JUNE 23, 1986

business insurance®

Reporting weekly for corporate risk, employee benefit and financial executives/$3.00 a copy; $60 a year

Entire contents copyright 1986 by Crain Communications Inc. All rights reserved.

15th annual agent/broker profile issue

Brokers' revenues blast off

Chalk up a record-breaking $863.1 million in new revenues for the 20 largest U.S.-based insurance brokers in 1985.

That was the value of their 22.5% revenue gain last year from big increases in property/casualty premiums, a swarm of new clients and some large acquisitions.

It was the biggest dollar gain ever in a single year by the Top 20 U.S.-based insurance brokers, which have been ranked by *Business Insurance* since 1972. And, it was the biggest percentage revenue gain among the Top 20 since the heydays of 1977, the last year of big rate increases in the previous tight property/casualty insurance market.

But, in 1977, the 20 largest U.S. brokers generated total revenues of only $1.4 billion, less than one-third of the Top 20's $4.7 billion in revenues in 1985.

This year's exclusive *Business Insurance* report on the commercial insurance brokerage business includes financial and management information on 286 brokerages in the United States and abroad that generated total 1985 revenues of $7.3 billion. Thirty-seven new brokers are included in the report this year, contributing to the growth in revenues from the $5.6 billion reported by 249 brokers reviewed last year.

An analysis of the Top 20 U.S. broker rankings begins on page 3. A report on the compensation of nine brokerage chief executive officers, based on public documents, appears on page 10. And, predictions about short-term developments in the commercial insurance market from the leaders of the largest brokerages begin on page 14.

Individual reports on the 20 largest U.S.-based brokers, including how they achieved their revenue growth in 1985 and their plans for this year and beyond, begin on page 20, including reports on two companies new to the Top 20 this year. A report on brokers ranked Nos. 21-25, which often move up into the Top 20 in later years, begins on page 82.

BI also ranks on page 3 the "next 80 largest" U.S. brokers, whose ranks this year grew to 81 due to a tie for the No. 100 spot between two brokers that each reported an even $4 million in revenues. It took almost $1 million more in revenues in 1985 to rank among the "next 80 brokers," as these brokers grew more quickly than even the Top 20. The combined revenues of the "next 80 brokers" grew 30% in 1985 to $666.1 million.

Financial and management information about these 81 brokers and an additional 174 brokers, whose 1985 revenues totaled $298.9 million, appears in an alphabetical listing beginning on page 85.

In addition, *BI* ranks the 20 largest insurance brokers in the world on page 3 and profiles the non-U.S. companies in the ranking in reports beginning on page 115. Included in the worldwide ranking this year are eight British brokers, one Canadian, one French and one Dutch broker. The 1985 gross revenues of these 11 brokers, converted to U.S. dollars at applicable exchange rates, totaled $2.1 billion. The nine U.S. brokers among the Top 20 world brokers generated nearly $4 billion in revenues.

A geographical index of all of the U.S. offices of the U.S.-based brokers begins on page 107.

Top 20 U.S. Brokers: 1985 performance

Company	Ranking 1985	Ranking 1984	Gross revenues (000) 1985	Gross revenues (000) 1984	Change	Employees 1985	Employees 1984	Change	Rev./Employee 1985	Rev./Employee 1984
Marsh & McLennan Cos. Inc.	1	1	$1,392,700	$1,131,800[1]	23.1%	17,733	16,963	4.5%	$78,537	$66,722
Alexander & Alexander Services Inc.	2	2	$967,900	$834,100[1]	16.0%	17,000	16,600[1]	2.4%	$56,935	$50,247
Johnson & Higgins	3	3	$523,514[2]	$412,866[2]	26.8%	6,710[2]	6,270[2]	7.0%	$78,020[2]	$65,848[2]
Frank B. Hall & Co. Inc.	4	4	$417,406	$371,903[1]	12.2%	7,000	7,000	—	$59,629	$53,129
Fred S. James & Co. Inc.	5	5	$391,503	$292,820[1]	33.7%	5,982	5,912[1]	1.2%	$65,447	$49,530
Corroon & Black Corp.	6	6	$263,497	$204,229[1]	29.0%	3,500	3,200	9.4%	$75,285	$63,822
Rollins Burdick Hunter Co.	7	7	$141,500	$113,900[1]	24.2%	2,142	1,872[1]	14.4%	$66,060	$60,844
The Crump Cos. Inc.	8	9	$97,973	$69,621	40.7%	1,512	1,210	25.0%	$64,797	$57,538
Jardine Emett & Chandler Inc.[3]	9	—	$93,758[4]	$73,092[4]	28.3%	1,357	1,235	9.9%	$69,092	$59,184
Bayly, Martin & Fay International Inc.	10	8	$91,900[4]	$77,900[4]	18.0%	1,355	1,333	1.7%	$67,823	$58,440
Arthur J. Gallagher & Co.	11	10	$81,572	$64,179	27.1%	1,158	1,026	12.9%	$70,442	$62,552
Republic Hogg Robinson Inc.	12	14	$36,656[4]	$30,606[4]	19.8%	592	594	-0.3%	$61,919	$51,525
Poe & Associates Inc.	13	15	$29,224	$24,333	20.1%	503	460	9.3%	$58,099	$52,898
Hilb, Rogal & Hamilton Co.	14	17	$28,700[4]	$21,400[5]	34.1%	430	365	17.8%	$66,744	$58,630
FBS Insurance	15	18	$26,900[4]	$19,500[4]	37.9%	389	289	34.6%	$69,152	$67,474
The Kaye Group Inc.	16	19	$23,950[4]	$17,361[4]	38.0%	287	254	13.0%	$83,449	$68,350
John L. Wortham & Son	17	21	$23,344[4]	$17,016[4]	37.2%	263	244	7.8%	$88,760	$69,738
McDonough Caperton Insurance Group[6]	18	20	$21,500[4]	$17,401[5]	23.6%	434	400	8.5%	$49,539	$43,503
Financial Guardian Group Inc.	19	16	$21,121	$23,316	-9.4%	283	333	-15.0%	$74,633	$70,018
B.R.I. Coverage Corp.	20	25	$20,100[4]	$14,300[4]	40.6%	150	138	8.7%	$134,000	$103,623
Totals/averages			$4,694,718	$3,831,643	22.5%	68,780	65,698	4.7%	$68,257	$58,322

[1] Restated [2] *BI* estimate; 1984 figures restated [3] Result of May 15, 1986 merger [4] Broker's report; no public records [5] Restated; broker's report; no public records [6] Information stated for fiscal years ending April 30 Chart: Amy Palmer, Holly Seguine

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

J&H INFOLINE

INFORMATION AND IDEAS ON RISK MANAGEMENT AND BENEFITS FROM JOHNSON & HIGGINS NO. 17

Uniform Excess Liability Facility Formed:

Major insurers move to reduce capacity shortfall.

Shortages in insurance capacity and disparities among new claims-made forms have been eased by the recent establishment of a new facility to offer third-party liability insurance in the much needed $25 to $100 million layer.

Subscribers to the facility, known as the American Excess Insurance Association, include some of the largest underwriters in the nation. Each subscriber has agreed to provide a fixed percentage of coverage on any risk accepted by American Excess's underwriting managers.

Aimed at the excess liability exposures of large corporations, the facility is designed to achieve commonality of form, coordination of claims adjustment and settlements, and reduction of layers. Eventually, it is expected to provide $75 million of coverage excess of $25 million. For companies with more difficult exposures, coverage may be limited to $50 million excess of $50 million.

Johnson & Higgins and another major broker helped to organize the new facility and continue to solicit further subscription. American Excess is accessible to brokers and to agents of all subscribing insurers.

For information, call the Casualty Manager of your J&H office or the J&H New York Casualty Manager at (212) 701-7999.

© 1986 Johnson & Higgins

JUNE 23, 1986

business insurance®

Reporting weekly for corporate risk, employee benefit and financial executives/$3.00 a copy; $60 a year

Entire contents copyright 1986 by Crain Communications Inc. All rights reserved.

update

Product liability bill bars suits involving older products

WASHINGTON—The Senate Commerce Committee has agreed to protect manufacturers from product liability suits involving older products, but decisively rejected a proposal to place limits on contingency fees paid to plaintiffs' attorneys.

As part of its continuing effort to approve federal product liability reform legislation, the committee last week accepted on an unrecorded

Continued on next page

'Terrorist' surcharge adds to growing cost of airlines' coverage

By STACY SHAPIRO

LONDON—A "terrorist" surcharge imposed by world aviation insurers last month will cost U.S. airlines about $17.5 million this year, one underwriter says.

The surcharge, which will be paid by airlines around the world as well as airports that buy liability war risk coverage from aviation underwriters, is the insurers' response to a growing number of aviation losses linked to terrorism.

One market observer in the United States said the surcharge and the rate increases could cause liability war risk rates to rise as much as 500% for some smaller airlines, though the increase probably will not be as big for larger air carriers.

In addition to this increased cost, airlines and aircraft manufacturers again will face stiff rate hikes for aviation hull and liability coverage during July 1 policy renewals, which are currently being negotiated.

While brokers and underwriters say it is too soon to accurately predict the size of the rate increases, most say that hull rates will rise at least 10%, while liability rate increases probably will exceed 25%, depending on the policyholder's loss record.

That's about in line with the rate increases paid by policyholders last year.

"There is a general consensus that there should be rate increases, but the question is how much," said one French underwriter.

Aviation hull and liability insurance capacity also will be tighter during July 1 renewals than in previous years, underwriters and brokers say, though airlines and aircraft manufacturers should find almost all the coverage they seek.

The continued tightening of the aviation insurance market was expected, following aviation insurers' horrendous loss record for 1985. Hull and liability claims for 1985 aviation accidents totaled at least $660 million, and when satellite losses and other aviation-related losses are included, underwriters eventually will pay out more than $1 billion for 1985 claims, a new record.

At least 1,300 people were killed in commercial aviation accidents last year, compared with only two fatalities during 1984 (*BI*, Dec. 9, 1985).

However, airlines were not expecting the sudden terrorist surcharge, imposed last month by all British, U.S. and European aviation war risk underwriters following a May 3 bomb explosion aboard an Air Lanka Ltd. Tristar in Colombo, Sri Lanka, which killed 15

Continued on page 131

Risk retention bill may face new hurdles as vote nears

By JERRY GEISEL

WASHINGTON—Legislation to expand the Risk Retention Act—no longer opposed by the National Assn. of Insurance Commissioners—still may face potentially lethal amendments as it heads for an imminent Senate vote.

The decision of the NAIC to drop its opposition to the legislation, in exchange for amendments to be added on the Senate floor that would give state regulators more control over risk retention groups, significantly increases the chances the Senate will pass the bill.

"I'm really optimistic. The amendments won't hinder formation of groups, yet it meets the concerns of commissioners. A major hurdle has indeed been cleared," said Jon Harkavy, director of governmental affairs and general counsel for the Risk & Insurance Management Society in New York.



Sen. Ford

Those amendments were hammered out by Robert Myers Jr., Washington counsel for the NAIC, and attorneys for a coalition of employers backing the bill.

The changes, which will be introduced on the Senate floor by Sens. Wendell Ford, D-Ky., and Slade Gorton, R-Wash., also have eased the concerns of most insurance trade groups, which also say that they will not lobby against the measure.

"I think the amendments will be acceptable and that we would not oppose the legislation," said Joan Albert Dreux, executive director for government affairs for the National Assn. of Casualty & Surety Agents in Washington.

The Senate could vote on the risk retention bill as early as this week if the Senate's tax overhaul bill is approved.

But employers now worry that amendments, other than those proposed by Sen. Ford, could be added and could gut the bill or trigger potentially fatal opposition from the NAIC and insurance trade groups.

One amendment under consideration by Sen. Gorton's staff would require a risk retention group to have at least 5% of its members be residents of the state in which it is domiciled.

Employers say such an amendment, if proposed and accepted, would make it virtually impossible for trade associations to set up risk retention groups.

The most likely domiciles for risk retention groups are states that already have special laws allowing the formation of captive insurance companies. Those states —Vermont, Colorado, Tennessee and Delaware—are not heavily populated, and thus it would be unlikely that a nationwide trade group would have at least 5% of members in any of those states.

Large states, like California, New York, Pennsylvania. Illinois, Ohio and Michigan, where some trade groups might have 5% of their members, lack special captive laws.

"Our view is that (the Gorton amendment) would preclude the possibility of using the Risk Retention Act," said Bruce J. Parker, general counsel of the National Solid Wastes Management Assn., a 2,000-member Washington-based trade association that wants to establish a risk retention group in Vermont to provide environmental impairment liability insurance to members.

"We are very diverse with members spread out over the country," Mr. Parker pointed out. He noted the trade group doesn't even come close to having 5% of its members in Vermont.

A 5% test "could gut the Risk Retention Act," Mr. Harkavy of RIMS asserted.

There also are concerns that other senators might attempt to add their own proposals designed to deal with the liability insurance crisis.

For example, Sen. Paul Simon, D-Ill., may try to tack on amendments to the legislation that would overhaul the McCarran-Ferguson Act, a Simon aide said. McCarran-Ferguson leaves primary regulation of the insurance industry with the states and gives insurers certain protections from federal antitrust law.

Sen. Simon also might try to attach an amendment to the risk retention legislation to require property/casualty insurers to report more financial information to the federal government, his aide said.

In addition, Sen. Daniel Inouye, D-Hawaii, still is considering a floor amendment to allow risk retention

Continued on page 132

Medical cost surge worries employers

By DONNA DiBLASE

Medical care inflation is picking up speed again.

The medical care component of the Consumer Price Index for All Urban Consumers rose sharply for the three months ended in April, while the overall CPI declined during the same period.

The seasonally adjusted compound annual rate of increase for the medical care component was 9.6% for the three months ended in April, the latest three-month period for which statistics are available. The overall CPI declined 4.3% during the same three-month period.

For the corresponding three-month period in 1985, the medical care component rose 7.1%, while the overall index increased 4.6%.

"Medical services usually run about twice the overall index, but now that gap is widening," observed Linda Havlin, a consultant with Lincolnshire, Ill.-based Hewitt Associates.

There is no consensus on why medical care inflation is surging, but among the reasons cited are:

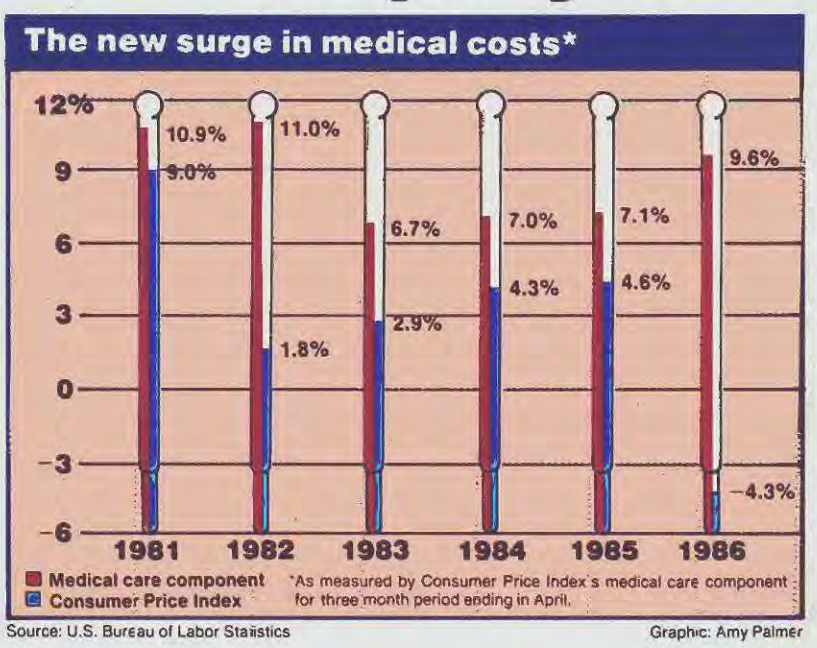
- Efforts to control health care costs were relaxed as medical care inflation subsided over the past several years.
- Successful cost-containment efforts have achieved all they can.
- Providers are compensating for lower utilization by raising prices.
- Patients admitted to hospitals today are sicker, requiring more expensive treatment.
- Hospitals are shifting costs to private payers—not only because the government program no longer is fully covering certain services, but also because of reductions in fees some employers have negotiated in agreements with hospitals.

Although group health insurers and health maintenance organizations say they aren't preparing to increase employers' rates to match the rise in medical care inflation, benefit managers, consultants and health care providers are concerned.

"I think this has caught a lot of people unaware. Generally, employers had been feeling that they were on top of their costs. But, when you see trends like this beginning in the CPI, you should take notice," Ms. Havlin said.

The current rate of medical care inflation is only tenths of a point away from the double-digit increases in medical prices in the early 1980s.

Continued on page 126



Source: U.S. Bureau of Labor Statistics

Graphic: Amy Palmer

update

Product liability protection

Continued from previous page
voice vote an amendment by Sen. Robert Kasten, R-Wis., that shields manufacturers from product liability lawsuits in accidents involving capital goods products that are more than 25 years old.

In addition, the committee approved an amendment by Sen. Slade Gorton, R-Wash., that presumes consumer goods are not defective after 10 years. The amendment, however, does not apply to automobiles and aircraft parts and other transportation-type products

On a 12-5 vote, the committee defeated a Kasten amendment to set limits on contingency fees (*BI*, May 5).

Tylenol makers lose appeal

NEW BRUNSWICK, N.J.—McNeilab Inc., a unit of Johnson & Johnson, lost its appeal of a federal judge's ruling that denied it coverage under a $50 million all-risk property insurance policy for losses related to the 1982 recall of Extra Strength Tylenol capsules.

A three-judge panel of the 3rd U.S. Circuit Court of Appeals on June 12 affirmed the ruling of U.S. District Judge Frederick B. Lacey that McNeilab, Tylenol's manufacturer, could not recover lost profits under the business interruption clause of the property policy written by Affiliated FM Insurance Co.

Judge Lacey ruled last year that the lost profits did not fit the definition of loss set forth in the policy's business interruption clause (*BI*, Sept. 2, 1985).

J&J—which launched a nationwide Tylenol recall after cyanide-laced capsules were found to have caused the deaths of seven Chicago-area residents—is still pursuing recall-related claims against several of its liability insurers.

Court to rule on tax deductions

WASHINGTON—The Supreme Court will decide whether employers that self-fund their group health care plans without using a 501(c)(9) trust are entitled to tax deductions for loss reserves before claims are actually paid.

The court said it would review a 1985 decision by the Federal Circuit Court of Appeals that upheld the right of General Dynamics Corp. and subsidiaries to deduct the amount of reserves for incurred-but-not-reported health care claims established in 1972.

The appellate court ruled that General Dynamics had met the so-called "all-events test" for determining deductibility of reserves.

Government attorneys say there are 57 cases pending before the Internal Revenue Service involving the deductibility of IBNR reserves by corporations self-insuring medical plans.

The issue may not be limited to medical plans, but could extend to any self-insured liability program and workers compensation reserves, the government says.

However, the Deficit Reduction Act of 1984 replaced the all-events test with an economic performance test that limits tax deductions for self-funded losses to amounts actually paid in the tax year, or, for liabilities other than workers compensation, paid within 8½ months after the close of the tax year.

While presumably the decision would affect tax years only prior to 1984, two attorneys involved in the litigation suggested a decision for General Dynamics might not be pre-empted by the 1984 law.

Defense cost proposal delayed

BOSTON—As expected, the National Assn. of Insurance Commissioners postponed until its December meeting consideration of an Insurance Services Office proposal to include defense costs within commercial general liability insurance limits until the NAIC completes its study of the issue.

Until then, the NAIC wants its member states to continue the moratorium begun in December 1985 against approving CGL policy filings that contain provisions for charging defense costs against policy limits (*BI*, Dec. 23, 1985).

However, in a resolution adopted by the NAIC at its meeting earlier this month, the association recognizes each state's need for flexibility when dealing with its own market. That resolution also:

- Recognizes that the problem of unlimited defense costs is inherent in certain insurance lines.
- Believes a proper place to address this issue is within insurance policy language.
- Encourages the study to include a solution for integrating primary and excess policies when defense costs are charged against policy limits.

Amex, SEC end dispute

NEW YORK—American Express Co. and the Securities and Exchange Commission have settled their dispute over Amex's accounting of three reinsurance transactions at former subsidiary Fireman's

Continued on page 132

index

Benefit beat	124
Classifieds	130
Comings&goings: buyers	122
Comings&goings: industry	123
Insurance services guide	132
London line	124
Markets	125
Opinions	8
Products & services	123
Spotlight report	3
Ticker	133

Vol. 20, No. 25—*Business Insurance* (ISSN 0007-6864) is published weekly at 740 Rush St., Chicago, Ill. 60611. Second-class postage is paid at Chicago, Ill., and at additional mailing offices. Postmaster: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich., 48207; 313-446-1611.
Copyright 1986 by Crain Communications Inc.

Connecticut tort reform may cut liability rates

By JUDY GREENWALD

HARTFORD, Conn.—Commercial liability insurance may become less expensive and more available in Connecticut because of the state's new tort reform law that takes effect Oct. 1, some insurers say.

The law, which amends the application of joint and several liability to all damages and limits municipalities' liability, among other provisions, has already led to reductions of up to 10% in liability insurance rates for many Connecticut municipalities.

But the law, which was signed earlier this month by Gov. William A. O'Neill, may face a challenge in the state's courts from the Connecticut Trial Lawyers Assn.

The CTLA believes the law is unconstitutional because it conflicts with several other statutes, deprives people of their "civil right to a jury trial" and treats defendants unequally in many situations, according to CTLA President R. Bartley Halloran.

He also predicted the law will not make insurance more readily available.

However, a spokesman for Hartford Insurance Group called the legislation an "important first step, even though the ultimate impact of the law is still up in the air."

"Obviously, we're pleased," he said.

As a result of the law, Hartford has reduced municipal liability rates up to 10% for most Connecticut cities and towns it insures, effective July 1, the spokesman said. The company, which insures 94 of the state's 169 municipalities, had anticipated municipal liability rate increases of 20% before the bill's passage.

Hartford has no plans now to reduce rates for other liability lines, however, the spokesman said.

"I think we're going to have to wait and see what happens on a national basis," he says. "There's still a lot of uncertainty out there."

A spokesman for Aetna Life & Casualty Co. said the insurer will adapt its business plan "to adjust for growth in Connecticut" as a result of the law.

Because Connecticut's civil justice system is now "more fair, more efficient and more predictable," more commercial buyers will be able to get coverage, he said.

And, "as the new tort laws reduce our cost of paying for liability claims, these things will be reflected in our price," he added.

Because of the law, CIGNA Corp. will now consider writing business it previously wouldn't have written because the environment was "not stable enough" to judge the risk, a spokesman said. And, if claims severity and frequency are reduced in Connecticut, he said, "prices will moderate and even diminish."

"We may see an easing of prices initially because an element of pricing is predictability," which is expected to improve as a result of the law, he said.

The other element involved in pricing, he noted, is experience, and "experience will not change immediately. That element of the pricing equation will take a little more time, obviously," he said.

However, a Travelers Corp. spokesman said: "We see no need for changing rates. Each piece of business, of course, is rated according to its own merits. It really is too early to tell what impact the bill will have on rates. This is a little bit longer-term situation."

The law will take effect in October, with the excep-

Continued on page 132

Courts differ on employee asbestos suits

By STEPHEN TARNOFF

PHILADELPHIA—Two federal courts are taking different routes in deciding whether employers may be sued by former employees for allegedly withholding information on the dangers of asbestos.

In one decision, the 3rd U.S. Circuit Court of Appeals, applying Pennsylvania law, ruled that former employees of Asten-Hill Manufacturing Corp. could not sue the company directly for allegedly withholding scientific data, failing to warn employees of the dangers of asbestos, failing to test products and acting in deliberate disregard of workers' safety.

In the other decision, a U.S. District Court, applying New Jersey law, said employees could sue the Celotex Corp. to determine whether it "fraudulently concealed" from employees information about their asbestos-related diseases.

Attorneys for plaintiffs and de-

Continued on page 127

Jury decision expected soon in smokeless tobacco case

By MICHAEL BRADFORD

OKLAHOMA CITY—A federal jury is expected to return a verdict this week in a lawsuit seeking $147 million in damages from U.S. Tobacco Co. in the death of a 19-year-old man who used smokeless tobacco.

If the Greenwich, Conn., company is ordered to pay damages, it will be the first product liability suit ever lost by a tobacco manufacturer in the United States, according to tobacco litigation experts.

The case differs from others aimed at tobacco manufacturers because it involves a maker of smokeless tobacco, experts note.

Because there are enough differences between the two types of tobacco, some plaintiffs' attorneys believe that the smokeless tobacco-maker cannot benefit from arguments used successfully by cigarette producers in previous court cases.

Cigarette manufacturers have never lost a product liability case. In litigation involving cigarette manufacturers, defendants have been able to argue they are not liable for health problems because their products carry government-mandated warnings.

Smokeless tobacco carries no warnings, although a warning will be printed beginning next year.

In addition, risks associated with the use of smokeless tobacco have not been publicized to the same extent as those attributed to cigarettes, and some feel the lack of wide public knowledge about the product could be a disadvantage for the maker of smokeless tobacco.

U.S. Tobacco manufactures Copenhagen and Skoal smokeless tobacco and other tobacco products. It does not produce cigarettes.

Continued on page 132

Delaware law limits D&O liability

By DOUGLAS McLEOD

DOVER, Del.—Directors of companies incorporated in Delaware could be shielded from some liability under a law signed last week by Gov. Michael N. Castle.

The new law, effective July 1, allows shareholders of Delaware corporations to approve provisions in certificates of incorporation that would limit or eliminate directors' liability for breaches of fiduciary duty.

Under previous Delaware law, directors found grossly negligent in performing their duties could be held personally liable for monetary damages and could not be indemnified by their companies.

The law was amended in response to the directors and officers liability insurance crisis that has led to an exodus from corporate boardrooms by directors concerned about their personal liability.

About half of the Fortune 500 companies and 40% of New York Stock Exchange-listed companies are incorporated in Delaware.

However, the new law does not allow any limitation of directors' liability for:

- Acts or omissions not in good faith or which involve intentional misconduct or knowing violations o law.
- Transactions in which directors derive an improper personal benefit.
- Breaches of directors' "duty of loyalty" to the corporation and its shareholders.

Delaware law will continue to hold directors personally liable for such acts and will forbid indemnification by corporations, according to Edward McNally, a Wilmington lawyer who is vice chairman of a Delaware Bar Assn. group that helped draft the law.

In addition, the new law still allows claims of breach of fiduciary duty to be brought against directors in court actions for equitable relief, including—for example—lawsuits seeking an injunction to block a corporate merger or seeking recision of such a takeover.

The Delaware Legislature acted after determining that the unavailability of D&O insurance "threatened the quality and stability of the governance of Delaware corporations because directors have become unwilling in many instances, to serve without the protection which such insurance provides and, in other instances may be deterred by the unavailability of insurance

Continued on page 13

Top 20 brokers increasing muscle in tight marketplace

The largest U.S.-based insurance brokers are dramatically increasing their market share in the tight commercial property/casualty insurance marketplace.

While admitting that double-digit gains in 1985 gross revenues reflect hefty premium increases, the largest U.S. brokers contend their big revenue growth includes new business from hordes of new clients looking for marketplace muscle and special expertise.

New client movement to larger brokers is evident in the 1985 revenue figures reported by agents and brokers responding to the 1986 *Business Insurance* survey of the commercial insurance brokerage business.

This year's 20 largest U.S. brokers, based on 1985 performance, doubled their 1984 growth rate of 11.1%, turning in their best growth rate since 1977: a 22.5% increase in revenues to $4.7 billion.

The 1985 revenue gain also was the biggest growth ever: $863 million.

In 1977, when revenues for that group of brokers grew 24.3%, the increase was a mere $288 million to just $1.5 billion—only slightly more than the $260.9 million revenue gain recorded in 1985 by Marsh & McLennan Cos. Inc. to hit $1.4 billion.

Between 1977 and 1984, the then-Top 20 brokers' revenues grew 18.2% in 1978; 18.4% in 1979; 16.2% in 1980; 14.2% in 1981; 10% in 1982; and 2.1% in 1983.

Revenues per employee among the Top 20 brokers also hit a record high in 1985 of $68,257, up 17% from last year's record of $58,322.

The next 80 brokers—which is really 81 brokers this year due to a tie for 100th-place—even outpaced the Top 20 brokers in growth. Collectively, their revenues grew 30% to $662.1 million in 1985 from a collective $512.9 million in 1984.

The other 174 brokers listed in the directory, however, did not perform as well. Their collective revenues grew only 7.6% to $298.9 million in 1985, suggesting they are the source of some of the new clients the Top 20 brokers say they are landing.

This year, the Top 20 brokers expect to do equally well, if not better than in 1985. The first-quarter results of the publicly traded brokers—all of which rank among the Top 20—suggest they will. Revenue gains in the first quarter exceeded 25% at six of these seven brokerage companies (*BI*, May 12).

Insurance rates continued to climb through the first six months of this year, boosting commissions even further. And, although the brokers expect rates for property insurance and other more predictable lines of coverage to stabilize and maybe even come down within the next year, they expect liability insurance rates to continue to increase (see story, page 12).

Revenues per employee hit a record high of $68,257 among the Top 20 U.S. brokers in 1985.

And, the pace of insurance brokering at the Top 20 brokers isn't slowing, executives say.

Indeed, it is almost frenetic as brokers beat the bushes of the capacity-short commercial insurance marketplace to flush out affordable coverage for desperate clients.

When they come up empty-handed, many brokers aren't giving up. Instead, they are helping clients create new risk financing alternatives, including huge multiowner insurance companies, captive insurers and new self-insurance programs.

Investors, meanwhile, are enthralled, dramatically driving up the stock prices of all but two of the seven U.S. brokers whose stock is publicly traded. As a result, four have split their stock in the past year, and a fifth will do so next month.

All this prosperity also is creating renewed interest in mergers and acquisitions, especially among the publicly traded brokers.

Acquisitions during 1985 only contributed to the stellar growth of The Crump Cos. Inc., which led the pack of the Top 20 in growth with a 40.7% increase in revenues during 1985 to nearly $98 million.

Continued on next page

Strong pound boosts British brokers

The increased strength of the British pound and acquisition-fueled revenue growth pushed British brokerages to higher positions among the world's 20 largest insurance brokers.

For example, Sedgwick Group P.L.C. jumped three spaces to the No. 3 spot in *Business Insurance's* ranking of the world largest brokers by virtue of higher exchange rates and its 1985 acquisition of Fred S. James & Co. Inc., which last year ranked as the world's fifth-largest broker.

Sedgwick's revenues, including James' results, increased 59.4% in 1985 to $843.2 million using a year-end 1985 exchange rate of $1.45 to the pound. Last year, when James' revenues were not included and the exchange rate was $1.16 to the pound, Sedgwick reported gross revenues of only $286.8 million.

The difference in exchange rates had a profound effect on all British members of the Top 20. For instance, while Sedgwick posted a 59.4% revenue gain in dollar terms, its revenues in pounds rose 27.5%. Likewise, revenues at seventh-ranked Willis Faber P.L.C. grew 43.8% when converted to dollars, but 15% when stated in pounds.

Other British brokers that climbed in the rankings, largely because of exchange rates, include Willis Faber, which moved to seventh place from ninth last year; Hogg Robinson Group P.L.C., which jumped to the No. 8 spot from 11th place; Minet Holdings P.L.C., which gained three spots to take 10th place; Stewart Wrightson Holdings P.L.C., which rose to 12th from 15th place; and Bain Dawes P.L.C., which finished in 18th place, up from 20th last year.

In addition, the acquisition of Emett & Chandler Cos. Inc. propelled another London-based broker, Jardine Insurance Brokers Group, to ninth place in the rankings from the 14th spot last year.

Despite the benefits from currency translation, one British broker dropped a notch. While C.E. Heath P.L.C., now the 13th-largest world broker, reported a revenue gain in dollar terms, Heath's revenues actually dipped slightly when stated in pounds.

Two brokers disappeared from the Top 20 this year becaused they were acquired by other brokers. James was acquired by Sedgwick last year, while Reed Stenhouse Cos. Ltd., which was ranked as the world's seventh-largest broker last year, was acquired by Alexander & Alexander Services Inc., which remains the second-largest broker in the world.

Replacing James and Reed Stenhouse in the rankings are Paris-based Faugere et Jutheau S.A., which entered the Top 20 in the No. 17 spot with revenues of $71.4 million, and Hudig-Langeveldt Groep bv, based in Rotterdam, Netherlands, which took 19th place with $55.9 million in revenues.

Faugere, whose 1982 revenues ranked it as the 18th-largest broker in the world before dropping out of the Top 20 the next year, was ranked No. 21 last year. Hudig-Langeveldt, which appears in the Top 20 for the first time this year, was in 22nd place last year.

Profiles of the nine U.S. brokers among the world's 20 largest begin on page 20. Profiles of the foreign-based brokers begin on page 115.

Top 20 world brokers

Company	1985 gross revenues (in millions)
1.Marsh & McLennan (U.S.)	$1,392.7
2. Alexander & Alexander (U.S.)	967.9
3. Sedgwick Group (U.K.)	843.2[1]
4. Johnson & Higgins (U.S.)	523.5[2]
5. Frank B. Hall (U.S.)	417.4
6. Corroon & Black (U.S.)	263.5
7. Willis Faber (U.K.)	255.6[1]
8. Hogg Robinson (U.K.)	185.0[1 2]
9. Jardine Insurance Brokers (U.K.)	169.5[1]
10. Minet Holdings (U.K.)	149.3[1]
11. Rollins Burdick Hunter (U.S.)	141.5
12. Stewart Wrightson(U.K.)	127.6[1]
13. C.E. Heath (U.K.)	123.0[1]
14. The Crump Cos. (U.S.)	98.0
15. Bayly, Martin & Fay (US)	91.9
16. Arthur J. Gallagher (U.S.)	81.6
17. Faugere & Jutheau (France)	71.4[1]
18. Bain Dawes (U.K.)	62.5[1]
19. Hudig-Langeveldt (Netherlands)	55.9[1]
20. Sodarcan (Canada)	53.7[1]

[1] Converted to U.S. currency at applicable exchange rate.
[2] *BI* estimate

Source: *BI* survey

The next 80 largest U.S. brokers

Company	1985 gross revenues
21. McGriff, Seibels & Williams Inc.	$18,934,549
22. Robinson-Conner Inc.	$18,000,000
23. ABI Management Inc.	$17,700,000
24. Andreini & Co.	$17,122,248
25. Brown & Brown Inc.	$17,113,067
26. Lawton Byrne Bruner	$16,700,000
27. Rhulen Agency Inc.	$16,594,000
28. The Redland Group	$15,796,346
29. Collier Cobb & Associates Inc.	$15,000,000
30. Cal-Surance Group	$14,982,000
31. The Kornreich Organization	$14,400,000
32. Lawrence Agency Corp.	$13,134,000
33. Frenkel & Co. Inc.	$12,380,000
34. Rebsamen Insurance	$12,070,243
35. Anco Insurance	$12,000,000
Davis, Dorland & Co.	$12,000,000
37. The Armistead Group Inc.	$11,700,000
38. Frank Crystal & Co. Inc.	$11,224,000
39. Roanoke Agency Inc.	$10,900,000
40. Robert F. Driver Co. Inc.	$10,528,569
41. Palmer & Cay/Carswell Inc.	$10,500,000
42. Haas & Wilkerson Inc.	$10,401,610
43. Keenan & Associates	$10,125,110
44. Meeker Sharkey Financial Group Inc.	$9,711,000
45. The Leavitt Group	$9,621,000
46. The Lockton Insurance Agency Inc.	$9,464,000
47. John M. Riehle Inc.	$8,675,000
48. Associated Agencies Inc.	$8,504,097
49. Insurance Management Associates Inc.	$8,384,186
50. Kendall Insurance Inc.	$8,164,000
51. ISU/Brooks & Stafford Co.	$7,760,000
52. Schwartz Brothers Insurance Agency Inc.	$7,744,000
53. NIA Ltd./National Insurance Associates	$7,550,000
54. The Graham Co.	$7,182,000
55. Kelter-Thorner Inc.	$7,134,000
56. J. Smith Lanier & Co.	$7,127,000
57. Mahoney & Wright Insurance Agencies	$7,103,000
58. Marshall & Sterling Inc.	$6,963,396
59. ISU/Hastings-Tapley Insurance	$6,955,209
60. Holmes, Murphy & Associates Inc.	$6,941,137
61. The Daniel & Henry Co.	$6,935,457
62. North American Insurance Agency Inc.	$6,813,000
63. The Talbert Corp.	$6,779,000
64. MacIntyre, Fay & Thayer Insurance Agency	$6,730,958
65. S.H. Gow & Co. Inc.	$6,600,000
Meadowbrook Inc.	$6,600,000
67. W.K.P. Wilson & Son Inc.	$6,300,000
68. South Continental Insurance Agency Inc.	$6,247,000
69. Arthur L. Owen Co. Inc.	$6,227,000
70. The McElroy-Minister Co.	$6,053,246
71. Variable Protection Administrators Inc.	$6,005,223
72. Thomas E. Wood Inc.	$6,000,000
73. The Van Gilder Insurance Corp.	$5,870,000
74. Sander A. Kessler & Associates Inc.	$5,725,649
75. Alliance Brokerage Corp.	$5,700,000
76. The Loomis Cos. Ltd.	$5,600,000
77. Association Administrators & Consultants Inc.	$5,528,000
78. John P. Tilden Ltd.	$5,388,047
79. Henderson & Phillips Inc.	$5,362,642
80. Bolton & Co.	$5,200,000
81. Mammel/Schropp/Swartzbaugh/Engler & Jones Inc.	$5,187,072
82. James Econn & Co.	$5,128,862
83. Richard N. Goldman & Co.	$4,900,000
84. Fred A. Moreton & Co.	$4,840,000
85. Lasher-Cowie Agency Inc.	$4,712,879
86. Ulrich Voorhees Warner Associates	$4,650,000
87. Wharton/Lyon & Lyon	$4,554,000
88. Wisenberg Insurance & Risk Management	$4,486,000
89. John D. Williams Co.	$4,445,000
90. Schiff, Kreidler-Shell Inc.	$4,365,665
91. Mack & Parker Inc.	$4,323,356
92. Anderson & Anderson Insurance Brokers Inc.	$4,282,000
93. Pierson & Smith Inc.	$4,271,089
94. J.H. Silversmith Inc.	$4,250,000
95. The Woodsmall Cos.	$4,242,000
96. Mason-McDuffie Insurance Service Inc.	$4,209,500
97. Palmer Goodell Insurance Agency Inc.	$4,189,000
98. Saldana & Associates Inc.	$4,100,000
99. MDM Insurance Associates Inc.	$4,030,000
100. Babb Inc.	$4,000,000
Kientz & Co.	$4,000,000

Source: Brokers' responses to *BI* survey; no public records

Charts: Amy Palmer

Top 20 brokers

Continued from previous page

The Memphis, Tenn.-based broker also credits its growth to increases in new clients for its retail brokerage and its excess/surplus lines operation.

Crump Chairman and Chief Executive Officer Sidney A. Stewart predicts Crump will double its revenues to $200 million by 1988 and become a full national broker.

Crump's big growth in 1985 created the first movement in the Top 20 rankings this year by jumping over Bayly, Martin & Fay International Inc. into the No. 8 spot from No. 9 last year.

Two acquisitions among the Top 20 brokers of last year—one in 1986 and one in 1985—also contributed to a shakeup in the ranks.

The May 15 purchase of Los Angeles-based Emett & Chandler Inc. by San Francisco-based Jardine Insurance Brokers Inc. created a new ninth-ranked broker, Jardine Emett & Chandler Inc., based on combined 1985 revenues.

Based on 1984 revenues, Jardine ranked 12th and Emett & Chandler ranked 13th among the Top 20.

(*BI* recognizes acquisitions and mergers after the close of the year among the Top 20 brokers so that the Top 20 ranking reflects brokers' current standing in the market. Other 1986 mergers or acquisitions are not reflected in the results reported in this issue.)

The rise of Jardine Emett & Chandler to No. 9 pushed Bayly, Martin & Fay down another slot to No. 10 and Arthur J. Gallagher & Co. down a notch to No. 11.

Revenues grew 18% to $91.9 million at Fort Worth, Texas-based BMF. Gallagher, based in Rolling Meadows, Ill., grew faster than the Top 20 average, increasing its revenues 27.1% to $81.6 million.

While pushing down BMF and Gallagher, the combination of Jardine and Emett & Chandler opened up a new slot in the rankings below No. 11, as did the July 1985 acquisition of Reed Stenhouse Cos. Ltd. by No. 2-ranked Alexander & Alexander Services Inc. The No. 11 spot in the rankings was held last year by Reed Stenhouse U.S.A.

Only three brokers in the second tier of the Top 20, however, simply held their relative rankings, moving up two spots.

Boston-based Republic Hogg Robinson Inc., reporting 19.8% growth to $36.7 million in revenues, moved up to No. 12 from No. 14.

Tampa, Fla.-based Poe & Associates Inc., with a 20.1% revenue increase to $29.2 million, moved up to No. 13 from 15th place.

And Charleston, W.Va.-based McDonough Caperton Insurance Group moved up to No. 18 with a 23.6% revenue gain to $21.5 million.

The remaining brokers in the second tier moved substantially.

Hilb, Rogal & Hamilton Co. moved up three positions to No. 14, with a 34.1% increase in revenues to $28.7 million. The Richmond, Va.-based broker specializes in serving medium-sized accounts generating annual commissions of $5,000 to $75,000.

FBS Insurance, a unit of First Bank Systems Inc. in Minneapolis, also moved up three spots to No. 15 with a 37.9% increase in revenues to $26.9 million, the fourth-largest among the Top 20. FBS attributed its growth primarily to acquisitions, but also credited rising prices and new business.

The Kaye Group, based in New York, moved up three positions to No. 16 with a 38% gain in revenues to nearly $24 million, the third-largest growth rate among the Top 20. Kaye cites new retail brokerage clients and rate increases for its growth.

John L. Wortham & Son in Houston leaped four places to return to the Top 20 after a one-year absence. Wortham's revenues grew 37.2% to $23.3 million, again credited to new business and rate increases.

Financial Guardian Group Inc., based in Kansas City, Mo., took the biggest fall among the Top 20 brokers, dropping three slots in the rankings to No. 19. The divestment of businesses unrelated to retail brokerage created a 9.4% decline in revenues to $21.1 million.

B.R.I. Coverage Corp. this year broke into the Top 20 for the first time with a 40.6% increase in revenues to $20.1 million. Its growth rate was second only to Crump.

The New York-based broker, which just missed the No. 20 spot based on 1982 results and has ranked within No. 21-25 since, says rising rates, new clients and new business from existing clients all contributed to its spectacular growth.

B.R.I. also recorded the highest revenue per employee of any Top 20 broker in the last 15 years: $134,000. Howard Miller, senior vp of B.R.I., said that the firm maintains a dramatically higher revenue per employee than other brokers by holding down:

- Secretarial and clerical staff.

"We are not big believers in extra personnel," said Mr. Miller, who shares a secretary with four other executives. "It's excess weight as far as we are concerned.

- The number of B.R.I. executives involved on a given client's account.

While other brokers may assign three or more executives to regularly service a single account, B.R.I. assigns only the executive who first brings the client to the firm and another in-house account executive, he explained.

Among the other Top 20 brokers, most say they are hiring staff to cope with the increased difficulty of marketing insurance today, but collectively the Top 20 brokers increased staff only 4.7%—a full point less than in 1984.

The seven largest U.S. brokers all held their positions in the rankings, but the merger of New York-based A&A with Reed Stenhouse pushed A&A closer in size to Marsh & McLennan Cos. Inc., the largest insurance broker in the United States and the world.

A&A, however, failed to gain more ground with revenue growth of just 16% to $967.9 million, compared with M&M's 23.1% gain to $1.4 billion.

New York-based M&M's insurance brokerage group produced an even slightly better gain than the parent company—22.3% to $554 million—with U.S. revenues growing even faster at 29%.

A&A, while making no apologies for its lower growth rate, admits that management time was diverted last year by legal wranglings stemming from the misappropriation of funds at London broker Alexander Howden P.L.C., which A&A acquired in 1982.

Johnson & Higgins, also based in New York, strengthened its hold on its spot as the No. 3 broker with a 26.8% increases in revenues to an estimated $523.5 million. J&H, as a privately held broker, refuses to release its revenues to *Business Insurance*. New and additional business created about one-third to one-half of that growth, J&H says.

But, Frank B. Hall & Co. Inc.'s grip on the No. 4 spot slipped somewhat, as the Briarcliff Manor, N.Y.-based broker turned in the second worst 1985 revenue performance among the Top 20: a mere 12.2% growth in gross revenues.

Hall account executives were diverted from developing new business in 1985 by a string of events that forced them to spend time explaining their company to current clients.

Those events included the liquidation of Hall's insurance subsidi-

Continued on page 6

IN BUSINESS, THERE'S MORE THAN ONE RISK.

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

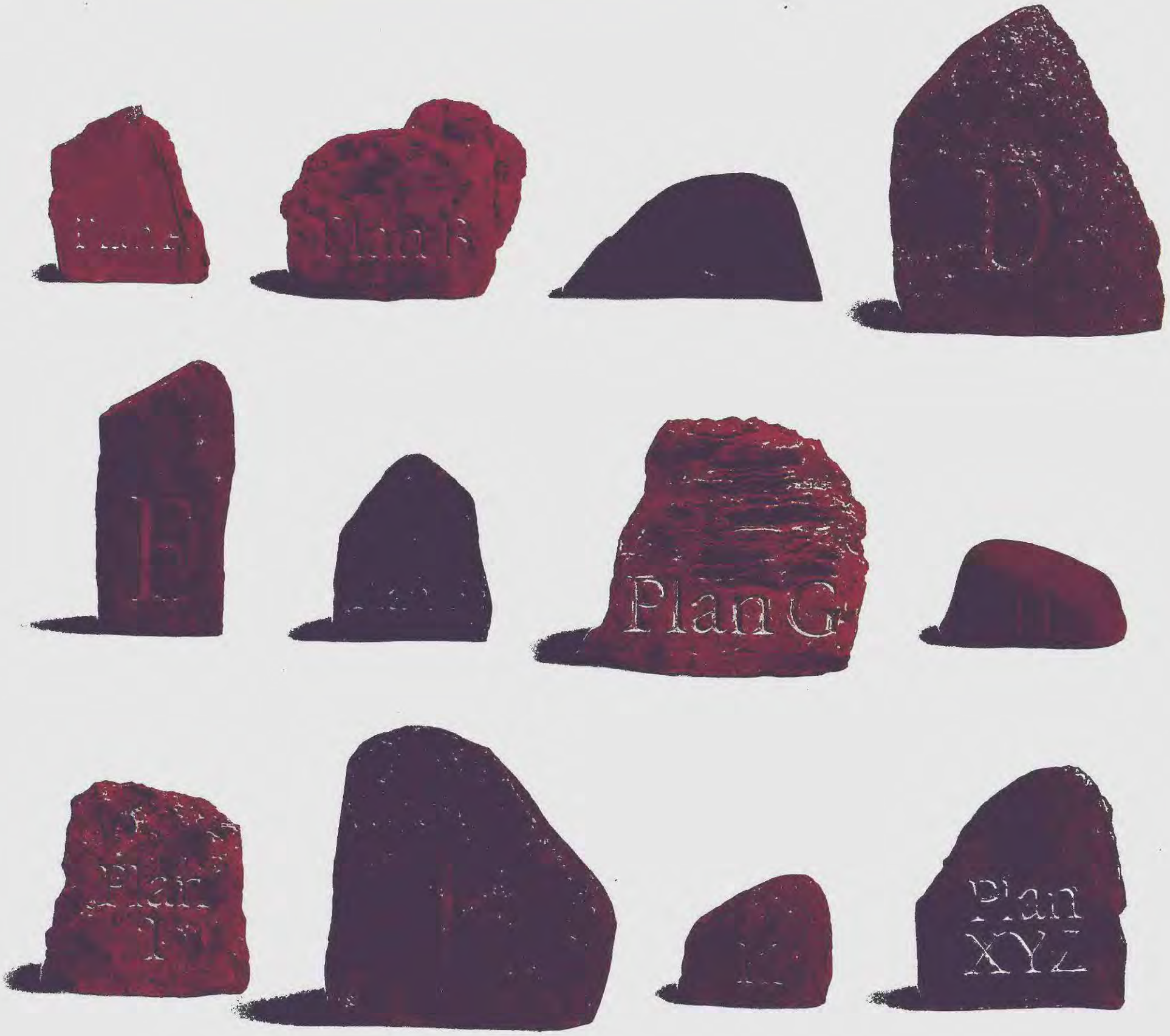
Computer Crash. Pollution Liability. Product Recall. D&O Liability. Business Interruption Losses. Product Liability. Key Person Losses. These are just some of the many risks that businesses must face every day. What's the best way to manage these risks? Many risk managers turn to their Independent Insurance Agent. They know that an Independent Agent is a true professional who can recommend creative programs that utilize traditional insurance, self-insurance, co-insurance, captives, or a combination that best suits the special needs of your business. And because Independent Agents represent several insurance companies not just one, they can help you select the best business coverages at the best price.

So no matter how big or small your business, it's a good idea to consult an Independent Insurance Agent. They're the more-than-one-company agents ...and helping you manage your business risks is their business.

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

YOUR Independent Insurance AGENT SERVES YOU FIRST®

THE MORE-THAN-ONE-COMPANY INSURANCE AGENT.



Most Flexible Benefit Plans Are A Little Rigid In Their Thinking.

Ask some companies to set up a flexible benefits plan for your company, and you may end up with an approach that's carved in stone.

In reality, most flexible benefit plans are rigid pre-packaged plans that are difficult to adapt to the individual requirements of your company and employees.

But at NWNL Group, we work with you to structure a program that reflects your specific needs. That might include a comprehensive program with a full portfolio of products or a simplified model that's more in keeping with your resources.

Our flexible approach to flexible benefits also includes a full range of reports that let you measure the effectiveness of your plan.

And perhaps most important of all, your plan is implemented by a company with nearly 70 years of experience in employee benefits.

To find out just how flexible we can be, return the coupon for more information.

Please send me more information on your Flexible Benefit Plans. Send to: Ginny Patrick, NWNL Group, 100 Washington Square, Mpls., MN 55440.

Name_____

Company_____

Address_____

City_____ State____ Zip_____

Phone_____

THE FASTER THINGS CHANGE, THE MORE YOU NEED NWNL®

NWNL GROUP

A division of Northwestern National Life Insurance Company, Minneapolis, MN (Not admitted in the state of New York). The North Atlantic Life Insurance Company of America, Jericho, NY (A member of the NWNL Companies).

BI-6

Estimated 1985 retail brokerage revenues
(in millions of dollars)

1. Marsh & McLennan Cos. Inc.	$655
2. Alexander & Alexander Services Inc.	$571
3. Johnson & Higgins	$387
4. Frank B. Hall & Co. Inc.	$309
5. Fred S. James & Co. Inc.	$223
6. Corroon & Black Corp.	$171
7. Rollins Burdick Hunter Co.	$120
8. Jardine Emett & Chandler Inc.	$68
9. Bayly, Martin & Fay International Inc.	$67
10. The Crump Cos. Inc.	$53
11. Arthur J. Gallagher & Co.	$44
12. John L. Wortham & Son	$21
Hilb, Rogal & Hamilton Co.	$21
14. Republic Hogg Robinson	$20
15. The Kaye Group Inc.	$19
16. B.R.I. Coverage Corp.	$17
17. Financial Guardian Group Inc.	$16
18. Andreini & Co.	$15
ABI Management Inc.	$15
20. McGriff, Seibels & Williams Inc.	$14

Source: *BI* survey; brokers' responses.

Top 20 brokers

Continued from page 4

ary, Union Indemnity Insurance Co.; the bankruptcy filing by Hall's truck leasing subsidiary Jartran Inc.; a qualified financial statement in 1984 due to potential liability for the perfomance of an underwriting management subsidiary; and the resignation, under pressure from the board, of former Chairman, President and Chief Executive Officer Albert J. Tahmoush.

As a result, Fred S. James & Co. Inc. is only $25.9 million in revenues behind Hall after producing a 33.7% gain to $391.5 million.

Whether Hall will hold its position as fourth-largest broker in 1986 depends both on how successful Hall is in implementing its back-to-the-basics-of-brokering strategy and on how much revenue James loses in 1986 due to a restructuring following its acquisition in August 1985 by London-based Sedgwick Group P.L.C.

Revenues of certain former James operations, including its reinsurance brokerage subsidiary, no longer are flowing through James and are now being accounted for directly by Sedgwick.

However, James is among the Top 20 brokers actively seeking acquisitions. And, according to Sedgwick officials, the unsuccessful negotiations earlier this year to acquire BMF and merge it with James could be reopened.

Barring mergers of other brokers, New York-based Corroon & Black Corp. and Chicago-based Rollins Burdick Hunter Co., appear secure in their No. 6 and No. 7 positions, respectively. Both credit implementation of strategic plans that stress new business development for their better-than-average revenue growth.

Corroon & Black's revenues grew 29% to $263.5 million, its best performance since 1978.

RBH, a unit of Combined International Corp., produced its best growth rate since *BI* began tracking brokers—24.2%. RBH finished 1985 with revenues of $141.5 million.

Many of the Top 20 brokers have diversified beyond retail brokerage to other services. But, most have pulled out of insurance underwriting due to poor results.

The exception is Crump, whose growing surplus lines insurance company subsidiary is producing profits for the parent company. The insurer's results, however, are not included in Crump's gross revenues.

When only retail commercial brokerage revenues are considered —excluding activities like wholesale and reinsurance brokerage, claims administration, consulting services and personal lines insurance brokerage—the Top 20 rankings change (see chart).

Based on estimates of retail brokerage revenues, three brokers among the Top 20 with substantial business in activities other than retail brokerage no longer rank among the 20 largest.

Poe falls from the Top 20 because of its large wholesale brokerage business. FBS Insurance falls off the list because of its large credit life insurance and a captive reinsurance company. And, McDonough Caperton drops out because of its large services business, including claims administration.

Taking their places are Andreini & Co. of San Mateo, Calif., ABI Management Inc. of San Francisco and McGriff, Seibels & Williams Inc. of Birmingham, Ala., all of which are primarily retail brokers.

In addition, ranking the brokers based on estimated retail brokerage revenues changes the lineup from eighth place on down, except for Gallagher, which holds its place as the 11th-largest broker despite its large volume of revenues generated by self-insurance services.

The most significant changes in the rankings include the rise to No. 12 of Wortham, which ranks as No. 17 based on total revenues, and B.R.I.'s rise to No. 16 from No. 20.

The new Jardine Emett & Chandler jumps to the No. 8 position. Crump, with a large wholesale brokerage operation, falls to No. 10. Hilb, Rogal & Hamilton moves up from No. 14 to tie with Wortham, while Republic Hogg Robinson, with a large claims administration business, falls to No. 14.

Kaye climbs one notch to No. 15 while Financial Guardian climbs two slots to No. 17.

Among the seven largest brokers, which hold their rankings when retail brokerage revenues are examined, gaps between the companies compress, except for Hall's lead over James, which widens.

While the ranking based on only retail brokerage revenues better reflects the brokers' activities as marketers of insurance, *BI* bases its Top 20 broker rankings on total gross revenues, recognizing that risk managers often contract with brokers for more services than insurance placement.

Not included in the *BI* ranking of the 20 largest insurance brokers is ISU Corp., the largest independent agency franchise organization. ISU is not ranked because its member agencies are independently owned.

ISU says its 555 members at year-end 1985 produced combined gross revenues of $578.4 million. That's a 19.9% increase from combined revenues of $482.3 million reported by 513 ISU members at year-end 1984.

The combined revenues of the 47 ISU members responding to the *BI* survey that qualified for the *BI* directory—generating at least $500,000 in revenues related to retail commercial insurance brokering—totaled $80.7 million.

As a group, ISU members would rank as No. 3 on the *BI* Top 20 chart, if ISU qualified.

—By Kathryn J. McIntyre

One on One...Even if you're not on the Fortune 100.

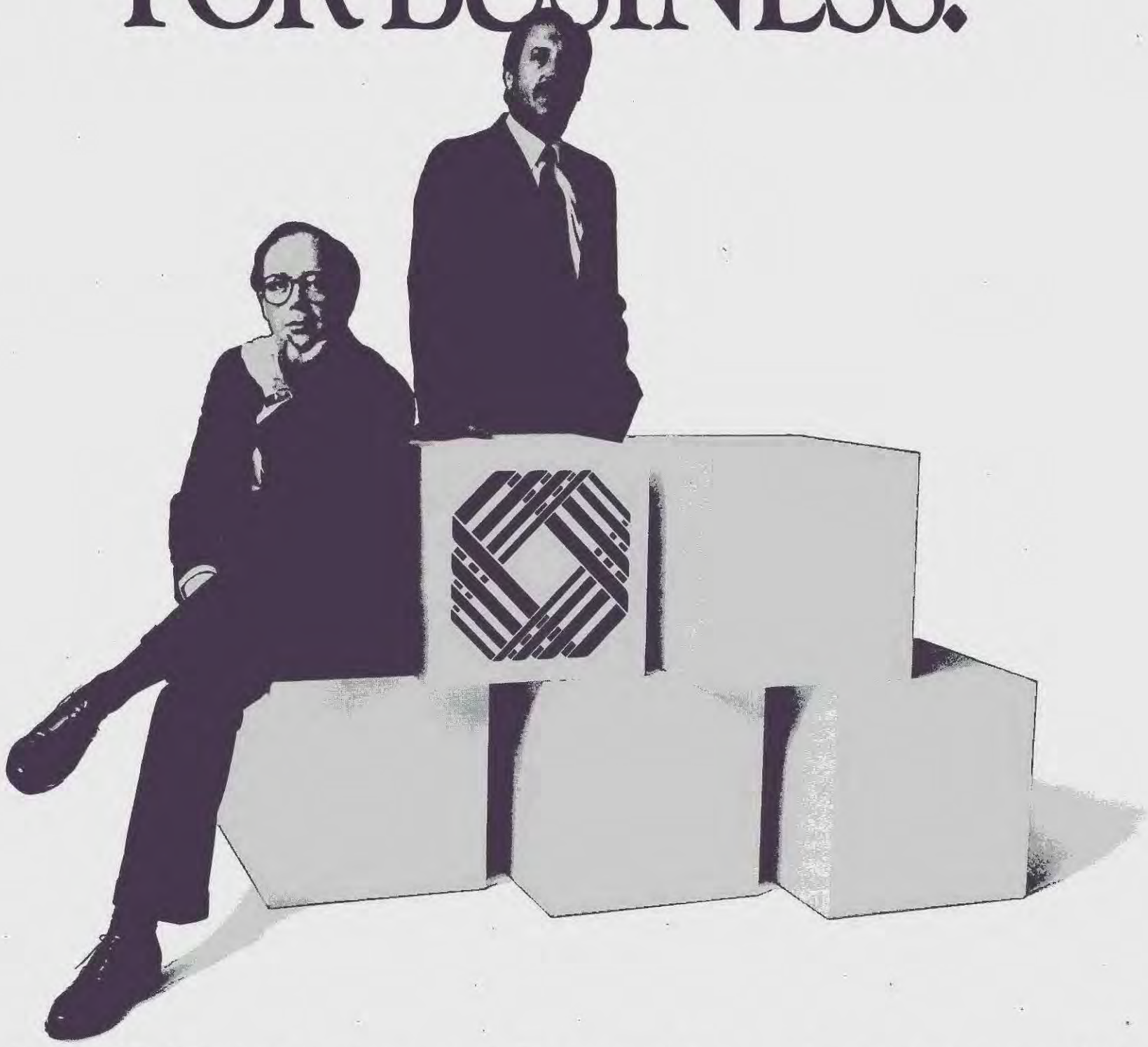


Confederation Life.
Personal attention at its best when it comes to group life, health, dental and long term disability plans.

Confederation Life
INSURANCE COMPANY

Atlanta/Boston/Chicago/Detroit/Los Angeles/Philadelphia/Puerto Rico/San Francisco/St. Louis

"AFTER 20 YEARS ON THE JOB, WE'RE FINALLY OPEN FOR BUSINESS."



Michael Poland and Fred Toland spent the last 20 years making a name for themselves in the insurance industry. A good name.

Now they want to make a name for their new company, Oland International Insurance Brokers. Oland International will have the vast resources necessary to care for all of your risk management, commercial, industrial and group benefit insurance needs. They have some of the nation's top executives to personally service you. They have the time, the expertise, and the commitment to handle your coverage, with an eye toward innovative financial alternatives.

The corporate headquarters is in Los Angeles, with the New York office currently in formation and offices in other major cities soon to be announced.

So look to Oland International for a creative approach to your insurance problems. It took them a long time to open their doors, but they made sure they had the key to success.

OLAND INTERNATIONAL
INSURANCE BROKERS

Corporate Office: 818 West 7th Street, Los Angeles, CA 90017 (213) 689-0065

IN ITALY
THIS ISN'T A FIRE.



A pile of oily rags bursts into flame.

And a profitable operation of an American company is reduced to a pile of ashes.

The real disaster, however, occurs when the home office discovers that their standard Italian fire insurance doesn't cover damage from spontaneous combustion.

How could this happen?

Easily. They bought insurance written in another language. From another country. With different standards for coverage.

The fact is, buying insurance outside the U.S. is complicated.

Which is why so many corporations are turning to a single policy from CIGNA Worldwide's international specialists.

They know, for instance, that in Japan standard fire protection doesn't include damage from lightning. And in Pakistan, nearly all fire coverage must be specified by endorsements.

With the industry's largest network of local representatives, spanning some 160 countries, we can offer you the kind of service that ensures loss control support just about anywhere. Service that simplifies claims adjustment. And policy administration.

A program from CIGNA Worldwide will provide uniform coverage, eliminating gaps in protection and costly overlapping policies. What's more, it offers the kind of economy you can't get buying insurance piecemeal.

If your business is international, you should be buying insurance on an international scale.

To learn how you can do just that, write CIGNA Corporation, Department R H, One Logan Square, Philadelphia, PA 19103.

After all, something's wrong when you're not covered for a fire because of the way it started.

CIGNA Worldwide. It's one more example of CIGNA's commitment to personalized service to business around the world.

CIGNA

Compensation

Continued from page 12

$192,898 and bonus and incentive compensation of $96,449.

As of Feb. 3, Mr. Stewart held under beneficial ownership 122,495 shares of Crump common stock. The stock was trading at $25.25 on June 11 after a 2-1 stock split, compared with $32.88 a year ago on a pre-split basis.

Robert E. Gallagher of Arthur J. Gallagher & Co. received a 21.9% increase to $195,000 in 1985, including a $20,000 bonus for 1984.

As of March 14, Mr. Gallagher held under beneficial ownership 489,380 shares of Gallagher common stock. Gallagher was trading at $50 on June 11, compared with $44 a year ago.

William F. Poe of Poe & Associates Inc. received $157,154 in cash compensation, an increase of 25% from 1984.

As of Dec. 31, 1985, Mr. Poe held under beneficial owernship 482,529 shares of Poe common stock, including 7,500 shares under option. Poe was trading at $11.50 on June 11, following a 3-2 stock split in May, compared with $8 a year ago on a pre-split basis.

At Financial Guaradian, which is not publicly traded but reports to the SEC, Donald R. Weber received a 24.5% increase in compensation to $152,542, including: $150,000 in salary, commissions and bonuses; $822 in various benefits; and $1,720 in contributions to the employee stock ownership plan.

At year-end, Mr. Weber held 80,430 shares of FG's common stock. The stock, which is not publicly traded, was deemed to have a fair market value of $6.17 a share at year-end.

•

Contributing to this report were Associate Editor Linda J. Collins and Washington Researcher Paul Dykewicz.

Market crunch to continue for liability lines, brokers say

Liability insurance, especially for high-risk businesses, will be difficult to buy and expensive for at least another year, insurance brokerage executives predict.

But, market conditions for short-tail insurance lines, like property insurance, should improve during the coming year, several of the executives say, and a few see signs of improvement already.

While the executives of the 25 largest U.S. insurance brokers agree for the most part on the future availability and pricing of commercial insurance, they are more divided over whether recent gigantic rate hikes were needed.

And, they disagree over whether the claims-made form soon will be universally adopted for general liability coverage.

Assessing the liability insurance market, Frank J. Tasco, chairman and chief executive officer of Marsh & McLennan Cos. Inc., said: "I see it continuing to be extremely difficult. There is not enough money on the risk assumption side to handle all of the business that's coming in."

Liability insurance will suffer "serious marketing problems" for the next year or so, agreed John A. Bogardus Jr., chairman and chief executive officer of Alexander & Alexander Services Inc.

Sidney A. Stewart, chairman and chief executive officer of The Crump Cos. Inc., takes a dimmer view: "Liability is still a problem and, short of tort reform changes, it will probably continue to be a problem through 1988."

The tight market will last through 1987, predicts Richard M. Page, chairman and chief executive officer of Fred S. James & Co. Inc.

According to J. Bransford Wallace, executive vp and chairman of the Brokerage Services Group at Corroon & Black Corp.: "In difficult lines—such as high-limits excess, directors and officers liability, errors and omissions and professional liability—the problem is going to exist for an extended period of time."

"Tougher casualty lines are still seeing dramatic rate increases," noted Richard A. Maxwell, president of C&B's Brokerage Services Group.

Rates for specialty coverage lines like D&O, E&O and excess liability are going up as much as 300% to 400%, he said.

But, while increases so far in 1986 have been as high as in 1985, Mr. Maxwell predicts that an account renewed in mid-1986 may not face rate hikes as large as at the beginning of the year.

"I'd say on the average on the tough classes we're still getting 30% to 40% rate increases," said Mr. Stewart, identifying those classes as municipalities, excess liability, pharmaceuticals, chemicals, malpractice, day-care centers, all types of E&O, D&O, bankers blanket bonds and long-haul trucking.

"In most of the classes that are difficult to write at all, the attitude the underwriters are taking is: 'Let's get the maximum amount possible if we're going to write it,'" Mr. Stewart said.

William B. Connor, president of Robinson-Connor Inc., added high-hazard contractors and "some excess coverage" to the list of lines that will see more rate increases.

And, Lee McGriff, chairman and chief executive officer of McGriff, Seibles & Williams Inc., singled out product liability as a continuingly difficult coverage to place.

Rate increases in other lines of insurance, however, should moderate soon, brokerage executives say.

In most classes of commercial insurance other than liability, rate increases will slow within the next year or so, predicts A&A's Mr. Bogardus. Capacity will increase "and even some competition will creep back," he says.

"In standard coverages, rate increases will moderate quickly, and we will see availability of most Main Street coverages," said Mr. Wallace of Corroon & Black. "We will see some selected reductions in these lines and in property business in 1987. In some areas in 1987, we will see rates go down and tremendous capacity increases."

"Midsize accounts have stabilized," added Mr. Maxwell. "There are still some increases in certain areas, but some offices are reporting some cases of no increases or reductions. It depends on their mix of business—not the geographic area."

Mr. McGriff agreed that buyers probably will see rates beginning to level off for non-liability lines. "The pendulum is starting to swing now," he observed.

"In the area of rate increases, smaller risks—smaller commercial lines and personal lines—seem to be stabilized now," said Crump's Mr. Stewart.

And, for property and small commodity-type risks, which Mr.

Continued on page 18



★ISU, a franchise organization with over 500 offices across the country, is the smartest way to reach the policyholders you want—wherever they are.

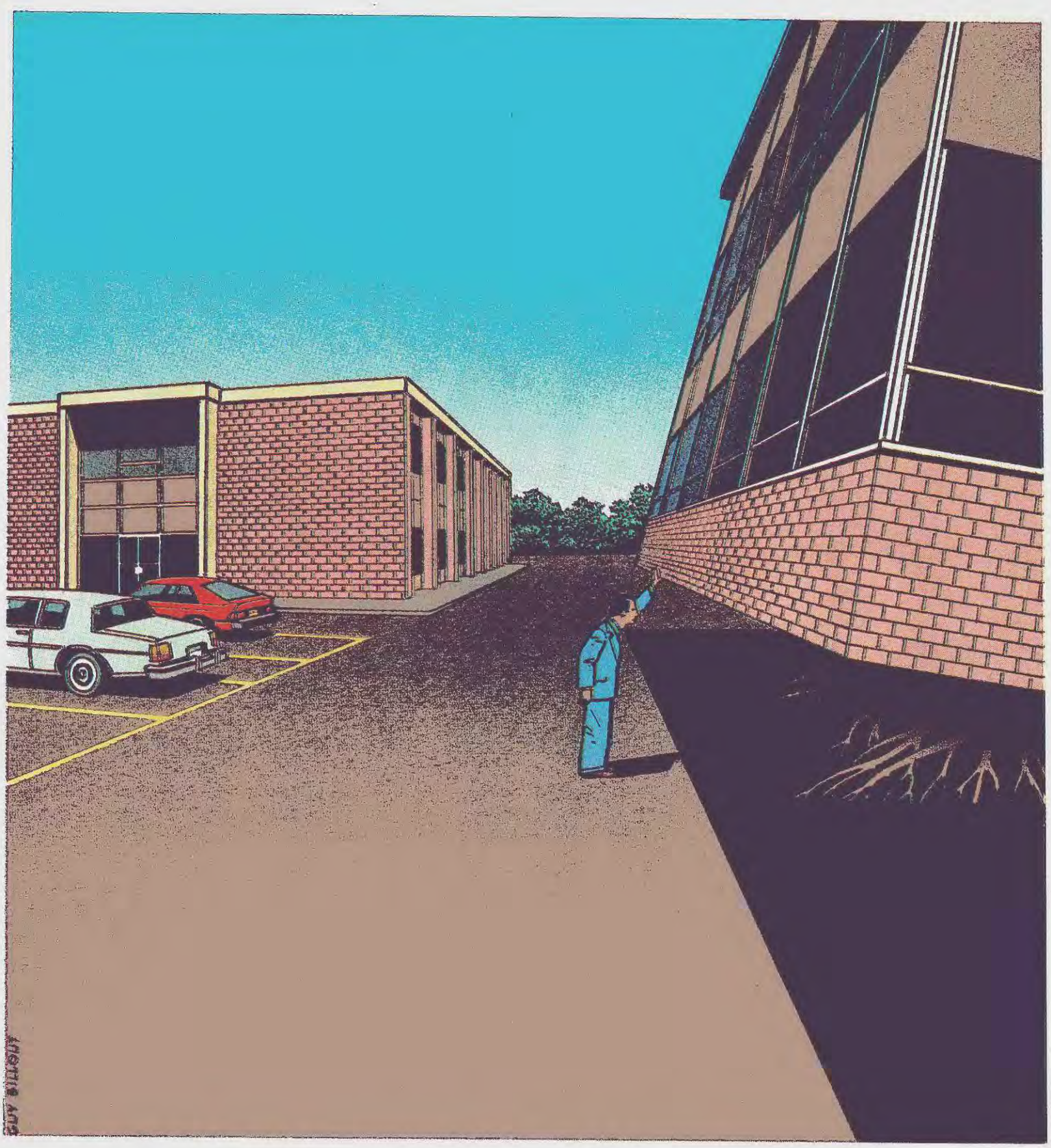
As respected independent insurance agencies with a cohesive national image, ★ISU franchisees are leaders in their communities. Backed by Merrill Lynch and trained in the exclusive ★ISU/1084 Sales and Marketing System, ★ISU agents have sophisticated sales and marketing techniques ready to work for you.

Perhaps most importantly, ★ISU agents can be your most effective sales force because they target a pre-screened customer base to match your underwriting goals. See how ★ISU can be your "Better Source of Better Business." Call us today.



★ISU

Insurance Systems Unlimited · (800) 682-0707 · In California (800) 622-0974
Each Firm Independently Owned and Operated.



Our insurance begins with an uncommon understanding of the nature of your business.

At Chubb, we make it our business to know your business from the ground up. This know-how permits us to design insurance that responds to your particular needs.

Quality coverage through in-depth knowledge of the industries we serve—it's a commitment that has defined Chubb and has set us apart in the insurance marketplace for over 100 years.

To understand our difference, consult with your agent or broker.

CHUBB

Insurance from Chubb.
Understanding is the difference.

Chubb Group of Insurance Companies, Warren, New Jersey 07060.

Chubb is proud to participate in American Playhouse. Watch for it on PBS.

AIG PRESENTS A
IN CHOOSING A HI
COMPANY.

CHECK ITS SURPI

IT ALL STARTS WITH RATES

Historically, insurance rates have been misunderstood. As a result, they've become a major source of problems for insurance companies and the companies they insure.

At AIG, American International Group of Insurance Companies, we believe every business executive should have a better understanding of rates and their importance.

WHAT IS A RATE?

An insurance rate is the price an underwriter charges a company based on the insurer's projection of exposure to risk.

Adequate rates reflect past losses as well as anticipated future claims. They must also cover an insurance company's expenses and provide for a reasonable underwriting profit.

SHORT COURSE
ALTHY INSURANCE

US.

THE EFFECT OF INADEQUATE RATES

Inadequate rates may force an insurer to reduce surplus funds to pay expenses.

When surplus funds start shrinking, there's less and less capital to provide for the growing insurance needs of our society.

You end up paying higher premiums basically due to the inability of insurers to project exposure to risk, obtain adequate rates and maintain a healthy surplus.

Keeping a check on our surplus is one of our most important policies.

If it weren't, we couldn't give you the protection you deserve.

AMERICAN INTERNATIONAL GROUP OF INSURANCE COMPANIES

Our Policies Are Your Best Insurance.

Market report

Continued from page 14

Stewart characterized as "desirable business," rate increases vary "from 10% on down, but not much over that."

Except for earthquake coverage, property rates are beginning to stabilize, agreed Henry A. Revzan, senior vp and Eastern regional manager at Rollins Burdick Hunter Co.

While confirming that "the harbingers of the beginning of the end of the hard market are certainly there" for some property risks, Richard J. Rice, senior vp and director at Johnson & Higgins, cautioned that the real test will be July 1 property insurance renewals.

And he stressed that while jumbo highly protected property risks may be easier to place, the market for earthquake and flood coverages shows no signs of improvement.

Insurance buyers last year took the difficulties of the hard market in stride, Mr. Rice noted, but they may not be so patient this year. "This year I think it will be necessary to deal with a more hostile insurance buying public."

Brokers too, are beginning to criticize the big rate hikes, although some concede the rate increases were justified.

"A hell of a lot of insurance companies have gone out of business. It certainly would tend to cause one to feel it's necessary," said John F. McCaffrey, chairman and chief executive officer of Frank B. Hall & Co. Inc.

"Based on our current tort system, for certain types of exposures, it's impossible to know what an adequate price is," observed Michael K. White, president and chief executive officer of Alexander & Alexander Inc., A&A Services' domestic brokerage subsidiary.

Fred C. Burns, managing partner at John L. Wortham & Son, suggested "only time will tell" if the rate hikes were justified. "It's been a dramatic swing from the soft market to tight. One has to step back and evaluate pricing in light of the changing system over as long a period of time as possible.

"Customers benefited significantly from pricing in the last market," he pointed out.

Among the brokerage executives who are more critical of insurers is Mr. Maxwell of Corroon & Black.

"The industry let itself get into such terrible shape in the soft market," he observed. "In their minds it's still justified."

But, he added, "I think when the figures start coming in, they will see they are making perhaps too much money. We are getting to the point shortly where the increases will not be justified."

"I'm not sure they had to do it to the extreme they did," said Charles E. Keller, president and chief executive officer of Republic Hogg Robinson Inc., commenting on the big rate increases. "I think they had some responsibility to the client."

Mr. Keller would have preferred that insurers increase rates more gradually than they did, even if it were over a longer period.

The brokerage executives were more sharply divided over whether insurers will switch en masse to a claims-made policy form for general liability insurance.

"I believe they will, certainly," said Robert E. Gallagher, president and chief executive officer of Arthur J. Gallagher & Co. "It's happening for July renewals."

"Eventually we'll all be going to claims-made, but right now it's real helter-skelter," said RBH's Mr. Revzan.

But, Mr. Maxwell of Corroon & Black says a widespread move to claims-made "seems to be sputtering. Everyone says they are committed, but we see carriers still writing on occurrence forms. With pharmaceuticals and more hazardous risks, there may be more of a trend toward claims-made."

Many of the brokerage executives expect insurance buyers will have a choice of forms.

"I think they're going to give people the option" of buying coverage on either an occurrence or claims-made basis, Mr. Conner predicted, with the exception of accounts that have product liability risks, which will have to accept claims-made forms.

Mr. Bogardus agrees both the claims-made and the occurrence form will be used in the future. "I think it will slowly move toward claims-made in most classes," he says. But some smaller businesses will still be able to use the occurrence form.

Nonetheless, he says, "The handwriting is on the wall. Claims-made is going to have a much larger share of the market. It's pretty irreversible right now."

The use of both forms in the marketplace could lead to gaps in coverage, acknowledges Mr. Bogardus. "It definitely creates potential problems for us, and it's going to require very careful monitoring and close supervision to make sure these gaps are understood, eliminated and communicated," he said.

Most brokers are preparing their staffs for wider use of the claims-made form, especially to limit their exposure to E&O claims.

Bayly, Martin & Fay International Inc., for example, embarked on a comprehensive—not to mention costly—campaign to teach its employees the details of both the claims-made and the new occurrence commercial general liability forms filed by the Insurance Services Office.

The new claims-made policy represents "the biggest source of E&O claims we'll face this decade," proclaims Samuel Alcorn, BMF's senior vp-operations.

BMF issued in-house bulletins written by Mr. Alcorn, each focusing on a different facet of the controversial policy forms. Those bulletins, which were consolidated into one summary paper in late 1985, were followed by the January 1986 introduction of what BMF calls "Agg Alert."

Agg Alert is a modified risk management information software product run on minicomputers BMF purchased—at about $15,000 a-piece—for each of its approximately 50 offices. BMF employees were trained on Agg Alert at eight regional meetings late last year.

The system allows BMF to track a policyholder's aggregate liability claims and the corresponding reserves set up by the insurer. When aggregate claims against a policy reach 25% of that policy's primary and excess limits, BMF will advise that client to purchase higher limits, Mr. Alcorn says.

In February, Mr. Alcorn and Paul Weitz, a BMF executive vp, also led a 2½-hour seminar on the new policy forms at BMF's annual managers conference in Scottsdale, Ariz. The managers, in turn, were to conduct the seminar for their respective staffs.

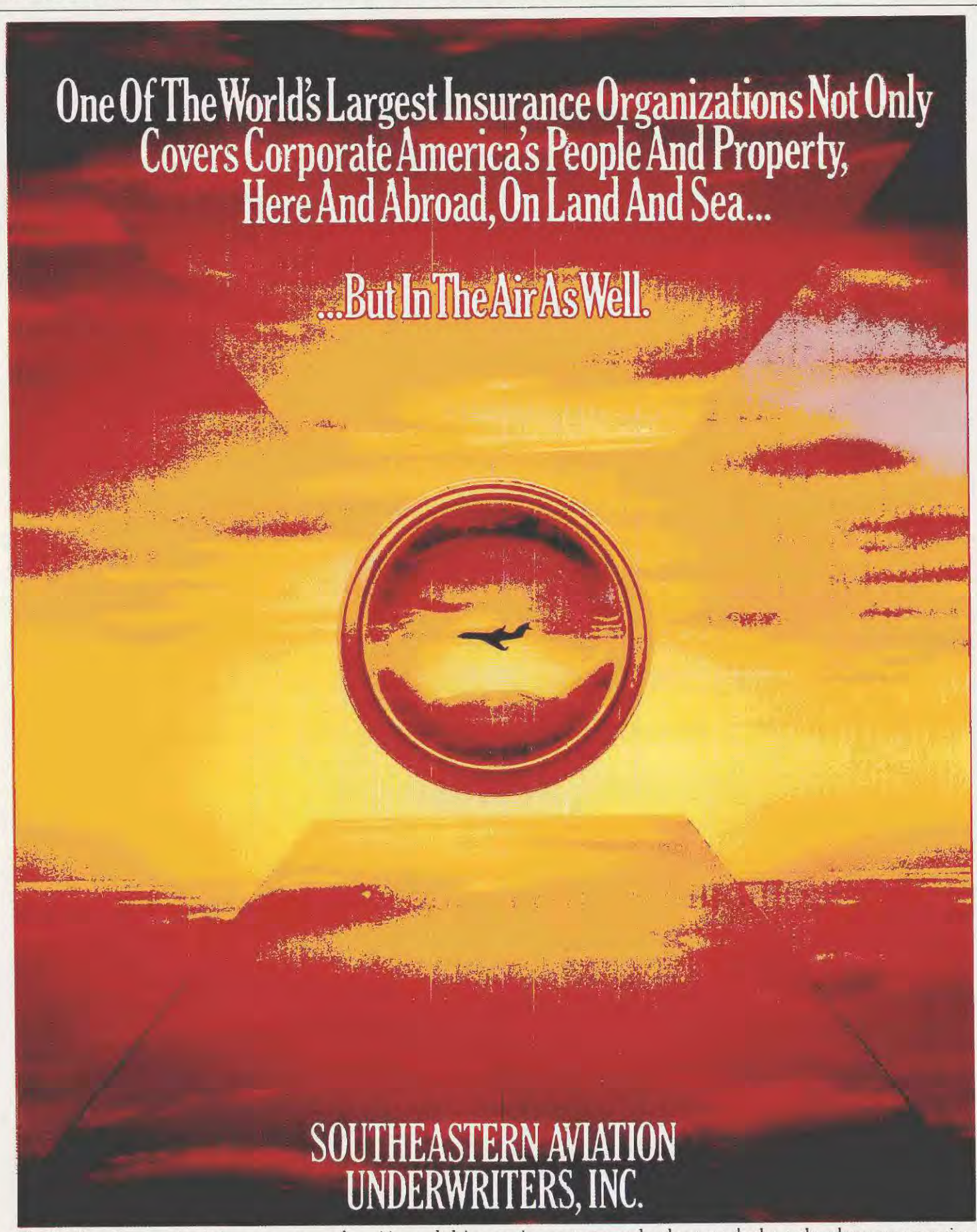
Even knowledgeable brokers, however, cannot eliminate the problems of potential gaps in coverage when claims-made forms are mixed with occurrence forms in the same layered program.

"We have taken major steps to be sure that our clients understand the differences in the two coverages and the potential ramifications of their blending together claims-made and occurrence coverage," said Mr. White of A&A.

"Our approach to solving the client's need is generally to build a program that's consistent in coverage—either claims-made or occurrence—throughout the program," he noted.

•

This article is based on reports by the Business Insurance staff.



For the finest in general aviation coverages, underwriting and claims service, contact your local agent or broker today about our expansive and skillful capabilities. Home Office: Atlanta, Georgia (404) 351-8303 with offices in principal cities nationwide.

A Member Company of American International Group



There are group insurance companies. Then there's the Mutual of Omaha Group Operation.

Most group insurance is fundamentally alike. The critical difference is the carrier that stands out from the others in service. Not just dependably precise claims service. We process 95% of claims in five working days or less, but that's not where the critical difference stops. It's in responsiveness. Treating every request for assistance as an urgent call for help, and doing whatever it takes to deliver. It's in flexibility. Treating every group case as the unique entity it is, and assigning a team of the finest specialists in the business to handle that case as if it were the only one we had.

If you just want group insurance you can buy a package off the shelf. If you want your group insurance unique to your situation and administered only for you, you need to talk to the Mutual of Omaha Companies Group Operation.

For valuable facts about our cost-competitive group and pension programs, send your business card to Terry Van Noy, Vice President, Mutual of Omaha Companies, Mutual of Omaha Plaza, Omaha, NE 68175.

Mutual of Omaha®

Mutual of Omaha Companies

Group Operation

One of America's largest group insurers

Mutual of Omaha Insurance Company
United of Omaha Life Insurance Company
Home Office: Omaha, Nebraska

Watch Mutual of Omaha's Wild Kingdom, starting its 25th adventurous year. Check local listings for time and channel.

1

Marsh & McLennan Cos. Inc.

1221 Ave. of the Americas, New York, N.Y. 10020; 212-997-2000

	1985	1984
Premium volume	$12 billion*	$10.5 billion*
Gross revenues	$1,392,700,000	$1,131,800,000
Brokerage: Retail	47%	47%
Reinsurance	18%	13%
Services	27%	30%
Personal Lines	1%	1%
Invest. Income	7%	9%
Employees	17,733	16,963
Rev./Employee	$78,537	$66,722
Offices	450	450

*-*BI* estimate

In the "flight to quality" produced by the tight property/casualty market, many insurance buyers are landing in the lap of Marsh & McLennan Cos. Inc., the company's executives say.

"Never before has there been such recognition on the part of existing and new clients that their insurance needs are such as to require the very best advice and execution," said Robert J. Newhouse Jr., chairman of Marsh & McLennan Inc., the company's brokerage subsidiary.

The proof of this, Mr. Newhouse noted, was the "record number of broker of record letters" M&M has received, naming it as principal broker for corporations.

Another proof is revenue growth. M&M's gross revenues increased 23.1% in 1985 to $1.39 billion from $1.13 billion in 1984. New business accounted for an estimated 15.4% of the company's U.S. insurance brokerage revenues in 1985.


Mr. Tasco

To keep insurance buyers flying in its direction, M&M has increasingly stressed client service and innovation, company officials say.

"We have re-emphasized that client service is our most important and only product," noted Frank J. Tasco, chairman of M&M Cos. "We have re-emphasized with all our employees from top to bottom the need for all to be involved with clients.

"Personally, I try to be involved with a client every day," Mr. Tasco added.

As proof of M&M's innovation, executives point to the formation of X.L. Insurance Co. Ltd. and A.C.E. Insurance Co. Ltd., two offshore insurers designed to provide their corporate shareholders with general liability and directors and officers liability coverages excess of at least $25 million. The officials also note the formation of American Excess Insurance Assn., a line slip of domestic U.S. insurers that also provides general liability coverage excess of at least $25 million.

"Market making is probably the most important role we have to play," Mr. Tasco observed.

Added Mr. Newhouse: "The big thing in 1985 was what we termed the flight to quality."

But not all of M&M's efforts in the last year have been able to completely offset the effects of the hard market for insurance buyers, and M&M officials cite their inability to completely meet some clients' needs as their chief disappointment of 1985.

"The continuing market capacity problem is probably the most important issue we have to deal with," Mr. Tasco said.

"When you have a client that needs $300 million (in coverage) and you can't get it for him, that's a hell of a disappointment," Mr. Newhouse added.

While noting M&M's record-breaking financial performance as a significant change from the slower growth of recent years, Mr. Tasco emphasized that there has been—and will be—very little change in M&M's overall corporate strategy and mix of business.

"We are essentially in the same four businesses that we were in in 1973: insurance brokerage, reinsurance brokerage, investment management and consulting," he said.

As in previous years, about 65% of M&M's brokerage business comes from jumbo "risk management" accounts, for which commissions are negotiated. Another 25% represents middle-market commercial accounts and the remaining 10% comprises small commercial accounts and personal lines.

Other developments at M&M in the last year include:

- The acquisition of two U.S. insurance brokers by M&M Inc. and two overseas consulting firms by William M. Mercer-Meidinger Inc., M&M's employee benefits and actuarial consulting operation.
- Several management changes, including the retirement of John M. Regan Jr., as chairman and chief executive officer of M&M Cos. Mr. Regan was replaced by Mr. Tasco, who had been named president in 1985 after serving as president of Guy Carpenter & Co. Inc. M&M's reinsurance brokering subsidiary.

A.J.C. Smith—who had been vice chairman of M&M Cos.—was elected president at the same time Mr. Tasco was named chairman.

Mr. Regan will continue to serve on M&M's board of directors.

- A continuation of the "flattening" of M&M's management structure that included the elimination of regional office heads.

Like most brokerage firms, M&M—the world's largest broker—racked up impressive gains last year as corporations scrambled to find property/casualty coverage in an ever-tightening market.

Besides the overall 23.1% revenue gain, revenues from insurance services—which produced nearly three-quarters of M&M's total revenues—rose 21.9% to $1 billion last year from $322 million in 1984.

Insurance services includes:

- Insurance brokerage, which produced revenues of $554 million, up 22.3% from $453 million in 1984. Insurance brokerage revenues in the United States alone expanded at a slightly faster pace, up 29% during 1985.
- Reinsurance brokerage—offered through Guy Carpenter and London-based C.T. Bowring Reinsurance Ltd.—which recorded a 29.3% jump in revenues to $247 million in 1985 from $191 million in 1984.

Higher rates—rather than new business—was likely to have played a larger part in reinsurance brokerage revenue growth than in insurance brokerage revenue growth, Mr. Tasco said.

- Marsh & McLennan Group Associates Inc., which designs and administers life, health, professional liability and other insurance programs for "affinity groups" like professional and trade associations. Group Associates' revenues expanded 12.5% last year to $99 million from $88 million in 1984.
- Interest income on client premium funds held in fiduciary accounts. Interest income was up 13.3% to $102 million in 1985 from $90 million in 1984.

The growth of interest income was attributed to higher levels of premium funds invested, offset partially by lower short-term interest rates.

About 70% of M&M's 1985 insurance services revenues were produced within the United States, with about 18% drawn from the United Kingdom, 5% from Canada and 7% from other countries. The United States accounted for a

Continued on next page


TEAMWOI

Continued from previous page
larger share of these revenues last year than in 1984, when U.S. revenues were 66% of the total.

In addition to insurance services, M&M draws about one-fifth of its total revenues from consulting services. These include Mercer-Meidinger; National Economic Research Associates Inc., an economic consulting firm; and Clayton Environmental Consultants Inc., an environmental risk consulting firm.

Consulting revenues climbed 24.1% in 1985 to $268 million from $216 million in 1984.

About 74% of M&M's 1985 consulting revenues were produced in the United States, with about 13% drawn from Canada, 9% from the United Kingdom and 4% from other countries.

The remainder of M&M's operating revenues are generated by investment management services offered by The Putnam Cos. Investment management revenues jumped 32.4% to $98 million last year from $74 million in 1984. However, the 1984 figure includes revenues of Eberstadt Asset Management Inc. until M&M's sale of the unit in November 1984.

Revenue growth at Putnam resulted mainly from a big jump in assets under management, on which fees are based. Assets under Putnam's management totaled $19.4 billion at the end of last year, compared with $12 billion at the end of 1984.

Most of the asset growth was in Putnam's mutual funds, which reported $12.4 billion in assets at the end of 1985, compared with $6.4 billion at the end of 1984. Pension and institutional fund assets, meanwhile, rose to $7 billion at year-end 1985, compared with $5.6 billion at year-end 1984.

Other interest income totaled $25.1 million in 1985 compared with $19.5 million in 1984.

While M&M's revenues rose, so did its operating expenses. Operating expenses grew 18.7% to $1.05 billion last year from $888.4 million in 1984.

Operating expenses included:

- Employee compensation and benefits, up 18.5% to $647 million from $546 million in 1984. Despite salary increases and expansion of staff, compensation and benefits amounted to about 47.3% of M&M's gross revenues last year, a slight decline from 1984, when they amounted to 49.1% of gross revenues.
- Other operating expenses, including communications and equipment costs, M&M's property and liability insurance and reserves for client receivables that may become uncollectible. Other expenses amounted to $407 million, up 19% from $342 million in 1984.

Operating income at M&M hit $313.4 million last year, up 40% from $223.9 million in 1984, while net income grew 177.5% to $162.9 million from $58.7 million in 1984. Per-share earnings likewise grew to $4.46 in 1985 from $1.62 the previous year.

M&M's aftertax net income in 1984 was dragged down by a $110 million pretax charge stemming from "unauthorized" government bond trading by M&M treasury department personnel.

The firm's senior management reported in 1984 that several treasury department employees—later fired—had accumulated more than $2 billion in intermediate and long-term government bonds in violation of M&M's investment policies (*BI*, June 18, 1984).

The liquidation of the portfolio of bonds—bought on margin starting in April 1983—produced pretax losses of $165 million. About $55 million of the loss was charged to M&M's 1983 earnings and the remaining $110 million to 1984.

An investigation of the bond trading revealed that client fiduciary funds had been used in some of the trades, a violation of New York insurance law, and M&M subsequently paid a $250,000 fine to the New York Insurance Department.

M&M's revenue growth in the first quarter of 1986 was even more dramatic than its 1985 growth. Total revenues increased 38.1% to $444.2 million from $322.2 million in the first quarter of 1985. These revenues included:

- Insurance services revenues of $332 million, up 37.2% from $242 million in the first quarter of 1985. The biggest percentage growth among the insurance services segments was again chalked up by the reinsurance operations, which produced a 49% increase in revenues.
- Consulting revenues of $73 million, up 21.7% from $60 million in the first quarter of 1984.
- Investment management revenues of $39 million, up 95% from $20 million in 1985's first quarter.

First-quarter operating income hit $130.6 million, up 57.5% from $82.9 million in the first quarter of 1985, while net income amounted to $65.1 million, up 49.7% from $43.5 million in 1985's first quarter.

The stellar results drove up M&M's stock price to a high of $83.50 in 1985, compared with a low during the year of $56.50, and resulted in a 2-1 stock split in April. M&M stock was trading on June 11 at $56.63 on a post-split basis on the New York Stock Exchange, compared with $71 on a pre-split basis a year earlier.

M&M's efforts in "market making"—including A.C.E., X.L. and American Excess—are likely to add significantly to the firm's revenues in 1986, though M&M executives say they can't predict exactly what the impact will be.

"All of these things are still in their infancy," Mr. Newhouse said.

A.C.E.—developed by M&M and Morgan Guaranty Trust Co.—was designed to provide general liability coverage on a claims-made form with a limit of $100 million excess of $100 million. A.C.E. also offers D&O coverage with a limit of $50 million excess of $50 million or will match a lesser amount of underlying D&O coverage with a minimum attachment point of $25 million (*BI*, March 17).

The Cayman-domiciled insurer has raised more than $480 million in capital from 34 sponsor corporations—each of which contributed $5 million or $10 million—and from a number of non-sponsor policyholders, who must buy shares in A.C.E.'s holding company in varying amounts based on their first year's premium.

A.C.E.—which accepts submissions from any broker—has written more than $150 million in premiums since it started issuing policies last year, leaving it with total assets of more than $630 million.

As co-developer of A.C.E. with Morgan Guaranty, M&M receives a royalty of 3% of A.C.E.'s total gross written premiums during the insurer's first five years of operation in addition to normal brokerage commissions on business it places with A.C.E.

Business placed with A.C.E. accounted for about one-fifth of M&M's new insurance brokerage revenues for the first quarter of 1986, Mr. Newhouse said.

Barbados-domiciled X.L.—also developed by M&M and Morgan Guaranty—is expected to provide general liability coverage on the same claims-made form used by A.C.E. with a limit of $75 million excess of at least $25 million. X.L. also offers optional D&O coverage with a limit of $15 million excess of at least $20 million.

The private placement of shares in X.L.'s parent company, Cayman-domiciled EXEL Holdings Ltd., was recently closed after $395 million was raised from 66 corpo-

Continued on next page



EMPLOYERS REINSURANCE

You're banking at 350 miles an hour. With just a few feet of air between your wing tip and his. But what you've really got between you isn't air. It's trust.

The more you learn to rely on each other, the less risk you face as a team.

Working closely together, ERC has grown from a small, highly-coordinated team of trusted professionals over 70 years ago, to a large, highly-coordinated one today.

We've grown very strong financially while greatly increasing our capacity. Which is why Best's continues to rate us A+.

Now we're ready to handle more business. To accept a greater number of risks from your team without a lot of risk to ours.

And in this business, that's no small feat.

K VS RISK.

Employers Reinsurance Corporation • 5200 Metcalf, Overland Park, Kansas 66201/Atlanta • Boston • Chicago • Columbus • Houston • Los Angeles • New York • San Francisco • Toronto

Continued from previous page
rate sponsors, each of which contributed $5 million or $10 million (*BI*, June 2; June 16).

Like A.C.E., X.L. will raise additional capital through the sale of parent company shares to nonsponsor policyholders.

General liability limits on individual X.L. policies are limited to 10% of the insurer's capital, retained earnings and unearned premium reserves.

Counting premiums written so far, X.L.'s assets amount to about $412 million, allowing it to write a general liability limit of about $41 million. X.L.'s assets will thus have to reach $750 million before it can issue policies with the intended limit of $75 million excess of $25 million.

M&M will earn a 1.5% royalty on X.L.'s gross premiums during its first five years of operation in addition to brokerage commissions.

Meanwhile, M&M and broker Johnson & Higgins are trying to sign up U.S. insurers to participate in the American Excess line slip, which the brokers hope will provide a general liability limit of $75 million excess of $25 million.

'There are no executives sitting around playing executive,' M&M's Mr. Newhouse says.

So far, five insurers have agreed to provide about $40 million in capacity: Aetna Life & Casualty Co., CIGNA Corp., Chubb Group, Crum & Forster and Travelers Indemnity Co.

American Excess is currently accepting coverage applications but will not actually bind policies until it has obtained state regulatory approval of its claims-made form, Mr. Newhouse said.

American Excess hopes to begin issuing policies by the end of this month.

The amount of royalties to be paid M&M and J&H on premiums written by American Excess has yet to be determined.

In addition to the financial rewards M&M stands to reap from A.C.E., X.L. and American Excess, the new facilities have enhanced M&M's reputation for aggressive client service, M&M officials say.

"I believe our image in the marketplace as being different from other firms, as the leader in the insurance brokerage field, is undisputed," Mr. Tasco said, playing down the effect of the facilities on M&M revenues.

"The strategy involved in A.C.E. and X.L. was to start insurance companies that would provide insurance coverage for the broad spectrum of clients we have," he explained. "Our instigation was responding to their needs for insurance."

M&M is also working on several new insurance companies that—unlike A.C.E. and X.L.—are intended to cover companies in specific industries, including lawyers and insurance brokers, according to Mr. Newhouse.

These projects are going forward even though M&M has been critical of other industry-specific insurers on several points, including that they may not represent an adequate spread of risk.

In working on these projects, M&M tries to get "the largest spread of risk we can," Mr. Newhouse said. "We are also strong proponents of sufficiently capitalizing any such facility at the outset rather than having an assessable form of mutual."

"Our philosophy is to try to keep those two things in mind. But there are a lot of situations where you can't do that," he added, noting that it is especially difficult to raise capital from such service businesses as law firms and brokers.

While continuing to stress "internal" growth through development of new business and expansion of existing accounts, M&M is also growing through acquisitions.

Last year, M&M Inc. acquired Atkins Insurance Corp., a Little Rock, Ark., brokerage, and Hoag & Hoag Inc., a broker based in Columbus, Ohio.

"We are in a continuous mode of reviewing potential acquisitions," Mr. Tasco said. "One of the areas we are looking at is the Southeastern U.S., but that doesn't mean we aren't looking all over.

"We think it's a growth area and an area where we would like to be more heavily involved," he said of the Southeast.

In addition, Mercer-Meidinger last year acquired E.S. Knight & Co., an actuarial consulting firm based in Australia.

Earlier this year, Mercer-Meidinger also acquired Duncan C. Fraser & Co., an actuarial consultant based in the United Kingdom. When combined with Mercer-Meidinger's existing British operations, the new company, William M. Mercer Fraser Ltd., will have 1,000 employees in 23 cities throughout Europe.

Overall, Mercer-Meidinger has 4,000 employees in 85 offices in 20 countries.

Combining all of its brokerage, consulting and investment management operations, M&M has 17,733 employees working through 450 offices in 80 countries around the world. Revenue per employee was $78,537 in 1985, up from $66,722 the year earlier.

