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Updates

Filing by Home bondholders could delay Zurich acquisition

NEW YORK—A group of bondholders that owns nearly 70% of Home Holdings Inc.'s $280 million in senior notes has taken the first step toward blocking Zurich Insurance Group's proposed takeover of Home Holdings Inc.

Last week, the bondholder group filed a notice of default with the Bank of New York, Home's bond trustee. The default notice serves as a prerequisite for further action the bondholders might take in order to force Zurich and Home to restructure their

Continued on next page



AP/WIDE WORLD

The storms and flooding of the Napa River swamped fields and downed trellises at Beringer Vineyards near St. Helena, Calif.

Flooding in California causing crop damage but few insured losses

By JUDY GREENWALD

SACRAMENTO, Calif.—While the Pacific storm that pounded California last weekend caused significant damage, particularly to the state's agricultural industry, it is likely to result in relatively few major commercial insurance claims.

Flooding, rain and winds caused an estimated $363.7 million in damage to California crops, including lettuce, broccoli, cauliflower, strawberries and grapes, according to the California Department of Food and Agriculture.

Overall damage to the state from the storms has been projected

Continued on page 69

Senate product liability bill dims tort reformers' fervor

By MARK A. HOFMANN

WASHINGTON—Many tort reform advocates are not optimistic that the Senate will follow the House of Representatives' lead and pass tough tort and product liability reform legislation.

They have good reason to feel that way, too, based on details of the Senate's product liability reform measure that became known last week. The bill stops far short of the comprehensive civil justice reforms contained in H.R. 956—the Common Sense Product Liability and Legal Reform Act of 1995—passed by the House on March 10 (*BI*, March 13).

Even the most optimistic supporters predict that this legislative battle—which pits the plaintiffs bar and consumer activists vs. pro-reform forces—will grow increasingly fierce. But, even if pro-reform forces prevail in Congress, the fate of any reform measure once it reaches the president's desk remains murky.

In fact, one lobbyist predicts that it may take a Republican president as well as a Republican Congress to enact meaningful tort reform legislation.

This reassessment came as a bipartisan group of senators, led by Sens. Slade Gorton, R-Wash., and John D. Rockefeller IV, D-W.Va., unveiled a Senate product liability bill last Wednesday. Unlike H.R. 956, the Senate bill addresses only product liability reform, a restriction its sponsors said was deliberate.

"We're not the House. We're focused here," said Sen. Rockefeller, who with Sen. Gorton had sponsored a product liability bill last year only to see it killed by a filibuster (*BI*, July 4, 1994).

The new bill, S. 565, looks a lot like its failed predecessors. It tightens the statute of repose for capital goods and "durable workplace goods" to 20 years from the 25 years sought in the 1994 bill. The House bill would set the statute of repose for all goods at 15 years.

The Senate bill, which applies only to product liability, also would abolish joint liability for non-economic damages in most cases. The previous Senate bill contained no such cap. The House

Continued on page 70

Rankled at 'rankings'

NCQA objects to how HMO quality survey is being used

By JOANNE WOJCIK

What the National Committee on Quality Assurance feared most has come to pass

Even though the NCQA specifically rejected the concept of ranking, rating or scoring health care plans that participated in its national survey of plan performance, several newspapers and even some of the plans themselves are already reporting their "grades."

California plans, in particular, are being ranked based on the results of a regional survey that used the NCQA's Health Plan Employer Data & Information Set 2.0, a national quality assurance survey and evaluation it developed (*BI*, Feb. 27).

For example, the San Francisco Examiner reported that TakeCare Health Plan did the best of 21 California health plans reviewed in the California Cooperative HEDIS Reporting Initiative. The California project was sponsored by the Pacific Business Group on Health, a regional employer purchasing cooperative.

Aetna Healthplans of California Inc.-Northern California issued a press release announcing that it was rated "above average" or "average" in five of six key preventive health procedures measured by the report.

Meanwhile, PruCare of California is complaining that its performance wasn't accurately measured because of flaws inherent in the HEDIS reporting method.

Fortunately, most employee benefit managers are savvy enough to realize that not all managed care plans can be judged strictly by the "grade" on their HEDIS report card.

"To just use HEDIS to rate plans is not looking at the whole picture," said Fran Miller, vp and manager of health plans for Wells Fargo Bank N.A. in San Francisco.

"We chose not to rank the plans. We felt it was a bit premature based on the fact that the measurements were being field tested for the first time," said Janet Corrigan, vp for planning and development at the NCQA in Washington.

"We struggled with the decision

Continued on page 71

Airline exposures rising

Proposals to abandon liability limits, greater passenger capacity boost risk

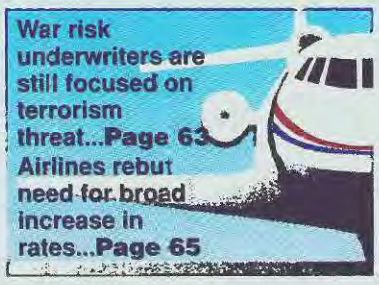
By STACY SHAPIRO

LONDON—Airlines may need higher liability insurance limits in the future if passenger liability limitations on international flights are raised or eliminated.

Moves are afoot around the world to eliminate the passenger liability limits for international flights, which ranged from $8,300 to more than $150,000 and are set out in the 1929 Warsaw Convention and subsequent protocols to amend the convention.

Meanwhile, new aircraft are being built that will hold more than 500 passengers. The combination of potentially unlimited liability internationally and more passengers per flight could force airlines to purchase higher liability insurance limits in the future.

"We are now moving to a non-limitation system," said Andre Clerc, assistant general manager of Paris-based aviation insurer La Reunion Aerienne, who spoke recently at the 10th International



War risk underwriters are still focused on terrorism threat...Page 63
Airlines rebut need for broad increase in rates...Page 65

Airline Insurance Conference in London presented by the DYP Group. With the increasing cost of liability claims and the move toward larger aircraft with more passengers on board, the insurance limits purchased are not enough to cover the perils we are faced with, he said.

Meanwhile, passenger awards for domestic flights within the United States—which are not subject to liability limits—are increasing, noted Peter Lerwill, general manager-risk management for British Airways P.L.C. "It was not many years ago when we in the aviation business put half a million dollars on a life in the event of a passenger being killed," he said. "Over time, this figure has increased to a million dollars (and has now) gone up to $2 million on average."

And, the average could keep rising if recent events are any indication, Mr. Lerwill said.

The per passenger reserve for the fatal crash of USAir Flight 427 last September (*BI*, Sept. 19, 1994) averages $3 million because the plane was full of business executives, he said. Other U.S. court awards have been higher, such as the $24.2 million award to a 65-year-old woman whose second husband was killed in the 1989

Continued on page 64



Spotlight on Risk Management Services
Page 3

Directory of Risk Management Consultants
Page 18

Updates

Home investors may block deal

Continued from previous page
current agreement (*BI*, Feb. 6; Jan. 16).

Andy Rahl, head of the bankruptcy and restructuring division at Anderson, Kill, Olick & Oshinsky in New York, which represents the bondholders, said the notice lets the group seek accelerated payment on the bonds and puts them in a legal position to file suit to stop the transaction and/or obtain other relief, specifically damages.

"The transaction as it is written is totally unacceptable. We are very worried about the creditworthiness of Home (if the deal goes through). We are not sure they can honor their debt to bondholders," he said. A contractual guarantee from Zurich that the bonds will be honored in full or a radical restructuring of the deal could prevent a lawsuit, Mr. Rahl added.

When the deal was announced in January, the bondholders expressed to Zurich that its deal with Home Holdings was a "change of control" and involves a transfer of "substantially all" of the company's assets. The bondholders insist that under the deal, Zurich is obligated to repurchase all of Home's notes.

A Home spokesman declined to comment. Officials at Zurich could not be reached.

Employers may form coalition

GOLDEN, Colo.—A gathering of large, self-insured employers is meeting today to discuss the possibility of forming a business coalition to gather data about the health plans they offer.

Sponsored by U.S. West of Englewood, Colo., and Adolph Coors Co. of Golden, Colo., the meeting will gauge the interest that large employers in the area may have in forming an independent health care coalition or possibly working with another prominent business coalition, said Pat Theno, benefits manager for U.S. West. The Alliance, a Denver-based health care purchasing group, also is sponsoring the meeting.

"As a multistate employer, we are interested in getting comparable and consistent information about the health care plans we offer employees," she explained. U.S. West has been involved in a strategic partnership with the San Francisco-based Pacific Business Group on Health in Oregon and Washington state, she noted.

Pat Powers, executive director of PBGH, will speak at the meeting, which will be attended by benefit managers from about 20 of Colorado's largest employers, including IBM Corp., Monfort Inc., Safeway Inc. and Martin Marietta Corp.

State regulators halt Azteca

SAN FRANCISCO—The California Insurance Department has issued a cease and desist order against Azteca Insurances S.A. for alleged illegal sales of workers compensation, health and employers liability policies.

Azteca, purportedly based in Uruguay, has claimed to be exempt from certain state regulations under the North American Free Trade Agreement (*BI*, Jan. 2). California regulators, however, charge that the insurer is operating illegally while falsely claiming that its policies comply with state insurance law.

The cease and desist order names several others involved with Azteca, including: Paul Yorke-Wade and his Dublin, Ireland-based firm, Corporate & Trust Administration Services Ltd., which has acted as Azteca's administrator; William C. Neel, Employers Cost Management Services of Mission Viejo, Calif., and Cost Solutions International Inc. of Lake Forest, Calif., which have acted as Azteca managing agents; Robert Giles and Robin Song, who have solicited business for the insurer; and David J. Miller and his Manitoba, Canada-based firm, Winmill International Inc., which has acted as a Canadian conduit for Azteca's business.

The Insurance Department has scheduled a hearing for April 11.

Separately, the Oklahoma Insurance Department earlier this month issued cease and desist orders against Global Insurance Co. S.A., another purported Uruguayan insurer that has been marketed by Winmill; and Sterling Trust Assn., which has allegedly written fraudulent workers comp coverage while claiming to be exempt from state authority under the Employee Retirement Income Security Act of 1974.

Police recover stolen Picasso

CHICAGO—Got $585,000 burning a hole in your pocket? Two insurers may be asking that much for a Picasso painting that Chicago police recovered in a quirky traffic incident.

The semi-abstract painting depicting a head, titled "Tete," was snatched along with a far less valuable piece in a daring smash-and-dash theft from the Richard Gray Gallery on Chicago's busy Michigan Avenue last year (*BI*, Jan. 10, 1994).

On March 9, police stopped two cars moving so slowly in tandem a mile from the gallery that one appeared to be towing the other. When one driver fled, police searched his car for identification and discovered the Picasso in a garment bag. The driver, Calvin Fitch, later surrendered and said he was only transporting the painting for the other driver, Anthony Smith, according to Ernest Hernandez, commander of the Area 3 detectives division.

Police don't know whether the two suspects were involved in the heist, but both were charged with felony theft and are awaiting arraignment. Bail was set at $100,000 each, but Mr. Smith was released without posting bond as part of a program to relieve jail overcrowding. Mr. Fitch had not posted bond late last week.

The insurers had already indemnified the Picasso's owner, the estate of a Chicago artist and collector, $585,000, sources said. "Early Fall, Heyworth," the oil and acrylic on canvas stolen with the Picasso, is

Continued on page 70

Comp project a success

Kansas City employers see savings from cost control effort

By RODD ZOLKOS



KANSAS CITY, Mo.—A regional cost-containment experiment is significantly lowering employers' workers compensation costs, a survey of participants shows.

Workers comp costs dropped 10% to 25% from 1992 to 1994 for 12 employers in the Kansas City, Mo., area that have worked closely with the Mid-America Coalition on Health Care.

"I would not have expected those kinds of declines because everybody else is raving about increases in workers comp in Kansas City," said Robert L. Brown, the coalition's president.

The project, which includes employers, insurers and doctors, focuses on creating a model for improved communication, medical protocols, uniform reporting and case management that is designed to lower workers comp medical costs (*BI*, Nov. 21, 1994; Aug. 15, 1994).

The program's apparent success is prompting one participating workers comp insurer to tap it for

Continued on page 65

Long-term care premiums get break in House tax bill

By JERRY GEISEL

WASHINGTON—Legislation that would give group long-term health care coverage new tax breaks as well as create another type of individual retirement account could be voted on by the House of Representatives within the next two weeks.

The House Ways and Means Committee last week—on a straight party-line 21-14 vote—approved a tax cut bill that includes the LTC and other employee benefit-related provisions.

Under H.R. 1215—proposed by committee Chairman Bill Archer, R-Texas—LTC policy premiums paid by employers to provide benefits of up to $200 a day would not be included as taxable income to employees.

This provision would give a modest boost to the group LTC market, benefit experts say. In virtually all group LTC programs, employees now pay the full premiums. That is partly because the Internal Revenue Service has not clarified the tax status of employer-paid LTC premiums. Because of that uncertainty and the potential for possible problems with the IRS, many employers have been reluctant to pay LTC premiums. The tax legislation would remove that uncertainty and would encourage more employers to offer and pay at least a portion of LTC premiums, consultants say.

Continued on page 68

Traditional property/casualty insurers can't escape past

Soft P/C market lingers on

By DOUGLAS McLEOD



Like the Humphrey Bogart character in Casablanca, the property/casualty industry is showing it can stand to hear the same painful song played one more time.

The seemingly endless soft market now being enjoyed by property/casualty insurance buyers continues to be bad news for underwriters.

With only a few exceptions, the industry turned in another anemic performance last year, showing slow premium volume growth, smaller but still hefty underwriting losses and weak investment gains.

Traditional property/casualty insurers are now competing for shares of a shrinking pie as buyers move their business to newer facilities that do not carry the burden of past environmental and other long-tail losses, explained Barbara Stewart of Stewart Economics in Atlanta.

"There's more of an attempt to move to capital that does not have a past," Ms. Stewart said. "Our big old companies are not very interesting to look at anymore" except

Continued on page 61

Unexpected progress

States moving on receivership compact

By MEG FLETCHER

MIAMI BEACH, Fla.—State lawmakers are moving faster than expected on what would be the first-ever insurance-related interstate compact.

Seven state legislatures are now considering bills that would approve an interstate compact designed to improve the handling of insurer receiverships. The proposal's supporters say they are confident that at least two states will adopt the measure by the end of the year.

"There has been a lot of legislative activity. . .frankly, more than any of us that worked on this expected," James W. Schacht, acting director of the Illinois Insurance Department, said last week at the National Assn. of Insurance Commissioners' quarterly meeting in Miami Beach. "It's looks like we will have a compact."

