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Update

Lloyd's of London announces record capacity for 1990

LONDON—Lloyd's of London's capacity for 1990 is a record 11.07 billion pounds ($17.8 billion at appropriate exchange rate), despite the resignation of more than 2,000 members.

However, 1990 capacity is smaller in terms of U.S. dollars because of exchange rate fluctuations.

Overall, 28,770 members will underwrite at Lloyd's during 1990, down from 31,329 last year, Lloyd's announced this month.

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More insurers expected to offer 'living benefits'

By CHRISTINE WOOLSEY

Terminally or critically ill employees covered by group term and group universal life insurance policies would be able to tap benefits before they die under a benefit innovation that group life insurers are expected to embrace soon.

Many group life insurers are expected to follow the lead of the first two group life insurance companies that just last month began offering so-called "living benefits" riders to group life policies for only pennies per insured life.

These living benefits could be used by terminally or critically ill workers to pay long-term care and uninsured catastrophic health care costs—and any other expenses. There are no restrictions on how the funds can be spent.

Some consultants suggest that the new benefit also could boost the group life insurance business.

United of Omaha Life Insurance Co. of Omaha, Neb., a unit of Mutual of Omaha Insurance Co., last month began marketing its living benefits rider to group term life insurance plans in 20 states.

Meanwhile, Travelers Insurance Co. of Hartford, Conn., a unit of Travelers Corp., also late last month began marketing a living benefits amendment to its group universal life insurance program.

The two products, however, have pointedly different eligibility requirements and benefit payout methods (see story, page 95).

The United of Omaha plan allows only terminally ill employees to collect up to 25% of their term life policy limits in a lump sum before they die, while the Travelers plan allows critically ill employees to draw as much as 50% of their group universal life policy limits over a 25-month period.

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Close vote may sink Pepper proposals

By JERRY GEISEL

WASHINGTON—The Pepper Commission's recommendations to mandate employer-provided health care coverage as well as establish a federally funded long-term health care program will not win congressional approval, benefit experts predict.

The 15-member Pepper Commission recommended earlier this month that all companies with more than 100 employees be required to offer health care plans meeting minimum federal standards or be subject to a new payroll tax (*BI*, March 5).

- **Summary of commission's recommendations. Page 100**
- **Health insurers lobby for their own plan. Page 102**
- **AMA endorses employer health mandates. Page 102**
- **California governor won't endorse proposal. Page 102**

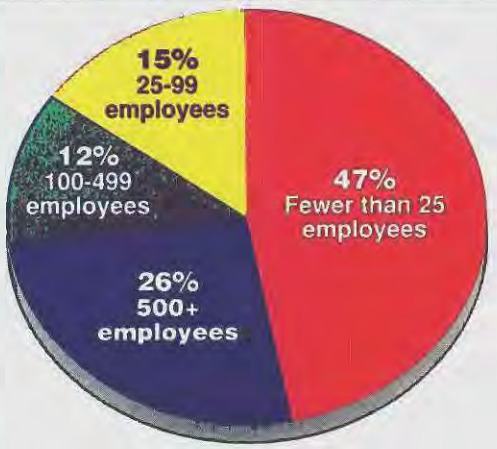
In addition, the same mandate would apply to smaller firms unless, after a phase-in period, at least 80% of employees at small companies received health care coverage from their employers (see story, page 101).

Since the bulk of the workers without health care coverage are employed by companies with fewer than 100 employees, small companies would have to make a huge effort to expand health care coverage to avoid the new federal mandate (see chart).

At the same time, the commission is recommending the establishment of a $42.8 billion long-term health care program, largely paid for by the federal government.

Small firms lack health plans

Almost half of working Americans without health insurance work at firms with fewer than 25 employees.



Total uninsured employed: 14.4 million people

Source: Pepper Commission, 1988 data

BI/HOLLY SEGUINE

But observers say the disagreement among commission members over the employer health care mandate —which was narrowly approved on a 8-7 vote—as well as the commission's failure to identify how the federal government can obtain revenues to finance the

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Pollution exclusion ruling favors insurers

By STACY ADLER

CINCINNATI—The pollution exclusion clause in comprehensive general liability insurance policies bars coverage for toxic chemical spills that do not occur quickly or abruptly, a federal appellate court says in a ruling against policyholders.

The decision by the 6th U.S. Circuit Court of Appeals, which previously issued a similar ruling, is one of only a handful of rulings by federal appellate courts on the pollution exclusion.

However, insurance attorneys point out the latest 6th Circuit ruling is binding only on policyholders litigating in Michigan's federal courts. And, observers note, the state's appellate courts have found for policyholders, demonstrating the vast differences in rulings on the pollution exclusion.

Policyholders embroiled in coverage litigation nationwide argue that the exclusion—which bars coverage for pollution that is not "sudden and accidental"—merely restates the policy's definition of an occurrence, which bars coverage for events that are "expected and intended" by the policyholder.

Insurers say the clause bars coverage for all types of gradual pollution, even those unintended by the policyholder.

For example, insurers argue that only events like explosions or lightning puncturing a storage tank would be covered under the pollution exclusion clause in CGL policies. Gradual pollution is specifically excluded, they argue.

Agreeing with insurers, the 6th Circuit gave the clause a temporal meaning. Interpreting Michigan law, the court ruled: "A sudden and accidental event is one that happens quickly, without warning, and fortuitously or unintentionally."

The Feb. 26 ruling is unusual, according to attorneys, because the 6th Circuit failed to follow several Michigan appellate court decisions in interpreting how it thought the Michigan Supreme Court would rule.

> ***'A sudden and accidental event is one that happens quickly, without warning, and fortuitously or unintentionally.'***
>
> *—6th U.S. Circuit Court of Appeals*

Since state laws govern insurance contracts, federal courts hearing coverage disputes must assess how state supreme courts would rule. The Michigan Supreme Court has never interpreted the pollution exclusion.

"We recognize that our interpretation of the 'sudden and accidental' exception departs from the Michigan Court of Appeals decision in Jonesville as well as from several subsequent Michigan Court of Appeals decisions," said the 6th Circuit, referring to a 1986 ruling that the pollution exclusion does not apply if discharges were "unexpected" and "unintended" by the policyholder.

"However, we believe that the Michigan Supreme Court, following its own rules of insurance contract interpretation, would find—as we have found—that the word 'sudden' has a plain, everyday temporal component and would interpret the 'sudden and accidental' exception in light of that finding," Senior U.S. Circuit Judge Bailey Brown wrote for the court.

"It is quite unusual for a federal appellate court not to follow the rulings of the highest court of a state" that has ruled on the issue, which in this instance is the Michigan Court of Appeals, said policyholder attorney Eugene Anderson of Anderson, Kill, Olick & Oshinsky in New York. "This decision goes against Michigan law. The court should have followed the court of appeals decisions in Michigan."

Insurer attorney Robert D. Brignall disagreed: "The court was well justified in finding that the Michigan Supreme Court would not follow the intermediate appellate courts of Michigan based on the contract rulings from the Supreme Court.

"It is a challenge for a federal court, in absence of U.S. Supreme Court authority, to determine how a state supreme court will rule," said Mr. Brignall of Vandeveer, Garzia, Tonkin, Kerr, Heaphy, Moore & Sills in Cleveland. Mr. Brignall represented Aetna Casualty & Surety Co. in the 6th

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Update

Lloyd's capacity sets record

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New membership fell for the 1990 underwriting year to 312, from 951 for 1989, and resignations for 1990 increased to 2,316 from 1,750 for 1989.

However, 4,975 members increased their underwriting capacity, compared with 3,827 members who increased capacity for 1989, according to Lloyd's.

As a result, the average total capacity per member is now 385,000 pounds ($619,850), up from 350,000 pounds ($633,500 at appropriate exchange rate) in 1989.

A total of 401 syndicates are operating in the market this year, the same number as in 1989. The syndicates include: 184 non-marine syndicates with a total capacity of 4.6 billion pounds ($7.4 billion); 129 marine syndicates with a total capacity of 4.2 billion pounds ($6.7 billion); 44 aviation syndicates with a total capacity of 974 billion pounds ($1.6 billion); 36 motor syndicates with capacity of 887 million pounds ($1.4 billion); and eight short-term life syndicates with capacity of 20 million pounds ($32.2 million).

Lloyd's 1989 underwriting capacity stood at 11 billion pounds ($19.9 billion) (*BI*, Jan. 9, 1989).

Citicorp may sell AMBAC

NEW YORK—Citcorp is considering selling its municipal bond insurance unit, AMBAC Indemnity Corp., to rebuild capital depleted in connection with a $1 billion provision involving loans to underdeveloped countries, said a Citicorp spokesman.

The spokesman denied the sale is related to a competitor's charge that Citicorp will have to significantly boost AMBAC's capital to meet new federal risk-based capital guidelines (*BI*, Feb. 12).

The spokesman also said the sale is not related to a petition by three industry trade associations to the Federal Reserve Board that Citicorp be forced to divest AMBAC.

Citicorp said in a statement that it is "exploring alternatives to maximize the value" of AMBAC, including a "possible sale."

Robert J. Genader, AMBAC's executive senior vp, said he does not expect the impending sale to have any impact on AMBAC's operations.

Standard & Poor's Insurance Rating Services said the announcement is not expected to affect AMBAC's AAA claims paying rating.

Cigarette maker not liable

BOSTON—A federal court jury has held The American Tobacco Co. not liable in a product liability suit, but a tobacco industry opponent contends the company may have presented evidence that could hurt it in future cases.

The jury found that George Kotler was addicted to cigarettes by 1950, when scientific evidence first showed that smoking poses health hazards, and that he would not have heeded warnings even if the company had issued them.

Mr. Kotler, whose widow filed the suit, began smoking in 1942 and died in 1986.

While the March 7 verdict is a victory for Stamford, Conn.-based American Tobacco, a unit of American Brands Inc., it does not address the issue of the tobacco company's strict liability, pointed out Richard Daynard, a Northeastern University law professor and chairman of the Tobacco Product Liability Project in Boston.

And, American Tobacco's "extremely cynical" defense "may come back to haunt them," he contended.

American Tobacco argued that, regardless of medical evidence, Mr. Kotler would have continued to smoke, Mr. Daynard said.

But, an expert witness for the company testified that "solid scientific evidence" linked smoking and lung cancer by 1950, Mr. Daynard pointed out.

"I think they successfully defended this case, but at a high price to them," Mr. Daynard said.

He noted that American Brands faces a trial scheduled to begin April 23 that raises the issue of the company's strict liability for a cancer death caused by smoking.

American Brands would not comment on the verdict.

Punitive damages not covered

CHICAGO—E.I. du Pont de Nemours & Co. will seek to appeal an Illinois trial court ruling that the company is not covered for the punitive damages portion of a product liability settlement.

The ruling stems from a $39.2 million 1986 Cook County jury award to a 68-year-old man whose legs were amputated following a reaction to the drug Coumadin, an anti-coagulant manufactured by Du Pont. The company settled the case for an undisclosed sum instead of appealing the award (*BI*, Sept. 7, 1987; March 31, 1986).

Last week, a Cook County Circuit Court judge determined that the punitive damage portion of the undisclosed settlement is not insured. Under Illinois case law, punitive damages are insurable only if they are awarded for vicarious liability. Punitive damages assessed for direct liability are not insurable.

The decision means that "in Illinois, if a corporation is hit with punitive damages, they are going to be considered direct," said insurer attorney Arthur J. Liederman of Standard, Weisberg, Heckerling & Rosow in New York.

However, Du Pont attorney Bob Downing of Sidley & Austin in Chicago said the decision "misstates the law in Illinois."

"There is no Illinois appellate court decision where an award of punitive damages against a corporation has been held to be not insurable," Mr. Downing said.

Continued on page 104

Errors and omissions

• John W. Weekly will succeed William J. Hetzler as president and chief operating officer of United of Omaha Life Insurance Co. effective March 31. A headline in the March 5 issue indicated that Mr. Hetzler had been named to the position.

Anglo American owner to stick with Weavers

By STACY SHAPIRO

LONDON—The new owner of Anglo American Insurance Co. Ltd. says it will honor its contract with H.S. Weavers (Underwriting) Agencies Ltd. and continue to write its share of the Weavers line slip through 1991.

"For the time being, we are completely supportive of Weavers," said John Head, chairman of Head Insurance Investors (Bermuda) Ltd., which completed its purchase of Anglo American from CalFed Inc. last month.

But from now on, Anglo American will depend less on Weavers and more on its own staff to oversee overall underwriting policy, administration and finance of the company, he added.

Anglo American writes 45% of Weavers line slip, which is the largest London facility for U.S. casualty business. The other 55% is written by Walbrook Insurance Co.

Additional international coverage begins on page 97

Ltd., a sister company of Weavers and a subsidiary of London United Investments P.L.C.

London-based Anglo American is not affiliated with the U.S.-based Anglo American Insurance Co., which was ordered into conservation in Louisiana after being found insolvent by $5.6 million (*BI*, Dec. 12, 1988).

Head Insurance Investors announced the purchase of Anglo American from CalFed last October for 64.5 million pounds ($105.8 million at current exchange rates), but only received approval from the British Department of Trade and Industry for the purchase on Feb. 6 (*BI*, Oct. 16, 1989).

Head Insurance Investors is "a pool of capital which invests in the insurance industry," said Mr. Head. Among the investors are European and American institutions, but Mr. Head would not be more specific.

Stock analysts predict that Head also is planning to buy Weavers, Walbrook, LUI or some combination of the companies.

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Texas Employers' surplus plunges

Comp insurer in supervision

By MICHAEL BRADFORD

AUSTIN, Texas—Texas Employers Insurance Assn., the state's second-largest and oldest underwriter of workers compensation insurance, is operating under the State Board of Insurance's supervision.

The insurer was placed under supervision last week after a review of its 1989 annual statement showed a $23.3 million net operating loss and a $36.1 million decline in surplus to $7.7 million.

TEIA wrote $222.1 million in workers compensation premiums in 1989, or more than 7% of total workers comp premium volume in the state, before it stopped writing workers comp policies last October (*BI*, Sept. 11, 1989). However, the insurer continues to pay claims.

The "drastic drop in policyholder surplus coupled with the future liabilities of the association made it necessary to place TEIA into supervision," said Texas Insurance Commissioner A.W. Pogue.

Future liabilities to the state workers comp assigned risk pool total $60 million to $70 million, about $20 million of which is due this year, said Bill Huff, executive vp and general counsel of TEIA.

"It's a sad day for us," Mr. Huff said.

The insurer will work with regulators on a rehabilitation plan, he said.

The State Board will "look at several aspects of the association's financial situation over the next 30 days" before deciding on our next course of action," said Deputy Commissioner R.B. Ashworth, conservator for the State Board of Insurance.

Mr. Pogue has set an April 30 hearing to determine whether TEIA has complied with provisions of the supervision order and whether the insurer should be released from supervision. ■

EPA contractors protest limit on indemnification

By STACY ADLER

WASHINGTON—Companies that clean up hazardous waste for the U.S. Environmental Protection Agency are protesting proposed rules that could reduce government-sponsored indemnification of liability claims against the contractors.

Under EPA rules proposed in October, indemnification for negligence claims for up to 10 years after a response action contractor completed a job would be capped at $50 million.

Contractors also would face deductibles of up to $3.5 million.

However, the agency's options are "wide open" as it reviews dozens of letters from trade groups, insurance associations and contractors, said Tom Gillis, an EPA economist.

The proposal could be scrapped, modified or approved as written. A final agency proposal will then go to the Office of Management and Budget for review. A final regulation is not expected for more than a year.

Currently, under Section 119 of the Comprehensive Environmental Response, Compensation & Liability Act, better known as the Superfund Act, the government has discretionary authority to indemnify response contractors without limit and without deductibles for negligence in cleanups at National Priorities List sites.

To be indemnified under either current or proposed rules, a contractor must show that diligent efforts to secure commercial liability insurance were unsuccessful.

Only two commercial insurers—American International Group Inc. and Reliance International Inc., both based in New York—and a handful of risk retention groups offer Environmental Impairment Liability coverage to contractors (*BI*, Nov. 20, 1989).

Contractors, engineering firms and insurance associations contend

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Inside

✓ 'Living benefits' are a compassionate, common-sense enhancement of group life insurance, says this week's editorial. **PAGE 8**

✓ Lloyd's of London brokers and underwriters are launching several ventures to attract low-premium, high volume business into the market. **PAGE 97**

✓ The trial of insolvent Dover Insurance Co. Ltd.'s former auditor is set to begin this month. **PAGE 97**

✓ The International Foundation of Employee Benefit Plans is expanding the services it offers overseas in response to increasing interest in employee benefits in Western Europe. **PAGE 98**

✓ The underwriting and pricing cycle is making a painfully slow turn, says analyst Myron Piccoult. **PAGE 105**

✓ A controversial New Jersey auto insurance reform bill would hit auto insurers in the state with $1.4 billion in assessments. **PAGE 105**

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Risk management services

Environmental, work comp skills are in demand

By LINDA J. COLLINS

New environmental and workers compensation risk consulting business is helping many risk management consultants maintain strong growth in the competitive property/casualty insurance market.

The Top 10 risk management consultants—featuring two new entrants and two consultants that have undergone mergers in the past six months—reported increases in pure risk management consulting revenues ranging from an estimated 5.5% to 51.6% in 1989.

While ninth-ranked Insurance Consulting Associates, new to the *Business Insurance* Top 10 in 1989 with estimated revenues of $3.4 million, did not report its 1989 or 1988 revenues, its manager said it had "tremendous growth in revenues in 1989."

Also new to the Top 10 is Stone & Webster Management Consultants Inc. Risk Management Division, a unit of Stone & Webster Engineering Corp., which ranked 10th with $2.74 million in pure risk management consulting revenues.

The two new entrants fill spots left open when Environ Corp. and John Mathes & Associates Inc. were removed for an upcoming separate directory and ranking of environmental risk management consulting specialists. Environ and Mathes ranked second and fourth, respectively, in 1988.

Establishing the environmental risk management consulting directory and ranking resolves a two-year controversy over including such specialists in a ranking that traditionally lists consultants providing a wide array of risk management services (*BI*, March 13, 1989).

In response to readers' comments and growing demand for environmental consulting, *BI* will publish its first directory of environmental risk management consultants Oct. 8.

Several Top 10 consultants report substantial growth in environmental and workers comp consulting business.

"We have seen more requests for environmental work—both for due diligence studies in mergers and acquisition activities and for general environmental concerns such as exposure financing," said Craig N. Gass, senior manager of KPMG Peat Marwick in New York, one of two firms that tied as the seventh-largest risk management consultant based on pure risk management revenues of $4.1 million in 1989.

Clients are seeking both to determine and to finance their environmental liability exposures, Mr. Gass explained.

They are also asking consultants to review their environmental liability claims before submitting them to their insurers and to evaluate their insurers' performance in handling those claims, he said.

"The environmental impairment liability area has seen tremendous growth and significantly more interest as clients try to determine what they can do about the environmental issues they are faced with," in risk management and risk financing, agreed Thomas J. Wander, principal and risk management practice leader in San Francisco for Tillinghast, the largest risk management consultant. The Towers, Perrin, Forster & Crosby Inc. division reported 1989 pure risk management revenues of $24.8 million.

Mr. Wander noted that "underground storage tanks have been a tremendous issue recently because of new Environmental Protection Agency regulations."

Under EPA financial responsibility rules, which are being phased in over a two-year period that began in January 1989, owners and operators of underground storage tanks must demonstrate adequate financial responsibility through insurance or other risk-financing mechanisms to pay for on-site damages or tank leaks and any resulting third-party damages (*BI*, Oct. 31, 1988).

Clients also have been driven to risk management consultants by the dramatic rise in work comp costs, combined with high residual market assessments in some states and the withdrawal of some insurers from that market.

"One of the areas we've seen an acceleration of business in is in trying to bring the resources of our actuarial health care specialists together with those of our existing workers compensation specialists to handle workers compensation problems," said Mark J. Sobel, a partner with Deloitte & Touche-Risk Management Consulting Service in Hartford, Conn., which ranks fourth based on $8.1 million in revenues in 1989.

Clients are attempting to reduce workers compensation costs by self-insuring those risks or improving claims management and loss control, consultants said.

"We're spending more time doing workers compensation self-insurance evaluations because of market conditions, and we're also doing special work on claims management: reviewing our client's claims management practices to be sure they have the right systems," said Joseph H. Albert, president of J.H. Albert International Insurance Advi-

Continued on next page

10 largest risk management consultants

Ranked by risk management consulting revenues

	Revenues: 1989 pure risk management consulting ($ millions)	Revenues: 1988 pure risk management consulting ($ millions)	Revenues: % change in risk management consulting ($ millions)	Number of risk management clients	Total professional risk management staff (full time)	Number of risk management offices
Tillinghast (Towers, Perrin, Forster & Crosby Inc.)	$24.8	$22.9[1]	8.5	1,000	97	20
The Wyatt Co.	11.9[2]	10.5	13.3	950	87	14
Huggins/Ernst & Young	9.3	6.3	47.6	400	69	9
Deloitte & Touche	8.1[3]	6.1	32.8	400+	48	8
Coopers & Lybrand	6.9	4.6	51.6	725	59	12
S. B. Ackerman Associates	5.8[4]	5.5[4]	5.5	100+	32	1
J.H. Albert International Insurance Advisors Inc.	4.1	3.4	19.7	420	29	1
KPMG Peat Marwick	4.1	3.6	13.9	150	40	12
Insurance Consulting Associates	3.4[4]	NR	----	425	17	2
Stone & Webster Management Consultants Inc. (Stone & Webster Engineering Corp.)	2.74	2.4	14.2	120	18	1

1. Restated 2. 1989 revenues include revenues of Arthur Young & Co's risk management consulting practice following its merger with Ernst & Whinney on 10/1/89
3. 1989 revenues include revenues of Deloitte, Haskins & Sells' risk management consulting practice following its merger with Touche Ross & Co. on 12/2/89
4. *BI* Estimate NR- Not reported

Source: *BI* Survey

BI/John Smither

Disaster planning concerns grow

By MARK A. HOFMANN

Risk managers are more aware of the need to protect corporate assets against both natural and man-made disasters in the wake of high-visibility catastrophes like Hurricane Hugo and the Northern California earthquake, risk management consultants say.

In response, consultants are helping risk managers identify and plan for catastrophes that could cripple their operations, as well as helping to develop post-disaster recovery plans.

But, consultants quickly point out, disaster response planning is not an exercise that can be farmed out to a vendor: The risk manager and others at the client company—not the consultant—must take the lead in developing a plan.

"People really got a heightened awareness of disaster recovery planning from the boardroom to the receptionist. They want to know: 'What do I do if this happens to me?' " said William D. O'Connell, a partner with Deloitte & Touche Casualty Actuarial & Risk Management Consulting Services in Dallas.

"There's a greater awareness and interest in disaster planning," said Bruce S. McCallum, executive vp of Corporate Policyholders Counsel Inc., a consulting firm in Park Ridge, Ill. That interest, he contends, is not driven so much by the recent spate of natural catastrophes as by risk managers' desire to be prepared.

Disaster planning is receiving more attention today because corporations face a greater emphasis on short-term profits, thinner profit margins and decreased brand loyalty, according to Mr. McCallum.

"Firms can't miss a beat in their whole operation," he said.

"Contingency planning is really just an alternative phrase for good, solid risk management," said H. Felix Kloman, a vp in the Stamford, Conn., office of Tillinghast, a division of Towers, Perrin, Forster & Crosby Inc.

"How can an executive responsible for risk funding and for loss control activities focused on financial survival justify *not* having an operational crisis management program?" asked Richard H. Soper of Soper & Associates in Palos Verdes Peninsula, Calif.

Crisis management's goal, Mr. Soper said, is "to reduce the adverse effects of a loss situation through risk identification, measurement, loss mitigation and management accountability, with a primary focus on pre-loss planning and post-loss recovery."

Consultants point out that while they can help risk managers prepare a contingency plan, the consultant can not draft the plan on its own.

"There's no way" an outsider, like a consultant, can actually write the plan, said Mr. O'Connell of Deloitte & Touche. However, his company, like other consultants, provides advice at every step of the process, such as pointing out possible "choke points" that will be more vulnerable to disruption in a disaster than others. Deloitte & Touche also helps edit the plan.

Likewise, Mr. McCallum stressed that consultants should not draw up the plan itself.

"We try to steer them," he said. But because consultants do not know the particulars of a given client's operation as intimately as the client's own managers and engineers, a plan is "not going to be as effective" if it's drawn up by consultants, he said.

Besides guiding risk managers through the planning process, risk management consultants also can help clients to identify risks.

"We walk into this factory and say 'What's here?' said Joseph H. Albert, president of J.H. Albert International Insurance Advisors Inc. in Needham, Mass.

For example, Mr. Albert said he notes where critical records are stored. The fact that records—both paper and electronic—might be transferred from one building to another each day isn't necessarily adequate protection against earthquake damage. Instead, he said he looks at such detailed items as the strength of the file cabinets that contain the records and, when necessary, recommends installing sturdier cabinets.

Mr. McCallum also stressed that part of his job is to help identify exposures. "Sometimes people don't even think about exposures," he said. "We try to get their people together and stimulate the thought process."

This often involves coordinating plans drawn up by different corporate departments into a single plan, he said.

In addition, consultants provide clients with specific information and services.

For example, Glenn Giles, New York/New Jersey property/casualty regional manager for New York-based Johnson & Higgins, said he provides clients with checklists that note, among other things, which manager is responsible for evacuation of a site.

Mr. Giles said J&H also provides training sessions on procedures like the use of fire extinguishers.

But the bulk of the planning process must be performed by the client, consultants agree.

In identifying key risks, said Mr. O'Connell of Deloitte & Touche, risk managers must ask: What are the critical points in a company's income stream? What is the possibility of business interruption at those points? What can be done to mitigate the exposure?

As an example, Mr. O'Connell cited a manufacturer of garden machinery that can operate 24 hours a day as long as its fabricating unit functions.

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Top consultants

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sors Inc. in Needham Heights, Mass., which also tied as the seventh-largest consultant based on revenues of $4.1 million in 1989.

For example, consultants determine whether emergency care is being made available to employees on a cost-effective basis, whether good relations exist between an employer and its employees, whether an employer has properly set up back-to-work programs for injured employees, and whether an employer's workers comp insurer is providing the employer the right services, Mr. Albert explained.

Two consultants also said they have seen an increasing interest in captives since July, when the 6th U.S. Circuit Court of Appeals ruled that subsidiary companies' premium payments to captive insurers owned by their parents are tax deductible (*BI*, Aug. 7, 1989). The decision ended a nine-year court battle by Humana Inc. of Louisville, Ky.

"As a result of the Humana decision, there is now a lot of new interest in people looking into forming captives so that they can self-insure on a tax-deferred basis," said Ronald T. Kuehn, partner and national director-risk management for Huggins/Ernst & Young in Philadelphia, which ranked third based on 1989 revenues of $9.3 million.

"We have seen more risk financing studies. That may have been helped by the Humana decision and problems with state workers compensation assigned risk pools," said Sylvain Dion, actuary and chairman of The Wyatt Co.'s Risk Management Practice, the second-largest risk management consultant based on 1989 revenues of $11.9 million.

Among the 10 largest risk management consultants, the three consultants with the strongest annual growth are divisions of major accounting firms: Huggins/Ernst & Young; Deloitte & Touche-Risk Management Consulting Service; and Coopers & Lybrand-Casualty Actuarial & Risk Management Consulting.

For two of those—Huggins/Ernst & Young and Deloitte & Touche-Risk Management Consulting Service—revenue growth was partially attributable to 1989 mergers among former Big Eight accounting firms.

Ernst & Whinney merged with Arthur Young & Co. last October, and the combination of Huggins Financial Services/Ernst & Whinney with Arthur Young's Risk Management Consulting Group led to 1989 risk management consulting revenues of $9.3 million for Huggins/Ernst & Young.

Huggins/Ernst & Young ranked as the third-largest risk management consultant in 1989. In 1988, Huggins Financial Services ranked fifth based on $6.3 million in revenues, while the Arthur Young unit was not ranked.

And, with the merger of Touche Ross & Co. with Deloitte, Haskins & Sells last December, new Deloitte & Touche-Casualty Actuarial & Risk Management Consulting Service ranked fourth among risk management consultants with $8.1 million in revenues.

In 1988, Touche Ross & Co.-Business Insurance Consulting & Property Casualty Actuarial Services ranked sixth based on $6.1 million in revenues, while Deloitte's casualty actuarial and risk management operations were not ranked.

While Coopers & Lybrand reported the greatest percentage increase in revenues, about 20% of its 51.6% growth in pure risk management revenues is attributable to an inadvertent understatement of 1988 revenues, said managing partner James A. Hall III. Its risk management revenues actually grew by about 30% in 1989, he said.

Mr. Hall explained that he recently discovered some of Coopers & Lybrand's domestic and foreign offices had not been reporting revenues generated by some consulting services—such as expert witness testimony and assistance with disputed claims—they performed for clients in 1988 and in prior years.

Following are profiles of the Top 10 risk management consultants:

Tillinghast

Tillinghast restated its 1988 pure risk management consulting revenues to correct previously understated figures and now, for the first time, includes additional consulting income in its pure risk management consulting revenues.

Mr. Wander explained that Tillinghast previously did not report revenues from: claims management consulting; actuarial or risk management analysts and clerical work on risk management projects; and risk management software products RiskMaster and Quest.

Tillinghast's risk management consulting revenues rose 8.5% to $24.8 million in 1989 from $22.9 million in 1988. Last year, Tillinghast had reported $18 million in risk management consulting revenues for 1988.

Risk management consulting accounted for about 46% of New York-based Tillinghast's $54.6 million in total gross revenues in 1989.

The remaining $29.8 million was generated by casualty actuarial consulting and management consulting to property/casualty insurers.

Tillinghast has been beefing up its environmental consulting services to meet growing client demand.

For example, the consultant has developed a data base and actuarial models to forecast potential loss exposures for underground storage tank owners, Mr. Wander said.

"We have spent a lot of time and resources to come to a better estimate of what our clients' problems have been or could be," Mr. Wander said.

Clients seeking the firm's environmental consulting services include corporations, governmental pools, insurers and entrepreneurs looking to create new storage tank risk-financing vehicles.

Tillinghast plans "to develop some environmental impairment liability claims management software in 1990," Mr. Wander said.

Risk managers and insurers are also seeking assistance in containing workers comp costs. The consultant has developed some new management tools for those clients, he pointed out.

For example, "we are working to integrate the areas of group health

Continued on page 6

How rankings were determined

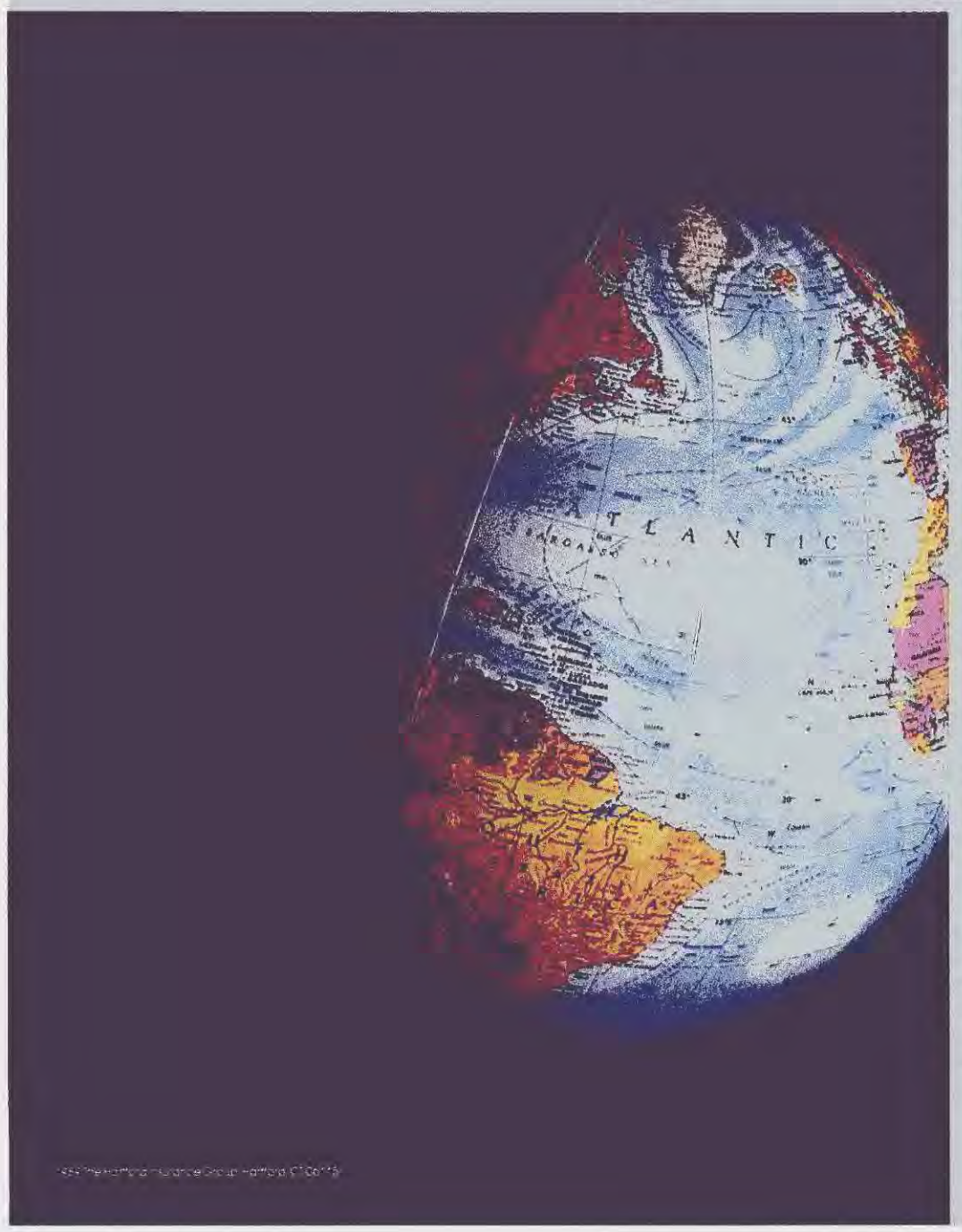
Business Insurance's 1989 Top 10 risk management consultants' ranking features only independent firms that provide general risk management consulting services to a variety of industries.

Consultants affiliated with brokerages or insurers are not ranked.

Rankings also do not include firms specializing in one type of risk exposure, such as environmental impairment or earthquake loss control.

However, specialists are included in the directory of risk management consultants (see page 30). ■

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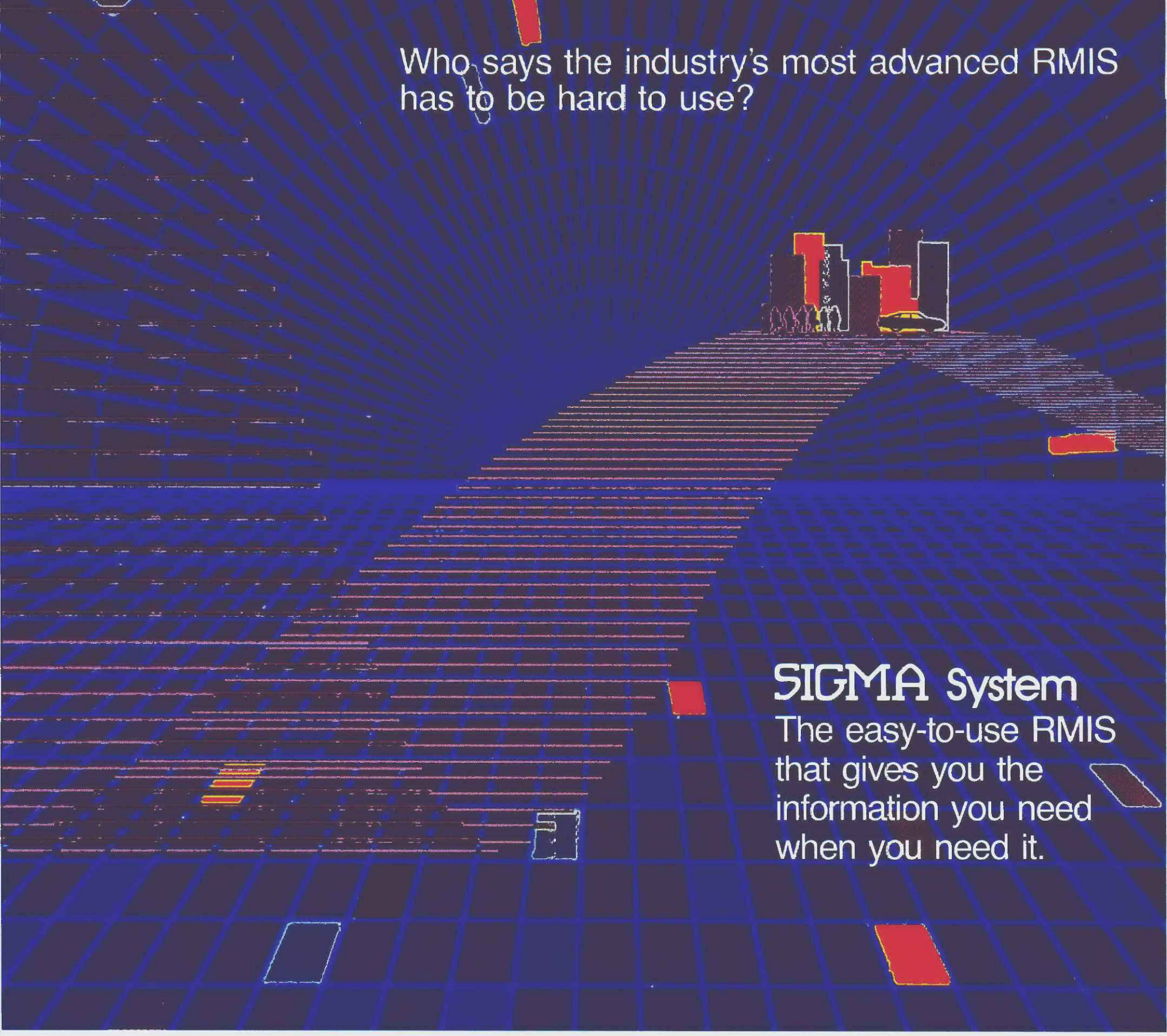
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BI

Top consultants

Continued from page 4

and workers comp to better manage the situation and the outcome of an employee who is injured either on or off the job," Mr. Wander said.



Mr. Wander

"The other component of this is risk control and safety," he added.

Tillinghast is developing additional risk financing products for large entities or large pools that "might be better able to take advantage of their own ability to pay risks," Mr. Wander pointed out.

"We think there is a great opportunity to decrease their costs without substantially increasing their risk retention."

Clients increasingly are seeking "more sophisticated risk assessments of their exposures," in existing operations and mergers and acquisitions, according to Mr. Wander.

Mr. Wander, who is manager of Tillinghast's San Francisco office, assumed supervision of the consultant's risk management practice in April 1989. At the same time, Vp and Director James MacGinnitie became practice leader of all Tillinghast business practices.

In other management changes over the past year:

- Vp George Betterley retired, but is still an independent contractor on some consulting projects.
- Vp Robert W. Sturgis was named northern region manager and Vp Neil Anderson named South and West region manager.
- Paul Pinckney was promoted to vp Jan. 1.

Tillinghast has 20 U.S. and foreign offices and has 97 professional staff members assigned solely to risk management consulting.

The Wyatt Co. Risk Management Practice

The Wyatt Co.'s Chicago-based Risk Management Practice again ranks second among risk management consultants, based on 1989 pure risk management revenues of $11.9 million, a 13.3% increase from $10.5 million in 1988.

Pure risk management consulting accounts for about 95% of Wyatt's $12.4 million in total gross revenues. Surveys, seminars, asset management strategies and consulting to commercial insurers generated the remainder.

In September 1989, Wyatt gained six new employees, including four senior consultants, by acquiring J.M. Gordon & Associates in Calgary, Alberta, where Wyatt formerly had no risk management practice.

"We are also expanding our risk management practices in London and in Auckland, New Zealand," Mr. Dion said. Consulting staffs grew to five from two in London and to three from one in Auckland.

In addition, Wyatt last October hired Harry Getzlaff, who Mr. Dion called an occupational health, safety and loss control expert, as a consultant in the Chicago office.

Mr. Getzlaff is the former assistant vp of safety and loss control for Iowa Beef Packers in Dakota City, Neb., an Occidental Petroleum Corp. subsidiary.

Clients increasingly are seeking Wyatt's assistance in complying with Occupational Safety and Health Administration regulations, Mr. Dion said.

Wyatt also expanded its personal computer risk management information systems capabilities by hiring two staff members in 1989, according to Mr. Dion.

The company sees substantial growth potential in this area. Among its developments are PC-based claims administration systems and cost allocation systems on a client-by-client basis.

Over the past 12 months, Wyatt also has seen an increasing demand for actuarial quantitative services for risk retention groups, captives and self-insurance pools for workers comp, general liability, auto liability, medical malpractice and professional liability risks.

Mr. Dion said an increasing number of public entities also are seeking assistance in complying with new Governmental Accounting Standards Board rules.

Beginning in 1993, self-insured state and local government entities, other than risk-sharing pools, will be required to report the estimated cost of probable losses on an accrual basis (*BI*, Jan. 15).

Clients also are seeking more help in disaster contingency planning following last fall's spate of disasters.

Mr. Dion also anticipates that the 1990s will see a move back to "more strategic acquisitions" by companies and away from the "acquisitions through junk bonds" activity prevalent in the 1980s.

He predicts this will create a greater demand for risk management consulting. In anticipation, Wyatt has "formed a special task force to look at this whole area."

Wyatt has 14 U.S. and foreign offices and 87 professional staff members assigned to risk management consulting only.

Huggins/Ernst & Young

Huggins/Ernst & Young, the third-largest risk management consultant, reported a whopping 47.6% jump in pure risk management consulting revenues in 1989 on the strength of a merger last fall.

Following last October's merger of Ernst & Whinney and Arthur Young to form Ernst & Young, Arthur Young's smaller risk management practice was merged with Huggins Financial Services/Ernst & Whinney to create Huggins/Ernst & Young in Philadelphia.

For 1989, the pure risk management revenues of the expanded consulting group jumped to $9.3 million from the $6.3 million reported in 1988 by Huggins Financial Services/Ernst & Whinney.

The merger "helped our risk management consulting practice substantially because it increased our client base, and we picked up a lot of people with good skills," Mr. Kuehn stressed.

Mr. Kuehn, a former Huggins principal, was named a partner after the merger. He also retained his title of national director-risk management.

In addition, two Arthur Young executives, Rick Yocke and Terry Godbold, were named senior managers.

Huggins also hired two key executives in early 1989: partner Charles Bryan, a former chief financial officer and chief actuary for insurance holding company United Services Automobile Assn. of San Antonio, Texas, and president-elect of the Casualty Actuarial Society; and senior manager Douglas Hartman, a former director of Coopers & Lybrand's New York risk management consulting practice.

Huggins also has substantially expanded its environmental liability consulting services to include risk control, according to Mr. Kuehn.

Huggins now collaborates with Ernst & Young's Washington-based Commercial Environmental Consulting Group on some environmental consulting projects and can advise clients on reducing environmental liability exposures, Mr. Kuehn said.

Continued on page 13

REUTERS/BETTMAN NEWSPHOTOS



Destruction of the Berlin Wall, 1989

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INTRACORP

Opinions

Living benefits make sense

WITH A LITTLE SUPPORT from state regulators, federal tax law and employers, terminally and critically ill employees could access money needed to improve the quality of their threatened lives.

The concept: allow an employee to tap a portion of the proceeds of a life insurance policy before death, under what is called "living benefits."

This option has been available for about two years to individual life insurance buyers, but the first group life insurance underwriters only last month unveiled products including living benefits (see story, page 1).

Living benefits is a major innovation in life insurance that will ease financial burdens on families of critically or terminally ill insured individuals. A portion of the life insurance proceeds could be used to cover long-term care—in the home or an institution—or uninsured health care costs.

And, group life insurers are charging only pennies per $1,000 of coverage to add this benefit.

But, there are some obstacles to living benefits becoming common in group life insurance policies.

Some state regulators are balking at approving the policy provision, nit-picking at the term "living benefits," or restricting how the pre-death policy proceeds can be used.

For example, Connecticut will only allow a life insurance policy to pay living benefits for confinement in a nursing home.

The hang-up seems to be that the states can only view living benefits as a long-term care benefit instead of an acceleration of the death benefit.

State insurance regulators should become more flexible in approving these policy provisions, leaving the decision on whether to tap the policy limits and how to spend the proceeds to the sick or dying.

Meanwhile, the IRS may seek to tax these accelerated benefits, reducing their value to the employee and his or her family.



Sen. Bill Bradley, D.-N.J., is trying to help. Earlier this month he introduced a bill, S. 2222, that would make living benefits proceeds tapped by terminally ill policyholders tax-exempt.

Employers, for their part, should make their interest in living benefits under group life insurance contracts known to their insurers. Several group life insurers that are studying the product need just a little prodding to bring it on the market.

This is a compassionate, common sense enhancement of group life insurance. It responds to the needs of employees and their families.

And whether a terminally ill employee may decide to tap the policy for an exotic trip is irrelevant. The employee could simply borrow the money for the trip, to be paid back from the proceeds of the life insurance policy after he or she dies.

Letters

Article missed the point of reinsurance ruling

To the editor: I am the attorney who argued the reinsurance case on behalf of the successful cedant, Sumitomo Marine & Fire Insurance Co. to New York's highest court, the Court of Appeals, reported in "Telexes Can Bind Reinsurer to Risk, N.Y. Court Rules" (*BI*, Feb. 26).

The focus of your article upon the binding nature of the initial telexes misses the whole point of the decision, which much more broadly addresses the relationship between cedants and reinsurers. Your article suggests that the recent Court of Appeals decision creates more onerous burdens for reinsurers when initially making a placement. I do not agree.

Reinsurers every day form binding contracts with cedants on the basis of telexes —or now, telecopies—with both parties contemplating that formal written contracts will ultimately be executed or issued, just as they were in this case. This is not new, nor is it news as you suggest.

Here, the court in fact enforced the formal contracts (which contained the standard nuclear clause at issue), not the initial informal contracts arising from the telexes, as one might think from quickly reading your article.

The point about vigilance by reinsurers to be learned from the decision is that a reinsurer that has a copy of the direct policy in its possession is on notice of that policy's contents. That reinsurer must do something other than merely issue its formal reinsurance contract in due course if it truly believes it has been misled by the cedant as to the contents of that direct policy.

The focus here is not on the initial telex stage but rather on the reinsurer's later issuance of its formal reinsurance contract (here a facultative reinsurance certificate), with full notice of the details later asserted by the reinsurer to have been missing at the outset.

The Court of Appeals held that the reinsurers' own conduct, which was inconsistent with their belated argument that they were victims of misrepresentation by the cedant (an argument which the court viewed with skepticism), resulted in a legal waiver of that misrepresentation argument.

It would be a misreading of the Court of Appeals decision to infer from it some kind of unusual duty on the part of reinsurers to perform an extraordinary investigation prior to binding a reinsurance risk based upon an offering telex. The Court of Appeals appears to have tried very hard to render a decision both reflecting and consistent with modern reinsurance practice, but I fear that your article could be read as conveying a very different impression.

John H. Haley
Bickford Hahn & Hayes
New York

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Private Healthcare not listed in UR report

To the editor: You recently listed the largest utilization review vendors in the country (*BI*, Feb. 19), but due to an error at our end, Private Healthcare Systems Inc. was not included.

For the record, Private Healthcare Systems reviewed 218,951 inpatient admission in 1989, which would have ranked it fourth in your survey of the largest UR vendors. Further, the company reviews procedures for more than 1.6 million employees, which is equivalent to 3.36 million covered lives.

In 1990, our utilization review program will be integrated into a complete medical management system, utilizing data from our PPO networks and quality assurance programs to review care before, during and after hospital admission. This second generation program provides performance-based information and control over inpatient and outpatient costs.

The firm also provides medical necessity reviews, case management services, psychiatric and substance abuse reviews, and physician specialty review. Revenues from UR operations exceeded $19 million in 1989, up 13% from 1988.

Richard Luhr
Marketing Communications Manager
Private Healthcare Systems Ltd.
Lexington, Mass.

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Top consultants

Continued from page 6

Formerly, the consultant offered only risk financing assistance for clients with environmental liability exposures.

Mr. Kuehn predicts that Huggins' environmental liability consulting revenues will continue to grow.

For example, Huggins has been "working in the product development area for environmental title insurance, which is a major problem in the lending area," he said, contending that the consultant is "on the forefront of some new products, something that would provide protection to the lender for the default of a commercial loan due to environmental defects to the property."

Huggins also has been assisting "a number of clients in putting together their business interruption claims" following Hurricane Hugo, Mr. Kuehn noted.

"Our involvement has been twofold: helping clients prepare their claims and helping them to determine their exposures to the next potential disaster. The major thing that has come out of Hugo is a reevaluation of our clients' amounts of business interruption coverage," he said.

In addition, Huggins has been "doing a lot of work in the health care area, helping health care providers control their costs and setting up self-insured trusts for medical malpractice liability, general liability and/or workers comp," he said.

There also is a growing demand for workers comp and general liability self-insurance services from long-haul trucking firms because of the high insurance costs those clients face in those areas.

Huggins has nine U.S. offices and 69 professional staff members assigned solely to risk management consulting.

Deloitte & Touche-Casualty Actuarial & Risk Management Consulting Services

Deloitte & Touche-Casualty Actuarial & Risk Management Consulting Services believes the accounting clients of former Big Eight accounting firm Deloitte, Haskins & Sells will be the consultant's chief source of new business in 1990.

Deloitte & Touche—the consulting firm that emerged following the December merger of accounting firms Deloitte, Haskins & Sells and Touche Ross & Co.—reported $8.13 million in pure risk management consulting revenues in 1989.

Based on those revenues, which represent a 32.8% jump from the $6.1 million in revenues reported by Touche Ross & Co. Business Insurance Consulting & Property/Casualty Actuarial Services in 1988, Deloitte & Touche ranks fourth among risk management consultants.

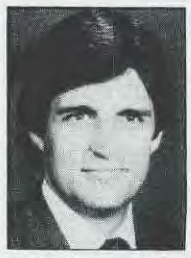
However, Deloitte "did not have a significant presence in the field of risk management consulting," noted partner William D. O'Connell.

"Our biggest growth area will be in introducing our standard (casualty actuarial and risk management consulting) services to former Deloitte accounting clients," he said.

"We will start an educational process with the partners and managers of the former Deloitte firm in telling them what we can do for their clients and the types of services we can offer them," Mr. O'Connell explained.

Mr. Sobel predicts that two important issues for risk managers will continue to generate new revenues: the rising health care cost component of workers compensation programs and environmental impairment liability exposures.

"The health care issue, as it relates to workers comp, is going to be an issue for a long time," Mr. Sobel said. "The other issue is environmental concerns, which will continue to grow."



Mr. O'Connell

For example, Deloitte & Touche, with risk management consulting headquarters in Dallas and actuarial consulting headquarters in Hartford, Conn., sees increasing demand for "insurance archeology" services for clients with pollution exposures.

For clients facing Superfund cleanup mandates, "I have been asked to go back into the 1940s, '50s and '60s to catalog what coverages our clients have had for environmental liability," Mr. O'Connell noted.

Deloitte & Touche also has been asked to determine whether all of a client's facilities comply with federal and local environmental regulations, Mr. Sobel noted.

In addition, "mergers and acquisitions continue to be an important area," he said. "We still get brought in on a considerable number of these jobs, and an environmental liability review is one piece of the exposure review."

Mr. O'Connell also has seen a growing demand for disaster recovery planning assistance. "Hurricane Hugo and the California earthquake really highlighted this for a lot of people," he pointed out.

"For the first time, this issue has really gone outside of the computer room and into the board room," he said, observing such disaster recovery plans in the past often were limited to a company's electronic data processing systems.

Expert witness services, he added, have also increased.

Deloitte & Touche employs 48 professional staff members assigned solely to risk management consulting and has actuarial and risk management consultants in eight U.S. and Canadian offices.

Larry Moeller was promoted to partner at the firm in September. Mr. Moeller, who is based in Calgary, Alberta, oversees Canadian consulting operations.

Coopers & Lybrand-Casualty Actuarial & Risk Management Consulting

A stabilized stock market helped boost New York-based Coopers & Lybrand's pure risk management consulting revenues in 1989 to $6.9 million, a 51.6% increase from $4.55 million in 1988.

However, about 20% of Coopers & Lybrand's revenue increase is attributable to understated 1988 risk management revenues.

That increase still propelled Coopers & Lybrand's risk management consulting operations ahead of S.B. Ackerman Associates into the fifth position from No. 8 in 1988, when two environmental risk management consultants were included in the Top 10 ranking.

Mr. Hall explained that after the October 1987 stock market crash, several Coopers & Lybrand clients put special consulting projects on hold, but "some of that pent up demand came back in 1989."

"We get involved in a lot of high-visibility projects, and those are the things that get deferred in uncertain times," he said. "A number of firms deferred optional consulting work in 1988."

In addition, over the past year, Coopers & Lybrand has generated a lot of new business "in dealing with insurance disputes—whether or not certain things should be covered by insurance," Mr. Hall said.

Continued on next page

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Top consultants

Continued from previous page
Mr. Hall noted that Coopers & Lybrand represents only policyholders in insurance coverage disputes.

However, Coopers & Lybrand may represent insurers, consumers or liquidators in cases involving reinsurance collectibles, another growth area for the consultant.

About 50% of the $14.75 million in total revenues generated by Coopers & Lybrand-Casualty Actuarial & Risk Management Consulting in 1989 are attributable to actuarial and management consulting and claims analysis for insurance companies, insurance regulators and potential investors.

Fewer Coopers & Lybrand clients started self-insurance and captive programs in the past year, but those with difficult-to-place coverages still are considering these risk-financing alternatives, Mr. Hall said.

For example, Coopers & Lybrand is setting up a captive for a state hospital association that cannot find commercial environmental impairment liability insurance for underground storage tanks. The captive also will offer the coverage to selected owners of underground storage tanks in other industries, said Mr. Hall, who would not elaborate.

He noted that Coopers & Lybrand also helped form a reciprocal workers comp insurance company in 1989—the Massachusetts Employers Insurance Exchange in Boston—for the Associated Industries of Massachusetts, a group of employers in the state.

'We're also doing special work on workers comp claims management,' says Joseph H. Albert.

He said he has seen more interest in general in starting up specialty insurance companies instead of captives.

"We have also been involved in reviewing the EIL programs of many or most of our clients to help them understand what they're covered for, which isn't much; what they're not covered for; and what they want to do about it," he said.

"In the mergers and acquisitions area, one of the things we often find is that there are significant contingent liabilities in the environmental area and that those liabilities have not been recognized by the would-be acquirer," he noted.

And, in anticipation of a tightening commercial property/casualty insurance market, Coopers & Lybrand has started advising some clients "to try to secure an agreement from their underwriters for some type of long-term approach to their coverages," Mr. Hall said.

However, insurers are generally unwilling to write multiyear policies, he said.

Coopers & Lybrand-Casualty Actuarial & Risk Management Consulting employs 59 professionals assigned to risk management consulting only and has 12 U.S. and foreign offices.

S.B. Ackerman Associates

Business Insurance estimates that New York-based S.B. Ackerman Associates generated $5.8 million of pure risk management consulting revenues in 1989, up 5.5% from an estimated $5.5 million in 1988.

Ackerman, the sixth-largest risk management consultant, does not release its financial data, but Principal Bernard Salwen said the consultant's revenues "went up a bit" in 1989.

Ackerman generated about 70% of its total 1989 revenues from pure risk management consulting, about 25% from claims administration and about 5% from employee benefits consulting.

Mr. Salwen said he has recently noticed among small to mid-sized businesses a greater awareness of risk management consultants that are not affiliated with insurers or brokers and "who are completely independent and unbiased. This profession has not had a sufficient amount of institutional publicity in the past," he said.

There has not been any major shift in the types of services Ackerman's clients have been seeking over the past year, according to Mr. Salwen.

And, while he noted that the environmental impairment liability area represents a growing business for attorneys and that "many large law firms are beginning to develop departments specializing in that area," S.B. Ackerman would not advise clients "about what they should do if there's a real environmental concern," Mr. Salwen said.

"We consider ourselves generalists in that area and would merely point out to a client where there may be problems," he said, stressing that EIL concerns should be handled by specialists who "live and breathe" those issues.

Ackerman employs 32 professional staff members who are assigned solely to risk management consulting and who operate exclusively from its New York office.

J.H. Albert International Insurance Advisors Inc.

Needham, Mass.-based J.H. Albert International Insurance Advisors Inc.—along with KMPG Peat Marwick—ranks as the seventh-largest risk management consultant based on pure risk management consulting revenues of $4.1 million in 1989.

Risk management revenues rose 19.7% from $3.43 million in 1988 and account for all of the consultant's revenues.

Among many growth areas, said President Joseph H. Albert, is "spending more time doing workers compensation self-insurance evaluations" because of the high costs and lack of workers comp markets.

"We're also doing special work on workers comp claims management—reviewing our clients' claims management practices," he added.

With more clients asking for general claims and loss prevention audits, the consultant has added to its staff in those areas, according to Mr. Albert.

"With costs spiraling like they have, we feel there's a need for our clients to be more aggressive in that area," Mr. Albert said.

He also sees promising growth of loss control assistance in workers comp, auto fleets and premises operations for retail clients, product manufacturers and hospitals.

While stressing that his company is not an environmental consultant, he said J.H. Albert "will guide clients in the risk management process to attempt to handle those risks through methods other than insurance. We also guide them to resources such as environmental engineering firms and legal experts in the environmental area."

Mr. Albert says the removal of trade barriers between European Community nations this July will be a big issue for international businesses. "We're keeping an eye on the situation for our clients to see what develops—what kind of insurance is going to be offered and who the big players will be," he said.