M&M made a number of management changes since the beginning of 1985. In addition to the promotions of Mr. Tasco and Mr. Smith, these include:

- The appointment of Philip L. Wroughton as deputy chairman and chief operating officer of C.T. Bowring & Co. Ltd., M&M's London brokerage subsidiary.
- The appointment of Lawrence J. Lasser as chief executive officer of Putnam. Mr. Lasser retains his title of president of the investment management unit.
- The appointment of Jules Joskow as president of National Economic Research Associates Inc.

Several new directors were elected to M&M's board in 1985, including Richard H. Blum, who replaced Mr. Tasco as president of Guy Carpenter; Robert M.G. Husson, chairman of Faugere & Jutheau S.A., a French brokerage of which M&M is one-third owner; and Diljit S. Juneja, president of Mercer-Meidinger.

Along with the management changes, M&M had earlier streamlined its management structure to cut out one layer of management, Mr. Newhouse reported.

Starting two years ago, M&M eliminated the regional management responsibilities of five executives in charge of M&M offices around the country.

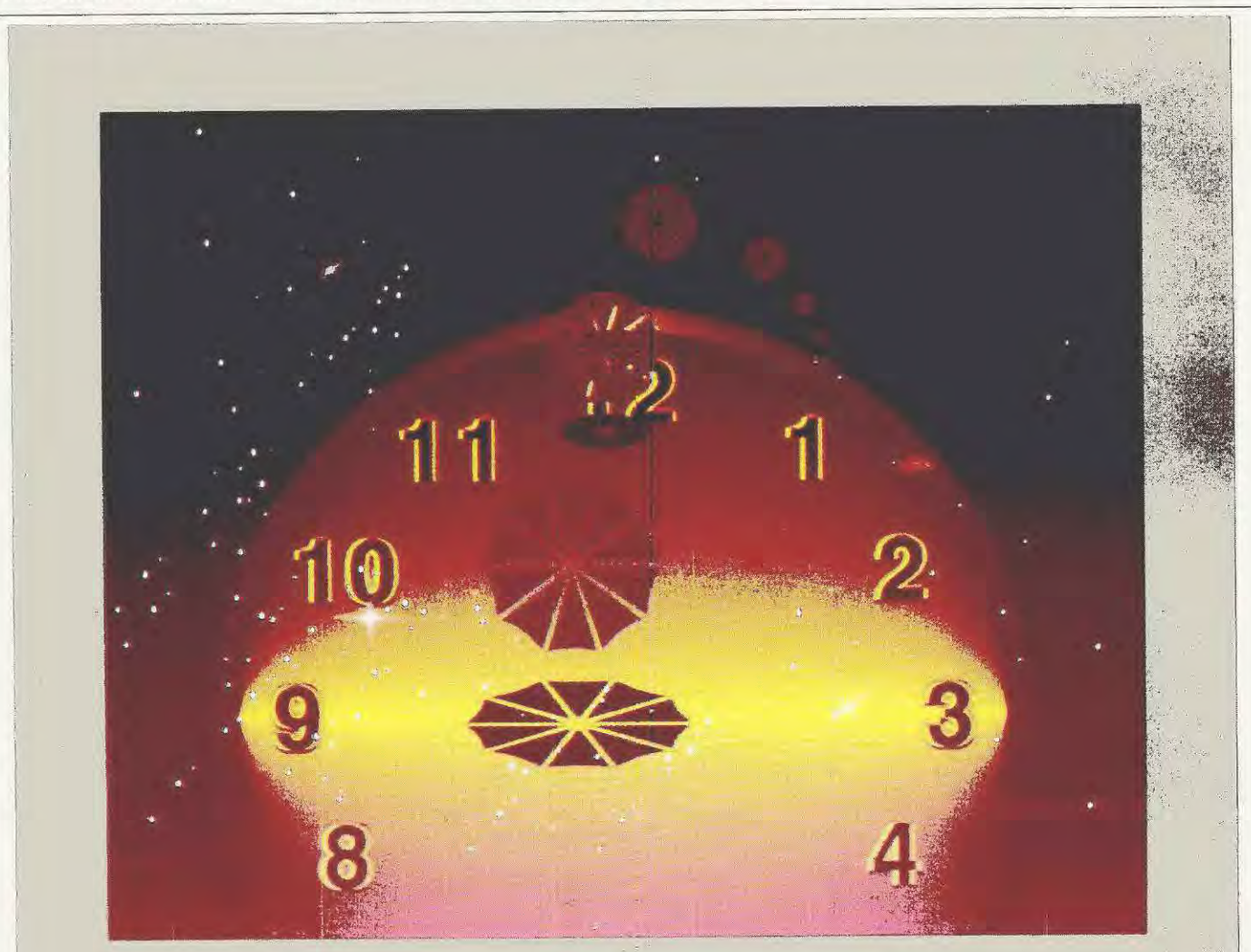
"We flattened out the structure in anticipation of the market change," Mr. Newhouse explained. "There are no executives sitting around playing executive. Every one of us is involved in client work."

M&M continues to operate through a system of 200 "managing directors" who oversee the company's brokerage services for clients in various industries.

According to documents filed with the Securities and Exchange Commission, M&M officers receiving the highest compensation in 1985 were:

John M. Regan Jr.	$1,115,833
Frank J. Tasco	$800,000
A.J.C. Smith	$710,000
Robert J. Newhouse	$612,917
Richard H. Blum	$592,083

—By Douglas McLeod



Skandia America has a commitment to reinsurance

85 Years Experience. Skandia America Group's tradition for providing sound reinsurance dates back to 1900. Today, in addition to our own strong financial structure, we are backed by Skandia Group which has $7.3 billion in assets. **Result: Skandia is positioned to provide you with stability based on financial integrity.**

SKANDIA AMERICA GROUP

The resourceful reinsurer

280 Park Avenue · New York, N.Y. 10017

A WHOLLY-OWNED NETWORK VS. A NETWORK FULL OF HOLES.



GMD. FIRST AND FINALLY.

You *can* get fast response to your international employee benefits needs. Through American International Group's worldwide network of wholly-owned or managed companies.

If your international insurance carrier doesn't *own* or *manage* most of the overseas companies insuring your international employee benefits, there may be some holes in their network. And limitations to *your control*.

Our Group Management Division (GMD) is the first to offer you direct control—and fast response to your international employee benefits needs through AIG, one of the world's largest insurance organizations. Finally, someone's created a network to serve you. Instead of a patchwork that unnerves you.

Learn more. Call Mr. C.C. Gamwell III, Vice President, in New York at (212) 770-5060. Or call your nearest AIG member company regional office:

Chicago–(312) 930-5317
San Francisco–(415) 445-2898
Dallas–(214) 658-1828
New York–(212) 770-7408
Toronto–(416) 869-5218
United Kingdom–44-1-626-7866
Hong Kong–852-5-832-1446

GMD is a division of American International Life Assurance Company of New York, a member of American International Group.

Group Management Division
American International Life
Assurance Company of New York
70 Pine Street, New York, NY 10270

2

Alexander & Alexander Services Inc.

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

	1985	1984
Premium volume	$6,975,000,000	$6,020,000,000
Gross revenues	$967,000,000	$834,100,000
Brokerage: Retail	59%*	60%*
Wholesale	7%*	7%*
Reinsurance	6%*	6%*
Services	12%*	12%*
Personal Lines	3%*	3%*
Invest. Income	6%*	6%*
Other	7%*	6%*
Employees	17,000	16,600
Rev./Employee	$56,935	$50,247
Offices	200	195

*-*BI* estimate.

Last July's merger of Alexander & Alexander Services Inc. with Reed Stenhouse Cos. Ltd. enhances A&A's appeal to large multinational clients, says John A. Bogardus, A&A's chairman and chief executive officer.

"I think we feel we've strengthened our ability to service multinational business," he said. "That's because of the local strength of Reed Stenhouse in many countries outside the U.S.

"We immediately noticed the increased opportunities that we gained between Canada and the United States with our very strong Canadian operation. It seemed to have provided us with a much greater opportunity for new clients."


Mr. Bogardus

These new clients are not only U.S.- and Canadian-based multinationals, but also companies in other nations, like Japan, that have operations in the United States and Canada, according to Mr. Bogardus.

Toronto-based Reed Stenhouse had 180 offices in 33 countries when the merger was announced, with little overlap with A&A's 88 offices and facilities in 49 foreign countries.

While the merger boosts A&A's appeal to large multinational clients, the broker will continue to service smaller accounts. "We would like to have a good spread, and we're continuing to put a great deal of emphasis on the middle-sized market," Mr. Bogardus noted. "We're trying to get a balanced approach to it."

The combination of Alexander & Alexander and Reed Stenhouse solidifies A&A's position as the second-largest U.S. broker, according to *Business Insurance's* ranking. A&A's gross revenues jumped 16% to $967,000 in 1985, compared with A&A's and Reed Stenhouse's combined $834.1 million in 1984.

But while the merger has increased A&A's revenues, the mechanics of the merger have proved to be expensive. A&A's net operating income last year was reduced by $20.5 million in merger-related expenses.

In combining the two operations, A&A faced "more or less the normal merger problems of systems, space redundancies, conforming to U.S. accounting principles and, in a few instances, people redundancies," Mr. Bogardus said.

Merger-related expenses are "now behind us," Mr. Bogardus asserted. "And, we're very optimistic about the benefits that will be developed in the future from the merger.

"I think so far, that it's really worked out very well for us. It really was a very complementary merger."

In addition to strengthening A&A's international retail operation—particularly in Canada, Australia, New Zealand and the United Kingdom—the merger with Reed Stenhouse also stengthened A&A's domestic operations.

"They did have fairly significant operations in the United States that have now been combined, in almost every case, with our office," so the merger has added "some substance" to A&A's U.S. operations as well, Mr. Bogardus noted.

Reed Stenhouse operated 17 offices in the United States where A&A was already located, according to Michael K. White, president and chief executive officer of A&A Inc., A&A's domestic brokerage operation. "And, they brought with them a broader class of clients and additional experienced employees," he added.

"This was particularly true in the San Francisco office, which was the second-largest office and, combined with our offices in San Francisco, has given us a substantial location," Mr. White said. There are now about 250 A&A employees in San Francisco, compared with 104 before the merger, Mr. White noted.

"The combination of our national aviation team and their national aviation team has created the best in the industry," he contended. "And, we have expanded the national view to include global operations, to take advantage of the expertise that we have in Canada and Alexander Howden in the U.K."

Despite the $20.5 million adjustment for merger-related expenses, A&A's income from continuing operations increased 58% to $44.7 million from $28.3 million in 1984.

However, because of a $52 million loss resulting from discontinued operations—specifically the underwriting operations A&A obtained in 1982 when it acquired Lloyd's of London broker Alexander Howden Group P.L.C.—A&A reported a net loss of $7.3 million in 1985.

In 1984, the broker reported a $77.1 million loss from discontinued operations and a $47.2 million net loss.

The charges related from the discontinued underwriting operations in 1985 stem from a decision to strengthen the operations' reserves by $43 million on a pretax basis because of adverse claim experience and to increase the allowance for doubtful reinsurance recoverables by $60 million.

These reserve increases resulted in a $52 million charge after taxes.

Mr. Bogardus says he does not expect any more surprise development stemming from the underwriting units.

"I don't see any new issues developing with the underwriting companies," Mr. Bogardus said. "It really gets down to two issues.

"One is, are the reserves going to stand up?" he said, noting that the underwriting subsidiaries' reserves are now monitored by both A&A personnel and outside experts.

The second issue, which he conceded "may be impossible" to estimate, is if there will be an increase in the amount of reinsurance that will not be recoverable. "Are there going to be more failures among reinsurers? These are the uncertainties we have no control over."

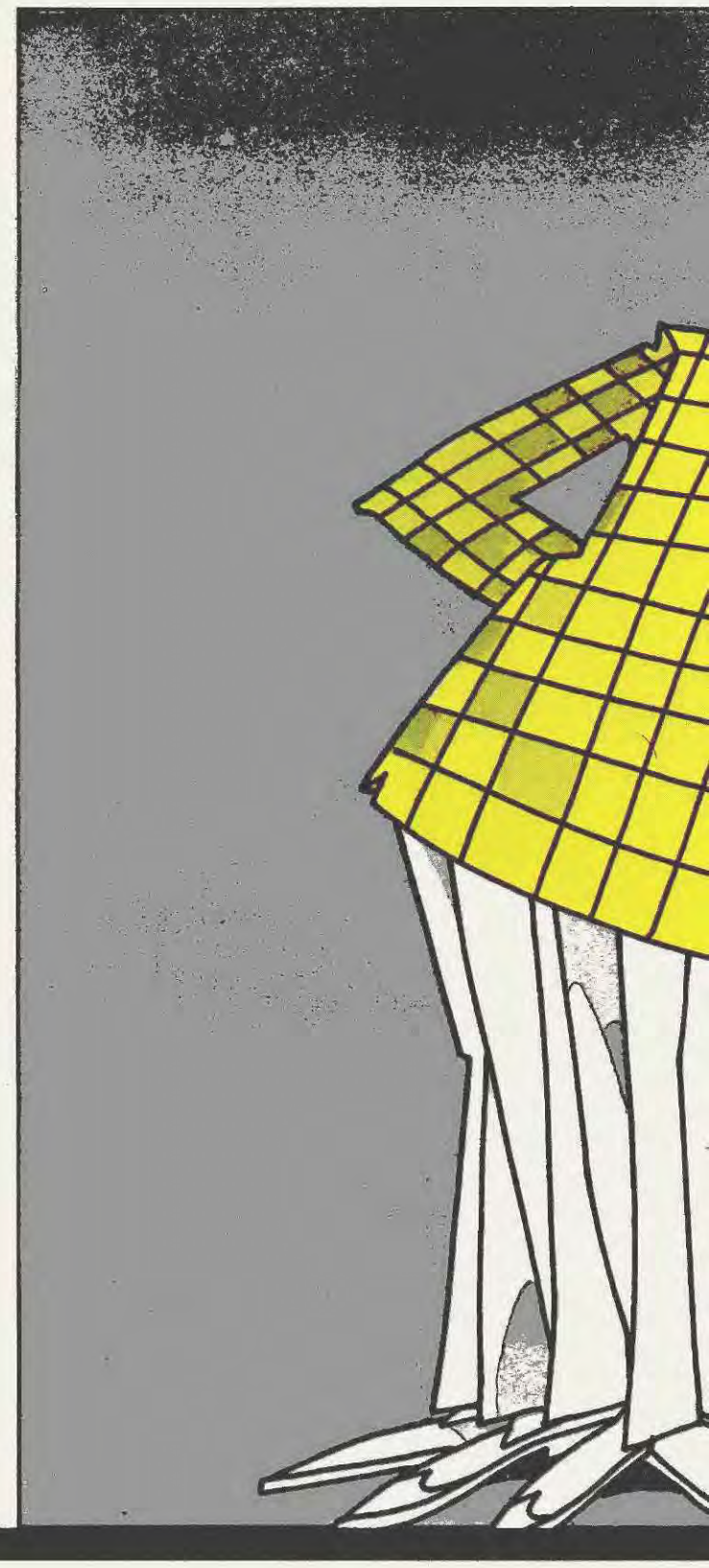
In addition to these problems, A&A has also been burdened with high costs—in both time and money—caused by the tangle of legal proceedings stemming from the Howden underwriting units, especially those at Lloyd's of London.

This litigation includes a lawsuit brought by A&A and Howden against Ian R. Posgate, former underwriter for Lloyd's syndicates managed by Howden, in which A&A and Howden seek the return of assets that the companies charge that Mr. Posgate misappropriated. A trial date has been set for October.

Also set for October is a trial in a

Continued on next page

Introducing Our New Line ...One Size Fits Groups of 10 to 99



Provident Mutual Group Sales and Pension Offices
Atlanta Suite 990, 211 Perimeter Center Parkway, Atlanta, GA 30346 (404) 393-1300 • **Baltimore/Washington** Suite 408, 20 Columbia Corporate Center, 10420 Little Patuxent Parkway, Columbia, MD 21044 (301) 598-4800 • **Charlotte** Suite 1111, United Carolina Bank Building, 212 South Tryon Street, Charlotte, NC 28281 (704) 376-6209 • **Chicago Area** Suite 240, 1100 Jorie Boulevard, Oak Brook, IL 60521 (312) 325-9222 • **Detroit Area** Suite 204, 26200 Lahser Road, Southfield, MI 48034 (313) 354-5850 • **Florida** Suite 330, 555 Winderly Place, Maitland, FL 32751 (305) 660-0801 • **Greensboro** P.O. Box 10400, Greensboro, NC 27404 (919) 294-4240 • **New England** Russia Wharf, 4 Central, 270 Congress Street, Boston, MA 02210 (617) 423-4283 • **New York** Suite 700, 150 East 52nd Street, New York, NY 10022 (212) 759-0111 • **North & Central New Jersey** Suite 301, 600 South Avenue, Westfield, NJ 07090 (201) 233-3400

Continued from previous page
wrongful dismissal suit brought by Mr. Posgate against Howden.

Some of the disputes have been settled, however. Late last year, Alexander Howden Underwriting Ltd. and Alexander Howden Group Ltd., a brokerage unit, agreed to pay 13.4 million pounds ($19.4 million) to 300 members of two syndicates managed by Mr. Posgate to settle a suit over the alleged mismanagement of two syndicates by former Howden officers and directors (*BI*, Dec. 30, 1985). Provisions for the settlement had been made in prior years and, thus, the settlement did not affect A&A's 1985 results.


Mr. White

But, A&A's high legal expenses are "going to go on for a while longer," Mr. Bogardus conceded. "You just can't be in business today without, unfortunately, having high legal expenses."

Mr. Bogardus admitted that litigation has consumed more of the broker's energy than he would like. "I think it's a general disruption that we've had to spend as much time as we have on legal matters. It's just been time consuming, but I think that gradually those are becoming less prominent, so that all of us are able to spend more and more time in the brokering and financial services part of the business."

A&A's first-quarter 1986 results already show improvement. Net income jumped 67.4% in the first quarter to $22.1 million from $13.2 million for the same period last year. Revenues increased 18.7% during the first quarter to $249.8 millon from $210.5 million, though A&A's revenue growth lagged behind most of the other publicly held brokers (*BI*, May 12).

Mr. Bogardus contends that variations among the business niches of different brokers must be taken into account in analyzing revenue growth. For instance, he pointed out that some brokers, not including A&A, are very active in the investment consulting business, which has been strong lately because of the stock market boom.

Meanwhile, with the energy slump, A&A has not been able to achieve significant growth in energy-related brokerage, one of its specialties, Mr. Bogardus adds.

"I think our revenue growth was consistent with most of the others in the business" when those factors are taken into account, Mr. Bogardus said. "There is nothing there which I believe is a problem."

However, A&A's Human Resources Management Group, which included A&A's benefit consulting operation, "did not have the revenue growth we would have liked," Mr. White admitted. "But, it is not a disappointment. It is just not as strong as we would have liked."

A&A reports its business in three segments:

- Insurance services, including retail, wholesale and reinsurance brokerage, risk management consulting and self-insurance services. Revenues from this segment jumped 17.4% to $805.8 million from $686.3 million, while operating income zoomed 85% to $97.7 million from $52.8 million.
- Employee benefit and management consulting, including A&A's Human Resources Management Group. This segment's revenues increased 5.3% to $88.2 million from $83.8 million, while operating income declined 42% to $2.9 million from $5 million.
- Other business, which includes property tax consulting services, investment and other advisory services. This segment reported a 9.5% increase in revenues to $19.6 million from $17.9 million, while operating income jumped to $2.6 million from a $700,000 loss in 1984.

While HRM has experienced slower revenue growth than other A&A segments, Mr. Bogardus expects "that to turn around and only be a temporary situation." The HRM business will grow considerably beginning either this year or in 1987, Mr. Bogardus predicted.

To facilitate that growth, A&A's HRM business has been restructured into two companies: a brokerage company, Alexander & Alexander Benefits Services Inc., and a consulting company, Alexander & Alexander Consulting Group Inc. Both are directed by HRM's chief executive officer, A.M. D'Alessandro.

"Each unit is considered a profit center within HRM, and the difference is the consulting is a fee-for-service operation, whereas Benefits Services is the brokering operation," Mr. White explained.

"It's evolving, but it is successful," said Mr. White, referring to the restructuring. "We've had a minimum of disruption," he noted.

General expenses—especially personnel expenses—have risen significantly as well, Mr. Bogardus pointed out. "You have to make a significant investment in people right now, some of which has been delayed" because of slower revenue growth during the soft market, he said. This growth includes support staff as well as producers.

Mr. White noted that HRM alone is slated to increase its staff by 15% this year. "We're seeking top people in those fields," he said.

In 1985, the broker increased its employee ranks by 2.4% to 17,000 from 16,600. Revenues per employee increased 13.3% to $56,935 from $50,247.

A&A's operating expenses increased 11.2% last year to $829.4 million from $745.7 million. In the first quarter of 1986, operating expenses increased 17.3% to $220.9 million from $188.4 million the year before.

In hard property/casualty insurance markets like today's, "you throw a lot more people into the breach" to contact insurers, Mr. Bogardus said.

Even those employees who hold staff positions and do not usually have contact with insurers are "actively out on the front lines because it takes so long" to place accounts. It "takes many more people-hours to market a risk, and therefore you have to have more people doing it," he explained.

In addition, "you really somehow have to find the time to facilitate strategies for alternative funding mechanisms," he noted. A broker has to anticipate that some aspects of the current market will not change quickly. "This takes a lot of planning and thought as to how you're going to cope with it," Mr. Bogardus pointed out. And, that takes more people.

Since the beginning of the year, A&A has hired 350 more people. "And, we're continuing to hire," he added.

Expenses also will increase in other areas. "Certainly we're committing much greater resources to systems and automation," Mr. Bogardus noted.

While the hard market has helped A&A generate the revenues to pay for new staff and systems, the company also is aware of the problems that current market conditions are causing its clients.

"I think it's very difficult for us to see businesses and organizations in this country suffering to the extent they are because of lack of insurance capacity and the ability to obtain adequate coverage and our inability to satisfy the requirements of clients that normally we've been able to," Mr. Bogardus said.

Continued on next page



If your clients with 10 to 99 employees haven't found a plan that fits, Provident Mutual's new group coverage is tailored to their needs.

Our new plan is suited to the medium-sized employer who wants a coordinated package of quality coverage, competitive cost and convenient administration.

Let your client try this selection of coverages:
- Life, AD&D, Dependent Life
- Major Medical (15 + lives), with Prescriptive Drug Plan
- Dental Coverage
- Long Term Disability

Our standard cost containment features, styled to your client's needs, are included in all plans. They include second surgical opinions . . . pre-admission testing . . . out-patient surgery . . . limitations on weekend admissions . . . hospice and home health care benefits . . . skilled nursing facility benefits . . . with pre-admission certification/continued stay review available as an option.

Competitive rates, quick quotes and simple enrollment procedures complete this winning combination.

So if your clients are feeling the pinch from plans that just don't fit, try Provident Mutual's new product for groups of 10 to 99 . . . it's just your style. Call your nearest group office, listed below.

PROVIDENT MUTUAL
SECURITY THROUGH FINANCIAL SERVICES

Northern California Suite 2475, 120 Montgomery Street, San Francisco, CA 94104 (415) 392-5117 • **Philadelphia** Suite 1506, Two Penn Center Plaza, Philadelphia, PA 19102 (215) 568-3930 • **Southern California** Suite 1510, 3250 Wilshire Boulevard, Los Angeles, CA 90010-1605 (213) 383-6000 • **Texas (Dallas area)** Suite 550A, Central Tower at Williams Square, 5215 North O'Connor Boulevard, Irving, TX 75039 (214) 506-9200 • **Texas (Houston area)** Suite 102, 2121 Sage Road, Houston, TX 77056 (713) 621-7650 • **Mid-Atlantic Pension Office** Suite 141, 111 Presidential Boulevard, Bala Cynwyd, PA 19004 (215) 667-5545 • **Midwest Pension Office** Suite 240, 1100 Jorie Boulevard, Oak Brook, IL 60521 (312) 325-9222 • **Northeast Pension Office** Suite 700, 150 East 52nd Street, New York, NY 10022 (212) 759-0111 • **Southern Pension Office** Suite 1105, 212 S. Tryon Street, Charlotte, NC 28281 (704) 377-0563

Continued from previous page

"This is a sign of the times, and the civil justice system in this country is primarily responsible for that," he said.

The situation is just as frustrating for A&A employees, and is particularly difficult for young staff members who are experiencing a hard market for the first time, according to Mr. Bogardus.

"I sense throughout our professional staff this unusual frustration," he said. "I think all brokers are doing everything possible to create the best vehicles possible for the client to fund risk, and this is requiring many alternative methods which are not totally satisfactory but are better than having no coverage."

However, Mr. Bogardus would not say whether A&A plans a facility like X.L. Insurance Co., the Barbados-based excess liability insurer organized by Marsh & McLennan Inc. and Morgan Guaranty Trust Co. Securities laws preclude A&A from revealing its plans in this area in advance, he pointed out.

But, Mr. White noted: "We have looked at a number of situations, and have several under consideration right now."

To deal with the hard market, a broker "must get into national—rather than local—marketing, to an extent. You have more people involved in helping local offices," he explained. "You are also accessing markets on a national basis."

A&A has also placed an "increasing emphasis" on the risk management services offered by Anistics, its risk management consulting and captive management subsidiary, and Alexsis, a risk analysis and management consulting service that researches various funding arrangements for clients.

Alexsis has been particularly successful, Mr. White noted. Alexsis produced $37 million in revenue in 1985, a 19.6% increase, according to Mr. White. Through May of this year, Alexsis' revenues already are up 23% over the comparable period a year ago, he said.

In addition, "This kind of market has enabled us to utilize the strengths of Alexander Howden in solving our clients' needs," Mr. White said.

"We are placing a greater emphasis in the area of research and development than we have, and we see this as an ongoing trend in our organization lasting past the change in the market," he noted.

Mr. White notes that about 25% of the $555 million in revenues generated by A&A Inc. last year was new business. "We had an outstanding year relative to our bottom-line results."

He estimated that A&A Inc. this year will produce $650 million to $700 million in revenues. "It'll be close to the top end of that."

"We think it's coming from the regional-type brokers, " Mr. White said, referring to new business on A&A's books. "But we also are taking business from all brokers."

A&A's other domestic operations include Shand Morahan & Co. Inc. and Thomas A. Greene & Co. Inc.

Shand Morahan is the third-largest underwriting manager/managing general agency in the *Business Insurance* ranking of wholesale marketing companies, based on 1984 premium volume (*BI*, Aug. 12, 1985). Its major markets include Evanston Insurance Co., a surplus lines insurer that is a 52%-owned subsidiary.

The current hard market "is a very good market" for Shand, according to Mr. Bogardus. "They thrive in a hard market, so we would expect them to have a good year in 1986 and an even better year in 1987, because their emphasis is on hard-to-place covers and there are plenty of those around right now."

Thomas A. Greene & Co., A&A's wholly-owned reinsurance intermediary, ranked No. 9 among the *Business Insurance* ranking of the 10 largest U.S. reinsurance brokers based on 1984 revenues (*BI*, Nov. 11, 1985).

"They are doing very well, and we expect they would have an excellent 1986," Mr. Bogardus said. "They're obtaining considerable new busines and their growth rate is greater than most of the rest of the organization right now."

Meanwhile, Alexander Howden, its Lloyd's brokerage affiliate, is "doing extremely well in all parts of the business," including reinsurance brokering outside the United States as well as wholesale brokerage, according to Mr. Bogardus. The wholesale brokerage business in particular, "is exploding—it's growing so fast," he said.

In addition to Reed Stenhouse, A&A made 11 acquisitions in 1985 and has made eight more acquisitions so far this year. For example, the broker acquired Charles Co., in Phoenix, Ariz., in April, which gave A&A a presence in that state.

As for future acquisitions, Mr. Bogardus said: "We're, I guess, more interested in the next couple of years in acquisitions in HRM than we are in the P/C end of the business."

"We are under discussion with several firms at this time," Mr. White noted.

A&A acquires agencies either to open up a new territory or "to increase our capabilities in an existing location," Mr. White explained. "We did not and do not do mergers just to gain additional size, but rather for the expertise that the people bring."

During 1985, A&A sold Howden's Lloyd's managing general agency business for $23.8 million in cash, which resulted in a pretax gain of $11.9 million. The sale was mandated by the Lloyd's Act of 1982, which requires Lloyd's brokers to divest their Lloyd's managing agencies by July 1987.

All things considered, Mr. Bogardus predicts 1986 will "be a strong year for us in our continuing operations. There's no part of our operations right now that is not doing well and meeting forecasts and budgets.

"All the traditional parts of our business are going to grow significantly in 1986," Mr. Bogardus added. Potential growth areas include financial guarantee insurance, where there is still "considerable opportunity," as well as foreign credit and political risk insurance, he says.

A&A made several management changes during the past year. William M. Wilson, formerly chief executive officer of Reed Stenhouse, became chairman and chief executive officer of A&A International Inc. In addition, Rolf H. Towe was named senior vp and chief financial officer of A&A Services, while Peter M. Densen, A&A's previous chief financial officer, became the company's chief of staff.

Robert H. Moore was elected senior vp, with responsibility for coordinating corporate relations. Also, Donald Cleveland was named chief operating officer of A & A's Human Resources Management Group, and Daniel E. Kestenbaum was named chief executive officer of Alexander Howden Ltd.'s North American operations.

A&A stock on the New York Stock Exchange closed on June 11 at $37.12 per share. It was trading at $30 a share a year ago.

The highest-compensated A&A officers and their total compensation in 1985, according to information filed with the Securities and Exchange Commission, were:

John A. Bogardus Jr.	$564,934
Tinsley H. Irvin	$432,259
Michael K. White	$414,595
Joseph E. Morahan Jr.	$396,073
John C. Sienkiewicz	$290,720

—By Judy Greenwald

WM. H. McGEE & CO., INC.
Established 1887



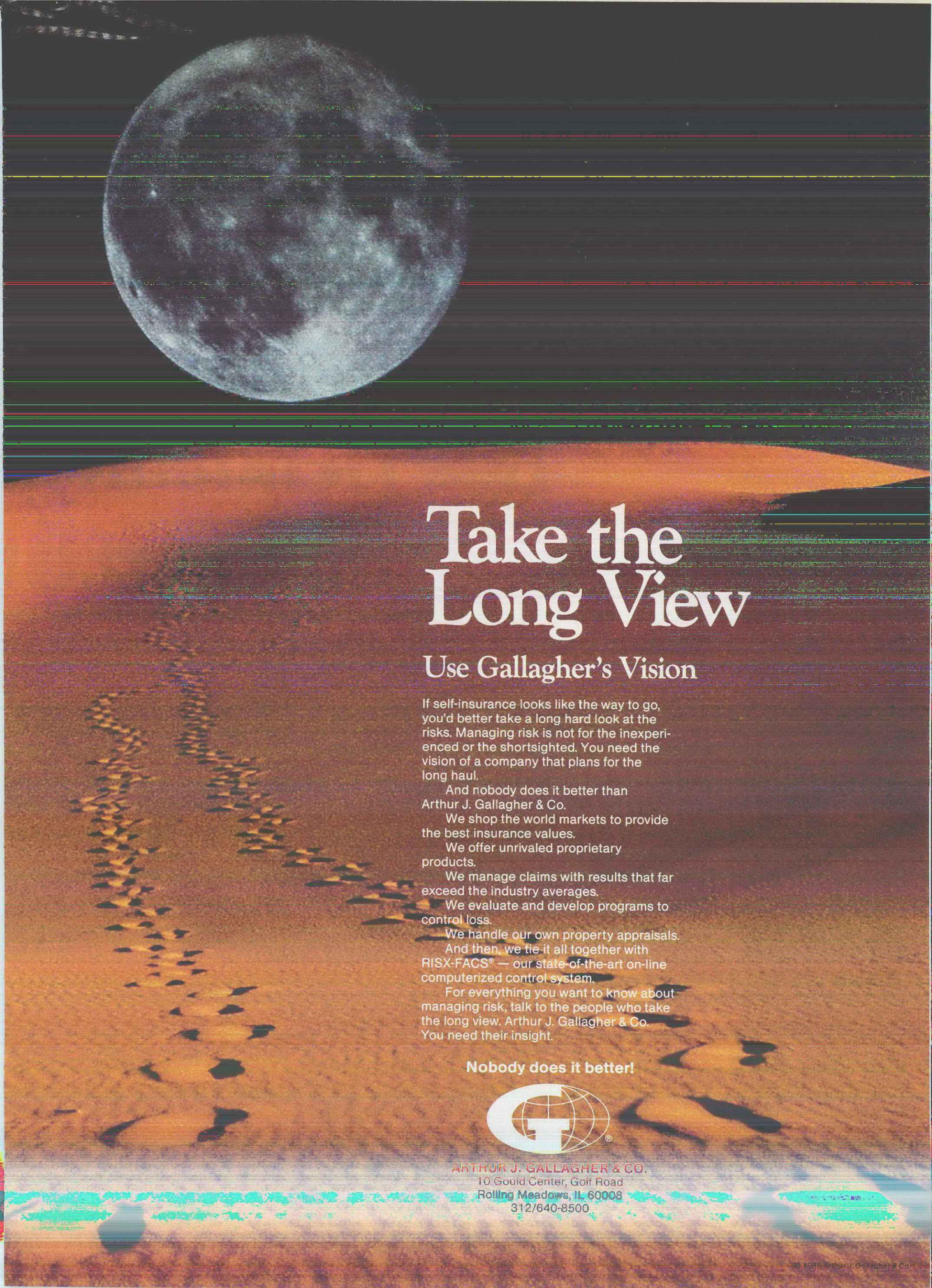
Representing
Security Insurance Company of Hartford since 1894
Sun Insurance Company of New York since 1924
Marine Indemnity Insurance Company of America since 1945
Royal Exchange Assurance of America, Inc. since 1945
Taisho Marine and Fire Insurance Co., Ltd. since 1957
The Camden Fire Insurance Association since 1974 *and from 1916 to 1969*
General Accident Insurance Company of America since 1974
Peerless Insurance Company since 1977
The Baloise Insurance Company of America since 1978
Providence Washington Insurance Company since 1981 *and from 1887 to 1952*
Pennsylvania General Insurance Company since 1981
Continental Casualty Company since 1984
National Fire Insurance Company of Hartford since 1984
London Guarantee & Accident Company of New York since 1985
Phoenix Assurance Company of New York since 1985

FOR A STABLE OCEAN MARINE, INLAND MARINE AND MULTI-PERIL MARKET

SEE McGEE

Four World Trade Center, New York, N.Y. 10048
Telephone: 212-775-1300
Telex: 12-9249 • Fax: 212-524-6805

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



Take the Long View

Use Gallagher's Vision

If self-insurance looks like the way to go, you'd better take a long hard look at the risks. Managing risk is not for the inexperienced or the shortsighted. You need the vision of a company that plans for the long haul.

And nobody does it better than Arthur J. Gallagher & Co.

We shop the world markets to provide the best insurance values.

We offer unrivaled proprietary products.

We manage claims with results that far exceed the industry averages.

We evaluate and develop programs to control loss.

We handle our own property appraisals.

And then, we tie it all together with RISX-FACS® — our state-of-the-art on-line computerized control system.

For everything you want to know about managing risk, talk to the people who take the long view. Arthur J. Gallagher & Co. You need their insight.

Nobody does it better!

ARTHUR J. GALLAGHER & CO.
10 Gould Center, Golf Road
Rolling Meadows, IL 60008
312/640-8500

© 1986 Arthur J. Gallagher & Co.

Continued from previous page
on all business written by American Excess in addition to a 10% commission on risks it actually places with the line slip

In addition to American Excess, J&H alone is organizing new excess liability insurance facilities for various client groups, including PRIMEX, a Barbados-based insurer that is scheduled to begin operating this week and whose shareholders/policyholders are medium-sized chemical companies.

J&H also is working on facilities that would provide directors and officers liability coverage to regional banks, municipal liability coverage to groups of public entities and environmental impairment liability coverage to various other groups, according to Mr. Meyer.

Mr. Hecken noted, however, that American Excess and X.L. Insurance Co. could lure away insurance buyers that would otherwise support insurance companies owned by industry groups.

J&H executives also conceded that formation of industry group insurers could mean a loss of brokerage commission income for J&H. However, they maintained that this would not deter the firm from assisting in such formations if clients demanded them.

While it tries to create new liability insurance capacity, J&H also is making greater use of a group of established property reinsurance treaties for captive and rent-a-captive clients.

The treaties include an international property treaty, a domestic property treaty, a marine cargo treaty and an aggregate stop-loss treaty. Limits available to participating captive insurers vary depending on the treaty and the risk but can range up to $150 million.

About 45 J&H clients cede business to the treaties. Most have their own captive insurance companies, but nine are clients of Uniservice Insurance Co., a Bermuda-based property rent-a-captive facility capitalized by J&H in 1984.

In addition to Uniservice, J&H also manages Vista Life Insurance Co. Ltd., a rent-a-captive that writes employee benefit-related coverages.

J&H also has reorganized its operations to improve its ability to obtain capacity from commercial insurance markets.

Although J&H branch offices have traditionally shared market information, the firm formalized this practice with the creation of "national practice partners," senior executives who have been assigned the responsibility of coordinating the firm's resources in various lines of business.

The national practice partners now head national practice committees composed of J&H and Willis Faber executives. These committees include:

- An aviation practice committee, headed by Director George D. Benjamin.
- A casualty practice committee, headed by Mr. Meyer.
- A commercial accounts practice committee, headed by John P Keyser, a Chicago-based director.
- An employee benefits practice committee, headed by James G Harlow, a New York-based director.
- An international practice committee, headed by J. Kenneth Seward, a New York-based director.
- A marine practice committee, headed by Mr. Benjamin.
- A property practice committee, headed by Mr. Rice.

J&H's industry groups—another device to focus the firm's brokerage and risk management resources—also were realigned last year.

The nuclear energy group, which handled insurance programs for nuclear utilities, was merged into the oil and gas group, now headed by Clayton P. Cormier, former president of Exxon Corp.'s captive insurance operations in Bermuda.

The health group has been restructured to more fully integrate brokerage operations with hospital risk management and benefit cost containment units and now is managed by Joseph P. Platt Jr., a Pittsburgh-based senior vp.

Other industry groups include the financial institutions group, handling blanket bond, computer fraud and other coverages for financial institutions as well as financial guarantee products; the construction group, handling construction industry risks; the public sector group, handling insurance programs for municipalities and other government bodies; and the space systems group, handling satellite insurance programs.

J&H also maintains a life and mass marketing group, selling universal life insurance and other products.

Having taken these steps to counter the effects of the hard market, J&H executives are hoping that things don't get much worse in the coming year.

Mr. Hecken predicted that, except for the most difficult to place risks, capacity will return gradually over coming months and that premiums for many casualty lines are more likely to level off than to continue rising as dramatically as in the past year.

Meanwhile, the market for property coverage, except earthquake and flood coverages, is showing signs of capacity improvement, particularly for jumbo highly protected risk accounts, according to Richard J. Rice, senior vp and director.

The proportion of J&H revenues from property business is likely to shrink while casualty business continues to grow, Mr. Hatcher said.

Some of this growth will come from A.C.E., X.L. and American Excess.

A.C.E., for example, has already produced about $1 million in brokerage commissions for J&H, according to Mr. Meyer.

J&H currently is studying possible uses for the cash it is building up in Bermuda from brokering business into A.C.E., according to Mr. Hatcher, who said that the money could be used to finance an accounting operation to service offshore financial services companies. And, J&H is studying the size and composition of the offshore financial services industry, he said.

Other J&H subsidiaries include:

- Triad Underwriting Management Agency Inc., a Chicago-based underwriting manager.
- Johnson & Higgins/Kirke-Van Orsdel Inc., a joint venture with Des Moines, Iowa-based Kirke-Van Orsdel Inc., handling association and group accounts and specializing in public sector association business.
- Pacific Marine Associates Inc. of San Francisco and Shipowners Claims Bureau Inc. of New York, marine claims adjusters.

New directors elected to the J&H board since last year include Burt N. Sempier in the New York office and Gerald R. Swanson in the Seattle office.

In addition to Messrs. Hatcher, Hecken, Meyer and Rice, New York directors include Mr. Olsen, Gardner M. Mundy, George H. Shattuck Jr., Mr. Harlow, Kenneth K. Keene, Thomas G. Patzau, Sam W. Aiena, Mr. Benjamin, Gilbert H. Dunham, and Mr. Seward.

Directors in other offices include Albert S. McGhee, Robert A. Cameron, W. Mitchell LaMotte, Mr. Keyser, Peter A. Bergsten, David W. Bianchi, Mr. Johnson, James W. McElvany, Rodney D. Day III, George F.B. Owens Jr., E. Massie Valentine, Walter H. Clemens, James D. Altman, Denver C. Ginsey and Richard A. Nielsen.

—By Douglas McLeod

In the stormy seas of today's insurance market, it's good to have a beacon of stability.

An unwavering commitment to time proven underwriting practices has allowed Schinnerer to weather the current insurance market with our reliability and stability completely intact. While some ports are closed, we still offer a safe haven to insureds. Call us.

Victor O. Schinnerer & Company, Inc
The Bright Spot in the Insurance Industry.

Underwriting Managers
Specializing in Professional Liability Insurance Programs for Hospitals, Architects, Engineers, and Real Estate Agents and Brokers.

Washington D.C. • (202) 885-9500 New York • (212) 344-1000
Chicago • (312) 565-2424 San Francisco • (415) 495-3444

We have a prescription for one of America's fastest growing medical problems.



For employers all across America, it's a problem that has reached epidemic proportions. How to control the rising cost of health insurance for your employees.

At Washington National Insurance Company, we've come up with a very effective prescription. The common sense approach to health insurance.

For example, we offer group plans which reward those who use more cost effective medical facilities. We also offer reimbursement for second surgical opinions to avoid unnecessary surgery. Simple, direct, effective ideas.

This same common sense approach is also applied to our life, disability, dental, and vision coverages.

These are just some of the important improvements we offer which can produce substantial financial and physical benefits in the long run. But nothing can be done until you decide to start.

The best coverage can also be the most affordable. Write us for more information about Washington National's common sense approach for employers. Or better yet, ask your insurance consultant to call us at 1-312/570-4831. It may just be the long-lasting relief you need.

Insuring your trust before anything else.

Washington National INSURANCE COMPANY

Evanston, Illinois 60201 ■ A Washington National Corporation Financial Service Company

Continued on previous page
said that the breakdown remained "relatively the same" in 1985 from 1984.

Last year, Mr. McCaffrey estimated that about 60% of Hall's brokerage business was pure commission business in 1984. Of the remaining 40%, most was on a negotiated commission basis, with a smaller percentage as pure fee compensation.

Mr. Pruitt said that while "a couple" of insurers, which he would not name, cut broker's commissions "across-the-board" in 1985, most insurers did not. However, he acknowledged that more insurers cut commissions on "certain lines of coverage."

Hall's net commissions and fees for 1985 included: $323.4 million on U.S. business, up 14.4% from $282.8 million in 1984; $44.8 million on British business, up 14.6% from $39.1 million in 1984; and $21.8 million on other foreign business, up from $21 million in 1984.

Hall has approximately 7,000 employees—5,000 domestic and 2,000 overseas—unchanged from 1984. Revenue per employee was $59,629 in 1985, up from $53,129 in 1984.

Hall reported offices in 126 U.S. cities in 1985, down from 137 offices in 1984.

In April 1985, Hall closed its Kansas City, Kan., office in April, 1985, which Mr. Pruitt said was because it was a very small operation.

In addition, the brokerage closed several of its smaller offices nationwide. Most of those closings, including six in New York state, resulted from the consolidation of offices operated by Hall's Adjustco Inc. claims adjusting subsidiary, Mr. McCaffrey explained.

Hall opened offices in: San Mateo, Calif.; Hallandale and Lakeland, Fla.; Marietta, Ga.; Edgewood, Md.; Braintree, Mass.; Dublin, Ohio; Columbia, S.C.; Provo, Utah; and Glen Allen, Va.

Hall also has eight new offices in Texas as a result of Adjustco's acquisition of Southland Marshall Group.

Frank B. Hall is represented in 92 cities in 52 countries abroad, up from 85 cities in 50 countries in 1984. The two new countries in which Hall is represented are Sweden and Switzerland. Correspondent brokers operate 27 of the 92 foreign offices, up from 20 in 1984.

Frank B. Hall made three acquisitions in 1985:

- Southland Marshall Group in September, whose acquisition was reported on a pooling basis. The claims administrator was acquired by Adjustco to give Hall representation in areas where Adjustco did not have a presence, Mr. Pruitt explained. Adjustco now has about 1,000 employees.
- Birdsong Insurance Agency, a retail brokerage operation in Dallas, in January through a purchase. The office was incorporated into Hall's Dallas facility.
- O'Connor Associates Ltd., a reinsurance brokerage operation in Los Angeles, also through a purchase. The office was merged into Hall's Los Angeles reinsurance operations.

"For reasons that are obvious, it was not an active year for acquisitions in 1985," Mr. Pruitt explained. "We hope to get very aggressive in that area," he added.

Mr. McCaffrey agreed. After resolving all of its problems, Hall is a "very understood, very lean and very well-organized brokerage firm. We intend to begin an acquisition program," he said.

So far in 1986, Hall has purchased San Antonio Texas-based Land, Sea & Air Insurance, a retail brokerage operation. It was merged into Hall's San Antonio office.

"We have talked to candidates and have negotiated with some," Mr. McCaffrey added, specifying that all of the candidates are engaged in insurance "brokerage or affiliated brokerage activities."

"I will say this. We are not going to get involved in any underwriting facilities or represent Frank B. Hall as an organization that will put together and be responsible for the results of an underwriting facility," Mr. McCaffrey stressed, to which Mr. Pruitt added for emphasis: "Quote, unquote."

Messrs. McCaffrey and Pruitt say they expect growth from all areas of Hall's operations in 1986. Mr. McCaffrey said that the company has spent a great deal of time explaining to insurers "that we are fully recovered and aggressively back in business."

The greatest growth currently is in Hall's "traditional core brokerage business." Management of Hall's consulting division has been "somewhat restructured and we can expect aggressive new growth there," Mr. McCaffrey added.

For example, Risk Science International, Hall's environmental risk management consulting subsidiary, now has a new manager, Vp Robert Kube. Mr. Kube has been with RSI for four years and was formerly a senior engineer with the company.

RSI's founders, President Lynn M. Miller and Chief Operating Officer Michael J. Murphy, along with two other employees, left the Hall subsidiary last month to form their own consulting firm, Environmental Strategies Corp. (BI, May 12). Thomas V. Hallett remains chairman of RSI.

Leslie & Godwin, Hall's Lloyd's of London brokerage subsidiary, "has had double growth," Mr. McCaffrey said, because of the strengthening of the British pound and because of new business activity.

Peter C. Methley, deputy chairman of Leslie & Godwin, resigned earlier this year to join C.E. Heath P.L.C.

Other management changes at Hall during the past year included:

- George E. Corde, chairman of the Frank B. Hall Services Division, is now also Hall's executive vp of marketing and services.
- Joseph E. Johnson, senior vp of Frank B. Hall Services Division, is now also senior vp of market relations.
- Holmes Harden has been appointed executive vp and chief financial officer.
- William R. Dolan has been appointed senior vp, general counsel and corporate secretary.

In addition, "There has been quite a bit of restructuring within the system," Mr. McCaffrey said. "We've emphasized doing most of it with Hall people."

Despite Hall's problems in 1985, Mr. McCaffrey stressed, employees were loyal to the company. "They've stayed with us through the worst of times, and we are a stronger company for it," he explained.

"You really don't know how strong your company is until it's put to the test," he added.

Other top executives at Hall include: William C. Bartholomay, Henry E. Froebel and Colby Hewitt Jr., all vice chairmen; Walter E. Danielewski, executive vp; and John Addeo, senior vp.

Following his resignation, Mr. Tahmoush continued to receive compensation pursuant to an employment agreement with the company that was to extend through 1991. However, the company and Mr. Tahmoush have reached a compromise settlement agreement, the terms of which Hall will not disclose.

Total compensation of top Hall executives in 1985, according to documents filed with the Securities and Exchange Commission, was:

John F. McCaffrey	$423,967
Peter T. Pruitt	$416,952
William C. Bartholomay	$353,586
Henry E. Froebel	$414,424
Albert J. Tahmoush	$1,409,996

—By Linda J. Collins



THE FLEXIBLE BENEFITS PUZZLE



The Unionmutual Solution

Today's employers are faced with a difficult task. They must satisfy the individual benefit needs of a diversified workforce while they control their benefit budgets. Unionmutual lets you offer your clients a simple solution.

Flexible Benefits. We are the experts in providing benefit plans that not only satisfy employee needs, but give employers an advantage in cost control and administrative service.

Flexible Benefits allow employees to create their own personalized plans from a selection of benefits you and your clients determine. Flex also gives your clients an added edge in managing insurance dollars because flex trims away benefits waste—overlapping coverage for spouses as an example—to allow for additional benefits or to save money.

Unionmutual has designed its Flexible Benefits specifically for small to mid-size companies. We have the people and the technology to handle virtually all plan administration. We assign an Administrative Representative an expert in each case to handle everything from routine questions to benefits pay-

Providing you with the highest quality products and services is part of our UNUM commitment to excellence.

For more information on how Unionmutual's Flexible Benefits can help you solve your clients' employee benefits puzzle, contact your local Unionmutual office.

Flexible Benefits. Another UNUM™ product.

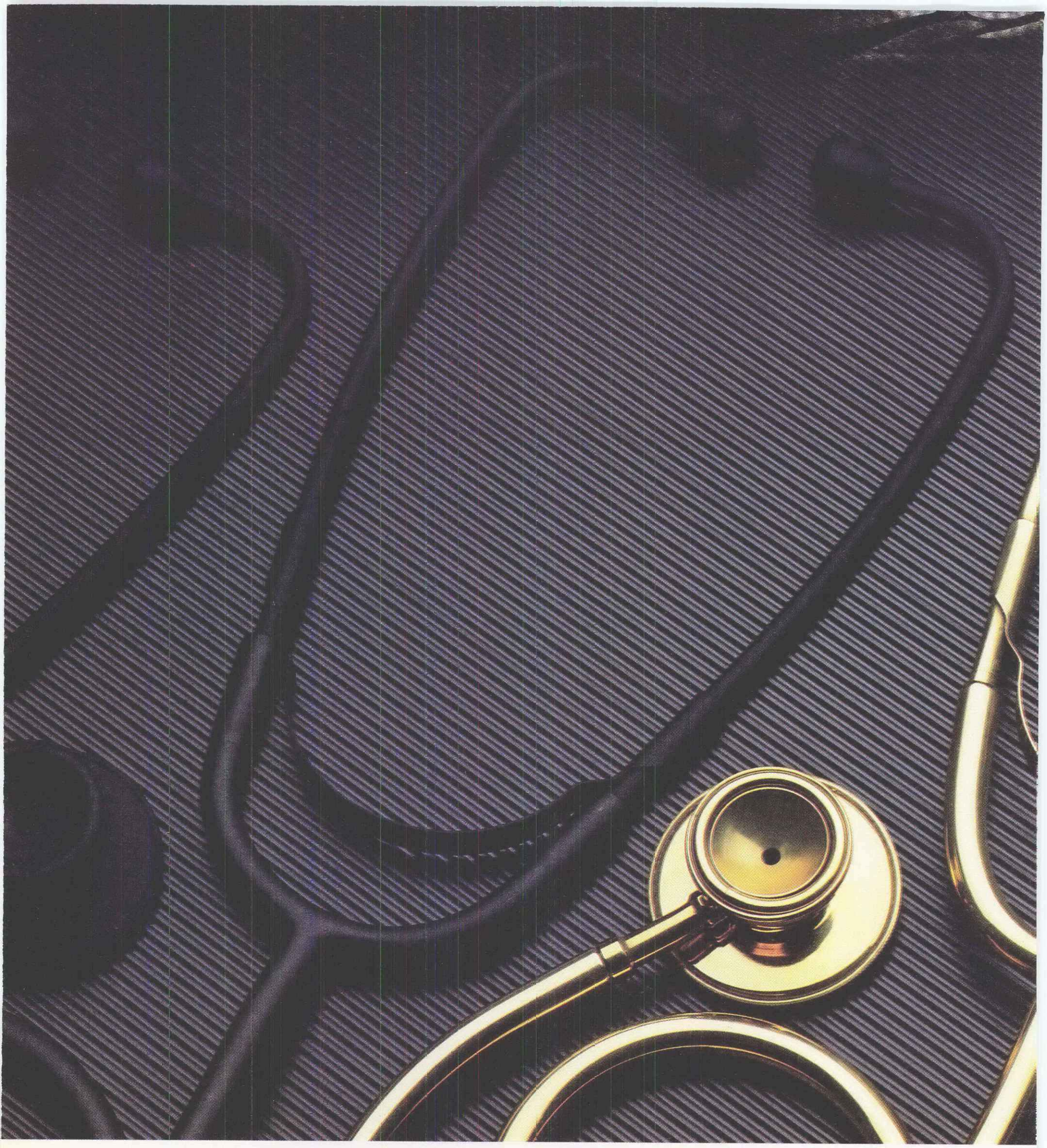
Unionmutual

The UNUM commitment to excellence™

Unionmutual Stock Life Insurance Co. of America
Portland, Maine 04122
(All states except New York)

Unionmutual Stock Life Insurance Company of New York
Elmsford, New York 10523
(New York State only)

Union Mutual Life Insurance Company
Portland, Maine 04122



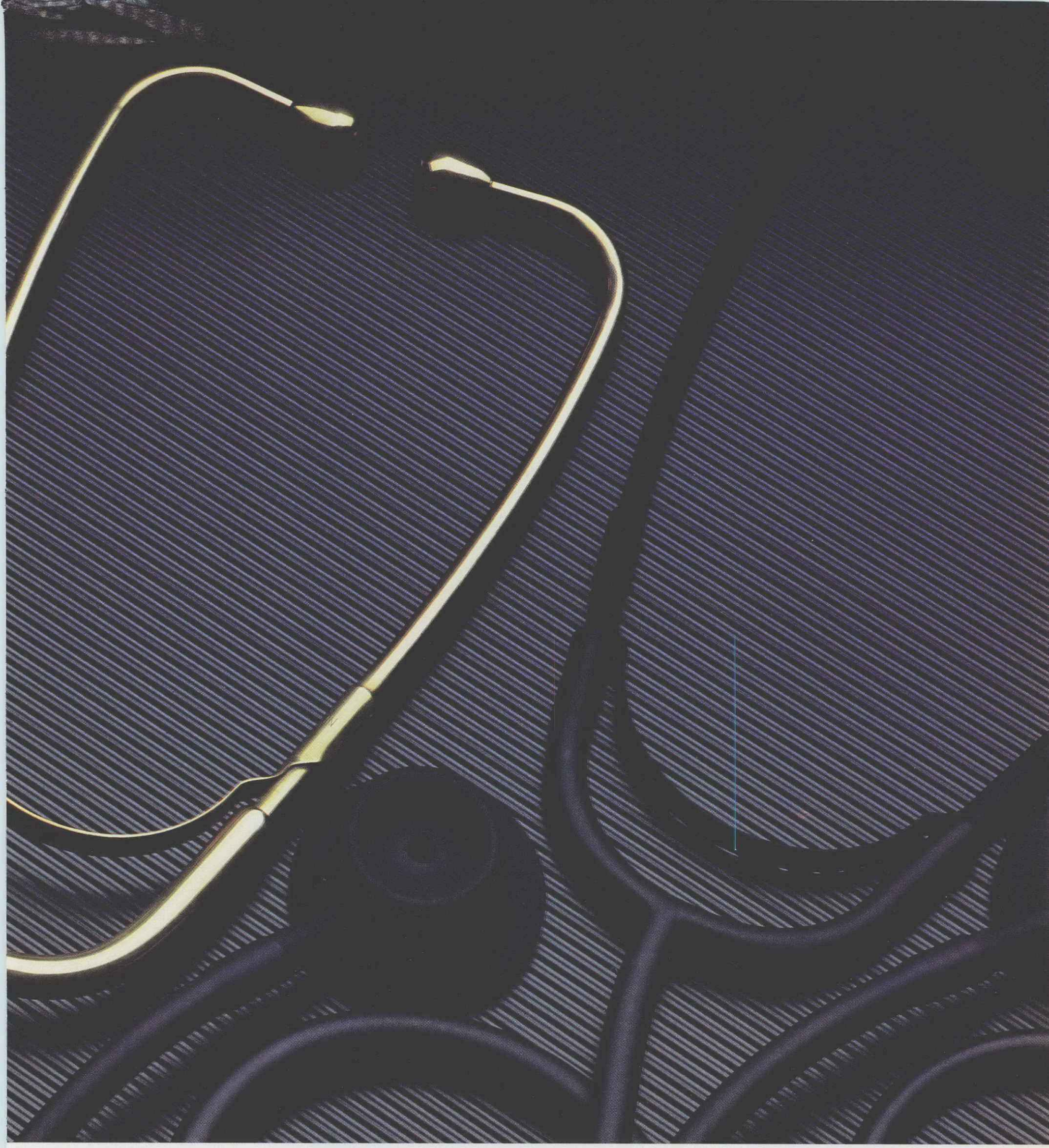
A BETTER CHOICE IN HEALTHCARE IS ABOUT TO BECOME VERY APPARENT.

INTRODUCING PRIVATE HEALTHCARE SYSTEMS. MANAGED HEALTHCARE THAT'S DEDICATED TO QUALITY AS WELL AS THE BOTTOM LINE.

Your employees deserve the best medical care available. They'll get it with a PHS doctor or hospital.

Of course, the bottom line is important, too. So we give you a system to *manage* your group healthcare costs.

A joint achievement of CNA Insurance Companies, Crown Life Insurance Company, Great-West Life Assurance Company, Guardian Life Insurance Company of America.



Familiar promises? Maybe so. However, Private Healthcare Systems (PHS) is an entirely new, entirely different type of organization. PHS is a joint effort of nine top group insurance carriers. Our combined strength makes us the fourth largest commercial insurance organization in the nation. We currently cover over four million employees. And we're still growing.

We can deliver comprehensive, top quality medical care at a preferential price because, frankly, we carry a lot of weight.

Equally important, the doctors and hospitals we select are very carefully screened. They are scrutinized for quality and cost efficiency using objective, scientific criteria developed expressly for our organization. Accordingly, PHS providers are the very best in their respective cities.

No managed system can be truly effective without a comprehensive healthcare review. That's why ours was created to be the most inclusive, yet patient-sensitive system available.

We believe PHS can help everyone utilize healthcare more efficiently and effectively. Plus, we're nationwide. So branch locations can use the same, uniform program. Learn how PHS can help your people and your company. Contact your PHS member insurance carrier.

PHS

PRIVATE HEALTHCARE SYSTEMS LTD.

Quality. In the company we keep.

MONY Financial Services, Pilot Life Insurance Company, State Mutual Life Assurance Company of America, Time Insurance Company and Western Life Insurance Company. ©1986, Private Healthcare Systems Ltd., 20 Maguire Rd., Lexington, MA 02173

5

Fred. S. James & Co. Inc.

1285 Ave. of the Americas, New York, N.Y. 10019; 212-333-8900

	1985	1984
Premium volume	NA	NA
Gross revenues	$391,303,000	$282,826
Brokerage: Retail	57%	57%
Wholesale	1%	1%
Reinsurance	12%	11%
Services	17%	18%
Personal Lines	7%	6%
Invest. Income	6%	6%
Employees	5,982	5,913
Rev/employee	$65,447	$49,530
Offices	122	120

Executives at Fred S. James & Co. Inc. declare the 10-month-old merger of James and Sedgwick Group P.L.C., the largest Lloyd's of London broker, a success.

"Overall, I'd say that it's gone extremely well," says Richard M Page, James' chairman and chief executive officer. The chemistry between the two companies has been "better than expected," he adds.

"We fit together rapidly and quickly," agrees Roger Clayton, James' national sales director.

The James-Sedgwick merger, which was officially completed Aug. 30, created the world's third-largest brokerage based on revenues, ranking behind only Marsh & McLennan Cos. Inc. and Alexander & Alexander Services Inc.

"We needed access to an international network of offices" and the international marketplace, says Mr. Page, explaining the rationale behind the merger. Sedgwick, in turn, needed access to retail brokerage operations in the United States.

James' ability to extend its network of markets since the merger has been hampered simply because insurers are writing less business these days, says Mr. Page.

But on the other hand, the London and U.S. retail operations have worked well together, says Robert C. Nevins, James' executive vp and chief operating officer. "The people fit has been fine."



Mr. Page

James entered its first full year as a Sedgwick subsidiary after posting strong results in 1985. Gross revenues grew 33.7% last year to $391.5 million from $292.8 million in 1984 to remain the fifth-largest U.S. broker. Sedgwick has not released James' operating income.

Since James expanded its staff by only 70 people to 5,982 employees last year, revenues per employee rocketed to $65,447 from $49,530 in 1984.

Mr. Page said he cannot pinpoint precisely how much of the brokerage's revenue growth is a reflection of rates and how much was generated by new business. But he states James' domestic retail operations had "significant" growth in 1985. "It was a very good year for us," he says.

About 57% of James' gross revenues were produced by commercial retail brokerage business, 17% by non-brokerage services, 12% from reinsurance brokerage, 7% from personal lines, 6% from investment income and 1% from wholesale brokerage.

While these percentages were about the same as in 1984, the breakdown of James' revenues will be different for 1986 when changes caused by the Sedgwick merger are reflected in James' operating results.

For instance, as a result of the merger, James' overseas operations —including its London broker, Wigham Poland Holdings Inc.—are now included under the Sedgwick banner. In addition, revenues from James' Seattle-based John F. Sullivan Co., the second-largest U.S. reinsurance intermediary, are now combined with those from Sedgwick's E.W. Payne Cos. Ltd. reinsurance brokerage unit.

However, Sedgwick's Canadian operations have been combined with those of Tomenson Inc., a Canadian brokerage that James had acquired in early 1985 before the Sedgwick merger was announced.

The merger also has resulted in changes in James' internal organization. All officials in charge of operating and staff functions now report to Mr. Nevins, with the exception of officials in charge of strategic planning, national and international sales, government and public relations, who report to Mr. Page.

In addition, to improve communications, the new position of area director was interjected between profit centers and regional directors. Profit centers in each of the three regions now report to two area directors, who in turn report to a regional director.

James is also redefining its target market since the merger. Previously, Mr. Page explains, James had specialized in "Main Street" business, not in companies that were Fortune 1,000-size.

To an extent, this business niche remains James' specialty. "There's no question we're a Main Street broker," says Mr. Page. "We are Middle America."

But James also is taking advantage of its expanded network of offices and is "laddering up the scale" to Fortune 1,000 companies as well, says Mr. Page.

The merger is not the only factor creating change at James, Mr. Page notes. The tightening commercial property/casualty market also is having an effect.

For instance, James' relationship with clients is changing partly because of the difficult insurance market conditions, he says.

"There's never been a period" where clients have been better educated about the insurance marketplace, says Mr. Page. The widespread publicity in the national press "really brought the message home" about the liability insurance crisis, and as a result clients now expect more of their broker, he comments.

Thirty years ago, brokerage clients obtained first-dollar coverage from insurers that, in effect, not only covered catastrophes but also insured business risks, he says. Now, with first-dollar coverages seldom available, policyholders are more aware of the insurance functions they can self-assume, Mr. Page explains.

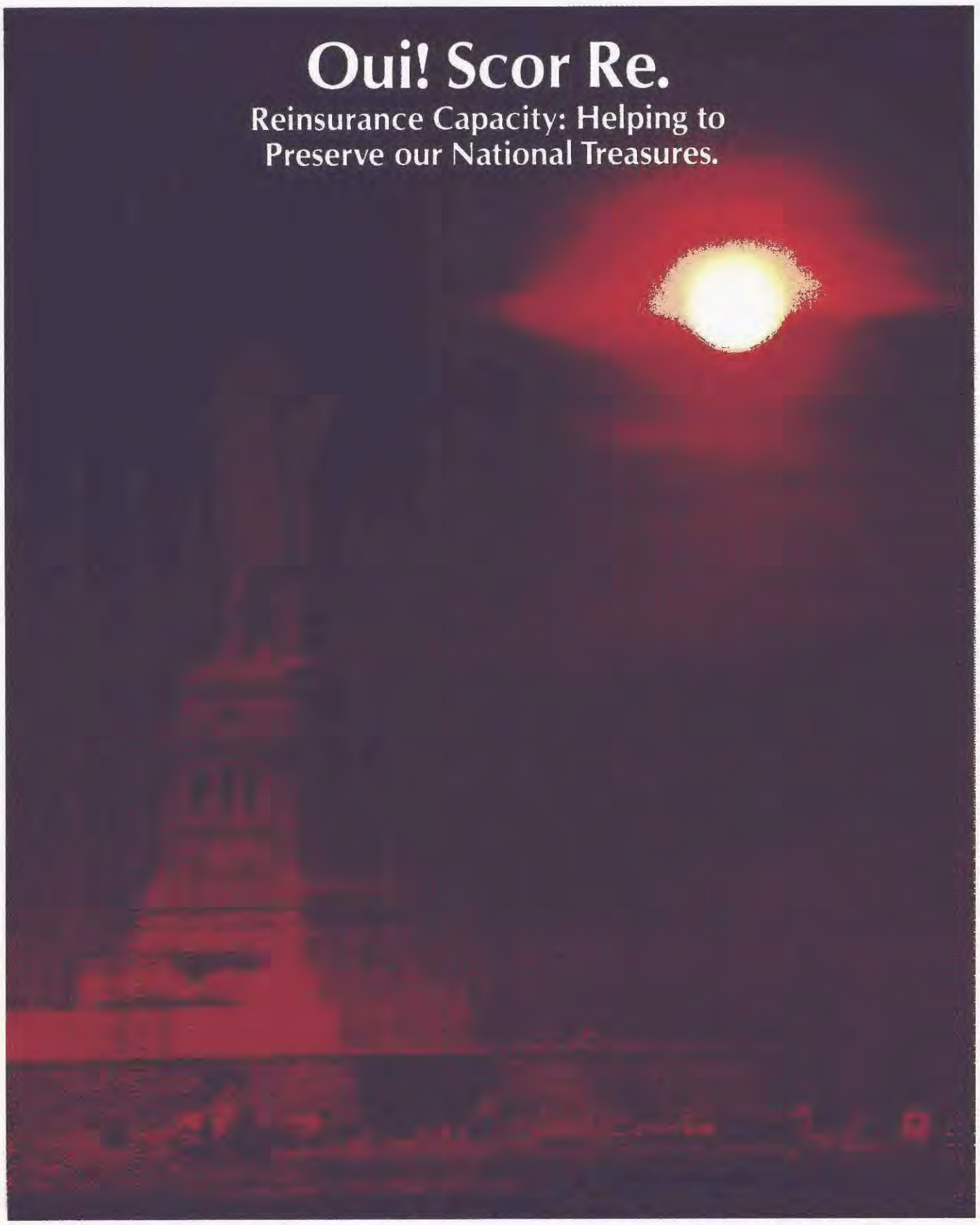
But, to succeed, clients require a wide range of services, including risk identification, analysis, avoidance, transfer and management advice. "People have taken a whole different view of what risk is, and how it can be handled, and insurance is only one mechanism," says Charles Ruoff, vp in charge of planning and security at James.

"The bottom line is our clients want to be more involved in managing their own risk posture" and James is helping them by stepping outside the broker's traditional function of dealing only with risk transfer, says Mr. Page.

"We're not just brokers anymore," says Mr. Page. While, he adds, "We're going to be in the brokerage business for many years to come," James also will act to an "increasing degree" as a risk management consultant and a provider of other services to help clients both manage and finance risk.

One example of how James fills this function is the advisory role both James and Sedgwick played in the creation of Energy Insurance Mutual, a Barbados-based captive

Continued on next page



Scor Reinsurance Company • 110 William Street • New York, NY 10038 • 212-513-1777
Chicago 312-346-2189 • Dallas 214-869-6300 • Hartford 203-525-2300

Continued from previous page
insurer that will provide several lines of excess liability coverage for 65 member utilities (*BI*, April 21).

A Sedgwick unit will manage the EIM office in Barbados until a permanent EIM staff is in place, but James has its own captive management operations: James (Bermuda) Ltd., which now manages 45 captives, and James (Cayman) Ltd., which currently is not managing any companies.

Significant amounts of premium dollars now leaving the U.S. commercial insurance market will not come back, warns Mr. Page. During previous cycles, the pendulum did not quite swing back to where it had previously been in terms of dollars that had left the commercial market, he says. This time around, it will wind up "nowhere near where it was," he predicts.

In addition to its captive activities, James also has acted as a consultant in creating more than 50 affinity group or association insurance programs, with an equal number in various stages of creation, says Mr. Ruoff. So far, he says, this activity represents only a small percentage of James' business, "but it's growing very rapidly."

Participants in these programs include professional organizations and service companies, says Mr. Ruoff. "It's an extremely active marketplace. Our difficulty is to keep up with that growth."

Mr. Ruoff notes that it takes a "fair amount of time" to develop an association program, particularly because many of the companies that participate in such programs do not have full-time risk managers.

Mr. Nevins adds that once formed, these programs are long-term solutions, "not just Band-Aids."

Affinity groups pay James for services on a fee basis, contributing to a growing portion of the brokerage's business. James estimates fees accounted for about 18% of its domestic retail brokerage revenues in 1985.

That estimate is somewhat misleading, says Mr. Nevins, because some states do not allow brokers to accept fees. As a result, while some offices collect no fees, others collect more than 50% of their revenues on a fee basis.

Few major accounts today, Mr. Page adds, operate on a strict commission basis. They either pay flat fees or negotiate their commissions with James.

While James plans to adapt the services to fit its clients, some policyholders will be forced to adjust to liability insurance policies written on a claims-made form, says Mr. Ruoff, who predicts a "mixed bag" of both types of forms this year. He says James believes the claims-made form is appropriate for certain exposures, like product liability, but not for general use.

The various liability policy forms now being used by both U.S. and London underwriters "could lead to potential gaps (in coverage) and uncertainty," complains Mr. Ruoff, adding, "I don't think our clients need that uncertainty."

Explaining coverage gaps to clients will become an "extremely important function" for brokers, he says, describing that as an "extremely arduous task."

Mr. Page says there is "no question" the current tight market will last through 1986 and 1987. "The whole issue is one of capital replenishment," says Mr. Page. Once sufficient capital returns to the market, competition can resume.

But the industry must be on guard against "uneducated, amateur capital" entering the marketplace, he says. When such money appeared during the last competitive cycle, it created a "tremendous amount of damage," says Mr. Page.

To protect its clients from this "amateur" capital, James—under Mr. Ruoff's guidance—has stepped up its monitoring of insurers' security. James also is taking advantage of Sedgwick's monitoring of overseas insurers, which means "we're closer and we're better informed as a group than we were a year ago," says Mr. Page.

Mr. Ruoff noted 30 U.S. insurers and reinsurers became insolvent last year, and nine primary insurers have failed so far this year. Inadequate loss reserves and uncollectable reinsurance were the major reasons these companies failed, he says.

When an insurer cedes 70% to 80% of its business to reinsurers, and then cannot collect on that reinsurance because the reinsurer is insolvent or for other reasons, "that can be a serious problem," says Mr. Ruoff.

Just as the insurance marketplace is changing, says Mr. Page, so is the brokerage business. The five or six largest U.S. brokerages, including James, are growing bigger in size, while the gap is increasing between them and the next largest group of brokerages, he points out, noting the mergers of Jardine Insurance Brokers Inc. with Emett & Chandler Cos. and Alexander & Alexander with Reed Stenhouse Cos. Ltd.

When you look at who is left, you get "down to $20 million (in revenues) pretty fast," comments Mr. Page, likening the brokerage business' current shape to a mushroom, with a large umbrella of very few brokerages dominating the rest.

Only three or four companies, including Sedgwick, can provide a worldwide network of offices, and those that are not yet in this fraternity probably will not be able to join in the future because assembling a worldwide network has become too difficult, he says.

Similarly, it will be "extremely difficult" for brokers who are not now among the five largest U.S. brokers to build a nationwide network of offices, he contends.

Fred S. James tried to further enhance its national presence when it entered into negotiations with Bayly, Martin & Fay International Inc., the 10th-largest U.S. broker, but the talks did not result in a merger (*BI*, April 21).

"It just plain didn't work out," said Mr. Page, refusing to elaborate.

James still is looking "very actively" for acquisitions, he says, though he would not specify what size company James would be interested in acquiring. "I wouldn't preclude anything."

James is "always looking for additional people skills," he says. "We need additional talent virtually everywhere, and so does everyone else.

The brokerage also is seeking a stronger geographical presence in some areas, said Mr. Page. It would like to develop seven to 10 U.S. "hubs" where clients can draw upon a full range of services.

For instance, its July 1985 purchase of Capurro Voss, a Reno, Nev.-based brokerage with $2 million in annual revenues, gave it a stronger presence in Nevada. It also completed the purchase of Portland, Ore.-based Packouz & Steinberg during last year's fourth quarter.

Future areas of growth for the company include financial guarantee products, says Mr. Page. As part of its reorganization, James created a national marketing group headed by Frank A. McDougald, senior vp and national marketing director, that was an outgrowth of strategic planning meetings last fall. Specialty areas handled by the group include financial guarantee products and energy and aviation risks.

An important element in the group's operation, says Mr. Ruoff, is an electronic bulletin board that

Continued on next page

"Let us deliver."

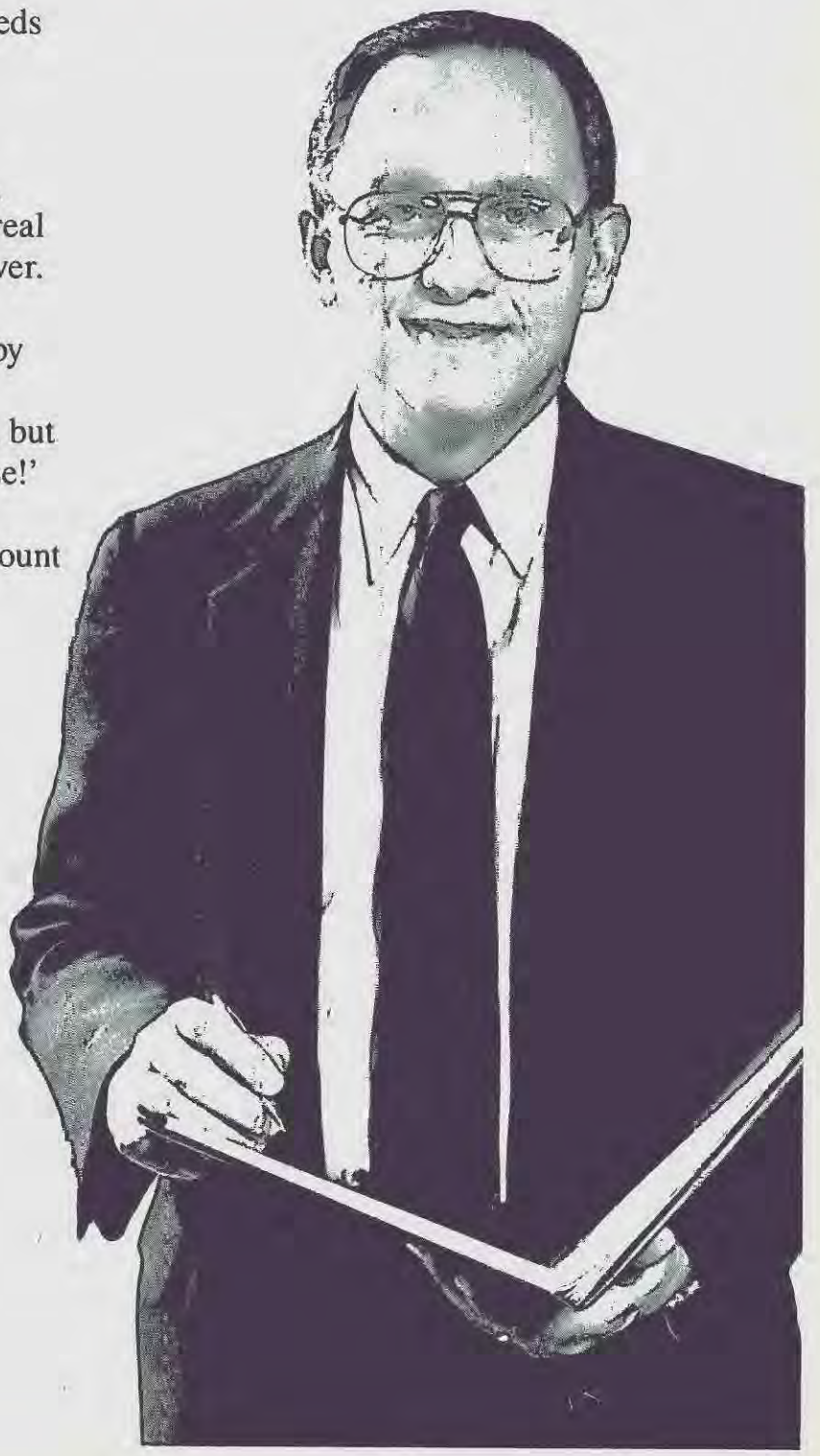
BILL STORY, EXECUTIVE VICE PRESIDENT OF MISSION AMERICAN

"Today's professional agent and broker needs to count on his companies to deliver.

"At Mission American, we have brought together a group of knowledgeable people, experienced people. People ready to give real service to our producers. People who deliver.

"Our dedication to 'delivery' is governed by the credo of our President, Ray Johnson, 'Never over promise what you can deliver, but always try to over deliver what you promise!'

"That's the brand of 'delivery' we offer. Count on it!"



MISSION AMERICAN
INSURANCE COMPANY
A Subsidiary of Mission Insurance Group, Inc.

Home Office: 2600 Wilshire Blvd.
Los Angeles, Ca 90057
(213) 381-6811

Continued from previous page
permits James marketing specialists to canvass James offices around the country in search of coverage for clients.

James is getting out of the employee benefits third-party claims administration business, though, says Mr. Page, and is "getting close" to selling the TPA arm of its James Benefits subsidiary.

Benefits claims administration "requires a lot of people and technical capabilities and information processing," which in the long-run means a lot of capital, Mr. Page points out.

"We don't generate large amounts of capital," says Mr. Page, and this makes it difficult to stay in a "state-of-the-art mode."

With James unable to guarantee its clients the "best possible service" in the long run, says Mr. Page, it is more appropriate to sell the TPA business to people who do have the capital to meet its needs.

James will, however, continue to concentrate on employee benefit consulting, which Mr. Page says is necessary to function as a full-service broker. That consulting will include recommending TPAs as part of clients' benefits service programs, says Mr. Page.

And, James will continue its relatively small TPA activities for property/casualty claims.

James will concentrate on employee benefit consulting and recommend TPAs.

James also has decided not to pursue plans to distribute insurance products via financial institutions through joint ventures, which it had been considering a year ago (*BI*, June 24, 1985).

It just "hasn't worked," says Mr. Page. "We found that our interests were divergent."

Other James operations include SYNCORP, which manages two syndicates on the New York Insurance Exchange.

These syndicates have suspended writing, notes Mr. Ruoff, because they have reached the exchange's premium limits and are in a "cooling off" period.

But SYNCORP may begin managing domestically formed captives and insurance pools, says Mr. Ruoff.

Other James operations include New Amsterdam Excess Inc., James' excess and surplus lines brokerage, which is "still a factor" in the wholesale marketplace. It has offices in New York, Chicago, Atlanta and San Francisco.

In addition to those named, other principal James officers include Lawrence Burkhadt, executive vp in charge of James' newly created client services division. Under Mr. Burkhardt's jurisdiction are James' risk management services, national technical services, fire prevention engineering, claims management services, association business and management information systems units.

James' regional directors are Donald A. Morford, in charge of the Western region; Quill O. Healey, who manages the Central regional; and C. Richard Peterson, Eastern regional director. Geoffrey Kennedy is managing director-international business, while Ronald Berardi is senior vp-special projects.

Alton F. Irby III, formerly James executive vp, has become deputy chairman of Sedgwick Ltd., while John C. Crane, who was also executive vp, has been named to the post of group vp/director with Sedgwick Group.

—By Judy Greenwald

6

Corroon & Black Corp.

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

	1985	1984
Premium volume	$2,515,000,000	$2,148,000,000
Gross revenues	$263,497,000	$204,239,000
Brokerage: Retail	65%	63%
Wholesale	13%	16%
Reinsurance	3%	9%
Personal Lines	3%	4%
Invest. Income	5%	5%
Other	3%	3%
Employees	3,500	3,200
Rev./Employee	$75,285	$63,812
Offices	99	85

Corroon & Black Corp.'s focus on new business production is paying off, its executives say.

"We feel that the emphasis we put on production over the last five years served us well in the onset of the hard market" and helped Corroon & Black gain substantial market share, said J. Bransford Wallace, a corporate senior vp and chairman of Corroon & Black's brokerage services group.

"We're focusing more and more on enhancing the support that we can give to our insurance brokers whose primary responsibility is getting new business. We've substantially improved our new business successes," said Robert F. Corroon, chairman and chief executive officer of Corroon & Black.

The brokerage's growth stems from a "production culture," he said. "We're sort of on a roll."

Richard A. Maxwell, president of the brokerage services group, explained that even though Corroon & Black had positioned itself for growth, results for 1985 exceeded expectations.

"Our operating income was 57% above what we had planned for year-end 1985. We did not anticipate the tremendous, very swift change in the market," he said.

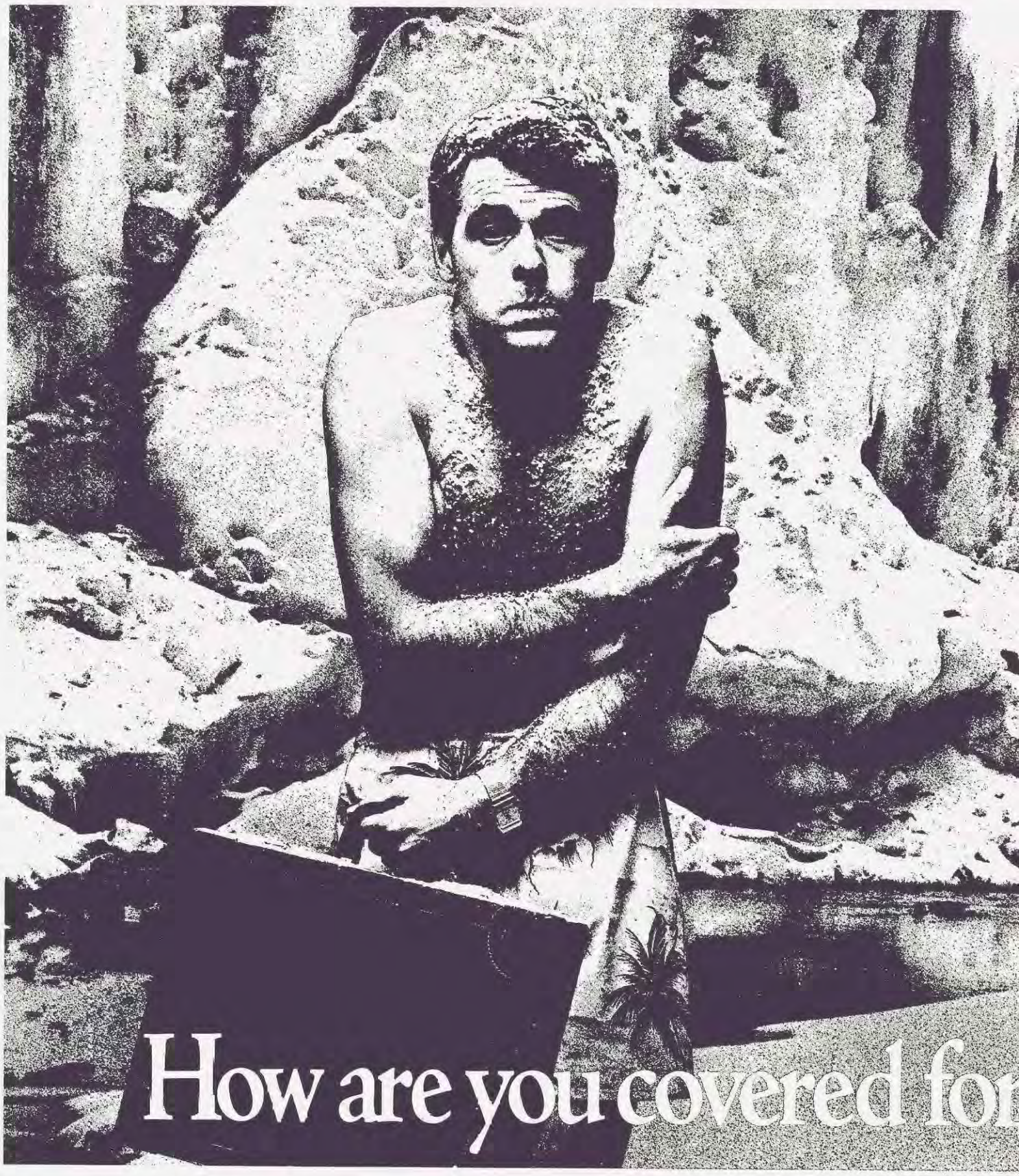
Despite the "kill the messenger syndrome" that existed among clients facing stiff rate increases and coverage restrictions in 1985, Corroon & Black gained many new clients, Mr. Maxwell said.


Mr. Corroon

Corroon & Black's gross revenues rose 29% in 1985 to $263.5 million from $204.2 million in 1984. In the first quarter of 1986, gross revenues jumped 30.6% to $80.7 million from $61.8 million in the first quarter of 1985.

Corroon & Black's income from

Continued on next page



The business insurance climate is changing.

The way property and casualty premiums are going up, you'll pay dearly for carrying coverage you don't absolutely need.

On the other hand, you can pay even more dearly for over-exposure.

At Sentry, we've responded to the changes in the marketplace by putting our traditional National Accounts insurance, Risk Management and Laboratory Services in one, coordinated unit.

Continued from previous page
continuing operations for 1985 was up 58% to $29.9 million from $18.9 million in 1984. And in the first quarter of 1986, income from continuing operations climbed 112.5% to $10.2 million from $4.8 million for the same period in 1985.

But the brokerage's 1985 net income of $28 million was reduced by a $2 million loss from discontinued operations. In 1984, Corroon & Black suffered a $7 million net loss due to charges for disposal of discontinued underwriting operations and an extraordinary charge.

Some of the losses stem from Corroon & Black's underwriting management group, which was discontinued in 1984 and which Corroon & Black has been attempting to sell or dispose of since January 1985. Other losses stemmed from underwriting subsidiaries of Lloyd's of London broker Minet Holdings P.L.C., in which Corroon & Black holds 25% ownership.

C & B took a $24.3 million loss on disposal for its underwriting management group in 1984, $16.4 million net of income taxes. It recorded no additional charges as a result of the group in 1985, and Stephen A. Crane, senior vp and chief financial officer, is confident that it will not have to "report any more bad news to our shareholders" about the group.

The disposal caused Corroon & Black to report an 80 cents-per-share net loss in 1984. In 1985, the brokerage reported per-share net income of $3.15. And, in the first quarter of 1986, per-share net income was $1.08, up from 52 cents in the first quarter of 1985. The 1986 first-quarter results take into consideration a 2-1 stock split in May.

C&B stock was trading at a post-split price of $37.50 per share on June 11 on the New York Stock Exchange. A year ago, prior to the split, it was trading at $45 a share.

The discontinued underwriting management group includes Corroon & Black subsidiaries Baccala & Shoop Insurance Services and Global Aviation Insurance Services Inc., both of which operated as managing general agencies, and National Excess Insurance Co. (NATEX).

"In the case of Baccala & Shoop, it was not possible to sell the company," Mr. Crane said, explaining that the underwriting manager's markets had dried up.

"We have wound down Baccala & Shoop rather nicely. We subcontracted out some of its contractual obligations, and we've run off some of the rest of the business. We ought to be through with it within a couple of months," he said.

Global Aviation is a different situation, Mr. Crane noted.

"We've pared it down a bit, cut expenses, tightened up the operation and it's now marginally profitable," Mr. Crane said. He added the brokerage is in the process of selling Global Aviation and should finalize a deal by the end of the second quarter.

The status of NATEX is "very similar," Mr. Crane pointed out. "Right now, we are in the process of negotiating a contract to sell it," he said, adding that the transaction should be completed by the end of the third quarter.

Mr. Crane observed that "the good news is that we should come in at or below the initial reserve we established in 1984 for the runoff, which is approximately $16 million after taxes. I have a high degree of certainty that we will not have to add to that reserve, and it's quite possible that we will have some of that money left over."


Mr. Crane

Mr. Crane added that Corroon & Black would likely put any remaining funds in a reserve for future contingencies that might arise from the underwriting group's operations.

He is equally optimistic that the brokerage will have no further material losses arising from Minet, in which Corroon & Black increased its stock ownership from 20% to 25% in October 1985. Mr. Crane was recently appointed to the board of directors of the Lloyd's broker.

Minet announced in December 1984 that it planned to sell or dispose of its Lloyd's underwriting agency operations. Corroon & Black's share of the estimated loss on disposal was slightly less than $2 million and was recorded as a charge to discontinued operations in the first quarter of 1985.

In 1982, two of Minet's non-marine underwriting agencies, including what was then known as PCW Underwriting Agencies Ltd., were placed under investigation by Lloyd's in connection with alleged misappropriation of syndicate funds (*BI*, June 24, 1985).

Corroon & Black originally recorded an extraordinary charge of more than $1.5 million in 1984 relating to an initial settlement reached by Minet in the matter.

However, because there is a possibility that Minet may incur additional liability related to these syndicates due to increasing underwriting losses, Corroon & Black has carried a qualified auditor's opinion on its financial statements since 1982.

"The hot button right now is the fact that there were some very substantial underwriting losses in one of the non-marine syndicates that was managed by one of those agencies in which the malfeasances took place," Mr. Crane said.

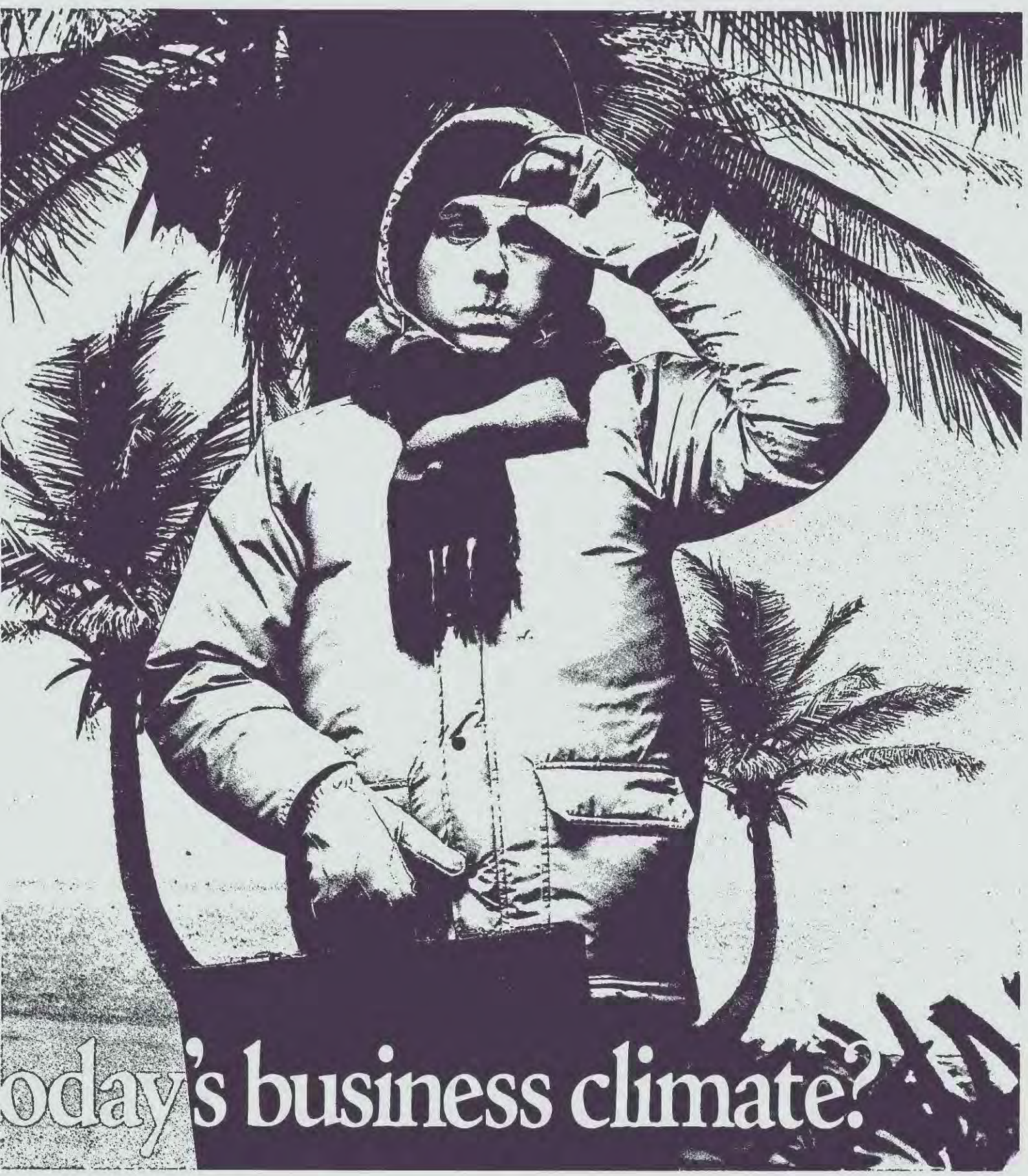
"It's Minet's point of view, and we concur with this, that those underwriting losses were completely unrelated to the fraudulent and felonious practices of the principals of those agencies and that, therefore, Minet is not responsible for those underwriting losses," Mr. Crane explained.

He added that there could be a settlement involving Minet and about 40 other potential defendants in which the parties would "put up a portion of the shortfall in those syndicates without acknowledging any responsibility for the losses." The settlement might be attractive just to "wrap the whole thing up," Mr. Crane said.

If such a settlement were reached, it would be treated as a "non-cash charge related to discontinued operations," Mr. Crane pointed out.

For its continuing operations,

Continued on next page



So we can help you choose the right mix.
From full insurance to a combination of self-insurance and risk retention plans to no insurance at all.
To find out how well this works, call 715/346-6863.

We'll help you cover and uncover for the climate.

Sentry. Insurance
National Accounts Department
Sentry World Headquarters
1800 North Point Drive
Stevens Point, WI 54481

Continued from previous page
Corroon & Black reports commission and fee revenues for each of three groups

The Brokerage Services Group generated 72%—or $174.2 million—of Corroon & Black's $241.9 million of commissions and fees from continuing operations in 1985, up from 71% in 1984.

Its Benefits & Specialty Sales Group brought in 19.6% of Corroon & Black's 1985 commissions and fees, or $47.4 million, up from 18% in 1984.

The Reinsurance Group's portion of commissions and fees for 1985 dropped to 8.4%, or $20.3 million, from 11% last year, although reinsurance revenues increased $1.4 million in 1985 over 1984. The group, consisting of G.L. Hodson & Son Inc. and its subsidiaries, ranked fifth in *Business Insurance's* 1984 ranking (*BI*, Nov. 11, 1985).

Corroon & Black's business plan for the 1980s focuses on all aspects of internal and external growth and on professional and product development, Mr. Corroon noted.

In focusing on external growth, President and Chief Operating Officer Richard M. Miller said Corroon & Black plans to put more emphasis on its reinsurance brokerage business, the growth of which "has been flat."


Mr. Miller

"We plan for our reinsurance and specialty benefits services divisions to become a bigger part of the overall picture," Mr. Miller said.

And, within the context of its business plan, Corroon & Black has identified those segments of the insurance industry in which its employees have skills and knowledge that are superior to its competitors, said Mr. Corroon.

"For example, we feel we have certain skills and facilities that enable us to service the health care industry better than our competition. We are focusing on the health care industry and trying to further enhance our capability of servicing that industry on a national basis as well as a regional and local basis," Mr. Corroon explained.

"Another area where we're the leaders in the industry is the construction industry—both insurance and surety," he added.

A third target area for the brokerage is municipality business. Corroon & Black has a separate division, PENCo, based in Nashville, Tenn., that specializes in municipal insurance programs for public entities, and in providing these entities with self-insurance programs in areas where conventional programs are not available.

Mr. Miller said that he expects "huge growth" in municipal, health insurance and construction business in 1986.

Besides focusing on those areas of the business where Corroon & Black already has developed strengths, the brokerage also is examining the marketplace and identifying prospects and clients whose businesses are growing, Mr. Corroon said.

For instance, Corroon & Black wants to develop more financial institution clients and also sell financial guarantee products to clients of financial institutions.

"We have made some substantial inroads in connection with sophisticated financial guarantee contracts," Mr. Corroon noted.

One Corroon & Black subsidiary, IDBI Managers Inc. in New York, specializes in financial guarantee products.

Acquisitions and geographic expansion are another important part of the Corroon & Black business plan, executives say.

"We have to be the most aggressive, professional organization in the area or we have to be on our way to becoming it," Mr. Wallace stressed.

"In certain cities where we are rather small, we have decided we have to either acquire other firms in that area or get out of it. We just can't be in the competition if we're too small," Mr. Maxwell added.

In keeping with this philosophy, in August 1985, through a pooling of interests, Corroon & Black acquired Fairfield & Ellis Inc., a leading agency in Boston with a book of business slightly larger than that of Corroon & Black's Boston office. Fairfield & Ellis employed about 80 people and generated about $6 million in annual commission income at the time of purchase, according to Mr. Wallace.

That would have ranked Fairfield & Ellis among the 75 largest insurance brokerage firms based on 1985 revenues. Fairfield & Ellis merged with Corroon & Black's Boston office in April.

"It was an excellent fit," Mr. Wallace noted. "Their strong property and difference-in-conditions (policy) capabilities matched up with the more of a casualty bent we had in the Boston office before we put them together."

And, to increase its presence in Arizona, in January Corroon & Black acquired Phoenix-based Oliver/Pilcher Insurance Inc., which was the nation's 35th-largest insurance broker in 1984. Oliver/Pilcher also was the largest insurance brokerage in Arizona, with $11 million in commission income in 1985, five offices and about 175 employees (*BI*, Feb. 10).

Corroon & Black will combine the Phoenix office of Oliver/Pilcher and one of its four satellite offices with C&B's own Phoenix staff in a new office building. The other three Oliver/Pilcher offices will remain free-standing for the time being.

The Fairfield & Ellis and Oliver/Pilcher acquisitions were major highlights of the past year "because the universe of sizable, quality agencies available for purchase is greatly diminished" in today's marketplace, Mr. Crane noted.

"It was a bit of a coup that we were able to do those deals," he added.

Smaller acquisitions completed in 1985 and 1986 include:

- The Dale K. Larson agency in Royal Oak, Mich., completed in May 1985 in a pooling arrangement. The agency, which specialized in municipal business, was merged into C&B's Detroit office.
- Central Wisconsin Agency in Milwaukee, Wis., completed in January as a purchase. The agency was merged into C&B's Milwaukee office.
- Builders & Merchants Insurance Services in Glendale, Calif., also completed in January as a purchase and merged into C&B's Pasadena office.

Corroon & Black is also interested in expanding its geographic horizons.

"We're looking for opportunities to expand into certain key geographic areas where C&B is not represented and where we feel our presence would be important to the long range health of our organization," Mr. Corroon pointed out.

He said the brokerage "still has a lot of work to do" in the East, while other executives cited plans to increase activity in the Southwest.

In addition, Mr. Crane said the brokerage plans to acquire benefits consulting and third party administration companies. "We feel, in general, that this is a good time to be making acquisitions," he added.

Cities Corroon & Black abandoned in 1985 because of limited growth opportunities were Juneau,

Continued on page 47

LOOK AT YOUR '80/20' LIST.