"Chances are better than not that it will become law in at least two states that have introduced it," agreed James M. Jackson, vp and deputy general counsel with Transamerica Occidental Life Insurance Co. in Los Angeles.

"There is real enthusiasm for the compact," said Robert Mackin, a consultant who is also executive director for the National Conference of Insurance Legislators.

Similar compact bills are now

Continued on page 61

Inside

- It's time to rethink airline per passenger liability limits, one of this week's editorials says. **PAGE 8**
- The Assn. of Lloyd's members contends Lloyd's of London's system of self-regulation is ineffective. **PAGE 63**
- Natural catastrophes are becoming larger and costlier, a Munich Reinsurance Co. report says. **PAGE 63**
- Small group health care reforms are not proving cost-effective, a study says. **PAGE 68**

Departments

Advertiser Index.....52
Books & Ideas.....39
Classifieds.....66
Directory of Risk Management Consultants.....18
Insurance Services Guide.....67
International.....63
Letters.....8
Opinions.....8
Perspectives.....39
Reader Reply Service.....52

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Risk Management Services

Future bright for risk managers

Greater clout, new risks ahead

By MARK A. HOFMANN

The emphasis in the risk management profession will increasingly fall on the management side of the term during the next decade.

Over the next 10 years, effective risk managers will increasingly be part of their organization's senior management and will be able to integrate risk management goals with larger corporate goals. Traditional risk financing questions likely will be framed in different terms, while old exposures will take on new shapes.

In addition, brand new exposures, many stemming from increased reliance on electronic communication, will loom large in the years ahead, experts predict.

Yet competent risk managers likely will be able to use new sources of electronic data as a tool to control these risks.

And, as risk managers grow in status and knowledge, outsourcing the risk management function is expected to recede.

In fact, the next decade will be "an exciting time for the risk management profession. The opportunities will be unlimited," said James Swanke, practice director of The Wyatt Co.'s worldwide risk management practice in Boston.

"Risk management in general—and risk consulting accordingly—has to evolve in a way that focuses more on the management and less on the technical," said Michael M. Kaddatz, a principal of Advanced Risk Management Techniques Inc. of Lake Forest, Calif.

Accordingly, risk managers will have to become part of their company's senior management, said David R. Haight, director-risk management for fertilizer manufacturer CF Industries Inc. in Long Grove, Ill. For the risk manager of the coming decade, it will be "more important to be an expert on his company than an expert on insurance," he said.

The risk manager of 2005 and beyond will have to be able to help other departments accomplish their goals, which cannot be done sitting in an office, said Mr. Haight. More than ever, risk managers will have to learn how their corporations operate.

In addition, the definition of risk will continue to broaden, predicted Mark Charron, a principal at Deloitte & Touche L.L.P. in Hartford, Conn. In the year 2000 and beyond, it will encompass areas such as financial risks, cur-

Continued on page 6



MASATO NISHIMURA/THE IMAGE BANK

Ex- risk managers finding open doors and job openings in consulting field

Variety awaits—as do actuaries, nurses and insurer refugees

By ROBERTO CENICEROS

Former corporate risk manager Dick Smith prefers to work alone, operating his consulting business from a suburban community on the edge of a mountainous national forest.

Yet he's freeway-close to his Los Angeles-area clients—as well as downtown brokerage and consulting firms that can fly in entire risk management teams composed of specialists from around the globe.

The contrast between the consultants reflects a growing diversity in the educational and professional backgrounds of the men and women providing risk management advice.

Physicians and nurses are frequently hired as more employers explore the integration of workers compensation, disability, health benefits and managed care; financial analysts are called on as companies expand their commitment to self-insuring; graduates are plucked from universities with respected math and risk management programs; and insurance company refugees, behavioral scientists, former brokers and plenty of "old pros" like Mr. Smith also find their services in need.

"It's not the same repetition over and over again where you go through the same renewal," said Mr. Smith, principal of Smith Consulting Group in La Canada Flintridge, Calif., explaining his appreciation for consulting.

10 Law firms increasingly looking for risk management advice.

15 Ranking of the top independent risk management consultants.

Through the 1970s and 1980s, Mr. Smith worked his way through progressively larger companies with greater risk management challenges. Then a major consulting firm lured him away from his staff risk management position and after a few years he set out on his own.

The route is well known by other risk management consultants who say it takes an unusual corporation to provide the financial incentives and dynamic challenges found on the revenue-producing side of risk management. So many become consultants.

"You're in the mainstream of what the industry does as compared to being on the cost-center side," said Don Batchelor, former risk manager at Memphis, Tenn.-based Union Planters Corp. and a 1991 member of the *Business Insurance* Risk Management Honor Roll. Mr. Batchelor recently left Johnson & Higgins, where he worked as a consultant for more than two years. He just became vp and chief operating officer for Lipscomb & Pitts Co., an independent agency in Memphis.

"Once a risk manager goes through a couple of renewals, the program is his, he knows it well," said Mr. Batchelor, echoing several colleagues' sentiments. "Whereas a broker is a very fluid environment. Opportunities come up very quickly."

At first, Mr. Batchelor thought his move to a consulting position from a staff position might be odd. Then he met others like himself. He said the potential career advancement and financial rewards offered by consulting firms and brokerages can appear tempting to corporate risk managers. "I know some of the other Risk Managers of the Year or Honor Roll members," he said. "It is an ongoing joke. You make the Honor Roll and then you go be a broker or consultant. No question about that. It is a milestone and second-to-none name recognition."

Others move into consulting after their employers downsize, merge or outsource.

But consulting firms say that as risk management practices reach "higher levels of science" and "push the outside of the technological envelope," they are looking more for people with specialized technical backgrounds and less for former risk managers.

"The growth is in specialized expertise and there is certainly a move to financial analysis, which you're not going to find in the old-line risk managers," said Jerry Miccolis, who is practice leader for Towers Perrin Risk Management in St. Louis. Mr. Miccolis, who has an actuarial background, estimates that one-third of his staff are former risk managers.

Health and finance specialists, for example, are more in demand now as more companies turn to self-insurance and demand less of commercial insurers' staff.

At the same time, corporate di-

Continued on next page

Experience

Continued from previous page

rectors and others with far more authority than risk managers have are more often making decisions about risks today, Mr. Miccolis said.

Consequently, his firm is hiring those who have a "global view" of where risk management is headed, he said. He has not hired anyone directly from a staff risk management position in more than two years.

At The Wyatt Co., Practice Director James A. Swanke Jr. said about 50% of his staff has passed through a risk management position at some point in their careers. Another 25% come from the insurance industry and the other 25% joined Wyatt soon after completing university studies.

"Today the people we are hiring are no longer generalists; they're specialists," he said. "We're doing more niche consulting and we're also doing more multiple-discipline consulting."

For example, to set up a cost control program for a Fortune 100 client, Wyatt recently assembled a team that included a workers compensation loss control specialist, another specialist with combined workers comp and managed care expertise, a workers comp claims management specialist and an actuary.

The consultants walking into a client's office today often arrive from a variety of locations and bring diverse professional experiences to the task.

"We're not organized geographically, we're organized by (our) worldwide risk management practice," said Mr. Miccolis. "We staff projects by expertise, not geographically."

Observers say the backgrounds that consultants carry into the client's office affect more than just the overt services they have promised to deliver. Some say risk management experience increases their sensitivity to the "practical" problems faced by corporate risk managers.

Millie W. Workman says when she was a director of corporate risk management she could always sense when a broker had formerly held a risk management position.

Take Mr. Batchelor, for example. When he worked for Union Planters, he kept a list of risks he couldn't find coverage for despite repeated attempts. Nonetheless, he said he was always surprised that brokers and consultants looking to win a new client failed to ask about his toughest concerns.

"Not once in four years did anyone ask me to pull the list out," he said. "Having had that experience, I always asked if (the risk managers) had three questions in their drawer. It wasn't that direct, but it was, 'What kind of difficult question do you have that I can help you solve?' "

Millie W. Workman, now an independent consultant and the 1992 *BI* Risk Manager of the Year, said when she was a director of corporate risk management for Belz Enterprises in Memphis she could always sense when a broker had formerly held a risk management position.

"It just simply gets down to: you've been there, you've sat in that seat and you have a better understanding of what the risk manager is feeling," she said. "It's more reality-based."

Others say that brokers and consultants with lengthy track records often display plenty of sensitivity toward the world in which their staff counterparts operate. They say without that, they couldn't survive.

But even some who have worked in both consulting and on the staff side say there is much to gain from working in a corporate setting.

"The staff risk management position has provided me (additional) insight into the operations side, the procedures side," said Brent Winans, who was recently laid off as a risk manager when Concord Services Inc. of Denver eliminated its risk management department after filing for bankruptcy protection.

Mr. Winans honed his technical expertise by working as a consultant for five years before joining the diversified company, which has interests in businesses including mining and food processing. Before that, he was a State Farm agent for more than eight years.

W. David Little, now director of risk management at Hilton Hotels Corp. in Beverly Hills, Calif., began his career by working for a risk management consulting firm for more than four years before joining the corporate side.

"I wanted to implement something and live with it for a while and see it through for a few years," he said.

Ron Stasch, risk manager for Federal-Mogul Corp. of Detroit, said he works closely with brokers rather than hire risk management consultants. He especially appreciates brokers who are former risk managers and understand the thought processes of someone from the staff side.

"In many companies, particularly with re-engineering or downsizing concepts, the risk managers are isolated," he said. "It helps you crystallize your ideas. It is a sounding board. I get comfort from people who understand the innuendo, the nuances."

Client appreciation, of course, does not assure that former risk managers will succeed as consultants.

"Consultants must work quickly and often need exceptional communication skills to sell their ideas," said Steven P. Kahn, a principal of Advanced Risk Management Techniques Inc. in Lake Forest, Calif. Among its consultants are actuaries, and former claims auditors, underwriters, brokers and risk managers.

But even though consulting firms have a growing appetite for technical expertise and a propensity to meet clients' demands with a group approach, they realize employees with staff risk management experience lend their teams a diversity of experience they need.

"Diversity, that is what I look for," Wyatt's Mr. Swanke said. "Consulting is nothing more than personal relationships. By having that diversity, you will be able to develop relationships." BI

The name to follow

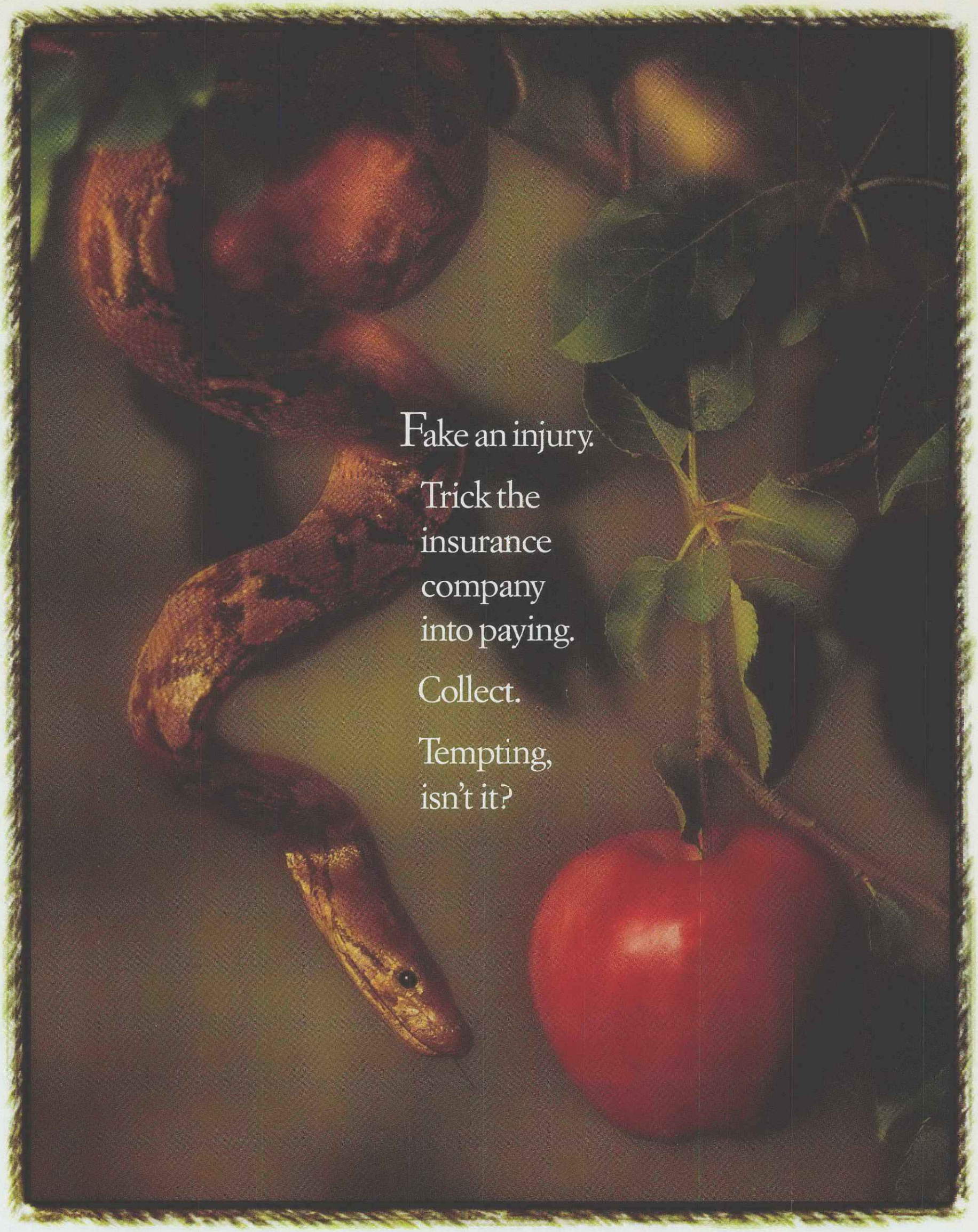
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Opinions

Rethink airline liability limits

AFTER YEARS OF airlines unsuccessfully lobbying the U.S. government for change, the International Air Transport Assn. is calling a meeting of the world's airlines to discuss proposals to voluntarily circumvent the passenger liability limit set by the Warsaw Convention.

The limit, set at an artificially low $75,000 per passenger for flights to, from and through the United States, has caused years of litigation in U.S. courts, as survivors and the families of victims have engaged in long and bitter court battles in an effort to recover greater compensation.

As we have reported, the IATA, a group of the world's commercial airlines, has invited its members to meet in Washington in June to discuss proposals for voluntarily overriding the Warsaw limits.

The gathering—if not also its goal of significantly raising or eliminating the $75,000 limit—has the approval of the U.S. Department of Transportation and the European Commission.

We also encourage this voluntary effort because it ultimately will save airlines millions of dollars now spent on litigation and could smooth customer relations following disasters.

Litigation is nearly automatic following international air crashes because the only way the $75,000 limit can be circumvented is if the claimant proves an airline was guilty of "willful" misconduct.

Far more than the current limit is spent on battling these cases in court, which is money that could be spent compensating victims instead of lawyers.

The low limit for international travel to, from and through the United States makes even less sense when one looks at the liability protocol for domestic U.S.



flights: There is no limit.

As a result, the victims of air crashes within the United States generally recover about $2 million on average.

Aviation insurers don't expect the change in the limit will make much of a ripple in U.S. airlines' liability rates. And you can bet that rates are not currently set on the assumption that payouts will be limited to $75,000 per passenger.

We hope the airlines that gather in June will embrace change and adopt a higher limit than what is now available under the Warsaw Convention.

Invest time to protect employees

CRITICS of the U.S. Department of Labor's new guidance on purchasing pension annuity policies seem to want it both ways.

On the one hand, the critics complain that the factors the department says employers must evaluate as part of a thorough and analytical search of the "safest available" annuity provider are not detailed.

How is an employer, the critics ask, to know whether one factor—such as a provider's capital and surplus—is more important than another factor to be evaluated—such as the quality and diversification of the provider's investment portfolio? And, they ask, how is an employer to know how much capital and surplus is enough?

On the other hand, the critics reject as impractical—as did the Labor Department—the concept of a "bright line" test, under which employers would be given a precise formula for determining the safest annuity provider.

Lost in the criticism is what the department is trying to accomplish through the guidance it did provide, known as an interpretive bulletin. The bulletin clearly and simply is saying that the purchase of annuities involves more than looking up the ratings of annuity providers and then deciding on a provider based on price.

Employers, with the help of advisers, are expected to do their own research and examine factors—such as capital and surplus, the insurer's size relative to the proposed annuity contract, its lines of business and the quality and diversification of its investment portfolio—that could affect an annuity provider's creditworthiness and ability to pay on the annuities.

To be sure, these factors are taken into consideration by rating agencies. But with hundreds of insurers to evaluate, a rating may not always reflect the most up-to-date picture of a company's financial health.

Certainly, obtaining and analyzing this type of financial information will increase employers' costs. But the cost is worth it, given what is at stake.

When an employer terminates a pension plan and buys annuities, plan participants' benefits no longer are insured by the federal Pension Benefit Guaranty Corp. If the insurer providing the annuities fails, state guaranty funds may not protect all benefits promised to retirees and employees.

A more rigorous and up-to-date financial examination of annuity providers is no guarantee that the providers will never fail. But, the extra effort is more likely to identify the most financially secure providers at the time the selection is made.

Letters

Reader says Rosenfield is no 'consumer' advocate

Business Insurance welcomes letters from its readers. Please keep your comments as brief as possible. We reserve the right to edit letters for clarity or space. We will not publish unsigned letters. Send your comments to Letters to the Editor, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590.

To the editor: Thank you for the Feb. 20 article, "Payback Charge Fuels California Dispute," regarding Harvey Rosenfield's latest diatribe against California Insurance Commissioner Chuck Quackenbush.

I would like you and others to discontinue using the term "consumer advocate" as an adjective to Mr. Rosenfield's name.

As the article shows, Mr. Rosenfield is more interested in advocating his own self-interest than that of any vaguely defined group of consumers.

The term "self-proclaimed consumer advocate" or "self-styled consumer advocate" would be more in order.

The press does the public a disservice by seeming to legitimize such a self-appended title.

John Manning
Huntington Beach, Calif.

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Future risks

Continued from page 6

added. Such cutbacks would add to companies' financial exposure to catastrophes.

A rise in the frequency and severity of natural disasters could raise questions about the continued availability of catastrophe insurance. This will spur interest in pre-planning, or making sure that disaster recovery plans are in place and the right coverages are in force, said Deloitte & Touche's Mr. Michaels.

Part of that planning will involve greater reliance on catastrophe modeling, as risk managers check the probability and severity of a catastrophic event striking their operations, said Towers Perrin's Mr. Miccolis. Such modeling might help a corporation decide, for example, that existing production overcapacity means the company can take a "one-plant deductible," and thus lower catastrophe-related insurance costs, he said. "If it's not a critical element of your production process, why insure it?" he asked.

What is not likely to be deductible is the risk manager, despite the current debate over outsourcing.

Companies will learn that "you can't really outsource risk management," said Mr. Miccolis.

Risk Resources' Mr. Coombs was even more blunt. "Outsourcing is frankly a non-issue," he said. While some risk management functions might be outsourced, total outsourcing is inefficient and expensive and not likely to be a major concern 10 years from now.

Frank Locke, risk manager of Oklahoma Gas Natural Gas Co. in Tulsa, said that he foresees further downsizing in coming years, which means there will be greater networking within companies as risk managers pull together financial information from a variety of sources. Part of this information will come through increased reliance on electronic sources, including such emerging technologies as imaging, he said.

Someone within the downsized corporation will have to control risk management, regardless of whether it's a full-time position, he said. "It's going to be difficult. There will be things that fall through the cracks." If the market turns as it did in the mid-1980s, can a part-time risk manager with other responsibilities make "qualitative decisions," such as knowing which insurer to turn to in the search for coverage, he asked.

Outsourcing is following the general trend of corporate re-engineering, Mr. Charron said. That doesn't mean that whole departments will be eliminated. "We're trying to find better ways of managing risk," he said.

Mr. Michaels added that U.S. corporations are already pretty lean in their risk management departments.

The debate over outsourcing shows that risk management is being treated like any other profession, said Portman's Mr. Adler.

He predicted that companies that have totally outsourced the risk management function will reinternalize the job. "An internal risk manager brings a passion a consultant doesn't," he said.

"We have got to get the chip off our shoulder that we're under undue scrutiny. We need to recognize that this is happening to all departments in our companies," Mr. Adler said. BI

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Law firms in discovery for how to manage risk

Malpractice fears fuel added interest

By JOANNE WOJCIK

Lawyers, defend thyselves.

Those in the business of keeping clients out of legal scrapes often seem unable to do the same for themselves, legal malpractice experts say.

As if recognizing this weakness, some law firms are beginning to turn to outside experts to provide risk assessment and risk management consulting services. And professional liability insurers—especially in the non-admitted market—increasingly are putting law firms through rigorous risk analyses before underwriting or renewing their policies.

Much of the interest in legal risk management began when federal banking regulators began suing law firms that were involved in the savings and loan debacle of the mid- to late 1980s.

"The (Resolution Trust Corp.) suits were a splash of cold water on law firms' faces," observed Thomas D. Berman, president of Thomas Berman & Associates, a San Francisco-based legal risk management consulting firm.

One of the coldest splashes was a $275 million suit filed against Kaye, Scholer, Fireman, Hays & Handler related to its work for the failed Lincoln Savings & Loan Assn. The New York firm settled the suit for $41 million, part of which was insured (*BI*, March 16, 1993).

"Financial institution exposures set off a lot of bells and whistles," agreed Robert Cubbin, senior vp and general counsel of Meadowbrook Insurance Group Inc. in Southfield, Mich. Meadowbrook, which provides insurance company management services, manages a legal professional liability program that provides up to $5 million in coverage to members of the Michigan Bar Assn. The program is written by Michigan Lawyers Mutual Insurance Co.

Today some of insurers' attention has shifted to law firms that handle environmental cases.

Those firms are becoming concerned that they may be sued for providing legal services to companies facing Superfund suits, said Sean M. Fitzpatrick, underwriting manager for Executive Risk Management Associates of Simsbury, Conn.

Executive Risk, which began providing lawyers professional liability coverage in 1993, is the underwriting manager for Executive Risk Indemnity Inc. of New York. It provides up to $25 million in professional liability coverage for lawyers.

"Often lawyers engaged in environmental practice will have two or three previous clients show up as PRPs (potentially responsible parties) in a single pollution site," which can pose a potential conflict of interest, he said. "It's unavoidable."

One of the legal profession's

Continued on page 14

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Lawyers

Continued from page 10

greatest exposures, said Mr. Berman, may be caused by its traditional practice of "rainmaking," or having a few partners make their living by attracting new business. Rainmakers can then keep some of the fees for themselves, a practice known as "eating what you kill."

"I saw a firm in which a partner made maybe $40,000 off S&L business that ended up costing the firm $150,000 when its $50,000 deductible was triggered by three suits" stemming from that business, he recounted.

In today's competitive legal market, many so-called rainmakers will take what they can get, said Mr. Berman. "But if you tell them you eat what you kill and they kill something, you can't tell them, 'You killed the wrong thing.' "

Instead of giving a handful of partners *carte blanche* in selecting new clients, Mr. Berman recommends that the law firm develop a philosophy and practice guidelines for business development.

Malpractice exposures are not limited to law firms. As companies cut costs, their in-house lawyers are taking on cases that traditionally were handled by outside counsel.



GRAPHIC BY JOHN HALL

For example, an in-house lawyer may be required to represent a supervisor who was sued by a former employee for sexual harassment. "This creates a potential for conflict of interest since the in-house counsel's client is the corporation, not the supervisor," said Susan Lawshe, the lead underwriter on a new employed lawyers professional liability program from Executive Risk.

"It is more important than ever that corporate attorneys examine their professional liability coverage and make certain they are protected from third-party claims," she said.

Claims by third-party, non-clients account for about 25% of all claims filed against attorneys, according to the American Bar Assn. in Chicago. That figure, from a 1986 survey, is the most recent available for the profession as a whole.

While most firms don't seek loss control advice until after a serious claim, experts say interest is increasing in a more active approach to legal risk management.

"Though they are a minority, law firms are starting to approach us to obtain a risk analysis on their own," said Frank Wilson, president of Altus Risk Evaluation Inc. in La Habra, Calif. "But usually it's the insurer or broker who secures our services."

Sometimes the law firms use the risk analyses to obtain better terms or lower premiums when applying for or renewing professional liability coverage, he said.

"We talk to everybody in a firm to find out how the practice is conducted, analyze the information and grade the firm using a 'report card'-like format that can be used to negotiate better pricing for the safe risks," Mr. Wilson said.

For example, one client, a large East Coast law firm, lost its designation as a so-called "distressed risk" after Altus completed its onsite risk analysis.

"So the broker could market the risk much easier," he said.

Recognizing their increasing liability exposures, some law firms are beginning to designate partners to serve as risk managers.

For example, a group of San Francisco-area law firms that formed a mutual insurer to provide professional liability coverage has hired its own risk manager, Mr. Berman said.

For the most part, however, most firms don't become acquainted with the practice of risk management until they attempt to renew their malpractice coverage after a sizable claim.

"A carrier may order some kind of report as a condition of coverage, similar to the risk analysis in the property/casualty field," explained J. Garfield Broussard, vp-professional services with Minet Insurance Services Inc. in Los Angeles.

Mr. Broussard places business with Lawyers Mutual Insurance Co. of California, a Burbank-based mutual formed to provide professional liability coverage to California lawyers. Lawyers Mutual provides annual aggregate limits of $4 million.

"Some brokers do (risk assessments) to verify the application information," he added.

"Our view is that at least one-third of what you see on the application isn't accurate," Altus' Mr. Wilson said.

In fact, most of Messrs. Berman and Wilson's clients are either insurers or brokers.

But because of the cost, insurers usually conduct risk assessments only on large accounts or on those with poor claims experience, according to Mr. Broussard. Instead, most policyholders receive loss prevention brochures.

Lawyers Mutual gives its policyholders a manual that includes typical case studies as well as tips on avoiding legal malpractice.

Lawyers Mutual and Meadowbrook also publish monthly newsletters and bulletins and conduct risk management seminars several times a year.

"What we try to do is pass on to the policyholder all the information necessary to assist them in their loss prevention activities," said John Burke, executive vp of Lawyers Mutual.

Often lawyers are sued by clients for failing to narrowly describe in the initial letter accepting business the services they will provide.

For some law firms, written advice may be enough to prevent claims.

"A lot of firms just need some outside guidance," said Mr. Berman.

But, for the most part, "the success of risk management in law firms depends on the principal owners' cognizance of the issues involved and their desire to manage the firm properly," he believes.

"They've got to want to do it right." BI



Top independent risk management consultants

Ranked by risk management consulting revenues, dollar figures in millions.

	Revenues: 1994 pure risk management consulting	Revenues: % change from 1993	Number of clients	Professional risk management staff[1]	Number of offices
Towers Perrin Risk Management	$25.2	5.9%	1,000	100	16
Coopers & Lybrand L.L.P.	19.7	47.0	1,425	96	19
Deloitte & Touche L.L.P.	17.5	11.5	500	79	15
The Wyatt Co.	17.5	10.8	1,300	100	16
Ernst & Young L.L.P.	12.8	12.3	425	98	9
KPMG Peat Marwick L.L.P.	10.7	12.6	191	65	8
Arthur Andersen & Co. S.C.	8.2	NA	223	55	9
Milliman & Robertson Inc.	7.1	(5.3)	1,000	24	15
J.H. Albert International	6.3	0.0	800	35	1
Caronia Corp.	6.2	10.7	183	72	31

[1] Staff figures are given in full-time equivalents
Source: BI survey

GRAPHIC BY JOHN HALL

Towers Perrin retains top spot in risk management consulting

Towers Perrin Risk Management maintained its spot as the top independent risk management consultant in the *Business Insurance* ranking.

BI's annual ranking includes only general risk management consulting companies—those that do not generate a majority of their consulting revenues from a single service—that are not affiliated with an insurance company, agent or broker.

Towers Perrin's risk management consulting revenues rose 5.9% to $25.2 million in 1994, reversing a 1993 slide in pure risk management revenues (*BI*, March 7, 1994).

Coopers & Lybrand L.L.P. moved to second place, buoyed by a second straight year of 40%-plus growth.

Coopers & Lybrand's risk management business, part of the accounting firm's casualty, actuarial and risk management consulting practice, grew 47% to $19.7 million in 1994. In 1993, Coopers & Lybrand posted a 42.6% increase.

Coopers & Lybrand's headcount is lower in 1994 due to a restatement of professional risk management staff.

The strong revenue growth is the result of a strategic plan to expand risk management consulting, in part by identifying more opportunities within the firm's existing base of 10,000 clients, said Frederick O. Kist, managing principal in Atlanta.

Two years ago, Coopers & Lybrand instituted a mandatory risk management questionnaire on audits requiring more than 500 hours to complete. "In the first year, we received 700 additional opportunities," through those reviews, Mr. Kist said. "The Big Six will be the winners in risk management due to the ease with which they can get into a client base."

Behind Coopers & Lybrand's explosive growth, The Wyatt Co. dropped to a tie for No. 3 with Deloitte & Touche. Wyatt posted a 10.8% increase to $17.5 million in risk management consulting revenues, while Deloitte & Touche's revenues grew 11.5% to the same total.

Ernst & Young L.L.P. ranked fifth with $12.8 million in risk management consulting revenue, followed by KPMG Peat Marwick with $10.7 million and Arthur Andersen & Co. S.C. with $8.2 million.

Arthur Andersen's inclusion this year leaves only one of the Big Six accounting firms—Price Waterhouse—not among the top 10 risk management consultants.

Arthur Andersen first formed a risk management practice in January 1994, though the firm had been providing some of those services for years, said Michael L. Toothman, national managing partner-risk management, actuarial and claims practice, in Philadelphia.

The practice is growing in areas like business interruption claims handling, disaster recovery planning and insurance litigation support, as well as more traditional risk management consulting areas like loss control and exposure and reserve analysis, he said.

Milliman & Robertson Inc. placed No. 8 with $7.1 million in risk management consulting revenues, which was down 5.3% from 1993 levels and the only decrease among the top companies. Milliman & Robertson's 1994 staff figure is lower compared with a year ago as it continues the integration of Betterley Risk Consultants Inc., which was acquired in 1993 (*BI*, March 7, 1994).

Richard S. Betterley left Milliman & Robertson late last year to re-establish his own consulting firm.

J.H. Albert International maintained the No. 9 position with flat risk management consulting revenues at $6.3 million and Caronia Corp. rounds out the list with a 10.7% increase to $6.2 million.

Overall, the top risk management consultants grew an average of 12.8% in 1994, excluding Arthur Andersen, which could not provide comparable figures for 1993.

S.B. Ackerman Associates Inc., which was ranked last year, is not included this year because it does not report its risk management consulting revenues.

—By Sara Marley

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Annual directory of risk management consultants

A

AFM Associates Ltd./Water Street Group Inc.

400 Madison Ave., Suite 1101, New York, N.Y. 10017; 212-750-8400; fax: 212-750-8460

1994 Revenues	
Risk management consulting revenues	NA
Risk management audits	50%
Special projects	50%
Staff	
Total	4
Risk management professionals	3
Includes: 2 principal consultants, 1 consultant, 1 analyst	
Clients	
Total	5
Minimum size	$300,000

Consulting since: 1988.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, alternate risk transfer, historical account reconstruction, reinsurance recoverable analysis and collection.
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Compensation: By the project, by the hour: principal consultant, $150 to $250.
Officers: Andrew A. Alberti, chairman; A.F. Motola, president; Carlos Barros de Moura, representative/associate.
Contact: A.F. Motola (N. America), 212-683-9036; C.A. Barros de Moura (Latin America), 011-5511-232-3362.

AIG Risk Management Inc.

70 Pine St., New York, N.Y. 10270; 212-770-7000; fax: 212-425-4751

1994 Revenues	
Total gross revenues	$174,250,000
Risk management consulting revenues	$161,100,000
Continuous consulting	80%
Risk management audits	5%
Special projects	15%
Staff	
Total	560
Risk management professionals	87
Includes: 18 principal consultants, 31 consultants, 18 actuaries, 20 analysts.	
Clients	
Total	516
Associations	44
Minimum size	$250,000

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Locations: Los Angeles and San Francisco; Atlanta; Chicago; Boston; New York; Cleveland; Philadelphia and Pittsburgh; Dallas and Houston; Toronto; London.
Compensation: By the project, on retainer.
Officers: Joseph C. Smetana, chairman; John Gantz Jr., president; Joseph Umansky, Michael Curio, Martin Banker, Joseph Cavolo, senior vps.

A&L Risk Management Ltd.

9971 Valley View Road, Suite 205, Eden Prairie, Minn. 55344; 612-829-8879; fax: 612-943-1235

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	65%
Risk management audits	20%
Special projects	15%
Staff	
Total	4
Includes: 1 principal consultant, 2 consultants, 1 analyst	
Clients	
Total	NA
Associations	1
Minimum size	None

Consulting since: 1986.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management strategic planning, international risk management audits.
Occasional special projects: Captive feasibility studies, environmental, accounting systems analysis, loss settlement assistance, risk management organization studies, RMIS consulting, expert witness, overseas risk management seminars.
Specialties: Electronic/EDP, medical instruments, contractors, manufacturing, service industry, retail, foreign companies doing business in the United States.
Compensation: By the project, on retainer, by the hour: principal consultant, $125 (varies overseas).
Officers: Robert Abrahamson, executive consultant/CEO.

ARM Tech (Advanced Risk Management Techniques Inc.)

23701 Birtcher Drive, Lake Forest, Calif. 92630-1783; 714-472-8324; fax: 714-472-9228

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	40%
Risk management audits	20%
Special projects	40%
Staff	
Total	20
Risk management professionals	14
Includes: 3 principal consultants, 7 consultants, 1 actuary, three analysts	
Clients	
Total	200
Associations	60

Consulting since: 1982.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, risk retention pool planning, actuarial analysis of self-insured loss reserves.
Occasional special projects: Environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, RMIS consulting.
Specialties: Utilities, government agencies, health care industry, educational institutions, transportation, developers, contractors, property owners associations.
Locations: Sacramento, Calif.
Compensation: By the project, by the hour: principal consultant, $175.
Membership: SRMC.
Officers: Steven P. Kahn, Michael M. Kaddatz, Gregory L. Trout, principals.
Contact: Sandra M. Dick, administrative manager.

S.B. Ackerman Associates Inc.

220 E. 42nd St., New York, N.Y. 10017-5806; 212-599-1717; fax: 212-599-2614

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	60%
Risk management audits	20%
Special projects	20%
Staff	
Total	69

Continued on page 20

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Continued from page 18

Risk management professionals 40
Includes: 16 principal consultants, 20 consultants, 4 analysts

Clients

Total ..... NA
Associations 3
Minimum size $100,000

Consulting since: 1915.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, loss prevention audits, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Associations, builders, government entities, hospitals, manufacturing.

Locations: Mount Holly, N.J.

Compensation: By the project, on retainer, by the hour: principal consultant, $300.

Membership: SRMC.

Officers: Bernard A. Salwen, president.

Advanced Insurance Management

33 N. Addison Road, Suite 100, Addison, Ill. 60101; 800-288-9256; fax: 708-279-5704

1994 Revenues

Risk management consulting revenues ..... NA
Risk management audits 10%
Special projects 90%

Staff

Total 4
Risk management professionals 3
Includes: 1 principal consultant, 2 consultants

Clients

Total 38
Associations 1
Minimum size ..... None

Consulting since: 1987.

Frequent special projects: Review of previous years' workers compensation audits to recover premium overcharges.

Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, preparation of bidding specifications, expert witness.

Specialties: Manufacturing, contracting.

Compensation: By the project, on retainer, by the hour: principal consultant, $125; contingent fee based on recovery for workers compensation refund work.

Officers: Edward J. Priz, principal.

J.H. Albert International Insurance Advisors Inc.

72 River Park, Needham, Mass. 02194; 617-449-2866; fax: 617-449-5340

1994 Revenues

Total gross revenues $6,300,000
Risk management consulting revenues $6,300,000
Continuous consulting 80%
Risk management audits 5%
Special projects 15%

Staff

Total 44
Risk management professionals 35
Includes: 9 principal consultants, 26 consultants

Clients

Total 800
Associations 8
Minimum size ..... None

Consulting since: 1967.

Frequent special projects: Risk retention analysis; captive feasibility studies; analysis of limits; insurance contract analysis; claims auditing; loss prevention audits; broker assessment; risk management organization studies; preparation of bidding specifications; quantitative/statistical analysis and forecasting; expert witness; development of risk management manuals, safety manuals and claims management procedures; loss control and claims management consulting; legal support, including merger and acquisition assistance.

Occasional special projects: Environmental, accounting systems analysis, loss settlement assistance, RMIS consulting.

Specialties: Manufacturing, retail, wholesale distribution, contracting, health care, real estate, educational institutions, government entities, high-tech.

Compensation: By the project, by the hour: principal consultant, $165 to $325.

Membership: SRMC.

Officers: Joseph H. Albert, president; Michael A. Rodman, executive vp; George W. West, Thomas L. Atkins, Martin S. Berman, Stuart T. Cowart, Alfred H. Nagelberg, James W. Evans Jr, Judith A. Kokinda, vps.

Contact: Joseph H. Albert.

Aldrich & Cox Inc.

3075 Southwestern Blvd., Suite 202, Orchard Park, N.Y. 14127-1287; 716-675-6300

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 75%
Risk management audits 20%
Special projects 5%

Staff

Total 14
Risk management professionals 9
Includes: 9 consultants

Clients

Total 80

Consulting since: 1951.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Manufacturing, retail, health care institutions, educational institutions, municipalities.

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

Membership: SRMC.

Officers: Charles H. Cox, president; James B. Hood Jr., executive vp; Michael B. Coyle, Ernest A. Holfoth, vps.

Contact: Charles H. Cox.

Alexander & Associates Risk & Insurance Consultants Inc.

1910 Byrd Ave., P.O. Box 11061, Richmond, Va. 23230; 804-285-6160; fax: 804-285-3237

1994 Revenues

Total gross revenues $60,000
Risk management consulting revenues $35,000
Continuous consulting 80%
Risk management audits 20%

Staff

Total 2
Includes: 1 principal consultant, 1 consultant

Clients

Total 4
Minimum size ..... None

Continued on page 24

How to use directory

The directory of risk management consultants lists companies that generate at least 50% or $500,000 of their gross revenue from pure risk management consulting.

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

The directory is published as an editorial service; there is no charge for companies to be included.

Listings begin with the company name, address, phone and fax number. Following is financial/statistical information. This section includes: total 1994 gross **revenues** and actual 1994 revenue generated by risk management consulting, including the percent attributed to continuous risk management consulting, risk management audits and special risk management projects.

The **staff** section provides figures in full-time equivalents for the number of total employees and professional employees assigned to risk management consulting, including a breakout of principal consultants, consultants, actuaries and analysts. If an organization has only one employee, that individual is the principal consultant, unless otherwise specified.

Following is the total number of risk management consulting **clients**.

Also listed is the number of association clients and minimum-size client accepted, by risk and insurance budget.

The text section includes: **consulting since** the year risk management consulting services began, **parent** company (if applicable) and **frequent/occasional special projects** conducted. If the company consults to a particular segment of business or industry, it is noted under the **specialties** heading. Wholly owned **locations**, other than the home office, providing risk management consulting services is listed next.

Compensation specifies whether the company is paid on a project basis, through commissions for insurance placed with underwriters, on a retainer basis and/or by the hour. The maximum hourly charge is listed, generally that of the principal consultant; charges for a consultant, actuary and analyst may vary.

Names and titles of the companies top **officers** are listed next, followed by a notation if a Society of Risk Management Consultants **(SRMC)** member is on staff. The name of a **contact** for readers seeking additional information concludes the listings.

The information reported for each company is based on that company's responses to the *Business Insurance* questionnaire. Although every effort is made to print accurate listings, *BI* is unable to verify all information contained in the directory.

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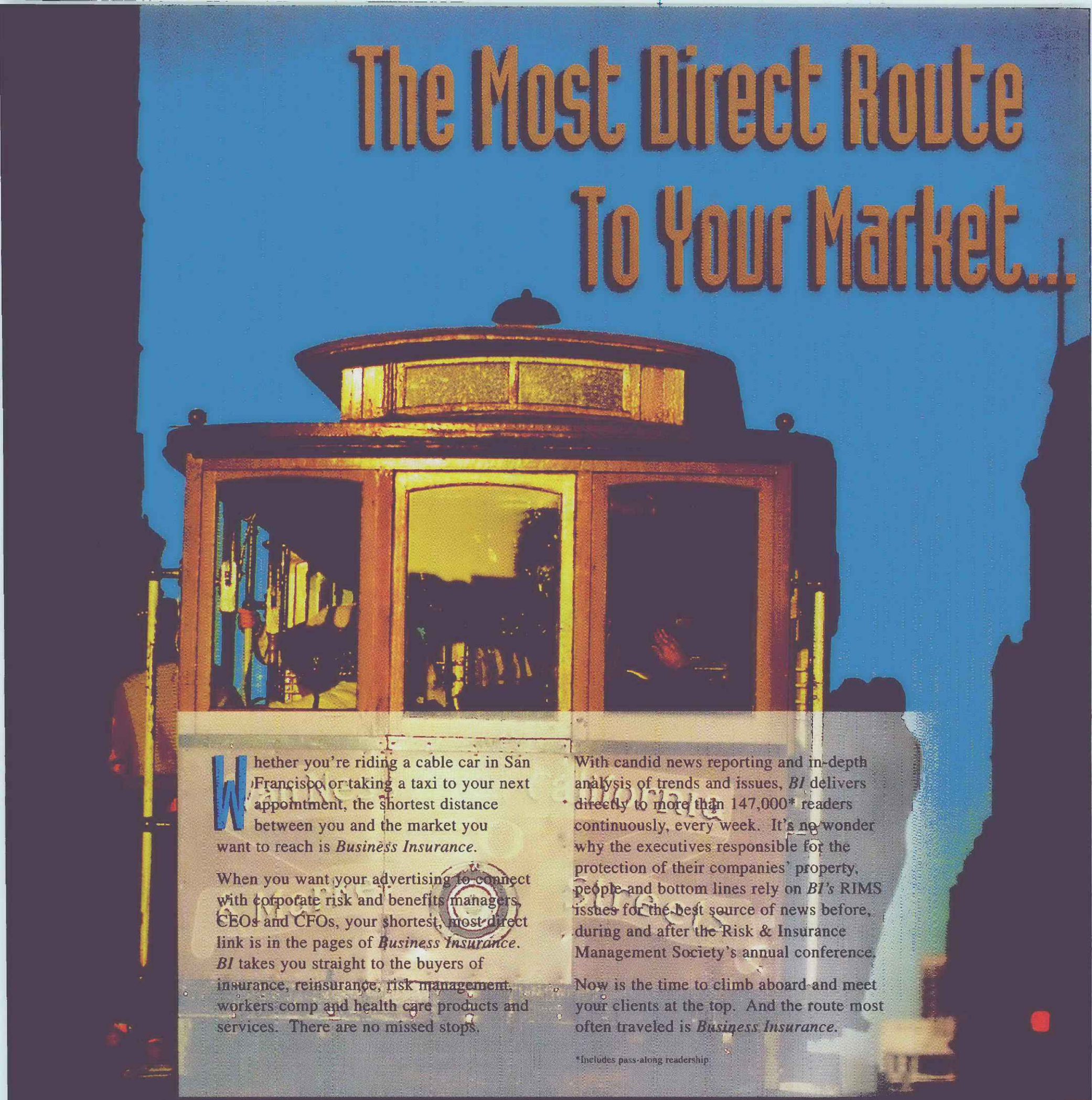
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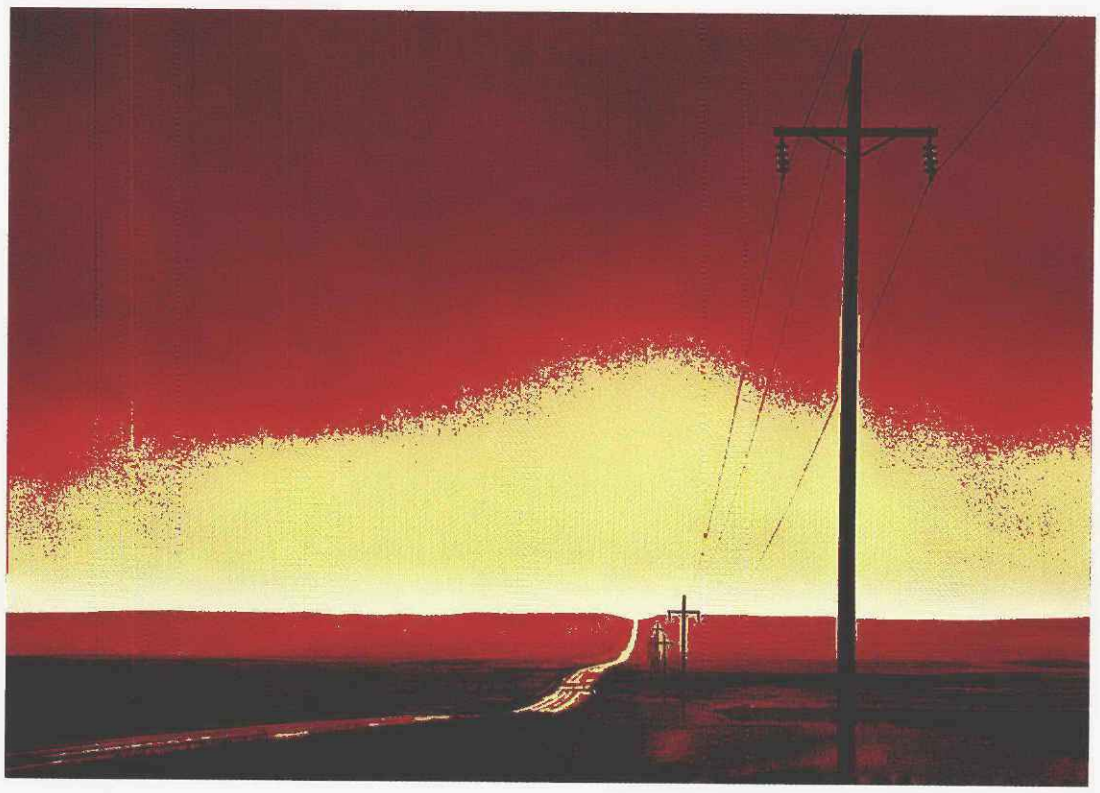
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Publishing: April 24 Ad Closing: April 12

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Publishing: May 1 Ad Closing: April 19

RIMS Report: Risk Management
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Continued from page 20

Consulting since: 1994.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.
Compensation: By the project, by the hour: principal consultant, $100.
Officers: W. Everett Alexander Jr., president.

All Risks Ltd.

294 Broad St., Red Bank, N.J. 07701; 908-741-3450; fax: 908-758-1888

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	25%
Risk management audits	10%
Special projects	65%

Staff

Total	2
Risk management professionals	1

Clients

Total	25
Minimum size	None

Consulting since: 1970.
Frequent special projects: Insurance contract analysis, claims auditing, preparation of bidding specifications, expert witness.
Occasional special projects: Risk retention analysis, analysis of limits, environmental, broker assessment, loss settlement assistance, risk management organization studies.
Specialties: Public entities insurance pools.
Locations: Alexandria, Va.
Compensation: By the project, on retainer, by the hour: principal consultant, $150.
Membership: SRMC.
Officers: Hubert Farrow Jr., president/senior consultant.
Contact: 800-842-9921.

Alpha Risk Management Inc.

60 Cutter Mill Road, Great Neck, N.Y. 11021; 516-829-3500; fax: 516-829-6029

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	65%
Risk management audits	10%
Special projects	25%

Staff

Total	14
Risk management professionals	7
Includes: 6 principal consultants, 1 consultant	

Consulting since: 1973.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness, due diligence prior to acquisitions.
Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, quantitative/statistical analysis and forecasting, RMIS consulting, risk management evaluation for board or parent company.
Specialties: Real estate, banks, manufacturing, construction, service industries, distribution, hotels, import/export industry.
Locations: Montreal.
Compensation: By the project, on retainer, by the hour.
Membership: SRMC.
Officers: Herbert H. Feldman, president/CEO; Judith Scott, managing director-Canada; James E. Branigan, executive vp; Fran Carleton, Anne M. Reyerson, senior vps.

American Risk Managers Inc.

Bexar Ave., The Sanderson Building, Suite 3, Hamilton, Ala. 35570; 205-921-7979; fax: 205-921-3146

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	70%
Risk management audits	5%
Special projects	25%

Staff

Total	13
Includes: 2 principal consultants, 4 consultants	

Clients

Total	126
Minimum size	$50,000

Consulting since: 1979.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, risk management organization studies, preparation of bidding specifications, RMIS consulting.
Occasional special projects: Captive feasibility studies, broker assessment, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness.
Locations: Tupelo, Miss.
Compensation: By the project, on retainer, by the hour: principal consultant, $175.
Officers: Walter D. Haney, chairman; Walter D. Haney Jr., president; Ginny Hughett, vp.
Contact: Walter D. Haney.

American Risk Services Inc.

Suite 150, 12800 Whitewater Drive, Minneapolis, Minn. 55343-9469; 612-933-4900; fax: 612-933-8458

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	87%
Risk management audits	9%
Special projects	4%

Staff

Total	5
Risk management professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients

Total	34
Associations	3
Minimum size	None

Consulting since: 1979.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.
Occasional special projects: Captive feasibility studies, environmental, loss prevention audits, risk management organization studies, RMIS consulting.
Specialties: Municipalities.
Compensation: By the project, on retainer, by the hour: principal consultant, $125.
Officers: Mark T. Flaten, president; John R. Simacek, vp.
Contact: Mark T. Flaten.

Arthur Andersen & Co. S.C.

1601 Market St., Philadelphia, Pa. 19103; 215-241-7302; fax: 215-241-6460

1994 Revenues

Total gross revenues	$6,700,000,000
Risk management consulting revenues	$8,204,971
Continuous consulting	1%
Risk management audits	3%
Special projects	96%

Staff

Total	72,722
Risk management professionals	55
Includes: 11 principal consultants, 18 consultants, 7 actuaries, 19 analysts	

Clients

Total	233

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, business interruption claims, business recovery planning, risk identification and assessment, evaluation of competitive proposals.
Occasional special projects: RMIS consulting, risk management communication.
Locations: Los Angeles and San Francisco; Hartford, Conn.; Atlanta; Chicago; New York; Philadelphia; Houston; Milwaukee.
Compensation: By the project, on retainer, by the hour: principal consultant, $280 to $340.
Officers: Michael L. Toothman, managing partner; David A. Borghesi, business interruption claims; Russell J. Gates, disaster recovery planning; Richard G. Gregoire, casualty claims consulting; Mark C. Hargis, environmental risk analysis; W. Richard Naylor, Todd L. Williams, risk management.
Contact: Ellen A. Semple, 215-241-8071.

Continued on next page

A chart of the largest risk management consultants appears on page 15.

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Continued from previous page

ANISTICS

1185 Ave. of the Americas, New York, N.Y. 10036; 212-238-1830; fax: 212-238-1039

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	5%
Special projects	15%

Staff

Total	70
Risk management professionals	4
Includes: 3 actuaries	

Clients

Total	NA
Associations	20
Minimum size	None

Consulting since: 1970.
Parent: CNA Financial Corp.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, quantitative/statistical analysis and forecasting, RMIS consulting.
Occasional special projects: Insurance contract analysis, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.
Specialties: Health care, financial services, public entities.
Locations: San Francisco; Atlanta; Dallas; Toronto; London.
Compensation: By the project, on retainer, by the hour: principal consultant, $180 to $250.
Officers: Mary Villani, Deborah Durkin, global directors; Peter Lindquist, Michael Hopkovitz, vps.
Contact: Lee Topham.

Applied Risk Control Corp.

15 N. Mill St., Nyack, N.Y. 10960; 914-365-2444; fax: 914-365-2478

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	15%
Special projects	5%

Staff

Total	12
Risk management professionals	10
Includes: 5 principal consultants, 2 consultants, 3 analysts	

Clients

Total	100
Associations	1
Minimum size	None

Consulting since: 1985.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness, educational seminars, loss management studies, organizational structure analysis.
Occasional special projects: Accounting systems analysis, quantitative/statistical analysis and forecasting.
Locations: Los Angeles; Atlanta; Chicago; Kansas City, Kan.
Compensation: By the project, on retainer, by the hour: principal consultant, $105.
Officers: Harry P. Mirijanian, president.

Applied Risk Insurance Services Inc.

31441 Santa Margarita Parkway, Suite A-227, Rancho Santa Margarita, Calif. 92688; 714-459-1870; fax: 714-459-1871

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	20%
Risk management audits	20%
Special projects	60%

Staff

Total	2
Risk management professionals	1

Clients

Total	8
Associations	1
Minimum size	None

Consulting since: 1984.
Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, environmental, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.
Compensation: By the project, by the hour: principal consultant, $150.
Officers: Duane E. Allen, president.

APTECH Engineering Services Inc.

1282 Reamwood Ave., P.O. Box 3440, Sunnyvale, Calif. 94089; 408-745-7000; fax: 408-734-0445

1994 Revenues

Total gross revenues	$12,000,000
Risk management consulting revenues	$660,000
Continuous consulting	10%
Risk management audits	10%
Special projects	80%

Staff

Total	80
Risk management professionals	10
Includes: 4 principal consultants, 5 consultants, 1 analyst	

Clients

Total	15
Associations	2
Minimum size	None

Consulting since: 1980.
Frequent special projects: Risk retention analysis, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, underwater pipeline risk analysis.
Occasional special projects: Environmental, loss prevention audits, risk management organization studies.
Specialties: Electric utility companies, oil pipeline companies, petrochemical refining companies.
Locations: Atlanta; Upper Marlboro, Md.; Charlotte, N.C.; Bethlehem, Pa.; Chattanooga, Tenn.; Houston.
Compensation: By the hour: principal consultant, $200.
Officers: Geoffrey Egan, president; Kimble Clark, vp.

Associated Consultants Inc.

P.O. Box 636, Park Ridge, Ill. 60068; 708-297-0500; fax: 708-698-9905

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	85%
Risk management audits	5%
Special projects	10%

Staff

Total	4
Risk management professionals	2
Includes: 1 principal consultant, 1 consultant	

Consulting since: 1981.
Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting.
Specialties: Real estate, wholesale distribution, manufacturing.
Compensation: By the hour: principal consultant, $135.
Membership: SRMC.
Officers: Robert K. Nelson, president.

AuditRate Inc.

60 W. Superior St., Chicago, Ill. 60610; 312-944-2000; fax: 312-944-7000

1994 Revenues

Total gross revenues	$700,000
Risk management consulting revenues	$545,000
Continuous consulting	15%
Risk management audits	65%
Special projects	20%

Staff

Total	9
Risk management professionals	6
Includes: 2 principal consultants, 2 consultants, 2 analysts	

Clients

Total	110
Minimum size	None

Consulting since: 1966.
Parent: Alper Services Inc.
Frequent special projects: Captive feasibility studies, analysis of limits, insurance contract analysis, loss prevention audits, workers compensation claim management.
Occasional special projects: Risk retention analysis, claims auditing, environmental, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.
Specialties: Manufacturing, metalworkers, plastic job shops.
Compensation: By the project, on retainer, by the hour: principal consultant, $200.
Officers: Howard C. Alper, president/CEO; John F. Wheaton, executive vp/COO; Richard A. Swoik, vp.
Contact: Howard C. Alper.

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408 Cedar Bluff Road, Suite 220,
Knoxville, Tenn. 37923; 615-694-6098;
fax: 615-694-6099

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	88%
Risk management audits	10%
Special projects	2%

Staff

Total	3
Risk management professionals	2

Includes: 1 principal consultant, 1 consultant

Consulting since: 1989.
Frequent special projects: Analysis of limits, insurance contract analysis, loss settlement assistance, risk management organization studies, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, loss prevention audits, broker assessment, quantitative/statistical analysis and forecasting, expert witness.
Specialties: Financial institutions, municipalities, natural gas utilities, manufacturing concerns.
Compensation: By the project, on retainer, by the hour: principal consultant, $100.
Membership: SRMC.
Officers: W. Hank Bahr, president.

Banic Group Inc.

1701 Golf Road, Tower 3, Suite 600,
Rolling Meadows, Ill. 60008;
708-437-4800; fax: 708-437-4941

1994 Revenues

Total gross revenues	$4,810,000
Risk management consulting revenues	$2,655,000
Continuous consulting	60%
Risk management audits	20%
Special projects	20%

Staff

Total	5
Risk management professionals	4

Includes: 2 principal consultants, 2 consultants

Clients

Total	NA
Associations	3
Minimum size	None

Consulting since: 1992.
Parent: National Insurance Partners Inc.
Frequent special projects: Risk retention analysis, captive feasibility studies, broker assessment, preparation of bidding specifications.
Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting.
Specialties: Transportation, contractors, health care.
Compensation: By the project, by the hour: principal consultant, $250.
Officers: Michael R. Mead, chairman/CEO; Henry A. Peterson, executive vp/COO; Ralph Hubbard, Paul Williams, senior vps.
Contact: Michael R. Mead.

Andrew Barile Associates

59 John St., New York, N.Y. 10038;
212-227-1300; fax: 212-349-1651

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	25%
Risk management audits	5%
Special projects	70%

Staff

Total	3

Clients

Total	6
Associations	2
Minimum size	None

Consulting since: 1977.
Frequent special projects: Captive feasibility studies, broker assessment, expert witness, capability of risk manager.
Occasional special projects: Risk retention analysis, insurance contract analysis, environmental, loss settlement assistance, preparation of bidding specifications.
Specialties: Finite risk for insurance and reinsurance, fronting for offshore insurance captives.
Locations: San Diego.
Compensation: By the project, on retainer, by the hour: principal consultant, $175.
Officers: Andrew Barile, president.

Becher & Carlson Risk Management Inc.

21700 Oxnard St., Suite 1800,
Woodland Hills, Calif. 91367;
818-715-0800; fax: 818-407-5555

Staff

Total	50
Risk management professionals	30

Includes: 9 principal consultants, 18 consultants, 1 actuary, 2 analysts

Consulting since: 1981.
Parent: American Re-Insurance Co.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.
Occasional special projects: Environmental, accounting systems analysis, broker assessment, preparation of bidding specifications, expert witness, mergers and acquisitions.
Specialties: Large property/casualty risks, warranty and credit life programs.
Locations: Atlanta; Honolulu; Burlington, Vt.; Hamilton, Bermuda.
Compensation: By the project, on retainer, by the hour.
Officers: David L. Carlson, president/CEO; Robert L. Glicksteen, senior vp/CFO; Robert W. Hessel, senior vp/Atlanta branch manager; James J. Kofmehl Jr., senior vp/Los Angeles branch manager; Gregory K. Myers, senior vp.

R.L. Beeckman & Co. Inc.

1523 Court St., P.O. Box 6700,
Saginaw, Mich. 48608-6700;
517-791-4545; fax: 517-791-4714

1994 Revenues

Total gross revenues	$1,050,000
Risk management consulting revenues	$1,040,000
Continuous consulting	100%

Staff

Total	14
Risk management professionals	13

Includes: 2 principal consultants, 6 consultants, 1 analyst

Clients

Total	115
Associations	1
Minimum size	None

Consulting since: 1986.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.
Occasional special projects: Captive feasibility studies, risk management organization studies.
Locations: Mishawaka, Ind.; Ann Arbor, Mich.
Compensation: By the hour: principal consultant, $100 to $150.
Officers: Richard L. Beeckman, president.
Contact: Richard L. Beeckman or R. Scott Ecker.

Douglas Bell Associates Inc.

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

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	95%
Risk management audits	2.5%
Special projects	2.5%

Staff

Total	1

Includes: 1 principal consultant

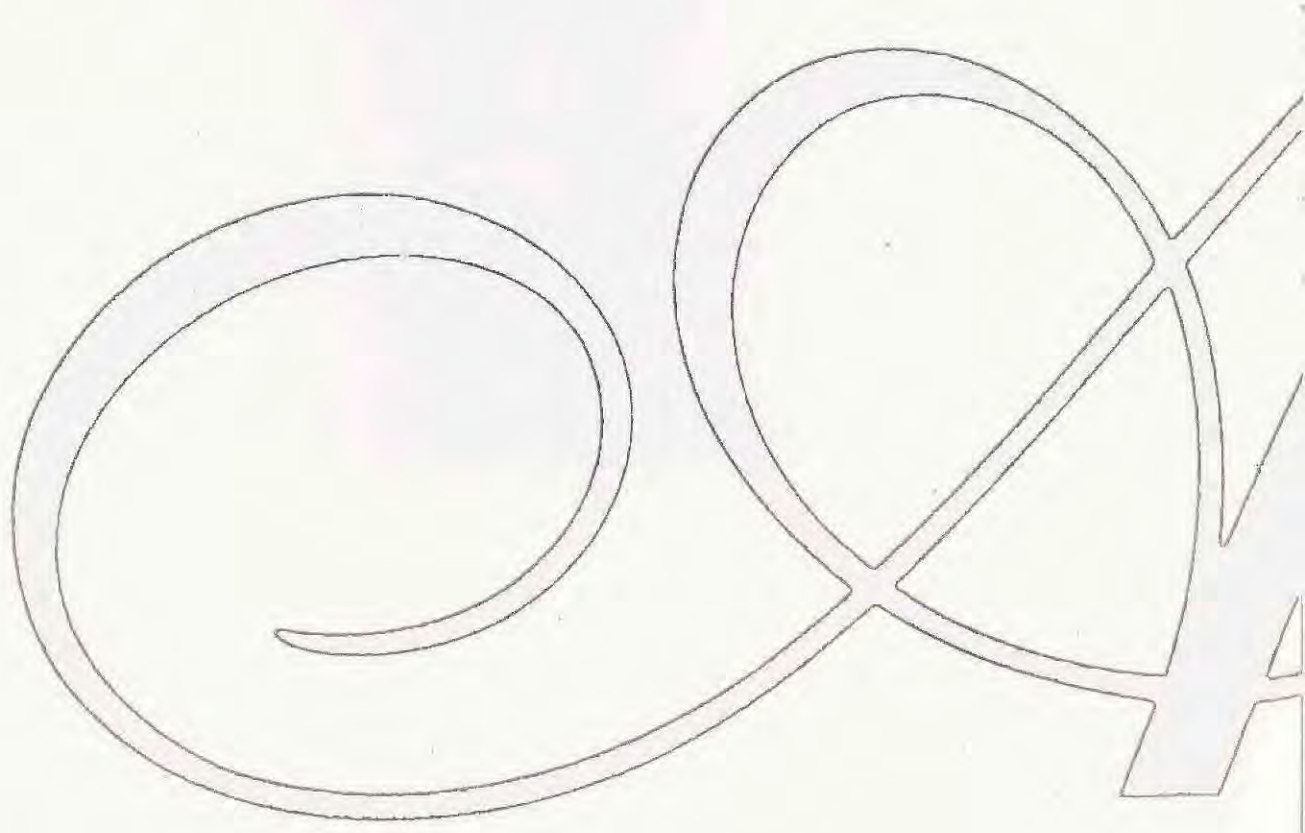
Clients

Total	12
Minimum size	None

Consulting since: 1984.
Frequent special projects: Insurance contract analysis, broker assessment, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, analysis of limits, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.
Compensation: By the hour: principal consultant, $125 to $150.
Membership: SRMC.
Officers: Douglas Bell, chairman.

Continued on next page

Q. Is there an **insurance broker** willing to develop customized solutions to the unique needs of *my* business?



Continued from previous page

Max Bernstein Co.

555 California St., Suite 4490, San Francisco, Calif. 94104; 415-981-3510; fax: 415-362-7100

1994 Revenues	
Total gross revenues	$250,000
Risk management consulting revenues	$250,000
Continuous consulting	60%
Risk management audits	25%
Special projects	15%
Staff	
Total	4
Risk management professionals	3
Includes: 1 principal consultant, 2 consultants	
Clients	
Total	26

Consulting since: 1986.

Frequent special projects: Risk retention analysis, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications, outsourcing.

Occasional special projects: Captive feasibility studies, analysis of limits, claims auditing, loss prevention audits, risk management organization studies, expert witness.

Specialties: Biotech, financial services, food processing, health care, retail.

Compensation: By the project, on retainer, by the hour: principal consultant, $175.

Officers: Max Bernstein, president.

Blades, Macaulay, Crout & Myers Inc.

2444 Morris Ave., P.O. Box 188, Union, N.J. 07083; 908-687-3735; fax: 908-687-2040

1994 Revenues	
Risk management consulting	100%
Continuous consulting	40%
Risk management audits	40%
Special projects	20%
Staff	
Total	6
Risk management professionals	4
Includes: 2 principal consultants, 2 consultants	
Clients	
Total	30
Associations	3
Minimum size	None

Consulting since: 1926.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.

Occasional special projects: Loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting.

Compensation: By the project, on retainer, by the hour: principal consultant, $160 to $180.

Membership: SRMC.

Officers: John J. Crout, president; Richard L. Myers, vp.

T.E. Brennan Co.

330 E. Kilbourn Ave., Suite 750, Milwaukee, Wis. 53202; 414-271-2232; fax: 414-271-0104

1994 Revenues	
Total gross revenues	$1,727,000
Risk management consulting revenues	$1,727,000
Continuous consulting	73%
Risk management audits	17%
Special projects	10%
Staff	
Total	16
Risk management professionals	11
Includes: 6 principal consultants, 5 consultants	
Clients	
Total	230
Associations	4
Minimum size	None

Consulting since: 1895.

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, loss prevention audits, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, broker assessment, risk management organization studies.

Compensation: By the project, on retainer, by the hour: principal consultant, $185 to $250.

Membership: SRMC.

Officers: John Hayes, chairman; Arvid R. Tillmar, CEO; Thomas E. Gold, president; William Foran, secretary.

Contact: Arvid R. Tillmar.

Brownlow Associates Inc.

P.O. Box 498, Western Springs, Ill. 60558-0498; 708-246-5225

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	90%
Special projects	10%
Staff	
Total	3
Includes: 1 principal consultant, 2 analysts	
Clients	
Total	10
Minimum size	None

Consulting since: 1986.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, preparation of bidding specifications.

Occasional special projects: Claims auditing, broker assessment.

Specialties: Financial institutions.

Compensation: By the project, on retainer.

Officers: James S. Brownlow, president; Anita J. Brownlow, vp.

Larry W. Buck & Associates Inc.

820 Gessner, Suite 1355, Houston, Texas 77024; 713-467-4701; fax: 713-467-4780

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%
Staff	
Total	3
Risk management professionals	2
Includes: 1 principal consultant, 1 consultant	

Consulting since: 1977.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, expert witness.

Specialties: Real estate, manufacturing, hotels, non-profit agencies.

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

Membership: SRMC.

Officers: Larry W. Buck, president; N. Richard Magel, vp.

Ken Buhler Associates Inc.

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

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	75%
Risk management audits	10%
Special projects	15%
Staff	
Total	4
Includes: 1 principal consultant, 2 consultants	

Consulting since: 1976.

Frequent special projects: Loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, fire protection consulting, sprinkler system design and analysis.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, expert witness.

Compensation: By the project, by the hour.

Officers: Ken Buhler, president; Rand Buhler, Sandy Relkin, vps.

J.D. Byrd & Associates Inc.

2120 Everglades Place, Davis, Calif. 95616; 916-756-5278; fax: 916-756-5279

1994 Revenues	
Total gross revenues	$324,000
Risk management consulting revenues	$324,000
Special projects	100%
Staff	
Total	6
Risk management professionals	6
Includes: 2 principal consultants, 4 consultants	
Clients	
Total	2
Minimum size	$5,000,000

Consulting since: 1993.

Frequent special projects: Quantitative/statistical analysis and forecasting, workers compensation cost reduction programs, modified work programs.

Occasional special projects: Risk retention analysis, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Specialties: Self-insured employers, brokers, insurers, public agencies, hospi-

Continued on next page

A. Yes...Acordia. Acordia forms working partnerships with clients of all sizes and in all industries. We're one of the largest insurance brokers in the United States—a network of companies that deliver property and casualty coverages, workers' compensation programs, employee benefits programs, managed health care integration, consulting, and loss control services. We work to understand your insurance-related needs, and we create innovative and specialized answers that help you meet those needs. Making both your business—and ours—a success.

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Insurance Brokers With Answers

Continued from previous page
tal groups, pools.

Compensation: By the project, on retainer.

Officers: J. Douglas Byrd, president/CEO; Clinton Collins, medical director; Debra Doyle, director-claims operations.

CGR

455 W. St. Antoine, Suite 310, Montreal, Quebec, Canada H2Z 1J1; 514-392-1253; fax: 514-392-0559

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	30%
Risk management audits	40%
Special projects	30%

Staff

Total	3
Risk management professionals	2

Includes: 1 principal consultant, 1 consultant

Clients

Total	12
Minimum size	None

Consulting since: 1987.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, quantitative/statistical analysis and forecasting, RMIS consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $200.

Officers: Andre Goyette, president/owner.

Cantor & Co.

9100 Wilshire Blvd., Suite 445 E., Beverly Hills, Calif. 90212; 310-859-7277; fax: 310-854-7415

1994 Revenues

Risk management consulting revenues	NA
Special projects	100%

Staff

Total	6
Risk management professionals	5

Includes: 1 principal consultant, 4 analysts

Clients

Minimum size	None

Consulting since: 1982.

Frequent special projects: Quantitative/statistical analysis and forecasting, RMIS consulting.

Occasional special projects: Risk retention analysis, captive feasibility studies.

Compensation: By the project, on retainer, by the hour: principal consultant, $180.

Officers: Alan B. Cantor, president; Judith Szarka, vp.

Contact: Alan B. Cantor.

Capell Industrial Risk Management Inc.

955 Horsham Road, Suite 205, Horsham, Pa. 19044; 215-441-5561; fax: 215-441-5567

1994 Revenues

Total gross revenues	$600,000
Risk management consulting revenues	$500,000
Continuous consulting	85%
Risk management audits	5%
Special projects	10%

Staff

Total	4
Risk management professionals	1

Includes: 1 principal consultant

Clients

Total	60
Associations	2
Minimum size	None

Consulting since: 1978.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, broker assessment, loss settlement assistance, preparation of bidding specifications, RMIS consulting, analysis of prior liability policies for environmental coverage.

Occasional special projects: Risk retention analysis, captive feasibility studies, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness, insurance archeology.

Specialties: Paints/coatings, adhesives/sealants, specialty chemical, plastics, real estate developers/contractors, hazardous waste haulers.

Compensation: By the project, commissions, on retainer, by the hour: principal consultant, $175.

Officers: James W. Capell, president.

Caronia Corp.

3300 PGA Blvd., 7th Floor, Palm Beach Gardens, Fla. 33410; 800-227-6642; fax: 407-694-1990

1994 Revenues

Risk management consulting revenues	$6,240,000
Continuous consulting	22%
Risk management audits	36%
Special projects	42%

Staff

Total	215
Risk management professionals	72

Includes: 72 consultants

Clients

Total	183
Associations	16
Minimum size	None

Consulting since: 1972.

Frequent special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting, design of in-house programs, frequency and severity studies.

Occasional special projects: Analysis of limits, insurance contract analysis, environmental, accounting systems analysis, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Self-insured risks: primarily high exposure risk, including health care providers.

Locations: Albany, Long Island, New York, N.Y.; Atlanta; Austin, Dallas, Houston, Lubbock and San Antonio, Texas; Baltimore; Boston; Coral Springs, Miami, Sarasota and Tampa, Fla.; Denver; Detroit; Greenville, S.C.; Louisville, Ky.; Nashville, Tenn.; New Orleans; Newport Beach, San Diego, San Francisco and Santa Monica, Calif.; St. Louis; Seattle; Washington.

Compensation: By the project, commissions, on retainer, by the hour: consultant, $75 to $135.

Officers: Charles Caronia, CEO; Charles McGill, executive vp; Benjamin Thompson, CFO.

Casualty Actuarial Consultants Inc.

7101 Executive Center Drive, Suite 225, Brentwood, Tenn. 37027; 615-371-5339; fax: 615-371-5341

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	100%

Staff

Total	9

Includes: 9 actuaries

Clients

Total	100
Associations	75
Minimum size	None

Consulting since: 1989.

Frequent special projects: Quantitative/statistical analysis and forecasting, loss reserve certifications, loss forecasts, rate adequacy studies.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, RMIS consulting, expert witness.

Specialties: Individual and group self-insured risks, including workers compensation groups and government entities.

Compensation: By the project, by the hour: principal consultant, $175.

Officers: Edward Costner, president; Cecilia M. LePere, Lisa N. Dennison, senior vps.

Contact: Ed Costner.

Charlesworth & Associates

P.O. Box 12830, Overland Park, Kan. 66212; 913-451-4730; fax: 913-451-5985

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	30%
Special projects	20%

Staff

Total	5
Risk management professionals	3

Includes: 1 principal consultant, 2 consultants

Clients

Total	30

Consulting since: 1977.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention

Continued on page 30

Q: Who Offers A State of the Art Risk Management Information System That's Easy to Use, Real-Time, and Windows®-based?

A: The AIG Companies

When you want immediate access to accurate, timely claims information, you don't want hassles and glitches. You want a menu-driven system that gives you standard or customized reports—*instantly*. Plus software and support that makes it simple to use. IntelliRisk™, from the AIG Companies, can meet your needs.

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AIG World leaders in insurance and financial services.

IntelliRisk

The New Standard In Risk Management Solutions

invite insight Writing facultative reinsurance for today's market takes more than just capacity. It requires capability. ZRC can show you innovative ways to evaluate your casualty fac risks and more effective ways to manage them. **secure strength**

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fax 404-668-2371	fax 312-554-3839	fax 203-965-8850	fax 212-898-5008	fax 415-837-0484	fax 203-965-8850

ZRC

RAISING THE STANDARD FOR REINSURANCE

MEMBER OF THE ZURICH INSURANCE GROUP

Continued from page 28
audits, preparation of bidding specifications.

Occasional special projects: Claims auditing, broker assessment, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting.

Specialties: Schools, hospitals, municipalities, manufacturing.

Compensation: By the project, on retainer, by the hour: principal consultant, $95.

Officers: Art Charlesworth, owner.

Chubb Services Corp.

25 Independence Way, Warren, N.J. 07059; 800-543-4580; fax: 908-903-7187

Staff

Total	90
Risk management professionals	20

Includes: 12 principal consultants, 4 consultants, 2 actuaries, 2 analysts

Consulting since: 1991.

Parent: Chubb & Son Inc.

Frequent special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, risk management organization studies, disaster recovery planning.

Occasional special projects: Analysis of limits, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Financial institutions, electronics, biotech, nursing homes.

Locations: Los Angeles; Atlanta; Louisville, Ky.; Westborough, Mass.; Murray Hill, N.J.; Harrisburg, Pa.

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

Officers: Bob Felch, president; Sam Lee, vp-risk management services; Robert Santoro, vp-self-insurance group administration; Barry Wells, vp-claims.

Contact: Ronni Zimmerman.

Cityside Associates Inc.

P.O. Box 429, Guthrie Professional Building, Vernon, N.J. 07462; 800-252-4652; fax: 201-764-8582

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	75%
Risk management audits	15%
Special projects	10%

Staff

Total	6
Risk management professionals	3

Includes: 2 principal consultants, 1 consultant

Clients

Minimum size	None

Consulting since: 1981.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Occasional special projects: Risk retention analysis, captive feasibility studies, loss prevention audits, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Health care, municipalities, elevator contractors, supermarkets.

Locations: Farmingdale and White Plains, N.Y.

Compensation: By the project, on retainer, by the hour: principal consultant, $140.

Membership: SRMC.

Officers: Ralph Carnesecchi, president; Kenneth Richman, vp.

Collegiate Risk Management Inc.

P.O. Box 3448, Park City, Utah 84060-3448; 801-647-0445; fax: 801-647-0419

Staff

Total	1

Clients

Minimum size	$250,000

Consulting since: 1995.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, environmental, accounting systems analysis.

Specialties: Higher education institutions.

Compensation: By the project, on retainer.

Officers: Richard H. Noel, president.

Commercial Risk Consultants Inc.

Harbour Centre, 2 Eaton St., Suite 504, Hampton, Va. 23669-0606; 804-723-0254; fax: 804-723-7953

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	4
Risk management professionals	2

Includes: 1 principal consultant, 1 consultant, 2 analysts

Clients

Total	41
Minimum size	$100,000

Consulting since: 1979.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, accounting systems analysis, loss settlement assistance, RMIS consulting.

Specialties: Stevedoring, terminals, trucking, municipalities, transit systems, food processors, automobile parts manufacturing.

Locations: Richmond, Va.

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

Membership: SRMC.

Officers: John W. Newby, president.

Commonwealth Risk Management Inc.

P.O. Box 834, Montpelier, Vt. 05601-0834; 802-229-5000; fax: 802-229-2715

Staff

Total*	4

Includes: principal consultants, consultants, actuaries

** 1995 figures.*

Consulting since: 1987.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, accounting systems analysis, risk management organization studies, quantitative/statistical analysis and forecasting.

Occasional special projects: Insurance contract analysis, claims auditing, environmental, loss prevention audits, broker assessment, loss settlement assistance, preparation of bidding specifications, RMIS consulting.

Specialties: Auto dealers, aviation, manufacturing, marine, mental health providers, hotels, department stores, real estate development.

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

Officers: Peter D. Sanger, president.

The Compass Co. Inc.

169 Baldwin Blvd., Selinsgrove, Pa. 17870-9516; 717-743-1904; fax: 717-743-8184

1994 Revenues

Risk management consulting	100%
Continuous consulting	55%
Risk management audits	10%
Special projects	35%

Staff

Total	2

Includes: 1 principal consultant

Clients

Total	NA
Associations	2
Minimum size	None

Consulting since: 1984.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

Occasional special projects: Captive feasibility studies, environmental, RMIS consulting.

Specialties: Retirement communities, recreation facilities, developers.

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

Officers: Edward W.S. Neff, president.

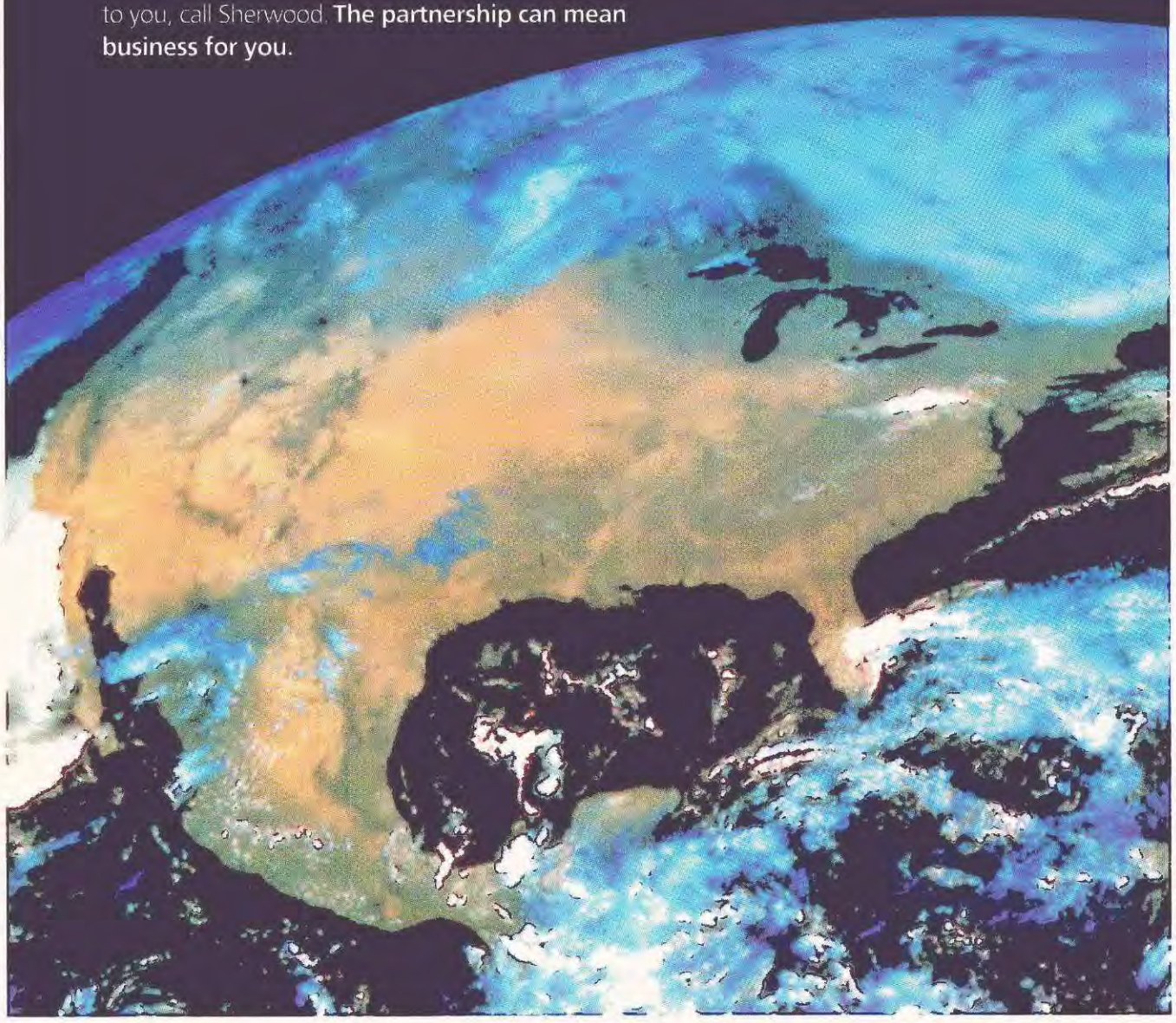
Continued on page 32

Directory listings and terms are explained on page 20.

CNA and Sherwood...
The Partnership that Means Business...
$5,000,000 capacity.

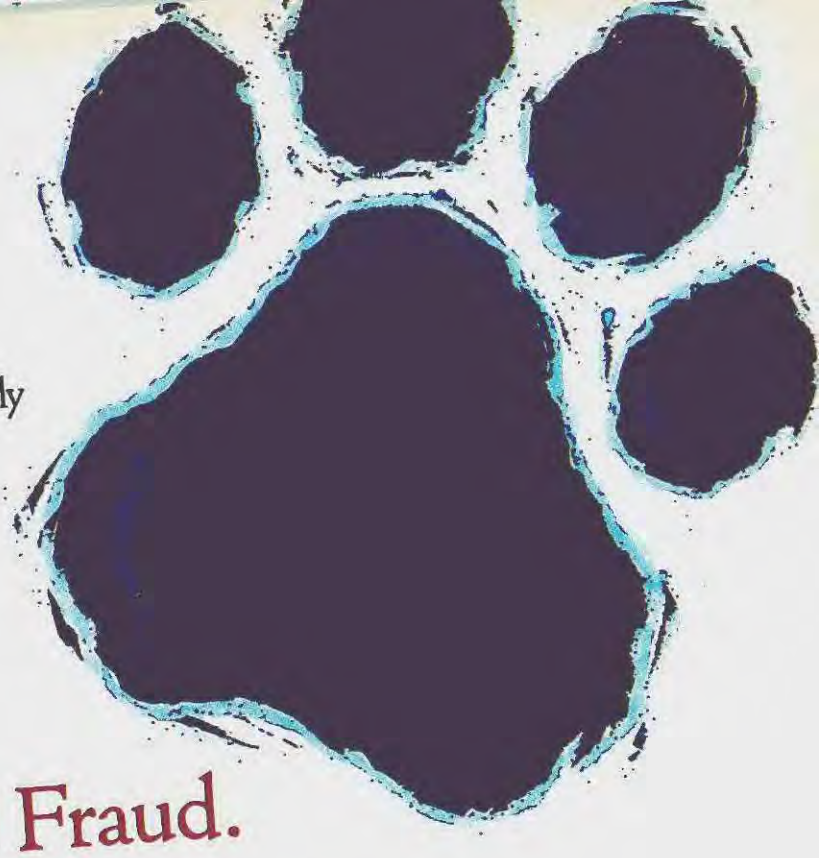
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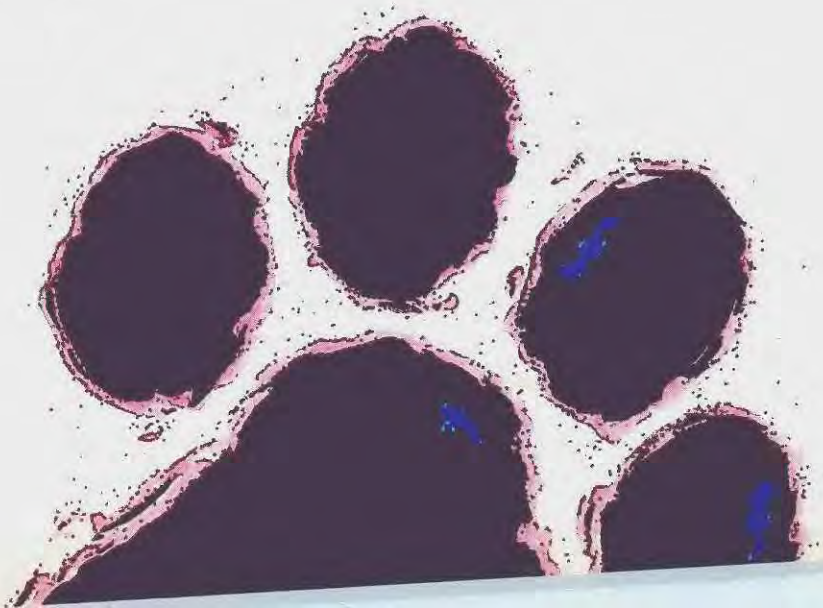
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FACING THE ISSUES THAT FACE OUR CUSTOMERS™



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Continued from page 30

Comprehensive Risk Management Inc.

P.O. Box 3878, Peabody, Mass. 01961; 508-535-9779; fax: 508-535-3636

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	20%
Special projects	30%

Staff

Total	3
Risk management professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	14
Associations	2
Minimum size	$250,000

Consulting since: 1991.

Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, accounting systems analysis, broker assessment, risk management organization studies, preparation of bidding specifications, loss control and safety programs.

Occasional special projects: Risk retention analysis, claims auditing, RMIS consulting.

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

Officers: Philip E. Goldsmith, president.

Compu-Weather

1966 Route 52, Hopewell Junction, N.Y. 12533; 800-825-4445; fax: 800-825-4441

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	25%
Risk management audits	50%
Special projects	25%

Staff

Total	32
Risk management professionals	20
Includes: 7 principal consultants, 3 consultants, 10 analysts	

Clients

Total	2,000

Consulting since: 1978.

Frequent special projects: Claims auditing, environmental, loss prevention audits, loss settlement assistance, expert witness.

Occasional special projects: Risk retention analysis, analysis of limits, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Locations: Los Angeles; Long Island and New York, N.Y. Affiliated offices nationwide.

Compensation: By the project, on retainer.

Officers: Jeff Wimmer, president; Tore Jakobsen, treasurer; Jim Witt, vp.

Contact: Jeff Wimmer, 800-284-7246.

CONFIRM Inc.

30 Watervliet Ave., Albany, N.Y. 12206-1935; 518-459-0296; fax: 518-438-4042

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	35%
Risk management audits	15%
Special projects	50%

Staff

Total	5
Includes: 2 principal consultants, 3 consultants	

Clients

Total	21
Associations	4
Minimum size	$50,000

Consulting since: 1989.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, expert witness.

Specialties: Public entities, health facilities, associations.

Compensation: By the project, on retainer, by the hour: principal consultant, $125.

Membership: SRMC.

Officers: James P. Faughnan Jr., president; Lawrence E. O'Brien, principal consultant; Paul J. Czesak, director-engineering services; Florence S. Smith, Ardis Sherin, consultants.

Consolidated Risk Management

1127 Euclid Ave., Suite 1050, Cleveland, Ohio 44115-1695; 216-623-1777; fax: 216-241-8267

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	9
Risk management professionals	7
Includes: 3 principal consultants, 3 consultants, 1 analyst	

Clients

Total	18
Minimum size	None

Consulting since: 1985.

Frequent special projects: Insurance contract analysis, risk management organization studies, preparation of bidding specifications, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, broker assessment, loss settlement assistance, quantitative/statistical analysis and forecasting.

Specialties: Real estate management/development.

Compensation: By the project, on retainer, by the hour: principal consultant, $150 to $185.

Officers: Michael R. Weil, chairman; Michael A. Cristal, William E. Castle, vps.

Contact: Michael R. Weil.

Coopers & Lybrand L.L.P.-Casualty Actuarial & Risk Management Consulting Services

1301 Ave. of the Americas, New York, N.Y. 10019-6013; 800-404-2276; fax: 212-259-4057

1994 Revenues

Total gross revenues	$39,100,000
Risk management consulting revenues	$19,700,000
Continuous consulting	15%
Risk management audits	40%
Special projects	45%

Staff

Total	247
Risk management professionals	96
Includes: 52 principal consultants, 23 consultants, 59 actuaries*, 21 analysts	

Clients

Total	1,425
Minimum size	None

** Some actuaries are counted in more than one category*

Consulting since: 1979.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, alternative risk financing studies, insurance litigation services, liquidation services, merger and acquisition services, costs of risk allocation systems studies, third-party administrators evaluation, property/business interruption claim preparation assistance.

Occasional special projects: Loss prevention audits, RMIS consulting, managed care techniques in workers compensation, business continuity planning, owner controlled insurance program feasibility studies, risk management organizational studies.

Specialties: Chemical, pharmaceutical, insurance, third-party administrators, financial services, retail and distribution, manufacturing, higher education, transportation, institutional, mining, energy, health care, utilities, government.

Locations: Los Angeles and San Francisco; Denver; Washington; Tampa, Fla.; Atlanta; Chicago; Boston; Parsippany, N.J.; Philadelphia and Valley Forge, Pa.; Dallas; Seattle; Melbourne and Sydney, Australia; Hamilton, Bermuda; Toronto; London.

Compensation: By the project, by the hour: principal consultant, $280 to $460.

Membership: SRMC.

Officers: Frederick O. Kist, managing partner; Orin M. Linden, W. Michael Flaharty, partners; Michael R. Vogler, national director; Cathy L. McKeon, director.

Contact: Michael R. Vogler, 404-870-1396 or 800-404-2276.

Continued on next page

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Continued from previous page

Copper Roof Management Inc.

807 Drake St., Vancouver, British Columbia, V6Z 1C1; 604-669-0456; fax: 604-738-7110

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	30%
Risk management audits	30%
Special projects	40%

Staff

Total	5
Risk management professionals	3
Includes: 2 principal consultants, 1 analyst	

Clients

Total	32

Consulting since: 1982.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, development of risk management manuals.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, RMIS consulting.

Specialties: Municipal risks, property managers and developers, armored car and courier industry, manufacturing.

Locations: Bellevue, Wash.

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

Membership: SRMC.

Officers: Erika D. Sabo, president; John I.R. Weller, secretary.

CORE Risk Services

P.O. Box 206, Johanniter-halle, 22145 Wasserstrasse, Oldenburg, Ind. 47036-0206; 812-933-0656; fax: 812-933-0354

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	25%
Special projects	25%

Staff

Total	3
Includes: 3 principal consultants	

Consulting since: 1993.

Frequent special projects: Insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Locations: Chicago.

Compensation: By the project, on retainer, by the hour: principal consultant, $125.

Officers: Robert L. Bernens, Susan Turner, Gary A. Getter, Mary Ellen Wilson.

Contact: Robert L. Bernens.

Corporate Financial Management Inc.

16 S. Main St., Suite 4, Yardley, Pa. 19067-1511; 215-321-3215; fax: 215-321-3669

Staff

Total	3
Includes: 1 principal consultant, 1 analyst	

Clients

Total	10
Associations	2
Minimum size	None

Consulting since: 1990.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, environmental, accounting systems analysis, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, risk management program outsourcing.

Occasional special projects: Claims auditing, loss prevention audits, loss settlement assistance.

Specialties: Environmental; professional services, including medical; trucking; health care; manufacturing and distribution.

Compensation: By the project, on retainer, by the hour: principal consultant, $140 to $175.

Membership: SRMC.

Officers: Helen R. Bosley, president/CEO.

Corporate Policyholders Counsel Inc.

2 Westbrook Corporate Center, Suite 640, Westchester, Ill. 60154; 708-298-1770; fax: 708-449-0235

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	34%
Risk management audits	33%
Special projects	33%

Staff

Total	6
Risk management professionals	4
Includes: 4 principal consultants	

Consulting since: 1898.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Occasional special projects: Captive feasibility studies, claims auditing, accounting systems analysis, loss settlement assistance.

Specialties: Contractors, public entities, museums.

Compensation: By the project, on retainer, by the hour: principal consultant, $150 to $195.

Membership: SRMC.

Officers: Steve Coombs, president; William Leinheiser, senior vp/secretary; Robert Trompeter, executive vp/treasurer.

Corporate Risk Consultants Division-Meadowbrook Insurance Group

26600 Telegraph Road, Southfield, Mich. 48034; 810-358-1100; fax: 810-358-1614

1994 Revenues

Total gross revenues	$1,800,000
Risk management consulting revenues	$1,600,000
Continuous consulting	89%
Risk management audits	1%
Special projects	10%

Staff

Total	23
Risk management professionals	9
Includes: 3 principal consultants, 1 consultant, 2 actuaries, 3 analysts	

Clients

Total	48
Associations	48

Consulting since: 1978.

Parent: Meadowbrook Insurance Group.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis.

Occasional special projects: Claims auditing, environmental, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Specialties: Public entities, group captive programs.

Locations: Denver; Miami; Minneapolis; New York; Hamilton, Bermuda.

Compensation: On retainer, by the hour: principal consultant, $100 to $200.

Officers: Merton J. Segal, chairman; Robert A. Engle, vice chairman; Warren D. Gardner, president; Cheryl L. Reno, senior vp/secretary; Robert S. Cubbin, vp/general counsel.

Corporate Risk Management Inc.

350 E. Ogden Ave., Westmont, Ill. 60559; 708-920-0000; fax: 708-920-0157

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	45%
Risk management audits	45%
Special projects	10%

Staff

Total	7
Risk management professionals	3
Includes: 2 principal consultants, 1 consultant	

Clients

Minimum size	None

Consulting since: 1978.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications, insurance cost reduction services.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, expert witness.

Specialties: Contractors, manufacturing, entertainment and motion picture

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Continued from previous page
industry, trucking.

Compensation: By the project, on retainer, by the hour: principal consultant, $225.

Officers: Robert A. Wilson, president; Robert W. Wilson, executive vp.

Contact: Robert A. Wilson.

Corporate Risk Management Inc.

505 Fenton Place, Charlotte, N.C. 28207; 704-335-0185; fax: 704-377-2973

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	70%
Risk management audits	20%
Special projects	10%

Staff

Total	7
Risk management professionals	6
Includes: 2 principal consultants, 3 consultants, 1 analyst	

Clients

Total	45
Minimum size	None

Consulting since: 1978.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $125.

Officers: William B. Heeney, president; Mark S. Moss, vp.

Contact: William B. Heeney.

Crain, Langner & Co.

3728 Waitley Drive, P.O. Box 531, Richfield, Ohio 44286; 216-659-3142; fax: 216-659-6241

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	70%
Risk management audits	20%
Special projects	10%

Staff

Total	4
Risk management professionals	2
Includes: 2 principal consultants	

Clients

Total	100
Associations	2
Minimum size	None

Consulting since: 1939.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Health care, government entities, manufacturing, financial institutions, contractors, developers.

Compensation: By the project, on retainer, by the hour: principal consultant, $140.

Membership: SRMC.

Officers: Thomas E. Borror, president; Kenneth R. Butler, vp.

Creative Risk Concepts (CRC) International

6114 LaSalle Ave., Suite 355, Oakland, Calif. 94602; 510-531-9150; fax: 510-531-2531

1994 Revenues

Total gross revenues	$100,000
Risk management consulting revenues	$100,000
Continuous consulting	15%
Risk management audits	10%
Special projects	75%

Staff

Total	1
Includes: 1 principal consultant	

Clients

Total	25
Associations	3
Minimum size	None

Consulting since: 1985.

Frequent special projects: Captive feasibility studies, risk management organization studies, expert witness, captive and risk retention group formation project management.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

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

Membership: SRMC.

Officers: Donn P. McVeigh, managing director.

Crouch Insurance Consulting Inc.

5929 Balcones Drive, Suite 301, Austin, Texas 78731; 512-467-7299; fax: 512-452-7288

1994 Revenues

Total gross revenues	$1,202,182
Risk management consulting revenues	$1,024,182
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	4
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Minimum size	None

Consulting since: 1982.

Frequent special projects: Analysis of limits.

Occasional special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Habitational properties, commercial properties, retail, wholesale, power authorities.

Compensation: By the project, on retainer, by the hour: principal consultant, $200.

Officers: Gregory K. Crouch, president.

Robert M. Currey & Associates Inc.

75 Park Plaza, Boston, Mass. 02116; 617-695-0900; fax: 617-695-0210

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	67%
Risk management audits	15%
Special projects	18%

Staff

Total	13
Risk management professionals	7
Includes: 4 principal consultants, 3 consultants	

Clients

Total	79
Associations	4
Minimum size	None

Consulting since: 1982.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting.

Occasional special projects: Captive feasibility studies, environmental, expert witness.

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

Officers: Robert M. Currey, president; Kathleen M. Nickerson, vp.

Curtner Risk Management Inc.

1616 17th St., Suite 464, Denver, Colo. 80202; 303-628-5556

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	60%
Risk management audits	20%
Special projects	20%

Staff

Total	2
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Total	11
Associations	1
Minimum size	None

Consulting since: 1984.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, loss

Continued on page 36

RISK LOSS

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Continued from page 34
settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Energy, cable television.

Compensation: By the project, on retainer, by the hour: principal consultant, $95 to $110.

Membership: SRMC.

Officers: Walter R. Curtner, president.

D

Deloitte & Touche L.L.P.- Risk Management Consulting Services

333 Clay St., Suite 2300, Houston, Texas 77002; 713-756-2000; fax: 713-756-2006

1994 Revenues

Total gross revenues	$17,500,000
Risk management consulting revenues	$17,500,000
Continuous consulting	30%
Risk management audits	20%
Special projects	50%

Staff

Total	90
Risk management professionals	79
Includes: 30 principal consultants, 30 consultants, 14 actuaries, 5 analysts	

Clients

Total	500
Minimum size	None

Consulting since: 1978.

Frequent special projects: Risk retention analysis; captive feasibility studies; analysis of limits; insurance contract analysis; claims auditing; accounting systems analysis; broker assessment; loss settlement assistance; risk management organization studies; preparation of bidding specifications; quantitative/statistical analysis and forecasting; RMIS consulting; expert witness; business interruption, physical damage and fidelity claims; disaster recovery planning.

Occasional special projects: Environmental, loss prevention audits.

Specialties: Energy, chemical, retail, car rental, financial institutions, health care, public sector, manufacturing, insurance, hospitality, metals and mining.

Locations: Birmingham, Ala.; Los Angeles; Hartford, Conn.; Washington; Chicago; Minneapolis; Newark, N.J.; New York; Portland, Ore.; Dallas; Seattle; Calgary, Toronto and Vancouver, Canada.

Compensation: By the project, on retainer, by the hour: principal consultant, $275 to $400.

Officers: Harvey Michaels, Mark Charron, William D. O'Connell, Jan A. Lommele, Vincent C. Cali, Gregory Higgins, Greg Pollard, Chris Vandenbever, partners/principals.

Dempsey, