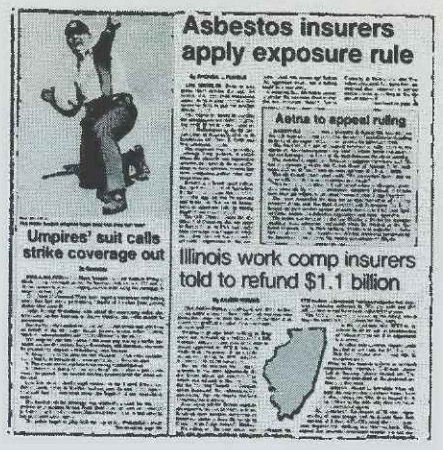
WEEK OF JUNE 29, 1981

business insurance®

the national newsweekly of loss prevention, risk financing & benefit management/$2 a copy; $30 a year

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Top 20 U.S. brokers:

A decade of growth

They switched places a few times, but the names of the six largest U.S.-based insurance brokers remained the same over the 10 years in which Business Insurance has charted the growth and reported the strategy of the nation's insurance brokerage business. This chart depicts the ranking and market share of the six leaders and the escalating gross revenues of the Top 20 brokers each year. This year's report begins on page 11.

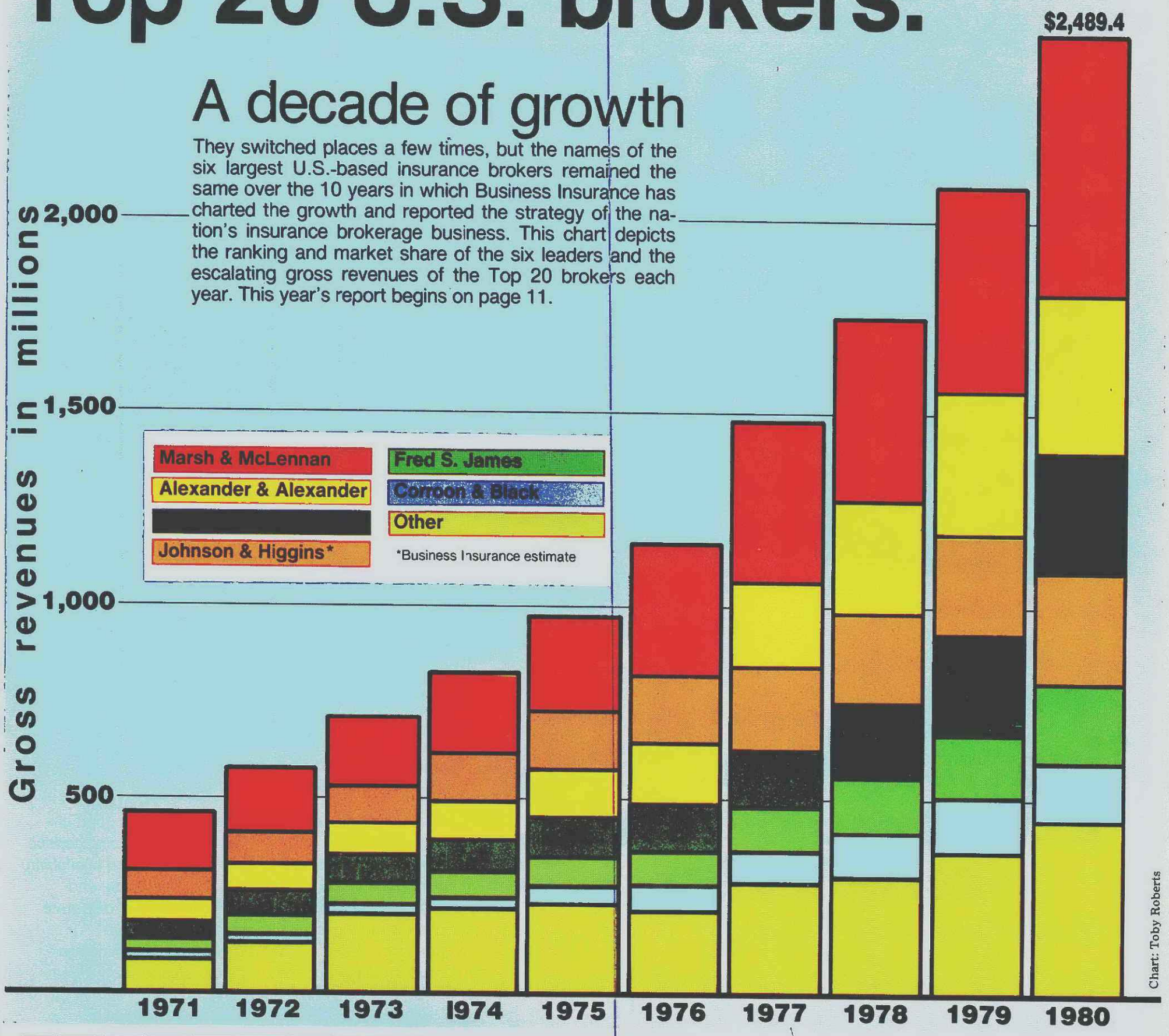


Chart: Toby Roberts

NEWSPAPER

INSIDE:

Rates pinch brokers in 1980 Page 11

Brokers span international borders Page 15

BI's Top 20 commercial brokers Page 20



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update:

Risk Retention Act approved by panel

WASHINGTON—The House Commerce Transportation and Tourism subcommittee last week unanimously approved the Risk Retention Act.

The subcommittee approval came after Rep. James Florio, D-N.J., the subcommittee's chairman, added an amendment that would require risk retention groups set up

Continued on next page

Asbestos insurers apply exposure rule

By RHONDA L. RUNDLE

LOS ANGELES—Even as they press their battles through the courts, U.S. insurance companies appear to be edging toward a consensus on how to pay for asbestos disease claims.

The exposure theory of liability for asbestos-related claims is gaining ground with some insurers since it was adopted by the 6th Circuit Court of Appeals in INA vs. 48 Insulations (*BI*, Nov. 3, 1980) and two subsequent courts.

The exposure theory, providing coverage from policies in effect when the plaintiff was exposed to asbestos, will provide the most coverage to many asbestos makers, but some companies prefer other coverage theories.

Reversing a lower court ruling, the 5th Circuit Court of Appeals in Porter vs. American Optical Corp. recently applied the "reasoning and result" of INA vs. 48 Insulations to apportion liability among insurers (see related story).

The U.S. District Court for the District of Columbia also has ruled in Keene Corp. vs. INA that insurance coverage was triggered when an injured claimant was exposed to asbestos. Arguments in the case were heard two weeks ago before the appellate court, but a ruling could be a year away.

Conceding that the courts appear to prefer the exposure theory over the manifestation theory, Aetna Casualty & Surety Co. and Travelers Insurance Co. have both announced their intention to pay asbestos claims according to the exposure approach.

Continued on page 106

Aetna to appeal ruling

HARTFORD, Conn.—Aetna Casualty & Surety Co. will petition the U.S. Supreme Court to review the second appellate-level ruling in favor of the exposure theory of liability for asbestos claims.

The 5th Circuit Court of Appeals reversed a lower court in the Porter vs. American Optical Corp. case in which Aetna and another insurer had argued in favor of the manifestation theory of liability.

The reversal is significant because it suggests the courts will follow the reasoning of the 6th Circuit Court of Appeals in its landmark INA vs. 48 Insulations decision last year (*BI*, Nov. 3, 1980).

The 5th Circuit Court simply said, "We are content to say that we agree with its (6th Circuit) reasoning and result."

"We hold that the District Court erred when it measured insurance coverage by the 'manifestation' standard. Instead, it should have used the 'exposure' standard," wrote Circuit Judge Coleman.

The court remanded the case for an apportionment of liability between Aetna and Hartford Accident and Indemnity Co. It affirmed the jury verdict against primary defendant American Optical Corp., maker of a defective respiratory and filter apparatus.

The action was brought by the late Charles J. Porter for damages resulting from asbestosis contracted while he worked at the National Gypsum Co. in New Orleans. Porter was supposed to have had the protection of a respirator and filter apparatus furnished by the American Optical Corp. His family was awarded $155,000.



Photo: World Wide

The major league umpires hope they can play ball soon.

Umpires' suit calls strike coverage out

BI Roundup

PHILADELPHIA—The Major League Umpires Assn. is trying to block claims payments under the baseball club owners' $50 million strike insurance policy, charging owners with using the coverage to bargain in bad faith.

The Court of Common Pleas here issued a temporary restraining order late last week prohibiting Lloyd's of London from paying claims after June 24.

Judge Stanley Greenberg, who issued the restraining order, also scheduled further hearings to decide whether the order should be permanent.

Besides the major league umpires' suit, a class action suit was filed on behalf of the 650 major league players, season ticket holders, vendors, concessionaires and others affected by the strike.

The umpires' contract provides for some pay during a strike, but would not last the season. Judge Greenberg told *Business Insurance* he granted the umpires a restraining order because:

- Allegations in the umpires' suit charged owners were bargaining in bad faith because they were protected by the insurance.
- The strike prevented fans from seeing baseball games.
- "Nobody is going to lose anything" since claims payments would be placed in an interest-bearing account until the issues are decided.

Late last week, Lloyd's legal counsel in the United States, LeBoeuf, Lamb, Leiby & MacRae, had not seen the text of the injunction and had no comment about the legality of the restraining order.

The baseball strike coverage was originally placed for the club owners by insurance broker Reed Stenhouse Inc. and subbrokered in London by Lloyd's brokers Blackwall, Green Ltd., which already has processed some claims.

The policy began to play ball the day of the Philadelphia court

Continued on page 106

Illinois work comp insurers told to refund $1.1 billion

By EILEEN NORRIS

CHICAGO—Illinois employers are $857 million richer under a court-ordered refund of workers compensation premiums than they would have been if insurers had grabbed an offer for a lower out-of-court settlement.

Employer groups were willing to drop their suit demanding a rollback of a 24% workers compensation insurance rate increase approved in 1979 if insurers would trim five points off the rate increase retroactive to 1979, industry sources told *Business Insurance*.



But the 250 workers compensation insurers in the state apparently did not know about the counteroffer, which was refused on their behalf by the the National Council on Compensation Insurance, the ratemaking organization that represents workers compensation insurers.

Now, about 150,000 Illinois employers expect to receive $1.1 billion in refunds on their workers compensation insurance under a June 23 ruling by Circuit Court Judge James C. Murray.

His ruling on the class action suit overturned the 24% rate increase, ordering employers be refunded $750 million in increased workers compensation insurance premiums collected in 1979 and 1980 and $350 million that would have been collected this year.

The NCCI, however, is appealing the ruling, which delay the refunds to employers for two years.

In the meantime, the NCCI is involved in an annual re-examination of Illinois rates to see if an adjustment is in order.

Another rate increase request could be filed at any time, but NCCI actuary Rich Fein denied that a hike will be requested soon.

None of the leading writers of workers compensation insurance in Illinois—Aetna Life & Casualty, Liberty Mutual, and Travelers—was consulted on the proposed settlement, they said.

Insurers refused to speculate what impact the court-ordered refund would have on their companies. The three largest work comp writers in the state said they are banking on a successful appeal.

The Associated Employers of Illinois, representing 40 trade groups, and the Illinois State Federation of Labor, AFL-CIO, sued the state insurance department, seeking the rate rollback. They argued that insurers' investment income was not ana-

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update:

Panel OKs Risk Retention Act

Continued from previous page
in Bermuda or the Cayman Islands to meet the insurance capitalization requirements of at least one state before they could operate in the United States.

The amendment also contains a "grandfather" provision that would bar new risk retention groups from being established offshore after Jan. 1, 1985.

The pooling legislation, H.R. 2120, which would make it much easier for businesses to band together to self-insure their product liability exposures, now goes to the full House Energy and Commerce Committeee, where approval is expected later this month.

New pollution coverage market

LOS ANGELES—Swett & Crawford is now the fifth major insurance market offering a special policy to cover pollution liability.

Underwritten by Swett & Crawford Management Co. Ltd. for Pacific Insurance Co., the policy offers $10 million coverage per loss with a $10 million aggregate. Defense costs are not included in the limits, and there is no exclusion for genetic and antenatal damage.

More than 50,000 U.S. businesses will have to purchase this type of insurance or be certified as self-insurers for liability limits of $1 million per occurrence and $2 million annual aggregate for sudden pollution and $3 million per occurrence and $6 million annual aggegate for nonsudden pollution.

The requirements are exclusive of defense costs.

The other four major markets for the coverage are: American International Group; Shand, Morahan; London (Clarkson/Howden); and Stewart Smith for Great American Surplus Lines.

Committee OKs IRA deductions

WASHINGTON—The Senate Finance Committee last week gave tentative approval to legislation that allows employees covered by pension plans to set up Individual Retirement Accounts, contribute up to $1,500 annually to an IRA and receive a full tax deduction.

The committee agreed to allow employees to deduct up to $1,500 annually for voluntary contributions to an employer-sponsored pension plan.

It also raised to $15,000 from $7,500 the maximum deductible annual contribution to Keogh plans, which are used by the self-employed.

Controllers vote on agreement

WASHINGTON—The nation's air traffic controllers are voting on a new 42-month contract that includes severance pay for controllers who are medically unable to work and not yet eligible for retirement benefits.

The Professional Air Traffic Controllers Organization reached a tenative agreement with the Federal Aviation Administration June 22, just hours before a nationwide strike was scheduled to begin. Union officials say the ratification process will take three weeks.

Controllers with about 10 years of service who have been laid off for medical reasons and are not eligible for retirement will be able to collect a 14-week "retraining allowance."

The proposal does not include any changes in the controllers' retirement benefits, an issue that PATCO spokeswoman Marsha Feldman said was "not negotiated" by the union.

The agreement also provides for an increase to 15% from 10% in nighttime pay differential and for overtime at 1½ times the normal rate for the last four hours of the regular 40-hour work week. The union had sought a 32-hour work week.

Agent Orange care approved

WASHINGTON—Congress has approved legislation to guarantee federally financed health care for Vietnam veterans if there is "credible medical evidence" that their illness is linked to exposure to the herbicide Agent Orange during the war in Indochina.

"I think we have a responsibility to respond to veterans' concerns," said Sen. Alan Cranston, D-Calif., one of the legislation's sponsors.

The Veterans Administration has resisted covering claims by veterans who say they developed various medical and psychological disabilities because of exposure to Agent Orange.

The government maintains there is no current evidence linking exposure to Agent Orange and medical and psychological disorders, but it is conducting extensive surveys to determine if there is a relationship (*BI*, Dec. 15, 1980).

OSHA changes may be offered

WASHINGTON—The Reagan administration may press for an amendment to the 1970 Occupational Safety and Health Act as a result of a Supreme Court decision that said regulators do not have to balance health benefits against employers' costs in setting health and safety rules.

"There will have to be legislative change if the cost-benefit anlysis is to be used in the regulatory area," Secretary of Labor Raymond Donovan said.

The Supreme Court, in a case involving worker exposure to cotton dust, said the health of workers is "above all considerations," a blow to the administration, which believes costs must be considered in establishing health and safety rules.

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Longshore reform lacks administration support

By JERRY GEISEL

WASHINGTON—Despite the failure to gain administration support, the chairman of a Senate Labor subcommittee plans to get legislation overhauling the federal Longshoremen's and Harbor Workers' Act on the Senate floor by summer.

Sen. Don Nickles, R-Okla., the subcommittee chairman, now intends to move his reform legislation, S. 1182, as quickly as possible following three days of hearings earlier this month.

"I hope to be able to mark up a bill before the summer recess," Sen. Nickles told *Business Insurance*.

The major surprise during the hearings was the failure of the administration to testify on the proposal and indicate which portions of the bill it would support.

Robert Collyer, deputy undersecretary for the Employment Standards Administration at the Labor Department, had been expected to testify.

But at the last moment, Mr. Collyer bowed out because the Office of Management and Budget didn't have time to clear Mr. Collyer's testimony or stake out the administration's position.

"These (longshore problems) are extremely difficult, technical issues," Mr. Collyer said in defense of the OMB. Other experts note that OMB is so preoccupied with the administration's tax-cut bill that longshore and scores of other issues have to take a back seat.

Once the logjam is cleared, "I believe the administration will support the bill," said Charles Carroll, counsel for the Senate Labor and Human Resources Committee and an aide to Sen. Nickles.

That legislation and a similar bill, H.R. 25, introduced in the House by Rep. John Erlenborn, R-Ill., would cap benefit increases and reduce the scope of the controversial Longshore Act, which covers more than 1 million maritime workers (*BI*, June 8).

Key provisions include:

- Limiting benefit increases to 3% annually. Benefit increases now are indexed to jumps in the national average weekly wage.
- Elimination of death benefits payable to survivors of injured workers who die from causes unrelated to an on-the-job injury. No state workers compensation program has such a provision.
- Capping death benefits at 200% of the national average weekly wage.
- Limiting the jurisdiction of the Longshore Act to the "point of rest," the spot where the cargo comes off a ship and is put on the ground.

The jurisdictional issue is important because recent court decisions have expanded the scope of the act to cover more classes of employees, such as workers who strip cargos in warehouses. ■

BC/BS chief McNerney to resign

By JERRY GEISEL

CHICAGO—Walter McNerney, president of Blue Cross/Blue Shield Assns., is leaving the nation's largest provider of health care to begin a new career.

In a move that caught the health-care industry by surprise and sent the rumor mill whirling, Mr. McNerney simply said he thought it was time to move on.

"The trigger point (on deciding to leave) was realizing that Aug. 14 will mark my 20th year with Blue Cross," Mr. McNerney said. "After 20 years as a chief executive officer, it is time to seek a new career. It's time to go."



McNerney

A search committee will be set up soon to find a successor to Mr. McNerney, who won't leave BC/BS until November. He says he may stay in the health-care field, but he isn't sure.

Mr. McNerney left an academic career to become Blue Cross president in 1961 at age 36, the youngest top executive in its history.

In 1978, Mr. McNerney was named president and chief executive officer of Blue Cross/Blue Shield when the two associations were consolidated. ■

Businesses blast 'outrageous' award

By EILEEN NORRIS

PONTIAC, Mich.—A $150,000 workers compensation award to the widow of a man who suffered carbon monoxide poisoning while having sex with a co-worker is being appealed by the man's employer and has prompted a movement to have the ruling judge removed from the bench.

In a case that the Michigan Chamber of Commerce says has given the state "a black eye," Administrative Law Judge Leo J. LaPorte ruled that the death of Domenico Signorelli, who was on an overseas training assignment in England, was work-related.

The 37-year-old project engineer for GKN Automotive Components Inc. of Birmingham, Mich., collapsed March 23, 1979, in a co-worker's London apartment after the two had sexual relations near a faulty space heater. The woman recovered, but Mr. Signorelli lapsed into a coma, never to regain consciousness.

The Michigan business community is completely "outraged" at the death benefits ruling, said James Barrett of the Michigan Chamber of Commerce.

"The case will be outlined in our next newsletter under 'workers compensation horror stories,'" Mr. Barrett said.

The Board of Michigan Businessmen, a coalition of 900 member businesses that joined forces three years ago to advocate workers compensation reform in the state, is investigating what it would take to have Judge LaPorte recalled from his judgeship, said Bernice Clark, the group's founder.

"And it's not just business people who are outraged at this decision," she said. "Everyone thinks it's unfair. It's bankrupting the state."

The 37-year-old worker and father of two children worked for GKN for less than two months before the fatal incident, said Frank Mordell, legal counsel for the company, which is appealing the decision to the state's Workers Compensation Appeals Board.

"We sent him to England for indoctrination training for the job," Mr. Mordell said. "He was learning the product."

The employer's workers compensation insurer, Zurich American Insurance Co., declined to comment on the award or the case.

In rendering a decision on the application for workers compensa-

Continued on page 105

Work comp pools in Illinois start operations next week

By EILEEN NORRIS

CHICAGO—Illinois' first two workers compensation group self-insurance pools may kick off next week, and many other employers are close behind.

The Chicago Midwest Meat Assn. and the Midwest Industrial Manufacturers Assn. are the first to qualify for group self-insurance pools under regulations recently revised by the state Department of Insurance.

The associations estimate that 40 to 50 member employers will join each pool before the end of the year, said Dan Csar, the analyst who is administering the program for the Insurance Department.

Four other associations have made partial applications to form pools and hope to begin sharing members' risks by early fall, Mr. Csar said.

The July start-up date for the two pools follows a revamping of the pooling regulations, which were established last September when the state's workers compensation reform measures were signed into law.

Originally, the regulations, which for the first time allow the pools, limited eligibility to employers with at least 20 employees and a $250,000 gross annual payroll. But the new rules, which are likely to encourage smaller employers to consider pooling risks, require employers to have:

- 20 employees and $250,000 in gross annual payroll; or
- 10 employees, a $125,000 gross

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Safety experts

Hawking safety wins top award

SALT LAKE CITY—There's a bit of salesman and public relations man in Charles Dancer.

There should be a little of those qualities in every good safety director, says the director of safety and loss prevention for Allied Chemical Co. and winner of this year's Edgar Monsanto Queeny Safety Professional of the Year award.

That's the key to a successful safety program, he says. It's better to sell safety to all levels of management and continually promote the concept so others will incorporate the idea into their jobs than to come on like a drill sergeant.



Dancer

"I like to act as a stimulus to get the cooperation of the line people and I like the sales approach," Mr. Dancer said. "If you can convince someone to do something, they'll do it much more willingly. If you take a club to them, they'll work safely now, but what about later when I'm not around?

"I've never had to tell a manager that if he didn't improve his safety performance that I'd shut his line down," he said.

"I can shut anything down, but I'd never do that. In fact, I'd feel like a failure if I had to because that would mean I wasn't getting the message across."

Mr. Dancer would rather have a supervisor or foreman think a safety measure is his own idea.

"I prefer to talk to them about a problem and let them come up with the answers with me just asking the questions."

Apparently, Mr. Dancer's stimulus has had a effect. Allied Chemical, a Morristown, N.J., subsidiary of Allied Industries, currently boasts a 0.7 accident rate per 200,000 work hours, significantly lower than DuPont, one of its closest competitors in the high-hazard chemical industry.

Five years ago, this was not the case.

At that time, Allied Chemical was experiencing 3.7 accidents per 200,000 hours. But then Mr. Dancer developed Allied's own training program, doing away with the National Safety Council program because it was "too general."

The Allied program has been so highly acclaimed

Continued on page 6

Safety, risk management staffs should cooperate to cut losses

By JOHN MAES

SALT LAKE CITY—Safety professionals who learn about their company's insurance and risk management program are doing themselves and their companies a favor.

Companies where the safety and risk management departments frequently cross paths and share information can't help but have better safety records, lower insurance costs and greater profitability, says Joseph G. Holwerda, director of risk management for New York-based Colt Industries.

"You are an important part of the risk management function," he told safety professionals at an American Society of Safety Engineers conference in Salt Lake City June 15-17. "You must have input into the decision-making process."

The safety director is a valuable source of information to the risk manager trying to identify all risks and adequately insure or self-fund them.

This is especially the case in a diversified company with many installations "because you (the safety director) can get into every nook and cranny of every plant and see what's going on," he said. "You are the eyes, ears, hands and heart of the risk management department in many cases. You may not know that, but you are."

At Colt Industries, with 60 major plants, safety engineers answer to Mr. Holwerda. His standing rule is that they inform him when they detect a safety problem.

He called on safety managers to be aggressive in trying to identify property risks such as fire, water, earthquake, collapse, heat, cold and vandalism along with personnel risks like occupational disease, employee stress and trauma. It's also important to look for external risks, such as hazards on corporate property, and scrutinize plant security, he said.

In addition, safety personnel should seek to learn about the company's insurance coverage, particularly in the following areas:

- Risk assumption. What is the self-insured retention? Is there a loss conversion factor? What's the loss aggregate? Is the firm self-insured for workers compensation?
- Limits. What are the company's insurance limits? Are they high enough?

"There may be some risks you know of that are underinsured or not insured," warned Mr. Holwerda. "How can you tell if you don't know the limits?"

- Insurance department philosophy on safety and claims handling. Does it support or deter the safety program?

The safety director also should become acquainted with corporate plans for expansions, increases in the workforce, new products and services, new equipment purchases and whether employees are being properly trained in use of the equipment. This information also should be turned over to the risk manager, Mr. Holwerda said.

Courses and books on insurance along with job experience can help provide the necessary background, he said.

But learning about the company insurance program pays another benefit aside from the better loss record and cost reduction that puts a feather in the safety director's cap.

Knowledge of insurance and risk management can be used as a steppingstone into risk management itself for those interested in advancing from the often limited ranks of safety engineering, Mr. Holwerda said.

Risk management, touching on a broader spectrum of corporate operations, holds more promise for executive responsibility than safety, and safety managers with insurance background will be a step ahead of other candidates when a risk executive's job opens, he said.

A company will more likely promote a safety professional with knowledge of insurance and corporate operations than hire an experienced risk manager from the outside, Mr. Holwerda said. ■

Dollars and cents: the best language

SALT LAKE CITY—Having trouble selling safety programs to your corporate management and feeling frustrated over lack of recognition in the company?

Learning to speak top management's language (dollars and cents) will solve the first problem while more long-range planning and delegation of responsibility will take care of the second.

Safety still remains a low priority item at many companies because no one presents the case to top management about the ultimate benefits of good safety practices, said Robert D. Rogers, president of Texas Industries in Dallas.

That leaves the field wide open for safety professionals to get the attention of their chief executive officer, he said. But the safety director must show the top brass how a particular expenditure will translate into lower insurance and claims costs or higher employee morale and productivity.

"It's relatively easy," he told participants at the American Society of Safety Engineers conference June 15-17. "You just

Continued on page 4

Many captives will fold: Insurer

By LEN STRAZEWSKI

WASHINGTON—A third of the captive insurance companies active today will disappear in less than five years, predicts a top insurance company executive.

"Many will survive for years and years and some will become regular insurance companies. But many won't," B.P. Russell, chief executive officer of Crum & Forster Group, told the National Assn. of Insurance Brokers meeting.



Russell

"Some captives are flat busted right now and either don't know it or won't admit it. These are mainly the ones writing business for other than their parent—from the fringe markets of the world," he said.

Fringe business, corporate risks that insurers refuse or surcharge, will eventually catch up with captives and lead to big losses for corporate parents, he said.

"Retrocession follows retrocession and too much of what's finally booked is nothing more than what's left over, the residue, the very high expense ratio," Mr. Russell said.

Most of the marginal or less than marginal insurance is not being properly reserved for, he added.

"So many unknowns such as cumulative injuries, retroactive benefit increases, unanticipated rates of inflation, increases in medical and legal costs and liberal interpretation of workers compensation and other laws have increased employer financial responsibility," he said.

"Many of these captive companies billed as profit centers will shortly turn into loss centers and start eating the parent's lunch. And in some cases, the parent's lunch pail already has been flipped open," Mr. Russell charged.

Commercial brokers who sell captive management services and other risk-funding techniques may also come upon lean times, Mr. Russell added. Competition with insurers can be dangerous.

"A broker that owns captive insurance or reinsurance companies, domestic underwriting units, a London broker or underwriting syndicate manager, could conceivably control an account from origination to final destination with little or no participation from companies like mine.

"Caution: The established insurance companies will not permit brokers to control the larger accounts to the near exclusion of the

Continued on page 105

Life insurance for walleye pike is no fish story

By STEVE SHERWOOD

SHOSHONI, Wyo.—If caught, the $5,000 grand prize pike sought by anglers in the annual Boysen (Reservoir) Pike Derby may be, pound for pound, the world's most expensive fish.

It must certainly be among the best insured.

As it has done for the past 10 years, the Shoshoni Chamber of Commerce, which sponsors the derby, is taking out a "life" insurance policy on a prize walleye pike.

The reason is simple. Should someone hook the $5,000 fish during the three-day contest, from July 17-19, paying the award would take a big a bite out of the chamber's yearly budget of $25,000.

"It would put us in kind of a bind if the fish were caught and we weren't insured," says Art Zube, chamber treasurer. "Plus, I think if people know it's insured, they know they'll get their money if they catch the fish."

Having decided early in the derby's history to insure its grand prize, the chamber looked to Casper, Wyo., agent Marvin Parrish for help.

"The Shoshoni people came to me in 1971 and said they wanted to take out a life insurance policy on a fish—that's more or less what it is—and didn't have a lot of money," he says. "They asked if I could find a way to insure it. I said, 'Sure, anything can be insured. All you have to do is find a market.' "

One of the first markets he tried was Lloyd's of London, but underwriters there weren't biting, saying that the premium was too low to justify the risk.

Canadian Universal Insurance Co. of Montreal thought differently and offered to insure the $5,000 pike for a $400 premium if the chamber would keep a $1,000 deductible. The chamber accepted.



Photo: Shoshoni Pioneer

Shoshoni residents tag prize pike before the annual fishing derby.

"The odds against catching that one fish are about the same as making a hole-in-one. That's what was so surprising. They're about 1,000-to-1. That puts a lot of pressure on that poor fish for three days, with thousands of people fishing for it."

In 1973, the pressure was too much. That was the only year the $5,000 pike was caught.

After that, the policy traveled from Montreal to St. Paul, Minn., where it was picked up by the Northland Insurance Co., he says. It stayed there until 1978 when it was shifted to the present underwriter, the Great Southwest Fire Insurance Co. of Phoenix, Ariz. The premium is now around $250. The deductible is still $1,000.

The grand prize walleye retains its full value only during the three days of the derby. At 4 p.m. July 19, it "depreciates rapidly," Mr. Zube says. "It goes from $5,000 to $5 in value instantly." After the contest, the chamber will pay $5 whenever it is caught.

Sell management your safety program

Continued from page 3
talk his language and show how safety can affect costs and production and provide the return on investment. Talk about things that are important to the corporation and you will get the CEO's attention, I assure you."

In fact, if the company has an accident problem, the chief executive officer eventually will be forced to take note of the escalating costs, he said.

Such was the case at Texas Industries in the early 1970s when the company had a safety record that "I would generously characterize as poor," Mr. Rogers said. "This got my attention because I couldn't afford not to give it attention."

Since then, the company has developed a strict safety program that gives safety awards and considers accident records during supervisors' salary reviews.

Injuries that resulted in lost work time dropped to 35 last year from 114 in 1970.

All lost-time accident reports are reviewed by Mr. Rogers. "It doesn't even make any difference whether you read them or not," he said. The mere knowledge that management is that concerned about safety is an accident deterrent by itself, he said.

Besides stopping the drain on the corporate bankbook, a safety program can keep a union out of a company, he said. A good safety program enhances employee morale and labor-management relations and gives workers a good feeling about the company he said.

This translates into higher productivity, better work performance and ultimately increases profits, he said. "A safety program can be an outstanding vehicle for fostering good relations."

Currently, however, many safety managers are not doing a very good job of achieving status in the corporation, said Frank G. Edwards, vp of Lewis A. Allen Associates Inc. of Palo Alto, Calif.

They spend too much time dealing with day-to-day technical problems and not enough time "marketing" themselves to upper management, he said.

Selling one's self and not just the concept of safety to management will ensure that the safety professional ultimately becomes part of the decision-making process, he said.

"You've got to convince management not only of your ability to do your job, but also of your ability to help them do theirs," Mr. Edwards said.

Safety professionals must spend less time correcting safety problems themselves and teach others to solve them.

"The safety manager should have as an objective elimination, not alleviation," he said. He said a safety manager should teach others in the corporation how to correct a problem rather than continually return to it himself.

If there's a staff working under a safety manager, he or she should delegate some of decision-making authority to relieve some of the burden, he suggested. Then, the manager should take the extra time and draw up objectives and plans and devise ways to assist management, he said. ■

Metalworkers' injuries severe

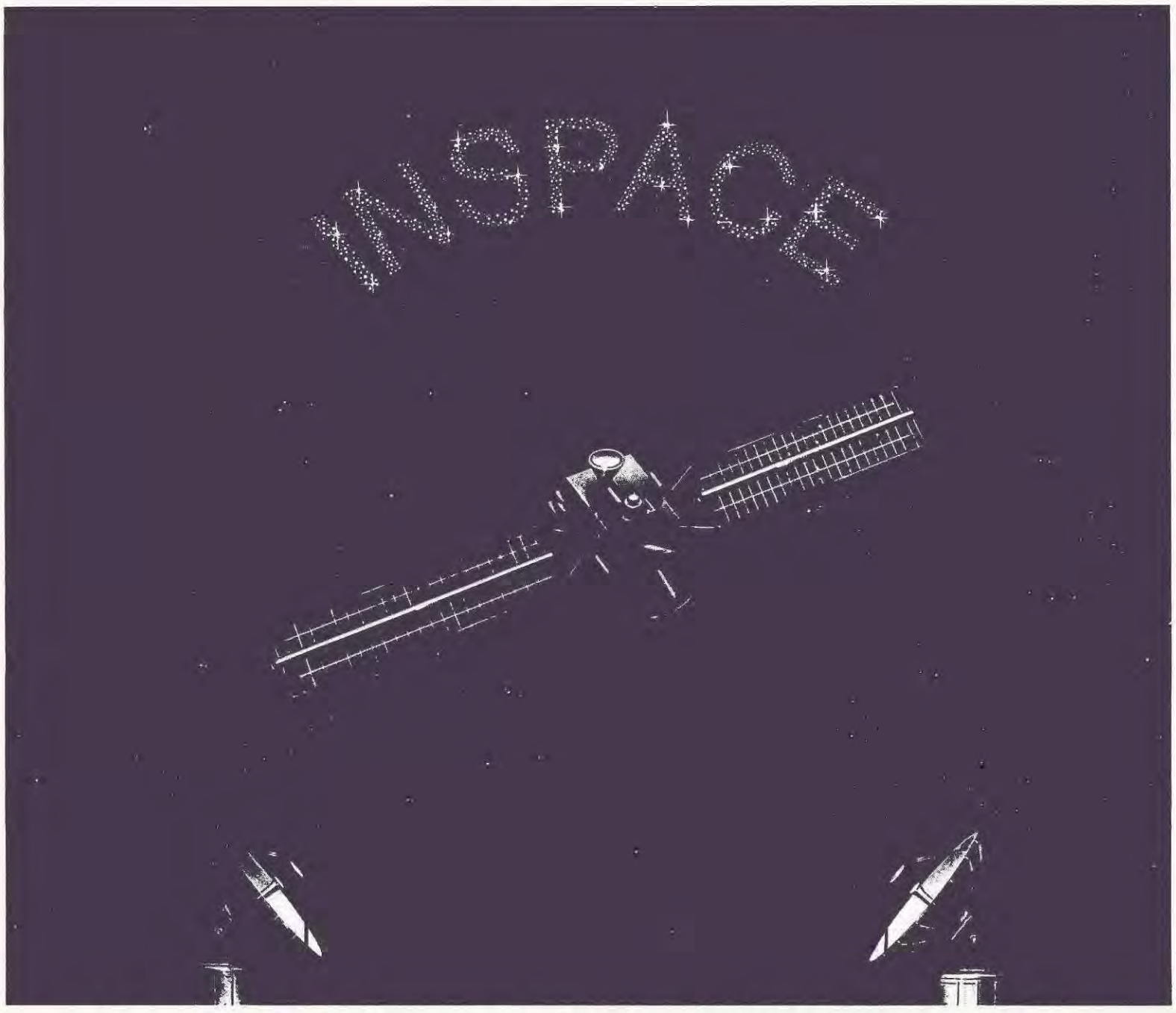
SALT LAKE CITY—Metalworking injuries, though not the most frequent of industrial accidents, are usually the most severe. But proper safety procedures can minimize them, says Joseph W. Hart, director of industrial service for Liberty Mutual Insurance Co.

Metal-cutting injuries represent only about 10% of machine tool accidents each year, "but there are a sufficient number of serious injuries occurring on metal-cutting machine tools that warrant not only our interest, but our diligent effort to control," Mr. Hart explained.

Severed limbs, fractures, severe lacerations and fatalities result from most metal-cutting accidents involving lathes, drill presses, grinders and saws, he said.

Mr. Hart proposed a plan that companies can use to guard against metalworking accidents:

- Machines and related equipment should be well-designed for the job. The machine should have adequate capacity and strength and not used for non-related purposes.
- The job should be designed to minimize the need for the operator to reach into working parts.
- Operating controls should be conveniently located, identifiable and protected against inadvertent actuation.
- Guards and devices, meeting American National Standards Institute standards, should be used wherever possible.
- Preventive maintenance programs should be designed to keep the machine and guards working properly.
- Safe clothing and protective equipment should be worn by exposed workers.
- Environmental hazards such as trip and fall exposures, noise and air contaminants should be controlled. Lighting should be adequate and layout of machinery should allow room for movement.
- The worker's physical strength, size and mental capability must be adequate for the job. It may be necessary to provide tools or material-handling equipment for heavy or awkward tasks.
- Operators, helpers, maintenance and set-up personnel should be thoroughly trained in safe work practices. ■



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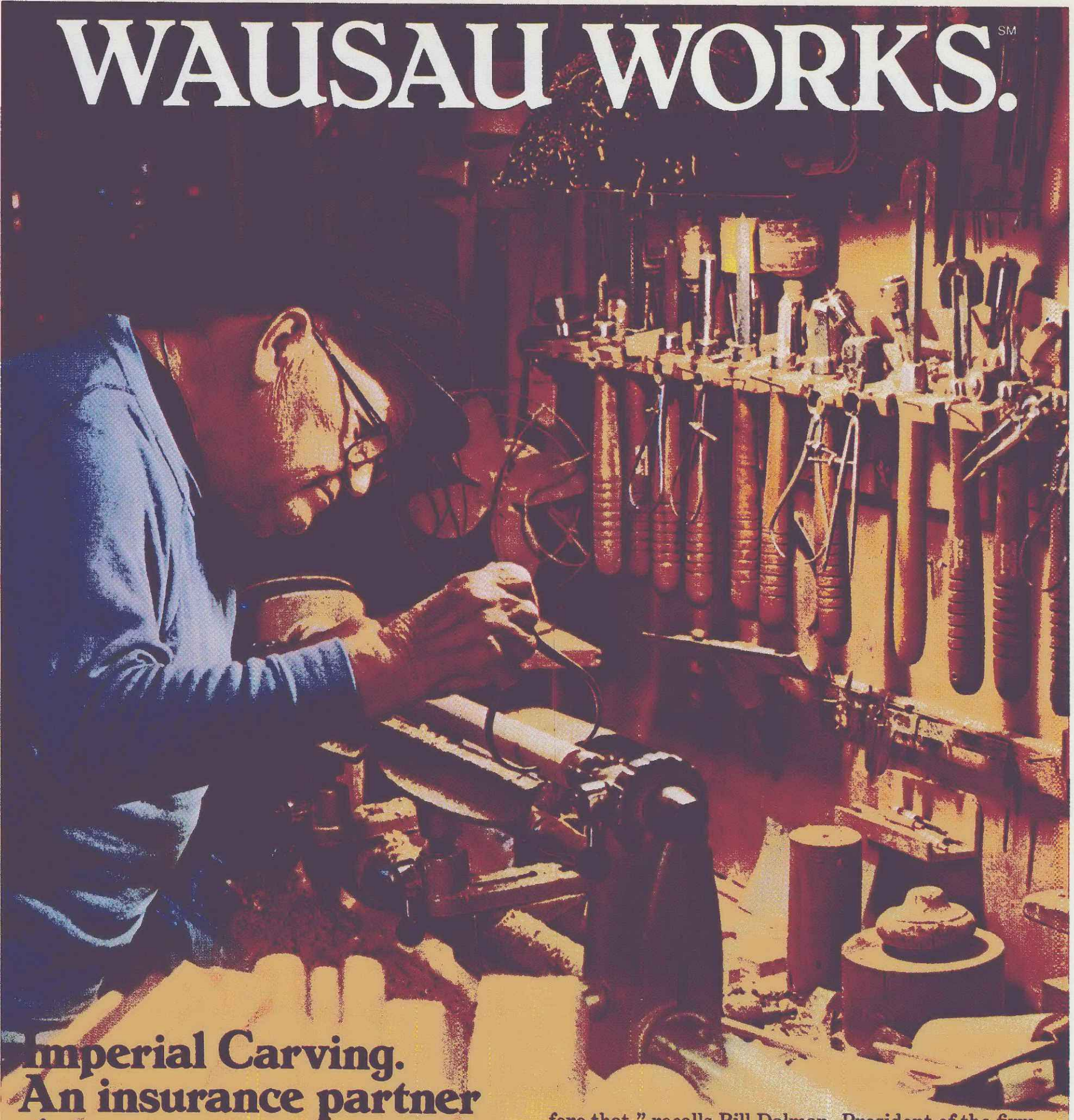
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Retainer doctors cut costs

SALT LAKE CITY—Keeping a physician on retainer to examine all workers compensation claimants is the best way for a company to ferret out malingerers, one such doctor says.

Dr. Daniel W. Frazier, the physician on retainer at Busch Gardens in Tampa, Fla., said the method is better than using corporate physicians who are generally not trusted by employees or independent doctors who do not fully appreciate the company's problems.



Frazier

"But the retainer physician is someone who takes an interest in the company and looks at the patient but keeps in mind what the company's problems are," he said.

A doctor in Mr. Frazier's position is more aware of the company's interest in avoiding fraudulent workers compensation cases whereas the independent doctor "has no concern about the company. His only allegiance is to the patient," he said.

Mr. Frazier said he examines every Busch Gardens employee involved in an accident. If the worker requires a specialist, Mr. Frazier is in touch with the specialist the same day to review the case. This cuts down the possibility of a time lapse between doctor visits while the worker stays off the job and collects benefits.

Safety director can help reduce work comp fraud

SALT LAKE CITY—Safety professionals should actively support changes in the workers compensation system to discourage fraudulent filings and shouldn't be afraid to throw a counterpunch when hit with questionable claims, two attorneys say.

Studies have shown that workers compensation premiums in Illinois alone cost employers $1 billion a year, said J. Terrence Brunner, executive director of the Chicago-based Better Government Assn.

Fraudulent claims and malingering workers abound, and it's not because these people are dishonest, he said. "It's because the system is so easily abused that people are just being human.

"When they're giving it away free and it's not against the law, you're going to get in line too," he said. Mr. Brunner referred to a recent investigation by NBC News and the BGA that revealed that hundreds of able-bodied police officers and firefighters in several major cities are collecting $192 million a year in disability pensions.

Many find it easy to file for full benefits when they only have a minor injury and then work other full-time jobs, he said.

The situation is much the same with workers compensation. Enforcement is generally lax and not enough questions are asked. This encourages more claims, he said.

Unscrupulous doctors, who charge excessive fees and give biased testimony, also contributes to the problem, he said. "Many comp claims are settled on the basis of testimony of doctors who are biased and untruthful."

During one BGA probe, an undercover investigator was charged $85 by a physician for a two-minute examination.

Mr. Brunner encouraged safety directors to help fight fraudulent claims by gathering available documentation to defend the firm in a workers compensation case.

Safety directors also should openly advocate legislative changes to require the testimony of "competent, reputable" doctors in worker compensation cases and to ensure good record keeping by state industrial commissions, something that he said is now lacking.

The safety director can play a role in defending against a claim, said John L. McClaugherty, a Charleston, W. Va., workers compensation attorney.

Many firms have had success in reconstructing accidents and determining that the mishap "was not physically possible," he said.

"You should take a look and see if the injury could really have happened. Sometimes you can prove it didn't."

Safety engineers also should look for evidence of willful self-exposure on the part of the worker, in which case benefits can be denied.■

Cooperation aids safety

Continued from page 3

that its tapes and films are marketed to other companies by the Bureau of National Affairs.

Allied has 65 manufacturing outlets and 22 research facilities that are watched by the 70 safety professionals on Mr. Dancer's staff.

So ingrained has the safety concept become at Allied Chemical that employee raises ride on the issue.

"When managers and supervisors are reviewed for salary, they can have the best production record in the company, but if they have the worst safety record, they're not going to get a merit raise," Mr. Dancer said.

Although Mr. Dancer always has the ear of top management, proposals for new programs and expenditures still require the saleman's touch.

Being prepared with specifics and "knowing what you want from management" are crucial to getting the green light on a proposal, he said. Almost as important is having an alternative proposal in case your primary idea is rejected.

"It's just like any other part of the business," he said. "You've got to do your homework and you've got to be prepared." ■

ASSE annual conference

The American Society of Safety Engineers, which held its annual professional development conference in Salt Lake City June 15-17, is composed of more than 17,500 professionals working in corporate safety, environmental health, insurance, government, education and private consulting.

Located in Park Ridge, Ill., the society has 105 chapters in the United States.



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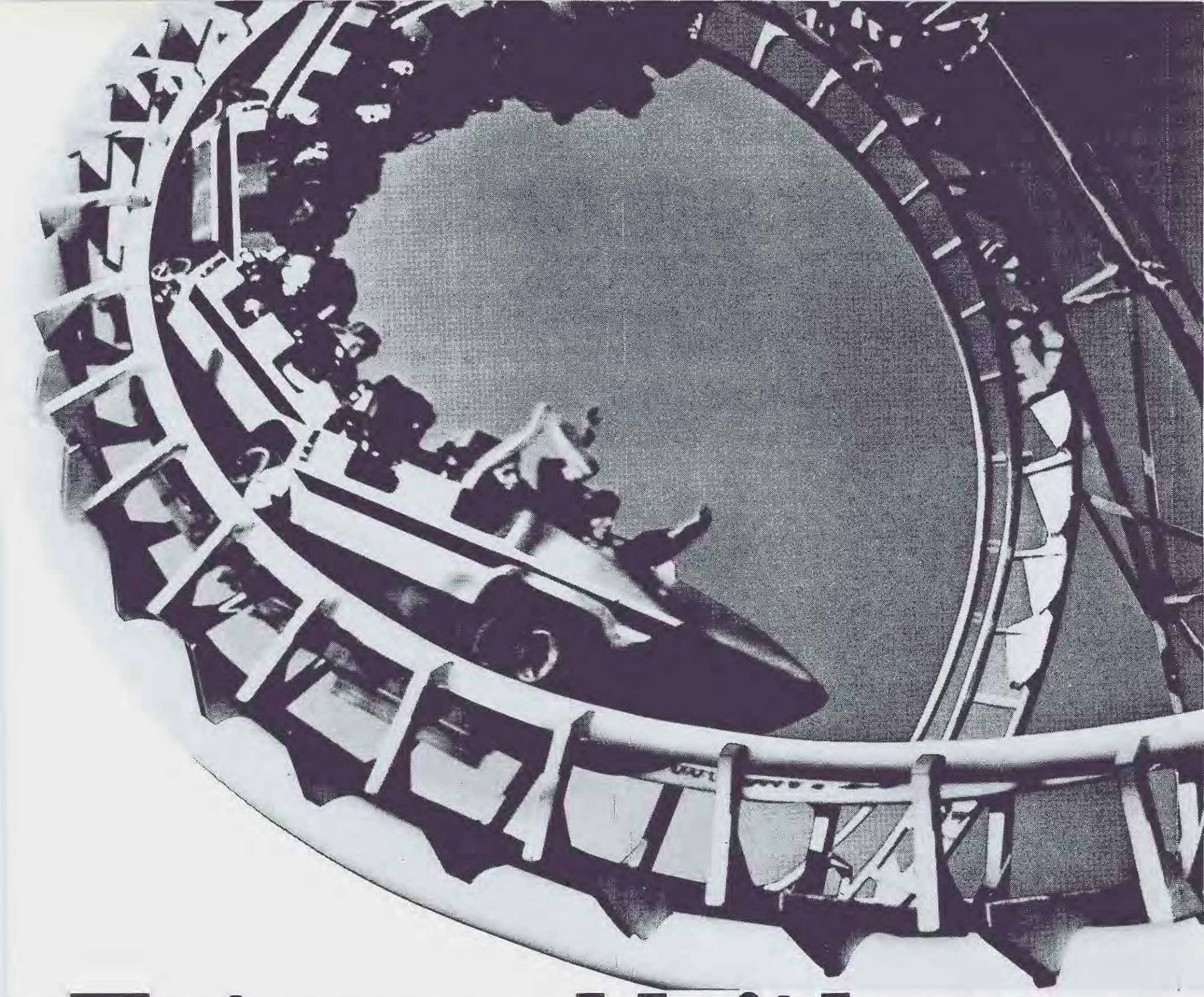
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editorial opinions

Wise but not quite fair

From a business point of view, it could be called a very wise move.

AlloyTek, a Michigan manufacturer of jet-engine components, has $4.5 million in unfunded vested pension liabilities. Covering the cost of those vested pension benefits would seriously weaken the manufacturer's financial foundation, or even put the firm out of business, according to AlloyTek Chairman Hilary Miller.

So AlloyTek is terminating its defined benefit pension plan, starting a new defined contribution plan and trying to unload the old $4.5 million liability.

Without breaking any rules but by stretching them to their snapping point, AlloyTek is passing the debt onto the federal Pension Benefit Guaranty Corp. Yes, it is a savvy business decision.

The PBGC was created by the federal government in 1974 to protect the benefits of retirees. Under the Employee Retirement Income Security Act, the PBGC has the right to collect 30% of a firm's net worth to guarantee vested benefits if a company terminates its pension plan with insufficient funds to pay promised benefits.

But in AlloyTek's case, 30% of its assets is a better price to pay than $4.5 million in pension liabilities. AlloyTek had a negative net worth when it told the PBGC it wanted to terminate the plan. And as the Michigan company's chairman, Mr. Miller, explained, "The company's survival depends on terminating the plan."

For all of AlloyTek's business acumen, we believe they are taking unfair advantage the system. The PBGC was created to protect workers' pension benefits, not to bail out financially faltering businesses with huge pension liabilities.

That is what AlloyTek is asking it to do. AlloyTek is not closing its doors, and, in fact, has already started a new defined contribution pension plan—one without a staggering debt. But 20 years down the road, will AlloyTek be knocking at the PBGC's door once again to drop off another underfunded pension plan?

And before AlloyTek knocks again, how many other firms in similar financial straits will use the PBGC to save themselves? A PBGC analysis of Standard & Poor's Compustat service shows that more than 20 large companies have unfunded pension liabilities that substantially exceed 30% of their net worth. If those companies would all dump their pension debts on the PBGC to improve their financial situation, the PBGC will have a $4.1 billion exposure. And to pay that debt, the PBGC probably would have to increase the annual pension termination insurance premiums paid by all pension plans to as much as $100 per participant from the current $2.60, according to estimates by private insurers.

If that would happen, everyone would have to pay for the actions of a few, and those employers who cannot afford the price will drop their defined benefit plans. That won't benefit anyone.

We do think Congress should look at a solution to close the loophole AlloyTek has used. The ERISA Industry Committee, a benefits lobbying group that represents large employers, has drafted legislation limiting PBGC's guarantees solely to cases where an employer goes bankrupt—not in cases where an employer simply wants to cut costs and improve its annual financial statement by having someone else pick up a staggering bill for its pension plan.

This would make employers 100% liable for their pension promises to employees. But that certainly seems better than a system that allows an employer to save himself at the expense of others.

There's only one way to describe that type of business decision—unfair.

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letters

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Editorial is in poor taste

To the editor: Your June 8 editorial opinion on handgun controls is in bad taste and out-of-order for a trade publication like *Business Insurance*.

I think *Business Insurance* should direct its attention to insurance practices, stay out of politicial issues and exercise good business judgment.

H. M. Burns
Cincinnati, Ohio

■ *Business Insurance is a specialized consumer magazine for the consumers of insurance, and risk and benefit management professionals.*

Gun control has little effect

To the editor: In response to the reasons you gave to restrict our freedom to bear arms in your June 8 editorial, I present the following:

- Criminal use of guns as in kidnapping, etc., is not affected by gun control. All studies have shown this. Italy has a high gun misuse rate in crime, but some of the strictest laws on guns in the world, as does Northern Ireland.

In Washington, D.C., the disarming of the civilian population has seemed to greatly increase crime.

- Are insurance people also being asked to develop statistics for crimes avoided because a gun was present, but not used? I personally know of several.
- It already is illegal for people with criminal records to buy handguns (or other guns). This has been true for decades. The law should be enforced.
- How would U.S. handgun laws affect Pope John Paul II in Italy? The strict Italian law didn't.
- It is unclear to me just how registration would be of much service, if any. I have discussed this with several law-enforcement officers, and they all would prefer to see any available money spent in other ways. Various estimates of registration costs run up to $500 million per year. Would this be the wisest use for that much money?

In balance, I am convinced that guns contribute more than they take away. They avert much crime, are a comfort when strangers try your door at 4 a.m. and also provide recreation. An armed populace remains our first guarantee against totalitarian government, left, right or center. I am aware of the tragic consequences of their misuse. I still think them worthwhile.

Ronald F. Sims
Durham, N.C.

Safety not emphasized

To the editor: I'm sorry to have upset Sheldon H. Staubitz (*BI*, June 1), moderator of the Mini Seminar No. 33 at the Risk & Insurance Management Society conference, with my criticisms before attending the conference in San Francisco (*BI*, April 6). I was asked to comment in advance.

However, for the record, my overall impression of the conference was precisely what I had expected: tremendous emphasis on deductibles, retros and other insurance devices, and not enough on preventing the accident/fire/peril in the first place.

As Ralph Nader once said to me, "Abolish pollution insurance and you will abolish pollution."

It is not my "desire to place safety in the spotlight" because of my position because it happens I am chairman of the United Kingdom's Risk Management Faculty and have the same desire from that standpoint.

James Tye
Director general
British Safety Council
London

Claims-made forms supported

To the editor: Your May 25 article on "Medical malpractice crisis: Part 2" was a thorough treatment of the trend in claims frequency and severity and the consequential need for rate increases.

However, we take issue with the unidentified "they" who attribute increased costs in part to "losses coming home to roost under the claims-made insurance forms."

Use of claims-made forms by insurers no more "masks" the need for rate increases than use of the older occurrence type of policy. In fact, claims-made forms, as compared with the occurrence contract, reduces the uncertainty of covered claims development to one year. Unexpected changes in frequency and severity of claims impacts a maximum of one year of reported claims before claims-made rates can be recalculated to reflect the change in cost.

Under occurrence coverage, there is uncertainty for at least five years about claims that must be handled under a given year's policy.

It is true that, over a long period of time, an insurer will pay out the same dollars in claims for claims-made as for occurrence insurance. Claims-made does not reduce the universe of reported claims nor their severity. The insured has at least the same degree of financial protection, maybe more, under our claims-made system as under occurrence.

However, the claims-made pricing mechanism results in smaller deviations from claims-made projections by shortening the projection period from many years to one year.

Claims-made forms make it possible for insurers to recognize more accurately and react more quickly to changes in the claims climate. If an insurer does not recognize changes or does not react, that is not due to any deficiency in the claims-made system.

The volatility of medical malpractice insurance is obvious from the swings in profit or loss in the last 10 years. It does have its own cycle. It is incorrect to imply that the advent of claims-made contracts contributed to the cycle. We believe the opposite to be true, at least as far as our own company is concerned.

Richard W. Tongen
Vp of casualty underwriting
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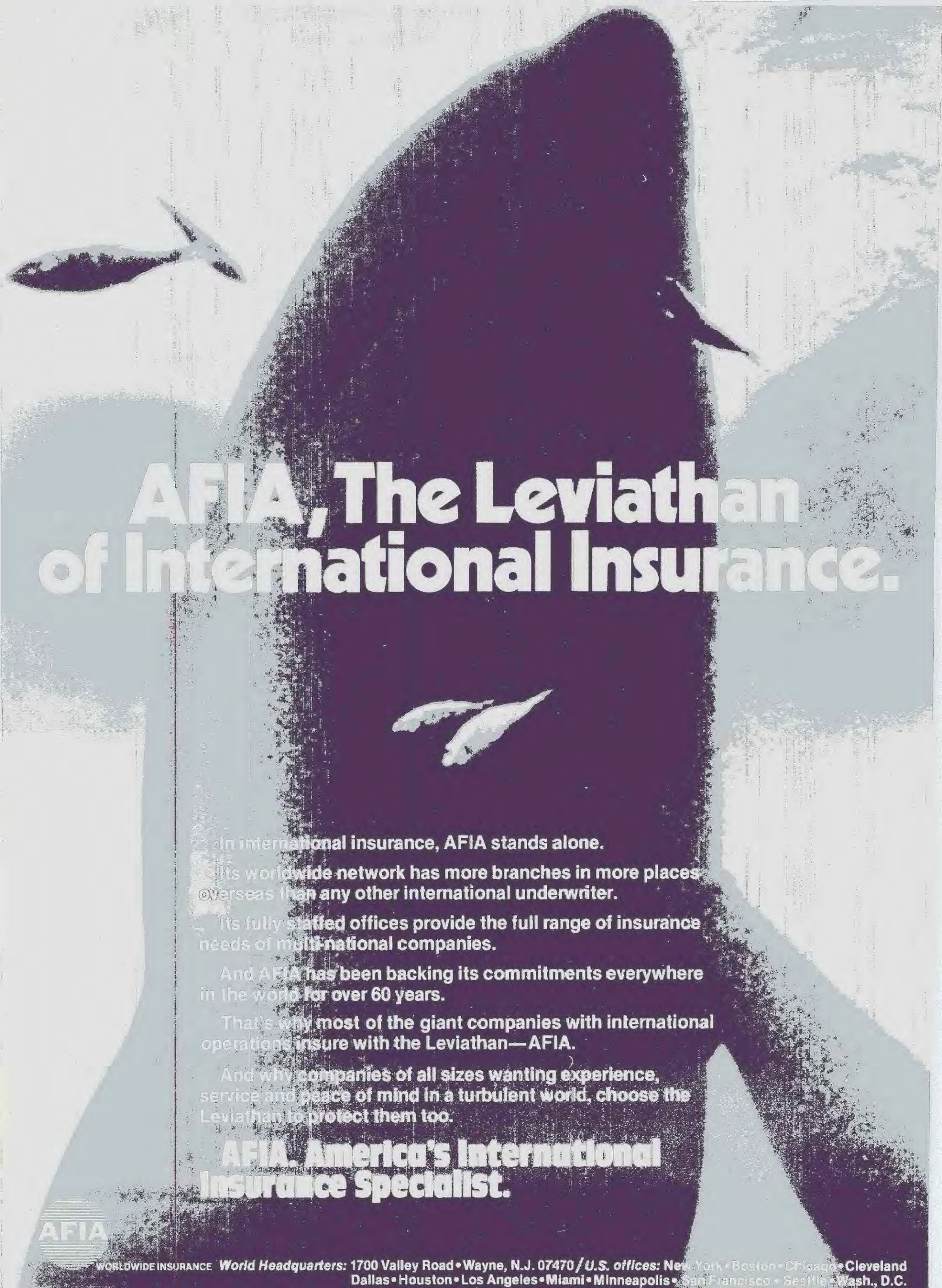
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Agent/Broker Profiles

Cheap rates wound brokers

By KATHRYN J. McINTYRE

The lowest average rate of revenue growth in five years, a shake-up in historic rankings and a 1981 merger of two previous leaders emerge in the *Business Insurance* rankings of the Top 20 U.S. brokers based on 1980 performance.

Cheap insurance prices slicing brokers' commissions caught up with the brokerage business in 1980, slowing the average revenue growth of the 20 largest U.S. brokers to the lowest percentage since 1974: 13.9%.

Only four of the Top 20 brokers outpaced their 1979 revenue growth rate: Marsh & McLennan, Fred S. James & Co., Bayly, Martin & Fay International and Emett & Chandler.

Only Bayly, Martin & Fay, however, parlayed its big gain into a higher ranking on this year's Top 20 list. BMF's 21.5% gross revenue gain bumped Rollins Burdick Hunter from its slot as the seventh- largest U.S.-based broker, a position it has held since 1972.

The other major shake-up in the rankings this year is Johnson & Higgins's fall to fourth place behind rapidly growing Frank B. Hall & Co. The change, based on *BI* estimates of the gross revenues of privately held J&H, was not disputed by J&H President Robert Hatcher.

Hall, which produced a 15.7% increase in gross revenues in 1980 to $309.6 million, appeared indifferent to its new ranking as the third- largest insurance broker in the country. Executive Vp John McCaffrey offered no comment on the change in ranking in contrast to Alexander % Alesander, which proclaimed in 1978 that its 1977 gross revenues surpassed J&H's revenues.

The April acquisition of James S. Kemper Agencies by Ryan Group creates a new member of the top 10, bumps six brokers down a slot and makes room for a new member of the Top 20 in the *BI* rankings.

Although independently operated in 1980, the combined 1980 gross revenues of the new Ryan-Kemper combination edge suburban Chicago-based Arthur J. Gallagher & Co. out of the ninth spot.

The combination also made room for St. Louis broker Lawton-Byrne-Bruner to crack the Top 20 list.

Business Insurance annually ranks the 20 largest U.S. brokers based on public reports, information supplied by the brokers and interviews with industry leaders. This is the 10th annual survey of the brokerage business.

The average 13.9% revenue growth for the Top 20 brokers in 1980 is a big dive from the average revenue gains reported in the last five years: 20.1% in 1979, 19.6% in 1978, 24.3% in 1977, 19.3% in 1976 and 18.8% in 1975. The 1974 average growth rate of the U.S. leaders was 13%.

Only one broker reported a drop in revenues in 1980 compared with 1979: Penn General Agencies, which is being acquired by Republic Hogg Robinson (*BI*, June 15).