THEN COMPARE IT TO THIS ONE.

Surprised? We're confident that our list of Assurex* Partners is prominently represented on the "80/20" list of every major insurance company.

The reason is clear. Your underwriters appreciate our savvy when it comes to writing business. We do our homework well, providing not only meticulous attention to detail, but a thorough understanding of such critical issues as:

- "claims made" versus "occurrence"
- today's application of tort law
- your underwriting requirements

Professionals talking to professionals. That's what puts us on your 80/20 lists. And what will keep us there ten and twenty years from now.

*Assurex International is owned by 60 independent insurance agencies and brokers in the U.S. and Canada.

Assurex INTERNATIONAL
100 E. Campus View Blvd.
Columbus, Ohio 43085

ALABAMA
McGRIFF, SEIBELS & WILLIAMS, INC.
THAMES BATRE' MATTEI
ARKANSAS
REBSAMEN INSURANCE
BRITISH COLUMBIA, CANADA
MOINTRA GROUP OF COMPANIES
CALIFORNIA
BARNEY & BARNEY
BOLTON AND COMPANY
WOODRUFF-SAWYER & CO.
COLORADO
DAY, WEBB AND TAYLOR
CONNECTICUT
ARTHUR A. WATSON
FLORIDA
J. ROLFE DAVIS INSURANCE AGENCY, INC.
SEITLIN & COMPANY
GEORGIA
HAMILTON-DORSEY-ALSTON COMPANY
PALMER & CAY, INC.
HAWAII
AMERICAN MUTUAL UNDERWRITERS, LIMITED
ILLINOIS
MACK AND PARKER, INC.
INDIANA
INSURANCE & RISK MANAGEMENT
IOWA
LaMAIR-MULOCK-CONDON CO.
KANSAS
INSURANCE MANAGEMENT ASSOCIATES, INC.
KENTUCKY
POWELL-WALTON-MILWARD, INC.
LOUISIANA
GILLIS, ELLIS & BAKER, INC.
MAINE
MORSE, PAYSON & NOYES INSURANCE
MANITOBA, CANADA
RYAN AGENCY LIMITED
MARYLAND
EARLY, CASSIDY & SCHILLING, INC.
RIGGS, COUNSELMAN, MICHAELS & DOWNES, INC.
MASSACHUSETTS
FRED C. CHURCH, INC.
MICHIGAN
GENERAL UNDERWRITERS, INC.
MINNESOTA
BRANDOW HOWARD KOHLER & ROSENBLOOM, INC.
MISSISSIPPI
FOX-EVERETT, INC.
MISSOURI
THE DANIEL & HENRY CO.
GILBERT-MAGILL COMPANY
NEBRASKA
THE HARRY A. KOCH CO.
NEW HAMPSHIRE
KENDALL INSURANCE, INC.
NEW JERSEY
NATIONAL INSURANCE ASSCCIATES
NEW MEXICO
BUNDY, SELIGMAN & THOMAS
NEW YORK
JOHN F. CURRY AGENCY, INC.
HATCH-LEONARD/MARKIN-SHAW, INC.
NORTH CAROLINA
COLLIER COBB & ASSOCIATES, INC.
OHIO
THE McELROY-MINISTER COMPANY
THE JAMES B. OSWALD COMPANY
PICTON-CAVANAUGH, INC.
SCHIFF, KREIDLER-SHELL, INC.
OKLAHOMA
McELDOWNEY, McWILLIAMS, DEARDEUFF & JOURNEY, INC.
ONTARIO, CANADA
TOWER-CHISHOLM FERGUSON LIMITED
OREGON
JEWETT, BARTON, LEAVY & KERN, INC.
PENNSYLVANIA
THE FRANKEL COMPANY
H.C. KNIGHT & CO.
QUEBEC, CANADA
P. BRUNET ASSURANCE, INC.
RHODE ISLAND
STARKWEATHER & SHEPLEY, INC.
SOUTH CAROLINA
BOYLE-VAUGHAN ASSOCIATES, INC.
TENNESSEE
MARTIN HAYES & COMPANY, INC.
TEXAS
ORDWAY-SAUNDERS COMPANY
ROACH HOWARD SMITH & HUNTER
JOHN L. WORTHAM & SON
UTAH
FRED A. MORETON & COMPANY
VERMONT
KINNEY, PIKE, BELL & CONNER, INC.
VIRGINIA
DeJARNETTE & PAUL, INC.
HENDERSON & PHILLIPS, INC.
WASHINGTON
PARKER, SMITH & FEEK, INC.
WEST VIRGINIA
McDONOUGH-CAPERTON-SHEPHERD GROUP
WISCONSIN
LAUB GROUP INC.

Continued from page 42

Alaska, and Memphis, Tenn. The brokerage sold the businesses to former employees.

Corroon & Black also sold its captive management business in Bermuda to Hanna Insurance Management Ltd. Mr. Wallace explained the basic function Corroon & Black performed in Bermuda was accounting, which "is not, in our opinion, a function necessarily desirable from a broker."

The reinsurance and analytical activity Corroon & Black performs for its clients "is all done by our risk management services division and continues to be provided on a larger scale than ever," he noted.

In 1985, Corroon & Black held its first formal meeting of Internet, an association formed to provide internationally integrated retail brokerage services for the corporate buyer. According to Marnix L.K. Guillaume, president of Corroon & Black International, founding members of the network include CBI, USA; Minet Insurance Brokers Ltd., U.K.; Societe Francaise pour les Assurances Industrielles, France; Funk & Co. (International) GmbH, Germany; and Taverna International SpA-Italy.

Added as Internet associate members have been Dale-Parizeau, Canada; Cobedac, s.a., Belgium; and Algar Cia., Spain.

Another 17 brokerages are indirect members of Internet because of their affiliation with Minet, Mr. Guillaume said. Countries in which these affiliates are located include Australia, Botswana, Guernsey, Indonesia, Ireland, Japan, Kenya, Lesotho, New Zealand, Nigeria, Rwanda, Singapore, South Africa, Swaziland, Thailand, Zambia and Zimbabwe.

"Beyond that, there are 58 other countries where we have correspondent relationships, some of which are exclusive and others which are not exclusive. Over time, the majority thereof will be integrated within Internet," Mr. Guillaume explained.

Corroon & Black currently is installing a computer-based information and communications system to link the offices of Internet members worldwide.

In 1985, Corroon & Black reported 99 domestic offices, up 14 from 85 in 1984. The additions include satellite offices in some regions and offices gained through acquisitions.

Corroon & Black's staff grew 9.4% in 1985 to 3,500 from 3,200 at year-end 1984. By April 30, its employee count had risen 8.6% more to 3,800, mainly due to the Oliver/Pilcher acquisition.

Other growth "has been pretty uniform across the country," Mr. Crane said.

In addition to Mr. Corroon, Mr. Miller, Mr. Crane and Mr. Wallace, senior officers of Corroon & Black include Joseph V. Ambrose Jr., senior vp, secretary and general counsel; C. Jackson Blair, senior vp, administration and human resources; and Crawford A. Black, Paul T. Carter, Joseph O. Estes, and Donald R. King, senior vps.

Total compensation of Corroon & Black's top corporate executives in 1985, as reported to the Securities & Exchange Commission, follows:

Robert F. Corroon	$859,627
Richard M. Miller	$665,644
J. Bransford Wallace	$465,313
Donald R. King	$434,274
John R. Lamberson	$325,047

—By Linda J. Collins

7

Rollins Burdick Hunter Co.

10 S. Riverside Plaza, Chicago, Ill. 60606; 312-454-1400

	1985	1984
Premium volume	NA	NA
Gross revenues	$141,500,000	$113,900,000
Brokerage: Retail	85%	85%
Wholesale	NA	NA
Reinsurance	3%	2%
Services	5%	5%
Personal Lines	2%	2%
Invest. Income	5%	5%
Other	0%	1%
Employees	2,142	1,872
Rev./Employee	$66,060	$60,844
Offices	64	68

When the late Harold H. Hines Jr. announced two years ago his goal of doubling the size of Rollins Burdick Hunter Co. within five years, the chief executive officer's plan stunned his staff.

Patrick G. Ryan, now chairman and CEO of Chicago-based RBH and president and CEO of its parent company, Combined International Corp., recalled how he and Arthur F. Quern, now president and chief operating officer of RBH, reacted to the announcement.

"We both gulped when he said that," Mr. Ryan said.

Mr. Hines died shortly after unveiling his goal, but Mr. Ryan and Mr. Quern implemented the plan. It called for developing a regional management system and integrating it with the direct response and direct sales units of Combined International to develop mass-marketed insurance programs for associations and affinity groups, and controlling costs.

The result is easy for Mr. Ryan and Mr. Quern to swallow: RBH's growth rate during the first quarter of 1986 is exceeding even Mr. Hines' projections, primarily because of the broker's success in garnering new business and attracting talented managers, according to Mr. Ryan.

"Now we know he was a clairvoyant," Mr. Ryan observed.

After five years during which the broker's annual revenue growth rate never topped 6%, RBH's revenue in 1985 shot up 24.2% to $141.5 million from $113.9 million in 1984. The 1985 results place RBH seventh in the *Business Insurance* broker rankings.

(Last year, RBH reported to *BI* gross revenue of $133.4 million for 1984, instead of the $113.9 million figure in Combined International's 1984 annual report. RBH explained that corporate accounting practices excluded some revenue from services that should be included to compare the broker with other brokers. RBH has since changed its internal accounting procedures, because of the reorganization of Combined International, and now reports revenue for the ranking as stated in Combined's financial statement. RBH also has restated its 1984 revenue for a better comparison of its growth in 1985.)

Some 85% of the broker's revenue is generated by commissions and the remainder comes from fees.

Revenue per employee in 1985 increased 8.6% to $66,060 from $60,844 the year before. Meanwhile, the number of employees increased 14.4% to 2,142 from 1,872. Because of RBH's internal accounting changes, the 1984 employee count and the revenue per employee figure that were reported last year also have been restated.

The broker's growth in pretax operating income was even more dramatic than its gross revenue gain. RBH reported $16.9 million in pretax operating income last year, a whopping 119.5% increase from $7.7 million on $113.9 million of gross revenues in 1984.

In 1983, RBH lost $6.8 million.

Continued on next page



Independent.
But never alone.

Keeping today's independent agent and broker in control of their business. That's what we do at McCracken Computer.

Developed for IBM® System/36 and System/38, our Insurance Management System takes care of everything. From in-depth policy files and claim file histories. To accounting, marketing, policy retrieval and file management.

What's more, we offer direct electronic interface with your companies central data files. So you can provide better service with faster turnaround and less chance for error.

McCracken Computer. We give you the tools to be totally self-sufficient. But we're always there with support and innovations to increase office productivity and increase your bottom line.

To find out more, get in touch with us today. 2 Militia Drive, Lexington, Massachusetts 02173. 617-862-3083

McCRACKEN COMPUTER INC.

Continued from previous page

Although RBH remains the smallest contributor of pretax operating income among Combined International's three insurance marketing operations and the corporate services operation, the broker realized the greatest percentage gain in pretax operating income among the operations last year.

Combined International reported $230 million in corporate pretax operating income in 1985, a 21.2% increase from $189.7 million in 1984. Pretax operating income from direct insurance sales dropped 1.3% to $125.9 million from $127.5 million, direct response rose 45% to $40.6 million from $28 million, and corporate services and other operations jumped 75.8% to $46.6 million from $26.5 million.

RBH appears headed for an even stronger year in 1986. First-quarter 1986 results were up 27% to $39.9 million from $31.5 million during the same period last year, according to an RBH spokeswoman.

The most significant factor affecting the broker's performance last year was a 150% increase in new business, according to Mr. Quern. "That part of our growth was the most significant and the most satisfying to us," he said.


Mr. Quern

"Financial institutions was a big area of growth for us," he added. Scarborough & Co. and Rollins-Wrightson, two RBH units, specialize in financial institutions.

He added that the broker's railroad business remained strong, noting the efforts of RBH offices in New York, Boston and Seattle in particular.

"Over the last three years, we've placed a heavy emphasis on our ability to serve new business—but also serving our current clients," Mr. Ryan explained. He noted that "a lot of new business" was developed because of referrals.


Mr. Ryan

To generate new business, Rollins Burdick Hunter has:

- Purchased a reinsurance broker.
- Developed several mass-marketed insurance programs and continues to increase its presence in this market.
- Formalized its product and service development division.
- Opened divisions devoted to aviation accounts and midmarket accounts.

The acquisition of reinsurance broker Sten-Re Cole & Associates of Edison, N.J., spurred the broker's growth, Mr. Ryan said. "They've strengthened our position to access the reinsurance market. They're every bit as qualified and able as we expected," he said.

RBH finalized the deal in July and merged the operation with RBH's reinsurance brokerage subsidiary, Booth Potter Seal Inc., to form Cole, Booth, Potter Inc. Richard E. Cole, formerly an owner and president of Sten-Re Cole, is president and chief executive officer of the merged operation.

For the year, revenue generated from reinsurance operations climbed to 3% of gross revenue, or $4.2 million, from 2%, or $2.3 million, in 1984. The acquisition was reported in the broker's gross revenues on a purchase basis.

Mr. Ryan offered as an example of RBH's increased reinsurance market strength the broker's ability to secure reinsurance for a large association captive that he identified only as having "a tough risk."

"If we had been out at a reinsurance intermediary, we couldn't have gotten the effort or the time," he observed.

Mr. Ryan and Mr. Quern expect that RBH's mass-marketed insurance programs for associations and affinity groups will generate a great amount of new business for the broker. "It's a very significant part of our future," he noted.

In 1985, those programs accounted for 9% of RBH's gross revenue, about the same level reported for the last two years, according to Mr. Quern.

Michael D. Rice, a senior vp of RBH who oversees the development of those programs as chairman of Chicago-based Scarborough & Co., a managing general agency subsidiary of RBH, shares Mr. Ryan's and Mr. Quern's enthusiasm.

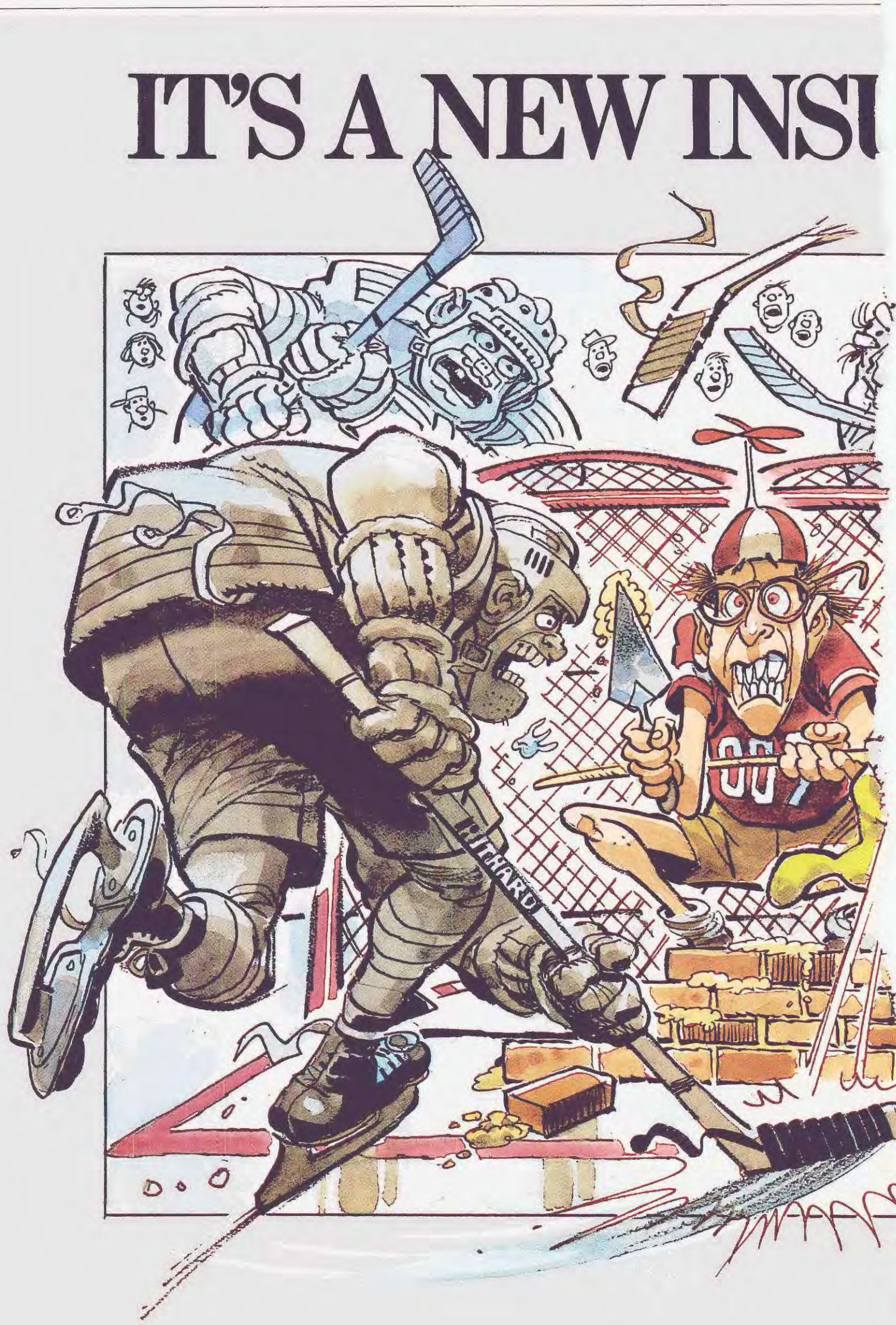
"A year from now, I think I'll be talking to you about some pretty neat things," Mr. Rice predicted, noting that several projects are in the works.

For example, at press time, Scarborough was in the final stages of forming a captive in Wisconsin in conjunction with the state bar association to underwrite lawyers professional liability. The projected start-up date is July 1.

Scarborough also is the managing general agent for a captive being formed to provide directors and officers liability and blanket bond coverages to the 3,400 members of the U.S. League of Savings Institutions of Washington, D.C.

Virginia Surety Co. Inc. of Chicago, a subsidiary of Combined International, will be the fronting company for the captive, which will be capitalized at a minimum of $30 million through stock purchases, primarily by league members.

Continued on next pag



Continued from previous page
Jardine Emett & Chandler is establishing a regional management structure similar to what both brokers have used in the past, Mr. Talbot explains.

To encourage the senior people from both brokers to work together, two new management committees have been formed—a marketing committee and a client relations committee.

Management-by-committee was used successfully by Emett & Chandler to place insurance in the hard market, Mr. Archer says.

The idea is to bring together the company's top marketing people to discuss strategies for placing business and to exchange information on markets and capacity, he explains.

"It's very difficult to rely on an (insurance) market in one single location to get the job done," Mr. Archer says.

"And so not only have we relied on our abilities as we have them thoughout the country, but we've focused our best brainpower and brought it to bear on our major opportunities. And it's been very helpful," Mr. Archer explains.

'Not only have we relied on our abilities as we have them thoughout the country, but we've focused our best brainpower and brought it to bear on our major opportunities. And it's been very helpful,' Richard A. Archer explains.

The insurance market relations committee will be chaired by Executive Vp Timothy Reath, formerly chief executive officer of the East Coast operations of Jardine. The committee will plot the company's strategy for placing coverage with insurers.

It also will provide a forum for the company's top marketing people to exchange ideas and get to know each other.

The client relations committee will be chaired by Executive Vp George W. Brown, formerly president of Emett & Chandler Northern California Inc. It will develop strategies for helping the broker's clients survive the hard market, including examining alternatives to traditional property/casualty insurance.

Mr. Talbot says the two new committees are designed to "help gel Jardine Emett & Chandler into a unified force in the marketplace by drawing on the best of both these companies."

But, as each company did in the past, the individual offices and divisions will operate as profit centers, responsible for their results. "Jardine operations and ours are very independent in that sense," Mr. Archer says. "And I think that gives us great strength, because that means we have strong managers in the field."

The combined brokers also will be better positioned in the insurance marketplace and geographically.

"Whenever you can get a better balanced book of business and larger volumes with insurance companies, they tend to pay more attention to you," Mr. Archer explains.

"In the places where we've combined offices, these (insurance) companies will be receiving consolidated statements. And when the statements say $5 million, instead of one that says $2 million and another that says $3 million, then they'll look at us and be a little bit more interested," Mr. Talbot says.

The 10 largest markets used by the combined company are: American International Group Inc.; Crum & Forster; CIGNA Corp.; Great American Insurance Co.; Chubb Group of Insurance Cos.; Continental Insurance Co.; Travelers Insurance Co.; The Home Insurance Co.; Hartford Insurance Group; and Aetna Casualty & Surety Co.

Together, the brokers now have 37 offices, including subsidiary service offices. Their retail brokerage offices overlap in just five cities: New York, San Francisco, Los Angeles, and Houston.

Operations in these cities will be merged. First, offices in Los Angeles and Houston will be combined at the end of the summer. The San Francisco offices will be merged next year, but the New York offices may be separate for more than a year because office space is tight and the companies had made lease commitments, Mr. Talbot notes.

Each broker opens new markets for the new company.

Emett & Chandler takes the new broker into: Salinas, Pasadena, Claremont, Garden Grove, Bakersfield, and San Diego, Calif.; Phoenix, Ariz.; Chicago; Buffalo, Troy and Rochester, N.Y.; New Orleans; Pittsburgh; and Milwaukee.

Jardine opens up Spokane, Wash.; Arcada, Santa Clara and Santa Ana, Calif.; Honolulu; Schenectady, Syracuse and Cedarhurst, N.Y.; and Parsippany, N.J.

A successful broker must have a certain "hitting power" in the major U.S. marketplaces, Mr. Talbot notes.

"So you have to have a certain amount of size in places like Los Angeles, San Francisco, New York and so on," he explains.

"The development strategy of the two companies was almost identical in that we want to be in major population centers where the purchases of large commercial insurance occurs," Mr. Archer notes. "And we don't want to have offices in every little hamlet all over the place, which are difficult to manage and tend to diffuse your management strength."

Neither broker opened new offices in 1985, but Emett & Chandler greatly expanded its office in Phoneix and Orange County, Calif., Mr. Archer notes. Several small brokerage operations also were acquired in Chicago.

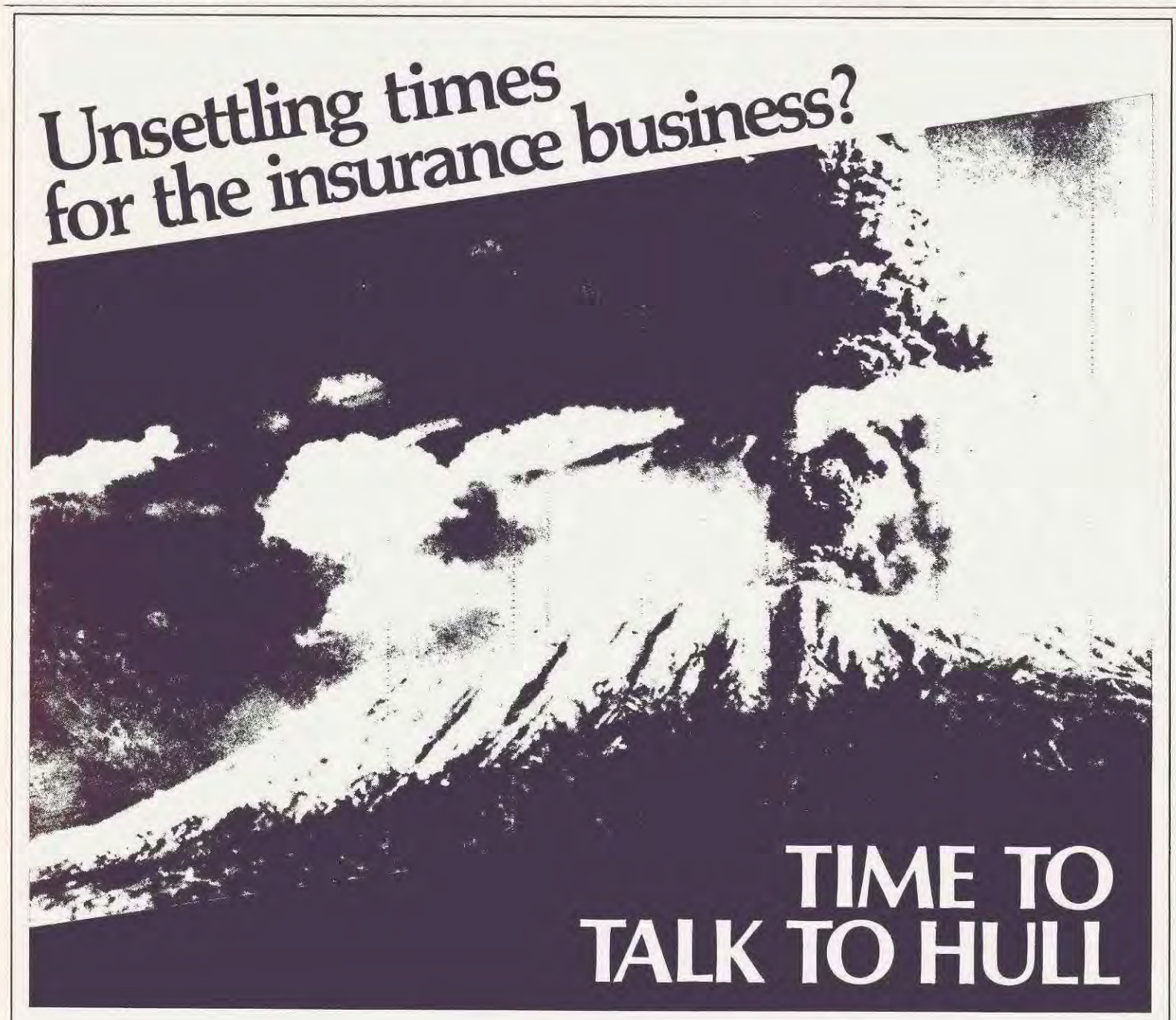
Jardine's Houston office, opened in 1984, had the "remarkable success of breaking even in its first year." The office landed such clients as Shell Oil Co. and Vista Chemical Co. of Houston.

The Houston office also was a member of the Jardine Insurance Brokers Group team that landed approval to do business as one of only three brokers for the Indonesian state oil company, Mr. Talbot noted.

The new Jardine Emett & Chandler also offers a broad range of services, including:

- Self-insurance claims administration through Emett & Chandler Self-Insurance Services Inc. based in Irvine, Calif., under William F. Poland.
- Risk management consulting through Risk Management Inc. in Los Angeles, under Steven P. Tiberg.
- Structured settlements through Galaher Settlements & Insurance Services Co. Inc. based in New Orleans, under Robert E. Galaher.
- Captive management through Pinehurst Management Co. Ltd. in Hamilton, Bermuda, which will be merged with Jardine's captive management operations, under Robert C. Whiting.
- Wholesale brokerage through

Continued on page 56



With every periodical comes news of turmoil in the insurance industry. Depending on your own experiences, the accounts can be unnerving.

But as the adage states: "When the going gets tough...". Now it's time to get going. For while governments and the industry itself struggle with current dilemmas, you still need to do business.

That's where Hull's position as a dominant independent excess/surplus firm can work in your favor. We have been able to respond quickly to the demands of change — often finding alternatives to evaporating markets...and placing risks our giant counterparts can't handle.

Yes, for the time being, news in the industry is unsettling. But you can't let good business fall by the wayside. Now — more than ever — it's time to talk to Hull.

Hull & Company, Inc.

2150 S. Andrews Avenue, P.O. Drawer 5888/Fort Lauderdale, FL 33310, (305) 525-2081/FL WATS: 1-800-432-3705
Chicago (312) 953-1901/IL WATS: 1-800-572-1098 **Houston** (713) 957-1345 **Las Vegas** (702) 737-2007 **Lincoln** (402) 483-2991/NE WATS: 1-800-742-7017
St. Petersburg (813) 577-5775/FL WATS: 1-800-282-2841 **Santa Ana** (714) 953-4488/CA WATS: 1-800-432-7288

Also: London, Paris, Cayman.

world you need to conduct business, ÆGEN is able to

General Group, and Talisio Marine & Fire.

ÆGEN INTERNATIONAL, INC.

probably benefited to the tune of $9 million," he estimated.

Continued on next page

THE LTD PUZZLE



The Unionmutual Solution

The puzzle is this: How can you put together exactly the right Long Term Disability coverage to best meet the individual needs of your clients?

With Unionmutual, the solution is simple. Unionmutual can provide you with broad LTD coverage—the kind of coverage with enough building-block options to meet the diverse needs of all your clients, even the most demanding. That just may be why over twenty-three thousand employers choose Unionmutual to provide quality LTD coverage for their two million plus employees. And why we've been Number One in LTD for over nine years.*

We're anticipating the need in LTD. . .

To put any puzzle together, you need to have all the right pieces. At Unionmutual, we have those pieces. And we know how to put them together to meet each of your client's needs.

Take Unionmutual's *Long Term Income Protection*. This comprehensive and innovative plan can protect higher-income professionals against income loss due to a disability that limits their performance in their own occupation. And it never forces an employee to work at another occupation.

Our *Lifestyle Protection*℠ LTD offers employers and their employees more flexibility to meet their individual needs than any other LTD product. It allows employees to select the LTD coverage most appropriate for their income-protection needs.

Unionmutual also offers *Large Case* protection. Protection with a variety of funding methods, to fit the special needs of companies with over a thousand lives.

. . . and *your* need for outstanding sales support and client service.

There's no better tool to help you solve your LTD puzzle than up-to-date knowledge. That's why Unionmutual Sales Representatives keep up-to-the-minute on market trends, legislation, and new products. They're always ready to answer your questions and provide you with fast, accurate information.

Unionmutual Client Representatives have the extensive product knowledge to offer the advice you need, as well as the service your clients expect. And to ensure that service is always close at hand, every Unionmutual Employee Benefits Office has its own staff of Client Representatives.

What's more, to help disabled employees who want to return to work, we've implemented a comprehensive Rehabilitation Program as a standard part of our LTD coverage. And we've provided our regionally located Certified Rehabilitation Counselors with the highest level of training in the entire industry.

Find out how Unionmutual's LTD products and services can meet the current needs of your clients, adapt to meet their future needs, and provide you with a sales advantage you can put to work every day. Contact your Unionmutual Representative today. And solve your LTD puzzle, once and for all.

*Employee Benefit Plan Review, April 1985

Unionmutual®

The UNUM commitment to excellence.™

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

Continued from page 54

Glanvill Special Risks Insurance Brokers Inc. in New York and San Francisco, under John Mairs.

"Jardine only had one special service," before the merger—surplus lines brokering—Mr. Talbot notes.

Last year, Mr. Talbot began beefing up Jardine's risk management consulting staff, which is now greatly expanded by Emett & Chandler Risk Management Inc.

Mr. Archer is particularly proud of E&C Risk Management Inc.

"That group in Los Angeles was our brain trust, essentially," he says. "It's a very talented group of people that the Emett & Chandler Cos. always relied on for their major accounts," Mr. Archer explains.

The two insurance executives also remark on how well the companies' professional staffs mesh.

"We've had virtually no (staff) fallout, because we didn't find ourselves ramming into each other doing the exactly the same thing in the same places," Mr. Archer says.

Mr. Talbot says he does not anticipate much immediate change in the current joint staff size of 1,357 employees. "To the extent there's attrition, it will be mostly natural," he says.

"The fact is these companies have been running very lean because we've come out of a very difficult time in our business," Mr. Archer says.

"Even in corporate headquarters we're both pretty lean, so there's not much fallout even there," adds Mr. Talbot.

The new broker is headquartered in San Francisco, but the existing independent offices in that city will not be physically united until next year because of existing leases.

Together, the staffs of the two brokers grew only 9.9% compared with 1984, when together they employed 1,235.

Jardine's staff in the United States grew 5.2% to 709 at year-end 1985 from 674 at the end of 1984, while Emett & Chandler's staff increased 16% to 651 at the end of 1985, compared with 561 for the end of the prior year.

Jardine's revenue per employee increased to $65,585 in 1985, compared with $57,234 in 1984, an increase of 14.6%. Emett & Chandler's revenue per employee increased to $72,671 in 1985 from $61,526 in the prior year, an increase of 18.1%.

The corporate philosophies of the two merging brokers are remarkably in tune, not only in day-to-day operations but also in goals.

"Our corporate philosophy seems to fit exactly with what the Emett & Chandler people lived every day of their lives, which is: We simply want to be the best," Mr. Talbot says.

"Which means we don't necessarily want to be the biggest," he adds.

Other officers of the new company include J.W. Campo, vice chairman; Robert L. Rossi, chief administrative officer; E. Paul Hansen, chief financial officer; and Lennard P. Lawrence, executive vp.

Robert L. Emett, formerly chairman and chief executive officer of Emett & Chandler, is serving as a consultant to the new company, effective with the May 15 acquisition. In addition, he and Mr. Archer will join Mr. Talbot as members of the board of London-based Jardine Insurance Brokers Group.

The cash compensation of the highest-paid officers of Emett & Chandler in 1985, as reported to the Securities & Exchange Commission, follows:

R.L. Emett	$505,891
R.A. Archer	$250,000
L.P. Lawrence	$489,592
G.W. Brown	$200,000
M.L. Poland	$220,500

—By Robert A. Finlayson

10

Bayly, Martin & Fay International Inc.

201 Main St., Suite 1990
Fort Worth, Texas 76102;
817-335-2048

	1985	1984
Premium volume	NA	NA
Gross revenues	**$91,900,000**	$77,900,000
Brokerage: Retail	**73.4%**	68%
Wholesale	**9.1%**	5.1%
Reinsurance	**3.1%**	5.7%
Services	**4.1%**	3.4%
Personal Lines	**4.0%**	5.0%
Invest. Income	**6.8%**	5.8%
Employees	1,355	1,333
Rev./Employee	**$67,823**	$58,440
Offices	**49**	50

It was his first day at the helm of a major U.S. insurance brokerage, but Bayly, Martin & Fay International Inc.'s newly elected president and chief executive officer wasn't showing any new-job jitters.

Rather, Greg B. Kent, 38, former risk manager for Bass Enterprises Production Co., exuded confidence and enthusiasm during his first interview at BMF.

He spoke candidly about the difficulties BMF had experienced over the past 12 months and enthusiastically about the challenges that lie ahead.

Mr. Kent's appointment is the latest in a string of events that has kept BMF's name, for better or worse, in recent headlines: The wealthy Bass family buying a stake in the broker; the ensuing move to Fort Worth, Texas, from Newport Beach, Calif.; the unsuccessful merger negotiations with broker Fred S. James & Co. Inc.; settlement of a wrongful termination lawsuit; and an insurance scandal and subsequent investigation that was undoubtedly the year's most talked-about.

Although Mr. Kent was associated with BMF through much of this, he did not come to his current position through the ranks.

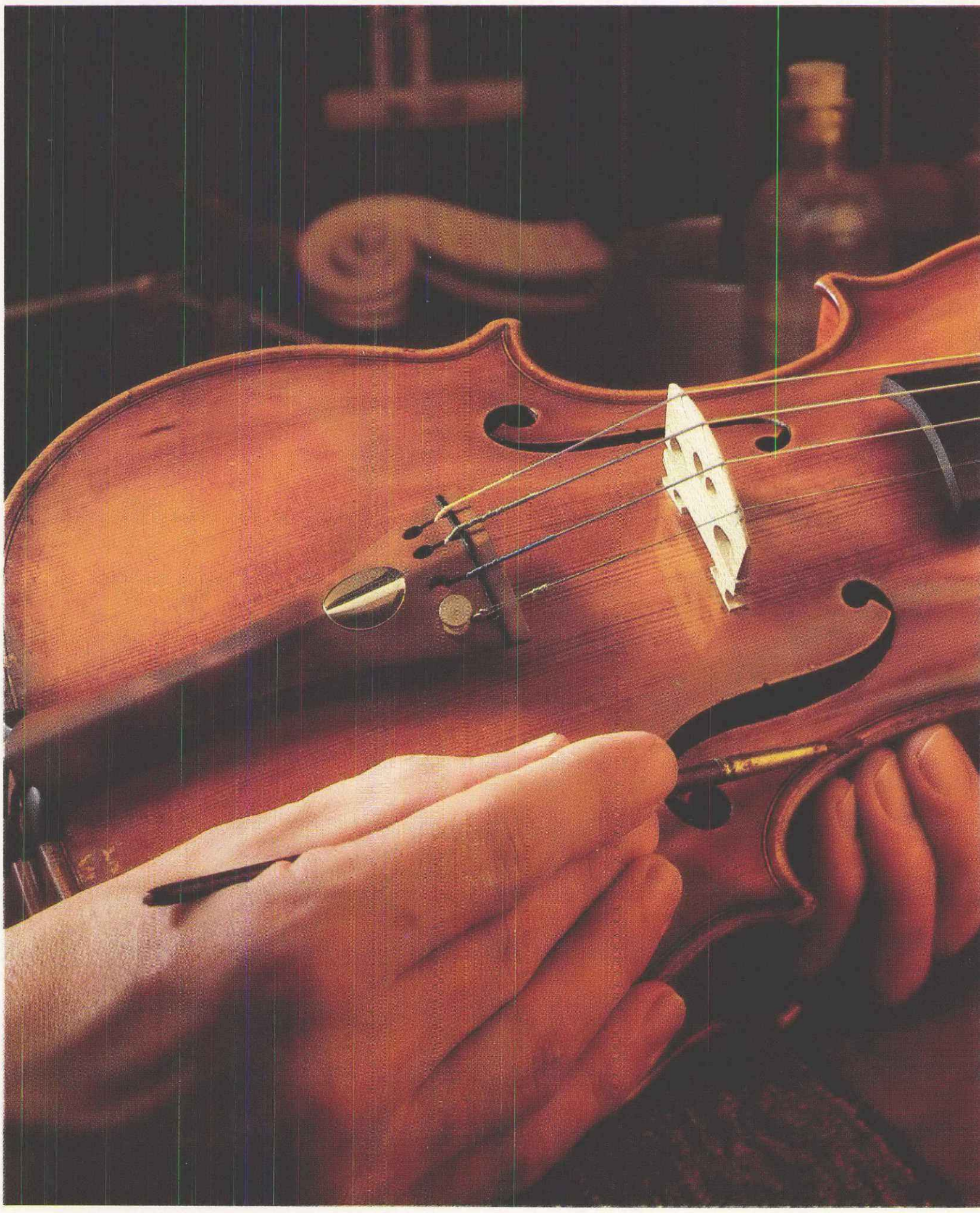
The Basses' risk manager since 1981, he first came to BMF as a director in April 1985, appointed by the Basses and affiliated investors who had just purchased half of the broker.

Prior to 1981, Mr. Kent serviced the Bass account while managing Marsh & McLennan Inc.'s Fort Worth office.

Mr. Kent is not alone at the helm. He is joined by William A. Mizell, who remains BMF's executive vp and chief operating officer. Mr. Mizell and Mr. Kent are two of about 50 executives and key BMF employees who control the other half of the broker's stock, via holding company BMF Services Inc.

Reflecting on all that BMF has gone through and where it sits in

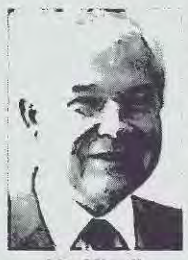
Continued on next page



Continued from previous page

the market today, Mr. Mizell says, "I think it's fair to say that Bayly, Martin & Fay really doesn't have any problems that the rest of the industry doesn't face. Our problems are industry problems."

Both Mr. Mizell and Mr. Kent praise Joseph N. Tate, whom Mr. Kent is replacing, for bringing the broker through such turbulent times. Mr. Tate, 59, left the company May 15 in what one BMF shareholder describes as a "mutual agreement" that arose from serious discussions about the company's future among the company's owner-managers. Mr. Tate had been president since 1980.



Mr. Mizell

But Mr. Tate, reached at his home in Newport Beach, characterizes his departure as "voluntary" retirement. He says he has no plans for the immediate future and declined to discuss any compensation package he is receiving from the company.

He does, however, maintain more than 10% ownership of the company.

Mr. Mizell, who worked with Mr. Tate for 10 years, is perhaps best able to assess the differences between the two corporate leaders' management style and what changes Mr. Kent might institute at BMF.



Mr. Kent

"I think Joe was more of a diversifier; he saw the horizons, shall we say. He was the epitome of an entrepreneur trying to expand a company, and I think Greg is coming in, saying, 'Hey, that's great but here's an opportunity to take advantage of a (pure) insurance brokerage.'

"You'll see an enthusiasm here that I think you haven't seen in a while. I think that enthusiasm and energy will permeate the company. People are excited about it," he says.

Mr. Mizell, 58, harbors no regrets that he is not stepping into the top spot, he says.

"After what the company has gone through, we needed continuity, not an individual in here for two or three years and then another turnover," he says. "I support this 100%."

Mr. Kent is stepping in at an optimum time for brokers in the cyclical market.

With 1985 gross revenues of $91.9 million, BMF ranks as the 10th-largest U.S. retail broker. Those results reflect an 18% increase from 1984 gross revenues of $77.9 million, but BMF nonetheless falls two notches in the *Business Insurance* annual ranking, pushed down by the newly formed Jardine Emett & Chandler Inc. and by stellar growth at The Crump Cos. Inc.

Of its $91.9 million in gross revenues, 73.4% was generated by retail business and 9.1% by wholesale business, mainly through American National General Agencies Inc. an underwriting management subsidiary. The remaining 17.5% of revenues came from investment income, risk management services, reinsurance brokerage and personal lines business.

Mr. Kent and Mr. Mizell attribute BMF's revenue growth to a strong combination of higher premiums and new clients.

Some of its new clients have come hand-in-hand with the Bass relationship: About 10 large businesses in which Bass recently purchased interests, such as Walt Disney Productions, now use BMF to broker their insurance.

Bass Enterprises, the Bass flagship, also uses BMF as its broker and for risk management services on a fee basis.

Few of BMF's clients are Fortune 500 companies. Its "general thrust" is toward businesses that will generate annual commissions of $10,000 to $100,000, Mr. Mizell says.

The broker is strong in several industries, like the oil and gas business in Texas and Oklahoma. Among its oil industry clients are Halliburton Co. in Dallas.

Although the oil industry is experiencing a severe economic slump, any attendant drop in revenues BMF might have felt has been offset by the higher premiums that the industry is paying, Mr. Kent says.

Other industry specialties at BMF include the entertainment business, with clients like Twentieth Century Fox Film Corp. and MGM/UA Entertainment Co., and the real estate and hotel industry, with clients like Harrah's Marina Hotel Casino in Atlantic City.

Other clients include Zale Corp., a jewelry chain based in Dallas, and Zacky Foods, a Los Angeles-based poultry producer.

To better focus its energies on retail brokering, BMF has separated that segment of its business from its wholesale operations, which consist of underwriting managers ANGA and MarinCo Inc. These companies now fall principally under the aegis of Bruce W. Schnitzer, the former M&M president who joined BMF in April 1985 as part of the company's management-ownership team.

ANGA, in Los Angeles, Denver, Kansas City, Mo., London, Phoenix, Ariz., and St. Louis, writes entertainment coverage, largely for Chubb Corp. units. MarinCo writes municipal liability coverage on a claims-made policy exclusively on behalf of National Union Fire Insurance Co. of Pittsburgh, a unit of American International Group. With offices in San Antonio, Texas, and Walnut Creek, Calif., MarinCo is "just doing super-duper," says Mr. Mizell.

MarinCo recently absorbed another BMF unit, Program Managers Insurance Service Inc., and continues to underwrite some of the division's association business.

This arms-length distance between the wholesale and retail brokerage operations reflects BMF's approach to business today: The emphasis of retail brokering to the exclusion of almost everything else.

"You've got to be good at something, and that's where we'll put our money," explains Mr. Kent.

To that end, BMF is selling National Settlement Consultants Inc.,

Continued on next page



Continued from previous page

He projects that AJGCo. will grow as it always has—in a controlled manner. "We have room for growth, but we want to grow our way," Mr. Gallagher said.

In 1986, AJGCo.'s "opportunity strategy" for continued growth and success is twofold:

- To continue to focus on strategic successes.
- To maximize opportunities created by the insurance capacity problem.

When listing past successes, Mr. Gallagher first cites AJGCo.'s specialty: providing clients with an integrated approach to risk management.

That integrated approach means providing all the components of risk management to many of its clients that self-insure, either individually or in a group, their casualty exposures or group health employee benefit plans.

Those components include brokerage, claims management, loss control, property appraisals and computerized risk management information systems.

A second strategic success of Arthur J. Gallagher & Co. is its 'firepower,' Mr. Gallagher says, referring to the company's 1,158 employees at year-end 1985, a 12.9% increase from 1,026 at the close of 1984.

An important element in that integrated approach is subsidiary Gallagher Bassett Insurance Services, which had 438 self-insured clients at year-end 1985. That total increased to 456 as of last month.

A second strategic success of AJGCo. is its "firepower," Mr. Gallagher said, referring to the company's 1,158 employees at year-end 1985, a 12.9% increase from 1,026 at the close of 1984. Revenue per employee in 1985 increased to $70,442 from $62,552.

As of April 30, the broker's employee count had grown to 1,212.

The staff increases contrast sharply with four years ago, when in response to the depressed economy and the competitive insurance market, Mr. Gallagher put out the word to hold head count steady, or even cut it (*BI*, June 28, 1982).

But, the "good people" concept is an integral component of the Gallagher style.

"Achievement has become a way of life at Gallagher. Our business has been nourished by the skill and dedication of our people. And, we will continue to grow in the future because of them," Mr. Gallagher told stockholders.

A strategic success targeted for future focus is mergers, Mr. Gallagher noted.

The company has more mergers or acquisitions in the works, said Mr. Gallagher. "We see external growth as a very viable potential for us."

AJGCo. currently operates through a network of 76 locations in the United States and abroad. Some offices are fully staffed with sales, marketing, claims and other service personnel, while others function as servicing offices for the brokerage and risk management operations.

In September 1985, the broker acquired Bernard & Associates in Tampa, Fla., a "very small, very compatible" risk management and self-insurance services firm, according to Mr. Gallagher. AJGCo. reported the acquisition in gross revenues on a purchase basis.

AJGCo. also announced plans last month to acquire the outstanding capital stock of Lloyd's of London broker John Plumer & Co. Ltd. (*BI*, May 12). The acquisition should be completed in a couple of months.

Plumer will be combined with AJGCo.'s other Lloyd's brokerage affiliate—Arthur J. Gallagher & Co. (U.K.) Ltd.—and probably will be renamed Gallagher-Plumer Ltd., according to Mr. Gallagher.

"The combination of the two will bring great synergy. Plumer will bring a great deal to us," Mr. Gallagher predicted, noting that the broker is "extremely professional."

"Where we are young, they are more mature," he said, referring to lines like marine, aviation and heavy contracting insurance and reinsurance.

"We're strong in North America; they're strong everywhere else," he added.

Continued development of new products and the marketing of those products through Gallagher Risk Data Inc. also is on the list of AJGCo.'s strategic successes.

GRD was formed as a subsidiary of AJGCo. in September 1985. Its charter is to develop information products and services for managing risks and protecting capital.

Currently, GRD serves as the operational support for Gallagher Bassett.

"It is a dynamic separate corporate entity—the glue that keeps our integrated approach to risk management together and sets us apart," he observed.

The services sold through GRD originally supported the brokerage efforts of AJGCo., but these risk management services have been sold separately since the subsidiary was formed last year. By selling insurance-related services through Gallagher Bassett, Mr. Gallagher believes AJGCo. can "maximize opportunities created by the capacity problem."

He acknowledged that this was a departure from past sales strategies, but test marketing was successful.

Among the clients buying services on an unbundled basis is American Honda Motor Co. Inc. of Gardena, Calif.

Gallagher Bassett will administer Honda's self-insured product liability program on a nationwide basis, Mr. Gallagher told stockholders last month.

"Gallagher Bassett will receive, set up and coordinate all litigation arising from the products liability exposures of Honda. GB field personnel will investigate all products liability incidents nationwide," he said.

GB also will set up a separate unit near American Honda's headquarters.

Mr. Gallagher projects first-year revenues of the three-year agreement to reach $450,000.

The company's risk management services generally appeal to self-insurers, notably governmental units like counties, cities and school districts.

AJGCo. places insurance for and services commercial, industrial, institutional, governmental, religious and personal accounts throughout the United States and abroad. About 90% of its brokerage business is domestic, 10% international, Mr. Gallagher said.

The bulk of AJGCo.'s clients are medium-sized, which Mr. Gallagher described as generating between $25,000 to $100,000 in commissions.

"A jumbo to us is $250,000 in commissions," he said.

In 1985, the largest single client contributed about 4% of total revenues, according to AJGCo.'s 10-K report filed with the Securities and Exchange Commission.

Continued on next page



Just ask our customers. Leading corporations, TPA's, insurers, unions, and associations will tell you all about ClaimFacts support.

Our support starts with our system. We've built ClaimFacts to work for your business, no matter what business you're in. You can design a variety of complicated benefits plans online. Or change them online. You can set up rules for payments, define your own claim edits, and monitor special programs, such as second surgical opinion. The choices are yours because ClaimFacts makes you the manager.

Naturally, ClaimFacts adjudicates claims online, quickly and accurately on a single screen. Then it produces management reports that zero in on claims cost areas.

Our support continues with our people–consultants, customer service representatives, and systems analysts who know claims management. Add to that the benefits of the industry's most active user group. That's support from which everyone profits.

If you're looking for health claims management support, it's time you stepped up to ClaimFacts. Call us today. We'll show you how ClaimFacts support will carry your business load.

Erisco

a company of
The Dun & Bradstreet Corporation

1700 Broadway, New York, N.Y. 10019
(212) 765-8500

Continued from previous page

Finding insurance for all of its clients has been one of the more difficult assignments during 1985, Mr. Gallagher noted. The company lost clients but still came out on top because it attracted new clients.

Mr. Gallagher expects other clients to defect from the AJGCo. fold, but many of those will go without insurance because of the difficult market.

About 60% of AJGCo.'s retail brokerage revenues are generated by casualty insurance. Property contributes 17% to revenues; employee benefits contribute 10%; marine, 3%; aviation and reinsurance together contribute 1%; and investment income adds 9% to revenues.

In addition to Gallagher Bassett, GRD and Arthur J. Gallagher & Co. (U.K.) Ltd., other AJGCo. affiliates are:

- Benefit Planning Services, a division specializing in human resources management products.

Products provided include employee benefits programs, deferred compensation, key-man life, pensions and tax shelters, through fully insured and self-funded programs.

- Arthur J. Gallagher & Co. (Overseas) Ltd., a division of AJGCo.'s London operation, devoted exclusively to reinsurance brokerage, both treaty and facultative.

These services are offered to foreign insurance and reinsurance brokers.

Some 60% of AJGCo.'s retail brokerage revenues are generated by casualty insurance.

- Arthur J. Gallagher International Inc., a domestic operation. It spearheads overseas activities—insurance, reinsurance, risk management and engineering services—for international and U.S. multinational corporations.
- Arthur J. Gallagher & Co. (Bermuda) Ltd., which provides clients with access to Bermuda-based insurance and reinsurance companies and offers captive insurance company formation and management services.
- UIC Ltd., a joint venture. Universal Investment Consultants provides political risk consulting and brokerage services, both to other brokerages and multinational and domestic organizations doing business both in the United States and abroad.
- International Special Risk Services Inc., which provides clients access to domestic surplus lines insurers and reinsurers.
- Gallagher Marine Services, which provides marine insurance brokerage and related services, including loss prevention, claims adjustment and surveying services.

In addition to Mr. Gallagher, the other principal officers of AJGCo. are John P. Gallagher, executive vp and secretary; J. Patrick Gallagher Jr., vp-operations; Michael J. Cloherty, vp-finance and treasurer; and Walter F. McClure, vp.

Donald J. Krutek, formerly vp-national risk management operations, left earlier this year to join consultant Tillinghast, Nelson & Warren as a vp and consultant.

The broker's founder, Arthur J. Gallagher, died last year at 93.

The highest-paid officers in 1985, according to the 10-K report filed with the Securities and Exchange Commission, received the following total compensation:

Robert E. Gallagher	$195,000
John P. Gallagher	$185,000
Michael J. Cloherty	$172,000
Donald J. Krutek	$149,600
Walter F. McClure	$143,200

—By Carol Cain

12

Republic Hogg Robinson Inc.

177 Milk St., Boston, Mass. 02109; 617-542-5200

	1985	1984
Premium volume	NA	NA
Gross revenues	$36,656,000	$30,606,000
Brokerage: Retail	54%	50%
Services	25%	26%
Personal Lines	17%	19%
Invest. Income	4%	5%
Employees	592	594
Rev./Employee	$61,919	$51,525
Offices	31	28

Despite its ranking as the 12th-largest U.S. broker, don't look for Republic Hogg Robinson Inc. to start placing wholesale business or open a reinsurance brokerage subsidiary.

"We're strictly a retail broker," asserted Charles E. Keller, president and chief executive officer of RHR, now a wholly owned subsidiary of Lloyd's of London broker Hogg Robinson Group P.L.C. "We'll stick to doing our thing.

"Some brokers get away from that," he pointed out. "They try to solve everybody's problem."

Sticking to its retail market niche, RHR generated nearly $36.7 million in gross revenue in 1985, a 19.8% increase from $30.6 million in 1984.

That is the biggest percentage increase in revenue for the broker this decade. RHR's gross revenues increased 9.4% in 1984, 11% in 1983, 1.8% in 1982 and 8.5% in 1981. In 1980, as Penn General Agencies, the broker's gross revenue declined from the previous year's.

RHR's 1985 performance moved the broker from the 14th slot in the *Business Insurance* ranking of the 20 largest U.S. brokers for the first time since 1979, when as Penn General Agencies the company ranked 11th.

In 1985, 54% of RHR's gross revenue was generated by retail business, up from 50% from 1984. The largest portion of the remainder of RHR's revenues was generated by claims administration services.



Mr. Keller

Ninety-seven percent of RHR retail brokerage revenues came from commissions, while 3% was based on fees.

Mr. Keller describes the typical RHR client as a medium-sized to large company. While the broker handles the accounts of some Fortune 500 companies, most of its clients are smaller than Fortune 1,000 companies, he said.

And, most of RHR's clients do not have risk managers. "A risk manager is usually with larger accounts," Mr. Keller explained.

"Most will split their business among brokers. They can take care of themselves."

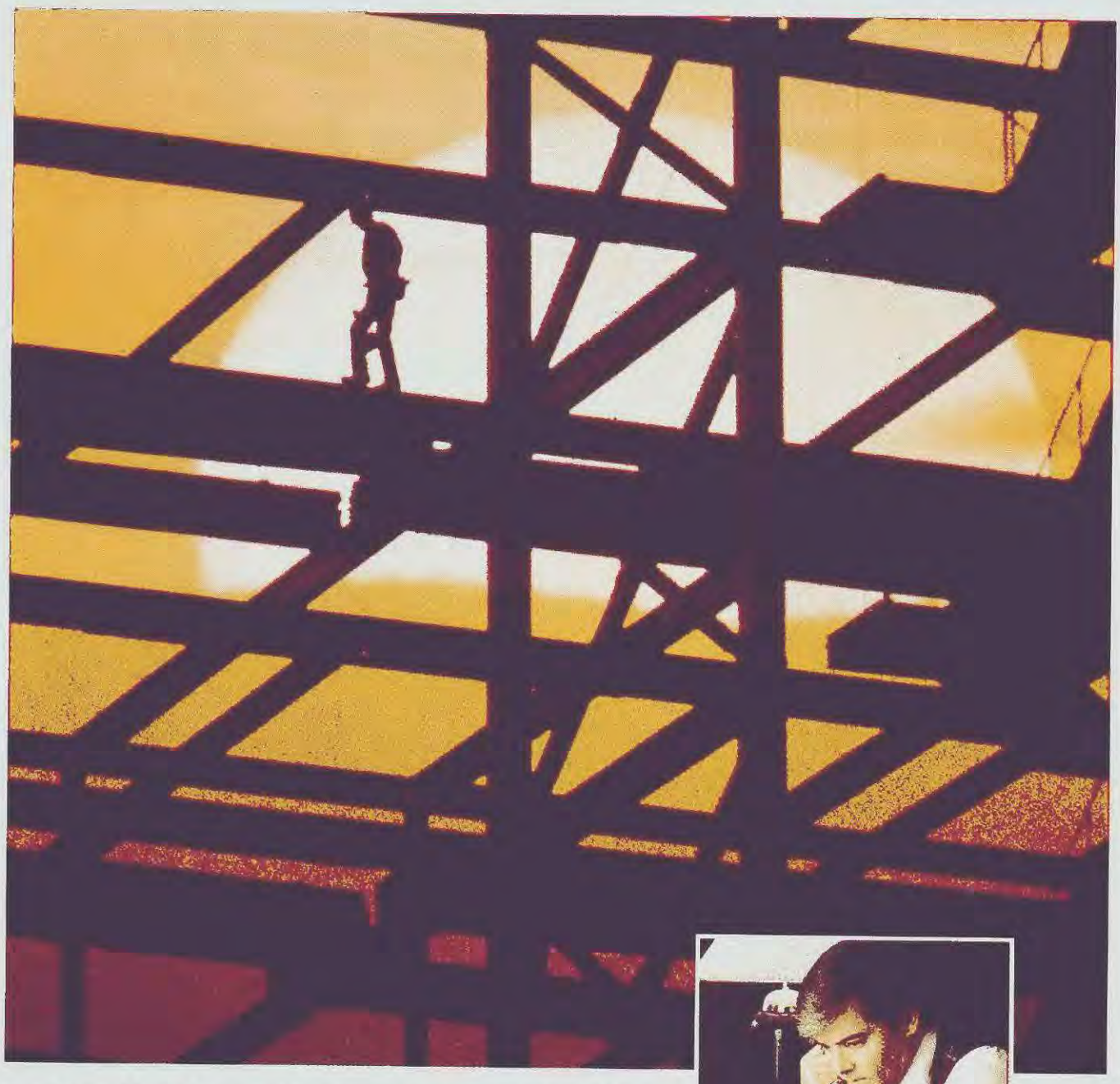
Mr. Keller noted that most of RHR's growth in 1985 was sparked by internal measures taken to produce new business, while increasing insurance rates minimally affected the company's revenue.

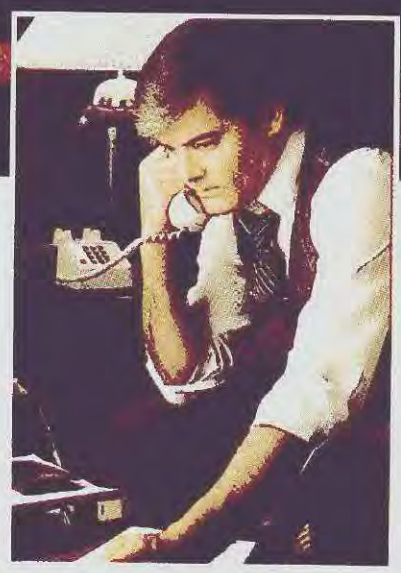
"What we were trying to do—and we're still trying—is build a foundation" based on "far more aggressive" and "better directed" sales efforts, Mr. Keller said.

To strengthen that foundation, RHR has completed five mergers this year, all of which will be reported on a purchase basis.

While RHR was laying the groundwork in 1985 for this year's expansion through mergers, London-based Hogg Robinson Group was acquiring 100% ownership of the U.S. broker. Hogg Robinson,

Continued on next page





In the final analysis, your protection is only as good as the people who planned it.

Corporate insurance is more complex and more vital than ever before. That's why you need specialists who can handle all your needs and tailor programs that fit your precise requirements . . . people who are backed by one of the world's leading insurance brokers, The Crump Companies. For a detailed review of your insurance and risk management, employee benefits and claims administration programs, call the reliable people of THE CRUMP COMPANIES. We're in 44 cities in 24 states, plus Bermuda. To find the office nearest you, telephone 901-761-1550.

THE CRUMP COMPANIES, INC.
Our people make us better.

SILL ADJUSTMENT COMPANY
CERTIFIED PUBLIC ADJUSTERS

Serving the Policyholder Only
Since 1928

•

Specialists in the Preparation
and Adjustment of Business
Interruption and Property
Claims

•

Sill Adjustment Company
216-524-9999
USA 1-800-524-0006
In Ohio, Call 1-800-824-1121

Sill

Si

Continued from previous page
purchased the other 50% from LTV Corp. of Dallas, which had earlier acquired Republic Steel Corp., Hogg Robinson's original partner in its U.S. brokerage venture (*BI*, July 15, 1985).

No management changes resulted from the ownership change.

RHR's own acquisition activity started early in the new year. On Jan. 1, it acquired Bonina Insurance Inc. of Boca Raton, Fla.; Holden & Co. of Alexandria, Va.; and M.A. Katovsky Inc. of Beachwood, Ohio, a suburb of Cleveland.

Then, in February, the broker purchased Insurance Services of Fort Lauderdale, Fla , while it acquired Oberdorfer Insurance Associates of Atlanta in May.

"What we're trying to do is give our company a stronger base on which to grow," Mr. Keller explained.

The mergers with the Atlanta, Boca Raton and Alexandria brokers established RHR offices in those locations for the first time. "The other two brought in business that fit" with RHR's existing operations. Mr. Keller said.

Mr. Keller expects that RHR will make "a few more" acquisitions this year. "But, we don't want to do so many that it throws our whole management off," he added.

RHR now has 18 commercial brokerage offices. In addition to its new locations, the broker has offices in Phoenix, Ariz.; Los Angeles and San Jose, Calif.; Miami; Boston; Southfield and Saginaw, Mich.; Burlington, N.C.; New York; Wynnewood, Pa.; and El Paso, Lubbock and Irving, Texas.

At year-end 1985, RHR had 592 employees, down two from 1984. But revenue per employee jumped more than 20% in 1985 to $61,919 from $51,525 the year before.

Meanwhile, gross revenue in 1985 from other services, primarily third-party claims administration for self-insurers through subsidiary Penn General Service Corp., dropped a point to 25% of RHR's revenue, even though the dollar amount increased to $9.2 million from $8 million. Earlier this year, *BI* ranked PGSC as the nation's 12th-largest claims administrator serving self-insurers (*BI*, Jan. 27).

PGSC offices are located in Los Angeles; Miami; Caribou, Falmouth and Jackman, Maine; Springfield, Mass.; Southfield and Cadillac, Mich.; New York; and Austin, Irving and Lubbock, Texas.

Another RHR subsidiary is Pension Planning Associates of New York, an actuarial consulting firm, which contributed 6%, or $2.2 million, to the broker's revenue.

Revenue from personal lines business accounted for 17%, or $6.2 million, of RHR's 1985 revenues, compared with 19%, or $5.8 million, in 1984.

Through its acquisitions and by sticking to its market niche, RHR can overcome any problems created by the hard market that could damage its growth, Mr. Keller believes. In fact, he says first-quarter results show the RHR's revenues are 31% ahead of the pace a year ago at this time.

A major challenge brokers face this year is explaining claims-made commercial general liability coverage to clients, Mr. Keller noted. But while he emphasized that brokers "better be careful" when explaining the coverage to clients to avoid errors and omissions claims, he doesn't believe the form presents an insurmountable problem.

Mr. Keller said he expects that insurers will require the exclusive use of claims-made forms for only professional liability risks; general liability coverage will still be available on an occurrence basis.

Professional liability risks, along with excess liability coverages, are the likeliest targets for the sharpest rate increases, Mr. Keller predicted, noting that hikes in other lines probably will be less dramatic.

But when added capacity will appear in the market is more difficult to predict, he concedes.

"Everybody predicted that the soft market would end in 1980. Everybody was wrong by four years. It will come back, but I don't know how long," Mr. Keller observed.

Interest in captive insurance companies will continue to grow as a result of the tight market, but the lack of available reinsurance probably will prevent a major surge in the their use, Mr. Keller predicted.

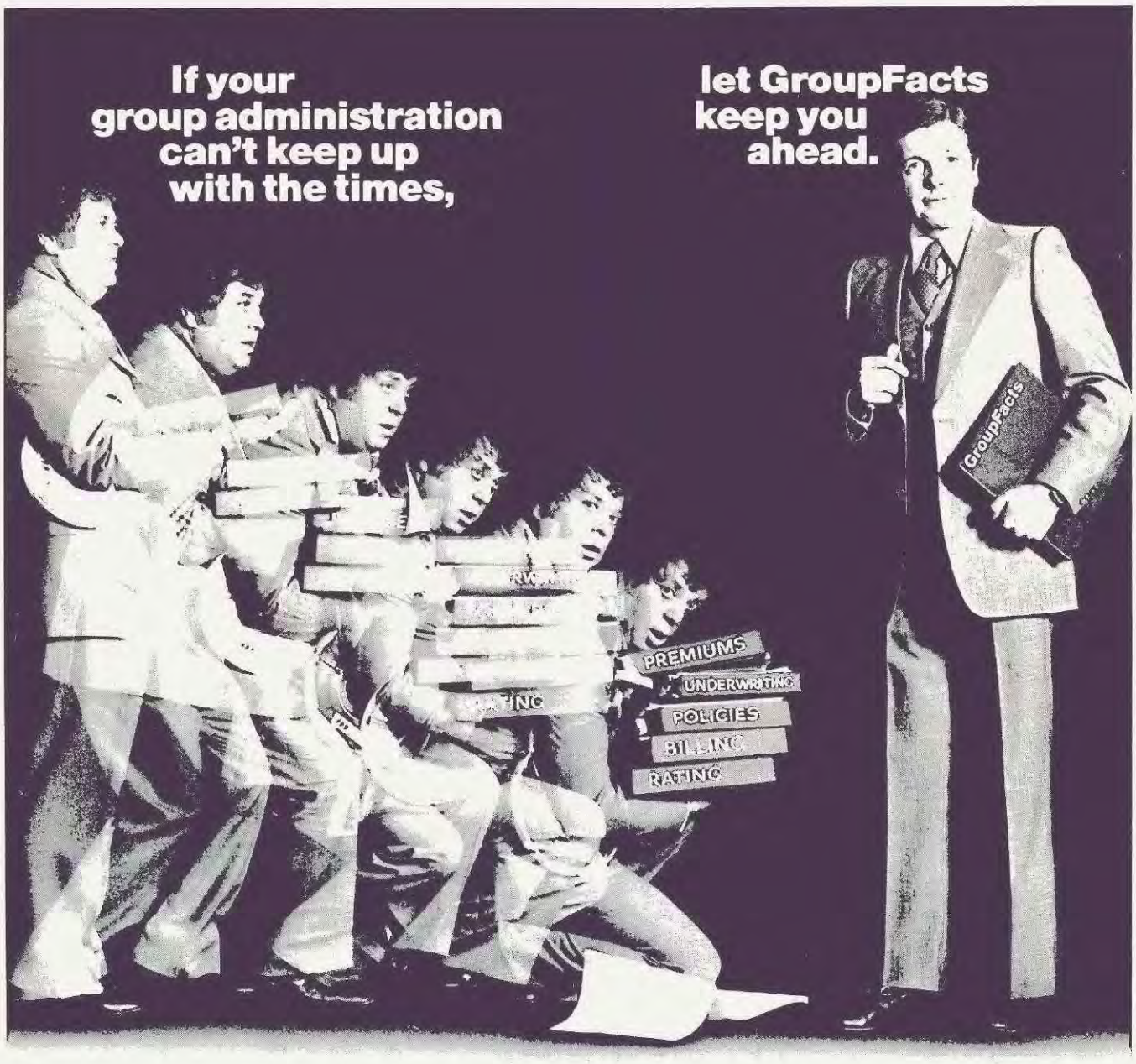
In addition to its broker acquisitions earlier this year, RBH purchased two-thirds ownership of Cedar Hill Management Ltd. of Bermuda from Hogg Robinson. Home Insurance Co. of New York retains one-third ownership of the captive management company.

Mr. Keller, who was responsible for captive activities during his tenure as executive vp at Fred S. James & Co. Inc. of New York before joining RBH in 1983, says he "would like to do more" captive business. "I tend to be a little more interested in it. But, I don't see doing it by myself right now."

To handle more captive business, RHR would have to bring in specialists in the area or free up the head of the brokerage's Special Services Division, who was transferred from RHR's Cleveland office to the Miami office last year, Mr. Keller said. That division targets large accounts, so that other RHR offices can concentrate on medium-sized accounts.

In addition to Mr. Keller, RHR's principal officers are Arnold Bergson, chairman; William J. Nietschmann, senior vp; Donald A. Benyas and Donald F. Bercu, regional vps; James Kahn, president of PGSC; and Joseph I. Cline Jr., president of the Special Services Division.

—By Dave Lenckus



Your insurance business is growing. And changing. So is the difficulty of carrying the administrative functions which support it. What you need is one system to handle it all. You need GroupFacts.

GroupFacts integrates rating, billing, policy generation, remittance, commissions, and reinsurance in a single database. With system flexibility that puts you in control of your information so that you can get on with your business.

Here's how GroupFacts works for you. First it works online. With online enrollments, the screen automatically displays rates for comparison against agents' quotes. Binders can be instantly applied against billings. You can even bill for prior periods. And do all this immediately and accurately. To complement the GroupFacts online features, daily and monthly batch cycles for billing and reports keep your paperwork up-to-date.

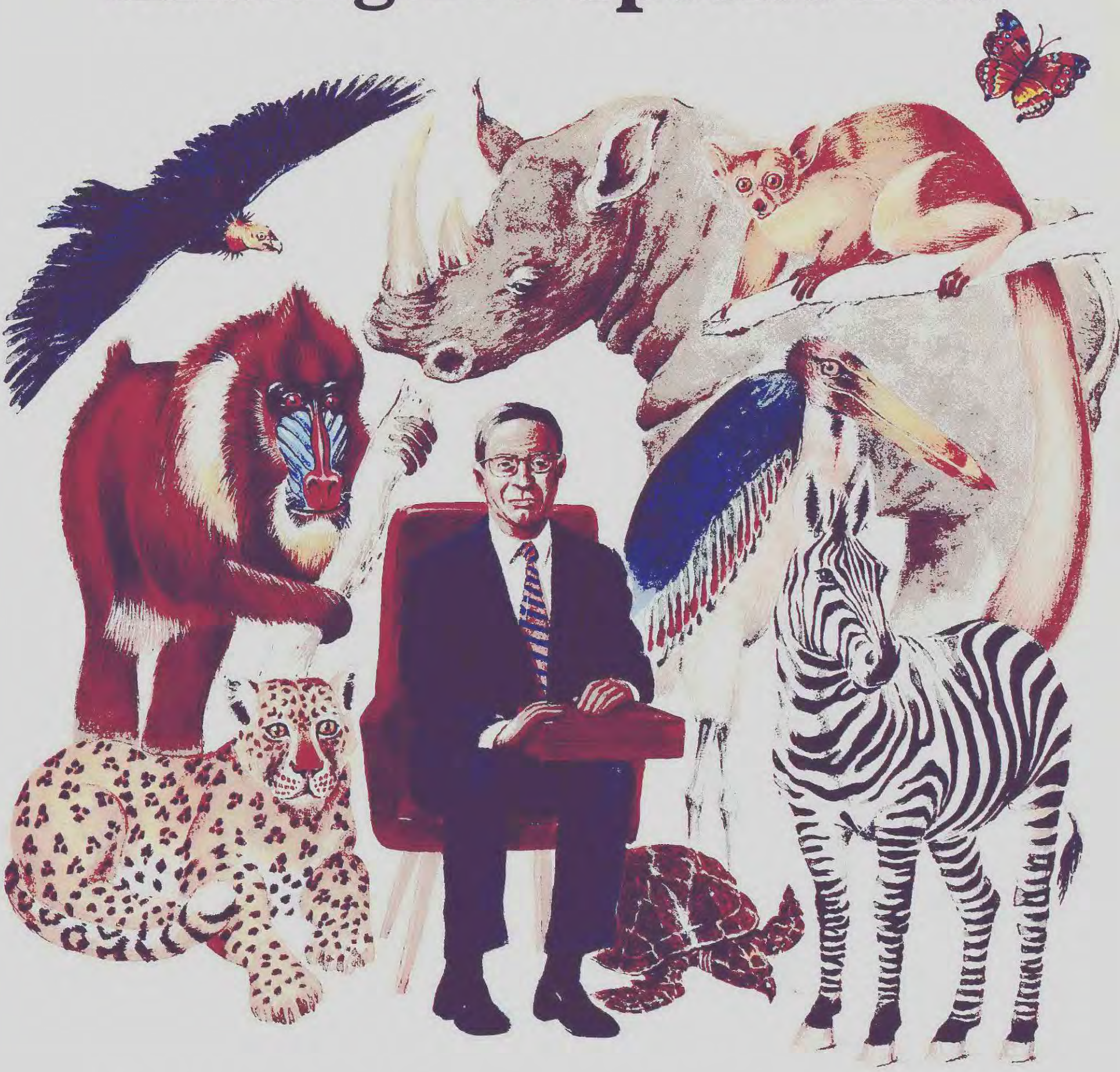
We keep up with our business so that you can keep up with yours. So if you're tired of struggling with group administration the old way, call us. We'll show you the GroupFacts way to handle your load.

Erisco

D&B a company of The Dun & Bradstreet Corporation

1700 Broadway, New York, N.Y. 10019
(212) 765-8500

Reinsurers Have Just Joined The Endangered Species List.



Many naive reinsurers have underpriced themselves into extinction.

The bargain hunters' search for cheaper reinsurance, coupled with massive overcapacity, led the industry into the depths of a $2.7 billion loss in 1984, with a combined ratio of 127.1.

The reinsurers who are left are the ones with the resources, the underwriting skills and the toughness to say "Enough."

While there's now a big gap in reinsurance capacity for some risks, North American Re continues to provide stable and reliable reinsurance for our clients.

North American Re. To survive, we had to be one of the fittest.

NORTH AMERICAN RE

We Take Your Risk Out Of Reinsurance.

NORTH AMERICAN REINSURANCE CORPORATION 100 EAST 46TH STREET, NEW YORK, NY 10017 (212) 907-8000



JUST TELL US WHERE IT HURTS.

If your company operates nationwide, so should your HMO network.

Introducing HMO-USA. The largest HMO network in the country, with more than 60 HMOs coast to coast. And we're still growing. Which means nobody is better prepared to match your multistate locations. Today and tomorrow.

You'll find we can simplify your paperwork as well. Our flexible billing systems allow you to work with one master contract and a consolidated management report that shows utilization patterns. And should a question arise regarding any network location, one call to your personal account executive gets you an answer.

HMO-USA also gives your employees access to outpatient emergency care at any of the network HMOs. Of course, your employees can still choose to receive out-of-area emergency care from any hospital.

In addition, only HMO-USA is backed by the assurance of quality care of the nation's Blue Cross and Blue Shield Plans.

Find out more about HMO-USA. Because chances are good we operate where you operate. Call us at 1-800-4-HMO-USA.

It couldn't hurt.

Blue Cross and Blue Shield Association

Continued from page 66
ing efforts of individual offices and gives the agency more recognition in the insurance community, Mr. Hilb believes.

"The common name gives the office the necessary impetus that they are more than members of a local agency. It gives us the muscle we think we should have and it gives insurers a knowledge of our company that they might not have had before," Mr. Hilb says.

While Hilb, Rogal & Hamilton stresses local autonomy and self-reliance, Mr. Hilb notes that offices do pull together to pool resources and expertise to meet a policyholder's needs.

"We do have specialties in certain offices," Mr. Hilb says, noting that the Pittsburgh office has a special expertise in the grocery store chain business, while the Tampa office is a powerhouse in marine construction insurance needs.

"The beauty of our system is our ability to call on each other. We don't tell them to cooperate, they just do," Mr. Hilb says.

He adds a major reason employees can work as a team is that the company is owned by its workers; some 92 employees out of a workforce of 430 own shares.

Mr. Hilb is an outspoken advocate of employee ownership believing it is a key ingredient in the company's success.

"Employees take a stronger interest in work because they own part of this company. When employees deal with insurers and policyholders, they deal with them as an owner, which they are," Mr. Hilb says.

Despite substantially higher revenues, Mr. Hilb describes 1985 as a stressful year because coverage availability was scarce and the price was high.

"The stress is compounded by the rigidity of insurers, who have provided coverage for risks for years, but now for a minor, insignificant reason find the risk unacceptable," he says.

Some modest rate increases, which the company first began to see in mid-1984, were justified following years of deep price-cutting, Mr. Hilb says. "We thought rate hikes of 15% to 25% would be intelligent and the way things should go."

But since then, price increases have gotten out of hand, he says, with rates sometimes climbing 200% to 500%. Rate hikes are most extreme in specialty lines like errors and omissions and directors and officers liability, where insurers seem to be setting prices on the basis of what the traffic will bear, he says.

Aside from higher prices, the tight market has kept policyholders from filling in their needed layers of insurance. A hospital, for example, may be able to find the first $5 million of medical malpractice coverage, but only 65% of the $5 million to $10 million layer.

As a result, "There are major companies today that are coinsurers at various layers," Mr. Hilb says.

But, Mr. Hilb sees signs that the market is improving and that rate hikes are leveling off. For example, some insurers are saying that they will consider more new business.

Hilb, Rogal and Hamilton does business with more than 100 insurerance companies. Key insurers include Crum & Forster; Hartford Insurance Group; USF&G Corp.; St. Paul Fire & Marine Insurance Co.; Travelers Corp., Kemper Corp.; Great American Insurance Co.; and Cincinnati Insurance Co.

In addition to Mr. Hilb, the company's principal officers include: David W. Hamilton and Alvin Rogal, executive vps; Timothy J. Korman, vp and treasurer; Dianne F. Fox, vp and secretary; Andrew T. Gabor, vp and controller.

—*By Jerry Geisel*

15

FBS Insurance

1700 Soo Line Building, P.O. Box 522, Minneapolis, Minn. 55480; 612-370-5191

	1985	1984
Premium volume	$129,642,000	$81,900,000
Gross revenues	$26,900,000	$19,500,000
Brokerage: Retail	43%	38%
Services	2%	2%
Personal Lines	21%	25%
Invest. Income	3%	2%
Other	31%	33%
Employees	389	289
Rev./Employee	$69,152	$67,474
Offices	58	53

Following several years of rapid growth fed in part by an explosion of acquisitions, FBS Insurance is undergoing significant changes.

FBSI, a unit of First Bank Systems Inc., is shifting from being primarily a rural broker to a metropolitan and regional broker. As part of that move, FBSI will divest 39 small agencies, or about two-thirds of its rural agencies.

The broker's 1985 growth can primarily be attributed to acquisitions, but new business and rising insurance prices also contributed significantly, according to James D. Hoiness, FBSI president and chief executive officer.

Gross revenues jumped 37.9% to $26.9 million from $19.5 million the previous year, which moved FBSI into the 15th spot in the *Business Insurance* ranking of the 20 largest U.S. brokers, up three notches from last year.


Mr. Hoiness

Premium volume ballooned 58.3% to $129.6 million in 1985 from $81.9 million in 1984.

"Profits were at a record level last year, and I believe they will be once again this year," added Chairman Mark W. Sheffert, though the company would not release those figures.

At year-end 1985, FBSI had 58 offices and 389 employees, up from 53 offices and 289 employees in 1984. Revenue per employee was $69,152, up from $67,474 in 1984.

About $4 million, or 54.1%, of FBSI's $7.4 million increase in gross revenues was due to acquisitions.

In 1985, FBS acquired Marshall-Salsbury of Billings, Mont.; Valley View Insurance Agency of Bloomington, Minn.; Osterud Agency of Austin, Minn.; Transcontinental Brokers of Minneapolis; FNI-PIP of Butte, Mont.; John C. Boe Co. of Grand Forks, N.D.; Montana International Insurance Inc. of Helena, Mont.; and Rust Insurance Agency of Fargo, N.D.

FBSI also purchased the Robert H. Heimbach Agency, The John Fawcett Co. and The Byers' Co., all of Duluth, Minn., which were combined into one agency: First Insurance Duluth.

The revenues from each acquisition were included in FBSI's revenues on a purchase basis.

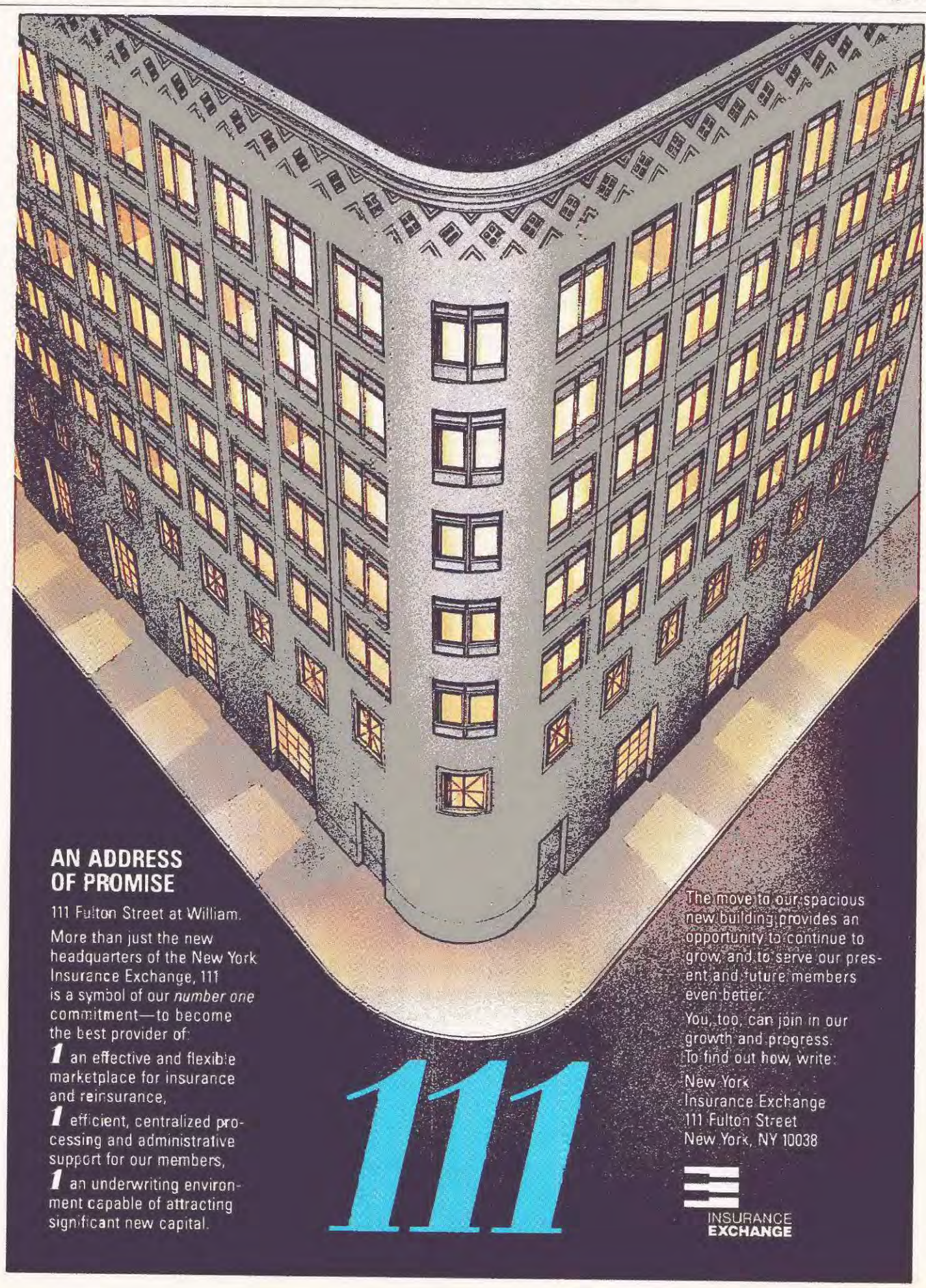
The Valley View and Transcontinental operations were combined into one office and FNI-PIP and Marshall were consolidated into existing offices.

So far this year, FBSI has acquired Niskern Agency Inc. of St. Cloud, Minn.

FBSI also is interested in acquiring brokers in other Midwestern cities, such as Milwaukee. And, it will establish operations in locations where its parent company establishes banking operations.

The balance of the 1985 revenue increase stemmed from new business and from higher rates.

Continued on next page



Continued from previous page

FBSI does not handle extremely large accounts; it typically handles accounts that generate annual commissions of $5,000 to $75,000. However, FBSI intends to develop the capabilities and additional services to attract new and larger clients.

"Restrictions occurring in the marketplace are creating the need for non-traditional alternatives to insurance, whether it be risk management services or captive management," observed C. Timothy Morris, senior vp and head of FBSI's Metro Insurance Group. "These kinds of things brokers will have to be able to respond to."

FBSI recognized that it needed to reposition itself away from small rural markets, where it has high penetration, and into large regional and metropolitan markets, where it had few sales, Mr. Sheffert explained.

That market repositioning has been accomplished over the past 2½ years, he said.

"In 1985, it was time for us to stand back and reassess our position in light of what was happening at First Bank System and the insurance market," Mr. Sheffert said.

After substantial research with First Bank System, FBSI has decided to divest 39 rural agencies to focus on various customer segments rather than particular products or geographical areas and has consolidated the operations of its two divisions into one entity.

The divestiture of 39 agencies follows First Bank System's divestiture of 28 banks and is in accordance with the parent company's policy of maintaining agencies only where FBS banks are located.

The 39 agencies combined account for approximately 20% of the broker's revenues and profits. Although their divestiture will reduce the broker's employee ranks by 90, the overall impact on FBSI and its parent will be "minimal," Mr. Sheffert asserted.

Because the divestitures will take place gradually, and taking into account the annualized revenues of recent acquisitions and the expected increased sales in life insurance and employee benefit lines, FBSI still expects its revenues to increase 11.5% to $30 million in 1986, he said.

"It's a minor impact on us and clearly a minor impact on First Bank System," Mr. Sheffert contended. "We will still be a big player and a growing player. When the balances are accounted for, we shouldn't be much different than we are today, except we will not have 39 small agencies."

All of the agencies that will be divested are in rural areas and most are located in towns of fewer than 5,000 people.

As part of its corporate strategy and reorganization, FBSI will emphasize placing insurance based on segments of clients rather than focusing on specific insurance products or a particular region.

"Our old structure focused on product and geography," he explained. "Our new structure really focuses on customer segments."

As part of its new direction, the broker is focusing on four client segments: small business, middle-market commercial business, mass-market consumers and the upscale consumer market.

Small-business accounts include companies with annual sales of less than $10 million. Middle-market commercial business includes those with sales between $10 million and $250 million.

Mass-market consumers, for which only personal lines will be available, are individuals earning less than $75,000 annually, while upscale consumers include members of professional associations—such as those for attorneys and doctors—and individuals earning more than $75,000 annually.

Upscale and middle-market commercial clients are areas in which FBSI has not penetrated much in the past and into which it hopes to expand.

"What we have really done is gotten away from the traditional, fairly narrow, method of defining customers by the amount of commission or premium and trying to identify them by their buying characteristics, their product characteristics, market attractiveness and to try to put together products, resources and services to meet their desires," Mr. Sheffert explained.

And, since the broker's operations will be complemented by First Bank System services, FBSI customers will be served better, according to Mr. Sheffert.

"Today, when we look at the middle-market commercial customer, we're saying we can bring them property and casualty coverage, sophisticated life insurance programs, flexible benefits group programs, investment of their pension plan through our trust division, leasing through commercial banking, bank lending, cash management," Mr. Sheffert said.

As FBSI begins to compete in a larger commercial market, it recognizes the need to develop new and expanded products and services. These will include benefit administration, captive management and engineering services.

One area in which the company already has taken steps to develop new capabilities is in surplus lines. Until now, FBSI has placed surplus lines coverage through wholesale brokers, but it now wants to develop its own wholesale excess/surplus brokerage operations.

Currently, FBSI is a licensed excess/surplus broker in four states: Minnesota, Montana, North Dakota and South Dakota.

In 1985, 43% of FBSI's gross revenues were attributable to commercial retail brokerage, up from 38% in 1984. Some 31% was due to miscellaneous activities such as credit-related insurance and a captive that reinsures credit life products, down from 33% in 1984. Personal lines generated 21%, down from 25% in 1984. Non-brokerage services accounted for 2% of 1985 revenues, and investment income, 3%.

Ninety-eight percent of FBSI's retail brokerage revenues are generated from commissions.

Also in 1985, FBSI reorganized its management for the second time in two years. In 1984, FBSI was reorganized into two units, the Direct Marketing and the Agencies divisions, which focused on commercial insurance lines and mass-marketed personal insurance lines, respectively.

The two subsequently were merged into one unit in 1985. Then, FBSI formed five groups: Administration, Property/Casualty Product, Life/Benefit Product, Regional and Metro.

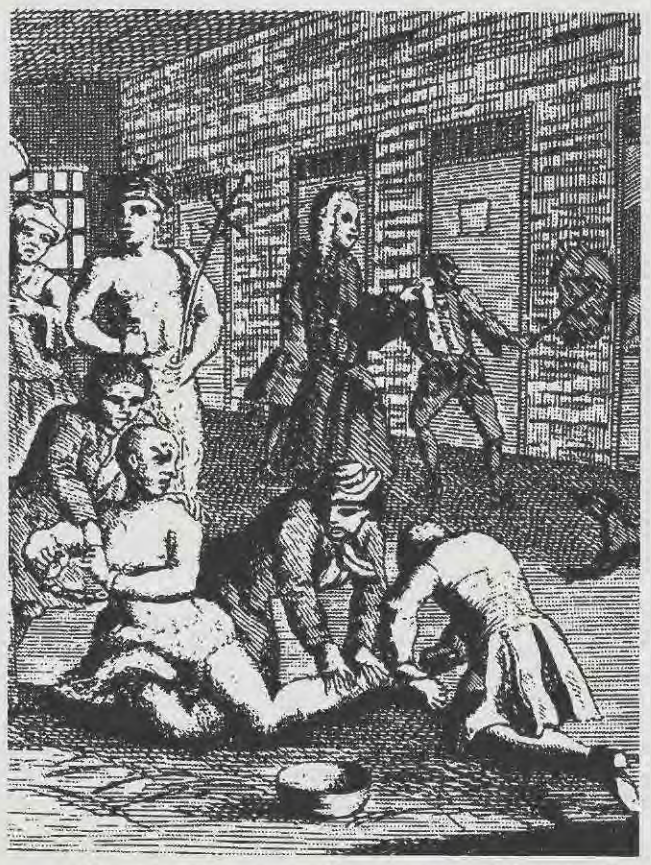
The Property/Casualty and Life/Benefit groups will focus on developing new products in their respective areas. The Administration Group will oversee administrative functions like accounting and automation. The Metro Group will oversee insurance sales in the Twin Cities area, while the Regional group will oversee agencies in other areas.

First Bank System Inc., which formed FBS Insurance in 1929, is one of only 16 bank holding companies that retained the right to broker insurance under a grandfather clause in the 1956 Bank Holding Company Act. However, few of the other holding companies are actively involved in commercial retail brokerage.

Besides Messrs. Sheffert, Hoiness and Morris, other FBSI principal officers include John C. Larson, manager of the Life/Benefits Group, and Michael O. Hoover, manager of the Regional Group.

—By Stephen Tarnoff

We could write a book about the misconceptions people have about mental illness and its treatment.



Do the horrors of the past still exist in psychiatric hospitals? Or – maybe just as bad from a cost standpoint – have they become expensive "country clubs" instead?

A whole lot of misconceptions still persist about the quality of care that patients receive in today's specialty psychiatric hospitals, and especially about the costs of that care. To the individual and his family. To his employer. And to the insurer.

For instance, did you know that all member hospitals of the National Association of Private Psychiatric Hospitals are accredited by the Joint Commission on Accredidation of Hospitals? Or that most of these hospitals provide outpatient, day treatment and partial hospitalization, as well as full inpatient care?

In addition to many levels of care, these specialty hospitals offer programs tailored for children, adolescents, and adults, as well as providing chemical dependence and eating disorder programs.

Some say the cost of that special care is high. But the cost of pretending the problem doesn't exist is much greater. An illness which has been estimated as a $55 billion a year problem for industry is one you can't afford to ignore.

Right now the NAPPH has available a limited number of copies of a study which effectively analyzes the direct and indirect costs of mental health insurance coverage. If there's a chance that this data might help you to better evaluate mental illness benefits for your employees – then you owe it to your company to send for your confidential copy of this study.

There's still a whole lot of ignorance about mental illness. But you don't have to be a victim of it.



We Wrote This One Instead.

It clears up a lot of misinformation about actual costs for treatment, reimbursement trends, and cost containment.

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

The National Association of Private Psychiatric Hospitals
1319 F ST. N.W. • Washington, DC 20004 • (202) 393-6700

The National Association of Private Psychiatric Hospitals

16

The Kaye Group Inc.

122 E. 42nd St., New York, N.Y. 10168; 212-210-9200

	1985	1984
Premium volume	$350,000,000	$250,000,000
Gross revenues	$23,950,000	$17,361,000
Brokerage: Retail	79%	80%
Wholesale	9%	8%
Reinsurance	3%	3%
Services	2%	2%
Personal Lines	2%	2%
Invest. Income	5%	5%
Employees	287	254
Rev./Employee	$83,449	$68,350
Offices	6	5

The Kaye Group Inc. is holding fast to the strategy that produced revenue gains in recent years.

"The interest in the buying public is on essential and traditional insurance, which means traditional service rendered effectively—not for new services from the broker, but more competent rendition of the services that they should expect," explained Lawrence Greenfield, president.

The 34-year-old privately held Kaye Group meets the challenge of finding commercial insurance—or alternatives to it—in a constricted market with a hands-on, team management approach, Mr. Greenfield said.


Mr. Greenfield

Specifically, about a 12-member executive committee, which includes the brokerage's four top officials/owners, meets six or eight hours weekly to analyze the status of all significant renewals and to plot strategies to meet clients' needs.

In addition, Mr. Greenfield and Howard Kaye, senior vp of The Kaye Group and president of its largest subsidiary, New York-based Walter Kaye Associates Inc., each holds the title of president for different corporate entities but share top-level decision-making duties for all entities.

The results reported by The Kaye Group indicate that the broker's teamwork approach provides a winning combination. Gross revenues jumped 38% in 1985 to nearly $24 million from $17.4 million in 1984 and pushed The Kaye Group into 16th place from 19th place last year in the *Business Insurance* rankings of the 20 largest U.S. brokers. And, premiums placed increased 40% in 1985 to $350 million from $250 million the year before.

"We probably have exceeded our forecasted results by 25% to 30%," Mr. Greenfield pointed out.

The Kaye Group ranked among the Top 20 last year on the strength of its 30.3% growth to $17.4 million from $13.3 million in 1983. That year, the broker grew 25.7% and ranked 24th. The broker grew 8.7% in 1982, 10.9% in 1981 and 9.6% in 1980.

And, first-quarter 1986 revenues of $6.1 million are 14.6% higher than revenues for the first quarter in 1985, according to Marc Silverman, senior vp.


Mr. Silverman

The Kaye Group's growth record is equally attributable to new retail brokerage clients and higher insurance costs, according to Mr. Greenfield.

In 1985, The Kaye Group had about 11,900 total clients, including 4,700 in group life and health programs, 4,200 commercial property/casualty policyholders and 3,000 personal lines accounts. Kaye had about 200 more commercial clients in 1985 than in 1984, according to Mr. Silverman.

The Kaye Group had "some" attrition of business, but "gain or loss of major clients was not material in 1985," Mr. Greenfield said.

About 79% of The Kaye Group's 1985 revenues were generated by commercial retail brokerage, which is one percentage point less than in 1984.

Some 9% of revenues were generated by wholesale brokerage business, compared with 8% in 1984.

The remainder of gross revenues were generated by reinsurance brokerage, 3%; fees for non-brokerage services, 2%; personal lines, 2%; and investment income, 5%.

Clients' businesses are broad-based, but there are concentrations in retailers and catalog showrooms; health-related organizations; nonprofit organizations; real estate and construction firms; restaurant, hospitality and entertainment enterprises; service firms; manufacturing; and importing, wholesaling and distributing.

Most brokerage business is placed through Walter Kaye Associates Inc., the keystone of the group's operations. Walter Kaye, 67, the group's founder and chairman of the board, is celebrating 50 years in the insurance industry in 1986. He was unavailable for comment due to an extended trip outside the United States.


Mr. W. Kaye

In addition, there are five other retail brokerage branch offices, all of which operate as independent subsidiaries.

Two small offices were established in 1985 in Cranston, R.I., and Newark, N.J. The Kaye Group plans to expand the business of these "seed" offices by merging their operations with the business of an as-yet unnamed brokerage operation The Kaye Group hopes to acquire in the eastern United States.

In 1985, The Kaye Group also had retail brokerage branch offices in Beverly Hills, Calif., and Fairfield, Conn.

In addition, the group operates American Administrators Corp. in Arlington Heights, Ill., which is a direct mail subsidiary that markets life and health insurance products to associations.

The Kaye Group closed the New York City office that housed the broker's benefits department and other operations. The department and the other operations were moved into the same building with Walter Kaye Associates.

Rate increases also contributed to Kaye Group's growth.

The group saw rates for property/casualty risks begin to rise in July 1984 and felt the financial impact in its first quarter in 1985.

But, rate increases were not across the board. The largest rate increases have been in frequency casualty risks, like public liability insurance for shopping centers, and the smallest has been for property insurance.

The most difficult risks to market have been social service agencies. "It's a manageable risk for broad-based groups," like the Federation of Jewish Philanthropies of New York, which Kaye Group represents. "Individually they are difficult risks," Mr. Greenfield said.

But, Mr. Greenfield said he already has seen a flattening in premium increases, which started after the April 1, 1986, renewals for accounts with measurable and manageable risks.

"More markets have started to

Continued on page 74

Our business is local . . .

New York
Philadelphia
Charlotte
Atlanta
Chicago
St. Louis
Dallas



Minneapolis
Denver
Seattle
Portland
San Francisco
Los Angeles
Orange

Sayre & Toso, Inc.

Special risk underwriters for over 80 years

A subsidiary of MISSION INSURANCE GROUP, INC. Home Office • 2600 Wilshire Blvd., Los Angeles, CA 90057 • (213) 381-6811

THE GROUP HEALTH AND LIFE PUZZLE



The Unionmutual Solution

The challenge is how to provide your clients with group health and life plans that balance the need for quality coverage with the need to manage benefit costs.

Unionmutual has the solution. We offer a range of group health and life products with enough plan design flexibility to allow you to put together the right benefits package for each of your clients.

In Medical. . .

Unionmutual was one of the first to stress prevention as a key to controlling healthcare costs, a challenge we're committed to meeting. We offer a wide variety of plan design options—ranging from employee bill audit to utilization review—to let you design a plan with as much, or as little, cost management as needed.

In Dental. . .

Our dental plans are built around the same concept of prevention as our medical plans. By encouraging prevention and promoting good dental health, our plans help reduce the likelihood of more costly procedures.

In Life. . .

To provide you with maximum flexibility, we recently added Lifestyle Protection, innovative employee paid group life, to our portfolio of group life products. Now you can meet your clients' needs with basic or supplemental group life, payroll deduction group life or a combination plan.

And for your clients who want to share the risk and pocket the savings we offer a range of funding options.

Outstanding Sales Support and Client Service

Our sales reps are up-to-date on marketing trends, legislation, and new products to help you structure the best plan for each of your clients. We assign one Benefit Specialist to each case to provide prompt, personal and comprehensive attention. And each of our local offices has a client service staff to provide ongoing assistance whenever you or your clients need them. Providing you with the highest quality products and services is part of our UNUM commitment to excellence.

For more information on Unionmutual's group health and life products, contact your local Unionmutual office.

Group health and life. A group of UNUM™ products.

Unionmutual®

The UNUM commitment to excellence™

Unionmutual Stock Life Insurance Co. of America
Portland, Maine 04122
(All states except New York)

Unionmutual Stock Life Insurance Company of New York
Elmsford, New York 10523
(New York State only)

Continued from page 72
write again," and there is "the very, very beginning" of some minor competition in various lines, said Mr. Kaye, who declined to identify those lines.

