Caperton Shepherd Association Group, McDonough Caperton Employee Benefits/West Virginia and McDonough Caperton International Inc., Charleston, W.Va.; McDonough Caperton Employee Benefits/Ohio, Cleveland; McDonough Caperton International Ltd., Hamilton, Bermuda.
Principal officers: Gaston Caperton, president; W. Marston Becker, executive vp; Harley F. Mooney, vp-property and casualty group; Percy E. Osborne, vp-finance.

McElroy-Minister Co.

141 E. Town St., Columbus, Ohio
 43215; 614-228-5565

	1983	1982
Premium volume	\$24,560,000	\$23,998,550
Gross revenues	\$4,214,103	\$3,942,617
Brokerage: Retail	92.3%	93%
Other	7.7%	7%
Employees	98	92
Offices	1	1

Year founded: 1875.
Compensation: 60% commissions; 40% fees.
Subsidiaries: Bancroft Co., Columbus, Ohio.
Principal officers: John C. Glandon president; Hugh M. Hadley, secretary; Keith A. Pierce, executive vp/treasurer; James R. Creek, executive vp-sales; William R. Gillam, executive vp-employee benefits.
Licensed excess/surplus broker in: Ohio.

McGowan & Co. Inc.

21010 Center Ridge Road, Rocky River, Ohio 44116;
 216-333-6300/800-922-2604

	1983	1982
Premium volume	\$7,540,000	\$7,103,000
Gross revenues	\$781,100	\$761,000
Brokerage: Retail	71%	65%
Other	29%	35%
Employees	24	22
Offices	1	1

Year founded: 1950.
Compensation: 95% commissions; 5% fees.
Acquisitions: Graber, Stewart & Woznick, Cleveland; Brown Insurance Agency, Lakewood, Ohio; both purchased.
Principal officers: Thomas B. McGowan, president; Thomas B. McGowan III, vp.
Licensed excess/surplus broker in: Ohio.

McGriff, Seibels & Williams Inc.

2211 Seventh Ave. S., Birmingham, Ala. 35233; 205-252-9871

	1983	1982
Premium volume	\$65,168,095	\$73,287,009
Gross revenues	\$10,707,187	\$10,783,105
Brokerage: Retail	69.4%	62.5%
Services	15.2%	18.5%
Other	15.4%	19.0%
Employees	215	210
Offices	6	6

Year founded: 1886.
Compensation: 69.4% commissions; 15.2% fees.
Branch offices: Birmingham, Florence, Gadsden and Mobile, Ala.; Pensacola and Orlando, Fla.
Subsidiaries: Southern Risk Services Inc., Birmingham, Ala.
Principal officers: Lee McGriff, chairman/chief executive officer;

Richard M. Womack, president; Elliott T. Williams Jr., Henry G. Seibels Jr., vice chairmen.
Licensed excess/surplus broker in: Alabama, Florida.

Richard A. McGuire Associates Inc.

1510 Fifth Ave., Bay Shore, N.Y. 11706; 516-666-9300/212-895-6161

	1983	1982
Premium volume	\$8,000,000	\$7,000,000
Gross revenues	\$1,250,000	\$1,000,000
Brokerage: Retail	50%	95%
Services	15%	5%
Other	25%	—
Employees	30	30
Offices	3	3

Year founded: 1969.
Compensation: 85% commissions; 15% fees.
Branch offices: Steel & McGuire of New York Inc. and Suffolk Risk Management Associates Inc., Smithtown, N.Y..
Subsidiaries: Steel & McGuire
 Continued on next page

JULY

23

MARKET REPORT/INSURANCE EXCHANGES

COMING SOON!

JULY

10

AD CLOSING, TUESDAY, JULY 10

business insurance

New York: 220 East 42nd Street, NY 10017 (212) 210-0133
 Chicago: 740 Rush Street, IL 60611 (312) 649-5276
 Los Angeles: 6404 Wilshire Blvd., CA 90048 (213) 651-3710

"We'll have valuable machinery at the site. What about the risk of confiscation or damage during political turmoil?"
TALK TO OPIC.



"We want to bid on the job, but what about our bid and performance guaranties? How secure will they be?"
TALK TO OPIC.



"I'm contracting with a government agency I don't know very well. What if our invoices aren't paid?"
TALK TO OPIC.



OVERSEAS CONTRACT OPPORTUNITIES MAY ALSO MEAN RISKS THAT ARE FOREIGN TO YOU.

If you're an American contractor or exporter who wants to do business in the world's developing countries, Overseas Private Investment Corporation's Contractors and Exporters Program can provide you with political risk insurance and specialized financing services.

If you're required to post bid, performance or advance payment guaranties in the form of standby letters of credit, OPIC can protect you against the arbitrary or unfair drawing of such letters of credit. We also insure contractors against such risks as currency inconvertibility, failure to pay valid invoices, confiscation of tangible assets and bank accounts, and damage to tangible assets caused by political turmoil.

WE CAN HELP.

Plus OPIC offers a loan guaranty program for small business contractors to assist with credit needs.

OPIC is a self-sustaining federal government agency that assists U.S. business in over 100 of the world's developing nations. Talk to us soon. OPIC has helped U.S. companies in industries like construction, engineering, and telecommunications. How can we help you in '84?

Write or call toll-free 800-424-6742, and ask for our free brochure about OPIC's Contractors and Exporters Program. In the Washington, D.C. metro area, call 653-2800.

Overseas Private Investment Corporation

OPIC

Political Risk Insurance • Financing • Missions • Information Services • Feasibility Studies

1129 20th Street, N.W., Washington, D.C. 20527 (202) 653-2800.



MAIL TO: Overseas Private Investment Corporation 1129 20th St., N.W., Wash., D.C. 20527

Please send me your free brochure describing OPIC's Contractors and Exporters Program.

NAME _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____

TELEPHONE _____ ZIP _____

Continued from previous page
of New York Inc., Smithtown, N.Y.; Suffolk Risk Management Associates Inc., Smithtown, N.Y.; Harbour Financial Planning Group Ltd., Bay Shore and New York, N.Y.; Safe Harbour Equities Inc., Bay Shore and New York, N.Y.
Principal officers: Richard A. McGuire, chairman/president; Charles E. Eggleton, president; Bruce A. Romanitch, vp.

Meadowbrook Insurance Group

24370 Northwestern Highway, Southfield, Mich. 48075; 313-358-1100

	1983	1982
Premium volume...	\$21,000,000	\$17,000,000
Gross revenues...	\$4,300,000	\$3,630,000
Brokerage: Retail	62%	61%
Services	38%	36%
Other	2%	3%
Employees	101	88
Offices	4	4

Year founded: 1955.
Compensation: 62% commissions; 36% fees.

Acquisitions: North American Agency, Bloomfield Hills, Mich., purchased.

Branch offices: Meadowbrook Insurance Agency Inc., Dedham, Mass., and Arlington Heights, Ill.; Meadowbrook Risk Management, Flatts, Bermuda; Self Insured Risk Services, Grand Rapids, Mich.

Parent company: Meadowbrook Inc.

Principal officers: Merton J. Segal, chairman; Robert A. Engle, president; Lee F. Kelly, vp/treasurer; Michael Murawski, vp; Joy A. Maurer, secretary.

Licensed excess/surplus broker in: Michigan.

Meeker Sharkey Financial Group

21 Commerce Drive, Cranford, N.J. 07016; 201-272-8100

	1983	1982
Premium volume...	\$34,000,000	\$16,000,000
Gross revenues...	\$5,800,000	\$3,200,000
Brokerage: Retail	85%	92%
Services	12%	6%
Other	3%	—
Employees	130	75
Offices	5	3

Year founded: 1864.
Compensation: 85% commissions; 15% fees.

Acquisitions: J. DiLeo Agency, Piscataway, N.J.; Kohler MacBean, Cranford, N.J.; MacKinnon Co.,

Wayne, N.J.; all purchased.

Branch offices: T.C. Moffatt, Sea Girt, N.J.; MacKinnon Co., Wayne, N.J.; J. DiLeo Agency, Piscataway, N.J.; Kohler MacBean, Cranford, N.J.; Meeker Sharkey & Moffatt, Cranford, N.J.

Subsidiaries: Kohler MacBean, Cranford, N.J.; Actuarial Consultants, Cranford, N.J.; Provident Mutual, Cranford, N.J.

Principal officers: Thomas J. Sharkey, chairman; Brian Leddy, president-Kohler MacBean; Bill Redmond, president-J. DiLeo Agency; George Houghton, president-Actuarial Consultants.

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

Merritt & McKenzie Inc.

1827 Powers Ferry Road, Building 10, Marietta, Ga. 30067; 404-952-5775

	1983	1982
Premium volume...	\$7,500,000	\$6,671,000
Gross revenues...	\$1,300,000	\$1,186,389
Brokerage: Retail	60%	70%
Other	40%	30%
Employees	27	27
Offices	1	1

Year founded: 1925.
Compensation: 99% commissions.

Principal officers: James W. McKenzie, chairman; Edward F. Merritt Jr., president; Sam Phillips McKenzie Jr., vp-commercial lines; Carroll P. Jones Jr., vp-life insurance department.

Miller, Miller, Bradwisch & Miller, P.A.

3333 Atlantic Blvd., Jacksonville, Fla. 32207; 904-396-9371

	1983	1982
Premium volume...	\$21,512,000	\$19,965,000
Gross revenues...	\$1,608,000	\$1,147,000
Brokerage: Retail	99%	90%
Services	1%	10%
Employees	32	30
Offices	3	3

Year founded: 1963.
Compensation: 91% commissions; 9% fees.

Acquisitions: The Miller Health Group Inc., Jacksonville, Fla., pooled.

Branch offices: Miller/Kiefer, Ocala, Fla.; Miller/Gurnsey, Pensacola, Fla.

Subsidiaries: The Miller Health Group Inc. and Flexcomp Inc., Jacksonville, Fla.

Principal officers: Richard E. Miller Sr., president; Richard E. Miller Jr., Robert W. Bradwisch, Scott C. Miller, vps; Foster D. McGarity, president-Miller Health Group Inc.

Richard A. Mills Co. Inc.

408 Nutmeg St., San Diego, Calif. 92103; 619-298-7771

	1983	1982
Premium volume...	\$11,800,000	\$8,000,000
Gross revenues...	\$1,700,000	\$1,200,000
Brokerage: Retail	100%	100%
Employees	37	37
Offices	2	2

Year founded: 1934.
Compensation: 100% commissions.

Branch office: Newport Beach, Calif.

Principal officers: David James, president; Timothy Mills, Darryl Vroman, vps; Thomas James, secretary.

Julius Moll & Son Inc.

6160 Cicero Ave., Chicago, Ill. 60646; 312-286-7737

	1983	1982
Premium volume...	\$8,100,000	\$8,000,000
Gross revenues...	\$1,420,000	\$1,400,000
Brokerage: Retail	90%	90%
Other	10%	10%
Employees	19	18
Offices	1	1

Year founded: 1901.
Compensation: 98% commissions, 2% fees.

Principal officers: Theodore S. Ross, president; Richard Moll, chairman.

Licensed excess/surplus broker in: Illinois.

Molton, Allen & Williams Corp.

2101 Sixth Ave., P.O. Box 10025, Birmingham, Ala. 35202; 205-251-6000

	1983	1982
Premium volume...	\$11,633,100	New company
Gross revenues...	\$1,428,684	—
Brokerage: Retail	97.5%	—
Services	2.5%	—
Employees	24	—
Offices	3	—

Year founded: 1983.
Compensation: 97.5% commissions; 2.5% fees.

Acquisitions: Johnson, Rast & Hays Inc., Birmingham, Ala.; M. Lee Mitchell Insurance Inc., Birmingham, Ala.; and Lyons Agency, Mobile, Ala.; not included.

Branch offices: Huntsville, Mobile, Birmingham, Ala.

Principal officers: Tommy C. Ritter, president/chief executive officer; William M. Jacka, president-insurance division; Jeffrey L. Johnson, executive vp; John H. Truitt, vp/marketing manager; Earl Ridolphi, sales manager.

Licensed excess/surplus broker in: Alabama.

Montgomery & Montgomery Inc.

111 Fulton St., New York, N.Y. 10038; 212-285-0600

	1983	1982
Premium volume...	NA	NA
Gross revenues...	\$2,900,000	\$2,674,552
Brokerage: Retail	70%	85%
Other	30%	15%
Employees	50	48
Offices	5	6

Year founded: 1926.
Compensation: 95% commissions; 5% fees.

Branch offices: Los Angeles, Seattle, Atlanta.

Principal officers: L.E. Brown, R.A. Nolan, H.E. Smith, directors/vps; R. Samuels Jr., L.C. Valdes, vps.

Licensed excess/surplus broker in: New York.

Morency & Associates Inc.

950 York Road, Hinsdale, Ill. 60521; 312-887-0910

	1983	1982
Premium volume...	\$6,000,000	\$6,000,000
Gross revenues...	\$1,250,000	\$1,000,000
Brokerage: Retail	100%	100%
Employees	14	14
Offices	1	1

Year founded: 1960.
Compensation: 98% commissions; 2% fees.

Principal officers: George A. Morency Jr., president; Glenn P. Sapa, Mike Weibel, Richard T. Morency, vps.

Licensed excess/surplus broker in: Illinois.

Fred A. Moreton & Co.

649 East South Temple, Salt Lake City, Utah 84102; 801-531-1234

	1983	1982
Premium volume...	\$17,500,000	\$17,200,000
Gross revenues...	\$3,771,000	\$3,975,000
Brokerage: Retail	67%	65%
Wholesale	20%	24%
Services	4%	3%
Other	9%	8%
Employees	55	55
Offices	2	2

Year founded: 1910.
Compensation: 99% commissions; 1% fees.

Branch offices: Idaho Falls, Idaho.

Subsidiaries: Moreton General Agency, Salt Lake City; Moreton Insurance Credit Plan, Salt Lake City; Moreton Benefit Administrators, Salt Lake City.

Principal officers: Edward B. Moreton, president; Ron Cornell, executive vp; Edward F. Folland, senior vp; L. Kent Bills, Don Merrill vp.

Licensed excess/surplus broker in: Utah and Idaho.

Morris & Mackenzie Ltd.

4141 Sherbrooke St. W., Montreal, Quebec H3Z 1C1; 514-937-5755

	1983	1982
Premium volume...	NA	NA
Gross revenues...	\$7,700,000	\$7,700,000
Brokerage: Retail	70%	78%
Other	30%	22%
Employees	155	147
Offices	4	4

Year founded: 1939.
Compensation: 93% commissions; 7% fees.

Branch offices: Montreal, Toronto; Calgary, Alberta; Vancouver, British Columbia.

Subsidiaries: O. LeBlanc & Fils Ltee., Montreal; Morris & Mackenzie Management Ltd., Montreal; Morris & Mackenzie (Bermuda) Ltd., Bermuda.

Parent company: Mackmor Ltd.
Principal officers: Frank Dou-

gan, president/chief executive officer; Alan L. Drumm, senior vp/director; Robert J. Burn, Donald W. Lambie, vps/directors.

The Mutual Insurance Agency Inc.

5010 Wisconsin Ave. N.W., Washington, D.C. 20016; 202-362-9840

	1983	1982
Premium volume...	\$8,315,000	\$9,434,000
Gross revenues...	\$1,478,000	\$1,418,000
Brokerage: Retail	74%	81%
Other	26%	19%
Employees	28	27
Offices	1	1

Year founded: 1920.
Compensation: 76% commissions.

Principal officers: Henry A. Kroll, vice-chairman; Morris W. Wells, president; William G. McHenry, executive vp; John A. Effer, senior vp; Harry D. Fegley, James W. Delaney Jr., H. David Kroll, vps; John H. Wilson, Vincent D. Boylan Jr., assistant vps; Carol J. Lithgow, treasurer.

NIA Ltd./National Insurance Associates

66 Route 17, Paramus, N.J. 07652; 201-845-6600

	1983	1982
Premium volume...	NA	NA
Gross revenues...	\$4,498,000	\$3,462,000
Brokerage: Retail	70%	NA%
Wholesale	8%	NA%
Services	7%	NA%
Other	15%	NA%
Employees	95	76
Offices	7	7

Year founded: 1926.
Compensation: 92% commissions; 8% fees.

Acquisitions: Trans-National Agency Inc., East Hanover, N.J.; Cascardo Insurance Agency, Union City, N.J.; Ralph C. Latham Insurance Agency, Shrewsbury, N.J.; A.W. Marshall & Co., Newark, N.J.; all pooled.

Branch offices: Union City, Newark, North Plainfield, Freehold and Long Valley, N.J.; Nanuet, N.Y.

Subsidiaries: NIA Risk Management Services, Paramus, N.J.; NIA/Simons Group Programs Inc.; NIA Professional Plans Inc., Paramus, N.J.; Insurex Inc., Paramus, N.J.

Principal officers: Paul L. Gross, president; William F. Meade, executive vp; Beulah J. Handler, senior vp; Howard P. Cantor, vp-finance/treasurer.

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

National Coverage Corp.

2147 Jackson Ave., P.O. Box 40, Seaford, N.Y. 11783; 516-826-8000

	1983	1982
Premium volume...	\$17,520,000	\$16,620,539
Gross revenues...	\$2,047,999	\$1,997,876
Brokerage: Retail	100%	100%
Employees	40	40
Offices	1	2

Year founded: 1964.
Compensation: 95% commissions; 5% fees.

Subsidiaries: School Brokerage Inc.; W.G. Aaronson Inc.

Principal officers: William Kulesh, president; Warren G. Aaronson, executive vp; Anthony P. Costanza, senior vp; Russell J. Tillman, Ronald P. D'Alessandro, vps.

National Insurance Agency

4209 S. Alameda, Box 6750, Corpus Christi, Texas 78411; 512-993-6700

	1983	1982
Premium volume...	\$4,410,857	\$3,947,057
Gross revenues...	\$785,897	\$675,844
Brokerage: Retail	100%	100%
Employees	17	17
Offices	1	1

Continued on facing page



SAFECO's E & O coverage for insurance professionals.

SAFECO Insurance Company, in cooperation with E & O Professionals, Inc., has developed one of the broadest and most flexible errors and omissions policies in the insurance industry. SAFEPRO E & O coverage offers protection at a cost that could be a good deal lower than your agency is presently paying.

For more information, call E & O Professionals, Inc. toll-free at 1-800-243-6836, or contact any SAFECO Marketing Representative. Or return the coupon below.



Please send E & O information to:

Name _____ Agency _____

Address _____ City _____

State/Zip _____ Phone _____ Exp. _____

Return to: SAFEPRO
% E & O Professionals
8900 State Line Road
Leawood, KS 66206

Administered by E & O Professionals, Inc. Underwriting administrators for SAFECO Insurance Company.

Continued from facing page

Year founded: 1965.
Compensation: 100% commissions.
Principal officers: Robert E. Harris, president; John McFall, Scot Oshman, vps.

National Mortgage Insurance Consultant

1480 Renaissance Drive, Park Ridge, Ill. 60068; 312-296-3031

	1983	1982
Premium volume	\$4,275,000	\$4,002,470
Gross revenues	\$995,000	\$983,506
Brokerage: Retail	100%	100%
Employees	3	3
Offices	1	1

Year founded: 1979.
Compensation: 100% commissions.
Parent company: Bunch Inc.
Principal officers: Jack W. Bunch, chairman; Eugene D. Mitchell, president; John D. Sebring, executive vp.

Nelson Charlmers Inc.

725 Teaneck Road, Teaneck, N.J. 07666; 201-837-1100/212-772-0060

	1983	1982
Premium volume	\$10,800,000	\$9,500,000
Gross revenues	\$1,692,000	\$1,380,000
Brokerage: Retail	80%	85%
Other	20%	15%
Employees	30	28
Offices	1	1

Year founded: 1962.
Compensation: 90% commissions; 10% fees.
Principal officers: Alvin Singer, president; Donald Dillon, vp.

New England Security Insurance Agency Inc.

P.O. Box 260, 100 N. Main St., Mansfield, Mass 02048; 617-339-8991

	1983	1982
Premium volume	\$4,000,000	\$3,400,000
Gross revenues	\$655,182	\$540,170
Brokerage: Retail	97%	97%
Other	3%	3%
Employees	10	11
Offices	1	1

Year founded: 1882.
Compensation: 100% commissions.
Parent company: Financial Security Corp.
Principal officers: Ralph H. Seifert, president; James A. Wills, Mitchel G. Seifert, vps.

North American Insurance Agency

3800 Classen Center, Oklahoma City, Okla. 73118; 405-523-2100

	1983	1982
Premium volume	\$40,670,000	\$41,860,000
Gross revenues	\$5,530,042	\$5,642,000
Brokerage: Retail	99%	99%
Other	1%	1%
Employees	86	95
Offices	6	6

Year founded: 1959.
Compensation: 95% commissions; 5% fees.
Branch offices: Tulsa and Edmond, Okla.; Denver; Dallas; New Orleans.
Subsidiaries: NAIA of Louisiana, New Orleans; NAIA of Tulsa, Okla.; NAIA of Texas, Dallas; NAIA of Colorado Inc., Denver.
Principal officers: Gene McCrory, president; Donald W. Glaspey, executive vp; Jack G. Barry, senior vp; James M. Hill, assistant treasurer; John R. Mackey, vp.
Licensed excess/surplus broker in: Oklahoma and Louisiana.

Ocean Air Insurors Ltd.

5000 Cedar Plaza Parkway, Suite 115, St. Louis, Mo. 63128; 314-849-6100

	1983	1982
Premium volume	\$1,500,000	NA
Gross revenues	\$1,500,000	NA
Brokerage: Retail	85%	NA
Wholesale	10%	NA

Services	5%	NA
Employees	6	NA
Offices	2	NA

Year founded: 1983.
Compensation: 95% commissions; 5% fees.
Branch offices: Ocean Air Insurance Brokers, San Diego, Calif.
Principal officers: Robert G. Lawrence, president; Frederick D. Kosteki, treasurer.

Olliver/Pilcher Insurance Inc.

6150 N. 16th St., Phoenix, Ariz. 85016; 602-277-5703

	1983	1982
Premium volume	\$38,096,805	\$37,315,134
Gross revenues	\$7,787,213	\$7,594,068
Brokerage: Retail	98%	98%
Wholesale	2%	2%
Employees	170	172
Offices	10	11

Year founded: 1907.
Compensation: 100% commissions.

Branch offices: Scottsdale, Mesa, Glendale, Buckeye, Show Low, Prescott, Flagstaff and Cottonwood, Ariz., and Jewett Insurance, Yuma, Ariz.

Subsidiaries: Olliver/Pilcher Financial Corp. and Olliver/Pilcher Management Co.
Principal officers: William W. Pileher, chairman; William W. Pileher II, vice chairman; Mike Metzger, president; Pete Scardello Jr., executive vp; Roc Arnett, secretary; Dick Jones, treasurer.

Licensed excess/surplus broker in: Arizona.

Osborn & Lange Inc.

759 Victoria Square, Montreal, Quebec, Canada H2Y 2K5; 514-849-4161

	1983	1982
Premium volume	\$22,500,000	\$28,000,000
Gross revenues	\$2,030,000	\$2,500,000
Brokerage: Retail	83.0%	84.9%
Services	16.4%	15.1%
Employees	46	48
Offices	6	6

Year founded: 1898.
Compensation: 83.6% commissions; 16.4% fees.

Branch offices: Toronto; Vancouver, B.C.; Winnipeg, Manitoba.
Subsidiaries: Osborn & Lange (USA) Inc., New York and Chicago.
Principal officers: H. Bennett, president/chief executive officer; J.A. Cantello, R. Dedeyan, H.R. Churchill, vps; T.G. Cleary, vp-finance.

Osterloh & Durham Insurance Brokers of North America Inc.

6930 N. Valjean Ave., Van Nuys, Calif. 91409; 818-988-6520

	1983	1982
Premium volume	\$25,000,000	\$20,000,000
Gross revenues	\$1,910,445	\$1,400,996
Brokerage: Retail	95%	90%
Services	5%	10%
Employees	28	20
Offices	3	2

Year founded: 1924.
Compensation: 95% commissions; 5% fees.

Acquisitions: L.G. Hire, Escondido, Calif.; Insurance Associates of Long Beach, Calif., both are not included.
Branch offices: L.G. Hire, Escondido, Calif.; Insurance Associates of Long Beach, Long Beach, Calif.
Principal officers: A.E. Osterloh III, chairman/president; Roy C. Redman, Carl C. Lamb, Larry C. Sears, Peter Kent, vps.

Arthur L. Owen Co. Inc.

714 Jackson St., The Renaissance Place, Suite 1000, Dallas, Texas 75202; 214-747-6500

	1983	1982
Premium volume	\$25,836,874	\$24,500,000
Gross revenues	\$3,655,000	\$3,200,000
Brokerage: Retail	92%	95%
Other	8%	5%
Employees	51	43
Offices	1	1

Continued on next page



What's in it for you is up to you.

Because when it comes to cutting insurance costs, it's your good performance that counts. With the help of Argonaut and your insurance agent, you can make your operation a safer place to work. Our expertise—and your management's commitment to on-the-job safety—can help you lower your losses and increase your savings. You can also share in the security of the Argonaut name. Thirty years ago we started building our reputation for specialty Workers' Compensation and Hospital Liability coverage;

for flexible, responsive service; for financial strength; for the loss control programs that really save. If you think you deserve an insurance break, think about Argonaut. Where good performance pays.



Argonaut.
Where people take your business seriously.
 National Specialists in Workers' Compensation and Hospital Liability.
 250 Middlefield Rd., Menlo Park, CA 94025 (415) 326-0900

Continued from previous page

Year founded: 1946.
Compensation: 97% commissions; 3% fees.
Principal officers: Arthur L. Owen, chairman; Douglas B. Cwen, president; Ed Dunn executive vp; Rex Jennings, vp; Joe Funk, senior vp.
Licensed excess/surplus broker in: Texas.

P

Palley Simon Associates Inc.

Rydal Executive Plaza, Rydal, Pa. 19046; 215-884-2103

	1983	1982
Premium volume	\$6,250,000	\$6,000,000
Gross revenues	\$1,100,000	\$1,010,000
Brokerage: Retail	80%	84%
Other	20%	16%
Employees	19	19
Offices	1	1

Year founded: 1972.
Compensation: 95% commissions; 5% fees.
Principal officers: Mahlon B. Simon Jr., president; Samuel M. Palley, Dexter F. Gresh, vps.

James G. Parker Insurance Associates

5100 N. Sixth, Suite 154, Fresno, Calif. 93710; 209-222-7722

	1983	1982
Premium volume	\$8,000,000	\$5,000,000
Gross revenues	\$1,300,000	\$800,000
Brokerage: Retail	35%	50%
Other	5%	20%
Employees	27	18
Offices	1	1

Year founded: 1978
Compensation: 100% commissions.
Acquisitions: William McLean Agency, Fresno, Calif., pooled.
Subsidiaries: William McLean Agency, Fresno, Calif.
Principal officers: James G. Parker Jr., president; James G. Parker III, Gary H. Feemster, vps; Jon M. Parker, secretary.

Perpetual Insurance Services Inc.

£401 Corporate Drive, Landover, Md. 20785; 301-386-3100

	1983	1982
Premium volume	\$3,000,000	\$5,000,000
Gross revenues	\$1,506,759	\$1,106,994
Brokerage: Retail	4%	36%
Other	59%	64%
Employees	35	29
Offices	1	1

Year founded: 1927.

Compensation: 100% commissions.

Acquisitions: Metropolis Insurance Agency, Washington, D.C.; Robert Insurance Agency, Silver Spring, Md.; both pooled.

Parent company: Perpetual American Bank, FSB.

Principal officers: Thomas Owen, chairman; Willard Bernardin, president; Ross Towne, vp; Judy McCaffrey, secretary; Lee Beard, treasurer.

Licensed excess/surplus broker in: Maryland, Virginia, District of Columbia.

H&R Phillips Inc.

622 Third Ave., New York, N.Y. 10017; 212-949-9100

	1983	1982
Premium volume	NA	NA
Gross revenues	\$2,000,000	\$1,570,000
Brokerage: Retail	90%	100%
Wholesale	5%	—
Services	5%	—
Employees	30	25
Offices	1	1

Year founded: 1964.
Compensation: 95% commissions; 5% fees.

Subsidiaries: Management Compensation Group New York Inc., Management Compensation Group Northern New Jersey Inc., H&R Phillips of Delaware Inc., Phillips Services Inc.

Principal officers: Harry Phillips III, chairman; Judith L. Robinson, president; Roger Phillips, executive vp; Carmen Barros, William R. Phillips, vps.

Popkin Lebson Bergstein Inc.

38 Franklin St., P.O. Box 800, Tenafly, N.J. 07670; 201-569-8090/212-928-2473

	1983	1982
Premium volume	\$8,003,886	\$7,334,752
Gross revenues	\$1,550,786	\$1,395,711

	89%	99%
Brokerage: Retail	89%	99%
Wholesale	1%	1%
Employees	24	25
Offices	1	1

Year founded: 1974.
Compensation: 99% commissions; 1% fees.

Acquisitions: Hamburg Agency, Wayne, N.J., partially pooled.

Subsidiaries: PLB Life Agency Inc. and Instrument Insurance Agency, Tenafly, N.J.

Principal officers: Leo J. Popkin, president; Bruce A. Bergstein, vp/secretary; Martin A. Lebson, vp/treasurer; Michael Bergstein, Ron Bergstein, Jay Bergstein, vps; Ted Kadison, vp-PLB Life Agency Inc.

Poulton Associates

140 Franklin St., Oakland, Calif. 94607; 415-444-5353

	1983	1982
Premium volume	\$5,250,000	\$5,200,000
Gross revenues	\$630,000	\$460,000
Brokerage: Retail	100%	100%
Employees	26	25
Offices	1	1

Year founded: 1973.
Compensation: 98% commissions; 2% fees.

Acquisitions: Expo Insurance Brokers, Oakland, Calif., not reported.

Principal officers: Ray Poulton, chairman.

Cecil W. Powell & Co.

245 E. Adams St., Box 41490, Jacksonville, Fla. 32203; 904-353-3181

	1983	1982
Premium volume	\$5,750,000	\$5,485,000
Gross revenues	\$1,239,870	\$1,204,147
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	22	20
Offices	1	1

Year founded: 1935.

Compensation: 95% commissions; 5% fees.

Principal officers: Fitzhugh K. Powell Sr., president; Lon B. Bryan, executive vp; Stan Story, vp.

Licensed excess/surplus broker in: Florida.

Poyle Associates Inc.

30200 Telegraph Road, Suite 281, Birmingham, Mich. 48010; 313-645-6282

	1983	1982
Premium volume	\$7,000,000	\$6,500,000
Gross revenues	\$725,000	\$675,000
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	17	17
Offices	1	1

Year founded: 1951.
Compensation: 98% commissions; 2% fees.

Principal officers: Richard Poyle, president; Henry W. Lowe, Judith Birch Poyle, vps.

Licensed excess/surplus broker in: Michigan.

Priceforbes Federale Volksas Ltd. (PKV)

PFV House, 16 Frederick St., P.O. Box 61689, Transvaal, South Africa 2107; 011-833-4211

	1983	1982
Premium volume	\$201,430,000	\$157,540,000
Gross revenues	\$39,044,000	\$32,508,000
Brokerage: Retail	83.55%	86.15%
Other	4.45%	3.79%
Offices	22	20

Year founded: 1947.
Compensation: 88% commissions; 12% fees.

Branch offices: Benoni, Cape Town, Durban, East London, Germiston, George, Graaff-Reinet, Kimberley, Klerksdorp, Pietermaritzburg, Pietersburg, Port Elizabeth, Pretoria, Nelspruit, Newcastle, Springs, Stellenbosch, Uppington, Welkom and Witbank, South Africa.

Principal officers: R.C. Buckland, chief executive officer; I.G. Douglas, P.L. Heinemann, N.A. Spargo, D.F. Strauss, executive directors.

Producers Exchange Inc.

1310 Texas American Bank Building, Dallas, Texas 75235; 214-357-6504

	1983	1982
Premium volume	\$20,500,000	\$16,500,000
Gross revenues	\$2,130,000	\$1,800,000
Brokerage: Retail	45%	65%
Wholesale	15%	25%
Services	35%	10%
Other	5%	—
Employees	35	32
Offices	4	4

Year founded: 1973.
Compensation: 35% commissions; 65% fees.

Branch offices: Producers Exchange Insurance Agency Inc., Corpus Christi and Lubbock, Texas; Producers Exchange Management Co. Inc./Producers Exchange Life Insurance Agency Inc., Houston and Lubbock, Texas.

Subsidiaries: Producers Exchange Insurance Agency Inc., Dallas; Producers Exchange Life Insurance Agency Inc., Houston and Lubbock, Texas; Producers Exchange Management Co. Inc., Dallas.

Parent company: Producers Exchange Cooperative.

Principal officers: Bill M. Morrison, president; Travis Dale Roberts, Vernon M. Gilmore, vps; George R. Flickinger, regional vp.