The three large Canadian-based contenders suffered in the same cheap insurance market, producing an average growth rate in 1980 of 10.3%.

The brokers hustled in 1980 for new business, but their efforts had to plug revenue losses on existing business renewed at reduced premiums and commissions before producing any revenue growth.

Alexander & Alexander, for example, estimates that its accounts were renewed at premiums an average of 20% less than the 1979 premium.

"You are furiously treading water to keep your nose above the water line," says Mr. Hatcher at J&H, who admits his firm just barely made its 10% revenue growth goal in 1980.

J&H had $288.8 million in gross revenues last year, *Business Insurance* estimates, for a 10.2% increase.

The growth in total gross revenues of the Top 20 in 1980 compared with 1979's Top 20, however, reveals continued growth in the market share of the 20 largest U.S. brokers.

Although the $2.5 billion in gross revenues of the 1980 Top 20 is just 16.1% more than those brokers' restated 1979 gross revenues, the 1980 Top 20 total is 19.2% more than 1979's Top 20.

Comparing the total gross revenues reported each year by that year's Top 20 shows increases of 19.1% in 1979, 18.8% in 1978, 27.3% in 1977, 19.3% in 1976 and 19.1% in 1975. The leaders in 1974 produced a cumulative revenue gain of 15.6% over their 1973 results.

The cost-conscious brokers also increased their average revenue per employee, but it rose only 2.6% to $48,549 in 1980 from $47,332 in 1979. The average is dragged down by a big dive in revenues per employee at Marsh & McLennan, reflecting the acquistion of London-based C.T. Bowring.

Leading the Top 20 brokers in revenues per employee is Rollins Burdick Hunter, with an average of $58,255 produced by its each of its 1,251 employees.

Continued on next page

Top 20 U.S. Brokers: 1980 Performance

Company	Ranking 1980	Ranking 1979	Gross revenues (000) 1980	Gross revenues (000) 1979	% chg.	Employees 1980	Employees 1979	% chg.	Rev./Employee 1980	Rev./Employee 1979
Marsh & McLennan	1	1	677,348	530,551	27.7	18,871	10,359	82.2	35,894	51,216
Alexander & Alexander	2	2	411,872	374,225[1]	10.1	7,500	7,000[1]	7.1	54,916	53,461[1]
Frank B. Hall & Co.	3	4	309,593	267,468[1]	15.7	6,200	5,300	17.0	49,934	50,466[1]
Johnson & Higgins	4	3	288,800	262,080[2]	10.2	5,450	5,050[1,2]	7.9	52,991[2]	51,897[1,2]
Fred S. James & Co.	5	5	205,056	176,389[1]	16.3	4,690	3,576[1]	31.2	43,722	49,326[1]
Corroon & Black	6	6	150,677	143,434[1]	5.0	2,642	2,585[1]	2.2	57,031	55,487[1]
Bayly, Martin & Fay Int'l.	7	8	79,000	65,000	21.5	1,700	1,600	6.3	46,471	40,625
Rollins Burdick Hunter	8	7	72,877	67,735	7.6	1,251	1,222[1]	2.4	58,255	55,430
Ryan Insurance Agency Group	9	16	38,700[3]	32,445[3]	19.3	822[3]	655[3]	25.5	47,080[3]	49,534[3]
Arthur J. Gallagher & Co.	10	9	37,535	30,524	23.0	822	682	20.5	45,663	44,757
Bache Insurance Services	11	15	33,531[4]	27,522[1,4]	21.7	618[4]	543[1,4]	13.8	54,257	50,740[1]
Insurance Management Corp.	12	10	32,400	27,300[1]	18.7	670	625[1]	7.2	48,358	43,680[1]
E. H. Crump Cos.	13	12	27,926	23,784	17.4	640	607	5.4	43,634	39,183
Penn General Agencies	14	11	23,882	23,980	-0.4	516	550	-6.2	46,283	43,600
Emett & Chandler	15	13	21,396	17,973	19.0	511	489	4.5	41,871	36,755
Financial Guardian Group	16	14	19,486	17,786	9.6	376	383[1]	-1.8	51,824	46,439[1]
Schiff Terhune Int'l.	17	17	15,930	15,750	1.1	280	275	1.8	56,893	57,273
Cook-Treadwell & Harry	18	20	15,815	14,424[1]	9.6	301	388	-22.4	52,542	37,175[1]
Poe & Associates	19	19	15,300	13,300[1]	15.0	450	325	38.5	34,000	40,923[1]
Lawton-Byrne-Bruner	20	--	12,291	11,147	10.3	249	229	8.7	49,361	48,677
Totals/Averages*			2,489,415	2,142,847	13.9*	54,559	42,433	12.6*	48,549*	47,332*

Top Canadian Contenders

Company	Gross Revenues (000) 1980 Can. ($)	Gross Revenues (000) 1979 Can. ($)	Gross Revenues (000) 1980 U.S. ($)	Gross Revenues (000) 1979 U.S. ($)	% chg.	Employees 1980	Employees 1979	% chg.	Rev./Employee 1980	Rev./Employee 1979
Reed Stenhouse Cos.	226,360	192,565[1]	192,180[5]	163,488[5]	17.6	4,800	4,500	6.7	40,038[5]	36,331[1,5]
Tomenson Saunders Whitehead	35,637	33,016[1]	30,256[5]	28,031[5]	7.9	830	820	1.2	36,453[5]	34,184[5]
Sodarcan, Dale-Ross	31,718	29,231[1]	26,929[5]	24,817[5]	8.5	809	845	-4.3	33,287[5]	29,369[1,5]
Total/Averages*	293,715	254,812	249,365	216,336	10.3*	6,439	6,165	1.2*	36,593*	33,332 *

[1]Restated. [2]BI estimate. [3]Includes results of James S. Kemper Agency, acquired in April 1981 by Ryan Insurance Group.
[4]Fiscal year ending July 1981 estimated, 1980 reported under 1979. [5]Assume Dec. 31, 1980 exchange rate of .849 Canadian/U.S. dollar.

Top 20 staff expansions average 12.6%

Continued from previous page

Ryan Insurance Agency Group held the most productive spot last year, but its combined results with newly acquired Kemper fall short this year.

The lowest revenues per employee average was turned in by 19th-ranked Poe & Associates, whose 450 employees produced an average of $34,000 per employee.

Tight control over staff expansion at brokerages in these high-cost and low-revenue times is belied by the 12.6% average increase in staff among the Top 20, compared with a 9.7% increase in 1979.

But top-ranked Marsh & McLennan's reported 82.2% increase in staff with Bowring inflates the average.

Three brokers reduced their staffs in 1980: 14th-ranked Penn General, 16th-ranked Financial Guardian Group and 18th-ranked Cook-Treadwell & Harry.

Among the other top brokers, 17th-ranked Schiff Terhune showed the most constraint without cutting staff by increasing staff just 1.8%.

Poe & Associates, holding onto its 19th spot from last year with a 15% gain in gross revenues to $15.3 million, expanded staff 38.5%, the second-highest increase after M&M.

Gallagher's even larger increase in gross revenues of 23% to $37.5 million falls just $1,165 short of the combined 1980 gross revenues of Ryan and Kemper, which technically for 1980 holds it to its ninth ranked spot but practically in 1981 bumps it to 10th.

Only five other brokers held their rankings from 1979, three of which have held their relative positions since 1971: Marsh & McLennan, securing its position as the largest U.S.-based broker after acquiring Bowring, with a 27.7% increase in gross revenues to $677.3 million, more than half-again as large as second-ranked Alexander & Alexander and more than the combined gross revenues of the Top 20 brokers in 1971 and 1972; fifth-ranked Fred S. James & Co. with a 16.3% gain in gross revenues to $205.1 million, and sixth-ranked Corroon & Black Corp. with just a 5% gross revenue gain to $150.7 million.

Holding their same positions since year-end 1977 results were Alexander & Alexander in second with a 10.1% gross revenue gain to $411.9 million and 17th-ranked Schiff Terhune with a 1.1% gross revenue gain to $15.9 million.

Besides the shakeout caused by the rise of Ryan into the top 10 brokers, a few brokers in the second tier of the Top 20 switched positions.

Bache Insurance Services jumped to the 11th spot from 15th last year, boosted by its acquisition of Schenectady, N.Y.-based Ter Bush & Powell. Bache's $33.5 million in 1980 gross revenues edged out Richmond, Va.-based Insurance Management Corp. with $32.4 million in gross revenues. Knocked down another notch by the rise of Ryan, Insurance Management Corp. landed in the 12th spot from 10th last year.

Also edged down two notches by Bache and Ryan was Emett & Chandler, whose 19% growth to $21.4 million in gross revenues was above the average growth of 13.9%.

Financial Guardian was bumped by the same forces, but its 9.6% growth to $19.5 million was below the average for the Top 20.

E. H. Crump slipped only one slot to 13th, flipping positions from last year with Penn General Agencies on the strength of its above-average growth of 17.4% to $27.9 million and Penn General's decline.

Cook,Treadwell & Harry climbed two notches from the 20th position to 18th, reporting growth of just 9.6% but also restating its 1979 gross revenues higher than it reported last year.

Lawton-Eyrne-Bruner climbs onto the Top 20 chart as the 20th largest broker to report 1980 gross revenues to *BI*. Earned entirely from operations in its one and only St. Louis office, the regional broker specializing in mid-sized accounts of premiums ranging from $500,000 to $1.5 million earned $12.3 million in gross revenues in 1980, a 10.3% increase from its 1979 gross revenues.

The top Canadian contenders in insurance brokerage faired worse on average than the U.S.-based brokers. Their 10.3% average increase in gross revenues and 1.2% increase in employees is less than the U.S. brokers eeked out of the current competitive market.

Toronto-based Reed Stenhouse Cos. Ltd., once ranked by *BI* with the U.S. brokers but separated out since 1976 performance ranking to chart the Top 20 U.S. brokers, produced the highest growth rate of the three Canadian contenders: a 17.6% increase in gross revenues to $226.4 million Canadian or $192.2 American (using a year-end 1980 exchange rate of 84.9 cents to the U.S. dollar). If ranked among the U.S.-based brokers, Reed Stenhouse would grab the seventh spot from Bayly, Martin & Fay.

Reed Stenhouse earns about 16% of its gross revenues in the U.S., but is trying to further develop its U.S.-based business from 26 offices in the U.S.



To Equitable, every claim is a person with a problem who needs help in a hurry.



Reed Stenhouse's revenue gain outpaced its staff expansion, which was held to just 6.7% to 4,800 employees. Those percentages boosted its 1980 revenues/employee average to $40,038 from $36,331 in 1979, making it the only one of the three Canadian-based brokers to break $40,000 in revenues per employee.

Toronto-based Tomenson Saunders Whitehead, with 1980 gross revenues of $35.6 million Canadian and $30.3 million U.S., is a distant second to Reed Stenhouse. Its 7.9% gross revenue growth in 1980 is the least of the three Canadian brokers and it held staff almost steady, increasing just 1.2% to 830 employees.

Its $36,453 revenues per employee average, however, is up from $34,184 in 1979.

But like Reed Stenhouse, Tomenson Saunders wants to increase its U.S.-based business from the four U.S. offices it now maintains. If ranked among the U.S.-based brokers, Tomenson Saunders would be 13th.

Montreal-based Sodarcan, Dale-Ross pulled out an 8.5% increase in 1980 gross revenues to $31.7 million Canadian or $26.9 million U.S. while cutting staff 4.3% to 809 employees. The combination boosted revenues per employee to $33,287 in 1980 from $29,369 in 1979.

Rather than expansion in the U.S., the holding company for broker subsidiaries wants to take advantage of the French operating name of Gerard-Parizeau in French-speaking Quebec while expanding elsewhere in Canada under its English name, Dale & Co.

The reports in this issue on each of the 23 leaders, the brokerage business in London and the financial results of another 174 commercial agents and brokers detail the effects of cheap insurance prices.

Fewer agents and brokers not in the Top 20 are listed in this year's survey, partly because *BI* increased to $300,000 from $150,000 the minimum gross revenue income to qualify for listing. More than 30 companies listed last year did not meet this year's minimum.

Acquisitions dropped a couple from the listing, but it appears some agents and brokers whose 1980 results were down from 1979 didn't want to publish their financial results this year.

Among those not participating in the listing this year is Minneapolis-based Nordstrom Agency Inc. President John D. Nordstrom refused to reveal the revenues of the company, which until last year was among the Top 20 largest brokers in the country.

"There has been no material change in our operations since last year," he wrote *BI*. Last year, Nordstrom reported $12 million in gross revenues.

The larger brokers are fighting cheap insurance prices by scrambling for more property/casualty insurance brokerage business from regional agents, and brokers and direct writers are pursuing group employee benefit business, which is fragmented among many agents/brokers/consultants now.

They also are moving on diversification plans, which range from adding more insurance-related services at Johnson & Higgins to expansion into financial services at A&A and M&M.

Who comes out where in the rankings next year, however, is subject to more than grabbing new accounts or succeeding in diversification. New mergers, foreseen and unpredicted, could shake the Top 20 ranks again next year.

The one predicted merger of A&A and London-based Sedgwick Group to create the largest broker in the world is still on hold as the Internal Revenue Service considers the tax consequences. ■

Annual report at a glance

Business Insurance's annual Agent/Broker Profiles issue is organized into six sections to provide easy access to the most comprehensive reports on the brokerage business:

The Top 20: In-depth reports prepared by *BI* staffers and correspondents on the 1980 performance and future strategy of the 20 largest U.S. brokers and three large Canadian contenders begin on page 20.

Worldwide: As U.S. brokers move out into the world to capture more growth, they will run into London-based brokers of substantial size.

A report on the competition, including a ranking of the world's largest insurance brokers and a map depicting the owned offices and substantial joint ventures of U.S. brokers abroad, begins on page 15.

London: British brokers felt the pinch of cheap insurance prices, too. The 1980 results and forecasts of the leading London partners of U.S. brokers appear on page 18.

U.S. agents/brokers: An alphabetical listing including the vital management and financial statistics of agents and brokers around the country primarily engaged in commerical insurance marketing begins on page 79.

Geographic index: Looking for a broker in a particular state or city? You'll find the choices in our geographical index beginning on page 102.

A special report: Risk management issues discussed at the first public annual meeting of the National Assn. of Insurance Brokers are reported, beginning on page 3.

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Full-sized reprints of the page 1 chart depicting the growth of the Business Insurance Top 20 brokers for the past 10 years can be purchased in single copies or bulk from the Business Insurance Reprint Department. For information, contact: Reprint Department, Business Insurance, 220 East 42nd St., New York, N.Y. 10017; 212-210-0131.

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Alexander & Alexander

From the client's point of view.



Map: Toby Roberts

Brokers grow worldwide

By LEN STRAZEWSKI and DAVE GALANTI

Look outward.

That's the call U.S. brokers continue to heed, expanding offices from U.S. headquarters to all parts of the world.

The call reflects more than just a need to grow financially and improve stock earnings. The brokers are responding to clear international economic trends that demand that a service organization be capable of working across national boundaries.

Brokers say they need more foreign offices because:

- Client firms have grown into multinational giants and need services at all their locations.
- Greater access to Lloyd's of London, British insurers and insurance markets in foreign countries is needed to provide capacity for U.S. risks and smoother, cheaper service.
- Foreign firms, including Canadian energy corporations, are moving into and investing in the United States, providing new sources of business for brokers who show multinational capability.
- Brokers want to pursue indigenous insurance business in foreign countries, even if it does not affect U.S. risks.

The most dramatic international strides continue to be taken by Marsh & McLennan, whose global growth blossomed last year with the acquisition of C.T. Bowring Group. Including Bowring offices, M&M had 521 offices worldwide last year, with 196 offices in the United Kingdom. Foreign offices stretch literally from Alaska to South Africa (see map).

Supplementing the general international growth, M&M recently announced a global focus for its parent, Marsh & McLennan Cos. Inc., and introduced a new worldwide service organization, Marsh & McLennan World Services Inc., to spread the wealth of U.S. risk management sophistication overseas and help foreign offices win local accounts (see profile, page 20).

But the center of the international growth was the Bowring acqusition. M&M President Robert Clements said the purchase was made more for accountability on behalf of multinational clients than any other reason.

"In the long run, the retail operations of Bowring will be profitable, we hope, but the overriding consideration is accountability," he said.

"The only true way to control quality is leverage and the only efficent way to get leverage is through some kind of ownership," Mr. Clements said. "Absolutely, M&M is responsible for all its worldwide actions."

In past years, the reigning philosophy of "competition enhances service" was the trend, and brokers maintained working relationship with foreign, especially British, brokers. But U.S. brokers also let the British brokers compete against each other.

Johnson & Higgins, a formidable name in international insurance maintains a close, but not exclusive relationship with Willis Faber and seems to be prominent in areas where it doesn't even have offices.

Three years ago, Frank B. Hall & Co. broke the ice by purchasing a majority of a rather large British brokerage, Leslie & Godwin. The experiment, according to Hall officials, was a success and helped with the unusual placement of back-dated liability coverage for the Las Vegas MGM Grand fire by opening new capacity and speeding placement.

Fred S. James also entered the arena with purchase of another British broker, Wigham Poland, and Corroon & Black acquired equity interest in J.H. Minet.

"We knew we had to make a U.K. acquisition," remarked James Senior Vp Alton Irby III, head of international operations. "If we waited too long, all the first-rate brokers would be eaten up in a

Continued on next page

British brokers looking outward, too

By STACY SHAPIRO

LONDON—Like their U.S. counterparts, British brokers had a bad year in 1980, competing against currency fluctuations, low premiums and the British recession.

But a new foe that has raised its head this year threatens to cut the brokers' profitability even further: the possible divestment of underwriting syndicates which feeds revenue into the brokerage parents.

Faced with these economic pressures, the brokers are following the same path as U.S. brokers: looking to international expansion rather than local contraction.

Investment income helped some brokers weather the storms of 1980, but it didn't completely bail out Sedgwick Group Ltd., the largest of the Lloyd's brokers.

"Despite higher interest rates, interest earnings were somewhat lower than in 1979 because of a fall in the level of cash balances," said Sedgwick Chairman Neil Mills. He blamed this on slow cash flow.

"Broking was marginally down with the weakness of premium rates, the strength of sterling (against the U.S. dollar) and the high cost of inflation," said Robin Warrender, chairman of Bain Dawes Ltd. "It was offset by the high rate of investment income."

Continued high interest rates helped London brokers, as well as improvement in the aviation and marine markets.

Brokers here are now busily calculating policy renewals, and it looks like aviation policy premiums will rise again.

"There's no doubt they'll be going up," said J.R. Mikami, deputy chairman of C.E. Heath & Co. Ltd. who handles the accounts of American Airlines and McDonnell Douglas in London. "And deductibles will be going up."

Brokers didn't waste any time taking other measures to cut down rising internal costs last year. Companies trimmed staffs in 1980 to survive the soft market.

Lowndes Lambert Group Ltd. laid off about 450 of its estimated 1,400 employees. Other London brokers, such as Stenhouse Holdings, Bain Dawes and others, cut staff through natural attrition.

Even Sedgwick tightened its belt after it merged with Bland Payne.

Other broking groups have readjusted or reorganized some lines to beef up profitability. Stewart Wrightson Holdings Ltd., the second-largest Lloyd's broker, dropped its low-quality marine policy business and closed down some offices overseas to concentrate on other business.

"Low-quality marine business was damaging our reputation in the marketplace," said A.K. Keys, Stewart Wrightson's group development director. "Our reputation in the marketplace has got to be extremely good, so we concentrated on what we can do well."

And C.T. Bowring & Co. Ltd., now a wholly owned subsidiary of Marsh & McLennan, is overhauling the entire operation. It will di-

Continued on page 17

Brokers head out

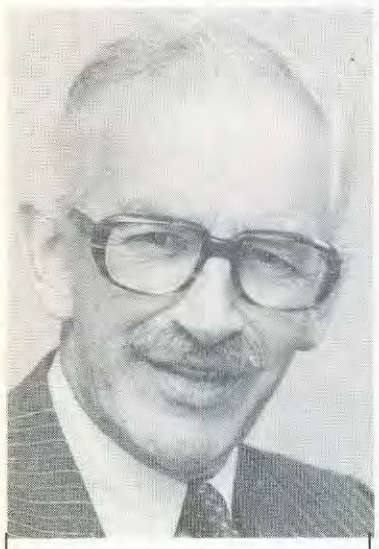
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couple of years."

Alexander & Alexander, the second-largest U.S. brokerage, continues to negotiate with the largest brokerage in the United Kingdom, the Sedgwick Group. If that merger is finalized, it would most likely produce the world's largest brokerage.

Canada, once yawningly called "sleeping giant to the north," has also become a major factor. The flow of business, once from the United States to Canada, has been reversed. U.S. brokers now seek Canadian clients, especially booming energy firms.

The Canadian counterparts, however, won't let go. M&M was stymied in its attempt to buy Canadian broker Dale & Co. by Canadian officials, and A&A lost its employee benefits collaboration with another Canadian brokerage.

Meanwhile, the two major Canadian brokers, Reed Stenhouse Cos. Ltd. and Tomenson Saunders Whitehead Ltd., are both increasing their presence in the U.S. market, at least initially, to serve Canadian risks moving into the energy-rich areas of Colorado and Texas.



Peter Leitch says Reed Stenhouse is an international brokerage now.

Reed Stenhouse, the largest of the two, currently has 26 offices in the United States and has now takes on business that originates here. Reed's U.S. division also has a new president, sales-oriented Peter G. Leitch.

"We look upon ourselves as a multinational firm, and we certainly want to pursue U.S. business as well as serve Canadian firms moving into the U.S.," Mr. Leitch said. "But we also have to be in the United States, New York especially, because it is a world insurance center. We already own a U.K. brokerage. Others have said they want to be international. We are already there."

Tomenson Saunders Whitehead, however, has just four U.S. offices, two in Denver and one in Harrison, N.Y., and San Francisco.

"We have seen our firms here make investments in the United States that sometimes exceed their investment here in Canada," Kenneth M. Elliott, Tomenson executive vp, said. "When that happens, there is the possibility that the insurance decisions could be made in the U.S. and backed into Canada. So we see the need to have an operation in the United States that can cope with that." ■

International Brokers Above $100 Million Revenues

Rank	Companies	Countries	Gross Revenues 1980	1979	Rank	Companies	Countries	Gross Revenues 1980	1979
1	Marsh & McLennan	USA	677.35	530.55	7	Reed Stenhouse	Canada	186.75	162.55
2	Alexander & Alexander	USA	411.87	374.22	8	Stewart Wrightson	GB	178.00	154.22
3	Frank B. Hall	USA	309.59	267.47	9	Corroon & Black	USA	150.68	148.43
4	Johnson & Higgins	USA	288.40*	261.08*	10	Alexander Howden	GB	149.00	125.92
5	Sedgwick Group	GB	282.76	254.23	11	Willis Faber	GB	129.70	104.78
6	Fred S. James	USA	205.06	176.39	12	Hogg Robinson	GB	105.20*	88.31*

This chart was compiled by U.K. security analysts Kitcat & Aiken based on U.K. annual reports and *Business Insurance* data on U.S. brokers.



U.K. brokers:

Waiting to grow into the United States

Continued from page 15

vide into three groups: wholesale broking, retail broking and reinsurance.

"Initially, we had a rough time here," said Gilbert Cooke, group managing director of Bowring and a member of M&M's board of directors. "This year we have recouped.

"We're quite confident we're going to be net gainers," he said.

But reorganization, reducing staff and hoping for a harder market do not eliminate the future worry of divestment.

Lloyd's members are now voting on whether to include the divestment of broking and underwriting interests in the Lloyd's self-regulation bill now before Parliament (*BI*, June 22).

Premium income from Lloyd's underwriting management agencies is a substantial portion of total gross revenue for such brokers as Alexander Howden Group Ltd., Hogg Robinson and J.H. Minet. Howden's is ranked third in brokerage activity behind Wrightson, but it could be second if insurance premium income were included.

Stenhouse Holdings Ltd. could also be hurt by divestment. Stenhouse is finalizing a 3.1 million-pound deal for the Christopher Moran Syndicates. But if divestment is approved, the Moran syndicates would have to be sold within five years after the bill goes into effect.

Despite problems at home, British brokers are crossing the Atlantic and entering the North American insurance market more than ever before.

"There's an obvious reason to go into the U.S.," said Mr. Warrender, who said Bain Dawes is hoping to purchase a retail broker in the United States without hurting the firm's wholesale broking activity in the states.

"The retail market in North America represents 60% of the business of the world," he said.

Some big brokers want "marriages" with American firms, while others want to buy them outright.

The Sedgwick Group is the "marrying type," Mr. Mills said, and Alexander & Alexander is the most likely mate.

"We'll have a marriage of equals, marching to the altar together, if we can get to the altar," Mr. Mills said. Right now the deal is being held up the Internal Revenue Service.

"We are negotiating (with A&A). We don't think we'll finalize the merger until January 1982," he said.

Hogg Robinson Group Ltd., on the other hand, is looking to buy U.S. retail brokers and has set the trend for other London brokers like Bain Dawes that are interested in the same kind of deal.

The pace was set by fifth-place Hogg Robinson a few weeks ago when it bought Penn General Agencies through Republic Hogg Robinson, a joint venture with Republic Steel Corp (*BI*, June 15). It also purchased Bankers & Shippers Insurance Co. of New York in the



Neil Mills of the Sedgwick Group

$42.5 million deal.

The new U.S. retail broking service will compliment Hogg Robinson, which is making slow but steady growth in the United States, said John Hogg, deputy chairman of Hogg Robinson Group Ltd. The company's own travel lines and its reinsurance underwriting has continued to fare well, he said.

"The strength of the Hogg Robinsion Group is its spread," said Mr. Hogg. "When one comes in poorly, the other balances out.

"We're very anxious to progress in the Western world," he continued. "It's not easy to break into.

Some Lloyd's brokers say that buying non-brokers is the best way to move into the U.S. insurance business. Many Lloyd's brokers depend on U.S. retail brokers for a good portion of their business and do not want to step on the U.S. brokers' toes.

"The American retail brokers would feel less inclined to deal with us," said Michael Glover, deputy chairman of Alexander Howden Group Ltd.

Instead, Howden is looking into forming and managing U.S. insurance companies for major insurers based in the United Kingdom, Japan and Scandanavia.

By the end of next year, Howden will also open energy and oil branches in Dallas and Houston, designed for wholesale energy insurance capacity, said Mr. Glover, who will take over as chief executive of Howden in September. ■

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British brokers are growing slowly, too

Here are profiles of the largest Lloyd's brokers, partners with U.S. brokers in placing U.S. risks:

• **Sedgwick Group Ltd.** The 1979 merger of Sedgwick, Forbes and Bland Payne established Sedgwick as the No. 1 U.K. broker. Now the prospect of a partnership with Alexander & Alexander could make it the largest.

Sedgwick already has a 20% interest in the A&A subsidiary, Thomas A. Greene Co. Inc. "We can learn quite a lot from them in computer engineering and loss control," said Sedgwick Chairman Neil Mills.

"We shall bring to the negotiating table a lot of marketing techniques," he said.

Group revenues increased 3.3% in 1980 to 118.3 million pounds from 114.5 million pounds in 1979.

Sedgwick is one of the largest brokers in the offshore drilling and oil business.

About 25% of their brokering business goes to Lloyd's while underwriting management agencies comprise less than 4% of profits, says Mr. Mills.

• **C.T. Bowring & Co. Ltd.** Marsh & McLennan acquired Bowring last year and no financial results were reported except in M&M's annual report. But Bowring's "off-the-record" profits are still enough to place it behind Sedgwick in the Lloyd's brokerage rankings, say U.K. sources.

Bowring has gone through some major restructuring with M&M leaving its mark everywhere, but the major personnel shifting may be over.

"We don't envision any further restructuring," said Gilbert Cooke, Bowring's group managing director and an M&M board member.

Bowring has 43 retail offices in the United Kingdom. "With M&M we can promote our U.K. domestic side more strongly," Mr. Cooke said.

Some 14% of M&M's total equity is in the hands of British stockholders as a result of the takeover.

Bowring's specialities include reinsurance treaties and aviation.

• **Stewart Wrightson Holdings Ltd.** Wrightson insures 70% of the world's diamonds, says A.J. Keys, group development director. But its most of its revenue comes from the United States in surplus lines premiums.

Stewart Smith Holdings Inc. is the parent company of the Wrightson Group's wholesale insurance broking surplus lines business.

"In the '70s, everyone was going for growth. There was a rush for growth at all costs, which didn't necessarily bring profits," Mr. Keys said.

Wrightson is now taking the opposite view and pulling in the reins a little, by closing down some small offices and limiting poor marine business.

Gross revenues from broking increased 7.2% last year to 74.5 million pounds. But net income plunged 35.7%.

Wrightson specializes in areas of aviation and surety and is one of the largest surplus lines brokers in the United States through Stewart Smith. Through a joint venture with U.S. brokerage Rollins Burdick Hunter called Rollins Wrightson, the brokerage places financial institution risks.

• **Alexander Howden Group Ltd.** Divestment of broking and underwriting interests at Lloyd's is a matter of much concern at Howden. Underwriting management contributes 20% to the group's profits.

Howden provides aviation management to insurance companies like American International Group and may open claims and reinsurance services for energy firms.

Gross revenues from broking activity grew 10% in 1980 to $62.3 million pounds.

• **Willis Faber Ltd.** Willis Faber had done business with Johnson and Higgins for many years and the two seem inseparable companions in placing U.S. risks in the U.K. surplus lines marketplace. J&H uses Faber exclusively for marine business.

Willis Faber is now in the process of sponsoring research to provide computer fraud protection for financial institutions based on risk management principles, said David Palmer, chief executive and deputy chairman of Faber.

Besides working with J&H in the United States, Willis Faber is looking to its new offices in Greece, Singapore and Chile for additional capital, Mr. Palmer said.

Gross revenues from broking increased 15% last year to 54.3 million pounds.

Its net income increased 18.8% to 9.7 million pounds.

• **Hogg Robinson Group Ltd.** Hogg Robinson is working to gain momentum after its recent acquisition of Penn General Agencies, bought with its partner, Republic Steel Corp. of Cleveland.

"We've done reasonably well (in 1980)," said Deputy Chairman John Hogg. "We are perfectly satisfied in our progress."

Hogg Robinson's gross revenues from broking increased an estimated 10% to 44 million pounds in 1980.

Lloyd's underwriting agencies and a travel group contribute to Hogg's profits.

• **Minet Holdings Ltd.** Corroon & Black now has a 20% share in Minet and officers of both companies will have seats on the other's board. Minet's gross revenues from broking rose just 0.4% last year to 37.7 million pounds, and net income fell 3%. "But for the appreciation of sterling against most the major currencies, particularly the U.S. dollar, profits would have grown by a further 1.3 million pounds," said Chairman John Wallrock in the annual report.

Underwriting management agencies did extremely well, he said, with a record profit for the group of 3.27 million pounds.

• **C. E. Heath & Co. Ltd.** "We're last of the main independent brokers" said J. R. Mikami, deputy chairman of Heath.

Through Rollins Burdick Hunter, Heath still trades heavily with other American brokers, including Marsh & McLennan, on accounts that clients have asked to stay with Heath. The strength of Heath's business is its wholesale broking in the United States, with emphasis on the aviation field.

Broking operations were not up to par, Mr. Mikami said, with the decrease attributed to currency changes.

"We knew exactly where the money wasn't coming from," Mr. Mikami said.

Gross revenues from broking in 1980 totaled 31.6 million pounds, a 3.8% increase. Net profit declined 4.2%. ■

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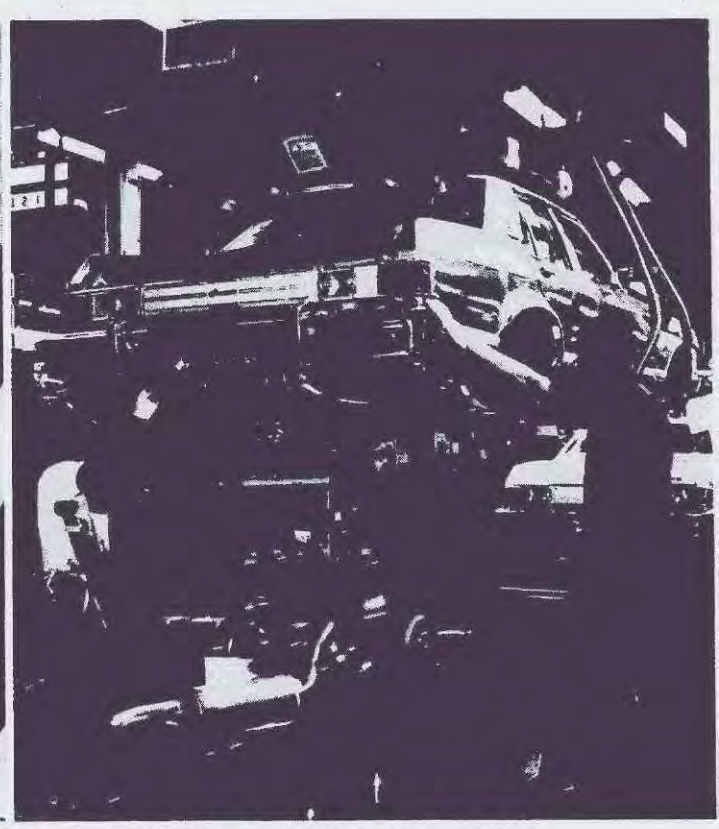
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TAX MULTIPLIER:	1.035

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Top 20 brokers

M&M evolving into international corporate giant

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	1980	1979
Premium vol.	$8,200,000,000	$6,100,000,000
Gross rev.	$677,348,000	$530,551,000
Employees	18,871	16,359
Rev./employees	$35,894	$51,216
Offices	521	172

No one expected a company whose main business is commercial insurance services to become the new General Electric or IBM, but the pattern of international growth, diversification and management restructuring at Marsh & McLennan Cos. Inc. makes it more comparable to those global financial giants than local independent insurance agents.

The growth pattern, according to M&M Cos. President L. Patton Kline, has been working since the company went public, and the international scope is a direct result of a "world book of business" in insurance services.

Mr. Kline, formerly chairman of the insurance brokerage subidiary Marsh & McLennan Inc., was appointed president and chief operating officer of the parent last year as part of a major management realignment. John M. Regan Jr. continues as chairman of M&M Cos. and Robert J. Newhouse Jr. was elected vice chairman of the board, a step up from his past role as president.

Robert Clements, president of Marsh & McLennan Inc., became the sole chief executive of the brokerage subsidiary. Harold H. Hines, named vice chairman of M&M Inc. last year, left the firm to become president of the Ryan Insurance Group.

The restructuring was just a precursor of more change.

Just last week, M&M announced the organization of a global insurance brokerage and risk management firm called Marsh & McLennan World Services to coordinate M&M's direct insurance brokerage subsidiaries and affliates throughout the world.

The M&M subsidiaries, which employ about 14,000, include the U.S. domestic brokerage Marsh & McLennan Inc. and foreign firms that sell insurance overseas, including C.T. Bowring in the United Kingdom. Guy Carpenter & Co. Inc. provides worldwide reinsurance service.

In addition to insurance services, M&M subsidiaries include William M. Mercer, the nation's largest employee benefits consultant, and investment management firms Putnam Management Co. Inc. and Eberstadt Asset Management Inc., which are not included in the global organization.

Mr. Clements, in addition to his domestic insurance duties, inherits the role of managing director of the new organization and Alessandro C. di Montezemolo, chairman of Marsh & McLennan International, becomes chairman of M&M World Services.



Photo: Len Strazewski
M&M's Executive Vp Philip Brown and President Robert Clement

Other directors of the new all-encompassing organization demonstrate the international scope. They include Sherwood C. Blake, executive vp of M&M International Inc.; Philip J. Brown Jr., executive vp of M&M Inc.; Richard V. Craig of C.T. Bowring (U.K.) Ltd.; and Paul H. O'Donoghue, president of M&M Ltd. in Toronto.

"The world has now become a single marketplace. Therefore, our clients, with a global distribution of risks to be managed and transferred to insurance markets throughout the world, now require we operate as a world company," Mr. Kline said in a statement about the change.

The explanation is typical of an insurance broker, citing markets and clients, but an analysis of M&M's growth and international acquisitions of 1980 show a company that has outgrown regional organizations and needs an international structure to hold all its international brokerage components together and focus its service potential.

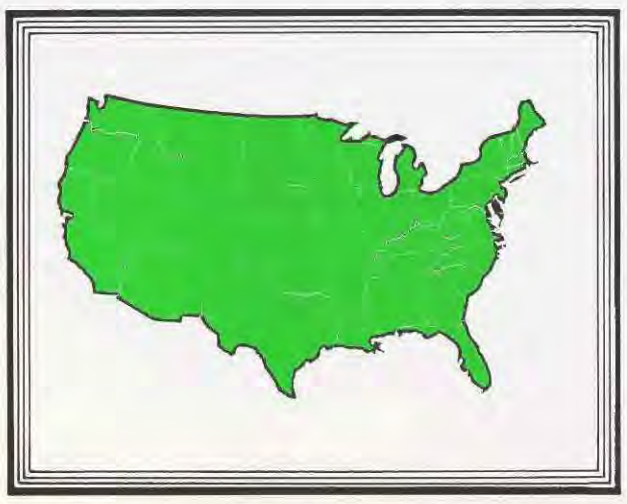
Despite overwhelming insurance marketplace competition that has cut the revenue growth of most commercial insurance brokers and financial service firms that provide insurance brokering, M&M has continued a fast growth pace.

The acquisition of C.T. Bowring and M&M's diversified structure of employee benefits consulting and investment services has made the company one step above other brokers on the financial evolutionary scale.

Operating revenue grew 27.7% in 1980, from $530.5 million in 1979 to $677.3 million last year, which in-

Continued on page 22

conference on
captives & pools
Self-Insurance and Risk-Sharing Alternatives in the U.S.



The expanding growth of captives has increased pressure on state legislatures to provide enabling legislation for the establishment of domestic captive insurance companies. Several states have already done so, more are contemplating this action.

Along with this trend has been the sharp growth and interest in the establishment of self-insurance pools, mainly by governmental and not-for-profit organizations but also by industry or association groups.

The common thread that binds these two trends is the desire of sponsors to create more efficient risk financing mechanisms for themselves. This, in turn has created new opportunities for those involved in risk and insurance activities.

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- **Credit Life Captives**
- **Domestic Association/Group Captives**
- **Insurance and reinsurance attitudes towards captives.**
- **Broker/Risk Management Services**

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Insurance Brokers Since 1907

Continued from page 20

cludes $77.5 million in revenues earned from the acquisition of Bowring.

Without the Bowring revenues, M&M operating revenue grew 13%, a pace three percentage points higher than its nearest insurance brokerage competitor, Alexander & Alexander Services Inc.

Although all aspects of insurance services grew last year, according to the firm, large corporate clients, dubbed "risk management" accounts because of the special service they require, grew fastest, topping 75% of brokerage revenues.

Most of the large accounts are charged fees for service rather than commission.

Insurance premium volume also grew to an estimated $8.2 billion from about $6.1 billion in 1979.

With the Bowring acquisition, M&M's total number of employes grew to 18,871 from 10,359 in 1979, and worldwide offices increased to 521 from headquarters in New York City to the tip of South Africa. In 1980, M&M established the first cooperative agreement between a U.S. brokerage and the People's Insurance Co. of China and made equity acquisitions in several foreign brokerage firms including Mario Claro, M. y Cia Ltd., the Jutheau Group and Alan J. Thompson (Holdings) Ltd.

The growth calls for a worldwide perspective on insurance service and also a worldwide perspective on corporate planning, according to Mr. Kline. M&M announced at its annual meeting that its corporate goals for 1981 would also take a global view—10% growth adjusted for local inflation.

"What we are seeing is the development of a worldwide service network that will bring all the sophisticated risk management techniques we have available to serve our world-scale clients," added Mr. Clements. "Now all the highly technical services we have developed in the United States will be worldwide.

"Think about the way an airplane is built. The hull may be built in one country, the engine in another. The instrumentation is is devised elsewhere and the whole project may be assembled and marketed in the United States. We have to start thinking in those international terms."

The global organization, however, will not overshadow or eliminate the local indentity of M&M Inc. and other indigenous divisions, Mr. Clements said. The new global organization expands and mirrors the reorganization of M&M Inc.'s own client services division led by Executive Vp Philip Brown.

This year, M&M restructured its U.S. client service arm into separate divisions working on a national scale to serve the largest risks that demand self-insurance, cash-flow and captive management studies as well as smaller risks that require risk assessment tied to the structuring of an insured risk management program.

The technical services division, with about 550 employees, is aimed at the largest accounts that require claims administration services, captive management, loss-control services (including industrial hygiene consulting provided by Clayton Environmental Consultants) and client information services.

As part of client information services, computers and data bsses used in risk forecasting, M&M markets the RIMSTAR information package.

National services, with a 50-person staff, helps M&M offices research how much risk clients can afford and how insured programs should be structured to provide correct amounts of coverage.

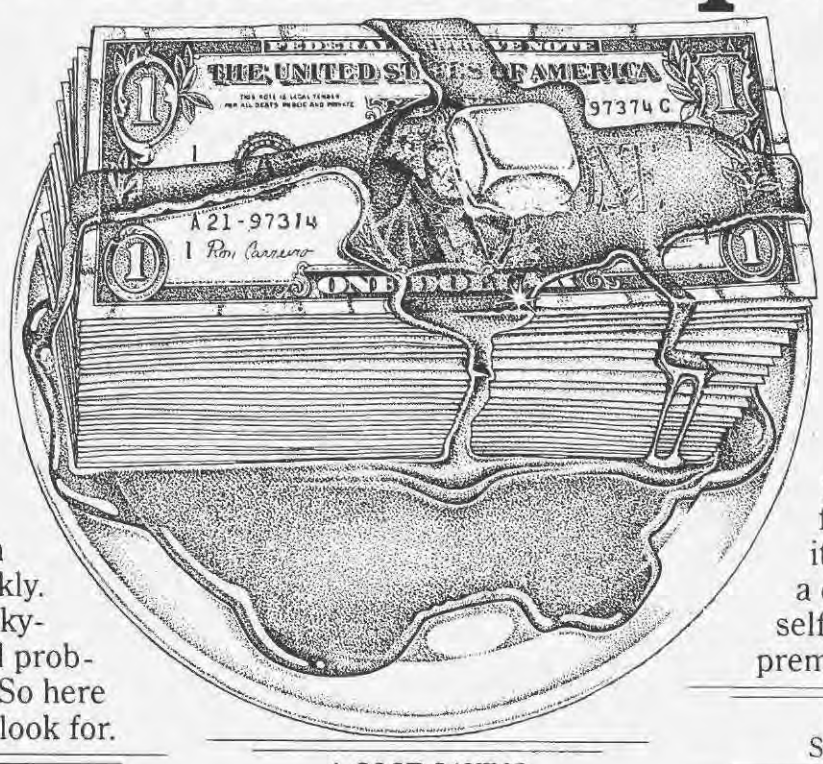
Although the U.S. service divisions will continue, the services available in the United States will fold nicely into the new management structure, according to Mr. Brown.

"Certainly, some of the services we provide nationally now are things we should be providing internationally," he explained. "And M&M has other service groups, especially in Australia and Canada, that we will be linking up with. Other service divisions of our U.S. group, like Marsh & McLennan Nuclear Consultants and Multinational Insurance Services, will also be available on a wider scale."

One of the service division's biggest accomplishments in 1980 was the settling of claims from the world's first nuclear insurance loss at Three Mile Island and the participation in developing new markets to insure against nulcear liability and business interruption losses, Mr. Brown said.

L. Patton Kline	$195,000
Robert J. Newhouse Jr.	$225,000
John M. Regan Jr.	$320,000
Robert R. Riley	$155,000
Frank J. Tasco	$170,000

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	1980	1979
Premium vol.	$2,800,000,000	$2,600,000,000
Gross rev.	$411,872,000	$374,225,000
Employees	7,500	7,000
Rev./employees	$54,916	$53,461
Offices	159	147

President Jack Bogardus forced a smile at the Alexander & Alexander Services Inc. annual meeting last May. He confessed he was living what had been a recurring nightmare: Standing before them to explain A&A's first down quarter since going public in 1969.

Cheap insurance prices squeezing brokers' commissions finally took their toll, depriving A&A of its 48th consecutive quarter of earnings growth in the first quarter of 1981. Earnings per share for the first quarter of 1981 totaled 85 cents compared with a restated 90 cents for the first quarter of 1980.

You could see it coming. A&A's growth in 1980 was the slowest in seven years. Not since 1973 had A&A reported annual gross revenue growth of less than 20% more than the preceding year. A&A's 1980 gross revenues of $411.9 million were just 10.1% more than in 1979.

"It's been four years of a worsening market," Mr. Bogardus told shareholders. Even the seasoned directors and employees gasped when their chief executive said the premium on a recently renewed account was less than last year's commission on the business.

That lucky buyer was the exception, he said. Overall, A&A estimates that 1980 renewal premiums were 20% less than the 1979 price.

For a company earning more than half its gross revenues from straight commission income on its 74% property/casualty insurance brokerage business, even fee income from the large accounts, a 19% increase in new business and growth in related financial services can't make up the difference.

Swings in interest rates that directly affect A&A's premium finance division, trouble improving the results of its employee benefits consulting division and heavy investment to develop a reinsurance intermediary also hurt first-quarter performance.

The outlook for the year is better for the second half, but "1981 won't be a banner year," Mr. Bogardus admits. He expects the second half of 1981 to be better than the first half, with the effects of expense controls taking shape and a boost from the seasonal revenues of the Property Tax Service Co.

The company has controlled travel and promotion expense and held staff to 7,500 by "eliminating non-productive people," Mr. Bogardus says. "But we have gone as far as we can to cut expenses."

If a slip in earnings growth is the nightmare, expanded financial services to counter the cyclical swings of the insurance business is Mr. Bogardus's dream.

The Risk Analysis and Management Group, with its highly successful and respected Anistics division, provides an array of risk management data packages. It is the flagship of this financial services push.

Mr. Bogardus attributes much of the 19% growth in new business in 1980 to new brokerage business won from risk managers first interested in the Anistics/Alexis/ARIS products.

Anistics, which is an acronym for analytical statistics, uses computer technology to analyze past losses and project future losses. The information helps clients determine the most economical way to finance losses.

Alexis, meaning Alexander self-insurance services, provides consulting and administrative services to self-insurers, including loss-control consulting. Alexis offers risk management data systems.

This year, Anistics and Alexis were integrated and some products renamed. The standard claims reporting system is called ARIS Level I and the the software used by Anistics to create custom systems is known as ARIS Level II.

The first expansion into purely financial services was the development of Property Tax Service, begun in 1977. With 13 offices, it is now the largest national network of property tax consultants, and expansion continues. PTS acquired Cullers-Bailey & Co. in Abilene, Texas, in 1980 and Roland Tornquist in Pleasanton, Calif., and Edward Slavik in Corpus Christi, Texas, in 1981.

Property tax consulting contributed 1.5% of A&A's 1980 gross revenues.

The development of financial services continued with the 1980 acquisition of the invesment counselers Montag & Caldwell in Atlanta. It manages about $500 million in investment assets through mutual funds and institutional and personal advisory accounts, but has not yet pursued pension and captive insurance company funds.

Mr. Bogardus would not identify any other area of financial services that the company may pursue. He would only say the right diversification will be into areas "where there is a true need, inviting competition, not capital intensive, and where we can use our client contacts to tell our story."

Mr. Bogardus also doesn't rule out becoming part of "financial services supermarket," as being developed by Bache/Prudential and American Express/Shearson, Loeb Rhoades (*BI*, May 4).

"If it means the distribution of insurance will change dramatically, we'll have to take note of it. I can't see everyone combined but two insurance brokers," Mr. Bogardus says.

"I have mixed feelings about one-stop shopping for financial services," he adds. "So many buyers don't like to buy from one source. Whether the convenience or cost-effectiveness is so dominant this will become standard, I don't know yet."

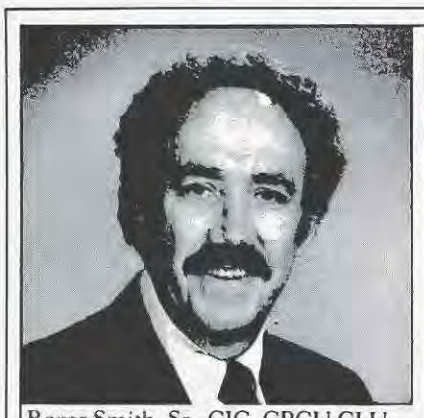
Underwriting insurance, however, is not hot in A&A's diversification plans, Mr. Bogardus says.

"At present, we don't see ourselves becoming major risk takers; only in special situations to benefit clients and not for profits."

A&A already has invested in insurance underwriting concerns. It

Continued on page 28

What Do These Uncommon Individuals Have In Common?



Roger Smith, Sr., CIC, CPCU,CLU



Jeannie Maguire, CIC



Bert Leavitt, CIC, CPCU



Manuel N. Stamatakis, CIC, CLU

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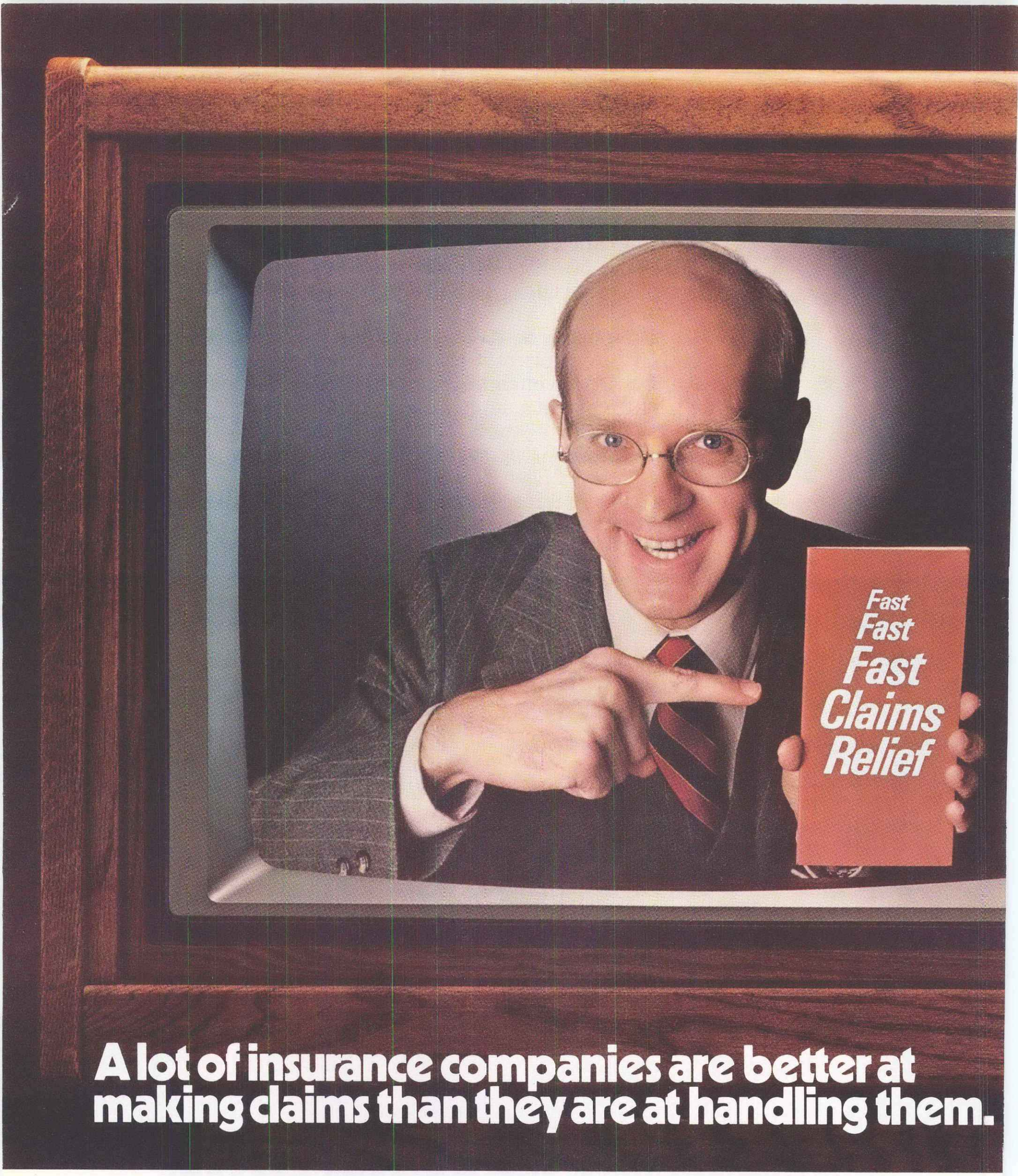
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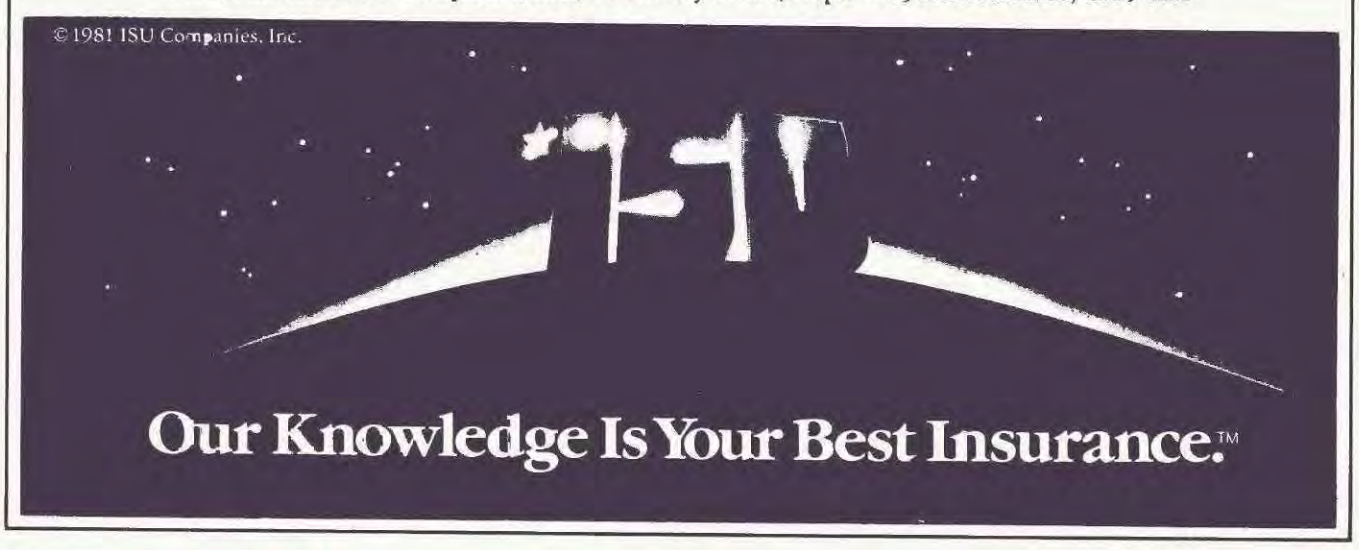
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★ 1783 - World's first sustained aerial flight, Montgolfier balloon (Lower Right); 1785 - English Channel crossing, Blanchard and Jeffries (Upper Right); 1793 - First North American ascent, Blanchard (Upper Left); modern hot air balloon (Center).

Continued from page 28

A&A terminated its joint venture in employee benefits in Canada with Tomenson, Saunders Whitehead in 1980 when the Canadian broker began to compete with A&A in the United States.

While the Sedgwick merger is delayed, A&A continues its pattern of acquiring agencies in the United States. In the last five years, A&A has acquired 74 insurance brokerage, agency and consulting concerns.

The 1980 mergers and acquisitions included: Clinton P. Anderson in Albuquerque, N.M.; Hitch Insurance Agency in Richmond, Va.; Allied Insurers Inc. in Omaha, Neb.; Mark F. Hopkins & Co. and Sally Gund Insurance Inc. in San Jose, Calif.; Paul Friddle Insurance Agency Inc. in San Antonio, Texas; Peck & Co. Inc. in Casper, Wyo.; Meyers-Samter Insurance Agency Inc. in Oklahoma City, Okla,; Wm. F. Powell Insurance Agency Inc. in Weslaco, Texas; Borges-Patton-Ogden Co. Inc. in Milwaukee; Leo Schmelzer & Associates in Green Bay, Wis.; Joseph M. Magna in West Chatham, Mass.; Dennis McBride in Chicago and Stanley Brandt in New York City.

In 1981, A&A has acquired: Beltran Insurance Consultants Inc. in Miami; Mel McReynolds Co., Gilliland-McReynolds and Special Risk Adjusters in Dallas; Graham Agency Inc. in Alexandria, La.; and Beeson & Co. in Seattle.

In the future, fewer acquisitions will be made for boosting the size of existing A&A offices, now in 87 U.S. cities.

The new acquisition strategy concentrates on expanding into new geographic locations. Areas A&A considers attractive include Arizona, Salt Lake City, Montana, Louisville, Birmingham and Washington, D.C.

Brokering life and group accounts produced just 7.6% of A&A's 1980 business, reflecting the difficulty A&A has in building benefits business in small agencies that it has acquired.

The company is recruiting benefits experts to build more business. This year, for example, A&A lured Peter O'Brien away from Johnson & Higgins.

But employee benefit communication services, sold by Benefacts, produced just 2.3% of 1980 gross revenues. The subsidiary has been plagued by raids on its staff, which Mr. Irvin describes as a hazard of being the first to develop a communications consulting company.

Actuarial consulting contributed 2.7% of gross revenues in 1980, premium finance 2.4% and investment income 7.3%.

Besides the managing general agency of Shand Morahan, A&A owns the Chicago-based excess/surplus lines broker Illinois R.B. Jones and Alexsam.

Internally, A&A focused on four management programs in 1980. It instituted a new compensation program with an incentive plan based on performance tailored to each of three career paths of equal stature: technical/professional, production and management. It implemented a pre-retirement counseling program, becoming a client of its own Benefacts division.

Field training was expanded with a new production manager training program following last year's leadership and management training program. And it stressed to reinforce its corporate commitment to equal employment opportunities for women and members of minority groups with an equal employment opportunity training program for supervisors and managers.

In management changes, A&A named R. Peter Urquhart senior vp and director of the Mid-Atlantic Region upon the retirement of Douglas W. Kincaid; named Richard E. Lynn chairman of the new A&A-Greater New York operation area; named William F. Farley to the newly created position of senior vp of finance; named Jack B. Cohen director of the North Central Region upon the retirement of John G. Harrison; andnamed Michael K. White director of the Midwest Region.

Kenneth W.S. Soubry continues as chairman. Robert A. Gielow, who is director of the Risk Analysis & Management Group, is a senior vp and member of the executive committee.

The salaries, bonuses and directors' fees of the five highest compensated executive officers in 1980 were:

John A. Bogardus	$243,491
Kenneth W.S. Soubry	$184,330
Tinsley H. Irvin	$192,396
Paul Chigrinsky	$308,348
Robert A. Gielow	$145,107

in Bermuda (captive insurance company management and an insurance company), Brazil, Italy, Japan and London (brokerage and employee benefits through Benefacts U.K.).

It also maintains joint ventures with a 50% or greater interest in 13 countries: Argentina, Australia, Austria, Belgium, Colombia, France, Guatemala, Ireland, Netherlands, Singapore, South Africa, South West Africa and Saudi Arabia. In other areas, clients are served by A&A correspondents.

Continued on page 30

3 Frank B. Hall & Co.

549 Pleasantcliff Road,
Briarcliff Manor, N.Y. 10510;
914-769-9200

	1980	1979
Premium vo...	NA	NA
Gross rev...	$309,593,000	$267,468,000
Employees...	6,200	5,300
Rev./employees...	$49,934	$50,466
Offices...	221	188

It was one of the biggest insurance news stories of the year, but Frank B. Hall Executive Vp John McCaffrey says it was not one of his brokerage's biggest achievements.

"We got a lot of publicity for placing the retroactive coverage on the MGM Grand fire, but it wasn't the most important thing we did all year," he said. "Placing the coverage wasn't really that difficult, but measuring the loss, that's the kind of challenge we like to respond to."

Internal development, the completion of key acquisitions and the fruition of its two-year-old merger with U.K. brokers Leslie & Godwin are the events that make Mr. McCaffrey smile.

"I look for day-to-day professionalism. The kinds of improvements that make us better able to respond to the problems our clients give us are what I call achievements," he explains.

The Leslie & Godwin acquisition was central to the firm's development and to the development of the retroactive coverage.

"L&G was helpful, no doubt about it," Mr. McCaffrey said. "We couldn't have put it together as fast without them. It was clear to me that with L&G working with us, we and our client were getting full attention in London. They made reports to us daily on the status of the project. L&G saved us from having to send a complete squad to London," Mr. McCaffrey said.

"L&G constantly assured us what was available and at what price. If we would've had to wait for another broker's report, the whole project could've gotten out of control. The discipline was very good."

Hall applied its organizational discipline to other developments focused on the U.S.:

- The brokerage consolidated its employee benefits consulting and sales, pulling expertise from its profit center offices into a centrally administered network.
- The firm completed the purchase of two major claims adjusting and administration firms, Brown Bros. and Harold Smith adjusters, adding more than 60 offices with adjusting capability.
- An excess/surplus lines network, serving both Hall and independent agents was forged.
- Thomas Hallett, former risk manager of General Motors, joined Hall as senior vp and risk manager.