Those markets that are writing New York general liability risks are overwhelmingly using occurrence forms because claims-made forms have not been approved by the state's insurance department, Mr. Greenfield noted.

The Kaye Group believes that the claims-made form is dangerous to clients because coverage gaps can develop if the client changes insurers.

By line, the percentage of Kaye's commercial retail brokerage business was about 40% casualty, 19% workers compensation, 18% property, 10% employee benefits, 10% auto, 2% personal lines, 1% ocean marine and less than 1% aviation.

More than 99% of The Kaye Group's retail brokerage placements involve domestic operations. But, the broker has more international business than ever before because clients are acquiring businesses, Mr. Greenfield said.

'More markets have started to write again,' and there is 'the very, very beginning' of some minor competition in various lines, says Howard Kaye, senior vp of The Kaye Group, who declined to identify those lines.

"Essentially, we are targeting into the $25,000 to $100,000 commission account," Mr. Greenfield said. About 75% of Kaye's clients generate commissions of $20,000 or more. In that group, a client's insurance premiums are probably $250,000 or more.

Its largest accounts generate annual commissions in excess of $500,000.

The Kaye Group generally will not look at an account with less than $10,000 in annual commissions unless it has a previous business connection with the company or is referred to the broker

About 95% of the Kaye Group's revenue is generated by commissions, and the remaining 5% comes from fees.

The broker's commission rate is declining and will continue to drop as rates continue to increase and drive up premiums paid. Commission rates are now less than 7% compared with 10% previously, Mr. Greenfield said.

The Kaye Group does not expect any aspect of its business to shrink, but it is striving to expand its manufacturing clientele. "We are concentrating and will continue to concentrate in expanding our manufacturing clientele, with particular emphasis on their product liability programs, not necessarily insurance," Mr. Greenfield said. "There is lots of room for creativity and for taking a fresh look," he explained.

"The key in all the programs is the excess protection," which is less available in the current constricted market than in the soft market, Mr. Greenfield said. "We spend a lot of time thinking through how the structure will appear to the excess underwriters as opposed to whether it is necessarily the most cost effective for just the primary coverage," he said.

Meeting clients' needs in the tight market of 1985 included expanding clients' use of existing captives. Although The Kaye Group considered establishing a new captive in about a dozen cases, it decided against that because of negative tax consequences and the belief that captives may not be actuarially sound in cases of catastrophic losses, Mr. Greenfield noted.

To meet growing client demand, The Kaye Group increased its staff in 1985 13% to 287. Revenue per employee jumped 22.1% in 1985 to $83,449 from $68,350.

The largest increase in employees was in New York at Walter Kaye Associates or other operations, which gained about 25 of the additional staffers.

In addition, some existing employees who had been hired since the last hard market were retrained in underwriting concepts to better negotiate with underwriters.

Meanwhile, the Connecticut office added four employees for a total of 23, and California added three employees for a total of 13.

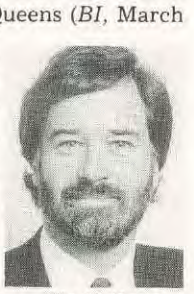
The new Rhode Island office has four staff members, and the New Jersey operation has two.

To facilitate its hiring spurt, the broker expanded its personnel department by adding both staff and office space, Mr. Silverman said.

One of the most satisfying accomplishments in 1985 for The Kaye Group was producing affordable programs with "reasonable" coverage for nearly all of its clients, Mr. Greenfield said.

The group's ability to continue some complicated medical professional liability insurance programs for hospitals and doctors was another source of satisfaction, he added.

The Kaye Group was disappointed earlier this year by its inability to find affordable insurance for a unique risk, a tram that served residents of Roosevelt Island in the East River between Manhattan and Queens (*BI*, March 3).


Mr. H. Kaye

New York State ultimately covered the tram under its self-insurance fund (*BI*,, March 10).

In addition, Mr. Kaye was disappointed by the breakdown of some relationships with clients. He said the situation became "us and them," noting that dealings became personal rather than businesslike. "That had an emotional effect that was very trying for me," he said.

Mr. Greenfield was professionally dissatisfied with an inability to achieve desired limits for clients' umbrellas and directors and officers and excess casualty policies.

"The largest insurance problem for our clients was excess insurance limits, their cost and amount," he noted.

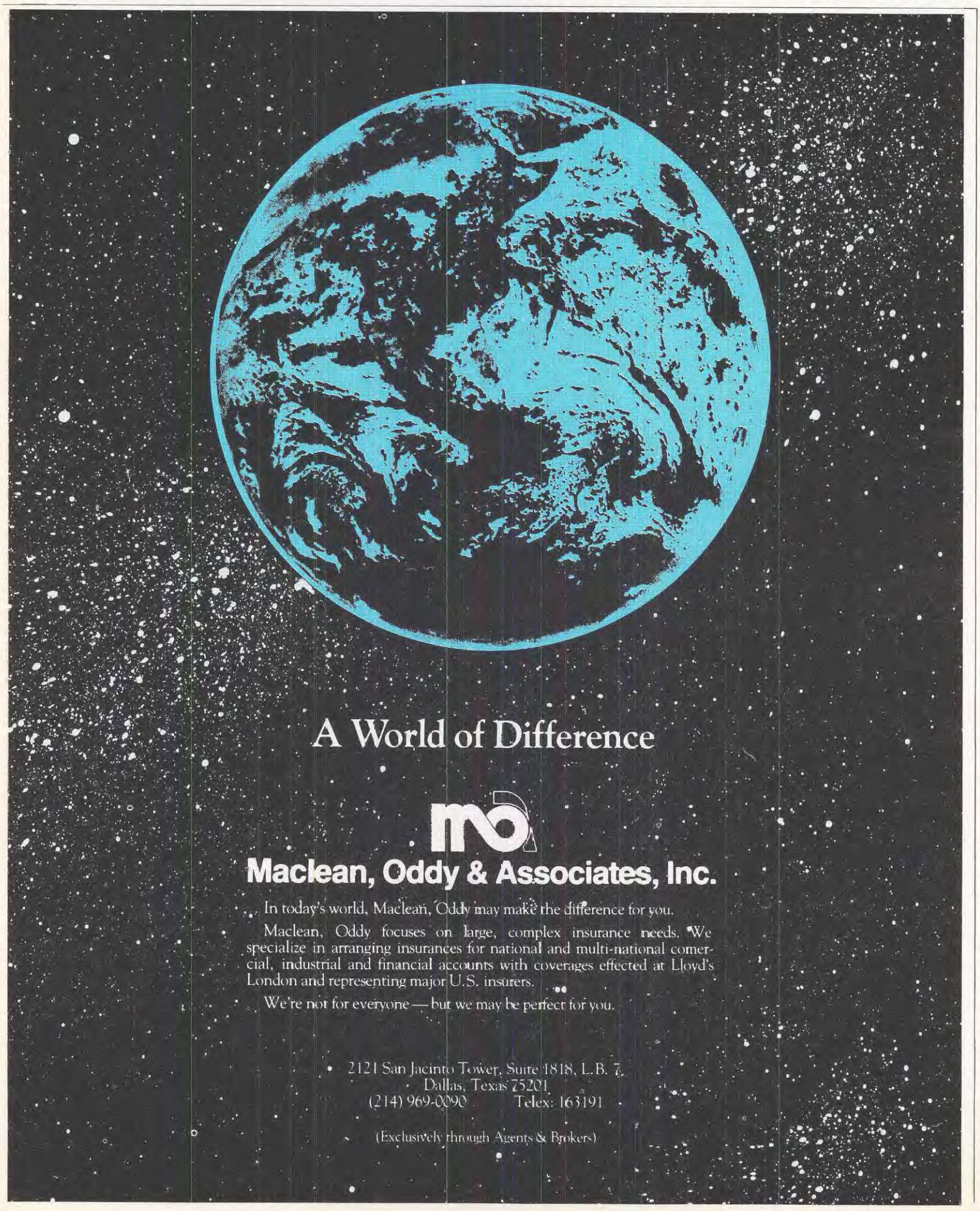
A challenge The Kaye Group faces in 1986 and 1987 is the need to "keep on top of a market that is going to begin to change, and be aware of those changes as early as possible," Mr. Greenfield said.

In addition, staff members must avoid complacency and continue to challenge the need for any rate increases, even if they are smaller than recent increases.

Besides its retail brokerage operations, The Kaye Group also operates two non-retail brokerage subsidiaries in New York: TKG Agencies Inc., a reinsurance brokerage subsidiary, which generates 3% of The Kaye Group's gross revenue; and Claims Administration Corp., which provides risk analysis and property/casualty claims management services for larger accounts.

"We've been expanding our in-house, hands-on claims management," Mr. Greenfield noted.

—By Meg Fletcher



17

John L. Wortham & Son

2727 Allen Parkway, P.O. Box 1388
Houston, Texas 77251;713-526-3366

	1985	1984
Premium volume	$202,000,000	$129,775,000
Gross revenues	$23,344,000	$17,016,000
Brokerage: Retail	89%	87%
Personal Lines	6%	7%
Invest. Income	5%	6%
Employees	263	244
Rev./Employee	$88,760	$69,738
Offices	1	1

New business and rising rates in 1985 boosted revenues a whopping 37.1% to propel Houston-based John L. Wortham & Son back into the *Business Insurance* ranking of the 20 largest U.S. brokers.

But, despite Wortham's sparkling 1985 performance, Managing Partner Fred C. Burns says it's "business as usual" at the private partnership, which concentrates on retail brokerage.


Mr. Burns

By doubling its growth rate in 1985 compared with 1984, Wortham moved up four positions to rank as the 17th-largest U.S. broker with 1985 revenues of $23.3 million.

Last year, Wortham dropped to the 21st position from 20th place in 1984, despite an 18.5% increase in revenues.

Although the Houston economy is hurting because of problems in the oil industry, the slump has not affected Wortham's business, most of which originates in the city, Mr. Burns said.

New business and rate increases helped raise the premium volume placed by Wortham in 1985 to $202 million, a 55.7% increase from $129.8 million the year before.

"It was a two-pronged assault on revenues," Mr. Burns noted.

The broker's 1985 results were "quite a bit better" than Wortham expected, Mr. Burns observed. And, 1986 is off to another roaring start, with first-quarter revenues up 35% to 40% compared with the first quarter last year, he added.

"Our accounts in the oil and gas industry have survived quite well," he noted. "We're not heavy in the oilfield services business," such as drilling contractors and geological survey companies, he explained. "They've taken a big hit."

Mr. Burns is confident that Wortham's performance during the most recent downturn in the oil industry means the brokerage will not see a repeat of its flat growth during 1983, when slack oil revenues affected Wortham's locally generated business. That year, Wortham's revenues fell slightly to $14.3 million from $14.5 million in 1982.

Commercial retail brokerage generated 89% of Wortham's revenues in 1985, up from 87% the previous year. Personal lines contributed 6% of revenues, while investment income generated the remaining 5%.

Property and casualty business each accounted for 34% of total revenues; life insurance and employee benefit generated 15%; surety business each contributed 6%.

Most of the property and casualty coverages placed by Wortham are what Mr. Burns called "traditional" accounts, or a broad mix of coverages. Oil and gas clients and marine business make up the rest of the property/casualty accounts, he said.

A miniscule amount of Wortham's revenues, so small that it is not reflected as a separate percentage, is generated by providing advisory services to clients interested in forming captive insurers.

"Basically, we arrange fronting alternatives," Mr. Burns explained. "We're more of an adviser than an administrator."

Although high insurance prices have increasingly driven businesses to seek less traditional risk funding methods, Mr. Burns does not believe that brokers are greatly concerned that insurance buyers will rush in droves to set up captives or self-insure their exposures.

"If captives are the long-term solution, that's where they'll end up," he observed. But, he added, "Most customers want to transfer risk, not assume it."

For example, clients in the oil industry generally do not want to assume much risk, he pointed out. "Most oil-related clients are very safety-conscious. Once they assess their risks, they would like somebody else to handle it."

He added, "I don't think the oil industry is significantly different from any industry. Insurance is insurance, and they would like to transfer the risk."

Wortham's retail brokerage revenues are generated entirely by commissions from a variety of clients.

"We don't target any particular size," he said. "We sell insurance, and we'll sell it to the smallest and largest of customers. We sell personal accounts, small commercial accounts," as well as service major accounts, he noted.

"We are significantly diversified and have as good a mix as there is in this business. No single account dominates our income," he explained.

"We're committed to being a full-service facility," he added, noting, "obviously, it is more difficult to make money on smaller accounts."

Mr. Burns pointed out that because of the new business the brokerage has produced and the increasingly difficult task of placing coverage in a tight marketplace, Wortham increased its workforce last year by nearly 8%, adding 19 employees, bringing the total number of staffers to 263.

The added staff is necessary because, "it is much more difficult to get the same things done this year than it was two years ago," Mr. Burns explained. "You've got to contact many more markets and consider many more alternatives."

But, along with increasing its workforce, Wortham has sharply increased its productivity. Revenues per employee in 1985 were $88,760, a 27.3% increase from $69,738 in 1984.

Mr. Burns says Wortham has the ability to "reduce expenses and offer professional service to large and small accounts."

Looking ahead, Mr. Burns said he expects to see some rate softening for "less-risky" types of coverage. "More traditional accounts that were caught up in the tight market scenario will see the first relief, and the more difficult ones will be the last" to see rates level, he predicted.

"The market has decided which risks are bad, and they're all following suit. There have got to be good risks within any defined category," he explained.

For example, he said, "There have got to be good chemical risks as well as chemical risks that are not so good."

Even if some insurers decide rates for a certain type of coverage must increase, "there are still many insurance alternatives," Mr. Burns said. "While one company may want to raise a price in a particular line, that doesn't change things for us in terms of being able to go out and find alternatives.

"There are still 3,000 insurance companies out there, and it's up to a good broker to get out there and find them."

Continued on next page

Lowest rates for nonsmokers ever offered by us.

Guarantee Your Clients Rates for Five Years

$100,000 of coverage for $110.00
$250,000 of coverage for $262.50
$500,000 of coverage for $500.00
male age 35-female age 38—annual premium shown above

Bankers Security is now offering the lowest cost five-year renewable and convertible term life insurance in its history!
At the end of five years, the rates will change to reflect age increase and current mortality experience, with no re-entry requirement. They will never exceed the maximum rates in the policy. Smokers' rates are also available.
For more information on the five year term plan, call Bankers Security Life Insurance Society, **(800) 435-9522**, or complete the coupon below.

Bankers Security Life Insurance Society

The Professionals! A Member of USLICO Corporation

Executive Office: Washington, D.C.
Home Office: New York City, (212) 725-9710

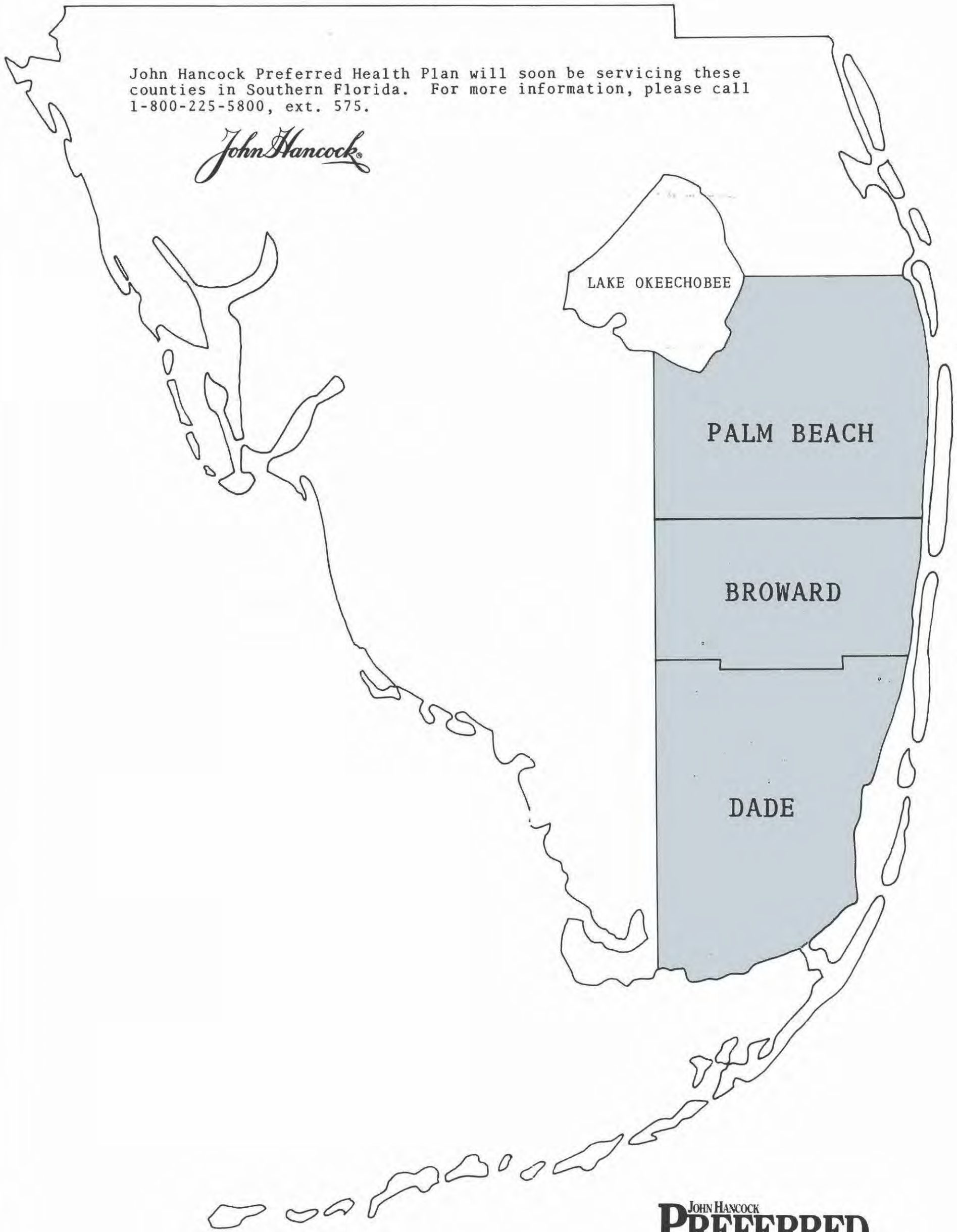
BI623

Bankers Security Life Insurance Society
1701 Pennsylvania Avenue, N.W. Washington, D.C. 20006
(800) 435-9522

Name _____
Address _____
City _____ State _____ Zip _____
Telephone _____ (5 R&C)

John Hancock Preferred Health Plan will soon be servicing these counties in Southern Florida. For more information, please call 1-800-225-5800, ext. 575.

John Hancock®



JOHN HANCOCK
PREFERRED
HEALTH PLAN

Continued from previous page

Association business in general is growing as well. Professional liability coverage placed through association programs is an area in which the broker has "experience that is unique in the country," Mr. Caperton claimed.

The broker also expects to perform more administrative services for property/casualty self-insurance programs, risk retention programs and associated loss control programs, Mr. Caperton noted.

On the benefits side, McDonough Caperton also expects to make available more health care administrative services for clients that utilize health maintenance organizations, preferred provider organizations and other alternative delivery systems.



Mr. Caperton

In addition, the broker is expanding its involvement in life insurance sales and will begin administering multiemployer plans, according to Andy Paterno, president of McDonough Caperton Employee Benefits, one of eight McDonough Caperton profit centers.

To sell those products, the broker is placing a great emphasis on recruiting, development, motivating and retaining its staff, which Mr. Caperton called "really great challenges."

The brokerage, which has little turnover, plans to reinvest some of its profits in developing and training its personnel.

Mr. Caperton observed that because of staff-cutting by brokers and insurers during the soft market, there is a lack of trained employees in the brokerage industry in general.

McDonough Caperton's employee ranks increased 8.5% to 434 from 400 in 1984. All of the new employees joined the broker's benefits area, bringing the total there to 274. The property/casualty group employs 145 persons, and the holding company employs 15, according to Mr. Becker.

Revenue per employee increased 13.9% in 1985 to $49,539 from $43,503 in 1984.

These employees use a highly systemized or automated approach when conducting business. Those systems are a "key ingredient" for more efficient and cost-effective service, Mr. Caperton noted in the company's annual report.

New systems are being pursued in policy rating, policy management, electronic health claims transmission, claims management and accounting.

For example, to reduce the paperwork for both health care providers and claimants, the broker now is using on a limited basis an electronic claims processing system that allows hospitals and physicians to submit bills electronically, said Claudia F. Lindsey, vp of systems and planning.

In addition, McDonough Caperton Systems, a McDonough Caperton profit center, acquired Charleston Data Systems, making the profit center "the largest provider of automated physician office management systems in West Virginia," Mr. Caperton said in his company's annual report. In 1985, McDonough Caperton Systems moved to an office in South Charleston, W. Va.

McDonough Caperton, which considers itself a regional broker, services clients in an eight-state area within about 500 miles of West Virginia. However, it has a nationwide clientele for some of its programs, like its association business, Mr. Caperton said.

Clients were serviced from 12 locations in 1985, one more than in 1984.

An Atlanta office, McDonough Caperton Risk Services, was established to help clients establish risk retention groups and self-funded property/casualty programs and to help with reinsurance placement.

The broker closed one office in 1985. The Abingdon, Va., office was closed less than a year after it opened, because market conditions made it more cost-effective to service its base of coal industry clients from more established offices, Mr. Caperton said.

McDonough Caperton also services primarily property/casualty clients from offices and subsidiaries that are either wholly owned by the holding company or owned by the holding company and key employees, Mr. Caperton said.

Servicing property/casualty clients is the primary goal of offices or subsidiaries in Pittsburgh and Beckley, Fairmont, Parkersburg and Wheeling, W.Va.

Benefit operations are located in Big Stone Gap, Va.

Clients were serviced from 12 locations in 1985, one more than in 1984.

Both benefit and property/casualty operations are located in Cleveland; Lexington, Ky.; and Charleston, W.Va.

Captive clients are serviced primarily through an office in Hamilton, Bermuda.

And, the broker's association business profit center is expected to open an office in Chicago next year.

While 1985 was a record-breaking year for McDonough Caperton, the brokerage was disappointed by its inability to find desired coverage limits for some of its property/casualty clients, Mr. Caperton said.

"We are trying to work on developing better relationships with other insurance carriers so we are not just another guy on the street but adding value to the product that we get from them and present to the client," Mr. Caperton said.

"You add value basically because of your expertise with the industry. . .your administrative capabilities," he explained.

Mr. Caperton expects that while insurers will continue to write some liability risks on an occurrence basis for the remainder of 1986 and in 1987, claims-made coverage is the only answer for certain classes of long-tail exposures.

Proper communication with clients about the switch to claims-made policy forms and documentation of that communication should eliminate potential errors and omission problems that brokers fear, he said.

And, when the market softens, it will be different from previous cycles, Mr. Caperton predicted. Rather than cutting rates across the board, insurers will elect to make selective cuts, he said.

"When rates change, there will be no mass changing but a lot more selectivity in competitiveness reentering the marketplace," he said.

The broker's principal holding company officers include Mr. Caperton, Mr. Becker, Ms. Lindsey and Jack H. Lazzaro, a new vp for finance. Other key officers are the presidents of the broker's eight profit centers: Mr. Paterno; Edmund E. Heartstedt, Cleveland; Kenneth J. Juskowich, Fairmont; Robert L. Ludwig, Charleston and Parkersburg; Charles S. Morton, Beckley; Craig T. Wisotzki, Pittsburgh; Bradley E. Layne, Systems Group; and Dennis J. Vogelsberger, Association Group.

—By Meg Fletcher



WE COVER MORE THAN ONE THIRD OF ALL CORPORATE JETS.

Raise your sights to the elite Fortune 500 and AAU's marketshare is even wider—approximately 40%. That's one measure of our industrywide impact over the past 56 years. Reasons? Under AAU's protection, companies can move forward confidently in their corporate aviation programs. They respect our professional underwriting, our superior claims handling, and our contributions to aviation safety—such as our exclusive VISTA program and Flight Department Operations Surveys. AAU underwrites on behalf of over 30 participating and affiliated insurance companies, worldwide. Ask your own insurance agent or broker. Ask around. Come under AAU's protection, and you'll be in very good company.

AAU FLYING FIRST CLASS

ASSOCIATED AVIATION UNDERWRITERS 90 John Street, New York, New York 10038 • ATLANTA • CHICAGO • DALLAS • DETROIT • KANSAS CITY • LOS ANGELES • SAN FRANCISCO • SEATTLE

19

Financial Guardian Group Inc.

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

	1985	1984
Premium volume	$110,000,000	$125,000,000
Gross revenues	$21,121,000	$23,316,000
Brokerage: Retail	74%	69%
Wholesale	14%	21%
Services	2%	2%
Personal Lines	8%	7%
Invest. Income	2%	1%
Employees	283	333
Rev./Employee	$74,633	$70,018
Offices	15	15

By most indications—not the least of which is the copper-colored "excellence" pin Donald R. Weber wears on his lapel—Financial Guardian Group Inc.'s strategy to become "A Company of Excellence" is more than just corporate rhetoric.

Mr. Weber, chairman and chief executive officer of the brokerage, takes on a serious tone when he discusses the plan's key elements. He says it is these ingredients—which include "Respect for the Individual," "High Integrity," "Pride in Our Organization," and "Enthusiasm For Our Work"—that will make Financial Guardian a force to be reckoned with in the commercial insurance marketplace.

"It's more than just words," he says. "Our mission of excellence is working. We're doing it right now. We're going to be a factor, and we're going to be known as a great company before it's over."

The corporate strategy—a detailed eight-point plan—began almost two years ago when FG decided to refocus the company's energies on what it believes it does best: retail brokering for midsize clients and the design of insurance programs for associations, trade groups and franchisees.

To this end, FG has divested most of its operations not considered compatible with its commitment to retail brokerage.

These operations had contributed about $9 million annually in gross revenues.

Over the past year and a half, FG sold its Insured Benefits Inc. subsidiary to former IBI shareholders. It also began dissolving one foreign subsidiary, Financial Guardian France S.A., in January 1985 and another, Financial Guardian Holland B.V. of Holland, in January 1984.

And, Worldsurance Inc., a wholesale brokerage subsidiary, was closed, including a large Los Angeles office and a smaller one in New Orleans.

In addition, FG sold its retail agency in Atchison, Kan., to a former employee.

These actions led to a decline in Financial Guardian's gross revenues and, subsequently, its drop in *Business Insurance's* annual ranking of the 20 largest U.S. retail brokers. The company now stands at No. 19, down three places from the 16th spot last year.

FG reported 1985 gross revenues of $21.1 million, down 9.4% from 1984's $23.3 million, but Mr. Weber is "very pleased" with these results. He is quick to point out that, when discontinued operations are not considered, revenues from FG's continuing operations grew 26% last year. And, these operations posted a 32% revenue growth for the first quarter of 1986.

Pretax profits, before accounting changes, in 1985 totaled $1.2 million, up from $138,525 in 1984. For the first quarter of 1986, FG reported $825,934 in pretax profits, compared with a pretax profit of $429,647 for the first three months of 1985, he said.

Mr. Weber attributes the growth about equally to new clients and higher property/casualty insurance rates.

Of the $21.1 million in 1985 revenues, 74% was generated by commercial retail brokerage and 14% by wholesale brokerage. Personal lines business, mainly auto and homeowners insurance sold over the telephone, generated about 8% of FG's revenues last year, while other insurance services and investment income contributed the remaining 4%.


Mr. Weber

Property and casualty business accounted for 85.9% of FG's revenues last year, while life, health and benefit-related business accounted for 10.5%. The remaining 3.6% was generated by other product sales and service fees.

Ninety-eight percent of FG's retail brokerage revenues were generated by commissions, while only 2% were collected through fees.

The divestitures also have reduced staff by 15% to to 283 at year-end 1985 from 333. Revenues per employee stood at $74,633 in 1985, up from $70,018 in 1984.

FG typically targets "mid-market" clients whose annual premium payments fall in the wide range of $10,000 to $2.5 million. New sales centers will initially focus on accounts that produce $10,000 to $100,000 in annual premium, leaving larger insurance buyers for existing FG offices.

FG has long been a strong broker in the trucking and fast-food industries, although it lost some McDonald's Corp. franchisee business to an insurance program offered by McDonald's itself.

About 25% of the brokerage's commercial retail clients are associations, among them the American Orthotic & Prosthetic Assn. of Washington, D.C.

Most of FG's corporate clients are local or regional companies. FG has 34,000 clients, including personal lines policyholders. No client represents as much as 2% of FG's commission income, and its 10 largest clients collectively produce less than 6% of its commissions.

The five insurers with which FG placed the most business last year, in order, are: Hartford Insurance Group, CNA Insurance Cos., American International Group Inc., CIGNA Corp, and Fireman's Fund Insurance Cos. FG has contracts with more than 75 insurers, but no one insurer receives as much as 10% of the business it places.

To increase its brokerage business FG is in the process of implementing its eight-point business plan. The plan consists of:

- Developing and implementing a nationwide direct sales and marketing organization by adding a separate sales arm of at least two people to each office, supplementary to the existing account service representatives.

This arrangement is already in place in Chicago and Denver; the Phoenix, Ariz., and St. Louis offices are slated to be next. By the end of 1987, all FG offices—there currently are 15—are expected to have these professional sales managers on staff.

This goal is expected to require the hiring of 30 new salespersons, five of whom already have been brought on board.

- Developing RiskSurance, a "state-of-the-art" automated risk analysis and risk management information system for midsize commercial clients.
- Developing a facility to create insurance programs for associations, trade groups and franchise operations that could be marketed by the new sales force. These programs could include captive insurance company development and feasibility studies.
- Increasing the contribution of employee benefit-related revenues to 25% of gross revenues from the current 10.5%. Mr. Weber estimates the growth, which will include developing benefit programs for associations and coordinating a client's benefit coverages and its property/casualty policies, will take three to five years to achieve.
- Developing more efficient management and administrative practices. These include implementation of the Insurance Control System, an in-house automated quality-control tool that will accommodate claim reporting forms, audits, policy changes and billings, as well as monitor claim reserves.

Mr. Weber hopes to have the system in all offices by year-end.

In addition, as part of this goal, FG is striving for each office to produce at least $1 million in gross revenues annually, with a 20% pretax profit.

- Centralizing all of FG's excess/surplus business into a new operation in Houston, where formerly its Worldsurance subsidiary had a wholesale office.

The new company, called FG Special Risk Inc., is strongest in Texas and Louisiana, but places business nationwide. It specializes in trucking and oil- and gas-related coverages and manages a prop-

Continued on page 80

CONTINUITY STABILITY CAPACITY

DVUA®

Excess & Surplus Lines Brokers/Managing General Agents Since 1947

Hatboro, PA
215-443-3500

New York, NY
212-227-8606

Highland Heights, OH
216-449-0351

Chicago, IL
312-930-9060

Pittsburgh, PA
412-369-2500

Springfield, NJ
201-564-9633

Charleston, WV
304-342-4835

DELAWARE VALLEY UNDERWRITING AGENCY, INC.

A Member of the Penn Independent Associates Group

Corporate Headquarters
420 South York Road, Hatboro, PA 19040


PRUDENTIAL RE.
BECAUSE
WHEN YOU'RE SOLID,
YOU ENDURE.
In today's market, you shouldn't have a grain of doubt that your reinsurer is in it for the long haul.
In fact, concern about stability has become the most important factor in selecting a reinsurer.
Which is why you should consider Prudential Re.
We've earned a worldwide reputation as a reinsurer who has the resources to provide financial security.
Prudential Re. Because nothing is more solid than the Rock.
The Rock in Reinsurance
Prudential Re
A Subsidiary of The Prudential Insurance Company of America

Continued from page 78
erty/liability program for marina operators.

Most of its programs are new; only about two wholesale programs remain from Worldsurance, which has been divested.

- Continuing to pursue excellence in the course of its day-to-day business.
- Establishing FG offices in all major U.S. population centers.

Its most recent start-up was in Los Angeles, where FG opened a new retail brokerage office about two months ago headed by Executive Vp Vernon E. Dockendorf, who was formerly president of Republic Hogg Robinson Inc. in Los Angeles.

FG also purchased one insurance agency last year, as well as policy renewal rights from five other agencies.

FG purchased policy renewals from Leatzow Agency in Oak Brook, Ill., last August for $200,000 and from LRI Insurance Services in Sacramento last September for $50,000 plus 10,000 shares of FG common stock. It bought outright the Davis-Grosse Inc. agency in Chicago last September for $182,470, plus 48,860 shares of FG common stock.

These business segments produced total 1985 revenues of $1.2 million that FG includes in its 1985 gross revenues on a purchase basis.

Earlier last year, the company purchased policy renewal rights from two Houston firms, Crescent Insurance Services and Richard M. Heidbrink, paying 14,500 shares of FG common stock in each case. From a third Houston agency, Insurance Dynamics Inc., FG paid 1,500 shares of FG common stock last September for certain policy renewal rights.

Of its continuing operations, two subsidiaries exist chiefly to accommodate retail brokerage clients and are not aggressively marketed. They both operate under the aegis of FG Technical Services.

One is FG Reinsurance Ltd. in Hamilton, Bermuda, principally used for rent-a-captive programs. The other company is FG International Ltd., a captive manager that now manages two captives, one of which is HUTCO, a captive of the International Pizza Hut Franchise Holders Assn. in Wichita, Kan.

The adjustments required by FG's ambitious restructuring seem to be taking place smoothly.

A recent evaluation of the company by insurance agency consultant Hales & Associates Inc. in Oak Brook, Ill., observed "an obvious new enthusiasm and confidence level running throughout the organization," and noted that "'Excellence' strategies are in place and seem to be working."

Such a plan might be easier to implement at a company like FG, which is owned largely by its employees, than at most of FG's publicly held competitors.

There are approximately 140 FG stockholders, most of whom are employees who take part in FG's employee stock ownership plan.

At year-end 1985, the fair market value of FG stock was put at $6.17 per share, a 43% increase over the year-end 1984 estimate of $4.33. Earnings were 19 cents per share last year, compared to a 3-cent-per-share loss last year.

Principal FG officers besides Mr. Weber are Darrell D. Prater, executive vp and chief financial officer, and four senior vps: Charles J. Longwello, Doran R. Oneale, Norbert F. Koehs and Barry R. Harper.

The highest-paid officers in 1985, according to the 10-K report filed with the Securities and Exchange Commission, received the following total compensation:

Donald R. Weber	$152,542
Raymond E. Crews	$147,501
Doran R. Oneale	$144,472
Charles L. Longwello	$124,520
Barry R. Harper	$121,720

—By Steve Taravella

20

B.R.I. Coverage Corp.

156 William St., New York, N.Y. 10038; 212-233-7171

	1985	1984
Premium volume	**$225,000,000**	$130,000,000
Gross revenues	**$20,100,000**	$14,300,000
Brokerage: Retail	**85%**	85%
Wholesale	**1%**	1%
Reinsurance	**3%**	3%
Services	**5%**	5%
Personal Lines	**3%**	3%
Invest. Income	**3%**	3%
Employees	**150**	138
Rev./Employee	**$134,000**	$103,623
Offices	**1**	1

Revenue growth at New York-based B.R.I. Coverage Corp. since the beginning of 1985 has been, in Senior Vp Howard Miller's words, "spectacular."

B.R.I. reported gross revenues of $20.1 million last year, up 40.6% from $14.3 million in 1984. Premiums placed by the broker jumped 73.1% to $225 million last year from $130 million in 1984.

The revenue explosion catapulted B.R.I.—a privately held brokerage founded in 1974—to the No. 20 spot in *Business Insurance*'s ranking of the largest U.S. insurance brokers from the No. 25 spot it held in 1984.

Mr. Miller, who also is B.R.I.'s director of sales, says the growth came from three sources.

"A good portion of it comes from rising (property/casualty insurance) prices. You didn't have to be a rocket scientist to see the effect of rising prices in 1985," he observed.

In addition, B.R.I. took on "an awful lot" of new business in 1985, he said. About $2 million—roughly 10%—of B.R.I.'s 1985 revenues represented new business, he noted.

A third part of the growth came from expansion of business brokered for existing clients. For example, three or four of B.R.I.'s clients made major acquisitions in 1985, and B.R.I. took on the business of the acquired companies, Mr. Miller said.

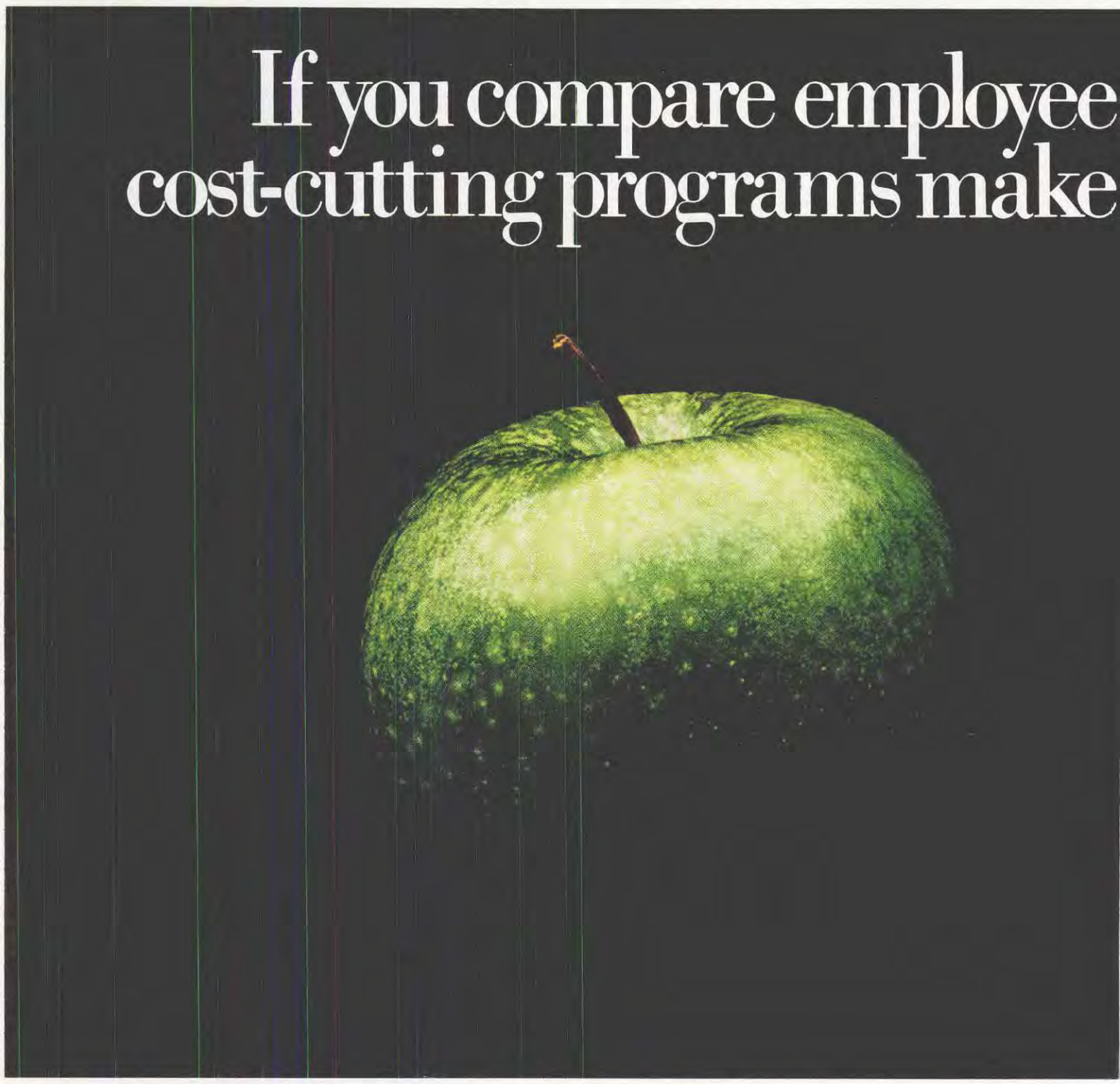
Meanwhile, B.R.I. sharply reduced the number of accounts lost to other brokers.

In a mid-1985 meeting, B.R.I.'s top management went over a list of every account the firm lost during the previous year, analyzing the reasons each account was lost, according to Mr. Miller.

In part because of this review, B.R.I.'s volume of lost business so far this year has been cut to only 20% of the volume lost in the same period last year.

"What we did was address the problem. We didn't bury our heads in the sand and ignore the prob-

Continued on next page



What makes us the envy of our competition?

More often than not, it's HealthCare COMPARE's high degree of physician-to-physician contact.

With many programs, as many as 98% of cases are never reviewed by a physician—only by nurses or by inflexible computer criteria.

But HealthCare COMPARE refers as many as 40% of its cases to a consulting physician. Review is careful. Case-by-case. There's more compassion for the patient. And at the same time, more concern for the payer's costs. Costs we can cut by 15–20% within just one year.

HealthCare COMPARE physician involvement doesn't stop after hospital admission. Our consulting physician continues to confer with the patient's physician. One result: costly hospital stays are reduced from 800 days per 1,000 employees to 400–450 days.

With HealthCare COMPARE,

Continued from page 86

L.T. Barton Insurance

607 Bailey St., P.O. Box 9320, Fort Worth, Texas 76107; 817-332-1313

	1985	1984
Premium volume	$5,896,638	$5,205,481
Gross revenues	$977,625	$890,482
Brokerage: Retail	64%	97%
Wholesale	2%	2%
Personal Lines	33%	0%
Invest. Income	1%	1%
Employees	18	17
Offices	1	1

Year founded: 1947.
Brokerage: 99% commissions, 1% fees.
Principal officers: Hayes Tucker, Troy Barton and David Cooper, partners.
Licensed excess/surplus broker in: Texas.

Bayly, Martin & Fay International Inc.

201 Main St., Suite 1990, Fort Worth, Texas 76102; 817-335-2048

See profile, page 56.

Beal & Associates Insurance Counselors Inc.

5635 E. Thomas Road, Phoenix, Ariz. 85018; 602-990-1111

	1985	1984
Premium volume	$10,200,000	$9,000,000
Gross revenues	$2,450,000	$1,850,000
Brokerage: Retail	79.5%	76%
Wholesale	0.5%	0.5%
Services	10%	11%
Personal Lines	9%	11%
Invest. Income	1%	1.5%
Employees	42	40
Offices	1	1

Year founded: 1958.
Brokerage: 99.5% commissions, 0.5% fees.
Non-retail brokerage subsidiaries: Insurance Verification Service.
Principal officers: William A. Beal, president; Thomas W. Beal, vp; Norma J. Beal, secretary/treasurer.
Licensed excess/surplus broker in: Arizona.

Beck/Wm. Schwartz Inc.

3050 Post Oak Blvd., Suite 1700, Houston, Texas 77056; 713-622-4364

	1985	1984
Premium volume	$20,000,000	$13,000,000
Gross revenues	$1,732,000	$950,000
Brokerage: Retail	93%	86%
Wholesale	0%	5%
Services	0%	5%
Personal Lines	3%	2%
Invest. Income	4%	2%
Employees	19	14
Offices	2	2

Year founded: 1981.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: San Diego.
Principal officers: W.M. Schwartz, chairman; G.G. Beck, president; S.J. Bryant, senior vp; J.D. Barkman, chairman-California office.
Licensed excess/surplus broker in: Texas.

Robert E. Bill Associates Inc.

814 Fulton St., Farmingdale, N.Y. 11735; 516-249-1000

	1985	1984
Premium volume	$10,400,000	$8,100,000
Gross revenues	$1,500,000	$1,400,000
Brokerage: Retail	84%	82%
Personal Lines	8%	7%
Invest. Income	8%	11%
Employees	21	21
Offices	2	2

Year founded: 1972.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Garden City, N.Y.
Principal officers: Robert E. Bill, president; Henry G. Arntsen and Robert S. Klipera, vps; Robert W. Rippert, controller.

Blumencranz, Klepper & Wilkins Ltd.

3000 Marcus Ave., Lake Success, N.Y. 11042; 516-328-8300

	1985	1984
Premium volume	$45,000,000	$35,000,000
Gross revenues	$3,710,000	$2,800,000
Brokerage: Retail	80%	75%
Wholesale	7%	10%
Services	3%	2%
Personal Lines	8%	10%
Invest. Income	2%	3%
Employees	44	40
Offices	1	1

Year founded: 1929.
Brokerage: 95% commissions, 5% fees.
Non-retail brokerage subsidiaries: BBK & W Agency Inc., Joda Associates.
Principal officers: Roger A. Blumencranz, president; Aaron A. Wilkins, Stuart B. Wilkins, Frank Ali and Joyce Rubin, vps.
Licensed excess/surplus broker in: New York.

Bolton & Co.

1100 El Centro St., South Pasadena, Calif. 91030; 818-799-7000

	1985	1984
Premium volume	$35,100,000	$23,500,000
Gross revenues	$5,200,000	$3,570,000
Brokerage: Retail	86.9%	84.4%
Personal Lines	9.7%	11.5%
Invest. Income	3.4%	4.1%
Employees	61	5:
Offices	1	:

Year founded: 1931.
Brokerage: 100% commissions.
Principal officers: William D. Bolton, chairman/chief executive officer; James A. Bolton, president; John T. Boyle and Joseph T. Moyna, vps; Jill A. Pilozzi, secretary/treasurer.
Licensed excess/surplus broker in: California.

Boockford & Co.

1 Oakbrook Terrace, Suite 300, Oakbrook Terrace, Ill. 60181; 312-932-4000

	1985	1984
Premium volume	NA	NA
Gross revenues	$2,567,000	$1,709,000
Brokerage: Retail	92%	88%
Personal Lines	3%	4%
Invest. Income	5%	8%
Employees	31	26
Offices	1	1

Year founded: 1950.
Brokerage: 96% commissions, 4% fees.
Parent company: Boockford Holding Co.
Principal officers: William D. Boockford Jr., chairman; W.D. Boockford, president; Louis F. Chiodo, vp/treasurer; James F. Schuster, vp/secretary.

Boynton Brothers & Co.

200 Jefferson St., Perth Amboy, N.J. 08862; 201-442-3300

	1985	1984
Premium volume	$23,000,000	$16,000,000
Gross revenues	$3,500,000	$2,500,000
Brokerage: Retail	80%	75%
Services	2%	0%
Personal Lines	14%	20%
Invest. Income	4%	4%
Other	0%	1%
Employees	46	42
Offices	1	1

Year founded: 1899.
Brokerage: 95% commissions, 5% fees.
Principal officers: Edwin Stewart Jr., chairman; Michael J. McMahon, president; Kenneth Warchal, executive vp; Barry Cruikshank, secretary/treasurer; Barrett Sikora, vp.
Licensed excess/surplus broker in: New Jersey.

Brown & Brown Inc.

126 Volusia Ave., Daytona Beach, Fla. 32014; 904-252-9601

	1985	1984
Premium volume	$118,500,000	$85,100,000
Gross revenues	$17,113,067	$12,308,803
Brokerage: Retail	53.7%	41.4%
Wholesale	6.5%	13.2%
Reinsurance	2.5%	0%
Services	16.1%	14.6%
Personal Lines	16.8%	25%
Invest. Income	3.3%	2.5%
Other	1.1%	3.3%
Employees	307	284
Offices	16	14

Year founded: 1939.
Brokerage: 81.4% commissions, 18.6% fees.
Acquisitions and mergers: Feinberg-Moore Agency, Tampa, Fla.
Retail brokerage branch offices: Orlando, Tampa and Jacksonville, Fla.; James Hawkins/Brown & Brown, Boynton Beach, West Palm Beach, Delray Beach and Coconut Creek, Fla.; Associated Insurance Services, Fort Myers, North Fort Myers, Port Charlotte, Sanibel Island and Cape Coral, Fla.; MacDuff America, Miami; United Self Insured Services, Orlando, Fla.; Sunshine Health Plan, Daytona Beach, Fla.
Non-retail brokerage subsidiaries: MacDuff Underwriters, Daytona Beach, Fla.; MacDuff America, Miami.
Principal officers: J. Hyatt Brown, president; H. Van Massey, senior executive vp; Kenneth E. Hill, executive vp; Robert Thomas III, senior vp; Jim W. Henderson, vp-finance/treasurer.
Licensed excess/surplus broker in: Florida.

Bynum Insurance Inc.

2401 Fountain View, Suite 800, Houston, Texas 77057; 713-783-9902

	1985	1984
Premium volume	$2,991,000	$5,323,000
Gross revenues	$1,079,575	$1,093,000
Brokerage: Retail	71%	64%
Personal Lines	22%	22%
Invest. Income	7%	14%
Employees	18	15
Offices	1	1

Year founded: 1970.
Brokerage: 98% commissions, 2% fees.
Non-retail brokerage subsidiaries: Bynum Life & Benefits Inc., Houston.
Principal officers: David D. Bynum, president; Fred A. Carpenter Jr., William F. Duncan and David D. Bynum Jr., vps; Hilda Hines, secretary.

C

The CBI Group

100 S. Prospect Ave., Park Ridge, Ill. 60068; 312-698-1090

	1985	1984
Premium volume	NA	NA
Gross revenues	NA	NA
Brokerage: Retail	100%	100%
Employees	9	5
Offices	1	1

Year founded: 1983.
Parent company: Joseph Lemmer & Co.
Principal officers: Joseph Lemmer, president; Linda S. Cain, Norman A. Tapper, James A. Giet and Edward J. Laney, vps.

CPI Insurance Group

2 Ridgedale Ave., Cedar Knolls, N.J. 07927; 201-267-0110

	1985	1984
Premium volume	NA	NA
Gross revenues	$2,150,000	$1,650,000
Brokerage: Retail	75%	75%
Wholesale	2%	2%
Personal Lines	20%	20%
Invest. Income	3%	3%
Employees	22	23
Offices	1	1

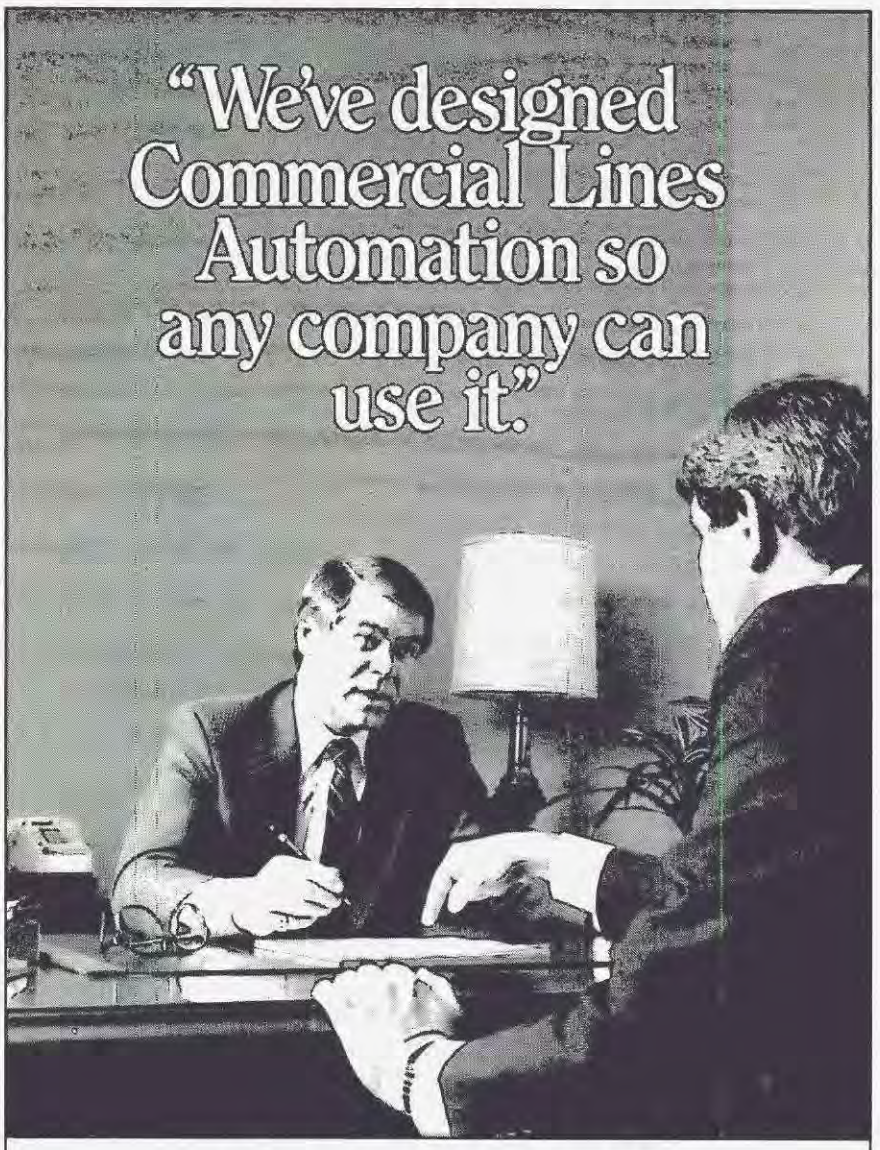
Year founded: 1980.
Brokerage: 90% commissions, 10% fees.
Principal officers: Walter P. Kilkenny, president; David L. Clark and Frank L. Couch, vps.
Licensed excess/surplus broker in: Connecticut, Delaware, District of Columbia, Florida, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Texas.

Calco Insurance-Brokers & Agents

2900 Alameda de las Pulgas, San Mateo, Calif. 94403; 415-572-4418

	1985	1984
Premium volume	$40,201,374	$31,514,939
Gross revenues	$3,656,137	$2,790,188
Brokerage: Retail	87%	86%
Wholesale	1.2%	1.2%
Personal Lines	10%	10%
Invest. Income	1.8%	2.8%
Offices	5	5

Continued on facing page



"And afford it."
Edward B. Shires, President, CLA Corp.

Through CLA's Service Bureau, your company can now get "system-compatible" ISO-based commercial lines automation on an unbundled basis—for less than you think. Write Ed Shires. President, CLA Corp., 1 Riverview Square, East Hartford, CT 06108.

CLA™ CLA Corp.

A subsidiary of The Hartford Insurance Group

© 1986. The Hartford Insurance Group

Continued from facing page

Year founded: 1937.
Brokerage: 100% commissions.
Retail brokerage branch offices: San Francisco, Fresno, Glendale and Orange, Calif.
Parent company: California Casualty Management Co.
Principal officers: Thomas R. Brown, director/chairman; Peter Goldberg, director/executive vp; Kai Anderson, senior vp; William D. Hall, vp/manager.

Cal-Surance Group

3475 Torrance Blvd., Torrance, Calif. 90503; 213-543-1660

	1985	1984
Premium volume	$141,380,000	$102,575,000
Gross revenues	$14,982,000	$10,443,000
Brokerage: Retail	70%	65%
Wholesale	12.5%	15%
Reinsurance	1%	1%
Services	11.5%	15%
Personal Lines	1%	1.3%
Invest. Income	4%	2.7%
Employees	207	180
Offices	3	3

Year founded: 1962.
Brokerage: 90% commissions, 10% fees.
Retail brokerage branch offices: Anaheim and San Jose, Calif.
Non-retail brokerage subsidiaries: Lancer Claims Services and MGA Marketing, Anaheim, Calif.
Parent company: Chartered Financial Services.
Principal officers: Donald Martin, president; Donald Mehlig, president; Earl Butler, senior vp/chief operating officer; Garry Nelson, vp/chief operating officer-Lancer Claims Services; Jim Hall, senior vp; George Francis, senior vp/chief operating officer-MGA Marketing.
Licensed excess/surplus broker in: California.

Carlin Insurance Agency Inc.

235 W. Central St., Natick, Mass. 01760; 617-655-0522

	1985	1984
Premium volume	$15,000,000	$11,500,000
Gross revenues	$1,950,000	$1,500,000
Brokerage: Retail	68%	71%
Wholesale	3%	3%
Personal Lines	17%	16%
Invest. Income	12%	10%
Employees	38	33
Offices	1	1

Year founded: 1967.
Brokerage: 95% commissions, 5% fees.
Parent company: Consolidated Resources Corp.
Principal officers: James A. Cotter, chairman; Samuel W. Wakeman, president; Rosemary W. Fulham, Paul M. Blake, David J. Risko and Frank W. England, vps.
Licensed excess/surplus broker in: Massachusetts.

Clair Insurance Agency Inc.

717 Bethlehem Pike, Erdenheim, Pa. 19118; 215-242-5555

	1985	1984
Premium volume	$23,794,503	$15,864,809
Gross revenues	$2,903,703	$2,157,804
Brokerage: Retail	89%	81%
Personal Lines	11%	19%
Employees	51	50
Offices	1	1

Year founded: 1932.
Brokerage: 95% commissions, 5% fees.
Principal officers: Robert A. Clair, president/treasurer; Milton B. Kohn, vp/secretary; David A. Collins and Frank D. Svitek, vps.
Licensed excess/surplus broker in: Pennsylvania.

Collier Cobb & Associates Inc.

317 S. Tryon St., P.O. Box 31817; Charlotte, N.C. 28231; 704-376-9161

	1985	1984
Premium volume	$120,000,000	$50,000,000
Gross revenues	$15,000,000	$12,000,000
Brokerage: Retail	93%	93%
Personal Lines	6%	7%
Invest. Income	1%	0%
Employees	194	184
Offices	9	9

Year founded: 1927.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Boston; Washington, D.C.; Chicago; Dallas; Houston; Montgomery, Ala.; Chapel Hill, N.C.; John G. Beck Agency, Pittsburgh.
Parent company: Hudson International Inc.
Principal officers: Fitzgerald S. Hudson, chairman; Jay A. Norem, president; Leonard S. Bullock, John L. Clarke and Neal L. McDuffie, executive vps.

Corroon & Black Corp.

Wall Street Plaza, New York, N.Y. 10005; 212-363-4100
See profile, page 40.

Couper-Ackerman-Sampson Inc.

P.O. Box 1970, 2 Court St., Binghamton, N.Y. 13902; 607-772-1444

	1985	1984
Premium volume	$5,500,000	$5,200,000
Gross revenues	$1,250,000	$1,100,000
Brokerage: Retail	65%	65%
Personal Lines	32%	32%
Invest. Income	3%	3%
Employees	25	27
Offices	2	2

Year founded: 1890.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Endwell, N.Y.
Principal officers: John F. Russell, president; William J. McPhail, executive vp; Robert H. White, vp/secretary; Glen F. McNeil, vp.

The Crump Cos. Inc.

5350 Poplar Ave., Memphis, Tenn. 38119; 901-761-1550

See profile, page 50.

Frank Crystal & Co. Inc.

40 Broad St., New York, N.Y. 10004; 212-344-2444

	1985	1984
Premium volume	NA	NA
Gross revenues	$11,224,000	$8,832,000
Brokerage: Retail	84%	83%
Personal Lines	15%	17%
Invest. Income	1%	0%
Employees	120	90
Offices	3	3

Year founded: 1933.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Houston; Fort Lauderdale, Fla.
Principal officers: James W. Crystal, president/chief executive officer; I. Frank Crystal, chairman; Kenneth J. Liebman, executive vp; Arthur Luttman, vp-finance; William Mann, vp; Vincent Gandolfo, vp-benefits.
Licensed excess/surplus broker in: New York, Texas, Florida.

d

DSI Insurance Services

1 California St., San Francisco, Calif. 94111; 415-772-7033

	1985	1984
Premium volume	$19,000,000	NA
Gross revenues	NA	NA
Brokerage: Retail	80%	NA
Personal Lines	15%	NA
Invest. Income	2%	NA
Other	3%	NA
Employees	17	NA
Offices	1	NA

Continued on next page

Dyer, Wells & Associates



Without FLEXTRAK™, Your Flex Plan Administration May Not Be On Solid Ground.

dw&a™/FLEXTRAK™ Provides a Sure-Footed Approach to Administering Flexible Benefits.

When administering something as complex as a flexible benefits program, you're operating in a fragile environment. Too many false moves could lead to an eventual breakdown in your system. But FLEXTRAK, the automated administration system from Dyer, Wells & Associates, can help ensure the success of your plan.

A Comprehensive System.

Unlike other systems which handle only parts of your flexible benefits program, FLEXTRAK is a *total* system capable of handling all essential tasks. It produces enrollment forms, edits employee elections, produces confirmation reports, processes flexible spending account claims and performs 401 (k) discrimination testing. And FLEXTRAK provides comprehensive management reports which allow you to "fine tune" your plan by more accurately identifying employee needs and monitoring current efforts.

A Versatile System.

FLEXTRAK administers a wide range of flexible benefit plans and a complete spectrum of benefit types such as medical insurance, life and health insurance, savings and investment products, and vacation trades. Benefit costs and credits can be varied by age, length of service, salary and plan year. Benefit changes can be made quickly and easily with FLEXTRAK.

A "Ready-To-Go" System.

Installation of a flexible benefits plan with FLEXTRAK is much faster than developing your software internally. And unlike processing services, FLEXTRAK gives you the security of owning your system instead of paying endless service fees. Plus it operates on IBM mainframes and the WANG VS line of minicomputers, and it can communicate with your payroll/personnel system. Of course, Dyer, Wells & Associates provides installation assistance and after-sale support, including system updates necessitated by tax law changes.

From The Administration Experts.

Since 1977, we've offered cost-saving software products for the insurance industry. And in that time, we've become benefits software experts.

So send for your free brochure today. Because anything less than FLEXTRAK could leave you standing in the middle of a rather sticky situation.

Send for Your Free Brochure.

☐ **Yes,** I want to start my flex plan out on the right foot. Our operating system is:
☐ IBM Mainframe ☐ WANG VS
☐ Other WANG *

Name_____
Title_____
Company_____
Planned Implementation Date_____
of Employees_____
Address_____
City_____ State_____
Zip_____ Phone ( ) _____

Dyer, Wells & Associates

Mail to:
Marketing Administrator
Dyer, Wells & Associates
2251 Lake Park Drive
Smyrna, GA 30080

Want to talk?
Call us at:
(404) 432-5888
BI62386

*Wang is a registered trademark of Wang Laboratories, Inc., Lowell, MA.

Continued from preceding page

Year founded: 1985.
Brokerage: 90% commissions, 10% fees.
Acquisitions and mergers: Marshall B. Figari Insurance Services, San Francisco.
Non-retail brokerage subsidiaries: SHG Ltd., San Francisco.
Principal officers: Douglas W. Shorenstein, chairman; Scott R. Heldfond, president/chief executive officer; Barbara A. Guernsey, executive vp; Ritchie E. Gingrich, senior vp.
Licensed excess/surplus broker in: California.

The Daniel & Henry Co.

110 N. Jefferson, St. Louis, Mo. 63103; 314-421-1525

	1985	1984
Premium volume	$45,948,304	$30,099,987
Gross revenues	$6,935,457	$5,281,034
Brokerage: Retail	83.6%	67%
Services	7.27%	7.57%
Personal Lines	1.6%	16%
Invest. Income	3.35%	2.04%
Other	4.18%	7.39%
Employees	144	131
Offices	2	2

Year founded: 1921.
Brokerage: 99% commissions, 1% fees.
Principal officers: C. Peyton Daniel, president/chief executive officer; Charles S. Drew Jr., chairman; John S. Childress, executive vp; John A. Harrison, vp; Ronald C. Mueller, treasurer.
Licensed excess/surplus broker in: Missouri.

Davis, Dorland & Co.

Two World Trade Center, New York, N.Y. 10048; 212-432-8800

	1985	1984
Premium volume	$100,000,000	$60,000,000
Gross revenues	$12,000,000	$7,500,000
Brokerage: Retail	90%	88%
Personal Lines	10%	12%
Employees	125	125
Offices	1	1

Year founded: 1899.
Brokerage: 90% commissions, 10% fees.
Acquisitions and mergers: Potash & Associates Ltd., New York.
Principal officers: Joseph Ambriano, chairman; Andrew Potash, Nicholas Ambriano and Thomas Leahey, executive vps; David Lewis, John Loggie, Joseph Rizzuto, Judith Siegel and Edmund Dunst, senior vps.
Licensed excess/surplus broker in: New York.

Curtis Day & Co.

1 California St., Suite 930, San Francisco, Calif. 94111; 415-433-0480

	1985	1984
Premium volume	$32,671,453	$18,585,283
Gross revenues	$3,788,880	$2,375,352
Brokerage: Retail	93%	91.9%
Wholesale	0.2%	0%
Personal Lines	2%	2%
Invest. Income	1.8%	4.7%
Other	0%	1.4%
Employees	43	33
Offices	1	1

Year founded: 1966.
Brokerage: 92% commissions, 8% fees.
Principal officers: Phillip J. Buchanan, president/treasurer; Julie A. Ferro, executive vp/secretary; Harry F. Clifford III, vp.

Robert F. Driver Co. Inc.

1620 Eighth Ave., San Diego, Calif. 92101; 619-238-1828

	1985	1984
Premium volume	$75,000,000	$62,000,000
Gross revenues	$10,525,569	$8,068,871
Brokerage: Retail	85.4%	83%
Services	1.5%	1.9%
Personal Lines	8.1%	10%
Invest. Income	5.0%	5.1%
Employees	174	151
Offices	4	4

Year founded: 1925.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: La Jolla, Escondido and Newport Beach, Calif.
Principal officers: Robert Driver, chairman; Irwin Sklar, president; LeGrand Rane, senior vp; Robert J. Herring, secretary/treasurer; Robert Young, executive vp.
Licensed excess/surplus broker in: California.



Power. Speed. Stamina. In the race to control health care costs, Genelco gives you all three.

Today, more and more smart benefit managers are sprinting to Genelco's revolutionary new Health Benefit Management System, an on-line/real-time adjudication and administration system that helps you control health care costs in ways no other software system can.

Start with unparalleled power in the form of software that leads the pack in its ability to tell you where and how benefit dollars are being spent, to spot large or unusual claims, and to accommodate the many new coverages for cost-saving forms of health care.

Then blend in the speed of a totally automated system that lets you process, pay and deny claims with an efficiency that results in fewer payment errors, lower administrative costs and improved productivity.

Finally, add the stamina of an experienced company like Genelco, committed to the long run and staffed with seasoned management and technical personnel to help you keep pace with ever-changing technologies.

Call now for more information on Genelco's Health Benefit Management System. Because the race to control health care costs is one you can't afford to lose.

For details, call
Larry Amundsen, vice-president
314-962-2040

1600 South Brentwood Boulevard
Suite 500
St. Louis, Missouri 63144

Genelco

e

Eastman & Co. Insurance Brokers

4001 W. Alameda Ave., Burbank, Calif. 91505; 213-849-2400

	1985	1984
Premium volume	$5,375,000	$4,281,000
Gross revenues	$726,000	$578,000
Brokerage: Retail	76%	78%
Wholesale	2%	3%
Personal Lines	20%	18%
Invest. Income	2%	1%
Employees	10	9
Offices	1	1

Year founded: 1970.
Brokerage: 99% commissions, 1% fees.
Principal officers: Robert Eastman, president/treasurer; Linda Davidson, vp/secretary; James Waldorf, vp.

The Ebersberger Cos.

542 Ritchie Highway, Severna Park, Md. 21146; 301-647-4200

	1985	1984
Premium volume	$11,500,000	$7,500,000
Gross revenues	$1,600,000	$1,100,000
Brokerage: Retail	65%	50%
Personal Lines	25%	45%
Invest. Income	10%	5%
Employees	24	22
Offices	1	1

Year founded: 1952.
Brokerage: 95% commissions, 5% fees.
Principal officers: George H. Ebersberger Jr., president; Arthur D. Ebersberger, vp; Adolph W. Ebersberger Jr., secretary/treasurer.
Licensed excess/surplus broker in: Maryland; Washington, D.C.; Virginia.

James Econn & Co.

3055 Wilshire Blvd., Los Angeles, Calif. 90010; 213-386-3131

	1985	1984
Premium volume	$38,327,364	$24,631,945
Gross revenues	$5,128,862	$3,633,725
Brokerage: Retail	93%	90%
Wholesale	1%	1%
Personal Lines	2%	3%
Invest. Income	4%	6%
Employees	37	34
Offices	2	3

Year founded: 1919.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Newport Beach, Calif.
Principal officers: James Econn, chairman/chief executive officer; B.F. Grier, president/chief operating officer; Richard Econn, executive vp; Gregory Econn and Donald W. Killian, vps.

Elliott, McKiever & Stowe Inc.

2828 W. Flagler St., Miami, Fla. 33135; 305-642-7170

	1985	1984
Premium volume	$10,010,642	$6,836,538
Gross revenues	$1,211,792	$938,183
Brokerage: Retail	72%	63%
Personal Lines	24%	33%
Invest. Income	4%	4%
Employees	20	17
Offices	1	1

Year founded: 1937.
Brokerage: 100% commissions.
Principal officers: Donald Elliott, president; Larry B. Stowe, vp; Wallace Montgomery.
Licensed excess/surplus broker in: Florida.

f

FAI Insurance Counseling

222 Columbia Turnpike, Florham Park, N.J. 07932; 201-822-7900

	1985	1984
Premium volume	$15,000,000	$9,000,000
Gross revenues	$2,200,000	$1,150,000
Brokerage: Retail	58%	78%
Wholesale	30%	1%
Services	0%	1%
Personal Lines	9%	15%
Invest. Income	2%	4%
Other	1%	1%
Employees	30	20
Offices	1	1

Year founded: 1931.
Brokerage: 90% commissions, 10% fees.
Parent company: Fowler Agency Inc.
Principal officers: Richard C. Fowler Jr., president; Donald W. Wright, executive vp; Donna Mercadante and John Dana, vps.

FBS Insurance

1700 Soo Line Building, P.O. Box 522, Minneapolis, Minn. 55480; 612-370-5191

See profile, page 70

Fairlane Associates Inc.

15350 Commerce Drive N., Dearborn, Mich. 48120; 313-271-8200

	1985	1984
Premium volume	$16,000,000	$10,500,000
Gross revenues	$2,155,693	$1,653,871
Brokerage: Retail	57.9%	46.8%
Personal Lines	35.5%	42.8%
Invest. Income	2.7%	3.2%
Other	3.9%	7.2%
Employees	33	32
Offices	1	1

Year founded: 1926.
Brokerage: 95.5% commissions, 4.5% fees.
Principal officers: Robert G. Maldegen, president; Michael Maldegen and Carl Fricke, vps.
Licensed excess/surplus broker in: Michigan.

Financial Guardian Group Inc.

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

See profile, page 78.

Fitzgerald, Clayton, Noyes & Kasten Inc.

757 N. Broadway, Milwaukee, Wis. 53202; 414-271-3717

	1985	1984
Premium volume	$6,000,000	$5,100,000
Gross revenues	$1,000,000	$870,000
Brokerage: Retail	70.9%	76.4%
Wholesale	12%	6.1%
Personal Lines	14%	13.8%
Invest. Income	2.5%	2.7%
Other	0.6%	1%
Employees	13	16
Offices	1	1

Year founded: 1850.
Brokerage: 94.7% commissions, 5.3% fees.
Principal officers: Robert T. Clayton, president/treasurer; William D. Hoppenjan, vp/secretary; Gladys Vierguth, assistant secretary.
Licensed excess/surplus broker in: Wisconsin.

Frenkel & Co. Inc.

123 William St., New York, N.Y. 10038; 212-267-2200

	1985	1984
Premium volume	NA	NA
Gross revenues	$12,380,000	$9,529,000
Brokerage: Retail	89%	88%
Personal Lines	5%	7%
Invest. Income	6%	5%
Employees	155	150
Offices	1	1

Year founded: 1878.
Brokerage: 99% commissions, 1% fees.
Principal officers: Charles W. Pachner, chairman; James J. Costa, vice chairman; Alan S. Samuels, president; Robert E. Shunk, senior executive vp; Harold D. Goldsmith, executive vp/treasurer.
Licensed excess/surplus broker in: New York.

g

Arthur J. Gallagher & Co.

10 Gould Center, Rolling Meadows, Ill. 60008; 312-640-8500

See profile, page 59.

Gallagher-Cole Associates

4700 Biscayne Blvd., Miami, Fla. 33137; 305-576-4100

	1985	1984
Premium volume	$6,872,965	$4,143,201
Gross revenues	$1,080,058	$690,956
Brokerage: Retail	71%	70%
Wholesale	5%	5%
Services	3%	5%
Personal Lines	15%	15%
Invest. Income	3%	2%
Other	3%	3%
Employees	18	16
Offices	2	2

Year founded: 1972.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Gallagher-Cole-Boon Associates, Miami.

Continued on facing page

Continued from facing page

Principal officers: Phil C. Gallagher, Samuel T. Cole, Raymond O. Boon and Lenore N. Francis, associates.

Licensed excess/surplus broker in: Florida.

Gersten-Hillman Agency Inc.

P.O. Box 209, Anawana Lake Road, Monticello, N.Y. 12701; 914-794-5544

	1985	1984
Premium volume	$5,650,000	$5,200,000
Gross revenues	$867,000	$815,000
Brokerage: Retail	59%	59%
Wholesale	1%	1%
Personal Lines	39.5%	40%
Invest. Income	0.5%	0%
Employees	21	23
Offices	2	3

Year founded: 1912; under present ownership since 1970.

Brokerage: 100% commissions.

Retail brokerage branch offices: Middletown, N.Y.

Principal officers: Julius Cohen, president; Joyce A. Salimeno, secretary/treasurer.

The Gleason Agency Inc.

P.O. Box 8, Main Street East, Suite 203, Johnstown, Pa. 15907; 814-535-8411

	1985	1984
Premium volume	$17,449,795	$10,086,008
Gross revenues	$2,020,731	$1,508,008
Brokerage: Retail	88%	88%
Services	3%	2%
Personal Lines	5%	6%
Invest. Income	4%	4%
Employees	28	23
Offices	4	3

Year founded: 1924.

Brokerage: 95% commissions, 5% fees.

Retail brokerage branch offices: Pittsburgh, Altoona and Harrisburg, Pa.

Principal officers: C.K. Gleason, president; R.A. Gleason Jr., treasurer; Carolyn Zierer, secretary.

Licensed excess/surplus broker in: Pennsylvania.

Richard N. Goldman & Co.

1 Maritime Plaza, San Francisco, Calif. 94111; 415-981-1141

	1985	1984
Premium volume	NA	NA
Gross revenues	$4,900,000	$3,700,000
Brokerage: Retail	86%	86%
Personal Lines	10%	10%
Invest. Income	4%	4%
Employees	57	50
Offices	1	1

Year founded: 1947.

Brokerage: 95% commissions, 5% fees.

Principal officers: Richard N. Goldman, chief executive officer; Stuart W. Seiler, president; Gerald J. Fitzgerald, senior vp/secretary; Helen A. Castro, senior vp/treasurer; Alden Ames III, senior vp.

Licensed excess/surplus broker in: California.

S.H. Gow & Co. Inc.

344 Delaware Ave., Buffalo, N.Y. 14202; 716-856-5877

	1985	1984
Premium volume	$48,000,000	$30,100,000
Gross revenues	$6,600,000	$4,713,000
Brokerage: Retail	89%	88%
Wholesale	4%	4%
Services	3%	3%
Personal Lines	2%	3%
Invest. Income	2%	3%
Employees	110	79
Offices	5	3

Year founded: 1951.

Brokerage: 92% commissions, 8% fees.

Retail brokerage branch offices: Rochester, Syracuse and Albany, N.Y.; Denver.

Non-retail brokerage subsidiaries: Gow Management Services Inc., Buffalo, N.Y.

Principal officers: Stephen H. Gow, chairman; Timothy Gow, president.

Licensed excess/surplus broker in: New York.

The Graham Co.

The Graham Building, 1 Penn Square W., Philadelphia, Pa. 19102; 215-567-6300

	1985	1984
Premium volume	$57,200,000	$50,000,000
Gross revenues	$7,182,000	$6,522,824
Brokerage: Retail	91%	90%
Wholesale	1%	1%
Personal Lines	3%	3%
Invest. Income	5%	6%
Employees	47	43
Offices	1	1

Year founded: 1950.

Brokerage: 72.5% commissions, 27.5% fees.

Principal officers: William A. Graham IV, president/chief executive officer; Judith A. Dooling, secretary/treasurer; Joseph M. McNasby Jr. and Philip K. Glick, vps.

Licensed excess/surplus broker in: Pennsylvania, New Jersey.

Grubb & Ellis Insurance Services Inc.

2390 E. Orangewood Ave., Suite 570, Anaheim, Calif. 92806; 714-937-0441

	1985	1984
Premium volume	NA	NA
Gross revenues	$1,600,000	$1,800,000
Brokerage: Retail	65%	65%
Wholesale	10%	10%
Personal Lines	20%	20%
Invest. Income	5%	5%

Continued on next page

Why not call Julius Moll

Julius Moll founded the company in 1901 so you won't get him on the line but you will be able to talk with insurance professionals who will help you tailor insurance needs for today and tomorrow. We can give you an insurance program made to order for you - - not us.

?

You need the *right* kind of insurance, from the *right* agent at the *right* price. That's not an easy bill to fill - - but because insurance is our business - - we can do it right.

Give us a call at (312)286-7737

JULIUS MOLL & SON inc.

We're old friends with new ideas!

Insurance Specialists since 1901

6160 North Cicero Avenue • Chicago, Illinois 60646



SPEAKING OF NORTHLAND

"Northland's financial stability, underwriting know-how and wide range of specialty markets impressed me. As a new agent, I depend on their experience and good business judgement."

——Yvonne Bohrer, Bohrer-Croxdale & McAdoo Inc.

"Northland stays close to their underwriting theories. They don't intend to be all things to all people. They write coverages they're most qualified for, and they're careful about the risks they write. Northland's financial position assures me that they have staying power. What could be more important?"

Northland Insurance Companies
St. Paul, Minnesota

Our name speaks for itself!

Continued from previous page

Employees	27	32
Offices	3	3

Year founded: 1958.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Oakland and Walnut Creek, Calif.
Parent company: Grubb & Ellis Co.
Principal officers: Michael Cipolla, president; Ronald Titus and Robert Robertson, senior vps; Jan Vickers and Martha Moon, vps.

Gundermann & Gundermann Inc.

175 W. Carver St., Huntington, N.Y. 11743; 516-271-0600

	1985	1984
Premium volume	$10,000,000	$10,000,000
Gross revenues	$2,389,458	$1,700,000
Brokerage: Retail	52%	46%
Personal Lines	40%	45%
Invest. Income	1%	1%
Other	7%	8%
Employees	46	34
Offices	3	2

Year founded: 1937.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Smithtown and West Islip, N.Y.
Principal officers: Joseph A. Gundermann Jr., president; Donald E. Gundermann, secretary/treasurer; Joseph A. Gundermann III, vp; Ronald Stith, comptroller.
Licensed excess/surplus broker in: New York.

h

Haas & Wilkerson Inc.

4300 Shawnee Mission Parkway, Fairway, Kan. 66205; 913-432-4400

	1985	1984
Premium volume	$62,282,852	$41,050,145
Gross revenues	$10,401,610	$6,075,329
Brokerage: Retail	92%	92%
Personal Lines	8%	8%
Employees	114	110
Offices	4	4

Year founded: 1929.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: St. Petersburg, Fla.; St. Louis; Philadelphia.
Principal officers: M. Ralph Wilkerson, chairman; William R. Wilkerson III, president; C.J. Jordan, executive vp/treasurer; Howard F. Walter, corporate secretary; J.M. Palmer, vp.
Licensed excess/surplus broker in: Kansas, Missouri, Florida.

Hackett, Valine & MacDonald Inc.

140 Kennedy Drive, P.O. Box 2127, South Burlington, Vt. 05401; 802-658-1100

	1985	1984
Premium volume	$12,762,228	$8,649,000
Gross revenues	$2,110,029	$1,592,025
Brokerage: Retail	86%	83%
Services	10%	13.6%
Personal Lines	4%	3.4%
Employees	32	31
Offices	1	1

Year founded: 1970.
Brokerage: 100% commissions.
Parent company: HVM Corp.
Principal officers: Luther F. Hackett, president; Duane A. Valine, executive vp/treasurer; Donald R. MacDonald, senior vp/secretary.
Licensed excess/surplus broker in: Vermont.

Frank B. Hall & Co. Inc.

549 Pleasantville Road, Briarcliff Manor, N.Y. 10510; 914-769-9200

See profile, page 32.

Harding-Conley-Drawert-Tinch Insurance Agency Inc.

4203 Woodcock, Suite 104, San Antonio, Texas 78228; 512-732-9601

	1985	1984
Premium volume	$3,700,000	$3,469,000
Gross revenues	$758,000	$685,000
Brokerage: Retail	99.4%	99%
Invest. Income	0.6%	1%
Employees	8	8
Offices	1	1

Year founded: 1919.
Brokerage: 100% commissions.
Principal officers: A.C. Tinch Jr., president; Thomas A. Drawert and Homer M. Conley.

Harris & Co.

940 Starks Building, Louisville, Ky. 40202; 502-584-2193

	1985	1984
Premium volume	$17,000,000	$14,200,000
Gross revenues	$2,300,000	$2,100,000
Brokerage: Retail	81%	82%
Wholesale	1%	1%
Reinsurance	6%	7%
Services	1%	1%
Personal Lines	7%	5%
Invest. Income	3%	3%
Other	1%	1%
Employees	34	32
Offices	1	2

Year founded: 1915.
Brokerage: 99% commissions, 1% fees.
Acquisitions and mergers: Alford Gustafson Agency, Louisville, Ky.
Principal officers: W. Grant Lewis, chairman; John G. Beam, president/chief operating officer; Michael F. Sheehan, vice chairman/chief executive officer; Pamela R. Wessel, executive vp.
Licensed excess/surplus broker in: Kentucky, Indiana.

Joseph Held Co. Inc.

127 John St., 10th Floor, New York, N.Y. 10038-3604; 212-962-3122

	1985	1984
Premium volume	$10,500,000	$6,500,000
Gross revenues	$1,350,000	$825,000
Brokerage: Retail	80%	80%
Wholesale	10%	5%
Personal Lines	5%	10%
Invest. Income	5%	5%
Employees	14	12
Offices	6	5

Year founded: 1897.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Boca Raton, Hollywood and Coral Gables, Fla.; Trenton, N.J.; New Britain, Conn.
Principal officers: Kenneth S. Held, president/chief executive officer; Arnold M. Held, executive vp; Dana M. Sanders, president-Standard Insurance Management Co. Inc./SIMCO; Donald A. Chinni, national programs administrator; Alan M. Burstein, manager-Rainbow Insurance Agency.
Licensed excess/surplus broker in: New York, Florida.

Henderson & Phillips Inc.

235 E. Plume St., Norfolk, Va. 23510; 804-625-1800

	1985	1984
Premium volume	$36,657,077	$28,000,000
Gross revenues	$5,362,642	$4,500,000
Brokerage: Retail	71%	71%
Services	0%	1%
Personal Lines	22.2%	24.5%
Invest. Income	1.9%	0%
Other	4.9%	0%
Employees	101	100
Offices	4	4

Year founded: 1896.
Brokerage: 99% commissions, 1% fees.
Acquisitions and mergers: Ballou & Palmer, Newport News, Va.; Bowen McMurren, Newport News, Va.
Retail brokerage branch offices: Newport News, Va.; Commercial Insurance Agency, Portsmouth, Va.; Self Insurance Services, Richmond, Va.
Principal officers: George G. Phillips, president; F. Dudley Fulton, executive vp; Barry F. Gidley and Charles J. Cralle, senior vps; Robert F. Stephens, vp/treasurer.
Licensed excess/surplus broker in: Virginia.

Paul Hertel & Co. Inc.

Third and Chestnut Streets, Philadelphia, Pa. 19106; 215-925-7456

	1985	1984
Premium volume	$27,000,000	$20,000,000
Gross revenues	$3,280,000	$2,750,520
Brokerage: Retail	68%	65%
Services	1%	1%
Personal Lines	28%	30%
Invest. Income	3%	4%
Employees	62	48
Offices	4	3

Year founded: 1908.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Feasterville, Media and Roxborough, Pa.
Principal officers: Paul R. Hertel Jr., chairman; James McLaughlin, president; Jeremiah A. Caron, vp.
Licensed excess/surplus broker in: Pennsylvania.

Hilb, Rogal & Hamilton Co.

P.O. Box 11027, Richmond, Va. 23230; 804-289-5300

See profile, page 66.

Holmes, Murphy & Associates Inc.

420 Keo Way, Des Moines, Iowa 50309; 515-286-4400

	1985	1984
Premium volume	$86,426,185	$84,245,260
Gross revenues	$6,941,137	$6,558,647
Brokerage: Retail	92.8%	91.8%
Services	0.7%	0.7%
Personal Lines	3%	3.1%
Invest. Income	2%	2.9%
Other	1.5%	1.5%
Employees	87	76
Offices	1	1

Year founded: 1932.
Brokerage: 99.2% commissions, 0.8% fees.
Acquisitions and mergers: General Insurance Agency, Des Moines.
Non-retail brokerage subsidiaries: Employers Claims Administrative Services, Des Moines.
Parent company: HMA Inc.
Principal officers: Robert A. Dee, president/treasurer; Daniel J. Grimm, executive vp; Richard J. Noyce, senior vp/secretary; Jon H. Pease, Basil H. Dawson and Kirk W. Tofte, vps.

T.D. Howe & Associates Inc.

P.O. Box 219168, Houston, Texas 77218; 713-558-8585

	1985	1984
Premium volume	$3,800,000	$3,450,000
Gross revenues	$790,122	$707,412
Brokerage: Retail	85%	84%
Services	2%	1%
Personal Lines	7%	8%
Invest. Income	6%	7%
Employees	9	9
Offices	1	1

Year founded: 1966.
Brokerage: 95% commissions, 5% fees.
Principal officers: T.D. Howe III, president; J.W. Franklin, secretary/treasurer.
Licensed excess/surplus broker in: Texas.

Hudig-Langeveldt Groep B.V.

Wijnhaven 61, P.O. Box 1186, 3000 BD Rotterdam, The Netherlands; 010-464-7180

See worldwide broker profiles beginning on page 117.

Huffaker & Associates Inc.

P.O. Box 6217, 300 High St., Chattanooga, Tenn. 37401; 615-756-0711

	1985	1984
Premium volume	$7,300,000	$4,153,443
Gross revenues	$1,218,309	$806,600
Brokerage: Retail	64.8%	55%
Services	4%	4%
Personal Lines	25%	33%
Invest. Income	4%	5%
Other	2.2%	3%
Employees	15	13
Offices	1	1

Year founded: 1887.
Brokerage: 100% commissions.
Principal officers: Robert F. Huffaker, president; Theo F. King Jr. and William F. Wilder, vps; Hugh D. Huffaker III, secretary.
Licensed excess/surplus broker in: Tennessee.

Charles E. Hyde Agency Inc.

10 Maple St., Port Washington, N.Y. 11050; 516-883-6300

	1985	1984
Premium volume	$5,961,380	$4,750,000
Gross revenues	$986,744	$792,646
Brokerage: Retail	53%	50%
Services	3%	3%
Personal Lines	40%	43%
Invest. Income	2%	2%
Other	2%	2%
Employees	20	18
Offices	1	1

Year founded: 1906.
Brokerage: 100% commissions.
Principal officers: John E. Hardy, president; Charles H. Walker, chairman; Thomas C. Smith Jr., and James A. Kerin, vps.

i

ISU/Agri-Center Insurance Agency Inc.

371 N. First St., Fresno, Calif. 93702; 209-233-0123

	1985	1984
Premium volume	$7,500,000	$6,200,000
Gross revenues	$870,000	$750,000

Continued on facing page

It's how we cover the problem.



When an agent faces a unique risk in need of coverage, he calls Repath Associates. Constant interaction with the markets allows Repath Associates to calculate a viable solution to that agent's problem. A risk that appears unusual, in all probability, represents a familiar situation to the specialists at Repath Associates.

An agent called Repath Associates and said, "I have an umbrella risk due for renewal, and the existing carrier is unwilling to renew. Can you help?"

Repath Associates had a number of companies accepting umbrella risks. Each one had different preferences. Therefore, Repath Associates selected the company most likely to accommodate the risk.

Whether the agent's need involves placing a primary umbrella or structuring a layered program, Repath Associates has the ability to arrange coverage.

For assistance with umbrella risks, get in touch with Repath Associates, Nashville or Repath McKell, New York.

Repath
ASSOCIATES • INC.
NASHVILLE, TN (615) 297-1739
NEW YORK, NY (212) 693-1000

The Calculated Solution.

Continued from facing page

Brokerage: Retail	85%	90%
Wholesale	2%	0%
Personal Lines	12%	10%
Other	1%	0%
Employees	16	14
Offices	1	1

Year founded: 1972.
Brokerage: 100% commissions.
Principal officers: Luther Hunnicutt, president; Bill Riggs and Marty McCubbin, vps; Jean Small, secretary/treasurer.

ISU/Marion A. Allen Inc.

124 E. Main St., Fort Valley, Ga. 31030; 912-825-5566

	1985	1984
Premium volume	$18,000,000	$15,000,000
Gross revenues	$2,750,000	$2,250,000
Brokerage: Retail	92%	93%
Personal Lines	6%	7%
Invest. Income	2	0
Employees	67	61
Offices	13	10

Year founded: 1952.
Brokerage: 100% commissions.
Acquisitions and mergers: Fox Insurance Agency, Lilburn, Ga.
Retail brokerage branch offices: Allen Risk Management Consultants, Tucker, Ga.; Allen & Furr Inc., Roswell, Ga.; Marion A. Allen Inc. of Florida, Ocala, Fla.; Marion A. Allen Inc. of Vidalia, Vidalia, Ga.; Marion A. Allen Inc. of Baxley, Baxley, Ga.; Fox Insurance Agency, Lilburn, Ga.; Marion A. Allen Inc. of Gainesville, Gainesville, Ga.; Marion A. Allen Inc. of Savannah, Savannah, Ga.; Marion A. Allen Inc. of Tennessee, Knoxville, Tenn.; Allen & Lambert Inc., Macon, Ga.; Marion A. Allen Inc. of Atlanta, Atlanta; Marion A. Allen Inc. of Alabama, Haleyville, Ala.
Principal officers: Marion A. Allen, president; M. Elton Luckie and Robert G. Allen, vps; Jeanette J. Allen, secretary/treasurer.
Licensed excess/surplus broker in: Georgia, Tennessee.

ISU/Ashford-McAloon-Roberts Insurance Brokers

3815 100th St. S.W., Century Plaza, Suite 4A, Tacoma, Wash. 98499; 206-581-1500

	1985	1984
Premium volume	$5,318,000	$2,850,000
Gross revenues	$916,842	$530,874
Brokerage: Retail	62.6%	46.4%
Personal Lines	34%	50%
Invest. Income	3.4%	3.6%
Employees	20	14
Offices	3	2

Year founded: 1964.
Brokerage: 100% commissions.
Acquisitions and mergers: Risk Insurance Services, Tacoma, Wash.
Retail brokerage branch offices: Risk Insurance Services of Anacortes, Anacortes, Wash.; Sound Insurance International, Tacoma, Wash.
Principal officers: John L. McAloon, president; Alva Roberts, vp; Linda Gillette, secretary; Gisela Josephson, treasurer; George Beck.

ISU/Beauchamp & McSpadden

231 W. Canal St., P.O. Box 687, Wabash, Ind. 46992; 219-563-8821

	1985	1984
Premium volume	$9,013,000	$7,333,000
Gross revenues	$1,570,000	$1,504,000
Brokerage: Retail	64%	57.4%
Personal Lines	31%	30.9%
Invest. Income	4%	10.7%
Other	1%	1%
Employees	30	29
Offices	4	4

Year founded: 1927.
Brokerage: 100% commissions.
Retail brokerage branch offices: Marion and North Manchester, Ind.; ISU/Beauchamp McSpadden Strayer Insurance, Warsaw, Ind.
Parent company: Insurance & Financial Management Inc.
Principal officers: Robert W. Beauchamp, president; Joseph W. McSpadden, vp; Michael J. Beauchamp, treasurer; Frederick H. Squires, secretary.

ISU/Bigler-Ketchum Inc.

700 Fifth Ave., Pittsburgh, Pa. 15219; 412-391-5525

	1985	1984
Premium volume	$11,000,000	$8,000,000
Gross revenues	$1,625,000	$1,200,000
Brokerage: Retail	93%	93%
Invest. Income	2%	2%
Other	5%	5%
Employees	30	22
Offices	3	3

Year founded: 1976.
Brokerage: 85% commissions, 15% fees.
Non-retail brokerage subsidiaries: Structured Annuities Inc. and Renaissance Realty, Pittsburgh.
Parent company: Bigler-Ketchum Group Inc.
Principal officers: Chandler G. Ketchum, chairman; Harold S. Bigler, president; Howard Mulert, vice chairman; Richard Goodman, vp; Carlton Ketchum, secretary.

ISU/Bottari, Holland & Sweetman Insurance Brokers

2150 Franklin St., Suite 600, Oakland, Calif. 94612; 415-835-4600

	1985	1984
Premium volume	$4,500,000	$4,080,000
Gross revenues	$1,025,000	$913,000
Brokerage: Retail	58%	58%
Personal Lines	39%	38%
Invest. Income	3%	4%
Employees	19	23
Offices	1	1

Year founded: 1959.
Brokerage: 99% commissions, 1% fees.
Principal officers: Robert G. Sweetman, president; Thomas M. Gough, vp; James B. Hess Jr., treasurer/controller.

ISU/Brooks & Stafford Co.

33 Public Square, Cleveland, Ohio 44113; 216-696-3000

	1985	1984
Premium volume	$10,100,000	$8,500,000
Gross revenues	$7,760,000	$1,490,000
Brokerage: Retail	51%	46%
Wholesale	1%	1%
Personal Lines	41%	47%
Invest. Income	1%	1%
Other	7%	5%
Employees	33	32
Offices	1	1

Year founded: 1849.
Brokerage: 99% commissions, 1% fees.
Principal officers: Ralph E. Kunze, president; Robert E. Hutchinson, first vp; Kenneth S. Baldwin, secretary; Peggy K. Bolles, treasurer.
Licensed excess/surplus broker in: Ohio.

ISU/Brown-Hiller-Clark & Associates

550 Euper Lane, Fort Smith, Ark. 72903/P.O. Box 3529, Fort Smith, Ark. 72913; 501-452-4000

	1985	1984
Premium volume	$8,107,950	$6,757,760
Gross revenues	$1,432,058	$1,127,727
Brokerage: Retail	82%	72%
Personal Lines	16%	25%
Invest. Income	2%	3%
Employees	42	30
Offices	4	3

Year founded: 1915.
Brokerage: 100% commissions.
Acquisitions and mergers: Schaefer Co., Muldrow and Sallisaw, Okla.
Retail brokerage branch offices: BHC of Eureka Springs Inc., Eureka Springs, Ark.; BHC of Oklahoma Inc., Sallisaw and Muldrow, Okla.
Principal officers: Sam B. Hiller, president/treasurer; Larry R. Clark, executive vp/secretary; William J. Green, senior vp; Gaylon B. Brown and Tom Colley, vps.
Licensed excess/surplus broker in: Arkansas.

ISU/Brown-Spaulding & Associates Inc.

Dolores & 7th, P.O. Drawer 5276, Carmel, Calif. 93921; 408-624-1866

	1985	1984
Premium volume	$4,023,000	$3,400,000
Gross revenues	$851,000	$748,000
Brokerage: Retail	67%	69%
Wholesale	10%	8%
Services	0.5%	0.5%
Personal Lines	22%	22%
Invest. Income	0.5%	0.5%
Employees	17	10
Offices	1	1

Year founded: 1969.
Brokerage: 99.9% commissions, 0.1% fees.
Principal officers: Christopher T. Spaulding, president; William T. Brown, treasurer; Marcia Bell, secretary.

ISU/Bruner Cassady Neeser Agency Inc.

1002 E. Jefferson Blvd., P.O. Box 778, South Bend, Ind. 46624; 219-233-9443

	1985	1984
Premium volume	$6,237,000	$5,000,000
Gross revenues	$1,094,000	$1,000,000
Brokerage: Retail	65%	60%
Personal Lines	25%	30%
Invest. Income	4%	3%
Other	6%	7%
Employees	18	18
Offices	1	1

Year founded: 1936.
Brokerage: 100% commissions.
Principal officers: Thomas R. Cassady, president; Robert O. Neeser, executive vp/treasurer; David P. Fegley, vp/secretary.
Licensed excess/surplus broker in: Indiana.

ISU/Carolina Insurance Consultants Inc.

1400 Wade Hampton Blvd., Greenville, S.C. 29609; 803-271-2316

	1985	1984
Premium volume	$3,850,000	$2,950,000
Gross revenues	$662,696	$526,623
Brokerage: Retail	81.6%	81.7%
Personal Lines	14.1%	15.2%
Invest. Income	4.3%	3.1%
Employees	16	16
Offices	1	1

Year founded: 1974.
Brokerage: 100% commissions.
Principal officers: W. Alvin Hueble, president; Glenn L. Bridges, secretary.

Continued on next page

HOLMES KNOWS IT'S NOT ELEMENTARY

A well designed, properly functioning security system takes work.

Meeting the needs of the insurance community takes more.

- Holmes systems generally exceed UL specifications.
- Holmes quickly provides certificate information and details concerning alarm responses.
- Holmes completes thorough investigations even when nothing has been stolen or damaged.
- Holmes now has an insurance industry liaison executive in each branch with the responsibility to service your needs.

Let Holmes work as hard for your clients as you do.
Call **1-800-4 HOLMES**

HOLMES™ PROTECTION

Securing People and Property since 1858

Continued from preceding page

ISU/Chaney, Thomas

P.O. Box 1600, Roanoke, Va. 24007; 703-982-1600

	1985	1984
Premium volume	NA	NA
Gross revenues	$1,548,000	$1,054,000
Brokerage: Retail	76%	72%
Personal Lines	24%	28%
Employees	33	31
Offices	1	1

Year founded: 1957.
Brokerage: 100% commissions.
Principal officers: J. Robert Thomas Jr., president; William C. Stephenson and Keith F. Young, executive vps; Robert D. Saul and J. Rand Barrett, senior vps; Pam L. Gates, vp.

ISU/Continental Associates Inc.

310 Terrace Ave., Cincinnati, Ohio 45220; 513-221-1140

	1985	1984
Premium volume	$3,800,000	$3,500,000
Gross revenues	$1,170,000	$1,138,000
Brokerage: Retail	50%	45%
Wholesale	1%	1%
Services	5%	5%
Personal Lines	25%	25%
Invest. Income	5%	5%
Other	14%	19%
Employees	32	30
Offices	1	1

Year founded: 1955.
Brokerage: 80% commissions, 20% fees.
Principal officers: Carl R. Schlotman Jr., president; David L. Schlotman, vp; James T. Schlotman, secretary/treasurer.
Licensed excess/surplus broker in: Ohio.

ISU/Crosby & Henry Inc.

590 Cascade West Parkway, Grand Rapids, Mich. 49506; 616-942-5480

	1985	1984
Premium volume	$12,000,000	$8,500,000
Gross revenues	$1,300,000	$1,150,000
Brokerage: Retail	71%	71%
Services	7%	7%
Personal Lines	19%	19%
Invest. Income	3%	3%
Employees	24	20
Offices	1	1

Year founded: 1858.
Brokerage: 90% commissions, 10% fees.
Principal officers: William H. Henry, president; James M. Crosby, executive vp.
Licensed excess/surplus broker in: Michigan.

ISU/Dowis Agency Inc.

