JULY 5, 1993

Business Insurance

22nd ANNUAL AGENT/ BROKER PROFILE ISSUE

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World's 20 largest brokers

COMPANY	Ranking 1992	Ranking 1991	Gross revenues (000) 1992	Gross revenues (000) 1991	% Change	Employees 1992	Employees 1991	% Change	Rev./employee 1992	Rev./employee 1991
Marsh & McLennan Cos. Inc.	1	1	$2,953,600	$2,804,000	5.3%	25,800	23,400	10.3%	$114,481	$119,829
Alexander & Alexander Services Inc.	2	2	1,362,200	1,382,400	-1.5	14,683	15,575	-5.7	92,774	88,758
Sedgwick Group P.L.C.	3	3	1,209,123[1]	1,211,736[1]	-0.2	12,798	12,889	-0.7	94,477	94,013
Rollins Hudig Hall Group Inc.	4	-	1,102,000[2]	987,592[2]	11.6	9,800	10,050	-2.5	112,449	98,268
Willis Corroon Group P.L.C.	5	4	1,079,895[1]	1,050,077[1,3]	2.8	11,335	11,393	-0.5	95,271	92,169
Johnson & Higgins	6	5	970,000[4]	898,148[4]	8.0	8,684	8,219	5.7	111,700	109,277
JIB Group P.L.C.	7	8	344,608[1]	334,932[1,3]	2.9	3,637	3,627	0.3	94,751	92,344
Minet Group P.L.C.	8	9	327,792[5]	343,096[5]	-4.5	3,743	3,670	2.0	87,575	93,487
C.E. Heath P.L.C.	9	10	293,326[6]	294,250[6]	-0.3	3,353	3,186	5.2	87,482	92,357
Arthur J. Gallagher & Co.	10	12	272,725	247,025[3]	10.4	2,661	2,504[3]	6.3	102,490	98,652
Bain Clarkson Ltd.	11	11	242,610[1]	232,479[1]	4.4	3,200	3,134	2.1	75,816	74,180
Hogg Group P.L.C.	12	13	220,251[1]	212,969[1]	3.4	2,686	2,721	-1.3	82,000	78,269
Acordia Inc.	13	14	207,219	183,920[3]	12.7	2,308	2,248	2.7	89,783	81,815
Jauch & Huebener KGaA	14	15	172,800[7]	153,765[7]	12.4	1,180	1,180	0.0	146,441	130,309
ABN-AMRO Verzekeringen B.V.	15	17	171,340[8]	142,310[8]	20.4	1,500	1,600	-6.3	114,227	88,944
Gras Savoye S.A.	16	16	147,443[9]	128,679[9]	14.6	1,342	1,349	-0.5	109,868	95,389
American Business Insurance Inc.	17	19	126,500	116,000	9.1	1,611	1,471	9.5	78,523	79,858
Hilb, Rogal & Hamilton Co.	18	20	125,856	127,432[3]	-1.2	1,540	1,525[3]	1.0	81,725	83,562
Lowndes Lambert Group Holdings P.L.C.	19	18	120,711[6]	116,039[6]	4.0	1,498	1,473	1.7	80,581	78,777
Steel Burrill Jones Group P.L.C.	20	-	97,274[1]	84,544[1]	15.1	838	755	11.0	116,079	111,979
Total/Averages			$11,547,274	$11,051,395	4.5%	114,197	111,969	2.0%	$101,117	$98,701

[1] British pound=$1.765 (1992); $1.769 (1991) [2] Includes revenues of Frank B. Hall & Co. Inc. [3] Restated [4] *BI* estimate [5] Fiscal year ends Sept. 30 [6] Fiscal year ends March 31; British pound=$1.693 (1992); $1.736 (1991) [7] German mark=64¢ (1992); 60.3¢ (1991) [8] Dutch guilder=65.9¢ (1992); 53.5¢ (1991) [9] French franc=18.9¢ (1992); 17.7¢ (1991)

Source: BI Survey

GRAPHIC BY A.TRANCHITA

Brokers' growth in limbo

Competition, recession hammer revenue gains in '92

The world's 20 largest insurance brokerages set a record in 1992 that they hope will never be broken.

The combined revenues of the 20 companies climbed a scant 4.5% last year, the lowest growth rate in the four years that *Business Insurance* has ranked the world's 20 largest brokers. That compares with revenue growth of 6.4% in 1991, 15.9% in 1990 and 4.8% in 1989.

While revenue growth among the Top 20 hit an all-time low in 1992, the primary reasons behind the poor performance are familiar to brokers: rock-bottom premium rates in the United States coupled with the worldwide economic slump.

However, revenue growth still lagged previous years' even though rates for most types of coverage outside the United States began to rise in 1992. Brokers reported that capacity shortages—at Lloyd's of London and in other markets—largely offset any revenue gains reaped by brokers.

One factor holding down revenue growth that is absent from the 1992 results is currency fluctuations.

For the first time this year, *BI* is using average annual exchange rates, instead of fiscal year-end rates, to convert foreign brokers' results into dollars.

The 1992 average annual exchange rate for the British pound was only 0.1% lower than the 1991 exchange rate, making year-to-year comparisons among the nine British-based brokers uniform. In past years, fluctuating exchange rates have distorted the revenue growth of the British brokers.

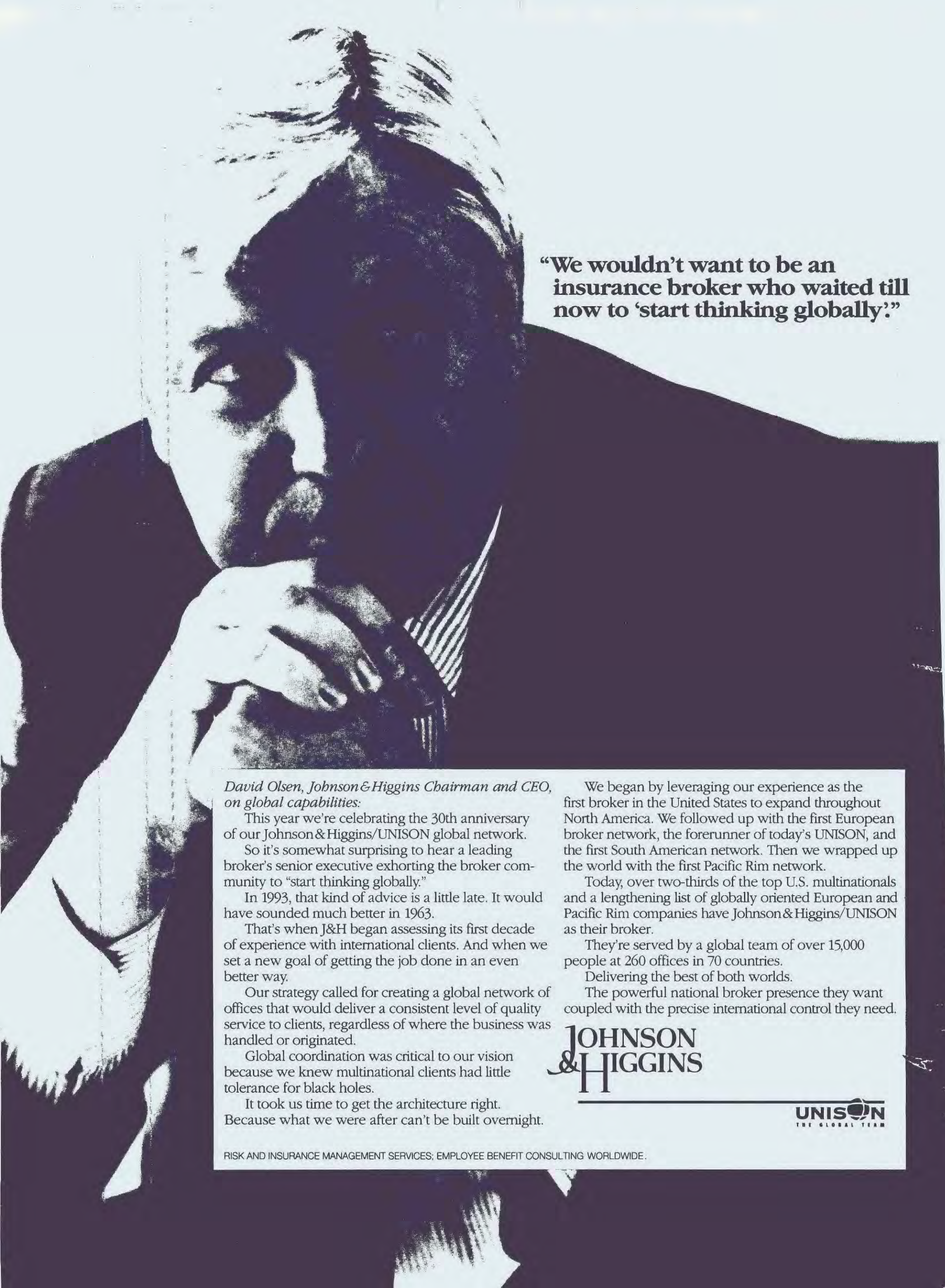
The 100 largest U.S. brokers Page 3

Only one broker is new to this year's Top 20: Steel Burrill Jones Group P.L.C. The London-based brokerage replaces Frank B. Hall & Co. Inc., ranked No. 7 a year ago, which was acquired by what is now Rollins Hudig Hall Group Inc.

This year's *Business Insurance* report on commercial insurance brokerages includes 279 companies, which produced 1992 revenues of $13.84 billion, a 4.7% rise from $13.22 billion in 1991.

The 22nd annual Agent/Broker Profiles issue also includes:

- A listing of the 100 largest brokers doing business with U.S.-based clients and an overview of the brokerage business (page 3), followed by a report on the U.S. retail brokerage market (page 12).
- A report on what the top officials of publicly held U.S. brokers earned in 1992 (page 13).
- Profiles of the world's 20 largest brokers (page 18).
- A directory of U.S. and Canadian brokers, followed by a geographical index (page 66).



"We wouldn't want to be an insurance broker who waited till now to 'start thinking globally'."

David Olsen, Johnson & Higgins Chairman and CEO, on global capabilities:

This year we're celebrating the 30th anniversary of our Johnson & Higgins/UNISON global network.

So it's somewhat surprising to hear a leading broker's senior executive exhorting the broker community to "start thinking globally."

In 1993, that kind of advice is a little late. It would have sounded much better in 1963.

That's when J&H began assessing its first decade of experience with international clients. And when we set a new goal of getting the job done in an even better way.

Our strategy called for creating a global network of offices that would deliver a consistent level of quality service to clients, regardless of where the business was handled or originated.

Global coordination was critical to our vision because we knew multinational clients had little tolerance for black holes.

It took us time to get the architecture right. Because what we were after can't be built overnight.

We began by leveraging our experience as the first broker in the United States to expand throughout North America. We followed up with the first European broker network, the forerunner of today's UNISON, and the first South American network. Then we wrapped up the world with the first Pacific Rim network.

Today, over two-thirds of the top U.S. multinationals and a lengthening list of globally oriented European and Pacific Rim companies have Johnson & Higgins/UNISON as their broker.

They're served by a global team of over 15,000 people at 260 offices in 70 countries.

Delivering the best of both worlds.

The powerful national broker presence they want coupled with the precise international control they need.

JOHNSON & HIGGINS

UNISON
THE GLOBAL TEAM

RISK AND INSURANCE MANAGEMENT SERVICES; EMPLOYEE BENEFIT CONSULTING WORLDWIDE.

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Update

Florida Supreme Court reverses pro-policyholder pollution ruling

TALLAHASSEE, Fla.—A divided Florida Supreme Court has withdrawn a pro-policyholder pollution ruling it issued last year, finding instead that the pollution exclusion in comprehensive general liability policies bars coverage of gradual pollution.

The state Supreme Court ruled 4-to-3 last September that coverage is not barred by the exclusion. It found that the "sudden and accidental" exception to the exclusion is ambiguous and should be interpreted to mean "unexpected and unintended" by the

Continued on next page

Insurers see victory in antitrust ruling

Lower court will now decide if boycott occurred

By JUDY GREENWALD

WASHINGTON—Insurance industry attorneys maintain they won much more than they lost in last week's Supreme Court ruling on the insurance antitrust litigation.

Industry attorneys see victory in the portion of the splintered ruling—a 5-4 decision written by Justice Antonin Scalia—that establishes very narrow grounds for a trial court to find that the 32 defendants' alleged attempt to limit liability coverage in the mid-1980s constituted a "boycott."

The insurance industry's exemption from federal antitrust laws contained in the McCarran-Ferguson Act does not extend to boycotts or coercion.

A dissent by Justice David Souter would have extended the definition of "boycott" to a much broader range of behavior (see story, page 101).

While claiming victory on the boycott issue, the insurance industry still suffered a setback as the court refused to dismiss the case. The litigation was remanded to the 9th U.S. Circuit Court of Appeals and may eventually return to U.S. District Court for discovery proceedings and a trial.

Attorneys for the industry defendants, however, say they are not worried about that prospect. "The principal bone of contention" has now been removed, said attorney Steven M. Shapiro of Mayer, Brown & Platt in Chicago, who presented oral arguments before the high court on behalf of the U.S. defendants in the case.

Mr. Shapiro and others say that Justice Scalia, backed by four other justices, essentially accepted their definition of what constitutes a boycott. They are confident that their clients' actions did not meet that definition and that they ultimately will prevail.

"In our view, it's a reaffirmation of what we thought the McCarran-Ferguson Act said and what Congress meant for it to say," Mr. Shapiro said. "Justice Scalia has defined the term 'boycott' in a sensible and pragmatic way. He has rejected the principal arguments the states relied on throughout this litigation."

However, state attorneys general say they will readily be able to prove the defendants engaged in a boycott within the narrow limits set by Justice Scalia.

"I'm quite pleased by the overall results," said Kevin O'Connor, an assistant attorney general for Wisconsin. "Even under

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Q: Can agreements among primary insurers and reinsurers on terms and conditions of coverage constitute a boycott that is outside the McCarran-Ferguson exemption?

A: Yes

Justice Scalia, writing for a five-justice majority and taking a narrow view of boycott:



. . . (It is) important—and crucial in the present case—to distinguish a conditional boycott and a concerted agreement to seek particular terms in particular transactions . . . The parties to (the latter type of) agreement . . . are not engaging in a boycott . . .



Justice Souter, writing for the four remaining justices and taking a broader view of boycott:

. . . I do not believe that the McCarran-Ferguson Act or our precedents warrant such a cramped reading of the term. . . .

GRAPHIC BY CHRIS ROY

London market still confident of Lloyd's future despite losses

By STACY SHAPIRO and GAVIN SOUTER

Lloyd's of London will survive despite more than $10 billion in losses racked up during the 1989-1992 underwriting years, Lloyd's members and others say.

However, several North American members are much more pessimistic, giving Lloyd's little chance of survival.

Those who are betting on Lloyd's admit the market must make big changes to guarantee survival, including adopting recommendations in Lloyd's business plan to close the syndicates with open accounts and to segregate pre-1986 liabilities from latter accounting years.

Lloyd's survival also depends on finding a solution to the litigation filed by 17,000 members against managing and members agents.

"I think Lloyd's has an 80% chance of survival," said John Rew, chairman of the Society of Names and one of Lloyd's most vocal critics.

The market will become "an insignificant minor player" in the world of insurance as its capacity continues to decline, "but I can't imagine it going out of business," he said.

Neil Shaw, chairman of the Assn. of Lloyd's

Continued on page 97

A new breed of regulator?

New commissioners aggressively pursuing pro-consumer agendas

By DAVE LENCKUS

It's the decade of the insurance consumer.

Highly publicized consumer protection efforts by some insurance regulators—especially a cadre of first-term commissioners—signal an invigorated regulatory movement toward consumer protection, according to those regulators and consumer groups.

Consider:

- Some insurance commissioners are more aggressively refusing to approve rate increases covering workers compensation and auto insurance.
- Many are pushing for health care reform.
- The National Assn. of Insurance Commissioners has taken steps to distance itself from insurance industry support.

Coverage of the NAIC's summer meeting starts on page 92

Insurance is "so important to the health and well-being of people. That's why you're going to see a lot of activity in insurance commissioners' offices in the next few years" to protect insurance buyers, predicted Deborah Senn, a consumer attorney who was elected Washington insurance commissioner last fall,

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Senate probes Empire woes

Panel blames mismanagement, fraud and lax regulation

By MARK A. HOFMANN

WASHINGTON—Allegations that the nation's largest non-profit health insurer was mismanaged and state insurance regulators were lax have serious implications for national health care reform, according to senators investigating the problems of New York's Empire Blue Cross & Blue Shield.

Two days of hearings on Empire by the Senate Permanent Subcommittee on Investigations "show that size alone is no guarantee a plan is well-run. It most certainly is no guarantee that it will be well-regulated," said Delaware Sen. William V. Roth, the subcommittee's ranking Republican.

"I believe the issues raised in these hearings have important implications for the ongoing debate on how to best reform our health care system. If, as some have suggested, entities far larger than Empire are created to administer health care in this country, how will they be effectively managed and supervised?" asked Sen. Roth.

Subcommittee Chairman Sam Nunn, D-Ga., shared some of Sen. Roth's concerns.

"The questions raised by the subcommittee's examination of Empire are important not only for the future of the Blue Cross system, but for the future of the nation's health care reform effort in general. These questions—of authority, of accountability and of trust—go to the heart of any reform. They are questions which we ignore at our peril," said Sen. Nunn.

According to a report issued June 26 by the subcommittee's staff, Empire sustained underwriting losses of $444 million for 1991 and 1992 (*BI*, June 28). Those losses sent the plan's reserves plummeting to $40 million

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Update

Court reverses pollution ruling

Continued from previous page
policyholder (*BI*, Sept. 21, 1992).

After the court agreed to rehear the case, though, one of the judges shifted his position, creating a 4-3 majority overturning the original ruling.

"Try as I will, I cannot wrench the words 'sudden and accidental' to mean 'gradual and accidental,' which must be done in order to provide coverage in this case," wrote Justice Stephen F. Grimes, the swing vote in the latest ruling in the case, *Dimmett Chevrolet Inc. et al. vs. Southeastern Fidelity Insurance Corp.*

California Blue Shield merger

BURBANK, Calif.—A merger of Blue Shield of California and UniHealth America, a holding company for a California managed care firm, is expected to heat up the state's health care market.

The new non-profit UniHealth-Blue Shield will service some 4.5 million enrollees through a network of three health maintenance organizations and numerous preferred provider and specialty managed care plans.

Burbank-based UniHealth owns CareAmerica, a Chatsworth, Calif.-based HMO with 170,000 enrollees in California. It also holds a controlling interest in PacifiCare Health Systems, a Cypress, Calif.-based managed health care firm with more than 1 million members.

UniHealth-Blue Shield will have combined 1993 revenues of more than $6.5 million and will remain non-profit even though it will include for-profit PacifiCare, a Blue Shield spokesman said. BS of California will maintain its affiliation with the national Blue Cross & Blue Shield Assn. Pending approval by UniHealth's directors and state regulators, CareAmerica will become part of Blue Shield, though PacifiCare will remain separate, the spokesman said.

Lloyd's defers part of cash call

LONDON—Lloyd's of London members will be required this year to make cash payments of only 57% of the 2.92 billion pound ($4.42 billion) loss for the 1990 underwriting year, Chairman David Rowland said (*BI*, June 28).

The remaining 43%, or 1.25 billion pounds ($1.89 billion), is not needed to pay claims at the moment, so cash calls for this sum have been deferred, he told the Assn. of Lloyd's Members last week.

However, Mr. Rowland warned that Lloyd's syndicates will not be allowed to close pre-1986 accounts in the 1994 year of account. The move is to ensure corporate capital providers entering the market next year that they will not be burdened with Lloyd's long-tail liability claims from the past, he said.

In another development last week, Lloyd's published its "rulebook" on corporate membership, indicating that corporate names must be capitalized at a minimum of 1.5 million pounds ($2.27 million). Syndicates will not be allowed to allocate more than 50% of their total premium limits to corporate names.

Mr. Rowland will be in the United States this week to meet with lawyers to discuss overcoming U.S. regulatory hurdles preventing U.S.-registered firms from pledging corporate capital to Lloyd's.

Meanwhile, CLM P.L.C., a unit of broker Sedgwick Group P.L.C., has formed an exclusive arrangement with leading U.K. investment banker Barclays de Zoete Webb to set up a publicly held corporate capital vehicle for 1994. The proposed company, capitalized at between 200 million and 300 million pounds ($302.9 million and $454.4 million), would be listed on the London Stock Exchange.

AIG forming Bermuda reinsurer

HAMILTON, Bermuda—American International Group Inc. is setting up a property catastrophe reinsurer in Bermuda.

International Property Catastrophe Reinsurance Co. Ltd. is the third new facility being formed in Bermuda with capital from AIG.

IPC Re will provide property catastrophe excess-of-loss treaty reinsurance for personal and commercial risks. The company is also expected to underwrite retrocessional catastrophe reinsurance for other reinsurers and also some non-catastrophe business.

IPC will have a paid-up capital of $300 million. AIG has a 24.4% stake in the company, and the remaining equity is held by unidentified investors.

The company is taking advantage of the slump in worldwide capacity for property catastrophe risks, said AIG Chairman Maurice R. Greenberg. "We expect this supply-demand imbalance to continue for some time to come," he said.

AIG recently set up Starr Excess Liability Insurance Co. Ltd. in Bermuda and is expected to invest in a property catastrophe reinsurer called Tempest Reinsurance Co. (*BI*, June 28; June 21).

Firm to appeal punitive award

AUGUSTA, Ga.—Combustion Engineering Inc. has no commercial insurance to cover a $45.3 million pollution liability jury verdict—almost all of which represents punitive damages.

The defendant, a unit of Swedish-Swiss conglomerate ABB Asea Brown Boveri Ltd., will ask the 11th U.S. Circuit Court of Appeals to rule that the punitive damages award is excessive. The U.S. Supreme Court on June 25 ruled for a second time that punitive damages should be limited but again failed to offer courts any specific guidance (see story, this page).

In the pollution case, a federal jury in Augusta, Ga., last week awarded two dozen owners of 13 land parcels in Lincoln County, Ga., $47,000 in compensatory damages and $227,000 for attorneys fees but $45 million in punitive damages. Acid residue from Combustion

Continued on page 104

Boosting 401(k) popularity

Investment education and options increasing: Study

By LOUISE KERTESZ

To limit potential liability for 401(k) plan investment losses, more employers are educating employees in investment practices while increasing investment options.

These practices could lead to increased participation in 401(k) plans, which, in turn, could help the growing number of companies that fail non-discrimination tests without making adjustments.

As many as two-thirds of employers failed the tests last year, reports Hewitt Associates, which recently polled 487 companies.

Hewitt also found that more companies are accepting rollovers from new employees' former defined contribution plans. This helps new employees avoid the 20% withholding tax on distributions from previous employers' plans.

But more firms are charging workers for 401(k) plan expenses, such as communications and record-keeping, the survey shows.

Investment education "seems to be the issue for the '90s," said Ray Maddock, a Hewitt consultant in Lincolnshire, Ill.

Among the survey's findings: 64% of the firms put out fund performance data quarterly; 93% use printed media to explain investment options; and 59% hold employee meetings on investments led by internal staff. This is the first time Hewitt has surveyed employers on how they communicate investment information.

Several companies back up the survey's findings.

A new American Airlines Inc. education program includes a quarterly newsletter outlining

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Two Supreme letdowns

Failure to set punitive rules may fuel state tort reform drive

By JOANNE WOJCIK

WASHINGTON—A ruling by the Supreme Court late last month does little to resolve controversy over the size of some punitive damage awards.

In fact, the ruling in *TXO Production Corp. vs. Alliance Resources Corp.* indicates that the justices themselves can't agree on standards and procedures for lower courts to use to evaluate allegations that excessive punitive awards violate the due process clause of the 14th Amendment (*BI*, June 28).

But the 6-3 ruling is likely to fuel state-by-state tort reform efforts, some business lobbyists say.

Many lawyers had viewed the high court's decision to review the TXO case as an indication that it intended to clarify its ruling in *Pacific Mutual Life Insurance Co. vs. Haslip*. That 1991 ruling on punitive damages has been criticized as too vague to adequately guide lower courts (*BI*, Dec. 7, 1992; March 11, 1991).

With the issue of excessive punitive awards again before the U.S. Supreme Court, other courts, like the California Supreme Court, had put punitive damage cases before them on hold.

Yet *TXO* appears to provide lower courts little guidance, say some attorneys.

"It seems like the court didn't provide any more

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Justices reject tighter standards for expert testimony

By MARK A. HOFMANN

WASHINGTON—Defendants in product liability cases will have to contend with more liberal standards for expert testimony than tort reform advocates had sought following a U.S. Supreme Court ruling last week.

Businesses and defense lawyers had hoped for a sharp rebuke of the use of so-called junk science. They were disappointed.

In *Daubert vs. Merrell Dow Pharmaceuticals Inc.*, the justices unanimously rejected a rule that evidence could be admitted at trial only if it is "generally accepted" by experts in a particular field. That rule, the so-called Frye rule, is derived from a 1923 case.

Instead, the court held that the Federal Rules of Evidence, which were modified in 1975, give trial judges more discretion over what evidence can be admitted.

Under the 1975 rule, if scientific, technical

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Comp driving cost of risk: Study

By SARA MARLEY

NEW YORK—Rising workers compensation costs continued to fuel increases in the cost of risk in 1991.

While the cost of risk as a percentage of revenues rose only 5% for an average company based in the United States in that year, seven out of nine manufacturing industries experienced increases of more than 15%, according to a study conducted by the Risk & Insurance Management Society Inc. and Tillinghast, a Towers Perrin company.

In fact, a handful of industries saw extreme rises in their costs of risk: transportation equipment manufacturers reported a 138% increase, machinery producers saw a 119% increase and primary metals, leather and stone companies reported 87% higher costs. Workers compensation cost increases for these three industries of 73%, 72% and 144%, respectively, contributed to their overall increases.

"Workers comp loss experience really deteriorated" in 1991, said Michael R. Levin, a Tillinghast consultant in Chicago who wrote the report. "The percentage of dollars devoted to retained losses is increasing."

Many industries, though, en-

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100 largest brokers of U.S. business

	Company	1992 U.S. revenues
1.	Marsh & McLennan Cos. Inc.	$1,713,088,000
2.	Rollins Hudig Hall Group Inc.	826,500,000
3.	Johnson & Higgins[2]	776,000,000
4.	Alexander & Alexander Services Inc.	745,123,400
5.	Willis Corroon Group P.L.C.[1]	647,937,000
6.	Sedgwick Group P.L.C.[1]	544,105,350
7.	Arthur J. Gallagher & Co.	245,452,500
8.	Acordia Inc.	207,219,249
9.	JIB Group P.L.C.[1]	175,750,001
10.	Minet Group P.L.C.[3]	173,729,760
11.	American Business Insurance Inc.	126,500,000
12.	Hilb, Rogal & Hamilton Co.	124,597,440
13.	Poe & Brown Inc.	87,845,000
14.	Redland Group Inc.	83,888,544
15.	Hogg Group P.L.C.[1]	83,695,496
16.	Kaye Insurance Associates L.P.	51,221,000
17.	Lawrence Agency Corp.	49,152,483
18.	The Lockton Insurance Agency	44,590,000
19.	McGriff, Seibels & Williams Inc.	39,085,554
20.	K&K Insurance Group Inc.	38,874,000
21.	Near North Insurance Brokerage Inc.	34,000,000
22.	Frenkel & Co. Inc.	33,560,000
23.	Frank Crystal & Co. Inc.	31,762,000
24.	John L. Wortham & Son L.L.P.	28,757,000
25.	Keenan & Associates	28,000,000
26.	C.E. Heath P.L.C.[4]	27,865,970
27.	Lowndes Lambert Group Holdings P.L.C.[4]	27,763,507
28.	Kornreich Insurance Services	23,000,000
29.	Hobbs Group Inc.	21,297,000
30.	American Phoenix Corp.	21,246,360
31.	Robert F. Driver Co. Inc.	21,087,000
32.	Pettit-Morry Co.	20,557,800
33.	Timberline Insurance Managers Inc.	20,531,841
34.	Marshall & Sterling Inc.	20,198,214
35.	Kalvin-Miller International Inc.	$18,900,000
36.	Tanenbaum-Harber Co. Inc.	18,562,500
37.	Steel Burrill Jones Group P.L.C.[1]	18,482,060
38.	Meadowbrook Insurance Group	18,039,780
39.	Meeker Sharkey Financial Group Inc.	18,002,440
40.	Bertholon-Rowland Corp.	18,000,000
41.	Palmer & Cay/Carswell Inc.	17,869,169
42.	The Cal-Surance Cos.	17,833,068
43.	Andreini & Co.	17,762,960
44.	J. Smith Lanier & Co. Inc.	17,717,231
45.	Cannon Cochran Management Services Inc.	17,000,000
46.	Rebsamen Insurance Inc.	16,579,644
47.	Roanoke Agency Inc.	16,170,000
48.	Holmes Murphy & Associates	16,000,000
49.	Healthcare Insurance Services Inc.	15,815,437
50.	NIA Ltd./National Insurance Associates	15,546,000
51.	BRI Coverage Corp.[2]	15,000,000
52.	Calco Insurance Brokers & Agents	14,387,410
53.	Insurance Management Associates Inc.	13,883,558
54.	Alburger Basso deGrosz Insurance Services Inc.	13,740,106
55.	The Loomis Co.	13,233,500
56.	Mesirow Insurance Services Inc.	13,050,000
57.	Hastings-Tapley Insurance Agency Inc.	12,833,512
58.	Henderson & Phillips Insurance	12,506,650
59.	Van Gilder Insurance Corp.	12,297,000
60.	LaGere & Walkingstick Insurance Agency Inc.	12,268,032
61.	Kelter-Thorner Inc.	11,838,000
62.	R.C. Knox & Co. Inc.	11,809,757
63.	The McElroy-Minister Co.	11,647,501
64.	The Graham Co.	11,596,000
65.	The Daniel & Henry Co.	11,344,000
66.	Saldana & Associates Inc.	11,337,000
67.	Insurance & Risk Management	11,276,000
68.	Parker, Smith & Feek Inc.	11,272,000
69.	Mahoney & Wright Insurance Agency Inc.	$11,106,000
70.	John Burnham & Co.	10,912,000
71.	The BGS&G Cos.	10,697,205
72.	Blumencranz, Klepper, Wilkins & Dubofsky Ltd.	10,652,540
73.	Haas & Wilkerson Inc.	10,486,000
74.	Van Beurden Insurance Services Inc.	10,326,929
75.	Anderson & Anderson Insurance Brokers Inc.	10,131,000
76.	Thomas E. Wood Inc.	10,066,000
77.	The James B. Oswald Co.	9,900,000
78.	Cameron M. Harris & Co.	9,648,953
79.	Gow & Hanna Inc.	9,594,000
80.	Berwanger Overmyer Associates	9,517,840
81.	WRIMS Corp.	9,475,402
82.	RWP Group Inc.	9,300,000
83.	Dann Brothers Inc.	9,230,000
84.	The Pilgrim Organization	9,211,911
85.	Anco Insurance Managers Inc.	9,043,753
86.	Hylant-MacLean Inc.	8,951,250
87.	Clair Odell Group	8,936,501
88.	McCay Corp.	8,900,512
89.	Starkweather & Shepley Inc.	8,815,000
90.	Robertson/Ryan & Associates Inc.	8,661,243
91.	Lawley Service Inc.	8,646,964
92.	Bain Clarkson Ltd.[1]	8,491,353
93.	Anco Corp.	8,458,458
94.	MLW Services Inc.	8,417,000
95.	Wharton/Lyon & Lyon	8,345,000
96.	Sterling & Sterling Inc.	8,332,000
97.	Richard N. Goldman & Co.	8,300,000
98.	Waterfield Insurance Agency Inc.	8,293,000
99.	The Mathog & Moniello Cos. Inc.	8,086,000
100.	The Simkiss Cos.	7,940,000
	Total	**$7,944,455,597**

[1] Converted at applicable exchange rates [2] BI estimate [3] Fiscal year ends Sept. 30 [4] Fiscal year ends March 31
Source: BI survey

GRAPHIC BY A.TRANCHITA

The numbers are adding up to continued hard times for brokers

Leading brokerages respond by shifting to fee-based services, and expanding reach

By DAVE LENCKUS

The numbers from 1992 speak for themselves—they're certainly nothing that the world's 20 largest insurance brokers want to crow about:

- Gross revenues increased a scant 4.5%—in dollar terms—among the members of the *Business Insurance* Top 20 to nearly $11.55 billion from $11.05 billion in 1991.

That's a full two percentage points less than the lackluster revenue increase reported in 1991 by the slightly different group of brokers that made up last year's Top 20.

- Revenues actually decreased for one-fourth of the brokers.
- Revenue per employee increased only 2.3% on average, even though brokers held down employee growth to 2%.
- Investment income as a percentage of gross revenues dropped or was flat for all but a few brokers.

In short, the numbers add up to hard times for the global insurance brokerage industry.

Insurers continue to elbow for market share for most lines of commercial insurance in the United States, though rates are hardening in the rest of the world. In addition, low interest rates are doing heavy damage to brokers' investment income.

"We didn't get any rate increases at all in the P/C market. If you look at the other brokers in the United States, they faced a similar scenario although some of them have masked the underlying situation through acquisitions," said Gary Griffith, chief executive officer of Hogg Robinson Inc., the U.S. unit of Hogg Group P.L.C., which ranked as the world's 12th-largest broker.

Adapting to the dismal climate

In response to these challenges, many brokers are trying to reinvent themselves.

Many companies have restructured—with some taking big financial hits to do so—to better position themselves in the marketplace. Some now boast that they have become truly global brokers able to efficiently place coverage for any risk nearly anywhere in the world.

Many brokers also are beginning to see a shift in their missions to consulting and other services instead of traditional brokerage. As a result, brokers are shoring up their service-related divisions and are placing a greater emphasis on increasing fee-generated revenues.

Whichever direction they are taking, many brokers also are looking to boost revenues through mergers, acquisitions and expansion. Many are targeting the Asia-Pacific region and Eastern Europe as new business frontiers.

Some are also aiming their sights closer to home: Large brokers that are best known for handling jumbo accounts also want to increase their market share by attracting more medium-size and even small accounts.

While some brokers are aggressively seeking a broader base of clients, others are retrenching, realizing that they can't try to be all things to all people. Instead of expanding to become full-service brokerages with offices in every corner of the globe and experts in every line of business, these brokers are withdrawing from some business areas to focus on market niches.

Watching for rates to rise

The most telling factor this year for brokers—as well as risk managers—will be whether the U.S. property/casualty insurance market—the world's largest—begins to follow the lead of other nations where rates are rising across the board.

"You've got a mosaic in America—some areas with no coverage and some very competitive," summed up R. John Barton, chief executive of JIB Group P.L.C., the seventh-largest broker.

"I think we're beginning to see some firming up, but there's still a huge amount of surplus in the market and it is still very competitive," said Quill O. Healey, chairman and CEO of Sedgwick James Inc., the U.S. retail brokerage and consulting unit of Sedgwick Group P.L.C., the world's third-largest broker.

"A lot of capital not writing hurricane (coverage) is going after the casualty business and medical malpractice. So while one side is getting unavailable—like windstorm in Florida—there is a lot of competition cropping up in other lines. But the bottom line is we're all beginning to see some firming around the country, though not like in other parts of the world," he said.

"We think property may get harder" with the July 1 renewals, said Michael K. White, president and chief operating officer of Alexander & Alexander Services Inc., the world's second-largest broker. But, "we don't see anything happening" on the casualty side.

"There clearly are indications that we will get to a much harder market," said Frank C. Witthun, executive vp of Acordia Inc., the 13th-largest broker. For example, tightening reinsurance capacity and the large losses reported by underwriters at Lloyds of London unquestionably have caused some hardening for high-layer professional liability risks, he said.

Any rate hikes, though, may be short-lived, some brokers think.

Price increases attract additional capital, said Patrick G. Ryan, president and CEO of Rollins Hudig Hall Group Inc., the fourth-largest broker.

For example, after rates hardened for directors and officers liability and property catastrophe coverages, new capital flowed into those markets, he said.

"If capital thinks it can make an acceptable return, it will come in and then the market will be there,"

Continued on next page

Largest brokers

Continued from previous page
agreed Sedgwick James' Mr. Healey.

Going global

Brokers for the most part are not counting on a rapid turn in the U.S. market. Instead, to generate more revenue, they are looking inward and are restructuring to improve their service.

For some, this means streamlining the brokerage process for global clients.

For example, Marsh & McLennan Cos. Inc., the world's largest broker, filled out its network of wholly owned European offices last year and now is developing a prototype "Global Broking Centre" in London to facilitate the marketing of coverage around the world for large policyholders.

The new operation is being built around an electronic system linking M&M with insurers worldwide, generating uniform placement documents, recording transactions and building a data base on global markets.

M&M formally divided operations handling jumbo "risk management" accounts from those handling "insurance brokerage" accounts, defined as those without a full-time risk manager and which generate relatively smaller premium volume.

For RHH—the combination of Rollins Burdick Hunter Group Inc., Frank B. Hall Cos. Inc. and Hudig-Langeveldt Europe B.V.—the most important event in 1992 was "the bringing together of three companies into one," Mr. Ryan said.

RHH executives believe that the brokerage must be a global provider of services to compete in today's marketplace. RHH now has a presence in virtually every major industrialized country and developing country, said Dirk P.M. Verbeek, chairman of Rollins Hudig Hall Holdings B.V., RHH's international retail brokerage unit.

> 'The term broker is passe. We do far more than 'broke' business,' says J&H Chairman David A. Olsen.

Alexander & Alexander Inc., A&A Services Inc.'s U.S. retail brokerage subsidiary, now is structured so it services global accounts from global network offices in selected large cities.

Bain Clarkson Ltd., the 11th-ranked broker, has split its retail unit similarly, with larger clients getting more personalized services and smaller clients benefiting from economies of scale reaped by using automation to perform tasks formerly done by a staff member.

Brokering just isn't enough

Other brokers are working to beef up the consulting and other services that their clients increasingly are seeking.

"The term broker is passe. We do far more than 'broke' business," said David A. Olsen, chairman of sixth-ranked Johnson & Higgins.

If the shift to alternative forms of risk financing continues, "That would be highly damaging to brokers that see themselves as brokers with a capital 'B' and nothing more, and it would open up substantial opportunity to those who see themselves as advisers and packagers of risk transfer," said Peter S. Christie, chairman and CEO of Minet Group P.L.C., the world's eighth-largest brokerage.

At Sedgwick, major clients are moving away from buying insurance and are looking for other services that Sedgwick can provide, Mr. Healey said.

"They want someone to help them manage their claims. And that's where—particularly in the large accounts—they are already going to a fee," he said.

About half of Sedgwick Group's revenues will be generated by fees rather than commissions in a few years time, predicts Chief Executive Sax Riley. About 20% of the company's revenues currently are generated by fees.

A&A is adopting more of a consulting approach, as the soft market lingers and its clients' needs change, Mr. White said. Those factors say "we have to do our business differently than we've done in the past," he said.

While A&A anticipates that its insurance services revenues, primarily composed of brokering, will grow at a faster pace than they have over the past several years, "we also expect management consulting to grow at a faster rate percentage-wise," Mr. White said.

At Arthur J. Gallagher & Co., the world's 10th-largest broker, increased fee-based compensation accounted for 70%, or $17.9 million, of the broker's $25.7 million 1992 revenue increase.

And, Gallagher executives—who see market pressures building for an eventual hardening of rates in the United States—anticipate greater opportunities ahead for the company's risk management services subsidiary, Gallagher Bassett Services Inc.

ABN AMRO Verzekeringen B.V. of the Netherlands, the No. 15 broker, also emphasizes risk and insurance management ser-

Continued on page 6

Top 20 brokers' real revenue growth*

Broker	1992 revenue growth
1. Steel Burrill Jones	15.1%
2. Acordia	12.7
3. Rollins Hudig Hall	11.6
4. Arthur J. Gallagher	10.4
5. American Business Ins.	9.1
6. Johnson & Higgins[1]	8.0
7. Gras Savoye	7.3
8. Lowndes Lambert	6.6
9. Jauch & Huebener	5.9
10. Marsh & McLennan	5.3
11. Bain Clarkson	4.6
12. Hogg Group	3.7
13. JIB Group	3.1
14. Willis Corroon	3.0
15. C.E. Heath	2.2
16. Sedgwick Group	0.0
17. Hilb, Rogal & Hamilton	-1.2
18. Alexander & Alexander	-1.5
19. ABN AMRO	-2.3
20. Minet Group	-4.5

* Increase in revenues before currency conversion
[1] *BI* estimate
Source: *BI* survey

GRAPHIC BY JOHN HALL

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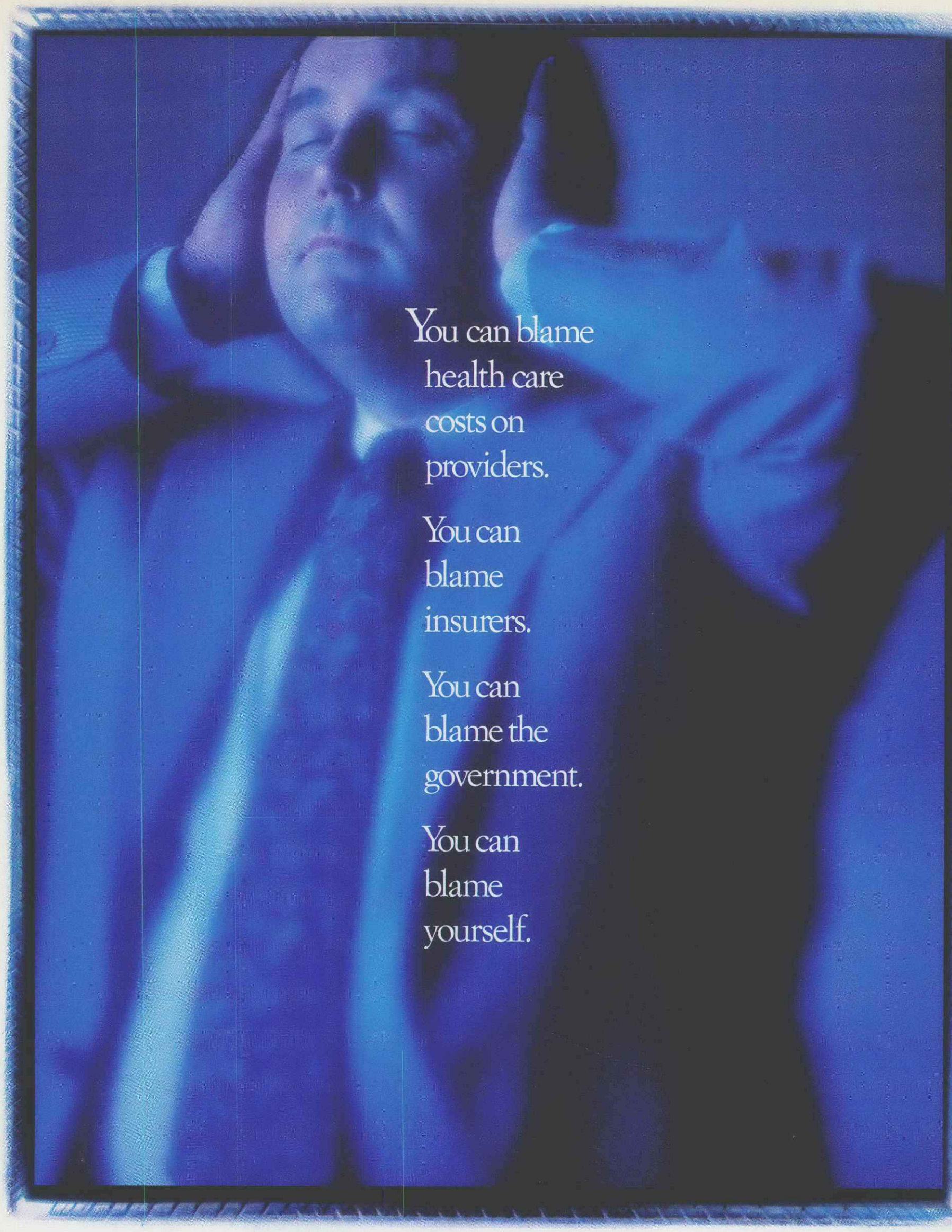
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Largest brokers

Continued from page 4
vices much more than simple insurance product sales.

Untapped markets ripe

Many brokers also will try to boost revenues through mergers and acquisitions with both domestic and foreign companies. Many want to move into previously untapped markets like the Asia-Pacific region and Eastern Europe

Paris-based Gras Savoye S.A., the 16th-largest broker, last year put the finishing touches on a three-year domestic expansion program. The broker has acquired or taken a participatory stake in nine brokerages in France over the past three years.

While 17th-ranked American Business Insurance Inc. is not making acquisitions at the harried pace it did in its early years, it made 11 acquisitions in 1992 and completed eight more during the first five months of 1993, said Stephen J. Leaman, president and CEO.

Many brokers also see a wealth of new business opportunities in the Far East—with China considered the shining jewel.

Sedgwick is waiting for the Chinese government to give it the first brokerage license in the country. Sedgwick has been in China for 12 years through three representative offices.

The Asian market business of JIB Group P.L.C., whose origin can be traced to the Canton region of China, has been growing at between 20% and 25% each year, according to CEO R. John Barton.

"We're making a natural push into mainland China from our base in Hong Kong," Mr. Barton said. "Our dream is to have offices in the main commercial centers in China."

A&A also wants to expand in China beyond its current special projects. It has a joint venture agreement with the Lippo Group in Hong Kong, which is expected to act as a steppingstone into China.

M&M and Minet also want to expand in the Far East.

Meanwhile, "there is a future" in Eastern Europe, said Christian Dahms, a partner with 14th-ranked Jauch & Huebener KGaA.

While the commercial outlook for some Eastern European nations is not now bright, "Hungary and Czech Republic will recover in five to eight years," he said.

In addition, "We have to take a long-term perspective with the CIS states," he said, referring to the former Soviet countries that now make up the Commonwealth of Independent States.

Jauch & Huebener recently opened offices in Prague and Moscow.

Lowndes Lambert Group Holdings P.L.C., the 19th-ranked broker, opened an office in February in Leipzig in the former East Germany.

Operating behind what once was the Iron Curtain can be problematic. For example, the telephone system in eastern Germany still is linked to Moscow rather than the rest of Germany, noted Richard Shaw, Lowndes Lambert's chairman and CEO.

But, Mr. Shaw believes there will be increased interest in eastern Germany, particularly for construction business—a Lowndes Lambert specialty—as the area is rebuilt.

Several other brokers also have opened offices in Eastern Europe.

Forging ties to middle market

On their homefronts, many U.S. and European brokers known for handling jumbo accounts also plan to pursue middle-market accounts to help boost revenues.

For example, M&M is forging more efficient marketing links for smaller clients. The broker has established "portfolio relationships" with three insurers that have agreed to write books of similar middle market risks and have dedicated underwriters to handling the M&M's "insurance brokerage" accounts.

J&H's middle-market business grew to 18.2% of its gross revenues in 1992 from 16.7% in 1991.

And, earlier this year, 18th-ranked broker Hilb, Rogal & Hamilton Co. established a new special account unit based in its Glen Allen, Va., headquarters. The new unit is composed of experts in the small commercial business market—accounts with annual premiums averaging less than $10,000.

One broker, though, is bucking the trend. Gallagher, which has built its business largely on a book of medium-size accounts, is now going after jumbo accounts.

"I think we're going to surprise some people in the next five years with the companies we'll put on the client list," said J. Patrick Gallagher, president and chief operating officer.

Others also are setting high goals: For instance, one of the 13 strategic objectives identified by Willis Corroon Group P.L.C. is to become the world's second-largest brokerage. Willis Corroon currently ranks No. 5. "We are determined to be No. 2, and I think we are going ahead very strongly in our efforts in quality," said Executive Chairman Roger Elliott.

Carving a niche

Still others, though, concede that they cannot follow in the steps of an M&M or a Willis Corroon and attempt to be "all things to all people," as Minet's Mr. Christie put it. Except for the largest of the Top 20, most brokers will continue to specialize in areas in which they believe they have carved a niche.

Minet over the past two years has aggressively refocused its business on specialties, Mr. Christie pointed out. Among those specialties are professional liability, energy, marine, financial institutions and construction coverages.

"Our specialty focus is very much centered on specialized client knowledge as opposed to specialized insurance market knowledge," Mr. Christie said. "You have to have both, but I'm a very strong believer that the real edge at the end of the day is understanding your client's business very well. The insurance stuff is rather simple."

JIB's areas of concentration include marine, energy and construction. But because JIB's managers have considerable autonomy, "there will be other regional specializations," said David Batchelor, who heads JIB's U.S. operations.

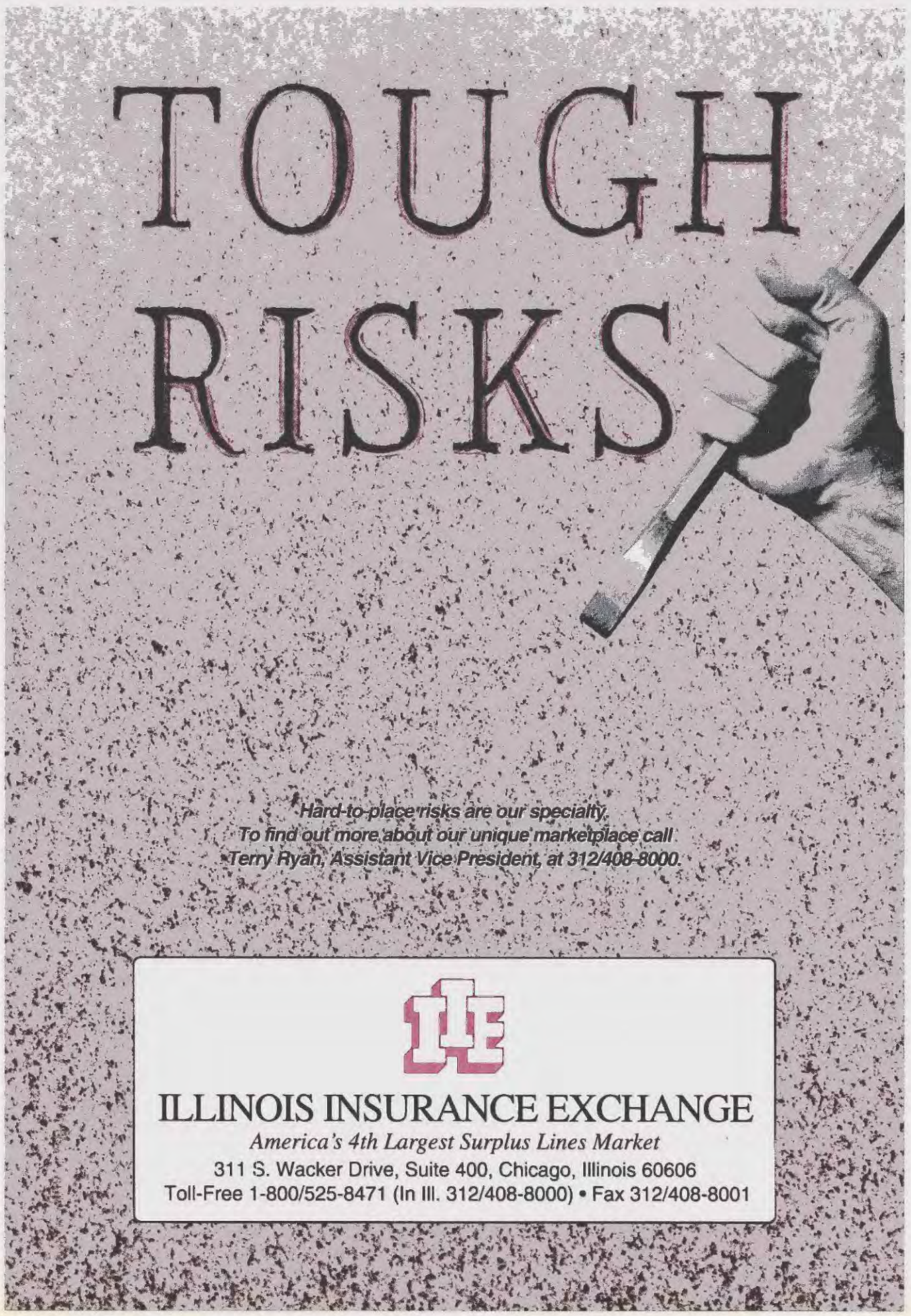
Those may include the fast-food and franchise business spearheaded out of its Midwest offices.

Focusing on niches helped put Steel Burrill Jones Group P.L.C. into the Top 20 for the first time this year.

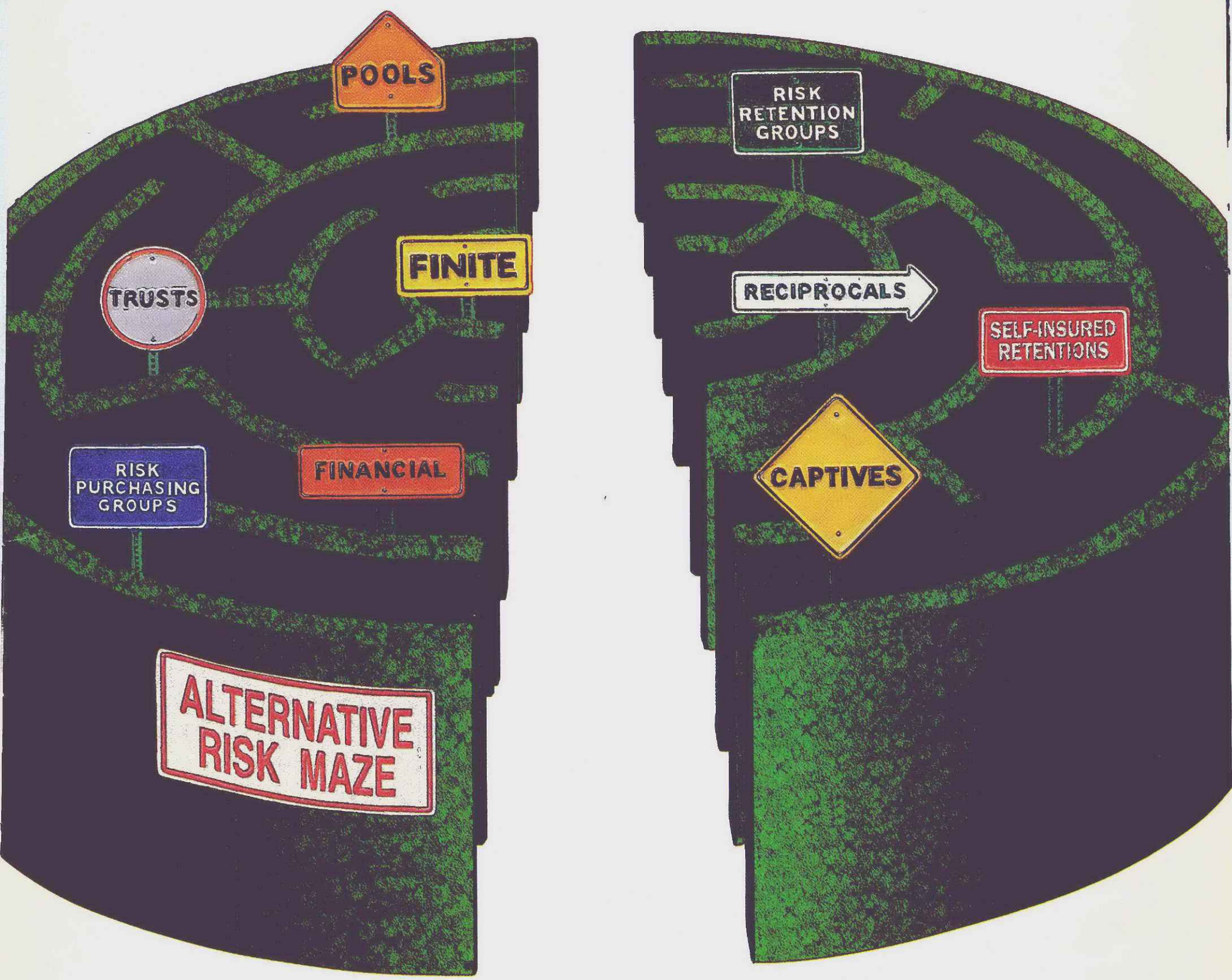
"We don't regard ourselves as a firm which is huge or medium-sized. We regard ourselves as a company of specialisms. And in each of those specialisms, we attempt to be positive market players and have a decent market position," said Deputy Chairman and CEO George Boden. "You will find that we can claim certainly to be very strong players in the niches we select."

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This story is based on reports from BI staff members.



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Spotlight report

Retail revenue growth slowing

Slight drop from '91 points to soft commercial market

U.S. retail brokerage revenue growth in 1992 lagged slightly behind 1991 levels, a proof of soft commercial insurance rates.

Estimated commercial retail brokerage revenues produced by the 20 largest U.S. retail brokerages rose 3.1% in 1992. A similar, though not identical, group of brokers posted retail revenue growth of 3.7% in 1991 (*BI*, June 29, 1992).

Three brokerages recorded a decline in U.S. retail revenues in 1992: Hogg Group P.L.C. saw a 6.3% drop; JIB Group P.L.C. reported a 3.4% decline; and Alexander & Alexander Services Inc.'s revenues fell 1.5%.

Contributing to the Top 20's overall growth are Acordia Inc.'s continued strong growth in U.S. retail revenues, with a 17.8% increase; Kaye Insurance Associates L.P.'s 19.8% gain; and Frenkel & Co. Inc. —new to the chart this year—with a 32.9% increase, mainly due to acquisitions.

Meanwhile, the gross revenue cutoff for the 100 largest brokers serving U.S. clients was $7.9 million in 1992, down from $8.2 million last year (see chart, page 3).

However, the criterion for this year's ranking has changed slightly. Brokers now are ranked on gross revenues generated only from U.S.-based clients, regardless of where the broker is headquartered. Last year, revenues generated from non-U.S.-based clients were included if the broker was headquartered in the United States.

Also of note is that seven members of last year's Top 100 refused to submit information this year.

Fourteen brokers are new to the Top 100 this year. Four U.K.-based brokers are now included, due to the new methodology: No. 26 C.E. Heath P.L.C., No. 27 Lowndes Lambert Group Holdings P.L.C., No. 37 Steel Burrill Jones Group P.L.C. and No. 92 Bain Clarkson Ltd.

No. 33 Timberline Insurance Managers Inc. and No. 71 The BGS&G Cos. would have made last year's rankings but did not complete a questionnaire last year.

The remaining eight brokers to break into the Top 100 are: WRIMS Corp., No. 81; Anco Insurance Managers Inc., No. 85; Robertson/Ryan & Associates Inc., No. 90; Lawley Service Inc., No. 91; MLW Services Inc., No. 94; Waterfield Insurance Agency Inc., No. 98; The Mathog & Moniello Cos. Inc., No. 99; and The Simkiss Cos., No. 100.

The seven brokers that declined to complete a questionnaire are: Norwest Insurance Inc., ranked No. 16 in 1991; Becher & Carlson, No. 35; Herbert L. Jamison & Co., No. 46; Wm. Rigg Cos., No. 47; The Leavitt Group, No. 53; The Thomson Group, No. 91; and Laub Group Inc./Hummel Cos., No. 97. Becher & Carlson did not participate because it is emphasizing consulting over brokerage services.

Business Insurance is unable to accurately estimate these brokers' revenues.

While BRI Coverage Corp. also did not participate, *BI* estimates the broker's 1992 revenues at $15 million, based on information submitted to the Securities and Exchange Commission after BRI was acquired last year by Underwriters Financial Group Inc. BRI, which had been privately held, reported revenues of $35.2 million in 1990, the last time the brokerage submitted its results.

Two firms are missing from the Top 100 due to mergers: Frank B. Hall merged into RHH, while Poe & Associates Inc. and Brown & Brown Inc. merged to become Poe & Brown Inc., ranked No. 13.

Two firms are missing due to acquisitions: last year's No. 80, The Woodsmall Cos., was acquired by Arthur J. Gallagher & Co.; and last year's No. 57, Amalgamated Programs Corp., was bought by Kaye Insurance Associates.

One firm in last year's listing—No. 99 Donald F. Smith & Associates—dropped below the revenue cutoff in 1992.

Not included in the rankings of the Top 100 is ISU Corp., an independent agency franchise organization, because members are individually owned. ISU's 104 franchises at year-end reported combined gross revenues of $160.3 million, down 9.8% from $177.7 million reported by 116 ISU members for 1991.

As a group, ISU would rank as the 13th-largest U.S. broker and the 20th-largest broker in the world.

Similarly, Assurex International, a Columbus, Ohio-based agency network, is not ranked. The 60 Assurex partner agencies posted 1992 combined gross revenues of $485.7 million. This is a 15.6% increase over 1991 revenues of $420 million reported by 54 partners. Together, they would rank as the seventh-largest U.S. broker and the seventh-largest broker in the world.

—By Sarah E. Polster

20 largest U.S. commercial brokers

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

U.S. brokers	1992	1991	% change
Marsh & McLennan Cos. Inc.	$816.0	$797.0	2.4%
Alexander & Alexander Services Inc.	554.6	563.2	-1.5
Rollins Hudig Hall Group Inc.[1]	501.0	487.8	2.7
Johnson & Higgins[2]	465.0	427.0	8.9
Sedgwick Group P.L.C.	411.3	403.3	2.0
Willis Corroon P.L.C.	300.1	297.1	1.0
Arthur J. Gallagher & Co.	137.0	132.5	3.4
JIB Group P.L.C.	112.0	116.0	-3.4
American Business Insurance Inc.	95.0	87.0	9.2
Hilb, Rogal & Hamilton Co.	91.8	91.7	0.1
Minet Group P.L.C.	52.0	50.0	4.0
Acordia Inc.	46.3	39.3	17.8
Poe & Brown Inc.	45.2	40.4	12.1
Kaye Insurance Associates L.P.	42.5	35.5	19.8
Hogg Group P.L.C.	41.9	44.7	-6.3
The Lockton Insurance Agency	41.0	35.1	16.5
Near North Insurance Brokerage Inc.	30.6	27.9	9.7
Frenkel & Co. Inc.	29.2	22.0	32.9
John L. Wortham & Son L.L.P.	27.6	27.2	1.4
Frank Crystal & Co. Inc.	27.3	25.5	7.1
Totals	**$3,867.5**	**$3,750.2**	**3.1%**

Includes Frank B. Hall & Co. Inc. [2] *BI* estimate Source: *BI* survey

GRAPHIC BY CHRIS ROY

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Top brokerage execs' 1992 compensation

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

Name / Brokerage	1992	1991	Percent change	1992 net income (in millions)	Percent change
A. J. C. Smith Marsh & McLennan Cos. Inc.	$2,053,750	New CEO	—	$263.7	-13.7%
Patrick G. Ryan Rollins Hudig Hall Group Inc.	1,003,154	$892,500	12.4%	-1.7	NM
L. Ben Lytle Acordia Inc.	640,273	661,335	-3.2	20.2	8.7
Tinsley H. Irvin Alexander & Alexander Services Inc.	554,167	595,833	-7.0	-90.1	NM
Robert H. Hilb Hilb, Rogal & Hamilton Co.	372,500	390,000	-4.5	8.4	67.9
William F. Poe Poe & Associates Inc.	325,720	318,220	2.4	1.3	-72.0
Robert E. Gallagher Arthur J. Gallagher & Co.	265,000	265,000	0	23.5	24.4

NM-Not Meaningful

Source: Securities and Exchange Commission documents

GRAPHIC BY JERRY PARKS

Several broker execs see compensation drop with company profits

M&M's Smith highest-paid CEO

By SALLY ROBERTS

The recession and the soft commercial insurance market had an adverse effect not only on many brokers' bottom lines in 1992, but also on their executives' wallets.

The chief executive officers of the seven major publicly held U.S. brokerages received a combined cash compensation of $5.2 million last year, down nearly 16% from 1991 when the CEOs of the seven brokers earned $6.2 million.

Not coincidentally, the downswing in executive pay is consistent with the brokers' profit performances. Only three brokers posted increases in net income last year: Acordia Inc., Hilb Rogal & Hamilton Co. and Arthur J. Gallagher & Co. Profits fell at Poe & Associates Inc. and Marsh & McLennan Cos. Inc., while Alexander & Alexander Services Inc. and Rollins Hudig Hall Group Inc. reported losses.

Of the CEOs of the seven largest publicly held brokers, only two received raises in 1992, four received pay cuts and one saw no change.

The largest increase was reported by Patrick G. Ryan, president, chief executive officer and director of RHH and chairman of the broker's Chicago-based parent, Aon Corp. Mr. Ryan's salary and bonus jumped 12.4% to $1,003,154. RHH reported a $1.7 million pretax loss for its insurance brokerage and consulting services in 1992.

Mr. Ryan moves up one spot in the rankings to become the second-highest paid brokerage chief executive, behind newcomer A.J.C. Smith, chairman and CEO of M&M.

Mr. Smith, who succeeded Frank J. Tasco in 1992, earned $2,053,750. M&M's 1992 net income fell 13.7%.

Donald R. Bell, former CEO of Frank B. Hall & Co. Inc., previously held the No. 1 spot with a $1,750,048 salary and bonus in 1991. After Hall was acquired by Aon in late 1992, Mr. Bell became vice chairman of Rollins Hudig Hall Co., RHH's retail brokerage unit.

While Mr. Bell's compensation is not listed in Aon's proxy statement, Aon presumably is honoring his Hall contract, which ran through 1996. That contract calls for a base salary of $750,000 and quarterly bonuses for $250,000 (*BI*, July 27, 1992).

The third-highest paid brokerage executive is L. Ben Lytle, chairman, president and CEO of Acordia Inc. and its Indianapolis-based parent, Associated Insurance Cos. Inc. Mr. Lytle earned $640,273 in salary and bonus in 1992 from both Acordia and Associated. That was a 3.2% decrease from his 1991 salary and bonus, even though Acordia's 1992 net income increased 8.7%.

Tinsley H. Irvin, chairman and CEO of A&A, ranked No. 4, earning $554,167 in salary and bonus in 1992. His cash compensation declined 7% from 1991. A&A reported a $90.1 million net loss in 1992.

The fifth-highest paid brokerage

Continued on next page

The 1992 compensation rankings for the largest publicly held brokerage chief executives are based on new Securities and Exchange Commission proxy rules, which increase disclosure requirements for executive pay.

While the new proxies provide greater detail on how executives are compensated including cash, stock grants, stock options and exercised stock options, the new format can make comparisons with 1991 difficult.

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Next	$2,000,000	10.00	1.00%
Next	$2,500,000	7.50	.75%
Next	$2,500,000	7.00	.70%
Over	$7,500,000	6.50	.65%
Minimum premium: $100.00			

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Compensation

Continued from previous page

CEO, Robert H. Hilb, chairman, president and CEO of HRH, earned $372,500 in salary and bonus in 1992, down 4.5% from $390,000 in 1991, even though HRH's net income jumped 67.9%.

William F. Poe, chairman and CEO of Poe & Associates, came in behind Mr. Hilb with $325,720 in salary and bonus for 1992. That was a 2.4% rise from $318,220 in 1991, despite the firm's precipitous 72% drop in net income for the year.

Upon completion of Poe's merger with Brown & Brown Inc. in April (*BI,* May 10), Mr. Poe stepped down as CEO. Brown's former president, J. Hyatt Brown, assumed Mr. Poe's title and duties, while Mr. Poe remains chairman.

Rounding out the list is Gallagher's chairman and CEO, Robert E. Gallagher, whose $265,000 in salary and bonus last year was unchanged from 1991. The brokerage's net income rose 24.4% last year.

In addition to the $2.05 million in salary and bonus collected by M&M's Mr. Smith, he received $154,542 to cover tax liabilities arising from the funding of annuities under the company's Benefit Equalization Plan and an additional $9,177 in company savings plan contributions. Mr. Smith's cash compensation totaled $2,217,469.

Additionally, Mr. Smith, 58, held 257,741 shares—44,500 shares of which he does not have sole voting power—of M&M stock as of Feb. 26. Minus 115,375 shares subject to exercisable options, his holdings are valued at $12.2 million based on a June 25 stock price of $86.

Lawrence J. Lasser, 50, president of The Putnam Cos. Inc., M&M's investment management unit, again earned more than any of the brokerage chief executives with a $2,375,000 salary and bonus in 1992. He also received $108,750 in profit-sharing plan contributions for a cash compensation of $2,483,750.

Mr. Lasser also held 80,564 shares of M&M stock. Not including 45,000 shares subject to exercisable stock options, Mr. Lasser's holdings—more than half of which he has sole voting and investment power over—are valued at $3.1 million.

Robert Clements, 60, president of M&M, jumped over the million-dollar compensation mark in 1992 with $1,608,333 in salary and bonus. Mr. Clements additionally received $102,855 to cover tax liabilities and $9,155 in company matching contributions under a stock investment plan. In all, Mr. Clements' cash compensation totaled $1,720,343.

Mr. Clements also held 156,270 shares of company stock. His holdings, minus 107,500 shares subject to exercisable stock options, were worth $4.2 million, though he has sole voting and investment power over less than half of this.

Peter Coster, 53, president of Mercer Consulting Group Inc. and William M. Mercer Cos. Inc., two M&M consulting subsidiaries, earned $1,090,000 in salary and bonuses in 1992. Mr. Coster also received $9,155 in company matching contributions under a stock investment plan, making his total cash compensation $1,099,155.

Mr. Coster held 71,219 shares of M&M stock. Excluding 48,000 shares subject to exercisable stock options, his holdings were worth $2 million. However, Mr. Coster does not hold sole voting and investment power over a majority of the shares.

Richard H. Blum, 54, chairman of Guy Carpenter & Co. Inc., M&M's reinsurance intermediary, earned $870,000. He also received $61,624 to cover tax liabilities and $9,155 in company matching contributions for a 1992 compensation of $940,779.

Mr. Blum also held 153,688 shares of company stock valued at $8.1 million after the 60,000 shares subject to exercisable stock options were subtracted. Mr. Blum does not hold sole voting and investment power over any of these shares.

A&A's Mr. Irvin, in addition to his $554,167 salary, received $36,673 in contributions from the company's 401(k) savings plan and retirement plan. The company paid $2,553 in insurance premiums on his behalf, while he received $12,655 in interest on deferred compensation. His total cash compensation was $606,048.

Mr. Irvin, 59, also holds 62,192 shares of stock, valued at $26.63 on June 25, worth $1.7 million.

Michael K. White, currently president and chief operating officer of A&A, earned $520,000 in salary and $202,363 in bonus in 1992. He also received $27,037 in company thrift plan and retirement plan contributions; $1,528 in insurance premiums were paid on his behalf; and he received $5,062 in interest on deferred compensation. Altogether, he received $755,990 in 1992.

Mr. White, 54, also beneficially held 40,320 shares of company stock, valued at $1.1 million.

Ronald A. Iles, senior vp and chairman of Alexander Howden Reinsurance Brokers Ltd., earned $472,448 in salary and $409,845 in bonus for 1992. Mr. Iles's compensation was paid in British pounds and, for financial reporting purposes, was restated in U.S. dollars based on an average 1992 exchange rate. He received $15,613 in other compensation, including company matching contributions and insurance premiums paid on his behalf.

He also holds 12,195 shares of company stock valued at $324,753.

Like Mr. Iles, Ronald W. Forrest, senior vp and president and CEO of Alexander & Alexander Inc., was paid in pounds. Mr. Forrest earned $568,092 in cash compensation, including a $168,092 bonus, in 1992. Mr. Forrest holds 8,595 shares of A&A stock valued at $228,885.

A.M. D'Alessandro, chairman and CEO of The Alexander Consulting Group Inc., earned $572,245 in cash compensation, including a $141,112 bonus in 1992. He also holds 35,402 shares of company stock valued at $942,755.

Of the individuals listed in Aon's proxy, only Mr. Ryan and Daniel T. Cox are associated with RHH.

Mr. Ryan, 55, received $67,642 in non-cash benefits and $36,244 in company contributions in addition to his $1,003,154 salary and bonus. Thus, his total 1992 compensation was $1,107,040.

As of Feb. 23, Mr. Ryan held 8,975,493 shares—or 13.5%—of Aon's outstanding stock. Some shares are beneficially owned by members of his family, and others are part of a company-allocated employee stock ownership plan. At a June 25 stock price of $52.38, Mr. Ryan's total holdings were worth $470.1 million.

Mr. Cox, an Aon executive vp and chairman of Godwins International Inc., RHH's benefit consulting unit, received $538,058 in salary and bonus in 1992.

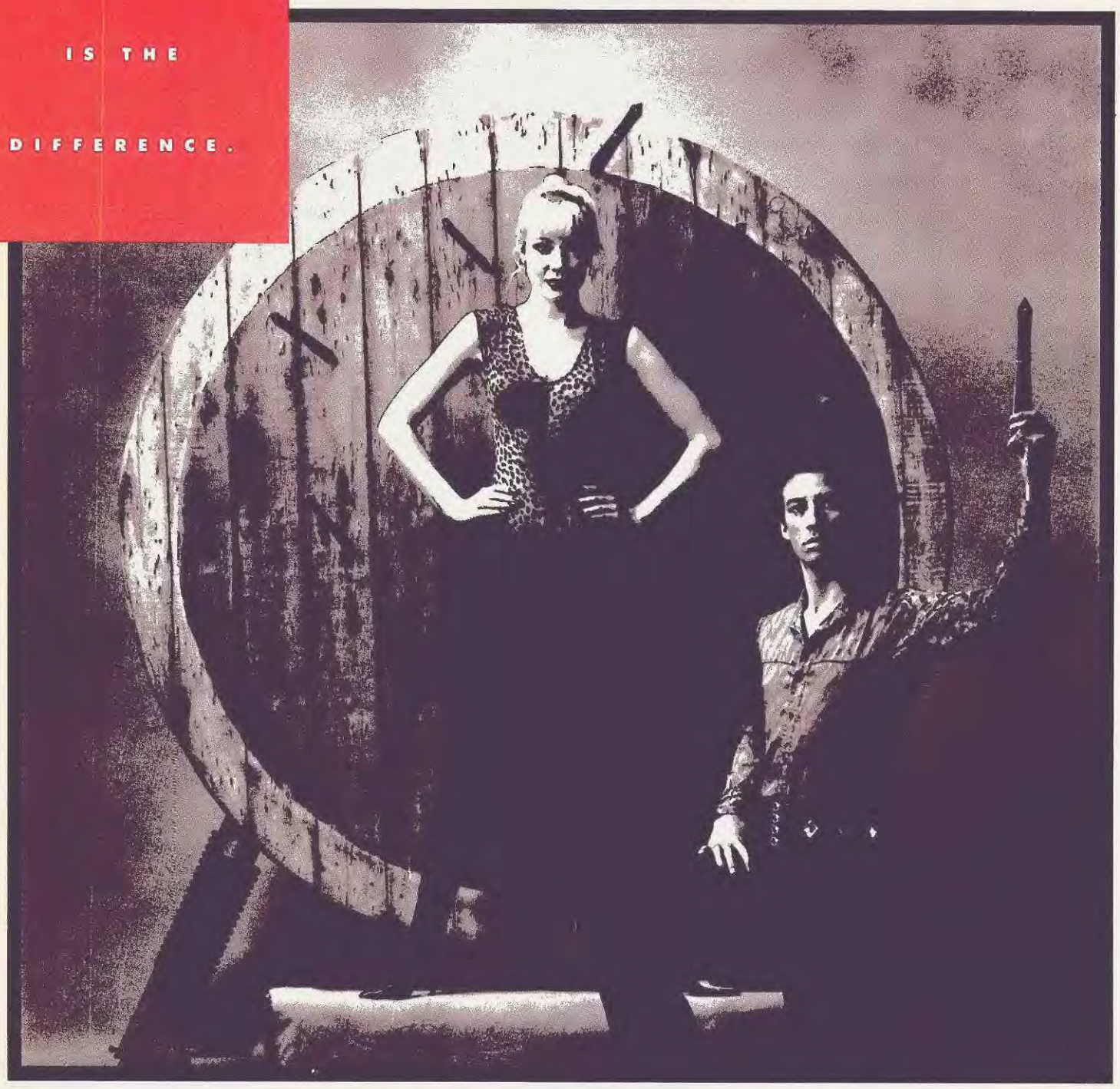
Mr. Cox also received $22,761 in company benefit plan contributions in 1992, making his total cash compensation $560,819. He also held 27,020 shares of Aon stock—some beneficially owned by family members and some held by the company ESOP. Excluding 10,008 shares subject to exercisable options, his total holdings are worth $891,088.

At the helm of Acordia Inc., Mr.

Continued on page 16

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Compensation

Continued from page 14

Lytle, 46, received a base salary of $336,986 and a bonus of $303,287 in 1992. Additional income from tax reimbursement, 401(k) plan contributions and deferred compensation totaled $12,539. Thus, Mr. Lytle's 1992 total cash compensation was $652,812, payable by both Acordia and its parent, Associated.

Mr. Lytle also beneficially owned 140,000 shares of Acordia stock as of Dec. 31. At a price of $21.38 a share on June 25, Mr. Lytle's holdings are worth nearly $3 million.

Patrick M. Sheridan, 52, executive vp and chief financial officer of Acordia, received a base salary of $225,004 and a bonus of $185,628 in 1992, payable between Acordia and Associated. With the $14,184 in compensation from tax reimbursements, 401(k) plan contribution and deferred compensation, his total cash compensation was $424,816. He beneficially owns 80,000 shares of stock valued at $1.7 million.

Howard L. Korn, 61, former president and chief operating officer, became Acordia's vice chairman in March. In 1992, he received total cash compensation of $366,659, composed of $235,014 in base salary, $116,332 in bonus and $15,313 in tax reimbursements, 401(k) contributions and deferred compensation. He beneficially owns 30,000 shares of stock valued at $641,400.

Frank C. Witthun, executive vp, received total compensation of $264,585 in 1992, including $175,000 in base salary, $87,500 in bonus and $2,085 in tax reimbursements, 401(k) contributions and deferred compensation.

William B. Conner, executive vp and former CEO of Robinson-Conner Inc., which Acordia acquired in 1991, earned $200,018 in base salary in 1992. Mr. Conner, 60, also received $4,508 in other compensation, including tax reimbursements, 401(k) contributions and deferred compensation. He beneficially owned 228,569 shares of stock valued at $4.9 million.

Mr. Conner resigned in March as executive vp of Acordia but will remain a director. Keith R. Faller, CEO of Acordia's Small Business Benefits, was named an executive vp.

As CEO of HRH, Mr. Hilb earned $372,500 in salary and bonus in addition to $9,154 in profit sharing and 401(k) matching contributions. His total compensation was $381,654.

Mr. Hilb, 66, holds 323,350 shares of HRH stock. Excluding the 14,950 shares subject to exercisable stock options, his holdings were valued at $4 million, based on a June 25 share price of $13.

John C. Adams Jr., 56, executive vp and chief operating officer, earned $205,000 in base salary and $25,000 in bonus in 1992. He also received $8,200 in profit-sharing and 401(k) contributions. His total compensation was $238,200.

Mr. Adams also beneficially owned 86,050 shares of HRH stock, of which 5,000 shares are in a trust. Minus the 7,450 shares subject to exercisable stock options, his holdings are worth $1.02 million.

Executive Vp Andrew L. Rogal, 44, received $245,000 in salary and bonus last year, in addition to $6,600 in profit-sharing and 401(k) contributions.

Meanwhile, his 69,776 shares of stock, which include 6,700 shares subject to exercisable stock options, are valued at $819,988, excluding the stock options. Nearly 20,000 of the shares are held in a trust.

Ronald J. Schexnaydre, senior vp, earned $134,766 in total compensation in 1992, composed of $129,583 in base salary and $5,183 in profit-sharing and 401(k) contributions. Mr. Schexnaydre also beneficially owned 19,506 shares of company stock. Excluding 3,400 shares subject to exercisable stock options, his holdings were worth $209,378.

Timothy J. Korman, senior vp and treasurer, earned $101,000 in salary and bonus in 1992. He also received $3,520 in profit-sharing and 401(k) contributions. Mr. Korman held 31,176 shares of company stock for which 7,650 shares are subject to exercisable stock options. Excluding those shares, Mr. Korman's holding's were worth $305,838.

At Poe & Associates, Mr. Poe's cash compensation totaled $325,720 in salary and bonuses. Mr. Poe, 61, held 1,164,097—or 22.8%—of the outstanding shares of the company as of March 16. This holding includes: 374,969 owned by W.F. Poe Syndicate Inc., a corporation in which Mr. Poe has a 15% ownership interest; 21,756 he owns as a custodian; and 2,500 shares he owns as a trustee. Combined, this stake is valued at $22.1 million, based on a June 25 stock price of $19.

President V.C. Jordan Jr., 62, earned $200,720 in cash compensation last year. He also held 166,055 shares of company stock. Minus 11,874 shares subject to exercisable stock options, Mr. Jordan's holdings were worth $2.9 million.

Poe's executive vps Joseph E. Brown, 62, and Bruce G. Geer, 45, earned $185,720 and $203,220 respectively in cash compensation last year. Mr. Brown holds 24,801 shares of company stock, valued at $348,935 excluding 6,436 shares subject to exercisable stock options. Mr. Geer holds 87,191 shares valued at $855,057, minus 42,188 shares subject to exercisable stock options.

Donald E. Howery Jr., Poe's vp, treasurer and secretary, earned $94,086 in cash compensation.

Robert E. Gallagher, the CEO of Arthur J. Gallagher, earned $240,000 in salary and $25,000 in bonus for 1992. He also received $2,182 in 401(k) contributions, giving him total cash compensation of $267,182.

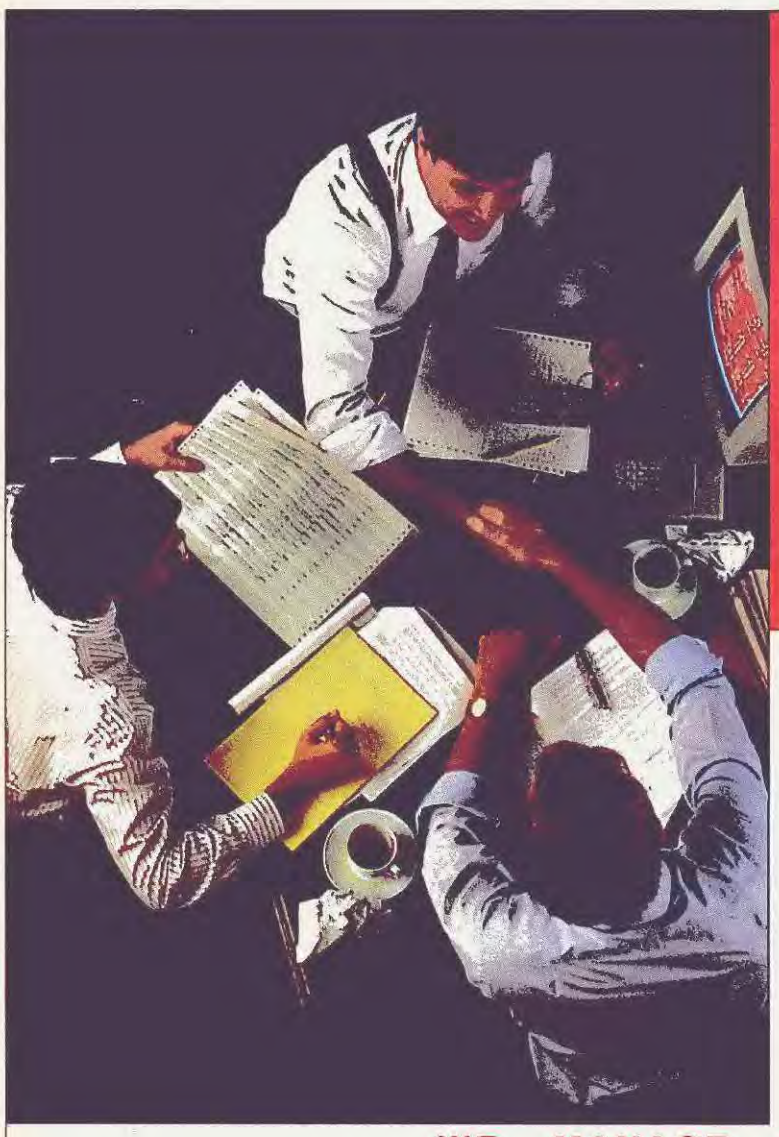
He also holds 736,334 shares of company stock, of which 175,000 shares are held in trusts. Based on a June 25 stock price of $32.50, his holdings were worth $23.9 million.

Vice Chairman John P. Gallagher earned $230,000 in salary and $25,000 in bonus in 1992, in addition to $2,182 in savings plan contributions. His total compensation was $257,182. He also holds 542,926 shares of company stock, including 26,925 shares held by his wife, valued at $17.6 million.

In 1992, President J. Patrick Gallagher Jr. earned $205,000 in salary, $25,000 in bonus and $2,306 in company contributions and interest subsidies related to the purchase of common stock through the company's common stock purchase financing program. He also holds 124,146 shares of company stock, including 24,550 held in trusts, which was valued at $4 million.

Michael J. Cloherty, vp-finance, earned $230,000 in salary and $25,000 in bonus in 1992 in addition to receiving $2,182 in company savings plan contributions. He holds 70,102 shares of company stock valued at $2.3 million.

Vp Walter F. McClure earned $190,000 in salary and $25,000 in bonus, plus $2,688 in company matching contributions and interest subsidies through the stock purchase financing program. He holds 48,306 shares of company stock valued at $1.6 million. BI



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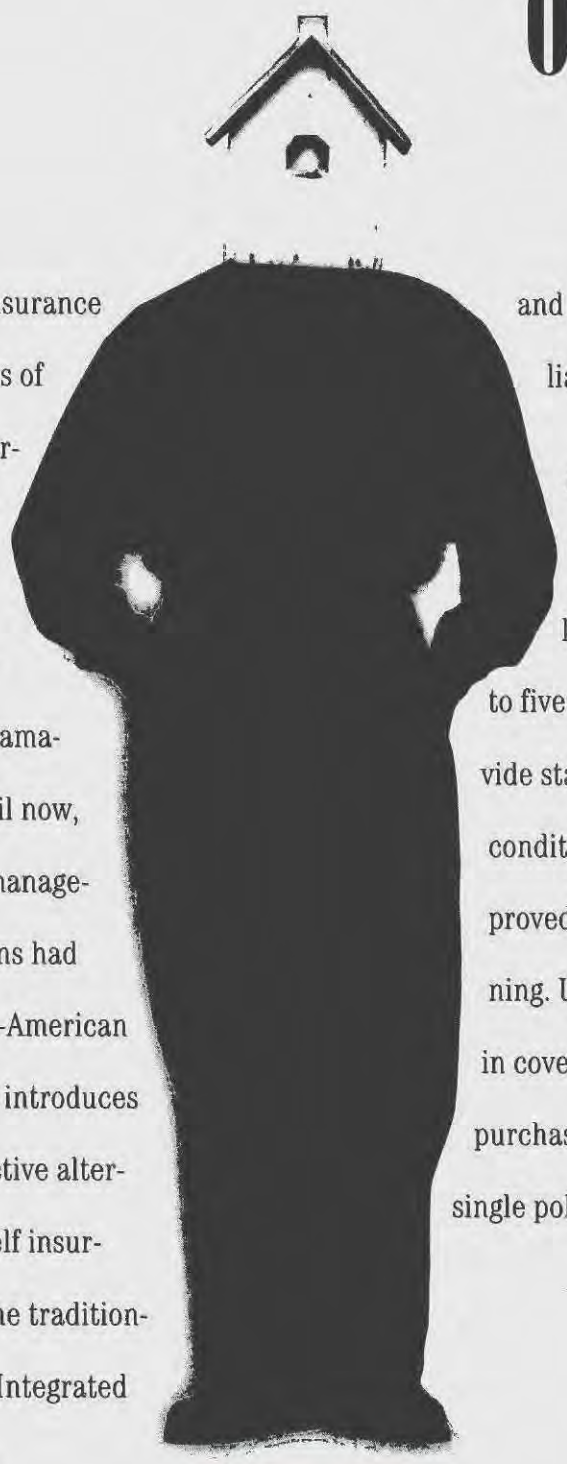
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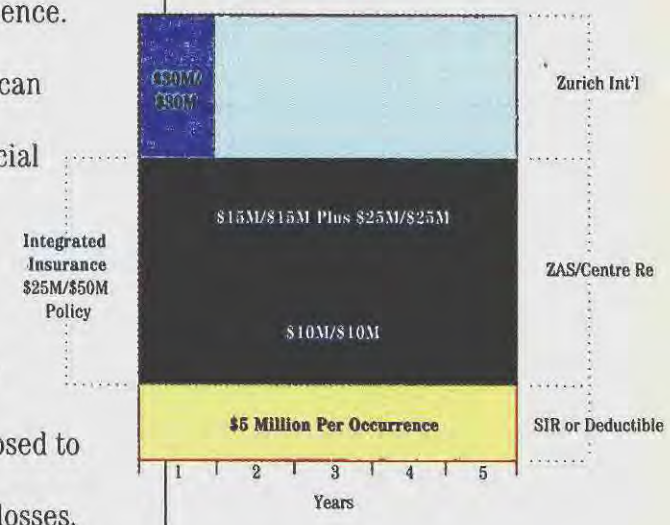
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	1992	1991
Premium volume	NA	NA
Gross revenues	$2.95 billion	$2.8 billion
Brokerage: Retail	34%*	33%*
Wholesale	9%*	9%*
Reinsurance	9%	9%
Services	44%	42%
Investment income	4%	5%
Other	0%	2%
Employees	25,800	23,400
Rev./Employee	$114,481	$119,829
Offices	450	450

* *BI* estimate

Marsh & McLennan Cos. Inc. has assembled many of the links it needs to complete a global insurance brokerage chain, and is now hammering those links into a new shape.

M&M, which last year filled out its network of wholly owned European offices, is developing a prototype Global Broking Centre in London to streamline insurance marketing for large policyholders.

Where worldwide insurance placements for large clients might previously have been handled by several M&M wholesale offices, placements now will be coordinated through the Global Broking Centre.

The new operation is being built around an electronic system linking M&M with insurers around the world, generating uniform placement documents, recording transactions and building a data base on global markets.

Nineteen large insurers in Europe, the United Kingdom, Bermuda and the United States will be the first to be linked to the prototype system, which M&M officials intend to have running this summer.

Eventually, M&M plans to establish the same electronic links with large underwriters around the world.

While streamlining global marketing for large clients, M&M is also forging more efficient marketing links for smaller clients at home: The firm has established "portfolio relationships" with three insurers that have agreed to write books of similar middle market risks and that have dedicated underwriters to handling M&M's "insurance brokerage"—or middle market—accounts.

M&M also has established relationships with 14 multiline and specialty insurers to handle other insurance brokerage clients, and these insurers have likewise dedicated underwriters to deal exclusively with M&M's accounts.

The goal of all these changes is to make insurance marketing for both large and middle market clients cheaper, more efficient and better-tailored to clients' needs, say John T. Sinnott and David D. Holbrook, co-chief executive officers of Marsh & McLennan Inc., M&M's brokerage unit.

"There are going to be fewer and fewer cases where (policyholders) and we as brokers are going to be thinking of dealing with just the home market," Mr. Sinnott said, explaining the need for a global marketing clearinghouse.

"We are not going to increase market share by doing business in the traditional fashion," Mr. Holbrook added, noting that consolidating marketing functions in the United States will free branch offices to generate new business and service existing clients.

M&M's streamlining efforts follow several years of global expansion, particularly in Europe.

In March 1992, M&M completed a $105 million cash buyout of the 67% of longtime Paris-based correspondent Faugere & Jutheau S.A. that it did not already own (*BI*, Feb. 10, 1992). In December, M&M acquired The Frizzell Group Ltd., a U.K.-based administrator of insurance programs for affinity groups (*BI*, Nov. 16, 1992).

Also last year, M&M acquired former correspondent Newstead & Porter Ltda. of Lisbon, Portugal, and opened branches in Warsaw and Prague.

Earlier moves included:

- Selling its 30% stake in Dutch broker Hudig-Langeveldt Group B.V. to Rollins Burdick Hunter Group Inc.—now Rollins Hudig Hall Group Inc.—and setting up its own Dutch operation, Marsh & McLennan Nederland.
- The 1991 acquisition of Swiss broker EWI S.A., now Marsh & McLennan-EWI S.A.
- The 1990 buyout of German correspondent Gradmann & Holler.

When its acquisition push was over, M&M had established wholly owned offices in the 12 European Community nations as well as Austria, the Czech Republic, Hungary, Poland, Sweden and Switzerland.

M&M is considering minority investments in Latin American brokerages, which was the way it obtained its first foothold in Europe, Mr. Holbrook said.

M&M recently ended its relationship with a correspondent firm in Argentina and has instead taken a majority position in a new Argentine joint venture with its Chilean correspondent, Mr. Sinnott reported. M&M also is looking to expand in Hong Kong and the Far East, he noted.

With all the expansion came the challenge of coordinating a far-flung network of offices into an efficient global marketing force. This led to the first discussions 18 months ago of creating the Global Broking Centre, according to Mr. Sinnott.

The Global Broking Centre is designed to handle large-capacity property/casualty placements for large U.S. and foreign clients.

Under the old system, M&M's account representatives might deal separately with several other M&M wholesale offices trying to complete a single placement, and the wholesale offices themselves would deal separately with underwriters around the world. Under the new system, account representatives will go directly to the Global Broking Centre, with 500 specialist brokers dealing directly with underwriters and local M&M offices in the cities where the underwriters are based.

A new computer system will link the Global Broking Centre with M&M offices and with underwriters worldwide. Among other things, the system will convert underwriting submissions to an electronic format, ensuring that all underwriters receive identical information.

Insurers will also be able to analyze the electronically sub-

Continued on page 20

Merger and Acquisition Expertise

Sfingi and Hannon Inc.
Palm Springs, California
has merged with
Hilb, Rogal & Hamilton Co.
Richmond, Virginia
The undersigned initiated the transaction and advised Sfingi and Hannon.

Caddell & Byers
Lowell, Massachusetts
has been acquired by
American Phoenix Co.
Avon, Connecticut
The undersigned initiated the transaction and advised Caddell & Byers.

The Pittsburgh office of
Robinson-Conner Inc.
has been acquired by
McDonough Caperton Insurance Group Inc.
Charleston, West Virginia
The undersigned initiated the transaction and advised McDonough Caperton.

Price & McDonald Inc.
Colorado Springs, Colorado
has been acquired by
Acordia Inc.
Indianapolis, Indiana
The undersigned initiated the transaction and advised Price & McDonald.

Thompson Retail Associates
Exton, Pennsylvania
has merged with
Warren & Welsh Company (WRIMS Corp.)
King of Prussia, Pennsylvania
The undersigned advised WRIMS Corp.

The ABOW Companies
Troy, Michigan
has merged with
Arthur J. Gallagher & Co.
Itasca, Illinois
The undersigned initiated the transaction and advised ABOW.

Palomar Insurance Corp. (St. Paul Companies)
Montgomery, Alabama
has been acquired by
George Skipper & Skipper Insurance
Montgomery, Alabama
The undersigned initiated the transaction and advised St. Paul.

Adams & Porter
New York and Los Angeles
has been acquired by
Frenkel & Company Inc.
New York, New York
The undersigned initiated the transaction and advised Adams & Porter.

DeSibour Associates Inc.
Bethesda, Maryland
has merged with
BGS&G Companies
Cumberland, Maryland
The undersigned advised BGS&G.

Moore, Povenz, Willbrett & Marsh Inc.
Port Huron, Michigan
has merged with
Hilb, Rogal & Hamilton Co.
Glen Allen, Virginia
The undersigned initiated the transaction and advised MPW&M.

Duncan Peek Inc.
Atlanta, Georgia
has been acquired by
Sedgwick James Ltd.
London
The undersigned advised Duncan Peek.

DSI Insurance Services Inc.
San Francisco, California
has merged with
Frank B. Hall & Co.
New York, New York
The undersigned initiated the transaction and advised DSI.

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Continued from page 18
mitted underwriting and loss information without reformatting the data for their own systems, cutting time and expense out of the process. Transactions will be bar-coded and the system will analyze insurer quotations to evaluate various markets' appetites for certain risks.

"It creates a situation where all parties to a transaction will see precisely the same documents," Mr. Sinnott observed. "I think both parties will be operating less in the dark."

The prototype system now being tested links the Global Broking Centre with 19 large insurers and with M&M offices in New York; Morristown, N.J.; London; Paris; Stockholm, Sweden; and Zurich, Switzerland.

Insurers participating in the start-up are Abeille-Paix Reassurances of France; ACE Insurance Co. Ltd. of Bermuda; American International Group Inc.; Anglo American Insurance Co. Ltd. of London; Assicurazioni Generali S.p.A. of Italy; AXA Reassurances of France; Chubb Corp.; CIGNA Corp.; Fireman's Fund Insurance Co.; Gerling-Konzern A.G. of Germany; Lloyd's of London syndicates; Royal Insurance Group of Britain; SCOR S.A.; Swiss Reinsurance Group; Trygg-Hansa S.P.P. of Sweden; Winterthur Insurance Group of Switzerland; X.L. Insurance Co. Ltd. of Bermuda; and Zurich Insurance Co.

M&M plans to expand the system to include more worldwide insurance markets and all M&M offices with clients needing the service, Mr. Sinnott said.

While it was developing the Global Broking Centre idea, M&M also was reorganizing its U.S. brokerage operations.

Last year, it formally divided operations handling jumbo "risk management" accounts from those handling "insurance brokerage" accounts—those without a full-time risk manager and which generate relatively smaller premium volume.

About 60% of M&M's U.S. brokerage business consists of risk management accounts and 40% insurance brokerage accounts.

M&M divided its U.S. operations into four risk management regions reporting to Executive Vp Timothy J. Mahoney and five insurance brokerage regions reporting to Executive Vp Ralph O. Hanley.

In addition, while M&M brokers across the country formerly contacted insurers themselves on behalf of insurance brokerage clients, this marketing function was centralized in the five regional offices in Atlanta, Chicago, Dallas, New York and San Francisco. Along with reducing costs, this change should produce stronger relationships with underwriters, M&M officials say.

As part of this reorganization, M&M negotiated its "portfolio relationship" with three insurers that have agreed to write blocks of similar types of risks, according to Mr. Holbrook.

While the insurers still will evaluate each risk separately, M&M brokers will have underwriting criteria allowing them to judge in advance whether a client's business is appropriate for the portfolio program.

Meanwhile, 14 other insurers have agreed to assign underwriters to deal exclusively with M&M on other types of insurance brokerage risks, including surplus lines business, Mr. Holbrook said.

Although M&M has a respectable share of the risk management account market, it is looking to expand its insurance brokerage market share, and the marketing reorganization should make it easier for M&M brokers to push for new accounts, he suggested.

M&M is hoping its streamlining efforts help with what Mr. Sinnott identified as the firm's most significant challenge: maintaining revenue growth in the face of sharply declining interest rates and a U.S. commercial insurance market where only property rates have shown significant signs of hardening.

M&M's gross revenues rose 5.3% last year to $2.95 billion from $2.8 billion in 1991.

Included in the 1992 figure are $2.94 billion in insurance services, consulting and investment management revenues and $16.6 million in interest income on corporate funds.

Insurance services revenues rose 3.9% to $1.63 billion last year from $1.57 billion in 1991. The U.S. produced 58% of insurance services revenues last year, with 34% coming from Europe, 5% from Canada and 3% from the Pacific Rim and other locations.

Insurance services include:

- The worldwide insurance brokerage operations of M&M Inc. Insurance brokering revenues jumped 8.9% to $1.13 billion in 1992 from $1.04 billion the previous year, with half the increase related to the Faugere & Jutheau acquisition.

Property rates have begun to firm in the wake of unprecedented catastrophe losses, though Mr. Sinnott reported little change in casualty rates, which account for the larger portion of U.S. insurance programs.

The situation is slightly better for non-U.S. accounts, since property is a larger part of the product mix overseas, Mr. Holbrook added.

- The reinsurance brokering operations of New York-based Guy Carpenter & Co. Inc.; Carpenter Bowring Ltd. in London, formed last year from the merger of C.T. Bowring Reinsurance Ltd. and Winchester Bowring Ltd.; and Balis & Co. Inc. in Philadelphia.

Reinsurance brokering revenues fell marginally to $267.1 million last year from $268.8 million in 1991. The 1991 figure, though, includes compensation related to Centre Reinsurance Co. Ltd., a Bermuda-based financial reinsurer M&M helped form; without these revenues, overall reinsurance revenues would have been up by about 2% in 1992. Higher property catastrophe reinsurance rates and income from placing catastrophe reinstatements was offset by dramatically reduced catastrophe capacity.

- The insurance program management operations of Seabury & Smith Inc. and the recently acquired Frizzell Group, which design and administer programs for individuals and affinity groups that include companies, franchisees and associations.

Also included are the operations of Victor O. Schinnerer & Co. Inc., the largest U.S. underwriting manager.

Program management revenues climbed slightly to $138 million from $136.9 million in 1991.

Continued on next page

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Continued from previous page

M&M expects the December Frizzell acquisition to double program management revenues in 1993.

• Interest income on client fiduciary funds, which slid 24.4% to $94.4 million last year from $124.8 million 1991 as interest rates plummeted.

Along with its insurance services sector, M&M generates substantial revenues through its consulting and investment management subsidiaries.

M&M's Mercer Consulting Group Inc. includes the operations of William M. Mercer Inc., the world's largest actuarial and employee benefits consulting and human resources management firm; Mercer Management Consulting Inc., a corporate strategy and management consulting unit; National Economic Research Associates, an economic consulting firm; Clayton Environmental Consultants Inc.; and Lippincott & Margulies Inc., a corporate identity consultant.

Consulting revenues rose a scant 1.6% last year to $908.2 million from $894 million in 1991, partly because of a slowdown in projects due to the recession.

Meanwhile, revenues from Putnam Investments Inc., M&M's investment management unit, rose 26% to $396 million in 1992 from $314.2 million the previous year.

M&M finished 1992 with aftertax net income of $263.7 million, a 13.7% decline from $305.5 million in 1991. Income per share dropped to $3.65 from $4.18 in 1991.

Last year's bottom line, though, was hit by a $40.1 million net charge reflecting M&M's recognition of post-retirement benefit obligations under Financial Accounting Standards Board Statement 106. In addition, 1991 income included a $43 million pretax gain on M&M's sale of its stake in Hudig-Langeveldt.

M&M's stock, traded on the New York Stock Exchange, hit a high of $94.50 and a low of $71.25 last year. The stock closed at $86 on June 25.

Along with its other reorganizational moves, M&M last year formed Marsh & McLennan Risk Capital Corp. to oversee its interests in insurance and reinsurance facilities it helped form. These include ACE, X.L., Centre Re and Mid Ocean Reinsurance Co. Ltd., a Bermuda-based property catastrophe reinsurer that was formed last year.

Marsh & McLennan Cos. contributed $32.5 million of the $365 million in capital raised last year for Mid Ocean, whose largest investors include EXEL Ltd., X.L.'s parent company.

Mid Ocean Ltd., a newly formed Cayman Islands holding company for the insurer, earlier this year unveiled plans for an initial public offering that could raise an additional $250 million (*BI*, May 31).

Offering documents also disclosed that Mid Ocean and M&M Risk Capital are planning to form a new Cayman limited partnership called Trident, which would invest in new and existing insurance and reinsurance ventures.

Trident organizers, which also include longtime M&M partner J.P. Morgan & Co., disclosed that they envision raising up to $500 million for the facility, with M&M Risk Capital and Morgan contributing $40 million each and Mid Ocean $20 million.

Trident may organize facilities that would reinsure Lloyd's syndicate and may also invest in Lloyd's when corporate capital is allowed in the market (*BI*, June 28).

Mr. Sinnott was circumspect about how long M&M foresees holding its investments in various insurance facilities, saying that "certain aspects will be longer-term than others" and that M&M may liquidate particular investments when it deems it appropriate.

While several large brokers—not including M&M—were at pains in the 1980s to shed unprofitable underwriting subsidiaries, Mr. Sinnott and Mr. Holbrook distinguished between those situations and M&M Risk Capital's support of offshore facilities.

"There's a big difference between investing and underwriting," Mr. Holbrook said, emphasizing that M&M is only one of several investors in the independently operated underwriting facilities.

On a different front, M&M continues to press for federal regulation of the commercial insurance market through its membership in the Insurance Solvency Coalition, a group of brokers, insurers and large policyholders.

The coalition is hoping to make some changes in the federal regulation bill reintroduced earlier this year by Rep. John D. Dingell, D-Mich., though its chances of doing so and the fate of the bill itself are uncertain.

"There's so much uncertainty in Washington that it's hard to predict what might happen," Mr. Holbrook observed.

Separately, M&M—along with Johnson & Higgins, Sedgwick Group P.L.C. and the National Assn. of Insurance Brokers—recently met with Japanese Ministry of Finance officials to urge opening the Japanese market to brokers, Mr. Sinnott reported.

A.J.C. Smith was elected last year as chairman of M&M Cos., replacing Frank J. Tasco, who retired.

Robert Clements, formerly vice chairman, was elected president, replacing Mr. Smith.

Mr. Sinnott and Mr. Holbrook were appointed to M&M's board, along with Lewis W. Bernard, chairman of Classroom Inc., a nonprofit educational firm, and former chief administrative and financial officer of Morgan Stanley & Co.

M&M's Balis & Co. unit continues to be a defendant in lawsuits arising from the February 1991 fire at One Meridian Plaza, a Philadelphia office building (*BI*, April 15, 1991; March 4, 1991).

The suits charge that Balis is liable for uninsured property and economic damages because the fire started with the ignition of oil-soaked rags being used to refinish wood in Balis' offices on the 22nd floor.

M&M said in its 1992 10-K filed with the Securities and Exchange Commission that it does not expect the suits to have any material adverse impact on its financial condition.

Total cash compensation paid to M&M's top five corporate officers, as reported to the SEC, follows. In addition to salary, these amounts include portions of bonuses that in previous years were paid in the form of deferred stock-based awards but were paid last year in cash.

A.J.C. Smith	$1,473,750
Robert Clements	$1,158,333
Peter Coster	$815,000
Lawrence J. Lasser	$725,000
Richard H. Blum	$650,000

—By Douglas McLeod

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2

Alexander & Alexander Services Inc.

1211 Ave. of the Americas, New York, N.Y. 10036; 212-840-8500; fax: 212-719-5746

	1992	1991
Premium volume	N/A	N/A
Gross revenues	$1.36 billion	$1.38 billion
Brokerage: Retail	53%	52.2%
Wholesale	6.4%	5.4%
Reinsurance	9.7%	8.9%
Personal	3.4%	3.7%
Services	22%	23%
Investment income	5.4%	6%
Other	0.1%	0.8%
Employees	14,683	15,575
Rev./Employee	$92,774	$88,758
Offices	300	300

Insurance brokerage is an evolving business, and Alexander & Alexander Services Inc. is prepared to change to meet its clients' changing needs.

A&A must become more flexible as a result of the soft U.S. commercial insurance market, which the brokerage expects to continue, says President and Chief Operating Officer Michael K. White. "That, combined with the changing needs of our clients, says we have to do our business differently than we've done it in the past."

A&A's strategy is to provide its clients—particularly its large accounts—a greater degree of advice and counsel than it has in the past, said Mr. White. It is augmenting that consulting approach with traditional brokerage activities, he said.

Internally, "we are structuring ourselves to serve two major segments," the global account and the middle-market account, Mr. White explained. A&A is developing specific strategies "to be sure we deliver the best services we have available to these particular segments."

A&A has been successful in winning global risk management accounts, which Mr. White defined as companies with multinational operations. These are companies that seek services other than "pure" brokerage, including services tied to self-insurance, captives and other alternative risk financing programs, for which A&A receives a negotiated fee rather than a commission.

Alexander & Alexander Inc., A&A's U.S. retail brokerage subsidiary, was restructured in 1992 so that global accounts, which represent about 55% of A&A's retail brokerage business, are served from large offices in cities like New York, Chicago and Dallas.

Corporate-specialty or middle-market offices, which account for about the remaining 45% of the retail brokerage business, generally are serviced from offices in medium-size cities.

Six regional service centers specialize in businesses producing $100,000 or less in premiums, which account for only a small portion of A&A's business, said Mr. White.

However, clients "can and will be serviced out of any office they desire," Mr. White stressed. "The client will receive the same level of service regardless of which office they operate out of." If the office chosen by the client does not have the resources needed, help will be brought in from other offices.

"We're also learning from our globalization practices," commented Ron W. Forrest, chairman and chief executive officer of Alexander & Alexander Inc. "We're picking up good practices and good ideas from all around the world because of the way we manage ourselves on a global basis. We're becoming far more team-focused and team-oriented."

A&A's now has 36 global business units that develop and service multinational accounts and that operate from offices around the world.

The units "are the linchpin for our strategy to grow our global business. We continue to think that having that kind of an organization is the key to providing consistent quality for the global account," said Mr. White.

"We like to think of our services to the global client as being seamless from their perspective," said Tinsley H. Irvin, chairman and chief executive officer of Alexander & Alexander Services Inc.

A&A's employees work under a matrix structure, Mr. White explained. As part of A&A's reorganization, those who work in global business units within their individual offices also report to a global director.



'I would certainly be surprised and disappointed' if revenues outside the United States don't eventually exceed those from inside, says A&A's Michael K. White.

Two new global business units have been created within the last year. Alexander & Alexander Financial Services was formed last year to coordinate the financial institutions and financial products business on a global basis. Earlier this year, A&A formed a global construction group to coordinate insurance, reinsurance, risk management and consulting services for large construction projects (*BI*, April 19).

A&A also has adopted a "partnering" approach to client service that can involve combining any of its core businesses, explained Mr. White. One example of this is its successful workers compensation consulting practice, AlexComp Consulting Plus, which draws upon the expertise of Alexander Consulting Group in the health care area, the expertise of its retail brokers in the workers comp area, the expertise of loss-control staffers and the analytical capabilities of its Anistics unit.

The increasing globalization can be seen in its business mix.

In 1992, revenues generated from U.S.-based clients accounted for 54.7% of A&A's gross revenues, or $745.1 million, down from 56.4%, or $779.7 million, in 1991. And U.S. business is likely to decrease as a percentage of total revenues, said Mr. White.

"I can certainly see the day when we'll have more than 50% outside the U.S.," he said, noting the growth areas of the world are Southeast Asia, Latin America and continental Europe. "I would certainly be surprised and disappointed" if revenues outside the United States don't eventually exceed those from inside, he said.

Global accounts made up only about 15% of A&A's retail bro-

Continued on next page



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Continued from previous page
kerage revenues last year, said Mr. Irvin, with the rest indigenous business. This compares with 12% in 1991.

"We see it continuing to grow and over time (global accounts) will become 30%," he said.

"I think the highlight (of 1992) was we completed the globalization of our core businesses," said Mr. Irvin. "We are now trading as A&A around the world."

A&A also boosted its international capabilities last year, Mr. White noted. It opened new offices in the Czech Republic, Hungary and Poland. It also was appointed the exclusive reinsurance broker in Kazakhstan, one of the oil-rich republics of the former Soviet Union.

A&A consummated a joint venture agreement with the Lippo Group in Hong Kong that is expected to act as a stepping-stone into China, where A&A already has projects.

Meanwhile, "Our basic operations had a good year," said Mr. Irvin. "Not a great year, but a good year" in what "could be considered a poor environment" that included a recession, the lowest interest rates in a decade and weak pricing in the North American insurance market.

"We have to live in the environment in which we're in," Mr. White said, philosophically.

Gross revenues, including investment income, fell 1.5% to $1.36 billion from $1.38 billion. Many of A&A's Top 20 competitors posted modest increases in revenues. Still, A&A remains the world's second-largest insurance brokerage.

A&A also reported a $90.1 million net loss in 1992, compared with a $12.6 million net loss in 1991. The 1992 loss reflected $157.7 million in charges, which are primarily related to establishing additional reserves for asbestos and pollution liabilities incurred by Sphere Drake Insurance Group, which A&A acquired in the early 1980s.

'We have to live in the environment in which we're in,' A&A's Mr. White says of the current market.

While A&A sold Sphere Drake in 1987, it guaranteed the insurer's loss reserves and reinsurance recoverables for 1986 and prior years (*BI*, March 1).

A&A's 1991 loss reflected a $75.6 million pretax charge—or $48.2 million aftertax—stemming from a restructuring of its insurance brokerage operations and other non-recurring expenses (*BI*, June 29, 1992).

However, while A&A posted a net loss, its operating income increased more than 14% last year if factors like exchange rate variances, the results of sold operations and the 1991 special charge are not weighed.

To bolster A&A's capital base following the $157.7 million in charges taken in 1992, the company in March completed a private placement of 2.3 million shares of convertible preferred stock, which generated about $111 million.

For the first quarter of 1993, A&A Services reported $322.8 million in operating revenues, up 0.5% from $321.2 million for the first quarter of 1992. Net income declined 31.7% to $14.2 million from $20.8 million. However, operating income increased 56.1% to $21.7 million from $13.9 million, or more than 34% when foreign exchange fluctuations and sold operations are not taken into account.

"We certainly expect (1993) to be an improvement over '92," said Mr. Irvin.

A&A reports its business in two main segments:

- Insurance services, which includes retail, wholesale and reinsurance brokerage and risk management services. This segment reported a 2.6% decline in revenues, to $1.13 billion from $1.16 billion. Operating income increased 246.9%, to $85 million from $24.5 million in 1991.

Alexander & Alexander Inc., the U.S. retail brokerage subsidiary, reported $554.6 million in revenues last year, a 7.9% decrease from $602.4 million in 1991. The 1991 figure reflects two operations that were sold in 1992.

- Human resource management consulting, which reflects The Alexander Consulting Group Inc. Revenues rose 5.2% last year, to $222.3 million from $211.4 million, while operating income increased 25.4%, to $33.1 million from $26.4 million.

Alexander Consulting Group "continues to grow, and it has grown faster than the insurance services pieces," commented Mr. White.

While A&A anticipates that the insurance services component will grow faster than it has recently now that A&A has cemented its strategy, "We also expect management consulting to grow at a faster rate, percentage-wise," Mr. White remarked.

In 1992, retail brokerage accounted for 53% of gross revenues, up slightly from 52.2% in 1991. Wholesale brokerage accounted for 6.4% of revenues, up from 5.4% in 1991. Reinsurance brokerage generated 9.7% of revenues in 1992, compared with 8.9% in 1991, while non-brokerage services, which include claims administration as well as consulting, accounted for 22% of revenues, down slightly from 23% in 1991.

Revenues from investment income declined to 5.4% from 6% in 1991. And revenues from miscellaneous activities, including real estate and investment services, were just 0.1% of the total, down from 0.8% in 1991.

A&A's reinsurance brokerage operation, Alexander Howden Reinsurance Brokers, which arranges reinsurance programs for insurers and reinsurers worldwide and for Lloyd's syndicates, is "truly global in nature," said Mr. White.

It has a "very strong presence" in the United Kingdom and to a lesser extent in North America, though it is probably the No. 1 reinsurance broker in Canada, he noted. It also has a strong presence in the Asia-Pacific region and in Latin America.

Alexander Howden Intermediaries, A&A's wholesale brokerage unit, "had a very successful 1992" and exceeded both revenue and profit objectives, said Mr. White.

The wholesale unit operates essentially out of four regions: Australia, North America, Singapore and the United Kingdom. All four areas are doing well, he said, but "the softness of the

Continued on next page



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Continued from previous page
group is North America, as you would expect."

The focus of the business, particularly in the United Kingdom, is on large accounts, with special emphasis on marine, energy and financial product-type business.

A&A's risk management services group also includes Anistics, a risk management consulting division that develops risk management information systems. "We don't sell systems, but we do consulting work for clients who want to build their own from scratch or modify the one they have," said Mr. White.

"Anistics, we think, is still on the leading edge in the services they provide," he said. "We want them to push a lot of their skills in our offices and provide consulting advice to clients."

Mr. White noted that while Anistics is actually part of the retail brokerage operation, it is run as a separate business because some of A&A's non-retail clients use it. "We have to maintain that degree of independence for Anistics," he said.

The risk management services group also includes Alexsis, a risk management consulting and claims service subsidiary dealing with self-insured clients.

While from a profit perspective Alexsis did not have a good 1992, it is off to a good start in 1993, he said.

A big unknown is the Clinton administration's health care plans, which undoubtedly will have an impact on Alexsis, he said. "It's hard to quantify at this point," however, whether this impact will be positive, negative or neutral, he commented.

Another part of the risk management services group is Alexander Insurance Managers Ltd., which provides captive management services from Bermuda, Guernsey, the Isle of Man, Singapore and Vermont. While captive formation has leveled off, AIM continues to do well, from the perspective of operating results and client activity.



A&A's 'main focus has been on maximizing our core businesses for growth,' says Tinsley H. Irvin, chairman and CEO.

A&A's U.S. operations reported $24.8 million in operating income last year on $738.6 million in operating revenues. This compares with a $32.8 million loss in 1991, which reflected A&A's restructuring activities.

A&A reported $311.7 million in operating revenues in the United Kingdom, up 7.6% from $289.7 million in 1991. Operating income increased 19.5%, to $57.7 million from $48.3 million.

U.K. business will continue to grow in 1993 because it is the headquarters for A&A's reinsurance operations as well as its specialist intermediary work, said Mr. White. Furthermore, "We have a very large retail operation in the United Kingdom."

"The economy is not great, but it's stabilized, and the London market for reinsurance as well as specialty covers is very hard," he pointed out. "Our retail operations continue to gain market share, so we think that growth will continue."

In Canada, revenues declined 4.8% to $130 million in 1992 from $136.5 million the previous year, while operating income decreased 24.8% to $16.1 million from $21.4 million.

In Canada, the insurance market is affected by the poor economy and political uncertainty in Quebec. "It's going to take a while for Canada as a nation to turn the corner," said Mr. White.

While A&A's retail operations in Canada "continue to do OK," he said, it is difficult to have a dramatic improvement in light of the economy.

Revenues from all other countries declined 0.6% to $170 million last year from $171.1 million in 1991, while operating income increased 39.3% to $19.5 million from $14 million.

In Europe, "We do continue to gain in our French retail operation," which gained new business in 1992, a trend that is continuing in 1993, Mr. White said.

Australian and New Zealand operations enjoyed a good year in 1992, and are expected to perform well in 1993, he said. Singapore also had a good 1992 and is off to a good start in 1993, he said, noting that the Pacific Basin is the fastest growing region for A&A.

A&A's reinsurance brokerage operations in Latin America are "doing great," Mr. White said. "The retail business is growing, and we are getting a lot of activity out of Mexico, Colombia and Brazil."

Over time, "I think that you will see us expanding in a couple of geographic areas where we do not now have an equity position," Mr. White said, citing Europe and the Pacific Basin.

A&A's strategy, he added, is either to own or have a substantial equity position with operating control.

Referring to possible future acquisitions, Mr. Irvin said, "Our main focus has been on maximizing our core businesses for growth. Mergers are not a significant part of our growth, but we'll continue to look at strategic mergers or geographical mergers" that are outside of North America.

Among executive changes, William M. Wilson, deputy chairman and executive vp, retired last year. Mr. White, who had been deputy chairman, was elected president and chief operating officer in May.

In addition, Ronald A. Iles, chairman of Alexander Howden Reinsurance Brokers Ltd., has also been named chairman of Alexander & Alexander Services U.K. P.L.C., the parent company for A&A's U.K.-based operations. Kenneth J. Davis, CEO of Alexander Stenhouse U.K. Ltd., has been appointed chief executive of a combined U.K./Continental European retail operation.

Also, Ronald L. Hendrick has been named vp and controller of A&A Services.

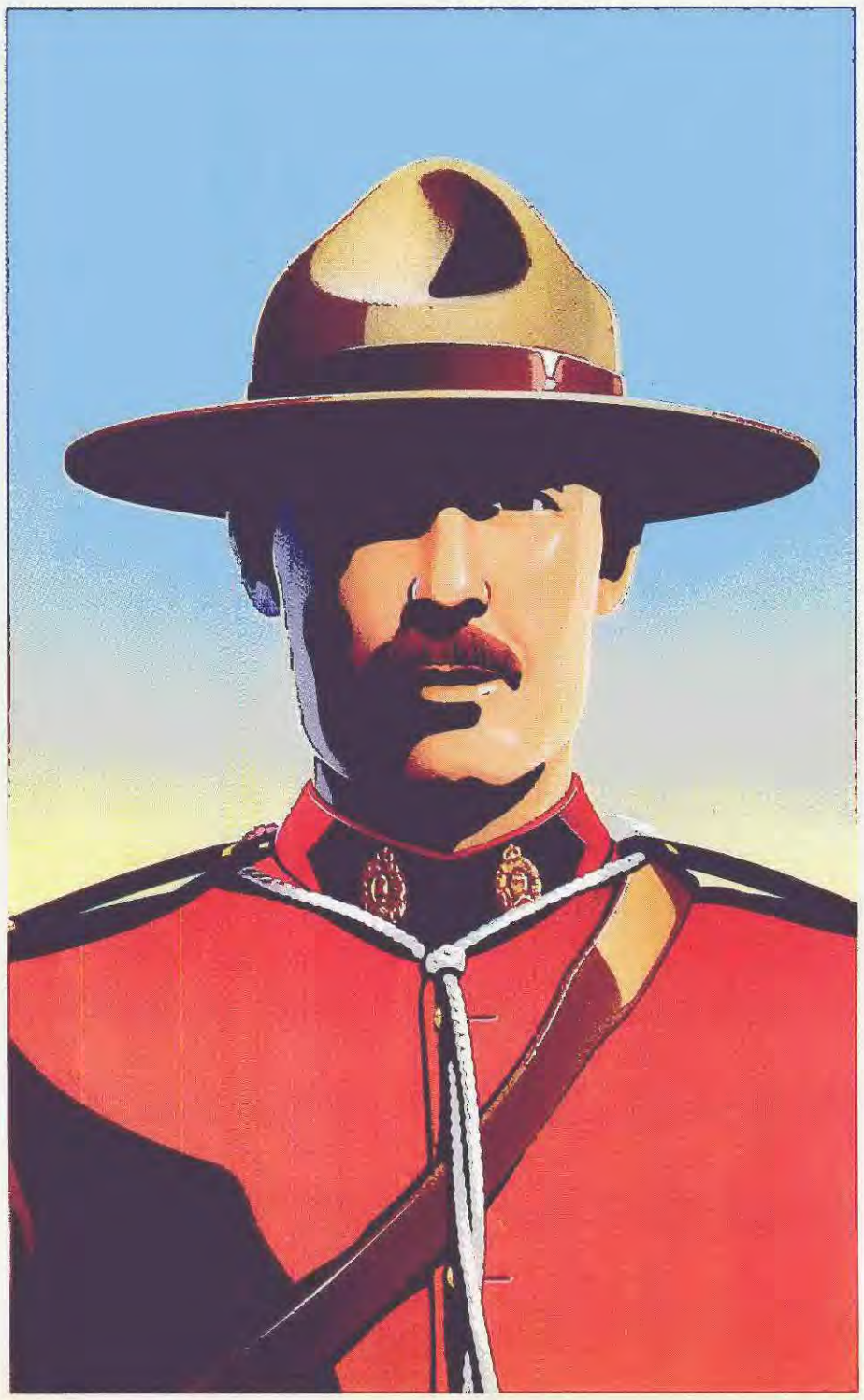
A&A stock, which is traded on the New York Stock Exchange, closed at $26.63 per share on June 25. The stock's price during 1992 ranged from $18 to $27.625.

The 1992 compensation of the five highest-paid A&A executives, as reported to the Securities and Exchange Commission, follows:

Tinsley H. Irvin	$554,167
Michael K. White	$520,000
Ronald A. Iles	$472,448
A.M. D'Alessandro	$431,133
Ronald W. Forrest	$400,000

—By Judy Greenwald

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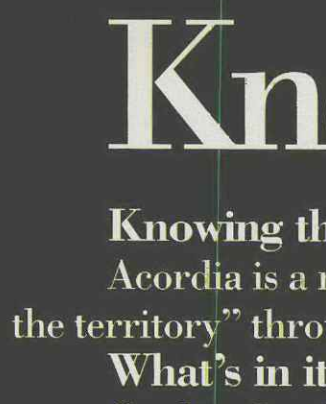
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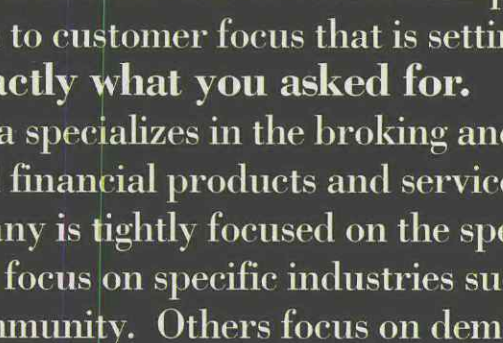
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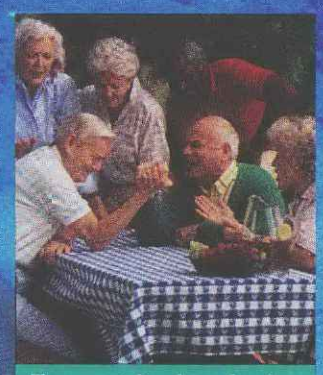
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	1992*	1991*
Premium volume	$11.3 billion	$10.8 billion
Gross revenues	$1.21 billion	$1.21 billion
Brokerage: Retail	65%	63%
Wholesale	15%	15%
Reinsurance	9%	10%
Investment income	8%	9%
Other	3%	3%
Employees	12,798	12,889
Rev./Employee	$94,477	$94,013
Offices	230	230

*Converted at applicable exchange rates.

Sedgwick Group P.L.C. intends to pour much of its energies into consulting services, because that's where brokers will make money in the future, says the company's new chief executive.

By building up its consulting services, about half of Sedgwick's revenues will be generated by fees rather than commissions in a few years' time, predicts Sax Riley, who was appointed Sedgwick's chief executive in January to succeed David Rowland, who is now chairman of Lloyd's of London.

Only about 20% of Sedgwick's revenues currently are generated by fees.

This move to expand consulting services may be the best way to achieve Sedgwick's current objective: to revitalize flat revenue growth from insurance brokerage.

"We do believe in being a global broker," said Mr. Riley. Following the brokerage's restructuring along geographic lines that was completed in January, "we have a winning quality slogan around the world—we are one company, Sedgwick."

But with the company's restructuring complete, management is now embarking on a strategy for the rest of the decade of increasing consulting services to guarantee continued growth.

"And I don't just mean benefits consultancy, but all sorts of consultancy work which we believe has got added value," said Mr. Riley.

Major clients are moving away from buying traditional insurance and are looking for other services that Sedgwick can provide, added Quill O. Healey, chairman and chief executive officer of U.S. retail broker and consultant Sedgwick James Inc., during an interview in London.

For example, major U.S clients assessing their risk financing strategies "are looking for a totally different type of a service than they might have looked for from their original retail broker," said Mr. Healey. "So our business is to bring all of our resources together and work closely together as a single team, and that includes the consulting area.

"We'd like every client in our benefits consultancy area also to be a client in the property/casualty area. And we'd like our property/casualty clients to be clients of our benefits consultancy—so we achieve the synergistic growth as 'Sedgwick,' as one company, one team working together," said Mr. Healey.

Already in the United States, Sedgwick James' risk and claims management services are a "fast-growing area," he observed. Clients "want someone to help them manage their claims. And that's where —particularly in the large accounts—they are already going to a fee. Most of our Fortune 500 accounts are on a fee today on some basis or on a negotiated commission, which doesn't make some of our competitors happy.



Sax Riley believes the transfer of risk to insurers 'won't necessarily be the solution for large corporations around the world,' he said. 'They may need more consultancy work.'

"That's the way it is, and we think it will continue to go in that direction, and so we will be selling more services—from actuarial services to claims management services to financial reinsurance—and may be into other types of consultancy areas," he said.

As proof of this new strategy, Messrs. Riley and Healey pointed to some of the new consulting opportunities launched in the past year.

For example, two months ago Sedgwick set up a joint venture called Corporate Lloyd's Membership P.L.C. in response to Lloyd's of London's new business plan, which calls for the introduction of corporate capital. Sedgwick expects Corporate Lloyd's Membership to pioneer the concept of offering individuals, either directly or through other investment vehicles, limited-liability investment in Lloyd's.

The venture's other partner is Michael Wade, former chairman of broker Holman Wade Ltd., who serves as CEO of Corporate Lloyd's Membership.

Also, Sedgwick Payne Insurance Strategy Ltd.—known as INSTRAT—was formed earlier this year to examine alternative reinsurance techniques. INSTRAT will place financial reinsurance, provide statistical analysis and actuarial consulting services, catastrophe modeling and stochastic planning modeling capable of simulating all aspects of an insurance company's operations. INSTRAT is also looking at the viability of insurance-related futures traded on the Chicago Board of Trade.

INSTRAT has worked with the Hawaiian government on a plan that would help fund homeowners' hurricane losses that are uninsurable. Under the proposed program, each homeowner would pay a certain amount of money to the government for the peril, and a financial reinsurance program created by INSTRAT would spread the government's loss over time.

Sedgwick is also advising the U.K. government on the privatization of British Rail and British Coal, which follows the broker's involvement with the privatization of U.K. electricity suppliers.

Many of these privatized U.K. utilities have established captives, some of which are managed by Sedgwick's worldwide captive management operations.

In April, Sedgwick also bought Medisure, a major U.K.-based supplier of private health care insurance and related services.

In the United States, Sedgwick James expanded its employee benefit consulting services last December by purchasing Duncan Peek Inc., one of the largest independent insurance brokerage and employee benefit consulting companies in Atlanta. The company, now called Sedgwick Peek, had gross revenues of $6.6 million in 1991. Sedgwick James paid $10.5 million for the firm.

Because businesses are always growing and will want to transfer risk to underwriters, there will always be a need for the traditional insurance/reinsurance broker worldwide, Mr. Riley said. But the transfer of risk to insurers "won't necessarily be the solution for large corporations around the world," he said. "They may need more consultancy work."

Sedgwick's bold move away from an emphasis on traditional insurance and reinsurance brokerage follows two years of disappointing results and a first quarter this year that was not much brighter.

For the second year in a row, gross revenues were virtually flat. 1992 revenues totaled 684.9 million pounds, compared with 685.1 million pounds in 1991. Using average exchange rates, Sedgwick Group's revenues in dollars dropped 0.2% to $1.209 billion from $1.212 billion.

Those revenues, however, allowed Sedgwick to retain its No. 3 spot in *Business Insurance's* ranking of the world's largest brokers.

Brokerage revenues actually increased 1.6% to 631.9 million pounds ($1.12 billion) from 621.9 million pounds ($1.10 billion) in 1991. However, revenue growth was held back for the second consecutive year by investment gains, which declined by 16% to 53 million pounds ($93.57 million) from 63.2 million pounds ($111.78 million) in 1991.

Meanwhile, pretax profits dropped by 29.4% to 58.2 million pounds ($102.7 million) in 1992, from 82.4 million pounds ($145.7 million) in 1991. Aside from a drop in revenues, the poor results were caused mainly by a 2.8% increase in expenses to 608.8 million pounds ($1.07 billion) and an overall loss of 2.2 million pounds ($3.9 million) from associated companies and underwriting agencies.

In particular, Sedgwick's 49% stake in London-based River Thames Insurance Co. generated a pretax loss of 6 million pounds ($10.6 million).

In January, Sedgwick and U.S.-based Transamerica Corp.—which owns 51% of River Thames and 24.7% of Sedgwick Group—injected 12 million pounds ($21.2 million) of new capital into the specialist reinsurer.

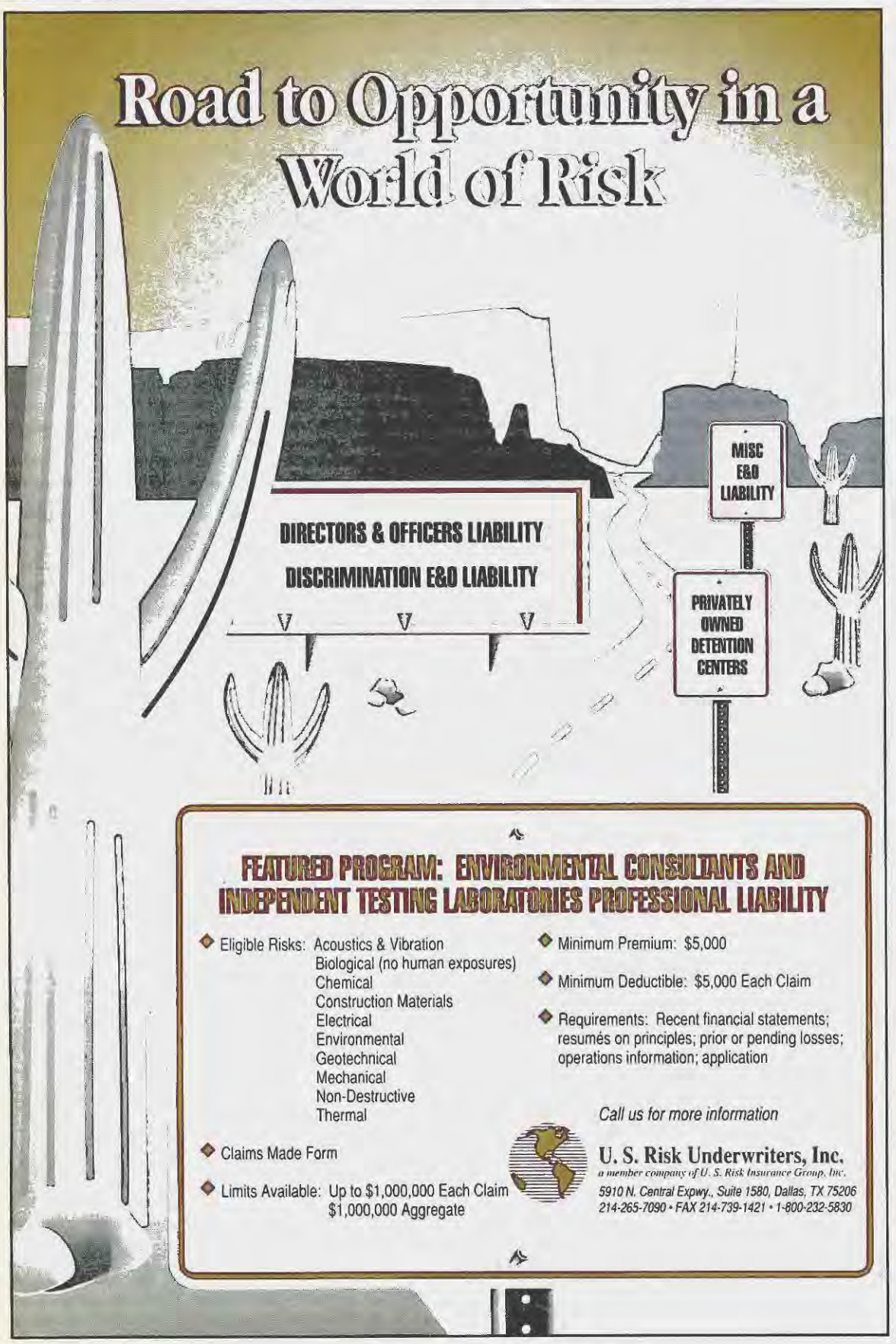
Sedgwick's balance sheet was also affected by the company's decision to revalue its real estate assets on a historical cost basis for 1992, which sharply lowered the value of its shareholders' equity.

The accounting change meant that the value of Sedgwick's real estate assets dropped 37% to 150.6 million pounds ($228.2 million) at year end 1992 from their reported value in 1991 of 239.4 million pounds ($447.7 million at year-end 1991 exchange rate). After recognizing a 13.8 million pound ($20.9 million) tax benefit, the accounting change reduced Sedgwick's shareholders' equity by 73.2 million pounds ($110.9 million) to 152.4 million pounds ($230.9 million) at year end.

After the readjustment of property values, Sedgwick had year-end 1992 assets totaling 2.39 billion pounds ($3.62 billion) and liabilities of 2.23 billion pounds ($3.38 billion).

At the end of last year, Sedgwick also raised 13.9 million pounds ($21.1 million) through a stock issue to enable it to buy Duncan Peek in the United States and make acquisitions in France

Continued on page 28





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Continued from page 26
and Germany. Sedgwick acquired French credit insurer Cabinet Billet in December and plans to buy a small, unidentified German brokerage.

Sedgwick raised the money for the acquisitions through a placement of 9.9 million shares. It issued another 4 million shares to the sellers of Duncan Peek.

Sedgwick Group's stock was trading at 197 pence ($2.96) per share on June 24.

Meanwhile, Sedgwick's first-quarter results announced in May weren't much better than its year-end results.

Gross revenues did increase about 11.5% to 215.8 million pounds ($319.2 million) for the three months ending March 31 from 191 million pounds ($336 million) at the same time last year.

But expenses increased a whopping 16.8% to 171.3 million pounds ($253.4 million) in the first quarter, compared with 146.7 million pounds ($258 million) at the same time last year. In addition, another 1.3 million pound ($1.9 million) loss was recorded for River Thames.

As a result, first-quarter pretax profits dropped slightly to 40.7 million pounds ($60.2 million) from 41.5 million pounds ($72.9 million) last year.

Speaking to stock analysts in May, Mr. Riley blamed the capacity shrinkage in the London market and continued softness of North American property/casualty rates for its continuing static results in the first quarter. However, "this is a budgeted situation and we are on budget."

Following the first-quarter results, Sedgwick issued 41.5 million pounds ($62.3 million) of convertible bonds, which were all bought the same day they were offered. The bonds, which allow investors to exchange them for ordinary shares of Sedgwick Group in the year 2008 at 190 pence ($2.90) per share, pay 7.25% interest semiannually. Analysts were told the bonds were issued to replace U.K. bank borrowings and as an alternative source of debt financing.

Following the departure in January of Mr. Rowland to become chairman of Lloyd's, Mr. Riley, who formerly was group managing director, has at the helm of the company with the title of chief executive.

Lord Fanshawe of Richmond, a longtime non-executive director of the company, is chairman of Sedgwick Group.

To reflect the new emphasis on consulting services, Sedgwick reorganized its structure in January into two key divisions: Insurance & Reinsurance Operations Group, headed by Mr. Riley, which encompasses brokerage activities; and Consulting Operations Group, headed by its chairman, Rob White-Cooper.

Each of these divisions is then organized into three regional groups: Europe, which also includes Africa, Latin America and the Middle East; North America; and Asia-Pacific.

The Consulting Operations Group, which includes Sedgwick Consulting Group, also acts as the strategic planning arm for employee benefits, financial planning and related services. This division plans to invest heavily in recruiting new personnel and, where appropriate, in acquiring specialized companies.

After this change in structure, Sedgwick's first-quarter results for the first time showed the brokerage and fee revenue of Sedgwick Consulting Group, which comprises employee benefit operations in Europe, the United States and Canada. This division reported a 19.6% rise in revenues to 20.1 million pounds ($29.7 million) in the first three months of 1993 from 16.8 million pounds ($29.6 million) in the first quarter of 1992.

The Insurance & Reinsurance Operations Group's regional divisions now include many of the company's key operating units. These are:

• North America, which includes U.S. retail broker and consultant Sedgwick James Inc., headed by Mr. Healey and President Donald Morford, and Canadian retail broker Sedgwick Ltd., headed by President and CEO Ken Martin.

"North America will continue to be by far the largest marketplace in consulting as well as property/casualty (brokerage) business. (In the past year) from a U.S.A. point of view, we've worked hard to have one company, one team, working with all the resources of the group for our clients," said Mr. Healey.

North American brokerage revenues comprised 41% of Sedgwick Group's total 1992 brokerage revenues, or 258.9 million pounds ($457.1 million). This was a 1.5% increase from 255 million pounds ($451 million) at the end of 1991.

Of this amount, Sedgwick James in the United States generated 233 million pounds ($411.3 million) in revenues last year, up 2.2% from 228 million pounds ($403.3 million) in 1991. About 71% of the firm's U.S. retail brokerage is generated by commissions and 29% by fees.

Of Sedgwick Group's total retail brokerage revenues of 125.5 million pounds ($185.6 million) in the first quarter this year, 49%, or 62 million pounds ($91.7 million), was generated in the United States and about 5%, or 5.7 million pounds ($8.4 million), was generated in Canada.

• Europe, which includes its two London-based operations, Sedgwick Europe Ltd. and Sedgwick Payne Ltd.

Sedgwick Europe Ltd. now encompasses all retail brokerage operations in the region, including non-marine operations in London, and the company's captive management services.

Chaired by Mr. White-Cooper, this retail brokerage arm has offices in 19 countries, including the Czech Republic, Romania, Hungary, Poland and Russia. Although it has an office in Germany, company officials say they would like to purchase a German broker to increase the company's market share.

Eastern Europe is viewed as a difficult area in which to expand, except for capitalist-thinking countries like Hungary and the Czech Republic, said Mr. Riley. However, he added that Sedgwick's London operations deal with Russian inquiries frequently.

In the first quarter this year, Sedgwick's retail brokerage revenues in continental Europe, Africa, Latin America and the Middle East increased 27.1% to 30.5 million pounds ($45.1 million) from 24 million pounds ($42.2 million) in last year's first quarter. Retail brokerage revenue in the United Kingdom increased only 3.4% to 18 million pounds ($26.6 million) during the first quarter from 17.4 million pounds ($30.6 million), largely because of the lack of capacity available for some programs, said Mr. Riley.

Before the restructuring at the beginning of this year, Sedgwick James Ltd. oversaw all of the company's retail brokerage operations. Sedgwick James' non-U.S. brokerage revenues increased 3.7% to 147 million pounds ($259.5 million) at year-end 1992 from 141.7 million pounds ($250.6 million) at the end of 1991.

Sedgwick Payne, chaired by Jim Payne, now is the company's specialist insurance and worldwide reinsurance brokerage operations, based in London. The company includes: E.W. Payne Ltd. in London; Sedgwick Payne in the United States; the company's aviation, energy, marine and cargo operations; the North American Federation of Wholesalers, which include Southern Marine & Aviation Underwriters, Crump Insurance Services and Americas Insurance; and Sedgwick International Marketing Services.

Sedgwick Payne's reinsurance revenues grew 6.3% in the first three months of this year to 28.5 million pounds ($42.2 million) from 26.8 million pounds ($47.1 million) in the first quarter of last year. However, the rest of Sedgwick Payne did better, growing 20.3% to 29 million pounds ($42.9 million) in the first quarter from 24.1 million pounds ($42.4 million) at the same time last year.

Before the restructuring, E.W. Payne—which encompassed reinsurance brokerage—saw 1992 revenues drop 7.3% to 63.1 million pounds ($111.4 million) from 68.1 million pounds ($120.4 million) at year-end 1991.

Sedgwick Group Finance Director Stuart Tarrant blamed the demise of the London market excess-of-loss reinsurance business for the decline.

Sedgwick Broking Services, a specialty retail broker that now is incorporated into Sedgwick Payne, saw brokerage revenues increase 2% to 104.9 million pounds ($185.2 million) during 1992 from 102.9 million pounds ($182 million) in 1991.

• Asia-Pacific, headed by Chairman Bob Piper in Melbourne, Australia, combines all of Sedgwick Group's activities in the region. The division has 33 offices in 14 countries.

Sedgwick this week expects to become the first international insurance brokerage licensed in China. Sedgwick, which has had an office in China for 12 years, already has three representative offices in the country.

With a lot of experience gleaned in America and the United Kingdom on how to handle construction projects, Sedgwick is also moving a full-time team of construction specialists to Hong Kong. There will be "colossal" infrastructure building in Southeast Asia, "and we're trying to get in on the ground floor using our worldwide expertise in construction work," said Mr. Riley. "It's part of our revenue generation plan."

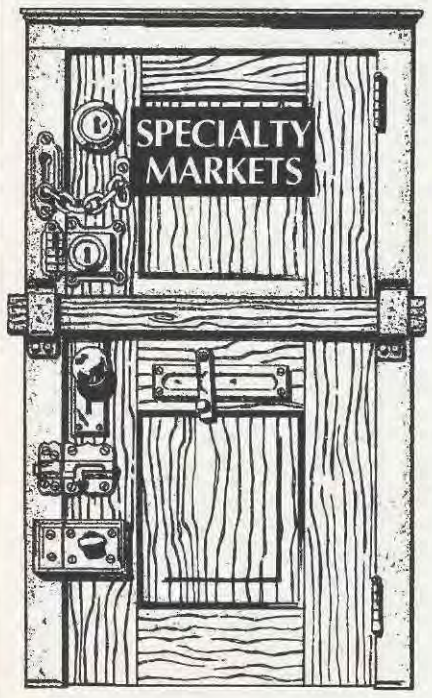
Sedgwick's Singapore office also is working with the local market to build up Singapore's insurance and reinsurance capacity to help replace any capacity lost in the London market, Mr. Piper said.

The Asia-Pacific region generated 7%, or 29.8 million pounds ($52.6 million), of Sedgwick Group's 1992 brokerage revenues, the same as in 1991.

However, brokerage revenue in the region jumped 27.4% to 9.3 million pounds ($13.8 million) in the first quarter of this year from 7.3 million pounds ($12.8 million) in 1992's first quarter, though it still only accounted for 7% of the company's total first-quarter brokerage revenues. Sedgwick has 940 employees in the Asia-Pacific region, mainly in Australia.

Sedgwick Group had 12,798 employees at year end, down 0.7% from 12,889 in 1991.

—By Stacy Shapiro



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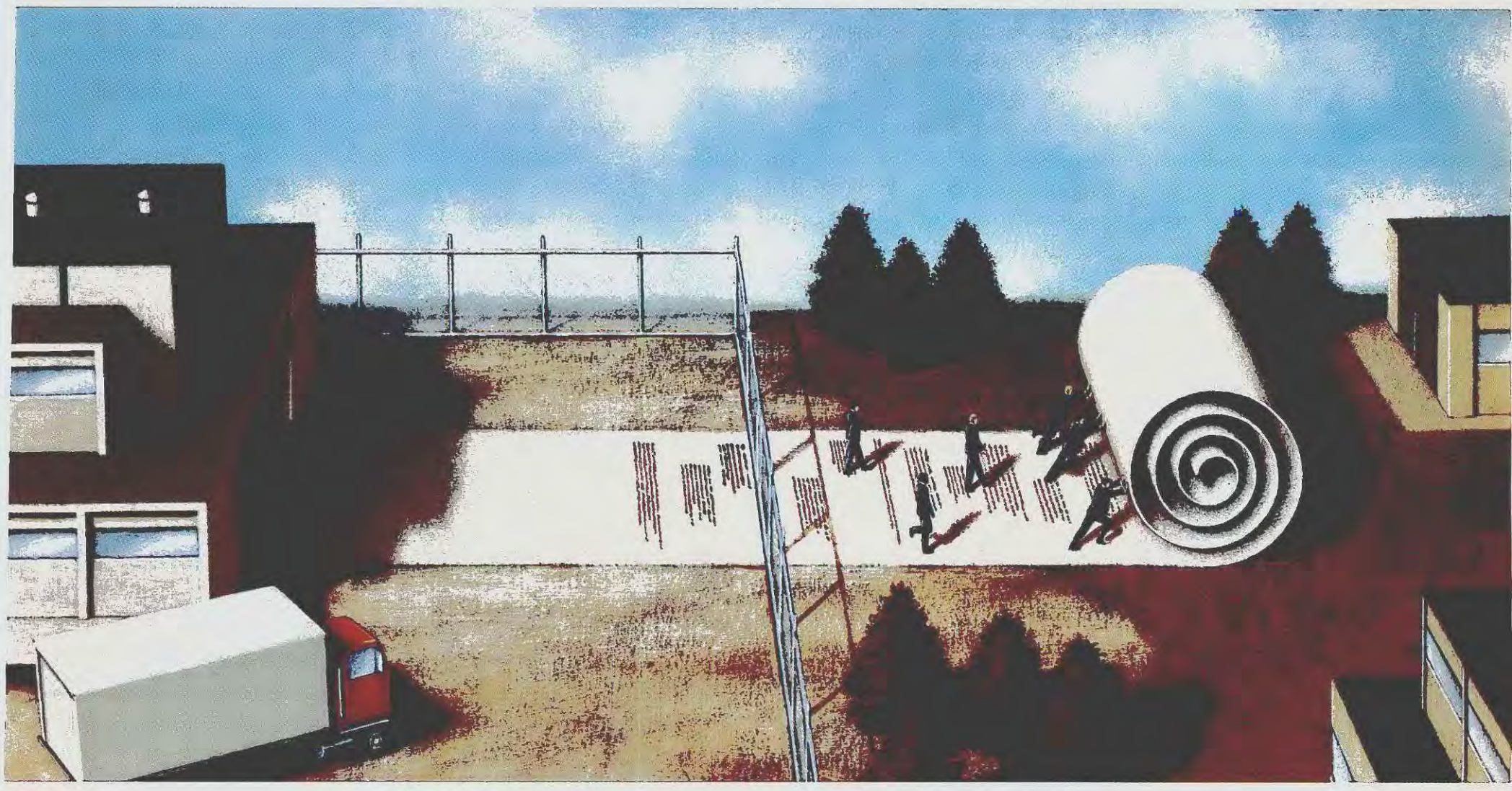
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Rollins Hudig Hall Group Inc.

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	1992*	1991*
Premium volume	N/A	N/A
Gross revenues	**$1.1 billion**	$987,592,000
Brokerage: Retail	**64%**	72%
Wholesale	**10%**	3%
Reinsurance	**6%**	7%
Services	**16%**	12%
Investment income	**4%**	5%
Other	**0%**	1%
Employees	**9,800**	10,050
Rev./Employee	**$112,449**	$98,268
Offices	**248**	N/A

* Includes revenues of Frank B. Hall & Co.

Just 10 years after entering the insurance brokerage business, Aon Corp. is the proud parent of a truly global broker—and of one the largest brokers in the world to boot.

"In 10 years, we have built a very unique position in that we have a clean sheet of paper. We've built a new global retail broker. . .a new London wholesaler. . .a new reinsurance intermediary. . .a new benefit consulting firm. . .and a new mass-marketing business. And we've brought them all together with a major European and Far Eastern force to form, in essence, a new company," said Patrick G. Ryan, Aon's chairman, president and chief executive.

That new company—Rollins Hudig Hall Group Inc.—appears in the *Business Insurance* ranking of the world's largest brokers for the first time this year, holding down the No. 4 spot.

RHH is the combination of three household names in the insurance brokerage business: Aon's Rollins Burdick Hunter Group Inc. unit, Dutch broker Hudig-Langeveldt B.V. of the Netherlands; and U.S.-based Frank B. Hall & Co. Inc.

The most important event for RHH in 1992 was "the bringing together of three companies into one," Mr. Ryan said.

"We're a brand-new company that is over 500 years old with experience," contends Donald R. Bell, vice chairman of Rollins Hudig Hall Co., RHH Group's retail brokerage unit, and the former chairman of Frank B. Hall. The "500 years" refers to the combined history of the three brokerages.

The formation of RHH began in late 1991 when Aon completed its acquisition of Hudig-Langeveldt for approximately $200 million. Then, late in 1992, Aon completed the acquisition of substantially all of Hall's assets and business for approximately $500 million from Reliance Group Holdings Inc. (*BI,* Aug. 3, 1992; Aug. 19, 1991).

While the combination of RBH and Hudig-Langeveldt propelled RBH to the No. 6 spot in the *BI* rankings last year based on $526 million in 1991 revenues, the acquisition of Hall—which ranked seventh a year ago—pushed what is now RHH past Johnson & Higgins and Willis Corroon Group P.L.C. into the No. 4 position.

Gross revenues for RHH Group—based on combined results for RBH, Hudig and Hall—increased 11.6% to $1.1 billion in 1992 from $987.6 million in 1991.

However, if Hall and Hudig-Langeveldt's revenues are included in RHH's results from the time they were acquired, as Aon reports in its annual report to shareholders, RHH's 1992 revenues shrink to $726.7 million, up 81.7% from $399.9 million in 1991.

While Aon only included about two months of Hall revenues in its official 1992 results, the acquisitions of Hall and Hudig caused Aon's brokerage operations to report a $1.7 million pretax loss in 1992, compared with a $33.2 million pretax gain in 1991.

Aon does not break out net income figures for individual operating units.

However, if the $68.4 million special charge taken in the fourth quarter relating to the costs of consolidating the three companies is excluded, Aon's brokerage operations would have posted pretax income of $66.7 million last year.

While merging three brokerages into one company is a tough job, the consolidation process is progressing according to plan, said Mr. Ryan, who also is chairman of RHH Group. Employees are "coming together basically in an enthusiastic way," Mr. Ryan said.

However, some employees also have departed: 500 jobs were eliminated as a result of the integration process, said Arthur F. Quern, chairman of RHH Co.

While no one unit or location was "hit particularly hard," about 175 to 200 jobs were eliminated due to duplicative positions in corporate-level offices, he said. The rest of the 300 to 325 jobs that were eliminated were spread among RHH's U.S. operations.

In addition, about 220 jobs were eliminated through an early retirement program offered by Aon, Mr. Quern said.

While merging three large brokers into one company is complicated, RHH executives say clients shouldn't worry about getting lost in the shuffle.

"Our primary strategic emphasis throughout the integration has been a focus on clients," Mr. Quern said. For example, when an account executive left the company, a team of brokers was set up to take over that person's clients so the clients "never saw a gap in services."

This strategic focus on clients is not only a priority during the integration process, it is part of the broker's long-term philosophy and is the basis behind the brokerage's expansion drive, executives say.

"In order to truly deliver clients insurance services. . .we must have a certain critical mass of talent and we must have a geographic presence with that range of talent," Mr. Quern explained. In addition, RHH also needs "a whole series of specialty capabilities or niches to build a business around."

This has been RBH's strategy since 1982, Mr. Quern said. "I think there is a tremendous value to the consistency of our approach."

In keeping to its strategy, RHH believes a brokerage must be a global provider of services to compete in today's marketplace. And, the integration and acquisition of Hudig-Langeveldt and Frank B. Hall opened new doors for RHH around the world.

Today, RHH has a presence in virtually every major industrialized country and developing country, said Dirk P.M. Verbeek, chairman of Rollins Hudig Hall Holdings B.V., RHH Group's in-

Continued on page 32

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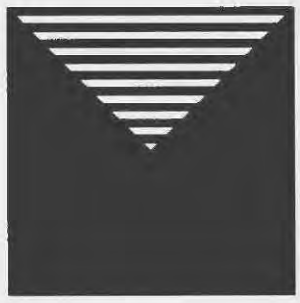
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Continued from page 30
ternational retail brokerage unit.

The Hall acquisition added European retail offices in the United Kingdom, Italy and Scandinavia, and it increased RBH and Hudig's existing presence in the Netherlands and Spain, Mr. Verbeek said.

Along with Hall came 100% ownership of Leslie & Godwin Ltd., Hall's London-based wholesale and reinsurance brokerage subsidiary. In addition, RHH earlier this year acquired 100% of Nicholson Chamberlain Colls Ltd., a Lloyd's of London brokerage in which RBH previously had held a 47% stake (*BI,* March 8).

"RHH Group now has a major wholesale and reinsurance presence in the London markets," Mr. Verbeek said.

RHH's presence in the Far East, an area Mr. Verbeek contends is "the most rapidly growing area in the world," also increased through the Hall acquisition, he pointed out.

RHH operates in the Far East primarily under the name Heath Hudig-Langeveldt, reflecting a joint venture in the region between RHH and C.E. Heath P.L.C. The joint venture has offices in Hong Kong, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

With the addition of Frank B. Hall, "our presence (in the Far East) is further strengthened" by Hall's offices in Australia, Hong Kong and Singapore, he said.

Also in 1992, RHH opened new offices in Prague in the Czech Republic, and in Warsaw, Poland, Mr. Verbeek said.

And within the past two months, RHH expanded its Scandinavian network through two acquisitions. In May, it acquired the pension and employee benefit consulting activities of Dansk Pensionsraadgivning A/S in Ry, Denmark. In June, RHH acquired the insurance brokerage activities of A/S Duo, in Oslo, Norway, a subsidiary of UNI Storebrand International Insurance A/S.

Although RHH does not currently own offices in Switzerland and Greece, it has signed exclusive correspondent agreements with GWP & Partner A.G., a Lucerne-based broker, and Koumbas Insurance Brokers S.A., an Athens-based broker, Mr. Verbeek said.

RHH Holdings is further looking to expand its retail brokerage presence in Turkey and Russia, he said. However, the "key priority" for 1993 is expanding employee benefit operations internationally.

Europe and the Far East are "major growth areas" for benefit consulting because the governments in those countries have traditionally provided employee benefits through social security systems. Increasingly, however, "government is withdrawing from social security and therefore a bigger part is going through private insurance companies," Mr. Verbeek explained.

RHH Group is looking to expand its employee benefit operations throughout Europe, the United Kingdom, Hong Kong, Japan, Korea, Malaysia, the Philippines, Singapore and Thailand, Mr. Verbeek said.

While RHH is now considered another significant player in the global insurance brokerage market, it remains different from the rest of the pack, executives say.

Through the acquisitions, "We have been able to selectively build on our strengths and bring the strengths of other organizations in on a complementary basis and leave behind the deficiencies each of these organizations had," Mr. Ryan said. "This makes us quite different than anybody else."

In addition, RHH is unique because of the "fascination of what can be achieved today by a firm that has a wealth of talent supported by a parent with real money," said Mr. Bell, who joined Hall in 1989.

Money was something in short supply at Hall in recent years: The broker posted year-end profits only twice from 1983 until it was bought by Aon, and Hall's former parent, Reliance, pumped hundreds of millions of dollars into Hall after it purchased an initial 10% stake in the brokerage in 1983.

"RHH is surrounded by people who believe customers are why we are in business," Mr. Bell continued.

"As the new boy on the team



'We have been able to selectively build on our strengths and bring the strengths of other organizations in on a complementary basis,' says Patrick G. Ryan.

and having gone through the experience of running other brokers, one thing (RHH has) that has become unique is the fact that we are truly an entrepreneurial company," Mr. Bell said, adding that entrepreneurial companies tend to be more energetic, creative and more apt to take risks.

Aside from its retail brokerage operations, RHH Group has three other units:

- Aon Risk Services Inc.

This unit, headed by Chairman Michael D. O'Halleran, includes reinsurance brokerage, wholesale brokerage, captive management, entertainment underwriting and third-party claims administration services.

Revenues increased 74.8% to $107 million in 1992 from $61.2 million in 1991 on a pro-forma basis that includes full-year 1992 revenues of Hall operations.

Aon Reinsurance Agency Inc., the fourth-largest U.S. reinsurance broker based on 1991 revenues, got a big boost from the Hall acquisition. As part of the terms of the agreement, the reinsurance brokerage was guaranteed $18 million in annual commissions for 15 years from Reliance (*BI,* Oct. 26, 1992).

With this boost in revenues, plus reinsurance brokerage business acquired from Hall, "we are now the second largest reinsurance intermediary in the business," contends Mr. O'Halleran.

The Hall acquisition also provided a big boost to RHH's Bermuda captive management unit, Rollins Hudig Hall (Bermuda) Ltd. RHH acquired Hall's Parker Risk Management (Bermuda) Ltd. unit, which had been Bermuda's third-largest captive manager.

With the addition of Parker's business, RHH is now Bermuda's second-largest captive manager with $630 million in annual premium volume.

In addition to expanding its

Continued on next page

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Continued from previous page
reinsurance brokerage and captive management business, a highlight of 1992 for Aon Risk was the acquisition of Wexford Underwriting Managers Inc., a San Francisco-based managing general agent that writes excess workers compensation insurance on behalf of Transamerica Insurance Group.

Wexford may not be Aon Risk's only link to Transamerica for long. Aon reportedly is negotiating to buy Albert G. Ruben & Co., a Los Angeles-based entertainment broker that had an exclusive marketing arrangement with Completion Bond Co., a Transamerica subsidiary (*BI*, June 21). Neither Aon nor Ruben officials will comment.

Aon Risk made two other major acquisitions in 1992: K&K Insurance Specialties Inc., a Fort Wayne, Ind.-based underwriting agent for sports, entertainment and leisure risks (*BI*, May 10); and Insurance Brokers Service Inc., a wholesale brokerage in Chicago.

K&K, a former Lincoln National Corp. unit, was the 10th-largest insurance wholesaler ranked by *BI* based on 1991 premium volume (*BI*, Aug. 17, 1992).

Aon Risk also began offering a 24-hour claims administration product last year, combining the services of Martin Boyer Co. Inc., Aon's workers comp claims administration unit, and Chicago-based Brookfield Inc., an employee benefit TPA.

For 1993, Aon Risk is looking to expand its international presence, Mr. O'Halleran said. Aon Entertainment, an underwriting manager of entertainment-related products, opened a London office in 1992. And Aon Risk is looking to expand K&K's operations into the United Kingdom and Europe.

• Aon Specialty Group Inc.

Aon Specialty—which arranges, places and administers mass-marketed insurance programs for clients like professional groups and government entities—increased its revenues 71.6% to $92 million from $53.6 million in 1991 on a pro-forma basis.

"We've grown so dramatically in such a short period of time," said Michael D. Rice, chairman of Aon Specialty, referring to two major acquisitions made last year.

In January 1992, Aon Specialty purchased the Government Programs Division of Markel Corp. in Richmond, Va. And in March 1992, it purchased Media/Professional Insurance Inc., an underwriting manager of professional liability coverage for media companies and other professionals based in Kansas City, Mo.

And in April 1993, Aon Risk combined its Marinco Inc. unit and with the Government Programs Division to form Go Pro Inc., an underwriting manager for property and liability programs for government entities, public officials, school boards and law enforcement agencies.

At the end of 1992, Aon Specialty also formed Risk Management Services, a small division composed of actuaries who advise clients on a variety of risk management problems, Mr. Rice said.

Currently, Aon Specialty has 21 offices in 17 cities.

While all of Aon Specialty's offices are in the United States, the division is "interested in using the Hudig network in Europe," Mr. Rice said. However, Europe does not have the same direct-market capability as the United States and is "10 to 15 years behind the U.S." in some areas on which Aon Specialty focuses, like professional liability insurance.

• Godwins Booke & Dickenson.

Godwins International Holdings Inc., which was Frank B. Hall's employee benefit consulting unit, and Miller Mason & Dickenson Inc., Aon's own benefit consulting operation, merged late last year to form the world's 10th-largest employee benefit consulting company with revenues of $140 million (*BI*, Dec. 21, 1992).

This year, the consulting unit is still expanding. RHH last week completed its acquisition of Booke & Co., a Winston-Salem, N.C.-based employee benefit consulting firm, which will bring in an additional $30 million to $35 million in annual revenues, said Daniel T. Cox, chairman of Godwins International Inc., the holding company for Aon's benefit consulting operation.

To reflect the merger of all three companies, the name of the U.S. employee benefit operation was changed last week from Godwins Inc. to Godwins Booke & Dickenson. Donald C. Ingram, Booke's president, became chairman of the unit.

Godwins's U.K. operations will continue to be operated under the Godwins Ltd. banner.

The acquisition of Booke will increase the consulting unit's presence in the Southeast, Mr. Cox said. "We really didn't have a large full-service office capability (there), which we thought we needed."

For Booke, the prospect of being acquired was appealing because of "the changing need to be global," Mr. Ingram said. "We can go international with Godwins."

In addition, Aon's financial strength was also appealing to Booke, he said.

While the combination of RBH, Hudig and Hall into RHH holds bright promise, the new brokerage still must cope with the realities facing all other brokers: the continued soft U.S. commercial insurance market and the slow economy.

In the first quarter of 1993, RHH reported $306.5 million in gross revenues, only a 2.6% increase over RBH, Hudig and Hall's combined first-quarter 1992 revenues of $298.7 million.

However, Aon reported to shareholders that RHH's gross revenues increased by 73.8% from $176.4 million, a figure that does not include Hall's first-quarter 1992 revenues.

Pretax income reported by Aon for RHH's insurance brokerage and consulting services soared in the first quarter, jumping 66.2% to $57 million from $34.3 million in 1992.

During 1992, Aon's stock price ranged from $39.38 to $54 per share. On June 25, it closed at $52.38.

The cash compensation, including salary and bonus, of the top five officers of Aon Corp. in 1992, as reported to the Securities and Exchange Commission, follows:

Patrick G. Ryan	$1,003,154
Daniel T. Cox	$538,058
Raymond I. Skilling	$515,462
Harvey N. Medvin	$506,923
Michael A. Conway	$346,154

—By Sally Roberts

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	1992*	1991**
Premium volume	**$17.65 billion**	$17.69 billion
Gross revenues	**$1.08 billion**	$1.05 billion
Brokerage: Retail	**48.0%**	45.8%
Wholesale	**8.8%**	9.2%
Reinsurance	**17.8%**	17.2%
Personal lines	**6.8%**	7.3%
Services	**9.8%**	9.2%
Investment income	**8.8%**	11.3%
Employees	**11,335**	11,393
Rev./Employee	**$95,271**	$92,169
Offices	**310**	280

* Converted at applicable exchange rates.

** Restated; converted at applicable exchange rates.

Richard Miller, chief executive of Willis Corroon Group P.L.C., keeps the brokerage's future strategy close to his chest—literally.

Tucked into his jacket pocket is a small laminated card. Listed on one side are 13 strategic objectives for Willis Corroon Group to reach by the year 2000. The flip side lists 11 objectives for the company's retail brokerage unit, known simply as Willis Corroon.

The corporate objectives include:

- Become the world's second-largest insurance brokerage, both in terms of revenues and profits.

This year, Willis Corroon Group ranks No. 5 in *Business Insurance's* ranking of the world's 20 largest brokers based on 1992 revenues, down from fourth place last year.

- Be recognized as one of the top three brokers in every one of the company's mainstream activities and geographic locations by 1995.
- Create a single, global company.
- Achieve earnings per share growth of not less than 10% on top of inflation through 1995.
- Increase productivity—based on revenue and operating income per employee—by 15%.

The objectives on the flip side for the retail brokerage unit include improving the unit's profits as a percentage of revenue to 25% by 1997 from the current 12.5%; increasing its market share of large national and multinational accounts; and developing a leading position in specialized industry sectors.

The retail division also would like to build its middle-market clientele and enhance its position in employee benefits/financial planning consulting services.

These objectives follow strategies that Corroon & Black Corp. developed before merging with Willis Faber P.L.C. in 1990 (*BI,* June 11, 1990). "We lived by that plan, and when we got together with Willis Faber, we put both our (strategic) plans on the table and they were very complementary, so we didn't do a new strategic plan," said Mr. Miller.

But to kick off this year, senior executives held meetings at the company's U.S. headquarters in Nashville, Tenn., and in the United Kingdom to discuss "what our vision was for the future," he said.

At the meetings, Mr. Miller and Executive Chairman Roger Elliott explained what the company had accomplished since the 1990 merger and then handed out the laminated cards to outline future objectives.

"I carry it in my pocket all the time so everybody knows, and if anybody asks me a question, I can answer it," said Mr. Miller.

The purpose of literally putting the objectives into everyone's hands is to make employees think about the future. "It's not too many years before I will be retiring," said Mr. Miller, 61, "and there's a lot of young management around here. We want to get their creative juices thinking about what is going to change in the next seven years: What's the customer going to be looking for in alternative risk financing? How are we going to manage our operation to take care of the clients' needs and to do better than that? How are we going to stay one step ahead, because we always have?"

Willis Corroon Group also must decide what areas of the world it should target for development. For instance, Mr. Miller noted that many tout nations in Asia as the next global power.

"You've got to have a vision. You've got to have a strategy. You've got to have objectives. And they don't just get written on a card. They need to constantly change," said Mr. Miller.

"We are determined to be No. 2, and I think we are going ahead very strongly in our efforts in quality," said Mr. Elliott. "And the only way we're going to do that is to have the best people."

Mr. Elliott said he "is comfortable" with the company's structure from where he sits. "I know what's out there, and really I only have to talk to five people to know what's happening in any part of the firm," he said.

Those executives are: Donald H. Payne, promoted in January to chief executive of the company's worldwide retail unit, Willis Corroon, which includes North American operations; Max Taylor, who took over Mr. Payne's position as chairman and chief executive of reinsurance unit Willis Faber & Dumas; George F. Nixon, chairman and chief executive of U.K. retail broker Willis Corroon Ltd. and chairman of Willis Corroon Continental Europe; Brian C. Johnson, president of the special products and services division and chairman of W.F. Corroon, the company's employee benefit consulting unit; and Kenneth H. Pinkston, president and CEO of the U.S. property and casualty programs division, which includes wholesale broker Stewart Smith Group Inc.

All five men are now on the parent company's board of directors.

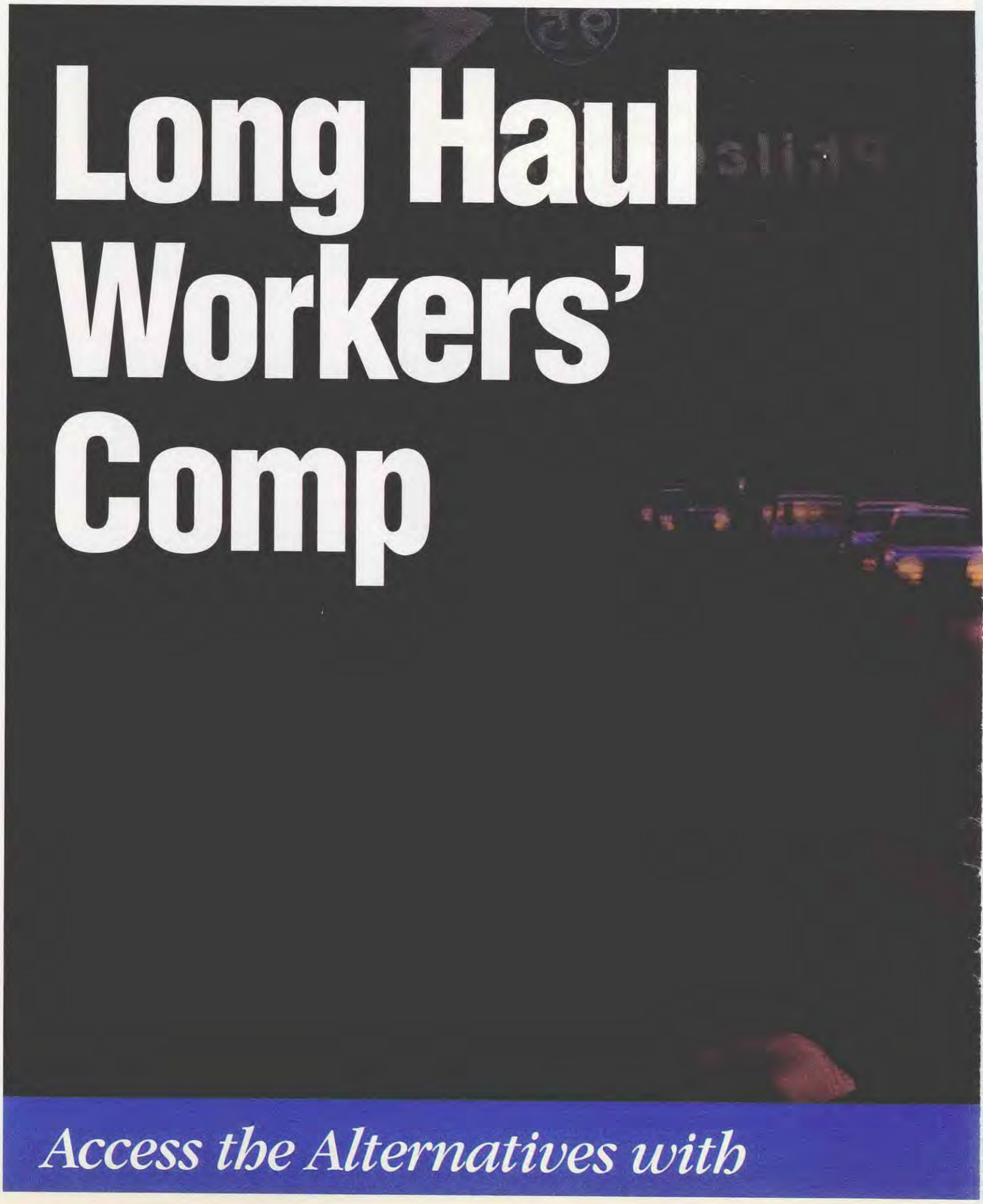
Messrs. Miller and Elliott acknowledge that it's not been smooth sailing since Corroon & Black and Willis Faber merged in 1990. Some stock analysts maintain the two companies were mismatched and have been trying to overcome this ever since, which has stunted the merged company's growth.

It is true that Willis Faber and Corroon & Black "were two different companies" when they merged, Mr. Miller remarked.

While both companies had strong domestic retail operations, Willis Faber & Dumas, Willis Faber's reinsurance and specialty risk brokerage in London, always focused on big mul-

Continued on next page

Long Haul Workers' Comp



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Continued from previous page
tinational accounts through its 99-year relationship with U.S. correspondent Johnson & Higgins.

The Willis Faber-J&H combination was particularly strong in energy, aerospace, financial institution, marine and aviation risks, and the brokers shared an international presence through the UNISON network.

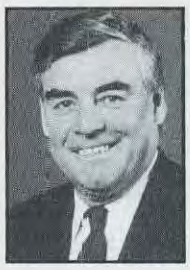
Corroon & Black, on the other hand, had specialized in Middle America domestic accounts, Mr. Miller said.

Since the merger, "there had to be a development and understanding (between the two firms) and an approach taken to (increase) the type of business in America that will feed" Willis Faber & Dumas, Mr. Miller noted. Hence, teams have been hired in the United States to establish new specialty subsidiaries, like Corroon Aerospace, Willis Corroon Marine & Energy/Americas Inc. and Willis Corroon Financial Services Corp., all of which are based in New York.

Willis Corroon Group's U.S. operations have been streamlined dramatically, with 500 jobs eliminated in the past 12 months, Mr. Miller said.

But Willis Corroon Group in 1992 also spent 32 million pounds ($56.5 million) buying or establishing brokerage operations in Europe—to replace the UNISON member brokers lost when Willis Faber dropped out of the network—and in the United States. Seven mergers were completed in the United States last year, but they were mostly minor acquisitions, Mr. Miller said.

While Willis Faber and Corroon & Black may not have been a "perfect match" when they merged, Willis Corroon now is attempting to become a "seamless" global company, he said.



'We are determined to be No. 2. We are going ahead very strongly in our efforts in quality. And the only way we're going to do that is to have the best people,' Roger Elliott says.

"But you don't do this overnight."

Mr. Miller likes to think of 1991 as a year of "transition" and 1992 as a year of "consolidation."

At the time of the merger, "we most probably thought that Corroon & Black was a more rounded broker than we fully understood," acknowledged Mr. Elliott.

While teams have been built in the United States to handle the the multinational accounts that Willis Faber services in London, some U.S. business is still handled by Johnson & Higgins, he noted, conceding that Willis Corroon is still "a bit short" on handling these multinational risks in the United States and still needs about 20 more frontline brokers to generate these accounts.

Retail brokerage personnel in the company's 45 U.S. offices now are being encouraged to use the wholesale services provided within the company, rather than placing the business with other brokers. About $300 million in premium annually is placed by Willis Corroon with other brokers rather than with company-owned wholesale and specialty brokers like Stewart Smith, according to Mr. Elliott.

"We would like two-thirds or more of that to come into Stewart Smith" or other Willis Corroon operations, he said. "It's business which is ours, so there's not much point in giving it to somebody else."

But while other U.S. brokers that have merged with London brokerages have issued edicts that all wholesale business must be placed in-house, Mr. Elliott says his plea is a request, not a demand.

"If you made it mandatory, it would be a disaster," he said.

Stewart Smith was "rebuilt" last year under Mr. Pinkston's leadership and has been transformed from a loss producer to a profit maker, Mr. Miller said (*BI*, Aug. 17, 1992).

Willis Corroon clients accounted for 17% of Stewart Smith's revenues in the first quarter, which means that Willis Corroon is now Stewart Smith's largest customer, Mr. Pinkston said.

While hopes remain high at Willis Corroon Group, revenue growth in 1992 was minimal. Gross revenues increased 3% in 1992 to 611.7 million pounds from a restated 593.7 million pounds in 1991. The company's revenues in dollars grew 2.8% to $1.08 billion from $1.05 billion in 1991.

Last year's revenues include a 6% gain in brokerage revenue to 568.8 million pounds ($1 billion); a 33% drop in investment income to 41.7 million pounds ($73.6 million); and underwriting agency fees and commissions of 1.2 million pounds ($2.1 million).

The restated 1991 figures mainly reflect the decision to segregate its discontinued non-marine underwriting operations in its financial statements, in particular the runoff of Sovereign Marine & General Insurance Co. Ltd. Approximately 6.4 million pounds ($11.3 million) originally included in 1991 revenues for underwriting agency fees and commissions has now been reduced to just 800,000 pounds ($1.4 million).

U.K. accounting changes also caused 1991 results to be restated.

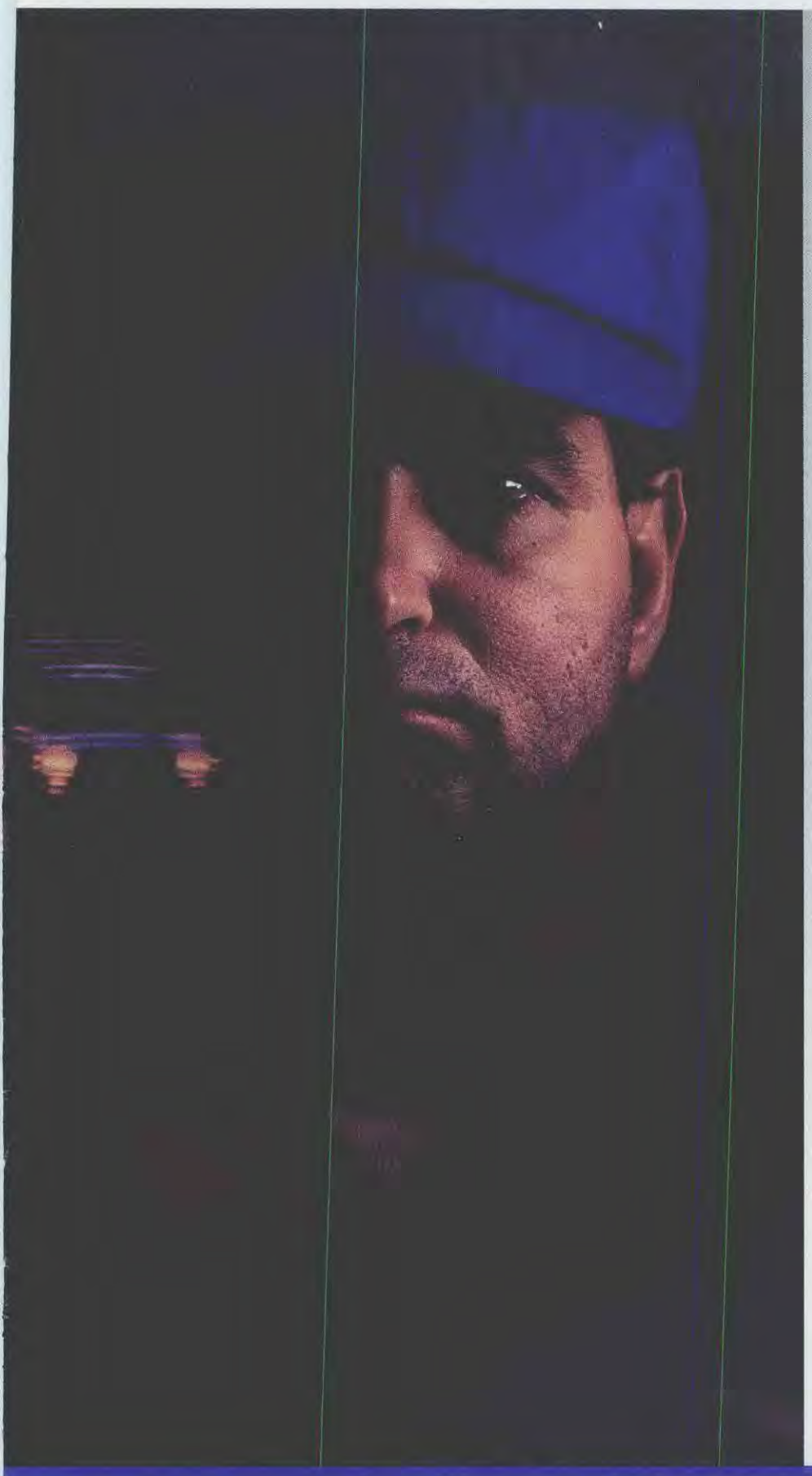
The revenues used by *BI* to rank Willis Corroon exclude the company's continued underwriting operations' revenue and underwriting-related investment income of 50.6 million pounds ($89.3 million), as well as discontinued underwriting operations revenue and investment income of 22.7 million pounds ($40.1 million).

If these revenues are included, Willis Corroon's operating revenue totaled 683.8 million pounds ($1.21 billion), down 0.5% from 686.9 million pounds ($1.21 billion) in 1991.

Pretax profit for the company increased 3% to 42.5 million pounds ($75 million) from a restated 41.1 million pounds ($72.7 million) in 1991. But aftertax profit was cut by more than half to 26.5 million pounds ($46.8 million) from a restated 54.1 million pounds ($95.7 million) in 1991. The 1991 profits were inflated by tax credits.

The company's 1992 pretax profit includes 68.2 million pounds ($120.4 million) from its continuing operations and a loss of 25.7 million pounds ($45.4 million) from discontinued un-

Continued on next page



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Continued from previous page
derwriting operations.

"We recognized it would be a bad year," said Mr. Elliott. Revenues were held back by the combination of low premium rates in the United States, reduced capacity in the London market and weak economic activity worldwide, he said. In addition, investment income fell 23% to 14.6 million pounds ($25.8 million) due to lower interest rates, while losses from the Sovereign Marine & General runoff worsened.

While Willis Corroon Group's results lagged many of its competitors, all brokers suffered from a slowdown in revenue growth last year, Mr. Miller pointed out (see chart, page 4).

About 58%—or 329 million pounds ($580.8 million)—of the company's brokerage revenue last year was produced by retail unit Willis Corroon, a 6.6% increase from 308.6 million pounds ($545.8 million) in 1991. This unit, chaired by J. Bransford Wallace, includes Willis Corroon Americas; Willis Corroon Ltd. and Willis Corroon Continental Europe; Willis Corroon International Operations and the Willis Faber & Dumas Non-Marine division in London.

Approximately 170 million pounds ($300.1 million) of revenue was generated by U.S. commercial retail brokerage.

Another 24% of brokerage revenues—or 138.1 million pounds ($243.8 million)—was produced by Willis Faber & Dumas, the company's reinsurance and specialty risk brokerage, up 7.2% from 128.8 million pounds ($227.8 million) in 1991.

This unit includes Lloyd's broker Willis Faber & Dumas Ltd., London-based Carter Wilkes & Fane (Holding) Ltd. and U.S.-based G.L. Hodson & Son, as well as specialized units dealing with aerospace, oil and gas, and marine risks.

A further 17% of brokerage revenue—or 98.4 million pounds ($173.7 million)—was produced by Willis Corroon Consultancy & Specialty Sales, up 2.9% from 95.6 million pounds in 1991 ($169.1 million). This unit markets specialty U.S. property/casualty insurance programs on a wholesale basis through Willis Corroon Americas and other retail brokers and agents.

The unit includes U.S. wholesale and specialty brokers Stewart Smith, Professional Liability Underwriting Managers, Public Entities National Co., California Institutional Insurance Agency and Willis Corroon Specialty Risks Inc. Also included in this division is reinsurance intermediary RGI Inc. in Boston.

Lloyd's of London member agency Willis Faber & Dumas (Agencies) Ltd. accounted for 3.3 million pounds ($5.8 million) of the company's brokerage revenues.

Altogether, more than half, or 330.1 million pounds ($582.7 million), of the company's brokerage revenue was generated by U.S. clients last year.

The company's continuing underwriting operations excluded from brokerage revenues but included in its overall results are: U.S.-based Associated International Insurance Co., Calvert Insurance Co. and Consumer Benefit Life Insurance Co.

Mr. Elliott said he would be willing to sell these insurers and focus on brokerage business if anyone was interested in buying them.

Last year, Willis Corroon Group did sell Canadian insurer Coronation Insurance Co. for 3.7 million pounds ($6.5 million).

Willis Corroon Group employed 11,335 people in 310 offices worldwide at the end of 1992, down slightly from 11,393 in 1991.

The 1992 headcount includes employees of a new French office and those added with the acquisitions of reinsurance broker Reinsurance Alternatives Inc. (*BI,* April 13, 1992) and U.S. risk management consultancy Hinton & Higgs.

Improved first-quarter 1993 results reflect the brokerage's consolidation as well as a hardening of reinsurance rates during January renewals, company executives told analysts in May.

Willis Corroon Group's pretax profits in the first quarter of 1993 rose 11.9% to 47.1 million pounds ($79.9 million) from 42.1 million pounds ($74.1 million) in the first quarter of 1992. Gross revenues for continued operations—including brokerage revenues, brokerage investment income and Lloyd's agency commissions—climbed 10.2% to 205.2 million pounds ($347.4 million) from 186.2 million pounds ($322.9 million) in the first quarter last year.

At the same time, headcount dropped to 11,325 in the first quarter.

Mr. Elliott was "encouraged" by the upturn in revenues in the first quarter, but warned analysts that the next three quarters may not be as profitable.

"One swallow doesn't make a summer, (but the first quarter) is reason for encouragement," added Mr. Payne, noting the company should do well in the second quarter due to increases in Japanese reinsurance renewal rates on April 1.

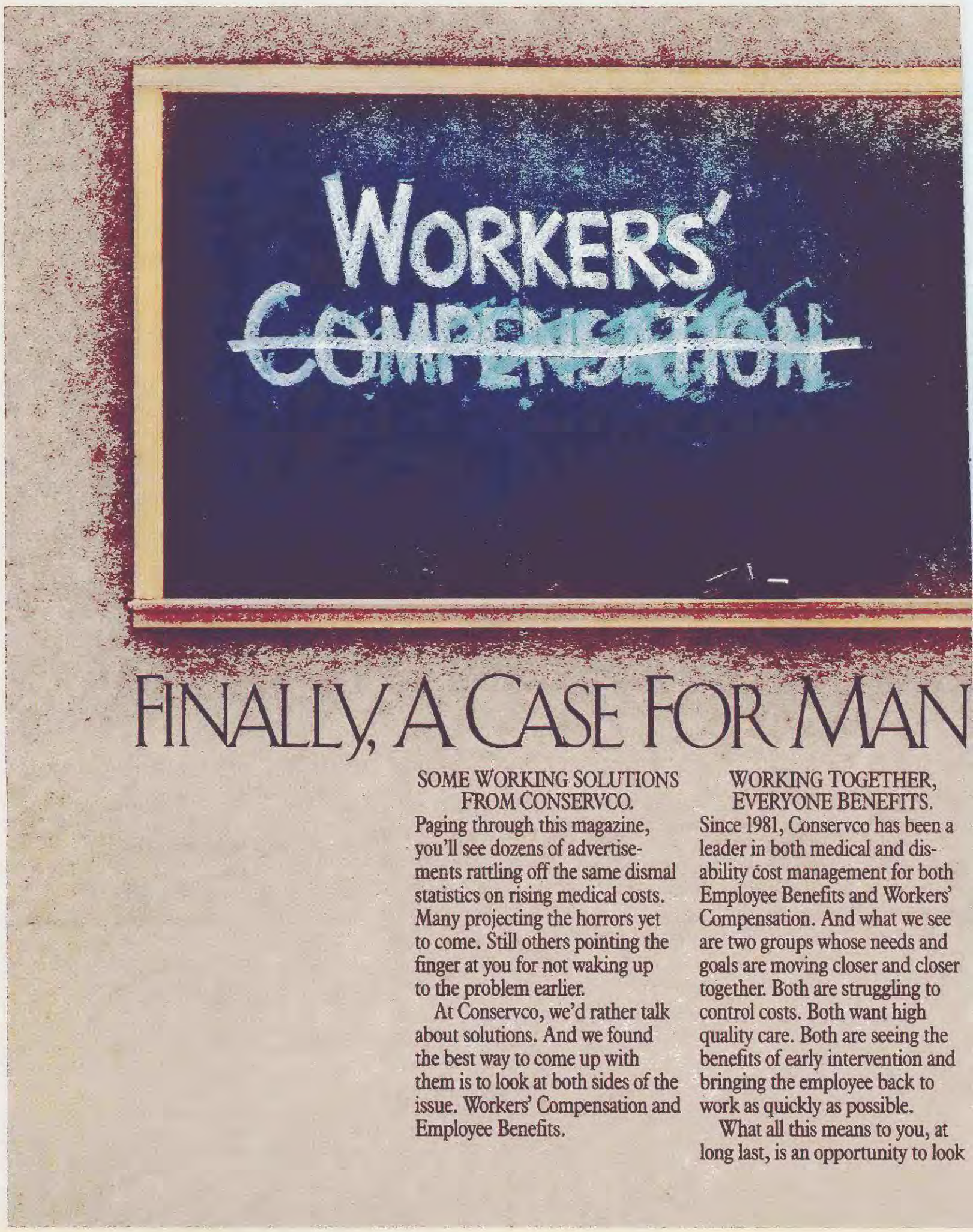
A bomb set by the Irish Republican Army after business hours on Friday, April 24, severely damaged one of Willis Corroon's buildings on Camomile Street in London.

However, all 420 people who worked in the building were back at work the following Monday, some in makeshift office space—complete with computers and telephones—in the magnificent wood-paneled Tower Room at the company's headquarters building at 10 Trinity Square.

The Camomile Street building "was just a shambles," said Mr. Elliott. "Partitions were down. The kitchens were a shambles. It was a complete mess. You couldn't work anywhere."

The employees displaced by the explosion have since been moved into leased office space. It could be 18 months to two years before they can move back into the Camomile Street building—if that building is declared structurally sound.

—By Stacy Shapiro



6

Johnson & Higgins

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	1992*	1991*
Premium volume	N/A	N/A
Gross revenues	$970,000,000	$898,148,000
Brokerage: Retail	63.7%	63.6%
Wholesale	1.3%	3.1%
Personal lines	0.4%	0.4%
Reinsurance	4.5%	3.6%
Services	23.5%	24.7%
Investment income	2.9%	4.3%
Other	0.7%	0.3%
Employees	8,684	8,219
Rev./Employee	$111,700	$109,277*
Offices	126	123

* *BI* estimate; 1991 revenues restated.

Insurance brokers need a new name, says David A. Olsen, chairman of Johnson & Higgins.

"The term broker is passe. We do far more than broker business," he said.

But a title that covers the whole gamut of risk management and insurance services is hard to come by, Mr. Olsen conceded.

J&H, the world's sixth-largest broker, had its best year in terms of pure sales in 1992. But soft commercial insurance rates and the worldwide recession have kept revenue growth down to 8%, Mr. Olsen said.

The company continued to expand overseas, including the formation of a new operation in Moscow and a second office in the Philippines.

At home, more offices have opened and J&H has continued its quality initiative to train employees, Mr. Olsen said.

Management changes include two new directors and a new class of stockholding employees.

The changing nature of insurance brokering is providing J&H with its main challenge: getting paid for all it does for clients. "We are doing more and more for clients and we have to make sure that we are getting paid for it," Mr. Olsen said.

Extra services include captive management and a whole range of other risk management consulting services that now are regarded as part of standard brokerage service by many clients, he said.

However, "We have to have happy clients before we can remind them of all we are providing," Mr. Olsen pointed out.

And although the proportion of clients who pay fees instead of pure commissions is growing, compensation is carefully monitored for all accounts, said Richard A. Nielsen, J&H's recently appointed president. "We agree on the services a client wants and then negotiate the compensation accordingly, whether they pay by commission or fee."

Mr. Nielsen was promoted to president earlier this year from executive vp, with Mr. Olsen giving up the title of president. Mr. Nielsen remains head of J&H's U.S. retail brokerage operations, but he will work more closely with Mr. Olsen on managing the whole of J&H's business, according to Mr. Olsen.

Based on an 8% increase in revenues, *Business Insurance* estimates that privately held J&H's gross revenues increased to $970 million in 1992 from an estimated $898 million in 1991.

"We are happy with that because most of the increase has come from new business," he said.

The brokerage's revenue growth has been constrained by the soft commercial insurance market, lower interest rates and the worldwide recession, according to Mr. Olsen said.

"We've been affected by the things that have affected all brokers. . . .So while we are not dancing in the streets about our figures, we know why we are not," Mr. Olsen said.

In the first quarter of 1993, the brokerage has met its growth targets, Mr. Nielsen said.

Retail revenues at J&H accounted for 63.7% of J&H's gross revenues in 1992, a fraction more than 63.6% in 1991. Of that total, 71.1% was generated through U.S. offices in 1992 compared with 74.8% in 1991.

This is in line with J&H's strategy of expanding overseas, Mr. Olsen said.

"More and more, our business is global. We are not just a U.S. broker," Mr. Nielsen agreed.

Eighty percent of J&H's total business comes from U.S.-based clients.

Growth in overseas retail business for J&H is driven by the rapid expansion of overseas business for its clients, said S. Robert Beane, senior vp and director.

"There has been a growth in the global concept among our clients and now they look at the world as one," Mr. Beane said.

Unlike other large brokerages, J&H operates abroad through a combination of subsidiaries, joint venture operations and correspondent brokerages that belong to the UNISON network.

The network has 36 member brokerages that refer business to each other. The commission is split 70% to the servicing partner and 30% to the referring partner.

The latest addition to the network is a joint venture in Russia between J&H and its German partner Jauch & Huebener KGaA.

"Businesses from all over the world are setting up in Russia and as our clients are there, we want to be there too," Mr. Olsen said.

The Moscow office is the second joint venture between J&H and Jauch & Huebener. Last year the two brokerages set up a holding company that bought a 25% stake in AB Max Matthiessen, the Swedish UNISON member.

In addition, J&H officials say they plan to take advantage of an offer made by UNISON's French partner, Gras Savoye S.A., to allow J&H and Jauch & Huebener to purchase a combined stake of 10% to 12% in Gras Savoye.

Elsewhere overseas, J&H has set up a second office in the Philippines in Cebu. "It's a very important industrial area in the Philippines and we now have enough clients there for us to open up an office," Mr. Beane said.

J&H recently announced that it will acquire 25% of Brockman y Schuh Agente de Seguros S.A. de C.V., its UNISON partner in Mexico.

The investment "gives J&H a chance to participate in Mexico's phenomenal economic growth. And it gives Brockman y Schuh additional capital for expanding its service capabilities," Mr. Olsen said.

One acquisition J&H has not

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Continued from previous page
made, despite rumors that it was about to, is International Risk Management Group Ltd. in Bermuda.

"We never talked to them. I don't know whether we would be interested in them even if they approached us," Mr. Olsen said.

However, J&H is expanding its Bermuda operations in other areas. J&H, which already is the largest captive manager in Bermuda (*BI,* April 26), is involved in two new property catastrophe reinsurance facilities (*BI,* June 28). J&H, along with Goldman Sachs & Co., is organizing Global Capital Reinsurance Ltd., which is expected to have capital of $300 million. J&H is also supplying back-office support to Renaissance Reinsurance Ltd., a facility formed last month with $140 million in capital.

J&H officials would not comment on either facility.

In Britain, J&H is now firmly established in the U.K. marketplace, Mr. Olsen noted. J&H set up its own operations in Britain after losing its partner Willis Faber P.L.C. when the British broker merged with Corroon & Black Corp. in 1990.

J&H has seven offices and 386 employees in Britain, up from 353 last year. Most of the new employees are support staff, Mr. Olsen said.

"We have teams covering all of the major areas in retail, wholesale and reinsurance, so while we are always willing to look at new teams we don't have areas that we need to fill," he said.

J&H says it has retained 85% of the retail business and 90% of the wholesale business previously placed by Willis Faber on J&H's behalf.

Areas of growth for J&H during 1992 included wholesale brokerage. Wholesale revenues climbed to 4.3% of gross revenues in 1992 from 3.1% in 1991. Reinsurance brokerage revenues rose to 4.5% in 1992 from 3.6% in 1991.



'We've been affected by the things that have affected all brokers. . . .So while we are not dancing in the streets about our figures, we know why we are not,' says David Olsen.

Less successful areas included J&H's employee benefit consultant A. Foster Higgins & Co. Inc.

Benefit-related revenues, as a percent of total revenues, fell slightly—to 17.5% of gross revenues in 1992 compared with 18.2% in 1991—due to uncertainty surrounding future health care provisions, Mr. Olsen said.

The proportion of revenues from personal lines remained static at 0.4%; services fell to 23.5% from 24.7% in 1991; and investment income fell to 2.9% of gross revenues in 1992 from 4.3% in 1991.

J&H's concentration on middle-market business has paid off: This area has grown to 18.2% of its gross revenues in 1992 from 16.7% in 1991. The company defines middle-market companies in part as those that would not normally have a full-time risk manager.

J&H largely takes on even smaller accounts as accommodation business, Mr. Olsen said, explaining that J&H will place coverage for small businesses that have some relationship to larger clients.

However, the brokerage will look for potential in any size account, he said, noting that J&H first did business with International Business Machines Corp. when it was a small account.

Geographically, J&H sees Florida and the Midwest as areas of potential interest, even though it shut down a small office in Melbourne, Fla.

The company now has 126 offices. During the year it opened offices in Columbus, Ohio; Memphis, Tenn.; and Milwaukee.

Early in 1992, J&H began a drive to improve staff performance through a quality initiative, Mr. Nielsen said. A 20-person task force seeks to train and improve client services in designated offices.

The program started in six offices. "Those six went well, we have now introduced it to a second series of seven and we will extend it to eight more in the fall," Mr. Nielsen said.

The program seeks to help employees establish better relationships with clients and understand their business problems better, he said.

Much of the program focuses on the changing relationship between brokers and clients, Mr. Nielsen said.

For example, a risk manager at one Fortune 100 company and the J&H account manager realized that they had a communications problem, he said.

"(The task force) asked two members of their team and two members of our team to identify the problem specifically and come up with a plan to solve it. There was no attempt to say that it was 'your or our' fault."

J&H has also bought and developed a new software system to increase productivity.

The Lotus Notes system links all of the J&H offices and accesses several data bases, including news and information on insurers, Mr. Nielsen said.

"The clients see the software and they love it," he said, adding that J&H is experimenting with making the software available to clients and may extend the access to underwriters as well.

While J&H is doing many things to increase business, revenues are unlikely to grow dramatically through increased rates this year, he said. Although there have been large rate increases in areas like marine, energy and aviation insurance, other areas, especially casualty insurance, still are flat, he said.

"Generally, 1993 will not be dramatically more profitable than 1992. . . .I see no evidence of an overall increase in casualty rates," Mr. Nielsen said.

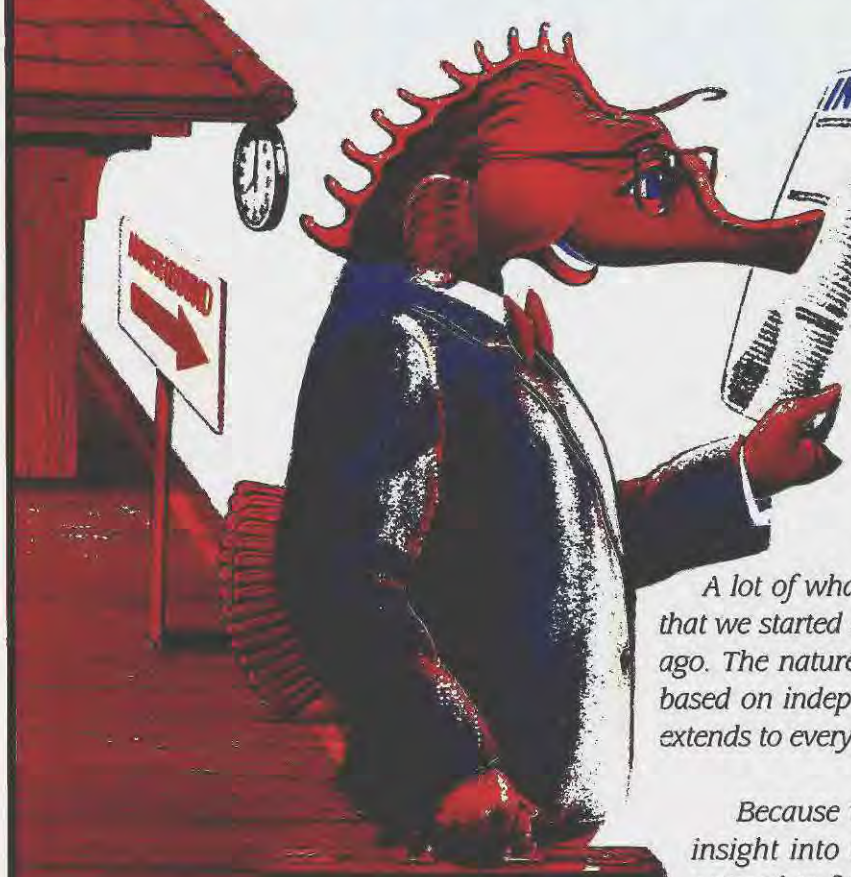
J&H named two new directors earlier this year: Christine LaSala and John Deitchsman. The retirement of George Shattuck and Peter Bergsten kept the number of directors at 35.

J&H has also extended the equity ownership of the company to a new level of managers called managing principals. These 10 executives own equity in the company and have options to purchase more in the future.

They are: Richard B. Blackman; J. Cameron Campbell; Lawrence I. Geneen; John E. Jenniges; Daniel L. Jones; William J. Keckeisen; Dan Knise; John A. McMahon; Robert F. O'Leary; and Aad Strijbos.

—By Gavin Souter

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	1992*	1991*
Premium volume	$2.62 billion	$2.45 billion
Gross revenues	$344,607,845	$334,931,644
Brokerage: Retail	61%	61%
Wholesale	16%	14%
Reinsurance	12%	12%
Investment income	10%	11%
Other	1%	2%
Employees	3,637	3,627
Rev./Employee	$94,751	$92,344
Offices	105	113

* Converted at applicable exchange rates; 1991 figures restated.

JIB Group P.L.C.'s choice for a new chief executive officer of its U.S. subsidiary highlights the broker's connection to its Asian roots.

David J. Batchelor, the former CEO for JIB's Hong Kong-based Asia Pacific region, took the helm of the U.S. operations on May 1. He succeeds George Brown, who will continue to serve as U.S. chairman.

It's only natural that the broker, which traces its origins to the Canton region of China, should look to the East when developing its business plan, Mr. Batchelor said.

"That's really where our parent company's strength is," he said. "We've been able to capitalize on economic growth in this part of the world."

Indeed, JIB's Asian business has been growing by between 20% and 25% annually for several years, said R. John Barton, JIB's chief executive in London.

"We're making a natural push into mainland China from our base in Hong Kong," he said. "Our dream is to have offices in the main commercial centers in China."

As one of the leading brokers in Asia, JIB is in an excellent position to capture reverse-flow business, Mr. Batchelor added. "We see some Asian investments coming to the U.S., and we have empathy for these types of business."

R.D. Guy, who had been managing director of Jardine Insurance Brokers Pty. Ltd. Australasia, assumed additional responsibility for Asia with Mr. Batchelor's departure. A new head for the Hong Kong office has not yet been selected.

Because JIB keeps abreast of economic and political changes in the Pacific Rim, "we are able to invest in areas other brokers would consider politically sensitive," like the Philippines, Thailand and Vietnam, Mr. Batchelor explained.



'Our objective is to develop JIB Inc. into a market leader in selected areas and also capitalize on existing group strengths,' says David J. Batchelor.

For example, Jardine places marine cargo insurance on behalf of Philippine National Oil Co. to cover its crude oil imports. JIB also places protection and indemnity insurance for the company's fleet of tankers and coal carriers.

JIB was the first foreign broker to enter into a joint venture in Indonesia since the government began permitting foreign equity holdings in financial services two years ago. The joint venture is with local Indonesian broker Rajawalli.

Despite its robust growth in the Asia-Pacific region, throughout 1992 JIB struggled against worldwide recessionary pressures, falling interest rates, currency fluctuations and capacity problems in the London reinsurance market. Those difficulties were coupled with the continuing soft U.S. commercial insurance market.

Overseas, JIB's newly issued stock "had a roller-coaster ride much the same as all brokerage stocks in the U.K.," said Mr. Barton.

The broker changed its name to JIB Group P.L.C. from Jardine Insurance Brokers Group on Oct. 23, 1991, and offered to the public 33 million shares representing 38% of the company (*BI,* June 29, 1992; Sept. 9, 1991). The remainder is held by longtime parent Jardine Matheson Holdings Ltd.

JIB's stock, which was initially floated at 195 pence ($2.95) per share, sank to a low of 103 pence ($1.56) in April 1992 and was back up to 195 pence by year-end 1992. The stock stood at 206 pence ($3.09) on June 24.

U.K. insurer and brokerage stocks have been highly volatile due to negative publicity over problems at Lloyd's of London, Mr. Barton explained.

Troubles at Lloyd's have caused JIB other problems: JIB's Lloyd's members agency posted a loss of 1.8 million pounds ($2.73 million) for 1992, reflecting losses at Lloyd's of London and litigation costs.

Jardine (Lloyd's Underwriting Agents) Ltd. became embroiled in lawsuits filed by Lloyd's members who are contesting the huge losses they have incurred, explained Mr. Barton, who expects the members agency to continue to incur losses this year.

While Mr. Barton said "ultimately the dust will fall on the underwriters and the managers" of Lloyd's syndicates, rather than members agencies, agencies like JIB's "could be exposed to defense costs," he said.

Overall, JIB reported that pretax profits fell 9.3% to 18.2 million pounds ($32.1 million) in 1992 from 20.1 million pounds ($35.5 million) in 1991.

JIB's revenues increased 3.1% in 1992 to 195.2 million pounds from 189.4 million pounds in 1991. In dollar terms, revenues increased 2.9% to $344.6 million last year from $334.9 million in 1991.

However, wholesale brokerage revenues grew by 19% during 1992, reflecting tightening in the London aviation, energy and marine markets, Mr. Barton said.

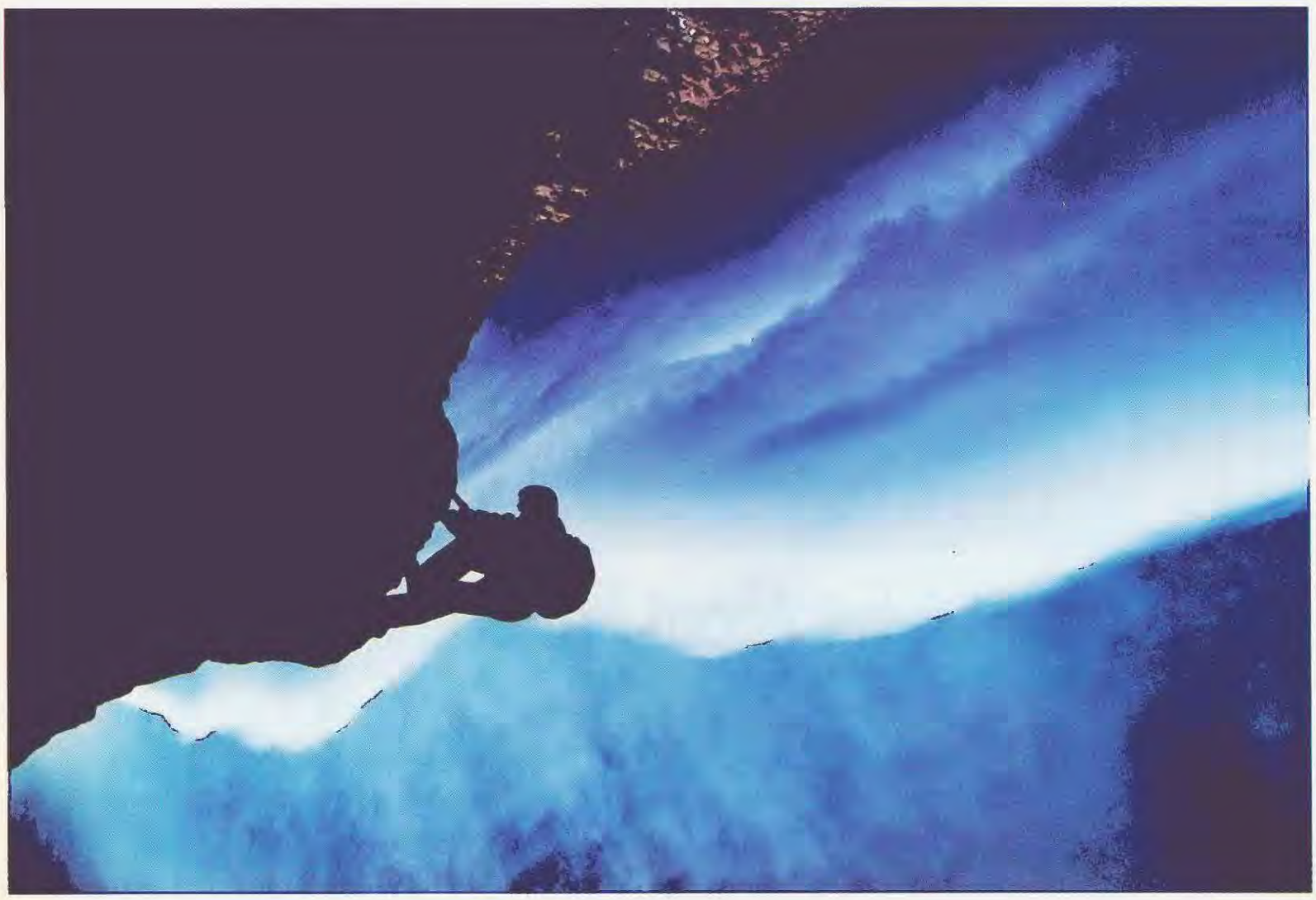
Future rate hikes are likely to further add to JIB's wholesale business in 1993 as property underwriters withdraw from U.S. coastal regions in response to recent hurricane losses, he predicts. As a result of the increase, JIB derived 16% of its revenues from wholesale brokerage in 1992, up from 14% in 1991.

In contrast, revenues from reinsurance brokerage operations —which provide 12% of total revenues—declined by 1% in 1992 because of difficult market conditions, Mr. Barton said.

One exception was Lawrence-

Continued on page 42

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Continued from previous page
American operation is Swett & Crawford Group, the largest U.S. wholesaler (*BI*, Aug. 17, 1992).

When Minet assumed the management of Swett & Crawford from St. Paul several years ago, the wholesaler was losing "substantial amounts of money," Mr. Christie noted. Through "a painful but well-managed process of downsizing," it has cut Swett & Crawford's staff to about 550 from a high of about 900 in 1988. "I think we have a good chance of making money this year at Swett & Crawford."

As Minet downsizes Swett & Crawford, it is also expanding its New York-based Minet Risk Services unit, which provides risk management and self-insurance services. Mr. Christie calls MRS one of the company's biggest growth areas.

MRS also has offices in Atlanta, London and Los Angeles.

While nearly all of Minet's non-reinsurance operations have been united under the North American division, its most famous specialty—placing insurance for major accounting firms—is managed through the group professional services division.

Finding capacity for major accounting firms is "extremely difficult," Mr. Christie said. However, the impact of the capacity shortage on Minet's revenues has been reduced because Minet is moving toward fee-based compensation for large accounting clients, he said, noting the much of Minet's time is spent advising these firms rather then simply placing insurance.

Another unit that had a tough 1992 is the international retail division, which includes brokerage operations in Africa, Australia, Europe and the Far East.

Most corporate brokerage business in the United Kingdom is transacted on a fee rather than a commission basis, Mr. Christie pointed out. "And there is just brutal fee competition these days. It's hard to understand why people are doing it. They are just competing each other to death."

To avoid this competition, Minet is "focusing on the specialties we like and building on them," he said. The broker's specialties in the United Kingdom include: construction risks; professional liability, including coverages for architects and engineers, lawyers and accountants; and placing guarantee bonds for travel agents.

While Minet may be losing some clients to competitors, "the biggest loss of clients in the U.K. is because of bankruptcies—clients going out of business," he noted.

Minet has fared much better in retail brokerage in Australia, where it appears rates are hardening.

Continental Europe remains a bit of a puzzle for Minet.

"We do not have the money or the client base to build a really large organization in every country. What we are trying to do is to focus on two or three major countries, build a meaningful presence in those places and maintain nice, healthy businesses elsewhere" through which Minet can focus on its specialties, he said.

In Southeast Asia, Minet is focusing its energies on Hong Kong. "We want to get Hong Kong right first and then invest some real money in the next place, rather than little bits all over the place," he said.

Minet's international brokerage unit is a major energy insurance broker in the London market.

The energy brokerage business currently is "very hairy," Mr. Christie noted with a tremble in his voice. "Capacity has collapsed and prices have shot through the roof."

Minet lost "a substantial amount of revenue" from one energy account because "when prices shot up, they upped their retention substantially," he noted. Overall, however, higher energy rates have offset the business lost because of decreased capacity and increased retentions.

The London wholesale unit also is a prime example of where Minet is leaving areas of business that are not profitable. "London brokers for 50 years have had a philosophy that was totally revenue-focused, so we're trying to teach our guys to see if we can make money in a line of business," Mr. Christie said.

Strengthening the London wholesale operation is a key to Minet's global specialty strategy, he said. "If we're going to have some guys to (broker) energy accounts in Los Angeles, Houston, New York, Hong Kong and Sydney, we have to have the team in London" to place that business.

A key issue hanging over the international broking division is the future of Lloyd's.

Minet now spends "a lot of time getting clients to understand the reality of the situation" at Lloyd's. "We think at the end of the day, the security of the policy is not in substantial question."



To avoid 'brutal' competition in Britain, Minet is 'focusing on the specialties we like and building on them,' says Peter Christie.

Minet's reinsurance division is growing—both in revenues and profits.

Mr. Christie is pleased with that performance in light of what he termed the "double whammy" of collapsing capacity in areas like property catastrophe reinsurance and skyrocketing rates. At the same time, many cedants are increasing their retentions. Still, "we've wound up with increased revenues, and we feel pretty good about that."

Minet Re in November acquired Bell Nicholson Henderson Ltd., a specialty U.K. reinsurance broker with a New York office. Bell produced 11.7 million pounds in revenues ($20.7 million) in 1991.

One other change in the past year at Minet has been the dissolution of what was known as the Group Executive, a top-level management group that had included Mr. Christie and Deputy Chairman Brian Chapple, who has since retired.

Formed in its place is an Executive Management Group, which consists of Mr. Christie, the heads of the operating units and other top executives.

Members of the group are: Paul Cotterill, executive vp-international broking; James McGriskin, executive vp-international retail; Alan B. Middleton, executive vp-North America; Richard H. Murray, executive vp-global professional services; Mark L. Pabst, executive vp-group resource; Michael Rossor, executive vp/group finance director; J. Bernard Friemann, executive vp-risk consulting/specialty; Graham Stow, group human resource director; and Daniel Colello, chairman-Minet Re (North America) Inc.

Another top Minet official is Executive Vp Brian Hayes, who had headed the reinsurance division and who will retire in October. That division is being managed by Mr. Christie and Mr. Colello until a replacement is named.

—By James M. Burcke

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C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH; 071-234-4000; fax: 071-234-4111

	1992*	1991*
Premium volume	NA	NA
Gross revenues	$293,325,000	$294,250,000
Brokerage: Retail	28.7%	27.8%
Wholesale	17.3%	11.7%
Reinsurance	12.7%	10.8%
Personal lines	7.3%	9.3%
Services	1.6%	7.7%
Investment income	7.6%	9.6%
Other	24.8%	23.1%
Employees	3,353	3,186
Rev./Employee	$87,482	$92,357
Offices	90	98

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

While 1992 was another turbulent year for C.E. Heath P.L.C., it also was one in which it moved closer to extricating itself from problems with its underwriting operations and posted strong gains in brokerage revenues.

Chairman Michael Kier presided over a year of tough market conditions marked by a shortage of capacity and the general weakness of world economies.

Profits were down sharply in 1992 as a result of exceptional charges connected to losses from its Australian underwriting operations. Heath last year reduced its stake in Australian insurer C.E. Heath International Holdings to 46% from 90% in line with its long-term goal of pulling out of underwriting altogether.

After the exceptional charge, pretax profits fell 92% to 1.5 million pounds ($2.5 million) for the year ending March 31, compared with pretax profits of 19 million pounds ($33 million) in fiscal 1991.

Heath produced gross revenues of 173.3 million pounds last year, up 2.2% compared with 169.5 million pounds in fiscal 1991. That's down sharply from a 23.5% boost in revenues over fiscal 1990.

In dollar terms, Heath's gross revenues slipped 0.3% to $293.3 million from $294.3 million, earning it the No. 9 spot in the *Business Insurance* rankings, up one notch from last year.

While overall revenues were up only slightly, revenues from insurance brokerage operations rose 13.1% to 114.8 million pounds ($194.4 million) in fiscal 1992 from 101.6 million pounds ($176.4 million) a year earlier.

Mr. Kier was pleased with the performance of Heath's core brokering activities.

Apart from insurance brokerage, computer services subsidiaries contributed more than one-third of gross revenues.



'For the U.S. corporate buyer, we are the independent alternative. The buyer can use us to tap into London if they want and to keep pressure on the local retailer,' Michael Kier says.

One of the company's biggest challenges last year was developing its fledgling U.S. wholesale brokerage operation, Heath Insurance Brokers Inc.

Unlike its key competitors in London—Sedgwick Group P.L.C., Willis Corroon P.L.C. and Hogg Group P.L.C.—Heath does not have a strong U.S. presence. But the new wholesale unit is quickly changing this.

In February 1992, Heath set up HIB in Dallas, and later that month opened another office in the Atlanta area. It has since opened offices in Chicago and San Francisco, and one in Houston early last month.

HIB currently employs "about 50 people," in the United States.

HIB produced a loss last year, but this was not unexpected. "It was a loss leader last year. We hope to break even next year and then move into profits during 1994-95," said Mr. Kier.

So far, the wholesale brokerage is producing excellent growth, he said.

HIB will specialize in "normal excess and surplus lines business" and "it will largely be placed in the States, though some business, like directors and officers, will come to London," he said.

"For the U.S. corporate buyer, we are the independent alternative. The buyer can use us to tap into London if they want and to keep pressure on the local retailer. We can do well in the U.S.," Mr. Kier said.

"The role of the purely independent excess or surplus lines broker is still very much required, but there are very few of us left," he said.

Independence is also vital in another area that Mr. Kier hopes will continue to develop and one in which he feels Heath has found a niche: placing reinsurance for captives.

"We believe that risk managers should use a different broker for captive management than for placing reinsurance because, firstly, managing an insurance company is a totally different skill and, secondly, when you review the (reinsurance) needs of captives, it's unlikely one broker is going to give it to its key competitor," said Mr. Kier.

Chief Executive Office Peter Presland expanded on the point: "Also, there is a chance that brokers will advise their captive clients to buy loads of reinsurance to make the brokerage (commissions). . . .Captive management is too often a loss leader for brokers to make the brokerage (commissions) elsewhere," said Mr. Presland.

At home in Britain, Heath's retail and wholesale brokerage suffered last year from the continued U.K. recession.

"Given the recession, it was a good performance," Mr. Kier said of Heath's U.K. retail division, which had revenues of 33.1 million pounds ($56 million), up 8.5% from 30.5 million pounds ($52.9 million) in fiscal 1991.

Slack demand for coverage, reduced revenues among clients and returned premiums held back the positive effects of increased rates and healthy new business levels in the United Kingdom. Across the board, he estimated that rates in Britain rose an average of 15% last year and even more in 1993.

Mr. Kier was particularly pleased with U.K. wholesale brokerage revenues, which increased 23.9% to 10.9 million pounds ($18.5 million) last year from 8.8 million pounds ($15.3 million) in fiscal 1991.

He said this was largely based on the continued success of an insurance program offered through several U.K. building societies, which are the British

Continued on next page



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Continued from previous page
1991.

U.S. commercial retail business accounted for 98% of Gallagher's commission revenues. Reinsurance brokerage and personal lines business each accounted for 1%.

Investment income of $11.8 million in 1992, an 18% increase from $10 million in 1991, generated the remainder of gross revenues.

Net income climbed 24.4% last year to nearly $23.5 million from more than $18.8 million in 1991. Net earnings per share increased 26.6% to $1.57 from $1.24 in 1991.

But, if a one-time $4 million reserve Gallagher established in 1991 to cover declines in its investment portfolio and other costs is excluded, earnings per share increased by 11.3% last year.

Gallagher did not hit its performance targets last year, but it was ahead of target for the first quarter of 1993. Gross revenues increased 7.4% to nearly $66.8 million in the quarter from nearly $62.2 million last year. Net income increased 23% in the first quarter to $3.9 million from $3.2 million.

Gallagher executives—who see market pressures building for an eventual hardening of rates—also anticipate greater opportunities ahead for risk management services subsidiary Gallagher Basset Services Inc., which is operated at arms-length from the commercial retail brokerage unit.

Stock analysts agree.

"The market likes its risk management approach," said Michael A. Smith, senior vp and analyst with Lehman Brothers in New York, who recommends a hold on the stock.

The market believes that as more companies look to alternative risk financing mechanisms, Gallagher "will be a big winner" because of its Gallagher Basset unit, he said.

Indeed, because of that view, Gallagher stock—in relative terms—is trading at a premium compared with other brokers' stocks, he said.

Gallagher stock was trading at $32.50 per share on June 25. Over the previous 12 months, it traded at a high of $37.38.

Samuel Liss, director of U.S. equity research at Solomon Brothers in New York, also likes Gallagher's loss control and third-party administration business in light of an expected market turn within a year. Mr. Liss strongly recommends Gallagher's stock as a buy.

Gallagher Bassett's revenues grew 17% in 1992 to $71.8 million from $61.4 million.

Indeed, Gallagher Bassett was largely responsible for the broker's 20.3% increase in fee revenues.

The workers compensation market will continue to spur Gallagher Bassett's growth, according to Patrick Gallagher.

"The workers compensation market—depending on the state—is in shambles," he said. "That's where we're very strong in helping clients move into the alternative market."

Gallagher Bassett has concentrated its pooling efforts in the public sector over the past 10 years but now is focusing on the private sector, especially for workers comp risks.

Among the 98 risk pools that Gallagher Bassett had helped clients set up nationwide through year-end 1992, about 15 exclusively cover workers comp risks. Gallagher Bassett established a half dozen of those in five states over the past two years, and it expects to set up many more than that this year.

"It's a tremendous solution for participants if it's put together and managed professionally," Robert Gallagher said.

For example, he pointed to a workers comp pool that Gallagher Bassett helped a group of Louisiana cotton gin operators establish last year. Those operators now are seeing their workers comp costs drop, executives say.

Gallagher Bassett, in conjunction with Gallagher Basset Benefit Administrators, last year also began testing a new 24-hour "process" that integrates managed care and other cost management activities for group health and workers comp programs. The benefits administrator is an arm of employee benefits consulting division Gallagher Benefit Services.

Gallagher executives emphasize the 24-hour product is not a policy but rather is a process of containing medical costs and getting employees back to work as soon as possible.

Clients will send group health and workers comp claims to a single Gallagher Bassett office that will, among other things, send rehabilitation nurses to patients' hospital rooms. The same office will administer both types of claims—helping clients streamline claim bureaucracies and eliminate double dipping.

Gallagher plans to make the service widely available this month.

Gallagher Bassett, which has 102 domestic offices and one foreign office, also completed its first merger last year. The acquisition, American Security Services Corp. of Middleburg, Va., specializes in controlling fraud, theft, computer crime, burglary, robbery and authorized management activities. The 13-year-old company operates in all 50 states and 17 countries.

Gallagher Benefit Services also completed its first merger last year. The ABOW Cos. of Troy, Mich., targets a variety of corporate accounts with 100 to 1,000 employees. It specializes in qualified plan administration, consulting and record keeping for 401(k) plans, flexible benefit administration and executive planning services.

ABOW now operates under the Gallagher Benefit name.

Gallagher Benefit Services increased revenues 12% last year.

Other Gallagher subsidiaries include:

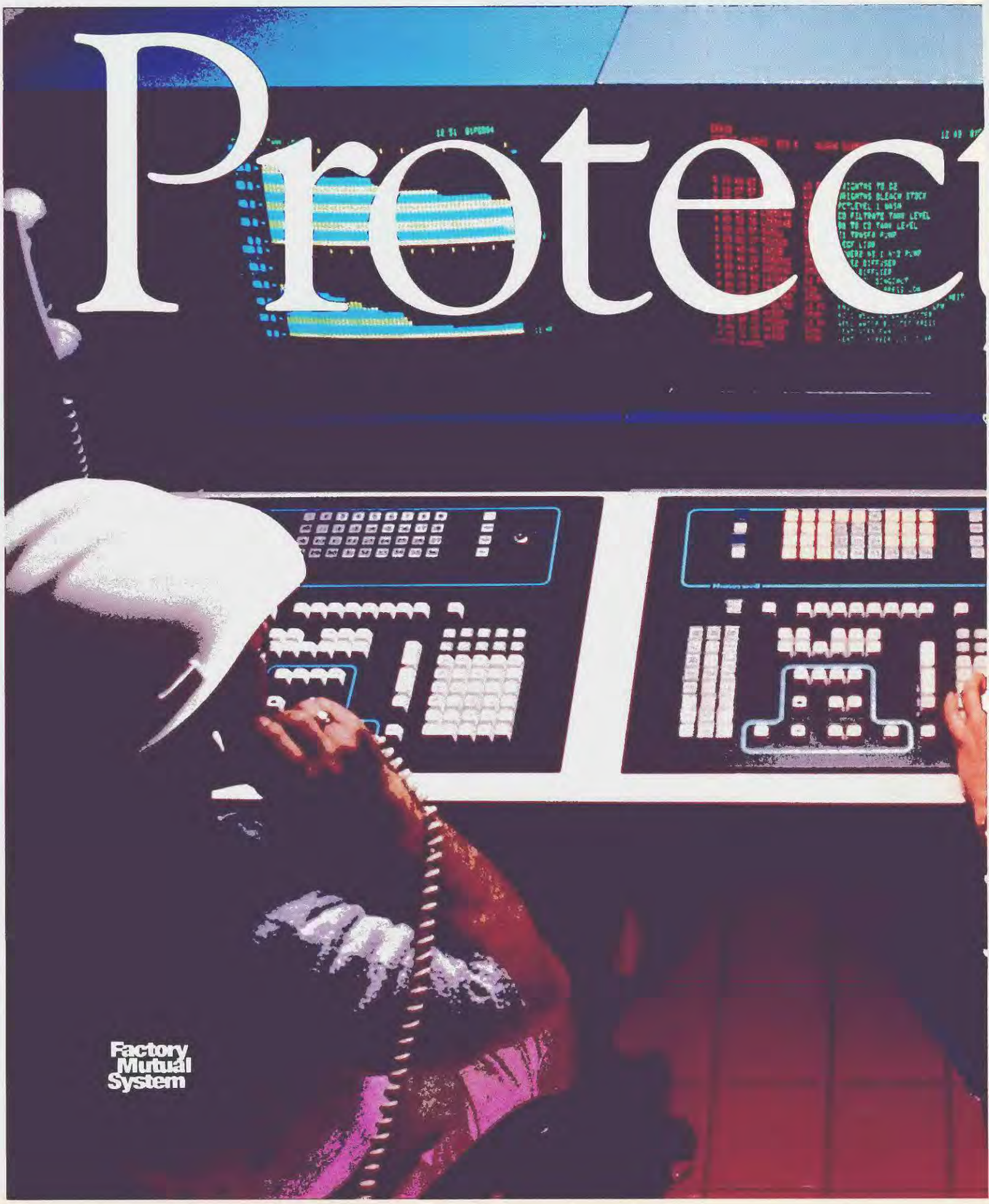
- Gallagher Bassett International Ltd., the London-based unit of Gallagher Bassett that provides risk management services for foreign companies' overseas and U.S. operations.
- London subsidiary Gallagher Plumer Ltd. It places international insurance and reinsurance with underwriters at Lloyd's of London and other markets for Gallagher and other brokers worldwide as well as retail clients.
- Arthur J. Gallagher & Co. (Bermuda) Ltd., which provides clients access to the Bermuda and international insurance and reinsurance marketplace.

Gallagher ended 1992 with 133 offices, seven more than the year before. Its employee count, which the broker places a great emphasis on controlling, increased 6.3% to 2,661 from 2,504, partly through acquisitions.

The cash compensation, including bonuses, paid to Gallagher's five highest-paid officers in 1992, as reported to the Securities and Exchange Commission, follows:

Robert E. Gallagher	$265,000
John P. Gallagher	$255,000
Michael J. Cloherty	$255,000
J. Patrick GallagherJr	$230,000
Walter F. McClure	$215,000

—By Dave Lenckus



11

Bain Clarkson Ltd.

Bain Clarkson House, 15 Minories, London EC3N 1NJ; 071-481-3232; fax: 071-480-6137

	1992*	1991*
Premium volume.	N/A	N/A
Gross revenues...	$242,610,095	$232,479,697
Brokerage: Retail.	44%	43%
Wholesale.....	23%	20%
Reinsurance....	9%	13%
Personal lines..	6%	5%
Services.....	10%	10%
Investment income	8%	9%
Employees.....	3,200	3,134
Rev./Employee...	$75,816	$74,130
Offices.....	65	51

* Converted at applicable exchange rates.

It was business as usual at Bain Clarkson Ltd. in 1992 as the company managed to squeeze out more revenues and profits despite a tough operating environment.

The brokerage last year had to cope with wavering demand from its core U.K. retail customers in the face of a continued recession and rising rates. It also grappled with tightening capacity for its international wholesale and reinsurance business and was locked in fierce competition in the U.K. market.

Despite the difficulties, Chairman Simon Arnold was proud to announce increased profits and revenues for the fourth year and record new business levels in the U.K. retail sector. He attributes the company's resilience to a focus on quality, high business retention, a new streamlined structure, the fruits of a three-year sales training program and "bloody hard work."

Mr. Arnold also is excited about the alliance formed last year with U.S. broker American Business Insurance Inc., which he hopes will strengthen Bain Clarkson's position in the United States and help it win more multinational clients.

The company also plans to continue its steady growth in Europe following two major investments in Italy and France. Bain Clarkson believes that these investments will enable it to take advantage of an expected surge in demand for brokers in Continental Europe as the effects of the single market are felt.

Mr. Arnold stressed the continued importance of the Asia-Pacific region to its worldwide strategy. Bain Clarkson wants to guard what it regards as its position as No. 1 broker in the region.

But Mr. Arnold is adamant that any push for growth not come at the expense of profitability. He prefers profits over revenues as the measure of a broker's performance.

"In my more brash moments, I tell my people they can decrease revenues by 50% if they can increase profits by 100%," he said.

Despite the chairman's tough talk, revenues increased quicker than profits in 1992.

Bain Clarkson posted a 4.6% increase in gross revenues last year to 137.4 million pounds from 131.4 million pounds in 1991. In dollar terms, revenues rose 4.4% to $242.6 million from $232.5 million.

That performance earned Bain Clarkson the No. 11 spot in the *Business Insurance* ranking of the world's largest brokers, unchanged from a year ago.

During the same period, pretax profits edged up 0.6% to 15.1 million pounds ($26.6 million) from 15 million pounds ($26.5 million) in 1991.

Compared with its main London-based competitors, Mr. Arnold said this was not a bad performance. But compared with its 21% growth in gross revenues and a 3.5% increase in pretax profits in 1991, the figures confirm his tale of a tough year.

Hardest hit in 1992 was the reinsurance division, which accounted for 9% of gross revenues last year, down from 13% in 1991.

Mr. Arnold said the reinsurance department had a "very difficult year" but not as bad as some reports would have it. He said the division had to cope with "drastically cut" capacity during the year.

"The reinsurance department actually performed credibly and still made a substantial contribution to overall profits. Volumes were definitely down and consequently profits, too. This was mainly due to insolvencies and closures and contraction in the market," he said.

But Mr. Arnold was quick to point out that Bain Clarkson's international wholesale business had an excellent year.

Wholesale brokerage accounted for 23% of the gross revenues last year, up from 20% in 1991 and 12% in 1990. Among the broker's wholesale specialties are aviation, marine and energy, fine art and specie, construction, international property/casualty and professional liability risks.

"International (wholesale) revenues climbed 20% last year and it improved profitability across the board," said Mr. Arnold. "Our aviation department had a very good year as did fine arts. Marine and energy saw a small increase in brokerage revenues but big increases in profitability."

The reinsurance and wholesale divisions' contributions to Bain Clarkson's revenue growth this year will largely depend on the amount of capacity available worldwide and partly on the health of Lloyd's of London.

Mr. Arnold identified the lack of capacity as a key challenge facing the brokerage in 1993 and 1994.

"Clearly Lloyd's has not been able to produce the capacity so far, but certainly some of our major catastrophe placings here have been able to cope with the problem. But it's early days yet, and by the end of the year a lot of Lloyd's underwriters will find they have run out of capacity by virtue of premium increases."

U.K. insurers' solvency levels are calculated by a ratio of premium volume to capital so when rates rise, they must write less business unless they can bolster capital. "Higher rates will hit capacity. It's ridiculous," he exclaimed.

Because Mr. Arnold is a member of the Council of Lloyd's, he is not keen to discuss the market's woes. But he did say that the business plan presented to the market in late April is an excellent blueprint for reform (*BI*, May 3).

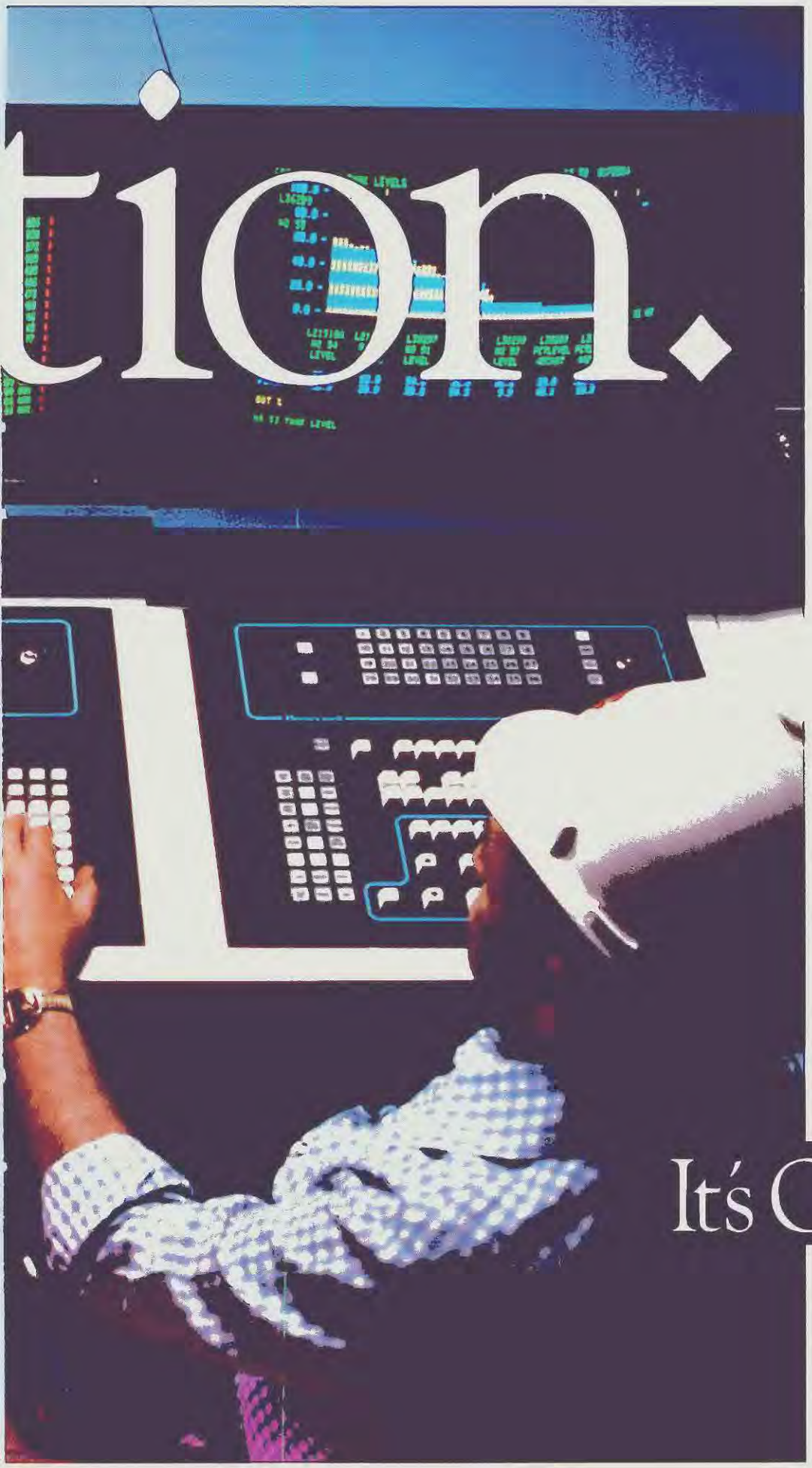
Mr. Arnold was much more interested in talking about what he termed the "phenomenal" performance of Bain Clarkson's retail brokerage operations, especially in the United Kingdom. New U.K. business helped push the percentage of gross revenues derived from commercial retail brokerage to 44% last year, up from 43% in 1991.

"We achieved this despite the economic recession and a marked increase in self-insurance. Companies were also not accepting as much cover to minimize the impact of the premium increases. The figures were boosted by a phenomenal amount of new business," said Mr. Arnold.

He attributes the new business growth mainly to the quality of his staff and the benefits of a three-year sales training program. "Since 1991 we have put training on a very high profile and this has certainly paid off at all levels."

Mr. Arnold said the increase in retail brokerage revenues was

Continued on next page





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Continued from previous page
helped by a client retention rate of more than 90% last year, reflecting the training program's emphasis on client retention.

New retail business was spurred by greater competition from other brokers and pressure on commissions and fees from clients.

"Clients are saying 'if we are paying more, we are not prepared to see you benefit from it'. . . .To retain the business, we have been forced to cut commissions," he said.

Fees are not a popular subject with Mr. Arnold. But he sees that they are inevitable and practical for certain types of retail clients.

A desire to meet clients' needs was behind last year's retail division restructuring.

"On the retail side, we split the business by size of client. . .in premium terms between the various offices to ensure that the important and larger accounts get the best service. The smaller clients will benefit from the economies introduced by application of new technologies," he said.

Rather than defining itself by the size of clients serviced, "we prefer to measure ourself by our strengths. We are one of the top three brokers in the U.K. and largest in the Far East," he said.

But the company could be moving in an exciting direction in terms of the size and type of client it seeks as a result of its linkup with American Business Insurance Inc., the world's 17th-largest broker (see story, page 60).

"Historically the medium-sized firm has always been our strength in the U.K provinces, but at the same time we do have a large book of multinational clients. This is not as big in percentage terms as Sedgwick or Willis, and one of the main reasons for this has been our weakness in the U.S.," he said.

The company's U.S. retail revenues were only 4.8 million pounds ($8.5 million) last year, which came entirely through non-U.S. offices, down from 5.5 million pounds ($9.7 million) in 1991.

The company clearly has room for growth in the United States, which is part of the reason for the ABI deal. Bain Clarkson and ABI signed a reciprocal retail servicing agreement last June that gives the U.K. broker access to ABI's network of 56 offices throughout the United States to service clients with needs there. At the same time, ABI clients can access Bain Clarkson's 65 offices in the United Kingdom, Europe and the Far East.

Bain Clarkson has already used the ABI connection to win two "major multinational clients."

"This relationship will enable us to win multinational clients that we otherwise may not have got because multinationals tend to have big U.S. interests," he said.

He denied, however, that the partnership would blossom into a full marriage through an equity exchange of some form. ABI reportedly has been placed on the selling block by its parent, American Financial Corp. (*BI*, May 17).

Bain Clarkson was less cautious with its cash in other parts of the world, making two major investments in Europe.

It acquired a 25% stake in the French retail brokerage and financial services firm Compagnie Europeene de Courtage d'Assurances et des Reassurances. Bain Clarkson's French subsidiary Rouge Clarkson will be sold to CECAR in return for convertible loan stock that can be converted to equity in 1996 and will give Bain Clarkson a 34% stake overall in the Paris-based broker.

Bain Clarkson also upped its interest in the Italian market with the acquisition of an additional 39% stake in Milan, Italy-based broker Revasa S.p.A. in January. Its total holding in Revasa is now 49%.

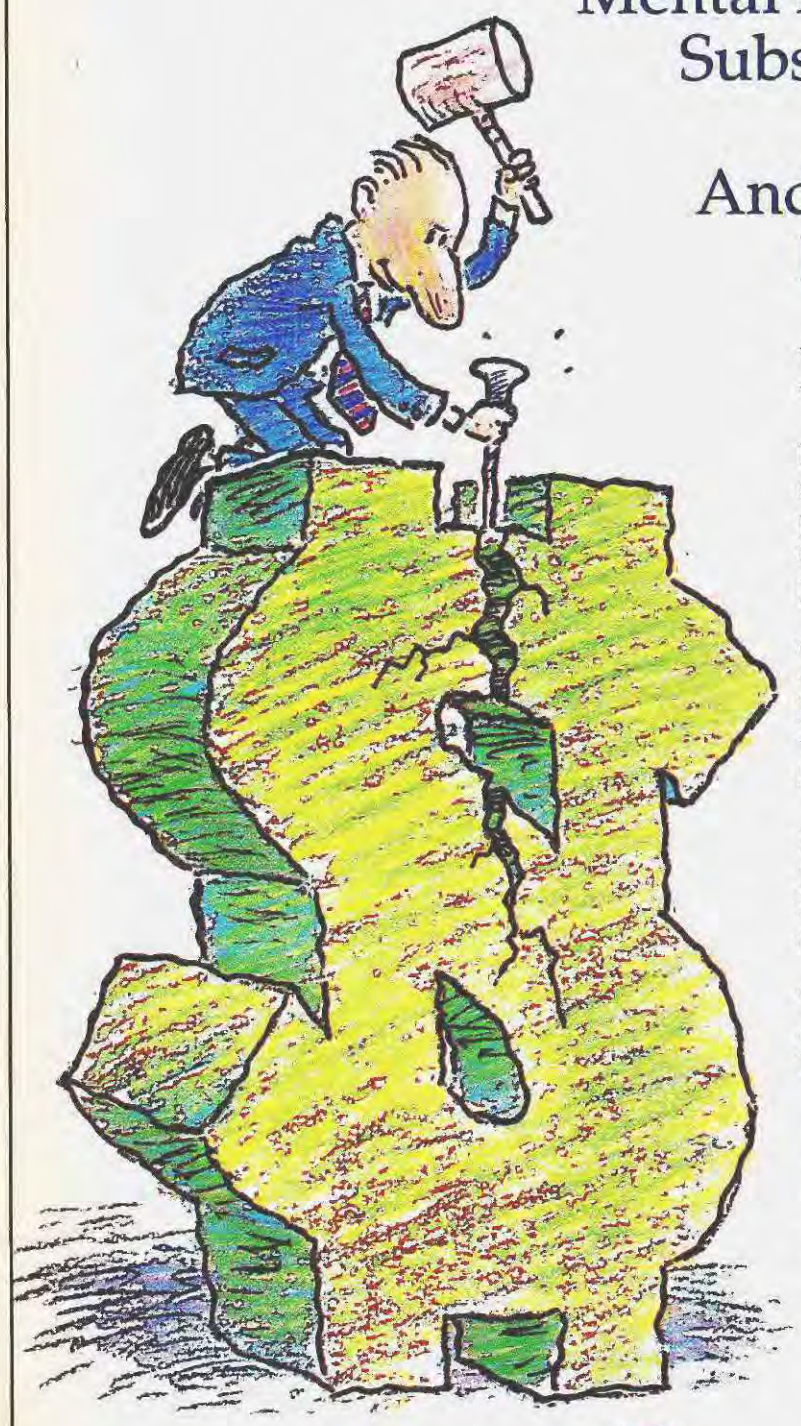
Bain Clarkson's Asia-Pacific foothold is much more established. The broker last month established a new Hong Kong division, headed by David Emptage, to take advantage of new pension rules there (*BI*, March 15).

Mr. Arnold described Asia-Pacific operations in 1992 as "satisfactory." Business from the Asia-Pacific region accounted for 9% of gross revenues in 1992.

Looking ahead, Mr. Arnold said, "I've set an extremely challenging budget for 1993, and if we achieve that, we will really have made a major step forward."

—By Adrian Ladbury

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20 Custom House St., Suite 740, Boston, Mass. 02110; 617-330-5100; fax: 617-330-6940

	1992*	1991*
Premium volume	NA	NA
Gross revenues	$220,251,304	$212,969,167
Brokerage: Retail	51%	53%
Wholesale	16%	14%
Reinsurance	4%	5%
Personal lines	3%	4%
Services	19%	17%
Investment income	6%	6%
Other	1%	2%
Employees	2,686	2,721
Rev./employee	$82,000	$78,269
Offices	87	83

* Converted at applicable exchange rates.

In his final year as chairman of Hogg Group P.L.C, James Vaughn had to report a "difficult trading year" in 1992 as profits fell and worldwide revenues crawled forward.

"Chaotic" conditions in the U.S. market hit the brokerage particularly hard, Mr. Vaughn said. But U.S. unit Hogg Robinson Inc. was not alone.

Hogg Group's core U.K. businesses also suffered. In particular, its credit insurance division was hurt by the continued U.K. recession and slashed commissions, while its reinsurance department suffered from a capacity crunch in the London market excess-of-loss reinsurance market.

Still, Hogg Group moved up a notch to become the world's 12th-largest broker ranked by *Business Insurance,* due to the acquisition of Frank B. Hall & Co. Inc. by what is now Rollins Hudig Hall Group Inc.

Mr. Vaughn says he believes that the chair he will vacate at year end —to be filled by Anthony Howland Jackson, now deputy chairman and chief executive officer—will not only be warm but also comfortable.

"We're in a healthy spot. We can grow in every one of our divisions in the U.S., Southeast Asia or the Caribbean-wherever it makes sense as long as we've got the right people," Mr. Vaughn said.

While U.S. results were "disappointing," he noted that Gary Griffith, CEO of Hogg Robinson Inc., restructured U.S. business in 1992 and has cut staff.

Hogg Group's gross revenues edged ahead 3.7% to 124.8 million pounds in 1992 from 120.4 million pounds in 1991. This compares with a 7% increase between 1990 and 1991.

In dollars, revenues rose 3.4% to $220.3 million from $213 million.

Earnings, though, fell 20.2% from 1991 levels: 13.4 million pounds ($23.7 million) vs. 16.8 million

Continued on next page

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pounds ($29.7 million).

The main culprits were lower U.S. retail and U.K. treaty reinsurance brokerage revenues. The drop in U.S. retail revenues caused the greatest concern, and Mr. Vaughn said that arresting the decline was both the company's biggest problem last year and its biggest challenge—both now and in the future.

Hogg Group derived 38% of its gross revenues last year from U.S.-based clients, down from 40% in 1991.

"Gary (Griffith) faced the biggest challenge last year as there were substantial changes to cope with in the U.S. overall," said Mr. Vaughn.

Hogg Robinson Inc.'s gross revenues fell 3.7% to $68.6 million last year from $71.3 million in 1991. Retail revenues dipped 4.5% to about $42 million from about $44 million.

Mr. Griffith confirmed his London bosses' explanation for the glum year. "We didn't get any rate increases at all in the P/C market. If you look at the other brokers in the U.S., they faced a similar scenario although some of them have masked the underlying situation through acquisitions," he said.

While rates are rising for group health insurance, a Hogg Robinson specialty, that did not stop the U.S. unit's gross revenues from falling, he noted.

"We have a lot of mid- to upper-sized clients in this area which are charged fees per capita or on a payroll basis. As the clients downsized. . .the benefits side suffered because of returned premiums and lower volumes across the board even though we had rate increases," explained Mr. Griffith.

Fees accounted for 20% of U.S. retail revenues. And according to Mr. Griffith, fee-based revenues are becoming more important, particularly in a property/casualty insurance market that remains as soft as ever and with buyers constantly screaming for better, bigger and cheaper service.

"As rates and revenues have dropped so have commissions. Some companies are trying to support their own revenues by commission cutting, but we haven't seen a lot across the board yet," said Mr. Griffith.

On the property/casualty side, he said the U.S. operation is trying a number of ways to balance the lost revenues. "We are constantly trying to remodel products such as adding directors and officers cover and the like to rebalance the revenue mix."

Some factors, however, cannot be controlled. "Downsizing (of clients) is the biggest uncontrollable, but it is pretty much flat now with the exception of California," said Mr. Griffith.

Hogg Robinson Inc. made two purchases in 1992: Export Credit Insurance Associates of San Francisco; and Group Insurance Service Center Inc. of Marshfield, Mass., in which it bought the outstanding 45% that it did not already hold in the firm.

"In my view, there was very little worth acquiring last year and so this year we focused on teams. I question some prices paid for U.S. and overseas acquisitions," said Mr. Griffith.

Hogg Robinson gained three new brokerage teams last year: The Chicago office hired four people specializing in credit and political risk coverage; Dallas added three specialists in utilities and highly protected risks; and Atlanta hired two people who specialize in casualty risks and alternative markets.

The U.S. brokerage, which now has 37 offices, also sold two "non-strategic" companies in 1992, Mr. Griffith said: Transatlantic Underwriters, an excess/surplus lines brokerage; and Hogg Robinson of San Diego, a marine and commercial fishing specialist.

Hogg Robinson's chief focus and challenge last year was reorganization and expense control.

Restructuring its operations into two units—brokerage and employee benefits—has made the firm more responsive to employees and clients, said Mr. Griffith. "We have taken out a lot of layers of management. This is attracting top people from the mega-brokers. . .who have been frustrated by the layers at the big brokers.



Fee-based revenues are becoming more important, particularly in a property/casualty insurance market that remains as soft as ever, says Gary Griffith.

"We are able to make decisions on opportunities a little faster. We are still adding resources but in operating offices where clients can get their hands on them. They are not in an ivory tower flagging in for lunch and then going out again," explained Mr. Griffith.

For Mr. Vaughn, staffing is the key to a U.S. turnaround.

"The good news in the U.S. was the reduction in headcount" (to 810 in 1992 from 866 in 1991). The cost of those layoffs "are accounted for in the 1992 figures and so by 1993 we should see an improvement in the U.S. results," he said.

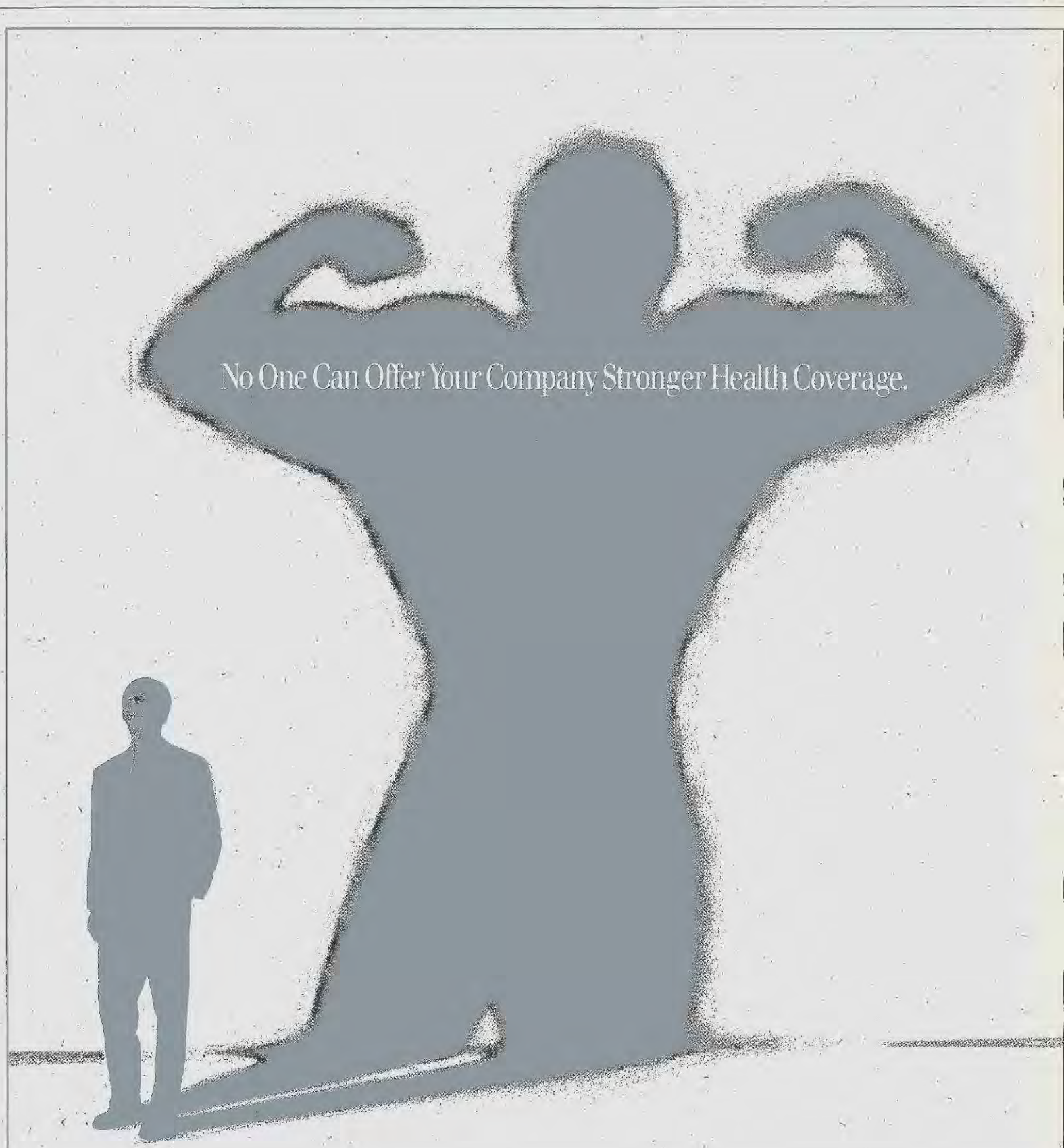
Besides rough going in the United States, Hogg Group's other main concern in 1992 was falling U.K. reinsurance revenues. The main culprit: the collapse of the LMX market, which had been anticipated.

Reinsurance brokerage revenues fell to 4% of gross revenues in 1992 from 5% in 1991. Included in that decline was a 50% drop in LMX revenues. "The international treaty business picked up most of the slack," said Mr. Howland Jackson.

The reinsurance results, though, raised few eyebrows and Mr. Howland Jackson actually described them as "a considerable achievement in the circumstances."

One bright spot for Hogg Group in 1992 was U.K. retail brokerage. Despite problems in the credit

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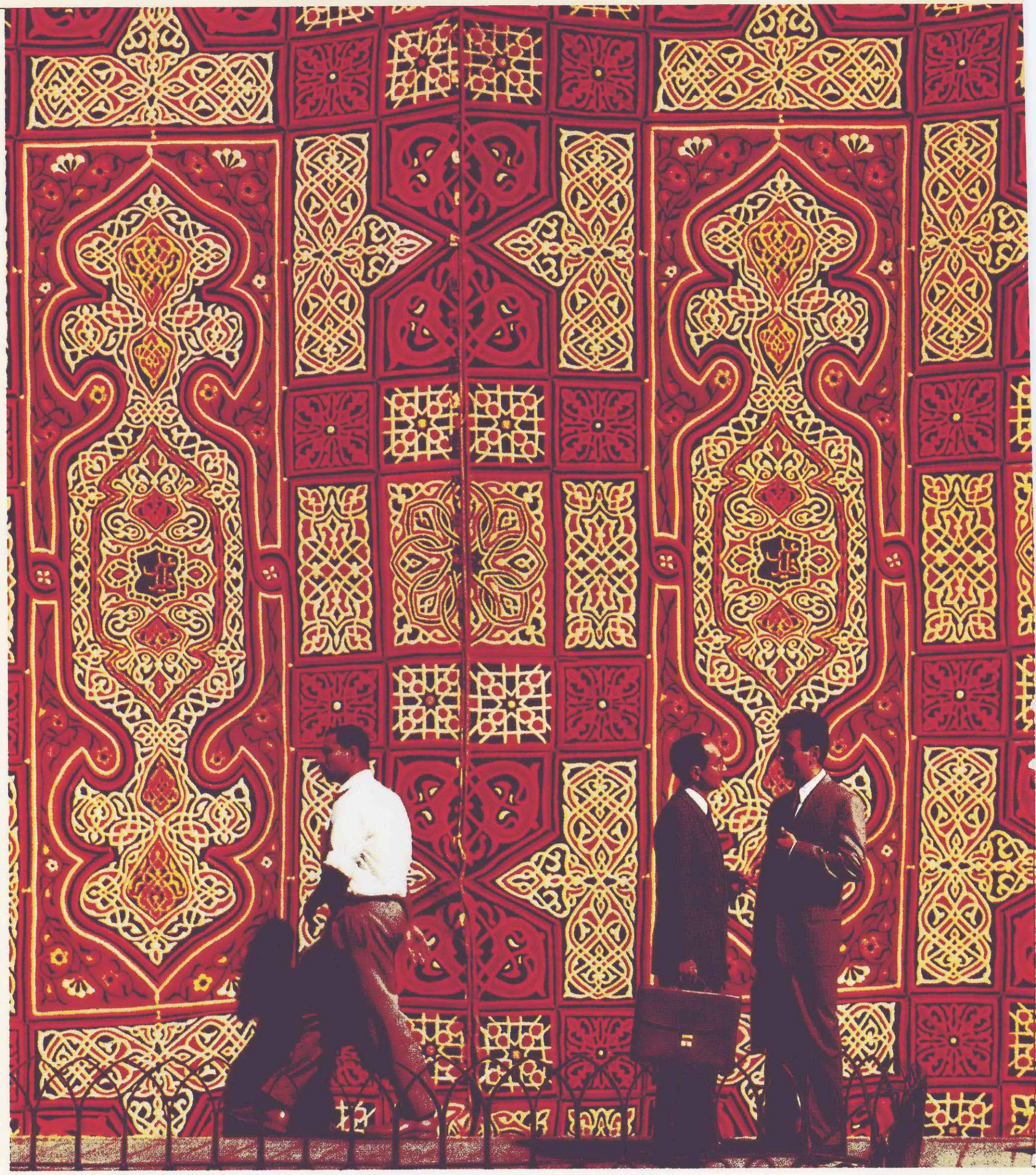


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Continued from previous page
told shareholders.

While the Acordia companies are flexible enough to respond to the challenges of health care reform, they also have developed expertise in specific niches.

Each Acordia company targets a specific geographic, demographic or industry market. For example, Acordia Benefits of Texas Inc., located in Tyler, Texas, provides all lines of insurance throughout the state despite its "Benefits" moniker; Acordia Senior Benefits Inc., located in Indianapolis, provides specialized Medicare supplement, home health care, long-term care and senior life insurance for the senior citizen market nationwide; and Acordia Collegiate Benefits Inc., based in Greenwood, Ind., specializes in providing insurance products to colleges and universities.

While having an even distribution among property/casualty, health and life insurance is a goal for Acordia, only three



Acordia's goal in an 'ideal world' is to have an even three-way split among health insurance, life insurance and property/casualty insurance, L. Ben Lytle says.

Acordia companies to date have achieved this balance, earning the label "vision company."

The current vision companies are: Acordia Corporate Benefits Inc., based in Greenwood, Ind.; Indianapolis-based Acordia Small Business Benefits Inc.; and Acordia Business Benefits of Evansville Inc., based in Evansville, Ind.

Three more units in formation are expected to become vision companies this year: West Palm Beach-based Acordia of South Florida Inc.; Acordia of Colorado Inc., based in Colorado Springs; and Acordia of North Carolina, based in Greensboro.

Another new unit, Phoenix-based Acordia of Arizona Inc., will be formed in 1993, though it will not be a vision company.

With the formation of the Arizona company, the number of Acordia firms will rise to 26.

Of the nearly $210 million in gross revenues reported for 1992, 22.3% was generated by commercial retail brokering, 8.2% from wholesale brokering, 22.9% from personal lines and 39.2% from services. Investment income and other sources made up the rest.

Altogether, nearly 70% of brokerage revenues is commissions, while about 30% is fees.

Acordia's revenues for the first quarter increased 10.6% to $55.3 million from $50 million in the comparable quarter of 1992. Net income rose 5.7% to $5.6 million in the first quarter from $5.3 million in 1992.

The 1992 cash compensation paid to the five highest-paid Acordia officers, including salaries and bonuses, as reported in the prospectus, follows. Messrs. Lytle and Sheridan's pay includes compensation from Associated, for which they also serve as officers:

L. Ben Lytle	$640,273
Patrick M. Sheridan	$410,632
Howard L. Korn	$351,346
Frank C. Witthun	$262,500
William B. Conner	$200,018

—By Sally Roberts

14
Jauch & Huebener KGaA

Katharinenstrasse 10, D-2000, Hamburg 11, Germany; 040-36050; fax: 040-367787

	1992*	1991*
Premium volume	**$1.92 billion**	N/A
Gross revenues	**$172,800,000**	$153,765,000
Brokerage: Retail	**60%**	45%
Reinsurance	**30%**	45%
Services	**10%**	10%
Employees	**1,180**	1,180
Rev./Employee	**$146,441**	$130,309
Offices	**22**	21

* Converted at applicable exchange rates.

As the German economy seems ready to unhinge under the weight of reunification, broker Jauch & Huebener KGaA is adjusting its strategy to accommodate its clients' changing needs.

With money tight, companies are looking for risk financing alternatives to avoid paying high premiums in Germany's hardening insurance market, says Christian Dahms, one of the broker's six partners.

"Be it high deductibles, capping limits of liability—regardless of whether it's casualty or property—our clients are trying to avoid premium increases," he said.

Last year, German insurers sometimes sought rate hikes of 100% and more to compensate for big losses on industrial property and business interruption coverage (*BI*, Nov. 9, 1992).

If German industry wants to control its insurance costs, then Jauch & Huebener must develop strategies to help clients accomplish that, Mr. Dahms said. "It means double the work for us as brokers and risk consultants. But these new (demands) have to be satisfied."

The double burden of an economic recession and hardening insurance rates continues to batter corporate policyholders, Mr. Dahms noted. "Many of our clients in the new five German states either went out of business or shrunk to 10%-20% of their previous size. Development in western Germany also was retarded unexpectedly. That affected us tremendously."

That trend is in stark contrast to Jauch & Huebener's optimistic outlook a year ago on business opportunities stemming from German reunification. In fact, the broker partly attributed its 33% revenue growth in 1991 to reunification.

Gross revenues last year increased at a more modest pace, rising 5.9% to 270 million deutsche marks in 1992 from 255 million deutsche marks in 1991. In dollar terms, revenues rose 12.4% to $172.8 million from $153.8 million in 1991, earning Jauch & Huebener 14th place in *Business Insurance's* ranking of the world's largest brokers.

However, for Jauch & Huebener, Germany's economic slump translates into writing fewer insurance policies, a decrease in in the broker's liability premium base and a reduced number of property insurance policies that include coverage for business interruption.

"The real effect will show up on the retail book later, but we are not sitting still. We're preparing for it by acquiring more new business than we would have normally. In addition, we've introduced an effective cost-control system. That's the only true answer to this situation," Mr. Dahms said.

Among the cost reduction measures undertaken in 1992 was to maintain headcount at 1991 levels, or 1,180 employees in both years. While employees were added in the field last year, management staff at

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Are All Workers Compensation Provider Bill Audits the Same?

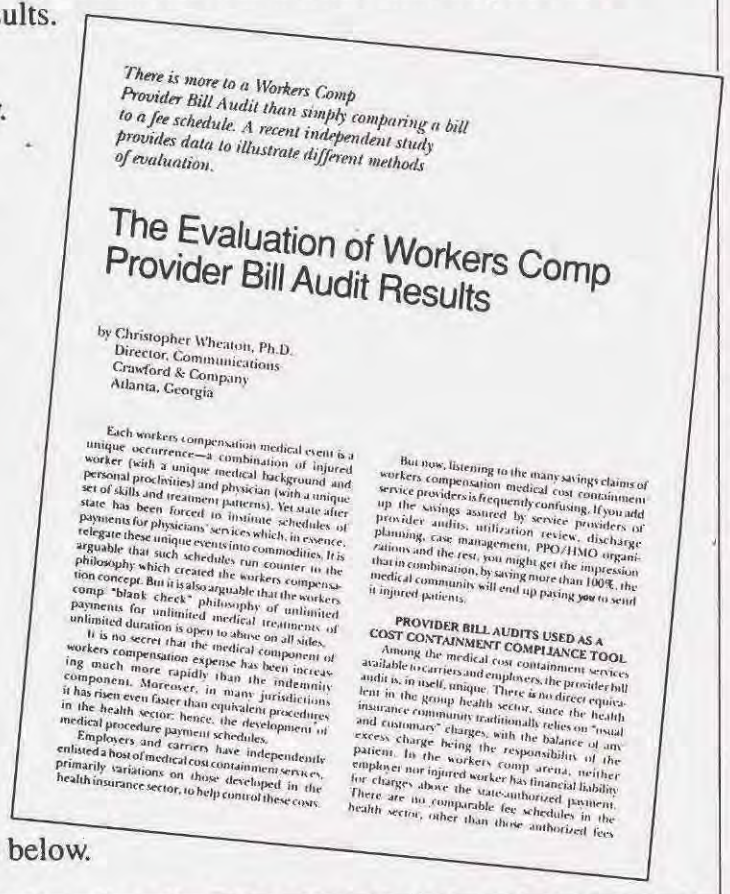
A Newly Released Study Says "No"

An independent research firm recently sent photocopies of the same 156 medical bills to 5 different vendors of fee schedule provider bill audits. Each vendor's performance was tracked and compiled in a side-by-side comparison that yielded some surprising results.

These results are the basis of an important new report now available free of charge from Crawford & Company.

Among its findings, the report reveals that provider bill audits are not a "commodity service"—the quality and effectiveness of these audits varies dramatically depending on which vendor is reviewing the bills. The report backs up this finding with a series of charts that compare vendor performance in areas such as...

- TOTAL REDUCTIONS—On the same bills, one vendor found reductions of just $5,206.24 while another found over twice that, producing savings of $13,837.74.
- NET PERCENT SAVED—These numbers varied greatly, from a low of 14.4% to a high of 34.8%.
- RETURN ON INVESTMENT—Returns ranged from as little as $3.50 for every dollar spent to the study's best return—$9.70 to $1.



There is more to a Workers Comp Provider Bill Audit than simply comparing a bill to a fee schedule. A recent independent study provides data to illustrate different methods of evaluation.

The Evaluation of Workers Comp Provider Bill Audit Results

by Christopher Wheaton, Ph.D.
Director, Communications
Crawford & Company
Atlanta, Georgia

Each workers compensation medical event is a unique occurrence—a combination of injured worker (with a unique medical background and personal proclivities) and physician (with a unique set of skills and treatment patterns). Yet state after state has been forced to institute schedules of payments for physicians' services which, in essence, relegate these unique events into commodities. It is arguable that such schedules run counter to the philosophy which created the workers compensation concept. But it is also arguable that the workers comp "blank check" philosophy of unlimited payments for unlimited medical treatments of unlimited duration is open to abuse on all sides.

It is no secret that the medical component of workers compensation expense has been increasing much more rapidly than the indemnity component. Moreover, in many jurisdictions it has risen even faster than equivalent procedures in the health sector; hence, the development of medical procedure payment schedules.

Employers and carriers have independently enlisted a host of medical cost containment services, primarily variations on those developed in the health insurance sector, to help control these costs.

But now, listening to the many savings claims of workers compensation medical cost containment service providers is frequently confusing. If you add up the savings assured by service providers of provider audits, utilization review, discharge planning, case management, PPO/HMO organizations and the rest, you might get the impression that in combination, by saving more than 100%, the medical community will end up paying you to send it injured patients.

PROVIDER BILL AUDITS USED AS A COST CONTAINMENT COMPLIANCE TOOL

Among the medical cost containment services available to carriers and employers, the provider bill audit is, in itself, unique. There is no direct equivalent in the group health sector, since the health insurance community traditionally relies on "usual and customary" charges, with the balance of any excess charge being the responsibility of the patient. In the workers comp arena, neither employer nor injured worker has financial liability for charges above the state-authorized payment. There are no comparable fee schedules in the health sector, other than those authorized fees

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Continued from previous page
headquarters was cut. By keeping the number of staff level, the broker's increase in gross revenues demonstrates an increase in productivity. Revenue per employee in 1992 was 228,814 deutsche marks ($146,441), up from 216,102 deutsche marks ($130,309) a year earlier.

While Jauch & Huebener's main focus is commercial retail brokerage, it also is active as a reinsurance broker and provides various consulting services, including risk analysis, property loss control and employee benefit advice.

A bright spot in 1992 was reinsurance brokerage, Mr. Dahms said.

"If we had the capacity we had five years ago, we would have probably doubled our revenues in some areas," he said. "But since we didn't, we couldn't do what a great many clients wanted us to do. Still, our reinsurance operations did a very good job."

The broker would not provide a specific breakdown of revenues by class of business, but *Business Insurance* estimates retail brokerage sales accounted for 60% of its revenues, while reinsurance constitutes 30%. The remainder is derived from services and investment income.

Most Jauch & Huebener clients are industrial corporations. The spectrum ranges from car and steel manufacturers to chemical companies and energy producers. The brokerage has clients in practically every industrial sector including television, film and theater.

A 1991 merger with Germany's fifth-largest broker, Joost & Preuss, gave Jauch & Huebener prized access to midsize German companies.

"The midsize client was mistreated by the German insurance industry," Mr. Dahms said. Insurance coverage often was "too comprehensive," and thus too expensive, for these clients, he said. "We offer risk-by-risk coverage. It doesn't matter what line of insurance it is. We say 'What are your risks?' and 'Here is the coverage for it.' "

Jauch & Huebener also strives to meet client needs by making sure premiums are forwarded and claims are paid on a timely basis, Mr. Dahms said.

One of the German broker's strengths is the critical eye it casts on standard insurance programs. Jauch & Huebener develops its own policy wordings for clients and has a reputation for creating entire new forms if clients demand it.

"We try to be as creative as we can in a relatively strict, regulated system, and look as much as possible to outside markets," he said.

In addition to creatively analyzing coverage, the broker places an emphasis on clients' risk analysis.

The most valuable commodity brokers have today is information, said Mr. Dahms. The brokerage employs 25 engineers whose diverse specialties include chemical, electronic, environmental and mechanical engineering.

"If a paper manufacturer builds a new factory, we offer to participate in the planning stage," explained a spokesman for Jauch & Huebener. "We'll develop a concept which takes in all relevant risk factors. For example, we analyze construction plans to ensure necessary technology is installed to prevent fire or contain it if it should occur. This is an advantage for the company, because it takes the necessary precautions (required) to get insurance when the factory is finished."

Even though risk analysis is the focus of Jauch & Huebener's dealings with its clients, Mr. Dahms admits it is not a major source of revenue. "Brokers in other countries are paid fees for a lot of the business we do for nothing. German companies expect it, and there's a lot of demand for this kind of service."

A big source of demand for risk analysis has come from Germany's strict environmental liability laws.

Under the Environmental Impairment Liability law of 1991, German companies are liable for a maximum of 160 million deutsche marks ($94.6 million at current exchange rates) for bodily injury and 160 million deutsche marks for property damage per industrial facility.

Mr. Dahms said there is a definite discord between businesses' insurance needs and what the German insurance industry is willing to give. "This is no criticism on the insurance industry. The new environmental liability law requires going beyond what the insurance industry can absorb. But for us it means trying to find additional capacity, if at all possible, and advising clients what to do to avoid losses.

"The short-term perspective is one hell of a lot of administrative work. The market needs to understand what exposures they underwrite. The market asks 10,000 questions



'We try to be as creative as we can in a relatively strict, regulated system, and look as much as possible to outside markets,' says Christian Dahms.

which apply to each of 3,000 clients. We just do not have the people to do the work. The insurance industry does not have the people. . .It's just impossible to put together the information necessary for intelligent underwriting.

"A leading insurer told us they need 30,000 extra man-days to get the information which is required by their reinsurers" before the insurer can underwrite an environmental liability risk, he said.

The increased demand for such exhaustive risk analysis is likely to change the way brokers are compensated in the future for such services, he said. While these services are now included in the commissions brokers receive, fee-based compensation is likely to grow.

"Consultants or insurance brokers will not offer the services for free. I think industry has to learn that it costs money," he said.

Mr. Dahms said the prospects for a good showing in 1993 are fading, because reinsurers are pushing for higher premiums and capacity is even less than last year. "It's going to be a very tough year," he said.

To improve the situation, Jauch & Huebener has taken its new-business focus from Eastern Europe and redirected it to Western Europe. "If there's business to be made in Eastern Europe, we'll be there. But we've set new, higher goals in our typical historical territory. We aren't changing our long-term strategy."

Despite this, the brokerage's most recent market advances have been in Eastern Europe. Together with its UNISON partner Johnson & Higgins, Jauch & Huebener recently opened a Moscow office to service clients in the Russian republic.

"We are finding in Eastern Europe a whole new structure of business," Mr. Dahms said. "It's a very different environment. These countries are trying hard to free themselves of government control and lead industry into a free market. In effect, we are starting from scratch. We have to explain about loss of profits or business interruption pol-

Continued on next page

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Continued from previous page
tional accounts. It works very well for each member and gets better the longer we go," said Mr. Lucas.