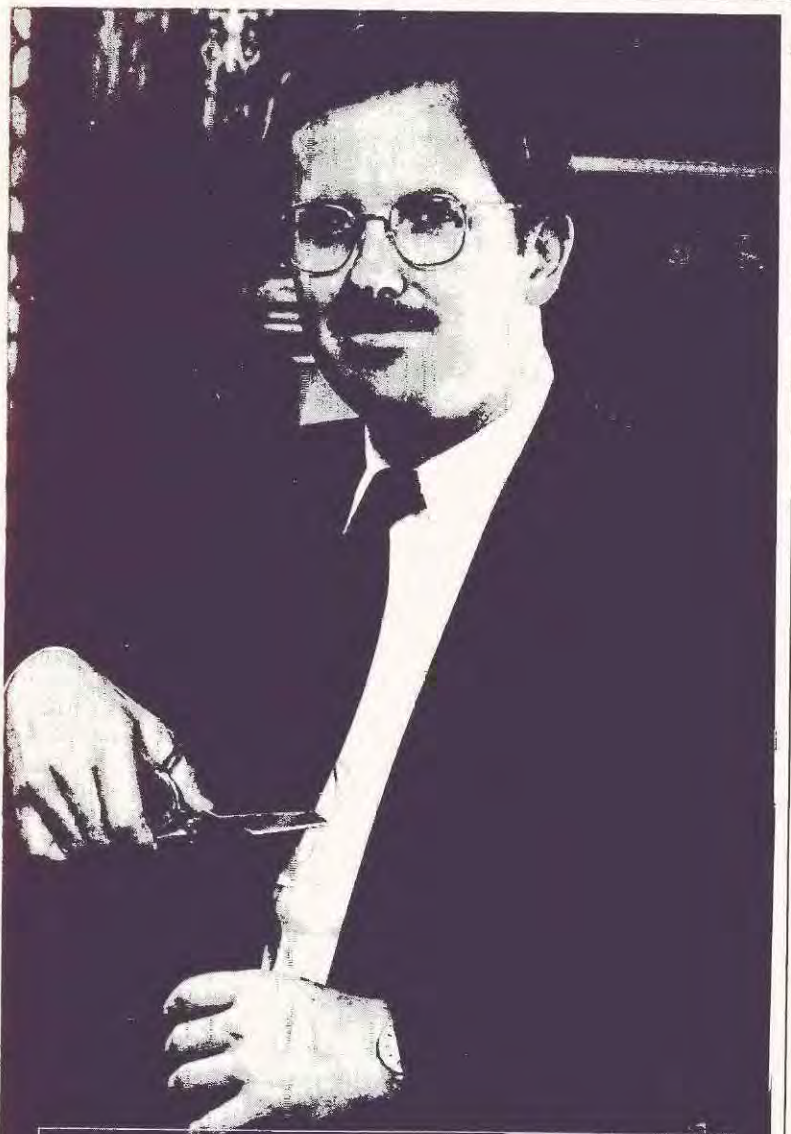
Licensed excess/surplus broker in: Texas.

Professional Insurance Associates Inc.

429 Hackensack St., Carlstadt, N.J. 07072; 201-438-7500

	1983	1982
Premium volume	\$5,516,810	\$4,758,991
Gross revenues	\$987,500	\$860,731
Brokerage: Retail	100%	100%
Employees	20	18
Offices	1	1

Continued in facing page



"Use the cutting edge"

"TGIC—the Uncaptive is one of the most competitive reinsurance products I know of in the marketplace. It uses superior results and performance to lower the after-tax cost of insurance for your company or association. You supply the results, we bring the capital.

It's another example of the way we're cutting the old school tie approach to business, and creating more ways to help you get the returns that belong to you. Get to know Trenwick. Just call or write me for information."

Mark Hinkley/Senior Vice President

Trenwick

P.O. Box 462 Trenwick House 9 Church Street West Hamilton 5, Bermuda
 Bermuda 1809; 295-3009/Connecticut (203) 226-8116

Quantex™
 CORPORATION

1107 Convery Blvd.
 Perth Amboy, N. J. 08861

A major large line and special risk property and casualty agency formerly operating as G.B. Parks & Co., Inc.

is pleased to announce it has acquired all the outstanding shares of



Will Barrah & Associates, Inc.

48th Avenue Executive Park
 Myrtle Beach, S. C. 29577

a wholly independent managing General Agent specializing in the transportation industry and dealing with agents and brokers throughout the USA.

Continued from facing page

The Redland Group

35 N. Main Place, Council Bluffs, Iowa 51501; 712-325-1010

	1983	1982
Premium volume	NA	NA
Gross revenues	\$7,769,061	\$5,552,533
Brokerage: Retail	92%	95%
Other	8%	5%
Employees	118	89
Offices	3	3

Year founded: 1976.
Compensation: 95% commissions; 5% fees.

Branch offices: Insurance Agents Inc. in Omaha, Neb., and Sioux City, Iowa.

Subsidiaries: Insurance Agents Inc., American Agrisure Co., Redland Insurance Co.

Principal officers: John P. Nelson, president; Gary Hurley, vp; Richard Gibson, secretary/treasurer.

Licensed excess/surplus broker in: Iowa and Nebraska.

Rhulen Agency Inc.

217 Broadway, Monticello, N.Y. 12701; 914-794-8000

	1983	1982
Premium volume	\$75,000,000	\$65,000,000
Gross revenues	\$14,014,000	\$12,321,489
Brokerage: Retail	48%	49%
Wholesale	49%	49%
Services	1%	1%
Other	2%	1%
Employees	235	190
Offices	8	8

Year founded: 1934.
Compensation: 99% commissions; 1% fees.

Branch offices: Greer, S.C.; Fort Collins, Colo.; New York; Murfreesboro, Tenn.; Interstate Insurance Agency Inc., Levittown, Pa.; Weisbord Wells Cross & Brown Inc., Liberty, N.Y.; Rhulen Agency (West), Phoenix, Ariz.; Rhulen Insurance Managers Ltd., Toronto, Canada.

Subsidiaries: Rhulen Life & Pensions Inc., Monticello, N.Y.; Rhulen Special Risks Inc., Monticello, N.Y.; Weisbord Wells Cross & Brown Inc., Liberty, N.Y.; Interstate Insurance Agency, Los Angeles and Atlanta; Rhulen Insurance Managers, Toronto, Canada; Frontier Insurance Co.; Frontier Insurance Co.; Medical Benefit Administrators.

Parent company: Frontier Columbus Corp.

Principal officers: Max H. Rhulen, chairman; Walter A. Rhulen, president; Jesse M. Farrow, executive vp; Peter L. Rhulen, vp/secretary.

Licensed excess/surplus broker in: New York.

John M. Riehle & Co. Inc.

111 Fifth Ave., New York, N.Y. 10003; 212-614-3100

	1983	1982
Premium volume	NA	NA
Gross revenues	\$3,600,000	\$6,850,000
Brokerage: Retail	55%	70%
Other	45%	30%
Employees	80	135
Offices	1	1

Year founded: 1896.
Compensation: 90% commissions; 10% fees.

Subsidiaries: Knox, Lent & Tucker Inc., White Plains, N.Y.; Gary Wood Associates Inc. and Fanwick & Rubin Inc., New York.

Parent company: Harcourt Brace Jovanovich Inc.

Principal officers: Richard Fuhrman, Edgar Braun, president; executive vp; William Madison, Robert Teehan, senior vps; Marc K. Johnston, treasurer.

Licensed excess/surplus broker in: New York.

Robertson-Ryan & Associates Inc.

660 E. Mason St., Milwaukee, Wis. 53202; 414-271-3575

	1983	1982
Premium volume	\$12,943,000	\$11,365,000
Gross revenues	\$2,367,000	\$1,552,638
Brokerage: Retail	100%	100%
Employees	50	46
Offices	2	2

Year founded: 1960.
Compensation: 100% commissions

Branch offices: Waukesha, Wis.
Principal officers: Elwood E. Juckem, chairman; James C. Boyce, president; Charles V. Johnson, executive vp/general manager Jack T. Ryan, A.D. Robertson, directors.

Licensed excess/surplus broker in: Various states.

Robson, Cavnac & Associates

110 W. "A" St., San Diego, Calif. 92101; 619-235-6301

	1983	1982
Premium volume	NA	NA
Gross revenues	\$1,700,000	\$1,600,000
Brokerage: Retail	100%	100%
Employees	25	25
Offices	1	1

Year founded: 1930.
Compensation: 99% commissions; 1% fees.

Subsidiaries: RCS Life Agency Corp.

Principal officers: Jon R. Robson, president/treasurer; Frank G. Cavnac, vp/secretary; Ken Bohlander, Richard Thompson, vps; James O. Reynolds, president-RCS Life.

Patrick C. Ross Associates Insurance Services

21243 Ventura Blvd., Suite 200, Woodland Hills, Calif. 91364; 818-999-5556

	1983	1982
Premium volume	\$6,250,000	\$5,742,000
Gross revenues	\$970,000	\$322,900
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	16	12
Offices	1	1

Year founded: 1939.
Compensation: 100% commissions

Principal officers: Patrick C. Ross, president; Doyle Gilbert, Jerry Vild, vps; Sheilah Ross, secretary/treasurer; Robin Allen, controller.

Chas. E. Rue & Son Inc.

30 George Dye Road, Trenton, N.J. 08690; 609-586-7474

	1983	1982
Premium volume	\$10,011,504	\$8,536,281
Gross revenues	\$1,538,368	\$1,451,773
Brokerage: Retail	65%	65%
Other	35%	35%
Employees	33	32
Offices	2	2

Year founded: 1917.
Compensation: 100% commissions.

Branch offices: Allentown, N.J.
Subsidiaries: Walter F. Smith & Co. Inc.

Principal officers: Charles L. Rue Jr., president; William M. Rue, executive vp; Donald B. Allen Jr., vp; Mervin W. Shivers, treasurer; Louise S. Garrison, secretary.

S

S&B Insurance Services Co.

34 S. Broadway, White Plains, N.Y. 10601; 914-946-3666

	1983	1982
Premium volume	\$15,000,000	\$7,000,000
Gross revenues	\$1,500,000	\$1,000,000
Brokerage: Retail	100%	100%
Employees	10	7
Offices	2	1

Year founded: 1974.
Compensation: 100% commissions.
Branch offices: New York.

Principal officers: William I. Jacobs, president; Theodore V. Buerger, senior vp; Joseph V. Swain III, vp.

Licensed excess/surplus broker in: New York.

The Sadler Insurance Agency Inc.

24 Railroad Square, Nashua, N.H. 03060; 603-883-0511

	1983	1982
Premium volume	\$7,715,000	\$7,231,000
Gross revenues	\$1,400,258	\$1,216,890
Brokerage: Retail	75%	75%
Other	25%	25%
Employees	28	226
Offices	2	2

Year founded: 1924.
Compensation: 100% commissions.

Branch offices: Manchester, N.H.

Principal officers: George J.T. Sadler, president; James E. Cleary, executive vp; Robert E. Marcotte, Jim D. Watson, Arthur Bruinooge, vps; Kathleen A. Murphy, secretary.

Licensed excess/surplus broker in: New Hampshire.

Saldana & Associates Inc.

701 Ponce de Leon Ave., Suite 303, P.O. Box 3549, San Juan, Puerto Rico 00904; 809-721-2600

	1983	1982
Premium volume	26,000,000	20,000,000
Gross revenues	\$3,900,000	\$3,300,000
Brokerage: Retail	98%	98%
Wholesale	2%	2%
Employees	54	56
Offices	1	1

Year founded: 1972.
Compensation: 100% commissions.

Principal officers: Jorge Y. Saldana, president; Antonio Blanes, Ralph G. Christiansen Jr., executive vp.

Continued on next page

R

RL&G Agency Inc.

P.O. Box 426, Norwich, Conn. 06360; 203-642-7559

	1983	1982
Premium volume	\$4,860,000	\$4,000,000
Gross revenues	\$610,000	\$526,000
Brokerage: Retail	90%	92%
Wholesale	7%	8%
Other	3%	—
Employees	11	11
Offices	2	2

Year founded: 1944.
Compensation: 97% commissions; 3% fees.

Branch offices: Putnam, Conn.
Subsidiaries: Forest Products Agency Inc., Norwich, Conn.; Commercial Insurance Agency Inc.; Insurance Acquisitions of New England.

Principal officers: Leslie H. Young, president; Ernest E. Poore, vp; R. Gary Young, secretary/treasurer.

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

Reager-Harris

10400 Linn Station Road, P.O. Box 24008, Louisville, Ky. 40224; 502-425-9444

	1983	1982
Premium volume	\$6,672,003	\$5,638,916
Gross revenues	\$1,076,409	\$959,641
Brokerage: Retail	100%	100%
Employees	32	24
Offices	1	1

Year founded: 1904.
Compensation: 100% commissions.

Acquisitions: Two acquisitions in 1983; one company dissolved, the other held a block of business, which was purchased by Reager-Harris.

Principal officers: Richard L. Martin, president; James E. Carrico, John L. English, vps; Larry P. Westmoreland, vp/secretary; Joseph M. Carrico, treasurer.

Licensed excess/surplus broker in: Kentucky.

Rebsamen Insurance

1500 Riverfront Drive, P.O. Box 3198, Little Rock, Ark. 72203; 501-661-4800

	1983	1982
Premium volume	\$65,265,064	\$61,665,586
Gross revenues	\$8,033,042	\$7,627,899
Brokerage: Retail	74.2%	77.7%
Wholesale	16.8%	14.9%
Services	9%	7.4%
Employees	143	163
Offices	2	3

Year founded: 1929.
Compensation: 90.4% commissions; 9.6% fees.

Branch offices: Rebsamen Insurance/Fort Smith, Fort Smith, Ark.; Rebsamen Insurance/Springdale, Springdale, Ark.

Subsidiaries: Insurisk Insurance Services and Insurisk Excess & Surplus Lines, both in Little Rock, Ark.; Rebsamen Insurance/Louisiana, New Orleans.

Parent company: Rebsamen Cos. Inc.


Principal officers: Charles H. Harper, president; Charles C. Campbell, executive vp; Max F. Campbell, senior vp/treasurer; William L. Grace, Jack L. Garrison, senior vps.

Licensed excess/surplus broker in: Arkansas.

RISK!


It can't be avoided. But it can be analyzed and provided for. We know the risks associated with the oil and maritime industries. We can provide immediate, high-limit binding coverage for your clients. And we can settle claims locally.

If you're a licensed insurance broker or agent, call us.



GLOBAL SPECIAL RISKS, INC.

2610 Edenborn Avenue
Metairie, LA 70002
(504) 455-7874/Telex 587452



GLOBAL SPECIAL RISKS INSURANCE SERVICES

3250 Wilshire Blvd., Suite 952
Los Angeles, California 90010
(213) 387-2099/Telex 753591

LEE M. STENTZ
President

EDWARD W. COOKE
Executive Vice President

MICHAEL GARIN
Vice President

RICHARD E. SEGHERS
Vice President

THOMAS W. WHITAKER, JR.
Vice President

Continued from previous page
 tive vps; Eduardo R. Emanuelli,
 Manuel J. Mendez, senior vps.
Licensed excess/surplus bro-
ker in: Puerto Rico and U.S. Virgin
 Islands.

Robert M. Schroyer Co.

230 W. Monroe, Chicago, Ill. 60606;
 312-372-7000

	1983	1982
Premium volume	\$20,000,000	\$20,000,000
Gross revenues	\$2,200,000	\$2,200,000
Brokerage: Retail	85%	90%
Services	15%	10%
Employees	50	50
Offices	2	2

Year founded: NA.
Compensation: 85% commis-
 sions; 15% fees.

Acquisitions: Ralph Jacobs &
 Son, Chicago, pooled. School Insur-
 ance Plans of America, North-
 brook, Ill., not reported.

Branch offices: Northbrook, Ill.
Subsidiaries: RMSCO Manage-
 ment Services, Chicago; School Insur-
 ance Plans of America Inc.,
 Northbrook, Ill.

Principal officers: Robert M.
 Schroyer, president; Howard
 Engel, Karen Vacko, senior vps;
 Skip Schroyer, Robert Engel, R.
 Pat Ballis, vps.

Licensed excess/surplus bro-
ker in: Illinois.

H.D. Segur Inc.

229 W. Main St., Box 631,
 Waterbury, Conn. 06720;
 203-756-7933

	1983	1982
Premium volume	\$8,400,000	\$8,247,000
Gross revenues	\$1,463,000	\$1,246,000
Brokerage: Retail	99%	99%
Wholesale	0.5%	0.5%

Services	0.5%	0.5%
Employees	28	26
Offices	2	1

Year founded: 1890.
Compensation: 91% commis-
 sions; 4% fees.

Branch offices: Segur-Fairfield
 Inc., Westport, Conn.
Subsidiaries: Segur-Fairfield
 Inc., Westport, Conn.

Principal officers: John F. Bur-
 bank, president; James B. Mullen
 Jr., executive vp; Joseph H. Cun-
 ingham, Nicholas Pannullo, vps.

Licensed excess/surplus bro-
ker in: Connecticut.

C.A. de Corretaje
"Segurosca"

P.O. Box 3478, Caracas 1010,
 Venezuela

	1983	1982
Premium volume	\$48,944,720	\$121,370,000
Gross revenues	\$7,510,150	\$16,890,460
Brokerage: Retail	80%	80%
Other	20%	20%
Employees	321	347
Offices	14	14

Year founded: 1954.
Compensation: 100% commis-
 sions.

Branch offices: Segurosca in
 Valencia, Puerto La Cruz and
 Maracay, Venezuela.

Subsidiaries: Affiliates Seguro-
 sca de Occidente C.A., Maracaibo,
 Punto Fijo and Valera, Venezuela;
 Serseca-Segurosca C.A., Caracas,
 Venezuela; Consejo C.A., Caracas,
 Maracaibo, Puerto Ordaz, El Tigre,
 Venezuela; Agencia Herzfeld,
 Caracas, Venezuela; Lansberg, Cox
 & Asociados C.A., Caracas; Sal-
 menar-Segurosca C.A., Barquisi-
 meto, Venezuela; Segurosca Ltda.,
 Bogota, Colombia; Segurosca del
 Ecuador, Quito, Guayaquil and

Cuenca, Ecuador; Segurosca del
 Peru, Lima, Peru; Segurosca, N.V.,
 Curacao and Segurosca Bonaire,
 Bonaire in the Netherland Antilles;
 Segurosca, Panama, Republic of
 Panama; Segurosca North America
 Inc., New York; Segurosca Insur-
 ance Brokerage of Florida Inc.,
 Miami.

Parent company: Segurosca,
 Caracas, Venezuela.

Principal officers: Jesus Al-
 berto Ortega, president; Pedro Sca-
 vino, production director; Roger
 Milroy, technical director; Enrique
 Vidal, foreign affiliates director;
 Herbert Salas, adviser/assistant
 broker.

Seitlin & Co.

990 S.W. First St., Miami, Fla.
 33130; 305-545-8311

	1983	1982
Premium volume	\$17,003,408	\$17,713,130
Gross revenues	\$2,910,643	\$2,964,008
Brokerage: Retail	100%	100%
Employees	68.5	68.5
Offices	1	1

Year founded: 1945.
Compensation: 100% commis-
 sions.

Principal officers: Sam Seitlin,
 chairman; M. Stephen Jackman,
 president; R. Louis Seitlin, vp/sec-
 retary; Daniel L. Harris, vp.

Seymour Insurance Agency

1609 Stubbs Ave., Monroe, La.
 71201; 318-388-2400

	1983	1982
Premium volume	\$5,750,000	\$5,730,752
Gross revenues	\$860,000	\$856,811
Brokerage: Retail	80%	80%
Other	20%	20%
Employees	12	19
Offices	1	1

Year founded: 1926.
Compensation: 100% commis-
 sions.

Principal officers: Edward J.
 Seymour Jr., chairman; Camors C.
 Roth, president.

Shelton Insurance
Agency Inc.

1227 Third St., Corpus Christi,
 Texas 78404; 512-882-5586

	1983	1982
Premium volume	\$6,614,818	\$6,893,244
Gross revenues	\$1,108,967	\$1,865,088
Brokerage: Retail	95%	95%
Other	5%	5%
Employees	14	15
Offices	1	1

Year founded: 1941.
Compensation: 100% commis-

sions.
Principal officers: W.J. Shel-
 ton, president; Louis E. Wells,
 vp/secretary/treasurer; John
 Roberts, vp.

J.H. Silversmith Inc.

825 E. Speer Blvd., Denver, Colo.
 80218; 303-698-1221

	1983	1982
Premium volume	\$14,000,000	\$12,000,000
Gross revenues	\$1,850,000	\$1,693,000
Brokerage: Retail	94%	92%
Wholesale	3%	2%
Services	2%	—
Other	1%	6%
Employees	48	45
Offices	2	2

Year founded: 1895.
Compensation: 98% commis-
 sions.

Branch offices: Aviation Insur-
 ance Management Co., Englewood,
 Colo.

Principal officers: J.H. Silver-
 smith Jr., president; John K.
 Munn, executive vp; J. Darrell
 White, vp; Irene G. Falbo, secre-
 tary; Joyce L. Goodfellow, treas-
 urer.

Licensed excess/surplus bro-
ker in: Colorado.

The Simkiss Cos.

76 Rittenhouse Place, Ardmore, Pa.
 19003; 215-649-6610

	1983	1982
Premium volume	\$10,923,873	\$10,277,000
Gross revenues	\$1,698,039	\$1,527,000
Brokerage: Retail	98%	99%
Services	2%	1%
Employees	31	29
Offices	1	1

Year founded: 1965.
Compensation: 70% commis-
 sions; 30% fees.

Subsidiaries: Affiliated com-
 panies, The Simkiss Agency Inc.,
 Frankenfield & Co. Inc., Risk Man-
 agement Systems & Services Inc.
 and Rittenhouse Associates.

Principal officers: John A.
 Simkiss Jr., president; William F.
 O'Brien, Richard J. Decker, Wil-
 liam F. Simkiss, executive vps.

Licensed excess/surplus bro-
ker in: Pennsylvania.

Smith, Bell &
Thompson Inc.

102 S. Winooski Ave., P.O. Box 730,
 Burlington, Vt. 05402; 802-658-4600

	1983	1982
Premium volume	\$6,250,000	\$4,417,000
Gross revenues	\$1,598,000	\$1,052,000
Brokerage: Retail	42%	61%
Wholesale	27%	7%

Other	31%	32%
Employees	24	21
Offices	1	1

Year founded: 1927.
Compensation: 98% commis-
 sions; 2% fees.

Subsidiaries: Altamid Manage-
 ment Co. and Vermont Specialty
 Underwriters, Burlington, Vt.

Principal officers: Warren L.
 Thompson, president; Roger D.
 Teese, vp.

Licensed excess/surplus bro-
ker in: Vermont.

Smith-Reagan &
Associates Inc. (d.b.a.)
Kelly-Farley & Quinn
Insurance Agency

P.O. Box 1009, San Benito, Texas
 78586; 512-399-1353

	1983	1982
Premium volume	\$3,000,000	NA
Gross revenues	\$500,000	NA
Brokerage: Retail	89.5%	NA
Wholesale	0.5%	NA
Employees	12	NA
Offices	2	NA

Year founded: 1909.
Compensation: 100% commis-
 sions.

Principal officers: David R.
 Smith, president; Joel N. Reagan,
 executive vp.

Smith Watson Parker Inc.

3500 Hollywood Blvd., Hollywood,
 Fla. 33021; 305-962-2990

	1983	1982
Premium volume	\$12,100,000	\$9,220,101
Gross revenues	\$1,700,000	\$1,289,520
Brokerage: Retail	80%	75%
Other	20%	25%
Employees	30	28
Offices	1	1

Year founded: NA.
Compensation: 95% commis-
 sions; 5% fees.

Principal officers: Charles W.
 Watson, president; Joseph Pie-
 chura, general manager; Bob W.
 Parker, vp/secretary; Larry
 Vaught, Thomas Cotter, vps.

Licensed excess/surplus bro-
ker in: Florida.

South Continental
Insurance Agency Inc.

252 Tetuan St., San Juan, Puerto
 Rico 00903; 809-721-7600

	1983	1982
Premium volume	\$22,464,649	\$18,712,568
Gross revenues	\$5,843,760	\$4,786,855
Brokerage: Retail	40%	47%
Wholesale	60%	53%
Employees	95	65
Offices	3	2

Year founded: 1972.
Compensation: 95% commis-
 sions; 5% fees.

Subsidiaries: South Continental
 Insurance Agency Inc., Yauco and
 Bayamon, Puerto Rico.

Principal officers: Angela W.
 Shine, president; America Colon
 Colon, administrative vp; Ruben
 Reyes, accounting vp; Raul La-
 borde, underwriting vp; Lindin
 Garcia, bonding vp.

Licensed excess/surplus bro-
ker in: Puerto Rico.

Spencer-Patterson
Agency Inc.

212 E. Sandusky St., P.O. Box 60,
 Findlay, Ohio 45840; 419-422-3545

	1983	1982
Premium volume	\$3,285,000	\$3,446,000
Gross revenues	\$632,000	\$778,000
Brokerage: Retail	90.6%	88.3%
Services	—	1%
Other	9.4%	10.7%
Employees	13	15
Offices	1	1

Year founded: 1875.
Compensation: 83% commis-
 sions; 1% fees.

Principal officers: Thomas A.
 Buis, president; David S. Healy, vp;
 Michael J. Langevin, secre-
 tary/treasurer.

Continued on facing page

Property & Casualty
FACULTATIVE REINSURANCE

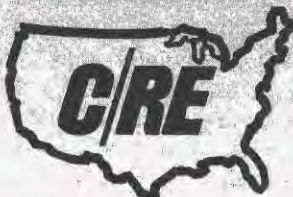
OWNED AND MANAGED COMPANIES
 Rated and Admitted



Competent / Responsive Effective

CALL 800/257-7785
 TELEX 83-4766

AN
 INTERMEDIARY
 MARKET



Keith E. Sweat
 President

1255 Caldwell Road, P.O. Box 5725
 Cherry Hill/NJ 08034 • 609/429-2766

A MEMBER COMPANY OF W.R. BERKLEY CORPORATION
 CONSOLIDATED STATUTORY SURPLUS OVER \$47,000,000

Nonresident Licensing

IT'S A FACT!

If your policyholder is located in your state, but has exposures in other states, you (and in many cases, your agency) must obtain a non-resident license in the other states in order to write the business and collect the commissions. And, in several states, you must first qualify with the Secretary of State before a license will be issued. Failure to comply can result in serious legal and financial repercussions for you and your carrier.

SOLUTION:

Kennedy Licensing Service, Inc. specializes in one thing only—assisting you to obtain licenses for all lines of insurance in all states. We presently work with 100 clients including 4 of the top 15 brokers in the U.S. We offer a very cost-effective and legally correct licensing service. And, we're fast - we recently licensed a corporation with 2 authorized members, for all lines of insurance, in all 50 states. Time from start to completion - 3½ months! Call or write today for our information package.



KENNEDY LICENSING
SERVICE, INC.

108 E. 2nd Street
 P.O. Box 1898
 Mt. Pleasant, TX 75455
 (214) 572-7949

Continued from facing page

DeWitt Stern, Gutmann & Co. Inc.

420 Lexington Ave., New York, N.Y. 10170; 212-867-3550

	1983	1982
Premium volume	\$17,500,000	\$16,000,000
Gross revenues	\$1,867,000	\$1,681,000
Brokerage: Retail	93%	92%
Wholesale	1%	—
Other	6%	8%
Employees	35	34
Offices	2	2

Year founded: 1899.
Compensation: 99% commissions; 1% fees.
Branch offices: Los Angeles.
Subsidiaries: DeWitt Stern of California Inc.
Principal officers: DeWitt Stern, chairman; Jolyon Stern, president; Gilbert Andrus, John Gutman, vps.
Licensed excess/surplus broker in: New York.

Sun State Insurance Agencies Inc.

1516 Hillcrest St., Suite 305, Orlando, Fla. 32803; 305-898-3177

	1983	1982
Premium volume	\$4,271,482	\$3,876,076
Gross revenues	\$634,814	\$591,763
Brokerage: Retail	82%	88%
Other	18%	12%
Employees	12	11
Offices	4	4

Year founded: 1979.
Compensation: 100% commissions.
Branch offices: Fort Myers, Naples and Tampa, Fla.
Principal officers: James M. Stephenson, president; Frank M. Arnall, vp.
Licensed excess/surplus broker in: Florida.

T

Thilman & Filippini

150 N. Wacker Drive, Suite 2600, Chicago, Ill. 60606; 312-726-4800

	1983	1982
Premium volume	\$14,000,000	\$10,500,000
Gross revenues	\$1,825,000	\$1,750,000
Brokerage: Retail	95%	97%
Services	5%	3%
Employees	43	40
Offices	4	2

Year founded: 1929.
Compensation: 95% commissions; 5% fees.

Branch offices: Waukegan, Ill.; Thilman & Filippini Family Insurance Center, Chicago and Evanston, Ill.

Principal officers: Thomas W. Filippini, E. Thomas Thilman, partners.
Licensed excess/surplus broker in: Illinois.

C.J. Thomas Co.

1601 Olive, St. Louis, Mo. 63103; 314-231-1717

	1983	1982
Premium volume	\$15,000,000	\$12,000,000
Gross revenues	\$2,000,100	\$1,800,000
Brokerage: Retail	99%	100%
Services	1%	—
Employees	55	50
Offices	1	1

Year founded: 1975.
Compensation: 98% commissions; 2% fees.
Principal officers: Thomas Ricci, manager/partner; Charles H. Wittenberg, John Young, Jerry Grigone, John Miller, Tom Whithy, partners.
Licensed excess/surplus broker in: Missouri and Illinois.

H.A. Thomson Co.

10 Great Valley Parkway, Malvern, Pa. 19355; 215-647-3205

	1983	1982
Premium volume	\$7,500,000	\$6,900,000
Gross revenues	\$1,250,000	\$1,100,000
Brokerage: Retail	78%	80%
Other	22%	20%
Employees	30	27
Offices	3	2

Year founded: 1934.
Compensation: 100% commissions.
Branch offices: Exton and Cherry Tree, Pa.
Principal officers: B.J. Giagiulio Jr., president; Thomas T. Giagiulio, Michael J. Giagiulio, vps; Barbara Towson, secretary/treasurer.

Tomenson Saunders Whitehead Ltd.

P.O. Box 439, Toronto-Dominion Centre, Toronto, Ontario, Canada M5K 1M3

	1983	1982
Premium volume	\$206,867,000	\$225,219,000
Gross revenues	\$38,109,000	\$41,675,000
Brokerage: Retail	57%	53%
Services	21%	23%
Other	22%	24%
Employees	670	800
Offices	15	15

Year founded: 1927.

Compensation: 72% commissions; 21% fees.

Acquisitions: Walsh, Moore, Garrett-Bromfield, not reported; Park Insurance Inc., not reported.

Branch offices: Halifax, Montreal, Ottawa, Hamilton, Sudbury, London, Saskatoon, Calgary, Edmonton, Vancouver, Prince George, Kamloops, Canada; Denver; Hamilton, Bermuda.

Subsidiaries: Tomenson Saunders Whitehead Inc. & Lionel E. Lalonge et Associes, Montreal; Park Insurance Inc., St. George, Ontario; TA Associates, Toronto; Walsh Moore, Garrett-Bromfield, Denver; Tomenson Saunders Whitehead International Ltd., Hamilton, Bermuda.

Principal officers: Kenneth M. Elliott, president/chief executive officer; Barry Lorenzetti, regional vp-Eastern region; Harold B. Bennett, regional vp-Central region; Ronald J. Maitland, regional vp-Midwest region; Kenneth R. Dean, regional vp-West Coast region; Norman D. Howat, vp-finance.
Licensed excess/surplus broker in: Colorado.

Topchik-Axelband Associates

P.O. Box 1301, 1033 Clifton Ave., Clifton, N.J. 07015; 201-471-4444

	1983	1982
Premium volume	\$7,900,000	\$7,000,000
Gross revenues	\$1,185,000	\$1,055,000
Brokerage: Retail	84%	84%
Other	16%	16%
Employees	22	22
Offices	1	1

Year founded: 1975.
Compensation: 99% commissions.
Principal officers: Robert J. Topchik, president; Sanford Axelband, vp; David Topchik, company manager.

U

U.S. Shelter Insurance Group

1 Shelter Centre, Greenville, S.C. 29601; 803-239-1401

	1983	1982
Premium volume	\$21,000,000	\$20,000,000
Gross revenues	\$3,000,000	\$2,900,000
Brokerage: Retail	75%	75%
Other	25%	25%
Employees	64	65
Offices	9	10

Year founded: 1974.
Compensation: 99% commissions; 1% fees.

Branch offices: Sullivan Co. Inc., Charleston and Greenville, S.C.; U.S. Shelter Insurance Group, Columbia, S.C.; Hiers-Clarkson & Associates Inc., Rock Hill, S.C.; Sullivan Co. of North Carolina Inc. in Sylva, Robbinsville, Andrews, Hayesville and Murphy, N.C.

Subsidiaries: Home Builders Coverage Corp., Greenville and Charleston, S.C.; Sullivan Co. of North Carolina Inc., Sylva, Robbinsville, Andrews, Hayesville and Murphy, N.C.; Bultman-Sullivan Agency, Columbia, S.C.; Edens-Turbeville Agency Inc., Columbia, S.C.

Parent company: U.S. Shelter Corp.
Principal officers: Joseph F. Sullivan, president; George L. Bell, executive vp; Susanne N. Wolfe, Robert H. Heile, vps.
Licensed excess/surplus broker in: Various states.

Universal Pacific Insurance Services Inc.

3961 MacArthur Blvd., Suite 101, Newport Beach, Calif. 92660; 714-975-1178

	1983	1982
Premium volume	\$10,450,000	\$8,800,000
Gross revenues	\$2,001,500	\$2,145,000
Brokerage: Retail	40%	50%
Wholesale	45%	20%
Services	15%	30%
Employees	21	31
Offices	2	3

Year founded: 1975.
Compensation: 85% commissions; 15% fees.
Branch offices: Universal Pacific Insurance Services of North California, Sacramento, Calif.
Subsidiaries: Universal Pacific Claims Service, Newport Beach, Calif.

Principal officers: William H. Knight, chairman/chief executive officer; Thelma B. Knight, secretary/treasurer; Steve Pantalemon, Jim Faux, Jim Toner, vps.

V

Valley View Inc.

8200 Highwood Drive, Bloomington, Minn. 55438; 612-944-8200

	1983	1982
Premium volume	\$11,300,000	\$10,000,000
Gross revenues	\$1,700,000	\$1,560,000
Brokerage: Retail	89%	89%
Wholesale	4%	4%
Services	5%	5%
Other	2%	2%
Employees	34	30
Offices	1	1

Year founded: 1963.
Compensation: 99% commissions; 1% fees.
Principal officers: Gordon L. Johnson, president; Thomas E. Napier, John F. Rendall, Bruce A. Medvec, vps.
Licensed excess/surplus broker in: Minnesota.

Van Beurden, Wigh & Associates Insurance Services Inc.

1615 Draper St., Kingsburg, Calif. 93631; 209-897-2975

	1983	1982
Premium volume	\$15,648,000	\$10,298,000
Gross revenues	\$2,112,000	\$1,344,365
Brokerage: Retail	93%	95%
Wholesale	7%	5%
Employees	40	34
Offices	4	3

Year founded: 1934.
Compensation: 100% commissions.

Continued on next page

When EPA Compliance Just Isn't Enough Insurance



Your PCB-contaminated transformer was in the EPA specified 50-500 ppm range. Are you aware of the potentially disastrous consequences of a leak, spill, or fire?

- Reluctance to repair faulted units over 50 ppm.
- Burial of faulted units over 500 ppm.
- Legal threats resulting from PCB leaks or spills near waterways or sensitive areas.

Consider the increasing focus on PCB by-products - DIOXINS AND FURANS. As toxic "suspicions" today, tomorrow's standards may define them as expected or foreseeable liabilities. EPA compliance will not free you from unexpected risk - perhaps At Your Expense if under a deductible.

Sunohio's PCBX can RECLASSIFY YOUR TRANSFORMERS TO BELOW 50 PPM, decreasing your exposure to toxic damage claims, leaving usable oil and the transformers safe for repair.

Contact Sunohio - the high voltage expert in electric power systems.



1700 GATEWAY BLVD., S.E. / CANTON, OHIO 44707
 (216) 767-3411 OR (216) 452-0837

FOR THE ECONOMICALLY RELIABLE SAFE DISPOSAL OF YOUR PCBX

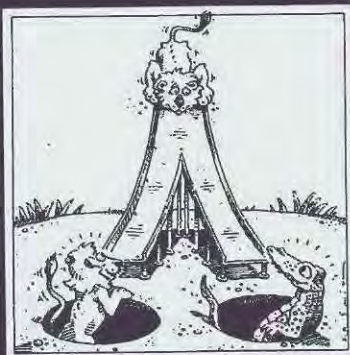
To RFC Intermediaries as a source of facultative reinsurance. RFC offices nationwide extend your facultative reinsurance

access into more than 250 different reinsurance markets. And RFC stands ready to service claims and help evaluate risks, too.

For facultative reinsurance and treaty coverage as well, turn to RFC's marketplace know-how and expertise.



WHERE CAN YOU TURN WHEN THE RISK IS SPECIFIC?



Continued from previous page

Branch offices: Bonaire Assurance Services of Thousand Oaks, Calif.; Bonaire Assurance Services of Modesto, Calif.; Growers Crop Insurance Services, Woodland, Calif.

Principal officers: William J. Van Beurden, president; Douglas S. Uyeki, vp; Mark F. Matthews, vp/secretary; J. Robert Lankford, chief financial officer.

Licensed excess/surplus broker in: California.

Truman Van Dyke Co.

6290 Sunset Blvd., Suite 1800, Hollywood, Calif. 90028; 213-462-3300

	1983	1982
Premium volume	\$3,959,536	\$3,996,015
Gross revenues	\$605,785	\$562,216
Brokerage: Retail	95%	99%
Wholesale	5%	1%
Employees	14	18
Offices	1	1

Year founded: 1932.

Compensation: 100% commissions.

Principal officers: Truman Van Dyke Jr., president; Rose Van Dyke, chairman.

Licensed excess/surplus broker in: California.

W

Warren-Hoffman & Associates Inc.

256 Third St., P.O. Box 760, Niagara Falls, N.Y. 14303; 716-284-9983

	1983	1982
Premium volume	\$11,000,000	\$9,800,000
Gross revenues	\$1,620,000	\$1,290,000
Brokerage: Retail	96%	95%
Wholesale	4%	5%
Employees	38	29
Offices	4	2

Year founded: 1969.

Compensation: 98% commissions; 2% fees.

Acquisitions: Glenn R. Hubbard & Associates, Niagara Falls, N.Y.; Taggart-Mayne Inc., Niagara Falls, N.Y.; Lawrence J. Fell Agency, Niagara Falls, N.Y.; Benz, Sardinia & Fahey Inc., Hamburg, N.Y.; Foote-Mandaville Inc., Newfane, N.Y.; not reported.

Branch offices: Taggart-Mayne Inc., Niagara Falls, N.Y.; Benz, Sardinia & Fahey Inc., Hamburg, N.Y.; Foote-Mandaville Inc., Newfane, N.Y.

Principal officers: John D. Hoffman, president-Warren-Hoffman & Associates Inc.; Richard M. Thompson, executive vp-Warren-Hoffman & Associates Inc.; Richard F. Soluri, senior vp-Warren-Hoffman & Associates Inc.; William G. Mayne Jr., president-Taggart-Mayne Inc.; Glenn R. Hubbard, president-Glenn R. Hubbard & Associates; Dan R. Mandaville, president-Foote-Mandaville Inc.

I.R. Weinbraub & Co. Inc.

10 Fairview Ave., Westwood, N.J. 07675; 201-666-4900

	1983	1982
Premium volume	\$11,000,000	\$10,000,000
Gross revenues	\$1,119,200	\$1,050,000
Brokerage: Retail	95%	100%
Services	5%	-
Employees	24	25
Offices	1	1

Year founded: 1975.

Compensation: 90% commissions; 10% fees.

Principal officers: Irving R. Weinbraub, chairman; Mark B. Weinbraub, president; Frank DePalma, executive vp; Michael S. Greenberg, senior vp.

Licensed excess/surplus broker in: New Jersey.

Wharton/Lyon & Lyon

101 S. Livingston Ave., Livingston, N.J. 07039; 201-992-5775

	1983	1982
Premium volume	\$15,739,241	\$16,241,000
Gross revenues	\$2,631,982	\$2,584,000
Brokerage: Retail	100%	100%
Employees	46	47
Offices	1	1

Year founded: 1912.

Compensation: 95% commissions; 5% fees.

Acquisitions: Professional Insurance Programs Inc., pooled.

Subsidiaries: Professional Insurance Programs Inc.

Principal officers: Albert L. Klein, chief executive officer/president; Thomas H. Rowe, senior vp/chief operating officer.

Whitsitt Ralston & Stiff Agency Inc.

801 N. Main, Box 1028, McAllen, Texas 78501; 512-682-2841

	1983	1982
Premium volume	\$5,222,000	\$5,025,000
Gross revenues	\$887,000	\$873,000
Brokerage: Retail	100%	100%
Employees	19	19
Offices	1	1

Year founded: 1949.

Compensation: 100% commissions.

Principal officers: W.E. Whitsitt, president; Robert E. Stiff, May Rousch, vps; Neal King, secretary/treasurer.

W.K.P. Wilson & Son Inc.

51 St. Joseph St., Mobile, Ala. 36652; 205-433-0441

	1983	1982
Premium volume	\$27,000,000	\$24,000,000
Gross revenues	\$3,400,000	\$3,230,000
Brokerage: Retail	80%	85%
Other	20%	15%
Employees	82	68
Offices	1	1

Year founded: 1898.

Compensation: 100% commissions.

Acquisitions: Cook, Cadden, Fowler, Paulk, Mobile, Ala., purchased.

Principal officers: B.R. Wilson Jr., chairman; Clifton C. Inge, president; J. Schley Rutherford, Jim Paulk, senior vps; Walter E. Roney, senior vp/secretary.

Licensed excess/surplus broker in: Alabama.

Wisenberg Insurance Agency

4801 Woodway, P.O. Box 983, Houston, Texas 77001; 713-622-5200

	1983	1982
Premium volume	\$21,500,000	\$18,700,000
Gross revenues	\$3,500,000	\$3,000,000
Brokerage: Retail	98%	98%

	1983	1982
Other	2%	2%
Employees	55	53
Offices	1	1

Year founded: 1934.

Compensation: 95% commissions; 5% fees.

Acquisitions: McRaith Insurance Agency and S.G. Raphael & Co., both in Houston, purchased.

Subsidiaries: S.L.W. Risk Analysts, Houston; Wisenberg Insurance Agency-Life & Health Division Inc., Houston.

Principal officers: Irving Pozmantier, president; Joe L. Williams, executive vp; Jay Williams, Clif Wistner, Jeff Pozmantier vps.

Licensed excess/surplus broker in: Texas.

Thomas E. Wood Inc.

1500 Carew Tower, Cincinnati, Ohio 45202; 513-852-6300

	1983	1982
Premium volume	\$26,000,000	\$25,000,000
Gross revenues	\$4,500,000	\$1,000,000
Brokerage: Retail	100%	100%
Employees	95	100
Offices	3	3

Year founded: 1903.

Compensation: 99% commissions; 1% fees.

Branch offices: Edgewood, Ky., and Harrison, Ohio.

Subsidiaries: Wood Underwriters Agency Inc., Edgewood, Ky.

Principal officers: Thomas J. Klinedinst, president; Thomas J. Klinedinst Jr., executive vp Paul R. Swanson, vp/secretary; Marjorie A. Dunn, vp/treasurer.

Licensed excess/surplus broker in: All states.

Woodsmall, Frick & Innis Inc.

Five Crown Center, 2480 Pershing Road, Suite 111, Kansas City, Mo. 64108; 816-421-7788

	1983	1982
Premium volume	\$19,000,000	\$15,375,000
Gross revenues	\$2,353,000	\$1,965,000
Brokerage: Retail	91%	93%
Services	5%	2%
Other	4%	5%
Employees	43	38
Offices	1	1

Year founded: 1974.

Compensation: 95% commissions; 5% fees.

Subsidiaries: Energy Assurance Inc., Kansas City, Mo.

Principal officers: W.O. Woodsmall, chairman; Peter L. Woodsmall, president; Thomas E. Klug, J. Michael Brewer, senior vps; Joseph V. Gerlack, vp.

Licensed excess/surplus broker in: Missouri and Kansas.

Wright & Co.

1001 Connecticut Ave. N.W., Washington, D.C. 20036; 202-331-1550

	1983	1982
Premium volume	\$8,800,000	\$8,500,000
Gross revenues	\$1,750,000	\$1,700,000
Brokerage: Retail	53%	53%
Wholesale	2%	2%
Services	44%	44%
Other	1%	1%
Employees	29	30
Offices	2	2

Year founded: 1965.

Compensation: 99% commissions; 1% fees.

Branch offices: Affiliated companies, Wright International Ltd., Inter-American Assurance Co. Ltd. and TAMINCO Assurance Services, all in Grand Cayman, B.W.I.

Subsidiaries: Wright & Co. (Insurance Brokers) Ltd., London, England.

Principal officers: Frank L. Wright, chairman/president/chief executive officer; Betty R. Wright, vp/treasurer; Lionel C. Epstein, secretary; Donald A. Page, vp/general manager; John T. Liipfert, vp-marketing.

Licensed excess/surplus broker in: District of Columbia.

Y

Young & Perry Insurance

245 U.S. Route 22 W., Bridgewater, N.J. 08807; 201-526-1900

	1983	1982
Premium volume	\$4,925,000	\$4,147,000
Gross revenues	\$854,000	\$691,000
Brokerage: Retail	100%	100%
Employees	19	17
Offices	3	3

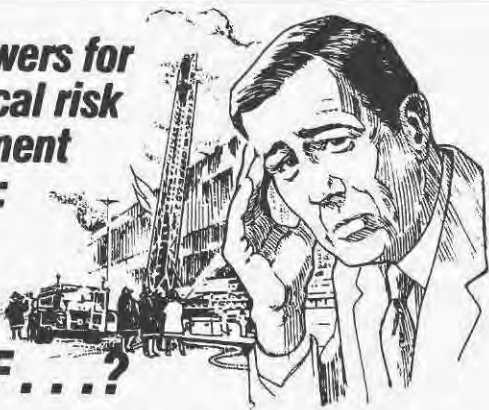
Year founded: 1909.

Compensation: 100% commissions.

Branch offices: North Plainfield and Lebanon, N.J.

Principal officers: Willard R. Young, president; Lee G. Perry, vp; George W. Pohle, vp/treasurer; Willis A. Kennedy, vp/secretary.

New answers for one critical risk management question:



WHAT IF...?

What if fire damage shut down your business for a month? What if a flood caused every metal in the place to corrode? What if a coolant in your electrical transformer ignited and filled the building with PCB-contaminated smoke? BMS Catastrophe has helped risk managers cope with these and scores of other loss-reduction problems. For example: BMS Catastrophe's fire restoration put almost 100 rooms in a historic hotel back in use in just five days. Our corrosion control saved more than half a million dollars worth of computer and word processing equipment for a law firm. And our newest innovation in large-scale restoration involves the decontamination of a high-rise office building contaminated by a toxic chemical during a fire. When your thoughts turn to "what if?" remember BMS Catastrophe. We can be on the scene within hours to help you recover from a catastrophic loss. To find out more about the many ways in which we can help you, please call our toll-free number today. Ask for the free brochure "Meeting the Challenge."

Now call toll free
800-433-2940
 In Texas 817-926-5296
 In Canada 519-886-7909



FREE! Now your local professional association can hear about the latest in restoration techniques — first-hand. BMS Catastrophe provides educational programs nationwide. Call toll-free today for more information.

Insurance Litigation Reporter

Stay on top of changes and new ideas in insurance law

- Monthly review of all major insurance and tort law decisions
- Analysis of trends in insurance law
- Summaries of significant trial and pre-trial results in bad faith and insurance coverage cases

To receive your free sample issue of *Insurance Litigation Reporter* plus subscription information, call 800-338-2800 (in California, 800-338-2801) or write Litigation Research Group, 425 Brannan Street, San Francisco, Ca 94107.

From The Reprint Department Of:
business insurance
 Reporting weekly for corporate risk, employee benefit and financial executives

Do you need to distribute copies of articles appearing in Business Insurance at your meetings or for your mailings? Business Insurance has expanded its reprint department to meet your needs. For fast, low cost* reprints of articles appearing in Business Insurance, or to obtain reprint permission for your own copies, call or write:

Reprint Department
Business Insurance
 220 E. 42nd St.
 New York, N.Y. 10017
 212-210-0131
 212-210-0229

*New prices effective 1/1/84

U.S. agents/brokers listed by state

Alabama

Birmingham
Corroon & Black of Alabama Inc.
Frank B. Hall & Co. Inc.
Hamilton & Shackelford Insurance
(Hilb, Rogal & Hamilton)
Johnson & Higgins of Alabama Inc.
McGriff, Seibels & Williams Inc.
Molton, Allen & Williams Corp.
Rollins Burdick Hunter of
Alabama Inc.

Florence
Crump-Alabama
McGriff, Seibels & Williams Inc.

Gadsden
McGriff, Seibels & Williams Inc.

Huntsville
Molton, Allen & Williams Corp.

Mobile
Baumhauer-Croom Insurance (Hilb,
Rogal & Hamilton)
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.
Molton, Allen & Williams Corp.
W.K.P. Wilson & Son Inc.

Montgomery
Frank B. Hall & Co. Inc.

Alaska

Anchorage
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black of Alaska Inc.
Hansen & Rowland of Alaska Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
Reed Stenhouse Inc. of Alaska

Fairbanks
Corroon & Black of Alaska Inc.
Frank B. Hall & Co. Inc.

Juneau
Corroon & Black of Alaska Inc.

Sitka
Corroon & Black of Alaska Inc.

Arizona

Buckeye
Olliver/Pilcher Insurance Inc.

Cottonwood
Olliver/Pilcher Insurance Inc.

Flagstaff
Lasher-Cowie-Turner
Olliver/Pilcher Insurance Inc.

Glendale
Olliver/Pilcher Insurance Inc.

Holbrook
Kindler & Laucci Insurance Brokers
of Arizona

Lake Havasu City
Bourne-Leavitt (The Leavitt
Group)

Mesa
Beal & Associates Insurance
Counselors Inc.
Massey-Leavitt (The Leavitt
Group)
Olliver/Pilcher Insurance Inc.

Parker
LaPaz-Leavitt (The Leavitt Group)

Phoenix
Bayly, Martin & Fay International Inc.
Butler-Leavitt (The Leavitt Group)
Corroon & Black of Arizona Inc.
Dawn-Leavitt (The Leavitt Group)
Emett & Chandler
Financial Guardian Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Arizona Inc.
Kindler & Laucci Insurance Brokers
of Arizona
Lasher-Cowie Agency
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Minard-Leavitt (The Leavitt
Group)
Olliver/Pilcher Insurance Inc.
Republic Hogg Robinson Inc.
Rhulen Agency (West) Inc.
Rollins Burdick Hunter of Arizona Inc.

Prescott
Olliver/Pilcher Insurance Inc.

Riviera
Riviera-Leavitt (The Leavitt Group)

Scottsdale
Arthur J. Gallagher & Co.
Olliver/Pilcher Insurance Inc.

Show Low
Olliver/Pilcher Insurance Inc.

Tucson
Bayly, Martin & Fay International Inc.
Corroon & Black of Arizona Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Lasher-Cowie
Marsh & McLennan Cos. Inc.

Yuma
Jewett Insurance Agency (Olliver-
Pilcher)

Arkansas

Conway
Atkins Insurance Corp.

Fort Smith
ISU/Brown-Hiller-Clark & Associates
Rebsamen Insurance/Fort Smith

Hot Springs
Atkins Insurance Corp.

Little Rock
Atkins Insurance Corp.
Corroon & Black Corp.
Crump/Arkansas Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Rebsamen Insurance

Springdale
Rebsamen Insurance/Springdale

California

Anaheim
Grubb & Ellis Insurance
Brokerage Group

Arcata
Jardine Insurance Brokers Inc.

Bakersfield
Frank B. Hall & Co. Inc.
Grubb & Ellis Insurance Services
Marsh & McLennan Cos. Inc.

Berkeley
Fred S. James & Co. Inc.

Beverly Hills
Walter Kaye Associates Inc.

Burbank
Frank B. Hall & Co. Inc.

Burlingame
ISU/Chandler Insurance Agency Inc.
Republic Hogg Robinson Inc.

Cerritos
Commercial Carriers Insurance
Agency Inc.

Chico
Frank B. Hall & Co. Inc.

Concord
Frank B. Hall & Co. Inc.
Krueger/Grubb & Ellis
Insurance Services

Costa Mesa
Frank B. Hall & Co. Inc.
Johnson & Higgins of California
Kelter-Thorner Inc.
of Southern California

Culver City
MDM Associates

Davis
Fred S. James & Co. Inc.

Escondido
Robert F. Driver Co. Inc.
L.G. Hire (Osterloh & Durham)

Eureka
Frank B. Hall & Co. Inc.

Foster City
James Econn & Co.

Fresno
Bayly, Martin & Fay International Inc.
Cal-Surance Associates Inc.
Calco Insurance
Commercial Carriers Insurance
Agency Inc.
E.H. Crump Cos.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Keenan & Associates
Marsh & McLennan Cos. Inc.
James G. Parker Insurance Associates

Fullerton
Mason-McDuffie Insurance
Service Inc.

Glendale
Calco Insurance

Hollywood
Truman Van Dyke Co.

Irvine
Anderson & Anderson Insurance
Brokers Inc.
Fred S. James & Co. Inc.

Kingsburg
Van Beurden, Wigh &
Associates Insurance Services Inc.

La Jolla
Robert F. Driver & Co. Inc.

Long Beach
Kindler & Laucci Insurance Brokers
Frank B. Hall & Co. Inc.
Insurance Assn. of Long Beach
(Osterloh & Durham)
ISU/Huggins/Dreckman Insurance
Agency Inc.

Los Angeles
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
James Econn & Co.
Emett & Chandler
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
ISU/Wellington Agencies Inc.
Fred S. James & Co. Inc.
Jardine Insurance Brokers Inc.
Johnson & Higgins of California
Sander A. Kessler & Associates Inc.
Marsh & McLennan Cos. Inc.
Montgomery & Montgomery Inc.

Reed Stenhouse Inc. of California
Reed Stenhouse International Inc.
Republic Hogg Robinson Inc.
Rollins Burdick Hunter of Southern
California Inc.
DeWitt Stern, Gutmann & Co. Inc.
Worldsure Insurance Brokers Inc.
(Financial Guardian)

Merced
Corroon & Black Corp.

Modesto
Bonaire Assurance Services (Van
Beurden, Wigh & Associates)
Frank B. Hall & Co. Inc.
ISU/Travaille Daugherty & Co.

Newport Beach
Bayly, Martin & Fay International Inc.
Robert F. Driver & Co. Inc.
James Econn & Co.
Arthur J. Gallagher & Co.
Jay & Renfro Insurance Brokers
Marsh & McLennan Cos. Inc.
Richard A. Mills Co. Inc.
Universal Pacific Insurance
Services Inc.

Oakland
Bayly, Martin & Fay International Inc.
Commercial Carriers Insurance
Agency Inc.
Grubb & Ellis Insurance Services
ISU/Bottari, Holland & Sweetman
Fred S. James & Co. Inc.
Poulton Associates
Reed Stenhouse Inc. of California

Ontario
Commercial Carriers Insurance
Agency Inc.

Orange
Calco Insurance
Emett & Chandler

Orange County
Alexander & Alexander Services Inc.

Orinda
Mason-McDuffie Insurance
Service Inc.

Oxnard
Frank B. Hall & Co. Inc.

Palm Springs
Frank B. Hall & Co. Inc.

Palo Alto
Alexander & Alexander Services Inc.
Rollins Burdick Hunter
Administration Inc.
Rollins Burdick Hunter of Southern
California Inc.
ISU/Thotis Insurance Service Inc.
Kindler & Laucci Insurance Brokers

Pasadena
Corroon & Black (California)
Rollins Burdick Hunter of Southern
California Inc.

Redding
Frank B. Hall & Co. Inc.

Redwood City
Kelter-Thorner Inc.
of Northern California

Riverside
Johnson & Higgins of California
Keenan & Associates
Rollins Burdick Hunter of Southern
California Inc.

Sacramento
Commercial Carriers Insurance
Agency Inc.
Corroon & Black-James Burpo
Insurance Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
ISU/Travaille Daugherty & Co.
Fred S. James & Co. Inc.
Keenan & Associates
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Northern
California Inc.
Universal Pacific Insurance Services

Salinas
Frank B. Hall & Co. Inc.

San Bernardino
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.

San Bruno
Fred S. James & Co. Inc.

San Diego
Bayly, Martin & Fay International Inc.
Corroon & Black
Robert F. Driver Co. Inc.
Percy H. Goodwin Insurance Services
(Hilb, Rogal & Hamilton)
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of California
Keenan & Associates
Kindler & Laucci Insurance Brokers
Marsh & McLennan Cos. Inc.
Richard A. Mills Co. Inc.
Ocean Air Insurance Brokers
RKC & Co.
Robson, Cavignac & Associates

San Francisco
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Calco Insurance
Corroon & Black (California) Corp.
Curtis Day & Co.
Emett & Chandler
Richard N. Goldman & Co.

Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Jardine Insurance Brokers Inc. (2)
Johnson & Higgins of California
Kindler & Laucci Insurance Brokers
Levison Brothers Inc.
Marsh & McLennan Cos. Inc.
Reed Stenhouse Inc. of California
Rollins Burdick Hunter of Northern
California Inc.

San Jose
Alexander & Alexander Services Inc.
Cal-Surance Associates Inc.
Corroon & Black
Financial Guardian Insurance
Brokers Inc.
Frank B. Hall & Co. Inc.
Keenan & Associates
Marsh & McLennan Cos. Inc.

San Luis Obispo
Frank B. Hall & Co. Inc.

San Mateo
Calco Insurance

San Pedro
Bayly, Martin & Fay International Inc.

San Rafael
Keenan & Associates

Santa Ana
Frank B. Hall & Co. Inc.
ISU/Griffith/Sincock
Insurance Brokers
Jardine Insurance Brokers Inc.
Keenan & Associates

Santa Barbara
Alexander & Alexander Services Inc.

Santa Clara
Frank B. Hall & Co. Inc.
Jardine Insurance Brokers Inc.

Santa Cruz
Frank B. Hall & Co. Inc.

Santa Rosa
Frank B. Hall & Co. Inc.
ISU/Ellington & Jones
Insurance Services
Jardine Insurance Brokers Inc.

Stockton
Frank B. Hall & Co. Inc.
ISU/Travaille Daugherty & Co.
Rollins Burdick Hunter of Northern
California Inc.

Sunnyvale
Frank B. Hall & Co. Inc.

Thousand Oaks
Bonaire Assurance Services of
Thousand Oaks (Van Beurden, Wigh
& Associates)
Keenan & Associates

Torrance
Cal-Surance Associates Inc.
Keenan & Associates

Tustin
Fred S. James & Co. Inc.

Van Nuys
Osterloh & Durham Insurance Brokers
of N.A. Inc.

Ventura
Frank B. Hall & Co. Inc.

Visalia
Frank B. Hall & Co. Inc.

Walnut Creek
California Group Services
Frank B. Hall & Co. Inc.

Woodland Hills
Growers Crop Insurance Services
(Van Beurden, Wigh & Associates)
Frank B. Hall & Co. Inc.
Patrick C. Ross Associates
Insurance Services

Colorado

Aurora
Bayly, Martin & Fay International Inc.

Colorado Springs
Tolley-Weidman Agency Inc.
(Robinson-Conner)

Denver
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Booth, Potter, Seal & Co. Inc.
Byerly & Co. (Financial Guardian)
Crump/Warren & Sommer Inc.
Financial Guardian Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Colorado Inc.
Lockton Insurance Agency
of Colorado Inc.
Marsh & McLennan Cos. Inc.
North American Insurance
Agency Inc.
Reed Stenhouse Inc. of Colorado
Rollins Burdick Hunter of
Colorado Inc.
J.H. Silversmith Inc.
Tolley-Weidman Agency Inc.
(Robinson-Conner)

Englewood
Aviation Insurance Management Co.
(J.H. Silversmith Inc.)
Frank B. Hall & Co. Inc.

Fort Collins
Rhulen Agency Inc.

Sterling
Dowis Agency Inc.

Connecticut

Danbury
ISU/Pierson & Smith Inc.

Fairfield
Crump-Godfrey Inc.
Walter Kaye Associates Inc.

Greenwich
Alexander & Alexander Services Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.

Hartford
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Boccaccio & Susanin Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Connecticut Inc.
Marsh & McLennan Cos. Inc.

Continued on next page

Construction Counsellors



PROBLEMS!
PROBLEMS!
PROBLEMS!

DOES YOUR CONSTRUCTION OR DEVELOPER CLIENT HAVE PROBLEMS? You can render valuable service by using CCI to find solutions—to identify risks—causes for cost overruns—organizational deficiencies—and other factors that plague productivity and completion of projects.

Minimize your exposure and maximize your client support by making CCI your representative on the scene. CCI offers a billion dollars of hard-earned construction knowledge at reasonable charges. We can act now to fit your immediate needs.

Call CCI for:

- Design Review & Critique
- Bidding and Estimate Procedures
- Basic Scheduling, CPM Analysis
- Buyout and Purchasing, Subcontracting
- Operations Control, Protective Procedures
- Insurance Review and Placement
- Construction Management
- Financial Management & Cost Control
- Administration
- Troubleshooting
- Claims Preparation, Production and Processing
- Arbitration of Disputes
- Litigation Defense

Get prompt, decisive and cost effective help by contacting:



118 Mill Road, Park Ridge, N.J. 07656
Attention: Robert James Frankel,
President
(201) 930-0308

Continued from previous page

- Manchester**
 The Insurance Management Center
 (Hilb, Rogal & Hamilton)
- Meriden**
 Frank B. Hall & Co. Inc.
- New Canaan**
 ISU/Pierson & Smith Inc.
- New Haven**
 Frank B. Hall & Co. Inc.
- Nowalk**
 ISU/Pierson & Smith Inc.
- Putnam**
 RL&G Agency Inc.
- Stamford**
 Financial Guardian Inc.
 ISU/Pierson & Smith Inc.
 Johnson & Higgins of Connecticut Inc.
 Marsh & McLennan Cos. Inc.
- Waterbury**
 H.D. Segur Inc.
- West Hartford**
 Arthur J. Gallagher & Co.
- Westport**
 Alexander & Alexander Services Inc.
 H.D. Segur Inc.

Delaware

- Wilmington**
 Johnson & Higgins of Delaware Inc.

District of Columbia

- Alexander & Alexander Services Inc.
 Corroon & Black Inc.
 of Washington, D.C.
 Corroon & Black Inspace Inc.
 Frank B. Hall & Co. Inc.
 Fred S. James & Co. Inc.
 Johnson & Higgins
 of Washington, D.C. Inc.
 Marsh & McLennan Cos. Inc.
 The Mutual Insurance Agency Inc.
 Reed Stenhouse Inc. of
 Washington, D.C.
 Reed Stenhouse International Inc.
 Wright & Co.

Florida

- Altamonte Springs**
 Frank B. Hall & Co. Inc.

- Boca Raton**
 Reed Stenhouse Inc. of Florida
- Boynton Beach**
 Brown & Brown Inc.
- Cape Coral**
 Brown & Brown Inc.
- Clearwater**
 Lawrence Agency Inc.
- Coral Gables**
 Frank B. Hall & Co. Inc.
 Marsh & McLennan Cos. Inc.
- Daytona Beach**
 Jay Adams & Associates Inc.
 Brown & Brown Inc.
- Delray Beach**
 Brown & Brown Inc.
- Dunedin**
 Bennett Wallace Welch &
 Green Insurance
- Fernandina Beach**
 Almours, Carswell Inc. (Carswell
 Insurance Group)
- Fort Lauderdale**
 Capitol Risk Concepts Ltd.
 Fred S. James & Co. Inc.
 Lawrence Agency Corp.
 Reed Stenhouse Inc. of Florida
 Rollins Burdick Hunter of Florida Inc.
- Fort Myers**
 Robert E. Bill Associates
 of Florida Inc.
 Insurance Management Corp. of
 South Florida (Hilb, Rogal &
 Hamilton)
 Poe & Associates Inc.
- Fort Myers Beach**
 Brown & Brown Inc.
- Fort Walton Beach**
 Arthur J. Gallagher & Co.
- Hollywood**
 Joseph Held Co. Inc.
 Smith Watson Parker Inc.
- Jacksonville**
 Almours, Carswell Inc. (Carswell
 Insurance Group)
 Bayly, Martin & Fay International Inc.
 Frank B. Hall & Co. Inc.
 Marsh & McLennan Cos. Inc.
 Miller, Miller, Bradwish & Miller
 Poe & Associates Inc.
 Cecil W. Powell & Co.
- Lakeland**
 Frank B. Hall & Co. Inc.
 Poe & Associates Inc.
- Maitland**
 Frank B. Hall & Co. Inc.

- Melbourne**
 Kingman/Spencer Agency Inc.
- Miami**
 Alexander & Alexander Services Inc.
 Arthur J. Gallagher & Co.
 Frank B. Hall & Co. Inc.
 Fred S. James & Co. Inc.
 Johnson & Higgins of Florida Inc.
 Poe & Associates Inc.
 Republic Hogg Robinson Inc.
 Seitlin & Co.
- Miami Shores**
 Frank B. Hall & Co. Inc.
- Naples**
 Benson Insurance Agency Inc.
 Sun State Insurance Agencies Inc.
- North Fort Myers**
 Brown & Brown Inc.
- North Palm Beach**
 Bayly, Martin & Fay International Inc.
- Ocala**
 Miller/Kiefer (Miller, Miller,
 Brandwish & Miller)
- Orlando**
 Brown & Brown Inc. (2)
 Arthur J. Gallagher & Co.
 Frank B. Hall & Co. Inc.
 Herndon, Iles & Scott Inc.
 (Hilb, Rogal & Hamilton)
 McGriff, Seibels & Williams Inc.
 Poe & Associates Inc.
 Sun State Insurance Agencies Inc.
- Pensacola**
 McGriff, Seibels & Williams Inc.
 Miller/Gurnsey (Miller, Miller,
 Brandwish & Miller)
- Port Charlotte**
 Brown & Brown Inc.
- Sanibel**
 Brown & Brown Inc.
- Sarasota**
 Brown & Brown Inc.
- Seminole**
 Bennett Wallace Welch &
 Green Insurance
- St. Petersburg**
 Alliance Brokerage Corp.
 Almours, Carswell Inc. (Carswell
 Insurance Group)
 Bennett Wallace Welch &
 Green Insurance
 Haas & Wilkerson Inc.
 Haas-Wilkerson-Wohlberg Inc.
- Tallahassee**
 Alexander & Alexander Services Inc.
 Poe & Associates Inc.
- Tampa**
 Bayly, Martin & Fay International Inc.
 Brown & Brown Inc.
 Frank B. Hall & Co. Inc.
 Insurance Management Corp. (Hilb,
 Rogal & Hamilton)
 Marsh & McLennan Cos. Inc.
 Poe & Associates Inc.
 Sun State Insurance Agencies Inc.
- Titusville**
 Kingman/Spencer Agency Inc.
- Venice**
 Poe & Associates Inc.
- Vero Beach**
 Joseph Held & Co. Inc.
- West Palm Beach**
 Brown & Brown Inc.
 Arthur J. Gallagher & Co.

- Florida Insurance Professionals Inc.
 (Insurance Professionals Inc.)
 Fred S. James & Co. Inc.
- Winter Haven**
 Poe & Associates Inc.
- Winter Park**
 Arthur J. Gallagher & Co.

Georgia

- Atlanta**
 Alexander & Alexander Services Inc.
 Bayly, Martin & Fay International Inc.
 Carswell Insurance Group Inc.
 E.H. Crump of Georgia Inc.
 Arthur J. Gallagher & Co.
 Frank B. Hall & Co. Inc.
 J. Smith Lanier & Co.
 Fred S. James & Co. Inc.
 Johnson & Higgins of Georgia Inc.
 Leide Associates (Hilb, Rogal &
 Hamilton)
 Marsh & McLennan Cos. Inc.
 Montgomery & Montgomery Inc.
 James P. Poole & Co. (Poe &
 Associates)
 Rollins Burdick Hunter
 of Georgia Inc.
- Augusta**
 Bayly, Martin & Fay International Inc.
- Bowden**
 Tri-County/Lanier (J. Smith
 Lanier & Co.)
- Bremen**
 J. Smith Lanier & Co.
- Carrollton**
 Tri-County/Lanier (J. Smith
 Lanier & Co.)
- Columbus**
 J. Smith Lanier & Co.
- Franklin**
 J. Smith Lanier & Co.
- Macon**
 Frank B. Hall & Co. Inc.
- Manchester**
 J. Smith Lanier & Co.
- Marietta**
 Merritt & McKenzie Inc.
- Savannah**
 Carswell Insurance Group Inc.
 Davis-Garvin Agency Inc.
- Vidalia**
 Carswell Insurance Group Inc.
- Villa Rica**
 Tri-County/Lanier (J. Smith
 Lanier & Co.)
- West Point**
 J. Smith Lanier & Co.

