

business insurance

update:

AMA stalls support of HMOs as cheaper

CHICAGO—The American Medical Assn. put off for further study a resolution to recognize HMOs as able to cut health care costs.

The AMA council on medical service had recommended the AMA recognize the prepaid plans as being less expensive than comparable medical insurance.

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Benefits feel the pinch

Red tape swamps pared-down staffs

By RHONDA RUNDLE

An avalanche of work force layoffs and early retirements is burying benefit departments in paperwork.

The benefit staffs at financially troubled companies caught in the recession are often working their way through the rubble short of manpower, or knowing they may soon be.

Companies like Rockwell International, Clark Equipment Co., Chrysler Corp. and General Motors have made companywide employee cutbacks that have sliced into the benefit departments, too. Other ailing companies have only delayed benefit staff layoffs until the crunch of employee layoffs—and the paperwork it brings—passes.

Tight money also is bringing more employee medical claims that add to the flurry of benefit activity.

To stay on top of the paperwork, some staffers at Rockwell International in Pittsburgh have been log-

ging six- and seven-day weeks since early May.

Last spring, Rockwell announced a 10% companywide personnel reduction that trimmed the 20-person benefit department by three. One staffer was laid off and two were transferred to other departments. A group insurance administrator position was eliminated and a communications writer function was combined with another job.

"I saw the writing on the wall late last year," said David Barnhart, employee benefit manager at the Clark Equipment Co., a heavy machinery manufacturer in Michigan. At the beginning of 1980, Clark laid off 30% of its employees, including three of 10 persons in Mr. Barnhart's department.

Since June 1979, Chrysler's benefit department has been cut about 25% to 77 people, said John T. Kenney, program manager. That puts the benefit staff cuts on a par with other white-collar layoffs

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Recession Reactions

Freezes on hiring:

Cutback on benefits:

Fewer new benefits:

More self-insurance:

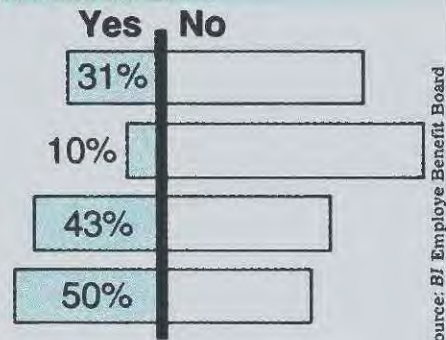


Chart: Toby Roberts
Source: BI Employee Benefit Board

Companies cut packages

By STACY SHAPIRO

This year's biting recession is gnawing away at employee benefit staffs and new corporate benefit packages in many companies, *Business Insurance's* recent Employee Benefit Board survey revealed.

Almost a third of employee benefit managers responding said they are cutting costs by eliminating personnel, freezing hiring or not replacing people who leave. Only one board member is getting rid of

an employee benefit manager.

More than 40% say they are cutting benefit costs by spending less on new benefits. "Benefit improvements like life, health and pensions have been frozen except as required by union bargaining or in severe hardship circumstances," said one board member.

Another benefit manager says his firm is saving money by increasing the waiting period before benefits take effect for new, non-union employees.

Cutting existing benefits is mini-

mal among the companies represented by *BI's* Employee Benefit Board. Only 10% report reductions, and those benefits usually are on the "fringe."

"One operating division has delayed the introduction of a dental plan," one member said.

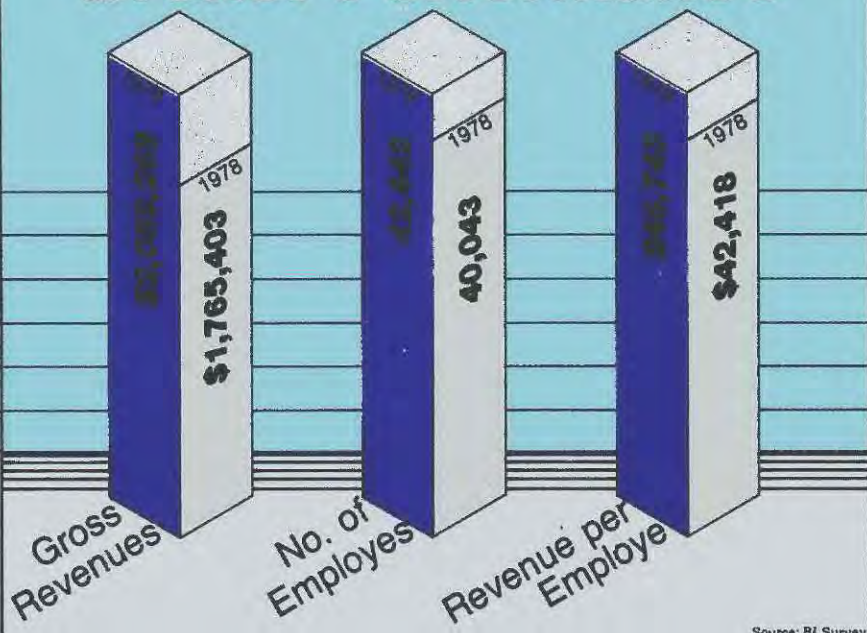
Still another has reduced the value of service awards to save several thousand dollars.

Board members also say it is important to oversee existing benefits to avoid abuse that can cost a

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Chart: Toby Roberts

Broker Performance



Source: BI Survey

The top 20 brokers in *BI's* annual survey pulled growth out of a tough 1979: Page 11.

Nordstrom falls from top 20 list

MINNEAPOLIS—Hotly competitive markets, overreliance on property insurance sales and a reputation for poor service knocked the Nordstrom Group out of *Business Insurance's* top 20 commercial brokerage listing this year.

The only traditional top 20 broker to enter a revenue recession, the Nordstrom Group is reorganizing its management, diversifying accounts and expanding services with a large loan from the American Financial Group.

"There's no doubt about it. We have been hurt by the competitive insurance markets," senior vp Lou Golinvaux told *Business Insurance*. "We haven't lost many commercial clients, but premiums have

This story is based on reporting by *Business Insurance* staffers Len Strazewski, Dave Galanti and Jerry Geisel and was written by Mr. Strazewski.

Agent/Broker Profiles
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dropped so low that our revenues show a substantial drop."

The Nordstrom Group's reported gross revenues for 1979 hit a new low of \$12 million, \$1.1 million less than in 1978. But sources, including former Nordstrom branch managers, corporate officers and shareholders, told *BI* revenues were much lower—closer to \$9 million.

The sources, all now employed by prestigious insurers and brokers, also said Nordstrom previously had inflated gross revenue reports to *Business Insurance* by reporting total commissions earned on multiyear policies for each year the policies were in effect.

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INSIDE:

Heatwave threatens power companies and unprepared risk managers
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update:

HMO endorsement stalled

Continued from previous page

ance. But the AMA delegates reaffirmed the AMA's stand against "subsidies and preferential treatment" of any medical practices and reaffirmed the AMA's opposition to federal funding for HMOs.

Judge allows class actions

HARRISBURG, Pa.—A federal judge has ruled that all persons and businesses within a 25-mile radius of the damaged Three Mile Island nuclear plant may file class-action suits for economic losses suffered as a result of the March 1979 accident.

But U.S. District Judge Sylvia H. Rambo also ruled that persons with claims alleging physical and emotional injuries must file separate lawsuits for individual trial.

Under the class action, everyone within the 25-mile radius would be represented by attorneys who have filed preliminary motions and found "capable and experienced counsel" by the court.

Previous liability suits have been consolidated in a class action demanding \$560 million in damages for potential health danger posed by the release of radiation, costs involved in evacuating the area and "mental trauma." A Harrisburg couple also has filed a \$20,000 suit charging the Three Mile Island incident was responsible for the stillbirth of their daughter (BI, Jan. 7).

Meanwhile, the Nuclear Regulatory Commission has warned that effective April 1, 1981, it will close down nuclear power plants whose emergency plans are deemed inadequate or where local governments' plans for protecting the population are inadequate.

Study shows high cancer rate

FLINT, Mich.—The rates of colon and lung cancer among employees at the Fisher Body plant near here are higher than those of the general population of Michigan, a state study shows.

The report, prepared by the Michigan department of public health, says the chances of workers at Fisher Body's Coldwater plant dying from cancer are 1½ times greater than those of the general population.

The study included retired and active employees of the facility who died between Jan. 1, 1974, and Dec. 31, 1978.

The findings are similar to those in an earlier study showing workshop workers at Ford Motor Co. have higher cancer rates than the rest of the population because they are exposed to suspected cancer-causing elements in the workplace (BI, March 17).

Tanker insured for \$16 million

LONDON—The oil tanker Energy Concentration, which split in two last week at Rotterdam, Holland, while unloading oil, is insured for \$16 million. Lloyd's and the U.K. market underwrite 25% of the insurance and 75% is largely in Far East markets with extensive reinsurance.

The cause of the disaster is unknown, but it occurred during delicate unloading operations. No one was killed.

The tanker has a lower value than similar sized tankers because it is 10 years old. It is owned by Hong Kong-based C.Y. Tung Shipping Group, which lost another tanker, Energy Determination, in an explosion last December in the Strait of Hormuz near the Persian Gulf. That loss cost insurers a record \$58 million.

Marine insurers estimate worldwide tanker losses this year already exceed \$120 million.

FTC, dentists to go to court

DALLAS—The Federal Trade Commission and the Texas Dental Assn. are headed for court in a dispute over TDA involvement in insurer cost-control efforts.

The FTC has filed an administrative complaint charging Texas dentists conspired in a boycott against insurers' predetermination requests beginning in the mid-1970s.

TDA responded last week that rather than resisting cost-control efforts, it had set up an effective claim review mechanism to "expedite claims processing and protect the consumer."

According to the FTC, the TDA urged dentists to resist insurance company requests for pretreatment X-rays, going so far as to offer a model letter of refusal. But in 1975, at the request of the Texas insurance commissioner, TDA and major insurers agreed to an informal "memorandum of understanding" which set up a peer review mechanism using licensed Texas dentists.

The FTC argues TDA has hampered cost control. TDA counters that the review system has agreed with insurer predeterminations 95% of the time. The Texas insurance board says consumer complaints have subsided significantly since the agreement.

This is part of a larger investigation of dental practices in Texas, the FTC said.

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Panel passes the buck to exchange governors

By ELLIS SIMON

NEW YORK—The issue of direct underwriting on the New York Insurance Exchange is posed for a showdown among the exchange's board of governors.

A special senate panel studying the issue urged last week that Free Trade Zone insurers no longer get first crack before the exchange at domestic risks to be written directly.

But the three-person panel challenged the board of governors to ask for the needed legislative reform.

"If someone being regulated says there is no need for relief, it's not appropriate for the legislature to take any action," said senate panel chairman Sen. John Dunne.

Even with a request from the board of governors, the legislature probably wouldn't consider any amendments to the exchange's enabling legislation this year, Sen. Dunne said.

Declining to commit himself to introducing any legislation, Sen. Dunne allowed that he would "look favorably" on removing or modifying the Free Trade Zone impediment that prevents domestic risks from flowing directly to the exchange.

The panel also suggested a change in regulations now making it easier to place a risk with a nonadmitted insurer than with the exchange, but didn't recommend how to do it.

The board of governors, which went into its Friday meeting with the question on its agenda, could



Sen. John Dunne says he would "look favorably" on modifying the exchange.

hold a special meeting on the issue. All the 12 governors except AIG president Maurice Greenberg are expected to support opening the exchange to more direct underwriting of New York risks.

The senate panel suggested in its July 22 report that the Free Trade Zone be changed and the exchange and nonadmitted insurers be equally accessible to the commercial buyer in New York. But the divided panel didn't suggest how this should be accomplished.

The panel couldn't agree whether access to nonadmitted markets should be tightened or the exchange opened up to direct risks, said panel cochairman Donald Halperin. This is one of the disagreements that held up release of the report two weeks ago (BI, July 21).

Regulation 86-a, governing direct underwriting of risks by the exchange, demands that the risk first be submitted to the Free Trade Zone. Of 84 specially licensed companies, only 25 are writing risks. If one of the specially licensed Free Trade Zone insurers quotes the risk, it can't be submitted to the exchange.

Regulation 41, governing use of

nonadmitted markets, requires a broker to secure five rejections from any of 456 insurers admitted in the state before the risk can be submitted to the surplus lines market, the report says.

"The double standard established by these two regulations clearly favors the nonadmitted market to the detriment of the insurance exchange," the senate panel said. First deputy superintendent of insurance Donald Gabay called the analysis of Regulation 41 "totally inaccurate." Brokers must use the admitted market if they get a quote from an underwriter, he said.

Enforcing this rule is difficult because a broker looking to circumvent the admitted market cannot be forced to reveal quotes from licensed companies, he admitted.

By rewriting Regulation 41 to make it tougher, the department hopes to curb abuses in the use of nonadmitted markets and make the insurance exchange more attractive for domestic business, Mr. Gabay said. A hearing on the proposed rewrite is set for Aug. 13.

Exchange governor David Holbrook, a senior vp at Marsh & McLennan Inc., and exchange president Donald Reutershan praised the report.

"It's one of the best analyses and recommendations made on the situation," Mr. Holbrook said. "I support it. The timing is excellent and should require us to take a stance at our next meeting or a special meeting."

Mr. Reutershan called the report a "very fair presentation." Because he is an employee of the exchange, he said he couldn't take a position on the interface issue until the board of governors acts.

The Senate Task Force on the Development of the New York Insurance Exchange was created last February by senate majority leader Warren Anderson in response to charges of "overregulation" of the exchange (BI, Feb. 25).

Those charges proved unfounded, Sen. Dunne said.

Insurers shun new risk bill

By JERRY GEISEL

WASHINGTON—Efforts to win insurance trade group support for the revised Risk Retention Act have failed.

Four major trade groups have filed letters with the Senate Commerce Committee still expressing concerns about the product liability pooling bill that was revised to placate them.

Holding back support are the American Insurance Assn., the Alliance of American Insurers, the Reinsurance Assn. of America and the Independent Insurance Agents of America.

But some 25 employers and business trade groups sent letters enthusiastically endorsing the measure. A new business-insurance industry confrontation is expected Wednesday when the Commerce Committee holds a hearing on the act.

The revised proposal, drafted last month by the Senate Commerce Committee staff, eliminates all direct federal involvement in risk retention pools for product liability risks. The insurance industry objected to an earlier proposal it said would have given federal regulators a foot in the door to regulate insurance. (BI, July 7).

Under the revised proposal, group-owned companies that underwrite only owners' product liability risks and receive an insurance company charter in any state or foreign country would be permitted to service members in all states.

The act would preempt state capital and surplus requirements and the need for the groups to be licensed in each state or use a fronting insurer.

The proposal limits these groups to underwriting product liability and completed operations insurance for member-owners. The groups may not write insurance for the public. Policyholders must be owners of the pool or members

of the association owning the pool.

The bill anticipates groups would secure charters in states with captive insurance company laws and in foreign captive domiciles, such as Bermuda and the Cayman Islands.

But insurance trade groups say the proposal would seriously harm state insurance regulation. "The most recent Senate working draft lacks essential balance because it almost totally abrogates existing state regulation and protection provisions," said Donald Jordan, assistant vp at the Alliance.

The revised draft would restrict state regulation "while allowing foreign insurers to operate virtually

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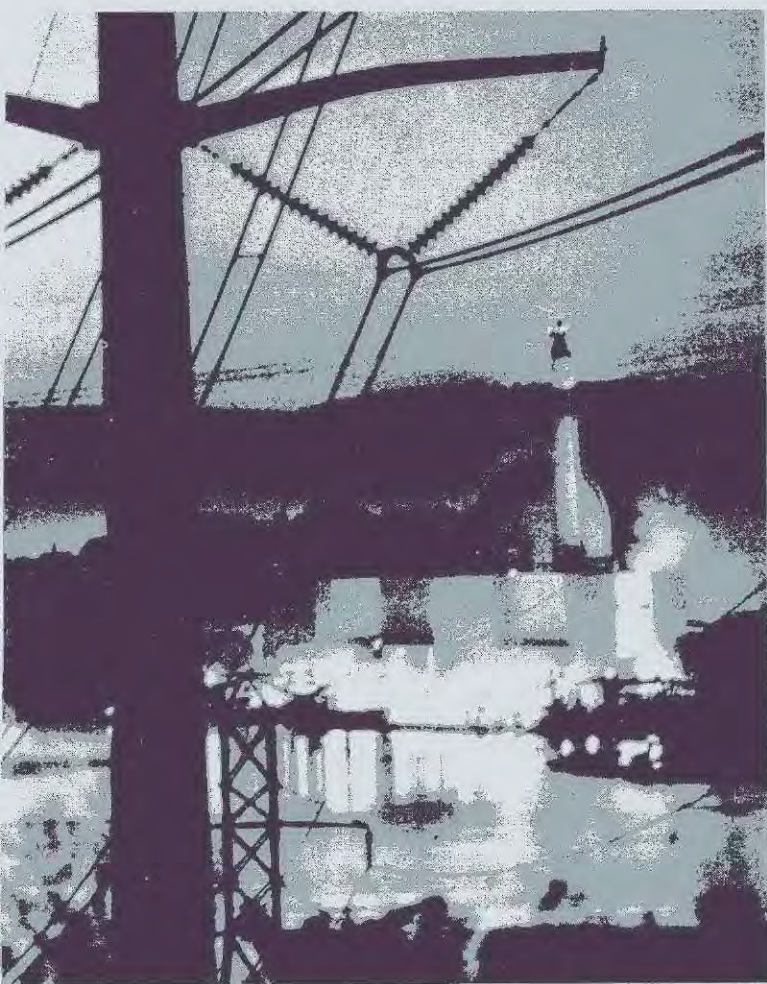
Emmrich named bureau chief

Stuart Emmrich, associate editor in the New York office of *Business Insurance*, has been promoted to bureau chief, announced Kathryn McIntyre, BI editor.

In his new position, Mr. Emmrich will be responsible for coordinating news coverage of the New York region with Ms. McIntyre and managing editor Lorrie Gawla.

Mr. Emmrich has been with BI 16 months. He formerly was a reporter with the Atlanta Constitution.

Joining the *Business Insurance* staff in Chicago is Joanne Wojcik O'Hare, an editorial assistant who will have production and reporting duties.



If an overload at a Con Ed plant makes the lights go out in New York City again, most business losses will be uninsured.

Businesses ignore '77 blackout lesson

By STUART EMMRICH
and DAVID SPERLING

NEW YORK—Air conditioners whir as Kansas City records its 17th straight day of 100-degree weather. Fans run 24 hours a day as Dallas racks up a month of days when the temperature soared past 100.

And businesses from the Southwest to Manhattan worry that their utility suppliers might not meet the heavy power demands of this summer's record-breaking heat wave.

Many utility companies already are warning that their power capacity is dangerously taxed. Some are asking businesses to voluntarily reduce consumption. A few have enforced periodic blackouts at peak demand times.

A few brownouts or power shortages can result in millions of dollars in losses to businesses forced to shut down. That fear is especially acute in New York. Businessmen there remember that a heat wave three summers ago, combined with a quirky thunderstorm, produced a massive blackout. The result was almost \$300

million of mostly uninsured losses. However, these New York businesses this summer are no better protected against blackout losses than they were three years ago, industry sources agree.

When millions of dollars were lost in 1977 from looting and interrupted business, many risk managers talked about buying specialized insurance to cover blackouts.

They found that utility companies around the country maintained they could not be liable for losses suffered by customers during a blackout.

"A utility cannot guarantee that there won't be service interruption," says a spokesman for Con Edison, which is still fighting a court battle with New York businesses. They argue they should be reimbursed for looting and business losses during the 1977 blackout.

"The only way that there might be a claim is if gross negligence can be proved, which was not the case in 1977," he said.

Companies hit by heavy losses during the blackout looked at business interruption coverage,

talked about getting it—then did nothing.

Clients are not requesting business interruption insurance that would cover them during a power loss, said Jim Drake, vp of New York broker F.G. Bowman. "If there were another blackout there would be chaos, just like three years ago," he said. He estimates uninsured losses probably would be about the same.

Bache Halsey Stuart & Shields, one of the city's large investment firms, reported \$5 million to \$15 million in lost commissions because of the 1977 blackout. It said it was going to purchase the special insurance policy to protect against future losses.

But three years later, risk manager Frank Caciopoli says the coverage was never purchased. The company is considering a power back-up system instead.

The story is the same around the country. Most companies figure the risk of losses from power outages is not great enough to insure against.

"Business interruption is something that is not readily evident to

Continued on page 101

Delta Dental exec quits

By STACY SHAPIRO

MINNEAPOLIS—Onan A. Thompson, the president of Minnesota Delta Dental who was convicted last spring of forgery, is stepping down from his executive post.

He will remain a senior consultant to the prepaid dental plan, but asked to be removed from his post of president for more time to pursue his appeal of the forgery conviction.

"I'm doing it principally to resolve legal remedies," Mr. Thompson told *Business Insurance*.

The dental plan isn't calling the move a resignation, but Mr. Thompson told *BI* he didn't know if he would resume his post.

The announcement was issued by Delta Dental the same day Dr. Donald G. McMillan, Delta's chairman, met with state insurance commissioner Michael Markham to discuss Mr. Thompson's position at Delta Dental.

"We had some discussion and I voiced my opinion about the ques-



"The situation has changed," says Onan Thompson.

tion of compliance with the insurance code," said Mr. Markham.

Under Minnesota statute, Mr. Markham could have asked the court for an order to remove Mr. Thompson as president.

"Under the insurance code, the commissioner may apply to the court for an order to rehabilitate an insurer if he finds that the control of the insurer is in one or more persons found by the commissioner to be dishonest or untrustworthy," Mr. Markham said.

"But having gotten Onan Thompson out of the management structure is sufficient," he said.

Mr. Markham is also satisfied with Mr. Thompson's new position as senior consultant.

"His duties are clearly not those for which he was convicted. He is an asset to the company," Mr. Markham said.

Mr. Thompson said he didn't resign last April upon the forgery conviction because "in April the board was divided."

"The situation has changed with the new board of directors," Mr. Thompson said, referring to the newly elected 21-member board that has publicly supported him as president.

"He has been a valuable asset to

Continued on page 103

California workers can sue employers

SAN FRANCISCO—A worker suffering an industrial disease can sue his employer for fraudulently concealing the disease and its cause, the California supreme court says.

Critics of the decision say it may encourage employers to remain ignorant of employees' health problems for fear of triggering tort liability.

If an employer knows an employee is suffering from an industrial disease but doesn't tell him or her, the employer may aggravate the condition by permitting the worker to continue working under dangerous conditions and preventing him or her from receiving medical treatment, the high court reasoned.

The 5-2 ruling on July 3 opens the door to asbestos-related lawsuits by former employees of defendant Johns-Manville Corp. and other asbestos manufacturers in California. The plaintiffs still must prove Johns-Manville knew they were suffering from asbestosis and concealed the information from them.

Reba Rudkin, the plaintiff represented in this case, died of lung cancer last December.

The court stressed its decision hinges on an employer knowing that a worker is suffering from an occupational disease but not telling the worker. Compensation from an occupational disease is still to be paid by workers compensation benefits, the court said.

Meanwhile, a plaintiff who received a \$1.2 million asbestos product liability jury award May 27 has been ordered by a Los Angeles superior court to accept a reduced award of \$250,000 or face a new trial (*BI*, June 9).

Fest vendors pack their policies, too

By LEN STRAZEWSKI

CHICAGO—ChicagoFest vendors have to bring more than their goods to the city's lakefront. They better pack a certificate of insurance, too.

The city of Chicago has its own \$10 million in liability insurance for the summer entertainment extravaganza that opens Friday. But each vendor must file a certificate of insurance with the ChicagoFest office, said general manager Thomas Drilias.

"Even the guy who rents us the portable toilets has to show a liability policy," he said. "For someone on the midway (the center of the festival), we ask about \$1 million in coverage."

Vendors, which number in the hundreds for the two-week festival, also are responsible for their own property insurance, he said.

Though ChicagoFest has some

big-draw rock and blues acts scheduled, none of the performers demanded additional insurance for his show. However, one of the more sedate performers, dancer and actor Ben Vereen, asked to be absolved from any liability in his contract.

"It wasn't that big of a problem, though," Mr. Drilias said. "I guess he is used to playing in clubs where more accidents are likely. We just scratched the clause out of his contract, and he signed it."

The city's own coverage, which names ChicagoFest manager Festivals Inc. and the Chicago building commission as additional policyholders, was a bargain this year, Mr. Drilias said.

"We got the coverage for about \$1,000 less than last year," he said. "Our broker did a pretty good job for us and the city." The special event liability package shared by

Continued on page 103



ChicagoFest vendors, which will number in the hundreds for the two-week festival, have to bring

a certificate of liability insurance along with their concessions.

Rubber workers forgo pension gains

ABOUT 15,000 retired Uniroyal Inc. workers will give up \$1 a month in pension improvements for each service year as part of a 13% cut in benefits and wages approved by the United Rubber Workers to aid the beleaguered firm.

The union also agreed to freeze pension accruals of active employees for five months.

Most of the cuts, approved this month by some 6,500 URW members employed by Uniroyal, are wage rather than benefit-related, a URW spokesman said.

The company has already announced several benefit cuts for salaried employees (BI, July 21).

Vision care

The Methodist Medical Center of

benefit beat

Illinois in Peoria has become one of the first hospitals in the state to include vision care benefits for employees.

Under the self-funded program, the approximately 1,500 full-time employees and their dependents are eligible to receive vision care benefits six months after they enroll in the hospital's health plan.

The vision plan will pay up to \$20 per covered participant for one routine examination every 24 months and up to \$55 per covered participant for a set of eyeglasses or contact lenses once every 24 months.

The vision care program is administered by Mutual Medical

Plans Inc. of Peoria. The monthly cost of the program to Methodist Medical Center, including administration expenses, is estimated at about \$2.30 per employee and \$4.60 per dependent during the first plan year.

Chiropractic cover

Employer groups of 25 to 49 employees are now eligible to purchase a chiropractic rider from Blue Cross & Blue Shield of Rhode Island, a benefit that was available only to groups with 50 or more enrolled.

The chiropractic rider provides coverage for medically necessary

X-rays and laboratory services performed or ordered by licensed chiropractors. The option costs 26 cents a month for individuals and 51 cents a month for dependent coverage.

Benefit payments are linked to existing Blue Cross & Blue Shield coverage levels, so a group with Blue Cross semi-private, Blue Shield Plan 100 and major medical plans would have chiropractors' X-rays and laboratory services included as basic benefits, the plans say. Office visits and orthopedic care are included under the major medical plan.

Dental data

Washington State is ahead of the nation in percentage of population covered by dental insurance, ac-

cording to a report by the Washington State Dental Assn. dental care committee.

About 1.9 million residents, or 48.5% of the population, were covered by some form of dental insurance in 1979, the survey found. Nationwide, only 31% of the population is covered by such plans, the American Dental Assn. estimates.

Nonprofit health care service organizations and insurance companies provided the bulk of the dental coverage, with more than 41% each.

Self-insured trusts accounted for more than 17% and health maintenance organizations less than 1%.

Made any benefit changes? Write Valerie Berg, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611 or call 312-649-5430.

london line

Lloyd's to offer settlement

By JOHN H. MILLER

LONDON—Lloyd's of London is prepared to offer settlements of about \$20 million to Sasse Syndicate members who are suing the London exchange over \$41 million in losses, *Business Insurance* learned.

The syndicate members are suing Lloyd's to meet all claims against them on the grounds that rules set up to protect them were not properly enforced.

Sasse members have had to pay out heavily on U.S. fire risks because of binding authorities granted to Den-Har Underwriters Agency of Florida (BI, Feb. 11). The members also face further losses on U.S. computer leasing and Canadian fire claims.

Lloyd's admitted last week that settlement talks are going on, but called any figures of potential compensation at this stage "misleading" because a settlement must be approved by all Lloyd's members.

Claims against the Brazilian reinsurance group IRB for \$13 million toward the losses are pending.

There will be a High Court hearing in London next January on all lawsuits if settlements aren't reached.

Bowring executive

K.J. Lambert Coles is the new chairman of C.T. Bowring's underwriting agency division, succeeding Peter Stoddart, who resigned after the Marsh & McLennan takeover.

Mr. Coles, 58, is well-known at Lloyd's and served on the Committee of Lloyd's for eight years until last December.

He has been with Bowring Group in London 30 years and served as board member of its underwriting agency division under Mr. Stoddart for the past seven years.

Mr. Coles was also chairman of a Lloyd's subcommittee revising rules for the admission and discipline of Lloyd's brokers. This committee recommended two years ago the introduction of the 20% rule limiting outside interests in Lloyd's.

The rule is likely to be dispensed with in 1981 because of the Fisher report, but will exist until the end of 1980 at least.

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N.J. considers Free Trade Zone plan

TRENTON—New Jersey may loosen insurance regulation to free up competition for exotic and big commercial risks.

Among the legislative reforms being considered by an advisory panel to the state insurance department are:

- Creation of a deregulated commercial facility zone in which admitted and nonadmitted insurers would compete equally for commercial risks that meet a yet undetermined premium threshold or are on a list of special risks that can be written by the excess/surplus lines market. Admitted insurers would be free from form regulation in this zone, similar to the New York Free Trade Zone.

- Freeing brokers from securing affidavits of risk rejection before marketing a risk to nonadmitted

around the states

insurers.

- Allowing syndicates on the New York and Illinois insurance exchanges to write direct risks in the deregulated zone.

The state is also concerned with fostering growth of New Jersey insurers.

The Risk & Insurance Management Society has been asked to survey its New Jersey members on what regulations restrict their purchase of insurance from New Jersey insurers. Preliminary results of the survey are expected by the end of the month.

Another reform being considered would reduce to 1% from 2% the premium tax on commercial

policies written by an insurer with a home or regional office in New Jersey employing at least 100 persons and occupying 75% of the space in its building.

Jerome Gordon, special assistant to insurance commissioner James Sheeran, is the chairman of the panel. Other committee members are: Robert Sullivan, vp of Crum & Forster; Robert Ruesis, senior vp of Chubb & Son; Timothy McCaffrey, assistant vp of The Continental Corp.; John Andrews, general counsel of Prudential Reinsurance Co.; Thomas McGeough, assistant general counsel of Prudential Re; Daniel Gross, president of Kramer Capital

Consultants Inc.; Patrick Foley, vp and general counsel of American Home Assurance Co., and Joseph Decaminada, senior vp and counsel of The Atlantic Cos.

Longshore bill

COLUMBUS—Ohio shippers and stevedoring companies may soon find cheaper longshore and harbor workers insurance.

Under a bill signed by Gov. James Rhodes, the state workers compensation bureau can write longshore coverage. Currently, maritime coverage is available only from private insurers while the monopolistic state fund is the only source of workers compensation insurance.

State officials say they can sell longshore coverage at cheaper

rates than insurers because the premium paid to the state will have to cover only the cost of claims and administration.

Support for the bill was particularly strong among Cleveland area marina operators, who complained that the cost of longshore coverage offered by insurers had become prohibitive.

The state must first gain approval from the U.S. Labor Department, which has jurisdiction over longshore activities. State officials expect approval this summer.

Hearing loss

ALBANY—New York will permit employees waiting to file hearing loss claims to remain on the job when a law reforming the hearing impairment rules takes effect Oct. 1.

The law will require workers to be transferred to a quieter work area or to be given earplugs. Many workers were reluctant to file hearing loss claims because of a provision that made them leave their job, said state workers compensation chairman Arthur Cooperman.

Other changes reduce the waiting period for filing a hearing loss claim to three months from six months. A worker is also permitted to file a claim within 90 days of learning that his hearing impairment was work-related if he learns this two years after the disability occurred. Two years is the normal time limit for filing a compensation claim in New York.

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IRS gets warning on rules

By JERRY GEISEL

REP. JOHN ERLBORN (R-Ill.) is warning the Internal Revenue Service to back off from its proposed vesting regulations.

Under the proposed rules (BI, June 9), the IRS would test all plans, regardless of vesting schedule, before issuing a tax qualification letter. Currently, any 4-40 vesting plan can be tax-qualified without an examination for discrimination.

Rep. Erlenborn insists that except in cases of actual abuse—such as the firing of employees just before they vest—the adoption of a 4-40 vesting schedule automatically protects a plan from disqualification.

Unless the IRS recognizes 4-40 as a "safe harbor," Rep. Erlenborn says he will attach an amendment to the Treasury Department's appropriations bill forcing the IRS to retain current vesting rules.

FICA relief

The House last week approved legislation giving some temporary relief to the ailing Social Security old age retirement fund.

Funds from the financially healthy disability insurance fund will be diverted to the retirement fund in 1980 and 1981 under the legislation, passed on a voice vote. Without the transfer, the retirement fund might run short of money to pay benefits to retirees as early as next year, Social Security officials have warned.

The measure is pending on the Senate floor.



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editorial opinions

Threat of efficiency

WE DON'T WANT to see the demise of the commercial insurance broker in the name of efficiency. The buyer has too much to lose.

Economic pressures today, however, are threatening the independence of the broker as the buyer's representative in the marketplace concerned only with the buyer's interests.

Efficiency is the battle cry in this era of rising costs and a competitive insurance market. Everyone is trying to trim overhead to offer the best price and get the most profit out of depressed premiums.

We support new methods of underwriting and broking that are more efficient and save the buyer money. But we don't want to see brokers make cost-cutting moves that will make them more beholden to the underwriters than the buyers.

The most dangerous development for brokers, even if defended as efficient, is the common ownership of brokers and underwriters. When a broker places a risk with an affiliated insurer, there is at least the suspicion that the broker could be more interested in lining corporate coffers than in finding the best market for an insurance buyer.

Bigger trouble can erupt over a claim settlement. The broker must negotiate with an insurer for the largest fair claim settlement for his client. But when the insurer is an affiliate of the broker, the broker could be pressured to consider the interests of the underwriter, who is looking to make the smallest fair claim settlement. Underwriters and policyholders can often honestly disagree over the definition of fair claim settlement.

If the broker is to be a true broker representing only the buyer, there can be no question about where his interests lie.

Citing these potential conflicts of interest, the Fisher Working Party recommended in its report on Lloyd's of London that all joint ownerships of Lloyd's underwriting agencies and brokers be severed.

The U.S. broking community should heed the experience and expertise of Lloyd's and stay out of these conflicting relationships. But Marsh & McLennan, which avoids even running underwriting pools for clients with captives in the interest of staying out of underwriting, has been thrust into the thick of the issue by

its purchase of C.T. Bowring and its underwriting subsidiaries.

M&M vp and chief financial officer Bruce W. Schnitzer says the Bowring underwriting business will be separate from M&M's broking business, operating "across a Chinese wall from broking."

M&M hasn't created the joint ownership issue in the United States. The Continental Corp., one of the largest U.S. insurance conglomerates, bought a 10.7% equity interest in Reed Stenhouse Cos. Ltd. last August. Reed Stenhouse claims independence and marketing freedom from Continental, citing only the elimination of overlapping efforts.

This point raises another potentially dangerous development for brokers: the drive to secure underwriting authority from insurers to eliminate duplication of services.

Brokers involved in this drive argue they can inspect and rate a risk, underwrite the policy and issue it more efficiently than the insurer. This may indeed be true; brokers are already inspecting and rating risks for ammunition in negotiations with insurers.

We question whether what is being described as duplication of services isn't a necessary check on underwriting decisions that is a justified cost.

We caution brokers considering underwriting authority agreements with insurers to consider how the agreements will affect their ability to market a client's risk to the best underwriter at the best price. When profit-sharing agreements enter into these underwriting authorities, we ask the broker to consider whose interest he will serve in a claims dispute.

We will be so bold as to suggest even the policy of paying brokers contingent commissions for placing good business with insurers is compromising to a broker.

The commercial insurance buyer needs a good broker to represent him in today's complex insurance market. Despite the perceived threat of continued growth of direct writers fed by their efficiency, we venture to argue there will always be an important place for the commercial insurance broker in the insurance business—as long as he doesn't abdicate that role in the name of efficiency.



letters

Business Insurance welcomes letters from its readers. Please keep your comments as brief as possible and we reserve the right to edit or shorten letters for clarity or space. Please send your comments to Letters to the Editor, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611.

One step further

To the editor: Your editorial "Demand your data" (July 23) was good and to the point, but you need to carry the philosophy one step further.

The risk manager would have no need to demand data from insurance or service companies if he ultimately owned and controlled his own data through his own risk management information system. Any contract with an insurance or service company could spell out their role of input to the risk manager's own data system.

I believe brokers are on the right track by developing their own data systems, but they are fooling themselves if they don't recognize that most all risk managers dream about owning and controlling all of their own risk data. After all, what happens if a risk manager changes from one broker to another, one carrier to another or one service company to another? All of the data systems are generically alike in name but very different.

Who ultimately benefits from a risk manager owning and controlling his own risk data system? In my opinion, everyone does, from the risk manager's company right on down to the broker, carrier and service companies. The risk quite simply becomes better managed and decisions can be made and acted on swiftly and the risk manager is not "slamming the door on alternate risk funding and financing methods in the future" be-

cause of the lack of data.

Thomas E. Arnold
Senior vp
Emett & Chandler
New York, N.Y.

Another auditor

To the editor: In your "Cost of Care" article (June 16), Karl Bunkelman, president of Fidelity Revenue Systems Inc., states that "nobody's there providing an auditing function to monitor what's going on" in hospitals and "there is no kind of scrutiny of services like this in the country."

An audit review program has been in existence at Wausau Insurance Cos. for more than a year—beginning six months before Fidelity was in business.

Thomas R. Topinka
Public affairs
Wausau Insurance Cos.
Wausau, Wis.

Old-time advice

To the editor: As a risk management consultant, I would agree with David Warren's basic premise, a buck is a buck ("Cover overall exposure, not disaster," Risk management notes, July 14).

However, I am reminded of another saying of one of the old-time, pioneering risk managers: "Don't risk a lot to save a little."

Michael J. Buick
vp
Allovio Corp.
Long Grove, Ill.

business insurance

the national newsweekly of loss prevention, risk financing and employee benefit management

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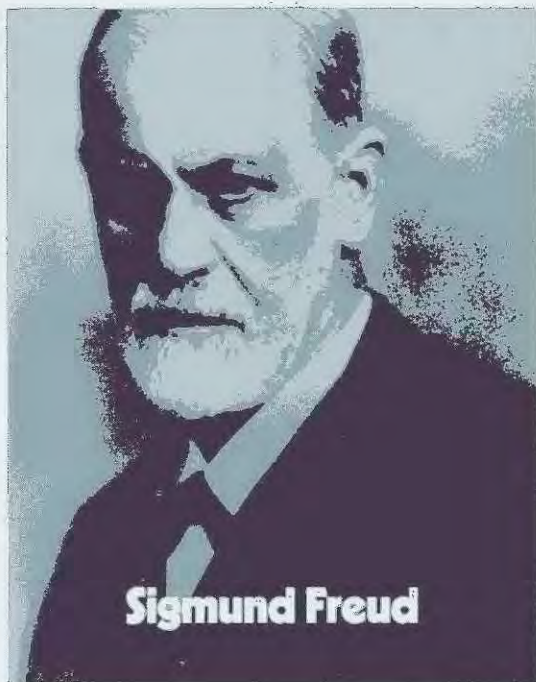
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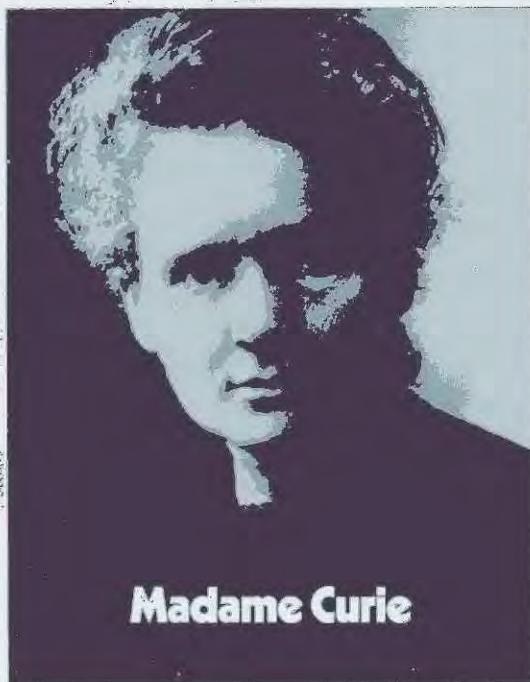
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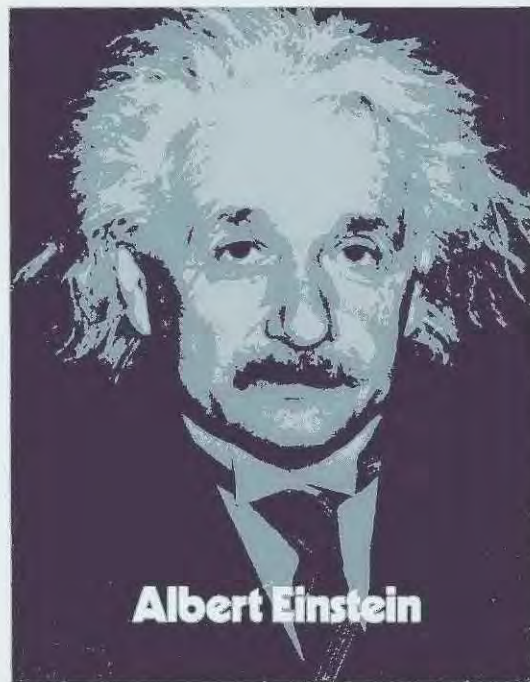
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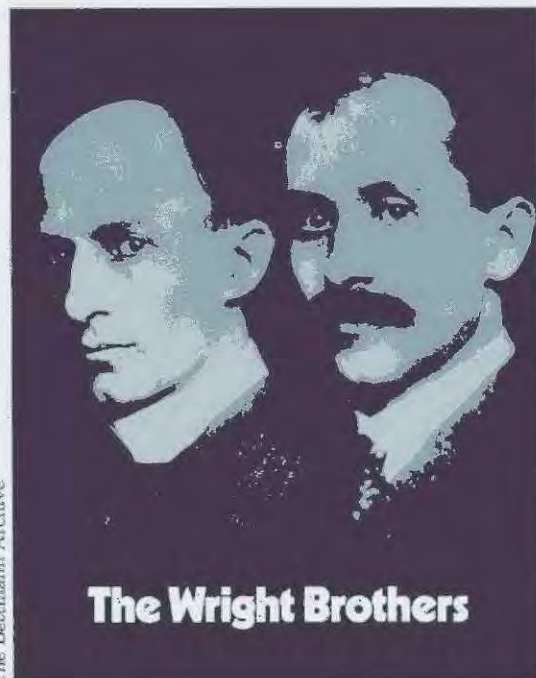
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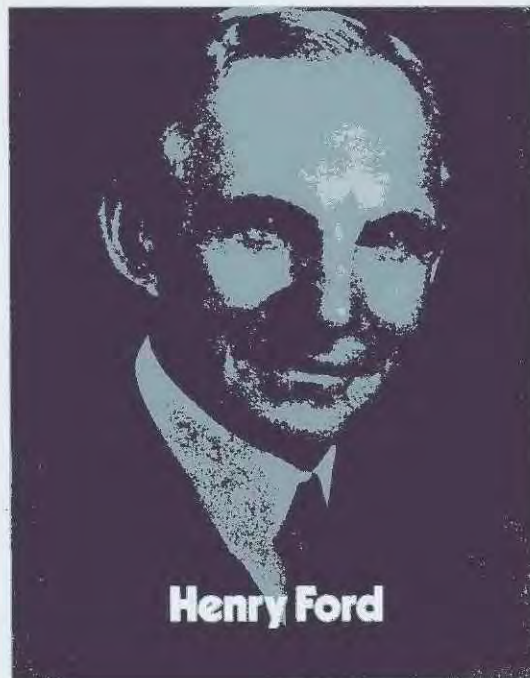
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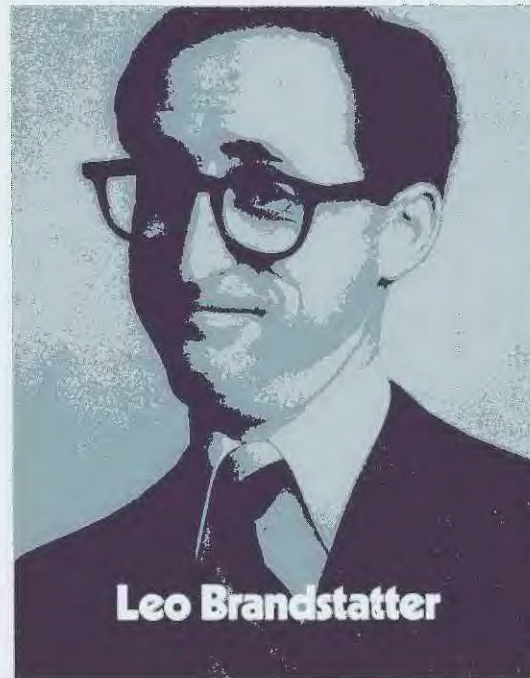
Albert Einstein



The Wright Brothers



Henry Ford



Leo Brandstatter

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First there was Freud.

Then Madame Curie.

Then Einstein, the Wright brothers, Henry Ford and Leo Brandstatter.

Leo Brandstatter?

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Agent/Broker Profiles

Top 20 firms battle to maintain growth

By KATHRYN J. MCINTYRE

CHICAGO—A full-court press for new business and a couple of big gainers brought the top 20 commercial insurance brokers through a hotly competitive 1979 with an average growth rate slightly higher than in 1978.

Beating the 1978 average growth rate of 19.6% by half a percentage point, the top 20 brokers in 1979 averaged 20.1%.

The top 20 list this year, however, includes for the first time Tampa-based Poe & Associates, replacing a beleaguered Nordstrom Group of Minneapolis as No. 19. The second tier of the top 20 is also substantially realigned. The top nine held their positions.

Business Insurance compiles the list of the top 20 U.S. commercial insurance brokers each year based on public reports, information supplied by the brokers and interviews with industry sources. This is the ninth *BI* survey of the brokerage industry.

Continued tough competition for business among insurers and the attendant premium slashing are making 1980 even tougher for agents and brokers, who are watching their commissions fall. A 10% growth rate in 1980 would be welcomed, say many brokerage

executives, disheartened by the delayed tightening of the insurance market. Most aren't expecting higher insurance rates and better commissions until 1981.

Top-ranked Marsh & McLennan Cos., however, is looking ahead to 1980 results with glee, basking in its June purchase of London's C.T. Bowring. The new M&M is a billion-dollar international company.

As a group, the top 20 brokers increased their total gross revenues 18.4% to \$2.1 billion in 1979, compared with \$1.8 billion in 1978. Estimating the premium volume controlled by these 20 leaders at \$21.5 billion, the top 20 control 35% of the estimated \$60 billion in commercial insurance sold to U.S. corporations and institutions.

The top 20 also collectively increased their revenues per employee this year by closely controlling growth of their employee ranks. The average revenue per employee rose 10.2% to \$46,743 in 1979 from \$42,418 in 1978.

Rollins Burdick Hunter employs, however, lost their position as the most productive of the top 20 to employees of Ryan Services Corp. New computers allowed Ryan to redistribute its work force and increase gross revenues 28.3% without increasing its number of employees.

Ryan's \$57,603 in revenues per employee is only slightly ahead of Schiff Terhune International's gain this year to \$57,273.

New business saved the day in 1979, compensating for falling premiums and commissions and helping to put 1979 on record as second only to 1977 in growth in the last five years. Since 1975, the changing top 20 brokers have produced growth of 19.1% in 1975, 19.3% in

1976, 24.3% in 1977 and 19.6% in 1978.

The drop in premiums on renewal in this competitive market is estimated as high as 10% to 15% by some brokerage executives. But an 8% average premium deflation across all lines upon renewal, cited by M&M chairman L. Patton Kline, is seconded by many others.

New business had to compensate for that loss of commissions

before a broker could rack up any growth.

And new business was hard fought for, with regional brokers especially giving the national houses a challenge.

"Everyone is shooting at our business, and everyone else's," said Robert Hatcher, president of No. 3-ranked Johnson & Higgins.

"It's a daily challenge to defend

Continued on next page

Risk execs show little faith in agent service franchises

By LEN STRAZEWSKI and DAVID SPERLING

CHICAGO—It's almost a religious movement. Everybody wants to lead regional brokers and independent agents to a promised land of large commercial risks.

Despite the ballyhoo of new broker service franchises—including ISU of San Francisco, Insurance Consortium of America of Stamford, Conn., and Brokers Trust of Santa Barbara, Calif.—and the established reputations of Assurex of Columbus, Ohio, and Washing-

ton, D.C.-based ARM, most big buyers aren't worshipping yet.

The new and the old organizations probably won't displace Marsh & McLennan, Alexander & Alexander, Johnson & Higgins and other jumbo brokers on major accounts, many risk managers told *Business Insurance*. The market to be won may be only mid-sized accounts and associations, they say.

The marketing and advertising assistance offered the smaller agents and brokers doesn't impress many buyers. And the risk management services, intended to

give the smaller agent or broker an edge, are offered by big brokers.

New franchise ventures such as ISU and Brokers Trust "perceive a need that may or may not be there," said William Dodge, director of insurance for Fuqua Industries Inc. in Atlanta.

All these alliances and franchises also promote what independent insurance agents have always called their own: personal service to clients that are too small to hold a bigger broker's attention.

Marketing associations will have *Continued on page 99*

1979 Broker Performance: The leaders

Company	Ranking		Gross Revenues (000)			Employees			Rev./Employee	
	1979	1978	1979	1978	% chg.	1979	1978	% chg.	1979	1978
MARSH & McLENNAN	1	1	\$530,551 ¹	\$476,431 ²	11.4	10,359	10,236 ²	1.2	\$51,216	\$46,545 ²
ALEXANDER & ALEXANDER	2	2	\$368,239	\$228,868	27.5	7,500	7,000	7.1	\$49,099	\$41,267
JOHNSON & HIGGINS	3	3	\$262,080 ³	\$234,000 ³	12.0	5,430 ³	5,200 ³	4.4	\$48,265 ³	\$45,000 ³
FRANK B. HALL & CO.	4	4	\$258,871	\$197,589 ²	31.0	5,300	5,000	6.0	\$48,844	\$39,518 ²
FRED S. JAMES & CO.	5	5	\$165,637	\$143,039	15.8	3,200	2,935	9.0	\$51,762	\$48,736
CORROON & BLACK	6	6	\$140,325	\$119,000 ²	17.9	2,500	2,423 ²	3.2	\$56,130	\$49,113 ²
ROLLINS BURDICK HUNTER	7	7	\$67,735	\$61,684 ²	9.8	1,250	1,196 ²	4.5	\$54,188	\$51,575 ²
BAYLY, MARTIN & FAY	8	8	\$65,000	\$54,900	18.4	1,600	1,330	20.3	\$40,625	\$41,278
ARTHUR J. GALLAGHER & CO.	9	9	\$30,524	\$24,817	23.0	682	553	23.3	\$44,757	\$44,877
INSURANCE MANAGEMENT CORP.	10	12	\$25,580	\$17,307	47.8	620	430	44.2	\$41,258	\$40,249
PENN GENERAL AGENCIES	11	10	\$23,980	\$21,939	9.3	550	529 ²	4.0	\$43,600	\$41,473 ²
E. H. CRUMP COS.	12	11	\$23,784	\$19,586 ²	21.4	607	550	10.4	\$39,183	\$35,611 ²
EMETT & CHANDLER	13	13	\$17,973	\$15,752	14.1	489	451	8.4	\$36,755	\$34,927
FINANCIAL GUARDIAN GROUP	14	15	\$17,786	\$13,842	28.5	376	343	9.6	\$47,303	\$40,356
ALBERT M. BENDER CO.	15	14	\$17,652 ⁴	\$14,010 ⁴	26.0	336	300	12.0	\$52,536	\$46,700
RYAN SERVICES CORP.	16	18	\$17,281	\$13,473	28.3	300	300	0	\$57,603	\$44,910
SCHIFF TERHUNE INT'L	17	17	\$15,750	\$13,500	16.7	275	275	0	\$57,273	\$49,091
JAMES S. KEMPER & CO.	18	16	\$15,164	\$13,670	10.9	355	375	-5.3	\$42,715	\$36,453
POE & ASSOCIATES	19	21	\$12,800	\$10,400	23.1	325	300	8.3	\$39,385	\$34,667
COOK, TREADWELL & HARRY	20	20	\$12,557 ⁵	\$11,416 ²⁻⁵	10.0	388	317	22.4	\$32,363	\$36,013 ²
TOTALS/AVERAGES			\$2,089,269	\$1,765,223	20.1	42,442	40,043	9.7	\$46,743	\$42,418

Canada's Top Three (Canadian dollars)

REED STENHOUSE COS. LTD.	1	1	\$191,700	\$161,900	18.4	4,500	4,500	0	\$42,600	\$35,978
TOMENSON, SAUNDERS										
WHITEHEAD LTD.	2	2	\$32,572	\$30,162	8.0	820	850	-3.5	\$39,722	\$35,485
DALE CO. LTD.	3	3	\$15,100	\$13,700	10.2	455	467	-2.6	\$33,187	\$29,336
TOTALS/AVERAGES			\$239,372	\$205,762	12.2	5,775	5,817	-2.0	\$38,503	\$33,600

¹M&M acquired C. T. Bowring in June 1980, whose 1979 revenues were 316.3 million pounds sterling or \$700.4 million U.S. dollars using an exchange rate of \$2.2145 dollars to the pound.

²Restated.

³*Business Insurance* estimate.

⁴Fiscal year ends July 31; years ending 1980 and 1979 reported.

⁵Calendar year estimate.

Top 20 battle to keep up growth pace

Continued from previous page
what you have." Regional brokers can compete more effectively in soft markets when insurers are more willing to make concessions for anyone, he noted.

"We are seeing smaller brokers in the soft market able to do things they wouldn't have the sophistication and expertise to do in a tight market," agreed Sidney A. Stewart, president of E.H. Crump Cos., No. 12 on the top 20 list.

Bolstering new business growth, big gains by a couple of the BI top 20 drove the average growth rate up to a surprisingly high level for 1979.

Insurance Management Corp., with a new president determined to take the company national, led the leaders with 47.8% growth in gross revenues in 1979. Gross revenues of \$25.6 million put it into the 10th spot from 12th on the strength of four acquisitions in 1979.

The planned acquisition this year of Los Angeles-based Kinder & Laucchi was called off. More acquisitions are planned this year, said president Robert H. Hilb, formerly head of the Midwest operation of Fred S. James & Co.

Sales push

Frank B. Hall & Co. also bolstered the average growth rate for the top 20, turning a 31% increase in gross revenues in 1979. A new sales push, marketing of unbundled services and contributions from the international subsidiary Leslie & Godwin created the growth to \$258.9 million, says executive vp John F. McCaffrey.

The big jump in gross revenues at Hall puts the No. 4 broker within striking distance this year of Johnson & Higgins's hold on third place. J&H's gross revenues are estimated at \$262.1 million for 1979.

Strong growth of more than 20% also was reported by seven other brokers.

Financial Guardian Group edged up to No. 14 from 15 last year on the top 20 list with a 28.5% increase in gross revenues. But even continued acquisitions aiming Financial Guardian toward the \$20 million in gross revenues targeted for this year won't keep it in 14th place.

Coming up fast from 15th place to vie for the 10th spot in 1980 is the brokerage business of Bache Group Inc. The gross revenues of its Albert M. Bender subsidiary and to-be-acquired Ter Bush & Powell will give Bache Insurance

Services Inc. an estimated \$27.6 million in gross revenues for 1979.

Bender alone grew 26% in 1979, enjoying the success of marketing special programs for specific industries like construction, plastics, metal trades and garments. "We learned to rifle-shoot in our prospecting for business," said

president Bernard M. Mizel.

Moving up

Ryan Services Corp. in Chicago also jumped two notches on the top 20 list for 1979, thanks to 28.3% growth in gross revenues to \$17.3 million. New property/casualty ac-

counts produced \$3.8 million in gross revenues, said group chairman John C. Brogan.

Second-place Alexander & Alexander continues to produce big increases in gross revenues. The broker turned a 27.5% increase, attributed mostly to strong growth of new business but helped

by more acquisitions.

Unless A&A pulls off a combination with Sedgwick Group in London to boost its gross revenues, it is doomed to staying a distant No. 2 to Marsh & McLennan.

Poe & Associates of Tampa jumped onto the top 20 list for 1979, picking up the No. 19 slot for

An ounce of

Annual issue at a glance

Business Insurance's annual look at the insurance brokerage business is organized into four sections to provide easy access to the most extensive report available on U.S. agents and brokers.

The top 20 are profiled in reports beginning on page 14 and continuing in order of size. Profiles of Canada's top three begin on page 64.

More agents and brokers are described in miniprofiles in an alphabetical listing beginning on page 67.

A geographic index tracking the agents and brokers by city and state begins on page 96.

A special report on new and old alliances designed to improve the services and marketing power of smaller agents and brokers begins on page 99.

LIRC Claims Analysis

CUSTOMER				LOCATION			
MORESON IRON & METAL, INC. ET AL				MORESON IRON & M			
CONTRACT NO.		CONTRACT PERIOD		ACCIDENT DATE		CLAIM STATUS	LOSSER PAID OTHER THAN MEDICAL
5854-02		01 78 TO 01 78					
CLAIM		CLAIMANT OR DRIVER NAME					
KEY	FILE						
	138A08120	CARRY L		04 17 75	MS 46	CLOSED	FOREIGN
	TRUCK BY	OBJECT		05 07 75	MS 46	CLOSED	FOOT
	3XA09340	NELSON			46	CLOSED	
	HARP OBJECT	INJURY					
	2	LACERATED FOOT		05 14 75	MS 46	CLOSED	FI
	XA0934	TOTAL		05 23 75	MS 46	CLOSED	
	XA09350	BOSS J			46	CLOSED	
	ABED BY	OBJECT					
	TAIC010	COHEN S		05 30 75	MS 46	CLOSED	
	L FROM	ELEVATION					
	1	SPRAINED BACK					
	AT001	TOTAL			MS 46	CLOSED	

merly held by Nordstrom Group of Minneapolis. Poe & Associates' 23.1% increase in gross revenues to \$12.8 million was boosted by higher contingency bonuses paid to the broker by insurers rewarding profitable accounts.

Arthur J. Gallagher & Co., the second-largest privately held broker in the U.S., stayed on target for its growth, producing a 23% increase in gross revenues to \$30.5 million and holding on to the No. 9 spot.

E.H. Crump Cos. in Memphis produced an impressive 21.4% increase in gross revenues, but was still bumped a slot to No. 12 by the dramatic growth of Insurance Management Corp.

Hurt the most in the competitive 1979 market was Nordstrom Group, falling off the top 20 list. (See story, page 1.)

Rollins Burdick Hunter, holding on to seventh place by \$2.7 million, grew only 9.8% in 1979. Penn General Agencies in Los

Angeles also had a tough year, growing only 9.3% compared with 1978 and edged down a spot by Insurance Management Corp.

Structural change

James S. Kemper & Co. fell two spots on the 1979 ranking, to No. 18 from 16, after reporting only 10.9% growth. But the Chicago-based broker is targeting 10% growth in 1980 based on management and structural changes, even in the

face of tough competition.

Cook, Treadwell & Harry held onto the 20th spot with estimated 10% growth compared with 1978. The Memphis-based broker had to estimate its calendar year revenues because its fiscal year results were not available.

Also falling below the average growth rate of the top 20 but still turning in respectable results were many of the top 10 brokers.

Leader M&M managed only an 11.4% increase in gross revenues.

A flush of new business couldn't produce the dramatic increase for the giant broker that it would for a smaller company.

Johnson & Higgins, in the same league catering to giant commercial accounts, is estimated by *Business Insurance* to have produced a 12% increase in gross revenues in 1979. Strong employee benefits business and new accounts are believed to have helped J&H's results.