The third major development in 1992 was negotiating to restructure Gras Savoye's ownership. Early last month, the brokerage was given the green light by the French finance ministry to officially make the changes, which will enable its UNISON partners to exercise their options.

If and when they finally do buy equity stakes in the French broker, they will join three other major shareholders, each with 10% stakes: French insurers Assurances Generales de France, Union des Assurances de Paris and Groupe Athena.

Mr. Lucas has stressed that the insurers are institutional investors in Gras Savoye, not business partners. Their stake in the company will not compromise Gras Savoye's cherished independence, he said. "We did not want UAP, AGF and Athena to affect our independence and this is why we are happy with this structure which leaves us fully independent," he said.

This arrangement allows investors to buy into the company but leaves strategic control in the hands of the broker's original family shareholders. The Lucas and Gras families now control the company, after the Savoye and Drieux families sold their interests in 1991.

Now that Gras Savoye's structural foundation is virtually in place, and the company's distribution network is stronger than ever, Mr. Lucas feels it is time to look inward.

> 'You must be careful in a recession to do what you are good at,' says Mr. Lucas of Gras Savoye.

"Revenue is up and the number of staff is stable; therefore we have managed to increase productivity. The big process for 1993 and 1994 is to improve quality in all areas. We are currently working on a big quality program which should be ready very soon. Quality gives increased professionalism and has an impact on image and profits. . .there will be a major step in this direction in 1994," said Mr. Lucas.

Against the backdrop of corporate change, the company's operational performance was "reasonable," said Mr. Lucas.

Gross revenues increased 7.3% to 780.1 million French francs in 1992 compared with 727 million French francs in 1991.

Using average exchange rates, revenues in U.S. dollars increased 14.6% to $147.4 million in 1992 from $128.7 million a year earlier, earning Gras Savoye the No. 16 spot in the *Business Insurance* ranking of the world's largest brokers.

"This was not as large as the previous years, mainly because we lost a major client, Credit Lyonnais, in January," he explained. Gras Savoye's exclusive link with the bank was severed, because the bank wanted to extend the range of brokers it used.

Flat insurance rates did not help Gras Savoye's revenues, either. "Our (revenue) increases in 1991 were not because of rate increases and they did not apply in 1992, but they will in 1993," Mr. Lucas predicted.

"Capacity problems started dramatically at the end of 1992. Next year will be very difficult. Reinsurers are asking for more cash and insurers desperately need to balance the books so they need higher rates," Mr. Lucas said.

Continued recession in France and the rest of Europe last year also had a big effect on the business.

"Clients are trying to cut back in all areas and reduce expenses and staff, and at the same time increase productivity. This puts pressure on brokers," he said.

To Mr. Lucas, however, these recession clouds are partially silver-lined. "Big companies are reducing the number of people they employ in their own insurance departments and transferring them to the broker. If they feel they have a broker which can do a better job they will transfer it," he said.

These include such services as claims administration, loss control services and, in some cases, replacing an in-house brokerage division.

"During a recession, when any company has to increase productivity or reduce expenses it must consider whether it can do the job itself or or find someone else to do it. It's not just in insurance, it is happening in any profession," he continued.

This shifting buyer demand is one of the reasons why Gras Savoye has reorganized its domestic structure and cemented links with UNISON. It also explains why the company is determined to raise the quality and breadth of services it can offer clients.

"Our clients are asking more and more for professionalism and more and more sophisticated service. We have three targets here: first, to be a good consultant; second, to act as a normal brokerage and be the tool of competition between the insurance companies based on our knowledge of the market; and third, to offer research and support services.

"By this I mean more companies are asking us to do a lot more administration such as claims handling, reports, statistics especially among the multinationals, which require all information regarding insurers' policies, rates, occurrences elsewhere and so on," explained Mr. Lucas.

Considering these client demands, one might expect demand to grow in France for fee-based brokerage compensation, but that is not so, according to Mr. Lucas.

Nearly all—98.3%—of the company's revenue came in the form of commissions last year. "French clients' main concern is to know that they are getting what they pay for. They do not care about commission, only that it is transparent. They will pay us for what we do. It is like a fee because it is negotiated commission," he explained.

Apart from the French obsession with transparency, Mr. Lucas said that the tax system in France prevents the growth of fees. He said that the French government taxes brokers on their commissions, but if they charge a fee, the government bases taxes on the original premium. The effect on a broker that charged only fees would be dramatic, according to Mr. Lucas.

He also said that negotiating commissions is a much better way of retaining clients as long as the broker does its job properly.

Mr. Lucas last year in a confident mood predicted that he would arrest a decline in personal lines business and increase wholesale and reinsurance revenues.

However, this did not happen. In fact, the percentage of gross revenues derived from personal lines and reinsurance dipped last year, to 10.6% and 1.4%, respectively. And wholesale brokerage revenues in 1992 were so slight they are lumped together with commercial retail revenues, which accounted for 76.5% of gross revenues in 1992. What wholesale business the broker did have last year was generated by its UNISON partners.

"In wholesale we intend one day or another to grow but conditions are not quite there. We are really a domestic retail broker," Mr. Lucas said.

Of the reinsurance business, he said Gras Savoye is still keen to develop the area and believes that Paris offers reinsurance buyers an alternative to the troubled London market.

But Mr. Lucas was unconcerned his forecast fell through, and said the company is focused on bigger things.

"There is so much to be done on the domestic side. You concentrate on your expertise to consolidate clients. You must be careful in a recession to do what you are good at. It's silly to do what you do not know," he said.

Looking ahead, Mr. Lucas was proud to announce that in conjunction with UNISON partner Johnson & Higgins it had just sealed the brokerage contract for the Olympic Games in Atlanta in 1996. It is the fourth time in a row that Gras Savoye has placed, or assisted in placing, coverage for the Olympics.

The broker also has just negotiated a deal with the Vietnamese state insurance company. Gras Savoye will provide the Vietnamese insurer with consulting advice in all fields of insurance, reinsurance and risk management. It also will gain direct access to the growing number of French companies establishing operations in what was once a French colony.

"I feel that despite what happened with relations between France and Vietnam, the country will attract more French investment—it is a big growth economy. There would be no sense in us going in if there were no French influence or history in the region," said Mr. Lucas.

—By Adrian Ladbury

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American Business Insurance Inc.

160 Spear St., Suite 1540, San Francisco, Calif. 94105;
415-541-0404; fax: 415-541-0525

	1992	1991
Premium volume	$1.4 billion	$1 billion
Gross revenues	$126,500,000	$116,000,000
Brokerage: Retail	75%	75%
Wholesale	6%	6%
Personal lines	6%	6%
Services	11%	10%
Investment income	2%	3%
Other	0%	0%
Employees	1,611	1,471
Rev./Employee	$78,523	$78,858
Offices	56	51

While American Business Insurance Inc. hasn't given up on acquiring new companies, it now is concentrating on developing market niches rather than buying other businesses, says Stephen J. Leaman, ABI's president and chief executive officer.

The focus on specialization comes amid reports that ABI itself may be on the block.

"Our view is that we have to be less of a generalist day in and day out to give our clients what they are seeking," said Mr. Leaman.

"I continue to believe that this is the way you win long-term in this business," he said. The more specialized you become, "the more efficient you become" in delivering products to the customer. "We are trying to become more focused and therefore more efficient."

At the same time, Mr. Leaman said, niche marketing is the best way to respond to the continuing soft market and to changes in the economy, both of which are essentially out of the control of the Great American Insurance Co. subsidiary.

Niches in which ABI has developed an expertise include: nonprofit institutions; long-haul trucking; municipalities; financial institutions; energy, particularly coal and gas producers; and aviation, where the brokerage tends to focus on smaller fleets and airports.

ABI also has a large client base of medical care providers, including hospitals, groups of doctors and individual physicians, Mr. Leaman said.

Helping support ABI's niche-marketing approach is a sophisticated computer system, introduced in December, that helps pinpoint ABI's specialists among its 56 offices and helps the brokerage take advantage of its national presence, he said.

ABI also specializes geographically and by market size, he said. "We are a middle-market company" that deals primarily with companies that fall short of the Fortune 1,000, Mr. Leaman said. Most of its 200,000 clients generate $25,000 to $100,000 in annual premiums, with only 1,000 producing more than $100,000 in premiums. ABI does not require clients to be a minimum size.

ABI's offices tend to be in cities with populations of less than 1 million, though it also has operations in big cities like Chicago.

Founded in 1984 by Bernard H. Mizel, ABI has grown rapidly through acquisition. Mr. Mizel left in 1992 after ABI's ultimate parent, American Financial Corp., which is controlled by financier Carl Lindner, decided to slow down ABI's acquisition ac-

Continued on next page

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tivity (*BI*, June 29, 1992).

Reports have swirled over the past two months that American Financial is seeking to sell ABI. Sources in the investment community say ABI might be bought by another broker looking to ex-



American Business Insurance Inc.'s long-term goal is to grow as much through acquisition as it does internally, says Stephen J. Leaman.

pand nationally (*BI*, May 17). Mr. Leaman has refused to comment on the reports.

Instead, he points out that ABI —whose revenues have grown 268% in five years, largely due to acquisitions—still is working on becoming a unified company. "I wouldn't say we're anywhere close to where we'd like to be, but we're making progress."

To encourage this process, ABI has formed committees in areas like environmental insurance and employee benefits that meet regularly to work together in an effort to develop a specialty, Mr. Leaman said.

Meanwhile, ABI has begun negotiating successfully as a single unit with insurers, suppliers and service companies to benefit from its size. It has negotiated lower phone rates, for example, as well as more cost-effective contracts with other suppliers, Mr. Leaman said.

While ABI has not continued to make acquisitions at quite the pace it did in its early years, it nevertheless did make 11 acquisitions in 1992, which accounted for an additional $5 million in revenues. It acquired another eight companies during the first five months of 1993, which will generate $7.7 million in annual revenues, said Mr. Leaman.

ABI's long-term goal is to grow as much through acquisition as it does internally, he said, explaining that acquisitions should either enhance the specialties ABI already offers or "bring something new to the table."

For example, recent acquisitions include: McCord & Holdren Inc. in Los Angeles, which specializes in farming and dairy risks; The Chandler Insurance Agency in St. Paul, Minn., which is a "good strategic fit" with existing business; and William Lynch & Associates in the Tampa-Clearwater, Fla., market, which specializes in benefits for senior corporate officers.

"Our parent has a target each year of how much it would like to invest in new business, and so we generally use that as a guideline," said Mr. Leaman, adding, "unless something terrific surfaces."

The guideline this year was for $8 million to $10 million of new revenues from acquisitions. With $7.7 million gained so far, "we're close to just under our lower limit," said Mr. Leaman. "We probably are satisfied with what we've done so far."

ABI wants to expand geographically as well, Mr. Leaman said. The brokerage would like to be represented in New England; the closest offices now are a wholesale office in New York and an office in Morristown, N.J., he noted. It would also like to expand further in the Midwest, like in St. Louis, and to become stronger in Texas, where it already has operations, he said.

As for the rest of the country, "we're pretty well covered from a second-tier city point of view," he said.

Meanwhile, ABI, which has a corporate staff of only 20, is planning to move its headquarters this summer to Cincinnati, where American Financial is based, to be closer to the bulk of its offices, said Mr. Leaman.

Of ABI's acquisitions, its 1991 purchase of Charleston, W.Va.-based McDonough Caperton Insurance Group Inc., which increased ABI's size by about 50%, remains its biggest, Mr. Leaman noted. "McDonough has been one of our most solid acquisitions, which is to say its actual performance has met or exceeded our expectations, and we're very pleased with the way that's come

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Continued from previous page
together."

Through the McDonough acquisition, ABI became a major presence in the third-party health care claims administration business. Focusing on companies with 300 or more lives, the TPA operation processes about $500 million in claims annually.

The TPA unit "is growing quickly," he said, noting there is little turnover in its client base. About 10% of the TPA's new clients have been referred by ABI offices.

Meanwhile, a year-old reciprocal services agreement with Bain Clarkson Ltd. of London, under which the two brokerages refer business to one another, is "off to a good start," said Mr. Leaman (see story, page 49). It generated an additional $250,000 in commissions for ABI during last year's fourth quarter and this year's first quarter.

ABI would like to increase this business each quarter, he said, noting that both ABI and Bain Clarkson are now asking clients about their international insurance needs.

The international business is coordinated through ABI's Morristown, N.J., office, The CPI Insurance Group Inc. "We haven't had any additional people to deal with this business," said Mr. Leaman.

Among possible new ventures, ABI would like to become a consultant on employment issues, such as helping clients comply with the Americans with Disabilities Act. ABI believes it has a strong internal human resources department and would like to leverage those skills for ABI's clients as well, he said.

Health care is another area ABI is keeping an eye on, said Mr. Leaman. "It remains to be seen what changes will take place in the health area." But, pointing to the broker's claims administration operation and benefit services background, he said: "We are looking very carefully at what's happening."

Excluding acquisitions, American Business Insurance Inc. grew internally by about 6% during 1992, says President and CEO Stephen J. Leaman. 'We think, in these difficult times, that's not so bad.'

ABI generated $1.37 billion in premium volume in 1992, a 37% increase from $1 billion in 1991. It reported $126.5 million in gross revenues, up 9.1% from $116 million in 1991.

This year, "I would expect we'll do $140 million," he said.

Excluding acquisitions, "we grew internally by about 6%," Mr. Leaman said. "We think, in these difficult times, that's not so bad."

Even with $126.5 million in revenues, ABI moved up two notches to 17th place in *Business Insurance's* ranking of the world's largest brokerages.

Last year, Mr. Leaman said ABI could reach $250 million in revenues in the next five to seven years, and he now says the firm is on pace to meet that goal.

The breakdown of its business, which remains essentially unchanged from a year ago is: 75% commercial retail brokerage; 6% wholesale brokerage; 6% personal lines, 11% services and 2% investment income.

While growth in ABI's traditional property/casualty business was flat, "our growth was extraordinary, better than 15%," in specialties like annuities and financial institution business, said Mr. Leaman.

ABI would like to split its business evenly between property/casualty brokerage and other revenue sources, like life/health insurance and claims administration. With the split now 68% to 32% between property/casualty brokerage and other business, ABI expects non-property/casualty business to increase at a rate of about two to four percentage points each year, he said.

In addition to Mr. Leaman, top officers at ABI are: J. Terry Griffith, senior vp-general counsel; Terry J. Wasson, senior vp-human resources; Edward J. Bowler, vp-controller and James K. Thomas, vp-chief information officer.

—By Judy Greenwald

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Hilb, Rogal & Hamilton Co.

4235 Innslake Drive, P.O. Box 1220, Glen Allen, Va. 23060-1220; 804-747-6500; fax: 804-747-6046

	1992	1991*
Premium volume	$850,000,000	$840,000,000
Gross revenues	$125,856,000	$127,432,000
Brokerage: Retail	73%	72%
Personal lines	16%	17%
Services	9%	8%
Investment income	2%	3%
Employees	1,540	1,525
Rev./Employee	$81,725	$83,562
Offices	51	50

* Restated

Central to Hilb, Rogal & Hamilton Co.'s growth strategy is its view of itself as a catalyst for the survival of the independent agency system.

The strategy has unfolded according to the clear vision of the partners who founded the company just more than a decade ago. Robert Hilb, Alvin Rogal and David Hamilton knew exactly what the company would and would not be.

It would not attempt to compete with the alphabet brokers to win accounts of giant Fortune 500 companies.

It would not be involved in helping employers establish sophisticated alternative risk financing programs, like captive insurance companies.

Instead, the company focused on winning the accounts of midsize employers—those generating between $50,000 and $250,000 in premiums.

While avoiding head-to-head competition with the biggest brokers, it would compete against small independent insurance agencies that typically did not offer risk management services, like loss-control engineering, that Hilb, Rogal & Hamilton could provide.

And, above all, Hilb, Rogal & Hamilton executives mapped out a strategy of growth through acquisition in which the company would aggressively seek small but strong agencies in midsize metropolitan areas—communities like Daytona Beach, Fla., Grand Rapids, Mich., and Victoria, Texas—to enable it to become the dominant agency in a geographic area.

"The independent agency system can and will survive. But survival is only possible if agencies join together with others. We are the catalyst to accomplish that," said Mr. Hilb, president and chief executive officer of the Glen Allen, Va.-based company.

The results of that strategy are clear: Between 1983 and 1992, Hilb, Rogal & Hamilton's revenues jumped more than sixfold to $125.9 million from about $19 million.

Fueled by a whopping 114 acquisitions in that 10-year period, Hilb, Rogal & Hamilton expanded beyond its original base of 16 offices in the Southeast to 51 offices in 20 states.

And, most significantly, at a time of a severe double-whammy —a prolonged economic recession and a soft commercial insurance market—Hilb, Rogal & Hamilton in 1992 racked up its most profitable year ever. While revenues fell 1.2% to $125.9 from a restated $127.4 million in 1991, net income surged 67.9% to $8.4 million from a restated $5 million in 1991.

Net income last year equaled 71 cents per share, up 69% from a restated 42 cents per share in 1991.

Gross revenues, net income and earnings per share in 1991 are restated to reflect acquisitions Hilb, Rogal & Hamilton made last year that were accounted for as a pooling of interest.

With sluggish revenues, Hilb, Rogal & Hamilton, which moved up a notch to 18th place in *Business Insurance*'s ranking of the world's largest brokers, concentrated its efforts on controlling costs.

"Expense control was our No. 1 problem in 1992," Mr. Hilb said.

In fact, as early as 1991, company executives knew they could expect what Mr. Hilb describes as a "thinner" revenue base.

"The economy was in terrible shape through late 1991. At the same time, there was a raging soft market. Obviously, there was a need for us to tighten our belts," Mr. Hilb said.

Indeed, the belt was tightened: the company froze wages for the entire year and discretionary bonuses were trimmed. At the same time, advertising budgets and company meetings were cut back, while in many cases employees who quit or retired were not replaced.

With wages frozen, compensation and employee benefit expenses dropped 5.4% last year to $72.2 million from a restated $76.3 million in 1991.

Mr. Hilb describes the wage freeze, the first in the company's 11-year history, as "painful, extremely painful."

The company didn't try to sugar-coat the announcement of the wage freeze. "We told employees like it was. We are having a tough, tough time on our revenue lines," he said.

In short, as he said, the company had to run leaner but more aggressively. Employees, he said, worked harder than ever to win business, helping the company to maintain its revenue base and rack up the big increase in profits.

But the wage freeze, which was lifted at the beginning of 1993, was only a short-term approach to cost control. The broker is taking other steps that it believes over the long term will increase its operating efficiency and boost revenues.

For example, earlier this year it established a new special account unit based in the Glen Allen headquarters. The new unit is composed of seven experts in the small commercial business market—accounts with annual premiums averaging less than $10,000—who scour the market for the best coverages.

This setup has several advantages for the broker, Mr. Hilb said.

First, economies of scale are reaped by concentrating small-business production in one office. At the same time, shifting placement of small-business risks to one central office gives the local offices more time to concentrate their efforts on winning larger accounts, Mr. Hilb said.

By the end of the year, the new small-business unit could be handling accounts generating aggregate premiums of about $5 million to $6 million. But long-term premium flow could expand to the $30 million to $40 million range.

At the same time, HRH International, a 3-year-old operation, is poised for more growth. This unit was started in 1990 to serve

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Continued from previous page
Hilb, Rogal & Hamilton owned agencies as a central facility for risks placed outside the United States.

Currently, more than 60% of Hilb, Rogal & Hamilton agencies tap HRH International for access to the London market.

By the end of the year, company officials hope the unit will handle the bulk of London placements from the various Hilb, Rogal & Hamilton offices.

Most of HRH International's business consists of coverage for U.S. risks placed in overseas markets, though it also places coverage for the overseas operations of U.S. companies.

Meanwhile, Hilb, Rogal & Hamilton's aggressive acquisition strategy continued unabated last year as the company acquired 18 agencies, the same number as in 1991.

The 1992 acquisitions included four in California, three in Texas and two each in Colorado, Michigan and New Jersey.

In California, Hilb, Rogal & Hamilton acquired Associated Agencies Inc. in Los Angeles, CSI Insurance Agency in San Diego, George C. Demmon Insurance Services Inc. in Vallejo and North Coast Insurance Brokers in Santa Rosa.

In Texas, the broker acquired Insurance Brokers Inc. and Insurance Brokers Life Inc., both in McAllen, and Blaine & Co. in Houston.

In Colorado, it acquired the Writer Agency Inc. and William E. Gritzbaugh, both in Denver. In Michigan, it acquired Moore & Povenz Inc. in Port Huron and Moore & Povenz Metro Inc. in Richmond.

New Jersey agencies that were acquired are Thos. C. Auld & Co. in Trenton and Business Insurance Corp. in Voorhees.

Completing Hilb, Rogal & Hamilton's list of 1992 acquisitions were: Carl W. Rogers Inc. in Gainesville, Ga.; Bigler-Ketchum Group Inc. in Pittsburgh; Brown-Arris-Langhorne Inc. in Virginia Beach, Va.; Ashton Insurance Agency in Washington, D.C.; and Harvest & HBJ Insurance Inc. in Orlando, Fla.

Acquisitions came to a halt during the first four months of this year after the company filed —at the end of December—a registration statement with the Securities and Exchange Commission for a public offering of common stock.

SEC rules generally bar companies from making or even discussing potential acquisitions during the registration period.

But with the sale of 1.5 million shares in March that raised $22.5 million, Hilb, Rogal & Hamilton once again is back in the acquisition business.

Since April, it has completed five acquisitions, including three in California and one each in Colorado and Oklahoma.

In California, it acquired Jones & Brand & Hullin Insurance Services Inc. in Sacramento, Insurance Unlimited of San Diego County Inc. in San Diego, and Sfingi & Hannon Enterprises Inc. in Palm Desert.

In Colorado, Hilb, Rogal & Hamilton acquired The Talbert Corp. in Denver, while in Oklahoma it acquired Ross Agency Inc. in Oklahoma City.

For the most part, acquired agencies tend to be small to mid-size—those generating between $400,000 and $4 million in annual revenues. These agencies typically are located in communities where Hilb, Rogal & Hamilton already operates.

When the acquired agencies are merged into existing Hilb, Rogal & Hamilton offices, the merger produces greater economies of scale.

Hilb, Rogal & Hamilton is committing resources to continue its high volume of acquisitions: In February 1992, the company registered 5 million shares for possible future issuance in order to acquire additional agencies.

During 1992, the price of Hilb, Rogal & Hamilton stock, which is traded on the New York Stock Exchange, ranged from a low of $11 a share to a high of $15.63. The stock was trading at $13 on June 25.

Mr. Hilb says the stock price has been depressed since Hillary Rodham Clinton's announcement that health system reform proposals under consideration include merging the medical portions of workers compensation coverage into group health insurance plans.



'The independent agency system can and will survive. But survival is only possible if agencies join together with others,' says Robert Hilb.

"There is a perception if that were to happen, it would cost us revenues," Mr. Hilb said, adding that commissions from workers compensation policies make up 10%-12% of the company's revenues.

However, even if President Clinton includes such a proposal in his health reform package, Mr. Hilb doubts whether Congress will approve it.

Merging workers compensation medical care with group health insurance "is a project that may be just about impossible. The administration may have bitten off more than it can chew," he said.

At the end of 1992, Hilb, Rogal & Hamilton raised its stock dividend 10% to a quarterly rate of 11 cents per share from 10 cents.

Hilb, Rogal & Hamilton reported flat revenue growth in the first quarter of this year: an increase of about only $20,000 to $34.12 million.

However, net income rose 10% to $3.3 million from $3 million in the first quarter of 1992.

Aside from Messrs. Hilb and Rogal, principal officers include John C. Adams Jr., executive vp and chief operating officer; Timothy J. Korman, senior vp-finance and treasurer; Dianne F. Fox, senior vp-administration and secretary; Ronald J. Schexnaydre, senior vp; Carolyn Jones, vp and controller; Walter L. Smith, vp, general counsel and assistant secretary; Ann B. Davis, assistant vp-human resources; and Vincent P. Howley, assistant vp-audit.

The cash compensation received in 1992 by the highest-paid officers of the brokerage, according to the company's proxy statement filed with the Securities and Exchange Commission, follows:

Robert H. Hilb	$372,500
Andrew L. Rogal	$245,000
John C. Adams Jr	$230,000
Ronald J. Schexnaydre	$129,583
Timothy J. Korman	$101,000

—By Jerry Geisel

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Lowndes Lambert Group Holdings P.L.C.

Lowndes Lambert House, 53 Eastcheap, London EC3P 3HL; 071-283-2000; fax: 071-283-1927

	1992*	1991*
Premium volume	**$2.1 billion**	$1.9 billion
Gross revenues	**$120,710,900**	$116,038,820
Brokerage: Retail	**65%**	63%
Wholesale	**16%**	16%
Reinsurance	**14%**	12%
Investment income	**5%**	9%
Employees	**1,498**	1,473
Rev./Employee	**$80,581**	$78,777
Offices	**65**	60

* Fiscal year ends March 31. Figures converted at applicable exchange rates.

1993 so far has been filled with a major acquisition, new ideas and achievements for Lowndes Lambert Group Holdings P.L.C.

In May, Lowndes bought the Lloyd's of London brokerage and financial services operations of British-based Norex P.L.C. for 8 million pounds ($12 million). This marked its largest acquisition since it went public two years ago.

The new ideas include the proposed formation of a British reinsurer, capitalized in part by brokers including Lowndes Lambert, to replace capacity that has fled the London market.

And, the broker's achievements were capped in May when it was included among the 118 British companies to receive The Queen's Award for Export Achievement 1993.

This honor was received primarily because Lowndes Lambert's revenues from overseas have increased 80% in the last two years, said William Wilks, Lowndes Lambert's group finance director.

Lowndes Lambert was the only insurance brokerage to win the honor.

But the biggest news is the Norex acquisition, which was financed through the new issue of 1.8 million Lowndes Lambert shares at 335 pence ($5.03) per share.

As part of the deal, Norex retains 584,796 new ordinary shares of Lowndes Lambert for at least 12 months after completion of the acquisition.

At the same time, a further 1.1 million new ordinary shares in Lowndes Lambert were offered through Kleinwort Benson Securities to fund further acquisitions.

Norex Insurance Brokers Ltd. and Norex Financial Planning Ltd. will complement Lowndes' current specialties, particularly marine hull and war risk insurance.

Norex also adds expertise in personal financial services, which can be provided through Lowndes Lambert's branch offices.

In addition to Norex's own business, Lowndes Lambert also will place coverage for oil and gas companies owned by the family of Kristian Siem, the Norwegian managing director of Norex P.L.C., who joined the Lowndes Lambert board.

"(Norex) brought some good people who fit in well and they brought some good business," said Richard Shaw, Lowndes Lambert's chairman and chief executive. "We will help them in giving them more market clout. Between us, we'll bring quite a lot of business into the (London) market."

While Norex is responsible for the runoff of some old business that no longer produces revenues for the brokerage, that business is similar to the business that Lowndes is running off through the specialist run-off division it set up in 1975, according to Mr. Shaw.

"We're comfortable that we've made allowance for the problems and we can handle them," added Mr. Wilks.

Lowndes Lambert's gross revenues increased 6.6% in the year ending March 31, 1993, to 71.3 million pounds from 66.9 million pounds a year earlier.

Using average exchange rates, Lowndes Lambert's revenues in dollars increased 4% to $120.7 million in fiscal 1992/1993 from $116 million in fiscal 1991/1992.

If Norex were included in Lowndes Lambert's 1992/1993 results, Lowndes Lambert's total revenues would have increased by an additional 7.5 million pounds to 78.4 million pounds ($132.7 million), a 17.2% increase from fiscal 1991/1992.

Norex would also add 133 employees to the total of 1,498 reported by Lowndes Lambert as of March 31, which would have been a 10.7% jump from 1,473 last year instead of the 1.7% increase reported by Lowndes Lambert.

Lloyd's should be allowed to become smaller and 'infinitely more profitable,' says Mr. Shaw.

Because the sale was not completed until after Lowndes Lambert's fiscal year ended, *Business Insurance* did not include Norex in the broker's revenues.

Lowndes Lambert slipped one notch to No. 19 in *BI*'s ranking of the world's largest insurance brokerages.

Had Norex been included, the brokerage would have ranked No. 17, ahead of American Business Insurance Inc. and Hilb, Rogal & Hamilton Co.

Pretax profits were up 10.8% to 10.3 million pounds ($17.4 million) for the 12 months ending March 31, compared with 9.3 million pounds ($16.1 million) in the 1991/1992 fiscal year.

Lowndes Lambert's results for the fiscal year ending March 31 were just released last week, as this story went to press.

Prior to their release, Mr. Shaw said he was pleased with the broker's performance considering the hostile economic climate in the United Kingdom and elsewhere.

Although the largest part of its revenues—34%—is generated from U.K. retail business, Lowndes Lambert: considers itself one of the largest brokers in Australia; has increased its Canadian business by 20% in the last year by acquiring a team of 20 brokers from Johnson & Higgins; and has major operations in Hong Kong, where it bought an employee benefits operation this year now operating under the Lambert Berkeley banner.

Lowndes Lambert also has entered joint ventures in Eastern Europe, particularly in Macedonia, Estonia and Croatia. Despite the strife in Croatia, said Mr. Shaw, the firm is still placing insurance business—including third-party auto, life and liability coverages.

Lowndes Lambert opened an office in February in Leipzig in the former East Germany, which is being headed by Ulrich von Eicken, retired managing director of Munich Reinsurance Co.'s London office.

While operating from the former East Germany has its problems—like a telephone system that still is linked to Moscow rather than the rest of Germany—Mr. Shaw believes there will be increased interest in eastern Germany, particularly for construction business—a Lowndes Lambert specialty—as the country is rebuilt.

Lowndes Lambert also owns 45% of broker La Securite Nouvelle S.A. in France.

In addition, subsidiaries in London also broker overseas business.

These units include Lowndes Lambert North America Ltd., whose overall brokerage revenue increased 29% during fiscal 1992, the most recent figure available at press time.

The North American division is a leading London broker for coverage for U.S. armored cars and for excess employers liability insurance.

The North American division also is known for placing coverage for U.S. mining operations as well as property/casualty facultative reinsurance.

Lowndes Lambert also is known for expertise in oil and energy, marine, cargo and aviation risks, both in the United Kingdom and overseas through its London-based marine and aviation division.

The group's official "international division" includes Lowndes Lambert Construction Ltd., which arranges coverage for several massive risks, including the $5 billion Third Artery Tunnel project in Boston as well as projects in Thailand, Saudi Arabia and Romania. The international division also includes treaty reinsurance broker Kininmonth Lambert Ltd.

Meanwhile, Mr. Shaw says London brokers should form a new reinsurance company to replace the capacity that has fled the marketplace. Mr. Shaw currently is in discussions about the proposed company, which he hopes could be set up by September.

"Things are going to be quite tough at the end of the year" when reinsurance programs have to be placed in a market where a slew of syndicates and insurance companies have closed shop, said Mr. Shaw.

"I personally expect to see new capacity coming in to seize the opportunity to make some decent money. But what I'd like to see formed is a 'U.K. Re' because we haven't had a proper professional reinsurance company in this country for many years and I'd like to see the brokers subscribe part of the capital, say 50 million pounds ($75 million)."

Including other institutional investments, Mr. Shaw believes that total capital for U.K. Re could hit 150 million pounds ($225 million). "I think it's feasible and seems to be supported by the brokers. I believe the capital would be available, perhaps not from this country. It wouldn't have the problems of back years, and with the way that capacity is at the moment and rates on line that are available, I think you have the opportunity of making some serious money."

Such a new reinsurance venture would not compete with Lloyd's of London, which is looking to corporate capital to replenish its flagging capital base, said Mr. Shaw. "But I'm personally against this corporate capital thing anyway," he said.

Mr. Shaw is a Lloyd's member facing major losses but he increased his participation at Lloyd's this year. Lloyd's should be allowed to become smaller and "infinitely more profitable," he said, rather than bigger, forcing underwriters to increase the amount of premium they write even when the rates are poor.

—By Stacy Shapiro

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Steel Burrill Jones Group P.L.C

2 Minster Court, Mincing Lane,
London EC3R 7FT; 071-816-2000;
fax: 071-816-2111

	1992*	1991*
Premium volume	N/A	N/A
Gross revenues	$97,274,000	$84,544,000
Brokerage: Retail**	29%	33%
Wholesale	32%	17%
Reinsurance	19%	34%
Investment income	14%	14%
Other	6%	2%
Employees	838	755
Rev./Employee	$116,079	$111,979
Offices	13	12

* Converted at applicable exchange rates.
** Includes revenues from personal lines and services.

Steel Burrill Jones Group P.L.C. doesn't consider itself a huge broker, a medium-sized broker or even a small broker.

In fact, it eschews categorization, especially by size.

However, SBJ now fits into at least one category: It now is one of the world's 20 largest brokers as ranked by *Business Insurance*, holding the No. 20 spot.

Rather than simply a broker, SBJ likes to think of itself as a group of specialty companies, says Deputy Chairman and Chief Executive George Boden.

"We don't regard ourselves as a firm which is huge or medium-sized. We regard ourselves as a company of specialisms. And in each of those specialisms, we attempt to be positive market players and have a decent market position," Mr. Boden said in a rare interview. "You will find that we can claim certainly to be very strong players in the niches we select."

SBJ, for example, doesn't try to compete for the large multinational U.K. accounts like huge oil and chemical companies. "But if you put us into a midrange account, we have a very, very strong chance of getting it."

SBJ also has no subsidiaries outside the United Kingdom because that would go against Mr. Boden's motto: "If we can't see it, we can't manage it."

Unlike a major multinational broker, SBJ has a small upper tier of management consisting of: Mr. Boden; Peter Allen, corporate development executive; Christopher Burrill, financial director; and Simon Cole; company secretary. The group's nonexecutive chairman is Clive Richard.

"There's just us, a couple of secretaries, and that's it. After that, the rest trade," said Mr. Boden. "We don't have to have, for instance, coordinators for Australasia, Europe, North America. I don't spend three months of the year having to travel to distant outposts."

Still, SBJ has been the subject of many a takeover rumor. Most recently, analysts and newspapers have speculated that SBJ might merge with Bain Clarkson P.L.C.

"There are always rumors," Mr. Boden said, but "we never comment on speculation."

SBJ has grown by acquisition since its beginnings in 1977 as a broker specializing in London market excess-of-loss reinsurance. The company was founded by Derek Steel, Graham Burrill and David Beresford Jones, all of whom were all directors at Bland Payne Ltd., a predecessor to today's Sedgwick Group P.L.C.

When Bland Payne merged with Sedgwick, there was "some 'mergeritis,' " Mr. Boden said, which led Messrs. Steel, Burill and Beresford Jones to form their own firm. After a few years on their own, Messrs. Steel, Burrill and Beresford Jones, who were LMX marine brokers, saw some of their former Bland Payne clients move their business to the new company.

From 1977 through the 1980s, the London retrocessional market grew and "they developed their business like crazy, so much so that by 1984 they took their business to the stock market," said Mr. Boden.

SBJ received a full listing on the London Stock Exchange in 1985, which probably was the company's "most profitable year ever," he said. SBJ stock was trading at 241 pence ($3.62) per share on June 24.

But as the company prepared to become publicly traded, the three men's financial advisers warned that marine reinsurance, SBJ's mainstay, was a very cyclical business and the company should consider diversifying.

At first the group entered into the non-marine reinsurance and employee benefits businesses, but neither "was big enough to make a difference," said Mr. Boden.

However, the future course of the brokerage was altered after Willis Faber P.L.C. bought Stewart Wrightson Holdings P.L.C. in July 1987 and hundreds of people left Stewart Wrightson rather than stay with the merged brokers. Mr. Boden, then deputy chairman of retail broker Stewart Wrightson Ltd., and Tony Keys, group development director of Stewart Wrightson Holdings, joined SBJ and took major roles in the company's management (*BI*, Sept. 21, 1987).

"Derek Steel made an approach to me via an intermediary at the back-end of 1987, and I wasn't sure at the time whether to do it," Mr. Boden said.

Messrs. Keys and Boden at the time had been considering developing a relationship with Lloyd's broker H. Stephenson & Co. Ltd., because both men had become close to John Wynn, then that broker's chairman and CEO. Mr. Wynn now is an SBJ director.

But "frankly, Derek Steel's proposals looked better," Mr. Boden said. "What he said was that if we wanted to use our skills to diversify and grow a business, then we should use those skills on SBJ. He said, 'We're already a Lloyd's broker. We're a public company. It will save you lots of time.' That's why we changed tack."

Messrs. Boden and Keys joined SBJ in the summer of 1988 and agreed on a business plan with the SBJ's three founders: The plan primarily stated that the company would:

- Reduce its dependence on marine retrocessional business.
- Reduce its dependence on U.S. dollar-based business, because all SBJ's expenses including dividends were in British pounds and this could leave the company exposed to currency fluctuations. This would be accomplished by increasing sterling business rather than reducing dollar business.
- Operate no offices outside the United Kingdom.

It also was decided to build a company that had specialties in retail, wholesale and reinsurance brokerage. And, the company aimed to grow more by acquiring other companies than by acquiring teams of people, though it will consider such defections, because Messrs. Steel and Beresford Jones "wanted us to get a move on," said Mr. Boden. "The result is what you see today."

Now, SBJ has a firm base of U.K.-based business, though 20% of its business still comes from U.S. clients; a solid marine reinsurance brokerage business, though its retrocession business has declined; and satisfaction at watching competitors build offices worldwide at a huge expense while SBJ stays at home.

The list of acquisitions of companies and people is impressive.

In 1988, SBJ bought U.K. corporate retail broker H. Stephenson; Kingsgate Consultancy Holdings Ltd., an employee benefit consultant; and about 50 people formerly from Stewart Wrightson's U.K. retail firm who had joined Stephenson. This became the U.K. corporate retail arm known as SBJ Stephenson (*BI*, Aug. 29, 1988; June 20, 1988).

In 1989, SBJ acquired Devitt Insurance Services Ltd., which specialized in non-marine reinsurance, affinity group personal lines business, a good corporate book of business and some marine reinsurance. Devitt's Lloyd's members agency was quickly sold to a third party and Devitt "has been a roaring success," said Mr. Boden.

A unit called Meacock Samuelson & Devitt brokers nonmarine treaty reinsurance, while Devitt Insurance Services focuses on personal lines business.

Another 1989 move was the group's formation of SBJ North America, which specializes in North American casualty business. The division was formed by a team from C.T. Bowring & Co. Ltd., namely George Moore, Robert Brown and Howard Barnes (*BI*, May 1, 1989).

In 1990, SBJ Specialty was formed when the group was approached by the jewelers block/fine arts team of 20 from Alexander Howden Ltd. headed by James Clark (*BI*, May 21, 1990). Also that year, SBJ bought the U.K. retail operations of W.S. Moody Holdings Inc., which included some Canadian wholesale business, and actuarial consultant Martin Perry Associates Ltd. (*BI*, Aug. 13, 1990).

In 1991, the group formed SBJ Harrison Stuart Ltd., specializing in Lloyd's members' stop-loss coverage. That step was taken when a team of brokers joined from broker Holman Wade Ltd. The arrival from Sedgwick of brokers Martin Roffey and Neville Miles enhanced the group's solicitors and accountants professional liability business.

Other moves in 1991 included the purchase of 24% of Dennis Hunt Risk Management Services Ltd., which provides services to small and medium-sized clients. Mr. Hunt was a former director of Stewart Wrightson.

At the beginning of 1992, SBJ finalized two major acquisitions: Regis Low Holdings and Nelson Steavenson Bloodstock.

Regis Low is primarily a wholesale broker of marine and energy-related insurance, while Nelson Steavenson specializes in bloodstock coverage for both U.S. and U.K. clients.

The two acquisitions added 11.6 million pounds ($20.5 million) to SBJ's 1992 gross revenues, which helped boost the company into the Top 20. SBJ's gross revenues climbed 15.1% to 55.1 million pounds from 47.8 million pounds in 1991.

In dollar terms, revenues increased 15.1% to $97.3 million from $84.5 million.

SBJ's gross revenues in 1992 include brokerage revenue of 47.3 million pounds ($83.5 million), up 15.4% from 41 million pounds ($72.5 million) in 1991; and investment income of 7.8 million pounds ($13.8 million), up 14.7% from 6.8 million pounds ($12 million) in 1991.

The two acquisitions brought 150 new faces to SBJ, though the broker's overall staff was reduced by 50 later in the year due to attrition.

As a result, SBJ reported 838 employees at year-end 1992, up 11% from 755 at year-end 1991.

The two acquisitions also added 3.2 million pounds ($5.6 million) to SBJ Group's pretax profits last year of 13.3 million pounds ($23.5 million), up 22% from nearly 11 million pounds ($19.5 million) in 1991.

Although Nelson Steavenson had a good year, SBJ Regis Low did not produce the hoped-for results, Mr. Boden said. Regis Low had a tough year in its core business because of the economic climate, primarily in the United States. Marine hull and energy business were hard-hit, falling 12% below 1991 levels.

Also, within three months of the acquisition, SBJ Regis Low lost its specialist construction liability insurance facility, known as the "cranes account," which was led by Assicurazioni Generali S.p.A. The account was moved to another Lloyd's broker for no apparent reason. The revenues from construction business dropped to 700,000 pounds at the end of 1992 ($1.24 million) from 2.5 million pounds ($4.4 million) at the end of 1991, according to SBJ's annual report.

With the addition of Regis Low and Nelson Steavenson, 29% of SBJ's 1992 revenues came from retail brokerage, down from 33% in 1991; 32% were produced by wholesale brokerage, up from 17%; 19% from reinsurance brokerage, down from 34%; 14% from investment income, which was unchanged; and 6% from other activities, up from 2%.

SBJ now has established "every specialism" that it needs, and the brokerage has no plans to grow substantially for the next few years, Mr. Boden said.

Earlier this year, Beresford Jones retired as chairman and Finance Director Tony Keys left the company. He has set up a consultancy and is an adviser to Lloyd's on corporate capital.

—By Stacy Shapiro

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Bernhardstraat 1, 8000 GB Zwolle, The Netherlands; 31-38-992106; fax: 31-38-225948

See profile on page 58.

Acordia Inc.

120 Monument Circle, Indianapolis, Ind. 46204; 317-488-6666; fax: 317-488-6535

See profile on page 54.

Acquistapace Insurance Services

301 E. Cook St., Suite L, Santa Maria, Calif. 93454; 805-928-1831; fax: 805-922-6318

	1992	1991
Premium volume	$8,450,000	$8,364,000
Gross revenues	$976,000	$978,000
U.S. clients	100%	100%
Brokerage: Retail	45%	44%
U.S. offices	$439,000	$430,000
Wholesale	2%	2%
Personal lines	26%	27%
Services	2%	2%
Invstmt. income	2%	3%
Other	23%	22%
Employees	18	21
Offices	1	1

Founded: 1932.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 23% of revenues.
Officers: Robert E. Acquistapace, president.

T.J. Adams & Associates Inc.

2021 Spring Road, Oak Brook, Ill. 60521; 708-572-1550; fax: 708-574-3278

	1992	1991
Premium volume	$34,209,800	$33,605,295
Gross revenues	$5,421,700	$5,262,900
U.S. clients	100%	100%
Brokerage: Retail	95%	94%
U.S. offices	$5,156,600	$4,931,700
Personal lines	3%	3%
Invstmt. income	2%	3%
Employees	57.5	50
Offices	1	1

Founded: 1967.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 7% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Edward A. Schell, CEO; Dennis D. Gamache, president/COO; Richard E. Miller, executive vp; John A. Kegaly, John R. Farrell, vps.
Contact: Dennis Gamache.

Affiliated Insurance Consultants Inc.

7650 S. County Line Road, Burr Ridge, Ill. 60521; 708-789-1234; fax: 708-789-1366

	1992	1991
Premium volume	$44,761,000	$40,938,000
Gross revenues	$4,700,000	$4,300,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$4,230,000	$3,870,000
Reinsurance	9%	9%
Invstmt. income	1%	1%
Employees	53	50
Offices	2	2

Founded: 1967.
Retail brokerage: 100% commissions.
Employee benefits: 13% of revenues.
Acquisitions: Peter Ayres, Hinsdale, Ill., January 1992.
Retail brokerage branches: Indianapolis, Ind.
Licensed excess/surplus broker in: Illinois.
Officers: Randall S. Swenson, president/COO; Edwin E. Tomei, chairman; Daniel C. Pancake, vice chairman.
Contact: Randall S. Swenson.

Alburger Basso deGrosz Insurance Services Inc.

301 Island Parkway, Belmont, Calif. 94002-0900; 415-598-0900; fax: 415-593-0370

	1992	1991
Premium volume	$203,137,000	$160,000,000
Gross revenues	$13,740,106	$12,750,000
U.S. clients	100%	100%
Brokerage: Retail	87%	85%
U.S. offices	$11,954,000	$10,838,000
Personal lines	8%	9%
Services	2%	3%
Invstmt. income	2%	3%
Other	1%	0%
Employees	107	120
Offices	3	3

Founded: 1946.
Retail brokerage: 99.5% commissions, 0.5% fees.
Employee benefits: 23% of revenues.
Retail brokerage branches: Capitola and Costa Mesa, Calif.
Licensed excess/surplus broker in: California.
Officers: Douglas Alburger, chairman; Bruce Basso, president; Fred deGrosz, CEO; Andrew Sterngold, George Jaynes, Jay O'Brien, executive vps.
Contact: Jann McCully, senior vp/controller, 415-508-4389.

Alexander & Alexander Services Inc.

1211 Ave of the Americas, New York, N.Y. 10036; 212-840-8500; fax: 212-719-5746

See profile on page 22.

Alliance Insurance Group Inc.

3420 E. Shea Blvd., Suite 170, Phoenix, Ariz. 85028; 602-996-7600; fax: 602-494-1175

	1992	1991
Premium volume	$14,000,000	$14,000,000
Gross revenues	$1,958,000	$1,914,000
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	65%	65%
U.S. offices	$1,250,000	$1,100,000
Wholesale	4%	3%
Personal lines	21%	19%
Services	6%	8%
Invstmt. income	1%	2%
Other	3%	3%
Employees	31	33
Offices	3	3

Founded: 1976.
Retail brokerage: 93% commissions, 7% fees.
Employee benefits: 5% of revenues.
Retail brokerage branches: Laguna Hills and San Diego, Calif.
Non-retail brokerage subsidiaries: M.W. Douglas Inc.
Licensed excess/surplus broker in: Arizona.
Officers: Guy Labelle, president/CEO; Elton Baker, executive vp; Edith Lasson, vp; David Smith, controller.
Contact: Guy Labelle.

The Alper Agency

60 W. Superior St., Chicago, Ill. 60610; 312-642-1000; fax: 312-944-7000

	1992	1991
Premium volume	$26,000,000	$25,000,000
Gross revenues	$4,300,000	$4,200,000
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$3,225,000	$3,150,000
Personal lines	5%	5%
Services	15%	12%
Invstmt. income	3%	3%
Other	2%	5%
Employees	47	45
Offices	1	1

Founded: 1966.
Parent: Alper Services Inc.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 6% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Howard C. Alper, president/CEO; John F. Wheaton, executive vp/COO; Russell M. Cortino, Herbert M. Singer, executive vps; John A. Hamilton, Craig A. Kanter, Richard A. Swoik, vps.
Contact: Howard C. Alper.

American Business Insurance Inc.

160 Spear St., Suite 1540, San Francisco, Calif. 94105; 415-541-0404; fax: 415-541-0525

See profile on page 60.

American Phoenix Corp.

302 W. Main St., Avon, Conn. 06001; 203-677-2661; fax: 203-677-2318

	1992	1991
Premium volume	$164,742,000	$125,415,000
Gross revenues	$21,246,360	$16,542,251
U.S. clients	100%	100%
Brokerage: Retail	72%	79%
U.S. offices	$15,297,379	$13,068,378
Personal lines	27%	19%
Invstmt. income	1%	2%
Employees	253	201
Offices	11	10

Founded: 1981.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 3% of revenues.
Acquisitions: Nicholas & Cannon Agency, Sarasota, Fla., January 1993; Caddell & Byers Agency, Lowell, Mass., April 1993.
Retail brokerage branches: American Brokerage of Philadelphia BCA, St. Davids, Pa.; C&C Insurance Associates Inc., New Providence, N.J.; Caddell & Byers Insurance Agency Inc., Lowell, Mass.; Erickson-Swan-Rowley Inc., Jamestown, N.Y.; J.B. Schaftel Co., Baltimore; Kenney, Webber & Lowell Inc., Avon, Conn.; McDowell Insurance Inc., Chambersburg, Pa.; Nicholas & Cannon Agency Inc., Sarasota, Fla.; Poor, Bowen, Bartlett & Kennedy Inc., Baltimore; Poor, Bowen, Bartlett & Kennedy of Pa. Inc., York, Pa.; West Coast Insurors, St. Petersburg, Fla.
Licensed excess/surplus broker in: Connecticut, Florida, Pennsylvania.
Officers: Martin L. Vaughan, president; William E. Ryan, vp/CFO; Linda D. Hopcraft, vp-operations; Karl E. Manke, vp-sales/marketing.
Contact: Martin L. Vaughan.

Anco Corp.

16000 Barkers Point Lane, Houston, Texas 77079; 713-496-3400; fax: 713-496-6729

	1992	1991
Premium volume	$59,600,000	$66,000,000
Gross revenues	$8,458,458	$9,015,125
U.S. clients	100%	100%
Brokerage: Retail	76.5%	74.5%
U.S. offices	$6,466,491	$6,711,761
Personal lines	8.5%	10.4%
Services	13.3%	12.5%
Invstmt. income	1.4%	2.2%
Other	0.3%	0.4%
Employees	93	100
Offices	1	1

Founded: 1873.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 5.85% of revenues.
Non-retail brokerage subsidiaries: Regional Insurance Management Services Inc., Houston.
Licensed excess/surplus broker in: Texas.
Officers: John L. Van Osdall, chairman/president; Gerald M. Smith, senior vp/COO; John D. Collado, Randall F. Green, Robert E. Holloway, senior vps.
Contact: Gerald M. Smith.

Anco Insurance Managers Inc.

1733 Briarcrest Drive, Bryan, Texas 77802; 409-776-2626; fax: 409-776-1308

	1992	1991
Premium volume	$66,000,000	$45,000,000
Gross revenues	$9,043,753	$6,076,705
U.S. clients	100%	100%
Brokerage: Retail	41%	46%
U.S. offices	$3,707,938	$2,795,284
Wholesale	4%	3%
Personal lines	44%	40%
Services	7%	6%
Invstmt. income	1%	1%
Other	3%	4%
Employees	150	110
Offices	19	4

Founded: 1873.
Retail brokerage: 100% commissions.
Employee benefits: 4% of revenues.
Acquisitions: Employer's Casualty Co., Dallas, May 1992; GSM Insurance, Rockport, Texas, May 1993; Jernigan-Dabney Insurance, Livingston, Texas, June 1993.
Retail brokerage branches: Anco Alamo City, Anco Beaumont, Anco Belton, Anco Capitol City, Anco Conroe, Anco Corpus Christi, Anco D/FW, Anco El Paso, Anco Fort Worth, Anco-GSM, Anco Insurance of Temple, Anco Jernigan-Dabney, Anco Metroplex, Anco Port Lavaca, Anco Tyler, Anco Waco, Anco Wichita Falls, Insurance Services of America.
Non-retail brokerage subsidiaries: AIM Premium Finance Inc., Anco Insurance Services of Bryan/College Station Inc., Anco Insurance Services of Texas Inc., Emerald Surplus Lines Inc., Keifer Marshall Insurance Agency Inc.
Licensed excess/surplus broker in: Texas.
Officers: M.L. Cashion, chairman; Dick B. Haddox, president/CEO; Richard Pollard, Adrian G. McDonald Jr., Susan Flippen, senior vps.
Contact: Susan Flippen.

Anderson & Anderson Insurance Brokers Inc.

2495 Campus Drive, Irvine, Calif. 92715; 714-476-4300; fax: 714-752-7587

	1992	1991
Premium volume	$92,500,000	$91,000,000
Gross revenues	$10,131,000	$10,300,000
U.S. clients	100%	100%
Brokerage: Retail	88%	87%
U.S. offices	$8,915,000	$8,961,000
Personal lines	5%	5%
Services	4%	3%
Invstmt. income	3%	5%
Employees	109	107
Offices	3	3

Founded: 1953.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 9.9% of revenues.
Retail brokerage branches: Irvine, Stockton and Van Nuys, Calif.
Non-retail brokerage subsidiaries: CAP Managers Ltd., Hamilton, Bermuda; Captive Assurance Partners, Irvine, Calif.
Officers: Robert M. Anderson, president; John W. Roblee, senior vp/secretary/treasurer; Gregory W. Springer, senior vp-captives & special programs; Edward C. Shumaker, senior vp-Orange County; Earl D. Butler, senior vp-branch operations.
Contact: Robert M. Anderson.

Andreini & Co.

220 W. 20th Ave., San Mateo, Calif. 94403; 415-573-1111; fax: 415-378-4361

	1992	1991
Gross revenues	$17,762,960	$17,111,095
U.S. clients	100%	100%
Employees	176	172
Offices	6	8

Founded: 1952.
Retail brokerage: 100% commissions.
Non-retail brokerage subsidiaries: Dallas; Fresno, Irvine, Oxnard and Salinas, Calif.
Licensed excess/surplus broker in: California.
Officers: John Andreini, chairman; Michael Colzani, CEO; David Hoskins, president.
Contact: John Andreini.

Austin & Co. Inc.

307 Washington Ave., Albany, N.Y. 12206; 518-465-3591; fax: 518-465-3968

	1992	1991
Premium volume	$17,000,000	$16,800,000
Gross revenues	$2,340,000	$2,240,000
U.S. clients	100%	100%
Brokerage: Retail	83%	82%
U.S. offices	$1,940,000	$1,810,000
Personal lines	15%	16%
Invstmt. income	2%	2%
Employees	28	29
Offices	2	2

Retail brokerage: 100% commissions.
Employee benefits: 6% of revenues.
Retail brokerage branches: Stevenson Agency, Chestertown, N.Y.
Officers: Charles M. Liddle III, president; Helen K. Rack, Erwin F. Guetig, vps.

The Auten Group Inc.

1915 Southfield Road, Birmingham, Mich. 48009; 313-258-6500; fax: 313-258-5618

	1992	1991
Premium volume	$7,111,000	$6,500,000
Gross revenues	$1,016,809	$956,361
U.S. clients	100%	100%
Brokerage: Retail	77.8%	79%
U.S. offices	$791,077	$755,525
Personal lines	20%	18.1%
Invstmt. income	2%	2.4%
Other	0.2%	0.5%
Employees	15	14
Offices	1	1

Founded: 1984.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 8.2% of revenues.
Licensed excess/surplus broker in: Michigan.
Officers: Bruce J. Auten, president; Jean E. Hall, controller.
Contact: Bruce J. Auten.

Aviation Insurance Services Inc.

222 W. Sixth St., Suite 920, San Pedro, Calif. 90731; 310-521-0900; fax: 310-521-0910

	1992	1991
Premium volume	$29,000,000	$22,140,000
Gross revenues	$3,136,000	$2,557,400
U.S. clients	93%	92%
Non-U.S. clients	7%	8%
Brokerage: Retail	87%	82%
U.S. offices	$2,728,320	$2,097,068
Wholesale	2%	3%
Reinsurance	7%	8%
Personal lines	1%	3%
Services	1%	1%
Invstmt. income	2%	3%
Employees	21	21
Offices	3	3

Founded: 1977.
Parent: Aviation Insurance Holdings Inc.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 1% of revenues.
Retail brokerage branches: Aviation Insurance Services of Nevada Inc., Las Vegas; Aviation Insurance Services of Washington Inc., Seattle.
Licensed excess/surplus broker in: California, Nevada, Washington.
Officers: Ronald A. Hill, chairman/CEO; Richard R. Gorsuch, vice chairman; Leslie C. DeWald, president; Michael S. German, senior vp; Elliott S. Tremaine, senior vp (Washington).
Contact: Richard R. Gorsuch.

Continued on page 68

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B

The BGS&G Cos.

44 Baltimore St., Cumberland, Md. 21502; 301-777-1500; fax: 301-724-3953

	1992	1991
Gross revenues	$10,697,205	$9,689,334
U.S. clients	100%	100%
Brokerage: Retail	39.4%	37.9%
U.S. offices	$4,214,699	$3,672,258
Wholesale	0.6%	0.4%
Personal lines	15%	16%
Services	13.5%	14.1%
Invstmt. income	2.5%	2.5%
Other	29%	29.1%
Employees	160	140
Offices	9	9

Founded: 1921.
Parent: Beall, Garner, Screen & Geare Inc.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 26% of revenues.
Acquisitions: DeSibour, Washington, July 1992; Sovran Bank, Washington, July 1992; Psillas Pensions, Hagerstown, Md., March 1993.
Retail brokerage branches: A.H. Baker & Co., Washington.
Licensed excess/surplus broker in: Maryland, Pennsylvania, Virginia, West Virginia.
Officers: J. Glenn Beall Jr., chairman; Marc E. Zanger, vice chairman; Robert H. Garner, vp/chief financial officer; Page T. Shanklin, executive vp; Coleman P. Brown II, senior vp.
Contact: Page T. Shanklin.

Bain Clarkson Ltd.

Bain Clarkson House, 15 Minories, London EC3N 1NJ, England; 44-71-481-3232; fax: 44-71-480-6137

See profile on page 49.

Bartlett Agency Inc.

2200 52nd Ave., Moline, Ill. 61265; 309-764-9666; fax: 309-764-8153

	1992	1991
Premium volume	$24,300,934	$22,007,037
Gross revenues	$3,495,187	$2,978,536
U.S. clients	100%	100%
Brokerage: Retail	71%	73.3%
U.S. offices	$2,480,593	$2,180,623
Personal lines	9.4%	9.7%
Services	8.5%	6%
Invstmt. income	2.9%	1.7%
Other	8.2%	9.3%
Employees	42	36
Offices	1	1

Founded: 1945.
Retail brokerage: 91% commissions, 9% fees.
Employee benefits: 29.9% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Richard J. Miles, president; Thomas K. Bracke, executive vp/secretary; John J. Barrett, vp; Bradley T. Boyle, manager-employee benefits department.
Contact: Richard J. Miles.

Beal & Associates Insurance Counselors Inc.

5635 E. Thomas Road, Phoenix, Ariz. 85018; 602-990-1111; fax: 602-947-0454

	1992	1991
Premium volume	$9,000,000	$10,000,000
Gross revenues	$1,200,000	$1,200,000
U.S. clients	100%	100%
Brokerage: Retail	66%	66%
U.S. offices	$792,000	$792,000
Personal lines	24%	24%
Services	10%	10%
Employees	20	22
Offices	1	1

Founded: 1958.
Retail brokerage: 90% commissions, 10% fees.
Officers: William A. Beal, president; Thomas W. Beal, vp; Norma J. Beal, secretary/treasurer.
Contact: William A. Beal.

Bertholon-Rowland Corp.

16 Jay St., New York, N.Y. 10013; 212-966-9400; fax: 212-966-5976

	1992	1991
Premium volume	$130,000,000	$97,000,000
Gross revenues	$18,000,000	$11,700,000
U.S. clients	100%	100%
Brokerage: Retail	95%	91%
U.S. offices	$17,100,000	$10,647,000
Wholesale	4%	8%
Services	1%	1%
Employees	123	92
Offices	4	4

Founded: 1944.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 2% of revenues.
Acquisitions: Association Consultants Inc., Chicago, May 1993.
Retail brokerage branches: Alexandria, Va.; Boston; Chicago.
Licensed excess/surplus broker in: Illinois, New York.
Officers: Randy Rowland, CEO; James Carroll, president; Dean Ligman, president (Illinois).
Contact: James Carroll.

Berwanger Overmyer Associates

2245 Northbank Drive, Columbus, Ohio 43220; 614-457-7000; fax: 614-457-1507

	1992	1991
Premium volume	$60,000,000	$60,000,000
Gross revenues	$9,517,840	$9,573,595
U.S. clients	100%	100%
Brokerage: Retail	73.1%	73.1%
U.S. offices	$6,954,686	$6,995,426
Wholesale	1.5%	1.5%
Personal lines	5.4%	5.4%
Services	15.8%	15.8%
Invstmt. income	2.7%	2.7%
Other	1.5%	1.5%
Employees	110	110
Offices	1	1

Founded: 1973.
Retail brokerage: 84% commissions, 16% fees.
Employee benefits: 22.46% of revenues.
Licensed excess/surplus broker in: Ohio.
Officers: Edwin L. Overmyer, president/CEO; Joseph M. Berwanger, Richard H. Moore, executive vps; Jerry L. Esselstein, chief operating officer/treasurer; Richard W. Daley, senior vp.
Contact: Edwin L. Overmyer.

Ernest Bloomfield & Associates Insurance Agency

22 Battery St., Suite 503, San Francisco, Calif. 94111; 415-956-2130; fax: 415-956-2944

	1992	1991
Premium volume	$5,265,000	$4,963,000
U.S. clients	100%	100%
Brokerage: Retail	97%	97%
Personal lines	3%	3%
Employees	7	6
Offices	1	1

Founded: 1978.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: San Francisco.
Non-retail brokerage subsidiaries: Rehabilitation & Recovery Insurance Agency Inc., San Francisco.
Officers: Ernest Bloomfield, sole proprietor.
Contact: Ernest Bloomfield or Susan DeSantis.

Blumencranz, Klepper, Wilkins & Dubofsky Ltd.

3000 Marcus Ave., CB 5028, Lake Success, N.Y. 11042-0028; 516-327-2700; fax: 516-327-2800

	1992	1991
Premium volume	$120,000,000	$100,000,000
Gross revenues	$10,982,000	$9,450,000
U.S. clients	97%	99%
Non-U.S. clients	3%	1%
Brokerage: Retail	70%	75%
U.S. offices	$7,687,400	$7,009,538
Wholesale	20%	15%
Personal lines	7%	7%
Services	2%	2%
Invstmt. income	1%	1%
Employees	92	75
Offices	1	1

Founded: 1929.
Parent: The BWD Insurance Group.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 7.5% of revenues.
Acquisitions: Robert Dubofsky Associates, Great Neck, N.Y., April 1992 (merger).
Officers: Roger A. Blumencranz, president; Stuart B. Wilkins, Eric S. Blumencranz, vps; Marc J. Blumencranz, vp/managing director; Robert Dubofsky, managing director.
Contact: Roger A. Blumencranz.

Boockford & Co.

1 Oakbrook Terrace, Oakbrook Terrace, Ill. 60181; 708-932-4000; fax: 708-932-7315

	1992	1991
Premium volume	$43,800,000	$43,000,000
Gross revenues	$4,970,000	$4,920,000
U.S. clients	100%	100%
Brokerage: Retail	93.9%	93.5%
U.S. offices	$4,666,850	$4,600,000
Personal lines	1.7%	2%
Invstmt. income	4.4%	4.5%
Employees	52	51
Offices	1	1

Founded: 1950.
Retail brokerage: 89% commissions, 11% fees.
Employee benefits: 27.6% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: William D. Boockford Jr., chairman; Charles J. Bretz, president; James F. Schuster, vp/secretary; Mario Remegi, Richard McGrath, vps.
Contact: Charles J. Bretz.

Roger Bouchard Insurance Inc.

101 Starcrest Drive, Clearwater, Fla. 34618; 813-447-6481

	1992	1991
Premium volume	$40,000,000	$38,000,000
Gross revenues	$3,438,873	$3,359,331
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	74%	74%
U.S. offices	$2,500,000	$2,485,905
Wholesale	3%	3%
Personal lines	20%	20%
Services	1%	1%
Invstmt. income	2%	2%
Employees	48	48
Offices	1	1

Founded: 1948.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 20% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: Richard E. Bouchard, president; Michael D. Hamby, executive vp; Tim A. Bouchard, J. Raymond Bouchard, vps; Delores B. Moore, secretary.
Contact: Ray Bouchard.

Bowers, Schumann & Welch

Route 31 N., P.O. Box 978, Washington, N.J. 07882; 908-689-1092; fax: 908-689-0694

	1992	1991
Premium volume	$40,000,000	$40,000,000
Gross revenues	$6,317,347	$6,425,750
U.S. clients	100%	100%
Brokerage: Retail	86%	86.5%
U.S. offices	$5,432,918	$5,558,274
Wholesale	0.6%	0.8%
Personal lines	12%	10%
Invstmt. income	0.5%	1.5%
Other	0.9%	1.2%
Employees	86	96
Offices	2	3

Founded: 1967.
Retail brokerage: 100% commissions.
Employee benefits: 5% of revenues.
Retail brokerage branches: Bethlehem, Pa.
Officers: Scott F. Welch, chairman; Michael J. Azar, chief financial officer; Todd W. Welch, president; Glen R. Welch, vp; Jane R. Gardner, secretary.
Contact: Glen R. Welch, 908-689-5987.

Bowles, Troy, Donahue, Johnson Inc.

12801 N. Central Expressway, Suite 600, Dallas, Texas 75243; 214-770-1600; fax: 214-770-1699

	1992	1991
Premium volume	$38,000,000	$38,750,000
Gross revenues	$4,600,000	$4,900,000
U.S. clients	98%	97%
Non-U.S. clients	2%	3%
Brokerage: Retail	74%	80%
U.S. offices	$3,404,000	$3,900,000
Wholesale	0.5%	2%
Reinsurance	2%	0.5%
Personal lines	17%	15%
Services	5%	1%
Invstmt. income	1%	1%
Other	0.5%	0.5%
Employees	52	53
Offices	2	2

Founded: 1926.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 17% of revenues.
Acquisitions: Diltz, Dallas, April 1992; Armstrong, Dallas, May 1993; Cozort, Dallas, May 1993.
Retail brokerage branches: Personal Insurance Professionals, Richardson, Texas.
Non-retail brokerage subsidiaries: Riskshare Inc., Dallas; Twin Hills Insurance Agency Inc., Dallas.
Licensed excess/surplus broker in: Texas.
Officers: Donald E. Bowles Jr., Ted Troy, James Donahue, Byron Johnson, managing directors; Donald Bowles Sr., chairman.
Contact: James Donahue, P.O Box 749030, Dallas, Texas 75374-9030.

Braishfield Associates Inc.

1373 Broad St., Clifton, N.J. 07013; 201-777-4747; fax: 201-777-1196

	1992	1991
Premium volume	$28,210,000	$24,280,000
Gross revenues	$2,280,000	$2,100,000
U.S. clients	86%	85%
Non-U.S. clients	14%	15%
Brokerage: Retail	65%	65%
U.S. offices	$1,482,000	$1,365,000
Wholesale	5%	5%
Personal lines	15%	15%
Services	11.5%	10%
Invstmt. income	3.5%	5%
Employees	33	30
Offices	4	4

Founded: 1984.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 24% of revenues.
Retail brokerage branches: Melbourne, Fla.; Oldwick, N.J.; Philadelphia.
Licensed excess/surplus broker in: Florida, Massachusetts, New Jersey, New York, Pennsylvania.
Officers: James J. McCahill, president/CEO; F.X. McCahill III, president-Braishfield of Florida; R.J. Flugger, executive vp; Mark Blake, Raymond Wolak, vps.
Contact: John P. Roulett, treasurer.

Breckles Insurance Brokers Ltd.

100 Cowdray Court, Suite 200, Scarboro, Ontario M1S 5C8, Canada; 416-292-2020; fax: 416-292-8523

	1992*	1991*
Premium volume	$16,386,305	$18,083,490
Gross revenues	$2,618,573	$2,943,574
Non-U.S. clients	100%	100%
Brokerage: Retail	42%	34%
Non-U.S. offices	$1,099,801	$1,000,815
Personal lines	56%	62%
Invstmt. income	2%	2%
Employees	46	48
Offices	1	1

* Converted at applicable exchange rates.
Founded: 1950.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues.
Officers: T.M. Hannan, president; S.A. Marsh, general manager; B.M. Hamerston, commercial manager; K. Kiely, marketing manager.
Contact: T.M. Hannan.

The Brooks & Stafford Co.

75 Public Square, Cleveland, Ohio, 44113; 216-696-3000; fax: 216-621-7336

	1992	1991
Premium volume	$15,600,000	$13,600,000
Gross revenues	$2,652,000	$2,312,000
U.S. clients	100%	100%
Brokerage: Retail	55%	55%
Personal lines	45%	45%

Founded: 1849.
Officers: Robert E. Hutchinson, president; R.E. Kunze, first vp/treasurer; W.J. Coming, vp/secretary.
Contact: Robert E. Hutchinson.

Continued on next page

How to use *BI* directory of agents, brokers

The 1993 directory of agents and brokers is based on companies' responses to a *Business Insurance* questionnaire.

The directory is published as an editorial service and there is no charge to be included. However, companies must generate at least $500,000 of their gross revenues from commercial retail brokering in order to be listed.

Listings begin with the company's address, telephone and facsimile machine numbers.

Next is premium volume and gross revenues for 1992 and 1991, and the percentage of gross revenues generated from U.S.-based clients versus non-U.S.-based clients. Percent of gross revenues generated by commercial retail brokerage is next, followed by a breakdown in dollars as generated through U.S offices versus non-U.S. offices. Wholesale brokerage, reinsurance brokerage, personal lines brokerage, fee-based services, investment income and other activities follow.

The number of employees and offices for 1992 and 1991 also are included.

Next, the year **founded, parent company** and the percent of commercial **retail brokerage** generated by commissions and by fees are given.

Acquisitions, locations of **retail brokerage branch offices** and **non-retail brokerage subsidiaries** and states in which companies are **licensed as excess/surplus lines brokers** are listed. **Principal officers** and a **contact** for those seeking more information complete the listing. If the location and telephone number of the contact are different from those of the main office, they are also provided.

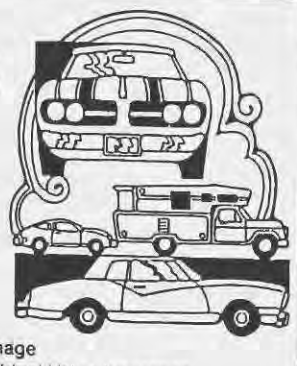
If you wish to locate a company by state or country, refer to the geographic index following the directory. Home offices as well as retail brokerage branch offices are included.

All figures are listed in U.S. dollars. The applicable yearly average exchange rate was used to convert figures for non-U.S. based organizations. Exchange rates are noted on the page 1 chart, except the following: Canadian dollar=82.4¢ (1992), 87.3¢ (1991); Colombian peso=0.171¢ (1992), 0.176¢ (1991).

The information was compiled based on data supplied by the companies. Although every effort is made to provide complete and accurate information, no public records are available to verify the information supplied by privately held brokers.

If you would like to receive a questionnaire to be listed in next year's agent/broker directory, contact Kathy Welyki, *Business Insurance*, 740 N. Rush St., Chicago, Ill. 60611-2590; 312-649-5279.

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Wayne, PA 19087
(215) 254-9890 • FAX # (215) 254-9893

Reliance Specialty Programs, Inc.

Continued from previous page

Brown-Hiller-Clark & Associates

5500 Euper Lane, P.O. Box 3529, Fort Smith, Ark. 72913; 501-452-4000; fax: 501-484-5185

	1992	1991
Premium volume	$10,385,250	$10,491,683
Gross revenues	$1,828,974	$1,900,350
U.S. clients	100%	100%
Brokerage: Retail	65%	64%
U.S. offices	$1,188,833	$1,216,224
Personal lines	17%	17%
Invstmt. income	1%	1%
Other	17%	18%
Employees	30	33
Offices	5	5

Founded: 1915.
Retail brokerage: 100% commissions.
Employee benefits: 15% of revenues.
Retail brokerage branches: BHC of Eureka Springs, Eureka Springs, Ark.; BHC Life & Group Specialists Inc., Eureka Springs, Ark.; BHC Life & Group Specialists Inc., Fort Smith, Ark.; BHC of Oklahoma Inc., Sallisaw, Okla.
Licensed excess/surplus broker in: Arkansas.
Officers: Sam B. Hiller, president/treasurer; Larry R. Clark, executive vp/secretary; Thomas L. Cooley, vp; William Stan Miller, president-BHC Life & Group Specialists Inc.; Gary Winton, president-BHC of Oklahoma Inc.
Contact: Janice A. Butler, vp-administration.

P. Brunet Assurance Inc.

1100 Cremazie Blvd. E., Suite 500, Montreal, Quebec H2P 2X2, Canada; 514-725-1500; fax: 514-729-4057

	1992*	1991*
Premium volume	$29,973,824	$29,863,584
Gross revenues	$6,060,520	$6,154,650
Non-U.S. clients	100%	100%
Brokerage: Retail	81.7%	81.4%
Non-U.S. offices	$4,951,445	$5,009,885
Personal lines	15.1%	15.5%
Invstmt. income	3.2%	3.1%
Employees	110	112
Offices	1	1

* Converted at applicable exchange rates.
Founded: 1962.
Retail brokerage: 95.5% commissions, 4.5% fees.
Officers: Pierre Brunet, chairman; Bernard Bleau, president/CEO; Jules Brunet, vice chairman; Michel Langlois, Pierre Dubord, senior vps.
Contact: Bernard Bleau or Dianne Ayotte, secretary to president.

Bultman-Bell Associates Inc.

P.O. Box 2068, Greenville, S.C. 29602; 803-235-2075; fax: 803-232-6056

	1992	1991
Premium volume	$9,100,000	$8,900,000
Gross revenues	$1,116,502	$1,125,326
U.S. clients	97%	97%
Non-U.S. clients	3%	3%
Brokerage: Retail	89.9%	81.4%
U.S. offices	$1,003,735	$916,015
Personal lines	2%	5%
Services	5%	8%
Invstmt. income	3.1%	5.6%
Employees	10	10
Offices	2	2

Founded: 1986.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 3% of revenues.
Retail brokerage branches: Columbia, S.C.
Licensed excess/surplus broker in: South Carolina.
Officers: George C. Bell, president; Neill O.D. Bultman, executive vp; Susanne N. Wolfe, Karen Johns, vps.
Contact: Susanne Wolfe.

John Burnham & Co.

610 W. Ash, San Diego, Calif. 92101; 619-231-1010; fax: 619-236-9134

	1992	1991
Premium volume	$135,000,000	$152,000,000
Gross revenues	$12,400,000	$12,700,000
U.S. clients	88%	90%
Non-U.S. clients	12%	10%
Brokerage: Retail	92.8%	91.1%
U.S. offices	$11,507,200	$11,569,700
Personal lines	3.2%	3.5%
Services	2.8%	3.4%
Invstmt. income	1.2%	2%
Employees	130	135
Offices	3	3

Founded: 1891.
Retail brokerage: 97.2% commissions, 2.8% fees.
Employee benefits: 2.1% of revenues.
Retail brokerage branches: Trumbull, Conn.
Licensed excess/surplus broker in: California.
Officers: Robert J. Lichter, president; Kevin C. Kinslow, senior vp/CFO; William Pope, Jack Lupien, Randy Williams, senior vps.

Byrne, Byrne & Co.

101 N. Wacker Drive, Chicago, Ill. 60606; 312-346-2150; fax: 312-346-4637

	1992	1991
Premium volume	$35,000,000	$33,500,000
Gross revenues	$1,800,000	$1,720,000
U.S. clients	100%	100%
Brokerage: Retail	87%	87%
U.S. offices	$1,566,000	$1,496,000
Personal lines	11%	11%
Invstmt. income	2%	2%
Employees	17	16
Offices	1	1

Founded: 1898.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 25% of revenues.
Officers: Richard Byrne, chairman; Stephen Byrne, president; John O'Hara, executive vp; Daniel Byrne, William Reif, vps.
Contact: Stephen Byrne.

C

Cadieux Beausedour DuPras Inc.

478 Si-Georges, St. Jerome, Quebec J7Z 5B3, Canada; 514-438-4141; fax: 514-431-7079

	1992*	1991*
Premium volume	$2,781,000	$3,182,085
Gross revenues	$472,976	$541,260
Non-U.S. clients	100%	100%
Brokerage: Retail	29%	33%
Non-U.S. offices	$136,784	$178,092
Personal lines	71%	67%
Employees	12	13
Offices	1	1

* Converted at applicable exchange rates.
Founded: 1968.
Retail brokerage: 100% commissions.
Officers: Rostand Beausedour, president; Jean Beausedour and Yuon Proulx.
Contact: Rostand Beausedour.

Cal-Central Insurance & Management Services Inc.

2455 W. Shaw Ave., Suite 101, Fresno, Calif. 93711; 209-222-4471; fax: 209-225-5041

	1992	1991
Gross revenues	$1,989,000	$1,715,000
U.S. clients	100%	100%
Brokerage: Retail	53%	52%
U.S. offices	$1,071,000	$939,000
Wholesale	34%	37%
Services	1%	3%
Invstmt. income	4%	4%
Other	8%	4%
Employees	11	11
Offices	1	1

Founded: 1983.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues.
Officers: Ronald J. Stewart, president; James E. Williams, executive vp; Cathy A. Adams, Daniel B. Frainer, vps; Sophie E. Keppler, assistant vp.
Contact: Ronald J. Stewart.

The Cal-Surance Cos.

333 City Blvd. W., Orange, Calif. 92668; 714-939-0800; fax: 714-939-1823

	1992	1991
Premium volume	$120,553,022	$121,952,524
Gross revenues	$17,833,068	$19,793,713
U.S. clients	100%	100%
Brokerage: Retail	76.9%	71.9%
U.S. offices	$13,719,833	$14,233,054
Wholesale	0.9%	0%
Reinsurance	1.2%	1.2%
Services	14.4%	17.9%
Invstmt. income	3.5%	5.1%
Other	3.1%	3.9%
Employees	145	163
Offices	2	2

Founded: 1962.
Parent: Chartered Financial Services Corp.
Employee benefits: 30.2% of revenues.
Retail brokerage branches: Cal-Surance Associates Inc., Orange, Calif.; Cal-Surance Benefit Plans Inc., Torrance, Calif.
Non-retail brokerage subsidiaries: Lancer Claims Services Inc., Orange, Calif.; Sterling Insurance Co. Ltd., Hamilton, Bermuda; Sterling Reinsurance Intermediaries Inc., Orange, Calif.; United Network of Insurance Services Inc., Orange, Calif.
Licensed excess/surplus broker in: California.
Officers: Donald E. Martin, CEO, The Cal-Surance Cos.; Donald H. Mehlig, CEO, Cal-Surance Benefit Plans; Jim Hall, president, Cal-Surance Benefit Plans-Group Benefits Div.; Daniel P. Kuzio, president, The Cal-Surance Cos.
Contact: Thomas R. Linn, CFO.

Calco Insurance Brokers & Agents

2000 Alameda de las Pulgas, San Mateo, Calif. 94403-1298; 415-574-0773; fax: 415-572-4622

	1992	1991
Premium volume	$193,848,000	$181,000,000
Gross revenues	$15,144,642	$13,934,319
U.S. clients	95%	95%
Non-U.S. clients	5%	5%
Brokerage: Retail	96%	96%
Wholesale	1%	1%
Personal lines	2%	2%
Invstmt. income	1%	1%
Employees	124	125
Offices	7	6

Founded: 1937.
Parent: California Casualty Management Co.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 15% of revenues.
Retail brokerage branches: Fresno, Glendale, Orange, Sacramento, San Diego, San Francisco and San Mateo, Calif.
Licensed excess/surplus broker in: California.
Officers: Stephen Horn II, managing vp; Charles W. Gross, vp-business development.
Contact: Stephen Horn II.

Caledonian Insurance Group Inc.

2025 First Ave., Suite 410, Seattle, Wash. 98121; 206-448-3030; fax: 206-448-7998

	1992	1991
Premium volume	$9,122,000	$9,300,000
Gross revenues	$1,150,000	$1,023,000
U.S. clients	87%	93%
Non-U.S. clients	13%	7%
Brokerage: Retail	86%	92%
U.S. offices	$989,000	$941,160
Wholesale	9%	0%
Personal lines	1%	1%
Services	0%	2%
Invstmt. income	4%	5%
Employees	11	10
Offices	2	2

Founded: 1988.
Retail brokerage: 94% commissions, 6% fees.
Retail brokerage branches: Spokane, Wash.
Licensed excess/surplus broker in: Alaska, Washington.
Officers: A.H. Cowan, president; Juanita Marchant, Larry Maloney, vps.
Contact: A.H. Cowan.

Cambridge Underwriters Ltd.

15415 Middlebelt, Livonia, Mich. 48154; 313-525-0927; fax: 313-525-0612

	1992	1991
Premium volume	$24,100,000	$24,000,000
Gross revenues	$3,878,000	$3,800,000
U.S. clients	100%	100%
Brokerage: Retail	89%	90%
U.S. offices	$3,451,000	$3,420,000
Personal lines	6%	5%
Services	1%	1%
Invstmt. income	2%	3%
Other	2%	1%
Employees	39	41
Offices	1	1

Founded: 1974.
Retail brokerage: 98% commissions, 2% fees.
Licensed excess/surplus broker in: Michigan.
Officers: Kenneth R. Hale, president; Jon Anibal, vp-operations; Robert Stein, Denise McHenry, Kathleen Gelardi, vps.
Contact: Kenneth R. Hale.

Cannon Cochran Management Services Inc.

2 E. Main Towne Centre, Danville, Ill. 61832; 217-446-1089; fax: 217-443-0927

	1992	1991
Gross revenues	$17,000,000	$13,000,000
U.S. clients	100%	100%
Brokerage: Retail	10%	12%
U.S. offices	$1,700,000	$1,600,000
Personal lines	1%	2%
Services	88%	85%
Invstmt. income	1%	1%
Employees	220	211
Offices	7	6

Founded: 1860.
Retail brokerage: 30% commissions, 70% fees.
Employee benefits: 15% of revenues.
Retail brokerage branches: Des Moines, Iowa; Indianapolis; Kansas City and St. Louis, Mo.; Oak Brook, Ill.; Wolford-Cannon-Hoecker, Danville, Ill.
Licensed excess/surplus broker in: Illinois.
Officers: Sam P. Cannon, CEO; Robert Cowgill, president; Gary Schirmer, treasurer; Jacqueline Cannon, secretary; Curt Overpeck, CFO.
Contact: Mary Norenberg, marketing manager, 217-446-1089 ext. 108.

Continued on next page

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Continued from previous page

Brokerage: Retail	70%	70%
U.S. offices	$1,604,507	$1,712,281
Wholesale	5%	5%
Personal lines	22%	22%
Services	2%	2%
Invstmt. income	1%	1%
Employees	40	47
Offices	4	4

Founded: 1955.
Retail brokerage: 98% commissions, 2% fees.
Retail brokerage branches: Bear Butte Insurance, Sturgis, S.D.; First American Insurors, Mitchell, S.D.; Kluthe & Lane Insurance, Rapid City, S.D.
Non-retail brokerage subsidiaries: First American General Agency, Rapid City, S.D.
Licensed excess/surplus broker in: South Dakota.
Officers: E.J. Smith, president; Dallas Vos, secretary/treasurer; John E. Hutson, executive vp/general manager; Ronald Johnson, senior vp; Mark Kvernum, personal lines manager.
Contact: John E. Hutson.

Fitzgerald, Clayton, James & Kasten Inc.

735 N. Water St., Suite 1328, Milwaukee, Wis. 53202; 414-271-3717; fax: 414-271-2935

	1992	1991
Premium volume	$13,000,000	$12,000,000
Gross revenues	$1,699,500	$1,713,630
U.S. clients	100%	100%
Brokerage: Retail	84%	82%
U.S. offices	$1,428,000	$1,404,000
Wholesale	1%	2%
Personal lines	12%	12%
Services	1%	1%
Invstmt. income	2%	3%
Employees	25	25
Offices	1	1

Founded: 1850.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 5% of revenues.
Licensed excess/surplus broker in: Wisconsin.
Officers: Charles V. James, president/treasurer; Todd D. James, senior vp-operations; Jeffrey A. Thiel, senior vp-sales; Karen A. Rechlicz, vp/secretary.
Contact: Charles V. James.

Forrest Sherer Inc.

24 N. Sixth St., Terre Haute, Ind. 47807; 812-232-0441; fax: 812-232-1783

	1992	1991
Premium volume	$44,500,000	$39,570,500
Gross revenues	$4,740,000	$4,588,600
U.S. clients	100%	100%
Brokerage: Retail	79.1%	80.1%
U.S. offices	$3,749,340	$3,673,633
Wholesale	4.2%	3.8%
Personal lines	11.5%	10.5%
Services	3%	1.8%
Invstmt. income	2.2%	3.1%
Other	0%	0.8%
Employees	67	65
Offices	3	3

Founded: 1920.
Retail brokerage: 99% commissions, 1% fees.
Retail brokerage branches: Indianapolis and Jasper, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: John W. Dinkel, president/treasurer; John S. Lukens, executive vp-sales; Dennis S. Michael, vp-administration; Malcolm M. Wright, vp-customer service; John Bart Douglas, vp-bonds.
Contact: John W. Dinkel.

Frenkel & Co. Inc.

123 William St., New York, N.Y. 10038; 212-238-0202; fax: 212-693-0298

	1992	1991
Gross revenues	$33,560,000	$24,140,000
U.S. clients	100%	100%
Brokerage: Retail	87%	91%
U.S. offices	$29,197,000	$21,967,400
Personal lines	6%	5%
Services	3%	0%
Invstmt. income	4%	4%
Employees	310	205
Offices	4	1

Founded: 1878.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 5% of revenues.
Acquisitions: Adams & Porter Inc., New York, September 1992; John P. Tilden Ltd., New York, December 1992.
Retail brokerage branches: Adams & Porter Inc., Burbank, Calif.; John P. Tilden Ltd., Bayshore and New York, N.Y.
Licensed excess/surplus broker in: New York.
Officers: Charles W. Pachner, chairman; Alan S. Samuels, vice chairman/CEO; Robert E. Shunk, president; Harold D. Goldsmith, executive vp/treasurer/COO; Martin L. Elkinson, executive vp/corporate secretary; Raymond F. Courtien, John F. Kelly, David B. Adams, Gerald I. Benson, executive vps; J. Robert Wilson, chairman-John P. Tilden Ltd.
Contact: Alan S. Samuels, 212-238-0205.

Fritz International Insurance Brokers

142 Sansome St., Suite 500, San Francisco, Calif. 94104; 415-904-8440; fax: 415-296-7134

	1992	1991
Premium volume	$3,896,000	$3,460,000
Gross revenues	$1,196,000	$1,030,000
U.S. clients	100%	100%
Brokerage: Retail	100%	100%
Employees	8	8
Offices	1	1

Founded: 1954.
Parent: Fritz Cos. Inc.
Licensed excess/surplus broker in: California.
Officers: Cynthia L.A. Changmine, marine manager.

G

GHA Insurance & Financial Services Inc.

415 Munson Ave., P.O. Box 392, Traverse City, Mich. 49684; 616-947-4660; fax: 616-929-3724

	1992	1991
Premium volume	$34,860,000	$31,600,000
Gross revenues	$5,020,000	$4,386,000
U.S. clients	100%	100%
Brokerage: Retail	60%	60%
U.S. offices	$3,012,000	$2,631,600
Personal lines	20%	22%
Invstmt. income	1%	1%
Other	19%	17%
Employees	81	79
Offices	4	5

Founded: 1980.
Retail brokerage: 100% commissions.
Employee benefits: 4% of revenues.
Retail brokerage branches: GHA Insurance of Charlevoix, Charlevoix, Mich.; GHA Insurance of Grand Rapids, Grand Rapids, Mich.; GHA Insurance of Kalkaska, Kalkaska, Mich.
Licensed excess/surplus broker in: 43 states (marine business).
Officers: William C. Anderson, president/CEO; Kenneth L. Lesperance, vp-operations; Harry L. Dorman, vp-sales.
Contact: William C. Anderson.

Bob Gabriel Co.

2325 Wilshire Blvd., P.O. Box 620, Santa Monica, Calif. 90406; 310-829-0305; fax: 310-453-0302

	1992	1991
Premium volume	$8,000,000	$7,800,000
Gross revenues	$1,200,000	$1,100,000
U.S. clients	100%	100%
Brokerage: Retail	50%	50%
U.S. offices	$600,000	$550,000
Personal lines	48%	48%
Invstmt. income	2%	2%
Employees	10	10
Offices	1	1

Founded: 1936.
Retail brokerage: 100% commissions.
Employee benefits: 8% of revenues.
Officers: Robert M. Gabriel, owner.

Arthur J. Gallagher & Co.

2 Pierce Place, Itasca, Ill. 60143; 708-773-3800; fax: 708-285-4025

See profile on page 47.

William Gallagher Associates

200 State St., Boston, Mass. 02109; 617-261-6700; fax: 617-261-6720

	1992	1991
Premium volume	$29,700,000	$25,000,000
Gross revenues	$3,850,000	$3,200,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	95%	93%
U.S. offices	$3,657,500	$2,976,000
Personal lines	1%	1%
Services	1%	1%
Invstmt. income	3%	5%
Employees	41	32
Offices	2	2

Founded: 1983.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 30% of revenues.
Retail brokerage branches: Parsippany, N.J.
Licensed excess/surplus broker in: Massachusetts.
Officers: William W. Gallagher III, chairman; Philip J. Edmundson, president; Thomas I. Gregory, Betsey Tan, senior vps.
Contact: William W. Gallagher III.

Gersten-Hillman Agency Inc.

P.O. Box 1150, 20 Anawana Lake Road, Monticello, N.Y. 12701-8150; 914-794-5544; fax: 914-794-0430

	1992	1991
Premium volume	$6,200,000	$6,300,000
Gross revenues	$860,000	$900,000
U.S. clients	100%	100%
Brokerage: Retail	66%	66%
U.S. offices	$572,000	$585,000
Wholesale	1%	1%
Personal lines	30%	31%
Invstmt. income	1%	1%
Other	2%	2%
Employees	14	15
Offices	1	1

Founded: 1932.
Retail brokerage: 100% commissions.
Employee benefits: 1% of revenues.
Officers: Joyce A. Salimeno, secretary/treasurer/COO; Julius Cohen, president.
Contact: Joyce A. Salimeno.

Gilbert-Magill Co.

323 W. Eighth St., Suite 800, Kansas City, Mo. 64105; 816-474-3535; fax: 816-842-5795

	1992	1991
Premium volume	$15,600,000	$10,500,000
Gross revenues	$2,524,554	$1,730,941
U.S. clients	100%	100%
Brokerage: Retail	87%	87%
U.S. offices	$2,196,362	$1,505,919
Personal lines	13%	13%
Employees	43	40
Offices	1	1

Founded: 1963.
Retail brokerage: 100% commissions.
Employee benefits: 19% of revenues.
Licensed excess/surplus broker in: Kansas, Missouri.
Officers: Edward G. Gilbert, chairman; John Bovard, president/CEO; Joseph J. Piatczyc, executive vp; La Doris Y. Langley, senior vp/COO; James B. Koenigsdorf, vp.
Contact: Lori Langley.

The Gleason Agency Inc.

P.O. Box 8, BT Financial Plaza, Suite 204, Johnstown, Pa. 15907; 814-535-8411; fax: 814-536-5554

	1992	1991
Premium volume	$37,004,063	$36,979,970
Gross revenues	$3,915,779	$4,107,140
U.S. clients	100%	100%
Brokerage: Retail	95.4%	92%
U.S. offices	$3,735,653	$3,778,569
Personal lines	3%	3%
Invstmt. income	1.6%	5%
Employees	42.5	49
Offices	6	5

Founded: 1924.
Retail brokerage: 87% commissions, 13% fees.
Retail brokerage branches: Allentown, Altoona, Harrisburg, Pittsburgh and Philadelphia, Pa.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Robert A. Gleason Jr., president; Christopher K. Gleason, treasurer; Carolyn M. Zierer, corporate secretary.
Contact: Michele Malzi Baker, corporate controller.

Richard N. Goldman & Co.

1 Bush St., 9th Floor, San Francisco, Calif. 94104; 415-981-1141; fax: 415-398-4986

	1992	1991
Gross revenues	$8,300,000	$8,500,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$7,055,000	$7,225,000
Personal lines	11.5%	10.5%
Invstmt. income	3.5%	4.5%
Employees	72	69
Offices	1	1

Founded: 1949.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 11% of revenues.
Licensed excess/surplus broker in: California.
Officers: Richard N. Goldman, chairman/CEO; Stuart W. Seiler, vice chairman; John D. Goldman, president; Laurence A. Colton, executive vp; Gerald J. Fitzgerald, senior vp.
Contact: H. Castro.

Gow & Hanna Inc.

100 Maiden Lane, New York, N.Y. 10038; 212-509-6100; fax: 212-509-9291

	1992	1991
Premium volume	$93,000,000	$92,250,000
Gross revenues	$9,594,000	$10,032,000
U.S. clients	100%	100%
Brokerage: Retail	62%	59%
U.S. offices	$5,948,000	$5,918,880
Wholesale	27%	30%
Services	9.5%	8.8%
Invstmt. income	1.5%	2.3%
Employees	65	70
Offices	5	5

Founded: 1986.
Parent: Gow & Hanna Group Inc.
Retail brokerage: 74% commissions, 26% fees.
Employee benefits: 1% of revenues.
Retail brokerage branches: Gow & Hanna Inc. of Conn., Hartford, Conn.; Gow & Hanna Inc. of Texas, Houston; Gow & Hanna Inc. of Upstate N.Y., Buffalo, N.Y.; Gow & Hanna West Inc. Insurance Service, Irvine, Calif.
Licensed excess/surplus broker in: New York, Texas.
Officers: Timothy Gow, president; C. Richard Clark, president-Gow & Hanna Inc. of Texas; Anthony Mastrolia, executive vp; Thomas E. Lyng, secretary/treasurer; Woodrow Baird, president-Gow & Hanna Inc. of Conn.
Contact: Timothy Gow.

Grace/Mayer Insurance Agency Inc.

10050 Regency Circle, Omaha, Neb. 68114; 402-397-5050; fax: 402-397-6675

	1992	1991
Premium volume	$20,700,000	$18,000,000
Gross revenues	$2,900,000	$2,750,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$2,465,000	$2,337,500
Personal lines	12%	14%
Services	3%	1%
Employees	34	33
Offices	1	1

Founded: 1917.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 7.5% of revenues.
Officers: Martin J. Lehr, CEO; Arnold H. Joffe, president; Gary M. Kaplan, vp/treasurer; John S. Lehr, vp/secretary.
Contact: Arnold H. Joffe.

The Graham Co.

1 Penn Square W., 24th Floor, Philadelphia, Pa. 19102; 215-567-6300; fax: 215-751-9518

	1992	1991
Premium volume	$67,900,000	$64,000,000
Gross revenues	$11,596,000	$10,400,000
U.S. clients	100%	100%
Brokerage: Retail	95%	93%
U.S. offices	$11,016,200	$9,672,000
Personal lines	2%	2%
Invstmt. income	3%	5%
Employees	94	83
Offices	1	1

Founded: 1950.
Retail brokerage: 68% commissions, 32% fees.
Employee benefits: 1% of revenues.
Licensed excess/surplus broker in: New Jersey, Pennsylvania.
Officers: William A. Graham IV, president/CEO; John B. McCormick, treasurer; Margaret C. Jones, corporate secretary; Michael Tiagwad, vp-sales; Michael J. Mitchell, Harry R. Johnson, vps.
Contact: Margaret C. Jones.

Gras Savoye SA

115/123 Ave. Charles de Gaulle, 92200 Neuilly-sur-Seine, France; 331-47-38-70-06; fax: 331-46-37-11-41

See profile on page 59.

Gundermann & Gundermann Inc.

175 W. Carver St., Huntington, N.Y. 11743; 516-271-0600; fax: 516-271-0610

	1992	1991
Premium volume	$19,000,000	$20,000,000
Gross revenues	$2,800,000	$3,000,000
U.S. clients	100%	100%
Brokerage: Retail	70%	65%
U.S. offices	$1,960,000	$1,950,000
Personal lines	30%	34%
Invstmt. income	0%	1%
Employees	40	48
Offices	1	1

Founded: 1937.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues.
Licensed excess/surplus broker in: New York.
Officers: J.A. Gundermann Jr., president; Thomas Gundermann; D.E. Gundermann; J.A. Gundermann III; Bradley Ruppel.
Contact: J.A. Gundermann Jr.

H

The HDH Group Inc.

3200 1 Oxford Centre, Pittsburgh, Pa. 15219; 412-391-7300; fax: 412-391-7322

	1992	1991
Premium volume	$60,000,000	$50,000,000
Gross revenues	$6,122,639	$5,996,004
U.S. clients	100%	100%
Brokerage: Retail	83%	81%
U.S. offices	$5,081,796	$4,856,763
Wholesale	10%	10%
Reinsurance	2%	2%
Services	2%	2%
Invstmt. income	3%	5%
Employees	40	38
Offices	1	1

Founded: 1982.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 25% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Bryan C. Hondru, president; Mark Horan, Joseph Deutsch, senior vps; Wallace Merrell, vp; Kay Turnbull, treasurer.
Contact: Bryan C. Hondru.

H&R Phillips Inc.

350 Fifth Ave., Suite 5400, New York, N.Y. 10118; 212-239-5353; fax: 212-239-5484

	1992	1991
Gross revenues	$2,600,000	$2,800,000
U.S. clients	100%	100%
Brokerage: Retail	82%	83%
U.S. offices	$2,100,000	$2,300,000

Continued on next page

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Continued from previous page

Personal lines	12%	12%
Invstmt. income	1%	1%
Other	5%	4%
Employees	26	28
Offices	1	1

Founded: 1964.
Retail brokerage: 100% commissions.
Employee benefits: 48% of revenues.
Licensed excess/surplus broker in: New York.
Officers: Judith L. Robinson, president; Eli Mishanie, Carmen Barros, vps.
Contact: Judith L. Robinson.

Haas & Wilkerson Inc.

4300 Shawnee Mission Parkway, Shawnee Mission, Kan. 66205; 913-432-4400; fax: 913-432-6159

	1992	1991
Premium volume	$66,200,000	$64,240,000
Gross revenues	$10,700,000	$10,560,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	94%	94%
U.S. offices	$10,058,000	$9,926,400
Wholesale	1%	1%
Personal lines	3%	3%
Services	1%	1%
Other	1%	1%
Employees	95	100
Offices	6	6

Founded: 1939.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 6% of revenues.
Retail brokerage branches: Conshohecken and Philadelphia, Pa.; Fairway, Kan.; New York; St. Louis; St. Petersburg, Fla.
Officers: W. Ralph Wilkerson Jr., chairman emeritus; William R. Wilkerson III, chairman/CEO; J. Philip Coulson, president; Frederick P. Dunn, executive vp; George A. Lucas, vp.
Contact: Frederick P. Dunn.

Hackett Valine & MacDonald Inc.

140 Kennedy Drive, P.O. Box 2127, South Burlington, Vt. 05407; 802-658-1100; fax: 802-658-9419

	1992	1991
Premium volume	$26,000,000	$25,600,000
Gross revenues	$3,455,000	$3,950,000
U.S. clients	100%	100%
Brokerage: Retail	86.7%	85.1%
U.S. offices	$2,995,485	$3,367,217
Personal lines	10%	10%
Invstmt. income	2.3%	3.9%
Other	1%	1%
Employees	42	46
Offices	1	1

Founded: 1970.
Retail brokerage: 100% commissions.
Employee benefits: 9% of revenues.
Licensed excess/surplus broker in: Vermont.
Officers: Luther F. Hackett, president; John J. Dwyer, executive vp; Richard C. Hulette, Gerard W. O'Reilly, L. David Smith, senior vps.
Contact: Gerard W. O'Reilly.

Hamilton Dorsey Alston Co.

3350 Cumberland Circle, Suite 100, Atlanta, Ga. 30339; 404-850-0050; fax: 404-850-9375

	1992*	1991*
Premium volume	$54,060,000	$65,000,000
Gross revenues	$6,221,533	$6,219,000
U.S. clients	100%	100%
Brokerage: Retail	72%	74%
U.S. offices	$4,455,076	$4,402,600
Personal lines	25%	21%
Invstmt. income	3%	4%
Other	0%	1%
Employees	NA	80
Offices	1	1

* Fiscal year ending 10/31/92.
Founded: 1972.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 21% of revenues.
Licensed excess/surplus broker in: Georgia.
Officers: Joseph W. Hamilton Jr., CEO; Robert S. Necessary, president/COO; Angela B. Bemiss, CFO; William H. Rauschenberg, executive vp.
Contact: Angi Bemiss.

Cameron M. Harris & Co.

P.O. Box 220748; Charlotte, N.C. 28222; 704-366-8834; fax: 704-366-8245

	1992	1991
Premium volume	$85,950,266	$66,965,721
Gross revenues	$9,648,953	$8,906,703
U.S. clients	100%	100%
Brokerage: Retail	68.3%	65.2%
U.S. offices	$6,590,397	$5,805,389
Personal lines	17.5%	19%
Services	0.4%	0%
Invstmt. income	0.8%	1.5%
Other	13%	14.4%
Employees	134	123
Offices	5	4

Founded: 1979.
Parent: C.M. Harris Holding Co.
Retail brokerage: 91.4% commissions, 8.6% fees.
Employee benefits: 8.8% of revenues.
Acquisitions: Heidenreich, Charlotte, N.C., August 1992.
Retail brokerage branches: Boone, Lenoir, Morganton and Raleigh, N.C.
Licensed excess/surplus broker in: North Carolina.
Officers: Cameron M. Harris, president/CEO; M. Eugene Link, executive vp/COO; William A. Richard Jr., CFO/secretary/treasurer; James F. Walker, executive vp; Harold J. Wilkerson, commercial sales manager.
Contact: William A. Richard Jr.

Harris & Harris of Kentucky Inc.

501 S. Second St., Louisville, Ky. 40202; 502-584-2193; fax: 502-581-0648

	1992	1991
Premium volume	$30,300,000	$29,500,000
Gross revenues	$3,650,000	$3,150,000
U.S. clients	100%	100%
Brokerage: Retail	71%	73%
U.S. offices	$2,591,500	$2,299,500
Wholesale	22%	20%
Personal lines	4%	4%
Services	1%	1%
Invstmt. income	1%	1%
Other	1%	1%
Employees	37	46
Offices	1	1

Founded: 1915.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 3% of revenues.
Licensed excess/surplus broker in: Indiana, Kentucky, Virginia.
Officers: John G. Beam Jr., chairman; Michael F. Sheehan, president; Pamela R. Wessel, executive vp; Jeffrey V. McGowan, Clifford T. Elgin, senior vps.
Contact: Pamela R. Wessel.

Hastings-Tapley Insurance Agency Inc.

271 Cambridge St., Cambridge, Mass. 02141; 617-876-7510; fax: 617-876-7155

	1992	1991
Premium volume	$92,879,000	$89,038,000
Gross revenues	$12,833,512	$12,310,775
U.S. clients	100%	100%
Brokerage: Retail	52.8%	54%
U.S. offices	$6,776,094	$6,731,300
Personal lines	30.1%	28.9%
Services	16.1%	16.1%
Invstmt. income	1%	1%
Employees	174	165
Offices	13	11

Founded: 1866.
Retail brokerage: 94.4% commissions, 5.6% fees.
Employee benefits: 1% of revenues.
Acquisitions: Bechard Insurance Agency, Nashua, N.H., January 1992.
Retail brokerage branches: Danvers, Gloucester, Ipswich, North Reading, Quincy, Saugus, Watertown and Woburn, Mass.; Fairfield, Conn.; Governmental Entities Management Services Inc., Albany, N.Y.; Bechard Insurance Agency Inc., Nashua and Salem, N.H.
Non-retail brokerage subsidiaries: Governmental Entities Management Services Inc., Albany, N.Y.; Hastings-Tapley Services Inc., Cambridge, Mass.; Lane England Associates Inc., Cambridge, Mass.
Licensed excess/surplus broker in: Massachusetts.
Officers: Frederick J. England Jr., chairman; Henry A. Bechard Jr., vice chairman; E. Donald Lewis, president; Marsha K. Burridge, executive vp; Jennifer L. Decker, vp/clerk.
Contact: Daniel A. Leone, vp/comptroller.

Healthcare Insurance Services Inc.

820 Gessner, Suite 1000, Houston, Texas 77024; 713-461-4000; fax: 713-461-4334

	1992	1991
Premium volume	$137,383,747	$116,465,810
Gross revenues	$15,815,437	$13,755,466
U.S. clients	100%	100%
Brokerage: Retail	51.8%	44%
U.S. offices	$8,198,679	$6,046,902
Wholesale	12.3%	13.6%
Reinsurance	1.1%	0.7%
Services	30.5%	34.3%
Invstmt. income	4.3%	7.4%
Employees	96	85
Offices	3	3

Founded: 1983.
Parent: The Galtney Group Inc.
Retail brokerage: 90.8% commissions, 9.2% fees.
Employee benefits: 4% of revenues.
Retail brokerage branches: Ft. Lauderdale, Fla.; Professional Risk Management Services Inc., Washington.
Licensed excess/surplus broker in: Texas, Virginia.
Officers: William F. Galtney Jr., chairman; William J. Reese Jr., president; Dorian Weiss, senior vp; Beverly S. Patrick, S. Patrick, president-Professional Risk Management Services Inc.; Joe L. Moore, executive vp.
Contact: Joe L. Moore.

C.E. Heath P.L.C.

133 Houndsditch, London EC3A 7AH, England; 44-71-234-4000; fax: 44-71-234-4111

See profile on page 45.

Joseph Held Co. Inc.

127 John St., New York, N.Y. 10038; 212-962-3122 or 800-221-9940; fax: 212-797-5413

	1992	1991
Premium volume	$17,250,000	$17,000,000
Gross revenues	$2,050,000	$2,000,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	75%	75%
U.S. offices	$1,537,500	$1,500,000
Wholesale	18.5%	17.5%
Personal lines	2%	2.5%
Services	2%	2.5%
Invstmt. income	2.5%	2.5%
Employees	7	7
Offices	1	1

Founded: 1897.
Retail brokerage: 95% commissions, 5% fees.
Licensed excess/surplus broker in: New York.
Officers: Kenneth S. Held, president/CEO; Renee Held, vp/treasurer.
Contact: Kenneth S. Held.

Henderson & Phillips Insurance

235 E. Plume St., Norfolk, Va. 23510; 804-625-1800; fax: 804-625-4849

	1992	1991
Premium volume	$86,000,000	$89,000,000
Gross revenues	$12,506,650	$13,100,148
U.S. clients	100%	100%
Brokerage: Retail	48%	52.3%
U.S. offices	$6,003,317	$6,848,995
Wholesale	22.5%	17.8%
Reinsurance	1.5%	1.3%
Personal lines	21.8%	21.9%
Services	3.4%	3%
Invstmt. income	1.7%	2.1%
Other	1.1%	1.6%
Employees	127	161
Offices	6	7

Founded: 1896.
Parent: Henderson & Phillips Inc.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 6.7% of revenues.
Retail brokerage branches: Firestone Insurance Services/Colonial Premium Finance Co., Newport News, Va.; Henderson & Phillips Insurance, Newport News and Richmond, Va.; Self Insurance Services Inc., Richmond, Va.
Non-retail brokerage subsidiaries: Overstreet & Newell, Atlanta, Ga.
Licensed excess/surplus broker in: Florida, Georgia, Virginia.
Officers: George G. Phillips Jr., chairman/CEO; F. Dudley Fulton, president/COO; Jeffrey A. Snyder, CFO; Eleanor V. Rathbun, secretary.
Contact: F. Dudley Fulton.

Herke Insurance Center

727 E. 86th St., P.O. Box 40309; Indianapolis, Ind. 46240; 317-251-7100; fax: 317-259-1704

	1992	1991
Premium volume	$19,289,794	$28,473,788
Gross revenues	$2,577,046	$2,591,540
U.S. clients	100%	100%
Brokerage: Retail	77.5%	82.5%
U.S. offices	$1,997,211	$2,138,021
Personal lines	6%	6%
Services	16.5%	11.5%
Employees	39	27
Offices	1	1

Founded: 1927.
Retail brokerage: 83.5% commissions, 16.5% fees.
Employee benefits: 7.5% of revenues.
Licensed excess/surplus broker in: Indiana.
Officers: Philip R. Peterson, CEO/treasurer; Daniel T. Touw, president; Robert L. Tucker, vp; Norma Lerch, secretary.
Contact: Norma Lerch.

Paul Hertel & Co. Inc.

243 Chestnut St., Philadelphia, Pa. 19106; 215-925-7656; fax: 215-923-0342

	1992	1991
Premium volume	NA	$36,000,000
Gross revenues	$3,700,000	$4,375,000
U.S. clients	100%	100%
Brokerage: Retail	72%	74%
U.S. offices	$2,660,000	$3,200,000
Personal lines	22%	21%
Services	2%	2%
Invstmt. income	3%	2%
Other	1%	1%
Employees	55	64
Offices	1	3

Founded: 1908.
Retail brokerage: 99% commissions, 1% fees.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Paul R. Hertel Jr., chairman; James J. McLaughlin, president; Robert J. Bush, executive vp; John T. Rigaut, senior vp; George E. Mansfield, vp/secretary.
Contact: George E. Mansfield.

Hilb, Rogal & Hamilton Co.

4235 Innslake Drive, P.O. Box 1220, Glen Allen, Va. 23060; 804-747-6500; fax: 804-747-6046

See profile on page 62.

The Hirshorn Co.

14 E. Highland Ave., Philadelphia, Pa. 19118; 215-242-8200; fax: 215-247-6366

	1992	1991
Premium volume	$10,863,809	$10,249,801
Gross revenues	$1,468,684	$1,488,699
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	77.8%	78.1%
U.S. offices	$1,163,349	$1,199,071
Personal lines	14%	14%
Invstmt. income	6.2%	5.9%
Other	2%	2%
Employees	17	18
Offices	1	1

Founded: 1932.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 4.6% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Ralph S. Hirshorn, chairman; B. Graeme Frazier III, president; Stephen H. Wetherill, Dennis P. Murphy, vps.
Contact: B. Graeme Frazier III.

Hobbs Group Inc.

225 Wyman St., Waltham, Mass. 02254; 617-890-1455; fax: 617-890-8617

	1992	1991
Premium volume	$231,000,000	$228,000,000
Gross revenues	$22,900,000	$21,650,000
U.S. clients	93%	95%
Non-U.S. clients	7%	5%
Brokerage: Retail	94%	94%
U.S. offices	$20,800,000	$20,000,000
Non-U.S. offices	$700,000	$400,000
Reinsurance	1%	0%
Personal lines	1%	1%
Services	1%	0%
Invstmt. income	3%	5%

Founded: 1954.
Parent: Arkwright Mutual Insurance Co.
Retail brokerage: 79% commissions, 21% fees.
Retail brokerage branches: Atlanta; Austin, Dallas and Houston, Texas; Boston; Chicago; Cleveland; Columbia, Md.; Greenwich and Shelton, Conn.; Los Angeles and San Francisco, Calif.; Rutherford, N.J.; Montreal and Toronto, Canada.
Licensed excess/surplus broker in: Alaska, California, Connecticut, Massachusetts, Michigan, New York, Pennsylvania, Texas, Virginia.
Officers: W. Glenn Yancey, president, CEO; Thomas A. Golub, Richard R. Wood, senior vps; Charles E. Darrigrand, vp/staff officer; Allard A. Beutel, vp.
Contact: Charles E. Darrigrand.

The Hoffman Co. Inc.

19750 S. Vermont Ave., Suite 227, Torrance, Calif. 90502; 310-329-1100; fax: 310-329-3837

	1992	1991
Premium volume	$35,000,000	$30,000,000
Gross revenues	$821,000	$810,000
U.S. clients	100%	100%
Brokerage: Retail	98%	98%
Personal lines	1%	1%
Services	1%	1%
Employees	8	8
Offices	1	1

Founded: 1987.
Retail brokerage: 98% commissions, 2% fees.
Officers: Hugh C. Hoffman, president; Ronald D. Long, vp.
Contact: Kathey Dread, manager.

Hogg Group P.L.C.

Lloyds Chambers, 1 Portsoken St., London E1 8DF, England; 44-71-480-4000; fax: 44-71-480-4007

See profile on page 50.

Hogg Robinson Inc.

20 Custom House St., Suite 740, Boston, Mass. 02110; 617-330-5100; fax: 617-330-6940

	1992	1991
Gross revenues	$68,600,000	$71,300,000
U.S. clients	94%	95%
Non-U.S. clients	6%	5%
Brokerage: Retail	61%	61%
U.S. offices	$41,900,000	$44,700,000
Personal lines	10%	9%
Services	28%	28%
Invstmt. income	1%	2%
Employees	810	866
Offices	37	37

Founded: 1970.
Parent: Hogg Group P.L.C.
Employee benefits: 28% of revenues.
Acquisitions: Export Credit Insurance Assn., San Francisco, Calif., March 1992; Group Insurance Service Center Inc., Marshfield, Mass., June 1992.
Retail brokerage branches: Hogg Robinson Commercial Brokerage Offices:

Continued on next page

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Licensed excess/surplus broker in: California, Florida, Georgia, Hawaii, Illinois, Massachusetts, Michigan, Minnesota, New Hampshire, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia.

Officers: Gary R. Griffith, president/CEO; Charles E. Keller, chairman; Robert J. Hogan Jr., president-Brokerage Services Division; Richard I. Citron, president-Benefit Services Division; John J. Welsh, executive vp/CFO.

Contact: Gary R. Griffith or John J. Welsh.

Holman Insurance Brokers Ltd.

165 E. Beaver Creek Road, Suite 18, Richmond Hill, Ontario L4B 2N2, Canada; 416-886-5630; fax: 416-886-5622

	1992*	1991*
Premium volume	$9,064,000	$9,603,000
Gross revenues	$1,648,000	$1,852,510
U.S. clients	1%	1%
Non-U.S. clients	99%	99%
Brokerage: Retail	36%	35%
Personal lines	53%	50%
Services	3%	3%
Invstmt. income	6%	10%
Other	2%	2%
Employees	30	38
Offices	1	1

* Converted at applicable exchange rates.

Founded: 1981.

Retail brokerage: 97% commissions, 3% fees.

Officers: Frank Holman, president; Mark Holman, assistant vp; Paul Holman, Christopher Holman, vps.

Contact: Paul Holman.

Holmes Murphy & Associates

420 Keo Way, Des Moines, Iowa 50309; 515-286-4400; fax: 515-286-4494

	1992	1991
Premium volume	$140,000,000	$79,000,000
Gross revenues	$16,000,000	$13,800,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
Personal lines	3%	3%
Services	5%	5%
Invstmt. income	2%	2%
Offices	5	2

Founded: 1971.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 35% of revenues.

Acquisitions: F.B. Hall, Cedar Rapids, Iowa, April 1992.

Retail brokerage branches: Cedar Rapids, Iowa; Dallas.

Non-retail brokerage subsidiaries: Select Benefit Administrators, Des Moines, Iowa.

Licensed excess/surplus broker in: Iowa.

Officers: Doug Reichardt, CEO; Nick Henderson, COO; Jim Swift, president-Iowa.

Hylant-MacLean Inc.

1505 Jefferson Ave., Toledo, Ohio 43624; 419-255-1020; fax: 419-255-7557

	1992	1991
Premium volume	$125,000,000	$120,000,000
Gross revenues	$9,625,000	$9,450,000
U.S. clients	93%	93%
Non-U.S. clients	7%	7%
Brokerage: Retail	98%	98%
U.S. offices	$9,432,500	$9,261,000
Personal lines	1%	1%
Invstmt. income	1%	1%
Employees	92	84
Offices	3	3

Founded: 1935.

Retail brokerage: 40% commissions, 60% fees.

Employee benefits: 12% of revenues.

Acquisitions: McCloy Risk Management, Columbus, Ohio, January 1993.

Retail brokerage branches: Cleveland and Columbus, Ohio; Detroit.

Licensed excess/surplus broker in: Michigan, Ohio.

Officers: Patrick R. Hylant, president; William F. Buckley, vp/COO; J. Scott Stewart, Kyle R. Latham, Stephen T. Hylant, Michael M. Hylant, vps.

Contact: Dianne Cameron.

I

ISU/Anderson & Baker Insurance Services

933 Webster St., Marshfield, Mass. 02050; 617-834-6578; fax: 617-837-3756

	1992	1991
Premium volume	$5,350,000	$5,000,000
Gross revenues	$620,000	$600,000
U.S. clients	100%	100%
Brokerage: Retail	23%	23%
U.S. offices	$145,000	$140,000
Personal lines	77%	77%
Employees	7	7
Offices	1	1

Founded: 1983.

Retail brokerage: 100% commissions.

Employee benefits: 10% of revenues.

Officers: Lawrence W. Baker, president; Peter T. Anderson, treasurer/clerk; Linda A. Walsh, assistant treasurer.

Contact: Peter T. Anderson.

ISU/Beauchamp & McSpadden Inc.

231 W. Canal St., P.O. Box 687, Wabash, Ind. 46992; 219-563-8821; fax: 219-563-7957

	1992	1991
Premium volume	$21,400,000	$23,800,000
Gross revenues	$2,906,000	$2,980,000
U.S. clients	100%	100%
Brokerage: Retail	58%	70%
U.S. offices	$1,633,000	$2,086,000
Personal lines	34.6%	25.9%
Invstmt. income	7.4%	4.1%
Employees	47	48
Offices	4	4

Founded: 1927.

Retail brokerage: 100% commissions.

Employee benefits: 4.6% of revenues.

Retail brokerage branches: North Manchester and Warsaw, Ind.; Morrison Galliher/ISU Inc., Muncie, Ind.

Licensed excess/surplus broker in: Indiana.

Officers: Robert W. Beauchamp, president; Joseph W. McSpadden, secretary/vp; Larry D. McSpadden, Frederick H. Squires, vps; Michael J. Beauchamp, treasurer.

Contact: Robert W. Beauchamp.

ISU/Blaine-Braswell & Associates Inc.

10825 Watson Road, P.O. Box 8597, St. Louis, Mo. 63127; 314-966-2600; fax: 314-966-0128

	1992	1991
Premium volume	$12,600,000	$11,000,000
Gross revenues	$1,200,000	$1,100,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$1,080,000	$990,000
Personal lines	8%	8%
Invstmt. income	2%	2%
Employees	17	17
Offices	2	1

Founded: 1973.

Retail brokerage: 100% commissions.

Employee benefits: 6% of revenues.

Retail brokerage branches: Mt. Vernon, Ill.

Licensed excess/surplus broker in: Missouri.

Officers: James N. Blaine, president; Stacey W. Braswell, executive vp; Wilda N. Blaine, secretary/treasurer.

Contact: James N. Blaine.

ISU/Cassady Neeser & Brasseur

340 Columbia Place, P.O. Box 778, South Bend, Ind. 46624; 219-233-9443; fax: 219-289-9504

	1992	1991
Premium volume	$20,300,000	$21,400,000
Gross revenues	$3,250,000	$3,200,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
Personal lines	15%	15%
Services	2%	1%
Invstmt. income	1%	3%
Other	2%	1%
Emp	38	38
Offices	2	2

Founded: 1919.

Retail brokerage: 99.5% commissions, 0.5% fees.

Employee benefits: 8% of revenues.

Retail brokerage branches: Oakbrook Terrace, Ill.

Licensed excess/surplus broker in: Indiana.

Officers: Thomas R. Cassady Sr., Robert O. Neeser, Gregg L. Brasseur, William C. Reynolds, Thomas R. Cassady Jr., John S. Sukup, partners.

Contact: Thomas R. Cassady Jr.

ISU/Corporate Insurance Management

1 Insurance Center Plaza, St. Louis, Mo. 63141; 314-434-3000; fax: 314-434-2917

	1992	1991
Premium volume	$10,884,398	$9,355,096
Gross revenues	$1,322,362	$1,221,277
U.S. clients	100%	100%
Brokerage: Retail	82%	79%
U.S. offices	$1,084,377	$964,808
Personal lines	16%	18%
Invstmt. income	2%	3%
Employees	14	14
Offices	1	1

Retail brokerage: 100% commissions.

Employee benefits: 9% of revenues.

Licensed excess/surplus broker in: Missouri.

Officers: W. Dale Finke, CEO/chairman; J.C. Timothy Carolan, president; H.F. James, Diane E. Wanstreet, Gerald M. Rogers, vps; James F. Yager, secretary/treasurer.

Contact: W. Dale Finke.

ISU/Feingold & Feingold Insurance Agency Inc.

22 Elm St., Worcester, Mass. 01608; 508-831-9500; fax: 508-797-4030

	1992	1991
Gross revenues	$2,389,640	$2,526,136
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$2,031,194	$2,147,216
Personal lines	15%	15%
Employees	26	28
Offices	1	1

Founded: 1935.

Retail brokerage: 80% commissions, 20% fees.

Employee benefits: 52% of revenues.

Officers: Saul F. Feingold, chairman; David I. Feingold, president; Richard Jordan, senior vp; Lisa Murrey, vp.

Contact: David I. Feingold.

ISU/Goggins & Whalen

71 King St., Northampton, Mass. 01060; 413-586-1000; fax: 413-585-0401

	1992	1991
Premium volume	$4,200,000	$4,000,000
Gross revenues	$660,000	$602,000
U.S. clients	100%	100%
Brokerage: Retail	29%	34%
U.S. offices	$191,400	$204,680
Personal lines	70%	65%
Other	1%	1%
Employees	7.5	8.5
Offices	1	1

Founded: 1961.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues.

Licensed excess/surplus broker in: Massachusetts.

Officers: Peter J. Whalen, president; Joseph J. Whalen, vp/clerk.

Contact: Peter J. Whalen.

ISU/Insurance Services

100 Pine St., Suite 1700, San Francisco, Calif. 94111; 415-788-9810; fax: 415-397-5530

	1992	1991
Premium volume	$30,000,000	$13,000,000
Gross revenues	$2,200,000	$1,300,000
U.S. clients	100%	100%
Brokerage: Retail	60%	90%
U.S. offices	$1,300,000	$1,170,000
Personal lines	35%	4%
Invstmt. income	2%	2%
Other	3%	4%
Employees	30	14
Offices	1	1

Founded: 1989.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 0.5% of revenues.

Acquisitions: Lithgow & Rayhill, San Francisco.

Licensed excess/surplus broker in: California.

Officers: Thomas J. Ryan, president; Grace Ryan, executive vp; T.J. Ryan III, senior vp.

Contact: Grace Ryan.

ISU/L. Calvin Jones & Co.

565 N. Broad St., P.O. Box 159, Canfield, Ohio 44406; 216-533-1195; fax: 216-533-7583

	1992	1991
Premium volume	$6,365,000	$6,257,000
Gross revenues	$1,300,000	$1,360,000
U.S. clients	100%	100%
Brokerage: Retail	74%	73%
U.S. offices	$965,000	$980,000
Personal lines	26%	27%
Employees	18	18
Offices	1	1

Founded: 1911.

Retail brokerage: 100% commissions.

Employee benefits: 2% of revenues.

Officers: Edward L. Gluck, president; Alvin A. Miller, Jim M. Klingensmith, vps; Wendell L. Jones, junior vp/treasurer; Jim S. Mitolo, vp/secretary.

Contact: Edward L. Gluck.

ISU/Laven Insurance Agency Inc.

2628 S. Michigan St., South Bend, Ind. 46614; 219-291-5510; fax: 219-291-8505

	1992	1991
Premium volume	$4,991,538	$4,406,592
Gross revenues	$823,670	$742,154
U.S. clients	100%	100%
Brokerage: Retail	76%	77%
U.S. offices	$625,989	$575,912
Personal lines	23%	22%
Invstmt. income	1%	1%
Employees	12	12
Offices	1	1

Founded: 1927.

Retail brokerage: 100% commissions.

Employee benefits: 6.5% of revenues.

Officers: Robert O. Laven, president; Gerald Nantkes.

Contact: Robert O. Laven.

ISU/The May Agency Inc.

1327 N. Walnut, P.O. Box 1669, Bloomington, Ind. 47402; 812-334-2400; fax: 812-332-3646

	1992	1991
Premium volume	$7,200,000	$6,100,000
Gross revenues	$1,300,000	$1,100,000
U.S. clients	100%	100%
Brokerage: Retail	85%	81%
U.S. offices	$1,100,000	$891,000
Services	13%	16%
Invstmt. income	2%	3%
Employees	14	16
Offices	1	1

Founded: 1949.

Retail brokerage: 100% commissions.

Employee benefits: 7% of revenues.

Licensed excess/surplus broker in: 50 states.

Officers: Paul May, president; Ralph May, secretary/treasurer; John May, director-national accounts.

Contact: Paul May.

ISU/Oliver & Shopen Insurance Agency

P.O. Box 2199, 6920 W. 79th St., Overland Park, Kan. 66204; 913-341-1900; fax: 913-649-4624

	1992	1991
Premium volume	$8,200,000	$7,778,000
Gross revenues	$1,105,000	$1,110,000
U.S. clients	98%	100%
Non-U.S. clients	2%	0%
Brokerage: Retail	67%	70%
U.S. offices	$770,000	$777,000
Personal lines	31%	29%
Services	1%	0%
Invstmt. income	0.8%	1%
Employees	16	15

Founded: 1967.

Parent: Oliver Insurance Agency Inc.

Retail brokerage: 99.5% commissions, 0.5% fees.

Employee benefits: 9% of revenues.

Acquisitions: ISU/Shopen & Co., Overland Park, Kan., April 1992.

Licensed excess/surplus broker in: Kansas.

Officers: Keith L. Oliver, president; Keith C. Oliver, vp; William Adams, Ken Voorhes, account executives/producers; Robert J. Smith, producer.

Contact: Keith C. Oliver.

ISU/Professional Insurance Managers of Tennessee

251 N. Military Ave., P.O. Drawer G, Lawrenceburg, Tenn. 38464; 615-762-5555; fax: 615-762-6078

	1992	1991
Premium volume	$15,300,000	$14,970,000
Gross revenues	$1,200,000	$1,050,000
U.S. clients	100%	100%
Brokerage: Retail	70%	70%
U.S. offices	$840,000	$735,000
Personal lines	30%	30%
Employees	20	20
Offices	3	3

Founded: 1946.

Retail brokerage: 100% commissions.

Employee benefits: 1% of revenues.

Retail brokerage branches: Hohenwald Insurance Agency, Hohenwald, Tenn.; Stephens & Associates, Goodlettsville, Tenn.

Officers: R.V. Elliott, president; June Sandell, Byron Stephens, vps.

Contact: R.V. Elliott.

ISU/Purdy Insurance Agency Inc.

P.O. Box 747, Sunbury, Pa. 17801; 717-286-5855; fax: 717-286-0219

	1992	1991
Premium volume	$14,812,559	$11,500,000
Gross revenues	$1,705,500	$1,821,544
U.S. clients	100%	100%
Brokerage: Retail	69%	66%
U.S. offices	$1,176,795	$1,202,219
Wholesale	5%	5%
Personal lines	11%	12%
Invstmt. income	3%	4%
Other	12%	13%
Employees	26	25
Offices	1	1

Founded: 1926.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 2% of revenues.

Officers: T. Chris Purdy, president; J. Craig Purdy, vp; William H. Purdy, treasurer.

Contact: Stephen A. Engle.

ISU/Ricci Associates Inc.

Station Plaza, 1910 Pine St., St. Louis, Mo. 63103; 314-231-2277; fax: 314-231-1641

	1992	1991
Premium volume	$12,000,000	$10,000,000
Gross revenues	$1,400,000	$1,100,000
U.S. clients	100%	100%
Brokerage: Retail	95%	95%
U.S. offices	$1,330,000	$1,045,000
Reinsurance	1%	1%
Personal lines	3%	3%
Invstmt. income	1%	1%
Employees	18	21
Offices	2	2

Founded: 1985.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 15% of revenues.

Retail brokerage branches: Public Entity Risk Managers.

Licensed excess/surplus broker in: Illinois, Missouri.

Officers: Thomas C. Ricci Jr., chairman; Stephen E. Ricci, president; John D. Wittenberg, executive vp.

Contact: Stephen E. Ricci.

Continued on next page

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Continued from previous page

ISU/St. Charles Insurance

214 Compass Point Drive, St. Charles, Mo. 63301; 314-946-6828; fax: 314-946-7117

	1992	1991
Premium volume	$7,128,819	$7,167,547
Gross revenues	$1,084,178	$1,133,586
U.S. clients	100%	100%
Brokerage: Retail	47%	51%
U.S. offices	$509,564	$578,129
Personal lines	31%	33%
Services	0.7%	0.3%
Invstmt. income	8%	0%
Other	13.3%	15.7%
Employees	20	24
Offices	2	2

Founded: 1961.
Retail brokerage: 100% commissions.
Retail brokerage branches: Wentzville, Mo.
Officers: Joseph T. Daues, president; Richard C. Grumich, executive vp; Steven K. Heying, vp/secretary; Kenneth P. Heying.
Contact: Joseph T. Daues.

ISU/Stewart, Brimner Group Inc.

P.O. Box 5577, Ft. Wayne, Ind. 46895; 219-482-6900; fax: 219-482-7305

	1992	1991
Premium volume	$13,000,000	$12,000,000
Gross revenues	$1,800,000	$1,600,000
U.S. clients	100%	100%
Brokerage: Retail	83%	90%
U.S. offices	$1,494,000	$1,440,000
Wholesale	5%	0%
Personal lines	10%	8%
Invstmt. income	2%	2%
Employees	28	28
Offices	5	4

Founded: 1986.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues.
Retail brokerage branches: Greenwood, Kendalville, Ligonier and New Haven, Ind.
Licensed excess/surplus broker in: Indiana.
Officers: John Brimner, president; Steve Stewart, chairman.
Contact: John Brimner.

ISU/Todd-Whinnery-Allen Inc.

4051 Erie St., Willoughby, Ohio 44094; 216-951-6100; fax: 216-951-6334

	1992	1991
Premium volume	$7,500,000	$7,300,000
Gross revenues	$1,295,000	$1,180,000
U.S. clients	100%	100%
Brokerage: Retail	65%	65%
Personal lines	34%	34%
Invstmt. income	1%	1%
Employees	25	26
Offices	1	1

Founded: 1932.
Retail brokerage: 100% commissions.
Officers: Richard Tramte, president; Roger Bultman, vp; Douglas Sulzbach, treasurer; Gary Norberg, secretary.
Contact: Roger Bultman.

ISU/Valley Insurance Service Inc.

861 S. Oak Park Road, Covina, Calif. 91723; 818-966-3664; fax: 818-966-3895

	1992	1991
Premium volume	$9,600,000	$9,000,000
Gross revenues	$910,000	$930,000
U.S. clients	100%	100%
Brokerage: Retail	56%	56%
U.S. offices	$509,600	$520,800
Wholesale	8%	6%
Personal lines	18%	20%
Other	18%	18%
Employees	9	15
Offices	2	1

Founded: 1940.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 18% of revenues.
Acquisitions: Bowker-Hale, Torrance, Calif., July 1992.
Retail brokerage branches: Laguna Hills, Calif.
Officers: Harold J. Borak, president; Barbara J. Borak, vp; Cindy Cole, secretary/treasurer.
Contact: Barbara Borak.

Insurance Associates Inc.

8281 Goodwood Blvd., Baton Rouge, La. 70806; 504-927-7747; fax: 504-928-4746

	1992	1991
Premium volume	$7,000,000	NA
Gross revenues	$950,000	NA
U.S. clients	100%	NA
Brokerage: Retail	85%	NA
U.S. offices	$807,000	NA
Personal lines	15%	NA
Employees	13	NA
Offices	1	NA

Founded: 1992.
Retail brokerage: 97% commissions, 3% fees.
Licensed excess/surplus broker in: Louisiana.
Officers: Joseph A. Simcoe, president; Barbara N. Mowad, secretary/treasurer; Brenda A. Riddle, vp.
Contact: Joseph A. Simcoe.

Insurance Benefit Consultants Ltd.

5215 Old Orchard Road, Suite 850, Skokie, Ill. 60077; 708-581-9100; fax: 708-581-9115

	1992	1991
Premium volume	$84,814,120	$78,531,593
Gross revenues	$3,816,635	$3,754,087
U.S. clients	100%	100%
Brokerage: Retail	89%	84%
U.S. offices	$3,396,805	$3,153,433
Wholesale	2%	2%
Reinsurance	5%	3%
Personal lines	2%	5%
Services	2%	5%
Invstmt. income	0%	1%
Employees	38	36
Offices	2	2

Founded: 1984.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 90% of revenues.
Retail brokerage branches: IBC/McConachie-Property & Casualty Division, Park Ridge, Ill.
Officers: Helene C. Migala, David N. Schwimmer, Steven B. Foreman, principals.
Contact: David N. Schwimmer.

Insurance Management Co.

123 W. Ninth St., Erie, Pa. 16501-1302; 814-452-3200; fax: 814-454-5598

	1992	1991
Premium volume	$22,940,000	$22,000,000
Gross revenues	$1,600,000	$1,450,000
U.S. clients	100%	100%
Brokerage: Retail	92.8%	92.3%
U.S. offices	$1,484,800	$1,338,000
Personal lines	0.2%	0.7%
Services	2%	2%
Invstmt. income	5%	5%
Employees	21.5	20
Offices	1	1

Founded: 1933.
Parent: R.C. Bloomstine Inc.
Retail brokerage: 99% commissions, 1% fees.
Licensed excess/surplus broker in: Pennsylvania.
Officers: John C. Bloomstine, president; Chris W. Bloomstine, vp-secretary; Beth A. Dubik, vp-treasurer.
Contact: John C. Bloomstine.

Insurance Management Associates Inc.

250 N. Water, Suite 600, Wichita, Kan. 67202; 316-267-9221; fax: 316-266-6254

	1992	1991
Premium volume	$140,000,000	$128,000,000
Gross revenues	$13,883,558	$13,007,810
U.S. clients	100%	100%
Brokerage: Retail	90.8%	87.3%
U.S. offices	$12,606,271	$11,355,818
Personal lines	4.6%	5.4%
Services	2.8%	3.7%
Invstmt. income	1.8%	2.9%
Other	0%	0.7%
Employees	173	186
Offices	3	3

Founded: 1974.
Retail brokerage: 91.2% commissions, 8.8% fees.
Employee benefits: 6% of revenues.
Retail brokerage branches: Denver; Topeka, Kan.
Licensed excess/surplus broker in: 50 states.
Officers: W.C. Cohen Jr., CEO; Joe Moddrell Jr., chairman; Joseph C. Lukens, president-IMA of Wichita; Robert Cohen, president-IMA of Colorado; Ray Merz, president-Risk Management Associates Inc.; Velma Pollock, president-IMA of Topeka.
Contact: W.C. Cohen Jr.

Insurance Marketing Agencies Inc.

306 Main St., Worcester, Mass. 01608; 508-753-7233; fax: 508-754-0487

	1992	1991
Premium volume	$25,000,000	$24,818,000
Gross revenues	$3,386,468	$3,333,584
U.S. clients	100%	100%
Brokerage: Retail	65%	65%
U.S. offices	$2,200,000	$2,100,000
Personal lines	16%	17%
Invstmt. income	3%	3%
Other	16%	15%
Employees	42	41
Offices	2	2

Founded: 1924.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues.
Retail brokerage branches: Boston.
Licensed excess/surplus broker in: Massachusetts.
Officers: Sumner W. Herman, president/treasurer; Arnold J. Horowitz, executive vp; John J. Kelly, vp.
Contact: Sumner W. Herman.

Insurance One Inc.

12300 Twinbrook Parkway, Suite 550, Rockville, Md. 20852; 301-984-5900; fax: 301-770-5639

	1992	1991
Premium volume	$45,000,000	$43,000,000
Gross revenues	$6,400,000	$5,800,000
U.S. clients	100%	100%
Brokerage: Retail	79%	77%
Wholesale	2%	2%
Personal lines	18%	18%
Invstmt. income	1%	3%

Acquisitions: Levy & Associates, Rockville, Md., July 1992.
Licensed excess/surplus broker in: Maryland, Virginia.
Officers: Richard M. Young, president; Robert A. Lachin, vp/treasurer; Marvin S. Kay, vp/secretary; Stephen R. Holtzman, vp.
Contact: Olga Stone.

Insurance Professionals Inc.

P.O. Box 292, 205 Robin Road, Paramus, N.J. 07652; 201-265-7110; fax: 201-843-4514

	1992	1991
Premium volume	$7,130,000	$7,300,000
Gross revenues	$1,025,000	$1,112,000
U.S. clients	100%	100%
Brokerage: Retail	81%	81%
U.S. offices	$830,250	$900,720
Personal lines	18%	18%
Invstmt. income	1%	1%
Employees	9	10
Offices	1	1

Founded: 1966.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 5% of revenues.
Officers: John Jones, president; James Dooley, vp; Pat Sheehan, treasurer/secretary.

Insurance & Risk Management

3811 Illinois Road, P.O. Box 1705; Ft. Wayne, Ind. 46801-1705; 219-436-1616; fax: 219-432-4083

	1992	1991
Premium volume	$79,000,000	$82,000,000
Gross revenues	$11,276,000	$11,793,000
U.S. clients	100%	100%
Brokerage: Retail	77%	77%
U.S. offices	$8,682,520	$9,080,000
Personal lines	15%	16%
Services	3%	4%
Invstmt. income	3%	3%
Other	2%	0%
Employees	165	168
Offices	6	5

Founded: 1963.
Employee benefits: 22% of revenues.
Retail brokerage branches: Indianapolis, Muncie and Warsaw, Ind.; Insurance & Risk Management Agencies of Ohio Inc., Defiance and Sylvania, Ohio.
Licensed excess/surplus broker in: Indiana.
Officers: Leonard B. Koeller, chairman; James Van Dyck, Jeffrey C. Johnson, Duwan Tagtmeyer, managing partners; Bart Bircheff, chief operating officer.
Contact: Mark Bienz.

J

JIB Group P.L.C.

Jardine House, 6 Crutched Friars, London EC3N 2HT, England; 44-71-528-4444; fax: 44-71-528-4185

See profile on page 40.

The Jacobs Co. Inc.

8955 Guilford Road, Suite 260, Columbia, Md. 21046-1448; 301-621-8858; fax: 410-381-2105

	1992	1991
Premium volume	$15,200,000	$13,800,000
Gross revenues	$2,029,000	$1,672,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	90%	89%
U.S. offices	$1,789,578	$1,458,318
Non-U.S. offices	$36,522	$29,761
Wholesale	3%	3%
Personal lines	2%	2%
Services	2%	2%
Invstmt. income	1.5%	2%
Other	1.5%	2%
Employees	18	16
Offices	3	2

Founded: 1989.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5% of revenues.
Licensed excess/surplus broker in: California and Mid-Atlantic.
Officers: Frank L. Jacobs Jr., president/CEO; John L. Voigt Jr., vp.
Contact: Frank L. Jacobs Jr.

Jardine Insurance Brokers Inc.

333 Bush St., Suite 500, San Francisco, Calif. 94104; 415-391-2600; fax: 415-773-4475

	1992	1991
Gross revenues	$114,317,163	$118,724,493
U.S. clients	100%	100%
Brokerage: Retail	81%	77%
U.S. offices	$92,118,701	$90,878,280
Personal lines	4%	4%
Services	13%	15%
Invstmt. income	2%	4%
Employees	1,124	1,190
Offices	30	33

Founded: 1982.
Parent: JIB Group P.L.C.
Employee benefits: 10% of revenues.
Retail brokerage branches: Chicago; Garden Grove, Los Angeles, San Diego, San Francisco, San Jose and Stockton, Calif.; Honolulu; Houston; Hutchinson, Topeka and Wichita, Kan.; Kansas City, Mo.; New York, Schenectady and Syracuse, N.Y.; Phoenix; Troy, Mich. Jardine Group Services Corp: Albany, N.Y.; Chicago and Oak Brook, Ill.; Denver; New York and Schenectady, N.Y.; Washington. Jardine Pinehurst Management Co. Ltd.: Bermuda.
Officers: R.J. Barton, George W. Brown, David J. Batchelor, Donald R. Weber, E. Paul Hansen.
Contact: Stephanie Davis.

Jardine Rolfe Ltd.

P.O. Box 11102, 20th Floor, 1055 W. Georgia St., Vancouver, British Columbia V6E 4G2, Canada; 604-682-4211; fax: 604-682-3520

	1992*	1991*
Premium volume	$29,911,200	$30,293,100
Gross revenues	$6,756,800	$6,722,100
Non-U.S. clients	100%	100%
Brokerage: Retail	75.2%	73.1%
Personal lines	6.8%	6.6%
Services	14.6%	16.2%
Invstmt. income	3.1%	2.6%
Other	0.3%	1.5%
Employees	95	113
Offices	4	5

* Converted at applicable exchange rates.
Founded: 1900.
Parent: JIB Group P.L.C.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 13% of revenues.
Retail brokerage branches: Calgary and Edmonton, Alberta, Canada; Victoria, British Columbia, Canada.
Non-retail brokerage subsidiaries: Jardine (Canada) Risk Management Ltd., Vancouver, British Columbia.
Officers: H.W.R. Harrison, chairman; M.D. Ogdon, president/CEO; P. Kelly, H.J. Loughery, M. Evdokimenko, executive vps; J. Wright, chief financial officer; R. Brett, executive vp-Alberta.
Contact: M.D. Ogdon.

Jauch & Huebener KGaA

Katharinenstrasse 10, D-2000 Hamburg 11, Germany; 49-40-3605-0; fax: 49-40-3677-87

See profile on page 56.

Johnson & Higgins

125 Broad St., New York, N.Y. 10004-2424; 212-574-7000; fax: 212-574-7676

See profile on page 37.

Jones & Hawkins Insurance

3190 Tyrone Blvd. N., St. Petersburg, Fla. 33710; 813-381-6868; fax: 813-343-4772

	1992	1991
Premium volume	$31,400,000	$32,000,000
Gross revenues	$4,215,000	$4,600,000
U.S. clients	100%	100%
Brokerage: Retail	69.2%	62.2%
U.S. offices	$2,919,620	$2,861,200
Personal lines	4%	3.5%
Services	24.3%	30%
Invstmt. income	1.3%	1.5%
Other	1.2%	2.8%
Employees	54	65
Offices	2	2

Founded: 1980.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 47% of revenues.
Non-retail brokerage subsidiaries: Self-Insured Benefit Administrators Inc., St. Petersburg, Fla.
Licensed excess/surplus broker in: Florida.
Officers: Terrell V. Hawkins, president; Michael A. McClain, senior vp; Charles B. Honeywell, executive vp; Glenn L. Allen, CFO.
Contact: Charles B. Honeywell.

K

K&K Insurance Group Inc.

1712 Magnavox Way, Fort Wayne, Ind. 46804; 219-455-3000; fax: 219-455-5866

	1992	1991
Premium volume	$161,201,000	$154,485,000
Gross revenues	$38,874,000	$36,532,000
U.S. clients	100%	100%
Brokerage: Retail	20%	20%
U.S. offices	$8,060,000	$7,724,000
Wholesale	77%	77%
Services	2%	2%
Invstmt. income	1%	1%
Employees	334	446
Offices	4	5

Founded: 1957.
Retail brokerage: 100% commissions.
Acquisitions: American Insurance Brokers, Seattle, Wash., July 1992.
Non-retail brokerage subsidiaries: American Insurance Brokers Inc., Seattle, Wash.; K&K Insurance Brokers Inc., Toronto, Canada; K&K Specialties Inc., High Point, N.C.
Licensed excess/surplus broker in: Indiana, North Carolina, Virginia.
Officers: Michael S. Mullen, president/CEO; Jerry Tegan, executive vp; Gregory

Continued on next page

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1640 Powers Ferry Road, Bldg. 24, Suite 200, Marietta, GA 30067

Continued from previous page
H. Eng, executive vp/CFO; Todd W. Bixler, Terry Stevens, senior vps.
Contact: Gregory H. Eng.

KMC Insurance Services Inc.

5050 Quorum Drive, Suite 644, Dallas, Texas, 75240; 214-991-6677; fax: 214-991-6679

	1992	1991
Premium volume	$11,596,636	$10,570,534
Gross revenues	$1,060,182	$902,384
U.S. clients	84%	83%
Non-U.S. clients	16%	17%
Brokerage: Retail	95%	95%
U.S. offices	$1,017,000	$856,900
Wholesale	2%	1%
Invstmt. income	3%	4%
Employees	7	5
Offices	1	1

Founded: 1988.
Retail brokerage: 100% commissions.
Employee benefits: 1% of revenues.
Licensed excess/surplus broker in: Texas.
Officers: Kevin Curley, president; John Tipping, vp.
Contact: Allison Snyder.

Kaler Carney Liffler & Co. Inc.

274 Summer St., Boston, Mass. 02210; 617-542-4600; fax: 617-542-4648

	1992	1991
Premium volume	$41,000,000	$41,000,000
Gross revenues	$5,100,000	$5,100,000
U.S. clients	100%	100%
Brokerage: Retail	85%	85%
U.S. offices	$4,325,000	$4,325,000
Personal lines	10%	10%
Invstmt. income	5%	5%
Employees	42	42
Offices	1	1

Founded: 1892.
Retail brokerage: 100% commissions.
Retail brokerage branches: Morrill & Everett, Concord, N.H.
Licensed excess/surplus broker in: Massachusetts, New Hampshire.
Officers: George R. Baldwin, president; Paul A. Barringer, executive vp; Charles J. Bernard, Frank X. Gilbert, Peter M. Mulcahy, senior vps.
Contact: Frank X. Gilbert.

Kalvin-Miller International Inc.

1211 Ave. of the Americas, 27th Floor, New York, N.Y. 10036; 212-575-6600; fax: 212-704-5959

	1992	1991
Gross revenues	$31,500,000	$27,000,000
U.S. clients	60%	59%
Non-U.S. clients	40%	41%
Brokerage: Retail	67%	71%
U.S. offices	$21,100,000	$19,170,000
Wholesale	9%	8%
Reinsurance	15%	14%
Personal lines	4%	2%
Services	1%	1%
Invstmt. income	4%	4%
Employees	262	228
Offices	3	3

Founded: 1902.
Parent: Whitehall Financial Group.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 12% of revenues.
Retail brokerage branches: KM Consulting Group, Carle Place, N.Y.; Kalvin-Miller Life Consultants Inc., New York.
Licensed excess/surplus broker in: New York.
Officers: John F. Malhame, chairman; David S. Moross, president/CEO; Thomas C. Cannon, Mark D. Derrenberger, Michael Sabanos, senior executive vps.
Contact: David S. Moross, 212-704-5998.

Kaye Insurance Associates L.P.

122 E. 42nd St., New York, N.Y. 10168; 212-210-9200; fax: 212-986-2278

	1992	1991
Premium volume	$800,000,000	$675,000,000
Gross revenues	$51,221,000	$42,768,000
U.S. clients	100%	100%
Brokerage: Retail	83%	83%
U.S. offices	$42,513,000	$35,497,000
Wholesale	8%	9%
Reinsurance	3%	3%
Personal lines	3%	1%
Services	2%	1%
Invstmt. income	1%	3%
Employees	480	375
Offices	8	7

Founded: 1952.
Parent: Kaye International L.P.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 8% of revenues.
Acquisitions: Amalgamated Programs, New York, September 1992.
Retail brokerage branches: Kaye Administrators L.P., Chicago; Kaye of Connecticut L.P., Southport, Conn.; Kaye Insurance Services of California Inc., Beverly Hills, Calif.; Kaye of New Jersey L.P., Newark, N.J.; Kaye of Pennsylvania L.P., Philadelphia; Kaye of Rhode Island L.P., Warwick, R.I.
Non-retail brokerage subsidiaries: Claims Management L.P., New York; Program Administrators Inc., Warwick, R.I.
Licensed excess/surplus broker in: California, Connecticut, New Jersey, New York, Rhode Island.
Officers: Lawrence Greenfield, chairman; Howard Kaye, president; Marc Silverman, Bruce D. Guthart, Alexander Fisher, executive vps.
Contact: Bruce D. Guthart, 212-210-9259.

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; 310-212-3344; fax: 310-328-6793

	1992	1991
Gross revenues	$28,000,000	$24,400,000
U.S. clients	100%	100%
Brokerage: Retail	41%	50%
U.S. offices	$11,480,000	$12,200,000
Services	55%	45%
Invstmt. income	0.4%	1%
Other	3.6%	4%
Employees	335	325
Offices	10	10

Founded: 1972.
Retail brokerage: 50% commissions, 50% fees.
Employee benefits: 37% of revenues.
Retail brokerage branches: Campbell, Chico, Emeryville, Fresno, Riverside, Sacramento, San Diego, Santa Ana and Westlake Village, Calif.
Licensed excess/surplus broker in: California.
Officers: John R. Keenan, CEO; Harwood J. Bren, executive vp/COO; David J. DeWenter, executive vp/chief administrative officer; Dave Balak, Murton L. Munson, executive vps.
Contact: Harwood J. Bren.

Kelly Associates Inc.

970 Farmington Ave., Suite 202, West Hartford, Conn. 06107; 203-561-5662; fax: 203-561-2096

	1992	1991
Premium volume	$6,700,000	$6,100,000
Gross revenues	$1,015,000	$945,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	94%	94%
U.S. offices	$954,100	$888,300
Personal lines	1%	1%
Services	2%	2%
Invstmt. income	3%	3%
Employees	6	6
Offices	1	1

Founded: 1967.
Retail brokerage: 99% commissions, 1% fees.
Licensed excess/surplus broker in: 21 states.
Officers: Patricia Wright, corporate secretary; Peter F. Wright, president; John D. Harrington, Susan L. Hoben, vps.
Contact: Peter F. Wright or John D. Harrington.

Kelter-Thorner Inc.

210 S. Woodward Ave., Suite 200, Birmingham, Mich. 48012; 313-540-3131; fax: 313-540-2002

	1992	1991
Premium volume	$98,323,000	$89,473,000
Gross revenues	$11,838,000	$10,781,000
U.S. clients	100%	100%
Brokerage: Retail	82.3%	83.2%
U.S. offices	$9,737,000	$8,969,000
Wholesale	1.4%	0.5%
Personal lines	9.4%	10.1%
Services	2.5%	1.9%
Invstmt. income	3.5%	3.9%
Other	0.9%	0.3%
Employees	98	92
Offices	5	5

Founded: 1952.
Retail brokerage: 100% commissions.
Retail brokerage branches: Birmingham, Mich.; Fords, N.J.; Middleburg Heights, Ohio; Redwood City, Calif.; Santa Ana Heights, Calif.
Non-retail brokerage subsidiaries: Atlantic Underwriters Inc., Birmingham, Mich.
Licensed excess/surplus broker in: Michigan.
Officers: Theodore R. Kelter, chairman; Marilyn Chernoff, president; John Washburn, Ronald A. Young, executive vps; Lisa Arthur, secretary/treasurer.
Contact: Lisa Arthur.

Sander A. Kessler & Associates Inc.

9570 W. Pico Blvd., Los Angeles, Calif. 90035; 310-247-3200; fax: 310-278-6396

	1992	1991
Premium volume	$63,000,000	$57,700,000
Gross revenues	$7,100,941	$7,531,347
U.S. clients	100%	100%
Brokerage: Retail	82.6%	80%
U.S. offices	$5,865,377	$6,025,078
Personal lines	3.8%	4%
Invstmt. income	3.2%	5%
Other	10.4%	11%
Employees	61	67
Offices	1	1

Founded: 1956.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 10.4% of revenues.
Licensed excess/surplus broker in: California.
Officers: Sander A. Kessler, chairman; Ronald A. Bloom, president; Kenneth L. Kessler, Melvin M. Moss, executive vps; Steven K. Kessler, secretary/treasurer.
Contact: Ron Bloom.

Knox Insurance Brokers Ltd.

705 Cassells St., North Bay, Ontario P1B 4A3, Canada; 705-474-4000; fax: 705-476-0347

	1992*	1991*
Premium volume	$13,184,000	$13,968,000
Gross revenues	$2,142,400	$2,269,800
U.S. clients	1%	1%
Non-U.S. clients	99%	99%
Brokerage: Retail	45%	40%
Non-U.S. offices	$988,800	$873,000
Personal lines	54.5%	59%
Invstmt. income	0.5%	1%
Employees	47	45
Offices	1	1

* Converted at applicable exchange rates.
Founded: 1952.
Retail brokerage: 99.5% commissions, 0.5% fees.
Officers: Bruce Knox, president; Randy Bushey, general manager.
Contact: Bruce Knox.

R.C. Knox & Co. Inc.

1 Goodwin Square, Hartford, Conn. 06103; 203-524-7600; fax: 203-524-5098

	1992	1991
Premium volume	$100,000,000	$96,000,000
Gross revenues	$11,809,757	$10,722,000
U.S. clients	100%	100%
Brokerage: Retail	76%	75%
U.S. offices	$8,975,000	$8,040,000
Personal lines	15%	17%
Services	1%	0%
Invstmt. income	8%	8%
Employees	99	98
Offices	7	7

Founded: 1893.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 5% of revenues.
Retail brokerage branches: Hartford, Middletown and Windsor, Conn.; Simsbury Insurance Agency, Simsbury, Conn.
Licensed excess/surplus broker in: Connecticut.
Officers: Norman C. Kayser, chairman/president; John F. Byrnes, senior vp; Harold A. Smullen, Timothy H. Coppage, Robert T. Crowley, vps.
Contact: Norman C. Kayser, 203-524-7601.

Kornreich Insurance Services

919 Third Ave., New York, N.Y. 10022; 212-688-9700; fax: 212-319-7509

	1992	1991
Gross revenues	$23,000,000	$22,550,000
U.S. clients	100%	100%
Brokerage: Retail	76.1%	75.2%
U.S. offices	$17,503,000	$16,957,800
Wholesale	15.5%	16.3%
Personal lines	6.1%	5.9%
Services	1.2%	1.4%
Invstmt. income	1%	1.1%
Other	0.1%	0.1%
Employees	145	150
Offices	4	4

Founded: 1917.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 11% of revenues.
Retail brokerage branches: Kornreich Insurance Brokerage Services of N.J. Inc., Teaneck, N.J.; Kornreich Insurance Services (Florida) Inc., West Palm Beach, Fla.; Singer Kornreich Inc., Teaneck, N.J.
Non-retail brokerage subsidiaries: Associated Programs Inc., New York.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: Matthew R. Kornreich, Morton A. Kornreich, chairmen; James D. Kornreich, Thomas A. Kornreich, William D. Kornreich, Steven L. Grossberg, executive vps.
Contact: Steven L. Grossberg, James D. Kornreich, Thomas A. Kornreich or William D. Kornreich.

L

LaGere & Walkingstick Insurance Agency Inc.

1008 Manuel, Chandler, Okla. 74834; 405-258-0804; fax: 405-258-4220

	1992	1991
Premium volume	$119,010,080	$146,067,088
Gross revenues	$12,268,032	$17,040,743
U.S. clients	100%	100%
Brokerage: Retail	30%	22%
Wholesale	66%	74%
Personal lines	3%	3%
Invstmt. income	1%	1%
Employees	88	119
Offices	1	1

Founded: 1964.
Parent company: Chandler (USA).
Retail brokerage: 93% commissions, 7% fees.
Non-retail brokerage subsidiaries: Walkingstick LaGere & Pair Underwriting Managers, Chandler, Okla.
Licensed excess/surplus broker in: Oklahoma.
Officers: William B. LaGere, chairman/CEO; Ben Walkingstick, president; Brenda Pair, Ernie Pierce, vps; Robert Crum, secretary.
Contact: Robert E. Crum.

Lamb, Little & Co.

5301 Keystone Court, Rolling Meadows, Ill. 60008; 708-398-7060; fax: 708-398-7077

	1992	1991
Premium volume	$34,589,000	$33,395,000
Gross revenues	$5,487,582	$5,352,069
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$4,115,686	$4,014,051
Personal lines	10%	10%
Invstmt. income	6%	6%
Other	9%	9%
Employees	70	68
Offices	2	2

Founded: 1947.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 9% of revenues.
Retail brokerage branches: Chicago.
Licensed excess/surplus broker in: Illinois.
Officers: Ray J. Clancy, Roy H. Holle, David B. Peck III, Frank L. Hoffeller, Bruce Wahlborg.
Contact: Robert J. Power, 708-398-7410 ext. 339.

J. Smith Lanier & Co. Inc.

300 W. 10th St., P.O. Box 70, West Point, Ga. 31833; 706-645-2211; fax: 706-643-0606

	1992	1991
Premium volume	$107,000,000	$93,000,000
Gross revenues	$17,717,231	$16,037,000
U.S. clients	100%	100%
Brokerage: Retail	57%	55%
U.S. offices	$10,098,822	$8,820,350
Wholesale	0.5%	1%
Personal lines	20%	19.5%
Services	1.5%	1.5%
Invstmt. income	2.4%	5%
Other	18.6%	18%
Employees	225	210
Offices	11	12

Founded: 1868.
Retail brokerage: 100% commissions.
Employee benefits: 16.3% of revenues.
Acquisitions: Wikle-Thornton-Holcombe & Associates, Huntsville, Ala., January 1992.
Retail brokerage branches: Atlanta, Carrollton, Columbus, Manchester, Newnan, North Columbus and West Point, Ga.; Greensburg, Ky.; Huntsville, Lafayette and Opelika, Ala.
Licensed excess/surplus broker in: Alabama, Georgia.
Officers: J. Smith Lanier II, chairman/CEO; D. Gaines Lanier, president/COO; William T. Parr, vice chairman; Thomas M. Botsford, secretary/treasurer/CFO; Gary Ivey, Thomas Yearian, vps.
Contact: D. Gaines Lanier.

Lawley Service Inc.

120 Delaware Ave., Buffalo, N.Y. 14202; 716-849-8618; fax: 716-849-0360

	1992	1991
Premium volume	$57,885,000	$51,500,000
Gross revenues	$8,646,964	$8,064,142
U.S. clients	100%	100%
Brokerage: Retail	76%	80%
U.S. offices	$6,571,692	$6,451,314
Wholesale	1%	1%
Personal lines	19%	16%
Services	2%	1%
Invstmt. income	2%	2%
Employees	116	115
Offices	5	1

Founded: 1955.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Genesee Agency: Batavia, N.Y.; Tradition Agency: Dunkirk, Fredonia and Jamestown, N.Y.
Officers: William J. Lawley, president; Raymond J. Mashiotta, William J. Lawley Jr., vps; Alfred Kroll, secretary/vp; Christopher D. Ross, treasurer.
Contact: Alfred Kroll.

Lawrence Agency Corp.

108 Union St., Schenectady, N.Y. 12305; 518-370-1720; fax: 518-370-4426

	1992	1991
Premium volume	$353,000,000	$342,000,000
Gross revenues	$49,152,483	$45,891,472
U.S. clients	100%	100%
Brokerage: Retail	51.3%	55.9%
U.S. offices	$25,215,224	$25,653,333
Wholesale	9.1%	9.9%
Personal lines	10.9%	12.2%
Services	19.7%	17.9%
Invstmt. income	1.5%	2.2%
Other	7.5%	1.9%
Employees	625	610
Offices	50	49

Founded: 1954.
Parent: Lawrence Group Inc.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 23.6% of revenues.
Retail brokerage branches: ADAPT Inc.: Bakersfield, Dinuba, Fresno, Kerman, San Diego and Sanger, Calif. A.W. Lawrence & Co.: Albany, Buffalo, Glens Falls, Lake Placid, Schenectady and Westbury, N.Y.; Atlanta; Baton Rouge, La.; Cadillac and Fillion, Mich.; Clearwater, Ft. Lauderdale, Jupiter and West Palm Beach, Fla.; Freeport, Harrisburg and Philadelphia, Pa.; Indianapolis; Mesa, Ariz.; Newport, R.I.; Waltham, Mass.; Warren, Ohio; Washington; San Juan, P.R. Lawrence Healthcare: Jamestown, Latham, Poughkeepsie, Syracuse, Utica, Westbury and Yorkville, N.Y. Lawrence United Corp.: Cortland, Lake Placid, Latham, New York, Old Forge, Rochester and Troy, N.Y.; Greensboro, N.C.; Mesa, Ariz.
Non-retail brokerage subsidiaries: Lawrence Healthcare Administrative Services Inc.: Jamestown, Latham and Syracuse, N.Y.; Lawrence Risk Management Corp.: Schenectady, N.Y.
Licensed excess/surplus broker in: Arizona, New York, Pennsylvania.
Officers: Albert Lawrence, chairman; William Mather, president; Gary Keehfus, Gerald Pedinotti, Richard Shands, Doug Cotterill, Brian Gorham, Jim Reynolds, division presidents.
Contact: William Mather.

Lee & Hawthorne

88 Pine St., New York, N.Y. 10005; 212-495-8700; fax: 212-495-8717

	1992	1991
Premium volume	$4,300,000	$4,000,000
Gross revenues	$1,118,000	$1,040,000
U.S. clients	90%	95%
Non-U.S. clients	10%	5%
Brokerage: Retail	100%	100%
U.S. offices	$1,006,200	$988,000
Non-U.S. offices	$111,800	$52,000
Employees	15	N/A
Offices	4	4

Founded: 1969.
Retail brokerage: 100% commissions.
Retail brokerage branches: Syracuse, N.Y.; Montreal and Toronto, Canada.
Officers: Kenneth C. Lee, Robert P. Hawthorne, general agents; Dennis Pecoraro, manager.
Contact: Dennis Pecoraro.

The Lockton Insurance Agency

7400 State Line Road, Prairie Village, Kan. 66208; 913-676-9000; fax: 913-676-9180

	1992	1991
Premium volume	$600,000,000	$500,000,000
Gross revenues	$45,500,000	$39,050,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	90%	90%
U.S. offices	$40,950,000	$35,145,000
Personal lines	1%	1%
Services	5%	5%
Invstmt. income	4%	4%
Employees	431	405
Offices	5	5

Founded: 1966.
Parent: The Lockton Cos. Inc.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 8% of revenues.
Retail brokerage branches: Houston; St. Louis; Topeka, Kan.; The Lockton Benefit Corp., Prairie Village, Kan.; Lockton Silversmith Inc., Denver.
Non-retail brokerage subsidiaries: Lockton Risk Services Inc., Prairie Village, Kan.; Lockton Risk Services of Colorado Inc., Denver.
Licensed excess/surplus broker in: Colorado, Kansas, Missouri, Texas.
Officers: John T. Lockton III, chairman/CEO; David Lockton, president; Michael C. Frost, managing vp/COO; Gary Hambright, Mark Angers, senior vps.
Contact: Michael C. Frost.

The Lofberg Cos.

363 Cedar Lane, P.O. Box 308, Teaneck, N.J. 07666; 201-836-2100; fax: 201-836-7822

	1992	1991
Premium volume	$11,500,000	$11,000,000
Gross revenues	$1,420,000	$1,300,000
U.S. clients	100%	100%
Brokerage: Retail	57%	60%
U.S. offices	$810,000	$780,000
Personal lines	30%	30%
Services	13%	10%
Employees	23	23
Offices	1	1

Continued on next page

Continued on next page

Founded: 1926.
Retail brokerage: 90% commissions, 10% fees.
Licensed excess/surplus broker in: New Jersey.
Officers: Richard C. Lofberg, CEO; Paul W. Lofberg, president; David Holmgren, senior vp; Ralph Ortega, vp; Philip Carlton, treasurer.
Contact: Paul W. Lofberg.

The Loomis Co.

P.O. Box 7011, 625 Spring St., Wyomissing, Pa. 19610; 215-374-4040; fax: 215-374-6578

	1992	1991
Premium volume	$133,440,000	$129,000,000
Gross revenues	$13,300,000	$12,194,000
U.S. clients	99.5%	99.5%
Non-U.S. clients	0.5%	0.5%
Brokerage: Retail	67%	68%
U.S. offices	$8,911,000	$8,291,920
Wholesale	1%	1%
Personal lines	11%	12%
Services	17%	16%
Invstmt. income	2%	2%
Other	2%	1%
Employees	155	143
Offices	4	4

Founded: 1990.
Retail brokerage: 100% commissions.
Employee benefits: 21% of revenues.
Acquisitions: Eastman & Co., Burbank, Calif., January 1993.
Retail brokerage branches: Annapolis, Md.; Fort Lauderdale, Fla.; Wyomissing, Pa.; Booth & Simpson, Canoga Park, Calif.; Eastman & Co., Canoga Park, Calif.
Licensed excess/surplus broker in: California, Florida, Maryland, Pennsylvania.
Officers: James R. Loomis, president/CEO; Robert A. Mason, vp/CFO; H. Edmond Smith, Edward J. Cavanaugh, vps; Kathy Schlegel, treasurer; Steven C. Nordstrom, president/COO-Booth & Simpson.
Contact: James R. Loomis.

Lovitt & Touche Inc.

7202 E. Rosewood, P.O. Box 32702, Tucson, Ariz. 85710; 602-722-3000; fax: 602-722-7245

	1992	1991
Premium volume	$70,000,000	$63,000,000
Gross revenues	$7,600,000	$6,875,000
U.S. clients	100%	99%
Non-U.S. clients	0%	1%
Brokerage: Retail	84%	85%
U.S. offices	$6,200,000	$5,624,000
Personal lines	10%	10%
Services	5%	4%
Invstmt. income	1%	1%
Employees	92	90
Offices	4	4

Founded: 1911.
Parent: Financial Services Group Inc.
Retail brokerage: 98% commissioions. 2% fees.
Employee benefits: 12% of revenues.
Retail brokerage branches: Las Vegas; Phoenix and Taylor, Ariz.
Licensed excess/surplus broker in: Western states.
Officers: Carlos G. Touche, CEO/chairman; Charles A. Touche, president; James R. Spring, executive vp; Steven D. Touche, Patrick A.M. Swingle, vps.
Contact: James R. Spring.

Lowndes Lambert Group Holdings P.L.C.

Lowndes Lambert House, 53 Eastcheap, London EC3P 3HL, England; 44-71-283-2000; fax: 44-71-283-1927

See profile on page 64.

M

MBAH Insurance

Sagamore Parkway at Duncan Road, P.O. Box 5609, Lafayette, Ind. 47903; 317-423-5421; fax: 317-742-7693

	1992	1991
Premium volume	$16,340,000	$14,880,000
Gross revenues	$2,839,000	$3,262,000
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
Personal lines	25%	25%
Employees	43	47
Offices	1	2

Founded: 1924.
Retail brokerage: 100% commissions.
Employee benefits: 10% of revenues.
Licensed excess/surplus broker in: Indiana.
Officers: R.E. Mayerstein, president; Steven K. Horner, executive vp; James S. Bain, vp-sales; Jay G. Smith, vp-operations.

MLW Services Inc.

100 William St., New York, N.Y. 10038; 212-797-9600; fax: 212-425-0719

	1992	1991
Premium volume	$72,000,000	$66,000,000
Gross revenues	$8,860,000	$7,700,000
U.S. clients	95%	95%
Non-U.S. clients	5%	5%
Brokerage: Retail	62%	63%
U.S. offices	$5,493,200	$4,851,000
Wholesale	32%	32%
Personal lines	4%	3%
Services	1%	1%
Invstmt. income	1%	1%
Employees	58	55
Offices	1	1

Founded: 1986.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 2.5% of revenues.
Retail brokerage branches: French American Risk Advisors, New York.
Non-retail brokerage subsidiaries: Barkly Coverage Corp, New York.
Licensed excess/surplus broker in: New York.
Officers: Andrew H. Marks, president/CEO; Charles J. Weisblum, chairman; Bert Linder, executive vp/COO; Silvana Vlacich, senior vp; Bruce Tindal, vp.
Contact: Bert Linder.

Mack & Parker Inc.

55 E. Jackson Blvd., Chicago, Ill. 60604-4187; 312-922-5000; fax: 312-922-5358

	1992	1991
Gross revenues	$7,400,000	$7,400,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	83.4%	81.6%
U.S. offices	$6,200,000	$6,000,000
Personal lines	4.1%	4.3%
Services	9.6%	9.2%
Invstmt. income	2.9%	4.9%
Employees	80	80
Offices	1	1

Founded: 1935.
Retail brokerage: 92% commissions, 8% fees.
Employee benefits: 26% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Edward E. Mack III, president; Martin P. Hughes, executive vp; Veronica E. Campbell, vp/treasurer; Marie E. Raninger, Robert J. Jonak, vp-client services managers.
Contact: Edward E. Mack III.

Mahoney & Wright Insurance Agency Inc.

141 Tremont St., Boston, Mass. 02111; 617-482-4086; fax: 617-423-7937

	1992	1991
Premium volume	$77,006,000	$75,000,000
Gross revenues	$11,106,000	$11,265,000
U.S. clients	100%	100%
Brokerage: Retail	53%	52%
U.S. offices	$5,886,000	$5,853,000
Personal lines	47%	48%
Employees	145	140
Offices	19	19

Founded: 1927.
Retail brokerage: 98% commissions, 2% fees.
Retail brokerage branches: Cohasset, Dedham, Haverhill, Middleboro, Natick, Newton, North Attleboro, Peabody, Plymouth, Reading, Rockland, Scituate, Tewksbury, Wakefield, Weymouth, Wrentham and Yarmouth, Mass.
Licensed excess/surplus broker in: Massachusetts.
Officers: Norman R. Wright, president/treasurer; Richard D. Forrest, executive vp; Donald F. Beale, senior vp; Thomas S. Soltys, president-Mahoney & Wright Special Risks Insurance Agency Inc.; Kevin M. Daly, president-Mahoney & Wright Construction Risks Agency Inc.
Contact: Richard D. Forrest, 180 North St., Weymouth, Mass. 02191; 617-337-0451.

Marsh & McLennan Cos. Inc.

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

See profile on page 18.

Marshall & Sterling Inc.

110 Main St., Poughkeepsie, N.Y. 12601; 914-454-0800; fax: 914-454-0880

	1992	1991
Premium volume	$125,000,000	$115,000,000
Gross revenues	$20,402,236	$20,659,259
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	61%	61%
U.S. offices	$12,445,364	$12,602,148
Wholesale	2%	2%
Personal lines	31%	30%
Invstmt. income	2%	3%
Other	4%	4%
Employees	240	245
Offices	11	11

Founded: 1864.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 5% of revenues.
Retail brokerage branches: George T. Whalen Agency: Millbrook, N.Y. Grossmann Agency: Cairo, Catskill, Coxsackie and Greenville, N.Y. Theodore Tunick & Co.: St. Thomas, U.S. Virgin Islands; Middletown, New Windsor and Wappingers Falls, N.Y.; St. Croix, U.S. Virgin Islands.
Licensed excess/surplus broker in: New York, U.S. Virgin Islands.
Officers: John P. O'Shea, president; Michael J. McDermott, Edward F. Mirabile, David C. Ridgway, James D. Tunick, vps.
Contact: John P. O'Shea.

The Mathog & Moniello Cos. Inc.

Mariner's Point, 100 S. Shore Drive, P.O. Box 650, East Haven, Conn. 06512; 203-468-3400; fax: 203-468-3494

	1992	1991
Premium volume	$60,226,000	$61,700,000
Gross revenues	$8,086,000	$8,127,000
U.S. clients	100%	100%
Brokerage: Retail	62%	59%
U.S. offices	$5,013,320	$4,794,930
Personal lines	2%	3%
Services	31%	30%
Invstmt. income	0%	3%
Other	5%	5%
Employees	68	69
Offices	1	2

Founded: 1985.
Retail brokerage: 70% commissions, 30% fees.
Employee benefits: 3% of revenues.
Licensed excess/surplus broker in: Connecticut.
Officers: James J. Moniello, president/chairman; Alan D. Mathog, Michael I. Silverberg, Keith C. Meaney, Frank E. Hall, managing principals.
Contact: Alan D. Mathog.

May-Davis Inc.

P.O. Box 11589, Spokane, Wash. 99211; 509-535-8783; fax: 509-534-0318

	1992	1991
Premium volume	$4,000,000	$4,500,000
Gross revenues	$750,000	$600,000
U.S. clients	100%	100%
Brokerage: Retail	99%	99%
U.S. offices	$742,500	$594,000
Personal lines	1%	1%
Employees	6	6
Offices	1	1

Founded: 1974.
Retail brokerage: 100% commissions.
Employee benefits: 1% of revenues.
Officers: William H. Davis, president; William A. May, secretary.

Mazonson Inc.

2 Corporation Way, P.O. Box 6071, Peabody, Mass. 01961-6071; 508-531-5200; fax: 508-530-7719

	1992	1991
Premium volume	$22,197,000	$20,126,350
Gross revenues	$2,367,450	$2,121,993
U.S. clients	100%	100%
Brokerage: Retail	84%	83.1%
U.S. offices	$2,012,000	$1,763,376
Wholesale	0%	0.1%
Personal lines	15%	14.3%
Services	0%	1%
Invstmt. income	1%	1.5%
Employees	25	24
Offices	1	1

Founded: 1986.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 25% of revenues.
Licensed excess/surplus broker in: Massachusetts.
Officers: Paul M. Mazonson, president/treasurer; R. Bruce MacDougall, senior vp; J. Greenbaum, director-life/benefits.
Contact: Paul M. Mazonson.

McCay Corp.

Route 130 & 206, P.O. Box 679, Bordentown, N.J. 08505; 609-298-5005; fax: 609-298-8117

	1992	1991
Premium volume	$70,000,000	$70,000,000
Gross revenues	$8,900,512	$8,897,000
U.S. clients	100%	100%
Brokerage: Retail	66.5%	67.3%
U.S. offices	$5,918,000	$6,077,000
Wholesale	1%	1%
Personal lines	21%	21%
Services	1.3%	1.3%
Invstmt. income	1.6%	1%
Other	8.6%	8.4%
Employees	107	110
Offices	5	5

Founded: 1953.
Retail brokerage: 98.1% commissions, 1.9% fees.
Employee benefits: 6.8% of revenues.
Retail brokerage branches: Atlantic City, Marlton, Mt. Holly and Turnersville, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Raymond D. Houlihan Jr., president/CEO; Robert J. Petras, executive vp/secretary; Edward A. Gramigna, Robert N. Cowan, Frederick O. Boysen, senior vps.
Contact: Thomas J. Conway Jr., vp, 8000 Lincoln Drive E., Marlton, N.J. 08053; 609-988-3060.

McConachie Insurance Agency Inc.

1480 Renaissance Drive, P.O. Box 777, Park Ridge, Ill. 60068; 708-297-3640; fax: 708-297-5674

	1992	1991
Premium volume	$9,982,000	$9,000,000
Gross revenues	$1,857,000	$1,961,000
U.S. clients	100%	100%
Brokerage: Retail	75%	70%
U.S. offices	$1,392,000	$1,373,000
Wholesale	4%	4%
Personal lines	7%	7%
Services	13%	17%
Invstmt. income	1%	2%
Employees	22	23
Offices	2	2

Founded: 1950.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 28% of revenues.
Retail brokerage branches: IBC/McConachie Associates, Skokie, Ill.
Officers: Scot McConachie, president/treasurer; John P. Coleman, vp/secretary; Dennis R. Klocke, assistant treasurer.
Contact: John P. Coleman.

The McElroy-Minister Co.

141 E. Town St., Columbus, Ohio 43215; 614-228-5565; fax: 614-228-6985

	1992	1991
Premium volume	$55,000,000	$51,323,108
Gross revenues	$11,647,501	$11,106,834
U.S. clients	100%	100%
Brokerage: Retail	55%	57%
U.S. offices	$6,360,464	$6,381,271
Personal lines	6%	6%
Services	36%	33%
Invstmt. income	3%	3%
Other	0%	1%
Employees	182	177
Offices	7	7

Founded: 1875.
Retail brokerage: 78% commissions, 22% fees.
Employee benefits: 36% of revenues.
Acquisitions: National Rehabilitation, Columbus, Ohio, February 1993.
Retail brokerage branches: Corporate Claims Services Inc.: Columbus, Ohio; Davis & Associates: Canton, Cincinnati, Cleveland and Columbus, Ohio; The McEloy-Minister Co.: Dayton, Ohio.
Licensed excess/surplus broker in: Ohio.
Officers: James R. Creek, chairman; Keith A. Pierce, vice chairman/treasurer/CEO; William R. Gillam, president.
Contact: Keith A. Pierce.

McGriff, Seibels & Williams Inc.

2211 Seventh Ave. S., Birmingham, Ala. 35202; 205-252-9871; fax: 205-581-9293

	1992	1991
Premium volume	$386,171,000	$291,075,737
Gross revenues	$39,085,554	$35,093,530
U.S. clients	100%	100%
Brokerage: Retail	69%	70%
U.S. offices	$26,876,332	$24,734,612
Wholesale	8%	8%
Personal lines	1%	2%
Services	17%	13%
Invstmt. income	3%	5%
Other	2%	2%
Employees	393	370
Offices	7	7

Founded: 1886.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 5% of revenues.
Acquisitions: Peter A. Barbara & Associates, Houston, July 1992.
Retail brokerage branches: Atlanta; Houston; Orlando and Pensacola, Fla.; New Orleans.
Non-retail brokerage subsidiaries: Wood & Co. Inc., Atlanta.
Licensed excess/surplus broker in: Alabama, Florida, Georgia, Louisiana, Texas.
Officers: Bruce C. Dunbar Jr., chairman/CEO; Gary M. Cooney, vice chairman; Charles O. Holladay, William M. Whitten, senior vps; Thomas A. Lambert III, treasurer.
Contact: Bruce C. Dunbar Jr.

Meadowbrook Insurance Group

26600 Telegraph Road, Southfield, Mich. 48034; 313-358-1100; fax: 313-358-1614

	1992	1991
Premium volume	$110,000,000	$99,950,000
Gross revenues	$18,222,000	$15,890,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	51%	52%
U.S. offices	$8,843,000	$7,828,000
Non-U.S. offices	$450,000	$460,000
Wholesale	1%	1%
Reinsurance	3%	3%
Personal lines	2%	2%
Services	41%	40%
Invstmt. income	2%	2%
Employees	235	215
Offices	10	8

Founded: 1955.
Retail brokerage: 50% commissions 50% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Bloomington, Minn.; Lakewood, Colo.; Miami; Montgomery, Ala.; New York; Overland Park, Kan.
Non-retail brokerage subsidiaries: Grand Rapids, Mich.; Bridgetown, Barbados; Hamilton, Bermuda.
Licensed excess/surplus broker in:

Continued on next page



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Continued from previous page
Alabama, Michigan, Minnesota.

Officers: Merton J. Segal, chairman; Robert A. Engle, president; Robert S. Cubbin, general counsel/vp; Cheryl Reno, vp; Joseph C. Henry, CFO.

Contact: Robert A. Engle.

Meeker-Magner Co.

2360 E. Devon Ave., Suite 3010; Des Plaines, Ill. 60018; 708-699-1400; fax: 708-699-6383

	1992	1991
Premium volume	**$21,000,000**	$20,000,000
Gross revenues	**$2,690,000**	$2,610,000
U.S. clients	**100%**	100%
Brokerage: Retail	**75%**	73%
U.S. offices	**$2,017,500**	$1,905,300
Wholesale	**4%**	4%
Personal lines	**13%**	13%
Services	**5%**	5%
Invstmt. income	**3%**	5%
Employees	**24**	24
Offices	**1**	1

Founded: 1902.

Retail brokerage: 95% commissions, 5% fees.

Employee benefits: 15% of revenues.

Licensed excess/surplus broker in: Illinois.

Officers: T. Gerald Magner Jr., president; Silvio D. DeSerto, executive vp; Jacqueline H. Klager, Gregory P. Disparte, vps.

Contact: T. Gerald Magner Jr.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

Petition of Christopher John Hughes and Ian Douglas Barker Bond, as Joint Provisional Liquidators of Kingscroft Insurance Company, Ltd.,

Debtor in Foreign Proceedings

In Petition Under Section 304
Case Nos. 92-B-41974 (PBA) through 92-B-41977 (PBA)
Jointly Administered

PRELIMINARY INJUNCTION ORDER

This matter has come before the Court on Petitioners' request for a Preliminary Injunction Order pursuant to Bankruptcy Rule 7065 and Federal Rule of Civil Procedure 65(b). The Court has considered and reviewed the Petitions filed in these cases, the Affidavit of Ronald DeKoven, one of the attorneys for the Petitioners, duly sworn to the 7th day of April, 1992, the Declaration of Gabriel Moss, duly sworn to the 8th day of April, 1992, the Declaration of Christopher John Hughes, one of the Petitioners herein, duly sworn to the 8th day of April, 1992, and the Memorandum of Law in support of the application, and the responses filed thereto, and having held hearings and heard arguments by counsel on April 10, 1992, May 12, 1992, August 19, 1992, November 17, 1992, and February 23, 1993 and June 9, 1993, and based on the foregoing the Court finds and concludes as follows:

1. Petitioners have demonstrated a substantial likelihood of success or have raised serious questions on the merits of the contentions that Kingscroft Insurance Company Ltd. ("Kingscroft"), El Paso Insurance Company Ltd. ("El Paso"), Lime Street Insurance Company Ltd. ("Lime Street") and Mutual Reinsurance Company Ltd. ("Mutual") (collectively, "KELM") are companies subject to foreign proceedings, that Petitioners are the foreign representatives of the debtors, that the commencement or continuation of any judicial, administrative or regulatory action or proceeding against KELM, or any of their property in the United States, should be enjoined* pursuant to 11 U.S.C. § 304(b) to permit the orderly resolution of claims in the pending proceedings brought under foreign law, and that the relief requested will not cause hardships to parties which are not outweighed by the benefits;

2. Unless an injunction is issued, it appears to this Court that one or more parties in interest will relinquish or dispose of property of KELM in the United States, or will commence or continue the prosecution of judicial, administrative or regulatory actions against KELM and/or seek to retain assets of KELM, thereby interfering with, and causing harm to, the Petitioners' efforts to administer the estates of KELM pursuant to the foreign proceedings, and that as a result the Petitioners will suffer immediate and irreparable injury for which they will have no adequate remedy at law;

3. The interest of the public will be served by restraining such disposition of KELM property and the commencement or continuation of such judicial, administrative or regulatory actions or proceedings;

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

ORDERED, that all persons (except as provided in the Orders of Conservation) are hereby preliminarily enjoined and restrained from:

(1) relinquishing or disposing of any property of KELM in the United States, or the proceeds of such property, to third parties;

(2) commencing or continuing any judicial, administrative or regulatory action or proceeding against Kingscroft, El Paso, Lime Street and/or Mutual or any of their property in the United States;

(3) enforcing any judicial, administrative or regulatory judgment, assessment or order and commencing or continuing any act or any judicial, administrative or regulatory proceeding to create, perfect or enforce any lien, set-off or other claim against Kingscroft, El Paso, Lime Street and/or Mutual or any of their property in the United States;

ORDERED, that nothing in this order shall in any respect prevent the continuance or commencement of proceedings against or involving other London Market insurers or any other insurance company defendant;

ORDERED, that pursuant to Bankruptcy Rule 7065, the security provisions of Fed. R. Civ. P. 65(c) be, and the same hereby are, waived; and it is further

ORDERED, that this Preliminary Injunction Order shall be served (A) by hand delivery, facsimile or United States mail, first class postage prepaid, on or before June 11, 1993 upon the parties in interest appearing in these cases and in *In re Petition of Christopher John Hughes, Ian Douglas Barker Bond and Gareth Howard Hughes as Joint Provisional Liquidators of Walbrook Insurance Company Ltd.*, Case No. 92-B-44623 (PBA) (Bankr. S.D.N.Y.), at the time of such service; and (B) by publication of a summary of this Preliminary Injunction Order in *Business Insurance Magazine* on or before July 5, 1993; that service pursuant to this paragraph shall be deemed good and sufficient service and adequate notice; and it is further

ORDERED, that the time to answer or move with respect to the Petition is extended *sine die*, but that parties wishing to move for modification of or relief from this Order or otherwise may do in accordance with the schedule set forth by the Court herein and in any subsequent Scheduling Order entered by the Court in this case;

ORDERED, that this injunction shall remain in effect pending further order of the court, after a hearing scheduled to be held in Room 617 of the Alexander Hamilton House, One Bowling Green, New York, New York on September 14, 1993 at 2:30 p.m.; and it is further

ORDERED, that all papers submitted for the purpose of controverting the petition or opposing a continuation of the relief provided for in this Preliminary Injunction Order shall be filed with the Court with a copy to the Chambers and delivered personally or by overnight mail or so as to be received by Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (Attention: Ronald DeKoven), Attorneys for Petitioners, on or before September 7, 1993.