Hawaii

- Hilo**
 Marsh & McLennan Cos. Inc.
- Honolulu**
 Alexander & Alexander Services Inc.
 Corroon & Black-King & Neel
 Frank B. Hall & Co. Inc.
 Johnson & Higgins of Hawaii Inc.
 Marsh & McLennan Cos. Inc.
 Reed Stenhouse of Hawaii Inc.
 Rollins Burdick Hunter of Hawaii Inc.

- Kahului**
 Marsh & McLennan Cos. Inc.
- Lihue**
 Marsh & McLennan Cos. Inc.
- Maui**
 Alexander & Alexander Services Inc.

Idaho

- Boise**
 Alexander & Alexander Services Inc.
 Fred S. James & Co. Inc.
 Marsh & McLennan Cos. Inc.
- Coeur d'Alene**
 Fred S. James & Co. Inc.
- Idaho Falls**
 Fred A. Moreton & Co.
- Soda Springs**
 Bayly, Martin & Fay International Inc.
- Twin Falls**
 Call-Leavitt

Illinois

- Arlington Heights**
 Baumann & Ozzie Financial Group Inc.
 Meadowbrook Insurance Agency Inc.
- Chicago**
 Alexander & Alexander Services Inc.
 Alper Agency Inc.
 Associates Agencies Inc.
 Bankers Insurance Service Corp.
 Bayly, Martin & Fay International Inc.
 Corroon & Black of Illinois Inc.
 Emmett & Chandler
 Arthur J. Gallagher & Co.
 Frank B. Hall & Co. Inc.
 Fred S. James & Co. Inc.
 Johnson & Higgins of Illinois Inc.
 Walter Kaye Associates Inc.
 Lamb Little & Co.
 Mack & Parker Inc.
 Marsh & McLennan Cos. Inc.
 Julius Moll & Son Inc.
 Reed Stenhouse Inc. of Illinois
 Reed Stenhouse International Inc.
 Rollins Burdick Hunter Co.
 Rollins Burdick Hunter
 International Inc.
 Rollins Burdick Hunter of Illinois Inc.
 Robert M. Schray Co.
 Thilman & Filippini (2)
- Des Plaines**
 Bayly, Martin & Fay International Inc.
- Downers Grove**
 Arthur J. Gallagher & Co.
- Elmhurst**
 Alexander & Alexander Services Inc.
 Thilman & Filippini
- Evanston**
 Thilman & Filippini
- Hinsdale**
 Financial Guardian Inc.
 Morency & Associates Inc.
- Lombard**
 Frank B. Hall & Co. Inc.
- Moline**
 Bartlett Agency Inc.
- Northbrook**
 Robert M. Schray Co.
- Oak Brook**
 Boockford & Co.
 Financial Insurance Service Inc.
 Marsh & McLennan Cos. Inc.
- Park Ridge**
 National Mortgage Insurance
 Consultants Inc.
- Peoria**
 Arthur J. Gallagher & Co.
- Rockford**
 Arthur J. Gallagher & Co.
 Marsh & McLennan Cos. Inc.
 Rollins Burdick Hunter of Illinois Inc.
- Rolling Meadows**
 Arthur J. Gallagher & Co.
- Schaumburg**
 Industrial Insurance Agency
- Skokie**
 Baumann & Ozzie Financial Group Inc.
- Troy**
 Frank B. Hall & Co. Inc.
- Waukegan**
 Thilman & Filippini

Indiana

- Elkhart**
 ISU/Midwest Commerce Insurance
- Fort Wayne**
 Insurance & Risk Management
- Goshen**
 ISU/Midwest Commerce Insurance
- Hartford City**
 Insurance & Risk Management
- Indianapolis**
 Alexander & Alexander Services Inc.
 Arthur J. Gallagher & Co.
 Insurance & Risk Management
 ISU/Herke Insurance Center Inc.
 ISU/Savill-Schnieders-Kuehr
 Marsh & McLennan Cos. Inc.
 Rollins Burdick Hunter of Indiana Inc.
- Lafayette**
 ISU/MBAH Insurance
- Muncie**
 Insurance & Risk Management
- North Manchester**
 Beauchamp & McSpadden

Continued on facing page



PEOPLE, NOT QUOTES, SETTLE CASES.

Two goals are paramount in designing a successful structured settlement: a reasonable cost basis for you and acceptance by the claimant.

Howard Weil's structured settlement experts recognize the need for creative solutions in designing settlements which satisfy both criteria. In evaluating the available investments, you can rely on our proven record in the financial services industry. We consider not only a full range of annuity solutions and source companies, but also evaluate the use of U.S. government securities and insured tax-free bond trusts. We can also help close your file by arranging for the assumption of settlement liabilities via third party assignment.

Let Howard Weil's experienced team help you close your case—

That settles it.
 Call Chris Shumate, 504-588-2789.

Tell me more about Howard Weil's people and expertise in structured settlements.

Name _____

Firm _____

Address _____

City _____ State _____ Zip _____

Business Phone _____

HOWARD WEIL, LABOUISSIE, FRIEDRICHS
 INCORPORATED
 Structured Settlements Department • W. Christian Shumate, Manager
 211 Carondelet Street, New Orleans, LA 70110

**Nil Ort Beith
 As Eireann**
 TRANSLATION:
**YOU DON'T HAVE
 TO BE IRISH**

Insurance Corporation of Ireland

In the United States, we provide immediate service to qualified brokers on risks and costs for surplus and excess lines as well as reinsurance.

We are interested in "unique" coverages and have considerable experience in primary commercial property and property/casualty packages (not automobile or statutory workers compensation).

In Gaelic, "Nil Ort Beith As Eireann" means "You Don't Have To Be Irish". Call us.



**INSURANCE CORPORATION
 of IRELAND**

200 South Wacker Drive Chicago, Illinois 60606
 (312) 559-0509 Telex 210184 via RCA

Special coverages for special risks.

Continued from facing page

South Bend
Bath Van Mele & Associates
Arthur J. Gallagher & Co.
ISU/Bruner Cassidy Neeser Agency Inc.
Wabash
Beauchamp & McSpadden
Warsaw
Beauchamp McSpadden
Strayer Insurance

Iowa

Cedar Rapids
Frank B. Hall & Co. Inc.
Council Bluffs
The Redland Group
Davenport
Bartlett Agency Inc.
Des Moines
Alexander & Alexander Services Inc.
Financial Guardian Inc.
Frank B. Hall & Co. Inc.
Holmes, Murphy & Associates Inc.
Marsh & McLennan Cos. Inc.
Dubuque
Arthur J. Gallagher & Co.
Sioux City
Insurance Agents Inc. (The Redland Group)
Waterloo
ISU/Rchtschild, Bell & Walseth Inc.

Kansas

Atchison
Financial Guardian Inc.
Fairway
Haas & Wilkerson Inc.
Kansas City
Frank B. Hall & Co. Inc.
Mission Woods
Emett & Chandler
Overland Park
Frank B. Hall & Co. Inc.
Prairie Village
The Lockton Insurance Agency Inc.
Topeka
Insurance Management Associates Inc.
Marsh & McLennan Cos. Inc.
Wichita
Bayly, Martin & Fay International Inc.
Financial Guardian Inc.
Insurance Management Associates Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Kansas Inc.

Kentucky

Covington
Atlantic Underwriters Agency
Edgewood
Thomas E. Wood Inc.
Lexington
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.
McDonough Caperton Kentucky Multi-Services Corp. (Robinson-Conner)
Louisville
Alexander & Alexander Services Inc.
Fox, Puckett, Cohen & Associates (Robinson-Conner)
Frank B. Hall & Co. Inc.
Harris & Co.
Johnson & Higgins of Kentucky Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Reager-Harris
Middlesboro
Crump Associates

Louisiana

Alexandria
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
Baton Rouge
Crump/Louisiana Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Houma
Bayly, Martin & Fay International Inc.
Lafayette
Bayly, Martin & Fay International Inc.
Frank B. Hall & Co. Inc.
Lake Charles
Bayly, Martin & Fay International Inc.
Metairie
Bayly, Martin & Fay International Inc.
Monroe
Seymour Insurance Agency Inc.
Morgan City
Bayly, Martin & Fay International Inc.
New Orleans
Alexander & Alexander Services Inc.
Corroon & Black of Louisiana Inc.
Frank B. Hall & Co. Inc.
Johnson & Higgins of Louisiana Inc.
Marsh & McLennan Cos. Inc.
North American Insurance Agency Inc.
Worldsurance Inc. (Financial Guardian)
Shreveport
Alexander & Alexander Services Inc.

Maine

Bangor
ISU/Fenderson Insurance
Calais
ISU/Fenderson Insurance
Eastport
ISU/Fenderson Insurance
Houlton
Fred S. James & Co. Inc.
Mars Hill
Fred S. James & Co. Inc.
Portland
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.
Johnson & Higgins of Maine Inc.
Rockland
Fred S. James & Co. Inc.

Maryland

Baltimore
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Consolidated Insurance Center Inc.
Fred S. James & Co. Inc.
Poe & Associates Inc.
Rollins Burdick Hunter Co.
Chevy Chase
Arthur J. Gallagher & Co.
Hagerstown
ISU/McDowell Insurance Inc.
Landover
Perpetual Insurance Services Inc.
Severna Park
ISU/Ebersberger Cos.

Massachusetts

Boston
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black of Massachusetts Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Massachusetts Inc.
Lawrence Agency Corp.
Mahoney & Wright Insurance Agencies
Marsh & McLennan Cos. Inc.
Reed Stenhouse Inc. of Massachusetts
Republic Hogg Robinson Inc.
Rollins Burdick Hunter of Massachusetts Inc.
Cambridge
ISU/Hastings-Tapley Insurance Agency Inc.
Danvers
ISU/Hastings-Tapley Insurance Agency Inc.
Dedham
Mahoney & Wright Insurance Agencies
Meadowbrook Insurance Agency Inc.
Essex
ISU/Hastings-Tapley Insurance Agency Inc.
Falmouth
Mahoney & Wright Insurance Agencies
Fitchburg
Mahoney & Wright Insurance Agencies
Gloucester
ISU/Hastings-Tapley Insurance Agency Inc.
Holyoke
Frank B. Hall & Co. Inc.
Ipswich
ISU/Hastings-Tapley Insurance Agency Inc.
Manchester
Mahoney & Wright Insurance Agencies
Mansfield
New England Security Insurance Agency Inc.
Medford
ISU/Hastings-Tapley Agency Inc.
Middleboro
Mahoney & Wright Insurance Agencies
Natick
Carlin Insurance Agency Inc.
New Bedford
Fred S. James & Co. Inc.
Newburyport
Alexander & Alexander Services Inc.
Newton
MacIntyre, Fay & Thayer Insurance Agency Inc.
Mahoney & Wright Insurance Agencies
North Reading
ISU/Hastings-Tapley Insurance Agency Inc.
Peabody
Mahoney & Wright Insurance Agencies
Reading
ISU/Hastings-Tapley Insurance Agency Inc.
Rockland
Mahoney & Wright Insurance Agencies
Saugus
ISU/Hastings-Tapley Insurance Agency Inc.

Scituate

Mahoney & Wright Insurance Agencies
Springfield
Frank B. Hall & Co. Inc.
Tewksbury
Mahoney & Wright Insurance Agencies
Topsfield
ISU/Hastings-Tapley Insurance Agency Inc.
Wakefield
Mahoney & Wright Insurance Agencies
Walpole
Mahoney & Wright Insurance Agencies
Watertown
ISU/Hastings-Tapley Insurance Agency Inc.
Wayland
Mahoney & Wright Insurance Agencies
Wellesley
Bayly, Martin & Fay International Inc.
Keough Kirby Insurance Agency Inc.
West Springfield
Arthur J. Gallagher & Co.
Weymouth
Mahoney & Wright Insurance Agencies
Woburn
ISU/Hastings-Tapley Insurance Agency Inc.
Worcester
ISU/Insurance Marketing Agencies Inc.
Yarmouth
Mahoney & Wright Insurance Agencies

Michigan

Birmingham
Poyle Associates Inc.
Dearborn
ISU/Fairlane Associates Inc.
Detroit
Alexander & Alexander Services Inc.
Corroon & Black of Michigan Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins (Michigan)
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Michigan Inc.
East Lansing
Arthur J. Gallagher & Co.
Farmington Hills
Bayly, Martin & Fay International Inc.
Grand Rapids
Alexander & Alexander Services Inc.
Grand Rapids Holland Insurance Agency Inc.
ISU/Crosby & Henry Inc.
Rollins Burdick Hunter of Michigan Inc.
Self-Insured Risk Services
Holland
Grand Rapids Holland Insurance Agency Inc.
Jackson
The Jackson Insurance Agency Inc. (Hilb, Rogal & Hamilton)
Lansing
Frank B. Hall & Co. Inc.
Livonia
Alexander & Alexander Services Inc.
Port Huron
ISU/Moore & Povenz Inc.

Richmond

Flecksig & Associates Inc. (ISU/Moore & Povenz Inc)
Saginaw
Republic Hogg Robinson Inc.
Southfield
Atlantic Underwriters Inc. (Kelter-Thorner Inc)
Arthur J. Gallagher & Co.
Kelter-Thorner Inc.
Marsh & McLennan Cos. Inc.
Meadowbrook Insurance Group
Republic Hogg Robinson Inc.
Troy
Financial Guardian Inc.

Minnesota

Albert Lea
First Insurance
Alexandria
First Insurance
Austin
First Insurance
Babbitt
First Insurance
Benson
First Insurance
Blaine
First Insurance
Bloomington
Valley View Inc.
Blue Earth
First Insurance
Cloquet
First Insurance

Continued on page 122

Non-Profit Organization D&O Liability Insurance Available Now!

FROM UNIMARK SPECIAL RISKS, INC. AND CRAVENS, DARGAN & COMPANY

- Covers Officers and Directors
- Optional Coverage For Employees, and The Organization
- Limits to \$5 Million
- Strong A+XV Company
- Pays Damages, Awards, Settlements
- Covers Legal Expense
- Low or No Deductible Option
- Affordable Rates

CALL OR WRITE TODAY!



P.O. BOX 1660 / HOUSTON, TEXAS 77251
(713) 525-6100 / TEXAS WATS (800) 392-4901 / NATIONAL WATS (800) 231-6262
DALLAS (214) 458-1338 SAN ANTONIO (512) 680-0900 EL PASO (915) 532-2405
DENVER (303) 759-9151 ATLANTA (404) 393-8390



P.O. BOX 35948 / DALLAS, TEXAS 75235
(214) 638-8070 / TEXAS WATS (800) 442-7522 / NATIONAL WATS (800) 527-9402

business insurance

presents
an important conference

THE DOLLARS & SENSE OF COMMUNICATING EMPLOYEE BENEFITS

July 30 and 31
The Grand Hyatt Hotel, New York City

AGENDA

Sunday, July 29 REGISTRATION

5:00 - 7:00 p.m.

Advance conference check-in. Meet speakers and attendees during a cocktail reception. Browse the EBC Gallery; collect material available in the Literature Gallery.

Monday, July 30 REGISTRATION

8:00 a.m.

A continental breakfast will be served. Chat informally with speakers and attendees. The EBC Gallery and Literature Gallery will be open.

GENERAL SESSIONS

Opening Remarks

Kathryn J. McIntyre, Editor, BUSINESS INSURANCE

Washington vs. Employee Benefits

Jerry Geisel, Washington Editor, BUSINESS INSURANCE

Recent legislative and regulatory developments affect the type of employee benefits programs you offer and how you fund them. Mr. Geisel will explain the reasons behind — and the latest news about — the attacks on employee benefit plans waged by Congress and the Internal Revenue Service. He will also alert you to what you can expect out of Washington in the future.

Strategic Planning

Richard M. Coffin, VP, TOWERS, PERRIN, FORSTER & CROSBY

Developing your plan, setting objectives, analyzing your audience, and being alert to emerging trends, are the keys to every successful communication effort. Mr. Coffin will define 'strategic planning' and explain why it's especially needed in benefits communication. He'll focus on the principles and components needed as well as the specific steps to be followed in developing your own strategic plan.

Budgeting

Julio Esteban, VP, Manager of Creative Services, BENEFACETS INC.

Effective budgeting requires organized thinking, logic and an intense business sense. Mr. Esteban's unique approach provides insight in the common elements used in budgeting for benefits communication. He positions these principles as the 'heart' of the proposed presentation.

Media Selection

Polly Carpenter, President, CARPENTER GRAPHIC DESIGN, INC.

Mary Anne Pakosta, Sales & Client Services, FRAME ONE, Inc.

Two experts offer innovative ideas for print and state-of-the-art audio-visual communication approaches. In this two part session, they'll look at when, where, why and how to select the right medium for your communication needs.

Luncheon/EBC Awards Presentation

Alfred Malecki, Publisher, BUSINESS INSURANCE

Business Insurance honors the winners of the 12th annual EBC Competition. One of the winning audio-visuals selected for excellence in communicating an employee benefits program will be shown.

Media Selection

Part two.

CONCURRENT SESSIONS

Concurrents afford you the opportunity to zero in on specific communication programs. Sessions will be repeated in the afternoon and again on Tuesday morning so that you may attend all three sessions. These smaller work-groups are presented as 'Case Studies' dealing with:

Flexible Benefits

Robert E. Mathieu, Asst. VP - Benefits, MELLON NATIONAL CORPORATION

David M. Kieffer, Sr. VP, WILLIAM M. MERCER-MEIDINGER, INC.

In 1983, the judges of the EBC Competition called Mellon National Corporation's award winning program "one of the most effective descriptions of flexible benefits ever seen." Mr. Mathieu and Mr. Kieffer will walk you through the communication concepts used to provide a clear understanding of flexible benefits so that employees can make well educated choices.

Communicating On Your Own

Russ Ringl, Personnel Director, PLAYBOY ENTERPRISES

Their objectives seemed simple ... to effectively communicate a high standard of benefits to serve as a motivating factor to employees; to keep employees informed, updated and clear about the company's benefits. Focusing on their booklet component, Mr. Ringl tells how his firm did it on its own - providing benefits in a serious yet personal manner.

Flexible Spending Accounts & The IRS

*Ed Dewees, Director, Department of Human Resources,
THOMAS JEFFERSON UNIVERSITY*

FSA's - everyone came up with a different way to design and communicate their plan. If you are confronted with a program in the works or on the drawing board, you won't want to miss Mr. Dewees' program. He went ahead with a program and anticipated restrictive IRS regulations.

Tuesday, July 31

CONCURRENT SESSIONS

Repeated this morning

A Look At This Year's Winners

Herb Zeltner, HERBERT ZELTNER INC., Marketing & Communications Consultant

Mr. Zeltner, invited for a return engagement at the Conference, takes an in-depth look at what makes a winning program. This two part session is lively, entertaining and informative. It has been the highest rated by past attendees.

Luncheon

Exchange ideas with speakers and attendees. Spend some additional time in the Galleries.

A Look At This Year's Winners

Part two. This is your best opportunity to see what other professionals are doing.

Management Training

David M. Kieffer, Sr. VP, WILLIAM M. MERCER-MEIDINGER, INC.

You've planned, budgeted, and selected your media ... but your program can still fall flat without properly trained managers, meeting leaders, counselors, human resource personnel and, sometimes even employees to carry the communications program through. Mr. Kieffer will focus on inter-personal communication and the important issues essential in such training.

Closing Remarks

Kathryn J. McIntyre, Editor, BUSINESS INSURANCE

The Conference adjourns at 3:30 p.m.

In today's economic climate, corporations are particularly sensitive to the rising cost of benefits and are concerned about more efficient and effective ways to communicate the value of benefits to employees.

The *BI Employee Benefits Communication Conference* is a valuable investment of your time and dollars that makes sense for your company and for you as a benefits professional.

While exploring issues that are critical to your professional responsibilities, the *BI Conference* will focus on the foundation of effective communication. A clearer understanding of the methods used by the experts in your field will help you achieve better targeting of communication and more efficient utilization of your company's benefits programs.

You'll leave this Conference with a new perspective that's bound to have a positive effect on your company's bottom line!

Sessions and speakers have been selected to help you meet the challenges of your profession. General sessions focus on the planning and implementation of communication efforts. Concurrent sessions afford you the opportunity to zero in on specific communication programs. You can attend all three of these work-groups, presented as 'Case Studies.'

Highlighting this year's conference is the 12th annual EBC Competition Awards Presentation. Competition programs will be available for review in the EBC Gallery. The Benefits Literature Gallery makes it possible for you to collect some of the latest information available from consultants, insurance companies and service organizations.



REGISTRATION

The cost is \$545. A 10% discount is offered to additional registrants from the same company. The fee includes sessions, workbook and educational materials, breakfast, coffee breaks, luncheons and cocktail reception.

Payment required with registration.

(Check or credit card accepted, see registration form.)

All cancellations must be received in writing. A full refund will be made on cancellations received prior to July 1. A \$100 service charge will apply to cancellations received after July 1. No refund will be made on cancellations received less than five business days prior to the Conference.

However, if your plans change at any time, you may substitute the name of another person from your company without penalty.

All registrations will be confirmed in writing.

To register, simply complete the form and send it along with your payment to:

Business Insurance, Communication Services Department
220 East 42nd Street, New York, NY 10017

For additional information call:
Ann Vazquez at 212/210-0137

HOTEL ACCOMMODATIONS

We have set aside a block of rooms at a special rate at the Grand Hyatt Hotel in New York. These rates are available to Conference registrants only: \$95 single room; \$120 double room.

You must mention the Business Insurance Benefits Conference when making your reservations. Hotel cards will be included with your Conference Registration Confirmation. Or call The Grand Hyatt Hotel at (212)883-1234; or toll-free at (800)228-9000. These rates will be honored only until July 15.

TRAVEL ACCOMMODATIONS

We are pleased to announce that Travel Headquarters Ltd. has been selected to help you coordinate money-saving flights to New York for the BI Conference. Travel Headquarters will provide travel arrangements for registrants, from every major city in the U.S. and Canada, at substantial discounts without sacrificing your comfort or convenience. Space is limited and reservations will be accepted on a first come-first serve basis.

For special airfares and reservations call:

In Illinois and Canada, (312)641-3088;
or toll-free from anywhere in the U.S., (800)621-1676.

You must mention the Business Insurance Benefits Conference when making your reservations. Airfares and reservation cards will be included with your Conference Registration Confirmation.

It's all there at the BI Benefits Communication Conference.

"The Dollars & Sense of Communicating Employee Benefits,"
July 30 and 31 at The Grand Hyatt Hotel in New York City.

This Conference makes good sense for you and your company.

Register NOW and save on your hotel and airfare too.

REGISTRATION FORM

Please register me for the
1984 Business Insurance Conference
"The Dollars & Sense of Communicating Employee Benefits"
July 30 and 31 at The Grand Hyatt Hotel in New York City

Name _____

Title _____

Organization _____

Address _____

City _____ State _____ Zip _____

Business Phone (area code) (____) _____

Mail To:

Business Insurance Communication Services Department
220 East 42nd Street, New York, NY 10017

For additional information call:
Ann Vazquez at (212)210-0137

Additional Registrants From My Organization:

Name _____

Title _____

Credit Card _____

Account # _____

Expiration Date _____

Signature _____

I am enclosing my check # _____ in the amount of _____

\$ _____ for _____ registrants.

spotlight report



**WITHOUT US
YOUR PRESENT
HEALTH PLAN
MAY BE
A FORM OF
CAPITAL
PUNISHMENT!**

To find out more details, call Financial Insurance Service Consultants, Inc. today or fill out and mail in the attached form. We can free you of your capital punishment by helping you control health care costs. Call Joe Ambrose (312) 850-9500

Financial Insurance Service Consultants, Inc.
2603 W. 22nd St.,
Oak Brook, IL 60521
Member of Society of Professional Benefit Administrators



Send completed coupon to Financial Insurance Service Consultants, Inc.
2603 W. 22nd St., Ste. 22, Oak Brook, IL 60521
Attn: Joe Ambrose

NAME _____
ADDRESS _____
CITY _____
STATE _____ ZIP _____

Continued from page 119

- East Grand Forks**
First Insurance
- Fairmont**
First Insurance
- Hibbing**
First Insurance
- Hopkins**
First Insurance
- Ivanhoe**
First Insurance
- Lakefield**
First Insurance
- Litchfield**
First Insurance
- Little Falls**
First Insurance
- Luverne**
First Insurance
- Mankato**
First Insurance
- Minneapolis**
Alexander & Alexander Services Inc.
Brandow, Howard, Kohler & Rosenbloom Inc.
Corroon & Black of Minnesota
FBS Insurance
First Insurance Minneapolis
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins Inc.
Marsh & McLennan Cos. Inc.
Reed Stenhouse Inc. of Minnesota
- Minneota**
First Insurance
- Northfield**
First Insurance
- Paynesville**
First Insurance
- Pipestone**
First Insurance
- Robbinsdale**
First Insurance
- Sauk Centre**
First Insurance
- Spring Valley**
First Insurance
- St. Paul**
Alexander & Alexander Services Inc.
First Insurance-Grand
First Insurance-Merchants
First Insurance-Security
First Insurance-State
ISU/Rothschild, Bell & Walseth Inc.
Marsh & McLennan Cos. Inc.
- Waseca**
First Insurance
- Wheaton**
First Insurance
- White Bear Lake**
First Insurance

- Willman**
First Insurance
- Windom**
First Insurance
- Winona**
First Insurance
Arthur J. Gallagher & Co.
- Worthington**
First Insurance

Mississippi

- Jackson**
Crump Spencer Murphree Inc.
Fred S. James & Co. Inc.

Missouri

- Kansas City**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Emmett & Chandler
Financial Guardian Inc.
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
Reed Stenhouse Inc. of Missouri
Woodsmall, Frick & Innis Inc.
- St. Louis**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black of St. Louis Inc.
The Daniel & Henry Co. (2)
Financial Guardian Inc.
Arthur J. Gallagher & Co.
Haas-Wilkerson-Wohlberg Inc.
Frank B. Hall & Co. Inc.
ISU/Corporate Insurance Management
Fred S. James & Co. Inc.
Johnson & Higgins of Missouri Inc.
Lawton-Byrne-Bruner Insurance Agency Inc.
Lockton Insurance Agency of St. Louis Inc.
Marsh & McLennan Cos. Inc.
Ocean Air Insurors Ltd.
Pension Associates Inc.
Reed Stenhouse Inc. of Missouri
Rollins Burdick Hunter of Missouri Inc.
C.J. Thomas Co.
- Springfield**
Alexander & Alexander Services Inc.
ISU/Ollis & Co.

Montana

- Billings**
Rollins Burdick Hunter of Montana Inc.
- Forsyth**
FBS Insurance (First Insurance)
- Fort Benton**
FBS Insurance (First Insurance)
- Great Falls**
Frank B. Hall & Co. Inc.
- Missoula**
Fred S. James & Co. Inc.

Nebraska

- Kearney**
Bayly, Martin & Fay International Inc.
- Lincoln**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
- Omaha**
Alexander & Alexander Services Inc.
Frank B. Hall & Co. Inc.
Insurance Agents Inc. (The Redland Group)
Fred S. James & Co. Inc.
Rollins Burdick Hunter of Nebraska Inc.

Nevada

- Las Vegas**
BHW-Leavitt
Bayly, Martin & Fay International Inc.
Cahill/Griffith-Leavitt
Fleet-Leavitt
Frank B. Hall & Co. Inc.
Hunt-Leavitt
Leavitt Insurance Agency
Marsh & McLennan Cos. Inc.
Parus-Leavitt
Summerfield-Leavitt
- Overton**
Long-Leavitt
- Reno**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black of Nevada Inc.
Frank B. Hall & Co. Inc.

New Hampshire

- Dover**
Kendall Insurance Inc.
- Manchester**
Burpee, Griffin, Pekins/Kendall (Kendall Insurance Inc.)
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
- Nashua**
Capitol Risk Concepts Ltd.
The Sadler Insurance Agency Inc.

- Portsmouth**
ISU/Blake Agency Inc.
- Rochester**
Kendall Insurance Inc.

New Jersey

- Allentown**
Chas. E. Rue & Son Inc.
- Bloomfield**
Alexander & Alexander Services Inc.
- Bridgewater**
Young & Perry Insurance
- Camden**
E.H. Crump Cos.
- Carlstadt**
Professional Insurance Associates Inc.
- Cedar Knolls**
Marsh & McLennan Cos. Inc.
- Chatham**
Fowler Agency Inc.
- Cherry Hill**
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
- Clifton**
Associated Insurance Brokers
Topchik-Axelband Associates
- Cranford**
Kohler MacBean (Meeker Sharkey Financial Group)
Meeker Sharkey & Moffatt (Meeker Sharkey Financial Group)
- Delanco**
Cape Insurance Center Inc. (ISU/Cape Insurance Center)
- Edison**
Reed Stenhouse Cos. Ltd.
- Fairlawn**
Alexander & Alexander Services Inc.
- Fords**
Kelter-Thorner Inc. of New Jersey
- Freehold**
NIA Ltd./National Insurance Associates
- Holmdel**
Business Coverage Corp.
- Lebanon**
Young & Perry Insurance
- Livingston**
Frank B. Hall & Co. Inc.
M.J. Lieberman & Co.
Wharton/Lyon & Lyon
- Long Valley**
NIA Ltd./National Insurance Associates
- Millburn**
Rollins Burdick Hunter of New Jersey Inc.
- Montclair**
Jardine Insurance Brokers
- Morristown**
Frank B. Hall & Co. Inc.
ISU/Griffith-Prideaux Insurors
- New Brunswick**
O'Connell & Salisbury (Poe & Associates)
- New Vernon**
Bayly, Martin & Fay International Inc.
- Newark**
NIA Ltd./National Insurance Associates
- Newton**
Fred S. James & Co. Inc.
- North Plainfield**
NIA Ltd./National Insurance Associates
- North Wildwood**
ISU/Cape Insurance Center Inc.
- Paramus**
Frank B. Hall & Co. Inc.
Insurance Professionals Inc.
NIA Ltd./National Insurance Associates
- Parsippany**
Corroon & Black of New Jersey
Jardine Insurance Brokers Inc.
Johnson & Higgins of New Jersey Inc.
- Perth Amboy**
Boynton Brothers & Co.
- Piscataway**
J. DiLeo Agency (Meeker Sharkey Financial Group)
- Roseland**
Marsh & McLennan Cos. Inc.
- Sea Girt**
T.C. Moffatt (Meeker Sharkey Financial Group)
- Short Hills**
Fred S. James & Co. Inc.
- Somerset**
ISU/Ulrich Voorhees
Warner Associates
- Teaneck**
C. Loftberg Co.
Nelson Charlmers Inc.
- Tenafly**
Popkin Lebson Bergstein Inc.
- Trenton**
Chas. E. Rue & Son Inc.
- Union City**
NIA Ltd./National Insurance Associates
- Ventnor**
Bayly, Martin & Fay International Inc.
- Washington**
ISU/Bowers, Schumann & Welch
- Wayne**
Cycle Insurance Service (Alliance Brokerage Corp.)
MacKinnon Co. (Meeker Sharkey Financial Group)

- Westwood**
I.R. Weinraub & Co. Inc.

New Mexico

- Albuquerque**
Alexander & Alexander Services Inc.
Corroon & Black of New Mexico Inc.
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
- Santa Fe**
Frank B. Hall & Co. Inc.

New York

- Albany**
Alexander & Alexander Services Inc.
Austin & Co. Inc.
Arthur J. Gallagher & Co.
Lawrence Agency Corp.
- Amityville**
American Professional Agency Inc.
- Ardley**
Frank B. Hall & Co. Inc.
- Auburn**
Marsh & McLennan Cos. Inc.
- Bay Shore**
Richard A. McGuire Associates Inc.
- Bayside**
ISU/Alvin Lobell Associates Inc.
- Binghamton**
Couper-Ackerman-Sampson Inc.
- Briarcliff Manor**
Frank B. Hall & Co. Inc.
- Buffalo**
Alexander & Alexander Services Inc.
S.H. Gow & Co. Inc.
ISU/Armstrong Roth Cady Co. Inc.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
Lawrence Agency Corp.
- Cedarhurst**
Jardine Insurance Brokers Inc.
- Chappaqua**
Foa & Son Corp.
- Chestertown**
Stevenson Agency (Austin & Co. Inc.)
- Cortland**
Lawrence Agency Corp.
- Farmingdale**
Robert E. Bill Associates Inc.
- Fresh Meadows**
Frank B. Hall & Co. Inc.
- Garden City**
Arthur J. Gallagher & Co.
ISU/O'Shea Associates Inc.
- Glen Cove**
The Biggs-Fogarty Agency (Charles E. Hyde Agency Inc.)
- Glens Falls**
Lawrence Agency Corp.
- Goshen**
Gersten-Hillman Agency Inc.
- Great Neck**
American Coverage Corp.
- Hamburg**
Benz, Sardinia & Fahey Inc. (Warren Hoffman & Associates)
- Hauppauge**
Gundermann & Gundermann Inc.
- Haverstraw**
The Ducey Agency Inc.
- Hempstead**
ISU/O'Shea Associates Inc.
- Huntington**
Gundermann & Gundermann Inc.
- Jericho**
Frank B. Hall & Co. Inc.
ISU/Bradley & Parker
- Lake Success**
Blumencranz, Klepper & Wilkins Ltd.
- Liberty**
Weisbord Wells Cross & Brown Inc. (The Rhulen Agency Inc.)
- Liverpool**
Arthur J. Gallagher & Co.
- Long Island**
Alexander & Alexander Services Inc.
- Massapequa**
School Brokerage Inc.
- Meville**
Frank B. Hall & Co. Inc.
- Middletown**
Gersten-Hillman Agency Inc.
- Monticello**
Rhulen Agency Inc.
- Nanuet**
Carpezz Agency Inc.
NIA Ltd./National Insurance Associates
- New Hyde Park**
Foa & Son Corp.
- New York**
Alexander & Alexander Services Inc.
B.R.I. Coverage Corp.
Bayly, Martin & Fay International Inc.
Capitol Risk Concepts Ltd.
Corroon & Black Co. of New York Inc.
Corroon & Black Corp.
Frank Crystal & Co. Inc.
Emmett & Chandler

Continued on facing page

**A Special Portfolio
For Insurance
Professionals...**

about PREPAID LEGAL INSURANCE.