Fifth-ranked Fred S. James & Co. produced a comfortable 15.8% increase in gross revenues in the face of the same problems, thanks to investment income, higher property values driving up property insurance needs and higher contingent commissions, says chairman James H. Vaughn.

Falling short

Corroon & Black's 17.9% increase in gross revenues for 1979 looks impressive when compared with many others on the chart, but falls far short of the growth rate the broker has produced in the last few years. With \$140.3 million in gross revenues, Corroon & Black has a hammerlock on sixth place.

Also holding their posts in 1979 were: Bayly, Martin & Fay in No. 8 with 18.4% growth; Emmett & Chandler in No. 13 with 14.1% growth, and Schiff Terhune International in No. 17 with 16.7% growth.

Canadian brokers also were taking a beating in the competitive world insurance market. Reed Stenhouse Cos. Ltd., which would rank No. 5 among the U.S. brokers, fought off the competitive forces in 1979 but expect them to take their toll in 1980. The largely international broker managed a hefty 18% increase in gross revenues in 1979, but is expecting no more than 12% in 1980.

The two other Canadian leaders didn't fare as well.

Tomenson, Saunders, Whitehead Ltd. managed a slim 8% increase in gross revenues in 1979 to \$32.6 million. Dale & Co. Ltd. produced 10% growth to \$15.1 million.

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Top 20 brokers:

Bowring purchase boosts M&M after lag in '79

1

Marsh & McLennan Cos. Inc.

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	1979	1978
Premium vol.	\$6,500,000,000	\$6,000,000,000
Gross rev.	\$530,551,000	\$476,431,000
Employees	10,359	10,236
Rev./employee . . .	\$51,216	\$46,545
Offices	172	163

Consider Marsh & McLennan Cos. Inc. four or five companies now, advises L. Patton Kline,

chairman of Marsh & McLennan Inc., the U.S. broking subsidiary.

The June purchase of London-based C.T. Bowring has catapulted the largest U.S. commercial broker into the position of the largest international brokerage firm with new subsidiaries in underwriting, credit finance, shipping and trading and banking added to the U.S. subsidiaries involved in employee benefits and investment management.

M&M Cos.' 1979 results, however, are less impressive: The 11.4% growth in gross revenues is low among the top 20 brokers and

Agent/Broker Profiles

low for M&M, which has turned a compounded growth rate of 16% for 1974 through 1979.

A record number of new accounts couldn't carry recent years' growth against the premium depression and its effect on commissions, Mr. Kline explained.

Growth in the first six months of 1980 is up compared with 1979, however. Gross revenues in-

creased 14% over the first six months of 1979 to \$304.5 million. C.T. Bowring & Co. Ltd. will be included in M&M's results starting in the third quarter.

Improved insurance broking for the client will dominate the new M&M of 1980, Mr. Kline boasts.

Insurance services contributed 89% of M&M's operating income in 1979; insurance broking contributed 54% of Bowring's pretax profits in 1979.

And the word in insurance services at M&M this year is "value-added."

M&M is determined to give the buyer a better insurance buy for his premium dollar, Mr. Kline says. Wielding the clout and efficiency of the world's largest broker will help, he says.

"All insurance should be written to an 80% permissible loss ratio—and that includes investment income," Mr. Kline said.

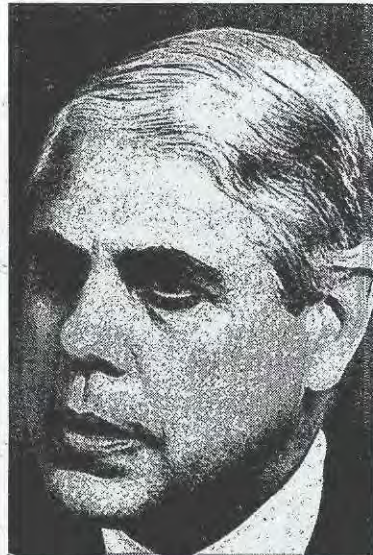
Today only about 70% of most commercial premium dollars are spent on paying and adjusting losses, although some loss-sensitive insurance programs can exceed 80%.

M&M can increase that percent, Mr. Kline says, because it can control costs by controlling all the steps in the insurance-buying process.

"The objective is to have every part of the process value-added at a reasonable profit without all these little extras," Mr. Kline said, referring to the commissions paid the retail broker, the excess/surplus lines broker and the London broker in a complicated insurance placement.

"We have to get all the overhead out that doesn't relate to value-added. We want to internalize the entire transaction to make it as efficient as possible."

To do this, M&M's corporate policy is to use its excess/surplus subsidiary NBA Excess & Surplus Lines Inc. for E/S placements and Bowring for London placements. Already 60% of M&M's London



All insurance should be written to an 80% loss ratio, says L. Patton Kline.

business has been moved to Bowring. Transferring the remaining 40% may be a little more difficult because some local M&M offices around the country are grouching about leaving a favorite London broker for special risks. But Mr. Kline expects them to follow the corporate policy.

A buyer also could refuse to have his account moved to Bowring and M&M would comply, Mr. Kline notes, but so far no one has refused.

The \$100 million in premium volume Bowring lost recently from J.H. Blades and the California Hospital Assn. accounts will be made up on new business transferred by M&M Inc. to Bowring. Continued on page 16

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Two regional firms close in on top 20

Nipping at the heels of the top 20 U.S. agents and brokers are two regional firms with 1979 gross revenues of more than \$10 million.

Lawton-Bryne-Bruner Insurance Agency Co. in St. Louis reports 1979 gross revenues of \$11.1 million, an 11.2% increase from 1978 revenues of \$10 million.

John L. Wortham & Son in Houston grew 10.6% in 1979, producing gross revenues of \$10.5 million in 1979 compared with \$9.5 million in 1978.

Calco Insurance—Agents & Brokers in San Mateo, Calif., reports gross revenues of \$9.1 million in 1979 including \$7.7 million garnered on business placed with insurers affiliated with its parent company, California Casualty Management Co. (business insurance division).

Other large firms among the nearly 300 agents and brokers in the BI listing following the profiles of the top 20 U.S. leaders and top three Canadian firms include: Ter Bush & Powell Inc. in Schenectady, which is being merged with Albert M. Bender Co. of San Francisco (\$9.9 million); Kindler & Laucchi Group in Los Angeles (\$8.5 million); Walter Kaye Associates Inc. in New York (\$8 million); Rhulen Agency Inc. in Monticello, N.Y. (\$7 million); B.R.I. Coverage Corp. in New York (\$6.8 million); John M. Riehle & Co. Inc. in New York (\$6.3 million); De Lima Y Compania in Cali, Colombia (\$6.2 million); Frenkel & Co. Inc. in New York (\$5.8 million); Nahm, Turner, Vaughn & Landrum Inc. in Louisville (\$5.4 million); and Morris & Mackensie Ltd. in Montreal (\$5.2 million).

How A&A views a growing company



Potato chip quality control inspection at Jays Foods, Inc., in Chicago

For an expanding business like a potato chip manufacturer, Alexander & Alexander experts look at operations through an owner's eye. We study the insurance costs of crispness and the effects of the money crunch. Probe for risks in delivery routes and avenues for new plant financing.

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Personalized risk management

But these inside vantage points give A&A the best view of how to protect a business built with an entrepreneur's dreams and drive. It's the frame of reference that enables us to assume the function of risk manager for any medium-sized or small business. We eyeball every pitfall, any opportunity—protect against an owner's personal liabilities; plan the funding of workers' compensation, profit sharing, pensions; deal with life insurance, acquisi-

tions, OSHA requirements; and handle claims as if they were our own.

Every industry is unique. Each has different needs. For insurance, for risk management, for human resources management, for financial services. That's why A&A works from a client's point of view. Only by working as partners, solving business problems together, can we be sure a company gets the most comprehensive, cost-efficient programs possible.

We think our dedication to forming a close alliance with our clients is a big reason why A&A has become one of the biggest and most trusted insurance brokers worldwide. Each of our 120 offices here and overseas offers the facilities, expertise and strength to meet the needs of any company, large or small, in any industry. Because we work the same way with every client. From the client's point of view.

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Agent/Broker Profiles

Continued from page 14
Mr. Kline explains.

Internalizing the operation will pay off, for example, in quicker delivery of the premium dollar to London to get premium reductions, Mr. Kline said. So far, London underwriters haven't recognized cash-flow considerations as much as U.S. underwriters.

Sheer economy of scale will cut costs, too, says M&M president Robert Clements. The advantages of new offices around the world replacing correspondent relationships is very important, too, he said.

Mr. Kline also points to a more efficient business relationship between Bowring and M&M now that they are of the same company. There will be less wining and din-

ing, he suggests, referring to the social amenities that normally accompany a meeting between a U.S. retail broker and the London broker.

Striving for an 80% loss ratio doesn't necessarily mean M&M will wage a commission war, Mr. Kline said. "But insurance rate should reflect the lower cost of doing business with M&M," he said.

Net after-tax profit for M&M about 1.5% of premium, which has hardly varied over the years, Mr. Kline said.

M&M is also targeting ways to make broking and servicing smaller accounts more efficient. An experiment in the personal lines division, which produces 5% of M&M's gross revenues, may give M&M some clues in processing smaller commercial accounts.

M&M is using Chubb exclusively as the underwriter for its personal lines business and is plugged into Chubb via a computer. M&M merely feeds underwriting information into a computer and gets a printed policy.

"We're exploring how we might use that processing in commercial business," Mr. Kline said, to eliminate the duplication of broker and insurer efforts on inspecting and rating risks, underwriting and policy issuance.

A new merchandising group headed by senior vp Benjamin C. Branch since January is analyzing the personal lines experiment and other approaches to developing a new marketing/servicing plan for



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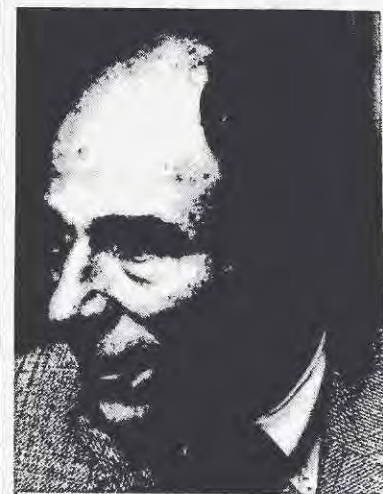
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Sheer economy of scale will cut costs too, says president Robert Clements.

the smaller commercial account. M&M defines this account as one more interested in risk transfer than M&M's extensive risk management services developed for the large commercial account.

About 75% of M&M's business is in major accounts with professional risk management operations. Smaller commercial accounts, including 28,000 generating less than \$25,000 in premiums, are targeted for the new service/marketing program.

M&M is also reorganizing technical staffs to spread them out into the field, away from a central location, for better service.

"We're exporting tools to all the bigger offices," Mr. Kline said.

The staff of Multinational Insurance Services, for example, was farmed out to the larger offices serving multinational clients, to be called on when needed by an account executive. A core of that group trains brokers and maintains relationships with the international market, said Philip J. Brown Jr., executive vp and head of the client services group.

The use of RIMSTAR, M&M's computer service for analyzing the

Continued on page 18



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Agent/Broker Profiles

Continued from page 16

cost of various risk funding techniques, is decentralized even though the program is centralized, Mr. Brown notes. Brokers are trained in using the system and taking it to the clients, he explained.

Specialists at M&M are also being organized to improve efficiency. Services for financial institutions, probably the fastest-growing segment of M&M's business last year, are now placed in a financial institutions group with new offices on Wall Street.

M&M also is emphasizing its philosophy of negotiating insurer service charges to buyers. "Our clients aren't willing to pay for insurer services when they are not using them," Mr. Kline said.

Efficiency is especially important for brokers in competitive insurance markets. Mr. Kline estimates policies renewed by M&M this year average 8% lower in premium than last year. Deflation in 1979 was 6% to 8% and in 1978 was 2%.

New business supported an 8.5% growth in M&M's gross revenues on property/casualty insurance broking in 1979 to \$358.8 million from \$330.7 million, excluding a 63% gain in interest income on fiduciary funds to \$35 million. Contingent commissions and technical service fees were up 31.1%. Property/casualty insurance broking includes the work of M&M Inc., M&M International and the reinsurance broker Guy Carpenter & Co.

Casualty risks produced 43% of revenues, property insurance 24%, reinsurance 17%, marine and aviation 8% and other lines, including mass merchandising, 7%. Reinsurance posted the largest gain in 1979, 9.7% compared with casualty (6.7%), property (7.1%) and marine and aviation (2.6%).

Marine business is growing the most this year, Mr. Kline notes, up 33% compared with last year. M&M also has cut its percentage of lost renewals in half, to 1% from 2%, he adds.

Insurance broking contributed 68% of M&M's \$530.6 million in gross revenues in 1979, followed by employee benefit services contributing 20%.

William M. Mercer, with 85 offices and 2,400 employees, produced \$104.6 million in gross revenues from employee benefit services, an increase of 9.7% from 1978. The decrease in growth from 12.2% in 1978 compared with 1977 is blamed on a decreased demand for benefit consulting created by corporate constraints on benefit changes in light of the federal wage and price guidelines.

Investment management contributed 6% of M&M's gross revenues.

These results are nearly identical to the business mix in 1978 and contributed to M&M Cos.'s 11.4% increase in gross revenues in 1979.

Bringing Bowring into the picture this year will produce substantial growth for M&M in 1980.

Trying to calculate the gross revenues of the combined Bowring and M&M operations, though, is a classic example of adding apples and oranges because Bowring is so diversified.

Completing the London company's profit picture after 54% from broking operations is underwriting (17%), credit finance and engineering (27%), banking (10%) and trading and shipping (3%).

Revenues from Bowring's broking operations are estimated by *Business Insurance* at \$106.7 million, calculating a 5% commission rate on 963.7 pounds sterling of

premium volume handled by Bowring in 1979, converted to U.S. dollars at the 1979 year-end exchange rate of \$2.2145 to the pound.

Adding that to M&M's gross revenues from broking produces nearly a half-billion dollars in gross revenues on broking alone for the new company in 1979. Adding M&M's employee benefit services increases the gross revenues to \$635.2 million.

The combined 1979 gross revenues of M&M and Bowring using the same exchange rate equals \$1.2 billion, a somewhat misleading figure considering Bowring's revenues include insurance premiums and other concerns that M&M will account for on an equity accounting basis.

M&M will divest 75% of Bowring's Lloyd's broking subsidiary by Dec. 31 under an agreement with the Committee of Lloyd's. It's expected that M&M will use a method similar to Hall's divestiture of 75% of Leslie &

Godwin's broking subsidiary that divests 75% of the control but returns to the broker nearly all of the economic benefits of ownership.

M&M is also looking for a buyer for the banking operations of Bowring because special guarantees afforded banks by the British government make it inappropriate for a U.S. company to own the banking operation.

Bowring's total work force of 7,130 at year-end 1979 added to M&M's 10,359 employees creates a combined work force of 17,489.

The combined company gives M&M offices in 15 new countries around the world, with M&M's presence in the United Kingdom, Ireland and Australia particularly strengthened by the Bowring purchase.

M&M, with 65 offices overseas in addition to 94 U.S. and 13 Canadian offices at year-end 1979, already had correspondents in five of the 15 new countries.

The addition of Bowring to M&M changes the outlook of M&M from one of a U.S. company to that of an international company, Mr. Kline says. The 1979 annual report will be the last to list a "foreign" income figure; all future annual reports will identify income from individual countries with no one considered "foreign." The emphasis is on indigenous business, not just multinationals.

Although the biggest, Bowring wasn't the only M&M acquisition in the last year. Lew Borden & Co. Insurance Agency in Corpus Christi was purchased in June 1979 and a 40% equity interest was bought in Mario Claro M. y Cia Ltda. in Chile in April 1980.

The investment management business of F. Eberstadt & Co. was purchased in April 1979.

Future acquisitions by M&M may be slower than in the past. The price of agencies is so high now that M&M can't be sure it will make back its investment, Mr.

Kline observed. Starting M&M offices from scratch is an attractive alternative to acquisitions, he noted.

M&M opened offices in Tampa and Columbus this year and plans to open one in Birmingham. Last year M&M opened offices in Knoxville and Baltimore.

An in-house training program is developing quickly, with 12 courses on various aspects of the insurance business being held around the country for M&M employees.

M&M is investing \$500,000 in the in-house program because "we want to train and refocus on client skills as opposed to processing. And we like to train them our way," Mr. Kline said.

Under the program, every M&M employee must fulfill three weeks of training every three years. Senior executives fulfill their requirement by teaching.

The principal officers of M&M Cos. are John M. Reagan Jr., chair-

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man; Robert J. Newhouse Jr., president; L. Patton Kline, Alessandro C. di Montezemolo, Robert E. Riley, A.J.C. Smith and Frank J. Tasco, senior vps; Bruce W. Schnitzer, vp and chief financial officer; Gregory F. Van Guncy, vp and general counsel and secretary, and Chester A. Gan, treasurer.

The management of M&M Inc. was realigned in January. President Harold H. Hines Jr. became vice chairman and chairman of the executive committee assigned to guiding the company's planning and forecasting systems. Robert Clements became president, to lead the development of services to major clients.

Salaries, fees and commissions for senior executives were:

L. Patton Kline	\$175,979
Robert J. Newhouse Jr.	\$226,434
John M. Regan Jr.	\$296,547
A.J.C. Smith	\$143,742
Frank J. Tasco	\$140,477

All directors and officers as a group made \$2.2 million in salaries, fees and commissions.

2

Alexander & Alexander Inc.

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

	1979	1978
Premium vol.	\$2,600,000,000	\$2,200,000,000
Gross rev.	\$368,239,000	\$288,868,000
Employees	7,500	7,000
Rev./employee	\$49,099	\$41,267
Offices	147	147

Acquisition is the traditional strategy in Alexander & Alexander Inc.'s continuing battle to pass Marsh & McLennan as the nation's largest commercial broker.

Though A&A may be doomed to trail, the constant infusion of talent has created a thriving international insurance force.

Despite competitive markets and slow-growth insurance premiums, Alexander & Alexander Inc. in 1979 posted slightly more than a 27% increase in gross revenues over 1978, for a total of \$368 million.

"Our results were good; we were satisfied," said president John Bogardus, who attributed most of his firm's impressive record to its ability to attract new clients. Gross revenues from new business accounted for \$40 million in 1979, a 30% increase over 1978.

Total revenues for the first half of 1980, however, are up only 10.9% from the first half of 1979, to \$208.8 million compared with \$188.3 million for the first six months of 1979. Services are a major attraction, as corporate risk managers turn to sophisticated computer techniques to help evaluate risks.

To follow the trend, A&A's risk analysis management group instituted a new computer information system, dubbed "ARIS," designed to help risk managers measure exposures, analyze losses and control costs.

ARIS joins A&A's Anistics consulting branch, which maintains a library of forecasting and alternative funding expertise, and the

Alexis subsidiary, a self-insurance, loss control and claims service.

In Bermuda, the risk management services' Alexander International Ltd. division manages 40 captive insurance companies.

For the executive, A&A changed its life insurance to focus on executive planning services, with a commitment to expanding client services in 1980.

In a related field, an A&A acquisition in 1979 added property tax consulting to the line of tools available to buyers.

The firm made another move this year on a corporate level, adding three outside directors to its board.

The new directors, James D. Berry, Roderick M. Hills and Vincent R. McLean, represent A&A's first effort to bring added expertise to the corporate board of directors.

"We plan to diversify in other areas outside the brokerage business and we need new expertise to

handle that—help in deciding what plunges to take," Mr. Bogardus has said.

"In addition, A&A has grown to a size that we feel needs the views of people not connected with the present management," he added. "A final reason is that we want to be considered good corporate citizens, and we want our goals to be the same as the community at large."

Overall, Alexander & Alexander's balance sheet for 1979 shows increases in virtually every category. Casualty, property and marine policy revenue was up 9.35%, to \$278 million; life and group insurance was up 11.8%, to \$29 million; actuarial consulting up 11.37%, to \$11.7 million; investment income up 60%, to \$23 million, and premium financing up 49%, to \$7.4 million.

The only business decline was in the employee benefits communication area, which dropped 5.8% to \$8.8 million.

"We saw a leveling off in 1979 and expect an even tougher year in 1980," Mr. Bogardus noted.

"Our growth has been so phenomenal for so long by sheer size it became harder to grow. We always

In reviewing health care coverage, a lot of executives make a false assumption—that health care costs will be the same no matter who the carrier is. After all, the same people will get sick and incur the same costs. The only variable is what the carrier charges for administering the program.

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'We saw a leveling off in 1979,' says John Bogardus.

felt that some diversity was healthy. When traditional business slows we hope these (new areas) will grow more rapidly," Mr. Bogardus said.

New growth areas for the firm include investment counseling, reinsurance and more foreign clients.

Six mergers have already been completed to help meet the firm's goals of expansion and diversification. Topping the list was the May merger with Montag & Caldwell in Atlanta, an investment counseling firm that handles more than \$500 million in assets including three mutual funds, institutional and personal portfolios.

The completion of this move marked A&A's entry into the investment counseling field.

Earlier this year, A&A merged with Thomas A. Greene & Co. Inc. to form a new brokerage subsidiary that will increase the firm's presence in the domestic and international reinsurance market. Bleichroeder, Bing & Co. Inc., A&A's existing reinsurance facility, will become the nucleus.

Other 1980 acquisitions include Borges-Patton-Ogden Co. Inc., a general lines agency in Milwaukee representing A&A's first entry into that geographic market. The Sacramento, Calif., office of A&A, however, was closed.

A&A also acquired: Clinton P. Anderson Agency Inc. in Albuquerque, which specializes in

Continued on next page



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Agent/Broker Profiles

Continued from previous page
 surety bond/contractor business; The Hitch Insurance Agency, and Cullers, Bailey & Co.

"We're interested in possible diversification in areas where we see new services/products outstripping the growth of the rest of the firm for a 10-year period," Mr. Bogardus said.

A&A continues to try to establish a financial link with the Sedgwick Group, the largest U.K. insurance brokerage firm.

Talks on this merger began more than a year ago at about the same time Marsh & McLennan opened discussions with C.T. Bowring. "Negotiations with Sedgwick continue going smoothly," says Mr. Bogardus, who doubts this will be completed this year.

Currently, A&A uses five Lloyd's brokers to place its small but growing international business.

The combination of these moves to diversify, Mr. Bogardus says, will aid the firm in competing during the 1980s, forecast as tough, intense years for the U.S. brokerage industry.

"With the soft market, anyone is competition, including new firms



A&A considers itself the No. 1 growth firm, says Kenneth Soubry.

and independent consultants that sell unbundled services," Mr. Bogardus said. "Competition is becoming more fierce."

Salaries and bonuses for A&A's top officers are:

John A. Bogardus Jr.	\$324,435
Kenneth W.S. Soubry	\$248,368
Tinsley H. Irvin	\$237,606
Paul Gregory Chigrinsky	\$301,946
Robert A. Gielow	\$171,737

Salaries and bonuses for the 18 officers and directors as a group were \$2.6 million.

3 Johnson & Higgins
 95 Wall St., New York,
 N.Y. 10005;
 212-482-2000

	1979	1978
Premium vol. ...	NA	NA
Gross rev. ...	\$262,080,000*	\$234,000,000*
Employees ...	5,430*	5,200*
Rev./employee ...	\$48,230*	\$45,000*
Offices ...	68	68

*Business Insurance estimates

Johnson & Higgins held its spot as the third largest U.S. commercial broker in 1979, but fourth-ranked Frank B. Hall & Co. is hot on J&H's heels.

Internal growth and new business at least matching the major brokers and two substantial acquisitions pushed gross revenues for J&H up 12% from 1978 to \$262.1 million, *Business Insurance* estimates.

Privately owned by 31 directors, J&H steadfastly refuses to release its gross revenues or disclose the exact number of employees. *Business Insurance* bases its estimates for the world's largest privately held broker on interviews with other brokers and industry observers.

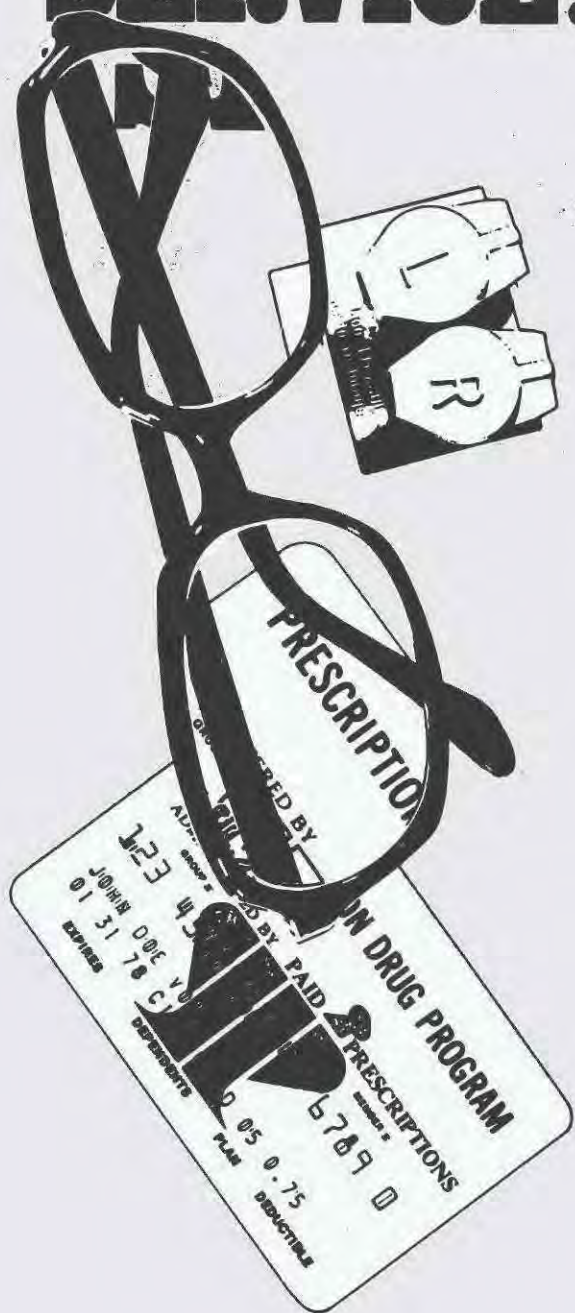
A candid interview with J&H president Robert V. Hatcher Jr. also revealed more about J&H's business in the United States and around the world than previously had been disclosed to the press.

"Last year didn't meet budgeted growth," Mr. Hatcher admitted to *BI*. But it wasn't the worst year in five either, he affirmed.

"Tight markets are our best," said Mr. Hatcher, who is in line to

Continued on page 22

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Agent/Broker Profiles

Continued from page 20

succeed Richard I. Purnell as chief executive officer and then chairman within the next few years.

"Smaller agents can't compete when things are tough," Mr. Hatcher explained. "But now everybody is shooting at our business—and everyone else's. It's a daily challenge to defend what you have."

J&H is setting 10% as a minimum target for growth each year, but Mr. Hatcher concedes that may be difficult to achieve in 1980 with competition still pushing rates down.

"We're seeing a \$750,000 account go down to \$390,000," Mr. Hatcher said of the July 1 renewals.

Frank B. Hall, strengthened by buying London-based Leslie &

Godwin, could bump J&H from its third-place ranking on the BI top 20 list of agents and brokers this year, industry observers suggest.

"They might one of these days," conceded Mr. Hatcher, "but they haven't yet."

"All brokers on an acquisition bent could pass us," he said, "but we are making a few of our own, too."

J&H, however, maintains it is more concerned about its quality of service than its size.

J&H made two substantial acquisitions in 1979, the excess/surplus lines brokerage Neal, Lloyd & Co. and the captive management company Interocean.

Chicago-based Neal, Lloyd & Co., which specializes in marketing excess/surplus lines property and casualty insurance for large commercial and industrial risks, was acquired in September 1979.

Willis, Faber & Dumas Ltd., the London broker that handles nearly

all of J&H's London placements, also took a financial interest in the acquisition of Neal, Lloyd.

This investment, and the joint venture of an underwriting management firm on the New York Insurance Exchange, more closely bind J&H and Willis Faber but stop short of merger or acquisition promoted by other U.S. brokers and their London brokers.

Neal, Lloyd, with 23 employees, continues to operate under its own name and under the direction of cofounder and president Geoffrey C. Lloyd.

Interocean in Bermuda formerly managed captives of J&H clients exclusively. Purchased by J&H Ltd. last year, the firm's 75 employees manage 120 captives for J&H clients.

All the captives are active, Mr. Hatcher said, disputing contentions from competitors that some of the companies are inactive. J&H Ltd. is the largest captive manager on the island.

Opening its own new offices, however, is the J&H style of investing in internal growth.

The J&H reinsurance brokerage subsidiary Wilcox, Barringer & Co. Inc. opened a new office in Houston last year. It is also opening an office in Mexico this year in connection with a new joint venture in reinsurance brokerage by J&H and its Mexican correspondent Brockman & Schuh, S.C. The reinsurance subsidiary is not reflected in the J&H report of 68 offices.

In the U.S., a new office was opened this year in Cincinnati, bringing to 35 the number of offices in North America. Seven of the North American offices are in Canada and are a joint venture with Willis Faber.

Planned for the second half of 1980 are new offices in: Orange County, Calif.; Tampa; Nashville, and Tulsa. J&H may acquire a firm for its move into Tulsa.

Johnson & Higgins' growth in 1979 was also boosted by a burst of new business at twice the volume of new business won in 1978.

International business, a J&H forte, grew as fast as any other division, Mr. Hatcher said, and represents about 20% of the firm's business.

J&H's international business is serviced from 35 offices overseas owned almost entirely by J&H. The Australian operation is a joint venture with Willis Faber and where local law prohibits 100% American ownership, such as in South America, J&H holds an equity interest.

About 15% of J&H's employees are located overseas, tending business not only of multinationals but also of the local countries. In some countries, such as Italy, indigenous business outstrips multinational business.

The 35 overseas J&H offices are in Australia (six), Brazil (eight), Colombia (two), Italy (three), New Zealand (three), Venezuela (three), Argentina, Chile, Taiwan, Tokyo, Singapore, Hong Kong, Bermuda, Peru, Paris and Saudia Arabia. The office in Saudia Arabia is new this year.

J&H also holds correspondent relationships in foreign countries, giving it a presence in 140 cities.

The breadth of J&H's international business is attracting a reverse flow of international busi-



'It's a challenge to defend what you have,' says Robert Hatcher.



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ness, Mr. Hatcher says. Foreign firms that know J&H in their home countries are choosing J&H when they expand into the U.S., Mr. Hatcher said. "We're hiring French, English and German people to help us take care of the reverse flow of business," he said.

About 60% to 65% of J&H's business is in placing property/casualty risks. Casualty accounts dominate twice the volume of property business, Mr. Hatcher said.

"They're giving property insurance away in the streets," he lamented.

Employee benefits business, continuing to grow and support J&H's revenues as property/casualty insurance rates fall, is now 20% of J&H's revenues.

Marine/aviation risks represent about 15% of J&H's business.

The J&H subsidiary Shipowners Claims Bureau, which caters to shippers' insurance needs, is 54 years old.

J&H is in the camp of all major brokers looking to expand business among smaller companies. "We're now looking at the second

Continued on page 24



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Agent/Broker Profiles

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Fortune 1,000," said Mr. Hatcher, calling it "excellent business."

Also tempting to J&H in this period of stiff competition that is driving down premiums and commissions is selling risk management services separate from brokerage service.

J&H claims to devote more as a percent of payroll to technical services than the other major brokers.

But Mr. Hatcher and J&H executives are reluctant to unbundle services to noninsurance clients because it would require charging a fee rather than a commission.

Commission compensation is the rule at J&H, although a few clients are known to pay J&H on a fee basis.

J&H executives are quick to

point out that their commission are disclosable, negotiable to a corporate minimum, decrements (falling with rising premiums) and can be unbundled.

The commissions range from 4.7% to 10% of premium depending on the line of insurance and the premium, Mr. Hatcher said.

Services can be negotiated out of the commission charge, add. director Mitchell LaMotte.

In a casualty program, for example, a buyer may not need actuarial services, reserve analysis or engineering services, he explained.

J&H executives strongly defend their commission compensation system, contending it often produces a lower charge than the client is willing to pay as a fee.

Mr. Hatcher argues that forcing account executives to keep time sheets on each client to support a fee system is counterproductive. He also argues against any chargebacks between offices that come with a fee system, fearful the charges dissuade brokers from using all the services available.

Mr. LaMotte adds he considers a fee system a "conflict of interest for an account manager" because it forces the account manager "to make a client a profit center."

The combination of being privately held—and relishing the privacy—and the commitment to commissions has strengthened J&H's image as a conservative firm. But J&H executives counter that conservative doesn't imply J&H isn't progressive in handling risks.

The firm's computer services, which use portable terminals for calculating costs under various funding alternatives, are hailed by J&H executives as an example of the firm's creativity. The account executive uses the portable terminal to determine the cost to a large company of funding risk through self-insurance, a captive, a paid-claim retro and a conventional retro. The results are used in marketing the program.

J&H lost two directors in the past year but elected two more. Thomas Barton died suddenly this year and David Winton retired at the end of 1979.

The two directors elected in 1980 are David A. Olsen of Houston and E. Massie Valentine of Richmond.

Mr. Purnell continues as chairman and chief executive officer. Gardner M. Mundy is secretary and Burt N. Sempier is treasurer.

Senior vps and directors include: Lloyd H. Benedict, George D. Benjamin, Peter B. Bickett, Peter M. Black, Prescott S. Bush Jr., Hawley T. Chester Jr., William T. Dunn Jr., James G. Harlow, Kenneth A. Hecken, Kenneth K. Keene, Harvey M. Kelsey Jr., John H. McEown, Richard E. Meyer, Richard A. Mitnacht and Gustave S. Werner.

Other directors include Peter A. Bergsten, Robert A. Cameron, Walter H. Clemens, Beverly M. DuBose Jr., Edmond S. Gillette Jr., Denver C. Ginsey, Robert L. Hannon Jr., E. Eric Johnson, Edwin L. Knetzger Jr., W. Mitchell LaMotte, George C. Owens Jr. and Dickinson C. Ross.

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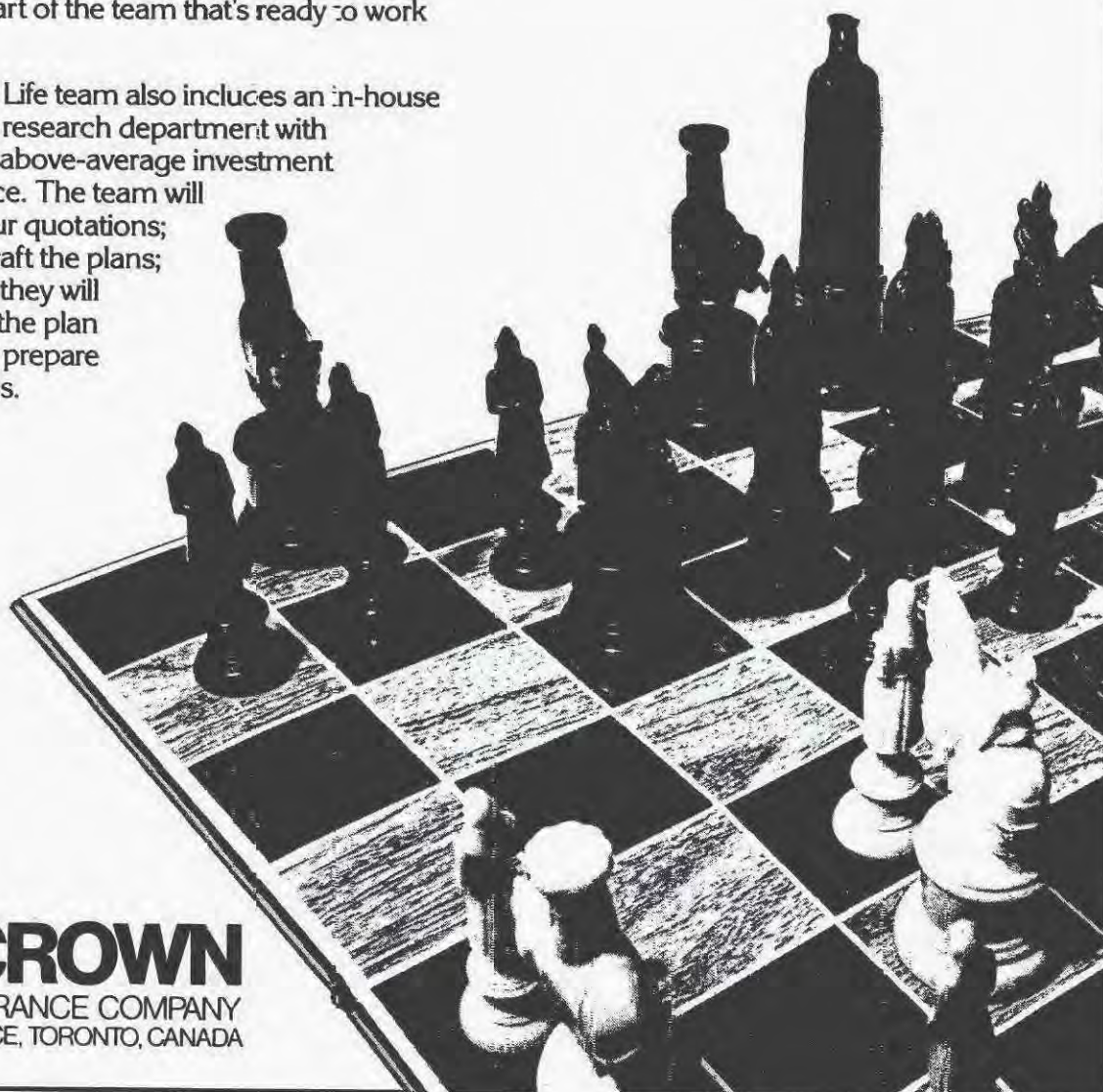
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Seattle	(206) 454-4624
Tampa	(813) 879-4510



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

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$258,871,000	\$197,589,000*
Employees	5,300	5,000
Rev./employee	\$48,844	\$39,518*
Offices	189	156

*Restated

Frank B. Hall & Co. chalked up an impressive 31% growth in revenues during 1979 on the strength of a new sales push, marketing of un-

Continued on page 26

J. D. BROWN

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Agent/Broker Profiles

Continued from page 24

bundled services and its recent acquisitions including U.K. broker Leslie & Godwin.

The outstanding growth takes the firm within close striking of third-ranked broker Johnson & Higgins.

"We'd expected to do close to 30%," executive vp John F. McCaffrey told *Business Insurance* in Hall's corporate headquarters in Briarcliff Manor.

"We anticipated some of the service requirements we'd have to provide. Leslie & Godwin contributed to our earnings in addition to our internal growth. The earnings of our offices reflect their sales growth efforts," he said.

Hall is proud of its self-insuring services, Mr. McCaffrey says, ser-

vices that did not exist three years ago. They now provide about 5% of the firm's total revenues, he adds.

The system serves not only Hall clients but those of some of its largest competitors, including Marsh & McLennan and Johnson & Higgins, Mr. McCaffrey notes. Among the clients are McDonald's, Northrup and Pepsi.

Hall intends to expand its abilities in the claims administration and data processing areas with a sophisticated system it is developing for loss analysis, he adds.

Two coming acquisitions may solidify Hall's position in the services areas: Insurers Services Inc. of St. Louis, a large self-insured workers compensation administration firm, and Brown Brothers Inc. of San Francisco, a claims adjuster with 60 offices nationwide.

But the acquisition that has had the greatest impact has been that of Leslie & Godwin of London,

Photo: Ellis Simon



"We anticipated some of the service requirements we'd have to provide," says Frank B. Hall executive vp John F. McCaffrey.

which was completed in late 1978.

"Leslie & Godwin gave us an instant international network where each can supplement each other's offices," Mr. McCaffrey said. "Les-

lie & Godwin had their own brokerage outlets where we were weak and we had outlets where they were weak."

International accounts are be-

coming an increasingly important part of Hall's business, providing \$43.8 million in revenues or about 18% of total volume.

Hall does not exclusively use Leslie & Godwin for placing risks at Lloyd's of London, although the U.S. firm has increased volume in recent months. Hall's ownership in Leslie & Godwin's Lloyd's operations was limited to 25% under an agreement with the Committee of Lloyd's.

Although the recently released Fisher report on Lloyd's regulations recommends eliminating restrictions on non-British ownership of Lloyd's brokers (*BI*, June 30), Mr. McCaffrey does not foresee Hall purchasing a larger interest in Leslie & Godwin at Lloyd's.

"We've had such a fine relationship with the people we've been dealing with that there'd be no immediacy to take over Leslie & Godwin's Lloyd's operations," he said.

During 1979, Hall made seven acquisitions: Akers-Hartenstein Insurance Agency Inc. of Akron; Harry E. James & Associates Inc. of Jacksonville; Security Underwriters Inc. of Minneapolis; Eaton-Brookhart Inc. of Columbus; Assad-Nevarez & Associates Insurance Brokers Inc. of Los Angeles; ABCO Associates Inc. of Miami and Altamonte Springs, Fla., and Balden, Carter & Viles Inc. of Oxnard, Calif.

Hall local offices established by merger tend to have more autonomy than those of its competitors, Mr. McCaffrey explains. Any marketing decisions—including selection of a broker to place business at Lloyd's—are often made locally. Hall's services division, which includes loss prevention, cash flow, marketing and actuarial professionals, reviews all major accounts, however, before they are renewed, Mr. McCaffrey says.

Hall's balance between local control and centralization is beginning to shift somewhat toward Briarcliff Manor. A new conference center at the headquarters is used by senior marketing personnel from all lines of insurance who meet regularly to anticipate market trends. Local profit centers report to Mr. McCaffrey, who heads the firm's domestic operations.

Employee benefit consulting, which had been controlled locally, is now organized under the newly established Frank B. Hall Consulting Co., headed by Peter T. Pruitt.

Although Hall may have a larger percentage of Fortune 500 firms as clients than most of its competitors, Mr. McCaffrey says, the firm is emphasizing medium-size accounts in its plans to build a larger base.

Principal officers of the firm and their compensation for 1979 were:

	Salaries, fees, directors fees, commissions and bonuses	Aggregate of contingent forms of remuneration
Albert J. Tahmouh	\$575,700	\$391,337
William C. Bartholomay	\$342,974	\$73,313
Henry E. Froebel	\$344,508	\$73,313
John F. McCaffrey	\$203,161	\$21,817
Peter T. Pruitt	\$186,317	\$21,677

5 Fred S. James & Co. Inc.
230 W. Monroe St.,
Chicago, Ill. 60606;
312-726-4080

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$165,637,000	\$143,039,000
Employees	3,200	2,935
Rev./employee	\$51,762	\$48,736
Offices	86	76

Fred S. James & Co.'s 16% gain in gross revenues during 1979 outpaced several larger brokers but was slower than the 21% five-year average.

The slowdown reflects competition in the insurance markets that

Continued on page 28

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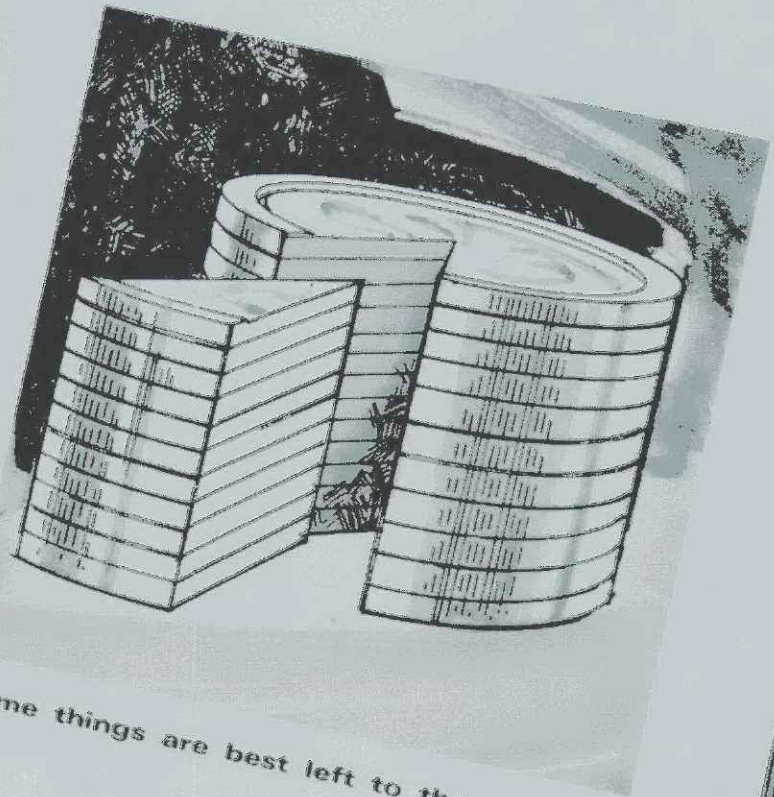
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The slowdown at James reflects competition in the markets that slashed commissions in 1979, says chairman James H. Vaughn.

Agent/Broker Profiles

Continued from page 26

slashed commissions in 1979, chairman James H. Vaughn says. But higher interest returns on premiums, higher property values and contingent commissions helped offset the market troubles, he adds.

Contingent commissions grew 50% last year to \$6 million. Investment income jumped 57.1% to \$11 million. Without that growth, James's revenues would have plodded to 11.8%.

Market competition also restored James's emphasis on acquisitions for growth. The brokerage slowed mergers from 1975 through 1978, but major acquisitions are again likely, Mr. Vaughn says.

Galbraith & Green, a Salt Lake City-based employee benefit claims administrator, leads the herd of new acquisitions. The \$13 million transaction makes the firm James's largest acquisition.

Purchased in April, G&G is likely to produce dramatic growth spurred by increased corporate concern with health costs, Mr. Vaughn adds.

The Galbraith & Green acquisition also leads the way for further diversification, Mr. Vaughn told shareholders at the annual meeting.

The employee benefits business from G&G will help insulate James from the volatility of the property/casualty market cycles, he said. Revenues from employee benefit accounts are expected to jump to about 17% of total with the acquisition.

Other acquisitions during the past year include: Insurex International Inc. of Tulsa; Barksdale Bonding & Insurance Co. of Jackson, Miss.; Mariners Insurance Agency Inc. of New Bedford, Mass.; Morris-Hopson Insurance Agency Inc. of El Reno, Okla.; Merrill, Applegate & Seaton Inc. of South Orange, N.J., and Ditzel-Hurst Insurance Inc. of Los Angeles.

The mergers give James new geographic strongholds and specialties. The Barksdale merger introduces James as the first national broker in Mississippi and Mariners gives James fishing industry expertise. Acquisitions also provide a source of new trained personnel, which is in short supply in the brokerage industry, Mr. Vaughn says.

James's reinsurance subsidiary John F. Sullivan & Co. grew most swiftly in 1979. Sullivan grew more than 18% to \$13 million in revenues. The property department

Continued on page 30

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Agent/Broker Profiles

Continued from page 28

came in second in growth, by 15.3% to \$30 million. Casualty revenues were up 12.9% to \$70 million and employee benefit revenues rose 12.5% to \$18 million.

Marine revenues of \$9 million were stable, but a trend to shrinking revenues in 1977 and 1978 was halted, Mr. Vaughn notes.

Internationally, James is likely to push expansion, probably through several small acquisitions, Mr. Vaughn says.

James also formed an underwriting management company with Alexander Howden in 1979 to manage New York Insurance Exchange syndicates. UMC Management Services Inc. is managing the Heartland Syndicate, which recently began underwriting on the

exchange.

The two firms also have purchased 20% interest each in Solatium Reinsurance Co., a new New York firm with \$10 million in capital.

Six foreign and domestic insurers hold 60% control.

"This year will be a testing year for all brokers," Mr. Vaughn predicted. "We'll have reduction in interest income and we'll still be dealing with a soft market, expense control and inflation."

The property/casualty markets should tighten by late 1981, he says, predicting the industry's combined loss and expense ratio should reach 105% in 1980.

Mr. Vaughn is planning for 15% revenue growth in 1980, but points out that in the current climate it is difficult to forecast earnings and revenue growth.

The biggest personnel change of 1979 was Charles A. O'Malley's decision to resign from the post of chief executive, which he shared

with Mr. Vaughn and president William E. Burch. Mr. O'Malley continues with the firm as chairman of the executive committee.

Salaries, fees, bonuses and other compensation for James's principal officers during 1979 were:

William E. Burch, president	\$410,964
Charles E. Keller, executive vp	\$228,850
Charles A. O'Malley, chairman of the executive committee	\$410,964
James H. Vaughn, chairman of the board	\$410,964
William E. Weatherford, executive vp	\$228,000

6

Corroon & Black Corp.

1 Wall St. Plaza, New York, N.Y. 10005; 212-363-4100

	1979	1978
Premium vol.	\$1,368,000,000	\$1,237,000,000
Gross rev.	\$140,325,000	\$119,000,000
Employees	2,500	2,423*
Rev./employee	\$56,130	\$49,113*
Offices	57	52

*Re-stated

After three years of spectacular

and heady growth, Corroon & Black Corp. learned in 1979 the sober truth that most good things eventually come to an end.

Last year's results were not terrible: an 18% revenue gain to \$140 million and a 7% jump in net operating income to \$20 million. But 1979 pales in comparison with 1978, when revenues were up 29% and income increased 27%.

"We had record earnings and revenues last year; no one can complain about that," said brokerage chairman and chief executive officer Robert Corroon.

"But our margin of profit has lessened somewhat and our earnings, although not a record, did not increase as greatly as in recent years."

The current market conditions and the continuing drop in premium rates made it evident to Corroon & Black officers early last year that the company would not equal the 29% compounded growth rate reached in revenues

over the last three years.

"We saw this slowing down coming for the last half of 1979 and probably into this year and next," Mr. Corroon said.

The 7% gain in earnings, however, was less than the 10% to 12% increase the company thought it would experience during a "difficult" 1979.

"We had a sensational five years and a particularly sensational past three years. New business really outran our ability to staff our organization to serve all the new clients we were getting," he noted.

"We are going through a catching-up period that is just about completed. We have been putting on more staff and the extra expense of salaries and benefits has not helped our position."

Salaries and employee benefits increased 20% in 1979 to \$69.6 million.

The addition of five regional brokers purchased by Corroon & Black brought to 57 the number of U.S. cities where the company has subsidiary offices.

Its most important acquisition in 1979, though, came not in this country but in England, where Corroon & Black purchased a 20% holding in J.H. Minet Holdings Ltd., a Lloyd's of London broker that Corroon & Black has been doing business with for more than 40 years.

C&B, however, sees one merger as a way to increase international capabilities, not as a direct route to Lloyd's.

Minet's offices in 27 countries were the motivation behind the purchase, Mr. Corroon explains.

"Right now the international business is not that important to us as a percentage of revenues; it is very low in fact," Mr. Corroon said.

"But we think international business is presently and will continue to be a great growth area, especially as American companies become more and more multinational and as more foreign companies look to invest in U.S. business."

More importantly, though, Corroon & Black sees this link with Minet as an indirect way to increase its at-home dealings, Mr. Corroon adds.

Corroon & Black also developed a feasibility study plan designed to help insurance buyers decide how much coverage they need to purchase and how much to self-fund.

The feasibility study should enable buyers to pinpoint accurately what their self-insured retention levels should be, a planning program Corroon & Black has been working on to perfect in the last year.

"A buyer can now say with some credibility that his company should be taking a \$250,000 deductible, for instance, rather than just asking what credit I can get for him by setting a large deductible," Mr. Corroon explained. The study has also attracted some "sizable" new business.

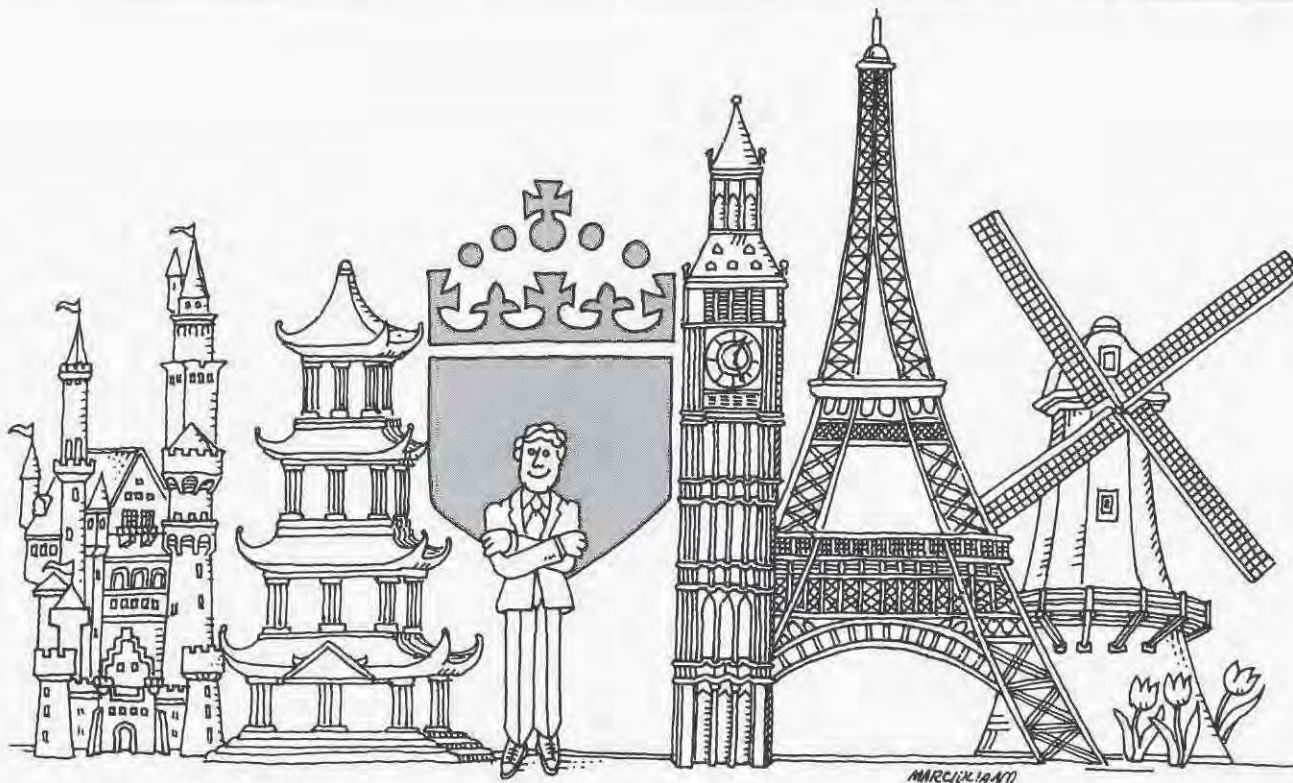
Employee benefits accounts "have stayed at around 15% over the last few years, which we would like to improve on because it is a lot more stable in this end of the business cycle," he added.

The remainder of the company's book of business stayed almost the same as in 1978. Casualty policies accounted for 47% of revenues, property 20%, employee benefits and life 15%, reinsurance 9%, fidelity and surety 7% and marine 2%, all within one percentage point of 1978's figures.

Principal officers of Corroon & Black are Mr. Corroon; Webb Follin, vice chairman of the board; Frank Hagan, chairman of the executive committee; Richard Miller, president and chief operating officer.

Salaries and incentive compen-

Continued on page 32



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Agent / Broker Profiles

Continued from page 30
sation for the five highest paid officers or directors are:

Robert Corroon	\$351,500
Richard Miller	\$277,500
Frank Hagan	\$267,500
Paul T. Carter	\$188,125
Donald R. King	\$175,744

All 23 directors and officers as a group earned \$1.8 million in salaries and \$930,925 in incentive compensation.

7 Rollins Burdick Hunter Co.
10 S. Riverside Plaza,
Chicago, Ill. 60606;
312-454-1400

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$67,734,832	\$61,684,272*
Employees	1,250	1,196*

Rev./employee \$54,188 \$51,575*
Offices 50 43
*Restated to reflect acquisitions

Rollins Burdick Hunter officials don't make public their revenue projections from year to year, so it is impossible to tell if the firm was satisfied with its 10% increase in gross revenues in 1979.

However, the firm did retain its seventh largest broker ranking in 1979 on revenues of \$67.7 million, up from a restated \$61.7 million in 1978. The 1978 figure was restated to include seven domestic acquisitions.

The rate of increase in gross revenues slowed for the second straight year, down from a 17% increase in 1978 and 21% in 1977.

Like his other big-broker counterparts, RBH president and chief executive officer Charles H. Mather attributed the decrease in growth rate to the soft commercial property/casualty market. RBH is also reflecting other big brokers by emphasizing new business production, Mr. Mather said.

RBH has a reputation for being strong in property lines and large accounts. However, Mr. Mather says it is RBH's goal to be strong in all areas.

"You say we're good in property, but I think we're well balanced between our property and casualty business," he said. "We don't intend to pursue only one line of business."

Last year's figures seem to support his contention. In 1979, casualty insurance brought in 40% of revenues; property brought in only 36%. The rest was brought in by employee benefits, 9%; marine, 3%; reinsurance, 3%, and interest and miscellaneous, 9%.

"That philosophy goes for our percentage of large business as well," Mr. Mather noted. "We feel we have good spread because what is a large piece of business in one office wouldn't be in another. And we are actively going after the medium-sized risk in all of our offices."

A strong point in the RBH system is its linkup of international offices, most established through joint ventures with C.E. Heath & Co. Ltd. of London and Hudig-Langeveldt Group B.V. of Amsterdam and Rotterdam. Rollins Heath offices operate in South America and Southeast Asia while Heath Langeveldt Rollins offices do business in Thailand, Hong Kong, Malaysia, East Malaysia, the Philippines and Singapore.

RBH's subsidiary, Rollins Burdick Hunter International Inc., is located in the U.S. to serve multinational companies there.

Mr. Mather, however, would not estimate how much of RBH's business is international.

"That would be hard to say, because much of our business is located in both areas," he said. "Business is becoming more fully international. We continually try to develop business on all fronts, and the international office is one tool we have. There is an additional blurring because you can call on an international client and end up with domestic business and vice versa."

RBH is studying the Fisher report (BI, June 23) and watching its effects on Lloyd's of London closely, Mr. Mather says. However, RBH has no present plans to alter its relationship with C.E. Heath & Co. or purchase a London broker, Mr. Mather adds.