Reinsurance broking, however, was a bit more stormy. Hall, according to its annual report, has filed claims against a bankrupt Bermuda reinsurance company, First International Assurance Co. Ltd. It expects to recover about $5.5 million and now carries claims against its contract of about $3.1 million.

Hall, thanks to an agreement with the reinsurer's liquidator, has received a preferred position against the first $4 million of net recoveries. But the firm also faces a third party suit against it for its activities as reinsurance broker.

Gross revenues, however, were not diminished and also showed the Hall discipline. Revenues grew 15.7%, a pace ahead of most of the Top 20 brokers, from about $267.5 million in 1979 to about $309.6 million in 1980. Net income grew marginally to about $28 million from $27.6 million in 1979.

This growth helped Hall bump Johnson & Higgins out of the third spot in the *Business Insurance* ranking.

"Certainly the market cycle has had an impact on earnings, making me focus on internal cost control," said Mr. McCaffrey, who holds direct responsibility for domestic operations. "And we have been making internal changes. Like most modern firms, we are trying to use more computers and less people.

"But there have been some advantages to the market competition. In cost and coverage availability, our clients are getting more for their buck."

Sustaining growth is a special problem for brokers during the competitive side of the insurance market cycle. Many of the large brokers, including Fred S. James & Co. and Rollins Burdick Hunter, have vowed to increase their percent of revenues derived from employee benefit plan sales, which are insulated from the ups and downs of the property/casualty insurance cycle. Hall, too, wants more benefits.

"Employee benefits is an area that we have had on an international level. Leslie & Godwin has a terrific employee benefits reputation in the U.K. and Europe. The momentum you get from that has got to give us some quick earnings," Mr. McCaffrey said.

In the U.S., employee benefits sales are organized under the division of Frank B. Hall Consulting Inc. and its president Peter Pruitt, one of the Hall executives that led the integration of L&G into the Hall network.

"We don't have any specific goals for benefits as a percentage of our revenues. We think we should write 100% of all risks available—that's the profit center concept," he said.

Hall, however, does have real corporate growth goals "in the 20s," according to Mr. McCaffrey, which is a pace ahead of this past year.

"It's hard to convince the profit centers that any growth goal is possible without product support. That's what we try to do here in Briarcliff," Mr. McCaffrey noted.

Expanded adjusting capability gives profit centers another service to talk about and to sell. The excess/surplus network also lets offices add the specialty coverages needed and service smaller independent agents that need big broker expertise or special insurance services.

"We don't see independent agents as competition," Mr. McCaffrey said. "Under some circumstances we see them as clients. We really are not going after the same risks."

Of course, Hall profit centers tap the expertise of L&G and that has made significant differences in some special lines, especially aviation and marine insurance, according to Mr. McCaffrey.

Marine and aviation accounted for 13% of Hall's revenues, a reduction of 1% from 1979, but other special lines and services jumped to 14% of revenues, from only 9% in 1979. Property/casualty risks, the most volatile part of the Hall book of business, dropped to 57% of the

Continued on next page



John McCaffrey (left) and Thomas Hallett of Frank B. Hall.

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Continued from previous page
Hall revenues from 60% in 1979 and 62% in 1978.

Hall offices also received the experience of Thomas Hallett, acknowledged as one of the industry's leading risk managers when he joined the brokerage. Mr. Hallett is Hall's own risk manager, but also functions as a consultant for risk management services and Hall offices.

"Tom Hallett fills one area in which we needed additional strength," remarks Mr. McCaffrey. "The corporate risk manager is an integral part of any firm's insurance program and anything we can do to understand the risk manager's needs is good for us and our clients.

"He's advising our offices and corporate leaders on exactly what risk managers need to communicate programs to their superiors, what kinds of data they need for in-house planning—all the jobs that good risk managers perform," Mr. McCaffrey said.

"It's been a great relationship so far," chips in Mr. Hallett. "I'm still a risk manager, evaluating Hall's exposure, but I also get to stay on the cutting edge of research and new ideas."

One of Mr. Hallett's first forays into the world of the broker was a risk manager roundtable seminar in Hall's Briarcliff conference center, a sumptuous building that resembles a luxury college dormitory.

The conference center was completed last year as an addition to Hall's campus corporate headquarters 45 minutes from Manhattan. It's used for training, leadership meetings and seminars for clients.

"What we did was gather a wide range of risk managers from all areas of the country to discuss risk management issues—for Hall's benefit and theirs, I think," explained Mr. Hallett. "There were no Hall presentations or salesmen present.

"We discussed the role of the broker and ethics for the broker/buyer relationship, personal risk management and computers."

The seminar had one clear effect on Hall, according to Mr. Hallett.

"Our risk managers told us that while they expected an increased reliance on computers, they didn't see much on the market that fit their needs. The computer technology and data bases offered by brokers and consultants just didn't seem adaptable enough. Most said they preferred technology developed by their in-house staff, not packaged programs."

Hall already is revising its database packaging and plans to consult further with risk managers on designs. "We've got to go with the people who know what they need," said Mr. McCaffrey.

As a risk manager, Mr. Hallett is following the advice his brokerage offers to its clients.

"I've got my hands full working on eliminating and consolidating policies left over from acquisitions —especially from Leslie & Godwin.

"Like any firm that has had a major acquisition, we've got a big risk management job."

Mr. Hallett also is purchasing higher liability and errors and omissions insurance limits and shares Mr. McCaffrey's advise to corporate clients: Big firms should buy higher limits now while they can and avoid the need for retroactive coverage.

Principal officers for the firm and their total salaries, fees, directors' fees, commissions and bonuses in 1980 were:

Albert J. Tahmoush	$463,014
William C. Bartholomay	$280,557
Henry E. Froebel	$282,460
John F. McCaffrey	$191,844
Peter T. Pruit	$178,090

4 Johnson & Higgins

99 Wall St., New York, N.Y. 10005; 212-482-2000

	1980	1979
Premium vol.	NA	NA
Gross rev.	$288,800,000	$262,080,000
Employees	5,450	5,050
Rev./employees	$52,991	$51,897
Offices	75	68

The institution of the old-time insurance broker will be preserved within the oak-paneled offices of Johnson & Higgins—even at the cost of slower growth than its competitors are seeking.

The nation's largest privately owned insurance broker wants no part of the movement to diversify business with subsidiaries in investment or tax-consulting, overseas offices seeking foreign growth on indigenous business or ownership links with London brokers.

J&H is maintaining its posture as a pure commercial insurance broker, compensated by commissions and providing insurance-related services only.

This old-line approach to running an insurance brokerage is costing J&H its placing among the major brokers—in size.

J&H is now the fourth-largest U.S broker, bumped down a rung from last year by the continued growth of Frank B. Hall & Co., *Business Insurance* estimates.

As a privately owned broker, J&H steadfastly refuses to release its annual gross revenues or total number of employees. Those numbers are known only to the 36 directors who own company stock while serving as directors.

Based on interviews with insurers, brokers, industry observers and some hints from J&H executives, *BI* estimates J&H employs 5,450 around the world and generated gross revenues of $288.8 million in 1980, a 10.2% increase in revenues compared with 1979.

Without commenting on the accuracy of last year's revenue estimate, J&H President Robert Hatcher said the company "just barely" made its 10% growth goal for 1980, a feat he says will be difficult to repeat in 1981.

He admits that Frank B. Hall "probably is bigger" now in gross revenues than J&H. Hall's domestic growth in brokerage and related services and its growing international presence after the acquisition of London broker Leslie & Godwin boosted its gross revenues for 1980 a hefty 15.7%.

Mr. Hatcher is not sure that Hall's profits outpace J&H's because there could be a difference in accounting for revenues abroad. J&H usually leaves its earnings abroad in the foreign countries. International business generates about 20% of J&H's revenues.

Indeed, J&H financial analysts believe that J&H's operating income growth rate outpaced the other major brokers.

"If we were really concerned about size, we would have an investment analyst come in and look at our books and compare them to their results," Mr. Hatcher said.

J&H prefers comparing service over size. And J&H executives revel in discussions about their dedication to the traditions of private ownership, charging commissions instead of fees and concentrating on the brokerage business rather than diversifying.

But the insurance brokerage business is not booming now, J&H executives admit.

They boast that 1980 was a record year for bringing in new business, and 1981 new business growth is ahead of 1980, but Mr. Hatcher admits, "All the tremen-

Continued on page 34



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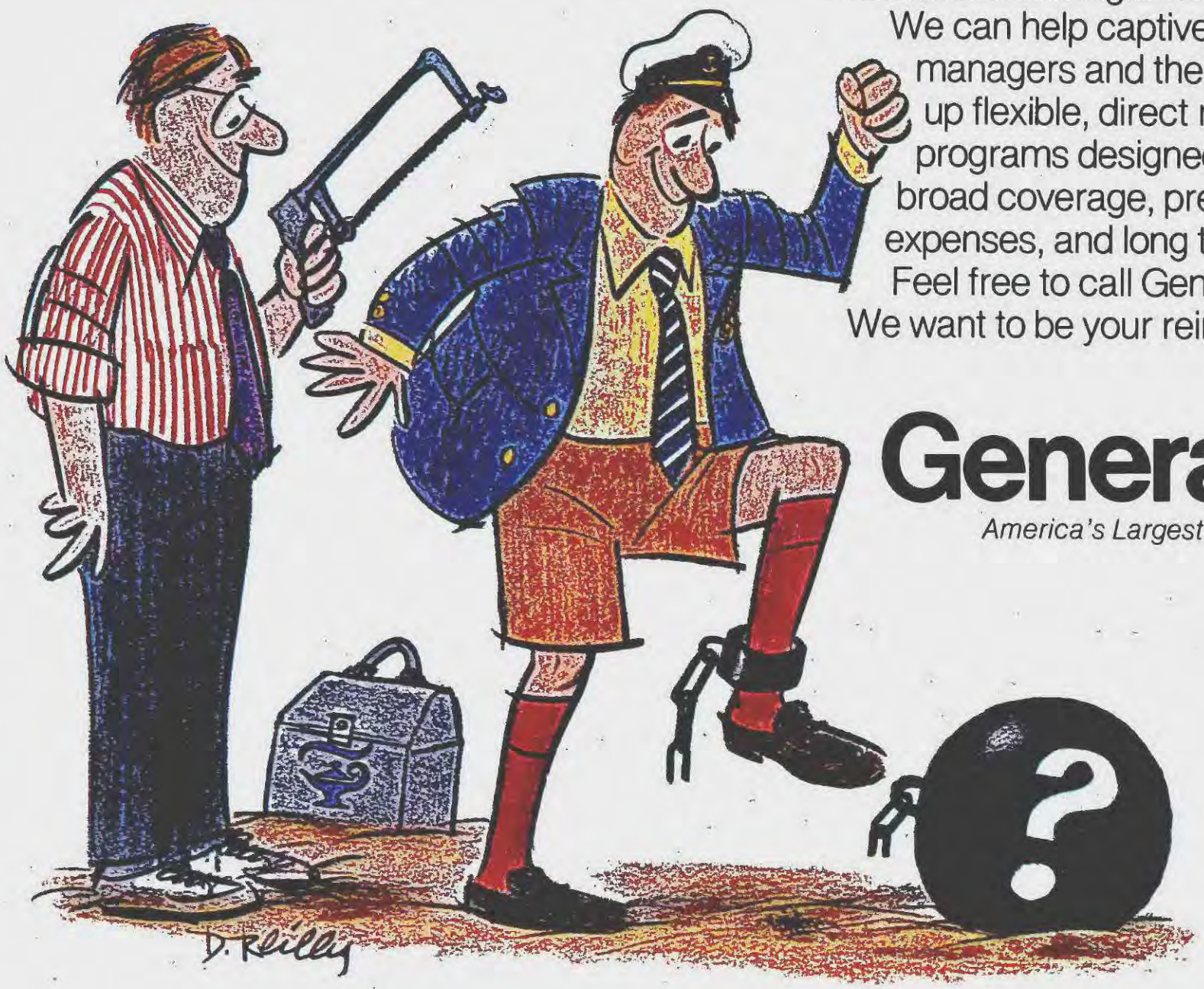
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Continued from page 32

dous success in new business has done is fill in renewing policies at 20% to 30% less. You are furiously treading water to keep your nose above the water."

Much of the new business has been in brokering additional lines of insurance for existing clients. J&H especially benefits when its existing bevy of major corporations makes new acquisitions.

J&H also is winning business away from other brokers and direct writers.

"Right now we are winning more against Liberty Mutual," says J&H director and senior vp John H. McEown, who is in charge of J&H offices without a director.

Offices opened in the last five years, like those in San Diego, Phoenix and Dallas, also are beginning to produce new business. The Minneapolis office, although not new, is thriving on the strength of an acquisition.

J&H's mix of business continues to hold steady at about 20% property, 40% casualty, 20% employee benefits and about 15% aviation and marine.

New effort is being devoted to marine business, with new senior marine executives hired this year. A marketing arrangement forged two years ago with Global Marine in New Orleans also is gaining momentum, J&H says.

"We are all ships in the same harbor," waxes Mr. McEown while considering how the commission-compensated J&H is weathering the cheap prices in the current insurance market compared with the publicly held brokers.

The company is holding to its structure for negotiating commissions and not turning to fees to beef up income as premiums on existing accounts fall, Mr. McEown added.

"The guys charging fees are charging less than the commission would be," Mr. Hatcher added.

Secretary Gardner Mundy contends J&H can weather the harder times in the insurance brokerage business better than the public brokers.

"It's true J&H fortunes rise and fall in the same water as the publicly held brokers, but we can adhere to commitments to posture the firm for the future," Mr. Mundy



J&H directors John H. McEown (left) and Richard E. Meyer.

explained.

Education programs and opening new offices don't have to be sacrificed to preserve high earnings for shareholders, Mr. McEown noted.

Disagreeing with the philosophy that public ownership is a good management discipline, Mr. McEown maintains "our clients are our discipline."

"We are extremely disciplined," noted Senior Vp and director Richard E. Meyer, who is also in charge of risk management services.

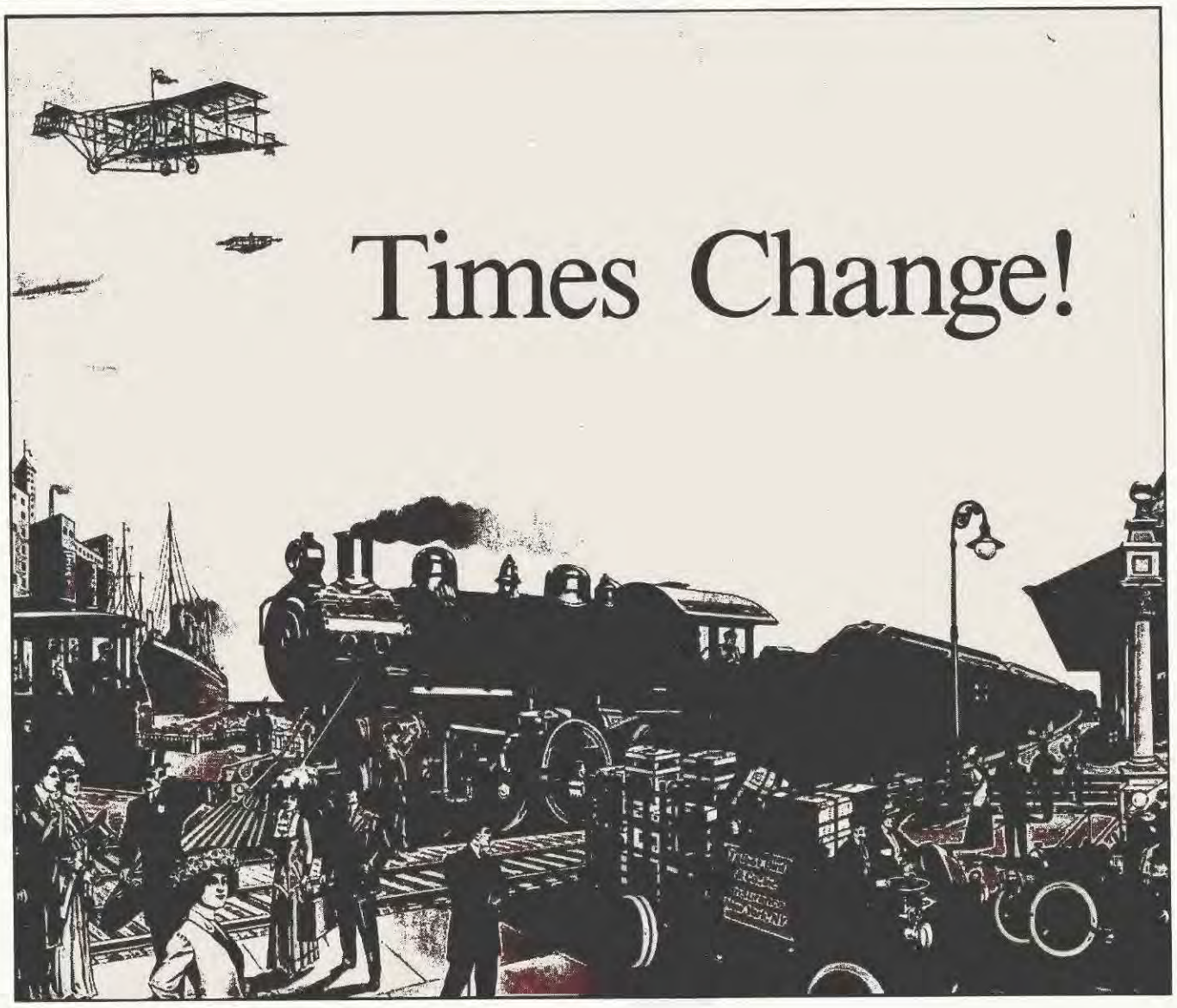
"This year was the largest profit-sharing contribution ever in real dollars, although it was down as a percent of payroll, to 13½%," Mr. Meyer said.

J&H invested in the future in 1980 by adding 400 employees to its ranks—without letting others go. The staff expansion, in contrast with little hiring at publicly held brokers, was evenly spread around the U.S. and international offices.

J&H also added seven new offices during 1980: Cincinnati, Ohio; Tulsa, Okla.; Costa Mesa, Calif.; Nashville, Tenn.; Medelin, Colombia; Saudi Arabia and Grand Cayman. Its Grand Cayman office is the first staffed captive management operation of a major broker there.

The new office expansion is continuing in 1981. J&H opened an of-

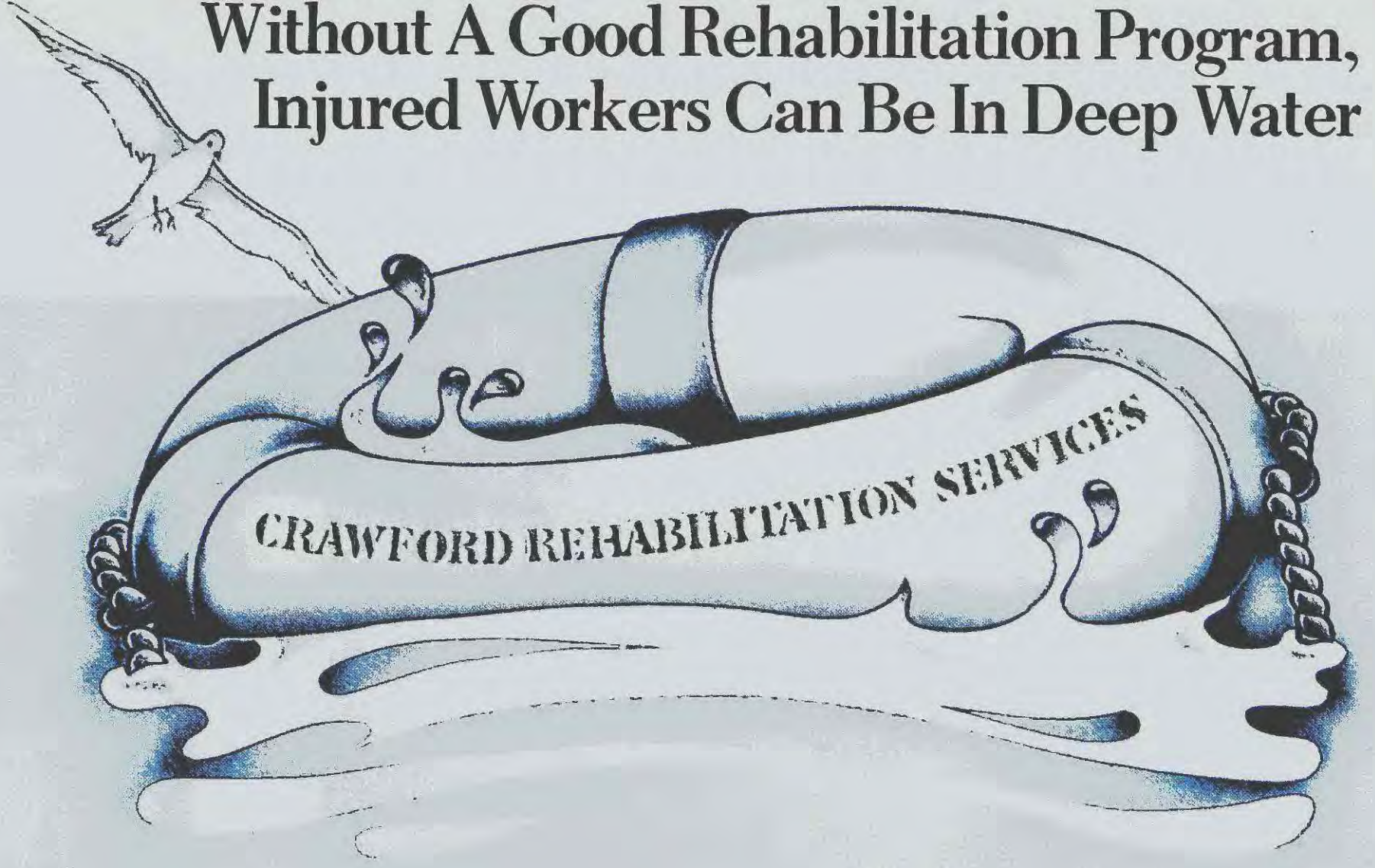
Continued on page 36



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Continued from page 34
fice in Halifax, Nova Scotia, part of an existing joint venture with Willis Faber Dumas, the Lloyd's broker J&H uses exclusively.

New offices are planned this year in Stamford, Conn.; northern New Jersey, Washington, D.C.; Charleston, W. Va.; Louisville, Ky.; and Riverside, Calif., which will be an acquisition.

J&H may also acquire a broker in Columbus, Ohio, considered a strategic geographic location.

J&H would like to be geared up in Ohio to handle workers compensation insurance if the voters repeal the state's monopoly on it.

The new office locations are expected to bring more medium-sized clients to J&H. Now, most of its activity is in New York, Los Angeles, San Francisco, Pittsburgh and Seattle, where J&H's giant corporate accounts are located. The New Orleans and Houston offices are also doing well, pumping up new energy business, and the Sunbelt offices are reaping the benefits of fast development there.

Some new business can be traced to J&H's presence overseas. J&H was among the first of the big U.S. brokers to follow the American company overseas to service multinationals. Foreign companies coming to the U.S. are tapping a broker they've seen abroad.

But J&H has stopped short of developing international business for growth as Marsh & McLennan and other brokers with equity interests in foreign brokers are pursuing. J&H prefers correspondent relationships abroad, forming its own offices only where it considers it the best approach for serving its multinational clients.

It isn't interested in developing indigenous business, officials say.

The acquisition of Alan M. Thaler & Associates in Phoenix is a good example of J&H's commitment to expand only within its insurance expertise. The specialists in new product development for insurance companies adds a third dimension to J&H's actuarial work: consultation to insurers.

"It is diversification within our industry and will boost benefits and actuarial work as ERISA work recedes," observed Mr. McEown.

In what seems to be exploding brokerage interest in risk management information systems, J&H is investing in the development of data base management systems to compete with Alexander & Alexander's Anistics. The project, which was begun last summer, should be finished in late 1982.



Robert V. Hatcher
President, J&H

"We have competing products, but we're bringing it all together now," said Mr. Meyer.

The service will be available only to J&H clients.

Among J&H subsidiaries, business held surprisingly well during 1980 for J&H Ltd. in Bermuda, the largest captive insurance company manager on the island, he said. "There's a lot of emerging activity in association captives."

Other subsidiaries include Neal Lloyd, an excess/surplus broker in Chicago with special expertise in property insurance, and reinsurance intermediaries Willcox Baringer.

Six new directors of J&H were named in the last year: David W. Bianchi, president of J&H of Michigan; Albert S. McGhee, president of J&H of Georgia; Gilbert H. Dunham, senior vp marine and aviation in New York; John P. Keyser, a senior vp in property in New York Rodney D. Day, president of J&H Carolinas; and Mr. Mundy.

Richard I. Purnell continues as chairman and chief executive officer, but Mr. Hatcher is expected to become chief executive officer this year or early 1982.

Other directors of J&H are, in New York as senior vps: Lloyd H. Benedict, George D. Benjamin, Peter B. Bickett, Peter M. Black, Prescott S. Bush Jr., Hawley T. Chester Jr., William T. Dunn Jr., James G. Harlow, Kenneth A. Hecken, Kenneth K. Keene, Harvey M. Kelsey Jr., Richard A. Mittnacht and Gustave S. Werner.

Directors located in other J&H offices include: Peter A. Bergsten, Robert A. Cameron, Walter H. Clemens, Beverly M. DuBose Jr. who retires June 30, Edmond S. Gillette Jr., Denver C. Ginsey, Robert L. Hannon Jr., E. Eric Johnson, Dickinson C. Ross, Edwin L. Knetzger, W. Mitchell LaMotte, George F.B. Owens Jr., David A. Olsen and E. Massie Valentine.



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	1980	1979
Premium vol.	$NA	$NA
Gross rev.	$205,056,000	$176,389,000
Employees	4,690	3,576
Rev./employees	$43,722	$49,326
Offices	122	86

An era both ends and begins at Fred S. James & Co. Inc., the fifth-largest commercial insurance brokerage. This year, the process of a major management change brought a new chairman of the board and a restructured office of chief executive.

Following the lead of the upper strata, the next tier of management and corporate goals is changing in way new Chairman Charles A. O'Malley hopes will be efficient and orderly.

"My role will basically be the same I've had since James went public in 1969 when I was a member of the executive committee. I expect to be an example. I expect to be involved in every aspect of management, but like every good manager, I will have to delegate. That's the reason for the reorganization of the next line of James management," Mr. O'Malley said.

At the end of 1981, Mr. O'Malley will become the sole chief executive of James, replacing President William Burch, with whom he now shares the duties.

Mr. Burch told shareholders at the firm's annual meeting that he already stayed longer in front-line administration than he intended and that he wanted to return to the West Coast where most of his family resides.

"When I took this job six years ago, I agreed to stay for five years. I have already extended it an extra year," he explained.

Mr. Burch will continue with James as a director and member of the executive committee "and our senior statesman on the West Coast, where he will be doing for James what he enjoys most—selling insurance," Mr. O'Malley said.

Mr. Burch's announcement, however, came only a few months after last year's chairman, James Vaughan, stepped down to vice chairman in favor of Mr. O'Malley and then left the firm completely, tied only by an employment contract for two more years.

The massive management change came after a year of exceptional growth for James outpacing the average for the Top 20 brokers.

Revenues grew 16.3% from 1979 to 1980 to a record high of about $205 million. Net income, however, dropped from $21.6 million, or $2.50 per share, to $20.7, or $2.33 per share.

Property/casualty insurance generated 54% of James's business and employee benefit sales grew to about 16% of revenues, an 18% increase over 1979. Reinsurance brokering contributed 7% and marine insurance about 5% of 1980 revenues. Income from brokering bonds and investment income and contingent commissions rounded out the totals.

Executives blamed the earnings drop on severe rate competition among insurers, a complaint heard all around the industry. But the firm also noted that it had invested in expansion with two large acquisitions and the changeover of its reinsurance operation into a joint venture with Alexander Howden and a new excess/surplus division, New Amsterdam Inc. based in New York City.

James acquired a controlling interest in U.K. brokers Wigham Poland in November 1980 and the employee benefits consultants and administrators Galbraith & Green in Salt Lake City in August 1980.

G&G was James's largest acquisition ever and will be the flagship operation of a new division, James Employee Management Services Co.

JEMSCO, the culmination of the James goal to expand revenues derived from employee benefit sales to more than 20% of the corporate total, will be lead by Executive Vp Daniel Malloy. It is one of four new operating divisions reporting to senior executives responsible to Mr. O'Malley.

"We perceived a need to expand employee benefits to employee services and take the best advantage of the expertise of Olanie, Hurst & Hemrich, the benefit consultants we acquired in 1979, and Galbraith & Green. Of course, we anticipate growth, with the potential for revenues to exceed the traditional rev-

Continued on page 40

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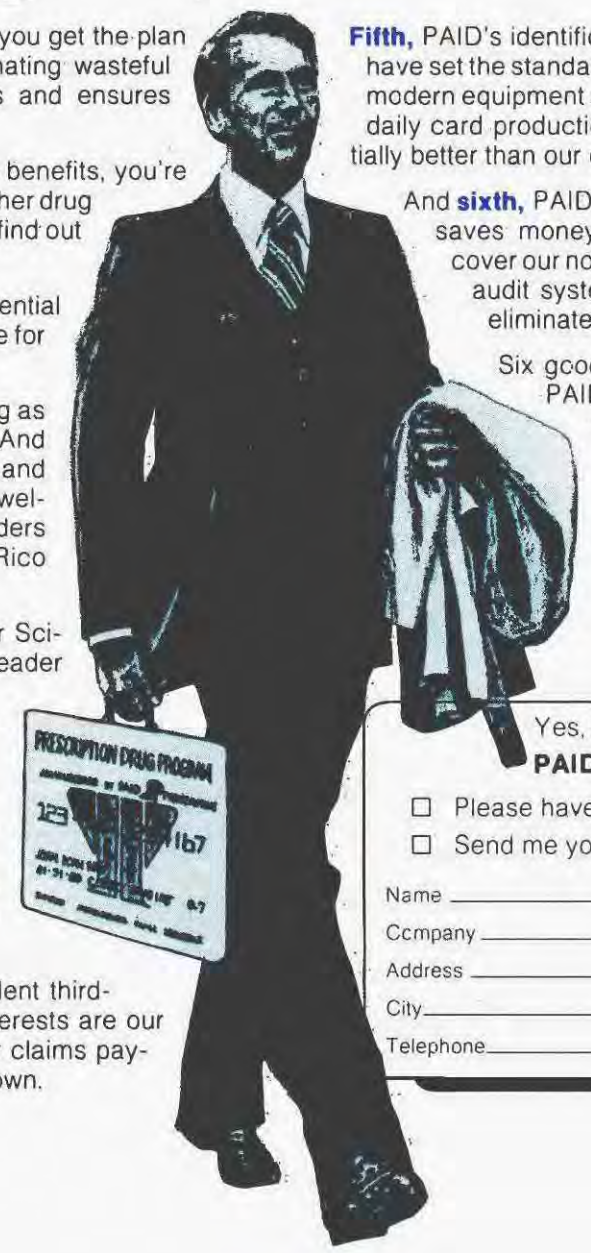
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Continued from page 38

enues from property/casualty insurance," Mr. Malloy said.

Profit center rivalry, however, will not be a problem, according to Mr. O'Malley. Unlike some brokers which split off benefit consulting into divisions completely insulated from property/casualty sales, James expects divisions to work together and provide business for each other.

A new client for JEMSCO could provide an opening for a visit by the new James property/casualty division headed by Charles Keller, another one of the new leaders.

"If one of Dan's units produces an account for P/C, Charlie would love it. We are very much dependent on each other. We expect to cooperate and we expect to keep our morale high," Mr. O'Malley explained.

Mr. Keller will direct all property/casualty operations formerly under the direction of regional directors, except for New York.

Timothy Mahoney, former regional director of New York, inherits overall responsibility for New York, Connecticut, Rochester, N.Y., and Puerto Rico as well as the leadership of another new division, national support and sales.

The new division will coordinate most of the James risk management services and make them available to local James offices.

"Our main job is going to be communication and coordination of the services our offices need—to make sure we can get them the expertise they need when they need it. We won't charge the offices for our services.

"My hardest job is assessing uniformity of service and need. Certain offices won't need all the services we can provide, but some services will be needed more than others. We see an expansion in financial analysis as risk managers look for new alternatives to traditional insurance," he said.

To expand data-base services, James is investing several million dollars in a new computer network that will standardize accounting and data reporting for all James offices. Data will feed into a central base in Chicago and will eventually provide a risk-forecasting data base available to James clients.



Charles A. O'Malley
Fred S. James

Internationally, James will be tapping Wigham Poland, a small but respected British brokerage. Unlike Marsh & McLennan, which uses its acquired British broker C.T. Bowring almost exclusively, James will continue to use several Lloyd's and British brokers, according to Alton Irby III, director of international operations and reinsurance.

"We will be working with several brokers on a commercial brokerage basis," he explained. "We expect a little more clout with Wigham Poland, but we never felt that one U.K. broker would handle all the needs of our clients.

"We also knew that there would be other alignments and we had to acquire an interest soon. When the dust settles, there won't be many first rate firms left in the U.K. that are unattached," Mr. Irby noted.

Mr. Irby also oversees the joint venture with Alexander Howden, Paladin Reinsurance Corp., which will be managed by the same joint venture that oversees New York Insurance Exchange underwriting, UMC Management Services Inc.

The new team, however, has an uphill battle, according to Mr. O'Malley, thanks to economic conditions.

"The softness of the market has certainly been a disappointment and these inflation pressures—they are a vicious circle." The total of salaries, fees and bonuses paid the principal officers in 1980 were:

William E. Burch	$228,933
Charles A. O'Malley	$187,833
James H. Vaughn	$228,933
Timothy J. Mahoney	$168,333
William E. Weatherford	$168,333



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oss rev.	$150,677,000	$143,434,000
nployees.	2,642	2,585
ev./employees. .	$57,031	$55,487
ffices.	184	57

ffices include those of J.H. Minet Holdings Ltd. erseas.)

While 1980 was not a great year or Corroon & Black Corp. compared to recent years, the firm developed a new organizational tructure and long-range planning trategy to meet the remaining lecade head-on.

Corroon & Black posted gross revenues last year of just more than $150 million for a modest 5% ncrease over 1979. This was good nough to keep it in sixth place in *Business Insurance's* ranking, but vas far below 1979 and 1978 revenue increases of 18% and 29%, respectively.

Robert F. Corroon, chairman nd chief executive officer, says he primary reasons for the company's small gains were a competitive market and double-digit inflation, the two-headed monster that as plagued most of the commercial brokerage industry.

"It's a tougher business today than it used to be, with the insurance companies competing at an nbelievable level," he said.

In preparation for the next several years and in response to mar-

It's a tougher business today,' says Robert F. Corroon.

et conditions that may last for a ong time, Corroon & Black has ade some important changes. It as developed a broad new program that focuses on a wide range f areas.

The most significant thing, according to Mr. Corroon, is an organizational restructuring that divides corporate staff functions into four separate entities.

Following the recommendations of a consulting firm, Corroon & Black established individual groups for brokerage services, underwriting management, reinsurance and benefits, accompanied by the appointment of a group president for each.

The move realigns Corroon & Black's top management into a "horizontal" stucture and broadens decision-making responsibilities, with Mr. Corroon still in charge as chief executive officer.

The new structure corrects certain weaknesses identified during the corporate analysis and allows Corroon & Black to catch up with its rapid growth of the past several years and posture itself for the years ahead.

Corroon & Black also is placing a greater emphasis on long-range planning, which Mr. Corroon described as "adapting the corporation's thinking to the future." Included are market and product objectives designed to tackle a commercial market that is, overall, fiercely competitive.

The firm is focusing considerable attention on those U.S. industries that are growing faster than the U.S. economy as a whole, or areas like telecommunications where Corroon & Black is already strong.

Jake Wallace, president of the brokerage group, said other areas targeted for special consideration are construction, aerospace, aviation and public entity business.

And Mr. Wallace expressed considerable interest in "high-technology industries that are on the cutting edge of tomorrow's economy."

A second objective is to develop and sell insurance products that zero in on the needs of a particular industry. This approach is particularly important in a competitive market, Mr. Corroon said, and involves "specific products that target specific industry needs and at least partially down play price."

In line with its new organization, the firm likes projects that give all four groups the opportunity to get involved in the design of a product.

International business also is expected to play a significant role in the company's future. "We're really looking at this as an area of growth," Mr. Corroon said.

Corroon & Black has a 20% equity interest in Minet Holdings Ltd., a Lloyd's brokerage firm, which has enabled the company to expand its international capabilities and image. Corroon & Black is using Minet as a "nucleus" for future expansion, Mr. Corroon said,

Continued on next page

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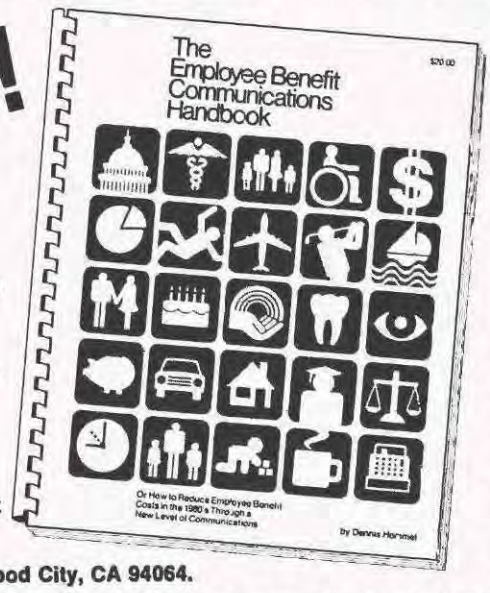
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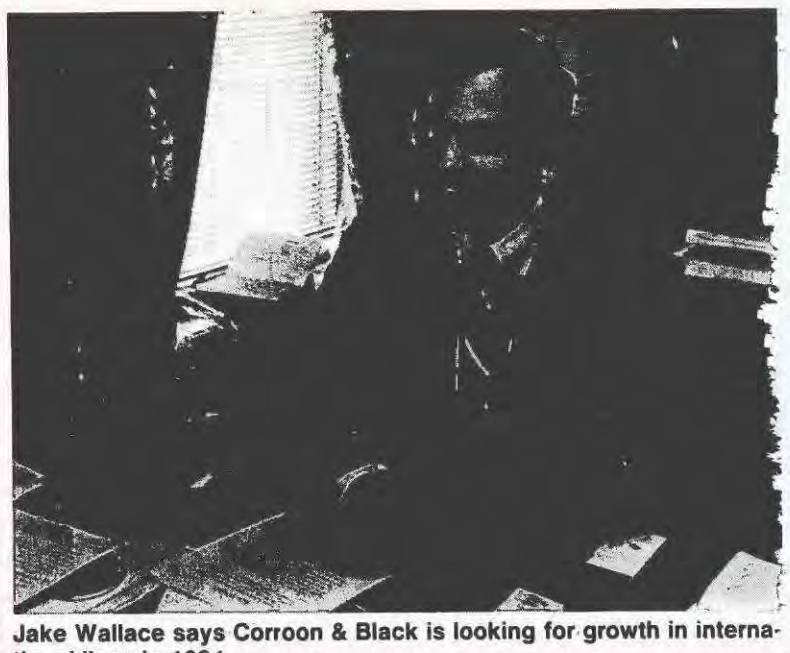
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Jake Wallace says Corroon & Black is looking for growth in international lines in 1981.

Continued from previous page

and is looking for investments "similar to Minet" in other countries as well. He said the company would especially like to work with European firms.

While Corroon & Black does the majority of its Lloyd's business with Minet, Mr. Wallace said there is "no edict in force" requiring it to restrict its activity to Minet.

Corroon & Black relies on several brokers in the United Kingdom, depending on the nature of its individual client's risk and the expertise of British brokers, Mr Wallace explained.

The firm completed five acquisitions or mergers last year and three more since the first of this year.

Corroon & Black maintains 57 subsidiary offices in the United States and Bermuda and 24 international offices through Minet Holdings.

The company will continue its activity in international lines to fill

The firm completed five mergers and acquisitions in 1980.

"talent holes and geographic gaps" when possible, Mr. Corroon explained.

But he said that Corroon & Black will not pursue mergers and acquisitions simply to increase its size.

Casualty lines contributed 47% of Corroon & Black's commissions and fees last year, down 2% from 1979.

Property contributed 23%, up 2% from 1979, while employee benefits and life remained unchanged at 15%.

Reinsurance made up 9%, fidelity and surety 6% and marine 2%, all unchanged from 1979.

In addition to Mr. Wallace, the new group presidents are: Robert G. Hodson, reinsurance; William P. Baccala, underwriting management; and Donald R. King, benefits.

Corroon and Black's principal officers, in addition to Mr. Corroon, are: Richard M. Miller, president and chief operating officer, and Frank M. Hagan, chairman of the executive committee.

Total salaries, fees, bonuses and commissions of the five highest paid executives in 1980, as reported to the Securities & Exchange Commission, were:

Robert F. Corroon	$220,000
Frank M. Hagan	$165,000
Richard M. Miller	$175,000
J. Bransford Wallace	$102,305
Donald R. King	$117,289

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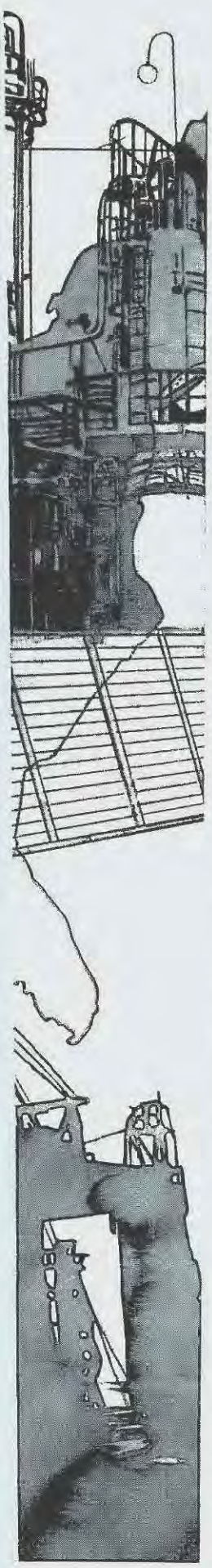
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Can the insurance industry meet the needs of America's drive for energy independence?





The transition from imported oil to new domestic energy sources is creating enormous challenges—social, political, technological, and commercial. Not the least of these is the challenge to insurance brokers with clients in the business of providing energy. It will cost at least $100 billion in current dollars to equip the domestic synfuels industry, according to a leading energy company executive. But unless the risks can be managed, the investments will not be made. "We are not going to expose assets that are uninsured," the same executive said.

This $100 billion investment will be an *additional* burden. Existing capital expenditure programs are already running at *$75 billion a year* to meet the demand for new oil exploration, enhanced recovery systems, and new refinery capacity for heavy crudes.

Energy companies and their risk managers look primarily to the insurance broker to help with this enormous and unprecedented increase in the value of assets at risk. The broker must provide energy companies with all of the risk-management alternatives, including the transfer of risks to insurance markets. The broker's most important functions will be threefold: developing and providing access to new insurance capacity, developing new coverages to attract that capacity, and providing loss-control and environmental-protection services which will be essential to minimize risks and make those coverages available.

The insurance capacity crunch

Where are the new sources of capital to provide the huge catastrophic coverages that will be needed? Captive insurance companies and association insurers will play a role. New American insurance exchanges will also make a contribution later in this decade if regulatory impediments are removed. But the most important source of all will be the international insurance markets. American capital will not be sufficient to build a vast new industry and to insure it, too. Energy executives are well aware of this. "We view the broker primarily as a source of entrance into the world insurance marketplace," one of them recently commented.

Brokers must therefore have strong relationships with the worldwide underwriting community in order to reach the sources of capital and introduce the new coverages that will be required. New organization and new concepts will have to be developed, but the brokerage industry has met such challenges before. The needs of the nuclear-power industry led to the creation of special insurance syndicates, reciprocal self-insurance pools, and industry-owned mutual insurance companies, all through the efforts of brokers, underwriters, and industry. Today, the nuclear industry needs insurance capacity in still greater amounts and in forms responsive to its particular technological characteristics.

Merely finding new capital sources is only the beginning. Completely new coverages will have to be designed to attract this capital into the markets at acceptable premiums. This will require informed risk analysis of all types of new energy installations. Obviously, processes as diverse as coal gasification, coal liquefaction, and direct combustion cannot be lumped together. The exposures they create vary enormously. Tar sands and oil shale also present different problems, as do solar installations, solid waste conversion, biomass processing, and tidal and wind-powered systems. To serve their clients in these areas, brokers will have a greater need for loss-control and risk-management talent than ever before.

Risk management in the eighties: an exploratory review by Marsh & McLennan

This message is the first in a series dealing with major issues likely to affect the risk-management process in the 1980s. Vast and rapid changes are taking place in our economic, political, social, and technological environment. We plan to focus on the implications of these changes for risk-management clients and on the specific role of the insurance broker. Our purpose is to provoke constructive debate. We have solicited and received opinions from a number of corporations and underwriters on these subjects which we intend to share with you in this series. If you would like to send us your views, we will be pleased to add them to the comments we already have.

Write to: Mr. Philip J. Brown, Jr., Executive Vice President, Marsh & McLennan, Incorporated, P.O. Box 839, Radio City Station, New York, N.Y. 10101.

The growing need for specialized talent

Insurance capacity alone will not be enough. Unless it is available to energy companies at premiums compatible with profitability, the huge investments needed for energy independence will not be made. Loss-control engineering is therefore a *sine qua non*. Risk-management specialists will have to be involved at the earliest possible stages when new installations are being planned and designed.

Implementing the risk-management approach in any field calls for the broker to have strong teams of specialists in many engineering disciplines. To meet the future needs of clients in the energy industry, these teams will have to be enlarged and strengthened, so that risk-analysis and loss-control specialists can evaluate any new installation, operation, or process as a whole, rather than as a series of disconnected technical problems.

Brokers will therefore have to make important investments in the training of specialists to provide the risk-management and technical services which their clients will require. It will be more necessary than ever that we "speak our clients' language," and this effort will have to be made at a time when shortage of technical talent will be aggravated by the increased planning and operational demands of the entire energy industry.

Environmental concerns

Asset-protection, though vital, is only one of the insurance problems posed by the drive for energy independence. The inevitable environmental impact will also place heavy demands on insurance capacity, new coverage development, and loss-control resources.

Certain forms of environmental liability insurance are dependent on engineering surveys conducted before coverage is provided. But energy companies and their publics must be assured that the environmental risks can be managed, or the installations will not be built. So input from brokers with extensive environmental engineering experience will be essential through all the stages of designing and planning any new energy installation.

The increased need for risk-analysis, loss-control, and insurance-brokerage skills will have an impact on every field of energy industry activity, from ocean floor to outer space. New marine coverages will have to be developed for tidal and ocean-thermal systems. Oil-rig "life insurance" is also a probability. Energy-collection by satellite will pose totally different problems.

Summary: the challenge for the insurance broker

To solve the risk-management problems of this energy transition era, a broker must have, and must continue to develop, certain major strengths in serving its clients:

- Broad access to international insurance markets to obtain the needed capacity.
- Technical capabilities: both to develop new insurance coverages and to provide loss-control services.
- Environmental knowledge and experience.
- Depth of professional talent to meet the challenges that lie ahead.

Recognizing these needs is a first step. Meeting them will take imagination, careful planning, and sustained effort. At Marsh & McLennan, we are confident that both the talent and the resources will be found.

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Photo: Rhonda Rundle
Sam Alcorn displays gifts from a BM&F Nigerian partner.

7 Bayly, Martin & Fay Int'l.

660 Newport Center Drive,
Newport Beach, Calif. 92660;
714-644-7940

	1980	1979
Premium vol.	$875,000,000	$722,000,000
Gross rev.	$79,000,000	$65,000,000
Employees	1,700	1,600
Rev./employee	$46,471	$40,625
Offices	60	54

Despite the bargain insurance market that cuts brokers' commission income Bayly, Martin & Fay International Inc. achieved a 21.5% growth rate in 1980, slightly outpacing its average performance over the past five years.

A handful of small acquisitions contributed 4% to that growth, but the balance looks like the product of hard work and hustle.

BMF estimates it increased commercial accounts 65,000 from 60,000 last year.

But the size of the accounts, not just the number, also figures into the impressive 1980 results that moved BMF ahead of Rollins Burdick Hunter and into the seventh position in the *BI* Top 20 broker ranking.

Says Senior Vp Sam Alcorn: "We focused on the medium and large accounts, limiting development of small accounts to those coming through our association or trade group programs."

BMF's beefed-up aviation division won two new commercial airline accounts in 1980, Air California and Air Florida. The Philadelphia office, working with its client, developed an innovative insurance program for purchases of Engstrom Helicopters (*BI*, March 30).

Fueling this fast pace is costly, however. Heavy expenses resulted from opening of five new offices, staff additions and provision for loss on the sale of a small reinsurance unit. Parent Sperry & Hutchinson Co.'s insurance services division, led by BMF, suffered a 35% earnings decline last year.

But the profit potential of BMF and the trading stamp busines of S&H appealed to Morley Thompson president of Baldwin United Corp., Mr. Alcorn says. This month the Cincinnati company is expected to complete its acquisition of Sperry & Hutchinson, giving BMF a new parent.

"We will have a bigger daddy and a richer daddy, and that kind of thrills us," says Mr. Alcorn. He expects BMF's growth to accelerate with Baldwin United's capital capabilities.

Last month, the California-based broker finally settled into new corporate headquarters in Newport Beach. The move, originally slated for last summer, bogged down in red tape after local authorities wanted repeated remodeling modifications. BMF's office designers didn't help matters any by insisting on a special—but not immediately available—color of carpet.

More significant changes are taking place as BMF consolidates all its service functions into a new division to be called Risk & Benefit Management Systems. Self-insurance administration, captive insurance company management, claims and safety services, risk management and employee benefit consulting services will be part of the new operation.

"We've been in these fields for many years, but now we're going to tie them all together and go for a total transfer of capability—taking services out of the local office budgets and staffing them as a national function," Mr. Alcorn says.

BMF has encountered difficulties trying to deliver a uniform service nationwide while each local office did its own thing. Not only is there needless duplication of effort this way, but results vary in quality and consistency.

"We think the change will greatly spur growth of our service business," Mr. Alcorn says. All BMF offices nationwide will have the same package to sell and the services will be performed by those on the technical services payroll.

Heading up the new division is William Kersten, CPCU, previously president of Risk Treatment Services Co. of Colorado, acquired by BMF within the past 18 months. The operation will also embrace Imperial Industries, employee benefit administrators, Risk Treatment Services (Bermuda) Ltd. and Diversified Risk Management Services, another recent BMF addition.

Property/casualty revenues currently constitute about 78% of BMF's total revenues with life insurance and employee benefits products making up the remaining 22%. In the future, however, Mr. Alcorn predicts that employee benefits will contribute a bigger share to the broker's business.

"We've been expanding people in that area over the last three years and will move faster now. Imperial Industries has been a force in employee benefits administration for many years, but growth was held up until computerized claims processing could be readied."

Existing workers compensation accounts give BMF an entry to buyers to sell employee benefits, Mr. Alcorn points out. "It's natural for us—in many corporations the personnel director handles both anyway. We think the long-range trend is for people to buy a total benefits package."

BMF already deals with hospitals, physicians and surgeons, dentists, eye specialists and other health-care providers through its self-insurance administration services, Mr. Alcorn says. The same arts can be used in other benefits areas, like long-term disability and health insurance, he adds.

After a late start, BMF is trying to become a strong contender in the international brokerage arena. Two new offices were opened in Lagos, Nigeria, and Ruislip, England, last year. Other oveseas offices are in Paris, London and Hamilton, Bermuda.

"Our concern is to have meaningful offices around the world that are professionally staffed," Mr. Alcorn says. BMF is looking for people who know the turf, understand local regulations and comply with them.

To attract local talent, BMF favors joint venture arrangements in which it becomes an equal partner with an existing insurance or financial organization in the local country. Interbrokers & Co. in

Continued on page 48





IMAGINE AN AREA THE SIZE OF THIRTY FOOTBALL FIELDS under one roof...filled with combustibles. That's an everyday reality with today's giant warehouse facilities. Now, add a spark–a misfiring engine, a dropped cigarette–and that reality can become a blazing nightmare.

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Continued from page 46
Lagos is a prime example.

Before the partnership was formed last year, BMF did business for many years with Olusola Olugbode, the Nigerian chief executive of Interbrokers & Co.

Besides his knowledge of the busines, Mr. Olugbode has connection with and is respected by the Nigerian government.

BMF's initial thrust in Nigeria has been to handle major government exposures that by law must be insured in local companies.

Besides acquiring the Nigeria Airways Ltd. account, BMF is currently negotiating insurance for all government-owned vessels, a potentially major international prize.

But it is the oil production that makes Nigeria Africa's fastest growing nation and a prime source of business potential for Bayly, Martin & Fay.

The broker already serves U.S. oil companies and expects to add third-country clients that may soon be operating there.

BMF is actively exploring joint ventures in other parts of the world and will probably consummate "three or four of these arrangements within the next 12 months," says Mr. Alcorn. "And you know we would have to be pretty far along for me to make that statement."

Although the broker is reluctant to reveal where it is planning overseas offices, Mr. Alcorn hints that one is in the Far East—a location that would open up the Malaysian market to BMF.

"Our partner there might be a major financial institution," he says. Other deals are brewing in Europe and "somewhere on this continent."

The Ruislip office is located 40 miles outside of London, close to the center of England's motion picture industry.

It also serves as headquarters for BMF's European entertainment operations. Combined with its U.S. business, entertainment risks constitute less than 5% of BMF's commercial accounts, although it is the number one or two broker specializing in the industry.

The two British offices and those in Paris and Bermuda are all 100% BMF-owned for now, but the broker is considering taking on partners.

"We are giving some thought to a merger of the Paris office with a major established insurance firm," Mr. Alcorn says.

BMF's percentage of international business—which stands at 5% of its total revenues—could increase significantly if it pursues the expansions that the brokerage is working on.

"It's a high priority and that's why we've asked Dan Pickard to assume responsibilities as vp, international development," Mr. Alcorn explained.

Other high-level staff changes include: Joseph N. Tate, president, who assumed additional duties as chief executive officer. Jack Seiter, senior vp, life and employee benefits, retired from full-time duties but will consult on special accounts. His job has been divided; technical services were split off into a new division headed by Mr. Kersten. A new chief of life and benefit production has not been named.

Principal officers include: Samuel Alcorn, senior vp/operations; William Mizell, senior vp/administration and William Baxter, executive vp/sales and aviation.

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8 Rollins Burdick Hunter

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	1980	1979
Premium vol.	NA	NA
Gross rev.	$72,877,000	$67,735,000
Employees	1,251	1,222
Rev./employees	$58,255	$55,430
Offices	52	50

Don't think that the presence of former banker Charles R. Hall as chairman and chief executive officer of Rollins Burdick Hunter Co. means the broker is going to enter the financial services business as have a number of its counterparts.

"It's a mistake to attach an omen to it," said the recently-installed chief of the Chicago-based brokerage.

Mr. Hall and President Charles H. Mather say that RBH will continue to forge ahead "on all fronts" of its diversified insurance operations this year.

The 51-year-old Mr. Hall said it's a false and "simplistic" notion that RBH intends to change direction merely because of his presence in the corporate hierarchy. The 26-year banking veteran, who succeeded the retiring Adrian Palmer, had served for a year on the RBH board of directors.

Mr. Hall was was executive vp in charge of trust and investment services at Continental Illinois Corp., the parent of Continental Bank, and had held other such positions as senior vp, vp for personnel and executive vp.

Although not a career-long insurance professional, Mr. Hall said he will contribute his skills in strategic planning and organizational development, along with his knowledge of financial markets, to RBH's operation.

"Those are more important disciplines for a CEO than just a technical knowledge of insurance," he said. "We have a substantial number of mature, experienced people here who are willing to teach me what I need to know. I certainly won't stand aloof and detached."

Mr. Hall said one of his primary assets is his background in personnel and the trust and investment services department at Continental, which served pensions and profit sharing plans.

This experience will provide insight into RBH employee benefit operations, which he characterized as a "growth area" for the firm's future.

Last year fell short of expectations, but RBH officials were not surprised by the firm's performance. "It's not a surprise, but we

Continued on page 52

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*Employee Benefit Plan Review, April, 1981



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Continued from page 48

had projected at a higher level," Mr. Mather said.

An increase in gross revenues of only 7.6% in 1980 to $72.9 million from $67.7 million in 1979 allowed fast-growing Bayly, Martin & Fay International to move into RBH's long held spot as the nation's seventh largest broker.

No areas of business showed skyrocketing success in 1980, but the development of association accounts was one of the year's more pleasing results, Mr. Mather said.

It was again a slack year for property/casualty insurance due to the market conditions, he said.

Property and casualty insurance each accounted for 37% of revenues last year while employee benefits brought in 10%, and marine and reinsurance accounted for 3% each. Other lines and interest income produced 10% of revenues.

The casualty figure for 1980 represented a slight decline from 1979, when casualty lines brought in 40% of revenues. Property insurance brought in 36% that year, benefits accounted for 9%, marine and reinsurance accounted for 3% each and interest income and other lines brought in 9%.

Last year's most notable acquisition was that of Dougan, Eader, Reynolds and Wheller Inc., a Seattle-based brokerage that also has offices in Anchorage, Alaska.

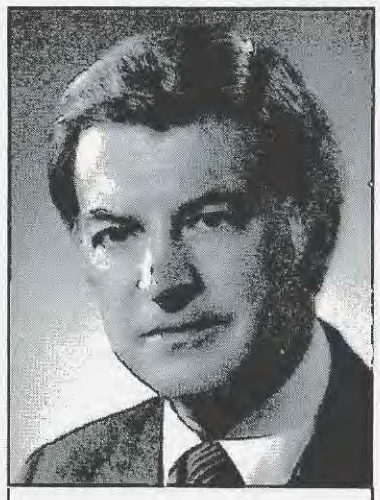
RBH says the move marked its push into the Pacific Northwest market and bolstered its capabilities in marine insurance and employee benefits.

Other acquisitions on 1980 included Cal-Pacific Administration Inc., Cal-Pacific Security Insurance Marketing, Western Treaty Underwriters Inc. of Denver and Buckalew, Pryor & Co. of Houston.

In a joint venture earlier this year, RBH teamed up with British brokerage Stewart Wrightson Holdings Ltd. to form Rollins Wrightson Co. The broker will service financial institutions in the U.S. and Canada.

RBH does business with several London brokers including C.E. Heath, Stewart Wrightson and Sedgwick Forbes Bland Payne.

RBH is strong internationally, but Mr. Mather estimated that only a "moderate" portion of revenues come from this source. Otherwise, it's impossible to tell how much business comes from overseas. But RBH intends to continue to try to capitalize on international business.



Latin America has growth potential, say's RBH's Charles Hall, the Chairman

The company has a strong presence in the Far East and Southeast Asia, where 12 of its 19 international offices are located and where the bulk of its overseas growth will probably occur, Mr. Hall said.

RBH also has six other offices in South America and one in Bermuda. Mr. Hall said he sees growth opportunity in Latin America as soon as there is more governmental stability.

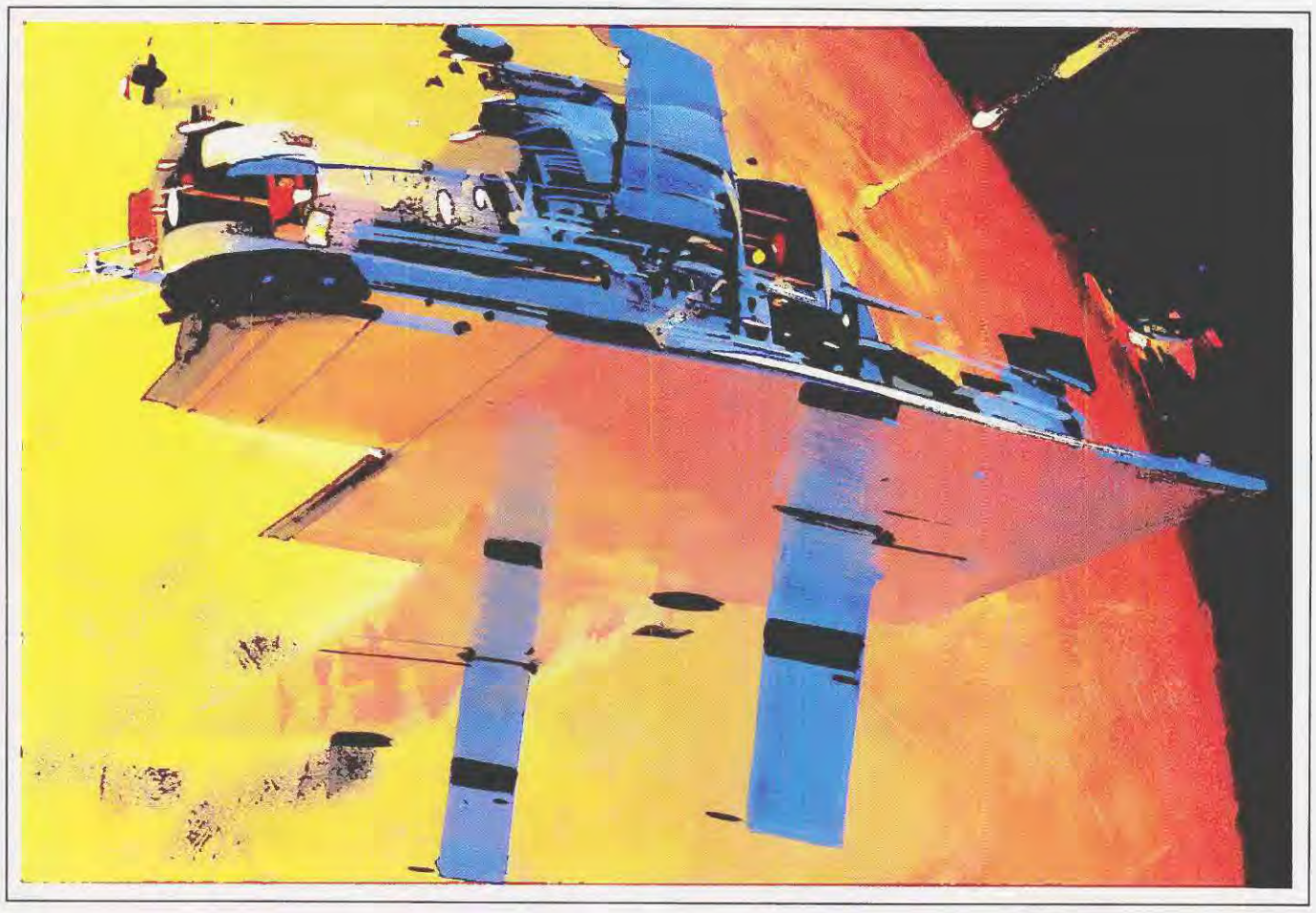
Although Mr. Mather said growth this year will be generally across the board, he mentioned that large amounts of capital will be pumped into its computerized risk management services.

Plans call for modernization of facilities, providing additional computer capacity and designing new software programs. RBH programs are designed to aid clients by providing information on loss control, workers compensation costs and loss profiles of specific loss centers.

This year's expansion will be a "quantum leap in our data pro-

Continued on page 60

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Knowledge of a complete range of risks and possible solutions. This expertise is available from Ctek personnel–specialists in areas such as construction safety, boiler and machinery hazards, fire safety, product liability, motor fleet safety and industrial hygiene. Our highly skilled representatives work out of more than 100 branch and service offices in the U.S. A Ctek specialist is never far from your place of business.

As a facility of The Continental Insurance Companies, we are concerned with loss control–helping you create a safer, hazard-resistant working environment. In the field, in the lab, and in the training classroom, Continental Technical Services (Ctek for short) is the one name you can count on for the full range of occupational health and safety services.

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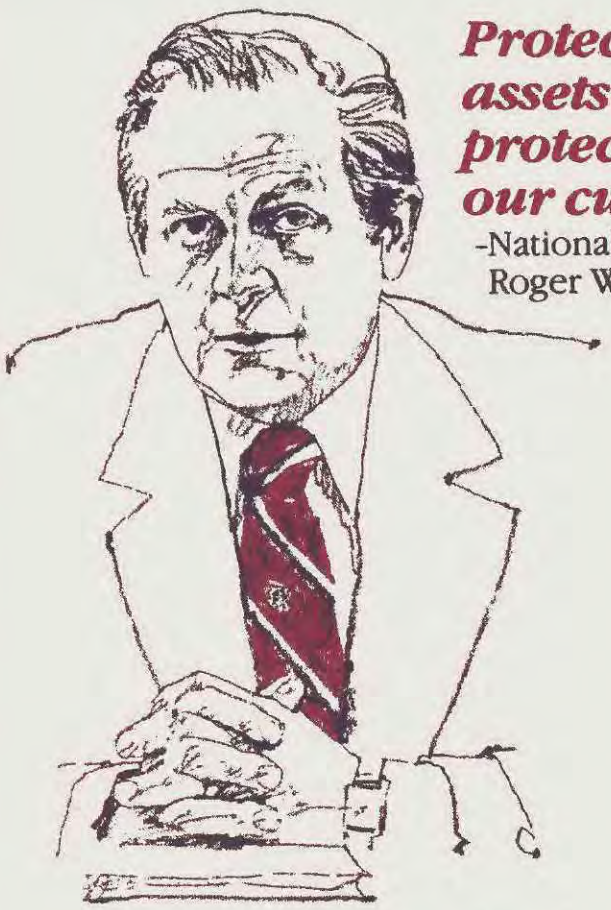
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Financial Strategies In Business Insurance

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Protecting our assets means protecting our customers.
-National Fuel's Roger Wilcox

Long before widespread fuel shortages became a reality, some utility companies took steps to protect against seasonal shortfalls in supply.

"We were the first public utility to store natural gas reserves in depleted gas fields," says Roger Wilcox, manager of safety, claims and insurance for National Fuel, which serves areas of New York, Pennsylvania and Ohio. "Since the early 1900's we've developed 33 storage fields with a total capacity of more than 140 billion cubic feet."

It was only in 1979, however, that National Fuel began insuring its gas reserves. Wilcox explains: "As the value of natural gas escalated, we became concerned about the financial impact of a possible catastrophic loss of product, even though remote."

Skyrocketing fuel prices have made National Fuel's stored gas one of its largest single assets. Without insurance, the cost of a large loss from storage would have to be borne by the utility's rate payers or stockholders. "That's a burden we don't feel we can place on either group," comments Wilcox.

To obtain adequate coverage, INA Special Risk was called in. INA's response was a specialized, all-risk policy on the stored gas, including coverage for explosion and mechanical damage to the wellhead, leakage and migration resulting from earthquake.

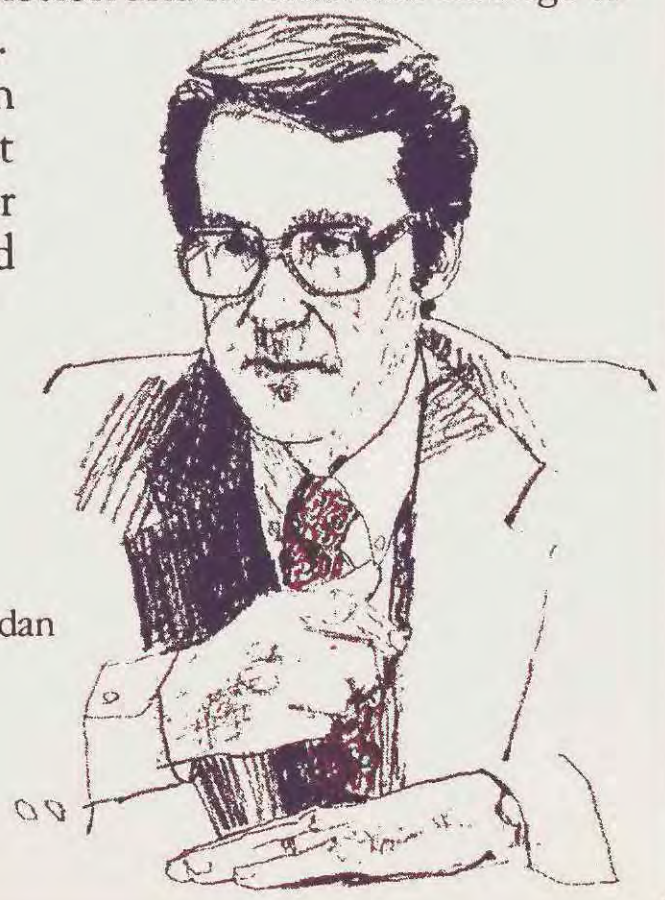
Besides protecting its rate base, National Fuel has realized an income-producing benefit from the INA program. "The fact that we have coverage has helped us lease storage space to other utilities," reports Wilcox. "These leases create revenue for us, and help attract investors to National Fuel."

The soft drink industry has traditionally faced substantial product liability exposures.

"In order to limit our risks, we've become totally dedicated to quality control," says Stan Sheridan, chief financial officer of the Faygo Beverage Company, which markets products in 20 states. "Today, our procedures far exceed industry standards."

Quality control reduced our costs.
-Faygo's Stan Sheridan

To ensure the quality of its bottles, for example, Faygo requires its glass suppliers to maintain uninterrupted



production runs. Experience has shown that this results in stronger, safer glass.

Faygo also conducts daily tests on bottles pulled at random from its bottling line. "We'll set aside a dozen truckloads of bottles where a single sample proves defective," comments Sheridan.

Faygo's high quality control expenditure has to be offset in other areas of operation, including insurance. INA and the bottler's broker, R.L. Jones & Assoc., were able to translate Faygo's impressive loss control efforts into a deductible program that reduces premiums. "We carry a $5,000 deductible per occurrence on product liability coverage," explains Sheridan, "and in four years we've only had one claim exceed that amount."

Savings are also generated by Faygo's participation in a bottlers' association "safety group" organized by MarketDyne, an INA subsidiary. Sheridan notes: "The group's loss record has been so favorable that, in each of the last few years, we've received a four-figure dividend on our annual insurance premiums."

Captive insurance companies, once practical only for large corporations, are now being used by trade associations to make needed coverages available to their members at lower cost.

"The thrift industry established its own captive reinsurance company in 1971," says Henry J. Hand, president of Ban Ser Corporation, the insurance service for the National Association of Mutual Savings Banks. "This reinsurer is unusual in that it is owned, not by the association per se, but by individual savings banks which act as shareholders."

Affordable coverage for thrift institutions.
-Ban Ser's Henry Hand



With this arrangement, the captive is not required to write any outside business, freeing it to concentrate on the needs of the association's members. Notes Hand: "We now offer several coverages that savings banks previously found either unobtainable or unaffordable." These products include mortgage impairment, D&O liability and fidelity bond insurance.

"The bond coverage, for example, is written by INA and then reinsured back through the captive," he explains. INA's cooperation, coupled with the mutual savings banks' willingness to take slightly higher deductibles, has enabled the association to provide substantially lower premiums to the 130 institutions participating in the program.

"Over the last three years," Hand estimates, "the banks' premium savings on the fidelity bond program alone have been well in excess of a million dollars."

Decision-making in business insurance has never been more complex. And the financial implications have never been greater. Today, devising cost-effective insurance programs requires knowledge, experience, capacity–and a complete range of products and services. Flexibility and the willingness to innovate are also essential.

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"STAG Claims goes beyond other computerized systems. It calculates even nonstandard group benefits."

An interview with Ray Drury, Assistant Vice President, Group Sales Department, The Hartford.



Q. What is STAG Claims? And how does it differ from other group claim handling systems?
A. STAG Claims is The Hartford's new, totally computerized claim handling system. It calculates even nonstandard benefits which are beyond the capability of many less advanced systems.

Q. What are the advantages of a totally computerized claim handling system?
A. The main advantage is fast, accurate benefit payments. That's good for both employers and employees. What's more, STAG Claims automatically provides an easy-to-understand, computer-produced Explanation of Benefits with each benefit payment.

Q. Does computerized claim handling mean less personal service?
A. Not at all. STAG Claims frees group claim specialists from routine, repetitive functions so they can devote more time to personal service on matters calling for judgment and experience.

Q. What types of benefits are part of STAG Claims?
A. STAG Claims handles the full range of medical, dental and disability benefits–including nonstandard benefits. This computer capability is especially important in the case of dental benefits, where manual claim handling is ineffective in dealing with a high volume of small benefit payments.

Q. Does computerized claim handling sacrifice controls?
A. Not at all–it facilitates them. For example, STAG Claims includes computerized determination of usual and customary medical and dental expenses as an integral part of benefit calculations, giving you built-in controls not possible in manual claim systems. The fact that group claim personnel are free to devote more time to questions and problems also results in greater control over claims.

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Q. How can employers and Group Benefit Managers find out more about STAG Claims?
A. They can call or write Group Sales at any Hartford regional office, contact an agent or broker who represents The Hartford, or call me at 203-547-2599.

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perspective

Independent agents may be overrated

'A professional is a person who practices any sort of trade, profession or ministration with consummate skill and a high degree of principle, pride and dedication. My experience is that the bulk of independent agents don't measure up to either definition.'



By Edward W. Siver

THE AVERAGE independent insurance agent is overrated and overpaid.

I would think less of this point if independent agents didn't spend so much of their time and money portraying themselves as "professional." It has been my experience that, on average, independent agents are anything but professional. As a general rule, their performance on behalf of clients is abysmally bad. After 10 years of fermentation on this matter, I have finally said it publicly.

I think it is high time someone published a critical commentary on the independent agent, the system and the generally low level of professional performance. As a group, they are simply not as good as they perceive themselves to be.

As an alumnus of the agency system, I have a rather deep-seated nostalgia for it. I want it to work but am convinced that it simply has to undergo some radical changes. If the independent agent is unwilling to change, some fairly formidable folk like Merrill Lynch, Bache, American Express, the banks and others interested in insurance brokerage may change it for him.

The independent agency system publicly recites a litany of self-proclaimed attributes and probities to convince the insurance-buying public that it delivers better service than the non-agency system. The essence of the message is a series of vague pledges of honor, integrity and loyalty, such as:

- We are professional.
- We serve you first.
- We can save you money.
- We provide better service.
- We offer broader coverage.
- We are into risk management.

These aphorisms suggest worthwhile service, but the delivery is generally thin.

To develop my thesis, I should like to mention several points that will serve to illustrate the situation.

Point: Independent agents are the most-effective salesmen.

Counterpoint: Ridiculous! Prospecting and salesmanship are a lost art in the independent agency system.

The only person who aggressively solicits accounts are the newcomers, the rookies, the young producers or new agency entrepreneurs. As soon as a modest book of business is assembled, the producer invariably becomes a caretaker, an administrator, an executive.

The direct writers have left the independent agent at the starting gate on sales. Witness the capture of more than 50% of the market by direct writers, which is also an ever-increasing portion of the commercial business.

Point: The independent agent serves the client first.

Counterpoint: That's too often shallow rhetoric. The words "The independent agent services you first" form the keystone of their national advertising program, but in my experience the independent agent largely serves himself first. The only time the client is served first is when some sort of problem or crisis has arisen and the insured has become unsettled or when the insured pressures the agent by inviting competitive proposals.

speaking out

These flurries of service are almost always a response to an insured's call rather than a creative action initiated by the independent agent.

Point: The independent agent is more professional.

Counterpoint: That's tiresome rhetoric. The dictionary says "A professional is one of a group that is involved in a calling which requires specialized knowledge, long academic preparation and a commitment to a high level of personal conduct." I think of a professional as a person who practices any sort of trade, profession or ministration with consummate skill and a high degree of principle, pride and dedication. My experience is that the bulk of the independent agents don't measure up to either definition.

The essence of the insurance transaction is in the documents that contain the promises and ultimately represent the final basis of performance by the insurer: the policy, the contract, the binder and the endorsement. I observe an appalling lack of concern by independent agents and brokers as to the content of these documents. The attitudes range from casualness and disinterest to outright ignorance.

Questioned by an insured on coverage matters, they are used to putting him away with utterances like "Don't worry,

Continued on next page

perspective

How to use a controlled market search

By Paul W. Pickney

A RISK MANAGER can conduct a controlled market search to ensure that insurance coverage, services and costs are the best available in terms of exposures, experience and his objectives.

An agent or broker can assist the risk manager in the controlled market search. The accompanying form can help the risk manager select the best brokers to participate in the market search and make it a fair test of the marketplace.

To conduct a controlled market search, the risk manager must begin at least 120 days before the policy is to be renewed or would become effective. Within 20 days there should be management discussions about the market search and the candidates that will be considered.

Once the market search is approved by top management, the risk manager should begin accumulating and preparing recommended coverage guidelines, exposure information and premium and loss history.

At 100 days before policy inception, the risk manager should invite the brokers under consideration to meet with senior management to discuss operations, exposures and plans. Each broker should be ready to discuss its capabilities and experience and have supplied detailed information about its history. (See related story.)

Five days later, each broker should be asked for a written priority listing of not more than 10 insurers and their quotes.

At 90 days before policy inception, quote assignments should be announced and broker of record authority should be issued, if necessary or desirable. The reservation of five insurers for the exclusive use of each broker is recommended.

At the same time, the company should give general conditions, recommended coverage guidelines, exposure information, premium and loss history and proposal forms to the competing brokers.

The competing brokers' proposals are due from the brokers 30 days before the policy inception date. Initial review and evaluation of proposals should be begun.

Five days later, all inquiries and document discussion with the brokers should be completed. Interviews with each of the competing brokers should be set up.

At 20 days before policy inception, preliminary recommendations should be completed, and they should be discussed with senior management. The interviews with the brokers should follow.

At 15 days before policy inception, the final selection of a broker should be discussed and announced. The risk manager and other officials should meet with the broker at this time to finalize coverage, service and cost arrangements.

A week later the binder/coverage due date should be confirmed.

At policy inception date, the risk manager should have evidence that insurance is in force and in order.

The policies should be issued and delivered by 30 days after their inception.

Paul W. Pickney is a consultant with Mund, McLaurin & Co. in South Pasadena, Calif.

Agency/Brokerage Evaluation Form

Broker Name: _____

	Evaluation Categories	Weight		Score		Weight Score
I.	Experience as a firm—Time in business.	5	×	_____	=	_____
II.	Professional qualifications of staff:	10	×	_____	=	_____
	(a) Experience in agency/brokerage field.					
	(b) Professional training.					
III.	Volume of business handled in critical lines:	5	×	_____	=	_____
	(a) Primary liability—large accounts over $50,000 in annual premiums.					
	(b) Excess liability.					
	(c) Major deductible (or self-insured programs).					
IV.	General capability:					
	(a) Experience with similar accounts.	25	×	_____	=	_____
	(b) Concept of program design and how the market will react.	10	×	_____	=	_____
	(c) Service capability:					
	1. Marketing—skill of getting the market to respond to client needs.	20	×	_____	=	_____
	2. Safety—capability to assist in the design and implementation of safety programs and procedures.	10	×	_____	=	_____
	3. Claim—capability to evaluate claim handling and to provide an analysis of reserves.	10	×	_____	=	_____
V.	Strengths and weaknesses of firm.	5	×	_____	=	_____

Scoring Key

1 – 5 points: Adequate to average.
6 – 10 points: Above average to very good.
11 – 15 points: Outstanding.
Top Total Score: 1,500

Check qualifications before search

A RISK MANAGER conducting a controlled market search must be sure the chosen agents or brokers are qualified to handle the company's business.

Here are some things the risk manager should know about the agents or brokers before asking them to begin the search:

- The number of licensed agents and brokers employed.
- The firm's annual business volume.
- The state in which the agent or broker is licensed and its license number.
- The date the firm was established.
- The firm's qualified principals or account managers. The principals or account managers should have either five years experience in commercial lines or CPCU or RM designations.
- At least three years experience with similar accounts, preferably of similar size.
- An agreement to prepare an annual report for the policyholder, including cumulative premium and loss records and observations on appropriate changes in the insurance market.
- At least three references from current accounts.
- Special services available, such as safety, loss prevention, counseling, adjustment, etc.
- The name of the person who will handle the account and a designated alternate.
- The names and the services rendered to the firm's two largest accounts.
- Any other information that the agent or broker might find pertinent to selection.
- The basis on which a fee or commission would be devloped.

—Paul W. Pickney

Do independent agents lack professionalism?

Continued from previous page

Charlie, it's all-risk." Or, "It's an umbrella policy and covers everything not insured under the primary program."

Point: The larger the agency or broker, the better the service to the client.

Counterpoint: That's perhaps the greatest myth of all. Like anything else, "Bigness doesn't equal goodness." The fundamental quality of the service rendered to a client will turn on the competency of the individual producer managing the account.

The so-called "alphabet house" brokers and the regional firms would have us believe that their size alone portends a superior quality of service.

Considering that the majority of their growth outside of major metropolitan areas has been through the acquisition of local agencies and the continued employment of local entrepreneurs and producers, this claim is subject to some challenge.

Point: The independent agent will be there when you need him: when a major property loss occurs.

Counterpoint: I doubt it.

The agent/broker usually is of little value in the actual negotiation of a major claim simply because he or she lacks experience. After all, large losses happen infrequently. They may be available for some hand holding, but generally the agent lacks knowledge pertaining to the conventions of these negotiations and is not equipped to give sound advice.

At the time of loss, there is a sudden rush to read the policy and carefully interpret each word contained in the contract. That broad "all-risk" policy that was treated in such an insouciant manner at the time of sale suddenly is discovered to contain important conditions, clauses, definitions and exclusions, which will bear heavily on the settlement of the claim.

The policyholder finds himself dealing in a highly esoteric and perhaps even adversarial environment without experience or counsel. He is bewildered and, worse yet, alone. The insurers hire a professional adjuster to represent their interests. The insurer wishes to settle for as little as decently possible and the insured wishes to settle for as much as he perceives his claim to be.

Since the insurers and their professional adjusters are the veterans of this type of skirmish, and the insured, for the most part, totally guileless, the outcome is predictable if not obvious.

Unfortunately, I can offer no simple solution to the problem of independent agents and brokers falling short in their professional charge to "serve their client first." Professionalism includes a decent mix of loyalty, principle, integrity, thoroughness and discipline. These are highly personal; they cannot be accomplished by some new forms, the computer or any other type of quick fix.

Those Independent agents to whom my comments do not apply will know who they are. Unfortunately, there are far too few.

Edward W. Siver, CPCU and CLU, founding principal of E.W. Siver & Associates Inc. in St. Petersburg, Fla., is a consultant. He abstracted this article from one to be printed in the July issue of American Agent & Broker.



Sperry Corporation played an important role in getting the space shuttle Columbia into space and safely back to earth.

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Charles Mather of RBH

Continued from page 52

cessing power," Mr. Mather said.

"We're well-positioned to move forward. We're highly competitive and aggressive," he said.

"There are many growth opportunities out there, and we intend to take advantage of those opportunities."

In addition to Mr. Hall and Mr. Mather, principal corporate officers are: George S. Burrows, vice chairman; Willian C. Snyder, executive vp; Karl R. Palmer, senior vp; and Michael J. Starshak, vp/finance.

As reported in its proxy statement, the five highest-paid executives of Rollins Burdick Hunter in fees and commissions, salaries and bonuses in 1980 were:

Charles H. Mather	$203,250
Karl R. Palmer	$156,670
George S. Burrows	$150,837
William C. Snyder Jr.	$150,830
C.J. Reid Jr.	$113,336

9 Ryan Insurance Agency Group

222 N. Dearborn St.,
Chicago, Ill. 60601
312-977-3200

	1980	1979
Premium vol.	NA	NA
Gross rev.	$38,700,000	$32,445,000
Employees	822	655
Rev./employees	$47,080	$49,534
Offices	28	31

(Ryan's 1980 and 1979 include the results of James S. Kemper Agency, which was acquired in 1981.)

Last September, Ryan Insurance Group President Harold H. Hines said if he had not expected the Chicago-based insurer and agency holding company to continue to grow, he wouldn't have left as vice chairman of Marsh & McLennan Inc., the nation's largest brokerage.

He meant what he said. In April, the company acquired fellow Top-20 broker James S. Kemper & Co. for $17 million, jumping Ryan into ninth place in the *Business Insurance* rankings.

Ryan's revenue growth also benefited from the August 1980 acquisition of Self-Insurers Service Inc., specialists in servicing self-insurers of workers compensation risks.

The Kemper Agency acquisition, however, provided what Ryan needed to compete geographically with the large national brokerages: a national distribution system for its brokerage and other insurance services, including property/casualty products and life insurance.

Kemper also provided a name with a national commercial brokerage reputation for the agent/broker division, which until April had included Youngberg-Carlson Co., Scarborough & Co., American Benefit Corp. and A. Yarchin & Co.

"In our case, we felt the acquisition was a perfect fit for us," Mr. Hines says.

"I think it is a case of one plus one equalling more than two. Kemper gave us in one move the reach we wanted to achieve over a period of time.

To build this type of distribution system piecemeal would have taken us a decade at least.

"Kemper gives us enormous leverage in distributing our products," Mr. Hines adds. "We can sell our advice, placement services, support services and products much more efficiently. We have life products that are terribly exciting. Self-Insurers Service provides a big area of service that we can provide our broker offices."

Both Mr. Hines and B.J. Sullivan, president of James S. Kemper Agency, said it will be a tough year consolidating the two operations, although each will remain separate and retain their present names.

"At the same time, none of the growth dynamics of Kemper will be halted," Mr. Hines says. Kemper, for example, just opened an office in Dallas.

"We intend to direct Ryan's resources into our distribution and agency areas. We won't put the main emphasis on our insurers at this time because the service and agency business is really our main business."

Mr. Sullivan says he hopes the "nitty-gritty" details of the merger will be completed within the next year and integration of the firms



Harold H. Hines of Ryan Insurance Group

will be underway. Meanwhile, he expects the Kemper agencies to continue the self-improvement path that they have followed for the past two years, adding staff and working to improve insurer and service relations.

"I think we're improving," he says. "Long before the move to Ryan, we had started on major improvement projects that have resulted in us adding some really good people. Our growth last year wasn't spectacular (to $15.35 million in gross revenues in 1980 from $15.16 million in 1979), but considering the conditions for brokers, we felt good to stay a little bit better than even."

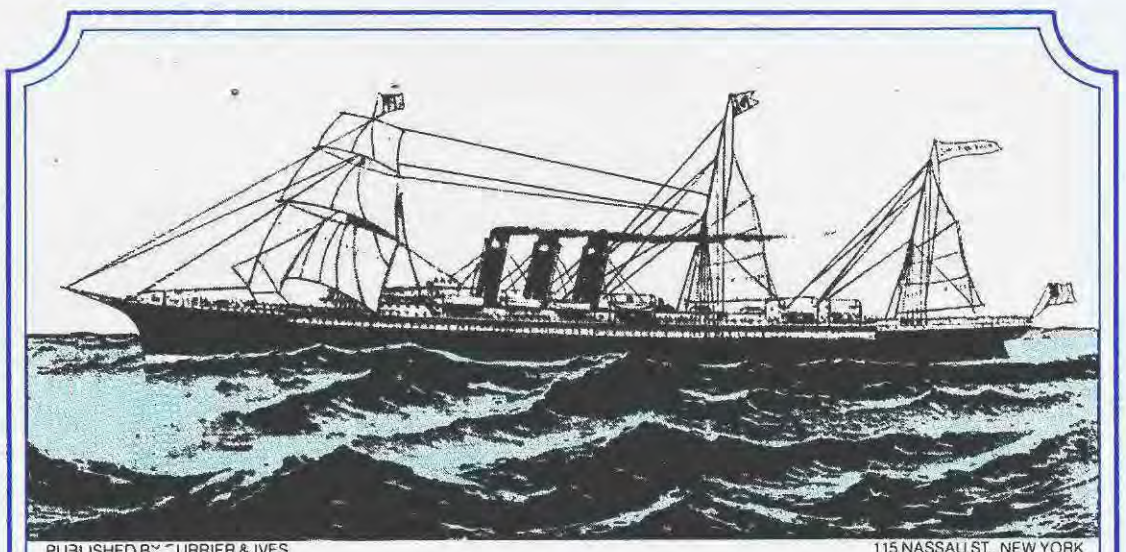
The Kemper agencies also have begun to change the way they work with one another, Mr. Sullivan says.

"At one time, offices were very autonomous," he says. "That's changing. We are working to inform each office about where they can find expertise in other Kemper offices to write more of the large business. That thrust will continue with the addition of the Ryan expertise and products."

Mr. Hines says Kemper will help Ryan by adding a group of young,

Continued on page 62

1887: a year for successful beginnings



Courtesy of The Mariners Museum of Newport News, Va.

In Scotland a keel was laid for the City of New York. In New York the foundation was laid for Wm. H. McGee & Co., Inc. Both enterprises were destined to succeed.

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aggressive employees and emphasizing development of new accounts of all sizes. Kemper agencies also have a long history of retaining key accounts, he adds.

Mr. Sullivan is not concerned that Kemper clients might be upset by the agencies' new-found tight relationships with life and property/casualty products.

His operation, he says, has had to contend with the common misconception that it is owned by an insurer, Kemper Group of Long Grove, Ill. The agency and insurer are completely separate.

"The products Ryan provides us are complementary," Mr. Sullivan adds. "They won't get in the way."

To some observers, the addition of Mr. Hines, who had been vice chairman of Marsh & McLennan, and Kemper, which added 26 offices to put Ryan in 28 locations, gave the Ryan firm substance. However, Mr. Hines disagrees with that appraisal.

"Before Hines and Kemper, (Chairman) Patrick Ryan had started the path that made those moves possible," Mr. Hines says. "There has been growth all along, and the addition of Self-Insurers Service was a major step for the firm in 1980. It preceded Kemper and Hines."

Self-Insurers Service provides administrative services to companies which self-insure their workers compensation risks. Clients include retail stores, hotels, hospitals, mining operations and manufacturing enterprises in 43 states.

Its employee benefits division provides claims administration programs for businesses that have switched from traditional insured programs to self-funded plans. Both services and Kemper's distribution system will aid each other, Mr. Hines says.

The Kemper and the Self-Insurers Service acquisitions are evidence that the Ryan group will continue to invest in expansion despite the general pressures to maintain high earnings per share, according to Mr. Ryan, the company's chairman.

"We are not insulated from the



Ryan's products are complementary, says Bernard Sullivan.

pressure of the market cycle, but even in a climate like this, it is important to make investments. We will continue to invest in our future despite the demands for earnings increases, though I don't anticipate any more major acquisitions," he says.

Internationally, the Ryan brokers will continue recent efforts to increase the amount of business they do in London and elsewhere. In 1980, the firm established a joint venture with Lloyd's broker R.K. Harrison to establish a Ryan Group London office to place U.S. risks and reinsurance with London brokers.

"We intend to develop a strong international capability to service U.S.-based multinational corporations as brokers," Mr. Hines says. "What we have now is a significant involvement in the United Kingdom with our Pat Ryan & Associates division.

"In terms of Lloyd's, the joint venture with R.K. Harrison is connected primarily with our Scarborough & Co. (financial institutions insurance and services) division, but we hope to expand that.

"At the same time, we do not want to disturb the other relationships the Kemper agencies and we have with other brokers there. We will do more business with London in general and increase our involvement with the Illinois and New York insurance exchanges."

Principal officers of the Ryan Insurance Agency Group are Patrick G. Ryan, chairman of the parent organization; Harold H. Hines Jr., president of the parent; John C. Brogan, president, Ryan Services Corp.; John J. O'Brien, president, Youngberg-Carlson Co.; B.J. Sullivan, president, James S. Kemper & Co.; Edward N. Murray, president, Scarborough & Co.; F. Raymond Muller, chairman, Self-Insurers Service; and C. Kenneth Frantz, president, Self-Insurance Benefit Services.

Salaries, fees, directors' fees, commissions and bonuses for the top five members of the Ryan parent company in 1980 (not including James S. Kemper agency) include:

Patrick G. Ryan	$310,000
Harvey N. Medvin	$133,551
Joseph E. Wilson	$133,551
John C. Brogan	$130,000
Thomas F. Sullivan	$125,715

On the scene...
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PHONE: (713) 840-7542

10 Arthur J. Gallagher & Co.

10 Gould Center, Golf Road,
Rolling Meadows, Ill. 60008;
312-640-8500

	1980	1979
Premium vol.	NA	NA
Gross rev.	$37,535,015	$30,523,535
Employees	822	682
Rev./employees	$45,663	$44,757
Offices	74	65

Arthur J. Gallagher & Co. fell two percentage points behind its targeted growth for 1980. But nobody is crying, least of all Robert Gallagher Sr., the cheerleading force behind the broker.

Instead, Mr. Gallagher is leading the applause for the 23%, or $7 million, increase in gross revenues over 1979.

"To stay even today is heroic," Mr. Gallagher says. "We're doing that and more."

In terms of sheer growth, Gallagher last year increased its number of employees by 140, bringing the total to 822 at the end of 1980. Another 41 have been added so far this year.

In dollars, the company has more than tripled its gross revenue since 1976.

That year, Gallagher reported $12,750,000 in gross revenue. For 1980, which wasn't quite the year Gallagher was hoping for, the firm pulled in $37,535,000.

But it wasn't enough to hold the ninth position in the *BI* Top 20 ranking against Ryan Insurance Agency Group after Ryan's acquisition of James S. Kemper.

"It was a bad year for everyone," he says, pointing the finger at a drop in property/casualty renewals.

"It's the price war: the oversup-

ply of risk capital and high interest rates that encouraged companies to reduce prices," Mr. Gallagher says.

"Even though we had a substantial increase in our overall business, we fell 2% behind our game plan," he says.

Property/casualty business accounts for about 45% to 50% of Gallagher's services, he says, explaining why a lack of growth for such a large portion of the business is bound to hurt at least a little.

Even though international property/casualty business accounts for only 7% of Gallagher's total volume, that figure translated into an average 35.6% increase in the market over 1979, Mr. Gallagher says.

Mounting an even more aggressive attack into the international brokerage business is in the cards, he says, adding that it is strategically important to make gains.

Apart from its 72 offices in the United States and offices in London and Bermuda, Gallagher earlier this year started Boston-based Arthur J. Gallagher International, a move that Mr. Gallagher says is aimed at giving better service to several multinational clients.

Other joint ventures started in 1981 include a specialty service in European treaty reinsurance under the name of Gallagher, Hinton & Vereker International, based in London; a new marketing office in Atlanta; and an in-house excess/surplus broker owned by Gallagher called International Specialty Risks Services Inc.

The company does all of its London business through its own broker at Lloyd's, known as Gallagher. Hinton & Vereker, which the company set up in 1974. Gallagher owns 74% of that firm, an interesting coup for the suburban-Chicago based broker since Lloyd's has limited foreign owenership of other Lloyd's brokers to 20% and 25%.

But the Gallagher interest in the broker was developed from a joint venture formed before the issue of foreign ownership at Lloyd's became controversial.

The company did open a Boston office in 1980, and Gallagher merged with a broker in South Carolina, he says. Probably the most significant accomplishment



Robert Gallagher Sr. of Arthur J. Gallagher

for the year was the startup of Gallagher Marine Services, which is based out of the Rolling Meadows, Ill., headquarters.

But as far as growth is concerned in terms of area of service, risk management has been a key for the company, he says. He adds that Gallagher is concentrating much of its marketing strategy on the international side of the company while continuing to chisel away at the property/casualty market.

"We're heavily into long-range planning," Mr. Gallager says. "And we see a bright future for our growth.

"Being self-controlled and contained is a real advantage to us," he says.

"It's a difficult market environment, but we're able to increase gross revenues because we have more to offer the client than our peer group in marketing, claims administration, safety engineering and computer claims control."

Principal officers of the firm include: Arthur J. Gallagher, chairman; A. James Gallagher Jr., vice chairman; Robert E. Gallagher, president; John P. Gallagher, executive vp; John G. Campbell, John C. Danloe, William G. Jensen, Donald J. Krutek, Walter F. McClure, Louis E. Metzger, Sterling L. Bassett, Frederick L. Specht, Warren G. Van der Voort, Charles C. DeBruler and Joseph W. Fahey, vps.

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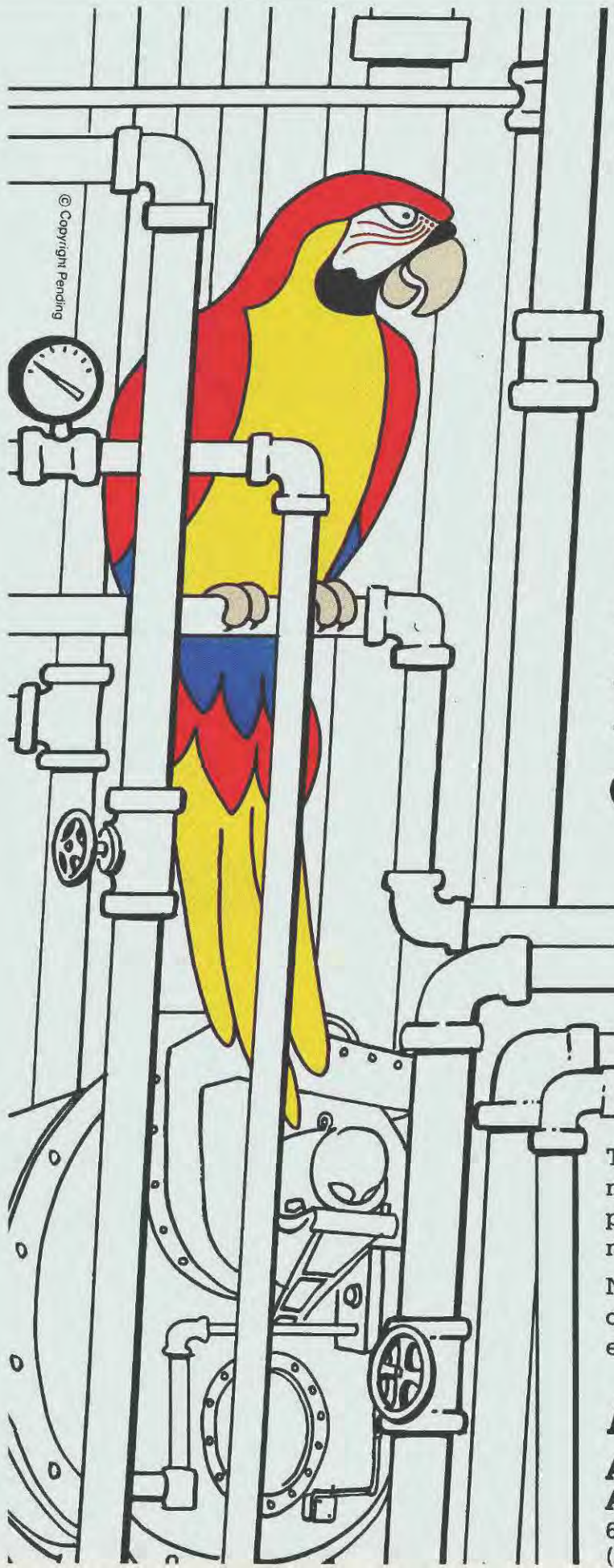
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BISI may soon acquire in the Midwest, says Bernard Mizel.

11 Bache Insurance Services

100 Gold St.
New York, N.Y. 10039;
(212) 791-1000

	1981	1980
Premium vol.	$349,900,000	$208,000,000
Gross rev.	$33,531,000	$27,552,000
Employees	618	543
Rev./employees	$54,256	$50,740
Offices	20	11

(1981 fiscal year ends July 31, 1981; 1980 fiscal year ended July 31, 1980).

Consolidated 1980 revenues of $33.5 million achieved by Albert M. Bender and its New York operation, the former Ter Bush & Powell, catapult the new combo into the 11th spot among commercial brokers ranked by *Business Insurance*.

Bache Insurance Services Inc. (BISI) is the new name for the fast-growing insurance holding company of Bache Group Inc., which purchased San Francisco-based A.M. Bender three years ago.

Bache Group, however, also picked up a new parent. Prudential Insurance Co. wrapped up its acquisition of the stock brokerage firm earlier this month, raising the possibility of another identity change for the insurance services subisidary. (*BI*, May 4).

Whether Prudential will be encouraging some national identification with BISI is unknown at this time, says Bernard Mizel, BISI's chief executive officer. For the time being, each subsidiary will adopt the Bache corporate name.

Ter Bush & Powell, for example, is now known as Bache Ter Bush & Powell. BISI appears on top of office stationery with the local brokerage name listed below.

"When the company is satisfied it can drop the subheadings without confusing clients, then it will operate nationally as Bache Insurance Services Inc.," Mr. Mizell says.

BISI is looking at a number of other acquisitions this year, mainly in the $2 million to $5 million commission income range, Mr. Mizel adds.

"We have a program that will take a minimum of five years to complete to get us the kind of nationwide service facilities we want," he explains.

Mr. Mizel is negotiating acquisitions in the Midwest (possibly Chicago) and the South (Atlanta and/or Texas). "These key areas will give us the first stage of our national development," he says.

Bache acquired Ter Bush & Powell in September 1980. That year Bender had revenues of $13 million, which increased to $25 million with the New York acquisition of Ter Bush & Powell. The year before Bender acquired Cohn, Dach & Howard Inc. in Los Angeles and Robert Riedy in San Francisco.

"The Ter Bush organization on the East Coast is equal to our organization on the West Coast. It gives us an excellent anchor in the East and counterbalance to our operations," Mr. Mizel says.

Ter Bush is especially strong in life and health insurance programs, an area Mr. Mizel would like to see the rest of BISI work on. "We would like to see more than 15% of our total book of business in life and employee benefits," he says.

Ninety percent of the BISI's business is commercial and combined Bender-Ter Bush & Powell accounts now number more than 30,000. About half of Bender's business is casualty insurance and more than 40% is property insurance. Ter Bush & Powell, however, has a heavier employee benefit book of business, and about 60% to 65% property/casualty, says Robert L. Rossi, executive vp.

Traditionally, Bender has actively pursued medium-sized accounts ($50,000 to $100,000 in premium) and Ter Bush & Powell tended to go after larger ones, Mr. Mizel says. But BISI is looking for new business in all of its offices wherever they are.

"We are a sales organization and lot of people in our industry are not. A lot of firms have become complacent in their sales effort. Now that they have to go out and knock on doors, they're not equipped to do that," Mr. Mizel adds.

According to Mr. Rossi, what BISI has that some of the other larger brokerage houses lack is the ability to deliver localized, personalized service while offering the size, leverage and capability of a national firm.

"We're a financial services supermarket," says Mr. Mizel, claiming that this is the trend of the future.

"As a Bache subsidiary, BISI can offer support services to clients in the areas of estate planning and tax shelters and financial advice on questions ranging from 'Should we go public?' to 'How do we finance a corporate jet/?'

"Clients want one-stop service for commercial insurance. To have a national brokerage operation and to be profitable and competitive, firms are going to have to be able to offer a wide and diverse number of services to their clients," he says.

BISI uses a package marketing concept with plans put together for specific industries. New this year are plans for garment manufacturers and practitioners of acupuncture. A new program for hot-air-ballooning is under development for Bache offices.



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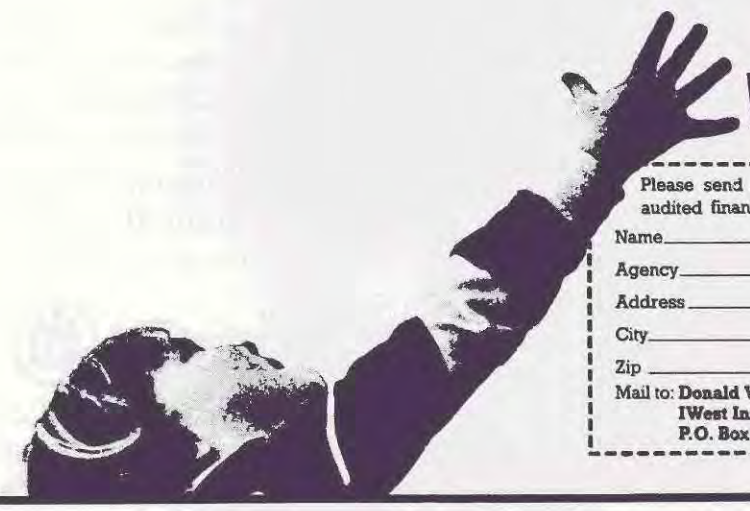
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IWest Insurance Managers, Inc.
P.O. Box 4648, Portland, OR 97208

BISI already has programs designed for the plastics industry, construction and metal trades.

Mr. Mizel credits much of BISI's rapid growth to the support of Harry Jacobs, chief executive officer of Bache Group, and to H. George Trentin, chairman of the board of BISI, who was assigned to help with acquisitions.

"George recognized the necessity for reorganizing what was a relatively small West Coast company and setting up a structure for becoming a national company," says Mr. Mizel. "If you don't integrate an acquisition, if you don't have proper systems and controls within your organization, you end up dissipating the value of the acquisition, reducing the profitability of the overall company and draining your energies trying to effectively manage operations. Trentin worked us through the mine field of all those problems."

Internationally, Bache Insurance Services Inc. has a relationship with several London brokers and is not planning international expansion until its finishes its U.S. acquisition plan. "In terms of our expanding into the international market, we just don't feel it is a top-priority consideration right now," Mr. Mizel says.

Principal officers of BISI include H. George Trentin, chairman, BISI; Bernard H. Mizel, president and chief executive officer, BISI; Granvel Johnston, vp/controller, BISI; J. William Campo, chairman and chief executive officer, Bache Ter Bush & Powell (BTB&P); Richard J. O'Rourke, president, BTB&P; William P. Conboy, executive vp, BTB&P; Terence E. Devine, executive vp/treasurer, BTB&P; Robert L. Rossi, executive vp and senior operations officer, Albert M. Bender (AMB); Richard Metcale, executive vp, AMB; and E. Paul Hansen, senior vp/treasurer, AMB.



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12 Insurance Management Corp.

6600 W. Broad St.;
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804-281-6336

	1980	1979
Premium vol.	$140,000,000	$120,000,000
Gross rev.	$32,400,000	$27,300,000
Employees	670	625
Rev./employees	$48,358	$43,680
Offices	21	18

The growth rate slowed at Insurance Management Corp., now the 12th-ranked broker in 1980, but several mergers and acquisitions helped boost gross revenues by more than 18% to $32,400,000 from $27,300,000 in 1979.

The revenue gain was not enough to keep Bache Insurance Services from climbing ahead of the Richmond, Va.-based firm owned by Continental Group.

Continuing its plans to go national, Insurance Management Corp. acquired agencies in San Diego; Jackson, Mich.; and Norfolk and Charlottesville, Va.

They joined three Florida agencies acquired in early 1980 as reported in last year's Agent/Broker Profile.

The new agencies are: City Mortgage & Insurance, Charlottesville, Va; The Jackson Agency, Jackson, Mich; Thom Perry & Associates, Norfolk, Va., and Percy H. Goodwin Insurance Services, San Diego.

The extremely competitive atmosphere in the insurance market has affected IMC's rate of acquisitions, says Robert H. Hilb, president.

Acquisition activity has continued its fast pace, but the premium volume in each venture has not been there, said Mr. Hilb. Particularly disappointing was the last-minute faltering of a deal to acquire Kinder & Laucci of San Francisco, which would have substantially bolstered premium volume and West Coast reach, a key factor in IMC planning. Otherwise, four pending acquisitions are in the final stages and one could be closed soon, said Mr. Hilb.

But prospects are difficult to find, he said, especially those that yield the premium volume IMC seeks.

"If you're going to invest you're money, you've got to get a return on it."

"Prospects are doing so poorly it's hard to structure a deal," he said. "It's hard to find someone who's making money."

Mr. Hilb compared the brokerage firm's acquisition plan to a professional football team's drafting of new players. "We have slots we want to fill, but if a good

Continued on next page

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Continued from previous page
agency comes along, we'll take it," he said.

New York, Los Angeles, San Francisco, Chicago and San Diego are where IMC wants to set up shop when the right opportunities come along.

Even though IMC is entering hotbeds of competition in those cities, Mr. Hilb said the firm will shoot for mid-sized accounts of $100,000 in yearly premium. He says those markets will yield many customers who will turn to IMC for its service quality.

Market competition has hit all lines of insurance, but the umbrella area has really suffered, the IMC executive said.

"Downward rates are just incredible. We're hearing horror stories of renewals at 40% reduction in premiums."

Economic factors are also hurting the brokerage firm. "The inflationary spiral is exerting a lot of pressure on our performance," Mr. Hilb said.

"We've had to take a long, hard look at our expenses. I'm always on the backs of our agency presidents to control expenses," he added.

Though none of IMC's clients, medium-sized businesses, have international operations, the firm is active in the London market for domestic coverage.

IMC uses a number of Lloyd's brokers, according to Mr. Hilb, most frequently Fenchurch Group Brokers.

The firm named a new executive vp in 1980, David Hamilton, who is based in the Birmingham, Ala., branch. Mr. Hamilton is responsible for the southern region of IMC's operations.

Other principal executives are: J. Michael Nolan, vp, general counsel; Timothy J. Korman, vp, finance; Dianne F. Fox, assistant vp, administration; and Andrew T. Gabor, vp, controller.

13 E.H. Crump Cos.

5350 Poplar Ave.,
Memphis, Tenn.
831-7; 901-761-1550

	1980	1979
Premium vo...	$232,300,000	$182,300,000
Gross rev...	$27,926,000	$23,784,000
Employees...	640	607
Rev./employees...	$43,634	$39,183
Offices...	45	34

It was "hard work" in a "difficult year," according to President Sidney A. Stewart Jr., but E.H. Crump Cos. Inc. managed a 17.4% increase in revenues in 1980, a year when many brokers struggled to keep up with the competition.

Rate competition was reflected in Crump's first-quarter 1981 earnings, however. It was the first time in 17 quarters that earnings did not exceed the comparable period in the prior year.

"We're trying to strike a balance between cost and opportunity in our strategy," Mr. Stewart said. "We're being conservatively aggressive."

The broker still fell one notch on the *BI* Top 20 list, bumped down a rung by the rise of Ryan Insurance Agency Group.

On the opportunity side, Crump entered the Houston market, affiliating with Strange & Co. In Little Rock, Ark., the Central Arkansas Agency was acquired and in Madison, Tenn., Tune & Shelton was purchased.

Further expansion into Tennessee came in early 1981 with the purchase of the Jack Diamond Agency in Nashville, Tenn.

In the excess/surplus/specialty lines area, Crump increased to more than 80% its ownership in Crump Northeast, a New York surplus lines operation. Another subsidiary, Professional Reinsurance Office, opened in Atlanta and New York.

Crump excess/surplus/specialty offices developed new programs for municipalities, police and banks, and the company noted substantial growth in aviation risks, a tight market this past year in an era of gelly competitive markets.

Following an expansion in employee benefits announced last year, Crump opened offices in Atlanta (E.H. Crump Employee Benefits), Titusville, Fla., (Crump Life-Florida) and Memphis (Crump Benefits).

Crump sold its mortgage servicing portfolio in late 1980, in accordance with a long-term objective to divest itself of real estate assets and concentrate efforts and resources in insurance brokerage, a financial move which goes against the trend of diversification.

The company notes future developments will include more emphasis on reinsurance, consulting and risk management.

"We're continuing to seek new mergers and acquisitions," Mr. Stewart said. "We'll go ahead and spend the money if there's an opportunity."

Investment income, Mr. Stewart noted, "is saving our lives" during a difficult year for brokers. He estimated interest in short-term securities accounted for 25% of gross revenue for 1980. Other top brokers report smilar gains to offset losses in contingency commissions.



Investments are saving us, says Crump's Sidney Stewart.

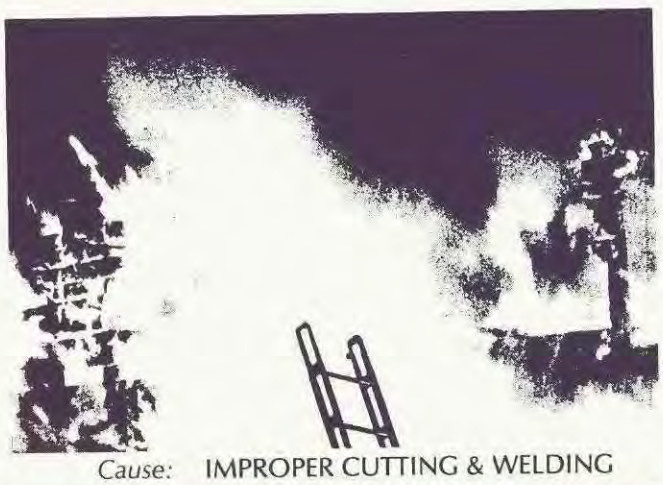
Crump and its consolidated subsidiaries earned a total $960,192 in interest for the year ended 1980, almost double the previous year's interest earnings from investment income of $486,450.

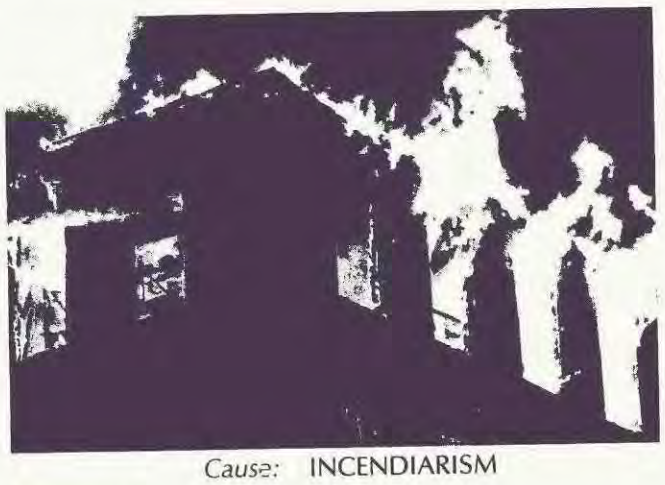
Crump currently has 18 retail offices, 20 excess/surplus/specialty offices and six reinsurance facilities in 19 states and Bermuda.

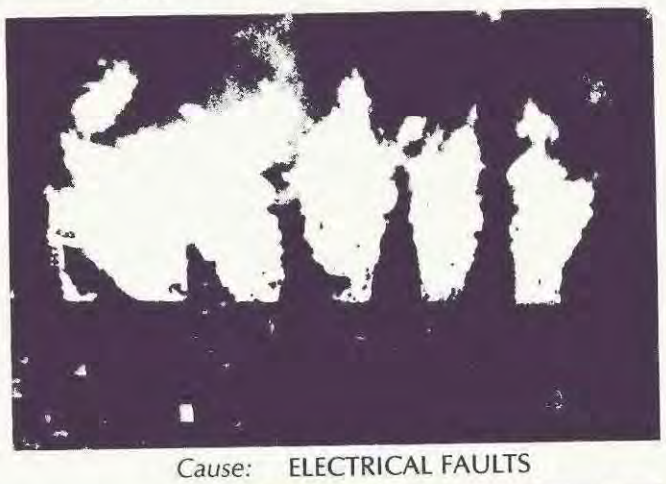
Principal officers of the company include: E.H. Crump Jr., chairman and chief executive officer; Sidney A. Stewart Jr., president and chief operating officer; James M. Power, executive vp, chief financial officer; Edward B. Morrow Jr., senior vp; Donald A. Thomas, senior vp.

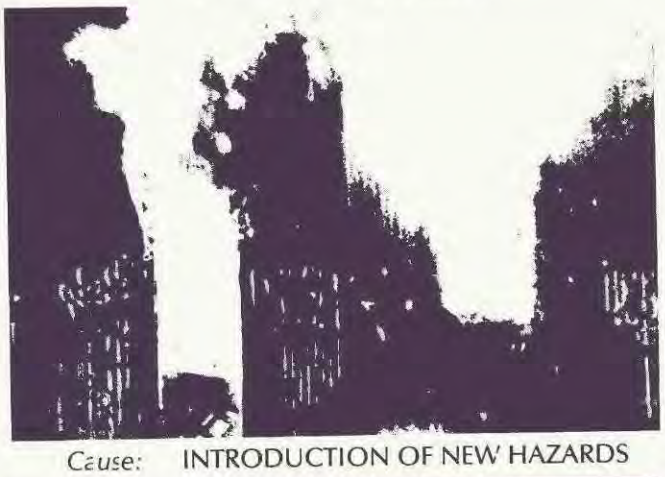
The five highest-paid officials in salary and commissions in 1980 were:

E.H. Crump Jr.	$112,000
Sidney A. Stewart Jr.	$134,000
David D. Henritze	$101,477
David T. Johnson	$76,174
James M. Power	$99,500

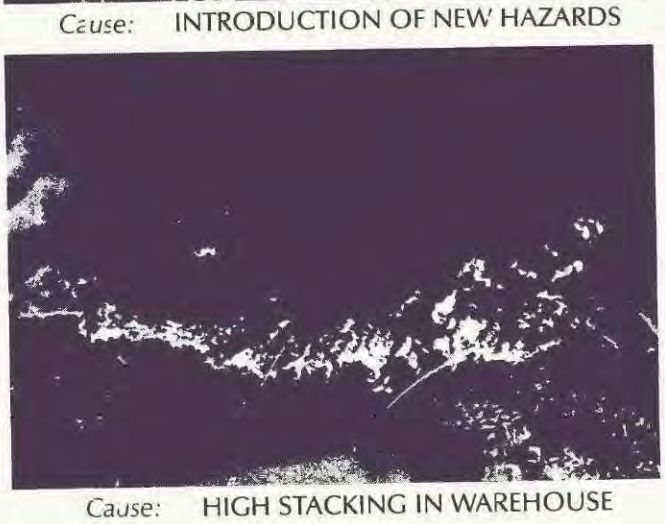

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14 Penn General Agencies

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

	1980	1979
Premium vol.	NA	NA
Gross rev.	$23,882,000	$23,980,000
Employees	516	550
Rev./employees	$46,283	$43,600
Offices	22	22

Republic Hogg Robinson, a partnership between the London broker and Republic Steel Corp., ended its 10-month search for a North American retail broker with its recent announcement that it will buy Penn General Agencies.

The sense of excitement pervading Penn General since disclosure of the sale, effective June 30, contrasts sharply with the broker's lackluster 1980 financial results.

Gross revenues of nearly $24 million last year were a shade under those in 1979. Operating income declined by $1.4 million to $3.1 million, according to parent PennCorp. Financial's 1980 10-K report to the Securities & Exchange Commission.

The only broker to show a decline in gross revenues in 1980, Penn General fell three slots on the *BI* Top 20 list to 14th.

Inflated operating costs, the competitive market and continued investment in new offices and computer systems took a big bite off the bottom line, explained Alfred



Alfred Schaeffer of Penn General Agencies

B. Schaeffer, PGA president and chief executive officer.

He estimated the broker spent up to $500,000 for two computer systems—one for self-insurance claims administration and management reporting, the other for an agency accounting software system marketed under license by IBM.

Unlike some competitors, Mr. Schaeffer said, PGA is paying its computer development costs as it goes—not capitalizing them over time. This approach takes a heavy toll on the current year's net income, but does not saddle the company with continuing heavy costs.

A mood of celebration swept through Penn General's corporate offices in Los Angeles the day following announcement of the sale to Republic Hogg Robinson. At the time, Mr. Schaeffer described the news as a "shot of adrenalin."

Although Penn General is the 14th-ranked broker by size in the *Business Insurance* listing, it represented only a fraction of PennCorp. Financial's total revenues. PGA seemed to labor in the shadow of its parent's vast life and health insurance business.

Mr. Schaeffer is confident the broker will gain a stronger identity with its new corporate family. No management changes are anticipated as a result of the acquisition and, in fact, Mr. Schaeffer has been made a director of RHR.

Both internal and external growth are part of PGA's plans, backed up by its new parent's philosophy that is "very aggressively directed toward expansion," said Mr. Schaeffer.

New clout also will help PGA go after bigger game in the brokerage marketplace. It has tended to pursue accounts in the $5,000 to $10,000 premium range. Even before the sale it was focusing on the higher range.

Penn General also will pick up some new expertise and coverages from Hogg Robinson. The London broker offers a credit insurance program for importers and export-

Continued on next page

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Continued from previous page
ers, for example. A major subsidiary is Control Risks Ltd., which specializes in political risks.

It can't hurt to team up with a top London broker doing business in 27 countries around the world, he added. Although that connection may generate more international business for Penn General, emphasis is on U.S. expansion.

The new link, which counters the trend for U.S. brokers to acquire equity interest in British brokers, does not mean PGA will sever long-standing relations with other London brokers like C.E. Heath or J.H. Minet.

Penn General does not have any foreign offices, but it does do a substantial amount of Japanese business, largely from U.S. subsidiaries. Five Japanese-speaking staffers administer the accounts from Los Angeles.

Unrelated to the acquisition, Penn General Agencies has been trying for the past year and a half to sell its 20% interest in London broker Derek Bryant Insurance, said Mr. Schaeffer.

Self-insurance administration contributes a bigger chunk of revenues to PGA than to most other big brokers. About 64% of PGA's total revenues in 1980 were derived from casualty, property and marine insurance, 20% from self-insurance administrative services and the remainder from group insurance and pensions.

Penn General made one acquisition last year, Jim Finley & Associates in Lubbock, Texas, with a branch office in Dallas.

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

Penn General Agencies also are located in the Los Angeles headquarters, San Francisco, and Newport Beach, Calif. Phoenix, Ariz.; Miami; New York; Boston; Southfield and Saginaw, Mich. Burlington, N.C.; Beachwood, Ohio (Bercu Agency); and El Paso (Given Agency), Lubbock and Dallas (Finley Agency) in Texas.

Principal officers of Penn General Agencies include: Alfred B. Schaeffer, president and CEO; W. J. Nietschmann, president, Penn General Service Corp.; Arnold Bergson, senior vp; Donald Sandgren senior vp; Gerry R. Ginsberg, vp and treasurer; Donald R. Benyas, vp; and Vernon E. Dockendorf, vp.