Dated: New York, New York
June 9, 1993
3:30 o'clock p.m.

/S/PRUDENCE BEATTY ABRAM
U.S.B.J.

*Petitioners' request for relief, and the terms of this Order, are subject to the provisions of the Orders of Conservation obtained by the New York Superintendent of Insurance in the New York Supreme Court for New York County (the "Orders of Conservation").

Meeker Sharkey Financial Group Inc.

21 Commerce Drive, Cranford, N.J. 07016; 908-272-8100; fax: 908-272-9059

	1992	1991
Premium volume	**$84,071,395**	$83,716,944
Gross revenues	**$18,002,440**	$17,924,166
U.S. clients	**100%**	100%
Brokerage: Retail	**79%**	79%
U.S. offices	**$14,221,928**	$14,160,091
Personal lines	**9%**	9%
Services	**7%**	7%
Invstmt. income	**2%**	2%
Other	**3%**	3%
Employees	**172**	204
Offices	**7**	11

Founded: 1864.

Retail brokerage: 93% commissions, 7% fees.

Employee benefits: 12% of revenues.

Acquisitions: The Daniel Group, Cranford, N.J., May 1992; The Kurmin Insurance Agency, Wall Township, N.J., April 1993; John W. McGuire Inc., Martinsville, N.J., March 1993; Murtenson Benefits Group P.C., Cranford, N.J., March 1993;

Retail brokerage branches: Cranford Agency, Cranford, N.J.; Meeker Sharkey, Gervasio & Seeger, Trenton, N.J.; Meeker Sharkey & Kurmin, Wall Township, N.J.; Meeker Sharkey & Lane, Mount Laurel, N.J.; Meeker Sharkey & MacBean, Cranford, N.J.; Meeker Sharkey & Moffatt, Wall, N.J.; John W. McGuire Inc., Martinsville, N.J.; Edward F.C. McLaughlin, White Plains, N.Y.; Provident Mutual Life Insurance Co., Cranford, N.J.

Non-retail brokerage subsidiaries: Meeker Sharkey Benefits, Cranford, N.J.; Meeker Sharkey Consultants, Cranford, N.J.; Meeker Sharkey & Daniels, Cranford, N.J.; Meeker Sharkey Realtors, Cranford, N.J.

Officers: Thomas J. Sharkey, chairman; Brian P. Leddy; William Dittmann; Thomas J. Sharkey Jr.; Raymond B. Vaughn.

Contact: Thomas J. Sharkey Jr.

Mesirow Insurance Services Inc.

350 N. Clark St., Chicago, Ill. 60610; 312-670-6200; fax: 312-670-7506

	1992	1991
Premium volume	**$140,000,000**	$120,000,000
Gross revenues	**$13,050,000**	$11,025,000
U.S. clients	**100%**	100%
Brokerage: Retail	**90%**	90%
U.S. offices	**$11,745,000**	$9,922,500
Personal lines	**4%**	4%
Services	**3%**	3%
Invstmt. income	**3%**	3%
Employees	**114**	98
Offices	**3**	3

Founded: 1972.

Parent: Mesirow Financial.

Retail brokerage: 90% commissions, 10% fees.

Employee benefits: 23% of revenues.

Licensed excess/surplus broker in: Illinois.

Officers: Richard Price, president/COO; Howard Engel, Arnold Pritsker, James Styer, Stephen Ware, executive vps.

Milner Park Insurance Brokers Inc.

220 Milner Ave., Unit 3, Scarborough, Ontario M1S 4M8, Canada; 416-299-7070; fax: 416-299-9480

	1992*	1991*
Premium volume	**$1,977,600**	$2,400,750
Gross revenues	**$271,920**	$327,375
Non-U.S. clients	**100%**	100%
Brokerage: Retail	**13%**	15%
Personal lines	**87%**	85%
Employees	**12**	8
Offices	**1**	1

* Converted at applicable exchange rates.

Founded: 1983.

Retail brokerage: 100% commissions.

Officers: William P. Manuel.

Minet Group P.L.C.

Minet House, 66 Prescot St., London E1 8BU, England; 44-71-481-0707; fax: 44-71-488-9786

See profile on page 43.

Julius Moll & Son Inc.

6160 N. Cicero Ave., Chicago, Ill. 60646; 312-286-7737

	1992	1991
Premium volume	**$28,000,000**	$27,000,000
Gross revenues	**$3,650,000**	$3,575,000
U.S. clients	**100%**	100%
Brokerage: Retail	**85%**	84%
U.S. offices	**$3,102,500**	$3,003,000
Personal lines	**6%**	6%
Services	**5%**	6%
Invstmt. income	**1%**	2%
Other	**3%**	2%
Employees	**46**	45
Offices	**1**	1

Founded: 1901.

Retail brokerage: 93% commissions, 7% fees.

Employee benefits: 3% of revenues.

Acquisitions: Moloney Insurance Agency Inc., Bloomingdale, Ill., April 1992.

Licensed excess/surplus broker in: Illinois.

Officers: Theodore S. Ross, president; Richard M. Moll, chairman.

Contact: Theodore S. Ross.

Mones & Associates Insurance Brokers Inc.

126, 6325-103 St., Edmonton, Alberta T6H 5H6, Canada; 403-435-4862; fax: 403-437-6768

	1992*	1991*
Premium volume	**$8,240,000**	$6,984,000
Gross revenues	**$1,236,000**	$1,047,600
Non-U.S. clients	**100%**	100%
Brokerage: Retail	**80%**	85%
Non-U.S. offices	**$988,800**	$890,460
Personal lines	**19%**	14%
Services	**1%**	1%
Offices	**3**	2

* Converted at applicable exchange rates.

Founded: 1983.

Retail brokerage: 95% commissions, 5% fees.

Acquisitions: Fleming Agencies, Yellowknife, Northwest Territories, Canada, April 1992.

Retail brokerage branches: Saskatoon, Saskatchewan, Canada; Yellowknife, Northwest Territories, Canada.

Officers: James G. Mones, president; Bob Mones, vp/Saskatoon branch manager; Mel White, Brian Murphy, vps; Sandra Mones, controller.

Contact: Brian Murphy.

Morency, Weible & Sapa Inc.

1717 N. Naper Blvd., 3rd Floor, Naperville, Ill. 60563; 708-955-0090; fax: 708-955-0150

	1992	1991
Premium volume	**$57,000,000**	$55,000,000
Gross revenues	**$7,400,000**	$7,200,000
U.S. clients	**100%**	100%
Brokerage: Retail	**91%**	90%
U.S. offices	**$6,734,000**	$6,480,000
Wholesale	**1%**	1%
Personal lines	**5%**	5%
Services	**1%**	1%
Invstmt. income	**2%**	3%
Employees	**62**	61
Offices	**1**	1

Founded: 1960.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 7% of revenues.

Licensed excess/surplus broker in: Illinois.

Officers: Mike Weible, president; James Lawson, Glenn Sapa, William Cahill, Richard Morency, vps.

Contact: Mike Weible.

Fred A. Moreton & Co.

649 E. South Temple St., Salt Lake City, Utah 84102; 801-531-1234; fax: 801-531-6117

	1992	1991
Premium volume	**$62,000,000**	$47,000,000
Gross revenues	**$6,743,000**	$6,600,000
U.S. clients	**100%**	100%
Brokerage: Retail	**88%**	87%
U.S. offices	**$5,934,000**	$5,750,000
Wholesale	**3%**	3%
Personal lines	**5%**	5%
Services	**1%**	1%
Invstmt. income	**3%**	4%
Employees	**78**	72
Offices	**1**	1

Founded: 1910.

Retail brokerage: 99% commissions, 1% fees.

Employee benefits: 18% of revenues.

Licensed excess/surplus broker in: Idaho, Utah.

Officers: Edward B. Moreton, president; Craig L. Smith, executive vp; Jonathan M. Jepsen, senior vp; William R. Moreton, treasurer; Susan P. Stoddard, secretary.

Contact: Edward B. Moreton.

Morris & MacKenzie Inc.

1130 Sherbrooke St. W., Montreal, Quebec H3A 3K4, Canada; 514-499-0999; fax: 514-499-9188

	1992*	1991*
Gross revenues	**$10,959,200**	$12,047,400
Brokerage: Retail	**75%**	80%
Personal lines	**25%**	20%
Employees	**135**	148
Offices	**4**	4

* Converted at applicable exchange rates.

Founded: 1939.

Parent: Mackmor Ltd.

Retail brokerage branches: Calgary, Alberta; Toronto; Vancouver, British Columbia, Canada.

Officers: Frank Dougan, president/CEO; Maurice Sauve, senior vp/director; Alf Parke, Victor Allen, E. Bruce Owen-Hicks, vps/directors.

Contact: Frank Dougan, 595 Bay St., Toronto, Ontario M5G 2C2, Canada; 416-595-9899.

N

NIA Ltd./National Insurance Associates

66 Route 17, Paramus, N.J. 07675; 201-845-6600; fax: 201-845-3011

	1992	1991
Gross revenues	**$15,546,000**	$14,350,000
U.S. clients	**100%**	100%
Brokerage: Retail	**64%**	70%
U.S. offices	**$10,000,000**	$10,000,000
Wholesale	**6%**	11%
Personal lines	**24%**	13%
Services	**3%**	3%
Invstmt. income	**2%**	2%
Other	**1%**	1%
Employees	**181**	174
Offices	**6**	5

Founded: 1926.

Parent: The NIA Group.

Retail brokerage: 98% commissions, 2% fees.

Employee benefits: 17.7% of revenues.

Acquisitions: Cositore Agency, Paterson, N.J., January 1992; Trupin, North & North, White Plains, N.Y., October 1992.

Retail brokerage branches: Freehold, Long Valley and Paterson, N.J.; Monticello and White Plains, N.Y.

Licensed excess/surplus broker in: New Jersey, New York.

Officers: Paul L. Gross, chairman/president; Howard Cantor, vp-finance; William F. Meade, executive vp; Alan Klein, COO; Chris Bandy, vp.

Contact: Howard Cantor.

National Coverage Corp.

15 Valley Drive, Greenwich, Conn. 06830; 203-622-1141; fax: 203-622-1159

	1992	1991
Premium volume	**$38,000,000**	$35,000,000
Gross revenues	**$4,200,000**	$4,125,000
U.S. clients	**100%**	100%
Brokerage: Retail	**74%**	71%
U.S. offices	**$3,108,000**	$2,928,750
Personal lines	**12%**	15%
Services	**12%**	10%
Invstmt. income	**2%**	4%

Founded: 1964.

Retail brokerage: 80% commissions, 20% fees.

Retail brokerage branches: Melville, N.Y.

Officers: John F. Betz, president/CEO; David E. Kimball Jr., COO/CFO.

Contact: John F. Betz.

National Insurance Agency

P.O. Box 6750, Corpus Christi, Texas 78466; 512-993-6700; fax: 512-993-0870

	1992	1991
Premium volume	**$9,592,104**	$8,252,008
Gross revenues	**$1,122,814**	$982,762
U.S. clients	**100%**	100%
Brokerage: Retail	**75%**	72%
U.S. offices	**$842,110**	$710,469
Personal lines	**25%**	28%
Employees	**18**	19
Offices	**1**	1

Founded: 1965.

Retail brokerage: 100% commissions.

Officers: Robert Harris, president; John McFall, Howard Schlegel, Scot Oshman, Claude Watts, vps.

Contact: Robert E. Harris.

Near North Insurance Brokerage Inc.

875 N. Michigan Ave., 20th Floor, Chicago, Ill. 60611; 312-280-5600; fax: 312-280-5602

	1992	1991
Premium volume	**$315,000,000**	$294,000,000
Gross revenues	**$34,000,000**	$31,000,000
U.S. clients	**100%**	100%
Brokerage: Retail	**90%**	90%
U.S. offices	**$30,600,000**	$27,900,000
Personal lines	**4%**	4%
Services	**2%**	2%
Invstmt. income	**4%**	4%
Employees	**313**	280
Offices	**10**	5

Founded: 1962.

Parent: Near North National Group Inc.

Retail brokerage: 93% commissions, 7% fees.

Employee benefits: 6% of revenues.

Acquisitions: THB Intermediaries Inc., Chicago, New York and Los Angeles, April 1993.

Retail brokerage branches: Cohen Insurance, New York; International Film Guarantors Inc., Los Angeles; Near North Insurance Brokerage of C.A. Inc., Los Angeles; Near North National Title Inc., Chicago; Settlement Planning Associates, Dallas and Tampa, Fla.

Licensed excess/surplus broker in: 50 states.

Officers: Michael Segal, chairman/CEO; William C. Bartholomay, president;

Continued on next page

Continued from previous page
Dan Borbas, executive vp; Steve Coleman, Bill Hines, senior vps.
Contact: Dan Borbas, 312-280-5634.

North American Insurance Agency Inc.
3800 Classen, P.O. Box 25928-73125, Oklahoma City, Okla. 73118; 405-523-2100; fax: 405-523-2332

	1992	1991
Premium volume	$75,000,000	$61,000,000
Gross revenues	$6,990,481	$6,973,950
U.S. clients	100%	100%
Brokerage: Retail	70%	70%
U.S. offices	$4,886,576	$4,627,806
Personal lines	18%	17%
Other	12%	13%
Employees	103	108
Offices	4	5

Founded: 1959.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 10% of revenues.
Retail brokerage branches: Englewood, Colo.; New Orleans, La.; Tulsa, Okla.
Licensed excess/surplus broker in: Colorado, Oklahoma.
Officers: W.E. Durrett, chairman; D. Gene McCrory, president; Donald W. Glaspey, executive vp; Stephen P. Garrett, secretary; Jasper E. Biddy, treasurer.
Contact: Jasper E. Biddy.

O

O'Gorman & Young Inc.
159 Main St., Chatham, N.J. 07928; 201-635-1800; fax: 201-635-7744

	1992	1991
Gross revenues	$4,775,000	$5,126,000
U.S. clients	100%	100%
Brokerage: Retail	86%	88%
U.S. offices	$4,106,500	$4,510,880
Personal lines	14%	12%
Employees	44	51
Offices	2	2

Founded: 1894.
Retail brokerage: 100% commissions.
Retail brokerage branches: G.R. Murray Insurance, Princeton, N.J.
Officers: Simeon H. Rollinson, president; E.V. Tracey, executive vp/treasurer; Ernest J. Lawton III, Peter Redfern, Robert Laudati, vps; Richard Farnow, vp-finance.
Contact: E.V. Tracey.

The James B. Oswald Co.
1 Erieview Plaza, Suite 600, Cleveland, Ohio 44114; 216-241-0468; fax: 216-241-4520

	1992	1991
Premium volume	$69,000,000	$65,000,000
Gross revenues	$9,900,000	$8,900,000
U.S. clients	100%	100%
Brokerage: Retail	61%	67%
U.S. offices	$6,000,000	$6,000,000
Personal lines	11%	8%
Services	19%	16%
Invstmt. income	1%	1%
Other	8%	8%
Employees	144	132
Offices	6	5

Founded: 1893.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 4% of revenues.
Retail brokerage branches: Oswald Trippe & Co.: Cape Coral, Fort Myers, Miami and Naples, Fla.
Non-retail brokerage subsidiaries: Oswald Newman Consulting Group Inc., Fort Myers, Fla.
Licensed excess/surplus broker in: Ohio.
Officers: James R. Pender, CEO/chairman; John E. Warfel, president; Robert A. Bracci, executive vp; Raymond J. Malone, Marc S. Byrnes, senior vps; Daniel P. O'Brien, president-Oswald Risk Management Services.
Contact: Robert A. Bracci.

P

Palley Simon Associates Inc.
Rydal Executive Plaza, Suite 300, Rydal, Pa. 19046; 215-884-2100; fax: 215-572-1417

	1992	1991
Premium volume	$18,761,000	$19,268,000
Gross revenues	$2,730,488	$2,921,329
U.S. clients	100%	99.9%
Non-U.S. clients	0%	0.1%
Brokerage: Retail	80.8%	80.7%
U.S. offices	$2,206,234	$2,357,513
Personal lines	16.2%	14.2%
Invstmt. income	3%	5.1%
Employees	30	32
Offices	1	1

Founded: 1974.
Retail brokerage: 97.4% commissions, 2.6% fees.
Employee benefits: 12.1% of revenues.
Officers: Mahlon B. Simon Jr., president; Samuel M. Palley, vp; Reid B. Sandner, assistant vp.
Contact: Mahlon B. Simon Jr.

Palmer & Cay/Carswell Inc.
25 Bull St., Savannah, Ga. 31402; 912-234-6621; fax: 912-234-5427

	1992*	1991*
Premium volume	$199,852,671	$149,795,731
Gross revenues	$17,869,169	$16,864,172
U.S. clients	100%	100%
Brokerage: Retail	86%	83%
U.S. offices	$15,328,913	$14,003,103
Personal lines	7%	10%
Services	5%	5%
Invstmt. income	2%	2%
Employees	203	211
Offices	11	11

* Figures do not include 1993 acquisitions.
Founded: 1868.
Retail brokerage: 82% commissions, 18% fees.
Acquisitions: Midyette-Moor, Tallahassee, Fla., April 1993; Alexsis, Tallahassee, Fla., May 1993.
Retail brokerage branches: Atlanta, Augusta, Savannah and Vidalia, Ga.; Charlotte, N.C.; Greenville, S.C.; Jacksonville and Tallahassee, Fla.; IMS of Texas Inc., Dallas; Member Services Group Inc., Tampa, Fla.; Midyette-Moor, Tallahassee, Fla.; Shelander Cowden, Brunswick, Ga.; Mitchell/Woolfolk Insurance, Columbus, Ga.
Licensed excess/surplus broker in: Georgia, Virginia.
Officers: John E. Cay III, CEO; Lewis H. Oden III, executive vp; F. Michael Crowley, Cecil Cooke, presidents.
Contact: Kavin Smith, vp/marketing manager.

Palmer Goodell Insurance Agency Inc.
2077 Roosevelt Ave., Springfield, Mass. 01104; 413-781-5940; fax: 413-733-7722

	1992	1991
Premium volume	$45,300,000	$43,500,000
Gross revenues	$4,803,000	$4,323,000
U.S. clients	100%	100%
Brokerage: Retail	56%	65%
U.S. offices	$2,690,000	$2,810,000
Personal lines	24%	19%
Services	14%	12%
Invstmt. income	1%	0%
Other	5%	4%
Employees	61	56
Offices	1	1

Founded: 1871.
Retail brokerage: 100% commissions.
Employee benefits: 14% of revenues.
Non-retail brokerage subsidiaries: Consolidated Health Plans Inc., Springfield, Mass.
Licensed excess/surplus broker in: Massachusetts.
Officers: Robert H. Carnevale, president; Jacob E. Stone, executive vp; K. Kevin Saremi, general manager/CFO.
Contact: Ronald J. Montagna, controller.

Parker, Smith & Feek Inc.
1700 First Interstate Center, 999 Third Ave., Seattle, Wash. 98104; 206-382-7900; fax: 206-382-1135

	1992	1991
Premium volume	$103,000,000	$95,000,000
Gross revenues	$11,272,000	$10,432,000
U.S. clients	100%	100%
Brokerage: Retail	79%	80%
U.S. offices	$8,900,000	$8,345,000
Wholesale	1%	1%
Personal lines	5%	6%
Services	1%	1%
Invstmt. income	2%	2%
Other	12%	10%
Employees	124	124
Offices	3	2

Founded: 1937.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 12% of revenues.
Retail brokerage branches: Anchorage, Ala.; Portland, Ore.
Licensed excess/surplus broker in: Alaska, Washington.
Officers: Vic Parker, president/CEO; John Zefkeles, chairman; Dennis Westover, John Tracey, senior vps; Greg Collins, vp/COO.
Contact: Steve Wolf, director-information services.

Pavenstedt & Pauli (USA) Inc.
302 W. High St., P.O. Box 968, Lexington, Ky. 40588-0968; 606-254-5388; fax: 606-252-8658

	1992	1991
Premium volume	$21,680,000	$22,900,000
Gross revenues	$2,238,000	$2,170,000
U.S. clients	39%	37%
Non-U.S. clients	61%	63%
Brokerage: Retail	46%	48%
U.S. offices	$411,792	$617,688
Non-U.S. offices	$416,640	$624,960
Wholesale	32%	25%
Reinsurance	1%	2%
Personal lines	20%	16%
Invstmt. income	1%	1%
Other	0%	8%
Employees	35	36
Offices	4	6

Founded: 1887.
Retail brokerage: 100% commissions.
Retail brokerage branches: Pavenstedt & Pauli: Bremen, Germany; Zurich, Switzerland.
Licensed excess/surplus broker in: Kentucky.
Officers: Johann T. Pavenstedt, president/CEO; James C. Falkenstine, Mary C. Payne, vps; Rebecca B. Lewis, secretary/treasurer.
Contact: Johann T. Pavenstedt or Rebecca B. Lewis.

Pembroke Insurance Agency Inc.
4668 Pembroke Blvd., Suite 117, Virginia Beach, Va. 23455; 804-497-9611; fax: 804-456-5289 or 804-497-4162

	1992	1991
Premium volume	$14,242,000	$14,695,000
Gross revenues	$1,922,670	$1,880,000
U.S. clients	100%	100%
Brokerage: Retail	80%	83%
U.S. offices	$1,538,136	$1,560,400
Personal lines	13%	12%
Other	7%	5%
Employees	20	21
Offices	1	1

Founded: 1969.
Retail brokerage: 100% commissions.
Officers: W.K. Hammaker, president; Brenda H. Hammaker, Dennis P. Browne, senior vps; F. Karl Hammaker, James B. Carver, vps.
Contact: W.K. Hammaker.

Pettit-Morry Co.
520 Pike St., 20th Floor, Seattle, Wash. 98101; 206-447-0500; fax: 206-447-0902

	1992	1991
Premium volume	$157,000,000	$140,000,000
Gross revenues	$21,150,000	$19,400,000
U.S. clients	97.2%	95%
Non-U.S. clients	2.8%	5%
Brokerage: Retail	77.8%	75.6%
U.S. offices	$16,456,815	$14,666,400
Wholesale	4.7%	4.7%
Personal lines	3.3%	3.5%
Services	12.7%	14%
Invstmt. income	1.5%	2.2%
Employees	251	250
Offices	10	9

Founded: 1941.
Retail brokerage: 87.3% commissions, 12.7% fees.
Employee benefits: 5.81% of revenues.
Retail brokerage branches: Bellingham, Wash.; Denver; Newport and Portland, Ore.; Pasadena, Sacramento, San Francisco and Truckee, Calif.
Non-retail brokerage subsidiaries: LWP Services, Seattle; Puget Sound Underwriters, Seattle.
Licensed excess/surplus broker in: Alaska, California, Colorado, Oregon, Washington.
Officers: Graham S. Anderson, chairman/CEO; Frederick J. Long, president; Robert J. Seda, treasurer; Evan Sorby, president-Puget Sound Underwriters; Charles Lewis, president-LWP Services.
Contact: Frederick J. Long.

The Pilgrim Organization
518 Stuyvesant Ave., Lyndhurst, N.J. 07071; 201-460-8400; fax: 201-460-9258

	1992	1991
Premium volume	$39,500,000	$45,000,000
Gross revenues	$9,211,911	$8,790,814
U.S. clients	100%	100%
Brokerage: Retail	49%	57%
U.S. offices	$4,513,836	$5,010,764
Personal lines	5%	6%
Services	44%	35%
Invstmt. income	2%	2%
Employees	68	95
Offices	5	5

Founded: 1972.
Parent: Pilgrim Enterprises Inc.
Retail brokerage: 55% commissions, 45% fees.
Employee benefits: 1.5% of revenues.
Retail brokerage branches: Griffith/Prideaux, Morristown, N.J.; Kennedy Insurance Agency, Eatontown, N.J.; Larsen Insurance Agency, Montclair, N.J.; Pilgrim Insurance Agency, Lyndhurst, N.J.; Pilgrim West Insurance Agency, San Diego.
Non-retail brokerage subsidiaries: MRM Management Corp., Lyndhurst, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Robert A. Nicosia, CEO; Margaret A. Nicosia, president.
Contact: Robert A. Nicosia.

Continued on next page

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Petition of Christopher John Hughes, Ian Douglas Barker Bond and Gareth Howard Hughes, as Joint Provisional Liquidators of Walbrook Insurance Company Ltd.,

Debtor in Foreign Proceedings

Case No. 92-B-44623 (PBA)

PRELIMINARY INJUNCTION ORDER

This matter has come before the Court on Petitioners' request for a Preliminary Injunction Order pursuant to Bankruptcy Rule 7065 and Federal Rule of Civil Procedure 65(b). The Court has considered and reviewed the Petition filed in this case, the Affidavit of Ronald DeKoven, one of the attorneys for the Petitioners, duly sworn to on the 16th day of August, 1992, the Declaration of Gabriel Moss, Q.C., duly verified on the 14th day of August, 1992, the Declaration of Ian Douglas Barker Bond, one of the Petitioners herein, duly verified on the 14th day of August, 1992, and the Memorandum of Law in support of the application, and the responses filed thereto, and having held hearings and heard arguments by counsel on August 19, 1992, September 25, 1992, November 17, 1992 and February 23, 1993 and June 9, 1993, and based on the foregoing the Court finds and concludes as follows:

1. Petitioners have demonstrated a substantial likelihood of success or have raised serious questions on the merits of the contentions that Walbrook Insurance Company Ltd. ("Walbrook") is subject to foreign proceedings, that Petitioners are the foreign representatives of the debtor, that the commencement or continuation of any judicial, administrative or regulatory action or proceeding against Walbrook, or any of its property in the United States, should be enjoined* pursuant to 11 U.S.C. § 304(b) to permit the orderly resolution of claims in the pending proceedings brought under foreign law, and that the relief requested will not cause hardships to parties which are not outweighed by the benefits;

2. Unless an injunction is issued, it appears to this Court that one or more parties in interest will relinquish or dispose of property of Walbrook in the United States, or will commence or continue the prosecution of judicial, administrative or regulatory actions against Walbrook and/or seek to retain assets of Walbrook, thereby interfering with, and causing harm to, the Petitioners' efforts to administer the Walbrook estate pursuant to the foreign proceedings, and that as a result the Petitioners will suffer immediate and irreparable injury for which they will have no adequate remedy at law:

3. The interest of the public will be served by restraining such disposition of Walbrook property and the commencement or continuation of such judicial, administrative or regulatory actions or proceedings;

4. Venue is proper in this district pursuant to 28 U.S.C. § 1410;

NOW, THEREFORE, IT IT HEREBY ORDERED as follows:

ORDERED, that all persons (except as provided in the Orders of Conservation) are hereby preliminarily enjoined and restrained from:

(1) relinquishing or disposing of any property of Walbrook in the United States, or the proceeds of such property, to third parties;

(2) commencing or continuing any judicial, administrative or regulatory action or proceeding against Walbrook or any of its property in the United States;

(3) enforcing any judicial, administrative or regulatory judgment, assessment or order and commencing or continuing any act or any judicial, administrative or regulatory proceeding to create, perfect or enforce any lien, set-off or other claim against Walbrook or any of its property in the United States;

ORDERED, that nothing in this order shall in any respect prevent the continuance or commencement of proceedings against or involving other London Market insurers or any other insurance company defendant;

ORDERED, that pursuant to Bankruptcy Rule 7065, the security provisions of Fed. R. Civ. P. 65(c) be, and the same hereby are, waived; and it is further

ORDERED, that this Preliminary Injunction shall be served (A) by hand delivery, facsimile or United States mail, first class postage prepaid, on or before June 11, 1993 upon the parties in interest appearing in this case and in *In re Petition of Christopher John Hughes and Ian Douglas Barker Bond as Joint Provisional Liquidators of Kingscroft Insurance Company Ltd., et al.*, Case Nos. 92-B-41974 through 92-B-41977 (PBA) (Bankr. S.D.N.Y.), at the time of such service; and (B) by publication of a summary of this Preliminary Injunction Order in *Business Insurance Magazine* on or before July 5, 1993; and that service pursuant to this paragraph shall be deemed good and sufficient service and adequate notice.

ORDERED, that the time to answer or move with respect to the Petition is extended *sine die*, but that parties wishing to move for modification of or relief from this Order or otherwise may do so in accordance with the schedule set forth by the Court herein and in any subsequent Scheduling Order entered by the Court in this case;

ORDERED, that this injunction shall remain in effect pending further order of the Court, after a hearing scheduled to be held in Room 617 of the Alexander Hamilton House, One Bowling Green, New York, New York on September 14, 1993 at 2:30 p.m.; and it is further

ORDERED, that all papers submitted for the purpose of controverting the petition or opposing a continuation of the relief provided for in this Preliminary Injunction Order shall be filed with the Court with a copy to the Chambers and delivered personally or by overnight mail or so as to be received by Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (attention: Ronald DeKoven), Attorneys for Petitioners, on or before September 7, 1993.

Dated: New York, New York
June 9, 1993
3:30 o'clock, p.m.

/S/PRUDENCE BEATTY ABRAM
U.S.B.J.

*Petitioners' request for relief, and the terms of this Order, are subject to the provisions of the Order of Conservation obtained by the New York Superintendent of Insurance in the New York Supreme Court for New York County (the "Order of Conservation").

Continued from previous page

Poe & Brown Inc.

702 N. Franklin St., P.O. Box 1348, Tampa, Fla. 33601; 813-222-4100; fax: 813-223-5874

	1992	1991
Premium volume	$712,000,000	$608,000,000
Gross revenues	$87,845,000	$81,660,000
U.S. clients	100%	100%
Brokerage: Retail	51%	49%
U.S. offices	$45,229,000	$40,350,000
Wholesale	22%	25%
Personal lines	10%	10%
Services	13%	12%
Invstmt. income	3%	3%
Other	1%	1%
Employees	1,100	1,031
Offices	34	41

Founded: 1939.
Retail brokerage: 83% commissions, 17% fees.
Employee benefits: 16% of revenues.
Acquisitions: Deyo Fawcett Insurance Service, Houston, January 1992; Giblon & Claffey Agency, Clark, N.J., May 1992; Dwyer Lambert & Co., West Palm Beach and Fort Lauderdale, Fla., May 1992; Levinson Bros. Inc., San Francisco, August 1992; Brown & Brown Inc., Daytona, Fla., April 1993.
Retail brokerage branches: Atlanta; Boynton Beach, Brooksville, Daytona Beach, Delray Beach, Fort Lauderdale, Fort Myers, Hollywood, Jacksonville, Kissimmee, Lakeland, Leesburg, Maitland, Melbourne, Miami, Orlando, Sanibel, Sarasota, Tallahassee, Tampa, West Palm Beach and Winter Haven, Fla.; Somerset, N.J.; Charlotte, N.C.; Houston; Dean S. Davidson Insurance, Phoenix; Giblon & Claffey Agency, Clark, N.J.; Golden Eagle Group, Tampa, Fla.; Health Care Insurers, Colorado Springs, Colo.; Levinson Bros. Inc., San Francisco.
Non-retail brokerage subsidiaries: Halcyon Underwriters, Maitland, Fla.; Insurance Administration Center, Tampa, Fla.; MacDuff Underwriters, Daytona Beach, Fla.; Poe & Brown of Conn., Glastonbury, Conn.; Underwriters Services, Tampa, Fla.; United Self-Insured Services, Orlando, Fla.
Licensed excess/surplus broker in: Florida.
Officers: William F. Poe, chairman; J. Hyatt Brown, president/CEO; V.C. Jordan Jr., vice chairman; Bruce G. Geer, Ken E. Hill, Jim W. Henderson, executive vps.
Contact: Cory T. Walker.

Popkin Lebson Bergstein Inc.

25 Rockwood Place, P.O. Box 5599, Englewood, N.J. 07631; 201-569-8090; fax: 201-569-9893

	1992	1991
Premium volume	$22,447,569	$21,534,135
Gross revenues	$3,727,810	$3,467,889
U.S. clients	100%	100%
Brokerage: Retail	69%	69%
U.S. offices	$2,572,237	$2,392,834
Wholesale	1%	1%
Personal lines	28%	28%
Services	1%	1%
Invstmt. income	1%	1%
Employees	45	44
Offices	2	2

Founded: 1974.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Schneiderman Agency, Bayonne, N.J.
Licensed excess/surplus broker in: New Jersey.
Officers: Jay Bergstein, president; Martin A. Lebson, vp/treasurer; Bruce Bergstein, vp/secretary; Ron Bergstein, vp.
Contact: Martin A. Lebson.

Posse-Walsh Inc.

4 Sentry Parkway, Suite 300, Blue Bell, Pa. 19422; 215-834-1410; fax: 215-834-2078

	1992	1991
Premium volume	$56,000,000	$60,100,000
Gross revenues	$7,600,000	$8,150,000
U.S. clients	100%	100%
Brokerage: Retail	83.8%	85.2%
U.S. offices	$6,370,000	$6,943,800
Wholesale	0.6%	1%
Personal lines	12.1%	11.6%
Services	0.3%	0.6%
Invstmt. income	2.8%	1.3%
Other	0.4%	0.5%
Employees	66	72
Offices	1	1

Retail brokerage: 97.3% commissions, 2.7% fees.
Employee benefits: 24.9% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Carl A. Posse, chairman; Daniel J. Walsh III, president/CEO.
Contact: Daniel J. Walsh III.

Cecil W. Powell & Co. Dependable Insurance

P.O. Box 41490, Jacksonville, Fla. 32203; 904-353-3181; fax: 904-353-5722

	1992	1991
Gross revenues	$3,750,000	$3,650,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	93%	93%
U.S. offices	$3,550,000	$3,450,000
Wholesale	1%	1%
Personal lines	5%	5%
Invstmt. income	1%	1%
Employees	34	34
Offices	1	1

Founded: 1935.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: Fitzhugh Powell Sr., chairman; Lon B. Bryan, president; S.L. Storey, vp.
Contact: Fitzhugh Powell Sr.

Preferred Benefits Inc.

975 Spaulding Ave. S.E., Grand Rapids, Mich. 49546; 616-956-1199; fax: 616-956-1214

	1992	1991
Premium volume	$4,800,000	$5,000,000
Gross revenues	$506,083	$550,702
U.S. clients	100%	100%
Brokerage: Retail	84%	84%
U.S. offices	$425,109	$462,590
Reinsurance	10%	10%
Personal lines	3%	3%
Services	3%	3%
Employees	5	5
Offices	1	1

Founded: 1975.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 80% of revenues.
Officers: Susan Mason, president; Kathleen Noom, vp.
Contact: Susan Mason.

Producers Exchange Inc.

600 Six Flags Drive, Suite 246, Arlington, Texas 76005, P.O. Box 5008; 817-649-0096; fax: 817-649-0062

	1992	1991
Premium volume	$14,000,000	$14,500,000
Gross revenues	$1,157,000	$1,700,000
U.S. clients	100%	100%
Brokerage: Retail	94%	94%
U.S. offices	$1,087,580	$1,598,000
Invstmt. income	6%	6%
Employees	13	14
Offices	3	4

Founded: 1973.
Parent: Producers Exchange Cooperative.
Retail brokerage: 100% commissions.
Retail brokerage branches: Producers Exchange Insurance Agency Inc., Arlington, Corpus Christi and Lubbock, Texas.
Licensed excess/surplus broker in: Texas.
Officers: L.C. Unfred, chairman; Bill Fitzwater, president; Walter M. Bear, vice chairman; Dick L. Cooper, vp; Hollis Sullivan, secretary/treasurer.
Contact: Dick L. Cooper.

R

RWP Group Inc.

875 Merrick Ave., Westbury, N.Y. 11590; 516-683-3000; fax: 516-683-3069 or 516-683-3070

	1992	1991
Premium volume	$71,000,000	$68,000,000
Gross revenues	$9,300,000	$9,210,000
U.S. clients	100%	100%
Brokerage: Retail	71%	72%
Wholesale	1%	1%
Personal lines	20%	20%
Services	1%	1%
Invstmt. income	1%	1%
Other	6%	5%
Employees	102	108
Offices	1	1

Founded: 1926.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 12% of revenues.
Officers: Robert Bergner; Kenneth D. Pollack, CEO/chairman; Monroe J. Roffer.
Contact: Kenneth D. Pollack.

Rebsamen Insurance Inc.

1500 Riverfront Drive, Little Rock, Ark. 72202; 501-661-4800; fax: 501-666-9592

	1992	1991
Premium volume	$124,826,117	$112,495,000
Gross revenues	$16,579,644	$14,921,000
U.S. clients	100%	100%
Brokerage: Retail	69.3%	64.8%
U.S. offices	$11,484,719	$9,668,808
Wholesale	16.2%	18.8%
Personal lines	4.3%	3.9%
Services	6.1%	4.8%
Invstmt. income	4.1%	7.7%
Employees	142	153
Offices	3	4

Founded: 1929.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 3.29% of revenues.
Acquisitions: Baldwin & Associates, Little Rock, Ark., January 1992.
Retail brokerage branches: Fort Smith and Springdale, Ark.
Non-retail brokerage subsidiaries: Insurisk Excess & Surplus Lines, Little Rock, Ark.
Licensed excess/surplus broker in: Arkansas.
Officers: Allen J. McDowell, president/CEO; William R. Stringfellow, general counsel/senior vp; John H. O'Donnell, CFO.
Contact: John O'Donnell.

Redland Group Inc.

535 W. Broadway, Council Bluffs, Iowa 51503; 712-325-1545; fax: 712-325-5359

	1992	1991
Premium volume	$266,496,653	$243,670,000
Gross revenues	$83,888,544	$76,706,032
U.S. clients	100%	100%
Brokerage: Retail	12%	15%
U.S. offices	$10,066,625	$11,505,905
Wholesale	81.5%	75%
Personal lines	0.5%	4%
Services	3.5%	3%
Invstmt. income	1.5%	2%
Other	1%	1%
Employees	358	356
Offices	2	2

Founded: 1945.
Retail brokerage: 83.25% commissions, 16.75% fees.
Employee benefits: 9% of revenues.
Retail brokerage branches: Mammel, Schropp, Swartzbaugh, Engler, Jones, Omaha, Neb.; Redland & Associates, Council Bluffs, Iowa.
Non-retail brokerage subsidiaries: American Agrisurance Inc., Council Bluffs, Iowa; Midwest Benefits Administrators, Omaha, Neb.
Licensed excess/surplus broker in: Nebraska.
Officers: H.H. Nelson, chairman; John P. Nelson, president; Richard C. Gibson, Gary Hurley, vps; Joseph G. Smith, vp-finance/treasurer.
Contact: Richard H. Schuemann.

Aaron Richardson Insurance Services Corp.

417 Montgomery St., San Francisco, Calif. 94104; 415-986-3999; fax: 415-986-4421

	1992	1991
Premium volume	$36,000,000	$32,000,000
Gross revenues	$3,591,600	$3,227,200
U.S. clients	100%	100%
Brokerage: Retail	15.1%	10.1%
U.S. offices	$540,746	$324,399
Services	84.6%	89.4%
Invstmt. income	0.3%	0.5%
Employees	44	42
Offices	3	3

Founded: 1990.
Retail brokerage: 100% commissions.
Employee benefits: 2% of revenues.
Retail brokerage branches: Los Angeles and San Diego.
Officers: Aaron Richardson, president; Ronald Shepherd, secretary.
Contact: Ronald Shepherd.

Roanoke Agency Inc.

1930 Thoreau Drive, Schaumburg, Ill. 60173; 708-490-9540; fax: 708-885-8710

	1992	1991
Gross revenues	$16,500,000	$15,800,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	81%	81%
U.S. offices	$13,365,000	$12,798,000
Wholesale	9%	8%
Personal lines	2%	2%
Services	3%	2%
Invstmt. income	5%	7%
Employees	190	197
Offices	9	10

Founded: 1935.
Retail brokerage: 96% commissions, 4% fees.
Employee benefits: 2% of revenues.
Retail brokerage branches: Roanoke International Insurance Agency Inc.: Boston; Charleston, S.C.; Houston; Hunt Valley, Md.; Long Beach and San Francisco, Calif.; Miami; New York; Schaumburg, Ill.
Non-retail brokerage subsidiaries: Anduril Cargo Insurance Specialists, Long Beach, Calif.
Licensed excess/surplus broker in: California, Florida, Illinois, Maryland, Massachusetts, New York, South Carolina, Texas, Virginia, Washington.
Officers: William D. Sterrett, president/chairman; Robert P. Froese, vp-operations; Lewis M. Moeller, vp-finance/administration.
Contact: Robert P. Froese.

Robertson/Ryan & Associates Inc.

660 E. Mason St., Milwaukee, Wis. 53202; 414-271-3575

	1992	1991
Premium volume	$49,173,043	$45,356,168
Gross revenues	$8,661,243	$7,941,803
U.S. clients	100%	100%
Brokerage: Retail	83%	83%
Personal lines	13%	13%
Invstmt. income	4%	4%
Employees	78	78
Offices	1	1

Founded: 1960.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 35% of revenues.
Officers: Jay H. Robertson, chairman/director; John S. Borges, president/director; Charles V. Johnson, executive vp/director; James C. Boyce, Jack T. Ryan, vps/directors.
Contact: Charles V. Johnson.

Rollins Hudig Hall Group Inc.

123 N. Wacker Drive, Chicago, Ill. 60606; 312-701-4000; fax: 312-701-4580

See profile on page 30.

M.H. Ross/Doud Insurance Brokers

16933 Parthenia St., North Hills, Calif. 91343; 818-891-7811; fax: 818-892-6576

	1992	1991
Gross revenues	$3,713,190	$3,794,158
U.S. clients	100%	100%
Brokerage: Retail	92.5%	91%
U.S. offices	$3,434,701	$3,452,684
Personal lines	6%	7%
Invstmt. income	1.5%	2%
Employees	42	40
Offices	1	1

Founded: 1954.
Retail brokerage: 97.5% commissions, 2.5% fees.
Employee benefits: 4% of revenues.
Acquisitions: Golbar & Kamran Insurance Services, May 1993.
Officers: Murray H. Ross, chairman/CEO; Lloyd T. Ross, president/COO; Mario A. Guerra, executive vp/sales; Connie Grisanti, executive vp-operations; Natalie T. Ross, secretary/treasurer.
Contact: Lloyd T. Ross.

Rothschild, Bell & Walseth Inc.

P.O. Box 7128, 251 W. Lafayette Frontage Road, St. Paul, Minn. 55107; 612-221-0205; fax: 612-221-0921

	1992	1991
Premium volume	$35,000,000	$34,000,000
Gross revenues	$3,520,000	$3,390,000
U.S. clients	100%	100%
Brokerage: Retail	68%	68%
U.S. offices	$2,393,600	$2,305,200
Reinsurance	1%	1%
Personal lines	26%	26%
Services	2%	2%
Invstmt. income	3%	3%
Employees	43	42
Offices	1	1

Founded: 1885.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 8% of revenues.
Non-retail brokerage subsidiaries: Church Underwriters Inc., St. Paul, Minn.
Licensed excess/surplus broker in: Minnesota.
Officers: Bruce B. Walseth, president; Lowell N. Faa, executive vp/sales manager; Terry Negard, senior vp/general manager; Gordon Johnson, senior vp/account executive; Shelley Mulvihill, vp-commercial manager.
Contact: Bruce Walseth.

S

The Sadler Coffey Insurance Agency

24 Railroad Square, Nashua, N.H. 03061; 603-883-0511; fax: 603-883-6046

	1992	1991
Premium volume	$17,000,000	$16,000,000
Gross revenues	$1,928,000	$1,849,000
U.S. clients	100%	100%
Brokerage: Retail	65%	66%
U.S. offices	$1,253,200	$1,220,340
Personal lines	33%	32%
Services	1%	0%
Invstmt. income	1%	2%
Employees	30	28
Offices	1	1

Founded: 1924.
Retail brokerage: 100% commissions.
Employee benefits: 20% of revenues.
Acquisitions: Conrad Coffey Agency, Nashua, N.H., August 1992.
Officers: Arthur B. Bruinooge, president; Danielle Harrington, vp-finance; James E. Cleary, J. Conrad Coffey, vps.

St. Laurent & McArdle Insurance Inc.

11 Concord St., P.O. Box A, Nashua, N.H. 03061; 603-882-5362; fax: 603-886-4230

	1992	1991
Premium volume	$8,000,000	$8,000,000
Gross revenues	$1,100,000	$1,200,000
U.S. clients	100%	100%
Brokerage: Retail	60%	60%
U.S. offices	$660,000	$720,000
Personal lines	40%	40%
Employees	12	12
Offices	1	1

Founded: 1964.
Retail brokerage: 100% commissions.
Employee benefits: 3% of revenues.
Licensed excess/surplus broker in: New Hampshire.
Officers: Robert St. Laurent, president.
Contact: Robert St. Laurent; Ronald Brochu, vp; Peter McArdle, vp.

Saldana & Associates Inc.

701 Ponce de Leon Ave., Centro de Seguros Building, Suite 303, Santurce, P.R. 00907; 809-721-2600; fax: 809-721-1093

	1992	1991
Premium volume	$116,500,000	$106,650,000
Gross revenues	$11,337,000	$10,464,000
U.S. clients	100%	100%
Brokerage: Retail	94.9%	93.8%
U.S. offices	$10,758,813	$9,815,232
Personal lines	2.9%	2.7%
Invstmt. income	2.2%	3.5%
Employees	105	105
Offices	3	3

Founded: 1972.
Retail brokerage: 100% commissions.
Employee benefits: 15% of revenues.
Retail brokerage branches: Wayne, N.J.
Licensed excess/surplus broker in: Puerto Rico.
Officers: Ralph G. Christiansen Jr., president; Eduardo R. Emanuelli, executive vp; Ruben A. Jordan, treasurer/senior vp; Manuel J. Mendez, secretary/senior vp; Jose E. Vazquez, senior vp.
Contact: Ralph G. Christiansen Jr.

San Diego Associates Inc.

2515 Camino Del Rio S., Suite 226, San Diego, Calif. 92108; 619-293-3388; fax: 619-297-6370

	1992	1991
Premium volume	$18,411,750	$17,535,000
Gross revenues	$937,650	$893,000
U.S. clients	100%	100%
Brokerage: Retail	60%	60%
U.S. offices	$562,590	$535,800
Services	40%	40%
Employees	6	6
Offices	1	1

Founded: 1984.
Retail brokerage: 80% commissions, 20% fees.
Employee benefits: 100% of revenues.
Officers: David N. Peterson, president; Bruce N. Kesler, director.
Contact: Bruce N. Kesler.

The Schaefer Agency Inc.

201 E. Main St., Smithtown, N.Y. 11787; 516-979-7474; fax: 516-979-7485

	1992	1991
Premium volume	$18,000,000	$21,000,000
Gross revenues	$2,400,000	$2,900,000
U.S. clients	100%	100%
Brokerage: Retail	70%	69%
U.S. offices	$1,680,000	$2,001,000
Wholesale	0%	1%
Personal lines	30%	30%
Employees	35	37
Offices	2	3

Founded: 1976.
Retail brokerage: 100% commissions.
Officers: Charles Schaefer, president; Liz Schaefer, Chris Schaefer, vps.
Contact: Charles Schaefer.

Schmutter, Strull, Fleisch Inc.

156 William St., New York, N.Y. 10038; 212-964-6190; fax: 212-227-7945

	1992	1991
Premium volume	$11,750,000	$10,400,000
Gross revenues	$1,450,000	$1,230,000
U.S. clients	100%	100%
Brokerage: Retail	75%	75%
U.S. offices	$1,087,500	$922,500
Personal lines	25%	25%
Employees	22	20
Offices	1	1

Founded: 1896.
Retail brokerage: 100% commissions.
Employee benefits: 5% of revenues.

Continued on next page

Continued from previous page

Officers: Abraham Schmutter, president; Paul Strull, vp; Alvin Queen, executive vp; Kenn Kennis, Harvey Rosen, producers.
Contact: Paul Strull.

Schwartz Brothers Insurance Agency Inc.

135 S. LaSalle St., Suite 2035, Chicago, Ill. 60603; 312-630-0800; fax: 312-630-0833

	1992	1991
Premium volume.	$50,000,000	$50,000,000
Gross revenues...	$6,300,000	$6,383,000
U.S. clients.....	100%	100%
Brokerage: Retail.	86%	87%
U.S. offices.....	$5,418,000	$5,553,000
Personal lines....	8%	7%
Invstmt. income..	6%	6%
Employees.....	63	63
Offices.....	1	1

Founded: 1919.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 10% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: Edward H. Schwartz, Robert I. Schwartz, Raymond L. Miller, Mark P. Nahin, Joseph J. Schwartz.
Contact: Dave Kunkel, 312-630-0821.

Seaman, Ross & Wiener Inc.

6851 Jericho Turnpike, Syosset, N.Y. 11791; 516-921-9100; fax: 516-496-4040

	1992	1991
Premium volume.	$13,200,000	$13,000,000
Gross revenues...	$2,871,000	$2,834,155
U.S. clients.....	100%	100%
Brokerage: Retail.	60%	60%
U.S. offices.....	$1,740,805	$1,700,493
Personal lines....	10%	10%
Services.....	8%	5%
Invstmt. income..	3%	5%
Other.....	19%	20%
Employees.....	14	16
Offices.....	1	1

Founded: 1950.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues.
Officers: Douglas Schenendorf, Alex Seaman, owners.
Contact: Douglas Schenendorf.

Sedgwick Group P.L.C.

Sedgwick House, The Sedgwick Centre, London E1 8DX, England; 44-71-377-3456; fax: 44-71-377-3919

See profile on page 26.

Seed-Roberts Agency Inc.

480 Pierce St., P.O. Box 3027, Birmingham, Mich. 48012-3027; 313-644-6606; fax: 313-644-6430

	1992	1991
Premium volume.	$32,729,000	$30,210,884
Gross revenues...	$4,054,000	$3,990,000
U.S. clients.....	100%	100%
Brokerage: Retail.	83%	83%
U.S. offices.....	$3,364,820	$3,311,700
Personal lines....	15%	15%
Other.....	2%	2%
Employees.....	49	55
Offices.....	1	1

Founded: 1962.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Michigan.
Officers: William E. Roberts Sr., chairman/CEO; William D. Brunett, president/COO; William E. Roberts Jr., executive vp; John M. Roberts, Donald F. Morton, vps.
Contact: William E. Roberts Jr.

Seitlin & Co.

8125 N.W. 53rd St., Suite 200, Miami, Fla. 33186; 305-591-0090; fax: 305-593-6993

	1992	1991
Premium volume.	$47,000,000	$43,300,000
Gross revenues...	$6,600,000	$6,400,000
U.S. clients.....	100%	100%
Brokerage: Retail.	87.3%	84%
U.S. offices.....	$5,758,500	$5,376,000
Personal lines....	10%	13.3%
Invstmt. income..	2.7%	2.7%
Employees.....	90	76
Offices.....	2	2

Founded: 1945.
Retail brokerage: 99% commissions, 1% fees.
Retail brokerage branches: Seitlin & Co. of Broward Inc., Ft. Lauderdale, Fla.
Licensed excess/surplus broker in: Florida.
Officers: Sam Seitlin, chairman; M. Stephen Jackman, president; Lynn Tsucalas, vp/marketing manager; Richard Johnson, Frank Wheeler, vps.
Contact: M. Stephen Jackman.

Shelton Insurance Agency Inc.

1227 Third St., P.O. Box 2727-78403, Corpus Christi, Texas 78404; 512-882-5586; fax: 512-882-7935

	1992	1991
Premium volume.	$7,473,398	$9,787,714
Gross revenues...	$842,880	$985,916
U.S. clients.....	100%	100%
Brokerage: Retail.	90%	90%
U.S. offices.....	$758,592	$887,325
Personal lines....	8%	8%
Invstmt. income..	2%	2%
Employees.....	14	15
Offices.....	1	1

Founded: 1941.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Texas.
Officers: W.J. Shelton, chairman/CEO; Michael Morgan, vp/secretary/treasurer.
Contact: W.J. Shelton.

Sigel Insurance Group

709 Main St., Schwenksville, Pa. 19473; 215-287-5041; fax: 215-287-6524

	1992	1991
Premium volume.	$13,600,000	$14,000,000
Gross revenues...	$1,717,216	$1,757,529
U.S. clients.....	100%	100%
Brokerage: Retail.	68%	67%
U.S. offices.....	$1,168,000	$1,235,000
Wholesale.....	1%	1%
Personal lines....	23%	26%
Services.....	3%	2%
Invstmt. income..	2%	1%
Other.....	3%	3%
Employees.....	25	26
Offices.....	1	1

Founded: 1910.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 3% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Eric Sigel, president; Bruce McDonald, vp; Louis P. Sigel Jr., treasurer/chairman; Shirlee D. Sigel, secretary.
Contact: Eric C. Sigel.

The Simkiss Cos.

150 Radnor-Chester Road, St. Davids, Pa. 19087; 215-254-5000; fax: 215-254-5016

	1992	1991
Premium volume.	$59,597,000	$57,249,000
Gross revenues...	$7,940,000	$7,705,000
U.S. clients.....	100%	100%
Brokerage: Retail.	91%	91%
U.S. offices.....	$7,225,000	$7,012,000
Personal lines....	4%	4%
Services.....	1%	1%
Invstmt. income..	4%	4%
Employees.....	60	59
Offices.....	1	1

Founded: 1965.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 2% of revenues.
Licensed excess/surplus broker in: Pennsylvania.
Officers: John A. Simkiss, president; Richard J. Decker, William F. Simkiss, William F. O'Brien, executive vps.
Contact: Daniel B. Norris, vp.

The Sklover Organization

400 Post Ave., Westbury, N.Y. 11590; 516-333-6011; fax: 516-333-6608

	1992	1991
Premium volume.	$16,000,000	$15,000,000
Gross revenues...	$1,800,000	$1,700,000
U.S. clients.....	100%	80%
Non-U.S. clients	0%	20%
Brokerage: Retail.	85%	85%
U.S. offices.....	$1,530,000	$1,445,000
Personal lines....	10%	10%
Services.....	3%	3%
Invstmt. income..	2%	2%
Employees.....	9	9
Offices.....	2	2

Founded: 1964.
Retail brokerage: 97% commissions, 3% fees.
Retail brokerage branches: New York.
Officers: Richard Sklover, president; Dominic Repeeto, executive vp; Richard Ward, senior vp; James Herrmann, vp.
Contact: Richard Sklover.

Dan Smith Insurance Agency Inc.

P.O. Box 1457, Victorville, Calif. 92393; 619-245-5344; fax: 619-241-3567

	1992	1991
Premium volume.	$6,500,000	$6,100,000
Gross revenues...	$1,050,000	$990,000
U.S. clients.....	100%	100%
Brokerage: Retail.	54%	60%
U.S. offices.....	$562,000	$594,000
Personal lines....	43%	39%
Invstmt. income..	3%	1%
Employees.....	18	20
Offices.....	2	2

Founded: 1967.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 12% of revenues.
Non-retail brokerage subsidiaries: Apple Valley Insurance, Victorville, Calif.; Hesperia Insurance Services, Hesperia, Calif.
Officers: Daniel E. Smith, president/CEO; Gisela Saporiff, vp-operations; Susanne Escobedo, treasurer/CFO.
Contact: Susanne Escobedo.

Donald F. Smith & Associates

3120 Princeton Pike, Lawrenceville, N.J. 08648; 609-895-1616; fax: 609-895-1511

	1992	1991
Premium volume.	$140,000,000	$175,000,000
Gross revenues...	$6,550,000	$8,175,000
U.S. clients.....	100%	100%
Brokerage: Retail.	71%	67%
U.S. offices.....	$4,650,000	$5,500,000
Personal lines....	8%	7%
Services.....	18%	22%
Invstmt. income..	3%	4%
Employees.....	104	104

Founded: 1962.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 30% of revenues.
Retail brokerage branches: Concord, N.H.; Richmond, Va.; Wallingford, Conn.; Benefit Consultant Services, Norfolk, Va.
Licensed excess/surplus broker in: New Jersey, New York.
Officers: Donald F. Smith, chairman; William B. Stephenson, president; R.M. Neumann, Jeffrey P. Thompson, senior vps.
Contact: R.M. Neumann.

Smith-Field Insurance Agency Inc.

P.O. Box 1269, 415 N. Alfred St., Alexandria, Va. 22313; 703-548-1551; fax: 703-836-6956

	1992	1991
Premium volume.	$20,000,000	$19,400,000
Gross revenues...	$2,940,000	$2,864,000
U.S. clients.....	100%	100%
Brokerage: Retail.	92%	92%
U.S. offices.....	$2,704,800	$2,634,880
Personal lines....	6%	6%
Invstmt. income..	2%	2%
Employees.....	33	34
Offices.....	1	1

Founded: 1960.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 23% of revenues.
Licensed excess/surplus broker in: Virginia.
Officers: Thomas S. Field, chairman; Philip A. Colclough, president; Karl R. Nelson, vp.
Contact: Philip A. Colclough.

Sodarcan Inc.

1140 de Maisonneuve Blvd. W., Montreal, Quebec H3A 1M8, Canada; 514-288-0100; fax: 514-282-9841

	1992*	1991*
Premium volume.	$717,460,000	$595,181,000
Gross revenues...	$90,469,000	$87,380,000
U.S. clients.....	7%	4%
Non-U.S. clients	93%	96%
Brokerage: Retail.	36%	37%
Reinsurance.....	18%	14%
Personal lines....	16%	16%
Services.....	26%	29%
Invstmt. income..	2%	2%
Other.....	2%	2%
Employees.....	1,087	1,140
Offices.....	31	32

* Converted at applicable exchange rates.
Founded: 1972.
Retail brokerage: 97% commissions, 3% fees.
Retail brokerage branches: BEP International Inc.: Jersey City, N.J.; Seattle, Wash.; Montreal; Toronto. Benoit & Borg: Willowdale, Ontario, Canada. Dale Intermediaries Ltd: Hamilton, London, Niagara Falls, Ottawa, Sarnia, Toronto and Windsor, Ontario, Canada; Halifax, Nova Scotia, Canada; Vancouver, British Columbia, Canada. Dale-Parizeau Inc.: Hull, Jonquiere, LaSarre, Montreal, Quebec City, Sherbrooke and Victoriaville, Quebec, Canada. Gestas: Montreal. Mathema Inc.: Montreal. The National Reinsurance Co. of Canada: Montreal.
Non-retail brokerage subsidiaries: Logisil Consulting Inc.: Canada. MLH&A Inc.: Montreal and Sainte-Foy, Quebec, Canada; Hamilton and Toronto, Ontario, Canada; Edmonton, Alberta, Canada; Vancouver, British Columbia, Canada.
Officers: Robert Parizeau, president; Mario Myre, executive vp-insurance brokerage; Marcel Le Houillier, executive vp-actuarial services/employee benefits consulting; Raymond Gilbert, executive vp-reinsurance brokerage; Gilles P. Grenier, senior vp-finance/treasurer; Harry Richardson, senior vp-systems.
Contact: Gilles P. Grenier.

Spectrum Insurance Brokerage Services Inc.

506 Greenwich St., New York, N.Y. 10013; 212-925-8511; fax: 212-925-5399

	1992	1991
Premium volume.	$5,019,000	N/A
Gross revenues...	$525,000	N/A
U.S. clients.....	100%	N/A
Brokerage: Retail.	100%	N/A
U.S. offices.....	$525,000	N/A
Employees.....	7	N/A
Offices.....	1	N/A

Founded: 1992.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 10% of revenues.
Officers: Joseph Mangano, president; Gregory Caldararo, executive vp.
Contact: Gregory Caldararo.

Starkweather & Shepley Inc.

155 S. Main St., Providence, R.I. 02903; 401-421-6900; fax: 401-272-0180

	1992	1991
Premium volume.	$70,245,000	$69,071,000
Gross revenues...	$8,815,000	$8,447,000
U.S. clients.....	100%	100%
Brokerage: Retail.	73%	72%
U.S. offices.....	$6,435,000	$6,080,000
Wholesale.....	10%	12%
Personal lines....	12%	12%
Services.....	1%	1%
Invstmt. income..	4%	3%
Employees.....	80	85
Offices.....	3	3

Founded: 1879.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 5% of revenues.
Retail brokerage branches: Westerly, R.I.
Non-retail brokerage subsidiaries: RISCO Inc., Providence, R.I.
Licensed excess/surplus broker in: Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
Officers: Richard A. Bentfield, president; Fred R. Tripp, executive vp; Natale P. Calamis, vp; William P. McGillivray, treasurer.
Contact: Richard A. Bentfield.

Steel Burrill Jones Group P.L.C.

2 Minster Court, Mincing Lane, London EC3R 7FT, England; 44-71-816-2000; fax: 44-71-816-2111

See profile on page 65.

Sterling & Sterling Inc.

161 Great Neck Road, Great Neck, N.Y. 11021; 516-487-0300; fax: 516-487-0372

	1992	1991
Premium volume.	$60,000,000	$60,000,000
Gross revenues...	$8,332,000	$8,329,000
U.S. clients.....	100%	100%
Brokerage: Retail.	91%	91%
U.S. offices.....	$7,582,120	$7,579,390
Personal lines....	5%	5%
Services.....	3%	3%
Invstmt. income..	1%	1%
Employees.....	85	90
Offices.....	1	1

Founded: 1932.
Retail brokerage: 96% commissions, 4% fees.
Licensed excess/surplus broker in: New York.
Officers: David A. Sterling, president; Carol Schindell, Ann Frantzen, Howard Meyers, vps; Phillip A. Sterling, secretary.
Contact: Mark Kaplan.

DeWitt Stern, Gutmann & Co. Inc.

420 Lexington Ave., New York, N.Y. 10170; 212-867-3550; fax: 212-983-6483

	1992	1991
Gross revenues...	$7,010,000	$6,164,000
U.S. clients.....	90%	89%
Non-U.S. clients	10%	11%
Brokerage: Retail.	76%	77%
U.S. offices.....	$5,327,600	$4,746,280
Wholesale.....	1%	1%
Personal lines....	22%	21%
Services.....	1%	1%
Employees.....	77	76
Offices.....	4	4

Founded: 1899.
Retail brokerage: 99% commissions, 1% fees.
Retail brokerage branches: DeWitt Stern of California, Studio City, Calif.; DeWitt Stern/Fisher, Darien, Conn.; DeWitt Stern/Imperatore, North Bergen, N.J.
Licensed excess/surplus broker in: New York.
Officers: DeWitt A. Stern, chairman; Jolyon F. Stern, president/CEO; Gilbert Andrus, executive vp; James Lippe, senior vp; Jerry Vande Sande, Bertram B. Fisher, vps; Constance F. Gray, secretary.
Contact: Gilbert Andrus.

Sternberg Kozera & Gleicher Inc.

200 N. Central Ave., Hartsdale, N.Y. 10530; 914-761-9000; fax: 914-761-3749

	1992	1991
Premium volume.	$19,000,000	$17,750,000
Gross revenues...	$3,000,000	$2,800,000
U.S. clients.....	100%	100%
Brokerage: Retail.	70%	70%
U.S. offices.....	$2,100,000	$1,960,000
Personal lines....	29%	28%
Invstmt. income..	1%	2%
Employees.....	32	31
Offices.....	1	1

Founded: 1940.
Retail brokerage: 100% commissions.
Employee benefits: 10% of revenues.
Officers: Thomas M. Sternberg, chairman; Thomas R. Kozera, president; Sheila M. Conley, Barbara S. Falk, vps.
Contact: Thomas M. Sternberg.

John Stuart & Co. Inc.

4427 S. Polaris Ave., Las Vegas, Nev. 89103; 702-736-8644; fax: 702-736-8217

	1992	1991
Premium volume.	$36,000,000	$30,000,000
Gross revenues...	$1,250,000	$1,000,000
U.S. clients.....	100%	100%
Brokerage: Retail.	100%	100%
U.S. offices.....	$1,250,000	$1,000,000
Employees.....	12	10
Offices.....	3	3

Founded: 1991.
Retail brokerage: 60% commissions, 40% fees.
Employee benefits: 100% of revenues.
Retail brokerage branches: Collingswood, N.J.; Washington.
Officers: John A. Stuart, president; Judith A. Banks, vp-sales; Sheila M. Kuller, secretary/treasurer.
Contact: Judith A. Banks.

Sullivan Co. Inc.

1 Insignia Financial Plaza, P.O. Box 2860, Greenville, S.C. 29602; 803-239-1401; fax: 803-239-1435

	1992	1991
Premium volume.	$27,000,000	$27,000,000
Gross revenues...	$3,100,000	$3,100,000
U.S. clients.....	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail.	71.5%	71.5%
U.S. offices.....	$2,216,500	$2,216,500
Wholesale.....	2%	2%
Personal lines....	25%	25%
Invstmt. income..	1.5%	1.5%
Employees.....	54	50
Offices.....	7	7

Founded: 1974.
Parent: Turtle Oak Corp.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 7% of revenues.
Retail brokerage branches: Andrews, Hayesville, Robbinsville, Murphy, Sylva, and Waynesville, N.C.
Licensed excess/surplus broker in: 50 states.
Officers: Joseph F. Sullivan, president; Alex J. Edmonds, Albert Y. Hyndshaw, executive vps.
Contact: Joe Sullivan, 803-239-1404.

Continued on next page

COUNCIL ON EMPLOYEE BENEFITS
47th ANNUAL FALL CONFERENCE
OCTOBER 6 - 8, 1993

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T

Tanenbaum-Harber Co. Inc.

320 W. 57th St., New York, N.Y. 10019; 212-603-0200; fax: 212-603-0397

	1992	1991
Premium volume	$175,000,000	$170,000,000
Gross revenues	$18,750,000	$18,500,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	83%	83%
U.S. offices	$15,313,500	$15,189,000
Non-U.S. offices	$249,000	$166,000
Wholesale	5%	5%
Reinsurance	2%	2%
Personal lines	4%	4%
Services	4%	4%
Invstmt. income	2%	2%
Employees	152	146
Offices	5	5

Founded: 1860.
Retail brokerage: 91% commissions, 9% fees.
Retail brokerage branches: Boston; Miami; San Diego; D.R. Reiff & Associates, New York.
Non-retail brokerage subsidiaries: Common Market Agency Inc.: New York and London; Hartan Brokerage, New York; Tanenbaum-Harber Reinsurance Intermediaries, New York; Thesco Consulting Actuaries, New York.
Licensed excess/surplus broker in: New York.
Officers: Robert K. Harris, chairman; Walter L. Harris, president; Walter Bronston, Robert V. Donovan, Ronald S. Hanstein, Harold Pray, Robert J. Pulver, James Maninno, senior vps; Randa Globerman, treasurer.
Contact: Robert K. Harris or Walter L. Harris.

Texas Insurance Agency Inc.

5368 Fredericksburg Road, San Antonio, Texas 78229; 210-366-0671

	1992	1991
Premium volume	$50,000,000	$48,000,000
Gross revenues	$5,000,000	$4,900,000
U.S. clients	99%	99%
Non-U.S. clients	1%	1%
Brokerage: Retail	60%	60%
U.S. offices	$3,000,000	$2,940,000
Wholesale	2%	2%
Personal lines	36%	36%
Services	1%	1%
Invstmt. income	1%	1%
Employees	110	101
Offices	5	5

Founded: 1973.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 7% of revenues.
Retail brokerage branches: Austin, Houston and Uvalde, Texas.
Non-retail brokerage subsidiaries: Planrite Premium Finance Co.
Licensed excess/surplus broker in: Texas.
Officers: Joe Minihan, president; W. W. McAllister III, vp/secretary; Greg Stevens, vp/CFO; Rick Clements, TIA-Austin; Jim Carisle, TIA-Uvalde.
Contact: Joe Minihan, 210-366-0671.

Thilman & Filippini

1 E. Wacker Drive, Suite 1800, Chicago, Ill. 60601; 312-527-9500; fax: 312-527-9509

	1992	1991
Premium volume	$42,000,000	$40,000,000
Gross revenues	$5,200,000	$5,000,000
U.S. clients	100%	100%
Brokerage: Retail	86%	86%
U.S. offices	$4,500,000	$4,300,000
Personal lines	6%	6%
Services	6%	6%
Invstmt. income	2%	2%
Employees	58	57
Offices	1	1

Founded: 1980.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 20% of revenues.
Licensed excess/surplus broker in: Illinois.
Officers: E. Thomas Thilman, Thomas W. Filippini, partners.
Contact: E. Thomas Thilman.

Thoits Insurance Service Inc.

250 Cambridge Ave., Palo Alto, Calif. 94306-0190; 415-324-0606; fax: 415-853-3882

	1992	1991
Premium volume	$41,100,000	$40,000,000
Gross revenues	$4,428,499	$4,431,000
U.S. clients	100%	100%
Brokerage: Retail	82%	79%
U.S. offices	$3,631,000	$3,565,000
Personal lines	13%	15%
Services	2%	2%
Invstmt. income	3%	4%
Employees	41	44
Offices	1	1

Founded: 1891.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 14% of revenues.
Officers: Donald A. Way, chairman/CEO; Ken K. Peterson, senior vp/COO; Viesha Treadwell, senior vp-sales.
Contact: Don Way, 415-617-0600.

Timberline Insurance Managers Inc.

301 Congress Ave., 15th Floor, Austin, Texas 78701; 512-472-9297; fax: 512-472-9468

	1992	1991
Premium volume	$291,000,000	$188,000,000
Gross revenues	$20,531,841	$13,430,072
U.S. clients	100%	100%
Brokerage: Retail	17.9%	19.2%
U.S. offices	$3,666,513	$2,577,912
Wholesale	2%	1%
Personal lines	8.2%	11.5%
Services	1.1%	0.7%
Invstmt. income	2.9%	6.9%
Other	67.9%	60.7%
Employees	84	61
Offices	4	2

Founded: 1957.
Parent: Lumbermen's Investment Corp.
Retail brokerage: 90% commissions, 10% fees.
Employee benefits: 1.9% of revenues.
Acquisitions: Goodman-Watson Insurance Agency Inc., El Paso, Texas, July 1992.
Retail brokerage branches: Timberline Insurance Services Inc.: Beaumont, El Paso and San Antonio, Texas.
Licensed excess/surplus broker in: Texas.
Officers: Gary Cooper, president; Gary Johnson, Pat Bridgwater, vps; Brian Elkouri, treasurer.
Contact: Brian Elkouri.

Tongue, Brooks & Co. Inc.

213 St. Paul Place, Baltimore, Md. 21202; 410-727-7172; fax: 410-625-5955

	1992	1991
Premium volume	$26,000,000	$24,000,000
Gross revenues	$5,300,000	$5,100,000
U.S. clients	100%	100%
Brokerage: Retail	50.2%	50.3%
U.S. offices	$2,700,000	$2,550,000
Personal lines	12.6%	13.4%
Services	32.8%	30.5%
Invstmt. income	0.4%	0.5%
Other	4%	5.3%
Employees	92	104
Offices	3	3

Founded: 1896.
Parent: Crown Central Petroleum Corp.
Retail brokerage: 99.6% commissions, 0.4% fees.
Employee benefits: 37.7% of revenues.
Acquisitions: Wolman-Hecht, Baltimore, Md., October 1992.
Retail brokerage branches: LeBrun, Towson, Md.
Non-retail brokerage subsidiaries: Health Plan Administrators, Danbury, Conn.
Licensed excess/surplus broker in: District of Columbia, Maryland.
Officers: R. Peter Urguhart, CEO/president; William R. Baker, Richard H. Malat, Christine A. Kops, vps; Mark S. Miller, treasurer.

Tower-Chisholm Ferguson Ltd.

2 Lansing Square, Suite 901; Willowdale, Ontario M2J 4P8, Canada; 416-495-0463; fax: 416-495-7274

	1992*	1991*
Premium volume	$10,861,154	$9,738,664
Gross revenues	$1,769,872	$1,586,957
U.S. clients	3%	3%
Non-U.S. clients	97%	97%
Brokerage: Retail	66%	62%
Wholesale	2%	1%
Personal lines	28%	31%
Services	2%	2%
Invstmt. income	2%	4%
Employees	21	25
Offices	1	1

* Converted at applicable exchange rates.
Founded: 1928.
Retail brokerage: 98% commissions, 2% fees.
Officers: Herbert Schwartze, chairman; Darryl D. Ticknor, president; Deborah Massa, vp/secretary/treasurer.
Contact: Darryl D. Ticknor.

Transportation Insurance Managers

11300 N. Central Expressway, Suite 207, Dallas, Texas 75243; 214-373-4566; fax: 214-373-4572

	1992	1991
Premium volume	$10,500,000	$9,500,000
Gross revenues	$823,953	$648,070
U.S. clients	100%	100%
Brokerage: Retail	98%	97.3%
U.S. offices	$807,474	$630,572
Invstmt. income	2%	2.7%
Employees	9	7
Offices	4	2

Founded: 1983.
Retail brokerage: 100% commissions.
Employee benefits: 7% of revenues.
Retail brokerage branches: Houston; Memphis, Tenn.; St. Louis.
Officers: Dale Weatheread, president; Bob Hunt, vp/secretary; Don Pridgin, vp.
Contact: Bob Hunt.

Trident Managers Inc.

50 Charles Lindbergh Blvd., Uniondale, N.Y. 11553; 516-222-1105; fax: 516-222-0797

	1992	1991
Premium volume	$13,540,989	$13,479,192
Gross revenues	$1,661,391	$1,685,113
U.S. clients	100%	100%
Brokerage: Retail	82.5%	94.1%
U.S. offices	$1,370,648	$1,561,133
Personal lines	6%	5.9%
Services	1.3%	0%
Invstmt. income	0.6%	0%
Other	9.6%	0%
Employees	16	15
Offices	2	1

Founded: 1960.
Retail brokerage: 98.7% commissions, 1.3% fees.
Employee benefits: 7.9% of revenues.
Acquisitions: Benjamin Schuster, Plainview, N.Y., August 1992.
Retail brokerage branches: West Palm Beach, Fla.
Non-retail brokerage subsidiaries: Tri-Ex Facilities Ltd., Uniondale, N.Y.
Officers: Stephen S. Glass, president/treasurer; Bernard Schniebolk, executive vp/secretary; Kathleen Fitzgerald, vp.
Contact: Stephen S. Glass.

U

Ulrich Voorhees Warner Associates

1 Executive Drive, Somerset, N.J. 08540-6728; 908-469-3000; fax: 908-271-9573

	1992	1991
Premium volume	$46,500,000	$42,200,000
Gross revenues	$7,834,000	$7,440,000
U.S. clients	95%	97%
Non-U.S. clients	5%	3%
Brokerage: Retail	69%	67%
U.S. offices	$5,135,100	$4,885,000
Non-U.S. offices	$270,300	$99,700
Personal lines	7%	6%
Services	11%	13%
Invstmt. income	2%	3%
Other	11%	11%
Employees	48	48
Offices	1	1

Founded: 1973.
Retail brokerage: 86% commissions, 14% fees.
Employee benefits: 7% of revenues.
Licensed excess/surplus broker in: New Jersey.
Officers: John N. Voorhees III, president; Stephen A. Warner, executive vp; William Cilente, senior vp; Wade Byrum, Allen Preville, vps.
Contact: Stephen Warner.

Unimark Insurance Agency Inc.

3878 Oak Lawn, Suite 200, Dallas, Texas 75219; 214-523-0500; fax: 214-523-0570

	1992	1991
Premium volume	$18,000,000	$18,000,000
Gross revenues	$2,000,000	$2,000,000
U.S. clients	100%	100%
Brokerage: Retail	90%	90%
U.S. offices	$1,800,000	$1,800,000
Wholesale	0.5%	0.5%
Personal lines	9%	9%
Invstmt. income	0.5%	0.5%
Employees	13	13
Offices	1	1

Founded: 1969.
Retail brokerage: 99% commissions, 1% fees.
Licensed excess/surplus broker in: Texas.
Officers: Bill J. Brown, executive vp; Charles T. Terrell, chairman; Max G. Christian, president.
Contact: Scott Crouch, vp, 800-527-9402.

V

Van Beurden Insurance Services Inc.

1600 Draper St., P.O. Box 67, Kingsburg, Calif. 93631; 209-897-2975; fax: 209-897-4070

	1992	1991
Premium volume	$84,351,531	$80,845,954
Gross revenues	$10,326,929	$10,336,412
U.S. clients	100%	100%
Brokerage: Retail	83%	83%
U.S. offices	$8,571,351	$8,579,222
Personal lines	9%	9%
Invstmt. income	8%	8%
Employees	101	106
Offices	12	12

Founded: 1934.
Retail brokerage: 100% commissions.
Employee benefits: 8% of revenues.
Retail brokerage branches: Caruthers, Fresno, Los Osos, Modesto, Paso Robles, San Bernardino, San Francisco and Woodland, Calif.; Michael E. James Insurance Agency, Alpine, Calif.; Van Beurden-Jensen Insurance Agency: Seattle, Wash. and Visalia, Calif.
Licensed excess/surplus broker in: California.
Officers: William J. Van Beurden, president; Mark F. Matthews, executive vp; Steven C. Wigh, senior vp; Michael E. James, president-Alpine office; Donald K. Bingham, president-Seattle office.
Contact: Steven C. Wigh.

Truman Van Dyke Co.

6255 Sunset Blvd., Suite 1401, Hollywood, Calif. 90028; 213-462-3300; fax: 213-462-4857

	1992	1991
Premium volume	$11,403,467	$10,194,864
Gross revenues	$1,613,415	$1,292,556
U.S. clients	98%	99%
Non-U.S. clients	2%	1%
Brokerage: Retail	90%	92%
Wholesale	10%	8%
Employees	18	17
Offices	1	1

Founded: 1953.
Retail brokerage: 97% commissions, 3% fees.
Officers: Truman Van Dyke Jr., president; Rose Van Dyke, chairman.
Contact: Truman Van Dyke Jr.

Van Gilder Insurance Corp.

700 Broadway, Suite 1000, Denver, Colo. 80203; 303-837-8500; fax: 303-831-5295

	1992	1991
Premium volume	$86,328,000	$67,923,000
Gross revenues	$12,297,000	$9,558,000
U.S. clients	100%	100%
Brokerage: Retail	69%	71%
U.S. offices	$8,430,000	$6,756,000
Personal lines	13%	12%
Invstmt. income	5%	8%
Other	13%	9%
Employees	135	117
Offices	4	4

Founded: 1905.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 6% of revenues.
Acquisitions: Day Webb & Taylor, December 1991.
Retail brokerage branches: Casper, Wyo.; Kansas City, Kan.; Sterling, Colo.
Licensed excess/surplus broker in: 50 states.
Officers: Dell Van Gilder, president; Henry Higginbottom; Karl Parker; Jim Hayes; Velma Lane; Jerry Ray.
Contact: Dell Van Gilder, 303-831-5206.

Van Meter Insurance Agency Inc.

1719 Ashley Circle, P.O. Box 1779; Bowling Green, Ky. 42102; 502-781-2020; fax: 502-843-8808

	1992	1991
Premium volume	$40,000,000	$31,000,000
Gross revenues	$3,644,057	$3,483,837
U.S. clients	100%	100%
Brokerage: Retail	92%	91%
U.S. offices	$3,352,532	$3,170,292
Personal lines	4%	3%
Invstmt. income	3%	5%
Other	1%	1%
Employees	58	55
Offices	2	2

Founded: 1977.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 6% of revenues.
Acquisitions: Foster Insurance, Russellville, Ky., January 1993; Burnett & Associates, Lexington, Ky., May 1993.
Retail brokerage branches: Brentwood, Tenn.; Lexington and Russellville, Ky.
Licensed excess/surplus broker in: Kentucky.
Officers: William B. Van Meter, chairman; Larry P. Schaefer, president; Louis Berman, Tim Renfro, vps.
Contact: Larry Schaefer.

Vidal & Rodriguez Inc.

Capital Center Building, Suite 501, Arterial Hostos Ave., Hato Rey, P.R. 00918; 809-751-7610; fax: 809-763-2810

	1992	1991
Premium volume	$16,000,000	$14,000,000
Gross revenues	$1,600,000	$1,400,000
U.S. clients	100%	100%
Brokerage: Retail	97%	97%
U.S. offices	$1,550,000	$1,350,000
Personal lines	2%	2%
Services	1%	1%
Employees	16	14
Offices	1	1

Founded: 1986.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 14% of revenues.
Licensed excess/surplus broker in: Puerto Rico.
Officers: Luis Rodriguez, president; Diego Vidal, executive vp.

W

WRIMS Corp.

Suite 200, 1 E. Uwchlan Ave., Exton, Pa. 19341; 215-363-9009; fax: 215-363-1837

	1992	1991
Gross revenues	$9,475,402	$8,987,160
U.S. clients	100%	100%
Brokerage: Retail	91.1%	90.9%
U.S. offices	$8,636,524	$8,151,147
Personal lines	5.7%	5.3%
Invstmt. income	2.2%	3.3%
Other	1%	0.5%
Employees	112	104
Offices	5	4

Founded: 1971.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 1.3% of revenues.
Acquisitions: Pusey & Brosius, Kennett Square, Pa., November 1992.
Retail brokerage branches: Insurance Risk Managers, Ft. Worth, Texas; Inter/National Rental Insurance, San Clemente, Calif.; Pusey & Brosius, Kennett Square, Pa.; Rental Industry Services Inc., San Clemente, Calif.; Warren & Welsh, Exton, Pa.
Licensed excess/surplus broker in: Pennsylvania.
Officers: Warren Holt, president; Peter Piacentino vp/secretary; John J. Joyce, vp; Michael Leonard, treasurer.
Contact: Michael Leonard.

Wallace, Welch & Willingham

3810 16th St. N., St. Petersburg, Fla. 33703; 813-522-7777; fax: 813-521-2902

	1992	1991
Premium volume	$30,000,000	$30,000,000
Gross revenues	$3,500,000	$3,500,000
U.S. clients	98%	98%
Non-U.S. clients	2%	2%
Brokerage: Retail	69%	69%
U.S. offices	$2,415,000	$2,415,000
Personal lines	28%	28%
Invstmt. income	2%	2%
Other	1%	1%
Employees	48	47
Offices	1	1

Founded: 1925.
Retail brokerage: 98% commissions, 2% fees.
Employee benefits: 14% of revenues.
Licensed excess/surplus broker in: Florida.
Officers: John I. Welch, CEO; Weyman Willingham, president; Robert Stambaugh, executive vp.
Contact: Stanley B. Shreve, vp.

Waterfield Insurance Agency Inc.

7221 Engle Road, Suite 100, Fort Wayne, Ind. 46804; 219-434-5700; fax: 219-434-5799

	1992	1991
Premium volume	$80,000,000	$70,000,000
Gross revenues	$8,293,000	$7,198,800
U.S. clients	100%	100%
Brokerage: Retail	55%	50%
U.S. offices	$4,561,150	$3,599,400
Personal lines	22%	25%
Invstmt. income	6%	6%
Other	17%	19%
Employees	100	85
Offices	5	5

Founded: 1928.
Parent: Waterfield Group.
Retail brokerage: 100% commissions.
Acquisitions: Affiliated Insurance Agency, South Bend, Ind., January 1993; Pratico Insurance Agency, Fort Wayne, Ind., January 1993.
Retail brokerage branches: Highland, Indianapolis and South Bend, Ind.; Phoenix.
Officers: E. Anthony King, president; Thomas Wasson, vp-Highland; Larry Nicolet, vp-Indianapolis; Patrick Felts, vp-specialty marketing; Michael Bacon, vp-marketing.
Contact: Paul Pratico.

Arthur A. Watson & Co. Inc.

225 Spring St., Wethersfield, Calif. 06109; 203-563-8111; fax: 203-563-5201

	1992	1991
Premium volume	$70,000,000	$67,000,000
Gross revenues	$7,121,606	$7,890,000
U.S. clients	100%	100%

Continued on next page

Continued from previous page

Brokerage: Retail	57%	49%
U.S. offices	$4,027,906	$3,866,147
Personal lines	26%	26%
Invstmt. income	1%	1%
Other	16%	24%
Employees	83	86
Offices	1	1

Founded: 1929.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 15% of revenues.
Licensed excess/surplus broker in: Connecticut.
Officers: Thomas A. Willsey, president; Alan S. Carrie, senior vp/CFO; Stephen R. Gass, Elliot H. Levine, Peter E. Peterson, senior vps.
Contact: Thomas A. Willsey.

Welsch, Flatness & Lutz Inc.

701 Market St., Suite 600, St. Louis, Mo. 63101; 314-436-2399; fax: 314-342-7170

	1992	1991
Premium volume	$40,000,000	$38,000,000
Gross revenues	$5,100,000	$4,200,000
U.S. clients	100%	100%
Brokerage: Retail	90.3%	92.9%
U.S. offices	$4,550,000	$3,901,800
Personal lines	7%	5%
Services	2%	1%
Invstmt. income	0.7%	1.1%
Employees	49	42
Offices	1	1

Founded: 1979.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 6% of revenues.
Acquisitions: Cervantes-Diversified & Associates Inc., St. Louis, April 1992.
Officers: Dennis D. Flatness, chairman/CEO; Thomas R. Welsch, president; Dennis D. Lutz, executive vp/secretary; Thomas H. Etling, executive vp/COO.
Contact: Tom Etling.

Wharton/Lyon & Lyon

101 S. Livingston Ave., Livingston, N.J. 07039; 201-992-5775; fax: 201-992-6660

	1992	1991
Gross revenues	$8,345,000	$8,249,000
U.S. clients	100%	100%
Brokerage: Retail	87%	87%
U.S. offices	$7,260,150	$7,176,630
Personal lines	12%	12%
Invstmt. income	1%	1%
Employees	90	90
Offices	3	3

Founded: 1912.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 8% of revenues.
Acquisitions: James L. Noble & Co.
Retail brokerage branches: Wharton/Atlantic, Oakhurst, N.J.; Wharton/Financial Livingston, N.J.
Officers: Albert L. Klein, chairman/CEO; Richard Hebert, president/COO.
Contact: Albert L. Klein.

Willis Corroon Group P.L.C.

10 Trinity Square, London EC3P 3AX, England; 44-71-488-8111; fax: 44-71-488-8223

See profile on page 34.

Wisconsin Insurance Management Inc.

300 Wisconsin Ave., P.O. Box 1630, Waukesha, Wis. 53187; 414-542-8822; fax: 414-542-9750

	1992	1991
Premium volume	$109,000,000	$100,000,000
Gross revenues	$7,227,000	$7,406,191
U.S. clients	100%	100%
Brokerage: Retail	53%	51%
U.S. offices	$3,830,310	$3,777,157
Wholesale	1%	2%
Personal lines	21%	23%
Services	2%	2%
Other	23%	22%
Employees	72	70
Offices	2	2

Founded: 1978.
Parent: First Financial Corp.
Retail brokerage: 97% commissions, 3% fees.
Employee benefits: 9% of revenues.
Licensed excess/surplus broker in: Wisconsin.
Officers: Robert Toerpe, president; Jeff Ashley, senior vp-personal lines; David J. Petersen, vp-commercial lines; Darwin Matter, vp-personal lines; Lawrence Koth, treasurer.
Contact: Robert Toerpe, David Petersen or Lawrence Koth.

Wisenberg Insurance & Risk Management

4828 Loop Central Drive, 9th Floor, Houston, Texas 77081; 713-666-5200; fax: 713-669-4724

	1992	1991
Premium volume	$41,000,000	$39,000,000
Gross revenues	$6,450,000	$6,290,000
U.S. clients	100%	100%
Brokerage: Retail	68.9%	69.5%
U.S. offices	$4,444,050	$4,374,066
Wholesale	2%	0%
Personal lines	8.7%	10%
Services	19%	17.3%
Invstmt. income	1.4%	3.2%
Employees	65	60
Offices	1	1

Founded: 1934.
Retail brokerage: 85% commissions, 15% fees.
Employee benefits: 6% of revenues.
Non-retail brokerage subsidiaries: Risk Analysts Inc., Houston.
Licensed excess/surplus broker in: Texas.
Officers: Irving Pozmantier, chairman; Joe Williams, president; Jay Williams, executive vp-marketing; Jeff Pozmantier, executive vp; Tom Francis, vp.
Contact: Joe Williams.

Wittner Cos.

5999 Central Ave., Suite 400, St. Petersburg, Fla. 33710; 813-384-3000; fax: 813-345-3482

	1992	1991
Premium volume	$178,500,000	$152,000,000
Gross revenues	$3,214,318	$2,593,000
U.S. clients	100%	100%
Brokerage: Retail	46.1%	56%
U.S. offices	$1,482,000	$1,454,000
Wholesale	49.9%	41%
Services	3%	2%
Invstmt. income	1%	1%
Employees	24	23
Offices	5	4

Founded: 1955.
Retail brokerage: 94% commissions, 6% fees.
Employee benefits: 49.7% of revenues.
Retail brokerage branches: Orlando and Sarasota, Fla.
Non-retail brokerage subsidiaries: Wittner & Co., Orlando and St. Petersburg, Fla.
Officers: Ted P. Wittner, chairman; Jean Giles Wittner, president; John W. Fraser, senior vp; Katherine Woodard, vp-finance; John D. Robinson, regional vp.
Contact: John W. Fraser, 800-282-8813.

Jack Wolfe Insurance Inc.

146 Hekili St., Suite 102, Kailua, Hawaii 96734; 808-261-7922; fax: 808-262-2030

	1992	1991
Premium volume	$15,000,000	$13,000,000
Gross revenues	$1,765,000	$1,670,000
U.S. clients	100%	100%
Brokerage: Retail	80%	80%
U.S. offices	$1,412,000	$1,336,000
Personal lines	13%	13%
Invstmt. income	5%	5%
Other	2%	2%
Employees	24	23
Offices	1	1

Founded: 1971.
Retail brokerage: 100% commissions.
Licensed excess/surplus broker in: Hawaii.
Officers: C. Jack Wolfe, chairman; Ronald A. Wolfe, president; Lawrence B. Stubblefield, John Junk, vps; Gary Wolfe, secretary/treasurer; Ernest Jerves, assistant secretary.
Contact: Ronald A. Wolfe.

Thomas E. Wood Inc.