"We've had a very long and pleasing relationship with Heath as well as many other London brokers," he said. "Not all of our business goes to Heath at present, and we like our present position in London. Of course, that could change, for my crystal ball for the future is no better than other people's. But at this point we don't

Continued on page 36

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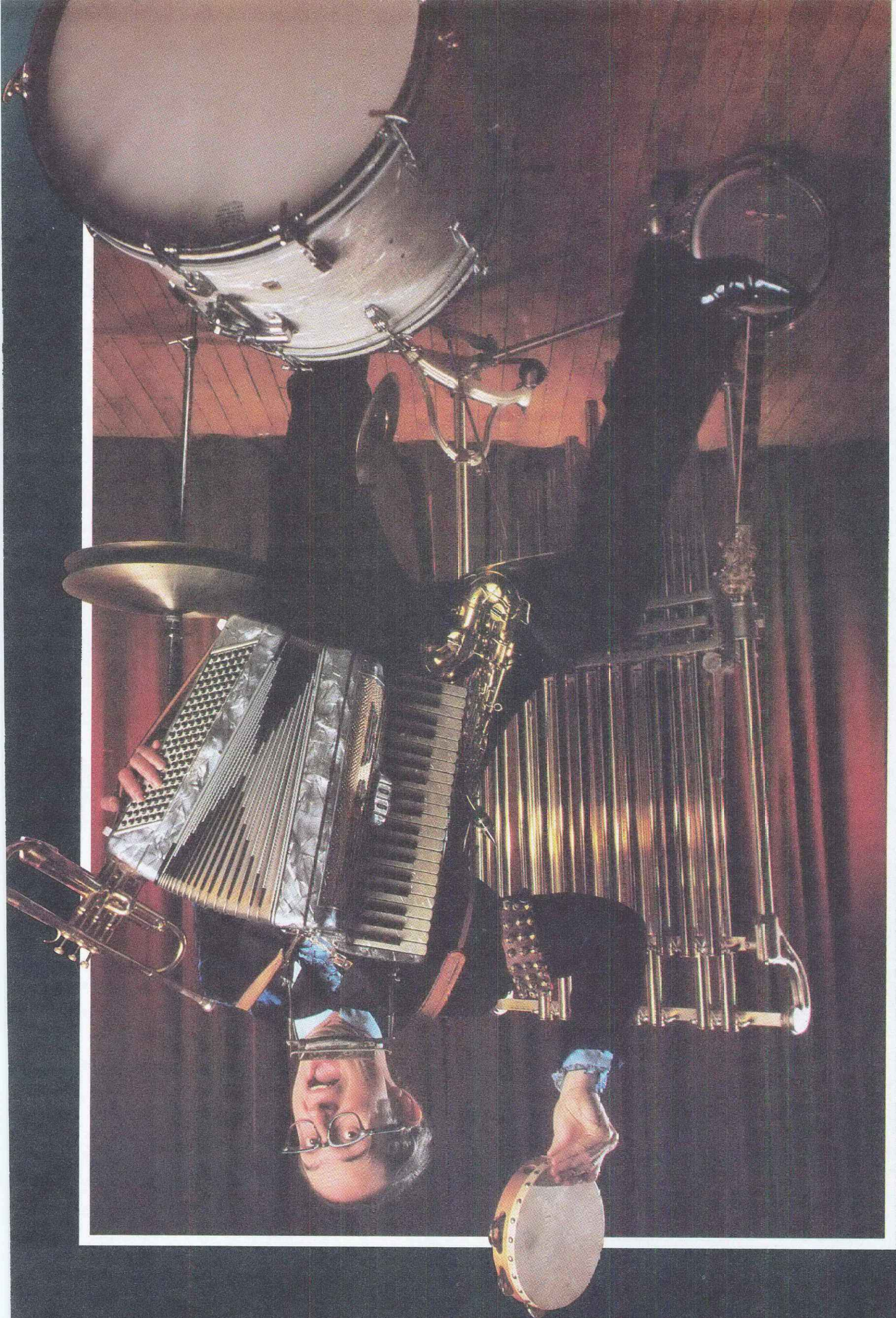
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"Benefits are one area that we would like to increase our business in," says Charles Mather of Rollins Burdick Hunter.

Agent / Broker Profiles

Continued from page 32

see any benefit for our clients to go ahead and buy a London broker."

Mr. Mather says the firm will continue to seek acquisitions to bolster geographic gaps and specialty needs. The U.S. Southeast and Southwest are likely targets, he added.

In 1979, RBH acquired six agencies and started another from scratch. Acquired agencies included Goetz-Hassler-James Inc. in Milwaukee; Butler & Co. in Sa-

cramento, Calif.; Columbia Associates in Pasadena, Calif.; Sturm-Rosebury & Associates in Billings, Mont.; the Horton Agency in Oklahoma City, Okla., and Beebe, Blakely & Forbes Inc. in Boston. The firm formed Rollins Burdick Hunter of Honolulu, Hawaii.

"Our goal isn't to be the biggest broker in the world," Mr. Mather explained. "But we would like to expand in a number of areas. Benefits are one area that we would like to increase our business in, as is the executive benefits area. At the same time, however, we see RBH as a union of specialists and don't want to build up any one department."

One area the firm will continue

to center upon is its financial services. RBH is proud of its cargo loss control and loss analysis work.

"We attach considerable importance to these types of programs," explained vice chairman George Burrows. "We think we're doing some unusual things with our computers and other methods that we feel pinpoint problems before they occur."

Internally, RBH adopted a new organization structure in 1979. Reporting to Mr. Mather under the new plan are the heads of RBH's insurance operations group, technical services group, national services group and finance and administration group, plus leaders of RBH's six geographic regions and its Booth Potter Seal & Co. Inc. reinsurance subsidiary and Rollins Burdick Hunter International insurance subsidiary. The restructuring was designed to increase internal efficiency.

Operating expenses in 1979 were \$4.5 million or 10% over 1978 with the percentage of operating expenses to revenue remaining at 72% both years. Mr. Mather notes, however, that kind of increase relative to income could be hard to maintain in the future. Total expenses in the first quarter of 1980 were up 11.3% over a similar period in 1979. Revenues were up 12%, income was up 10%.

"I think we can do a good job of containing our costs, although I don't know if we can keep the same percentage with revenues," he said. "You have to maintain a level of service and we are somewhat at the mercy of inflation on that."

Although the firm is interested in acquisitions, future expansion will remain within the brokerage business, Mr. Mather states.

"At this point we are insurance brokers," he said. "Of course, we do a wide range of things to present alternatives in funding risks, and the more services we provide, the better we are at smoothing out the ups and downs of the property/casualty insurance cycles. But we have no interest in diversifying into unrelated businesses."

Principal officers of Rollins Burdick Hunter are Adrian B. Palmer, chairman; George S. Burrows, vice chairman; Charles H. Mather, president and CEO; William C. Snyder, executive vp and chief operating officer, and Michael J. Starshak, vp-finance and administration.

The five highest paid executives of Rollins Burdick Hunter—in salaries, fees, commissions and bonuses—as reported in its proxy statement are:

Charles H. Mather	\$174,167
George S. Burrows	\$126,250
Karl R. Palmer	\$121,250
William C. Snyder Jr.	\$118,750
C.J. Reid Jr.	\$113,750

8 Bayly, Martin & Fay International Inc.
3200 Wilshire Blvd.,
Los Angeles, Calif.
91367; 213-736-9600

	1979	1978
Premium vol.	\$722,000,000	\$610,000,000
Gross rev.	\$65,000,000	\$54,900,000
Employees	1,600	1,330
Rev/employee	\$40,625	\$41,278
Offices	51	42

Signaling its intention to go after major commercial airline accounts, Bayly, Martin & Fay International hired one of the industry's top commercial aviation experts and opened an aviation division in London.

Although the eighth-ranked U.S. broker has long been strong in the industrial airline field, the addition of Frank Winship, formerly of Marsh & McLennan, and the new London connection are part of a long-range plan to broaden commercial aviation activity, reports Samuel Alcorn, senior vp.

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This summer, BMF will move its headquarters to Newport Beach, Calif., consolidating corporate staff presently in Los Angeles and Texas. President Joseph N. Tate, who has been based in Houston, will become chief executive officer.

Charles R. Warde continues as chairman of the board, but will relinquish his chief executive officer title. Mr. Warde is also president of the insurance services holding company for all insurance operations of the parent corporation, Sperry & Hutchinson Co.

Despite the soft market, BMF's 1979 growth of 18.4% in gross revenues compares favorably with the broker's performance during the past five years, Mr. Alcorn observes. BMF racked up its highest five-year growth of 20.7% in 1978.

Last year's growth was almost entirely internally generated, Mr. Alcorn notes. Two small acquisitions made late in the year had very little impact on volume.

To compensate for shrinking premium income on existing accounts, BMF increased its commercial client list to about 60,000, up from an estimated 53,000 a year ago. The greatest growth came in aviation, association/trade group programs and loss funding programs for major firms.

Bayly, Martin & Fay is planning heavy expansion of its trade

Full-time, segregated risk management departments now operate in Los Angeles, New York, Houston and Tulsa and another is being developed in Oakland.

Though risk management staff is growing, BMF has no plans to follow the trend to stronger ties with Lloyd's of London brokers, Mr. Alcorn said.

Linkage can be successful for the largest insurance brokerage firms, Mr. Alcorn says. "Marsh & McLennan's size and volume of business is such that they can be indifferent to alienating an awful lot of people in London. I don't think we have that luxury."

"We turned down two invitations in the past year to buy into Lloyd's firms," Mr. Alcorn continues. "The two Lloyd's brokers that approached us are concerned that if there is a continuation of the ownership linkage, they will be dealing with a shrinking market and lose access to the American market."

"But an international service capability is critical to the handling of many major accounts headquartered in the U.S.," Mr. Alcorn said. BMF maintains offices in London and Paris and is building a network of affiliates throughout the world which is involving BMF in some unusual foreign exposures.

An affiliate in Lagos, Nigeria, for instance, has just been approved by the Nigerian government for participation in several key, government-controlled oil, shipping and aviation insurance programs that BMF's London staff is working on now, Mr. Alcorn said. "We are developing this kind of two-way relationship throughout the world," he added.

Acquisitions and mergers in 1979 and 1980 include: Lundquist Agency, Detroit; Arctic Alaska Insurance Agency, Eagle River, Alaska; Island Insurance, Kodiak, Alaska; Anderson, Divan, Cotrell Insurance, Kearney, Neb., and Continental Agency Co., Salt Lake City, Utah (branches in Ogden, Utah, and Soda Springs, Idaho).

BMF has offices in 49 U.S. cities and foreign offices in London and Paris.

Principal officers include: Charles R. Warde, chairman; Joseph N. Tate, CPCU, president; Jack Seiter, senior vp-life and employee benefits operations; Samuel Alcorn, CPCU, senior vp-property and casualty operations, and John Roblee, vp-finance.

9

Arthur J. Gallagher & Co.

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	1979	1978
Premium vol. ...	NA	NA
Gross rev.	\$30,523,535	\$24,816,582
Employees	682	553
Rev./employee ...	\$44,756	\$44,876
Offices	64	58

Talk to Robert Gallagher Sr. for very long and it's likely you will hear two phrases—"No. 1" and "different."

Those two phrases play big roles in Arthur J. Gallagher & Co. Inc., which once again grew rapidly in 1979, retaining its ninth rank in the *Business Insurance* top 20. Gross revenues for 1979 increased 23% from 1978, an impressive gain in an overall bad year for the big brokers.

But the gains are no surprise to president Mr. Gallagher, who has watched his firm grow an average of 35.9% in the past decade to its present \$30.5 million total gross revenues. From the brass plaque espousing the late Vince Lombardi's thoughts on "What It Takes To Be A Winner" to a book-end shaped like the numeral one, Mr. Gallagher's whole attitude of brokerage management centers

Continued on next page



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International service capability is critical, says Sam Alcorn.

group/association programs, now numbering about 40, Mr. Alcorn stresses. The BMF Marketing division allows the broker to attract a comprehensive group of small accounts.

BMF Marketing has a separate 25-person producer staff located around the country to develop national trade group programs. This staff specializes in particular product lines and provides direct service to group members who may be in different cities.

Two such trade group programs, however, have taken a beating because of the overall depressed performance of their industries. An automobile dealers program centered in BMF's Walnut Creek, Calif., office is suffering with low rates and dealer's shrinking inventories. Homebuilders association business is also hurting nationwide.

Spurred by high interest rates and firms' desire to conserve cash, the movement of large corporations into loss funding programs continued in 1979. A significant part of BMF's jump in staff to 1,600 from 1,330 last year signaled growth in the broker's risk management staff for these major accounts, Mr. Alcorn notes.

Agent/Broker Profiles

Continued from previous page around teamwork and expansion in new areas of opportunity.

He likes to believe his firm is No. 1 among its peers because it does business a little differently.

"I've played on a lot of teams in my life, and it is a lot more fun to win," the Gallagher president said.

Mr. Gallagher has planned a young team, combining college-educated trainees fresh from Gallagher's own training programs and frustrated up-and-comers from insurers and other agencies who want to move up faster.

Mr. Gallagher says he isn't ashamed to "liberate" personnel from anywhere he can.

"I think we have a lot to offer our employees," he said. "We take a paternalistic attitude toward our employees, and we have a good team atmosphere here. Besides, they can always come and take our employees back. My staff is open to others providing they can give the same opportunities, morale, salary and other benefits we do."

The firm also isn't afraid to hire relatives and friends.

"Nepotism has worked well for us, and it's not just for people named Gallagher," Mr. Gallagher said. "I think it gives us a certain strength as well if you hire relatives and friends who are qualified in the first place."

"Look, we are an opportunistic firm and one of our key growth factors is the growth of our men and women," he added. "We put a lot of energy into that. The great design isn't to have so many relatives, so many from outside the company and so many from our training programs. We like a balance of experience and youth so we can benefit from both."

"It's how you challenge, reward and motivate people you get when you get them that counts. We hope we can continue to do that as we get larger."

That the firm has grown quickly is no secret. In 1970, Gallagher & Co. employed 86 people and had revenues of slightly more than \$2 million. In 10 years the total has grown to 682 employees and \$30.5 million.

This year, the firm has already added 66 new employees and will top 800 before year's end, Mr. Gallagher says.

"We're growing for the future in virtually all of our departments—Main Street property/casualty business, our risk management and self-insurance departments, development of overseas business and our computer center."

Despite this, 1979 was a "digestive" year for the broker, Mr. Gallagher says. In 1980, the firm "put the goalposts pretty well back" and expects to reach a 23.5% growth.

Being privately held helps that process, he adds.

"My competition is very good. But if it is prudent to grow for the future today, many of the public brokers are tied up because they have to report quarterly figures and satisfy stockholders. If my margins slip by design, however, that's good management and we'll make it up later," Mr. Gallagher said.

"At Gallagher, 5% of our growth has been internally generated. Unlike other brokers, we have many from-scratch offices. That's because I can afford to take the time to let our offices grow correctly and don't have to buy other people's problems."

Trying to list the firm's five greatest successes in 1979, Mr. Gallagher first tempers the list.

"This last year was one of the hardest years we've experienced,"

he said. "Inflation has hurt us. The competition has been intense, too. Our people go in to do battle over a risk and come out bloody with a victory, but lose half our revenues. With that kind of a situation you can't expect us to cheer."

"But our level of growth has been a source of pride for us, as has been our progress in manpower development. We increased our retained earnings, and I am also proud of the growing professionalism at Gallagher Bassett Insurance Service (Gallagher's self-insurance services division)," he said.

"We've also gone a long way in our development of our middle management ballteam," he said. "We brought in some outsiders to advise us and determine where we want to go in the future. Part of this is to set up a middle management level to develop the expertise we need to accelerate our future growth."

The biggest disappointment is in



"Nepotism has worked well for us, and it's not just for people named Gallagher," says president Robert Gallagher Sr.

the computers and system services, which Mr. Gallagher says he is impatient to improve.

"We're improving fast in this area, but I would like to be in the situation that we could close the

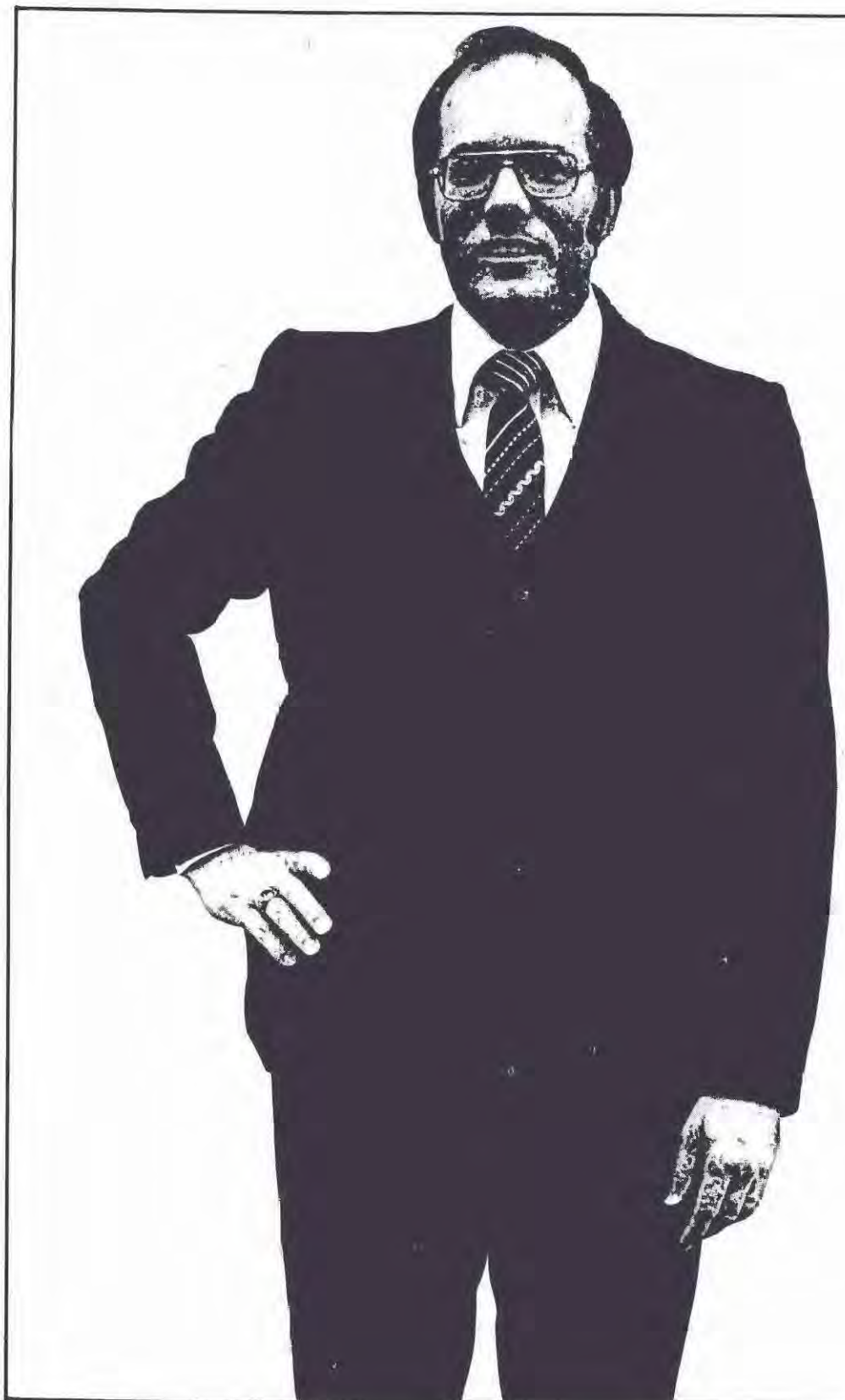
month and two weeks later know exactly where we are at. We want to be completely automated, and we're making the commitment now to develop the needed skills in this area."

Gallagher & Co.'s network of offices is unusual in that it contains a small number of full-service brokerage offices to market insurance and a larger number of service offices to look after self-insured accounts nationwide.

Last year, Gallagher started a marketing office in Cleveland from scratch and added eight new service offices. The firm also started full-service brokerage operations in Bermuda, which Mr. Gallagher says will be a strong growth area.

More than 35% of Gallagher's business comes from the Chicago area, although Mr. Gallagher says a corporate goal is to add new insurance marketing offices throughout the country.

Nearly 40% of the firm's business comes from the service fees. Future development of the pensions and self-insured employee benefits areas will help smooth future effects of the insurance cycle and increase the small share of



benefits business, he says.

"But whatever areas we decide to develop, we won't leave the basic property/casualty business," he added. "We don't worry about our competition, either. I think we're different than our peer group. We have a real zeal here to prevent the unpreventable. The moment is going for us and we have worlds to conquer."

"Sometimes we get beat off the wall by our competition," he added. "But that is the marketplace today."

Principal officers of the firm include: Arthur J. Gallagher, chairman; A. James Gallagher Jr., vice chairman; Robert E. Gallagher, president; John P. Gallagher, executive vp; Sterling L. Bassett, John G. Campbell, John C. Danloe, William G. Jensen, Donald J. Krutek, Louis E. Metzger, Warren G. Van derVoort Sr., Daniel P. Wachs and Walter F. McClure, vps, and Norman S. Anderson, chief financial officer.

10 Insurance Management Corp.

6600 W. Broad St.,
Richmond, Va. 23230;
804-281-6336

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$25,580,000	\$17,307,000
Employees	620	430
Rev./employee	41,258	40,248
Offices	18	17

Insurance Management Corp., breaking into 10th among the top 20 brokers, has a new president who's determined to change the Southeastern regional firm's status to that of a nationally competitive broker.

With 48% in 1979, the most growth of any of the top 20 brokers, the firm is on its way.

Robert H. Hilb, formerly head of Fred S. James's Midwest operations in Chicago, was named president. William B. Graham, former president, moved up to the corporate headquarters as senior vp of Continental Financial Services of

Richmond, parent company of Insurance Management.

Another former Insurance Management executive, Marvin R. Blum, was promoted to administrative manager for Continental's Houston office.

Insurance Management will continue its pattern of rapid growth through acquisition, noting a major goal is "to become a presence in some of the major cities on the East and West coasts and in the Midwest," Mr. Hilb said.

The firm's major acquisition in the second half of 1979 was H&W Insurance Services of Encino, Calif., an excess/surplus lines broker that reported 1979 gross revenues of \$3,306,901.

The H&W acquisition gives Insurance Management new access to the E/S market. The firm plans to eventually increase its international activity, which has been "very little till now," Mr. Hilb said. Three other acquisitions during

the last half of 1979 helped boost Insurance Management's gross revenues 48%, from \$17,307,000 in 1978 to \$25,580,000 in 1979.

Insurance Management bought Agency Associates Inc. of Sarasota, Fla., in August 1979; Benjamin Insurance Agency of Hartford, Conn., in October, and Up-ham Insurance Agency Inc. of St. Petersburg, Fla., in December.

In addition, the broker acquired another St. Petersburg agency, Davidson Insurance, in March 1980 and merged it with the Up-ham Agency. In April 1980, Insurance Management bought Gulf States Insurance Group Inc., a marine operation in Bradenton, Fla.

Insurance Management's president echoes the sentiments of most brokerage executives in assessing 1979 as a "very difficult year."

"We knew it wasn't going to be a good year," he said, "but given that, our growth was acceptable."

The firm, Mr. Hilb noted, com-

petes with both nationals and other regional brokers for medium-sized accounts.

"We're not in major cities such as New York, Los Angeles or Chicago, but we're noticing increased competition from nationals nevertheless," he said.

"We're fully cognizant of the impact of the nationals," Mr. Hilb continued, "but for the most part our competition is from other local and regional brokers."

For example, in Atlanta, Insurance Management is up against the alphabet brokers, while in Birmingham, competition is primarily from local brokers.

Insurance Management markets to medium-sized businesses that don't have their own risk management department.

"We prefer to act as the risk manager," Mr. Hilb said. "That way, we're exposed to the ultimate decision maker in the company, the one who measures our performance."

The Insurance Management executive predicts further expansion through acquisition for 1980-81, though he declines to foretell future insurance market conditions.

"I'm a poor soothsayer," he said. "I thought we'd have a turnaround by the second half of 1980."

In addition to Mr. Hilb, other principal officers for Insurance Management are J. Michael Nolan, vp and general counsel, and Timothy J. Korman, assistant treasurer.

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Subsidiary of Armco.



The Bellefonte Companies

11 Penn General Agencies Inc.

11620 Wilshire Blvd.,
Los Angeles, Calif.
90025; 213-820-7070

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$23,980,138	\$21,938,960
Employees	550	529*
Rev./employee	\$43,600	\$41,473*
Offices	22	21

*Restated

Gross revenues for Penn General Agencies rose 9% last year, a performance president and chief executive officer Alfred B. Schaeffer grudgingly termed "satisfactory."

Although that increase was slower than the company's 15% increase over the preceding 12 months, it compares favorably with Penn General's five-year growth rate, he says.

Although Penn General occasionally finds itself going head-to-head with the alphabet brokers over a major account, the company looks to local accounts first, Mr. Schaeffer says. He described Penn General's target client companies as in the \$10,000 to \$500,000 premium range.

Besides its home turf in California, geographic regions of strength for the 11th-ranked U.S. broker are Michigan and Florida. "We're also very interested in North Carolina, where we have an office in Burlington," Mr. Schaeffer noted.

Though local at heart, PG is aware of and part of brokerage trends.

Penn General was way ahead of its time with a 20% acquisition in a London broker, Derek Bryant Insurance, several years ago, Mr. Schaeffer said. There are no plans, however, to increase that investment or to acquire any other London links in the near future, he added.

Nor does the company have any immediate intention of acquiring other agencies or entering into any joint ventures. A new office opened its doors last year in Newport Beach, but the company acquired no outside brokers.

Following a self-insurance trend, parent company PennCorp. Financial Inc. continues to expand its self-insurance services operation, Penn General Service Corp.

Besides handling claims for self-

Continued on next page

Agent / Broker Profiles

Continued from previous page
insurers, PGCS provides risk surveys and analyses, loss control and cost studies, formulation of safety procedures and programs, research and development and consultation on risk treatment programs. It also designs and administers employee benefit plans.

Self-insurance services are available in offices in Los Angeles; Miami; Southfield, Cadillac and Grand Rapids, Mich.; Falmouth and Jackman, Maine; Grand Prairie, Tex.; Oak Brook, Ill.; Barrington, N.H., and Little Rock, Ark.

Penn General Agencies is also located in the Los Angeles headquarters; San Francisco; Newport Beach; Phoenix; Miami; New York; Boston; Southfield and Sa-



Although Penn General may battle alphabet brokers for a major account, it looks to local accounts first, says Alfred Schaeffer.

ginaw, Mich.; Burlington, N.C.; Beachwood, Ohio (Bercu Agency); and El Paso (Given Agency).

Principal officers of Penn Gen-

eral Agencies include: Alfred B. Schaeffer, president and CEO; Arnold Bergson, senior vp; Gerry F. Ginsberg, vp and treasurer, and

Donald R. Benyas and Vernon E. Dockendorf, vps.

The five highest paid executives of PennCorp. Financial, PGA's parent, in salaries, directors fees, commissions and bonuses are:

Stanley Beyer	\$423,638
Burton Borman	\$291,667
Harry H. Sterling	\$195,000
Alfred B. Schaeffer	\$195,000
Daniel J. DiSiplo	\$165,833

The 21 officers and directors as a group received \$2.5 million.

12 E.H. Crump Cos. Inc.,
5330 Poplar Ave.,
Memphis, Tenn. 38117;
901-761-1550

	1979	1978
Premium vol.	\$182,300,000	\$160,000,000
Gross rev.	\$23,784,000	\$19,586,000*
Employees	607	550
Rev./employee ...	\$39,813	\$35,611*
Offices	34	28
*Restated		

E.H. Crump Cos. Inc., the 12th

largest brokerage in the U.S., boosted its 1979 premium volume 13.9% and its gross revenues 21.4% over 1978, a pace ahead of most large brokers.

"In the soft market environment that existed, we did almost exactly as we projected," said Sidney A. Stewart, president.

Crump continued to expand throughout the country. It acquired the Kingman Spencer Agency in Titusville and Melbourne, Fla., and purchased a controlling interest in an excess/surplus office in New York, Northeast Risk Managers.

The Memphis-based broker also opened new excess/surplus offices in Denver and Houston, Crump-Davis of Colorado Inc. and Crump-Davis of Houston Inc., respectively, and a retail agency in Greenville, E.H. Crump of South Carolina Inc.

Crump's expansion is part of its long-term drive to operate in all major Southeastern cities and establish a national excess/surplus network. Currently, Crump has agencies in 18 Southern cities and 22 excess/surplus lines offices in 15 states.

During the year, Crump's specialty lines offices developed new programs for such difficult-to-place risks as taverns, liquid petroleum gas operations and coal mine operators in a bid to snare new customers.

In a major personnel change, Crump hired Hal Carter, Tennessee's former insurance commissioner, to direct the broker's employee benefits division. "We feel employee benefits are very important to corporate growth and was an area where we needed to boost our expertise," Mr. Stewart said.

Benefits account for 6% of Crump revenues.

Crump intends to expand its services to the growing number of firms self-insuring their health benefits and boost its strength in pensions by offering administrative services, Mr. Carter said.

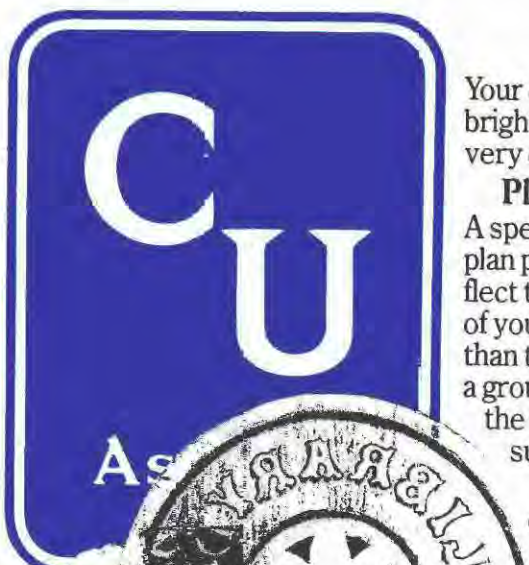
Most of Crump's book of business has been built on small and

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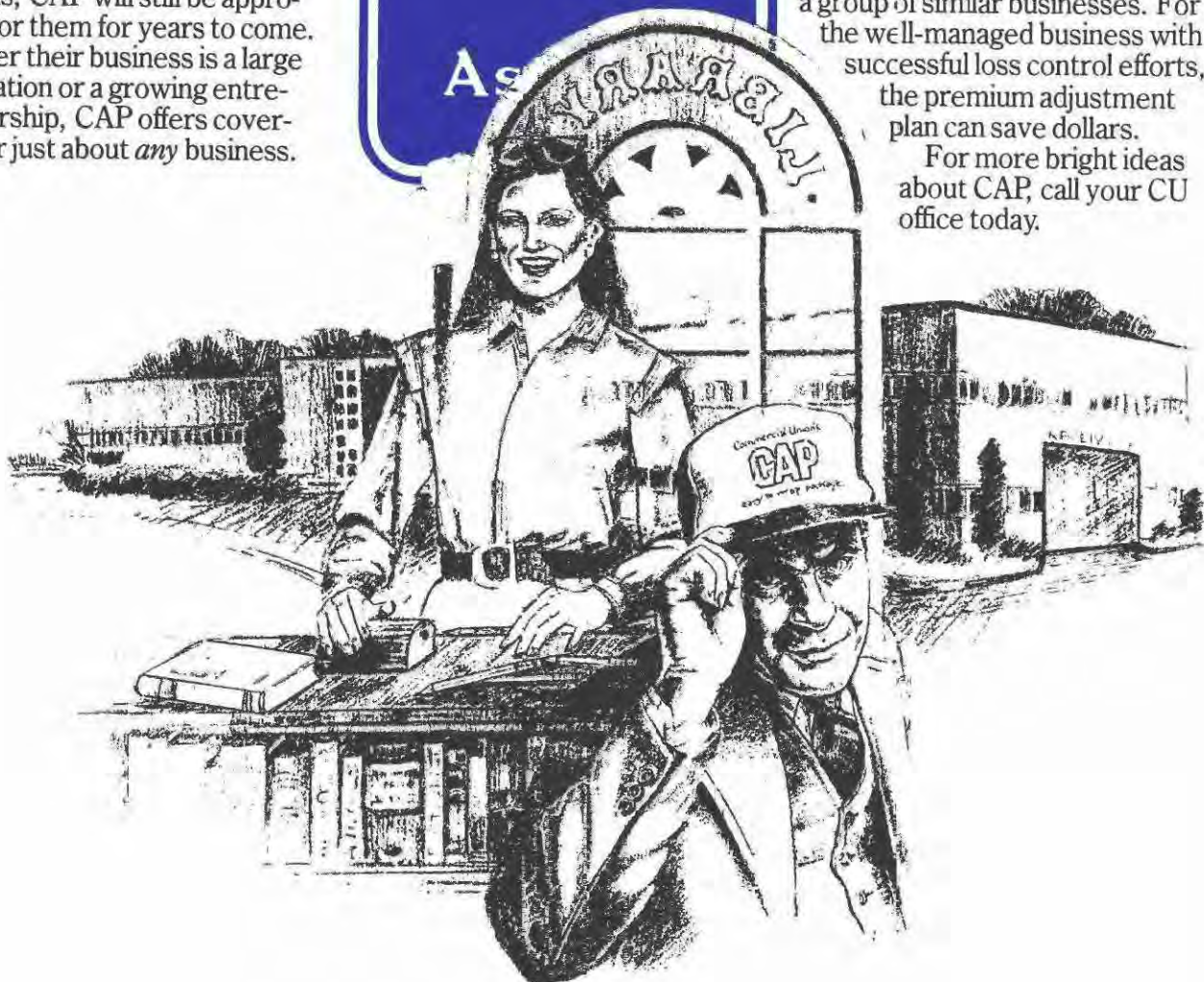


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'We feel employee benefits are very important,' says Sidney Stewart.

medium-sized accounts. But Crump is building its expertise to compete for jumbo-sized accounts and service contracts.

For example, like the largest brokers, Crump unbundles its services on a fee basis. Captive feasibility studies, captive management and workers compensation claims adjusting can be purchased without insurance policies.

But big brokers are not the only competition, Mr. Stewart said. "We are seeing smaller brokers in the soft market be able to do things that they wouldn't have the sophistication and expertise to do in a tight market."



Commercial Union Assurance Companies, One Beacon Street, Boston, Massachusetts 02108

Internationally, Crump uses J.H. Minet & Co. to place risks at Lloyd's of London and is expanding facultative and treaty reinsurance capabilities.

"This is a large and potentially very profitable though not widely understood area of the insurance business," Mr. Stewart told the company's stockholders at their annual meeting.

Principal officers are E.H. Crump Jr., chairman and chief executive officer; Sidney A. Stewart Jr., president and chief operating officer; James M. Power and Frank C. Pidgeon Jr., executive vps; and E.B. Morrow Jr. and Donald A. Thomas, senior vps.

The five highest paid officers of the company in salaries, commissions and bonuses in 1979 were:

E.H. Crump, Jr.	\$112,000
Sidney A. Stewart, Jr.	\$110,625
David D. Henritze	\$100,200
David T. Johnson	\$70,959
James M. Power	\$83,225

The 23 officers and directors of Crump were paid \$1.2 million in 1979.

railroads, major airlines, manufacturers, aerospace manufacturers, banking & financial institutions, motor carriers and construction companies.

R.L. Kautz business, on the other hand, is concentrated in companies with high claims frequency including grocery co-ops, drug chains, markets, restaurants, retail department stores and government agencies. Trucking and construction industries have the greatest overlap in accounts with Emmett & Chandler.

New business and further penetration of existing accounts at Emmett & Chandler and Risk Management Inc. constituted nearly 20% of total volume for the insurance services division, notes Leonard P. Lawrence, E&C president. "Since we closed the year without losing much old business, nearly all of the new business had its full impact on volume."

During the past 18 months, Mr. *Continued on page 44*

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13 Emmett & Chandler Inc.
1800 Ave. of the Stars,
Los Angeles, Calif.
90067; 213-553-2711

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$17,973,000	\$15,572,000
Employees	489	451
Rev./employee	\$36,755	\$34,528
Offices	16	14

A 15.6% increase in the composite gross revenues of Pinehurst Corp.'s insurance services division was almost entirely attributable to the Emmett & Chandler brokerage operation, observed Richard A. Archer, former chairman and chief executive officer of Frank B. Hall who joined Pinehurst as assistant vice chairman this year.

That performance offset a troubled year for Pinehurst's claims handling operation, R. L. Kautz & Co. The insurance services division overall, including Emmett & Chandler, R.L. Kautz, Risk Management Inc. and PRI Inc. registered \$2.25 million in operating profits last year, down 20% from 1978.

The 1979 figures reflect the drag on profits caused by converting the Kautz operation to an on-line computer system, Mr. Archer explains.

"I don't know how much more than a million dollars we have in this system now, but it is an enormous investment," Mr. Archer noted. "It almost ran the company up on the rocks, but we've gotten through it. We're out on the other side and the efficiencies we're going to see will be tremendous."

The system—a joint venture project with a group of former Lockheed Corp. computer whizzes—speaks English and can be used by anyone.

Pinehurst has also penned more red ink strengthening its New York brokerage operations, making a substantial investment in senior management and other personnel additions. Emmett & Chandler has moved to new, larger office space in midtown Manhattan.

Signaling its intention to compete more aggressively in the world's largest insurance marketplace, Emmett & Chandler also acquired Central Brokers in New York to expand its base of business there.

The parent Pinehurst's major objective now is to achieve greater synergism among its various insurance services operations. Emmett & Chandler clients that self-insure should be R.L. Kautz clients, too Mr. Archer stresses.

Emmett & Chandler's list of client companies includes many domestic oil drillers, long-line

Know Us by the Companies We Keep

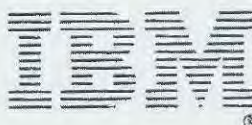


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Agent/Broker Profiles

Continued from page 41

Lawrence says he has detected a dynamic new business attitude among the alphabet brokers in Southern California. This drive brings them directly into competition with Emmett & Chandler and is geared to large accounts: companies with sales in the \$10 million to

"Florida is key to our plans," says Richard Archer, left, with Leonard P. Lawrence.

\$500 million range.

"We tend to use C.E. Heath, J.H. Minet and Hogg Robinson, among others, to place risks in Lloyd's," he added.

During 1979, Emmett & Chandler established new offices in Phoenix and Orange County, Calif., as well as expanding its New York and San Francisco offices.

Existing offices are in Los Angeles, San Francisco, Orange County, San Diego and Irwin, Calif.; Rochester, Schenectady, Albany, New York City, N.Y.; Parsippany, N.J.; Milwaukee; Houston; Phoenix; St. Louis; Chicago, and Hamilton, Bermuda.

In an effort to develop a more national base of business, Emmett &

Chandler is looking to establish new offices in several other growing population centers throughout the country.

"Florida is key in our plans," said Mr. Archer, pointing out that within five years 30% of the U.S. population will live in California, Texas and Florida. E&C is also interested in developing business in Seattle, Boston and the Midwest.

"The best way to establish yourself in a new area is to acquire a strong, locally oriented, well-managed business," observed Mr. Archer, hinting E&C has its eyes open for good opportunities in the areas where it wants to expand.

Principal officers of the brokerage company include: Oren E. Lane, chairman; Leonard P. Lawrence, president of Emmett & Chandler of Los Angeles; Tom Cannon, president of Emmett & Chandler of New York; Thomas B. Arney, president, Pinehurst East; and Jim Bussio, executive vp.

Total salaries, fees, bonuses and commissions of the five highest paid executives of Pinehurst Corp. in 1979 were:

R.L. Emmett	\$170,000
C.F. Smith	\$170,000
E.V. Schmidt	\$100,000
O.E. Lane	\$80,000
L.S. Miller	\$77,000

The 15 directors and officers as a group were paid \$1.02 million in 1979 in salaries, fees, bonuses and commissions.

14 Financial Guardian Group Inc.

3100 Broadway,
Kansas City, Mo.
64111; 816-561-8630

	1979	1978
Premium vol. ...	\$175,000,000	\$150,000,000
Gross rev.	\$17,785,990	\$13,842,191
Employees	376	343
Rev./employee ...	\$47,303	\$40,356
Offices	26	25

Ten years ago, Lee Beets started with a \$200,000 investment and a master plan: to build an aggressive Midwest brokerage capable of competing with large and small brokers.

"We weren't trying to copy or be bigger than anyone else," said Financial Guardian chairman Mr. Beets, who moved from the insurance company to broker business. "We wanted to be ourselves."

Hokey as that may seem, Financial Guardian seems to have carved a niche in the marketplace.

In 1979, the company again tallied an impressive growth rate: 29%, with gross revenues of nearly \$17.8 million from a premium volume of \$175 million. Despite fiercely competitive markets, the firm improved its 1978 revenue increases of 23.4% and moved up one notch to 14 in the *Business Insurance* ranking.

Property/casualty accounts represented 82.3% of the gross revenues—down slightly from 83% in 1978—while employee benefits/group insurance business showed a corresponding rise to 8.4%.

With its home office in Kansas City, Financial Guardian has reached into national and international markets and is seeking acquisitions to improve management services. International business is not a large part of overall revenues, but the plans call for increasing the ability to serve foreign needs of U.S. and foreign companies, particularly in employee benefits.

In 1979, the name Financial Guardian Insurance Group Inc. was changed to Financial Guardian Group Inc., with two major groups: Financial Guardian Inc., its retail and service operation, and Worldsurance Inc., the wholesale brokerage. Through the two groups, 55,200 commercial clients are served.

Its 1979 acquisitions include
Continued on page 46

This handmade Rizzini competition trap gun combines the finest materials with the highest level of craftsmanship. Its hand-carved steel scroll engraving is by C. Giovanelli. The stock of French walnut by Trevallion. When shouldered it is of exceptional personal fit, extraordinary balance, and devastating accuracy. The calibre of such a gun is not only in the gauge, but in the essence of the piece.

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THE WORLD OF THE



LANDMARK GROUP

Agent/Broker Profiles

Continued from page 44

Edwards & Longwello Inc. of San Jose, Calif.; Pellerito Insurance Agency of Troy, Mich.; Neil Herbert Insurance Agency of Manhattan, Kan.; Diebolt Insurance Agency of Atchison, Kan.; William A. Moore Insurance of Des Moines; Edward R. Beil Associates Inc. of New York, and Bevlard Inc. of St. Louis. The firm has offices in 22 cities, including four international locations, but closed three small services offices.

The transportation industry is a main target of FG's marketing growth strategy, focusing on specialty plans for both wholesale and retail business. Through Worldsurance, FG became a U.S. manager for its own ocean marine facility this year. Trucking programs im-

proved, Mr. Beets says, and aviation is a growth market.

The transportation specialties will not exclude other interests, however, Mr. Beets says, including livestock, fur, jewelry and fast foods.

FG also plans more acquisitions. In its 10-year history, Financial Guardian has completed 72 acquisitions. Mr. Beets predicts gross



Aviation is a growth market, says FG's Lee Beets.

revenues of \$20 million for 1980, not including these acquisitions.

Principal officers, in addition to Mr. Beets, are Donald A. Weber, executive vp of the group and president of Financial Guardian Inc., and W.A. Schonacher Jr., group vp and president of Worldsurance Inc.

The five highest paid officers in 1979 in salary and commissions were:

Lee Beets	\$169,846
Doran R. Oneale	\$194,433
Raymond E. Crews Jr.	\$177,339
Donald R. Weber	\$112,031
Robert E. Edwards	\$100,000

The 13 officers and directors of the group were paid a total in salary and commissions of \$1.2 million in 1979.

15 Albert M. Bender Co. Inc.
50 Francisco St., San Francisco, Calif. 94113; 415-391-2600

	1979*	1978*
Premium vol.	\$120,000,000	\$102,000,000
Gross rev.	\$17,652,000	\$14,010,000
Employees	336	300
Rev./employee....	\$52,536	\$46,700
Offices	13	10

*Fiscal year Aug. 1 to July 31.

The owner of San Francisco based Albert M. Bender Co. is poised to bound into the ranks of the top 10 national brokerage firms—next year.

Bache Group Inc.'s acquisition next month of Ter Bush & Powell Inc. in Schenectady, N.Y., is expected to push Bache into at least the No. 10 position on the BI top 20 list of U.S. commercial agents and brokers.

With Ter Bush's 1979 revenues of \$9.9 million and Bender's 1979 revenues of \$17.7 million, the prominent investment firm will control a heady amount of insurance under its new holding company, Bache Insurance Services Inc.

Bender officials say Bender and Ter Bush offices will continue to operate under their present names, but that revenues and other financial data will most likely be reported as a unit under the new name.

For now, Bender is the primary Bache reporting unit. But the West Coast broker was bumped down by Financial Guardian to No. 15

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"Our tongues may be hanging out, but we did as well as expected," says Bernard M. Mizel, Bender chairman and chief executive officer.

From No. 14 last year. Bender's gross revenues increased 26% in fiscal 1980 to the \$17.7 million from \$14 million in fiscal 1979.

The fiscal year at Bender and at its parent company, Bache Group Inc., runs from Aug. 1 to July 31, out-of-step with other public brokers that generally report on a calendar year.

"Our tongues may be hanging out, but we did about as well as we'd expected," Bernard M. Mizel, president and chief executive officer of Bender, said of the year's results.

"We did it by watching our expenses and introducing special packages for industries such as construction, plastics, metal trades and garments," Mr. Mizel said. "We developed our surety business, which has a higher margin of profit, and increased our involvement in employee benefits" (which represents 10% of gross revenues).

"We learned to rifle shoot in our prospecting for business," he said.

Given the extremely competitive atmosphere of the insurance market, Bender's growth rate was "about the same as last year," the chief executive said.

Workers compensation and package plans remained the most active lines for Bender during 1979-80, with life insurance lagging behind most other lines.

Of Bender's 90% commercial business, casualty insurance business is about half and property insurance is about 42%.

Bender, which catapulted onto the national brokerage scene after its acquisition by Bache Group Inc. in 1978, continues a pattern of rapid growth.

The Bache Group's widely publicized involvement with the silver speculating Hunt brothers created an even greater impetus for the stockbroker to continue its diversification into the insurance industry, Mr. Mizel said.

For a time industry observers speculated the Hunt brothers would not be able to pay a \$100 million call for collateral and that the \$10 million acquisition of Ter Bush & Powell would be called off.

But the wealthy Texans paid off their debt and the planned acquisition was delayed.

In addition to the Ter Bush & Powell acquisition, the firm has expanded into the excess and surplus lines market with the opening of Bache Special Risks in New York earlier this year. California branch in San Francisco is planned to open in August.

By moving into the E/S market, Bender plans to increase its activity with the London insurance market and develop an international presence, something it

Continued on next page

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Agent/Broker Profiles

Continued from previous page hasn't had before.

The aggressive San Francisco broker added two new firms during the first six months of 1980: Cohn, Dach & Howard Inc. in Los Angeles and Robert Riedy, in San Francisco.

In the future, the Bender executive predicted further acquisitions in the Southeast, Southwest and Midwest.

Bender continues to emphasize medium-sized commercial accounts with premiums ranging from \$50,000 to \$100,000 among its more than 20,000 clients, Mr. Mizel estimates.

Bender can meet the big national firms head-on because it offers specialty programs to be merchandised through the Bender

branch system. "We work with insurers who allow us to do our own rating, issue policies on our own and in general be more responsive to our clients."

In addition to Mr. Mizel, principal officers include: Robert L. Rossi, executive vp; Richard P. Metcalfe, executive vp; E. Paul Hansen, financial vp and treasurer; Lewis B. Levin, chairman; Bruce A. Ricci, senior vp; Robert A. Clark, senior vp-Northern California region; Wray D. Farmin Jr., senior vp-Pacific Northwest region; Edward Greenberg, senior vp-Southern California region; John Kabaker, senior vp, and Richard Van Cleave III, senior vp-Eastern region.

16 Ryan Insurance Agency Group
222 N. Dearborn St.
Chicago, Ill. 60601;
312-346-9300

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$17,281,000	\$13,473,000
Employees	300	301
Rev/employee	\$57,603	\$44,911
Offices	4	

With 1979 revenues topping 1978 by 28%, the Ryan Insurance Agency Group advanced two notches on the BI list of top 20 brokers and exceeded its expectations for growth.

An aggressive marketing effort begun over three years ago reaped new property/casualty accounts for more than \$3.8 million in gross revenues.

We have a greater emphasis on new business," said agency group chairman John C. Brogan. "Prior to we had been developing business within the existing accounts."

The Ryan Insurance Agency Group, in its second year as part of the Chicago-based Ryan Service Corp., consists of four agencies: Scarborough & Co., Youngberg-Carlson Co., American Benefit Corp. and A. Yarchin & Co.

Ryan's personal lines automobile mechanical repair insurance division, Amra Services Inc., led the agency's areas of fastest growth. About \$2.5 million of Ryan's \$3.8 million increase in gross revenues is brought in by Amra. Amra is marketed exclusively for The Ryan subsidiary Virginia Surety Co.

Youngberg-Carlson is researching the development of specialty marketing property/casualty insurance for automobile dealers. Mr. Brogan hopes to begin marketing the program in the Chicago metropolitan area by Jan. 1, 1981.

Ryan has specialized in credit life insurance for auto dealers, but has never marketed property/casualty insurance, a specialty of Youngberg-Carlson. The new program should be the perfect marriage of the automobile specialty Ryan executives say.

Ryan is also beefing up its employee benefits area. American Benefit Corp., the group's benefit specialist, recently invested in a new data processing system from Systems Development Corp. in Los Angeles to help capture a larger share of the market.

"We'll be better prepared to serve large clients and will begin marketing more aggressively," noted Pat Ryan, president and chairman of the board at Ryan.

American Benefit Corp. underwent other changes this year. Business was split in half, with a new Chicago division handling benefit programs for nonunion clients as of Jan. 1. The unions will continue to be serviced by the home office in Huntington, W. Va.

Growth is expected on other fronts.

The agency just sealed a deal with Lloyd's broker R.K. Harrison to establish a Ryan Group London office to place U.S. risks and rein-

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insurance with London brokers. Ryan will own 65% to 70% of the operation and retains an option to purchase a portion of the Lloyd's broking business.

While 85% to 90% of Ryan's Lloyd's business will be chartered to the new joint venture, effective July 1, some of Ryan's business will remain with Lloyd's broker Harris & Dixon and others. Most of the agency's business was placed through Lloyd's broker Stewart Wrightson in 1979.

"We plan on growing and adding quality people in the U.S.," chairman Mr. Brogan added. Eighteen people were added to three Ryan agencies this year and the new computer system adopted by American Benefit Corp. phased out an equal number of clerical staff, keeping Ryan's total number of employees constant at 300.

With offices in Chicago, Boston and Huntington, W. Va., the group has expanded operations to Houston and is also considering opening a new office in St. Louis.

"The next 12 months in the brokerage business will probably be

premiums in three years," he noted. The agency group chairman said it should take two to three years to fully develop the program.

Principal officers of Ryan Agency Group are John C. Brogan, chairman of the agency group; J.J. O'Brian, president of Youngberg-Carlson; E.N. Murray, president of A.Yarchin & Co.; and R. Hage, president of American Benefit Corp.

Salaries, fees, commissions and bonuses for executives of the par-

ent Ryan Services Corp were:

Patrick G. Ryan	\$275,000
Harvey N. Medvin	\$116,000
Joseph E. Wilson	\$116,000
John C. Brogan	\$115,000
Thomas F. Sullivan	\$107,500

17

Schiff Terhune International Inc.
100 William St., New York, N.Y. 10038;
212-425-3010

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$15,750,000	\$13,500,000
Employees	275	275
Rev./employee ...	\$57,273	\$49,091
Offices	9	9

Schiff Terhune International grew in revenues through two acquisitions and new marine and aviation accounts.

Future growth may hinge on California, where Schiff Terhune acquired LFC Insurance.

"We had a comparatively small California office and we weren't happy with the program," chairman Frank Schiff noted. "The acquisition of LFC put us in a good position."

"Our Los Angeles office was started to service national accounts, but as far as marketing and knowing the buyers, our L.A. staff didn't know what to do," added president Hilliard Feldman. "The best way to reform was to find a

Continued on page 52



'We plan on growing,' says John Brogan, Ryan executive.

very tough," Mr. Ryan said. "Companies will be earning less in terms of investment income."

"It's hard to quantify what the recession will mean," he added. "We've budgeted to grow, but we don't know what the next six to seven months will bring."

The four agencies are \$180,000 up over the amount budgeted for growth in the first five-month period, Mr. Ryan said. But while first-quarter earnings show increases, the growth is not significant, he said.

Leading the four agencies in gross revenues this year, Scarborough & Co., catering exclusively to the banking industry, brought in more than \$6 million in profits.

Youngberg-Carlson, a general commercial insurance broker with about 150 clients, also increased its revenues to reach \$4 million in 1979.

Revenues increased to more than \$3.5 million for American Benefit Corp., with about 70 clients. But ABC did not reap as much profit as the other agencies because a hefty sum was plowed into the development of its new data processing system.

Revenues remained flat at \$1 million for A. Yarchin & Co., a general insurance broker in Boston with about 300 clients.

"We're not doing as well as we had hoped," Mr. Brogan said. Projections for growth are off by 10%, but Mr. Brogan expects the firm to be on the mark by the year's end.

"Our goal is to reach \$5 million in



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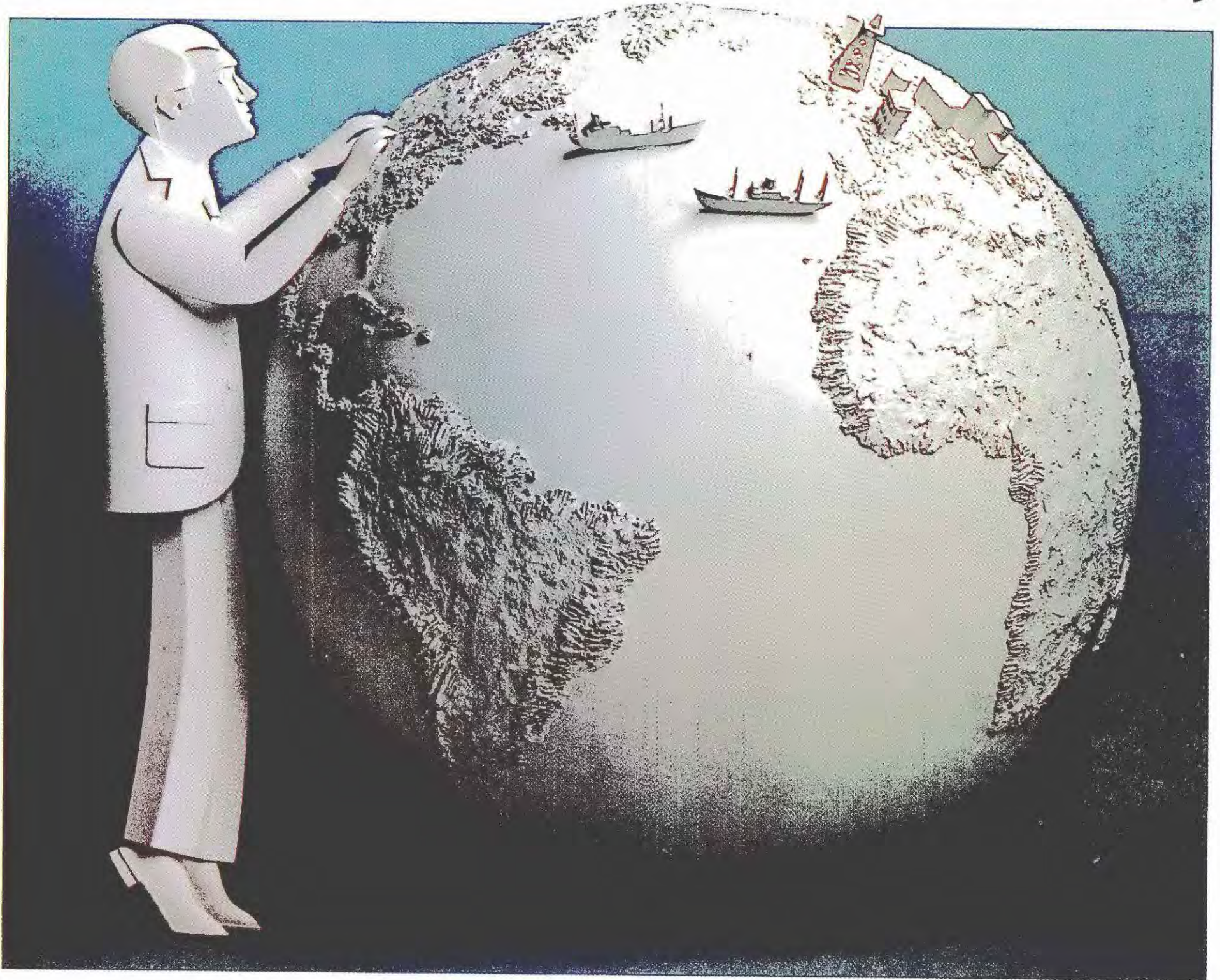
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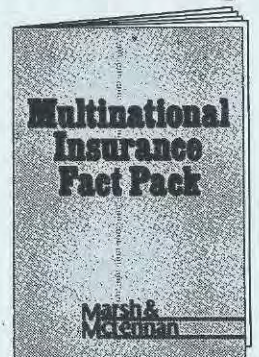
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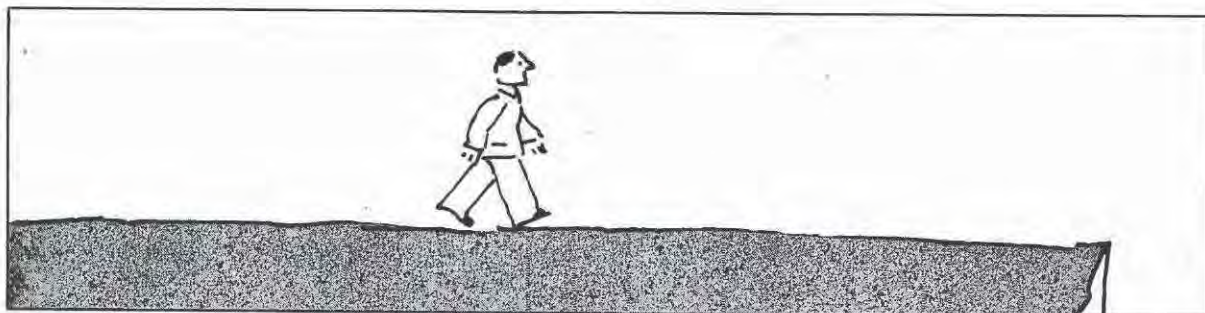
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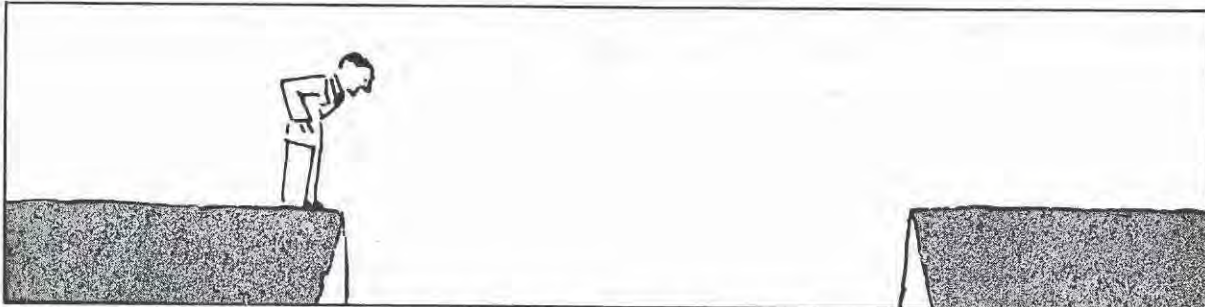
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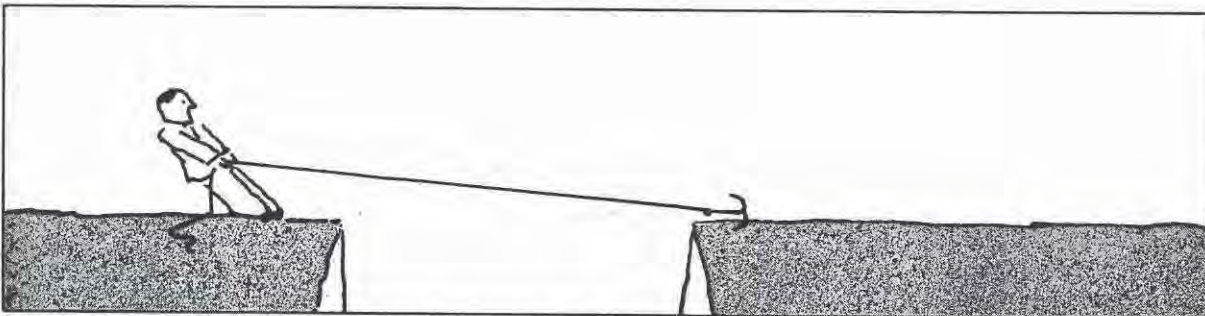
"There's a need for expertise at firms where there is no full-time risk manager," says Frank Schiff of Schiff Terhune.