The five highest paid executives of PennCorp Financial during 1980 are:

Stanley Beyer	$404,878
Burton Borman	$402,474
Barry H. Sterling	$300,000
Alfred B. Schaeffer	$150,000
Daniel J. DiSipio	$116,667

15 Emett & Chandler

1800 Ave. of the Stars, Los Angeles, Calif. 90067; 213-553-4600

	1980	1979
Premium vol.	$NA	$NA
Gross rev.	$21,395,800	$17,973,000
Employees	511	489
Rev./employees	$41,871	$36,755
Offices	18	16

"If you do something well, stick to it," says Richard A. Archer, vice chairman of Pinehurst Corp., parent of Emett & Chandler insurance brokers. "Don't get distracted from the business you do best."

That advice sums up the prevailing attitude at Pinehurst Corp., which decided last year that insurance services are what it does best, and that reinsurance underwriting really should be left to those who do it better.

Pinehurst's 1980 financial results reveal the wisdom of that judgment. The brokerage and insurance services division, led by Emett & Chandler, achieved gross revenues of $21.4 million, an increase of 19% over 1979.

Only acquisition growth by two other brokers who moved up in the rankings knocked Emett & Chandler down two spots to 15th on the *BI* Top 20 list.

And Pinehurst was dragged down by a $2.5 million loss in its reinsurance operations, forced to report a net loss of $980,000, or 53 cents per share, compared with earnings of $1.9 million, or 96 cents a share, during 1979.

"We've concluded that we can't develop an insurance company complex and at the same time a service business," Mr. Archer said. "It's an either-or proposition. After concluding that, we have to take the next step and remove ourselves from the business we are not going to pursue."

Pinehurst took that first step last September, selling its London reinsurer, North Atlantic Insurance Co. Ltd., to Armco Inc., the diversified steelmaker with insurance interests, for $8 million. Presidio Insurance Co. in Los Angeles is also up for sale.

Presidio is a valuable asset with a book value of about $6 million that Pinehurst won't give away. But hopes are strong that a sale will be sealed by midsummer so that those resources can be channeled into Emett & Chandler where costly expansion already is underway.

Last year Pinehurst spent more than $1 million building its brokerage business. Investment in New York combined with start-up costs for new offices in Detroit and Houston cut heavily into Emett & Chandler's net contribution to corporate earnings.

Operating income in the insurance services division decreased 48% last year, although the company is confident that its investments will start bearing fruit soon.

"If we were solely concerned about maximizing current earnings, then we couldn't do the kinds of things we are doing because our stockholders would throw us out," admits Mr. Archer.

A large portion of that investment has been spent developing Pinehurst East Inc. in New York. "You've got to sow a lot of seed before you start to reap the harvest," Mr. Archer says. In the insurance brokerage business, that means making the calls, meeting the people and letting risk managers know you're out there.

"Many of them respond, but they want to see if you're going to still be there in a year," he says.

"It drives us crazy because we tend to be impatient. We can't understand why they don't come right to us—like Muhammad Ali, we think we're the greatest and wonder why they don't perceive us as that," he remarked.

There are signs that some big fish are beginning to bite. The first of the year, Emett & Chandler hooked Texaco Inc., worth more than $20 million in premium (*BI*, Jan. 19). New clients also include International Minerals & Chemicals Corp., New Jersey Steel Corp. and Dyson-Kiffner-Moran Corp. in New York.

"Before January, we just couldn't get business to close in New York," recalls Larry Lawrence, president of Emett & Chandler in Los Angeles. "Now almost everything we touch is closing—and no one is doing anything differently—we're just starting to click."

Lessons learned in New York will be put to good use in San Francisco, a key growth target for the broker this year.

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28.	Pensions & Retirement Programs	JUL 13	JUN 30

more to come :

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28.	PENSIONS & RETIREMENT PROGRAMS	JUL 13	Jun 30
29.		JUL 20	Jul 8
30.		JUL 27	Jul 15
31.		AUG 3	Jul 22
32.	EXCESS/SURPLUS	AUG 10	Jul 28
33.		AUG 17	Aug 5
34.		AUG 24	Aug 12
35.		AUG 31	Aug 19
36.		SEP 7	Aug 26
37.	MARINE INSURANCE	SEP 14	Sep 1
38.		SEP 21	Sep 8
39.		SEP 28	Sep 16

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Photo: Rhonda Rundle
Emett & Chandler President Larry Lawrence, left, talks business with Pinehurst Vice Chairman Richard A. Archer.

In 1980, Emett & Chandler did about $500,000 of business in San Francisco with an eight- or nine-person staff. The crystal ball gets foggy looking three years ahead, but by that time the company hopes to build a 40-person staff producing roughly $2.5 million in annual revenues.

Six people already have joined the team in San Francisco, including some big league broker talent. George Brown, former chief of Frank B. Hall & Co.'s Northern California operation, came to Emett & Chandler a few months ago. "George is a catalyst to attracting other good people," Mr. Archer says.

Mary Ann Little, a strong producer from Penn General Agencies, Dan Giles from Frank B. Hall and Dave Cootes, former manager of Alexander & Alexander's San Francisco office, have come aboard since the start of the year.

The addition of such seasoned, highly skilled people should propel Emett & Chanler's expanded San Francisco operation to a fast start. "It looks like we'll develop with people and not acquisitions," Mr. Archer says. And so much the better, he believes.

"Whenever you acquire a business, no matter how careful you are, you also acquire some of its problems." That's apparently one of the lessons Emett & Chandler learned in New York where its base was built through acquisitions.

The San Francisco office is seeking a broad spectrum of major commercial accounts. George Brown has a lot of brokerage experience in the San Joaquin valley—center of California's agribusiness—suggesting the possibility to corporate brass of setting up a satellite office in Stockton or Fresno.

"The people we're breaking in now know a lot about the construction business," adds Mr. Lawrence, who looks for new accounts from those industries. All of the broker's new executives are producers even if they also shoulder administrative responsibilities.

Emett & Chandler's nationwide client list includes major airlines, manufacturers, domestic oil drillers, long-line railroads, aerospace manufacturers, banking and financial institutions.

Although 90% of Pinehurst's 1981 expansion effort will be pumped into Emett & Chandler, the company's self-insurance services unit is also expected to benefit. Opportunities for growth of such services are not as bright today as they appeared during the tight market of 1974-77, however.

"This is not a good time for self-insurance service companies because insurance is so cheap," admitted Mr. Archer. "If you can transfer risk cheaply enough, why assume it?" he asked. He advises

Continued on next page



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Continued from previous page
self-insuring organizations to consider going back to insurance if they can buy it at less than the cost of losses.

Emett & Chandler is not looking overseas for growth, although it does own a captive management unit in Bermuda that boasts 35 companies under management by its subsidiaries.

Every company's strategy must be dictated by its relative position in the industry, says Mr. Archer. "If we had a marvelous international opportunity, sure we'd look at it. But until we see that, we're going to commit our energies to where we can be the most effective.

"Without demeaning the value of international business, I think we ought to look at facts instead of fantasy," Mr. Archer says. "Sixty percent of the world premium volume is in the United States. Until you have major penetration in all the domestic centers, why look abroad?

"My view is that of the five alphabet brokers with some semblance of international business, no more than two make any money. But the big brokers feel compelled to build international offices to convince the investment community, their clients and the public that they are still growing," he said.

"There's a lot of sizzle in all this, but we're not going to just acquire something overseas—plaster 16 cities around the world on our letterhead and try to convince a client that we're an international megabroker."

A lot of those facilities are no more than mail drops, notes Mr. Archer.

Some are independent companies that don't have a clue who the parent is. And they are of very little value when it comes to servicing business in overseas countries or domestically.

The defection of many Lloyd's brokers from established firms acquired by U.S. alphabet brokers is fueling market competition in the London market. That's good for buyers who want more alternatives and good for brokers like Emett & Chandler that do not have an ownership interest in any of the London houses.

"There's a lot of buyer resistance now to the London connections the big brokers have," Mr. Lawrence says.

"Buyers resent it and so do producers who don't like somebody in their corporate hierarchy telling them how to do their business."

This creates enormous local office resistance because producers know the London brokers they like to deal with; they have strong relationships with those people; and their business depends upon delivering the best service to their client.

The big brokers are becoming institutionalized, Mr. Archer says.

"Some of their best entrepreneurial talent is being forced into straitjackets they don't like. They are tending to rebel and look for different work opportunities where they can function with greater freedom."

Emett & Chandler clearly believes it is one of those places. "I do get the most extraordinarily interesting calls from people you'd never expect to hear from," Mr. Archer says.

"We're of a size and tradition that is unique in the business and we intend to take advantage of that."

Existing brokerage offices are in Los Angeles, San Francisco and Orange, Calif.; New York City; Houston; Detroit; and Phoenix. Existing self-insurance services offices are in Los Angeles, San Francisco, Irvine, San Diego, and Burlingame, Calif.; Buffalo, Albany and Syracuse, N.Y.; Des Plaines, Ill.; and Sunset Hills, Mo.

Principal officers of Emett & Chandler include: Oren E. Lane, chairman; Leonard P. Lawrence, president; Jimmie Bussie, executive vp of Emett & Chandler Los Angeles; Thomas B. Arney, president, Pinehurst East; Thomas C. Cannon, president, Emett & Chandler New York; George W. Brown, Emett & Chandler San Francisco; Les Eckert, Emett & Chandler Texas; and Louis J. Curl, president, Emett & Chandler Michigan.

Total salaries, fees, bonuses and commissions of the five highest paid executives of Pinehurst Corp. in 1980, as reported to the Securities & Exchange Commission, were:

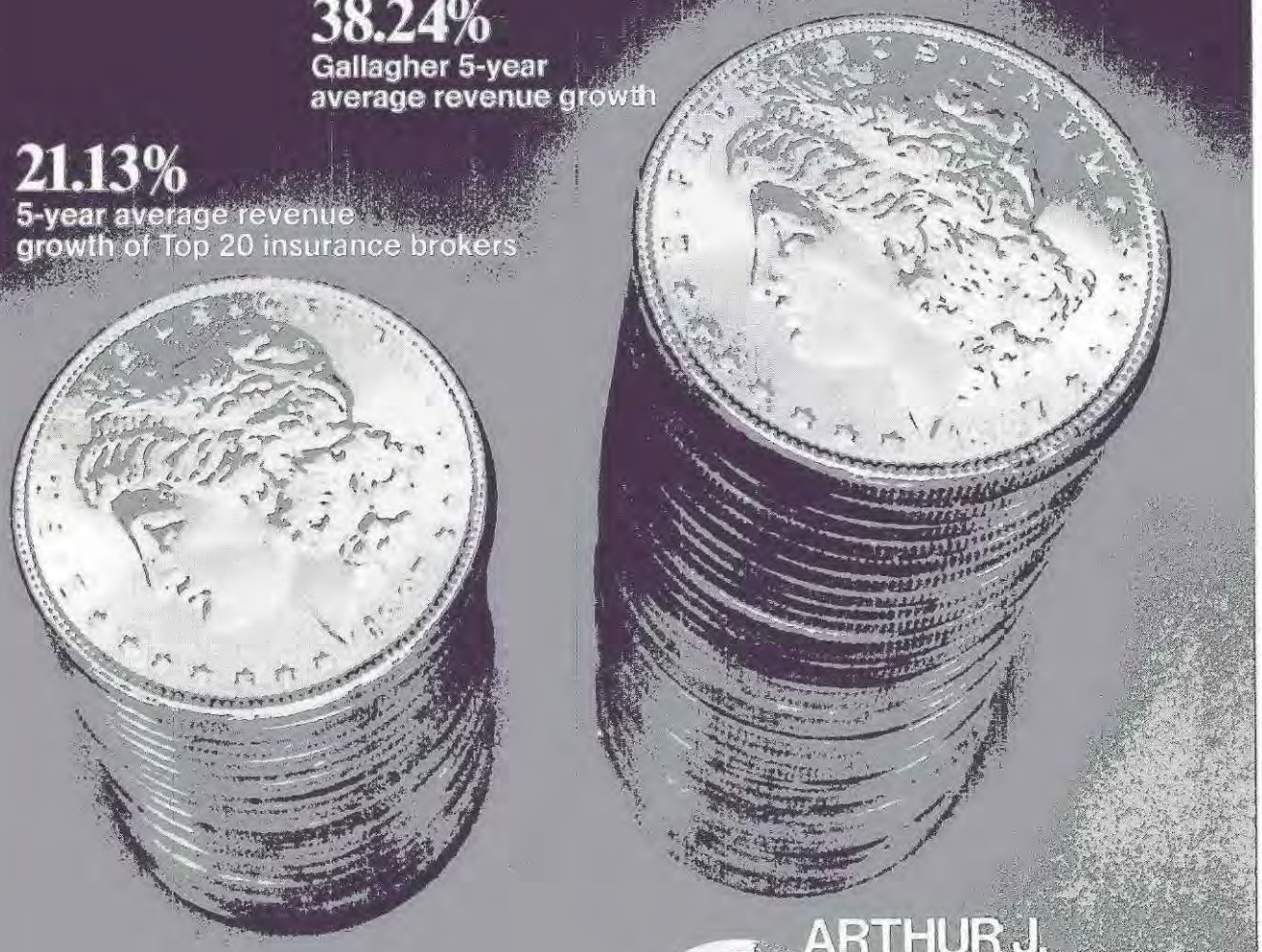
R.L. Emett	$125,000
C.F. Smith	$160,000
R.A. Archer	$125,000
O.E. Lane	$80,000
L.P. Lawrence	$160,000

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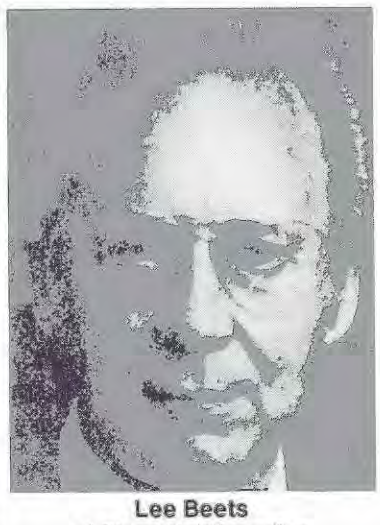
	1980	1979
Premium vol.	$200,000,000	$175,000,000
Gross rev.	$19,486,033	$17,785,090
Employees	376	383
Rev./employees	$51,824	$46,439
Offices	24	28

Now that Financial Guardian has been a competitive force in the property/casualty insurance brokerage business for a few years, the Kansas City-based company is exploring new horizons.

More transportation business is in the future, says Chairman Lee Beets.

"I feel that on a long-range basis, we'll become a well-known factor in transportation as a broad-based broker and underwriting manager," he says.

Already acknowledged as a trucking specialist and a fast-food franchise expert, FG is working to



Lee Beets of Financial Guardian

expand package plans that its own staff will underwrite for national and international insurers.

The company is taking the same approach with aviation risks and looking to expand its employee benefits business, a goal it shares with other major brokers.

Financial Guardian is hoping to blossom into a "total approach" broker with increased activity in risk treatment, self-funded programs and captive services to win more large accounts to match franchise plans, one of the brokerage's biggest revenue winners.

"But it's not just that, we'll continue our emphasis on being a retail broker," says Mr. Beets. Under his leadership, Financial Guardian posted a modest 9.6% increase in gross revenues last year. The growth held its postition among its close competitors, but two new entries to the top 10 brokers knocked

Financial Guardian down to 16th among the *Business Insurance* Top 20.

Underwriting management, ocean marine and trucking lines sustained the largest growth for the broker last year while property/casualty insurance renewals lagged.

But Mr. Beets says last year's growth wasn't bad considering the state of the property/casualty insurance market, competition among brokers and the economic pressure that Financial Guardian feels as it comes out of the aggressive acquisition and internal growth stage.

The company has grown a whopping 228% in the last five years.

Last year's growth figures failed to measure up to the company's expectations, however, due in large measure to a bad year for its Central Michigan affiliates where operations have slackened because of the depressed auto industry, Mr. Beets says.

The company last year made its 79th acquisition by buying Denver-based Byerly & Co., an employee benefits consulting firm.

The acquisition is intended to help Financial Guardian improve its employee benefits business. Benefits now make up only about 15% of the company's total business.

While 79% of all revenues came from property/casualty insurance last year, Mr. Beets says the company wants not only to generate more income from benefits, but also to make Financial Guardian more competitive with other brokerages that service entire accounts.

Otherwise, business could be lost to other brokerages with more extensive benefits services, he says.

"Benefits are a big field and it's important to us for the total account approach," he says. "It doesn't follow the property/casualty industry cycle, but it's more related to the inflation rate and the gross national product.

"All the major firms are doing it, and we feel it will balance our operation more."

Besides obtaining the Byerly firm, acquisitions last year and this year include: Hamway, Hudas & Weglarz Ltd. and Bruce J. Auten, both of Troy, Mich.; Peck & Co. and William H. Nicholas, both of Denver; Donald E. Dye, Houston; Charles A. Taylor and the American Insurance Agency Inc., both of Phoenix, Ariz.; Edward O. Sullivan Agency Inc. of New York; and Insurance Underwriters Inc., Ann Arbor, Mich.

Financial Guardian has 24 offices in such cities as Phoenix; San Jose, Calif.; San Francisco; Los Angeles; Hinsdale, Ill.; Des Moines, Iowa; Atcheson and Wichita, Kan.; Detroit; St. Louis; Omaha, Neb.; New York; Houston; Cheyenne, Wyo.; New Orleans and Portland, Ore.

It also has management arrangements in The Hague, Netherlands; Paris; Bermuda; and the Cayman Islands.

International business, however, is not a strong suit and accounts for only around 1% of total gross revenues, said Mr. Beets.

International offices exist primarily to assist U.S. clients in handling new foreign exposures and service larger, multinational accounts.

The firm splits its London business between brokers Lowndes Lambert and Cayer, Steele & Bowater, said Mr. Beets.

In addition to Mr. Beets, principal officers include Donald R. Weber, group executive vp and president of Financial Guardian Inc., and W.A. Schonacher Jr., group vp and president of Worldsurance Inc.

17 Schiff Terhune Int'l.

100 William St.,
New York, N.Y. 10038;
212-425-3010

	1980	1979
Premium vol.	NA	NA
Gross rev.	$15,930,000	$15,750,000
Employees	280	275
Rev./employees	$56,800	$57,273
Offices	9	9

In the middle of a "fierce rate war," Schiff Terhune International Inc. feels fortunate to have met the inflationary pressures of 1980 and registered a small, 1.1% increase in gross revenues.

The firm saw excellent growth in its marine/aviation and reinsurance accounts and reported an overall increase in new business.

A "significant increase in the number of new accounts," coupled with a "higher degree of cost consciousness," helped Schiff Terhune counteract the soft market, said Executive Vp Bert Linder.

The new accounts were the result of "an aggressive new business campaign" which Frank Schiff, chairman of the board at Schiff Terhune, said enabled the company to "hold our commission income at a fairly level basis plus meet our inflation needs" despite the competitive market.

Schiff Terhune also held its spot as the 17th largest broker on the *BI* Top 20 list this year, but now 18th-ranked Cook, Treadwell & Harry Inc. is moving up quickly.

New York-based Schiff Terhune is concentrating on certain market areas where "we do our best job," Mr. Schiff explained. This approach involves a geographic breakdown of industrial areas and the selection of specific industrial targets.

Mr. Schiff declined to say exactly what areas the company has in mind, but divulged that Schiff Terhune has had considerable success with the smaller airlines that are springing up in the aviation market now.

Marine insurance, another area in which Schiff Terhane is doing well, accounts for approximately 75% of the marine/aviation combination. Taken together, Mr. Linder said, the two provide 17½% of

Continued on next page



Continued from previous page
Schiff Terhune's total gross revenues.

Reinsurance is the firm's newest market activity, and Schiff Terhune now has full ownership of Eagle Intermediaries Inc., which it purchased last year from Wigham Poland U.K. after sharing ownership of the reinsurance company with Wigham.

Mr. Schiff said the firm did "very well" in its reinsurance business in 1980 and expects its reinsurance business to grow even more in the future.

"That has been a big plus for us," he said. "We project very good growth in that."

Property/liability insurance brokering provides approximately 65% of the company's gross revenues, Mr. Linder said, with marine/aviation second at 17½%.

Employee benefits contribute 5% to 6% to its gross revenues, and the balance is produced by smaller activities.

Schiff Terhune continues to be very active in international business.

Mr. Schiff said the company sees itself as the "smallest of the truly international brokers."

To illustrate this point, Mr. Schiff said that Schiff Terhune provides brokerage service in the United States, Canada and Mexico for Siemens of West Germany, the 15th-largest corporation in the world.

"Schiff Terhune has continually expanded its relationships with foreign multinationals investing in the United States, France, Sweden, the United Kingdom, Japan and Germany, and has a strong network of affiliated international brokers," he said.

> Mr. Schiff says it is the 'smallest of the truly international brokers.'

The company does not restrict itself to any single Lloyd's broker, but rather selects firms based on what they do best.

"No one has exclusivity on our business," Mr. Schiff explained, contending that such a strategy gives the firm greater flexibility in placing its client's risks.

Future joint ventures with an individual Lloyd's broker is "always a possibility," Mr. Schiff said, although nothing is definite at this time.

Despite last year's relatively flat growth, Mr. Schiff feels that Schiff Terhune is in a "good posture to take off" when the market finally improves.

In addition to the new business campaign, the company has placed a great emphasis on recruiting quality staff members, both in its home and regional offices, Mr. Schiff said.

The company maintains nine regional offices in the United States and Bermuda, and targets Chicago and Houston as the best areas for future office expansion. It did not add any new offices last year.

"Expansion by acquisition" is of particular concern to Schiff Terhune due to the current market conditions," Mr Schiff said.

Potential sellers are afraid that they might be selling at too low a price, Mr. Schiff said, while potential buyers are just as reluctant for fear that they may pay too much.

In addition to Mr. Schiff and Mr. Linder, principal officers at Schiff Terhune are: Hilliard Feldman, president; Andrew Marks, vp; and Joseph Lorenzo, vp.



Frank Schiff says he expects reinsurance business to grow.

18 Cook-Treadwell & Harry

855 Ridge Lake Blvd.,
Memphis, Tenn. 38115;
901-766-1200

	1980	1979
Premium vol.	$92,261,000	$82,518,000
Gross rev.	$15,815,000	$14,424,000
Employees	301	388
Rev./employees	$52,542	$37,175
Offices	19	NA

A soft insurance market and a tight economy sparked a program of expense control at Cook-Treadwell & Harry Inc., the 18th-ranked broker in 1980.

"Basically, it was very tight, strict budgeting," said J.W. McLeary, vp, secretary and treasurer of the firm. "In terms of the number of people we employ, we tried to achieve a better balance between employees and revenue."

Since personnel is the main resource of the brokerage's business, it is an area of concern in expense control, Mr. McLeary said. "It's not just a matter of eliminating employees," he said, "it's controlling all the expense items."

The current austerity and cost-cutting philosophy is a continuation of last year when Cook-Treadwell officials said stabilization would be the name of the game for the time being.

The company decided to trim corporate fat, solidify services and keep a cautious and watchful eye on acquisition possibilities.

Inflation and the embattled insurance market are also affecting the firm's growth plans. Cook-Treadwell acquired only one agency since 1979, the Agency of Security Inc. of Somerset, Ky., and there are no acquisitions on the drawing board for the immediate future.

Despite obstacles to growth,

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"We're pretty much following our overall strategy," he said. "We're trying not to be shortsighted about the soft insurance market. We do anticipate a turnaround."

The broker has managed to increase revenues in recent years by increasing its balanced book of property/casualty accounts while relying to a lesser extent on premiums paid by its parent, Cook Industries. About 90% of business comes from property/casualty.

However, the company has suffered over the last several years due to operating changes at the parent firm, most notably the divestiture of an agricultural commodities merchandising enterprise.

The soft market hit all of the company's lines of business last year, the Cook Treadwell vp said. "In the current insurance market it would be very hard to single out any lines growing faster or slower than others."

The firm is continuing on its course announced last year of diversity in the property/casualty area, but expertise in the coal business remains a strong suit among its Eastern agencies.

Business has slowed down in those regions along with the downturn in the coal industry, but the firm is gearing up for what Chairman Timmons L. Treadwell feels will be an industry resurgence.

The business remains competitive but stable, Mr. Treadwell said, adding the company also stands ready to assist self-insured coal operations.

Oil, aviation, cotton, hardwood lumber and marine are other areas of activity.

Mr. Treadwell said that the expertise in various lines is spread out among the company's offices, but that doesn't hamper its ability to perform.

Cook Treadwell offices support one another and can move information quickly from one office to help the staff in another location serve an account, he said.

Cook Treadwell has branch and subsidiary offices in nine Sun Belt states and Oregon. In London, the company owns part interest in Edinburgh General Insurance Services Ltd., a Lloyd's underwriter which is used "extensively though not exclusively," Mr. McLeary said.

Internationally, Cook Treadwell handles a sizeable amount of South American business for its clients through a special service agreement despite government requirements there that insurance must be written with local companies.

Principal officers of the firm include: E.W. Cook, president and chief operating officer; T.L. Treadwell III, chairman of the board; D.R. Liddell, executive vp; R.G. Anderson, executive vp; R.B. Shangvi, corporate controller and G.A. Urban, executive vp.

19 Poe & Associates

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	1980	1979
Premium vol.	NA	NA
Gross rev.	$15,300,000	$13,300,000
Employees	450	325
Rev./employees	$34,000	$49,200
Offices	13	10

Buoyed by increased revenues from mass-marketed accounts, Poe & Associates is content to stay in its domestic marketplace niche.

Although most large commercial brokers are expanding international expertise in the face of slow domestic growth, Poe proves that national firms can still report gains.

Poe hiked its revenues to $15.3 million in 1980, up 15% from the regional broker's $13.3 million in 1979, and also holding onto its niche as the nation's 19th largest broker on the *BI* Top 20 list.

Half of Poe's growth came from acquisitions, the other half from the association plan/mass-marketed risks, says William F. Poe, chairman and chief executive officer.

Association and franchise business brought in 40% of the total revenue in 1980, up from 37% the previous year.

Although Poe & Associates measured up to its 15% projected growth rate for 1980, growth was down 8% from 1979's 23% and down 10% from the 25% average growth rate the five previous years, Mr. Poe says. Much of the decrease was due to heavier competition.

"This came as a result of more competitive rates that are continuing to decrease," Mr. Poe says. "You have to sell 10% to 12% more than last year just to stay even. Our industry, overall, continues to have lower rates and commissions. We



William F. Poe
of Poe & Associates

measured up to our expectations—15% was our target—but we did not have an increase in overall profit."

Profits fell.

"We were anticipating a profit of some magnitude," he said. "Instead, we had a decrease of 4%. The market is terribly soft, and the competition is still there with lower rates."

Acquisitions include James P. Poole & Co., Atlanta, which specializes in life and health insurance; National Underwriters Inc., Indianapolis, which specializes in banking programs; and a new branch office of Whiting National Insurance Co. of Jericho, N.Y., a wholly owned subsidiary, specializing in property/casualty coverage.

In 1979, the firm had 10 offices and an estimated 325 employees. Now Poe has 13 offices and 450 employees. Nine of the offices are in Florida.

"No particular line is strong, but

Continued on next page

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Continued from previous page
because we put more effort into association insurance, it has been equal or better than the others monetarily.

"It is a good marketing area," Mr. Poe says. "The normal mainstream business is slow because of the rate decreases. You have to keep fighting to hold on to your business and to add more at lower rates. These are difficult times and you have to do things appropriately to cling to the business you have. It's self-preservation."

Poe & Associates has been moving more toward administration, claims handling, safety, statistics and reinsurance for self-insured workers compensation programs, he says. He would not reveal what share of business this represents.

"We have a fair number of clients and do reasonably well, but it is very competitive," he says. "There's been a trend toward this area in the past several years."

In the workers compensation field, Florida's wage-loss program has had a positive effect on business. Rates are down, and more policyholders are back in the open market and out of the assigned risk pool, he says.

"We have a very, very competitive workers compensation climate now," he says.

Less than 2% of Poe & Associates' total revenues for 1980 were produced from international accounts, and the firm has no plans to expand its share of foreign business, Mr. Poe says.

"International is just nominal for us. We never had any interest in it and don't have the contacts."

The small portion of overseas insurance placed by the firm goes through three Lloyd's brokers. Mr. Poe would not name them but said he chose them because they had helped his firm in the past.

"Most of our total business goes through domestic lines and brokerage firms, more than 93%," he says. About 94% of revenue came from property/casualty insurance and the balance was from life and benefit insurance. In 1979, property/casualty risks made up 95% of the firm's revenues.

Poe & Associates is presently involved in several new association mass marketing projects.

These include policies for the Florida Psychological Assn., Florida Optometric Assn., Florida Chiropractic Assn., Florida Funeral Directors Assn., Florida Golf Management Assn., National Assn. of Tobacco Dealers, National Assn. of Trade and Technical Schools and the Florida Lumber & Building Supply Dealers Assn. The Florida Psychological Assn. policy covers professional liability, office liability, personal injury, auto, fire, misconduct and other hazards related to large groups.

Total compensation, including salaries, fees, commissions and bonuses, paid to top officers were:

William F. Poe	$70,000
Joseph Brown	$82,500
Earl Lipnick	$155,230



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	1980	1979
Premium vol.	NA	NA
Gross rev.	$12,290,600	$11,146,800
Employees	249	222
Rev./employees	$49,359	$48,676
Offices	1	1

Lawton-Byrne-Bruner Insurance is one of St. Louis' oldest citizens, but it's a newcomer to the *Business Insurance* top 20 broker listing.

Despite its surge into the ranks of the front-runners with a 10% jump in gross revenues last year, the firm is more concerned with profitability and day-to-day selling than with size and rankings, according to Chairman W.W. Fetner.

LBB has never made an acquisition nor opened a branch office. It shuns joint ventures, emphasizing instead sales and service of existing accounts along with beating the bushes for new ones.

The sales force alone includes 14 partners and 35 other employees engaged in sales, he says.

"As far as we're concerned, the days of the golf-playing broker are over," he says. "We find our efforts are better expended in soliciting and writing business than in fooling around with acquisitions."

Mr. Fetner says his firm wants to stay away from the financial and operational problems that can result from acquisitions and mergers.

"We want to have tight control over all our operations," he says.

Individual partners in the firm have controlling ownership in two ventures, the Parcel Insurance Plan, a program for companies that do a lot of parcel post shipping, and John O. Felker Benefit Services, a group life and hospitalization insurance plan.

"We're not much for long-range planning because we don't have the overhead problems of the big houses," he says. "We just sell and service our accounts properly day to day."

The brokerage dates back to 1886 and has been the biggest in St. Louis since 1910, handling more St. Louis business than Marsh & McLennan or Alexander & Alexander, Mr Fetner says.

"St. Louis is our bailiwick. Sixty-five percent of our business is within 25 miles of St. Louis, with 35% all over the country."

The bread-and-butter item for Lawton-Byrne-Bruner is the mid-sized account generating from $500,000 to $1.5 million in yearly premiums. Only about 12 accounts net more than $2 million, he says.

"We have a well-balanced book of business," he says. "Nothing dominates our situation. If one line of business goes into a decline, we don't take a nose dive with it."

About 80% of total gross revenues comes from property/casualty insurance and 5% from employee benefits and 15% from personal lines insurance. This division of business has remained steady over the last few years, Mr. Fetner says.

Growth has averaged about 15% annually over the last 10 years, but like many of its competitors, "we've just been treading water," he says.

For a firm that does not acquire other agencies, however, the growth rate has been "exceptional," Mr. Fetner says. He says the figures reported by the larger national brokerages are "highly pumped-up because of acquisitions. Ours has all been internal growth."

International risks are not a large part of this homegrown brokerage. A few clients with overseas risks keep LBB in the international area, but provide only about 1% of revenues.

"We do international business only for a number of our clients that operate outside the United States, but we're not contemplating going into that field. We have these arrangements only to see that our overseas clients are handled properly," he says. "But we have no desire to enter the market on a competitive basis."

The firm also has avoided investing in London brokers, unlike many of its larger competitors, but does use the Lloyd's brokers C.T. Bowring and Hogg Robinson on a roughly equal basis. Marine risks move to Hogg Robinson and railroad accounts to Bowring, for example.

Despite the pressures of the competitive marketplace, property, liablity and workers compensation insurance continued strong showings, Mr. Fetner says. Group life insurance sales were the most disappointing factor of 1980, but the brokerage plans to "forge ahead" this year with expansion of the line.

The company has a one-man department, mostly for sales to employee groups.

"It's a small but growing segment of our business. Our group plan is of fairly recent vintage, developed over the last five years, and it hasn't developed substantial volume for us, but we hope to make it grow," Mr. Fetner says.

In addition to Mr. Fetner, principal officers include: H.R. Larkin, president; C.P. Skwiot, executive vp; J.B. Andrews, senior vp and secretary; and J.O. Felker, senior vp and treasurer. ■

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	1980	1979
Premium vol.	$1,700,000,000	$1,433,000,000
Gross rev.	$226,360,000	$192,565,000
Employees	4,800	4,500
Rev./employees	$47,158	$42,792
Offices	180	153

(Revenues are stated in Canadian dollars.)

Reed Stenhouse Cos. Ltd., Canada's largest brokerage, again tried to strengthen its U.S. operation while maintaining its strong positions in Canada, the United Kingdom and Australia.

Gross revenues in Canadian dollars increased 17.5% worldwide, to more than $226 million in 1980 from about $192.5 million in 1979. Using the year-end 1980 exchange rate of 84.9 cents, its 1980 gross revenues were $192.2 million U.S. dollars and $163.5 million in 1979.

Approximately a third of 1980 revenues came from Canada, another third from the United Kingdom and Ireland and the remainder split between the United States, Australia, New Zealand, Southeast Asia and other regions. The United States provided about 16% of the total revenues in 1980.

The Toronto-based broker now has 26 offices in the United States, three less than in Canada.

According to President William M. Wilson, U.S. growth is needed to provide a base for serving multinational risks worldwide. Reed also uses its experiences in the United States to bring up-to-date domestic insurance technology to its other operating divisions.

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President William M. Wilson wants Reed Stenhouse to grow in U.S.

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Stenhouse Inc.), we are very attracted to the business that originates there and radiates out to the other nations we are involved in," Mr. Wilson says. "We are also after the business coming into the United States from other nations, particularly the influx of European business.

"But one of the things people often forget about in the United States is the amount of research that goes on there in the insurance business. Advanced risk treatment procedures emanate from the United States so our specialists there can be of help to our companies all over the world."

For that reason, Mr. Wilson says, the U.S. operation is expected to be slightly less profitable than the other Reed Stenhouse companies around the world. The U.S. company, he says, gets hit for many of the "global expenses" of sending experts outside the United States to work on international accounts and will continue to face the start-up costs common with the establishment of a new division in a market as big as the United States.

Last year, the U.S. division showed an operating loss of $279,000 Canadian, hurt by hot market competition and provisions for a large, overdue account.

Reed, however, followed the year with a key change in U.S. management, promoting Peter G. Leitch to president and chief executive officer of U.S. operations.

Mr. Leitch, with a strong sales background, has a mandate to bring the U.S. company from infancy to sales and production. He already has relieved some of the branch managers' paperwork to give them more time to emphasize production, insiders say.

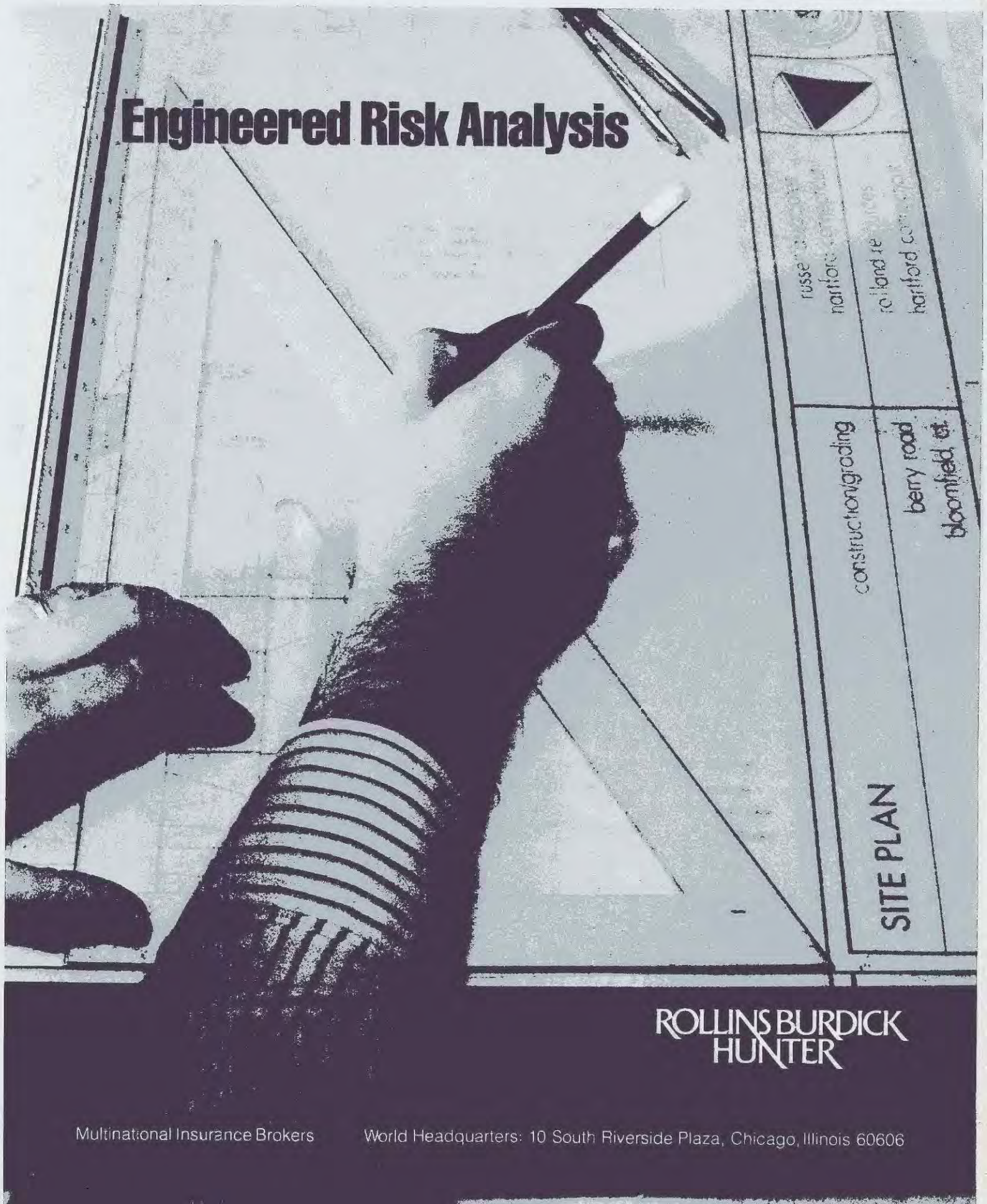
The U.S. division also has looked to increase its aviation expertise and consolidate its energy push in Houston, Denver and Los Angeles. Reed also acquired Balanced Pensions Inc., a company specializing in international benefit and pension planning.

Mr. Wilson says Reed Stenhouse is proud of its established international connections and uses that history in seeking new clients.

"We are very strong internationally and have been for some time," he says. "For one thing, no other foreign broker has created a truly national organization in the United States. With the addition of three or four offices to the U.S. cities we already are in, we feel we can cover the United States very adequately. We also are the largest broker in many international areas.

"What that means is that our ties between countries have been developed over time. That's important because newcomers to the international scene may not have had the time to form those ties of friendship and respect."

Continued on next page



Continued from previous page

In Canada, the broker already takes the dominant position, especially strong in the energy-boom provinces of Alberta and British Columbia.

"The state of the Canadian company is A-1," Mr. Wilson says. "It is still growing, however, and we feel our growth here has been above average for Canada. We made some small acquisitions in 1980—the first we have made in Canada since 1971."

(The firm made two acquisitions each in the United States and Australia in 1980 to add to those three small Canadian acquisitions, Mr. Wilson said. Reed Stenhouse also expanded in Spain and entered into an Italian partnership which gave the firm three offices there.)

The most exported Canadian expertise is in the oil and energy fields. Canadian Reed experts have played a role in insuring risks in places like Houston and even New Zealand. The energy niche will continue to grow for Reed in Canada, adding to the broker's heavy insurance dominance in western Canada.

The Canadian company also entered into a joint venture with Crosbie & Co. Ltd. in Newfoundland last year to develop marine and energy business there.

An area for improvement in Canada, however, is employee benefits. Reed's balance of benefits to property/casualty insurance business lags behind the targets of other major U.S. and Canadian brokers

Mr. Wilson says this improvement will have to come from within rather than through acquisition or international offices since differing benefit laws between nations make it harder to import employee benefit expertise than property/casualty help.

In the United Kingdom, where Reed is the largest retail broker, the company was forced to adjust to a deteriorating economy, Mr. Wilson says.

"The depths of the U.K. situation in 1980 surprised us to an extent," he says. "The industrial base there has shrunk, and since we have a strong base in the industrial heartlands in the U.K. as well as London, we are feeling the conditions seen in those cities.

"On the bright side, however, while we are losing some accounts due to closings, etc., we are adding many firms in the top-end premium levels. We have had to look at costs and other factors very carefully in the United Kingdom, but we feel we are doing well in that area."

Although Reed emphasizes its multinational teamwork and success on international accounts, Mr. Wilson says the broker would be fooling itself if it didn't continue to depend on more medium-sized national risks for its bread and butter.

"You have to be flexible," he says. "We, for instance, would never favor the formation of a formal global department because they grow like Topsy.

"We have people in each country that we target for help on international risks, but they report to the local companies like any other employees. The bread and butter of our business will continue to be the smaller, single-nation firm."

Major corporate officers include W. Douglas H. Gardiner, chairman; Mr. Wilson; John B. Devine, managing director of Reed Stenhose & Partners Ltd.; Cedric G.E. Gyles, president and chief executive officer for Reed Stenhouse Ltd., Harry J. Harvey, internal services division; and Mr. Leitch.

2 Alexander & Alexander

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	1980	1979
Premium vol.	NA	NA
Gross rev.	$35,637,000	$33,016,000
Employees	830	820
Rev./employees	$42,936	$40,263
Offices	22	18

(Revenues are stated in Canadian dollars.)

Revenues increased only slightly for Tomenson Saunders Whitehead in 1980, but those results haven't dimmed the enthusiasm of Canada's second-largest broker to continue to serve all kinds of accounts.

Executive vp Kenneth M. Elliott says revenues increased 7.9% in Canadian dollars last year, to $35.6 million in 1980 from just more than $33 million in 1979. Using the year-end 1980 exchange rate of 849 cents, the gross revenues in U.S. dollars were $30.3 million in 1980 and $28 million in 1979.

The business was about 10% personal lines, 20% employee benefits and 70% commercial property/casualty insurance business, Mr. Elliott says.

"We're different than some brokers in that we feel that if a brokerage is in insurance, it should be involved in all facets," he says. "That is not true of all the big competitors here in Canada. Johnson & Higgins has sold off its personal lines business and Marsh & McLennan is pretty much out of it as well.

"We feel we can handle small, personal accounts, small commercial risks and the very large international accounts. We just have to make sure that we continue to gear up differently for each as to do the best job."

Tomenson Saunders Whitehead is still primarily Canadian-based, with 17 of its 22 offices in Canada. The company is 50% employee-owned, with the other 50% controlled by two major investors. The three largest offices around which the others revolve, are in Toronto, Montreal and Vancouver, British Columbia.

Mr. Elliott says his company has been caught up in the competitive market conditions as have other brokers. While the increase in volume has been slowed by rate conditions, Mr. Elliott says his company has increased the number of clients it serves in personal and commercial lines and the benefit areas.

Historically, the Toronto area has been the company's stronghold, with the firm probably ranking third in that region in revenues. But Tomenson recently has moved to increase its presence in the energy-boom areas of the West, going up against a strong competitor in Reed Stenhouse.

"That isn't always so bad for us, however, because the big fellow always has to watch himself," Mr. Elliott says.

"For us, since we only began our push there in 1973 or so, there is no place to go but up. Reed still controls the business there, but we have made good progress starting off with the smaller risks, then moving up the premium scale as we grew stronger."

In Montreal, Tomenson Saunders Whitehead, like its competitors, has tried to cope with the differences in language and politics. Mr. Elliott estimates that six or seven years ago the office was about 50% bilingual. Today 95% of employees speak French.

"We're dedicated in Quebec to make many major decisions about that area within that office," he says. "You need to do that to do business effectively there. It would be hard to really succeed if a broker gave the impression that too much control was coming from the English-speaking regions.

"We have a good operation in Montreal, and we feel we have made significant progress. That's especially gratifying when you realize that the government took away much of our automobile business several years ago. We've pretty much made that back."

Like Reed Stenhouse, Tomenson Saunders Whitehead is increasing its involvement in the United States. Currently, the broker has four U.S. offices, two in Denver and one each in Harrison, N.Y., and San Francisco. More will be added in the next five years, Mr. Elliott says.

"For about three or four years, we've recognized that more and more of our clients are going into the U.S. to do business," he says. "We have good service relationships with U.S. brokers, and we've been able to do the job. But recently, we have seen our firms here make investments in the U.S. that sometimes exceed their investment here in Canada.

"When that happens, there is the possibility that the insurance decisions could be made in the U.S. and backed into Canada. So we see the need to have an operation in the U.S that can cope with that. We were slightly reluctant to make that investment because we still have a great deal to gain in Canada. (The firm controls about 2½% of Canadian insurance premiums, by its estimation).

"But we felt we had to if we were to keep pace with our clients' needs."

Mr. Elliott says Tomenson has identified nine U.S. regions in which the broker should be represented. Setting up new offices



Photo: Dave Galanti
Kenneth Elliot says he can handle personal and large risks.

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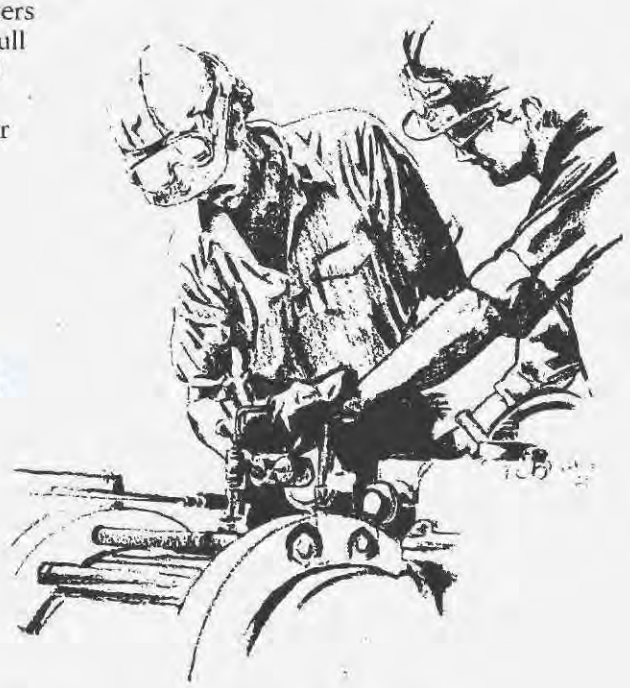
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would take too long, so the company has decided to look for U.S. firms with $1 million to $2 million in commissions to buy. The only exception to this rule has been an original office in San Francisco.

"There is no real rush. I think we can have a presence in five or six of our nine areas in five years. We don't want to make bad purchases," Mr. Elliott says.

"In the long term, however, there is no alternative to being in the U.S."

With 17 offices in Canada, he says that his company is about everywhere it needs to be geographically. However, Mr. Elliott sees the need for deeper penetration in the Atlantic provinces, starting with the oil and gas business in Newfoundland.

That can be achieved by 1985, he adds.

The employee benefit area has grown very well in past years, Mr. Elliott says. Until January 1980, the company's benefit operation, TA Associates, was jointly owned by Tomenson and Alexander & Alexander. Now, it is owned completely by the Canadian firm. TA Associates specializes in compensation counseling and communication services.

Plans allow for the operation to remain at about 20% of revenues, Mr. Elliott says.

Tomenson operates two offices in the United Kingdom and Bermuda. The British office was established primarily to service North American business there, but it does have a small production capability. The Bermuda office houses the broker's captive management company.

Despite the relatively small size of offices outside Canada, Mr. Elliott says his firm is adequately prepared to serve multinational risks. Expertise in that area goes way back, he adds.

"We still service risks in 26 nations for the risks based here," he says. "We have put together many global programs over the years, many of which have stood the test of time since we formed them in the early 1960s—with some fine tuning.

"As in our other business, we feel it is our emphasis on personal service that does the trick for us. We believe that you have to go yourself to these international profit centers to do the loss control, etc., for the risks. The result for us has been loss experiences that are better than normal for these areas. We're satisfied that we do the job for our clients."

Other top management officials include William E. Toyne, president; Robert A. McFarlane, executive vp; Jay S. Cameeron, vp of finance; and James Hillhouse, president of TA Associates.

broker's revenues in U.S. dollars were $26,929 in 1980 and $24,817 in 1979.

Sodarcan, a Montreal-based firm that until last year was limited to retail and reinsurance brokering and actuarial services in French-speaking Quebec, became a truly national operation with the acquisition of Dale-Ross Holdings, a Toronto-based firm with retail brokerages throughout Canada.

Dale-Ross was available after a merger with Marsh & McLennan was blocked by the Canadian Foriegn Investment Review Agency.

Sodarcan doubled the size of its retail operation by acquiring Dale-Ross, moving the broker up dramatically near its Canadian-based counterparts Reed Stenhouse Cos. Ltd. and Tomenson Saunders Whitehead Ltd.

Sodarcan had planned on going national since it was formed in

Continued on next page

3 Sodarcan, Dale-Ross

2 Complexe Des
Jardins, #1700,
Montreal, Quebec
H5B 1B3;
514-288-0100

	1980	1979
Premium vol.	NA	NA
Gross rev.	$31,718,000	$29,231,000
Employees	809	845
Rev./employees	$39,206	$34,593
Offices	22	22

(Revenues are stated in Canadian dollars.)

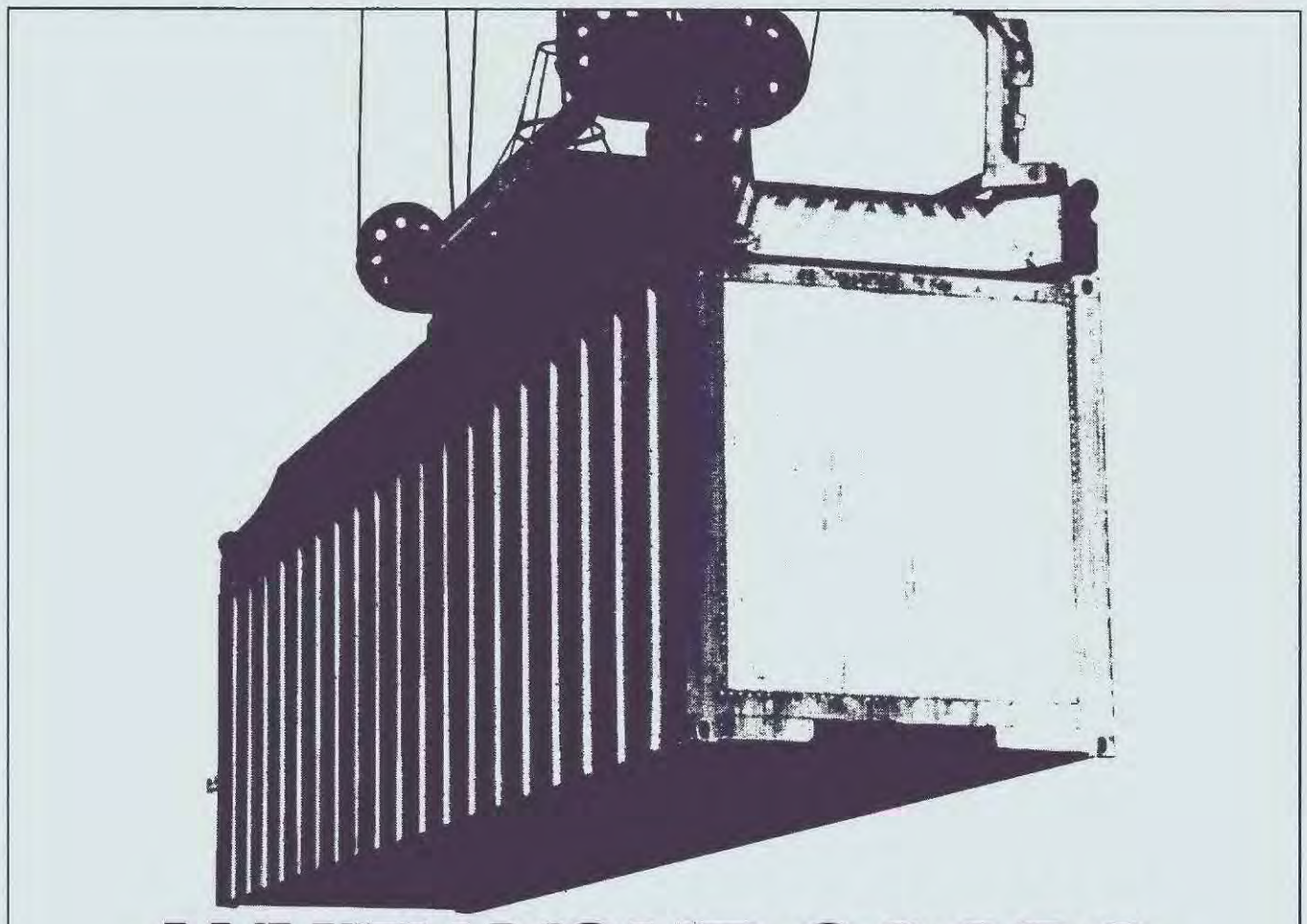
In its first year as a combined operation, Sodarcan, Dale-Ross increased its gross revenues more than 8.4% in Canadian dollars to $31,718,000 in 1980 from $29,231,000 in 1979, including brokerage and some actuarial consulting.

Using an exchange rate at Dec. 31, 1980, of 849 Canadian cents, the

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Continued from previous page
1972, says Sodarcan President Robert Parizeau. Dale-Ross fit nicely into the plans, he adds.

"Our goal for some time was to get to be a force in the Canadian market, both in reinsurance underwriting and brokering and retail brokering," Mr. Parizeau says. "Sodarcan was formed because we needed an umbrella to get financial resources for growth. It combined companies my father and I controlled in Quebec.

"By forming the holding company (which today is 60% employee-owned, with the rest controlled by financial institutions), we became much larger and could attract people and money."

For direct brokering, Sodarcan started its acquisitions in Quebec to become strong locally before moving on a national scale. Its main subsidiary in Quebec, Gerard-Parizeau Ltd., is a general-purpose broker with strengths in professional liability, surety and the lumber industry. Industrial/manufacturing, financial institutions and marine/general aviation risks round out the main portion of its business.

Gerard-Parizeau has seven Quebec offices with its headquarters in Montreal. Dale & Co. Ltd., Dale-Ross' brokerage subsidiary, already was a national firm at the time of the acquisition by Sodarcan. The company ranked third among Canadian retail brokers, trailing Reed Stenhouse and Tomenson Saunders Whitehead. The brokerage services multinational risks through arrangements with U.S. brokers, such as Fred S. James and Frank B. Hall.

Dale specializes in pulp and paper, oil, petrochemical and aviation risks. Dale started an acquisition program in 1975, adding about one Canadian broker a year. Although it has a Montreal office, Dale's strengths lie outside Quebec, most observers say.

"The beauty of the merger is that Sodarcan and Dale-Ross complement each other so well. The only common office is in Montreal, and there we have completely different books of business," Mr. Parizeau says. "It gives us strengths in both Toronto and Montreal.

"For the future, we want to increase our presence in both the far eastern and far western areas of Canada."

When Sodarcan bought Dale-Ross, it doubled its revenues.

Girard-Parizeau and Dale & Co. will continue to operate as separate subsidiaries of Sodarcan, each run by an internal group of partners. The holding company is intended to be small, with only 14 employees at present, Mr. Parizeau says.

The game plan extends beyond taking advantage of the political and language differences between Quebec and the rest of Canada, corporate officials say.

"That part of it doesn't always play a large role," says vp Pierre Chouinard.

"If you are talking about the large industrial account, nationalism doesn't matter very much. They want to see what you can do for them in terms of service, price, etc. The problem in Canada is the economy, not language."

"If all things are the same, it's probably an advantage doing business in Quebec with a French name and in Ontario with an English one," agrees John C. Meen, president and ceo of Dale & Co. "But it isn't always as big a problem as people might think."

One way Sodarcan hopes to use its new-found geographical spread is in association-type business, which will be stressed in coming years, officials said.

In addition to Sodarcan's retail brokerage and actuarial services companies reflected above, other brokering and underwriting brought the total 1980 revenue figure to $48,114,000 (Canadian).

Corporate officials include Mr. Parizeau; Pierre Chouinard, vp of the direct insurance division of Sodarcan; Maurice Jodoin, vp and general manager of Sodarcan; Kenneth M. Gilbert, president of Dale-Ross Holdings Ltd.; John C. Meen, president of Dale & Co. Ltd.; Gerald Laberge, president of Gerard-Parizeau Ltd.; and Marcel Le Houillier, president of Herbert Le Houillier & Associes Inc.



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Here's your guide to agent/brokers

A

Jay Adams & Associates Inc.

121 N. Ridgewood Ave., Daytona Beach, Fla. 32015; 904-252-3701

	1980	1979
Premium vol.....	$6,500,000	$5,938,000
Gross rev.....	$970,000	$865,000
Employees.....	24	22
Commercial bus...	75%	75%

Principal officers: J.C. Adams Jr., president; Charles Bultman, senior vp; Richard Fulton, vp; Sandi Wells, corporate secretary; Ronald Helwig, treasurer.
Compensation: Commissions.

Admiral Insurance Agency Inc.

20 State St., Lynn, Mass. 01901; 617-599-2000

	1980	1979
Premium vol.....	$3,250,000	$2,598,968
Gross rev.....	$459,201	$404,431
Employees.....	10	10
Commercial bus...	65%	65%

Principal officers: Samuel B. Tassel, president.
Compensation: Commissions.
Licensed excess/surplus broker in: Massachusetts.

Agins Agency Inc.

24361 Greenfield Road, Southfield, Mich. 48075; 313-557-8822

	1980	1979
Premium vol.....	$6,200,000	$6,000,000
Gross rev.....	$900,000	$900,000
Employees.....	18	18
Commercial bus...	90%	90%

Principal officers: Eugene N. Agins, president; Jack B. Sirotkin, vp; Rose S. Agins, secretary/treasurer.
Compensation: Commissions.
Subsidiaries: Agins Estate & Corporate Planners Inc.
Licensed excess/surplus broker in: Michigan.

Akin-Akin Inc.

2418 E. Grand River, Howell, Mich. 48843; 517-546-4810

	1980	1979
Premium vol.....	$2,500,000	$2,800,000
Gross rev.....	$410,000	$402,000
Employees.....	9	10
Commercial bus...	70%	75%

Principal officers: Edward H. Akin, president; Margaret Addis, manager, commercial department; Janet Ivey, manager, personal insurance department.
Compensation: Commissions and fees.
Licensed excess/surplus broker in: Michigan.

Alper Agency Inc.

1 N. Wacker Drive, Chicago, Ill. 60606; 312-236-9600

	1980	1979
Premium vol.....	$5,800,000	$5,300,000
Gross rev.....	$1,000,000	$860,000
Employees.....	22	21
Commercial bus...	95%	95%

Principal officers: Howard C. Alper, president; Martin F. Blake, Russel M. Cortino, Carol A. Gravesen, vps.
Compensation: Commissions and fees.
Subsidiaries: AuditRate Inc., Chicago.
Parent company: Alper Services Inc.

Seymour Alper & Co. Ltd.

5165 Queen Mary Road, Montreal, Quebec H3W1X8; 514-489-8601

	1980	1979
Premium vol.....	$7,054,000	$6,600,000
Gross rev.....	$1,592,000	$1,500,000
Employees.....	33	31
Commercial bus..	75%	75%

Principal officers: Seymour Alper, president; Michel LaBelle, vp; Morris Liquornik, secretary/controller.
Compensation: Commissions.

Alpha I Insurance Brokers Inc.

564 S. Murphy Ave., Sunnyvale, Calif. 94086; 408-739-4011

	1980	1979
Premium vol.....	$2,530,000	$2,200,000
Gross rev.....	$333,600	$271,000
Employees.....	12	12
Commercial bus...	70%	70%

Principal officers: W.J. Connor, president; Mark Talsma, vp.
Compensation: Commissions.

American Coverage Corp.