1500 Carew Tower, Cincinnati, Ohio 45202; 513-852-6300; fax: 513-852-6428

	1992	1991
Premium volume	$127,000,000	$120,700,000
Gross revenues	$10,066,000	$10,228,000
U.S. clients	100%	100%
Brokerage: Retail	86%	85%
U.S. offices	$8,656,760	$8,693,800
Wholesale	1%	1%
Personal lines	9%	8%
Invstmt. income	4%	6%
Employees	112	114
Offices	2	2

Founded: 1895.
Retail brokerage: 99% commissions, 1% fees.
Employee benefits: 12% of revenues.
Retail brokerage branches: Wood Underwriters Agency Inc., Edgewood, Ky.
Licensed excess/surplus broker in: Kentucky, Ohio.
Officers: Thomas J. Klinedinst, chairman/CEO; Thomas J. Klinedinst Jr., president/COO; John K. Ashmore, Edward R. Bowmann, Marjorie A. Dunn, Paul R. Swanson, senior vps.
Contact: Thomas J. Klinedinst Jr.

John L. Wortham & Son L.L.P.

2727 Allen Parkway, P.O. Box 1388, Houston, Texas 77019; 713-526-3366; fax: 713-526-5872

	1992	1991
Premium volume	$298,000,000	$288,000,000
Gross revenues	$28,757,000	$28,351,000
U.S. clients	100%	100%
Brokerage: Retail	96%	96%
U.S. offices	$27,606,000	$27,216,000
Personal lines	4%	4%
Employees	237	237
Offices	1	1

Founded: 1915.
Retail brokerage: 100% commissions.
Employee benefits: 9% of revenues.
Non-retail brokerage subsidiaries: John L. Wortham & Son Inc., Houston; John L. Wortham & Son Investments Inc., Houston.
Licensed excess/surplus broker in: Texas.
Officers: Allen H. Carruth, chairman-executive committee; Fred C. Burns, managing partner; James R. Davis, Charles Flournoy, Robert B. Hixon, partners.
Contact: Fred C. Burns.

The following company was received too late to be included in the alphabetical listing.

Palomar Insurance Corp.

4121 Carmichael Road, Suite 300, Montgomery, Ala. 36106; 205-270-0105; fax: 205-270-8159

	1992	1991
Premium volume	$45,000,000	$42,000,000
Gross revenues	$5,500,000	$5,200,000
U.S. clients	100%	100%
Brokerage: Retail	87%	87%
U.S. offices	$4,125,000	$3,900,000
Personal lines	11%	11%
Invstmt. income	2%	2%
Employees	94	92
Offices	4	3

Founded: 1954.
Retail brokerage: 95% commissions, 5% fees.
Employee benefits: 12% of revenues.
Retail brokerage branches: Birmingham, Mobile and Troy, Alabama.
Licensed excess/surplus broker in: Alabama.
Officers: John R. Pacholick, CEO; J. Richard Harruff, senior vp-marketing; Tony L. Craft, senior vp.
Contact: John R. Pacholick. BI

Geographical listings of agents and brokers

Alabama

Birmingham
Hilb, Rogal & Hamilton Co.
Johnson & Higgins
McGriff, Seibels & Williams Inc.
Sedgwick
Willis Corroon
Fairbanks
Willis Corroon
Huntsville
J. Smith Lanier & Co.
LaFayette
J. Smith Lanier & Co.
Mobile
Hilb, Rogal & Hamilton Co.
Willis Corroon
Montgomery
Meadowbrook Insurance Group
Willis Corroon
Opelika
J. Smith Lanier & Co.

Alaska

Anchorage
Johnson & Higgins
Parker, Smith & Feek
Rollins Hudig Hall
Willis Corroon

Arizona

Mesa
Acordia Inc.
A.W. Lawrence Co. (Lawrence Agency)
Lawrence United (Lawrence Agency)
Phoenix
Alexander & Alexander
Alliance Insurance Group
Arizona Insurance & Investment Managers (Acordia Inc.)
Beal & Associates Insurance Counselors
Dean S. Davidson Insurance (Poe & Brown)
Hilb, Rogal & Hamilton Co.
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Lovitt & Touche
Orth-LaPrade Insurance (Acordia Inc.)
Valley National (Acordia Inc.)
Willis Corroon
Taylor
Lovitt & Touche
Tucson
Lovitt & Touche
Sedgwick
Willis Corroon

Arkansas

Bentonville
Sedgwick
Eureka Springs
Brown-Hiller-Clark & Associates
Fort Smith
Brown-Hiller-Clark & Associates
Rebsamen Insurance
Little Rock
Rebsamen Insurance
Sedgwick
North Little Rock
Arthur J. Gallagher
Springdale
Rebsamen Insurance

California

Alpine
Michael E. James Insurance Agency (Van Beurden Insurance Services)
Auburn
Gold Cities Insurance (American Business Insurance)
Bakersfield
ADAPT (Lawrence Agency)
Belmont
Alburger Basso deGrosz Insurance Services
Beverly Hills
Kaye Insurance Services of California (Kaye Insurance Associates)
Burbank
Frenkel & Co.
Burlingame
Acordia Inc.
Campbell
Fertitta & Associates
Keenan & Associates
Canoga Park
Booth & Simpson & Eastman & Co. (The Loomis Cos.)
Capitola
Alburger Basso deGrosz Insurance Services
Caruthers
Van Beurden Insurance Services
Chico
Keenan & Associates
Costa Mesa
Alburger Basso deGrosz Insurance Services
Godwins (Rollins Hudig Hall)
Johnson & Higgins
Covina
ISU/Valley Insurance Service
Culver City
Hogg Robinson
Dinuba
ADAPT (Lawrence Agency)
Emeryville
Keenan & Associates
Encino
Acordia Inc.
Escondido
Robert F. Driver Co.
Fresno
ADAPT (Lawrence Agency)
Cal-Central Insurance & Management Services
Calco Insurance Brokers & Agents
Keenan & Associates
Rollins Hudig Hall
Van Beurden Insurance Services
Garden Grove
Jardine Insurance Brokers (JIB)
Glendale
Calco Insurance Brokers & Agents
Grass Valley
Gold Cities Insurance (American Business Insurance)
Hollywood
Truman Van Dyke Co.
Irvine
Anderson & Anderson Insurance Brokers
Arthur J. Gallagher
Gow & Hanna Inc.
Sedgwick
Kerman
ADAPT (Lawrence Agency)
Kingsburg
Van Beurden Insurance Services
Laguna Hills
Alliance Insurance Group
ISU/Valley Insurance Service
Lodi
The Reeves Co. (American Business Insurance)
Long Beach
ABI/Lloyd & Associates Insurance Services (American Business Insurance)
Roanoke Agency
Los Angeles
American Business Insurance
Cumbre Inc.
James Econn & Co.
Arthur J. Gallagher
Hobbs Group
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Sander A. Kessler & Associates
Marsh & McLennan
Minet Group
Near North Insurance Brokerage
Penn General Service (Hogg Robinson)
Aaron Richardson Insurance Services
Rollins Hudig Hall
Sedgwick
Willis Corroon
Los Osos
Van Beurden Insurance Services
Mill Valley
ABI/Lloyd & Associates Insurance Services (American Business Insurance)
Modesto
Van Beurden Insurance Services
Newport Beach
Robert F. Driver Co.
Marsh & McLennan
North Hills
M.H. Ross/Doud Insurance Brokers
Novato
Asia Pacific Insurance Services (C.E. Heath)
Oakland
Arthur J. Gallagher
Ontario
Aon (Rollins Hudig Hall)
Orange
Acordia Inc.
Alexander & Alexander
The Cal-Surance Cos.
Calco Insurance Brokers & Agents
Palm Desert
Sfingi & Hannon Insurance Services (Hilb, Rogal & Hamilton Co.)
Palo Alto
Godwins (Rollins Hudig Hall)
Thoits Insurance Services
Pasadena
Alexander & Alexander
DeFazio & Co.
Pettit-Morry Co.
Willis Corroon
Paso Robles
Van Beurden Insurance Services
Placentia
Hilb, Rogal & Hamilton Co.
Pleasanton
Arthur J. Gallagher
Rancho Cordova
Robert F. Driver Co.
Redwood City
Kelter-Thorner
Riverside
Keenan & Associates
The Talbot Agency (American Business Insurance)
Sacramento
Acordia Inc.
Calco Insurance Brokers & Agents
The Dentists Company Insurance Services
Keenan & Associates
Pettit-Morry Co.
Rollins Hudig Hall
Sedgwick
Willis Corroon
Salinas
Rollins Hudig Hall
San Bernardino
Van Beurden Insurance Services
San Clemente
Inter/National Rental Insurance (WRIMS)
Pusey & Brosius (WRIMS)
Rental Industry Services (WRIMS)
San Diego
ADAPT (Lawrence Agency)
Alexander & Alexander
Alliance Insurance Group
John Burnham & Co.
Calco Insurance Brokers & Agents
Robert F. Driver Co.
Arthur J. Gallagher
Hilb, Rogal & Hamilton Co.
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Keenan & Associates
Marsh & McLennan

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The Pilgrim Organization
Aaron Richardson Insurance Services
San Diego Associates
Sedgwick
Tanenbaum-Harber Co.
Willis Corroon

San Francisco
Acordia Inc.
Alexander & Alexander
American Business Insurance
Ernest Bloomfield & Associates Insurance Agency
Calco Insurance Brokers & Agents
Cumbre Inc.
Fritz International Insurance Brokers
Arthur J. Gallagher
Richard N. Goldman & Co.
Hobbs Group
Hogg Robinson
ISU/Insurance Services
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Levison Bros. Inc. (Poe & Brown)
Marsh & McLennan
Minet Group
Pettit-Morry Co.
Aaron Richardson Insurance Services
Roanoke Agency
Rollins Hudig Hall
Sedgwick
Van Beurden Insurance Services
Willis Corroon

San Jose
Alexander & Alexander
Compro Insurance Services
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Rollins Hudig Hall
Willis Corroon

San Mateo
Andreini & Co.
Calco Insurance Brokers & Agents

San Pedro
Aviation Insurance Services

San Rafael
Hilb, Rogal & Hamilton Co.
Jarcik Insurance Agency (Hilb, Rogal & Hamilton Co.)

San Ramon
The Talbot Agency (American Business Insurance)

Sanger
ADAPT (Lawrence Agency)

Santa Ana
Keenan & Associates
Willis Corroon

Santa Ana Heights
Kelter-Thorner

Santa Barbara
Alexander & Alexander

Santa Maria
Acquistapace Insurance Services

Santa Monica
Bob Gabriel Co.

Stockton
Anderson & Anderson Insurance Brokers
Jardine Insurance Brokers (JIB)

Studio City
DeWitt Stern of California

Torrance
Aon (Rollins Hudig Hall)
The Cal-Surance Cos.
The Hoffman Co.
Keenan & Associates

Truckee
Pettit-Morry Co.

Universal City
Aon (Rollins Hudig Hall)
Godwins (Rollins Hudig Hall)

Upland
Cumbre Inc.

VanNuys
Anderson & Anderson Insurance Brokers

Victorville
Dan Smith Insurance Agency

Visalia
Van Beurden-Jensen Insurance Agenecy (Van Beurden Insurance Services)

Walnut Creek
Arthur J. Gallagher
C.E. Heath

Westlake Village
Keenan & Associates

Woodland
Van Beurden Insurance Services

Woodland Hills
Arthur J. Gallagher

Colorado

Colorado Springs
Health Care Insurers (Poe & Brown)
Primac (Acordia Inc.)
Tolle-Weidman Insurance Agency (Acordia Inc.)

Denver
Acordia Inc.
Alexander & Alexander
Arthur J. Gallagher
Insurance Management Associates
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Lockton Silversmith (The Lockton Insurance Agency)
Marsh & McLennan
Pettit-Morry Co.
Reichart-Silversmith (Hilb, Rogal & Hamilton Co.)
Rollins Hudig Hall
Sedgwick
The Talbert Corp. (Hilb, Rogal & Hamilton Co.)
Van Gilder Insurance
Willis Corroon

Englewood
North American Insurance Agency

Lakewood
Meadowbrook Insurance Group

Sterling
Van Gilder Insurance

Connecticut

Avon
American Phoenix

Bloomfield
Hilb, Rogal & Hamilton Co.

Darien
DeWitt Stern/Fisher

East Haven
The Mathog & Moniello Cos.

Farmington
Willis Corroon

Greenwich
Alexander & Alexander
Hobbs Group
National Coverage Corp.
Rollins Hudig Hall

Hartford
Alexander & Alexander
Gow & Hanna Inc.
Johnson & Higgins
R.C. Knox & Co.
Marsh & McLennan
Rollins Hudig Hall
Sedgwick

Meriden
Rollins Hudig Hall

Middletown
R.C. Knox & Co.

Norwalk
Sedgwick

Ridgefield
Rollins Hudig Hall

Shelton
Hobbs Group

Simsbury
Simsbury Insurance Agency (R.C. Knox & Co.)

Southport
Kaye Insurance Associates

Stamford
Aon (Rollins Hudig Hall)
Johnson & Higgins
Marsh & McLennan

Trumbull
John Burnham & Co.

Wallingford
Donald F. Smith & Associates

West Hartford
Kelly Associates

Wethersfield
Arthur A. Watson & Co.

Windsor
R.C. Knox & Co.

Delaware

Wilmington
Johnson & Higgins

District of Columbia

Alexander & Alexander
A.H. Baker & Co. (The BGS&G Cos.)
Jardine Insurance Brokers (JIB)
Johnson & Higgins
A.W. Lawrence Co. (Lawrence Agency)
Marsh & McLennan
Professional Risk Management Services (Healthcare Insurance Services)
Rollins Hudig Hall
Sedgwick
John Stuart & Co.

Florida

Boca Raton
Century Financial Services
Hogg Robinson
Rollins Hudig Hall

Boynton Beach
Poe & Brown

Brooksville
Poe & Brown

Cape Coral
Oswald Trippe & Co. (The James B. Oswald Co.)

Clearwater
ABI Rodgers & Cummings Insurance (American Business Insurance)
Roger Bouchard Insurance
A.W. Lawrence Co. (Lawrence Agency)

Coral Gables
Marsh & McLennan
Rollins Hudig Hall

Daytona Beach
Hilb, Rogal & Hamilton Co.
Poe & Brown

Delray Beach
Poe & Brown

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All questions must be answered to process inquiries.
PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:
A ☐ Mfg/Svcs
B ☐ Association
C ☐ Union
D ☐ Government
E ☐ Educational Inst
F ☐ Ins Agent
G ☐ Ins Broker
H ☐ Ins/Reins Co
I ☐ Actry/Consit
J ☐ Attorney
K ☐ Adj/Apprs
L ☐ TPA
M ☐ Healthcare Inst
N ☐ Other _____

2. Number of employees:
1 ☐ 150 or less
2 ☐ 151 - 499
3 ☐ 500 - 999
4 ☐ 1,000 - 4,999
5 ☐ 5,000 or more
6 ☐ Unknown

3. My title is best defined as:
A ☐ Administrative Mgt
B ☐ Financial Mgt
C ☐ Risk Mgt
D ☐ Benefits Mgt
E ☐ Loss prevention Mgt
F ☐ Other _____

4. My purchasing involvement for the requested products is to:
1 ☐ recommend only
2 ☐ specify
3 ☐ approve

5. Do you now receive a personally addressed copy of Business Insurance?
A ☐ Yes
B ☐ No, so please send subscription info

Circle the numbers below that correspond to the companies listed on our Advertiser Index for the **January 4, 1993** issue. Cards with more than 20 items circled will not be processed. This card expires **March 1, 1993.**

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Please print clearly

Name _____
Title _____
Company _____
Address _____
City _____ State _____ Zip _____
Phone ( ) _____

Continued from previous page

Fort Lauderdale
Acordia Inc.
Alexander & Alexander
Aon (Rollins Hudig Hall)
Frank Crystal & Co.
Healthcare Insurance Services
Hilb, Rogal & Hamilton Co.
A.W. Lawrence Co. (Lawrence Agency)
The Loomis Co.
Marsh & McLennan
Poe & Brown
Sedgwick
Seitlin & Co.

Fort Myers
Hilb, Rogal & Hamilton Co.
Oswald Trippe & Co. (The James B. Oswald Co.)
Poe & Brown
Sedgwick

Gainesville
Hilb, Rogal & Hamilton Co.

Hollywood
Poe & Brown

Jacksonville
Acordia Inc.
Marsh & McLennan
Palmer & Cay/Carswell
Poe & Brown
Cecil W. Powell & Co. Dependable Insurance
Rollins Hudig Hall

Jupiter
A.W. Lawrence Co. (Lawrence Agency)

Kissimmee
Poe & Brown

Lakeland
Poe & Brown

Leesburg
Poe & Brown

Longwood
J. Rolfe Davis Insurance Agency

Maitland
ABI Whitehead Insurance (American Business Insurance)
Poe & Brown
Sedgwick

Melbourne
Braishfield Associates
Poe & Brown

Miami
Acordia Inc.
Alexander & Alexander
Elliott, McKiever & Stowe Inc.
Arthur J. Gallagher
Johnson & Higgins
McDonough Caperton Insurance Group (American Business Insurance)
Meadowbrook Insurance Group
Oswald Trippe & Co. (The James B. Oswald Co.)
Poe & Brown
Roanoke Agency
Seitlin & Co.
Tanenbaum-Harber Co.

Naples
Oswald Trippe & Co. (The James B. Oswald Co.)
Sedgwick

North Palm Beach
Aon (Rollins Hudig Hall)

Orlando
J. Rolfe Davis Insurance Agency
Arthur J. Gallagher
Godwins (Rollins Hudig Hall)
Hilb, Rogal & Hamilton Co.
McGriff, Seibels & Williams Inc.
Poe & Brown
Wittner Cos.

Palm Beach
Marsh & McLennan

Palm Beach Gardens
Hogg Robinson
Rollins Hudig Hall

Pensacola
Acordia Inc.
McGriff, Seibels & Williams Inc.

St. Petersburg
Haas & Wilkerson Inc.
Jones & Hawkins Insurance
Wallace, Welch & Willingham
West Coast Insurors (American Phoenix)
Wittner Cos.

Sanibel
Poe & Brown

Sarasota
Nicholas & Cannon Agency (American Phoenix)
Poe & Brown
Wittner Cos.

Stuart
Cornelius, Johnson & Clark (Acordia Inc.)

Tallahassee
Palmer & Cay/Carswell
Poe & Brown

Tampa
ABI Crowder Jacobs Fendig Insurance (American Business Insurance)
Acordia Inc.
Alexander & Alexander
Davis Baldwin Inc.
Arthur J. Gallagher
Hilb, Rogal & Hamilton Co.
Johnson & Higgins
Marsh & McLennan
Palmer & Cay/Carswell
Poe & Brown
Rollins Hudig Hall
Settlement Planning Associates (Near North Insurance Brokerage)
Willis Corroon

West Palm Beach
ABI Walton Insurance (American Business Insurance)
Cornelius, Johnson & Clark (Acordia Inc.)
Kornreich Insurance Services
A.W. Lawrence Co. (Lawrence Agency)
Poe & Brown
Sedgwick
Trident Managers

Winter Haven
Poe & Brown
Willis Corroon

Georgia

Atlanta
Acordia Inc.
Alexander & Alexander
Arthur J. Gallagher
Hamilton, Dorsey, Alston Co.
C.E. Heath
Hilb, Rogal & Hamilton Co.
Hobbs Group
Hogg Robinson
Johnson & Higgins
A.W. Lawrence Co. (Lawrence Agency)
Marsh & McLennan
McDonough Caperton Insurance Group (American Business Insurance)
McGriff, Seibels & Williams Inc.
Minet Group
Palmer & Cay/Carswell
Poe & Brown
Rollins Hudig Hall
Sedgwick
The Talbot Agency (American Business Insurance)
Willis Corroon

Augusta
Palmer & Cay/Carswell

Brunswick
Shelander Cowden (Palmer & Cay/Carswell)

Carrollton
J. Smith Lanier & Co.

Columbus
J. Smith Lanier & Co.
Mitchell/Woolfolk Insurance (Palmer & Cay/Carswell)

Duluth
Acordia Inc.

Gainesville
Hilb, Rogal & Hamilton Co.

Manchester
J. Smith Lanier & Co.

Newnan
J. Smith Lanier & Co.

Norcross
Cornwall & Stevens (C.E. Heath)

St. Simons Island
Hilb, Rogal & Hamilton Co.

Savannah
Hilb, Rogal & Hamilton Co.
Palmer & Cay/Carswell

Vidalia
Palmer & Cay/Carswell

West Point
J. Smith Lanier & Co.

Hawaii

Hilo
Marsh & McLennan

Honolulu
Alexander & Alexander
Hogg Robinson
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
The Talbot Agency (American Business Insurance)

Kahului
Marsh & McLennan

Kailua
Marsh & McLennan

Lihue
Marsh & McLennan

Maui
Alexander & Alexander
Marsh & McLennan

Idaho

Boise
Johnson & Higgins
Sedgwick
The Talbot Agency (American Business Insurance)
Willis Corroon

Illinois

Arlington Heights
Condominium Insurance Specialists of America

Aurora
Willis Corroon

Burr Ridge
Affiliated Insurance Consultants

Chicago
Acordia Inc.
Alexander & Alexander
The Alper Agency
Aon (Rollins Hudig Hall)
Bertholon Rowland
Byrne, Byrne & Co.
Dann Brothers Inc.
Arthur J. Gallagher
Godwins (Rollins Hudig Hall)
C.E. Heath
Hobbs Group
Hogg Robinson
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Kaye Administrators (Kaye Insurance Associates)
Lamb, Little & Co.
Mack & Parker
Marsh & McLennan
Mesirow Insurance Services
Julius Moll & Son
Near North Insurance Brokerage
Near North National Title (Near North Insurance Brokerage)
Penn General Service (Hogg Robinson)
Rollins Hudig Hall
Schwartz Brothers Insurance Agency
Sedgwick
Thilman & Filippini
Willis Corroon

Danville
Cannon Cochran Management Services

Des Plaines
Meeker-Magner Co.

Downers Grove
Arthur J. Gallagher

Elmhurst
Euclid Insurance Agencies

Itasca
Arthur J. Gallagher

Moline
Bartlett Agency Inc.

Mt. Vernon
ISU/Blaine-Braswell & Associates

Naperville
Morency, Weible & Sapa

Northbrook
Dann Brothers Inc.

Oak Brook
T.J. Adams & Associates
Cannon Cochran Management Services
Jardine Insurance Brokers (JIB)

Oakbrook Terrace
Boockford & Co.
ISU/Cassady Neeser & Brasseur
Willis Corroon

Park Ridge
IBC/McConachie (Insurance Benefit Consultants)
McConachie Insurance Agency

Peoria
Aon (Rollins Hudig Hall)

Rockford
Marsh & McLennan

Rolling Meadows
Lamb, Little & Co.

Schaumburg
American Business Insurance
Arthur J. Gallagher
Roanoke Agency

Skokie
Insurance Benefit Consultants

Wheeling
Complete Equity Markets

Winnetka
Aon (Rollins Hudig Hall)

Indiana

Bloomington
ISU/The May Agency

Evansville
Acordia Inc.

Fort Wayne
ISU/Stewart, Brimner Group
Insurance & Risk Management
K&K Insurance Group
Waterfield Insurance Agency

Greenwood
Acordia Inc.
ISU/Stewart, Brimner Group

Highland
Waterfield Insurance Agency

Indianapolis
Acordia Inc.
Affiliated Insurance Consultants
Alexander & Alexander
Cannon Cochran Management Services
Forrest Sherer Inc.
Herke Insurance Center
Insurance & Risk Management
A.W. Lawrence Co. (Lawrence Agency)
Marsh & McLennan
Rollins Hudig Hall
Waterfield Insurance Agency

Jasper
Forrest Sherer Inc.

Kendalville
ISU/Stewart, Brimner Group

Lafayette
MBAH Insurance

Ligonier
ISU/Stewart, Brimner Group

Mishawaka
Bath Associates Insurance (Acordia Inc.)

Muncie
Insurance & Risk Management
Morrison Galliher/ISU Inc. (ISU/Beauchamp & McSpadden)

New Albany
Robinson-Conner of Ind. (Acordia Inc.)

New Haven
ISU/Stewart, Brimner Group

North Manchester
ISU/Beauchamp & McSpadden

Phoenix
Waterfield Insurance Agency

South Bend
Acordia Inc.
ISU/Cassady Neeser & Brasseur
ISU/Laven Insurance Agency
Waterfield Insurance Agency

Terre Haute
Forrest Sherer Inc.

Wabash
ISU/Beauchamp & McSpadden

Warsaw
ISU/Beauchamp & McSpadden
Insurance & Risk Management

Iowa

Cedar Rapids
Godwins (Rollins Hudig Hall)
Holmes, Murphy & Associates

Council Bluffs
Redland Group

Des Moines
Alexander & Alexander
Cannon Cochran Management Services
Holmes, Murphy & Associates

Kansas

Fairway
Haas & Wilkerson Inc.

Hutchinson
Jardine Insurance Brokers (JIB)

Kansas City
Van Gilder Insurance

Lenexa
Frank Crystal & Co.

Overland Park
Acordia Inc.
American Business Insurance Inc.
ISU/Oliver & Shapen Insurance Agency
Meadowbrook Insurance Group

Prairie Village
The Lockton Insurance Agency

Shawnee Mission
Haas & Wilkerson Inc.

Topeka
Aon (Rollins Hudig Hall)
Insurance Management Associates
Jardine Insurance Brokers (JIB)
The Lockton Insurance Agency

Wichita
Insurance Management Associates
Jardine Insurance Brokers (JIB)
Rollins Hudig Hall

Kentucky

Bowling Green
Van Meter Insurance Agency

Edgewood
Wood Underwriters Agency (Thomas E. Wood)

Fort Mitchell
Frederick Rauh & Co. (American Business Insurance)

Greensburg
J. Smith Lanier & Co.

Lexington
Acordia Inc.
Alexander & Alexander
McDonough Caperton Insurance Group (American Business Insurance)
Pavenstedt & Pauli
The Talbot Agency (American Business Insurance)
Van Meter Insurance Agency

Louisville
Acordia Inc.
Alexander & Alexander
Harris & Harris of Kentucky
Johnson & Higgins

Russellville
Van Meter Insurance Agency

Louisiana

Alexandria
Alexander & Alexander

Baton Rouge
Acordia Inc.
Arthur J. Gallagher
Insurance Associates Inc.
A.W. Lawrence Co. (Lawrence Agency)

Metairie
Hilb, Rogal & Hamilton Co.

Monroe
Arthur J. Gallagher

New Orleans
Alexander & Alexander
Continental Underwriters (Minet Group)
Arthur J. Gallagher
Johnson & Higgins
Marsh & McLennan
McGriff, Seibels & Williams Inc.
North American Insurance Agency
Rollins Hudig Hall
Sedgwick
Willis Corroon

Shreveport
Alexander & Alexander
Arthur J. Gallagher

Maine

Bangor
Sedgwick

Portland
Johnson & Higgins
Sedgwick

Maryland

Annapolis
The Loomis Co.

Baltimore
Alexander & Alexander
Hilb, Rogal & Hamilton Co.
Johnson & Higgins
Marsh & McLennan
Poor, Bowen, Bartlett & Kennedy (American Phoenix)
J.B. Schaftel (American Phoenix)
Tongue, Brooks & Co.

Bethesda
Willis Corroon

Columbia
Hobbs Group
The Jacobs Co.
Sedgwick

Cumberland
The BGS&G Cos.

Hunt Valley
Roanoke Agency
Willis Corroon

Rockville
Insurance One

Towson
Tongue, Brooks & Co.

Massachusetts

Boston
Alexander & Alexander
Bertholon Rowland
Hobbs Group
Hogg Robinson
Insurance Marketing Agencies
Arthur J. Gallagher
William Gallagher Associates
Kaler, Carney Liffler & Co.
Marsh & McLennan
Roanoke Agency
Rollins Hudig Hall
Sedgwick
Tanenbaum-Harber Co.
Willis Corroon

Cambridge
Hastings-Tapley Insurance Agency

Cohasset
Mahoney & Wright Insurance Agency

Dedham
Mahoney & Wright Insurance Agency

Falmouth
Carrin Insurance Agency

Haverhill
Mahoney & Wright Insurance Agency

Lowell
Caddell & Byers Insurance Agency (American Phoenix)

Marshfield
ISU/Anderson & Baker Insurance Services
Penn General Service (Hogg Robinson)

Middleboro
Mahoney & Wright Insurance Agency

Natick
Carrin Insurance Agency
Mahoney & Wright Insurance Agency

Newton
Mahoney & Wright Insurance Agency

North Attleboro
Mahoney & Wright Insurance Agency

Northampton
ISU/Goggins & Whalen

Peabody
Mahoney & Wright Insurance Agency
Mazonson Inc.

Plymouth
Mahoney & Wright Insurance Agency

Reading
Mahoney & Wright Insurance Agency

Rockland
Mahoney & Wright Insurance Agency

Scituate
Mahoney & Wright Insurance Agency

Springfield
Palmer Goodell Insurance Agency
Penn General Service (Hogg Robinson)

Tewksbury
Mahoney & Wright Insurance Agency

Wakefield
Mahoney & Wright Insurance Agency

Waltham
Hobbs Group
A.W. Lawrence Co. (Lawrence Agency)

Weymouth
Mahoney & Wright Insurance Agency

Worcester
ISU/Feingold & Feingold Insurance Agency
Insurance Marketing Agencies

Wrentham
Mahoney & Wright Insurance Agency

Continued on next page

Continued from previous page
Yarmouth
Mahoney & Wright Insurance Agency

Michigan

Birmingham
The Auten Group
Kelter-Thorner
Seed-Roberts Agency
Cadillac
A.W. Lawrence Co. (Lawrence Agency)
Penn General Service (Hogg Robinson)
Charlevoix
GHA Insurance Financial Services
Dearborn
Fairlane Associates
Detroit
Alexander & Alexander
Hylant-MacLean Inc.
Johnson & Higgins
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
Fillion
A.W. Lawrence Co. (Lawrence Agency)
Grand Rapids
GHA Insurance Financial Services
Arthur J. Gallagher
Hilb, Rogal & Hamilton Co.
Johnson & Higgins
Marsh & McLennan
Preferred Benefits
Rollins Hudig Hall
Willis Corroon
Ishpeming
Penn General Service (Hogg Robinson)
Kalkaska
GHA Insurance Financial Services
Livonia
Cambridge Underwriters
Willis Corroon
Port Huron
Hilb, Rogal & Hamilton Co.
Saginaw
Hogg Robinson
Southfield
Hogg Robinson
Meadowbrook Insurance Group
Traverse City
GHA Insurance Financial Services
Troy
Arthur J. Gallagher
Jardine Insurance Brokers (JIB)

Minnesota

Bismarck
Sedgwick
Bloomington
Hogg Robinson
Meadowbrook Insurance Group
Penn General Service (Hogg Robinson)
Rollins Hudig Hall
Midland
Marsh & McLennan
Minneapolis
Alexander & Alexander
American Business Insurance
Godwins (Rollins Hudig Hall)
Johnson & Higgins
Sedgwick
Willis Corroon
Ranier
Sedgwick
St. Paul
Rothschild, Bell & Walsetz

Mississippi

Jackson
Acordia Inc.
Arthur J. Gallagher
Johnson & Higgins

Missouri

Caruthersville
Willis Corroon
Kansas City
Acordia Inc.
Alexander & Alexander
Cannon Cochran Management Services
Gilbert-Magill Co.
Jardine Insurance Brokers (JIB)
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
The Woodsmall Cos. (Arthur J. Gallagher)
St. Charles
ISU/St. Charles Insurance
St. Louis
Alexander & Alexander
Cannon Cochran Management Services
The Daniel & Henry Co.
Arthur J. Gallagher
Haas & Wilkerson Inc.
ISU/Blaine-Braswell & Associates
ISU/Corporate Insurance Management
ISU/Ricci Associates
Johnson & Higgins
The Lockton Insurance Agency
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
Transportation Insurance Managers
Welsch, Flatness & Lutz
Willis Corroon

Nebraska

Lincoln
Alexander & Alexander
Omaha
Alexander & Alexander
Grace/Mayer Insurance Agency
Mammel, Schropp, Swartzbaugh, Engler, Jones (Redland Group)
Rollins Hudig Hall
Sedgwick

Nevada

Las Vegas
Aviation Insurance Services
Robert F. Driver Co.
Johnson & Higgins
Lovitt & Touche
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
John Stuart & Co.
Reno
American Business Insurance
Sedgwick

New Hampshire

Concord
Morrill & Everett (Kaler, Carney Liffler & Co.)
Donald F. Smith & Associates
Manchester
Hogg Robinson
Sedgwick
Nashua
The Sadler Coffey Insurance Agency
St. Laurent & McArdle Insurance
Rochester
Willis Corroon

New Jersey

Atlantic City
McCay Corp.
Bayonne
Schneiderman Agency (Popkin Lebson Bergstein)
Bordentown
McCay Corp.
Cedar Knolls
Marsh & McLennan
Chatham
O'Gorman & Young
Clark
Giblon & Claffey Agency (Poe & Brown)
Clifton
Braishfield Associates
Collingswood
John Stuart & Co.
Cranford
Meeker Sharkey Financial Group
Eatontown
Kennedy Insurance Agency (The Pilgrim Organization)
Englewood
Popkin Lebson Bergstein
Fords
Kelter-Thorner
Freehold
NIA/National Insurance Associates
Hoboken
Aon (Rollins Hudig Hall)
Jamesburg
Aon (Rollins Hudig Hall)
Jersey City
BEP International (Sodarcan)
Lawrenceville
Donald F. Smith & Associates
Livingston
Wharton/Lyon & Lyon
Long Valley
NIA/National Insurance Associates
Lyndhurst
The Pilgrim Organization
Marlton
McCay Corp.
Martinsville
John W. McGuire (Meeker Sharkey Financial Group)
Montclair
Larsen Insurance Agency (The Pilgrim Organization)
Morristown
The CPI Insurance Group (American Business Insurance)
Griffith/Prideaux (The Pilgrim Organization)
Marsh & McLennan
Mt. Holly
McCay Corp.
Mt. Laurel
Meeker Sharkey & Lane (Meeker Sharkey Financial Group)
New Providence
C&C Insurance Associates (American Phoenix)
Newark
Cornwall & Stevens (C.E. Heath)
Kaye Insurance Associates
North Bergen
DeWitt Stern/Imperatore
Oakhurst
Wharton/Atlantic (Wharton/Lyon & Lyon)
Oldwick
Braishfield Associates
Paramus
Insurance Professionals Inc.
Minet Group
NIA/National Insurance Associates
Parsippany
William Gallagher Associates
Johnson & Higgins
Rollins Hudig Hall
Willis Corroon
Paterson
NIA/National Insurance Associates
Princeton
G.R. Murray Insurance (O'Gorman & Young)
Rutherford
Hobbs Group
Short Hills
Sedgwick
Somerset
Poe & Brown
Ulrich Voorhees Warner Associates
Teaneck
Kornreich Insurance Services
The Lofberg Cos.
Singer Kornreich (Kornreich Insurance Services)
Trenton
Gervasio & Seeger (Meeker Sharkey Financial Group)
Turnersville
McCay Corp.
Voorhees
Hilb, Rogal & Hamilton Co.
Wall
Meeker Sharkey & Moffatt (Meeker Sharkey Financial Group)
Wall Township
Meeker Sharkey & Kurmin (Meeker Sharkey Financial Group)
Washington
Bowers, Schumann & Welch
Wayne
Saldana & Associates
West Atlantic City
Rollins Hudig Hall

New Mexico

Albuquerque
Alexander & Alexander
Aon (Rollins Hudig Hall)
Penn General Service (Hogg Robinson)
Sedgwick
The Talbot Agency (American Business Insurance)
Espanola
The Talbot Agency (American Business Insurance)
Las Cruces
The Talbot Agency (American Business Insurance)
Los Alamos
The Talbot Agency (American Business Insurance)

New York

Albany
Alexander & Alexander
Austin & Co.
Jardine Group Services (JIB)
A.W. Lawrence Co. (Lawrence Agency)
Marsh & McLennan
Batavia
Genessee Agency (Lawley Services Inc.)
Bayshore
John P. Tilden (Frenkel & Co.)
Binghampton
Marsh & McLennan
Bohemia
Aon (Rollins Hudig Hall)
Briarcliff
Godwins (Rollins Hudig Hall)
Briarcliff Manor
Rollins Hudig Hall
Buffalo
Alexander & Alexander
Gow & Hanna Inc.
Johnson & Higgins
Lawley Services Inc.
A.W. Lawrence Co. (Lawrence Agency)
Marsh & McLennan
Cairo
Grossmann Agency (Marshall & Sterling)
Carle Place
Kalvin-Miller International
Catskill
Grossmann Agency (Marshall & Sterling)
Chestertown
Stevenson Agency (Austin & Co.)
Cortland
Lawrence United (Lawrence Agency)
Coxsackie
Grossmann Agency (Marshall & Sterling)
Dunkirk
Tradition Agency (Lawley Services Inc.)
Fredonia
Tradition Agency (Lawley Services Inc.
Glens Falls
A.W. Lawrence Co. (Lawrence Agency)
Great Neck
Sterling & Sterling
Greenville
Grossmann Agency (Marshall & Sterling)
Hartsdale
Sternberg, Kozera & Gleicher
Hauppauge
Sedgwick

Continued on next page

SINCE 1900, Skandia America Re has been doing business in the U.S. In fact, we are the country's oldest continuing domestic reinsurer.

Our core values are straightforward—to provide our brokers and clients with underwriting excellence and superior customer service, supported by advanced use of technology.

Our underwriting focus is on casualty reinsurance, both Treaty and Facultative.

Backed by capital and surplus of ~~$293 million~~ $311 million @ March 31, 1993, we're proud of our "A" rating from A.M. Best Company and the financial protection we deliver to our clients.

Skandia

Skandia America Reinsurance Corporation
One Liberty Plaza, New York, NY 10006
Tel: (212) 978-4700 Fax: (212) 385-2135

Facultative Branch Offices

•New York
Tel: (212) 978-4925
Fax: (212) 385-8660

•Chicago
Tel: (312) 236-7833
Fax: (312) 236-3826
(800) 621-9260

•Atlanta
Tel: (404) 393-4300
Fax: (404) 393-9639
(800) 242-7044

•Norwalk
Tel: (203) 854-9966
Fax: (203) 853-4005

•San Francisco
Tel: (415) 398-1700
Fax: (415) 398-1544

•Skandia/Facman
Tel: (203) 854-9966
Fax: (203) 853-4005

Continued from previous page

Huntington
Gundermann & Gundermnann
Jamestown
Erickson-Swan-Rowley (American Phoenix)
Lawrence Healthcare (Lawrence Agency)
Tradition Agency (Lawley Services)
Lake Placid
A.W. Lawrence Co. (Lawrence Agency)
Lawrence United (Lawrence Agency)
Lake Success
Blumencranz, Klepper, Wilkins & Dubofsky Ltd.
Latham
Lawrence Healthcare (Lawrence Agency)
Lawrence United (Lawrence Agency)
Long Island
Alexander & Alexander
Lyndhurst
Alexander & Alexander
Melville
National Coverage Corp.
Middletown
Marshall & Sterling
Millbrook
George T. Whalen Agency (Marshall & Sterling)
Monticello
Gersten-Hillman Agency
NIA/National Insurance Associates
New Hyde Park
Willis Corroon

New Windsor
Marshall & Sterling

New York
Alexander & Alexander
Bertholon Rowland
Cohen Insurance (Near North Insurance)
Frank Crystal & Co.
Frenkel & Co.
Arthur J. Gallagher
Gow & Hanna Inc.
H&R Phillips Inc.
Haas & Wilkerson Inc.
Joseph Held Co.
Hogg Robinson
Jardine Insurance Brokers (JIB)
Jauch & Huebener
Johnson & Higgins
Kalvin-Miller International
Kaye Insurance Associates
Kornreich Insurance Services
Lawrence United (Lawrence Agency)
Lee & Hawthorne
Lowndes Lambert
MLW Services
Marsh & McLennan
Meadowbrook Insurance Group
Minet Group
Roanoke Agency
Rollins Hudig Hall
Schmutter, Strull, Fleisch
Sedgwick
The Sklover Organization
Spectrum Insurance Brokerage Services
DeWitt Stern, Gutmann & Co.
Tanenbaum-Harber Co.
Willis Corroon
Old Forge
Lawrence United (Lawrence Agency)

Poughkeepsie
Lawrence Healthcare (Lawrence Agency)
Marsh & McLennan
Marshall & Sterling
Rochester
Johnson & Higgins
Lawrence United (Lawrence Agency)
Marsh & McLennan
Sedgwick
Schenectady
Jardine Insurance Brokers (JIB)
Lawrence Agency
Smithtown
The Schaefer Agency
Syosset
Seaman, Ross & Wiener Inc.

Syracuse
Alexander & Alexander
Jardine Insurance Brokers (JIB)
Lawrence Healthcare (Lawrence Agency)
Lee & Hawthorne
Marsh & McLennan
Sedgwick
Troy
Lawrence United (Lawrence Agency)
Uniondale
Trident Managers
Utica
Alexander & Alexander
Lawrence Healthcare (Lawrence Agency)
Valhalla
Arthur J. Gallagher

Wappingers Falls
Marshall & Sterling

Westbury
A.W. Lawrence Co. (Lawrence Agency)
Lawrence Healthcare (Lawrence Agency)
RWP Group
The Sklover Organization
White Plains
Arthur J. Gallagher
Edward F.C. McLaughlin (Meeker Sharkey Financial Group)
NIA/National Insurance Associates
Yorkville
Lawrence Healthcare (Lawrence Agency)

North Carolina

Andrews
Sullivan Co.
Asheville
Robinson-Conner of N.C. (Acordia)
Boone
Cameron M. Harris & Co.
Burlington
Hogg Robinson
Chapel Hill
Robinson-Conner of N.C. (Acordia)
Willis Corroon
Charlotte
Acordia Inc.
Alexander & Alexander
Cameron M. Harris & Co.
Johnson & Higgins
Marsh & McLennan
Palmer & Cay/Carswell
Poe & Brown
Rollins Hudig Hall
Sedgwick
Willis Corroon
Greensboro
Lawrence United (Lawrence Agency)
Robinson-Conner of N.C. (Acordia)
Greenville
Fickling & Clement Insurance
Hayesville
Sullivan Co.
Lenoir
Cameron M. Harris & Co.
Morganton
Cameron M. Harris & Co.
Murphy
Sullivan Co.
Raleigh
Cameron M. Harris & Co.
Marsh & McLennan
Robbinsville
Sullivan Co.
Sylva
Sullivan Co.
Waynesville
Sullivan Co.
Wilmington
Robinson-Conner of N.C. (Acordia)
Winston-Salem
Alexander & Alexander
Rollins Hudig Hall

Ohio

Akron
Rollins Hudig Hall
Canfield
ISU/L. Calvin Jones & Co.
Canton
Davis & Associates (The McElroy-Minister Co.)
Cincinnati
Acordia Inc.
Alexander & Alexander
Davis & Associates (The McElroy-Minister Co.)
Johnson & Higgins
Marsh & McLennan
McDonough Caperton Insurance Group (American Business Insurance)
Rollins Hudig Hall
Frederick Rauh & Co. (American Business Insurance)
Thomas E. Wood
Cleveland
Acordia Inc.
Alexander & Alexander
The Brooks & Stafford Co.
Davis & Associates (The McElroy-Minister Co.)
Arthur J. Gallagher
Hobbs Group
Hylant-MacLean Inc.
Johnson & Higgins
Marsh & McLennan
McDonough Caperton Insurance Group (American Business Insurance)
The James B. Oswald Co.
Rollins Hudig Hall
Willis Corroon
Columbus
Acordia Inc.
Alexander & Alexander

Oklahoma

Chandler
LaGere & Walkingstick Insurance Agency
Oklahoma City
Hilb, Rogal & Hamilton Co.
Marsh & McLennan
North American Insurance Agency
Sedgwick
Sallisaw
Brown-Hiller-Clark & Associates
Tulsa
Alexander & Alexander
Johnson & Higgins
Marsh & McLennan
North American Insurance Agency
Rollins Hudig Hall
Sedgwick

Oregon

Eugene
Willis Corroon
Medford
Sedgwick
Newport
Pettit-Morry Co.
Portland
Alexander & Alexander
Johnson & Higgins
Marsh & McLennan
Parker, Smith & Feek
Pettit-Morry Co.
Rollins Hudig Hall
Sedgwick
Willis Corroon
Salem
Sedgwick

Pennsylvania

Allentown
The Gleason Agency
Altoona
The Gleason Agency
Bala Cynwyd
Robinson
Bethlehem
Bowers, Schumann & Welch
Sedgwick
Willis Corroon
Blue Bell
Posse-Walsh
Chambersburg
McDowell Insurance (American Phoenix)
Conshohocken
Godwins (Rollins Hudig Hall)
Haas & Wilkerson Inc.
Erie
Acordia Inc.
Insurance Management Co.
Exton
WRIMS
Freeport
A.W. Lawrence Co. (Lawrence Agency)
Harrisburg
Alexander & Alexander
The Gleason Agency
A.W. Lawrence Co. (Lawrence Agency)
Marsh & McLennan
Sedgwick
Hershey
Rollins Hudig Hall
Jenkintown
Aon (Rollins Hudig Hall)
Johnstown
The Gleason Agency
Mechanicsburg
Robinson-Conner of Pa. (Acordia)
Mobile
Sedgwick
Newtown
The Talbot Agency (American Business Insurance)
Philadelphia
Alexander & Alexander
Braishfield Associates
The Gleason Agency
The Graham Co.
Haas & Wilkerson Inc.
Paul Hertel & Co.
The Hirshorn Co.
Johnson & Higgins
Kaye Insurance Associates
A.W. Lawrence Co. (Lawrence Agency)
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
Pittsburgh
Alexander & Alexander
The Gleason Agency
The HDH Group
Hilb, Rogal & Hamilton Co.
Johnson & Higgins
Marsh & McLennan
McDonough Caperton Insurance Group (American Business Insurance)
Rollins Hudig Hall
The Talbot Agency (American Business Insurance)
Willis Corroon
Plymouth Meeting
Clair Odell Group
Rydal
Palley Simon Associates
St. Davids
American Brokerage of Philadelphia (American Phoenix)
The Simkiss Cos.
Schwenksville
Sigel Insurance Group
Sunbury
ISU/Purdy Insurance Agency
Trevose
Aon (Rollins Hudig Hall)
Williamsport
Sedgwick
Willow Grove
Robinson-Conner of Pa. (Acordia)
Wyomissing
The Loomis Co.
Sedgwick
York
Poor, Bowen, Bartlett & Kennedy of Pa. (American Phoenix)

Rhode Island

Cranston
Arthur J. Gallagher
Newport
A.W. Lawrence Co. (Lawrence Agency)
Providence
Alexander & Alexander
Marsh & McLennan
Rollins Hudig Hall
Starkweather & Shepley
Warwick
Kaye Insurance Associates
Westerly
Starkweather & Shepley

South Carolina

Charleston
Hilb, Rogal & Hamilton Co.
Roanoke Agency
Columbia
Bultman-Bell Associates Inc.
Marsh & McLennan
Sedgwick
Willis Corroon
Greenville
Bultman-Bell Associates Inc.
Arthur J. Gallagher
Marsh & McLennan
Palmer & Cay/Carswell
Sullivan Co.
Willis Corroon

South Dakota

Mitchell
First American Insurors (First American Systems)
Rapid City
First American Systems
Sturgis
Bear Butte Insurance (First American Systems)

Tennessee

Brentwood
Acordia Inc.
Arthur J. Gallagher
Van Meter Insurance Agency
Chattenooga
Willis Corroon
Goodlettsville
Stephens & Associates (ISU/Professional Insurance Managers of Tennessee)
Hendersonville
Newman, Hayes & Dixon (Acordia)
Hohenwald
Hohenwald Insurance Agency (ISU/Professional Insurance Managers of Tennessee)
Knoxville
Sedgwick
Willis Corroon
Lawrenceburg
ISU/Professional Insurance Managers of Tennessee
Memphis
Cornwall & Stevens (C.E. Heath)
Hilb, Rogal & Hamilton Co.
Johnson & Higgins
Sedgwick
Transportation Insurance Managers
Nashville
Acordia Inc.
Alexander & Alexander
Arthur J. Gallagher
Godwins (Rollins Hudig Hall)
Johnson & Higgins
Marsh & McLennan
Sedgwick
Willis Corroon

Texas

Alamo City
Anco Insurance Managers
Amarillo
Ordway-Saunders Co. (Hilb, Rogal & Hamilton Co.)
Arlington
Anco Insurance Managers
Producers Exchange
Austin
Alexander & Alexander
Arthur J. Gallagher
Hobbs Group
Hogg Robinson
Texas Insurance Agency
Timberline Insurance
Beaumont
Anco Insurance Managers
Financial Guardian of Texas
Timberline Insurance
Belton
Anco Insurance Managers
Bryan
Anco Insurance Managers
Capitol City
Anco Insurance Managers
Conroe
Anco Insurance Managers
Corpus Christi
Acordia Inc.
Anco Insurance Managers
Hilb, Rogal & Hamilton Co.
National Insurance Agency
Producers Exchange
Shelton Insurance Agency
Dallas
Acordia Inc.
Alexander & Alexander
Anco Insurance Managers
Bowles, Troy, Donahue, Johnson Inc.
Dexter & Co.
Arthur J. Gallagher
Heath Holdings (C.E. Heath)
Hilb, Rogal & Hamilton Co.
Hobbs Group
Hogg Robinson
Holmes, Murphy & Associates
IMS of Texas (Palmer & Cay/Carswell)
Johnson & Higgins
KMC Insurance Services
Lowndes Lambert
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
Settlement Planning Associates (Near North Insurance Brokerage)
The Talbot Agency (American Business Insurance)
Transportation Insurance Managers
Unimark Insurance Agency
Willis Corroon
El Paso
Anco Insurance Managers
Timberline Insurance
Fort Worth
Alexander & Alexander
Anco Insurance Managers
Insurance Risk Managers (WRIMS)
Rollins Hudig Hall
Willis Corroon
Houston
Acordia Inc.
Alexander & Alexander
Anco Corp.
Frank Crystal & Co.
Financial Guardian of Texas
Arthur J. Gallagher
Gow & Hanna Inc.
Healthcare Insurance Services
C.E. Heath
Hilb, Rogal & Hamilton Co.
Hobbs Group
Jardine Insurance Brokers (JIB)
Johnson & Higgins
The Lockton Insurance Agency
Lowndes Lambert
Marsh & McLennan
McGriff, Seibels & Williams Inc.
Minet Group
Poe & Brown
Roanoke Agency
Rollins Hudig Hall
Sedgwick
Texas Insurance Agency
Transportation Insurance Managers
Willis Corroon
Wisenberg Insurance & Risk Management
John L. Wortham & Son

Irving
Penn General Service (Hogg Robinson)
Livingston
Anco Insurance Managers
Lubbock
Cornwall & Stevens (C.E. Heath)
Arthur J. Gallagher
Hogg Robinson
Penn General Service (Hogg Robinson)
Producers Exchange
McAllen
Alexander & Alexander
Insurance Brokers (Hilb, Rogal & Hamilton Co.)
Midland
Alexander & Alexander
Plano
Acordia Inc.
Port Lavaca
Anco Insurance Managers
Richardson
Personal Insurance Professionals (Bowles, Troy, Donahue, Johnson)
Rockport
Anco Insurance Managers
San Antonio
Acordia Inc.
Alexander & Alexander
Arthur J. Gallagher
Marsh & McLennan
McDonough Caperton Insurance Group (American Business Insurance)
Rollins Hudig Hall
Texas Insurance Agency
Timberline Insurance
Temple
Anco Insurance Managers
Tyler
Anco Insurance Managers
Aon (Rollins Hudig Hall)
Uvalde
Texas Insurance Agency
Victoria
Hilb, Rogal & Hamilton Co.
Waco
Anco Insurance Managers

Continued on next page

Continued from previous page
Wichita Falls
Anco Insurance Managers

Utah

Salt Lake City
Acordia Inc.
Diversified Insurance Brokers
Johnson & Higgins
Fred A. Moreton & Co.
Rollins Hudig Hall
Willis Corroon

Vermont

Burlington
Marsh & McLennan
Willis Corroon
South Burlington
Hackett, Valine & MacDonald Inc.

Virginia

Alexandria
Bertholon Rowland
Hogg Robinson
Smith-Field Insurance Agency
Charlottesville
Hilb, Rogal & Hamilton Co.
Fairfax
Dexter & Co.
Hilb, Rogal & Hamilton Co.
Fredericksburg
Hilb, Rogal & Hamilton Co.
Glen Allen
Hilb, Rogal & Hamilton Co.
Rollins Hudig Hall
Herndon
Rollins Hudig Hall
Middleburg
Arthur J. Gallagher
Newport News
Henderson & Phillips Insurance
Norfolk
Benefit Consultant Services (Donald F. Smith & Associates)
Henderson & Phillips Insurance
Marsh & McLennan
Richmond
Alexander & Alexander
Aon (Rollins Hudig Hall)
Henderson & Phillips Insurance
Johnson & Higgins
Marsh & McLennan
Donald F. Smith & Associates
Roanoke
Johnson & Higgins
McDonough Caperton Insurance Group (American Business Insurance)
Rollins Hudig Hall
Roslyn
International Space Brokers (Frank Crystal & Co.)
Vienna
Willis Corroon
Virginia Beach
Acordia Inc.
Hilb, Rogal & Hamilton Co.
Pembroke Insurance Agency

Washington

Bellevue
Rollins Hudig Hall
The Talbot Agency (American Business Insurance)
Bellingham
Pettit-Morry Co.
Seattle
Alexander & Alexander
Aviation Insurance Services
BEP International (Sodarcan)
Caledonian Insurance Group
Arthur J. Gallagher
Johnson & Higgins
Marsh & McLennan
Parker, Smith & Feek
Pettit-Morry Co.
Rollins Hudig Hall
Sedgwick
The Talbot Agency (American Business Insurance)
Van Beurden-Jensen Insurance Agency (Van Beurden Insurance Services)
Willis Corroon
Spokane
Caledonian Insurance Group
Farmin, Rothrock & Parrott Inc.
May-Davis Inc.
Sedgwick
Wenatchee
Sedgwick
Yakima
Sedgwick

West Virginia

Beckley
McDonough Caperton Insurance Group (American Business Insurance)
Charleston
McDonough Caperton Insurance Group (American Business Insurance)
Huntington
McDonough Caperton Insurance Group (American Business Insurance)
Morgantown
McDonough Caperton Insurance Group (American Business Insurance)
Parkersburg
McDonough Caperton Insurance Group (American Business Insurance)
Wheeling
McDonough Caperton Insurance Group (American Business Insurance)

Wisconsin

Eau Claire
Arthur J. Gallagher
Green Bay
Alexander & Alexander
Hilb, Rogal & Hamilton Co.
Milwaukee
Alexander & Alexander
Fitzgerald, Clayton, James & Kasten Inc.
Arthur J. Gallagher
Johnson & Higgins
Marsh & McLennan
Robertson/Ryan & Associates
Rollins Hudig Hall
Willis Corroon
Waukesha
Wisconsin Insurance Management

Wyoming

Buffalo
North Wyoming Insurance (First American Systems)
Casper
Van Gilder Insurance BI

Directory of agents and brokers located in Canada

Alberta

Calgary
Alexander & Alexander
Jardine Rolfe (JIB)
Johnson & Higgins
Marsh & McLennan
Minet Group
Morris & Mackenzie
Sedgwick
Edmonton
Alexander & Alexander
Jardine Rolfe (JIB)
Johnson & Higgins
Lowndes Lambert
Marsh & McLennan
Mones & Associates Insurance Brokers
Sedgwick
Willis Corroon
Grande Prairie
Alexander & Alexander

British Columbia

Cloverdale
Willis Corroon
Cranbrook
Falkins Insurance Group
Elkford
Falkins Insurance Group
Fernie
Falkins Insurance Group
Kamloops
Jardine Rolfe (JIB)
Sedgwick
Langley
Willis Corroon
Prince George
Alexander & Alexander
Sedgwick
Sparwood
Falkins Insurance Group
Vancouver
Alexander & Alexander
Dale Intermediaries (Sodarcan)
Jardine Rolfe (JIB)
Johnson & Higgins
Lowndes Lambert
Marsh & McLennan
Morris & Mackenzie
Sedgwick
Willis Corroon
Victoria
Alexander & Alexander
Jardine Rolfe (JIB)
White Rock
Willis Corroon

Manitoba

Winnipeg
Alexander & Alexander
Johnson & Higgins
Lowndes Lambert
Marsh & McLennan

Newfoundland

St. John's
Alexander & Alexander
Johnson & Higgins
Marsh & McLennan

Northwest Territories

Yellowknife
Alexander & Alexander
Mones & Associates Insurance Brokers

Nova Scotia

Halifax
Alexander & Alexander
Dale Intermediaries (Sodarcan)
Johnson & Higgins
Marsh & McLennan
Sedgwick

Ontario

Etobicoke
Canadian Actuarial & Consulting Group (C.E. Heath)
Hamilton
Dale Intermediaries (Sodarcan)
London
Alexander & Alexander
Dale Intermediaries (Sodarcan)
Johnson & Higgins
Sedgwick
Niagara Falls
Dale Intermediaries (Sodarcan)
North Bay
Knox Insurance Brokers
Ottawa
Alexander & Alexander
Canadian Actuarial & Consulting Group (C.E. Heath)
Dale Intermediaries (Sodarcan)
Johnson & Higgins
Marsh & McLennan
Sedgwick
Willis Corroon
Richmond Hill
Holman Insurance Brokers
St. George
Park Insurance Division (Sedgwick)
Sarnia
Dale Intermediaries (Sodarcan)
Scarborough
Breckles Insurance Brokers
Milner Park Insurance Brokers
Sudbury
Sedgwick
Thunder Bay
Alexander & Alexander
Toronto
Alexander & Alexander
BEP International (Sodarcan)
Dale Intermediaries (Sodarcan)
Hobbs Group
Johnson & Higgins
Lee & Hawthorne
Lowndes Lambert
Marsh & McLennan
Minet Group
Morris & Mackenzie
Rollins Hudig Hall
Sedgwick
Willis Corroon
Waterloo
Alexander & Alexander
Willowdale
Tower-Chisholm Ferguson
Windsor
Dale Intermediaries (Sodarcan)

Quebec

Chicoutimi
Willis Corroon
Hull
Dale-Parizeau (Sodarcan)
Jonquiere
Dale-Parizeau (Sodarcan)
Willis Corroon
LaSarre
Dale-Parizeau (Sodarcan)
Montreal
Alexander & Alexander
Aon (Rollins Hudig Hall)
P. Brunet Assurance Inc.
Hobbs Group
Johnson & Higgins
Lee & Hawthorne
Lowndes Lambert
Marsh & McLennan
Minet Group
Morris & Mackenzie
Sedgwick
Sodarcan
Willis Corroon
Quebec City
Dale-Parizeau (Sodarcan)
Johnson & Higgins
Marsh & McLennan
Sedgwick
Willis Corroon
St. Jerome
Cadieux Beausedour DuPras Inc.
Sainte Foy
Willis Corroon
Sherbrooke
Dale-Parizeau (Sodarcan)
Victoriaville
Dale-Parizeau (Sodarcan)
Ville de la Baie
Willis Corroon

Saskatchewan

Regina
Alexander & Alexander
Saskatoon
Alexander & Alexander
Johnson & Higgins
Marsh & McLennan
Mones & Associates Insurance Brokers
Sedgwick

Yukon Territory

Whitehorse
Alexander & Alexander BI

International brokerage offices listed by nation

Antigua

St. John's
Alexander & Alexander

Argentina

Buenos Aires
Alexander & Alexander
C.E. Heath
Johnson & Higgins
Sedgwick

Australia

Adelaide
Alexander & Alexander
Hogg Group
Jardine Australian Insurance Brokers (JIB)
Lowndes Lambert
Marsh & McLennan
Minet Group
Sedgwick
Willis Corroon
Albury
Jardine Australian Insurance Brokers (JIB)
Willis Corroon
Banksdown Aerodrome
Fielding Aviation Insurance Broking (C.E. Heath)
Brisbane
Alexander & Alexander
Heath Fielding Australia (C.E. Heath)
Hogg Group
Jardine Australian Insurance Brokers (JIB)
Lowndes Lambert
Marsh & McLennan
Minet Group
Rollins Hudig Hall
Sedgwick
Willis Corroon
Bundaberg
Alexander & Alexander
Cairns
Alexander & Alexander
Canberra
Alexander & Alexander
Marsh & McLennan
Darwin
Alexander & Alexander
Lowndes Lambert
Gold Coast
Alexander & Alexander
Hobart
Alexander & Alexander
Lowndes Lambert
Marsh & McLennan
Sedgwick
Willis Corroon
MacKay
Alexander & Alexander
Maroochydore
Fielding Aviation Insurance Broking (C.E. Heath)
Melbourne
Alexander & Alexander
Hogg Group
Jardine Australian Insurance Brokers (JIB)
Lowndes Lambert
Marsh & McLennan
Minet Group
Rollins Hudig Hall
Sedgwick
Willis Corroon
Midura
Lowndes Lambert
New South Wales
Jardine Australian Insurance Brokers (JIB)
Newcastle
Alexander & Alexander
Sedgwick
North Sydney
Hogg Group
Marsh & McLennan
Minet Group
Parramatta
Alexander & Alexander
Peregian
Aviation Office of Australia (C.E. Heath)
Perth
Alexander & Alexander
Heath Fielding Australia (C.E. Heath)
Jardine Australian Insurance Brokers (JIB)
Lowndes Lambert
Marsh & McLennan
Minet Group
Sedgwick
Willis Corroon
Queensland
Jardine Australian Insurance Brokers (JIB)
Rockhampton
Alexander & Alexander
South Melbourne
Alexander & Alexander
South Yarra
Heath Fielding Australia (C.E. Heath)
Sydney
Alexander & Alexander
C.E. Heath
Hogg Group
Jardine Australian Insurance Brokers (JIB)
Lowndes Lambert
Minet Group
Rollins Hudig Hall
Sedgwick
Willis Corroon
Tamworth
Alexander & Alexander
Toowoomba
Alexander & Alexander
Sedgwick
Townsville
Alexander & Alexander
Unley
Heath Fielding Australia (C.E. Heath)
Wagga Wagga
Alexander & Alexander
Willetton
Fielding Aviation Insurance Broking (C.E. Heath)
Woolongong
Alexander & Alexander

Austria

Graz
Jauch & Huebener
Hohenems
Jauch & Huebener
Linz
Jauch & Huebener
Salzburg
Jauch & Huebener
Vienna
Alexander & Alexander
Marsh & McLennan
Rollins Hudig Hall
Sedgwick

Continued on next page

In the matter of

National Employers' Mutual General Insurance Association Limited (NEMGIA)

The liquidators of NEMGIA hereby announce that they intend to make a first interim distribution to creditors in or about December 1993. To participate in this and any subsequent distribution, creditors must first establish their claims by completing and submitting to the liquidators a form of proof of debt. Creditors, brokers and their clients, where known, were circulated in mid-May with the necessary forms. If you have not directly or indirectly received a form, please request one by writing to the liquidators.

As regards NEMGIA's former branches in Australia, Canada, Cyprus and Malta, creditors should contact the local liquidator (or similar appointed person) to establish their claims. Only to the extent that UK dividends exceed local percentage distributions will creditors be entitled to participate in distributions from UK funds.

15 June 1993

AJ McMahon, joint liquidator

NEMGIA - in liquidation
PO Box 270
20 Farringdon Street
London EC4A 4PP
ENGLAND

Continued from previous page

Willis Corroon
Wien
Jauch & Huebener

Bahamas

Abaco
Alexander & Alexander
Grand Bahama
Alexander & Alexander
Nassau
Alexander & Alexander
Hogg Group

Bahrain

Manama
Jardine Insurance Brokers (JIB)
Sedgwick
Willis Corroon

Barbados

Bridgetown
Marsh & McLennan
Sedgwick
St. Michael
Alexander & Alexander

Belgium

Antwerp
Alexander & Alexander
Bain Clarkson
Marsh & McLennan
Rollins Hudig Hall
Thilly Van Eessel (Sedgwick)
Willis Corroon
Brussels
Alexander & Alexander
Bain Clarkson
Continental Insurance & Reinsurance (Sedgwick)
Gras Savoye
Hogg Group
Jardine SIACI & Partner's (JIB)
Marsh & McLennan
Rollins Hudig Hall
Thilly Van Eessel (Sedgwick)
Willis Corroon
Charleroi
C. Vander Elst & Cie (Sedgwick)
Ghent
Rollins Hudig Hall
Kortrijk
Willis Corroon
Liege
Marsh & McLennan
Thilly Van Eessel Liege (Sedgwick)
Roeselare
Fritz Devos (Sedgwick)

Bermuda

Hamilton
Alexander & Alexander
Hogg Group
Jardine Pinehurst Management (JIB)
Marsh & McLennan
Minet Group
Rollins Hudig Hall
Sedgwick
Willis Corroon

Bolivia

Cobija
Alexander & Alexander
Cochabamba
Alexander & Alexander
La Paz
Alexander & Alexander
Oruro
Alexander & Alexander
Potosi
Alexander & Alexander
Santa Cruz
Alexander & Alexander
Hogg Group
Sucre
Alexander & Alexander
Tarija
Alexander & Alexander
Trinidad
Alexander & Alexander

Botswana

Francistown
Associated Insurance Brokers (Minet)
Sedgwick
Gaborone
Associated Insurance Brokers (Minet)
Sedgwick
Selebi Phikwe
Associated Insurance Brokers (Minet)

Brazil

Belo Horizonte
Johnson & Higgins
Willis Corroon
Blumenau
Willis Corroon
Campinas
Alexander & Alexander
Johnson & Higgins
Willis Corroon
Curitiba
Johnson & Higgins
Porto Alegre
Johnson & Higgins
Recife
Willis Corroon
Rio de Janeiro
Alexander & Alexander
C.E. Heath
Hogg Group
Jardine Corretagem de Seguros (JIB)
Johnson & Higgins
Rollins Hudig Hall
Sedgwick
Willis Corroon
Salvador
Johnson & Higgins
Willis Corroon
Sao Jose dos Campos
Willis Corroon
Sao Paulo
Alexander & Alexander
Jardine Corretagem de Seguros (JIB)
Jauch & Huebener
Johnson & Higgins
Rollins Hudig Hall
Sedgwick
Willis Corroon
Vitoria
Willis Corroon

Brunei

Bandar Seri Begawan
Willis Corroon

Cameroon

Douala
Faugere & Jutheau (Marsh & McLennan)
Gras Savoye
Garoua
Faugere & Jutheau (Marsh & McLennan)
Yaounde
Faugere & Jutheau (Marsh & McLennan)
Gras Savoye

Cayman Islands

Grand Cayman
Alexander & Alexander
Hogg Group
Marsh & McLennan

Central African Republic

Bangui
Faugere & Jutheau (Marsh & McLennan)

Chad

Ndjamena
Faugere & Jutheau (Marsh & McLennan)

Chile

Santiago
Alexander & Alexander
Johnson & Higgins
Sedgwick
Willis Corroon

China

Beijing
Bain Clarkson
Sedgwick
Macau
Bain Clarkson

Colombia

Armenia
Companias DeLima
Barranquilla
Companias DeLima
Bogota
Alexander & Alexander
Companias DeLima
C.E. Heath
Johnson & Higgins
Bucaramanga
Companias DeLima
Cali
Companias DeLima
Johnson & Higgins
Cartagena
Companias DeLima
Ibague
Companias DeLima
Manizalez
Companias DeLima
Medellin
Companias DeLima
Johnson & Higgins
Pereira
Companias DeLima

Costa Rica

San Jose
Alexander & Alexander

Croatia

Zagreb
Lowndes Lambert

Curacao

Willemstad
Alexander & Alexander

Czechoslovakia

Ostrava
Minet Group
Prague
Alexander & Alexander
Jauch & Hubener
Marsh & McLennan
Minet Group
Rollins Hudig Hall
Sedgwick
Willis Corroon

Denmark

Copenhagen
Marsh & McLennan
Rollins Hudig Hall
Sedgwick
Willis Corroon

Dominican Republic

Santo Domingo
Alexander & Alexander

Ecuador

Cuenca
Alexander & Alexander
Guayagoil
Alexander & Alexander
Quito
Alexander & Alexander
Hogg Group

El Salvador

San Salvador
Alexander & Alexander

England

Abingdon
Willis Corroon
Banbury
Lowndes Lambert
Barking
Sedgwick
Billericay
Willis Corroon
Birmingham
Alexander & Alexander
Bain Clarkson
C.E. Heath
Hogg Group
Jardine Insurance Brokers (JIB)
Johnson & Higgins
Lowndes Lambert
Marsh & McLennan
Minet Group
Rollins Hudig Hall
Sedgwick
Steel, Burrill, Jones Group
Willis Corroon
Blackburn
Willis Corroon
Bolton
C.E. Heath
Bournemouth
Alexander & Alexander
Willis Corroon
Bradford
Jardine Insurance Brokers (JIB)
Marsh & McLennan
Willis Corroon
Bristol
Alexander & Alexander
Bain Clarkson
Godwins (Rollins Hudig Hall)
C.E. Heath
Hogg Group
Lowndes Lambert
Marsh & McLennan
Minet Group
Sedgwick
Steel, Burrill, Jones Group
Willis Corroon
Cambridge
Bain Clarkson
Canterbury
Bain Clarkson
Cardiff
Godwins (Rollins Hudig Hall)
Carlisle
Alexander & Alexander
Marsh & McLennan
Caterham
Bain Clarkson
Cheadle
Bain Clarkson
Chelmsford
Alexander & Alexander
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C.E. Heath
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Godwins (Rollins Hudig Hall)
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Minet Group
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Leatherhead
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Hogg Group
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Hogg Group
Sedgwick
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Liverpool
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Marsh & McLennan
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Grenoble
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Minet Group
Nairobi
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Maseru
Minet Group

Luxembourg

Gras Savoye
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Malawi

Blantyre
Hogg Group

Malaysia

Ipoh
Alexander & Alexander
Johor Bahru
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Floriana
Hogg Group
Valletta
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Gras Savoye

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Willis Corroon
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Dakar
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Santander
Willis Corroon
Sao Paulo
Bain Clarkson
Seville
Willis Corroon
Valencia
Willis Corroon
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Vigo
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Vitoria
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Alexander & Alexander

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Khartoum
Hogg Group

Surinam

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Minet Group
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Minet Group

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Commissioners

Continued from page 1
defeating a 16-year incumbent.

Already, "Some of the new commissioners are more consumer-oriented and are more aggressive," she said.

"You either roll with it, or the tide will roll over you," said Timothy Ryles, who headed Georgia's Office of Consumer Affairs and covered consumer affairs in newspaper columns and on a public television show before becoming Georgia's insurance commissioner in 1991.

Stephen Brobeck, executive director of the Consumer Federation of America in Washington, agrees that more commissioners are "aggressively advocating consumer interests."

Like other consumer advocates and insurance executives, Mr. Brobeck said he would not identify commissioners whom he believes have the strongest pro-consumer agendas out of concern for his professional relations with regulators.

Bob Hunter, president of the National Insurance Consumer Organization, shows no such reticence. He applauds four commissioners for their pro-consumer stances: Ms. Senn, Mr. Ryles, John Garamendi of California and Jay Angoff of Missouri.

All except Mr. Angoff are elected officials serving their first term. Mr. Angoff was appointed earlier this year.

But some of those regulators, as well as NICO, are less concerned about big corporate insurance buyers than about individuals and small businesses.

Not everyone sees a new trend toward consumerism. Some insurance executives and former regulators say most commissioners—both appointed and elected—are consumer advocates. Without making headlines, they serve consumers' best interests by ensuring stable markets and fair rates.

Among the new cadre of regulators, Messrs. Garamendi and Ryles, both of whom have an eye on the governor's mansion in their respective states, are the most outspoken critics of their predecessors' consumer-protection records and the NAIC's ties to the insurance industry.

All four of the commissioners say ensuring insurer solvency is their primary goal. But each also has other concerns.

Mr. Garamendi, a former state senator, has battled the industry since taking office as California's first elected insurance regulator in January 1991.

At the center of the skirmish has been regulations to implement Proposition 103, which Mr. Hunter says served as a consumer "wake-up call" to regulators nationwide.

For more than two years, Mr. Garamendi and insurers have been battling in court over his proposed regulations that set an allowable rate of return for insurers (*BI*, March 8). The state Supreme Court said it would review a lower court ruling that struck down his regulations.

Mr. Garamendi also:

- Continues to press for enactment of his 24-hour health care coverage plan based on managed competition (*BI*, Feb. 24, 1992). Gov. Pete Wilson vetoed the plan last year.

Mr. Garamendi, who left a recent NAIC meeting early to meet with White House officials, maintains that his plan is the model for President Clinton's health plan.

- Wants to stop all insurers not licensed in California—"whether it's Lloyd's of London or Joe Bum from Grand Cayman"—from doing business in the state. Many surplus lines insurers that write business in the state do not pay claims or pay too slowly, he said.
- Promises that California will develop the strictest anti-redlining regulations in the nation.

"My job is to police the industry. I'm not here to love the industry," he said, noting that large corporate insurance buyers deserve as much attention as small-business and personal lines buyers.

Mr. Ryles' pro-consumer efforts also are making headlines in Georgia.

Under the previous commissioner, Warren D. Evans, the agency was the "department *for* insurance, not *of* insurance," Mr. Ryles charges.

For example, he said, auto insurers "got every rate increase they asked for." Mr. Ryles promises no auto rate hikes for four years.

He also has rejected workers comp rate hikes for the past several years.

Like Mr. Garamendi, Mr. Ryles wants to develop a 24-hour health care coverage system in the state. He already has helped create a bare-bones health plan for the poor.

Having taken office only earlier this year, Ms. Senn and Mr. Angoff have much shorter resumes of pro-consumer efforts as insurance regulators.

Ms. Senn had represented consumers, labor and small business in utility rate increase proceedings and had been a television consumer affairs reporter before she was elected.

She says she sees no special distinctions between commercial and personal lines insurance consumers.

Ms. Senn criticizes her predecessor for not being active in health care reform.

Under a health reform bill passed earlier this year (*BI*, May 3; April 12), the commissioner will be responsible for writing regulations pertaining to coverage portability, renewability and exclusions for pre-existing conditions. Ms. Senn also will help determine a minimum benefits package and premium caps.

Another major concern in Washington is auto insurance rates, which she said fall "in the middle of the market nationally"—something that "I would like to see improved." Her department now is looking at how to stimulate more competition among auto insurers.

Before his appointment in Missouri, Mr. Angoff held various positions with consumer organizations, including NICO, the New Jersey Insurance Department and with New Jersey Gov. Jim Florio (*BI*, April 5).

His role, like any regulator's, is not to micro-manage but to set broad guidelines that ensure consumers are well-informed and that enable "a free market to work," Mr. Angoff said.

He is most concerned about the workers comp, homeowners and health insurance markets. But he is pleased with recent workers comp reforms passed in Missouri that require him to devise a plan by this fall that will ensure every employer with a good safety record can find coverage in the voluntary market. He also must devise a plan to improve the residual market's efficiency.

Mr. Angoff also favors laws to prevent health insurers from writing selected risks and instead require them to control their own expenses.

While some point to a new guard of insurance commissioner, several insurance industry executives discount any notion that regulators are just now becoming stronger consumer advocates.

"I think that's bunk," said John Washburn, a former Illinois commissioner and now a senior vp with Aon Risk Services Inc. in Chicago.

He asserted that the NAIC has always given weight to consumer concerns. "They know who pays their salaries."

"I see a group of commissioners that is more vocal, more prominent in the news because insurance problems in their states warranted more action," said Ken A. Crerar, executive vp with the National Assn. of Casualty & Surety Agents in Washington. "Those problems are forcing commissioners to rise to the surface."

More regulators now are coming from consumer advocacy positions than from the insurance industry, said Steven T. Foster, the NAIC president and Virginia's insurance commissioner. But all regulators "take seriously their role to protect consumers."

In that role, regulators should strive to maintain viable insurance companies and stable markets, said Lowell Beck, president of the National Assn. of Independent Insurers in Des Plaines, Ill.

Mr. Beck said he could name more than a dozen regulators whom he thinks champion consumer interests by maintaining stable insurance markets.

"But I won't," he said. "It probably wouldn't help them."

Insurer attorney Charles W. Havens of Leboeuf, Lamb, Leiby & MacRae in Washington did identify several such regulators: Virginia's Mr. Foster, William H. McCartney of Nebraska and David Walsh of Alaska.

Among some regulators, however, consumerism has given way to open hostility toward the insurance industry, Mr. Beck contends.

Singling out Mr. Ryles, he said some commissioners regulate rates without considering insurers' underwriting concerns or "the realities of the cost" of coverage, an approach that is not in the consumer's best interest.

That could kill entire markets, Mr. Beck said.

"Insurance regulators have never cost the industry as much money as insurers have cost themselves through competition," Mr. Washburn observed.

George K. Bernstein, a former New York regulator and now a Washington attorney who represents a coalition of insurers, brokers and buyers pushing for federal solvency regulation, particularly criticized Mr. Garamendi's approach.

Regarding the commissioner's plan to prohibit any surplus lines insurer from writing in California, Mr. Bernstein said: "The best way he could destroy the surplus lines market is to let competitive rates return to California."

And regarding Mr. Ryles' promise to hold down future auto insurance rates, Mr. Bernstein said, "Any commissioner who tells you today that there will not be rate increases for the future is not obeying the law," because he is not considering insurers' loss experience.

At the national level, Messrs. Ryles and Garamendi, working with consumer groups, say they have led a recent effort to distance the NAIC from insurance industry support.

They are happy with their efforts so far. At its spring meeting in March, the NAIC voted to end industry-sponsored dinners for regulators and formal industry advisory groups (*BI*, March 22).

NICO's Mr. Hunter and Mr. Foster call the changes "very important" for creating more balanced communications with consumers and insurers.

Mr. Ryles and Ms. Senn supported the NAIC's decision last year to change the status of the Risk & Insurance Management Society Inc. to an insurance industry group from a consumer group because RIMS often lobbies on behalf of captive insurers at NAIC meetings (*BI*, Sept. 28, 1992).

The NAIC last year also began paying the travel expenses of 18 consumer representatives so they can attend the NAIC's four main meetings as well as some task force and working group meetings.

The NAIC has allocated $50,000 for those costs and the cost of a two-day seminar to familiarize consumer representatives with NAIC procedures.

While Messrs. Ryles and Garamendi and Ms. Senn are happy with the recent changes at the NAIC, they want to see more.

Mr. Ryles called for putting the insurance industry "more at arm's length" by reducing its presence at NAIC meetings and attracting more consumer and small-business representation.

Mr. Garamendi agrees. Speaking at the NAIC's Chicago meeting last month, he said, "The sea of green badges (insurance industry representatives) here is still obnoxious."

Mr. Angoff did not want to discuss changes in NAIC policy. "My primary concern—my sole concern—is the state of Missouri. If there is any time left over, I'll get more involved in NAIC matters."

And, while Consumer Federation's Mr. Brobeck applauded the NAIC's recent changes, he said consumers are still generally underrepresented at the state level.

Paul Brown, director of governmental affairs and general counsel with RIMS, says the recent NAIC changes are "a direct reflection" of the work of a handful of commissioners. "But, from the way the NAIC does business, I don't think anyone will know the difference."

Mr. Washburn agrees. Because the NAIC is involved in drafting model legislation, "a lot of communication has got to take place" to write effective regulation and for insurers to understand what it means, he said.

The same process occurs in state legislatures, he said.

Mr. Bernstein said the NAIC made the "cosmetic" changes to improve its image following harsh criticism on Capitol Hill and efforts by Rep. John Dingell, D-Mich., to enact federal insurance solvency regulations.

Whatever approach regulators take, "I wouldn't hang all the blame or all the credit on commissioners," said Marc H. Rosenberg III, vp-federal affairs for the Insurance Information Institute in Washington.

A commissioner is "a creature of the political environment. The overall political environment sets the tone for insurance regulation," he said.

But, NICO's Mr. Hunter bristled at that observation. "I would consider it an insult to say I'm being forced to do what's right for people because of the political climate." BI



John Garamendi:
'My job is to police industry.'

Jay Angoff:
Let the 'free market' work.





Timothy Ryles:
Roll with the tide—or else.



Deborah Senn:
Regulators are more aggressive.

INTERNATIONAL

British non-life insurers improve underwriting results despite overall loss

By STACY SHAPIRO

LONDON—British non-life insurers posted dramatically improved underwriting results in 1992, but insurers still posted an overall loss for the third year in a row.

U.K. insurers had an overall loss of 707 million pounds ($1.07 billion) at year-end 1992, which was equal to 2.3% of total net premiums written of 31.1 billion pounds ($47.10 billion), according to the Assn. of British Insurers.

In 1991, British insurers posted a 3.3 billion pound ($6.17 billion) loss, or 12% of the 27.3 billion pounds ($50.91 billion) in net premiums written (*BI*, June 29, 1992).

The improved figures are the result of "reduced operating expenses, loss-prevention initiatives, lower claims and rating increases," the ABI said.

"The non-life insurance industry has faced major and fundamental challenges over the last three years," said outgoing ABI Chairman Ian Rushton, referring to the horrendous losses that U.K. insurers have faced since 1989, particularly for mortgage indemnity insurance claims. "Insurance companies have taken action to put the industry back on the right track, but we still have some way to go to return to full profitability with an adequate return on capital employed."

Declining investment returns are forcing the industry to significantly reduce underwriting losses over the coming year to ensure a return to profitability, he warned.

The ABI late last month tallied the results of its 450 members, which account for 90% of all U.K. insurance business.

Results showed that premiums for all types of non-life insurance increased last year. Fire and accident net written premiums increased 12.5% to 18.5 billion pounds ($28.02 billion); automobile premiums increased 14.1% to 10.4 billion pounds ($15.75 billion); and marine, aviation and transport premiums increased 26.2% to 2.3 billion pounds ($3.48 billion).

Less than 10%, or 3.8 billion pounds ($5.76 billion), of U.K. insurers' total worldwide non-life net written premiums was generated in the United States, but that is still more than the just-under 3 billion pounds ($4.54 billion) generated from E.C. countries. More than half, or nearly 19 billion pounds ($28.78 billion), comes from U.K. domestic business.

Meanwhile, the ABI membership's total "long-term" net pre-

Continued on next page

Fiat may be considering sale of insurance unit

By MARIA KIELMAS

TURIN, Italy—The future of Turin-based Toro Assicurazioni S.p.A., an insurance affiliate of the Italian automaker Fiat S.p.A., is in doubt.

"At the moment, there is no talk about a sale of Toro, but perhaps this may happen in the future because of the cash-flow crisis at Fiat," a Toro spokesman said.

"In the future, Fiat will need new cash, and it has said that companies which are not part of its core business will be sold," he said.

At Toro's annual general meeting on June 22 in Turin, Chairman Umberto Agnelli, who also is Fiat Group's deputy chairman, said no talks were under way to sell the insurer. Umberto Agnelli is expected to take over the Fiat chairmanship when his brother Giovanni Agnelli retires next year.

But the Italian press continues to speculate about a sale. Toro is 54% owned by Fiat, but the remainder of the stock is publicly traded.

Fiat has announced that between 1992 and 1995, it will require 10 trillion lire ($6.51 billion) annually for new investment. This has prompted speculation that Fiat will sell some assets to meet this goal.

In the early 1980s, Fiat sold its share in Italy's third-largest insurer, Turin-based Societa Assicuratrice Industriale S.p.A., to meet cash-flow needs.

Some 40% of Toro's business is for automobile coverage, 18% is life insurance and the remainder is made up of other non-life policies.

In 1992, Toro wrote 1.289 trillion lire in premiums ($872 million), a 12.6% increase over 1991. Industrial risk premiums rose to 190.3 billion lire ($128.7 million), 63% higher than in 1991. Toro's

Continued on next page

Understanding risk

Politicians, insurers gather to study nature of uncertainty

By STACY SHAPIRO

MONTREUX, Switzerland—In a world facing increasing political, economic and ecological risks, security is a prized commodity.

Yet when politicians, technicians and academics attempt to minimize risk, they may offer inadequate solutions because they fail to explore interrelationships between different risks.

Insurers, too, can play a role in making the future more secure if they accept the challenge of moving beyond the usual elements of underwriting.

These perspectives were just some of the ideas presented to nearly 300 guests of the international division of the Winterthur Insurance Group at a two-day conference last month titled, "How Secure Is Our Future?" Unlike many conferences, this meeting focused on the larger risks facing the planet—political upheaval, famine, population shifts, global warming—rather than on technical issues, like rates and policy forms.

Speakers included some of the most eminent politicians of recent history: Mikhail Gorbachev, former head of the Soviet Union and Nobel Peace Prize winner; Edith Cresson, former French prime minister; Hans-Dietrich Genscher, former German finance minister; and Tom King, former British defense minister.

"Security is our business," said Willi Suter, executive vp and head of Winterthur's international division. "It is our task not just to analyze these uncertainties, but also to offer contributions to solving them." Mr. Suter said the conference's purpose was "to broaden our point of view, so often restricted to the technical aspects of risk

Continued on next page

Russian pension proposal

Private plans won't gain favor without changes

By MARIA KIELMAS

MOSCOW—The government of the Russian Federation is considering introducing new pension legislation that could give a boost to private pension plans and provide a long-term capital market.

But the success of such a program depends on the government's ability to combat inflation, which is currently in triple digits, and in gaining the people's trust.

"People, especially in the countryside, need to be sure that money (invested in pensions) will not be thrown away. They have been cheated for a long time, and now they do not trust anyone," said Alexander Lonshteyn, vp of Moscow-based consulting company AFS Consulting, which has been advising the Russian Economy Ministry on the pension legislation.

Private pension funds were first permitted in the Russian Federation under a law that was enacted in 1990 and went into effect in March 1991. The law also provided state pensions to elderly and disabled people who were ineligible for other state benefits. It also linked state pensions to inflation.

This law amended a 1956 Soviet law that had introduced comprehensive state retirement pensions for the first time since the 1917 revolution. However, pensions had been paid to Russian military personnel and state officials for 300 years during the Czarist period. And, pensions have been paid to employees in the Russian transportation and communications industries since the mid-19th century.

Retirement benefits currently provided by the Russian Federation are basically 50% of the average wage or salary, plus increases for length of service and inflation. The lowest pension is equal to the official minimum wage and the maximum pension is about 3.5 times the minimum. The pension plan is completely funded by the government. The retirement age in Russia ranges from 55 to 60, depending on the industry.

Russian commercial banks have been managing private pension programs based on the provisions of the 1990 law, but so far success has been limited, Mr. Lonshteyn said. "The process is going on, but we cannot say it has been successful. The problem is finding a conservative investment."

Russian capital markets are very speculative, and the emerging private pension plans must identify more secure investments that could provide a long-term return for the funds, he explained.

Investment in public utilities is ruled out because they are still state-owned and controlled. Investment vehicles like Treasury bonds in the United States do not yet exist in Russia.

But investment in infrastructure in a country as large as Russia could be one way the funds held by pension plans could be utilized, especially since the transportation sector is the first industry to have opted for its own pension plans.

AFS Consulting manages one pension plan that will provide retirement benefits to employees from a group of eight Russian trucking companies. So far, the plan covers about 4,500 employees. Employers contribute 6% of an employee's salary to the plan, which was started six months ago. Employees do not contribute.

Mr. Lonshteyn believes that such private pension schemes are likely to expand primarily throughout the trucking and transportation industry. "In a town of between 50,000 and 100,000 population, there is at least one such transportation company, and the employees are generally well-paid."

Russian truck drivers are paid between 40,000 and 150,000 rubles per month (between approximately $195 and $731) with an average of 75,000-80,000 rubles per month (between approximately $365 and $390). As of June, the average wage in Moscow was 30,000 rubles per month (approximately $146).

But Mr. Lonshteyn says that the more widespread introduction of private pension plans won't happen in the short-term. More plans will be marketed when inflation is brought down to reasonable levels and average salaries and commercial real estate prices begin to resemble those in the West. BI

Aussie poisoned food spurs interest in tampering cover

By KATE McILWAINE

BRISBANE, Australia—Two incidents of poisoned food products have prompted major Australian food manufacturers to consider buying malicious damage and tampering insurance.

"The phones have been running hot" following incidents of cyanide poisoning of pies and arsenic poisoning of canned pineapple, said Jon Kay, regional underwriting manager for trade, political and special risks for American International Group Inc. in Melbourne.

All products of Sydney-based baker Gartrell White Pty. Ltd. are being recalled from supermarkets after an anonymous telephone caller told police June 4 that pies and sausage rolls had been contaminated with cyanide. The company, which manufactures private label pies for major retailers, has stopped production of pies while a police investigation continues. Some pies were found to be contaminated.

Gartrell White would not say whether it was insured or how much the recall will cost.

On June 8, only four days after the pie recall began, thousands of cans of imported pineapple were withdrawn from supermarkets after a group calling itself Australian Products First sent contaminated tins of imported pineapple to two newspapers, the head office of retailer Coles Myer Ltd. and Simon Crean, the federal minister for primary industries.

The group that took responsibility for the poisoned pineapples said it wanted to destroy imported products' reputation so consumers would buy locally made products.

Federal government scientists have found lethal doses of arsenic in one of the cans; the other quantities were smaller.

Mr. Kay said AIG has been marketing its malicious damage and tampering cover for three years in Australia and has been increasing limits from an initial $2.5 million per insured risk toward a target of $50 million. Premiums have fallen over the past five years, he said.

Deductibles generally are 1% of the policy limit. But the Australian premium pool for MD&T is estimated at only $5 million Australian ($3.3 million), and many major brokers do not offer

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INTERNATIONAL

Winterthur

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management, and to approach the subject of security from other dimensions."

"Security has become a catchword, but also a central value symbol of our time, in which uncertainties are the only constants," he said. As the pace of change increases and confidence dwindles, the feeling of insecurity and the perception of risk increases, Mr. Suter added.

Underwriters earn their living by thinking of the worst-case scenario and charging the right premium—then hoping for a profit, said Michael Sturmer, director of the Research Institute for International Politics & Security in Munich. Underwriters should know, then, that since the end of the Cold War in 1989, "we can't recognize the world anymore," Mr. Sturmer said.

While the world is no longer polarized by relations between the United States and the former Soviet Union, there is no indication yet that the nuclear arsenal once controlled by the Soviet Union is now secure, added Mr. Sturmer.

The uncertainties clouding today's world include: threats of civil war in the former Soviet states and in Islamic countries; famine; and migration of people from troubled countries to Western Europe and the United States, he said. Western Europe could also face ecological problems, just as 20% of Russia is said to be uninhabitable because of pollution.

Meanwhile, the world's population is growing at 100 million people per year, which means a fight for food, water and farmland, Mr. Sturmer said. "How many people can live on this planet?" he asked rhetorically.

Everyone must understand these giant problems and learn to tackle them together, Mr. Sturmer said. "The whole chemistry of these risks must be understood," he said.

And all of these issues must be looked at from a different angle than in the past, according to Frederic Vester, a member of the administration council of the European Parliament's Environment Agency in Brussels.

For example, he said, politicians currently look at problems in terms of their annual budgets and don't examine long-term consequences.

And environmentalists attempt to tackle the destruction of rain forests and global warming using technology, which isn't the answer, he said.

Instead, politicians, scientists, business people and ordinary citizens should be looking at the interrelationships between systems and the consequences one act has on another, Mr. Vester advised.

For example, by chopping down trees in one part of the world, the consequences in other parts of the world could be flood, drought, farmers going bust, and so on, he said.

One of the biggest dangers to the world today—and one that can have big consequences on other systems—is business growth, which is the goal of every company, Mr. Vester said. But business growth depletes the earth's vital resources, which will eventually lead to possible starvation and poverty, he said.

"To ensure survival, we must reduce (our dependency on natural) resources by a factor of 10 and not produce growth come hell or high water," Mr. Vester urged.

He also called on insurance companies to take up a larger role in saving the planet. Now more than ever, Mr. Vester claimed, underwriters must reduce the amount of claims arising from natural and man-made disasters, which he said has cost the insurance industry $50 billion since 1988.

Insurers need to understand the role they have in the world today, not just as the payers of claims but also as capable of controlling the damage, he stressed. For example, insurers should stop offering coverage to companies whose operations are hazardous to the environment, Mr. Vester said.

New businesses also should be approached with care. Insurers are not covering genetic engineering at the moment, said Mr. Vester, which he said is "prudent." In the future, underwriters will have to be more accountable for the industries that they insure, he said.

Mr. Suter of Winterthur agreed that in the future, it won't be enough for insurers to merely offer capacity and policies. Rather, insurers will be looked at as the "problem solvers," he said. But in order to achieve this, there must be more communication between the buyers, brokers and underwriters, Mr. Suter said.

To preserve the world in the future, Messrs. King and Gorbachev pointed to the United Nations as a guiding force.

Mr. Gorbachev said he does not advocate the U.N. acting as a sort of "world government." But, he said, "interruption in world events might be less harmful (in the long run) than laissez-faire."

Mr. Gorbachev is also fighting to save the planet from an ecological crisis by chairing a new organization known as "Green Cross," an international environmental lobbying and strategy group formed by Nobel laureates last November.

Scientists say that if mankind doesn't change its environmentally harmful ways, in 20 or 30 years changes in the biosphere will affect all of us, Mr. Gorbachev said. "I can only agree with the conclusions of the scientists. We cannot procrastinate," he said.

Mr. Gorbachev also called for an environmental charter to lay the foundations for international laws on ecology. BI

British non-life insurers

Continued from previous page
miums written rose 10.2% last year to 52.3 billion pounds ($79.21 billion). Long-term business includes personal and group life insurance, personal pensions and savings plans. There are 40.8 million personal life policies in force in the United Kingdom and another 45.6 billion commercial life policies. The total sum insured under these policies is 600 billion pounds ($908.1 billion), according to the ABI.

There are 6.9 million employees involved in corporate pension programs that are funded by life insurance companies and 16.6 million personal pension plans in force. Over 12 billion pounds ($18.17 billion) was paid out by the life insurance industry for pension plans, death claims, lump sums or as refunds last year.

Meanwhile, the ABI said that two major London bombings in as many years by the Irish Republican Army together will cost insurers an estimated 850 million pounds ($1.09 billion) (*BI*, May 3; April 20, 1992).

Mr. Rushton welcomed the government's decision last December to act as reinsurer of last resort for terrorism coverage. The Reinsurance (Acts of Terrorism) bill was passed in May, authorizing the startup of Pool Re, the mutual reinsurance company backed by government guarantees (*BI*, May 31; May 17).

"The aim must be to encourage as big and as wide a takeup as possible of terrorism cover," he said.

Mr. Rushton didn't mention the ABI's feud with the government over proposed rate hikes for Pool Re coverage beginning with July renewals (*BI*, June 28).

In its annual report, the ABI also said it awaits a House of Lords decision on which policyholders are eligible for protection under the Policyholders Protection Act before it continues discussions with the Department of Trade and Industry on amending the act (*BI*, March 29). The act pays "private policyholders" holding "U.K. policies" 90% of all claims if a U.K. insurer goes into liquidation. This guarantee is paid by a levy on ABI members.

The House of Lords is expected in the next few weeks to hand down its decision that will determine whether U.S. professionals are covered under the act. BI

Tampering insurance

Continued from previous page
the cover.

An MD&T insurance policy covers the manufacturer for the cost of a product recall, forensic tests and consultants; business interruption expenses; and advertising and any other costs involved in regaining market share.

Mr. Kay said all AIG policies have confidentiality clauses and he assumes other underwriters would have the same types of clauses. Theoretically, a policy could be voided if a policyholder disclosed the policy's existence, but Mr. Kay said it would depend on the circumstances.

AIG and Melbourne-based broker Richard Oliver Underwriting Managers Pty. Ltd. are the two major Australian underwriters of MD&T coverage. The Richard Oliver facility is underwritten at Lloyd's of London and led by syndicates managed by Cassidy Davis Ltd. It includes a kidnap and ransom component with an option to include extortion coverage.

Underwriters would not say whether the Sydney pie manufacturer or the stores that had recalled the pies were insured. But Mr. Kay said many companies see product recalls as a financial rather than insurable risk. "It's hard to sell (the coverage)," he added.

Trevor Pearsons, marketing manager at Richard Oliver, said many risk managers perceived that MD&T insurance was a luxury product. However, he added, the price has dropped to realistic levels over the past three years. Terms also have become less restrictive.

Mr. Kay said the two recent incidents would "concentrate people's thinking." The poisoned pies incident was "a very typical malicious damage incident." He noted there had been other incidents which had not received the widespread media coverage the pies and pineapples incidents had received. BI

Skandia, Pohjola join forces in Baltic states, Russia

Sweden's Skandia Insurance Co. Ltd. and Finland's Pohjola Insurance Co. Ltd. are extending a joint service network to provide coverage and risk management services for multinationals in the Baltic states and Russia.

Skandia and Pohjola said in a statement that their joint network of offices will result in considerable cost-efficiencies for the Scandinavian insurers, including shared computer systems and centralization of risk management expertise.

Skandia and Pohjola have worked together since 1980 to serve policyholders with insurance needs in France, Germany, Italy and the Netherlands.

The two companies have drawn up marketing agreements with Seesam Insurance Co. in Estonia and Famlat Insurance Co. in Latvia. Pohjola holds a one-third stake in both of these companies, while American International Group Inc. holds 20%. The remaining shares in both cases are held by small Estonian and Latvian banks and insurers.

A similar agreement has also been drawn up with General Insurance Co., a Russian insurer based in St. Petersburg.

Insurance laws in Russia and the Baltic states require Skandia and Pohjola to do business through local companies.

Olavi Kauppula, head of Pohjola's international division and the major-clients department in Helsinki, said the idea behind the joint network is to move into the Baltic and Russian markets in a small way by covering the risks of multinationals entering these markets.

"There are a lot of small European and U.S. companies investing in (the Baltic states and Russia) and they all need insurance, but there is no insurance infrastructure. The concept is different in Western Europe, where all the insurance infrastructure is ready," he said.

Russia and the Baltic states are in the process of creating financial, accounting and legal systems.

Nearly all of the business will be written in hard currency, he said, because hyperinflation in Russia has made trading in rubles difficult. Inflation in Russia is at an annualized rate of 1,000%, while the corresponding figure for Estonia is 50%. Estonia has established its own currency, the krona, which was the name of Estonian currency prior to the Soviet Union's takeover during World War II.

Skandia and Pohjola are still awaiting official authorization to begin writing business in Latvia.

Separately, the two insurance companies also have reached a reciprocal client-service agreement with Wausau Insurance Cos. of Wausau, Wis.

—By Maria Kielmas

Toro

Continued from previous page
total 1992 assets were 3.53 trillion lire ($2.39 billion), 11.6% higher than in 1991.

But some stock market analysts believe that even if Fiat decided to dispose of Toro, there would be few takers, because Italian insurers are no longer popular among foreign investors.

News that the operating subsidiaries of Florence-based insurer Fondiaria S.p.A. may be on the block because of the financial problems of its ultimate owner, the Feruzzi family, has attracted little attention from prospective buyers, said Michael Wheelhouse, insurance analyst at London stockbroker Nomura International (*BI*, June 21).

One of the problems for prospective U.S. or European buyers of Italian insurers could be that current owners would expect too high a price, Mr. Wheelhouse observed. A further problem could be the past experience of foreign insurers in Italy and Spain that bought into local companies only to discover they were underreserved.

Trieste-based Assicurazioni Generali S.P.A. has been rumored to be a possible buyer for both Fondiaria and Toro, if Toro is put up for sale. Generali has said that it plans to make some big investments.

Mr. Wheelhouse speculated that Generali would only buy into another Italian insurer if it were pressured to do so by Milan-based merchant bank Mediobanca, which holds 10% of Generali. But Generali is more of a Central European company than strictly Italian, said Mr. Wheelhouse, referring to its origins in the former Austrian-based Hapsburg Empire in the last century.

At its annual general meeting on June 26 in Trieste, Generali Deputy Chairman Francesco Cingano said the company had strengthened its position in east-central Europe in Hungary and Romania. The group is preparing to return to the Czech Republic and Slovenia, nearly five decades after its operations there were nationalized in communist takeovers of former Yugoslavia and former Czechoslovakia.

Generali has a 10% share of the Spanish market. It has started new investments in Peru and Ecuador and is looking at other parts of Latin America. The controlling majority of an unidentified Canadian company has also been secured, while plans are at an advanced stage for expanding in the Far East.

The only development in the Italian market for Generali was an agreement to acquire one life and one general insurer, both affiliated with the Turin-based Banca di Risparmio di Torino.

Generali's managing director, Gianfranco Gutty, said at the meeting that the company's investment plans would involve spending 25 billion lire ($16.3 million) in the United States to acquire a mutual fund, 700 billion lire ($456 million) in Latin America, 70 billion to 80 billion lire ($45.6 million to $52.1 million) in the Far East, 10 billion to 15 billion lire ($6.5 million to $9.8 million) in Eastern Europe and 200 billion ($130.3 million) to cover the needs of its European affiliates.

In 1992, the Generali group reported a consolidated profit of 675.7 billion lire ($457.2 million), up 0.5%. The consolidated account includes 135 companies, 82 of them insurers. Net assets totaled 10.374 trillion lire ($7.02 billion), including stakes of between 20% and 50% in 57 other companies, 17 of them insurers.

Consolidated net premiums reached 22.42 trillion lire ($15.2 billion), of which 9.164 trillion lire ($6.2 billion) were in the life branch and 13.259 trillion lire ($9 billion) in non-life. The Italian market accounted for 30.2% of the total premiums, other E.C. countries accounted for 48.5%, non-E.C. European countries for 15% and other continents for 6.3%. BI

Lloyd's outlook

Continued from page 1

Members, gives the market an 85% to 90% chance of survival.

"I'm confident we'll survive," said Mr. Shaw, chairman of conglomerate Tate & Lyle P.L.C. His confidence stems from the new business plan, proposals to settle litigation, plans to segregate old and recent losses and the competency of current management.

Mr. Shaw is a member of one of the committees set up by Lloyd's to study the legal and financial ramifications of a marketwide settlement of litigation filed by members (*BI*, May 31).

"Speaking as a member of Lloyd's, I am 100% sure Lloyd's will survive. Speaking as a professional in the business, I would say 80%," said Dennis Mahoney, chairman of broker Alexander Howden Ltd. in London.

Mr. Rew, who is a syndicate analyst for Chatset Ltd., predicted that after all the numbers are in, the market's 1990 loss will actually be greater than the 2.92 billion pounds ($4.42 billion) announced last month (*BI*, June 28).

However, 1 billion pounds ($1.52 billion) of the 1990 loss represents "double counting" of losses by errors and omissions and stop-loss underwriters who set up reserves for claims stemming from underlying losses, for which reserves already have been established, Chatset says. This is 400 million pounds ($606 million) more than Lloyd's own estimate.

Chatset also maintains that Lloyd's 1991 loss will be 750 million pounds ($1.13 billion), more optimistic than the 1 billion pound ($1.5 billion) loss Lloyd's itself expects to announce next year.

As for 1992, "I don't see how it can produce a profit," considering the losses from Hurricane Andrew, Mr. Rew said.

That would make five consecutive years of losses at Lloyd's. The market posted a 2.06 billion pound ($3.85 billion) loss for 1989 and a 509.7 million pound ($983.7 million) loss for 1988.

Mr. Rew said Lloyd's business plan is "too little too late," arguing that it does nothing to prevent the current membership from going bankrupt while trying to attract new corporate capital into the market.

Mr. Rew, who has lost hundreds of thousands of pounds as a Lloyd's member and has been forced to sell his home, said he can no longer afford to continue as a member.

He also questioned whether Lloyd's will attract a sufficient level of corporate capital, arguing that investors could probably make an equal or greater return from one of the many new Bermuda catastrophe reinsurers (*BI*, June 21). "If Lloyd's can't attract corporate capital, they're sunk."

Others, though, are confident that Lloyd's will clear the current hurdles.

Lloyd's has great leadership under Chairman David Rowland and Chief Executive Peter Middleton to see it through difficult times, Howden's Mr. Mahoney said.

However, Mr. Mahoney is concerned about the aggregate volume of losses the market faces. "One more year (of losses) could break the camel's back," he said.

"I'm 100% confident that Lloyd's will survive," said Ken Carter, chairman of broker Lloyd Thompson Ltd. Lloyd's of London's survival "is not a subject for debate."

One of the most important subjects tackled by the Lloyd's business plan is how long-tail liability claims, like asbestos and pollution claims, will be paid.

"NewCo. as an idea has to be applauded because it is the only definitive idea on the table," said Mr. Carter, referring to the proposed reinsurer that would assume all of Lloyd's pre-1986 liabilities.

However, he notes that many believe that NewCo. presents its own set of problems, like determining how much members will have to pay for NewCo. to assume their liabilities.

Mr. Rew says members will have to pay 5 billion pounds ($7.5 billion) to fund NewCo., cover 1991 losses and to pay additional levies by Lloyd's.

Despite the recent tide of losses, Lloyd's is still solvent. At year-end 1992, net assets totaled 24.44 billion pounds ($37.03 billion), while current and future liabilities amounted to 18.3 billion pounds ($27.73 billion), leaving net surplus of $6.09 billion pounds ($9.23 billion). That compares with a surplus of 6.54 billion ($12.23 billion) at the end of 1991.

Some dissident members don't put much faith in those numbers, though.

"I'd say its chances of survival in its current form are about 10% to 15% because essentially Lloyd's is bankrupt," said Dale Jenkins, a Lloyd's member in New York who wants to sue Lloyd's in U.S. courts rather than in British courts.

Alan Lenczner, a member in Toronto and an attorney representing a group of disgruntled members, is even more pessimistic. "They've got about a 1% chance. They just don't have the reserves to pay the accumulated losses."

Corporate capital is unlikely to save Lloyd's, he said. "Who would want to invest in an institution that has so many conflicts of interest?" he asked, referring to Lloyd's self-regulation.

Nor will the British government step-in to bail out Lloyd's, Mr. Lenczner said. "The British public would not stand for it because Lloyd's names are perceived as being wealthy individuals."

The survival of Lloyd's is intrinsically linked to the litigation currently surrounding it, said George Nordhaus, a Lloyd's member and chairman of Insurance Marketing & Management Services, an agency consultant in Santa Monica, Calif.

"If they solve the litigation, there's a 99% chance that they will go forward," he said.

Any solution to the litigation problem must include contributions from future corporate investors, he said. "Its a business proposition. With 20% to 30% profits down the line, corporations will want to join Lloyd's but the cost of entry into the market will have to be bigger than people are saying."

Lloyd's will survive, but it will need to adopt massive changes outlined in the Lloyd's business plan, agreed William S. McIntyre, a Lloyd's member and president of American Contractors Insurance Group Inc. in Dallas.

"When you look at the core group in Lloyd's, things are still in shape. . . .115 syndicates posted profits, so some people are doing it right," said Mr. McIntyre, who is a regional organizer for the Assn. of Lloyd's Members.

But he has little time for LMX underwriters who incurred huge losses. "I'd like to see the people responsible for the losses have their buttons ripped off, their sabres broken and banished from Lloyd's."

While British risk managers are confident about Lloyd's future, some U.S. risk managers also have doubts.

Liz Taylor, immediate past chairman of the Assn. of Insurance & Risk Managers in Industry & Commerce, the British risk management association, is sure Lloyd's will continue to pay its claims and provide sound coverage.

"What Lloyd's is doing about drawing a line between the past and future is the right way," said Ms. Taylor, group risk manager at Harrison & Crosfield P.L.C.

Alan Fleming, director general of AIRMIC, puts Lloyd's chance of survival at "80%-plus." He set his prediction at less than 100% because he's waiting to see how Mr. Rowland and Mr. Middleton respond to a published report that they disagree with each other on how to proceed.

Mr. Rowland blasted that report and said working with Mr. Middleton is one of the few bonuses of being chairman of Lloyd's. "There is no difference between us about our approach."

"Lloyd's will survive; there is no question about that," added Peter Lerwill, director of insurance for British Airways in London. "How it will survive is another matter."

Besides, "the world wants a Lloyd's because of the flexibility of cover it provides," he said.

However, "I'm very pessimistic," said Della Berger, director of risk, compensation and benefits for Nestle Beverage Co. in San Francisco, who gives Lloyd's a 60% chance of survival. "I really think it's looking pretty grim."

She pointed to the decision in May by Sturge Holdings P.L.C. to close Syndicate 210 and lay off underwriter Alan Lee, who had underwritten Nestle Beverage's property insurance. Sturge also closed seven other syndicates (*BI*, May 10).

"To lose an underwriter is pretty scary," Ms. Berger said. "At Lloyd's, you actually know your underwriter. It's much more personal. I never thought it would happen."

Lloyd's "will survive somehow," said Douglas C. Nyhus, director of corporate insurance at Navistar International Corp. in Chicago, which places liability coverage at Lloyd's. "They'll find a resolution, although I'm not exactly sure how."

Lloyd's is "too significant an institution in the U.K." to fail, he said. "It's the centerpiece of the insurance industry there."

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Sara Marley in Chicago contributed to this story.

Lloyd's receives alternative business plans

LONDON—A former Lloyd's broker gives the market a 20% chance of survival if it doesn't adopt an alternative business plan he drafted.

The 41-page plan from David Springbett, released last week, suggests that Lloyd's should be split in two.

A new company, known as "Lysold"—an anagram of "Lloyd's"—that would be owned by Lloyd's members, would handle all the claims on policies underwritten prior to 1991. All reserves pertaining to these policies would be transferred to the company.

Lysold would also settle all members' litigation against agents and negotiate to commute long-tail liability claims, Mr. Springbett proposes.

One of the keys to Mr. Springbett's detailed plan is that Lysold would be set up as a U.K.-licensed insurance company, which would have less onerous rules on reserving than Lloyd's does. This means that as much as 3 billion pounds ($4.5 billion) currently reserved by Lloyd's syndicates could be transferred as surplus on Lysold's balance sheet, according to Mr. Springbett.

This would allow Lysold to also become a corporate investor in Lloyd's, contributing as much as 25% of Lloyd's corporate capacity, he said.

The other half of the market would consist of ongoing operations.

Lloyd's Chairman David Rowland said that he has told Mr. Springbett and Ralph B. Bunje Jr., a U.S. member who also submitted an alternative proposal, that he welcomes their initiatives.

"There are interesting ideas in both their papers," said Mr. Rowland, though both proposals depend on syndicates' liabilities being finite.

—By Stacy Shapiro

For the Record

Insurer to appeal $17.1 million award

SAN DIEGO—National Union Fire Insurance Co. of Pittsburgh, Pa., is appealing a $17.1 million bad faith award to McKellar Development of La Jolla, Calif., for failing to defend an advertising injury claim.

The verdict stemmed from a dispute over coverage to pay $2.1 million in defense and settlement charges incurred by McKellar in defending a suit filed by a San Diego businessman, who charged the developer had stolen his idea for developing the San Diego Design Center.

McKellar filed a claim with National Union seeking coverage under the advertising injury provisions of its broad-form comprehensive general liability policy, and National Union claimed the alleged piracy action did not occur during its policy period and that the claim was filed late.

Jurors found National Union guilty of bad faith for failing to defend McKellar in the underlying action and awarded $14.2 million punitive damages, or four weeks of National Union's 1992 net income of $180 million.

McDonnell Douglas averts union strike

ST. LOUIS—With a new contract that enhances pension benefits but shifts some health costs to retirees, McDonnell Douglas Corp. has averted a potentially crippling strike at its St. Louis military aircraft facility.

A total of 7,500 members of the International Assn. of Machinists & Aerospace Workers ratified the new deal on June 19 and is retroactive to May 17.

Under the pact, an existing retiree health care plan—which covers more than 90% of costs—will remain intact until Jan. 1, 1994. Workers retiring after that date will bear one-third of all health care costs, with McDonnell Douglas paying the remaining two-thirds up to a capped level.

The contract also increases weekly premiums for active workers' health care coverage, and requires both retired and active workers to pay more for prescription drugs.

Jury finds malpractice in unwanted C-section

CAMBRIDGE, Mass.—Two doctors will pay $1.5 million in damages after a jury found them guilty of malpractice for performing a Caesarean section against the wishes of a woman who suffered a rare disorder after the 1985 delivery.

The doctors' malpractice insurance will cover the award. The hospital where they practice was not named in the suit.

Mary Meador alleges that the Caesarean section was scheduled against her wishes for the convenience of the physicians. The doctors, however, contend that the surgery was necessary to avoid risks presented by the duration of pregnancy beyond 42 weeks.

That surgery triggered a rare dormant intestinal condition called hollow visceral myopathy. Ms. Meador was hospitalized for nearly one year afterward and bedridden for much of another year.

The jury awarded $400,000 for pain and suffering, $315,000 for lost earning capacity, $275,000 for loss of companionship and $544,000 in interest.

Information in brief

Robert D. Paul is retiring as chairman of **The Segal Co.** after a 43-year career. He will remain a director for the New York-based actuarial, employee benefits and compensation consulting firm. Robert D. Krinsky, president and CEO, will succeed Mr. Paul as chairman on Jan. 1, 1994. . . .**Transamerica Life Cos.** is moving 650 administrative positions from its life division in California to Kansas City, Mo., to increase its accessibility to customers in the eastern United States. The company will maintain its Los Angeles headquarters. . . .**Dr. William Roper**, director of the national Centers for Disease Control, was named president of Prudential Health Care System's new national center for health care research. Prudential also said it will contribute $20 million to the CDC. . . .Citing weak results from market conditions, catastrophes and reserve strengthening, Standard & Poor's Rating Group has **downgraded Aetna Casualty & Surety Co.'s** claims-paying ability rating to AA– from AA. Also, S&P placed CIGNA Corp.'s A claims-paying ability rating on CreditWatch due to "poorer than expected operating results in 1992 and year to date 1993.". . . .**State Security Insurance Co.** of Oak Park, Ill., which wrote liquor and general liability coverages, has been declared insolvent. . . .**Phoenix Re Corp.** is planning to sell $75 million in senior notes. Much of the proceeds will be added to the surplus of unit Phoenix Reinsurance Co. BI

Punitive damages

Continued from page 2

guidance than it did in the Haslip decision," observed Jim Otto, a partner with Cummins & White in Los Angeles, who was involved in one of five punitive damages appeals postponed in California.

"This decision didn't go any further than *Haslip*, and *Haslip* didn't provide that much guidance," agreed Steve Bokat, vp and general counsel for the U.S. Chamber of Commerce in Washington.

While the June 25 decision "makes explicit what was implicit in *Haslip*—that there is some constitutional limit to punitive damages—it doesn't give us a clue as to what those limits are," observed Martin Connor, president of the American Tort Reform Assn. in Washington.

In *Haslip*, the court held that punitive damage awards are subject to certain due process restrictions, though the court did not specify what these restrictions are. Rather, the ruling observed that the ratio of punitive damages to compensatory damages—about 4-to-1 in in the case at issue in *Haslip*—was possibly "close to the line. . .of constitutional impropriety" but did not "cross the line."

The court in *Haslip* was clear in deciding that the Constitution provides no hard and fast formula for computing punitive damages.

And now the TXO ruling—in which the court upheld a punitive award assessed against Alliance Resources that was more than 500 times larger than the compensatory damages—"leaves the ratio argument dead as a doornail," said Laurence Tribe, the Harvard law professor who represented Alliance before the high court.

"The court saw this case as the opportunity to say this is not a problem that can be solved through mathematical formulas by looking at the ratio of punitive damages to actual damages," Mr. Tribe said.

Carter Phillips, the Washington lawyer who represented TXO Production Corp., agreed.

The TXO ruling suggests that juries apply a "reasonableness test," said Mr. Phillips, who is with Sidley & Austin. "The problem with that is that 'reasonableness' is in the eye of the beholder."

Quoting from *Haslip*, Justice John Paul Stevens wrote in *TXO*: "We need not, and indeed we cannot, draw a mathematical bright line between the constitutionally acceptable and the constitutionally unacceptable that would fit every case. We can say, however, that a general concern of reasonableness properly enters into the constitutional calculus."

In a separate concurring opinion, Justice Anthony Kennedy wrote: "The Constitution identifies no particular multiple of compensatory damages as an acceptable limit for punitive awards; it does not concern itself with dollar amounts, ratios or the quirks of juries in specific jurisdictions."

Rejection of the ratio argument represents a defeat for business. Yet business groups also say that *TXO* affirms their decision to lobby state legislatures individually to set limits on punitive damage awards.

TXO indicates that the Supreme Court "will leave it to state legislatures to decide on a state-by-state-basis," said Mr. Bokat of the Chamber of Commerce.

The TXO ruling affirmed the West Virginia Supreme Court's decision to uphold a punitive award of more than 536 times the compensatory award in a dispute over mineral rights (*BI*, June 28).

TXO Production Corp. argued that its due process rights were violated when a jury ordered the Texas company to pay a competitor $10 million in punitive damages. The actual harm was only $19,000.

The jury found that TXO knowingly filed a frivolous lawsuit against competitor Alliance Resources in an attempt to increase its mineral rights to a tract of land in McDowell County, W.Va. Alliance countersued, claiming "slander of

Continued on next page

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NOTICE IS HEREBY GIVEN that Anthony James McMahon and Roger Smith, as Joint Provisional Liquidators of English & American Insurance Company Limited, have obtained a Preliminary Injunction from the United States Bankruptcy Court for the Southern District of New York, directing that all persons are enjoined from: (1) commencing or continuing any judicial, administrative or regulatory action or proceeding against the Company or any of its property in the United States; and (2) enforcing or commencing any judicial, administrative or regulatory judgment, assessment or order to create, perfect or enforce any lien or other claim against the Company or any of its property in the United States; and are further required to turn over and account to the Joint Provisional Liquidators for all funds resulting from the drawdown of letters of credit in excess of what is expressly authorized by the terms of the contracts and any related trust or other agreements. All issues with respect to turnover and accounting shall be subject to further order of this Court, upon filing a motion by either party. Copies of the Preliminary Injunction have been provided to all known parties in the United States. Any party who has not received one should contact counsel for the Joint Provisional Liquidators at the following address:

Pamela Webster, Esq.
Buchalter, Nemer, Fields & Younger
601 S. Figueroa Street
Suite 2500
Los Angeles, CA 90017

Continued from previous page
title," which is a false and malicious statement designed to call into question someone else's title to property.

On appeal to the state high court, TXO not only lost, but its claims were rejected in colorful language.

"When a defendant is not just stupid, but downright mean, punitive damages must be greater in order to deter future evil acts," wrote Chief Justice Richard Wheeler. "Even punitive damages 500 times greater than compensatory damages are not per se unconstitutional" if the defendant had "committed mean-spirited and harmful acts," he said.

Punitive damages, or "exemplary damages" as they are sometimes called, are awarded as a penalty above and beyond the amounts necessary to compensate the plaintiff's injuries. They usually are reserved for particularly egregious misconduct. BI

Supreme Court

Continued from page 2
or other specialized knowledge will help courts or juries "to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training or education may testify."

The case before the court dealt with the anti-nausea drug Bendectin, which the plaintiffs claimed caused two California youths to suffer birth defects after their mothers had taken the medication during pregnancy (*BI*, April 5; Oct. 19, 1992). Two lower courts had thrown out the case, holding that expert testimony by the boys' families was inadmissible because it was not generally accepted.

But the high court rejected the rule. "Nothing in the text of (the 1975 evidentiary rule) establishes 'general acceptance' as an absolute prerequisite to admissibility," wrote Justice Harry Blackmun.

He also said judges can diminish the chances of unfounded testimony coming into evidence by screening out unqualified experts, and juries can decide the credibility of testimony during cross-examination.

Chief Justice William Rehnquist, joined by Justice John Paul Stevens, dissented from this part of the opinion, holding that all the court had to do was determine whether the 1975 rules of evidence superseded Frye. The decision opened the way for a new trial.

Defense lawyers criticized the ruling.

"It is doubtful the opinion will provide uniformity, predictability or discourage the plethora of unmeritorious lawsuits based on unreliable scientific testimony. Indeed, since the court provided no guidance to trial courts concerning the fashion in which they are to determine reliability or validity, the quagmire is likely to continue, if not increase," said the Defense Research Institute.

In another case, the high court made it somewhat more difficult to successfully bring job bias suits.

In *St. Mary's Center vs. Hicks*, a five-justice majority found that fired employees cannot automatically prove discrimination by showing that their employers lied about the reasons for their dismissal. Employees instead must prove that discrimination was actually the reason for the firing.

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Daubert et al vs. Merrell Dow Pharmaceuticals, Inc., U.S. Supreme Court, No. 92-102, Decided June 28, 1993. St. Mary's Honor Center vs. Hicks, U.S. Supreme Court, No. 92-602, Decided June 25, 1993.

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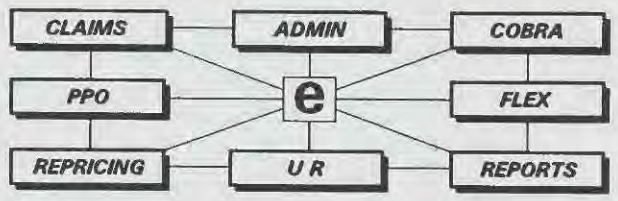
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Hewitt survey

Continued from page 2

general investment strategies.

"We were finding that a lot of people don't know basic investment concepts," said David Turner, a benefits compliance specialist for the Dallas-based firm.

"There's nearly a billion dollars in the plan now, and (participants') accumulations are starting to jump," making them more interested in their investments, he said.

Eastman Kodak Co., which includes investment information in the company newsletter, is working on a full communications program.

"There's a general realization in the whole benefits community that participants don't understand what they need to know to make good informed investment decisions," like the need to diversify, said Rita Metras, director of employee benefits and retirement and savings plans for the Rochester, N.Y.-based company.

Good investment decisions require understanding, not simply a checklist of information such as rates of return and the fund manager's name, she added.

And BankAmerica Corp. in San Francisco is starting an investment education campaign for employees, which will include "a hot line with financial counselors," said Paul Nordine, vp and benefits consultant.

'We were finding that a lot of people don't know basic investment concepts,' says American's Mr. Turner.

Along with increased education, companies are adding more investment options to 401(k) plans.

On average, each plan now offers 4.5 options, up from 3.7 in a 1991 poll, Hewitt reports. Also, some 71% of plans offer three to five options, and about 20% offer six or more.

Companies are starting education programs and expanding investment options primarily to avoid fiduciary liability for employees' investment decisions, Mr. Maddock said.

Under rules released last October, Section 404(c) of the Employee Retirement Income Security Act exempts plan sponsors from liability for investment losses if plan participants are given control over investment decisions.

To qualify for this exemption, a plan must offer "a broad range of investment alternatives," permit a participant or beneficiary to "exercise control" over assets, and provide sufficient information to participants to make "informed" investment decisions (*BI*, Oct. 12, 1992).

Even aside from the 404(c) rules, employees simply need investment education, said Charles Dean, principal at A. Foster Higgins & Co. Inc. in Dallas.

Employers have been traditionally leery of providing investment "advice," he said. "We think education is different from advice and that it is really needed" because in the past decade most new pension plans that have been set up have been 401(k) plans, he added.

These education campaigns may well spur participation in plans and that would be a "very desirable byproduct," said Kodak's Ms. Metras.

Greater participation would help more companies pass the non-discrimination tests.

The Hewitt survey found that 66% of plans last year—up from 60% in 1991—did not pass the non-discrimination rules set by the 1986 tax law.

Mr. Maddock speculated that more companies are failing the tests because they have eased up on 401(k) promotional and educational efforts in the past few years. "This new push toward education will be good; we'll see more employees joining" the plans, he predicted.

In the first poll of employers since the new 20% withholding tax went into effect, Hewitt also found that 79% of employers—up from 71% in 1991—allow direct rollovers into their 401(k) plan. This makes it easier for a new employee to avoid the tax.

"I expect that (percentage) will be well into the 80s in the next couple of years," Mr. Maddock said. "There's no good reason (not to allow direct rollovers)."

Employees have two ways to avoid the 20% withholding tax: They can ask their employers either to transfer a plan distribution directly to an individual retirement account or to a defined contribution plan sponsored by a new employer (*BI*, Jan. 25).

Meanwhile, the survey found that more companies are passing expenses in four categories—employee communications, investment management, recordkeeping and trustee fees—onto their plans and thus their participants. Fifty percent of plans—rather than employers—paid for investment management fees in 1993, compared with only 35% in 1988.

"I think it will be a continuing trend," said Mr. Maddock.

While the cost shift might reduce a plan participant's return by only 1%, the total cost for those four categories might amount to $150,000 for an employer, he said.

"When the employer is writing that check, it's pretty significant," Mr. Maddock said.

"It's part of the general tightening-up that companies are doing. And if you look at asset growth, you would expect it," said Foster Higgins' Mr. Dean. "As the plans build up, it's easier for them to pay for these kinds of expenses. But a small plan cannot do it."

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Hewitt's survey will be available at the end of July for $75. Contact Dianne Schuett, Hewitt Associates, 100 Half Day Road, Lincolnshire, Ill. 60069; 708-295-5000.

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Insurer victory

Continued from page 1

Justice Scalia's interpretation, the bulk of our claims survive, and that's what's important here.

"We believe that based on what we've pleaded, we can comply with Justice Scalia's definition of a boycott," he said. "We're actually looking forward to getting this case moving on the trial court level, on the facts."

For purposes of the initial stages of the litigation, courts have assumed that the states' allegations against the industry defendants are true. The states, however, still have to prove these allegations if and when the case goes to trial.

The discovery process leading up to a trial could take years, and the entire process would cost both sides additional millions of dollars.

Some say, however, they would not be surprised to see the case settled before it goes to trial. Attorneys for both sides say they would be amenable to holding settlement talks (see story, page 102).

The defendants scored a separate victory last week when the high court ruled unanimously that U.S. insurers do not forfeit their antitrust exemption under McCarran-Ferguson when they deal with foreign reinsurers.

However, in a 5-4 ruling written by Justice Souter, the court decided that U.S. antitrust law also can be applied to foreign reinsurers despite the principle of comity, which is a mutual respect for foreign law.

The "swing" vote in the two 5-4 decisions was Chief Justice William Rehnquist, who voted with Justice Scalia on the boycott issue but with Justice Souter on the comity issue.

The complex litigation began in March 1988, when state attorneys general alleged that insurance industry defendants—including major U.S. insurers and reinsurers, the Insurance Services Office Inc. and the Reinsurance Assn. of America, several London underwriters—engaged in a boycott to force changes in ISO's commercial general liability policy form to manipulate the U.S. liability insurance market (*BI*, March 28, 1988).

ISO, the states charge, was forced to rewrite its then-new CGL policy form to exclude coverage for all pollution and to include a retroactive date in the claims-made version of the form.

Some of the defendants also allegedly conspired to eliminate occurrence-based CGL coverage and to include defense costs within policy limits, though they were unsuccessful.

The states specifically charge that the primary insurers named as defendants—Allstate Insurance Co., Aetna Casualty & Surety Co., Hartford Fire Insurance Co. and CIGNA Corp.—wanted to eliminate coverage for long-tail and pollution liability risks, but knew that unilaterally discontinuing these coverages could have cost them significant market share.

The defendants therefore entered into agreements with a "reinsurance cartel" to withhold reinsurance from insurers that wrote coverage that did not contain the exclusions sought by the four primary insurer defendants, the states allege. These actions effectively precluded U.S. companies from selling some types of coverage, the states claim.

The litigation was dismissed in September 1989 on a summary judgment ruling by U.S. District Court Judge William Schwarzer in San Francisco (*BI*, Sept. 25, 1989; Aug. 7, 1989). However, a three-judge panel of the 9th U.S. Circuit Court of Appeals in June 1991 unanimously overturned this opinion (*BI*, June 24, 1991).

The defendants petitioned the Supreme Court, which agreed last October to review three issues connected with the litigation (*BI*, Oct. 12, 1992).

The issue of whether the defendants' alleged actions constituted a boycott—and thus were not protected under McCarran-Ferguson—attracted most of the court's interest at February oral arguments (*BI*, March 1).

Last week, attorneys and other representatives of the industry defendants hailed the high court's ruling, even if it means the defendants will have to spend more time and money fighting the allegations.

"It's anything but a defeat," said Edmond F. Rondepierre, senior vp and general counsel at General Reinsurance Corp. in Stamford, Conn., one of the defendants. "What the court has done is describe what constitutes a boycott.

"Our problem was the attorneys general were giving 'boycott' a very broad definition which could encompass all kinds of ordinary business conduct," Mr. Rondepierre said.

The five-year antitrust saga

March 1988 Eight state attorneys general allege insurance industry defendants engaged in a far-reaching conspiracy in the mid-1980s to manipulate commercial general liability coverage. Eleven states subsequently join the litigation, while Texas files a separate suit in state court.

September 1989 U.S. District Court Judge William Schwarzer dismisses states' suit on summary judgment motion.

March 1991 Remaining defendants in Texas suit settle with state following other settlements in 1989 and 1990. Together, the Texas defendants pay $6.6 million in settlements.

June 1991 9th U.S. Circuit Court of Appeals overturns Judge Schwarzer's ruling and reinstates litigation.

October 1992 U.S. Supreme Court agrees to review the 9th Circuit's ruling.

February 1993 Supreme Court hears oral arguments.

June 1993 Splintered Supreme Court permits the states' suit to continue, though insurers win several key issues.

GRAPHIC BY CHRIS ROY

The Supreme Court has now spelled out the definition of boycott "and within the framework of that discussion none of the conduct we engaged in would constitute a boycott," he said.

"The decision affirmed that agreement on policy terms can't in and of itself be a boycott, and that is entirely consistent with our policy," said ISO President Fred Marcon.

If there is a drawback to the decision, according to Mr. Marcon, it's that the court allowed the attorneys general's claims to proceed rather than dismissing the case outright.

Justice Scalia's ruling on the boycott issue is "a sensible standard," said Robert M. Mitchell, of Seyfarth, Shaw, Fairweather & Geraldson in San Francisco, who represents the Washington-based Reinsurance Assn. of America, another defendant. "I think that the plaintiffs will have great difficulty in meeting that standard when they actually have to come up with evidence to do so rather than allegations."

"I guess in your heart, you hope for a complete dismissal, but realistically, this may be the most favorable results (for) the defendants. . . .We feel like the court's guidance is very much favorable to the defendants' position," said RAA President Franklin W. Nutter.

"Obviously, the bottom line remains the same: The states' case goes forward," said Michael Brockmeyer, a former assistant attorney general for Maryland who is now an attorney with Piper & Marbury in Baltimore. However, "I think the definition of boycott as set out in Justice Scalia's opinion is a more favorable definition for the industry than the definition that was set out in the 9th Circuit, so to that extent the industry fared better."

But the state attorneys general maintain that the Supreme Court's decision favors them.

"I'm absolutely delighted," said Laurel A. Price, New Jersey deputy attorney general. "I'm sure if I were in their position, I'd be saying the same thing," he said of defendants' contention that the ruling was a victory for them.

The defendants had contended a boycott was an absolute refusal to deal, a definition that both Justices Scalia and Souter rejected, he said.

"To the extent the court's given us a clear standard, it's made our ability to try the case that much easier," said Mr. Price.

"It's terrific," said William M. Rubenstein, a Connecticut assistant attorney general. "We're happy to be back in the court and we're ready to proceed to trial. We don't anticipate any problem with proof.

"The district court dismissed us, the 9th Circuit put us back into the lawsuit, the Supreme Court keeps us back in the lawsuit. It seems clear to me that we won," he said.

"These are guys who said we would be thrown out of court," said California Deputy Attorney General Thomas A. Greene, referring to the defendants. He also noted that the states have "clearly met" the standards Justice Scalia established for a boycott.

Attorneys also pointed out that a footnote to Justice Souter's decision said the Supreme Court is expressing no opinion on another issue in the case: whether U.S. and foreign reinsurers—as opposed to primary insurers—are regulated by state law. The high court will "leave that question to the Court of Appeals on remand," the footnote said.

Mr. Greene noted that the case will now go back to the appellate court, which may then follow one of three options: It can deal with the state regulation issue and send the rest of the case back to the district court; it can keep the entire case until the state regulation issue is resolved; or it can decide that the state regulation issue is "fact bound" and send the entire case back to the district court level.

"The Court of Appeals has very broad discretion," said Mr. Shapiro, who represented the U.S. defendants. "The court is at liberty to proceed in any manner consistent with the Supreme Court's mandate," and it is difficult to speculate precisely what the court will do.

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Hartford Fire Insurance Co. et al. vs. California et al.; U.S. Supreme Court, No. 91-1111; Merrett Underwriting Agency Management Ltd. et al. vs. California et al.; U.S. Supreme Court, No. 91-1128.

'Boycott' definition sets stage for litigation

By JUDY GREENWALD

WASHINGTON—A "boycott" occurs only when the parties refuse to engage in transactions unrelated to the issue in dispute, says Justice Antonin Scalia, writing the majority opinion in the Supreme Court's insurance antitrust decision.

However, in his dissenting opinion Justice David Souter disagrees, calling Justice Scalia's definition of a boycott "overly narrow."

"I do not believe that the McCarran-Ferguson Act or our precedents warrant such a cramped reading of the term," Justice Souter wrote.

State attorneys general allege that insurance industry defendants engaged in a boycott when they attempted to limit commercial general liability coverage in the mid-1980s. Insurers' immunity to federal antitrust laws under the McCarran-Ferguson Act does not extend to boycotts or coercion.

While defendants' attorneys say the opinion by Justice Scalia—which was joined by four other members of the Supreme Court—is a victory for the insurance industry, Justice Scalia did rule that it is possible that the defendants' actions could constitute a boycott.

Justice Scalia pointed out that the defendants suggested that a boycott requires an absolute refusal to deal on any terms, which has been conceded was not the case here.

However, the justice disagreed with this reasoning. "We think not," said Justice Scalia.

A boycott can be conditional, "offering its target the incentive of renewed dealing if and when he mends his way," he wrote.

"It is, however, important—and crucial in the present case—to distinguish between a conditional boycott and a concerted agreement to seek particular terms in particular transactions," Justice Scalia noted.

As an example, Justice Scalia pointed to the person for whom the word "boycott" was coined, Capt. James Boycott, an Englishman who managed estates in Ireland in 1880. In a rent dispute, tenants refused to have anything to do with him—including giving him food—unless he agreed to their terms on rents.

"It is this expansion of the refusal to deal beyond the targeted transaction that gives great coercive force to a commercial boycott: Unrelated transactions are used as leverage to achieve the terms desired."

In the antitrust case, it is "obviously" not a boycott for the reinsurers to refuse to reinsure CGL coverage until policy forms were changed "because the terms of the primary coverages are central elements of the reinsurance contract—they are what is reinsured," says Justice Scalia.

However, Justice Scalia did say that, even under his test, the attorneys general's lawsuits contain sufficient allegations of a boycott to warrant continuation of the litigation. For instance, defendant reinsurers allegedly threatened to totally stop reinsuring U.S. ceding insurers

Continued on next page

Ruling a disappointing non-event in London

LONDON—Some participants in the London insurance market wonder whether it's worth writing business in the United States after the U.S. Supreme Court's ruling in the massive insurance antitrust suit.

One London source close to the litigation questioned whether the Supreme Court's ruling will encourage state attorneys general and the defendants to settle (see related story, page 102).

The continued cost of a trial would be "out of this world," which no one can afford at the moment, the source said.

The legal climate in the United States is "burning your insurance industry," said Lloyd's of London catastrophe reinsurance underwriter Michael Harris.

Insurers continue to be sued to to pay pollution cleanup costs, but "why should underwriters pay when their deep pockets have holes?" Mr. Harris asked. "The money isn't there, so what's the point in suing?"

The antitrust ruling is a "disappointment," added another Lloyd's underwriter. "(It) will mean trillions of more dollars for lawyers. But it's a bit of a non-event."

Lloyd's underwriters, he contended, did not engage in a boycott of U.S. liability business in the mid-1980s. "To say that we boycotted is bull----."

The antitrust litigation is really about "politicians who want to get elected," said the underwriter, referring to the state attorneys general.

At the end of the day, though, the litigation is not as big a problem for the insurance industry as losses from Hurricane Andrew, which may bankrupt still more U.S. insurers, he said.

Lloyd's of London Chairman David Rowland said last week that Lloyd's lawyers still are studying the ruling, but "obviously we're sorry it's gone back" to the lower court.

Others in the London market are indifferent about the ruling, or are reserving judgment until they read the decision.

"I haven't taken much interest in it," said John Holford, deputy chairman of Sedgwick Broking Services. "This is just a case of lawyers amusing themselves."

Mr. Holford added that the antitrust litigation generally has "not made a scrap of difference" in the way that business is conducted in London.

"I've not read the full judgment, but I think it's like the curate's egg—good for us in parts," said John Wetherell, underwriter for non-marine syndicate 190, which is one of the named defendants in the litigation. He agreed that the litigation generally has not affected underwriting in London.

However, one constraint still remains as a result of the continuance of the antitrust litigation: Many London sources are afraid to speak on the record with *Business Insurance* for fear they might become entangled in the case.

One London broker summed up this concern, explaining that in the mid-1980s he was subpoenaed by the state attorneys general, along with many other London brokers and underwriters. When he inquired why he had been subpoenaed, he was told by the attorneys that it was because he had been quoted in *Business Insurance* on the state of the casualty market.

—By Stacy Shapiro

Boycott ruling

Continued from previous page
that wrote general liability coverage on an occurrence rather than a claims-made form.

"Construed most favorably to the (plaintiffs), that allegation claims that primary insurers who wrote insurance on disfavored forms would be refused all reinsurance, even as to risks written on other forms. If that were the case, the reinsurers might have been engaged in a boycott—they would, that is, unless the primary insurers' other business were relevant to the proposed reinsurance contract (for example if the reinsurer bears greater risk where the primary insurer engages in riskier businesses)," said Justice Scalia.

"Other allegations in the complaint could be similarly construed," he wrote. For instance, reinsurers allegedly threatened a boycott of all North American CGL risks, not just CGL risks containing unsatisfactory terms; reinsurers allegedly said that either the CGL form would be modified or they would no longer reinsure ceding companies; and some of the defendants told brokers and agents that there would be a reinsurance boycott if revised Insurance Services Office Inc. forms were not approved, said Justice Scalia, quoting the complaints.

"Many other allegations in the complaints describe conduct that may amount to a boycott if the plaintiffs can prove certain additional facts," he said.

For instance, defendant General Reinsurance Corp. allegedly agreed to coerce ISO to adopt the defendants' demands or, failing that, derail ISO's entire CGL policy form program, he said, quoting one of the attorneys general's complaints. "If this means that General Re intended to withhold all reinsurance on all CGL forms—even forms having no objectionable terms—that might amount to a 'boycott,' " he said.

General Re and other domestic reinsurers also allegedly agreed to boycott the ISO forms unless a retroactive date was added to the claims-made form, and a pollution exclusion and a defense cost cap were added to both the occurrence and claims-made forms, Justice Scalia noted. "Liberally construed, this allegation may mean that the defendants had linked their demands so that they would continue to refuse to do business on either form until both were changed to their liking. Again, that might amount to a boycott."

Justice Scalia was joined in his opinion by Chief Justice William H. Rehnquist and Justices Sandra Day O'Connor, Anthony M. Kennedy and Clarence Thomas.

In his dissenting opinion, Justice Souter said the definition of boycott should not be confined to refusals to deal that are unrelated or collateral to the issue at stake. Such a definition is at odds with the high court's ruling in *St. Paul Fire & Marine Insurance Co. vs. Berry*, he said.

Furthermore, "the limitation to 'collateral' refusals to deal threatens to shrink the (boycott) exception far more than the majority is willing to admit," he said.

Justice Souter pointed to Justice Scalia's statement that reinsurers that refused all reinsurance to primary insurers that wrote on disfavored forms were not engaging in a boycott if the primary insurers' other business was relevant to the reinsurer.

"Under this standard, and under facts comparable to those in this case, I assume that reinsurers who refuse to deal at all with a primary insurer unless it ceases insuring a particular risk would not be engaging in a boycott if they could show that (1) insuring the risk in question increases the probability that the primary insurer will become insolvent and that (2) it costs more to administer the reinsurance contracts of a bankrupt primary insurer (including those unrelated to the risk that caused the primary insurer to declare bankruptcy)," Justice Souter reasoned.

"One can only imagine the variety of similar arguments that may slowly plug what remains" of the boycott exception to the antitrust exemption, he said.

Justices Byron R. White, Harry A. Blackmun and John Paul Stevens concurred with Justice Souter.

In another part of the ruling, the court said that U.S. courts can apply U.S. law to the conduct of foreign insurance industry defendants despite the principle of comity, a mutual respect for foreign law.

Justice Souter, who wrote this section of the court's opinion, noted that the 9th U.S. Circuit Court of Appeals decided that despite a potential conflict with English law and policy, "other factors, in the court's view, including the London reinsurers' express purpose to affect United States commerce and the substantial nature of the effect produced, outweighed the supposed conflict and required the exercise of jurisdiction in this case."

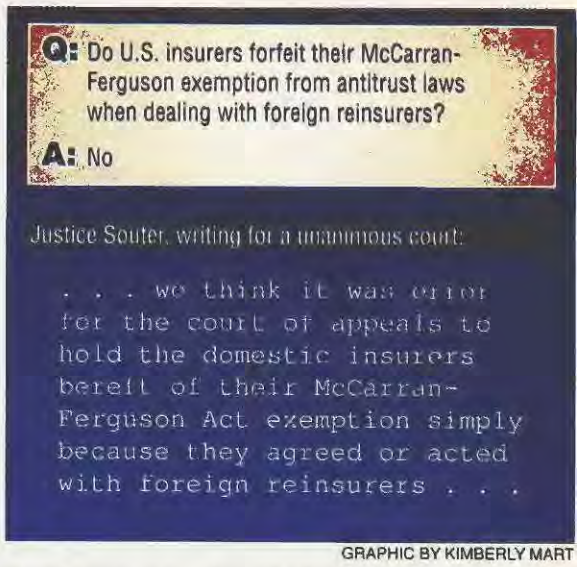
Justice Souter also said that "international comity would not counsel against exercising jurisdiction in the circumstances alleged here."

As in the boycott vote, Justice Souter was supported in the comity ruling by justices White, Blackmun and Stevens, but was also joined by Chief Justice Rehnquist.

In a dissent to Justice Souter's ruling on comity, Justice Scalia wrote that Justice Souter's analysis "is simply misdirected."

Judge Souter also wrote the court's unanimous opinion that domestic defendants did not lose their antitrust immunity under McCarran-Ferguson by conspiring with foreign defendants.

"We think it was error for the Court of Appeals to hold the domestic insurers bereft of their McCarran-Ferguson Act exemption simply because they agreed or acted with foreign reinsurers," which the court assumes for the sake of argument were not regulated by state law, says the decision. BI



GRAPHIC BY KIMBERLY MART

Antitrust case is a waste, many risk managers say

By MICHAEL SCHACHNER

Many risk managers see little point in the states continuing the massive insurance antitrust suit and say they are disappointed the Supreme Court did not dismiss the case once and for all.

Neither taxpayers nor policyholders stand to recover enough to justify continuing the litigation, some leading risk managers say. And, they say, the alleged boycott at the heart of the suit is ancient history.

Risk managers also say that the ruling fails to define "boycott" clearly enough to guide lower courts.

"It's a big disappointment" that the Supreme Court didn't dismiss the case, said Bob Esenberg, risk manager for the city of Virginia Beach, Va. "This was the third go-around of this case, and I'm fearful that without guidelines better than the ones the court provided, this is going to continue to grind through the courts with nothing happening except a bunch of lawyers staying employed."

Other risk managers echoed Mr. Esenberg's sentiments.

"The suit began as a political maneuver designed to grab headlines and it remains such," said Harold Lang, director of insurance and risk management with Kohler Co. in Kohler, Wis. "Insureds like us are paying for the insurers' defense in the form of higher premiums, and taxpayers are footing the bill for prosecuting the case."

"I wish this case would finally be settled," added Cheri Hawkins, risk manager with Weyerhaeuser Co. in Tacoma, Wash. "It would be great if we could just let loose of it. Unfortunately, the attorneys general pressing the case won't. I have a bad feeling that this will be around for another five years."

In its June 28 ruling, the court defined "boycott" narrowly to exclude cases where a party refuses to engage in a particular transaction until certain terms are met. Instead, boycotts only occur when a party also refuses to engage in other, non-related transactions with the target.

Insurers' immunity from federal antitrust laws under the McCarran-Ferguson Act do not apply to "boycotts."

Under the definition of boycott stated in the ruling, prosecutors will struggle to prove an organized boycott of the liability insurance market existed in the mid-1980s, risk managers said.

"It seems that it would be difficult to determine the difference between a boycott and a good business practice. In my opinion, reinsurers should have the right to determine the terms in which they'll write business," said Richard C. Heydinger, director of risk management with Hallmark Cards Inc. in Kansas City, Mo.

Mr. Esenberg said he also doubted whether the attorneys general can prove that insurers engaged in a boycott. "Even if these insurers are ordered to pay billions of dollars in damages, what will it accomplish now? The damage, if there ever was any, is already done."

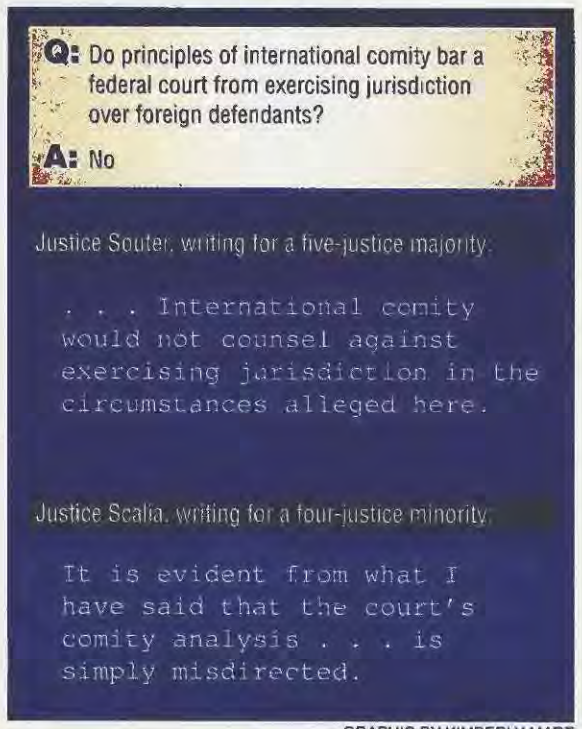
Gregory Hidden, director of risk and insurance services with American General Hospitality Inc. in Dallas, said the states should have dealt with any perceived collusion eight to 10 years ago—when it was occurring. "Any company harmed by this activity either doesn't exist today, has merged or has survived it. I can't see what effect this ruling could have now on a company denied coverage in 1985," Mr. Hidden said.

Risk managers also question the crux of the states' case—that a conspiracy by insurers caused the withdrawal of occurrence-based CGL coverage. "This all revolves around something that never happened," said Ms. Hawkins. "We were never stuck with an entirely claims-made form. Maybe insurers tried to push it, but we still had choices."

Mr. Lang told a similar story. "I arrived at Kohler in 1987 and they had a layered CGL policy that was entirely claims-made and full of gaps. Two months later we had a complete policy written on an occurrence form."

Lastly, risk managers say they are concerned with the costs of the case and the motives of the prosecutors.

"I still have the same concerns about this case as I did five years ago," said Hallmark's Mr. Heydinger. "The costs are extreme and there's a tremendous amount of grandstanding among the politicians and the insurance industry. I don't think dealing with the past now will rectify anything." BI



GRAPHIC BY KIMBERLY MART

Antitrust settlement still possible

By JUDY GREENWALD

The insurance antitrust litigation could be settled before it ever goes to trial, attorneys for both sides maintain.

"It conceivably could be settled and should have been settled long ago," said Edmond F. Rondepierre, senior vp and general counsel at General Reinsurance Corp. in Stamford, Conn., one of the defendants.

"We have a longstanding and general policy in favor of settling rather than litigating this kind of lawsuit, where the expense of defending is way out of proportion to the damages involved," he said.

Franklin W. Nutter, president of the Reinsurance Assn. of America in Washington, another defendant, said while the RAA will not pursue a settlement in light of the court's decision, "I wouldn't be surprised if there weren't some overtures at negotiations to settle. But, it would have to be settled in the full context of what we see as a favorable ruling by the Supreme Court."

"Who knows?" asked Laurel A. Price, deputy attorney general for New Jersey, one of the plaintiff states. "I'm sure if the industry had some concrete proposals it was interested in putting forward, we would be more than happy to listen to them."

Thomas Greene, California's deputy attorney general, said, "Stepping back from the case, it seems to me that settlement chances could be reasonably good."

But attorneys caution it may be too soon to declare a settlement is likely.

"I would not rule it out, but it depends on the reading of the case by the parties on both sides and the desire of the defendants to try to come to the table with something meaningful," said Kevin O'Connor, an assistant Wisconsin attorney general.

"The defendants know that we have been open to the possibility of a settlement here, and we believe we're in a fairly strong position now to discuss settlement. But it takes two to settle," Mr. O'Connor said.

"Everyone at this point is just digesting the decision and figuring out what it means," noted Assistant Massachusetts Attorney General Thomas M. Alpert. "It's going to take a little while before anyone does any serious thinking about settlement."

"I guess it would depend on whether or not the attorneys general really begin to appreciate how little of a case they have," commented Jeffrey L. Morris, counsel to the Hartford Fire Insurance Co. in Hartford, Conn., one of the defendants.

The attorneys general seem to have declared victory following the high court decision, he pointed out. "If that's the case, and they really believe it, I guess we're quite far apart. But, I don't know how much of it is posturing and how much of that they really believe."

"If I were the states, I would try to figure out how to get the case over with as soon as possible," said Alan H. Silberman of Sonnenschein, Nath & Rosenthal in Chicago, who represents defendant Allstate Insurance Co. in the litigation.

But, he added that from the U.S. insurer defendants' perspective, "the absence of merit in the basic case is so clear that I don't think anybody's going to jump to a settlement."

While some attorneys say the case is ripe for a settlement, others disagree.

"Where you have government entities with political interests and so forth involved, it's much harder to predict" a settlement "because to some extent they're fighting more about principles than money," observed Donald I. Baker, an antitrust attorney with Jones Davis Reavis & Pogue in Washington, who was not involved in the case.

Michael Brockmeyer, a former Maryland assistant attorney general who now is with Piper & Marbury in Baltimore, said neither the turnover in states attorneys general since the litigation was filed in 1988 nor its cost is likely to encourage the states to settle now.

Changes in attorneys general's offices have not been a factor in similar cases, he said. And, despite budget constraints, ". . .if the cases are important enough, the states find the funds that are necessary." BI

Investors riding the storm out

Despite P/C insurers' poor shape, market bound to turn—eventually

By MYRON M. PICOULT

Special to Business Insurance

GIVEN THE PRICING DISARRAY in the casualty segment of the property/casualty marketplace and the weakened state of the industry's balance sheet, it is logical for investors to ask, "Is it time to cut and run?"

In all of the years that we have covered the property/casualty industry, we have never seen it in worse financial shape. Furthermore, most management teams seem woefully unprepared to cope with an increasingly complex insurance market. We question their ability to make timely and incisive decisions.

What is even more mind-boggling is the seeming complacency of so many boards of directors that appear to perfunctorily accept below-par returns for extended periods of time. This industry is clearly in a Darwinian process where the marketplace will work to the benefit of the stronger, well-managed companies.

Although some stabilization appears to be taking hold, the group has been under pressure in recent weeks due to concerns about inflation and rising interest rates. The lack of any meaningful positive pricing change in casualty lines is also a negative undercurrent, both operationally and as a deterrent to investors.

The fact is that the bell announcing the turn in the pricing cycle was sounded. The problem is that the gong was hit with a Q-tip and no one heard it.

In an overly simplified manner, these stocks are viewed as bond surrogates with their values rising and falling in relation to the value of insurers' bond portfolios. This has no bearing on operating results, but unrealized portfolio gains may give too many managements a fallacious sense of capital adequacy.

The fact that we believe—and some concur—that the industry is undercapitalized does not matter. What is of consequence is what managements believe.

A modest pickup in inflation might not be bad at this juncture. It would help to deflate some specious perspectives on capital bases and raise concerns again about reserve adequacy. The impact of a relatively small rise in interest rates on net investment income would be small.

What has been unique about this underwriting cycle to date is the widening underwriting spread between the haves and the have-nots. We expect this to continue. Exacerbating the situation is the slowing or even a decline in net investment income, which provides less of an offset to underwriting losses.

Over the past few years, terms such as "niche" and "specialty" have been habitually used by some management teams to characterize their new modus operandi. In today's environment it appears that almost everyone is a niche, specialty or specialty niche player. Few companies acknowledge writing good old standard business, which could well be a true niche today.

Another disturbing fact that is popping up with increased frequency is that more and more managements are saying that they are operating on the basis that there will be no change in the underwriting cycle. Since this is evolving as a consensus, it is probably wrong. Notwithstanding this perspective, many managements expect to show some rise in premium writings and produce lower combined ratios in 1994. There will always be exceptions to the rule. However, we are having trouble accepting the thesis that the exceptions are the rule this time around.

Reported operating earnings (excluding capital gains) can best be described as a game of "pick a number." Numerous accounting restatements and a plethora of discontinued operations supplanting former ongoing operations has added to the numbers confusion and fostered skepticism.

In general, reported underwriting results are a joke. The first-quarter results continue to underscore how many managements continue to undermine the integrity of their balance sheets. For example, catastrophe losses during the first three months of 1993 amounted to $2.8 billion, compared with $810 million in the year-earlier period. The difference between the two periods was $1.99 billion, which for the industry as a whole translates into 3.3% of written premiums for the quarter.

Data compiled by the Insurance Services Office for the industry shows a deterioration of 1.9 percentage points in the first-quarter 1993 combined ratio to 108.4% vs. 106.5% in the first quarter of 1992.

Our screens for a representative sampling of stock companies showed a modest 0.9 percentage point difference between the periods.

The reported results don't square with the environment. A quick peek at reserve trends shows the general slowdown in reserve increments and, in some instances, actual reserve takedowns. When queried on the shrinkage in reserve increments or the absolute level of reserves, managements point to changes in their business mix and/or geographic withdrawals. However, specifics on exposure trends over the past few years, new claims, pending claims and their size skew are lacking in almost all instances.

Managements rarely acknowledge reserve shortfalls until after the fact. We would point investors to the reserve additions made in 1992 by CNA Financial Corp. and ITT Hartford Group Inc. In our opinion, these were the most significant events of 1992, not hurricanes Andrew and Iniki. It is also interesting to note that both insurers had capital gains cushions they drew upon to offset reserve adjustments.

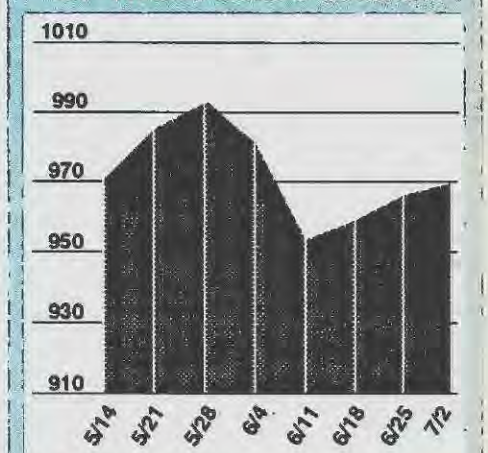
Finally, investors should peruse 10-K's and 10-Q's more closely. Some interesting hints are being provided by managements about their inability to come to grips with environmental exposures.

The victors this time around will be the better-capitalized, sharply focused underwriters. Our perspective has been—and remains—for a slow turn in the underwriting cycle due to various political and economic constraints. We do not believe that it is time to cut and run. . .as long as one has the right horse to ride. BI



Myron M. Picoult is managing director and senior insurance analyst with Oppenheimer & Co. in New York. He is the past president of the Assn. of Insurance & Financial Analysts and a member of the New York Society of Security Analysts.

BI Insurance Index



Base = 100 on Dec. 29, 1978

Source: Nordby International Inc.

Insurance industry stocks rose last week, as the *Business Insurance* Index climbed 4.1 points to 969.4 July 2 from 965.3 on June 25. Advancing issues for the week were led by: Safeguard Health Enterprises, up 15.6%; Sierra Health Services, up 13.1%; and PacifiCare Health Systems, up 10.2%. Declining issues for the week followed: Seibels Bruce Group, down 15.4%; AVEMCO Corp., down 7.0%; and Travelers Corp., down 4.7%. The most active issue was U.S. Healthcare, 5.5 million shares traded. The *BI* Index was up 0.4%; the NYSE Composite was down 0.03%; the Standard & Poor's 500 was down 0.4%; and the Dow Jones 30 Industrials fell 0.2%.

British Issues

July 1 Companies	Price pence	P/E	Div. pence	Yield %	1 Week High—Low pence pence
Comml Union	614	N/M	32.5	5.3	615—601
Genl Accident	626	N/M	35.7	5.7	626—603
Gdn Royal Exch	197	N/M	9.3	4.7	197—191
Royal	313	N/M	6.7	2.1	315—304
Sun Alliance	359	N/M	19.0	5.3	359—351
Brokers					
Bradstock	141	16.5	6.8	4.8	142—141
CE Heath	351	16.9	20.5	5.8	351—338
Hogg Group	226	19.8	10.9	4.8	226—220
JIB Group	218	21.6	10.0	4.6	218—210
Lloyd Thompson	321	25.9	7.5	2.3	321—301
Lowndes Lmbrt	398	14.2	18.8	4.7	398—379
PWS Holdings	62	9.3	5.3	8.5	63—62
Sedgwick Grp	200	24.1	8.0	4.0	200—199
Steel Brrl Jones	248	14.5	17.7	7.1	248—247
Willis Corroon	227	21.1	8.8	3.9	230—221

Source: Philip Olsen, London

BI Industry Stock Report

JUNE 28, 1993 THROUGH JULY 2, 1993

		Price	Weekly % change	Year to Date % change	Annual High	Annual Low	Vol.(000)	$ Div.	% Yield	P/E	Book value	Mkt/Bk. value
BROKERS												
Acordia Inc.	NYS	22.25	4.09	3.49	24.75	15.13	148	0.44	1.98	14	7.01	3.17
Alexander & Alexander	NYS	27.25	2.35	2.83	28.88	21.50	159	1.00	3.67	23	10.00	2.73
E.W. Blanch Holdings Inc.	NYS	18.38	9.70	N.A.	20.00	16.50	145	0.00	0.00	22	10.00	1.84
Gallagher Arthur J. & Co.	NYS	31.75	-2.31	12.39	37.38	21.88	77	0.72	2.27	20	6.35	5.00
Hilb, Rogal & Hamilton	NYS	13.25	1.92	-15.20	16.88	11.00	49	0.44	3.32	18	3.11	4.26
Marsh & McLennan	NYS	87.75	2.03	-3.97	97.63	76.88	657	2.68	3.05	20	14.40	6.09
Poe & Brown	OTC	19.13	0.66	14.16	21.25	11.25	18	0.40	2.09	34	2.64	7.24
BROKERS	AVERAGE		2.6	2.3					2.3	22		
INSURERS/REINSURERS												
ACE Ltd.	NYS	29.50	3.06	N.A.	32.00	25.50	270	0.40	1.36	10	34.06	0.87
AEGON N.V.	NYS	44.13	0.28	6.01	49.38	35.38	61	2.94	6.66	8	34.06	1.30
Aetna Life & Casualty	NYS	54.75	0.46	17.74	55.88	38.00	1459	2.76	5.04	119	67.08	0.82
Allied Group Inc.	OTC	25.50	5.15	20.47	45.50	21.50	671	0.76	2.98	6	11.29	2.26
Allmerica Prop. & Casualty	NYS	55.75	0.90	10.40	60.38	35.50	48	0.44	0.79	5	40.44	1.38
Allstate Corp.	NYS	28.75	0.88	N.A.	30.00	27.13	5101	0.00	0.00	-15	-	-
American General	NYS	31.00	-3.13	8.77	33.25	23.63	1277	1.08	3.48	12	39.89	0.78
American Heritage Life Ins.	NYS	22.75	-1.09	12.81	25.34	18.91	13	0.44	1.93	16	16.51	1.38
American Indemnity/Fin'l	OTC	14.25	0.00	137.50	15.25	4.75	5	0.08	0.56	7	14.43	0.99
American International	NYS	131.00	1.65	12.93	132.75	87.63	1343	0.60	0.46	16	54.21	2.42
American RE Corp.	NYS	35.13	3.69	-5.07	41.75	31.38	541	0.00	0.00	76	N.A.	N.A.
Aon Corp.	NYS	53.38	1.91	-1.16	56.75	43.75	169	1.80	3.37	18	27.17	1.96
Argonaut Group	OTC	31.88	3.24	4.51	35.25	26.63	30	1.00	3.14	10	21.70	1.47
AVEMCO Corp.	NYS	20.00	-6.98	-14.44	27.88	18.50	32	0.40	2.00	24	7.33	2.73
Baldwin & Lyons Inc.	OTC	41.00	0.00	12.33	41.00	29.50	0	0.48	1.17	13	30.85	1.33
Berkley W.R. Corp.	OTC	39.00	1.96	-9.30	50.50	33.00	41	0.40	1.03	15	23.51	1.66
Berkshire Hathaway Inc.	NYS	15100.0	0.00	28.51	15300.0	15100.0	1	0.00	0.00	-	6437.25	2.35
Chandler Insurance	OTC	4.13	6.45	-13.16	7.63	3.50	10	0.00	0.00	14	8.63	0.48
Chubb Corp.	NYS	88.50	3.06	-0.42	96.38	73.38	1025	1.72	1.94	13	40.67	2.18
CIGNA Corp.	NYS	59.50	-0.63	1.49	68.00	47.13	459	3.04	5.11	11	81.73	0.73
CNA Financial Corp.	NYS	92.63	-2.24	-5.48	102.88	84.50	74	0.00	0.00	-13	80.24	1.15
Continental Corp.	NYS	31.00	3.33	15.35	34.75	20.00	1267	1.00	3.23	23	38.32	0.81
EXEL Ltd.	NYS	47.38	-1.04	0.26	52.25	35.00	617	1.00	2.11	8	N.A.	N.A.
Fund American Corp.	NYS	82.00	0.00	13.89	86.75	67.50	28	0.00	0.00	14	81.85	1.00
Fremont General Corp.	NYS	24.13	4.89	-30.07	27.84	14.00	159	0.72	2.98	8	25.62	0.94
Frontier Insurance Group	NYS	43.50	2.35	0.00	44.53	29.09	50	0.52	1.20	16	13.97	3.11
Gainsco Inc.	ASE	13.75	0.00	-2.65	18.56	9.41	106	0.04	0.29	17	2.65	5.19
General RE Corp.	NYS	116.50	1.86	0.65	130.50	83.00	1069	1.88	1.61	17	46.07	2.53
Guaranty National Corp.	NYS	22.13	3.51	12.03	24.00	15.25	70	0.48	2.17	13	9.12	2.43
Harleysville Group	OTC	24.00	4.35	-15.04	32.75	16.75	512	0.64	2.67	14	16.77	1.43
Hartford Steam Boiler	NYS	53.13	-2.97	-8.01	59.88	52.50	170	2.12	3.99	19	19.74	2.69
HCC Insurance Holdings	OTC	23.75	-3.06	17.28	24.75	12.25	64	0.00	0.00	24	10.12	2.35
ITT (Hartford Group)	NYS	85.38	1.94	18.58	86.75	62.75	1442	1.96	2.30	-37	68.23	1.25
Kemper Corp.	NYS	36.13	3.21	21.94	43.00	20.75	1134	0.92	2.55	-8	37.66	0.96
Lawrence Insurance Group	ASE	6.38	0.00	-26.09	10.25	5.50	1	0.32	5.02	-	4.66	1.37
Liberty Corp.	NYS	32.00	3.23	13.27	33.88	25.00	71	0.56	1.75	12	18.43	1.74
Lincoln National	NYS	38.38	0.00	-47.52	41.81	30.13	491	1.52	3.96	10	58.92	0.65
Markel Corp.	OTC	37.00	3.14	18.40	37.00	23.00	44	0.00	0.00	11	20.24	1.83
Mutual Risk Mgmt. Ltd.	NYS	36.25	5.07	-10.49	46.00	26.25	103	0.28	0.77	20	7.51	4.83
NAC Re Corp.	OTC	35.50	4.80	-12.35	44.75	27.25	279	0.16	0.45	50	13.60	2.61
National Re Corp.	NYS	33.75	5.88	13.92	39.63	17.63	305	0.12	0.36	13	N.A.	N.A.
Navigators Group	OTC	32.50	0.00	0.00	36.00	28.50	62	0.00	0.00	24	15.69	2.07
Nobel Insurance LTD.	OTC	6.75	0.00	14.89	8.25	4.25	8	0.00	0.00	3	3.91	1.73
NWNL Companies	NYS	31.13	2.89	22.36	32.44	18.13	307	0.80	2.57	14	22.94	1.36
Ohio Casualty Corp.	OTC	63.50	0.20	0.59	68.75	54.50	63	2.84	4.47	12	43.08	1.47
Old Republic Int'l	NYS	23.50	1.08	-5.53	27.38	19.50	551	0.44	1.87	8	18.63	1.26
Orion Capital Corp.	NYS	38.25	1.32	8.13	46.38	28.00	94	0.80	2.09	8	28.62	1.34
Phoenix RE Corp.	OTC	30.88	2.07	96.03	34.00	9.00	450	0.20	0.65	-67	13.32	2.32
Provident Life	NYS	27.75	5.21	-2.63	31.50	22.25	78	1.04	3.75	11	30.38	0.91
Re Capital Corp.	ASE	14.38	0.00	-12.88	16.63	12.25	0	0.28	1.95	29	16.88	0.85
Reliance Group Holdings	NYS	7.00	-3.45	14.29	8.50	4.25	312	0.32	4.57	3	2.94	2.38
RLI Corp.	NYS	26.00	-0.95	5.05	28.63	18.75	7	0.52	2.00	12	17.92	1.45
St. Paul Companies	NYS	80.75	0.94	4.87	83.25	67.88	388	2.80	3.47	-13	59.79	1.35
SAFECO Corp.	OTC	59.25	2.82	4.41	66.75	48.38	1072	1.80	3.04	15	35.37	1.68
SCOR U.S. Corp.	NYS	16.75	1.52	-4.29	20.75	13.13	51	0.32	1.91	209	14.39	1.16
Seibels Bruce Group	OTC	0.69	-15.38	-63.31	6.13	0.38	149	0.00	0.00	0	5.22	0.11
Selective Ins. Group	OTC	25.63	0.49	16.48	26.00	19.00	830	1.12	4.37	15	20.22	1.27
Statesman Group Inc.	OTC	11.38	2.25	-5.21	16.50	6.00	669	0.20	1.76	6	6.71	1.70
TIG Holdings	NYS	25.50	0.99	N.A.	26.50	22.88	532	0.00	0.00	-20	-	-
Tokio Marine & Fire	OTC	58.13	-2.72	21.09	64.50	37.88	35	0.00	0.00	-	70.93	0.82
Torchmark Corp.	NYS	52.13	-2.57	-8.15	64.75	43.41	357	1.04	2.00	14	14.87	3.51
Transatlantic Holdings	NYS	55.88	5.18	-0.45	56.75	31.75	32	0.28	0.50	19	21.85	2.56
Traveler's Corp.	NYS	30.38	-4.71	11.47	33.00	17.13	1862	1.60	5.27	-4	43.85	0.69
Trenwick Group Inc.	OTC	42.75	1.18	4.91	49.75	27.50	71	0.88	2.06	16	23.87	1.79
United Fire & Casualty	OTC	38.00	8.19	-8.43	43.00	34.75	9	1.00	2.63	88	28.47	1.33
Unitrin	OTC	44.75	2.87	4.68	46.75	33.50	227	1.20	2.68	14	36.51	1.23
UNUM Corp.	NYS	55.88	4.93	5.42	58.38	38.50	684	0.80	1.43	15	21.83	2.56
US Facilities Corp.	OTC	9.50	5.56	-5.00	11.50	6.50	172	0.00	0.00	12	9.64	0.99
USF&G Corp.	NYS	18.63	4.93	50.51	19.63	9.88	1945	0.00	0.00	-	10.29	1.81
USLICO Corp.	NYS	18.13	0.00	0.69	20.00	15.00	35	0.24	1.32	-6	29.80	0.61
USLIFE Corp.	NYS	40.13	0.63	10.69	42.63	29.34	162	1.20	2.99	12	64.90	0.62
Washington National	NYS	22.63	-1.09	-1.63	28.00	19.25	55	1.08	4.77	12	30.27	0.75
Zenith National Ins.	NYS	24.00	0.00	21.52	29.25	16.38	99	1.00	4.17	20	14.81	1.62
Zurich Reinsurance Centr.	NYS	32.25	7.05	N.A.	36.38	30.00	563	0.00	0.00	-	23.99	1.34
INSURERS/REINSURERS	AVERAGE		1.2	5.8					2.0	14.5		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	OTC	27.00	-2.70	35.00	29.00	14.50	646	0.00	0.00	25	9.61	2.81
Pacificare Health Sys.	OTC	41.88	10.20	-17.89	57.50	25.50	173	0.00	0.00	21	3.90	10.74
Safeguard Health Enter.	OTC	9.25	15.63	-5.13	12.25	7.00	228	0.00	0.00	11	4.03	2.30
Sierra Health Services	ASE	21.63	13.07	0.00	21.69	9.19	269	0.00	0.00	18	2.01	10.76
TakeCare Inc.	OTC	42.25	4.00	-5.06	50.25	25.75	414	0.00	0.00	16	2.01	21.02
United Healthcare Corp.	NYS	62.13	0.81	9.23	68.00	40.00	1339	0.03	0.05	34	4.68	13.27
U.S. Healthcare	OTC	47.75	-0.52	7.00	59.75	33.84	5467	0.52	1.09	24	3.60	13.26
Wellpoint Health Networks	NYS	29.00	7.91	N.A.	39.75	23.00	545	0.00	0.00	16	-	-
HMOs	AVERAGE		6.0	2.9					0.1	18		
ALL COMPANIES	AVERAGE		3.3	3.7					2.1	18		

System design: Nordby International Inc.

Empire hearing

Continued from page 1
from $295 million over the two-year period.

The subcommittee staff concluded that despite Empire officials' contention that the plan's losses stemmed from the predatory underwriting practices of for-profit competitors, the problem was "gross mismanagement, poor business planning and operations as well as fraud."

Sen. John McCain, R-Ariz., had equally harsh words for the New York Insurance Department in his opening statement at the June 30 hearing, accusing the department of being in a "regulatory coma" when it came to overseeing Empire's operations.

But New York Superintendent of Insurance Salvatore Curiale denied, often with raised voice, that his department had failed to provide adequate regulatory oversight. Instead, the blame for Empire's woes rests with for-profit health insurers that were allowed by law to insure only the best risks while Empire, as the insurer of last resort, was stuck with the sickest of policyholders, he said.

Mr. Curiale's blasts at the for-profit insurers followed similar charges by Albert A. Cardone, the recently deposed chairman and chief executive officer of Empire. Once again, he blamed "cherry-picking and dumping" by for-profit insurers as the reason Empire suffered a net loss totaling $250 million for 1991 and 1992.

Empire's "competitors skinned off its community-rated, small-group, good-risk, profitable business and used Empire's open-enrollment community-rated pools as a dumping ground for their poor risks," said Mr. Cardone.

In his emotionally charged testimony, Mr. Cardone told the subcommittee that "it is obvious to me that the present, legally allowable practice of insurance competition based on the ability to select risk must be outlawed nationally if we are to start any meaningful regulation and reform of the health care industry."

Mr. Cardone said Empire had fought hard in the Legislature to win passage of New York's community rating and open enrollment law, which forbids competition on the basis of risk selection (*BI*, June 15, 1992).

"All of the recent highly publicized critical comments about me and my tenure at Empire are absolutely and unequivocally untrue," he said. They are "but another effort by special interests to discredit me and a fine institution which has been true to its noble mission and has been a safety net for thousands of New Yorkers who would have otherwise been uninsured were it not for Empire."

Mr. Cardone added that all charges against him and his handling of Empire were "pure fantasy and fiction."

But after Mr. Cardone's impassioned speech, testimony that seemed to further discredit Empire's past operating practices came not from a representative of a for-profit "special interest" but rather from a current Empire auditor.

Maroa C. Velez, Empire's vp-auditing, said she attempted to find out why there was a discrepancy between internal financial data—the so-called "Black Book"—kept by Empire and the data that Empire sent to state regulators. But, Ms. Velez said, she was "stonewalled" by Jerome Weissman, Empire's chief financial officer, who was recently suspended without pay by the plan.

Ms. Velez testified that Mr. Weissman told her there was no documentation for the discrepancy and told her to "just leave the issue alone." She also said that Mr. Weissman had told her Mr. Cardone had told him to increase losses from the high-risk community-rated group covered by the plan while decreasing losses for the better-risk experience-rated group.

Sen. Nunn asked Mr. Cardone point-blank if he had ordered the figures changed.

"No sir, I did not," said Mr. Cardone. He said he had merely "pressed" Mr. Weissman to find a reason for an apparent increase in the losses suffered by the community-rated group.

Throughout last week's hearing, Sen. Nunn pressed Empire officials for proof that cherry-picking and dumping had indeed occurred and had played a key role in Empire's woes. "We've been waiting six months" for an analysis of the alleged cherry-picking's impact, Sen. Nunn told Donald Murchower, Empire's acting CEO.

Mr. Murchower said he would have such an analysis prepared and sent to the subcommittee.

Sen. Nunn also pressed Mr. Curiale for such evidence. Mr. Curiale said he didn't have any written reports on the matter but promised to prepare some soon.

Despite agreeing with many of Empire's contentions that it was the victim of outside forces, Mr. Curiale —who is currently under political fire for his handling of the matter— took pains to distance himself from the ailing insurer.

"I'm not a cheerleader for Empire," he told the subcommittee. He said that Empire had "consistently" lied to the department.

Under questioning from Sen. Nunn, Mr. Curiale said he was treating the existence of two sets of financial records as a "very serious matter" because it involved lying to state regulators. Those who lied to his department "have destroyed the credibility of Empire Blue Cross & Blue Shield," he said.

Sen. Nunn's responsibilities as chairman of the Senate Armed Services Committee meeting required him to adjourn the hearing before he finished questioning Mr. Curiale. The senator said he would probably want Mr. Curiale to answer further questions for the record and solicited the regulator's views on national health care reform.

The Empire hearings are the latest in a year-long series investigations by Sen. Nunn's panel into problems with Blue Cross & Blue Shield plans. The BC/BS study is as part of an ongoing investigation of the insurance industry (*BI*, July 13, 1992).

Sen. Roth had already made clear that he thought the hearings should have a considerable impact on the nature of health care reform. BI

Ex-MetLife exec to head Empire

NEW YORK—Empire Blue Cross & Blue Shield has elected a retired insurance executive as its new chairman.

Philip Briggs previously was chief financial officer and vice chairman of Metropolitan Life Insurance Co. in New York. He retired from MetLife in March.

Mr. Briggs will take the helm at the embattled health insurer from Harold Vogt, who became interim chairman in May following the resignation of Albert A. Cardone. Mr. Vogt will resume his duties as a member of Empire's board of directors.

Mr. Briggs also will serve as chief executive officer of Empire until a permanent CEO is elected.

Cost of risk

Continued from page 2
joyed the continued soft market in 1991.

The cost of risk was 0.64% of revenues on average for all industries in 1991, up 5% from 0.61% of revenues in 1990. The cost of risk ranged from a low of 0.15% of revenues in the insurance industry to a high of 4.46% for the transportation services industry, which includes trucking, railroads and airlines.

Many service industries saw the cost of risk decline as a percentage of revenue in 1991, the survey found. For financial brokers, the cost of risk declined 79%; for the personal and business service industry, 58%; natural gas utilities, 37%; real estate brokers, 15%; and for the insurance industry, 12%.

While a direct link was found between higher costs of risk and high workers comp costs, Mr. Levin noted that the survey's authors could not establish a correlation between lower cost of risk and lower workers comp costs.

The average cost of risk for the 632 U.S. companies responding to the survey was $15.7 million, up 44% from 1990. However, as a percentage of revenue, the cost of risk increased just 4.9% to 0.64% of revenue in 1991, reflecting a higher revenue base for the 1991 respondents.

In 1990, the average U.S. company's total cost of risk rose 11.6% in actual dollars and 17.3% as a percentage of revenue over 1989 levels (*BI*, June 15, 1992).

The cost of risk as defined by the survey includes: net insurance premiums; unreimbursed losses, including self-insurance, deductibles and retentions; and administrative costs.

Due to insufficient response, captive insurance company information was excluded from this year's report. For companies that provided the data in other sections of the survey, any profit or loss from the captive was netted out of the total cost of risk.

Increases for U.S. companies were again due primarily to rising workers' compensation costs, which was the only risk financing component to increase as a percentage of revenue in 1991, to 0.3%.

Workers compensation costs jumped 65.1% to $7.1 million in 1991 from $4.3 million in 1990 for the average U.S. company surveyed.

Rising workers comp costs are also reflected in the changing composition of the risk dollar.

In 1991, 45.5% of the U.S. company's cost of risk went to workers comp risk financing costs, while 36.3% went to liability risks and 14.7% to property risks.

The remaining 3.5% went toward administrative and outside services costs, Mr. Levin said.

In 1990, 38.3% of the cost of risk went to workers comp risk financing, 42.6% for liability risks, 17.2% for property, and 1.9% for administrative and services costs.

Despite the soft market, U.S. companies continued to retain more risk in 1991, though the individual retention levels were flat to down.

The survey found that companies are self-insuring more risks, although they are not necessarily increasing the size of their retentions, Mr. Levin noted.

In addition, many companies are classifying more retained losses as self-insurance, whereas previously they may have regarded them as unreimbursable expenses, he said.

Expenses associated with self-insurance, such as claims handling, have also increased.

In 1991, U.S. respondents spent 47.4% of the cost-of-risk dollar on retained losses, the highest level since the first cost-of-risk survey in 1977.

For many companies, the percentage of revenue spent on retained losses is higher than the percentage spent on premiums, Mr. Levin said.

The size of retentions decreased, though, reflecting the continued soft marketplace for property and liability insurance.

In 1991, 26% of U.S. respondents reported having a retention level of more than $500,000 for liability, down from 34% in 1990.

For property insurance, about one-quarter of respondents reported having a retention level of at least $100,000 in both 1990 and 1991.

Government entities spent 83.1% of their cost-of-risk dollar for retained losses, followed by the transportation service industry, with 75.2%.

Meanwhile, the format of the report itself has changed. Percentage of revenue was used in lieu of percentage of premium due to the shrinking premium base, Mr. Levin said.

"It was an important objective of ours to make the report more user-friendly," he said.

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Copies of the 1992 Cost of Risk Survey will be available in mid-July for $250 from Tillinghast at 203-326-5400.

Update

Firm to appeal punitive award

Continued from page 2
Engineering's kyanite strip-mining operation drained from onsite holding pits into four nearby streams that run through the plaintiffs' property, killing all aquatic life. Kyanite is a heat-resistant mineral.

All of the affected land is valued at about $1.5 million, but cleanup costs would total $20 million, said plaintiffs attorney John M.B. Lewis IV of Huguenin, Annis & Lewis in Augusta.

The defendant argued the plaintiffs are time-barred from pressing claims against it for any property damage that occurred before August 1987. By then, the company had halted operations there and had begun a $1 million cleanup effort.

Court order favors Keene Corp.

NEW YORK—U.S. District Judge Jack B. Weinstein has issued a sweeping injunction that effectively bars Keene Corp. from paying court judgments stemming from asbestos personal injury lawsuits.

The July 1 order does not affect payments due victims facing extreme hardship.

Judge Weinstein issued the injunction, which halts all federal and state lawsuits as well as other claims against Keene, in response to a lawsuit the company filed in May. The court found Keene does not have sufficient assets to pay the 98,000 claims it currently faces.

Keene, which asserts that it has only $104 million in remaining assets, has proposed a massive settlement of all pending and future asbestos personal injury claims against the company.

PRUPAC sues Florida

TALLAHASSEE, Fla.—Prudential Property & Casualty Insurance Co. filed suit in federal court against the state of Florida last week, charging that the state's ban on cancellations of homeowners insurance interferes with the insurer's ability to manage its business.

PRUPAC's plans to non-renew 25,000 policies in Dade and Broward counties—reducing its homeowners policies in the state to 100,000—were halted by a moratorium on cancellations and non-renewals of homeowners policies through November (*BI*, May 24).

PRUPAC paid $1.3 billion in claims after Hurricane Andrew, more than twice its capital base of $600 million. A $900 million capital infusion from its parent, The Prudential Insurance Co. of America, allowed the insurer to remain solvent.

Briefly noted

Shareholders of **Navistar International Corp.** last week approved a plan to reduce its retiree health care benefits. The company's retiree health health care liability will drop to $1 billion under the plan from $2.6 billion previously (*BI*, Dec. 21, 1992). . . .The **City of Miami** will pay $7.5 million as part of an out-of-pocket settlement to the family of a man who lapsed into a coma after police used a chokehold on him . . .**LTV Corp.** contributed $787 million to its three pension plans insured by the Pension Benefit Guaranty Corp. last week. . . .California officials last week conducted a massive investigation in several counties seeking evidence of **workers comp insurance fraud**. . . . Unable to reach a compromise on a **major workers comp reform** bill and budget for its work comp operations, Ohio lawmakers last week approved a short-term emergency budget. They reconvene July 20 to continue deliberations. . . .Shareholders of Lawrenceville, N.J.-based **American Reliance Group Inc.** approved the sale of its assets and the business of its American Reliance Casualty Co. unit to Raleigh, N.C.-based Vik Brothers Insurance. An agreement for the transfer was reached late last year after American Reliance suffered heavy losses from Hurricane Andrew (*BI*, Jan. 4). . . .A federal judge in Miami has ordered Southern Underwriters Inc. and Hansa Reinsurance Co. of America to arbitrate a dispute over Hansa's alleged failure to pay **$11 million in Hurricane Andrew losses** (*BI*, April 26). . . . The state of Texas filed suit in federal court in Dallas last week alleging that Hartford Life & Accident Insurance Co. and Bank of America units participated in a **fraudulent insurance scheme** with an employee leasing company. Hartford and Bank of America deny any wrongdoing. . . .The Labor Department has filed a lawsuit against American National Can Co. of Chicago for improperly selecting and purchasing **group annuity contracts from Executive Life Insurance Co.** to fund retirement benefits for 747 participants and beneficiaries after the company terminated its pension plan in 1985 to recapture $34 million in excess assets.



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