214 S. Third St., Sterling, Colo. 80751; 303-522-6260

	1985	1984
Premium volume	$6,106,781	$5,374,500
Gross revenues	$1,451,000	$1,131,000
Brokerage: Retail	76%	75%
Wholesale	1%	1%
Services	1%	1%
Personal Lines	15%	15%
Invest. Income	7%	7%
Other	1%	1%
Employees	23	22
Offices	1	1

Year founded: 1924.
Brokerage: 96% commissions, 4% fees.
Non-retail brokerage subsidiaries: Dowis Management Corp., Dowis Systems Inc., Sterling, Colo.
Principal officers: Richard W. Dowis, president; Lyle D. Graham, senior vp; H.M. Dickson Jr., vp; Michael T. McCune, assistant vp; Richard A. Warren, secretary/treasurer.

ISU/Dukar Insurance Broker

10880 Wilshire Blvd., Suite 117, Los Angeles, Calif. 90024; 213-208-3777

	1985	1984
Premium volume	$5,000,000	$3,000,000
Gross revenues	$1,000,000	$600,000
Brokerage: Retail	75%	70%
Personal Lines	20%	25%
Invest. Income	5%	5%
Employees	10	5
Offices	1	1

Year founded: 1974.
Brokerage: 100% commissions.
Principal officers: Alan R. Dukar, president.

ISU/EXPO/PA Inc.

140 Franklin St., Oakland, Calif. 94607; 415-444-5353

	1985	1984
Premium volume	$8,000,000	$7,000,000
Gross revenues	$1,100,000	$900,000
Brokerage: Retail	80%	82%
Wholesale	5%	0%
Personal Lines	15%	18%
Employees	22	21
Offices	1	1

Year founded: 1974.
Brokerage: 100% commissions.
Principal officers: Larry W. Poulton, president; Karen C. Troy, chief financial officer; John F. Johnson, vp-sales; Chris D. Behrens, vp-marketing; Bobbi I. Poulton, vp-administration.

ISU/Euclid Insurance Agencies Inc.

977 Oaklawn Ave., Suite 300, Elmhurst, Ill. 60126; 312-833-1000

	1985	1984
Premium volume	$20,000,000	$15,000,000
Gross revenues	$3,378,907	$2,619,889
Brokerage: Retail	89.6%	89.6%
Personal Lines	5.8%	5.6%
Invest. Income	3.4%	3.7%
Other	1.2%	1.1%
Employees	47	44
Offices	1	1

Year founded: 1963.
Brokerage: 98% commissions, 2% fees.
Principal officers: Peter G. Colis, president; Shirley Goode, corporate comptroller; William F. Loeb, vp-commercial lines.
Licensed excess/surplus broker in: Illinois.

ISU/Glendale Agency Inc.

650 S. Cherry, Suite 1025, Denver, Colo. 80222; 303-320-1717

	1985	1984
Premium volume	$8,000,000	$7,000,000
Gross revenues	$878,000	$634,000
Brokerage: Retail	92%	90%
Services	1%	1%
Personal Lines	3%	4%
Invest. Income	4%	5%
Employees	12	10
Offices	1	1

Year founded: 1973.
Brokerage: 99% commissions, 1% fees.
Principal officers: Louis H. Wiersma, president; Anthony P. Stimac, vp/secretary.
Licensed excess/surplus broker in: Colorado.

ISU/Griffith/Sincock Insurance Brokers Inc.

1800 E. 16th St., Santa Ana, Calif. 92701; 714-953-9521

	1985	1984
Premium volume	$16,000,000	$12,800,000
Gross revenues	$2,300,000	$1,840,000
Brokerage: Retail	92%	92.2%
Personal Lines	2%	2%
Invest. Income	6%	5.8%
Employees	23	21
Offices	1	1

Year founded: 1979.
Brokerage: 100% commissions.
Acquisitions and mergers: Duncombe & Co., Arcadia, Calif.
Principal officers: Edward W. Griffith, president; Terry Cressman, vp; Brian C. Sincock, secretary.

ISU/Hastings-Tapley Insurance

271 Cambridge St., Cambridge, Mass. 02141; 617-876-7510

	1985	1984
Premium volume	$42,494,294	$29,702,244
Gross revenues	$6,955,209	$5,213,424
Brokerage: Retail	52.1%	51.1%
Wholesale	0%	2%
Services	2.2%	1%
Personal Lines	45.2%	44.4%
Invest. Income	0.5%	1.5%
Employees	116	116
Offices	10	12

Year founded: 1866.
Brokerage: 97.5% commissions, 2.5% fees.
Acquisitions and mergers: Richard D. Chase Insurance Agency, Quincy, Mass.
Retail brokerage branch offices: Danvers, Gloucester, Ipswich, Medford, North Reading, Reading, Saugus, Watertown and Woburn, Mass.
Affiliated company: Lane England Associates Inc., Cambridge, Mass.
Parent company: Hastings-Tapley Corp.
Principal officers: David J. Lane, chairman; Frederick J. England Jr., president; Marsha K. Burridge and E. Donald Lewis, executive vps; Frederick J. England Sr., treasurer.
Licensed excess/surplus broker in: Massachusetts.

ISU/Hazleton Insurance Center Inc.

25 E. Broad St., Hazleton, Pa. 18201; 717-455-5836

	1985	1984
Premium volume	$4,300,000	$3,600,000
Gross revenues	$730,000	$623,000
Brokerage: Retail	69%	64%
Wholesale	2%	1%
Personal Lines	25%	30%
Invest. Income	3%	4%
Other	1%	1%
Employees	17	18
Offices	3	4

Year founded: 1971.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Mountaintop and Tamaqua, Pa.
Principal officers: Donald S. Laputka, president; Paul J. Malone, secretary/treasurer.

ISU/Heiden Marchetti Inc.

704 N. President St., Jackson, Miss. 39202; 601-948-6337

	1985	1984
Premium volume	$5,000,000	$4,400,000
Gross revenues	$897,894	$811,274
Brokerage: Retail	60%	60%
Personal Lines	28.5%	28.5%
Invest. Income	1.5%	1.5%
Other	10%	10%
Employees	17	15
Offices	1	3

Year founded: 1945.
Brokerage: 100% commissions.
Principal officers: John L. Heiden, president; Robert G. Marchetti, executive vp; Gene Holbrook vp.
Licensed excess/surplus broker in: Mississippi.

ISU/Hoffman Insurance Corp.

305 E. Fifth Ave., Pine Bluff, Ark. 71603; 501-534-4532

	1985	1984
Premium volume	$10,600,000	$4,000,000
Gross revenues	$1,600,000	$600,000
Brokerage: Retail	75%	75%
Personal Lines	25%	25%
Employees	42	22
Offices	5	1

Year founded: 1983.
Brokerage: 100% commissions.
Acquisitions and mergers: Winston/Rhodes & Rogers, Osceola, Ark.; Crittenden Insurance, West Memphis, Ark.; Insurance Services of Jonesboro, Jonesboro, Ark.
Retail brokerage branch offices: Rhodes & Associates, Little Rock, Ark.; Winston/Rhodes & Rogers, Osceola, Ark.; Crittenden Insurance Agency, West Memphis, Ark.; Insurance Services of Jonesboro, Jonesboro, Ark.
Non-retail brokerage subsidiaries: Southern Insurance Corp.
Principal officers: Robert P. Hoffman, president; Richard M. Henry Jr., executive vp; Martin M. Rhodes, vp.
Licensed excess/surplus broker in: Arkansas.

ISU/Wm. W. Kelly & Co.

211 River St., P.O. Box 1702, Santa Cruz, Calif. 95061; 408-426-2090

	1985	1984
Premium volume	$6,000,000	$4,500,000
Gross revenues	$976,000	$716,000
Brokerage: Retail	83%	80%
Wholesale	1%	1%
Personal Lines	11%	14%
Invest. Income	5%	5%
Employees	17	16
Offices	1	2

Year founded: 1969.
Brokerage: 99% commissions, 1% fees.
Principal officers: William W. Kelly, chairman; Thomas J. Kelly, president; Robert L. Murphy, executive vp.

ISU/Klein Insurance Group

P.O. Box 1357, 2350 South Ave., La Crosse, Wis. 54602-1357; 608-788-5200

	1985	1984
Premium volume	$9,000,000	$8,000,000
Gross revenues	$1,709,609	$1,505,791
Brokerage: Retail	74.4%	73.5%
Personal Lines	21.9%	22.3%
Invest. Income	2.5%	3.1%
Other	1.2%	1.1%
Employees	38	36
Offices	3	3

Year founded: 1889.
Brokerage: 100% commissions.
Retail brokerage branch offices: Black River Falls and Osseo, Wis.
Principal officers: Edward C. Tanke, president; Steven P. Tanke and Richard Hieb, vps.
Licensed excess/surplus broker in: Wisconsin.

ISU/Alvin Lobell Associates Inc.

25-79 Francis Lewis Blvd., Bayside, N.Y. 11358; 718-352-3200

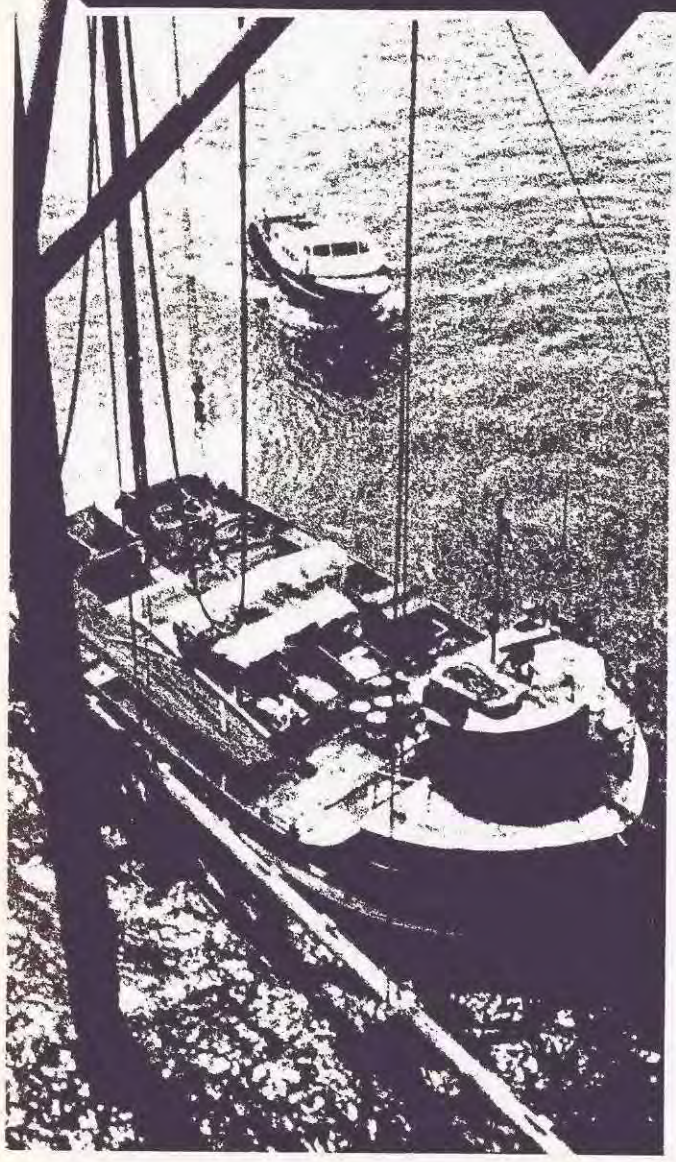
	1985	1984
Premium volume	$6,000,000	$4,000,000
Gross revenues	$940,007	$682,987
Brokerage: Retail	70%	66%
Services	3%	3%
Personal Lines	16%	21%
Invest. Income	3%	2%
Other	8%	8%
Employees	13	13
Offices	1	1

Year founded: 1923.
Brokerage: 97% commissions, 3% fees.
Principal officers: Alvin Lobell, president; John Wall, executive vp;

Continued on facing page

There's nothing average about us! We offer...

HULL AND MACHINERY, PLUS PRIMARY AND EXCESS PROTECTION AND INDEMNITY



Continental Underwriters, Ltd., has earned the confidence and respect of a large and impressive clientele because those terms "average" and "business as usual" have no part in our professional vocabulary. During our numerous productive years in the marine insurance business, we have been distinctly unusual in our durability and staying power in trying times. Equally unusual is our willingness to underwrite Hull and Machinery plus Primary and Excess Protection and Indemnity. And most unusual of all is the consistent quality of our performance which gives an added measure of security to our clients. So if you don't find "average" appealing, please give us a call.

Continental Underwriters, Ltd.

419 Decatur St.
New Orleans, LA 70130
Telephone (504) 581-7493
Telex 754622 CULTD UD
Telefax (504) 581-7497

Lloyd's, London, Correspondents

Continued from facing page
Shirley Walker, secretary/treasurer.

ISU/Montgomery, Fansler & Carlson Insurance

1221 Chopola St., Santa Barbara, Calif. 93101; 805-965-0071

	1985	1984
Premium volume	$12,000,000	$9,800,000
Gross revenues	$2,100,000	$1,700,000
Brokerage: Retail	80%	80%
Personal Lines	19%	19%
Invest. Income	1%	1%
Employees	41	40
Offices	4	5

Year founded: 1935.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Willis & Griffith, Ventura, Calif.; Lilley Insurance, Lompoc, Calif.; Santa Ynez Valley Insurance, Solvang, Calif.
Principal officers: Robert Montgomery, president; Edmund Fansler and Jack Carlson, vps.

ISU/Morgan & Franz

401 W. Second St., San Bernardino, Calif. 92401; 714-888-1321

	1985	1984
Premium volume	$14,000,000	$12,000,000
Gross revenues	$2,400,000	$1,998,000
Brokerage: Retail	85%	85%
Wholesale	1%	1%
Personal Lines	12%	12%
Invest. Income	2%	2%
Employees	52	47
Offices	3	3

Year founded: 1935.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Colton, Calif.; North American Insurance Agency, Santa Ana, Calif.
Principal officers: Robert C. Franz, president-San Bernardino office; Jerry Nisker, president-Santa Ana office; Darlene Johnson, president-Colton office.

ISU/Paul Muench Insurance

1400 E. Katella Ave., Suite 201, Orange, Calif. 92667; 714-633-4551

	1985	1984
Premium volume	$8,500,000	$8,000,000
Gross revenues	$1,300,000	$1,200,000
Brokerage: Retail	70%	70%
Wholesale	10%	10%
Personal Lines	10%	10%
Invest. Income	10%	10%
Employees	20	18
Offices	1	1

Year founded: 1924.
Brokerage: 95% commissions, 5% fees.
Parent company: Grocers & Merchants Insurance Service Inc.
Principal officers: Robert Mason, president.

ISU/Philip J. O'Shea Associates Inc.

95 Front St., Hempstead, N.Y. 11550; 516-485-6200

	1985	1984
Premium volume	$6,600,000	$5,500,000
Gross revenues	$810,000	$802,000
Brokerage: Retail	80%	80%
Wholesale	5%	5%
Personal Lines	15%	15%
Employees	20	20
Offices	2	2

Year founded: 1975.
Brokerage: 90% commissions, 10% fees.
Retail brokerage branch offices: Garden City, N.Y.
Principal officers: Philip J. O'Shea, president; T. Roger Eltringham, vp; Ethna O'Shea, treasurer.
Licensed excess/surplus broker in: New York.

ISU/Pembroke Insurance Agency Inc.

Suite 626, Pembroke I Building, 281 Independence Blvd., Virginia Beach, Va. 23462; 804-497-9611

	1985	1984
Premium volume	$7,783,000	$5,935,775
Gross revenues	$1,476,253	$1,083,129
Brokerage: Retail	76%	68%
Personal Lines	15%	12%
Invest. Income	2%	2%
Other	7%	18%
Employees	29	13
Offices	2	1

Year founded: 1969.
Brokerage: 100% commissions.
Acquisitions and mergers: Associated Insurance Marketing Inc., Virginia Beach, Va.
Parent company: Pembroke Enterprises Inc.
Principal officers: W. Kirk Hammaker, president; Robert Byrd, senior vp; Brenda Hammaker and Kevin Molloy, vps.
Licensed excess/surplus broker in: Virginia.

ISU/PRIMAC Insurance

8 S. Nevada, Suite 101, P.O. Box 490, Colorado Springs, Colo. 80901; 303-475-8222

	1985	1984
Premium volume	$11,000,000	$9,200,000
Gross revenues	$2,058,865	$1,716,220
Brokerage: Retail	83%	83%
Wholesale	1%	1%
Services	3%	0%
Personal Lines	9%	11%
Invest. Income	4%	5%
Employees	32	30
Offices	5	5

Year founded: 1910.
Brokerage: 97% commissions, 3% fees
Retail brokerage branch offices: Pueblo and Montrose, Colo.; PRIMAC Insurance of Southwest Colorado Inc., Cortez, Colo.; National Benefit Administrators Inc., Colorado Springs, Colo.

Continued on next page

Fire/Flood Restoration . . .

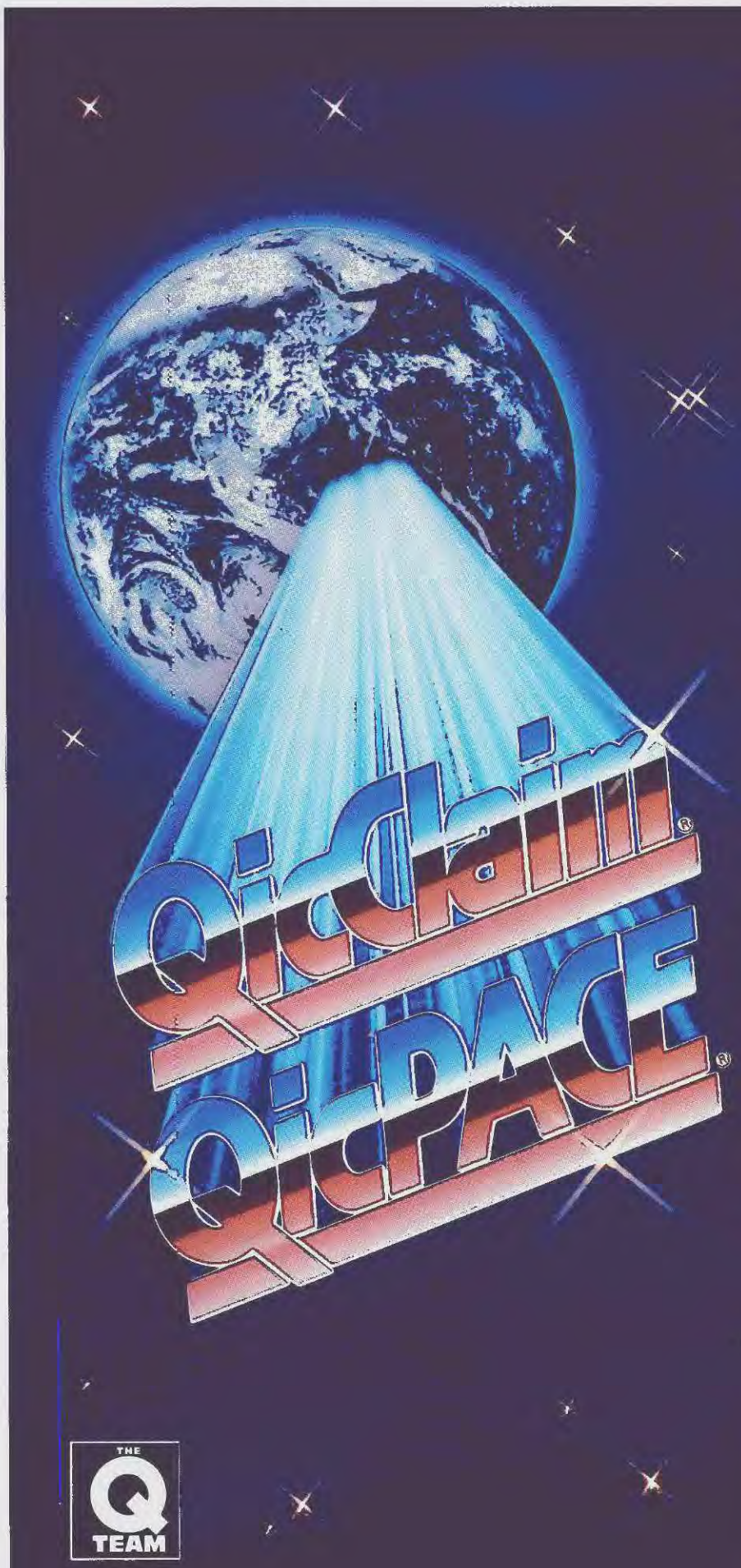
HAZTRAN INC.

. . . IS the Solution

Commercial Fire/Flood Restoration Services
- Emergency Services
- Odor Control
- Interior Structure Cleaning
- Document Restoration
- Contents Restoration
- EDP & Precision Part Corrosion Control
- Moisture/Humidity Control
- Consulting Services

Call Our National Headquarters
24 Hours a Day
218/326-2522

HAZTRAN INC.
Restoration Specialists



THE Q TEAM

Enter Our World Of Healthcare Data Management Technology

Welcome to the world of Resource Information Management Systems, Inc. (RIMS). Our state-of-the-art software and innovative support network has made us Number One in the world of healthcare data and utilization management.

QicClaim

Our QicClaim Healthcare Data Management System has revolutionized the world of health benefits management. Hundreds of third party administrators, insurance carriers, and self-administered corporations have gained plan administration control and are effectively utilizing the wealth of healthcare data captured by QicClaim. Many of these organizations are also taking advantage of the optional modules available for Pre-Certification & Medical Case Management, Billing & Accounts Receivable, Disability Processing, Prescription Drug Processing and Flexible Benefits Administration.

QicPACE

RIMS is leading the way with a Program for Alternative Care Environments—QicPACE. A world of advanced technology and automated solutions is available for Health Maintenance Organizations and Preferred Provider Organizations. QicPACE features unsurpassed capabilities for managing contracted providers, accommodating prepaid or capitated payment schedules and processing fee-for-service or out-of-area claims.

A World of Support

Our world contains much more than superior software packages. Experience the industry's most extensive customer service program, including exceptional training and educational programs...quality technical support...custom programming and much more. Call or return the coupon provided and learn why RIMS has risen to the top of the healthcare data management world.

RIMS
RESOURCE INFORMATION MANAGEMENT SYSTEMS, INC.
2015 Spring Road—Suite 220 • Oak Brook, IL 60521-1811
312/789-0230

Send me more information on:
☐ QicClaim ☐ QicPACE HMO ☐ QicPACE PPO
Name _____
Organization _____
Address _____ Phone _____
City _____ State _____ Zip _____
Resource Information Management Systems, Inc.
2015 Spring Rd-Suite 220 dept BIS623 • Oak Brook, IL 60521-1811
© 1986 Resource Information Management Systems, Inc.

Continued from preceding page

Principal officers: Donald L. Chilsen, chairman; Dennis A. Weber, president; Donald L. Smith and Thomas W. Titsworth, vps.

ISU/Rogers & Belding Insurance Agency Inc.

2525 Gateway W., El Paso, Texas 79903; 915-544-3111

	1985	1984
Premium volume	$17,064,289	$15,213,000
Gross revenues	$2,438,999	$2,358,000
Brokerage: Retail	77%	73%
Wholesale	2%	1%
Services	0%	1%
Personal Lines	19%	24%
Invest. Income	2%	1%
Employees	55	46
Offices	1	1

Year founded: 1933.
Brokerage: 99% commissions, 1% fees.
Acquisitions and mergers: Emett & Chandler of Texas, El Paso, Texas.
Principal officers: James E. Rogers Sr., chairman; James E. Rogers Jr., president; William D. Tippin, Walter H. Stowe and Kenneth L. North Jr., senior vps.
Licensed excess/surplus broker in: Texas.

ISU/Savill Schnieders Kuehr

3370 Founders Road, Indianapolis, Ind. 46268; 317-872-3510

	1985	1984
Premium volume	$8,000,000	$7,500,000
Gross revenues	$1,500,000	$1,300,000
Brokerage: Retail	70%	70%
Personal Lines	29%	29%
Invest. Income	1%	1%
Employees	30	25
Offices	1	1

Year founded: 1959.
Brokerage: 100% commissions.
Principal officers: Donald W. Kuehr, Milton E. Savill, Robert E. Schlegel III, W. Major Schneiders and Thomas M. Fletcher, partners.
Licensed excess/surplus broker in: Indiana.

ISU/Scott Insurance

P.O. Box 10439, 2241 Langhorne Road, Lynchburg, Va. 24506; 804-847-0111

	1985	1984
Premium volume	$11,647,000	$10,500,000
Gross revenues	$2,318,000	$2,080,000
Brokerage: Retail	65%	60%
Personal Lines	33%	38%
Invest. Income	2%	2%
Employees	60	55
Offices	6	6

Year founded: 1956.
Brokerage: 100% commissions.
Retail brokerage branch offices: Roanoke, Danville, Altavista, Rustburg and Macisor Heights, Va.
Non-retail brokerage subsidiaries: Self Insurance Services Inc., Richmond, Va.
Principal officers: Robert Nein, president; Walker Sydnor and Joe Nichols, vps; Leonard Morris, secretary/treasurer; Everette L. Daniel.

ISU/Security Group Inc.

Executive Park Tower, Albany, N.Y. 12203-0528; 518-489-8904

	1985	1984
Premium volume	$5,500,000	$4,500,000
Gross revenues	$700,000	$597,400
Brokerage: Retail	85%	85%
Personal Lines	12%	13%
Invest. Income	3%	2%
Employees	10	10
Offices	1	1

Year founded: 1911.
Brokerage: 98% commissions, 2% fees.
Principal officers: Albert Fenster, chairman; Gerald Cohn president; William Fibiger, executive vp; Lenore Malafsky, secretary.

ISU/Sherar, Cook & Gardner Inc.

2325 Severn Ave., Metairie, La. 70001; 504-837-4646

	1985	1984
Premium volume	$14,750,000	$12,500,000
Gross revenues	$1,500,000	$1,250,000
Brokerage: Retail	82%	80%
Wholesale	2%	3%
Reinsurance	5%	5%
Services	9%	9%
Personal Lines	2%	3%
Employees	23	23
Offices	1	1

Year founded: 1979.
Principal officers: J. William Sherar, president; Norman C. Cook, executive vp/secretary; James A. Gardner, vp/treasurer; Michael N. Brown, vp; Wayne C. Solis, assistant vp.
Licensed excess/surplus broker in: Louisiana.

ISU/Stetson-Beemer Insurance

2105 Kietzke Lane, Reno, Nev. 89502; 702-827-3000

	1985	1984
Premium volume	$3,000,000	$2,000,000
Gross revenues	$756,000	$617,000
Brokerage: Retail	75%	75%
Personal Lines	20%	20%
Other	5%	5%
Employees	15	13
Offices	1	1

Year founded: 1923.
Brokerage: 90% commissions, 10% fees.
Principal officers: Richard A. Schield, president.
Licensed excess/surplus broker in: Nevada.

ISU/Thoits Insurance

541 Cowper St., Palo Alto, Calif. 94301; 415-324-0606

	1985	1984
Premium volume	$8,000,000	$5,500,000
Gross revenues	$1,475,024	$1,199,820
Brokerage: Retail	77%	74%
Personal Lines	20%	22%
Invest. Income	3%	4%
Employees	20	20
Offices	2	1

Year founded: 1891.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Morro Bay, Calif.
Principal officers: Donald A. Way, president; Herbert G. Hill and Kenneth K. Peterson, senior vps; Viesha I. Treadwell and Diana Korolog, vps.

ISU/Todd Whinnery Allen Inc.

4051 Erie St., Willoughby, Ohio; 216-951-6100

	1985	1984
Premium volume	$7,606,680	$6,482,910
Gross revenues	$1,081,101	$908,757
Brokerage: Retail	52%	48%
Personal Lines	49%	53%
Invest. Income	9%	9%
Employees	22	22
Offices	4	4

Year founded: 1932.
Brokerage: 100% commissions.
Retail brokerage branch offices: Chesterland, Wickliffe and Middlefield, Ohio.
Principal officers: E.J. Allen, president; R.E. Norbert, vp; R.G. Tramte, secretary/treasurer.
Licensed excess/surplus broker in: Ohio.

ISU/TriWest Insurance Services

4340 Fulton Ave., Sherman Oaks, Calif. 91423; 818-906-3350

	1985	1984
Premium volume	$16,919,999	$10,935,183
Gross revenues	$2,628,137	$1,892,230
Brokerage: Retail	82%	77%
Personal Lines	16%	20%
Invest. Income	2%	3%
Employees	41	35
Offices	1	1

Year founded: 1982.
Brokerage: 96% commissions, 4% fees.
Principal officers: Paul Bronow, Maurice Jones, Jeff Jones and Sy Maxwell.

ISU/United California Insurance Agency

6180 Laurel Canyon Blvd., P.O. Box 3943, North Hollywood, Calif. 91609; 213-877-3123

	1985	1984
Premium volume	$8,517,886	$6,284,778
Gross revenues	$1,202,150	$938,107
Brokerage: Retail	86%	86%
Wholesale	1%	1%
Personal Lines	9%	7%
Invest. Income	4%	6%
Employees	14	14
Offices	1	1

Year founded: 1963.
Brokerage: 99% commissions, 1% fees.
Principal officers: C. Jack Rosemark, president; James J. Buttitta and Ronald F. Carlson, vps.
Licensed excess/surplus broker in: California.

ISU/United Coverage Consultants Inc.

111 N. Central Ave., Hartsdale, N.Y. 10530; 914-328-7980

	1985	1984
Premium volume	$4,800,000	$4,100,000
Gross revenues	$700,000	$600,000
Brokerage: Retail	82%	79%
Personal Lines	16%	19%
Invest. Income	2%	2%
Employees	12	12
Offices	2	2

Year founded: 1962.
Brokerage: 85% commissions, 15% fees.
Retail brokerage branch offices: New York.
Non-retail brokerage subsidiaries: Robert Mack United Inc., Hartsdale, N.Y.
Principal officers: Philip M. Schlussel, president; Alan M. Mack, executive vp/secretary; John W. Mehling, vp.
Licensed excess/surplus broker in: New York.

ISU/S.A. Wagner Agency Inc.

3123 State St., Erie, Pa. 16508; 814-454-6354

	1985	1984
Premium volume	$5,300,000	$4,750,000
Gross revenues	$790,000	$600,000
Brokerage: Retail	65%	65%
Wholesale	2%	2%
Personal Lines	23%	25%
Invest. Income	10%	8%
Employees	17	20
Offices	2	2

Year founded: 1929.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Meadville, Pa.
Principal officers: Robert A. Wagner, president; Donald E. Wagner, vp; William I. Wagner, secretary/treasurer.

ISU/Wilcoxson & Davis Inc.

401 E. Citrus St., Redlands, Calif. 92373; 714-793-2373

	1985	1984
Premium volume	$4,300,000	$3,130,000
Gross revenues	$792,451	$560,826
Brokerage: Retail	64%	61%
Personal Lines	33.6%	36.3%
Invest. Income	2.4%	2.7%
Employees	16	10
Offices	1	1

Year founded: 1949.
Brokerage: 100% commissions.
Principal officers: Ralph Davis, president; Martin Davis, vp; Peter Davis, secretary/treasurer.

ISU/Wrenn Insurance Agency Inc./Insurance Professionals Inc.

1650 Broadway, Kansas City, Mo. 64108; 816-421-5275

	1985	1984
Premium volume	$28,000,000	$7,000,000
Gross revenues	$3,391,308	$750,000
Brokerage: Retail	43%	80%
Wholesale	41%	0%
Services	1%	0%
Personal Lines	13%	20%
Invest. Income	2%	0%
Employees	53	16
Offices	2	1

Year founded: 1972.
Brokerage: 95% commissions, 5% fees.
Acquisitions and mergers: ISU/Insurance Professionals Inc., Kansas City, Mo.; Rorchmeier & Associates, Prairie Village, Kan.; Hendricks Agency, Overland Park, Kan.
Retail brokerage branch offices: Kansas City, Mo.
Parent company: Wrenn Insurance Agency Inc.
Principal officers: R. Michael Wrenn, president; Michael W. Moore, executive vp; John F. O'Reilly, Richard F. O'Brien and Roger Smith, vps.
Licensed excess/surplus broker in: Missouri, Kansas.

Industrial Insurance Agency Inc.

600 Woodfield Drive, Schaumburg, Ill. 60195; 312-884-6100

	1985	1984
Premium volume	NA	NA
Gross revenues	$1,680,389	$1,191,805
Brokerage: Retail	89%	90%
Personal Lines	10%	8%
Invest. Income	1%	2%
Employees	22	13
Offices	1	1

Year founded: 1960.
Brokerage: 100% commissions.
Principal officers: Melvin E. Rodney, chief executive officer; Richard A. Rodney, president; Ken Jorgensen, vp.
Licensed excess/surplus broker in: Illinois.

Insurance Center of Southern Connecticut Inc.

900 Madison Ave., Bridgeport, Conn. 06606; 203-333-6555

	1985	1984
Premium volume	$5,500,000	$4,950,000
Gross revenues	$1,100,000	$990,000
Brokerage: Retail	50%	50%
Services	6%	6%
Personal Lines	39%	39%

Continued on facing page

REINSURANCE

RE

Specializing in all forms of life, accident and health Reinsurance.

FACULTATIVE/TREATY

Underwriting and loss adjusting intermediary for LLOYDS of LONDON for over 30 years.

- Stop Loss for Self-funded Employee Benefit Plans
- Stop Loss for Aviation Workers' Compensation
- Catastrophe Excess Treaties
- Special Risks
- Admitted Liability
- Aviation Accident
- Group Travel
- Life

For Information, Contact:
John W. Parker, Jr.
Deborah N. Perna
Milo W. Zidek
Ralph P. Pilliscner
William R. Guckes, Jr.
Charles H. Place, Jr.
Harry A. Schwandt, Jr.

IOA RE
8 PENN CENTER PLAZA, SUITE 2300
PHILADELPHIA, PA 19103
215-569-9595

Other principal cities in the U.S.: Coral Gables • New York • San Francisco
And Abroad: Bogota • Brussels • Buenos Aires • Caracas • Hamilton • Lima • London • Maracaibo • Mexico City • Milan • Panama City • Paris • Santiago • Sydney

Contined from facing page

Invest. Income	3%	3%
Other	2%	2%
Employees	24	23
Offices	1	1

Year founded: 1902.
Brokerage: 94% commissions, 6% fees.
Principal officers: Arnold Kaplan, chairman; Burton I. Bauchner, president; Irwin Nabel, vp.

Insurance Management Associates Inc.

600 IMA Plaza, 250 N. Water, Wichita, Kan. 67202; 316-267-9221

	1985	1984
Premium volume	$70,738,897	$49,563,492
Gross revenues	$8,384,186	$6,245,818
Brokerage: Retail	61%	66%
Services	17%	15%
Personal Lines	7%	7%
Invest. Income	7%	6%
Other	8%	6%
Employees	119	102
Offices	2	2

Year founded: 1973.
Brokerage: 75% commissions, 25% fees.
Retail brokerage branch offices: Topeka, Kan.
Principal officers: W.C. Cohen Jr., chief executive officer; Kay Barrett, division vp-administration; Tom Berry, division vp-finance; Jim Sloan, division vp-underwriting; Joe Moddrell Jr., division vp-production.
Licensed excess/surplus broker in: Kansas.

Insurance Marketing Agencies Inc.

306 Main St., The Day Building, Worcester, Mass. 01608; 617-753-7233

	1985	1984
Premium volume	$12,000,000	$8,900,000
Gross revenues	$1,810,000	$1,362,000
Brokerage: Retail	85%	80%
Personal Lines	11%	16%
Invest. Income	3%	3%
Other	1%	1%
Employees	35	30
Offices	2	1

Year founded: 1924.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Boston.
Principal officers: Sumner W. Herman, president/treasurer; Arnold J. Horowitz, executive vp; John J. Kelly, vp.
Licensed excess/surplus broker in: Massachusetts.

Insurance Professionals Inc.

P.O. Box 292, 15 Prospect St., Paramus, N.J. 07652; 201-265-7110

	1985	1984
Premium volume	$5,200,000	$4,100,000
Gross revenues	$875,000	$723,000
Brokerage: Retail	78%	74%
Personal Lines	22%	26%
Employees	10	10
Offices	1	1

Year founded: 1962.
Brokerage: 98% commissions, 2% fees.
Principal officers: John Jones, president.

Insurance & Risk Management

3811 Illinois Road, Fort Wayne, Ind. 46804; 219-436-1616

	1985	1984
Premium volume	$23,000,000	$17,000,000
Gross revenues	$3,500,000	$2,500,000
Brokerage: Retail	78.8%	73.8%
Personal Lines	22.2%	27.2%
Employees	93	87
Offices	4	4

Year founded: 1963.
Brokerage: 90% commissions, 10% fees.
Retail brokerage branch offices: Elkhart, Muncie and Indianapolis, Ind.
Principal officers: Paul R. Porter, chairman; Harry A. Crawford, president; Bart E. Bircheff, vp-finance; Dan VanTreese, vp-operations.
Licensed excess/surplus broker in: Indiana.

International Insurance Group Ltd.

7 Winthrop Square, Boston, Mass. 02110; 617-542-4433

	1985	1984
Premium volume	$9,000,000	$1,300,000
Gross revenues	$700,000	$136,000
Brokerage: Retail	95.5%	99%
Wholesale	0.5%	0%
Invest. Income	4%	1%
Employees	10	3
Offices	1	1

Year founded: 1984.
Brokerage: 90% commissions, 10% fees.
Principal officers: John J. Perkins, president/chief executive officer; Frederic N. Lamb, Robert P. Burns, Marianne E. Wronka and James M. Healy, vps.
Licensed excess/surplus broker in: Massachusetts.

j

Fred S. James & Co. Inc.

1285 Ave. of the Americas, New York, N.Y. 10019; 212-333-8900
See profile, page 38.

Jardine Emett & Chandler Inc.

50 Francisco St., San Francisco, Calif. 94133; 415-391-2600
See profile, page 52.

Continued on next page

Who provides fast and complete answers to your questions on structured settlements?

Who can help you settle cases on appeal?

Who is a client-oriented problem solver who acts as a member of your negotiating team?

Who offers innovative solutions that best meet the needs of defendants as well as plaintiffs?

Who offers same day quotes and same day answers to your current cases?

Who wants you to call Myles McDonald at **1-800-344-4041** or **1-215-565-8580** in PA for additional information about our comprehensive structured settlement services?

Huver & Associates that's who!

Huver & Associates, Inc.
STRUCTURED SETTLEMENT SPECIALISTS
610 East Baltimore Pike, Suite 200, P.O. Box 1850, Media, PA 19063

Nobody knows the state of excess and surplus better than we do.



California is a hard market. Nobody knows that better than you. What you may not know is that your company can take advantage of this highly-surcharged environment through our services.

Excess & Surplus Line Insurance Brokers, Inc.

As brokers we're as selective as you are. We know how to write a risk and have the results to prove it. But most important of all, we know how to make you a profit.

We're well-managed, supported and balanced. And with people in every key area of insurance, you'll never have to worry about business coming to an abrupt halt because someone isn't available.

So if your company is looking for branch offices with a large existing agency plant (and a partner who knows the state of excess and surplus), call Jerry Boyer or Douglas DeLano at 818-990-8860. Or James Hippard in our Orange County office, 714-556-8660.

What you'll hear will put you in the right state of mind.

ESLIB
Excess & Surplus Line Insurance Brokers, Inc.
13848 Ventura Blvd., Suite A, Sherman Oaks, CA 91423 • (818) 990-8860 • Telex: 755-080
3151 Airway Avenue, Suite F-206B, Costa Mesa, CA 92626 • (714) 556-8660 • Telex: 5106017045

Continued from preceding page

Johnson & Higgins

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

See profile, page 28.

Johnson, Kendall & Johnson Inc.

P.O. Box 8, Newtown, Pa. 18940; 215-968-4741

	1985	1984
Premium volume	$11,711,224	$7,783,433
Gross revenues	$1,694,497	$1,180,072
Brokerage: Retail	64%	65%
Personal Lines	34%	32%
Invest. Income	2%	3%
Employees	27	23
Offices	1	1

Year founded: 1959.
Brokerage: 99% commissions, 1% fees.
Principal officers: Edwin T. Johnson, president; Douglas D. Peterson, executive vp; Richard B. Willis Jr., senior vp; David R. Johnson, John A. Wright and William J. Adler, vps; Mary J. Rounsavill, secretary/treasurer.

k

The Kaye Group Inc.

122 E. 42nd St., New York, N.Y. 10168; 212-210-9200

See profile, page 72.

Keenan & Associates

3715 W. Lomita Blvd., Suite 200, P.O. Box 4328, Torrance, Calif. 90510; 213-373-8811

	1985	1984
Premium volume	NA	NA
Gross revenues	$10,125,110	$7,823,100
Brokerage: Retail	52%	54%
Services	42%	40%
Invest. Income	5%	5%
Other	1%	1%
Employees	160	151
Offices	10	10

Year founded: 1972.
Brokerage: 50% commissions, 50% fees.
Retail brokerage branch offices: Chico, Fresno, Riverside, Sacramento, San Diego, San Jose, San Rafael, Santa Ana and Thousand Oaks, Calif.
Principal officers: John R. Keenan, president; Richard C. Phillips, executive vp.
Licensed excess/surplus broker in: California.

Kelter-Thorner Inc.

24600 Northwestern Highway, Southfield, Mich. 48075; 313-353-2200

	1985	1984
Premium volume	$46,000,000	$30,000,000
Gross revenues	$7,134,000	$5,612,795
Brokerage: Retail	54%	53.9%
Wholesale	31%	29%
Services	3.9%	3.9%
Personal Lines	6.5%	6.2%
Invest. Income	3%	3.2%
Other	1.6%	3.8%
Employees	70	67
Offices	6	6

Year founded: 1930.
Brokerage: 100% commissions.
Retail brokerage branch offices: Kelter-Thorner Inc. of New Jersey, Fords, N.J.; Kelter-Thorner Inc. of California, Redwood City, Calif.; Kelter-Thorner of Southern California, Costa Mesa, Calif.; Kelter-Thorner Insurance Agency of Ohio, Middleburg Heights, Ohio; Atlantic Underwriters Inc., Birmingham, Mich.
Principal officers: Theodore R. Kelter, chairman; Marilyn Chernoff, president; Robert E. Pullan, senior vp; Jeffrey G. Swarbrick, vp.
Licensed excess/surplus broker in: Michigan.

Kendall Insurance Inc.

90 S. Main St., Rochester, N.H. 03867; 603-332-5800

	1985	1984
Premium volume	NA	NA
Gross revenues	$8,164,000	$5,995,345
Brokerage: Retail	52%	46%
Wholesale	13%	11%
Services	14%	18%
Personal Lines	11%	13%
Invest. Income	2%	2%
Other	8%	10%
Employees	140	128
Offices	3	2

Year founded: 1867.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Manchester, N.H.; National Ski Areas Assn. Insurance Plan, Salt Lake City.
Principal officers: Kennett R. Kendall Jr., president; Lawrence Cole, Richard Carr, Thomas Keating and Everett Page, vps.
Licensed excess/surplus broker in: New Hampshire, Maine.

Sander A. Kessler & Associates Inc.

9570 W. Pico Blvd., Los Angeles, Calif. 90035; 213-278-8740

	1985	1984
Premium volume	$40,000,000	$35,000,000
Gross revenues	$5,725,649	$5,338,656
Brokerage: Retail	87%	75.2%
Services	1%	0%
Personal Lines	8%	7.6%
Invest. Income	4%	5%
Other	0%	12.2%
Employees	62	68
Offices	1	1

Year founded: 1956.
Brokerage: 99% commissions, 1% fees.
Principal officers: Sander A. Kessler, president; Ronald A. Bloom, executive vp; Kenneth Kessler, senior vp; Melvin Moss, vp; Steven Kessler, secretary/treasurer.
Licensed excess/surplus broker in: California.

Kientz & Co.

1328 Dublin Road, P.O. Box 451, Columbus, Ohio 43216-0451; 614-486-9571

	1985	1984
Premium volume	$40,000,000	$35,000,000
Gross revenues	$4,000,000	$3,645,000
Brokerage: Retail	88.9%	91.9%
Wholesale	0.1%	0.1%
Services	3%	2%
Personal Lines	5%	5%
Other	3%	1%
Employees	80	73
Offices	3	3

Year founded: 1977.
Brokerage: 60% commissions, 40% fees.
Retail brokerage branch offices: Cincinnati and Cleveland, Ohio.
Principal officers: William D. Kientz, chairman; Ralph E. Hodges, president; William D. Kientz II, Paul Ward Jr. and Andrew B. Kientz, vps.
Licensed excess/surplus broker in: Ohio.

Kinney, Pike, Bell & Conner Inc.

98 Merchants Row, Rutland, Vt. 05701; 802-775-2311

	1985	1984
Premium volume	$20,500,000	$17,300,000
Gross revenues	$3,042,000	$2,475,000
Brokerage: Retail	76%	73%
Wholesale	1%	1%
Services	1%	1%
Personal Lines	20%	22%
Invest. Income	2%	3%
Employees	59	51
Offices	6	5

Year founded: 1904.
Brokerage: 98% commissions, 2% fees.
Acquisitions and mergers: Van Guilder Insurance Agency, Fair Haven, Vt.
Retail brokerage branch offices: Brattleboro, Essex Junction, Fair Haven, Hartford and Poultney, Vt.
Principal officers: Edward C. Pike, president; Robert K. Coyle, vp/general manager; Steven Carbine and Roger M. Pike, vps; Charles Huddleston, treasurer.
Licensed excess/surplus broker in: Vermont.

The Kooper Group

666 Fifth Ave., New York, N.Y. 10019; 212-246-2188

	1985	1984
Premium volume	NA	NA
Gross revenues	$1,200,000	$900,000
Brokerage: Retail	100%	100%
Employees	10	8
Offices	1	1

Year founded: 1968.
Brokerage: 95% commissions, 5% fees.
Principal officers: Martin Kooper, president; Michael D. Rockman, vp.

The Kornreich Organization

919 Third Ave., New York, N.Y. 10022; 212-688-9700

	1985	1984
Premium volume	NA	NA
Gross revenues	$14,400,000	NA
Brokerage: Retail	68.6%	NA
Services	3%	NA
Personal Lines	4.9%	NA
Invest. Income	3.5%	NA
Other	20%	NA
Employees	108	NA
Offices	1	NA

Year founded: 1917.
Brokerage: 97% commissions, 3% fees.
Non-retail brokerage subsidiaries: S. Kornreich & Sons Inc., Kornreich Life Associates Inc., KBC Inc., Risk Consultants Inc., Kornreich Financial Services Inc., S. Kornreich & Sons International Ltd.
Principal officers: Matthew R. Kornreich, president/chief executive officer; Morton A. Kornreich, chairman; Steven L. Grossberg, vp/chief operating officer; Sanford H. Hersh, vp/chief financial officer; Lawrence W. Schott, senior vp; Philip J. Miller, senior vp-marketing; Alan N. Rovin, senior vp-casualty; George R. Klink, senior vp-property; Peter Goodstein, vp-life; Florence Ehresman, vp-benefits; Paul Labiner, vp-financial planning.
Licensed excess/surplus broker in: New York.

l

Lachance, Bertrand, Benoit, Lavigne Ltd.

1320 Graham Blvd., Mount Royal, Quebec H3P 3E7; 514-342-5430

	1985	1984
Premium volume	$6,900,000	$6,000,000
Gross revenues	$1,725,000	$1,500,000
Brokerage: Retail	45%	45%
Services	10%	10%
Personal Lines	42%	40%
Invest. Income	3%	5%
Employees	30	27
Offices	1	1

Year founded: 1971.
Brokerage: 95% commissions, 5% fees.
Principal officers: Robert Lachance, president; Andre Bertrand and C. Lavigne, vps; J.L. Benoit, secretary; M. Lachance, treasurer.

Lamb, Little & Co.

5301 Keystone Court, Rolling Meadows, Ill. 60008; 312-398-7060

	1985	1984
Premium volume	NA	NA
Gross revenues	$2,400,000	$1,950,000
Brokerage: Retail	95%	95%
Personal Lines	5%	5%
Employees	47	36
Offices	2	1

Year founded: 1947.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Chicago.
Principal officers: Roy H. Holle, president; Raymond J. Clancy, chairman; Bruce Wahlborg, treasurer; Frank L. Hoffeller; Robert Dale Somers, secretary.

J. Smith Lanier & Co.

300 W. Tenth St., P.O. Box 70, West Point, Ga. 31833; 404-645-2211

	1985	1984
Premium volume	$38,200,000	$27,400,000
Gross revenues	$7,127,000	$5,990,000
Brokerage: Retail	56%	57%
Personal Lines	38%	37%
Invest. Income	2%	2%
Other	4%	4%
Employees	160	120
Offices	12	10

Year founded: 1868.
Brokerage: 100% commissions.
Acquisitions and mergers: Palmer Insurance Agency, Atlanta; Botsford-Knight, Opelika, Ala.
Retail brokerage branch offices: Atlanta, Carrollton, Columbus, Manchester, Franklin, Bremen, Villa Rica, Bowdon, Fayetteville and Peachtree City, Ga.; LaFayette, Ala.
Principal officers: J. Smith Lanier II, president/chief executive officer; William T. Parr, vp; D. Gaines Lanier, secretary/treasurer.
Licensed excess/surplus broker in: Alabama.

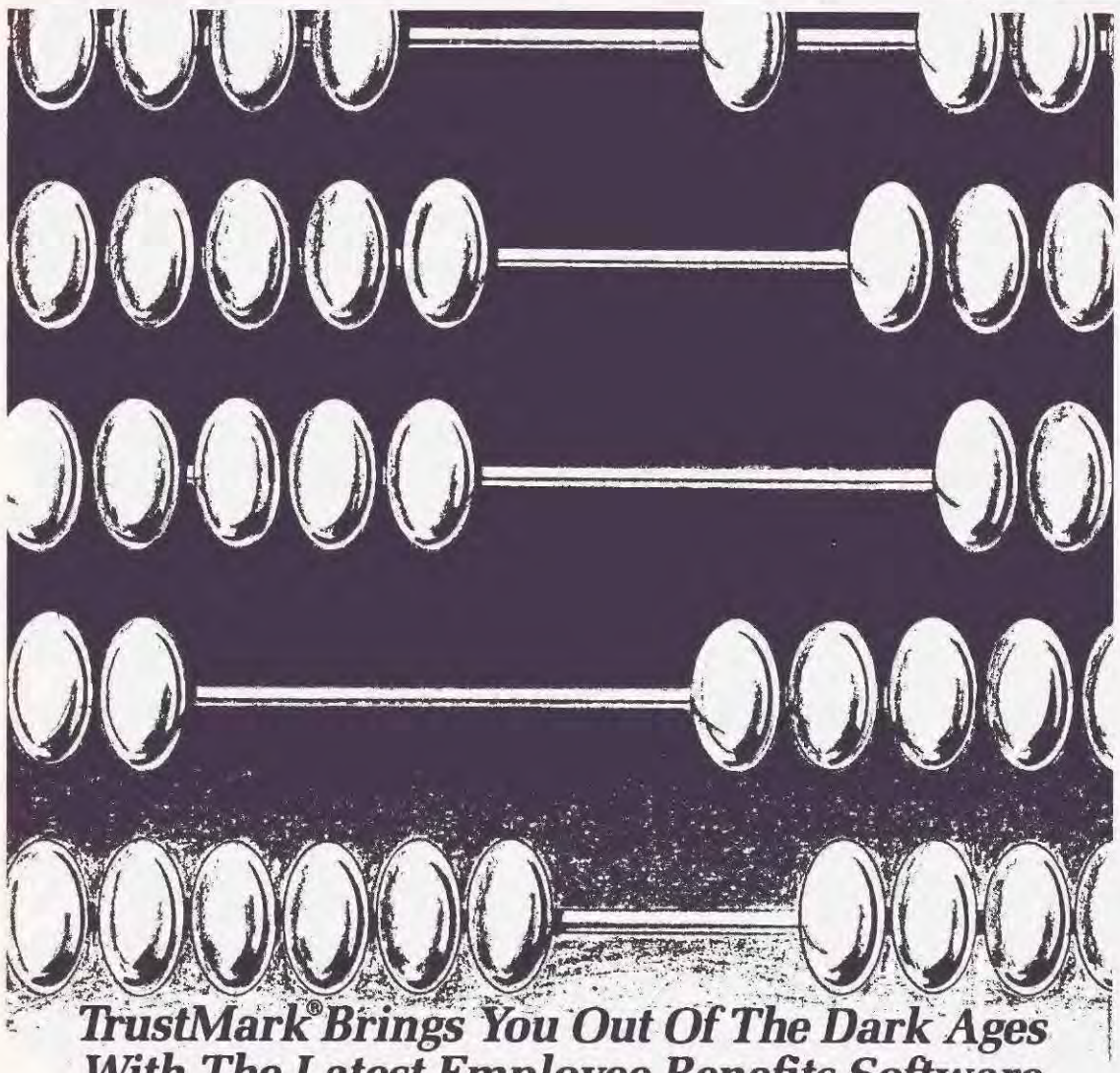
Lasher-Cowie Agency Inc.

2020 N. Central, Suite 400, Phoenix, Ariz. 85004; 602-258-4444

	1985	1984
Premium volume	$27,720,000	$19,700,000
Gross revenues	$4,712,879	$3,518,000
Brokerage: Retail	53%	51%
Wholesale	18%	17%
Personal Lines	17%	17%
Invest. Income	3%	5%
Other	9%	10%
Employees	88	73
Offices	6	4

Year founded: 1955.
Brokerage: 92% commissions, 8% fees.
Acquisitions and mergers: T.I.S. Insurance, Phoeniz, Ariz.; Al Cohen, Tucson, Ariz.
Retail brokerage branch offices: Lasher-Cowie Tucson, Tucson, Ariz.; Lasher-Cowie Turner, Flagstaff and Page, Ariz.
Non-retail brokerage subsidiaries: Rocky Mountain General Agency and Innkeepers International, Phoenix.
Principal officers: Robert P. Cowie, chairman; Richard J. Seminoff, president; Michael J. Minnaugh, executive vp; Robert McKinney and Kenneth Whitley, vps.
Licensed excess/surplus broker in:

Continued on facing page



TrustMark® Brings You Out Of The Dark Ages With The Latest Employee Benefits Software

MBA (Micro Benefits Administrator) is the next generation in micro computer based employee benefit systems. MBA provides a system designed to take maximum advantage of the expanded capabilities and economics of today's state of the art hardware.

For instance, MBA performs top heavy and 401K discrimination testing with built in compliance modeling capability. The system also offers the flexibility to respond quickly and efficiently to changing regulatory demands and to pursue opportunities for innovation in customer service.

MBA is a comprehensive solution to defined contribution plan processing including profit sharing, thrift, ESOP and others.

MBA from TrustMark. For information, call Jack Kaul.(704) 568-9289.
2432 N. Sharon Amity Road
Charlotte, North Carolina 28205

TrustMark, Inc.®

Continued from previous page
Arizona, Alabama, Arkansas, Colorado, Idaho, Louisiana, Missouri, Nebraska, North Carolina, North Dakota and West Virginia.

Laub Group Inc.

839 N. Jefferson St., Milwaukee, Wis. 53202; 414-271-4292

	1985	1984
Premium volume	NA	NA
Gross revenues	$4,791,000	$4,156,000
Brokerage: Retail	78.9%	77.9%
Wholesale	12.1%	13.1%
Services	2%	2%
Personal Lines	7%	7%
Employees	54	60
Offices	6	5

Year founded: 1931.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Racine, Kenosha, Appleton, Wausau and Madison, Wis.
Parent company: Intertye Corp.
Principal officers: Raymond H. Laub, chairman; George Stevoff, president.
Licensed excess/surplus broker in: Wisconsin.

Lawrence Agency Corp.

258 State St., Albany, N.Y. 12210; 518-370-1720

	1985	1984
Premium volume	$165,000,000	$104,000,000
Gross revenues	$13,134,000	$8,309,000
Brokerage: Retail	60%	55%
Wholesale	5%	5%
Services	20%	25%
Personal Lines	10%	10%
Invest. Income	3%	3%
Other	2%	2%
Employees	260	205
Offices	20	20

Year founded: 1954.
Brokerage: 100% commissions.
Acquisitions and mergers: Geer Stillman, Latham, N.Y.
Retail brokerage branch offices: Boston; Buffalo, Clifton Park, Cortland, Glens Falls, Latham, New York, Rochester, Schenectady, Syracuse, Troy and Whitney Point, N.Y.; Clearwater and Fort Lauderdale, Fla.; Greenwood, Ind.; Harrisburg, Pa.; Louisville, Ky.; Niles, Ohio; Phoenix, Ariz.
Non-retail brokerage subsidiaries: Healthcare Administrative Services, Albany, N.Y.; Independent Risk Management Group, Syracuse, N.Y.; Fitts-Lawrence Inc., Schenectady, N.Y.
Principal officers: A.W. Lawrence, chairman; Gary Keehfus, president; Thomas Hall, Carmel Roberson and Joyce Orlowski, vps.
Licensed excess/surplus broker in: New York.

Lawton Byrne Bruner

10 Broadway, St. Louis, Mo. 63102; 314-621-5540

	1985	1984
Premium volume	$125,000,000	$84,000,000
Gross revenues	$16,700,000	$13,500,000
Brokerage: Retail	52%	56%
Wholesale	35%	33%
Services	3%	2%
Personal Lines	4%	4%
Invest. Income	6%	5%
Employees	183	180
Offices	2	1

Year founded: 1887.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: La Jolla, Calif.
Principal officers: William W. Fetner Jr., chairman; H. Robert Larkin, president; Joseph B. Andrews Jr., secretary; David R. Smith, treasurer; H. Smith McGehee, senior vp.
Licensed excess/surplus broker in: Missouri, Illinois and Alaska.

The Leavitt Group

P.O. Box 130, Cedar City, Utah 84720; 801-586-6553

	1985	1984
Premium volume	$68,345,600	$50,266,000
Gross revenues	$9,621,000	$7,540,500
Brokerage: Retail	52%	41%
Wholesale	14%	12.3%
Personal Lines	26%	32%
Other	8%	15%
Employees	178	163
Offices	33	35

Year founded: 1952.
Brokerage: 100% commissions.
Retail brokerage branch offices: Barton-Leavitt, Kanab, Utah; Blonquist-Leavitt, Coalville, Utah; Bowen-Leavitt, Orem, Utah; Briggs-Leavitt, Salina, Utah; Bringhurst-Leavitt, Hurrican, Utah; Dixie Leavitt Agency, Cedar City, Utah; Leavitt Group of Heber City, Heber City, Utah; Leavitt Group of Northern Utah, Brigham City, Utah; Leavitt Group of St. George, St. George, Utah; Leavitt Group of Spanish Fork, Spanish Fork, Utah; Leavitt Group of Uintah Basin, Roosevelt, Utah; Metro-Leavitt, Salt Lake City; Manis-Leavitt, Delta, Utah; Okerlund-Leavitt, Richfield, Utah; Savage-Leavitt, Salt Lake City; Stowell-Leavitt, Nephi, Utah; Taylor/Bowen-Leavitt, Provo, Utah; Turner, Leavitt & Co., Salt Lake City; Wilkinson/Bowen-Leavitt, Orem, Utah; Zions-Leavitt, Salt Lake City; Bourne-Leavitt, Lake Havasu City, Ariz.; Butler-Leavitt, Phoenix, Ariz.; Massey-Leavitt, Mesa, Ariz.; Minard-Leavitt, Phoenix; Clark-Leavitt, Las Vegas, Nev.; Leavitt Insurance Agency, Las Vegas; Contractors Bonding Services, Las Vegas; Long-Leavitt, Overton, Nev.; Parus-Leavitt, Las Vegas; Summerfield-Leavitt, Las Vegas; Wegener-Leavitt, Las Vegas.
Parent company: Security Enterprises Ltd.
Principal officers: Michael O. Leavitt, president/chief executive officer; Dane O. Leavitt, executive vp/chief operating officer; Kelly R. Russell, secretary/treasurer.
Licensed excess/surplus broker in: Utah, Nevada, Arizona.

Levinson Brothers Inc.

101 California St., San Francisco, Calif. 94111; 415-434-3200

	1985	1984
Premium volume	$26,500,800	$15,442,512
Gross revenues	$2,915,000	$2,198,603
Brokerage: Retail	98%	94%
Personal Lines	2%	6%
Employees	25	25
Offices	1	1

Year founded: 1956.
Brokerage: 100% commissions.
Principal officers: Fred Levinson, president; Morton I. Levinson and David J. Levinson, vps.
Licensed excess/surplus broker in: California.

Don Liebert Inc.

172 S. Middletown Road, Nanuet, N.Y. 10954; 914-623-3434

	1985	1984
Premium volume	$10,331,939	$8,858,480
Gross revenues	$1,756,064	$1,328,772
Brokerage: Retail	72%	70%
Personal Lines	26%	28%
Invest. Income	2%	2%
Employees	28	26
Offices	1	1

Year founded: 1912.
Brokerage: 100% commissions.
Principal officers: Donald F. Liebert, president; D. Scott Liebert, executive vp.

The Lockton Insurance Agency Inc.

7600 State Line Road, Prairie Village, Kan. 66208; 913-381-3100

	1985	1984
Premium volume	$78,000,000	$45,000,000
Gross revenues	$9,464,000	$6,720,000
Brokerage: Retail	93%	93%
Personal Lines	3%	3%
Invest. Income	5%	5%
Employees	141	117
Offices	3	3

Year founded: 1967.
Brokerage: 90% commission, 10% fees.
Retail brokerage branch offices: Lockton Insurance Agency of Colorado Inc., Denver; Lockton Insurance Agency of St. Louis, St. Louis.
Principal officers: John T. Lockton III, president; Gary F. Hambright, vp-insurance; David M. Lockton, executive vp; Michael C. Frost, managing vp; James C. Pateidl, vp-surety.

Lofberg Co.

363 Cedar Lane, P.O. Box 308, Teaneck, N.J. 07666; 201-836-2100

	1985	1984
Premium volume	$6,800,000	$5,750,000
Gross revenues	$1,100,000	$930,000
Brokerage: Retail	60%	60%
Services	10%	10%
Personal Lines	30%	30%
Employees	24	24
Offices	1	1

Year founded: 1926.
Brokerage: 100% commissions.
Non-retail brokerage subsidiaries: Letz-Lofberg Associates, Van Houten-Lofberg Agency, Lofberg Excess.
Principal officers: Richard C. Lofberg, chief executive officer; Paul W. Lofberg, president; Franklin D. Lutz, executive vp; David Holmgren, senior vp.
Licensed excess/surplus broker in: New Jersey.

The Loomis Cos. Ltd.

P.O. Box 1378, 601 Penn Square Center, Reading, Pa. 19603; 215-374-4040

	1985	1984
Premium volume	$45,000,000	$38,000,000
Gross revenues	$5,600,000	$4,700,000
Brokerage: Retail	70%	66%
Wholesale	0.5%	0.5%
Services	10.9%	12%
Personal Lines	15.9%	18.8%
Invest. Income	2.6%	2.5%
Other	0.1%	0.2%
Employees	95	104
Offices	5	5

Year founded: 1982.
Brokerage: 100% commissions.
Retail brokerage branch offices: Insurance Inc., Reading and Harrisburg, Pa.; Loomis Insurance Agency Corp., Reading and Lancaster, Pa.; Muray, Martin & Olson Inc., Annapolis, Md.; Murray, Martin & Olson of Florida Inc., Fort Lauderdale, Fla.
Principal officers: James R. Loomis, president/chief executive officer; Robert A. Mason, vp/chief financial officer; Edward J. Cavanaugh and H. Edmond Smith, vps; Kathy E. Schlegel, treasurer.
Licensed excess/surplus broker in: Florida, Maryland, Pennsylvania.

MBAH Insurance

P.O. Box 5609, Lafayette, Ind. 47903; 317-423-5421

	1985	1984
Premium volume	$9,000,000	$7,300,000
Gross revenues	$1,550,000	$1,350,000
Brokerage: Retail	77%	81%
Personal Lines	17%	15%
Invest. Income	4%	2%
Other	2%	2%
Employees	41	36
Offices	3	1

Year founded: 1948.
Brokerage: 100% commissions.
Acquisitions and mergers: Dimmich Agency, Bosewell, Ind.; Oxford Agency, Oxford, Ind.
Retail brokerage branch offices: Oxford and Camden, Ind.
Principal officers: R.E. Mayerstein, president; Andrew Bain, vp; William Heath, treasurer; Steve Horner, secretary.
Licensed excess/surplus broker in: Indiana.

MDM Insurance Associates Inc.

5730 Uplander Way, Culver City, Calif. 90231; 213-670-0172

	1985	1984
Premium volume	NA	NA
Gross revenues	$4,030,000	$3,440,000
Brokerage: Retail	69%	67%
Services	8%	10%
Personal Lines	18%	18%
Other	5%	5%
Employees	52	49
Offices	1	1

Year founded: 1970.
Brokerage: 92% commissions, 8% fees.
Acquisitions and mergers: Rosenbaum-Shulman, Los Angeles.
Parent company: Mort-Kane Corp.
Principal officers: Morton Firestone, president/chief executive officer; William Roeder, executive vp/chief operating officer.

Continued on next page

Challenge #95

"My clients are going to explore some of the wilder reaches of the Amazon for 6 weeks. Can they be insured for $2,000,000?"



After a quick investigation, we provided a same-day competitive quote on an individual AD&D Including War Risk policy for an older couple about to undertake the adventure. The policy was written – Term: 6 weeks; Sum Insured: $2,000,000.

* * *

As experienced underwriters for major domestic and overseas insurers, we offer brokers and agents unusual capabilities in Corporate Travel, Special Risk, AD&D, and High Limit Disability. We calmly await your challenge.

Lockwood, Dipple & Green
300 Unicorn Park Drive
Woburn, Massachusetts 01801
Phone: (617) 938-9010

Challenge #101

"Another company's recent disaster has prompted our client to require immediate coverage for Aviation Accidental Death Insurance on crews going to and from – and working on – offshore oil rigs. What do you say?"



We responded with a competitive same-day quote for this major oil company for its offshore rig crews throughout the world. The policy was written – Sum Insured: 2 times salary.

* * *

As experienced underwriters for major domestic and overseas insurers, we offer brokers and agents unusual capabilities in Corporate Travel, Special Risk, AD&D, and High Limit Disability. We calmly await your challenge.

Lockwood, Dipple & Green
300 Unicorn Park Drive
Woburn, Massachusetts 01801
Phone: (617) 938-9010

Challenge #37

"My client says that his voice is worth $50,000 a month to him. What do you say?"



We said "Fine," and responded with a same-day competitive quote on an Individual Disability Income policy Including Loss of Voice coverage for this noted New York radio/TV broadcaster. The policy was written for a 5-year Term including a 5-year Indemnity Period, a 90-day Elimination Period and a $50,000 per month Benefit.

* * *

As experienced underwriters for major domestic and overseas insurers, we offer brokers and agents unusual capabilities in Corporate Travel, Special Risk, AD&D, and High Limit Disability. We calmly await your challenge.

Lockwood, Dipple & Green
300 Unicorn Park Drive
Woburn, Massachusetts 01801
Phone: (617) 938-9010

Continued from previous page

MacIntyre, Fay & Thayer Insurance Agency

60 Wells Ave, Newton, Mass. 02159; 617-332-5100

	1985	1984
Premium volume	$41,049,457	$26,096,000
Gross revenues	$6,730,958	$5,124,000
Brokerage: Retail	54%	50.7%
Wholesale	20%	21.7%
Personal Lines	9.5%	14.7%
Invest. Income	3%	2.8%
Other	13.5%	10.1%
Employees	84	81
Offices	1	1

Year founded: 1929.
Brokerage: 97% commissions, 3% fees.
Non-retail brokerage subsidiaries: Surplus Services Inc. and Marketing Associates Inc., Newton, Mass.
Principal officers: Walter P. Corcoran, managing partner; S.D. Elsass, J.F. Fay, P.A. Ormiston, W.C. Frye, M.J. Susco and D.W. Weaver, partners.

Mack & Parker Inc.

55 E. Jackson Blvd., Suite 600, Chicago, Ill. 60604; 312-922-5000

	1985	1984
Premium volume	NA	NA
Gross revenues	$4,323,356	$3,744,000
Brokerage: Retail	96%	92%
Personal Lines	4%	4%
Employees	65	65
Offices	1	1

Year founded: 1935.
Brokerage: 90% commissions, 10% fees.
Principal officers: Edward E. Mack III, president; Martin P. Hughes, executive vp; Veronica E. Campbell, vp/treasurer.
Licensed excess/surplus broker in: Illinois.

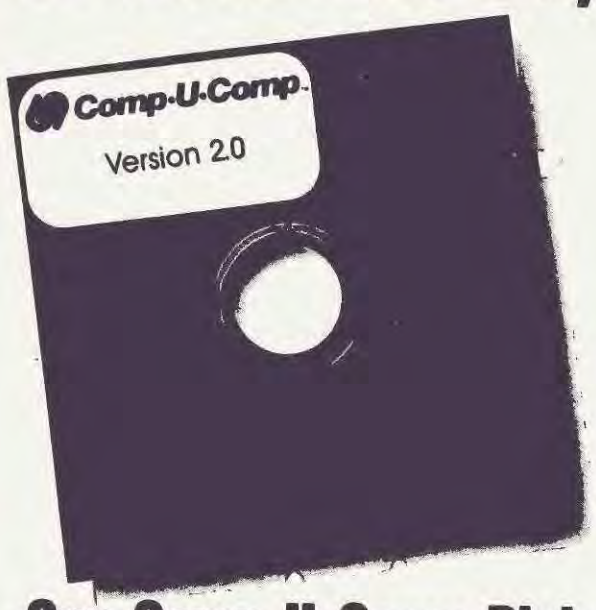
Mahoney & Wright Insurance Agencies

141 Tremont St., Boston, Mass. 02111; 617-482-4086

	1985	1984
Premium volume	$43,000,000	$35,000,000
Gross revenues	$7,103,000	$5,775,000
Brokerage: Retail	56%	52%
Personal Lines	41%	46%
Invest. Income	3%	2%
Employees	138	125
Offices	18	13

Year founded: 1926.
Brokerage: 100% commissions.
Acquisitions and mergers: Stratton Insurance Agency, Natick, Mass.
Retail brokerage branch offices: Weymouth, Newton, Wakefield, Scituate, Rockland, Middleboro, Dedham, Tewksbury, Peabody, Falmouth, Natick, Walpole, Wrentham, Haverhill and Yarmouth, Mass.; Wells Insurance, Fitchburg, Mass.; Vezina Insurance, Gardner, Mass.
Principal officers: Norman R. Wright, chief executive officer; Richard D. Forrest, executive vp; Donald F. Beale, Richard A. Grant and Daniel O'Rourke, vps.
Licensed excess/surplus broker in: Massachusetts.

In The Time It Takes To Read This Ad,



Our Comp-U-Comp Disk Could Pay For Itself!

Remember the time, trouble and expense of comparing Workers' Comp plans? One comparison could cost up to $150. Not to mention the loss of precious selling time.

With the Comp-U-Comp Disk in your IBM™ PC/XT/AT or compatible, though, you can compare up to four different plans. Simultaneously. In seconds!

Which frees you do to more of what you do best: *selling insurance.*

By the way, one thing you won't need your computer for is calculating your payback time. Comp-U-Comp has *a one-time only* cost of just $295 for IIAA members; $350 for non-members.

Call 1-800-545-COMP to order or to get more information. Ask about discounts for multiple offices.

Comp-U-Comp™

A division of Instech Computer Services, Inc.
520 Pennsylvania Avenue, Ft. Washington, PA 19034
215-542-0600 • 1-800-545-COMP
Fully sanctioned by the Independent Insurance Agents of America

Mammel/Schropp/ Swartzbaugh/Engler & Jones Inc.

9110 W. Dodge Roac, Suite 175, Omaha, Neb. 68114; 402-397-7000

	1985	1984
Premium volume	$45,900,000	$41,935,980
Gross revenues	$5,187,072	$5,139,945
Brokerage: Retail	69.1%	86.2%
Reinsurance	1.9%	2.3%
Services	26.9%	9.4%
Invest. Income	2%	1.6%
Other	0.1%	0.5%
Employees	81	74
Offices	1	1

Year founded: 1959.
Brokerage: 96.5% commissions, 3.5% fees.
Non-retail brokerage subsidiaries: Midwest Benefit Administrators Inc.
Principal officers: Carl G. Mammel, president; Robert F. Swartzbaugh, secretary/treasurer; Robert C. Schropp, Melvin B. Engler and Dorn B. Jones, senior vps.
Licensed excess/surplus broker in: Nebraska.

Marsh & McLennan Cos. Inc.

1221 Ave. of the Americas, New York, N.Y. 10020; 212-997-2000

See profile, page 20.

Marshall & Sterling Inc.

75 Washington St., Poughkeepsie, N.Y. 12601; 914-454-0800

	1985	1984
Premium volume	$45,000,000	$22,000,000
Gross revenues	$6,963,396	$3,574,000
Brokerage: Retail	58%	59%
Wholesale	5%	3%
Personal Lines	33%	34%
Invest. Income	4%	4%
Employees	125	70
Offices	7	3

Year founded: 1864.
Brokerage: 100% commissions.
Acquisitions and mergers: Orange County Agents Inc., Middletown, Newburgh and Florida, N.Y. Leroy W. Horton Agency Inc., Middletown, N.Y.; Theodore Tunick & Co. Ltd., St. Thomas, U.S. Virgin Islands.
Retail brokerage branch offices: Wappingers Falls, Newburgh, Middletown and Florida, N.Y.; St. Croix and St. Thomas, U.S. Virgin Islands.
Principal officers: John P. O'Shea, president; Peter T. Bennett vp/general manager-Poughkeepsie office; Harry E. Reis, vp/general manager-Wappingers Falls office; James E. Townsend, vp/general manager-Florida office; Larry E. Frey, resident vp-U.S. Virgin Islands.
Licensed excess/surplus broker in: New York, U.S. Virgin Islands.

Mason-McDuffie Insurance Service Inc.

3478 Buskirk Ave., Suite 333, Pleasant Hill, Calif. 94523; 415-946-0800

	1985	1984
Premium volume	$22,575,000	$20,000,000
Gross revenues	$4,209,500	$3,726,000
Brokerage: Retail	52%	57%
Personal Lines	48%	40%
Invest. Income	2%	3%
Employees	65	61
Offices	2	3

Year founded: 1887.
Brokerage: 100% commissions.
Acquisitions and mergers: T.J. Inglott, Long Beach, Calif.; Trans-Pak, San Leandro, Calif.
Retail brokerage branch offices: Fullerton, Calif.
Principal officers: Jay P. O'Brien, president; Gary N. Lewis, chief financial officer; Donald C. Hook, executive vp; Gary D. Swiggett, president-Trans-Pak.
Licensed excess/surplus broker in: California.

Maxson-Mahoney-Turner Inc.

8610 King George, Dallas, Texas 75235; 214-630-5959

	1985	1984
Premium volume	$14,500,000	$15,000,000
Gross revenues	$2,375,180	$2,125,000
Brokerage: Retail	75%	74%
Personal Lines	23%	24%
Invest. Income	2%	2%
Employees	33	32
Offices	1	1

Year founded: 1915
Brokerage: 100% commissions.
Principal officers: David O. Turner, Steven W. Pond, Harry C. Brownlee and Michael D. Williams.

May-Davis Inc.

Box 11589, Spokane, Wash. 99211; 509-535-8783

	1985	1984
Premium volume	$5,000,000	$4,500,000
Gross revenues	$550,000	$500,000
Brokerage: Retail	98%	98%
Personal Lines	2%	2%
Employees	5	5
Offices	1	1

Year founded: 1974.
Brokerage: 100% commissions.
Principal officers: L.E. May, president; William H. Davis, executive vp.

McDonough Caperton Insurance Group

P.O. Box 1551, One Hillcrest Drive, Charleston, W. Va. 25326-1551; 304-346-0611

See profile, page 76.

McDowell Insurance Inc.

338 Lincoln Way E., P.O. Box 497, Chambersburg, Pa. 17201; 717-263-8401

	1985	1984
Premium volume	$11,000,000	$8,730,000
Gross revenues	$2,008,886	$1,915,000
Brokerage: Retail	55%	57%
Personal Lines	37%	36%
Invest. Income	2%	2%
Other	6%	5%
Employees	38	44
Offices	5	5

Year founded: 1910.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Carlisle, Greencastle, Mercersburg and Waynesboro, Pa.
Principal officers: Edward C. Zimmerman, chairman/chief executive officer; Karl A. Shreiner, president/chief operating officer; Michael R. Barlas, executive vp; James E. Fegan and Robert G. Tengler, vps.
Licensed excess/surplus broker in: Pennsylvania.

The McElroy-Minister Co.

141 E. Town St., Columbus, Ohio 43215; 614-228-5565

	1985	1984
Premium volume	$37,969,288	$29,125,533
Gross revenues	$6,053,246	$4,939,813
Brokerage: Retail	75%	74%
Services	16%	17%
Personal Lines	4%	4%
Invest. Income	5%	4%
Other	0%	1%
Employees	108	103
Offices	1	1

Year founded: 1875.
Brokerage: 61% commissions, 39% fees.
Acquisitions and mergers: James R. Davis & Associates Inc., Columbus, Ohio.
Principal officers: H. Thorp Minister Jr., chairman; John C. Glandon, vice chairman; Keith A. Pierce, president; James R. Creek and William R. Gillam, executive vps.
Licensed excess/surplus broker in: Ohio.

McGowan & Co. Inc.

21010 Center Ridge Road, Rocky River, Ohio 44116; 216-333-6300

	1985	1984
Premium volume	$10,142,000	$8,350,000
Gross revenues	$1,271,141	$856,000
Brokerage: Retail	76%	73%
Wholesale	1%	1%
Personal Lines	22%	25%
Invest. Income	1%	1%
Employees	26	26
Offices	1	1

Year founded: 1950.
Brokerage: 90% commissions, 10% fees.
Principal officers: Thomas B. McGowan, president; Thomas B. McGowan III, vp.
Licensed excess/surplus broker in: Ohio.

McGriff, Seibels & Williams Inc.

P.O. Box 10265, Birmingham, Ala. 35202; 205-252-9871

	1985	1984
Premium volume	$138,231,057	$82,617,527
Gross revenues	$18,934,549	$12,899,054
Brokerage: Retail	73.8%	68.9%
Wholesale	7.5%	1.7%
Services	7.8%	9.6%
Personal Lines	2.4%	3.4%
Invest. Income	3.6%	4.9%
Other	4.9%	11.5%
Employees	293	266
Offices	6	6

Year founded: 1886.
Brokerage: 100% commissions.
Retail brokerage branch offices: Florence and Mobile, Ala.; Orlando and Pensacola, Fla.
Non-retail brokerage subsidiaries: Wood & Co. Inc., Atlanta.
Principal officers: Lee McGriff, chairman/chief executive officer; Richard M. Womack, president; Elliott T. Williams Jr., vice chairman; Bruce C. Dunbar and Bruce S. Denson, executive vps.
Licensed excess/surplus broker in: Alabama, Florida, Georgia.

Meadowbrook Inc.

24370 Northwestern Highway, Southfield, Mich. 48075; 313-358-1100

	1985	1984
Premium volume	$38,000,000	$25,000,000
Gross revenues	$6,600,000	$5,500,000
Brokerage: Retail	56%	59%
Reinsurance	7%	3%
Services	28%	30%
Personal Lines	6%	3%
Invest. Income	2%	3%
Other	1%	2%
Employees	110	105
Offices	5	7

Year founded: 1955.
Brokerage: 78% commissions, 22% fees.
Retail brokerage branch offices: Hamilton, Bermuda; New York; Boca Raton, Fla.; Grand Rapids, Mich.
Non-retail brokerage subsidiaries: MeadowLife Inc., Southfield, Mich.; Self Insured Risk Services Inc., Southfield, Mich.; Meadowbrook Intermediaries Inc., New York; Meadowbrook Risk Management Inc., New York; Meadowbrook Risk Management Ltd., Hamilton, Bermuda; Corporate Risk Consultants, Southfield, Mich. and Boca Raton, Fla.
Principal officers: Merton J. Segal, chairman; Robert A. Engle, president; Michael Murawski, vp; Lee F. Kelly, vp/treasurer; Cheryl L. Reno, vp/secretary.
Licensed excess/surplus broker in: Michigan.

Meeker-Magner Co.

2360 E. Devon Ave., Suite 1010, Des Plaines, Ill. 60018; 312-699-1400

	1985	1984
Premium volume	$11,560,000	$9,210,000
Gross revenues	$1,650,000	$1,240,000
Brokerage: Retail	65%	60%
Wholesale	9%	10%
Services	2%	4%
Personal Lines	21%	22%
Invest. Income	3%	4%
Employees	25	25
Offices	1	1

Year founded: 1902.
Brokerage: 95% commissions, 5% fees.
Principal officers: T. Gerald Magner Jr., president; S. DeSerto, executive vp.
Licensed excess/surplus broker in: Illinois.

Meeker Sharkey Financial Group Inc.

21 Commerce Drive, Cranford, N.J. 07016; 201-272-8100

	1985	1984
Premium volume	$52,500,000	$35,000,000
Gross revenues	$9,711,000	$7,260,000
Brokerage: Retail	67%	70%
Services	11%	13%
Personal Lines	19%	15%
Invest. Income	2%	1%
Other	1%	1%
Employees	203	165
Offices	8	6

Year founded: 1864.
Brokerage: 90% commissions, 10% fees.
Acquisitions and mergers: Central New Jersey Agency, Edison, N.J.
Retail brokerage branch offices: Meeker Sharkey Associates, Cranford, N.J.; Kohler MacBean Agency, Cranford, N.J.; J. DiLeo Associates, Piscataway, N.J.; T.C. Moffatt & Co., Sea Girt, N.J.; Cranford Agency, Cranford, N.J.
Non-retail brokerage subsidiaries: The MacKinnon Co., Wayne, N.J.; Kohler MacBean of Cranford, Cranford, N.J.; Actuarial Consultants of New Jersey, Cranford, N.J.
Parent company: Meeker Sharkey Associates Inc.
Principal officers: Thomas J. Sharkey, chairman; Raymond Vaughn, William Redmond, Brian Leddy and Jeffrey Carlson, subsidiary presidents.

Continued on next page

Continued from facing page

Merritt & McKenzie Inc.

1827 Powers Ferry Road, Building 10, Marietta, Ga. 30067; 404-952-5775

	1985	1984
Premium volume	$10,000,000	$8,000,000
Gross revenues	$1,800,000	$1,400,000
Brokerage: Retail	60%	58%
Personal Lines	37%	39%
Invest. Income	3%	3%
Employees	30	26
Offices	1	1

Year founded: 1926.
Brokerage: 100% commissions.
Principal officers: James W. McKenzie, chairman; Edward F. Merritt Jr., president; Sam Phillips McKenzie Jr. and Carroll Jones, vps; Edward F. Merritt III, secretary.

Midwest Commerce Insurance

107 N. Franklin St., P.O. Box 1724, Elkhart, Ind. 46515; 219-293-4565

	1985	1984
Premium volume	$21,400,000	$14,500,000
Gross revenues	$3,097,393	$2,603,867
Brokerage: Retail	82%	74%
Personal Lines	11%	13%
Invest. Income	4%	8%
Other	3%	5%
Employees	55	51
Offices	1	1

Year founded: 1915.
Brokerage: 100% commissions.
Retail brokerage branch offices: Goshen, Ind.
Parent company: Midwest Commerce Corp.
Principal officers: Ward J. Merchant, president; Donald R. Anderson, vp-sales; Gaylord L. Russell, vp-administration; Jeffrey L. Whisler, vp-client services; Farrel J. Zehr, vp-underwriting/marketing.
Licensed excess/surplus broker in: Indiana.

Julius Moll & Son Inc.

6160 N. Cicero Ave., Chicago, Ill. 60646-4393; 312-286-7737

	1985	1984
Premium volume	$14,500,000	$9,000,000
Gross revenues	$2,350,000	$1,600,000
Brokerage: Retail	74%	72%
Services	4%	5%
Personal Lines	7%	8%
Invest. Income	2%	3%
Other	13%	12%
Employees	29	23
Offices	1	1

Year founded: 1901.
Principal officers: Theodore S. Ross, president; Richard M. Moll, chairman.
Licensed excess/surplus broker in: Illinois.

Molton, Allen & Williams Corp.

2101 6th Ave. N., P.O. Box 10025, Birmingham, Ala. 35202-0025

	1985	1984
Premium volume	$27,500,000	$22,805,000
Gross revenues	$3,474,741	$2,736,342
Brokerage: Retail	78%	78%
Services	2%	2%
Personal Lines	20%	20%
Employees	47	48
Offices	3	3

Year founded: 1983.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Mobile and Huntsville, Ala.
Principal officers: Tommy C. Ritter, president/chief executive officer; William M. Jacka, president-insurance division; Jeffrey L. Johnson, executive vp; Ken Spruell, executive vp-sales/marketing; Berkeley Holley, vp-marketing.
Licensed excess/surplus broker in: Alabama.

Moore & Povenz Inc.

1923 Holland Ave., Port Huron, Mich. 48060; 313-987-6161

	1985	1984
Premium volume	$17,500,000	$10,000,000
Gross revenues	$2,480,000	$1,665,000
Brokerage: Retail	46%	48%
Wholesale	1%	0%
Services	1%	1%
Personal Lines	42%	37%
Invest. Income	2.5%	2.5%
Other	7.5%	11.5%
Employees	56	51
Offices	3	3

Year founded: 1923.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Moore & Povenz Metro Inc., Mount Clemens, Mich.; Moore & Povenz of Richmond, Richmond, Mich.
Principal officers: Douglas S. Povenz, president; William H. Moore, executive vp; R. James March, vp/secretary; Warren B. Huey, vp/general manager-Moore & Povenz Metro Inc.; Robert E. Wilbrett, vp/treasurer.

Morency, Weible & Sapa Inc.

950 York Road, Hinsdale, Ill. 60521; 312-887-0910

	1985	1984
Premium volume	$12,000,000	$7,500,000
Gross revenues	$2,100,000	$1,600,000
Brokerage: Retail	95%	94%
Personal Lines	3%	4%
Invest. Income	2%	2%
Employees	17	15
Offices	1	1

Year founded: 1960.
Brokerage: 99% commissions, 1% fees.
Principal officers: George A. Morency Jr., president; Glenn P. Sapa, Mike Weible and Richard T. Morency, vps.
Licensed excess/surplus broker in: Illinois.

Fred A. Moreton & Co.

649 E. South Temple, Salt Lake City, Utah 84102; 801-531-1234

	1985	1984
Premium volume	$31,700,000	$21,200,000
Gross revenues	$4,840,000	$4,050,000
Brokerage: Retail	67.6%	71.2%
Wholesale	18.4%	16.9%
Services	6.4%	3.2%
Personal Lines	2.8%	2.2%
Invest. Income	4.6%	5.8%
Other	0.2%	0.7%
Employees	59	60
Offices	2	2

Year founded: 1910.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Idaho Falls, Idaho.
Non-retail brokerage subsidiaries: Moreton Benefit Administrators, Moreton General Agency and Moreton Insurance Credit Plan, all in Salt Lake City, Utah.
Principal officers: Edward B. Moreton, president; Ron Cornell, executive vp; Edward F. Folland, senior vp; L. Kent Bills and Jon Jepsen, vps.
Licensed excess/surplus broker in: Utah, Idaho.

Morris & MacKenzie Ltd.

4141 Sherbrooke St. W., Montreal, Quebec H3Z 1C1; 514-937-5755

	1985	1984
Premium volume	NA	NA
Gross revenues	$10,600,000	$8,800,000
Brokerage: Retail	70%	70%
Personal Lines	30%	30%
Employees	169	168
Offices	4	4

Year founded: 1939.
Brokerage: 90% commissions, 10% fees.
Retail brokerage branch offices: Toronto; Calgary, Alberta; Vancouver, British Columbia.
Parent company: Mackmor Ltd.
Principal officers: Frank Dougan, president/chief executive officer; Alan L. Drumm, senior vp/director; Robert J. Burn and Donald W. Lambie, vps/directors.

N

NIA Ltd./National Insurance Associates

66 Route 17, Paramus, N.J. 07652; 201-845-6600

	1985	1984
Premium volume	NA	NA
Gross revenues	$7,550,000	$5,193,000
Brokerage: Retail	55%	50%
Wholesale	13%	8%
Services	8%	7%
Personal Lines	21%	33%
Invest. Income	3%	2%
Employees	140	99
Offices	6	7

Year founded: 1926.
Brokerage: 92% commissions, 8% fees.
Acquisitions and mergers: Jacob G. Hall Ltd./Peter Murdock Agency Inc., Spring Valley, N.Y.
Retail brokerage branch offices: Newark, North Plainfield, Long Valley and Freehold, N.J.; Spring Valley, N.Y.
Non-retail brokerage subsidiaries:

Continued on next page

NON-APPEARANCE AND ABANDONMENT INSURANCE

FOR SPORTS AND ENTERTAINMENT EVENTS SUCH AS:

★ The Pope's Canadian Tour ★ Bolshoi Ballet ★
Julio Iglesias ★ Torville & Dean ★ Wimbledon
★ The Jackson Tour ★ The Royal Wedding ★
Ascot Races ★ Summer Olympics ★ Indy 500
★ America's Cup ★ Broadway Shows ★
Masters Golf Tournament ★ Academy Awards

The professionals in entertainment insurance, Albert G. Ruben and Co., offer clients and brokers broad form Non-Appearance and Abandonment Insurance from a single, convenient, reliable source.
Firemans Fund Insurance Company, largest in the North American entertainment industry and Sun Alliance Group, foremost U.K. insurer in the field — this combination of the insurers and the Ruben Company offer capacity, security and effective claims service unmatched by any other single industry source.

Albert G. Ruben and Co. Inc.

Contact: Jack Chutuk, Dick Barry or Scott Milne
9601 Wilshire Blvd., Beverly Hills, CA 90210
213-273-1101/telex: 674041

In New York: George Walden
214 East 49th Street, New York, NY 10017
212-755-9600/telex: 126999

Continued from previous page
Insurex Inc., Newark and Paramus, N.J.; NIA Title Agency Inc., Paramus, N.J.; NIA Professional Plans Inc., Paramus, N.J.; Insurex Brokerage Inc., Spring Valley, N.Y.

Principal officers: Paul L. Gross, president; William F. Meade, executive vp; Beulah J. Handler, senior vp; Howard P. Cantor, vp-finance/treasurer; Gregory A. Gross, corporate account executive.

Licensed excess/surplus broker in: Subsidiaries licensed in New York and New Jersey.

National Coverage Corp.

2174 Jackson Ave., P.O. Box 40, Seaford, N.Y. 11783; 516-826-8000

	1985	1984
Premium volume	$21,350,001	$18,198,000
Gross revenues	$3,297,157	$2,220,362
Brokerage: Retail	86.8%	83%
Personal Lines	8.5%	9.3%
Invest. Income	4.7%	7.7%
Employees	44	43
Offices	1	1

Year founded: 1964.
Brokerage: 85% commissions, 15% fees.
Principal officers: William A. Kulesh, president/treasurer; Warren G. Aaronson, executive vp; Anthony P. Costanza, senior vp; Russell J. Tillman, vp; Robert W. Topscher, secretary.

National Insurance Agency

P.O. Box 6750, Corpus Christi, Texas 78411; 512-993-6700

	1985	1984
Premium volume	$4,856,957	$4,875,626
Gross revenues	$764,146	$813,073
Brokerage: Retail	75%	70%
Personal Lines	25%	30%
Employees	17	17
Offices	1	1

Year founded: 1965.
Brokerage: 100% commissions.
Principal officers: Robert E. Harris, president; John McFall, Scot Oshman and Howard Schlegel, vps.

North American Insurance Agency Inc.

3800 Classen Blvd., Oklahoma City, Okla. 73118; 405-523-2100

	1985	1984
Premium volume	$50,469,000	$41,918,000
Gross revenues	$6,813,000	$5,659,000
Brokerage: Retail	73%	71%
Personal Lines	26%	28%
Other	1%	1%
Employees	91	84
Offices	6	6

Year founded: 1959.
Brokerage: 98% commissions, 2% fees.
Acquisitions and mergers: Metro Insurance Agency, Dallas; Brosset Insurance Agency, New Orleans; Frank McCoy Agency, Dallas.
Retail brokerage branch offices: Edmond, Tulsa and Oklahoma City, Okla.; Denver; Dallas; New Orleans.
Principal officers: Gene McCrory, president; Donald W. Glaspey, executive vp; Jack G. Barry, senior vp; John R. Mackey, vp.
Licensed excess/surplus broker in: Oklahoma, Colorado and Louisiana

CRISIS TACTIC #1

Control Loss Before It Controls You.

In today's insurance crisis, Loss Control means more than ever. Tight markets, skyrocketing rates and increased retentions are bringing the impact of accident related claims directly to your bottom line. That's where we can help you.

For over **twenty** years, Gallagher Bassett has been showing their clients how to control and prevent loss...how to produce measurable **results** with cost-effective Loss Control Programs.

We can design a program to fit your specific needs ...And we can do it **now.**

Call or write David North, Vice President, Client Services, to learn how to control loss before it controls you.

Nothing is left to chance ☑☑☑

GALLAGHER BASSETT SERVICES, INC.
60 Gould Center, Golf Road
Rolling Meadows, IL 60008
312/952-3521

For more information on Loss Control, mail to Gallagher Bassett Crisis Tactic #1

Name _____
Company _____
Industry Class _____
Address _____
City _____
State _____ Zip _____
Phone _____

Osterloh & Durham Insurance Brokers of North America Inc.

6930 Valjean Ave., Van Nuys, Calif. 91409-8400; 818-988-6520

	1985	1984
Premium volume	$27,000,000	$26,000,000
Gross revenues	$2,509,710	$2,234,139
Brokerage: Retail	97%	92%
Personal Lines	1%	3%
Invest. Income	2%	5%
Employees	42	37
Offices	2	3

Year founded: 1924.
Brokerage: 95% commissions, 5% fees.
Acquisitions and mergers: Andrews, Nash & Associates, Los Angeles.
Retail brokerage branch offices: Long Beach, Calif.
Principal officers: A.F. Osterloh III, president/chairman; Larry C. Sears and Peter Kent, vps.

Arthur L. Owen Co. Inc.

714 Jackson St., Suite 1000, Dallas, Texas 75202; 214-747-6500

	1985	1984
Premium volume	$41,200,000	$31,117,000
Gross revenues	$6,227,000	$4,588,000
Brokerage: Retail	89%	89%
Personal Lines	5%	5.5%
Invest. Income	6%	5.5%
Employees	68	60
Offices	1	1

Year founded: 1946.
Brokerage: 99% commissions, 1% fees.
Non-retail brokerage subsidiaries: Owen Life Agency Inc., Owen Realty Partners.
Principal officers: Arthur L. Owen, chairman; Douglas B. Owen, president; Eddie Dunn, executive vp; Richard Kerr and Joe Funk, senior vps: Rex Jennings, vp-finance.

Paige-Ruane Inc.

The Irwin Building, King of Prussia, Pa. 19406; 215-265-4170

	1985	1984
Premium volume	$10,000,000	$8,000,000
Gross revenues	$1,614,971	$800,000
Brokerage: Retail	50%	50%
Wholesale	50%	50%
Employees	7	7
Offices	1	1

Year founded: 1978.
Brokerage: 100% commissions.
Principal officers: Ronald R. Ruane Sr., president; Frederick G. Paige, secretary/treasurer; Lisa Shaffran, resident vp; Ronald R. Ruane Jr., assistant secretary.
Licensed excess/surplus broker in: Pennsylvania, Virginia.

Palmer & Cay/Carswell Inc.

25 Bull St., Savannah, Ga. 31401; 912-234-6621

	1985	1984
Premium volume	$100,000,000	NA
Gross revenues	$10,500,000	NA
Employees	187	NA
Offices	8	NA

Year founded: Palmer & Cay was founded in 1915, Carswell Insurance Group was founded in 1968.
Acquisitions and mergers: Palmer & Cay and Carswell Insurance Group in 1985.
Retail brokerage branch offices: Atlanta, Augusta and Vidalia, Ga.; Shelander-Cowden Inc., Brunswick, Ga.; Almours-Carswell Inc., Fernandina and Jacksonville, Fla.
Principal officers: J.E. Cay Jr., chairman of the board; John E. Cay III, president/chief executive officer; Lewis H. Oden III, executive vp/chief operating officer/treasurer; John D. Carswell, chairman-executive committee; William H. Brown, G. David Reid, R.N. Haycock and Edwin P. Bendin, senior vps; Carl G. Carlson, president-Almours-Carswell Inc.

Palmer Goodell Insurance Agency Inc.

BayBank Tower, 1500 Main St., Springfield, Mass. 01115; 413-781-5940

	1985	1984
Premium volume	$28,708,135	$24,401,768
Gross revenues	$4,189,000	$3,547,816
Brokerage: Retail	50%	50%
Services	8%	6%
Personal Lines	26%	29%
Invest. Income	1%	1%
Other	15%	14%
Employees	94	79
Offices	1	1

Year founded: 1955.
Brokerage: 96% commissions, 4% fees.
Principal officers: John W. Pennington, president/chief executive officer; Robert H. Carnevale, executive vp/treasurer; H. Russell Preston Jr., senior vp/clerk; Carleen M. Papageorge, senior vp/director-insurance services; Jacob E. Stone, vp-sales.
Licensed excess/surplus broker in: Massachusetts.

Perpetual Insurance Inc.

8401 Corporate Drive, Landover, Md. 20785; 301-386-3100

	1985	1984
Premium volume	$19,000,000	$6,800,000
Gross revenues	$2,312,138	$1,569,092
Brokerage: Retail	28%	32%
Personal Lines	67%	63%
Invest. Income	4%	4%
Other	1%	1%
Employees	48	36
Offices	1	1

Year founded: 1927.
Brokerage: 100% commissions.
Parent company: Perpetual American Bank F.S.B.
Principal officers: Will Bernardin, president; Lu Cook and Richard Ferrigno, vps; Bruce Brown, annuity/life manager; Lou Khalil, controller.
Licensed excess/surplus broker in: Virginia, District of Columbia, Maryland.

H & R Phillips Inc.

622 Third Ave., New York, N.Y. 10017; 212-949-9100

	1985	1984
Premium volume	NA	NA
Gross revenues	$2,800,000	$2,300,000
Brokerage: Retail	80%	84%
Wholesale	7%	5%
Services	7%	5%
Personal Lines	5%	5%
Invest. Income	1%	1%
Employees	32	32
Offices	1	1

Year founded: 1964.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Management Compensation Group New York Inc., Management Compensation Group Northern New Jersey Inc., H&R Phillips of Delaware Inc. and Phillips Services Inc., all in New York.
Principal officers: Harry Phillips III, chairman; Judith L. Robinson, president; Roger Phillips, executive vp; Carmen Barros and William R. Phillips, vps.
Licensed excess/surplus broker in: New York.

Pickett, Adams & Burkholder Insurance Inc.

P.O. Box 850069, 632 Hillcrest Road, Mobile, Ala. 36685; 205-343-9480

	1985	1984
Premium volume	$6,400,000	$5,400,000
Gross revenues	$1,086,000	$829,144
Brokerage: Retail	60%	60%
Personal Lines	30%	30%
Other	10%	10%
Employees	23	19
Offices	2	1

Year founded: 1983.
Brokerage: 100% commissions.
Acquisitions and mergers: Eastern Shore Insurance, Fairhope, Ala.
Retail brokerage branch offices: Pickett, Adams & Burkholder, Eastern Shore, Fairhope, Ala.
Principal officers: Paul H. Burkholder Jr., president; C. King Pickett, executive vp; Spencer M. Adams III, secretary/treasurer; H. Steven King and Antony O. O'Conner, vps.
Licensed excess/surplus broker in: Alabama.

Pierson & Smith Inc.