185 Great Neck Road, Great Neck, N.Y. 11022; 516-487-3800

	1980	1979
Premium vol.....	$11,585,000	$11,040,000
Gross rev.....	$1,691,000	$1,598,000

Continued on page 82

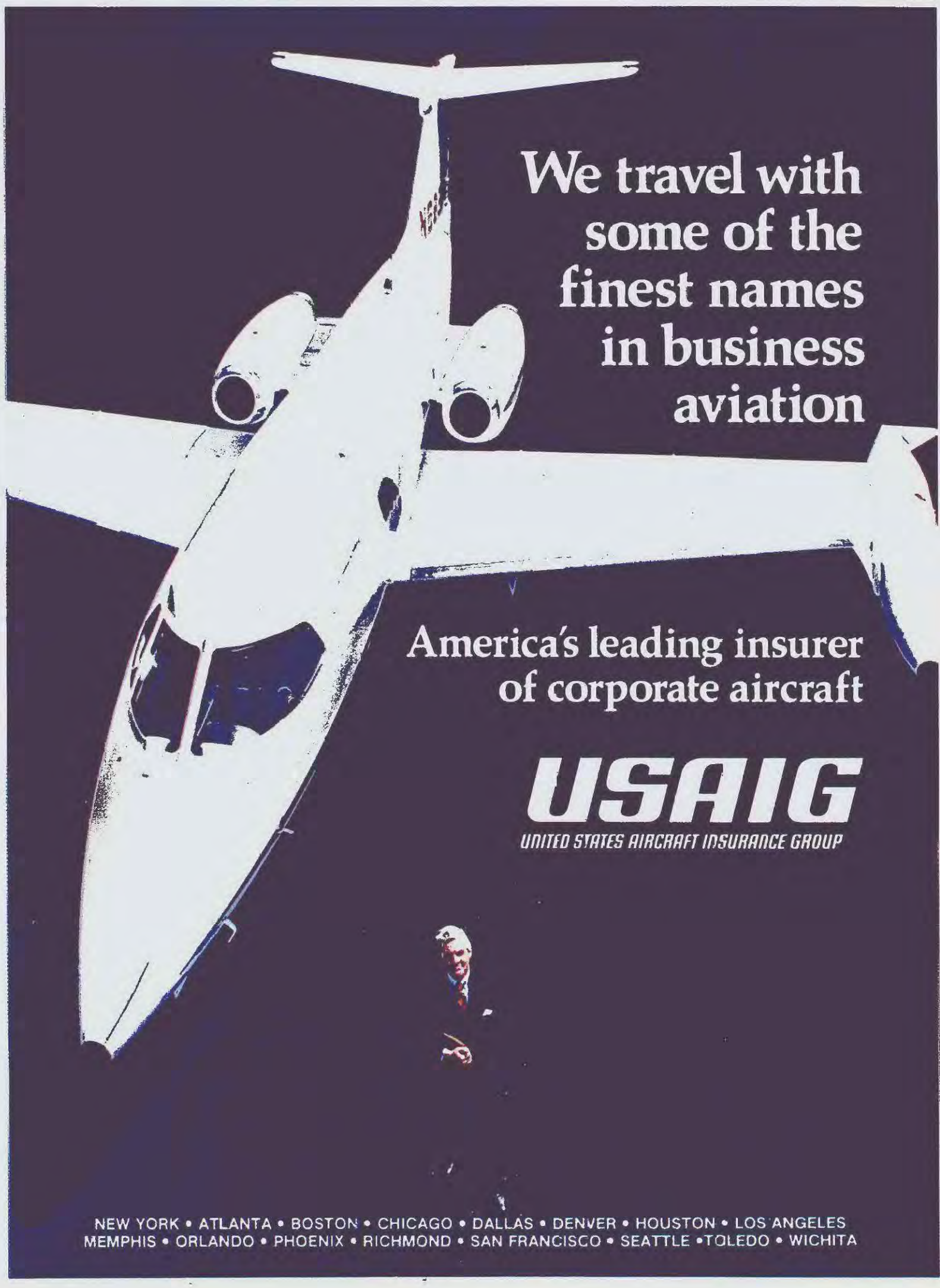
Where we got our information

The individual profiles detail: premium volume, gross revenues, number of employees and how much business is generated by commercial accounts.

Also noted are principal officers, branch offices, subsidiaries, parent company and states in which the firm is licensed as an excess/surplus lines broker.

Information in this special Agent/Broker Profiles issue was compiled by *Business Insurance* based on information supplied by the agents and brokers.

Agents and brokers listed primarily serve commercial clients.





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Continental Risk Services



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Continental Risk Services, a facility of The Continental Corporation

Spotlight Report

Continued from page 79

Employees	34	32
Commercial bus...	95%	95%

Principal officers: Robert L. Dubofsky, president; Jesse Gottlieb, president, American Coverage Life Planners Inc.; Henry Lombardi, vp; Herman Rich, senior vp.

Subsidiaries: American Coverage Life Inc.; Nat Dubofsky Co. Inc.; J.M. Marshall Inc.; Wolkenberg & Warshaw Inc.; Building Owners Coverage Co.; R.V.B.N Realty Corp.

Parent company: American Coverage Assoicates.

Licensed excess/surplus broker in: New York.

Anderson & Anderson Insurance Brokers Inc.

2495 Campus Drive, Irvine, Calif. 92715; 714-752-2255

	1980	1979
Premium vol	$21,200,000	$19,000,000
Gross rev	$3,550,000	$3,000,000
Employees	75	73
Commercial bus...	98%	97%

Principal officers: Robert M. Anderson, president; Donald D. Anderson, chairman; Daniel LaFlamme, vp of finance Stephen Wood, vp of marketing; Donald S. Shaw, secretary.

Compensation: Commissions and fees.

Branch offices: San Jose and San Marcos, Calif.

Associated Agencies Inc.

223 W. Jackson Blvd., Chicago, Ill. 60606; 312-322-4600

	1980	1979
Premium vol	$29,000,000	$25,000,000
Gross rev	$3,280,000	$3,200,000
Employees	71	75
Commercial bus...	88%	88%

Principal officers: Robert L. Adler, president; Max Robert Schrayer, chairman; A.A. Freeman, T.R. Loeb, H.B. Mendelsohn, senior vps; Peter M. Wolff, secretary/treasurer.

Compensation: Commissions.

Licensed excess/surplus broker in: Illinois.

Associated Insurance Managers Inc.

5987 E. 71st St., Suite 205, P.O Box 55570, Indianapolis, Ind. 46205; 317-842-1402

	1980	1979
Premium vol	NA	NA
Gross rev	$2,200,000	$1,600,000
Employees	57	62
Commercial bus...	77%	77%

Principal officers: William J. Garrity, president; Milford N. Robinson, Edwin W. McGuire, Joffre L. Boston, J. Douglas Porter, Louis O. Carr, senior vps; John M. Romine, treasurer.

Compensation: Commissions and fees.

Acquisitions: Bischoff Agency, Indianapolis; Lou Carr Agency, Lafayette, Ind.

Branch offices: Lafayette, Richmond, Muncie, Anderson, Dunkirk, Ind.

Subsidiaries: Association Program Managers Inc.; Lifeway Inc. of Indianapolis.

Parent company: Management Advisors Inc.

Licensed excess/surplus broker in: Indiana.

Athens Insurance

110 Washington N.W., Athens, Tenn. 37303; 615-745-3062

	1980	1979
Premium vol	$6,171,646	$6,037,167
Gross rev	$1,093,596	$1,059,335
Employees	30	29
Commercial bus...	75%	75%

Principal officers: Sam L. Feezell, president; Jon W. Dykes Jr., executive vp; John R. O'Donnell, Robert E. Cook, Guy E. Baker, vps; H.M. Ellis Jr., treasurer.

Compensation: Commissions and fees.

Branch offices: Etowah Insurance Agency, Etowah, Tenn.

Licensed excess/surplus broker in: Tennessee.

Austin & Co. Inc.

307 Washington Ave., Albany, N.Y. 12201; 518-465-3591

	1980	1979
Premium vol	$3,845,270	$3,606,227
Gross rev	$616,881	$617,645
Employees	17	17
Commercial bus...	80%	80%

Principal officers: Charles M. Liddle III, president; James P. Faughnan Jr., executive vp; Herbert L. Trance, vp; Helen Rack, assistant to president.

Compensation: Commissions and fees.

B

B.R.I. Coverage Corp.

156 William St., New York, N.Y. 10038; 212-233-7171

	1980	1979
Premium vol	$75,000,000	$61,000,000
Gross rev	$8,400,000	$6,800,000
Employees	100	85
Commercial bus...	95%	95%

Principal officers: Donald P. Ferrarini, president; Howard Miller, senior vp/director of sales; Arthur Ostrow, Bruno Rumiqnani, Allen Birnbaum, Fred Ghawi, James Sweitzer, John Kelly, Richard Saitow, Roger Imperial, Matthew A. Murphy, senior vps; Herbert Kramer, Joseph Zweig, James O'Donnell, vps; Burton Matfus, secretary/treasurer.

Compensation: Commissions and fees.

Subsidiaries: Risk Management Economics; HCE Agency Inc.; Whitehouse Agency.

Licensed excess/surplus broker in: New York, New Jersey.

L. T. Barton Insurance

607 Bailey, P.O. Box 9320; Ft. Worth, Tex. 76107; 817-352-1313

	1980	1979
Premium vol	$3,500,000	$3,200,000
Gross rev	$605,446	$574,044
Employees	16	15
Commercial bus...	70%	70%

Principal officers: Hayes Tucker, Troy G. Barton, David Cooper, partners.

Compensation: Commissions.

Licensed excess/surplus broker in: Texas.

Beal & Associates Insurance Counselors Inc.

4350 E. Camelback Road., #205A, Phoenix, Ariz. 85018; 602-957-1111

	1980	1979
Premium vol	$5,750,000	$4,800,000
Gross rev	$1,213,000	$963,000
Employees	28	26
Commercial bus...	90%	90%

Principal officers: William A. Beal, president.

Compensation: Commissions and fees.

Subsidiaries: Dealer Services, Phoenix, Ariz.

Licensed excess/surplus broker in: Arizona.

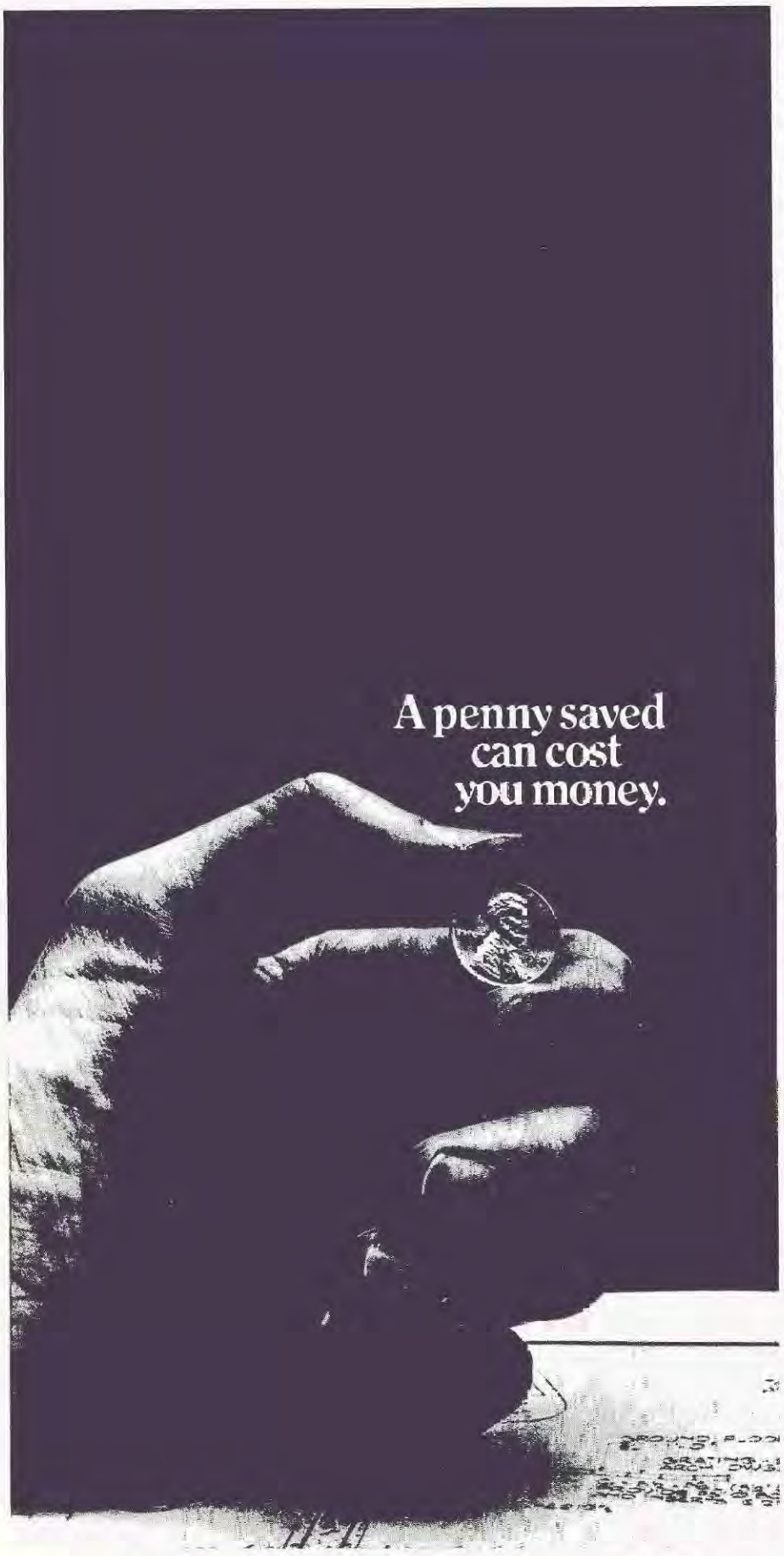
Bennett Wallace Welch & Green Insurance Inc.

2200 16th St. N., P.O. Box 3842, St. Petersburg, Fla. 33731; 813-822-4616

	1980	1979
Premium vol	$4,951,000	$4,735,000
Gross rev	$972,358	$892,275
Employees	31	29
Commercial bus...	60%	60%

Principal officers: William P. Wallace, president; John J. Welch, Stanley C. Shaver Jr., senior vps; J. Hayden Knowlton, Jack Fessler, Al Klutts, vps.

Compensation: Commissions.



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Branch offices: Seminole and Clearwater (Countryside), Fla.
Licensed excess/surplus broker in: Florida.

Black Hills Agency Inc.

820 St. Joe, Rapid City, S.D. 57701; 605-342-5555

	1980	1979
Premium vol.	$2,377,000	NA
Gross rev.	$434,169	NA
Employees	10	NA
Commercial bus.	70%	NA

Principal officers: Richard Maguire, president; Michael Maguire, vp; Katheryn Maguire, secretary/treasurer.
Compensation: Commissions.
Licensed excess/surplus broker in: South Dakota.

Blick & Dillon Inc.

216 E. Cass St., Cadillac, Mich. 49601; 616-775-3416

	1980	1979
Premium vol.	$2,115,844	$2,252,108
Gross rev.	$434,575	$422,033
Employees	9	10
Commercial bus.	65%	65%

Principal officers: Jan P. Blick, president; Jack Dillon, vp.
Compensation: Commissions.
Branch offices: Traverse City, Mich.
Subsidiaries: Northern Michigan Consulting Services, Cadillac, Mich.

Bone, Robertson & McBride Inc.

1043 Stuart St., Suite #8, Lafayette, Calif. 94549; 415-376-3502

	1980	1979
Premium vol.	$5,600,000	$5,200,000
Gross rev.	$664,000	$728,000
Employees	20	16
Commercial bus.	90%	85%

Principal officers: Thomas M. Bone, president; Donald L. Bone, vp.
Compensation: Commissions.
Licensed excess/surplus broker in: California.

Boockford & Co.

2015 Spring Road, Suite 630, Oak Brook, Ill. 60521; 312-789-5000

	1980	1979
Premium vol.	NA	$7,000,000
Gross rev.	$1,117,000	$1,020,000
Employees	20	16
Commercial bus.	96%	97%

Principal officers: William D. Boockford, president; Ronald Walter, vp; Louis F. Chiodo, vp/secretary.
Compensation: Commissions and fees.
Licensed excess/surplus broker in: Illinois.

Bowers, Schumann & Welch

Rt. 31-N, P.O. Box 272, Washington, N.J. 07882; 201-689-1092

	1980	1979
Premium vol.	$9,800,000	$8,500,000
Gross rev.	$1,685,000	$1,355,000
Employees	48	47
Commercial bus.	55%	55%

Principal officers: Leonard R. Schumann, chairman; Scott F. Welch, president; Ralph S. Bowers, vp; Paul Stocker, treasurer; Faith Kerr, secretary.
Compensation: Commissions and fees.
Branch offices: Bowers, Schumann & Welch, Blairstown, N.J.

Boynton Brothers & Co.

200 Jefferson St., Perth Amboy, N.J. 08862; 201-442-3300

	1980	1979
Premium vol.	NA	NA
Gross rev.	$1,650,000	$1,600,000
Employees	41	43
Commercial bus.	85%	85%

Principal officers: Derben W. Bartholomew Jr., chairman; Edwin Stewart Jr., president; Michael J. McMahon, Kenneth F. Warchal, vps; Barry A. Cruikshank, secretary/treasurer.
Compensation: Commissions and fees.
Licensed excess/surplus broker in: New Jersey.

Braun & Braun Inc.

7th Floor, Sill Bldg., Flint, Mich. 48802; 313-767-6180

	1980	1979
Premium vol.	$6,982,928	$7,300,000
Gross rev.	$994,189	$1,028,815
Employees	23	22
Commercial bus.	86%	85%

Principal officers: Philip J. Braun, chairman; Robert E. Benson, president; Anthony E. Abaid, executive vp; John J. Byder, senior vp; Stephen J. Braun, vp; Michael J. Charbonneau, secretary; John J. Pollock, treasurer.
Compensation: Commissions and fees.

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GROUP DEPARTMENT

Brown-Spaudling & Associates Inc.

P.O. Drawer 5276, Carmel, Calif. 93921; 408-624-1866

	1980	1979
Premium vol.	$2,800,000	$2,250,000
Gross rev.	$565,000	$501,000
Employees	14	18
Commercial bus.	70%	65%

Principal officers: Christopher Spaudling, president; Tom Brown, secretary/treasurer.
Compensation: Commissions.

Buffalo Fire Office Inc.

600 Main-Seneca Bldg., Buffalo, N.Y. 14203; 716-856-3450

	1980	1979
Premium vol.	$6,868,000	$6,775,000
Gross rev.	$1,265,000	$1,271,000
Employees	31	30
Commercial bus.	50%	43%

Principal officers: Robert P. Lentz Jr., chairman; Dana F. Rice, CEO/treasurer; Fred R. Dentinger, president; Charles F. Geyer, executive vp.
Compensation: Commissions.
Acquisitions: John B. Knox Agency Inc.
Branch offices: Moss Agency Inc., Lockport, N.Y.
Subsidiaries: Moss Agency Inc.; Ray Beiter Insurance Agency; John B. Knox Agency Inc.

C

Cal-Surance Associates

3475 Torrance Blvd., Torrance, Calif. 90503; 213-542-7301

	1980	1979
Premium vol.	$18,065,000	$15,883,000
Gross rev.	$3,885,000	$3,210,000
Employees	65	68
Commercial bus.	99%	99%

Principal officers: Donald E. Martin, president; Mike Bogen, Terry Martin, Gary Winterrowd, vps; Thomas B. Coleman, chief financial officer.
Compensation: Commissions and fees.
Branch offices: Fresno and Campbell, Calif.
Parent company: Chartered Financial Services Corp.
Licensed excess/surplus broker in: California.

Capitol Risk Concepts Ltd.

1 Water St., White Plains, N.Y. 10601; 914-946-7161

	1980	1979
Premium vol.	$9,440,000	$8,050,000
Gross rev.	$944,000	$805,000
Employees	21	20
Commercial bus.	98%	98%

Principal officers: John F. Keane Jr., president; Peter L. Sutherland, vp; Eric Freeman, treasurer; Richard L. Koulhausen, secretary.
Compensation: Commissions and fees.
Branch offices: Boston; New York; Nashua, N.H.
Subsidiaries: Capitol Risk Management Services Ltd.
Licensed excess/surplus broker in: Massachusetts.

Carlin Insurance

235 W. Central St., Natick, Mass. 01760; 617-655-0522

	1980	1979
Premium vol.	$5,200,000	$4,350,000
Gross rev.	$725,000	$615,000
Employees	20	18
Commercial bus.	80%	75%

Principal officers: James A. Cotter, president; William A. Yetman, executive vp; Paul A. Neeson, Priscilla J. Johnson, vps.
Compensation: Commissions.
Subsidiaries: Consolidated Finance Corp.
Parent company: Consolidated Resources Corp.
Licensed excess/surplus broker in: Massachusetts.

The Carpezzi Agency Inc.

400 E. Route 59, Nanuet, N.Y. 10954; 914-623-0050

	1980	1979
Premium vol.	$4,100,000	$3,600,000
Gross rev.	$680,000	$570,000
Employees	13	10
Commercial bus.	70%	70%

Principal officers: Leonard J. Carpezzi, president; Virginia Pellicciotta, manager; Frank E. McGrath, marketing manager.
Compensation: Commissions.
Acquisitions: Richard E. Kessler Agency.

Catalano Insurance Agency Inc.

251 Broadway, Methuen, Mass. 01844; 617-688-4667

	1980	1979
Premium vol.	$4,700,000	$4,000,000
Gross rev.	$710,000	$607,000
Employees	21	19
Commercial bus.	60%	60%

Principal officers: G. Thomas Catalano, president; William Corcoran, Anthony J. Grillo, vps; George O'Hara, contract bond manager.
Compensation: Commissions.
Subsidiaries: Brewster Brothers Insurance Agency Inc., Newburyport, Mass.; Georgetown Insurance Agency Inc., Georgetown, Mass.

Clair Insurance Agency Inc.

717 Bethlehem Pike, Erdenheim, Pa. 19118; 215-242-5555

	1980	1979
Premium vol.	$9,595,391	$8,833,222
Gross rev.	$2,114,705	$1,398,263
Employees	43	43
Commercial bus.	81%	82%

Principal officers: Robert A. Clair, president/treasurer; Milton B. Kohn, vp/secretary; David A. Collins, Frank Sviter, J. Alan Fetterman, William F. Mohr, vps.
Compensation: Commissions and fees.
Subsidiaries: Morgan Insurance Agency.

E.T. Clauss & Co. Inc.

735 Delaware Ave., Buffalo, N.Y. 14209; 716-886-6600

	1980	1979
Premium vol.	$11,000,000	$10,000,000
Gross rev.	$1,500,000	$1,350,000
Employees	57	44
Commercial bus.	62.5%	65%

Principal officers: James T. Clauss, president; David F. Class, Robert L. Pauly, Robert S. DiMatteo, Michael T. O'Hern, vps; Philip W. Cowan, treasurer; James S. Reeland, secretary.
Compensation: Commission.
Acquisitions: Scheu-Vogel Agency Inc., Buffalo, N.Y.
Branch offices: Williamsville, Tonawanda, West Seneca, N.Y.
Subsidiaries: Affiliated with Associated Risk Managers of New York State.
Licensed excess/surplus broker in: New York.

Commercial Carriers Insurance Agency Inc.

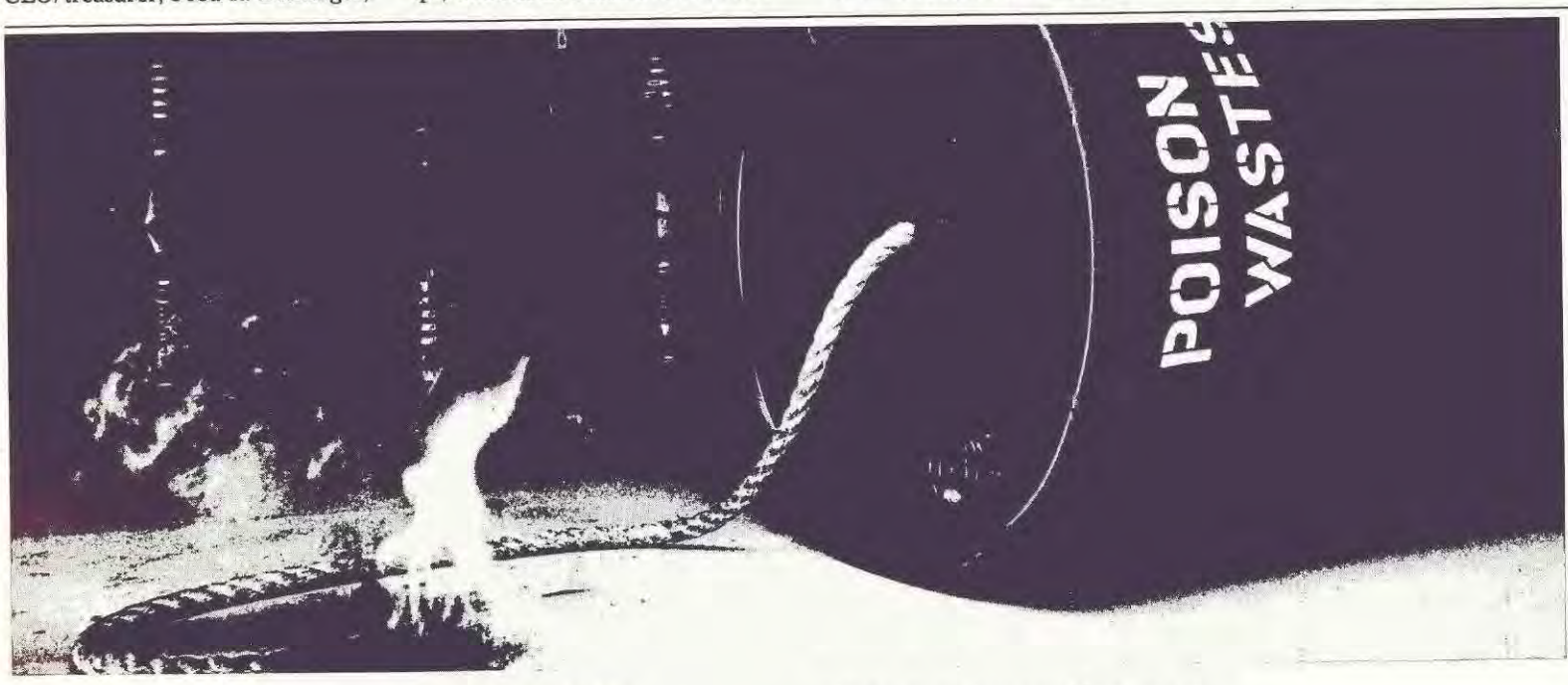
17418 S. Studebaker Road, P.O. Box 639, Cerritos, Calif. 90701; 213-860-1955

	1980	1979
Premium vol.	$5,041,355	$3,569,931
Gross rev.	$663,470	$459,951
Employees	18	12
Commercial bus.	99%	99%

Principal officers: Henry H. Escalante, president; Shannon S. Walker, Charles J. Escalante, J. Scott Fleming, Gary Clark, vps.
Compensation: Commissions.
Branch offices: Oakland, Fresno, San Diego, Calif.

Consolidated Insurance Center Inc.

7130 Rutherford Road, Baltimore, Md. 21207; 301-944-9550



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	1980	1979
Premium vol.....	NA	NA
Gross rev.....	$1,113,901	$980,314
Employees.....	29	26
Commercial bus...	70%	75%

Principal officers: Charles P. Bundy, chairman; John F. Doefzer, president; Thomas F. Campion, executive vp/treasurer; Robert G. Urch, vp/secretary; W. Ronald Galloway, vp.

Compensation: Commissions and fees.

Subsidiaries: Consolidated Insurance Consultants Inc., Baltimore.

Licensed excess/surplus broker in: Maryland.

Cook & Knight Associates

1172 E. Ridgewood Ave., Ridgewood, N.J. 07450; 201-445-5100

	1980	1979
Premium vol.....	$2,500,000	$2,325,000
Gross rev.....	$300,000	$275,000
Employees.....	9	9
Commercial bus...	60%	55%

Principal officers: Warren B. Cook Sr., president; John J. Knight, vp; Warren B. Cook Jr., assistant vp.

Compensation: Commissions and fees.

Corporate Risks Agency Inc.

45 Milford Ave., Hudson, Ohio 44236; 216-656-3305

	1980	1979
Premium vol.....	$7,000,000	$7,000,000
Gross rev.....	$700,000	$700,000
Employees.....	6	7
Commercial bus...	99%	100%

Principal officers: James O. Emert Jr., president; David R. Renninger, vp; William R. Greer, national accounts representative.

Compensation: Commissions.

Ca De Corretaje Segurosca

Edificio La Previsora, Sabana Grande Con Avenida Las Acacias, Caracas 1050, Venezuela; P.O. Box 3478, Caracas 1010, Venezuela; (58-02) 781-1222, 781-6656

	1980	1979
Premium vol.....	$39,694,537	$35,998,661
Gross rev.....	$7,242,776	$6,512,852
Employees.....	155	157
Commercial bus...	80%	80%

Principal officers: Herbert Salas, president; Jesus Albero Ortega, executive vp; Leonardo Tirado, vp; Pedro Scabino, production director; Angel Martinez, financial director; Roger Milroy, technical director; Raimundo Lansberg, director; Ivan Lansberg Henriquez, founder/adviser; Enrique Vidal, director of foreign affiliates.

Compensation: Commissions.

Branch offices: Valencia and Puerto La Crue, Venezuela.

Subsidiaries: Venezuela, Colombia, Ecuador, Peru, Netherlands Antilles, Panama.

Parent company: Segurosca Caracas.

Couper-Ackerman-Sampson Inc.

2 Court St., P.O. Box 1970, Binghamton, N.Y. 13902; 607-772-1444

	1980	1979
Premium vol.....	$5,000,000	$4,800,000
Gross rev.....	$864,000	$800,000
Employees.....	26	25
Commercial bus...	70%	70%

Principal officers: John F. Russell, president; John A. Foley, vp; William J. McPhail, secretary; Robert H. White, assistant secretary.

Compensation: Commissions and fees.

Crowder Insurance Inc.

601 Magnolia Ave., P.O. Box 3391, Tampa, Fla. 33601; 813-251-5431

	1980	1979
Premium vol.....	$6,600,000	$6,900,000
Gross rev.....	$1,097,832	$1,115,978
Employees.....	30	31
Commercial bus...	80%	80%

Principal officers: H.L. Crowder Sr., chairman; R.G. Crowder, president; H.L. Crowder Jr., W.C. Crowder, Wayne C. Pflasterer, Walter N. Gibson, vps

Compensation: Commissions.

Branch offices: Apollo Beach, Fla.

Licensed excess/surplus broker in: Florida.

D

DMAS Inc.

1348 Forest Ave., Staten Island, N.Y. 10302; 212-981-0700

	1980	1979
Premium vol.....	$2,200,000	$1,800,000
Gross rev.....	$308,342	$250,606
Employees.....	6	6
Commercial bus...	65%	65%

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Principal officers: Louis J. Milone, president; Herbert R. Applebaum, vp; Sheldon Stillman, secretary/treasurer.
Compensation: Commissions and fees.

Davis-Grosse Inc.
168 E. Lake St., P.O. Box 579, Elmhurst, Ill. 60126; 312-834-0056

	1980	1979
Premium vol	$4,450,000	$4,600,000
Gross rev	$835,000	$855,000
Employees	15	15
Commercial bus	92%	92%

Principal officers: Edward L. Grosse, president; William J. Opelka, senior vp; James Davis, vp; Alfred E. Barr, vp/secretary; A. Drury Davis Jr., treasurer.
Compensation: Commissions and fees.
Branch offices: Northfield, Ill.

DeLima y Compania
Apartado Aereo 165, Edificio Carvajal, Piso 14, Cali, Colombia 89411

	1980	1979
Premium vol	$42,600,000	$35,200,000
Gross rev	$7,800,000	$6,200,000
Employees	365	350
Commercial bus	93%	92%

Principal officers: Ernesto DeLima, president; Jorge A. Uribe, executive vp; Alvaro Hernan Mejia, commercial vp; Pedro Piedrahita, financial vp; William J. Manson Jr., U.S. representative; Roberto Arango, secretary.
Compensation: Commissions.
Branch offices: DeLima y Cia., Bogota, Medellin, Barranquilla, Cali, Cartagena, Pereira, Manizales, Bucaramanga.

John DeVries Agency Inc.
414 State St., St. Joseph, Mich. 49085; 616-983-0581

	1980	1979
Premium vol	$4,220,000	$4,191,000
Gross rev	$620,467	$658,797
Employees	16	16
Commercial bus	81%	80%

Principal officers: James B. DeVries, president; Betty Wisneski, Dennis A. Stowers, vps; Jimmy G. Lee, comptroller.
Compensation: Commissions and fees.
Parent company: AARCO American Agency Inc.
Licensed excess/surplus broker in: Michigan.

Walter P. Dolle Inc.
Dixie Terminal Building, Cincinnati, Ohio 45202; 513-421-6515

	1980	1979
Premium vol	$36,000,000	$31,000,000
Gross rev	$3,546,000	$3,331,000
Employees	56	53
Commercial bus	91%	90%

Principal officers: Jack R. Trainer, president; H. Russell Reigart, Charles T. Hyser, Robert Lang, John Grever, vps.
Compensation: Commissions and fees.
Licensed excess/surplus broker in: Ohio.

The Ducey Agency Inc.
Route 9-W, Haverstraw, N.Y. 10927; 914-429-5000

	1980	1979
Premium vol	$3,600,000	$3,500,000
Gross rev	$515,000	$480,000
Employees	9	9
Commercial bus	70%	70%

Principal officers: Thomas W. Torpey, president; Edward C. Smith, vp.
Compensation: Commissions.

Duplantier Insurance Agency Inc.
P.O. Box 8130; 6106 Hamburg St., New Orleans, La. 70182; 504-288-1487

	1980	1979
Premium vol	$4,200,000	$2,800,000
Gross rev	$400,000	$280,000
Employees	8	8
Commercial bus	70%	70%

Principal officers: Edward L. Duplantier, president; John W. Olson, executive vp; S. Kerr Smith, vp.
Compensation: Commissions.
Acquisitions: Aero Insurance.
Branch offices: Duplantier-Selig Insurance Agency, Baton Rouge, La.

E

Eastman & Co. Insurance Brokers
4210 Riverside Drive, Burbank, Calif. 91505; 213-849-2406

	1980	1979
Premium vol	$3,321,700	$1,750,000
Gross rev	$475,000	$227,600
Employees	8	4
Commercial bus	95%	97%

Principal officers: Robert A. Eastman, president; Linda Davidson, vp/secretary.
Compensation: Commissions.

Epps-McLendon Co. Inc.
249 W. Main St., Lake City, S.C. 29560; 803-394-2018, 2045

	1980	1979
Premium vol	$3,424,900	$3,250,000
Gross rev	$582,937	$535,199
Employees	22	25
Commercial bus	50%	50%

Principal officers: James Vernon Epps, president; Murray McLendon Jr., vp-marketing Lewis Fleniken, vp-underwriting.
Compensation: Commissions.
Branch offices: Kingstree, S.C.
Licensed excess/surplus broker in: South Carolina.

Euclid Services Inc.
18 E. 69th St., New York, N.Y. 10021; 212-737-3600

	1980*	1979
Premium vol	$7,090,000	$10,500,000
Gross rev	$810,000	$1,200,000
Employees	18	18
Commercial bus	85%	85%

Principal officers: Frank Peri, president; Alvin Block, vp; Martin Beitler, secretary/treasurer.
Compensation: Commissions and fees.
Parent company: Euclid Services Corp.
Licensed excess/surplus broker in: New York.
*1980 figures represent a nine-month accounting period.

F

Financial Insurance Services Inc.
1010 Meacham Road, Box 94099, Schaumburg, Ill. 60194; 312-884-3800

	1980	1979
Premium vol	$14,709,083	$14,105,364
Gross rev	$1,734,792	$1,742,441
Employees	38	40
Commercial bus	90%	90%

Principal officers: William Chris Eickhof, president; Ronald O. Anfenson, secretary/treasurer; Joseph Ambrose, vp.
Compensation: Commissions and fees.
Subsidiaries: Financial Insurance Service Consultants Inc., Schaumburg, Ill.
Licensed excess/surplus broker in: Illinois, Michigan.

Fitzgerald, Calyton, Noyes & Kasten Inc.
757 N. Broadway, Milwaukee, Wis. 53202; 414-271-3717

	1980	1979
Premium vol	$4,600,000	$4,300,000
Gross rev	$910,000	$781,000
Employees	19	20
Commercial bus	80%	80%

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Compensation: Commissions and fees.
Subsidiaries: Harry G. Packee Agency Inc., Milwaukee.
Licensed excess/surplus broker in: Wisconsin.

Foa & Son Corp.

1 World Trade Center, New York, N.Y. 10048; 212-432-1234

	1980	1979
Premium vol.	$20,000,000	$16,000,000
Gross rev.	$1,500,000	$1,200,000
Employees	46	32
Commercial bus.	90%	92%

Principal officers: M. Foa, chairman; C. Foa, president/CEO; D. Impastato, senior vp; S. Apicella, B. Cohen, vps.
Compensation: Commissions and fees.
Branch offices: Chappaqua, N.Y.
Subsidiaries: G.A. Services.

Friedman & Friedman Agency Inc.

Box 1368, 125 Mineola Ave., Roslyn Heights, N.Y. 11577; 516-484-4100

	1980	1979
Premium vol.	$8,300,000	$7,100,000
Gross rev.	$830,000	$660,000
Employees	25	20
Commercial bus.	85%	85%

Principal officers: Maurice Friedman, president; Harry D. Friedman, vp/secretary; Mark Ficelman, treasurer; Mildred DeMeo, account executive; Allen B. Williams, manager.
Compensation: Commissions and fees.

G

G-A Insurance Agency Inc.

54 Main St., P.O. Box 617, Danbury, Conn. 06810; 203-744-7000

	1980	1979
Premium vol.	$2,775,000	$2,658,000
Gross rev.	$447,340	$422,989
Employees	11	11
Commercial bus.	55%	50%

Principal officers: Harry L. Ashmore, president; Robert R. Goodfellow, vp/treasurer; Mary Lambert, secretary.
Compensation: Commissions.
Branch offices: New Milford, Conn.
Licensed excess/surplus broker in: Connecticut.

Gallagher-Cole Associates

4700 Biscayne Blvd., Miami, Fla. 33137; 305-576-4100

	1980	1979
Premium vol.	$2,748,943	$2,717,215
Gross rev.	$405,759	$381,296
Employees	11	11
Commercial bus.	85%	85%

Principal officers: Phil C. Gallagher, Samuel T. Cole, Raymond O. Boon, partners; Lenore N. Francis, associate.
Compensation: Commissions and fees.
Licensed excess/surplus broker in: Florida.

Gersten-Hillman Agency Inc.

P.O. Box 209, Anawana Lake Road, Monticello, N.Y. 12701; 914-794-5544

	1980	1979
Premium vol.	$3,500,000	$3,500,000
Gross rev.	$560,000	$560,000
Employees	22	22
Commercial bus.	65%	65%

Principal officers: Julius Cohen, president; Joyce A. Salimeno, secretary/treasurer.
Compensation: Commissions.
Branch offices: Middletown and Goshen, N.Y.

The Gleason Agency Inc.

607 Main St., 200 Fisher Building, Johnstown, Pa. 15901; 814-535-1586

	1980	1979
Premium vol.	$8,012,000	$4,544,567
Gross rev.	$937,680	$618,000
Employees	18	14
Commercial bus.	83%	87%

Principal officers: Robert A. Gleason Jr., president; Christopher K. Gleason, vp; Carolyn Zierer, secretary.
Compensation: Commissions and fees.
Acquisitions: Associated Underwriters of Johnstown, Pa.
Licensed excess/surplus broker in: Pennsylvania.

Richard N. Goldman & Co.

One Maritime Plaza, San Francisco, Calif. 94111; 415-981-1141

	1980	1979
Premium vol.	$30,000,000	$28,500,000
Gross rev.	$2,200,000	$1,800,000
Employees	37	35
Commercial bus.	90%	90%

Principal officers: Richard N. Goldman, chairman; Stuart W. Seiler, president; Helen A. Castro, vp/treasurer; Gerald J. Fitzgerald, vp/secretary; Keith G. Avery, vp.
Compensation: Commissions and fees.
Licensed excess/surplus broker in: California.

Gomez & Cia. Inc.

P.O. Box 3450, Mayaguez, Puerto Rico 00709; 809-832-1020

	1980	1979
Premium vol.	$6,000,000	$5,000,000
Gross rev.	$600,000	$500,000
Employees	10	8
Commercial bus.	90%	90%

Principal officers: Enrique Gomez-Monagas, president; Myrna Quiles, vp.
Compensation: Commissions and fees.
Branch offices: San Juan, Puerto Rico.
Licensed excess/surplus broker in: Puerto Rico.

Charles M. Griffith Inc.

200 W. Burlington Ave., Clarendon Hills, Ill. 60514; 312-654-1122

	1980	1979
Premium vol.	$3,000,000	$2,500,000
Gross rev.	$600,000	$498,000
Employees	13	10
Commercial bus.	50%	55%

Principal officers: Richard F. Bland, president.
Compensation: Commissions and fees.
Acquisitions: R.A. Napier & Co.

Gulf Coast Insurance Agency

2150 N. 11th St., P.O. Box 7750, Beaumont, Texas 77706; 713-898-4444

	1980	1979
Premium vol.	$3,400,000	$3,100,000
Gross rev.	$575,000	$500,000
Employees	12	13
Commercial bus.	85%	80%

Principal officers: Larry W. Smith, owner; George M. Haynes, sales manager; Jamibeth Jameson, agency manager.
Compensation: Commissions.

H

Haas & Wilkerson Inc.

3101 Broadway, Kansas City, Mo. 64111; 816-756-1600

	1980	1979
Premium vol.	$17,873,962	$20,783,073
Gross rev.	$2,970,120	$2,842,381
Employees	65	77
Commercial bus.	80%	80%

Principal officers: Albert E. Haas, chairman; W. Ralph Wilkerson Jr., president; C. J. Jordan, executive vp/treasurer; Howard F. Walter, secretary.
Compensation: Commissions and fees.
Branch offices: St. Petersburg, Fla.; St. Louis, Mo.
Subsidiaries: Haas-Wilkerson-Wohlberg Inc.; Landspeed Insurers Inc.; Americana Services Inc.
Licensed excess/surplus broker in: Missouri, Kansas.

Hackett, Valine & MacDonald Inc.

198 College St., Burlington, Vt. 05401; 802-658-1100

	1980	1979
Premium vol.	$9,002,146	$7,016,101
Gross rev.	$1,426,660	$1,293,573
Employees	29	27
Commercial bus.	86%	87%

Principal officers: Luther F. Hackett, president; Duane A. Valine, executive vp; Donald R. MacDonald, senior vp; William J. Angell, Richard L. Seavey, vps.
Compensation: Commissions.
Subsidiaries: Hackett & Co.
Parent company: HVM Co.
Licensed excess/surplus broker in: Vermont.

Wayland Hancock Insurance Agency

1925 Lexington, Houston, Texas 77098; 713-528-5383

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Transportation Ins. Co.
The Travelers Indemnity Co.
Travelers Insurance Co.
Twin City Fire Ins. Co.
U.S. Fidelity & Guaranty Co.
U.S. Fire Ins. Co.
Valley Forge Ins. Co.

LICENSED SURPLUS LINES AGENTS



	1980	1979
Premium vol.....	$4,500,000	$4,600,000
Gross rev.....	$730,000	$733,000
Employees.....	15	17
Commercial bus...	67%	62%

Principal officers: Wayland Hancock, R.J. (Hollis) Waldt, Wilbur Scott, partners.
Compensation: Commissions.
Subsidiaries: Wayland Hancock Century 21 Realtors, Houston.

Harding-Conley-Drawert-Tinch Insurance Agency Inc.

P.O. Box 29069, San Antonio, Texas 78229; 512-732-9601

	1980	1979
Premium vol.....	$3,540,945	$3,012,595
Gross rev.....	$629,139	$561,375
Employees.....	7	6
Commercial bus...	95%	95%

Principal officers: Homer M. Conley, president; T.A. Drawert, vp; A.C. Tinch Jr., vp/secretary.
Compensation: Commissions.

Harris & Co.

940 Starks Building, Louisville, Ky. 40202; 502-584-2193

	1980	1979
Premium vol.....	$13,500,000	$12,800,000
Gross rev.....	$2,200,000	$1,950,000
Employees.....	55	52
Commercial bus...	90%	90%

Principal officers: W.G. Lewis, president; E.S. Tachan, executive vp; M.S. Sheehan, secretary/treasurer; C.E. Aton, J.L. English, J.W. Harris, H.R.Hatton, J.R. Hill, E.M. Musselman, managing directors.
Compensation: Commissions.
Branch offices: Coral Gables, Fla.
Licensed excess/surplus broker in: Kentucky, Florida.

Harris, Hall, Blanton & Dunham

1111 N. Travis St., Sherman, Texas 75090; 214-893-6363, 422-4223

	1980	1979
Premium vol.....	$2,251,922	$2,613,753
Gross rev.....	$428,845	$459,710
Employees.....	9	8
Commercial bus...	70%	75%

Principal officers: Frank Harris, president; Jack F. Hall, secretary; Bob Blanton, treasurer; Melvin Dunhma, vp.
Compensation: Commissions and fees.
Parent company: Harris, Hall & Dunham Inc.

Joseph Held & Co. Inc.

116 John St., Suite 1600, New York, N.Y. 10038; 800-221-9940; 212-962-3122

	1980	1979
Premium vol.....	$3,600,000	$2,900,000
Gross rev.....	$465,000	$375,000
Employees.....	9	8
Commercial bus...	80%	80%

Principal officers: Kenneth S. Held, president; Arnold M. Held, vp; Marie Paris, controller.
Compensation: Commissions and fees.
Branch offices: Hollywood, Fla.; Atlanta, Ga.; Long Island, N.Y.

Paul Hertel & Co. Inc.

3rd & Chestnut Sts., Philadelphia, Pa. 19106; 215-925-7656

	1980	1979
Premium vol.....	$11,000,000	$11,000,000
Gross rev.....	$1,490,000	$1,450,000
Employees.....	45	44
Commercial bus...	60%	60%

Principal officers: Paul R. Hertel Jr., president; Robert T. Antosh, executive vp; James McLaughlin, Jeremiah A. Caron, Robert H. Bradford, vps.
Compensation: Commissions and fees.
Branch offices: Media, Fort Washington, Pa.
Licensed excess/surplus broker in: Pennsylvania.

Hess Morris Lebenson Inc.

1615 Northern Blvd., Manhasset, N.Y. 11030; 212-631-2112

	1980	1979
Premium vol.....	$6,500,000	$5,300,000
Gross rev.....	$1,500,000	$1,000,000
Employees.....	24	22
Commercial bus...	85%	85%

Principal officers: Jeffrey K. Hess, president/treasurer; Jay Lebenson, vp/secretary; George Wagner, executive vp; Leonard Trinagel, Douglas Flindt, vps.
Compensation: Commissions and fees.
Branch offices: Washington Depot, Conn.; Miami, Fla.
Subsidiaries: Target Planning Organization Inc.
Licensed excess/surplus broker in: New York, Connecticut.

The Hirshorn Co.

14 E. Highland Ave., Philadelphia, Pa. 19118; 215-242-8200

	1980	1979
Premium vol.....	$3,500,000	$3,350,000
Gross rev.....	$520,000	$495,000
Employees.....	12	12
Commercial bus...	88%	88%

Principal officers: Ralph S. Hirshorn, president; B. Graeme Frazier III, vp.
Compensation: Commissions and fees.
Licensed excess/surplus broker in: Pennsylvania.

Holland Insurance Agency Inc.

19 W. 8th St., Holland, Mich. 49423; 616-396-4611

	1980	1979
Premium vol.....	$5,292,570	$5,221,855
Gross rev.....	$914,542	$814,596
Employees.....	18	17
Commercial bus...	80%	80%

Principal officers: Dale E. VanLente, president; John A. Heyboer, executive vp; David L. Lake, vp/treasurer; Robert J. Yonkeer, secretary.
Compensation: Commissions.

Howalt-McDowell Insurance Inc.

630 S. Minnesota Ave., Box 986, Sioux Falls, S.D. 57101; 605-339-3874

	1980	1979
Premium vol.....	$4,500,000	$4,300,000
Gross rev.....	$600,000	$605,000
Employees.....	14	13
Commercial bus...	85%	85%

Principal officers: L.W. Scherschligt, president/treasurer; G.R. Farmer, vp; J.E. Jencks, corporate secretary.
Compensation: Commissions.
Licensed excess/surplus broker in: South Dakota.

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IFM Insurance Inc.

600 Main St., Tupelo, Miss. 38801; 601-842-1321

	1980	1979
Premium vol.....	$4,400,000	$3,982,000
Gross rev.....	$643,000	$597,000
Employees.....	22	25
Commercial bus...	60%	60%

Principal officers: David M. Megginson, president; Charles Johnstone, vp; Oneil Tate, secretary.
Compensation: Commissions.
Branch offices: Monroe Insurance Agency, Aberdeen, Miss.
Licensed excess/surplus broker in: Mississippi.

Industrial Insurance Agency Inc.

600 Woodfield Drive, Schaumburg, Ill. 60195; 312-884-6100

	1980	1979
Premium vol.....	NA	NA
Gross rev.....	$816,350	$763,500
Employees.....	12	12
Commercial bus...	95%	95%

Principal officers: Melvin E. Rodney, president; Richard A. Rodney, vp/treasurer; Patrick Morehead, Berney Berch, assistant vps.

Compensation: Commissions and fees.

Branch offices: Milwaukee, Wis.

Subsidiaries: Kelly & Elliott Ltd., Schaumburg, Ill.

Licensed excess/surplus broker in: Illinois.

Insurance Agents Inc.

35 N. Main Place, Council Bluffs, Iowa 51501; 712-325-1010

	1980	1979
Premium vol.	NA	$15,657,162
Gross rev.	$2,987,144	$2,461,797
Employees	65	57
Commercial bus.	85%	85%

Principal officers: H.H. Nelson, chairman; John P. Nelson, president; Gary Hurley, vp of sales; Henry Lane, vp of engineering; Art Bartel, vp of employee benefits.

Compensation: Commissions and fees.

Branch offices: Omaha, Bellevue, Neb.; Atlantic, Sioux City, Iowa.

Subsidiaries: American Agrisurance, Redland Insurance Co.

Parent company: Redland Enterprises Ltd., Council Bluffs.

Licensed excess/surplus broker in: Nebraska.

Insurance Benefits Inc.

150 S. Prospect Ave., Tustin, Calif. 92680; 714-832-7900

	1980	1979
Premium vol	$1,962,102	$1,686,001
Gross rev.	$767,676	$469,399
Employees	28	21
Commercial bus.	100%	100%

Principal officers: Thomas J. Wilkie, president/CEO; Dolores I. Wilkie, secretary; Herbert X. Sanchez, assistant administrator; Harvey F. Christensen, director of marketing; Gloria S. Schaefer, director of provider relations.

Compensation: Fees.

Insurance Center of Southern Connecticut Inc.

Insurance Center Building., 900 Madison Ave., Bridgeport, Conn. 06606; 203-333-6555

	1980	1979
Premium vol.	$3,932,376	$3,464,537
Gross rev.	$689,882	$606,883
Employees	16	18
Commercial bus.	60%	60%

Principal officers: Arnold Kaplan, president; Burton Bauchner, vp/assistant secretary; Irwin Nabel, vp; Gertrude R. Kaplan, secretary/treasurer; Mary Jaques, assistant treasurer.

Compensation: Commissions.

Acquisitions: D'Elia Insurance Agency.

Insurance Management Associates Inc.

714 Union Center, Wichita, Kan. 67202; 316-267-9221

	1980	1979
Premium vol.	$22,157,332	$20,608,000
Gross rev.	$2,983,388	$2,809,310
Employees	62	58
Commercial bus.	92%	90%

Principal officers: Paul C. Yankey Jr., chairman/treasurer; William C. Cohen Jr., president; Joe E. Moddrell Jr., executive vp; Richard B. Matassarin, Paul G. Starr, senior vps; Sandra K. Broadstreet, vp/secretary.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Kansas.

Insurance Marketing Agencies Inc.

1200 Mechanics Bank Tower, Worcester, Mass. 01608; 617-753-7233

	1980	1979
Premium vol.	$8,800,000	$7,900,000
Gross rev.	$1,300,000	$1,213,000
Employees	32	34
Commercial bus.	85%	85%

Principal officers: Sumner W. Herman, president/treasurer; Arnold J. Horowitz, executive vp; John J. Kelly, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Massachusetts.

Insurance Planning Consultants Inc.

3301 Douglas Ave., P.O. Box 1768, Racine, Wis. 53401; 414-639-5400

	1980	1979
Premium vol.	$7,441,021	$7,790,840
Gross rev.	$1,347,802	$1,424,553
Employees	36	36
Commercial bus.	98%	98%

Principal officers: L.A. Groulik, president; F.W. Reich, R.E. Schwartz, senior vps; J.B. Schliesmann, treasurer; L.B. Miller, secretary.

Compensation: Commissions.

Branch offices: Detroit; Des Moines, Iowa; Springfield, Ill.; Kansas City, Kan.; Indianapolis; Milwaukee; Chicago.

J

Johannesen-Farrar Inc.

110 S. Third St., Delavan, Wis. 53115; 414-728-2631

	1980	1979
Premium vol.	$3,821,765	$3,322,394
Gross rev.	$700,468	$643,398
Employees	17	17
Commercial bus.	60%	60%

Principal officers: Joseph J. Walters, president; Eugene F. Groth, James Manderfeld, vps; John M. Rielly, vp and secretary/treasurer.

Compensation: Commissions and fees.

Branch offices: East Troy, Elkhorn, Wis.

Subsidiaries: Johannesen-Farrar Real Estate Inc.

Licensed excess/surplus broker in: Wisconsin.

Johnson, Kendall & Johnson Inc.

Penns Trail and Route 332, Newtown, Pa. 18940; 215-968-4741

	1980	1979
Premium vol.	$6,000,000	$5,520,000
Gross rev.	$870,000	$791,000
Employees	20	20
Commercial bus.	70%	70%

Principal officers: Edwin T. Johnson, president; Ted S. Kendall, executive vp/treasurer; David R. Johnson, secretary; William J. Alder, Richard B. Willis Jr., Douglas D. Peterson, vps.

Compensation: Commissions and fees.

Johnson-Rast & Hays Co.

2131 Magnolia Ave. South, Birmingham, Ala. 35255; 205-252-9031

	1980	1979
Premium vol.	$6,033,400	$4,291,200
Gross rev.	$957,100	$710,300
Employees	30	32
Commercial bus.	83%	79%

Principal officers: H. Lee Ohlman, agency manager; Robert B. Hays, senior vp; John H. Truitt, marketing manager.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Alabama.

K

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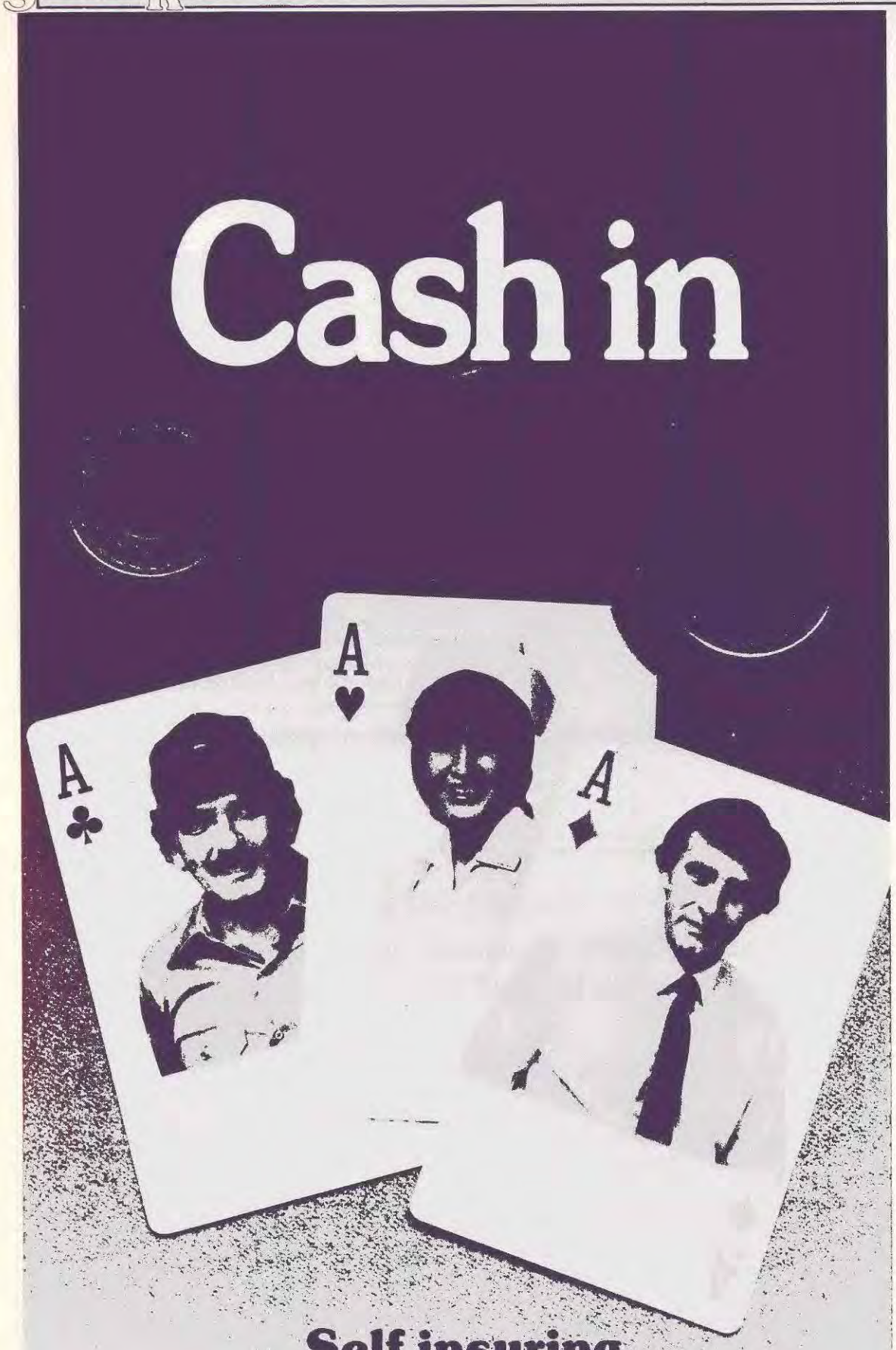
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	1980	1979
Premium vol	$90,000,000	$81,000,000
Gross rev	$8,795,000	$8,025,000
Employees	164	150
Commercial bus	95%	95%

Principal officers: Walter Kaye, president; Lawrence Greenfield, executive vp; Howard Kaye, Marc Silverman, senior vps.

Compensation: Commissions and fees.

Branch offices: Chicago; Beverly Hills, Calif.; Fairfield, Conn.

Subsidiaries: Walter Kaye Corp. of Connecticut; Walter Kaye Corp. of California; TKG Agencies Inc.; American Administrators Corp.

Parent company: The Kaye Group Inc.

Licensed excess/surplus broker in: New York, Connecticut.

Keator Smith Inc.

79 Sanford St., Fairfield, Conn. 06430; 203-259-8331

	1980	1979
Premium vol	$6,000,000	$6,000,000
Gross rev	$825,000	$825,000
Employees	16	18
Commercial bus	65%	65%

Principal officers: Gardiner Smith, president; Paul Williams, Alice Porter, vps.

Compensation: Commissions.

Licensed excess/surplus broker in: Connecticut, Tennessee.

Keenan & Associates

3715 W. Lomita Blvd., P.O. Box 4328, Torrance, Calif. 90510; 213-373-8811

	1980	1979
Premium vol	NA	NA
Gross rev	$3,900,000	$3,000,000
Employees	102	95
Commercial bus	95%	90%

Principal officers: John R. Keenan, president; Beverly M. Baskin, executive vp; Murton L. Munson, senior vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: California.

Kehe, Foy & Snelten Insurance Agency Inc.

1650 N. Arlington Heights Road, Arlington Heights, Ill. 60004; 312-392-8550

	1980	1979
Premium vol	$3,538,727	$3,319,135
Gross rev	$632,849	$560,235
Employees	17	15
Commercial bus	60%	60%

Principal officers: George B. Snelten, president; Leonard N. Foy, vp; Eugene D. Darcy, secretary; Harry T. Drayson, treasurer.

Compensation: Commissions.

Acquisitions: Pate Insurance Agency.

Branch offices: Des Plaines, Schaumburg, Ill.

Subsidiaries: Metro Premium Finance Co., Arlington Heights, Ill.

Kendall Insurance Inc.

P.O. Box 1106, 90 S. Main St., Rochester, N.H. 03867; 603-332-5800

	1980	1979
Premium vol	NA	NA
Gross rev	$3,700,000	$3,400,000
Employees	82	80
Commercial bus	85%	85%

Principal officers: Kennett R. Kendall Jr., president; Robert N. Kendall, Richard L. Williams, executive vps; John R. Dulude, F. Roland Keans, vps.

Compensation: Commissions and fees.

Branch offices: Manchester, Somersworth, Alton, Wolfeboro, Dover, N.H.

Licensed excess/surplus broker in: New Hampshire, Maine.

Keough Kirby Associates Inc.

Stadium Building, Monument Square, Woonsocket, R.I. 02895; 401-769-8100

	1980	1979
Premium vol	$5,500,000	$5,000,000
Gross rev	$1,000,000	$950,000
Employees	28	28
Commercial bus	75%	25%

Principal officers: Kevin K. Coleman, president; Paul C. Fay, senior vp; Joseph H. O'Donnell Jr., treasurer.