Write for it... it's FREE!
Study it...and learn how it can expand your Group accounts.

Sell it...and stay a full stride ahead of competition!

Prepaid Legal Services from Midwest Mutual provides you with a new group insurance program that

will complement the life and health plans you already service.

Midwest Mutual is the leader in this rapidly growing area of insurance protection for the American family.

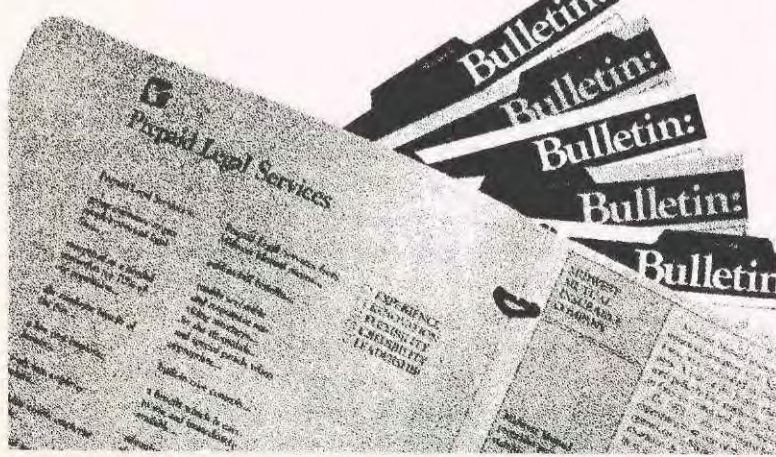
Take a good look... it'll cost you nothing. Simply write us a note on your letterhead or

send us your business card addressed to:



Prepaid Legal Services
Midwest Mutual Insurance Company
1111 Ashworth Road
West Des Moines, Iowa 50265

Or call:
Wesley T. Graham
Vice President & General Counsel
1-800/247-4184
IN IOWA, (515) 223-2000



Continued on facing page

Financial Guardian Inc.
Foa & Son Corp.
Frenkel & Co.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Joseph Held & Co. Inc.
Fred S. James & Co. Inc.
Jarcine Insurance Brokers Inc.
Johnson & Higgins
Walber Kaye Associates Inc.
The Kooper Group
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Montgomery & Montgomery Inc.
H&R Phillips Inc.
Poe & Associates of New York Inc.
Reed Stenhouse Inc. of New York
Reed Stenhouse International Inc.
Republic Hogg Robinson Inc.
Rhulen Agency Inc.
John M. Riehle Inc.
Rollins Burdick Hunter of New York Inc.
Rollins Wrightson Co.
DeWitt Stern, Gutmann & Co. Inc.

Newfane
Foote-Mandaville Inc. (Warren-Hoffman & Associates)

Niagara Falls
Taggart-Mayne Inc. (Warren-Hoffman & Associates)
Warren-Hoffman & Associates Inc.

Ogdensburg
Arthur J. Gallagher & Co.

Plainview
Marsh & McLennan Cos. Inc.

Port Washington
Charles E. Hyde Agency Inc.

Poughkeepsie
Marshall & Sterling Inc.

Rochester
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
S.H. Gow & Co. Inc.
Fred S. James & Co. Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Robinson-Conner of New York Inc.

Rockville Centre
Rollins Burdick Hunter of New York Inc.

Roslyn Heights
Friedman & Friedman Agency Inc.

Schenectady
Jardine Insurance Brokers Inc.
Lawrence Agency Corp.

Seaford
National Coverage Corp.

Smithtown
ISU/Schaefer Agency Inc.
Steel & McGuire of New York Inc. (Richard A. McGuire & Associates)
Suffolk Risk Management Associates Inc. (Richard A. McGuire & Associates)

Syracuse
Alexander & Alexander Services Inc.
S.H. Gow & Co. Inc.
Frank B. Hall & Co. Inc.
Jardine Insurance Brokers Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.

Tarrytown
Frank B. Hall & Co. Inc.

Troy
Lawrence Agency Corp.

Utica
Alexander & Alexander Services Inc.

Wappinger Falls
Gersten-Hillman Agency Inc.
Marshall & Sterling Inc.

Westbury
Alliance Brokerage Corp.

White Plains
Capitol Risk Concepts Ltd.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Knox, Lent & Tucker Inc.
S&B Insurance Services Co.

Whitney Point
Lawrence Agency Corp.

North Carolina

Andrews
Sullivan Co. Inc. (U.S. Shelter Insurance Group)

Asheville
Alexander & Alexander Services Inc.
Hyde Insurance (Robinson-Conner)
Ellis-Tomberlin (Robinson-Conner)

Burlington
Republic Hogg Robinson Inc.

Charlotte
Alexander & Alexander Services Inc.
Corroon & Black of the Carolinas Inc.
Frank B. Hall & Co. Inc.
Johnson & Higgins Carolinas Inc.
Lambeth-Pitt-Crump Inc.
Marsh & McLennan Cos. Inc.
Poe & Associates of North Carolina/South Carolina

Goldsboro
Underwood-Dawson Inc. (Hilb, Rogal & Hamilton)

Greensboro
Alexander & Alexander Services Inc.
Hyde Insurance (Robinson-Conner)

Hayesville
Sullivan Co. Inc. (U.S. Shelter Insurance Group)

Murphy
Sullivan Co. Inc. (U.S. Shelter Insurance Group)

Raleigh
Hyde Insurance (Robinson-Conner)
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.

Robbinsville
Sullivan Co. Inc. (U.S. Shelter Insurance Group)

Salisbury
Alexander & Alexander Services Inc.

Shallotte
Frank B. Hall & Co. Inc.

Sylva
Sullivan Co. Inc. (U.S. Shelter Insurance Group)

Wilkesboro
Poe & Associates of North Carolina/South Carolina

Winston-Salem
Alexander & Alexander Services Inc.

North Dakota

Cando
First Insurance

Cavalier
First Insurance

Cooperstown
First Insurance

Jamestown
First Insurance

Langdon
First Insurance

Lidgerwood
First Insurance

Minot
First Insurance

Park River
First Insurance

Rolla
First Insurance

Valley City
First Insurance

Wahpeton
First Insurance

Ohio

Akron
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.

Beachwood
Republic Hogg Robinson Inc.

Brunswick
Lance & Co. of Brunswick (ISU/Lance & Co.)

Cincinnati
Alexander & Alexander Services Inc.
Walter P. Dolle Inc.
Arthur J. Gallagher & Co.
Insurance Marketing Associates
Johnson & Higgins of Ohio Inc.
Marsh & McLennan Cos. Inc.
Thomas E. Wood Inc.

Cleveland
Alexander & Alexander Services Inc.
Frank B. Hall & Co. Inc.
Johnson & Higgins of Ohio Inc.
Keller-Thorner Insurance Agency Inc.
Marsh & McLennan Cos. Inc.
McDonough Caperton Cleveland
Rollins Burdick Hunter of Ohio Inc.

Columbus
Alexander & Alexander Services Inc.
Corroon & Black of Ohio Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.
McElroy-Minister Co.

Dayton
Meuche, Hickman & Snow Agency (Hilb, Rogal & Hamilton)

Defiance
Deatrick Horman Galliers (ISU/Neale Pypers Co. Inc.)

Findlay
Spencer-Patterson Agency Inc.

Harrison
Thomas E. Wood Inc.

Loveland
Baver Insurance Agency (Insurance Marketing Associates)

Medina
ISU/Lance & Co. Inc.
Lawrence Agency Corp.

Rocky River
McGowan & Co. Inc.

Sylvania
ISU/Neale Pypers Co. Inc.

Toledo
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.

Versailles
Phelan Insurance Agency Inc. (Insurance Marketing Associates)

Youngstown
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.

Oklahoma

Edmond
North American Insurance Agency Inc.

Oklahoma City
North American Insurance Agency Inc.
Rollins Burdick Hunter of Oklahoma Inc.

Tulsa
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Oklahoma Inc.
Ledbetter Insurance & Risk Management Inc.
Marsh & McLennan Cos. Inc.
North American Insurance Agency Inc.

Oregon

Eugene
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Oregon Inc.

Medford
Fred S. James & Co. Inc.

Portland
Alexander & Alexander Services Inc.
Corroon & Black of Oregon Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Hansen & Rowland
Fred S. James & Co. Inc.

Johnson & Higgins of Oregon Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Oregon Inc.

Salem
Fred S. James & Co. Inc.

Pennsylvania

Altoona
The Gleason Agency Inc.

Ardmore
The Simkiss Cos.

Bethlehem
Fred S. James & Co. Inc.

Camp Hill
Arthur J. Gallagher & Co.

Carlisle
ISU/McDowell Insurance Inc.

Chambersburg
ISU/McDowell Insurance Inc.

Cherry Tree
H.A. Thomson Co.

Clearfield
Moore & Eshelman (Robinson-Conner)

Erdenheim
Clair Insurance Agency Inc.

Erie
Arthur J. Gallagher & Co.
Marsh & McLennan Cos. Inc.
Robinson-Conner Inc.

Exton
H.A. Thomson Co.

Greencastle
ISU/McDowell Insurance Inc.

Greensburg
Arthur J. Gallagher & Co.

Grove City
ISU/Harshaw's Inc.

Harrisburg
Alexander & Alexander Services Inc.
ISU/Feinerman Insurance Agency
Fred S. James & Co. Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.

Hershey
Rollins Burdick Hunter of Pennsylvania Inc.

Johnstown
The Gleason Agency Inc.

King of Prussia
Frank B. Hall & Co. Inc.
Warren & Welsh Co.

Leavittown
Interstate Insurance Agency Inc. (The Rhulen Agency Inc.)

Malvern
H.A. Thomson Co.

Meadville
Associates Agencies Inc. (Robinson-Conner)

Mechanicsburg
Active Insurance Services (Robinson-Conner)

Media
Paul Hertel & Co. Inc.

Mercersburg
ISU/McDowell Insurance Inc.

Newtown
Johnson, Kendall & Johnson Inc.

Philadelphia
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Booth, Potter, Seal & Co. Inc.
Corroon & Black of Pennsylvania Inc.
Haas & Wilkerson Inc.
Frank B. Hall & Co. Inc.
Paul Hertel & Co. Inc.
The Hirshorn Co.
Insurance Services Corp. (Robinson-Conner)
Fred S. James & Co. Inc.
Johnson & Higgins of Pennsylvania Inc.
Marsh & McLennan Cos. Inc.
Reed Stenhouse Inc. of Pennsylvania
Rollins Burdick Hunter of Pennsylvania Inc.

Pittsburgh
Alexander & Alexander Services Inc.
Babb Inc.
The Frankel Co.
Frank B. Hall & Co. Inc.
ISU/Bigler-Ketchum Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Pennsylvania Inc.
Marsh & McLennan Cos. Inc.
McDonough Caperton Pittsburgh

Continued on next page

SRP-SPECIAL RESTAURANT PROGRAM

A Great New Way to Insure Restaurants

Burns & Wilcox, LTD./Service General is pleased to announce a great new way to accommodate the wide variety of restaurants with competitive, reasonably priced restaurant insurance coverages.

This new package plan features:

- Very Competitive Rates
- Admitted Company
- Good Commissions
- Flexibility to Include Many Coverages



Property and casualty coverages can be tailor-made in one SRP Package including liquor liability.

Call us for our new SRP Application or for further information.

Program available in the following states: Michigan, Ohio, Indiana, Illinois, Wisconsin, Missouri



BRANCH OFFICES

- Grand Rapids - Michigan
- Indianapolis - Indiana
- Cleveland - Ohio
- Columbus - Ohio
- St. Louis - Missouri

CORPORATE OFFICE

American Center, 16th Floor
27777 Franklin Rd., Southfield, MI 48034
Mailing Address: P.O. Box 5079
Southfield, Michigan 48037

(313) 354-0400
MICHIGAN WATS 800-482-4920
NATIONWIDE WATS 800-521-1918
Telex 23-0108

EXCESS AND SPECIAL RISKS



HUDSON SPECIAL RISK BROKERS

Hudson Special Risk Insurance Brokers of California, Inc.
3660 Wilshire Boulevard, Los Angeles, CA 90010
Tel: (213) 384-7770 Telex: 194216

Hudson Special Risk Insurance Brokers of California, Inc.
4 Embarcadero Center, San Francisco, CA 94111
Tel: (415) 362-1211 Telex: 176149

Hudson Special Risk Brokers of Georgia, Inc.
211 Perimeter Center Parkway, Atlanta, GA 30346
Tel: (404) 396-1270 Telex: 700509

Hudson Special Risk Brokers of Illinois, Inc.
100 South Wacker Drive, Chicago, IL 60606
Tel: (312) 346-5712 Telex: 254481

Hudson Special Risk Brokers of New York, Inc.
127 John Street, New York, NY 10038
Tel: (212) 668-0370 Telex: 640820

Continued from previous page

- Reed Stenhouse Inc. of Pennsylvania
- Robinson-Conner Inc.
- Rogal Co. Inc. (Hilb, Rogal & Hamilton)
- Roxborough**
Paul Hertel & Co. Inc.
- Rydal**
Palley Simon Associates Inc.
- Seranton**
Arthur J. Gallagher & Co.
- Sunbury**
Marsh & McLennan Cos. Inc.
- Wayne**
Babb Inc.
ISU/John D. Moten Inc.
McCrea & Gallen Inc.
- Waynesboro**
ISU/McDowell Insurance Inc.
- Williamsport**
Fred S. James & Co. Inc.
- Wynnewood**
Republic Hogg Robinson Inc.
- Wyomissing**
Fred S. James & Co. Inc.

Rhode Island

- Cranston**
Arthur J. Gallagher & Co.
- Providence**
Frank B. Hall & Co. Inc.
- Woonsocket**
Keough Kirby Associates Inc.

South Carolina

- Charleston**
Marsh & McLennan Cos. Inc.
Sullivan Co. Inc. (U.S. Shelter Insurance Group)
- Columbia**
Alexander & Alexander Services Inc.
Corroon & Black of the Carolinas Inc.
Davis-Garvin Agency Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
U.S. Shelter Insurance Group
- Florence**
Poe & Associates of North Carolina/South Carolina
- Greenville**
Corroon & Black of the Carolinas Inc.
Arthur J. Gallagher & Co.
Marsh & McLennan Cos. Inc.
Sullivan Co. Inc. (U.S. Shelter Insurance Group)
U.S. Shelter Insurance Group
- Greer**
Rhulen Agency Inc.
- Hilton Head Island**
Carswell of Carolina (Carswell Insurance Group)
- Kingstree**
Epps-McLendon Co. Inc.
- Lake City**
Epps-McLendon Co. Inc.
- Rock Hill**
Hiery-Clarkson & Associates Inc. (U.S. Shelter Insurance Group)
- Summerville**
Poe & Associates of North Carolina/South Carolina

South Dakota

- Clark**
First Insurance
- Corsica**
First Insurance
- Gettysburg**
First Insurance
- Highmore**
First Insurance
- Hot Springs**
First Insurance
- Lemmon**
First Insurance
- Madison**
First Insurance
- Miller**
First Insurance
- Platte**
First Insurance
- Presho**
First Insurance
- Redfield**
First Insurance
- Vermillion**
First Insurance
- Wessington Springs**
First Insurance

Tennessee

- Athens**
Athens Insurance Co.
- Chattanooga**
Alexander & Alexander Services Inc.
Corroon & Black of Chattanooga Inc.
- Kingsport**
Crump Associates
- Knoxville**
Corroon & Black/Flenniken Insurance
Crump Associates
Marsh & McLennan Cos. Inc.
- Memphis**
Corroon & Black of Memphis Inc.
The Crump Cos. Inc.
- Murfreesboro**
Rhulen Agency Inc.
- Nashville**
Alexander & Alexander Services Inc.
Corroon & Black of Nashville Inc.
Crump-Nashville
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.
Johnson & Higgins of Tennessee Inc.
Marsh & McLennan Cos. Inc.
- New Tazewell**
Crump Associates

Texas

- Abilene**
Alexander & Alexander Services Inc.
- Amarillo**
Marsh & McLennan Cos. Inc.
- Borger**
Marsh & McLennan Cos. Inc.
- College Station**
ISU/Interstate Insurance Agency Inc.
- Corpus Christi**
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
Marsh & McLennan Cos. Inc.

- National Insurance Agency
Producers Exchange Insurance Agency Inc.
Producers Exchange Management Co. Inc.
Shelton Insurance Agency Inc.
- Dallas**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black of Texas Inc.
Crump Insurance Services Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Texas Inc.
North American Insurance Agency Inc.
Marsh & McLennan Cos. Inc.
Maxon-Mahoney-Turner Inc.
Arthur L. Owen Inc.
Producers Exchange Inc.
Reed Stenhouse Inc. of Texas
Republic Hogg Robinson Inc.
Rollins Burdick Hunter of Texas Inc.
- El Paso**
ISU/Rogers & Belding Insurance Agency Inc.
Republic Hogg Robinson Inc.
- Fort Worth**
Alexander & Alexander Services Inc.
L.T. Barton Insurance
Marsh & McLennan Cos. Inc.

- Houston**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Beck/Wm. Schwartz Inc.
Bynum Insurance Inc.
Corroon & Black of Texas Inc.
Crump-Strange Agency Inc.
Frank Crystal & Co. Inc. (Texas)
Lester Eckert & Co.
Emett & Chandler
Financial Guardian Inc.
Frank B. Hall & Co. Inc.
Wayland Hancock Insurance Agency
ISU/T.D. Howe & Associates Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Texas Inc.
Marsh & McLennan Cos. Inc.
Producers Exchange Management Co.
Reed Stenhouse Inc. of Texas
Rollins Burdick Hunter of Texas Inc.
Republic Hogg Robinson Inc.
Wisensberg Insurance Agency
Worldsurance Inc. (Financial Guardian)
John L. Wortham & Son
- Longview**
E.H. Crump Cos.
- Lubbock**
Marsh & McLennan Cos. Inc.
Producers Exchange Insurance Agency Inc.
Producers Exchange Management Co.
Republic Hogg Robinson Inc.
- McAllen**
Whittitt Ralston & Stiff Agency Inc.
- Midland**
Alexander & Alexander Services Inc.
Marsh & McLennan Cos. Inc.
- Pampa**
Marsh & McLennan Cos. Inc.
- San Antonio**
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Harding-Conley-Drawet-Tinch Insurance Agency Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Texas Inc.
- San Benito**
Smith-Reagan & Associates Inc.
- Weslaco**
Alexander & Alexander Services Inc.

Utah

- American Fork**
Savage-Leavitt (The Leavitt Group)
- Brigham City**
Smith-Leavitt (The Leavitt Group)
- Cedar City**
Dixie Leavitt Agency
The Leavitt Group
- Coalville**
Blonquist-Leavitt (The Leavitt Group)
- Delton**
Manis-Leavitt (The Leavitt Group)
- Fillmore**
Whitaker-Leavitt (The Leavitt Group)
- Heber City**
Peterson-Leavitt (The Leavitt Group)
- Hurricane**
Bringhurst-Leavitt (The Leavitt Group)
- Kanab**
Barton-Leavitt (The Leavitt Group)
- Logan**
Bayly, Martin & Fay International Inc.
- Midvale**
Armitstead-Leavitt (The Leavitt Group)
- Nephi**
Stowell-Leavitt (The Leavitt Group)
- Ogden**
Fred S. James & Co. Inc.
- Orem**
Bowen-Leavitt (The Leavitt Group)
Wilkinson/Bowen-Leavitt (The Leavitt Group)

- Provo**
Frank B. Hall & Co. Inc.
Taylor/Bowen-Leavitt (The Leavitt Group)
- Richfield**
Okerlund-Leavitt (The Leavitt Group)
- Roosevelt**
Sheedy-Leavitt (The Leavitt Group)
- Salina**
Gardner-Leavitt (The Leavitt Group)
- Salt Lake City**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black (Utah)
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
Fred A. Moreton & Co.
Roberts-Leavitt (The Leavitt Group)
Turner, Leavitt & Co. (The Leavitt Group)
- St. George**
Olsen-Leavitt (The Leavitt Group)

Vermont

- Brattleboro**
Kinney, Pike/Brattleboro
- Burlington**
Arthur J. Gallagher & Co.
Hackett, Valine & MacDonald Inc.
Marsh & McLennan Cos. Inc.
Smith, Bell & Thompson Inc.
- Essex Junction**
Kinney, Pike/Essex Junction
- Hartford**
Kinney, Pike/Hartford
- Poultney**
Kinney, Pike/Poultney
- Rutland**
Kinney, Pike, Bell & Conner Inc.

Virginia

- Alexandria**
Bayly, Martin & Fay International Inc.
- Alta Vista**
ISU/Scott Insurance
- Charlottesville**
Insurance Management Corp. (Hilb Rogal & Hamilton)
- Chesapeake**
Insurance Management Corp. (Hilb, Rogal & Hamilton)
- Danville**
ISU/Scott Insurance
- Hampton**
Harrison & Lear Insurance (Henderson & Phillips)
- Lynchburg**
ISU/Scott Insurance
- Madison Heights**
ISU/Scott Insurance
- McLean**
E.H. Crump Cos.
- Norfolk**
Henderson & Phillips Inc.
Marsh & McLennan Cos. Inc.
- Portsmouth**
Commercial Insurance Agency (Henderson & Phillips)
- Richmond**
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Hilb, Rogal & Hamilton Co.
Johnson & Higgins of Virginia Inc.
Marsh & McLennan Cos. Inc.
Mutual Insurance Inc. (Hilb, Rogal & Hamilton)
- Roanoke**
Frank B. Hall & Co. Inc.
ISU/Scott Insurance
- Rustburg**
ISU/Scott Insurance
- Timberlake**
ISU/Scott Insurance
- Vienna**
Alexander & Alexander Services Inc.
- Virginia Beach**
ISU/Pembroke Insurance Agency Inc.

Washington

- Bellevue**
Arthur J. Gallagher & Co.
Labow, Haynes Co. Inc.
- Bremerton**
Frank B. Hall & Co. Inc.
- Kennewick**
Frank B. Hall & Co. Inc.
- Olympia**
Dan B. Hauff Life Associates Inc. (ISU/Dan B. Hauff & Associates)
- Puyallup**
ISU/McCallum Cole & Forbes Insurance Inc.
- Renton**
ISU/Dan B. Hauff & Associates
- Seattle**
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Inc.
E.H. Crump Cos.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Washington Inc.
Marsh & McLennan Cos. Inc.
Montgomery & Montgomery Inc.
Reed Stenhouse Inc. of Washington
Rollins Burdick Hunter of Washington Inc.

- Spokane**
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
ISU/Moloney & O'Neill Inc.
Jardine Insurance Brokers Inc.
Marsh & McLennan Cos. Inc.
May-Davis Inc.
- Sumner**
ISU/McCallum Cole & Forbes Inc.
- Tacoma**
Hansen & Rowland
- Wenatchee**
R.S. Meenach Agency
- Yakima**
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.

West Virginia

- Beckley**
McDonough Caperton Beckley
- Charleston**
Marsh & McLennan Cos. Inc.
McDonough Caperton
Charleston/Smith-Hetzel
McDonough Caperton Shepherd Assn. Group
McDonough Caperton Shepherd Group
McDonough Caperton International
- Fairmont**
McDonough Caperton
Fairmont/Henry & Hardesty Inc.
- Parkersburg**
McDonough Caperton Parkersburg
- Wheeling**
Arthur J. Gallagher & Co.
McDonough Caperton Wheeling/Lee Paul Insurance

Wisconsin

- Appleton**
Laub Group Inc.
Marsh & McLennan Cos. Inc.
- Black River Falls**
Dimmick-Hieb Insurance (ISU/Klein & Son Inc.)
Rollins Burdick Hunter of Wisconsin Inc.
- Brookfield**
Instech Inc.
- Butler**
Instech Inc.
- Delavan**
Johannesen-Farrar Inc.
- East Troy**
Johannesen-Farrar Inc.
- Elkhorn**
Johannesen-Farrar Inc.
- Green Bay**
Alexander & Alexander Services Inc.
- LaCrosse**
ISU/Klein & Son Inc.
- Madison**
Arthur J. Gallagher & Co.
Laub Group Inc.
Rollins Burdick Hunter of Wisconsin Inc.
- Milwaukee**
Alexander & Alexander Services Inc.
Corroon & Black of Wisconsin Inc.
FitzGerald, Clayton, Noyes & Kasten Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Laub Group Inc.
Marsh & McLennan Cos. Inc.
Robertson-Ryan & Associates Inc.
Rollins Burdick Hunter of Wisconsin Inc.
- Osseo**
Jacobson Inc. (ISU/Klein & Son Ins.)
- Racine**
Laub Group Inc.
- Superior**
Arthur J. Gallagher & Co.
- Waukesha**
Robertson-Ryan & Associates Inc.
- Wausau**
Laub Group Inc.

Wyoming

- Casper**
Alexander & Alexander Services Inc.
Marsh & McLennan Cos. Inc.
- Cheyenne**
Byerly & Co. (Financial Guardian)
Emett & Chandler
Ed Murray & Sons (Robinson-Conner)
Emett & Chandler

Puerto Rico

- San Juan**
Alexander & Alexander Services Inc.
Fred S. James & Co. Inc.
Poe & Associates of Puerto Rico Inc.
Saldana & Associates Inc.
South Continental Insurance Agency Inc.

U.S. Virgin Islands

- St. Croix**
Antilles Insurance Inc.
Marshall & Sterling Inc.
- St. Thomas**
Antilles Insurance Inc.



Marine Insurance.
 If it's Greek to your company,
 you could be in for a big surprise.

For marine, oil industry or other difficult risk coverage, call or write Adams & Porter Associates, Inc., 510 Bering Drive, Houston, Texas 77057-1408, (713) 975-7500. Also in New York and Bermuda.

Adams & Porter

We take the myth out of corporate insurance.

U.K., Canadian brokers among world's top

Sedgwick Group P.L.C.

Sedgwick House, 33 Aldgate High St., London EC3N 1AJ, England; 01-377-3456

Sedgwick Group P.L.C., the largest Lloyd's of London broker, is in the midst of change.

Since the beginning of the year, a new chairman has taken the helm at Sedgwick and the company has reorganized its executive structure.

Also, Sedgwick's longstanding relationship with Alexander & Alexander Services Inc. has begun to wane, and some of the accounts that A&A has funneled through Sedgwick are now being handled by A&A's London subsidiary, Alexander Howden Group P.L.C.

Even Sedgwick's results are changing.

The company has changed its accounting system to comply with the British Companies Act of 1981, which means Sedgwick—and the other London brokers—will no longer include non-wholly owned subsidiaries in their results. However, the results do include revenues and profits from subsidiaries not engaged in the insurance business, as well as their insurance-related units.

This change, and the weakness of the British pound against the dollar, has caused Sedgwick to slip a notch in the *Business Insurance* ranking of the world's largest brokers. Sedgwick is now the fifth-largest brokerage in the world, losing the fourth spot it held in last year's survey to Johnson & Higgins.

The brokerage reported 1983 revenues of 207.1 million pounds (\$300.3 million), up 13.2% from a restated 182.9 million pounds (\$265.2 million). The brokerage had originally reported 1982 revenues of 217 million pounds or \$351 million, using the higher year-end 1982 exchange rate.

But, despite the accounting rule changes, Sedgwick's pretax profits in 1983 rose 9.8% to 80.1 million pounds (\$116.1 million).

Despite all the changes in the past year, Sedgwick and its 6,251 employees still maintain the enthusiasm and expertise that have made it the largest broker in Britain, notes the brokerage's new chairman, Carel Mosselmans. Sedgwick

is still the best-known London market for oil, gas and energy risks, and is a leader in space and satellite insurance. Its subsidiary, Sedgwick Payne Ltd., is one of the largest reinsurance markets in London.

Mr. Mosselmans remarks: "My job is very interesting, very challenging. We are looking to expand our business, to continue the policies that we have had in place for some time. We are looking to extend our business internationally, and our reorganization has been put into effect in order to achieve that objective."

Mr. Mosselmans replaced Sedgwick's longtime chairman, Neil Mills, who decided to retire two years earlier than expected. Mr. Mills has been credited with building Sedgwick into the largest British brokerage (*BI*, Jan. 23).

Although Mr. Mills' resignation sparked rumors because he had told shareholders last year that he was not contemplating retirement soon, Mr. Mosselmans says Mr. Mills' reason for leaving the company was simple.

"Mr. Mills left early to enable the company to expand," he said. "He did not leave for any other reasons."

Mr. Mosselmans is a member of the Sedgwick's new five-member executive committee, which actually manages the company.

The committee is chaired by J.N. Duncan, a deputy chairman. Other members of the committee are J.M. Payne, chairman of Sedgwick Payne, the reinsurance brokerage; Michael Butt, chairman of Sedgwick International Ltd. and responsible for Sedgwick's worldwide brokerage operations; and J.J.H. Singlehurst, who was formerly chairman of Sedgwick Overseas Ltd.

"We have always worked as a team, and we will continue to do so," Mr. Mosselmans said of the committee.

Besides its new management, another change that has affected the brokerage is a change in the working relationship between Sedgwick and Alexander & Alexander, the world's second-largest brokerage.

Last summer, Sedgwick, which had engaged in much-publicized merger negotiations with A&A in the past, reportedly made an offer exceeding \$750 million for A&A,

but the deal apparently collapsed (*BI*, July 18, 1983).

Since then, A&A has been consolidating its accounts—including those that had traditionally been placed through Sedgwick—with Howden, A&A's London unit.

For example, within the past few months, El Al Israel Airlines Ltd., an A&A account, has switched its London broker to Howden from Sedgwick.

In addition, the managing director of Sedgwick's North American property division, Dennis Mahoney, and three colleagues—Brian Ainsworth, Paul Chilton and Ian Waite—announced they were moving to Howden.

But, Mr. Mosselmans feels that there always will be some type of working relationship between Sedgwick and A&A.

"Inevitably, A&A will move accounts as they build Howden," he said, "but we still regard A&A as a very important correspondent broker, and we will continue to service their business by producing the right marketing skills. Provided we can do that, we believe we will maintain a volume of business from a number of American brokers."

In fact, Mr. Mosselmans sees opportunity in the loss of some of A&A's business and defection of the Sedgwick North American employees. The chairman hinted at changes in Sedgwick's North American division.

"We wish him (Mr. Mahoney) every success in his new job," Mr. Mosselmans said. "However, it does open up very interesting opportunities for a number of people in the organization, and we will be announcing within a short time how we will provide the structure to deal with that particular situation."

Whatever these plans are, though, they do not seem to include buying an U.S. retail broker.

"We have been asked that many times in the past, and our answer is still the same—that we intend to expand our market share in the United States in various classes of business. . . . At the moment, we are

not about to purchase a retail broker," he said.

Mr. Mosselmans also indicated that Sedgwick is expecting improvement in another foreign market: Australia.

In March, two Sedgwick units agreed to pay about \$31 million to the State Electricity Commission of Victoria, an Australian power company, to settle about \$75 million in Australian bush fire claims. Underwriters had refused to pay the claims, alleging that Sedgwick had misrepresented the risk and did not disclose all facts when it placed the utility's insurance in June 1982 (*BI*,

March 26).

"We have put that behind us," Mr. Mosselmans said. "As far as we are concerned, we will make sure that in the future the methods we use with which we place insurance will be of the highest standard."

There is one last change taking place at Sedgwick. The company is starting to move into a new building, which stands catty-cornered to Sedgwick House.

Although its exterior closely resembles the older building, the new structure boasts the latest computer equipment.

—By Stacy Shapiro

CAPTIVE-REINSURANCE REFERENCE BOOKS

HOW TO FORM A CAPTIVE COMPANY is explained in detail in this 80-page softbound book. Domiciles, reasons for formation, how to find managers and administrators, including a listing of 650 captives and their owners.

#1 Order THE CAPTIVE INSURANCE COMPANY \$12.95

REINSURANCE . . . A PRACTICAL GUIDE gives a basic understanding of reinsurance and the ways to design a company program. Includes a glossary of reinsurance terms. 40 pages, softbound.

#2 Order REINSURANCE . . . A PRACTICAL GUIDE \$9.95

This 600-page looseleaf binder gives a full compilation of the most important reinsurance articles published in the last 25 years. Over 100 articles cover treaty, facultative, legal concepts and many other topics.

#3 Order REINSURANCE & REINSURANCE MGMT. \$75.00

NOTE: ORDER ALL 3 AND SAVE! \$90 SPECIAL!

All orders must be prepaid in U.S. funds drawn on U.S. banks. Add \$15 to book #3 or special offer for non-U.S. delivery.

INTERSTATE SERVICE CORPORATION

Box 1725

Oklahoma City OK 73101

Attention! Consultants • Administrators • Agents • Brokers

Our fourteenth year of experience in

STOP LOSS PROTECTION FOR SELF INSURED HEALTH CARE PLANS

Aggregate and specific excess coverage for qualified groups with as few as 150 employees.

Write or call for your copy of our brochure.



Tommy Anderson, CLU
Group Vice President
The Lafayette Life Insurance Co.
P.O. Box 7007-C
Lafayette, IN 47903

Dear Tommy: Please mail me complete details about Stop Loss Protection.

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

 **Lafayette Life**
The Lafayette Life Insurance Co.
A Mutual Company

Largest brokerages outside U.S. profiled

Profiles of the foreign-based brokerages that are listed in *Business Insurance's* ranking of the world's 20 largest brokers begin on this page. For a list of the 20 largest world brokers, see page 3.

BI ranks the world's largest brokerages according to gross revenues. Revenues of brokerages whose business is conducted primarily in non-U.S. currencies are converted into U.S. dollars based on year-end 1983 exchange rates.