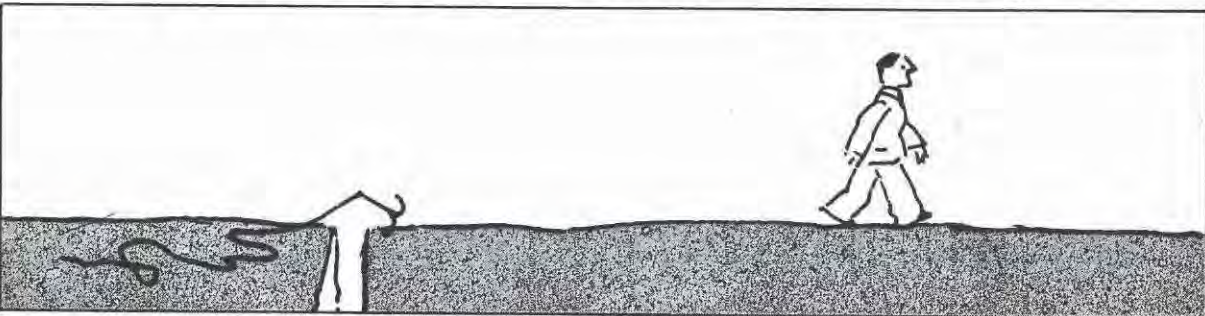
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Agent/Broker Profiles

Continued from page 49
good acquisition."

The Los Angeles office employs 32.

Although the firm shied away from mergers in 1978 and pruned staff last year, Schiff Terhune stayed on the acquisition track.

The New York office of British broker Wigham Poland was purchased in April 1979, primarily to gain new accounts, Mr. Feldman says. "We had a community of interest with some of their clients, so it was natural for us to take over their business."

Two mergers are in the works for the current year and two more are planned for 1981, Mr. Feldman says.

The marine and aviation departments led internal growth, with marine business growing by 56% last year.

The department's success led to a promotion for Joseph Lorenzo to corporate vp of Schiff Terhune International and executive vp of Schiff Terhune Inc., the New York office.

Marine accounts represent 12% of the firm's revenues. In 1979, Mr. Lorenzo added computer claims handling and cargo tracing services, Mr. Feldman says.

"Better recordkeeping on claims help us do better loss prevention analysis. We try to get insurers to give us more sophisticated loss analysis. We're getting loss runs today we never dreamed on in 1975."

The aviation department also took tremendous strides during the past year, Mr. Feldman said.

Schiff Terhune, which won its first major aviation accounts seven years ago—Piper's product liability coverage—has become a "credible aviation broker," he said.

Property/casualty risks represent 80% of the firm's revenues, and employee benefit accounts contribute 8% of revenues. Both met production quotas last year, Mr. Schiff said.

Reinsurance is the firm's newest activity. As a partner with Wigham Poland, Schiff shares ownership of Eagle Intermediaries Inc. Eagle operates independently of Schiff Terhune and has become one of the most active brokers at the New York Insurance Exchange, Mr. Schiff notes.

Schiff's relations with Societe Intercontinentale d'Assurance pour le Commerce et Industrie (SIACI) continue to be fruitful. Mr. Schiff expects foreign business to expand as firms invest in the United States and seek a U.S. broker to place North American insurance programs.

Continued on page 61

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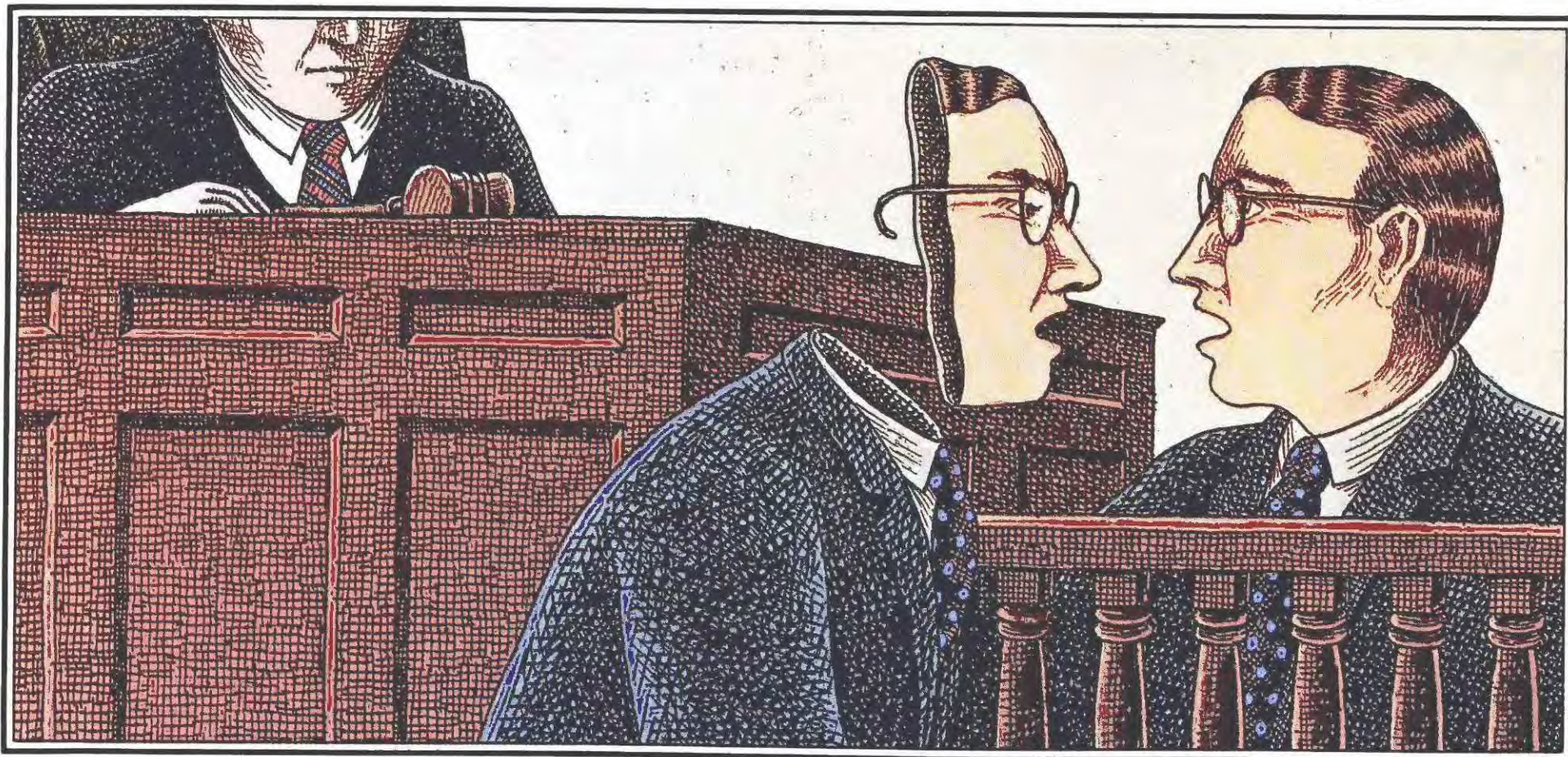
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Curbing Legal



Some clients dissatisfied with their lawyers' services are taking their complaints to the courts – putting tremendous strains on the defending attorneys' time and financial resources.

A brief review by INA of an insurance topic of interest to business executives.

Partially because few members of the bar would participate in an action against a fellow attorney, lawyers were once considered almost immune to professional liability suits. But the tide of rising public expectations, which drew national attention with unprecedented numbers of suits against doctors, is now making malpractice a growing hazard of the legal profession.

Compared with a decade ago, aggrieved clients are suing two and a half times more frequently and are demanding much higher sums as compensation. Although the average loss actually incurred by de-

fending lawyers is not known, the upper limits are clearly rising. Recently an Ohio jury awarded \$2.35 million in a legal malpractice case, which is believed to be the nation's largest such verdict to date.

Broadly speaking, legal malpractice encompasses negligent acts and omissions on the part of the attorney, including breaches of fiduciary obligations and contracts, as well as intentional wrongs committed as a professional. But beneath this formal definition lie some simple human failings.

The most frequently cited single cause of legal malpractice is the

failure to meet statutory or court procedural deadlines. Half of all malpractice claims arise either from missing these deadlines or from other administrative errors and omissions.

Big claims from little oversights

For example, a suit for damages is barred by a court because the attorney failed to note that the applicable statute of limitations expired two weeks previously. The client sues the attorney for the full amount of the damages alleged.

Or two partners in a law firm, defending a product liability case, misplace and inadvertently fail to offer into evidence a report, one of dozens of documents involved. The defendant loses the case. Learning of the oversight and believing that the misplaced report was crucial, the defendant sues both the lawyers and their firm for malpractice.

In these two cases, as in malpractice actions generally, more than monetary losses are at stake. The defending lawyers are also sub-

Malpractice Claims

jected to great stress and worry, the loss of valuable time, and damage to their professional reputations. Yet both cases were clearly avoidable through loss control — which, with insurance, is one of two essentials for protection against malpractice today.

At the heart of any malpractice prevention system is a simple rule: make a record and make it accessible. The aim is to eliminate a potentially crippling dependency on the memories of attorneys and staff members who might leave the firm, become ill, or simply forget dates or misplace crucial information.

Beyond loss control

Even effective loss-control, however, cannot prevent those malpractice suits alleging faulty legal counsel or errors of fact or judgment, which, in actions involving securities issues for instance, can result in multimillion-dollar claims. For this kind of suit — indeed, for protection against all suits, including those that surface despite every precaution — legal

malpractice insurance has become a necessity.

Professional liability policies for lawyers can vary considerably in coverage, so that careful selection is advisable. Some features in particular are worth examination.

Coverage of defense costs

Perhaps most important is a provision detailing the extent of legal defense. If an insured lawyer or firm is faced with a lawsuit involving a covered claim, legal defense costs in excess of the deductible should be paid in addition to the liability limits of the policy — proportionately, where the claim payment exceeds the limit. In other words, defense costs should not be “charged” against the policy’s liability coverage, which would have the effect of reducing overall liability protection.

Other worthwhile policy provisions include coverage of prior acts and omissions for which claims are made during the current policy period, provided the insured had no knowledge of those acts at the time the policy was is-

sued; and a reasonable interpretation of the word “claim” to include a report to the insurer of a matter likely to result in a future claim.

A legal liability policy of the kind described here is offered by INAX, an INA company. In addition, INA can provide specialized loss control services to attorneys and their firms.

Comprehensive services

Recognizing and meeting complex needs, such as those of professionals for liability protection, typifies INA’s comprehensive approach to increasingly sophisticated insurance and risk management problems.

The Insurance Company of North America was founded in 1792 in Independence Hall, Philadelphia. Today it is the largest component of INA Corporation’s international network of insurance, financial, and health care interests. In property and casualty insurance and risk management services, life and group insurance, health care management and financial services, INA and its affiliated companies offer a unique combination of products and services to business and industry worldwide.

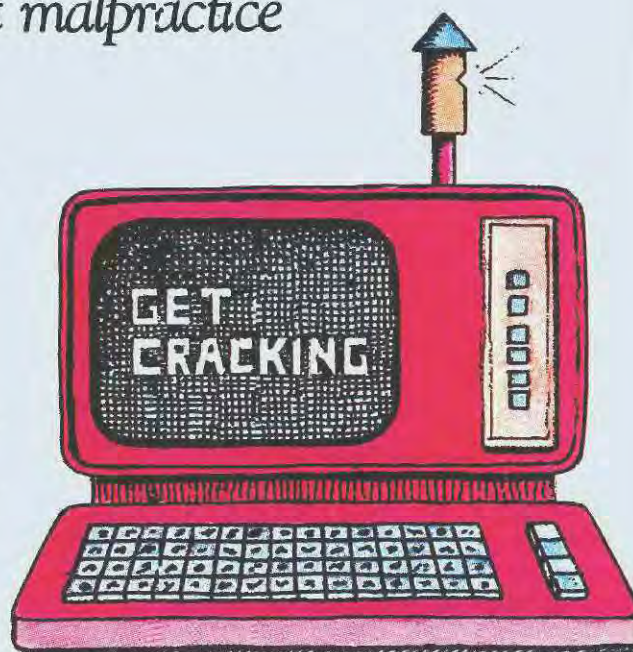
For an informative booklet on professional liability protection for lawyers, write INA, Dept. R, 1600 Arch Street, Philadelphia, PA 19101.

Newest weapon against malpractice

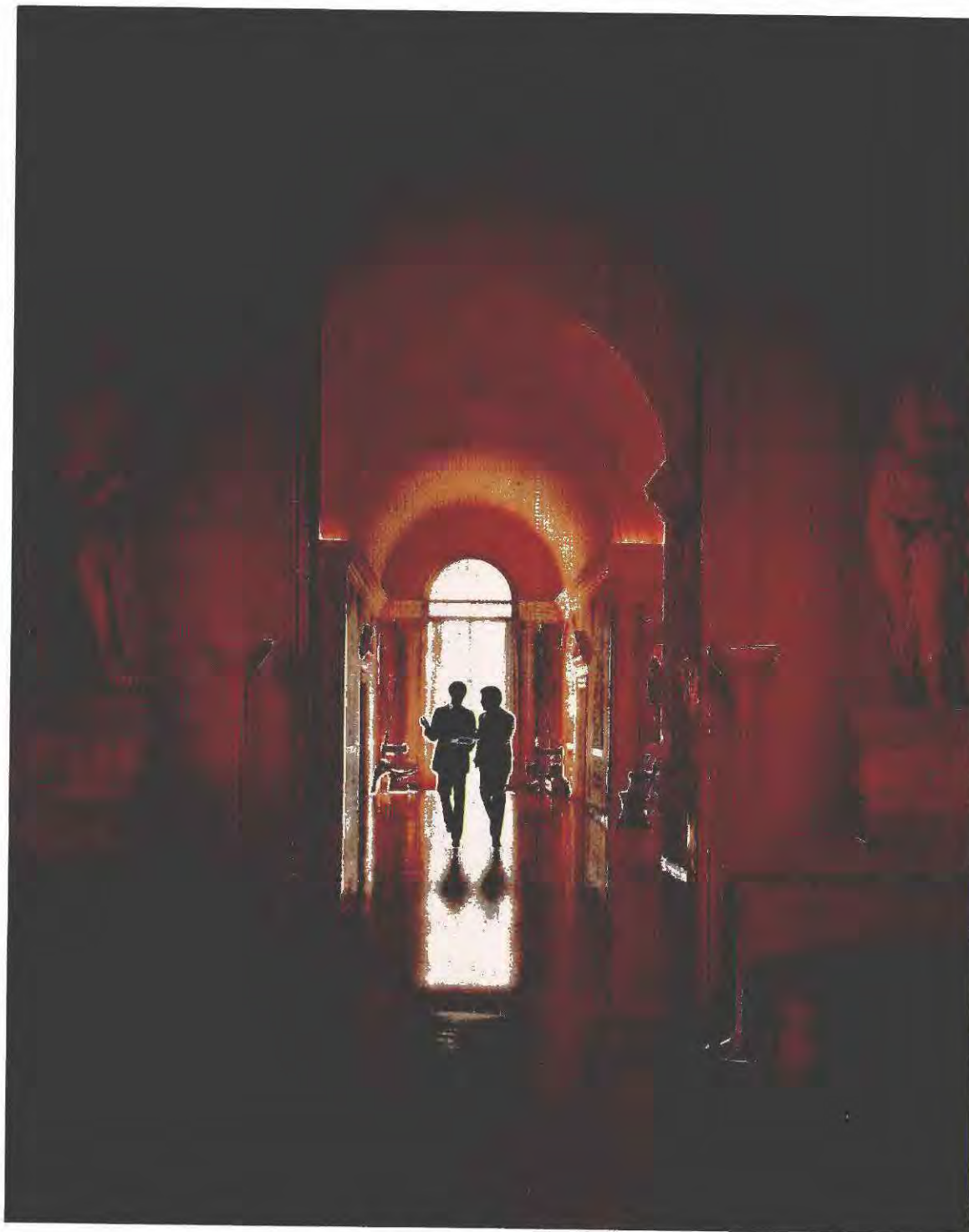
As a law-office monitor of malpractice pitfalls — particularly for larger firms — a mini-computer can be hard to beat.

In addition to providing updated information and warnings on deadlines, court dockets and attorneys’ calendars, a computer can be programmed to recognize and signal conflicts of interest and other potential trouble breeders.

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INA
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Even though Allendale helps many of the world's largest companies conserve their property, Fiat was a special challenge. Turning billions of dollars of industrial facilities into protected risks takes more than installing the latest hardware. Or translating our state-of-the-art loss prevention techniques into Italian. It takes a strategy. A systems approach that integrates the entire risk management process.

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In developing this program, we utilized all the professional and technical resources available at Allendale and the Factory Mutual System. Including the new Training Resources Center, which customized the program to fit Fiat's needs. Even fine points such as cultural differences and attitudes were addressed.

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We wouldn't say that what we are doing for Fiat is routine, but we don't think it was extraordinary, either. After all, when you've been working on loss prevention for as long as we have, you learn to speak a lot of different languages.

Allendale Mutual Insurance Company,
Allendale Park,
Johnston, R.I. 02919.

Allendale Insurance

perspective

Breach of duty

Agent/broker's dual role creates fiduciary woes

By Frederick J. Fisher

TODAY'S COMPETITIVE insurance markets are creating potential malpractice problems for the modern insurance broker. Whether or not these potential malpractice problems will ever be adjudicated is unknown. However, it is important for the modern insurance broker to understand the potential problems that the soft market has created so that he or she will be more keenly aware of his or her duties and obligations to clients. It's important buyers know what to expect and when to sue.

As most professionals already know, there is a legal distinction between an insurance agent, who represents the insurer but not the policyholder, and an insurance broker, who represents the policyholder and not the insurer. But there are two potential problems that have never been adjudicated but could give rise to suits against brokers, whether they are operating as agents or pure brokers.

Most major brokerage firms—although licensed as brokers—also do business as insurance agents writing insurance for companies they are appointed to represent. In California, there has already been case law that indicates that when a broker acts as an agent, he represents both parties and has fiduciary obligations to both. He may be acting as an agent for the in-

surer in the production of insurance, but because he is a licensed broker, too, he has duties and obligations to the policyholder.

The competitive market environment has turned this difficult dual role into a major problem.

Consider one example: Suppose a corporation has traditionally paid \$100,000 a year for a primary liability policy. In view of the increased competition in the marketplace, it has not been uncommon to see premium rates cut by 50% or more. Brokers are now finding that their commission income has been drastically cut, too. They have to sell at far less than they used to.

Some insurance brokers, in order to attempt to cut their commission losses, are tempted to not reveal to their policyholders all of the quotes they receive from insurers. We know of one case in which a broker was tempted not to quote a \$40,000 premium from a class A insurer but quoted the second lowest premium to his client at \$54,000. The broker thought he could not afford to sell the \$40,000 policy, as the commission income would not cover his expenses.

Is this malpractice and a breach of fiduciary duty? There have been similar instances. An insurance broker who operates as a broker whether or not he is an appointed agent of the insurer he was representing has a fiduciary obligation to his client, and under no uncertain terms is representing the client and not necessarily the insurer. If this is true legally, the broker could be sued for concealment or fraud.

There is another problem. Although



the marketplace has become extremely competitive regarding price, it has also become extremely competitive regarding the types of coverages being offered. Some insurers are offering more coverages than others on a particular line.

Consider condominium plans. Very few insurers are offering condominium policies that include coverage for condominium assessments as a result of the need for substantial repairs. These assessments can be several thousand dollars. We know very few homeowner insurers that provide condominium assessment coverage in addition to the standard fire and liability coverages.

Does a broker have an obligation to disclose that the markets he represents are not necessarily as competitive in price, or do not have coverage that can be procured through another insurance broker? Does a broker have an obligation to point out that he cannot provide condominium coverage with assessment coverage, but that the ABC Brokerage down the street can?

The answer could have a substantial impact on the liability of today's bro-

ker. There are two possible areas in which a policyholder might be able to take action against a broker under any of the above examples.

One is professional negligence in failure to disclose. In addition, insurance brokers are acting in a fiduciary capacity to their clients and it is possible a cause of action for breach of this fiduciary duty could also be made.

California, for instance, defines civil fraud in seven ways. There is negligent fraud, defined as making statements without having sufficient information upon which to make them. Constructive fraud is a kind of catch-all, defined as being "any breach of duty which, without actual fraudulent intent, gains an advantage to the person at fault to the prejudice of another." Constructive fraud has also been defined as being "any such act or omission as the law declares to be fraudulent, without respect to actual fraud." It is not necessary to show an alleged defrauding party was acting in a fiduciary relationship. All that is required is a confidential relationship. ■

Frederick J. Fisher is manager and vp of Miller & Gilbert of Southern California, an excess/surplus lines claims adjusting facility providing risk management services, adjusting services and claims training services.

Broker, buyer share common ground

By Elliot Cohen

AFTER A CAREER in insurance brokerage for more than 35 years, I embarked on a second career in risk management on Jan. 1, 1978.

The clientele I served was the small to medium-size privately owned business. My idea of a risk manager then was a bookie's assistant in charge of laying off bets. It was not until later that I became aware of RIMS and risk management.

It has been a revelation to hear the comments and opinions of risk managers regarding brokers. In most instances brokers are excluded from RIMS sessions at the request of the participants. There is a widely held view that the broker's earnings are excessive in relation to services rendered.

Almost all risk managers agree the broker's principal strength lies in his ability to market the risk. Many, however, insist on negotiating with the underwriter directly. There is also a prevailing opinion that the broker acts first in his own interest, with that of the client running a poor second.

To put the relationship of risk manager and broker in perspective, I offer the following:

What the risk manager should expect from the broker:

- Timely and relevant information on available coverage. What's new?

- Thorough and effective marketing. Not the cheapest but the best.
 - Careful checking of policies. Enough said.
 - Suggestions to improve coverage before the risk manager asks questions. Those nasty exclusions!
 - Assistance in claims adjusting, loss control, safety programs, gathering and analyzing loss data.
 - Integrity. Disclosure of all pertinent information.
- What the broker should expect from the risk manager:
- Full cooperation.
 - Fair dealing—no favoritism or backbiting.
 - Complete information required to market the risk. Don't hold back bad news.

• Disclosure of material information concerning the business and operations. Tell about the frame, unsprinklered building five miles from the nearest hydrant.

Can the adversary positions be modified or eliminated? Can the risk manager and broker become allies? Yes, once both understand it is in their common interest to protect the account in the best way possible. By working together, the risk manager and broker can see to it that coverage is adequate, the price fair, clerical errors minimized and services performed when required. This is what the risk manager strives for. This is what the broker should deliver.

Elliot Cohen is risk manager of Fisher Brothers in New York City.

perspective

Employing an agent . . .

By Sam B. Huston

SOME OF MY clients are not satisfied with the service they receive from their insurance agent or broker. Some agents and brokers I talk with are frustrated by the yo-yo effect of their commissions because of the need to meet cutthroat competition.

Some company officials are complaining about pressure to be competitive on quotes without being assured they get all the information they need about the risk or the opportunity to offer alternatives. (How can you negotiate with six different agents all submitting the same risk?)

I think we'll all agree there are problems in our insurance marketing system. In my opinion, much of the trouble lies with the way agents and brokers are employed and how they are

Sam B. Huston is a risk management consultant in Eugene, Ore.

compensated for what they do.

I believe risk managers should seriously consider selecting one agent of record to handle all transactions and compensate that agent on a fee basis, rather than by commission.

Commission compensation is incongruous with risk management. The objective of risk management is to reduce the cost of risk while the agent's objective is to make a profit. Both objectives are as they should be, but obviously at odds. The agent's income comes from doing a good job in helping the risk manager achieve his or her goal.

First write a job description to clarify just what you want the agent to do. After you select your agent or broker, I recommend you enter into a personal services contract to clarify that the agent isn't your employee. The contract would provide for a fee for services as compensation. The fee is negotiated with the agent, based on services speci-

fied in the job description. Often minimum and maximum fees are agreed upon, with set hourly rates for the services of various agency personnel.

This approach has been well received by buyers, agents and underwriters alike. The buyer knows he or she has access to all insurance markets to obtain competitive quotes.

He or she also has a clear understanding of what services the agent is to deliver. The agent knows he or she is being well compensated for marketing efforts, as well as for other duties.

The underwriter's task is made easier, as he or she and the agent of record are the only ones involved in negotiating the coverage and price. Communications are streamlined, producing the full information needed to give the best quote. This might include acceptable alternatives to the original re-

quest granting cost savings.

The following job description is for an agent servicing a city risk management program where excess insurance was purchased over a high retention for liability and workers compensation.

It should be pointed out that this arrangement gives the buyer the option of employing an insurance agency that doesn't offer all of the needed services, such as claims administration, appraisals or loss prevention. These services may be contracted separately from other specialty firms.

Such a job description is helpful to the risk manager in evaluating performance.

Insurance agents and brokers have been moving steadily toward higher professional standards in their work. The method of employment and compensation I am suggesting is in keeping with that trend.

. . . and engraving his duties in stone

General statement of duties

Responsible for the purchase and service of city insurance policies, and to aid the city risk manager in carrying out his or her duties.

Supervision received

Under supervision of the city risk manager, who will approve all major transactions relating to insurance.

Authority exercised

To communicate and negotiate with insurers and insurance-related service organizations on behalf of the city, including divulging city information pertinent to underwriting and procurement of data held by such company or organization on the city's behalf.

Examples of duties performed

(The examples do not include all duties that may be performed.)

1. Assist the risk manager in identifying city risks, including: valuation of real and personal property and loss of use thereof; identifying risks involved in city operations and identifying risks from insurer claims records.
2. Assist the risk manager in risk evaluation by supplying insurance company claims data showing claims frequency and severity as needed.
3. Assist the risk manager in risk reduction efforts by coordinating loss-prevention services.
4. Assist the risk manager in insurance purchase and service by:

- Determining proper limits and coverages for estimated risk frequency and severity.
- Assessing insurers as to their fiscal stability and service records.
- Obtaining best premium for coverage desired, including submission of risk to companies known to be competitive in the class of coverage. Confer with city risk manager, presenting the three most competitive quotes with copies of coverage forms. Present available options on the coverage, indicating potential premium differential. Recommend the best quote.
- Supervising accuracy of premium payment to companies.
- Reviewing policies for accuracy.
- Accurately amending policies as needed.
- Advising risk manager on price and capacity trends in insurance market.
- Periodically making an objective review of insurance program in view of market changes.
- Assisting risk manager in processing insurance claims, including the filing of proof of loss; maintaining control records on claims submitted; expediting payment of claims by companies; providing status reports on any subrogated claim, and acting as liaison with insurer claims department or claims servicing firm.
- Assist risk manager in controlling risk management process by providing insurance claims information and estimates of future premiums for budgeting.
- 6. Provide a backup service person who continually receives updates on the status of city's insurance program.
- 7. Develop and maintain a detailed specifications manual for insurance marketing purposes.

legal briefs

Player scores work comp pay off the field

A PROFESSIONAL baseball player, although excluded from coverage under Florida's workers compensation law, was found to be entitled to benefits after suffering injuries at a club press party.

The athlete was assigned to the Montreal Expos' farm club in Florida. His standard contract required him to cooperate with and participate in the club's promotional activities. Team

These abstracts were prepared by Cases Unlimited Inc. Copies of the entire decision may be obtained by sending a check for \$4 made out to Cases Unlimited to Business Insurance, 740 N. Rush St., Chicago, Ill. 60611. Please list the number for each opinion.

members were told to participate in a party for the media, at which the athlete was injured in a diving accident.

State law excluded professional athletes from workers compensation coverage. The athlete applied for compensation but was denied.

However, the court said, the party he was required to attend was not "the kind of work or labor particularly associated with" playing professional baseball. His attendance was an additional activity imposed upon him by the employer and to the employer's substantial benefit.

Thus, the court concluded the athlete was exempt from the compensation exclusion and was entitled to

benefits. *Miles vs. Montreal Baseball Club*, Florida district court of appeals, Feb. 18, 1980 (BI/05/Au.-\$4).

Sex discrimination

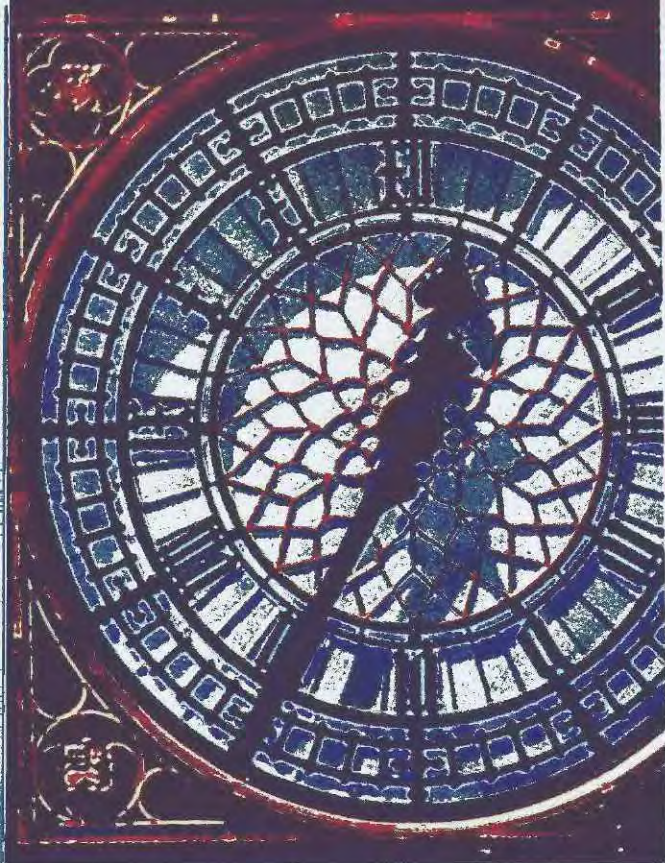
The U.S. Supreme Court ruled that the Missouri workers compensation law discriminated on the basis of sex and struck down as unconstitutional a provision requiring a widower to prove dependence on his wife to qualify for death benefits while not requiring a widow to prove dependence.

Paul Wengler filed for death benefits after his wife died in a work-related accident. Under Missouri law, a widower qualified only if mentally or physically

incapable of wage earning or proved dependence on his wife's earnings. A widow qualified for death benefits without having to prove actual dependence on her husband's earnings.

Mr. Wengler was neither incapacitated nor dependent on his wife's earnings. However, he argued that the law violated the equal protection clause of the U.S. Constitution because of its disparate treatment.

The sex discrimination, Justice Byron White wrote for the majority of Supreme Court justices, failed to serve an important government objective. *Wengler vs. Druggists Mutual Insurance Co.*, U.S. Supreme Court, April 22, 1980 (BI/01/Jy.-\$4).



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RISK AND INSURANCE MANAGEMENT SERVICES, EMPLOYEE BENEFIT AND ACTUARIAL CONSULTING THROUGHOUT THE WORLD

perspective

Liability price tag

Premium costs increase along with deductibles

By Bernard M. Brown

MOST OF US agree we live in an increasingly litigious society. The real question is: How much longer can liability risk costs increase at a rate faster than inflation? Probably no one knows the answer, but it's worth pondering as we review the escalating cost of financing liability and workers compensation exposures.

Table I to the right, drawn from data gathered in the Cost of Risk survey, shows total liability risk costs increased 17.2% in 1978. Liability risk costs include workers compensation and liability premiums, unreimbursed (self-insured or within deductible) losses and claims adjustment and related expenses. Workers compensation is considered a liability risk because it is a legal obligation between the em-

Bernard M. Brown is head of the committee that conducted the Cost of Risk survey for the Risk & Insurance Management Society.

ployer and the injured worker under state law.

Unlike property insurance costs, which can be increased or kept static by manipulating values, liability risk cost represents static or increasing insurable values.

For example, few organizations lower their limits, because the risk manager perceives court awards can only go up. For workers compensation, insurable values are steadily increasing. As payrolls and benefits to workers rise, insurance premiums or self-insured payments also must rise.

Table II shows liability, including workers compensation, premiums increased 15.8% in 1978. Unreimbursed liability losses and related expenses rose 24.8% for the same period, as shown in Table III. Because gross unreimbursed losses were much less than gross premiums, the overall increase in total liability risk costs was "only" 17.2% from 1977 to 1978.

Table I
Total Liability Risk Costs: Liability Premiums, Unreimbursed Liability Losses & Claims Adjustment & Related Expenses

Year	Gross Liability Risk Costs	Average	% Increase	No. of Respondents
1978	\$1,533,600,000	\$2,977,790	17.2	515
1977	1,308,200,000	2,540,160		515
Year	Gross Liability Risk Costs	Gross Revenues	% of Revenues	No. of Respondents
1978	\$1,532,877,730	\$471,034,089,000	.325	513
1977	1,307,601,940	415,619,952,000	.315	513

The conclusions that can be drawn from these statistics are:

- Premiums are increasing because of demand for higher limits and increasing workers compensation benefits.

- Underwriters are forcing, and risk managers are apparently accepting, higher deductibles or self-insured retentions. Perhaps risk managers are more willing to give up low-level protection in order to obtain higher limits.

The only category of liability risk cost that does not seem to be increas-

ing rapidly as a percent of revenues is claims adjusting.

In 1978, this cost increased by 9.1%, well less than the general 13.3% increase in the respondents' revenues and significantly less than the increase in unreimbursed costs. Lower claims adjustment costs are the result of competition among claim services.

While these figures are encouraging, the risk manager can find little solace because adjustment costs make up only an estimated 2% of overall liability costs.

Table II

Liability Risk Costs: Total Liability Premiums

Year	Gross Premiums	Average	% Increase	No. of Respondents
1978	\$1,174,300,000	\$2,284,630	15.8	514
1977	1,014,100,000	1,972,870		514
Year	Gross Premiums	Gross Revenues	% of Revenues	No. of Respondents
1978	\$1,173,632,770	\$470,970,548,000	.249	512
1977	1,013,493,190	415,559,808,000	.244	512

Table III

Liability Risk Costs: Total Unreimbursed Liability Losses Plus Claims Adjustment Fees & Other Expenses

Year	Gross Losses	Average	% Increase	No. of Respondents
1978	\$359,265,000	\$1,098,670	24.8	327
1977	294,129,000	880,625		334
Year	Gross Losses	Gross Revenues	% of Revenues	No. of Respondents
1978	\$359,244,968	\$309,078,918,000	.116	326
1977	294,108,748	275,911,710,000	.107	333

speaking out

Truth lies in the eyes of the risk satirist

By Peter Downes

WHEN THE EDITOR of this column first started using a footnote suggesting that I was a satirist, I was not sure I was pleased about it. It seemed to me at the time that serious people do not think satirists are serious enough to be taken seriously.

Needless to say, this view is not held universally. A colleague, for instance, denies that I am a satirist at all and insists I merely have an enormous penchant for sarcasm. I will own to being mildly ironic now and again, but never sarcastic. Sarcasm is crude; irony is subtle.

For that matter, I had to be taught myself back in my school days. At that

Peter Downes's satire and humor on insurance issues regularly appears in the Perspective section. He is manager of insurance at American Trading & Production Corp. in Baltimore.

time I was studying literature and one of the texts was the Book of Job. I complained about this; of all the dreary literature, that surely was the worst.

You are looking at it all wrong, said my teacher; Job is a comedy. And of course he was right, it is a brilliant satire on customs and beliefs of the day.

It did not take me long to discover that I need look no further than the daily newspaper for suitable material.

To prove the point to myself, I picked up an issue of *Business Insurance*. I spotted a report on a retrospectively rated product liability insurance policy in New York. In the report, an insurance industry representative said one regulation "by its very nature contradicts itself." An insurance department bureaucrat scoffed at this.

Clearly, these remarks in themselves contain some humorous aspects. To begin with, one of the two parties is wrong. If it were left to me to suggest

which one is right, I would put my money on the insurance industry. Insurers are capable of performing some stupid acts, but they know on which side their bread is buttered.

Thus it is hard to credit the bureaucrat's innuendo that the insurers do not know their own business. In fact, it is much easier to believe that the bureaucrat was busy being a bureaucrat, and that he did not wish to be confused with facts since he had already made up his mind.

Looking through some news clippings I have saved, I read that an insurer in Delaware had applied for an automobile insurance rate increase for the second time. The first application had been denied because the insurance commissioner believed insufficient data had been supplied.

The second time an even bigger rate increase was demanded and was again denied. One of the reasons mentioned

was that insufficient time had been allowed to examine the data. Another remark was that the increase demanded was too big.

Obviously, this is a prime piece of idiocy. If there were insufficient time to examine the facts, how could anybody even guess what size a rate increase should be?

One thing was quite clear, based on the news report. By his own admission, the insurance commissioner's decision was not based on the data supplied.

Nevertheless, all this still does not define what a satirist does. There is one such definition, however, that I must have read somewhere because it is far too good for me to have invented:

"A writer who portrays things as being greater than they are is a romanticist; one who portrays them as being less than they are is a cynicist; but the one who describes them exactly as they are is a satirist."

Agent/Broker Profiles

Continued from page 52

But the firm's use of Lloyd's of London has fallen because of price competition from U.S. insurers. At Lloyd's, Schiff Terhune taps brokers Sedgwick Forbes Bland Payne, Hogg Robinson and Howden Group. Schiff does not use its U.S. partner, Wigham Poland, although Wigham Poland has bid for some of Schiff's London business, Mr. Feldman says.

Although the firm has never used C.T. Bowring, Mr. Feldman says he would have "second thoughts" about using the Lloyd's broker after its takeover by Marsh & McLennan.

During the past year, Schiff Terhune gained Grand Union/Colonial Stores as a major account. It did not lose any sizable accounts. It added no new services and eliminated its actuarial department, farming these needs out to an independent actuarial consultant.

"A number of clients we compete for were appalled, at first, that we used independent actuaries, but they gave us the business anyhow," Mr. Schiff noted. "It has turned into a real asset for us."

Schiff Terhune is known for jumbo accounts such as CBS, Piper and Grand Union/Colonial Stores. However, the firm's principal growth targets are medium-size risks, and its advertising makes a direct pitch to firms with sales of \$75 million or less.

"There's a need for expertise at firms where there's no full-time risk manager," Mr. Schiff said. "In soft markets, it's essential that these people have someone who can exploit the advantages of a competitive market."

Although Schiff Terhune competes against both large and small brokers in the race for new business, it always finds itself up against one or more of the 20 largest brokers in the country, Mr. Schiff says. "Below the top 20, you don't see much solicitation or knocking on doors."

"Most small brokers have to protect what they've got and they want to keep all the money," Mr. Feldman added. "They don't want to give up some of it and pay someone to get new business."

"The majority of our efforts are aimed at keeping what we've got, but we have enough spirit, foresight and leadership to look for new business."

Principal officers of the firm, in addition to Mr. Schiff and Mr. Feldman, are Bert Linder, executive vp, and vps Andrew Marks and Joseph Lorenzo.

"We can't concentrate on all the areas, but must zero in on some," the president said.

The firm is trying to grow in Illinois, Indiana, Michigan, Wisconsin, Nebraska, Missouri, New Jersey, Maryland, Massachusetts and Pennsylvania.

"We want to grow from within, but if we can make an acquisition that can bring in good personnel and a good book of business, that's fine," Mr. Sullivan said.

The agency recently acquired Ringe & Ringe Inc., a Philadelphia agency, and is now considering three other acquisitions, Mr. Sullivan said.

Other changes this year include new managers at division offices

in Milburne, N.J., and Los Angeles and at Kemper's excess/surplus lines house, Excess Underwriters.

Mr. Sullivan hopes these changes will spur a turnaround in profits. The Milburne office had a 14% drop in gross revenues to \$1.5 million this year, while the Los Angeles office's revenues slid 3%.

To better focus on clients' service needs and what the markets are doing, Kemper also created the position of vp-national accounts and market services and appointed Ray Hayes, formerly agency vp.

Mr. Sullivan is optimistic about the agency's future after all the changes. "We expect an increase in

Continued on next page



Photo: Jill Kaplan

"Video is going to be a big factor of growth for us," says Kemper's Bernard J. Sullivan, left, with Peter van Cleave.

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18 James S. Kemper & Co.
20 N. Wacker Drive,
Chicago, Ill. 60606;
312-558-3500

	1979	1978
Premium vol.	\$121,000,000	\$116,000,000
Gross rev.	\$15,164,000	\$13,670,000
Employees	355	375
Rev./employee	\$42,715	\$36,453
Offices	27	31

Despite an 11% increase in revenues in 1979, Kemper Agencies dropped two notches in BI's top 20 list of brokers.

"Our results were good, but not satisfactory," said Kemper's president and chief executive officer Bernard J. Sullivan.

After careful review of operations, Mr. Sullivan and his new principal officers attempted to trim off the deadwood from the agency and promote growth from within.

The agency closed offices in Kansas City; San Mateo, Calif.; Davenport, and Santa Barbara.

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Agent/Broker Profiles

Continued from previous page
gross revenues of no less than 11% this year and 10% in 1981, despite the tough economy," he said.

Kemper had a 15% increase in new clients this year, said the agency's chief officer.

"We attract clients because we can almost always guarantee that they can be paying less," Mr. Sullivan said.

"We have more effective placement of property coverages and are making different uses of deductibles," he said.

Kemper is recommending larger deductibles and is tying together new coverages, such as ocean and inland marine, he continues.

But Mr. Sullivan's eyes really light up when discussing the agency's new audiovisual program.

"Video is going to be a big factor of growth for us," he explains. "There is a lot of emphasis on having this so-called better mouse-trap. It's one of the unique tools we have to interest the public and assist them in production."

Kemper's new audiovisual system will allow risk managers to tape their basic philosophies and objectives and replay them to personnel at any location any time.

The unit will also be used to aid risk managers in loss control.

"This is one way to personalize something with the client," Mr. Sullivan said. "We're looking at something unique that can save people time."

The bulk of Kemper's business is from companies in the bottom half of the Fortune 1,000, Mr. Sullivan said. "We're continuing to zero in on the medium-sized account, but are not overlooking the large-sized national accounts," he added.

Property/casualty business accounts for 85% of Kemper's business, employee benefits for 10% and miscellaneous business makes up the rest.

The Lloyd's broker who receives most of the broker's business is J.H. Minet, but Kemper uses anywhere from 11 to 15 different brokers. There are no plans to invest in any Lloyd's brokers or to explore joint ventures as other large brokers have.

"We feel we can better serve the mid-sized client by servicing any of a half-dozen brokers," Mr. Sullivan said. "There is no question that by having your own house you will want to favor that operation and see it grow."

James S. Kemper & Co. has 27 U.S. offices and one in Toronto. The agency's two subsidiaries are James S. Kemper International and Excess Underwriters.

In addition to president and chief executive officer Bernard J. Sullivan, other principal officers are: Peter Van Cleave, vice chairman and secretary; Ray Hayes, vp-national accounts and market services, and M.R. Jacobs, financial vp and chief financial officer.

19 Poe & Associates Inc.
P.O. Box 1348, Tampa, Fla. 33601; 102 W. Whiting St., Suite 600, Tampa, Fla. 33062; 813-228-7361

	1979	1978
Premium vol. ...	\$88,000,000	\$85,000,000
Gross rev.	\$12,800,000	\$10,400,000
Employees	325	300
Rev./employee...	\$39,385	\$34,667
Offices.....	10	10

Poe & Associates Inc. lowered its expectations for 1979, fearing intense competition, but grew fas-

ter than it expected and jumped into the BI Top 20 for the first time.

Last year's 23% revenue gain exceeded a 15% target for 1979, says Billy Poe, who rejoined the firm as chairman and chief executive officer last October following a five-year stint as mayor of Tampa.

Poe had a handicap to overcome. Last year premium volume took an immediate plunge when the Florida Bar Assn. switched its professional liability program from Poe to a company started by Joseph Calloway, a former Poe executive.

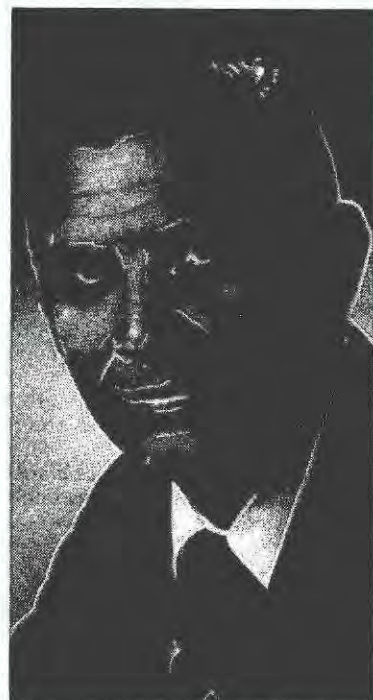
Poe sued Mr. Calloway for violating a no-compete clause in his contract. The Calloway firm, Lawyers Professional Liability Insurance Co., countersued Poe on antitrust charges. The cases are pending.

The impressive growth rate though, was buoyed by contingency bonuses paid to the brokers by insurers to reward profitable accounts and income from temporary investment of premium, Mr. Poe says. The firm's premium volume grew by only \$3 million, or 3.5%.

The 1979 growth rate, however, was considerably less than Poe's five-year average of 30%.

Since Mr. Poe's return, the firm has turned to acquisitions, buying O'Connell & Salisbury of New Brunswick, N.J., last October; Association Benefits & Services Inc. and Insurance Benefits Inc. of Orlando in January; Hamrick Insurance Agency of Tallahassee in April, and James P. Poole & Co. Inc. of Atlanta June 30.

About 95% of revenue is from property/casualty insurance with



'We enjoy the pain of market cycles,' says Billy Poe.

the balance from employee benefits. The firm will shift more to employee benefit sales on the strength of the acquisition of Poole, a life insurance and benefits specialist.

Association and franchise business accounts for 37% of Poe's overall business.

Much of this consists of professional liability business. Whiting National Insurance Co., which is a Poe subsidiary, was established in 1978 to serve clients in the New York area.

Mass-marketed business has been the fastest growing area for Poe while its general brokerage business has remained relatively flat, Mr. Poe says.

Medium-size risks predominate in Poe's non-association business. These accounts typically produce \$10,000 to \$200,000 in annual premium. The firm handles some larger risks, but their numbers are small and make up a minor part of the overall volume. International accounts produce less than 1% of revenues.

Poe is planning another 15% revenue growth in 1980, though Mr. Poe says the firm should exceed that target. Acquisitions will play an important role in that growth, he says.

Mr. Poe also intends for his firm to become more involved in municipal insurance coverage—an area the company had to abandon as a result of his political career.

During the past year, the firm expanded its activities in self-insurance services, ventured into the surplus lines field and became a managing general agent for Pennsylvania Manufacturers Assn. Insurance Co.

Low insurance rates have created a fiercely competitive environment in the markets the Poe firm services, Mr. Poe notes. "It is easy for existing brokers and agents to cut each other up and you spend a lot of time protecting your own business."

He sees this situation changing in the near future with a tightening of the markets coming by the first quarter of 1981. It is a period Mr. Poe is probably looking forward to: "We enjoy the pain of market cycles because we have our biggest growth in tight markets."

Salaries, fees, commissions and bonuses paid to the top officers of the firm during 1979 were:

Joseph E. Brown, president	\$71,923
Earl S. Lipnick, vice president	\$113,345

20 Cook, Treadwell & Harry Inc.
855 Ridge Lake Blvd.,
Memphis, Tenn. 38117;
901-766-1200

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$12,557,000*	\$11,416,000*
Employees	388	317
Rev./employee....	\$32,363	\$36,013
Offices	NA	NA

*Calendar year estimate

This Southeast-based brokerage hiked 1979 gross revenues 10% over 1978, based on calendar year figures supplied by the firm.

With this growth, CT&H was able to hold its No. 20 ranking in the BI Top 20, but couldn't outrun regional neighbor Poe & Associates for 19th place.

Calendar figures were supplied because figures are not yet available for the fiscal year that ended in May.

Cook Treadwell increased revenues, according to chairman Timmons L. Treadwell, by increasing its balanced book of property/casualty accounts and depending less on premiums paid by the firm's parent company, Cook Industries.

Cook Treadwell has been hurt severely in recent years by changes at Cook Industries, Mr. Treadwell says. Revenues in 1978 decreased nearly 4% from 1977, for example, primarily because Cook Industries divested agricultural commodities merchandising business.

"Of course, we handle the insurance for Cook, and a lot of the business that they got rid of showed high premium totals for us," Mr. Treadwell said. "The loss of that business was large enough to mask any increases in other areas that we might have had in 1978."

In 1979, however, Cook Treadwell sought out new property/casualty clients, he says, and Cook Industries is no longer the firm's biggest account.

"We're really working on diversifying our business into other areas besides Cook Industries, and we're looking at all premium sizes to do it," Mr. Treadwell adds. "I

would hope that we're not as sensitive to any one account as we have been in the past."

But 1979 was a mixed bag for Cook Treadwell, he adds.

"It was a hard year for us, just as it was for most of the other brokers," Mr. Treadwell said. "It wasn't a good year for profits, because we were in the red for the first three quarters. We've turned that around now, but the soft markets that everyone has faced have hurt us."

"We found that we had to watch our expenses and cut them wherever possible. We started to do that last year and have been successful so far."

Mr. Treadwell says 1980 will be a year of stabilization for Cook Treadwell, with the firm trying to increase diversity of property/casualty risks.

One bright spot on the horizon, however, is a growing coal insurance market.

Continued on next page



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Agent/Broker Profiles

Continued from previous page
ance business centered in the brokerage's West Virginia and Knoxville, Tenn., offices.

"We consider the coal expertise in those two offices to be one of our strongest factors," Mr. Treadwell said. "It could be even better business for us once the U.S. government gets its coal program going."

Cook Treadwell maintains a safety engineering program for coal mines, of which Mr. Treadwell is particularly proud. The firm presents a full range of services to the coal client, he adds.

"It's competitive business, but there aren't that many markets willing to go into it, which makes it difficult to place," he said. "A lot of coal organizations are also self-insured, which we can handle as well for the strong firms."

"In any case, if the country turns to coal, we'll be ready for it," Mr. Treadwell said. "We're staffed and manned right now to do a large amount of business in this area, and our two offices are located on each end of coal territory."

Cook Treadwell's business comes primarily from property/casualty coverage, with other lines providing only about 10% of revenues. Mr. Treadwell says his firm is equipped to handle oil and aviation risks as well as mainstream property/casualty business. The firm also lists expertise in the areas

kers he is taking a wait-and-see attitude in his relationship with Bowring.

"We don't know what will happen as a result of their arrangement with Marsh & McLennan. We'll just have to wait and see," he said. "With all C. T. Bowring's M&M business, we may begin to fall to the bottom of the heap there. But who knows?"

For now, he says, Cook Treadwell is not interested in any joint venture with a London brokerage.

"Stabilization is the name of the game right now for us," he said. "For example, it would have to be a pretty good firm and deal for us to make an acquisition right now. We want to cut the fat out, make more money and solidify our present services."

Principal officers are: Timmons L. Treadwell III, chairman; E. W. Cook, president and chief executive officer; J. W. McLeary and William C. Grapes, controller.

Canadian brokers vie for international risks

1

Reed Stenhouse Cos. Ltd.

Box 250, Toronto
Dominion Centre
West, Toronto, Ont.
M5K 1J6; 416-868-5500

	1979	1978
Premium vol.	\$1,480,000,000	\$1,283,000,000
Gross rev.	\$191,700,000	\$16,900,000
Employees	4,500	4,500
Rev./employee	\$42,600	\$35,978
Offices	15	166

Reed Stenhouse Cos., the largest of the three major Canadian brokers, did "as well as could be expected" last year in the face of a sluggish economy in Canada and

fierce competition for business.

But then, commercial brokerages all over Canada haven't been expecting that much. Reed Stenhouse would rank No. 5 among the U.S. top 20 brokers.

The firm posted a 15% increase in premium volume for 1979 over the year before and an 18% jump in gross revenue, but times have been tough in the extremely soft Canadian insurance market.

The profit picture is not as pretty as the firm would like, says Eric Bale, vp/treasurer.

Despite consistent increases in premiums and revenues over the last few years and corporate

growth floating from 15% to 20% for most of the past five years, overall growth slowed significantly last year because of the national economic doldrums.

"I think we'll be encouraged by what this year has shown," Mr. Bale said. "It won't be 15% or 20% but it may be as much as 9%, 10% or 12%."

To avoid a nosedive, Reed Stenhouse has decided to capitalize on its basic strengths of property/casualty and aircraft insurance instead of branching out into new lines of coverage or services.

"That, and knocking on doors and shaking the bushes to get re-

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'It was a hard year for us,' says Timmons L. Treadwell.

of cotton, hardwood lumber and marine risks.

"Each of our offices seems to specialize in something a little bit different, and among them we have the knowledge to support our other offices if something comes up they can't handle," he said.

"In fact, we have fun helping one another out," he added. "We're not so big that we lose track of our office managers' names."

Cook Treadwell handles a large amount of insurance in South America for its clients through a service agreement, Mr. Treadwell says. Insurance in many South American countries must be written through local companies, but Cook Treadwell is able to locate these firms and arrange insurance comparable to what they would offer in the U.S., Mr. Treadwell says.

The broker also places business with several Lloyd's of London brokers, including a small amount with C.T. Bowring. Mr. Treadwell says he is satisfied with his London brokerage arrangements at present, although like other bro-



Offices in: Atlanta, Boston, Chicago, Columbus, Dallas, Greensboro, Greenwich, Honolulu

newals and new accounts," he said.

Fighting to secure renewals is especially important, he explains. In Canada, a single broker usually handles a client's entire account so that to lose a renewal usually means losing the entire account, a serious jolt for a broker.

Even a good rate of renewal, however, just about enables Reed Stenhouse to compensate for low rates and an inflated economy, Mr. Bale said.

The company was active again last year on the acquisition and expansion fronts, both nationally and internationally, establishing Reed Stenhouse Middle East by merger with local brokerages in the territory.

The firm also opened Continental Reed Stenhouse Management Co. Ltd. in New York to provide underwriting management services to the New York Insurance Exchange, and established a

branch reinsurance brokerage in Atlanta as a "long-range investment," Mr. Bale noted.

In Canada, three new offices were opened in Alberta, where Reed Stenhouse handles extensive oil drilling accounts. The prosperous oil business has provided substantial revenues, Mr. Bale says.

Reed Stenhouse also acquired Julian Gibbs Holdings Ltd., a U.K. firm specializing in life and insurance bond sales, though Reed Stenhouse employee benefits accounts make up only about 3% to 4% of total business.

Among its 166 offices in 33 nations are 20 in U.S. cities including: Anchorage; Atlanta; Boston; Chicago; Denver; Fort Lauderdale and Boca Raton, Fla.; Honolulu; Houston; Kansas City; New York, and Glendale, Palo Alto, Los Angeles and San Francisco, Calif. Others are in Pittsburgh, Portland, St. Louis, Seattle and Washington, D.C.

In the only major personnel move of the year, Toronto management decided to let Reed Stenhouse Inc., the U.S. subsidiary controlling all its U.S. interests, form its own board of directors.

For the international broker, property coverages represent 44% casualty makes up 28%, aircraft 8% and others 20% of the total revenues.

The brokerage specializes in the midsize risk generating \$50,000 to \$100,000 in premiums a year. Reed Stenhouse also handles some large accounts, but competition with such large houses as Tomenson, Saunders Whitehead Ltd. and Dale & Co. Ltd. limits the horizon.

Major corporate officers include: William M. Wilson, president and chief executive officer of Reed Stenhouse Cos. Ltd.; James W. Whitall, its chairman of the executive committee; John B. Devine, managing director of Reed

Stenhouse & Partners Ltd.; Cedric G.E. Gyles, president and chief executive officer for Reed Stenhouse Cos. Ltd., and Anthony F. Salvatore, president and chief executive officer of Reed Stenhouse Inc.

2

Tomenson, Saunders, Whitehead Ltd.

P.O. Box 439, Toronto Dominion Centre West, Toronto, Ont. M5K 1M3; 416-361-6983

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$32,572,000	\$30,162,000
Employees	820	850
Rev./employee ...	\$39,722	\$35,485
Offices	18	17

Tomenson, Saunders, Whitehead Ltd. officials are pleased with the firm's 1979 performance despite a slim 8% increase in gross revenues over 1978.

Though revenue gains may not

show it, the firm managed to keep a tight lid on expenses by keeping staff at a minimum.

"As a result, we didn't have to cut back or lay off personnel," executive vp Kenneth M. Elliot explained.

Although there were no layoffs, the company did not fill all the openings that occurred during 1979, reducing employee expense.

But TSW is planning expansion the company hopes will place it prominently in the U.S. and Bermuda, Mr. Elliot says.

In the U.S., the company is targeting several American cities as locations for branch offices, he says. In 1979, TSW opened a branch office in Denver staffed with 31 employees. Another office in New York City is slated to open soon.

Within four years, TSW hopes to have offices in Boston, Chicago, Atlanta, Houston, Dallas, Los Angeles, San Francisco and Seattle. Acquisitions are being negotiated with five U.S. brokers, he noted.

The firm also made two Canadian acquisitions in the last year, Hudson Insurance Agency in Ottawa in 1979 and Park Insurance Agency in St. George, Ont., earlier this year.

In Bermuda, the company is considering adding retail brokerage facilities to its captive management company and its reinsurance branch.

"Bermuda is emerging as a worldwide market and we want to make sure we have that market tapped. We want to be there," he said.

The firm handles international accounts through its London outlet, Tomenson, Saunders, Whitehead U.K. Ltd., servicing Europe, Australia and South Africa. Other worldwide accounts are handled through local agencies.

"We try to be good local citizens and control that business through local agents," he said. A force of 12 international account representatives travels all over the world servicing the business for TSW. For surplus lines, TSW uses six different Lloyd's of London brokers, with Houston-Devitt and Bain-Dawes winning most of the accounts.

Unlike its two native Canadian competitors, TSW does extensive employee benefit planning for 13% to 15% of its revenues. The remaining revenue is derived from property/casualty policies.

TSW has 17 Canadian offices in Charlottetown, Halifax, Montreal, Ottawa, Toronto, Hamilton, St. George, London, Sudbury, Winnipeg, Saskatoon, Calgary, Edmonton, Vancouver, Prince George, Kamloops and Williams Lake.

Besides Mr. Elliot, principal corporate officers are: William E. Toyne, president; Robert A. McFarlane, executive vp; Jay S. Cameron, vp/finance, and James Hillhouse, president of TA Associates.

3

Dale & Co. Ltd.

P.O. Box 18, Toronto Dominion Centre, Toronto, Ont. M5K 1B2 416-366-4645

	1979	1978
Premium vol.	\$98,850,000	\$89,600,000
Gross rev.	\$15,100,000	\$13,700,000
Employees	455	467
Rev./employee ...	\$33,187	\$33,600
Offices	14	14

Armed with new capital from new owner Sodarcen Ltd. of Montreal, Dale & Co. may soon breathe down the neck of its major competitor, Reed-Stenhouse Cos.

The Sodarcen merger should make Dale one of the largest Canadian-owned insurance and reinsurance operations, says John C. Meen, Dale's chief executive officer.