J.H. Albert employs 29 professionals assigned to risk manage-

Continued on next page

"We've harnessed the talent of our entire company into one product. Yours."

Continued from previous page
ment consulting only and has no branch offices.

KPMG Peat Marwick-Risk & Insurance Management Consulting Practice

KPMG Peat Marwick has reached "a maturing stage," according to Mr. Gass.

"Our practice started in 1987, and the next two years were really spent building our practice. We're out of the infant/young adult stage and now have a growing risk management practice," he said.

KPMG Peat Marwick boosted its pure risk management consulting revenues 13.9% to $4.1 million in 1989 from $3.6 million in 1988.

And, as the consultant's revenues grew last year, KMPG Peat Marwick relocated some of its staff members to offices in areas where most of the consultant's business was generated, Mr. Gass noted.

Risk management consultants reportedly were located in 12 U.S. and foreign offices in 1989, up from nine in 1988.

"Our staff has also increased by a third to respond to our growth," said Mr. Gass, noting that the consultant's professional risk management staff grew to 40 in 1989 from 30 in 1988.

The consultant has also learned how to market its services better and has developed a greater synergy with other operations within its parent company, according to Mr. Gass.

About 40% of KPMG Peat Marwick's clients use Peat Marwick for other services. The remaining 60% use only the risk management consulting services, he noted.

"Middle market-sized clients" represented a growth area for KPMG Peat Marwick in 1989, according to Mr. Gass, who noted that the consultant has done more work for colleges, universities and medical facilities.

Demand has also increased for environmental consulting services, such as "due diligence studies in mergers and acquisitions and also for general environmental concerns such as exposure financing.


Mr. Gass

Clients want to know what their near-term and long-term exposures are and how they can finance them," Mr. Gass explained.

Another growth area within environmental consulting services is "claims management and reviews of insurance company performance," he said.

For example, "we were asked to review the environmental cleanup claim to be submitted by Exxon to its insurance company" following Exxon Corp.'s massive oil spill in Alaska's Prince William Sound last March, Mr. Gass said (*BI*, April 3, 1989).

In addition, more financial institutions are looking to define the environmental exposures they might face as a result of defaults on mortgages that are collateralized by property, Mr. Gass said. "That particular industry has some real risk management concerns from these environmental issues."

Litigation and policy interpretation work is also up, he said. "We have spent more time as expert witnesses on insurance policies, mostly from those written in 1984 and 1985, when the market was in turmoil."

Meanwhile, clients are more closely examining the quality of their domestic insurance programs in anticipation of a hardening commercial property/casualty insurance market, Mr. Gass said.

"They want to improve their programs to a point where if they have to give up some coverages when the market changes, they will still have a program that responds to their needs," he explained.

Many KPMG Peat Marwick clients also have been investigating possible effects of the coming single European market on their insurance programs. "Once the insurance wheels of the European Community start to roll, we are likely to see some changes in those insurance programs," Mr. Gass predicted.

KPMG Peat Marwick also is seeing increased demand for help in designing and reviewing risk management information systems. "We are asked more and more to help our clients assimilate their information in a better way—to identify their real information needs and help fine tune their programs," Mr. Gass said.

In the disaster planning area, the consultant has "had two or three solid inquiries on disaster planning" following Hurricane Hugo and the California earthquake, but Mr. Gass said he "expected more."

However, clients that already had "solid disaster recovery plans want those programs reviewed," he added.

Insurance Consulting Associates

South Hackensack, N.J.-based Insurance Consulting Associates, the ninth-largest risk management consultant, is a new entrant to the Top 10 ranking in 1989, based on *Business Insurance* estimates of $3.4 million of pure risk management consulting revenues.

The consultant does not report its revenues, but Managing Associate Barron S. Wall said ICA generates "more revenue per consultant than most organizations."

Mr. Wall also said that ICA's revenue grew substantially in 1989.

ICA was founded in 1956 and has 17 professional staff members assigned to risk management consulting only. It acts as an off-premises risk management department for about 90% of its clients, and generates about 98% of its revenues from continuous consulting, Mr. Wall said.

"As such, we have a tremendous amount of contact with our clients. We help them set up risk management departments, assign budgets, etc.," Mr. Wall said.

About 82% of ICA's 425 clients have annual risk and insurance budgets of less than $1 million.

For its 25 association clients, it provides such services as drafting insurance policies and designing and implementing safety programs.

ICA also has a significant number of accounting firms as clients, Mr. Wall said.

"We involve ourselves in every facet of our clients' business," he said. "We are like internists.

"The hottest topics on the plate right now are environmental liability, workers compensation, employee benefits and—the most important and most often overlooked—safety engineering, loss control and loss prevention," Mr. Wall stressed.

Another ICA "specialty is writing insurance contracts," he said.

ICA has spent a great deal of time examining all types of property and liability insurance policies, according to Mr. Wall.

"In many cases, where our clients have enough buying power, we write their policies. Our specifications are very finite," he said.

And, "we will produce handwritten endorsements that we will ask the insurers to attach to their forms" when an insurer will not accept an ICA-manuscripted policy, Mr. Wall pointed out. "We dissect these contracts line by line by line."

Continued on page 18



Edward B. Jobe
President and Chief Executive Officer
(left)

Paul H. Inderbitzin
Executive Vice President
(right)

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Top consultants

Continued from page 15

Mr. Wall said he has found insurance brokers are typically "too commission driven" to tighten insurance contracts for most clients. Because of this, "most insurance documents are still not well-enough written for the client," he said.

ICA also has an office in Hasbrouck Heights, N.J.

Stone & Webster Management Consultants Inc. Risk Management Division

Stone & Webster Management Consultants Inc. Risk Management Division is the 10th-largest risk management consultant based on pure risk management consulting revenues of $2.74 million, a 14.2% increase from $2.4 million in 1988.

About 95% of the New York-based consultant's estimated $2.9 million in total 1989 revenues was generated by pure risk management consulting. Captive management services accounted for the remainder.

Stone & Webster, a subsidiary of Stone & Webster Engineering Corp., is new to the Top 10.

While most of its 120 clients are in the Eastern and Southeastern United States, Stone & Webster offers its services nationwide, according to Vp Bruce H. Suter.

In addition, the consultant attempts "to provide all consulting services in any area that may fall under the responsibility of the corporate risk management function," Mr. Suter said.

"The greatest growth we are seeing now is in the public entity area," he said.

In addition, "more small corporations have come to us for assistance in the last year than ever before," Mr. Suter said.

He explained that those companies' insurance costs have been increasing, prompting them to establish risk management programs or strengthen their existing ones.

Furthermore, "a number of medium-sized companies are doing more audits of their existing risk management programs. Directors and officers want to make sure that everything in those programs is being handled correctly," Mr. Suter stressed.

The consultant has also helped clients with "disaster recovery plans because many didn't have them before. We have done a number of those surveys—designing a plan and a course of action for assessing losses and recovering from them after a disaster," Mr. Suter said.

Stone & Webster offers disaster loss forecasting, and "we have also done work for our clients in determining their amounts of business interruption losses" following a disaster, he said.

In the environmental area, Stone & Webster has reconstructed clients' insurance programs to determine prior coverages that may come into play for environmental exposures. Mr. Suter expects to see further growth in that segment of its business.

'More small corporations have come to us for assistance in the last year than ever before,' Mr. Suter says. Insurance costs have been increasing, prompting them to establish risk management programs or strengthen their existing ones, he says.

The consultant also alerts clients to environmental exposures as a part of routine risk management audits, according to Mr. Suter.

"Our parent company has an environmental engineering group that they can bring in if our clients need it. This is one of the fastest growing segments of our (parent) company," Mr. Suter said.

Another potential growth area for the consultant may be helping banks in the near future set up risk retention groups and pools as risk financing mechanisms for their errors and omissions and directors and officers liability exposures "because of the costs and lackof markets" for those risks, he said.

Mr. Suter also sees new business from leisure villages for retired people, which he said are just beginning to develop risk management programs and are now seeking consultants' assistance.

Stone & Webster has 18 professional staff members assigned to risk management consulting only and has no branch offices. ■

Six firms compete for No. 10 spot

It was a close race for the final spot in the *Business Insurance* ranking of the 10 largest general risk management consultants.

Stone & Webster Management Consultants Inc.'s Risk Management Division cracked the Top 10 based on pure risk management consulting revenues of $2.74 million in 1989.

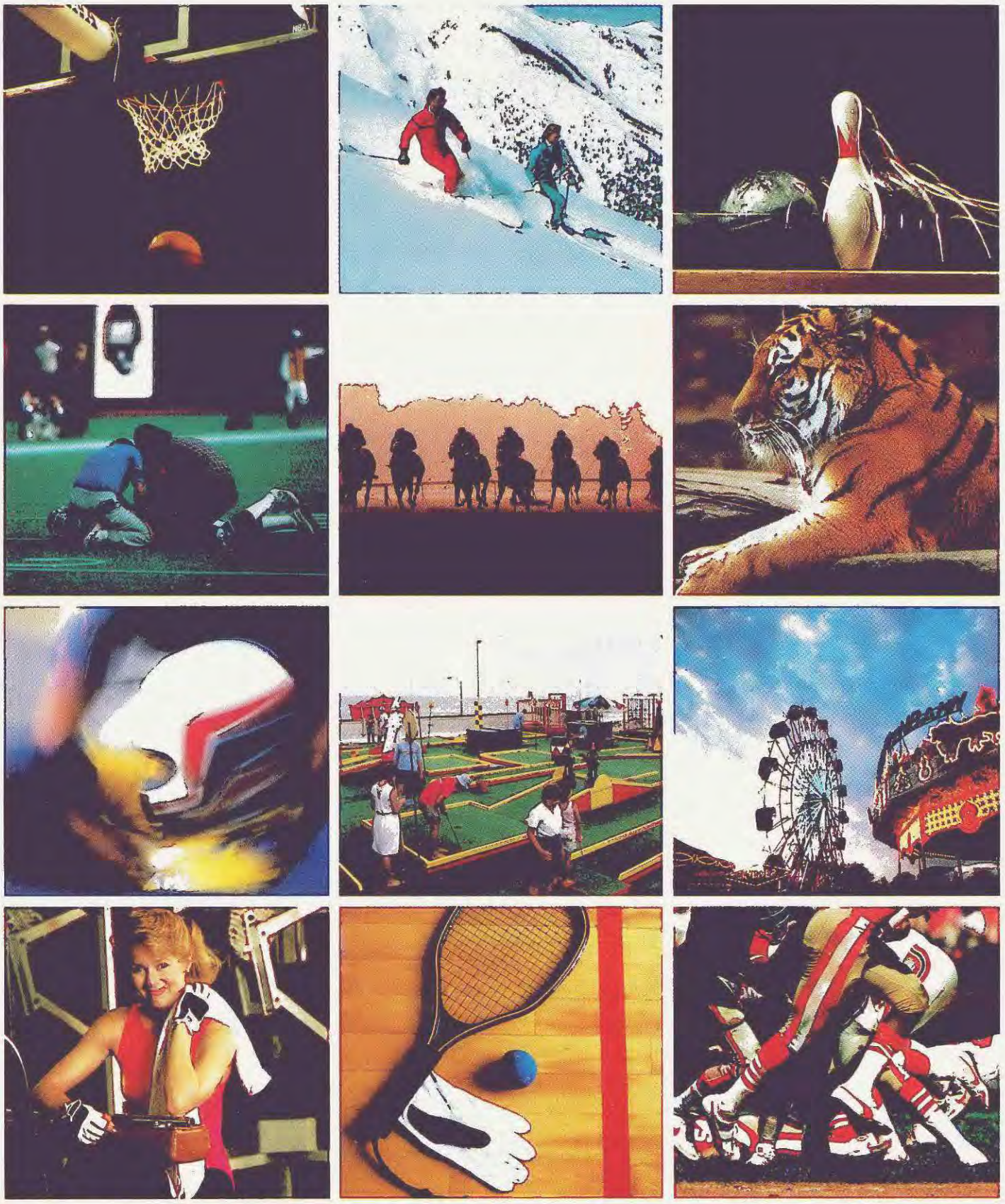
However, 1989 pure risk management consulting revenues of at least five other consultants exceeded $2 million.

For example, St. Petersburg, Fla.-based Stogniew & Associates reported $2.5 million in pure risk management consulting revenues.

And executives of Newport Beach, Calif.-based Warren, McVeigh & Griffin Inc., which did not give precise figures, indicated revenues exceeded $2 million.

Business Insurance also estimates that pure risk management consulting revenues of three other firms—Park Ridge, Ill.-based Corporate Policyholders Counsel Inc.; Jericho, N.Y.-based Caronia Corp.; and Laguna Hills, Calif.-based Advanced Risk Management Techniques Inc.—exceeded $2.25 million.

K&K Keeps the C



Affiliates respond to specialized needs

By LOUISE KERTESZ

The growing expertise of risk managers, along with their increasing comfort level with higher retentions, is keeping risk management consultants affiliated with brokers and insurers on their toes.

Clients are seeking more sophisticated services and information tailored to their specific industries, these consultants say.

At the same time, the search for alternative ways to finance difficult-to-fund or uninsurable risks, such as environmental impairment, continues to fuel clients' interest in self-insurance, single-parent captives and risk retention and risk purchasing groups, consultants say.

Though that interest may have "slowed dramatically"—in the words of one consultant—since the last hard market, with risk managers becoming increasingly savvy, consultants "haven't had to be advocates for thinking ahead" to the next hard market, said Karen G. Foley, national director of Anistics, Alexander & Alexander Inc.'s New York-based risk management consulting arm.

"We and everyone else are finding that the risk manager is becoming very sophisticated. They're advancing so rapidly and they want assistance" in a wide variety of areas, agreed Fred Potenza, executive vp of risk management consulting services at Rolling Meadows, Ill.-based Gallagher Bassett Services Inc., an Arthur J. Gallagher & Co. subsidiary.

Indeed, with more of their companies' money on the line, risk managers "are wanting to tap into very specific information from a consultant," said Donald K. Heim, president of Nashville-based Corroon & Black Advanced Risk Management Services, a Corroon & Black Corp. subsidiary.

"We're seeing clients wanting consultants who understand the transportation industry or the utility business as well as the insurance technicalities. I think you're going to find that the generalist consultant is going to be less valued and the specialized consultant is going to be increasingly valuable," Mr. Heim said.

But, at the same time, risk managers want specialists to be "well versed" in underwriting, finance and accounting, Mr. Heim said.

Two examples illustrate consultants' response to risk managers' growing appetite for specialized and comprehensive services.

The first is the "transformation" of Anistics—in Ms. Foley's words—into a leaner, specialist-based organization focusing on "market fragmentation" and offering computerized integration of a client's information and input from various areas of the brokerage firm.

The second is Johnson & Higgins Risk Management Services' new product, STAR—Self-Insurance Technology & Resource System—which helps manage the client's self-insurance program from feasibility studies to the monitoring of markets, again with computers.

Affiliated risk management consultants agree that the search for alternative funding of such risks as environmental impairment will be a hot growth area.

Because "there's not much available capacity" for environmental risks, "there's a demand for creative solutions," said Robert C. Hug Jr., president of Short Hills, N.J.-based Sedgwick James Risk Management Services & Information Systems Division, the risk management consulting arm of broker Sedgwick James Inc.

Consultants expect to conduct seminars and training programs, as well as to develop computerized financial models, for clients with pollution liabilities such as underground storage tanks.

Risk managers and their consultants also will become more involved in corporate mergers and acquisitions in an effort to mitigate liabilities created by the purchase of polluted property, affiliated consultants predict.

Firms already are increasingly "involving their risk managers in the due diligence process (in a merger or acquisition), where five or 10 years ago they went their own merry way, either completing a transaction or going almost to the end of it without mentioning to their risk management department what was happening," said Corroon & Black's Mr. Heim.

A risk manager's analysis of a target company's potential liabilities could affect the purchase price, said Frank Neuhauser Jr., senior vp of New York-based AIG Risk Management Inc.

And if a target company already has a self-insurance program, risk managers and consultants may analyze loss reserves and other program features before a merger or acquisition, he added.

Self-funding of workers compensation is another critical area for risk managers.

Many employers face higher work comp premiums because insurers are passing on the cost of residual market assessments, they explain.

To keep premiums down and make self-insuring these risks feasible, "cost containment in workers comp" will be a major growth area for risk management consulting, said Joan B. Schaeffer, vp of New York-based Johnson & Higgins Risk Management Services, a subsidiary of broker Johnson & Higgins.

Profiles of risk management consultants affiliated with brokers, insurers or reinsurers follow.

Continued on page 20

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Continued from previous page

AIG Risk Management Inc.

AIG Risk Management Inc., the risk management consulting subsidiary of American International Group Inc., reports risk managers are seeking various types of self-insurance studies.

Feasibility studies for developing single-parent captives have "increased considerably," said Senior Vp Frank Neuhauser Jr.

At the same time, however, interest has also increased for feasibility studies on shutting down captive insurers, he said.

"There seems to be a lot of testing of the waters" on the part of companies thinking of closing their captives. The actual closings "may occur in 1990," he said.

AIG Risk Management also provided consulting services to many companies involved in mergers and acquisitions and divestitures in 1989. Such work included combining risk management and insurance programs for merging companies, as well as actuarial analyses of liabilities in proposed acquisitions.

AIG's environmental risk management consulting focuses on analyzing acquiring polluted land or underground storage tanks on acquired property.

AIG's loss control work has included developing safety programs and industrial hygiene procedures for clients, Mr. Neuhauser said.

About 87%, or $90 million, of AIG Risk Management's 1989 gross revenues of $104 million were generated by risk management consulting, including 78% from continuous consulting, 2% from risk management audits and 7% from special consulting projects. About 13% of 1989 revenues were derived from services other than risk management consulting, like claims and captive management.

In 1988, risk management consulting generated $76.6 million out of the unit's total revenues of $86.1 million.

Most clients have risk management and insurance budgets from $1 million to $10 million, but clients with budgets as low as $250,000 are accepted.

AIG Risk Management has offices in the United States, Toronto, London and Paris.

Anistics Inc.

Drawing on its risk management information system expertise, a smaller, re-focused Anistics is emphasizing computer-based consulting advice.

"We're very excited about this transformation," which has resulted in the company's being able to offer a blend of personal computer and financial consulting, said Karen G. Foley, national director of the consulting subsidiary of Alexander & Alexander Services Inc.

Clients are "frustrated in their attempts to get their arms around the wealth of information in the risk management department. We as consultants must bring to the table not just consulting skills but programs to manage data flow," she said. Formerly director of sales and marketing, she replaced Luther T. Griffith, who was named managing vp of A&A's Atlanta office in October 1989.

Staff reductions begun in 1988—before Anistics phased out its mainframe RMIS products and devoted its attention to personal computer-based systems and services (*BI*, July 24, 1989)—culminated last year. As a result, Anistics' workforce dropped to 80 in 1989 from 180 in 1988.

At the same time, New York-based Anistics hired new consulting staff with backgrounds in banking, mortgage lending and accounting—and people with personal computer knowledge, Ms. Foley said.

Despite the reduced headcount, by "teaming up" with personnel from other A&A units, Anistics increased its client base to 420 last year from 300 in 1988, she said.

Anistics, which specializes in consulting to multinational companies, the health care industry and public entities, added utilities as a specialty area last year.

Environmental consulting is also a growth area for Anistics, which provides computer-based consulting on problems from underground storage tank liabilities to tracking outstanding pollution claims.

One Anistics project—a financial model using various actuarial techniques to simulate the ramifications of a program to clean up leaky storage tanks throughout the state of Iowa—led to passage in 1989 of state legislation establishing a fund to help small businesses meet EPA financial responsibility requirements for underground storage tanks.

Anistics is encouraging clients faced with possible Superfund cleanup mandates to computerize their data early so they'll be better prepared for any disputes that arise, Ms. Foley said.

Consulting on risk management of new technology and new products is another growth area for the company. In hospitals and manufacturing plants, there are "processes that didn't exist a year ago, and they represent unique risks," Ms. Foley said.

In this area, Anistics provides financial modeling—or "what-if" scenarios—for potential liabilities from new products.

While Anistics does not report revenues separately from its parent company, the consultant estimates that about 90% of its 1989 gross revenues were generated by risk management consulting, which included 36% continuous consulting, 9% risk management audits and 45% special consulting projects.

The remainder of 1989 revenues was generated by activities other than risk management consulting.

Anistics has offices in Atlanta, Dallas, San Francisco, Toronto, London and Sydney, Australia. This year, it plans to reopen its Chicago office, which was closed Jan. 1, Ms. Foley said.

Corroon & Black Advanced Risk Management Services

"We've not experienced great change in the capabilities of the firm, but in the focus," Donald K. Heim, president of Corroon & Black Advanced Risk Management Services, said of the division's 1989 consulting activities.

The new focus for the Nashville, Tenn.-based subsidiary of broker Corroon & Black Corp. is on providing specialized risk management consulting services such as conducting analyses of non-traditional exposures, like public image, which are typically not insurable, he explained.

In addition, clients are increasingly "looking at qualified self-insurance, particularly for workers comp."

As part of its exposure analysis program, Advanced Risk Management meets "not only insurance people in the firm but also their operational management to conduct in-house seminars on what can go wrong in the company, what are the operational people's great est fear of events that could occur, whether they're insurable or not," Mr. Heim said.

Advanced Risk Management then categorizes those exposures by various risk management approaches and determines how much of each exposure the client wants to fund or transfer via insur-

Continued on next page

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BI

Continued from previous page

ance or some other risk financing vehicle.

"We see this as a growing area," Mr. Heim said of exposure analysis. "We're seeing it being done in concert with the risk manager's desire to focus more attention on loss control and loss avoidance."

In a related area, Advanced Risk Management has also concentrated in the past year on cost stabilization plans, or multiyear financing programs that allow clients to retain greater amounts of risk while amortizing large individual losses over a multiyear period.

"Our clients are getting more and more comfortable taking large retentions, but would like to provide some stabilization of their yearly earnings, and a cost stabilization plan allows them to do that," he said.

Establishing such a plan "entails tax, insurance, accounting and risk management issues, so you really need multidisciplines working on these projects," Mr. Heim said. That means involving Advanced Risk Management staff professionals including actuaries and accountants "and marketing people who can actually identify what underwriters are willing to cover," he said.

Actuarial services also have been "growing tremendously" at Advanced Risk Management in response to auditors' requests for actuarial reports from clients "with significant self-insured retentions within their loss financing programs," he added.

While Advanced Risk Management does not report revenues separately from the brokerage, it estimates that 50% of its 1989 gross revenues were generated by risk management consulting, including 18% from continuous consulting, 2% from risk management audits and 30% from special consulting projects. The other half of 1989 revenues were derived from group captive and risk retention group management.

The firm specializes in consulting to the health care, transportation and construction industries and is a specialist in directors and officers liability, product liability, property and business interruption coverages. Most of its clients have risk and insurance budgets of between $1 million and $10 million, but it has no minimum budget requirement.

Gallagher Bassett Services Inc.

While claims management remains the largest growth area at Gallagher Bassett Services Inc., a subsidiary of Rolling Meadows, Ill.-based broker Arthur J. Gallagher & Co., the unit also is emphasizing general risk management consulting services.

"We've also grown in risk management consulting," with increased demand for safety training, risk control and loss control services, said Fred M. Potenza, who was promoted last year to executive vp from vp of risk management consulting services.

Gallagher has marketed its risk management consulting services on an unbundled basis only since Jan. 1, 1988.

Consulting operations are divided into claims management, risk management consulting and appraisal. Risk management consulting is further broken down into operating divisions: risk control consulting, loss control and the Institute of Liability Management.

Environmental consulting also has been increasing at Gallagher Bassett. With municipalities and schools as clients, its areas of concern range from waterworks to parks and recreation, refuse collection and disposal and underground storage tanks, he explained.

Tanks are "a hot area right now," Mr. Potenza said, adding that Gallagher Bassett has conducted risk management seminars and training programs for owners of underground storage tanks.

"It's not always the traditional filling station," he said, stressing that schools and churches with fleets of vehicles should also be concerned.

Gallagher Bassett also studies potential liability for companies acquiring property with underground storage tanks.

"We advise clients to make a thorough investigation of the property to get a history of occupancy and look for an indication that there might be a storage tank," he said. "It's not enough to look for a filling station."

Since moving into the international marketplace two years ago, Gallagher Bassett has seen "a lot of activity" in Europe and the Far East, including studies for clients in Singapore, Mr. Potenza said.

"Risk managers overseas have only recently become more active in the fully integrated risk management approach. They're becoming more aware of the varying ways of addressing risk," he explained.

In addition to consulting for foreign subsidiaries of U.S. corporations, "we've also had reverse-flow where foreign companies that own firms in the U.S. want us to service their risk management programs in the U.S.," he said.

With 54 professionals in a nationwide branch network, Gallagher generated $5.4 million in gross revenues from pure risk management consulting in 1989, about 10% of total revenues of $53.2 million.

In 1988, risk management consulting accounted for $5.3 million of $44.9 million in total revenue.

About two-thirds of 1989 risk management consulting revenues came from continuous consulting and the remainder from special risk management consulting projects.

About 90% of gross 1989 revenues were derived from activities other than risk management consulting, including claims administration, information management, property appraisals and loss control services.

Frank B. Hall & Co. Inc.

Risk management consulting activities at New York-based broker Frank B. Hall & Co. Inc. included an increase in workers compensation self-insurance studies, said James Goulard, president of the Corporate Risk Division.

Workers comp-related activities should increase further in 1990, he said, in response to insurers passing on residual market losses to other policyholders as higher premiums.

"The residual market loading problem. . .isn't getting any better," said Mr. Goulard.

Other activities that grew in 1989 included interaction with Frank B. Hall's worldwide operations, with the risk management consulting arm providing program design, actuarial and analytical services to overseas clients, Mr. Goulard said.

Risk management consulting is conducted from both Hall's U.S. and foreign offices.

"We're sort of a special risk arena," he explained. "The Corporate Risk Division is a group that works on all of our major accounts from an account retention and account production point of view." For risk management consulting on environmental risks, "a hot issue with all the risk managers," Hall has its own division, Washington-based Risk Science International.

RSI works with Hall's Environmental Risk Division, "so the risk transfer part, the buying of insurance, goes through a central source in the Hall family. That's in recognition that environmental issues are uppermost in the minds of every risk manager in the country," he said.

Hall, which did not disclose 1989 risk management consulting revenues, reported 1988 consulting revenues of $51.4 million.

The firm estimates that about 10% of 1989 revenues were generated by risk management consulting, including 8% from continuous consulting, 1% from risk management audits and 1% from special risk management consulting projects. In this year's report, actuarial revenues were excluded, as should have been the case last year, Mr. Goulard said.

Donald R. Bell has replaced Saul

Continued on next page

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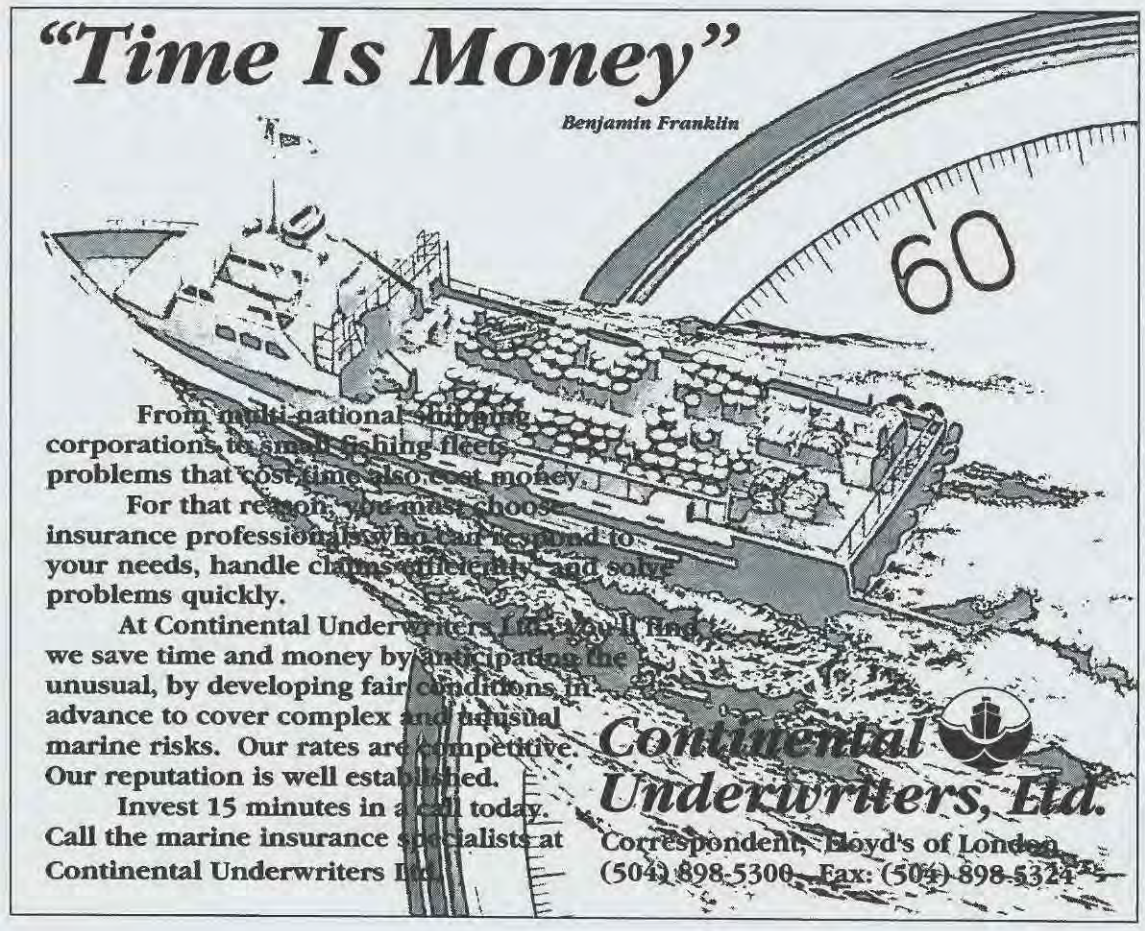
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Continued from previous page
Steinberg as chairman and chief executive officer of Frank B. Hall. Mr. Steinberg became chairman of the board's executive committee (*BI*, May 22, 1989).

International Risk Management Group

American Risk Management Corp., an operating unit of Bermuda-based International Risk Management Group, a Swiss Reinsurance Co. unit, considers its financial reinsurance consulting a growth area.

"We're still doing a lot of work in the primary casualty area, but financial reinsurance is something new that we haven't been heavily involved in in the past," said John J. Ryan, president of American Risk Management in Fort Lee, N.J.

Financial reinsurance encompasses products that allow a ceding company to reinsure liabilities for a premium less than the amount of liabilities transferred. The resulting recognition of future investment income can be used to strengthen loss reserves, increase earnings or reduce operating losses.

"They're an alternative mechanism for creating capacity for uninsurable and difficult-to-insure risks," Mr. Ryan said.

"They're in effect putting away some money over a long period of time to fund for the exposures in an orderly fashion," he said.

Under the long-term contracts involved in financial reinsurance, losses can be paid for up to 30 years. "It's anticipated that sufficient interest income will develop to pay the losses as they develop," Mr. Ryan explained. American Risk Management puts together financial reinsurance programs "with companies willing to do long-term programs," such as Bermuda-based Englewood Reinsurance Co., which is owned by Swiss Re and managed by American Risk Management, Mr. Ryan said.

International Risk Management Group also includes European Risk Management Ltd. of Weybridge, England.

The company does not disclose revenues, but estimates that about 40% of 1989 revenues were generated by risk management consulting, including 25% from continuous consulting, 5% from risk management audits and 10% from special risk management consulting projects.

An estimated 60% of revenues were derived from captive management services.

"Because of our international nature, we're doing a lot more work with companies in the U.S. that have been acquired by foreign companies," Mr. Ryan said.

Promotions at the company in 1989 included Michael Lusk to vp and Kathryn Westover to vp in the Vermont office.

Johnson & Higgins Risk Management Services

Johnson & Higgins Risk Management Services, which provides analytical and technical support for all branches of parent brokerage Johnson & Higgins, devoted a great deal of its resources to self-insurance consulting in 1989, particularly in the workers compensation area.

"We spent a lot of time on a self-insurance manual for the branches," outlining self-insurance programs and how to set them up, said Vp Joan B. Schaeffer.

"We look to be leaders in self-insurance in the '90s. Clients want to retain more of their risks, so we see it as a big growth area," said Ms. Schaeffer, who was promoted to manager of risk management services Jan. 1.

One new product—J&H's STAR, or Self-Insurance Technology and Resource System—is a "total managed approach to self-insurance" that assists the client "from soup to nuts," she said. The system includes feasibility studies, help with selection and monitoring of markets, claims management, loss control and actuarial help.

J&H continues to do "a lot of work in the captive area," particularly for single-parent captives, including feasibility studies and strategic planning, she said.

A decision last year by the 6th U.S. Circuit Court of Appeal that held that subsidiaries can deduct premiums paid to a parent's captive insurer (*BI*, Nov. 6, 1989; Aug. 7, 1989) "has given new life" to the captive movement, she said.

In addition, "there's a lot of interest" in forming European captives with the prospect of a single European market in 1992, Ms. Schaeffer said.

"We do quite a bit of actuarial consulting for captives and self-insurers. As more clients are retaining more risk, they recognize the value of actuarial analysis," Ms. Schaeffer said.

Another "hot button" is risk management information systems to help clients get "control over their data," she said. Recently, J&H helped develop a wrap-up insurance automation system for construction clients that issues certificates of insurance to subcontractors, she said.

New York-based J&H, which does not disclose its gross revenues, derived 25% of its risk management-generated revenues in 1989 from continuous consulting, 5% from audits and 70% from special consulting projects.

As of Jan. 1, Alan G. Page, a J&H senior vp, was promoted to director.

Continued on page 24

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Affiliates

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Progressive Risk Management Services Inc.

Beachwood, Ohio-based Progressive Risk Management Services Inc., the risk management consulting subsidiary of insurance group The Progressive Corp., established an in-house brokerage last year to provide one-stop shopping for its commercial clients.

The new brokerage, called Allied Insurance Agency, has developed relationships with other markets to place commercial coverages unavailable from Progressive affiliates, said Robert Fishman, vp of the insurer's consulting operation.

AIA will be a valuable service for the consultant's clients as well as Progressive policyholders, Mr. Fishman asserted. Now, "we cannot only provide consulting, but we can also place needed coverages and provide fronting services on our own paper if they're required and the opportunity is right," he explained.

"It gives us sort of a four-pronged attack: consulting, brokerage, fronting and underwriting," he said.

Progressive unit Progressive Casualty Insurance Co. is the fronting insurer for a captive providing blanket bond, directors and officers liability and errors and omissions coverage to the mutual fund industry. "We have no risk position but we're providing a great deal of services," Mr. Fishman said.

Progressive Risk Management also provides underwriting services for the American Bankers Assn.'s community bank program, which provides ABA members with fidelity bond and D&O coverages. Progressive Casualty writes this coverage on a non-fronting basis.

Property/casualty insurance company subsidiaries of Progressive, a property/casualty insurer and financial services holding company based in Beachwood, Ohio, wrote $1.3 billion in net premiums in 1989, according to A.M. Best Co. Progressive group members reported $2 billion in surplus as of Dec. 31, 1988.

Progressive Risk Management is "very interested in continuing to work with customers who are looking at self-insurance alternatives," Mr. Fishman said.

In some states, "we may have the ability to get a risk retention group off the ground a little faster," he said. For example, Progressive could serve as a fronting insurer, "by writing the insurance on Progressive paper and reinsuring back to the risk retention group itself," he said.

Progressive Risk Management has increased its staff, "so that when the market begins to turn, we'll be there to help," Mr. Fishman said.

About 3.4%, or $600,000, of Progressive Risk Management's 1989 gross revenues of $17.5 million were generated by risk management consulting. In 1988, risk management consulting accounted for $450,000 of total revenues.

Risk Management Inc.

Workers compensation and alternative risk financing have been the major growth areas for Risk Management Inc., a subsidiary of Jardine Emett & Chandler Inc.

"Our growth areas have been and continue to be workers compensation and alternative funding methodologies—self insurance, captives, investment credit plans," said Alan Troop, president of Los Angeles-based Risk Management Inc., which is changing its name to Jardine Risk Management Inc.

"What we're seeing is the public finally listening to what we've been preaching all these years," said Mr. Troop, who was named chief executive officer in January, replacing Steven P. Tiberg, who left the company.

"This year what we're doing more of than anything is workers comp," he said. "We're a specialty firm, and we operate on a fee basis. Most of the major brokers want to go after the large-ticket commission items, so we've been trying to concentrate in areas that others aren't."

While workers compensation is a large budget item for most corporations, it does not generate large commissions for risk management consultants, he explained.

"It's the area that's the most conducive to alternative methods" because it usually eats up a large portion of the risk management budget.

Many clients also are looking for alternative risk financing methods for pollution, directors and officers liability and bonding exposures. "The biggest problem is that the insurance marketplace has yet to come up with

Continued on next page

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an adequate supply of products to meet the demand," he said.

RMI has 50 clients, including 10 associations, a 25% increase from from 40 in 1988.

And, because of the increasing interest in alternative risk financing mechanisms, RMI has "raised the threshold" for minimum client risk management and insurance budgets to $1 million from $500,000, Mr. Troop said.

"At the $500,000 level, there's not much they qualify for in alternative methods of risk funding," he said.

RMI reported 1989 pure risk management consulting revenues of $3.8 million. RMI reported total revenues, including other services, of $5 million last year.

RMI derived about 55% of its revenues from continuous consulting and 20% from special risk management consulting projects. The remainder of its revenues were generated by captive management services.

RMI also has an office in Hamilton, Bermuda.

Sedgwick James Risk Management Services & Information Systems Division

Sedgwick James Risk Management Services & Information Systems Division, the risk management consulting arm of New York-based broker Sedgwick James Inc., saw a significant increase in the demand for actuarial services last year.

This increased interest primarily came from risk managers involved in self-insurance pools and trusts.

Such alternative financing mechanisms are "being more closely looked at by states with pending or proposed legislation requiring them to have loss reserves certified by an actuary on an annual basis," explained Robert C. Hug Jr., president of the consulting arm.

The firm also saw "a lot more interest in captives as a result of the Humana decision," Mr. Hug said, referring to a 6th U.S. Circuit Court of Appeals ruling that subsidiary companies' premium payments to captives owned by their parents are tax deductible (*BI*, Aug. 7, 1989). The firm also conducted "quite a few feasibility studies" for clients "who are on the fence now, looking seriously at how to structure a captive and take the tax deduction," he said.

"We continue to see pretty decent interest in self-insurance, particularly for workers comp, because of the growing residual market loads that insurers are adding to premiums they pass on to their clients," Mr. Hug pointed out.

A fourth area of growth for Sedgwick James Risk Management Services has been in developing customized risk management information systems for major clients, particularly international clients, Mr. Hug said.

Sedgwick James also provides risk management consulting clients loss control consulting, claims management and captive management services through three other units.

Sedgwick James Risk Management does not report annual revenues. However, the firm said that 97% of its 1989 gross revenues were derived from risk management consulting: 40% from continuous consulting, 5% from risk management audits and 52% from special risk management consulting projects.

About 3% of last year's revenues were derived from computer timesharing fees for risk management information systems.

Most of its 300 clients are Fortune 1,000 companies with risk management and insurance budgets between $1 million and $10 million.

Corporate consulting operations, which are conducted in major Sedgwick James locations throughout North America, are based in both in Short Hills, N.J., and at a new Nashville, Tenn., office headed by Executive Vp Richard M. Duvall.

In 1990, the consulting division will expand to the West Coast, Mr. Hug said.

Last year Mr. Hug replaced Jane Hill as president of Sedgwick James Risk Management. Ms. Hill was promoted to senior vp and Director of National Resources at Sedgwick James Inc.

Mr. Hug, who is also a senior vp of Sedgwick James Inc., is based in Memphis. ■

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Disaster planning

Continued from page 3

Painting and other manufacturing tasks could be done in another firm's factory, he said, but fabrication is the critical point in production.

But even within the fabrication unit, some equipment is more critical than the rest. If, for example, the failure of a particular milling machine will close the operation down, the garden machine maker could arrange to use another company's milling machine, Mr. O'Connell said.

A manufacturer's common fear—that operators at the emergency site may learn trade secrets—can be remedied legally, but the critical concern—that fabrication continue—has been addressed, said Mr. O'Connell.

He added, however, that simply having a disaster recovery plan that identifies choke points and suggests ways to avoid them isn't sufficient.

"If they're serious about a disaster recovery plan, they'll test it. Until you test it, you really don't have a plan," Mr. O'Connell said.

Knowing a contingency plan works, he stressed, is worth the added cost of, say, building a test batch of machines at an alternate site.

Such planning helps avoid "management by crisis," says Bruce H. Suter, vp of the risk management division of Stone & Webster Management Consultants Inc. of New York.

He recommends comprehensive studies to help companies minimize fallout from a disaster.

Under the direction of a planning officer—who "can be anybody"—teams including managers and engineers identify operational perils and gauge the likelihood of certain events, he explained.

To ensure quick and effective recovery, a company also needs a post-disaster plan, including assigning and monitoring responsibilities, said Mr. Suter.

Deloitte & Touche's Mr. O'Connell recommends reviewing the plans about every six months and updating them to reflect changes in exposure, such as a company installing new equipment. An outmoded plan can actually hamper recovery, he warned.

Planning aside, getting a company up and running after a disaster is not cheap, consultants agree.

"Obviously there are always budgetary restraints against advising a client to relocate a major facility into an area less subject to exposures such as power failure, exterior toxic exposure, earthquake, flood and/or severe weather," said Mr. Soper. "If these loss exposures are present and it is a critical facility, then it is important to incorporate strategy planning for a possible contingency move to an alternate location as a key facet of the crisis management program."

Computerized services from national real estate firms, he noted, can help companies meet temporary relocation needs.

"Such listings can be developed and assessed in less than a 24-hour period, thus allowing the client to maintain a 'fast track' schedule in re-establishing operations," he said.

The types of disaster anticipated by risk managers vary by region.

Earthquakes, for example, are a major concern of West Coast risk managers, but are not a major consideration for Midwest clients, said Michael R. Kaddatz, a principal of Advanced Risk Management Techniques Inc. of Laguna Hills, Calif.

And although risk managers and loss control officials in some regions of the country have to protect their property against extremely cold weather, Deloitte & Touche's Mr. O'Connell called that "a plant maintenance problem" rather than a major disaster planning concern.

But often the challenge facing a risk manager isn't responding to a natural disaster, but minimizing the risk of man-made disasters, said Richard S. Betterley, president of Worcester, Mass.-based Betterley Risk Consultants Inc.

Paper mills, he notes, cannot operate without a downstream pollution control facility to clean water mixed with wood pulp in the manufacture of paper. Federal and state regulators won't allow uncleaned water to be returned to its source and a plant would have to shut down if the pollution control facility is not operating, Mr. Betterley said.

"A small bottleneck in the manufacturing process can knock out the whole operation," he said. A malfunctioning $5 million unit can shut down a $500 million facility, he added.

To prevent such man-made disasters, "we sometimes steer the client back to itself, back to its own engineering people," Mr. Betterley said. Managers must implement and monitor solutions conceived by engineers, he said.

Risk managers also are concerned with such man-made disasters as the failure of data processing equipment and operations, consultants noted (see story, page 28).

ARM Tech's Mr. Kaddatz noted that public entities face different disaster planning problems than corporations.

One major question is how to respond to conflicting demands on public resources: If two fires are burning, where should the only available fire engine be sent?

To help answer such questions, Mr. Kaddatz suggests the municipalities create emergency committees that include the mayor or city manager and public safety and public works officials.

The committee's duties should include spelling out clearly who is in charge during a disaster and how committee members will interact with "site commanders," like fire or police officials in charge at specific locations, Mr. Kaddatz explained.

Risk management consultants agree that adequate insurance is essential to disaster recovery, but are quick to point out that even the best coverage does not solve all of a recovering company's problems.

Companies simply cannot buy insurance to protect market share, points out Mr. Albert of J.H. Albert.

And even West Coast companies are split on the value of earthquake insurance, said several consultants.

Mr. Kaddatz noted that last October's earthquake spurred new interest in earthquake insurance. But most of his clients that really needed the coverage had it long before the quake, Mr. Kaddatz said.

Interest in earthquake coverage increased after the quake, said Mr. Soper, but the high deductibles required cooled that enthusiasm somewhat.

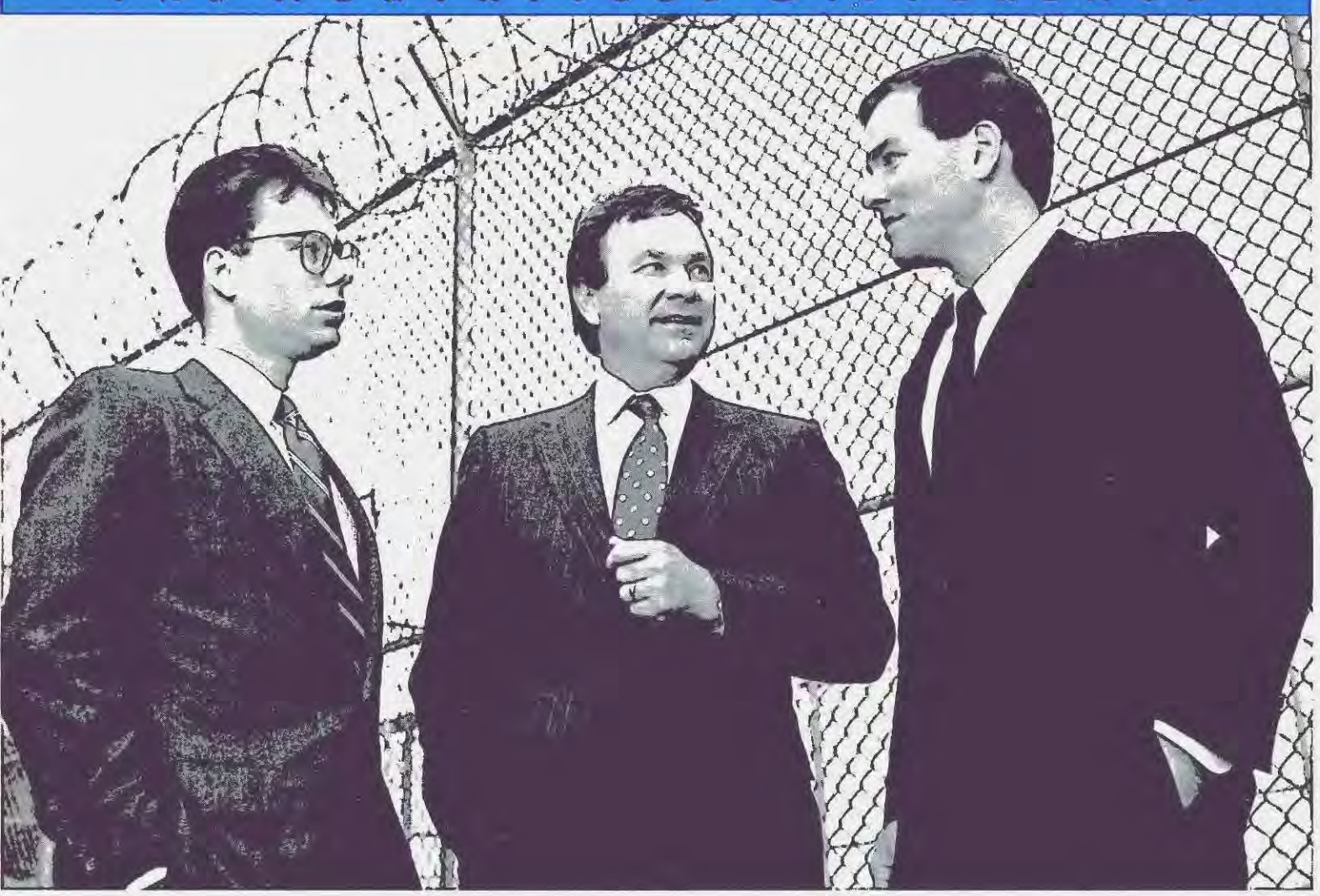
One often ignored area of disaster preparation, consultants say, is public relations.

When a disaster strikes, said Tillinghast's Mr. Kloman, the need for designated spokesmen can become particularly glaring if a disaster is due to corporate error or malfeasance rather than a natural force.

"Have a spokesperson for the organization who knows how to say, 'We made a mistake and here's how we're going to handle it,' " said Mr. Kloman. A spokesman, he said, should be trained to deal with the media, even to the point of facing a simulated hostile press conference.

Saying and doing nothing is "absolutely dead wrong," he added. ■

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Spotlight report

Computer crashes can be catastrophic

By MARK A. HOFMANN

The crash of an electronic data processing system can threaten some companies' business as surely as if an earthquake leveled corporate headquarters or a key manufacturing site.

While an earthquake or hurricane can constitute a major disaster, spilling coffee on a critical floppy disk can also cause a computerized catastrophe, said Wayne Seel, a senior vp with Anistics Inc., an Alexander & Alexander Services Inc. unit in San Francisco.

Even a few hours without electronic data processing services could cost financial services companies, like banks and stock brokerages, millions of dollars in revenue.

And, many other types of companies must suspend critical operations when computer-aided manufacturing and computer-aided design units stop working.

But disaster plans—including maintaining backup units, contracting for computer "hot sites," or alternative data processing centers that can perform needed functions should a company's primary computer facility become inoperable, and bolstering security arrangements—can help risk managers minimize the damage of data processing system shutdowns.

Plans should emphasize "protection and prevention," said Bruce S. McCallum, executive vp of Corporate Policyholders Counsel Inc., a risk management consultant in Park Ridge, Ill.

Mr. McCallum said features of such a plan include: a fire protection system using Halon or another suppressant; filtration and enhancement of power quality to guard against power surges and valleys; a guaranteed power supply to "maintain a stream of power so you can shut down gracefully"; a comprehensive security system; keeping a minimum of paper and other flammable material around the equipment; and data protection by "backup, backup, backup."

A "component failure impact analysis," which "identifies critical paths" of data flow so that potential trouble spots can be pinpointed, is the first step for companies seeking to protect data processing operations, said Mr. Seel of Anistics. He also recommends that data be backed up at least once a day.

But duplicating every bit of data daily is prohibitively expensive, says Tom Briggin, a Wyatt Co. consultant in San Francisco, so the relevant question for risk managers becomes: "What do you really need to have back" quickly, he said.

"Prioritize what you really need to back up," he said.

Clients of Advanced Risk Management Techniques Inc. are interested in establishing hot sites, said Michael J. Kaddatz, a principal with the Laguna Hills, Calif.-based firm.

However, he cautions companies interested in contracting for use of another company's computer systems that the other entities could well need the equipment at the same time.

In fact, conflict over emergency sites can emerge within a single organization, noted Glenn Giles, a regional property loss-control manager for New York-based Johnson & Higgins.

For instance, Mr.Giles recalls a client who planned to use another company facility down the street as a backup rather than install a sprinkler system at the primary site.

The manager at the second site, however, rejected the plan because his facility already was being asked to operate at 150% of its capacity, said Mr. Giles.

Computer manufacturers sometimes can help system users discuss acting as each other's backups, said ARM Tech's Mr. Kaddatz.

To avoid being caught short when a data processing center becomes unusable, utility companies generally have at least two data processing centers that use interchangeable hardware and software, said Bruce Suter, vp-risk management of Stone & Webster Management Consultants Inc. in New York.

And, for additional protection, utilities often make arrangements for backup support with companies in other industries with compatible computer systems.

There has been an "explosion" of interest in hot sites and cold sites, which are simply places in which hardware can be quickly installed and activated in case of a disaster, said Dave Peck, manager of the national property office of Johnson & Higgins in New York.

Felix Kolman, vp of the Tillinghast division of Towers, Perrin, Forster & Crosby Inc., adds that risk managers must ask themselves: Should we have a hot site? Can we afford it? Can we afford to be without it?

Hot sites are "not cheap," CPC's Mr. McCallum said, with some companies spending $25,000 a month to guarantee hot site availability.

However, hot sites can be worthless without adequate protection to telecommunication equipment linking the hot site with the company's other operations, he said. "It's probably easier to get the EDP equipment set up than the telecommunications."

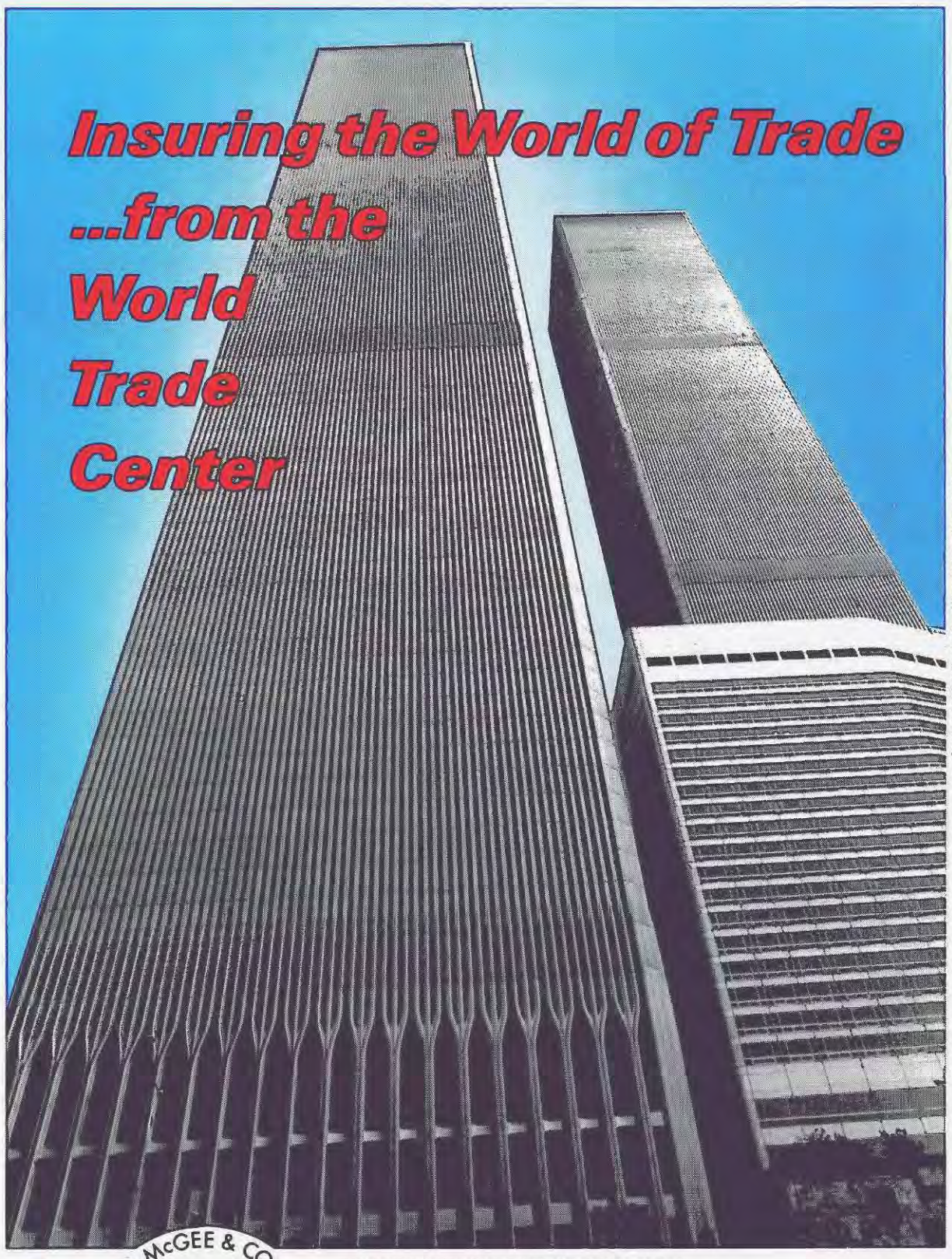
"There is an obvious heightened interest in computer hot sites. However, most frequently, budgetary limitations preclude this from being a reality within a crisis management plan," said Richard H. Soper of Soper & Associates in Palos Verdes Peninsula, Calif.

For cold sites to operate, he said, a corporation's hardware vendor must be able to equip the cold site immediately with compatible hardware and software. "This cold site approach is a compromise from the hot site recovery speed but has significant financial advantages from the standpoint of complying with budget restraints" because a cold site, where hardware is not installed until it is needed, is much less expensive than a hot site, where hardware is maintained whether or not it is needed.

Many consultants point out that corrupted data can render even the most effective computer relocation plans worthless.

To minimize chances of sabotage, access to data should be tightly restricted, said CPC's Mr. McCallum. And Anistics' Mr. Seel warns companies to protect against viruses by using only software from dealers.

"Never download anything from a bulletin board onto a local area network," he said. ■



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Underwriting member companies and surplus as of 9/89: The Ætna Casualty and Surety Company ($2.4 billion); American Home Assurance Company ($886 million); Continental Casualty Company ($3 billion); Federal Insurance Company ($1.4 billion); The Continental Insurance Company ($411 million); United States Fire Insurance Company ($691 million); General Star National Insurance Company ($37 million); The Home Insurance Company ($882 million); Insurance Company of North America ($814 million); Maryland Casualty Company ($756 million); NAC Reinsurance Corporation ($184 million); Royal Insurance Company of America ($293 million); The Travelers Indemnity Company ($1.9 billion); Zurich Insurance Company, U.S. Branch ($446 million).

Directory of risk management consultants

A

AIG Risk Management Inc.

70 Pine St., New York, N.Y. 10270; 212-770-7000

Year founded: 1974.
Parent company: American International Group Inc.
Services provided: 78% continuous consulting; 2% risk management audits; 7% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, insurance contract analysis, claims auditing, loss prevention audits, risk management organization studies, consulting on the design of risk management information systems, captive mergers and acquisitions, hospital loss-funding studies, actuarial IBNR reserve studies, feasibility studies for self-insured associations; occasional analysis of necessary insurance limits, accounting systems analysis, loss settlement assistance, preparation of specifications for bidding, quantitative analysis and statistical forecasting; 13% other services.
Specialties: Manufacturing, health care, transportation, municipalities, consumer products.
Locations: Atlanta, Boston, Dallas, Chicago, Cleveland, Houston, Philadelphia, Pittsburgh, Los Angeles, San Francisco, Seattle, London, Paris, Toronto.
Staff: 369 total; 41 professionals, including seven principal consultants, 15 consultants, nine actuaries, 10 analysts. Professional designations held by staff include 11 CPCUs, eight ARMs, five MBAs, four FCASs, four ACASs, two CLUs, six CSPs, one CIH.
Clients: 740 total clients; 1% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 34% $5 million-$10 million, 21% $10 million-$25 million, 9% exceeding $25 million; minimum size client, $250,000 risk and insurance budget.
Compensation: By the project, on retainer, by the hour.
1989 gross revenues: $104 million total, $90.9 million from risk management consulting.
Principal officers: Joseph C. Smetana, Frank Neuhauser Jr., James McDonald, Dominic Frederico, Michael Curio, Martin Banker, Joseph Cavolo and Edward Troy.

AJA Risk Management Consultants Inc.

500 Fifth Ave., New York, N.Y. 10110; 212-768-1919

Year founded: 1983.
Independent.
Services provided: 30% continuous consulting; 10% risk management audits; 60% special projects, including risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, accounting systems analysis, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Specialties: Captives, risk retention and purchasing groups.
Staff: Six total; three professionals, including one principal consultant, two consultants. Professional designations held by staff include one ACAS.
Clients: 10% with risk and insurance budgets $1 million-$5 million, 15% $5 million-$10 million, 25% $10 million-$25 million, 50% exceeding $25 million; minimum size client, $1 million risk and insurance budget. Clients include four associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $200; consultant, $150.
Principal officers: Ben Silberstein, president; Denise Berger, vp; Mary Beth Mullaney, senior underwriter.

AJZ Insurance Counselor Inc.

1945 Southfield, Birmingham, Mich. 48009; 313-644-2437

Year founded: 1985.
Independent.
Services provided: 10% continuous consulting; 60% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, consulting on the design of risk management information systems, contractor surety qualification; 10% other services.
Staff: Two total. Professional designations held by staff include one CPCU.
Clients: 50 total clients; 95% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million, no minimum size client. Clients include three associations.
Compensation: By the hour: principal consultant, $80.
1989 gross revenues: $120,000 total.
Principal officers: Angelo J. Zervos.

S.B. Ackerman Associates

605 Third Ave., New York, N.Y. 10158; 212-599-1717

Year founded: 1915.
Independent.
Services provided: 50% continuous consulting; 10% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; occasional captive feasibility studies, loss prevention audits, quantitative analysis and statistical forecasting; 30% other services.
Specialties: Associations, builders, conglomerates, government entities, hospitals, manufacturers.
Staff: 60 total; 32 professionals, including 12 principal consultants, 15 consultants, five analysts. Professional designations held by staff include one MBA, one CSP, one MD.
Clients: More than 100 total clients; 25% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 25% $5 million-$10 million, 25% $10 million-$25 million, 5% exceeding $25 million; minimum size client, $100,000 risk and insurance budget. Clients include six associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $250; consultant, $90; analyst, $70; clerical, $35.
Principal officers: Bernard A. Salwen, principal.
Membership: SRMC.

Aditex Inc.

2958 Brixham Road, North Vancouver, British Columbia V7H 1C4; 604-929-4391

Year founded: 1976.
Independent.
Services provided: 20% continuous consulting; 20% risk management audits; 35% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems, strategic review and operations analysis, education and training programs; occasional claims auditing, loss prevention audits, loss settlement assistance, quantitative analysis and statistical forecasting; 25% other services.
Specialties: Financial institutions, retail stores, manufacturers.
Staff: Two total; both professionals, including one principal consultant, one analyst. Professional designations held by staff include one CA, one AIIC.
Clients: 15 total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $80; analyst, $20.
Principal officers: Russell B. Sykes, president.

Advanced Insurance Management

33 N. Addison Road, Suite 100, Addison, Ill. 60101; 708-279-9219

Year founded: 1987.
Independent.
Services provided: 90% continuous consulting; 10% risk management audits; special projects include frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, review of workers compensation premium audits; occasional accounting systems analysis, preparation of specifications for bidding.
Specialties: Medium-sized manufacturers and contractors.
Staff: Three total; professionals include one principal consultant. Professional designations held by staff include one CPCU.
Clients: 10 total clients; 90% with risk and insurance budgets less than $1 million, 10% exceeding $25 million; minimum size client, $25,000 risk and insurance budget. Clients include one association.
Compensation: By the hour: principal consultant, $75; consultant, $50; clerical, $20.
1989 gross revenues: $80,000 total.
Principal officers: Edward J. Priz, president.

Advanced Risk Management Techniques Inc.

25251 Paseo de Alicia, Suite 100, Laguna Hills, Calif. 92653; 714-472-8324

Year founded: 1982.
Independent.
Services provided: 33% continuous consulting; 20% risk management audits; 39% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies,

Continued on page 32

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Guide to consultants' directory

The directory of risk management consultants lists companies that responded to a *Business Insurance* questionnaire. There is no charge to be included in the directory; however, firms must generate at least 50% or $500,000 of their revenues from pure risk management consulting in order to be listed.

Business Insurance defines risk management consulting as providing advice on risk management issues on a fee-for-service basis; this excludes activities such as publishing, claims administration, computer time sharing, consulting for insurers, captive management and employee benefit consulting.

Listings begin with the **year founded** and **parent company**. If noted as **independent**, the company is not affiliated with another seller of insurance or insurance services.

Companies were asked to supply information on **services provided** as a percentage of gross revenues:

- Continuous risk management consulting, which is serving as the risk management specialist for clients, providing continuous evaluation of the design and management of risk and insurance programs.
- Risk management audits, which are one-time complete reviews of clients' risk and insurance programs.
- Special risk management projects.
- Services other than risk management consulting.

If the company consults to a particular business segment, it is noted under the **specialty** heading; then, followed by wholly owned **locations** other than the home office.

Next, total **staff** members as well as professional staff members assigned to risk management consulting are reported in full-time equivalents. Number and size of current **clients**; how the company receives **compensation** for its services; and **1989 gross revenues**, when reported by the company, follow.

Names and titles of the company's **principal officers** and **membership** of at least one staff member in the Society of Risk Management Consultants (SRMC) complete the entries.

A geographical listing of firms follows the directory.

The information reported for each company is based of that company's responses to a *BI* questionnaire. *BI* is unable to verify all information contained in the directory.

Following are the full professional designations for those abbreviated under the staff heading:

AAA is Arbitrator, American Arbitration Assn.; **AAI** is Accredited Adviser in Insurance; **ACA** is Associate, Conference of Actuaries in Public Practice; **ACAS** is Associate, Casualty Actuarial Society; **ACII** is Associate of the Chartered Insurance Institute; **AIAF** is Associate in Insurance Accounting and Finance; **AIC** is Associate in Claims; **AICHE** is member, American Institute of Chemical Engineers; **AIIC** is Associate, Insurance Institute of Canada; **AIM** is Associate in Management; **AIU** is Associate in Underwriting; **ALCM** is Associate in Loss Control Management; **AMIM** is Associate in Marine Insurance Management; **APA** is Associate in Premium Audit; **ARM** is Associate in Risk Management; **ARP** is Associate in Research and Planning; **APA** is Associate in Premium Audits; **ASA** is Associate, Society of Actuaries; **ASCE** is member, American Society of Civil Engineers; **ASP** is Associate Safety Professional; **ASSE** is member, American Society of Safety Engineers; **AU** is Associate in Underwriting; **CA** is Chartered Accountant; **CAE** is Certified Assn. Executive; **CAI** is Certified Asbestos Inspector; **CAPP** is member, Conference of Actuaries in Public Practice; **CBA** is Chartered Bank Auditor; **CBC** is Certified Business Counselor; **CE** is Chemical Engineer; **CEBS** is Certified Employee Benefit Specialist; **CFA** is Chartered Financial Analyst; **CGWP** is Certified Ground Water Professional; **ChFC** is Chartered Financial Consultant; **CHMM** is Certified Hazardous Material Manager; **CIB** is Chartered Insurance Broker; **CIC** is Certified Insurance Counselor; **CIH** is Certified Industrial Hygienist; **CIPA** is Certified Insurance Premium Auditor; **CISA** is Certified Information Systems Auditor; **CLU** is Certified Life Underwriter; **CMC** is Certified Management Consultant; **CPA** is Certified Public Accountant; **CPCU** is Chartered Property Casualty Underwriter; **CPG** is Certified Professional Geologist; **CPIW** is member, Certified Professional Insurance Woman; **CPSM** is Certified Product Safety Manager; **CRM** is diploma in Canadian Risk Management; **CSE** is Certified Safety Executive; **CSI** is Certified Document Technologist, Construction Specification Institute; **CSIA** is Certified Self-Insurance Administrator; **CSP** is Certified Safety Professional; **CSS** is Certified Safety Specialist; **CST** is Certified Safety Technician; **EA** is Enrolled Actuary; **FCAS** is Fellow, Casualty Actuarial Society; **FCIA** is Fellow, Canadian Institute of Canada; **FIIC** Fellow, Insurance Institute of Canada; **FLMI** is Fellow, Life Management Institute; **FSA** is Fellow, Society of Actuaries; **LIA** is Licensed Insurance Adjuster; **LIC** is Licensed Insurance Consultant; **MAAA** is Member, American Academy of Actuaries; **MAIHA** is Member, American Industrial Hygiene Assn.; **MASCE** is Member, American Society of Civil Engineers; **MBA** is Masters of Business Administration; **MCAPP** is Member, Conference of Actuaries in Public Practice; **MD** is Medical Doctor; **NFPA** is member, National Fire Protection Assn.; **PE** is Professional Engineer; **PhD** is Doctor of Philosophy; **PSE** is Professional Safety Engineer; **RHU** is Registered Health Underwriter; **RN** is Registered Nurse; **SE** is Structural Engineer; **SFPE** is member, Society of Fire Protection Engineers.

Continued from page 30

analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, government pool and captive insurer performance audits, underground storage tank financial responsibility studies; occasional claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, consulting on the design of risk management information systems; 8% other services.

Specialties: Government agencies, health care, utilities, transit systems, developers, contractors and property owners, associations.

Locations: Sacramento, Calif.; Salt Lake City.

Staff: 20 total; 13 professionals, including five principal consultants, seven consultants, one analyst. Professional designations held by staff include four CPCUs, seven ARMs, three MBAs, one PE, one CIC, one attorney.

Clients: 125 total clients; 10% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 35% $5 million-$10 million, 15% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include 45 associations.

Compensation: By the project; by the hour: principal consultant, $165; consultant, $75-$165; actuary, $40-$75; analyst, $25-$40.

Principal officers: Richard R. Huntingdon, Steven P. Kahn, Michael M. Kaddatz, Gregory L. Trout and David M. McCleerey, principals.

Membership: SRMC.

Advanced Solutions Inc.

5655 Spalding Drive, Norcross, Ga. 30092; 404-246-1144

Year founded: 1986.

Parent company: Powell & Co.

Services provided: 25% continuous consulting; 5% risk management audits; 70% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, accounting systems analysis.

Specialties: Transportation, developers, manufacturers.

Staff: Eight professionals, including four principal consultants, four consultants. Professional designations held by staff include four CPCUs, three ARMs, four MBAs.

Compensation: By the project, on retainer.

Principal officers: Larry Powell, president; Bill Vaughn, senior vp.

J.H. Albert International Insurance Advisors Inc.

72 River Park, Needham, Mass. 02194; 617-449-2866

Year founded: 1967.

Continued on next page

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Who Should Attend

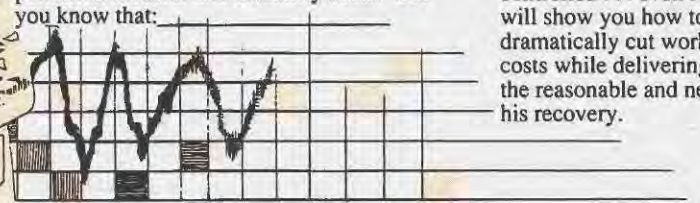
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Continued from previous page

Independent.

Services provided: 85% continuous consulting; 5% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, development of risk management manuals and management reports, drafting manuscript policy language, expert witness testimony; occasional captive feasibility studies, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, consulting on the design of risk management information systems.

Staff: 36 total; 29 professionals, including eight principal consultants, 21 consultants. Professional designations held by staff include 13 CPCUs, 11 ARMs, six MBAs, one CSP, one ALCM, two AIU, one attorney.

Clients: 420 total clients; 45% with risk and insurance budgets less than $1 million, 45% $1 million-$5 million, 5% $5 million-$10 million, 3% $10 million-$25 million, 2% exceeding $25 million; no minimum size client. Clients include six associations.

Compensation: By the hour: principal consultant, $150-300; senior consultant, $125-$135; staff consultant, $95; clerical services included.

1989 gross revenues: $4.1 million total.

Principal officers: Joseph H. Albert, president; Michael A. Rodman, George W. West, Thomas L. Atkins, Martin S. Berman, Stuart T. Cowart, Alfred H. Nagelberg and James W. Evans, vps.

Membership: SRMC.

Alderson Risk Management Inc.

7510 Maisons Court, Indianapolis, Ind. 46278; 317-875-0822

Year founded: 1990.

Independent.

Services provided: 80% continuous consulting; 10% risk management audits; 10% special projects, including frequent captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), loss prevention audits, loss settlement assistance, risk management organization studies.

Specialties: Manufacturing, hospitals, financial institutions, public entities.

Staff: One who is a principal consultant.

Clients: Estimated 25 total clients in 1990; 50% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million.

Compensation: By the project; by the hour: principal consultant, $150; clerical, $30.

Principal officers: Frank C. Alderson, president.

Membership: SRMC.

Aldrich & Cox Inc.

1900 Ridge Road, Buffalo, N.Y. 14224; 716-675-6300

Year founded: 1951.

Independent.

Services provided: 55% continuous consulting; 5% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, risk management organization studies, quantitative analysis and statistical forecasting; 30% other services.

Specialties: Manufacturers, retailers, health care facilities, educational institutions, municipalities.

Staff: 16 total; 11 professionals who are consultants. Professional designations held by staff include five CPCUs, three ARMs, one MBA, one CLU, one ALCM, one CEBS, two AMIMs, one ARP.

Clients: 65 total clients; 95% with risk and insurance budgets less than $1 million, 5% exceeding $25 million; no minimum size client.

Compensation: By the project; by the hour: consultant, $70-$125.

Principal officers: Charles H. Cox, president; James B. Hood Jr., executive vp; Michael B. Coyle, vp.

Membership: SRMC.

All Risks Ltd.

294 Broad St., Red Bank, N.J. 07701; 201-741-3450

Year founded: 1971.

Independent.

Services provided: 35% continuous consulting; 30% risk management audits; 25% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding, workers compensation audits, premium and classification audits, experience modification; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies; 10% other services.

Specialty: Public entities.

Staff: Two total; one professional who is a principal consultant.

Clients: 26 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; minimum size client, $50,000 risk and insurance budget. Clients include one association.

Compensation: By the project; on retainer; by the hour: principal consultant, $80-$100; clerical, $15.

1989 gross revenues: $100,000 from risk management consulting.

Principal officers: Hubert Farrow, president/principal consultant.

Alpha Risk Management Inc.

60 Cutter Mill Road, Great Neck, N.Y. 11021; 516-829-3500

Year founded: 1986.

Independent.

Services provided: 90% continuous consulting; 10% risk management audits; special projects include frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, risk management consulting prior to acquisitions; occasional claims auditing, loss prevention audits, accounting systems analysis, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Real estate, heavy manufacturing, heavy construction, distribution, oil and gas retail marketing, hotels, service industries.

Locations: Montreal.

Staff: Seven total; five professionals, including two principal consultants, one consultant, two analysts. Professional designations held by staff include one MBA, one CPA.

Clients: 20% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 30% $5 million-$10 million, 20% $10 million-$25 million; minimum size client, $400,000 risk and insurance budget.

Compensation: By the project, on retainer, by the hour.

Principal officers: Herbert Feldman, president; Frances Carleton and James Branigan vps.

Membership: SRMC.

Alpha Risk Management (Canada) Inc.

300 Saint Sacrament St., Montreal, Quebec H2Y 1X4; 514-844-1145

Year founded: 1981.

Parent company: Alpha Risk Management Inc.

Services provided: 90% continuous consulting; 10% risk management audits; special projects include frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, acquisitions, risk management consulting prior to acquisitions; occasional claims auditing, loss prevention audits, accounting systems

Continued on next page

PROGRAM AGENDA

Why are workers compensation medical costs out of control?

What has caused workers compensation medical costs to triple while consumer prices doubled during the past ten years? How has the relationship between medical and indemnity changed? We will explore the fundamental basis for this massive problem which includes medical, legal, moral, ethical and business issues.

How can state governments help?

What have states done to mitigate the problem? What can they do? How are insurers and employers responding to state workers compensation legislation activities? We will explore in depth some of the potential regulatory measures which can be taken to control medical costs.

How can a single systems approach make a dramatic difference?

For the first time there is a completely integrated software solution developed specifically for the control of workers compensation medical expense. The system, CS-Plus Managed Care, was developed by Corporate Systems in association with Republic RSB and six other leading suppliers of cost containment technology. During this session, we will explore the various components of the system and how it can benefit employers, insurers and the medical community.

What do users of this system have to say?

"Seeing is believing!" In this session, we will hear from actual users of CS-Plus Managed Care. We will discuss critical issues including how the system was applied and the actual results which were achieved.

How can the system be implemented to fit your individual needs?

How can you and your organization receive the benefit of CS-Plus Managed Care? This session will explain the various ways the system can be implemented, from direct access to third party interface.

What other services are required to achieve maximum cost savings?

The software is only one component of a totally integrated workers compensation medical cost containment solution. Integrated with this system are personal services available to assist the injured employee, such as Medical Case Management. There are also effective ways for the medical community to participate through Peer and Utilization Reviews. PPO's can be established as a value added service.

Some of the organizations associated with CS-Plus Managed Care will provide reviews of the types of related services and products which will complete this "Single-Source Solution."

Hands-On Demonstrations

For those who want to experience the product personally, you will have an opportunity to visualize a live demonstration of the modules available through this dynamic new system.

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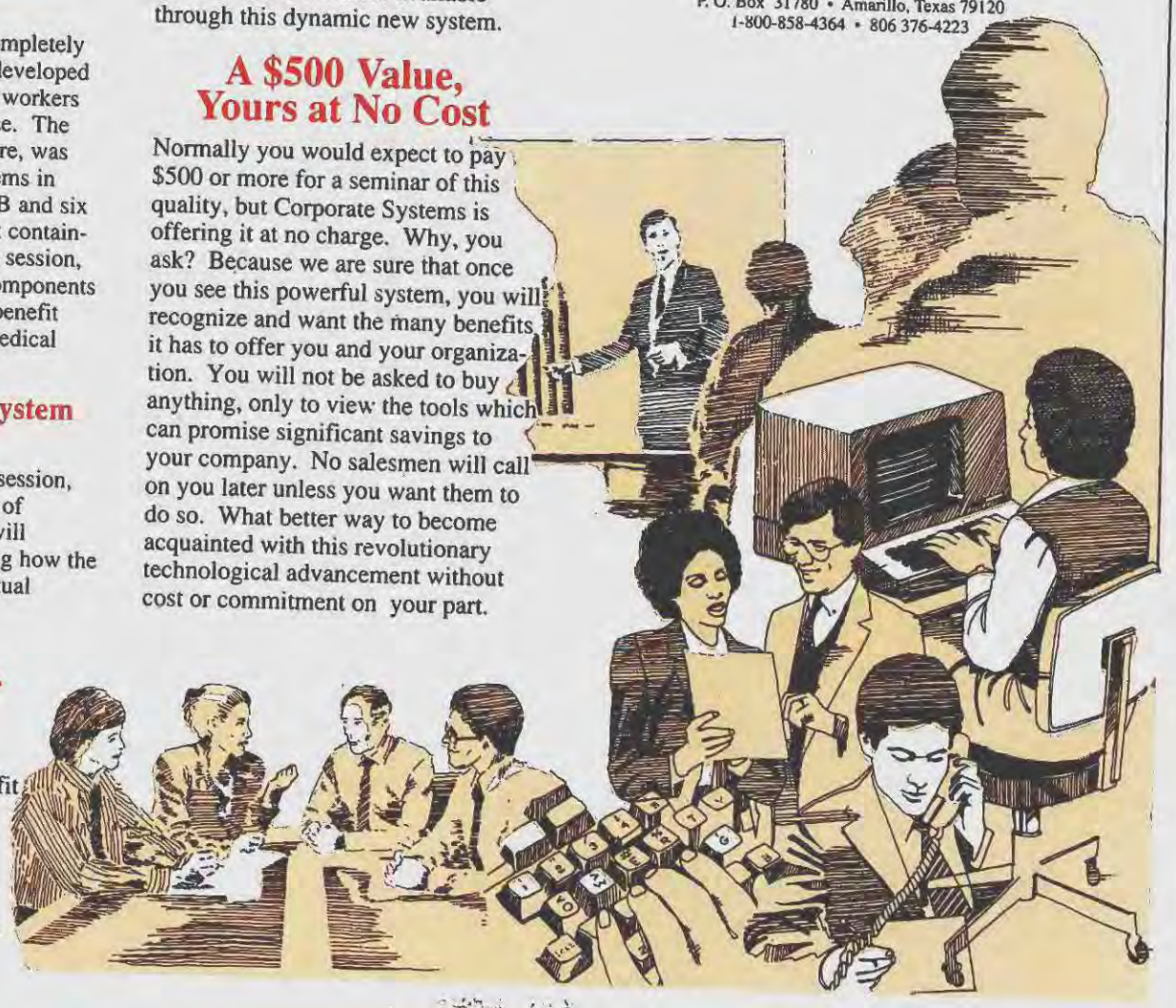
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Continued from previous page
analysis, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Retail, real estate, manufacturing, importers and exporters.

Staff: Four total; three professionals, including two principal consultants, one analyst. Professional designations held by staff include one MBA, one CPA.

Clients: 75% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million, 10% $5 million-$10 million.

Compensation: By the project, on retainer, by the hour.

Principal officers: Judy Scott and Herbert Feldman, managing directors.

Membership: SRMC.

Ambel Consultation Services Inc.

111 John St., New York, N.Y. 10038; 212-513-7722

Year founded: 1981.

Parent company: AANA Holding Co. Inc.

Services provided: 1.75% continuous consulting; 1.75% risk management audits; 31.5% special projects, including frequent captive feasibility studies, assessment of broker service and remuneration, reinsurance pricing and litigation support services for captives; occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss settlement assistance, consulting on the design of risk management information systems; 65% other services.

Specialties: Purchasing groups, captives, risk retention groups.

Locations: Woodbury, N.Y.; Hamilton, Bermuda.

Staff: 11 total; professionals include three principal consultants, two consultants, two analysts. Professional designations held by staff include two CPCUs, three MBAs, one CPA.

Compensation: By the hour.

Principal officers: Andrew Barile, chairman; Edward Mallozzi, president.

American Risk Managers Inc.

Suite 4, The Sanderson Building, Hamilton, Ala. 35570; 205-921-7979

Year founded: 1979.

Independent.

Services provided: 35% continuous consulting; 20% risk management audits; 45% special projects, including risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting.

Staff: Six total staff members; including two principal consultants, one consultant.

Clients: 63 total clients; 100% with risk and insurance budgets less than $1 million; minimum size client, $50,000 risk and insurance budget. Client include one association.

Compensation: By the hour: principal consultant, $100; consultant, $75; clerical, $15.

1989 gross revenues: $275,000 from risk management consulting.

Principal officers: Walter D. Haney and Walter D. Haney Jr., partners.

American Risk Services Inc.

Suite A-418, 3033 Campus Drive, Minneapolis, Minn. 55441-2620; 612-559-7300

Year founded: 1979.

Independent.

Services provided: 77% continuous consulting; 5% risk management audits; 8% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, accounting systems analysis, assessment of broker service and remuneration, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, consulting on the design of risk management information systems; 10% other services.

Specialties: Medical device manufacturers, health care, professional sports teams, political subdivisions, trucking, property management.

Staff: Six total; three professionals, including two principal consultants, one consultant.

Clients: 37 total clients; 85% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million; minimum size client, $100,000 risk and insurance budget.

Compensation: By the project; on retainer; by the hour: principal consultant, $100; consultant, $80; clerical, $25.

Principal officers: Mark T. Flaten, president; John R. Simacek, vp.

Anistics

220 E. 42nd St., New York, N.Y. 10017; 212-972-9600

Year founded: 1970.

Parent company: Alexander & Alexander Inc.

Services provided: 36% continuous consulting; 9% risk management audits; 45% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; 10% other services.

Specialties: Multinational companies, health care, utilities, public entities.

Locations: Atlanta; Dallas; San Francisco; Toronto; London; Sydney, Australia.

Staff: 80 total; 60 professionals, including 13 principal consultants, 12 consultants, two actuaries, 33 analysts. Professional designations held by staff include one CPCU, eight ARMs, seven MBAs, one FCAS, one PhD, one FSA, one CFA.

Continued on page 36

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Continued from page 34

Clients: 420 total clients.

Compensation: By the project; on retainer; by the hour: principal consultant, $250; consultant, $150-$200; actuary, $200-$250; analyst, $50-$100.

Principal officers: Karen G. Foley, national director; Harry L. Shuford, director-financial consulting; Wayne E. Seel, director-systems consulting; Thomas V. Ealy, director-sales/marketing; Alan Punter, managing director-London office; Bernard Fung, managing director-Toronto office.

Applied Risk Control Corp.

100 Dutch Hill Road, Suite 214,
Orangeburg, N.Y. 10962;
914-365-2444

Year founded: 1985.
Independent.
Services provided: 80% continuous consulting; 15% risk management audits; 3% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems, educational seminars; occasional accounting systems analysis, quantitative analysis and statistical forecasting; 2% other services.

Locations: Atlanta, Los Angeles.

Staff: 15 total; 10 professionals, including three principal consultants, six consultants, one analyst. Professional designations held by staff include two ARMs, one MBA, three CSPs, one attorney.

Clients: 100 total clients; 5% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million, 40% $5 million-$10 million, 5% $10 million-$25 million; minimum size client, $250,000 risk and insurance budget. Clients include two associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $105; consultant, $85.

Principal officers: Harry P. Mirijanian, president.

Applied Risk Insurance Services Inc.

25241 Paseo De Alicia, Suite 100,
Laguna Hills, Calif. 92653;
714-770-8867

Year founded: 1984.
Independent.
Services provided: 6.25% continuous consulting; 12.5% risk management audits; 31.25% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies; occasional analysis of necessary insurance limits, insurance contract analysis, claims auditing, tax analysis, litigation support; 50% other services.

Specialty: Captives.

Staff: Three total; two professionals, including one principal consultant, one analyst. Professional designations held by staff include one CPCU, one ARM, one MBA.

Clients: 10 total clients; 40% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 10% $5 million-$10 million, 10% $10 million-$25 million, 10% exceeding $25 million; minimum size client, $500,000 risk and insurance budget. Clients include five associations.

Compensation: By the project; commissions for insurance placed with underwriters; by the hour: principal consultant, $150; analyst, $60; clerical, $35.

Principal officers: Duane E. Allen, president.

Armour Riley Inc.

6725 Airport Road, Suite 702,
Mississauga, Ontario L4V 1V2;
416-672-0555

Year founded: 1972.
Independent.
Services provided: 55% continuous consulting; 30% risk management audits; 15% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, loss settlement assistance, expert witness testimony, insurance studies for government agencies.

Staff: Five total; professionals include one principal consultant, three consultants. Professional designations held by staff include one AIIC.

Clients: 80% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million, 5% $5 million-$10 million; minimum size client, $100,000 risk and insurance budget.

Compensation: By the hour: principal consultant, $225; consultant, $180.

1989 gross revenues: More than $400,000 total.

Principal officers: Peter Armour, president.

Membership: SRMC.

Associated Consultants Inc.

P.O. Box 636, Park Ridge, Ill.
60068; 708-297-0500

Year founded: 1981.
Independent.
Services provided: 90% continuous consulting; 10% special projects, including frequent preparation of specifications for bidding; occasional loss prevention audits, loss settlement assistance.

Specialties: Wholesale and distribution, real estate, manufacturing, construction.

Staff: Six total; professionals include one principal consultant, two consultants.

Clients: 62 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million. Clients include eight associations.

Compensation: By the project; by the hour: principal consultant, $125; consultant, $85; analyst, $75; clerical, $30.

Principal officers: Robert K. Nelson, president.

Membership: SRMC.

Assured Risk Management Services

3375 Park Ave., Suite 2000A,
Wantagh, N.Y. 11793;
516-579-6108

Year founded: 1988.

Continued on page 39



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Continued from page 36

Independent.

Services provided: 15% continuous consulting; 10% risk management audits; 50% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 25% other services.

Specialty: Transportation, real estate, manufacturing, construction.

Locations: Philadelphia.

Staff: Six total; four professionals, including three principal consultants, one consultant. Professional designations held by staff include one CPCU.

Clients: 21 total clients; 80% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 10% $5 million-$10 million; no minimum size client.

Compensation: By the project, on retainer, by the hour.

Principal officers: John J. Wenz, president; John B. Wenz, executive vp/secretary.

AuditRate Inc.

60 W. Superior St., Chicago, Ill. 60610; 312-944-2000

Year founded: 1966.

Parent company: Alper Services Inc.

Services provided: 10% continuous consulting; 50% risk management audits; 10% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss settlement assistance; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies; 30% other services.

Specialties: Manufacturers and distributors.

Staff: Eight total; six professionals, including two principal consultants, one consultant, three analysts. Professional designations held by staff include one CPCU, two ARMs, one CSP, one AU.

Clients: 100 total clients; 95% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million; minimum size client, $25,000 risk and insurance budget.

Compensation: By the project; on retainer; by the hour: principal consultant, $190; consultant, $135; analyst, $90; clerical, $35.

1989 gross revenues: $325,000 total.

Principal officers: Howard C. Alper, president; Richard A. Swoik, vp.

B

R.L. Beeckman & Co. Inc.

1523 Court St., Saginaw, Mich. 48602; 517-791-4545

Year founded: 1985.

Independent.

Services provided: 97.5% continuous consulting; 0.5% risk management audits; 2% other services.

Staff: Five total staff members; three professionals, including two principal consultants, one consultant. Professional designations held by staff include two CPCUs, one ARM, one CIPA, one APA, one AIAF.

Clients: 90 total clients; 88% with risk and insurance budgets less than $1 million, 12% $1 million-$5 million. Clients include five associations.

Compensation: By the hour: principal consultant, $100; consultant, $50; clerical, $25.

1989 gross revenues: $355,000 total, $350,000 from risk management consulting.

Principal officers: Richard L. Beeckman, president.

Douglas Bell Associates Inc.

2031 Sacramento, Fort Lauderdale, Fla. 33326; 305-384-1539

Year founded: 1984.

Independent.

Services provided: 90% continuous consulting; 10% risk management audits; special projects include frequent risk retention analysis (including self-insurance studies), insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional analysis of necessary insurance limits, claims auditing, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Staff: Two total; one professional who is a principal consultant.

Clients: 40% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million, 10% $5 million-$10 million; no minimum size client.

Compensation: By the hour: principal consultant, $100-$150; clerical, $25.

Principal officers: Douglas Bell, chairman.

Max Bernstein Co.

555 California St., Suite 4490, San Francisco, Calif. 94104; 415-981-3510

Year founded: 1986.

Independent.

Services provided: 30% continuous consulting; 30% risk management audits; 40% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional loss prevention audits, loss settlement assistance.

Staff: Three total; two professionals who are principal consultants. Professional designations held by staff include one MBA.

Clients: 25 total clients; 30% with risk and insurance budgets less than $1 million, 70% $1 million-$5 million. Minimum size client, $500,000 risk and insurance budget.

Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $100.

1989 gross revenues: $175,000 total.

Principal officers: Max Bernstein, president.

Betterley Risk Consultants Inc.

446 Main St., Worcester, Mass. 01608; 508-754-1704

Year founded: 1932.

Independent.

Services provided: 47% continuous consulting; 30% risk management audits; 17% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, claims management organizational studies, strategic planning for captives and risk retention groups; occasional loss prevention audits, accounting systems analysis, loss settlement assistance; 6% other services.

Affiliate: Betterley Risk Consultants (Bermuda) Ltd., Hamilton, Bermuda .

Staff: 15 total; 10 professionals, including five principal consultants, three consultants, two analysts. Professional designations held by staff include two CPCUs, two MBAs, two CMCs, two CICs.

Clients: 100 total clients; 20% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million, 35% $5 million-$10 million, 10% $10 million-$25 million, 10% exceeding $25 million; no minimum size client. Clients include 15 associations.

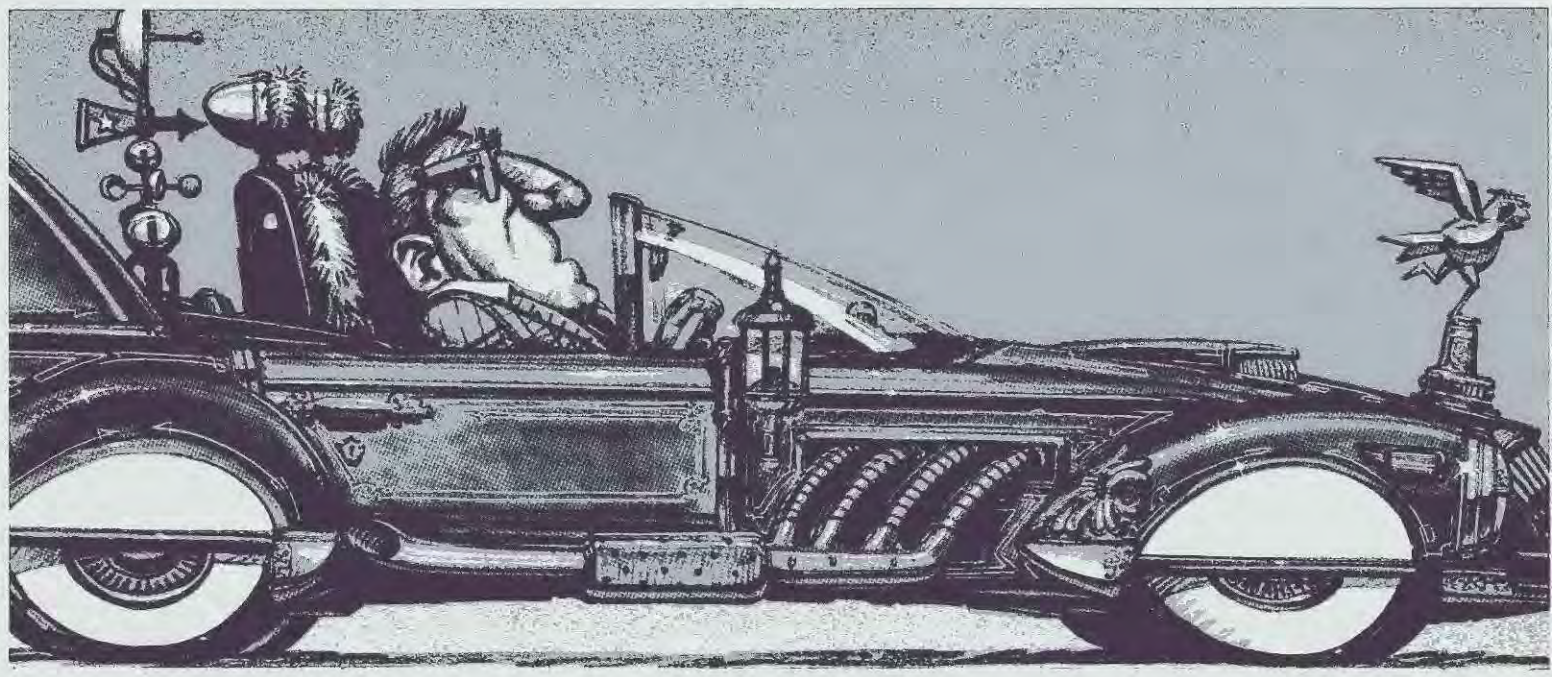
Compensation: By the hour: principal consultant, $175-$215; consultant, $100-$135; analyst, $70-$90; clerical, $35.

1989 gross revenues: $1.3 million total, $1.27 million from risk management consulting.

Principal officers: Richard S. Betterley, president; Mark P. Charron, executive vp; David A. Tweedy

Continued on next page

Designing customized workers' comp cost containment isn't as simple as some people think.



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Continued from previous page
and Jane Y. Rastallis, senior consultants.

Membership: SRMC.

Blades & Macaulay

2444 Morris Ave., P.O. Box 188, Union, N.J. 07083; 201-687-3735

Year founded: 1926.
Independent.
Services provided: 60% continuous consulting; 20% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting.

Staff: Six total; four professionals, including two principal consultants, two consultants. Professional designations held by staff include one attorney.

Clients: 30 total clients; 20% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 30% $5 million-$10 million, 10% $10 million-$25 million, 10% exceeding $25 million. Clients include three associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $150-$180; consultant, $100-$135; clerical services included.

Principal officers: Arthur Macaulay Jr. and John J. Crout, partners.

Membership: SRMC.

T.E. Brennan Co.

330 E. Kilbourn Ave., Suite 750, Milwaukee, Wis. 53211; 414-271-2232

Year founded: 1895.
Independent.
Services provided: 80% continuous consulting; 10% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of specifications for bidding, expert witness testimony; occasional captive feasibility studies, claims auditing, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Staff: 14 total; 10 professionals, including eight principal consultants, two consultants. Professional designations held by staff include three CPCUs, two ARMs, two MBAs, two attorneys, one CPA, one CE.

Clients: 25% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million, 10% $5 million-$10 million, 10% $10 million-$25 million, 5% exceeding $25 million.

Compensation: By the hour: principal consultant, $95-$150; consultant, $60-$90; clerical, $35.

1989 gross revenue: At least $1 million.

Principal officers: John Hayes, chairman/chief executive officer/treasurer; Thomas E. Gold, president; J. William Foran, vp; Daniel J. Sapiro, secretary.

Membership: SRMC.

Brownlow Associates Inc.

P.O. Box 498, Western Springs, Ill. 60558; 708-246-5225

Year founded: 1986.
Independent.
Services provided: 81% continuous consulting; 9% special projects, including loss settlement assistance, preparation of specifications for bidding; 10% other services.

Specialty: Financial institutions.

Staff: Two total; one professional who is a principal consultant and analyst.

Clients: 16 total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client. Clients include one association.

Compensation: By the project; by the hour: principal consultant, $150.

Principal officers: J.S. Brownlow Jr., president.

Larry W. Buck & Associates Inc.

820 Gessner, Suite 890, Houston, Texas 77024; 713-467-4701

Year founded: 1977.
Independent.
Services provided: 90% continuous consulting; 4% risk management audits; 4% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies; 2% other services.

Specialty: Real estate developers and managers, not-for-profit agencies.

Staff: Four total; two professionals. Professional designations held by staff include one AAI.

Clients: 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million.

Compensation: By the hour; principal consultant and consultant, $200.

Principal officers: Larry W. Buck, president; N. Richard Nagel, vp.

Membership: SRMC.

Ken Buhler Associates Inc.

11 Erita Lane, Smithtown, N.Y. 11787; 516-360-3770

Year founded: 1976.
Independent.
Services provided: 45% continuous consulting; 45% special projects, including frequent loss prevention audits, preparation of specifications for bidding, property appraisals, sprinkler system design and analysis; occasional analysis of necessary insurance limits, loss settlement assistance, consulting on the design of risk management information systems; 10% other services.

Staff: Four total; professionals include one principal consultant, two consultants, one analyst. Professional designations held by staff include one PE.

Clients: 10% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 40% $5 million-$10 million, 20% $10 million-$25 million, 10% exceeding $25 million. Clients include four associations.

Compensation: By the project, on retainer, by the hour.

Principal officers: Ken Buhler, president; Randy Buhler, vp; Sandy Relkin, secretary/treasurer.

C

CBK Consulting Corp.

855 Valley Road, Clifton, N.J. 07013; 201-773-5506

Year founded: 1979.

Continued on page 42

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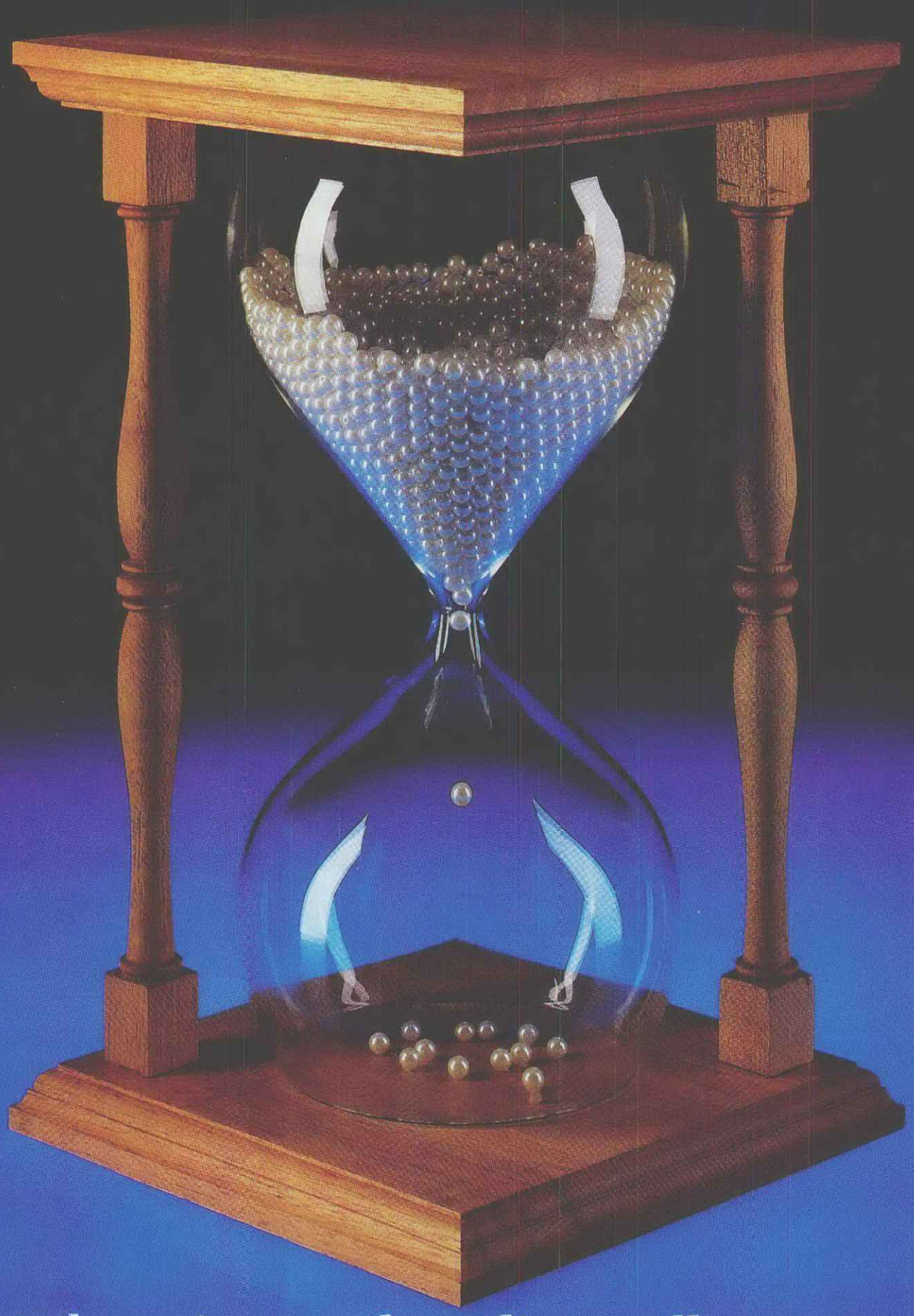
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Continued from page 40

Independent.

Services provided: 90% continuous consulting; 5% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Staff: Professionals include one principal consultant, one consultant. Professional designations held by staff include one CPCU.

Clients: 75% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million; minimum size client, $250,000 risk and insurance budget.

Compensation: On retainer.

1989 gross revenues: $350,000 from risk management consulting.

Principal officers: J. Scott Klein, president.

CSB Consulting Service

P.O. Box 274, Wheatland, Wyo. 82201; 307-322-3736

Year founded: 1988.

Independent.

Services provided: 64% continuous consulting; 12% risk management audits; 4% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Public entities, business and financial institutions.

Clients: 100% with risk and insurance budgets less than $1 million.

Compensation: By the project, on retainer, by the hour.

Principal officers: C. Scott Bednasek.

Capell Industrial Risk Management Inc.

955 Horsham Road, Suite 205, Horsham, Pa. 19044; 215-441-5561; 800-622-7355 outside Pennsylvania

Year founded: 1978.

Independent.

Services provided: 72.25% continuous consulting; 4.25% risk management audits; 8.5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding, consulting on the design of risk management information systems, analysis of prior policies for pollution coverage, liability claims analysis; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, risk management organization studies, quantitative analysis and statistical forecasting; 15% other services.

Specialties: Coatings, chemicals, developers, construction.

Locations: Dublin, Pa.

Staff: Four total; professionals include one principal consultant, one consultant, one analyst.

Clients: 61 total clients; 85% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million; no minimum size client. Clients include three associations.

Compensation: By the project; commissions for insurance placed with underwriters; on retainer; by the hour: principal consultant, $165.

1989 gross revenues: $536,375 total, $465,600 from risk management consulting.

Principal officers: James W. Capell, president.

Carabillo Consulting Co.

P.O. Box 10009, West Hartford, Conn. 06110; 203-236-2095

Year founded: 1980.

Independent.

Services provided: 20% continuous consulting; 50% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, loss prevention audits, accounting systems analysis, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 20% other services.

Specialties: Trucking, cable television, municipalities, manufacturing, construction.

Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations held by staff include two ARMs, one MBA, one CIC.

Clients: 20 total clients; 75% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million; no minimum size client.

Compensation: By the project; by the hour: principal consultant, $100; consultant, $85.

Principal officers: Vincent J. Carabillo, president.

Cardinal Insurance Services Inc.

656 Tam Court, Winter Springs, Fla. 32708; 407-699-6471

Year founded: 1989.

Independent.

Services provided: 75% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss settlement assistance, formation of new insurance/reinsurance companies, litigation support; occasional loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, preparation of specifications for bidding, consulting on the design of risk management information systems; 25% other services.

Locations: Daytona Beach, Fla.

Staff: Five total; two professionals who are principal consultants. Professional designations held by staff include two attorneys.

Clients: Three total clients; all with risk and insurance budgets less than $1 million; no minimum size client.

Compensation: By the hour: principal consultant, $50-$100.

Principal officers: Michael S. Barranco, president/chief executive officer; John V. Doyle, general counsel.

Caronia Corp.

395 N. Service Road, Melville, N.Y. 11747; 516-845-5000

Year founded: 1969.

Independent.

Services provided: 5% continuous consulting; 10% risk management audits; 5% special projects, including frequent claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, risk assessments of mergers and acquisitions, frequency and severity studies; occasional risk retention analysis (including self-insurance studies), insurance contract analysis, accounting systems analysis, assessment of broker service and remuneration, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 80% other services.

Specialties: Health care industry, self-insured companies.

Locations: Houston; Dallas; Bakersfield, San Francisco and Orange, Calif.; Phoenix; St. Louis; New Orleans; Orlando, Tampa and Miami, Fla.; Atlanta; Louisville, Ky.; Nashville, Tenn.; District of Columbia; Chicago; Bedford, N.H.; Albany, N.Y.; Denver.

Staff: 158 total. Professional designations held by staff include one ARM, one MBA, six attorneys, 31 RNs.

Clients: 60 total clients; 50% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 10% $5 million-$10 million, 10% $10 million-$25 million, 10% exceeding $25 million; no minimum size client. Clients include four associations.

Compensation: By the project; on

Continued on next page



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Continued from previous page
retainer; by the hour: principal consultant, $125; consultant, $100; analyst, $75.

Principal officers: Charles A. Caronia, president; Carl Ferdenzi, Joseph J. Costantino and Randall Brent, executive vps.

The Center for Sports Law & Risk Management Inc.

8080 N. Central Expressway, Suite 400, Dallas, Texas 75206; 214-360-9691

Year founded: 1986.
Independent.
Services provided: 19% continuous consulting; 52% risk management audits; 4% special projects, including frequent analysis of necessary insurance limits, loss prevention audits; occasional insurance contract analysis, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; 25% other services.
Specialty: Sports, recreation and entertainment industries.
Staff: One staff member who is an attorney.
Clients: 25 total clients; 100% with risk and insurance budgets less than $1 million. Clients include five associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
Principal officers: Ronald L. Baron, executive director.

Charlesworth & Associates

P.O. Box 12830, Overland Park, Kan. 66212; 913-451-4730

Year founded: 1977.
Independent.
Services provided: 70% continuous consulting; 20% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting.
Specialties: Municipalities, hospitals, schools, manufacturing.
Staff: Four total; two professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, two ARMs, one CLU, one AU.
Clients: 30 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $75; consultant, $60.
Principal officers: Art Charlesworth and Bob Charlesworth.

City Side Associates Inc.

180 S. Gannon Ave., Staten Island, N.Y. 10314; 718-494-5786

Year founded: 1981.
Independent.
Services provided: 75% continuous consulting; 5% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, claims auditing, loss settlement assistance, risk management organization studies, consulting on the design of risk management information systems; occasional insurance contract analysis, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, preparation of specifications for bidding, quantitative analysis and statistical forecasting; 15% other services.
Specialty: Hospitals.
Staff: Six total; three professionals, including one principal consultant, two consultants. Professional designations held by staff include one ARM, one MBA, two FCASs.
Clients: Nine total clients, all associations; 90% with risk and insurance budgets $1 million-$5 million, 10% $5 million-$10 million; minimum size client, $500,000 risk and insurance budget.
Compensation: By the project, on retainer.
Principal officers: Ralph Carnesecchi, president; Kenneth Richman, vp.

Commercial Insurance Alternatives Inc.

3022 N. Saint Helena Highway, Suite 8, Saint Helena, Calif. 94574; 707-963-2400

Year founded: 1985.
Independent.
Services provided: 75% continuous consulting; 20% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies; 5% other services.
Specialties: Transportation, recreation, chemical, medical.
Staff: Eight total; six professionals, including two principal consultants, two consultants, two analysts. Professional designations held by staff include two CPCUs, one ARM, one MBA, one attorney, one CPA.
Clients: 11 total clients; 40% with risk and insurance budgets less than $1 million, 60% $1 million-$5 million. Clients include four associations.
Compensation: By the project, on retainer.
1989 gross revenues: $750,000 total.
Principal officers: E. Richard Crebs, president/owner.

Commercial Risk Consultants Inc.

55 W. Queensway, Suite 206, Hampton, Va. 23669; 804-723-0254

Year founded: 1979.
Independent.
Services provided: 60% continuous consulting; 30% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, consulting on the design of risk management information systems.
Specialties: Municipalities, school boards, transportation, trucking, marine, stevedoring, heavy manufacturing.
Locations: Richmond, Va.
Staff: Four total; two professionals who are principal consultants. Professional designations held by staff include two CPCUs, two ARMs, one CSP, one CLU.
Clients: 38 total clients; 60% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 10% $5 million-$10 million.
Compensation: By the project, on retainer, by the hour.
Principal officers: John W. Newby, president; Richard F. O'Hare, vp.

CONFIRM Inc.

P.O. Box 265, Albany, N.Y. 12201; 518-426-9301

Year founded: 1989.
Independent.
Services provided: 25% continuous consulting; 25% risk management audits; 50% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies.
Specialties: Educational institutions, health-related facilities, contractors, long-term vehicle leasing.
Staff: Two total; both professionals, including one principal consultant, one consultant.
Clients: 14 total clients; 100% with risk and insurance budgets less than $1 million; minimum size client, $50,000 risk and insurance budget.
Compensation: By the project; on

Continued on next page



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Continued from previous page

retainer; by the hour: principal consultant, $100; consultant, $75; clerical, $25.

Principal officers: James P. Faughnan Jr., president.

Consulting Retirees Insurance & Benefits Inc.

Room 17, 3100 N. Knoxville Ave., Peoria, Ill. 61603; 309-685-4400

Year founded: 1987.
Independent.
Services provided: 45% continuous consulting; 22.5% risk management audits; 22.5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, accounting systems analysis, loss settlement assistance, risk management organization studies; 10% other services.

Staff: 27 part-time consultants; all professionals, including two principal consultants, 22 consultants, three analysts. Professional designations held by part-time staff include 10 CPCUs, three ARMs, three MBAs, two CLUs.

Clients: 21 total clients; 95% with risk and insurance budgets less than $1 million, 5% $10 million-$25 million.

Compensation: By the project; commissions for insurance placed with underwriters; on retainer; by the hour.

1989 gross revenues: More than $500,000 total.

Principal officers: Arne Carlson, president.

Coopers & Lybrand-Casualty Actuarial & Risk Management Consulting

1251 Ave. of the Americas, New York, N.Y. 10020; 212-536-2000

Year founded: 1898.
Parent company: Coopers & Lybrand.
Independent.
Services provided: 10% continuous consulting; 20% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional consulting on the design of risk management information systems; 50% other services.

Locations: Atlanta; Boston; Chicago; Newport Beach, Calif.; Philadelphia; San Francisco; Seattle; Toronto; Vancouver, British Columbia; Melbourne, Australia; Hamilton, Bermuda.

Staff: 118 total; 59 professionals, including six principal consultants, eight consultants, 22 actuaries, 23 analysts. Professional designations held by staff include eight CPCUs, 10 ARMs, 16 MBAs, 29 FCASs, two CSPs, 15 ACASs, one CLU, one attorney, one Ph.D.

Clients: 725 total clients; 5% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million, 35% $5 million-$10 million, 30% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include 130 associations.

Compensation: By the project; by the hour: principal consultant, $250-$400; consultant, $165-$300; actuary, $180-$350; analyst, $100-$175; clerical, $30-$50.

1989 gross revenues: $14.8 million total, $6.9 million from risk management consulting.

Principal officers: James Hall, managing partner; Dennis Cartwright, Richard Fallquist, Frederick Kist, Orin Linden, Terry O'Brien, Robert Paterson, Richard Sherman and Oakley Van Slyke, partners; Glenn Evans, Mitchell Frankel, Wendy Johnson, Timothy Kolojay, Lester Lowenstein, Herbert Phillips, James Robertson and Richard Zatorski, directors.

Membership: SRMC.

Copper Roof Management Inc.

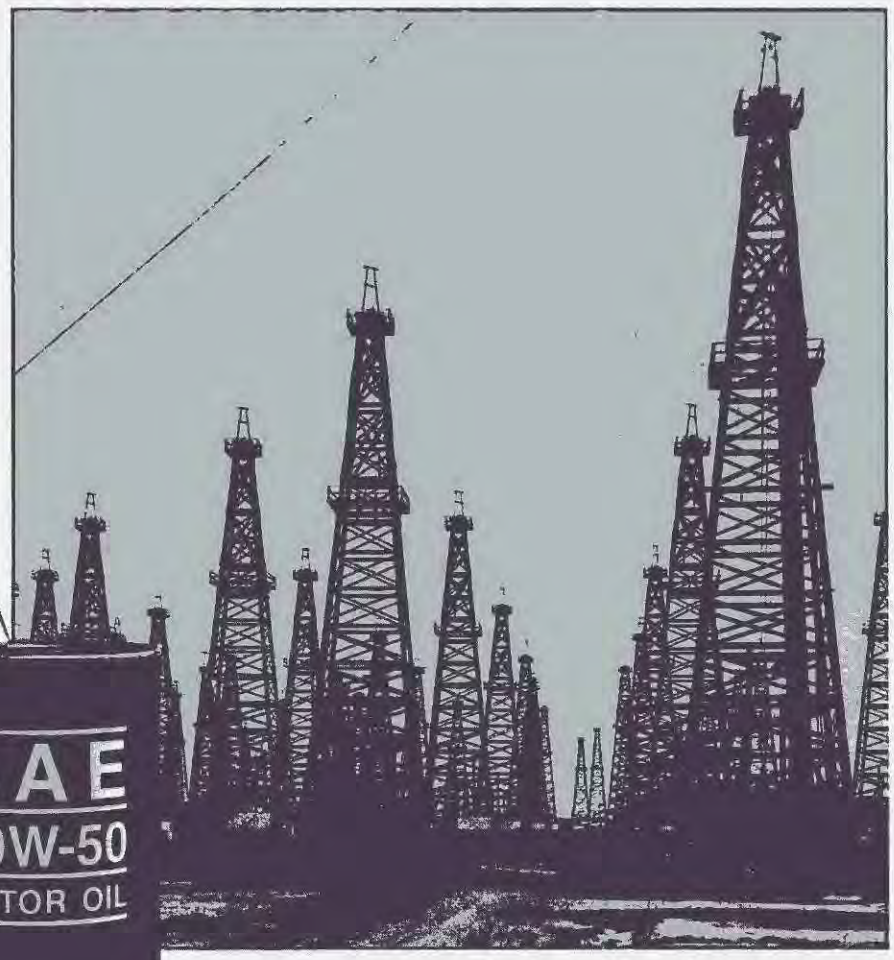
107-1365 Howe St., Vancouver, British Columbia V6Z 1R7; 604-669-0456

Year founded: 1980.
Independent.
Services provided: 40% continuous consulting; 40% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, municipal risk assessments, environmental audits; occasional captive feasibility studies, claims auditing, consulting on the design of risk management information systems.

Specialty: Municipalities, govern-

Continued on page 46

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Tampa: Suite 205B, 3300 Henderson Blvd., Tampa, FL. 33609 (813) 877-3360

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ment entities, financial institutions, captives.

Locations: Redmond, Wash.

Staff: Five total; four professionals, including one principal consultant, one consultant, one actuary, one analyst. Professional designations held by staff include two MBAs.

Clients: 60% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million. Clients include one association.

Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $125; actuary, $125; analyst, $100.

Principal officers: Erika D. Sabo, president.

Corporate Advisors Inc.

910 Skokie Blvd., Northbrook, Ill. 60062; 708-564-5820

Year founded: 1970.
Independent.

Services provided: 5% continuous consulting; 5% risk management audits; 50% special projects, including frequent captive feasibility studies, loss settlement assistance, quantitative analysis and statistical forecasting; occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; 40% other services.

Specialties: Railroad, transportation, pharmaceutical, chemical.

Staff: Three total. Professional designations held by staff include one PE.

Clients: 35 total clients; 10% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 40% $5 million-$10 million, 20% $10 million-$25 million, 20% exceeding $25 million; no minimum size client.

Compensation: By the project; by the hour: principal consultant, $150-$200.

1989 gross revenues: $225,000 total.

Principal officers: Louis W. Biegler, president; William L. Biegler, vp; C.M. Murphy, vp/secretary.

Corporate Policyholders Counsel Inc.

1460 Renaissance Drive, Suite 305, Park Ridge, Ill. 60068-1331; 708-298-1770

Year founded: 1898.
Independent.

Services provided: 25% continuous consulting; 30% risk management audits; 45% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, expert witness testimony, merger studies; occasional loss prevention audits, accounting systems analysis, loss control seminars.

Specialties: Utilities, financial institutions, contractors, manufacturers, health care, associations.

Staff: 16 total; 11 professionals, including five principal consultants, four consultants, two analysts. Professional designations held by staff include two CPCUs, two ARMs, one MBA.

Clients: 345 total clients; no minimum size client. Clients include 22 associations.

Compensation: By the project; by the hour: principal consultant, $145-$200; consultant, $100-$130; analyst, $75-$100; clerical, $40-$45.

Principal officers: Ronald E. Seaver, chairman; Bruce S. McCallum, executive vp; Steven A. Coombs, president; Robert J. Trompeter, vp.

Membership: SRMC.

Corporate Risk Consultants

24370 Northwestern Highway, Southfield, Mich. 48075; 313-358-1100

Year founded: 1976.
Parent company: Meadowbrook Inc.

Services provided: 45% continuous consulting; 5% risk management audits; 50% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis; occasional claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting.

Specialties: Manufacturers, bowling alleys, pharmacies, lawyers, municipalities, school boards.

Locations: Boca Raton, Fla.; Hamilton, Bermuda.

Staff: 15 total; five professionals assigned to risk management consulting. Professional designations held by staff include five CPCUs, two ARMs, one MBA, one CLU, two CPAs, one CA, one attorney.

Clients: 22 total clients; 50% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million.

Continued on page 48

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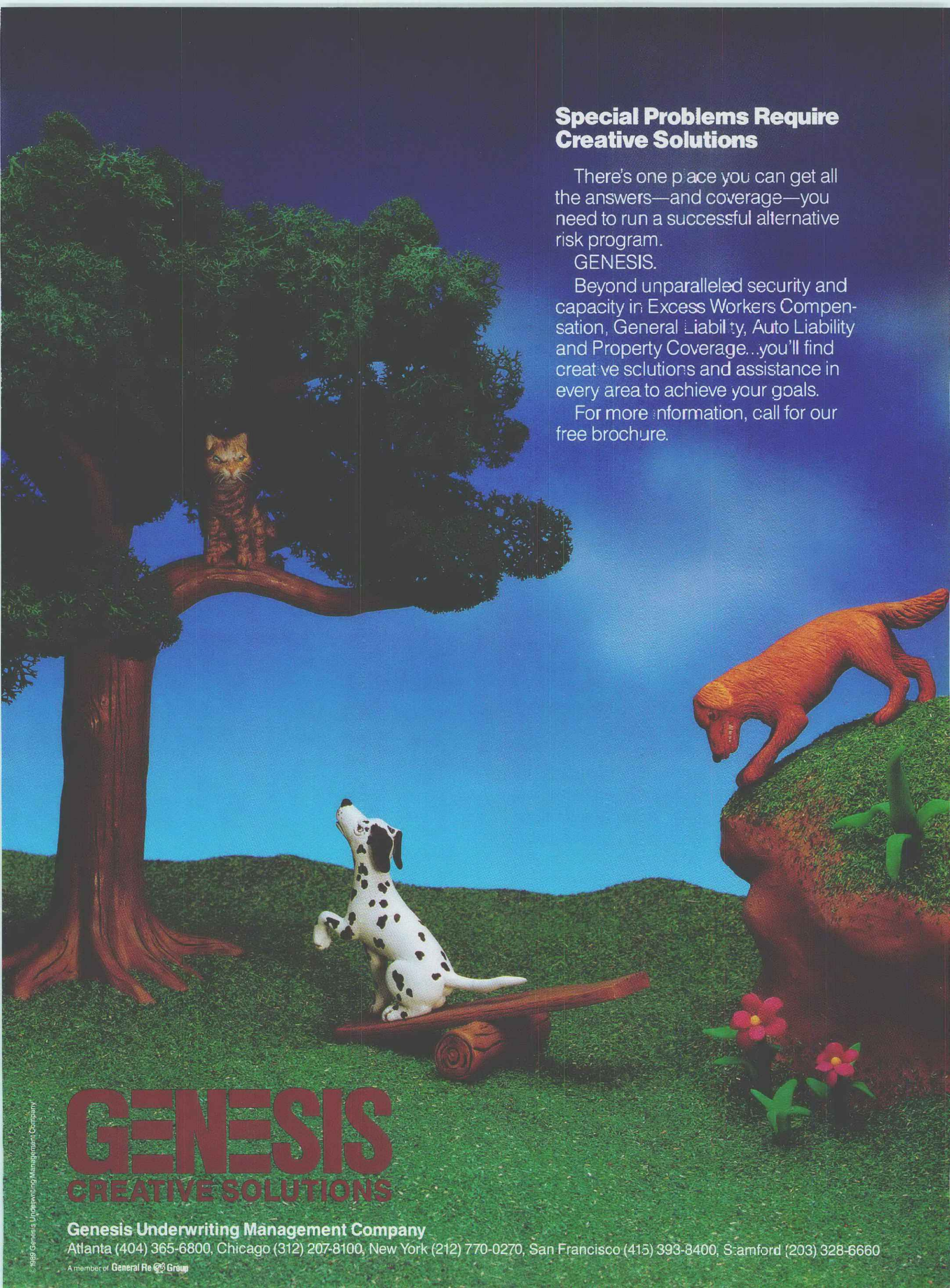
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Continued from page 46

Compensation: By the project, on retainer.

1989 gross revenues: $1.3 million total.

Principal officers: Merton J. Segal, president; Robert A. Engle, vp; Lee F. Kelly and Larry Kraus.

Corporate Risk Management Inc.

350 E. Ogden Ave., Westmont, Ill. 60559; 708-920-0000

Year founded: 1978.

Services provided: 21% continuous consulting; 15% risk management audits; 24% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies; 40% other services.

Specialties: Manufacturers, contractors, asbestos removal, automotive and trucking industries.

Staff: Nine total; four professionals, including one principal consultant, three consultants. Professional designations held by staff include one CPCU, one ARM, one MBA, one AAI.

Clients: 45 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; minimum size client, $55,000 risk and insurance budget.

Compensation: By the project; on retainer; by the hour: principal consultant, $200; consultant, $125; clerical, $30.

Principal officers: Robert A. Wilson, president; Ronald S. Barclay, vp.

Corporate Risk Management Inc.

505 Fenton Place, Charlotte, N.C. 28207; 704-335-0185

Year founded: 1978.

Independent.

Services provided: 60% continuous consulting; 20% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Staff: Five total; four professionals, including two principal consultants, one consultant, one analyst. Professional designations held by staff include one CPCU, one ARM.

Clients: 40 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $100; consultant, $80; clerical, $40.

1989 gross revenues: More than $250,000 total.

Principal officers: William B. Heeney, president; Mark S. Moss, vp.

Corporate Risk Managers Inc.

7525 Mitchell Road, Suite 109, Eden Prairie, Minn. 55344; 612-937-8942

Year founded: 1974.

Independent.

Services provided: 95% continuous consulting; 4% risk management audits; 1% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; occasional captive feasibility studies, quantitative analysis and statistical forecasting.

Staff: Nine total; professionals include five principal consultants, two consultants, one analyst. Professional designations held by staff include two CPCUs, one ARM, one CSP, one PE.

Clients: 94% with risk and insurance budgets less than $1 million, 4% $1 million-$5 million, 2% $5 million-$10 million; minimum size client, $20,000 risk and insurance budget. Clients include one association.

Compensation: On retainer, by the hour.

Principal officers: Burdell R. Wessels, president; Dale H. Noved, vp; Brian G. Colway, assistant vp.

Corroon & Black Advanced Risk Management Services

One Commerce Place, Suite 1500, Nashville, Tenn. 37239; 615-271-1600

Year founded: 1905.

Parent company: Corroon & Black Corp.

Services provided: 18% continuous consulting; 2% risk management audits; 30% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, quantitative analysis and statistical forecasting, actuarial analysis, risk retention group feasibility studies; occasional analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems.

Specialties: Health care, transportation, construction.

Staff: 86 total; 26 professionals, including eight principal consultants, four consultants, 10 actuaries, four analysts. Professional designations held by staff include seven CPCUs, five ARMs, nine MBAs, one FCAS, one ACAS, two Ph.D.s, two attorneys, one CPA.

Clients: 5% with risk and insurance budgets less than $1 million, 45% $1 million-$5 million, 25% $5 million-$10 million, 20% $10 million-$25 million, 5% exceeding $25 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $200-$300; consultant and actuary, $100-$125; analyst, $75; clerical, $35.

Principal officers: James V. Davis, chairman; Manny D. Buzzell, vice chairman; Donald K. Heim, president; Lucian P. Laborde Jr., president-consulting division; Corbette S. Doyle, president-national accounts division.

Crain Langner & Co.

20575 Center Ridge Road, Suite 318, Cleveland, Ohio 44116; 216-333-7622

Year founded: 1939.

Independent.

Services provided: 75% continuous consulting; 20% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, expert witness testimony.

Specialties: Health care institutions, government entities, manufacturers, service industries.

Staff: Five total; four professionals, including three principal consultants, one consultant. Professional designations held by staff include three CPCUs, two ARMs, two CLUs, one CPA.

Clients: 112 total clients; 90% with risk and insurance budgets less than $1 million, 8% $1 million-$5 million, 2% $10 million-$25 million; no minimum size client. Clients include one association.

Compensation: On retainer, by the hour: principal consultant, $140.

1989 gross revenues: $416,000 total.

Principal officers: David A. Langner, president; Thomas E. Borror and Kenneth R. Butler, vps.

Membership: SRMC.

Continued on next page

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When the Board asks,



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Continued from previous page

Creative Risk Concepts International

6114 LaSalle Ave., Suite 355, Oakland, Calif. 94611; 415-531-9150

Year founded: 1985.
Independent.
Services provided: 5% continuous consulting; 45% risk management audits; 50% special projects, including frequent captive feasibility studies, formation of risk retention groups and captives; occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding.
Staff: Two total; both professionals and principal consultants. Professional designations held by staff include two CPCUs, two ARMs, one MBA.
Clients: 90% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million, 5% $5 million-$10 million; no minimum size client. Clients include one association.
Compensation: By the hour: principal consultant, $175-$200.
1989 gross revenues: $150,000 total.
Principal officers: Donn P. McVeigh, managing director; Herbert L. Cunningham, associate consultant.

Crouch Insurance Consulting Inc.

600 Congress, Suite 1290, Austin, Texas 78701; 512-320-7299

Year founded: 1982.
Independent.
Services provided: 50% continuous consulting; 10% risk management audits; 40% special projects, including frequent assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Specialty: Real estate owners and managers.
Locations: Houston.
Staff: Three total; professionals include one principal consultant. Professional designations held by staff include one CIC.
Clients: Clients include two associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
1989 gross revenues: $491,591 total.
Principal officers: Gregory K. Crouch, president.

Robert M. Currey & Associates Inc.

30 Rowes Wharf, Boston, Mass. 02110; 617-330-7670

Year founded: 1982.
Independent.
Services provided: 60% continuous consulting; 20% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance.
Staff: Nine total; five professionals, including three principal consultants, one consultant, one analyst. Professional designations held by staff include one CPCU, one ARM, two attorneys.
Clients: 40 total clients; 25% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 30% $5 million-$10 million, 5% $10 million-$25 million, 5% exceeding $25 million. Clients include three associations.
Compensation: By the project; on retainer; by the hour.
Principal officers: Robert M. Currey, president; Sharon S. Mohney, vp; Martha E. Murphy, assistant vp.

Curtner Risk Management Inc.

1616 17th St., Denver, Colo. 80202; 303-628-5556

Year founded: 1983.
Independent.
Services provided: 50% continuous consulting; 20% risk management audits; 25% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, insurance policy search for archeological reasons, pollution liability and long-tail coverage evaluation; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 5% other services.
Specialties: Cable television, manufacturing, oil and gas.
Staff: Two total staff members; both professionals, including one principal consultant, one consultant. Professional designations held by staff include one ARM, one MBA.
Clients: Nine total clients; 40% with risk and insurance budgets less than $1 million, 55% $1 million-$5 million, 5% $5 million-$10 million. Clients include one association.
Compensation: By the project; by the hour: principal consultant, $85-$100; consultant, $45-$60.
Principal officers: Walter R. Curtner, president.

Cygnet Associates

687 Sequoia Valley Road, Mill Valley, Calif. 94941; 415-388-1049

Year founded: 1989.
Independent.
Services provided: 100% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, loss prevention audits; occasional risk management organization studies, analysis of necessary insurance limits, insurance contract analysis, accounting systems analysis, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Specialties: Professional engineering, environmental contractors.
Staff: Three professionals who are principal consultants. Professional designations held by staff include one ACA, one ACII.
Compensation: By the project.
1989 gross revenues: Less than $100,000.
Principal officers: Scott A. McKown, David R. Joliffe, S. Lee Nelson.

D

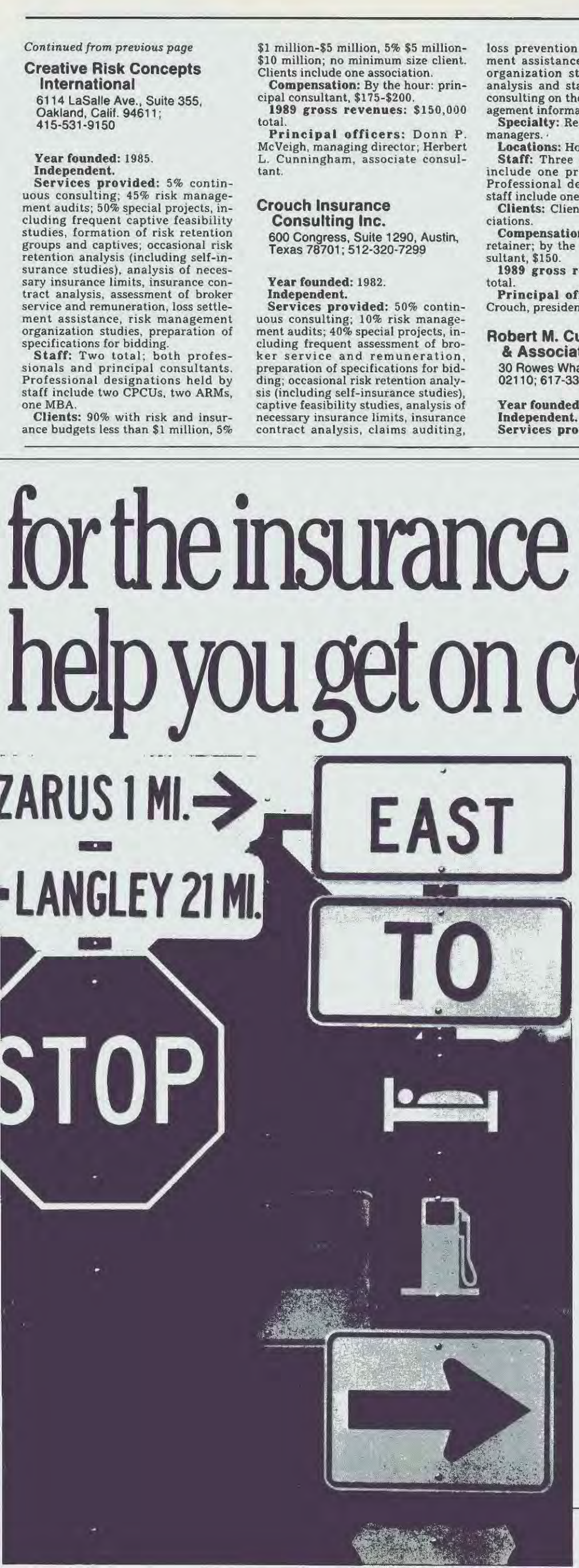
Deloitte & Touche-Casualty Actuarial & Risk Management Consulting Services

2001 Bryan Tower, Suite 2400, Dallas, Texas 75201-2170, 214-220-8890; 1 State St., Hartford, Conn. 06103-3195, 203-522-1300

Year founded: 1989.
Independent.
Services provided: 30% continuous consulting; 20% risk management audits; 50% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, disaster recovery planning, business interruption claims; occasional captive feasibility studies, loss prevention audits, consulting on the design of risk management information systems.
Specialties: Energy, chemicals, restaurant chains, health care, public sector, insurance, retail.

Continued on next page

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Continued fro previous page

Locations: New York; Minneapolis; Washington, D.C.; Chicago; Calgary and Toronto, Canada.

Staff: 55 total; 48 professionals, including 12 principal consultants, 16 consultants, 10 actuaries, 10 analysts. Professional designations held by staff include eight MBAs, five FCASs, three ACASs, 10 CPAs, five CMCs.

Clients: More than 400 total clients; 20% with risk and insurance budgets less than $1 million, 30% with $1 million-$5 million, 30% with $5 million-$10 million, 10% with $10 million-$25 million, 10% exceeding $25 million; no minimum size client. Clients include 20 associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $175-$300; consultant, $110-$175; actuary, $150-$300; analyst, $60-$125; clerical, $30-$50.

1989 gross revenues: $8.13 million total.

Principal officers: William D. O'Connell, Mark J. Sobel, Vincent C. Cali, Jan A. Lommele and Larry Moeller, partners.

Kevin F. Donoghue & Associates

200 Lincoln St., Boston, Mass. 02111-2496; 617-482-7015

Year founded: 1970.
Independent.
Services provided: 80% continuous consulting; 15% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Contractors, manufacturers, retailers, wholesalers, municipalities, schools, pharmaceutical and leisure industries.

Staff: 18 total; 11 professionals, including seven principal consultants, four consultants. Professional designations held by staff include four CPCUs, two ARMs, one MBA.

Clients: 180 total clients; 65% with risk and insurance budgets less than $1 million, 25% with $1 million-$5 million, 7% with $5 million-$10 million, 3% with $10 million-$25 million; minimum size client, $50,000 risk and insurance budget. Clients include two associations.

Compensation: By the hour: principal consultant, $175-$200; consultant, $80-$150.

Principal officers: Kevin P. Donoghue, president; Dwight E. Levick, executive vp; Wesley B. Rowe, Joseph F. Boyle and Joseph B. McWilliams, senior vps; P. David Sullivan, Richard G. Healy, Charles A. Willgohs, vps.

Membership: SRMC.

Dupre Associates

7766 Isis Ave., Los Angeles, Calif. 90045; 213-410-0203

Year founded: 1985.
Independent.
Services provided: 40% continuous consulting; 10% risk management audits; 50% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, consulting on the design of risk management information systems.

Locations: San Francisco and Sacramento, Calif.; Phoenix, Ariz.; Portland, Ore.

Staff: Eight total; professionals include four principal consultants, two consultants, one actuary, one analyst. Professional designations held by staff include one CPCU, one ARM, two MBAs, one CSP, one ASA, one MAAA.

Clients: Seven total clients; 60% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million; no minimum size client. Clients include one association.

Compensation: By the project; on retainer; by the hour: principal consultant, $200; consultant, $150; actuary, $180; analyst. $75; clerical, $35.

Principal officers: James Dunlop, Jonathan Chapman, Ralph Korn and Larry Coate.

Dynamac Corp.- Environmental Risk Management Division

2 Executive Drive, Fort Lee, N.J. 07024; 201-944-1177

Year founded: 1970.
Independent.
Services provided: 1% continuous consulting; 54% special projects, including frequent environmental loss prevention audits, environmental health and safety compliance studies; occasional consulting on the design of risk management information systems; 45% other services.

Locations: Rockville and Lexington Park, Md.; Philadelphia; Arlington, Va.; Research Triangle Park, N.C.; Atlanta; Ada, Okla.; Camarillo, Santa Clara and Sacramento, Calif.; Wiesbaden, West Germany.

Staff: 480 total; 100 professionals. Professional designations held by staff include 10 MBAs, nine PEs, seven PGs, 10 HMMs.

Clients: 30 total clients; 5% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million, 5% $5 million-$10 million, 10% $10 million-$25 million, 75% exceeding $25 million; no minimum size client. Clients include one association.

Compensation: By the hour: principal consultant, $100-$150; consultant, $75-$100; analyst, $50-$75; clerical, $30-$45.

1989 gross revenues: $45 million total, $23 million from risk management consulting.

Principal officers: Diana MacArthur, chairman; Allan Hirsch, president; Wayne Tusa, vp-eastern operations/director-Environmental Risk Management Division.

E

EQE Engineering Inc.

595 Market St., San Francisco, Calif. 94105; 415-495-5500

Year founded: 1981.
Independent.
Services provided: 80% special projects, including frequent analysis of necessary insurance limits, loss prevention audits, quantitative analysis and statistical forecasting, risk assessments of nuclear power plants' seismic requirements; occasional consulting on the design of risk management information systems.

Specialties: Large companies, real estate, nuclear utilities.

Locations: Costa Mesa, Calif.

Staff: Professionals include nine principal consultants, 15 consultants. Professional designations held by staff include four MBAs, six Ph.D.s, 80 PEs, 20 SEs.

Compensation: By the project, by the hour.

1989 gross revenues: $12 million total.

Principal officers: Peter I. Yanen, chairman; Douglas O. Frazier, president/chief executive officer; Stephen Hom and James J. Johnson, senior vps; George W. Reitter, chief financial officer.

Eastern Consulting Group Inc.

P.O. Box 3158, Manchester, N.H. 03105; 603-622-8767

Year founded: 1983.
Independent.
Services provided: 50% continuous consulting; 40% risk management audits; 10% special projects.

Staff: Two total; including one principal consultant, one analyst. Professional designations held by staff include one CPCU.

Clients: 44 total clients; 75% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million; minimum size client, $10,000 risk and insurance budget.

Compensation: By the project; by the hour: principal consultant, $90; analyst, $75.

1989 gross revenues: $225,000

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Continued from previous page
total.

Principal officers: John F. Dudziak, president.

Ecology & Environment Inc.

Buffalo Corporate Center, 368 Pleasantview Drive, Lancaster, N.Y. 14086; 716-684-8060

Year founded: 1970.
Independent.
Services provided: 2% special projects, including environmental hazard and risk analyses, environmental audits; 98% other services.
Locations: 23 cities nationwide; affiliated companies in 21 foreign countries.
Staff: 1,100 total staff members.
Compensation: By the project.
1989 gross revenues: $66.3 million total; $1.3 million* from risk management consulting.
Principal officers: Gerald J. Neumaier, president/chairman; Frank B. Silvestro, executive vp; Gerald A. Strobel, executive vp-technical; Ronald L. Frank, executive vp-finance/secretary/treasurer; Eugene R. Mruk, vp-sales/marketing.
**BI* estimate.

Elam & Jones Consulting Inc.

217 W. Capitol St., Suite 100, Jackson, Miss. 39205; 601-353-8708

Year founded: 1988.
Independent.
Services provided: 80% continuous consulting; 5% risk management audits; 15% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), assessment of broker service and remuneration.
Staff: Three total; all professionals, including two principal consultants, one analyst. Professional designations held by staff include one MBA.
Clients: 60 total clients; 97% with risk and insurance budgets less than $1 million, 3% $1 million-$5 million; minimum size client, $100,000 risk and insurance budget.
Compensation: By the project; on retainer; by the hour: principal consultant, $125; analyst, $100.
1989 gross revenues: $225,000 total.
Principal officers: J. Eric Elam, president; O. DeMarre Jones, treasurer.

Employers' Risk & Insurance Management Inc.

P.O. Box 43188, Birmingham, Ala. 35243; 205-967-1166

Year founded: 1989.
Independent.
Services provided: 85% continuous consulting; 10% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional claims auditing, assessment of broker service and remuneration, loss settlement assistance.
Specialties: Hospitals, industry, government entities.
Staff: Two total; one professional who is a principal consultant.
Clients: Nine total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million.
Compensation: By the project; on retainer; by the hour: principal consultant, $90-$100; analyst, $45-$50; clerical services included.
Principal officers: Douglas F. Miller, president; Betty D. Miller, secretary/treasurer.

Environ Corp.

4350 N. Fairfax Drive, Arlington, Va. 22203; 703-516-2300

Year founded: 1982.
Independent.
Services provided: 10% continuous consulting; 80% special projects, including frequent loss prevention audits, loss settlement assistance, public health and environmental risk assessment and management, liability assessment and administration, merger and acquisition assistance; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 10% other services.
Locations: Princeton, N.J., Emeryville, Calif.
Staff: 220 total staff members; 155 professionals, including 18 principal consultants, 137 consultants.
Clients: 375 total clients, including 15 associations; 5% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million, 10% $5 million-$10 million, 20% $10 million-$25 million, 50% exceeding $25 million; no minimum size client.
Compensation: By the project, by the hour: principal consultant, $180-$300; consultant, $50-$160; clerical, $50.
1989 gross revenues: $25 million total, $22.5 million from risk management consulting.
Principal officers: Grover C. Wrenn, president; Joseph V. Rodricks, Robert H. Harris, Joseph H. Highland and Robert M. Wenger, senior vps.

Environmental Risk Ltd.

120 Mountain Ave., Bloomfield, Conn. 06002; 203-242-9933

Year founded: 1985.
Independent.
Services provided: 20% continuous consulting; 10% risk management audits; 30% special projects, including frequent loss prevention audits, property acquisition and divestiture assessments, pollution liability insurance studies; occasional analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; 40% other services.
Specialties: Financial institutions, real estate developers, energy industry, general industry.
Locations: Clifton, N.J.
Staff: 50 total; 34 professionals, including four principal consultants, 24 consultants, six analysts. Professional designations held by staff include five PEs, one attorney.
Clients: 200 total clients; 35% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 15% $5 million-$10 million, 10% $10 million-$25 million, 5% exceeding $25 million; no minimum size client.
Compensation: By the project; by the hour: principal consultant, $150; consultant, $70-$115; analyst, $52; clerical, $35.
Principal officers: Richard S. Atkins, David I. Brandwein, Gordon T. Brookman and Mitchell M. Wurmbrand, principals.

Environmental Strategies Corp.

8521 Leesburg Pike, Suite 650, Vienna, Va. 22182; 703-821-3700

Year founded: 1986.
Independent.
Services provided: 65% special projects, including environmental risk management, risk assessments for pollution insurance and acquisitions, technical support for environmental claims, environmental audits; 35% other services.
Specialties: Financial institutions, electronics, telecommunications, chemical.
Locations: San Jose, Calif.; Pittsburgh; Boxborough, Mass.; London and Chester, England.
Staff: 90 total; professionals include six principal consultants, 40 consultants, 15 analysts. Professional designations held by staff include two MBAs, 14 Ph.D.s, 10 PEs, seven CHMMs, 21 CAIs.
Clients: 160 total clients; 35% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million, 20% $5 million-$10 million, 15% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include three associations.
Compensation: By the project; by the hour: principal consultant, $115-$130; consultant, $75-$100; analyst, $40-$65; clerical, $35.
Principal officers: Lynne M. Miller, president; Michael J. Murphy, chairman; Douglas E. Gladstone and Richard E. Freudenberger, senior vps; Robert J. Mason, vp-operations.

Continued on next page



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F

Herbert H. Feldman Risk Management Inc.

60 Cutter Mill Road, Great Neck, N.Y. 11021; 516-829-6050

Year founded: 1973.
Independent.
Services provided: 90% continuous consulting; 10% risk management audits; special projects include frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, risk management analysis prior to acquisitions; occasional claims auditing, loss prevention audits, accounting systems analysis, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Staff: Three total; two professionals, including one principal consultant, one analyst. Professional designations held by staff include one MBA, one CPA.
Clients: 70% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million; minimum size client, $400,000 risk and insurance budget.
Compensation: On retainer, by the hour.
Principal officers: Herbert H. Feldman, president.
Membership: SRMC.

Felton Associates

3255 Fritchie Drive, Baton Rouge, La. 70809; 504-925-2833

Year founded: 1976.
Independent.
Services provided: 15% continuous consulting; 60% risk management audits; 25% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding, expert witness testimony; occasional risk retention analysis (including self-insurance studies), loss settlement assistance, risk management organization studies.
Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, one MBA, one CLU, one attorney.
Clients: 40 total clients; 95% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million; no minimum size client.
Compensation: By the hour: principal consultant, $100-$150; consultant, $75.
Principal officers: Robert S. Felton, owner; Barbara Albright, consultant.
Membership: SRMC.

Ferraro & Associates

6147 Bryan Parkway, Dallas, Texas 75206-8003; 214-827-7518

Year founded: 1988.
Independent.
Services provided: 30% continuous consulting; 20% risk management audits; 50% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, preparation of specifications for bidding, loss control training; occasional risk retention analysis (including self-insurance studies), claims auditing, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, risk management training and education.
Specialties: Public entities and small, newly formed companies.
Staff: One staff member who is a principal consultant and holds ARM and MBA designations.
Clients: 12 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; minimum size client, $200,000 risk and insurance budget.
Compensation: By the project; on retainer; by the hour, principal consultant: $125; consultant: $93, actuary: $200; analyst: $80; clerical: $35.
Principal officers: Mark Ferraro, president.

R.M. Fields & Co. Ltd.

Public Ledger Building, Independence Square, Philadelphia, Pa. 19106; 215-625-9639

Year founded: 1982.
Independent.
Services provided: 100% special projects, including occasional insurance contract analysis; insurance history reconstruction, analysis, auditing and archaeology.
Locations: London.
Staff: Seven total.
Clients: 30 total clients; 10% with risk and insurance budgets $1 million-$5 million, 20% $5 million-$10 million, 40% $10 million-$25 million, 30% exceeding $25 million; no minimum size client.
Compensation: By the hour: principal consultant, $200; consultant, $140; analyst, $60-$100.
1989 gross revenues: $700,000 total.
Principal officers: Randolph M. Fields, president; Henry R. Booth, vp.

Fire Protection/ Safety Consultants

905 Muldoon Road, Suite A-56; Anchorage, Alaska 99504; 907-333-8659

Year founded: 1952.
Independent.
Services provided: 64% continuous consulting; 4% risk management audits; 12% special projects, including captive feasibility studies, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; 20% other services.
Staff: Four total; professionals include one principal consultant, three consultants.
Compensation: By the project; by the hour: principal consultant, $125-$150; consultant, $75.
Principal officers: Robert W. Olivier, president.

First Risk Management Co.

90 Bustleton Pike, Feasterville, Pa. 19047; 215-322-2400

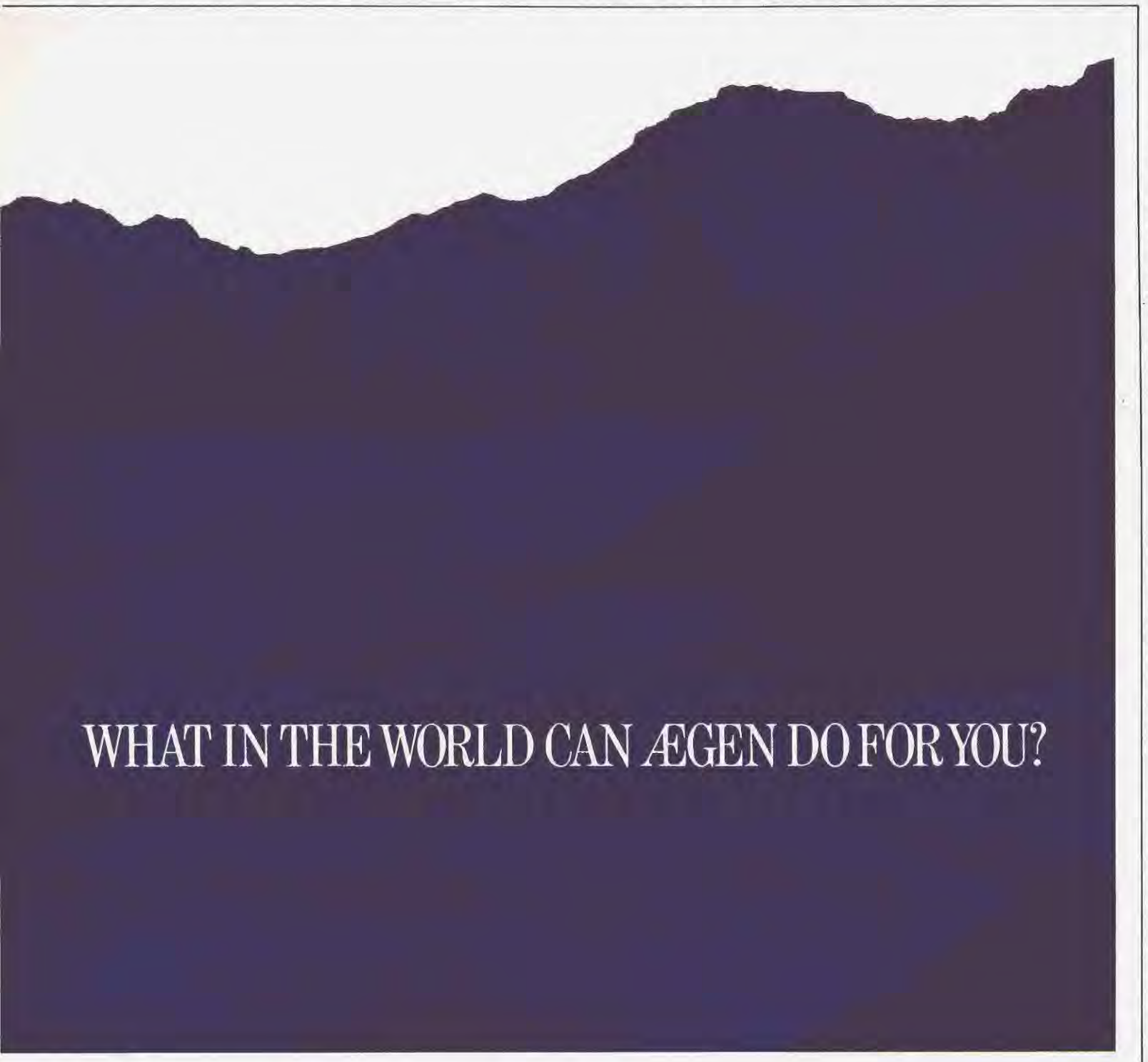
Year founded: 1959.
Independent.
Services provided: 60% continuous consulting; 22% risk management audits and special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, risk management organization studies, consulting on the design of risk management information systems; 18% other services.
Specialties: Bottling, retail, manufacturing, distribution, international, cable TV.
Locations: San Juan, Puerto Rico.
Staff: 10 total staff members; including two principal consultants, three consultants. Professional designations held by staff include two CPCUs, three ARMs, one ALCM.
Clients: 85% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million.
Compensation: On retainer; by the hour: principal consultant, $250-$275; consultant, $160-$225; clerical, $40.
1989 gross revenues: $820,000 total, $180,000 from risk management consulting.
Principal officers: Leonard J. Silver, president; Vera N. Peregrim, executive vp; Edward J. Bartle, vp; Harry Cylinder, assistant vp.
Membership: SRMC.

The Fisher Associates

3465 Torrance Blvd., Suite N, Torrance Calif. 90503; 213-540-8803

Year founded: 1982.
Independent.
Services provided: 20% continuous consulting; 15% risk management audits; 15% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of

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specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, claims fraud prevention; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, accounting system analysis, assessment of broker service and remuneration; 50% other services.

Specialties: Manufacturers, contractors, government entities.

Locations: Los Angeles.

Staff: 11 total; eight professionals, including three principal consultants, three consultants, one actuary, one analyst. Professional designations held by staff include two MBAs, six attorneys.

Clients: 15 total clients; 5% with risk and insurance budgets less than $1 million, 7% $1 million-$5 million, 18% $5 million-$10 million, 20% $10 million-$25 million, 50% exceeding $25 million; no minimum size client. Clients include 15 associations.

Compensation: By the project; by the hour: principal consultant, $135; consultant, $110; actuary, $95; analyst, $95; clerical, $25.

1989 gross revenues: More than $1 million total.

Principal officers: Frederick Fisher, president; Aubrey Payne, vp.

Fortune & Co./ Risk Managers Inc.

6405 Metcalf Ave., Suite 107, Overland Park, Kan. 66207; 913-262-7475

Year founded: 1978.
Independent.

Services provided: 80% continuous consulting; 10% risk management audits; 10% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, consulting on the design of risk management information systems.

Staff: Four total; two professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, one ARM, one AIM, one CPIW.

Clients: 14 total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client. Clients include one association.

Compensation: By the project, on retainer.

1989 gross revenues: $110,000 total.

Principal officers: B.A. Selfridge Jr., president; Heather L. Selfridge, vp/secretary.

Fowler Insurance Services Inc.

8401 Maryland Drive, Richmond, Va. 23229; 804-270-9524

Year founded: 1988.
Independent.

Services provided: 10% continuous consulting; 30% risk management audits; 60% special projects, including frequent insurance contract analysis, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, claims auditing, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting; 40% other services.

Specialties: Industrial and service industries, non-profit entities, health care.

Staff: Two total; both professionals who are principal consultants. Professional designations held by staff include one MBA.

Clients: 12 total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $125-$150; consultant, $100; analyst, $75; clerical, $30.

Principal officers: Bruce Fowler, president; Maryann Fowler, secretary/treasurer.

Friedman, Fuller & Hudson Inc.

6120 Executive Blvd., Suite 800, Rockville, Md. 20852; 301-468-6946

Year founded: 1982.
Independent.

Services provided: 34% continuous consulting; 33% risk management audits; 33% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, accounting systems analysis, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, custom-designed software programs.

Specialties: Real estate development, contractors, wholesalers and distributors, retail chains.

Locations: Vienna, Va.

Staff: 15 total; 13 professionals, including one principal consultant, seven consultants, one analyst. Professional designations held by staff include three CPCUs, three ARMs, two MBAs, one CSP, one CST, one APA.

Clients: 230 total clients; 82% with risk and insurance budgets less than $1 million, 16% $1 million-$5 million, 2% $10 million-$25 million; minimum size client, $75,000 risk and insurance budget. Clients include five associations.

Compensation: By the hour: principal consultant, $220; consultant, $100; analyst, $75; clerical, $35.

Principal officers: Peter M. Hudson, president; Arthur Methvin, executive vp; Tony Bennett, director-engineering; Dan Harle, secretary

Leonard R. Friedman Risk Management Inc. (LRF/RM)

170 Great Neck Road, Great Neck, N.Y. 10021; 516-466-0750

Year founded: 1974.
Independent.

Services provided: 90% continuous consulting; 5% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, safety and claims management; occasional loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Retail, manufacturing, contractors, not-for-profit organizations.

Staff: 14 total; nine professionals, including two principal consultants, two consultants, five analysts. Professional designations held by staff include one CPCU, five ARMs.

Clients: More than 30 total clients; 70% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 10% $5 million-$10 million.

Compensation: By the project; on retainer; by the hour: principal consultant, $185; consultant, $160; analyst, $65; clerical, $45.

1989 gross revenues: More than $1 million total.

Principal officers: Alice B. Weiss, president; Susan G. Kaufman, vp.

Membership: SRMC.

G

Gallagher Basset Services Inc.

2550 W. Golf Road, Rolling Meadows, Ill. 60008; 708-640-8555

Year founded: 1962.

Parent company: Arthur J. Gallagher & Co.

Services provided: 5% continuous consulting; 10% special projects, including frequent loss prevention audits, industrial hygiene, ergonomics, liability control, property surveys, fire protection engineering, loss analysis, fleet safety programs, safety regulatory compliance; occasional captive feasibility studies, insurance contract analysis, risk management organization studies, preparation of specifications for bidding; 85% other services.

Specialties: Commercial, municipalities, educational, religious organizations, hospitals.

Locations: Nationwide.

Staff: 860 total; professionals include 54 consultants. Professional designations held by staff include 10 ARMs, three MBAs, 25 CSPs.

Compensation: By the project; commissions for insurance placed with underwriters; on retainer; by the hour: consultant, $95-$115.

1989 gross revenues: $53.2 million total, $5.4 million from risk management consulting.

Principal officers: Robert E. Gallagher, chief executive officer-Arthur J. Gallagher & Co.; J. Patrick Gallagher, vp-Arthur J. Gallagher & Co.; John G. Campbell, chairman; Peter J. Durkalski, president; Fred Potenza, executive vp-risk management consulting services.

General Consulting Services

113 N. Kickapoo, Lincoln, Ill. 62656; 217-732-1830

Year founded: 1986.
Independent.

Services provided: 40% continuous consulting; 10% risk management audits; 5% special projects, including frequent claims auditing, loss prevention audits, loss settlement assistance; occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; 45% other services.

Specialties: Health care, associations.

Locations: Chicago.

Staff: Nine total; professionals include two principal consultants, four consultants.

Clients: 15 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; no minimum size client. Clients include two associations.

Compensation: By the project; on retainer; by the hour: consultant, $75.

Principal officers: Barbara O'Donohue, chief executive officer; Connie Bartman, chief financial officer.

GISCO Insurance Services

12770 Coit Road, Dallas, Texas 75229; 214-991-9837

Year founded: 1984.
Independent.

Services provided: 100% special projects, including risk retention analysis (including self-insurance studies), captive feasibility studies.

Staff: Five total; four professionals, including three principal consultants, one consultant. Professional designations held by staff include two CPCUs, one MBA.

Compensation: By the project; by the hour: principal consultant, $125; consultant, 100; clerical, $35.

Principal officers: Charles J. LaBarge, president; James C. Mitchell, executive vp; Michael DePaemelaere, senior vp; William Sanderford, vp.

Dave Goodwin & Associates

P.O. Drawer 54-6661, Surfside, Fla. 33154; 305-531-0071

Year founded: 1963.
Independent.

Services provided: 72% continuous consulting; 9% risk management audits; 9% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies; occasional risk retention analysis (including self-insurance studies), accounting systems analysis, preparation of specifications for bidding, preparation of disaster manuals; 10% other services.

Specialties: Condominiums, developers, property owners, manufacturers, fleets, health care.

Staff: Three total; professionals include one principal consultant.

Clients: 55 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; minimum size client, $75,000 insurance budget.

Compensation: By the project, on retainer.

1989 gross revenues: $295,000 total, $270,000 from risk management consulting.

Principal officers: Dave Goodwin, owner.

Thomas R. Greek & Associates

P.O. Box 210187, 109 Belle Forest Circle, Suite 201, Nashville, Tenn. 37221; 615-646-6750

Year founded: 1985.
Independent.

Services provided: 60% continuous consulting; 40% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, preparation of specifications for bidding; occasional captive feasibility studies, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, development of programs for franchises and trade associations.

Specialties: Manufacturing, distribution, service, trucking, contracting.

Staff: Three total; two professionals who are principal consultants. Professional designations held by staff include one CSP.

Clients: 20 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; minimum size client, $100,000 risk and insurance budget. Clients include one association.

Compensation: By the project; on retainer; by the hour: principal consultant, $125.

1989 gross revenues: $214,000 total.

Principal officers: Thomas R. Greek, owner.

Allon Greene & Associates

2 Dorchester, Irvine, Calif. 92720; 714-551-0180

Year founded: 1984.
Independent.

Services provided: 55% special projects, including frequent captive feasibility studies, claims auditing, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), insurance contract analysis, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 45% other services.

Staff: Four total; professionals include one principal consultant, one consultant, one actuary. Professional designations held by staff include one FCAS.

Clients: 67% with risk and insurance budgets $1 million-$5 million, 33% $5 million-$10 million.

Compensation: By the hour: principal consultant, $150-$225; consultant, $75-$120; actuary, $175; clerical, $35.

1989 gross revenues: $410,000 total, $225,500 from risk management consulting.

Principal officers: Allon J. Greene, principal.

H

HRM Consulting Inc.

220 Campus Drive, Arlington Heights, Ill. 60004; 708-632-0737

Year founded: 1987.
Independent.

Services provided: 45% continuous consulting; 45% risk management audits; 10% special projects, including frequent insurance contract analysis, risk management organization studies; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, claims auditing, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding, consulting on the design of risk management information systems.

Staff: Two total; both professionals, including one principal consultant, one consultant.

Clients: 10 total clients; 30% with risk and insurance budgets $1 million-$5 million, 20% $5 million-$10 million, 20% $10 million-$25 million, 30% exceeding $25 million.

Compensation: By the project, on retainer, by the hour.

Principal officers: Daniel E. Hilder, president.

Frank B. Hall & Co. Inc.

261 Madison Ave., New York, N.Y. 10016; 212-922-1300

Year founded: 1862.

Parent company: Frank B. Hall & Co. Inc.

Services provided: 8% continuous consulting; 1% risk management audits; 1% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, insurance contract analysis, loss settlement assistance, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional analysis of necessary insurance limits, claims auditing, loss prevention audits, risk management organization studies; 90% other services.

Locations: Offices in the United States and abroad.

Compensation: By the project; commissions for insurance placed with underwriters; by the hour: principal consultant, $300-$400; consultant, $250; actuary, $250; analyst, $150-$200; clerical, $50.

Principal officers: Donald R. Bell, chairman/chief executive officer; Peter T. Pruitt, president/chief operating officer; Thomas V. Hallett, executive vp.

Thomas J. Hammond & Co.

3701 Wilshire Blvd., Suite 326, Los Angeles, Calif. 90010; 213-480-3833

Year founded: 1975.
Independent.

Services provided: 90% continuous consulting; 8% risk management audits; 2% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, consulting on the design of risk management information systems.

Staff: Five total; two professionals who are principal consultants.

Clients: 35 total clients.

Compensation: By the project; on retainer; by the hour.

Principal officers: Thomas J. Hammond Jr., president; Rosemary Jansen, vp.

Membership: SRMC.

Harvard Aimes Group

6 Holcomb St., P.O. Box 16006, West Haven, Conn. 06516; 203-933-1976

Year founded: 1985.
Independent.

Services provided: 100% special projects, including risk management organization studies, executive risk management searches on retainer.

Staff: One professional staff member who is a principal consultant.

Clients: More than 40 total clients; 15% with risk and insurance budgets $5 million-$10 million, 35% $10 million-$25 million, 50% exceeding $25 million; no minimum size client. Clients include more than 40 associations.

Compensation: By the project; on retainer.

Principal officers: James J. Gunther, principal.

Louis A. Hellming Co.

441 Vine St., Suite 825, Carew Tower, Cincinnati, Ohio 45202; 513-381-2260

Year founded: 1982.
Independent.

Services provided: 30% continuous consulting; 10% risk management audits; 55% special projects, including frequent insurance contract

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analysis, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, assessment of broker service and remuneration, loss settlement assistance; 5% other services.

Staff: Three total; two professionals who are principal consultants.

Clients: 35 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $125; clerical, $30.

1989 gross revenues: 175,000 from risk management consulting.

Principal officers: Louis A. Hellming, chairman; Frederick A. Kolish, president.

Membership: SRMC.

Hinz Consulting Service Inc.

525 W. Monroe, Suite 2400, Chicago, Ill. 60606; 312-906-8001

Year founded: 1975.
Parent company: Brokers Risk Placement Service.
Services provided: 3% continuous consulting; 3% risk management audits; 94% special projects, including frequent captive feasibility studies, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, risk management organization studies, quantitative analysis and statistical forecasting.
Specialties: Associations, government entities, health care.
Locations: Phoenix, Ariz.
Staff: 10 total; three professionals, including two principal consultants, one analyst. Professional designations held by staff include one CPCU, one ARM, one MBA.
Clients: 39 total clients; 45% with risk and insurance budgets less than $1 million, 12% $1 million-$5 million, 15% $5 million-$10 million, 28% $10 million-$25 million; no minimum size client. Clients include 15 associations.
Compensation: By the hour, principal consultant, $175-$200; analyst, $125-$140; clerical, $40-$50.
Principal officers: Michael J. Moody, president; James L. Sandner, special consultant.

Ernest A. Holfoth Risk Management

4947 Lake Shore Road, Hamburg, N.Y. 14075; 716-627-5828

Year founded: 1978.
Independent.
Services provided: 75% continuous consulting; 15% risk management audits; 8% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting; 2% other services.
Specialties: Government entities, schools, not-for-profit organizations.
Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, one ARM.
Clients: 30 total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $75; consultant, $75.
Principal officers: Ernest A. Holfoth, president.
Membership: SRMC.

Hood/Serio Associates Inc.

245 Regency Court, Waukesha, Wis. 53186; 414-786-4557

Year founded: 1983.
Independent.
Services provided: 52% continuous consulting; 3.25% risk management audits; 9.75% special projects, including frequent risk retention analysis (including self-insurance studies), preparation of specifications for bidding; occasional insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, consulting on the design of risk management information systems; 35% other services.
Specialties: Public entities, manufacturing.
Staff: Four total; professionals include two principal consultants, two analysts.
Clients: More than 100 total clients; 35% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 15% $5 million-$10 million, 15% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include two associations.
Compensation: By the project, by the hour.
Principal officers: Theodore T. Hood and Andrew J. Serio, principals.

Huggins/Ernst & Young

1600 Market St., Suite 1400, Philadelphia, Pa. 19102; 215-246-2780

Year founded: 1911.
Parent company: Ernst & Young.
Independent.
Services provided: 25% continuous consulting; 14% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, self insurance funding studies; occasional consulting on the design of risk management information systems; 41% other services.
Specialties: Municipalities, hospitals, health care, transportation, hotels.
Locations: New York; Chicago; Boston; Washington, D.C.; Baltimore; Atlanta; San Francisco; Louisville, Ky.
Staff: 125 total; 69 professionals, including 20 principal consultants, 13 consultants, 19 actuaries, 17 analysts. Professional designations held by staff include seven CPCUs, five ARMs, six MBAs, 11 FCASs, eight ACASs, four CLUs.
Clients: 400 total clients; 15% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 25% $5 million-$10 million, 25% $10 million-$25 million, 15% exceeding $25 million; no minimum size client. Clients include 35 associations.
Compensation: By the project; by the hour: principal consultant, $125-$200; consultant, $100-$150; actuary, $125-$250; analyst, $80-$105; clerical, $50-$60.
1989 gross revenues: $15.8 million total, $9.3 million from risk management consulting.
Principal officers: Ronald T. Kuehn, Lee Smith, Charles Bryan and Terry Godbold, partners; Warren Cooper, practice director; Doug Hartman, Ed Todd, Ed Shields, Arthur Cohen, Dennis Henry, John Narvell, Al Weller, Bill Bartlett and Rick Yocke, senior managers.

Robert Hughes Associates Inc.

15400 Knoll Trail Drive, Suite 201, Dallas, Texas 75248; 214-980-0088

Year founded: 1979.
Independent.
Services provided: 25.6% continuous consulting; 6.4% risk management audits; 32% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, claims auditing, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, consulting on the design of risk management information systems; 36% other services.
Locations: Houston.
Staff: Eight total; professionals include two principal consultants, two consultants, two actuaries. Professional designations held by staff include two CPCUs, one ARM, one MBA, two FCASs.
Compensation: By the hour: principal consultant, $200; consultant, $150; actuary, $200; analyst, $75; clerical, $40.
1989 gross revenues: $969,643 total, $621,224 from risk management consulting.
Principal officers: Robert N. Hughes, president; William E. Thomas, executive vp; W. Dale Montgomery, vp.

R.M. Hunt & Associates Inc.

1350 Bayshore Highway, Suite 650, Burlingame, Calif. 94010; 415-344-6797

Year founded: 1989.
Independent.
Services provided: 50% continuous consulting; 50% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, assessment of broker service and remuneration, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, risk management organization studies.
Staff: Four total; two professionals, including one principal consultant, one analyst. Professional designations held by staff include one ARM, one CPA.
Clients: 40% with risk and insurance budgets $1 million-$5 million, 60% $5 million-$10 million; minimum size client, $1 million risk and insurance budget.
Compensation: By the project; commissions for insurance placed with underwriters; on retainer; by the hour: principal consultant, $150-$200.
Principal officers: Robert M. Hunt, president; V. Mitchell, chief financial officer.

J.N. Hunter Risk Management

P.O. Box 270, Rome, N.Y. 13440; 315-337-1000

Year founded: 1984.
Independent.
Services provided: 60% continuous consulting, risk management audits and special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative and statistical forecasting, consulting on the design of risk management information systems; 40% other services.
Specialties: Municipalities, industry.
Staff: Seven total; professionals include one principal consultants, two consultants. Professional designations held by staff include one CPCU.
Clients: 20 total clients; 95% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million; no minimum size client.
Compensation: By the project, on retainer.
Principal officers: J.N. Hunter, proprietor.

I

IAG Ltd.

240 Madison Ave., 14th Floor, New York, N.Y. 10016; 212-697-2680

Year founded: 1985.
Independent.
Services provided: 100% special projects, including frequent insurance contract analysis, historic insurance reconstruction, organization and analysis of insurance records.
Specialties: Chemical, manufacturing, mining, metals, pharmaceuticals.
Staff: 15 total; professionals include one principal consultant, one consultant, five analysts. Professional designations held by staff include one CPCU.
Clients: 50 total clients; 25% with risk and insurance budgets less than $1 million, 15% $5 million-$10 million, 60% exceeding $25 million.
Compensation: By the hour: principal consultant, $185; consultant, $160; analyst, $75-$125; clerical, $30.
Principal officers: Sheila Mulrennan, president; Michele Pierro, vp.

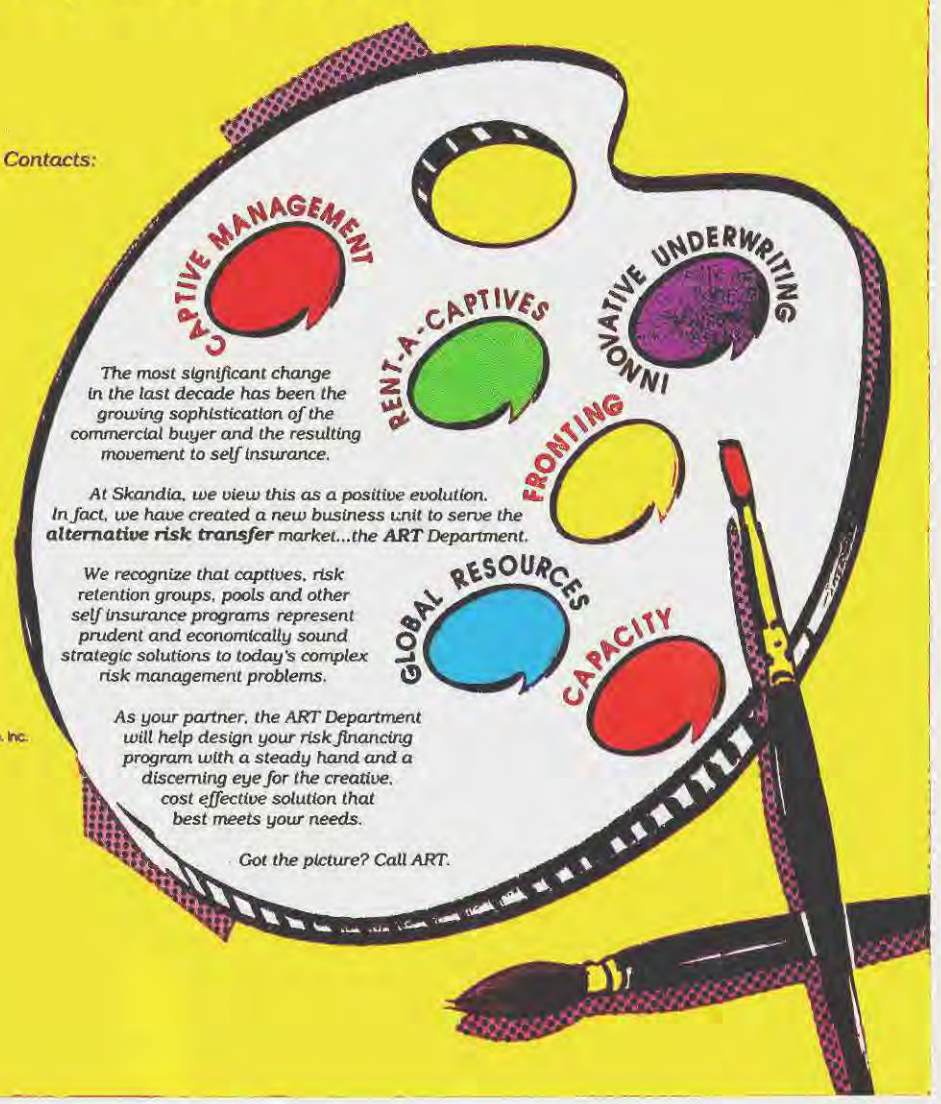
Independent Risk & Insurance Management Services Inc.