Compensation: Commissions.

Branch offices: Ahern, O'Donnell & Fay, Dedham, Mass.

King & Neel Inc.

1164 Bishop St., Suite 1710, Honolulu, Hawaii 96813; 808-521-8311

	1980	1979
Premium vol	$5,743,016	$5,044,828
Gross rev	$861,572	$882,952
Employees	16	16
Commercial bus	99%	99%

Principal officers: Harvey King, president; Jack Wilmoth, senior vp; Robert Yuen, Karyn Tercy, vps.

Compensation: Commissions.

Kinney, Pike, Bell & Conner Inc.

98 Merchants Row, Rutland, Vt. 05701; 802-775-2311

	1980	1979
Premium vol	$12,302,282	$11,044,455
Gross Rev	$1,761,405	$1,534,835
Employees	42	40
Commercial bus	75%	76%

Principal officers: Edward C. Pike, president; James H.L. Morse, executive vp; Robert K. Coyle, vp; Garold Hyzer, assistant vp; Roger M. Pike, treasurer; Robert W. Whitaker, assistant treasurer.

Compensation: Commissions.

Acquisitions: Smith, Bell & Thompson, Rutland, Vt.; Tri-City Insurance Agency, Essex Junction, Vt.

Subsidiaries: Taylor Insurance Agency, Brattleboro, Vt.; Hartford Insurance Agency, Hartford, Vt.; Country Homes Insurance, Castleton, Vt.; Tri-City Insurance Agency, Essex Junction, Vt.; Kinney, Pike, Bell & Conner Life Corp., Rutland, Vt.

Licensed excess/surplus broker in: Vermont.

H.C. Knight & Co.

320 Walnut St., Philadelphia, Pa. 19106; 215-923-5440

	1980	1979
Premium vol	$11,741,133	$11,545,261
Gross rev	$1,052,709	$974,970
Employees	29	24
Commercial bus	90%	92%

Principal officers: John A. Philbrick III, Richard N. Knight Jr., Charles A. Achuff, partners.

Compensation: Commissions and fees.

Acquisitions: F.T. Chandler.

Licensed excess/surplus broker in: Pennsylvania.

The Kooper Group

666 Fifth Ave., New York, N.Y. 10019; 212-246-2188

	1980	1979
Premium vol	NA	NA
Gross rev	$325,000	$250,000
Employees	6	5
Commercial bus	95%	95%

Principal officers: Michael Kooper, president; Michael D. Rockman, vp.

Compensation: Commissions and fees.

L

Lachance, Bertrand, Benoit & Lavigne Ltd.

1320 Graham Blvd., Suite 100, Montreal, Quebec H3P2G6; 514-342-5430

	1980	1979
Premium vol	$4,300,000	$4,100,000
Gross rev	$930,000	$885,000
Employees	23	24
Commercial bus	50-55%	47%

Principal officers: Andre Bertrand, vp/general manager; Robert Lachance, president; Claude Lavigne, vp; J.L. Benoit, secretary; M.R. Lachance, treasurer.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Permitted to accept and place in Newfoundland, New Brunswick, Quebec and Ontario.

W.C. Ladd & Sons Inc.

P.O. Box 509, 14 School St., Rockland, Maine 04841; 207-594-2111

	1980	1979
Premium vol.	$7,108,956	$7,193,114
Gross rev.	$1,356,845	$1,326,742
Employees	41	39
Commercial bus.	55%	57%

Principal officers: Frank E. Mace, president; David E. Cole Jr., treasurer; Richard H. Lovejoy, secretary; Austin S. Childs Jr., Robert E. Jordan, vps.

Compensation: Commissions.

Branch offices: Camden, Belfast, Waldoboro, New Harbor, Vinalhaven, Maine.

Licensed excess/surplus broker in: Maine.

Lamb, Little & Co.

309 W. Washington St., Chicago, Ill. 60602; 312-332-5541

	1980	1979
Premium vol.	$13,000,000	$12,350,000
Gross rev.	$2,000,000	$1,900,000
Employees	40	38
Commercial bus.	91%	91%

Principal officers: Raymond J. Clancy, president; David B. Peck, senior vp; Frank L. Hoffeller, executive vp/treasurer.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Ilinois.

John G. Lambros Co. Inc.

455 Central Park Ave., Scarsdale, N.Y. 10583; 914-723-0088

	1980	1979
Premium vol.	$2,000,000	$1,600,000
Gross rev.	$300,359	$251,364
Employees	9	8
Commercial bus.	80%	80%

Principal officers: John G. Lambros, president.

Compensation: Commissions and fees.

Lasher-Cowie Agency Inc.

1807 N. Central Ave., Phoenix, Ariz. 85004; 602-258-3421

	1980	1979
Premium vol.	$16,000,000	$11,000,000
Gross rev.	$2,747,000	$1,842,000
Employees	67	66
Commercial bus.	89%	87%

Principal officers: Robert P. Cowie, president; Richard J. Seminoff, Harold Richey, vps.

Compensation: Commissions and fees.

Branch offices: Lasher-Cowie-Turner, Flagstaff, Ariz.; Lasher-Cowie-Schneider, Tuscon, Ariz.

Subsidiaries: Rocky Mountain General Agency, Innkeepers International Inc., Central Premium Finance.

Licensed excess/surplus broker in: Arizona.

Laub Group Inc.

324 E. Wisconsin Ave., Milwaukee, Wis. 53202; 414-271-4292

	1980	1979
Premium vol.	NA	NA
Gross rev.	$2,615,000	$2,050,000
Employees	70	70
Commercial bus.	93%	93%

Principal officers: Raymond H. Laub, president; George Stevoff, exeuctive vp; Robert A. Stewart, first vp.

Compensation: Commissions and fees.

Branch offices: Racine, Janesville, Madison, Wausau, Appleton, Wis.

Licensed excess/surplus broker in: Wisconsin.

A.W. Lawrence & Co. Inc.

108 Union St., Schenectady, N.Y. 12305; 518-370-1720

	1980	1979
Premium vol.	$29,450,000	$22,950,000
Gross rev.	$2,409,356	$1,839,613
Employees	70	65
Commercial bus.	60%	60%

Principal officers: Albert W. Lawrence, president; Harry L. Bickford Jr., Barbara Dunbar, Gary Keehfus, William Mather, Horace S. Van Voast III, vps; Barbara C. Lawrence, secretary.

Compensation: Commissions and fees.

Acquisitions: Independent Risk Management Group Inc.

Branch offices: Albany, Buffalo, Glens Falls, New York, Niles, Rochester, Schenectady, Syracuse, Troy, N.Y.; Boston, Mass.; Louisville, Ky.; Phoenix, Ariz.

Subsidiaries: Fitts-Lawrence

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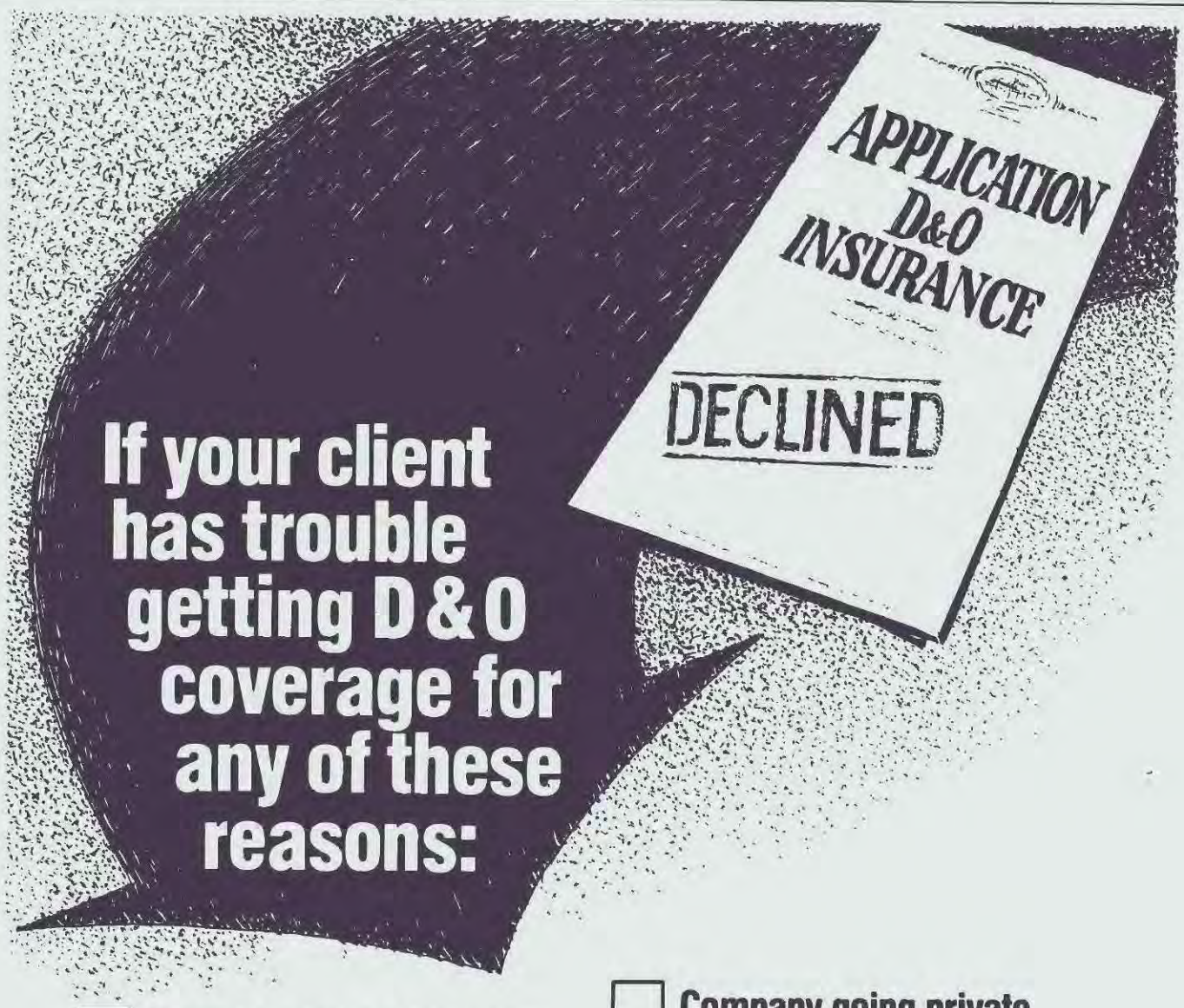
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Inc.; Lawrence Management Co. Inc.; Lawrence Funding Inc.; Independent Risk Management Group Inc.

Licensed excess/surplus broker in: New York.

Levinson Brothers Inc.

235 Montgomery St., San Francisco, Calif. 94104; 415-434-3200

	1980	1979
Premium vol	$13,327,751	$12 785,200
Gross rev	$1,421,628	$1 381,408
Employees	23	22
Commercial bus	92%	92%

Principal officers: Fred Levinson, president; Morton I. Levinson, Bernard S. Greendorfer, vps; David J. Levinson, vp/secretary.

Compensation: Commissions.

Licensed excess/surplus broker in: California.

M.J. Lieberman & Co.

160 S. Livingston Ave., Livingston, N.J. 07039; 201-992-6500

	1980	1979
Premium vol	$6,383,000	$6,853,000
Gross rev	$930,750	$1,018,900
Employees	14	14
Commercial bus	95%	95%

Principal officers: Morris J. Lieberman, president; Philip J. Lieberman, secretary/treasurer; Robert A. Kososki, Robert Emmons, vps.

Compensation: Commissions and fees.

Don Liebert Inc.

172 S. Middletown Road, Nanuet, N.Y. 10954; 914-623-3434

	1980	1979
Premium vol	$6,500,000	$6,000,000
Gross rev	$1,136,376	$1,004,941
Employees	19	19
Commercial bus	60%	60%

Principal officers: Donald F. Liebert, president; Richard Hiller, Richard B. Phelan, vps.

Compensation: Commissions.

Subsidiaries: Liebert Commercial Inc., Nanuet, N.Y.

M

Raymond G. McCarthy & Co. Inc.

Corporate Center, 799 Bloomfield Ave., Verona, N.J. 07044; 201-239-9404

	1980	1979
Premium vol	$2,400,000	$2,300,000
Gross rev	$400,000	$375,000
Employees	7	8
Commercial bus	65%	65%

Principal officers: John E. Popowich, president; Thomas J. Stokes, vp.

Compensation: Commissions.

McCune-Dickinson Inc.

310 Howard St., Petoskey, Mich. 49770; 616-347-4166

	1980	1979
Premium vol	$2,100,000	$2,000,000
Gross rev	$440,000	$393,000
Employees	8	9
Commercial bus	75%	75%

Principal officers: S.R. Dickinson, president; William C. Sutton, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Michigan.

McDowell Insurance Inc.

338 Lincoln Way E., Chambersburg, Pa. 17201; 717-263-8401

	1980	1979
Premium vol	$6,926,297	$5,594,832
Gross rev	$1,390,129	$1,214,833
Employees	39	34
Commercial bus	75%	65%

Principal officers: Edward C. Zimmerman, president/treasurer; Karl A. Shreiner, executive vp/secretary; C. Daniel Baughman, senior vp; Robert C. Reymer Jr., vp; Josef F. Kliment, assistant vp; William R. Gingrich, assistant secretary.

Compensation: Commissions and fees.

Branch offices: Greencastle, Waynesboro, Mercersburg, Fayetteville, Pa.; Hagerstown, Md.

Licensed excess/surplus broker in: Pennsylvania.

The McElroy-Minister Co.

141 E. Town St., Columbus, Ohio 43215; 614-228-5565

	1980	1979
Premium vol	$25,000,000	$25,000,000
Gross rev	$3,570,000	$3,650,000
Employees	92	80
Commercial bus	58%	62%

Principal officers: H. Thorp Minister Jr., chairman; John C. Glandon, president; Hugh M. Hadley, secretary/senior vp; Richard P. Banks, executive vp; John M. Lerch, treasurer/vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Ohio.

McGowan & Co. Inc.

21010 Center Ridge Road, Rocky River, Ohio 44116; 216-333-6300

	1980	1979
Premium vol	$6,840,000	$6,292,000
Gross rev	$783,000	$732,000
Employees	14	12
Commercial bus	54%	51%

Principal officers: Thomas B. McGowan, president; Thomas B. McGowan III, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Ohio.

McGriff & Seibels Inc.

2211 7th Ave. South, P.O. Box 10265, Birmingham, Ala. 35202; 205-252-9871

	1980	1979
Premium vol	$37,200,000	$32,000,000
Gross rev	$5,064,858	$4,171,578
Employees	122	104
Commercial bus	92%	96%

Principal officers: Lee McGriff, chairman/CEO; H.G. Seibels Jr., vice chairman; Richard M. Womack, president; C. Ellis Wanninger, treasurer; Charles O. Holladay, vp of sales.

Compensation: Commissions and fees.

Branch offices: Florence, Huntsville, Fairhope, Ala.; Orlando, Fla.

Subsidiaries: Insurers Services Inc., Associated Insurance Brokers, Data Processing Systems.

Licensed excess/surplus broker in: Alabama.

MacIntyre, Fay & Thayer Insurance Agency Inc.

One Wells Ave., Newton, Mass. 02159; 617-332-5100

	1980	1979
Premium vol	$17,276,600	$14,865,500
Gross rev	$3,215,800	$2,752,900
Employees	65	66
Commercial bus	66%	68%

Principal officers: Joseph J. Fay, chairman; Richard E. Eagan, president; Walter P. Corcoran, Sanford D. Elsass, vps; Paul G. Demos, treasurer.

Compensation: Commissions and fees.

Subsidiaries: Surplus Services Insurance Agency Inc.

Licensed excess/surplus broker in: Massachusetts.

Mack & Parker Inc.

Xerox Centre, 55 W. Monroe St., Chicago, Ill. 60603; 312-346-1221

	1980	1979
Premium vol	NA	NA
Gross rev	$2,706,000	$2,581,000
Employees	62	62
Commercial bus	93%	93%

Principal officers: Edward E. Mack Jr., chairman; Edward E. Mack III, president; John P. Mack, vp/treasurer; Charles S. Mack, vp/secretary; Martin P. Hughes, vp.

Compensation: Commissions and fees.

Subsidiaries: MICA Inc.

Parent company: Mack & Parker Inc., affiliated with Assurex International.

Licensed excess/surplus broker in: Illinois.

Mahoney & Wright Insurance Agencies

140 Federal St., Boston, Mass. 02110; 617-482-4086

	1980	1979
Premium vol	$13,498,000	$10,736,000
Gross rev	$2,100,000	$1,605,000
Employees	72	61
Commercial bus	57%	53%

Principal officers: Norman R. Wright, president/treasurer; Donald Beale, Richard Forrest, Richard A. Grant, Daniel N. O'Rourke, Michael A. Giglio, vps.

Compensation: Commissions

Branch offices: Boston, Newtown, Weymouth, Wakefield, Sciuate, Rockland, Middleboro, Manchester, Dedham, Mass.

Licensed excess/surplus broker in: Massachusetts.



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Phillip Margolis & Co.

26311 Woodward Ave., Huntington Woods, Mich. 48070; 313-309-1700

	1980	1979
Premium vol.	$2,686,000	$2,420,000
Gross rev.	$300,799	$299,900
Employees	8	8
Commercial bus.	90%	89%

Principal officers: Phillip Margolis, president; Jill A. Margolis, vp; Catherine Koday, treasurer; Estelle B. Smith, secretary.
Compensation: Commissions.
Acquisitions: Merger with Provincial Insurance Agency Inc.
Subsidiaries: North Central Underwriters, Standard Premium Budget Co. (affiliate).
Parent company: Central Agency Corp.
Licensed excess/surplus broker in: Michigan.

Martz-Altschuler & Associates Inc.

2 Green Village Road, Madison, N.J. 07940; 201-377-7313

	1980	1979
Premium vol.	$1,700,000	$1,500,000
Gross rev.	$200,000	$180,000
Employees	4	4
Commercial bus.	60%	40%

Principal officers: Edward F. Martz Jr., vp/CEO; Edward F. Martz, president.
Compensation: Commissions.
Branch offices: Morristown, N.J.

May-Davis Inc.

5227 E. Trent, Box 11558, Spokane, Wash. 99211; 509-535-8783

	1980	1979
Premium vol.	$5,000,000	$5,500,000
Gross rev.	$600,000	$650,000
Employees	5	5
Commercial bus.	98%	98%

Principal officers: Laurel E. May, president; William H. Davis, executive vp; Carl F. Sturm, commercial lines manager; Lorraine M. May, secretary/treasurer.
Compensation: Commissions.

Merriam, Ellis & Benton

7840 Washington Ave., P.O. Box 12245, Kansas City, Kan. 66112; 913-334-2100

	1980	1979
Premium vol.	$1,520,238	$1,300,565
Gross rev.	$408,036	$314,791
Employees	10	10
Commercial bus.	68%	63%

Principal officers: Don A. Ellis, senior partner; John C. Gann, partner; Frank W. Simonich, producer.
Compensation: Commissions.

Metz, Lecy, Barnes & Thias Insurance Agency Inc.

6035 Executive Drive, Lansing, Mich. 48910; 517-394-3880

	1980	1979
Premium vol.	$3,488,857	$3,581,905
Gross rev.	$599,581	$569,666
Employees	12	11
Commercial bus.	80%	80%

Principal officers: Clayton J. Metz, president; Cloyd W. Barnes, vp; Robert C. Lecy, treasurer; George A. Thias, secretary.
Compensation: Commissions.
Branch offices: Mike Kirgis Insurance Agency, Ionia, Mich.; Dave Aviza Insurance Agency, Coldwater, Mich.
Subsidiaries: America One, Lansing, Mich.

Montana International Insurance Inc.

P.O. Box 6127, Helena, Mont. 59604; 406-442-5360

	1980	1979
Premium vol.	$4,300,000	$4,000,000
Gross rev.	$992,000	$800,000
Employees	18	20
Commercial bus.	70%	30%

Principal officers: David R. Bruck, president; Patrick S. McCutcheon, executive vp; Thomas J. Downey, Richard A. Hill, Donald R. Ferron, Charles J. Holland, vps; Audrey L. Fiske, secretary/treasurer.
Compensation: Commissions and fees.
Branch offices: Bozeman, Mont.
Licensed excess/surplus broker in: Montana.

Montgomery & Montgomery Inc.

111 Fulton St., New York, N.Y. 10038; 212-285-0600

	1980	1979
Premium vol.	NA	NA
Gross rev.	$2,188,793	$1,772,284
Employees	42	35
Commercial bus.	85%	85%

Principal officers: Lawrence E. Brown, Robert A. Nolan, Howard E. Smith, directors/vps; Ruthwin Samuels Jr., Luis C. Valdes, vps.
Compensation: Commissions and fees.
Branch offices: Los Angeles, Seattle, Chicago, Atlanta, Houston.

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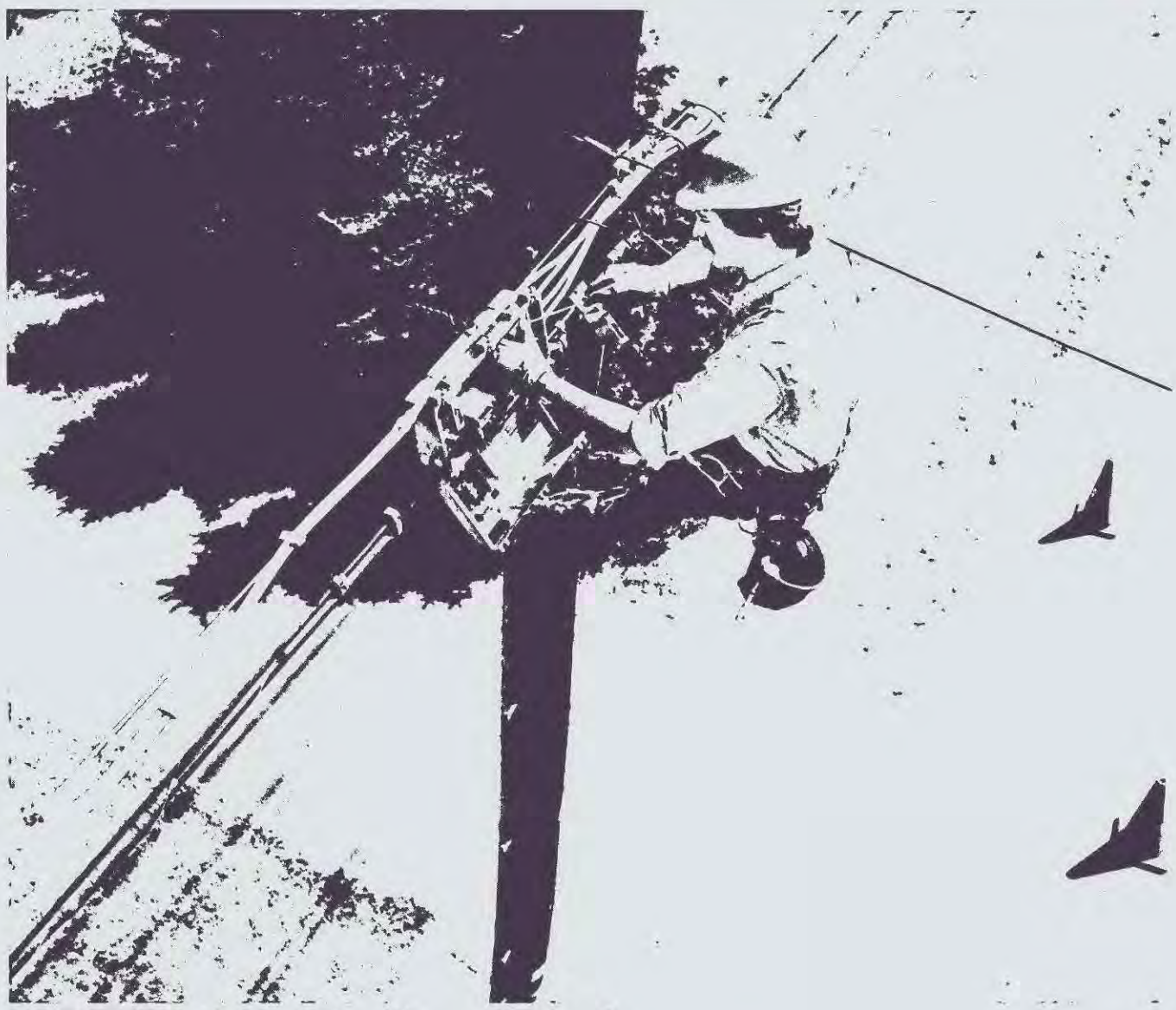
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Stamford, Connecticut 06905

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General Electric Credit Corporation

Licensed excess/surplus broker in: New York.

Morency & Associates Inc.

950 York Road, Hinsdale, Ill 60521; 312-887-0910

	1980	1979
Premium vol.	$5,000,000	$4,000,000
Gross rev.	$750,000	$600,000
Employees	10	8
Commercial bus.	97%	97%

Principal officers: George A. Morency Jr., president; Glenn P. Sapa, vp.

Compensation: Commissions and fees.

Acquisitions: Industrial Risk Management Inc.

Licensed excess/surplus broker in: Illinois.

Fred A. Moreton & Co.

645 E. South Temple, Salt Lake City, Utah 84102; P.O. Box 8139, Salt Lake City, Utah 84108; 801-531-1234

	1980	1979
Premium vol	$14,000,000	$13,000,000
Gross rev.	$2,788,000	$2,647,000
Employees	45	41
Commercial bus.	96%	97%

Principal officers: Edward B. Moreton, president; Edward F. Folland, Roland D. Cornell, vps; L. Kent Bills, assistant vp.

Compensation: Commissions and fees.

Branch offices: Moreton Insurance of Idaho Inc., Idaho Falls, Idaho.

Subsidiaries: Moreton General Agency, Moreton Insurance Credit Plan, Moreton Insurance of Idaho Inc.

Licensed excess/surplus broker in: Utah, Idaho.

Morris & Mackenzie Ltd.

4141 Sherbrooke St. West, Montreal, Quebec H3Z1C1; 514-937-5755

	1980	1979
Premium vol	NA	NA
Gross rev.	$5,700,000	$5,200,000
Employees	147	161
Commercial bus.	90%	83%

Principal officers: Albert W. Robinson, chairman; Frank Dougan, president/CEO; Alan L. Drumm, William M. Malcolm, R James Paterson, senior vps.

Compensation: Commissions and fees.

Branch offices: Toronto, Vancouver, Calgary.

Subsidiaries: O. LeBlanc & Fils Ltd., Morris & Mackenzie Management Ltd., Morris & Mackenzie (Bermuda) Ltd.

Parent company: Mackmor Ltd.

The Mutual Insurance Agency Inc.

5010 Wisconsin Ave. N.W, Washington, D.C. 20016; 202-362-9840

	1980	1979
Premium vol.	$8,464,000	$8,813,000
Gross rev.	$1,229,000	$1,198,000
Employees	31	32
Commercial bus.	76%	73%

Principal officers: Henry A. Kroll, president; Morris W. Wells, executive vp; W.G. McHenry, John A. Effer, vps; Harry D. Fegley, assistant vp.

Compensation: Commissions.

N

NIA Ltd./National Insurance Associates

66 Route 17, Paramus, N.J. 07652; 201-845-6600

	1980	1979
Premium vol.	NA	NA
Gross rev.	$2,980,000	$2,955,000
Employees	82	86
Commercial bus.	82%	82%

Principal officers: Paul L. Gross, president; William F. Meade, vp; Richard J. Lomnitzer, vp of operations; Howard P. Cantor, vp of finance and treasurer.

Compensation: Commissions and fees.

Branch offices: Freehold, Long Valley, N.J.; Pearl River, N.Y.

Subsidiaries: NIA Professional Plans Inc., NIA Excess Lines Inc., NIA Inc./National Insurance Acceptance.

Licensed excess/surplus broker in: New York, New Jersey (NIA Excess Lines Inc.).

Nahm, Turner, Vaughan & Landrum Inc.

29th Floor, First National Tower, Louisville, Ky. 40202; 502-561-1500

	1980	1979
Premium vol	$37,000,000	$38,000,000
Gross rev.	$6,184,000	$5,400,000
Employees	126	121
Commercial bus.	90%	90%

Principal officers: Baylor Landrum, president/treasurer; Robert W. Vaughan, Marshall M. Royce, John A. Stough, Jack L. Shapero, T. Wick Gaines, senior vps.

Compensation: Commissions and fees.

Branch offices: Frankfort, Lexington, Ky.

Subsidiaries: Benefit Actuaries & Consultants Inc.; Self-Insured Services Co. Inc.

Licensed excess/surplus broker in: Kentucky.

National Coverage Corp.

333 N. Broadway, Jericho, N.Y. 11753; 516-822-4500

	1980	1979
Premium vol.	$8,072,693	$6,871,436
Gross rev.	$1,452,239	$1,042,530
Employees	27	25
Commercial bus.	96%	95%

Principal officers: William Kulesh, president/treasurer; Russell Tillman, vp; Ronald D'Alessandro, vp/secretary; Peggy Francis, Robert Topscher, assistant secretaries.

Compensation :Commissions and fees.

National Insurance Agency

4343 S. Padre Island Drive, P.O. Box 6750, Corpus Christi, Texas 78411; 512-855-8204

	1980	1979
Premium vol.	$2,328,291	$1,950,000
Gross rev.	$375,944	$321,091
Employees	14	10
Commercial bus.	65%	65%

Principal officers: Robert E. Harris, Richard D. Mlinar, partners.

Compensation: Commissions.

National Preferred Risks Inc.

Cohn Enterprises Inc., 45 N. Station Plaza, Great Neck, N.Y. 11022; 516-482-6215

	1980	1979
Premium vol.	$16,426,000	$15,505,000
Gross rev.	$2,426,462	$2,056,000
Employees	48	44
Commercial bus.	96%	95%

Principal officers: Arnold M. Cohn, president; Ronald F. Friedenthal, executive vp; William Spaar Jr., senior vp; Leonard R. Cohn, vp.

Compensation: Commissions.

Branch offices: New Rochelle, New York, N.Y.; Parsippany, N.J.; Boca Raton, Fla.

Subsidiaries: International Risk Managers Ltd.; Newton Programming Corp.; International Risk Managers of Florida Inc.; Raymond Schlessel Associates Inc.; Boca Insurance Services Inc.; Intenational Risk Managers of New Jersey.

Parent company: National Preferred Risks of New Jersey.

Licensed excess/surplus broker in: New York.

New England Security Insurance Agency Inc.

100 N. Main St., Mansfield, Mass. 02048; 617-339-8991

	1980	1979
Premium vol.	$3,002,054	$2,581,306
Gross rev.	$558,486	$503,630
Employees	15	16
Commercial bus.	58%	62%

Principal officers: Ralph H. Seifert, president/treasurer; James A. Wills, Mitchel G. Seifert, vps.

Compensation: Commissions.

Branch offices: Hyannis, Mass.

Parent company: Financial Security Corp.

North American Insurance Agency Inc.

2000 Classen Center, Oklahoma City, Okla. 73106; 405-523-2100

	1980	1979
Premium vol.	$31,000,000	$25,000,000
Gross rev.	$4,200,000	$3,750,000
Employees	88	85
Commercial bus.	82%	80%

Principal officers: Gene McCrory, president; Donald W. Glaspey, executive vp; Jack G. Barry, senior vp; John R. Mackey, vp.

Compensation: Commissions and fees.

Branch offices: Dallas, Texas; Denver, Colo.; Edmond, Oklahoma City, Tulsa, Okla.; New Orleans, La.; Wichita, Kan.

Subsidiaries: NAIA of Louisiana, New Orleans; NAIA of Tulsa; NAIA of Texas, Dallas.

Licensed excess/surplus broker in: Oklahoma, Kansas, Louisiana.

Nussbaum-Brunell Associates Inc.

507 Rockaway Ave., Valley Stream, N.Y. 11581; 516-561-7666

	1980	1979
Premium vol	$3,100,000	$2,800,000
Gross rev.	$465,000	$440,000
Employees	14	13
Commercial bus.	65%	65%

Principal officers: Alfred Nussbaum, president; Jerry A. Brunell, executive vp.

Compensation: Commissions and fees.

O

O'Connor-McLaughlin Co.

683 W. Market, Box 779, Lima, Ohio 45802; 419-227-3421

	1980	1979
Premium vol.	$1,750,000	$1,500,000
Gross rev.	$300,000	$275,000
Employees	8	8
Commercial bus.	60%	60%

Principal officers: W.R. Shanahan, president; J.J. Hagood, secretary/treasurer.

Compensation: Commissions.

Acquisitions: Robert Cheney Agency.

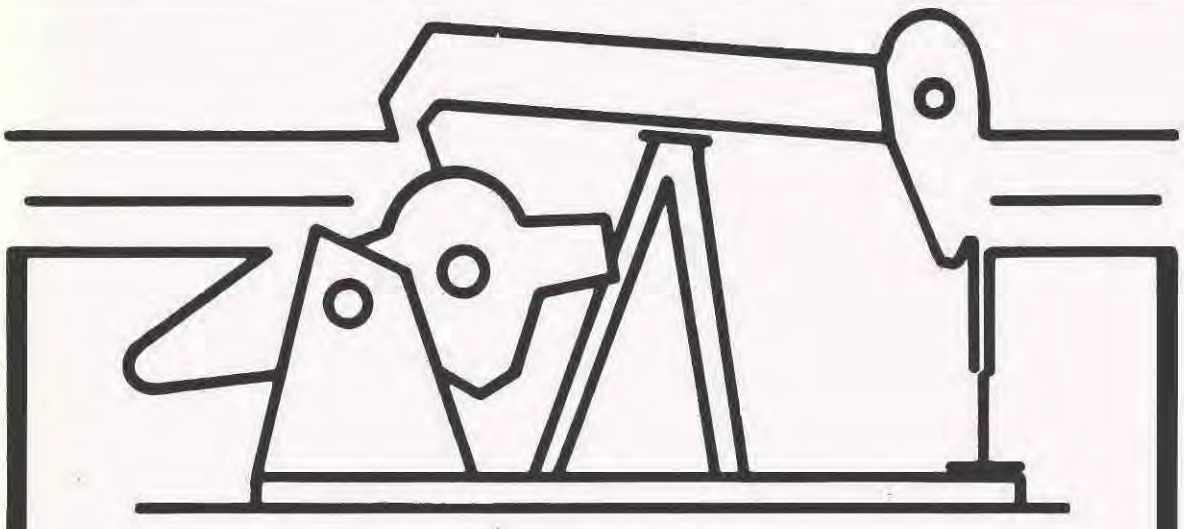
Osborn & Lange Inc.

759 Victoria Square, Montreal, Quebec H2Y2K5; 514-849-4161

	1980	1979
Premium vol	$25,000,000	$22,000,000
Gross rev.	$2,200,000	$2,100,000
Employees	48	46
Commercial bus.	90%	90%

Principal officers: H. Bennett, president/CEO; J.A. Cantello, F. Keshen, L.A. Whyte, vps; T.G. Cleary, secretary/treasurer.





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Compensation: Commissions and fees.

Branch offices: Toronto, Vancouver, Winnipeg, Chicago, New York.

Subsidiaries: Osborn & Lange

Osterloh & Durham Insurance Brokers of North America Inc.

6930 Valjean Ave., Van Nuys, Calif. 91409; 213-988-6520

	1980	1979
Premium vol.....	$6,000,000	$6,500,000
Gross rev.....	$814,496	$832,789
Employees.....	12	9
Commercial bus...	98%	98%

Principal officers: A.F. Osterloh III, president/chairman; T.W. Mitchell, Carl Lamb, Roy Redman, vps.

Compensation: Commissions and fees.

Acquisitions: Merged with Lamb & Redman on June 1, 1981.

Branch offices: Lamb & Redman, El Monte, Calif.

P

Palley Simon Associates Inc.

319 Noble Plaza, Jenkintown, Pa. 19046; 215-276-8700

	1980	1979
Premium vol.....	$6,200,000	$5,300,000
Gross rev.....	$918,000	$700,000
Employees.....	18	16
Commercial bus...	88%	87%

Principal officers: Mahlon B. Simon Jr., president; Samuel M. Palley, vp.

Compensation: Commissions and fees.

Marshall Paris Insurance Inc.

18041 Bothell Way N.E., Bothell, Washington 98011; 206-486-1227

	1980	1979
Premium vol.....	$3,610,312	$3,555,244
Gross rev.....	$515,764	$507,892
Employees.....	12	13
Commercial bus...	62%	60%

Principal officers: George Marshall Paris Sr., president; R. Ray Westfall, vp of life sales; Gay M. Paris, treasurer/secretary.

Compensation: Commissions. .

Licensed excess/surplus broker in: Washington.

Jim Perkins & Associates Inc.

2915 Georgia St., P.O. Box 9336; Amarillo, Texas 79105; 806-353-2108

	1980	1979
Premium vol.....	$2,047,936	$1,584,692
Gross rev.....	$347,326	$277,893
Employees.....	9	8
Commercial bus...	90%	87%

Principal officers: Jim Perkins, president; Robert Covington, vp.

Compensation: Commissions.

The Pettiner Agency Inc.

Camden State Bank Building, Camden, Ind. 46917; 219-686-2613

	1980	1979
Premium vol.....	$1,953,612	$1,867,635
Gross rev.....	$410,500	$392,500
Employees.....	9	9
Commercial bus...	75%	70%

Principal officers: Robert L. Pettiner, president; D. Dale Pettiner, treasurer; W.O. Pettiner, vp; George F. Melton, president-The Melton Agency Inc.; Della Brace, secretary-The Melton Agency Inc.

Compensation: Commissions.

Branch offices: Delphi, Carmel, Ind.

Subsidiaries: The Melton Agency Inc., Salem, Ind.

Licensed excess/surplus broker in: Indiana.

H & R Phillips Inc.

622 Third Ave., New York, N.Y. 10017; 212-949-9100

	1980	1979
Premium vol.....	NA	NA
Gross rev.....	$1,300,000	$1,000,000
Employees.....	24	22
Commercial bus...	90%	90%

Principal officers: Harry Phillips III, president; Roger Phillips, executive vp; Judith L. Robinson, Carmen Barros, vps.

Compensation: Commissions and fees.

Pickett & Adams Insurance Inc.

800 Hillcrest Road, Mobile, Ala. 36609; 205-343-9480

	1980	1979
Premium vol.....	$2,252,999	$1,965,000
Gross rev.....	$371,015	$336,000
Employees.....	8	8
Commercial bus...	65%	60%

Principal officers: C. King Pickett, president; Spencer M. Adams III, vp and secretary/treasurer; Jerry P. Edwards, vp.

Compensation: Commissions.

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Acquisitions: Pope & Quint Insurance Co. Inc.
Subsidiaries: Pickett, Adams & Martin.
Licensed excess/surplus broker in: Alabama.

Popkin Lebson Bergstein Inc.

38 Franklin St., P.O. Box 800, Tenafly, N.J. 07670; 201-569-8090

	1980	1979
Premium vol.	$6,700,000	$6,000,000
Gross rev.	$1,228,000	$990,000
Employees	24	25
Commercial bus.	65%	65%

Principal officers: Leo J. Popkin, president; Michael Bergstein, Ron Bergstein, vps; Martin A. Lebson, vp/treasurer; Bruce A. Bergstein, vp/secretary; Ted Kadison, vp-P.L.B. Life Agency Inc.
Compensation: Commissions and fees.
Subsidiaries: P.L.B. Life Agency Inc.

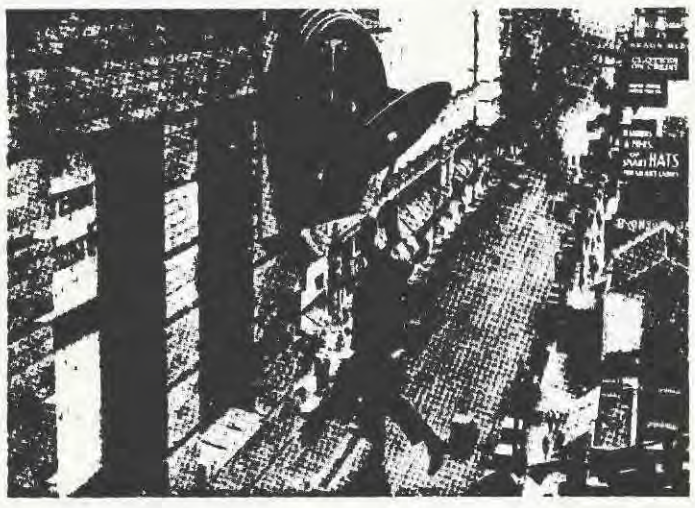
Porter-Spaudling Inc.

1831 Tongass Ave., Ketchikan, Alaska 99901; 907-225-3164

	1980	1979
Premium vol.	$4,443,000	$3,540,000
Gross rev.	$787,000	$501,000
Employees	11	12
Commercial bus.	49%	42%

Principal officers: Arne N. Iversen, president; V. Dale Simpson, secretary; Karen Hofstad, treasurer.
Compensation: Commissions.
Branch offices: Petersburg, Wrangell, Alaska.

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Producers Exchange Inc.

1310 Texas American Bank Building, Dallas, Texas 75235; 214-357-6504

	1980	1979
Premium vol.	$7,000,000	$7,220,000
Gross rev.	$1,100,000	$925,000
Employees	23	23
Commercial bus.	96%	97%

Principal officers: Bill M. Morrison, president; Travis Dale Roberts, Vernon M. Gilmore vps; George R. Flickinger, regional vp.
Compensation: Commissions and fees.
Branch offices: Corpus Christi, Houston, Lubbock, Texas.
Subsidiaries: Producers Exchange Life Insurance Agency Inc.; Producers Exchange Insurance Agency Inc.
Parent company: Producers Exchange Management Co. Inc.
Licensed excess/surplus broker in: Texas.

R

RBS Insurance

1510 W. Second St., Roswell, N. M. 88201; 505-623-1510

	1980	1979
Premium vol.	$2,370,787	$2,281,208
Gross rev.	$477,205	$292,565
Employees	9	8
Commercial bus.	72%	74%

Principal officers: Bradford K. Pretti, president; R. King Reed, vp; Alan M. Berryman, secretary/treasurer.
Compensation: Commissions.
Acquisitions: Curtis Insurance Agency.
Branch offices: Dexter, N.M.
Licensed excess/surplus broker in: New Mexico.

R L & G Agency Inc.

Route 32, Franklin, Conn.; Box 426, Norwich, Conn. 06360; 203-642-7559

	1980	1979
Premium vol.	$3,100,000	$2,550,000
Gross rev.	$416,000	$360,000
Employees	11	10
Commercial bus.	70%	67%

Principal officers: Leslie H. Young, president; Ernest E. Poore, vp; R. Gary Young, secretary/treasurer.
Compensation: Commissions and fees.
Acquisitions: Blumenthal Insurance Agency, Danielson, Conn.
Branch offices: Putnam, Conn.
Subsidiaries: Forest Products Agency Co. Inc., Commercial Insurance Agency Inc.
Licensed excess/surplus broker in: Connecticut, Massachusetts, Rhode Island, Vermont, New Hampshire, Maine, New York, Pennsylvania.

Leslie S. Ray Insurance Agency Inc.

129 Dodge St., Beverly, Mass. 01915; 617-927-2600

	1980	1979
Premium vol.	$3,000,000	$2,600,000
Gross rev.	$500,000	$440,000
Employees	12	12
Commercial bus.	50%	50%

Principal officers: Leslie S. Ray, president/treasurer; Norma L. Huse, executive vp; Richard P. Jones, vp.
Compensation: Commissions.
Licensed excess/surplus broker in: Massachusetts.

Rebsamen Insurance

1500 Riverfront Drive, P.O. Box 3198, Little Rock, Ark. 72203; 501-661-4800

	1980	1979
Premium vol.	$60,000,000	$56,500,000
Gross rev.	$6,500,000	$6,000,000
Employees	139	143
Commercial bus.	91%	90%

Principal officers: Charles H. Harper, president; Charles C. Campbell, executive vp; Max F. Campbell, senior vp/treasurer; William L. Grace, Jack L. Garrison, senior vps; George G. Gillmore, vp.
Compensation: Commissions and fees.
Branch offices: Pine Bluff, Springdale, Ark.
Subsidiaries: Insurisk Insurance Services, Insurisk Excess & Surplus Lines, Little Rock, Ark.; Rebsamen Insurance/Louisiana, New Orleans, La.
Parent company: Rebsamen Cos. Inc.
Licensed excess/surplus broker in: Arkansas.

Republic Insurance Brokers Inc.

825 N. Parkcenter Drive, Santa Ana, Calif. 92711; 714-558-1821

	1980	1979
Premium vol.	$13,200,000	$15,000,000
Gross rev.	$1,800,000	$2,010,000
Employees	36	42
Commercial bus.	93%	96%

Principal officers: A. L. Leatherby, president; Robert Rieden, executive vp; Kent Briggs, Edward J. Kenz, senior vps; Mark Payne, vp.
Compensation: Commissions.
Branch offices: Republic Insurance Brokers Inc., San Diego, Calif.
Licensed excess/surplus broker in: California.

Rhulen Agency Inc.

217 Broadway, Monticello, N.Y. 12701; 914-794-8000

	1980	1979
Premium vol.	$40,000,000	$35,000,000
Gross rev.	$7,511,308	$6,963,533
Employees	152	123
Commercial bus.	95%	95%

Principal officers: Max H. Rhulen, chairman; Walter A. Rhulen, president; Jesse M. Farrow, executive vp; Peter L. Rhulen, vp/secretary.
Compensation: Commissions and fees.
Acquisitions: Interstate Insurance Agency Inc.; A&A Insurance Brokers.
Branch offices: Phoenix, Ariz.; Greer, S.C.; Fort Collins, Colo.; Levittown, Penn.; New York, Merrick N.Y.; Rhulen Insurance Managers Ltd., Toronto; Interstate Insurance Agency, Atlanta, Ga.; Los Angeles.
Subsidiaries: Rhulen Life & Pensions Inc., Monticello, N.Y.; Rhulen Special Risks Inc., Monticello, N.Y.; Weisbord, Wells, Cross & Brown Inc., Liberty, N.Y.; Interstate Insurance Agency, Atlanta, Ga., Los Angeles.
Licensed excess/surplus broker in: New York, Arizona.

John M. Riehle & Co. Inc.

757 Third Ave., New York, N.Y. 10017; 212-888-4400

	1980	1979
Premium vol.	NA	NA
Gross rev.	$8,300,000	$6,300,000
Employees	200	140
Commercial bus.	90%	90%

Principal officers: Joseph D. Tooker Jr., president; Edgar Braun, executive vp; Peter B. Emmons, vp; Salvo P. Basirico, treasurer; Robert R. Miles, assistant secretary.
Compensation: Commissions and fees.
Branch offices: Mt. Kisco, Massapequa Park, White Plains, N.Y.; Wayne, N.J.; New Canaan, Conn.
Parent company: Harcourt Brace Jovanovich Inc.
Licensed excess/surplus broker in: New York.

Robertson-Ryan & Associates Inc.

660 E. Mason St., Milwaukee, Wis. 53202; 414-271-3575

	1980	1979
Premium vol.	$12,222,351	$12,803,092
Gross rev.	$1,601,351	$1,648,073
Employees	36	37
Commercial bus.	89%	85%

Principal officers: J.T. Ryan, chairman; A.D. Robertson, president; E.E. Juckem, executive vp/general manager; J.R. Kuhnmuench, vp; Alan D. Robertson, secretary; Lloyd G. Schutte, treasurer.
Compensation: Commissions.
Branch offices: Sheboygan, Wis.
Licensed excess/surplus broker in: Wisconsin.

Robson, Cavignac & Associates Insurance Brokers

110 W. A St., San Diego, Calif. 92101; 714-235-6301

	1980	1979
Premium vol.	$12,500,000	$11,000,000
Gross rev.	$1,600,000	$1,300,000
Employees	24	22
Commercial bus.	92%	92%

Principal officers: Jon R. Robson, president/treasuer; Frank G. Cavignac, vp/secretary; Kenneth L. Bohlander, Richard J. Thompson, vps; James O. Reynolds, president-RCS Life Agency Corp.
Compensation: Commissions and fees.
Subsidiaries: RCS Life Agency Corp.

Root & Boyd Inc.

101 S. Main St., Waterbury, Conn. 06702; 203-756-7251

	1980	1979
Premium vol.	$13,600,000	$12,800,000
Gross rev.	$2,298,400	$2,163,200
Employees	56	52
Commercial bus.	60%	59%

Principal officers: William R. Moody, president; Peter C. Moody, Roger K. Tillson, Domenic Minicueci, vps; Robert Summit, trea-

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Compensation: Commissions and fees.

Branch offices: Naugatuk, Watertown, Conn.; W.J. Burton, Woodbury, Southbury, Conn.; Pomperaug Valley Associates, Waterbury, Conn.

Subsidiaries: Dodds Agency Inc., Renzoni Russo Agency.

Licensed excess/surplus broker in: Connecticut.

Patrick C. Ross Associates Insurance Services

21241 Ventura Blvd., Suite 173, Woodland Hills, Calif. 91364; 213-999-5556

	1980	1979
Premium vol.	$3,700,000	$3,200,000
Gross rev.	$495,800	$422,000
Employees	7	7
Commercial bus.	96%	95%

Principal officers: Patrick C. Ross, president; S.R. Ross, vp/secretary; Robin Allen, treasurer.

Compensation: Commissions.

S

Sacramento Valley Insurance

1520 River Park Drive, Sacramento, Calif. 95815; 916-920-3400

	1980	1979
Premium vol.	$7,000,000	$6,350,000
Gross rev.	$1,255,000	$1,145,000
Employees	29	28
Commercial bus.	90%	85%

Principal officers: James C. Chenu, president; Thomas D. Hobday, Charles J. Sigerseth, Robert Preddy, vps; David Zancanaro, chief financial officer; J. Gary Kearns, secretary.

Compensation: Commissions and fees.

Acquisitions: Merged with Western Construction Insurance Services.

Subsidiaries: Western Construction Insurance Services, Sacramento.

The Sadler Insurance Agency Inc.

24 Railroad Square, Nashua, N.J. 03061; 603-883-0511

	1980	1979
Premium vol.	$7,500,000	$7,500,000
Gross rev.	$1,090,000	$1,150,000
Employees	35	40
Commercial bus.	70%	65%

Principal officers: George J.T. Sadler, president; James E. Cleary, executive vp; Robert E. Marcotte, senior vp.

Compensation: Commissions and fees.

Branch offices: Manchester, N.H.

Subsidiaries: Marcotte & Plourde Agencies Inc., Manchester, N.H.

Licensed excess/surplus broker in: New Hampshire.

Saldana & Associates Inc.

P.O. Box S 3549; San Juan, Puerto Rico 00904; 809-721-2600

	1980	1979
Premium vol.	$22,000,000	$20,000,000
Gross rev.	$2,549,000	$2,200,000
Employees	46	43
Commercial bus.	96%	95%

Principal officers: Jorge Y. Saldana, president; Antonio Blanes, Ralph Christiansen Jr., executive vps; Eduardo Emanuelli, Manuel J. Mendez, Jose E. Vazquez, vps.

Compensation: Commissions.

Licensed excess/surplus broker in: Puerto Rico, Virgin Islands.

Schlaudecker, James & Hart Inc.

P.O. Box 6365, 1611 Peach St., Erie, Pa. 16512; 814-455-0987

	1980	1979
Premium vol.	$3,000,000	$3,000,000
Gross rev.	$450,000	$450,000
Employees	13	13
Commercial bus.	65%	65%

Principal officers: L. H. Larson, chairman; H.L. James Jr., president; D.J. Hart vp/treasurer; H.A. Grab, vp/secretary.

Compensation: Commissions.

Acquisitions: Paul Momeyer Agency.

Schwartz, Hirtenstein & Co. Inc.

310 Madison Ave., New York, N.Y. 10017; 212-697-2615

	1980	1979
Premium vol.	$3,750,000	$3,500,000
Gross rev.	$550,000	$525,000
Employees	13	12
Commercial bus.	80%	80%

Principal officers: Daniel Hirtenstein, president; Arthur A. Schwartz, secretary/treasurer.



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Compensation: Commissions.

Securance Services Inc.

120 W. Stevenson, Gibsonburg, Ohio 43431; 419-637-2196

	1980	1979
Premium vol.	$2,600,000	$2,100,000
Gross rev.	$475,000	$350,000
Employees	13	11
Commercial bus.	62%	60%

Principal officers: Jonathon Younker, president; Ned L. Weigman, vp; Stephan Younker, treasurer; Dan M. Henery, secretary.
Compensation: Commissions.
Branch offices: Woodville, Oak Harbor, Ohio.
Subsidiaries: Securance of Columbus, Columbus, Ohio.

H.D. Segur Inc.

229 W. Main St., Box 631, Waterbury, Conn. 06720; 203-756-7933

	1980	1979
Premium vol.	$6,200,000	$5,600,000
Gross rev.	$780,000	$750,000
Employees	20	18
Commercial bus.	80%	80%

Principal officers: John F. Burbank, president; James B. Muller Jr., executive vp; Joseph H. Cunningham, vp; Marguerite Saukas, assistant secretary.
Compensation: Commissions and fees.
Branch offices: Thomaston, Conn.
Licensed excess/surplus broker in: Connecticut.

Seitlin & Co.

990 S.W. 1st St., Miami, Fla. 33130; 305-545-8311

	1980	1979
Premium vol.	$16,100,000	$14,100,000
Gross rev.	$2,670,000	$2,205,000
Employees	68	68
Commercial bus.	84%	85%

Principal officers: Sam Seitlin, chairman; M. Stephen Jackman, president; R. Louis Seitlin, secretary; Fannie Levitt, treasurer.
Compensation: Commissions and fees.
Acquisitions: Paul J. Nasrallah Insurance Agency.

Seymour Alper & Co. Ltd.

5165 Queen Mary Road, Third Floor, Montreal, Quebec, H3W1X8; 514-489-8601

	1980	1979
Premium vol.	$7,054,000	$6,600,000
Gross rev.	$1,592,000	$1,500,000
Employees	33	31
Commercial bus.	75%	75%

Principal officers: Seymour Alper, president; Michel Labelle, vp; Morris Liquornik, secretary/controller.
Compensation: Commissions.

Seymour Insurance Agency Inc.

1609 Stubbs Ave., Monroe, La. 71201; 318-388-2400

	1980	1979
Premium vol.	$5,514,630	$5,490,118
Gross rev.	$813,257	$768,699
Employees	20	21
Commercial bus.	80%	78%

Principal officers: Edward J. Seymour, chairman; Edward J. Seymour Jr., president; Camors C. Roth, vp.
Compensation: Commissions.
Acquisitions: Unity Insurance Agency.
Branch offices: Northwest Louisiana Insurance Agency Inc., Shreveport, La. (affiliate).
Licensed excess/surplus broker in: Louisiana.

Shelton Insurance Agency Inc.

1227 Third St., P.O. Box 55, Corpus Christi, Texas 78403; 512-882-5586

	1980	1979
Premium vol.	$5,796,000	$4,299,000
Gross rev.	$920,669	$815,033
Employees	16	15
Commercial bus.	95%	95%

Principal officers: W.J. Shelton, president; Louis E. Wells III, vp and secretary/treasurer.
Compensation: Commissions.
Branch offices: McAllen, Texas.

Sheppard, Downing & Coleman Insurance Service Ltd.

#310, One Thornton Court, Edmonton, Alberta T5J2E7; 403-420-0777

	1980	1979
Premium vol.	$3,200,000	$1,900,000
Gross rev.	$460,000	$290,000
Employees	8	6
Commercial bus.	97%	99%

Principal officers: Anthony N. Sheppard, president; Charles E.P. Downing, Edwin C. Coleman, Paul A. Land, vps.
Compensation: Commissions.

The Simkiss Agency Inc.

76 Rittenhouse Place, Ardmore, Pa. 19003; 215-649-6610

	1980	1979
Premium vol.	$8,500,000	$8,100,000
Gross rev.	$1,195,000	$1,134,000
Employees	25	23
Commercial bus.	85%	88%

Principal officers: John A. Simkiss Jr., president; William F. O'Brien, executive vp; William F. Simkiss, Richard J. Decker, vps.
Compensation: Commissions and fees.
Subsidiaries: Frankenfeld & Co. Inc., Risk Management Systems & Services Inc., Simkiss Investment Counselors Ltd., Ardmore, Pa.

The Sklover Organization

(formerly The Richard-Thomas Agency) 1432 Old Northern Blvd., Roslyn, N.Y. 11576; 516-621-0202

	1980	1979
Premium vol.	$3,100,000	$3,100,000
Gross rev.	$100,000	$275,000
Employees	5	5
Commercial bus.	90%	90%

Principal officers: Richard T. Sklover, president.
Compensation: Commissions and fees.
Branch offices: New York, N.Y.
Subsidiaries: The Maramax Agency, Richard Sklover Reinsurance Intermediary.

Archie Slawsby Agency Inc.

P.O. Box 487, 90 Main St., Nashua, N.H. 03061; 603-883-1776

	1980	1979
Premium vol.	$9,490,223	$8,865,906
Gross rev.	$1,458,445	$1,435,695
Employees	43	44
Commercial bus.	66%	68%

Principal officers: Walter S. Cogwell, president/director; Francis J. O'Gara Jr., executive vp/director.
Compensation: Commissions.
Subsidiaries: Surplus Lines Managers Inc., Nashua, N.H.
Licensed excess/surplus broker in: New Hampshire, Maine, Vermont, Massachusetts.

Smith, Bell & Thompson Inc.

102 S. Wincoski Ave., Burlington, Vt. 05401; 802-658-4600

	1980	1979
Premium vol.	$4,637,000	$4,900,000
Gross rev.	$1,107,000	$1,000,000
Employees	24	27
Commercial bus.	70%	70%

Principal officers: Warren L. Thompson, president; Kenneth Grabowski, treasurer.
Compensation: Commissions.
Licensed excess/surplus broker in: Vermont.

Smith Watson Parker Inc.

3500 Hollywood Blvd., Hollywood, Fla. 33021; 305-962-2990

	1980	1979
Premium vol.	$8,000,000	$7,000,000
Gross rev.	$1,250,000	$1,000,000
Employees	28	25
Commercial bus.	80%	80%

Principal officers: Charles W. Watson, president; B.W. Parker, vp/secretary; S.J. Watson, treasurer; Thomas Cotter, Larry Vaught, vps.
Compensation: Commissions.
Branch offices: Boca Raton, Fla.
Subsidiaries: InsurData Inc., Hollywood, Fla.
Licensed excess/surplus broker in: Florida.

Southwest Insurance Assn. of Austin Inc.

4405 Pack Saddle Pass, Austin, Texas 78745; 512-443-0954

	1980	1979
Premium vol.	$2,100,000	$2,000,000
Gross rev.	$390,000	$300,000
Employees	11	10
Commercial bus.	70%	70%

Principal officers: Jack W. Hoffman, president; Ross B. Blumentritt, executive vp; J. Larry Peel, senior vp; Merel Smith, secretary; Evelyn Stiles, treasurer.
Compensation: Commissions and fees.
Subsidiaries: West Wind General Agency Inc.; Risk Alternatives Inc.
Parent company: Southwest Group.
Licensed excess/surplus broker in: Texas.

Spencer-Patterson Agency Inc.

212 E. Sandusky St., P.O. Box 60, Findlay, Ohio 45840; 419-422-3545

	1980	1979
Premium vol.	$3,600,000	$3,000,000
Gross rev.	$715,000	$589,000
Employees	14	10
Commercial bus.	65%	65%

Principal officers: Thomas A. Buis, president; Charles P. Lyon, vp; David S. Healy, secretary/treasurer.
Compensation: Commissions
Acquisitions: Vern Dicke Agency.

DeWitt Stern, Gutmann & Co. Inc.

420 Lexington Ave., New York, N.Y. 10170; 212-867-3550

	1980	1979
Premium vol.	$13,000,000	$12,000,000
Gross rev.	$1,394,000	$1,350,000
Employees	32	30
Commercial bus.	85%	85%

Principal officers: DeWitt Stern, chairman; Jolyon F. Stern, president; Gilbert Andrus, John H. Gutman, vps.
Compensation: Commissions and fees.
Branch offices: DeWitt Stern

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Licensed excess/surplus broker in: New York.

Edmund D. Stevens Inc.

1130 Liberty Bank Building, Buffalo, N.Y. 14202; 716-856-3387

	1980	1979
Premium vol.	$2,600,000	$2,350,000
Gross rev.	$380,000	$350,000
Employees	10	10
Commercial bus.	65%	65%

Principal officers: Edmund D. Stevens Jr., president/treasurer; Peter V.R. Lapey, vp; Thomas C. Luescher, secretary; Patricia K. White, assistant secretary.

Compensation: Commissions and fees.

T

Taylor/Cohen/Rudolph & Giaconia Co. Inc.

791 Passaic Ave., Clifton, N.J. 07012; 201-471-4400

	1980	1979
Premium vol.	$6,178,325	$5,839,847
Gross rev.	$997,000	$794,118
Employees	20	19
Commercial bus.	70%	70%

Principal officers: Sidney Rudolph, president; Shelby R. Cohen, vp; Ronald W. Giaconia, secretary/treasurer.

Compensation: Commissions and fees.