Continued on next page

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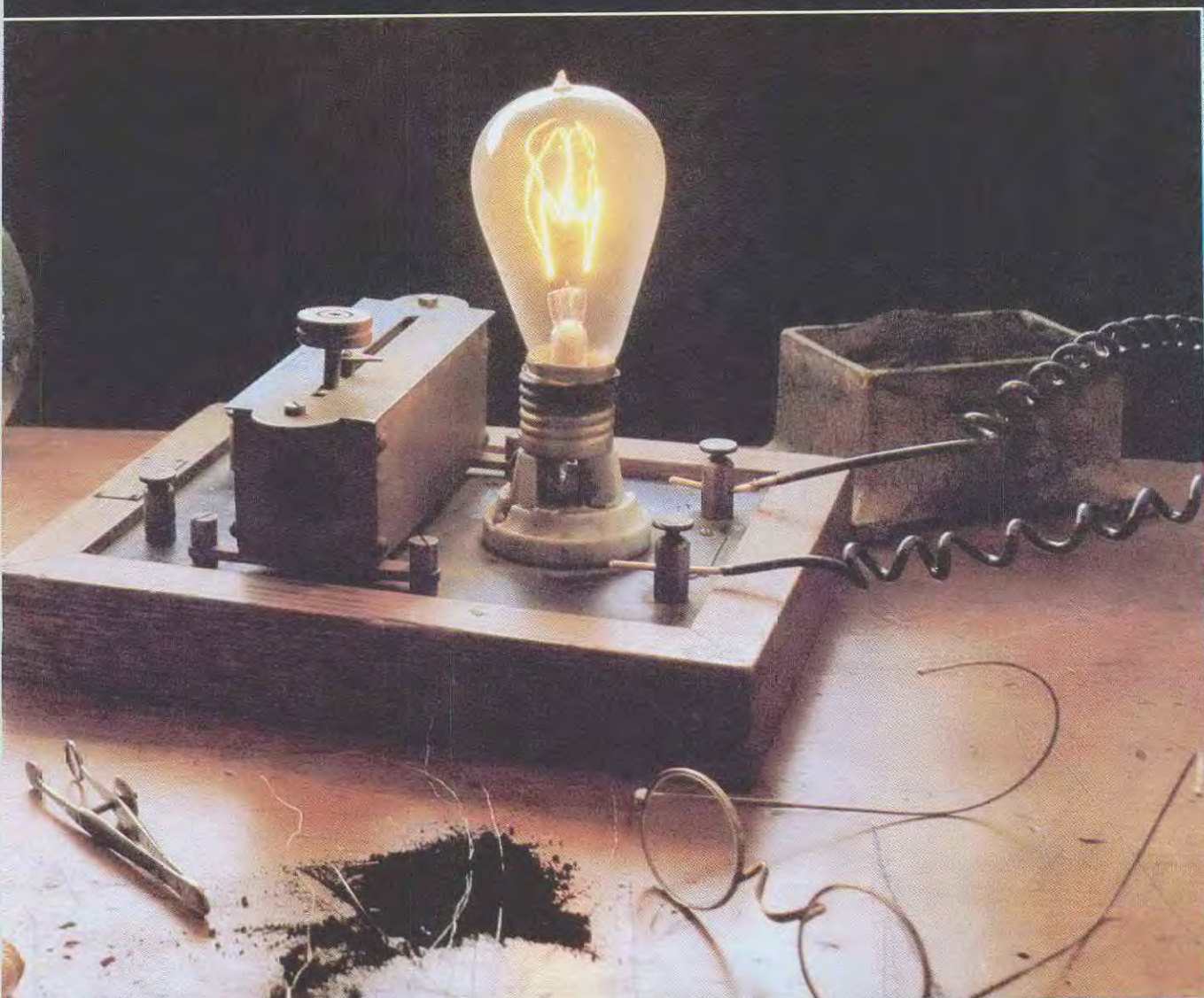
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Agent/Broker Profiles

Continued from previous page

"All in all, it will open up a lot of new avenues for us," says Mr. Meen.

The combined operation will generate about \$50 million a year in revenue income, he told *Business Insurance*.

Sodarcen is a holding company that controls several Canadian agencies, National Reinsurance of Canada and Canadian-based liability insurers.

The deal will expand the operation's personnel rolls to 1,200 employees.

Dale & Co. Ltd. grew 10% in premium volume and gross revenues in 1979, part of the firm's most successful five-year period. But according to president and chief executive officer Mr. Meen, "It's like run-

ning on ice.

"While revenues are up, expenses have gone up also," he said. Income taxes jumped nearly 13%, so net revenues dropped 9.5% from \$940,000 in 1978 to \$850,000 in 1979.

The modest profit picture is the same all around Canada: soft markets, low rates and intense competition.

The competition has touched off a war between major brokers as fierce as anything seen in the U.S., Mr. Meen said. "In fact, we've been in it for a longer time."

The battles will last at least until the end of this year when rates will begin to inch upward again, he says.

Dale & Co. is trying to hold onto as many renewals as possible while developing new accounts to compensate for erosion from lower premiums.

"The only way to sustain yourself in a time like this is to re-market all renewals and to make sure that you're competitive in form and rate and to try and generate as much new business as you can," he remarked.

Property/casualty insurance accounts for nearly 98% of its business.

Contrary to plans announced last year, Dale & Co. did not add offices or acquire any firms. The economy was to blame, Mr. Meen notes. The brokerage shelved plans to expand internationally into the U.S. "Interest rates were too high," he said.

"We did say in 1979 that we were going to make some moves but we were deterred by rising interest rates. We thought it would be silly when we're getting an average of 12% to 13% commission and the interest rates are 16.5%."

Earlier this year the Canadian Foreign Investment Review Agency blocked Marsh & McLennan Cos. Inc.'s plans to buy Dale & Co., a move the Canadian broker viewed as a gateway to worldwide operations. The government barred the sale because Canadians would not have been properly represented on the board of directors.

"The proposed acquisition by Marsh & McLennan was meant to be a long-term move for worldwide markets. It would have been an amalgamation that would have allowed us to increase our facilities," Mr. Meen noted.

Dale & Co. would have operated as a division of Marsh & McLennan with a separate identity, though M&M would own 100% of Dale & Co. operations. The deal is stalled indefinitely, Mr. Meen said. Dale officials are still considering expansion beyond Canadian borders but no plans are ready.

The firm has 14 branch offices in Canada including facilities in Vancouver, Calgary, Edmonton, Winnipeg, Windsor, London, Hamilton, Toronto, Ottawa, Montreal and Halifax. Other offices are in Grand Falls, Corner Brook and St. Johns.

It also has three subsidiaries: Boyd, Phillips & Co. Ltd., average adjusters and surveyors; Dale Management Ltd., and Steers Insurance Agencies Ltd.

Dale & Co. places a large cross-section of commercial accounts including aviation and marine business. Petrochemical clients from Ontario are also bolstering the firm's portfolio. Last year, however, marine business grew only slightly slower than other lines.

Lloyd's brokers C.T. Bowring and The Sedgwick Group place Dale & Co. surplus lines coverage in London.

The brokerage is projecting a growth rate of 10% to 12% this year and will keep a tight watch on expenses because net profits are again expected to be modest.

Principal corporate officers, in addition to Mr. Meen, are John Lewis, vp/treasurer, and Fred Flanagan, senior vp.

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A

Jay Adams & Associates Inc.

121 N. Ridgewood Ave., P.O. Drawer 70, Daytona Beach, Fla. 32015; 904-252-3701

	1979	1978
Premium vol. ...	\$5,938,000	\$4,850,000
Gross rev.	\$865,000	\$745,000
Employees	22	19
Commercial bus.	70%	70%

Principal officers: Jay Adams, president; Charles Bultman, senior vp; Jerry White, vp/treasurer; Richard Fulton, vp; Lois Kimball, corporate secretary.

Compensation: Commissions.
Acquisition in the past year: Eud Davis Agency (June 1979).
Licensed excess/surplus broker in: Florida.

Admiral Insurance Agency Inc.

20 State St., Lynn, Mass. 01901; 617-599-2000

	1979	1978
Premium vol. ...	\$2,598,966	\$2,451,855
Gross rev.	\$404,431	\$383,268
Employees	10	9
Commercial bus.	65%	65%

Principal officer: Samuel B. Tassel, CLU, CIC, president.
Compensation: Commissions.
Branch office: Revere, Mass.
Licensed excess/surplus broker in: Massachusetts.

Agins Agency Inc.

24361 Greenfield Rd. Southfield, Mich. 48075; 313-557-8822

	1979	1978
Premium vol. ...	\$6,000,000	\$5,600,000
Gross rev.	\$900,000	\$880,000
Employees	18	17
Commercial bus.	90%	90%

Principal officers: Eugene N. Agins, president; Jack B. Sirotkin, CLU, vp; Rose S. Agins, secretary/treasurer.

Compensation: Commissions.
Subsidiary: Agins Estate & Corporate Planners Inc.
Licensed excess/surplus broker in: Michigan.

Akin-Akin Inc.

2418 E. Grand River, Howell, Mich. 48843; 517-546-4810

	1979	1978
Premium vol. ...	\$2,800,000	\$2,455,000
Gross rev.	\$402,000	\$344,000
Employees	10	9
Commercial bus.	75%	75%

Background on profiles

The individual profiles detail: premium volume, gross revenues, number of employees and how much business is generated by commercial accounts.

Also noted are principal officers, method of compensation, branch offices, subsidiaries, parent company and states in which the firm is licensed as an excess/surplus lines broker.

Information in this special Agent/Broker Profiles issue was compiled by the editors of *Business Insurance* based on information supplied by the agents and brokers.

Agents and brokers listed primarily serve commercial clients, handle a premium volume of at least \$1 million and have gross revenues exceeding \$150,000.

Principal officers: Edward H. Akin, CPCU, president; Robert C. Peal, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Michigan.

All-Coverage Agency Inc.

108 S. Franklin Ave., Valley Stream, N.Y. 11581; 516-561-1500, 212-525-9191

	1979	1978
Premium vol. ...	\$1,200,000	\$1,000,000
Gross rev.	\$205,000	\$185,000
Employees	5	6
Commercial bus.	55%	50%

Principal officer: Edward Levine, president.

Compensation: Commissions and fees.

Agent/Broker Profiles

Seymour Alper & Co. Ltd.

5165 Queen Mary Road, third floor, Montreal, Quebec, Canada H3W 1X8; 514-489-8601

	1979	1978
Premium vol. ...	\$6,227,000	\$7,001,121
Gross rev.	\$1,481,559	\$1,444,844
Employees	33	31
Commercial bus.	85%	85%

Principal officers: Seymour Alper, president; Michel Labelle, vp.
Compensation: Commissions and fees.

Alper Services Inc.

1 N. Wacker Drive, Chicago, Ill.

60606; 312-236-9600

	1979	1978
Premium vol. ...	\$5,300,000	\$4,900,000
Gross rev.	\$860,000	\$780,000
Employees	21	20
Commercial bus.	95%	95%

Principal officers: Howard C. Alper, CPCU, ARM, president; Martin F. Blake III and Russell Cortino, vps.

Compensation: Commissions and fees.

Subsidiary: Audit Rate Inc.

Alpha Insurance Brokers Inc.

564 S. Murphy Ave., Sunnyvale, Calif. 94086; 408-739-4011

	1979	1978
Premium vol. ...	\$2,310,506	\$2,057,601
Gross rev.	\$281,003	\$201,437
Employees	12	11
Commercial bus.	70%	70%

Principal officers: W.J. Connor, president; Mark Talsma, vp.
Compensation: Commissions.

American Coverage Corp.

185 Great Neck Road, Great Neck, N.Y. 11022; 516-487-3800

	1979	1978
Premium vol. ...	\$11,040,000	\$10,780,000
Gross rev.	\$1,598,000	\$1,695,000
Employees	32	31
Commercial bus.	95%	95%

Principal officers: Robert L. Dubofsky, president; Jesse Gottlieb, CLU, president-American Coverage Life Planners Inc.; William B. Krug, executive vp; Frank A. Marino, vp-claims; Herman Rick, senior vp; Joseph Pollack, CPA, comptroller.

Compensation: Commissions
Continued on next page



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Agent/Broker Profiles

Continued from previous page and fees.

Subsidiaries: American Coverage Life Planners Inc.; Nat Dubofsky Co. Inc.; J.M. Marshall Inc.; Wolkenberg & Warshaw Inc.; Building Owners Coverage Corp.

Parent company: American Coverage Associates.

Licensed excess/surplus broker in: New York.

America's Insurance Center

562 Boulevard, Kenilworth, N.J. 07033; 201-272-6300

	1979	1978
Premium vol. ...	\$4,368,270	\$4,939,308
Gross rev.	\$1,061,030	\$1,156,577
Employees	20	24
Commercial bus.	85%	87%

Principal officers: Raymond R. Kravetz, president; Arthur F. Kravetz, vp/secretary; Sylvia S. Kravetz, treasurer.

Compensation: Commissions.

Branch office: Flushing, N.Y.

Licensed excess/surplus broker in: New Jersey and New York. Correspondent agreements in all other states.

Anderson & Anderson Insurance Brokers

2495 Campus Drive, Newport Beach, Calif. 92715; 714-752-2255

	1979	1978
Premium vol. ...	\$19,100,000	\$13,200,000
Gross rev.	\$3,000,000	\$2,000,000
Employees	73	70
Commercial bus.	97%	95%

Principal officers: Robert M. Anderson, president; Donald D. Anderson, chairman; Donald S. Shaw, secretary; Daniel La Flamme, vp-finance; Tom Zmak, vp-marketing.

Compensation: Commissions and fees.

Branch offices: San Jose, San Marcos, Calif.

Anderson-Reeve & Associates Inc.

7045 Third Ave., Scottsdale, Ariz. 85251; 602-994-1401

	1979	1978
Premium vol. ...	\$2,300,000	\$2,000,000
Gross rev.	\$407,000	\$299,949
Employees	12	10
Commercial bus.	60%	50%

Principal officers: Douglas M. Reeve, president; Dixie L. Ray, vp.

Compensation: Commissions.

Licensed excess/surplus broker in: Arizona.

The Associated Agencies Inc.

223 W. Jackson Blvd., 10th floor, Chicago, Ill. 60606; 312-322-4800

	1979	1978
Premium vol. ...	\$25,000,000	\$21,429,000
Gross rev.	\$3,108,000	\$2,500,000
Employees	75	73
Commercial bus.	88%	87%

Principal officers: Robert L. Adler, president/chief executive officer; Max R. Schroyer, chairman; T.R. Loeb, A.A. Freeman, senior vps; P.M. Wolff, senior vp/secretary/treasurer.

Compensation: Commissions.

Licensed excess/surplus broker in: Illinois.

Associated Insurance Managers Inc.

P.O. Box 55570, Indianapolis, Ind. 46220; 317-842-1402

	1979	1978
Premium vol. ...	\$7,500,000	\$6,000,000
Gross rev.	\$1,111,000	\$1,049,000
Employees	60	48
Commercial bus.	70%	70%

Principal officers: William J. Garrity, president; John Romine, treasurer; Milford N. Robinson, Edward W. McGuire and J. Douglas Porter, senior vps.

Compensation: Commissions and fees.

Acquisitions in the past year: Lafayette Insurance Associates (August 1979), Poter & Boston Agency (December 1979), Eischhoff Agency Inc. (April 1980), Lowe's (January 1983).

Branch offices: Indianapolis, Lafayette, Anderson, Muncie, Richmond, Fortville, Dunkirk Indiana.

Subsidiaries: Assn. Program Managers Inc.; Agency Premium Finance Inc.; Lifeway Inc.; Realty Management Services Inc.

Parent company: Management Advisors Inc.

Licensed excess/surplus broker in: Indiana.

Associated Services Inc.

111 W. Main St., Waterbury, Conn. 06702; 203-574-3325

	1979	1978
Premium vol. ...	\$1,300,000	\$1,103,000
Gross rev.	\$198,000	\$167,000

Employees 5 6
Commercial bus. 60% 60%

Principal officers: George S. Fontaine, president/treasurer; Norman Wagge, vp/secretary.

Compensation: Commissions.

Athens Insurance Co.

P.O. Box 809, Athens, Tenn. 37503; 615-745-3062

	1979	1978
Premium vol. ...	\$6,457,504	\$8,300,000
Gross rev.	\$1,127,034	\$1,300,000
Employees	29	30
Commercial bus.	75%	75%

Principal officers: Sam L. Feezell president; Robert E. Cook, John R. O'Donnell, vps; Guy E. Baker, assistant vp; Horace M. Ellis, treasurer.

Compensation: Commissions and fees.

Branch office: Etowah Insurance Agency, Etowah, Tenn.

Subsidiary: Feezell & Millsaps.

Licensed excess/surplus broker in: Georgia, North Carolina, Mis-

issippi, Oklahoma.

Atkins Insurance Corp.

1400 Worthen Bank Bldg., Little Rock, Ark. 72201; 501-372-2222

	1979	1978
Premium vol. ...	\$28,000,000	\$23,000,000
Gross rev.	\$4,000,000	\$3,200,000
Employees	92	68
Commercial bus.	85%	85%

Principal officers: James H. Atkins, president/chief executive officer; Richard P. Herget Jr., executive vp/secretary/treasurer; Jerry M. Dollins, executive vp.

Compensation: Commissions and fees.

Acquisition in the past year: Williams & Rosen Insurance (September 1979).

Branch offices: Hot Springs, Little Rock.

Subsidiary: Arkansas All Risks Inc.

Licensed excess/surplus broker in: Arkansas, Texas, New Mexico, Tennessee.

A.T.P. Insurance Inc.

515 S. 700 East, #2A, Salt Lake City, Utah, 84102; 801-532-6171.

	1979	1978
Premium vol. ...	\$1,300,000	\$1,100,000
Gross rev.	\$215,000	\$175,000
Employees	9	7
Commercial bus.	55%	70%

Principal officers: Douglas D. Brown, president; Duane E. Brown, secretary/treasurer.

Compensation: Commissions.

Subsidiaries: Air Insurance of Utah; Gundry-Brown Insurance.

Licensed excess/surplus broker in: Utah, Idaho, California, Colorado, Wisconsin, Wyoming, Nevada, Oregon.

Austin & Co. Inc.

307 Washington, Albany, N.Y. 12201; 518-465-3591

	1979	1978
Premium vol. ...	\$3,750,000	\$3,200,000
Gross rev.	\$617,442	\$569,428
Employees	18	17
Commercial bus.	80%	80%

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Four Seasons-Clift

November 5-6
(415) 775-4700

New York
Barclay

November 19-20
(212) 755-5900



Principal officers: Charles M. Liddle III, president; James P. Faughan, executive vp; Herbert L. Trance, CPCU, vp; George Weber, CPCU, sales manager.

Compensation: Commissions and fees.

B

Babb Inc.

850 Ridge Ave., Pittsburgh, Pa. 15212; 412-237-2115

	1979	NA	1978	NA
Premium vol.				
Gross rev.	\$4,500,000		\$4,100,000	
Employees	125		120	
Commercial bus.	40%		40%	

Principal officers: Ronald B. Livingston, chairman/chief operating officer; James F. White, president, Babb/Philadelphia; Dennis Warnoch, president, Babb/Cleveland; Mervin Sneath, president, Higham Whitridge Inc.

Compensation: Commissions and fees.

Branch offices: Philadelphia, Cleveland.

Subsidiary: Higham Whitridge Inc.

Licensed excess/surplus broker in: Pennsylvania, Ohio.

L.T. Barton Insurance

P.O. Box 9320, Fort Worth, Tex. 76107; 817-332-1313

	1979	1978
Premium vol.	\$3,210,000	\$3,205,000
Gross rev.	\$574,000	\$488,500
Employees	15	15
Commercial bus.	90%	70%

Principal officers: Hayes Tucker, CPCU, CLU, Troy Barton, David Cooper, partners.

Compensation: Commissions.

Beal & Associates Insurance Counselors Inc.

4350 E. Camelback Road, #205A, Phoenix, Ariz. 85018; 602-957-1111

	1979	1978
Premium vol.	\$5,100,000	\$3,900,000
Gross rev.	\$1,000,000	\$750,000
Employees	26	24
Commercial bus.	90%	90%

Principal officer: William A. Beal, president.

Compensation: Commissions and fees.

Branch office: Albuquerque, N.M.

Subsidiary: Dealer Services.

Licensed excess/surplus broker in: Arizona.

Beardsley, Brown & Bassett Inc.

558 Clinton Ave., Bridgeport, Conn. 06605; 203-366-1815

	1979	1978
Premium vol.	\$8,000,000	\$7,000,000
Gross rev.	\$1,400,000	\$1,250,000
Employees	29	27
Commercial bus.	65%	65%

Principal officers: J.P. Bassett, president; A.F. Tibbitts, J.R. O'Connor, A.N. Chernak, CPCU, vps.

Compensation: Commissions.

Bennett Wallace Welch & Green Insurance Inc.

2200 16th St. N., P.O. Box 3842, St. Petersburg, Fla. 33731; 813-822-4616

	1979	1978
Premium vol.	\$4,735,000	\$4,500,000
Gross rev.	\$892,275	\$782,656
Employees	NA	28
Commercial bus.	60%	60%

Principal officers: William P. Wallace, president; John I. Welch and Stanley C. Shaver Jr., senior vps; J. Hayden Knowlton, vp.

Compensation: Commissions.

Acquisition in the past year: Henry T. Van Dyke Agency.

Branch offices: Seminole and Clearwater, Fla.

Licensed excess/surplus broker in: Florida.

Samuel P. Black & Associates Inc.

P.O. Box 1216, Erie, Pa. 16512;

814-453-6746

	1979	1978
Premium vol.	\$2,042,165	\$1,688,154
Gross rev.	\$246,813	\$216,753
Employees	7	8
Commercial bus.	60%	60%

Principal officers: S.P. Black Jr., president/treasurer; S.P. Black III, vp/secretary.

Compensation: Commissions.

Licensed excess/surplus broker in: Pennsylvania.

Black Hills Agency Inc.

P.O. Box 2030, 820 St. Joe, Rapid City, S. D. 57701; 605-342-5555

	1979	1978
Premium vol.	\$2,712,768	\$2,361,009
Gross rev.	\$469,775	\$412,691
Employees	12	11
Commercial bus.	70%	70%

Principal officers: Richard Maguire, president; Gerald Maguire, vp; Michael Maguire, secretary.

Compensation: Commissions.

Licensed excess/surplus broker in: South Dakota.

Blick, Dillon & Dunlop Inc.

216 E. Cass St., Cadillac, Mich. 49601; 616-775-3416

	1979	1978
Premium vol.	\$2,252,108	\$1,793,290
Gross rev.	\$391,609	\$342,035
Employees	9	8
Commercial bus.	65%	65%

Principal officers: Jan P. Blick, president; John E. Dillon, secretary/treasurer.

Compensation: Commissions.

Branch office: Traverse City, Mich.

Subsidiary: Northern Michigan Consulting Services.

Bone, Robertson & McBride Inc.

1043 Stuart St., Suite 8, P.O. Box 1228, Lafayette, Calif. 94549; 415-376-3502

	1979	1978
Premium vol.	\$5,200,000	\$2,225,000
Gross rev.	\$728,000	\$335,000
Employees	16	9
Commercial bus.	85%	85%

Principal officers: Thomas M. Bone, president; Donald L. Bone, vp.

Compensation: Commissions.

Branch office: Antioch.

Subsidiary: Morris-Haber Insurance Agency.

Licensed excess/surplus broker in: California.

Boockford & Co.

2015 Spring Road, Oak Brook, Ill. 60521; 312-789-5000

	1979	1978
Premium vol.	\$7,000,000	\$10,000,000
Gross rev.	\$1,020,000	\$1,148,000
Employees	16	16
Commercial bus.	97%	97%

Principal officers: William D. Boockford, president; Louis F. Chiodo and Ronald Walter, vps.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Illinois.

Bottari, Holland & Sweetman

2150 Franklin St., Oakland, Calif. 94612; 415-835-4600

	1979	1978
Premium vol.	\$3,400,000	\$3,000,000
Gross rev.	\$534,000	\$476,000
Employees	12	12
Commercial bus.	65%	65%

Principal officers: Victor Bottari Jr., president; John P. Holland Jr., CPCU, and Robert G. Sweetman, vps.

Compensation: Commissions and fees.

Bowers, Schumann & Welch

Route 31-N, P.O. Box 272, Washington, N.J. 07882; 201-689-1092

	1979	1978
Premium vol.	\$8,000,000	\$6,000,000
Gross rev.	\$1,387,000	\$1,084,995
Employees	50	40
Commercial bus.	50%	45%

Principal officers: Leonard R. ...

Continued on next page

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Agent/Broker Profiles

Continued from previous page
Schumann, chairman of the board/treasurer; Scott F. Welch, president; Ralph S. Bowers, vp; J. William Noeltner Jr., executive vp; Faith F. Kerr, secretary.

Compensation: Commissions.

Acquisitions in the past year: Insurance & Risk Managers (July 1979); Betty A. Wright Agency (April 1980).

Branch offices: Hackettstown, Blairstown and Phillipsburg, N.J.

Boynton Brothers & Co.

200 Jefferson St., Perth Amboy, N.J. 08862; 201-442-3300

	1979	1978
Premium vol.	NA	\$12,000,000
Gross rev.	\$1,600,000	\$1,440,000
Employees	43	36
Commercial bus.	82%	82%

Principal officers: D.W. Bartholomew Jr., president; Edwin Stewart, executive vp; Michael McMahon, vp-marketing; Kenneth F. Warchal, vp-sales; Barry Cruikshank, secretary/treasurer.

Compensation: Commissions.
Licensed excess/surplus broker in: New Jersey.

Braun & Braun Inc.

Sill Bldg., 7th Floor, Flint, Mich. 48502; 313-767-6180

	1979	1978
Premium vol.	\$7,407,000	\$7,900,000
Gross rev.	\$1,028,815	\$996,212
Employees	22	19
Commercial bus.	85%	85%

Principal officers: Philip J. Braun, president; Robert E. Benson, Anthony A. Abaid, vps; John J. Byder, secretary; Michael J. Charbonneau, treasurer.

Compensation: Commissions and fees.

B.R.I. Coverage Corp.

156 William St., New York, N.Y. 10038; 212-233-7171

	1979	1978
Premium vol.	\$61,000,000	\$51,000,000
Gross rev.	\$6,800,000	\$5,900,000
Employees	85	85
Commercial bus.	95%	95%

Principal officers: Donald R. Ferrarini, president; Howard Miller, senior vp/director of sales; Arthur Ostrow, Bruno Rumignani, Fred Ghawi, Richard A. Saitow, Roger A. Imperial II, senior vps. James R. Sweitzer, Herbert Kramer, John Kelly, James O'Donnell, vps; Burton Matfus, secretary/treasurer.

Compensation: Commissions and fees.

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

Brown-Spaulding & Associates Inc.

P.O. Drawer 5276, Carmel, Calif. 93921; 408-624-1866

	1979	1978
Premium vol.	\$2,657,000	\$2,000,000
Gross rev.	\$504,000	\$455,000
Employees	20	18
Commercial bus.	68%	60%

Principal officers: Christopher Spaulding, president; Tom Brown, secretary/treasurer.

Compensation: Commissions.

Buffalo Fire Office Inc.

600 Main, Seneca Bldg., Buffalo, N.Y. 14203; 716-856-3450

	1979	1978
Premium vol.	\$6,774,579	\$6,425,338
Gross rev.	\$1,271,336	\$1,049,746
Employees	30	31
Commercial bus.	43%	42%

Principal officers: Robert P. Lentz Jr., chairman; Dana F. Rice, CEO/treasurer; Fred R. Dentinger, president; Charles F. Geyer, executive vp.

Compensation: Commissions.

Acquisition in the past year: John B. Knox Agency Inc. (Jan. 1980).

Branch office: Lockport, N.Y.

Subsidiaries: Moss Agency Inc.; Ray Beiter Insurance Agency; John B. Knox Agency Inc.

Burnham & Flower Agency Inc.

5840 King Highway, Kalamazoo, Mich. 49001; 616-381-1173

	1979	1978
Premium vol.	\$10,070,000	\$9,740,000
Gross rev.	\$1,075,000	\$904,000
Employees	25	24
Commercial bus.	96%	96%

Principal officers: Homer J. Flower, president; Duane F. Burnham, executive vp; Gerry Kott, vp-sales; David P. Kensler, vp-casualty; Lynn Bright, secretary/treasurer.

Compensation: Commissions.

Branch offices: Houghton, Houghton Lake, Rose City, Mich.

Subsidiary: Midwest Placements Inc.

Licensed excess/surplus broker

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Good reputations are important to most. Maintaining our good reputation is everything to us.

Richard F. Hull

Richard F. Hull
President

Hull & Company, Inc.

Corporate Headquarters
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Fort Lauderdale, Fla. 33316
(305) 525-2081

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San Francisco Office:
(415) 781-5371

Chicago Office:
(312) 346-3840

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Aviation/Life/Health

in: Michigan.

Byerly & Co. Inc.1300 Logan, Suite 200, Denver,
Colo. 80203; 303-831-0070

	1979	1978
Premium vol.	\$135,000,000	\$120,000,000
Gross rev.	\$1,055,000	\$790,000
Employees	26	25
Commercial bus.	100%	100%

Principal officers: Robert Byerly, president; Robert N. Morehead, executive vp; Richard F. Helm and Jack E. Kennedy, senior vps; Alfred A. Gimbel, vp.

Compensation: Commissions and fees.

Branch office: Byerly & Co. of Wyoming Inc.

Subsidiary: Byerly, Roeder & Co. Inc.

David Bynum Insurance Inc.1798 Transco Tower, 2700 South
Post Oak, Houston, Tex. 77056;
713-627-3230

	1979	1978
Premium vol.	\$7,278,000	\$6,550,000
Gross rev.	\$876,680	\$773,127
Employees	17	15
Commercial bus.	89%	90%

Principal officers: David D. Bynum, president; William F. Duncan, vp; Hilda Hines, vp/secretary.

Compensation: Commissions and fees.

Subsidiary: David Bynum Life Agency Inc.

Licensed excess/surplus broker in: Texas.

Byrne, Byrne & Co.20 N. Wacker Drive, Chicago, Ill.
60606; 312-346-2150

	1979	1978
Premium vol.	\$13,500,000	\$12,400,000
Gross rev.	\$850,000	\$790,000
Employees	16	16
Commercial bus.	95%	95%

Principal officers: Richard D. Byrne, Thomas J. Byrne.

C**Calco Insurance—
Brokers & Agents**1900 Alameda De Las Pulgas, San
Mateo, Calif. 94403; 415-574-4000

	1979	1978
Premium vol.	\$74,000,000*	\$49,012,514
Gross rev.	\$9,086,128*	\$8,262,260
Employees	250	240
Commercial bus.	98%	99%

*Premium volume and gross revenues reflect business with affiliated insurers. \$62.5 million in premium volume and \$7.7 million in gross revenues.

Principal officers: Robert E. Tuthill, senior vp/manager-business insurance division; William D. Hall, vp/manager-risk management services.

Compensation: Commissions.

Branch offices: San Mateo, San Francisco, Fresno, Los Angeles.

Parent company: California Casualty Management Co.

Cal-Surance Associates3475 Torrance Blvd., Torrance,
Calif. 90503; 213-542-7301

	1979	1978
Premium vol.	\$19,401,338	\$17,290,000
Gross rev.	\$3,208,953	\$3,399,217
Employees	93	98
Commercial bus.	100%	100%

Principal officers: Donald E. Martin, president; David B. Johnson, financial vp; Myron D. Bogen, vp; Terry G. Martin, vp; A.F. Wheatman, executive vp.

Compensation: Commissions and fees.

Acquisition in the past year: Gary Winterrowd (April 1979).

Branch offices: San Jose, Fresno.

Subsidiary: MGA Insurance Marketing.

Parent company: Chartered Financial Services Corp.

Licensed excess/surplus broker

in: California.

**John Campbell Insurance
Agency Inc.**209 Walnut, P.O. Box 1695, Harri-
son, Ark. 72601; 501-741-5423

	1979	1978
Premium vol.	\$1,503,233	\$1,518,946
Gross rev.	\$213,254	\$225,264
Employees	7	8
Commercial bus.	60%	NA

Principal officers: John O. Campbell, president; John Roy Campbell, vp; Dorothy Jo Campbell, secretary/treasurer.

Compensation: Commissions.

Capitol Risk Concepts Ltd.

1 Water St., White Plains, N.Y.

10601; 914-946-7161

	1979	1978
Premium vol.	\$8,050,000	\$7,250,000
Gross rev.	\$805,000	\$725,000
Employees	20	16
Commercial bus.	98%	98%

Principal officers: John F. Keane Jr., president; Peter T. Sutherland, vp; Eric Freeman, secretary/treasurer.

Compensation: Commissions and fees.

Branch offices: Boston; New York; Nashua, N.H.

Subsidiary: Capitol Risk Management Services Ltd.

Licensed excess/surplus broker in: Massachusetts.

Carlin Insurance235 W. Central St., Natick, Mass.
01760; 617-655-0522

	1979	1978
Premium vol.	\$5,000,000	\$4,000,000
Gross rev.	\$750,000	\$580,000
Employees	16	15
Commercial bus.	77%	73%

Principal officers: James A. Cotter, CPCU, president; William A. Yetman, executive vp; Paul A. Neeson, CPCU, CLU, and Priscilla P. Johnson, vp.

Compensation: Commissions.

Branch office: Sarasota, Fla.

Subsidiary: Consolidated Finance Corp.

Parent company: Consolidated Resources Corp.

Licensed excess/surplus broker in: Massachusetts.

Carnett Agency Inc.111 Presidential Blvd., Bala
Cynwyd, Pa. 19004; 215-667-4842

	1979*	1978*
Premium vol.	\$6,000,000	\$5,100,000
Gross rev.	\$917,000	\$735,000
Employees	25	23
Commercial bus.	65%	62%

*Fiscal year: April—March 31.

Principal officers: Craig M. Hall, CPCU, president; Paul J. Hottinger, Tyler L. Groseclose Jr., and Morrow G. Campbell, vps; Thomas Galan, treasurer.

Compensation: Commissions

Continued on next page

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Agent/Broker Profiles

Continued from previous page and fees.

Branch office: Plainfield, N.J.

Subsidiaries: Groseclose, Campbell & Hall.

Parent company: Carnett Agency Inc.

Licensed excess/surplus broker in: Pennsylvania.

The Carpezzi Agency Inc.
400 E. Route 59, Nanuet, N.Y. 10954; 914-623-0050

	1979	1978
Premium vol.	\$3,600,000	\$2,900,000
Gross rev.	\$570,000	\$447,000
Employees	10	13
Commercial bus.	70%	70%

Principal officers: Leonard J. Carpezzi, president; Virginia Pellicciotta, manager; Frank E. McGrath, production manager.

Compensation: Commissions.

Catalano Insurance Agency Inc.
251 Broadway, Methuen, Mass. 01844; 617-688-4667

	1979	1978
Premium vol.	\$3,000,000	\$2,500,000
Gross rev.	\$474,000	\$401,000
Employees	12	12
Commercial bus.	70%	70%

Principal officers: G. Thomas Catalano, president; William Corcoran, vp; Anthony J. Grillo, vp/office manager; George O'Hara, bond manager; Wayne Slattery, account executive.

Compensation: Commissions.

Subsidiaries: Brewster Brothers, Georgetown Insurance Agency.

Clair Insurance Agency Inc.
717 Bethlehem Pike, Erdenheim, Pa. 19118; 215-242-5555

	1979	1978
Premium vol.	\$10,685,011	\$8,911,630
Gross rev.	\$1,398,263	\$1,180,152
Employees	43	47
Commercial bus.	82%	81%

Principal officers: Robert A. Clair, president/treasurer; Herbert O. Clair, executive vp; William F. Mohr, first vp; Milton B. Kohn, finance vp/secretary; David A. Collins, vp.

Compensation: Commissions and fees.

Subsidiary: Morgan Insurance Agency.

Parent company: Clair Insurance Agency Inc.

E.T. Clauss & Co. Inc.
735 Delaware Ave., Buffalo, N.Y. 14209; 716-886-6600

	1979	1978
Premium vol.	\$10,000,000	\$8,250,000
Gross rev.	\$1,350,000	\$1,300,000
Employees	44	40
Commercial bus.	65%	67%

Principal officers: James T. Clauss, president; Philip W. Cowan, CPCU, treasurer; David F. Clauss, Robert L. Pauly, CPCU, and Robert S. DiMatteo, CPCU, vps.

Compensation: Commissions.

Acquisition in the past year: Dahlstrom-Roberts Agency (1979).

Branch offices: Clauss & Co., Georgetown Square; Sheridan & Evans, Williamsville, N.Y.

Licensed excess/surplus broker in: New York.

Columbia Insurance Agency Inc.
45 Sutton St., Lynn, Mass. 01901; 617-598-5000

	1979	1978
Premium vol.	\$3,800,000	\$3,546,000
Gross rev.	\$550,000	\$522,000
Employees	12	13
Commercial bus.	50%	53%

Principal officers: Normand A. Dion, CPCU, president; Paul F. Duffy, vp.

Compensation: Commissions.

Consolidated Insurance Center Inc.
7130 Rutherford Road, Baltimore, Md. 21207; 301-944-9550

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$80,214	\$905,418
Employees	26	23
Commercial bus.	75%	75%

Principal officers: Charles P. Bundy Jr., CPCU, chairman; John F. Doetzer, CPCU, president; Thomas F. Campion, ARM, CPCU, ex-

ecutive vp/treasurer; Robert G. Urch Jr., ARM, CPCU, vp/secretary; W. Ronald Galloway, ARM, CPCU, vp.

Compensation: Commissions and fees.

Subsidiary: Consolidated Insurance Consultants Inc.

Licensed excess/surplus broker in: Maryland.

Contini-Jensen Inc.
3031 N. Andrews Ave., Fort

Lauderdale, Fla. 33311; 305-565-4691

	1979	1978
Premium vol.	\$1,276,747	\$1,160,037
Gross rev.	\$172,813	\$159,466
Employees	5	5
Commercial bus.	50%	50%

Principal officer: Ted Jensen, president.

Compensation: Commissions.

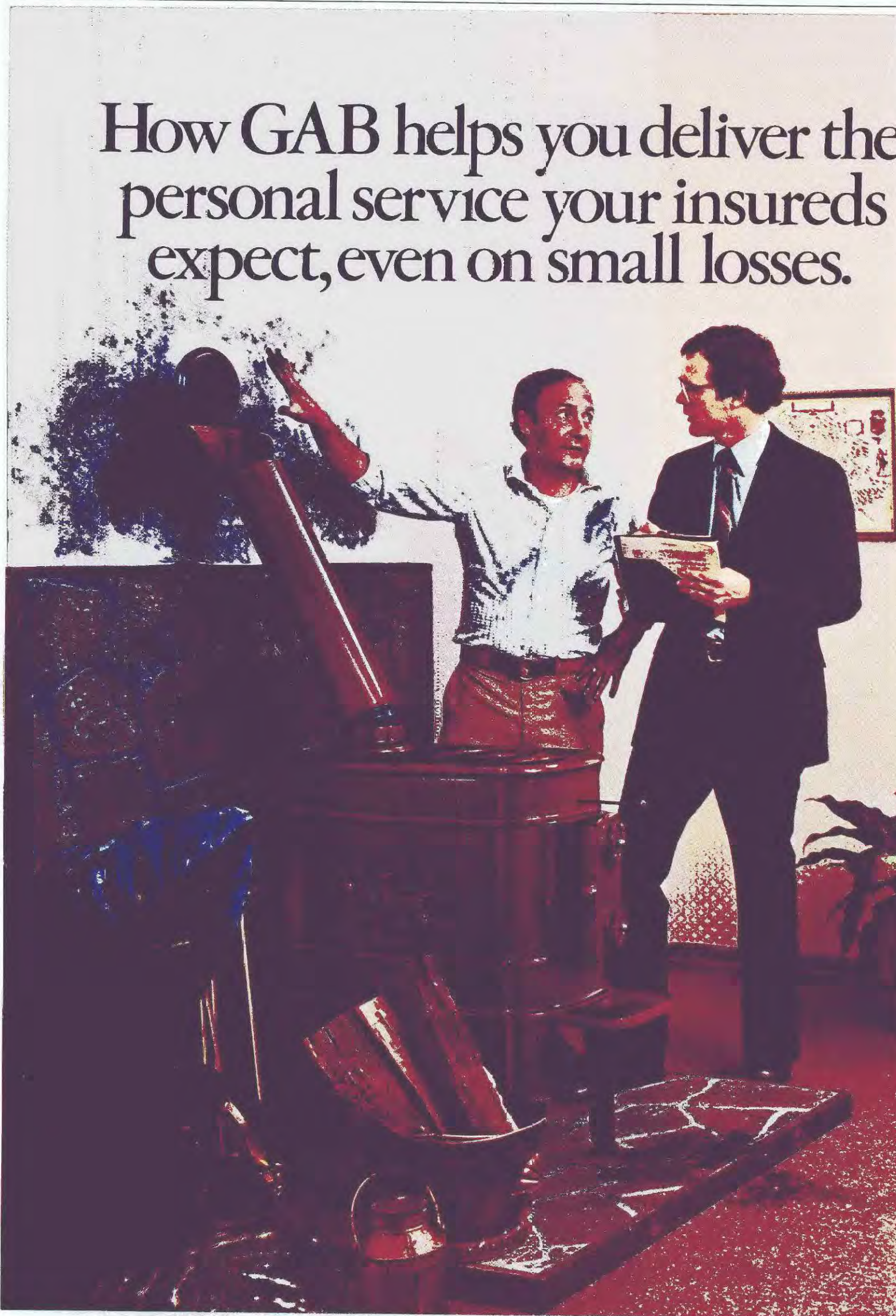
Cook & Knight Associates
1172 E. Ridgewood Ave., Ridge-

wood, N.J. 07450; 201-445-5100

	1979	1978
Premium vol.	\$2,325,000	\$2,100,000
Gross rev.	\$275,000	\$250,000
Employees	9	8
Commercial bus.	55%	55%

Principal officers: Warren B. Cook Sr., president; John J. Knight, vp; Warren B. Cook, assistant vp.

Compensation: Commissions and fees.



Corey Insurance Agency Inc.

1041 Silverado St., La Jolla, Calif. 92037; 714-454-3574

	1979	1978
Premium vol.	\$2,350,000	\$2,000,000
Gross rev.	\$352,500	\$320,000
Employees	6	6
Commercial bus.	70%	70%

Principal officer: Clyde Harless, president.

Compensation: Commissions.

Corporate Risks Agency Inc.

4600 Rockside Road, Independence, Ohio 44131; 216-524-5915

	1979	1978
Premium vol.	\$7,000,000	\$6,000,000
Gross rev.	\$700,000	\$600,000
Employees	7	7
Commercial bus.	100%	100%

Principal officers: James O. Emert Jr., president; David R. Renninger, vp; William R. Greer, national accounts representative.

Compensation: Commissions.

Coulter & Groner Inc.

175 Parkway Road, Bronxville, N.Y. 10708; 914-337-9200

	1979	1978
Premium vol.	\$5,750,000	\$5,350,000
Gross rev.	\$635,000	\$585,000
Employees	12	11
Commercial bus.	80%	80%

Principal officers: Elliott H. Coulter, president; Edward H. Groner, vp.

Compensation: Commissions.

Subsidiary: The Life Agency of

America Inc.**Couper-Ackerman-Sampson Inc.**

2 Court St., P.O. Box 1970, Binghamton, N.Y. 13902; 607-772-1444

	1979	1978
Premium vol.	\$4,800,000	\$3,900,000
Gross rev.	\$800,000	\$736,000
Employees	25	24
Commercial bus.	70%	67%

Principal officers: John F. Rus-

sell, president; John A. Foley, vp; William J. McPhail, secretary; Robert H. White, assistant secretary.

Compensation: Commissions and fees.

Crosbie Reed Stenhouse Ltd.

Box 12000, Saint John's, Newfoundland, Canada A1B 3T6; 709-722-5850

	1979	1978
Premium vol.	\$11,150,000	\$9,700,000
Gross rev.	\$1,800,000	\$1,600,000
Employees	70	70
Commercial bus.	55%	55%

Principal officers: Harold M. Barrett, MHA, president; James P. Crosbie, AIIC, vp; G. Lee Shinkle, AIIC, marine manager; Lloyd King, AIIC, commercial accounts manager; Alan Lorhen, FIIC, CIB, industrial accounts manager.

Compensation: Commissions.

Acquisition in the past year: Reed Stenhouse Ltd. (1980, as a minority partner).

Branch offices: Gander, Corner Brook, Portaux Bosques, Labrador City.

Parent company: Crosbie Enterprises Ltd.

Frank Crystal & Co. Inc.

61 Broadway, New York, N.Y. 10006; 212-344-2444

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$3,195,000	\$2,437,000
Employees	22	20
Commercial bus.	86%	85%

Principal officers: James W. Crystal, president/chief executive officer; I. Frank Crystal, chairman; Jerome D. Lubin, vp; Steven L. Grossberg, vp/finance.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: New York.

D**Dain Insurance Agency**

12631 E. Imperial Highway, Suite 103A, Santa Fe Springs, Calif. 90670; 213-864-2715, 213-941-1255

	1979	1978
Premium vol.	\$2,057,000	\$1,551,000
Gross rev.	\$288,000	\$187,000
Employees	6	4
Commercial bus.	99%	97%

Principal officers: Ray Urrutia, president/chief executive officer; Bob Dain, chief financial officer.

Compensation: Commissions and fees.

Parent company: Robert Dain & Co. Inc.

Davidson Pierson & Roth Inc.

13316 E. Bailey, Whittier, Calif. 90608; 213-698-7781

	1979	1978
Premium vol.	\$2,087,286	\$1,855,554
Gross rev.	\$347,881	\$309,259
Employees	5	5
Commercial bus.	75%	75%

Principal officers: Douglas L. Pierson, president; J. Robert Roth, CPCU, secretary/treasurer.

Compensation: Commissions.

Davis-Grosse Inc.

168 E. Lake St., P.O. Box 579, Elmhurst, Ill. 60126; 312-834-0056

	1979	1978
Premium vol.	\$4,600,000	\$4,400,000
Gross rev.	\$855,000	\$835,000
Employees	15	15
Commercial bus.	92%	92%

Principal officers: Edward L. Grosse, president; William J. Opelka, executive vp; Alfred E. Barr, vp/secretary; A. Drury Davis Jr., treasurer; James Davis, vp.

Compensation: Commissions and fees.

Branch Offices: Northfield, Ill.

Day, Webb Taylor Inc.

1017 S. Gaylord St., Denver, Colo. Continued on next page

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Agent/Broker Profiles

Continued from previous page
80209; 303-778-0100

	1979	1978
Premium vol.	\$13,563,669	\$9,100,000
Gross rev.	\$1,910,376	\$1,749,716
Employees	42	39
Commercial bus.	78%	70%

Principal officers: Robert W. Webb, president; H. Howell Taylor Jr., vp; J. Emmett Taylor, secretary/treasurer.

Compensation: Commissions.
Branch offices: Seattle, Phoenix, Colorado Springs.

Licensed excess/surplus broker in: Colorado, Alaska.

DeGrassi Bates Insurance Inc.

P.O. Box 9067, 1008 W. 10th, Amarillo, Tex. 79105; 806-372-6767

	1979	1978
Premium vol.	\$1,907,000	\$1,792,000
Gross rev.	\$302,000	\$277,000
Employees	7	7
Commercial bus.	65%	65%

Principal officers: Hollis B. DeGrassi Jr., president; George H. Bates, vp/secretary.

Branch office: Houston.

The John DeVries Agency Inc.

414 State St., St. Joseph, Mich. 49085; 616-983-0581

	1979	1978
Premium vol.	\$4,191,328	\$3,858,216
Gross rev.	\$644,684	\$548,807
Employees	14	4
Commercial bus.	82%	80%

Principal officers: James B. DeVries, president; Betty M. Wisneski, administrative vp; Jimmy Lee, controller; Al Mack, vp.

Compensation: Commissions and fees.

Parent company: AARCO American Agency Inc.

D.M.A.S. Inc.

1348 Forest Ave., Staten Island, N.Y. 10302; 212-981-0700

	1979	1978
Premium vol.	\$1,800,000	\$1,450,000
Gross rev.	\$250,606	\$207,959
Employees	6	6
Commercial bus.	65%	60%

Principal officers: Louis J. Milone, president; Herbert R. Applebaum, vp; Sheldon Stillman, secretary/treasurer.

Compensation: Commissions and fees.

Dohrmann-King Co. Inc.

1045 N. El Dorado St., Stockton, Calif. 95202; 209-944-5540

	1979	1978
Premium vol.	\$3,030,621	\$2,995,000
Gross rev.	\$539,243	\$505,050
Employees	12	11
Commercial bus.	90%	90%

Principal officers: Harold C. King, CPCU, president; Lewis D. Skyhawk and Robert E. Lee, CPCU, vps; Dorothy A. King, sec-

retary; Sally K. Bronner, treasurer.
Compensation: Commissions

Walter P. Dolle Inc.

Dixie Terminal Bldg., Cincinnati, Ohio 45202; 513-421-6515

	1979	1978
Premium vol.	\$31,000,000	\$29,000,000
Gross rev.	\$3,331,000	\$3,105,000
Employees	53	52
Commercial bus.	90%	90%

Principal officers: Jack R. Trainer, CPCU, president; H. Russell Reigart, CPCU, Robert Lang, CPCU, Charles T. Hyser, CPCU, John Grever, CPCU, CLU, vps.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Ohio.

Dowis Agency Inc.

214 S. 23rd St., Sterling, Colo. 80751; 303-522-6260

	1979	1978
Premium vol.	\$4,715,781	\$5,207,329
Gross rev.	\$859,157	\$810,231

	1979	1978
Employees	21	20
Commercial bus.	88%	90%

Principal officers: Richard W. Dowis, president; Lyle D. Graham, secretary/treasurer; H.M. Dickson, vp; Richard A. Warren, assistant secretary.

Compensation: Commissions and fees.

Subsidiaries: Dowis Management Corp., Dowis Systems Inc.

Robert F. Driver Co. Inc.

400 Cedar St., San Diego, Calif. 92112; 714-238-1828

	1979	1978
Premium vol.	\$25,000,000	\$20,000,000
Gross rev.	\$4,200,000	\$3,200,000
Employees	91	82
Commercial bus.	80%	80%

Principal officers: Robert F. Driver, chairman; Irwin B. Sklar, president; LeGrand Rane, senior vp; Robert H. Herring, comptroller.

Compensation: Commissions and fees.

Branch offices: La Jolla, Newport Beach.

Subsidiaries: Premium Advance Co., Driver Equities Co.

Licensed excess/surplus broker in: California.

The Ducey Agency Inc.

Route 9-W, Havestraw, N.Y. 10927; 914-429-5000

	1979	1978
Premium vol.	\$3,500,000	\$3,200,000
Gross rev.	\$480,000	\$435,000
Employees	9	8
Commercial bus.	70%	70%

Principal officers: Thomas W. Torpey, president; Edward C. Smith, vp.

Compensation: Commissions.

E

Eastman & Co. Insurance Brokers

4210 Riverside Drive, Burbank, Calif. 91505; 213-849-2406

	1979	1978
Premium vol.	\$1,750,000	\$1,434,000
Gross rev.	\$227,600	\$191,043
Employees	4	3
Commercial bus.	97%	3%

Principal officers: Robert Eastman, president; Linda Davidson, secretary/treasurer; James Waldorf, vp.

Compensation: Commissions.

Ehrman Murphy & Co.

P.O. Box 19649, Houston, Tex. 77024; 713-464-6291

	1979	1978
Premium vol.	\$8,300,000	\$9,300,000
Gross rev.	\$680,000	\$744,000
Employees	18	18
Commercial bus.	70%	75%

Principal officers: Frank J. Ehrman and Robert L. Murphy, CPCU, CLU, partners; Edward G. Britt and Frank J. Ehrman Jr., solicitors; Ray Lemmon, agent.

Compensation: Commissions.

Epps-McLendon Co. Inc.

249 W. Main St., Lake City, S.C. 29560; 803-394-2018, 803-394-2045

	1979	1978
Premium vol.	\$3,250,000	\$3,000,000
Gross rev.	\$535,199	\$492,350
Employees	25	23
Commercial bus.	50%	50%

Principal officers: James Vernon Epps, president; Murray McLendon Jr., vp-marketing; Lewis Fleniken, vp-underwriting.

Compensation: Commissions.

Branch offices: Columbia, Kingstree, S.C.

Licensed excess/surplus broker in: South Carolina.

Euclid Services Inc.

18 E. 69th St., New York, N.Y. 10021; 212-737-3600

	1979	1978
Premium vol.	\$10,500,000	\$9,500,000
Gross rev.	\$1,260,000	\$1,138,000
Employees	18	20
Commercial bus.	85%	85%



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Principal officers: Frank Peri, president; Alvin Block, vp; Martin Beitler, secretary/treasurer.
Compensation: Commissions and fees.
Parent company: Euclid Services Corp.
Licensed excess/surplus broker in: New York.

Executive Motivation Inc.

1 Crossroads, Suite 309, Rolling Meadows, Ill. 60008; 312-398-7500

	1979	1978
Premium vol.	\$2,750,000	\$2,583,000
Gross rev.	\$242,000	\$217,500
Employees	3	3
Commercial bus.	85%	90%

Principal officers: G.L. Karlin, president; E.S. Nutton, treasurer; D Hanson, secretary.
Compensation: Commissions and fees.

(inactive).

The Frankel Co.

1051 Brinton Road, Pittsburgh, Pa. 15221; 412-244-7500

	1979	1978
Premium vol.	\$5,500,000	\$4,100,000
Gross rev.	\$883,586*	\$688,374*
Employees	21	14
Commercial bus.	80%	80%

* Revenues exclude life and employee benefits income.
Principal officers: Robert M. Frankel, CPCU president/treasurer; F. William Neely, CPCU, vp.
Compensation: Commissions and fees.

Licensed excess/surplus broker in: Pennsylvania.

Frenkel & Co. Inc.

123 William St., New York, N.Y. 10038; 212-267-2200

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$5,820,000	\$5,125,000

Continued on next page

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F

Financial Insurance Service Inc.

1010 Meacham Road, P.O. Box 94099, Schaumburg, Ill. 60194; 312-884-3800

	1979	1978
Premium vol.	\$14,105,364	\$11,979,316
Gross rev.	\$1,742,441	\$1,716,336
Employees	40	40
Commercial bus.	99%	99%

Principal officers: William Chris Eickhof Jr., president; Stephen L. Marley, executive vp; Peter L. Engstrom, Jack W. Impey and Robert M. Levi, senior vps.
Compensation: Commissions and fees.

Subsidiary: Financial Insurance Service Consultants Inc.

Licensed excess/surplus broker in: Illinois, Michigan.

First Associated Insurance Agencies Inc.

12465 Burleigh Road, Brookfield, Wis. 53005; 414-786-2540

	1979	1978
Premium vol.	\$5,421,000	\$5,705,000
Gross rev.	\$961,000	\$920,000
Employees	25	26
Commercial bus.	67%	69%

Principal officers: Al Reindl, president; Robert Cayze, executive vp; Theodore Schmidt and Timothy Gahagan, vps; Arthur Lintott, secretary.

Compensation: Commissions.

Fitzgerald, Clayton, Noyes & Kasten Inc.

757 N. Broadway, Milwaukee, Wis. 53202; 414-271-3717

	1979	1978
Premium vol.	\$4,300,000	\$3,700,000
Gross rev.	\$780,823	\$730,364
Employees	20	19
Commercial bus.	80%	80%

Principal officers: Robert T. Clayton, CPCU, president/treasurer; William D. Hoppenjan, CPCU vp/secretary; Frederick C. Kasten, vp; Gladys Vierguth, assistant secretary.

Compensation: Commissions and fees.

Subsidiary: Harry G. Packee Agency Inc.

Licensed excess/surplus broker in: Wisconsin.

Foa & Son Corp.

1 World Trade Center, Suite 1319, New York, N.Y. 10048; 212-432-1234

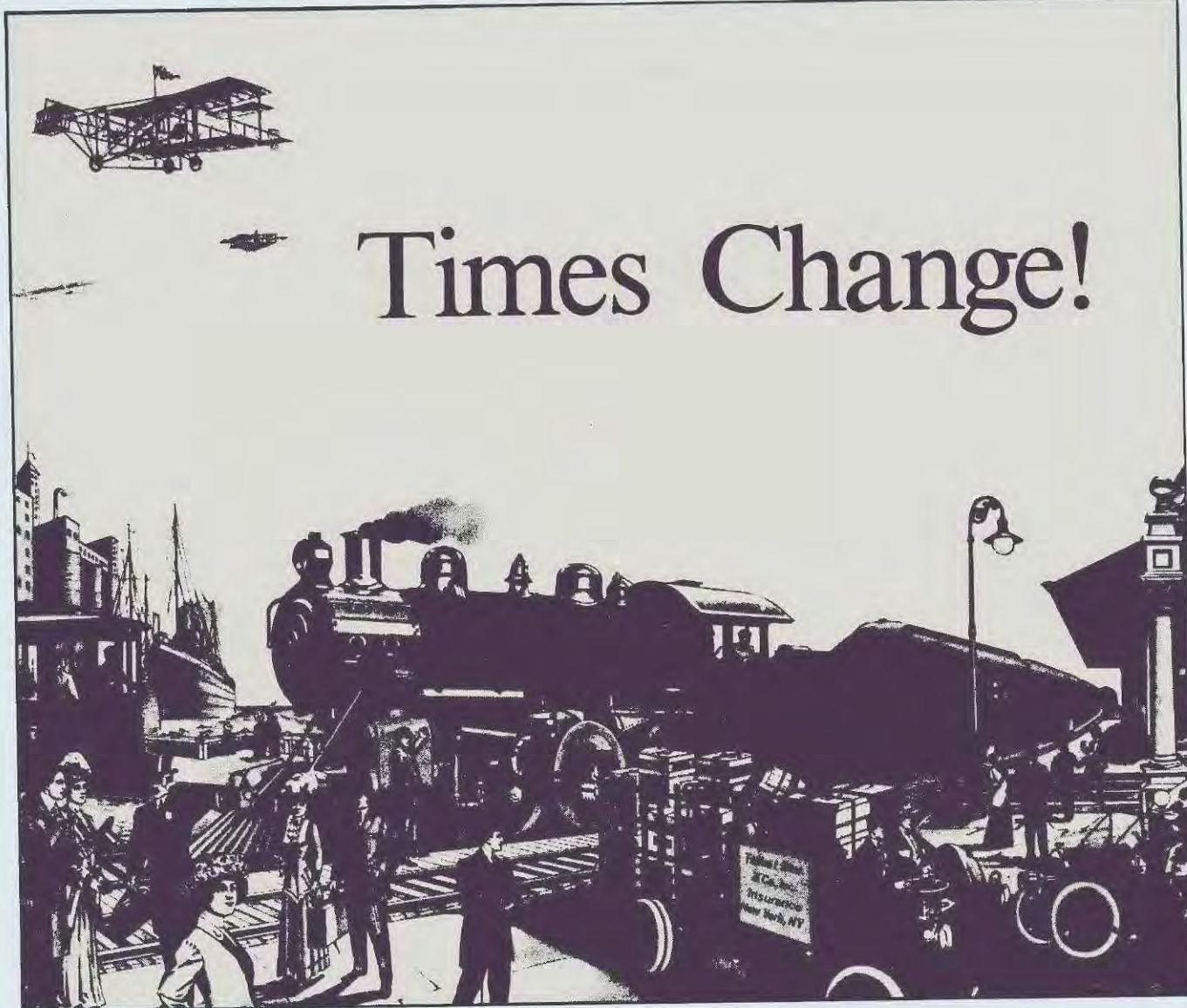
	1979	1978
Premium vol.	\$15,000,000	\$12,000,000
Gross rev.	\$1,200,000	\$1,000,000
Employees	33	28
Commercial bus.	25%	21%

Principal officers: Conrad Foa, president; Dick Impastato, senior vp; Ron Boehm, controller.

Compensation: Commissions.

Acquisition in the past year: Gertrude Bowan Agency (1979).

Subsidiaries: Security Mutual Life Insurance Co. of New York; G. A. Services; Foa International



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Agent/Broker Profiles

Continued from previous page

Employees	150	148
Commercial bus.	81%	85%

Principal officers: Leo S. Frenkel, chairman; George P. Frenkel, vice chairman/treasurer; Charles W. Pachner, president; James J. Costa, executive vp; Alan Samuels, Robert E. Strunk, senior vps.

Compensation: Commissions and fees.

Branch office: Los Angeles.

Sidney I. Friedlander Inc.

325 Genesee St., Utica, N.Y. 13501;
315-724-3173

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$1,000,000+	\$1,000,000+
Employees	10	10
Commercial bus.	85%	85%

Principal officers: Sidney I. Friedlander, president; Naomi W. Friedlander, vp/secretary; Barbara A. Montero, vp/treasurer.
Compensation: Commissions.

Friedman & Friedman Agency Inc.