8040 E. Morgan Trail, Scottsdale, Ariz. 85258; 602-483-9005

Year founded: 1981.
Independent.
Services provided: 55.2% continuous consulting; 9.2% risk management audits; 27.6% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 8% other services.
Specialties: Public entities and not-for-profit organizations.
Staff: Two total; professionals include one principal consultant, one analyst. Professional designations held by staff include one ARM, one MBA.
Clients: 50% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million, 10% $5 million-$10 million; no minimum size client. Clients include one association.
Compensation: By the project; on retainer; by the hour: principal consultant, $90; analyst, $45; clerical,

Continued on page 60

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Tel: 212 978 4700
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Senior Vice President,
Director of
Alternative Risk Transfer

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Risk Management Ltd.
Skandia International House
Church Street
P.O. Box HM 2062
Hamilton HM HX, Bermuda

Tel: 809 295 2185
Fax: 809 292 8637

Robert J. Rosser,
Vice President, Marketing

Skandia International
Risk Management (Vermont), Inc.
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President

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Continued from previous page
$20.
Principal officers: James E. Loeb, principal.

Independent Risk Management Group Inc.

5 Northway Lane N., Latham, N.Y. 12110; 518-783-5365

Year founded: 1976.
Parent company: Lawrence Agency Corp.
Services provided: 20% continuous consulting; 5% risk management audits; 25% special projects, including frequent analysis of necessary insurance limits, claims auditing, loss prevention audits, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting; 50% other services.
Specialties: Hospitals, public schools, municipal entities.
Locations: Rochester, N.Y.
Staff: Eight total. Professional designations held by staff include two CPCUs, one ARM, one CSP, one CLU.
Clients: 20% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 35% $5 million-$10 million, 10% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include four associations.
Compensation: By the project; commissions for insurance placed with underwriters; on retainer; by the hour: principal consultant, $60-$85; consultant, $50; clerical, $30.
Principal officers: Albert W. Lawrence, chairman; Jack H. Perry and William W. Werther, vps.

Industrial Insurance Management Corp.

P.O. Box 18308, Charlotte, N.C. 28218; 704-535-1123

Year founded: 1967.
Independent.
Services provided: 65.45% continuous consulting; 7.7% risk management audits; 3.85% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 23% other services.
Locations: Richmond, Va.; Birmingham, Ala.; Industrial Insurance Management Corp. of Florida, Tampa, Fla.
Staff: 40 total; professionals include five principal consultants, nine consultants, 13 analysts. Professional designations held by staff include one CPCU, two ARMs, two MBAs, four CICs, one attorney.
Clients: 280 total clients; 81% with risk and insurance budgets less than $1 million, 16% $1 million-$5 million, 2% $5 million-$10 million, 0.5% $10 million-$25 million, 0.5% exceeding $25 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $110-$120; consultant, $85-$100; analyst, $40-$50; clerical, $12.
1989 gross revenues: $2.3 million total, $1.8 million from risk management consulting.
Principal officers: Glen E. Pehl, president/treasurer; Norman F. Crews, executive vp/secretary; Henry A. Dierks, first vp; Richard Fisher and Robert Deger, vps; Otto Henderson, president-Insurance Management Consultants Inc.; Henry Kempton, vp-Insurance Management Consultants Inc.
Membership: SRMC.

Industrial Risk Specialists Inc.

150 Great Neck Road, Great Neck, N.Y. 11021; 516-487-1700

Year founded: 1981.
Independent.
Services provided: 95% continuous consulting; 2% risk management audits; 2% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, accounting systems analysis, risk management organization studies, quantitative analysis and statistical forecasting; 1% other services.
Specialties: Real estate construction and management, hotels, manufacturers, wholesalers, retail chains.
Staff: 14 total; professionals include five principal consultants, three consultants. Professional designations held by staff include one CPCU, one ARM, one CLU, one attorney.
Clients: 110 total clients; 50% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million, 10% $5 million-$10 million. Clients include five associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $250; consultant, $140-$200; analyst, $80.
Principal officers: Daniel Sterling and Robert Sterling.
Membership: SRMC.

Insurance Advisory Service Inc.

5130 MacArthur Blvd. N.W., Suite 103, Washington D.C.; 20016-3344; 202-537-3333

Year founded: 1974.
Independent.
Services provided: 90% continuous consulting; 10% risk management audits.
Staff: Six total; professionals include four principal consultants. Professional designations held by staff include one CPCU, one MBA.
Clients: 65% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million; no minimum size client. Clients include three associations.
Compensation: By the project, on retainer.
Principal officers: Howard de-Franceaux, chairman; John L. Byrd, president.

Insurance Audit & Inspection Co.

7240 Shadeland Station, Suite 225, Indianapolis, Ind. 46256; 317-849-2700

Year founded: 1901.
Independent.
Services provided: 80% continuous consulting; 10% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding; occasional captive feasibility studies, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting.
Locations: St. Louis; Columbus, Ohio.
Staff: 13 total, nine professionals. Professional designations held by staff include three CPCUs, two ARMs, two MBAs, two attorneys.
Clients: Approximately 200 total clients; 30% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 25% $5 million-$10 million, 10% $10 million-$25 million, 5% exceeding $25 million.
Compensation: By the project, on retainer, by the hour.
Principal officers: Mary Coate Houtz, chairman/president; Jack G. Harris, vp; Mary E. Free, secretary/treasurer; Daniel Coate Free, general counsel.
Membership: SRMC.

Insurance Buyers' Council Inc.

22 West Road, Baltimore, Md. 21204; 301-828-1656

Year founded: 1945.
Independent.
Services provided: 73% continuous consulting; 9% risk management audits; 17% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifica-

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tions for bidding, quantitative analysis and statistical forecasting, preparation of risk management and insurance manuals; occasional captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, consulting on the design of risk management information systems; 1% other services.

Staff: 17 total staff members; 12 professionals, including eight principal consultants, four consultants. Professional designations held by staff include seven CPCUs, nine ARMs, one MBA, one CIC, one AIC.

Clients: 254 total clients; 27% with risk and insurance budgets less than $1 million, 54% $1 million-$5 million, 10% $5 million-$10 million, 4% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include 11 associations.

Compensation: By the hour: principal consultant, $150; consultant, $80.

1989 gross revenues: $1.46 million total, $1.44 million from risk management consulting.

Principal officers: Bernard J. McGovern, chairman/president/treasurer; Adam P. Sielicki Jr., executive vp; Frederic W. Schultz, vp/secretary.

Membership: SRMC.

Insurance Consulting Associates

155 Polifly Road, Hackensack, N.J. 07601; 201-343-8300

Year founded: 1956.
Independent.
Services provided: 98% continuous consulting; 1% risk management audits; 1% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, association programs; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, loss prevention audits, consulting on the design of risk management information systems.

Locations: Hasbrouck Heights, N.J.

Staff: 33 total; 17 professionals, including nine principal consultants, two consultants, six analysts. Professional designations held by staff include two ARMs, three MBAs, two CLUs, three CPAs, one ChFC.

Clients: 425 total clients; 82% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million, 2% $5 million-$10 million, 1% $10 million-$25 million; no minimum size client. Clients include 25 associations.

Compensation: On retainer.

Principal officers: George J. Wall, founder/senior associate; Barron S. Wall, managing associate.

Membership: SRMC.

Insurance Dynamics

27 Farnum, San Francisco, Calif. 94131; 415-586-2948

Year founded: 1987.
Independent.
Services provided: 70% continuous consulting; 20% risk management audits; 10% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding, consulting on the design of risk management information systems; occasional risk retention analysis (including self-insurance studies), risk management organization studies.

Specialties: Construction, manufacturing.

Staff: Three total; all professionals, including two consultants. Professional designations held by staff include two CPCUs, three MBAs.

Clients: 80% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 10% $5 million-$10 million; minimum size client, $250,000 risk and insurance budget.

Compensation: By the hour: principal consultant, $100-$150; consultant, $75-$125; clerical, $50-$75.

Principal officers: Ann C. Krilanovich, president; William P. Gerry, vp/secretary.

The Insurance Helper Inc.- Insurance & Risk Management Consulting

16547 Mediterranean, Crosby, Texas 77532; 713-328-8111

Year founded: 1986.
Independent.
Services provided: 20% continuous consulting; 20% risk management audits; 60% special projects, including risk retention analysis (including self-insurance studies), captive feasibility studies, loss prevention audits, loss settlement assistance, preparation of specifications for bidding, workers compensation consulting.

Specialties: Service industries, dry cleaners, distributors, restaurants.

Staff: Four total; two professionals, both principal consultants. Professional designations held by staff include one ARM, two CICs.

Clients: 100% with risk and insurance budgets less than $1 million; minimum size client, $100,000 risk and insurance budget. Clients include one association.

Compensation: By the hour: principal consultant, $125; clerical, $35.

1989 gross revenues: $76,000 total.

Principal officers: Patricia Lane, president/chief executive officer; Wesley Lane, vp/secretary.

Insurance Management Bureau

921 E. 86th St., Suite 100, Indianapolis, Ind. 46240; 317-259-7418

Year founded: 1950.
Independent.
Services provided: 85% continuous consulting; 10% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Schools, public entities.

Staff: 10 total; four professionals, including one principal consultant, two consultants. Professional designations held by staff include one CPCU, one ARM, one CLU.

Clients: 230 total clients; 99% with risk and insurance budgets less than $1 million, 1% $1 million-$5 million; no minimum size client.

Compensation: By the project; on retainer.

Principal officers: Dewey O. King, president; Richard C. Canovai and Paul W. Davis, vps; M.D. Randle, chairman.

Insurance Management & Planning

110 Cottage Hill, Suite 250, Elmhurst, Ill. 60126-3369; 708-832-1330

Year founded: 1989.
Independent.
Services provided: 20% continuous consulting; 20% risk management audits; 10% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss settlement assistance, risk management organization studies; 50% other services.

Staff: Two total; one professional who is a principal consultant. Professional designations held by staff include one ARM, one MBA.

Clients: 40 total clients; 95% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million.

Compensation: By the project; by the hour: principal consultant, $160; consultant, $90; clerical, $50.

Principal officers: James F. Goodman, managing director.

Membership: SRMC.

Insurance Review & Management

2690 Cumberland Parkway, Suite 150, Atlanta, Ga. 30339; 404-438-2210

Year founded: 1985.

Continued on next page

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Continued from previous page

Independent.

Services provided: 80% continuous consulting; 15% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss settlement assistance, consulting on the design of risk management information systems.

Specialties: Government entities and financial institutions.

Staff: Three total; two professionals who are principal consultants. Professional designations held by staff include two CPCUs, one CLU.

Clients: 38 total clients; 92% with risk and insurance budgets less than $1 million, 8% $1 million-$5 million; no minimum size client. Clients include two associations.

Compensation: By the project; by the hour: principal consultant, $80; clerical, $17.

1989 gross revenues: $179,018 total.

Principal officers: T. Joe Byrd, owner; Norwood E. Clark, principal consultant.

Integrated Risk Management

1302 Raintree Circle, Culver City, Calif. 90230; 213-559-7032

Year founded: 1986.

Independent.

Services provided: 47.5% continuous consulting; 19% risk management audits; 28.5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, expert witness testimony, resolving insurance-related issues in bankruptcy proceedings; 5% other services.

Specialties: Property developers, transportation.

Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations held by staff include one ARM.

Clients: Eight total clients; 87.5% with risk and insurance budgets less than $1 million, 12.5% $1 million-$5 million; minimum size client, $50,000 risk and insurance budget.

Compensation: By the project; on retainer; by the hour: principal consultant, $125; consultant, $100; clerical services included.

Principal officers: Alan P. Schreibman, principal.

Interisk Corp.

1111 N. Westshore Blvd., Suite 208, Tampa, Fla. 33607; 813-287-2040

Year founded: 1979.

Independent.

Services provided: 60% continuous consulting; 10% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional accounting system analysis, loss settlement assistance; 25% other services.

Specialties: Health care, transportation, manufacturing, associations.

Staff: Three total; professionals include one principal consultant, one consultant, one analyst. Professional designations held by staff include two CPCUs, two ARMs, one CSP, one CLU, one CMC.

Clients: 50% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million, 10% $5 million-$10 million, 15% $10 million-$25 million, 10% exceeding $25 million; no minimum size client. Clients include 14 associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $90-$150; consultant, $60-$90; analyst, $35-$50; clerical, $15-$25.

Principal officers: Lawton Swan III, president.

International Risk Management Group

% American Risk Management Corp., 1 Executive Drive, Fort Lee, N.J. 07024; 201-592-7100

Year founded: 1988.

Parent company: Swiss Reinsurance Co.

Services provided: 25% continuous consulting; 5% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, accounting systems analysis, loss settlement assistance, quantitative analysis and statistical forecasting, property loss control engineering, infrared thermographic analysis; occasional claims auditing, assessment of broker service and remuneration, risk management organization studies, consulting on the design of risk management information systems; 60% other services.

Locations: Bridgewater, N.J; Cleveland; Louisville, Ky.; Itasca, Ill.; Minneapolis; San Francisco; Atlanta; Seattle; Southfield, Mich.; Dallas and Spring, Texas; Nashville, Tenn.; Kansas City, Mo.; Burlington, Vt.; Toronto.

Staff: 360 total; 275 professionals. Professional designations held by staff include 30 CPCUs, 30 ARMs, 10 MBAs, four attorneys, 30 CPAs.

Clients: 200 total clients; 1% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million, 40% $5 million-$10 million, 30% $10 million-$25 million, 4% exceeding $25 million; minimum size client, $1

Continued on next page

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Continued from previous page
million risk and insurance budget.

Compensation: By the hour: principal consultant, $250; consultant, $190; analyst, $115; clerical, $50.

Principal officers: International Risk Management Group: Arthur H. Deters, president/chief executive officer; Thomas G. Grilli, group executive vp/chief financial officer; Bryan D. Murphy, group executive vp. American Risk Management Corp.: John J. Ryan, president; William F. Nehls, executive vp; William T. Harris, Donald W. Mosier, William T. Torpey and Michael Lusk, vps; Kathryn A. Westover, vp-Vermont office; C. Douglas Wharton, vp-Cleveland office. European Risk Management Ltd.: William F. Sennett, managing director; Robert Brown, director

J

JM Risk Management Co. of the Southwest Inc.

Route 8, Box 5592, Boerne, Texas 78006; 512-537-4076

Year founded: 1987.
Independent.
Services provided: 80% continuous consulting; 15% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, accounting systems analysis, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Oil and gas, explosives, engineers, construction, real estate development, manufacturing, transportation.

Staff: One total who is a principal consultant.

Clients: 18 total clients; 100% with risk and insurance budgets less than $1 million.

Compensation: On retainer; by the hour: principal consultant, $90-$110.

Principal officers: James L. Macdonald, president.

The Johnson Group Ltd.

1326 Wilder St., Thousand Oaks, Calif. 91362; 805-497-6200

Year founded: 1981.
Independent.
Services provided: 70% continuous consulting; 5% risk management audits; 25% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, loss settlement assistance, consulting on the design of risk management information systems.

Specialty: Manufacturing.

Staff: Two total; both principal consultants. Professional designations held by staff include one CPCU, one ARM.

Clients: 16 total clients; 64% with risk and insurance budgets less than $1 million, 36% $1 million-$5 million; minimum size client. $500,000 risk and insurance budget.

Compensation: On retainer, by the hour.

Principal officers: Eugene F. Johnson, president; Gregory E. Johnson, vp.

Johnson & Higgins Risk Management Services

125 Broad St., New York, N.Y. 10004; 212-574-8907

Year founded: 1972.

Continued on next page

Isenberg Risk Management Inc.

6547 City West Parkway, Eden Prairie, Minn. 55344; 612-944-8515

Year founded: 1978.
Independent.
Services provided: 90% continuous consulting; 5% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, quantitative analysis and statistical forecasting.

Specialties: Electronics, printing, wind energy, sports teams, sports facilities.

Staff: Three total; all professionals, including two principal consultants. Professional designations held by staff include one CPCU, one ARM, one attorney, one CPD.

Clients: 15 total clients; 85% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million; no minimum size client. Clients include two associations.

Compensation: By the hour: principal consultant, $85-$100; clerical, $50.

Principal officers: Jeffrey P. Isenberg, president; Daniel B. Eitingon, vp.

The Joseph Ivy Co.

7800 N. Mopac, Suite 210, Austin, Texas 78759; 512-346-6921

Year founded: 1985.
Independent.
Services provided: 14% continuous consulting; 14% risk management audits; 42% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, risk management organization studies, preparation of specifications for bidding, risk retention pool feasibility studies, strategic planning for risk retention pools; occasional captive feasibility studies, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 30% other services.

Specialties: Association captives, public entities.

Staff: Seven total; six professionals, including two principal consultants, two consultants, two analysts. Professional designations held by staff include three ARMs, three MBAs.

Clients: 20 total clients; 30% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million, 20% $5 million-$10 million; minimum size client, $250,000 risk and insurance budget. Clients include nine associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $120-$140; consultant, $80-$120; analyst, $50-$60; clerical, $30-$40.

1989 gross revenues: $925,000 total, $648,000 from risk management consulting.

Principal officers: William I. Martin Jr., president; Francis J. Fey, vp.



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Continued from previous page

Parent company: Johnson & Higgins.

Services provided: 25% continuous consulting; 5% risk management audits; 70% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, group captive and risk retention group studies, actuarial consulting including certification of captives and self-insureds, allocation system design; occasional insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, management consulting, captive strategic planning, loss portfolio transfers.

Locations: 50 locations in the United States, 12 foreign offices.

Staff: 95 total. Professional designations held by staff include 12 CPCUs, seven ARMs, 12 MBAs, one FCAS, two ACASs, one Ph.D., two CPAs, five CAs, two attorneys.

Clients: More than 500 total clients.

Compensation: By the project, commissions for insurance placed with underwriters, by the hour.

Principal officers: Richard J. Rice and Alan G. Page, senior vps/directors; Joan B. Schaeffer, vp.

The Jonathon

1 Crown Center, Suite 132, 1895 Phoenix Blvd., Atlanta, Ga. 30349; 404-996-6209

Year founded: 1975.
Independent.

Services provided: 90% continuous consulting; 10% special projects, including frequent risk retention analysis (including self-insurance studies), risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration.

Staff: Four total; two professionals, including one principal consultant, one consultant.

Clients: 5% with risk and insurance budgets less than $1 million, 60% $1 million-$5 million, 30% $5 million-$10 million, 5% $10 million-$25 million; minimum size client, $500,000 risk and insurance budget. Clients include one association.

Compensation: By the project; on retainer; by the hour: principal consultant, $125; consultant, $90; clerical, $30.

Principal officers: John C. Grunden, chief executive officer.

K

KPMG Peat Marwick-Risk & Insurance Management Consulting Practice

345 Park Ave., New York, N.Y. 10154; 212-872-5872

Year founded: 1897.
Parent company: KPMG Peat Marwick.

Services provided: 12% continuous consulting; 58% risk management audits; 30% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional captive feasibility studies, loss prevention audits, loss settlement assistance.

Locations: Chicago; Dallas; Hartford, Conn.; Atlanta; Philadelphia; Los Angeles; Hamilton, Bermuda; Sydney, Australia; London, England; Georgetown, Cayman Islands; Nassau and Freeport, Bahamas.

Staff: 40 total; professionals include eight principal consultants, 18 consultants, seven actuaries, seven analysts. Professional designations held by staff include four CPCUs, six ARMs, six MBAs, five FCASs, five ACASs, one CLU, five CPAs.

Clients: 150 total clients; 12% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 42% $5 million-$10 million, 31% $10 million-$25 million, 5% exceeding $25 million; minimum size client, $50,000 risk and insurance budget. Clients include 12 associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $225-$300; consultant, $130-$215; actuary, $130-$250; analyst, $75-$125; clerical, $20.

1989 gross revenues: $4.1 million total.

Principal officers: David Wasserman, principal; Gregory Reid, partner; Craig Gass, senior manager.

Kamp Associates Inc.

The Pavilions at Greentree, Suite 308, Marlton, N.J. 08053; 609-596-7812

Year founded: 1984.
Independent.

Services provided: 92% continuous consulting; 3% special projects, including occasional captive feasibility studies, claims auditing; 5% other services.

Specialties: Construction, real estate development.

Staff: Seven total; four professionals, including two principal consultants, two consultants. Professional designations held by staff include one MBA.

Clients: 31 total clients; 71% with risk and insurance budgets less than $1 million, 23% $1 million-$5 million, 6% $10 million-$25 million; no minimum size client.

Compensation: By the project, on retainer, by the hour.

1989 gross revenues: $565,000 total, $536,750 from risk management consulting.

Principal officers: Arthur Lee Penman, president; Bruce M. Allen, vp.

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; P.O. Box 4328, Torrance, Calif. 90510; 213-212-3344

Year founded: 1972.
Independent.

Services provided: 2.45% continuous consulting; 1.05% risk management audits; 3.5% special projects, including frequent analysis of necessary insurance limits, loss prevention audits, loss settlement assistance, forming of municipal joint power agencies; occasional risk retention analysis (including self-insurance studies), insurance contract analysis, accounting systems analysis, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 93% other services.

Specialties: Public school districts, municipal agencies, hospitals.

Locations: Santa Ana, San Diego, Riverside, Fresno, Campbell, Sacramento, Emeryville, Chico and Westlake Village, Calif.

Staff: 275 total; nine professionals assigned to risk management consulting, including two principal consultants, seven consultants. Professional designations held by staff include two CPCUs, three ARMs, eight CLUs, one attorney, two CEBSs, two ChFCs, one FLMI.

Clients: 83 total clients; 10% with risk and insurance budgets less than $1 million, 60% $1 million-$5 million, 25% $5 million-$10 million, 5% $10 million-$25 million; no minimum size client. Clients include 55 associations.

Compensation: By the project, on retainer.

1989 gross revenues: $17.95 million total, $1.24 million from risk management consulting.

Principal officers: John R. Keenan, chief executive officer; Frederick A. Johnson, president; David J. De Wenter, executive vp; Murton L. Munson, senior vp; Mark Schulte, vp.

Kemp Risk Management & Analysis Ltd.

1076 Richards St., Vancouver, British Columbia V6B 3E1; 604-685-3148

Year founded: 1984.
Independent.

Services provided: 20% continuous consulting; 50% risk manage-

Continued on next page

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ment audits; 30% special projects, including occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding.

Staff: One who holds an AIIC designation.

Clients: 15 total clients; 60% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million.

Compensation: By the hour.

Principal officers: David B. Kemp.

M.L. Kirk & Associates Inc.

8905 Lake Ave., Cleveland, Ohio 44102; 216-631-2004

Year founded: 1985.
Independent.

Services provided: 60% continuous consulting; 30% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, accounting systems analysis, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, risk management projects for research and development or new product analysis, earthquake potential and disaster planning.

Specialties: Financial institutions, hospitals, government entities, importing and exporting, construction, universities, libraries.

Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, one ARM, one PE.

Clients: 30% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million, 20% $5 million-$10 million, 10% $10 million-$25 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $125.

Principal officers: Mary Lou Kirk, president.

Membership: SRMC.

W.W. Kitchell Inc.

P.O. Box 2263, Des Moines, Iowa 50310; 515-276-1770

Year founded: 1969.
Independent.

Services provided: 80% continuous consulting; 10% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional claims auditing.

Specialties: Telecommunications, hospitals, associations, retailers, educational institutions, government, utilities, printing.

Staff: Three total; all professionals, including one principal consultant, one consultant, one analyst. Professional designations held by staff include one ARM.

Clients: No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $65-$130.

Principal officers: Ron C. Kitchell, principal consultant.

KKrown Management Co.

6 Landmark Square, Stamford, Conn. 06901; 203-359-5671

Year founded: 1986.
Independent.

Services provided: 40% continuous consulting; 40% risk management audits; 20% special projects.

Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations held by staff include one ARM, one MBA, one attorney.

Compensation: By the hour: principal consultant, $175-$200; consultant, $90-$120.

Principal officers: Raymond M. O'Keefe, chairman; Jerry G. Sullivan, president; Stephen E. Flynn, vp.

Ralph Korn & Associates Inc.

6718 N. 16th St., Phoenix, Ariz. 85016; 602-285-9957

Year founded: 1987.
Independent.

Services provided: 10% continuous consulting; 70% risk management audits; 20% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems.

Specialties: Public entities, publishing.

Staff: One principal consultant.

Clients: 18 total clients; 90% with risk and insurance budgets less than $1 million, 10% $5 million-$10 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $75-$150.

Principal officers: Ralph Korn, president/treasurer; Anne Livingston, vp/secretary.

Kusters Consulting International

2100 Tanglewilde, Suite 392, Houston, Texas 77063; 713-784-8730

Year founded: 1985.
Independent.

Services provided: 15% continuous consulting; 5% risk management audits; 60% special projects, including frequent insurance contract analysis, loss prevention audits, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, product liability audits; occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, claims auditing; 20% other services.

Specialty: Multinational companies.

Staff: Two total; including one principal consultant, one consultant. Professional designations held by staff include one ARM, one PE, one ASSE.

Clients: No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $90; consultant, $75; clerical, $25.

Principal officers: Jacques H. Kusters, owner/principal consultant.

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L

Larsen Risk Consulting Inc.

22 W. Putnam Ave., Greenwich, Conn. 06830; 203-622-6681

Year founded: 1985.
Independent.
Services provided: 95% continuous consulting; 5% risk management audits.
Specialties: Financial institutions, real estate development and management companies.
Staff: Six total; three professionals, including one principal consultant, two consultants. Professional designations held by staff include one CPCU, one ARM, one AAI, three CICs.
Clients: 17 total clients; 100% with risk and insurance budgets less than $1 million; minimum size client, $250,000 risk and insurance budget.
Compensation: By the project, on retainer.
Principal officers: James F. Larsen, president.

Robert W. Lazarus & Associates Inc.

2700 W. 15th St., Suite 316, Plano, Texas 75075-7524; 214-867-4348

Year founded: 1981.
Independent.
Services provided: 50% continuous consulting; 25% risk management audits; 25% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, quantitative analysis and statistical forecasting.
Staff: Eight total; professionals include one principal consultant, three consultants. Professional designations held by staff include one CPCU, two ARMs, one MBA.
Clients: 50 total clients; 85% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million.
Compensation: By the project; on retainer; by the hour: principal consultant and consultant, $165; clerical services included.
Principal officers: Robert W. Lazarus, president/senior consultant; William F. Fraley, James L. Herter and Gerald F. Jones, senior consultants.
Membership: SRMC.

Litigation Management Specialists Inc.

Suite 1265, 12th Floor, First American Center, Nashville, Tenn. 37238; 615-373-0564

Year founded: 1989.
Independent.
Services provided: 20% continuous consulting; 20% risk management audits; 40% special projects, including frequent claims auditing, loss prevention audits, loss settlement assistance, litigation management, loss prevention; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; 20% other services.
Specialties: Manufacturers and service providers.
Staff: Three total; two professionals, including one principal consultant, one analyst. Professional designations held by staff include one attorney.
Clients: Three total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $50-$100; analyst, $35-$55.
Principal officers: James A. Freeman III, president.

Edward R. Lloyd

235 Grenadier Circle, Danville, Va. 24541; 804-822-1643

Year founded: 1985.
Independent.
Services provided: 25% continuous consulting; 25% risk management audits; 50% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding, consulting on the design of risk management information systems; 25% other services.
Specialty: Textile manufacturing.
Staff: One total.
Clients: Five total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $80.
Principal officers: Edward R. Lloyd, owner.

Loss Control Associates Inc.

172 Middletown Blvd., Suite 204-B, Langhorne, Pa. 19047; 215-949-0670

Year founded: 1986.
Independent.
Services provided: 30% continuous consulting; 50% special projects, including frequent loss prevention audits; occasional preparation of specifications for bidding; 20% other services.
Specialties: Petrochemical, oil refining, industry.
Staff: Five total; professionals include three principal consultants. Professional designations held by staff include two PEs, two SFPEs, three NFPAs, one ASSE, one AICHE.
Compensation: By the project, by the hour.
1989 gross revenues: $310,000 total.
Principal officers: Orville M. Slye Jr., president.

M

MRM/Multi-Risk Management Inc.

820 N. Orleans, Suite 320, Chicago, Ill. 60610; 312-670-2100

Year founded: 1976.
Independent.
Services provided: 10% continuous consulting; 2% risk management audits; 28% special projects, including occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 60% other services.
Specialty: Health care.
Staff: 32 total; six professionals, including three principal consultants, two consultants, one analyst. Professional designations held by staff include two MBAs.
Clients: 130 total clients; 5% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 60% $5 million-$10 million, 15% $10 million-$25 million, 10% exceeding $25 million; no minimum size client. Clients include three associations.
Compensation: By the project; commissions for insurance placed with underwriters; on retainer; by the hour: principal consultant, $75; consultant, $60; analyst, $50; clerical, $35.
1989 gross revenues: $1.5 million total, $600,000 from risk management consulting.
Principal officers: Michael Burack, president; James Franklin, executive vp; Victoria Engelhart and Sandra Hobbs, vps.

MacMeekin Consulting Inc.

1111 Elm St., West Springfield, Mass. 01089; 413-737-0867

Year founded: 1986.
Independent.
Services provided: 35% continuous consulting; 10% risk management audits; 35% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis,

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preparation of specifications for bidding, seminars; occasional claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 20% other services.

Specialties: Fairs and expositions, paper converting, manufacturing.

Staff: Five total; professionals include one principal consultant, two consultants. Professional designations held by staff include one CPCU, one ARM, one MBA, one AAI.

Clients: 41 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; no minimum size client. Clients include two associations.

Compensation: By the project; by the hour: principle consultant, $145; consultant, $95; support staff, $45.

Principal officers: Donald M. MacMeekin, president.

James R. Mahurin

Suite 406, RCNB Building, P.O. Box 1926, Beckley, W.Va. 25802-1926; 304-252-0705

Year founded: 1988.
Independent.

Services provided: 45% continuous consulting; 10% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, quantitative analysis and statistical forecasting; 40% other services.

Specialties: Mining, construction, government entities, regional jewelry chains, financial institutions, medical and educational institutions.

Staff: Two total; one professional who is a principal consultant and holds CPCU and ARM designations.

Clients: 80 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million.

Compensation: By the hour: principal consultant, $80-$110; clerical, $25.

Principal officers: James R. Mahurin.

Management Functions Inc.

P.O. Box 70272, Ocala, Fla. 32670; 904-351-1850

Year founded: 1986.
Independent.

Services provided: 85% continuous consulting; 5% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, accounting systems analysis, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 5% other services.

Staff: Two total; including one principal consultant, one consultant.

Clients: 24 total clients; 100% with risk and insurance budgets less than $1 million; minimum size client, $250,000 risk and insurance budget. Clients include two associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $100; clerical, $35.

1989 gross revenues: $115,000 total.

Principal officers: Robert A. Carr, president.

Manchester Risk Management Consulting Corp.

1 N. Main St., Derry, N.H. 03038; 603-432-8700

Year founded: 1987.
Independent.

Services provided: 50% continuous consulting; 50% special projects, including risk retention analysis (including self-insurance studies), insurance contract analysis, claims auditing, preparation of specifications for bidding, solid waste management.

Specialties: Public entity pools, associations.

Staff: Four total; professionals include two principal consultants, one consultant. Professional designations held by staff include two CPCUs, one ARM, one CIC, one AIC.

Clients: 80% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 10% $5 million-$10 million; no minimum size client. Clients include eight associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $125-$175; consultant, $100-$125; clerical services included.

1989 gross revenues: $295,000 total.

Principal officers: Lorene R. Reece, president; Richard F. Larrabee, vp.

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John Mathes & Associates Inc.

210 W. Sand Bank Road, Columbia, Ill. 62236; 618-281-7173

Year founded: 1975.
Parent company: Burlington Environmental Inc.
Independent.
Services provided: 88% special projects, including frequent captive feasibility studies, loss prevention audits, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, remedial investigations, compliance and property transfer audits, exploration and testing; occasional loss settlement assistance, consulting on the design of risk management information systems; 12% other services.
Specialties: Chemicals, petroleum, electronics, schools, insurance companies, financial institutions.
Locations: Pittsburgh; Seattle; Groveport, Ohio; Windsor, N.J.
Staff: 205 total; 54 professionals, including 10 principal consultants, 44 consultants. Professional designations held by staff include one CGWP, one CHMM, 12 PEs, three PGs.
Clients: 200 total clients; 20% with risk and insurance budgets $1 million-$5 million, 20% $5 million-$10 million, 20% $10 million-$25 million, 40% exceeding $25 million; minimum size client, $1 million risk and insurance budget. Clients include 10 associations.
Compensation: By the project; by the hour: principal consultant, $90-$115; consultant, $60-$90.
1989 gross revenues: $18.4 million total, $16.2 million from risk management consulting.
Principal officers: Gary Mathes, president; John Mathes, vp; Jim Laux, secretary/treasurer.

R.E. Maynard Consulting Inc.

325 Davis St., Evanston, Ill. 60201; 708-864-7717

Year founded: 1985.
Independent.
Services provided: 90% continuous consulting; 10% special projects, including preparation of specifications for bidding.
Specialty: Metal fabrication industry.
Staff: One staff member who holds a CPCU designation.
Clients: Minimum size client, $500,000 risk and insurance budget.
Compensation: By the project, on retainer.
Principal officers: Robert E. Maynard, president.

McGee Risk Management Services

600 Rivergate Center, Suite 600, Kansas City, Mo. 64105; 816-842-4800

Year founded: 1910.
Services provided: 25% continuous consulting; 10% risk management audits; 15% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, accounting systems analysis, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting; occasional claims auditing, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding, consulting on the design of risk management information systems; 50% other services.
Staff: 78 total staff members; 12 professionals, including six principal consultants, five consultants, one analyst. Professional designations held by staff include five CPCUs, three ARMs, one MBAs, two CSPs.
Clients: 10 total clients; 20% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 50% $5 million-$10 million, 20% $10 million-$25 million.
Compensation: By the project; on retainer; by the hour: principal consultant, $150-$250; consultant, $100-$150; analyst, $50-$100; clerical, $20-$35.
Principal officers: Larry Kaminsky, Charles Kaufmann, Kevin McGreevy, Jerome Reardon and John Wolff, partners.

McLaughlin Consulting Group

23 Georgetown Road, West Newbury, Mass. 01985; 508-363-2150

Year founded: 1984.
Independent.
Services provided: 80% continuous consulting; 10% risk management audits; 10% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, consulting on the design of risk management information systems.
Specialties: Malt beverage industry, environmental claims.
Staff: Three total; two professionals who are principal consultants. Professional designations held by staff include two CPCUs, one ARM.
Clients: 27 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; no minimum size client. Clients include one association.
Compensation: By the hour: principal consultant, $125.
Principal officers: George T. McLaughlin III and Marjorie S. McLaughlin.

McNeary Insurance Consulting Services Inc.

6525 Morrison Blvd., Charlotte, N.C. 28211; 704-365-4150

Year founded: 1956.
Independent.
Services provided: 49% continuous consulting; 7% risk management audits; 14% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional claims auditing, loss settlement assistance, consulting on the design of risk management information systems; 30% other services.
Specialty: Hospitals, financial institutions, professional and trade associations, law firms, textile industry.
Locations: Atlanta.
Staff: 22 total; professionals include seven principal consultants, four consultants, four analysts. Professional designations held by staff include five CPCUs, five ARMs, three MBAs, one CSP, one CLU.
Clients: 200 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; no minimum size client. Clients include 10 associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $105-$195; consultant, $80-$105; analyst, $50-$80; clerical, $25-$40.
Principal officers: W.C. Moore, chairman; Dan A. McCoy, president; William D. Yaeger, senior vp; E. Lynne Skelton, C.W. Malmberg and Spencer Traver, vps.

McPherson Management Co.

Russo Building, Suite 221, P.O. Box 366, Fredonia, N.Y. 14063; 716-673-1777

Year founded: 1974.
Independent.
Services provided: 88% continuous consulting; 5% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance; 2% other services.
Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, two ARMs.
Clients: 100% with risk and insurance budgets less than $1 million.
Compensation: By the project; by the hour: principal consultant, $75.
Principal officers: Warren D.

Continued on next page

The recent storm of controversy in the insurance



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Continued from previous page
McPherson, president.
Membership: SRMC.

Melanber Inc.

Three Bedford Hills Road, Bedford, Nova Scotia B4A 1J5; 902-835-5700

Year founded: 1978.
Independent.
Services provided: 70% continuous consulting; 20% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies); occasional captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding.
Specialties: Financial institutions, government entities, manufacturing, hospitals, schools.
Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations held by staff include one AIIC.
Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $60.
1989 gross revenues: More than $100,000 total.
Principal officers: Mel J. Parsons, president; Beryl Shapley, secretary/treasurer.

Mesne Management Corp.

One Pierce Place, 500 E., Itasca, Ill. 60143; 708-773-7323

Year founded: 1988.
Independent.
Services provided: 15% continuous consulting; 31% risk management audits; 4% special projects, including frequent risk management organization studies; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service and remuneration, consulting on the design of risk management information systems; 50% other services.
Staff: Two total; both professionals who are principal consultants.
Clients: Six total clients; 67% with risk and insurance budgets less than $1 million, 33% $1 million-$5 million.
Compensation: By the project, on retainer.
Principal officers: James R. Mascarella, president; Gretchen McAlinden, executive vp.

Morris Insurance Services Inc.

4551 Glencoe Ave., Suite 115, Marina del Rey, Calif. 90292; 213-822-1129

Year founded: 1985.
Independent.
Services provided: 90% continuous consulting; 10% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; occasional loss prevention audits, assessment of broker service and remuneration, quantitative analysis and statistical forecasting..
Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations held by staff include one ARM.
Clients: 39 total clients; 50% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 10% $5 million-$10 million, 5% $10 million-$25 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $135-$150; consultant, $100; clerical, $65.
Principal officers: Joan C. Morris, president.
Membership: SRMC.

N

NIA Risk Management Services

66 Route 17, Paramus, N.J. 07652; 201-845-6600

Year founded: 1978.
Parent company: The NIA Group.
Services provided: 90% continuous consulting; 5% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, assessment of broker service and remuneration, risk management organization studies, quantitative analysis and statistical forecasting.
Staff: Six total; four professionals, including two principal consultants, two analysts. Professional designations held by staff include two MBAs.
Clients: 30 total clients; 95% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million; minimum size client, $100,000 risk and insurance budget.
Compensation: By the project, on retainer.
1989 gross revenues: $415,000 total.
Principal officers: David Arthur, vp; Charles Rosenberg, regional vp.

National Fleet Service Inc.

55 Jericho Turnpike, Jericho, N.Y. 11753; 800-428-0003

Year founded: 1984.
Independent.
Services provided: 15% continuous consulting; special projects include frequent loss settlement assistance, corporate fleet loss control; 85% other services.
Specialty: Large companies.
Staff: 18 total, four professionals.
Clients: 50 total clients; 100% exceeding $25 million.
Compensation: On retainer.
1989 gross revenues: $600,000 from risk management consulting.
Principal officers: Michael Karpoff, co-chairman/president; Barry Siegel, co-chairman.

National Insurance Advisory Services

1599 Washington St., Braintree, Mass. 02184; 617-848-4500

Year founded: 1979.
Independent.
Services provided: 70% continuous consulting; 15% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, preparation of specifications for bidding, consulting on the design of risk management information systems, workers compensation cost control analyses; occasional risk retention analysis (including self-insurance studies), accounting systems analysis, assessment of broker service and remuneration; 15% other services.
Staff: 13 total; six professionals, including three principal consultants, two consultants, one analyst. Professional designations held by staff include one CPCU, one ARM, three MBAs, one CLU, four LIAs.
Clients: 120 total clients; 20% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 20% $5 million-$10 million, 20% $10 million-$25 million, 20% exceeding $25 million. Clients include four associations.
Compensation: By the project, on retainer, by the hour.
1989 gross revenues: More than $1 million from risk management consulting.
Principal officers: James B. Conant, owner.

National Risk Management Consultants

1777 W. Camelback Road, Phoenix, Ariz. 85015; 602-274-1234

Year founded: 1969.
Parent company: Alliance Insurance Group.
Services provided: 50% continuous consulting; 25% risk management audits; 25% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding, consulting on the design of risk management information systems, loss control implementation; occasional risk retention analysis (includ-

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ing self-insurance studies), captive feasibility studies, accounting systems analysis, loss settlement assistance, risk management organization studies.

Specialties: School districts, real estate developers, asset managers.

Staff: Three total; professionals include one principal consultant, one consultant, one analyst. Professional designations held by staff include two CPCUs, one ARM, one CLU, one CPA.

Clients: 10 total clients; 30% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 20% $5 million-$10 million, 20% $10 million-$25 million; minimum size client, $30,000 risk and insurance budget. Clients include 10 associations.

Compensation: By the project; by the hour: principal consultant, $125; consultant, $85; actuary, $100; analyst, $70; clerical, $35.

1989 gross revenues: $150,000 total.

Principal officers: Guy L. Labelle, president; James Prahilly, vp.

Membership: SRMC.

National Risk Retention Services Inc.

3 ADP Blvd., Roseland, N.J. 07068; 201-992-5980

Year founded: 1987.
Independent.

Services provided: 50% continuous consulting; 20% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, preparation of specifications for bidding; occasional captive feasibility studies, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; 10% other services.

Staff: Two total. Professional designations held by staff include one CPCU, one attorney.

Compensation: By the project, on retainer.

Principal officers: Montgomery Gale, president; Leonard E. Schwartz, vp.

Haig Neville Associates

3400 Commerce Road, West Bloomfield, Mich. 48033; 313-683-0380

Year founded: 1959.

Parent company: Risk Research Institute Inc.

Services provided: 50% continuous consulting; 40% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, risk management seminars; occasional claims auditing, loss prevention audits, accounting systems analysis, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Municipalities, educational institutions, financial institutions.

Locations: Hamilton, Bermuda; Fort Lauderdale, Fla.

Staff: 10 total; eight professionals, including three principal consultants, three consultants, two analysts. Professional designations held by staff include three CPCUs, two ARMs, one CLU.

Clients: More than 150 total clients; 96% with risk and insurance budgets less than $1 million, 2% $1 million-$5 million, 2% $5 million-$10 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $125; consultant, $100; analyst, $75; clerical services included.

Principal officers: Haig Neville, president; Juanita Neville, secretary/treasurer; Denis Shelley, vp.

O

Omni Risk

6200 E. Thomas, Suite 302, Scottsdale, Ariz. 85251; 602-990-1706

Year founded: 1984.
Independent.

Services provided: 65% continuous consulting; 30% risk management audits; 5% special projects, including risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding.

Specialty: Health care industry.

Staff: Three total; all principal consultants. Professional designations held by staff include one CPCU.

Clients: 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million.

Compensation: By the project; on retainer; by the hour: principal consultant, $65-$90; consultant, $45-$60.

1989 gross revenues: $130,000 total.

Principal officers: Richard P. Cleary, president.

P

Pacific Risk Management Inc.

1904 3rd Ave., Suite 828, Seattle, Wash. 98101; 206-682-9232

Year founded: 1989.
Independent.

Services provided: 60% continuous consulting; 30% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, pooling feasibility studies and implementation; occasional captive feasibility studies, accounting systems analysis, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Pooling arrangements, public agencies.

Staff: One total who is a principal consultant and holds CPCU and ARM designations.

Clients: 17 total clients; 20% with risk and insurance budgets less than $1 million, 60% $1 million-$5 million, 20% $5 million-$10 million. Clients include three associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $90; clerical, $30.

Principal officers: John D. Haywood, principal.

Membership: SRMC.

Paretzky Information Network Inc.

6701 Democracy Blvd., Suite 300, Bethesda, Md. 20817; 301-571-9400

Year founded: 1988.
Independent.

Services provided: 25% continuous consulting; 25% risk management audits; 50% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding, consulting on the design of risk management information systems, London market analysis; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss prevention audits, risk management organization studies.

Specialties: Construction, communications.

Staff: Three total; all professionals, including two principal consultants, one analyst. Professional designations held by staff include two ARMs, one MBA.

Clients: 10 total clients; 30% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 10% $5 million-$10 million, 20% $10 million-$25 million, 20% exceeding $25 million; minimum size client, $500,000 risk and insurance budget.

Compensation: Commissions for insurance placed with underwriters; on retainer; by the hour: principal consultant, $150; consultant, $100; analyst, $75; clerical, $50.

Principal officers: Yvonne Paretzky, president; Sheila P. Ro-

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berts, executive vp; Susan Monroe, secretary/treasurer.

B.W. Payne Risk & Insurance Consultant

2703 Tangley, Houston, Texas 77005; 713-667-2516

Year founded: 1975.
Independent.
Services provided: 34% continuous consulting; 8.5% risk management audits; 42.5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), risk management organization studies; 15% other services.
Specialties: Government entities, utilities, private power suppliers, oil and gas manufacturing.
Staff: Two total; one principal consultant.
Clients: 50% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million.
Compensation: By the hour: principal consultant, $125; clerical, $45.
Principal officers: B.W. Payne, principal.

William Peet, Insurance Consultant

456 Summit Ave, Suite 306, St. Paul, Minn. 55102; 612-292-9369

Year founded: 1959.
Independent.
Services provided: Frequent preparation of specifications for bidding; occasional loss settlement assistance, litigation support.
Staff: One professional who holds a CPCU designation.
Compensation: By the hour.
Principal officers: William Peet.
Membership: SRMC.

Penrim Ltd.

16 Oaken Gateway, North York, Ontario M2P 2A1; 416-733-3100

Year founded: 1984.
Independent.
Services provided: 60% continuous consulting; 10% risk management audits; 15% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, systems analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 15% other services.
Specialties: Hotels, art galleries, chemical and hazardous materials manufacturers, electronics manufacturers, contractors, textile manufacturers.
Staff: Two total; one professional who is a principal consultant. Professional designations held by staff include one PE, one FIIC, one CRM.
Clients: Eight total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $135.
Principal officers: Owen Kurin, president.

John Pierce, Consulting Actuary

2000 Milton, Park Ridge, Ill. 60068; 708-692-5284

Year founded: 1983.
Independent.
Services provided: 55% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, quantitative analysis and statistical forecasting; occasional analysis of necessary insurance limits, assessment of broker service and remuneration, consulting on the design of risk management information systems; 45% other services.
Staff: Three total; two professionals who are actuaries. Professional designations held by staff include one MBA, one FCAS, one MAAA.
Clients: 50% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 10% $5 million-$10 million, 5% $10 million-$25 million; no minimum size client.
Compensation: By the hour: actuary, $135; analyst, $60; clerical, $15-$20.
1989 gross revenues: $100,000 total, $55,000 from risk management consulting.
Principal officers: John Pierce, president.

Premium Review Associates

P.O. Box 125, Keene, N.H. 03431; 603-352-2786

Year founded: 1979.
Independent.
Services provided: 40% risk management audits; 10% special projects, including frequent analysis of insurer premium calculations; occasional accounting systems analysis; 50% other services.
Specialties: Hospitals, contractors, fuel oil dealers, manufacturers.
Staff: Two total, both principal consultants.
Clients: 45 total clients; 75% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million, 5% $5 million-$10 million; no minimum size client.
Compensation: By the project.
Principal officers: Norman L. Goodman.

Price Waterhouse-Risk Management Consulting Group

30 S. 17th St., Philadelphia, Pa. 19103-4094; 215-665-9500

Year founded: 1890.
Parent company: Price Waterhouse.
Independent.
Services provided: 30% continuous consulting; 15% risk management audits; 55% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the

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September 30,	1989
Gross Written Premium	$145,452,697
Direct Written Premium	120,500,012
Net Operating Income	13,317,337
Admitted Assets	478,679,991
Policyholders' Surplus	114,083,373
Combined Ratio	0.99
NWP/PHS (Annualized)	1.20
GWP/PHS (Annualized)	1.70

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design of risk management information systems; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, quantitative analysis and statistical forecasting.

Locations: Atlanta; Chicago; Hartford, Conn.; Miami; New York; Washington, D.C.

Staff: 102 total; 18 professionals, including one principal consultant, five consultants, eight actuaries, four analysts. Professional designations held by staff include four CPCUs, two ARMs, four MBAs, three FCASs, two ACASs, two CLUs.

Clients: More than 100 total clients; no minimum size client. Clients include two associations.

Compensation: By the project; by the hour: principal consultant, $220-$275; consultant, $140-$250; actuary, $150-$250.

Principal officers: C.D. Ross and W.J. Bawden, co-chairmen-National Insurance Industry Group; C.M. Benston, R.H. Bertholdt, W.J. Chrnelich, B.B Korbly, J.L. McDonough, M.P. Nelligan, L.B. Quimby, J.S. Scheid, S.J. Yarina, A.J. Amorosa, M.S. Collins, E.J. Matley and R.L. Soares, partners.

Professional Risk Management Consultants

18th Floor, Two Gateway Center, Pittsburgh, Pa. 15222; 412-288-0832

Year founded: 1983.
Parent company: Halliwell & Associates Inc.
Independent.
Services provided: 40% continuous consulting; 30% risk management audits; 30% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, expert witness testimony.
Specialties: Manufacturers, government entities, contractors, real estate developers and managers, educational institutions, health care providers.
Staff: 50 total; five professionals, including one principal consultant, two consultants, one actuary, one analyst. Professional designations held by staff include two CPCUs, two ARMs, one FCAS.
Clients: 60 total clients; 90% with risk and insurance budgets less than $1 million, 6% $1 million-$5 million, 4% $5 million-$10 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $130; consultant, $110; actuary, $130; analyst, $70-$90; clerical, $15.
Principal officers: Thomas S. Baily, president; Paul D. Halliwell, chairman; David B. Thomas, vp; David L. Wetherill, executive vp.

Professional Risk Management Inc.

1433 Utica Ave. S., Suite 70, Minneapolis, Minn. 55416; 612-542-8414; 800-366-8820

Year founded: 1988.
Independent.
Services provided: 72% continuous consulting; 5% risk management audits; 14% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 9% other services.
Staff: One staff member who is a principal consultant and holds CPCU, ARM and CIC designations.
Clients: 19 total clients; 85% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million.
Compensation: By the project; by the hour: principal consultant, $75-$100.
Principal officers: Carl F. Lidstrom, president.
Membership: SRMC.

Progressive Risk Management Services

3401 Enterprise Parkway, Beachwood, Ohio 44122; 216-464-7900

Year founded: 1988.
Parent company: Progressive Corp.
Services provided: 5% continuous consulting; 95% other services.
Staff: Professional designations held by staff include three CPCUs, four MBAs, nine attorneys.
Clients: 100% exceeding $25 million. Clients include two associations.
Compensation: By the project, on retainer.
1989 gross revenues: $17.5 million total, $600,000 from risk management consulting.
Principal officers: Stephen Klug, president; Charles Boucherle, general manager-American Banking Assn. program; Robert Fishman, vp.
Membership: SRMC.

R

REA Associates

12 Oaks Centre, Suite 807, Wayzata, Minn. 55391; 612-475-0873

Year founded: 1985.
Independent.
Services provided: 45% continuous consulting; 25% risk management audits; 30% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, consulting for international companies; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Staff: Three total; professionals include one principal consultant. Professional designations held by staff include one MBA.
Clients: 60% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 5% $10 million-$25 million; no minimum size client. Clients include two associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $125-$260.
Principal officers: Robert E. Abrahamson, managing partner.

RM/QA Systems Inc.

21 W. Broad St., Columbus, Ohio 43215; 614-469-0480

Year founded: 1987.
Parent company: Ohio Hospital Insurance Co.
Services provided: 78% continuous consulting; 10% risk management audits; 4% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, software design and development; occasional risk retention analysis (including self-insurance studies), consulting on the design of risk management information systems; 8% other services.
Specialties: Health care facilities, health care professionals.
Locations: Baltimore; West Frankfort, Ill.
Staff: 11 total; all professionals, including three principal consultants, eight consultants. Professional designations held by staff include one ARM, one CSP, one RN, one RP, three attorneys.
Clients: 25 total clients; 20% with risk and insurance budgets less than $1 million, 80% $1 million-$5 million; no minimum size client.
Compensation: By the project; by the hour: principal consultant and consultant $75.
1989 gross revenues: $64,899 total, $61,499 from risk management consulting.
Principal officers: Richard P. Fogo, chairman; Ronald D. Wade, president; Gary P. Schneidmiller, vp; Ralph E. Burnheimer, secretary/treasurer.

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FlightSafety
international

Continued from previous page

Frederick Rauh & Co.

3300 Central Parkway, Cincinnati, Ohio 45225; 513-559-0500.

Year founded: 1870.
Parent company: American Business Insurance.
Services provided: 8.5% continuous consulting; 1% risk management audits; 0.5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; occasional captive feasibility studies, accounting systems analysis, assessment of broker service and remuneration, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 90% other services.
Specialties: Amusement parks, manufacturing, broadcasting, hospitals.
Staff: 74 total; 10 professionals, including four principal consultants, six consultants. Professional designations held by staff include five CPCUs, one MBA, one CSP, one CSS, one CSE.
Clients: 10 total clients; 20% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million, 10% $5 million-$10 million, 20% exceeding $25 million.
Compensation: By the project; commissions for insurance placed with underwriters; by the hour: principal consultant, $150; consultant, $60-$65.
Principal officers: Steve Wolter, president; Harry Addison, senior vp; Bob Lane, Pete Dowd and Bob Stone, vps.

Recreation Underwriting Management Corp.

P.O. Box 184, Norwood, Mass. 02062; 617-769-4666

Year founded: 1986.
Independent.
Services provided: 30% continuous consulting; 30% risk management audits; 40% special projects, including frequent claims auditing, loss prevention audits, loss settlement assistance; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, risk analyses of product and facility designs.
Specialty: Recreation industry.
Clients: 100% with risk and insurance budgets less than $1 million.
Compensation: By the project, on retainer.
Principal officers: Robert J. Hanson, president.

Regent Consultants Corp.

170 Great Neck Road, Great Neck, N.Y. 11021; 516-466-7740.

Year founded: 1968.
Independent.
Services provided: 90% continuous consulting; 5% risk management audits; 5% special projects, including occasional insurance contract analysis, loss settlement assistance.
Staff: Three total; professionals include one principal consultant. Professional designations held by staff include one CPCU, one ARM, one attorney.
Clients: 60% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million.
Compensation: On retainer.
Principal officers: Philip Platzer, president.
Membership: SRMC.

RISC

8008 Corporate Center Drive, Suite 400, Charlotte N.C. 28226; 800-826-0005

Year founded: 1979.
Parent company: Royal Group Inc.
Independent.
Services provided: 1.4% continuous consulting; 3.85% risk management audits; 1.75% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 91.25% other services.
Specialties: Manufacturing, municipalities, telecommunications, retail.
Locations: New York, Chicago.
Staff: 40 total; eight professionals, including two principal consultants, four consultants, two analysts. Professional designations held by staff include two CPCUs, six ARMs, three MBAs, three CSPs.
Clients: 67 total clients; 12% with risk and insurance budgets less than $1 million, 80% $1 million-$5 million, 5% $5 million-$10 million, 2% $10 million-$25 million, 1% exceeding $25 million; no minimum size client. Clients include seven associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $125-$190; consultant, $100-$125; analyst, $85-$100; clerical, $50.
Principal officers: Richard Liersaph, president; Vickie Gron, Robert Bieber, Lawrence Ely, Barbara Spinelli, Karen Nussman, Jack McLaughlin and Michael Gron, vps.

Risconomics Inc.

P.O. Box 1800, Temple, Texas 76503; 817-773-6995

Year founded: 1988.

Continued on next page

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Continued from previous page

Independent.

Services provided: 90% continuous consulting; 10% special projects.

Specialties: Heavy construction, financial institutions, broadcasting industry.

Staff: One staff member who holds ARM, CIC and CPIA designations.

Compensation: By the hour: principal consultant, $125; consultant: $100; clerical, $25.

Principal officers: Rick Bandas, president.

Risk Advantage

143 Union Blvd., Suite 900, Denver, Colo. 80228-1829; 303-987-0428

Year founded: 1989.

Independent.

Services provided: 34% continuous consulting; 33% risk management audits; 33% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional loss prevention audits, accounting systems analysis, loss settlement assistance, consulting on the design of risk management information systems.

Specialties: Government entities, financial institutions, workers' compensation.

Staff: One total who is a principal consultant and holds ARM and CIC designations.

Clients: Seven total clients; 86% with risk and insurance budgets less than $1 million, 14% $1 million-$5 million; no minimum size client.

Compensation: By the hour: principal consultant, $100-$125; clerical, $25.

Principal officers: Brent A. Winans, principal.

Membership: SRMC.

Risk Advisers

9171 Towne Centre Drive, Suite 200, San Diego, Calif. 92122; 619-587-7415

Year founded: 1987.

Parent company: Barney & Barney.

Services provided: 50% risk management audits; 50% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Staff: One total who is a principal consultant and holds CPCU, ARM, CLU, CIC, ChFC, CPIA and AAI designations.

Clients: 143 total clients; 70% with risk and insurance budgets less than $1 million, 27% $1 million-$5 million, 2% $5 million-$10 million, 1% $10 million-$25 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $125.

Principal officers: Edward A. Whitney, director-risk management services.

Risk Analysis & Management Corp.

700 St. Louis Union Station, Suite 100, St. Louis, Mo. 63103; 314-436-0800

Year founded: 1975.

Independent.

Services provided: 50% continuous consulting; 25% risk management audits; 25% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, consulting on the design of risk management information systems; occasional analysis of necessary insurance limits, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting.

Specialties: Real estate development, construction, hospitals, public and government entities, manufacturing, industry, mining.

Staff: 10 total; five professionals, including two principal consultants, four consultants, one analyst. Professional designations held by staff include one CPCU, one ARM, one MBA, one CSP.

Clients: 20% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 20% $5 million-$10 million, 20% $10 million-$25 million, 10% exceeding $25 million; no minimum size client. Clients include three associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $105-$195; consultant, $75-$125; analyst, $45-$85; clerical, $25-$35.

Principal officers: J. William Rush, president; Walter E. Sir and Ed Strouth, vps.

Risk Analysts Inc.