Subsidiaries: Giaconia Life Associates Inc.

Technicos En Seguros, S.A.

Edificio El Triangulo, Nivel 12, Zona 4, Guatemala City, Guatemala, C.A.; 321555

	1980	1979
Premium vol.	$8,500,000	$6,500,000
Gross rev.	$1,500,000	$1,110,000
Employees	52	48
Commercial bus.	90%	90%

Principal officers: Enrique Fernandez, president; Brian Aycinena, Luis Molina, Douglas Steele, vps; Luis Chocano, vp of life and employee benefits.

Compensation: Commissions.

Branch offices: SEASSA, El Salvador; COSESA, Honduras.

Subsidiaries: Tecnisevisa (with William Mercer International).

Parent company: Associated with Marsh & McLennan International and De Lima & Cia. of Columbia.

Thilman & Filippini

150 N. Wacker Drive, Chicago, Ill. 60606; 312-726-4800

	1980	1979
Premium vol.	$10,000,000	$9,000,000
Gross rev.	$1,100,000	$950,000
Employees	27	25
Commercial bus.	70%	70%

Principal officers: Thomas W. Filippini, Thomas Thilman, Jamie Thilman, partners.

Compensation: Commissions and fees.

Branch offices: Peerless Insurace Agency, Family Insurance Center.

Licensed excess/surplus broker in: Illinois.

Triangle Insurance Inc.

12716 Riverside Drive, North Hollywood, Calif. 91607; 213-983-2400

	1980	1979
Premium vol.	$5,300,000	$5,300,000
Gross rev.	$901,000	$879,000
Employees	18	18
Commercial bus.	84%	84%

Principal officers: Sy Maxwell, president; Maurice Jones, secretary/treasurer.

Compensation: Commissions.

Subsidiaries: Triangle Life Insurance Agency, North Hollywood, Calif.

Trimble-Batjer-Cobb Insurance

519 W. Beauregard, San Angelo, Texas 76901; 915-653-6733

	1980	1979
Premium vol.	$4,423,395	$3,843,281
Gross rev.	$754,439	$642,194
Employees	21	20
Commercial bus.	70%	60%

Principal officers: Henry H. Batjer Jr., R. Bernard Trimble, James B. Cobb, D. Randall Saverance, partners.

Compensation: Commissions.

Licensed excess/surplus broker in: Texas.

Nathan Trotter Co.

406 W. 34th St., Kansas City, Mo. 64111; 816-531-2266

	1980	1979
Premium vol.	$3,750,000	$3,500,000
Gross rev.	$500,000	$500,000
Employees	8	8
Commercial bus.	95%	95%

Coming Up! Excess/Surplus

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Ad Closing: July 28, 1981

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Principal officers: Nathan Trotter, chairman; Earl Holmes, president/treasurer; Fred C. Hall, vp/secretary; Jack Gagliardi, assistant vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Missouri, Kansas.

U

Ulrich Voorhees Warner Associates

100 Davidson Ave., P.O. Box 228, Somerset, N.J. 08873; 201-469-3000

	1980	1979
Premium vol.	$16,300,000	$15,100,000
Gross rev.	$2,628,000	$2,438,000
Employees	38	39
Commercial bus.	92%	88%

Principal officers: John N. Voorhees III, president; Stephen A. Warner, executive vp; Allen I. Preville, senior vp; Arthur Mehmel, vp of sales.

Compensation: Commissions and fees.

Branch offices: Washington, D.C.

Licensed excess/surplus broker in: New Jersey.

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Underwriter's Corp. of Ann Arbor

5305 Plymouth Road, Ann Arbor, Mich. 48105; 313-761-4616

	1980	1979
Premium vol.	$1,753,000	$1,575,000
Gross rev.	$312,034	$291,700
Employees	7	5
Commercial bus.	80%	78%

Principal officers: Andre A. Barroso, president; Elaine R. Barroso, secretary/treasurer; Carolyn Nyrkkanen, vp.

Compensation: Commissions.

Licensed excess/surplus broker in: Michigan.

V

Van Beurden, Wigh & Associates Inc.

1615 Draper St., Kingsburg, Calif. 93631; 209-897-2975

	1980	1979
Premium vol.	$11,162,000	$9,100,000
Gross rev.	$1,404,000	$1,118,000
Employees	32	30
Commercial bus.	90%	90%

Principal officers: William J. Van Beurden, president; Douglas Uyeki, Mark Matthews, Robert Lankford, vps; John Harding, sales manager.

Compensation: Commissions and fees.

Branch offices: Bonaire Assurance of Thousand Oaks, Calif.; Bonaire Assurance of Modesto, Calif.; Bonaire Assurance of San Jose, Calif.

Parent company: Van Beurden, Wigh & Associates Insurance Services Inc.

Licensed excess/surplus broker in: California.

Truman Van Dyke Co.

6290 Sunset Blvd., Suite 1800, Hollywood, Calif. 90028; 213-462-3300

	1980	1979
Premium vol.	$3,750,000	$4,500,000
Gross rev.	$530,000	$600,000
Employees	17	15
Commercial bus.	90%	92%

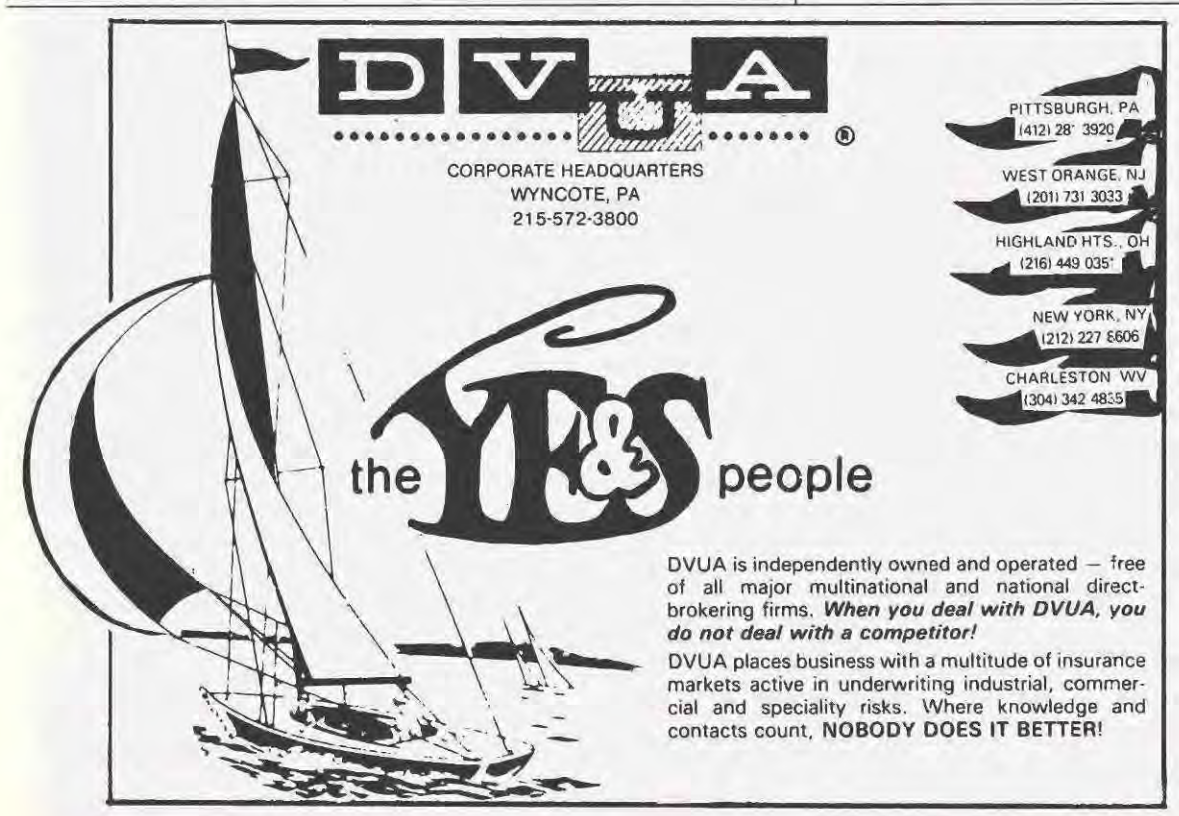
Principal officers: Truman Van Dyke, president; Rose Van Dyke, secretary/treasurer; Frances H. Duffy, vp.

Compensation: Commissions.

Licensed excess/surplus broker in: California.

Variable Protection Administrators Inc.

6650 Pearl Road, Cleveland, Ohio 44130; 216-888-8585.



	1980	1979
Premium vol.	$17,389,137	$14,862,510
Gross rev.	$1,731,530	$1,437,905
Employees	27	38
Commercial bus.	80%	80%

Principal officers: David Manley, president; Timothy Eisenmann, secretary; James Restifo, treasurer.

Compensation: Commissions and fees.

Acquisitions: Greater Delaware Corp.

Branch offices: Employee Benefits of Florida, Casselberry, Fla.

W

Wagner Taylor Co.

Ludlow St. at Copley Road, Upper Darby, Pa. 19082; 215-352-4300

	1980	1979
Premium vol.	$3,230,000	$2,700,000
Gross rev.	$485,249	$424,730
Employees	15	15
Commercial bus.	60%	60%

Principal officers: Eugene L. Fidell, president/treasurer; H. Kelsey Partridge Jr., vp; Helen DiJulio, secretary.

Compensation: Commissions.

Branch offices: West Chester, Pa.

Warren-Hoffman & Associates Inc.

105 Main St., P.O. Box 1100, Niagara Falls, N.Y. 14303; 716-284-9983

	1980	1979
Premium vol.	$7,800,000	$5,800,000
Gross rev.	$1,100,000	$935,000
Employees	23	21
Commercial bus.	85%	85%

Principal officers: John D. Hoffman, president; Richard M. Thompson, executive vp; William E. Warren, Leonard R. Cancilla, vps; George L. McGrath, vp of life/fringe benefits.

Compensation: Commissions and fees.

Subsidiaries: Houlihan-Thompson Division.

I.R. Weinraub & Co. Inc.

10 Fairview Ave., Westwood, N.J. 07675; 201-666-4900

	1980	1979
Premium vol.	$8,200,000	$7,100,000
Gross rev.	$862,510	$678,000
Employees	23	20
Commercial bus.	90%	90%

Principal officers: Irving R. Weinraub, chairman; Mark B. Weinraub, president; Richard W. Dashnaw, Mark Sherry, Stephen D. Kovacs, vps.

Compensation: Commissions and fees.

Subsidiaries: Safety Reliance Corp.; Weinraub & May.

Licensed excess/surplus broker in: New York, New Jersey.

Wellington Agencies Inc.

3460 Wilshire Blvd., #401, Los Angeles, Calif. 90010; 213-380-3050

	1980	1979
Premium vol.	$10,700,000	$8,300,000
Gross rev.	$1,600,000	$1,350,000
Employees	33	30
Commercial bus.	82%	80%

Principal officers: Wilbert W. Stein, president; John Antignas, executive vp; Gerald Richbook, Earl B. Gross, senior vp; Donald W. Millar, secretary/treasurer.

Compensation: Commissions and fees.

Acquisitions: Earl B. Gross; Arthur Katz.

Wharton/Lyon & Lyon

101 S. Livingston Ave., Livingston, N.J. 07039; 201-992-5775

	1980	1979
Premium vol.	$11,200,000	$10,206,000
Gross rev.	$1,700,000	$1,600,000
Employees	37	36
Commercial bus.	80%	80%

Principal officers: Albert L. Klein, president; Thomas Rowe, senior vp; Lillian Feld, secretary/manager of personal lines.

Compensation: Commissions and fees.

Acquisitions: Blum Associates Ltd.

William Insurance Agency Inc.

116 E. Third St., P.O. Box 266, Crowley, La. 70526; 318-783-6346

	1980	1979
Premium vol.	$2,285,000	$2,385,000
Gross rev.	$380,000	$350,000
Employees	10	9
Commercial bus.	55%	55%

Principal officers: Sims C. Williams, president; Donnaud B. Williams, vp; Sims C. Williams Jr., secretary/treasurer.

Compensation: Commissions.

W.K.P. Wilson & Son Inc.

51 St. Joseph St., P.O. Box 2407, Mobile, Ala. 36652; 205-433-0441

	1980	1979
Premium vol.	$22,000,000	$20,000,000
Gross rev.	$2,950,000	$2,700,000
Employees	67	63
Commercial bus.	85%	85%

Principal officers: B.R. Wilson Jr., chairman; Clifton C. Inge, president; J. Schley Rutherford, vp; W.E. Roney Jr., secretary/vp.

Compensation: Commissions.

Licensed excess/surplus broker in: Alabama.

Winchester Insurance Agency Inc.

P.O. Box 6471, San Jose, Calif. 95150; 408-247-8336

	1980	1979
Premium vol.	$6,000,000	$5,160,000
Gross rev.	$1,010,000	$820,000
Employees	19	17
Commercial bus.	70%	80%

Principal officers: Daniel McDonald, president; William Armor, branch manager.

Compensation: Commissions.

Branch offices: Fremont, Calif.

Hirsch Wolf & Co. Inc.

1505 Coney Island Ave., Brooklyn, N.Y. 11230; 212-258-2800

	1980	1979
Premium vol.	$5,000,000	$3,500,000
Gross rev.	$600,000	$450,000
Employees	16	13
Commercial bus.	90%	85%

Principal officers: Hirsch Wolf, president; David Wielgus, Abraham M. Kahan, Levy I. Zelishovsky, vps; Yosef Kadin, controller.

Compensation: Commissions.

Branch offices: New York City; Union, N.J.

Woodsmall, Frick & Innis Inc.

2480 Pershing Road., Kansas City, Mo. 64108; 816-421-7788

	1980	1979
Premium vol.	$12,300,000	$11,500,000
Gross rev.	$1,601,000	$1,482,800
Employees	34	41
Commercial bus.	90%	90%

Principal officers: W.O. Woodsmall, chairman; Peter L. Woodsmall, president; Thomas E. Klug, J. Michael Brwer, senior vps; Joseph V. Gerlack, vp.

Compensation: Commissions and fees.

Licensed excess/surplus broker in: Missouri, Kansas.

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Woodward & Williamson

15 Exchange Place, Jersey City, N.J. 07302; 201-434-1772

	1980	1979
Premium vol.	$2,637,648	$2,350,000
Gross rev.	$439,338	$400,730
Employees	6	7
Commercial bus.	70%	70%

Principal officers: Herbert Marshall Jr., president/treasurer; Phillips W. Marshall, vp/secretary.
Compensation: Commissions and fees.

Worgess Agency Inc.

55 N. McCamly, P.O. Box 1678, Battle Creek, Mich. 49016; 616-965-3221

	1980	1979
Premium vol.	$5,240,287	$4,191,000
Gross rev.	$839,000	$695,000
Employees	18	18
Commercial bus.	62%	55%

Principal officers: Russell V. Worgess, president; Donald R. Worgess, vp; Douglas Worgess, assistant vp; Robert Worgess, treasurer; Richard Worgess, assistant treasurer.
Compensation: Commissions.
Branch offices: Marshall, Mich.

John L. Wortham & Son

2727 Allen Parkway, Houston, Texas 77019; 713-526-3366

	1980	1979
Premium vol.	$99,517,155	$88,181,702
Gross rev.	$12,232,125	$10,529,112
Employees	240	223
Commercial bus.	94%	93%

Principal officers: Allen H. Carruth, managing partner.
Compensation: Commissions and fees.
Branch offices: Dallas, Midland, Texas.
Subsidiaries: John L. Wortham & Son Inc.; John L. Wortham & Son Investments Inc.; John L. Wortham & Son Bermuda Ltd.; Services for Risk Handling Inc.
Licensed excess/surplus broker in: Various.

Wright & Co.

1001 Connecticut Ave. N.W., Washington, D.C. 20036; 202-331-1550

	1980	1979
Premium vol.	NA	NA
Gross rev.	$1,450,000	$1,338,000
Employees	25	25
Commercial bus.	98%	98%

Principal officers: Frank L. Wright, chairman/CEO; Thomas K. Rogers, vp of group insurance and allied lines; Betty K. Wright, treasurer; Michael R. Ward, vp of special projects and development.
Compensation: Commissions and fees.
Branch offices: London, England.
Subsidiaries: Wright International, Inter-American Assurance Co. Ltd., TAMINCO Assurance Services, Grand Cayman, B.W.I. (affiliated companies).
Licensed excess/surplus broker in: District of Columbia.

Z

Zillgitt and Wright Insurance Agents and Brokers

330 Washington St., Marina del Ray, Calif. 90291; 213-822-1221

	1980	1979
Premium vol.	$7,200,000	$6,900,000
Gross rev.	$1,100,000	$1,000,000
Employees	30	30
Commercial bus.	62%	60%

Principal officers: Preston B. Zillgitt, chairman; Charles M. Wright, president; Robert Gerughty, vp.
Compensation: Commissions and fees.
Branch offices: Newport Beach, Calif. ■

Here's a list of agencies by locale

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Birmingham
Johnson-Rast & Hays Co.
McGriff & Seibels Inc.
Mobile
Pickett & Adams Insurance Inc.
W. K. P. Wilson & Son Inc.

ALASKA

Ketchikan
Porter-Spaulding Inc.

ARIZONA

Phoenix
Beal & Associates Insurance Counselors Inc.
Lasher-Cowie Agency Inc.

ARKANSAS

Little Rock
Rebsamen Insurance

CALIFORNIA

Burbank
Eastman & Co. Insurance Brokers
Carmel
Brown-Spaulding & Associates Inc.
Cerritos
Commercial Carriers Insurance Agency Inc.
Hollywood
Truman Van Dyke Co.
Irvine
Anderson & Anderson Insurance Brokers, Inc.
Kingsburg
Van Beurden, Wigh & Asscoiates Inc.
Lafayette
Bone, Robertson & McBride Inc.
Los Angeles
Emett & Chandler Inc.
Penn General Agencies
Wellington Agencies Inc.
Marina Del Ray
Zillgitt & Wright Insurance Agents & Brokers
Newport Beach
Bayly, Martin & Fay Internaticnal Inc.
North Hollywood
Triangle Insurance Inc.
Sacramento
Sacramento Valley Insurance
San Diego
Robson, Cavignac & Associates Insurance Brokers
San Francisco
Richard N. Goldman & Co.
Levinson Bros. Inc.
San Jose
Winchester Insurance Agency Inc.
Santa Ana
Republic Insurance Brokers Inc.
Sunnyvale
Alpha I Insurance Brokers Inc.
Torrance
Cal-Surance Assocates
Keenan & Associates
Tustin
Insurance Benefits Inc.
Van Nuys
Osterloh & Durham Insurance Brokers of North America Inc.
Woodland Hills
Patrick C. Ross Associates Insurance Services

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Bridgeport
Insurance Center of Southern Connecticut Inc.
Danbury
G-A Insurance Agency Inc.
Fairfield
Keator Smith Inc.
Norwich
R L & G Agency Inc.
Waterbury
Root & Boyd Inc.
H.D. Segur Inc.

DISTRICT OF COLUMBIA

The Mutual Insurance Agency Inc.
Wright & Co.

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Jay Adams & Associates Inc.
Hollywood
Smith Watson Parker Inc.
Miami
Gallagher-Cole Associates
Seitlin & Co.
St. Petersburg
Bennett Wallace Welch & Green Insurance Inc.
Tampa
Crowder Insurance Inc.
Poe & Associates Inc.

HAWAII

Honolulu
King & Neel Inc.

ILLINOIS

Arlington Heights
Kehe, Foy & Snelten Insurance Agency Inc.
Chicago
Alper Agency Inc.
Associated Agencies Inc.
Byrne, Byrne & Co.
Fred S. James & Co. Inc.
Lamb Little & Co.
Mack & Parker Inc.
Rollins Burdick Hunter Co.
Ryan Insurance Agency Group
Thilman & Filippini
Clarendon Hills
Charles M. Griffith Inc.
Elmhurst
Davis-Grosse Inc.
Hinsdale
Morency & Associates Inc.
Oak Brook
Boockford & Co.
Rolling Meadows
Arthur J. Gallagher & Co.
Schaumburg
Financial Insurance Service Inc.
Industrial Insurance Agency Inc.

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Camden
The Pettiner Agency Inc.
Indianapolis
Associated Insurance Managers Inc.

IOWA

Council Bluffs
Insurance Agents Inc.

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Merriam, Ellis & Benton
Wichita
Insurance Management Associates Inc.

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Landrum Inc.

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Natick
Carlin Insurance
Newton
MacIntyre, Fay & Thayer Insurance Agency Inc.
Worcester
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Flint
Braun & Braun Inc.
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Akin-Akin Inc.
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Phillip Margolis & Co.
Lansing
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McCune-Dickinson Inc.
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American Coverage Corp.
National Preferred Risks Inc.

Haverstraw
The Ducey Agency Inc.

Jericho
National Coverage Corp.

Manhasset
Hess Morris Lebenson Inc.

Monticello
Gersten-Hillman Agency Inc.
Rhulen Agency Inc.

Nanuet
The Carpezzi Agency Inc.
Don Liebert Inc.

New York City
Alexander & Alexander
BRI Coverage Corp.
Bache Insurance Services Inc.
Corroon & Black Corp.
Euclid Services Inc.
Foa & Son Corp.
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Commercial Consumers

Administrative Management: owners, presidents, vps, etc.	6,888
Financial Management: chief financial officers, vps of finance, secretaries, treasurers, etc.	9,287
Insurance Management: vps, directors, managers of insurance, risk, benefits, compensation, safety, security, etc.	4,976
Government, Associations, Unions, Educational Institutions	927
Commercial Consumers Sub-total	**22,078**
Insurance Agents & Brokers	9,500
Insurance Carriers	4,213
Banks & Financial Institutions	343
Actuaries, Attorneys, Adjusters, Appraisers & Consultants	1,985
Others allied to the field	712
TOTAL	**38,831**

*Source: Business/Occupational breakdown of qualified circulation, Nov. 3, 1980 issue, Dec. 1980 BPA Publisher's Statement.

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Agent/broker profile information

The individual profiles detail: premium volume, gross revenues, number of employees and how much business is generated by commercial accounts.

Also noted are principal officers, branch offices, subsidiaries, parent company and states in which the firm is licensed as an excess/surplus lines broker.

Information in this special Agent/Broker Profiles issue was complied by *Business Insurance* based on information supplied by agents and brokers.

Agents and brokers listed primarily serve commercial clients.

Insurer says many captives may fold

Continued from page 3

same companies," he warned. "If your underwriting activities develop to the point where you actually become an underwriting competitor to be reckoned with, then you will see a marked change in attitude on the part of your insurers."

Insurers may start bypassing brokers and undercutting rates to win back the business, cutting out brokers entirely, he said.

The panel, moderated by Harold H. Hines, president of Ryan Insurance Group, responded aggressively to Mr. Russell's comments.

"The state of the art continues to improve, and loss forecasting, reserve analysis, loss-retention analysis as well as loss-control and claims-handling capabilities for these clients (captives) improve with competition," responded J. Bransford Wallace, president of brokerage operations for Corroon & Black and formerly chairman of its advanced risk management consulting group.

Expanding risk manager expertise and ambition is also fueling captive growth, and service capabilities of brokers and insurers make alternative risk-funding all the more viable, he noted. The prospect of risk retention pools makes the alternatives easier and cheaper to establish, he added.

Brokers and insurers can both sell risk management and captive support services for commercial buyers, Mr. Bransford said. "And, conversely, it is fitting that insurance carriers provide professional advice and risk placement service for the same buyers."

John Robert James, president of the Risk & Insurance Management Society and vp of Chemical Bank in New York, also defended captives as a continuing risk-funding option, but said he felt interest in captives was on the decline even though a RIMS study showed that captive interest was still strong.

"According to this study, 68% of the respondents are now using self-insurance without any commercial insurance in the property area. But the strong interest in captives also continues, though the current direction would appear to be toward formation of industrial captives as permitted under the Vermont Special Insurer Act, rather than individual corporate captives," he said.

Some firms also have found captives to be too expensive for some risks and are moving to self-insured programs, he added. The availability of back-dated insurance seems to provide "the ultimate cash-flow plan," he said.

Back-dated coverage "appears to violate some basic concepts of Insurance 101, but personally, if the chips were down and the need was there, I do not believe I would be so positive in my position (against the philosophy of such coverage)." ■

NAIB can battle regulation: Panel

WASHINGTON—The National Assn. of Insurance Brokers can forge a strong link between buyers and insurers on regulatory and legislative issues, according to panelists at the NAIB's annual meeting.

"The NAIB played an important role in bringing buyers and insurers together in support of the Risk Retention Act, which we basically see as a deregulating force," explained Victor Schwartz, an attorney with law firm Crowell & Moring and a product liability expert.

"There are certainly other battles between insurers and their customers that the NAIB might be able to referee," he added.

Tort law, for example, "is a hodgepodge of rules, and courts are making new laws on a retroactive basis. Certainly that's an issue buyers and sellers can work on together," Mr. Schwartz said.

The panel, which included moderator Robert H. Moore, vp for government and industry affairs at Alexander & Alexander; Leslie Cheek, vp for federal affairs at Crum & Forster Group; and Philip R. O'Connor, Illinois director of insurance, agreed that buyers and sellers of insurance are not seeking more regulation.

"The courts seem to be trying to change tort law into another compensation system, and like federal regulation, no one in the industry wants to see that happen," Mr. Cheek said.

Federal regulation, a perennial sore spot with both the insurers and risk managers, is a good target for a tandem effort by buyers and sellers, the panelists agreed.

"We are seeing several trends in insurance and risk management that are challenging our traditional ideas about insurance regulation," Mr. O'Connor added. "Trends like more non-coventional risk protection, the blurring of financial institution lines and new financial insurance products are putting the insurance industry's credibility at stake."

Cash-flow programs and other risk-funding mechanisms and the influence of money markets are creating problems for state regulators who may find themselves trying to regulate financial issues, not insurance companies, he said. ■

Illinois comp pools to start

Continued from page 2

annual payroll and a minimum of three years of active business in Illinois; or

- Five employees, a $62,500 gross annual payrol and a minimum of five years of active business in the state.

Under the new regulations, employers with fewer than five workers or $62,500 in payroll can pool if the requirements are waived by the state insurance director.

The Illinois Manufacturers Assn., The Southern Illinois Builders Assn. and the Illinois Construction Industry Committee had testified that the state's original requirements would prohibit employers with fewer than 20 workers from joining a pool.

Industrial groups had also criticized the department's requirement that pool members exhibit "similar risk characteristics," while the requirements did not define what that meant.

Sen. Aldo DeAngelis, R-Olympia Fields, recently introduced legislation to amend the language in the pooling requirement to allow two or more employers that are members of a bona fide professional, commercial, industrial or trade association to enter into workers compensation pooling agreements.

The amendment, which was approved 17-1 on the Senate floor, is awaiting Gov. James Thompson's signature. ■

Business blasts comp ruling

Continued from page 2

ion benefits, Judge LaPorte said the deceased's work assignment in England "exposed him to situations and hazards that were different in nature nd degree than those found in Michigan.

"Man is by nature a social creature. It is not reasonable to expect that an mployee who is on assignment in a distant land will simply stare at the alls of his hotel room after work," his opinion said.

Under Michigan law, Mrs. Signorelli and her two children, who were warded maximum benefits by Judge LaPorte, are eligible to receive $167 week for up to 500 weeks, said Michael Gillman, chairman of the Michian Workers Compensation Appeals Board.

The children are also eligible to receive $161 weekly after the first 500 eeks of benefits expire, until both of them reach age 21, he said.

The family also received $1,500 in burial benefits, he said, estimating at total benefits would not exceed $150,000. The widow has been receiving 70% of the weekly award since the judge's ruling last December. ■

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Report to Management
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Asbestos insurers apply exposure rule

Continued from page 1

A senior claims executive at another insurance company told *Business Insurance* that INA had also recently adopted the exposure approach. But an INA spokesperson said the company's current position is that manifestation is the appropriate way to handle cases.

"While the court decisions to date have held to the contrary, those court cases are not as yet final—they are all on appeal," said the spokesperson.

In contrast with the exposure theory, the manifestation theory contends that responsibility for claims lies with the insurer covering the risk when the disease is discovered.

"We still believe the manifestation theory is correct, but we cannot ignore the fact that two U.S. circuit courts and a district court have all ruled in favor of exposure," explained John F. Shea, Jr., Aetna vp and claims counsel.

"We still think the pro rata theory is correct, but no one else adopted it," said Floyd Knowlton, Travelers' second vp for casualty/property claims.

"In light of these court decisions, guidance has been provided to resolve the differences in the insurance industry, and we have adopted the exposure theory these holdings have enunciated," Mr. Knowlton wrote in a policy statement issued last month.

Travelers' shift in position will not affect policyholders, however, because the insurer has been handling claims consistent with the exposure theory, Mr. Knowlton said. Pro rata is merely a variation on that approach, he added.

The pro rata theory states all insurers share in payment of claims in proportion to the length of time they covered an insured. Further, the manufacturer shares in payment for periods when no coverage was in effect, but does not share in defense costs.

Aetna is willing to sit down with policyholders to work out interim agreements based on an injurious exposure theory, Mr. Shea said. But Aetna also reserves its right to review claims under the manifestation theory if that approach is ultimately adopted by the courts.

Preliminary discussions with some policyholders have begun, although no interim agreements have been reached, Mr. Shea said. Every case is different, he stressed.

Some policyholders prefer the manifestation theory, especially if they were self-insured during long periods when exposure occurred.

Manufacturers generally prefer the exposure approach because it gives them perhaps 30 years of insurance policies to tap while the manifestation theory limits liability to the year of discovery.

But some policyholders would benefit more from the manifestation approach if recent policies contain higher limits than the policies in effect when initial exposure to asbestos took place. Some companies cannot find old policies or were not insured for asbestos product liability until recent years.

The insurance industry as a whole will pay more under the exposure than the manifestation theory and can be expected to continue fighting it in the courts. The next step is the U.S. Supreme Court, however, and legal experts doubt the high court will grant review.

INA and Liberty Mutual recently received an extension until Aug. 3 to file a writ of certiorari in the INA vs. 48 Insulations decision. Aetna also will petition the high court for review of the Porter vs. American Optical Corp. case, Mr. Shea said.

There are two reasons why the Supreme Court will deny a hearing in those cases, said Victor B. Levit, a San Francisco attorney who represents Travelers Insurance Co. in several asbestos-related cases.

"We now have two circuit courts of appeal that have ruled in the same way," he explains. "And even if they did not agree, I doubt the Supreme Court would hear them because questions of state law are controlling."

Besides the planned American Optical Corp. and 48 Insulations Supreme Court petitions, insurance companies, asbestos manufacturers and others with a stake in the ultimate outcome of the coverage issue are watching two key cases:

- The post-trial decision in the Eagle-Picher vs. Liberty Mutual Insurance Co. case, pending before Judge Ray Zobel in U.S. District Court of Massachusetts.

Eagle-Picher Industries of Cincinnati is suing its insurer for use of the manifestation theory to settle asbestos liability claims. Final arguments were heard last October and a decision is eagerly awaited.

- The Keene Corp. vs. INA et al appeal argued two weeks ago before the U.S. Court of Appeals for the District of Columbia Circuit. Judging from past experience in the 48 Insulations and American Optical Corp. rulings, a decision in the Keene case could be a year away.

A ruling on the consolidated cases in California is also important but could be more than three years away, estimates Mr. Levit. Attorneys representing more than 60 parties will meet this week in San Francisco to discuss the consolidation proceedings.

Last March, San Francisco Superior Court Judge Ira Brown granted the motion of Travelers Insurance Co. to consolidate four pending California asbestos coverage cases (*BI*, April 13). A fifth case is expected to be added to the group. ■

Illinois insurers told to refund $1.1 billion

Continued from page 1

lyzed in calculating the rates (*BI*, June 22).

Judge Murray ruled that the state insurance director didn't have enough facts to approve the rate increase.

The offer made to the NCCI was for a 5% rollback of the rate increase to reduce the rate hike to 19%, *BI* was told.

The Associated Employers of Illinois already is estimating what some employers can expect in the way of a refund.

A large Chicago manufacturer with 1,100 employees, for example, might be eligible for as much as $1 million in returned premiums, says John Venardos, executive vp of the group.

He bases that figure on a 1977 rollback in rates of 8% or $50 million that was apportioned out to employers.

In the manufacturer's case, some $74,000 in refunded money was received in the earlier rollback. The $750 million refund for 1979 and 1980 is 15 times the amount of that earlier settlement, he said.

It appears that medium-sized employers will get the most out of the refund since many large employers self-insure their workers compensation risks and smaller companies generally pay smaller premiums because of their lower payrolls, Mr. Venardos said.

The NCCI won't discuss the refund, Mr. Fein said, because the organization is confident insurers won't have to pay back the premiums to employers.

"The rate increase was justified," Mr. Fein said. "No one has said the rates are improper. They are needed to pay out benefits."

An attorney for the ratemaking group, in announcing plans for an appeal, contended Judge Murray did not really order a refund.

"What the judge said was there was not sufficent finding of fact by the director of insurance to approve an increase, but we contend that the order of approval need not contain any finding of fact," said Joe Keig, a Chicago lawyer for NCCI.

But Insurance Director Philip R. O'Connor, who approved the 1979 increase, said: "If the judge overruled my order (to approve the increase), the only thing that now stands is the previous disapproval of the last increase the NCCI requested."

The ratemaking organization, in fact, was denied a 36.8% rate increase just before the 24% increase was finally granted by Mr. O'Connor.

At the time the increase was granted, the Insurance Department did not consider insurers' investment income in determining rates needed, said Bob Gossrow, a casualty actuary with the department.

The insurers' estimates for incurred but not reported losses also increased the expected loss ratio, supporting the case for a greater rate increase.

Since 1979, however, the Insurance Department has considered the growing amount of investment income earned by insurers.

Illinois law was changed on Sept. 15, 1980, so that the investment income of insurers can now be analyzed in determining whether a rate increase is justified.

That alone hasn't satisfied Mr. O'Connor, who has been the state's driving force behind a bill to create competitive rating for workers compensation insurance.

Competition would force insurers to vie for policyholders, which would probably drive rates down.

Mr. O'Connor said he hopes the recent publicity will revive the bill, currently is stuck in committee. It must pass before the Legislature adjourns on June 30 to become law this year.

Mr. O'Connor has openly criticized the Illinois workers compensation system in the past, charging that some insurers are realizing profit margins as high as 30% to 35% when investment income is included.

"There ought to be competition in workers compensation insurance, just like there is for other lines of insurance.

"If this decision (by Judge Murray) doesn't demonstrate the fragility of the prior approval rating system, then I don't know what does. The system is useless," Mr. O'Connor said.

Many insurers, however, like the present system and are looking to the NCCI to aid lobbying efforts to retain it. ■

Strike coverage payments barred

Continued from page 1

injunction when the club owners' 153-game deductible ran out. Lloyd's promptly paid $440,000 into a Los Angeles bank account for the baseball club owners' central fund for its portion of the $800,000 in claims due Wednesday. The policy provides about $100,000 for each missed game.

"The first claim arrived at 9:30 a.m. Wednesday and was paid at 11 a.m.," said a spokesman for Blackwall, Green Ltd.

Another $800,000 was to be sent to the central fund last Thursday for eight games not played that day, but was held until June 29, pending hearings on the injunction.

Losses thereafter would be paid on a daily basis to the fund, said the Blackwall, Green spokesman.

"The council (of club owners) advises us how many games are lost per day and the claims are paid into their Los Angeles account daily," he said. "On the weekend, we will pay out double because we are closed on Sunday."

The original terms of the coverage, sent out by Lloyd's, are in three layers: $10 million in excess of 153 games, $20 million in excess of $10 million and $20 million in excess of $20 million.

Lloyd's has the first $10 million; the next $20 million is underwritten by U.S. insurers Allianz for $7.5 million and Southern American Insurance Co. for $12.5 million, but heavily reinsured by Lloyd's. The top layer is also shared by Allianz and Southern American, also reinsured by Lloyd's.

Most of the claims will be sent directly to Lloyd's and some will eventually arrive at Lloyd's under reinsurance of Allianz and Southern America.

The coverage has been plagued by legal problems since it was first underwritten. Reinsurance on the Allianz portion of the coverage originally was never acknowledged by European reinsurers the intermediary said had accepted it (*BI*, April 6). The reinsurance, however, was re-marketed to Lloyd's (*BI*, June 1).

If the strike continues, the $50 million coverage will run out before the end of the baseball season.

"We anticipate running out of money by the end of August," said the Blackwall, Green spokesman. "We will continue to pay claims as long as the law allows."

This story is based on reporting by Associate Editor John W. Milligan in New York, London correspondent Stacy Shapiro and Senior Editor Len Strazewski in Chicago.

U.S. sues bank, pension trustees

WASHINGTON—Trustees and the investment manager of a West Virginia pension plan invested too many pension assets in real estate mortgages, the Labor Department charges.

The Labor Department is suing the four trustees of the 2,400-participant Operating Engineers Local 132 Pension Fund of Huntington, W. Va., and the plan's investment manager, Guaranty National Bank, for allegedly investing nearly all of the pension plan's $24 million in assets in local real estate mortgages.

Guaranty National Bank and the trustees, Al Schurman, Russell Barnett, Joseph Handley and G.E. Ray, violated the Employee Retirement Income Security Act by investing more than 97% of plan assets in residential real estate mortgages in the Huntington area, according to the government's lawsuit.

ERISA requires pension plan officials to diversify plan investments to minimize the risk of large losses.

The suit asks the U.S. District Court for the Southern District of West Virginia to require the defendants to diversify future plan investments.

The Labor Department has also asked the court to order the defendants to reimburse the plan for any losses that may arise as a result of the plan's current real estate investments.

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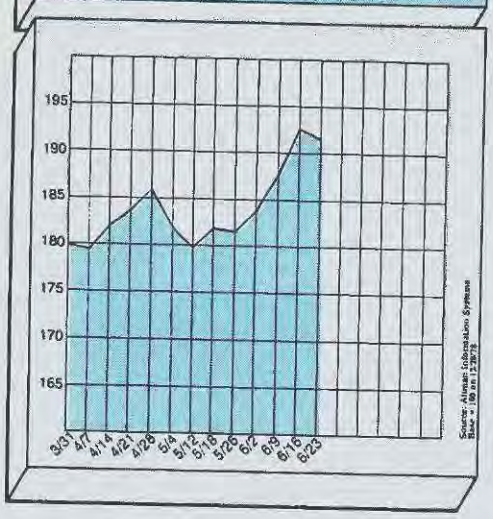
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BI Insurance Index



Insurance stocks faltered a bit last week with the Business Insurance index dropping 0.8 points to 191.8 from 192.6. Twenty-six stocks posted gains, 36 declined and 9 were unchanged. Leading gains were posted by: Aneco Reinsurance Ltd., 13.8%; Avemco Corp., 6.7%; Carolina Casualty Insurance Corp., 6.7%; Reed Stenhouse Cos. Ltd, 6.4%; and U.S. Life Corp., 4.4%. Largest declines were: INA Corp., 6.3%; General Re Corp., 6.2%; Travelers Corp., 5.9%; Equifax Inc., 5.9%; and Kemper Corp., 5.3%. The 0.4% Business Insurance index decline fell behind gains posted by the NYSE Composite, Standard & Poor's 500 Stocks and the Dow Jones 30 Industrials averages.

British Issues

6/23 Companies	Price pence	P/E	Div. pence	Yield %	1 Week High—Low pence	pence
Comml Union	161	10.9	15.45	9.6	163—	159
Eagle Star	285	9.5	21.43	7.5	286—	281
Genl Accident	322	7.8	19.29	6.0	326—	320
Gdn Royal Exch	320	8.2	22.14	6.9	320—	312
Phoenix	276	8.1	21.29	7.7	282—	276
Royal	386	10.7	34.29	8.9	388—	382
Sun Alliance	884	8.8	47.14	5.3	886—	882
Brokers						
CE Heath	270	10.6	15.00	5.5	270—	262
Hogg Robinson	115	8.7	8.14	7.1	117—	115
Alex Howden	117	7.6	10.00	7.9	118—	116
JH Minet	127	12.7	6.50	5.1	127—	125
Sedg Grp	136	11.8	7.14	5.2	136—	134
Stenhouse Hldg	92	8.4	6.64	7.2	93—	91
Stew Wrightson	225	11.8	17.14	7.6	225—	222
Willis Faber	348	12.0	17.14	4.9	350—	345

Source: Philip Olsen/Alan Clifton, Insurance Industry Specialists Kitcat & Aitken Stockbrokers, London

Large Lloyd's brokerage firms control much of British market

By PHIL V. OLSEN
Special report for the Agent/Broker Profiles issue

The insurance broking scene in the United Kingdom, just as in the United States, is represented by a very large number of firms but dominated by a small group of major companies.

Of several thousand British insurance broking concerns, only 270 are entitled to present insurance business to Lloyd's underwriters. In fact, if subsidiaries of the larger broking houses are ignored, it is more accurate to think in terms of about 170 independent Lloyd's insurance broking groups.


Olsen

These 170 entities include small specialty firms and some of the very largest insurance broking houses worldwide. Seven of the 10 largest Lloyd's brokers are listed on the London Stock Exchange (see table).

The biggest of them all, probably ranking fourth worldwide behind Marsh & McLennan, Alexander & Alexander and Frank B. Hall, is the Sedgwick Group—the product of the 1979 merger between Sedgwick Forbes and Bland Payne. If A&A and Sedgwick finalize their intended merger, the new company would take over M&M's lead.

As it stands, Sedgwick is the clear leader in terms of gross revenue and profits over the rest of the Lloyd's brokers. Sedgwick is so large that the revenues generated by its subsidiaries based outside the United Kingdom, including Southern Marine & Aviation Underwriters in the United States and Lukis Stewart & Euings in Canada, are almost as big as the gross revenues of C.E. Heath, the seventh-place Lloyd's broker.

Phil V. Olsen is an analyst with London-based Kitcat & Aitken. He reports on the British insurance industry for Business Insurance, in addition to supplying weekly earnings reports on British companies for BI ticker.

BI ticker

1980 Lloyd's Broker Performance

Company	Ranking 1980	Ranking 1979	(Gross revs. £ m) ($ U. S. m) 1980	1979	% Chg	Brokerage (of % Gross Revs) 1980	1979	Net Income (£ m) (U. S. $ m) 1980	1979	% Chg	Earnings Per Share (p) (U. S. ¢) 1980	1979	% Chg
Sedgwick Group	1	1	118.31 ($282.5)	114.52 (273.5)	+3.3	87	87	21.52 ($51.4)	24.05 ($57.4)	−10.5	10.10 (24)	11.40 (27)	−11.4
Stewart Wrightson	2	2	74.47 ($177.8)	69.47 (165.9)	+7.2	62	63	3.33 (8.0)	5.18 (12.4)	−35.7	18.00 (43)	28.30 (68)	−36.4
Alexander Howden	3	3	62.34 ($148.9)	56.72 ($135.5)	+9.9	72	73	11.90 (28.4)	11.59 (27.7)	+2.7	13.10 (31)	12.79 (31)	+2.4
Willis Faber	4	4	54.27 ($129.6)	47.20 ($112.7)	+15.0	72	75	9.65 (23)	8.12 (19.4)	+18.8	23.90 (57)	20.30 (48)	+17.7
Hogg Robinson	5	5	44.0E ($105.1)	39.78 ($95.0)	+10.0E	62E	64	4.3E (10.3)	4.06 (9.7)	+6E	12.5E (30)	11.93 (28)	+5E
Minet	6	6	37.74 ($90.1)	37.60 ($89.8)	+0.4	78	82	4.45 (10.6)	4.59 (11)	−3.0	8.82 (21)	9.18 (22)	−4.0
C.E. Heath	7	7	31.57 ($75.4)	30.40 ($72.61)	+3.8	65	63	6.71 (16)	7.00 (16.7)	+4.2	21.80 (52)	23.00 (55)	−5.2

*Excludes revenues of associated companies, revenues from insurance company subsidiaries and interest payable on loans. E = Estimate M = Millions ( ) = U.S. 1980 year-end exchange of $2.388 equals 1 pound.

Stewart Wrightson, the British parent of Stewart Smith and also a majority shareholder in Associated International Insurance Co. of Los Angeles, ranks second in gross revenues and broking commissions and fees.

Stewart Wrightson, however, would trail the other listed Lloyd's brokers if profitability were the criterion, as a quick glance at the net income figures shows.

It is also questionable whether Stewart Wrightson would hold second place if Marsh & McLennan had not acquired C.T. Bowring. Bowring never disclosed its revenues from insurance broking, and the only reasonable clue is in M&M's annual report. Bowring's revenues for insurance services alone for the second half of 1980 were 32.5 million pounds, which annualized is similar to Stewart Wrightson's revenues from insurance services.

Alexander Howden, the parent company of a widespread group of wholesale broking/agency businesses in the United States, including Southeastern Aviation Underwriters, Alexander Howden Insurance Services and Reinsurance Services of America, is the third-largest Lloyd's broker.

In terms of net income among the listed companies, Howden ranks second behind Sedgwick. Howden's pretax income was, in fact, only just ahead of Willis Faber in 1980 but, with the help of a sizeable business conducted through Bermuda, Howden's tax bill was much more modest.

Unlike Sedgwick, Stewart Wrightson, Howden or Bowring, Willis Faber, fourth-largest of the listed Lloyd's brokers, has very few subsidiaries outside Britain. Its involvement in North America and elsewhere in the world is restricted to partnership/affiliate arrangements with Johnson & Higgins.

In the United States, Willis owns 40% of Neal Lloyd & Co., a surplus lines broker, and 50% of J&H's underwriting management company. Willis also has a 20% stake in J&H's Canadian subsidiary.

The fifth-largest listed broker, Hogg Robinson, recently fulfilled a long-standing aim to purchase a U.S. retail insurance intermediary by buying Penn General Agencies, in partnership with Republic Steel.

Hogg is one of the few major Lloyd's brokers that could enter the U.S. retail broking market without worrying too much about losing business from other U.S. producers because of the relatively modest amount of business that has been generated in the United States in the past.

Penn General's revenue—about $24 million—will not boost Hogg in the Lloyd's listings because affiliates are not considered in determining rankings.

J.H. Minet, in which Corroon & Black has a 20% stake, takes sixth place. The North American market is the largest source of business for Minet, accounting for around 36% of its brokerage business.

About half of the North American business is generated and placed locally by Minet Canada or through Bowes Holdings, its surplus lines subsidiary. These two subsidiaries, together with other intermediaries, also produce a sizeable wholesale London business for Minet.

C.E. Heath takes seventh position. Heath's only U.S. investment is its 50% holding in a joint company with Rollins Burdick Hunter, but the U.S. market is a very important source of business for the group. U.S. business, some of which is generated on non-U.S. risks, accounts for almost half of Heath's total brokerage business.

Heath's U.S. business is provided by a wide number of U.S. producers including, of course, Rollins Burdick Hunter.

There is one other medium for investment in the major Lloyd's brokers on the London Stock Exchange: through the shares of Stenhouse Holdings. By buying Stenhouse stock, a person has a stake in the fortunes of Toronto-headquartered Reed Stenhouse Cos. Ltd. in which Stenhouse has a 53% interest.

Reed Stenhouse is probably the sixth-largest insurance broker worldwide, with 1980 revenues of more than $220 million Canadian, but the structure of the Stenhouse group does not allow it to fall naturally into the table. ■

BI Industry Stock Report

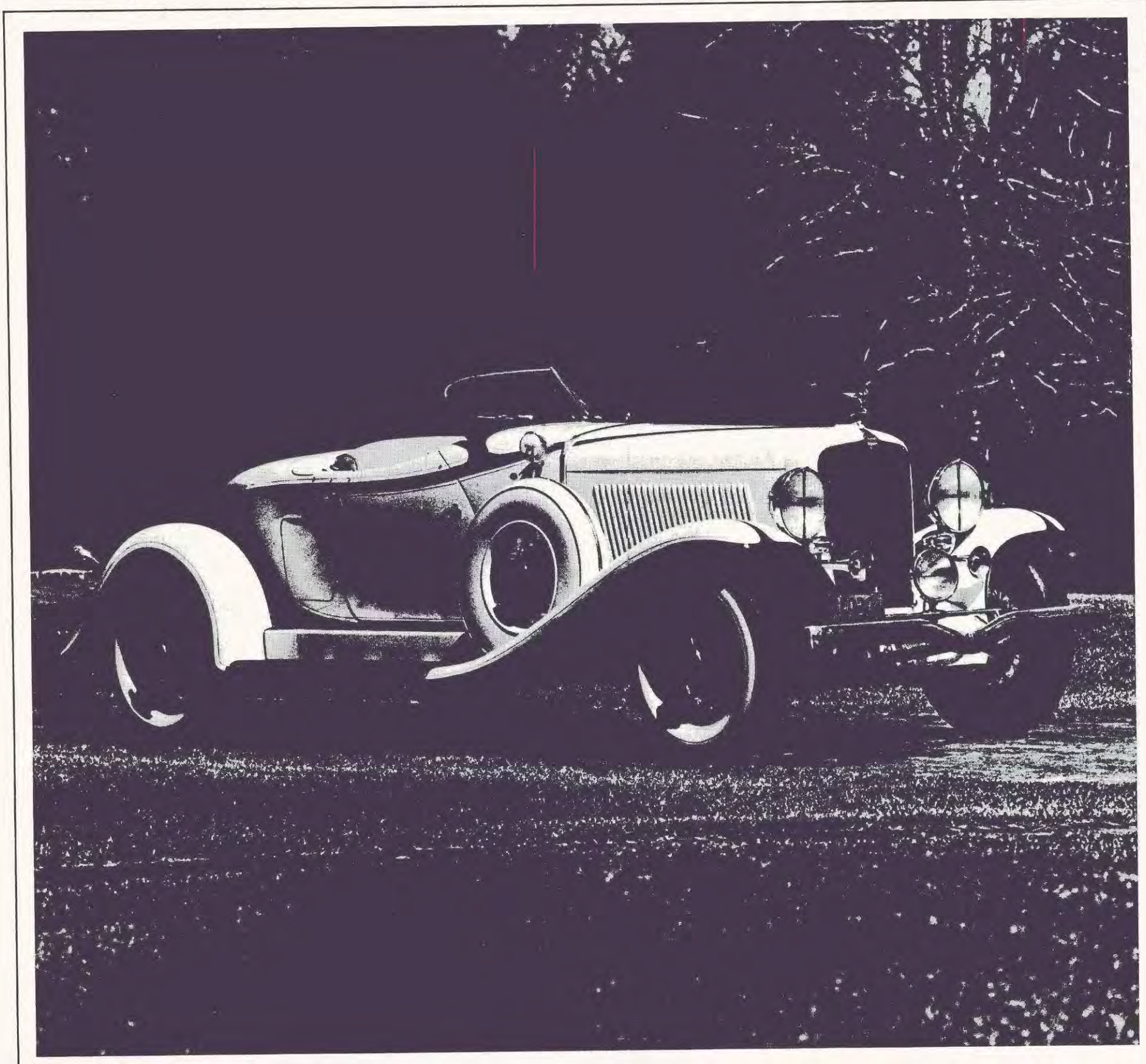
Insurance Cos.		JUNE 23, 1981 Price	% Chg.	P/E	$ Div.	% Yld.	6/17/81 THRU 6/23/81 High	Low	Vol. (000)
etna Life & Cas Co	NYSE	41.75	−2.9	7.0	2.32	5.6	42.75	40.88	774.9
merican Bankers Ins Group	OTC	8.00	−3.0	12.7	0.44	5.5	8.25	7.75	105.3
merican Gen Ins Co	NYSE	45.75	0.3	7.1	2.00	4.4	46.25	45.75	144.1
merican Indty Finl Corp	OTC	17.38	−0.7	6.6	1.12	6.4	17.50	17.25	5.6
merican Intl Group Inc	OTC	61.75	−2.0	11.8	0.40	0.6	63.25*	61.75	175.6
merican Natl Ins Co	OTC	14.25	−0.9	6.4	0.68	4.8	14.38	14.25	40.9
merican Sts Life Ins Co	OTC	17.50	0.0	5.8	0.72	4.1	17.50	17.50	1.4
neco Reins Ltd	OTC	4.13	13.8	0.0	0.00	0.0	4.13	3.88	22.1
ppalachian Natl Corp	OTC	2.50	0.0	7.1	0.00	0.0	2.50	2.50	0.1
vemco Corp	AMEX	11.88	6.7	10.1	0.50	4.2	11.88*	11.50	23.2
anks Iowa Inc	OTC	34.00	−4.2	5.6	1.44	4.2	35.00	33.50	4.0
itco Corp	OTC	42.00	2.4	5.9	2.16	5.1	42.00	41.00	3.4
aroline Cas Ins Co	OTC	8.00	6.7	5.8	0.32	4.0	8.00	7.50	0.4
entral Natl Finl Corp	OTC	10.25	2.5	3.8	0.65	6.3	10.25	10.00	5.7
hubb Corp	OTC	49.88	−2.2	6.0	2.68	5.4	51.25*	49.88	123.2
ombined Intl Corp	NYSE	22.88	1.1	6.5	1.60	7.0	22.88*	22.25	134.9
onnecticut Gen Ins Corp	NYSE	53.50	−4.5	6.9	1.76	3.3	55.00	52.25	161.0
ontinental Corp	NYSE	29.13	−4.1	7.9	2.40	8.2	30.50	28.38	195.3
rawford & Co	OTC	17.75	0.0	13.9	0.52	2.9	17.75	17.75	6.4
own Life Ins Co	OTC	112.00	0.4	9.4	2.80	2.5	112.50	111.50	0.7
um & Forster	NYSE	35.00	−1.4	6.0	1.44	4.1	36.00	34.75	113.6
ployers Cas Co	OTC	40.00	1.9	6.1	1.20	3.0	40.00*	39.50	8.1
uifax Inc	NYSE	24.00	−5.9	7.4	2.40	10.0	25.63	24.00	7.8
celsior Ins Co	OTC	15.50	1.6	31.6	0.70	4.5	15.50	15.25	1.0
rmers Group Inc	OTC	35.00	−2.4	11.0	1.12	3.2	35.88	35.00	174.3
rst Colony Life Ins Co	OTC	40.00	−1.2	13.1	0.80	2.0	40.50	39.50	3.0
emont Corp Amer	OTC	29.25	0.9	9.1	0.80	2.7	29.25	29.00	18.5
eat West Life Assurn Co	OTC	250.00	−2.0	10.1	10.00	4.0	255.00	250.00	0.0
oover Ins Co	OTC	33.00	−3.6	4.4	0.72	2.2	33.75	33.00	16.8
rtford Steam Boiler Insptn	OTC	51.50	−1.9	10.4	2.60	5.0	52.50	51.50	7.8
fferson Natl Life Ins Co	OTC	38.50	−1.3	34.7	0.64	1.7	39.00	38.50	1.9
iper Corp	OTC	35.50	−5.3	5.5	1.60	4.5	37.13	35.38	54.2
incoln Natl Corp Ind	NYSE	46.00	2.5	6.5	3.00	6.5	46.00*	44.63	54.0
c Invt Corp	NYSE	40.13	0.6	10.8	1.28	3.2	40.75	39.13	232.1
sion Ins Group Inc	NYSE	46.50	−2.1	8.7	1.00	2.2	47.25	46.25	24.7
tionwide Corp Ohio	OTC	24.75	0.0	7.1	0.70	2.8	24.75	24.75	0.5
thwestern Natl Life Ins	OTC	28.75	2.7	7.1	1.25	4.3	28.75	28.25	70.0
o Cas Corp	OTC	46.38	3.9	8.0	2.04	4.4	47.00*	45.00	109.1
Rep Intl Corp	OTC	17.50	−2.1	4.8	0.92	5.3	17.88	17.50	37.5
ehurst Corp	OTC	6.50	2.0	0.0	0.00	0.0	6.50	6.50	7.3
rferred Risk Life Ins Co	OTC	18.50	−2.6	6.2	0.80	4.3	19.00	18.50	2.5
sident Life & Acc Ins Co	OTC	48.50	1.0	7.2	2.20	4.5	48.50	48.00	26.2
n Ins Group Inc	OTC	21.00	1.2	8.4	0.12	0.6	21.00	20.00	8.0
aul Cos Inc	OTC	48.38	−5.1	9.1	2.32	4.8	51.00	48.38	209.8
co Corp	OTC	40.25	−0.6	7.5	2.00	5.0	40.38	39.50	59.8
Corp	OTC	27.00	1.9	6.2	0.80	3.0	27.00*	26.50	187.3
ds Bruce Group Inc	OTC	22.25	2.3	12.0	0.80	3.6	22.38	21.88	15.7
eman Group Inc	OTC	7.50	−3.2	6.3	0.15	2.0	7.88*	7.50	26.6
o Marine & Fire Ins Co	OTC	168.75	−0.8	18.2	1.03	0.6	165.75	168.00	11.6
Travelers Corp	NYSE	50.00	−5.9	5.8	2.88	5.8	52.75	49.88	232.5
United Fire & Cas Co	OTC	40.00	0.0	10.4	1.00	2.5	40.00	40.00	0.7
United States Fid & Gty Co	NYSE	49.00	−1.0	6.5	3.20	6.5	50.00	48.25	92.3
United Svcs Life Ins Co	OTC	15.38	−3.1	6.4	1.00	6.5	15.88	15.38	23.8
Usilife Corp	NYSE	29.50	4.4	7.2	0.76	2.6	30.00	28.38	191.1
Washington Natl Corp	NYSE	29.88	−0.4	8.9	1.08	3.6	30.88	29.88	70.6
Zenith Natl Ins Corp	OTC	16.25	−1.5	9.6	0.60	3.7	16.50	16.25	23.9
INSURANCE COMPANIES	AVERAGE			8.3		3.8			
Agents/Brokers									
Alexander & Alexander Svcs	OTC	36.75	0.0	12.2	1.84	5.0	36.75	36.50	166.3
Baldwin & Lyons Inc	OTC	34.25	0.0	5.9	0.80	2.3	34.25	34.25	0.6
Corroon & Black Corp	NYSE	23.88	2.7	11.1	1.76	7.4	23.88	23.63	15.3
Crump E H Cos Inc	OTC	13.88	0.9	12.7	0.40	2.9	14.50*	13.88	57.2
Hall Frank B & Co Inc	NYSE	25.25	−4.3	9.3	1.60	6.3	26.38	25.25	64.3
Integrated Res Inc	AMEX	18.25	−1.4	8.3	0.00	0.0	18.25	17.63	18.9
James Fred S & Co Inc	NYSE	27.13	2.8	11.9	1.60	5.9	27.25	26.25	44.3
Marsh & Mclennan Cos Inc	NYSE	41.25	1.2	13.5	2.00	4.8	41.25*	40.50	454.0
Penncorp Fincl Inc	NYSE	7.00	−3.4	7.9	0.16	2.3	7.38	6.88	202.2
Poe & Assoc Inc	OTC	11.00	0.0	9.7	0.80	7.3	11.00	11.00	0.2
Reed Stenhouse Cos Ltd	OTC	12.50	6.4	10.9	0.56	4.5	12.50	11.50	12.0
Rollins Burdick Hunter Co	OTC	26.50	0.0	13.8	1.24	4.7	26.50	26.50	32.6
AGENTS/BROKERS	AVERAGE			10.1		4.6			
Conglomerates/Holding Cos.									
American Express(Fireman's Fd)	NYSE	51.25	−5.1	9.6	2.00	3.9	53.38	50.38	1,123.7
Anderson Clayton(Ranger/PanAm)	NYSE	25.25	7.4	6.9	1.20	4.8	25.25*	23.50	48.7
Armco Inc	NYSE	34.75	1.8	8.9	1.64	4.7	34.88	34.00	263.0
City Investing Co. (Home Ins.)	NYSE	30.25	1.3	8.5	1.60	5.3	30.25	29.13	457.0
CNA Finl Corp (CNA)	NYSE	15.25	−3.2	6.0	0.00	0.0	15.50	15.25	24.6
Control Data (Comml. Credit)	NYSE	75.38	0.3	8.9	0.90	1.2	75.38	73.50	374.7
General Re Corp	NYSE	77.38	−6.2	10.5	1.76	2.3	82.25	77.38	175.8
Gulf Utd Corp	NYSE	23.25	−1.1	8.4	1.28	5.5	23.75	23.25	134.6
INA Corp (Ins. Co. of NA)	NYSE	46.63	−6.3	6.5	2.40	5.1	49.00	46.00	273.6
ITT (Hartford Group)	NYSE	31.75	−1.6	6.3	2.60	8.2	33.13	31.63	771.6
Reliance Group Inc	NYSE	83.63	−0.1	6.9	3.00	3.6	84.50	83.63	11.6
Sears Roebuck & Co. (Allstate)	NYSE	19.63	−2.5	9.9	1.36	6.9	20.25	19.25	1,562.1
S & H Co. (Bayly Martin & Fay)	NYSE	34.50	0.4	14.8	1.00	2.9	34.75*	34.38	49.9
Teledyne Inc (Argonaut)	NYSE	166.00	−2.1	10.2	0.00	0.0	170.50	166.00	212.5
Transamerica Corp (Occidental)	NYSE	25.50	−0.5	6.9	1.28	5.0	25.50	24.50	415.6
CONGLOMERATES/HOLDING COS.	AVERAGE			8.6		3.0			

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