Box 1368, 125 Mineola Ave., Roslyn Heights, N.Y. 11577; 516-484-4100

	1979	1978
Premium vol.	\$7,100,000	\$6,500,000
Gross rev.	\$790,000	\$660,000
Employees	20	19
Commercial bus.	85%	85%

Principal officers: Maurice Friedman, president; Harry D. Friedman, vp/secretary; Mark F. Friedman, treasurer; Mildred DeMeo, account executive; Allen B. Williams, manager.

Compensation: Commissions and fees.

Acquisition in the past year: Samuel Grossman (September 1979).

G

G-A Insurance Agency Inc. (Goodfellow-Ashmore Inc.)

54 Main St., Danbury, Conn. 06810; 203-744-7000

	1979	1978
Premium vol.	\$2,658,000	\$2,400,000
Gross rev.	\$422,989	\$395,669
Employees	11	11
Commercial bus.	50%	50%

Principal officers: Harry L. Ashmore, president; Robert R. Goodfellow, vp; Mary Lambert, secretary.

Compensation: Commissions.

Branch office: New Milford, Conn.

Licensed excess/surplus broker in: Connecticut.

Gallagher-Cole Associates

4700 Biscayne Blvd., Miami, Fla. 33137; 305-576-4100

	1979	1978
Premium vol.	\$2,717,215	\$2,713,200
Gross rev.	\$446,686	\$435,375
Employees	11	12
Commercial bus.	85%	85%

Principal officers: Phil C. Gallagher, Samuel T. Cole and Raymond O. Boon, CLU, partners; Lenore N. Francis, CPCU, associate.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Florida.

Gersten-Hillman Agency Inc.

P.O. Box 209, Anawana Lake Road, Monticello, N.Y. 12701; 914-794-5544

	1979	1978
Premium vol.	\$3,500,000	\$3,100,000
Gross rev.	\$560,000	\$520,000
Employees	22	20
Commercial bus.	65%	65%

Principal officers: Julius Cohen, president; Joyce A. Salimeno, CPCU, secretary/treasurer.

Compensation: Commissions.

Acquisition in the past year: Cullen Agency (December 1979).

Branch office: Middletown, N.Y.

The Gleason Agency Inc.

200 Fisher Bldg., Johnstown, Pa. 15901; 814-535-1586

	1979	1978
Premium vol.	\$5,000,000	\$4,065,478
Gross rev.	\$620,000	\$503,000
Employees	11	9
Commercial bus.	91%	95%

Principal officers: Robert A. Gleason Jr., president; Christopher K. Gleason, vp; Carolyn M. Zierer, secretary.

Compensation: Commissions and fees.

Acquisition in the past year: Associated Underwriters (January 1980).

Licensed excess/surplus broker in: Pennsylvania.

Richard N. Goldman & Co.

1 Maritime Plaza, San Francisco, Calif. 94111; 415-981-1141

	1979	1978
Premium vol.	\$28,500,000	\$28,000,000
Gross rev.	\$1,800,000	\$1,700,000
Employees	35	35
Commercial bus.	90%	90%

Principal officers: Richard N. Goldman, chairman; Stuart W. Seiler, president; Helen A. Castro, vp/treasurer; Gerald J. Fitzgerald, vp/secretary; Keith G. Avery, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: California.

Joseph G. Gray & Co. Inc.

111 John St., New York, N.Y. 10038; 212-349-3280

	1979	1978
Premium vol.	\$6,500,000	\$6,000,000
Gross rev.	\$675,000	\$650,000
Employees	12	12
Commercial bus.	90%	90%

Principal officers: Jules I. Epstein, president; Edward T. Kennedy, executive vp; Diane A. Vignola, secretary.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: New York.

Charles M. Griffith Inc.

201 E. Ogden Ave., Hinsdale, Ill. 60521; 312-654-1122

	1979	1978
Premium vol.	\$3,000,000	\$2,500,000
Gross rev.	\$498,000	\$425,000
Employees	14	13
Commercial bus.	52%	58%

Principal officer: Richard F. Bland, president.

Compensation: Commissions and fees.

Acquisition in the past year: Downers Insurance Agency (September 1979).

Subsidiaries: Tinley Insurance Agency, Hanck Insurance Agency.

Grinnan, Harris, Tabb & Co. Inc.

1211 Roseneath Road, P.O. Box 6477, Richmond, Va. 23230; 804-355-7401

	1979	1978
Premium vol.	\$3,008,103	\$2,484,885
Gross rev.	\$486,312	\$347,884
Employees	14	11
Commercial bus.	68%	70%

Principal officers: Maria G. Tabb, president; John D. McDaniel, CIC, Theodore Kuester, CPCU, vps; Ann E. Dukes, secretary/treasurer.

Compensation: Commissions.

Acquisition in the past year: McDaniel Insurance Agency Inc. (February 1979).

Group Services Administrators Inc.

42 Broadway, New York, N.Y. 10004; 212-425-1744

	1979	1978
Premium vol.	\$1,200,000	\$1,100,000
Gross rev.	\$858,723	\$673,994
Employees	22	20
Commercial bus.	100%	100%

Principal officers: Edward F. Comerford, president; Robert C. Gerald, vp.

Compensation: Commissions and fees.

Branch offices: Liverpool, N.Y.; Waterbury, Conn.

Subsidiaries: Comerald Associates Inc.; GSA of Northern New York, Connecticut, New Jersey Inc.

Gulf Coast Insurance

P.O. Box 7750, Beaumont, Tex. 77706; 713-898-4444

	1979	1978
Premium vol.	\$3,061,000	\$3,000,000
Gross rev.	\$503,000	\$515,000
Employees	13	12
Commercial bus.	80%	80%

Principal officer: Larry W. Smith, owner.

Compensation: Commissions.

H**Haas & Wilkerson Inc.**

3101 Broadway, Kansas City, Mo. 64111; 816-756-1600

	1979	1978
Premium vol.	\$20,783,073	\$24,865,053
Gross rev.	\$2,842,381	\$4,042,072
Employees	77	80
Commercial bus.	80%	80%

Principal officers: Albert E. Haas, chairman; W. Ralph Wilkerson Jr., president; C.J. Jordan, vp/treasurer; Howard F. Walter, secretary.

Compensation: Commissions and fees.

Branch offices: St. Petersburg, St. Louis.

Subsidiaries: Haas-Wilkerson-Wohlberg Inc.; Land Speed Insurers Inc.; Americana Services Inc.

Licensed excess/surplus broker in: Missouri, Kansas.

Continued on next page

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Agent/Broker Profiles

Continued from previous page

Hackett, Valine & MacDonald Inc.

198 College St., Burlington, Vt.
05401; 802-658-1100

	1979	1978
Premium vol.	\$7,016,101	\$6,944,148
Gross rev.	\$1,293,573	\$979,911
Employees	27	23
Commercial bus.	87%	87%

Principal officers: Luther F. Hackett, president; Duane A. Valine and Donald R. MacDonald, vps.

Compensation: Commissions.
Subsidiary: Hackett & Co.
Parent company: HVM Corp.
Licensed excess/surplus broker in: Vermont.

Hardin & Wilson Inc.

1501 N. Pierce, Hillside Bldg., Little Rock, Ark. 72207; 501-664-0204

	1979	1978
Premium vol.	\$2,080,980	\$1,782,681
Gross rev.	\$291,078	\$257,163
Employees	7	7
Commercial bus.	65%	65%

Principal officers: Howard E. Hardin, president; Larry L. Wilson, vp.

Compensation: Commissions.

Harding-Conley-Drawert-Tinch Insurance Agency Inc.

P.O. Box 29069, San Antonio, Tex. 78229; 512-732-9601

	1979	1978
Premium vol.	\$3,012,595	\$2,495,249
Gross rev.	\$561,375	\$446,116
Employees	6	6
Commercial bus.	95%	95%

Principal officers: Homer M. Conley, president; T.A. Drawert, vp; A.C. Tinch, vp/secretary.

Compensation: Commissions.

Harris & Co.

940 Starks Bldg., Louisville, Ky. 40202; 502-584-2193

	1979	1978
Premium vol.	\$13,000,000	\$13,000,000
Gross rev.	\$2,000,000	\$1,600,000
Employees	55	50
Commercial bus.	90%	88%

Principal officers: Charles E. Aton, John L. English, Cebern Dodd Harris Jr., James W. Harris, H. Ray Hatton, James R. Hill, W. Grant Lewis, Elaine Musselman, Michael F. Sheehan and Eric S. Tachau, owners.

Compensation: Commissions.

Branch office: Harris International, Coral Gables, Fla.

Subsidiary: Kentucky Insurance Premium Finance Corp.

Licensed excess/surplus broker in: Kentucky.

Harris, Hall, Blanton & Dunham

1111 N. Travis St., Sherman, Tex.

75090; 214-893-6363, 214-422-4223 (Dallas)

	1979	1978
Premium vol.	\$2,613,753	\$2,110,553
Gross rev.	\$459,710	\$372,688
Employees	8	8
Commercial bus.	75%	71%

Principal officers: Frank Harris Jr., CPCU, president; Jack F. Hall, secretary; Bob Blanton, CPCU, treasurer; Melvin Dunham, vp.

Compensation: Commissions.

Parent company: Harris, Hall & Dunham Inc.

Joseph Held Co. Inc.

116 John St., Suite 1600, New York, N.Y. 10038; 800-221-9940, 212-962-3122

	1979	1978
Premium vol.	\$2,900,000	\$2,000,000
Gross rev.	\$375,000	\$275,000
Employees	8	8
Commercial bus.	80%	80%

Principal officers: Kenneth S. Held, president; Arnold Held, vp; Lynne Marshall, George Popper,

Sal Dimarco, account executives.

Compensation: Commissions.

Branch offices: Long Island, Miami, Atlanta.

Paul Hertel & Co. Inc.

Third & Chestnut Streets, Philadelphia, Pa. 19106; 215-925-7656

	1979	1978
Premium vol.	\$10,000,000	\$10,000,000
Gross rev.	\$1,405,000	\$1,400,000
Employees	44	50
Commercial bus.	60%	65%

Principal officers: Paul R. Hertel Jr., president; Robert T. Antosh, executive vp; James McLaughlin, CPCU, Jeremiah A. Caron, CPCU, ARM, and Robert H. Bradford, vps.

Compensation: Commissions and fees.

Branch offices: Media, Fort Washington, Pa.

Licensed excess/surplus broker in: Pennsylvania.

Hess Morris Levenson Inc.

1615 Northern Blvd., Manhasset, N.Y. 11030; 212-631-2112

	1979	1978
Premium vol.	\$5,300,000	\$5,000,000
Gross rev.	\$1,000,000	\$800,000
Employees	22	19
Commercial bus.	85%	85%

Principal officers: Jeffrey K. Hess, president/treasurer; Jay Levenson, vp/secretary; George Wagner, executive vp; Leonard Trinagel, vp; Douglas Flindt, assistant vp.

Compensation: Commissions and fees.

Acquisitions in the past year: Hess, Levenson, Hunt Inc., Hess Morris Levenson of Connecticut, Inc. (June 1980).

Branch offices: Hess, Levenson, Hunt, Inc., Coral Gables, Fla.

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

The Hirshorn Co.

14 E. Highland Ave., Philadelphia, Pa. 19118; 215-242-8200

	1979	1978
Premium vol.	\$3,335,185	\$2,610,000
Gross rev.	\$492,052	\$338,800
Employees	12	12
Commercial bus.	88%	85%

Principal officers: Ralph S. Hirshorn, president; B. Graeme Frazier III, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Pennsylvania.

Holland Insurance Agency Inc.

19 W. Eighth St., Holland, Mich. 49423; 616-396-4611

	1979	1978
Premium vol.	\$5,221,855	\$4,511,614
Gross rev.	\$814,596	\$763,378
Employees	17	17
Commercial bus.	80%	80%

Principal officers: Dale E. VanLente, president; John A. Heyboer II, executive vp; Robert J. Yonker, secretary; David L. Lake, vp/treasurer; David L. DenUyl, assistant vp.

Compensation: Commissions.

Horizon Agency Inc.

8441 Wayzata Blvd., #135, Minneapolis, Minn. 55426; 612-545-2866

	1979	1978
Premium vol.	\$5,697,013	\$5,770,470
Gross rev.	\$918,386	\$1,042,871
Employees	14	15
Commercial bus.	85%	90%

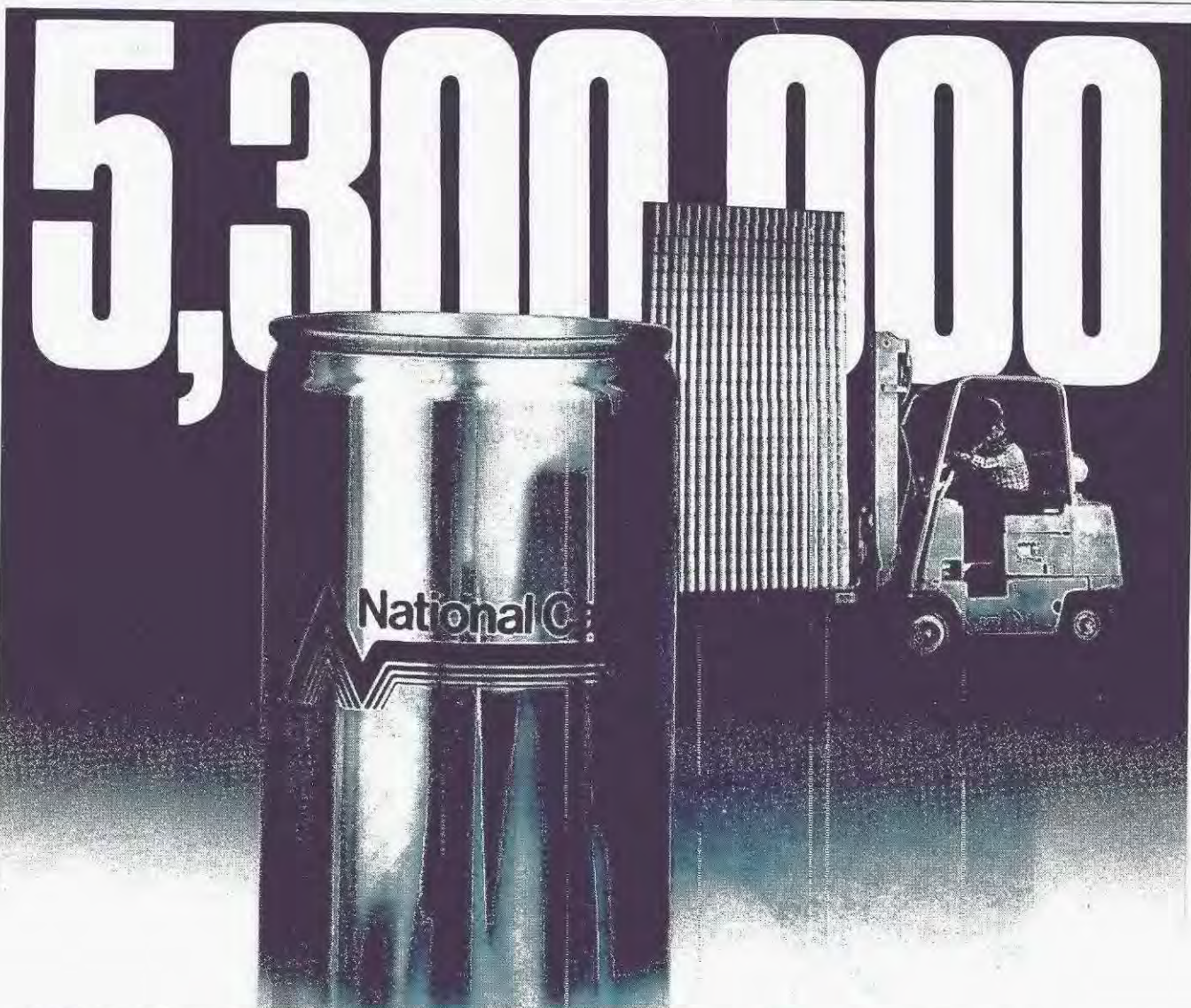
Principal officers: William P. Homeyer, president; John L. Howard, Charles Dart, James Bina and Daniel Scattarella, vps.

Compensation: Commissions and fees.

Houston Mutual Agency Inc.

P.O. Box 79608, Houston, Tex. 77079; 713-680-1400

	1979	1978
Premium vol.	\$3,140,000	\$2,875,000
Gross rev.	\$484,561	\$410,541
Employees	13	12
Commercial bus.	65%	65%



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Compensation: Commissions.

Howalt-McDowell Insurance Inc.

330 S. Minnesota Ave., Box 986; Sioux Falls, S.D. 57101; 605-339-3874

	1979	1978
Premium vol.	\$4,300,000	\$4,000,000
Gross rev.	\$605,000	\$600,000
Employees	13	14
Commercial bus.	85%	80%

Principal officers: L.W. Scherschligt, CPCU, president/treasurer; G.R. Farmer, CPCU, vp; J.E. Jencks, secretary.

Compensation: Commissions.

Licensed excess/surplus broker in: South Dakota.

Wilkie, secretary.

Compensation: Commissions and fees.

Insurance Center of Southern Connecticut Inc.

900 Madison Ave., Bridgeport, Conn. 06606; 203-333-6555

	1979	1978
Premium vol.	\$3,464,537	\$3,438,668
Gross rev.	\$606,883	\$593,853
Employees	18	17
Commercial bus.	60%	58%

Principal officers: Arnold Kaplan, president; James D'Agostino, Burton Bauchner and Irwin Nabel, vps; Mary Jaques, assistant treasurer.

Compensation: Commissions.

Acquisition in the past year: D'Elia Insurance Agency (May 1980).

Insurance Management Associates Inc.

714 Union Center, Wichita, Kan.

Continued on next page

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IFM Insurance Inc.

600 Main Bldg., Tupelo, Miss. 38801; 601-842-1321

	1979	1978
Premium vol.	\$4,000,000	\$3,150,000
Gross rev.	\$680,000	\$570,000
Employees	23	19
Commercial bus.	60%	60%

Principal officers: David M. Megginson, president; Charles A. Johnston, vp; Oneil Tate, secretary/treasurer.

Compensation: Commissions.

Acquisition in the past year: Monroe Insurance Inc. (January 1979).

Branch office: Monroe Insurance Inc., Aberdeen, Miss.

Parent company: Insurance & Financial Managers Inc.

Licensed excess/surplus broker in: Mississippi.

Industrial Insurance Agency

600 Woodfield Drive, Schaumburg, Ill. 60195; 312-884-6100

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$763,500	\$742,000
Employees	12	10
Commercial bus.	95%	94%

Principal officers: Melvin Rodney, president; Richard Rodney, vp/treasurer; Pat Morehead and Berney Berch, assistant vps.

Compensation: Commissions and fees.

Branch office: Milwaukee.

Subsidiary: Kelly & Elliott Ltd.

Licensed excess/surplus broker in: Illinois.

Insurance Agents Inc.

35 N. Main Place, Council Bluffs, Iowa 51501; 712-325-1010

	1979	1978
Premium vol.	\$15,657,162	\$12,745,691
Gross rev.	\$2,461,797	\$1,862,464
Employees	57	43
Commercial bus.	85%	84%

Principal officers: H.H. Nelson, chairman; John P. Nelson, president; Gary Hurley, vp-sales; Henry Lane, vp-engineering; Art Bartel, vp-employee benefits.

Compensation: Commissions and fees.

Branch offices: Omaha, Bellevue, Neb.; Sioux City, Atlantic, Iowa.

Subsidiary: American Agrisurance Co.

Licensed excess/surplus broker in: Nebraska.

Insurance Benefits Inc.

150 S. Prospect Ave., Tustin, Calif. 92680; 714-832-7900

	1979	1978
Premium vol.	\$1,686,000	\$1,400,000
Gross rev.	\$596,283	\$460,000
Employees	20	12
Commercial bus.	100%	100%

Principal officers: Thomas J. Wilkie, president; Dolores I.



WHEN THESE MEN MEET, SPARKS BEGIN TO FLY!

This is Provident's Group Field Advisory Council. They are highly qualified, outspoken Provident Field managers with over 60 years of combined experience.

This council meets regularly at Provident's home office to give management first-hand field information. Sometimes they tell us things we don't like to hear. Always, they tell us what we need to know. Sometimes sparks do fly, but that's when we get some of the best new ideas. We depend on our Group Field Advisory Council for new ideas, information, what's needed to improve our field operation, and to keep us constantly informed as to what is happening in the field.

Provident is proud of its Group Field Advisory Council. It helps us do a better job helping you.

Pictured left to right are: Peter H. Helmer, Regional Manager, Pittsburgh, PA; H.C. (Tom) Tucker III, Regional Manager, Atlanta, GA; Don G. Wilkinson, Regional Manager, Knoxville, TN; Bob L. Anderson, Regional Manager, Cincinnati, OH.

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GROUP DEPARTMENT I CHATTANOOGA, TN 37402

Agent/Broker Profiles

Continued from previous page
67202; 316-267-9221

	1979	1978
Premium vol. ...	\$20,608,000	\$19,282,000
Gross rev.	\$2,809,310	\$2,346,000
Employees	58	54
Commercial bus.	90%	90%

Principal officers: Paul C. Yankey Jr., chairman; William C. Cohen Jr., president; Joe E. Moddrell Jr., executive vp; Richard B. Matassarini and Paul G. Starr, senior vps.

Licensed excess/surplus broker in: Kansas.

Insurance Management Corp. (of Kansas City)

3100 Broadway, Suite 700, Kansas City, Mo. 64111; 816-756-1410

	1979*	1978
Premium vol. ...	\$8,345,374	Formed in Sept. '78
Gross rev.	\$962,337	NA
Employees	15	NA
Commercial bus.	99%	NA

Principal officers: Thomas M. Scott, president; Michael D. Cummins, executive vp; James Riddle, vp-loss control.

Compensation: Commissions and fees.

Subsidiary: Insurance Risk Evaluation Corp. (IRECO)

Licensed excess/surplus broker in: Missouri, Kansas.

Insurance Marketing Agencies Inc.

1200 Mechanics Bank Tower, Worcester, Mass. 01608; 617-753-7233

	1979	1978
Premium vol. ...	\$7,900,000	\$7,450,000
Gross rev.	\$1,212,909	\$1,082,479
Employees	34	32
Commercial bus.	85%	84%

Principal officers: Sumner W. Herman, president; Arnold J. Horowitz, executive vp; Stanley M. Friedman, treasurer; John J. Kelly, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Massachusetts.

Insurance Planning Consultants Inc.

3301 Douglas Ave., P. O. Box 1768, Racine, Wis. 53401; 414-639-5400

	1979	1978
Premium vol. ...	\$7,790,840	\$7,953,997
Gross rev.	\$1,424,553	\$1,322,121
Employees	36	37
Commercial bus.	96%	98%

Principal officers: L.A. Groulik, president; F.W. Reich, R.E. Schwartz, senior vps; R.A. Sindorf, secretary; G.D. Simanek, treasurer.

Compensation: Commissions.

Branch offices: Detroit; Indianapolis; Des Moines; Milwaukee;

Chicago, Springfield, Ill.; Kansas City, Kan.

International Excess & Treaty Managers Inc.

56 Pine St., Providence, R.I. 02903; 401-272-5198

	1979	1978
Premium vol. ...	\$3,898,000	\$4,000,000
Gross rev.	\$818,000	\$900,000
Employees	10	10
Commercial bus.	95%	95%

Principal officers: Thomas A. Kelley, president; James H. Kelley, Thomas A. Kelley Jr., Garrett E. Drummond and John Healey, vps.

Compensation: Commissions.

Branch office: Jericho, N.Y.

Subsidiary: International Excess & Treaty Managers (of New York Inc.).

Licensed excess/surplus broker in: New York, Rhode Island, Massachusetts, Vermont, District of Columbia.

International Risks Inc.

1701 Pennsylvania Ave. N.W. Washington, D.C. 20006; 202-45-6660

	1979	1978
Premium vol. ...	\$4,000,000	\$3,450,000
Gross rev.	\$354,000	\$299,000
Employees	8	8
Commercial bus.	85%	85%

Principal officers: Thomas C. Breen Jr., president; William A. Harvell, senior vp; Benjamin F. Conrad, Robert E. Swain and Herbert J. Kinzinger, vps.

Compensation: Commissions.

Branch office: Richmond, Va.

Subsidiary: Industrial Agency Inc.

Parent company: International Bank.

Licensed excess/surplus broker in: District of Columbia, Maryland, Virginia.

Interstate Insurance Group Inc.

704 Main St., Lake Geneva, Wis. 53147; 414-248-4492

	1979	1978
Premium vol. ...	\$3,800,000	\$3,300,000
Gross rev.	\$750,000	\$600,000
Employees	20	18
Commercial bus.	40%	32%

Principal officers: Jeffery V. Parrish, CPCU, president; John Powers Sr., executive vp; Michael Durante Jr., Richard Ploch and Roger Still, vps.

Compensation: Commissions.

Branch offices: Walworth, Elkhorn, Beaver Dam, Wis.

Parent company: Keefe & Associates Inc.

J

Johannesen-Farrar Inc.

110 S. Third St., Delavan, Wis. 53115; 414-728-2631

	1979	1978
Premium vol. ...	\$3,322,394	\$3,008,331
Gross rev.	\$643,398	\$614,620
Employees	19	16
Commercial bus.	60%	60%

Principal officers: Joseph J. Walters, president; Eugene F. Groth, James A. Manderfeld, vps; John M. Rielly, secretary/treasurer.

Compensation: Commissions and fees.

Acquisition in the past year: The Strong Agency (October 1979).

Branch offices: East Troy, Elkhorn, Wis.

Subsidiary: Johannesen-Farrar Real Estate Inc.

Licensed excess/surplus broker in: Wisconsin.

Johnson, Kendall & Johnson Inc.

Penns Trail & Route 332, Newtown, Pa. 18940; 215-968-4741

	1979	1978
Premium vol. ...	\$5,520,000	\$5,095,000
Gross rev.	\$791,000	\$698,000
Employees	20	17
Commercial bus.	70%	70%

Principal officers: Edwin T. Johnson, president; Ted S. Kendall, CPCU, executive vp/treasurer; Donald L. Gallie, secretary; William J. Alder, Richard B. Willis Jr., vps.

Compensation: Commissions and fees.

Johnson-Rast & Hays Co.

2131 Magnolia Ave., Birmingham, Ala. 35255; 205-252-9031

	1979	1978
Premium vol. ...	\$4,291,200	\$4,267,400
Gross rev.	\$710,300	\$699,600
Employees	32	30
Commercial bus.	79%	75%

Principal officers: H. Lee Ohlman, agency manager; Robert B. Hays, senior vp; John H. Truitt, marketing manager.

Compensation: Commissions and fees.

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Licensed excess/surplus broker
in: Alabama.

K

Walter Kaye Associates Inc.
122 E. 42nd St., New York, N.Y.
10017; 212-867-0012

	1979	1978
Premium vol. ...	\$81,000,000	\$70,000,000
Gross rev.	\$8,025,000	\$6,950,000
Employees	150	139
Commercial bus.	95%	95%

Principal officers: Walter Kaye, president; Lawrence Greenfield, executive vp; Howard Kaye, Marc Silverman, Joseph J. Rava, senior vps.

Compensation: Commissions and fees.

Acquisition in the last year: Miller Agency (January 1980).

Branch Offices: Chicago; Beverly Hills; Fairfield, Milford, Conn.

Subsidiaries: Walter Kaye Corp. of Conn., of Calif.; TKG Agencies Inc.; American Administrators Corp.

Parent company: The Kaye Group Inc.

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

Keator Smith Inc.

79 Sanford St., Fairfield, Conn.
06430; 203-259-8331

	1979	1978
Premium vol. ...	\$6,000,000	\$5,500,000
Gross rev.	\$800,000	\$725,000
Employees	16	18
Commercial bus.	65%	65%

Principal officers: Gardiner Smith, president; Paul Williams, Alice Porter, vps.

Compensation: Commissions.
Licensed excess/surplus broker in: Connecticut.

Keenan & Associates

3715 Lomita Blvd., Torrance, Calif. 90510; 213-373-8811

	1979	1978
Premium vol. ...	NA	NA
Gross rev.	\$3,000,000	\$1,750,000
Employees	95	61
Commercial bus.	90%	90%

Principal officers: John Keenan, CLU, president; Beverly Baskin, executive vp; Murt Munson, CPCU, Ron Littlefair, Glenn Miller, vps.

Compensation: Commissions and fees.

Branch Offices: Phoenix; Irvine, Riverside, Thousand Oaks, Bakersfield, Fresno, Sacramento, San Rafael, San Jose, Calif.

Kehe, Foy & Snelten Insurance Agency Inc.

1650 N. Arlington Heights Road, Arlington Heights, Ill. 60004; 312-392-8550

	1979	1978
Premium vol. ...	\$3,319,135	\$3,111,776
Gross rev.	\$560,235	\$522,335
Employees	15	15
Commercial bus.	60%	58%

Principal officers: George B. Snelten, president; Leonard N. Foy, vp; Eugene D. Darcy, secretary; Harry T. Drayson, treasurer.

Compensation: Commissions.
Branch Offices: Schaumburg, Des Plaines, Ill.

Kendall Insurance Inc.

P.O. Box 1106, 90 S. Main St., Rochester, N.H. 03867; 603-332-5800

	1979	1978
Premium vol. ...	NA	NA
Gross rev.	\$3,400,000	\$3,200,000
Employees	80	78
Commercial bus.	85%	85%

Principal officers: Kennett R. Kendall Jr., president; Robert N. Kendall, Richard L. Williams, executive vps; John R. Dulude, F. Roland Keans, vps.

Compensation: Commissions and fees.

Branch Offices: Manchester,

Somersworth, Alton, Wolfeboro, Dover, N.H.

Licensed excess/surplus broker in: New Hampshire, Maine.

Keough-Kirby

Associates Inc.

Stadium Bldg., Monument Sq., Woonsocket, R.I. 02895; 401-769-8100

	1979	1978
Premium vol. ...	\$5,900,000	\$5,400,000
Gross rev.	\$1,000,000	\$900,000
Employees	28	27
Commercial bus.	80%	80%

Principal officers: Kevin K. Coleman, president; Paul C. Fay, vp; Joseph H. O'Donnell Jr., treasurer; Therese L. Lefebvre, CPIW, secretary.

Compensation: Commissions.

Licensed excess/surplus broker in: Rhode Island.

Kessler-Bodenheimer Inc.

P.O. Box 30649, 344 Camp St., New
Continued on next page

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Agent/Broker Profiles

Continued from previous page
Orleans, La. 60190; 504-581-6151

	1979	1978
Premium vol.	\$14,000,000	\$12,000,000
Gross rev.	\$1,850,000	\$1,660,470
Employees	37	35
Commercial bus.	88%	85%

Principal officers: Marion Kessler, chairman; Kenneth E. Newburger, CPCU, president/chief executive officer; Henry J. Bodenheimer, executive vp.

Compensation: Commissions and fees.

Branch office: Shreveport, La.
Licensed excess/surplus broker in: Louisiana.

Kimbrow Ltd.
2550 S. Telegraph Road, Suite 230,

Bloomfield Hills, Mich. 48013; 313-858-8380

	1979	1978
Premium vol.	\$5,500,000	\$3,250,000
Gross rev.	\$253,946	\$109,017
Employees	6	2
Commercial bus.	99%	99%

Principal officer: Lawrence W. Kimberly, president.

Compensation: Commissions.

Kindler & Laucci Group
1545 Wilshire Blvd., Los Angeles,

Calif. 90017; 213-484-0220

	1979	1978
Premium vol.	\$70,000,000	\$62,000,000
Gross rev.	\$8,500,000	\$7,500,000
Employees	175	170
Commercial bus.	95%	95%

Principal officers: A.H. Kindler, chairman; G.E. Noble, president; R.A. Fletcher, R.J. Stewart, executive vps; E.M. Farrell, first vp.

Compensation: Commissions and fees.

Branch Offices: San Francisco, Palo Alto, Fresno, Santa Maria, Pasadena, Encino, Newport Beach, San Diego; Phoenix, Holbrook, Ariz.

Licensed excess/surplus broker in: California.

King & Neel Inc.

1164 Bishop St., Suite 1710; Honolulu, Hawaii 96813; 808-521-8311

	1979	1978
Premium vol.	\$5,045,000	\$4,274,000
Gross rev.	\$883,000	\$639,000
Employees	16	15
Commercial bus.	96%	98%

Principal officers: Harvey C. King, president; Jack S. Wilmoth, senior vp; Robert C.M. Yuen, vp/treasurer; Evelyn Hirai, secretary; Karyn Tercy, assistant vp.

Compensation: Commissions.

Parent company: HCK Inc.

Licensed excess/surplus broker in: Hawaii.

Kinney, Pike, Bell & Conner Inc.

98 Merchants Row, Rutland, Vt. 05701; 802-775-2311

	1979	1978
Premium vol.	\$11,044,455	\$9,600,000
Gross rev.	\$1,534,835	\$1,369,466
Employees	40	39
Commercial bus.	76%	76%

Principal officers: Edward C. Pike, president; James H.L. Morse, CPCU, executive vp; Warren Eastwick, Robert K. Coyle,

CIC, CPCU, vps; Roger M. Pike, treasurer.

Compensation: Commissions.

Acquisition in the last year: Smith, Bell & Thompson of Rutland, Vt.

Branch offices: Brattleboro, Hartford, Vt.

Subsidiary: Kinney, Pike, Bell & Connor Life Corp.

Licensed excess/surplus broker in: Vermont.

H.C. Knight & Co.

320 Walnut St., Philadelphia, Penn. 19105; 215-923-5440

	1979	1978
Premium vol.	\$11,500,000	\$11,500,000
Gross rev.	\$965,000	\$913,000
Employees	28	29
Commercial bus.	70%	77%

Principal officers: John A. Philbrick III, Richard N. Knight Jr., Charles B. Achuff, partners.

Compensation: Commissions and fees.

Acquisition in the past year: Fred T. Chandler Jr. (Insurance Agency) (1980).

Licensed excess/surplus broker in: Pennsylvania.

The Kooper Group

666 Fifth Ave., New York, N.Y. 10019; 212-246-2188

	1979	1978
Premium vol.	\$8,000,000	\$10,000,000
Gross rev.	\$200,000	\$250,000
Employees	4	5
Commercial bus.	95%	95%

Principal officers: Michael Kooper, president; Michael D. Rockman, vp.

Compensation: Commissions and fees.

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	1979	1978
Premium vol.	\$6,000,000	\$4,000,000
Gross rev.	\$800,000	\$500,000
Employees	17	15
Commercial bus.	80%	75%

Principal officers: Bernard Evans, president; Michael Krasner, vp; Allan Riefs, vp; Percy Paget, secretary.

Compensation: Commissions.

Kruger Insurance Agency Inc.

39 S. LaSalle St., Chicago, Ill. 60603; 312-726-1002

	1979	1978
Premium vol.	\$6,500,000	\$5,500,000
Gross rev.	\$949,000	\$786,000
Employees	24	20
Commercial bus.	93%	92%

Principal officers: James H. Kruger, president; James S. Thomas, vp; Vicky L. Thomas, vp/secretary/treasurer.

Compensation: Commissions and fees.

L

Lachance, Bertrand, Benoit & Lavigne Ltd.

1320 Graham Blvd., T.M.R., Montreal, Quebec, Canada H3P 3C8; 514-279-7281

	1979	1978
Premium vol.	\$4,104,000	\$4,486,640
Gross rev.	\$885,000	\$925,000
Employees	24	24
Commercial bus.	NA	50%

Principal officers: Robert Lachance, president; Andre Bertrand, vp; Maurice Lachance, treasurer; J.L. Benoit, general manager; C. Lavigne, vp.

Compensation: Commissions and fees.

W.C. Ladd & Sons

14 School St., Rockland, Maine 04841; 207-594-2111

	1979	1978
Premium vol.	\$7,415,589	\$5,460,160
Gross rev.	\$1,321,509	\$1,058,655
Employees	39	37
Commercial bus.	55%	55%

Principal officers: Frank E. Mace, president; David E. Cole Jr., vp/treasurer; Austin S. Childs, Richard H. Lovejoy, Robert E. Jordan, vps.

Compensation: Commissions.

Branch Offices: Belast, Camden, Waldoboro, New Harbor, Maine.

Licensed excess/surplus broker in: Maine.

Lamb Little & Co.

309 W. Washington St., Chicago, Ill. 60610; 312-332-5541

	1979	1978
Premium vol.	\$12,250,000	\$11,550,000
Gross rev.	\$1,950,000	\$1,910,000
Employees	38	37
Commercial bus.	91%	90%

Principal officers: Raymond J. Clancy, president; David B. Peck, senior vp; Frank L. Hoffeller, executive vp/treasurer.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Illinois.

John G. Lambros Co. Inc.

455 Central Park Ave., Scarsdale, N.Y. 10583; 914-723-0088

	1979	1978
Premium vol.	\$1,600,000	\$1,150,000
Gross rev.	\$2,251,364	\$1,629,969
Employees	8	6
Commercial bus.	80%	80%

Principal officers: John G. Lambros, president.

Compensation: Commissions and fees.

M.E. "Micky" Lane Inc.

14950 Martin Dr., Eden Prairie, Minn. 55344; 612-937-9272

	1979	1978
Premium vol.	\$3,000,000	\$2,934,000
Gross rev.	\$365,000	\$358,000
Employees	6	8
Commercial bus.	70%	70%

Principal officers: M.E. Lane Sr., chairman; M.E. Lane Jr., president; Dennis Stein, vp.

Compensation: Commissions.

Lasher-Cowie Agency Inc.

1807 N. Central Ave., Phoenix, Ariz. 85004; 602-258-3421

	1979	1978
Premium vol.	\$8,600,000	\$7,500,000
Gross rev.	\$1,415,726	\$1,303,768
Employees	45	40
Commercial bus.	75%	67%

Principal officers: Robert P. Cowie, president; Richard J. Seminoff, vp; Donald F. Lasher, secretary/treasurer; Kenneth D. Whitley, vp.

Compensation: Commissions and fees.

Branch office: Lasher-Cowie-Turner, Flagstaff, Ariz.

Subsidiaries: Lasher-Cowie & Schneider, Tucson; Rocky Mountain General Agency, Phoenix.

Licensed excess/surplus broker

Continued on next page

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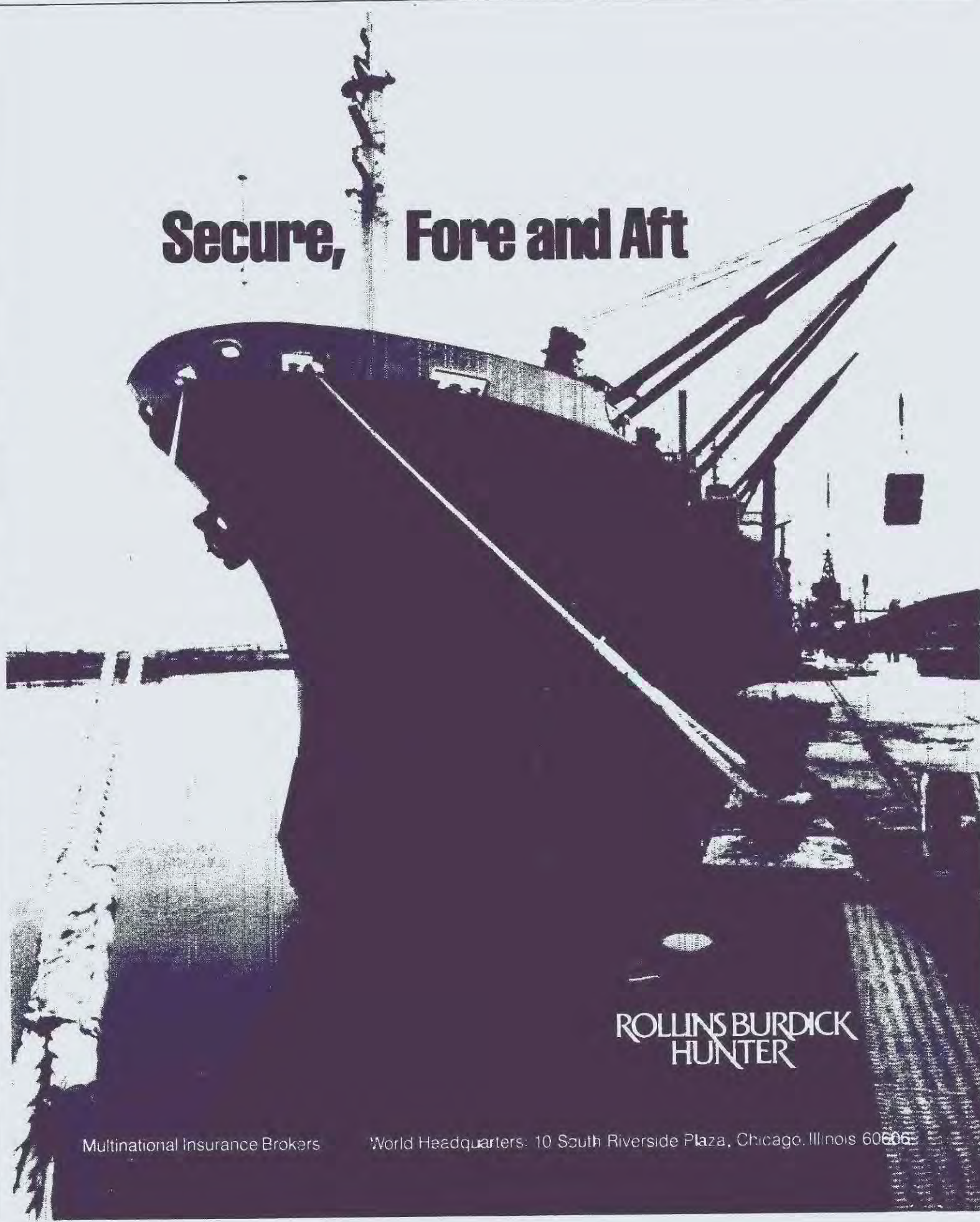


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Agent/Broker Profiles

Continued from previous page
in: Arizona.

Laub Group Inc.

324 E. Wisconsin Ave., Milwaukee, Wis. 53202; 414-271-4292

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$2,050,000	\$1,800,000
Employees	55	53
Commercial bus.	93%	92%

Principal officers: Raymond H. Laub, president; George Stevcoff, executive vp; Robert A. Stewart, first vp.

Compensation: Commissions and fees.

Branch Offices: Appleton, Racine, Janesville, Madison, Wausau.

Subsidiaries: T/N & Associates

Inc; Strauss Zahn Co.
Licensed excess/surplus broker in: Wisconsin.

A.W. Lawrence & Co. Inc. (formerly Lawrence & Van Voast Inc.)

108 Union St., Schenectady, N.Y. 12305; 518-370-1720

	1979	1978
Premium vol.	\$22,950,000	\$21,300,000
Gross rev.	\$1,839,613	\$1,549,791
Employees	65	60

Commercial bus. 60% 60%

Principal officers: Albert W. Lawrence, president; Harold R. Tinch, vp/treasurer; Harry E. Bickford Jr.; Barbara Dunbar, Gary Keehufus, William Mather, Horace S. Van Voast III, vps.; Barbara C. Lawrence, secretary.

Compensation: Commissions and fees.

Branch Offices: Albany, Buffalo, Forest Hills, Glens Falls, Rochester, Schenectady, Syracuse, Troy, Waterford, N.Y.; Louisville, Ky.; Niles, Ohio; Phoenix, Ariz.

Subsidiaries: Fitts-Lawrence Inc.; Lawrence Management Co. Inc.; Lawrence Funding Inc.

Licensed excess/surplus broker in: New York.

Lawton-Byrne-Bruner Insurance Agency Co.

10 Broadway, St. Louis, Mo. 63102; 314-621-5540

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$11,146,800	\$10,028,600
Employees	229	213
Commercial bus.	95%	95%

Principal officers: W.W. Fetner, chairman; H.R. Larkin, president; C.P. Skwiot, executive vp; J.B. Andrews Jr., senior vp/secretary; J.O. Felker, vp/treasurer.

Compensation: Commissions and fees.

Subsidiaries: Parcel Insurance Plan Inc.; John O. Felker Benefit Services (affiliates).

Levinson Brothers Inc.

235 Montgomery St., San Francisco, Calif. 94104; 415-434-3200

	1979	1978
Premium vol.	\$12,785,200	\$10,793,229
Gross rev.	\$1,381,408	\$1,332,367
Employees	22	21
Commercial bus.	92%	91%

Principal officers: Fred Levinson, president; Morton I. Levinson, Bernard S. Greendorfer, vps; David J. Levinson, vp/secretary.

Compensation: Commissions.
Licensed excess/surplus broker in: California.

Libration Point Consultants Ltd.

R.R. 2, Box 14B East St., New Canaan Conn. 06840; 914-533-2546

	1979	1978
Premium vol.	\$3,191,000	\$112,000*
Gross rev.	\$488,000	\$21,000*
Employees	9	2
Commercial bus.	92%	70

*Only operative November-December 1978.

Principal officers: Michael F. Abate, president/chief executive officer; Robert L. Abate vp; Anthony M. Abate, treasurer/secretary; Alfred M. Abate, counsel; Charles Loudon, CPA, bookkeeping/finances.

Compensation: Commissions and fees.

Branch Offices: Vista, N.Y.; Palm Beach, Fla.

Don Liebert Insurance

175 S. Middletown Road, Nanuet, N.Y. 10954; 914-623-3434

	1979	1978
Premium vol.	\$6,123,000	\$5,450,000
Gross rev.	\$1,004,941	\$858,037
Employees	21	19
Commercial bus.	60%	55%

Principal officers: Donald F. Liebert, CPCU, CLU, president; Richard Hiller, CPCU, vp.

Compensation: Commissions.

Ligon, Gump & Ligon Inc.

4230 LBJ Freeway, Suite 508, Dallas, Texas 75234; 214-661-5050

	1979	1978
Premium vol.	\$7,264,000	\$6,229,000
Gross rev.	\$1,248,200	\$1,062,100
Employees	26	19
Commercial bus.	84%	80%

Principal officers: Max D. Ligon, president; Harry A. Gump, CPCU, executive vp/secretary; Fred F. Ligon, CPCU, CIC, vp/

treasurer; Richard T. Gump, CIC, vp.

Compensation: Commissions.
Subsidiary: L.G.L. General Agency Inc.

Licensed excess/surplus broker in: Texas.

De Lima Y Compania

A. A. 165, Cali, Colombia, South America; 894111

	1979	1978
Premium vol.	\$35,200,000	\$20,600,000
Gross rev.	\$6,200,000	\$5,100,000
Employees	350	300
Commercial bus.	92%	86%

Principal officers: Ernesto De Lima, president; Jorge A. Uribe, executive vp; Alvaro Hernan Mejia, commercial vp; Pedro Piedrahita, financial vp; Roberto Arango, secretary.

Compensation: Commissions.

Branch offices: Bogota, Medellin, Barranquilla, Cali, Cartagena, Pereira, Manizales, Bucaramanga.

Parent company: DeLima & Co. en Cali.

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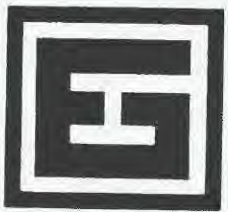
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Litchfield County Agency Inc.

5 Prospect St., Torrington, Conn. 06790; 203-482-6566

	1979	1978
Premium vol.	\$5,085,067	\$4,200,500
Gross rev.	\$880,886	\$687,300
Employees	30	24
Commercial bus.	47%	45%

Principal officers: Robert Venn Jr., president/treasurer; Dan H. Kraut, vp; John L. Donovan, secretary.

Compensation: Commissions.

Acquisitions in the past year: Waterbury Insurance Agency (now L.C.A.); Burns & Gallagher.

Branch Offices: Litchfield, New Milford, North Haven, Waterbury, Winsted, Thomaston.

Subsidiary: Travel House.

Lofberg Inc.

33 Cedar Lane, Teaneck, N.J. 07666; 201-836-2100

	1979	1978
Premium vol.	\$4,900,000	\$4,225,000
Gross rev.	\$880,000	\$820,000
Employees	20	19
Commercial bus.	60%	60%

Principal officers: Richard C. Lofberg, CPCU, chairman/chief executive officer; Paul W. Lofberg, CPCU, president; Franklin D. Lutz, executive vp; Adele Kischbaum, secretary.

Compensation: Commissions and fees.

Subsidiaries: Letz-Lofberg Assn.; Van Houten-Lofberg Agency.

L.G. Loomis & Co. Inc.

One Tobey Village Office Park, Pittsford, N.Y. 14534; 716-385-2900

	1979	1978
Premium vol.	\$6,071,363	\$5,900,872
Gross rev.	\$1,150,661	\$1,159,320
Employees	28	32
Commercial bus.	72%	78%

Principal officers: Leslie G. Loomis, president/treasurer; Barbara B. Walker, secretary; Edward A. Vander Horst, Paul M. Starr, Delos E. Wilkinson, vps.

Compensation: Commissions and fees.

Acquisition in the past year: Bloomfield-Holcomb Agency Inc. (December, 1979).

Branch office: Bloomfield-Holcomb Agency, Holcomb, N.Y.

Subsidiary: E.C. Cooper, Inc., Watkins Glen, N.Y. (sold January, 1980).

M**MacIntyre, Fay & Thayer Insurance Agency Inc.**

1 Wells Ave., Newton, Mass. 02159; 617-332-5100

	1979	1978
Premium vol.	\$14,865,500	\$13,287,900
Gross rev.	\$2,752,900	\$2,410,000
Employees	66	63
Commercial bus.	68%	69%

Principal officers: Joseph J. Fay, chairman; Richard E. Eagan, president; Walter P. Corcoran, Sanford D. Elsass, vps; Paul G. Demos, treasurer.

Compensation: Commissions and fees.

Subsidiary: Surplus Services Insurance Agency Inc.

Licensed excess/surplus broker in: Massachusetts.

Mack & Parker Inc.

55 W. Monroe, Chicago, Ill. 60603; 312-346-1221

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$2,581,000	\$2,180,000
Employees	62	55
Commercial bus.	93%	93%

Principal officers: Edward E. Mack Jr., CLU, CPCU, chairman/president; Edward E. Mack III, executive vp; John P. Mack, CLU, CPCU, vp/treasurer; Charles S. Mack, CLU, CPCU, vp/secretary; Martin P. Hughes, vp.

Compensation: Commissions

and fees.

Parent company: Assurex International.

Licensed excess/surplus broker in: Illinois.

Mahoney & Wright Insurance Agencies

140 Federal St., Boston, Mass. 02110; 617-337-0451

	1979	1978
Premium vol.	\$10,800,000	\$7,500,000
Gross rev.	\$1,566,000	\$1,102,000
Employees	64	47
Commercial bus.	53%	50%

Principal officers: Norman R. Wright, president; Richard Forrest, Donald Beale, vps.

Compensation: Commissions.

Acquisition in the past year: Scituate Insurance Agency (1979).

Branch offices: Weymouth, Wakefield, Newton, Scituate, Rockland, Middleboro, Sudbury, Manchester, Mass.

Parent company: Mahoney & Wright

Continued on next page

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1966, we've invited representative groups of agents from across the country to join top home office executives and me for national and regional agent advisory board meetings.

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Agent/Broker Profiles

Continued from previous page
Wright Corp.

Licensed excess/surplus broker
in: Massachusetts.

Guy A. Main & Co.

2041 Rosecrans Ave., El Segundo,

Calif. 90245; 213-640-2121

	1979	1978
Premium vol. ...	\$6,540,315	\$3,689,176
Gross rev.	\$844,130	\$542,446
Employees	10	10
Commercial bus.	91%	99%

Principal officers: Guy A. Main, president; Les H. Amoy, senior vp; Mel D. Vinyard, vp; Jane Tippin, treasurer.

Compensation: Commissions and fees.

Acquisition in the past year: Zimmerman Insurance Associates

(October 1979).

Branch office: Marrero, La.
Licensed excess/surplus broker
in: California.

Phillip Margolis & Co.

26311 Woodward Ave., Hunting-
ton Woods, Mich. 48070; 313-398-
1700

	1979	1978
Premium vol. ...	\$2,420,000	\$2,200,000
Gross rev.	\$299,900	\$319,000
Employees	8	10
Commercial bus.	89%	87%

Principal officers: Phillip Margolis, CPCU, president; Jill A. Margolis, IIA, vp; Catherine Koday, treasurer; Estelle B. Smith, secretary.

Compensation: Commissions.

Subsidiaries: North Central Underwriters; Standard Premium Budget Co.

Parent company: Central Agency Corp.

Licensed excess/surplus broker
in: Michigan.

Mark IV Insurance Agency Inc.

7461 N.W. 4th St., Plantation, Fla.
33317; 305-791-1700

	1979	1978
Premium vol. ...	\$1,000,000	\$800,000
Gross rev.	\$180,000	\$150,000
Employees	6	5
Commercial bus.	60%	60%

Principal officers: Dale L. Levendoski, CIC, president; Sharon E. Levendoski, CIC, secretary/treasurer; Gerald Arch, CPCU, vp-surety.

Compensation: Commissions.

Marshall Paris Insurance Inc.

18041 Bothell Way N.E., Bothell,
Wash. 98011; 206-486-1227

	1979	1978
Premium vol. ...	\$3,555,244	\$2,835,000
Gross rev.	\$507,892	\$405,000
Employees	13	13
Commercial bus.	60%	52%

Principal officers: George Marshall Paris Sr., CPCU, CLU, president; R. Ray Westfall, CLU, vp-life sales; Gay M. Paris, treasurer; Mary A. Paris, secretary.

Compensation: Commissions.
Licensed excess/surplus broker
in: Washington.

Martz-Altschuler & Associates Inc.

2 Green Village Road, Madison,
N.J. 07940; 201-3777313, 201-377-
7455

	1979	1978
Premium vol. ...	\$1,500,000	\$1,100,000
Gross rev.	\$210,000	\$175,000
Employees	6	5
Commercial bus.	70%	70%

Principal officers: Edward F. Martz, president; Edward F. Martz Jr., vp/secretary/treasurer.

Compensation: Commissions.

Branch office: Morris Plains, N.J.

May-Davis Inc.

P.O. Box 11558, 5227 E. Trent, Spo-
kane, Wash. 99211; 509-535-8783

	1979	1978
Premium vol. ...	\$5,500,000	\$3,000,000
Gross rev.	\$650,000	\$500,000
Employees	5	7
Commercial bus.	98%	98%

Principal officers: Laurel E. May, president; William H. Davis, executive vp; Allen A. Lindholm, vp; Lorraine M. May, secretary/treasurer.

Compensation: Commissions.

Raymond G. McCarthy & Co. Inc.

502 Bloomfield Ave., Verona, N.J.
07044; 201-239-9404

	1979	1978
Premium vol. ...	\$2,300,000	\$2,200,000
Gross rev.	\$380,000	\$355,000
Employees	10	9
Commercial bus.	69%	68%

Principal officers: John E. Popowich, CPCU, president; Thomas J. Stokes, CIC, vp; Celeste A. Grohe, secretary/treasurer; Raymond G. McCarthy, associate.

Compensation: Commissions and fees.

McCune-Dickinson Inc.

310 Howard St., Petoskey, Mich.
49770; 616-347-4166

	1979	1978
Premium vol. ...	\$2,000,000	\$1,650,000
Gross rev.	\$400,000	\$335,000
Employees	8	9
Commercial bus.	76%	75%

Principal officers: S.R. Dicki-
son, CPCU, president; William
Sutton, vp.

Compensation: Commissions
and fees.

Licensed excess/surplus brok-
in: Michigan.

McDowell Insurance Inc.

338 Lincoln Way E., P.O. Box 49
Chambersburg, Pa. 17201; 717-
263-8401

	1979	1978
Premium vol. ...	\$5,594,832	\$4,702,500
Gross rev.	\$1,214,833	\$966,500
Employees	34	35
Commercial bus.	65%	35%

Principal officers: Edward (E.) Zimmerman, president/treasurer; Karl A. Shreiner, CPCU, executive vp/secretary; Robert C. Reyme Jr., vp; Josef F. Kliment, assistant vp; William R. Gingrich, assistant secretary.

Compensation: Commissions and fees.

Branch offices: Greencastle, Waynesboro, Mercersburg, Fayetteville, Pa.

Licensed excess/surplus broke-
in: Pennsylvania.

The McElroy-Minister Co.

141 E. Town Street, Columbus
Ohio 43215; 614-228-5565

	1979	1978
Premium vol. ...	\$25,000,000	\$24,000,000
Gross rev.	\$3,650,000	\$3,131,000
Employees	80	80
Commercial bus.	70%	70%

Principal officers: H. Thorp Minister Jr., chairman; John C. Glandon, president; Richard P. Banks, executive vp; Hugh M. Hadley, senior vp; Hall B. Liles Jr., vp.

Compensation: Commissions and fees.

Subsidiaries: Bancroft Co.

McGowan & Co. Inc.

21010 Center Ridge Road, Rocky
River, Ohio 44116; 216-333-6300

	1979	1978
Premium vol. ...	\$6,292,000	\$5,820,000
Gross rev.	\$732,000	\$664,000
Employees	12	12
Commercial bus.	51%	47%

Principal officers: Thomas B. McGowan, president; Thomas B. McGowan III, vp.

Compensation: Commissions.

McGriff & Seibels Inc.

2211 7th Avenue S., P.O. Box
10265, Birmingham, Ala. 35202;
205-252-9871

	1979	1978
Premium vol. ...	\$32,000,000	\$27,000,000
Gross rev.	\$4,171,578	\$3,119,098
Employees	104	85
Commercial bus.	96%	96%

Principal officers: Lee McGriff, chairman; H.G. Seibels Jr., vice chairman; Richard M. Womack, president; C. Ellis Wanninger, treasurer; Charles O. Holladay, vp-sales.

Compensation: Commissions and fees.

Branch offices: Florence, Fairhope, Ala.

Subsidiaries: Insurers Services Inc.; Data Processing Systems; Associated Insurance Brokers.

Licensed excess/surplus broker
in: Alabama.

McLaughlin & Co.

P.O. Box 13866, 1 E. Jackson
Blvd., Savannah, Ga. 31406; 912-
354-0882

	1979	1978
Premium vol. ...	\$1,100,000	\$860,000
Gross rev.	\$192,000	\$150,000
Employees	9	7
Commercial bus.	61%	58%

Principal officers: James L. McLaughlin, Donald Lusk, vps; Doris Elkins, secretary/treasurer.

Compensation: Commissions.

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South Africa, Spain, Swaziland, Sweden, Switzerland, Taiwan, Thailand,
United Arab Emirates, United Kingdom, United States, Zimbabwe, Zululand.

Chicago, Ill. 60604; 312-427-1961

	1979	1978
Premium vol.	\$27,500,000	\$30,000,000
Gross rev.	\$2,700,000	\$2,700,000
Employees	33	33
Commercial bus.	90%	90%

Principal officers: Robert B. McManus, president; Vernon J. ellouchoud, vp/secretary.
Compensation: Commissions.

Merriam, Ellis & Benton

840 Washington Ave., P.O. Box 2245, Kansas City, Kan. 66112; 13-334-2100

	1979	1978
Premium vol.	\$1,300,565	\$1,268,000
Gross rev.	\$314,791	\$319,600
Employees	10	11
Commercial bus.	63%	65%

Principal officers: Don A. Ellis, PCU, senior partner; John C. Mann, junior partner; Frank Simonich, producer.
Compensation: Commissions.
Acquisition in the past year: John Lillig Agency.

Metz, Lecy, Barnes & Thias Insurance Agency Inc.

1035 Executive Drive, Lansing, Mich. 48910; 517-394-3880

	1979	1978
Premium vol.	\$3,581,905	\$2,583,469
Gross rev.	\$569,666	\$307,323
Employees	11	6
Commercial bus.	80%	80%

Principal officers: Clayton J. Metz, president; Robert C. Lecy, CLU, treasurer; Cloyd W. Barnes, vp; George Thias, secretary.
Compensation: Commissions.
Acquisitions in the past year: Mike Kirgis Insurance Agency, Ionia, Mich.; Aviza Insurance Agency, Coldwater, Mich.
Branch offices: Ionia, Coldwater, Mich.