Profiles of the U.S.-based brokerages included among the Top 20 world brokers appear on preceding pages. They include:

- Marsh & McLennan Cos. Inc., whose profile appears on page 10.
- Alexander & Alexander Services Inc., whose profile appears on page 18.
- Frank B. Hall & Co. Inc., whose profile appears on page 26.
- Johnson & Higgins, whose profile appears on page 30.
- Fred S. James & Co. Inc., whose profile appears on page 34.
- Corroon & Black Corp., whose profile appears on page 42.
- Rollins Burdick Hunter Co., whose profile appears on page 49.
- Bayly, Martin & Fay International Inc., whose profile appears on page 53.
- The Crump Cos. Inc., whose profile appears on page 57.
- Arthur J. Gallagher & Co., whose profile appears on page 61.

In addition, three of the foreign-based brokers who are among the Top 20 world brokers have U.S. affiliates that have been profiled by *BI*. Reed Stenhouse Holdings Inc., a unit of Canada's Reed Stenhouse Cos. Ltd., is profiled on page 64. Jardine Insurance Brokers Inc., an affiliate of Hong Kong-based Jardine Insurance Brokers Ltd., is profiled on page 66. And, Republic Hogg Robinson, which is partly owned by Lloyd's broker Hogg Robinson Group P.L.C., is profiled on page 73.

Reed Stenhouse Cos. Ltd.

P.O. Box 250 Toronto-Dominion
Centre, Toronto, Ontario, Canada
M5K 1J6; 416-868-5500

Reed Stenhouse Cos. Ltd., the world's seventh-largest commercial insurance brokerage company, boasts more than 180 offices in 33 countries around the world. But, although its arms encircle the globe, its heart is still in Canada.

And, despite improving commercial insurance market conditions for large Reed Stenhouse offices in Australia and New Zealand, the soft markets and turgid Canadian economy continued to take a heavy toll on this international corporation.

For a few months in 1983, it looked as if the sun was going to rise over the dark and dreary Canadian economy, according to William M. Wilson, president and chief executive officer of Reed Stenhouse Cos. Ltd. But economic recovery turned into just another false dawn.

"You might as well write the same profile about us as you did last year," Mr. Wilson exclaims. "Nothing has really changed."

With only minor commercial insurance rate increases in specialty areas such as aviation and marine and only a brief period of substantial personal lines rate increases, it was the seventh ultracompetitive year in the Canadian insurance market, from which Reed Stenhouse draws more than one-third of its annual revenues.

As a result, as in 1982, 1983 gross revenues for the whole company grew only slightly while net income continued to slip. Revenues

grew about 1.4% to \$296.6 million (\$225.4 million U.S.) from \$292.5 million (\$222.3 million U.S.) and net income dropped 15.3% to \$13.2 million (\$10 million U.S.) from \$15.6 million (\$11.9 million U.S.).

In the first half of 1984, which ended March 31 for Reed Stenhouse, the financial deterioration continued. Gross revenues dropped to \$141.9 million (\$107.8 million U.S.) from \$144.8 million (\$110 million U.S.) for the same period last year, a decrease of about 2%.

Net income fell sharply to \$1.7 million (\$1.3 million U.S.) from about \$4.8 million (\$3.6 million U.S.) for the same period in 1983.

Canadian operations were one of the biggest trouble spots, executives note, as profits there fell 23% for the full year. But, also weighing down the company was its U.S. operation, which contributed more than \$66 million (\$50.9 million U.S.) in revenues but whose expenses were so high it yielded a \$1.3 million net loss for the year.

The results from neither 1983 nor the first half of 1984 were satisfac-

tory, Mr. Wilson says. But there was some light in the darkness.

"We think we have expenses finally under control," he explains. "In 1983, our operating expenses were up only \$13 million, the smallest increase since 1976. And, to help keep expenses under control, we have managed to keep our head count rather steady."

In 1983, Reed Stenhouse actually reduced its staff by 100 through attrition to about 6,000 employees worldwide. Some of the reductions were in its giant Canadian operations, Reed Stenhouse Ltd., which is the largest brokerage in Canada, and other reductions occurred in its large U.S. subsidiary, Reed Stenhouse Holdings Inc., which is one of the 20 largest brokerages in the U.S. (see story, page 64).

Mr. Wilson and other executives now say that the expense control measures and other improvements made in 1983 did have a positive effect. Even though the U.S. company posted a loss, the shortfall was nearly one-half smaller than the previous year, a sign that the sub-

sidary may soon be headed for profits, possibly as early as 1984.

Other bright spots in the firm's finances were some overseas operations. Australia and New Zealand, two Reed Stenhouse strongholds, had been buffeted by turbulent market conditions several years before the competition reached the United States and Canada.

Now, the market has hardened and the offices are generating solid growth. Australia, New Zealand and Southeast Asia operations contributed more than \$33 million to Reed's revenues in 1983, more than ever before.

"Southeast Asia doesn't contribute much just yet, but the area has tremendous potential, if we can figure out how to harness it," Mr. Wilson notes.

Mr. Wilson expects that Reed Stenhouse operations in the United Kingdom and continental Europe also will improve in 1984. Reed plans to expand its group employee benefits business in Britain and in 1983 merged its Julian Gibbs Associates financial planning subsidiary

with Reed Stenhouse Benefit Consultants Inc. to form Reed Stenhouse Gibbs Division, a centralized marketing company for all employee benefit and personal retirement products.

Also in Britain, Reed Stenhouse completed the consolidation of its ownership by buying out Stenhouse Holdings Ltd., an investment company that previously owned 48.9% of the company's Canadian shares.

On Dec. 1, 1983, Reed Stenhouse offered Stenhouse Holdings shareholders an exchange of stock valued at approximately 40% over market valuation of Stenhouse Holdings stock. At the closing date of the offer, Reed Stenhouse received a 50.2% acceptance and extended the offer into 1984.

In addition to Mr. Wilson, corporate officers include W. Douglas H. Gardiner, chairman; Eric G. Bale, vp-finance; and Cedric G.E. Gyles, chairman and chief executive officer of Reed Stenhouse Ltd. in Canada.

—By Len Strazewski

Willis Faber P.L.C.

10 Trinity Square, London
EC3P 3AX, England; 01-488-8111

Willis Faber P.L.C. last year continued to strengthen its relationship with Johnson & Higgins, enjoying the benefits of a link with a major U.S. broker without the hassles and expenses of a formal merger, its management says.

Through reciprocal business and various partnerships, Willis Faber, the world's eighth-largest broker, and J&H, the fourth-largest, now complement each other worldwide.

Last year, Willis Faber and J&H strengthened this bond when Willis Faber bought a 49% interest in J&H subsidiary Willcox Inc. Reinsurance Intermediaries.

In turn, Willcox now owns a new Lloyd's of London brokerage company known as Willis Faber & Willcox Ltd., which gives J&H direct access into the London market (see story, page 30).

"We think it is important to participate in the American reinsurance industry. It is, after all, far and away the biggest single market in the world," said Willis Faber Chairman David Palmer.

"We have this very close relationship—if you like, blood brothers—with Johnson & Higgins. Willcox was their subsidiary company, and what better way for us to go forward than with a partnership with them in the reinsurance?"

"And, through a reciprocal arrangement, they (J&H) have a footholding in the London market in a clean and comfortable way in a partnership with us without any of the traumas that other U.S. brokers have had in order to get their position in the London market."

The latest link between Willis Faber and J&H is "well down the road" of partnerships with J&H, said Mr. Palmer. Others include insurance brokerages in Canada and New Zealand, three syndicates on the New York Insurance Exchange and Chicago-based surplus lines broker Neil, Lloyd's & Co. Inc.

Last year, the two companies even contemplated buying Canadian insurance brokerage Tomenson Saunders Whitehead Ltd. through their Canadian partnership, Johnson & Higgins/Willis Faber Ltd. (BI, June 27, 1983). But, TSW's price exceeded what Willis Faber and J&H wanted to pay, Mr. Palmer noted.

He added that he does not foresee

a merger between Willis Faber and J&H in the near future.

Willis Faber reported a 19.9% increase in revenues during 1983 to 125.3 million pounds (\$181.7 million at year-end 1983 exchange rates) from 104.5 million pounds in 1982. That growth propelled Willis Faber ahead of Corroon & Black Corp. into the No. 8 spot on *Business Insurance's* list of the world's 20 largest brokerages.

Pretax profits rose 24% to 38.3 million pounds (\$55.5 million), compared with 30.8 million pounds in 1982. Mr. Palmer noted in the company's annual report that Willis Faber's profits have doubled in the past five years.

Apart from its links with J&H, Willis Faber and its 3,092 employees are recognized among the leaders in reinsurance, particularly after its 1982 purchase of a 75% stake in Carter, Wilkes & Fane (Holding) Ltd., another Lloyd's broker.

But, Mr. Palmer said, reinsurance isn't the company's only strength. The group provided excellent service for multinational clients through offices scattered around the world, he noted.

Another of Willis Faber's strengths, Mr. Palmer said, is "that we are not on the acquisition trail."

Willis Faber doesn't intend to seek major acquisitions or become part of a financial services conglomerate, he said.

Reluctantly, Willis Faber, like the other Lloyd's brokers, must sell its Lloyd's underwriting agency by July 1987 to comply with the divestment rule in the Lloyd's Act of 1982. It is a subject about which Mr. Palmer still grumbles.

"Once again I would like to reiterate our sadness at this disruptive requirement of Parliament, which does nothing to enhance the interests of (Lloyd's) names, shareholders and staff of a sound and successful agency," he told shareholders.

But, Mr. Palmer sees better days for the company's non-Lloyd's underwriting activities and its brokerage divisions now that commercial insurance rates are showing signs of a rebound.

Last year "ended with strong and encouraging signs of an improved underwriting climate in many segments of the world market—a trend we anticipate will continue to develop in the current year as tighter conditions in the reinsurance market filter through to primary markets," he said.

—By Stacy Shapiro

FORM 5500

PENSION FUND DATA

For fast, inexpensive
and confidential
service, call

(202) 638-1984

ERISA Benefit Funds, Inc.
1012 14th Street, N.W., Suite 700
Washington, D.C. 20005

ARC HEALTH SERVICES, INC.

A New Advanced Claims System
For Self Administration

- Health, dental, disability and vision claims processing for employers, HMO's (IPA) and associations.
- Automatic Assignment of ICD9, CPT, ADA (dental) UB (Hospital) codes by built-in medical dictionary.
- Benefit rules, deductibles, eligibility, coinsurance, maximums, and duplicate checking are handled automatically, on line, realtime.
- Automatic generation of initial and follow-up correspondence.
- A cost effective package (hardware and software) from 1500 to any size population.

**16775 ADDISON ROAD, SUITE 201
DALLAS, TEXAS 75248
(214) 248-6241**

Jardine Insurance Brokers Ltd.

22nd Floor, Hopewell Center, Queen's
Road East, Hong Kong; 852-295-310

Executives of Jardine Insurance Brokers Ltd. will be packing their umbrellas instead of their Bermuda shorts when the brokerage moves its world headquarters next year.

The world's 11th-largest brokerage, currently based in Hong Kong, will move its base to London and will not relocate in Bermuda with its parent holding company, Jardine, Matheson & Co. Ltd.

The parent company is moving its base to alleviate the client's worries about Hong Kong's stability since control of Hong Kong will shift to the People's Republic of China in 1997 (BI, April 2).

Jardine Insurance Brokers, which includes Lloyd's broker Jardine Glanvill Ltd. and Jardine Insurance Brokers Inc. in the United States (see story, page 66), will move its headquarters to Britain to take advantage of the London market, says Chief Executive Nick Samuelson.

According to Mr. Samuelson, "Jardine Matheson's move to Bermuda does not affect insurance broking other than for corporate acquisitions. In this way, it will be better for us to be seen to be incorporated in Bermuda rather than in Hong Kong. But, operationally, it

will have no effect."

Jardine's current Hong Kong base has allowed it to strengthen its Far East operations, Mr. Samuelson notes, adding that Jardine probably has the strongest network of brokers in the Far East. He says the company is the largest broker in Hong Kong, the second-largest in the Philippines and is developing strength in Singapore, Thailand and Malaysia.

He says that, in the past year, Jardine has focused more on consolidating and improving service for its clients than on seeking new acquisitions. For example, although the company had noted in the past that it sought to merge with additional U.S. brokerages, no acquisitions have been made since the 1981 purchase of Bache Insurance Services Inc. that formed Jardine Insurance Brokers Inc.

"In the past 12 months, we have had lots of product development," Mr. Samuelson notes. For example, in the United States, Jardine had introduced package policies for ski operators and has been "actively developing international trade and marine risk operations."

"In the Pacific Basin, we are developing travel insurance products and are experiencing dynamic growth of corporate portfolios in all areas," he adds.

Despite the lack of acquisitions in the past year, Jardine boosted its worldwide revenues by 11.7% in

1983 to an estimated 76 million pounds (\$110.2 million). The company's U.S. and British operations contribute about 75% of these revenues, Mr. Samuelson says, adding that these two operations are about the same size.

Since 1979, he adds, the brokerage's revenues have increased almost 1,000% from \$7 million. The company now has 700 employees and generates more than 1 billion pounds (\$1.45 billion) in premium volume.

Although Jardine's growth in 1983 was modest compared with the explosive gains of previous years, the brokerage is gearing itself for the next push forward.

"We are extremely keen to building operations in Europe, and we will do so in the next three years in terms of internal and acquisitional growth," Mr. Samuelson says.

He also sees opportunity in its U.S. operations, which are now headed by Harold R. Talbot Jr., who was transferred from London.

Nevertheless, Mr. Samuelson says Jardine is still interested in buying other U.S. retail brokers and also further expanding into the financial services industry.

But, he adds, "There is an awful lot of activity and change going on, such as the American position on banks and the area of insurance. It is a challenge to us."

—By Stacy Shapiro

Stewart Wrightson Holdings P.L.C.

1 Camomile St., London EC3A 7HJ, England; 01-623-7511

Stewart Wrightson Holdings P.L.C., the world's 12th-largest brokerage, has no intention of buying a U.S. retail brokerage, Chairman David Rowland says.

"I defy anyone to take on Alexander & Alexander and Marsh & McLennan in their own territory," Mr. Rowland says.

However, he notes that Stewart Wrightson, which owns New York-based excess/surplus lines brokerage Stewart Smith Holdings Inc., has other plans for North America.

For example, Mr. Rowland sees

Stewart Wrightson moving into U.S. reinsurance brokerage in a big way.

"I can see more substantial profit out of reinsurance broking in the future," he notes.

Also, Mr. Rowland hopes Stewart Wrightson can establish informal, reciprocal arrangements with one or two U.S. retail brokerages, much like the relationship between Willis Faber P.L.C. and Johnson & Higgins (see story, page 126).

And, Mr. Rowland still is committed to Stewart Smith, despite the effect competitive rates have had on the surplus and specialty lines market (*BI*, Aug. 22, 1982). In fact, Pat Osborn, chairman of Stewart Wrightson North America Group and Stewart Smith Holdings, has moved from London to the United States to oversee the company's operations.

"I think there will always be the market for the one-of-a-kind deals that may be difficult to place," Mr. Rowland says.

Stewart Wrightson's worldwide insurance-related operations posted a modest 5% revenue gain in 1983 to 66.7 million pounds (\$96.7 million) from 63.5 million pounds (\$92.1 million) in 1982. However, the company fell one place in the *Business Insurance* rankings to the No. 12 spot because revenues from associated companies are no longer included in the tabulations.

However, earnings growth outpaced the increase in the company's revenues as pretax income rose 8.2% to 10.74 million pounds (\$15.6 million).

Although it is only eyeing the U.S. reinsurance market for the moment, Stewart Wrightson has bolstered its position in the British

reinsurance market with the acquisition of Arbuthnot Insurance Services for 9.5 million pounds (\$13.8 million). Arbuthnot is the parent company of prominent Lloyd's of London reinsurance broker Golding Collins Ltd.

The purchase of Golding Collins—now called Golding Stewart Wrightson—brings tremendous reinsurance broking expertise to the firm and could act as a base onto which Stewart Wrightson may add other reinsurance interests, particularly North American operations, Mr. Rowland notes.

"We were modest operators in the reinsurance market, but now (with Golding Collins) we are one of the largest in the reinsurance market," he says. "We have something interesting to offer other companies. With Golding Collins we hope there will be further expansion in North America."

There was a hitch to the purchase, however. Under the Lloyd's Act of 1982, a Lloyd's broker cannot retain its status as a Lloyd's company if it is bought by a firm that owns a Lloyd's underwriting agency. Since Stewart Wrightson owns Lloyd's underwriting agencies, Golding Collins can no longer be a Lloyd's broker, Mr. Rowland says.

However, Golding Collins still

has access to Lloyd's through Stewart Wrightson International Group Ltd., another Lloyd's broker.

Although Stewart Wrightson is a new presence in the reinsurance market, the retail side of the company is well known for its aviation insurance expertise. It is also a leader in placing financial institution risks.

Besides adding Golding Collins in the last year, Stewart Wrightson sold off all but one of its non-insurance-related subsidiaries, and that remaining unit, a small farming company, will be sold by the fall.

Since the 1950s, Stewart Wrightson had acquired diverse subsidiaries, including farming and forestry operations, but these associated companies proved to be more of a liability than an asset, Mr. Rowland says.

"The non-insurance interests had exposed the group to hazard, and the board decided to get back into the mainstream of business."

Although Stewart Wrightson must also sell its Lloyd's underwriting agencies, it has no plans to sell off its other underwriting interests, Mr. Rowland says, particularly Calvert Insurance Co. and Associated Insurance Co. in the United States.

—By Stacy Shapiro

C.E. Heath P.L.C.

Cutberth Heath House, 150 Minories, London EC3N 1NR, England; 01-488-2488

C.E. Heath P.L.C., the world's 13th-largest brokerage, posted strong revenue gains in 1983, but losses connected with funds owed to the brokerage by underwriters and other intermediaries wiped out most of the broker's increased profitability.

Insurance-related revenues for the fiscal year ending March 31 rose 17.7% to 66.4 million pounds (\$96.3 million) from 56.4 million pounds (\$81.8 million) in the previous fiscal year. C.E. Heath had originally reported revenues of 58.5 million pounds (\$84.8 million) for 1982-83, but the brokerage restated this amount to exclude revenues from non-wholly owned subsidiaries.

However, Heath's net profits in 1982-83 increased only fractionally, to 11.5 million pounds (\$16.7 million) from 11.4 million pounds (\$16.5 million) because of a 4.48 million-pound (\$6.5 million) charge for funds owed to the company by insurers and intermediaries.

Heath's new chairman, Derek Newton, will not comment on the loss, noting that legal action could be taken. However, he told shareholders recently that the missing funds date back to the late 1970s and resulted from the company's brokerage operation and its underwriting subsidiary, Groupe Spinks S.A.

The debts, he said, "are not the

result of current trading. Consequently, we feel it appropriate to show this provision as an exceptional item."

He also noted that Heath has implemented controls to make sure that funds are now collected.

"We recently have taken further steps to strengthen and sophisticate our monitoring system," he told the shareholders. "We are confident that the problems facing us now from the past will not be experienced in the future as a result of current trading."

Turning to the good news, Mr. Newton said that much of Heath's success in the past year came from its underwriting subsidiaries rather than its brokerage operations.

One of the company's strongest areas is its Australian underwriting group, which specializes in workers compensation coverage, he noted, adding that rates hardened in Australia last year.

He also singled out Pinnacle Reinsurance Co. Ltd. of Bermuda, which specializes in underwriting loss-portfolio transfers.

Heath's Lloyd's of London underwriting agencies contributed about 1.3 million pounds (\$1.9 million) to the company's bottom line, though Mr. Newton noted that Heath must sell these agencies by July 1987, according to the Lloyd's Act of 1982.

But Mr. Newton has no plans to sell off the rest of Heath's profitable underwriting companies.

"We are in the insurance business," he said. "At C.E. Heath, our philosophy is in overall insurance, which includes underwriting, agency work and broking."

Heath did not fare as well on the brokerage side. According to a report produced by London stockbroker Kitcat & Aitken, Heath's brokerage profits actually deteriorated by 13%.

Part of the problem is related directly to the competitive property/casualty insurance market in the United States. Since U.S. rates are so low, many U.S. risks that would normally be underwritten in London have been captured by U.S. underwriters, Mr. Newton said.

But, the Heath chairman said he believes this situation will change soon. "We see signs of hardening, and we see some business coming back into London," he pointed out.

Nigel Chamberlain, joint managing director of C.E. Heath & Co. (International) Ltd., also believes that business will be coming back to London soon.

"London is being given more of a chance to quote, although there is competition from the United States," Mr. Chamberlain said.

"But, over the past few weeks we have seen changes—though more on the property side."

Whatever future growth does occur at Heath's, however, will be under new executive management.

Mr. Newton replaced Frank Holland as Heath chairman when Mr. Holland retired in January. Also, Peter Dawson, the company's former financial director, and David Barham, chairman and managing director of C.E. Heath & Co. (Underwriting) Ltd., have become joint deputy chairmen, replacing John Micami, who also retired.

—By Stacy Shapiro

Hogg Robinson Group P.L.C.

Lloyd's Chambers, 1 Portsoken St., London E1 8DF, England; 01-480-4000

Hogg Robinson Group P.L.C., the first British broker to buy a stake in a U.S. retail brokerage, is concerned about its U.S. investment.

Republic Steel Corp. of Cleveland, Hogg Robinson's partner in the U.S. broker Republic Hogg Robinson, will soon merge with LTV Corp., and John Hogg, Hogg Robinson's deputy chairman, notes that neither Republic Steel nor LTV has contacted the London brokerage about the future of the partnership.

Although Mr. Hogg suggested that Hogg Robinson "may have to find another partner, or sell or buy the whole operation," Republic Hogg Robinson officials do not see great changes at the U.S. brokerage because of the Republic Steel-LTV merger (see story, page 73).

Altogether, Hogg Robinson Group, the world's 14th-largest broker, employs about 5,000 people in 40 countries around the world. It places more than 450 million pounds (\$652.5 million) in premium in 115 different currencies.

Although Hogg Robinson is ranked among the world's 20 largest brokerages, its revenues cannot be compared with the others' with complete accuracy since its latest results are from the fiscal year ending March 31, 1983.

The company fared well during that period, as revenues increased 20.5% to 64.37 million pounds (\$93.3 million) from 53.4 million pounds. Pretax profits rose 24% to 10.57 million pounds (\$15.3 million).

For the six-month fiscal period ending Sept. 30, 1983, Hogg Robinson also posted superior results as revenues rose nearly 16%, while pretax profits leaped 24%.

Hogg Robinson has seen many changes in the past year. Most visibly, the group moved into a stunning chrome and glass building on Portsoken Street in London.

In the executive suite, Albert Wheway has moved into the chairman's office, replacing Morris Abbott, who resigned last September.

Internally, Hogg Robinson shifted its emphasis more into its profitable travel operations last year by buying a British travel and leisure company, Wakefield Fortune International Ltd., from Holland America Line N.V. for 1.8 million pounds (\$2.6 million).

This acquisition makes Hogg Robinson Travel the second-largest travel agency in the United Kingdom and the largest specializing in business travel.

Hogg Robinson may continue to emphasize its travel side, Mr. Hogg said, noting the company is relying on travel-related business to fill the gap that will be left when Hogg Robinson sells its Lloyd's underwriting agencies to comply with the Lloyd's Act of 1982. These agencies produce about 30% of Hogg Robinson's pretax profits, noted Mr. Hogg.

Although the group has not yet sold its Lloyd's underwriting agencies, it is already selling some of its other underwriting interests. For example, Hogg Robinson in December sold its stake in Bankers & Shippers Insurance Co. of New York Inc. for \$13.1 million.

"As we are divesting our Lloyd's underwriting agencies, we should divest all our underwriting business," said Mr. Hogg.

Mr. Hogg said the company is now focusing on its brokerage operations, particularly in the specialty services in which the group excels, like employee benefits, credit risks and political risks.

—By Stacy Shapiro

You Can Have an IBM Computerized Health Claims Benefit System for 25¢ per month.



If you're looking for a computerized health claims benefit system — look no further.

Our IBM on-line, real time system is your best investment for the future. This multi-task operating system offers fast responsiveness, providing you with a major increase in productivity. It is comprehensive, easy to understand, and easy to operate.

Computerization of employee benefit claims payments has become a necessity to achieve full value of your benefit administrator's time and alleviate the pressure of competition.

Our turn-key software package can give you all of these benefits at a price you can afford.

Call or write us for more information.



Software Services, Inc.

THE EMPLOYEE BENEFIT MANAGER'S COMPUTER SYSTEM CONSULTANT

35 Crocker St., Mount Clemens, MI 48043 (313) 463-6770

*Based on 5,000 employee lives, per month, five year lease.

Minet Holdings P.L.C.

Minet House, 100 Leman St.,
London E1 8HG, England;
01-481-0707

Minet Holdings P.L.C., the world's 15th-largest brokerage, is making big plans for the future.

For example, the company is expanding its North American wholesale and reinsurance brokerage divisions in London because it feels that more U.S. property/casualty risks will cross the Atlantic due to impending rate increases in the American market.

And in the United States, Minet may expand its excess/surplus lines marketing subsidiary, Chicago-based Bowes Holdings Inc.

But, Minet's ambitions have been overshadowed throughout the past 18 months by allegations that two former officials of a Minet Lloyd's of London underwriting agency si-

phoned more than \$40 million of syndicate funds.

The company has filed suit against Peter Cameron-Webb and Peter Dixon, both former chairmen of P.C.W. Underwriting Agencies Ltd., alleging that the two underwriters used the funds for their own benefit and the benefit of others.

In addition, John Wallrock resigned as Minet's chairman in 1982 after admitting that his interest in the reinsurance arrangements of P.C.W. and another Minet-owned agency, W.M.D. Underwriting Agencies Ltd., earned him substantial amounts of money (BI, Nov. 29, 1982).

Since then, Minet's new chairman, Ray Pettitt, and the new management of P.C.W. have devoted most of their energies to return the missing funds to approximately 1,500 P.C.W. syndicates.

"It has been difficult from Day One until now," Mr. Pettitt commented. "In the next few months,

though, the situation will crystallize."

So far, the P.C.W. scandal has cost Minet 6.7 million pounds (\$9.7 million), Mr. Pettitt told shareholders in the annual report, adding that amount "should be the maximum cost to conclude the affair."

Despite this cost, Minet's bottom line has not been impaired. Minet's pretax profits last year rose 14.6% to 23.4 million pounds (\$29.5 million) from 17.3 million pounds the previous year. Gross revenues rose 13.6% to 63 million pounds (\$91.4 million) from 55.47 million pounds.

Despite the scandal, Minet's brokerage business hasn't been damaged, Mr. Pettitt noted. In fact, pretax profits from brokerage operations increased by 30% to 18.1 million pounds (\$26.2 million).

"The affair was a subsidiary problem, not a group problem," he said.

Mr. Pettitt did add, however, that it would be "naive" to think that the adverse publicity generated by

the scandal did not deter some new business from coming to Minet.

In focusing on the future, Minet is looking closely at what should be done to attract North American business.

"We are taking the stance that we should be additionally in the United States," said Bryan Hayes, chairman and chief executive officer of J.H. Minet & Co., the company's wholesale brokerage unit.

"So we are looking at Bowes with a view to see what it is and where it should be going," he said, adding that Minet has "every intention of competing with the big brokers in the United States."

Interestingly enough, one of those "big brokers," Corroon & Black Corp., owns 20% of Minet's shares.

And, Minet has another U.S. connection in The St. Paul Cos. Inc., which owns 26%.

In London, Minet is building up its North American insurance and reinsurance treaty divisions in an-

icipation of increased business.

Since the beginning of April, Minet has boosted its North American treaty division by hiring three officials from Lloyd's broker Carter Wilkes & Fane Ltd., including Ron Carlier, the division's new manager.

Minet also boosted its London market reinsurance division by hiring three former directors of Alexander Howden Insurance Brokers Ltd.: Colin Bird, Stephen Rowe and Richard Goward.

"I have been forecasting that there is going to be a change in the market for years," said Peter Foster, director of Minet Holdings, "but now we are putting our money where our mouth is."

"I believe that the U.S. domestic market will tighten and there will be more of a need for London, and, therefore, there will be a need for a greater and bigger team in the market."

—By Stacy Shapiro

Bain Dawes P.L.C.

15 Minories, London EC3N 1NJ,
England; 01-481-3232

Bain Dawes P.L.C., the world's 19th-largest brokerage, saw both its profits and its revenues plummet in 1983 because of two unrelated underwriters named Bishopsgate.

The failure of Bishopsgate Insurance, an Australian property/casualty underwriter, reduced Bain Dawes' net income by about 1 million pounds (\$1.45 million), says Chairman Robin Warrender.

And, the brokerage's recent decision to sell Bishopsgate P.L.C., a British property/casualty insurer that has no connection with the Australian underwriter, caused Bain Dawes to restate its 1983 revenues downward.

Bishopsgate Insurance of Australia was shut down last year after \$19 million in funds disappeared, forcing Bain Dawes' Australian subsidiary to find new markets for clients that had been insured by the underwriter.

In all, the Australian subsidiary posted a deficit of about 1 million pounds, most of which was a result of the Bishopsgate collapse. And, this charge helped cut net income at Bain Dawes by 44.3% in 1983 to

1.1 million pounds (\$1.6 million).

Besides its Australian woes, Bain Dawes earlier this year sold most of its interest in Bishopsgate P.L.C., the British insurer, for 5.3 million pounds (\$7.7 million).

Although the company held its interest in Bishopsgate throughout 1983, it has restated its 1983 results to exclude revenues generated by the insurer. Thus, revenues decreased 30.2% to 36.3 million pounds (\$52.6 million) from 52 million pounds in 1982.

However, if the 1982 figures are adjusted to also exclude Bishopsgate revenues, Bain Dawes posted a 2.8% increase in revenues during the past year.

This decision to sell Bishopsgate was a defensive move, Mr. Warrender points out.

Under the Lloyd's Act of 1982, Bain Dawes and other Lloyd's brokers must sell their Lloyd's underwriting agencies by July 1987, but "this may be just the first step," Mr. Warrender says. In time, he says, the British government may require all Lloyd's brokers to also sell all their non-Lloyd's underwriting interests, a belief that prompted the sale of Bishopsgate.

Bain Dawes reported a slow but steady growth in its brokerage operations last year, Mr. Warrender reports, particularly in the United

Kingdom.

The brokerage sought to improve its North American business by forming Bain Dawes (London) Inc. through a partnership with Stephen L. Way International, a Houston-based surplus lines broker. The new facility will specialize in U.S. aviation and marine risks.

Bain Dawes also purchased a small minority investment in Classic Insurance Agencies, a retail brokerage with offices in New York and Washington, D.C.

Although Mr. Warrender last year termed Bain Dawes' status as a medium-sized broker as "danger-

ous," fearing that it could be squeezed out of the market by huge "megabrokers" on one side and small specialty firms on the other (BI, June 27, 1983), he has apparently changed his mind.

"I have come to the conclusion that there is good growth prospect for the medium-sized broker who is interested in people more than in business," says Mr. Warrender. "I am much less depressed about it than last year."

"If the medium-sized broker is intelligent, it can attract high quality opportunity for the specialist broker."

U.S. Chamber offers work comp guide

The U.S. Chamber of Commerce's annual analysis of workers compensation laws is a slim 46-page booklet, but it bulges with 16 charts or more than 300 changes in state, federal and territorial workers compensation laws in 1983.

"The detailed charts are presented to aid employers, employees, insurance firms, agents, brokers, attorneys, physicians and others in locating specific provisions of workers compensation laws," Chamber President Richard L. Leshar said in the foreword.

A new chart was added this year on occupational hearing loss provisions. There also is a new section on regulations concerning choice of physician. And, there is an expanded and completely revised chart on occupational diseases.

But Mr. Leshar warned that although the analysis has information essential to many business offices, "it should not be considered as supplanting exact provisions to

be found in statutory texts."

The annual analysis attempts to provide a ready reference to the statutory provisions found in the federal, state and territorial laws of the United States and the federal, provincial and territorial laws of Canada, said author Eric Oxfeld, an attorney and manager of health care and employee benefits for the U.S. Chamber in Washington. It also includes work comp laws of the District of Columbia, American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands.

Some of the tidbits of information in the section on benefits, reflecting changes in 1983, include:

- Indemnity benefit maximums increased in 44 states as well as under the Longshoremen's and Harbor Workers' Compensation Act and the Federal Employees' Compensation Act. Benefits range as high as \$1,080 per week in Alaska and \$838 under FECA.
- Some 41 states and the District

of Columbia now provide for the automatic adjustment of maximums annually, based upon the state average weekly wage.

• The maximum dropped in Wyoming because of a decrease in average wages.

• Louisiana, Missouri and New Hampshire raised the percentage of average wages used to compute the maximum.

• Massachusetts adopted 100% of average wages as the maximum for death benefits.

• Alaska became the third state to calculate benefits as a percentage of net pay rather than gross wages. Four Canadian jurisdictions also follow this practice.

• Legal challenges to the computation method resulted in a reduction of the 1983 figure in Michigan to \$324 weekly, and a delay in promulgating the 1984 maximum in Illinois for permanent partial disability.

• Funeral allowances were raised in 10 states and six Canadian jurisdictions.

The information in the analysis also shows that in 1983 Louisiana and Yukon joined Florida, New Brunswick and Saskatchewan in adopting a wage-loss system for permanent disability.

And the analysis notes that Minnesota abolished its permanent partial disability schedule and instituted a system of benefits based on anatomical impairment, payable in lump sum upon return to work, or weekly if work is not available or is refused.

Information in the analysis is complete to Dec. 31, and the charts reflect the effects of many decisions by courts and administrative agencies in interpreting these laws, Mr. Oxfeld said.

Single copies of the book—Analysis of Workers' Compensation Laws 1984 (Chamber publication #6707)—are available for \$12 each, with discounts for multiple copies, from the U.S. Chamber of Commerce, 1615 H St., N.W., Washington D.C. 20062.

STEN-RE, COLE & ASSOCIATES, INC.