65 Broad St., Stamford, Conn. 06901; 203-327-2727

	1985	1984
Premium volume	$28,474,633	$23,696,112
Gross revenues	$4,271,089	$3,778,632
Brokerage: Retail	60%	58%
Wholesale	1%	1%
Services	3%	2%
Personal Lines	25%	23%
Other	11%	16%
Employees	54	48
Offices	3	4

Year founded: 1938.
Brokerage: 90% commissions, 10% fees.
Retail brokerage branch offices: Norwalk and Danbury, Conn.
Principal officers: Samuel F. Pierson, president; Richard H. Smith Jr., executive vp; Edward P. Lane, senior vp; Michael G. Watts, vp/secretary; Jon Rudiger, treasurer.
Licensed excess/surplus broker in: Connecticut.

Poe & Associates Inc.

702 N. Franklin St., P.O. Box 1348, Tampa, Fla. 33601; 813-228-7361

See profile, page 64.

Pomerleau Agency Inc.

69 College St., Burlington, Vt. 05402; 802-863-2841

	1985	1984
Premium volume	$16,750,185	$7,500,306
Gross revenues	$1,961,425	$885,000
Brokerage: Retail	63.5%	81%
Wholesale	26%	2%
Services	2%	0%
Personal Lines	6%	15%
Invest. Income	2.5%	2%
Employees	24	15
Offices	2	2

Year founded: 1953.
Brokerage: 89% commissions, 11% fees.
Retail brokerage branch offices: Stowe, Vt.
Principal officers: Antonio B. Pomerleau, chairman; Charles S. Lord, president/chief executive officer; Anne E. Cote, vp.
Licensed excess/surplus broker in: Vermont.

Popkin Lebson Bergstein Inc.

38 Franklin St., P.O. Box 800, Tenafly, N.J. 07670; 201-569-8090 or 212-928-2473

	1985	1984
Premium volume	$12,466,787	$9,258,903
Gross revenues	$2,136,544	$1,740,623
Brokerage: Retail	67%	65%
Wholesale	1%	1%
Services	1%	1%
Personal Lines	29%	31%
Invest. Income	2%	2%
Employees	27	25
Offices	1	1

Year founded: 1974.
Brokerage: 99% commissions, 1% fees.
Principal officers: Leo J. Popkin, president; Bruce A. Bergstein, vp/secretary; Martin A. Lebson, vp/treasurer; Michael Bergstein, Ron Bergstein, Jay Bernstein and Ted Kadison, vps.

The Porter Allen Co.

513 Southard St., Key West, Fla. 33040; 305-294-2542

	1985	1984
Premium volume	$5,500,000	$4,000,000
Gross revenues	$836,000	$625,000
Brokerage: Retail	70%	55%
Personal Lines	30%	45%
Employees	24	20
Offices	3	2

Year founded: 1891.
Brokerage: 100% commissions.
Retail brokerage branch offices: Marathon and Key Largo, Fla.
Principal officers: David W. Freeman, president; William A. Freeman Jr., secretary; William A. Freeman III, vp.

Carl A. Posse & Co.

4 Sentry Parkway, Blue Bell, Pa. 19422; 215-834-1410

	1985	1984
Premium volume	$42,500,000	$37,000,000
Gross revenues	$3,500,000	$3,100,000
Brokerage: Retail	68%	65%
Services	3%	3%
Personal Lines	24%	26%
Invest. Income	3%	4%
Other	2%	2%
Employees	40	40
Offices	1	1

Year founded: 1866.
Brokerage: 90% commissions, 10% fees.
Parent company: Evans Conger & Brown Inc.
Principal officers: Carl A. Posse, chairman; William D. Clarke, president; John J. Knowles and John B. Walton, executive vps.
Licensed excess/surplus broker in: Pennsylvania, New Jersey.

Cecil W. Powell & Co.

P.O. Box 41490, Jacksonville, Fla. 32203; 904-353-3181

	1985	1984
Premium volume	$27,000,000	$20,000,000
Gross revenues	$2,560,000	$1,873,000
Brokerage: Retail	91%	91%
Personal Lines	5%	5%
Invest. Income	4%	4%
Employees	25	24
Offices	1	1

Year founded: 1935.
Brokerage: 95% commissions, 5% fees.
Principal officers: Fitzhugh K. Powell, president; Lon B. Bryan, executive vp; S.L. Storey, Fitz Powell Jr. and R.B. Hazard, vps; T. Harris, sales manager.
Licensed excess/surplus broker in: Florida.

Producers Exchange Inc.

1310 Texas American Bank Building, Dallas, Texas 75235; 214-357-6504

	1985	1984
Premium volume	$15,200,000	$19,400,000
Gross revenues	$2,060,000	$1,990,000
Brokerage: Retail	50%	50%
Wholesale	16%	12%
Services	28%	30%
Invest. Income	6%	7%
Other	0%	1%
Employees	26	26
Offices	4	4

Year founded: 1973.
Brokerage: 85% commissions, 15% fees.
Non-retail brokerage subsidiaries: Producers Exchange Insurance Agency Inc., Dallas, Lubbock and Corpus Christi, Texas; Producers Exchange Life Insurance Agency Inc., Houston.
Parent company: Producers Exchange Cooperative.
Principal officers: Bill M. Morrison, president/chief executive officer; George R. Flickinger, regional vp; T. Dale Roberts, vp.
Licensed excess/surplus broker in: Texas.

Allen M. Reager Co.

10400 Linn Station Road, Louisville, Ky. 40223; 502-425-9444

	1985	1984
Premium volume	$17,750,000	$11,500,000
Gross revenues	$2,855,000	$1,919,919
Brokerage: Retail	82%	72%
Personal Lines	11%	20%
Invest. Income	7%	8%
Employees	52	43
Offices	1	1

Continued on next page

Continued from facing page

Year founded: 1904.
Brokerage: 98% commissions, 2% fees.
Acquisitions and mergers: Troutman Insurance Inc., Louisville, Ky.
Principal officers: Richard L. Martin, president; John L. English and James E. Carrico, vps; Larry P. Westmoreland, secretary; Joseph M. Carrico, treasurer.
Licensed excess/surplus broker in: Kentucky.

Rebsamen Insurance

P.O. Box 3198, 1500 Riverfront Drive, Little Rock, Ark. 72203; 501-661-4800

	1985	1984
Premium volume	$89,447,604	$73,193,982
Gross revenues	$12,070,243	$10,081,616
Brokerage: Retail	68.9%	62.1%
Wholesale	11.1%	15.4%
Services	9.7%	11.8%
Personal Lines	4.6%	3.5%
Invest. Income	5.7%	7.2%
Employees	149	144
Offices	3	3

Year founded: 1929.
Brokerage: 97.5% commissions, 2.5% fees.
Retail brokerage branch offices: Rebsamen Insurance/Fort Smith, Fort Smith, Ark.; Rebsamen Insurance/Springdale, Springdale, Ark.
Non-retail brokerage subsidiaries: Insurisk Excess & Surplus Lines, Little Rock, Ark.
Parent company: Rebsamen Cos. Inc.
Principal officers: Charles H. Harper, president; Charles C. Campbell, executive vp; Max F. Campbell, senior vp/treasurer; William L. Grace and Jack L. Garrison, senior vps.
Licensed excess/surplus broker in: Arkansas.

The Redland Group

35 North Main Place, Council Bluffs, Iowa 51501; 712-325-1010

	1985	1984
Premium volume	$53,922,866	$46,077,657
Gross revenues	$15,796,346	$13,023,965
Brokerage: Retail	19%	17%
Wholesale	12%	13%
Reinsurance	60%	63%
Personal Lines	2%	0%
Invest. Income	6%	5%
Other	1%	2%
Employees	181	158
Offices	4	3

Year founded: 1945.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Insurance Agents Inc., Omaha, Neb.; American Agrisurance, Spokane, Wash., and Great Falls, Mont.
Non-retail brokerage subsidiaries: American Agrisurance Co., Redland Insurance Co.
Principal officers: H.H. Nelson, chairman; John P. Nelson, president; Richard C. Gibson, Gary L. Hurley and Omer C. Trout, vps.
Licensed excess/surplus broker in: Nebraska, Iowa.

Republic Hogg Robinson Inc.

117 Milk St., Boston, Mass. 02109; 617-542-5200

See profile, page 61.

Rhulen Agency Inc.

217 Broadway, Monticello, N.Y. 12701; 914-794-8000

	1985	1984
Premium volume	$85,000,000	$80,000,000
Gross revenues	$16,594,000	$16,247,198
Brokerage: Retail	41%	45%
Wholesale	53%	47%
Reinsurance	1%	3%
Services	1%	1%
Personal Lines	2%	2%
Invest. Income	2%	2%
Employees	320	227
Offices	7	8

Year founded: 1934.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Greer, S.C.; Levittown, Pa.; Murfreesboro, Tenn.; Ocala, Fla.; Grove City, Ohio; Interstate Insurance Agency, Atlanta, Ga.; Weisbord Wells Cross & Brown, Liberty, N.Y.
Non-retail brokerage subsidiaries: Rhulen Life & Pensions Inc., Monticello, N.Y.; Rhulen Special Risks Inc., Monticello, N.Y.; Interstate Insurance Agency Inc., Atlanta.
Parent company: Frontier Columbus Corp.
Principal officers: Walter A. Rhulen, president; Max H. Rhulen, chairman; Jesse M. Farrow and Peter L. Rhulen, executive vps.
Licensed excess/surplus broker in: New York.

Ricci Associates Inc.

1601 Olive St., St. Louis, Mo. 63103; 314-231-2277

	1985	1984
Premium volume	$10,500,000	NA
Gross revenues	$1,303,625	NA
Brokerage: Retail	88.45%	NA
Wholesale	0.05%	NA
Services	2.5%	NA
Personal Lines	5%	NA
Invest. Income	3%	NA
Other	1%	NA
Employees	25	NA
Offices	2	NA

Year founded: 1985.
Brokerage: 96% commissions, 4% fees.
Acquisitions and mergers: Stormzand, Springfield, Mo.
Retail brokerage branch offices: Ricci Associates Inc./Public Entity Risk Managers, Springfield, Mo.
Parent company: TCR Corp.
Principal officers: Thomas C. Ricci Jr., president; James R. Boone, executive vp; John Wittenberg, president-Public Entity Risk Managers; Stephen E. Ricci, president-Regional Benefit Managers.
Licensed excess/surplus broker in: Missouri.

John M. Riehle Inc.

111 Fifth Ave., New York, N.Y. 10003; 212-614-3406

	1985	1984
Premium volume	$41,500,000	$33,000,000
Gross revenues	$8,675,000	$5,728,000
Brokerage: Retail	68%	65%
Services	7%	0%
Personal Lines	21%	35%
Invest. Income	3%	0%
Other	1%	0%
Employees	145	120
Offices	5	3

Year founded: 1896.
Brokerage: 90% commissions, 10% fees.
Acquisitions and mergers: Balint Lamb & O'Neill Inc., Yonkers, N.Y.; Hallman & Lorber Associates Inc., Rockville Centre, N.Y.; Earle Rynston, New York; William Graham, New York.
Retail brokerage branch offices: Knox Lent & Tucker Inc., White Plains, N.Y.; Hallman & Lorber Associates Inc., Rockville Centre, N.Y.; Harvest & HBJ Insurance Inc., Orlando, Fla.; Selective Programs Inc., New York.
Affiliated companies: Federal Home Life Insurance Co., Harvest Life Insurance Co.
Parent company: Harcourt Brace Jovanovich Inc.
Principal officers: J. William Brandner, chairman; Richard A. Fuhrman, president; Marc K. Johnston, treasurer.
Licensed excess/surplus broker in: New York.

Roanoke Agency Inc.

1900 East Golf Road, Suite 740, Schaumburg, Ill. 60195; 312-490-9540 or 800-762-6653

	1985	1984
Premium volume	NA	NA
Gross revenues	$10,900,000	$8,200,000
Brokerage: Retail	82%	81%
Wholesale	7%	5%
Services	2%	3%
Personal Lines	6%	7%
Invest. Income	3%	4%
Employees	172	154
Offices	10	9

Year founded: 1935.
Brokerage: 97% commissions, 3% fees.
Retail brokerage branch offices: Boston; New York; Baltimore; Miami; Houston; Los Angeles; San Francisco; Newport Beach, Calif; Cleveland.
Non-retail brokerage subsidiaries: Anduril Cargo Insurance, Newport Beach, Calif.
Principal officers: William D. Sterrett, president; Robert P. Froese, vp-operations; Lewis M. Moeller, vp-finance; Gerald M. Lavey, director-marketing.
Licensed excess/surplus broker in:

Continued on next page



All but invisible within the night sky is an abundance of synthetic satellites providing numerous benefits to earth-bound man.

At John F. Sullivan, we recognized early the value of providing vital satellite recovery reinsurance to the companies that need it.

An unusual move? Not for us. After all, we didn't get where we are today by standing still.

We've always spent a lot of time pondering the potential that lies hidden in the least expected places.

Like high above the earth in the twilight blue of an evening sky.

JOHN F. SULLIVAN CO.
REINSURANCE

Seattle • New York • Philadelphia • Los Angeles • Dallas • Toronto • Vancouver • Montreal

Continued from previous page
Illinois, Maryland, New York, California, Texas, Florida, Massachusetts, Washington, Oregon, Pennsylvania, Virginia.

Robertson-Ryan & Associates Inc.

660 E. Mason St., Milwaukee, Wis. 53202; 414-271-3575

	1985	1984
Premium volume	$18,456,588	$14,530,920
Gross revenues	$3,526,722	$2,809,082
Brokerage: Retail	77%	78%
Personal Lines	15%	15%
Invest. Income	8%	7%
Employees	53	51
Offices	2	2

Year founded: 1960.
Brokerage: 100% commissions.
Retail brokerage branch offices: Waukesha, Wis.
Principal officers: Jack T. Ryan, chairman; Charles V. Johnson, executive vp/general manager; Lloyd G. Schutte, secretary/treasurer; A.D. Robertson and John S. Borges, director/vps.

Robinson-Conner Inc.

1030 State St., Erie, Pa. 16501 814-452-6881

	1985	1984
Premium volume	NA	NA
Gross revenues	$18,000,000	$15,205,000
Brokerage: Retail	64%	63%
Services	12%	12%
Personal Lines	20%	22%
Invest. Income	1%	0%
Other	3%	3%
Employees	390	305
Offices	17	17

Year founded: 1960.
Brokerage: 99% commissions, 1% fees.
Acquisitions and mergers: Klein & Appel Inc., Louisville, Ky. Hallmark Insurance Agency Inc., Greensboro, N.C.; Insurance Management Services Inc., Cleveland; Wexler Agency Inc., Erie, Pa.; Southern Commercial Underwriters, Asheville N.C.
Retail brokerage branch offices: Pittsburgh and Willow Grove, Pa.; Active Insurance Services, Mechanicsburg, Pa.; Ed Murray & Sons, Cheyenne, Wy.; Fox, Puckett, Cohen & Associates, Louisville and Lexington, Ky.; Insurance Management Services Inc., Cleveland; Moore & Eshelman, Clearfield, Pa.; Robinson-Conner of Florida Inc., Clearwater, Fla. Robinson-Conner of New York Inc., Rochester, N.Y.; Robinson-Conner of North Carolina Inc., Asheville, Greensboro and Raleigh, N.C.; Tolley-Weidman Insurance Agency, Colorado Springs and Englewood, Colo.. Workers Compensation Service Co., Cleveland, Ohio.
Non-retail brokerage subsidiaries: Workers Compensation Service Co., Cleveland, Columbus and Cincinnati, Ohio; Claim Service Inc., Erie, Pa.; Colorado Notary Assn., Denver.
Principal officers: William B. Conner, president; Daniel P. Kuzio, senior vp; Patrick J. Quirk, treasurer.
Licensed excess/surplus broker in: various states.

Rollins Burdick Hunter Co.

10 S. Riverside Plaza, Chicago, Ill. 60606; 312-454-1400

See profile, page 47.

Rothschild, Bell & Walseth Inc.

P.O. Box 7[illegible]28, St Paul, Minn. 55107; 612-221-0[illegible]5

	1985	1984
Premium volume	$6,000,000	$5,000,000
Gross revenues	$879,353	$780,000
Brokerage: Retail	58%	53%
Personal Lines	41%	41%
Invest. Income	1%	1%
Employees	17	17
Offices	1	1

Year founded: 1885.
Brokerage: 99% commissions, 1% fees.
Principal officers: Bruce Walseth, president; Lowell Faa, vp.



S

SPWM Inc. Insurance Brokers

1555 Pacific Ave., P.O. Box 640745, San Francisco, Calif. 94164; 415-673-9340

	1985	1984
Premium volume	$4,000,000	$3,300,000
Gross revenues	$840,000	$660,000
Brokerage: Retail	70%	68%
Personal Lines	28%	30%
Invest. Income	2%	2%
Employees	18	13
Offices	2	2

Year founded: 1947.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Sonoma, Calif.
Principal officers: John R. Prichard, president; Douglas R. Mahon and Paul B. Davis, vps.

Sacramento Valley Insurance

P.O. Box 13792, Sacramento, Calif. 95853-4792; 916-920-3400

	1985	1984
Premium volume	$17,000,000	$11,000,000
Gross revenues	$2,400,000	$1,700,000
Brokerage: Retail	91%	89%
Personal Lines	8%	10%
Other	1%	1%
Employees	35	33
Offices	1	1

Year founded: 1932.
Brokerage: 99% commissions, 1% fees.
Principal officers: James C. Chenu, president; Thomas D. Hobday, executive vp; Charles J. Sigerseth, David Zancanaro and J. Gary Kerns, vps; David Garese, secretary.

The Sadler Insurance Agency Inc.

24 Railroad Square, C.S. 2021, Nashua, N.H. 03061; 603-883-0511

	1985	1984
Premium volume	$11,000,000	$9,500,000
Gross revenues	$1,807,182	$1,648,746
Brokerage: Retail	72%	71%
Personal Lines	24%	24%
Invest. Income	4%	5%
Employees	32	30
Offices	2	2

Year founded: 1924.
Brokerage: 100% commissions.
Retail brokerage branch offices: Manchester, N.H.
Principal officers: George J.T. Sadler, president; James E. Cleary, executive vp; Robert E. Marcotte, senior vp; Arthur B. Bruinooge and Marilyn B. Donnelly, vps.
Licensed excess/surplus broker in: New Hampshire.

Saldana & Associates Inc.

701 Ponce de Leon Ave., Suite 303, Santurce, Puerto Rico 00907; 809-721-2600

	1985	1984
Premium volume	$38,000,000	$40,000,000
Gross revenues	$4,100,000	$4,300,000
Brokerage: Retail	95%	94%
Personal Lines	4%	3%
Invest. Income	1%	3%
Employees	62	54
Offices	1	1

Year founded: 1972.
Brokerage: 100% commissions.
Principal officers: Jorge Y. Saldana, president; Ralph G. Christiansen Jr., executive vp/director; Eduardo R. Emanuelli, senior vp/director.
Licensed excess/surplus broker in: Puerto Rico, U.S. Virgin Islands.

The Schaefer Agency

201 E. Main St., Smithtown, N.Y. 11787; 516-979-7474

	1985	1984
Premium volume	$10,000,000	$8,000,000
Gross revenues	$1,400,000	$1,200,000
Brokerage: Retail	68%	68%
Services	1%	1%
Personal Lines	30%	30%
Invest. Income	1%	1%
Employees	27	25
Offices	2	2

Year founded: 1976.
Brokerage: 99% commissions, 1% fees.
Principal officers: Charles Schaefer and Doris Schaefer.

Schiff, Kreidler-Shell Inc.

309 Vine St., Suite 250, Cincinnati, Ohio 45202; 513-977-3100

	1985	1984
Premium volume	$16,800,000	$10,500,000
Gross revenues	$4,365,665	$5,256,950
Brokerage: Retail	56%	38%
Wholesale	1%	1%
Services	14%	45%
Personal Lines	17%	13%
Invest. Income	3%	2.5%
Other	9%	0.5%
Employees	54	150
Offices	2	2

Year founded: 1877.
Brokerage: 98% commissions, 2% fees.
Retail brokerage branch offices: Covington, Ky.
Principal officers: Robert C. Schiff, president/chief executive officer; William S. Culp, executive vp/chief operating officer; Ralph B. Longbine, executive vp-bonds; Richard C. Shell, senior vp; Jack N. Lewin, vp.

Schwartz Brothers Insurance Agency Inc.

135 S. LaSalle St., Suite 2035, Chicago, Ill. 60603; 312-630-0800

	1985	1984
Premium volume	$46,000,000	$33,000,000
Gross revenues	$7,744,000	$5,600,000
Brokerage: Retail	95%	96%
Personal Lines	3%	2%
Invest. Income	2%	2%
Employees	60	57
Offices	1	1

Year founded: 1919.
Brokerage: 99.9% commissions, 0.1% fees.
Principal officers: Edward H. Schwartz, president/treasurer; Raymond L. Miller, vp/secretary; Robert I. Schwartz, Kenneth R. Clark and Mark P. Nahin, vps.

H.D. Segur Inc.

Box 631, 229 W. Main St., Waterbury, Conn. 06720; 203-756-7933

	1985	1984
Premium volume	$12,800,000	$8,500,000
Gross revenues	$1,700,000	$1,465,000
Brokerage: Retail	77%	76%
Personal Lines	22%	23%
Invest. Income	1%	1%
Employees	29	28
Offices	1	2

Year founded: 1890.
Principal officers: John F. Burbank, chairman; James B. Mullen Jr., president; Nicholas Pannollo, Joseph Cunningham and Carl Temme, vps.
Licensed excess/surplus broker in: Connecticut.

Seitlin & Co.

8125 N.W. 53rd St., Miami, Fla. 33166; 305-591-0090

	1985	1984
Premium volume	$25,375,000	$18,440,000
Gross revenues	$3,960,000	$3,293,000
Brokerage: Retail	85%	83%
Personal Lines	12%	14%
Invest. Income	3%	3%
Employees	81	73
Offices	1	1

Year founded: 1945.
Brokerage: 100% commissions.
Parent company: Seitco Corp.
Principal officers: Sam Seitlin, chairman; M. Stephen Jackman, president; Robert L. Seitlin, secretary; Timothy Gaffney, vp; Edward Falzarano, vp-finance; Fannie Levitt, treasurer.

Shelton Insurance Agency Inc.

1227 Third St., Corpus Christi, Texas 78404; 512-882-5586

	1985	1984
Premium volume	$9,714,575	$7,515,912
Gross revenues	$1,413,081	$1,046,400
Brokerage: Retail	90%	90%
Personal Lines	10%	10%
Employees	22	23
Offices	1	1

Year founded: 1941.
Brokerage: 100% commissions.
Principal officers: W.J. Shelton, president/chief executive officer; Louis E. Wells III, vp/secretary/treasurer; John Roberts, J.D. Morgan and J. Michael Rhyne, vps.
Licensed excess/surplus broker in: Texas.

Forrest Sherer Inc.

24 N. Sixth St., Terre Haute, Ind. 47808; 812-232-0441

	1985	1984
Premium volume	$22,100,000	$15,325,000
Gross revenues	$3,363,406	$2,532,000
Brokerage: Retail	81.45%	86.22%
Services	3.86%	3.95%
Personal Lines	8.09%	0%
Invest. Income	2.02%	2.59%
Other	4.58%	7.24%
Employees	57	54
Offices	1	1

Year founded: 1920.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Indianapolis.
Principal officers: Arthur Lukens, president; John Dinkel, Dennis Michael, Wayne Sherer and Malcolm Wright.
Licensed excess/surplus broker in: Indiana.

J.H. Silversmith Inc.

825 E. Speer Blvd., Denver, Colo. 80218; 303-698-1211

	1985	1984
Premium volume	$25,000,000	$15,184,000
Gross revenues	$4,250,000	$2,870,000
Brokerage: Retail	75%	77%
Wholesale	1%	1%
Personal Lines	20%	18%
Invest. Income	3%	3%
Other	1%	1%
Employees	62	60
Offices	2	2

Year founded: 1946.
Brokerage: 99.9% commissions, 0.1% fees.
Retail brokerage branch offices: Aviation Insurance Management Co., Englewood, Colo.
Principal officers: J.H. Silversmith Jr., president; John K. Munn, executive vp; David K. Hawkes, vp; Irene G. Falbo, corporate secretary; Joyce Goodfellow, treasurer.
Licensed excess/surplus broker in: Colorado.

The Simkiss Agency Inc.

150 Radnor Chester Road, St. Davids, Pa. 19087; 215-254-5000

	1985	1984
Premium volume	$25,900,000	$15,707,800
Gross revenues	$3,040,000	$2,123,500
Brokerage: Retail	91%	91%
Services	2%	1%
Personal Lines	5%	5%
Invest. Income	2%	3%
Employees	40	34
Offices	1	1

Year founded: 1965.
Brokerage: 79% commissions, 21% fees.
Principal officers: John A. Simkiss Jr., president; Richard J. Decker, William F. Simkiss and William F. O'Brien, executive vps.
Licensed excess/surplus broker in: Pennsylvania.

The Sklover Organization

400 Post Ave., Westbury, N.Y. 11590; 516-333-6011

	1985	1984
Premium volume	$7,000,000	$5,200,000
Gross revenues	$850,000	$780,000
Brokerage: Retail	80%	80%
Reinsurance	0%	10%
Services	5%	0%
Personal Lines	10%	10%
Invest. Income	5%	0%
Employees	8	7
Offices	2	2

Year founded: 1964.
Brokerage: 90% commissions, 10% fees.
Retail brokerage branch offices: New York.
Principal officers: Richard Sklover, president; Domenic Repetto, vp.

Smith, Bell & Thompson Inc.

P.O. Box 730, 102 S. Winooski Ave., Burlington, Vt. 05401; 802-863-4600

	1985	1984
Premium volume	$12,517,875	$8,114,983
Gross revenues	$2,907,117	$2,274,973
Brokerage: Retail	42.2%	33%
Wholesale	24.3%	30.9%
Personal Lines	9.2%	15.3%
Invest. Income	1.3%	0.5%
Other	23%	20.3%
Employees	35	32
Offices	1	1

Year founded: 1928.
Brokerage: 100% commissions.
Principal officers: Warren L. Thompson, president; Roger O. Teese, senior vp; Steven K.J. Gentile and Carolyn Kovac, vps; Bradley O. Matulonis, treasurer.
Licensed excess/surplus broker in: Vermont.

Continued on next page

Continued from previous page

South Continental Insurance Agency Inc.

252 Tetuan St., Box 6022, San Juan, Puerto Rico 00905; 809-721-7600

	1985	1984
Premium volume	$26,072,000	$25,178,000
Gross revenues	$6,247,000	$6,739,000
Brokerage: Retail	12%	7%
Wholesale	70%	75%
Personal Lines	15%	15%
Invest. Income	3%	3%
Employees	55	98
Offices	2	3

Year founded: 1972.
Brokerage: 98% commissions, 2% fees.
Non-retail brokerage subsidiaries: Mayaguez, Puerto Rico.
Principal officers: Angela W. Shine, president; Raul E. Laborde, vp-underwriting; Lindin Garcia, vp-bonding; America Colon, vp-administration; Luis Collazo, vp-accounting.
Licensed excess/surplus broker in: Puerto Rico.

DeWitt Stern, Gutmann & Co. Inc.

420 Lexington Ave., New York, N.Y. 10170; 212-867-3550

	1985	1984
Premium volume	NA	$20,000,000
Gross revenues	$3,180,000	$2,100,000
Brokerage: Retail	90%	90%
Wholesale	0%	1%
Reinsurance	0%	4%
Personal Lines	10%	5%
Employees	45	38
Offices	2	2

Year founded: 1899.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: DeWitt Stern Gutmann of California, Studio City, Calif.
Principal officers: DeWitt A. Stern, chairman; Jolyon F. Stern, president; Gilbert Andrus, executive vp; Herbert Bodek and Debra Kozee, vps; Constance Gray, secretary.
Licensed excess/surplus broker in: New York.

Sullivan Co. Inc.

One Shelter Centre, P.O. Box 2860, Greenville, S.C. 29602; 803-239-1401

	1985	1984
Premium volume	$22,500,000	$33,670,000
Gross revenues	$3,100,000	$4,897,000
Brokerage: Retail	73%	76%
Wholesale	1%	1%
Services	1%	1%
Personal Lines	23%	20%
Invest. Income	2%	2%
Employees	81	86
Offices	8	8

Year founded: 1974.
Brokerage: 99% commissions, 1% fees.
Acquisitions and mergers: Salley Agency, Charleston, S.C.
Retail brokerage branch offices: Boltman-Sullivan/Edens-Turbeville Agencies, Columbia, S.C.; Charleston, S.C.; Sylva, Murphy, Hayesville, Andrews and Robbinsville, N.C.
Parent company: U.S. Shelter Corp.
Principal officers: Joseph F. Sullivan, president; George C. Bell, executive vp; Alex W. Edmonds, senior vp; Robert H. Heile, vp/controller.
Licensed excess/surplus broker in: South Carolina.

Sun State Insurance Agencies Inc.

517 Lake Destiny Road, P.O. Box 5017, Maitland, Fla. 32751; 305-660-1986

	1985	1984
Premium volume	$6,991,000	$4,884,000
Gross revenues	$1,014,000	$774,000
Brokerage: Retail	64%	73%
Personal Lines	34%	26%
Other	2%	1%
Employees	18	16
Offices	3	3

Year founded: 1979.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Orlando and Naples, Fla.
Principal officers: James M. Stephenson, president; Frank M. Arnall, executive vp.
Licensed excess/surplus broker in: Florida.

t

The Talbert Corp.

P.O. Box 9364, 1001 Lincoln St., Denver, Colo. 80209; 303-839-1773

	1985	1984
Premium volume	$30,000,000	$23,000,000
Gross revenues	$6,779,000	$4,956,000
Brokerage: Retail	93.7%	96%
Services	3%	2%
Personal Lines	1%	1%
Invest. Income	2.3%	1%
Employees	82	76
Offices	5	5

Year founded: 1961.
Brokerage: 97.7% commissions, 2.3% fees.
Retail brokerage branch offices: Grand Junction, Colo.; Salt Lake City, Utah; Faucett Insurance Associates/Talbert, Littleton, Colo.; Walt Forbes/Talbert, Casper, Wy.
Principal officers: Bill R. Clark, president/chief executive officer; Courtney T. Peterson, executive vp; Charles N. Fleck, senior vp; Robert Gill, vp-property/casualty; Robert J. Sunich, vp-surety.
Licensed excess/surplus broker in: Colorado, Wyoming.

Thilman & Filippini

150 N. Wacker Drive, Chicago, Ill. 60606; 312-726-4800

	1985	1984
Premium volume	$20,000,000	$15,000,000
Gross revenues	$2,800,000	$2,000,000
Brokerage: Retail	71%	65%
Wholesale	3%	5%
Services	5%	5%
Personal Lines	16%	20%
Invest. Income	4%	4%
Other	1%	1%
Employees	50	45
Offices	2	2

Year founded: 1929.
Brokerage: 95% commissions, 5% fees.
Retail brokerage branch offices: Evanston, Ill.
Principal officers: E. Thomas Thilman and Thomas W. Filippini.
Licensed excess/surplus broker in: Illinois.

H.A. Thomson Co.

730 Springdale Drive, Exton, Pa. 19341; 215-363-9009

	1985	1984
Premium volume	$13,000,000	$8,500,000
Gross revenues	$2,100,000	$1,500,000
Brokerage: Retail	77%	74%
Wholesale	1%	1%
Personal Lines	20%	23%
Invest. Income	2%	2%
Employees	33	30
Offices	3	3

Year founded: 1934.
Brokerage: 99% commissions, 1% fees.
Retail brokerage branch offices: Malvern and Cherry Tree, Pa.
Principal officers: Bernard J. Giangiulio Jr., president; Thomas P. Giangiulio, vp/general manager; Michael J. Giangiulio, vp; Barbara G. Towson, treasurer.

John P. Tilden Ltd.

10 Platt St., New York, N.Y. 10038; 212-635-2200

	1985	1984
Premium volume	NA	NA
Gross revenues	$5,388,047	$4,951,872
Brokerage: Retail	73%	73.5%
Wholesale	5%	4%
Reinsurance	2.5%	2.5%
Personal Lines	10%	10%
Invest. Income	8.5%	10%
Other	1%	0%
Employees	81	75
Offices	2	1

Year founded: 1964.
Brokerage: 92% commissions, 8% fees.
Acquisitions and mergers: Richard A. McGuire & Associates Inc., Bay Shore, N.Y.
Retail brokerage branch offices: Bay Shore, N.Y.
Principal officers: J. Robert Wilson, president/treasurer; Gerald I. Benson, senior vp/secretary; John J. McGowan, executive vp; Richard A. McGuire, senior vp; Albert Pollack, vp.
Licensed excess/surplus broker in: New York.

Timberline Insurance Managers Inc.

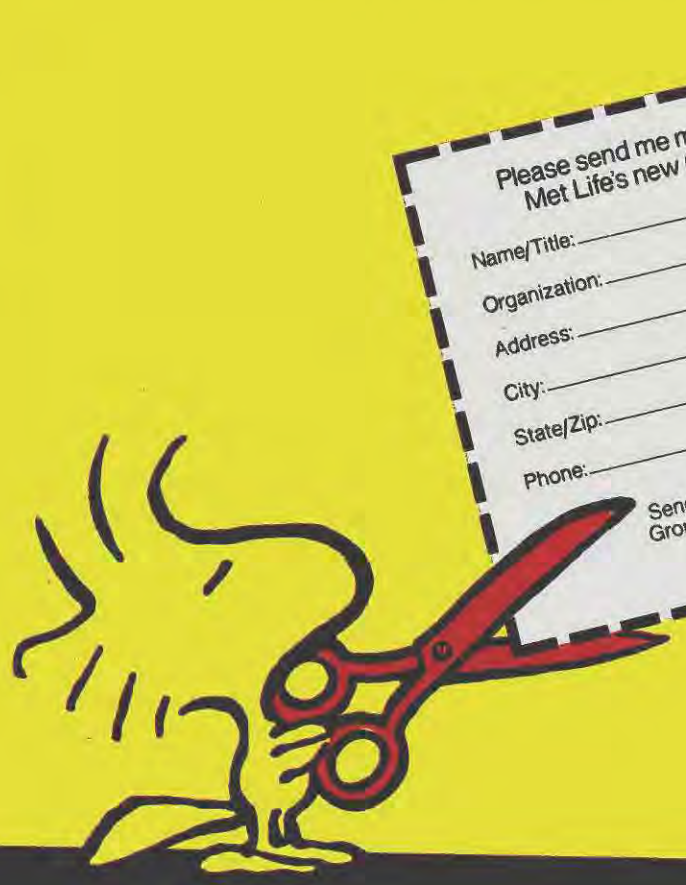
700 Lavaca, Austin, Texas 78767 or P.O. Box 2083, Austin, Texas 78768; 512-472-9297

	1985	1984
Premium volume	$33,000,000	$27,000,000
Gross revenues	$3,502,442	$3,052,467
Brokerage: Retail	48.5%	39.3%
Personal Lines	35.5%	37.8%
Invest. Income	15%	20.2%
Other	1%	2.7%
Employees	50	50
Offices	2	2

Year founded: 1957.
Brokerage: 94.2% commissions, 5.8% fees.

Continued on next page

WITH NEW GROUP UNIVERSAL LIFE FROM MET LIFE, THIS IS PRACTICALLY ALL THE PAPERWORK YOU'LL DO.



Met Life knows how to make this popular insurance product even more popular with benefits managers. It's simple. We'll do the work for you. Just tell us what you need. We'll handle administration, employee communication, help educate your benefits staff and can even provide an 800 number to answer employees' questions.

Employees love Group Universal Life because it accumulates cash value on a tax-deferred basis yet keeps their permanent insurance program flexible.

Employers love it because it's employee-paid. Group Universal Life is now available through Met Life.

Call your broker/consultant or cut out the coupon that cuts out the paperwork.

GET MET. IT PAYS.

Metropolitan Life
AND AFFILIATED COMPANIES

© 1985 Metropolitan Life Insurance Company, N.Y., N.Y.

Continued from preceding page

Retail brokerage branch offices: San Antonio, Texas.

Parent company: Lumbermen's Investment Co.

Principal officers: Jim Boyd, Larry Brandon, Pat Bridgwater and Bill Gilardi, vps; Brian Elkouri, controller.

Licensed excess/surplus broker in: Texas.

U

Ulrich Voorhees Warner Associates

100 Davidson Ave., P.O. Box 228, Somerset, N.J. 08873; 201-469-3000

	1985	1984
Premium volume	**$31,200,000**	$24,300,000
Gross revenues	**$4,650,000**	$3,325,000
Brokerage: Retail	**61%**	64%
Services	**8%**	6%
Personal Lines	**8%**	9%
Invest. Income	**5%**	4%
Other	**18%**	17%
Employees	**44**	41
Offices	**1**	1

Year founded: 1972.

Brokerage: 90% commissions, 10% fees.

Principal officers: John N. Voorhees III, president; Stephen A. Warner, executive vp; Allen Preville, vp; Adrienne Soricelli, vp-claims/loss control; John Birofka, vp-marketing; T. Wade Byrum, vp-employee benefits.

Licensed excess/surplus broker in: New Jersey.

V

Van Beurden & Associates Insurance Services Inc.

1615 Draper St., Kingsburg, Calif. 93631; 209-897-2975

	1985	1984
Premium volume	**$30,665,000**	$20,267,000
Gross revenues	**$3,914,000**	$2,400,000
Brokerage: Retail	**88%**	85%
Wholesale	**7%**	10%
Personal Lines	**2%**	3%
Invest. Income	**3%**	2%
Employees	**57**	42
Offices	**5**	4

Year founded: 1934.

Brokerage: 100% commissions.

Acquisitions and mergers: Jay O. Eaton, Caruthers, Calif.

Retail brokerage branch offices: Woodland, Modesto, Thousand Oaks and Caruthers, Calif.

Non-retail brokerage subsidiaries: Van Beurden & Associates Excess Surplus Lines, Acton, Calif.

Principal officers: William J. Van Beurden, president; Steven C. Wigh and John A. Van Huizum, vps; Mark F. Matthews, vp/secretary; J. Robert Lankford, chief financial officer.

Licensed excess/surplus broker in: California.

Truman Van Dyke Co.

6290 Sunset Blvd., Suite 1800, Hollywood, Calif. 90028; 213-462-3300

	1985	1984
Premium volume	**$5,432,461**	$4,113,669
Gross revenues	**$706,293**	$603,935
Brokerage: Retail	**94%**	95%
Wholesale	**3%**	2%
Personal Lines	**3%**	3%
Employees	**14**	15
Offices	**1**	1

Year founded: 1953.

Brokerage: 100% commissions.

Principal officers: Rose Van Dyke, chairman; Truman Van Dyke Jr., president.

Licensed excess/surplus broker in: California.

The Van Guilder Insurance Corp.

700 Broadway, Suite 1035, Denver, Colo. 80203; 303-837-8500

	1985	1984
Premium volume	**$40,600,000**	$26,000,000
Gross revenues	**$5,870,000**	$4,250,000
Brokerage: Retail	**77%**	74%
Wholesale	**1%**	1%
Personal Lines	**15%**	16%
Invest. Income	**3%**	4%
Employees	**100**	68
Offices	**2**	2

Year founded: 1905.

Brokerage: 98% commissions 2% fees.

Retail brokerage branch offices: Casper, Wyo.

Principal officers: Dell G. Van Guilder, president; Henry Higginbottom, secretary/treasurer; Karl Parker, Rollo Jacobs and Ned Steel, vps.

Licensed excess/surplus broker in: Colorado.

Variable Protection Administrators Inc.

7123 Pearl Road, Suite 300, Cleveland, Ohio 44130; 216-888-8585

	1985	1984
Premium volume	**$66,500,000**	$60,000,000
Gross revenues	**$6,005,223**	$5,555,000
Brokerage: Retail	**87%**	87%
Wholesale	**2%**	2%
Reinsurance	**1%**	1%
Services	**10%**	10%
Employees	**91**	92
Offices	**1**	1

Year founded: 1968.

Brokerage: 100% commissions.

Non-retail brokerage subsidiaries: VPA Insurance Ltd., VPA Group Dental Care Corp.

Principal officers: Davic T. Manley, president; David Campbell, vp-marketing; Susan Maddock, vp-underwriting; Timothy Eisenmann, vp-operations; Anthony Manley, vp-claims; Norman Louie, corporate treasurer.

W

Irving Weber Associates Inc.

373 Park Ave. South, New York, N.Y.10016-8866; 212-689-9780

	1985	1984
Premium volume	**$8,700,000**	$7,900,000
Gross revenues	**$1,962,000**	$1,798,000
Brokerage: Retail	**70%**	70%
Wholesale	**1%**	1%
Services	**3%**	3%
Personal Lines	**22%**	21%
Invest. Income	**3%**	4%
Other	**1%**	1%
Employees	**28**	25
Offices	**1**	1

Year founded: 1960.

Brokerage: 92% commissions, 8% fees.

Principal officers: Dennis M. Weber, president; Shaby Shemtob, executive vp; Sandra Stewart, treasurer; Helen Krump, secretary; Irving Weber, chairman.

Licensed excess/surplus broker in: New York.

I.R. Weinraub & Co. Inc.

28 W. Grand Ave., Montvale, N.J. 07675; 201-930-8500

	1985	1984
Premium volume	**$18,000,000**	$12,000,000
Gross revenues	**$1,800,000**	$1,200,000
Brokerage: Retail	**91.5%**	92%
Services	**3%**	2%
Personal Lines	**4%**	5%
Invest. Income	**1.5%**	1%
Employees	**35**	28
Offices	**1**	1

Year founded: 1975.

Brokerage: 95% commissions, 5% fees.

Principal officers: Irving R. Weinraub, chairman; Mark B. Weinraub, president; Mike Greenberg, vp-sales; Frank DePalma, vp-marketing; Steven Kovacs, vp-risk management.

Licensed excess/surplus broker in: New York, New Jersey.

Wharton/Lyon & Lyon

101 S. Livingston Ave., Livingston, N.J. 07039; 201-992-5775

	1985	1984
Premium volume	**NA**	NA
Gross revenues	**$4,554,000**	$3,631,000
Brokerage: Retail	**80.5%**	74%
Personal Lines	**17.5%**	22%
Invest. Income	**2%**	4%
Employees	**56**	52
Offices	**1**	1

Year founded: 1912.

Brokerage: 95% commissions, 5% fees.

Principal officers: Albert L. Klein, chairman/chief executive officer.

John D. Williams Co.

415 E. Yandell, P.O. Box 9187, El Paso, Texas 79983; 915-533-2614

	1985	1984
Premium volume	**$25,000,000**	$20,000,000
Gross revenues	**$4,445,000**	$3,738,000
Brokerage: Retail	**65%**	59%
Wholesale	**2%**	2%
Services	**11%**	9%
Personal Lines	**15%**	19%
Invest. Income	**6%**	4%
Other	**1%**	7%
Employees	**100**	100
Offices	**4**	3

Year founded: 1929.

Brokerage: 98% commissions, 2% fees.

Retail brokerage branch offices: Austin and Lubbock, Texas.

Non-retail brokerage subsidiaries: Washington, D.C.

Principal officers: Donald R. Margo II, president; Jimmy D. Fullerton, chief operating officer; Darrell W. Burton, executive vp; Clark R.G. Baker and Ronald D. Miller, senior vps.

Licensed excess/surplus broker in: Texas.

W.K.P. Wilson & Son Inc.

51 St. Joseph St., P.O. Box 2407, Mobile, Ala. 36652; 205-433-0441

	1985	1984
Premium volume	**$60,000,000**	$50,000,000
Gross revenues	**$6,300,000**	$5,000,000
Brokerage: Retail	**82%**	80%
Personal Lines	**13%**	14%
Invest. Income	**5%**	6%
Employees	**105**	95
Offices	**1**	1

Year founded: 1898.

Brokerage: 98% commissions, 2% fees.

Principal officers: B.R. Wilson Jr., chairman; Clifton C. Inge, president; Walter E. Roney Jr., J. Schley Rutherford and James M. Paulk, senior vps.

Licensed excess/surplus broker in: Alabama.

Wisenberg Insurance & Risk Management

4828 Loop Central Drive, Ninth Floor, P.O. Box 983, Houston, Texas 77081; 713-666-5200

	1985	1984
Premium volume	**$35,000,000**	$23,000,000
Gross revenues	**$4,486,000**	$4,352,000
Brokerage: Retail	**81%**	83%
Services	**7%**	5%
Personal Lines	**10%**	10%
Invest. Income	**2%**	2%
Employees	**65**	68
Offices	**1**	2

Year founded: 1934.

Brokerage: 90% commissions, 10% fees.

Principal officers: Irving Pozmantier, chairman; Joe L. Williams, president; Jay Williams, Jeff Pozmantier and Clif Wistner, vps.

Licensed excess/surplus broker in: Texas.

Hirsch Wolf & Co. Inc.

1505 Coney Island Ave., Brooklyn, N.Y. 11230; 718-252-2800

	1985	1984
Premium volume	**$15,000,000**	$12,000,000
Gross revenues	**$2,000,000**	$1,500,000
Brokerage: Retail	**92%**	95%
Services	**1%**	1%
Personal Lines	**4%**	3%
Invest. Income	**2%**	1%
Other	**1%**	0%
Employees	**27**	25
Offices	**2**	2

Year founded: 1958.

Brokerage: 98% commissions, 2% fees.

Retail brokerage branch offices: New York.

Non-retail brokerage subsidiaries: Transworld Insurance Intermediaries Ltd.

Principal officers: Hirsch Wolf and Raquel Wolf.

Thomas E. Wood Inc.

1500 Carew Tower, Cincinnati, Ohio 45202; 513-852-6300

	1985	1984
Premium volume	**$40,400,000**	$30,200,000
Gross revenues	**$6,000,000**	$4,800,000
Brokerage: Retail	**80%**	70%
Personal Lines	**15%**	23%
Invest. Income	**5%**	7%
Employees	**110**	120
Offices	**4**	4

Year founded: 1902.

Brokerage: 97% commissions, 3% fees.

Retail brokerage branch offices: Harrison, Ohio; Wood Underwriters Agency, Edgewood, Ky.; Perkins & Geoghegan of Kentucky, Dayton, Ky.

Principal officers: Thomas J. Klinedinst Sr., president; Thomas J. Klinedinst Jr., executive vp; Edward R. Bowmann, senior vp; Paul R. Swanson, vp/secretary; Marjorie A. Dunn, vp/treasurer.

Licensed excess/surplus broker in: All states.

The Woodsmall Cos.

Five Crown Center, Kansas City, Mo. 64108; 816-421-7788

	1985	1984
Premium volume	**$25,200,000**	$21,500,000
Gross revenues	**$4,242,000**	$3,351,000
Brokerage: Retail	**90%**	90%
Reinsurance	**2%**	2%
Services	**1%**	1%
Personal Lines	**2%**	3%
Invest. Income	**4%**	2%
Other	**1%**	2%
Employees	**59**	54
Offices	**1**	1

Year founded: 1974.

Brokerage: 80% commissions, 20% fees.

Principal officers: Warren O. Woodsmall, chairman; Peter L. Woodsmall, president; Thomas E. Klug, J. Michael Brewer and Joseph V. Gerlack, senior vps.

Licensed excess/surplus broker in: Missouri, Kansas.

John L. Wortham & Son

2727 Allen Parkway, Houston, Texas, 77019; P.O. Box 1388, Houston, Texas 77251; 713-526-3366

See profile, page 75.

Wright & Co.

1400 I St. N.W., Suite 1100, Washington, D.C. 20005; 202-289-0200

	1985	1984
Premium volume	**$10,400,000**	$9,460,000
Gross revenues	**$1,930,540**	$1,852,000
Brokerage: Retail	**81%**	80%
Services	**3%**	4%
Personal Lines	**7%**	8%
Invest. Income	**8%**	7%
Other	**1%**	1%
Employees	**33**	30
Offices	**2**	2

Year founded: 1965.

Brokerage: 96% commissions, 4% fees.

Acquisitions and mergers: Higheath, London.

Retail brokerage branch offices: Wright & Co. (Insurance Brokers) Ltd., London.

Principal officers: Frank L. Wright, chairman/chief executive officer; Robert J. Miller, chief operating officer/senior vp; Betty R. Wright, vp/treasurer; Lionel Epstein, secretary; John Liipfert, vp.

Licensed excess/surplus broker in: District of Columbia.

Leslie Wright & Rolfe Ltd.

P.O. Box 11102, 1055 W. Georgia St., Vancouver, British Columbia; 604-682-4211

	1985	1984
Premium volume	**$24,000,000**	$20,500,000
Gross revenues	**$4,560,000**	$3,810,000
Brokerage: Retail	**81%**	80%
Wholesale	**1%**	1%
Services	**2%**	2%
Personal Lines	**5%**	6%
Invest. Income	**4%**	3%
Other	**7%**	8%
Employees	**83**	79
Offices	**4**	4

Year founded: 1900.

Brokerage: 91% commissions, 9% fees.

Acquisitions and mergers: Associated Bonding & Insurance Services Ltd., Vancouver, British Columbia.

Retail brokerage branch offices: Victoria and Kamloops, British Columbia; Calgary, Alberta.

Principal officers: B.J.L. Rolfe, chairman; H.W.R. Harrison, president; M.H. Rolfe and A.E. le Nobel, executive vps; W.B. Johnston, vp/controller; K.S. Szmigiel, vp-sales.

Y

Young & Perry Insurance

245 U.S. 22 W., P.O. Box 6794, Bridgewater, N.J. 08807; 201-526-1900

	1985	1984
Premium volume	**$6,450,000**	$5,190,000
Gross revenues	**$1,090,000**	$921,000
Brokerage: Retail	**56%**	52%
Services	**3%**	3%
Personal Lines	**36%**	38%
Invest. Income	**2%**	3%
Other	**3%**	4%
Employees	**23**	23
Offices	**3**	3

Year founded: 1909.

Brokerage: 96% commissions, 4% fees.

Retail brokerage branch offices: Lebanon and North Plainfield, N.J.

Principal officers: William R. Young III, president; Lee G. Perry, Willis A. Kennedy and George W. Pohle, vps. ■

The Newest Developments In Benefit Communication Add Simplicity, Not Complexity

Learn to communicate employee benefits better, faster, more cost effectively

Attend the

1986 Benefit Communication Institute

August 24-27
Atlantic City, New Jersey
Caesars Hotel

Program topics will include—
- High tech communication with hands-on demonstrations
- Language simplification
- Communication campaigns
- Audience profiling techniques
- Communicating with the aging population
- Communicating under current legislation

Cost: $450 IFEBP members; $525 nonmembers

For further information or to register, contact the Registrations Department, International Foundation of Employee Benefit Plans (IFEBP), 18700 W. Bluemound Rd., P.O. Box 69, Brookfield, WI 53008-0069, (414) 786-6700

Brokerage offices listed geographically

Alabama

Birmingham
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Garner, Meshad, Wood Agency Inc. (The Armistead Group Inc.)
Hilb, Rogal & Hamilton Co.
Johnson & Higgins of Alabama Inc.
Marsh & McLennan Cos. Inc.
McGriff, Seibels & Williams Inc.
Molton, Allen & Williams Corp.
Rollins Burdick Hunter of Alabama Inc.

Fairhope
Pickett, Adams & Brukholder-Eastern Shore

Florence
The Crump Cos. Inc.
McGriff, Seibels & Williams Inc.

Haleyville
Marion A. Allen Inc. of Alabama

Huntsville
Molton, Allen & Williams Corp.

Lafayette
J. Smith Lanier & Co.

Mobile
Hilb, Rogal & Hamilton Co.
Arthur J. Gallagher & Co.
McGriff, Seibels & Williams Inc.
Molton, Allen & Williams Corp.
Pickett, Adams & Burkholder Insurance Inc.
W.K.P. Wilson & Son Inc.

Montgomery
Collier Cobb & Associates Inc.
Frank B. Hall & Co. Inc.

Alaska

Anchorage
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Johnson & Higgins of Alaska Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Alaska Inc.

Eagle River
Bayly, Martin & Fay International Inc.

Fairbanks
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Rollins Burdick Hunter of Alaska Inc.

Wasilla
Bayly, Martin & Fay International Inc.

Arizona

Flagstaff
Corroon & Black Corp.
Lasher-Cowie-Turner

Glendale
Corroon & Black Corp.

Holbrook
The Crump Cos. Inc.

Lake Havasu City
Bourne-Leavitt (The Leavitt Group)

Mesa
Massey-Leavitt (The Leavitt Group)

Page
Lasher-Cowie-Turner

Phoenix
Bayly, Martin & Fay International Inc.
Beal & Associates Insurance Counselors Inc.
Butler-Leavitt (The Leavitt Group)
Corroon & Black Corp.
The Crump Cos. Inc.
Financial Guardian Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of Arizona Inc.
Lasher-Cowie Agency Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Minard-Leavitt (The Leavitt Group)
Republic Hogg Robinson Inc.
Rollins Burdick Hunter of Arizona Inc.

Prescott
Corroon & Black Corp.

Scottsdale
Arthur J. Gallagher & Co.

Tucson
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Lasher-Cowie Agency Inc.
Marsh & McLennan Cos. Inc.

Yuma
Corroon & Black Corp.

Arkansas

Conway
Marsh & McLennan Cos. Inc.

Eureka Springs
BHC of Eureka Springs
ISU/Brown-Hiller-Clark & Associates

Fort Smith
ISU/Brown-Hiller-Clark & Associates
Rebsamen Insurance/Fort Smith

Hot Springs
Marsh & McLennan Cos. Inc.

Jonesboro
ISU/Hoffman Insurance Corp.

Little Rock
Corroon & Black Corp.
The Crump Cos. Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
ISU/Hoffman Insurance Corp.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
Rebsamen Insurance

North Little Rock
Arthur J. Gallagher & Co.

Osceola
ISU/Hoffman Insurance Corp.

Pine Bluff
ISU/Hoffman Insurance Corp.

Springdale
Rebsamen Insurance/Springdale

West Memphis
ISU/Hoffman Insurance Corp.

California

Anaheim
Cal-Surance Group
Grubb & Ellis Insurance Services Inc.

Arcata
Jardine Emett & Chandler Inc.

Bakersfield
Andreini & Co.
Frank B. Hall & Co. Inc.
Jardine Emett & Chandler Inc.
Marsh & McLennan Cos. Inc.

Beverly Hills
Alexander & Alexander Services Inc.
Walter Kaye Associates Inc.

Brea
Corroon & Black Corp.
Frank B. Hall & Co. Inc.

Burbank
Eastman & Co. Insurance Brokers
Frank B. Hall & Co. Inc.

Carmel
ISU/Brown-Spaulding & Associates Inc.

Caruthers
Van Beurden & Associates Insurance Services Inc.

Chico
Frank B. Hall & Co. Inc.
Keenan & Associates

Claremont
Jardine Emett & Chandler Inc.

Coalinga
Andreini & Co.

Colton
ISU/Morgan & Franz

Costa Mesa
Bayly, Martin & Fay International Inc
Frank B. Hall & Co. Inc.
Johnson & Higgins of California
Kelter-Thorner Inc. of Southern California

Culver City
MDM Insurance Associates Inc.

Escondido
Corroon & Black Corp.
Robert F. Driver Co. Inc.

Eureka
Frank B. Hall & Co. Inc.

Fresno
Andreini & Co.
Calco Insurance
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
ISU/Agri-Center Insurance Agency Inc.
Keenan & Associates
Marsh & McLennan Cos. Inc.

Fullerton
Mason-McDuffie Insurance Service Inc.

Garden Grove
Jardine Emett & Chandler Inc.

Glendale
Calco Insurance

Hollywood
Truman Van Dyke Co.

Irvine
Anderson & Anderson Insurance Brokers Inc.
Association Administrators & Consultants Inc.
Fred S. James & Co. Inc.

Continued on next page



Making the Delphi Connection: L to R, Roger Wilson, Partner, Brewer & Lord, Kate Nyberg, Sales Representative, Delphi Systems, Robert Hatfield, Sr. Vice President, Delphi Systems.

THE DELPHI CONNECTION

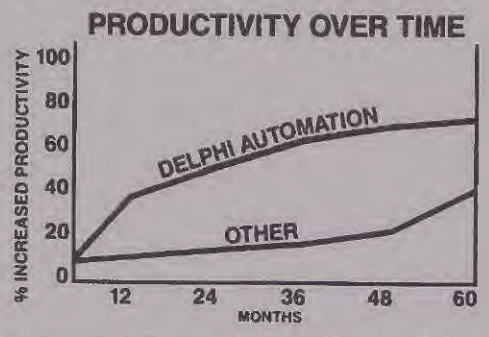
Brewer & Lord is among the many Delphi clients that made the Delphi Connection. They know there's more to agency automation than meets the eye. They also know that automation is more than installing a system that simply keeps track of customers, policies, and accounting data.

Delphi's view of automation is that it must maximize efficiency, increase productivity and, most important, increase your profits. That's why we provide solutions that focus on the issue that matters most...your bottom line!

In fact, one of our clients improved their agency's productivity in excess of 40% within the first twelve months of installing a Delphi system. This represents a significant increase in profits as well.

Delphi's full-service approach goes beyond automation to help you leverage your personnel to transact more business and increase net income.

If you employ more than ten people and are seriously interested in increasing your profits, you owe it to yourself to make the Delphi Connection.



For more information, call us toll-free 1-800-251-7385.
In California, 1-800-325-9450.
Delphi Systems, Inc.
31416 West Agoura Road
Westlake Village, CA 91361

DELPHI SYSTEMS INCORPORATED

We insure your success

Continued from previous page

Kingsburg
Van Beurden & Associates Insurance Services Inc.
La Jolla
Robert F. Driver Co. Inc.
Lawton-Byrne-Bruner
Lafayette
Fred S. James & Co. Inc.
Laguna Hills
Corroon & Black Corp.
Lompoc
Robert Lilly Insurance (ISU/Montgomery Fansler & Carlson)
Long Beach
The Crump Cos. Inc.
Frank B. Hall & Co. Inc.
Osterloh & Durham Insurance Brokers of North America Inc.
Los Angeles
ABI Management Inc.
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
The Crump Cos. Inc.
James Econn & Co.
Financial Guardian Group Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
ISU/Dukar Insurance Broker
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of California
Sander A. Kessler & Associates Inc.
Marsh & McLennan Cos. Inc.
Republic Hogg Robinson Inc.
Roanoke Agency Inc.
Rollins Burdick Hunter of Southern California Inc.
Modesto
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Van Beurden & Associates Insurance Services Inc.
Morro Bay
ISU/Thoits Insurance
Mountain View
Alexander & Alexander Services Inc.
Newport Beach
Bayly, Martin & Fay International Inc.
Robert F. Driver Co. Inc.
James Econn & Co.
Arthur J. Gallagher & Co.
Marsh & McLennan Cos. Inc.
North Hollywood
Corroon & Black Corp.
ISU/United California Insurance Agency
Oakland
Grubb & Ellis Insurance Services Inc.
ISU/Bottari, Holland & Sweetman
ISU/Thoits Insurance
Orange
Calco Insurance
ISU/Paul Muench Insurance
Orange County
Alexander & Alexander Services Inc.
Oxnard
Frank B. Hall & Co. Inc.
Palm Springs
Frank B. Hall & Co. Inc.
Palo Alto
Alexander & Alexander Services Inc.
The Crump Cos. Inc.
ISU/Thoits Insurance
Rollins Burdick Hunter of Northern California Inc.
Pasadena
Corroon & Black Corp.
Jardine Emett & Chandler Inc.
Pleasant Hill
Mason-McDuffie Insurance Service Inc.
Redlands
ISU/Wilcoxson & Davis Inc.
Redwood City
Kelter-Thorner Inc. of California
Richmond
Corroon & Black Corp.
Riverside
Johnson & Higgins of California
Keenan & Associates
Rollins Burdick Hunter of Southern California Inc.
Sacramento
Corroon & Black Corp.
Financial Guardian Group Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Keenan & Associates
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Northern California Inc.
Sacramento Valley Insurance
Salinas
Frank B. Hall & Co. Inc.
Jardine Emett & Chandler Inc.
San Bernardino
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
ISU/Morgan & Franz
Marsh & McLennan Cos. Inc.
San Carlos
Andreini & Co.
San Diego
Bayly, Martin & Fay International Inc.
Beck/Wm. Schwartz Inc.
The Crump Cos. Inc.
Corroon & Black Corp.
Robert F. Driver Co. Inc.
Frank B. Hall & Co. Inc.
Hilb, Rogal & Hamilton Co.
Jardine Emett & Chandler Inc.
Johnson & Higgins of California
Keenan & Associates
Marsh & McLennan Cos. Inc.
San Francisco
ABI Management Inc.
Alexander & Alexander Services Inc.
Association Administrators & Consultants Inc.
Calco Insurance
Corroon & Black Corp.
The Crump Cos. Inc.
DSI Insurance Services
Curtis Day & Co.
Richard N. Goldman & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of California
Levison Brothers Inc.
Marsh & McLennan Cos. Inc.
Roanoke Agency Inc.
Rollins Burdick Hunter of Northern California Inc.
SPWM Inc. Insurance Brokers
San Jose
Alexander & Alexander Services Inc.
Cal-Surance Group
Corroon & Black Corp.
Financial Guardian Inc.
Frank B. Hall & Co. Inc.
Johnson & Higgins of California
Keenan & Associates
Marsh & McLennan Cos. Inc.
Republic Hogg Robinson Inc.
San Mateo
Andreini & Co.
Calco Insurance
Frank B. Hall & Co. Inc.
San Rafael
Keenan & Associates
Santa Ana
Frank B. Hall & Co. Inc.
ISU/Griffith/Sincock Insurance Brokers
ISU/Morgan & Franz
Jardine Emett & Chandler Inc.
Keenan & Associates
Santa Barbara
Alexander & Alexander Services Inc.
ISU/Montgomery Fansler & Carlson
Santa Clara
Frank B. Hall & Co. Inc.
Jardine Emett & Chandler Inc.
Self-Insurers Service Inc. (Rollins Burdick Hunter Co.)
Santa Cruz
Frank B. Hall & Co. Inc.
ISU/William W. Kelly & Co.
Sherman Oaks
ISU/Tri West Insurance Services
Solvang
Santa Ynez Valley Insurance (ISU/Montgomery Fansler & Carlson)
Sonoma
SPWM Inc. Insurance Brokers
South Pasadena
Bolton & Co.
Stockton
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Rollins Burdick Hunter of Northern California Inc.
Studio City
Corroon & Black Corp.
DeWitt Stern, Gutman & Co. Inc.
Sunnyvale
Frank B. Hall & Co. Inc.
Thousand Oaks
Van Beurden & Associates Insurance Services Inc.
Keenan & Associates
Torrance
Cal-Surance Group
Keenan & Associates
Van Nuys
Osterloh & Durham Insurance Brokers of N.A. Inc.
Ventura
Andreini & Co.
Frank B. Hall & Co. Inc.
Willis & Griffith (ISU/Montgomery Fansler & Carlson)
Visalia
Frank B. Hall & Co. Inc.
Walnut Creek
Grubb & Ellis Insurance Services Inc.
Frank B. Hall & Co. Inc.
California Group Services (Rollins Burdick Hunter Co.)
Woodland
Van Beurden & Associates Insurance Services Inc.
Woodland Hills
ABI Management Inc.
Frank B. Hall & Co. Inc.

Colorado

Colorado Springs
ISU/Primac Insurance
Tolley-Weidman Agency Inc. (Robinson-Conner Inc.)
Cortez
ISU/Primac Insurance
Denver
ABI Management Inc.
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
The Crump Cos. Inc.
Financial Guardian Inc.
Arthur J. Gallagher & Co.
S.H. Gow & Co. Inc.
Frank B. Hall & Co. Inc.
ISU/Glendale Agency Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Colorado Inc.
Lockton Insurance Agency of Colorado Inc.
Marsh & McLennan Cos. Inc.
North American Insurance Agency Inc.
Rollins Burdick Hunter of Colorado Inc.
J.H. Silversmith Inc.
The Talbert Corp.
The Van Guilder Agency Co.
Englewood
Aviation Insurance Management Co. (J.H. Silversmith Inc.)
Frank B. Hall & Co. Inc.
Tolley-Weidman Insurance Agency (Robinson-Conner Inc.)
Grand Junction
The Talbert Corp.
Littleton
The Talbert Corp.
Montrose
ISU/Primac Insurance
Sterling
ISU/Dowis Agency Inc.
Pueblo
ISU/Primac Insurance

Connecticut

Bridgeport
Insurance Center of Southern Connecticut Inc.
Danbury
Pierson & Smith Inc.
Fairfield
The Crump Cos. Inc.
Walter Kaye Associates Inc.
Greenwich
Alexander & Alexander Services Inc.
Fred S. James & Co. Inc.
Hartford
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Connecticut Inc.
Marsh & McLennan Cos. Inc.
Meriden
Frank B. Hall & Co. Inc.
New Britain
Joseph Held Co. Inc.
New Haven
Frank B. Hall & Co. Inc.
Nowalk
Pierson & Smith Inc.
Stamford
Corroon & Black Corp.
Pierson & Smith Inc.
Johnson & Higgins of Connecticut Inc.
Marsh & McLennan Cos. Inc.
Waterbury
H.D. Segur Inc.
West Hartford
Arthur J. Gallagher & Co.
Westport
Alexander & Alexander Services Inc.
Windsor
Frank B. Hall & Co. Inc.

Delaware

Wilmington
Johnson & Higgins of Delaware Inc.

District of Columbia

Alexander & Alexander Services Inc.
Collier Cobb & Associates Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Johnson & Higgins of Washington, D.C. Inc.
Marsh & McLennan Cos. Inc.
Wright & Co.

Florida

Boca Raton
Alexander & Alexander Services Inc.
Joseph Held Co. Inc.
Meadowbrook Inc.
Republic Hogg Robinson Inc.
Boynton Beach
James Hawkins/Brown& Brown Inc.
Brandon
Poe & Associates Inc.
Cape Coral
Associated Insurance Services (Brown & Brown Inc.)
Clearwater
Arthur J. Gallagher & Co.
Lawrence Agency Inc.
Robinson-Conner of Florida Inc.
Coconut Creek
James Hawkins/Brown & Brown Inc.
Coral Gables
Frank B. Hall & Co. Inc.
Joseph Held Co. Inc.
Marsh & McLennan Cos. Inc.
Daytona Beach
Jay Adams & Associates Inc.
Brown & Brown Inc.
Hilb, Rogal & Hamilton Co.
Delray Beach
Brown & Brown Inc.
James Hawkins/Brown & Brown Inc.
Fernandina
Almours-Carswell Inc. (Palmer & Cay/Carswell Inc.)
Fort Lauderdale
ABI Management Inc.
Alexander & Alexander Services Inc.
Frank Crystal & Co. Inc.
Lawrence Agency Corp.
Fred S. James & Co. Inc.
Murray, Martin & Olson Inc. (The Loomis Cos. Ltd.)
Republic Hogg Robinson Inc.
Rollins Burdick Hunter of Florida Inc.
Fort Myers
Associated Insurance Services (Brown & Brown Inc.)
The Crump Cos. Inc.
Arthur J. Gallagher & Co.
Hilb, Rogal & Hamilton Co.
Poe & Associates Inc.
Fort Walton Beach
Arthur J. Gallagher & Co.
Hallandale
Frank B. Hall & Co. Inc.
Hollywood
Joseph Held Co. Inc.
Jacksonville
Almours-Carswell Inc. (Palmer & Cay/Carswell Inc.)
Bayly, Martin & Fay International Inc.
Brown & Brown Inc.
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.
Poe & Associates Inc.
Cecil W. Powell & Co.
Key Largo
The Porter Allen Co.
Key West
The Porter Allen Co.
Lakeland
Alexander & Alexander Services Inc.
Frank B. Hall & Co. Inc.
Poe & Associates Inc.
Maitland
Frank B. Hall & Co. Inc.
Sun State Insurance Agencies Inc.
Marathon
The Porter Allen Co.
Melbourne
The Crump Cos. Inc.
Miami
Alexander & Alexander Services Inc.
Elliott, McKiever & Stowe Inc.
Arthur J. Gallagher & Co.
Gallagher-Cole Associates
Frank B. Hall & Co. Inc.
Johnson & Higgins of Florida Inc.
MacDuff America (Brown & Brown Inc.)
Marsh & McLennan Cos. Inc.
Poe & Associates Inc.
Republic Hogg Robinson Inc.
Roanoke Agency Inc.
Seitlin & Co.
Naples
The Crump Cos. Inc.
Sun State Insurance Agencies Inc.
Newport Beach
Roanoke Agency Inc.
North Fort Myers
Associates Insurance Services (Brown & Brown Inc.)
North Palm Beach
Bayly, Martin & Fay International Inc.
Ocala
Marion A. Allen Inc. of Florida
Rhulen Agency Inc.
Orlando
Brown & Brown Inc.
Corroon & Black Corp.
The Crump Cos. Inc.
Frank B. Hall & Co. Inc.
Harvest & HBJ Insurance Inc. (John M. Riehle Inc.)
Hilb, Rogal & Hamilton Co.
McGriff, Seibels & Williams Inc.
Poe & Associates Inc.
Sun State Insurance Agencies Inc.
United Self-Insured Services (Brown & Brown Inc.)
Palm Beach Gardens
Arthur J. Gallagher & Co.
Pensacola
McGriff, Seibles & Williams Inc.
Port Charlotte
Associated Insurance Services (Brown & Brown Inc.)
St. Petersburg
Alliance Brokerage Corp.
Haas & Wilkerson Inc.
Sanibel Island
Associated Insurance Services (Brown & Brown Inc.)
Tallahassee
Alexander & Alexander Services Inc.
The Crump Cos. Inc.
Poe & Associates Inc.
Tampa
ABI Management Inc.
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Brown & Brown Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Hilb, Rogal & Hamilton Co.
Marsh & McLennan Cos. Inc.
Poe & Associates Inc.
Titusville
The Crump Cos. Inc.
Venice
Poe & Associates Inc.
West Palm Beach
Fred S. James & Co. Inc.
James Hawkins/Brown& Brown Inc.)
Winter Haven
Poe & Associates Inc.
Winter Park
Arthur J. Gallagher & Co.

Continued on next page

What can be tougher than telling your healthcare client self-insurance is the only alternative?

Finding the right organization to manage the risk!

Providing assistance to the insurance industry since 1969, Caronia Corporation has earned a national reputation for our ability to develop effective risk management and claims management programs for physician groups, hospitals and other health care providers.

If you are faced with the challenge of establishing a cost-effective claims management/risk management program that will reduce losses and control costs, call us.

Earl Silverstein
Executive Vice President
8701 South Gessner, Suite 600
Houston, Texas 77074
(713) 981-0999

Carl Ferdenzi
Executive Vice President
350 Jericho Turnpike
Jericho, New York 11753
(516) 433-1200

CARONIA CORPORATION

SERVING THE INSURANCE INDUSTRY NATIONWIDE

Continued from previous page

Georgia

Atlanta
Alexander & Alexander Services Inc.
Marion A. Allen Inc. of Atlanta
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
The Crump Cos. Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Hilb, Rogal & Hamilton Co.
Hudig-Langeveldt Groep B.V.
Interstate Insurance Agency (Rhulen Agency Inc.)
Fred S. James & Co. Inc.
Johnson & Higgins of Georgia Inc.
J. Smith Lanier & Co.
Marsh & McLennan Cos. Inc.
McDonough Caperton Risk Services
Palmer & Cay/Carswell Inc.
Republic Hogg Robinson Inc.
Rollins Burdick Hunter of Georgia Inc.

Augusta
Palmer & Cay/Carswell Inc.

Baxley
Marion A. Allen Inc. of Baxley

Bowden
J. Smith Lanier & Co.

Bremen
J. Smith Lanier & Co.

Brunswick
Shelander-Cowden Inc. (Palmer & Cay/Carswell Inc.)

Carrollton
J.Smith Lanier & Co.

Columbus
J. Smith Lanier & Co.

Duluth
Corroon & Black Corp.

Fayetteville
J. Smith Lanier & Co.

Fort Valley
ISU/Marion A. Allen Inc.

Franklin
J. Smith Lanier & Co.

Gainsville
Marion A. Allen of Gainsville

Lilburn
Fox Insurance Agency (Marion A. Allen Inc.)

Macon
Allen & Lambert Inc. (Marion A. Allen Inc.)
Frank B. Hall & Co. Inc.

Manchester
J. Smith Lanier & Co.

Marietta
Frank B. Hall & Co. Inc.
Merritt & McKenzie Inc.

Peachtree City
J. Smith Lanier & Co.

Rosewell
Allen & Furr Inc. (Marion A. Allen Inc.)

Savannah
Marion A. Allen Inc. of Savannah
Palmer & Cay/Carswell Inc.

Tucker
Allen Risk Management Consultants (Marion A. Allen Inc.)

Vidalia
Marion A. Allen Inc. of Vidalia
Palmer & Cay/Carswell Inc.

Villa Rica
J. Smith Lanier & Co.

West Point
J. Smith Lanier & Co.

Hawaii

Hilo
Marsh & McLennan Cos. Inc.

Honolulu
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of Hawaii Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Hawaii Inc.

Kahului
Marsh & McLennan Cos. Inc.

Lihue
Marsh & McLennan Cos. Inc.

Maui
Alexander & Alexander Services Inc.

Idaho

Boise
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.

Idaho Falls
Fred A. Moreton & Co.

Soda Springs
Bayly, Martin & Fay International Inc.

Illinois

Arlington Heights
Alexander & Alexander Services Inc.
The Kaye Group Inc.

Aurora
Corroon & Black Corp.

Chicago
Alexander & Alexander Services Inc.
Alper Agency Inc.
Associated Agencies Inc.
Bartlett Agency Inc.
Bayly, Martin & Fay International Inc.
Collier Cobb & Associates Inc.
Corroon & Black Corp.
Financial Guardian Group Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of Illinois Inc.
Lamb, Little & Co.
Mack & Parker Inc.
Marsh & McLennan Cos. Inc.
Julius Moll & Son Inc.
Rollins Burdick Hunter Co.
Schwartz Brothers Insurance AgencyInc.
Thilman & Filippini

Des Plaines
Meeger-Magner Co.

Downers Grove
Corroon & Black Corp.
Arthur J. Gallagher & Co.

Elgin
Frank B. Hall & Co. Inc.

Elmhurst
ISU/Euclid Insurance Agencies Inc.

Evanston
Alexander & Alexander Services Inc.
Thilman & Filippini

Glen Ellyn
Arthur J. Gallagher & Co.

Hinsdale
Morency Weible & Sapa Inc.

Lombard
Frank B. Hall & Co. Inc.

Moline
Bartlett Agency Inc.

Morton
Kuhl & Co.

Oak Brook
Marsh & McLennan Cos. Inc.

Oak Brook Terrace
Boockford & Co.

Park Ridge
The CBI Group
Self-Insurers Benefit Services (Rollins Burdick Hunter Co.)

Peoria
Arthur J. Gallagher & Co.

Rockford
Arthur J. Gallagher & Co.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Illinois Inc.

Rolling Meadows
Arthur J. Gallagher & Co.
Lamb, Little & Co.

Schaumburg
ABI Management Inc.
Corroon & Black Corp.
Industrial Insurance Agency Inc.
Roanoke Agency Inc.

Springfield
Corroon & Black Corp.

Indiana

Camden
MBAH Insurance

Carmel
Corroon & Black Corp.

Elkhart
Midwest Commerce Insurance
Insurance & Risk Management

Evansville
Arthur J. Gallagher & Co.

Fort Wayne
Insurance & Risk Management

Greenwood
Lawrence Agency Corp.

Indianapolis
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
ISU/Savill Schnieders Kuehr
Insurance & Risk Management
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Indiana Inc.

Lafayette
MBAH Insurance

Marion
ISU/Beauchamp & McSpadden

Muncie
Insurance & Risk Management

North Manchester
ISU/Beauchamp & McSpadden

Oxford
MBAH Insurance

South Bend
Bruner Cassady Neeser Agency Inc.
Arthur J. Gallagher & Co.
Rollins Burdick Hunter of Indiana Inc.

Terre Haute
Forrest Sherer Inc.

Wabash
ISU/Beauchamp & McSpadden

Warsaw
ISU/Beauchamp & McSpadden

Iowa

Bettendorf
Corroon & Black Corp.

Cedar Rapids
Frank B. Hall & Co. Inc.

Council Bluffs
The Redland Group

Davenport
Marsh & McLennan Cos. Inc.

Des Moines
Alexander & Alexander Services Inc.

Continued on next page

Brougher has a Powerful Hand In Substandard Life Coverage



You need a company that won't shy away from exceptional cases. At Brougher, we offer superior Substandard Life coverage. We feature individual coverage with 20 million of capacity without reinsurance. In addition, we offer high non-medical limits. We offer this exceptional Substandard Life coverage for:

- Heart Conditions
- Diabetes
- Many Forms of Cancer
- Kidney Problems
- Recovered Alcoholics
- Foreign Nationals

Turn to Brougher for proven solutions to difficult Substandard Life problems. Don't gamble with success. Plan on it with Brougher.



Let's Talk About Tactics.

For more information about Brougher's powerful Substandard Life Coverage send us your business card, or call us.

BROUGHER®

Beverly Hills, CA:
In-State: (800) 662-4433
L.A. Area: (213) 275-3873
Out-of-State: (213) 275-3873

Cartersville, GA:
National Watts: (800) 538-7475
Local: (404) 382-7305

Salt Lake City, UT:
National Watts: (800) 525-5535
Local: (810) 451-0604

Or Write to:
Brougher Insurance Group, Impaired Risk Division
P.O. Box 42193, Cincinnati, OH 45242

Continued from previous page

Frank B. Hall & Co. Inc.
Holmes, Murphy & Associates Inc.
Marsh & McLennan Cos. Inc.

Dubuque
Arthur J. Gallagher & Co.

Iowa City
Marsh & McLennan Cos. Inc.

Kansas

Fairway
Haas & Wilkerson Inc.

Kansas City
Alexander & Alexander Services Inc.
Financial Guardian Group Inc.

Lenexa
Self-Insurers Service Inc. (Rollins Burdick Hunter Co.)

Overland Park
ABI Management Inc.

Prairie Village
The Lockton Insurance Agency Inc.

Topeka
Corroon & Black Corp.
Insurance Management Associates Inc.
Marsh & McLennan Cos. Inc.

Wichita
Bayly, Martin & Fay International Inc.
Financial Guardian Inc.
Insurance Management Associates Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Kansas Inc.

Kentucky

Covington
Atlantic Underwriters Agency (Rollins Burdick Hunter Co.)
Schiff, Kreidler-Sheil Inc.

Dayton
Perkins & Geoghegan of Kentucky (Thomas E. Wood Inc.)

Edgewood
Wood Underwriters Agency (Thomas E. Wood Inc.)

Fort Wright
Marsh & McLennan Cos. Inc.

Lexington
Corroon & Black Corp.
Fox, Puckett, Cohen & Associates (Robinson-Conner Inc.)
Marsh & McLennan Cos. Inc.
McDonough Caperton Kentucky

Louisville
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Fox, Puckett Cohen & Associates (Robinson-Conner Inc.)
Frank B. Hall & Co. Inc.
Harris & Co.
Johnson & Higgins of Kentucky Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Allen M. Reager Co.

Middlesboro
The Crump Cos. Inc.

Owensboro
Corroon & Black Corp.

Pikeville
Corroon & Black Corp.

Louisiana

Alexandria
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co

Baton Rouge
Corroon & Black Corp.
The Crump Cos. Inc.
Arthur J. Gallagher & Co
Frank B. Hall & Co Inc.

Houma
Bayly, Martin & Fay International Inc.

Lafayette
Bayly, Martin & Fay International Inc.

Lake Charles
Bayly, Martin & Fay International Inc.

Metairie
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
ISU/Sherar, Cook & Gardner Inc.

Morgan City
Bayly, Martin & Fay International Inc.

New Orleans
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Giesler-Simmons Corp. (The Armistead Group Inc.)
Frank B. Hall & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of Louisiana Inc
Marsh & McLennan Cos. Inc.
North American Insurance Agency Inc.

Shreveport
Alexander & Alexander Services Inc.

Maine

Burlington
Marsh & McLennan Cos. Inc.

Portland
Fred S. James & Co Inc.
Arthur J. Gallagher & Co.
Johnson & Higgins of Maine Inc.

Worcester
Marsh & McLennan Cos. Inc.

Maryland

Annapolis
Murray Martin & Olson Inc. (The Loomis Cos. Ltd.)

Baltimore
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
Johnson & Higgins of Maryland Inc.
Marsh & McLennan Cos. Inc.

Bethesda
Corroon & Black Corp.

Edgewood
Frank B. Hall & Co. Inc.

Gaitersburg
Arthur J. Gallagher & Co.

Landover
Perpetual Insurance Inc.

Severna Park
The Ebersberger Cos.

Silver Springs
The Crump Cos. Inc.

Tidewater
Hilb, Rogal & Hamilton Co.

Timonium
Roanoke Agency Inc.

Massachusetts

Boston
Alexander & Alexander Services Inc.
Collier Cobb & Associates Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Insurance Marketing Agencies Inc
International Insurance Group Ltd.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of Massachusetts Inc.
Lawrence Agency Corp.
Mahoney & Wright Insurance Agenices
Marsh & McLennan Cos. Inc.
Republic Hogg Robinson Inc.
Roanoke Agency Inc.
Rollins Burdick Hunter of Massachusetts Inc.

Braintree
Frank B. Hall & Co. Inc.

Cambridge
ISU/Hastings-Tapley Insurance

Danvers
ISU/Hastings-Tapley Insurance

Dedham
Mahoney & Wright Insurance Agencies

Falmouth
Mahoney & Wright Insurance Agencies

Fitchburg
Mahoney & Wright Insurance Agencies

Gardner
Mahoney & Wright Insurance Agencies

Gloucester
ISU/Hastings-Tapley Insurance

Haverhill
Mahoney & Wright Insurance Agencies

Holyoke
Frank B. Hall & Co. Inc.

Ipswich
ISU/Hastings-Tapley Insurance

Lynn
Admiral Lynnford-Shmishkiss Insurance Agency Inc.

Medford
ISU/Hastings-Tapley Insurance

Middleboro
Mahoney & Wright Insurance Agencies

Natick
Carlin Insurance Agency Inc.
Mahoney & Wright Insurance Agencies

Needham
Alexander & Alexander Services Inc.

Newburyport
Alexander & Alexander Services Inc.

Newton
MacIntyre, Fay & Thayer Insurance Agency
Mahoney & Wright Insurance Agencies

North Reading
ISU/Hastings-Tapley Insurance

Peabody
Mahoney & Wright Insurance Agencies

Reading
ISU/Hastings-Tapley Insurance

Rockland
Mahoney & Wright Insurance Agencies

Saugus
ISU/Hastings-Tapley Insurance

Scituate
Mahoney & Wright Insurance Agencies

Springfield
Frank B. Hall & Co. Inc.
Palmer Goodell Insurance Agency Inc.

Tewksbury
Mahoney & Wright Insurance Agencies

Wakefield
Mahoney & Wright Insurance Agencies

Walpole
Mahoney & Wright Insurance Agencies

Watertown
ISU/Hastings-Tapley Insurance

Wellesley
Bayly, Martin & Fay International Inc.

West Springfield
Arthur J. Gallagher & Co.

Weymouth
Mahoney & Wright Insurance Agencies

Woburn
ISU/Hastings-Tapley Insurance

Worcester
Alexander & Alexander Services Inc.
Insurance Marketing Agencies Inc.

Wrentham
Mahoney & Wright Insurance Agencies

Yarmouth
Mahoney & Wright Insurance Agencies

Michigan

Bay City
Alexander & Alexander Services Inc.

Birmingham
Atlantic Underwriters Inc. (Kelter-Thorner Inc.)

Dearborn
Fairlane Associates Inc.
Marsh & McLennan Cos. Inc.

Detroit
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Financial Guardian Group Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Michigan Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Michigan Inc.

East Lansing
Arthur J. Gallagher & Co.

Grand Rapids
Alexander & Alexander Services Inc.
Frank B. Hall & Co. Inc.
ISU/Crosby & Henry Inc.
Johnson & Higgins of Michigan Inc.
Marsh & McLennan Cos. Inc.
Meadowbrook Inc.
Rollins Burdick Hunter of Michigan Inc.

Jackson
Hilb, Rogal & Hamilton Co.

Lansing
Corroon & Black Corp.
Frank B. Hall & Co. Inc.

Livonia
Alexander & Alexander Services Inc.

Mount Clemens
Moore & Povenz Metro Inc.

Northville
Alexander & Alexander Services Inc.

Port Huron
Moore & Povenz Inc.

Richmond
Moore & Povenz of Richmond

Saginaw
Republic Hogg Robinson Inc.

Southfield
Arthur J. Gallagher & Co.
Kelter-Thorner Inc.
Marsh & McLennan Cos. Inc.
Meadowbrook Inc.
Republic Hogg Robinson Inc.

Troy
The ABOW Cos.

Minnesota

Albert Lea
First Insurance Albert Lea (FBS Insurance)

Alexandria
First Insurance Alexandria (FBS Insurance)

Austin
First Insurance Austin (FBS Insurance)

Bloomington
First Insurance Valley View (FBS Insurance)

Blue Earth
First Insurance Blue Earth (FBS Insurance)

Cloquet
First Insurance Cloquet (FBS Insurance)

Duluth
First Insurance Duluth (FBS Insurance)

East Grand Forks
First Insurance East Grand Forks (FBS Insurance)

Fairmont
First Insurance Fairmont (FBS Insurance)

Hibbing
First Insurance Hibbing (FBS Insurance)

Ivanhoe
First Insurance Ivanhoe (FBS Insurance)

Lakefield
First Insurance Lakefield (FBS Insurance)

Litchfield
First Insurance Litchfield (FBS Insurance)

Little Falls
First Insurance Little Falls (FBS Insurance)

Luverne
First Insurance Luverne (FBS Insurance)

Mankato
First Insurance Mankato (FBS Insurance)

Minneapolis
ABI Management Inc.
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
FBS Insurance
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins Inc.
Marsh & McLennan Cos. Inc.

Minnetonka
Corroon & Black Corp.

Northfield
First Insurance Northfield (FBS Insurance)

Paynesville
First Insurance Paynesville (FBS Insurance)

Pipestone
First Insurance Pipestone (FBS Insurance)

St. Cloud
First Insurance St. Cloud (FBS Insurance)

St. Paul
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Marsh & McLennan Cos. Inc.
Rothschild, Bell & Walseth Inc.

Sauk Centre
First Insurance Sauk Centre (FBS Insurance)

Spring Valley
First Insurance Spring Valley (FBS Insurance)

Waseca
First Insurance Waseca (FBS Insurance)

Wheaton
First Insurance Wheaton (FBS Insurance)

Willmar
First Insurance Willmar (FBS Insurance)

Windom
First Insurance Windom (FBS Insurance)

Winona
Arthur J. Gallagher & Co.

Worthington
First Insurance Worthington (FBS Insurance)

Mississippi

Jackson
Corroon & Black Corp.
The Crump Cos. Inc.
ISU/Heiden Marchetti Inc.

Missouri

Carruthersville
Corroon & Black Corp.

Jefferson City
Corroon & Black Corp.

Kansas City
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
ISU/Wrenn Insurance Agency Inc.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
The Woodsmall Cos.

St. Louis
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
The Daniel & Henry Co.
Finacial Guardian Inc.
Arthur J. Gallagher & Co.
Hass & Wilkerson Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Missouri Inc.
Lawton-Byrne-Bruner
Lockton Insurance Agency of St. Louis Inc.
Marsh & McLennan Cos. Inc.
Ricci Associates Inc.
Rollins Burdick Hunter of Missouri Inc.

Springfield
Ricci Associates Inc.

Montana

Billings
FBS Insurance Hoiness LaBar
Rollins Burdick Hunter of Montana Inc.

Butte
FBS Insurance Bartels Agency

Forsyth
FBS Insurance Forsyth

Fort Benton
FBS Insurance Fort Benton

Great Falls
American Agrisure (The Redland Group)
Frank B. Hall & Co. Inc.

Helena
Corroon & Black Corp.
FBS Insurance Montana International

Missoula
Marsh & McLennan Cos. Inc.

Nebraska

Kearney
Bayly, Martin & Fay International Inc.

Lincoln
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.

Omaha
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Insurance Agents Inc. (The Redland Group Inc.)
Fred S. James & Co. Inc.
Mammel/Schropp/Swartzbaugh/
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Nebraska Inc.

Continued on next page

Business Insurance puts more into it

so you'll get more out of it.



Use this form, or the card in this issue, to enter your subscription to Business Insurance. Or call 313/446-0492.

Business Insurance
Circulation Dept. 965 E. Jefferson Ave., Detroit, MI 48207

Business Insurance gives you total news coverage of loss prevention, risk financing and benefit management. Every week. Annual subscription (52 issues) in U.S. dollars.

(Check here.)	Surface Mail.	By Air.
USA	☐ $60	
Canada	☐ $76	☐ $108
Bermuda *(Air only)*		☐ $105
Europe/Middle East *(Air only)*		☐ $105
All other foreign	☐ $76	Rates on request.

☐ new subscription. ☐ renewal. ☐ payment enclosed.
☐ bill me. ☐ bill company.

name (please print)

title telephone

company

nature of business

☐ business or ☐ home address

city state/country zip/postal code

☐ Please send information on your special 20%-off group rate for five or more subscriptions.

☐ I prefer not to receive information or advertising by mail from companies not affiliated with Crain Communications.

Mail to: Business Insurance
Circulation Dept. 965 E. Jefferson Ave., Detroit, MI 48207 HB6

Continued from previous page

Nevada

Las Vegas
Clark-Leavitt (The Leavitt Group)
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Leavitt Insurance Agency
Marsh & McLennan Cos. Inc.
Parus-Leavitt (The Leavitt Group)
S.I.S. Services Inc. (Rollins Burdick Hunter Co.)
Summerfield-Leavitt (The Leavitt Group)
Wegener-Leavitt (The Leavitt Group)
Overton
Long-Leavitt (The Leavitt Group)
Reno
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
ISU/Stetson-Beemer Insurance
Fred S. James & Co. Inc.
S.I.S. Services Inc. (Rollins Burdick Hunter Co.)

New Hampshire

Bedford
Arthur J. Gallagher & Co.
Manchester
Frank B. Hall & Co. Inc.
Hilb, Rogal & Hamilton Co.
Kendall Insurance Inc.
The Sadler Insurance Agency Inc.
Nashua
The Sadler Insurance Agency Inc.
Rochester
Kendall Insurance Inc.

New Jersey

Atlantic City
Bayly, Martin & Fay International Inc.
Bloomfield
Alexander & Alexander Services Inc.
Bridgewater
Young & Perry Insurance
Cedar Knolls
CPI Insurance Group
Cherry Hill
Frank B. Hall & Co. Inc.
Cranford
Meeker Sharkey Financial Group Inc.
Fairlawn
Alexander & Alexander Services Inc.
Florham Park
FAI Insurance Counseling
Fords
Kelter-Thorner Inc. of New Jersey
Freehold
NIA Ltd./National Insurance Associates
Iselin
Marsh & McLennan Cos. Inc.
Lebanon
Young & Perry Insurance
Livingston
Frank B. Hall & Co. Inc.
Wharton/Lyon & Lyon
Long Valley
NIA Ltd./National Insurance Associates
Millburn
Rollins Burdick Hunter of New Jersey Inc.
Montvale
I.R. Weinraub & Co. Inc.
Morristown
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.
Mount Laurel
Arthur J. Gallagher & Co.
New Brunswick
O'Connell & Salisbury (Poe & Associates Inc.)
New Vernon
Bayly, Martin & Fay International Inc.
Newark
The Kaye Group Inc.
NIA Ltd./National Insurance Associates
North Plainfield
NIA Ltd./National Insurance Associates
Young & Perry Insurance
Paramus
Frank B. Hall & Co. Inc.
Insurance Professionals Inc.
NIA Ltd./National Insurance Associates
Parsippany
Corroon & Black Corp.
Jardine Emett & Chandler Inc.
Johnson & Higgins of New Jersey Inc.
Perth Amboy
Boynton Brothers & Co.
Piscataway
J. DiLeo Associates (Meeker Sharkey Financial Group Inc.)
Princeton
Johnson & Higgins
Red Bank
Corroon & Black Corp.
Roseland
Marsh & McLennan Cos. Inc.
Sea Girt
T.C. Moffatt & Co. (Meeker Sharkey Financial Group Inc.)
Short Hills
Fred S. James & Co. Inc.
Somerset
Ulrich Voorhees
Warner Associates
Teaneck
Loftberg Co.
Tenafly
Popkin Lebson Bergstein Inc.
Trenton
Joseph Held Co. Inc.

New Mexico

Albuquerque
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.

New York

Albany
Alexander & Alexander Services Inc.
Austin & Co. Inc.
Corroon & Black Corp.
Arthur J. Gallagher & Co.
S.H. Gow & Co. Inc.
ISU/Security Group Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Amityville
American Professional Agency
Bayshore
John P. Tilden Ltd.
Bayside
ISU/Alvin Lobell Associates Inc.
Binghamton
Couper-Ackerman-Sampson Inc.
Briarcliff Manor
Frank B. Hall & Co. Inc.
Brooklyn
Hirsch Wolf & Co. Inc.
Buffalo
Alexander & Alexander Services Inc.
S.H. Gow & Co. Inc.
Jardine Emett & Chandler Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Cedarhurst
Jardine Emett & Chandler Inc.
Chestertown
Stevenson Agency (Austin & Co. Inc.)
Clifton Park
Lawrence Agency Corp.
Cortland
Lawrence Agency Corp.
Endwell
Couper-Ackerman-Sampson Inc.
Farmingdale
Robert E. Bill Associates Inc.
Florida
Marshall & Sterling Inc.
Garden City
Robert E. Bill Associates Inc.
Arthur J. Gallagher & Co.
ISU/Philip J. O'Shea Associates Inc.
Glens Falls
Lawrence Agency Corp.
Hartsdale
ISU/United Coverage Consultants Inc.
Hempstead
ISU/Philip J. O'Shea Associates Inc.
Marsh & McLennan Cos. Inc.
Huntington
Gundermann & Gundermann Inc.
Ithaca
Marsh & McLennan Cos. Inc.
Jericho
Frank B. Hall & Co. Inc.
Lake Success
Blumencranz, Klepper & Wilkins Ltd.
Latham
Lawrence Agency Corp.
Liberty
Weisbord Wells Cross & Brown (The Rhulen Agency Inc.)
Liverpool
Arthur J. Gallagher & Co.
Long Island
Alexander & Alexander Services Inc.
Melville
Frank B. Hall & Co. Inc.
Middletown
Gersten-Hillman Agency Inc.
Marshall & Sterling Inc.
Monticello
Gersten-Hillman Agency Inc.
Rhulen Agency Inc.
Nanuet
Don Liebert Inc.
New Hyde Park
Corroon & Black Corp.
Marsh & McLennan Cos. Inc.
New York
Alexander & Alexander Services Inc.
B.R.I. Coverage Corp.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
Frank Crystal & Co. Inc.
Davis, Dorland & Co.
Financial Guardian Inc.
Frenkel & Co. Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Joseph Held Co. Inc.
ISU/United Coverage Consultants Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins
Walter Kaye Associates Inc.
The Kooper Group
The Kornreich Organization
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Meadowbrook Inc.
H&R Phillips Inc.
Republic Hogg Robinson Inc.
Roanoke Agency Inc.
Rollins Burdick Hunter of New York Inc.
The Sklover Organization
DeWitt Stern, Gutmann & Co. Inc.
John P. Tilden Ltd.
Irving Weber Associates Inc.
Hirsch Wolf & Co. Inc.
Newburgh
Marshall & Sterling Inc.
Ogdensburg
Arthur J. Gallagher & Co.
Port Washington
Charles E. Hyde Agency Inc.
Poughkeepsie
Marshall & Sterling Inc.
Rochester
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
S.H. Gow & Co. Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Robinson-Conner of New York Inc.
Rockville Centre
Hallman & Lorber Associates Inc. (John M. Riehle Inc.)
Schenectady
Jardine Emett & Chandler Inc.
Lawrence Agency Corp.
Seaford
National Coverage Corp.
Smithtown
Gundermann & Gundermann Inc.
The Schaefer Agency
Spring Valley
NIA Ltd./National Insurance Associates
Syracuse
Alexander & Alexander Services Inc.
S.H. Gow & Co. Inc.
Jardine Emett & Chandler Inc.
Lawrence Agency Corp.
Marsh & McLennan Cos. Inc.
Tarrytown
Frank B. Hall & Co. Inc.
Troy
Jardine Emett & Chandler Inc.
Lawrence Agency Corp.
Uniondale
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of New York Inc.
Utica
Alexander & Alexander Services Inc.
Wappingers Falls
Marshall & Sterling Inc.
West Islip
Gundermann & Gundermann Inc.
Westbury
Alliance Brokerage Corp.
The Sklover Organization
White Plains
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Knox, Lent & Tucker Inc. (John M. Riehle Inc.)
Whitney Point
Lawrence Agency Corp.

North Carolina

Andrews
Sullivan Co. Inc.
Asheville
Alexander & Alexander Services Inc.
Robinson-Conner of North Carolina Inc.
Burlington
Republic Hogg Robinson Inc.
Cary
Corroon & Black Corp.
Chapel Hill
Collier Cobb & Associates Inc.
Charlotte
Alexander & Alexander Services Inc.
Collier Cobb & Associates Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Johnson & Higgins Carolinas Inc.
The Crump Cos. Inc.
Marsh & McLennan Cos. Inc.
Poe & Associates
Goldsboro
Hilb, Rogal & Hamilton Co.
Greensboro
Alexander & Alexander Services Inc.
Robinson-Conner of North Carolina Inc.
Hayesville
Sullivan Co. Inc.
Millers Creek
Poe & Associates Inc.
Murphy
Sullivan Co. Inc.
Raleigh
Corroon & Black Corp.
Marsh & McLennan Cos. Inc.
Robinson-Conner of North Carolina Inc.
Robbinsville
Sullivan Co. Inc.

Continued on next page



You Can Trust Our Foreign Agents.

What do you do when a liability claim is made against your product in a foreign land? Where do you turn when you need some investigation done in places like Germany, Australia, South America, or Greece?

Your defense counsel might try to locate a foreign investigator for you, but how can you be sure of the person's competence and credentials?

Fortunately, there's a more trustworthy alternative: Countrywide Services.

Each of our elite investigators has at least 10 years' experience handling major product liability cases. These agents are positioned throughout North and South America, Western Europe, Australia, and various Caribbean and Pacific Islands.

They'll help you with only one contact or cover the entire claim through disposition, if you wish. Please phone or write us for more details.

You'll discover that we're even more than Countrywide. We're worldwide.



Countrywide Services Corporation

Specializing in product liability claims management.

11933 Westline Drive, St. Louis, MO 63141, 314/878-3306

Continued from previous page

Salisbury
Alexander & Alexander Services Inc.
Sylva
Sullivan Co. Inc.
Winston-Salem
Alexander & Alexander Services Inc.