4828 Loop Central Drive, Ninth Floor, Houston, Texas 77081; 713-666-5200

Year founded: 1982.

Parent company: Wisenberg Insurance & Risk Management.

Services provided: 88% continuous consulting; 2% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, quantitative analysis and statistical forecasting; occasional captive feasibility studies, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding.

Specialties: Hospitals, petrochemical, wholesale distributors, entertainment industry, retail grocery chains.

Staff: 57 total; professionals include two principal consultants, one consultant, two analysts. Professional designations held by staff include two CPCUs, one MBA, one CST.

Clients: 23 total clients; 90% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million, 5% $5 million-$10 million.

Compensation: By the project; by the hour: principal consultant, $175; consultant, $125; senior analyst, $85; analyst, $60.

1989 gross revenues: $450,000 total.

Principal officers: Irving Pozmantier, chairman; Joe L. Williams, president.

Risk Consultants Inc.

735 Bishop St., Suite 420, Honolulu, Hawaii 96813; 808-538-7475

Year founded: 1987.

Independent.

Services provided: 80% continuous consulting; 15% risk management audits; 5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing.

Staff: Four total; three professionals, including one principal consultant, two analysts. Professional designations held by staff include one ARM, one MBA, one ASSE.

Clients: 15 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; minimum size client, $250,000 risk and insurance budget.

Compensation: By the project, on retainer.

Principal officers: William Sandkuhler III, president; Charles M. Rolison, vp; James L.K. Tom, treasurer.

Risk Consultants Inc.

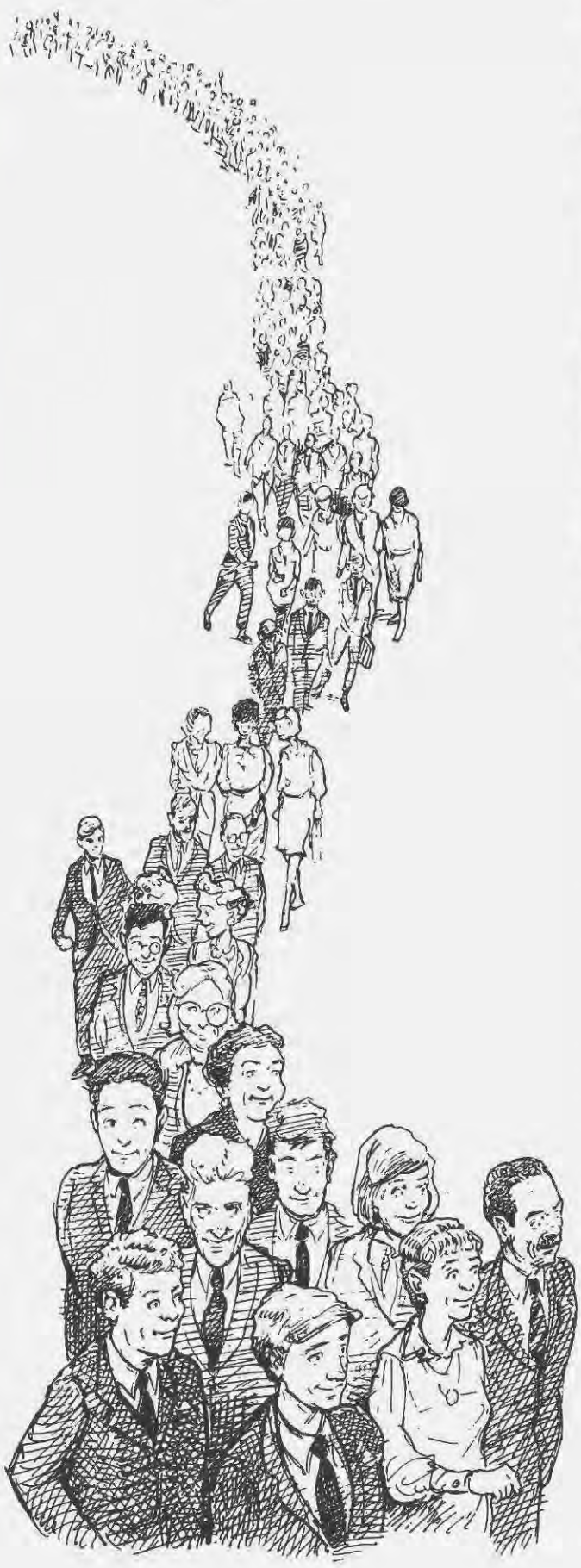
1571 Race St., Denver, Colo. 80206; 303-388-5688

Year founded: 1976.

Independent.

Services provided: 60% continuous consulting; 25% risk management audits; 15% special projects, including frequent risk retention

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analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, accounting systems analysis, loss settlement assistance, preparation of specifications for bidding, quantitative analysis and statistical forecasting, management of captives, pools and risk retention groups; occasional loss prevention audits, assessment of broker service and remuneration, risk management organization studies, consulting on the design of risk management information systems.

Staff: 12 total; eight professionals, including one principal consultant, five consultants, two analysts. Professional designations held by staff include one CPCU, two ARMs, one CPA, two CICs.

Clients: 60 total clients; 45% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 18% $5 million-$10 million, 2% $10 million-$25 million; minimum size client, $20,000 risk and insurance budget. Clients include 10 associations.

Compensation: By the hour: principal consultant, $125; consultant, $100; analyst, $90; clerical, $30.

Principal officers: Michael Murphy, principal consultant; James M. Graham, senior consultant; Dale Gray, Brian Briese and Sherrie W. Farrell, consultants; Nancy McAninch and Richard Wells, risk analysts.

Membership: SRMC.

Risk Consultants Inc.

7506 E. Independence Blvd., Suite 100, Charlotte, N.C. 28227; 704-537-3400

Year founded: 1969.
Independent.
Services provided: 50% continuous consulting; 30% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, fire protection engineering; occasional captive feasibility studies, claims auditing, accounting systems analysis, assessment of broker service and remuneration, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, feasibility and formation of reciprocal arrangements; 10% other services.

Affiliate: Located in Indianapolis.

Staff: 16 total; including five principal consultants, two consultants, three analysts. Professional designations held by staff include one CPCU, three ARMs, one CLU.

Clients: 575 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; no minimum size client. Clients include 15 associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $75; consultant, $60; analyst, $35; clerical, $20.

1989 gross revenues: $742,353 total, $689,503 from risk management consulting.

Principal officers: Merle D. Randle, chairman; Richard C. Canovai-president; Dewey O. King, president-affiliate, J. Lanny Goode and David R. Lively, vps.

Risk Consultants Inc.

617 S. 8th St., Sheboygan, Wis. 53081; 414-457-7781

Year founded: 1970.
Parent company: First Interstate Corp. of Wisconsin Inc.
Services provided: 75% continuous consulting; 15% risk management audits; 10% special projects, including risk retention analysis (including self-insurance studies), insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding.
Specialty: Financial institutions.
Locations: Manitowoc, Wis.
Staff: Three total; two professionals who are principal consultants. Professional designations held by staff include two CPCUs, one ARM, one CLU.
Clients: 100% with risk and insurance budgets less than $1 million; no minimum size client.
Compensation: On retainer; by the hour: principal consultant, $75; consultant, $60.
1989 gross revenues: $100,000 total.
Principal officers: Edwin W. Storer, president; Donald E. Huber, vp.

Risk Consulting Group

23046 Avenida de la Carlota, Suite 600, Laguna Hills, Calif. 92653; 714-583-1161

Year founded: 1976.
Independent.
Services provided: 35% continuous consulting; 25% risk management audits; 40% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; ccca-

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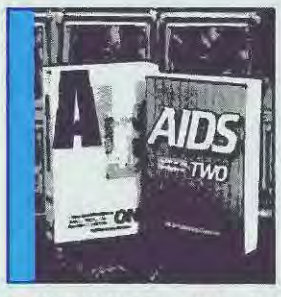
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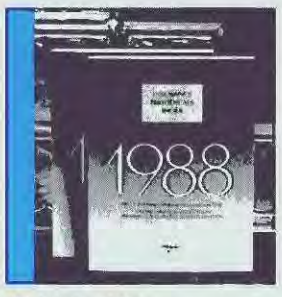
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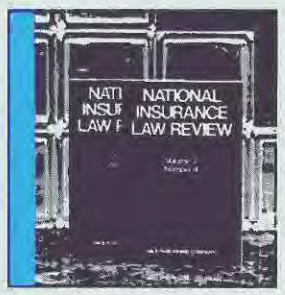


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sional claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance.

Staff: Professional designations held by staff include one ARM, one MBA, one attorney.

Clients: 15% with risk and insurance budgets less than $1 million, 35% $1 million-$5 million, 30% $5 million-$10 million, 15% $10 million-$25 million, 5% exceeding $25 million. Clients include 14 associations.

Compensation: By the hour: principal consultant, $140-$180; consultant, $90-$130; analyst, $75-$90.

Principal officers: Bob Ford and M.L. Finch, principals; B. Wallace, manager.

Membership: SRMC.

Risk Control Inc.

216 Water St., Excelsior, Minn. 55351; 612-474-5204

Year founded: 1978.
Independent.

Services provided: 85% continuous consulting; 7% risk management audits; 8% special risk management consulting projects.

Staff: Four total staff members; including one principal consultant, two consultants. Professional designations held by staff include two ARMs, one MBA.

Clients: 90% with risk and insurance budgets less than $1 million, 7% $1 million-$5 million, 2% $5 million-$10 million, 1% $10 million-$25 million; minimum size client, $50,000 risk and insurance budget. Clients include one association.

Compensation: By the project, on retainer, by the hour.

Principal officers: Jerry L. Brecke, president.

Membership: SRMC.

Risk Control Strategies Inc.

170 Great Neck Road, Great Neck, N.Y. 11021; 516-466-0750

Year founded: 1984.

Parent company: Leonard R. Friedman Risk Management Inc.

Services provided: 70% continuous consulting; 20% risk management audits; 10% special projects, including frequent claims auditing, loss prevention audits, loss settlement assistance, safety programs, claims management software; occasional consulting on the design of risk management information systems.

Specialties: Retail and manufacturing.

Staff: Four total; three professionals, including one principal consultant, one consultant, one analyst. Professional designations held by staff include two ARMs.

Clients: 18 total clients; 60% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million; minimum size client, $175,000 risk and insurance budget.

Compensation: On retainer; by the hour: principal consultant, $160; consultant, $100; analyst, $65; clerical, $45.

Principal officers: Susan G. Kaufman, president.

Membership: SRMC.

Risk Information Systems Consulting Inc.

P.O. Box 337, Huntington, N.Y. 11743; 516-424-3349

Year founded: 1988.
Independent.

Services provided: 100% special projects, including frequent consulting on the design of risk management information systems; occasional quantitative analysis and statistical forecasting.

Staff: One total who is a principal consultant and holds a CPCU designation.

Compensation: By the project; by the hour; principal consultant, $130.

Principal officers: Michael N. Singer, president.

Risk International Services Inc.

3560 W. Market St., Suite 315, Akron, Ohio 44313; 216-666-2536

Year founded: 1986.

Parent company: International Marine Casualty Services Inc.

Services provided: 63% continuous consulting; 11% risk management audits; 22% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of specifications for bidding, consulting on environmental and toxic tort insurance recoveries; occasional captive feasibility studies, claims auditing, assessment of broker service and remuneration, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 4% other services.

Specialties: Manufacturing and retail.

Locations: Houston.

Staff: 13 total staff members; six professionals, including four principal consultants, one consultant, one consultant/actuary. Professional designations held by staff include one FSA, one attorney, one CPA.

Clients: 18 total clients, 88% with risk and insurance budgets less than $1 million, 12% $10 million-$25 million; minimum size client, $50,000 risk and insurance budget.

Compensation: By the project, on retainer.

Principal officers: Del R. Jones, president; David C. Hatch and George R. Benis, vps.

Risk Management Associates

13 Franklin Circle, Northboro, Mass. 01532; 508-393-2519

Year founded: 1972.
Independent.

Services provided: 95% continuous consulting; special projects include frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 5% risk management franchising.

Specialties: Contracting, trucking, retailing.

Staff: Professionals include one principal consultant, one analyst.

Compensation: On retainer; by the hour: principal consultant, $90; analyst, $45.

Principal officers: Edward V. Harding, principal consultant.

Membership: SRMC.

Risk Management Consultants

1700 Sunset Ridge Drive, Laguna Beach, Calif. 92651; 714-494-4451

Year founded: 1977.
Independent.

Services provided: 60% continuous consulting; 25% risk management audits; 15% special projects, including risk retention analysis (including self-insurance studies), captive feasibility studies, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies.

Specialty: Alternative risk financing programs.

Staff: Two total; one principal consultant. Professional designations held by staff include one CPCU, one ARM, one MBA.

Clients: 20% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 50% $5 million-$10 million, 20% $10 million-$25 million; no minimum size client. Clients include six associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $125.

1989 gross revenues: $62,000 total.

Principal officers: William S. Mortimer, president.

Membership: SRMC.

Risk Management Consultants Inc.

1050 E. Flamingo, Suite 333, Las Vegas, Nev. 89119; 702-369-7475

Year founded: 1986.
Independent.

Services provided: 80% continuous consulting; 20% risk management audits.

Staff: Two total; including one principal consultant. Professional designations held by staff include one MBA.

Clients: 95% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million. Clients include

Continued on next page



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Continued from previous page
25 associations.

Compensation: On retainer; by the hour: principal consultant, $125.

Principal officers: K. Steven Kawa, president.

Risk Management Consultants Inc.

250 W. 57th St., Suite 1527, New York, N.Y. 10107; 212-582-2214

Year founded: 1957.
Independent.
Services provided: 70% continuous consulting; 15% risk management audits; 15% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Staff: Five total; four professionals, including two principal consultants, one consultant, one analyst. Professional designations held by staff include two CPCUs, two ARMs, one MBA, one CLU.

Clients: 50 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; no minimum size client.

Compensation: By the project, on retainer, by the hour.

Principal officers: Ezra Lifshitz, president.

Membership: SRMC.

Risk Management Counsel

2 Rivers Drive, Great Neck, N.Y. 11020; 516-482-6238; 516-487-0299

Year founded: 1983.
Independent.
Services provided: 30% continuous consulting; 50% risk management audits; 20% special projects, including frequent insurance contract analysis; occasional analysis of necessary insurance limits, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems.

Staff: One professional who is a principal consultant and holds a PhD.

Clients: 12 total clients; 92% with risk and insurance budgets less than $1 million, 8% $1 million-$5 million.

Compensation: By the project; by the hour: principal consultant, $150.

Principal officers: Harry D. Fornari.

Risk Management Dynamics Inc.

77 Cameron Drive, Holland, Pa. 18966; 215-364-4404

Year founded: 1987.
Independent.
Services provided: 90% continuous consulting; 5% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies.

Staff: Five total; two professionals who are principal consultants. Professional designations held by staff include CPCUs, ARMs.

Clients: 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million.

Compensation: By the project, on retainer.

Principal officers: Alvin E. Mangold, president.

Membership: SRMC.

Risk Management Group Inc.

4425 Randolph Road, Suite 333, Charlotte, N.C. 28211; 704-366-4910

Year founded: 1980.
Independent.
Services provided: 65% continuous consulting; 20% risk management audits; 15% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of loss control programs.

Specialties: Utilities, financial institutions, colleges, political entities, general manufacturing, associations.

Locations: Austin, Texas.

Staff: Six total; five professionals, including two principal consultants, three consultants. Professional designations held by staff include one CPCU, two ARMs.

Clients: 40 total clients; 60% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 10% $5 million-$10 million; no minimum size client. Clients include three associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $105-$125; consultant, $55-$85; actuary, $115-$125.

Principal officers: William B. Brown, president; Donald K. Gray, vp.

Membership: SRMC.

Risk Management Inc.

1861 Rosemont Ave., Claremont, Calif. 91711; 714-626-2604

Year founded: 1978.
Independent.
Services provided: 10% risk management audits; 60% special projects, including frequent insurance contract analysis, assessment of broker service and remuneration; occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; 30% other services.

Staff: Three professionals. Professional designations held by staff include one CPCU, one MBA, one CLU, PhD, attorney.

Clients: 20 total clients; 100% with risk and insurance budgets less than $1 million.

Compensation: By the project; by the hour; principal consultant, $200; consultant, $100.

1989 gross revenues: $140,000 total, $100,000 from risk management consulting.

Principal officers: Andrew F. Whitman, president; Samuel Oberstein, consultant; Susan J. Whitman, secretary/treasurer.

Risk Management Inc.

11845 W. Olympic Blvd., Fifth Floor, Los Angeles, Calif. 90064; 213-444-3344

Year founded: 1967.
Parent company: Jardine Emett & Chandler Inc.

Services provided: 55% continuous consulting; 20% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; 25% other services.

Specialties: Hotel, aerospace, wholesale grocery and health care industries, associations.

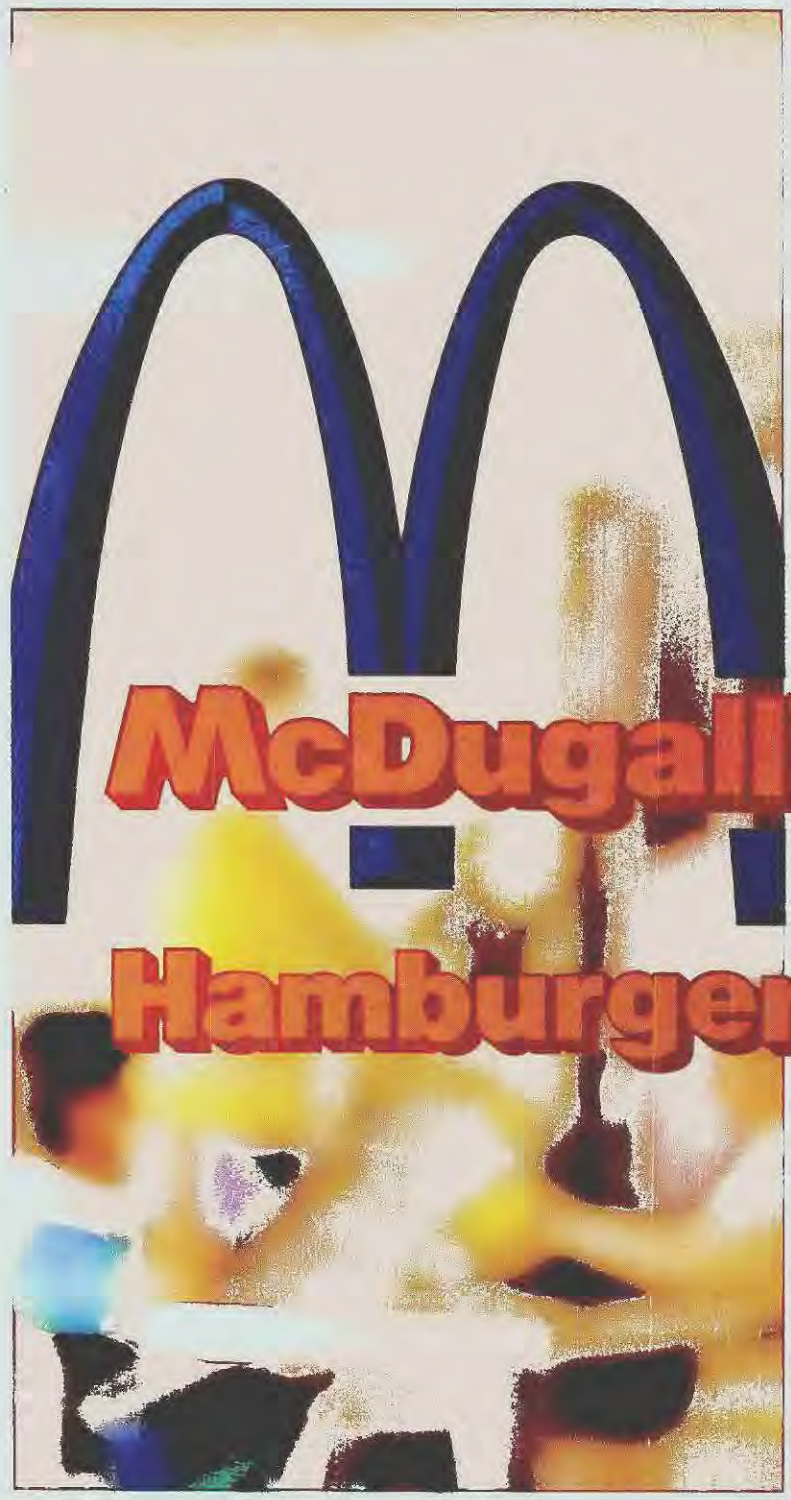
Locations: Hamilton, Bermuda.

Staff: 52 total staff members; 34 professionals, including eight principal consultants, four consultants, two actuaries, four analysts. Professional designations held by staff include three CPCUs, three ARMs, three MBAs, one CPA, one ASP, one CPSM.

Clients: 50 total clients; 5% with risk and insurance budgets less than $1 million, 32% $1 million-$5 million, 40% $5 million-$10 million, 15% $10 million-$25 million, 8% exceeding $25 million; minimum size client, $1 million risk and insurance budget. Clients include 10 associations.

Continued on next page

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Continued from previous page

Compensation: By the project; commissions for insurance placed with underwriters; on retainer; by the hour: professionals, $100-$250; administrative, $40.

1989 gross revenues: $5 million total, $3.75 million from risk management consulting.

Principal officers: Alan Troop, president/chief executive officer; Steven M. Zelman, executive vp; Richard Cook and Jessica Christensen, senior vps.

Risk Reduction Corp.

8304 Professional Hill Drive, Fairfax, Va. 22031; 703-876-0550

Year founded: 1989.
Independent.
Services provided: 100% continuous consulting; special projects include frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), accounting systems analysis, claims trend analysis and design of rehabilitative programs.

Staff: Seven total; two professionals, both principal consultants. Professional designations held by staff include one CIC.

Clients: 100% with risk and insurance budgets less than $1 million; no minimum size client.

Compensation: By the project.

Principal officers: Brian A. Bell, president; Susan M. Caldwell, vp.

Risk Response Technologies

2040 E. Foothill Blvd., Pasadena, Calif. 91107; 818-584-9093

Year founded: 1985.
Independent.
Services provided: 40% continuous consulting; 20% risk management audits; 10% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis; occasional assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding, risk management legal advice to lawyers; 30% other services.

Specialty: Real estate, construction, general commerce, industry.

Staff: Two total; professionals include one principal consultant, one consultant.

Clients: 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million.

Compensation: By the project; on retainer; by the hour: principal consultant, $125; analyst, $65.

Principal officers: Robert R. Griswold, chief consultant.

Risk Sciences Group Inc.

5620 Glenridge Drive N.E., Atlanta, Ga. 30342; 404-256-0830

Year founded: 1978.
Parent company: Crawford & Co.
Services provided: 34.2% continuous consulting; 15% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, cost allocation systems, risk control monitoring; occasional captive feasibility studies, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; 50.8% other services.

Specialties: Restaurants, retail food stores, beverage industry, lodging, retailers, technology.

Locations: Mahwah, N.J.; Corte Madera, Calif.; Chicago.

Staff: 62 total; 51 professionals, including eight principal consultants, 24 consultants, two actuaries, 17 analysts. Professional designations held by staff include three CPCUs, five ARMs, one attorney, three CPAs.

Clients: 158 total clients; 3% with risk and insurance budgets less than $1 million, 12% $1 million-$5 million, 30% $5 million-$10 million, 35% $10 million-$25 million, 20% exceeding $25 million; no minimum size client. Clients include seven associations.

Compensation: By the project; by the hour: principal consultant, $145-$250; consultant, $95-$145; actuary, $125-$250; analyst, $75-$95; clerical, $35-$50.

1989 gross revenues: $6.8 million total, $3.4 million from risk management consulting.

Principal officers: Richard F. Denning, president; Andrew R. Daniels, R. Michael Keating and Leo Jeffers, vps-operations; John W. Huecksteadt, vp-computer services; Dennis M. Aaron, vp-product design; Carol J. Legg, vp-development; Wayne M. Radosky, director-operations.

Risk Science International Inc.

1101 30th St. N.W., Washington, D.C. 20007; 202-342-2206

Year founded: 1981.
Parent company: Frank B. Hall & Co. Inc.
Services provided: 5% continuous consulting; 5% risk management audits; 60% special projects, including frequent environmental risk assessments; 30% other projects.

Staff: 20 total; eight professionals, including three principal consultants, three analysts.

Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $90-$120.

1989 gross revenues: $1.5 million total, $1.05 million from risk management consulting.

Principal officers: Robert M. Kube, senior vp; John B. Haines and Michael R. Quinn, vps.

Risk Services of California

4126 Ransom St., Long Beach, Calif. 90804; 213-498-7198

Year founded: 1980.
Independent.
Services provided: 15% continuous consulting; 6% risk management audits; 79% special projects, including frequent risk retention analysis (including self-insurance studies), insurance contract analysis, claims auditing, loss settlement assistance, risk management and claim procedure manuals; occasional captive feasibility studies, analysis of necessary insurance limits, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems, design and installation of claims departments and claims management.

Staff: One principal consultant, one analyst. Professional designations held by staff include one LIA.

Clients: 35% with risk and insurance budgets less than $1 million, 50% $1 million-$5 million, 10% $5 million-$10 million, 5% $10 million-$25 million; minimum size client, $250,000 risk and insurance budget. Clients include 18 associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $110-$150; analyst, $45; clerical, $25.

Principal officers: Terry Coleman, president; Suzanne Coleman, vp.

Rodriguez Consulting Group Inc.

4241 Baymeadows Road, Suite One, Jacksonville, Fla. 32217; 904-731-4846

Year founded: 1984.
Independent.
Services provided: 50% continuous consulting; 25% risk management audits; 25% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding; occasional captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Retail, manufacturing, construction, municipalities, architects and engineers, transportation, hospitality industry.

Staff: Six total; four professionals, including one principal consultant, two consultants, one analyst. Professional designations held by staff include one CPCU, one ARM, two MBAs.

Compensation: By the project; on retainer; by the hour: principal consultant, $100; consultant, $50; analyst, $30; clerical, $25.

Principal officers: Albert P. Rodriguez, president.

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American General Group Insurance Company



Continued from previous page

Rosenthal Insurance Consulting Inc.

P.O. Box 35220, Richmond, Va. 23235-0220; 804-330-8100

Year founded: 1989.
Independent.
Services provided: 72% continuous consulting; 13.5% risk management audits; 4.5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, claims auditing, loss prevention audits, risk management organization studies, consulting on the design of risk management information systems, expert witness; 10% other services.
Specialties: Municipalities, school districts, manufacturers, retailers, contractors, developers, not-for-profit organizations.
Staff: Two total; one professional who is a principal consultant. Professional designations held by staff include one CPCU, one ARM.
Clients: Seven total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; no minimum size client.
Compensation: On retainer; by the hour: principal consultant, $75.
Principal officers: Samuel L. Rosenthal, president.

Bernard Ruback C.P.A.

94 Fairfax Court, Madison, N.J. 07940; 201-822-0203

Year founded: 1982.
Independent.
Services provided: 100% special projects, including insurance contract analysis, claims auditing, accounting systems analysis, litigation support.
Staff: Professional designations held by staff include one CPA.
Compensation: By the hour.
Principal officers: Bernard Ruback, principal.

Russell Insurance Services Consulting Inc.

1380 156th Ave. N.E., Suite C-2, Bellevue, Wash. 98007; 206-644-1658

Year founded: 1986.
Independent.
Services provided: 70% continuous consulting; 20% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss settlement assistance, risk management organization studies; occasional analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Specialty: Trucking, airlines, retail, logging, maritime, construction, municipal entities.
Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, one AIM, one CMC.
Clients: 27 total clients; 25% with risk and insurance budgets less than $1 million, 30% $1 million-$5 million, 20% $5 million-$10 million, 20% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include two associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $125; consultant, $75; clerical, $35.
Principal officers: A. Dan Russell, president; Agnes M. Russell, vp.
Membership: SRMC.

S

Safety & Claims Consultants

130 El Cerrito, Bakersfield, Calif. 93305; 805-322-5394

Year founded: 1985.
Independent.
Services provided: 65% continuous consulting; 15% risk management audits; 20% special projects, including frequent risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, loss settlement assistance, preparation of specifications for bidding; occasional captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Specialties: Manufacturing, oil, farming, health care, public agencies.
Staff: Three total; one professional who is a principal consultant. Professional designations held by staff include one ARM, one CSP, one CSIA.
Clients: 92% with risk and insurance budgets less than $1 million, 8% $1 million-$5 million.
Compensation: By the project; on retainer; by the hour: principal consultant, $100; per day: consultant, $500.
Principal officers: M.B. Doolittle.

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Sedgwick James Risk Management Services & Information Systems Division

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

Year founded: 1858.
Parent company: Sedgwick Group P.L.C.
Services provided: 40% continuous consulting; 5% risk management audits; 52% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, accounting systems analysis, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, industry-specific actuarial studies, determining excess pricing, captive capitalization studies, cost allocation studies, cost-of-risk studies, alternative funding studies; occasional claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance; 3% other services.
Specialties: Health care, public entities, manufacturing, food, retail.
Locations: Short Hills, N.J.; Nashville, Tenn.; also offices of parent company located nationwide.
Staff: 34 total; 28 professionals, including 10 principal consultants, nine consultants, eight actuaries, one analyst. Professional designations held by staff include five CPCUs, three ARMs, 10 MBAs, two FCASs, one CSP, one ACAS, one CPA, one Ph.D., one ASA, one PE.
Clients: 300 total clients; 5% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million, 40% $5 million-$10 million, 10% $10 million-$25 million, 5% exceeding $25 million; no minimum size client. Clients include 25 associations.
Compensation: By the project, on retainer, by the hour, flat fee.
Principal officers: Robert C. Hug Jr., president; Steven N. Visnor, Richard M. Duvall and Alan R. Josefsek, executive vps.

Self-Insurance Resource Inc.

12222 Merit Drive, Suite 1200, Dallas, Texas 75251; 214-770-4660

Year founded: 1983.
Parent company: SIR Group.
Services provided: 25% continuous consulting; 25% risk management audits; 25% special projects, including frequent insurance contract analysis, loss prevention audits, accounting systems analysis; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting; 25% other services.
Staff: Seven total; six professionals, all principal consultants. Professional designations held by staff include five CPCUs, three ARMs, two MBAs, two CPAs, one attorney.
Clients: 20 total clients; 20% with risk and insurance budgets less than $1 million, 60% $1 million-$5 million, 10% $5 million-$10 million, 5% $10 million-$25 million, 5% exceeding $25 million; minimum size client, $250,000 risk and insurance budget. Clients include two associations.
Compensation: By the project; on retainer; by the hour: principal consultant, $175; consultant, $125; analyst, $50; clerical, $30.
1989 gross revenues: $872,000 total, $654,000 from risk management consulting.
Principal officers: Keith Kakacek, W. Roy Adams, Gerald P. Brunker, John Catanzano, M. Glen Jackson and Tom Miller.

Peter Shuley & Associates Inc.

Box 5254, Vancouver, British Columbia V6B 4B5; 604-684-4700

Year founded: 1962.
Independent.
Services provided: 50% continuous consulting; 30% risk management audits; 20% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, accounting systems analysis, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.
Staff: Four professionals, including one principal consultant, three consultants. Professional designations held by staff include two AIIC, one CIB.
Clients: 90% with risk and insurance budgets less than $1 million, 5% $1 million-$5 million, 3% $5 million-$10 million, 2% $10 million-$25 million; no minimum size client. Clients include three associations.
Compensation: On retainer; by the hour: principal consultant, $130; consultant, $120.
Principal officers: Peter Shuley, president.
Membership: SRMC.

Sirco Consulting Services Inc.

Innsbrook Corporate Center, 4321 Cox Road, Glen Allen, Va. 23060; 804-747-7577

Year founded: 1974.
Independent.
Services provided: 100% contin-

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Continued from previous page
uous consulting.

Staff: Three total; professionals include two principal consultants. Professional designations held by staff include one CPCU.

Clients: 100% with risk and insurance budgets $1 million-$5 million; minimum size client, $500,000 risk and insurance budget.

Compensation: On retainer.

1989 gross revenues: $250,000 total.

Principal officers: Steve Revenson, president.

Siver Insurance Management Consultants

9400 Fourth St. N., St. Petersburg, Fla. 33702; 813-577-2780.

Year founded: 1970.
Independent.

Services provided: 22% continuous consulting; 3% risk management audits; 35% special projects, including frequent risk retention analysis (including self-insurance studies), insurance contract analysis, preparation of specifications for bidding, litigation support; occasional captive feasibility studies, analysis of necessary insurance limits, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, litigation support; 40% other services.

Specialties: Government entities, health care, trade associations, law firms.

Staff: 27 total; 10 professionals, including four principal consultants, six consultants. Professional designations held by staff include seven CPCUs, five ARMs, four CLUs, four attorneys.

Clients: 75 total clients; 54% with risk and insurance budgets less than $1 million, 22% $1 million-$5 million, 13% $5 million-$10 million, 4% $10 million-$25 million, 7% exceeding $25 million; no minimum size client. Clients include two associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $125-$200; consultant, $90-$125; clerical, $25-$40.

Principal officers: Edward W. Siver, president; Robert I. Siver, vp/treasurer; James Marshall Jr., vp.

Membership: SRMC.

Sobeco Group Inc.

505 Rene-Levesque W., Montreal, Quebec H2Z 1Y7; 514-878-9090

Year founded: 1962.
Independent.

Services provided: 2.5% continuous consulting; 1.25% risk management audits; 1.25% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional accounting systems analysis, consulting on the design of risk management information systems; 95% other services.

Locations: Fredericton, Toronto and Calgary, Canada.

Staff: 18 total; 12 professionals, including four principal consultants, four consultants, four actuaries. Professional designations held by staff include two FCASs, one ACAS, one attorney, two FIICs.

Clients: 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million.

Compensation: By the project; on retainer; by the hour: principal consultant, $225; consultant, $150; actuary, $200; analyst, $115; clerical, $60.

Principal consultants: Paul Fitzgerald, Martin Rochette, Jean-Francois Brault, Marc Belanger.

Membership: SRMC.

Soper & Associates

P.O. Box 1004, Palos Verdes Peninsula, Calif. 90274; 213-544-4049

Year founded: 1982.
Independent.

Services provided: 44% continuous consulting; 4% risk management audits; 52% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, crisis management consulting; occasional risk retention analysis (including self-insurance studies), claims auditing, loss prevention audits, accounting systems analysis, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems, expert witness testimony.

Staff: Seven total; professionals include four principal consultants, two consultants. Professional designations held by staff include one CPCU, two ARMs, two MBAs, one CSP, two SFPEs.

Clients: 12 total clients; 12% with risk and insurance budgets of $1 million-$5 million, 64% $5 million-$10 million, 24% $10 million-$25 million; no minimum size client.

Compensation: By the project; on retainer; by the hour: principal con-

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Brownyard is poised for the 90's:

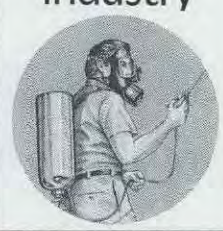
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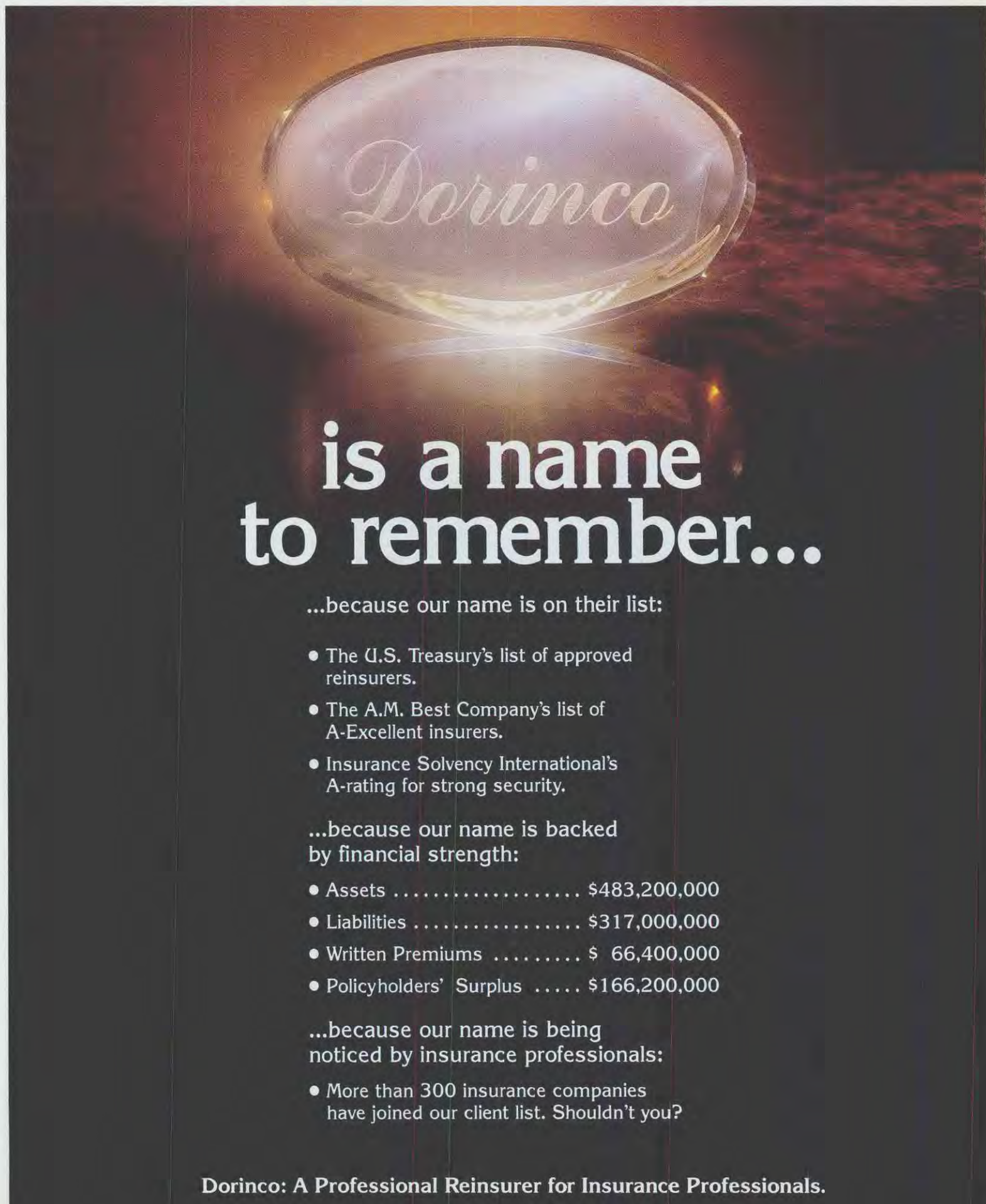


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Continued from previous page
sultant, $150; consultant, $130; clerical, $35.

Principal officers: Richard H. Soper, principal; Virginia R. Sundt, director-administration.

C.J. Spivey Associates Inc.

P.O. Box 37289, Charlotte, N.C. 28237; 704-374-1724

Year founded: 1981.
Independent.

Services provided: 20% continuous consulting; 20% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; occasional assessment of broker service and remuneration, quantitative analysis and statistical forecasting, exposure assessments; 50% other services.

Specialties: Municipal, state and county governments, school boards, mental health facilities, housing authorities, hospitals.

Staff: Two total; one professional who is a principal consultant. Professional designations held by staff include one ARM.

Clients: 61 total clients; 90% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million; minimum size client, $100,000 risk and insurance budget. Clients include three associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $125.

1989 gross revenues: $663,000 total, $350,000 from risk management consulting.

Principal officers: C.J. Spivey, president/treasurer; B.R. Spivey, vp/secretary.

Duke Nordlinger Stern & Associates Inc.

1336 54th Ave. N.E., St. Petersburg, Fla. 33703-3225; 813-527-1212

Year founded: 1980.
Independent.

Services provided: 60% continuous consulting; 15% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, design and implementation of claims prevention systems; occasional accounting systems analysis; 20% other services.

Specialties: Professional and trade associations.

Locations: London, England; Hamilton, Bermuda; Bridgetown, Barbados.

Staff: Five total staff members; four professionals, including one principal consultant, three consultants. Professional designations held by staff include one CPCU, one ARM, two MBAs, two CSPs, one CLU, two Ph.D.s, two attorneys, two CMCs, one CAE, one CBC.

Clients: 35 total clients; 34% with risk and insurance budgets less than $1 million, 39% $1 million-$5 million, 21% $5 million-$10 million, 6% $10 million-$25 million; no minimum size client. Clients include 30 associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $15-$100; clerical, $25.

1989 gross revenues: $380,600 total, $304,500 from risk management consulting.

Principal officers: Duke Nordlinger Stern, president.

Stogniew & Associates

12225 28th St. N., St. Petersburg, Fla. 33716; 813-572-7400

Year founded: 1980.
Independent.

Services provided: 80% risk management audits; 10% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, risk management organization studies, preparation of specifications for bidding, consulting on the design of risk management information systems; 10% other services.

Specialties: Financial institutions, insurance companies, stockbrokers, law firms, hospitals.

Locations: Charlotte, N.C.; Atlanta; Dallas; Los Angeles.

Staff: 15 total; six professionals, including four principal consultants, two consultants. Professional designations held by staff include four MBAs, two CPAs, three CBAs.

Clients: 300 total clients; 85% with risk and insurance budgets less than $1 million, 10% $1 million-$5 million, 5% $5 million-$10 million; no minimum size client. Clients include 100 associations.

Compensation: By the project; on retainer.

1989 gross revenues: $2.7 million total, $2.5 million from risk management consulting.

Principal officers: Gerald Stogniew, president; Joe C. Minor and Richard L. Junkermann, directors.

Stone & Webster Management Consultants Inc.-Risk Management Division

1 Penn Plaza, 250 W. 34th St. New York, N.Y. 10119; 212-290-7135

Year founded: 1889.
Parent company: Stone & Webster Engineering Corp.
Independent.

Services provided: 45% continuous consulting; 20% risk management audits; 30% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, risk management organization studies, preparation of specifications for bidding, insurance market exploration; occasional captive feasibility studies, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 5% other services.

Specialties: Industry, government entities, utilities, financial institutions.

Staff: 20 total; 18 professionals, including six principal consultants, 10 consultants, two analysts. Professional designations held by staff include three CPCUs, two ARMs, three MBAs, two FCASs, one CSP, one CLU, one PE.

Clients: 120 total clients; 10% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million, 30% $5 million-$10 million, 15% $10 million-$25 million, 5% exceeding $25 million; minimum size client, $300,000 risk and insurance budget. Clients include two associations.

Compensation: By the project, on retainer, by the hour.

1989 gross revenues: $2.9 million* total, $2.7 million from risk management consulting.

Principal officers: Bruce H. Suter, vp; Anthony Panuthos, assistant vp; Michael J. Natale and Thomas J. Chmielewski, managers-client services.

* *BI* estimate.

T

Taylor Risk Management Associates

5 Dover St., New Bedford, Mass. 02740; 508-997-6400

Year founded: 1985.
Independent.

Services provided: 80% continuous consulting; 15% risk management audits; 5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional captive feasibility studies, loss

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prevention audits, consulting on the design of risk management information systems.

Specialties: Industry, marinas and marine-related businesses, municipalities, institutions.

Staff: Five total staff members; including one principal consultant, three consultants. Professional designations held by staff include one CPCU.

Clients: 85% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million.

Compensation: By the project, on retainer.

Principal officers: Edward M. Taylor, chief executive officer; Carole J. Taylor, director-administration.

Tennant Risk Services Inc.

101 Pearl St., Hartford, Conn. 06103; 203-527-9717

Year founded: 1987.
Independent.
Services provided: 25% continuous consulting; 25% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional analysis of necessary insurance limits, insurance contract analysis, risk management organization studies, consulting on the design of risk management information systems; 50% other services.

Staff: Four total. Professional designations held by staff include one CPCU, one ARM, two MBAs.

Compensation: By the project, commissions for insurance placed with underwriters.

Principal officers: Robert T. Sargent, president; Kimberley L. Byrd, vp.

D.L. Tibbals Risk Management Consulting

990 Hammond Drive, Suite 475, Atlanta, Ga. 30328; 404-395-3850

Year founded: 1987.
Independent.
Services provided: 70% continuous consulting; 20% risk management audits; 10% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional captive feasibility studies, loss prevention audits, accounting system analysis, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems.

Specialties: Hospitality industry, health care, real estate development and management, microelectronics, telecommunications, construction.

Staff: Two total. Professional designations held by staff include one MBA.

Clients: 40 total clients; 70% with risk and insurance budgets less than $1 million, 20% $5 million-$10 million, 10% $10 million-$25 million.

Compensation: By the hour: principal consultant, $150; clerical, $30.

1989 gross revenues: $260,000 total.

Principal officers: David L. Tibbals, president.

Membership: SRMC.

Tierney Associates Inc.

602 Coolidge St., Davis, Calif. 95616; 916-756-5890

Year founded: 1985.
Independent.
Services provided: 20% continuous consulting; 65% special projects, including risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; 15% other services.

Specialties: Associations, trucking, rental, hospitals, insurance companies, insurance agents and brokers.

Staff: Four total; two professionals, including one principal consultant, one consultant. Professional designations held by staff include one CPCU, one ARM, one attorney.

Clients: Five total clients; 60% with risk and insurance budgets less than $1 million, 40% $1 million-$5 million; minimum size client, $500,000 risk and insurance budget. Clients include two associations.

Compensation: On retainer; by the hour: principal consultant, $500; consultant, $250; clerical, $85.

1989 gross revenues: $95,000 total.

Principal officers: Justin N. Tierney, president/chief executive officer; Jean T. Tierney, secretary/vp.

Tiller Consulting Group Inc.

2833 N. Geyer Road, St. Louis, Mo. 63131; 314-567-7480

Year founded: 1984.
Independent.
Services provided: 95% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, environmental loss forecasting; occasional loss prevention audits, accounting system analysis, risk management organization studies; 5% other services.

Staff: Two total; both professionals, including one consultant, one actuary. Professional designations held by staff include one CPCU, two ARMs, one MBA, one FCAS, one MAAA, one CAPP, one ASA, one ASCE, one AIHA.

Clients: 100 total clients; no minimum size client.

Compensation: By the hour: consultant, $150; actuary, $250.

Principal officers: Margaret W. Tiller, president; Michael H. Tiller, secretary/treasurer.

Tillinghast Division of Towers, Perrin, Forster & Crosby Inc.

245 Park Ave., New York, N.Y. 10167; 212-490-3460

Year founded: 1946.
Independent.
Services provided: 22% continuous consulting; 7% risk management audits; 17% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, self-insurance reserve valuations; occasional claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, consulting on the design of risk management information systems, captive and risk retention group audits, aggregate loss simulations, data information security, executive protection and security; 54% other services.

Specialties: Financial service companies, electronics, government entities and associations, health care, energy, forest products.

Locations: Atlanta; Boston; Chicago; Dallas; Detroit; Irvine and San Francisco, Calif.; Philadelphia; St. Louis; Simsbury and Stamford, Conn.; Washington, D.C.; London; Stockholm, Sweden; Toronto, Vancouver and Montreal, Canada; Sydney, Australia.

Staff: 375 total; 97 professionals, including 16 principal consultants, 41 consultants, 20 actuaries, 20 analysts. Professional designations held by staff include 13 CPCUs, 18 ARMs, 24 MBAs, 15 FCASs, one CSP, five ACASs, one CLU.

Clients: 1,000 total clients; no minimum size client.

Compensation: By the hour: principal consultant, $220-$350; consultant, $130-$250; actuary, $150-$250; analyst, $60-$120; clerical, $50-$80.

1989 gross revenues: $54.6 million total, $24.8 million from risk management consulting.

Principal officers: Norman A. Crowder, vp/managing principal; James MacGinnitie, vp/director; Robert W. Sturgis, vp/manager-Northern region; Neil Anderson, vp/manager-South and West regions; Thomas J. Wander, risk management practice leader; Mitchell J. Cole, H. Felix Kloman, Charles Tagman Jr., Charles Lee, Ulf Norblad and Paul Pinckney, vps.

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Stanley Tulchin Associates

400 Post Ave., Westbury, N.Y. 11590; 516-997-2400

Year founded: 1955.
Independent.
Services provided: 37.5% continuous consulting; 12.5% special projects.
Locations: Los Angeles; Des Plaines, Ill.; Atlanta; Dallas.
Staff: 100 total; 15 professionals.
Compensation: By the project.
Principal officers: Morton Grossman, president; Stanley Tulchin, chairman.

U

UA Service Corp.

83 Maiden Lane, New York, N.Y. 10038; 212-514-7400

Year founded: 1989.
Parent company: UA Holding Corp.
Services provided: 39% continuous consulting; 13% risk management audits; 13% special projects, including frequent insurance contract analysis, claims auditing, loss settlement assistance, consulting on the design of risk management information systems, computer service implementation and design; occasional loss prevention audits, accounting systems analysis, risk management organization studies, quantitative analysis and statistical forecasting, 35% other services.

Staff: 23 total; 10 professionals, including four principal consultants, four consultants, two analysts. Professional designations held by staff include two MBAs, one attorney.

Clients: Seven total clients; 29% with risk and insurance budgets $1 million-$5 million, 15% $5 million-$10 million, 15% $10 million-$25 million, 21% exceeding $25 million; no minimum size client. Clients include 12 associations.

Compensation: By the project, by the hour.

1989 gross revenues: $1.2 million total.

Principal officers: Alexandre Leventhal, president; Richard Hrazanek and Kenneth Kiernan, senior vps; Carl Salerno, vp/treasurer.

UKW Technical Resources Ltd.

66 State St., Albany, N.Y. 12207; 518-449-3166

Year founded: 1987.
Independent.
Services provided: 10% continuous consulting; 50% risk management audits; 40% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, formation of risk retention groups, litigation support.
Staff: Four total; one professional who is a principal consultant and holds AAA, LIC, LIA and CSI designations.
Clients: 80 total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client.
Compensation: By the hour: principal consultant, $150.
Principal officers: Eli Marposon III, director.

Unirisk

700 Larkspur Landing Circle, Larkspur, Calif. 94939; 415-461-8870

Year founded: 1989.
Independent.
Services provided: 50% continuous consulting; 30% risk management audits; 20% special projects, including occasional risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, preparation of specifications for bidding.
Staff: One total.
Clients: 12 total clients; 20% with risk and insurance budgets less than $1 million, 70% $1 million-$5 million, 10% $5 million-$10 million; no minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
1989 gross revenues: $125,000 total.
Principal officers: Warren C. Heiman, principal.

W

WEB Insurance Consultants Inc.

P.O. Box 4065, Middletown, N.J. 07748; 201-671-9455

Year founded: 1981.
Independent.
Services provided: 63% continuous consulting; 19% risk management audits; 18% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service and remuneration, quantitative analysis and statistical forecasting.
Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations held by staff include one ARM.
Clients: 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million.
Compensation: By the project, on retainer, by the hour.
Principal officers: William Brengel, president.

Walston & Associates Inc.

2424 Herodian Way, Suite 100, Smyrna, Ga. 30080; 404-980-9423

Year founded: 1986.
Independent.
Services provided: 63% continuous consulting; 7.5% risk management audits; 13.5% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, workers compensation subsequent injury recovery, third party administrator audits; occasional captive feasibility studies, loss settlement assistance, consulting on the design of risk management information systems; 16% other services.
Specialties: Manufacturing, service, hospital, contracting.
Staff: 10 total; three professionals, including one principal consultant, one consultant, one analyst. Professional designations held by staff include one CPCU.
Clients: 18 total clients; 72% with risk and insurance budgets less than $1 million, 28% $1 million-$5 million; no minimum size client.
Compensation: By the project; by the hour: principal consultant, $125; consultant, $115; analyst, $80; clerical, $26.
1989 gross revenues: $285,000 total.
Principal officers: Thomas F. Walston II, president; James Wiley, vp-benefits consulting; Olan A. Hembree Jr., vp-workers compensation claims consulting.
Membership: SRMC.

David Warren

58 Diablo View Drive, Orinda, Calif. 94563; 415-254-9472

Year founded: 1979.
Independent.
Services provided: 42% risk management audits; 18% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional captive feasibility studies, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk

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management information systems; 40% other services.

Staff: One who holds a CPCU designation.

Compensation: By the project; by the hour: principal consultant, $150.

Membership: SRMC.

Warren, McVeigh & Griffin & Subsidiary Cos.

1420 Bristol St. N., Newport Beach, Calif. 92660; 714-752-1058

Year founded: 1968.
Independent.
Services provided: 34% continuous consulting; 23% risk management audits; 18% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, workers compensation management studies, public entity pool studies and audits; occasional loss prevention audits, accounting systems analysis; 25% other services.

Specialties: Hospitals, port authorities, entertainment, developers and contractors, public entities, hotels, financial institutions, retailers, publishers.

Locations: San Francisco.

Staff: 19 total; professionals include seven principal consultants, four consultants, two analysts. Professional designations held by staff include three CPCUs, three ARMs, one attorney, one RHU.

Clients: 170 total clients; 8% with risk and insurance budgets less than $1 million, 88% $1 million-$25 million, 4% exceeding $25 million; no minimum size client. Clients include 11 associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $160-$200; consultant, $100-$130; analyst, $60-$100; clerical, $35-$50.

1989 gross revenues: More than $2 million total.

Principal officers: C.C. Griffin, president; Robert Wilkinson, senior vp; Timothy Beck, vp.

Membership: SRMC.

Waters Risk Management

7300 Park St. N., Seminole, Fla. 34647-4601; 813-397-8665

Year founded: 1978.
Independent.
Services provided: 45% continuous consulting; 20% risk management audits; 35% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding; occasional accounting systems analysis, loss settlement assistance, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, self-insurance feasibility studies.

Specialty: Government entities.

Staff: Four total; professionals include one principal consultant, one consultant. Professional designations held by staff include two CPCUs, two ARMs, one CLU.

Clients: 50 total clients; 60% with risk and insurance budgets less than $1 million, 25% $1 million-$5 million, 10% $5 million-$10 million, 5% $10 million-$25 million; no minimum size client. Clients include two associations.

Compensation: By the project; by the hour: principal consultant, $125; consultant, $100; clerical, $25.

Principal officers: Allan Paul Waters, principal; J. Hayden Knowlton, associate.

Membership: SRMC.

Webber Consulting Group Inc.

630 Colonial Park Drive, Suite 200, Roswell, Ga. 30075; 404-641-1868; 800-476-1209

Year founded: 1984.
Independent.
Services provided: 15% continuous consulting; 70% risk management audits; 15% special projects, including frequent risk retention analysis (including self-insurance studies), analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting; occasional accounting systems analysis, consulting on the design of risk management information systems, feasibility studies.

Specialties: Public entities, publishing.

Staff: Five total; four professionals, including one principal consultant, one consultant, two analysts. Professional designations held by staff include one ARM, one MBA.

Clients: 10% with risk and insurance budgets less than $1 million, 75% $1 million-$5 million, 10% $5 million-$10 million, 5% $10 million-$25 million; no minimum size client. Clients include two associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $110-$125; analyst, $60-$75; clerical, $15.

1989 gross revenues: $105,000 total.

Principal officers: Steven R. Webber, president.

J.H. Wiggins Co.

1650 S. Pacific Coast Highway, Suite 311; Redondo Beach, Calif. 90277; 213-316-2257

Year founded: 1966.
Independent.
Services provided: 100% special projects, including analysis of necessary insurance limits, loss prevention audits, loss settlement assistance, quantitative analysis and statistical forecasting.

Specialties: Earthquake, wind and flood hazards; transportation.

Staff: Five total; professionals include one principal consultant, two consultants, one analyst. Professional designations held by staff include one Ph.D., one PE.

Clients: 20 total clients; 100% with risk and insurance budgets $5 million-$10 million.

Compensation: By the project; by the hour: principal consultant, $150; consultant, $70; analyst, $45; clerical, $40.

Principal officers: John H. Wiggins, president.

Williams & Co.

814 Pierce St., Sioux City, Iowa 51102; 712-252-4041

Year founded: 1984.
Independent.
Services provided: 59.5% continuous consulting; 17% risk management audits; 8.5% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), loss prevention audits, accounting systems analysis, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; 15% other services.

Specialties: Government entities, environmental risks, associations, manufacturing.

Staff: Six total; three professionals, including one principal consultant, two consultants. Professional designations held by staff include one CPCU.

Clients: 88 total clients; 80% with risk and insurance budgets less than $1 million, 20% $1 million-$5 million; minimum size client, $50,000 risk and insurance budget. Clients include two associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $130; consultant, $70-$110; clerical, $30.

Principal officers: Robb Hubbard, principal-insurance/risk management services.

Membership: SRMC.

Charles C. Woodward-Risk Management/ Insurance Consulting

5006 Lakeland Circle, Suite 107, Waco, Texas 76710; 817-772-1247

Year founded: 1986.
Independent.
Services provided: 75% risk man-

Continued on page 87

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February 1990

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Products & Services Listing

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Card Expiration: MAY 4, 1990

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C ☐ Union
D ☐ Government
E ☐ Educational Inst
F ☐ Ins Agent
G ☐ Ins Broker
H ☐ Ins/Reins Co
I ☐ Actry/Consit
J ☐ Attorney
K ☐ Adj/Apprs
L ☐ TPA
M ☐ Healthcare Inst
N ☐ Other _____

2. Number of employees:

1 ☐ 150 or less
2 ☐ 151 - 499
3 ☐ 500 - 999
4 ☐ 1,000 - 4,999
5 ☐ 5,000 or more
6 ☐ Unknown

3. My title is best defined as:

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B ☐ Financial Mgt
C ☐ Risk Mgt
D ☐ Benefits Mgt
E ☐ Loss prevention Mgt
F ☐ Other _____

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2 ☐ specify
3 ☐ approve

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Title _____
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Phone ( ) _____

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agement audits; 25% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies.