Reinsurance Intermediaries

CORPORATE HEADQUARTERS
499 Thornall Street, Edison, New Jersey 08818
Telephone: 201-549-6300

Telex: 844360 STENRECOLE-EDN

NEW YORK OFFICE
100 William Street, New York, New York 10038
Telephone: 212-806-6600

Telex: 961003 STENRECOLE-NYK

BROKER MEMBER OF THE
NEW YORK INSURANCE EXCHANGE

DENTA FITS, INC.

Reinsurance managers for
► Dental ► Vision
► Prescription Drug
Group Insurance Programs

Managing Underwriters for the
Massachusetts Indemnity & Life Insurance Co.
North American Life & Casualty Co.

For quotes or information call:
Renny Thomas Executive Vice President
Managing Underwriter

CAL/GROUP

P.O. Box 3209, 527 E. Rowland Ave.
Covina, CA 91722 (818) 967-2878

Sodarcan Ltd.

2 Complexe Desjardins, Suite 1700, C.P. 183, Montreal, Quebec H5B 1B3; 514-288-0100

After devoting 1983 to internal organization, Sodarcan Inc.—Canada's second-largest broker and the 20th-largest broker worldwide—is ready to search for new business.

Since purchasing broker Dale & Co. Ltd. three years ago, Sodarcan has been busy absorbing Dale's national network of 16 retail brokerage offices into its overall operation, which also includes reinsurance brokerage, underwriting and consulting operations.

Because it was focusing mainly on Dale & Co., Sodarcan had only a modest 3.1% growth in revenues last year to \$67.3 million (\$51.2 million U.S.) from \$65.3 million in 1982.

But with its reorganization now 80% complete, Sodarcan is turning its attention outward again, says Executive Vp Pierre Chouinard.

This year, it plans to focus on the "distribution" segment of its business, including its insurance and reinsurance brokerages and its consulting segments, while paying relatively less attention to its insurance management and technical analysis segments, he says.

In its insurance brokerage business, which generates 60% of its total revenues, Sodarcan will concentrate on attracting large accounts, developing specialty lines and increasing its presence in Canada.

In addition to its 16 Dale & Co. offices, Sodarcan also operates 17 insurance brokerage offices in Quebec as part of the Gerard Parizeau Ltd. group.

Sodarcan also plans to continue its ongoing efforts to slash expenses, as well as its long-term program of computerization of its own operations and the development of a computerized risk information system for its clients.

All this is being done with the idea of placing Sodarcan in a strategically favorable position as the Canadian economy moves toward an integration of financial services, Mr. Chouinard says.

As the move toward integration gains momentum, says Mr. Chouinard, Sodarcan must concentrate on its "forte," its distribution system, he says, noting that 1985 to 1990 will be a critical period in this development. "We want to push our strength."

This will hold true whether Sodarcan remains independent or is taken over by a larger financial services organization, says John Laschinger, president and chief operating officer of Dale & Co.

"It makes good business sense that we have the strongest possible distribution network no matter what the future holds for us. We want to be the best."

Sodarcan's new focus on insurance marketing—rather than internal changes—is illustrated by its appointment in May of Mr. Laschinger as president of Dale. Mr. Laschinger, whose background includes political consulting and a

long stint with International Business Machines Corp., says his "mandate" is clearly to focus on marketing, not consolidation.

Although Sodarcan plans to focus on large brokerage accounts, there is a limited number of large accounts in Canada, and rates tend to be particularly competitive, admits Mr. Chouinard, who defines large accounts as those that generate more than \$50,000 in annual premiums.

He adds, however, that the firm has already lured several major accounts away from competitors. They now account for 25% of brokerage revenues.

And, Sodarcan will continue to pursue medium-sized accounts, where there is "as much to be gained as anywhere else." These accounts, which generate \$10,000 to \$50,000 in annual premium, account for 35% of brokerage revenues.

Sodarcan's specialty lines, the se-

'Big improvement is a long-term process, and nobody can be sure of what's going to happen, but let's say we have all the necessary elements to make 1984 a better year,' says Pierre Chouinard, executive vp of Sodarcan Inc.

cond area of its brokerage operations on which it plans to concentrate, include marine, aviation, surety, political risks and financial institutions. These lines produce 15% of Sodarcan's direct brokerage revenues, Mr. Chouinard says.

Sodarcan also generates 25% of its brokerage revenues from personal lines.

Sodarcan also is starting to expand geographically. Four insurance brokerage offices, in Sherbrooke and La Sarre, Quebec, and Niagara Falls and St. Cath-

arines, Ontario, were added in 1983.

Plans call for the opening of five offices in Ontario late this year or early next year. Including its 33 insurance brokerage offices, the firm has more than 60 offices in 40 different locations.

Sodarcan, however, has no plans now to expand direct insurance brokerage business in the United States, Mr. Laschinger says. "You tell everyone in New York to breathe easily. We're not coming yet."

However, the firm will maintain its presence in New York via its re-

insurance brokerage, Intermediaries of America, and plans further development of this business. Its Le Blanc Eldridge Parizeau Inc. is already the largest reinsurance brokerage in Canada.

Sodarcan's reinsurance brokerage business, together with its reinsurance company, National Reinsurance Co. of Canada, accounted for about 15% of the company's 1983 revenues.

Meanwhile, Sodarcan continues to stress cutting expenses, says Mr. Chouinard. Its number of employees has dropped to 1,265 in 1983, from 1,270 in 1982 and 1,300 in 1981.

Looking to the brokerage's immediate future, Mr. Chouinard says, "Big improvement is a long-term process, and nobody can be sure of what's going to happen, but let's say we have all the necessary elements to make 1984 a better year."

—By Judy Greenwald

RISK / LOSS REPORT:

A 3-Year Analysis of 1,169 Losses, totaling \$172 million, reveals some basic management flaws in loss control programs throughout various industries. These losses were shown to be directly contributed to or caused by human failure in seven different areas or activities within commercial, industrial and institutional properties. Leading the list of lapses was lack of Employee Training, which resulted in 46.7% of loss dollars paid. Basically, employees were not fully trained in the proper operation of equipment or machinery, nor were they familiar enough with processes and procedures, either under normal or emergency conditions. Many people simply did the wrong thing at the wrong time. For details on this and the other six areas, which include pre-emergency planning, impaired fire protection, smoking guidelines, maintenance, housekeeping, and hot work, contact P. A. Sasso, Industrial Risk Insurers, 85 Woodland Street, Hartford, Connecticut 06102, area code (203) 525-2601. Ask for OVERVIEW, IRI's free 6-page introduction to a total management program of loss prevention and control.

The Proper Handling of Impaired Fire Protection Systems is one area that management is bringing under control. In the fall of 1978, IRI introduced RSVP (Restore Shut Valves Promptly), a program to help our insureds handle impairments, whether planned, emergency or hidden. Response has been good, and the results even better. Since the program started, the estimated average amount of loss resulting from impaired protection systems decreased each year from \$68,200 in 1979 to \$16,625 in 1982—a brilliant management performance by our insureds. Believe them—RSVP works.

Major Fire Loss Experience around the World involves large warehouses which, unfortunately, are becoming an "under-protected" property. All too often, after the building/protection has been designed and installed, the occupancy shifts to more combustible commodities. That's why the IRI engineering staff constantly reviews the suitability of protection as the stored commodities change. As a result of these reviews, IRI insureds receive updated advice on the condition of existing protection. For current information of a general nature on "How Commodity Classification affects Warehouse Protection", ask for a free copy of **The Sentinel**, Fourth Quarter 1983. At the same time, you might request our special, 8-page **Sentinel** reprint on "Warehouses: the bigger they are..." Also, no charge. Both can be ordered from P. A. Sasso.

The Sentinel, IRI's Quarterly Magazine of Loss Prevention, reports on a variety of industries. We have a modest inventory of back issues, which includes articles on chemical plants, the protection of computer rooms, semiconductor manufacturing, the aircraft industry, plastics in construction, and more. Copies are available on a first come, first serve basis. Again, contact P. A. Sasso for an index of specific subjects and publication dates.

And now for a few personal items: Ron Opfer is our new manager of the Pacific Region. You can contact him in San Francisco at 50 California Street 94111 (415) 434-3356. Also, Ron Plaster, special representative, has opened our new office in Denver, Colorado at 5680 South Syracuse Circle 80111 (303) 796-9031. They look forward to hearing from you.



55,000 properties insured worldwide

Damage from storm is set at \$115 million

High winds, hail and scattered tornadoes during the last two days of April left \$115 million of insured damage across a dozen states from Texas to New York, said C.E. Hermanson, vp of the Property Claims Services division of American Insurance Services Group Inc.

The PCS estimate covers insured damage to dwellings, mobile homes, commercial properties and vehicles.

Casualty risks return to London

Continued from page 1

the reason we hired Colin and his team from Howden," he said.

Minet recently hired Mr. Bird and two other casualty brokers from Alexander Howden Group P.L.C.

"I have been forecasting a change in the market for years. But now we are putting our money where our mouths are," said Mr. Foster.

"I believe that the U.S. domestic market will tighten and there will be more of a need for London capacity, and, therefore, there will be a need for greater and bigger (brokerage) teams in the market. That is the reason why three people were hired by us."

C.T. Bowring is also hiring in anticipation of new business.

"We have hired all sorts of people in the last 15 months," explained Mr. Hibbert. "When the market changes, they will be useful, although they are useful now, too."

Recent hires at Bowring include a team of brokers specializing in North American business from Lloyd's broker Bain Dawes P.L.C.

The North American divisions at other brokers like Howden, Sedgwick Group P.L.C. and Bain Dawes also are being strengthened to prepare for the expected influx of U.S. business.

However, U.S. risk managers and their brokers might find capacity in London much less than they have anticipated, some fear.

The London market has tightened more quickly than the U.S. market and some syndicates have stopped writing non-marine casualty business completely.

"One big question that there wasn't 10 years ago is if London has

the capacity to take the tremendous business that may pour in from the United States," said Peter Pruitt, executive vp of broker Frank B. Hall & Co. Inc. in Briarcliff Manor, N.Y.

As one Lloyd's underwriter explains, "The market is waiting for new wordings. The principal concerns are health hazards and the pollution situation. Unless we can be certain we are not adding new years of coverage to old losses, we cannot be sure what risks we are underwriting."

But, Mr. Wilson of A.S. Weavers believes capacity will be found in London, though not at the extremely high levels or low prices to which U.S. risk managers have become accustomed.

"If rates can be restored to the proper level, there will be the capacity available, you'll see," he said. "There may not be the capacity for \$500 million, but there will be for \$100 million to \$200 million layers."

Meanwhile, back in the United States, July 1 renewals will be a rude awakening for any risk manager who does not believe the market is changing.

Risk managers trying to renew coverage for any of the "tough" risks insurers are balking at will find that rates could be as much as doubled.

They also will discover that policyholders are expected to retain much more of the risk.

The \$500,000 retentions that were accepted by underwriters last year are now up to \$1 million and can be as high as \$5 million.

And, it is harder to fill out coverage for a risk because insurers are taking smaller layers.

For example, last year if a com-

pany needed \$50 million of product liability coverage, it might have received a \$9 million layer in excess of a \$1 million layer, a \$15 million layer in excess of \$10 million and a \$25 million layer in excess of \$25 million.

This year, however, the same company may only be able to get a \$4 million layer in excess of \$1 million, a \$5 million layer in excess of \$5 million and so on, until the \$50 million limit is completed.

"You are compressing the layers to some degree," explained Jack Morrison, chief underwriting officer for the property/casualty operations of CIGNA Corp. in New York.

However, so far there are no gaps between the layers of coverage. When this did occur during the market tightening of the 1970s, excess/surplus lines insurers did jump in to fill out those layers, but at extremely high rates.

"There is no such thing as a soft market anymore," said CIGNA's Mr. Morrison. "I know of no (insurance) company that is looking aggressively for business anymore. Everyone is looking for higher prices."

"I would say we are right on the precipice of the market changing," added Frank B. Hall's Mr. Pruitt. "The price of casualty—and property—coverage is going to go up. And in this market, the risk manager will have to either pay the higher prices or assume more risk."

Some, however, say the steps being taken now are still not enough to reverse the terrible results insurers have been posting.

According to a BI survey of 25 large U.S. property/casualty insurers, underwriting losses for the first quarter hit \$2.34 billion, which is

101.7% greater than in the first quarter of 1983. The aggregate combined ratio was 120.2% (BI, June 11).

For the past four years, casualty rates have done nothing but decrease, said Horace Holcomb, director of the Insurance Marketing, Planning and Coordinating Team (IMPACT) at Alexander & Alexander Inc. Therefore, any increase in rates now will mean the policyholder is still paying less than he used to.

For example, six years ago a company may have paid \$300,000 for \$20 million of umbrella coverage on products risks. But due to price competition, the same coverage now costs only \$30,000 to \$40,000.

"So now if the premium goes back up to \$75,000, it is still only a quarter of what you paid six years ago," he said.

Edwin L. Knetzger Jr., president of broker Johnson & Higgins, also agrees that today's trend by underwriters to harden the market selectively is just not enough.

Recently, J&H's Chairman Robert V. Hatcher Jr. wrote a memo urging underwriters to stop their price war (BI, June 18).

Expanding on this statement, Mr. Knetzger said that while there is a hardening trend in the market, there are still brokers competing for business that are finding good markets to take risks at 20% to 30% below the trend.

"If a company with a lot of long-tail casualty business has a 140% combined ratio or worse than that, it is clear to us that a 10% to 20% rate increase—while showing a reversal—is clearly inadequate to get them back into sound financial operation," Mr. Knetzger said.

EQUAL OPPORTUNITIES

Each weekly issue of Business Insurance gives you an equal opportunity to reach and motivate BI's more than 121,000 purchasing influentials ... top financial and administrative executives, risk managers, employee benefits managers and the agents and brokers who serve their needs.

When you want to reach your prime audience, the BI audience is unequalled!

PUBLISHING DATES	CLOSING DATES
Jun 11	May 30
Jun 18	Jun 6
Jun 25	Jun 12
Jul 2	Jun 20
Jul 9	Jun 26
Jul 16	Jul 3
Jul 23	Jul 10
Jul 30	Jul 18
Aug 6	Jul 25
Aug 13	Aug 1
Aug 20	Aug 7
Aug 27	Aug 15
Sep 3	Aug 21
Sep 10	Aug 28
Sep 17	Sep 4
Sep 24	Sep 11
Oct 1	Sep 19
Oct 8	Sep 26
Oct 15	Oct 2
Oct 22	Oct 10
Oct 29	Oct 17
Nov 5	Oct 24
Nov 12	Oct 30
Nov 19	Nov 7
Nov 26	Nov 13
Dec 3	Nov 20
Dec 10	Nov 27
Dec 17	Dec 5
Dec 24*	Dec 11

1985

Jan 7	Dec 19
Jan 14	Dec 26

*Year-end double issue, December 24/31.

business insurance

New York: (212)210-0133
Chicago: (312)649-5275
Los Angeles: (213)651-3710

Insurance will pay only part of Swale's value

Continued from page 1

cut horse farm. A spokesman for American Livestock Insurance Co., based in Geneva, Ill., would not give details of this coverage.

Although Mr. Parrish could not say how much of the coverage was written by Lloyd's, he noted that "there were limits on the capacity of the underwriters, so we had to move it around."

He added that underwriters have

recently been reducing their capacity for animal mortality risks.

Sylvester Kiger, president of Kiger-Parks, noted that it is difficult to put a value on a horse, adding that owners often do not purchase insurance to cover a horse's full value.

"There is really no way to put a price on a Derby winner," he said, "especially one with this kind of breeding."

"When you insure a multimil-

lion-dollar horse, you run into a market capacity problem. The maximum value on a horse today is \$40 million to \$50 million. Once you begin insuring these type of horses, you are looking at a world market," Mr. Kiger said.

Both agents agreed that if foul play were proven to have caused Swale's death, insurers would still pay the claim.

Mr. Parrish explained that provisions in the Lloyd's livestock policy that exclude coverage in cases of poisoning had been deleted and that another provision that excludes coverage for "malicious or wilful injury" had been amended. He could not say exactly how this clause was changed.

Both agents also said it is standard to wait until the cause of death is known or said to be undeterminable before paying a claim.

Although the cause of Swale's death is still under investigation, the policy excludes coverage for death caused by:

- Administration of any medication unless by a qualified veterinary surgeon (or experienced personnel directed by him) and certified by the veterinary surgeon to have been necessitated by accident, disease or illness. Medication is defined as any drug, hormone, vitamin, protein or substance other than unadulterated food or drink.
- Intentional slaughter unless the animal suffers an injury and a qualified veterinary surgeon deems it necessary to destroy him.
- Confiscation or nationalization by any government or local authority.

- War, invasion, acts of foreign enemies, hostilities, rebellion, revolution, insurrection, military or usurped power, riots, strikes or civil commotions.
- John Sosby, general manager of

Claiborne Farm near Paris, where Swale was bred and whose colors he wore on the track, confirmed that Claiborne owned 25% of Swale and that members of the Hancock family, who own Claiborne, owned an additional 12.5%. Mr. Brant owned a 25% share, while two other investors owned the remaining 37.5%, he said.

Although there were reports that Swale's owners were discussing increasing their coverage, Mr. Parrish said he met with the majority owners two days before the horse died and no such plans were discussed. "That's probably because he wasn't running this summer."

Swale's next scheduled start was reportedly the Sept. 3 Jerome Handicap at Belmont Park, which was to serve as a warm-up for the Belmont fall season and a \$3 million race to be held Nov. 10 as part of the Breeder's Cup series at Hollywood Park in California.

Mr. Parrish said Swale's performance in the fall probably would have determined whether coverage was increased.

An increase in Mr. Brant's separate coverage was not discussed either, according to Mr. Kiger.

Another horse owner who has experienced the loss of a prized thoroughbred, Preston Madden, owner of the Hamburg Place horse farm in Lexington, noted that "it is rare for a horse to be insured for its total value."

Mr. Madden said he carries "very little insurance as a matter of personal preference. The reasoning is that when you have many horses, you can't carry them for full value because of economic reasons." He stables 50 of his own horses at Hamburg Place, plus 100 boarders.

Mr. Madden was the owner of TV Lark, one of the leading sires of 1974, who unexpectedly died in early 1975.

Arizona taps Childers as insurance director

PHOENIX, Ariz.—The former manager of the risk management department at a Tempe, Ariz.,-based water and electric utility is getting used to his new title this month: Arizona Insurance Director.

S. David Childers took over the post June 18 from J. Michael Low, who became director of the state's Department of Administration and will serve as chief liaison between the governor and the Legislature (BI, May 7).

Mr. Childers has been with the Salt River Project since the late 1970s, first as an attorney in its law department and then as manager of the risk management department. He has an undergraduate degree in electrical engineering and a law degree, both from Louisiana State University.

Salt River Project is an electric and water utility serving 400,000 Phoenix-area residents. As an attorney with the utility, Mr. Childers worked closely with the risk management department. Later, as manager of that department, he was in charge of the util-

ity's commercial insurance program and its self-insured workers compensation program. The risk management department has six divisions and about 65 employees, he noted.

This move to the insurance director's office, however, will not be the first time Mr. Childers has worked for the state. From April to October of last year he was "on loan" from Salt River Project to the state Department of Administration, where he helped reorganize its risk management division.

The agreement between the state and Salt River Project was a nice way for the government to take advantage of some of the knowledge available in business, Mr. Childers said. The state reimbursed Salt River Project for Mr. Childers' salary during that six-month period.

Besides the hands-on experience in insurance and risk management picked up at Salt River Project, Mr. Childers also has taken insurance and risk management courses from the Risk & Insurance Management Society and the American Management Assn.



Photo: Index/Stone International, Inc.

RESPONSE

Response. The game's just not worth playing unless someone returns your serve.

Response is never a worry with **Business Insurance** ... the weekly newsmagazine that hits your campaign message directly into the court of the most responsive group of influential players in risk management and employee benefits.

These executives respond to what they read

... because **BI** responds to what they need.

Week after week, **BI** volleys with the pros in your field ... providing your prospects with the news *and* advertising they need to make informed purchasing decisions.

To win your point in the critical set, advertise in **Business Insurance**.

You'll know your ball is in the right court.

**business
insurance**

a publication of Crain Communications Inc.

The game plan that works.

Supreme Court upholds pension liability

Continued from page 2
unfunded vested benefits.

Congress feared that employers enrolled in underfunded multiemployer plans might flee the plans while it was considering imposing severe withdrawal liability penalties. To prevent this, Congress made the effective date of the act retroactive.

Soon after the act was signed, dozens of employers filed suit in federal court challenging the constitutionality of the retroactive provision.

Last week's Supreme Court decision involved the challenge of R.A. Gray & Co., a Tigard, Ore., general

and commercial contractor that left the Oregon-Washington Carpenters Employers Trust Fund in June 1980.

R.A. Gray & Co., a 19-year-old privately owned small construction company, was later told by the carpenters' plan that its share of the plan's \$27 million unfunded vested benefits came to \$201,359.

The company later filed suit against the plan, questioning the right of Congress to impose withdrawal liability retroactively.

On May 20, 1983, the 9th U.S. Circuit Court of Appeals agreed with R.A. Gray's arguments. Employers that withdrew from the

plans were required "to pay a sum that seriously threatens their solvency without a specific showing of the proportionate need on the part of the pension trust funds," the Circuit Court said.

But the Supreme Court disagreed. For such a retroactive provision to be constitutional, the court said, it must serve a rational legislative purpose. And, the court ruled, Congress had a rational legislative purpose in making withdrawal liability charges retroactive.

"Congress was properly concerned that employers would have an even greater incentive to withdraw if they knew that legislation

to impose more burdensome liability on withdrawing employers was being considered," the court said.

"Withdrawals occurring during the legislative process not only would have required that remaining employers increase their contributions to existing pension plans, but also could have affected the stability of the plans themselves.

"Congress therefore utilized retroactive application of the statute to prevent employers from taking advantage of a lengthy legislative process and withdrawing while Congress debated necessary revisions in the statute," the court added.

Baruch Fellner, PBGC associate general counsel, said the significance of the decision is that the Supreme Court will not interfere in the legislative process if a congressional decision has a rational basis.

"That is important for the country," Mr. Fellner said.

Thomas Triplett, an attorney for R.A. Gray, said he had not received a copy of the opinion and thus could not analyze it.

But he said he now hopes to convince the Circuit Court, to which the case was remanded, that the act is unconstitutional because it takes away property without just compensation.

classified advertising

RATES AND CLOSING TIME:

Rates: Display classified is \$65.70 per column inch, minimum of one inch. Straight classified is \$6.00 per line, minimum of 5 lines. Count 34 characters per line (include each space and punctuation as a character). Additional \$12.00 charge for blind box ads. Responses to blind box ads must fit into business size envelope. Responses are forwarded daily.

Closing: Published every Monday. Copy must be in written form by noon Tuesday, 6 days preceding publishing date. No verbal phone copy accepted. Prepayment required. Mail ads to Beverly Kluxdal, Classified Advertising, 740 N. Rush St., Chicago, IL 60611. For more information call 312-649-5340.

BENEFITS RESEARCH WRITER NEEDED

Position in Santa Fe, NM. Send resume and sample of work to Benefits Consultants of the Southwest, P.O. Box 2284, Santa Fe, NM 87504.

GOVERNMENT JOBS. \$16,559—\$50,553/year. Now Hiring. Your Area. Call 805-687-6000 Ext. R-6000

GOOD TIME TO SELL YOUR COMPANY? Sell us your insurance company, preferably admitted in several states. Call R. Kleinman, 312-541-0900

FLORIDA BENEFIT & MASS MARKETING CONSULTANT

Insurance and Benefit division of major Palm Beach County Community Developer seeking seasoned specialist in corporate benefits and mass marketing with a minimum of 3 to 5 years experience in new product development and plan funding. Send resume, including accomplishments and earnings history, in confidence to:

BOX 1320, BUSINESS INSURANCE
740 RUSH STREET, CHICAGO, IL 60611

DIRECTOR OF MARKETING/ NATIONAL BROKER

Exceptional opportunity to participate as deputy team leader in leading Sunbelt city with high quality of life.

Medical Malpractice and Stop Loss Reinsurance company and broker experience preferable.

Submit resume, including accomplishments and earnings history to:

Box 1261, Business Insurance
740 Rush St., Chicago, Ill. 60611

For a
**Concise
and
Logical
Approach
to
Risk
Management
Recruiting**

LOGIC

Associates, Inc.
170 Broadway
New York, N.Y. 10038
(212) 227-8000

MANAGER— LOSS CONTROL

New position with multi-hospital system client based in St. Louis. Reports to Director of Risk Management. Responsibilities include acting as system's Professional Liability Consultant. Direct healthcare experience required in risk management administration/quality assurance. Clinical knowledge a plus. Extensive travel. Salary \$33-49K. Excellent benefits and relocation package. Reply c/o:

MRA Associates
1330 W. Mockingbird
Suite 303
Dallas, TX 75247
800/527-1642 or
214/630-5941

Contact: Christine Boes
Executive Recruiter

ASSISTANT DIVISION MANAGER



Do you have an extensive background in underwriting and marketing large multi state commercial casualty risks? A proven capacity to motivate and manage line and staff operations? A desire to work with a competent middle management team and a strong sense of accountability? Financial acumen?

Argonaut is a leading property casualty insurer in the greater Southwest. We offer an opportunity to join an innovative, progressive organization at the management level.

If you have a minimum of five years experience in underwriting W/C and GL; five years marketing and five years progressively responsible managerial experience we'd like to hear from you.

Please submit a summary of your qualifications and salary requirements to:

Suzanne Scranton, AVP-Director of Personnel
Argonaut Insurance Company
250 Middlefield Road
Menlo Park, CA 94025

An Equal Opportunity Employer M/F

Business Insurance Circulation Breakdown*

Commercial Consumers

Administrative Management:
owners, presidents,
vps, etc. 5,638

Financial Management:
chief financial officers,
vps of finance, secretaries,
treasurers, etc. 10,202

Insurance Management:
vps, directors, managers of
insurance, risk, benefits,
compensation, safety,
security, etc. 6,604

Associations 1,133

Government, Unions,
Educational Institutions 799

Commercial Consumers

Sub-total 24,376

Insurance Agents
& Brokers 9,655

Insurance Cos. 5,461

Financial Institutions 441

Actuaries, Attorneys,
Adjusters, Appraisers
& Consultants 2,977

Others allied to the field 1,083

TOTAL 43,993

*Source: Business/Occupational breakdown of qualified circulation, November 7, 1983 issue, as submitted to BPA for December 1983, BPA Publisher's Statement.

**Assure
yourself top
quality
employees—
Advertise
your
openings
in the
Business
Insurance
Classifieds.**

Risk Manager

Boston-based real estate investment banking firm seeks individual to fill newly created risk manager position. Responsibilities will include managing the firm's internal risk management and insurance program, negotiating with insurance brokers and companies, and managing the risk management program for properties owned by private and public limited partnerships administered by the firm. These partnerships include 4,000 apartment units, 3 hotels and 25,000,000 sq. ft. of commercial space. Preferred candidates will have strong real estate/financial institution background, minimum of 5 years experience and extensive knowledge of property, liability and fidelity insurances. Salary of \$40,000—\$50,000 (DOE) plus bonus.
BOX 1318, BUSINESS INSURANCE,
740 RUSH ST., CHICAGO, IL 60611

EXECUTIVE TRAINING IN EMPLOYEE BENEFITS

INSTRUCTION AVAILABLE BY CASSETTE TAPE
OR
RESULT TARGETED ON SITE TRAINING

For a free brochure outlining our services and tape catalogue, write:
Executive Training in Employee Benefits
944 Cardiff Court,
Schaumburg, IL 60194



RISK MANAGER

Tri-State is a Denver based wholesale supplier of electric power to rural distribution cooperatives in Wyoming, Nebraska and Colorado.

This position will provide the opportunity to interact with executive management on a variety of functions involving the development of risk management policies and programs and the analysis, acquisition and administration of corporate insurance coverages. Specific exposure will include all areas of property and casualty insurance. Analysis of the risk management of large joint generating projects will also be included.

Requires bachelors degree in related discipline (business administration, risk management, insurance administration).

Three years in risk management department or five years commercial property and casualty insurance experience.

Tri-State offers a competitive salary and excellent fringe benefits package. Please submit your resume with salary requirements to: TRI-STATE GENERATION AND TRANSMISSION ASSN. INC., Personnel Dept. A-97, P.O. Box 33695, Denver, CO 80233.

An Equal Opportunity/Affirmative Action Employer



TRI-STATE
GENERATION AND TRANSMISSION
ASSOCIATION INCORPORATED

An Equal Opportunity/Affirmative Action Employer

AUDITORS COMMERCIAL INSURANCE

Due to internal promotions and expansion NATIONWIDE INSURANCE GROUP, Office of Internal Audits, has openings at various levels, depending on ability and knowledge, for highly motivated, career-oriented auditors. Applicants must have: 2 to 10 years of multi-line commercial property & casualty auditing experience, with increasing responsibilities; superior communication skills; ability to travel 1-3 weeks at a time, totalling up to 18 weeks per year; managerial potential. CPCU, CPA or CIA designation a definite plus.

These positions offer competitive salaries and benefits; outstanding promotional opportunities; excellent working conditions; professional environment located in Columbus, Ohio. Qualified candidates should submit a detailed resume, with salary requirements, to:

Tom Houle, ACI-1
Employment & Placement



**NATIONWIDE
INSURANCE**
Nationwide is on your side

Nationwide Insurance
One Nationwide Plaza
Columbus, Ohio 43216

An Equal Opportunity Employer M/F/H

Asbestos insurers told to pay legal costs

Continued from page 2

Insurance Co. of Schaumburg, Ill.; Commercial Union Insurance Co. of Boston; Globe Indemnity Co., part of The Royal Insurance Group of New York; and Federal Insurance Co., part of the Chubb Group of Warren, N.J.

Northbrook Excess and Surplus Lines Insurance Co., an excess insurer for Raymark beginning in 1976, also is named in the suit.

As of last week, only Federal had filed an appeal.

Court papers show that as of Feb. 8, Zurich had paid \$29.7 million in defense costs and all of its \$12 million in policy limits. Federal had paid \$2.9 million in defense costs and \$322,000 in indemnity. CU had paid \$300,000 in defense costs, and Globe had paid nothing.

However, since Judge Murray's interim order in December, Globe has paid its limits in indemnity, CU has paid more than that \$2 million in indemnity and Federal has contributed more, according to one attorney.

In all, Raymark had about \$26 million in primary liability coverage from 1941 through 1980.

Zurich wrote \$12 million of coverage for Raymark, previously called Raybestos-Manhattan Inc., from 1969 through 1980.

CU and a predecessor company,

Employers' Liability Assurance Corp., wrote \$3.5 million in coverage under policies from 1941-1945, 1947-1950 and 1967-1969.

Federal wrote \$9.7 million under primary policies between 1951 and 1967, and Globe wrote \$600,000 for Raymark under a policy from Feb. 1950 through Sept. 1951.

Judge Murray's decision focused on a number of issues, including the insurers' unlimited duty to defend on pre-1967 policies, how defense and indemnification costs will be allocated, how policies with deductibles should apply and Raymark's right to reimbursement for litigation costs.

On unlimited duty to defend, Judge Murray said the pre-1967 policies of CU, Federal and Globe have no limitation on their defense obligations and that Illinois case law clearly establishes that the duty to defend is independent of and also broader than the duty to indemnify.

"With this settled Illinois law in mind, a reading of the pre-1967 policies disclose an unqualified and unlimited as to dollar amount duty to 'defend any suit against the insured alleging such injury, sickness or disease on account thereof even if such suit is groundless, false or fraudulent,'" the court said, quoting from a Federal policy.

"Accordingly, this court finds that as to pre-1967 policies the respective primary insurance carriers, Commercial Union, Federal and Globe, the duty to defend is unlimited and not circumscribed by their obligations to indemnify for judgments or settlements."

Judge Murray said his findings do not affect the duty to defend of excess insurers. This issue, which will depend on an interpretation of their contracts with Raymark and the primary insurers, is still pending before the court.

Concerning post-1967 policies, the court said that there is a "clear unambiguous provision" that ends an insurer's defense obligations after the applicable limits of the insurer's liability have been exhausted.

But Judge Murray said that insurers on post-1967 policies must continue to defend all cases that they have already begun defending before exhausting policy limits.

The court based the latter decision on Raymark's argument that an insurer can't abandon a case in progress and on Illinois law.

"Based on these concepts plus basic ideals of American jurisprudence precluding the abandoning of a defense after it is assumed, the court finds Raymark correct in its stand that under the post-1967 poli-

cies the insurer must continue to defend and absorb the cost for those cases which it has already undertaken to defend prior to the exhaustion of its policy limits," the court said.

Raymark general counsel Harry Day said Judge Murray's ruling on post-1967 policies is unique.

"Primary carriers can't walk away from the defense even if limits are exhausted," Mr. Day said. "It's probably the one part of the ruling that sets it apart from previous rulings."

The distinction between pre- and post-1967 policies would be simple to apply for purposes of allocating defense costs if all asbestos cases involved exposure or manifestation either before or after 1967, Judge Murray added.

"However, how such a provision is applied to over 19,000 lawsuits and new lawsuits being received at the rate of 450 (a month) with no indication as to when either exposure or manifestation or both occurred is a different matter," he said.

"Even Aristotle would have difficulty to apply a philosophical method of allocation of defense cost in such a latter situation."

However, the failure of Raymark's insurers to provide a defense entitles Raymark to recover all defense and indemnity costs it has paid plus interest, the judge ruled.

"Each insurer on the risk from the time of the claimant's exposure of asbestos through the time of manifestation of asbestos-related disease had potential coverage for claims brought against Raymark alleging asbestos-related bodily injury, sickness or disease, notwithstanding any determination as to actual coverage," the court said.

"Such potential for coverage ob-

ligated each insurer to defend Raymark with or without a reservation of rights until such time as coverage was determined. The refusal to defend tendered claims where there was potential for coverage is a breach of the insurance contracts, the consequence of which is that the insurer must reimburse Raymark for costs and attorneys' fees it expended for defense plus interest."