North Dakota

Cando
First Insurance Cando (FBS Insurance)
Cavalier
First Insurance Cavalier (FBS Insurance)
Cooperstown
First Insurance Cooperstown (FBS Insurance)
Fargo
FBS Insurance Rust Agency
Grand Forks
First Insurance Grand Forks (FBS Insurance)
Jamestown
First Insurance Jamestown (FBS Insurance)
Langdon
First Insurance Langdon (FBS Insurance)
Lidgerwood
First Insurance Lidgerwood (FBS Insurance)
Minot
First Insurance Minot (FBS Insurance)
Park River
First Insurance Park River (FBS Insurance)
Rolla
First Insurance Rolla (FBS Insurance)
Valley City
First Insurance Valley City (FBS Insurance)
Wahpeton
First Insurance Wahpeton (FBS Insurance)

Ohio

Akron
Frank B. Hall & Co. Inc.
Beachwood
Republic Hogg Robinson Inc.
Chesterland
ISU/Todd Whinnery Allen Inc.
Cincinnati
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
ISU/Continental Associates Inc.
Johnson & Higgins of Ohio Inc.
Kientz & Co.
Marsh & McLennan Cos. Inc.
Schiff, Kreidler-Shell Inc.
Thomas E. Wood Inc.
Cleveland
Alexander & Alexander Services Inc.
Arthur A. Gallagher & Co.
Frank B. Hall & Co. Inc.
ISU/Brooks & Stafford Co.
Insurance Management Services Inc. (Robinson-Conner Inc.)
Johnson & Higgins of Chio Inc.
Kientz & Co.
Marsh & McLennan Cos. Inc.
McDonough Caperton Cleveland
Roanoke Agency Inc.
Rollins Burdick Hunter Agency of Ohio Inc.
Variable Protection Administrators Inc.
Workers Compensation Service Co. (Robinson-Conner Inc.)
Columbus
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Arthur J. Gallagher & Co.
Johnson & Higgins of Ohio Inc.
Kientz & Co.
Marsh & McLennan Cos. Inc.
McElroy-Minister Co.
Dayton
Hilb, Rogal & Hamilton Co.
Dublin
Frank B. Hall & Co. Inc.
Grove City
Rhulen Agency Inc.
Harrison
Thomas E. Wood Inc.
Middleburg Heights
Kelter-Thorner Insurance Agency of Ohio
Middlefield
ISU/Todd Winnery Allen Inc.
Niles
Lawrence Agency Corp.
Rocky River
McGowan & Co. Inc.
Toledo
Arthur J. Gallagher & Co.
Marsh & McLennan Cos. Inc.
Self-Insurers Service Inc. (Rollins Burdick Hunter Co.)
Wickliffe
ISU/Todd Whinnery Allen Inc.
Willoughby
ISU/Todd Whinnery Allen Inc.
Worthington
Corroon & Black Corp.
Youngstown
Arthur J. Gallagher & Co.

Oklahoma

Edmond
North American Insurance Agency Inc.
Muldrow
BHC of Oklahoma Inc. (ISU/Brown-Hiller-Clark & Associates)
Oklahoma City
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
North American Insurance Agency Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Oklahoma Inc.
Sallisaw
BHC of Oklahoma Inc. (ISU/Brown-Hiller-Clark & Associates)
Tulsa
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Oklahoma Inc.
Marsh & McLennan Cos. Inc.
North American Insurance Agency Inc.

Oregon

Eugene
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Oregon Inc.
Medford
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Newport
Corroon & Black Corp.
Portland
ABI Management Inc.
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
The Crump Cos. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Oregon Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Oregon Inc.

Pennsylvania

Allentown
Arthur J. Gallagher & Co.
Altoona
The Gleason Agency Inc.
Blue Bell
Carl A. Posse & Co.
Camp Hill
Marsh & McLennan Cos. Inc.
Carlisle
McDowell Insurance Inc.
Chambersburg
McDowell Insurance Inc.
Cherry Tree
H.A. Thomson Co.
Clearfield
Moore & Eshelman (Robinson-Conner Inc.)
Erdenheim
Clair Insurance Agency Inc.
Erie
Arthur J. Gallagher & Co.
ISU/S.A. Wagner Agency Inc.
Robinson-Conner Inc.
Exton
H.A. Thomson Co.
Feasterville
Paul Hertel & Co. Inc.
Greencastle
McDowell Insurance Inc.
Greensburg
Arthur J. Gallagher & Co.
Harrisburg
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
The Gleason Agency Inc.
Insurance Inc. (The Loomis Cos. Ltd.)
Fred S. James & Co. Inc.
Lawrence Agency Corp.
Hazleton
ISU/Hazleton Insurance Center Inc.
Hershey
Rollins Burdick Hunter of Pennsylvania Inc.
Johnstown
The Gleason Agency Inc.
King of Prussia
Paige-Ruane Inc.
Lancaster
Loomis Insurance Agency Corp.
Leavittown
The Rhulen Agency Inc.
Malvern
H.A. Thomson Co.
Meadville
ISU/S.A. Wagner Agency Inc.
Mechanicsburg
Active Insurance Services (Robinson-Conner Inc.)
Media
Paul Hertel & Co. Inc.

Continued on next page

RISK MANAGEMENT: INFORMATION SYSTEMS
PUBLISHING: JULY 21
AD CLOSING: JULY 8

In-house information systems.
Continuous access to data. Infinite applications.

On July 21, Business Insurance will publish a feature issue on Risk Management: Information Systems. More and more risk managers are turning to automated systems to handle their professional responsibilities. In today's changing business environment, they can hardly afford not to.

Where can users of in-house information systems get the most timely information? In BI's July 21 feature on Risk Management: Information Systems.

More than 132,000 insurance executives — financial management, administrative management, risk and employee benefits management, insurance company executives, agents/brokers and consultants — will be reaching for this "info-packed" issue to learn more about what's available in the marketplace as well as the full capabilities of these systems.

The editors of Business Insurance are dedicated to the kind of detailed reporting that our readers demand . . . and it's this kind of detail that creates the perfect editorial environment for your advertising message. **Advertising closes on July 8.**

Information systems — the applications are infinite!

business insurance

New York: 220 East 42nd St., NY 10017 • (212)210-0133
Chicago: 740 Rush St., IL 60611 • (312)649-5276
Los Angeles: 6404 Wilshire Blvd., CA 90048 • (213)651-3710

Continued from previous page

Mercersburg
McDowell Insurance Inc.
Mountaintop
ISU/Hazleton Insurance Center Inc.
Newtown
Johnson, Kendall & Johnson Inc.
Philadelphia
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
The Graham Co.
Haas & Wilkerson Inc.
Frank B. Hall & Co. Inc.
Paul Hertel & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Pennsylvania Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Pennsylvania Inc.
Pittsburgh
Alexander & Alexander Services Inc.
Babb Inc.
Collier Cobb & Associates Inc.
The Gleason Agency Inc.
Frank B. Hall & Co. Inc.
ISU/Bigler-Ketchum Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of Pennsylvania Inc.
Marsh & McLennan Cos. Inc.
McDonough Caperton Pittsburgh
Robinson-Conner Inc.
Hilb, Rogal & Hamilton Co.
Reading
Insurance Inc. (The Loomis Cos. Ltd.)
Loomis Insurance Agency Corp.
Roxborough
Paul Hertel & Co. Inc.
St. Davids
The Simkiss Agency Inc.
Scranton
Arthur J. Gallagher & Co.
Sunbury
Marsh & McLennan Cos. Inc.
Tamaqua
ISU/Hazleton Insurance Center Inc.
Wayne
Babb Inc.
Waynesboro
McDowell Insurance Inc.
Willow Grove
Robinson-Conner Inc.
Wynnewood
Republic Hogg Robinson Inc.

Rhode Island

Cranston
Arthur J. Gallagher & Co.
The Kaye Group Inc.
Providence
Alexander & Alexander Services Inc.
Frank B. Hall & Co. Inc.
Scarborough & Co. (Rollins Burdick Hunter Co.)

South Carolina

Charleston
Marsh & McLennan Cos. Inc.
Sullivan Co. Inc.
Columbia
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Marsh & McLennan Cos. Inc.
Sullivan Co. Inc.
Greenville
Corroon & Black of the Carolinas Inc.
Arthur J. Gallagher & Co.
ISU/Carolina Insurance Consultants Inc.
Marsh & McLennan Cos. Inc.
Sullivan Co. Inc.
Greer
Rhulen Agency Inc.
Myrtle Beach
Frank B. Hall & Co. Inc.

South Dakota

Clark
First Insurance Clark (FBS Insurance)
Corsica
First Insurance Corsica (FBS Insurance)
Gettysburg
First Insurance Gettysburg (FBS Insurance)
Highmore
First Insurance Highmore (FBS Insurance)
Hot Springs
First Insurance Hot Springs (FBS Insurance)
Lemmon
First Insurance Lemmon (FBS Insurance)
Madison
First Insurance Madison (FBS Insurance)
Miller
First Insurance Miller (FBS Insurance)
Platte
First Insurance Platte (FBS Insurance)
Presho
First Insurance Presho (FBS Insurance)
Redfield
First Insurance Redfield (FBS Insurance)
Vermillion
First Insurance Vermillion (FBS Insurance)
Wessington Springs
First Insurance Wessington Springs (FBS Insurance)

Tennessee

Athens
Athens Insurance
Chattanooga
Alexander & Alexander Services Inc.
Corroon & Black Corp.
Huffaker & Associates Inc.
Jackson
Corroon & Black Corp.
Johnson City
Corroon & Black Corp.
Knoxville
Marion A. Allen Inc. of Tennessee
Broadus-Anderson & Associates Inc. (The Armistead Group Inc.)
Corroon & Black Corp.
The Crump Cos. Inc.
Marsh & McLennan Cos. Inc.
Memphis
Corroon & Black Corp.
The Crump Cos. Inc.
Murfreesboro
Rhulen Agency Inc.
Nashville
Alexander & Alexander Services Inc.
The Armistead Group Inc.
Corroon & Black Corp.
The Crump Cos. Inc.
Arthur J. Gallagher & Co.
Fred S. James & Co. Inc.
Johnson & Higgins of Tennessee Inc.
Marsh & McLennan Cos. Inc.
Polk & Sullivan Inc. (The Armistead Group Inc.)
New Tazewell
The Crump Cos. Inc.

Texas

Abilene
Alexander & Alexander Services Inc.
Frank B. Hall & Co. Inc.
Amarillo
Marsh & McLennan Cos. Inc.
Austin
Anco Insurance
Corroon & Black Corp.
Frank B. Hall & Co. Inc.
Timberline Insurance Managers Inc.
John D. Williams Co.
Beaumont
Frank B. Hall & Co. Inc.
Belton
Anco Insurance
Brownsville
Alexander & Alexander Services Inc.
Bryan
Anco Insurance
College Station
Anco Insurance
Corpus Christi
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
Marsh & McLennan Cos. Inc.
National Insurance Agency
Shelton Insurance Agency Inc.
Dallas
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Collier Cobb & Associates Inc.
Corroon & Black Corp.
The Crump Cos. Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Texas Inc.
Maxon-Mahoney-Turner Inc.
North American Insurance Agency Inc.
Marsh & McLennan Cos. Inc.
Arthur L. Owen Co. Inc.
Producers Exchange Inc.
Rollins Burdick Hunter Agency of Texas Inc.
El Paso
Frank B. Hall & Co. Inc.
ISU/Rogers & Belding Insurance Agency Inc.
Republic Hogg Robinson Inc.
John D. Williams Inc.
Fort Worth
Alexander & Alexander Services Inc.
L.T. Barton Insurance
Bayly, Martin & Fay International Inc.
Frank B. Hall & Co. Inc.
Marsh & McLennan Cos. Inc.
Galveston
Frank B. Hall & Co. Inc.
Houston
Alexander & Alexander Services Inc.
Anco Insurance
Bayly, Martin & Fay International Inc.
Beck/Wm. Schwartz Inc.
Bynum Insurance Inc.
Collier Cobb & Associates Inc.
Corroon & Black Corp.
The Crump Cos. Inc.
Frank Crystal & Co. Inc.
Financial Guardian Inc.

Continued on next page

Constitution Re...



For more than 40 years, through good times and bad, Constitution Reinsurance Corporation has served clients with integrity, stability and expertise.

Constitution Reinsurance Corporation

New York • Chicago • Los Angeles
Brussels

A Xerox Financial Services Company

Continued from previous page

Frank B. Hall & Co. Inc.
T.D. Howe & Associates Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Johnson & Higgins of Texas Inc.
Marsh & McLennan Cos. Inc.
Roanoke Agency Inc.
Rollins Burdick Hunter Agency of Texas Inc.
Wisenberg Insurance & Risk Management
John L. Wortham & Son

Irving
Republic Hogg Robinson Inc.
Longview
Frank B. Hall & Co. Inc.
Lubbock
Republic Hogg Robinson Inc.
John D. Williams Co.
McAllen
Alexander & Alexander Services Inc.
Midland
Alexander & Alexander Services Inc.
Marsh & McLennan Cos. Inc.
Pampa
Marsh & McLennan Cos. Inc.
Plano
Frank B. Hall & Co. Inc.
Richardson
Corroon & Black Corp.
San Antonio
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Harding-Conley-Drawet-Tinch Insurance Agency Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter Agency of Texas Inc.
Timberline Insurance Managers Inc
Weslaco
Alexander & Alexander Services Inc.

Utah

Brigham City
Leavitt Group of Northern Utah
Cedar City
Dixie Leavitt Agency (The Leavitt Group)
The Leavitt Group
Coalville
Blonquist-Leavitt (The Leavitt Group)
Delta
Manis-Leavitt (The Leavitt Group)
Heber City
Leavitt Group of Heber City
Hurricane
Bringhurst-Leavitt (The Leavitt Group)
Kanab
Barton-Leavitt (The Leavitt Group)
Logan
Bayly, Martin & Fay International Inc.
Nephi
Stowell-Leavitt (The Leavitt Group)
Orem
Bowen-Leavitt (The Leavitt Group)
Wilkinson/Bowen-Leavitt (The Leavitt Group)
Provo
Frank B. Hall & Co. Inc.
Taylor/Bowen-Leavitt (The Leavitt Group)
Richfield
Oserlund-Leavitt (The Leavitt Group)
Roosevelt
Leavitt Group of Uintah Basin
St. George
Leavitt Group of St. George
Salina
Briggs-Leavitt (The Leavitt Group)
Salt Lake City
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc
Kendall Insurance Inc.
Marsh & McLennan Cos. Inc.
Metro-Leavitt (The Leavitt Group)
Fred A. Moreton & Co
Savage-Leavitt (The Leavitt Group)
The Talbert Corp.
Turner Leavitt & Co (The Leavitt Group)
Zions-Leavitt (The Leavitt Group)
Spanish Fork
Leavitt Group of Spanish Fork

Vermont

Burlington
Arthur J. Gallagher & Co
Marsh & McLennan Cos. Inc.
Pomerleau Agency Inc.
Smith, Bell & Thompson Inc.
Brattleboro
Kinney, Pike/Brattleboro
Essex Junction
Kinney, Pike, Bell & Conner Inc.
Fair Haven
Kinney, Pike, Bell & Conner Inc.
Hartford
Kinney, Pike, Bell & Conner Inc.
Poultney
Kinney, Pike, Bell & Conner Inc.
Rutland
Frank B. Hall & Co. Inc.
Kinney, Pike, Bell & Conner Inc.
South Burlington
Hackett, Valine & MacDonald Inc.
Stowe
Pomerleau Agency Inc.

Virginia

Alexandria
Bayly, Martin & Fay International Inc
Republic Hogg Robinson Inc.
Altavista
ISU/Scott Insurance
Arlington
Fred S. James & Co. Inc.
Big Stone Gap
McDonough Caperton Virginia
Blacksburg
Frank B. Hall & Co. Inc.
Charlottesville
Frank B. Hall & Co. Inc.
Hilb, Rogal &Hamilton Co.
Danville
ISU/Scott Insurance
Fairfax
Corroon & Black Corp.
Glen Allen
Frank B. Hall & Co. Inc.
Lynchburg
ISU/Scott Insurance
Madison Heights
ISU/Scott Insurance
Newport News
Henderson & Phillips Inc.
Norfolk
Henderson & Phillips Inc.
Marsh & McLennan Cos. Inc.
Portsmouth
Commercial Insurance Agency (Henderson & Phillips)
Richlands
Corroon & Black Corp.
Richmond
Alexander & Alexander Services Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Henderson & Phillips Inc.
Hilb, Rogal & Hamilton Co.
Johnson & Higgins of Virginia Inc.
Marsh & McLennan Cos. Inc.
Roanoke
Frank B. Hall & Co. Inc.
ISU/Chaney, Thomas
ISU/Scott Insurance
Johnson & Higgins of Virginia Inc.
Rustburg
ISU/Scott Insurance
Virginia Beach
ISU/Pembroke Insurance Agency Inc.

Washington

Anacortes
ISU/Ashford-McAloon-Roberts Insurance Brokers
Bellevue
Arthur J. Gallagher & Co.
Bremerton
Frank B. Hall & Co. Inc.
Seattle
Alexander & Alexander Services Inc.
Bayly, Martin & Fay International Inc.
Corroon & Black Corp.
The Crumps Cos. Inc.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Johnson & Higgins of Washington Inc.
Marsh & McLennan Cos. Inc.
Rollins Burdick Hunter of Washington Inc.
Spokane
American Agrisurance (The Redland Group)
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Marsh & McLennan Cos. Inc.
May-Davis Inc.
Tacoma
The Crump Cos.Inc.
ISU/Ashford-McAloon-Roberts Insurance Brokers
Wenatchee
The Crump Cos.Inc.
Yakima
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.

West Virginia

Beckley
McDonough Caperton Beckley
Charleston
Corroon & Black Corp
Johnson & Higgins of West Virginia Inc.
McDonough Caperton Charleston
Fairmont
McDonough Caperton Fairmont
Huntington
American Benefit Corp. (Rollins Burdick Hunter Co.)
Parkersburg
McDonough Caperton Parkersburg
Wheeling
Arthur J. Gallagher & Co.
McDonough Caperton Wheeling

Wisconsin

Appleton
Laub Group Inc.
Marsh & McLennan Cos. Inc.
Black River Falls
ISU/Klein Insurance Group
Fort Atkinson
Corroon & Black Corp.
Green Bay
Alexander & Alexander Services Inc.
Kenosha
Laub Group Inc.
LaCrosse
ISU/Klein Insurance Group
Madison
Corroon & Black Corp.
Arthur J. Gallagher & Co.
Laub Group Inc.
Rollins Burdick Hunter of Wisconsin Inc.
Milwaukee
Alexander & Alexander Services Inc.
Corroon & Black Corp.
FitzGerald, Clayton, Noyes & Kasten Inc.
Arthur J. Gallagher & Co.
Frank B. Hall & Co. Inc.
Fred S. James & Co. Inc.
Jardine Emett & Chandler Inc.
Laub Group Inc.
Marsh & McLennan Cos. Inc.
Robertson-Ryan & Associates Inc.
Rollins Burdick Hunger of Wisconsin Inc.
Osseo
ISU/Klein Insurance Group
Racine
Laub Group Inc.
Superior
Arthur J. Gallagher & Co.
Waukesha
Robertson-Ryan & Associates Inc.
Wausau
Laub Group Inc.

Wyoming

Casper
Marsh & McLennan Cos. Inc.
The Talbert Corp.
The Van Guilder Insurance Corp.
Cheyenne
Frank B. Hall & Co. Inc.
Ed Murray & Sons (Robinson-Conner Inc.)
Worland
First Insurance Wyoming-Hoiness LaBar (FBS Insurance)

Puerto Rico

Hato Rey
Marsh & McLennan Cos. Inc.
San Juan
Alexander & Alexander Services Inc.
Marsh & McLennan Cos. Inc.
South Continental Insurance Agency Inc.
Santurce
Saldana & Associates Inc.

U.S. Virgin Islands

St. Croix
Antilles Insurance Inc. (Alliance Brokerage Corp.)
Marshall & Sterling Inc.
St. Thomas
Antilles Insurance Inc. (Alliance Brokerage Corp.)
Marshall & Sterling Inc.

BASIC CLAIMS PROCESSING SYSTEM

Synergy Health Systems

INTRODUCES AN ALTERNATIVE. . .

BCPS may be the most cost effective

CLAIMS ADMINISTRATION SYSTEM

available. Designed for ease of installation and immediate productvity, BCPS offers . . .

- On-Line Processing & File Maintenance
- Referrals & Preacmission Certification
- Multi-Tiered Automatic Pricing
- User Maintained Benefit File
- On-Line Adjustments with Void/Refund
- Automated Correspondence Generation
- Growth for Future Capacity Needs
- Multi-Level Security with Audit Trail
- Processing/Management/Ad Hoc Reporting
- 1099 Reporting

For more information on BCPS, please write or call our Marketing Director.

SYNERGY HEALTH SYSTEMS, INC.
16775 ADDISON ROAD
SUITE 201
DALLAS, TX 75248
(214) 248-6241

less ance®

NEW YORK: 220 EAST 42ND STREET/NY 10017/(212) 210-0133
CHICAGO: 740 RUSH STREET/IL 60611/(312) 649-5276
LOS ANGELES: 6404 WILSHIRE BOULEVARD/CA 90048/(213)651-3710

update

RISK MANAGEMENT:
Info Systems/Directory
Issue Date: July 21
Ad Closing: July 8

This issue focuses on the use of computer information systems in risk management departments.

business insurance

Sedgwick is No. 3 in worldwide ranking

3 worldwide

Sedgwick Group P.L.C.

Sedgwick House, The Sedgwick Centre, London, E1 8DX, England; 01-377-3456

Executives at Sedgwick Group P.L.C., the largest Lloyd's of London broker, are pleased with the results of last year's merger with the fifth-largest U.S. broker, Fred S. James & Co. Inc.

The merger makes Sedgwick the world's third-largest broker, with 1985 revenues of 581.5 million pounds ($843.2 million) and 12,375 employees in 63 countries.

Sedgwick executives declare the company is now a truly international brokerage, with the merger with James providing the U.S. connection that Sedgwick has sought for seven years.

"We are delighted how the merger has gone," said Sedgwick Chairman Carel Mosselmans. "There is delight on both sides of the ocean. We are encouraged by the enthusiasm from James. . .and the Canadian operations are going well.

"The enthusiasm here and in other offices in other countries is excellent and is showing benefits," he says.

Sedgwick Vice Chairman J.N. Duncan adds, "Sedgwick is no longer just a U.K. broker like the other Lloyd's brokers, and it isn't comparable to companies like Marsh & McLennan either, because the weight of their business is in the U.S., where their headquarters are based.

"We are also positioned in Holland, Australia. . .and other parts across the globe," he notes.

Under the terms of the merger announced last March and completed in September, Sedgwick acquired 100% of James from James' former owner, Transamerica Corp. The acquisition included Lloyd's broker Wigham Poland Holdings P.L.C. and Canadian broker Tomenson Inc.

In return, Sedgwick gave Transamerica a 39% equity interest in Sedgwick, and Transamerica agreed not to acquire any more Sedgwick stock until at least 1990. The transaction was valued at $640 million (*BI*, April 8, 1985).

Sedgwick has made several changes in the company's structure to absorb its mammoth acquisition. The changes include:

- John F. Sullivan Co., the reinsurance subsidiary of James ranked second among reinsurance intermediaries by *Business Insurance*, soon will become the U.S. arm of Sedgwick reinsurance subsidary E.W. Payne Cos. Ltd., which is directed by Chairman James M. Payne. Sullivan's name is expected to be changed to Payne Sullivan Inc.

In addition, Sullivan has a new president and chief executive officer, Roger D. Espe. He replaces James J. Meenaghan, who resigned in April.

- Wigham Poland Holdings, which had been James' Lloyd's brokerage affiliate, has been absorbed by Sedgwick. As a result, several Wigham Poland executives have left the group, including former Director Barry Dean, who joined Hogg Robinson (North America) Ltd. as a managing director.

Mr. Mosselmans admitted that "a number of Wigham Poland people have left. We are disappointed, but we understand that they weren't in positions that they expected to be."

- Sedgwick Ltd. has been formed in London under Chairman Michael A. Butt to handle worldwide insurance brokerage, except for direct brokerage in North America. Sedgwick Ltd. includes Price Forbes Ltd., operating as a wholesale broker in the United States and Canada to service North American clients in the London market.

"While the group's merger with the Fred S. James group provides Price Forbes with significant opportunities for new business, the company retains a long-term commitment to the service of all of its many U.S. clients," says Sedgwick's annual report.

However, since the merger—although not necessarily because of it—Sedgwick has lost several key employees and some major accounts.

In addition to Mr. Meenaghan and the personnel at Wigham Poland, Price Forbes Chairman Ken Carter left to become chief executive of Lloyd's broker Lloyd Thompson Ltd.

Two other executives also left Sedgwick to join Lloyd Thompson: Eddie Vanderson, former managing director of the cargo division of Price Forbes, is now heading Lloyd Thompson's cargo division, and Charles Bromfield, formerly associate director of Price Forbes' cargo division, is now a director at Lloyd Thompson.

James Leyton, former managing director of Sedgwick Offshore Resources Ltd., left to become a director at Lloyd's broker Jenner Fenton Slade Ltd.—which was set up by executives from C.T. Bowring & Co. Ltd. when Marsh & McLennan bought Bowring in 1980.

Several Sedgwick employees also have joined Alexander Howden Group, where the co-chairman, Dennis Mahoney, is also a former Sedgwick employee.

Some clients also have left Sedgwick. For example, Rolls Royce has moved its account to Hogg Robinson Group P.L.C., advertising agency Saatchi & Saatchi has moved to Alexander Stenhouse Ltd. and Standard Oil of California has moved to C.T. Bowring & Co. Ltd. Previously, Bowring and Sedgwick jointly had been Chevron's London brokers (*BI*, Feb. 3).

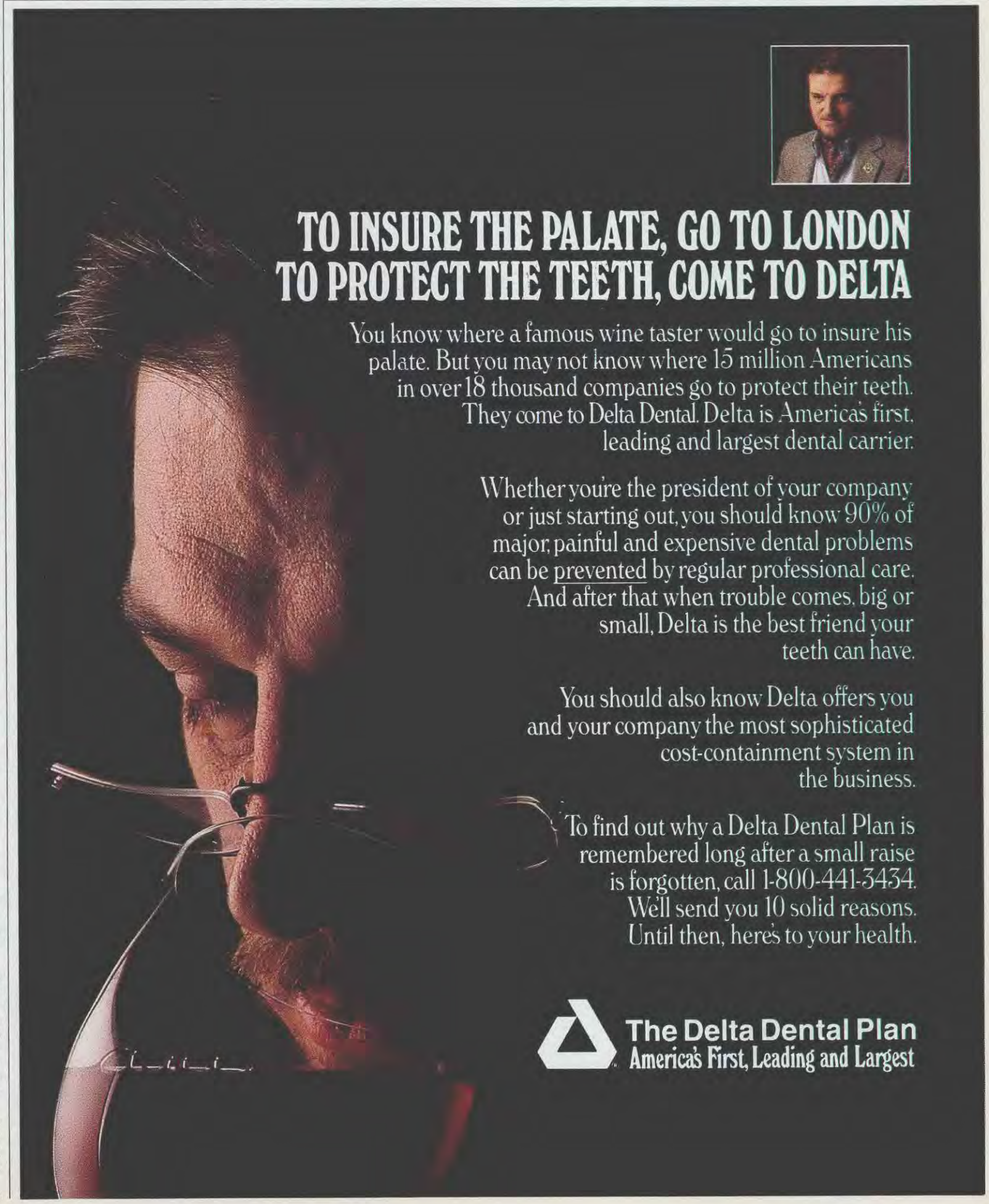
Some changes after such a major merger are inevitable, Mr. Mosselmans says. And, he maintains that Sedgwick has gained more than it has lost as a result of the merger with James. "We continue to serve new clients," he stresses.

Among the new clients is The Channel Group, the $3.3 billion project to build a tunnel under the English Channel. Sedgwick is the project's British broker; there are two French brokers.

Sedgwick Secretary George Hilton also notes, "Because of the size we are, we are an obvious target for recruitment. Sedgwick is considered to be a training ground" for new employees.

In addition, two executives that had previously left Sedgwick have returned to the fold: Charles Bowman is now director of Sedgwick U.K. Ltd., and John Mellows is

Continued on next page



Continued from previous page
now director of Price Forbes.

James is credited as the jewel in Sedgwick's crown during 1985. In the annual report, Mr. Mosselmans lauds James for its contributions to Sedgwick's financial performance.

"A significant aspect of the year's results was the excellent performance from James, confirming our expectations at the time of the merger," he told shareholders. "James is ideally positioned to gain from the hardening rates in the United States market and continues to strengthen its position in an intensely competitive environment."

Indeed, except for the performance of James, Sedgwick had a difficult year in 1985, because rates are not rising in other parts of the world as quickly as in the United States and because the oil industry —which traditionally has generated a large portion of Sedgwick's revenues—has been in a slump, Mr. Mosselmans explains.

In 1985, Sedgwick's total revenues, incuding James, increased 27.5% to 581.5 million pounds from 456 million pounds in 1984. In dollar terms, revenues increased 59.4% to $843.2 million from $529 million in 1984, aided by the increase in the value of the British pound against the U.S. dollar.

James accounts for about 46% of Sedgwick's total revenues, and about 60% of Sedgwick' total brokerage business is generated from North and South America.

Excluding James, Sedgwick's revenues increased 26% to $311.5 million pounds ($451.7 million) from 247.2 million pounds ($286.8 million), while James' revenues increased 33.7% to $391.5 million from $292.8 million.

Sedgwick's pretax profits before exceptional charges grew 20.1% to 124.3 million pounds ($180.2 million) in 1985 from 103.5 million pounds ($120.1 million) in 1984, while net income rose 23.4% to 86.1 million pounds ($124.8 million) from 69.7 million pounds ($101.1 million) in 1984.

Sedgwick did not reveal James' contribution to profits.

Mr. Mosselmans says Sedgwick plans additional acquisitions, and it has left its "options open" on whether to renew talks with Bayly, Martin & Fay International Inc., the 10th-largest U.S. broker.

Merger discussions earlier in the year with Bayly, Martin & Fay failed when "we were unable to agree on how the merger could be done," Mr. Mosselmans said.

—By Stacy Shapiro

Largest foreign brokers

Profiles of the foreign-based brokerages that are listed in *Business Insurance's* ranking of the world's Top 20 brokers begin on page 115.

BI ranks the world's largest brokerages according to gross revenues. Revenues of brokerages whose business is conducted primarily in non-U.S. currencies are converted into U.S. dollars based on the exchange rate at the end of those brokers' fiscal years.

Profiles of the U.S. companies included among the Top 20 world brokers appear on preceding pages. Those U.S. brokers and the pages on which their profiles appear are:

- Marsh & McLennan Cos. Inc., page 20.
- Alexander & Alexander Services Inc., page 24.
- Johnson & Higgins, page 28.
- Frank B. Hall & Co. Inc., page 32.
- Corroon & Black Corp., page 40.
- Rollins Burdick Hunter Co., page 47.
- The Crump Cos., page 50.
- Bayly, Martin & Fay International Inc., page 56.
- Arthur J. Gallagher & Co., page 59.

In addition, three of the foreign-based brokers that are among the Top 20 world brokers have U.S. affiliates that *BI* has ranked among the 20 largest U.S brokers: Fred S. James & Co. Inc., an affiliate of London-based Sedgwick Group P.L.C., is profiled on page 38; Jardine Emett & Chandler Inc., an affiliate of London-based Jardine Insurance Brokers, is profiled on page 52; and Republic Hogg Robinson Inc., which is owned by Lloyd's of London broker Hogg Robinson Group P.L.C., is profiled on page 61.

Top 20 world brokers

Company	Revenues (in millions) 1985	1984
1. Marsh & McLennan (U.S.)	$1,392.7	$1,131.8
2. Alexander & Alexander (U.S.)	967.9	834.1
3. Sedgwick Group (U.K.)	843.2[1]	529.0[1]
4. Johnson & Higgins (U.S.)	523.5[2]	412.9[2]
5. Frank B. Hall (U.S.)	417.4	371.9
6. Corroon & Black (U.S.)	263.5	204.2
7. Willis Faber (U.K.)	255.6[1]	177.8[1]
8. Hogg Robinson (U.K.)[3]	185.0[2]	113.8[2]
9. Jardine Insurance Brokers (U.K.)	169.5[1]	128.5[1]
10. Minet Holdings (U.K.)	149.3[1]	107.3[1]
11. Rollins Burdick Hunter (U.S.)	141.5	113.9
12. Stewart Wrightson (U.K.)	127.6[1]	90.5[1]
13. C.E. Heath (U.K.)[3]	123.0	104.0
14. The Crump Cos. (U.S.)	98.0	69.6
15. Bayly, Martin & Fay (U.S.)	91.9	77.9
16. Arthur J. Gallagher (U.S.)	81.6	64.2
17. Faugere & Jutheau (France)	71.4[4]	50.3[4]
18. Bain Dawes (U.K.)	62.5[1]	45.4[1]
19. Hudig-Langeveldt (Netherlands)	55.9[5]	51.6[5]
20. Sodarcan (Canada)	53.7[6]	52.0[6]

[1] British pound=$1.45 (Dec. 31, 1985); $1.16 (Dec. 31, 1984).
[2] *BI* estimate.
[3] Fiscal year ending March 31; British pound=$1.48 (1986); $1.24 (1985).
[4] French franc=13.3 cents (Dec. 31, 1985); 10.4 cents (Dec. 31, 1984).
[5] Dutch guilder=36.4 cents (Dec. 31, 1985); 34.1 cents (Dec. 31, 1984).
[6] Canadian dollar=71.5 cents U.S. (Dec. 31, 1985); 76.8 cents U.S. (Dec. 31, 1984).

7 worldwide

Willis Faber P.L.C.

10 Trinity Square, London EC3P 3AX, England; 01-488-8111

Revenue growth last year at Willis Faber P.L.C., the second-largest Lloyd's of London broker and the seventh-largest broker worldwide according to the *Business Insurance* rankings, came from both rising property/casualty rates and new business, says Chairman David Palmer.

Willis Faber reported its revenues increased 15% in 1985 to 176.3 million pounds from 153.3 million pounds in 1984. However, in dollar terms, revenues rocketed 43.8% to $255.6 million in 1985 from $177.8 million in 1984, as the value of the British pound against the U.S dollar rose to $1.45 at year-end 1985 from $1.16 on Dec. 31, 1984.

Willis Faber's pretax operating profits grew 29.1% to 60.7 million pounds ($88 million) in 1985 from 47 million pounds ($54.5 million) a year earlier. And, aftertax operating profits, before extraordinary items, grew 40% to 35.3 million pounds ($51.2 million) from 25.2 million pounds ($29.2 milion) in 1984.

Shareholders' profit, equivalent to net income in the United States, grew a whopping 70.3% to 37.7 million pounds ($54.7 million) in 1985 from 22.1 million pounds ($25.6 million) in 1984.

Willis Faber increased its workforce by 6.8% in 1985, to 3,548 employees from 3,321 a year earlier. Mr. Palmer adds that he expects a future increase in employees during 1986 to aid in placing insurance and reinsurance in the tight market.

But, Mr. Palmer stresses that the tight property/casualty market is not responsible for all of the company's growth.

Although he notes that it is true "that existing clients are paying more," he adds, "we are also getting new clients."

Mr. Palmer also says he does not expect the tight market, which began in London in 1984, to end soon.

"I do not think we will see much of a waning in the (tight) market until 1988," he says.

Willis Faber maintains its informal link with Johnson & Higgins, the third-largest U.S. broker and fourth-largest world broker. In addition, this year J&H announced that it had increased its holding on Willis Faber to 5.01% in January.

J&H has had a link with Willis Faber since 1892 and has been increasing its holding of Willis Faber shares for the last few years, Mr. Palmer notes. Under British government regulations, J&H did not have to publicly disclose its holdings in the British broker until its ownership exceeded 5%.

Mr. Palmer adds that J&H is not expected to increase its holdings in Willis Faber further.

"We are very happy with our relationship with J&H," Mr. Palmer says. "We have a good relationship just as we are."

He notes that recently 10 Willis Faber employees, led by John Wooderson, managing director of the brokerage's North American division, met in New York with 10 representatives from J&H.

"They will look into the synergy of our companies," seeking ways to benefit the clients of both companies, Mr. Palmer says.

Some 61% of Willis Faber's gross revenues, or 107.5 million pounds ($155.9 million at a 1985 year-end conversion rate of $1.45), came from insurance brokerage. About 38% of that brokerage business is generated in the United Kingdom; 27% is from North and South America; 16% is from Europe; 13% is from Asia and the Pacific; and 6% is from the Middle East and Africa.

Willis Faber specializes in placing reinsurance, but it also is strong in the brokering insurance for marine, non-marine, aviation, professional indemnity, oil and gas, space and bloodstock risks.

'We are very happy with our relationship with J&H,' says Willis Faber Chairman David Palmer.

During 1985, Willis Faber sold its Lloyd's syndicates managed by Willis Faber & Dumas (Agencies) Ltd. to Wellington Underwriting Agencies Ltd. to comply with the divestment provisions of the Lloyd's Act of 1982. The 4.6 million pounds ($6.7 million) in income from the sale is included as an extraordinary item in the brokerage's 1985 accounts.

And, under the conditions of the sale, Willis Faber will receive any profit commissions arising from the agency's syndicates from 1983-1985, according to Mr. Palmer.

About 20% of Willis Faber's pretax profits, or 12.1 million pounds ($17.7 million at the 1985 year-end conversion rate) was derived from its 23.7% ownership in investment banker Morgan Grenfell Holdings Ltd. Morgan Grenfell recently applied for a public listing on the London Stock Exchange, and it and Willis Faber are negotiating to determine what percentage of Morgan Grenfell shares Willis Faber will retain after the public offering.

Willis Faber made no provision in its 1985 financial statement for future losses that may arise from its subsidiary Lloyd's underwriting agency Spicer & White (Underwriting Agencies) Ltd. Spicer & White is being sued by its members, who have been ordered by Lloyd's to pay more than half of the 18 million pounds in losses suffered by Syndicate 895 from 1980 to 1982 (*BI*, July 15, 1985).

Mr. Palmer told Willis Faber shareholders that both sides are trying to resolve the issue.

—By Stacy Shapiro

8 worldwide

Hogg Robinson Group P.L.C.

1 Portsoken St., London E1 8DF, England; 01-480-4000

The current slogan of Hogg Robinson Group P.L.C. appears to be "Buy American."

In June 1985, the Lloyd's of London brokerage acquired sole ownership of Republic Hogg Robinson Inc., the 12th-largest U.S. broker, by purchasing the remaining 50% of RHR's shares from LTV Corp. for $9.7 million (*BI*, July 15, 1985).

Since January, Hogg Robinson has acquired three more U.S. brokerages and merged them with RHR: Bonina Insurance Inc. of Boca Raton, Fla.; Insurance Services of Fort Lauderdale, Fla.; and Oberdorfer Insurance Associates in Atlanta.

Hogg Robinson is still looking for U.S. acquisitions to balance and augment the current business produced by Republic Hogg Robinson, according to Christopher Price, chief executive of the parent company's brokerage division.

"We are especially attracted to the local city broking houses," Mr. Price says. "We are devoted to the building up of RHR to be a major broking force in the U.S."

Mr. Price explains that Hogg Robinson wants to concentrate its strength in the United States and Europe. As part of this strategy, he says, Hogg Robinson has sold some of its subsidiaries, including Canadian broker Richard Mellings Inc. and Hogg-Robinson (N.Z.) Ltd. in New Zealand.

Within the last year, Hogg Robinson has made several personnel moves designed to enhance its operations, Mr. Price adds. Alex Shaw, former chairman of Reed Stenhouse (U.K.) Ltd., joined the company as managing director of Hogg Robinson Ltd., its retail brokerage arm, while Barry Dean, a former director of Wigham Poland Holdings Ltd., joined as managing director of Hogg Robinson (North America) Ltd.

Hogg Robinson also has acquired an excess-of-loss marine reinsurance broker, Tethercrest Ltd., "to enhance our marine reinsurance operations," according to Mr. Price.

In addition, Hogg Robinson made some structural changes, dividing the group into separate divisions for insurance brokerage and transport and financial services.

Mr. Price is chief executive of the brokerage division, which last year accounted for 65% of the total group's revenues. Brian Perry is chief executive of the transport and financial services group, which last year accounted for 35% of revenues. Both Mr. Price and Mr. Perry are deputy chairmen of Hogg Robinson Group.

Hogg Robinson's 1985-86 results, based on a fiscal year that ends March 31, will not be released until next month. But, *Business Insurance* estimates Hogg Robinson's revenues, including its share of RHR's 1985 revenues, will increase 36.2% to 125 million pounds from 91.8 million pounds in 1984, making it the world's eighth-largest brokerage, according to the *Business Insurance* rankings.

In dollar terms, the increase would be a hefty 62.6%, to $185 million in 1985-86 from $113.8 million, due to the increase in the value of the British pound against the U.S. dollar.

Hogg Robinson for the first time will include all of RHR's revenues in its year-end results in fiscal year 1986-87.

According to the group's last reported figures, for the 1984-85 fiscal year, brokerage business generated nearly 51% of its revenues. The vast majority—84%—of this business was generated from the United Kingdom. The United States and the Carribean accounted for 5% and the remainder was generated from other nations.

For the 1984-85 fiscal year, Hogg Robinson reported a 27.9% increase in pretax profits to 14.2 million pounds ($17.6 million at March 31, 1985, exchange rates) from 11.1 million pounds ($12.9 million at March 31, 1984, exchange rates).

Net income for the year, however, fell 37.4% to 5.7 million pounds from 9.1 million pounds in the previous fiscal year. Most of the decline was attributed to an unusual boost in earnings during fiscal 1983-84 caused by the sale of Hogg Robinson's headquarters building in London.

Hogg Robinson also soon will sell its profitable Lloyd's of London underwriting agency, Janson Green Ltd., to comply with divestment requirement in the Lloyd's Act of 1982, Mr. Price says. Janson Green, which in recent years has accounted for as much as 30% of Hogg Robinson's profits, is expected to be sold to its management, according to London sources.

However, the buyers evidently will not include Gale Coles, who recently resigned as Janson Green's deputy chairman and underwriter.

—By Stacy Shapiro

9 worldwide

Jardine Insurance Brokers Group

19 Eastcheap, London EC3M 1HJ, England; 01-623-4611

Jardine Insurance Brokers Group's worldwide operations grew last year partly as the result of the hardening property/casualty insurance market and partly because of the above-average performance of its U.S. operations.

The picture for 1986, however, is even brighter for Jardine Matheson Holdings Ltd.'s brokerage operations because of the purchase of Los Angeles-based Emett & Chandler Cos. Inc. by JIB's U.S. subsidiary, Jardine Insurance Brokers Inc. (see story, page 52).

The purchase of Emett & Chandler, which was the 13th-largest broker in the United States based on 1984 revenues, catapults JIB into the ranks of the world's 10 largest brokerages. With worldwide revenues of $169.5 million including Emett & Chandler, JIB jumps from 14th to ninth place in the *Business Insurance* ranking of world brokers.

Combined under the name Jardine Emett & Chandler Inc., JIB's U.S. operations now have considerably more depth, offering a wide range of new services that should help it attract larger accounts. And, for the first time, the U.S. operations will represent more than 50% of JIB's total revenue.

Not including Emett & Chandler's results, JIB would have reported gross revenues for 1985 of $122.2 million compared with $94 million in 1984, an increase of 30%. But JIB Chief Executive John Barton says the underlying real growth in revenues was just more than 20% after currency fluctuations are taken in account.

Of the $122.2 million, commissions and fees accounted for $107.8 million of JIB's revenues, while interest income accounted for $14.4 million.

JIB's U.S. operations contributed 38% of revenues.

However, when Emett & Chandler revenues are included, total U.S. revenues of $93.8 million repesent 55% of JIB's 1985 revenues of $169.5 million.

"We had an excellent year, no doubt about that," says Harold R. Talbot, president and chief executive officer of JIB's U.S. operations and a member of JIB's board of directors.

"Internal growth was the key word, and while that doesn't add many new services for clients, it strengthens the existing service level," he adds.

He predicts that JIB's U.S. revenues will top $110 million in 1986, while the broker's worldwide revenues will break $200 million.

Both JIB's U.S. operations and its retail brokerage operation in the United Kingdom performed well in 1985, while the broker's British wholesale operation had a mixed year.

The marine wholesale division suffered because of the financial woes of the shipping industry. "Because of the dramatic drop in the price of oil, we've had some serious constraints put upon ship owners, and that's had a negative effect on us because we're one of the biggest in that business," Mr. Talbot says.

But while the marine wholesale division showed no increase in revenues, JIB's wholesale aviation, North American and oil and energy divisions showed improved results. And, the acquisition of Emett & Chandler is expected to offer JIB's wholesale division new opportunities for growth.

The nationalization of workers compensation insurance in Australia is a continuing source of concern for JIB's management. However, Mr. Talbot says the broker is now in a much stronger position Down Under as the result of a 1984 merger that created Jardine Australian Insurance Brokers, the fourth-largest broker in the Australian market.

JIB now has a much broader base of property/casualty business in Australia and, therefore, is "much better financially equipped to face the nationalization of the workers comp business," he says.

JIB's operations in Asia did not perform well, according to Mr. Talbot, citing depressed regional economies and the slowdown in the shipping industry. JIB's Asia operations account for 10% of Jardine's total premium volume.

In an effort to improve results in Asia, JIB recently formed Jardine Insurance Brokers Asia, based in Hong Kong.

Early in 1985, JIB sold its 20% interest in Robert Enthoven & Co. in South Africa to a holding company owned by Lloyd's of London broker Willis Faber P.L.C.

Mr. Talbot says one of the reasons for the sale is "the increasing instability" in South Africa.

With the acquisition of Emett & Chandler's Pinehurst Management Co. Ltd., JIB now plans to consolidate its captive management services in Bermuda, Mr. Talbot says.

"We have captives that we use as outside facilities to help handle placements in the Jardine Group from London and from Hong Kong. Those will all be consolidated into the Bermuda company, which is a very big plus," he says.

JIB opened a new area of business in 1985—placing coverage for Japan's first commercial satellite through Jardine Insurance Agency Ltd., the broker's Tokyo-based operation. Mr. Talbot says JIB hopes to build on this business by developing alternative risk financing techniques for satellite insurance.

JIB added offices in Milan, Italy, and Sidney, Australia, in 1985, bringing its worldwide total to 63.

—By Robert A. Finlayson

From The Reprint Department Of:
business insurance
Reporting weekly for corporate risk, employee benefit, and financial executives

Reprints/Permission
If you want copies of articles appearing in BI to distribute at corporate or industry meetings, or for promotional mailings — or permission to produce your own reprints — contact the BI Reprint Dept. We've expanded to provide you with fast, low-cost service. (Minimum print order is 100 copies.) Call or write:
REPRINT DEPARTMENT
Business Insurance
220 East 42nd Street
New York, NY 10017
(212)210-0229.

Article Photocopies
If you missed an article in BI and would like a photocopy — send your request along with $3.00 per copy / per article and a self-addressed envelope to the BI Reprint Dept. Please specify issue date and headline of article. Only pre-paid written requests will be fulfilled.

Issue Sales
For a copy(s) of any back issue of *Business Insurance*, contact Single Copy Sales. Call (313)446-1609.



THE GREENWICH GROUP

We are a national team of highly experienced, independent commercial coverage brokers dedicated to seeking out and securing simple, customized commercial coverage for our clients not so simple needs.

The entrepreneural spirit and market strength within the Greenwich Group permits us to react competitively to ever-changing conditions that make high-risk coverage a complexity; conditions such as commercial coverage pricing and availability.

Our coast to coast network of agents function not as a brokerage market, but rather deal directly with the client. Consequently, our agents will closely work with you to customize a cost effective, comprehensive insurance and risk management program designed specifically for your company's needs... real estate, construction, transportation, financial institutions, or any other commercial endeavor.

Simply, The Greenwich Group.

For more information about your local representative, call 1-800-621-7350. In California call (213) 479-7979.

THE GREENWICH GROUP
Customized commercial coverage. Anytime, anyplace.

10 worldwide

Minet Holdings P.L.C.

100 Leman St., London, E1 8HG England; 01-481-0707

Lloyd's of London broker Minet Holdings P.L.C. painted a bright financial picture during 1985, despite lingering dark clouds created by its former Lloyd's of London underwriting management subsidiary, the scandal-tainted PCW Underwriting Agencies Ltd.

Minet's gross revenues increased 11.2% in 1985 to 102.9 million pounds from 92.5 million pounds in 1984.

In dollar terms, however, revenues increased a whopping 39.1% to $149.3 million in 1985, based on a year-end exchange rate of $1.45, from $107.3 million, based on a year-end 1984 exchange rate of $1.16.

Profits before taxation and extraordinary charges rose 28.5% to 33.1 million pounds ($48 million) from 25.8 million pounds ($29.9 million). Shareholders' profit, equivalent to net income in the United States, increased 442.7% to 16.2 million pounds ($23.5 million) from $2.99 million pounds ($3.47 million) in 1984.

In addition, Minet announced an exceptional charge against 1985 results of 3.1 million pounds ($4.5 million) for "certain irrecoverable items" relating to insurance-related business not related to the PCW problems.

'We have tremendous sympathy with the PCW members, but we have strong legal advice that we have no legal liability,' says Minet's Ray Pettitt.

In 1984, Minet took a similar charge of 2.5 million pounds ($2.9 million).

Minet Chairman Ray Pettitt says that he is pleased with his company's 1985 performance, which ranks it as the 10th-largest broker in the world in the *Business Insurance* rankings.

Mr. Pettitt credits Minet's "skill and charm" for its success, singling out the company's expertise in energy risks and international and North American reinsurance. He also credits client and employee loyalty.

For example, he notes that Minet has not lost any clients nor employees specifically because of the allegations of wrongdoing and mismanagement at PCW.

And, Minet's two major shareholders—U.S. broker Corroon & Black Corp. and insurer The St. Paul Cos. Inc.—also have remained loyal.

In fact, Corroon & Black increased its ownership in Minet to 25% from 20% last year, while St. Paul retains its 26% share.

Mr. Pettitt also points out that since the troubles at PCW began three years ago, "we have doubled our profits. . . .That says a lot for this company."

However, he admits that PCW's problems still hang heavily over Minet.

Former Minet Chairman John Wallrock is being investigated by Lloyd's for allegedly misappropriating, along with other former PCW officials, at least 39 million pounds from syndicates managed by PCW. Lloyd's already has expelled former PCW underwriter Peter Dixon and fined him 1 million pounds for his part in the PCW affair.

In addition, Lloyd's also has accused former PCW Chairman Peter Cameron Webb of involvement in the plot, though no disciplinary action could be taken against Mr. Cameron Webb by Lloyd's because he has resigned from the market.

Minet is making efforts to clear up the PCW mess, the company notes.

In 1984, Minet and Alexander & Alexander Services Inc., whose affiliates placed reinsurance for the PCW syndicates, offered to pay syndicate members 38.17 million pounds to cover some of the syndicate losses.

In return, the syndicate members agreed not to sue Minet, A&A or PCW's successor agency, Richard Beckett Underwriting Agencies Ltd.

But in April 1985, a new investigation into the PCW syndicates' accounts showed that members may be responsible for 130 million pounds in additional losses on business dating back to 1968.

As a result, Minet closed Richard Beckett last year and took an 8.3 million-pound charge against 1984 earnings.

However, most of the PCW syndicate members have refused to pay their share of the additional losses to meet Lloyd's solvency requirements and are threatening to take legal action against Minet, Lloyd's and more than 40 other parties.

Mr. Pettitt says Minet "continues to receive firm legal advice that it has no liability for the PCW affair and will vigorously defend any suit brought against it.

Mr. Pettitt stresses that Minet believes its involvement in the PCW matter was "put to bed with honor" when the syndicate members accepted Minet's 1984 settlement offer.

"We have tremendous sympathy with the PCW members, but we have strong legal advice that we have no legal liability," Mr. Pettitt said.

A standstill agreement negotiated by various parties to delay litigation expires in September. But some syndicate members have threatened to sue when Additional Underwriting Agencies (No. 3) Ltd., the agency formed by Lloyd's to run off business written by PCW and Beckett, releases its report this summer on the syndicates' latest results.

Those results, which would cover years through 1983 under Lloyd's three-year accounting system, could put the total syndicate losses as high as 200 million pounds.

Mr. Pettitt admits that if the syndicates' loss reaches that magnitude, it would be "silly" to think the issue would be resolved in an "old boy way."

"In this market, I believe that a 200 million-pound dispute must be resolved by legal and commercial principles," he says. "Nobody pays 200 million pounds to be a nice guy."

In its brokerage activity, Minet is well known for brokering professional liability risks through its Minet International Professional Indemnity unit, which operates from offices in London and Montreal.

For example, Minet says in its annual report that it acts as the broker for 13 of the 15 largest accounting firms in North America.

To expand its presence in the professional liability area, Minet last year bought two U.S. brokers with expertise in professional liability business. Minet purchased Nelson Charlmers Inc. of Teaneck, N.J., and Osborne Post & Kurtz Inc. in Fair Haven, N.J., for a total of $8.4 million.

—By Stacy Shapiro

12 worldwide

Stewart Wrightson Holdings P.L.C.

1 Camomile St., London EC3A 7HJ, England; 01-623-7511

Lloyd's of London broker Stewart Wrightson Holdings P.L.C. is searching for new ideas and new directions in insurance brokerage.

For example, last year the group reorganized to develop its activities in certain lines of insurance, rather than operate according to geographical confines like many major brokers.

"We have had the same organization since 1978, and we needed some change, even for our own sake," said Chairman David Rowland.

"Also, the perception of our business is substantially different. We used to think that we were a mini-Marsh & McLennan, but we are not. We are geared towards specialities," he added.

Under the new group structure:

- Stewart Wrightson Ltd. is responsible for all insurance brokerage operations except the company's U.S. surplus lines affiliate, Stewart Smith Holdings Inc. The division is headed by Chairman Allan Colls, with George Boden and Simon Harrap as deputy chairmen.
- Stewart Wrightson (North America Holdings) Ltd. oversees the company's operations in Canada and the United States, including Stewart Smith in the United States.
- Stewart Wrightson Management Services Ltd. provides administrative support for the company's British-based units.
- Stewart Wrightson Members' Agency Ltd. manages the affairs of Lloyd's of London members.
- Golding Stewart Wrightson Ltd. brokers reinsurance and operates under Chairman Keith Gillies.
- Stewart Wrightson Insurance Agencies Ltd. operates three London insurance company underwriting agencies. It is headed by Chairman Tony Keys, who is also the parent company's group development director.

Stewart Wrightson specializes in brokerage services for special types of risks, like financial institutions, directors and officers liability, aviation and professional liability.

The brokerage, for example, is now forming a professional liability division and is looking for people and companies that are specialists, Mr. Keys noted.

"We wish to develop in whichever way is best, either by developing with companies or with people," he said.

Stewart Wrightson's 1985 revenues increased 12.8% to 88 million pounds from 78 million pounds in 1984, including investment income. And, like other British brokers, revenues soared 41% in dollar terms to $127.6 million from $90.5 million in 1984, thanks to the strength of the British pound.

That increase pushed Stewart Wrightson to 12th place in the *Business Insurance* ranking of the world's 20 largest brokers from 15th place last year.

Pretax profits increased 35.5% to 18.7 million pounds ($27.1 million) from 13.8 million pounds ($16 million) in 1984. Aftertax profits rose 30.1% to 10.8 million pounds ($15.7 million) from 8.3 million pounds ($9.6 million).

Profits from insurance brokerage rose 31.6% to 15.4 million pounds ($22.3 million) from 11.7 million pounds ($13.6 million) in 1984; while brokerage revenues increased 13.5% to 75 million pounds ($108.8 million) from 66.1 million pounds ($78.7 million) in 1984.

About 28% of the group's brokerage revenues is generated in the United States, mainly by Stewart Smith. About 43% of brokerage revenue is generated from British operations and the rest is generated from operations in other parts of the world.

The increase in brokerage revenues is due partially to the expensive and difficult market for North American liability risks, Mr. Keys noted.

But, the bulk of the increase came during the first half of 1985 "because capacity constraints became much more marked in the second half, so there was a slow down in growth," he said.

Mr. Keys pointed out that excess/surplus lines brokers, like Stewart Smith, are faring particularly well now because retail brokers need the help of wholesalers to find capacity, unlike a few years ago when surplus lines brokers were suffering at the hands of a competitive market.

"With surplus lines it is either feast or famine," Mr. Keys said. "People need us at the moment."

Mr. Rowland predicts that the tight market for most North American risks will probably continue into next year. But, rates increases may ease for some lines outside the United States, such as British property insurance, he said.

Stewart Wrightson will continue to strive to "do better," Mr. Keys said.

"We will never be satisfied."

—By Stacy Shapiro

13 worldwide

C.E. Heath P.L.C.

Cuthbert Heath House, 150 Minories, London EC3M 1NR; 01-488-2488

Lloyd's of London broker C.E. Heath P.L.C. will beef up its brokerage efforts but not its underwriting activities following the group's poor fiscal 1985-86 results, according to Derek Newton, chairman.

However, Heath has no plans to boost its brokerage activity by expanding into the United States, Mr. Newton added.

"We hope to see a change of drive of the group from underwriting to brokering in the next few months. But we will not have retail brokers in the U.S.," Mr. Newton said.

"We may look elsewhere outside the U.S. or at financial operations in our area. But, we have no ambitions to extend our affairs in underwriting."

About 45% of Heath's revenues are derived from underwriting, including underwriting operations in Australia, Pinnacle Reinsurance Co. in Bermuda and French subsidiary Groupe Sprinkes S.A.

Heath places 13th in the *Business Insurance* ranking of the Top 20 brokers worldwide based on 1985 results, a notch lower than it ranked last year based on 1984 results.

The group's revenues increased 18.2% to $123 million from $104 million on a dollar basis, which is used in the *BI* rankings.

Those figures are based on a currency exchange rate of $1.48 to the pound on March 31 of this year and $1.24 to the pound on March 31, 1985.

But revenues in British currency decreased slightly for 1985-86 to 83.1 million pounds from 83.9 million pounds in 1984-85.

Operating profits declined 16.2% to $40.4 million from $48.2 million. However, in British currency, operating profits remained steady at 32.6 million pounds.

Net earnings increased 23.1% to $29.3 million from $23.8 million. But in British currency, net earnings rose only 3.6% to 19.8 million pounds from 19.2 million pounds.

Mr. Newton blames the broker's Australian underwriting operations and the strength of the pound against other currencies for Heath's sluggish perfomance at a time when other brokers' revenues are increasing robustly.

In the past, underwriting operations in Australia, where Heath was the largest private workers compensation underwriter, generated one-third of the group's total profits, according to Mr. Newton.

But last year, Australian states—led by the state of Victoria—set up state insurance companies to write workers compensation coverage. As a result, Heath ceased underwriting workers compensation insurance in Victoria in September and is running off the business, Mr. Newton noted.

Heath reserved $4 million Australian ($2.8 million U.S.) for the runoff and reduced its Australian profits to between $13 million Australian and $14 million Australian ($9.3 million U.S. and $10 million U.S.), according to Mr. Newton.

Heath expects profits in Australia to decline by another $8 million Australian ($5.6 million U.S., based on the June 17 exchange rate) in fiscal 1986-87, Mr. Newton said.

But, he is optimistic that Australian results will pick up after that because Heath's brokerage subsidiaries have picked up the "lion's share" of the administration of the single state workers compensation insurer in Victoria.

"We are assured of $5 million Australian ($3.5 million U.S.) income each year for two years beginning in 1986-87," Mr. Newton pointed out.

"We have also been strong in brokering in Australia," Mr. Newton added.

Heath also lost lost 5 million pounds ($7.4 million) of profit because of currency exchange fluctuations in the last year, Mr. Newton said.

The company experimented last year with hedging against the dollar and gained about 1 million pounds ($1.48 million). Heath may increase its hedging this year, Mr. Newton noted. However, there is no market in which the broker can hedge against fluctuations in the Australian dollar, he said.

In addition, Heath has set aside an exceptional item of 2.2 million pounds ($3.3 million) for bed debts in the 1970s. This is the third consecutive year the broker has made such a charge.

"We felt embarrassed about doing it for the last couple of years, but now we are seeing other companies doing the same," Mr. Newton said.

Heath also sold its Lloyd's underwriting agency last year, but the transaction did not have much effect on group profits, according to Mr. Newton.

The North American unit in London was the group's "savior," preventing the broker from further losses, Mr. Newton said.

"We were up 40% on brokerage and 60% on profit," noted Nigel Chamberlain, chairman and managing director of C.E. Heath (International) Ltd., which places insurance for North American risks. "About 50% of our gain is due to increased rates in the U.S. and about 50% due to new business."

New clients include Greyhound Corp., whose account Heath had lost last year, and Conrail, another account that is has regained, Mr. Chamberlain said.

Heath employs 1,866 people worldwide. About 38% of its revenues come from Europe; 38% from the United States; 21% from Australia; and the remaining 3% from other parts of the world.

—By Stacy Shapiro

17 worldwide

Faugere et Jutheau S.A.

13 rue de la Ville L'Eveque, 8, Paris; 4-268-1500

Business at Faugere et Jutheau S.A., the largest insurance brokerage in France, has always been a family affair.

Since its inception in 1896, the brokerage's name has gone through several changes with the addition of each new family member.

And now, there is another change: For the first time, the brokerage has joined the *Business Insurance* ranking of the Top 20 world brokers. Faugere et Jutheau assumed the No. 17 position based on its 1985 results.

Faugere et Jutheau's gross revenues surged 11% to 537 million French francs in 1985 from 484 million francs in 1984. In dollar terms, it was a 41.9% increase, to $71.4 million at a 1985 year-end conversion rate of 13.3 cents, up from $50.3 million at a 1984 year-end conversion rate of 10.4 cents.

But the strength of the U.S. dollar is not the primary reason the Paris-based broker joined the Top 20. Mergers and acquisitions by other industry giants during the year made room for some smaller brokers to join the *BI* ranking.

The French insurance brokerage was started at the turn of the century by Raphael Poujade when he left an electricity and gas supply company where he had been interested in "accident du travail," or worker's compensation, to go into business for himself.

The company, Poujade & Co., later became Faugere et Co. when Mr. Poujade's only daughter married Dr. Raymond Faugere, who became a partner in his father-in-law's insurance brokerage.

In 1937, Raymond Jutheau joined Faugere et Co., and in keeping with family tradition, married Dr. Faugere's daughter—Mr. Poujade's granddaughter—and added his name to the company letterhead.

In 1981, Mr. Jutheau passed the chairmanship on to his son-in-law, Robert Husson.

Mr. Jutheau died three months ago.

The group "is always run by sons-in-law," according to Mr. Husson.

Before World War I, Poujade & Co. had been a small brokerage specializing in electricity and gas company risks, according to Mr. Husson.

Around that time the gas and electricity companies were nationalized in France "and all our clients disappeared," Mr. Husson recalls.

However, the group became the brokers for EDF/GDF, the newly nationalized French electricity and gas company.

To this day, EDF/GDF is still one of Faugere et Jutheau's biggest clients, Mr. Husson said.

Once Faugere et Jutheau won the EDF/GDF account, the brokerage decided to diversify to provide better service to its clients, said Mr. Husson.

The group has since hired engineers who understood risks such as dam-building and nuclear activity.

Today, Faugere et Jutheau is divided into eight technical departments. Those departments broker:

- Property risks.
- Special industrial risks.
- Marine risks.
- Employee benefits.
- Personal lines.
- Aviation and space risks.

Two other departments provide claims handling and legal services.

In further moves toward diversification, Faugere et Jutheau expanded into French-speaking African countries.

Today, according to Mr. Husson, 20% of the group's revenues is generated in those countries, including the Cameroons, the Ivory Coast, Gabon and Central Africa.

It was the African business that led Faugere et Jutheau to its current association with U.S. broker Marsh & McLennan Cos. Inc., Mr. Husson explained.

"We realized quickly that we needed a correspondent abroad," he said.

So Faugere et Jutheau looked for corresponding brokers in other parts of the world to service its clients.

At the same time, M&M was scouting for corresponding brokers in Europe.

Faugere et Jutheau was introduced to M&M by another European broker, Mr. Husson explained. And in 1969, Faugere et Jutheau became an official corresponding broker for M&M in France.

In 1974, the family exchanged one-third of its privately held shares with M&M for corresponding shares in M&M.

To this day, M&M—the world's largest insurance brokerage—owns one-third of Faugere et Jutheau. The remaining stock is owned by the family and a small percentage of the staff.

Mr. Husson said that the family has no intention of becoming a publicly held company.

And, Mr. Husson is delighted with his partnership with M&M.

Mr. Husson says the broker's relationship with M&M is important. 'We use the M&M network throughout the world, but we still have our own independence.'

"It is important commercially because we have a reciprocal agreement," he said. "We are allowed to use the M&M network throughout the world, but we still have our own independence."

Today, Mr. Husson likes to think of Faugere et Jutheau as an "assureur-conseil"—an insurance consultant—rather than a broker.

"I do not like the word 'intermediary,' " he said.

"I like the word 'broker,' but I like the phrase 'assureur conseil' better."

Faugere et Jutheau, located in the center of Paris, in view of the Eiffel Tower and Sacre Coeur, now employs 1,280 people, up slightly from 1,213 in 1984. In contrast, there were 17 employees in 1946.

About 40% of its business is attributable to foreign risks, of which half comes through non-French subsidiaries and half from the French part of the group. The remainder of its business is in brokering domestic risks. About 80% of its brokerage is filtered through French offices.

Faugere et Jutheau has about 250 U.S. accounts that it services in conjunction with M&M.

Among its European clients is the Eurotunnel, an estimated $3.3 billion project to build a tunnel under the English Channel to connect England to France. Faugere et Jutheau was recently named joint broker with French broker Gas et Savoye and Lloyd's of London broker Sedgwick Group P.L.C.

Other Faugere et Jutheau clients include energy and nuclear groups, European space agency Arianespace, the manufacturer of Concorde Aerospatiale, French television networks and department stores.

—By Stacy Shapiro

18 worldwide

Bain Dawes P.L.C.

15 Minories, London EC3N 1NJ England; 01-481-3232

New ideas are bubbling at Lloyd's of London broker Bain Dawes P.L.C. since Simon Arnold took over as chairman of the brokerage earlier this year.

To begin with, Mr. Arnold wants the group to grow.

"I think a company of our size has to grow to be truly effective and competitive in the insurance broking world," Mr. Arnold said. "This can be, as we have shown, by acquiring people rather than companies. But I can see the advantage in growing by acquisition if the companies have a natural fit to ours or their skills are in areas of business where we are lacking."

Mr. Arnold would particularly like to see Bain Dawes' reinsurance operations grow.

"Bain Dawes is really good at, first, U.K. retail broking, second, marine, and third, North American and LMX (London market excess-of-loss) reinsurance," he said. "But we are lacking in reinsurance. That is one glaring area—excluding marine reinsurance—where we haven't been before."

Mr. Arnold is placing more emphasis on North American brokerage for U.S. clients coming to London and other overseas clients that have North American exposures.

In the last year, Mr. Arnold has strengthened the North American division "to 25 people from zero," he said.

Under director John Sawkins, the North American division is "focussing largely on property and specialist business," said Mr. Arnold, who has dealt with U.S. clients for years and is well known in the U.S. brokerage community.

"And we place U.K. multinational risks with high U.S. exposures, which is very difficult," he noted.

"We were the only broker, I believe, to be able to" place $25 million in liability coverage for "a U.K. company with a large U.S. liability exposure."

Also, Bain Dawes has established a strong London market excess-of-loss reinsurance division after hiring a team of brokers from Lloyd's broker Jardine Thompson Graham Ltd. last year, Mr. Arnold said.

Bain Dawes' revenues grew only 10.2% last year to 43.1 million pounds from 39.1 million pounds in 1984. In dollar terms, however, revenues grew 37.7% to $62.5 million from $45.4 million because of the surge in the value of the British pound against the U.S. dollar.

With the large revenue increase in dollar terms and because of the acquisition of Reed Stenhouse Co. Ltd. and Fred S. James & Co. Inc. by brokers that were already among the world's 20 largest, Bain Dawes moved up to the 18th-largest world brokerage from 20th place last year.

Pretax profits at Bain Dawes soared 44.7% to 5.5 million pounds ($8 million) from 3.8 million pounds ($4.4 million).

Bain Dawes currently employs 1,635 people.

The increase in earnings "is a good epitaph for 1985," Mr. Arnold remarked.

He added that there are no disappointments from last year.

"We didn't have time for disappointments," Mr. Arnold said.

'I think a company of our size has to grow to be truly effective and competitive,' Mr. Arnold says.

"Bain Dawes is going through change as the market is going through change. We want to be effective."

Bain Dawes has also reorganized its operations in the last year. The group, owned by Inchcape P.L.C., is now divided into three divisions:

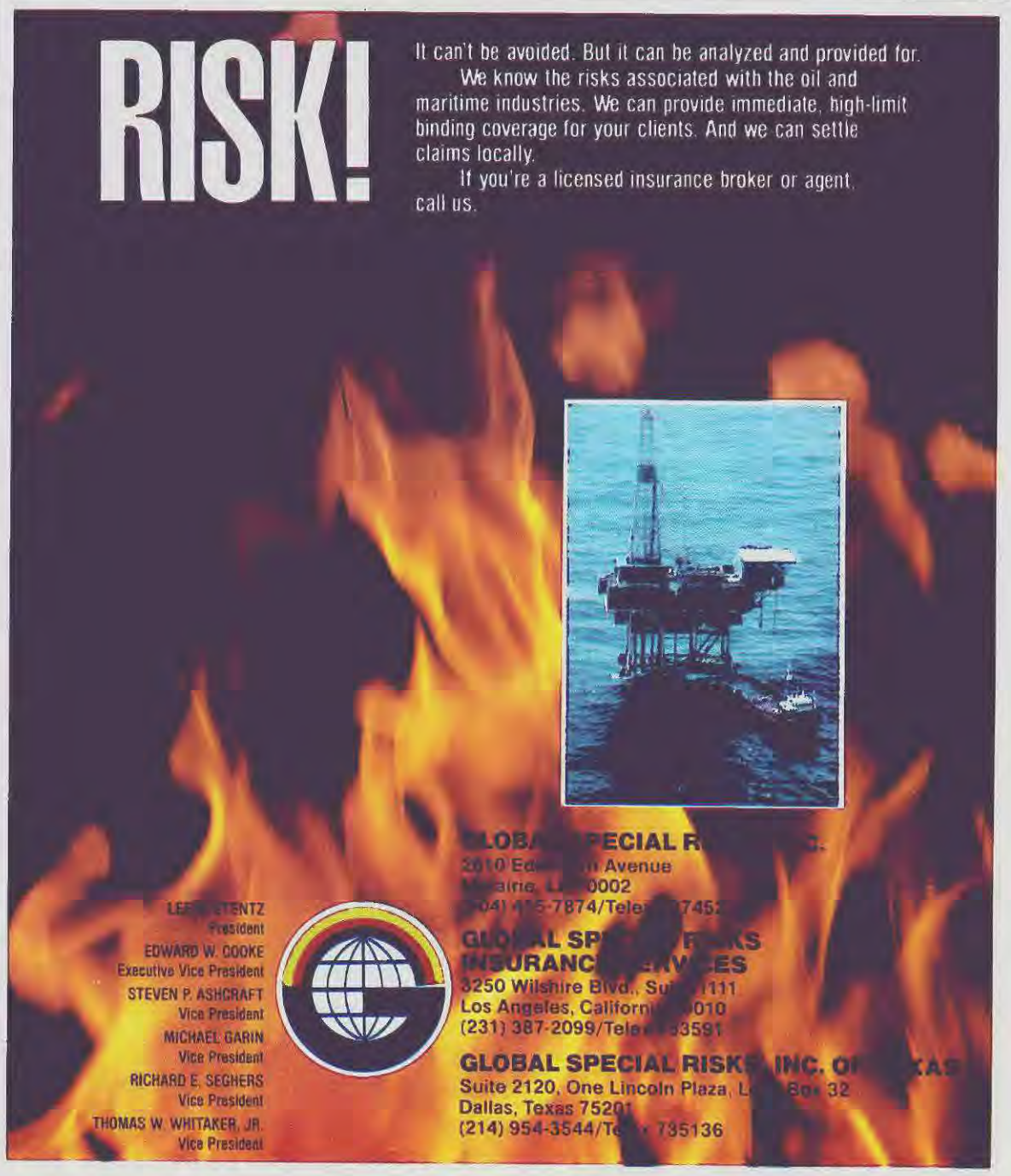
- An international brokerage division, headed by Derek Prince, deputy chairman of Bain Dawes.
- A U.K. division, which is headed by Mr. Arnold. "The U.K. retail market represents a large proportion of our business," he noted.
- An overseas management and marketing division, which manages Bain Dawes' affiliates outside the United Kingdom. This division is headed by Paul Swain, who is chairman of the division.

Mr. Arnold notes that Bain Dawes has "maintained good progress" in developing British retail brokerage clients in the past year, attracting several new major accounts.

Mr. Arnold became chairman of Bain Dawes three months ago, suceeding Robin Warrender, who left to head the Lloyd's underwriting agency that Bain Dawes divested to comply with the provisions of the Lloyd's Act of 1982.

Mr. Warrender hired Mr. Arnold in 1984 as deputy chairman. Mr. Arnold at the time was deputy chairman of Minet Holdings P.L.C.

—By Stacy Shapiro



19 worldwide

Hudig-Langeveldt Group bv

61, Wijnhaven 3011 WJ Rotterdam, P.O. Box 1186 3000 BD Rotterdam, The Netherlands; 010-647-111

"Hunkering down" is not a well-known phrase in Dutch circles, but it describes the philosophy that Hudig-Langeveldt, the country's largest insurance broker, is adopting over the next two years.

Hudig-Langeveldt, led by a chief executive that only took over the job at the beginning of the month, is concentrating its major efforts to the fields it knows best: insurance and reinsurance brokerage.

The broker, which ranks 19th among the Top 20 brokers worldwide according to *Business Insurance's* rankings, is divesting itself of some of the operations that have threatened to turn it into a mini-conglomerate over the past decade.

"I think those days are gone," observed J.G.A. Ten Bokkel, the broker's new chief executive officer. "We're going to have to get back to basics if we're going to ride out the somewhat depressed situation the world insurance industry finds itself in today."

Mr. Ten Bokkel, 57, previously was with Rijn Schelder Veroline (RSV), a leading Dutch shipbuilder. He was responsible for the company's Brazilian operations, which were one of RSV's bright spots in the last 10 years.

Hudig-Langeveldt's growth has been relatively sluggish over the past two to three years. Some 95% of Hudig-Langeveldt's insurance-related business is retail brokerage, with the remaining 5% split between reinsurance brokerage and services.

Gross revenues from all sources, including investment income, totaled $55.9 million last year, an 8.3% increase from $51.6 million in 1984. The increase is attributable primarily to the increased strength of the Dutch guilder against the U.S. dollar, based on an exchange rate of 36.4 cents to the guilder at year-end 1985 and 34.1 cents to the guilder at year-end 1984.

In guilders, the broker's gross revenues increased only 1.4% to 153.4 million from 151.3 million.

Premium volume increased 6.5% to $272.6 million from $256.1 million in 1984. But in guilders, premium volume decreased, although less than a percentage point, to 749 million guilders from 751 million guilders.

Net income declined by 1.5% to $4.6 million from $4.7 million. In guilders, the decrease was 7.7% to 12.7 million from 13.8 million.

While Mr. Ten Bokkel does not expect much improvement this year in the broker's financial results, he is hopeful that his plan to restructure the company will bear fruit in 1987.

Getting back to basics means, among other things, selling off the majority stake Hudig-Langeveldt had in Bank Van Der Hoop Offers, a commercial bank, though the company maintains a 25% stake in the bank.

It also means that the company will concentrate on its insurance activities in Europe, primarily in the 12-nation European Economic Community, according to Mr. Ten Bokkel. However, the broker does not intend to dispose of its operations in the United States or the Far East.

In fact, the broker has strengthened its Far East markets in the past eight months by increasing its participation in Heath-Hudig-Langeveldt Ltd. of Hong Kong—the company's Asian joint venture—from 33% to 50%.

Hudig-Langeveldt also stepped up its European business last year by establishing a full-service office in Frankfurt, West Germany, and buying out Werner Schroeder GmbH, a small broker in Beckum, West Germany.

Mr. Ten Bokkel said that West Germany, Belgium and France are likely areas where Hudig-Langeveldt will expand during the next two years.

Spain and Portugal are other areas into which the broker is interested in expanding.

Mr. Ten Bokkel admits that "it's hard to chart the way ahead when you've only been in the company 3½ months and only chief executive for two weeks."

But, he believes the broker has to begin building business in industries other than its traditional strengths.

"Let's face it, the Dutch shipbuilding market is pretty much dead," he observed. "So the business Hudig-Langeveldt used to do with the shipbuilding industry is simply not there any more. In fact, the shipbuilding industry, on which Hudig-Langeveldt built its profits at the beginning of the century, is only a tenth of the size it was then."

So, Hudig-Lengeveldt, in which Marsh & McLennan Cos. Inc. maintains 30% ownership, will concentrate on other areas, Mr. Ten Bokkel said. And, that means an increased sales effort, particularly in Europe.

This effort has to be concentrated elsewhere than in the Netherlands, a nation of 14 million people, Mr. Ten Bokkel pointed out.

With no room for expansion in the Netherlands, the broker sees Western Europe as its growth area, with Common Market countries its principal growth target, he says.

But Hudig-Langeveldt does not expect to grow in the United Kingdom. "The place is already full of brokers with full access to Lloyd's of London, which we foreigners don't have. There's no way we can compete with them," Mr. Ten Bokkel noted.

As part of Mr. Ten Bokkel's restructuring plan, the company's electronic data processing service, Computer Service Holland B.V., has been spun off from the parent company, although Hudig-Langeveldt retains an 80% interest in it.

Computer and data processing services for the Hudig-Langeveldt group—30 companies in 20 countries—now are handled entirely in-house, enabling Computer Services Holland to operate exclusively as a service company for third parties.

The group also is restructuring its brokerage business through a process Mr. Ten Bokkel describes as "segmentation"—splitting up coporate and industrial accounts into specific groups. For example, the food industry is grouped in a separate division staffed by specialists.

"This is one way of saying to the clients, 'We have the expertise you need, and it's compartmentalized in such a way that the people you deal with talk your language.'"

Mr. Ten Bokkel also would like to help clients find more affordable property/casualty coverage, but he does not expect rates to drop soon.

"I think it's going to be some time before they turn around again," he observed.

"Don't forget that some premiums, on fire insurance for example, are good for 10 years, and while it's true you can renegotiate some of them, you're not going to see a major turnaround in this field for some time," he added.

While Hudig-Langeveldt has taken some steps to improve its business in the United States, it currently is not a major market force there. The company's U.S. operations are headquartered in Atlanta.

"I think the liability market in the United States is a major problem," he asserted, faulting the U.S. tort system in particular.

Meanwhile, Hudig-Langeveldt's non-U.S. insurance brokerage operations have been hurt by the drop in oil prices, which has made Dutch, British and Norwegian offshore operations much less profitable, Mr. Ten Bokkel noted.

"Dredging and other offshore work has largely been cut back as prices fall, and that means people are buying less insurance cover in fields where we have traditionally been predominant," he explained.

Another major problem for the company is the soaring cost of product and professional liability insurance—an American phenomenon that now is now developing in Europe. Product and professional liability insurance now is three times more expensive than it was three years ago, Mr. Ten Bokkel noted.

"We've got to bring these rates down, but there's the additional problem of the shrinking reinsurance market in Europe," he noted.

"Then there's the case of offshore markets, which are also more active all the time in the reinsurance market. Offshore markets make it more difficult for us to operate."

Despite these myriad problems, Mr. Ten Bokkel said he has taken on Hudig-Langeveldt "with a good heart."

Noting that the broker has to widen the gap between its current performance and its goals, Mr. Ten Bokkel said: "That's going to be tough—but we can do it."

The company currently employs 1,881 people worldwide, according to its 1985 annual report, up 3.4% from 1,820 in 1984. However, a company spokesman said the broker plans to cut back on its head office staff.

—By John Parry

STOP

THIS IS THE PLACE FOR LONG-TERM AUTO LEASING INSURANCE.

Be sure. Take advantage of our extensive experience with this difficult-to-place business. Designed specifically for the automobile leasing/rental industry, our program saves you time, cuts your costs, satisfies your customers. We do the work, you get the credit!

- Lessors Excess Liability • Primary Physical Damage
- Lessors Contingent Liability • Primary Liability Coverages
- Contingent Physical Damage • Interim Car Coverages
- Residual Value Insurance

HRI

PAIGE-RUANE, INC. INSURANCE
The Irwin Building
460 N. Gulph Road
King of Prussia, PA 19406
(215) 265-4170

We invite your inquiry and your business. Write or call **Ron Ruane.**

Physical Damage by
Motors Insurance
MIC GM
The Insurance People from General Motors

20 worldwide

Sodarcan Ltd.

2 Complese Desjardins, Suite 1700, C.P. 183, Montreal, Quebec H5B 1B3; 514-288-0100

After consolidating the management of its three direct brokerages, Sodarcan Inc. is continuing its commitment to improving brokerage services while downplaying direct underwriting activities.

Sodarcan completed the reorganization of its brokerage sector last November by combining the management operations of Dale & Co. Ltd. of Toronto and Gerard Parizeau Ltd. of Montreal into Dale-Parizeau Inc. of Montreal.

Now, more than 30 offices operate under the Dale-Parizeau name throughout Canada.

"It was a major step for 1985," said Sodarcan Executive Vp Pierre Chouinard.

The business operations for nearly all of the brokerage offices are identical. The reorganization was designed to attain greater efficiency in marketing, providing support services to the offices and utilizing human resources, he said.

Last year, income generated by the insurance brokerage sector increased by almost 18% to $45.3 million Canadian ($32.4 million U.S.) resulting in net income of $1.6 million Canadian ($1.1 million U.S.).

Despite the growth, Sodarcan dropped to the No. 20 spot on the *Business Insurance* ranking of the Top 20 worldwide brokers. Last year, Sodarcan was No. 19.

Overall, Sodarcan's gross revenues rose 10.8% in 1985 to $75.1 million Canadian ($53.7 million U.S.) from $67.8 million Canadian ($52 million U.S. based on a 1984 year-end conversion rate of 76.8 cents).

The revenue increase follows 1984's rise of less than 1% over 1983's revenues of $67.3 million Canadian ($51.1 million based on a 1983 year-end conversion rate).

Gross revenues in 1983 were only 3.1% higher than in 1982.

Sodarcan's net income jumped 28% in 1985 to $2.6 million Canadian ($1.9 million U.S.), compared with about $2 million Canadian ($1.5 million U.S.) the year before.

Sodarcan is a "semipublic" corporation, with 1.05 million shares of Class A stock and 525,288 Class B shares held by employees and certain financial institutions. Last year's performance translated into earnings per share of $1.65 Canadian ($1.18) compared with $1.42 in 1984 ($1.09).

Direct insurance brokerage produced 65% of Sodarcan's income in 1985, and reinsurance brokerage activities generated 14%. Consulting and actuarial services were responsible for 9% of revenues, and underwriting, along with data processing services, accounted for 12%.

Last year's surge in revenues can be attributed partly to higher prices in a Canadian insurance market that traditionally mimics conditions in the United States, only slightly later.

Robert Parizeau, president of Sodarcan, also pointed to Sodarcan's reciprocal agreement with Corroon & Black Corp. as "a big development in 1985." The agreement allows Sodarcan to provide brokerage services to C&B's clients in Canada, while the same services are available to Sodarcan's clients in the United States through C&B.

In addition, last year Sodarcan became a member of Internet, a global network of brokers that provides services for each other's clients worldwide.

Although Sodarcan is downplaying its role as a direct underwriter, it plans to remain strong as an underwriter of reinsurance in Canada through a subsidiary, The National Reinsurance Co. of Canada. Meanwhile, international business will not get as much attention as it has in the past, Mr. Parizeau said.

National Re, which is part of Sodarcan's underwriting division, showed net income for 1985 of $1.5 million Canadian ($1.1 million U.S.), close to the figures reported for 1984, said Mr. Chouinard.

Growth was particularly strong in National Re's life sector, which in 1985 accounted for 27% of the company's earned premiums, compared with 17% the previous year. The remaining sectors—accident and sickness, both Canadian and international—continued to show some growth, but less than the life portfolio, Mr. Chouinard said.

Altogether, Sodarcan's underwriting division saw significant change in 1985.

Gestas Inc., a former aviation and professional liability underwriting manager, limited its operations to writing professional liability coverage for insurance agents and brokers in Quebec. Gestas withdrew from the aviation market in 1984, and its operations have been scaled down since.

In addition, the Toronto office of D.M.L. Underwriters Ltd. was closed and its operations were transferred to Sogepar Inc., a Sodarcan subsidiary that holds binding authority for several insurers for personal lines and small commercial risks. D.M.L.'s operations were similar to Sogepar's.

However, the Marine Underwriting Division of D.M.L. in Montreal continues to serve about 200 brokers across Canada, providing hull and cargo and marine liability coverages.

In addition, Sodarcan purchased the remaining 50% it did not own in Albion Insurance Co. of Canada, a Montreal-based personal lines and small commercial risk underwriter that had been managed by D.M.L. Underwriters. Sodercan then pumped $1 million into Albion's surplus.

In 1985, Albion recorded an operating loss of just more than $1 million Canadian ($715,000 U.S.).

Sodarcan management expects significant growth in 1986 in the consulting and specialized services divisions because of new legal requirements in some parts of Canada that call for increased actuarial studies by insurers.

Mr. Chouinard said that new regulations will require that insurers have an actuary certify technical reserves, which means the insurers will need increased services from firms like Sodarcan's Hebert Le Houillier Inc. in Montreal.

Overall, the consulting and actuarial sector contributed $6.8 million Canadian ($4.9 million U.S.) toward Sodarcan's revenues last year. The sector's income was 9% higher than the year before.

Sodarcan's reinsurance brokerage division, le Blanc Eldridge Parizeau Inc., recorded a 17% jump in income, contributing $10.5 million Canadian ($7.5 million U.S.) in revenues.

The reinsurance brokerage division expanded last year with the opening of a Boston office of its U.S. division. The division, Intermediaries of America Inc., already had one office in New York.

Sodarcan employs about 1,300 people.

In addition to Mr. Chouinard and Mr. Parizeau, managers of Sodarcan include: Gerald Laberge, president of Gerard Parizeau Ltd.; Marcel Le Houillier, president of Hebert, Le Houillier Inc.; Mario Myre, president of le Blanc Eldridge Parizeau Inc.; Armand Obadia, general manager of The National Reinsurance Co. of Canada; Harry Richardson, president of Mathema Inc.; Giles P. Grenier, vp-finance and treasurer of Sodarcan; Louis G. Grenier, vp-administration and resources of Sodarcan and Jean Lapierre, vp-planning of Sodarcan.

—By Michael Bradford

O'Hare elected Chubb Corp. president

Dean R. O'Hare, has been named president of Chubb Corp. of Warren, N.J., and **Percy Chubb III** has been named vice chairman.

Messrs. O'Hare and Chubb, both of whom had been Chubb executive vps, will comprise the company's executive office along with **Henry U. Harder**, who remains Chubb's chairman and chief executive officer.

In addition, **Thomas V.A. Kelsey** and **Richard D. Smith** have been elected executive vps of Chubb. Both were previously senior vps, and both are senior officers in Chubb's insurance management subsidiary, Chubb & Son Inc.

In other insurer changes:

Ron Hashimoto appointed president of Industrial Insurance Co. of Hawaii Ltd., a subsidiary of Industrial Indemnity Co. of San Francisco. Mr. Hashimoto maintains his responsibilities as resident vp of Industrial Indemnity's Honolulu division.

David L. (Casey) Bowlin named president of E.H. Crump & Co. of Memphis, Tenn., an affiliate of The Crump Cos. Inc. Mr. Bowlin will be responsible for administrative, sales and marketing activites. He previously was executive vp and general manager.

Carroll J. Fitzgerald and **Robert D. Carnaghan** elected senior vps at Baltimore-based Fidelity & Deposit Co. of Maryland. Mr. Fitzgerald, a member of the executive staff, most recently supervised the marketing department and previously was vp of the commercial insurance department. Mr. Carnaghan previously was a vp.

Roger I. Jean appointed senior vp of marketing and regional operations for Peerless/Netherlands Insurance Cos. of Keene, N.H. Mr. Jean previously was a vp.

James E. Michael appointed vp at American General Life & Accident Insurance Co. of Nashville, Tenn.

T. Tolbert Chisum appointed to vp of the Great Lakes region of the employee benefits division of Aetna Life & Casualty Co. in Chicago. Mr. Chisum previously was assistant manager of the Dallas Aetna employee benefits division.

Brokers

Edward A. Prater named president and **Thomas J. Walker** named chairman at Fred S. James & Co. of Florida, a subsidiary of Fred S. James & Co. Inc. Mr. Prater will be responsible for the broker's statewide operations and staff. He previously was executive vp. Mr. Walker previously was president of Fred S. James of Florida.

John G. Beckett, Peter J. Hanley, David Haughey and **Albert E. Moffatt** named vps in the Eastern Division of Jardine Emett & Chandler Inc. of Schenectady, N.Y.

Joseph P. Burke elected vp of Mather & Co. of Philadelphia. Mr. Burke retains his responsibilities as manager of production and services for large casualty aand marine clientele.

Charles M. Mulle and **Frank J. Ferguson** named senior vps at Rollins Burdick Hunter of New York Inc.

R. John Pratt named senior vp-Western region of Rollins Burdick Hunter Co. Mr. Pratt will be responsible for managing the firm's 14 offices in Alaska, Arizona, California, Hawaii, Montana, Oregon and Washington. He previously was chairman and chief executive officer of Rollins Burdick Hunter of California Inc.

Dick Caplinger named vp of the newly established employee benefits service division at Rollins Burdick Hunter of Colorado Inc. Mr. Caplinger previously managed the employee benefits services division of Rollins Burdick Hunter Agency of Texas Inc.

Lee Balkum named vp of Adams & Porter International Inc. of Houston. He will be responsible for designing, implementing and managing large risk, cash flow and captive insurance programs. Mr. Balkum previously was with Corroon & Black Inc. Advanced Risk Management Services Division in Nashville, Tenn.

Nick Mascitelli named vp-commercial division at Giddings, Corby, Hynes Inc. of Modesto, Calif. He most recently was a senior vp with Pacific Compensation Insurance Co.

Reinsurance

James P. Rapp appointed senior vp of Buffalo Reinsurance Co. of Woodland Hills, Calif., a subsidiary of Continental Corp. Mr. Rapp retains his responsibilities for directing the production, underwriting and servicing of casualty facultative business nationwide for Buffalo.

Keith E. Sweat named vp of treaty services at RFC Intermediaries Inc. of Los Angeles. Mr. Sweat will be responsible for RFC's treaty support operations.

George E. Hartz III appointed vp of CIGNA Re Corp. of Bloomfield, Conn. Mr. Hartz will be responsible for the group/special risk department. Mr. Hartz previously was an assistant vp in the company's group insurance department.

Peter J. Sanders named vp at General Reinsurance Corp. of Stamford, Conn. And, **Richard D. Gray Jr.** has been appointed vp in the Chicago office of Genstar Management Co., a subsidiary of General Re.

Excess/surplus lines

Era E. (Gene) Horner appointed president of Crump London Underwriters of Memphis, Tenn., an affiliate of The Crump Cos. Inc. Mr. Horner also maintains responsibilities as general manager of Crump London Underwriters.

Raymond H. Cooper named executive vp and managing director of New Amsterdam Excess of New York, a subsidiary of Fred S. James & Co. Inc. Mr. Cooper will be responsible for directing and coordinating all administrative, sales and client service activities for New Amsterdam offices in New York, Atlanta, Chicago and San Francisco. Mr. Cooper previously was a marketing account executive.

Frank X. Argyros appointed vp of Alpha Aviation of Hasbrouck Heights, N.J. Mr. Argyros will head the agency's business and commercial coverage departments.

William Vit named vp-claims management of Chicago-based Self-Insurers Service Inc., a subsidiary of Rollins Burdick Hunter Co., the brokerage arm of Combined International Corp. Mr. Vit previously was an account executive with ESIS/CIGNA and had been claims director of CIGNA/INAPRO. ■

Wholesaler offers D&O cover for hospitals

Hospital directors and officers liability insurance with limits of $1 million is available through Stewart Smith Mid America Inc. of Chicago.

The minimum premium for the claims-made form coverage, written by Calvert Insurance Co. of New York, is $15,000, according to Roger Meyer, vp-D&O liability marketing for Stewart Smith.

Submission requirements are a completed, signed and dated application; most recent 12-month financial statements; latest interim financial statements; by-laws; and a list of directors and officers.

Both Stewart Smith and Calvert are part of the Stewart Wrightson Group P.L.C., a worldwide insurance network headquartered in London.

For more information, contact Stewart Smith Mid America Inc., One South Wacker Drive, Chicago, Ill. 60606; 312-236-7333.

Foreign excess cover

A new foreign excess liability policy introduced by Zurich-American Insurance Group Inc.'s International Department provides lower-level excess coverage for occurrences outside of the United States and Canada.

Zurich-American's new Foreign Excess Liability Policy includes general liability, auto and employers liability coverages.

The minimum attachment point for the new coverage is $1 million, with a maximum attachment point of $15 million.

The coverage need not be written over a Zurich-American primary policy, according to a company spokesman.

The form, underwritten by Zurich's American Guarantee & Liability Insurance Co., is issued on an occurrence basis.

In addition, Zurich-American is working on a claims-made version of the policy, which will be available soon.

Zurich-American has capacity of up to $5 million for policies that cover only foreign claims. The company offers a $2 million capacity for policies that include U.S. jurisdiction.

The new policy also includes a newly defined form of sudden and accidential pollution coverage and provides for binding arbitration in the event of a conflict between the insurer and policyholder.

Premiums vary with the type of exposure, according to Vince DeConti, account development manager.

For more information, contact the international account executives in Zurich American's Manhattan, Chicago and Schaumburg, Ill., special risk field offices.

Future of HMOs

The future of the country's fastest-rowing health care delivery system—health maintenance organizations—is explored in a new publication from the Group Health Assn. of America.

The 431-page "HMOs Confronting New Challenges" is a compendium of papers and speeches by leaders and innovators from the fields of medicine, law, government, academia, business and labor.

It represents the latest thinking about the role of HMOs in the marketplace, according to the association.

The book's 50 selections address key issues faced by the 480 HMOs now serving nearly 20 million Americans.

These topics include:

- Providing care to the Medicare population.
- Dealing with the ethical dilemmas raised by new technology.
- Assessing the impact of adding new benefits, such as transplants.
- Developing market strategies to meet growing competition.
- Varying the traditional HMO structure.
- Improving and expanding health services.
- Introducing innovations in finance and management.

The book is based on proceedings from the largest conference ever held on HMOs, the 1985 Group Health Institute, held last June in San Diego.

More than 2,000 people attended the four-day event.

"HMOs Confronting New Challenges" is available for $25 from the Group Health Assn. of America Inc., Order Department, 624 9th St. N.W., Washington, D.C. 20001. Prepayment is required for all orders.

Work comp video

"A Manager's Introduction to Workers Compensation," motivates new supervisors and managers to support safety to reduce costs, according to the president of the firm distributing the video.

"The total cost of work accidents was estimated at more than $32 billion in 1984," said Robert A. Gehrke, president of BNA Communications Inc. of Rockville, Md. "Work time lost was approximately 40 million workdays. Every injury has a price tag attached to it—a direct charge against a company's profitability."

In addition to recounting the history of workers compensation, the 17-minute color video also explains the extent of workers comp coverage, types of disabilities, available benefits, types of insurance and how the program is administered, Mr. Gehrke said.

"A Manager's Introduction to Workers Compensation," produced by the Allied Corp., is available in VHS, Beta and 3/4-inch videocassette formats for $370. The video also can be rented for one week at a cost of $175, or previewed for 24 hours for $40.

For more information, contact BNA Communications Inc., a subsidiary of the Bureau of National Affairs Inc., 9439 Key West Ave., Rockville, Md. 20850-3396; 301-948-0540.

Post-retirement plan

Planning and implementation strategies for post-retirement medical benefits are now available on handy cassette tapes that can be played at home or office.

"Post-retirement Medical Benefits: An Employer Perspective," were recorded at a post-retirement medical benefits conference held March 18-19 in Chicago by Charles D. Spencer & Associates Inc.

The following topics are included on the eight, 90-minute tapes:

- Demographics, by Seymour LaRock, executive editor at Spencer & Associates.
- Types of retiree coverage, by Patricia Ibbs, former associate editor at Spencer & Associates and now president of PJI Benefits in Atlanta.
- Legal/contractual aspects, by Kathleen Mills, general attorney at Bethlehem Steel in Bethlehem, Pa.; Leonard Page, associate general counsel for the United Auto Workers in Detroit; and Lee T. Polk, a partner in Murphy, Smith & Polk in Chicago.
- Plan design/current and future costs, by Paul Faranda, director of employee benefits at Northrup Corp. in Los Angeles; Warren Moser, division manager for employee benefits at Southwestern Bell in St. Louis; and Gene Peterson, manager, Dana Benefit Services in Toledo, Ohio.
- Rate setting and costs, by Mr. Faranda and Ray McCaskey, senior vp-finance at Blue Cross/Blue Shield of Illinois.
- Pre-funding, restrictions set by the Deficit Reduction Act of 1984 and legislative developments, by Harper L. Garrett Jr., vp and director of professional services at Alexander & Alexander in New York.

Also covered are administration and communication of post-retirement medical benefits.

The cassettes are available for $95 per set, plus $3 shipping.

To order, contact Charles D. Spencer & Associates Inc., 222 W. Adams St., Chicago, Ill. 60606; 312-236-2615. Credit card orders will be accepted.

Legislative handbook

The second "Insurance Legislative Fact Book & Alamanac," published by the Conference of Insurance Legislators, boasts several new essays, as well as more than 600 new listings in a directory of state government and insurance department personnel.

The handbook was first compiled in 1985 as a ready-reference of those individuals and organizations involved with insurance legislation.

A special chapter—"The Great American Tort Liability Insurance Disaster"—presents the details of the "liability insurance crisis" from the legislative point of view, said Editor Robert E. Mackin.

"This is a subject so big that it virtually defies full reportorial, analytical or editorial treatment. Nevertheless, we've given it a try in a special section," Mr. Mackin said.

The first chapters of the Almanac cover public policy issues and include opinion pieces on tort reform, the price of civil justice and government involvement.

The meat of the book, however, is more than 300 pages of directory information, which includes the names and phone numbers of legislative and other state government leaders, as well as "who's who" in each state insurance department.