Montana International Insurance Inc.

P.O. Box 6127, 1200 N. Montana, Helena, Mont. 59601; 406-442-5360

	1979	1978
Premium vol.	\$4,000,000	\$3,440,000
Gross rev.	\$800,000	\$619,000
Employees	20	15
Commercial bus.	75%	75%

Principal officers: David R. Bruck, CIC, president; Patrick S. McCutcheon, CIC, executive vp; Thomas J. Downey and Richard A. Hill, vps; Donald R. Ferron, CIC, vp/Bozeman branch manager.
Compensation: Commissions.
Branch offices: Bozeman and Billings, Mont.
Licensed excess/surplus broker in: Montana.

Montgomery & Montgomery Inc.

111 Fulton St., New York, N.Y. 10038; 212-285-0600

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$1,772,284	\$1,520,423
Employees	35	32
Commercial bus.	85%	85%

Principal officers: Lawrence E. Brown, Robert A. Nolan and Howard E. Smith, directors/vps; Ruthwin Samuels Jr. and Luis C. Valdes, vps.
Compensation: Commissions and fees.
Branch offices: Los Angeles, Chicago.
Licensed excess/surplus broker in: New York.

Morency & Associates Inc.

2 Salt Creek Lane, Hinsdale, Ill. 60521; 312-887-0910

	1979	1978
Premium vol.	\$4,000,000	\$4,000,000
Gross rev.	\$600,000	\$610,000
Employees	9	6
Commercial bus.	97%	97%

Principal officers: G.A. Morency Jr., president; Glenn P. Sapa, CPCU, Richard T. Morency and M. Wieble, vps; James Lawson, CPCU, marketing vp.
Compensation: Commissions and fees.
Licensed excess/surplus broker

in: Illinois.

Fred A. Moreton & Co.

645 E. South Temple, Salt Lake City, Utah 84102; 801-531-1234

	1979	1978
Premium vol.	\$13,000,000	\$11,000,000
Gross rev.	\$2,647,000	\$2,100,000
Employees	41	32
Commercial bus.	97%	96%

Principal officers: Edward B. Moreton, president; Edward F. Folland, Ron Cornell, vps; L. Kent Bills, assistant vp.
Compensation: Commissions and fees.
Subsidiaries: Moreton General Agency; Moreton Insurance Credit Plan.
Licensed excess/surplus broker in: Utah.

Morris & Mackenzie Ltd.

4141 Sherbrooke St. W., Suite 400, Montreal, Quebec H3Z1C1; 514-937-5755

Continued on next page

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Topeka 913/267-1222		Eugene 503/683-1108		

Agent/Broker Profiles

Continued from previous page

	1979	NA	1978	NA
Premium vol. ...				
Gross rev.	\$5,200,000		\$4,674,084	
Employees	161		155	
Commercial bus.	88%		86%	

Principal officers: Albert W. Robinson, chairman; Frank Dougan, president and chief executive officer; Alan L. Drunn, William M. Malcolm and R. James Paterson, senior vps.

Compensation: Commissions and fees.

Branch offices: Toronto, Vancouver, Calgary.

Subsidiaries: O. LeBlanc & Fils Ltee.; Morris & Mackenzie Management Ltd.; Morris & Mackenzie (Bermuda) Ltd.

Parent company: Mackmor Ltd.

The Mutual Insurance Agency Inc.

5010 Wisconsin Avenue N.W., Washington, D.C. 202-362-9840

	1979	1978
Premium vol. ...	\$8,813,000	\$7,783,000
Gross rev.	\$1,198,000	\$1,104,000
Employees	32	32
Commercial bus.	73%	70%

Principal officers: Henry A. Kroll, president; Morris W. Wells, executive vp; W.G. McHenry and John A. Effer, vps; Harry D. Fegley, assistant vp.

Compensation: Commissions.



Nahm, Turner, Vaughn & Landrum Inc.

2900 First National Tower, Louisville, Ky. 40202; 502-561-1500

	1979*	1978*
Premium vol. ...	\$38,000,000	\$32,500,000

Gross rev.	\$5,400,000	\$4,500,000
Employees	121	103
Commercial bus.	90%	90%

*Fiscal year: March 1-Feb. 28.

Principal officers: Baylor Landrum, president/treasurer; George L. Turner, chairman; Marshall M. Royce, John A. Stough and Jack L. Shapero, senior vps.

Compensation: Commissions and fees.

Subsidiaries: Benefit Actuaries & Consultants Inc. (BEACON); Self-Insured Services Co. Inc. (SISCO).

Licensed excess/surplus broker in: Kentucky.

National Coverage Corp.

333 N. Broadway, Jericho, N.Y. 11753; 516-822-4500

	1979	1978
Premium vol. ...	\$6,871,436	\$6,247,150
Gross rev.	\$1,042,530	\$896,019
Employees	25	22
Commercial bus.	95%	93%

Principal officers: William Kulesh, president; Russell Tillman,

Ronald D'Alessandro, vps; Peggy Francis, assistant secretary/claims; Robert Topscher, assistant secretary-underwriting.

Compensation: Commissions and fees.

Subsidiary: National Coverage Capital Services Inc.

National Insurance Agency

1227 Third St., P.O. Box 6750, Corpus Christi, Tex. 78411; 512-884-3901

	1979	1978
Premium vol. ...	\$1,950,000	\$1,650,000
Gross rev.	\$321,091	\$272,576
Employees	10	9
Commercial bus.	65%	65%

Principal officers: Robert E. Harris and Richard D. Mlinar, partners; John McFall and Scot Oshman, solicitors.

Compensation: Commissions.

National Insurance Associates

66 Route 17, Paramus, N.J. 07652;

201-845-6600

	1979	1978
Premium vol. ...	NA	N
Gross rev.	\$2,955,000	\$2,675,000
Employees	86	79
Commercial bus.	82%	79%

Principal officers: Paul I. Gross, president; William F. Meade, vp; Richard J. Lomnitz, vp-operations; Howard P. Cantor, vp-finance.

Compensation: Commission and fees.

Acquisitions in the past year: Urdang Agency (September 1979); Jacob Emmanuel Inc. (January 1980).

Branch offices: Pearl River, N.Y.; Freehold, Long Valley, N.J. **Subsidiaries:** NIA Professional Plans Inc.; NIA Excess Lines Inc. NIA Inc. t/a National Insurance Acceptance.

Parent company: NIA Ltd. t/a National Insurance Associates.

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

National Preferred Risks Inc.

Cohn Enterprises Inc., 45 North Station Plaza, Great Neck, N.Y. 11022; 516-482-6215

	1979	1978
Premium vol. ...	\$15,505,000	\$14,389,000
Gross rev.	\$2,056,000	\$1,934,000
Employees	44	38
Commercial bus.	95%	96%

Principal officers: Arnold M. Cohn, president; Ronald F. Friedenthal, executive vp; William Sparr Jr., senior vp; Leonard Cohn, vp.

Compensation: Commissions.

Branch offices: New York, New Rochelle, N.Y.; Parsippany, N.J.; Boca Raton, Fla.

Subsidiaries: International Risk Managers Ltd.; Newton Programming Corp.; Raymond Schlessel Associates Inc.; International Risk Managers of Florida Inc.; Boca Insurance Services Inc.; All Personal Insurance Services.

Parent company: Cohn Enterprises Inc.

Licensed excess/surplus broker in: New York.

New England Security Insurance Agency Inc.

100 N. Main, Mansfield, Mass. 02048; 617-339-8991

	1979	1978
Premium vol. ...	\$2,581,306	\$2,402,407
Gross rev.	\$477,581	\$418,584
Employees	13	14
Commercial bus.	65%	65%

Principal officers: Ralph H. Seifert, president/treasurer; James A. Wills, vp/assistant treasurer; Mitchel G. Seifert, vp.

Compensation: Commissions.

Branch office: Hyannis, Mass.

North American Insurance Agency Inc.

2000 Classen Center, Oklahoma City, Okla. 73106; 405-523-2100

	1979	1978
Premium vol. ...	\$25,000,000	\$19,000,000
Gross rev.	\$3,750,000	\$2,900,000
Employees	85	73
Commercial bus.	80%	81%

Principal officers: Gene McCrory, CPCU, president; Donald Glaspey, executive vp; Jack Barry, CPCU, senior vp; John Mackey, vp.

Compensation: Commissions and fees.

Acquisition in the past year: Wade McWilliams Insurance Agency (February 1980).

Branch offices: Edmond, Oklahoma City, Okla.; Tulsa; Wichita; Denver; Dallas; New Orleans.

Subsidiaries: NAIA of Tulsa; NAIA of Texas; NAIA of Louisiana.

Parent company: North American Insurance Agency Inc.

Licensed excess/surplus broker in: Oklahoma, Kansas, Louisiana.



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Presently have a dental plan? Yes _____ No _____	

ISE Insurance Agencies Inc.

60 S. D St., Exeter, Calif. 93221;
09-592-9411

	1979	1978
Premium vol.	\$4,000,000	NA
Gross rev.	\$671,833	\$585,210
Employees	18	16
Commercial bus.	75%	75%

Principal officers: Bill Nielsen, PCU, president; Ross D. Sellars, vp; Dale W. Eddy, secretary/treasurer.

Compensation: Commissions and fees.

Nussbaum-Brunell Associates Inc.

507 Rockway Ave., Valley Stream, N.Y. 11581; 516-561-7666

	1979	1978
Premium vol.	\$2,300,000*	\$1,900,000
Gross rev.	\$348,006*	\$278,790
Employees	11*	10
Commercial bus.	66%	64%

*Represents Ludwig Nussbaum & Associates.

Principal officers: Alfred Nussbaum, president; Jerry A. Brunell, executive vp.

Compensation: Commissions and fees.

Acquisitions in the past year: Ludwig Nussbaum & Associates Inc. and Brunell Associates merged (January 1980).

**O'Connor McLaughlin Co.**

683 W. Market, Lima, Ohio
45802; 419-227-3421

	1979	1978
Premium vol.	\$1,500,000	\$1,650,000
Gross rev.	\$270,000	\$290,000
Employees	8	8
Commercial bus.	60%	60%

Principal officers: W.R. Shanahan, president; J.J. Hagood, vp/secretary.

Compensation: Commissions.

Olliver/Pilcher & Associates

6150 N. 16th St., Phoenix, Ariz.
85016; 602-277-5703

	1979	1978
Premium vol.	\$27,170,045	\$21,616,287
Gross rev.	\$4,149,743	\$3,388,830
Employees	126	112
Commercial bus.	85%	84%

Principal officers: William W. Pilcher, chairman; Donald L. Risk, president; F. Rockne Arnett, senior vp/secretary; Richard L. Jones, senior vp/treasurer; Peter L. Scardello Jr., vp-finance.

Compensation: Commissions.

Branch offices: Glendale, Scottsdale, Mesa, Flagstaff, Globe, Show Low, Prescott, Cottonwood, Ariz.

Licensed excess/surplus broker in: Alaska, Arkansas, California, Florida, Georgia, Hawaii, Idaho, Illinois, Kansas, Minnesota, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oregon, South Dakota, Texas, Utah, Wisconsin.

Osborn & Lange Inc.

759 Victoria Square, Montreal, Quebec, Canada H2Y 2K5;
514-849-4161

	1979	1978
Premium vol.	\$22,000,000	\$18,000,000
Gross rev.	\$2,100,000	\$1,800,000
Employees	46	46
Commercial bus.	90%	90%

Principal officers: H. Bennett, president/chief executive officer; J.A. Cantello, R. Dedeyan, F. Keshen, L.A. Whyte, vps; T.G. Cleary, secretary/treasurer.

Compensation: Commissions and fees.

Branch offices: Toronto, Vancouver, Edmonton, Winnipeg, Chicago, New York.

Subsidiaries: Osborn & Lange (USA) Inc.

Osterloh & Durham Insurance Brokers of North America Inc.

6930 Valjean Ave., Van Nuys, Cal-

if. 213-988-6520

	1979	1978
Premium vol.	\$6,500,000	\$4,500,000
Gross rev.	\$832,789	\$627,130
Employees	9	9
Commercial bus.	99%	98%

Principal officers: A.F. Osterloh III, president; T.W. Mitchell, vp; C.F.S. Ryan, B.L. Mellinger Jr., board members.

Compensation: Commissions and fees.

Acquisition in the past year: Kirkside Corp. (May 1980).

Arthur L. Owen Co. Inc.

2000 Mercantile Commerce Bldg., Dallas, Tex. 75201;
214-747-6500

	1979	1978
Premium vol.	\$16,000,000	\$14,000,000
Gross rev.	\$2,231,000	\$1,973,000
Employees	35	34
Commercial bus.	95%	35%

Principal officers: Arthur L. Owen, president; Henry Bell, Bruce Mackey, Ed Dunn, Joe Funk, Douglas B. Owen, vps.

Continued on next page

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Twin City Fire Insurance Co.
USF&G
United States Fire Insurance Co.
Valley Forge Insurance Co.

LICENSED SURPLUS LINES AGENTS

Agent/Broker Profiles

Continued from previous page

Compensation: Commissions and fees.**Licensed excess/surplus broker in:** Texas.**P****Palley Simon Assn.**319 Noble Plaza, Jenkintown, Pa.
19046; 215-884-2100

	1979	1978
Premium vol.	\$5,300,000	\$4,300,000
Gross rev.	\$780,000	\$570,000
Employees	16	15
Commercial bus.	87%	87%

Principal officers: Mahlon B. Simon Jr., president; Samuel M. Palley, vp.**Compensation:** Commissions and fees.**Licensed excess/surplus broker in:** Pennsylvania.**Payan-Stitt Corp.**

12222 S. Harlem Ave., Palos Heights, Ill. 60463; 312-448-5900

	1979	1978
Premium vol.	\$3,200,000	\$3,000,000
Gross rev.	\$530,000	\$475,000
Employees	15	14
Commercial bus.	72%	72%

Principal officers: Jack Payan, CPCU, president; Malcolm Stitt, CLU, vp/secretary/treasurer.**Compensation:** Commissions

and fees.

Subsidiary: P.S. Budget Co.**Jim Perkins Insurance Agency**2901 Georgia St., P.O. Box 9336,
Amarillo, Tex. 79105; 806-353-2108

	1979	1978
Premium vol.	\$1,584,692	\$1,205,359
Gross rev.	\$277,893	\$217,990
Employees	7	6
Commercial bus.	85%	82%

Principal officer: Jim H. Perkins, owner.**Compensation:** Commissions.**The Pettiner Agency Inc.**Camden State Bank Bldg., Cam-
den, Ind. 46917; 219-686-2613

	1979	1978
Premium vol.	\$1,867,000	\$1,744,000
Gross rev.	\$422,000	\$375,000
Employees	9	10
Commercial bus.	85%	80%

Principal officers: Robert L. Pettiner, president/chairman; W.O. Pettiner, vp; D. Dale Pettiner, secretary/treasurer.**Compensation:** Commissions.**Branch offices:** Delphi, Carmel, Ind.**Subsidiaries:** The Melton Agency Inc.; The Pettiner Life Corp.**Licensed excess/surplus broker in:** Indiana.**H&R Phillips Inc.**622 Third Ave., New York, N.Y.
10017; 212-949-9100

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$1,000,000	\$800,000
Employees	22	21
Commercial bus.	90%	85%

Principal officers: Harry Phillips III, CPCU, CLU, president; Roger Phillips, CPCU, CLU, executive vp; Judith L. Robinson, CPCU, and Carmen Barros, vps.**Compensation:** Commissions and fees.**Subsidiaries:** Phillips Services Inc.; H&R Phillips of Delaware Inc.**Licensed excess/surplus broker in:** New York.**Pickett & Adams Insurance Inc.**2655-A Old Shell Road, P.O. Box
6375, Mobile, Ala. 36606; 205-471-5487

	1979	1978
Premium vol.	\$1,965,000	\$1,700,535
Gross rev.	\$336,000	\$260,978
Employees	9	8
Commercial bus.	60%	60%

Principal officers: C. King Pickett, president; Spencer M. Adams III, vp/secretary/treasurer; Jerry P. Edwards, vp.**Compensation:** Commissions.**Acquisitions in the past year:** Pickett, Adams & Martin (September 1979); Pope & Quint Insurance Co. Inc. (May 1980).**Licensed excess/surplus broker in:** Alabama.**Popkin Lebson Bergstein Inc.**38 Franklin St., P.O. Box 800,
Tenafly, N.J. 07670; 201-569-8090,
212-928-2473

	1979	1978
Premium vol.	\$6,000,000	\$4,100,000
Gross rev.	\$990,000	\$718,000
Employees	25	23
Commercial bus.	65%	65%

Principal officers: Leo J. Popkin, president; Michael Bergstein, CLU, vp; Martin A. Lebson, vp/treasurer; Bruce A. Bergstein, vp/secretary; Ted Kadison, vp of P.L.B. Life Agency Inc.**Compensation:** Commissions and fees.**Acquisitions in the past year:** Tunick Agency of Fort Lee, Arthur Tunick (1979).**Subsidiary:** P.L.B. Life Agency Inc.**Porter-Spaulling Inc.**1831 Tongass Ave., Ketchikan,
Alaska 99901; 907-225-3164

	1979	1978
Premium vol.	\$3,540,000	\$2,950,000

Gross rev.	\$501,000	\$426,000
Employees	11	1
Commercial bus.	50%	50%

Principal officers: Arne N. Iversen, president; V. Dale Simpson, secretary; Karen Hofstad, treasurer.**Compensation:** Commissions.**Branch offices:** Petersburg, Wrangell, Alaska.**Producers Exchange Inc.**1310 Texas American Bank Bldg
Dallas, Tex. 75235; 214-357-6504

	1979	1978
Premium vol.	\$7,220,000	\$6,900,000
Gross rev.	\$925,000	\$865,000
Employees	23	21
Commercial bus.	97%	99%

Principal officers: Bill M. Morrison, president; Travis Dale Roberts and Vernon M. Gilmore, vps; Ernie A. Tucker and George R. Flickinger, regional vps.**Compensation:** Commissions and fees.**Branch offices:** Houston, Lubbock.**Subsidiaries:** Producers Exchange Life Insurance Agency Inc.; MGM Agency Inc.; Producers Exchange Insurance Agency Inc.**Parent company:** Producers Exchange Management Co. Inc.**Licensed excess/surplus broker in:** Texas.**R****Leslie S. Ray Insurance Agency Inc.**129 Dodge St., Beverly, Mass.
01915; 617-927-2600

	1979	1978
Premium vol.	\$2,600,000	\$2,000,000
Gross rev.	\$440,000	\$320,000
Employees	12	10
Commercial bus.	50%	40%

Principal officers: Leslie S. Ray, president/treasurer; Norma L. Huse, executive vp; Richard P. Jones, vp.**Compensation:** Commissions.**Licensed excess/surplus broker in:** Massachusetts.**RBS Insurance**1510 W. Second St., Roswell, N.M.
88201; 505-623-1510

	1979	1978
Premium vol.	\$2,281,208	\$1,895,200
Gross rev.	\$408,889	\$292,565
Employees	8	8
Commercial bus.	72%	74%

Principal officers: Bradford J. Pretti, president; R. King Redd, vp; Alan Berryman, secretary/treasurer.**Compensation:** Commissions.**Acquisition in the past year:** Hinch Insurance Agency (January 1979).**Branch office:** Dexter, N.M.
Licensed excess/surplus broker in: New Mexico.**Allen M. Reager Co.**310 W. Liberty, Louisville, Ky.
40202; 502-584-4241

	1979	1978
Premium vol.	\$6,750,000	\$5,900,000
Gross rev.	\$1,020,000	\$848,000
Employees	20	19
Commercial bus.	83%	80%

Principal officers: John L. Shea, CPCU, president; Richard L. Martin, executive vp/treasurer; Allan P. Ware, CLU, Frank E. Dodson, vps; Lawrence P. Westmoreland, CPCU, secretary/vp.**Compensation:** Commissions.**Republic Insurance Brokers Inc.**825 N. Parkcenter Drive, Santa
Ana, Calif. 92711; 714-558-1821

	1979	1978
Premium vol.	\$15,000,000	\$17,000,000
Gross rev.	\$2,010,000	\$2,250,000
Employees	42	47
Commercial bus.	95%	96%

Principal officers: Al Leathery, president; Robert Rieden, executive vp; Kent Briggs, Ed Kenz, senior vps; Mark**right down to the chocks**

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Payne, vp.
Compensation: Commissions.
Branch office: San Diego.

Rhulen Agency Inc.

217 Broadway, Monticello, N.Y.
 12701; 914-794-8000

	1979	1978
Premium vol. . . .	\$35,000,000	\$30,000,000
Gross rev.	\$6,963,533	\$6,125,910
Employees	123	113
Commercial bus. . .	95%	95%

Principal officers: Max H. Rhulen, chairman; Walter A. Rhulen, PCU, president; Jesse M. Farrow, executive vp; Peter L. Rhulen, vp/secretary; Kenneth H. Garn, vp.

Compensation: Commissions and fees.

Acquisition in the past year: Weisbord Wells Cross & Brown Inc. (February 1979).

Branch offices: Phoenix, Ariz.; Greer, S.C.

Subsidiaries: Rhulen Life & Pensions Inc.; Rhulen Special Risks Inc.; Frontier Insurance Co.; Weisbord Wells Cross & Brown Inc.

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

John M. Riehle & Co. Inc.

757 Third Ave., New York, N.Y.
 10017; 212-888-4400

	1979	1978
Premium vol. . . .	NA	NA
Gross rev.	\$6,300,000	\$5,200,000
Employees	140	140
Commercial bus. . .	90%	90%

Principal officers: Joseph D. Tooker Jr., president; Edgar Braun, executive vp; Peter B. Emmons, vp; Salvo P. Basirico, treasurer; Robert R. Miles, assistant secretary.

Compensation: Commissions and fees.

Branch offices: Bedford, Massapequa Park, White Plains, N.Y.; Wayne, N.J.; New Canaan, Conn.

Parent company: Harcourt Brace Jovanovich Inc.

Licensed excess/surplus broker in: New York.

R L & G Agency Inc.

Box 426, Norwich, Conn. 06360;
 203-642-7559

	1979	1978
Premium vol. . . .	\$2,600,000	\$2,100,000
Gross rev.	\$366,000	\$270,000
Employees	10	9
Commercial bus. . .	67%	60%

Principal officers: Leslie H. Young, CLU, CIC, president; Ernest E. Poore, CIC, vp; R. Gary Young, CIC, secretary/treasurer.

Compensation: Commissions and fees.

Subsidiary: Forest Products Agency Co. Inc.

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

Robertson-Ryan & Associates Inc.

660 E. Mason St., Milwaukee, Wis.
 53202; 414-271-3575

	1979	1978
Premium vol. . . .	\$12,803,092	\$10,406,502
Gross rev.	\$1,648,073	\$1,354,102
Employees	37	38
Commercial bus. . .	85%	85%

Principal officers: J.T. Ryan, chairman; A.D. Robertson, president; E.E. Juckem, executive vp/general manager; J.R. Kuhn-muench, vp; Allan Robertson, secretary.

Compensation: Commissions.
Branch office: Sheboygan.

Licensed excess/surplus broker in: Wisconsin.

Robson, Cavnagac & Associates Insurance Brokers

110 W. "A" St., San Diego, Calif.
 92101; 714-235-6301

	1979	1978
Premium vol. . . .	\$10,000,000	\$9,000,000
Gross rev.	\$1,250,000	\$1,000,000

Employees	20	19
Commercial bus. . .	93%	93%

Principal officers: Jon R. Robson, president/treasurer; Frank G. Cavnagac, vp/secretary; Kenneth Bohlander, Richard J. Thompson, vps; James O. Reynolds, president-RCS Life Agency Corp.

Compensation: Commissions.
Subsidiary: RCS Life Agency Corp.

Rodes-Roper-Love Insurance Agency Inc.

1103 W. Hibiscus Blvd., Melbourne, Fla. 32901; 305-725-9300

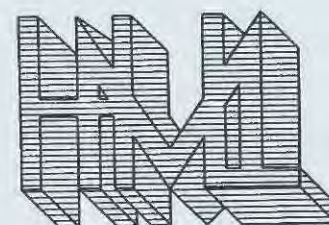
	1979	1978
Premium vol. . . .	\$9,500,000	\$7,300,000
Gross rev.	\$1,700,000	\$820,000
Employees	29	23
Commercial bus. . .	85%	70%

Principal officers: Richard P. Love Sr., director/owner; Richard P. Love Jr., president/owner.

Compensation: Commissions.
Continued on next page

Jeffrey Hess

Jay Levenson



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Agent/Broker Profiles

Continued from previous page

Branch offices: Cleveland; Clearwater, Fla.

Subsidiaries: Atlantic Agency; Kelly Agency; Hyden-Love Agency.

Parent company: Love Insurance Agency.

Licensed excess/surplus broker in: Florida.

Root & Boyd Inc.

101 S. Main St., Waterbury, Conn. 06720; 203-756-7251

	1979	1978
Premium vol.	\$14,200,000	\$12,600,000
Gross rev.	\$2,400,000	\$2,100,000
Employees	78	72
Commercial bus.	70%	70%

Principal officers: William R. Moody, president; Robert Summit, treasurer/secretary; Roger Tillson and Dominic Minicucci, senior vps; Peter Moody, Roger Quint, Guy Russo, Robert Jones, William Jones, William Sullivan,

vps.
Compensation: Commissions and fees.

Branch offices: Woodbury, Bethlehem, Southbury, Thomaston, Torrington, Wolcott, Southington, Wallingford, Naugatuck, Watertown, Conn.

Subsidiaries: Root & Boyd Real Estate, Root & Boyd Associates Inc., Root & Boyd Pension Plans Inc., Dodd Agency Inc., Pomperanz Associates Inc.

Licensed excess/surplus broker in: Connecticut.

Patrick C. Ross Associates Insurance Services

21241 Ventura Blvd., Suite 173, Woodland Hills, Calif. 91364; 213-999-5556

	1979	1978
Premium vol.	\$3,200,000	NA*
Gross rev.	\$422,000	NA
Employees	7	NA
Commercial bus.	95%	NA

*Began June 1979

Principal officers: Patrick C. Ross, president; S.A. Ross, vp/secretary; Robin Allen, controller.
Compensation: Commissions.

S

Sacramento Valley Insurance

P.O. Box 13792, Sacramento, Calif. 95813; 916-920-3400

	1979	1978
Premium vol.	\$7,000,000	\$6,350,000
Gross rev.	\$1,200,000	\$1,100,000
Employees	30	27
Commercial bus.	85%	80%

Principal officers: James C. Chenu, president; Thomas D. Hobday, executive vp; Charles J. Sigereth, vp; David Zancanaro, treasurer; J. Gary Kerns, secretary.

Compensation: Commissions and fees.

The Sadler Insurance Agency Inc.

24 Railroad Square, Nashua, N.H. 03061; 603-883-0511

	1979	1978
Premium vol.	\$8,500,000	\$5,400,000
Gross rev.	\$1,152,014	\$754,265
Employees	39	30
Commercial bus.	80%	80%

Principal officers: George J. T. Sadler, president; Bertrand R. Lanciault, executive vp; James E. Cleary, vp; Robert E. Marcotte, senior vp.

Compensation: Commissions and fees.

Branch office: Hancock, N.H.
Subsidiary: Marcotte/Plourde Agencies Inc.

Licensed excess/surplus broker in: New Hampshire.

St. Joseph Valley Bank—Insurance Division & SJV Insurance Inc.

107 W. Franklin St., P.O. Box 1724, Elkhart, Ind. 46515; 219-293-4565

	1979	1978
Premium vol.	NA	\$20,671,000
Gross rev.	\$2,493,000	\$2,547,000

	1979	1978
Employees	36	34
Commercial bus.	95%	92%

Principal officers: Ward J. Merchant, president; William J. Milliner, executive vp; Gaylord L. Russell, Farrel J. Zehr, vps.

Compensation: Commissions.

Branch office: Goshen, Ind.

Parent company: SJV Corp.

Licensed excess/surplus broker in: Indiana.

Saldana & Associates Inc.

701 Ponce De Leon Ave., Centro De Seguros Bldg., Suite 303, Miramar, Santurce, Puerto Rico 00907; 809-721-2600

	1979	1978
Premium vol.	\$20,000,000	\$19,000,000
Gross rev.	\$2,200,000	\$1,653,000
Employees	43	35
Commercial bus.	95%	95%

Principal officers: Jorge Y. Saldana, president; Antonio Blanes, Ralph G. Christiansen Jr., Eduardo R. Emanuelli, Jose E. Vazquez and Manuel J. Mendez, vps.

Compensation: Commissions.

Licensed excess/surplus broker in: Puerto Rico.

Schlaudecker, James & Hart Inc.

120 Professional Bldg., P.O. Box 6365, Erie, Pa. 16512; 814-455-0987

	1979	1978
Premium vol.	\$2,500,000 +	NA
Gross rev.	\$300,000 +	NA
Employees	13	NA
Commercial bus.	70%	NA

Principal officers: H.L. James Jr., president; D.J. Hart, vp/treasurer; H.A. Grab, vp/secretary; L.A. Larson, chairman.

Compensation: Commissions.

Aquisition in the past year: Merged Colwell James & Hart Inc. with Leo Schlaudecker Co.

Licensed excess/surplus broker in: Florida, New York, Texas.

Robert M. Schray Co.

230 W. Monroe St., Chicago, Ill. 60606; 312-372-7000

	1979	1978
Premium vol.	\$16,000,000	\$13,000,000
Gross rev.	\$2,000,000	\$1,700,000
Employees	39	41
Commercial bus.	80%	80%

Principal officers: Robert M. Schray, president; Howard A. Engel, Karen Vacko and Barbara Stone, vps.

Compensation: Commissions and fees.

Aquisition in the past year: Ballis & Ballis Inc. (May 1979).

Licensed excess/surplus broker in: Illinois.

C.A. Schutze Agency

P.O. Box 3547, Austin, Tex. 78764; 512-447-5507

	1979	1978
Premium vol.	\$2,500,000	\$2,200,000
Gross rev.	\$275,000	\$200,000
Employees	7	7
Commercial bus.	85%	85%

Principal officers: C.A. Schutze Jr., CPCU; Steve Schutze; Carl Pepper Jr.

Compensation: Commissions.

Schwartz, Hirtenstein & Co. Inc.

310 Madison Ave., New York, N.Y. 10017; 212-697-2615

	1979	1978
Premium vol.	\$3,500,000	\$3,000,000
Gross rev.	\$525,000	\$475,000
Employees	12	12
Commercial bus.	80%	80%

Principal officers: Daniel Hirtenstein, president; Arthur A. Schwartz, secretary/treasurer.

Compensation: Commissions.

Securance Service Inc.

120 W. Stevenson, Gibsonburg, Ohio 43431; 419-637-2196

	1979	1978
Premium vol.	\$2,105,000	\$1,847,500
Gross rev.	\$394,000	\$342,000
Employees	12	14
Commercial bus.	55%	52%

Principal officers: Jonathon S. Younker, president; Ned L. Weigman, vp; Daniel M. Henery, secretary.

Compensation: Commissions.

Aquisition in the past year: Netz Agency of Elmore, Ohio (November 1979).

Branch offices: Woodville, Oak Harbor, Ohio.

Subsidiary: Securance Agency of Columbus Inc.

Hollis D. Segur Inc.

229 W. Main St., Waterbury, Conn. 06720; 203-756-7933

	1979	1978
Premium vol.	\$5,200,000	\$4,400,000
Gross rev.	\$760,000	\$660,000
Employees	19	19
Commercial bus.	80%	80%

Principal officers: John F. Burbank, president/treasurer; James B. Mullen Jr., vp/secretary; Joseph Cunningham, vp; M.G. Saukas, assistant secretary.

Compensation: Commissions and fees.

Aquisition in the past year: Roger Perrault Agency (January 1980).

Branch office: Thomaston, Conn.

Licensed excess/surplus broker in: Connecticut.

Seitlin & Co.

990 S.W. First St., Miami, Fla. 33130; 305-545-8311

	1979	1978
Premium vol.	\$13,950,000	\$14,400,000
Gross rev.	\$2,078,000	\$2,119,000
Employees	65	70
Commercial bus.	85%	85%

Principal officers: Sam Seitlin, chairman; M. Stephen Jackman, president; Daniel L. Harris, R. Louis Seitlin and Anthony W. Lane, vps.

Compensation: Commissions and fees.

Aquisition in the past year: Paul J. Nasrallah Agency (January 1980).

Subsidiary: Bond Market Corp.

Seymour Insurance Agency Inc.

1609 Stubbs Ave., Monroe, La. 71201; 318-388-2400

	1979	1978
Premium vol.	\$5,490,118	\$4,448,552
Gross rev.	\$768,699	\$652,878
Employees	21	19
Commercial bus.	78%	80%

Principal officers: Edward J. Seymour, chairman; Edward J. Seymour Jr., president.

Compensation: Commissions.

Branch office: Northwest Louisiana Insurance Agency Inc., Shreveport, La.

Licensed excess/surplus broker in: Louisiana.

Shelton Insurance Agency Inc.

P.O. Box 55, Corpus Christi, Tex. 78403; 512-882-5586

	1979	1978
Premium vol.	\$5,539,814	\$3,481,486
Gross rev.	\$770,382	\$532,761
Employees	18	11
Commercial bus.	80%	70%

Principal officers: William J. Shelton, president; Louis E. Wells III, vp/secretary/treasurer.

Compensation: Commissions.

Branch office: McAllen, Tex.

Sheppard, Downing & Coleman Insurance Service Ltd.

310, 1 Thornton Court, Edmonton, Alberta, Canada T5J2E7; 403-420-0777

	1979	1978
Premium vol.	\$2,300,000	\$1,200,000

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Gross rev.	\$300,000	\$160,000
Employees	6	5
Commercial bus.	99%	94%

Principal officers: Anthony N. Sheppard, president; Charles E. P. Downing, Edwin C. Coleman, vps.
Compensation: Commissions.

The Simkiss Cos. Inc.

6 Rittenhouse Place, Ardmore, Pa. 19003; 215-649-6610

	1979	1978
Premium vol.	\$8,100,000	\$7,000,000
Gross rev.	\$1,134,000	\$1,050,000
Employees	23	20
Commercial bus.	88%	91%

Principal officers: John A. Simkiss Jr., CPCU, CLU, president; William F. O'Brien, executive vp; Richard J. Decker, CPCU, and William F. Simkiss, CPCU, vps.

Compensation: Commissions and fees.

Subsidiaries: Frankenfield & Co. Inc.; Risk Management Systems & Services Inc.

Parent company: The Simkiss Agency Inc.

Archie Slawsby Agency Inc.

90 Main St., Nashua, N.H. 03061; 603-883-1776

	1979	1978
Premium vol.	\$8,865,906	\$8,895,851
Gross rev.	\$1,425,693	\$1,359,812
Employees	43	45
Commercial bus.	65%	61%

Principal officers: Archie M. Slawsby, chairman/director; Walter C. Cogswell, president/director; Francis J. O'Gara Jr., executive vp/director.

Compensation: Commissions.

Subsidiary: Surplus Line Managers Inc.

Licensed excess/surplus broker in: New Hampshire.

J.D. Smith & Associates

P.O. Box 586, 211 N. Wisconsin St., Hobart, Ind. 46342; 219-942-1334

	1979	1978
Premium vol.	\$3,500,000	\$3,100,000
Gross rev.	\$250,000	\$235,000
Employees	6	6
Commercial bus.	95%	96%

Principal officers: M. Behnke, president; J. Smith, vp/secretary/treasurer.

Compensation: Commissions.

Branch offices: South Bend, Fort Wayne, Indianapolis.

Smith Bell & Thompson Inc.

102 S. Winooski Ave., Burlington, Vt. 05401; 802-658-4600

	1979	1978
Premium vol.	\$4,900,000	\$4,380,000
Gross rev.	\$1,000,000	\$900,000
Employees	27	27
Commercial bus.	70%	70%

Principal officers: W.L. Thompson, president/chairman; W. Ray Cooper, vp/general manager; K. Grabowski, treasurer.

Compensation: Commissions.

Licensed excess/surplus broker in: All states.

Smith Watson Parker Inc.

3500 Hollywood Blvd., Hollywood, Fla. 33021; 305-962-2990

	1979	1978
Premium vol.	\$7,000,000	\$6,000,000
Gross rev.	\$1,000,000+	\$850,000
Employees	25	22
Commercial bus.	80%	80%

Principal officers: Charles W. Watson, president; Bob Parker, vp/secretary; S. J. Watson, treasurer; Thomas Cotter, Larry Vaught, vps.

Compensation: Commissions.

South Continental Insurance Agency Inc.

252 Tetuan St., Old San Juan, Puerto Rico 00903; 809-724-7300

	1979	1978
Premium vol.	\$20,089,041	\$19,809,037
Gross rev.	\$2,099,012	\$1,991,201
Employees	63	61
Commercial bus.	90%	90%

Principal officers: Frank Fourrier, president; Victor Laborde, executive vp; Charles C. Carr, vp.
Compensation: Commissions.

Branch office: Yauco, Puerto Rico.

Licensed excess/surplus broker in: Puerto Rico.

Southwest Insurance Assn. of Austin Inc.

4405 Packsaddle Pass, Austin, Tex. 78745; 512-443-0954

	1979	1978
Premium vol.	\$2,000,000	\$1,900,000
Gross rev.	\$300,000	\$280,000
Employees	10	9
Commercial bus.	70%	70%

Principal officers: Jack W. Hoffman, CIC, FMS, president; Ross B. Blumentritt, CPCU, CLU, executive vp; J. Larry Peel, CPCU, senior vp; Merel Smith, secretary; Evelyn Stiles, treasurer.

Compensation: Commissions and fees.

Subsidiary: West Wind General Agency Inc.

Parent company: Southwest Group.

Licensed excess/surplus broker in: Texas.

Spencer-Patterson Agency Inc.

P.O. Box 60, 212 E. Sandusky St., Findlay, Ohio 45840; 419-422-3545

	1979	1978
Premium vol.	\$3,050,000	\$2,762,000
Gross rev.	\$589,820	\$528,426
Employees	11	10
Commercial bus.	70%	70%

Principal officers: Thomas A. Buis, CPCU, president; Charles P. Lyon, vp; David S. Healy, secretary/treasurer.

Compensation: Commissions.

Acquisition in the past year: Vern Dicke Insurance Agency (January 1980).

Carl S. Stecker & Associates Inc.

855 Ave. of the Americas, Room 315, New York, N.Y. 10001; 212-736-5650

	1979	1978
Premium vol.	\$3,300,000	\$3,000,000
Gross rev.	\$550,000	\$450,000
Employees	11	10
Commercial bus.	60%	60%

Principal officers: Carl S. Stecker, president; Howard Mandresh, vp/treasurer; Allan Stecker, vp/secretary.

Compensation: Commissions.

Acquisition in the past year: David Ravitch (March 1979).

DeWitt Stern, Gutmann & Co. Inc.

551 Fifth Ave., New York, N.Y. 10176; 212-867-3550

	1979	1978
Premium vol.	\$12,000,000+	\$9,000,000
Gross rev.	\$1,350,000	\$1,010,000
Employees	30	28
Commercial bus.	85%	70%

Principal officers: DeWitt A. Stern, chairman; Jolyon F. Stern, president; Gilbert Andrus, John H. Gutman, vps.

Compensation: Commissions and fees.

Branch office: DeWitt, Stern/Cohen Insurance Agency, Los Angeles.

Licensed excess/surplus broker in: New York.

Edmund D. Stevens Inc.

1503 Genesee Bldg., Buffalo, N.Y. 14202; 716-856-3387

	1979	1978
Premium vol.	\$2,350,000	\$2,000,000
Gross rev.	\$350,000	\$302,000
Employees	10	9
Commercial bus.	65%	65%

Principal officers: Edmund D. Stevens, chairman; Edmund D. Stevens Jr., president/treasurer; Peter V. R. Lapey, vp; Thomas C.

Luescher, secretary; Patricia K. White, assistant secretary.

Compensation: Commissions and fees.

Storer, Damon & Lund

55 Summer St., Boston, Mass. 02110; 617-542-3016

	1979	1978
Premium vol.	\$6,600,000	\$6,600,000
Gross rev.	\$1,083,300	\$1,107,500
Employees	39	39
Commercial bus.	60%	60%

Principal officers: Franklin W. Carney, Henry A. Brennick, John H. Dyer, Douglas E. Poole, Orlando W. Sargent, partners.

Compensation: Commissions.

Branch offices: Cambridge, Malden, Mass.

Licensed excess/surplus broker in: Massachusetts.

Strasco Insurance Agency Inc.

527 St. Paul St., Baltimore, Md. 21202; 301-539-2020

	1979	1978
Premium vol.	\$1,720,000	\$1,601,000
Gross rev.	\$288,000	\$256,000
Employees	6	6
Commercial bus.	70%	70%

Principal officers: Jerome B. Rosenberg, president; Leonard H. Rosenberg, senior vp; Stephen F. Rosenberg, CLU, CPCU, vp; Esther N. Rosenberg, secretary/treasurer.

Compensation: Commissions.

Stratton, Stebbins & Dunn

503 Michigan National Tower, Lansing, Mich. 48901; 517-485-7286

	1979	1978
Premium vol.	\$1,465,108	\$1,298,447
Gross rev.	\$231,823	\$199,520
Employees	4	4
Commercial bus.	80%	80%

Principal officers: S.J. Stebbins, president; R.A. Dunn, Carol McGlaughlin, vps; Phillis Montgomery, secretary.

Compensation: Commissions.

James F. Sutton Agency Ltd.

2 Greenwood Ave., Box 57, East Islip, N.Y. 11730; 516-581-7978

Principal officers: James F. Sutton, president.

Compensation: Commissions.

Islip, N.Y. 11730; 516-581-7978

	1979	1978
Premium vol.	\$1,050,000	\$950,000
Gross rev.	\$150,000	\$142,500
Employees	3	3
Commercial bus.	60%	60%

Principal officers: James F. Sutton, president.

Compensation: Commissions.

Systems VII Insurance Services Inc.

14110 E. Firestone Blvd., P.O. Box 2117, Santa Fe Springs, Calif. 90670; 213-802-2711

Compensation: Commissions.

Continued on next page

NOTICE OF TERMINATION OF AUTHORITY

NOTICE IS HEREBY GIVEN THAT GREAT ATLANTIC INSURANCE COMPANY, A DELAWARE CORPORATION (THE "COMPANY"), HAS TERMINATED AND WITHDRAWN THE AUTHORITY OF EACH OF THE FOLLOWING, INDIVIDUALLY AND COLLECTIVELY, TO ACT AS AGENT OF THE COMPANY:

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Agent/Broker Profiles

Continued from previous page

	1979	1978
Premium vol.	\$2,198,211	\$1,444,045
Gross rev.	\$265,983	\$188,026
Employees	7	3
Commercial bus.	99%	99%

Principal officers: Pat W. Mazzotta, president; Henry Mandelberg, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: California.

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T

Taylor/Cohen/Rudolph & Giaconia Co. Inc.

791 Passaic Ave., Clifton, N.J. 07012; 201-471-4400

	1979	1978
Premium vol.	\$6,105,523	\$6,404,215
Gross rev.	\$794,118	\$717,426
Employees	18	18
Commercial bus.	70%	70%

Principal officers: Sidney Rudolph, CPCU, president; Shelby R. Cohen, vp; Ronald W. Giaconia, secretary/treasurer.

Compensation: Commissions and fees.

Subsidiary: Giaconia Life Associates Inc.

Tecnicos En Seguros, S.A.

Edificio El Triangulo, Nivel 12, Zona 4, Guatemala City, Guatemala C.A.; 321555

	1979	1978
Premium vol.	\$6,500,000	\$5,200,000
Gross rev.	\$1,110,000	\$721,500
Employees	48	40
Commercial bus.	90%	90%

Principal officers: Enrique Fernandez, president; Brian Aycinena, Luis Molina, Douglas Steele, vps; Luis Chocano, vp-life/employee benefits.

Compensation: Commissions.

Branch offices: SEASSA, El Salvador; COSESA, Honduras.

Subsidiary: Tecnisevisa.
Parent company: Marsh & McLennan International and De Lima & Co. of Colombia.

Ter Bush & Powell Inc.

148 Clinton St., Schenectady, N.Y. 12305; 518-370-8600

	1979	1978
Premium vol.	\$88,000,000	\$76,000,000
Gross rev.	\$9,900,000	\$8,700,000
Employees	231	207
Commercial bus.	90%	85%

Principal officers: J.W. Campo, chairman/chief executive officer; R.J. O'Rourke, president/COO; W.P. Conboy, executive vp; T.E. Devine, executive vp/treasurer; J.F. McGrane, senior vp.

Compensation: Commissions and fees.

Acquisitions in the past year: Whitehall Brokerage Inc. (June 1979); Paine-Ward Agency Inc. (December 1979).

Branch offices: New York, Albany, Cedarhurst, Hoosick Falls, Forest Hills, Syracuse, N.Y.; Boston; Palm Beach.

Subsidiaries: Terbex Inc; Ter Bush & Putnam Agency Inc.; Ter Bush & Powell-Fla. Inc.

Licensed excess/surplus broker in: New York.

Tholts Insurance Service Inc.

541 Cowper St., Palo Alto, Calif.

94301; 415-324-0606

	1979	1978
Premium vol.	\$2,500,000	\$2,000,000
Gross rev.	\$455,000	\$359,000
Employees	11	10
Commercial bus.	64%	62%

Principal officers: Donald A. Way, CPCU, president; Herbert G. Hill, CPCU, vp/treasurer; Linda J. Stewart, secretary.

Compensation: Commissions.

Richard-Thomas Agency

1432 Old Northern Blvd., Roslyn, N.Y. 11576; 516-621-0202

	1979	1978
Premium vol.	\$3,100,000	\$3,000,000
Gross rev.	\$275,000	\$270,000
Employees	5	4
Commercial bus.	90%	90%

Principal officers: Richard T. Sklouer, owner/president.

Compensation: Commissions and fees.

Branch office: New York.

Subsidiary: The Maramax Agency.

Triangle Insurance Inc.

12716 Riverside Drive, North Hollywood, Calif. 91609; 213-983-2400

	1979	1978
Premium vol.	\$5,300,000	\$4,400,000
Gross rev.	\$879,000	\$703,000
Employees	18	18
Commercial bus.	84%	63%

Principal officers: Sy Maxwell, president; Maurice Jones, secretary.

Compensation: Commissions.
Subsidiary: Triangle Life Insurance Agency.

Trimble-Batjer-Cobb Insurance

519 W. Beauregard, San Angelo, Tex. 76901; 915-653-6733

	1979	1978
Premium vol.	\$3,843,281	\$3,390,325
Gross rev.	\$642,194	\$609,755
Employees	20	18
Commercial bus.	60%	60%

Principal officers: Henry H. Batjer Jr., R. Bernard Trimble, James H. Cobb and D. Randall Saverance, partners.

Compensation: Commissions.

Licensed excess/surplus broker in: Texas.

Nathan Trotter Co.

406 W. 34th St., Kansas City, Mo. 64111; 816-531-2266

	1979	1978
Premium vol.	\$3,600,000	\$3,300,000
Gross rev.	\$475,000	\$430,000
Employees	8	8
Commercial bus.	90%	90%

Principal officers: Nathan Trotter, president; Earl Holmes, vp; Fred C. Hall, secretary.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Missouri, Kansas.

U

Ulrich Voorhees Warner Associates

100 Davidson Ave., P.O. Box 228, Somerset, N.J. 08873; 201-469-3000

	1979	1978
Premium vol.	\$15,100,000	\$12,906,000
Gross rev.	\$2,437,000	\$2,138,000
Employees	39	40
Commercial bus.	88%	86%

Principal officers: John N. Voorhees III, CPCU, president; Stephen A. Warner, executive vp; Elliott Rothman, vp-marketing; Allen I. Preville, senior vp; Judith Cohn, assistant secretary.

Compensation: Commissions and fees.

Branch office: Washington, D.C.

Licensed excess/surplus broker in: New Jersey.

Underwriter's Corp. of Ann Arbor

5305 Plymouth Road, Ann Arbor Mich. 48105; 313-761-4616

	1979	1978
Premium vol.	\$1,575,000	\$1,500,000
Gross rev.	\$291,700	\$268,500
Employees	5	5
Commercial bus.	78%	80%

Principal officers: Andre A. Barroso, president; Elaine R. Barroso, secretary/treasurer; Carolyn Nyrkkanen, vp.

Compensation: Commissions.

Licensed excess/surplus broker in: Michigan.

United Coverage Consultants Inc.

124 E. 39th St., New York, N.Y. 10016; 212-725-0505

	1979	1978
Premium vol.	\$8,000,000	\$7,500,000
Gross rev.	\$1,000,000	\$800,000
Employees	13	14
Commercial bus.	90%	90%

Principal officers: Philip M. Schluskel, president/chairman; Alan M. Mack, executive vp.

Compensation: Commissions and fees.

Branch office: Greenwich, Conn.

Subsidiaries: Robert Mack United Inc.; Physicians Insurance Agency; N&T Rosenthal Co.; Philip M. Schluskel Co.; United Coverage Consultants Connecticut Inc.

Licensed excess/surplus broker in: New York.

United Services Agencies Inc.

5201 N. 19th Ave., #125, Phoenix, Ariz. 85015; 602-249-9057

	1979	1978
Premium vol.	\$2,964,000	\$1,389,000
Gross rev.	\$446,100	\$236,700
Employees	9	6
Commercial bus.	67%	78%

Principal officers: Arthur J. Blankenship, CPCU, president; Douglas Christensen, CPCU, and Larry E. Strobel, vps; Kathleen Bishop, secretary.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Arizona.

V

Van Beurden Wigh & Associates Inc.

1615 Draper St., Kingsburg, Calif. 93631; 209-897-2975

	1979	1978
Premium vol.	\$9,500,000	\$7,000,000
Gross rev.	\$1,300,000	\$1,030,000
Employees	28	27
Commercial bus.	90%	90%

Principal officers: William J. Van Beurden, president; Michael S. Oliver, executive vp; Doug Uyeki, Mark Matthews, vps; Reba Pickerell, chief financial officer.

Compensation: Commissions and fees.

Branch offices: Bonaire Assurance of Thousand Oaks, Thousand Oaks, Calif.; Bonaire Assurance of Modesto, Ceres, Calif.

Subsidiary: Bonaire Assurance of San Jose.

Licensed excess/surplus broker in: California.

Truman Van Dyke Co.

6290 Sunset Blvd., Suite 1800, Hollywood, Calif. 90028; 213-462-3300

	1979	1978
Premium vol.	\$4,500,000	\$3,250,000
Gross rev.	\$600,000	\$450,000
Employees	15	15
Commercial bus.	92%	90%

*All but 5% of commercial business is entertainment risk insurance.

Principal officers: Truman Van Dyke Jr., CPCU, president; Rose Van Dyke, secretary/treasurer; Frances H. Duffy, vp.

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Compensation: Commissions.**Variable Protection Administrators Inc.**

650 Pearl Road, Cleveland, Ohio 4130; 216-888-8585

	1979	1978
Premium vol. ...	\$14,862,510	\$7,990,800
Gross rev.	\$1,437,905	\$825,000
Employees	38	18
Commercial bus.	80%	75%

Principal officers: David Maney, president; Timothy Eisenmann, secretary; James Restifo, treasurer.

Compensation: Commissions and fees.

Branch offices: Bellevue, Wash.; Casselberry, Fla.

W**Wagner Taylor Co.**

Ludlow Street at Copley Road, Upper Darby, Pa. 19082; 215-352-4300

	1979	1978
Premium vol. ...	\$2,766,000	\$2,750,000
Gross rev.	\$424,730	\$425,657
Employees	15	15
Commercial bus.	60%	60%

Principal officers: Eugene L. Fiddell, president/treasurer; Harvey K. Partridge Jr., vp; Helen Di Julio, secretary.

Compensation: Commissions. **Acquisition in the past year:** O'Reilly & White Co. of Philadelphia (May 1980).

Francis M. Walley Insurance Agency Inc.

475 High St., Dedham, Mass. 02026; 617-326-8383

	1979	1978
Premium vol. ...	\$1,300,000	\$1,200,000
Gross rev.	\$260,000	\$240,000
Employees	8	8
Commercial bus.	34%	38%

Principal officers: Francis M. Walley, president; Roberta L. Zdankowski, vp.

Compensation: Commissions.

Warren-Hoffman & Associates Inc.

105 Main St., P.O. Box 1100, Niagara Falls, N.Y. 14303; 716-284-9983

	1979	1978
Premium vol. ...	\$5,800,000*	\$4,800,000*
Gross rev.	\$935,000	\$725,000
Employees	21	17
Commercial bus.	85%	82%

* Fiscal year: May 1-April 30.

Principal officers: John D. Hoffman, president; Richard M. Thompson, executive vp; William E. Warren, Leonard R. Cancilla, vps; George L. McGrath, vp-life/ fringe benefits.

Compensation: Commissions and fees.

Subsidiary: Houlihan-Thompson Division.

Warren & Welsh Co.

The Irwin Bldg., King of Prussia, Pa. 19406; 215-337-0330

	1979	1978
Premium vol. ...	\$22,152,000	\$19,473,000
Gross rev.	\$2,513,000	\$2,494,000
Employees	40	40
Commercial bus.	94%	94%

Principal officers: Peter J. Piacentino, president; Montgomery Harris, John G. Daniel, John J. Joyce, senior vps; Stanley A. Welsh Jr., chairman.

Compensation: Commissions and fees.

Branch offices: Atlanta; Blue Springs, Mo.; Fort Worth, Tex.

Subsidiary: Rental Industry Service Inc.

Licensed excess/surplus broker in: Pennsylvania.

Wayland Hancock Insurance Agency

1925 Lexington, Houston, Tex. 77098; 713-528-5383

	1979	1978
Premium vol. ...	\$4,600,000	\$3,900,000
Gross rev.	\$733,000	\$611,000

	1979	1978
Employees	17	17
Commercial bus.	62%	67%

Principal officers: Wayland "Buddy" Hancock, R.J. (Hollis) Waldt and Wilbur Scott, partners.

Compensation: Commissions.

Subsidiary: Wayland Hancock Co. Realtors.

I.R. Weinraub & Co. Inc.

10 Fairview Ave., Westwood, N.J. 07675; 201-666-4900, 212-564-3070

	1979	1978
Premium vol. ...	\$7,100,000	\$5,200,000
Gross rev.	\$678,000	\$590,000
Employees	20	17
Commercial bus.	90%	90%

Principal officers: Irving R. Weinraub, chairman; Mark B. Weinraub, president; Richard W. Dashnaw, Mark Sherry, Stephen D. Kovacs, vps.

Compensation: Commissions and fees.

Subsidiaries: Safety Reliance Corp.; Weinraub & May.

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

Weissman & Weissman Inc.

55 John St., New York, N.Y. 10038; 212-233-7600

	1979	1978
Premium vol. ...	\$5,500,000	\$5,000,000
Gross rev.	\$920,000	\$835,000
Employees	12	11
Commercial bus.	80%	80%

Principal officers: Milton L. Weissman, president; Daniel D. Haber, Stephen B. Weissman, William Bell, vps.

Compensation: Commissions and fees.

Wellington Agencies Inc.

3460 Wilshire Blvd., Suite 401, Los Angeles, Calif. 90010; 213-380-3050

	1979	1978
Premium vol. ...	\$8,297,000	\$7,444,000
Gross rev.	\$1,346,000	\$1,231,000
Employees	30	31
Commercial bus.	80%	79%

Principal officers: Wilbert W. Stein, ARM, president; John Antignas, CPCU, ARM, executive vp; Gerald Richbook, CPCU, ARM, and Earl B. Gross, senior vps; Donald W. Millar, secretary/treasurer.

Compensation: Commissions and fees.

Wharton/Lyon & Lyon

101 S. Livingston Ave., Livingston, N.J. 07039; 201-992-5775

	1979	1978
Premium vol. ...	\$10,206,000	\$8,200,000
Gross rev.	\$1,602,000	\$1,379,000
Employees	36	35
Commercial bus.	80%	78%

Principal officers: Albert L. Klein, CLU, president/chief executive officer; Thomas Rowe, senior vp/chief operating officer; Lillian Feld, secretary/personal lines manager.

Compensation: Commissions and fees.

Acquisition in the past year: Blum Associates Ltd. (May 1980).

Whitsitt Ralston & Stiff Agency Inc.

Box 1028, 801 N. Main, McAllen, Tex. 78501; 512-682-2841

	1979	1978
Premium vol. ...	\$3,750,000	\$3,353,000
Gross rev.	\$640,000	\$560,000
Employees	18	18
Commercial bus.	73%	73%

Principal officers: W.E. Whitsitt, president; R.E. Stiff, vp; Neal King, secretary/treasurer; Max Roesch, vp.

Compensation: Commissions.

John J. Williams Insurance Agency Inc.

141 Milk St., Boston, Mass. 02109; 617-426-4087

	1979	1978
Premium vol. ...	\$2,200,000	\$2,000,000
Gross rev.	\$350,000	\$320,000
Employees	12	11
Commercial bus.	85%	85%

Principal officers: John J. Wil-

liams, president/treasurer.

Compensation: Commissions and fees.

Branch office: Hyannis, Mass.

Subsidiary: Cape & Islands Insurance Agency Inc.

Licensed excess/surplus broker in: Massachusetts, New Hampshire, Maine, Vermont, Rhode Island, New York, California, Texas, Indiana, New Jersey.

Williams Insurance Agency Inc.

116 E. Third St., Crowley, La. 70526; 318-783-6346

	1979	1978
Premium vol. ...	\$2,400,000	\$1,900,000
Gross rev.	\$350,000	\$305,000
Employees	8	9
Commercial bus.	60%	60%

Principal officers: Sims C. Williams, president; Donnaud B. Williams, vp; Sims C. Williams Jr., secretary/treasurer.

Compensation: Commissions.

Mark V. Williamson Co. Inc.

5800 "R" St., Suite 255, Pulaski Center, Little Rock, Ark. 72207; 501-664-7728

	1979	1978
Premium vol. ...	\$1,340,000	\$1,252,209
Gross rev.	\$227,000	\$209,472
Employees	5	6
Commercial bus.	85%	85%

Principal Officer: Mark V. Williamson, president.

Compensation: Commissions.

Licensed excess/surplus broker in: Arkansas.

W.K.P. Wilson & Son Inc.

51 St. Joseph St., P.O. Box 2407, Mobile, Ala. 36601; 205-433-0441

	1979	1978
Premium vol. ...	\$19,800,000	\$19,400,000
Gross rev.	\$2,711,000	\$2,407,000
Employees	63	65
Commercial bus.	85%	85%

Principal officers: B.R. Wilson Jr., chairman; Clifton C. Inge, president; J.R. Rutherford, vp; W.E. Roney Jr., secretary.

Compensation: Commissions.

Licensed excess/surplus broker in: Alabama.

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Agent/Broker Profiles

Continued from previous page
Winchester Insurance Agency Inc.

915 N. Bascom Ave., San Jose, Calif. 95128; 408-247-8336

	1979	1978
Premium vol.	\$5,160,000	\$3,630,000
Gross rev.	\$820,000	\$605,000
Employees	17	14
Commercial bus.	80%	75%

Principal officers: Terrance Espeland, Daniel McDonald, Michael Mitchell, Christopher McDonald.
Compensation: Commissions.

Branch office: Fremont, Calif.

Sol L. Wisenberg Insurance Agency

4801 Woodway, Suite 100 E., P.O. Box 983, Houston, Tex. 77001; 713-622-5200

	1979	1978
Premium vol.	\$16,109,548	\$13,213,955
Gross rev.	\$2,481,222	\$1,902,179
Employees	48	44
Commercial bus.	85%	87%

Principal officers: Avrohm I. Wisenberg, chairman; Irving Pozmantier, president; Joe L. Williams, CPCU, vp; Bernard T. McQueeney, CPCU, vp.

Compensation: Commissions and fees.

Woodsmall, Frick & Innis Inc.