Of the policies that are triggered, Raymark can pick any policy for defense and indemnity that falls within the coverage period and the policy designated for defense need not be the same as the policy designated for indemnity, Judge Murray ruled.

He also said that Raymark may only be assessed deductible costs if the company selects a post-1976 insurance policy that contains such deductible clauses.

Judge Murray also said that Raymark's claims of bad faith against the insurers will be decided in the future.

Raymark attorney Frank Heap with the Chicago firm of Bell Boyd & Lloyd said the company was "exceedingly pleased with the decision."

And, the broad decision makes it less likely that Raymark will join an industrywide claims handling facility recently agreed to by insurers and asbestos defendants (BI, May 28).

Emphasizing that Raymark has not made a decision on its participation in the facility, Mr. Heap pointed out that the Judge Murray's decision grants it more coverage than it might receive through the facility.

Spokesmen for the insurers involved in the Raymark case declined to comment on Judge Murray's decision. ■

Minet, A&A offer to pay P.C.W. loss

Continued from page 2

ies Ltd. With this offer from A&A and Minet, no one member would have to pay more than 3,000 pounds (\$4,110) in losses, he said.

A&A, through its subsidiary Alexander Howden Insurance Brokers Ltd., is participating with Minet in the offer because Howden brokered certain P.C.W. reinsurance contracts, according to the companies.

In a written offer sent to the members last week, the two companies outlined how this money would be returned to names:

- 25.03 million pounds (\$34.29 million) would be paid from trusts in Gibraltar that Minet and A&A secured in the High Court on June 5. The figure does not include non-liquid assets held by the trusts.

- 13.14 million pounds (\$18 million) would be contributed by A&A and Minet. Neither Minet Chairman Ray Pettitt nor Howden Chairman Richard Page would comment on how much each company would pay. However, Mr.

Pettitt and Mr. Page said their companies have already reserved this money in their 1983 accounts.

Minet's annual statement says a 5.7 million pound (\$7.81 million) charge was made related to the P.C.W. affair without elaborating on the reason. The A&A annual report, however, does not disclose a similar charge.

- All the recovered and contributed money will be placed in a jointly owned company called Jufcrest Ltd., and members will have to file their claims with Jufcrest, the offer says.

The money will be paid to members only when all the members have signed forms stating they will not sue the released parties. The released parties are the companies and directors of A&A; Minet; Richard Beckett; W.M.D. Underwriting Agencies Ltd.; and P.C.W. reinsurers Citadel Insurance Co. Ltd. and its subsidiary, Chiltern Reinsurance Co. Ltd.

The offer is being made to all P.C.W. members except Mr. and

Mrs. Peter Dixon, Peter Cameron-Webb, J.A.W.I. Hardman, A.G.F. Oldworth, former Minet Chairman John Wallrock, B.C. Newman, D.B. Hill, C.E. Davies and A.A. Sampson. Except for Mrs. Dixon, all these members are being sued by Minet and now by Jufcrest to recover P.C.W. funds.

The released parties, however, could decide to settle if fewer than 100% of the members agree to the settlement.

The members have until July 19 to decide whether to accept the offer, the written agreement says.

Both Mr. Pettitt and Mr. Page hope that this offer will stop countless lawsuits and avoid years in court that could result from the P.C.W. affair.

"We worked hard to put this (offer) together," Mr. Page said. "We have not put something together that is absolutely perfect, and we do not pretend that there isn't some self-interest involved. But, it allows us to get back to the business of broking." ■

Casino workers win better benefits

By CAROL CAIN

LAS VEGAS, Nev.—Owners of major hotel-casinos in Las Vegas will immediately double their contributions for employee health benefits under provisions in five-year contracts ratified recently by workers from four unions.

About 30,000 workers struck April 2 when their four-year contracts expired. The workers sought increased health care benefits and a guaranteed workweek.

The health plan for members of all four unions is administered by the Hotel Employees & Restaurant Employees International Union Welfare Fund in Naperville, Ill.

Under the new contracts, employers immediately will double their hourly contribution to the workers' health benefits to 74 cents per employee, from 37 cents.

Employers will contribute an additional 10 cents per hour during each of the next three years, and an additional 15 cents per hour in 1988, the final year of the contract,

said Vincent Helm, executive director of the Nevada Resort Assn., which represents 21 of the major hotel-casinos.

For musicians and stagehands, who normally work six-hour days, employers will contribute \$4.44 per day, compared with \$2.22 under the old contract, said Alan Ware, secretary/treasurer of Musicians Union of Las Vegas Local 369. About 2,000 of its members were on strike.

Union leaders contended during the strike that employers must at least double the contribution for health and welfare benefits, noted Dennis Kist, president of Local 720 of the International Alliance of Theatrical Stage Employees & Moving Picture Machine Operators of the U.S. & Canada, which represents about 600 of the strikers.

Since 1980, the welfare fund has been underfunded, union officials said, and benefits had been drastically reduced. The benefits now should be restored to the 1980 level, said Dan Swinton, another official of the culinary workers union.

Before 1980, both employees and their dependents received fully paid health care benefits. But since then, only employees have received fully paid benefits, said Michael Gantert, vp with HEREIUWF, the plan administrator. He said that coverage includes \$115 per day toward hospital room and board, but he would release no other details except that members pay no premiums or deductibles.

Since 1980, dependent coverage cost \$50 per month, the musicians union's Mr. Ware said.

Under the new contract, it is believed there will be enough money in the welfare fund to again include dependents, said the culinary workers' Mr. Hays. He added that the plan is being redesigned and should be in place by September.

The fourth union was Bartenders & Beverage Dispensers Local 165.

Most of the striking workers were back at work by June 15, though some 2,000 last week still were trying to reach agreements with a few smaller downtown facilities. ■

insurance services guide

Use the Insurance Services Guide to reach your best prospects.

- Fire Protection Engineering
- Underwriting Reports
- Safety & Health Studies
- Sprinkler System Design
- Fire and Security Alarm System Design
- Building and Fire Code Consultation

Schirmer

SCHIRMER ENGINEERING CORPORATION
707 Lake Cook Road—Deerfield, IL 60015—312/272-8340

consultant

EMPLOYEE LEGAL SERVICES

experienced in employee benefit approaches since 1971 and flexible benefit systems since 1976
NO RISK plans with lawyer fees established prospectively
please contact Dennis Farnsworth at Group Fifty Corporation
(303) 442-7227 or (517) 351-2122

STIFENEB??

Puzzled about the complexities of employee benefits? "HOTOPICS" has the answers you need. Our newsletter presents a professional perspective, is to the point, timely and informative. Don't let the latest hot topic in employee benefits pass you by. Send for your free copy.

PERSONNEL RESEARCH ASSOC.,
49 Oakridge Rd., Verona, N.J. 07044.

CASUALTY ACTUARIES, INC.

Robert F. Lowe F.C.A.S., M.A.A.A., F.C.A.
• Loss Reserve and Rate Evaluations for Insurance Companies and Self-Insureds
• Statutory letters of opinion on loss and loss expense reserves
One Insurance Center Plaza, Suite 102
St. Louis, MO 63141
(314) 878-5002

Engineering & Consulting Services for Risk Improvement Programs
Code Analysis Loss Investigations
Sprinkler and Special Hazard Systems
Fire Alarm and Security Systems
NY 914/666-2981 VA 703/938-9132 FL 305/374-4009
SF 415/924-6474 LA 213/597-0303 IL 312/530-1494

GAGE-BABCOCK

& ASSOCIATES
Corporate Office, 135 Addison,
Elmhurst, IL 60126

American Owner/Operator Underwriters Inc.

FOR MORE INFORMATION CALL

HERBERT F. BAKER

404-892-0791

1655 Peachtree St., Suite 520
Atlanta, GA 30309

Independent Sales Agents and Brokers Wanted

Many clients are going self-insured for health insurance and workers' comp. Regain old and create new business with a dynamic micro-computer package from CAM Systems. Cash in on the dramatic growth of microcomputer product sales. We do the work, you cash the checks.

Send resume or call:

CAM SYSTEMS

8726 S. Sepulveda, B-84
Los Angeles, CA 90045
(213) 649-5821

For advertising information in the INSURANCE SERVICES GUIDE
Contact: Beverly Kluxdal, 740 Rush Street, Chicago, Illinois 60611.
Telephone (312) 649-5340

501(c)(9) proposal

Continued from page 1

of Commerce. "If adopted, it would materially change employer-union relationships and encourage the unionization of employees."

It isn't known how many of the nation's 9,400 501(c)(9) trusts or how many experience-rated plans are used in conjunction with collective bargaining agreements.

As recently as 15 years ago, nearly all 501(c)(9) trusts were jointly managed by employers and unions to provide benefits to unionized workers, just as union workers often receive retirement benefits through multiemployer pension plans, noted Mr. Hickey.

Typically, in such an arrangement, employers in an industry would negotiate with their union to contribute a certain percentage of employees' hourly salary for health related benefits. Those contributions then would be funneled into a 501(c)(9) trust.

But more employers in recent years have set up their own trusts as they became more aware of their funding advantages. For example, Kwasha Lipton says that all the 501(c)(9) trusts maintained by its clients, mainly large employers, are offered outside collective bargaining agreements.

The controversy over 501(c)(9) trusts and experience-rated plans is just one of dozens of issues that the conference committee is trying to resolve. The committee, which has been meeting since June 6, is trying to settle differences in tax legislation passed by the House and a Senate tax bill, H.R. 2163.

Once those differences are settled, a bill will be reported out of the conference committee and sent to the full House and Senate for their approval.

Rep. Daniel Rostenkowski, D-Ill., chairman of the conference committee, had hoped to settle those differences and move a bill out of committee by June 20 so that the

Senate and House could vote on the package this week before Congress adjourns for the July 4 recess.

But that deadline was missed as conferees continued to squabble last week, mainly over provisions in the bills that affect the Medicare and Medicaid programs.

However, last week the conferees accepted provisions that set new rules for taxing benefits that are not currently covered by a specific section of the tax code, like free travel passes for airline employees.

Generally, if such benefits are now part of a company's benefit program, they could continue to be offered and the employee will not be taxed on the value of benefit.

However, if an employer adds a new benefit to its plan that is not covered by the tax code, employees will be taxed on its value.

The conferees, though, made a change from the earlier House bill. They agreed that employees will not have to pay taxes on the value

of free parking spaces offered by employers, even if the parking spaces are reserved for executives.

The House earlier said parking spaces must be offered on a non-discriminatory basis, but conferees agreed that the Internal Revenue Service lacked the resources to enforce such a rule.

In addition, the committee last week was expected to drop provisions in the Senate and House bills that would expand Individual Retirement Accounts because of the potential loss of revenue.

The Senate bill calls for gradually increasing the amount of money an employee with a non-working spouse can contribute annually to an IRA to \$4,000 from \$2,250. The House bill would allow individuals to contribute an additional \$1,750 in aftertax dollars annually to an IRA.

But many other benefit issues were yet to be resolved last week and the outcome on some of those issues did not look promising for

employers.

For example, benefit lobbyists last week were doubting whether the conferees would accept a proposal by Rep. Barber Conable, R-N.Y., and Sen. Bob Packwood, R-Ore., that would save flexible spending accounts from proposed Internal Revenue Service rules.

The Conable-Packwood proposal would require employees participating in FSAs to choose in advance the benefits they want to fund and would place a cap on the value of benefits offered in an FSA. However, employees would be allowed to roll over unused benefits into a benefits bank for use the next year.

The IRS rules, on the other hand, would require participants to forfeit unused benefits in their individual FSAs at the end of the year. Those rules, experts say, would kill FSAs as health care cost-containment vehicles.

The IRS rules also would be effective for plan years that begin after Dec. 31, 1978. That would mean that many employers whose flexible spending account programs have not complied with the rules, which were published just months ago, would be retroactively liable for possible penalties and back taxes.

Benefit lobbyists said Treasury Department staffers were urging the conferees not to accept the Conable-Packwood proposal because of the large federal revenue loss they say it would cause. Such an argument carries weight with a conference committee that is drafting a bill to reduce the federal deficit.

Conferees, as of late last week, also had not taken any action on a provision in the Senate tax bill that would exclude interest from tax-free bonds in determining whether a retiree must pay taxes on his or her Social Security benefits.

Currently, up to one-half of retirees' Social Security benefits are taxed if their income, including interest from tax-free bonds, exceeds \$25,000 for an individual and \$32,000 for a married couple.

And, the committee has not taken action on a provision in the Senate bill that would exempt employers that withdrew from underfunded multiemployer pension plans before the 1980 Multiemployer Amendments Act was signed into law, but after its effective date, from paying a share of the plans' unfunded vested benefits.

The Senate provision, which would affect those employers that left the plans between April 29, 1980, and Sept. 26, 1980, also would overturn last week's Supreme Court decision upholding the retroactive section of the 1980 act (see story, page 2).

The conferees, as previously reported, have agreed on provisions that have dramatic implications for employers that self-fund their property/casualty exposures.

The conferees accepted provisions in both bills that would deny tax deductions for reserves to pay for self-funded losses known in the current year, but not payable until the future. Deductions only could be taken at the time a claim is paid (BI, June 18).

Conferees, though, did delete a provision in the Senate tax bill that would raise to 4% from 1% the federal excise tax on property/casualty reinsurance premiums paid to foreign insurers.

On the benefit front, the conferees adopted a new provision, similar to one in the Senate bill, that changes the order of withdrawals from pension plans in which at least 85% of benefits are derived from employee contributions.

The provision says that employees who want to withdraw funds from such a plan would first withdraw the accumulated interest, which is taxable, before they could withdraw their own contributions. ■

PRUDENTIAL REINSURANCE COMPANY

	December 31, 1983	December 31, 1982
ASSETS		
Bonds and short-term investments	\$ 965,241,209	\$1,030,615,508
Stock	282,315,718	247,123,075
Cash	15,521,342	11,373,168
Accounts receivable-premium	64,992,176	46,192,614
Funds held by ceding reinsurers	109,468,708	116,513,479
Other assets	72,264,131	56,027,670
TOTAL ASSETS	\$1,509,803,284	\$1,507,845,514
LIABILITIES, CAPITAL AND SURPLUS		
Loss and loss expense reserve	\$1,125,302,410	\$1,128,019,320
Unearned premium reserve	154,111,882	126,278,132
Reserve for commissions, taxes and other liabilities	31,370,849	58,714,462
TOTAL LIABILITIES	\$1,310,785,141	\$1,313,011,914
Capital paid up	\$ 2,500,000	\$ 2,500,000
Contributed surplus	75,001,598	75,001,598
Unassigned surplus	121,516,545	117,332,002
POLICYHOLDERS' SURPLUS	\$ 199,018,143	\$ 194,833,600
TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS	\$1,509,803,284	\$1,507,845,514

Information is from the Company's Annual Statement as filed in New York State, under rules promulgated by The National Association of Insurance Commissioners.

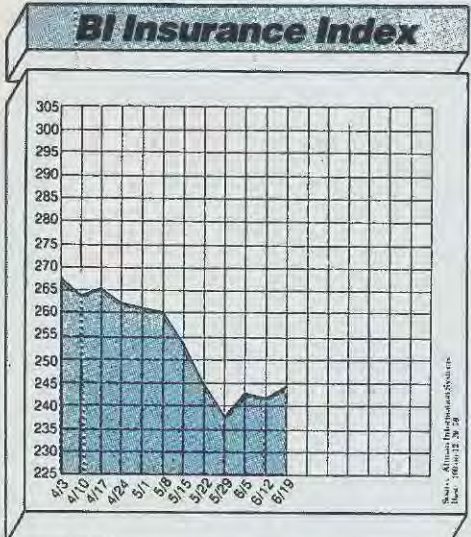
Corporate Headquarters:
100 Mulberry Street
Newark, New Jersey 07102
(201) 877-8000

U.S. Branch Offices:
3333 Wilshire Blvd.
Los Angeles, Calif. 90010
(213) 385-6261
Three First National Plaza
Chicago, Illinois 60602
(312) 782-4793
90 John Street
New York, New York 10038
(212) 619-0002
4600 Post Oak Place
Houston, Texas 77027
(713) 877-8814

50 Milk Street
Boston, Mass. 02109
(617) 451-6980
Four Embarcadero Center
San Francisco, Calif. 94111
(415) 397-8970
3475 Lenox Road, N.E.
Atlanta, Georgia 30326
(404) 266-3651
100 Mulberry Street
Newark, New Jersey 07102
(201) 877-4657

In Canada:
Prudential Reinsurance
Company of America
One First Canadian Place
Toronto, Ontario
Canada M5X 1C7
(416) 862-1228
In Asia:
Prudential Reinsurance
Company (USA)
Windsor House
311 Gloucester Road
Causeway Bay, Hong Kong
(011-852-5) 795-2557

In Europe:
Le Rocher, Compagnie
de Réassurance, S.A.
35 Square de Meeus-Bte. 1
1040 Brussels, Belgium
(011-32-2) 513-9140
For Surplus Lines:
Dryden & Company, Inc.
One Main Street
Chatham, New Jersey 07928
(201) 635-1200
**At the New York
Insurance Exchange:**
Pruco Managers, Inc.
59 John Street
New York, New York
10038
(212) 227-7904



Dream of unusual meeting gives vision of the future

By MYRON M. PICOULT
Special to Business Insurance

THERE WERE ABOUT 40 legal-sized envelopes that were all clearly marked "personal and confidential." All looked as if they were part invitation and part business letter.

Each was addressed in a calligraphic manner to the key operating officer—the decision maker—at the 40 largest stock insurance companies, some of which were independent firms and others of which were owned by corporate parents.

I managed to sneak a peek at one of the letters before it was neatly folded and placed in the appropriate envelope. The letter, too, was obviously written by someone who knew calligraphy. It was an invitation, addressed to a specific individual, and it was composed in such a way that the recipient basically could not afford to decline the request.

Interestingly enough, the letters were signed by "Someone who wishes to assist you through the current underwriting trauma." Furthermore, the RSVP cards were to be sent to a post office box.

The invitation simply stated that the selected participants were to proceed to a little town known as "Material Change," which is nestled deep in the Appalachians. The gathering was to be held overnight from a Wednesday afternoon through a Thursday morning.

The invitation emphatically underscored the need for a strict code of silence regarding the meeting and implored participants to acknowledge only that it was a "private business session."

Myron M. Picoult is senior vp and senior insurance analyst with Oppenheimer & Co. in New York. He is the past president of the Assn. of Insurance & Financial Analysts and a member of the New York Society of Security Analysts. His column appears the fourth Monday of every month.



Mr. Picoult

It also included a request by the unnamed host for the participants to be prepared to discuss, in explicit detail, current market-share statistics and prospective plans.

As one perused the letter/invitation, it seemed to contain the hint of a possibility that the marketplace could be carved up. Therefore, there was an obvious zeal on the part of the prospective participants to attend the meeting.

The day arrived. As I sat, hidden behind some trees, I could see the guests beginning to arrive. They seemed to surface in groups of three and four; it was as if each person were given a specific arrival time. There were pleasant, perfunctory greetings and the universal amazement of how deep in the valley this little town was.

One gentleman was overheard to say that the valley seemed to be as deep and depressing as the current underwriting cycle. Several others quickly concurred. The host's site was beginning to have a subliminal effect.

Each of the guests was assigned to a small but comfortable cabin. A note was tacked to their doors announcing a general meeting at 4 p.m. at a small social hall situated in the center of the community.

I didn't quite catch the name of the gentleman who presided over the meeting. However, he was quite articulate and spoke in a very clear, strong voice. He reviewed recent operating results, laid out what he foresaw over the next few quarters and questioned the members of the audience about their views.

When the discussion turned to corrective actions, there were lots of ho-hums, fumbling and even a little finger-pointing concerning who was doing what.

Ultimately, the conversation turned to why the conference had been called and to what was the purpose of the preparation of market-share statistics. The gentlemen who was in charge indicated that the market-share information was important, but only in conjunction with a test that the conference participants were scheduled to take the next morning.

There was, of course, immediate confusion and consternation among the participants. But in the end, they all listened intently as the ground rules concerning what was to be

included in the coming examination were discussed.

The test was to cover everything from the definition of a combined ratio to concepts such as cash-flow underwriting and pricing at the margin. The thought-provoking topics of reserving, agency relationships, additional distribution channels, incentive compensation programs and strategic planning were also fair game.

Each participant left the session armed with a packet of materials to be studied and reviewed, as well as with the distinct feeling that market-share adjustments might be tied to exam scores. The midnight oil burned long in many of the cabins.

It took about three hours to complete the test. The definitions were tricky and the essay questions were somewhat obtuse—the kind that easily enable one to become entrapped. Before they filed out, the participants were thanked for their attendance and told that the grades and rankings would be mailed to them within a day.

They were also informed that the town had been closed to vehicular traffic because of concerns of environmental damage to people and property and because of the inability of the town fathers to secure insurance coverage with what they perceived to be a viable underwriter. Hence, the insurer officials were asked to take a small hike up a steep and winding path to a spot where their limousines would be waiting.

There was much grumbling during the trek up the path, and one individual was heard to comment about the "agony of da feet." Another mused as he climbed to the top of the path that overlooked the valley: "I wonder if it's going to be as steep a climb out of the underwriting cycle?"

I don't know what the test results were, nor what happened to the market-share data left by the invited guests. You see, I was awakened by the bell that simultaneously signaled the end of the second quarter and the beginning of the third.

Insurance industry stocks closed on an up note during the five-day trading period ending June 19 as the Business Insurance stock index closed at 244.5, up 1.2 points from 243.3 June 12. Twenty-three stocks posted gains for the period, another 20 suffered declines and 17 were unchanged. The largest increases were tallied by Fremont General Corp., up 9.3%; Corroon & Black Corp., up 9.1%; USF&G Corp., up 8.6%; Bitco Corp., up 7.7%; and Poe & Associates Inc., up 4.8%. The largest losses were posted by Alexander & Alexander Services Inc., down 5.5%; Tokio Marine & Fire Insurance Co. Ltd., down 4.9%; Orion Capital Corp., down 4.4%; Statesman Group Inc., down 4.0%; and Ohio Casualty Corp., down 3.7%. The Business Insurance index gained 0.5% during the trading period. So, the Business Insurance index outperformed both the New York Stock Exchange composite and the Standard & Poor's 500 averages.

British Issues

19 Jun	Price	P/E	Div.	Yield	High—Low
Companies	pence		pence %	pence	
Comml Union	216	19.6	16.86	7.8	216—207
Genl Accident	472	12.8	30.00	6.4	472—465
Gdn Royal Exch	577	12.8	36.43	6.3	577—575
Phoenix	448	16.0	31.43	7.0	448—442
Royal	440	15.3	42.86	7.8	443—436
Sun Alliance	365	15.0	22.86	6.3	372—363
Brokers					
CE Heath	420	7.6	28.57	6.8	423—417
Hogg Robinson	184	12.3	10.43	5.7	185—182
JH Minet	159	10.6	9.00	5.7	159—156
Sedg Grp	245	11.1	12.86	5.2	245—240
Stew Wrightson	365	10.4	24.00	6.6	365—360
Willie Faber	803	14.3	35.00	4.4	807—800

Source: Philip Olsen/Alan Clifton, Insurance Industry Specialists Kitcat & Aitken Stockbrokers, London

Financial briefs

Colonial Penn

St. Regis Corp. of New York and Colonial Penn Group Inc. have signed two definitive agreements that call for St. Regis to acquire all outstanding Colonial Penn shares in a cash and stock transaction valued at between \$570 million and \$590 million. Shareholder and regulatory approval is required for the merger to be completed.

A St. Regis subsidiary, St. Regis Insurance Group, consists of 11 insurance companies with combined gross written premiums of \$413 million in 1983. Philadelphia-based Colonial Penn writes both life and property/casualty insurance.

General Re

General Re Corp. has declared a regular quarterly dividend of 36 cents per share of common stock, payable June 29 to shareholders of record June 25.

Fireman's Fund

Fireman's Fund Insurance Cos. has agreed to acquire the 42.5% of San Francisco Reinsurance Co. that is currently held by other companies.

The reinsurer was formed in 1982 by Fireman's Fund and Baloise Insurance Co. Ltd. of Basel, Switzerland; National Insurance Co. of New Zealand of Dunedin, New Zealand; Nippon Fire & Marine Insurance Co. Ltd. of Tokyo; and Victoria Fire & Marine Insurance Co. of Dusseldorf, West Germany.

No purchase price was disclosed. San Francisco Re will become a wholly owned subsidiary of Fireman's Fund when the transaction is completed.

Chubb Corp.

Chubb Corp. has declared a quarterly dividend of 55 cents per share, payable July 5 to shareholders of record June 21.

BI Industry Stock Report

JUNE 19, 1984 6/13/84 THRU 6/19/84

Insurance Cos.	Price	% Chg.	P/E	\$ Div.	% Yld.	High	Low	Vol. (000)
Aetna Life & Cas Co	NYSE 29.00	-2.1	14.2	2.64	9.1	29.63	28.50*	1,241.9
American Bankers Ins Group	OTC 11.63	0.0	8.2	0.50	4.3	11.75	11.25	84.6
American General Corp	NYSE 20.63	0.0	6.9	0.90	4.4	20.75	20.25	301.6
American Intl Fnl Corp	OTC 16.75	0.0	119.6	1.12	6.7	16.75	16.75	1.6
American Intl Group Inc	OTC 60.75	1.7	10.7	0.44	0.7	61.00	59.50	577.6
American Natl Ins Co	OTC 24.25	0.5	7.1	0.96	4.0	24.50	24.00	31.2
Aneco Reins Ltd	OTC 2.25	0.0	6.6	0.00	0.0	2.25	2.25	3.1
Aveaco Corp	AMEX 16.50	-2.2	10.5	0.58	3.5	16.63	16.38*	4.1
Banks Iowa Inc	OTC 52.00	0.0	20.6	1.56	3.0	52.00	52.00	1.1
Bitco Corp	OTC 10.50	7.7	0.0	1.33	12.7	10.50	10.25	4.5
Carolina Cas Ins Co	OTC 3.25	0.0	0.0	0.00	0.0	3.25	3.25	0.0
Chubb Corp	OTC 47.13	3.9	12.8	2.20	4.7	47.13	44.75	252.2
Combined Intl Corp	NYSE 31.13	4.6	8.0	2.08	6.7	31.13	29.75	143.2
Continental Corp	NYSE 26.38	0.0	0.0	2.60	9.9	26.38	25.50*	403.0
Crawford & Co	OTC 15.75	0.0	10.7	0.66	4.2	15.75	15.75	3.2
Crown Life Ins Co	OTC 120.00	0.0	7.8	3.20	2.7	120.00	120.00	0.5
Employers Cas Co	OTC 30.50	0.0	7.2	1.20	3.9	30.50	30.50	5.9
Equifax Inc	NYSE 27.50	0.9	12.2	1.60	5.8	27.50	27.00	13.3
Farmers Group Inc	OTC 39.00	4.0	9.2	1.52	3.9	39.00	37.38	380.6
Foremost Corp Amer	OTC 25.00	2.0	13.7	0.96	3.8	25.00	24.75	19.1
Fremont Gen Corp	OTC 14.63	9.3	0.0	0.48	3.3	14.63	13.88	177.1
Great West Life Assurn Co	OTC 325.00	0.0	10.4	12.00	3.7	325.00	325.00	0.0
Hanover Ins Co	OTC 23.50	1.1	7.8	0.44	1.9	23.50	23.25	22.9
Hartford Steam Boiler Insptn	OTC 52.00	-1.9	13.1	3.00	5.8	53.00	52.00	4.7
Jefferson Natl Life Ins Co	OTC 38.50	-1.9	17.5	0.76	2.0	38.50	38.50*	12.1
Keiper Corp	OTC 35.13	-0.4	11.5	1.80	5.1	35.38	35.00	67.8
Lincoln Natl Corp Ind	NYSE 32.00	2.4	7.8	1.68	5.3	32.00	30.75	772.0
Mission Ins Group Inc	NYSE 13.63	-2.7	0.0	0.50	3.7	14.00	13.63	46.7
Northeastern Natl Life Ins	OTC 41.00	3.1	9.2	1.50	3.7	41.25*	39.50	33.7
Ohio Cas Corp	OTC 39.13	-3.7	10.9	2.68	6.8	40.38	37.75*	205.3
Old Rep Intl Corp	OTC 32.50	-3.0	7.1	0.88	2.7	33.63	32.50	80.4
Orion Cap Corp	NYSE 21.50	-4.4	12.6	0.76	3.5	22.13	21.38	32.9
Preferred Risk Life Ins Co	OTC 22.00	0.6	7.6	0.74	3.4	22.00	22.00	3.9
Provident Life & Acc Ins Co	OTC 68.50	0.0	6.8	2.88	4.2	68.50	68.50	13.9
St Paul Cos Inc	OTC 50.00	-3.1	11.4	3.00	6.0	51.50	49.75	259.2
SAFECO Corp	OTC 29.50	1.7	8.2	1.50	5.1	29.50	29.00	552.5
Sri Corp	OTC 15.25	-3.2	9.0	0.68	4.5	15.75	15.25	293.8
Seibels Bruce Group Inc	OTC 20.75	0.6	13.5	0.80	3.9	20.75	20.63	94.5
Statesman Group Inc	OTC 6.00	-4.0	7.7	0.15	2.5	6.13	5.88	26.2
Tokio Marine & Fire Ins Co	OTC 117.00	-4.9	23.6	0.96	0.8	121.50	117.00	3.1
Travelers Corp	NYSE 28.88	4.1	7.2	1.92	6.6	28.88	27.75	1,791.9

JUNE 19, 1984 6/13/84 THRU 6/19/84

Price	% Chg.	P/E	\$ Div.	% Yld.	High	Low	Vol. (000)	
United Fire & Cas Co	OTC 26.00	-2.8	14.9	1.60	6.2	26.75	26.00*	1.6
United States Fld & Gty Co	NYSE 23.75	8.6	7.2	2.08	8.8	23.75	21.50*	501.6
United Svcs Life Ins Co	OTC 34.88	-1.0	7.3	1.00	4.0	25.58	24.63	28.7
UsLife Corp	NYSE 24.75	2.1	6.6	0.96	3.9	24.75	24.13	97.7
Washington Natl Corp	NYSE 18.38	-2.0	10.7	1.08	5.9	19.00	18.38	39.9
Zenith Natl Ins Corp	OTC 12.75	-1.9	8.5	0.68	5.3	13.00	12.75	6.2
INSURANCE COMPANIES								
Agents/Brokers	AVERAGE		11.3		4.1			
Alexander & Alexander Svcs	NYSE 19.25	-5.5	0.0	1.00	5.2	20.13	18.63	343.1
Baldwin & Lyons Inc	OTC 37.00	0.0	616.7	0.80	2.2	37.00	37.00	0.7
Corroon & Black Corp	NYSE 25.38	9.1	16.0	1.00	3.9	25.38	23.13	151.6
Crump E M Cos Inc	OTC 12.50	0.0	15.6	0.40	3.2	12.63	12.50	20.8
Jeatt & Chandler Cos Inc	OTC 9.50	2.7	20.7	0.00	0.0	9.50	9.25	0.3
Hall Frank B & Co Inc	NYSE 21.50	-1.7	29.1	1.00	4.7	21.63	21.13	165.0
Integrated Res Inc	AMEX 19.63	4.0	4.6	0.00	0.0	19.63	18.88	175.4
Marsh & McLennan Cos Inc	NYSE 40.75	-2.1	31.8	2.20	5.4	41.00	40.25	293.0
Poe & Assoc Inc	OTC 5.50	4.8	0.0	0.00	0.0	5.50*	5.25	12.4
Reed Stenhouse Cos Ltd	OTC 11.75	0.0	22.6	0.60	5.1	12.00	11.75	51.2
AGENTS/BROKERS	AVERAGE		24.1		3.5			
Conglomerates/Holding Cos.								
American Express(Fireman's Fd)	NYSE 27.88	5.2	12.3	1.28	4.6	27.88	26.63	2,046.0
Anderson (Clayton/Ranger/PanAm)	NYSE 26.38	1.0	11.9	1.32	5.0	26.38	26.00	14.2
Araco Inc	NYSE 15.13	0.0	0.0	0.40	2.6	15.38	15.00*	335.0
Baldwin Utld Corp	NYSE 1.25	-9.1	0.0	0.00	0.0	1.38	1.25	170.0
CIGNA Corp	NYSE 32.38	1.6	7.9	2.60	8.0	32.38	31.50*	1,045.4
City Investing Co. (Home Ins.)	NYSE 38.38	-2.8	9.2	2.00	5.2	39.00	38.38	492.4
CNA Fnl Corp (CNA)	NYSE 23.13	2.2	8.6	0.00	0.0	23.13	21.88	39.1
Control Data (Comml. Credit)	NYSE 32.25	4.5	7.8	0.66	2.0	32.25	30.88	876.9
General Re Corp	NYSE 55.75	4.7	14.9	1.44	2.6	55.75	53.75	394.7
JIT (Hartford Group)	NYSE 32.75	-5.4	7.3	2.76	8.4	33.88	32.50*	1,376.5
Optimum Hldg Corp	OTC 3.75	0.0	0.0	0.00	0.0	3.75	3.75	0.0
Sears Roebuck & Co. (Allstate)	NYSE 33.50	1.7	7.7	1.76	5.8	30.50	29.88	2,712.4
Teledyne Inc (Argonaut)	NYSE 219.00	1.4	16.6	0.00	0.0	219.00*	207.13	607.9
Transamerica Corp (Occidental & Fred S. James)	NYSE 22.13	-1.1	7.6	1.56	7.1	22.25		

If you were restoring this 1917 SPAD XIII,
you'd go to an expert.

Why buy Workers' Comp. any differently?



Location courtesy of the Owls Head Transportation Museum, Owls Head, Maine.

You don't have to go far to find a Workers' Compensation program for your business. But finding the expertise to make it work for you is another matter.

At American Mutual, nearly 60% of our business is in Workers' Comp. So we know more about it than almost anybody. And we apply what we know to what you need. With programs as individual as you are.

And we can also tailor general liability and commercial auto insurance plans for you. With the same know-how we're known for.

So if you value your business, shouldn't you be talking with the experts?

**American
Mutual**

INSURANCE COMPANIES, WAKEFIELD, MASS. 01880