Specialties: Municipalities, schools, financial institutions, insurance companies, manufacturers, accountants.

Staff: One total who is a principal consultant and holds CPCU, ARM, MBA, CLU, AU and AAI designations.

Clients: Five total clients; 100% with risk and insurance budgets less than $1 million; no minimum size client.

Compensation: By the hour: principal consultant, $75 plus expenses.

Principal officers: Charles C. Woodward, owner.

Membership: SRMC.

The Wyatt Co.-Risk Management Practice

303 W. Madison St., Suite 2400, Chicago, Ill. 60606; 312-704-0600

Year founded: 1942.
Independent.

Services provided: 57% continuous consulting; 9.5% risk management audits; 28.5% special projects, including frequent risk retention analysis (including self-insurance studies), captive feasibility studies, analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems, industry surveys, evaluation of reserves, risk retention group studies, expert witness testimony, exposure analysis; occasional loss prevention audits, accounting systems analysis, loss settlement assistance, contingency planning; 5% other services.

Specialties: Health care, associations, financial institutions, corporations, public entities and pools, energy.

Locations: Chicago; Boston; Dallas; Detroit; Philadelphia; San Francisco; Washington, D.C.; London; Montreal; Toronto; Calgary, Alberta; Vancouver, British Columbia; Auckland, New Zealand; Puerto Rico.

Staff: 108 total; 87 professionals, including 37 consultants, 23 actuaries, 27 analysts. Professional designations held by staff include 16 CPCUs, 13 ARMs, 14 MBAs, nine FCASs, four ACASs, two CLUs, one AIIC, three ALCMs, six FCIAs, three FIICs, two attorneys, six MAAAs, one PhD, 12 RNs.

Clients: 950 total clients; no minimum size client. Clients include 50-75 associations.

Compensation: By the hour: consultant, $100-$250; actuary, $100-$250; analyst, $40-$75; clerical, $35-$60.

1989 gross revenues: $12.4 million total, $11.9 million from risk management consulting.

Principal officers: Sylvain Dion, chairman-risk management practice committee; Edgar W. Armstrong, Vince Brewerton, Thomas G. Briggin, Henry P. Devlin, Jack M. Gordon, Santiago Gutierrez, Frank Kingan, Jay Lavenson, Russell McGuire, Arthur E. Parry and James E. Swanke, consultants; Robert Briere and Pierre Laurin, actuaries.

Membership: SRMC.

Z

L.E. Ziminsky & Associated Inc.

15707 Rockfield Blvd., Irvine, Calif. 92718; 714-830-7722

Year founded: 1986.
Independent.

Services provided: 60% continuous consulting; 20% risk management audits; 20% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, assessment of broker service and remuneration, loss settlement assistance, preparation of specifications for bidding; occasional risk retention analysis (including self-insurance studies), loss prevention audits, quantitative analysis and statistical forecasting.

Staff: Seven total; five professionals, including two principal consultants, three consultants. Professional designations held by staff include two CPCUs, two ARMs, one AIC, one CPA.

Clients: More than 75 total clients; 75% with risk and insurance budgets less than $1 million, 15% $1 million-$5 million, 10% $5 million-$10 million; no minimum size client.

Compensation: By the project; by the hour: principal consultant, $125-$150; consultant, $110-$125.

Principal officers: Leonard E. Ziminsky, president; LeRoy A. Loseke, vp.

Information on the following company was received too late to be included in alphabetical order in the directory of risk management consultants.

EBAZBO Risk Management Consulting Services Inc.

Popular Bank Building, 9th Floor, Suite 901, Old San Juan, Puerto Rico; 809-724-3442

Year founded: 1974.
Independent.

Services provided: 72.25% continuous consulting; 8.5% risk management audits; 4.25% special projects, including frequent analysis of necessary insurance limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service and remuneration, loss settlement assistance, risk management organization studies, preparation of specifications for bidding, quantitative analysis and statistical forecasting, consulting on the design of risk management information systems; occasional risk retention analysis (including self-insurance studies), accounting systems analysis; 15% other services.

Specialties: Hospitals, government entities, manufacturing.

Locations: Tampa, Fla.; New York.

Staff: 10 total; four professionals, including one principal consultants, two consultants, one analyst. Professional designations held by staff include two CPCUs, two ARMs, three MBAs, one CLU.

Clients: 10 total clients; 100% $1 million-$5 million; minimum size client, $100,000 risk and insurance budget. Clients include four associations.

Compensation: By the project; on retainer; by the hour: principal consultant, $150; consultant, $100; actuary, $80; analyst, $75; clerical, $25.

1989 gross revenues: $450,000 from risk management consulting.

Principal officers: Edna Vazquez de Bonnet, president; Mildred Miranda, vp; Gloria Gordils, treasurer. ■

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Johnson & Higgins Risk Management Services

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American Risk Managers Inc.

Alaska

Anchorage
Ecology & Environment
Fire Protection/Safety Consultants
Johnson & Higgins Risk Management Services

Arizona

Phoenix
Caronia Corp.
Dupre Associates
Hinz Consulting Service Inc.
Johnson & Higgins Risk Management Services
Ralph Korn & Associates Inc.
National Risk Management Consultants

Scottsdale
Independent Risk & Insurance Management Services Inc.
Omni Risk

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Camarillo
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Campbell
Keenan & Associates

Chico
Keenan & Associates

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Risk Management Inc.

Corte Madera
Risk Sciences Group

Costa Mesa
EQE Engineering Inc.
Johnson & Higgins Risk Management Services

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Johnson & Higgins Risk Management Services
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Haig Neville Associates
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Ecology & Environment
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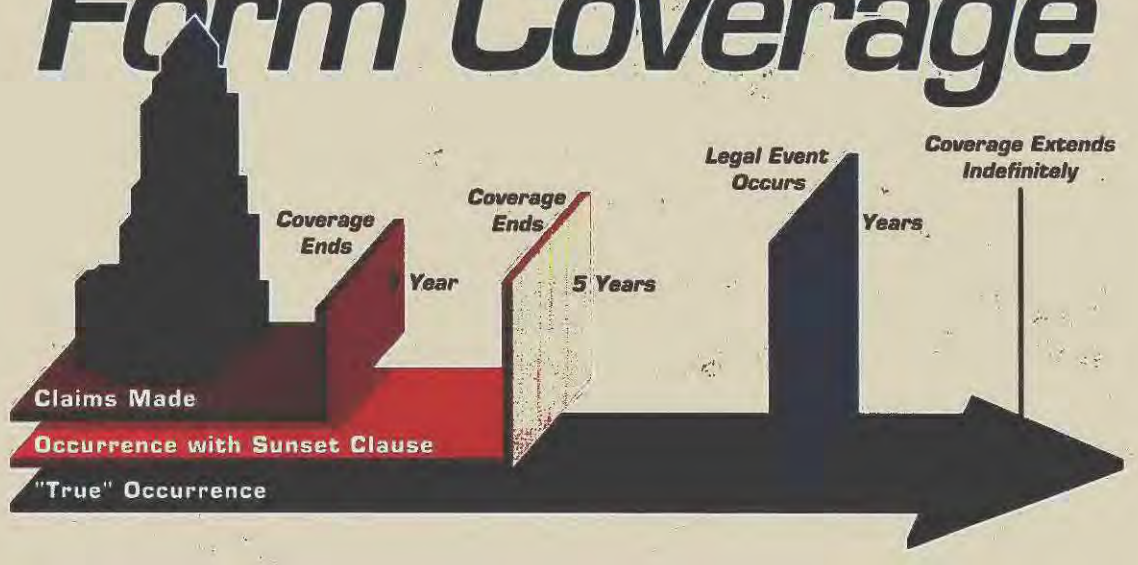
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High court may rule on state powers

ST. LOUIS—Attorneys say the U.S. Supreme Court may be asked to decide if federal courts can hear challenges to state laws giving insurance regulators broad authority to block acquisitions of insurance companies.

The issue stems from New York-based Alleghany Corp.'s quest to acquire 20% of The St. Paul Cos. Inc. of St. Paul, Minn. (*BI*, March 20, 1989). Under state holding company laws, Alleghany must first obtain approval not only from the regulator in Minnesota, but also in nine states where St. Paul affiliates are based.

After regulators in Indiana, Wisconsin, Nebraska and North Dakota rejected Alleghany's request, the company challenged the constitutionality of the relevant state laws in federal court.

U.S. District Courts split on whether federal, rather than state, courts were the proper forum for the suits and those rulings were appealed to federal appellate courts.

The 8th U.S. Circuit Court of Appeal in St. Louis late last month, in ruling that the suits should be heard in state courts, cited the abstention doctrine, which holds that federal courts should abstain from preempting state courts on issues of state interest.

Thus, the 8th Circuit upheld a Nebraska district court's decision not to hear the case, while overturning a North Dakota court ruling that the holding company statute violated the U.S. Constitution by unduly interfering in interstate commerce.

Without ruling directly on the merits of the case, the appellate court said the North Dakota opinion was "infected with serious error."

By contrast, the 7th U.S. Circuit Court of Appeal ruled Feb. 21 that federal courts in Wisconsin and Indiana could hear Alleghany's complaint.

The 7th Circuit ruling reversed the Wisconsin district court's refusal to consider the case. The ruling also affirmed the Indiana district court's decision that a federal court could hear the case.

David Simmons, general counsel of the National Assn. of Insurance Commissioners in Kansas City, Mo., says the split between the circuit courts "increases the likelihood that the Supreme Court will review" the matter.

Wisconsin Insurance Commissioner Robert D. Haase said he may seeks a review of the 7th Circuit decision.

Spokesmen for Alleghany and the Indiana Insurance Department said they have not yet decided what actions, if any, they will take.

—By Meg Fletcher

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Living benefits

Continued from page 1

While neither plan restricts how the funds can be spent, insurers expect most employees would use the money to pay for long-term care or uninsured medical care costs.

Already, Dayton, Ohio-based Mead Corp. plans to offer beginning on May 1 a group universal life plan written by Travelers including the living benefits option. The plan will be available to 11,000 salaried workers.

"We felt it was an added incentive for our employees" who participate in Mead's group universal life program, said Dick Emrick, director of benefits planning.

Living benefits are available to both employees and spouses. Employees pay for the option through a payroll deduction. Rates vary based on the policyholder's age and whether the covered individual is a smoker or non-smoker.

The living benefits option "affords people another way to use their life insurance program in advance for certain unforeseen circumstances," Mr. Emrick said. For example, "if there is a situation where a spouse is involved in an automobile accident and becomes a burden on the family's finances," living benefits can be tapped to provide home health care that may not be covered under a group health insurance plan.

Neither home health nor nursing home care is covered under Mead's group plan, he said.

But, Mr. Emrick said, living benefits are not a substitute for long-term care coverage. "Long-term care is more expensive than this, and 25 months isn't long term," he said.

Rather, by offering the living benefits option, "we're giving our employees choices and we're trying to make the choices as all-encompassing as possible."

Benefit consultants and insurers agree that living benefits plans—which individual life insurers have been marketing with some success for the past two years—are only a complement to long-term care cover, not an inexpensive replacement.

A living benefits plan is only "a partial answer" to long-term care problems, stressed Tom Pelly, life product manager for Travelers Corp.'s managed care and employee benefit operations. "In no way is it a replacement for long-term care coverage."

Other observers point out that it is unclear whether living benefits would be considered taxable income. Currently, life insurance proceeds paid to beneficiaries are not taxed.

In addition, some observers raise questions about the ethics of employees tapping life insurance benefits earmarked for their beneficiaries.

The new group life living benefits options follow two years of innovations in the individual life insurance market.

Typically under living benefit riders to individual life insurance policies, policyholders become eligible to receive living benefits if they require skilled, intermediate or custodial care as a result of such catastrophic illnesses as heart attacks, cancer, renal failure, acquired immune deficiency syndrome and strokes.

The plans prepay from 25% to 100% of face value for long-term care, said a spokeswoman for the American Council of Life Insurance, a Washington-based life insurance trade association.

Under some living benefits options for individual life insurance, policyholders may tap 25% to 50% of a policy's face amount in a lump sum in the event of a catastrophic illness.

Other individual life insurers will not allow policyholders to tap their life insurance benefits unless they are terminally ill.

Most living benefits plans are sold with individual universal or term life policies and cost from 5% to 15% of the policy's base premium, according to the ACLI spokeswoman.

State regulatory approval of the programs has been relatively quick, though some states limit the circumstances under which policyholders can tap their life insurance benefits before they die (see story, page 95).

Currently, about 36 life insurance companies offer some form of living benefits plan to individual life insurance policyholders.

Observers expect more major group life insurers to introduce similar products for their group clients as the popularity of the plans for individual life insurance policyholders increases.

Abraham Gootzeit, a principal in the St. Louis office of the Tillinghast division of Towers, Perrin, Forster & Crosby Inc., pointed out that "in the last year, we've seen major insurance companies getting involved" in offering such plans to individual and group life insurance policyholders.

For example, Metropolitan Life Insurance Co. of New York offers a living benefits insurance rider to individual policyholders and is "actively pursuing the utilization of the living benefits concept in the group setting," said William Charkow, vp of special products at Met Life.

A spokesman for Philadelphia-based CIGNA Corp. said the insurer is considering creating a living benefit product for group life insurance policyholders.

And, Prudential Insurance Cos. of America of Newark, N.J., recently announced it would pay benefits to individual life insurance policyholders who are terminally ill or permanently confined in a nursing home.

Prudential's interest in marketing living benefits was sparked last year after a Canadian affiliate announced it would make death benefits available to persons diagnosed with acquired immune deficiency syndrome.

One of the reasons insurers are marketing living benefits is the high cost of dying, said Kirke Dorweiler, executive vp at Johnson & Higgins/Kirke-Van Orsdel Inc. of Des Moines, Iowa, a joint venture between New York-based broker Johnson & Higgins and third-party claims administrator Kirke-Van Orsel Inc. J&H/KVI administers group universal life insurance programs for insurers and provides claims administration services and plan design advice to employers.

Living benefits should be viewed as "a helping hand" to employees who are suffering from a terminal illness, he said.

But consultants also are quick to point out that living benefits are a way for insurers to drum up new group life business.

"It's an overcrowded, non-differentiated marketplace," said Tillinghast's Mr. Gootzeit. "The primary purpose to offering a living benefits rider is to sell more life insurance," he said.

Rick Johnson, managing director in the Chicago office of benefit consultant William M. Mercer Meidinger Hansen Inc., agreed: "The whole market share issue is significant. In group plans, insurers really don't have the profits they used to generate. We'll probably see creative products coming on the market that may or may not make sense to some employers."

However, "employers have reacted very favorably to (the concept of) living benefits because some are sitting on the fence right now regarding their decision to offer a long-term care program," Mr. Dorweiler said.

In fact, the premiums for living benefits riders to individual policies are typically much less expensive than the cost of long-term care insurance, insurers and consultants say.

And, both the United of Omaha and Travelers living benefits plans would cost only a few additional cents per $1,000 of coverage per insured employee each month.

But insurers and consultants stress that living benefits plans are designed to offer only short-term financial relief to individuals who may otherwise spend their families' life savings while suffering from a catastrophic or terminal illness.

Living benefits are designed to only "fill a gap in traditional employee benefit plans" that generally do not cover nursing or convalescent care or loss of income as a result of the illness, said Travelers' Mr. Pelly.

Steve Kohoskie, senior vp and director of group marketing at Mutual of Omaha, agreed: "At the time of a terminal illness you may have a lot of extra expenses health insurance may not pay. Why have a person suffer at this critical time? Why not advance funds now because there really is a need?"

"There will be a general trend in the industry toward all forms of long-term care insurance," and living benefits are one method of addressing the problem, said a spokeswoman from the ACLI.

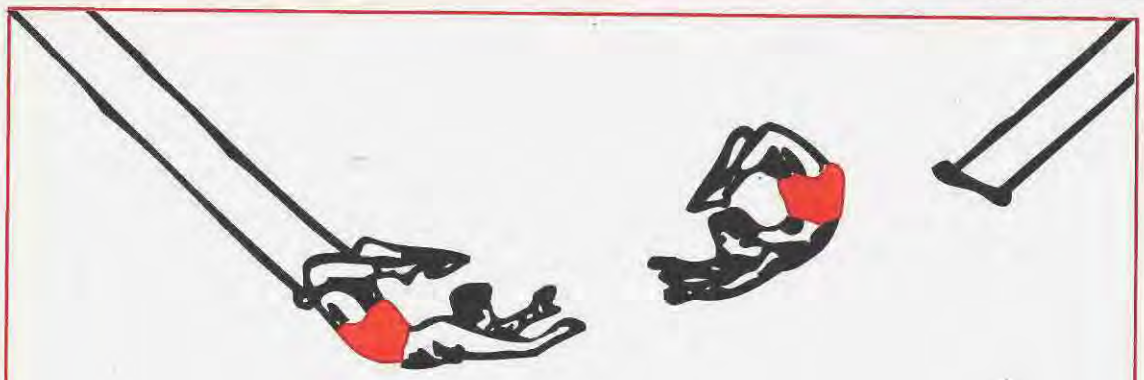
But, the ACLI "stresses that living benefit policies shouldn't replace long-term care policies," she said.

"It's not so much long-term care, because insurers are not expecting to pay benefits out over a period of years," pointed out William Danish, a principal at benefit consultant Kwasha Lipton of Fort Lee, N.J. But, "it lets the terminally ill properly retain assets and get health care in a proper setting," he said.

Observers also are unsure about the tax status of living benefits, because the Internal Revenue Service has not issued a ruling in the matter.

Experts agree that the IRS will

Continued on next page



SOMETIMES, EVEN THE BEST-RUN COMPANIES NEED A HELPING HAND

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Insurers seek states' OK for living benefits options

Insurers still are negotiating with state regulators to approve living benefits options under group term and universal life insurance policies.

Some states "are giving us a hard time with this," said Tom Pelly, life product manager for Travelers Corp.'s managed care and employee benefit operations.

Travelers Insurance Co. has filed with regulators nationwide its recently introduced living benefits option for group universal life insurance policies.

About 25 states have approved living benefits options in some form, according to the American Council of Life Insurance.

But, several states limit the circumstances under which individuals can tap life insurance policies before they die.

For example, Minnesota, New Jersey, New York, South Carolina, Vermont and Washington currently do not allow insurers to offer living benefits plans for insured individuals confined to a nursing home because they construe living benefits as long-term care benefits.

However, Connecticut will allow insured individuals to receive living benefits only if they are confined to a nursing home.

"The attorney general's opinion viewed" living benefits for the terminally ill "as a combination policy of accident and health and life insurance," noted Danny Albert, insurance principal examiner at the Connecticut Insurance Department.

Observers also point out that legislatures in some states must approve the living benefits options.

New York Gov. Mario Cuomo unveiled a plan Feb. 26 to amend state insurance law to permit living benefits for insured individuals who are terminally or critically ill.

The New York State Insurance Department supports "the concept of" living benefits, said Wayne Cotter, director of research.

"It's a new concept and things are happening quickly in this field. We think it provides people with important options," he said.

It "is just a question of time" until all states will allow some form of living benefits, agreed Kirke Dorweiler, executive vp at Johnson & Higgins/Kirke-Van Orsdel Inc. of Des Moines, Iowa, a joint venture between Johnson & Higgins and claims administrator Kirke-Van Orsdel Inc.

"I don't see how they could persist very long against this," he said.

Abraham Gootzeit, a principal in the St. Louis office of Tillinghast, a division of Towers, Perrin, Forster & Crosby Inc., pointed out that state approval of living benefits has occurred relatively quickly. "The first living benefit rider was filed in the fall of 1987" by an individual life insurer, "so the progress made in 2½ years is remarkable."

The ACLI spokeswoman agreed. When Prudential Insurance Cos. of America announced its living benefits product for individual life insurance policyholders on Jan. 26, "only 10 states had approved it; two weeks later it had been approved in 20 states," she said.

Living benefits options vary

By CHRISTINE WOOLSEY

Two life insurers are offering significantly different "living benefits" options under group term and group universal life insurance programs.

United of Omaha Life Insurance Co. of Omaha, Neb., the life insurance unit of Mutual of Omaha Insurance Co., and Travelers Insurance Co. of Hartford, Conn., a Travelers Corp. unit, are the only two insurers now offering employers the chance to add living benefit options to group life programs.

However, Mutual of Omaha is offering the living benefits option under its group term life product, while Travelers is making it available only through group universal life programs.

Eligibility requirements and benefit payouts vary considerably.

But both plans will add only pennies per thousand dollars of coverage to the cost of group contracts.

Living Care, the United of Omaha plan, allows a terminally ill insured employee to receive up to 25% of the basic life benefits—up to $50,000—while still living, said Steve Kohoskie, senior vp and director of group marketing at Mutual of Omaha.

To qualify for Living Care benefits, an employee's physician and a Mutual of Omaha doctor must find the patient terminally ill.

No restrictions are placed on how the money may be used.

"It's been perceived as a positive step because it enables terminally ill employees to do things they may not otherwise get a chance to do in their last few months," Mr. Kohoskie said.

If a terminally ill employee goes into remission or is cured, he said, the insurer will not attempt to recover the funds. However, the employee could not tap the living benefits again.

United of Omaha introduced the Living Care rider Feb. 14 in 20 states, but no employers have bought it yet, Mr. Kohoskie said. It is offered in: Alabama, Alaska, Arizona, Arkansas, Georgia, Hawaii, Iowa, Kentucky, Michigan, Mississippi, Missouri, Montana, New Mexico, North Carolina, Nebraska, Oregon, Tennessee, West Virginia, Wisconsin and Wyoming.

The benefit costs just pennies per thousand dollars of coverage. For example, "if an employer is paying 20 cents to 30 cents per $1,000 (of coverage) per month for the basic term policy, the premiums would be an additional 1 to 2 cents per $1,000 per month," Mr. Kohoskie said.

But while the group term contract would reflect the cost of the living benefit for all employees, it would be up to an individual employee whether or not to tap the benefit if he or she became eligible.

The Travelers plan, like Mutual of Omaha's, provides life insurance benefits to terminally ill insured individuals before they die.

But Travelers also allows insured individuals to collect once they have required assistance for 90 to 180 days in performing three or more of these normal daily activities: eating; bathing; using the toilet; dressing; moving about; or transferring from a bed to a chair, if unable to walk.

The insured individual would receive a monthly benefit equal to 2% of the life insurance policy's face amount for up to 25 months.

The maximum monthly payment is $10,000, and the minimum is $400, so only people with at least $20,000 in life insurance coverage are eligible for living benefits. No restrictions are placed on use of the money.

If the employee goes into remission, Travelers will not attempt to recover the benefits, said Tom Pelly, life product manager for Travelers Corp.'s managed care and employee benefit operations.

And, he noted, because the benefit is payable for a maximum of 25 months, if the employee suffers a relapse, he or she would be able to tap into death benefits again for a total of 25 monthly benefit payments.

Travelers decided to offer living benefits as an amendment to its employee-pay-all group universal life product because "employers may be hesitant to pay additional premium costs on basic term policies," Mr. Pelly explained.

But, because employees generally pay for group universal life coverage, employers would be more likely to offer covered lives the option.

Living benefits cost 4% to 6% of the basic group universal life premium, Mr. Pelly said.

Each employer determines whether to amend its group universal life program to automatically provide living benefits, Mr. Pelly said.

Among Travelers' employer clients, he said, "most" have expressed interest in the plan and one—Mead Corp., a manufacturer in Dayton, Ohio—has

Continued on next page

Living benefits

Continued from previous page

take a close look at the taxability of living benefits.

However, "no one knows which way it's going to go," observed Tillinghast's Mr. Gootzeit. But, he said, "without a definitive ruling by the IRS, you can assume it's probably taxable."

Sen. Bill Bradley, D.-N.J., recently introduced a bill, S. 2222, that would make living benefits proceeds tapped by terminally ill policyholders tax-exempt.

But, "the jury is still out on how Congress will view living benefits. It's not a death benefit and it's not a health benefit," Mr. Gootzeit said.

Another major drawback to living benefits is that the plans deplete the estate earmarked for beneficiaries, some observers said.

"The idea of life insurance is that you're providing money for the survivors," said Don Winters, director of employee services at Omaha-based ConAgra Inc., a food and agricultural products manufacturer that offers its approximately 50,000 employees both term and group universal life insurance underwritten by Mutual of Omaha.

"If you are single, OK. But if you have responsibility for a family, then I don't think it's a good idea," he said.

Mr. Winters has not decided whether to amend ConAgra's contracts to provide the living benefits, estimating that it would cost an additional 8% load on the coverage rate—or a 1% increase.

"I'd be quick to point out that people who buy life insurance should be buying it for specific needs," said Kwasha Lipton's Mr. Danish. "If they have the need to build an estate, for example," then a living benefits plan may not be a good idea, he said.

"Each situation is different," agreed the ACLI spokeswoman. "If buying life insurance is designed to protect a spouse and children, then policyholders have to be very careful that they don't deplete the death benefits," she said. ■

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EPA regulations

Continued from page 2
the new regulations would discourage companies from aiding cleanups, would discourage surety companies from issuing bonds for cleanups and would leave companies, especially small firms, inadequately protected against potentially huge risks.

EPA's new regulations are a "step in the wrong direction," wrote Leo J. Dondanville Jr., president of Hanson Engineers Inc. in Springfield, Ill. "If the proposed guidelines are adopted, the response action contractor will be in the unenviable position of having to 'bet the farm' each time that it agrees to assist the government."

The proposal "shifts the cost burden to RACs (response action contractors) who may be unable or unwilling to bear the burden," wrote Douglas E. Congdon, risk manager for Versar Inc. in Springfield, Va.

"RACs are unlikely to bid on projects which expose them to liability that is material in comparison to their net worth if that liability is not covered by indemnification or insurance," he said.

If the policy is adopted, Donohue & Associates Inc. of Sheboygan, Wis., "would immediately re-evaluate its willingness to continue to provide services as an RAC to the EPA," an officer wrote.

According to the Spill Control Assn. of America, a response contractor trade group, most of the about 500 U.S. contractors capable of Superfund work have annual sales below $25 million.

Contractors are not the only companies that stand to be hurt by the proposed regulations. Engineering firms acting as consultants to Superfund cleanups may also find themselves without enough coverage.

"EPA's indemnification proposal falls short of protecting engineering firms from the risk they may face when providing technical expertise to the Superfund program," wrote John A. Focht Jr., president of the American Society of Civil Engineers. "The public need is not well served by a proposal which will discourage qualified engineering firms from participating in the Superfund program."

However, the EPA says the proposal would make insurance more available.

And the proposal will make insurers reluctant to provide performance and payment bonds for Superfund projects, charges the American Insurance Assn.

To demonstrate diligence under current EPA rules and the proposal, contractors have to show rejections from at least three commercial insurers or alternative risk financing mechanisms.

EPA officials say limiting liability and requiring diligent searches for pollution insurance would encourage commercial insurers to enter the EIL market, a notion most critics reject.

"Considering that there are thousands of commercial insurers and that the majority have repeatedly and publicly stated that they will not consider writing pollution insurance, obtaining three declinations is absurdly easy," wrote William Kronenberg, president and chief executive officer of Environmental Compliance Services Inc. in Exton, Pa.

"The proposal fails to meet the desired objective of forcing both contractors and the EPA to access and evaluate the small but active pollution insurance underwriters," he said.

ECS, which markets EIL coverage on behalf of Reliance, proposed amending the proposal to require rejections from three "known writers of pollution insurance" and suggested the EPA annually publish a list of known writers of pollution insurance.

Critics also claimed the $50 million indemnification limit is woefully inadequate.

"Given the size and number of potential claims stemming from cleanup sites, this limit is way too small, especially when multisite projects are involved," wrote Lloyd Provost, president of the Surety Assn. of America in Iselin, N.J.

Keith J. Garnett, president and chairman of Donohue & Associates Inc., agreed: "A total indemnification amount of $50 million is grossly out of proportion to the risk associated with this scope of work."

"It appears the proposed $50 million maximum is per contract," wrote Scott A. McKown of Cygnet Associates in Mill Valley, Calif. "On a site basis, the limit provides a good *minimum* limit. Allocated on any other basis, it is woefully inadequate."

"We question the adequacy of the liability ceiling value of $50 million, especially in view of the requirement that subcontractors be indemnified by the prime contractor within this ceiling," added Roy L. Cline, president and chief operating officer of MK-Environmental Services Group, a unit of Morisson Knudsen Corp. in Washington, D.C.

Critics also point out that under proposed rules RACs requesting $50 million in indemnification would pay a $3.5 million deductible.

"This virtually eliminates the small contractor firm participation in the program," wrote the American Insurance Assn. "Further it discourages sureties from wanting to write bonds for a contractor who must accept $3.5 million in loss before it is indemnified."

Critics also fault the proposed limiting of indemnification to 10 years beyond the term of the EPA contract or completion of site work on multisite contracts.

It "is too short a period," wrote Mr. Provost of The Surety Assn. of America. "Environmental claims take a long time to germinate. One only need to look at the asbestos claims flowing from World War II to understand this."

A 10-year coverage period is "insufficient to cover claims for latent injuries and is entirely out of step with prevailing statutes of limitations," wrote Mr. Cline of Morrison Knudsen. ■

Living benefits

Continued from previous page
decided to offer the program (see story, page 1).

Meanwhile, employees in group life programs without living benefits also can tap their policies' proceeds before they die—with some effort.

Albuquerque, N.M.-based Living Benefits Inc. pays terminally ill policyholders a lump sum ranging from 55% to 80% of a policy's face value.

Employees in group life insurance plans would have to convert their coverage to an individual policy and name Living Benefits the sole beneficiary. Most group insurance plans contain conversion options.

Living Benefits Inc. would pay the continuing policy premiums.

The company will offer its service only to people with 18 months or less to live and whose group or individual life policy has been in force for at least two continuous years, said Rob T. Worley Jr., president.

Mr. Worley said the amount he offers policyholders depends on the policy's face amount; policyholder life expectancy; interest rates on the money Living Benefits Inc. borrows to purchase the policy; and the expected amount of premiums.

Living Benefits typically purchases policies with face amounts between $50,000 and $250,000, though it will consider buying policies outside that range, said Mr. Worley.

Since incorporating in February 1988, Living Benefits has purchased roughly 50 policies. About one-third of the policies had been converted from group coverage, he said.

"The face amounts of the policies we've bought are approaching $8 million," Mr. Worley said, noting that more than 90% of his customers have AIDS. ■

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INTERNATIONAL





Virtually no snow covered the French Alps in January 1989 (above) when a British film production company was due to begin shooting ads for SKI yogurt. It filed a claim for more than $800,000 after it waited until March for enough snow to fall.

Cover dispute snowballs into court

By STACY SHAPIRO

LONDON—When there's no snow on the French Alps, the going gets rough for insurers in British courts.

Case in point: Flying Colours Film Co. Ltd of London is embroiled in coverage litigation over losses it suffered when ads for a yogurt product were delayed due to lack of snow.

The British production company is trying to recover about 95,000 pounds ($155,800) remaining on a 495,000 pound ($811,800) claim it filed against its insurers last year when lack of snow in the French Alps delayed the filming of five television commercials. The insurers have already paid Flying Colours about 400,000 pounds ($656,000) on the claim to cover the company's added expenses.

In January 1989, Flying Colours tried to shoot the ads for Eden Vale Ltd.'s "Ski" line of yogurt products at a ski resort in the southern French Alps near the Italian border, according to the lawsuit filed in British High Court.

However, "lack of snow" grounded the project until March 1989, which increased the cost of the shoot, says the writ.

According to court papers, Flying Colours bought a film producers indemnity policy covering the production of the commercial with a limit of 522,703 pounds ($857,000) from Assicurazioni General S.p.A. of Trieste, Italy, and La Concord Compagnie d'Assurances Ltd. and Trinity Insurance Co. Ltd., both of London. Specialty broker Robertson Taylor Insurance Brokers Ltd. of London, which placed the coverage, also is named in the writ.

Producers and the insurers agreed on policy limits based on a film production estimate written Dec. 14, 1988, and a summary of estimated costs prepared by the production company, says the lawsuit.

Although they paid 400,000 pounds of the producer's claim, the insurers are balking at paying directors' and producers' fees and "mark-up"—the 15% fee the production company adds to the actual cost of filming a commercial, according to the writ.

Flying Colours claims that about another 95,000 pounds in losses is covered by the policy, says David Thomas, a partner with Booth & Blackwell, the law firm representing Flying Colors. Directors' and producers' fees and mark-up expenses were "referred to" in the film production estimate, according to the writ.

And, if the insurers are not found responsible for these charges, then the broker, Robertson Taylor, should pay these losses since it knew that the policy should cover these expenses, the writ charges.

Neither executives at Robertson Taylor nor the brokerage's attorneys would comment.

Meanwhile, the insurer defendants filed a nine-page defense last month with the High Court that includes the policy's definition of loss; three paragraphs of exclusions; and endorsements to the policy, said Alan Fisher, a partner with Davies Arnold & Cooper of London, which represents the insurers.

"Underwriters are saying it (the disputed claim) is not covered and insureds say it is covered," said Mr. Fisher, adding "it's a very technical dispute" over what is and what is not covered under the policy.

The dispute is made even more complicated by the fact that the coverage was written on a manuscript policy, he said.

Mr. Fisher believes it will be a year before the case comes to trial.

Earlier this year, the French government declined to declare the absence of snowfall in the Alps this winter a "disaster" that would have triggered property coverage for resort owners' lost earnings (*BI*, Jan. 15).

Lloyd's now competing for Main Street business

By CAROLYN ALDRED

LONDON—Lloyd's of London, traditionally a market for the world's most exotic and esoteric risks, is going Main Street.

Last week a Lloyd's broker announced the formation of an underwriting facility that will allow the public to purchase over the phone auto insurance underwritten by Lloyd's syndicates.

And two Lloyd's underwriting agencies last week opened continental European offices—one in Paris, one in Copenhagen, Denmark—to compete for business now written by domestic European insurers and reinsurers.

And another Lloyd's broker later this month is launching a venture that will allow up to 800 independent, non-Lloyd's brokers throughout the United Kingdom to place commercial risks with a Lloyd's underwriter in Peterborough, England.

These examples are typical of dozens of initiatives by Lloyd's underwriters and brokers to compete with insurers for Main Street business like property/casualty coverage for small to mid-sized companies and auto and life insurance.

In recent years, many Lloyd's underwriters have complained that use of Lloyd's brokers for placing small risks is woefully inefficient and costs Lloyd's significant amounts of potential business. Brokers, for their part, have conceded the inefficiency but blamed inaccessible underwriters and the overly bureaucratic way of doing business at Lloyd's.

The new ventures come just two years after Merrett Holdings P.L.C. caused a furor at Lloyd's—particularly among brokers—by opening an underwriting office in Birmingham, England, to capture commercial insurance business written by domestic U.K. insurers (*BI*, Dec. 14, 1987).

Merrett argued that such business could not be placed competitively at Lloyd's if it had to pass through several intermediaries including a London-based Lloyd's broker. Underwriters at the Birmingham subsidiary could issue policies directly to non-Lloyd's brokers.

The business still must be transferred from Merrett's Birmingham unit to its syndicates at Lloyd's via a Lloyd's broker.

However, many Lloyd's brokers at the time criticized Merrett's move, and some fellow underwriters argued that Lloyd's should continue to concentrate on low-volume, high-premium risks.

But two years later, with the blessing of Lloyd's and the Lloyd's Insurance Brokers Council, underwriters and brokers now are fervently cooperating in attempts to pull in more high-volume, low-premium business.

For example:

- Sturge Lloyd's Agencies Ltd., Lloyd's largest underwriting agency, announced last week that it had become the first Lloyd's underwriting agency to be elected a member of the French insurance bourse—or exchange—even though Lloyd's has been licensed to write French business since 1947.

Sturge was admitted last week to the Syndicat des Societe Etrangeres d'Assurances, the overseas division of the Assemblee Pleniere des Societes d'Assurances Dommages, which is part of the French Insurance Federation. Membership will enable Sturge syndicates to "operate more effectively in the French domestic insurance market," Sturge said.

Members of the insurance bourse operate a coinsurance line slip, similar to a Lloyd's line slip, although they are not all located in one room or building, as at Lloyd's.

Premiums and claims payments and policy documentation are processed by the Bureau Central de Repartion, part of the Assemble Pleniere. Annual gross premiums of about 1 billion pounds ($1.64 billion) are processed by BCR.

Sturge plans to maintain a Paris office, which will write property and liability insurance and initially will "concentrate on coinsurance business and gradually build up a portfolio of good quality medium-sized risks," said Rainier Brousse, European operations director.

"We wanted to access the sort of business French brokers wouldn't send to Lloyd's," he said.

Continued on next page

Liquidator seeks $50 million in damages

Trial of Dover auditor near

By ROGER SCOTTON

HAMILTON, Bermuda—After nearly six years of litigation, the trial is set to begin for the last of 13 defendants in a suit filed by the liquidator of Dover Insurance Co. Ltd.

Accounting firm Seidman & Seidman, which audited insolvent Dover Insurance Co. of Bermuda, will be the only defendant when a trial begins in U.S. District Court in San Francisco later this month in a civil suit filed Dover's liquidator Charles Kempe.

Mr. Kempe, who is the co-liquidator of Mentor Insurance Ltd., sued 13 defendants seeking $50 million in compensatory and punitive damages in 1984.



The San Francisco office of New York-based Seidman & Seidman, he alleges, either participated in or improperly acquiesced to fraud by Dover.

Fraud charges were dropped against some of the defendants, including San Francisco-based Monitor Intermediaries, which managed Dover. The other defendants, including Dover founder Irving Pfeffer, settled with the Dover estate in 1988 for $3 million (*BI*, May 2, 1988).

Dover, which primarily wrote medical malpractice insurance for podiatrists in New York, was ordered into liquidation in February 1983 (*BI*, March 21, 1983).

The suit against the accounting firm is the last hurdle blocking payments to Dover's 400 to 500 creditors, who claim they are owed an estimated $25 million to $50 million from an estate that has only the $3 million in assets.

The original suit accused Mr. Pfeffer, several other Dover directors and several related companies of fraud and violations of the federal Racketeer Influenced and Corrupt Organizations law.

Defendants, the suit alleged, had conspired to defraud Dover, its policyholders and creditors by concealing the company's true financial condition. Dover was allegedly insolvent as early as 1977, barely a year after it was incorporated in Bermuda.

According to the liquidator's suit, even the company's initial capital was "illusory," as was a later capital increase. The suit alleges "a non-existent capitalization (was) continually reflected on the financial statements of Dover for the years 1978 to 1983, audited by defendant Seidman in its capacity as independent certified accountants."

At the same time, Dover's net written premium volume rose to $12.1 million in 1978 from $2.7 million in 1977.

"The object. . .was to artificially inflate the recorded assets of Dover and to improperly minimize the reported liabilities of Dover, so as to generate as much cash, in the form of premium income, as possible," the suit alleges.

Dover was used as a "cash box" through which premiums could be fraudulently diverted to related companies, the suit charges.

This scheme, Mr. Kempe alleges in the suit, could not have succeeded "without either the active cooperation of Seidman or at least its silent acquiescence."

"Rather than resign the account and disclose to the appropriate regulatory authorities the fraud being perpetrated, Seidman chose to cooperate with the defendants and wrongfully acquiesced," the suit charges.

"For example, in the last quarter of 1980 while Seidman was conducting its audit of Dover's year-end 1980 financial statements and after Seidman had conducted audits of Dover's year-end 1978 and 1979 financial statements, Seidman raised the possibility of withholding its opinion on the year-end 1980 financial statement," the suit says. "Pfeffer's response was to threaten to notify all those who had and were relying on the 1979 Seidman-audited financial statements of the fact that they contained material misstatements, had misstated income and could not be relied on."

Two months later, Seidman issued an unqualified opinion on the 1980 financial statement "as it would again in year-end 1981."

The suit also points out that on Feb. 23, 1983, almost two weeks after a court-approved liquidation order for Dover had been obtained from a Bermuda court, Seidman issued its opinion on Dover's 1982 financial statements. "In those statements, Dover's shareholders' equity was reflected as a negative $6.4 million, as distinguished from year-end 1981 of a plus $6.5 million," the 46-page suit says.

An attorney for Seidman—Stephen Carley of Rogers & Wells in Los Angeles—would not return phone calls.

Dover's largest creditors, according to Mr. Kempe, are American Centennial Insurance Co. and National Union Fire Insurance Co. of Pittsburgh, Pa., a unit of American International Group Inc. Another large creditor is the New York State Podiatry Society, which purchased medical malpractice coverage for its members from Dover. ■

INTERNATIONAL

Lloyd's

Continued from previous page

• A new joint underwriting venture in Denmark was announced last week. European Syndicate Underwriters A/S is to be owned 51% by Lloyd's broker Bell Nicholson Henderson Ltd.; 24% by Danish underwriter Jens Tarp; 5% by Archer Services Group, a unit of underwriting agency A.J. Archer Holdings P.L.C.; and 20% by other participating Lloyd's syndicates.

ESU initially will write property reinsurance for about eight Lloyd's syndicates, led by syndicate 947, which is underwritten by Mike Harris and managed by Archer.

Full underwriting and claims authority will be given to Mr. Tarp, who has been appointed general manager and underwriter for ESU, said Mr. Harris. Mr. Tarp formerly was chief general manager of Copenhagen Reinsurance A/S.

The underwriting agreement authorizes ESU to accept business with capacity of about 2 million pounds ($3.3 million) per risk.

• Syndicate 190, underwritten by Richard Hazell and managed by Three Quays Underwriting Management Ltd., hopes to attract more French commercial insurance risks through a facility formed with London-based broker Whistondale & Partners P.L.C.

The facility, called Linkline, allows Mr. Hazell to write French risks from his underwriting box at Lloyd's via a computer link with Whistondale's Paris office.

A binding authority arrangement set up through Whistondale allows Mr. Hazell to write property, fine art, furrier, jewelers block and personal accident insurance on behalf of about 12 syndicates, said Ian Whistondale, chairman of Whistondale.

The facility began underwriting in November with limits of up to 50 million French francs ($8.7 million) for property risks and 100 million French francs ($17.3 million) for fine arts insurance, said Mr. Whistondale.

To insure a French risk, a French retail broker furnishes details about the risk, which is translated into English by Whistondale's staff in France and sent via the London Insurance Market Network to a computer in Mr. Hazell's underwriting box at Lloyd's, said Mr. Whistondale.

• In a bid to bring more British commercial insurance business to the Lloyd's market, Lloyd's broker Andrew Weir Insurance Brokers Ltd. is launching a new facility March 28 backed by about 25 Lloyd's syndicates.

Up to 800 independent, non-Lloyd's brokers throughout the United Kingdom that are members of a computer network set up by Misys Insurance Marketing Ltd. will be able to place commercial property/casualty policies with a Lloyd's underwriter in Misys' Peterborough, England, office, said Hugh Cameron, non-marine director of Andrew Weir.

Misys was developed to enable intermediaries to place personal lines insurance with several U.K. insurers more efficiently. Until now, the system has not been used to place commercial policies, which require more detailed underwriting.

But by linking a Lloyd's underwriter into the system and using a binding authority arrangement managed by Andrew Weir, Lloyd's syndicates can write large quantities of routine commercial insurance policies that otherwise would never reach Lloyd's, said Mr. Cameron.

Up to 25 Lloyd's syndicates will participate in the facility led by syndicate 404, underwritten by Rodney Lissenden and managed by Cuthbert Heath Underwriting Ltd.

• Lloyd's insurance broker Richards Longstaff (Insurance) Ltd. has formed a facility with several Lloyd's motor syndicates to compete with U.K. insurers in a fast-growing sector of the British insurance industry: direct-response auto insurance.

Newspaper advertisements last week told readers that auto insurance can now be bought directly from Lloyd's over the telephone via Baillie Longstaff Ltd., a London-based unit of Richards Longstaff. The facility will be called Motor Line Plus.

• A service company—dubbed Facility 55—launched last September by Lloyd's underwriting agency Lloyd-Roberts & Gilkes Ltd. is attempting to attract employers' liability, general liability, and group and personal accident insurance from non-Lloyd's brokers in the United Kingdom.

LRG Services Ltd. can write and issue policies placed by non-Lloyd's brokers. All the policies are then placed with Lloyd's syndicate 55 through a Lloyd's broker.

Lloyd's brokers are marketing the arrangement to non-Lloyd's brokers throughout the country, said LRG liability underwriter Ernie Russell. ■

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Mar 12	Feb 27	Risk Management Consultants	Risk Management Services
Apr 2	Mar 20	Employee Benefit Info Systems	Benefits: Plan Design & Admin
Apr 30	Apr 17	Captive Managers	Captives/Risk Manager of the Year
May 28	May 15	Loss Control Consultants	Property Loss Control
Jun 18	Jun 5	Agents & Brokers	Agent/Broker Profiles
Jul 23	Jul 10	Risk Management Info Systems	Risk Management: Systems/Analysis
Aug 13	Jul 31	Surplus Lines Insurers/Wholeslrs	Surplus Lines
Sep 3	Aug 21	Leading Reinsurers Worldwide	Reinsurance: Int'l Markets/Lloyd's Rpt
Sep 10	Aug 28	Safety Consultants	Workers Compensation
Oct 8	Sep 25	Environmental Consultants	Specialty Risks: Environmental Liability
Oct 22	Oct 9	Int'l Insurers & Benefit Networks	International: Benefits & Risk Mgmt
Nov 12	Oct 30	Reinsurance Intermediaries	Reinsurance: Trends & Issues
Nov 19	Nov 6	401(k) Plan Administrators	Benefits: Defined Contribution Plans
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IFEBP expands to Europe

By COLLEEN JOHNSON

The International Foundation of Employee Benefit Plans is expanding the services it offers overseas in response to increasing interest in employee benefits in Western Europe.

In addition, the group is looking to increase its membership from European nations.

"There's sort of an educational void in that they don't have a comparable foundation in Europe," said Eugene Moats, president and chairman of the Brookfield, Wis.-based foundation.

"There's a lot of change taking place in Europe," and Europeans involved with employee benefits are interested in how those changes will affect benefits, according to Mr. Moats.

One of the highlights of the IFEBP's plans is an educational conference scheduled for Oct. 25-26 in Amsterdam, The Netherlands. The conference, titled "1992 and Beyond: Explosion in Employee Benefits," will focus on the future of employee benefits in the single European market and how changes in Europe will affect employers both inside and outside the European Community.

Currently, only 16 of the 6,800 corporations, trust funds, public employee groups and professional advisory firms that belong to the IFEBP are from Europe, said a foundation spokeswoman. The majority of the foundation's members are from the United States or Canada.

The foundation will try to increase European membership prior to the conference by sending information to European companies, trade unions, employee benefit groups and public employee groups, Mr. Moats said.

Although the IFEBP isn't targeting potential members in Eastern Europe at this time, it is open to interested groups from that region, he said. It "may be a little further down the road before they're able to participate (in the IFEBP), but they're certainly welcome."

Other European-related services the non-profit, educational foundation plans to offer include:

• Monthly and quarterly publications covering legislative, political and legal issues related to benefits.

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• Access to an on-line data base containing worldwide employee benefits information.

For more information, contact the IFEBP at 18700 W. Bluemound Road, P.O. Box 69, Brookfield, Wis. 53008-0069; 414-786-6700. ■

Pepper proposal

Continued from page 1

long-term health care program and its share of the cost of a new public plan providing acute care coverage, kills any chance that the proposals will receive serious, immediate congressional consideration.

"Anything as close as an 8-7 vote can be dismissed. It will not be influential," said Thomas R. Burke, the former chief of staff at the U.S. Department of Health and Human Services and now a principal in the Washington, D.C., office of A. Foster Higgins & Co. Inc.

"The political impact, at least for now, is zero. It is a naive report that will have very little impact," concurred Stuart J. Brahs, vp-federal government relations in the Washington, D.C., office of The Principal Financial Group, a diversified financial services organization.

"The absence of financing recommendations makes it very easy to dismiss this report," said Dallas Salisbury, president of the Employee Benefit Research Institute, a benefits think tank in Washington, D.C.

Indeed, one member of the Pepper Commission—Rep. Fortney (Pete) Stark, D-Calif.—said: "Without a way to pay for it, it is a non-starter. It is legislatively dead."

Responding to criticism that the commission failed to outline a financing mechanism, the commission's chairman, Sen. John D. Rockefeller IV, D-W.Va., described the commission's proposal as a blueprint. It is up to congressional tax writing committees—the Senate Finance Committee and the House Ways and Means Committee—to craft ways to finance the new programs, he said.

The Pepper Commission's recommendations come at the same time that other groups are advancing their proposals to improve access to health care coverage.

For example, the American Medical Assn. is recommending that all employers be required to offer a health care plan under a 16-point package the AMA unveiled last week (see story, page 102).

And, the Health Insurance Assn. of America, a Washington, D.C.-based industry trade group, is backing a four-part plan intended to increase access to health care coverage and to make health insurance more affordable for small employers (see story, page 102).

In addition, mandated benefits legislation sponsored by Sen. Edward Kennedy, D-Mass., would require employers to offer a health care package similar to that recommended by the Pepper Commission. That measure, S.768, passed the Senate Labor and Human Resources Committee last July (*BI*, July 17, 1989).

This swirl of activity is confirmation that the issue of access to health care coverage will not go away, said Frank McArdle, a consultant in the Washington, D.C., office of Hewitt Associates.

But as of yet, there is no national consensus, reflected especially in the Pepper Commission 8-7 vote, on the best way to resolve the problem.

"Dealing with access will take place in a seven to 10-year time frame. The Pepper Commission's recommendations do not change that time frame," said EBRI's Mr. Salisbury.

The commission's twin recommendations to improve access to acute care coverage as well as to create a long-term health care plan would cost the federal government an estimated $66.2 billion a year, but benefit experts point out the commission avoided the tough questions of how these programs would be financed.

"Clearly, the commission ducked the tough decision of how the new programs would be paid for," said Hewitt's Mr. McArdle.

Some observers say it is not surprising that the commission was silent on financing recommendations.

They note that politicians, burned by the uproar that erupted last year when millions of middle- and upper-income retirees discovered that they would have to pay $800 a year in new taxes to fund the now-repealed expansion of the federal Medicare program, have become much more cautious about proposing any new federal taxes.

"There is a great sensitivity to new taxes. Few people want to advocate taxes," said Mr. McArdle.

While the Pepper Commission's recommendations may be, as Rep. Stark puts it, "a non-starter," experts say the report should not be dismissed entirely.

"The commission report probably has enhanced public understanding of the health care access problem," said Mr. Salisbury.

"The report may be a step, albeit a shaky one, in developing a consensus on how access to health care coverage can be improved," Mr. McArdle said.

Employer and insurer lobbyists and consultants are aiming much of their fire at the commission's recommendation to require employers to offer a health care plan meeting federally specified benefits or else pay new, expensive payroll taxes.

Among other things, employers would have to pay at least 80% of the premium of the "Specified Benefit Package," while annual deductibles for single and family coverage could not exceed $250 and $500 respectively.

Benefit lobbyists say this recommendation would usurp the freedom employers have to design a health care plan that best meets employers' and employees' needs.

"The commission is fooling itself if it thinks it can design 'one plan to fit all,' " complained Howard Weizmann, executive director of the Assn. of Private Pension & Welfare Plans in Washington, D.C.

At the same time, observers question whether the commission's recommendation that the "Specified Benefit Plan" really is a minimum health care plan.

For example, while the commission recommends that employers pay at least 80% of the premium for family health care coverage, a recent survey by Hewitt Associates found that only 40% of employers pay more than 80% of the cost of family health care coverage (*BI*, Feb. 5).

"The 80-20 premium split ignores the trend of employers asking employees to pay more of the premium," Mr. McArdle said.

Requiring employers to pick up such a high percentage of employees' health insurance premiums goes far beyond what some congressional committees have proposed.

For example, the Senate Finance Committee last year approved a proposal, as part of an effort to revise the Section 89 non-discrimination statute, that would have allowed employers to pay only 60% of the premium for their health care plans and still be considered non-discriminatory (*BI*, July 17, 1989).

And, later congressional Section 89 reform proposals avoided specifying how big of a share of health care premiums an employer would have to pay for the plans to be non-discriminatory.

"The commission locks in at 80-20, a percentage that Congress rejected as not politically feasible when it tried to save Section 89," Mr. McArdle said.

At the same time, benefit experts note the commission dodged explaining how the 80-20 premium split would affect flexible benefit plans, the fastest-growing employer method of providing and funding health care coverage.

For example, the report didn't explain whether "flex credits or flex dollars," which employers provide to employees to "buy" benefit options, would be considered an employer contribution.

"This is an important issue that was not addressed," Mr. McArdle said.

Other observers say the Pepper Commission's recommendation to require insurers to use community rating when underwriting health care

Continued on page 101

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NOTICES

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PEOPLE OF THE STATE OF ILLINOIS, ex rel.,
Zack Stamp, Director of insurance of the State of ILLINOIS,
plaintiffs,
NO: 89 CH 11201

V.

INTERCONTINENTAL INSURANCE COMPANY,
a Domestic Stock, Property and Casualty
Insurance Company,
Defendant.

NOTICE OF CLAIMS DATE AND PROCEDURES

PLEASE TAKE NOTICE, that on January 12, 1990 an Order of Liquidation With a Finding of Insolvency was entered against Intercontinental Insurance Company ("Intercontinental") by the Circuit Court of County, ILLINOIS, ("Liquidator") is the statutory and court affirmed Liquidator of Intercontinental.

TAKE FURTHER NOTICE, that on January 19, 1990, the Circuit Court of Cook County, Illinois, entered an Order Fixing the Time and Procedures of Filing of Claims ("Fixing Order"). Pursuant to the terms of the Fixing Order, all policies of insurance issued by Intercontinental is not licensed to do business and which do not have an applicable insurance guaranty association insureds of Intercontinental are cancelled as of 12:01 a.m. on January 12, 1990, unless the same had been cancelled or have expired prior to such date.

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TAKE FURTHER NOTICE, that all persons and entities, who have, or may have, claims, contingent or otherwise, against Intercontinental, or the property or assets of Intercontinental, shall have the right to present and file with the Liquidator, proper proofs of claim on or before 4:30 p.m., Central Daylight Time, on July 12, 1991, and all contingent claims filed by the insureds of Intercontinental, and persons having a cause of action against such insureds, must be fully liquidated on or before 4:30 p.m., Central Daylight Time, on July 13, 1992. Such contingent claims by insureds may be allowed if such claim is fully liquidated, and the insured presents evidence of the payment of such claim to the Liquidator, on or before such final date and such contingent claims by persons claiming against such insureds may be allowed if such persons demonstrate to the Liquidator that the proofs submitted to the Liquidator upon such claim satisfy the requirements of *ILLINOIS Revised Statutes*, 1987, Ch. 73, Para. 821 by such final date.

TAKE FURTHER NOTICE, that the form of, and required contents of, all proofs of claim are described in *ILLINOIS Revised Statutes*, 1987, Ch. 73, Para. 821. Proofs of Claim, together with supporting documents, if any, are to be filed with, and may be secured from, the Special Deputy Liquidator of Intercontinental Insurance Company, In Liquidation, 446 E. Ontario, Suite 700, Chicago, ILLINOIS 60611. Filing shall occur upon the receipt of the Proof of Claim by Liquidator. The Liquidator reserves the right to require such additional information with respect to any claim filed with him as he may deem necessary. The Liquidator further reserves any and all defenses available to Intercontinental upon all filed claims. All Proofs of Claim must be duly sworn to before an Officer authorized to take oaths.

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BOSTON HOUSING AUTHORITY
By: Doris Bunte, Administrator
DATE: February 21, 1990

The Professional Marketplace TARGETS your BEST JOB Candidates

Pepper proposal

Continued from page 99

coverage for small employers—those with fewer than 100 employees—could lead to a small employer backlash as firms with good experience would see their rates rise.

"Many small employers would have their premiums raised in order to bring down the cost for high-premium players. Community rating is cost shifting, not cost containment," said James Dorsch, Washington counsel for the HIAA.

"If half of the small businesses have to pay more—through community rating—there will be an uproar," Mr. Dorsch added.

"I'm not sure what the commission is trying to accomplish through community rating," said Larry Tucker, a consultant in Hewitt Associates' Santa Ana, Calif., office.

But the HIAA's Mr. Dorsch noted that there is at least some good news in the commission's report.

For example, the commission recommends that the self-employed be allowed to fully deduct the cost of health insurance premiums. Currently, the self-employed can only deduct 25% of the cost of premiums as a business expense.

In addition, employers and insurers support the commission recommendation that states should no longer be allowed to impose benefit requirements on health insurance policies sold by commercial insurers.

"Overriding state benefit laws would make the cost of health insurance more affordable," Mr. Dorsch said.

However, Mr. McArdle notes that states, strongly pressured by provider groups, would actively resist attempts to take away their authority to impose benefit requirements. ■

Blue-ribbon panel drafts Pepper plan

WASHINGTON—The U.S. Bipartisan Commission on Health Care—better known as the Pepper Commission—was established by the 1988 Medicare Catastrophic Coverage Act.

The commission was renamed in honor of its first chairman, the late Rep. Claude Pepper, D-Fla., who died last year.

The commission is composed of 15 members. As required by statute, three members were appointed in 1988 by then-President Reagan, while six members of the Senate and six members of the House of Representatives were appointed by congressional leaders.

Senate members of the commission are:

- Sen. John D. Rockefeller IV, D-W.Va., chairman. Sen. Rockefeller also chairs the Senate Finance Committee's Medicare and Long-Term Care subcommittee.
- Sen. Max Baucus, D-Mont. Sen. Baucus also is a member of the Medicare and Long-Term Care subcommittee.
- Sen. David Durenberger, R-Minn. Sen. Durenberger is the ranking minority member of the Medicare and Long-Term Care subcommittee.
- Sen. John Heinz, R-Pa. Sen. Heinz is ranking minority member of the Senate Special Committee on Aging.
- Sen. Edward M. Kennedy, D-Mass. Sen. Kennedy is chairman of the Senate Labor and Human Resources Committee and has pushed for passage of his legislation to require all employers to provide health care to employees and dependents.
- Sen. David Pryor, D-Ark. Sen. Pryor is a member of the Senate Special Committee on Aging.