"It gives risk managers instant telephone access to people making policy," Mr. Mackin said.

More than 2,200 copies were sold of last year's premier edition of the Almanac.

This year's 396-page edition is on sale for $37.50 each for one to nine copies; $25 each for 20 or more copies.

Shipping costs are $3 per book for one to 20 books, $40 per order for 21-50 books and $60 per order for 51 or more books.

Books may be ordered from The Conference of Insurance Legislators, P.O. Box 217, Brookfield, Wis. 53005; 414-782-6669. ■

Teamsters earn life credits for using PPO

benefit beat

Members of the International Brotherhood of Teamsters can earn a free year of life insurance by using the union's national preferred provider organization—called TeamCare—for 90% of their health care services.

So far, TeamCare has been implemented in Louisville, Ky., Omaha, Neb., and the Minneapolis-St. Paul area, said Michael J. Kelley, executive assistant of the Chicago-based Central States, Southeast and Southwest Areas Health, Welfare and Pension Funds, the multiemployer trust fund that administers the union's self-insured benefits.

The union has several health plans that vary according to collective bargaining agreements, Mr. Kelley said. Under those plans, members pay varying deductibles and copayments for major medical coverage, but there are no hospital deductibles under any of the plans, said Mr. Kelley.

The free year of life insurance for using the PPO was introduced as incentive to use the plan. TeamCare is voluntary, with no incentives such as waiving deductibles and copayments to encourage active employees to use preferred providers, although there are incentives for retirees to use perferred providers.

So as not to penalize members who do not incur health care bills, those who do not file any medical claims in a 12-month period also receive a free year of life insurance, Mr. Kelley said.

The limits of the life insurance vary according to the collective bargaining agreement that covers each individual employee.

And, retirees who are not yet eligible for Medicare and who are covered under the fund's retiree health plan also receive a free year of life insurance if they use the PPO for 90% of their health care, Mr. Kelley said.

In addition, retirees who do not use the PPO but who file no claims in a 12-month period also receive a free year of life insurance.

Under the retiree plan, members pay a $100 individual deductible and a $200 family deductible for major medical coverage plus 20% of charges. There is no deductible for hospitalization and the plan covers inpatient expenses at 100%.

And, Medicare-eligible retirees who also are covered under the retiree plan have their Medicare Part A hospital deductibles and copayments waived if they use a preferred hospital.

In addition, many of the physicins participating in TeamCare have agreed to accept Medicare Part B assignments.

Under Part B, the federal government pays physicians a prospectively determined amount, with any excess charges paid by the patient. But, under TeamCare, physicians agree not to charge patients for amounts in excess of the Medicare payment, resulting in less out-of-pocket expenses for members.

The union contracted with Voluntary Hospitals of America last year to provide health care services under the PPO, Mr. Kelley said. VHA operates more than 500 nonprofit hospitals nationwide, he said. And, about 70,000 physicians also participate in the program.

Flex plan

New York-based American Standard Inc. has consolidated three medical benefits plans into one flexible benefit plan after the acquisition of two other companies.

The manufacturer of washroom fixtures acquired The Trane Co.—an air conditioning products manufacturer in LaCrosse Wis.—in January 1984. Trane had recently acquired Dealer Products Group, a unit of General Electric Co.

"We had three salaried benefits programs," said Herbert F. Hadley, director of employee benefits for American-Standard. "We went into the flexible plan to try to consolidate the programs, which differed more in appearance than they did in reality."

"And, we did not do this to control costs. It was strictly for pragmatic, practical reasons," he said.

With the help of the "Benefit Index," developed by Lincolnshire, Ill.-based benefit consultant Hewitt Associates Inc., the company was able to perform a cross-comparison of the three plans to come up with a new plan that offered the best features of all three, Mr. Hadley explained.

According to Susan Koralik, a Hewitt consultant who worked with the company, "The Benefit Index compares costs and specifications—using actuarial techniques—of the benefits of one company to those of another, both per employee and on a total-employee basis."

Under the flexible benefits plan, employees were given an American-Standard allowance of benefit dollars to buy the most generous health plan coverage. Each employee's allowance was determined based on annual pay, years of service and whether employees elect employee-only coverage or dependent coverage.

Under the new plan, employees can choose from three medical options. All of the company's medical coverage is self-insured, with claims administered by Aetna Life & Casualty.

The least expensive option requires employees to pay a $300 individual deductible and a $600 family deductible. In addition, employees pay a 20% copayment up to a maximum out-of-pocket expense of $1,800 for individual coverage and $3,600 for family coverage. There is a $1 million lifetime maximum benefit under this option.

The medium-priced option requires employees to pay a $150 individual deductible and a $300 family deductible. Employees also pay a 20% copayment up to a maximum out-of-pocket expense of $1,150 for individual coverage and $2,300 for family coverage. However, this plan covers hospital expenses at 100%, Mr. Hadley said. There is a $1 million lifetime maximum coverage under this option.

The most generous option is identical to the company's previous plan, said Mr. Hadley. Under this plan, the deductibles are salary-related, ranging from a $100 individual deductible and a $200 family deductible for employees earning $25,000, to a $500 individual deductible and an $800 family deductible for employees earning more than $100,000.

Employees also have the option of enrolling in a health maintenance organization.

And, regardless of the medical or HMO option chosen, employees are automatically covered by the company's self-insured dental plan, Mr. Hadley said.

Also, employees can either choose no LTD coverage or coverage equal to 60% of their annual salary, Mr. Hadley said.

The maximum benefit employees can receive under this plan is $5,000 a month. And, employees with 10 or more years of service receive enough under their benefit allowances to purchase this coverage. Employees with less than 10 years of service pay for the coverage with after-tax dollars through payroll deductions.

Employees have four life insurance options under the plan. This coverage, like the LTD coverage also is underwritten by Aetna.

Three dependent life insurance options also are available.

Employees also can place pretax dollars in a health care reimbursement account and a dependent care reimbursement account.

•

Benefit beat keeps insurance and employee benefit managers informed on what other companies are doing and of current developments in the employee benefit field. We'd like to know if you've made any changes. Write Donna DiBlase, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611; 312-649-5393.

Football federation insured for $60 million

london line

By STACY SHAPIRO

LONDON—The International Federation of Football Assns., which organizes the World Cup soccer games now being played in Mexico City, bought $60 million of insurance against cancellation, abandonment or loss of television rights to the games.

The coverage was placed at Lloyd's of London and other London insurers by Lloyd's broker Adam Bros. Contingency Ltd., confirmed managing director Geoffrey Fox.

The insurance covers the loss of revenues from advertisers, so the limit of the policy is being reduced as June 29, the day of the final, nears, said Mr. Fox.

Although the games have been played for the last two weeks to see who reaches the final, there is still some coverage, said Mr. Fox.

"The game is still at risk and there is still coverage under the policy though not as much as 40 million pounds ($60 million)," said Mr. Fox.

"There still could be an earthquake tomorrow, and that is covered."

Amendment defeated

Lloyd's of London probably will not be included in the Financial Services Bill following a recent defeat in the House of Commons to have Lloyd's included, government sources believe.

Labor members of Parliament had tried to tack on an amendment that would erase a clause exempting Lloyd's from the bill's provisions. But, the amendment was rejected 164-42.

The defeat came just as the bill was passed in the House of Commons. The measure now goes to the House of Lords, where amendments can be made.

A government source said he believes it is "highly probable" that Labor leaders will try to get Lloyd's included in the bill in the House of Lords before the bill goes back to the House of Commons for final approval.

However, he believes it is "highly unlikely" that the House of Commons would pass the bill if it includes Lloyd's when the measure reaches a final vote later this year.

The financial services bill, expected to become law by the end of this year, will regulate the investment businesses in Britain, including the Stock Exchange and life insurance companies.

Lloyd's was excluded from the bill because the British government did not consider Lloyd's an investment business.

Bryan Gould, Labor member of parliament, argued in Commons recently that Lloyd's exclusion was "an outrage, a scandal and a dereliction of duty." Unless Lloyd's is included, it is impossible to take the bill seriously, he said.

ICI's losses reported

The Insurance Corp. of Ireland, which was taken over by the Irish government last year, may show a profit by the end of this year, according to the recently published administrator's report.

While ICI formerly wrote more than 59% of its business overseas in 1983, today most of the group's premium is written in Ireland, says the report.

Administrator William M. McCann was "pleased to report that the company is now trading at a profit."

After removing past liabilities, the group wrote 240.5 million Irish pounds ($336.7 million) in fire and accident business alone with little reported loss in 1985, Mr. McCann's report said.

ICI was taken over by the Irish government in 1985 when ICI's parent company, Allied Irish Banks Inc., discovered "major losses" for 1984. Mr. McCann was appointed the administrator on March 15, 1985.

Mr. McCann's recent report for two years ending December 1985 is the first time ICI has published a report since the group was taken over by the Irish government.

Although ICI no longer writes North American risks, much of its past losses, totaling some $671 million, stem from North American risks underwritten in the London market. ICI has said that it will honor all legitimate claims, although some already have been contested.

Mr. McCann reports that ICI has a total bottom line loss of 225.9 million Irish pounds ($316.3 million at year-end exchange rates).

However, an advance from the Irish Government's Insurance Compensation Fund of 100 million pounds reduced the group's overall loss to 125.9 million pounds ($175 million).

ICI's total liabilities grew to 479.5 million Irish pounds ($671.3 million). Its assets—including the Insurance Compensation Fund's contribution—total 353.6 million Irish pounds ($495 million).

Mr. McCann does not compare these figures to the last audited figures of ICI in 1983 because "the administrator is not satisfied that the financial statements for 1983 reflected the true financial position of the group."

It is estimated that at Dec. 31, 1983, outstanding claims were understated by 214 million Irish pounds ($299.6 million), says the report.

Most of ICI's past losses came from the London non-marine office, particularly from the substantial North American business written there, according to Mr. McCann.

To survive, ICI has trimmed its operations and changed its underwriting strategy, according to the report.

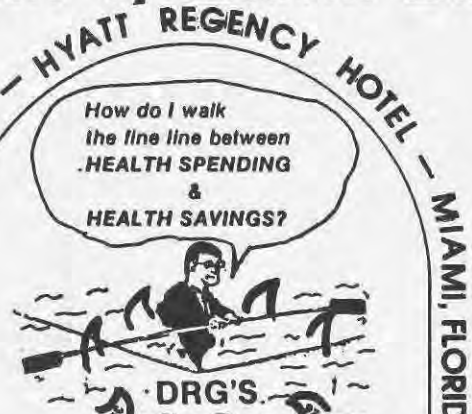
ICI has closed its branches in Chicago, Toronto and Paris and sold its controlling interest in Credit Finance Bank P.L.C. and The Insurance Corp. of Ireland (Life) Ltd. ■

THE NATIONAL CONFERENCE AND TRADE SHOW ON THE

Management of Health Data 86

THE NATIONS LARGEST !!

SEPTEMBER 11-13, 1986 — HYATT REGENCY HOTEL — MIAMI, FLORIDA



- Over 30 hours of conferences & workshops.
- 100 National Exhibitors

FEATURED SPEAKERS:
- Dr. Walter McClure Center for Policy Studies.
- Dr. Carl Schramm Center for Hospital Finance & Management.
- Mr. Charles MacKay Lehigh Valley Business Conference on Health Care.
- Professor Robert Fetter Yale University School of Organization and Management.

TO EXHIBIT: DUANE BUSA (305) 448-6279

THIS EXPO WILL TEACH YOU

TO REGISTER: LINDA COOK (305) 448-6242

All Correspondence: 4104 Ponce De Leon Blvd. - Coral Gables, Florida 33146

Benefit firm brokers small company needs

markets

Small and medium-sized employers in the metropolitan Chicago area can now have their employee benefits and other administrative services secured and managed in the style of a buying cooperative.

"We are a one-stop shopping source for small businesses," said Toni Orne, president and founder of Business Resource Group.

Ms. Orne said the company is "like a broker for all of the insurance and other services small employers need but don't have the leverage in the marketplace to cost-effectively obtain."

The company helps smaller employers implement and administer medical benefit plans, pension plans and payroll systems. Administrative tasks such as personnel record-keeping, setting up personnel policies and procedures and assistance in financial planning also are provided by BRG, Ms. Orne said.

"A typical subscriber to our services will go over their current health plan with us. Then, we do a summary of the plan and the changes the employer wants to make. It's our job to investigate the marketplace and providers available," said Ms. Orne.

In setting up pension plans, "we get the basic information that tells us their objectives in the plan. We go to an insurance consultant and investigate their products and develop a plan meeting the employer's objectives," she added.

Once the health and pension plans are implemented, BRG will perform all of the administrative services, such as claims processing and monitoring, she said.

"We total up all of the contributions needed for each plan we administer and the employer pays a service fee equal to about 4% to 10% of their payroll on a payroll period basis," Ms. Orne explained.

Along with Ms. Orne—who is a personnel consultant—the board of directors of the company includes Jeffrey D. Jacobs, an attorney with the Chicago law firm of Jacobs & Associates; Harve A. Ferrill, chairman of Efficient Health Systems Inc., a medical cost management firm; and Walter Gadient, president of Lincoln National Direct Placement, a division of Lincoln National Life Insurance Co.

Changes at Equitable

The Equitable Life Assurance Society of the United States is transferring its pension products and services into separate investment subsidiaries, providing clients with more specialized service.

"Distribution, marketing, sales and all support for our pension products will become more concentrated by shifting these services to the subsidiaries," an Equitable spokeswoman said.

The subsidiaries include the Equitable Investment Management Corp. in New York, which handles equities, fixed income plans and stocks; Equitable Capital Management Corp. in New York, which handles fixed-income plans; and a real estate subsidiary in Atlanta, which handles real estate investments of pension funds.

New offices

Beech Street Health Care Services has opened a regional office at 3100 S. Gessener Road, Suite 420, Irvine, Calif. 77063; 713-784-1123. The office will offer utilization review services for self-insured companies, insurance companies and third-party administrators.

English & Associates, settlement annuity specialists, have relocated to 3100 Lake Center Drive, Suite 320, Santa Ana, Calif. 92704; 800-824-9090 in California; 800-228-7193 outside California.

Mergers/acquisitions

Leonard Newman Inc., a White Plains, N.Y.-based insurance broker, has acquired New York-based broker, **Tick, Joelson & Coleman Inc.**

Travers & Associates, a St. Louis-based insurance broker specializing in aviation insurance, has acquired **Western Aviation Insurance Agency** of Boise, Idaho. ■

Ocean AND *Inland Marine*

FACILITIES AVAILABLE
TO AGENTS & BROKERS OF MEMBER COMPANIES

MUTUAL MARINE OFFICE, INC.
100 PARK AVENUE, NEW YORK, N.Y. 10017 • 212—953-0580

Pacific Mutual Marine Office, Inc.
100 Pine Street, San Francisco, CA 94111 • 415—421-8972

Mutual Marine Office of the Midwest, Inc.
20 N. Wacker Drive, Chicago, Illinois 60606 • 312—368-1120

General Managers
NEW YORK MARINE AND GENERAL INSURANCE COMPANY

—Marine Managers—

ARKWRIGHT-BOSTON INSURANCE CO.
ARKWRIGHT-BOSTON MANUFACTURERS MUTUAL INSURANCE CO.
GRAPHIC ARTS MUTUAL INSURANCE CO.
LUMBER MUTUAL INSURANCE CO.
NEW YORK MARINE AND GENERAL INSURANCE CO.
PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE CO.
REPUBLIC-FRANKLIN INSURANCE CO.
UTICA MUTUAL INSURANCE CO.

"A proficient pilot is a safer pilot. It's as simple as that."

John W. Teets
Chairman of the Board, CEO
The Greyhound Corporation



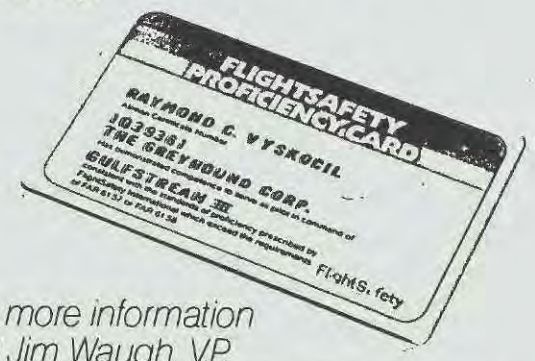
"The arguments for simulator training are overwhelming. That's been the experience of the airlines and the military—and we totally agree. Insurance carriers agree too; our insurance rates reflect the fact that Greyhound Corporation's pilots train with FlightSafety.

The other economics are favorable when compared to companies that choose to conduct "training" in their own aircraft. With FlightSafety's simulators we schedule training sessions when we need them—and the airplanes remain available to us for executive transportation. Of course, simulator training is unaffected by weather or air traffic. And the fuel cost is zero.

"I'm not a pilot, but I make it my business to know enough to be able to evaluate every department at Greyhound. Our flight department, for example, is a significant investment. And we receive a good return in efficiency and productivity. Naturally, I *insist* that it be a safe, professional operation.

All in all, FlightSafety helps us run a safe, effective flight operation. Sixteen manufacturers of business aircraft endorse FlightSafety training. So do we."

We demand the best from our pilots. And we support them with the best training—regular recurrent simulator training at FlightSafety International. Simulators are the only way that pilots can experience and practice handling possible emergency situations—like a blown tire or an engine fire—that could never be practiced in the aircraft. Regular simulator training develops a high level of proficiency, and that automatically means you've got a safer pilot.



For more information call Jim Waugh, V.P. Marketing at (718) 565-4120 collect, or write FlightSafety International, Dept. U-066 Marine Air Terminal, LaGuardia Airport, Flushing, N.Y. 11371. Telex 667573UW.

FlightSafety
international

Equal Opportunities

Each weekly issue of *Business Insurance* gives you an equal opportunity to reach and motivate BI's more than 132,000 purchasing influentials . . . top administrative and financial executives, risk managers, employee benefits managers and the agents and brokers who serve their needs.

When you want to reach *your* prime audience, the *Business Insurance* audience is unequalled!

PUBLISHING DATES	CLOSING DATES
~~Jun 2~~	~~May 20~~
~~Jun 9~~	~~May 28~~
~~Jun 16~~	~~Jun 4~~
~~Jun 23~~	~~Jun 10~~
Jun 30	~~Jun 18~~
Jul 7	Jun 24
Jul 14	Jul 1
Jul 21	Jul 8
Jul 28	Jul 16
Aug 4	Jul 23
Aug 11	Jul 29
Aug 18	Aug 6
Aug 25	Aug 13
Sep 1	Aug 19
Sep 8	Aug 26
Sep 15	Sep 3
Sep 22	Sep 9
Sep 29	Sep 16
Oct 6	Sep 24
Oct 13	Oct 1
Oct 20	Oct 7
Oct 27	Oct 15
Nov 3	Oct 22
Nov 10	Oct 28
Nov 17	Nov 5
Nov 24	Nov 11
Dec 1	Nov 18
Dec 8	Nov 25
Dec 15	Dec 3
Dec 22	Dec 9
Dec 29	Dec 16

business insurance

New York: (212)210-0133
Chicago: (312)649-5275
Los Angeles: (213)651-3710

Health cost hikes pick up steam

Continued from page 1B

For the three-month period ending in April 1982, the medical component of the CPI increased 11%, while the increase was 10.9% for the corresponding period of 1981, according to the federal government's Bureau of Labor Statistics.

"We are aware of the increase and I'm concerned," said Patricia Nazemetz, manager of benefits development for Xerox Corp. in Stamford, Conn. "This means that even with cost containment, the system isn't working." But, relaxed cost-containment efforts after medical care inflation dipped to 6.7% for the three-month period ending in April 1983 and 7.0% for the corresponding period of April 1984 may be to blame, some say.

"We've been predicting ever since 1984 that the decrease (in inflation) was just temporary," said William Hembree, director of the Health Research Institute in Walnut Creek, Calif.

"People who had a tight hold on the reins let up a little, and we all know what a runaway horse can do," Mr. Hembree added.

Jeanne Kardos, director of employee benefits at Southern New England Telephone Co. in New Haven, Conn., agreed that easing cost-containment efforts may have contributed to the rise in the cost of health care.

"A lot of people initiated cost containment. Then, in 1985, we had relatively low hospital rates and people relaxed. But, you can't relax when you're talking about health care costs," she said.

Other observers, however, say that the rise in the medical care inflation rate reflects the effect of cost-containment efforts—not that anyone is letting up on the effort.

"One thing the price increases could be attributed to is that cost-containment measures have wrung out all of the potential savings," said William J. Miner, an actuary with The Wyatt Co. in Chicago.

Others say success at controlling health care utilization has driven up prices.

"The prices and utilization of medical services are like a see-saw," Ms. Havlin suggested. "When prices were held down during the early 1970s, utilization went up."

And then, not only did utilization rise, but prices also began rising, she noted. "So, one way to put the see-saw back in balance was to control utilization, and that was very successful."

Now, true to the see-saw example, prices are going back up, she said.

"As long as purchasers design reimbursement plans with screening programs to eliminate care and providers are locked into the costs for their facilities and services, prices will continue to go up," agreed Calvin Michaels, director of personnel administration for Burlington Industries Inc. in Greensboro, N.C.

"It's a continuing tug-of-war between purchasers and providers of health care, and the consumer is caught in the middle," he added.

A spokesman for the Blue Cross & Blue Shield Assn. in Chicago said, "Because of the decline in inpatient utilization, we're starting to see hospitals respond to that with higher pricing structures."

According to the Consumer Price Index, hospital room prices increased 5.6% in April 1986 over April 1985. The highest medical care increases tracked by the April CPI were physicians' fees, which increased 7.2%, and prescription drug prices, which were up 8.4% in the same period.

But, a spokesman for hospitals explains it differently.

Now that the number of hospital admissions has declined, the intensity of medical services required by patients who are admitted has increased, according to John Lowe, vp at the American Hospital Assn. in Chicago.

"Once you get the less-sick people out of the hospital, the people in the hospital are a lot sicker," requiring more services and more sophisticated treatment technology, Mr. Lowe explained.

Other experts agree the severity of health problems among patients admitted to hospitals has increased.

"With cost containment, hospital utilization is down, but the intensity of services provided during stays is going up," said Chip Sharkey, vp of marketing for the group insurance services division at CIGNA Corp. in Bloomfield, Conn.

"In our overall review of pricing elements in medical care, intensity is up," he added.

Whatever the reason for higher inpatient services, the cost of outpatient services also is increasing, some report.

"Hospital room and board charges have not gone up that much, but while hospitals are taking steps to hold down costs on the inpatient side, some are maximizing revenues by charging a lot for outpatient services," charged Joseph Rosmann, a consulting principal at A.S. Hansen Inc., a benefit consultant based in Deerfield, Ill.

Employers agree.

"Some of the outpatient centers cost more than inpatient services," said Ms. Kardos of Southern New England Telephone.

"If you've given the employee an incentive to use an outpatient center and the cost of one day in that center is more than hospital room and board charges for one day, you haven't really saved anything," she added.

"That's why cost containment is so difficult in medical care. It's like a big airbag—you punch in one side and the other side pops out," she explained.

"Outpatient services are not done for a lot less money," said Ms. Nazemetz of Xerox. "If the cost of the outpatient treatment does not save as much as eliminating a day in the hospital, then the hospitals are obviously trying to maintain some rate of revenue."

At the Dade County Public Schools in Miami, charges for outpatient services are being closely watched, according to Susan Weiner, assistant superintendent in the school system's risk management department. "MetElect, our PPO, is starting to contract for outpatient services," she noted.

"We are very concerned about the increases in the CPI, but we haven't pushed the panic button yet," Ms. Weiner added.

Cost-shifting could be another factor contributing to the rise in consumer medical prices.

Hospitals and physicians charge higher prices for services rendered to consumers covered by private health insurance plans to make up for revenues lost due to reduced Medicare reimbursements from the federal government, according to this theory.

"Cost-shifting is beginning to show up in the private sector's pocketbook. They are the 'payer of last resort,'" said Mr. Hembree of the Health Research Institute.

"There is a cost-shift from the government," said CIGNA's Mr. Sharkey. "Every time the government squeezes down, they build increases into the private side."

Employers may not be as aware of this factor as they ought to be, some admit.

"We as employers look at a very narrow picture. We've looked at our problems, like lengths of hospital stays, necessity of admissions, etc., and we have made major strides in getting people to use the medical system wisely," Xerox's Ms. Nazemetz explained.

"But, Medicare and care for the indigent and uninsured is pushing the system hard, so now we as employers have to look at the whole picture and not just manage a small part of the problem," she said.

"I don't think most of us or any of us mind sharing in the cost of indigent care—it's a social responsibility. We just want to know what our role is in this," she added.

But, it's not just the federal government's cost-control efforts driving up prices for others, according to some consultants.

"These increases are the result of competition. Hospitals are starting to get into competitive pricing situations where they have lowered their prices for negotiated groups. But, the hospitals are taking a loss on this, so they are shifting costs" to non-negotiated groups, said Mr. Rosmann.

Elliot Segal, principal and manager of health programs in the Washington office of consultant William M. Mercer-Meidinger Inc. agrees.

"The smart ones—employers and insurers who are in PPOs—are making it worse for the ones who don't know what they are doing" in terms of price control, Mr. Segal said.

So far, however, insurers and HMOs say the rise in the medical care component of the CPI, at least for the moment, will not cause group health insurance rates to rise more steeply than thay are currently.

"First of all, it's important to remember that the CPI is a price index. It's not a measure of expenditures," said Gerry Schade, assistant vp in the employee benefit division of Aetna Life & Casualty Co. in Hartford, Conn.

"Also, there may have been favorable shifts that aren't reflected in the CPI, so it's not really a measure of health care costs," he said. However, he added: "I don't think it's a good sign that it's going up."

"Right now, we haven't increased our prices. They are the same now as they will be six months from now," said Frank Keenan, an actuary in group insurance pricing at Metropolitan Life Insurance Co. in New York.

"But, we are watching the index very closely. Generally, we've tried to take these figures as we get them and then manufacture our own index by rating the different medical care components and looking at our own rates to comprise insurance rates," he explained.

CIGNA isn't planning new price increases, Mr. Sharkey said, but the insurer is watching the index.

J. Martin Dickler, vp and actuary with The Equitable Life Assurance Society of the United States in New York, also said he doesn't expect group health plan rates to rise.

"In fact, many of our group policyholders have seen reductions as a result of their cost-containment measures, so cost containment is worthwhile," he said.

A spokesman for Blue Cross/Blue Shield in Chicago said the insurer has seen about a 6% increase in its overall medical expenditures. "If a 9% increase happened in one month, there's no increase in rates. But, if it stays at that level, then we would worry," the spokesman said.

At the Kaiser Permanente Medical Care Program in Oakland, Calif., a spokesman said the HMO is under "intense competitive pressure to keep our prices down."

"The weighted average of price increases for all of our programs is about 5% in 1986 and about 3.5% in 1987," he added.

Competition is also holding down HMO premiums in the Chicago market, according to Suzanne Perry, senior marketing executive at Anchor Organization for Health Maintenance.

"There are over 20 or 30 new HMOs in the Chicago area, so competition is more forceful now. Prices are being more strongly affected by this," she said. "Essentially, we have not increased our rates, but we may see some changes at year-end."

In the Minneapolis-St. Paul area, one of the most competitive markets for HMOs, significant increases are not expected, according to Edward J. Dirkswager, acting president of Group Health Inc. in Minneapolis.

"In our community, I know that our employers would not stand for those kinds of increases in premiums, nor will we tolerate those increases," he explained. "None of us in Minneapolis expect that we will have premium increases that high. We're just not experiencing the costs reflected on the national level in the CPI."

In the face of an increasing medical care inflation rate, employers are advised to redouble certain cost-containment efforts, including negotiating prices with providers, adopting utilization review programs and developing health promotion programs that emphasize preventive care over "sick" care.

"We haven't addressed both sides of the equation. There's been more emphasis on changing utilization and not enough on price," contends Ms. Nazemetz.

"There's no way employers are going to escape these high prices unless they enter PPO arrangements where both price and utilization are negotiated," said Mr. Rosmann at Hansen.

Health promotion can also be an important cost management tool for employers.

"We will continue our cost management programs like utilization review, but I think long-term cost management should involve health promotion programs," said Victoria George, a benefit consultant in the benefit planning division of San Francisco-based BankAmerica Corp.

Ms. Nazemetz said, "We need to get more into health risk management as opposed to just sickness care. It's worth $500 to $2,000 a year per employee to manage their health all year long."

But, changing health plan coverage or asking employees to pick up any increasing costs probably won't be employers' first response if health plan costs go up again, according to one consultant.

Peter Hughes, a vp with Johnson & Higgins in New York, said, "Employers are pretty tired of going back to employees and instituting cost containment and cost-sharing. Most have just about used this up." ■

Schirmer

SCHIRMER ENGINEERING CORPORATION
OFFERING FULL LOSS CONTROL ENGINEERING SERVICES

- ✓ Underwriting & Loss Control Surveys
- ✓ Fire Protection Engineering
- ✓ Safety & Health Engineering
- ✓ Litigation Support Services
- ✓ Building & Fire Code Consultation
- ✓ Sprinkler System Design
- ✓ Alarm System Design

SCHIRMER ENGINEERING CORPORATION
707 LAKE COOK ROAD • DEERFIELD, IL 60015 • 312/272-8340

Asbestos suits

Continued from page 2

fendants last week said the decisions, while coming to seemingly different conclusions, were not inconsistent because the facts and laws involved in each case differ.

At issue in both cases is whether employer conduct that led to employee injuries was "intentional," thereby permitting workers to bring suits against their employers despite state workers compensation laws' exclusive remedy doctrine.

That doctrine establishes workers compensation as the exclusive remedy for injured employees. However, in certain limited circumstances, such as when an employer intentionally harms an employee, direct suits against employers can be permitted.

The 3rd Circuit decision involved a suit brought by four workers and their spouses against Asten-Hill. The suit alleged that the workers contracted asbestosis after being exposed to asbestos fibers while on the job.

The suit also alleges that Asten-Hill:

- Possessed for a long time medical and scientific data clearly indicating that inhaling asbestos dust and fibers in the course of ordinary use of its products was unreasonably dangerous and carcinogenic.
- Withheld scientific data and disseminated outdated scientific data, failed to provide warnings of known risks and failed to test products adequately.
- Acted in willful and wanton disregard of the safety of the workers and "fraudulently and deliberately" exposed the plaintiffs to asbestos fibers.

In April 1983, a U.S. District Court judge in Philadelphia dismissed the employees' claim because the exclusive remedy of the Pennsylvania Workmen's Compensation Act and the Occupational Disease Act barred their actions against Asten-Hill. The workers subsequently appealed.

In its decision, the appellate court said it had to predict whether the Pennsylvania Supreme Court would permit employees eligible for benefits under the workers compensation and occupational disease law to bring a claim against their employer based on a theory that the employer intentionally injured them.

It noted that under Pennsylvania law, when there is an intentional assault upon an employee by an employer, the employee was not limited to receiving work comp benefits and could sue the employer directly for damages.

"Our present task is to predict the scope of the exception," the court said.

"A canvass of the case law convinces us that the Pennsylvania Supreme Court would not consider allegations such as plaintiffs' as falling within the exception."

The appellate court relied on a recent state court appellate decision that said that although an employer does not take action to prevent a known hazard, the case does not fall within the intentional tort exception of the exclusive remedy rule.

"Similarly, in the case at bar, plaintiffs did not allege that it was the purpose of defendants to injure them," the court said.

The court also relied on Duke University Law Professor Arthur Larson's treatise on workers compensation, which says that common law liability cannot be stretched to the employer for accidental injuries caused by gross, wanton or willful conduct short of genuine intentional conduct.

"Even if the alleged conduct goes beyond aggravated negligence and includes such elements as knowingly permitting a hazardous work condition to exist, knowingly ordering claimant to perform an extremely dangerous job, willfully failing to furnish a safe place to work or even willfully and unlawfully violating a safety statute, this still falls short of the kind of actual intention to injure that robs the injury of accidental character," the court quoted from the treatise.

"In sum, we predict that the Pennsylvania Supreme Court would not extend the intentional tort exception to the allegations of this case," the court added.

However, in *Thomas Kolarick vs. The Celotex Corp.*, U.S. District Judge John P. Fullam, applying New Jersey law, ruled that former Celotex employees could sue Celotex directly because of allegations that the company knew of employees' asbestos diseases but fraudulently concealed the knowledge.

Citing *Millison vs. E.I. du Pont de Nemours & Co.*, a recent New Jersey Supreme Court decision, Judge Fullam first acknowledged that even if an employer knowingly permits employees to be exposed to asbestos hazards and knows the risks of such exposure, this conduct does not rise to the level of an "intentional tort" and permit the employee to sue the employer directly (*BI*, Dec. 30, 1985).

"It is plain, therefore, that the plaintiffs cannot recover from Celotex Corp. damages resulting from their respective exposures to asbestos products in the workplace," he said.

However, Judge Fullam noted that the Millison decision also said that an employee could recover from his employer if he could prove that the employer knew that an employee had developed an asbestos-related injury and then willfully concealed that information from him for a substantial period of time so that the employee did not learn of his condition until after it had significantly deteriorated.

In denying a summary judgment for Celotex, Judge Fullam said, "There is ample evidence which at least raises genuine issues of material fact on this aspect of the matter. If these disputes are resolved in plaintiffs' favor, plaintiffs would be entitled to recover damages."

The court said that questions at issue would include:

- Whether Celotex concealed from the plaintiffs information that would have been acted upon.
- The incremental impact of the additional exposure that occurred during the period of alleged concealment.
- Medical experts' opinions concerning the probable detriment attributable to the alleged concealment, as distinguished from the total damages associated with exposure to asbestos.

An attorney for Asten-Hill last week called the 3rd Circuit decision "very positive," adding that the decision "does not restate the law or make new law."

But the attorney, James A. Young of the Philadelphia firm of Sprecher, Felix, Visco, Hutchison & Young, said a potentially significant part in the decision is a footnote in which the court says that there is some question whether the exception permitting suits based on intentional tort survives a 1972 amendment to the state Workmen's Compensation Act.

The amendment said that workers compensation covered not only "accidents" but also all injuries arising "in the course of employment."

The 3rd Circuit acknowledged this was a potential issue but declined to rule on it.

Plaintiffs' attorney Robert J. Gordon said that although he was not happy with the Wilson decision, it does not affect people working in plants whose employers have fraudulently concealed that the workers suffer from a medical condition. He said that they still will be able to sue their employers directly in such cases.

Mr. Gordon is with the Philadelphia firm of Greitzer & Locks, which represents plaintiffs in both the Kolarick and Wilson cases.

A Celotex attorney declined to comment on the Kolarick decision. ■

WAREHOUSE FIRES

Several Major Fire Losses of the Last Decade have involved warehouses, which were fully sprinklered and yet completely destroyed. In some cases, the sprinkler system was designed to minimum specifications. In others, the occupancy was changed to a more hazardous storage than originally anticipated. And in still others, temporary storage clogged aisles. A few of these conditions existed in two of the world's largest losses, which are reviewed here:

Automotive Supplies. Fire started in the temporary storage of plastic parts and spread to nearby cans of motor oil in cartons, which were palletized and stored in the aisles. Two employees attempted unsuccessfully to put out the fire with a hose stream from a nearby hose station within the building. A few minutes later, the plant fire brigade arrived and tried to fight the fire but was hampered by storage piled in the aisles. Although sprinklers were operating, the available water densities could not penetrate the intense fire plume generated by the burning plastics and oil. A total of 250 firemen fought the blaze, which continued to rage, overwhelming the sprinkler system and destroying about 18 acres of building. Estimated loss: $145 million.

Retail Products. A carton of aerosol cans, containing carburetor and choke cleaner, was dislodged from its storage rack, fell to the floor, and split open. One or more cans discharged their contents which became ignited by a nearby electrically powered lift truck. Fire spread quickly over the 15-foot high palletized storage of aerosols, overpowering the existing sprinkler protection. Flaming, rocketing aerosol cans started fires in adjacent storage that included foamed plastic plates, plastic toys, additional aerosols and motor oil.

Within six minutes, the fire alarm had sounded, four sprinkler risers were flowing, the electric fire pump had started, and the fire department was on its way. In the meantime, the warehouse fire brigade entered the building but in less than two minutes was forced out by thick, black smoke. Within 20 minutes, flames broke through the roof and aerosol cans could be seen rocketing through the air. Some 300 firefighters got the blaze under control nine hours later. Estimated loss: $125 million.

IRI Recently Concluded a Review of Its Major Warehouse Exposures, evaluating the adequacy of existing protection, specifying additional protection as necessary, and isolating exposures that are ticking "time bombs." Here are some of the "time bombs" most commonly encountered:

1. **Aerosol storage** is mixed with otherwise ordinary hazard storage.
2. **Hazard levels** have increased as the result of a change in commodities and their packaging.
3. **Storage height** is greater than planned by protection designers.

Narrated slide presentations on aerosols and high-rack storage are available on loan. Please write Mrs. P. A. Sasso, IRI, 85 Woodland St., Hartford CT 06102, or call (203) 525-2601. Also ask for the 2nd Quarter 1985 **The Sentinel** which features "The Hazards of Aerosols."

Industrial Risk Insurers

66,000 properties insured worldwide

Employee Benefit Communications:

It's becoming increasingly clear that employers must effectively communicate benefit programs so that employees can make informed choices.

This Conference focuses on the changing healthcare environment and the communication alternatives available to employers.

•SPEAKERS•SPEAKERS•SPEAKERS•SPEAKERS•SPEAKERS•SPEAKER

Douglas M. Bartlett
Director, Employee Benefits U.S.
NCR CORPORATION
Panelist, *Computer Communications*
Case Study: Computer Communications
in conjunction with Hewitt Associates

Mario B. Caldarone
Director, Product Marketing
HUMANA INC., Group Health Division
Panelist, *Communicating Healthcare Alternatives: The PPO*

Kathryn Collura
Communications Consultant,
HEWITT ASSOCIATES
Case Study: Computer Communications
in conjunction with NCR Corporation.

Michael J. DiStefano
Manager, Domestic Benefits
COLGATE-PALMOLIVE COMPANY
Case Study: Print & AV Go Hand In Hand

Julio Esteban, Jr.
VP, Manager Communication Consulting Svcs.
ALEXANDER & ALEXANDER INC.
Pre-Retirement Counseling

Karen B. Greenbaum
Principal
WILLIAM M. MERCER-MEIDINGER INC.
Case Study: Computer Communications
in conjunction with Sara Lee Corporation

Gary Grom
Executive Director, Human Resources
SARA LEE CORPORATION
Panelist, *Computer Communications*
Case Study: Computer Communications
in conjunction with William M. Mercer-Meidinger Inc.

Pamela Keeler
Director, Advanced Benefit Communications
METROPOLITAN LIFE INSURANCE COMPANY
Panelist, *Computer Communications*
Case Study: Computer Communications

Pamela Kekich
Principal
KWASHA LIPTON
Case Study: Print & AV Go Hand In Hand

Kathryn McIntyre, A.R.M.
Editor
BUSINESS INSURANCE
Opening Remarks

Dennis B. McKoy
Senior Vice President
JOHNSON & HIGGINS
Case Study: Computer Communications
in conjunction with RCA Corporation

Alfred Malecki
Publisher
BUSINESS INSURANCE
EBC Awards Luncheon

John D. Moynahan, Jr.
Executive Vice President
METROPOLITAN LIFE INSURANCE COMPANY
Keynote Speaker
Moderator: *Communicating Healthcare Alternativ*

Robert Normyle
VP, Sales & Marketing
US HEALTHCARE, NEW YORK
Panelist, *Communicating Healthcare Alternatives: The HMO*

Eileen Nash
Director, External Communications
EQUITABLE GROUP & HEALTH INSURANCE COMPA
Panelist, *Communicating Healthcare Alternatives: The Indemnity Plan*

• AGENDA • AGENDA • AGENDA • AGENDA • AGENDA • AGENDA • AGE

Keynote Address

Mr. Moynahan's dynamic address will set the tone for the *Business Insurance* 1986 Conference, as he describes today's changing healthcare environment and the developing trends in the marketplace.

Panel: Communicating Healthcare Alternatives

This three part panel will discuss how to best communicate the unique features of a particular type of healthcare plan so that employees can make informed choices. Speakers will point out weaknesses in how employers communicate alternative plans and how alternatives can be effectively communicated.

The Indemnity Plan: The changing healthcare environment has transformed the traditional plan to include innovative cost containment programs. *Equitable* suggests that as employees become active healthcare consumers, employers must develop comprehensive communication programs that motivate employees to get involved with their healthcare choices.

The PPO: The entry of preferred insurance into the marketplace requires the employee to have a greater understanding of the services provided. *Humana* stresses that while effective communications are essential for the total understanding of the plan, the employer must also assure employees that the quality of services has not been sacrificed for a lower cost plan.

The HMO: Healthcare management in the form of HMOs is in an evolutionary stage, suggests *US Healthcare*. The widening range of benefits — health programs such as health check and dental plans — point toward the need for increased communication by employers so that employees can make educated choices.

Panel: Computer Communications

This panel consists of employee benefit specialists whose companies are on the cutting edge of communications technology. Discussions will focus on why their companies opted for computer communications and how they combined market trends with technological innovations to implement state-of-the-art interactive communication vehicles.

Metropolitan Life blended the skills of benefits, technological and communication experts to develop an employee communications program called "SHOWCASE." Employees can directly access information about their benefits from interactive computer terminals housed in kiosks in the company lunchroom and lobby.

NCR Corporation is using NCR pc's as communication vehicles and interactive decision aids in employee retirement planning. NCR developed "EstiMATE," a software package that enables employees to do long-range forecasting of their future retirement income.

RCA Corporation's interactive communication system is tapped by employees for benefits data approximately 7,000 times a month. The system is designed to expand the applications to include interactive video, job postings, local health provider information and more.

Hanes Group, a subsidiary of Sara Lee Corp., developed a program using microcomputer disks to introduce a new 401(k) feature to their Retirement Savings Plan. In one-on-one meetings, employees were able to experiment with the percent of deferred pay and immediately see the impact of their decisions on take-home pay and benefit projections.

EBC Awards Luncheon

Recognizing outstanding communications programs Alfred Malecki, Publisher, Business Insurance, presents the EBC Awards on August 4th.

Case Study Sessions

Informal workshops will be presented as concurrent giving you the opportunity to attend all sessions.

Total Benefits Communication
Bell Atlantic Enterprises' communication program, "A Wave in Benefits," is a 1985 award winning example of a total communication effort, effectively communicating the full range of benefits. Mr. Olsen will review the program, including such aspects as management objectives, budgetary considerations and strategies.

Print & AV Go Hand In Hand
This session will focus on how *Colgate-Palmolive* combined audio-visual and unique print to build a 1985 EBC award winning communications program, "More Financial Power." They chose a marketing approach to introduce a new 401(k) feature to their employee savings plan, by using identifiable packaging and slogans. Mr. DiStefano and Ms. Kekich will explain why Colgate chose this approach and will give an overview of the components of the program.

Computer Communications Workshops
The Computer Communications panelists, along with their consultant or marketing firm, will provide personal computers so that attendees may have an unprecedented opportunity to experiment with these communications vehicles.

FERENCE • THE BI CONFERENCE • THE BI CONFERENCE •

hanging Environment Offers New Choices

Come to the BI Conference … listen, learn and contribute. The choice is yours!

August 4 and 5
The Marriott Marquis Hotel, New York City

PEAKERS • SPEAKERS •

ter O'Donnell
rector, Employee Benefits
A CORPORATION
Panelist, *Computer Communications*
Case Study: Computer Communications
in conjunction with Johnson & Higgins

n Olsen
anager, Benefit Plans
LL ATLANTIC ENTERPRISES CORPORATION
Case Study: Total Benefits Communication

ank Pirrone
sistant Vice President
HNSON & HIGGINS
Case Study: Computer Communications
in conjunction with RCA Corporation

eve Ramsey
mmunications Consultant
WITT ASSOCIATES
Case Study: Computer Communications
in conjunction with NCR Corporation

rb Zeltner
esident
RBERT ZELTNER CONSULTING INC.
You Be The Judge

REGISTRATION INFO • REGISTRATION INFO

The BI Conference opens Sunday, August 3, with registration check-in and a cocktail reception from 5-7pm. Sessions begin Monday, August 4 at 8:30am. The conference adjourns Tuesday, August 5 at 3:45pm.

The cost is **$625.** A 10% discount is offered to additional registrants from the same company. The fee includes sessions, workbook, and educational materials, and scheduled functions.

Payment required with registration. All registrations will be confirmed.

Cancellations must be received in writing. A refund will be made on cancellations received prior to July 1. A **$100** service charge will apply to cancellations received after July 1. No refund will be made on cancellations received less than 5 business days prior to the conference. If your plans change, you may substitute the name of another person from your company without penalty.

To register, complete the form and send it with your payment to:

Business Insurance, Communication Services Department,
220 E. 42nd St., Suite 930, New York City, NY 10017
For information call: Ann Vazquez, Registrar, at (212)210-0137.

HOTEL ACCOMMODATIONS

We have set aside a block of rooms at a special **$125** room rate at the new Marriott Marquis Hotel in New York City. These rates are available to Conference Registrants only, and will be honored until July 14.

You must mention the *Business Insurance Benefits Conference* when making your reservations. Hotel cards will be included with your Conference Registration Confirmation. Or call the Marriott Marquis Hotel at (212)704-8700; or toll free at (800)228-9290.

Awards Luncheon

The EBC Awards Presentation Luncheon will be held on Monday, August 4th. A luncheon ticket is included with your Conference registration. A limited number of additional seats are available.

Tickets are **$60** each, available on a first come-first serve basis; **reservations required.** Contact Registrar.

AGENDA • AGENDA •

sk Force Sessions

an all new format, this session provides a allenging forum for attendees. You can select nployer specific task force units to discuss and aluate proposed communications problems, d then present your findings to all. Use the gistration form to pre-select one of these mmunication issues:

- Communicate plan changes from first-dollar medical coverage to co-payment with deductible.
- Improve participation in a two-year old 401(k) program.
- Introduce a flexible employee benefits program.
- Induce part of your employee population to take early retirement.
- Update a long standing, but not very effective communications program.
- Design a communications program for top level executives only.

e-Retirement Counseling Programs: w Approaches

ther than designing a pre-retirement counseling ogram, Mr. Esteban proposes that 'retirement nning education' be presented as a "life planning" hicle built into a company's total benefits package. suggests that employee groups be broken down age periods and that the design of such programs the specific needs of each group.

u Be The Judge

. Zeltner returns to the BI Conference to lead endees in an energetic session. He will introduce lected audio-visual programs submitted to the EBC mpetition, offering insight as to what other dustry professionals are doing in this medium.

REGISTRATION FORM • REGISTRATION FORM

BI 6/26

Please register me for the 1986 BI Conference
Employee Benefit Communications:
A Changing Environment Offers New Choices
August 4 and 5 • The Marriott Marquis Hotel in New York City

Name _____

Title _____

Organization _____

Address _____

City _____ State _____ Zip _____ Phone ( ) _____

Additional Registrant from my organization:

Name _____

Title _____

☐ Payment Enclosed ☐ Visa ☐ Mastercard ☐ American Express

Account # _____ Expiration Date _____

Signature _____

Please register me for the following Task Force Session* (check one):

- ☐ Communicate plan changes from first-dollar medical coverage to co-payment with deductible.
- ☐ Improve participation in a two-year old 401(k) program.
- ☐ Introduce a flexible employee benefits program.
- ☐ Induce part of your employee population to take early retirement.
- ☐ Update a long standing, but not very effective communications program.
- ☐ Design a communications program for top level executives only.

*The size of each session is limited, each Task Force will be filled on a first-come, first-serve basis

business insurance

Communication Services Department
220 East 42nd Street, New York, NY 10017
Ann Vazquez, Registrar — (212)210-0137

the professional marketplace

RATES AND CLOSING TIME:

Rates: Display classified is $79.50 per column inch, minimum of one inch. Straight classified is $6.50 per line, minimum of 5 lines. Count 34 characters per line (include each space and punctuation as a character). Additional $13.00 charge for blind box ads. Only those responses which fit into a business size envelope will be forwarded. Responses are forwarded daily.

Closing: Published every Monday. Copy must be in typewritten form by noo Tuesday, 6 days preceding publishing date. No verbal phone copy accepte Prepayment required. Mail ads to Margaret Hikido, Classified Advertising, 740 N Rush St., Chicago, IL 60611. For more information call 312-649-5340.

HELP WANTED

AGENCY IN LOUISIANA

Specializing in const. accounts, needs account executive to produce and market casualty-property lines. Heavy casualty experience preferred. Excellent benefits and salary. Send resume in confidence to:

Box 2060, Business Insurance
740 Rush St., Chicago, IL 60611

PRINCIPALS ONLY

Major regional broker looking to purchase established commercial lines agency in New Jersey/Eastern Pennsylvania. At least $750,000 in commissions. If you're looking for continuity or retirement, reply in confidence to: Box 2053, Business Insurance, 720 Rush St., Chicago, Il 60611

ACCOUNT EXECUTIVE

Industrial commercial property casualty insurer seeks experienced Account Executives to handle "FORTUNE 1000 NATIONAL ACCOUNTS" in the New York, Boston, Phili, Chicago and San Francisco markets. Must have current related successful sales experience.

$50,000 SALARY +
$10,000 GUAR. DRAW +
COMM. TO $50,000 +

Co. Car Expenses. Benefits
All Relocation Expenses paid

Call confidentially for immediate local interview:
312-790-4545
Joe Ross or Charles Chase

CORPORATE CLAIM CONSULTANTS

Major medical malpractice carrier has immediate opening for 2 Corporate Claim Consultants in its attractive North Suburban Chicago area location. Position offers opportunity to grow in this employee oriented environment. 5-7 years medical malpractice claim background is necessary for this opportunity. Experience may be in hospital risk management setting. Responsibilities include providing technical advice and direction to hospital risk managers and defense attorneys on a national level. We offer excellent employee benefit package and competitive salary. Please send resume and salary history in confidence to:

Box 2001, Business Insurance
740 Rush St., Chicago, IL 60611

PPO Joint Venture!

For profit preferred provider organization (PPO) seeks joint venture partners for nationwide network. The ideal partners will be small to mid-sized insurance carriers, strong brokerage firms and large TPA's which control at least 30,000 lives in the company's primary service area. There will be 2 to 4 partners in each joint venture. There will be one partnership per state and the partnership will have an exclusive for that state. PPO will supply personnel, provider selection and recruitment, operational procedures, and PPO data system as well as access to national network. For more information call Thomas H. Stateman at (312) 943-9229.

RISK MANAGEMENT CONSULTANT

Indianapolis firm operating nationally seeks individual with five years' experience in large commercial lines, casualty emphasis desirable. Demonstrable technical writing skill and analytical ability required. Professional designations preferred. Send resume and salary history to:

Box 2059, Business Insurance
740 Rush St., Chicago, IL 60611

Commercial Casualty Marketing

Large, independently owned Sunbelt Insurance Agency is seeking a talented Commercial Casualty Marketeer. This position calls for placement of all Casualty lines, including a strong knowledge of self-insurance concepts, cash flow, retentions, retros and Umbrellas, as well as standard Casualty placements. Responsibilities include developing and solidifying new and existing market relationships. You should possess strong coverage knowledge, excellent written and verbal skills, and outstanding problem solving skills. Please submit resume and salary history in confidence to:

Jay Williams, Vice President-Marketing
Wisenberg Insurance + Risk Management
P. O. Box 983
Houston, Texas 77001-0983

TPA

NATIONAL TPA WITH
EXCLUSIVE JOINT VENTURE OF MAJOR
HEALTH CARE CONSULTING FIRM
SEEKING
TPA'S
MERGER OR SALE
OUR ADMINISTRATIVE ABILITIES
ON A SINGLE DATA BASED SYSTEM
INCLUDES:
SELF FUNDING, FLEX, 401(K)
UR/CC
HMO/PPO/IPA
DEVELOPMENT/MANAGEMENT
INSURANCE PRODUCTS

Write to:
Business Insurance, Box 2055
740 Rush St., Chicago, IL 60611

ALTERNATIVE DELIVERY SPECIALIST

The Corporate Planning and Marketing Department of a prominent Catholic health care system is seeking a professional knowledgeable about alternative health care delivery. The Corporate facility is located in a major, midwestern city with abundant educational, cultural, and athletic opportunities.

The desired candidate will have a graduate degree in business, finance, marketing, or hospital administration; have three or more years of experience with HMOs and PPOs, and be able to act in accordance with the mission and philosophy of this religious-oriented System. The organization offers a stimulating work environement and a competitive compensation package. Interested candidates should submit resume, including salary history, to:

Box 2061, Business Insurance
740 Rush St., Chicago, IL 60611

ulrich voorhees warner associates

HERE WE GROW AGAIN! Ulrich Voorhees Warner Associates, New Jersey's leading commercial insurance agency has undergone rapid expansion thanks to combined successful efforts by our sales force & in-house Loss Controls & Engineering depts. & the availability of EXCELLENT MARKETS. To properly service new & existing accounts, we must create an additional commercial unit & add to other departments. We are interviewing for the following positions:

- **COMMERCIAL UNIT SERVICE MANAGER**
- **COMMERCIAL ACCOUNTS SERVICE REP.**
- **COMM'L SERVICE TECHNICIAN/ASST. CSR**
- **LOSS CONTROL/SAFETY ENGINEERING MGR.**
- **CLAIMS REPRESENTATIVE**
- **LIFE INSURANCE SALESPERSON**

You will work in a modern showplace office, using the latest in equipment & facilities including IBM-36-McCracken Computer. Our salaries are substantial, & benefits are excellent. We are located off Interstate 287 in a suburban community in the Middlesex/Somerset area of Central NJ. We are less than 1 hour from New York City & Philadelphia, & 15 min. from Rutgers & Princeton Universities, & are convenient to major highways. Please send resume to Steve Warner, Exec. VP, P.O. Box 228, Somerset, NJ 08873 or call (201) 469-3000.

The Professional Marketplace TARGETS your BEST JOB Candidates

POOL ADMINISTRATOR

For Michigan County Road Commissions Self Insurance Pool. This position functions as liaison between the pool Board of Directors and the pool claims and loss control contractor. This position requires qualifications in insurance management as related to the highway construction and maintenance industry, both oral and written communication skills and a minimum of seven (7) years of increasingly responsible administrative and financial duties. A combination of education and experience can be used, four (4) years of which shall be on the job experience. Salary open. Submit resume by July 7, 1986 to:

P.O. Box 2127
Kalamazoo, Michigan 49003.

CAROLYN DAVIS ASSOCIATES, INC.

Staffing Consultants to the Insurance Industry

Property & Casualty
Life • Health • Pension
Brokerage • Primary • Reinsurance

701 Westchester Avenue—Suite 308 W
White Plains, NY 10604
(914) 682-7040

Business Insurance

Circulation Breakdown*

Commercial Consumers

Administrative:

CEO's presidents and owners . . . 2,983
Vice-presidents, general managers and other administrative personnel 2,758

Financial:

Chief financial officers and vice-presidents of finance 2,018
Secretaries, treasurers, controllers and other financial personnel . . . 6,484

Risk/employee benefits:

Vice-presidents, directors, managers, and other related department personnel of: insurance, risk, employee benefits, personnel, compensation, pension, safety, security, industrial relations, human resources and employee/labor relations 8,111

Sub-total 22,354

Associations 483
Government, unions and educational Institutions 1,252

Commercial Consumers

Sub-total 24,089

Insurance agents and brokers 10,285
Insurance companies 6,739
Financial institutions 748
Actuaries, attorneys, adjusters, appraisers and consultants 3,808
Others allied to the field 1,308

TOTAL 46,977

* Source Business/Occupational breakdown of qualified circulation, Nov. 25, 1985 issue, as submitted to BPA for December 1985 BPA Publisher's Statement.

*ISU

Career Opportunity in Insurance Franchising

*ISU, with over 500 franchised offices, is appointing 20 Regional Directors throughout its nationwide network. This is a career opportunity to earn a six figure income through a combination of commission, salary (after 1st year) and profit-bonus.

You will have the opportunity to establish a regional office in a city in your region. Your investment in pursuing this opportunity is your time and energy.

To qualify for this top level position you must have superior knowledge of and experience in the property and casualty insurance business. You must also possess extraordinary sales and organizational skills.

Send appropriate background information with your choice of location to:

Regional Director - D1
***ISU International**
Post Office Box 2822
San Francisco, CA 94126

Insurance Systems Unlimited

Director, Third Party Reimbursement

CIGNA Healthplan, Inc., is setting the pace in the health care delivery industry as one of the largest investor-owned Health Maintenance Organizations (HMO) in the nation. Our rapid expansion has created a management opportunity for a qualified professional in our Corporate office located in **Dallas.**

The selected individual will be responsible for the development and administration of a company-wide COB/subrogation program, including establishing and monitoring procedures and policies. Responsibilities also include implementing and evaluating complex multi-line claims, maintaining statistical data necessary for COB/subrogation recoveries and training professional staff in this area.

The ideal candidate will be a college graduate, preferably with a law degree, adept at management techniques and personnel development with 4-6 years of multi-line claims administration experience. A solid administrative processing background and a knowledge of data processing, file pending systems and methodology development are also required.

CIGNA Healthplan, Inc., offers an excellent salary and benefits package, in addition to continued opportunities for recognition, development, and advancement. We provide a non-smoking environment. Send your resume in confidence to: **Finance Department, P.O. Box 801914, Dallas, Texas 75380.**

CIGNA Healthplan, Inc.
a CIGNA company

CIGNA

Equal Opportunity Employer M/F/H/V

'Terrorist' surcharge

Continued from page 1

passengers and one crewman.

The explosion was another in a series of terrorist incidents that have been covered under this so-called war risk coverage, which is actually an endorsement to aviation liability policies that strikes the policies' war risk exclusion. Since June last year, at least four —and possibly five—airliners have been destroyed by terrorist acts.

Underwriters last week could not estimate the claims faced by liability war risk underwriters from these incidents. However, one Lloyd's underwriter estimated that in the last two years hull war risk underwriters have paid about $200 million in losses, while collecting only about $140 million in premiums.

Faced with growing terrorist-related losses, which are considered war risks, aviation insurers told brokers May 9 that all aviation liability war risk coverage would be canceled on May 16. The coverage would be reinstated only if clients accepted the new "terrorist surcharge," which is over and above the normal cost of coverage.

The surcharge for all commercial operators of jet or turbo aircraft with more than 20 seats is 5 cents per 1,000 revenue passenger miles for U.S. and British airlines and 4 cents per 1,000 revenue passenger miles for other airlines.

Other buyers, like airports, that purchase liability war risk coverage from aviation insurers will pay a surcharge equal to 10% of their premium.

Including the surcharge and the 10% to 25% rate increases charged by insurers in the past year, the cost of liability war risk coverage for some airlines could increase up to 500%, says one market observer who spoke on condition of anonymity.

The surcharge will cost U.S. airlines alone about $17.5 million this year, an underwriter estimates.

The surcharge will remain in effect until at least the end of the year, when it will be reviewed by underwriters. Until then, underwriters can change the rate of the surcharge at any time with seven days' notice.

"The surcharge is written in the market due to the escalation of terrorist acts," explained Eddie Simms, underwriter for the Ariel Syndicate, one of largest aviation syndicates at Lloyd's of London.

"We needed extra premiums" to pay possible future losses, Mr. Simms said. "The charge is in recognition of the exposure that has become apparent.

"The surcharge will be reviewed," Mr. Simms added. "If the situation dies down in the next 12 months, then we will look at it again."

"There was a general feeling by everybody that the premium base was not sufficient to pay one more loss," said another Lloyd's underwriter. "If we have overreacted, then we will reduce the charge as soon as we can."

"We do not believe that it was necessary to make the charge across the board in the first place," said one Lloyd's aviation broker.

But airlines and airports had no choice but to pay the surcharge, considering the short notice that was given.

"It is not something we can avoid," noted a spokesman for British Airways in London.

The surcharge is "hard to accept" for Pacific Southwest Airlines, said Paul E. Rasmussen, vp and treasurer of the San Diego-based airline.

PSA flies only to cities in the western United States, except for one flight a day to Mexico. "It is hard to accept these kind of increases on war risk when you only fly to Mexico once a day," he said.

"The airlines were concerned about the manner in which the surcharge was imposed," added Tony Kelly, assistant director of the International Air Transport Assn. in Geneva, Switzerland, which represents 126 member airlines.

"No account was taken of the geographical spread of the airline, and no account was taken of the security precautions airlines have taken and the success that some airlines have had because of these precautions," said Mr. Kelly.

"Also, airlines were concerned that the charge was imposed so rapidly. The airlines would like to have had some consultation on the matter," he said. But with only seven days to consider the charge, "airlines had no option but to pay," he added.

Brokers and underwriters say that airlines also probably will not be able to avoid rate hikes for aviation hull and liability coverage during the July 1 renewal.

Among the airlines that will renew their aviation coverage July 1 are Delta Air Lines Inc., Northwest Airlines Inc. and Cathay Pacific Airways Ltd.

In addition, aviation liability coverage for several major aircraft manufacturers, including Boeing Co. and United Technologies Corp., also will renew July 1.

Brokers and underwriters generally predict July 1 rate hikes will be about equal to last year's rate increases, when hull rates generally rose 10%, liability rates rose a minimum of 25% and product liability coverage for aviation manufacturers rose up to 100%.

"What is going to happen to hull and liability insurance rates is a big question," said A. Kent Robinson, senior vp at broker Johnson & Higgins in New York. "I would be surprised if they are bigger than last year."

"There will be a continuing effort to increase rates across the whole aviation insurance portfolio," said Mr. Simms of the Ariel Syndicate. "Hulls are being increased generally, but most of the impact is on liability insurance following the horrendous results in 1985."

"Rates will go up 50% to 100% on the liability side," said one London aviation underwriter who did not want to be identified.

"Rates will depend on the account, but there will probably be substantial increases of anywhere from 30% to 70%," said Mr. Robinson.

At least one airline already has felt the sting of July renewals.

"We have had substantial increases," said Mr. Rasmussen of PSA, which already has completed its July 1 renewal. The airline's liability rates increased about 25%, while hull rates rose 10%, he said.

Mr. Rasmussen said PSA had expected that its rates would increase this year, considering last year's record losses, but that PSA was hit with "a greater increase in premiums than we expected," partially because of the surcharge.

Brokers stress that rate increases also will depend on airlines' loss experience. For example, brokers say Delta's rates could increase more than other airlines renewing July 1 because of last August's crash of a Delta L-1011 airliner near Dallas that killed 131 people and injured 31 others. Hull underwriters paid a $24.7 million claim, and liability insurers have estimated ultimate claims at $125 million (*BI*, Aug. 12, 1985).

The lead underwriter on Delta's coverage, Richard Maylam, underwriter for Lloyd's syndicates managed by A.J. Archer & Partners, will not comment on the renewal. But Mr. Maylam said, "There are still increases in rates on airlines, but the increases will vary depending on the account."

Hull and liability capacity also will be tight for airlines and manufacturers renewing aviation coverage, but the crunch will not be nearly as bad as predicted.

Last year, London underwriters and brokers warned that some airlines and aircraft manufacturers would only be able to purchase $250 million to $400 million in aviation liability coverage, compared with the limits of $700 million to $1 billion that are commonly purchased, because of a lack of reinsurance support.

British aviation underwriters have not been able to find as much aviation reinsurance as last year and have, thus, reduced their capacity, said Barry Coleman, underwriter for three Lloyd's underwriting agencies including Murray Lawrence & Partners.

However, aviation insurers in other countries have not been affected by the reinsurance capacity crunch, he said.

"There will be a cutback in (liability insurance) capacity, which is inevitable considering the number of foreign players who have been forced to cut back," Mr. Coleman said. "But to what extent is another matter. It won't be dramatic.

"Hull capacity will be quite tight, but there is certainly sufficient amount for everyone," he said.

Another Lloyd's underwriter said "capacity is not a problem," noting that airlines can probably line up $600 million in liability coverage, or only slightly less than the largest airlines now purchase.

"At the moment, capacity is available for hull and liability insurance," added the IATA's Mr. Kelly.

More capacity would be created if the IATA activates a Bermuda-based mutual insurer, Airline Mutual Insurance Ltd., to write hull and liability coverage (*BI*, June 9). The IATA board will decide whether the insurer will be activated at a June 28 meeting.

If given the go-ahead, the mutual probably will begin writing coverage for member airlines in early autumn, Mr. Kelly said.

Capital would be raised by participating airlines.

The mutual would follow the rates, terms and conditions used by commercial aviation insurers, Mr. Kelly said. It probably would write no more than 5% of an airline's hull and liability limits, he said.

Aircraft manufacturers also should be able to find adequate capacity in the commercial market, said J&H's Mr. Robinson, noting that limits of "$1 billion is do-able."

"If you are looking for $750 million you will probably get it," said Mr. Robinson, who currently is working on the Boeing account. "It will be easily done. But it's only a 50-50 chance that an extra $250 million can be done."

Mr. Robinson said that about $500 million in aviation product liability insurance can be found in the London market alone, while another $200 million can be found in the United States without tapping other world markets. ■

Canadian exchange board to meet

TORONTO—The board of directors of the fledgling Canadian Insurance Exchange will hold its inaugural meeting later this week.

The Canadian Insurance Exchange is a recently formed non-profit corporation that will put together the operating structure of the proposed Toronto-based insurance facility, while the Ontario Legislature drafts final legislation that will allow the exchange to open.

Robert Hilborn, who has chaired a committee formed to implement the Toronto exchange, said the corporation's first task is to find a chief executive officer.

The board of directors also will decide soon where the exchange will be located, he said.

Potential syndicates have indicated they would contribute from $130 million to $178 million in capital, Mr. Hilborn added.

The Ontario government will provide a loan to cover start-up costs of the exchange, Mr. Hilborn said, adding that the loan likely would be repaid through a levy assessed on the member syndicates based on premiums written.

Mr. Hilborn said around 80% of the exchange's initial capital would be "non-insurance capital," coming from financial institutions and major corporations interested in forming syndicates.

The major effort by the corporation at this point will be a communications and marketing drive aimed at informing potential syndicate investors of the exchange's status, Mr. Hilborn said.

the professional marketplace

WANTED
Multiple line insurance agency based in the Chicago area. Established Chicago agency stockholder would like to acquire personal and commercial book. Write to:
Box 2057, Business Insurance
740 Rush St., Chicago, IL 60611

SURPLUS LINES AGENCY
Want to buy surplus line agencies or brokerage business in Chicago and other midwest locations. Please respond to:
Box 2063, Business Insurance
740 Rush St., Chicago, IL 60611

COMMERCIAL LINES REPRESENTATIVE
Downers Grove, IL Insurance Agency needs Commercial Lines Rep with at least 2 years in-house marketing/servicing experience in commercial lines. Must be able to work with minimum direction.
PLEASE CALL S.I.C. 312-960-1962

HARVARD AIMES GROUP
Executive Search
Risk Management, Benefits and Insurance Professionals
6 Holcomb St PO Box 16006
West Haven, CT 06516
(203) 933-1976

Actuaries Wanted!!
We have full or part-time consulting positions available for qualified candidates with casualty actuarial expertise. All replies held in strict confidence. Call or write:
AJA
Ben Silberstein, President
AJA Risk Management Consultants, Inc.
888 Seventh Avenue
New York, N.Y. 10106
212/333-3259

FOR ACQUISITION-
AVIATION BOOK OF BUSINESS.
Reply to:
Box 2062, Business Insurance
740 Rush St., Chicago, IL 60611

BUYER IN PLACE
Aggressive innovative insurance executive seeks agency, TPA or carrier with owner/CEO contemplating retirement. GOAL. To assume operational management with a buyout option.
REPLY IN CONFIDENCE TO:
Box 2058, Business Insurance
740 Rush St., Chicago, IL 60611

For only $79.50 you can reach:
* Risk Managers
* Employee Benefits Managers
* Safety Engineers
* Insurance Underwriters
* Insurance Brokers/Agents
* and more

ACTUARIES: FLORIDA HAS THE CAREER CHALLENGES YOU'RE LOOKING FOR
The Florida Department of Insurance is seeking applicants for casualty actuaries. Requires five years of professional actuarial experience and SOA or CAS membership. Salary negotiable. Position qualifies for liberal State of Florida Career Service benefits with no state income tax. Submit resume' and inquiries to Jack Nicholson, Room 312-F, Larson Building, Tallahassee, Florida 32301.
AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER

FOR 20 YEARS
IN THE WEST
THE TRUSTED NAME IN EXECUTIVE SEARCH
* PRODUCERS
* SALES/MGT.
* CLAIMS & U/W MGT.
* BENEFITS
* MARKETING
* AGENCY MGT.
POSITIONS $40,000-$200,000
BARRY M. GOLD & CO.
12465 LEWIS STREET., SUITE 104
GARDEN GROVE, CA 92640
(714) 740-1414
IN CONFIDENCE

INSURANCE ACCOUNT MANAGER
Well established, substantial commercial P/C agency in Ann Arbor, MI is looking for an inside account manager to market and service major commercial accounts. Applicants should have a minimum of 5 years in commercial marketing/underwriting, ideally combining company and agency/brokerage experience. College degree or significant professional coursework preferred. Excellent compensation package. Great opportunity for a highly motivated career professional. Send resume to Judy Porter, Dobson-McOmber Agency, Inc., P.O. Box 1348, Ann Arbor, MI 48106. (313) 973-0105.

For a
Concise
and
Logical
Approach
to
Risk
Management
Recruiting
LOGIC
Associates, Inc.
170 Broadway
New York, N.Y. 10038
212) 227-8000

INSURANCE CONSULTING
Financial Analyst
Russell Miller, Inc., an established insurance consulting firm is seeking individuals with insurance company/agency experience to perform financial analysis. Candidates must have clear and concise writing style and the ability to interface with clients. Opportunity to support merger and acquisition transactions. These are entry level positions with opportunities for growth within the firm. Send resumes to:
Managing Director
Russell Miller, Inc.
116 John Street
New York, New York 10038

Risk Retention Act

Continued from page 1B

groups to be chartered in Bermuda or the Cayman Islands.

Speaking last week at a Washington briefing sponsored by the Insurance Information Institute, Sen. Ford said that the risk retention legislation will be the "target" of anti-insurance industry amendments.

"There will be an active floor debate" on the legislation, Sen. Ford said, adding that the measure may have a difficult time gaining congressional approval if it is loaded down with amendments.

If such amendments were attached to the legislation, the NAIC and insurance trade groups may renew their opposition.

"Clearly, amendments of this nature would require the industry to turn against the bill," warned Leslie Cheek, vp-federal affairs with Crum & Forster in Washington.

Such amendments "would complicate matters," agreed Mr. Myers, the NAIC attorney.

"If the bill carries more than its own weight, the chances that it will be enacted are jeopardized," said NASCA's Ms. Dreux.

To prevent that from happening, backers of the legislation are likely to resist all major amendments, other than those to be introduced by Sen. Ford on the Senate floor, Mr. Cheek said.

The legislation that would expand the Risk Retention Act, S. 2129, is championed by a broad coalition of employers. It would open up the advantages of pooling and group purchase of all lines of casualty insurance—except workers compensation—to corporations and trade associations.

The measure, introduced by Sens. Robert Kasten, R-Wis., and John Danforth, R-Mo., makes clear that after a risk retention group —a type of captive insurance company—is chartered or licensed in one state, it could operate nationwide without having to be licensed in other states.

In addition, the legislation would pre-empt state laws that prohibit employers from purchasing casualty insurance on a group basis.

This freedom to establish risk retention groups and to buy insurance on a group basis now only applies to product liability and completed operations coverage under the 1981 Risk Retention Act.

The legislation to expand the 1981 law would allow such diverse entities as municipalities, day-care centers and nurse midwives to establish risk retention groups or purchasing groups to obtain liability coverage that may not be available or affordable in the conventional insurance market.

The amendments agreed to by employers and the NAIC would give state insurance commissioners new powers to regulate risk retention and purchasing groups.

Those amendments would require risk retention groups to:

- Supply an operating plan to every commissioner in states where it intends to do business before beginning operation. This operating plan would include a rating schedule, coverages to be offered and limits.
- Submit to regulators in every state it operates a copy of its annual financial statement that it files in its domicile. The statement would have to be certified by an independent accountant with an opinion on its reserves by a qualified actuary.

"These statements would give regulators a good way to determine quickly if a group is solvent," said Mr. Myers, who also is a partner with Heron, Burchette, Ruckert & Rothwell.

- Exclude coverage for punitive damages or intentional, fraudulent or criminal conduct to the extent such coverage is prohibited by state law.
- Use a surplus lines broker if a non-admitted insurer supplies coverage to a purchasing group.

In addition, a risk retention group that engaged in repeated, knowing and willful fraudulent conduct in one state could be enjoined from operating in other states.

Mr. Myers said that the amendments are not perfect. But he added: "We believe consumers are better protected" than without the amendments.

Meanwhile, the House Energy and Commerce Committee, which is considering similar risk retention legislation, H.R. 4301, will hold a hearing on that bill on June 24. ■

Connecticut tort reform

Continued from page 2

tion of a provision calling for a task force to study civil liability, which will take effect immediately.

Under the law:

- Each defendant in a liability case is responsible only for his proportionate share of economic and non-economic damages. If the court decides the amount owed by one or more of the defendants is not collectible, the other defendants pay only their pro rata share of the uncollectible amount.

For instance, if one defendant is 10% liable, and another, who is 90% liable, is insolvent, then the first defendant will have to pay only 10% of the 90% in addition to his own share, or a total of 19%.

- Awards will be reduced by the amount a plaintiff receives from certain collateral sources, such as medical insurance.
- Subject to qualifications, municipalities are not liable for damages resulting from certain situations, including the failure to detect or prevent pollution caused by parties other than the municipality, the condition of natural land or unimproved property and the condition of an unpaved road.
- Attorneys' contingent fees will be based on a sliding scale, limited to one-third of the first $300,000 of an award and lesser percentages for larger amounts.
- Structured payments would be mandated for any part of future damages that is more than $200,000, unless the parties involved agree to another method of payment. Damages already incurred and any amounts up to $200,000 are to be paid in a lump sum.
- Anyone who brings a suit that is "without probable cause" must pay the defendant an amount double his damages, including attorneys' fees and court costs. Triple damages must be paid if it is decided the suit was initiated with "malicious intent."
- Officials of non-profit organizations are granted personal immunity from civil liability unless they act with "willful or wanton misconduct."
- Plaintiffs in medical malpractice must prove a health care provider breached "the prevailing professional standard of care," codifying the existing standard. The law also sets standards for determining who can act as an expert witness in these cases.
- There is a "rebuttable presumption" that the last person to sell liquor to an intoxicated person who later is involved in an accident is solely responsible for any damages. Previously, anyone who served liquor to the intoxicated person could have been held liable.

Rep. Richard Tulisano, a Democrat, said it was "outrageous" that laws that had developed over 200 years could be changed within a few months "without any real study by the General Assembly."

"The power structure was asking for it (the tort reform law), and they felt it had to respond in an election year," said Mr. Tulisano. ■

Smokeless tobacco suit

Continued from page 2

Late last week, U.S. Tobacco was drawing to a close its arguments in the case that seeks $11 million in actual damages and $136 million in punitive damages related to the death of Sean Marsee in 1984.

Betty Ann Marsee, Mr. Marsee's mother, is charging in a lawsuit filed in U.S. District Court that the oral cancer that caused her son's death was caused by his use of Copenhagen smokeless tobacco.

The original complaint filed in November 1984 by the law firm of Braly & Braly of Ada, Okla., said Mr. Marsee was "a consumer and extensive user" of the product.

The suit alleged that the product was responsible for the cancer that started on the young man's tongue and spread through his body.

The complaint also states that "the defendant wholly failed to place any warnings upon its products, and rather than warn prospective users," used extensive advertising campaigns with noted sports and entertainment personalities to promote the tobacco products as safe.

U.S. Tobacco would not comment on the case or any insurance it might have to cover a possible award. In court, the manufacturer has not disputed that Mr. Marsee used the product, but the company has denied that smokeless tobacco was linked to the young man's cancer.

Marc Edell, an attorney with the Short Hills, N.J., law firm of Budd, Larner, Kent, Gross, Picillo & Rosenbaum, said he feels the plaintiff "has a real good chance" of becoming the first to collect a product liability judgment from a tobacco manufacturer.

Mr. Edell's law firm has been involved in a number of other lawsuits against tobacco companies (*BI*, Nov. 19, 1984).

"I would not put this case in the same category with a cigarette case," said Mr. Edell.

"The major difference is that there has been little information available to the general public regarding the use of smokeless tobacco," he said.

"Post-1964, there has been a substantial amount of information regarding the health hazards of cigarette smoking," he explained.

Mr. Edell also said the suit involves "a young person who was highly susceptible to the advertising campaign" and that medical evidence in the case appears to present a link between the product and Mr. Marsee's cancer.

If the jury does decide in favor of Ms. Marsee, "It would be an extremely encouraging sign" to others with suits pending or for those thinking of suing tobacco companies, said Richard Daynard, co-chairman of the Tobacco Products Liability Project, a Boston-based organization that he says encourages litigation against tobacco companies as "a public health strategy."

'I think you will see more suits brought and most of the smokeless tobacco suits will be won,' remarks Marc Edell, a Short Hills, N.J., plaintiffs' attorney.

Mr. Edell agreed that a loss in court by U.S. Tobacco could encourage others to bring suit against similar companies.

"I think you will see more suits brought and most of the smokeless tobacco suits will be won," Mr. Edell remarked.

Mr. Edell said there are currently about 100 suits pending against tobacco companies in courts around the nation.

If Ms. Marsee wins the case, "It will be a positive development for tobacco litigation in general," agreed Alan Darnell, an attorney with Wilentz, Goldman & Spitzer in Woodbridge, N.J. Mr. Darnell's firm is involved in eight cases against tobacco companies in state and federal courts.

Mr. Darnell said that even though the case does not involve cigarettes, a verdict against U.S. Tobbaco could have a positive effect on his firm's cases because the verdict would establish the "addictive nature of nicotine."

While smokeless tobacco products do not now carry warnings stating the health hazards associated with the products, such warnings will appear on the products beginning next year.

Last February, Congress enacted the Comprehensive Smokeless Tobacco Health Education Act of 1986, which calls for three rotating warnings to appear on smokeless tobacco products.

One will read, "Warning: This Product May Cause Mouth Cancer."

The others will warn of potential gum disease and tooth loss and stress that smokeless tobacco is not a safe alternative to cigarette smoking. ■

update

Amex, SEC settle dispute

Continued from page 2

Fund Insurance Cos.

The agreement closes an SEC investigation into how Amex reported two loss-reserve swaps between Fireman's Fund and Insurance Co. of North America and one excess-of-loss reinsurance agreement between Fireman's Fund and Hannover Ruckversicherungs A.G.

Pursuant to the "compromise settlement," Amex must comply with the reporting provisions of the Securities Exchange Act of 1934, but is not required to restate its 1981 or 1982 earnings, which would have been reduced by 5.7% and 3.6%, respectively, Amex says. It says it is not admitting or denying any SEC findings.

The SEC concluded that the reinsurance transactions, which took place when Fireman's Fund was a wholly owned subsidiary of Amex, were not in accordance with generally accepted accounting principles. Amex now owns only 27% of the insurer.

Amex is defending its accounting of these transactions in a pending class action lawsuit against both companies.

Briefly noted

American International Group Inc. will stop writing new commercial property/casualty insurance policies in Florida, joining at least seven other insurers. The insurers have stopped writing these policies following passage of tort reform legislation that imposes new rate regulation. . . . . The Senate last week defeated an attempt to delete a special tax break for **Phillips Petroleum Co.** that exempts the Bartlesville, Okla., petroleum company from a provision in tax overhaul legislation that imposes a 10% excise tax on reversions from overfunded pension plans completed after Dec. 31, 1985. Phillips said this month that it expects to recover $400 million in excess assets through a so-called spinoff termination of a defined benefit plan.

insurance services guide

GREENE & ASSOCIATES, INC.
Consulting Engineering Services
Related to Energy and Chemicals
- Facilities Appraisals
- Loss Settlement Assistance: Claim Preparation and Analysis, PD & BI
- Accident Investigation
- Expert Testimony and Representation

1130 One Energy Square, Dallas, TX. 75206
214/691-3500

ACTUARIAL & RISK MANAGEMENT CONSULTING
Ben Silberstein A.C.A.S., M.A.A.A.
*Captives & Self Insurers *Specializing in medical malpractice & other liability
*Loss Retention Studies
AJA Risk Management Consultants, Inc.
888 Seventh Ave., New York, NY 10106
212/333-3259

CASUALTY ACTUARIES, INC.
Robert F. Lowe F.C.A.S., M.A.A.A., F.C.A
- Loss Reserve and Rate Evaluations for Insurance Companies and Self-Insureds
- Statutory letters of opinion on loss and loss expense reserves.

One Insurance Center Plaza, Suite 102
St. Louis, MO 63141
(314) 878-5002

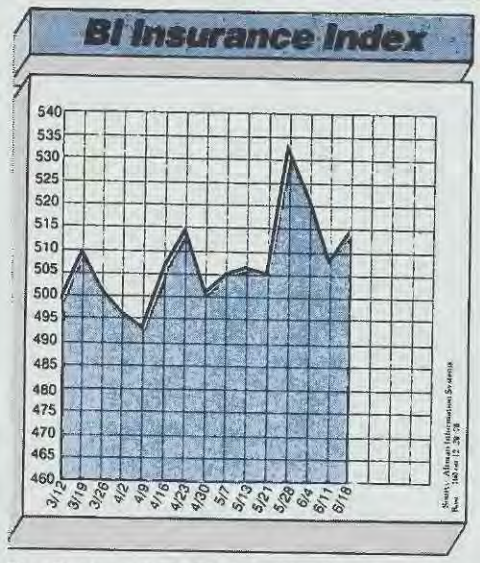
Risk Analysis & Management Corporation
- Risk Exposure Audits
- Claims Audits
- Feasibility Studies
- Insurance Specifications
- Security Management
- Benefits Plans Design
- Actuarial Analysis
- Litigation Audits
- Risk Control/Safety Management

Brochure Sent on Request
1001 Craig Road • Suite 260 • St. Louis, MO 63146 • (314) 569-1740
St. Louis • Atlanta • Los Angeles • Minneapolis • Philadelphia

ENVIRONMENTAL STRATEGIES CORPORATION
Specialists in
Risk Assessments
Remedial Investigations
Regulatory Analyses
A full service environmental consulting firm
Washington Harbour
3050 K Street, N.W., Suite 325
(202) 333-8500
Lynne M. Miller, President
Michael J. Murphy, CEO

ENVIRONMENTAL CLAIM AUDITS & RISK ASSESSMENTS ACTUARIAL CONSULTING
Financial Evaluation of Environmental Losses
TILLER CONSULTING GROUP, INC.
509-B Goldenrod Ave. / Corona del Mar, CA 92625 714/673-7089

For advertising information in the INSURANCE SERVICES GUIDE
Contact: Margaret Hikido, 740 Rush Street, Chicago, Illinois 60611.
Telephone (312) 649-5340



The *Business Insurance* index of insurance industry stocks climbed a scant 1.1%, closing at 514.3 points on June 18, up 5.6 from the June 11 closing at 508.8 points. A total of 35 stocks posted gains, 17 recorded losses and eight remained unchanged at the end of the most recent trading period. The leading gainers were Zenith National Insurance Corp., up 7.5%; Crown Life Insurance Co., up 6.7%; American International Group Inc., up 6.6%; Combined International Corp., up 5.8%; and W.R. Berkley Corp., up 5.4%. Stocks posting the largest losses were: Aneco Reinsurance Co. Ltd., down 10.0%; Poe & Associates Inc., the 13th-largest U.S. broker according to *BI's* ranking of the Top 20 U.S. brokers, down 4.3%; Frank B. Hall & Co. Inc., the fourth-largest U.S. broker, down 4.1%; The Home Group Inc., down 3.3%; and Tokio Marine & Fire Insurance Ltd., down 2.8%. Other stock market indicators slightly outpaced the *BI* index. The New York Stock Exchange composite increased 1.5%; the Standard & Poor's 500 average was up 1.6%; and the Dow Jones 30 industrials advanced 1.2% during the trading period.

British Issues

17 June Companies	Price pence	P/E	Div. pence	Yield %	1 Week High—Low pence	pence
Comml Union	306	27.8	16.9	5.4	306—295	
Gen! Accident	797	14.5	31.4	3.9	797—770	
Gdn Royal Exch	852	16.4	40.7	4.7	852—817	
Royal	857	14.3	36.7	4.2	857—824	
Sun Alliance	667	22.2	23.6	3.7	667—632	
Brokers						
CE Heath	595	9.0	34.5	5.8	595—585	
Hogg Robinson	298	9.9	13.4	4.4	298—285	
JH Minet	237	9.1	11.3	4.8	237—228	
Sedg Grp	348	13.4	15.7	4.5	348—342	
Stew Wrightson	387	12.3	15.7	4.0	387—380	
Willis Faber	403	14.9	12.5	3.1	403—393	

Source: Philip Olsen/Alan Clifton, Insurance Industry Specialists Kitcat & Aitken Stockbrokers, London

Annual reports shed light on public brokers' attitudes

By LEONARD M. WILSON

Special to Business Insurance

What does it add up to? Clearly, insurance brokerage will be more international in the future. Reading between the lines, technical skills will count for more, and the current period of prosperity should support a considerable rise in professional staff. The cost of staying competitive continues to advance.

WE ARE HABITUAL readers of annual reports. The latest crop from the publicly owned insurance brokers is, as in the past, varied in style and tone. And, as in the past, the annual reports provide interesting insights into management preoccupation and corporate direction.



Mr. Wilson

In general, attitudes expressed in the 1985 reports are a good deal more constructive on prospects for insurance brokerage than was the case in 1984. This is expected in light of the surge in premium rates.

Public brokers as a group also inveigh the liability tort system and lament about the difficulty in finding capacity.

In its annual report, Marsh & McLennan Cos. Inc. highlighted challenges that it confronted and met. The broker views tightness in capacity as a critical test of a broker's skills and says its range of capabilities are ideally suited to cope with currently intractable markets.

The rest of the report stresses what M&M calls its transactional capability in the insurance marketplace—clout, some might say.

The world's largest insurance broker also points to its global scope, with on-the-spot corporate operations in 19 countries. Clearly, M&M perceives the internationalization of insurance as a key strength for the alphabet broker of today or in the future.

Benefit consulting also gets its share of attention. Here, as in insurance brokerage, it is evident that M&M through its subsidiary William M. Mercer-Meidinger Inc. has become truly international. In most industrial countries, the company can boast of benefits expertise in virtually all aspects of the employer/employee relationship.

Alexander & Alexander Services Inc., on the other hand, seemed more subdued in tone. A&A perceived its merger with Reed Stenhouse Cos. Ltd. as a seminal accomplishment in bringing the company squarely into the international arena.

A&A sees a global advantage in its expanded organization of 17,000 employees with broad professional skills based in many countries.

In its annual report, A&A management did not evade the problems connected with its underwriting operations. The discussion focused on sizable charges for adverse claims development and uncollectible reinsurance as well as the expenses of litigation.

Overall, however, the message is that despite setbacks in 1985, the company is well along in working its way out of the problem areas.

Frank B. Hall & Co. Inc. accentuated its potential for a brighter future despite an erosion of shareholder equity, the liquidation of Jartran Inc. and the now-resolved dispute over major claims liabilities.

Its annual report indicated that management energies are concentrated on strengthening insurance brokerage. Cost containment is a first-order priority.

The company continues to rely upon its strengths in general brokerage, aviation, marine and benefits. The theme of the report seems to be that Frank B. Hall still is very much in business and a competitive force to be reckoned with.

Corroon & Black Corp. noted its active acquisition program, which resulted in acquisitions in Boston, Phoenix, Ariz., and four medium-sized cities. On the international front, the company expanded its ownership interest in Minet Holdings P.L.C. to 25%.

International capabilities received considerable attention in 1985. Operations abroad were bolstered through a mix of joint ventures and a dedicated correspondent system.

Corroon & Black's annual report gave top billing to exceptional growth in specialty wholesale products. New initiatives have come to fruition in such sectors as health care, municipalities and associations. The momentum of these specialties will contribute materially to future growth.

The Crump Cos. Inc. viewed 1985 as a year of high activity. The company positioned itself for the upturn in rates and tighter markets. Support services, data processing and management information systems were upgraded.

Organizational resources and talent were in place to cope with difficulties in placing business.

Southern American Insurance Co., the company's underwriting subsidiary, got through the period of competitive bloodletting undamaged. The unit now has re-entered the market and is a factor in Crump's positive outlook.

Arthur J. Gallagher & Co., a relative newcomer to the game of annual report writing, discussed its efforts in national risk management sales. This catalyst for growth seeks to leverage the company's self-insurance abilities. Supporting the expansion, data base systems were broadened to provide clients with the kind of information that enhances loss prevention and restrains claims costs.

The company also is expanding geographically. U.S. acquisitions were implemented, and the strategic plan calls for establishing offices in other cities after 1985.

Gallagher has not ignored the international side and has expanded operations in the United Kingdom as well.

What do the reports add up to? Clearly, insurance brokerage will be more international in the future. Reading between the lines, technical skills will count for more, and the current period of prosperity should support a considerable rise in professional staff. The cost of staying competitive continues to advance. And, the broker's role in the distribution of commercial insurance, notwithstanding the growth of self-insurance and increased client sophistication, remains as vital as ever. ■

Leonard M. Wilson, a special limited partner at L.F. Rothschild, Unterberg, Towbin in New York, specializes in insurance brokerage stocks. He is a member of the New York Society of Security Analysts.

BI Industry Stock Report

June 18, 1986 6/12/86 thru 6/18/86

Brokers		Price	% Chg.	P/E	$ Div.	% Yld.	High	Low	Vol.(000)
Alexander & Alexander Svcs	NYSE	37.50	1.0	0.4	1.00	2.7	37.50	36.38	441.5
Baldwin & Lyons Inc	OTC	23.00	-78.5	57.5	0.16	0.7	23.00	20.00*	0.3
Corroon & Black Corp	NYSE	39.00	4.0	20.9	0.65	1.7	40.00	38.25	208.2
Crump E H Cos Inc	OTC	27.25	4.8	23.1	0.25	0.9	27.25	26.63	141.6
Emett & Chandler Cos Inc	OTC	18.75	0.0	25.3	0.00	0.0	0.00	0.00	0.0
Gallagher Arthur J & Co	OTC	49.50	-1.0	21.3	0.40	0.8	51.00	49.50	9.6
Hall Frank B & Co Inc	NYSE	26.13	-4.1	0.0	0.00	0.0	27.25	26.13	179.5
Marsh & McLennan Cos Inc	NYSE	58.00	2.4	23.0	1.50	2.6	59.00	56.25	373.8
Poe & Assoc Inc	OTC	11.00	-4.3	0.0	0.53	4.8	11.50	11.00	1.5
AGENTS/BROKERS	AVERAGE			3.0		1.5			
Conglomerates & Holding Cos.									
American Express(Fireman's Fd)	NYSE	59.88	2.4	14.0	1.36	2.3	61.38	58.75	3,857.7
Anderson Clayton(Ranger/PanAm)	NYSE	55.88	-4.5	31.9	0.00	0.0	0.00	0.00	0.0
Amco Inc	NYSE	9.63	6.9	0.0	0.00	0.0	10.00	9.13	2,621.5
Berkley W R Corp	OTC	54.00	5.4	27.8	0.36	0.7	54.00	52.00	694.7
CIGNA Corp	NYSE	61.00	2.3	0.0	2.60	4.3	61.38	59.63	1,230.3
CNA Finl Corp (CNA)	NYSE	57.25	3.6	18.1	0.00	0.0	60.50	56.00	214.9
General Re Corp	NYSE	59.00	3.5	36.4	0.88	1.5	59.75	57.56	1,522.5
ITT (Hartford Group)	NYSE	45.13	0.0	24.5	1.00	2.2	45.75	44.88	1,640.7
Sears Roebuck & Co. (Allstate)	NYSE	47.25	1.9	13.7	1.76	3.7	47.50	46.00	3,222.0
Teledyne Inc (Argonaut)	NYSE	334.25	-0.2	8.0	0.00	0.0	335.25	332.75	85.3
Transamerica Corp (Occidental)	NYSE	34.75	3.3	16.6	1.68	4.8	35.00	33.75	532.1
CONGLOMERATES/HOLDING COS.	AVERAGE			16.4		1.2			
Insurers									
Aetna Life & Cas Co	NYSE	58.75	3.1	12.9	2.64	4.5	58.75	57.25	2,036.8
American General Corp	NYSE	40.00	3.2	12.1	1.12	2.8	40.75	39.38	1,344.6
Amern Heritage Life Invt Co	NYSE	42.13	-0.6	15.5	1.32	3.1	42.38	42.13	7.9
American Indty Finl Corp	OTC	18.75	-1.3	0.0	1.12	6.0	19.25	18.75*	13.4
American Intl Group Inc	NYSE	127.88	6.6	23.8	0.44	0.3	129.63	122.13	677.4
Aneco Reins Ltd	OTC	2.25	-10.0	0.0	0.00	0.0	2.50	2.25	12.3
Avemco Corp	NYSE	28.25	-1.7	15.7	0.50	1.8	28.50	28.13	6.3
Business Mens Assurn Co Amer	OTC	28.63	0.4	17.2	1.10	3.8	29.25	28.63	86.0
Chubb Corp	NYSE	66.38	-0.7	130.1	-1.56	2.4	67.50	66.13	655.2
Combined Intl Corp	NYSE	59.13	5.8	11.9	2.24	3.8	59.13	56.00	257.9
Continental Corp	NYSE	45.25	1.1	0.0	2.60	5.7	45.38	44.88	613.8
Crown Life Ins Co	OTC	320.00	6.7	3.2	0.00	0.0	325.00*	316.00	1.0
Durham Corp	OTC	46.63	0.3	12.5	1.36	2.9	47.50	46.50	7.5
Farmers Group Inc	OTC	42.00	0.0	15.1	1.00	2.4	42.50	41.25	959.3
Fairmont Finl Inc	AMEX	29.63	1.7	22.3	0.00	0.0	29.75	29.50	74.7
Fireman Fd Corp	NYSE	34.75	1.5	0.3	0.30	0.9	34.88	33.88	1,277.6
Fremont Gen Corp	OTC	26.50	0.5	0.0	0.48	1.8	26.75	26.25	268.9
Great West Life Assurn Co	OTC	700.00	0.0	7.0	18.00	2.6	700.00	700.00	0.5
Home Group Inc	AMEX	25.38	-3.3	55.2	0.00	0.0	26.25	25.38	366.5
Hanover Ins Co	OTC	61.25	0.0	32.8	0.56	0.9	61.25	60.75	44.3
Hartford Steam Boiler Insptn	OTC	94.50	4.1	15.0	2.40	2.5	95.50*	92.00	44.9
Kans City Life Ins	OTC	35.50	2.9	14.0	0.87	2.4	36.50*	35.50	15.7
Kemper Corp	OTC	89.75	2.0	31.8	1.80	2.0	91.50	89.75	310.4
Liberty Corp S C	NYSE	42.25	3.4	17.8	0.72	1.7	42.25	40.88	12.8
Lincoln Natl Corp Ind	NYSE	50.13	-1.5	11.3	2.00	4.0	51.13	50.13	642.3
Mission Ins Group Inc	PAC	3.00	0.00	0.0	0.00	0.0	4.38	2.88	113.0
Monumental Corp	OTC	54.25	0.5	19.3	1.40	2.6	54.38*	54.00	134.3
Nac Re Corp	OTC	36.50	-1.4	0.0	0.00	0.0	39.50	36.50	100.8
Nobel Ins Ltd	OTC	16.50	1.5	21.7	0.25	1.5	17.00	16.25	60.5
Northwestern Natl Life Ins	OTC	28.25	-2.6	12.4	0.86	3.0	29.13	28.25	111.8
Ohio Cas Corp	OTC	83.25	-0.3	19.3	3.00	3.6	85.50	83.00	119.9
Old Rep Intl Corp	OTC	38.00	2.7	13.9	0.78	2.1	38.00	37.63	79.1
Orion Cap Corp	NYSE	35.63	-0.7	0.0	0.76	2.1	36.13	35.63	45.0
Protective Corp	OTC	24.00	2.1	13.1	0.70	2.9	24.00	23.25	72.4
Provident Life & Acc Ins Co	OTC	28.25	-2.2	9.8	0.84	3.0	29.00	28.25	198.9
St Paul Cos Inc	OTC	44.00	3.5	26.7	1.50	3.4	45.00	43.00	679.8
SAFECO Corp	OTC	56.50	3.7	15.3	1.68	3.0	57.63	54.38	471.2
Sri Corp	OTC	22.75	1.1	0.0	0.80	3.5	22.75	22.50	60.9
Seibels Bruce Group Inc	OTC	19.25	1.3	0.0	0.80	4.2	19.25	18.75	72.3
Statesman Group Inc	OTC	5.50	2.3	39.3	0.05	0.9	5.63	5.50	46.0
Tokio Marine & Fire Ins Co	OTC	394.00	-2.8	74.2	1.05	0.3	405.00	394.00	7.0
Torchmark Corp	NYSE	34.25	5.4	14.9	0.60	1.8	34.25	32.88	537.5
Travelers Corp	NYSE	48.38	0.3	12.2	2.16	4.5	49.00	48.13	1,715.6
United Fire & Cas Co	OTC	28.00	0.0	22.2	0.80	2.9	29.00	28.00	20.2
United States Fid & Gty Co	NYSE	38.25	0.3	0.0	2.32	6.1	40.25	38.25	5,787.4
Uslife Corp	NYSE	43.88	4.5	11.7	1.12	2.6	44.00	42.75	155.4
Washington Natl Corp	NYSE	33.88	-0.4	14.9	1.08	3.2	35.00	33.88	70.8
Zenith Natl Ins Corp	OTC	28.75	7.5	143.8	0.80	2.8	28.75	26.50	208.2
INSURANCE COMPANIES	AVERAGE			8.6		2.1			

System design: Altman Information Systems

Delaware law

Continued from page 2

from making entrepreneurial decisions," according to a synopsis of the law as passed by the Delaware Senate.

Mr. McNally said that the state bar association's corporation law section had originally considered legislation that would have broadened corporations' ability to indemnify directors who are found liable for damages in shareholder derivative suits.

The bar group decided against this approach, he explained, because it felt that directors should not be entitled to indemnification for such actions as breach of duty of loyalty.

In addition, he said, broad indemnification powers would defeat the purpose of shareholder suits, which is to recover funds for the company. Companies would be required to reimburse directors for damages that the directors had been ordered to pay to the company, he explained.

"It's just a bonanza for lawyers and doesn't accomplish anything," Mr. McNally said.

"We finally decided to leave it to the stockholders," he said.

Some companies that had discussed the legislation with bar group members say that either approach would have produced the same result.

"You can go either way. You can provide for indemnification by the company or you can eliminate the liability," noted Dan Cuoco, general counsel for Squibb Corp., a Delaware corporation based in Princeton, N.J.

"It's a favorable amendment and one that's needed in light of the insurance crisis we're facing," Mr. Cuoco added. ■

©1986. The Hartford Insurance Group



Q. The Hartford—you mean the company with the moose?
A. It's a stag. I've got an option with my Hartford policy that replaces lost income for as long as a year.
Q. No kidding?
A. Yep. It can even pay the expenses of starting up again.
Q. Sounds great. How long have you been insured by The Hartford?
A. Ever since I got started in shoelace cleaning thirty years ago.
Q. And just how did you get started?
A. I pulled some strings.

Year after year, you'll like doing business with The Hartford, the insurance people of ITT.

THE HARTFORD
The Insurance People of ITT
The Hartford Insurance Group, Hartford, CT 06115.