2480 Pershing Road, Kansas City, Mo. 64108; 816-421-7788.

	1979	1978
Premium vol.	\$11,530,000	\$9,200,000
Gross rev.	\$1,432,800	\$1,269,550
Employees	41	31
Commercial bus.	90%	90%

Principal officers: W.C. Woodsmall, chairman; Peter L. Woodsmall, president; Thomas E. Klug, senior vp; J. Michael Brewer, Richard L. Shanks, vps.

Compensation: Commissions and fees.

Subsidiary: Group Plans Agency.

Licensed excess/surplus broker in: Missouri, Kansas.

Woodward & Williamson

15 Exchange Place, Jersey City, N.J. 07302; 201-434-1772

	1979	1978
Premium vol.	\$2,350,000	\$2,321,000
Gross rev.	\$400,730	\$387,520
Employees	7	6
Commercial bus.	70%	70%

Principal officers: Herbert Marshall Jr., president/treasurer; Phillips W. Marshall, vp/secretary.

Compensation: Commissions and fees.

Worgess Agency Inc.

55 N. McCamly, P.O. Box 1678, Battle Creek, Mich. 49013; 616-965-3221

	1979	1978
Premium vol.	\$4,191,000	\$3,400,000
Gross rev.	\$695,000	\$705,845
Employees	18	18
Commercial bus.	55%	60%

Principal officers: Russell V. Worgess, president; Donald R. Worgess, vp; Douglas Worgess, assistant vp; Robert Worgess, treasurer; Richard Worgess, assistant treasurer.

Compensation: Commissions.
Branch office: Marshall, Mich.

John L. Wortham & Son

2727 Allen Parkway, Houston Tex. 77019; 713-526-3366

	1979	1978
Premium vol.	\$88,181,702	\$33,347,000
Gross rev.	\$10,529,112	\$9,519,334
Employees	223	217
Commercial bus.	93%	92%

Principal officer: Allen H. Caruth, managing partner.

Compensation: Commissions and fees.

Branch offices: Dallas, Midland, Tex.

Subsidiaries: John L. Wortham

& Son Inc.; John L. Wortham & Son Investments Inc.; John L. Wortham & Son Bermuda Ltd.; Services for Risk Handling Inc.

Licensed excess/surplus broker in: Various states.

Wright & Co.

1001 Connecticut Ave. N.W., Washington, D.C. 20036; 202-331-1550

	1979	1978
Premium vol.	NA	NA
Gross rev.	\$1,338,000	\$1,300,000
Employees	25	25
Commercial bus.	98%	98%

Principal officers: Frank L. Wright, president; Betty R. Wright, treasurer; Michael R. Ward, vp; Peter F. Love, vp-property/casualty; Thomas K. Rogers, vp-group insurance/allied lines.

Compensation: Commissions and fees.

Branch office: London.

Subsidiaries: Wright International; Inter-American Assurance Co. Ltd.; TAMINCO Assurance Services; The Arab Middle East Insurance Co. (affiliates).

Licensed excess/surplus broker in: District of Columbia, Virginia.

Y

Yale Goldman Insurance Agency Inc.

1191 Washington St., Newton, Mass. 02165; 617-332-6360

	1979	1978
Premium vol.	\$1,057,894	\$1,011,766
Gross rev.	\$205,367	\$203,589
Employees	7	7
Commercial bus.	70%	65%

Principal officers: Yale Gold-

man, CLU, CPCU, ARM, president; Marilyn Manzoli, vp/adm. inistration; Norma Goldman, treasurer.

Compensation: Commission and fees.

Subsidiary: Yale Goldman Investment Co.

Licensed excess/surplus broker in: Massachusetts.

Young & Simon Inc.

1050 31st. N.W., Washington, D.C. 20007; 202-337-0100

	1979	1978
Premium vol.	\$10,500,000	\$8,700,000
Gross rev.	\$1,480,000	\$1,300,000
Employees	38	42
Commercial bus.	92%	92%

Principal officers: Maury Young, president; Richard Young, vp; Robert Lachin, secretary/treasurer.

Compensation: Commissions.

Licensed excess/surplus broker in: District of Columbia, Maryland.

Z

Zillgitt & Wright Insurance Agents & Brokers

330 Washington St., Marina Del Rey, Calif. 90291; 213-822-1221

	1979	1978
Premium vol.	\$6,900,000	\$6,800,000
Gross rev.	\$1,000,000	\$990,000
Employees	30	30
Commercial bus.	60%	64%

Principal officers: Preston B. Zillgitt, chairman; Charles M. Wright, president; Robert Gerughty, vp.

Compensation: Commissions.

Branch office: Newport Beach, Calif.

Here's a list of agencies by state, city

ALABAMA

Birmingham

Johnson-Rast & Hays Co.
 McGriff & Seibels Inc.

Mobile

Pickett & Adams Insurance Inc.
 W.K.P. Wilson & Son Inc.

ALASKA

Ketchikan

Porter-Spaulding Inc.

ARIZONA

Phoenix

Beal & Associates Insurance Counselors Inc.
 Lasher-Cowie Agency Inc.
 Olliver/Pilcher & Associates
 United Services Agencies Inc.

Scottsdale

Anderson-Reeve & Associates Inc.

ARKANSAS

Harrison

John Campbell Insurance Agency Inc.

Little Rock

Atkins Insurance Corp.
 Hardin & Wilson Inc.
 Mark V. Williamson Co. Inc.

CALIFORNIA

Burbank

Eastman & Co. Insurance

Brokers

Carmel

Brown-Spaulding & Associates Inc.

El Segundo

Guy A. Main & Co.

Exeter

NSE Insurance Agencies Inc.

Hollywood

Truman Van Dyke Co.

Kingsburg

Van Beurden, Wigh & Associates Inc.

Lafayette

Bone, Robertson McBride Inc.

La Jolla

Corey Insurance Agency Inc.

Los Angeles

Bayly, Martin & Fay International Inc.
 Emmett & Chandler Inc.
 Kindler & Laucci Group
 Penn General Agencies
 Wellington Agencies Inc.

Marina Del Rey

Zillgitt & Wright Insurance Agents & Brokers

Newport Beach

Anderson & Anderson Insurance Brokers

North Hollywood

Triangle Insurance Inc.

Oakland

Bottari, Holland & Sweetman

Palo Alto

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San Jose

Winchester Insurance Agency Inc.

San Mateo

Calco Insurance Brokers & Agents

Santa Ana

Republic Insurance Brokers Inc.

Santa Fe Springs

Dain Insurance Agency
Systems VII Insurance Services
Inc.

Stockton

Dohrmann-King Co. Inc.

Sunnyvale

Alpha I Insurance Brokers Inc.

Torrance

Cal-Surance Associates
Keenan & Associates

Tustin

Insurance Benefits Inc.

Van Nuys

Osterloh & Durham Insurance
Brokers of North America Inc.

Whittier

Davidson, Pierson & Roth Inc.

Woodland Hills

Patrick C. Ross Associates
Insurance Services

COLORADO**Denver**

Byerly & Co. Inc.
Day, Webb & Taylor Inc.

Sterling

Dowis Agency Inc.

CONNECTICUT**Bridgeport**

Beardsley, Brown & Bassett Inc.
Insurance Center of Southern
Connecticut Inc.

Danbury

G-A Insurance Agency Inc.
(Goodfellow-Ashmore Inc.)

Fairfield

Keator Smith Inc.

New Canaan

Libration Point Consultants Ltd.

Norwich

RL&G Agency Inc.

Torrington

Litchfield County Agency Inc.

Waterbury

Associated Services Inc.
Hollis D. Segur Inc.
Root & Boyd Inc.

DISTRICT OF COLUMBIA

International Risks Inc.
The Mutual Insurance Agency
Inc.
Wright & Co.
Young & Simon Inc.

FLORIDA**Daytona Beach**

Jay Adams & Associates Inc.

Fort Lauderdale

Contini-Jensen Inc.

Hollywood

Smith Watson Parker Inc.

Melbourne

Rodes-Roper-Love Insurance
Agency Inc.

Miami

Gallagher-Cole Associates
Seitlin & Co.

Plantation

Mark IV Insurance Agency Inc.

St. Petersburg

Bennett Wallace Welch & Green
Insurance Inc.

Tampa

Poe & Associates Inc.

GEORGIA**Savannah**

McLaughlin & Co.

HAWAII**Honolulu**

King & Neel Inc.

ILLINOIS**Arlington Heights**

Kehe, Foy & Snelten Insurance
Agency Inc.

Chicago

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Associated Agencies Inc.
Byrne, Byrne & Co.
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James S. Kemper & Co.
Kruger Insurance Agency Inc.
Lamb Little & Co.
Mack & Parker Inc.
McManus & Pellouchoud Inc.
Rollins Burdick Hunter Co.
Ryan Insurance Agency Group

Robert M. Schray Co.

Elmhurst

Davis-Grosse Inc.

Hinsdale

Charles M. Griffith Inc.
Morency & Associates Inc.

Oak Brook

Boockford & Co.

Palos Heights

Payan-Stitt Corp.

Rolling Meadows

Executive Motivation Inc.
Arthur J. Gallagher & Co.

Schaumburg

Financial Insurance Service Inc.
Industrial Insurance Agency Inc.

INDIANA**Camden**

The Pettiner Agency Inc.

Elkhart

St. Joseph Valley Bank—
Insurance Division & SVJ
Insurance Inc.

Hobart

J.D. Smith & Associates

Indianapolis

Associated Insurance Managers
Inc.

IOWA**Council Bluffs**

Insurance Agents Inc.

KANSAS**Kansas City**

Merriam, Ellis & Benton

Wichita

Insurance Management
Associates Inc.

KENTUCKY**Louisville**

Harris & Co.
Nahm, Turner, Vaughan &
Landrum Inc.
Allen M. Reager Co.

LOUISIANA**Crowley**

Williams Insurance Agency Inc.

Monroe

Seymour Insurance Agency Inc.

New Orleans

Kessler-Bodenheimer Inc.

MAINE**Rockland**

W.C. Ladd & Sons Inc.

MARYLAND**Baltimore**

Consolidated Insurance Center
Inc.
Strasco Insurance Agency Inc.

MASSACHUSETTS**Beverly**

Leslie S. Ray Insurance Agency
Inc.

Boston

Mahoney & Wright Insurance
Agencies
Storer, Damon & Lund
John J. Williams Insurance
Agency Inc.

Dedham

Francis M. Walley Insurance

Agency Inc.

Lynn

Admiral Insurance Agency Inc.
Columbia Insurance Agency Inc.

Mansfield

New England Security Insurance
Agency Inc.

Methuen

Catalano Insurance Agency Inc.

Natick

Carlin Insurance

Newton

MacIntyre, Fay & Thayer
Insurance Agency Inc.
Yale Goldman Insurance Agency
Inc.

Worcester

Insurance Marketing Agencies
Inc.

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Worgess Agency Inc.

Bloomfield Hills

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Flint

Braun & Braun Inc.

Holland

Holland Insurance Agency Inc.

Howell

Akin-Akin Inc.

Huntington Woods

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Tupelo
IFM Insurance Inc.

MISSOURI

Kansas City
Financial Guardian
Insurance Group
Haas & Wilkerson Inc.
Insurance Management Corp.
(of Kansas City)
Nathan Trotter Co.
Woodsmall, Frick & Innis Inc.
St. Louis
Lawton-Byrne-Bruner Insurance
Agency Co.

MONTANA

Helena
Montana International
Insurance Inc.

NEW HAMPSHIRE

Nashua
The Sadler Insurance
Agency Inc.
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Westwood
I.R. Weinraub & Co. Inc.

NEW MEXICO

Roswell
RBS Insurance

NEW YORK

Albany
Austin & Co. Inc.
Binghamton
Couper-Ackerman-Sampson Inc.
Briarcliff Manor
Frank B. Hall & Co. Inc.
Bronxville
Coulter & Groner Inc.
Buffalo
Buffalo Fire Office Inc.
E.T. Clauss & Co. Inc.
Edmund D. Stevens Inc.
East Islip
James F. Sutton Agency Ltd.
Great Neck
American Coverage Corp.
National Preferred Risks Inc.
Richard-Thomas Agency

Haverstraw
The Ducey Agency Inc.
Jericho
National Coverage Corp.
Manhasset
Hess Morris Lebonson Inc.
Monticello
Gersten-Hillman Agency Inc.
Rhulen Agency Inc.
Nanuet
Carpezzi Agency Inc.
Don Liebert Inc.

New York City
Alexander & Alexander Inc.
BRI Coverage Corp.
Corroon & Black
Frank Crystal & Co. Inc.
Euclid Services Inc.
Foa & Son Corp.
Frankel & Co. Inc.
Joseph G. Gray & Co. Inc.
Group Services
Administrators Inc.
H&R Phillips Inc.
Joseph Held Co. Inc.
Johnson & Higgins
Walter Kaye & Associates Inc.
The Kooper Group
Krasner/Arcadia Group Inc.
Marsh & McLennan Cos. Inc.
Montgomery & Montgomery Inc.
John M. Riehle & Co. Inc.
Schiff Terhune International Inc.
Schwartz, Hirtenstein & Co. Inc.
Carl S. Stecker & Associates
DeWitt Stern, Gutman & Co. Inc.
United Coverage Consultants Inc.
Weissman & Weissman Inc.

Niagara Falls
Warren-Hoffman & Associates Inc.

Pittsford
L.G. Loomis & Co. Inc.
Roslyn
Richard-Thomas Agency
Roslyn Heights
Friedman & Friedman Agency Inc.

Scarsdale
John G. Lambros Co. Inc.

Schenectady
A.W. Lawrence & Co. Inc.
Ter Bush & Powell Inc.

Staten Island
D.M.A.S. Inc.

Utica
Sidney I. Friedlander Inc.

Valley Stream
All Coverage Agency Inc.
Nussbaum-Brunell
Associates Inc.

White Plains
Capitol Risk Concepts Ltd.
David Bynam Insurance Inc.

OHIO

Cincinnati
Walter P. Dolle Inc.
Cleveland
Variable Protection
Administrators Inc.
Columbus
The McElroy-Minister Co.
Findlay
Spencer-Patterson Agency Inc.
Gibsonburg
Securance Services Inc.
Independence
Corporate Risks Agency Inc.
Lima
O'Connor-McLaughlin Co.
Rocky River
McGowan & Co. Inc.

OKLAHOMA

Oklahoma City
North American Insurance
Agency Inc.

PENNSYLVANIA

Ardmore
The Simkiss Cos.

Bala Cynwyd
Carnett Agency Inc.
Chambersburg
McDowell Insurance Inc.
Erdenheim
Clair Insurance Agency Inc.
Erie
Samuel P. Black &
Associates Inc.
Schlaudecker, James & Hart Inc.

Jenkintown
Palley Simon Assn.

Johnstown
The Gleason Agency Inc.

King of Prussia
Warren & Welsh Co.

Newtown
Johnson, Kendall & Johnson Inc.

Philadelphia
The Hirshorn Co.
Paul Hertel & Co. Inc.
H.C. Knight & Co.

Pittsburgh
Babb Inc.
The Frankel Co.

Upper Darby
Wagner Taylor

RHODE ISLAND

Providence
International Excess & Treaty
Managers Inc.

Woonsocket
Keough-Kirby Associates Inc.

SOUTH CAROLINA

Lake City
Epps-McLendon Co. Inc.

SOUTH DAKOTA

Rapid City
Black Hills Agency Inc.
Sioux Falls
Howalt-McDowell Insurance Inc.

TENNESSEE

Athens
Athens Insurance Co. Inc.
Memphis
Cook, Treadwell & Harry Inc.
E.H. Crump Cos. Inc.

TEXAS

Amarillo
DeGrassi-Bates Insurance Inc.
Jim Perkins Insurance Agency
Austin
C.A. Schutze Agency
Southwest Insurance Assn. of
Austin Inc.
Beaumont
Gulf Coast Insurance
Corpus Christi
National Insurance Agency
Shelton Insurance Agency Inc.
Dallas
Ligon, Gump & Ligon
Arthur L. Owen Co. Inc.
Producers Exchange Inc.
Ft. Worth
L.T. Barton Insurance
Houston
David Bynam Insurance Inc.
Ehrman, Murphy & Co.
Houston Mutual Agency Inc.
Wayland Hancock Insurance
Agency
Sol. L. Wisenberg Insurance
Agency
John L. Wortham & Son
McAllen
Whittsitt Ralston & Stiff
Agency Inc.
San Antonio
Harding-Conley-Drawert-Tinch

Insurance Agency Inc.
San Angelo
Trimble-Batjer-Cobb Insurance
Sherman
Harris, Hall, Blanton & Dunham

UTAH

Salt Lake City
ATP Insurance Inc.
Fred A. Moreton & Co.

VERMONT

Burlington
Hackett, Valine &
MacDonald Inc.
Smith Bell & Thompson Inc.
Rutland
Kinney, Pike, Bell & Conner Inc.

VIRGINIA

Richmond
Grinnan, Harris, Tabb & Co. Inc.

WASHINGTON

Bothell
Marshall Paris Insurance Inc.
Spokane
May-Davis Inc.

WISCONSIN

Brookfield
First Associated Insurance
Agencies Inc.
Delavan
Johannesen-Farrar Inc.
Lake Geneva
Interstate Insurance Group Inc.
Milwaukee
Fitzgerald, Clayton, Noyes &
Kasten Inc.
Laub Group Inc.
Robertson-Ryan &
Associates Inc.
Racine
Insurance Planning
Consultants Inc.

CANADA

Edmonton
Sheppard, Downing & Coleman
Insurance Service Ltd.
Montreal
Seymour Alper & Co. Ltd.
Lachance, Bertrand, Benoit &
Lavigne Ltd.
Morris & MacKenzie Ltd.
Osborn & Lange Inc.

St. John's
Crosbie Reed Stenhouse Ltd.

Toronto
Dale & Co. Ltd.
Reed Stenhouse Cos. Ltd.
Tomenson Saunders Whitehead
Ltd.

CENTRAL AMERICA

Guatemala City, Guatemala
Tecnicos En Seguros S.A.

PUERTO RICO

Santurce
Saldana & Associates Inc.
Old San Juan
South Continental Insurance
Agency Inc.

SOUTH AMERICA

Cali, Colombia
De Lima Y Compania

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Few risk execs put faith in franchises

Continued from page 11

the greatest success with "the mid-sized firm that generally does not have a full-time risk manager," suggested Larry Bell, assistant vp of risk management at Revco Drug Stores Inc. in Twinsburg, Ohio.

"Big brokers often can't give the type of personal service they need," he said.

"A lot of my colleagues are getting fed up with the lackadaisical attitude on the part of the alphabet houses," added R.R. Fogtman, risk manager for Geosource Inc. "A lot of risk managers should be looking at the brokers who are hungry and can offer good service."

Marketing groups, he declares, "have a future," but they must constantly strive to offer more professional service.

Some of the groups' services have yet to be tested. ISU, Brokers Trust and ICA have yet to field their first request for risk management services. Insgroup offered only marketing help until its recent commitment to technical service.

But ARM, Assurex and Marketing Management Co. Inc. of Birmingham, Ala., a franchise mass-marketer, have all earned a cadre of loyal followers.

MMI, which mass-markets group policies to trade associations and additional safety help, has won over several industry groups.

One of these trade groups, the Menswear Retailers of America,

chose MMI because "it suited our members' needs."

Jann Walker, MRA's director of member services, told *BI* MMI's package policy was cheaper than other broker quotes. It was "in the neighborhood of 10% to 15% cheaper upfront and then the premium refund." Mr. Walker estimated policyholders received 12% in premium refunds in the three years MRA has used an MMI program.

The convenience of a comprehensive package also helped sell the membership. "Instead of six policies, now we need just one," he explained.

In other industries, MMI has stepped in to fill specific insurance needs. Jewelers, for example, suffered high rates fueled by many thefts.

Bill Preston, chairman of the Jeweler's Insurance Trust, said an MMI program was an "effective alternate source for keeping premiums down" by winning group rates.

ARM, too, has earned the reputation as a troubleshooter and miracle worker for trade groups with insurance rate problems. The Empire State Assn. of Adult Homes in Albany, N.Y., turned to ARM for understanding.

Members of the association had been plagued with insurance problems in the past, partly because adult homes were lumped together with higher-risk nursing homes in

Risk Manager's Guide to Broker Group Services

	Risk management	Excess/surplus placement	Captive management	Mass marketing	Shared coverage & market info	Data bank
Assurex	•	•	•	•	•	•
Insgroup	•	•	•	•	•	•
ISU	•	•	•	•	•	•
Broker's Trust	•	•	•	•	•	•
ARM	•	•	•	•	•	•
MMI	•	•	•	•	•	•
IMS & IG	•	•	•	•	•	•
ICA	•	•	•	•	•	•

*Sponsors group plan for small firms through affiliate
**Programs vary from local group to group

most liability policies, explains Susan Teerless, president of the association.

"Nobody understood the unique nature of medical malpractice," she remarked.

Last year the association purchased a fire and liability policy through ARM.

"We did a lot of research before getting into this program," Ms. Teerless noted. ARM's lower rates and its network of "well-known, reputable people who aggressively search the market" won ARM the program.

Working with ARM brokers "who have a stake in the community" is a plus, especially for adult-home operators, she adds.

Another trade group, the Empire State Petroleum Assn., cited ARM for "filling the needs of industry."

"It's a statewide organization offering a product that is well-priced and fits the bill of what we need," said Monroe A. Golfer, the association's chairman. "And they're doing a good job of it."

Though the jury is still out, the aggressiveness of the eight groups

profiled in this issue indicate a new competitive force is born. At least one risk manager who religiously uses an alphabet broker is thinking twice.

Vulcan Materials insurance manager Bernie Bumpers says he is satisfied with the service provided by Johnson & Higgins and a local broker. But if he had unique insurance needs, Mr. Bumpers says, he would consider dealing with MMI, which has tried to sell him before.

That's all the start the broker groups are seeking.

ISU will woo regional agents

SAN FRANCISCO—With a \$15 million bankroll and industry heavy hitters behind it, ISU Cos. is the big gun of the agency franchise business.

Soliciting medium-to-large independent agencies with promises of insurance expertise, risk management services, a buy-back agreement and agency management help, ISU plans to organize 2,000 agencies under its banner by 1982 (*BI*, June 9).

ISU's premise, according to Thomas J. Ryan, chairman of the board, president and chief executive officer, is that the firm will be able to help small agents and brokers compete with the big national brokerages for large risks.

ISU is concentrating its first efforts in its home state of California, and company officials promise an announcement of the core group of members this fall. ISU is targeting agencies with commissions of more than \$200,000 a year, but many of the larger agencies have also shown interest in the concept, Mr. Ryan said.

"We're pinpointing our efforts right now on 50 firms in California," he said. "We were slightly surprised, however, at the size of firms that are interested in us. Many of the firms have commissions of \$1 million and up."

The firm has also dropped its initial fee schedule from 6% of gross revenues annually to 4%. ISU's "Founders Group," the first 10 agencies in a given territory, will pay only 3% in exchange for some initial input into the ISU system, a spokesman said.

In addition, the franchiser has waived the service fee for the first year for the system, meaning agencies can join for the basic \$10,000 initiation fee and have ISU services demonstrated to them.

Funding for ISU comes from former Transamerica Corp. president Edward L. Scarff and investment firm Merrill Lynch & Co. With this backing, the franchise has been able to attract industry notables.

ISU now employs 30 persons, down from 38 at one time, officials say. The decline, however, comes from employees who were lent from other firms to do specific tasks. These tasks are now finished, Mr. Ryan says.

Like other agency groups, advertising to attract buyers plays a key role in ISU plans. The firm is revising its print advertising campaign and has completed local television ads.

ISU will offer member agents:

- Insurance expertise. Territorial consultants, a national 24-hour "answer-line" and insurance-related research will combine to answer franchisee's questions about the insurance industry, officials say. The answer line is already operating for initial members.

- Education and training. ISU plans to offer educational seminars for members and evaluate courses held by other groups.

- Financial services. Under the ISU plan, franchisees will be able to sell their agencies at any time to ISU for a price equal to annual gross revenues. ISU cannot force agencies to sell, however. The service is intended to allow ISU members to use this value as bank collateral, Mr. Ryan says.

Assurex shares services

COLUMBUS, Ohio—Assurex International executive vp Robert Ashlock doesn't mind that most corporate insurance buyers don't know what his organization is all about.

"If they know that Nahm, Turner, Vaughan & Landrum is the best agency in Kentucky, that's exactly what we want," Mr. Ashlock said.

The Kentucky agency is one of Assurex's 57 partner firms in North America, which pack \$1.5 billion in combined premium volume. In addition to Canada and Mexico, Assurex has member agencies in 14 other nations.

Assurex is not trying to promote itself, but rather seeks to "organize, create and act as catalyst" to help partner firms serve corporate clients, Mr. Ashlock says.

Assurex partners, shareholders in the global corporation, meet frequently in regional and general meetings to share technical expertise and professional services. Close cooperation of partners is the Assurex philosophy.

The broker group, incorporated in 1970, is an outgrowth of Insurance Services Assn., an affiliation of leading independent brokers founded in 1954.

The corporation maintains a data bank and risk management institute at its Columbus, Ohio, headquarters to provide information on markets, coverages, competitors, industry trends and legislation for the benefit of its partner firms.

The Assurex Risk Management Institute offers a broad range of services and training including safety engineering, loss control, self-insurance administration and captive formation and management. Risk management training for member brokers is a prime target.

The organization offers partners shared "technical capabilities of national brokerages" at the judgment of the local agent, Mr. Ashlock notes. If a partner needs a

market for some special coverage, Assurex will help find it.

"Partner firms are completely willing to share any information," including financial data concerning their operations, he said.

In many ways, Assurex functions as a single large broker whose local offices have extreme autonomy. Like a large national brokerage, the group tries to stay on top of risk management and marketing developments.

Like the largest national brokerages, Assurex is looking to Lloyd's of London.

Assurex may soon adopt as a partner "a large Lloyd's of London

broker," Mr. Ashlock said. This move, he says, will put Assurex in tune with what other national brokerages are doing, but will not affect day-to-day operations of members.

But Mr. Ashlock is quick to point out, however, that the Ohio-based organization is "significantly different" from other brokers, agency associations and marketing groups.

Unlike various recently formed franchises that target agents, Assurex is "strictly client-oriented" and "not actively seeking additional shareholders," Mr. Ashlock said.

Insgroup promises expanded resources

DENVER—Beginning a new period of expansion, Insgroup promises much to members and buyers. The group plans to announce a "huge new array of services and resources."

Insgroup president Robert Howey declined to divulge a "laundry list" of new services, but said they would include risk management services.

While waiting for the new services, the 100-member association is gearing up for rapid expansion. Insgroup is aiming for 300 additional associates and a combined premium volume of \$4.8 billion by 1985, a giant increase from about \$600 million in 1980, Mr. Howey said.

Founded in 1975, Insgroup is a nationwide association of independent property/casualty insurance agents that average \$6 million in premium volume. Its headquarters are in Denver.

Insgroup, which Mr. Howey concedes has been a "bootstrap effort for a long time," is now broadening its organizational structure, too. Underwriting authority is one key

to more growth, he says.

Insgroup currently operates a program with Zurich-American Insurance Cos. that grants underwriting authority to associates and is negotiating with several other insurers to special underwriting programs.

"A participative relationship with insurers is essential," Mr. Howey said.

"The arm's-length relationship with the supplier and sales department is often counterproductive."

However, Mr. Howey warns against the "misconception" that underwriting authority was Insgroup's main goal. The organization is involved, he notes, in "across-the-board dealings with all aspects of agency operation."

To join Insgroup, an agency must meet a 54% or better loss ratio for insurers, 15% real growth and the peer approval of friendly competitors. The entrance fee for Insgroup is \$3,500.

Although Insgroup has not previously done much advertising on behalf of its associates, Mr. Howey said reorganization plans call for advertising "in spades."

Agencies' ARM nears its goals

ALBANY, N.Y.—From a handful of independent agents that banded together more than a decade ago in Indiana, the Assn. of Risk Managers has grown to more than 400 agents in 38 states and Canada.

ARM today reflects the goals of its original founders: to provide collective resources and benefits to independent agents without infringing on their valued independence, officials say.

"The specific purpose of ARM," according to the group "is to research, plan, develop, place and manage individual insurance programs for members of trade associations and franchise groups, to provide maximum coverage on the most favorable terms, at the lowest possible cost."

These are big goals for the jointly owned organization.

Unlike franchising ventures such as ISU, MMI and Broker's Trust, ARM is completely owned and operated by its shareholder members. Each of the nation's 30 ARM groups sponsors its own programs and operates independently.

However, members try to cooperate and exchange information across state and regional lines. A marketing program successful in one state, for example, is frequently exported to ARM groups in other states, similar to the operation of Assurex, another agent group.

The average ARM agency, says Larry O'Brien, head of the New York ARM chapter, is a large and strategically located independent agency with 70% of its business in commercial lines and \$4 million in annual written premium volume.

Each agency has an assigned marketing territory in which it has exclusive rights to ARM programs.

Working primarily on a statewide basis, ARM relies on what Mr. O'Brien terms "controlled cohesive marketing" to open new markets—primarily industry associations and trade groups—for its member brokers.

Through its collective resources, ARM is able to gain access to a much wider spectrum of the insurance marketplace. "We search the market in the same sense a broker searches the market," he said.

ARM capitalizes on its collective resources through what it calls "single company" relationships with insurers.

"The first ARM group sought out a major carrier which wanted but did not have, a major commercial presence in the state or in their agencies," Mr. O'Brien explained.

"In 1974, they were represented by one of 16 ARM members; in 1975 they were represented by all 16 and underwrote \$1 million in business.

"Each agent had full commissions and profit sharing, and more importantly, preferred access to the company based on ARM's total volume," he said.

Through combined insurance, buying power, ARM says it offers coverage benefits and cost-savings unavailable on an individual basis.

Through its statewide broker network, ARM also says it can service multi-location accounts and tailor special programs for associations and trade groups.

Other ARM services range from captive management and administrative services to safety programs and educational seminars.

The seminars, which feature speakers drawn from ARM's own ranks, stress product information and development of expertise in specialized fields.

MMI sets agency standards

BIRMINGHAM, Ala.—Marketing Management Co. Inc. likes to describe itself as an organization of "Main Street agents." But even though the 300 MMI agents across the nation are not concentrated in big cities, they are no small-time operators. The typical agency does 74% of its business in commercial lines and produces \$2.6 million in property/casualty premiums each year.

To join MMI, a franchise group, each agency must maintain a sales and marketing program that meets MMI performance standards and pay MMI an initial fee of \$2,500 and an annual service fee of \$1,025.

Founded in 1969, MMI has pioneered the field of commercial mass marketing. Unlike the Assn. of Risk Managers, which operates primarily on a statewide basis, MMI deals directly with national trade associations. The Birmingham-based operation has 25 nationwide trade groups on an exclusive contract.

"Our primary service," said MMI president Ken Williams, "is the managing of business insurance for these trade groups."

Commercial mass marketing can grant buyers lower rates through collective purchasing power, reduced administrative expenses and more available and broader coverage designed for the unique needs of a certain industry, Mr. Williams says.

Through Management Services Inc., an affiliate of MMI, each mass-marketing program includes a tailored loss-control program for that industry.

"The glue that holds these programs together is safety dividends," Mr. Williams said. The claims experience of a group, he notes, determines the schedule of refunds to policyholders.

As a byproduct of property/casualty insurance sales, MMI agents also offer risk management services and administration plans for self-funded employee benefits.

ICA battles for leverage

STRATFORD, Conn.—Paul Burgher is out to save the independent agent. He joins a host of others.

Armed with reams of statistics and press kits, the Connecticut insurance agent is set to battle the big brokers and direct writers on behalf of the beleaguered independents.

In the process, he hopes to establish a nationwide network of 5,000 smaller-sized independent agents by 1985.

Mr. Burgher believes independent agents are in big trouble, and franchising is the obvious answer. In this judgment he echoes other franchisers, including ISU, MMI and Brokers Trust.

The independents' share of the property/casualty insurance market has plunged to 43% from 80% over the past 10 years, he estimates. At the same time the market grew to \$90 billion from \$33 billion.

"Leverage in the form of franchising is what's needed to insure the prosperity of the independent agent from increasingly stiff com-

petition from direct writers and other financial institutions," Mr. Burgher said.

"Providing the kind of visibility normally associated only with larger organizations is one way to achieve that."

As president of the recently formed Insurance Consortium of America, Mr. Burgher started selling independent agencies on his franchising concept only two months ago. He expects to have 15 franchises by the end of the summer and hopes to establish a national presence by January.

The initial fee for ICA agents is \$6,000 amortized over five years and 3% of entry-level gross income.

ICA is trying to reach agencies with commission income of \$100,000 to \$200,000, Mr. Burgher said. While these agencies may do less than 50% of their business in commercial lines, Mr. Burgher says, the ICA strategy would help them land more lucrative accounts by freeing agency principals from

Agent / Broker Profiles

"noncritical areas."

To attract corporate buyers, ICA has formulated what it calls its "Declaration of Independents." The main attraction is a pledge to offer insurance rates that are "less than or equal to any competitive coverage."

In addition, ICA offers a free insurance survey, an emergency hotline to contact agents and an "early warning system" alerting buyers to changes in laws requiring changes in coverage.

The ICA staff, still incomplete, consists of the 25 employees at Mr. Burgher's own agency, Burgher & Burgher Inc. in Stratford, Conn.

Mr. Burgher reports that he and his brother Martin have an investment "in excess of \$100,000" in the franchising venture, but expect to fund "close to \$200,000 in the near future."

Groups sell marketing aid

SANTA MONICA, Calif.—In the professional world of the independent commercial insurance agent, George Nordhaus seems to be everywhere.

As founder, president and chief executive officer of Insurance Marketing Service and Insurorsgroup, he distributes books and tapes, conducts seminars and publishes six newsletters with a total circulation of eight million.

A former executive vp of Insurors of Tennessee and founder of Insurors Press, Mr. Nordhaus is selling agencies the marketing and management tools he believes they need to carve out a bigger chunk of the insurance buying marketplace.

Both Insurance Marketing Service and Insurorsgroup share marketing information, but each is targeted to a different audience.

IMS is an association of 1,500 agencies with a median premium volume of \$3 million a year.

The more select Insurorsgroup is composed of 104 agencies with an average premium volume of \$10 million.

Members of Insurorsgroup, which is broken down into four regional organizations, meet quarterly to attend marketing seminars, share management ideas and exchange financial services. The annual membership fee is \$1,500.

About 80% of Insurorsgroup members also belong to IMS, which puts most of its effort into the publication of six specialized newsletters, Mr. Nordhaus notes. Subscribing member agencies

distribute the newsletters—covering insurance and risk management, safety management, personal protection, trucking, construction and financial services—to their customers or prospects.

"Agencies understand the need to stay in touch, but they don't have the expertise to write newsletters themselves," Mr. Nordhaus said. "They would rather spend their time selling insurance. And it's a lot less expensive to deal with us than to do it themselves."

The newsletters, most of them published bimonthly, cost subscribers \$1,000 a year. Each subscribing agency receives an aver-

age of 1,000 to 1,500 newsletters, and many receive more than one publication to send to buyers.

The California-based operation also produces and distributes six cassette tapes a year to each member agency.

The cassettes, featuring interviews with successful and knowledgeable agents in the field, focus on sales and marketing techniques.

IMS also sponsors approximately 40 seminars a year in major cities, featuring top sales marketing people as speakers. The average attendance, Mr. Nordhaus says, ranges from 300 to 600.

Brokers Trust targets both agents and buyer

SANTA BARBARA, Calif.—Targeting 5,000 agencies with premiums of \$500,000 to \$2 million, Brokers Trust president Michael Levinson says he too wishes to get the independent agency some big commercial risks.

Mr. Levinson's solution is Brokers Trust, which has been selling to outside individuals the right to solicit Brokers Trust franchisees in six Western U.S. regions.

A substantial part of the Brokers Trust franchise dollar will go into a marketing campaign being redeveloped by advertising agency J. Walter Thompson. The national campaign will target both poten-

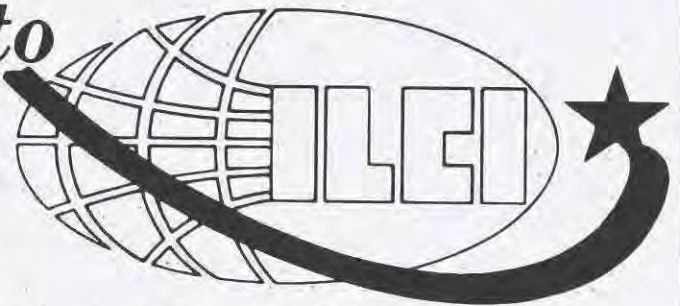
tial franchisees and insurance buyers, Mr. Levinson says.

Franchisees will also receive an operations and sales manual containing tips on increasing sales, a Brokers Trust newsletter and a toll-free number to solve brokers' placement-related problems.

The West Coast firm also plans to initiate risk management services and placement of excess/surplus lines after the Brokers Trust effort in the six regions goes into full swing Sept. 1.

The cost of a Brokers Trust franchise is expected to be about \$5,000 a year, not including the initial fees, Mr. Levinson says.

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Businesses ignore blackout lesson

Continued from page 3

ie insured, so it is very difficult for us to sell," said William Lane, secretary in the commercial property department of The Hartford Group.

"They see the physical plant and they insure that, but they don't see loss of income, which is short-sighted of them. It is a real struggle to convince them that the loss of cash from a business shut down by damage to the plant can be much more serious than the damage itself."

Requests for additional coverage to protect against power loss—called off-premises loss—have been practically nonexistent, Mr. Lane says.

Insurers fault new risk act

Continued from page 2

ully on an unregulated basis," Mr. Jordan said.

If the proposal were enacted, risk retention groups would be attracted to domiciles with minimal regulatory requirements, according to the American Insurance Assn.

"The use of the state of the lowest common denominator can work to a severe detriment for the insurance-consuming public," contends AIA counsel Dennis Connelly.

"This is particularly troublesome when the chartering states' insolvency mechanisms may be placed on the line for all the risk retention groups which use it as a haven."

The Continental Insurance Cos., which endorsed the original bill, wants the second version revised to require a risk retention group organized outside the U.S. to meet the minimum solvency standards required by at least one state.

"This would not be any kind of hindrance to legitimate captive companies and would preclude the possibility of a proliferation of ill-conceived programs attempting to take advantage of lax requirements in foreign jurisdictions," said William Gibson, Continental vp and general counsel.

The business groups writing to the Commerce Committee see the Risk Retention Act as boosting competition in the product liability insurance marketplace.

"The Risk Retention Act will provide a much-needed-alternative to develop group product liability resulting in more competitive premiums from commercial carriers," said Douglas Ramsey, president of the Laundry & Cleaners Allied Trades Assn.

Some business trade groups say insurance trade groups opposing the measure want to stifle competition in the market. The opposition "is based solely on a desire to prevent increased competition in the domestic product liability insurance market," said George Keeley, legal counsel for the National Assn. of Wholesaler-Distributors.

Crum & Forster, a major insurance company that had opposed the original bill because of the federal intervention, has dropped its opposition.

"The staff working draft ... would enhance equality of competitive opportunity in the provision of product liability insurance within the framework of state law," said Les Cheek, vp-federal affairs.

"That is even more nebulous to the insured. He just doesn't think it will happen," he said.

About the only companies interested in insurance to cover power losses are large retail stores or supermarket chains. They are the kinds of firms that are particularly vulnerable to a blackout, industry sources say.

Among the companies that do purchase the insurance are the Carvel ice cream franchises. About two-thirds of the approximately 800 stores participate in a group program underwritten by Atlantic Mutual.

The insurance covers losses up to \$1,000 for off-premises power interruption.

John Thompson, senior vp at Johnson & Higgins, which brokered the policy, said this type of

insurance traditionally has been hard to come by.

"A small company that might have had a loss during the last blackout probably got a quote on a rate for this insurance," said Bowman's Mr. Drake.

"But they most likely never pursued it. They figure that they have had one blackout in the past 15 years, so the cost of the insurance might be more than the losses suffered over the next 15 years," Mr. Drake said.

Other industry spokesmen said off-premises coverage, which includes some fairly strict exclusions, is similar to earthquake insurance purchased by some businesses on the West Coast.

"After a big quake, a lot of people start to think about this insur-

ance. They price it and some buy it and some don't. But in a time of recession, such as we are now going through, people are looking for ways to cut back, and this is one of the first things to go," one underwriter said.

That complacency about potential business losses might have been strained in the past few weeks as an increasing number of utility companies around the country warn about overloads.

"We are skating on thin ice," said a spokesman for Middle South Utilities in New Orleans, where the city has experienced the longest sustained heat wave since 1875.

Customers of Gulf States Utilities in Texas and Louisiana already have had hour-long blackouts.

"When the heat was isolated in

Texas and Louisiana, we might have had a few difficulties. But now that it's spread over the entire region, we're straining at the capacity of the system," said a spokesman for Gulf States.

"It's like running a car at 90 mph for 12 hours a day. The machinery can only take it for so long."

At New York's Con Edison, the power situation is much better than it was three years ago, with capacity greatly increased.

Even on a record-setting hot day recently, the system did not come near the capacity of the company's generators, a spokesman said.

But the spokesman wouldn't say New York businesses shouldn't be wary about another blackout.

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Thompson resigns from Delta Dental

Continued from page 3

the corporation and has served it well since its inception 10 years ago," said Dr. McMillan, Delta board chairman.

Mr. Thompson was convicted of forgery by a St. Louis County (Minn.) jury for altering loss reports in a letter to the Virginia School District in December 1978. "I did that at the request of a business agent named Fred Argir," Mr. Thompson said. He then sent the school district total figures on its experience report, which he was accused of altering. "I had no notion at that time that they were going out for bid. It was bad judgment on my part."

Judge Mitchell Dubow of the Virginia County district court listened to Mr. Thompson's motion for a retrial July 15 and is taking it under advisement.

Mr. Thompson's attorney, Ted

Collins, is arguing that the plaintiff—the state of Minnesota—made a prosecution error in closing.

"I asked that the jury send a message to the corporate executives across the state about Mr. Thompson," said Thomas Fabel, Minnesota deputy attorney general who is trying the case. Mr. Thompson's defense attorneys are contending this was a nonpermissible appeal, Mr. Fabel said.

The judge has postponed sentencing until Sept. 4. Mr. Fabel said, adding this motion for a retrial is just "standard procedure in every case such as this."

"This whole thing is a series of technicalities in the Minnesota state law," said Mr. Thompson.

"I will be advising various operating departments, reviewing types of coverages, establishing committee policies, overseeing

management and developing a dental maintenance organization" as a consultant to Delta Dental, he said.

A new senior management committee will replace Mr. Thompson as president of Delta Dental, providing "overall management direction and supervising day-to-day operations," said a spokesman. On the committee will be John W. Hohl, finance and actuarial vp, as chief operating officer; Grace K. Long, vp of operations, and Carl R. Wassenaar, assistant vp of marketing.

These management reassignments, effective now, must be ratified by the new board, which will meet again Aug. 6.

Separate questions remain

about Mr. Thompson's affiliation with Minnesota Vision Services, administered out of his home until recently.

MVS is being investigated by the Minnesota insurance department under the direction of Thomas O'Malley, assistant insurance commissioner in charge of enforcement, for operating without proper authority from the department.

"I have met with the attorney for MVS and we probably will be in discussion sometime next week," Mr. O'Malley said.

At issue is whether MVS is a nonprofit plan that falls under Chapter 62C requiring nonprofit plans to be licensed. MVS is not licensed, according to the insurance

department.

If MVS is found to fall under the statute, "we will have to apply the appropriate penalties," Mr. O'Malley said. MVS could pay a fine up to \$5,000 if it is in violation of state law.

Mr. Thompson denies any recent affiliation with MVS although claims were paid from his home until at least the end of May. "I have nothing to do with Minnesota Vision Services," he said. "My wife paid the claims."

Mr. Thompson confirmed he was involved with MVS several years ago when "we were marketing both Minnesota Vision Services and Delta Dental out of this office," he said from Minnesota Delta Dental headquarters. ■

Vendors bring cover

Continued from page 3

insurers U.S. Fidelity & Guaranty and Fireman's Fund, cost Chicago \$68,000.

The policy was brokered by Community Insurance Center. It is a joint venture of minority insurance agents chosen to place this year's ChicagoFest coverage as part of a city mandate to tap Chicago's minority business resources.

Community Insurance Center replaced broker Heil & Heil of Evanston, Ill.

"We gave up insuring rental

equipment and losses from employee theft this year," Mr. Drilias said.

"The only kind of losses we ever have that would be covered are a couple of chairs or folding tables. It's cheaper to just pay for anything missing," he said.

Milwaukee's Summerfest, a similar lakefront celebration, added that coverage this year with a policy from Hartford Accident & Indemnity Co. that insured missing equipment up to \$50,000 per occurrence.

"We just didn't think we'd really need it," Mr. Drilias said. ■

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Former exec Betterley dies

Percy Betterley, former assistant treasurer of Grayton & Knight Manufacturing of Massachusetts and one of the founders of the American Management Assn.'s insurance division, died June 27 at 92.

The AMA insurance division, founded in 1931, was the first national forum for commercial insurance buyers. Mr. Betterley was vp in charge of the division for its first four years.

Mr. Betterley was asked by McGraw-Hill to write a book. Published in 1936 under the title "Buying Insurance," it was the first book on insurance ever written by a commercial buyer.

Mr. Betterley formed his own consulting business in 1939.

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Problems push Nordstrom from top 20

Continued from page 1

not just the year the commissions were paid.

"That's just not true," Mr. Golinvaux said. "\$12 million is the correct figure. We did not carry revenues over from year to year. The Internal Revenue Service would not allow it. There are just a lot of sour grapes out there."

Start of fall

The Nordstrom Group has been heading into a tailspin since 1977, when it ranked 13th in the *BI* directory of the top 20 brokers. In 1978, the brokerage slipped to 19th, with gross revenues dropping 6.4%. From 1978 to 1979, reported revenues fell 8.4%. The average growth for the *BI* top 20 in 1979 was 20%.

The number of Nordstrom offices dropped to 24 in 1979 from 30 in 1977. Some are so small the brokerage does not list them in its promotional brochures. The group also fired 81 employees in 1979, Mr. Golinvaux said.

The Nordstrom Group has four divisions: Nordstrom Agency Inc., a general lines agency soliciting commercial business; Nordstrom Risk Management Inc., a consulting and service firm primarily for groups interested in establishing self-insurance programs; Placement Facilities Inc., a managing general agency, surplus lines broker and reinsurance intermediary; and Nordstrom-Worth Inc., the firm's life-group division.

John D. Nordstrom is president and his brother, Steven C. Nordstrom, is executive vp and head of the firm's Chicago national accounts office.

The roots of Nordstrom's problems may have begun simultaneously with its success: In 1975 it won an exclusive contract with the Factory Mutual System to insure commercial real estate, condominiums and rental apartments.

Agent/Broker Profiles

The special package, sold for a five-year period, gave Nordstrom a flood of premium volume and accompanying commissions. When property insurance rates began to drop, FM canceled the underwriting authority and policies in 1977, leaving the broker to restore the coverage piecemeal and at rock-bottom rates to hold its clients.

"We had a lot of business with the FM, that's for sure," Mr. Golinvaux admitted, "and we had to spread that coverage out to a series of insurers, including St. Paul Insurance Cos. Inc. and INA."

Nordstrom now markets its real estate plans locally, shunning the national programs that attracted the real estate developer clients in the 1970s.

Mr. Golinvaux admits it was a mistake to put so much emphasis on one kind of insurance sales. "In 1978, 60% of our revenues were generated by income-producing property. In 1979, we reduced it to 40% to 50% and we are reducing our reliance constantly."

More benefits

The firm's new growth plans, designed for 15% revenue growth from 1979 through 1980, call for expansion of risk management, captive and pooling services and more employee benefit accounts.

An overbalanced mix of business is not a new broker problem. Two of the largest commercial brokerages, Fred S. James & Co. and Rollins Burdick Hunter, ranked fifth and seventh, respectively, also have announced plans to increase revenue from employee benefit accounts to avoid cyclical rate upsets. Other major brokers

also are studying ways to diversify to compensate for market changes.

But the Nordstrom problems may go deeper than diversification. Former employees said the firm always was more interested in aggressive sales than service. Often the sales staff would dazzle a buyer with a low quote and then hunt the markets for someone who could match the quote, said a former Nordstrom marketer.

Sometimes the rate in the policy returned to the buyer would be higher than the quote without notifying the buyer of the change, said several former employees. Mr. Golinvaux denies this.

Adjusting rates

"To my knowledge, this never happened," he said, "though it's not unusual to seek a rate for a client based on some information, like amount of payroll, that he has given and then have the client change the data. This means the rate needs to be adjusted."

"Changing a rate without reason would be grounds for firing the employee," he added.

Many Nordstrom clients on a list distributed by the broker two years ago told *BI* they were pleased with Nordstrom's service and ability to juggle a sometimes complex mix of commercial property. But two Chicago area executives complained that Nordstrom service was lacking.

"I'm still a client of theirs, but in my opinion the service has deteriorated lately," said Marshall Cole, vp for Chicago real estate developer Draper & Kramer. "We have trouble getting endorsements and policies in a reasonable amount of time."

Shifting markets

Mr. Cole also said the broker was constantly shifting markets, "though this time they changed me for the better—putting my commercial multiperil with INA."

Another real estate developer, EBCO Realty & Management Co. in Chicago, started moving its policies to a new broker two years ago, even while the Nordstrom Group was using the firm's name in promotion.

"Their claims department was never their strong point," said EBCO president Robert Lutton. "In a couple of words, I'd call their claims department very weak."

Another giant client, however, trusts the Minneapolis brokerage

The Nordstrom Group's problems may go deeper than diversification. Former Nordstrom employees said the firm always was more interested in aggressive sales than service.

so much it sends insurance-related telephone calls directly to the Nordstrom office. Arthur Rubloff & Co., one of Chicago's largest developers, maintains an in-office telephone extension into Nordstrom's local office.

The brokerage never claimed to be a big winner with Fortune 500 accounts and several risk managers of large corporations told *BI* the Nordstrom Group account executives had little to offer them.

Nordstrom failed to develop the broad array of risk management services common to other large national brokers, observers say.

"They were basically sales-oriented and now they are getting clobbered because you can't do that anymore," said a risk manager who was called upon by two Nordstrom account executives. "You have to offer services. I want my broker to be smarter than me. Nordstrom wasn't."

The Nordstrom executives told the risk manager: "We're big and you're big, so we would make a good team." But they didn't specify what kind of services they could offer, he said.

Services lacking

"I was suspicious," the risk manager continued. "If they were so big, why didn't I know about them? They lacked the services to service large commercial accounts."

"They're not in the major leagues," said a Minneapolis risk manager. "To be in the major leagues you have to maintain a top-quality staff and offer a broad range of professional services. They just don't have the expertise."

Nordstrom's hope for the future may be in Mr. Golinvaux's own bailiwick, captive and pooling services. Mr. Golinvaux's brainchild, the First Illinois Religious & Charitable Trust pooling plan for religious risks, is running smoothly.

Other special plans involving captives yielded only satisfied clients, *BI* found. Mr. Golinvaux pegs future success on more innovative

risk devices.

Funding the new ventures may be a problem. Seeking expansion capital, president Jake Nordstrom initiated merger discussions with Sperry & Hutchinson, parent of West Coast brokerage Bayly, Martin & Fay. The deal collapsed because "they just didn't like our price," Mr. Golinvaux explained.

Merger off

But a source close to the merger discussions told *BI* that despite a solid core of good property risks, Nordstrom's cash-flow problems and plans for Nordstrom management to take over Bayly, Martin & Fay management were hard for BMF to swallow.

Nordstrom next turned to the American Financial Group, parent of one of the broker's best markets, Great American Insurance Co.

Declining to reveal the size of the loan, Mr. Golinvaux confirmed the brokerage was after expansion seed money. "We're just like every other business," he said. "We terminated our bank loans and arranged a loan with American Financial to help our retrenchment and expansion."

Industry sources say BMF is still interested in Nordstrom and that it is still receptive to a merger. But BMF executive vp Sam Alcorn could not confirm a renegotiation. "I don't think the rumor is correct," he said.

"If Sperry & Hutchinson were talking about it, there could be some delay in telling us about it," he added. "I have heard that they were talking with another firm."

Mr. Golinvaux said the Nordstrom Group is through with mergers and is putting all its efforts into growing back into prominence on its own.

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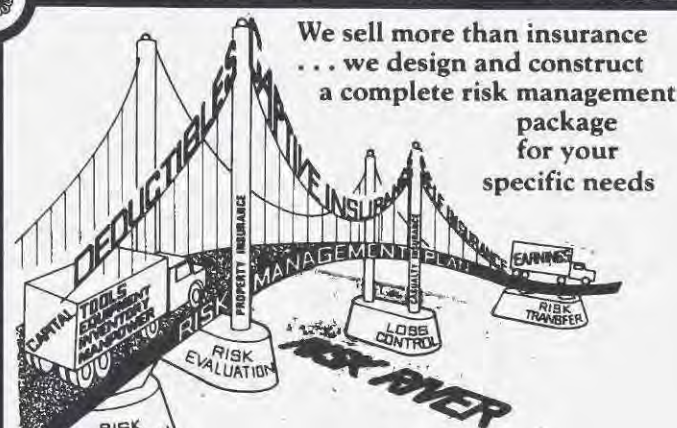
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Top post secure

By RHONDA RUNDLE

Although employee benefit staffing at some companies has been shaved by up to a third, the top job in the department is secure.

"I know of six to a dozen risk managers laid off from their jobs, but I can't think of a single benefit manager in the same predicament," reported Donald Delaney, owner of Risk & Benefit Recruiters in Dallas.

"We aren't aware of any layoffs," said Richard C. Gay of Insurance Personnel Resources Inc. in Atlanta. Most of his benefit manager clients lost jobs when their firm was purchased or merged with another company, he said.

Keeping a job and finding a new one are different matters, however. Recruiters agree that although benefit managers are holding on to their jobs, they are not landing new ones easily if they wish to switch companies or locations.

Benefit management jobs may be threatened in the future by an emerging trend at some companies to combine the compensation and benefit functions into a single department, thus eliminating a manager position, the recruiters warn.

Asked to compare the job prospects for risk managers and benefit managers during a recession, recruiters cautiously indicated they believe benefit administrators have the advantage.

Corporate benefit managers may be in more demand than risk managers because their jobs tend toward administration as well as management, said one recruiter. In a pinch, some companies may try to squeak through without a risk manager, transferring those responsibilities to a financial officer.

"Employee benefit managers have more frequent communication with senior-level managers than do risk managers," said a consultant. Many benefit managers administer executive benefits, and that brings them into direct contact with top brass.

Corporations will think a lot harder now about fixing their benefit manager than they did during the 1974-75 recession, before the impact of ERISA and its heavy government reporting requirements, said George Favetta, vp at Buck Consultants Inc.

He also stressed the importance of benefit communications, which fix the employer's benefit liability. There is legal precedent for employee action against a company that miscommunicates its benefits, he explained.

But some employers believe they are overstaffed on the communications side if they have already completed design and implementation of a companywide benefit communications programs.

If benefits remain relatively stable during the next couple years as many experts predict, plan descriptions may need only minor updating, say some industry observers.

Jack Willard, a former benefit summary plan writer at Rockwell International in Pittsburgh, is sympathetic to his employer's decision to transfer him to another department.

Over the past 4½ years, he wrote or substantially revised more than 100 compliance booklets for Rockwell. But last year, he says, he realized he was working himself out of a job.

In early May, his responsibilities were turned over to another staffer. The move was part of a companywide 10% personnel reduction that pared three people from the 20-person employee benefit department. Mr. Willard is now a relocations administrator. Many companies are moving toward self-funding.

This shift is creating a wide range of future job opportunities for in-house benefit coordinators, claims handlers and actuaries, career planning experts say.

Red tape swamps staffs

Continued from page 1

by the ailing automaker.

General Motors also has reduced employee benefit staff by about 10%, in line with corporate cutbacks throughout GM, said Kenneth Olthoff, director of the benefit department.

Surviving benefit staff must manage a rising tide of red tape.

When an employee leaves a company, benefit departments must process paperwork on pensions, profit-sharing and savings plans, unemployment compensation, long-term disability, payroll adjustments for accrued vacation and temporary continuation or termination of health and life insurance.

"The law, collective bargaining agreements and sound business sense compel us to maintain prompt, efficient delivery of benefits to employees," said Chrysler's Mr. Kenney.

Planning is the key to staying ahead of paperwork, he said. By getting early word on planned employee cutbacks, plant closings and other personnel changes, he is able

to generate the necessary paperwork before he needs it.

"In the past six months, we've processed four years worth of retirements," Mr. Kenney noted.

Chrysler and other firms with workers on layoff also are receiving a flood of calls from employees considering early retirement.

In some companies, early retirements may even be encouraged through a "golden door" policy, said Richard Wibbelsman, a consultant at Hewitt Associates in Stamford, Conn. Special separation packages may be offered to senior employees as an incentive to early retirement.

Autoworkers, airline personnel and other workers on temporary layoff continue to collect health and life insurance benefits.

In fact, many furloughed personnel are using time off to get teeth fixed or undergo elective surgery.

Thrift plan administrators also note more withdrawals as employees need cash. The incentive to save decreases when an employer reduces matching funds. GM

dropped its contribution to 30 cents from 80 cents on the dollar.

But it's not just financially troubled companies that are experiencing increased claims activity. Some benefit managers suspect medical providers are requiring more upfront payments.

"Last month we had 50% more medical claims than in June a year ago," said David V. Chandler, vp of Security Pacific National Bank in Los Angeles.

Although there have been no layoffs at the bank, Mr. Chandler believes employees are feeling the pinch of combined recession and inflation. They are filing claims faster and for smaller amounts.

Mary Sacre, manager of corporate group benefits at Denny's Restaurants in La Mirada, Calif., has observed the same trend. Medical and dental claims are up 17% for the second quarter of 1980.

Denny's is planning expansion of its employee benefit function. Three people will be hired soon to bring claims administration in-house.

Companies cut packages

Continued from page 1

company unnecessary dollars.

Suggestions by other benefit managers to conserve costs include:

- Acquiring more self-insurance to gain cash-flow advantages (50%).
- Negotiating cash-flow premiums to lower annual costs (41%).
- Demanding faster reimbursement of losses (24%).
- Putting group programs out for bid (19%).
- Negotiating less expensive administrative services (26%).

A few benefit managers also are cutting out the middleman—the broker.

When asked if employee benefit managers make their brokers work harder, one replied, "Better yet, never use them." Another said he didn't use a broker because "he's been cut from the budget."

Employee benefit managers are divided on the best method to maximize administrative efficiency. One member says he has "farmed out" administration of medical claims to save money; another suggests doing more in-house administration of benefits.

Review funding techniques when prudently planning employee benefits, managers say. During this competitive insurance market cycle, insurers "are becoming more flexible with pooling levels and funding techniques," said one board member.

Employee benefit managers also should rethink the funding methods. They should look at letters of credit in lieu of dollar reserves, major medical deductibles and coinsurance percentages, board members say.

One employee benefit manager suggests attacking recession by informing employees of how their benefit plans work. "This might be the time for benefit plan promotion," he said.

Or go for the no-cost improvements in the benefit programs, says an employee benefit manager. He suggests more pension options, voluntary nonmatched contributions in thrift plans and additional contributory life coverages.

Most of the managers agree these cost-cutting tools should not be saved for a recession.

"I have tried to reduce administrative expenses and other fees to the absolute minimum for more than 15 years," said one member. "As far as I am concerned, the benefit department always should

employee benefit board

operate as closely to the belt as possible."

Thirty percent of the 166 Employee Benefit Board members answered the BI survey.

Business Insurance's Employee Benefit Board is composed of em-

ployee benefit managers who have volunteered to answer BI surveys. If you handle benefits for your company and would like to participate on our board, contact editor Kathryn McIntyre at 312-649-5286 or write Business Insurance, 740 N. Rush St., Chicago, Ill. 60611



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