House members of the Pepper Commission are:

- Rep. Bill Gradison, R-Ohio. Rep. Gradison is the ranking minority member of the House Ways and Means Health subcommittee.
- Rep. Mary Rose Oakar, D-Ohio. Rep. Oakar is a member of the House Select Committee on Aging.
- Rep. Fortney (Pete) Stark, D-Calif. Rep. Fortney is the chairman of the House Ways and Means Health subcommittee.
- Rep. Louis Stokes, D-Ohio. Rep. Stokes is chairman of the Health Brain Trust of the Congressional Black Caucus.
- Rep. Thomas Tauke, R-Iowa. Rep. Tauke is a member of the House Energy and Commerce's Health and Environment subcommittee.
- Rep. Henry Waxman, D-Calif. Rep. Waxman is chairman of the House Energy and Commerce's Health and Environment subcommittee.

The three presidential appointees are:

- James Balog, chairman of Lambert Brussels Capital Corp. in New York.
- John Cogan, a senior fellow at the Hoover Institution, a think-tank affiliated with Stanford University in Palo Alto, Calif.
- Dr. James Davis, the immediate past president of the American Medical Assn. in Chicago. ■

Panel drafts several proposals

By JERRY GEISEL

WASHINGTON—The Pepper Commission has issued a range of recommendations to assure the availability of comprehensive health care services to all Americans.

Those proposals include:

- All employers with more than 100 employees would have to offer a health care plan meeting minimum federal standards to employees and dependents or pay a new payroll tax. While an amount was not specified, the tax would be set high enough to encourage employers to offer health care coverage, according to the commission.

Companies offering a health care plan known as the "Specified Benefit Package" would have to pay at least 80% of the premium for individual and family coverage. While more than half of companies already pay 80% of the premium for individual coverage, only 40% contribute that much for family coverage.

In addition, annual deductibles could not exceed $250 for individual coverage or $500 for family coverage.

Coinsurance requirements generally could not exceed 20%, while the maximum annual out-of-pocket expense for an individual or family would be $3,000.

However, employers would have to pick up 100% of the costs for prenatal care, well-child care, mammograms and pap smears.

Employers offering a Specified Benefit Package would have to offer at least 45 inpatient days of mental health care coverage and 25 outpatient mental health visits. Employees, however, could be asked to pay up to a 50% copayment.

The proposal would force most large employers to upgrade their current programs and would take effect three years after legislation was enacted.

- Health care plans sold by commercial insurance companies would not have to comply with state benefit mandates.

Most states now require insurers to provide certain benefits—such as coverage for alcohol and drug abuse treatment—in their health care policies, a requirement that drives up the cost of coverage and makes it difficult for national employers that do not self-fund to offer a uniform benefit package.

A provision in the Employee Retirement Income Security Act of 1974 exempts employers that self-fund their health care programs from state benefit mandate rules.

- Small employers—those with fewer than 100 employees—would not have to offer the Specified Benefit Package if a certain percentage of employees working for small firms received health care coverage by a certain date.

For example, if by the fourth year after enactment, 80% of workers at companies with 25 to 100 employees are not insured by their employers, these companies would be required to provide coverage or pay the new payroll tax.

In addition, if by the fifth year after enactment, 80%

Continued on next page

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Recommendations

Continued from previous page
of workers at companies with 25 or fewer employees are not insured by their employers, these companies would be required to provide coverage or pay the new payroll tax.

To meet this 80% target, small employers will have to extend health care coverage to millions of people not currently in company health care plans. About 47% of the 14.4 million working uninsured are employed by companies with fewer than 25 employees, according to the Pepper Commission.

However, tax breaks would be available for small companies offering the Specified Benefit Package.

Starting in the second year after enactment, employers with up to 25 employees and a payroll averaging less than $18,000 per worker would become eligible for a 40% tax credit to offset the cost of their health care plan. This tax break would be available for five years.

Other incentives—not specified by the Pepper Commission—would be available for employers that don't owe taxes and for whom tax credits would be irrelevant.

- A new public health care plan, which would replace the current Medicaid program, would be available for employees who work for companies that don't provide a health care plan and for the self-employed and non-working individuals.

An unspecified portion of workers' wages would go toward the premium.

In addition, the self-employed and unemployed would pay premiums based on their income, except people with incomes below the poverty line who would pay nothing.

The public plan would be financed by a combination of employer contributions—in the form of payroll taxes—individual premium contributions, contributions by the federal government and state contributions equal to what states now pay toward Medicaid.

The report doesn't specify how the federal government will finance the public plan's annual $23.4 billion cost.

- Employers and insurers no longer could deny coverage on the basis of pre-existing medical conditions.
- Insurers selling fully insured plans to small employers would have to do so on the same terms to all groups in specified geographic areas. Essentially, this would amount to community rating.

In addition, insurers would be required to offer managed health care plans to small employers if such plans are available to larger employers in a geographic area.

Finally, the Pepper Commission recommends setting up a $42.8 billion federal long-term health care plan for the chronically disabled. Most of the cost would be assumed by the federal government, though the report does not say how revenue would be raised.

The long-term care program, would, among other things, establish a new nursing home benefit program.

During the first three months of care, individuals would generally pay 20% of nursing home costs. The federal government would pay remaining costs.

After the first three months of stay in a nursing home, the government generally would provide a housing allowance equal to 30% of the person's monthly income up to unspecified limits.

Despite the federal long-term care program, the commission envisions a continuing role for private long-term care insurance through clarification of the tax code. For example, the commission recommends that long-term health care coverage have the same tax status as health care coverage so that employers could make tax-deductible contributions toward premiums, while benefits would not be included as income to individuals.

The current tax status of employer-provided long-term care coverage is ambiguous, benefit experts say. ■

Deukmejian rejects health care mandate

By LOUISE KERTESZ

SACRAMENTO, Calif.—California Gov. George Deukmejian will not endorse a report from two Cabinet secretaries that suggests requiring employers to offer health care coverage to workers.

In refusing to endorse the report, which was based on input from representatives of employers, insurers, labor and health care providers, Gov. Deukmejian noted a "lack of consensus among the interested parties." The governor did not elaborate.

The report included descriptions of "a voluntary incentive option" to encourage employers to pay workers' premiums, but argued that only requiring employers to provide coverage would insure Californians access to health care coverage.

Twenty-two percent of state residents lack health insurance, according to the report.

If employers simply are given incentives to provide coverage for all employees, "the number of new participating employers and employees. . .would be uncertain," the report says.

Despite the governor's failure to endorse the report prepared by the secretaries of the Business, Transportation and Housing Agency and the Health and Welfare Agency, the state Legislature is expected to consider bills requiring employers to provide coverage for all workers.

Gov. Deukmejian said officials continuing to work on the issue will "strive for a consensus on a practical plan to extend health care coverage to working Californians who are not now covered—provided it can be accomplished without placing an unreasonable burden upon small businesses."

In his January "State of the State" address, the governor said one of his priorities in his last year in office was "to address the problem of the uninsured," noted Ken Tiratira, assistant to Assembly Speaker Willie Brown, D-San Francisco, who sponsored the bill that prompted the report.

"We anticipate the speaker will propose health insurance legislation" based on the report, Mr. Tiratira said.

Rep. Brown's original bill also would have required employers to provide health care coverage (*BI*, July 3, 1989; Feb. 6, 1989).

Other health care access proposals, which do not mandate employer-paid health insurance or which let employers choose between providing coverage and paying a tax, are also expected to be introduced in the Legislature.

"We definitely expect some legislation" on the issue, said Nancy Sullivan, a state Chamber of Commerce lobbyist.

"We're going to be putting our ideas forth. We're trying to get an employer consensus," she said, adding that the Chamber opposes requiring employers to provide health insurance.

Under the $2.2 billion proposal presented to Gov. Deukmejian on March 1, all employers, regardless of size, would be required to pay at least 75% of the cost of premiums for individual coverage and 50% of the cost of premiums for family coverage. Employers would pay a pro-rata share of premiums for employees working fewer than 35 hours per week.

Employers failing to offer health care coverage would be liable for all health care costs of uninsured employees, plus state fines.

Businesses would be subsidized for providing the coverage through a tax credit as well as a direct subsidy of premium costs, though the report does not elaborate on this point.

Employers also would be able to purchase coverage through a state-run program, CAL-CARE, that the report says would provide minimum benefits at lower rates than commercial insurers charge. Businesses would be able to participate in CAL-CARE based on their number of employees and financial condition, the report says.

In addition, all employers could insure those part-time workers' health care benefits through CAL-CARE.

Employers would be required to provide coverage for:

- At least 30 days of inpatient hospital care.
- Medical and surgical services provided on an outpatient basis, including diagnostic services, physicians' visits, radiation and chemotherapy, preventive services, medical and surgical consultation, and sterilization.
- Comprehensive maternity and prenatal care.
- Emergency care.
- 100 days of skilled nursing, hospice and home health care services.
- Mental health care, including 10 days of inpatient care and 15 outpatient visits.
- Prescription drugs.

The report does not specify whether employers could require employees to pay deductibles and copayments.

Health insurers push own plan

WASHINGTON—The Pepper Commission's proposal to increase access to health care coverage is "a blueprint for economic disaster," a health insurance trade association contends.

While applauding the commission's efforts to address access to affordable health care (see story, page 1), the Health Insurance Assn. of America says that portions of the proposal are "seriously flawed." Instead, the HIAA is promoting its own proposals.

The 15-member U.S. Bipartisan Commission on Comprehensive Health Care—better known as the Pepper Commission—released its proposal for providing comprehensive health care coverage for all Americans earlier this month (*BI*, March 5). Under the commission's proposal, employers with more than 100 workers would be required to offer a minimum health insurance plan or pay new payroll taxes to partially finance a new public plan to provide coverage to the uninsured. The commission also recommends special tax breaks for small employers to encourage them to offer health care benefits.

The Washington, D.C.-based HIAA questioned the commission's call for broad public sector financing of portions of its $66 billion proposal and said the mandate could result in increased unemployment.

Instead, the HIAA is pushing its own four-point plan to ensure access to health care coverage.

As part of that plan, the HIAA's board last month approved a proposal that would make more affordable health care coverage available to employers with fewer than 25 workers.

The HIAA proposal for small employers would:

- Guarantee that employers with fewer than 25 employees that want to purchase group health insurance will not be denied coverage even if one or more employees might otherwise be uninsurable or be considered a high risk.
- Guarantee that once insured, neither the group nor an individual in the group may be denied continued coverage because of the group's or the individual's declining health.
- Prohibit the denial of coverage or the application of new restrictions on pre-existing medical conditions to a small employer that changes insurers or an individual who changes employers.
- Limit the rate of annual premium increases relative to other small groups insured by the same insurance company. The proposal would also limit the extent by which an insurer's rates could vary among similar groups.
- Assure that no group would pay more than 150% of the average premiums paid by similar groups for basic coverage.
- Establish a privately funded and administered reinsurance mechanism through which insurers could reinsure claims submitted by high-risk persons. All insurers writing small group business would share in the pool's losses.

Besides the proposals affecting small employers, the HIAA's overall plan also would, among other things:

- Expand Medicaid to cover all individuals below the federal poverty level, regardless of age, family structure or employment status.
- Provide an income-related "buy-in" system for those who don't qualify for Medicaid and don't have access to health insurance through an employer. The cover would be funded by the participants and by federal subsidies.
- Create state risk pools for the uninsurable to be financed by state general revenues or other broad-based funding. If a state does not establish such a pool, the U.S. Department of Health and Human Services would have the authority to set up a pool in that state financed by federal funds that it would otherwise spend in that state.

Even though the HIAA disagrees with the Pepper Commission recommendations in several areas, both the HIAA and the Pepper Commission do agree on some points.

Both the commission's and the HIAA's proposals call for a 100% tax deduction on health insurance premiums for self-employers; the pre-emption of state benefit mandates on policies sold by commercial health insurers; the increased use of managed care programs; and reinsurance mechanisms for high-risk individuals.

—By Adrienne C. Locke

AMA seeks employer mandate

WASHINGTON—Employers would be required to provide health insurance to full-time employees under a new proposal by the American Medical Assn.

A 16-point plan announced last week would combine tax breaks, state and insurer-funded risk pools and legislative changes to help ensure that employers could afford to provide coverage, the AMA said.

The AMA proposal is similar to the Pepper Commission's proposal (see story, page 1).

Under the commission's proposal, employers with more than 100 workers would be required to offer minimum health insurance plans or to finance a public coverage plan through a new payroll tax. The commission also recommended tax breaks to encourage small employers to offer health care benefits.

Like the Pepper Commission, the AMA would require large businesses to comply with a health care mandate at first, with small firms to follow.

However, unlike the commission's recommendation that allows employers to either offer health care coverage or pay a payroll tax, the AMA would require that employers offer coverage because of the number of uninsured working Americans, said AMA President Alan R. Nelson.

The AMA proposal would extend coverage to the estimated 24 million working uninsured, while preserving strengths of the present system, like the freedom to choose health care providers, he said.

And, working within the current system is preferable to a national health insurance plan, he said.

As part of its proposal, the AMA also recommends:

- Allowing 100% tax deductions for health insurance premiums paid by the self-employed.
- Pre-empting state mandated benefit laws.
- Creating state risk pools to provide medical coverage to individuals who cannot obtain it because of cost or poor health, as well as to other unemployed people whose incomes are less than 150% of the poverty level.
- Allowing small employers to purchase coverage from the state risk pools at "affordable rates" if the coverage is unavailable or unaffordable in the commercial market.
- Amending the Employee Retirement Income Security Act of 1974 or federal tax laws to allow states to require self-insurers to contribute to state risk pools.

Under ERISA's pre-emption provision, only commercial insurers can be required to help finance these pools.

To increase access to health coverage, the AMA plan would also:

- Expand COBRA health care continuation coverage to require an employer to pay the same percentage of the COBRA premium for a COBRA beneficiary that it paid for the beneficiary's health insurance premium while the beneficiary was covered by the employer's group health plan.

For example, if an employer paid 80% of the group health insurance premium, it would have to pay 80% of the COBRA premium.

This new, higher cost-sharing requirement would extend for up to four months after an individual became eligible for COBRA. After that, the employer, as under current law, could ask COBRA beneficiaries to pay the regular COBRA premium. Under COBRA, beneficiaries pay a premium equal of up to 102% of the group rate.

- Expand Medicaid to all those below the poverty line and establish a mandated level of benefits.
- Expand financing of long-term health care through the expansion of private-sector coverage that would be encouraged by tax incentives.
- Establish practice parameters for doctors, such as guidelines for patient care recommendations and appropriate treatment standards.
- Reform medical malpractice liability laws to reduce costs associated with "defensive medicine" and medical malpractice insurance.

Such reforms would include alternative dispute resolution for malpractice claims, caps on non-economic damages and mandatory offsetting of awards by other forms of compensation, such as disability or health insurance benefits.

—By Adrienne C. Locke

Pollution ruling

Continued from page 1

Circuit case.

"The decision creates the unfortunate situation in Michigan where policyholders and insurers will fight over whether coverage disputes should be heard in state or federal court," said Steven Gilford of Mayer, Brown & Platt in Chicago.

State and federal courts nationwide—including U.S. Circuit Courts of Appeal—are split over interpreting the pollution exclusion clause, which bars coverage for pollution incidents unless the "discharge, dispersal, release or escape is sudden and accidental."

The 6th Circuit ruling reflects "a definite split in the federal appellate courts," said Mr. Anderson.

There is a conflict within the circuits, agreed Mr. Brignall.

For example, the 11th U.S. Circuit Court of Appeals ruled in a Georgia case that a policyholder is entitled to coverage for a pollution incident if the incident is unexpected and unintended (*BI*, July 3, 1989).

However, the 6th Circuit earlier ruled in a Kentucky case that the exclusion bars coverage for all pollution incidents that do not occur abruptly (*BI*, Sept. 12, 1988).

The 6th Circuit's latest decision stemmed from a dispute between Livingston, N.J.-based F.L. Aerospace Corp., the successor corporation to Cleveland-based Midland-Ross Corp., and Aetna Casualty & Surety Co. of Hartford, Conn.

Midland-Ross purchased comprehensive general liability policies with a $1 million limit from Aetna annually from Jan. 1, 1966, to Jan. 1, 1975.

From 1973 to 1975, Midland-Ross moved industrial liquid waste from its Owosso, Mich., plant to a Schwartz Creek, Mich., waste site. Hazardous waste sent to that site by Midland-Ross and many other corporations eventually spilled onto the ground.

Residents near the site filed two nuisance lawsuits against Midland-Ross and other companies. In addition, the U.S. Environmental Protection Agency ordered Midland-Ross and the other companies to contribute to the cleanup of the site under the Superfund act.

Midland-Ross settled its portion of the nuisance claims for $61,503 and paid $508,561 toward the cleanup.

Midland-Ross then sought indemnification for the settlement and cleanup costs from Aetna. After Aetna refused, Midland-Ross filed suit in February 1987 in the U.S. District Court for the Eastern District of Michigan, arguing that the pollution exclusion clause barred coverage only for toxic chemical spills that a policyholder did not intend or expect.

However, while the district court agreed with Midland-Ross that the pollution exclusion did not bar recovery, the court found that Midland-Ross had failed to notify Aetna on a timely basis of its claims and therefore was not entitled to coverage.

Midland-Ross then appealed that decision to the 6th Circuit, which upheld the district court's ruling, but on different grounds: The 6th Circuit found that the pollution exclusion barred coverage.

"The district court erred in its determination that the pollution exclusion does not apply," said the 6th Circuit.

The court noted that Midland-Ross attorneys had submitted no evidence from which the trial court could have determined that any of the pollution damage that was the subject of the nuisance lawsuits or the EPA cleanup order was caused by any "sudden and accidental" discharge.

As a result, the pollution exclusion bars coverage for the settlement costs and the cleanup costs, the court ruled.

The attorney for F.L. Aerospace could not be reached to determine whether the company will seek review of the ruling.

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F.L. Aerospace vs. Aetna Casualty & Surety Co.; U.S. Court of Appeals for the 6th Circuit, No. 88-2051, 88-2106.

Hill, Hug promoted at Sedgwick James

Comings & goings: industry

R. Jane Hill and **Robert C. Hug Jr.** have been named senior vps of Sedgwick James Inc., the U.S. operating company of Sedgwick Group P.L.C. of London.

Ms. Hill is based in Nashville and oversees the national resources group that includes aviation, financial products, public entities and utilities. She previously was vp/director of risk management.

Mr. Hug is based in Memphis, Tenn., and will oversee units of the risk services group. He was previously vp and deputy director of production services.

Other changes at Sedgwick James: **Edward H. Wood Jr.** promoted to executive vp and benefits director of the consulting group; **James D. Stephenson** joined Sedgwick James of Missouri Inc. as vp; **J. Christopher Bulger** named director of Sedgwick James Inc.'s Northern California region; and **Pamela A. Quilici** named manager of the Las Vegas office.

Insurers

John S. Sullivan elected vp in the commercial lines department of United States Fidelity & Guaranty Co. of Baltimore.

Joseph D. Citarella named resident vp in charge of a new San Diego office of Superior National Insurance Co. of Calabasas, Calif.

Joseph K. Saad elected senior vp in charge of specialty claims at Transamerica Insurance Co. of Woodland Hills, Calif.

Robert B. Green promoted to senior vp of special liability operations with The Travelers Insurance Co. of Hartford, Conn.

Frederick O. Shafer joined North American Co. for Life and Health Insurance of Chicago as vp and chief underwriter.

Reinsurers

Theresa Hipple promoted to vp at Pearson & Georgi International Inc. of Hoboken, N.J.

Peter B. Haley and **Eugene Svercheck** appointed senior vps at MONY Reinsurance Corp. in New York.

William C. Van Brunt appointed executive vp and **Gerald G. Stockwell** vp at The First Reinsurance Co. of Hartford, Conn., a subsidiary of London United Investments P.L.C.

Ronald J. Smith joined RFC Intermediaries Inc. of Atlanta as vp and Los Angeles branch manager, replacing **Wes Dobson** who retired in January.

Stuart William Ferguson named vp at Am-Re Managers Inc., an American Re-Insurance Co. unit in Princeton, N.J.

Excess/surplus lines

Bruce Harrell, chief operating officer of Alexander Howden North America Inc. of Atlanta, was given the additional title of executive vp. **Harvey Goldenberg** also named managing vp in the company's San Francisco office.

Peter A. Wilkens joined Burns & Wilcox Ltd. of Southfield, Mich., as senior vp.

Other suppliers

LeRoy A. Loseke joined consultants L.E. Ziminisky & Associates Inc. of Irvine, Calif., as vp.

Clark J. Yaggy joined Martin E. Segal Co. as vp-Southeastern division in Atlanta.

David J. O'Brien named vp of employee assistance programs at Open-Door Services Inc., a consulting firm in Evanston, Ill. ■

State fund files fraud suit

LOS ANGELES—The State Compensation Insurance Fund, California's largest workers compensation insurer, is seeking $19.5 million from seven California firms in a suit charging the companies with conspiring to defraud the insurer of millions of dollars.

The San Francisco-based independent state agency filed the suit in U.S. District Court in Los Angeles against Harbor Operators Group and the Shannon Group, both of Paramount; Central Systems Inc. of Covina; Admiral Systems Inc. of West Covina; and U.M.C. Inc., Western Labor Exchange and American Labor Exchange of Lakewood.

The suit alleges that the firms violated the Racketeer Influenced and Corrupt Organizations act by fraudulently providing false information to the insurer to obtain workers compensation insurance policies for far below what the coverage should have cost them. According to the suit, the firms misrepresented the number of workers they employed, the amount of annual payroll earned by the workers, the nature and type of work performed, prior workers comp premiums and employee claims for work-related injuries.

Once the policies were secured, the defendants acted as labor contractors providing employees to employers at reduced rates made possible because the premiums were improperly low, the suit charges.

The State Fund seeks damages for having been paid improperly low premiums and for having paid improperly high and numerous claims.

The State Fund provides coverage to more than 250,000 California employers and wrote more than $1.8 billion in premiums in 1989. ■

S&P acquires London-based rating firm

Markets

McGraw-Hill Inc. is boosting Standard & Poor's ability to rate non-U.S. insurers by acquiring London-based Insurance Solvency International Ltd.

Standard & Poor's Insurance Rating Services, a New York based unit of McGraw-Hill, currently rates the claims-paying ability of more than 400 insurers, including 40 insurers based outside the United States.

ISI rates and provides financial analysis on more than 1,000 non-U.S. insurers in 60 countries.

"International insurance is a rapidly growing area and will continue to be. The insurance market outside the U.S. is a very attractive market," said Roy Taub, managing director of Standard & Poor's.

Mr. Taub would not disclose how much S&P paid for privately held ISI but stressed that ISI's existing structure would remain unchanged, with John Gardner continuing as ISI's managing director.

SCOR merger

The board of directors of New York-based SCOR U.S. Corp. voted last week to recommend shareholder approval of a merger of SCOR U.S. and Rockleigh Management Corp.

SCOR U.S. is the holding company for Scor Reinsurance Co., a leading U.S. treaty and facultative property/casualty reinsurer. New York-based Rockleigh is the holding company for The Unity Group —Unity Fire & General Insurance Co. and General Security Assurance Corp. of New York—which writes primarily property treaty reinsurance through reinsurance intermediaries.

About 71% of Scor Re's shares and 100% of Rockleigh's shares are now owned by Paris-based SCOR S.A., which ranks among the world's 10 largest reinsurers with assets of more than $4 billion (*BI*, Aug. 14, 1989).

If approved, the merger will involve a 5.3 million share stock issuance in a stock-for-stock transaction valued at about $64 million.

Following the merger, Rockleigh would disappear as a corporate entity. However, the Unity Group's two operating entities would retain their identities and remain autonomous in terms of underwriting. There also would be no top management changes, a company spokeswoman stressed.

But, "through the combination, both companies will become larger and stronger," said Jerome Karter, executive vp of SCOR U.S.

In addition, "under the umbrella of SCOR U.S. Corp., the merger will allow us to provide the added financial resources to support Unity Group objectives, which are in a different and distinct area of the market from SCOR Re," Mr. Karter added.

The merger requires approval from a majority of holders of shares not held by SCOR S.A. The vote will be taken at SCOR S.A.'s May 4 annual shareholder's meeting in New York for those shareholders of record as of March 26.

While the proposed merger would increase the percentage of outstanding SCOR U.S. shares owned by SCOR S.A. to 79%, SCOR S.A. said that it intends to reduce its ownership soon after the merger.

The company said it plans to increase its number of publicly traded shares through a public offering of newly issued shares and, possibly, of shares currently held by SCOR S.A. and its affiliates.

RBH venture

Rollins Burdick Hunter Co. is embarking on a new business venture with Tokyo-based Choei Co. Ltd., a Japanese insurance agent and exclusive agent for the Long Term Credit Bank of Japan.

Under the agreement, Choei will refer its Japanese clients to Chicago-based RBH, which will design risk management programs for their U.S. operations and conduct insurance company negotiations with underwriters.

In addition, RBH, a unit of Aon Corp., will analyze existing risk management programs and consolidate various subsidiary operations into single programs.

"The new venture makes great advantages available to clients of Choei and Long Term Credit Bank by enabling them to improve their risk management programs and at the same time to lower premium costs associated with their U.S. operations," said John R. Pacholick, vice chairman of Rollins Burdick Hunter-International, a subsidiary of RBH.

Rollins Burdick Hunter Group Inc., parent of RBH Co., is the seventh-largest U.S. broker based on 1988 gross revenues of $266.9 million. Choei reported 1988 gross income of $35 million.

Gallagher unit

Arthur J. Gallagher & Co. has established a National Healthcare Group that will place professional liability, workers compensation and other property/casualty insurance programs for hospitals, clinics, nursing homes and physician groups.

Gallagher Bassett Services Inc., another unit of Rolling Meadows, Ill.-based Gallagher, will work with the new group to provide local claims, loss control and risk management services to clients.

Hancock venture

John Hancock Financial Services Group in Boston and Harvard Community Health Plan Inc. have agreed to develop and jointly market a managed care network to employers located within HCHP's eastern Massachusetts enrollment area.

Hancock completed the sale of its own HMOs in early 1989, making it the only major group life and health insurer not directly in the HMO business. HCHP provides prepaid health care services to 400,000 members, primarily in eastern Massachusetts.

William Caulfield, senior vp for group benefit services at Hancock, said HCHP has "the structure and incentives needed to deliver high-quality care while controlling costs."

Glenn Hackbarth, vp for policy and planning at HCHP in Brookline, Mass., said the venture responds to the need for greater cooperation among employers, insurers and providers. "Too often, HMOs and indemnity plans have an adversarial relationship and employers feel caught in the middle," he said.

"Employers can work with two companies that are equally committed to attacking their health care cost problems," he said. Both firms "will help employers take a complete look at their employees' purchase decisions and tailor benefit plans that best meet their individual needs in terms of benefit design, employee education and cost sharing."

For more information, contact Jonathan Small, Associate Marketing Manager, Harvard Community Health Plan Inc., 27 Mica Lane, Wellesley, Mass. 02181; 617-431-1070.

Cancer fear claims denied

ANN ARBOR, Mich.—People exposed to toxic waste cannot recover monetary damages for their fear of contracting cancer unless that fear causes physical harm, a Michigan state judge has ruled.

Twenty-seven people living near a Gelman Sciences Inc. plant sued Gelman and six other chemical manufacturers and distributors, claiming exposure to contaminated water caused them to suffer a fear of contracting cancer.

However, to recover, plaintiffs must prove that the fear caused physical harm like weight loss or sleeplessness, the court ruled Feb. 24.

Any other ruling "would open the courthouse to all types of frivolous claims that can't be proven," said Gelman Sciences attorney Tom Douvan of Cooper, Fink & Zausmer in Detroit.

A plaintiffs' attorney said he will not appeal immediately.

The bench ruling by Washtenaw County Circuit Judge Patrick Conlin follows the thinking of most courts, said Terry Morehead Dworkin, a business law professor at the University of Indiana in Bloomington.

"The majority of courts do not recognize fear of disease claims," she said. "However, the trend is to begin to recognize these claims in some way," for example, by awarding the costs of medical monitoring, she explained.

"Everybody is exposed to cancer-causing elements," said Ms. Dworkin. "To recognize these claims would invite a tremendous amount of litigation."

—By Stacy Adler

Anglo American

Continued from page 2

However, Mr. Head would not comment on the speculation. "All I can say is that we will continue to investigate the relationship between" Anglo American and LUI, he said.

Currently, Head Insurance Investors is "looking at the books" of Walbrook to make sure it is adequately reserved, mainly to protect Anglo American's position, Mr. Head said.

LUI Chairman Peter Wilson also would not comment on whether the company was involved in acquisition talks.

Meanwhile, Mr. Head plans other changes for Anglo American, some of which came as news to Mr. Wilson when he was asked for comment.

According to Mr. Head, Anglo American will:

- Employ its own chairman and chief executive officer, John C. Cumming, who will handle day-to-day operations.

Mr. Cumming, who will resign from his post as chief executive of NRG London Reinsurance Co. Ltd. on March 18, will be responsible for mapping out Anglo American's future business plan, as well as be "actively involved in overall future underwriting policy," announced John Head & Partners Ltd., the New York-based parent of Head Insurance Investors.

Anglo American's former chief executive was Bill Fitzpatrick, general counsel of CalFed.

Mr. Wilson was surprised to learn that Mr. Cumming was going to be chairman as well as chief executive of the company. He added that although Mr. Cumming would have a say in any changes in underwriting strategy that Weavers might make in the future, everyday underwriting would continue to be handled by Weavers. Mr. Head said he totally agrees with this strategy.

- Hire its own staff, which will keep separate records rather than rely on Weavers for administrative support.
- Apply to participate in the new London Underwriting Centre, scheduled to be completed in late 1991 as a new non-marine insurance and reinsurance market.
- Have its own headquarters in London. Currently Head Insurance Investors has an office in Guildhall House near Lloyd's of London, but will be looking for something larger. Mr. Wilson points out that Anglo American always had an office in London, but Mr. Head said it was too small.

"We are working hard to put together the infrastructure of the company," said Mr. Head.

"We want to (continue to) write the kind of business which Anglo American has been writing with Weavers. And we think we can make money at it. But we need some first-class operations. I think that if you properly manage (the company) you can make a reasonable return on this class of business.

"Our intention is to write this class (U.S. casualty) of business," he said. "We can bring discipline to the business; commit money to the infrastructure; systems and data. Look at AIG or CNA. They make money," he said, referring to American International Group Inc. and CNA Financial Corp., which underwrite U.S. liability insurance.

And, Anglo American's move into the London Underwriting Centre should be a sign that "we want to be an established member of the community," he added.

Meanwhile, Mr. Head said some joint committees would be set up soon with Weavers management and Mr. Cumming to monitor the financial, administrative and underwriting aspects of Weavers' line slip "to make sure we are in agreement with the underwriting policies and wordings" on the Weavers line slip, said Mr. Head.

But Weavers' Mr. Wilson—who sits on the Anglo American board—said that he was not aware of any committees being decided. "We have discussed the formation of committees for the smooth transition of the company," but haven't decided yet what they will do, he said.

'We want to (continue to) write the kind of business which Anglo American has been writing,' Mr. Head says.

Capping 10 years of planning, CalFed first activated Anglo American in April 1987 with 50 million pounds ($80 million at the appropriate exchange rate) of capital and surplus (*BI,* April 13, 1987). The company's five-year underwriting agency agreement with Weavers lasts until April 1992, although either party may cancel with a one-year notice.

Anglo American reported 1988 total pretax profit of 4.4 million pounds ($8 million at year-end exchange rates) and capital of 50 million pounds ($94 million).

However, questions started cropping up early last year about the security of the Weavers line slip following an April 1989 letter sent to clients by Alexander & Alexander Services Inc. The A&A letter raised questions about the ability of Walbrook to pay future claims, despite major changes made in 1988 in the Weavers line slip (*BI,* July 10, 1989; April 24, 1989; April 18, 1988; Jan. 11, 1988).

Weavers subsequently strengthened Walbrook's year-end 1988 reserves 57% to 231 million pounds ($418.1 million) from 147 million pounds ($277.4 million) at year-end 1987 to provide for losses stemming mainly from professional liability coverage for U.S. lawyers and accountants (*BI,* May 22, 1989).

The move was endorsed by the Tillinghast division of Towers, Perrin, Forster & Crosby Inc. (*BI,* May 22, 1989; May 8, 1989).

Then, in June of last year, shareholders of Weavers' parent company LUI held a stormy annual general meeting regarding another matter—the non-disclosure for 12 years of two LUI directors' and a former director's interest in underwriting agency Russell Reinsurance Services Inc. of Southfield, Mich. A shareholders committee was set up to restore confidence in the company (*BI,* June 19, 1989).

However, LUI's stock price continues to linger around 34 pence (55 cents) per share from its high of 116 pence ($2.54) per share prior to the release of the A&A letter last April.

And some brokers, who say that their policyholders are satisfied, have been looking for major changes at Weavers to boost the credibility of the company.

Head's purchase of Anglo American may be just the ingredient needed to boost brokers' and policyholders' confidence, noted one Lloyd's broker. "There are those who are keeping their heads down—burying them in the sand—and others who are optimistic" about Head's purchase of Anglo American, he said.

Between the announcement and completion of Head's purchase of Anglo American, Mr. Head met with the leaders of the major Lloyd's brokers placing U.S. casualty business to calm any fears they might have had over the sale of Anglo American.

"I told them that 'we want to make sure you have no qualms about Anglo American's integrity,' " said Mr. Head. "We will have a different attitude to disclosure. All the books will be open to the brokers' security committees. So if you want to see them, there they are."

In addition, "to enhance its financial position," Anglo American has bought two additional reinsurance contracts above the normal reinsurance coverage it receives as a member of Weavers' slip, he said.

One of the reinsurance contracts, with Centre Reinsurance (Bermuda) Ltd., gives "significant protection" in excess of Anglo American's existing insurance reserves as of Dec. 31, 1989, Mr. Head said.

The other contract covers portions of layers of reinsurance for the Weavers line slip that had been self-insured by Anglo American. This "holes program" is placed with Zurich International Ltd.

Mr. Head had been involved in numerous financing arrangements within the insurance industry throughout his 15-year tenure with Morgan Stanley Group Inc., including the 1981 purchase of London broker C.T. Bowring & Co. Ltd. by Marsh & McLennan Cos. Inc.

Since leaving Morgan Stanley in 1987 to launch his own investment operation, Mr. Head has spearheaded a 13.4% shareholding in London-based Sphere Drake Insurance Co. Ltd. through his company, John Head & Partners L.P.

However, Sphere Drake and Anglo American will not be affiliated, said Mr. Head and Sphere Drake Chairman Ian Dean. ■

Update

Toyota gets new trial

HOUSTON—Toyota Motor Corp. will get a new trial after a Texas state judge last week set aside a $43.2 million product liability award, including $25 million in punitive damages, against the automaker.

"In the interest of justice and fairness," Judge Arthur C. Lesher ordered a new trial in the suit brought by Nike Adegbite of Houston, whose husband and two daughters died in a fiery 1982 car crash.

Ms. Adegbite was driving a 1973 Toyota Corona station wagon that was hit from the rear by a van (*BI,* Dec. 18, 1989).

Toyota argued that evidence was insufficient to support the jury's finding of gross negligence in the design of the car.

No trial date has been set, according to Douglas M. West, vp and general counsel for Toyota Motor Sales U.S.A. Inc. in Torrance, Calif.

Mr. West said Toyota's product liability coverage in 1982 included a $2 million self-insured retention and $98 million in excess coverage from The Tokio Marine & Fire Insurance Co. Ltd. of Tokyo, Great American Insurance Co. in Cincinnati and other insurers.

Kemper management changes

LONG GROVE, Ill.—The split of Long Grove, Ill.-based Kemper Group into two independent entities is entering a new phase with a planned management restructuring.

Gerald L. Maatman, president of Kemper Group's national insurance companies, will assume the additional position of chief executive officer in May, replacing Joseph E. Luecke. The national insurance companies, a group of mutual insurers, write commercial property/casualty insurance.

In addition, David B. Mathis, currently executive vp in charge of insurance operations for Kemper Corp., will become president of the stock company in May, replacing Mr. Luecke. Mr. Mathis also will assume the newly created post of chief operating officer. Kemper Corp. units write reinsurance and life insurance as well as offer financial products.

And, Michael R. Pinter, senior executive vp of Kemper Reinsurance Co., succeeds Mr. Mathis as chairman and chief executive officer of Kemper Re effective today.

Donald R. Smith remains as president and chief operating officer of Kemper Re.

Mr. Luecke will remain chairman of both Kemper Corp. and the Kemper national insurance companies, as well as chief executive officer of Kemper Corp.

Mr. Luecke is slated to retire in early 1992.

Kemper Group began splitting into two units last year to help insulate Kemper Corp. from the cyclical commercial property/casualty insurance business (*BI,* Jan. 30, 1989).

Coal industry's health issues

WASHINGTON—The Labor Department has named a commission to study the health care cost and benefit problems of coal miners and to recommend long-term solutions.

Those problems came to light during the 10-month coal miners strike against Pittston Coal Group over health care benefits for active workers and retirees.

Under a four-year agreement between the unit of Greenwich, Conn.-based Pittston Co. and the United Mine Workers of America, unionized mine workers will receive a $500 stipend from the company every six months in a novel approach to health care cost containment (*BI,* Feb. 26).

The 11-member panel, appointed by Labor Secretary Elizabeth H. Dole, consists of coal industry and labor representatives, as well as other experts from the health care, pension and insurance fields.

Barge explosion investigated

NEW YORK—The New York State Attorney General's Office is investigating the owner of the barge that exploded last week spilling more than 100,000 gallons of oil into the Arthur Kill.

The spill—the third large oil spill since Jan. 1 in the industrial waterways separating New York and New Jersey—occurred March 6 when the Cibro-Savannah, owned by Bronx, N.Y.-based Cibro Petroleum, exploded twice and spewed heavy No. 2 home heating oil, according to Coast Guard officials.

The barge exploded after taking on 4.2 million gallons of the fuel at the Citgo Petroleum Co. terminal on Staten Island.

Cibro refused to answer telephone calls seeking comment.

Neither the Coast Guard nor investigators had determined the cause of the disaster late last week.

A Citgo spokesman said the company was not responsible for the oil once the barge left its terminal.

Briefly noted

The Bush administration opposes increasing the 1% federal excise tax on **premiums ceded to foreign reinsurers** (*BI,* Feb. 26). . . .**Travelers Corp.** stopped writing private passenger auto insurance in Pennsylvania last month in response to a new state law freezing rates until this summer and then imposing rate cuts that could exceed 22% (*BI,* Feb. 19). . . .**New York City Health & Hospitals Corp.'s** self-insurance program will respond to the undisclosed settlement it reached last week with Dr. Veronica Prego, who contended she had contracted AIDS because of the negligence of Kings County Hospital in Brooklyn. . . .The Southeastern Pennsylvania Transportation Authority has a $1 million self-insured retention to respond to liability claims stemming from last week's **subway crash in Philadelphia,** in which three passengers were killed and 73 others were seriously injured. An SEPTA spokeswoman could not provide details on the transit authority's excess coverage.

Ticker

Some insurer stocks to prosper

By MYRON M. PICOULT

Special to Business Insurance

AS WE CAME into the downleg of the current underwriting cycle, it was generally believed by ourselves and other industry observers that this downturn would prove to be more moderate than the underwriting declines of the past two cycles.



Mr. Picoult

Between 1972 and 1976, the stock industry's combined ratio slipped 11.8 points to 108.2% from 96.4%. Between 1978 and 1984 the industry recorded a 23.1 point swing with the combined ratio reaching an astonishing 120.5%.

We are currently estimating a combined ratio of 112% for 1990. This would put the peak to trough swing at about 8 points. However, to be more accurate this time around, one should recognize the industry's tax burden, which adds another 2 to 3 points to the "real" combined ratio.

Secondly, commercial pricing remains sluggish and raises a question as to whether or not the industry's combined ratio will in fact peak in 1990 or 1991. Hence, the current downleg may not totally disprove the thesis that the last two underwriting swings were aberrations.

While the decline in commercial prices seems to have bottomed out, discussions with brokers and managements indicate that there has not been any great reversal and in fact there seems to be some sloppiness that has continued into January renewals in some commercial lines.

In all fairness, we have and continue to look for a more moderate turn in commercial prices. Between 1981 and 1984 commercial prices were reduced on the order of 60% to 70%. This time around, the reductions seem to be about half the 1981 to 1984 decline. This moderation relates in part to the smaller price reductions implemented. It also reflects the belief that insurers are concerned that a sharp increase in rates could further alienate commercial clients sending more business to alternative risk financing mechanisms.

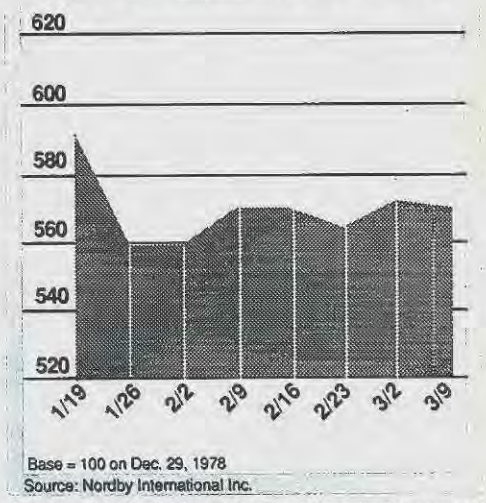
The reticence of many carriers to adjust their commercial rate structures on a more timely basis undermines their ability to reverse their combined ratio trends, correct balance sheet deficiencies and get their return on equity to more acceptable levels. It seems to us that most of the industry's participants are still lost in the woods. Hence the underwriting and pricing cycle will turn, but it looks like a painfully slow turn.

The bland underwriting outlook, which translates into a small earnings decline for the industry in 1990, gives rise to the question of why one should bother with any stocks in the group. The answer relates to our conviction that a handful of companies will outperform the industry earnings trends. In addition, the earnings results of these companies are expected to compare very favorably with the corporate profit outlook and in almost all instances they sell at a discount to the market and well below historical norms.

For all practical purposes, the industry's earnings are totally derived from net investment income. The size of this figure pretty much assures its stability. Hence, the swing in operating results for most property/casualty insurers is tied very closely to their underwriting trends. Therefore, emphasis should be on companies with strong underwriting capabilities.

Furthermore, balance sheet integrity remains a critical component for us and we think should become more important to others in the industry as well. There are sufficient questions about the liability side of many carriers. Questions about the quality of the asset side only compounds the problem. ■

BI Insurance Index



Base = 100 on Dec. 29, 1978
Source: Nordby International Inc.

Insurance industry stocks turned downward last week, as the *Business Insurance Index* dropped 1.9 points to 569.9 on March 9, from 571.8 on March 2. Advancing issues were led by United Healthcare Corp., up 8.1%; Arthur J. Gallagher & Co., up 4.9%; and Zenith National Insurance Co., up 4.7%. Declining issues followed Statesman Group Inc., down 10.0%; Belvedere Corp., down 9.3%; and FHP International, down 9.0%. The most active issue during the week was Sears, Roebuck & Co. (Allstate), 3.3 million shares traded. The *BI* Index lost 0.3% for the week; the Dow Jones 30 Industrials gained 0.9%; the Standard & Poor's 500 climbed 0.71%; and the New York Stock Exchange Composite was up 0.65%.

N.J. passes auto insurance reform

TRENTON, N.J.—New Jersey Gov. James Florio is expected to sign a controversial personal auto insurance reform bill that would abolish the state's joint underwriting association for high-risk drivers and assess auto insurers $1.4 billion to trim the JUA's $3 billion deficit.

The Fair Auto Insurance Reform Bill, overwhelmingly approved last week by both houses of the New Jersey Legislature, calls for dismantling the JUA by Oct. 1. Gov. Florio has said the measure would reduce average auto insurance premiums in the state by 20%.

In addition, the JUA's deficit of more than $3 billion would be paid off in part over the next seven years through a series of assessments on auto insurers in the state totaling $1.4 billion. Insurers would be barred from passing on the assessments to policyholders.

The remainder of the JUA's debt would be paid off through increased motor registration fees and higher annual licensing fees for New Jersey doctors, lawyers, chiropractors, physical therapists and auto repair shops.

The auto reform measure also would limit the amount of medical payments paid to policyholders under auto insurance policies to $250,000. In addition, policyholders would be required to pay a deductible of $250 and 20% of personal medical costs stemming from auto accident injuries up to $5,000.

To further reduce auto insurance premiums, the bill would allow motorists to designate their health insurer as the primary payer of personal injury costs stemming from auto injuries. If those limits are exhausted, motorists then would be able to collect medical costs from the auto insurer up the maximum $250,000.

Insurers unanimously oppose the bill and have vowed to fight the proposed assessments.

"It's hard to understand why insurance companies should be asked to pay off the debt," said Tim Feige, senior vp of Prudential Property & Casualty Insurance Co. in Holmdel, N.J., a unit of Prudential Insurance Co. of America.

Prudential recently consolidated its New Jersey auto business with the company and boosted the subsidiary's surplus by $200 million.

The JUA's debt exists because premiums have not covered losses, Mr. Feige said. "In light of the auto insurance industry's consistently low earnings in New Jersey, it's hard to see where the money would come from," he said.

Lowell Beck, president of the National Assn. of Independent Insurers, said the proposed $1.4 billion assessment on insurers is "unfair and possibly unconstitutional, since insurers did not cause the losses. The Florio bill is misguided and will lead to greater chaos."

—By Michael Schachner

British Issues

March 8 Companies	Price pence	P/E	Div. pence	Yield %	1 Week High—Low pence	pence
Comml Union	474	21.8	28.7	6.0	474—471	
Genl Accident	1018	15.6	66.7	6.5	1024—1013	
Gdn Royal Exch	225	18.8	15.3	6.8	225—219	
Royal	489	26.3	34.0	7.0	489—480	
Sun Alliance	291	10.7	17.0	5.8	291—285	
Brokers						
Bradstock	247	17.4	10.0	4.0	247—245	
CE Heath	524	14.8	34.5	6.6	525—523	
Hogg Robinson	154	10.8	9.7	6.2	154—154	
Lloyd Thompson	268	17.9	9.3	3.5	269—268	
PWS Holdings	60	9.4	3.3	5.6	60—60	
Sedgwick Grp	267	20.1	16.0	6.0	267—261	
Steel Brri Jones	287	17.9	15.3	5.3	287—287	
Willis Faber	259	18.2	15.3	5.9	260—257	

Source: Philip Olsen/Paul Hodges, Insurance Industry Specialists Kitcat & Aitken Stockbrokers, London

BI Industry Stock Report

MARCH 5, 1990 THROUGH MARCH 9, 1990

		Price	Weekly % change	Year to Date % change	Annual High	Annual Low	Vol.(000)	$ Div.	% Yield	P/E	Book value	Mkt/Bk. value
BROKERS												
Alexander & Alexander	NYS	26.63	-1.39	-15.48	34.00	23.63	250	1.00	3.76	18	9.18	2.90
Corroon & Black	NYS	33.50	1.90	-12.42	41.00	31.00	203	1.24	3.70	16	12.73	2.63
Gallagher Arthur J. & Co.	NYS	24.13	4.89	-2.53	26.50	17.63	49	0.52	2.16	17	5.33	4.53
Frank B. Hall	NYS	3.00	0.00	0.00	4.63	2.50	121	0.00	0.00	-2	-2.80	-1.07
Hilb, Rogal & Hamilton	OTC	15.25	1.67	-18.12	20.63	11.00	64	0.28	1.84	19	4.60	3.32
Marsh & McLennan	NYS	73.50	-6.96	-5.77	89.75	57.63	662	2.48	3.37	18	10.56	6.96
Poe & Associates	OTC	12.25	0.00	-7.55	12.75	8.00	19	0.40	3.27	15	1.89	6.48
BROKERS	AVERAGE		0.0	-8.8					2.6	14		
CONGLOMERATES & HOLDING COMPANIES												
Berkley W.R. Corp.	OTC	38.75	-2.52	-6.91	46.50	29.25	65	0.40	1.03	8	25.06	1.55
Berkshire Hathaway Inc.	NYS	7400.00	1.72	-14.20	8900.00	4625.00	1	0.00	0.00	-26	2869.00	2.58
ITT (Hartford Group)	NYS	54.63	0.23	-8.77	64.50	51.00	1152	1.60	2.93	8	56.33	0.97
Sears (Allstate)	NYS	41.25	0.61	6.45	48.13	36.50	3277	2.00	4.85	10	37.75	1.09
CONGLOMERATES	AVERAGE		0.0	-5.9					2.2	0		
INSURERS/REINSURERS												
Aetna Life & Casualty	NYS	50.00	-1.96	-13.79	62.50	48.50	581	2.76	5.52	9	58.11	0.86
Ambase Corp.	NYS	8.25	-2.94	-34.65	16.38	7.38	886	0.20	2.42	3	29.08	0.28
American General	NYS	30.38	0.41	-7.25	38.50	28.13	390	1.56	5.14	10	34.68	0.88
American Heritage	NYS	23.25	-3.13	-18.42	24.63	19.50	5	0.92	3.96	12	22.60	1.03
American Indemnity/Fin'l	OTC	6.75	0.00	-15.63	13.00	6.75	1	0.56	8.30	-2	17.38	0.39
American International	NYS	96.13	-0.65	-8.89	112.00	73.75	961	0.48	0.50	12	41.92	2.29
Aon Corp.	NYS	36.75	-2.00	-13.27	43.25	28.38	346	1.40	3.81	10	19.62	1.87
Argonaut Group	OTC	68.75	0.55	-0.18	71.50	51.25	55	1.60	2.33	8	36.83	1.87
AVEMCO Corp.	NYS	24.25	1.04	-0.51	27.50	20.38	0	0.40	1.65	16	9.52	2.55
Baldwin & Lyons Inc.	OTC	20.75	3.75	-3.49	24.00	15.63	27	0.28	1.35	7	20.80	1.00
Belvedere Corp.	ASE	4.88	-9.30	-11.36	6.50	4.25	3	0.04	0.82	-7	8.03	0.61
Chandler Insurance	OTC	9.50	-1.30	-19.15	13.25	7.00	13	0.00	0.00	5	9.53	1.00
Chubb Corp.	NYS	100.50	-0.37	4.82	100.50	64.00	731	2.32	2.31	10	55.49	1.81
CIGNA Corp.	NYS	51.38	-1.67	-14.73	66.75	45.25	764	3.04	5.92	11	66.64	0.77
CNA Financial Corp.	NYS	73.50	-3.92	-26.50	108.75	58.25	108	0.00	0.00	8	54.87	1.34
Continental Corp.	NYS	29.63	1.28	-5.58	38.63	25.75	531	2.60	8.78	11	41.36	0.72
Durham Corp.	OTC	30.00	-5.51	-2.44	34.75	29.00	25	0.92	3.07	15	26.32	1.14
Fireman's Fund	NYS	32.00	1.99	-9.22	40.75	30.00	1009	0.68	2.13	47	32.74	0.98
Fremont General Corp.	OTC	20.63	1.85	2.48	22.50	14.38	48	0.80	3.88	9	19.09	1.08
Frontier Insurance Group	NYS	18.75	-2.60	1.35	21.75	11.38	8	0.00	0.00	8	7.29	2.57
General RE Corp.	NYS	86.25	-1.99	-4.17	96.25	62.00	843	1.52	1.76	14	29.04	2.97
Hanover Insurance Co.	OTC	29.13	0.00	-4.51	33.00	25.75	20	0.44	1.51	7	32.03	0.91
Harleysville Group	OTC	24.38	-2.01	-11.36	28.75	19.50	10	0.60	2.46	8	18.94	1.29
Hartford Steam Boiler	OTC	54.50	-1.36	0.46	59.25	38.50	117	1.60	2.94	14	18.94	2.88
Kansas City Life Ins.	OTC	35.50	0.00	-1.05	36.00	33.25	12	1.12	3.15	10	39.22	0.91
Kemper Corp	NYS	39.25	0.00	-16.93	51.88	29.50	273	0.92	2.34	9	29.97	1.31
Lawrence Insurance Group	ASE	7.00	0.00	-1.75	8.13	6.50	2	0.28	4.00	15	3.29	2.13
Liberty Corp.	NYS	46.50	1.09	9.41	46.63	32.50	15	0.92	1.98	18	31.82	1.46
Lincoln National	NYS	53.88	0.00	-11.68	62.88	46.75	95	2.60	4.83	9	49.19	1.10
NAC Re Corp.	OTC	35.00	0.00	-3.45	41.00	23.75	204	0.20	0.57	14	22.81	1.53
Navigators Group	OTC	31.50	0.80	14.55	31.50	21.25	18	0.00	0.00	11	15.22	2.07
Nobel Insurance LTD.	OTC	1.94	-3.10	-3.10	5.00	1.50	37	0.00	0.00	0	7.76	0.25
NWNL Companies	OTC	31.50	2.86	-20.25	44.13	26.50	386	1.20	3.81	7	37.50	0.84
Ohio Casualty Corp.	OTC	48.50	2.11	1.57	52.50	34.75	430	2.32	4.78	10	33.30	1.46
Old Republic Int'l	OTC	24.13	-2.53	-5.85	30.38	22.50	206	0.72	2.98	5	30.70	0.79
Orion Capital Corp.	NYS	20.00	0.63	-13.98	28.50	18.50	120	0.84	4.20	6	19.72	1.01
Phoenix RE Corp.	OTC	12.13	1.04	-6.73	15.50	8.75	35	0.20	1.65	93	12.99	0.93
Protective Life Corp.	OTC	13.25	1.92	-7.02	16.25	10.88	127	0.68	5.13	8	14.54	0.91
Provident Life	OTC	23.38	-1.58	-9.66	30.13	20.25	302	0.80	3.42	7	23.24	1.01
Re Capital Corp.	ASE	12.50	3.00	-13.79	15.25	9.75	3	0.00	0.00	11	12.60	0.99
RLI Insurance Corp.	NYS	9.88	-1.25	11.27	10.38	6.88	18	0.40	4.05	7	10.71	0.92
St. Paul Companies	OTC	61.25	-3.41	2.08	63.50	46.00	920	2.40	3.92	8	43.47	1.41
SAFECO Corp.	OTC	37.38	3.34	-5.97	42.38	25.63	945	1.20	3.21	9	24.87	1.50
SCOR U.S. Corp.	NYS	12.50	2.04	-12.28	14.50	8.25	13	0.40	3.20	16	10.61	1.18
Seibels Bruce Group	OTC	10.00	-4.76	-8.05	13.63	8.75	16	0.80	8.00	-2	13.75	0.73
Selective Ins. Group	OTC	19.00	3.00	-0.65	20.25	15.25	94	0.96	5.05	6	15.72	1.21
Statesman Group Inc.	OTC	2.25	-10.00	-18.18	3.63	1.88	113	0.16	7.11	6	4.19	0.54
Tokio Marine & Fire	OTC	58.50	-0.21	-22.39	90.75	58.50	11	0.92	1.57	25	70.93	0.82
Torchmark Corp.	NYS	49.88	0.00	-12.88	58.75	31.75	387	1.40	2.81	13	13.23	3.77
Transamerica	NYS	38.63	1.31	-13.45	48.00	33.00	446	1.92	4.97	9	34.63	1.12
Travelers Corp.	NYS	34.13	2.63	-7.46	45.00	32.00	930	2.40	7.03	5	44.85	
Trenwick Group Inc.	OTC	21.00	1.20	-13.85	26.88	13.75	70	0.36	1.71	15	16.91	1.24
United Fire & Casualty	OTC	30.50	0.00	-7.58	34.50	29.00	0	1.20	3.93	8	22.56	1.35
USF&G Corp.	NYS	29.38	3.98	-0.84	34.00	26.88	1371	2.80	9.53	38	22.87	1.28
UNUM Corp.	NYS	45.88	0.27	-3.93	51.38	28.75	229	0.60	1.31	10	31.20	1.47
USLIFE Corp.	NYS	39.25	1.95	-13.26	48.13	37.63	108	1.48	3.77	5	54.34	0.72
Washington National	NYS	24.00	-2.54	-15.04	29.13	24.00	14	1.08	4.50	-	32.90	0.73
USLICO Corp.	NYS	22.38	0.56	-5.79	25.38	21.00	90	1.00	4.47	6	27.73	0.81
Zenith National Ins.	NYS	16.75	4.69	-10.67	21.50	14.00	34	0.84	5.01	0	13.81	1.21
INSURERS/REINSURERS	AVERAGE		-0.5	-8.2					3.5	11.6		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	OTC	16.50	-8.97	-22.35	26.38	10.25	1692	0.00	0.00	6	3.54	4.66
HMO America Inc.	OTC	6.25	-3.85	-19.35	10.63	1.31	59	0.00	0.00	-90	1.12	5.58
Pacificare Health Sys.	OTC	20.75	-1.19	-20.19	30.38	9.13	225	0.00	0.00	6	6.35	3.27
Safeguard Health Enter.	OTC	6.63	0.00	-22.06	12.50	4.88	193	0.00	0.00	11	2.99	2.22
Sierra Health Services	ASE	7.13	0.00	-19.72	9.63	2.13	20	0.00	0.00	21	0.62	11.49
United Healthcare Corp.	OTC	10.00	8.11	-18.37	12.63	6.25	2066	0.00	0.00	12	0.34	29.41
United Medical Corp.	ASE	7.63	-1.61	27.08	8.25	5.38	10	0.00	0.00	22	5.70	1.34
U.S. Healthcare	OTC	11.00	0.00	-22.81	15.50	8.50	0	0.00	0.00	0	3.07	3.58
HMOs	AVERAGE		-0.9	-14.7					0.0	-2		
ALL COMPANIES	AVERAGE		-0.4	-8.8					2.9	9.7		

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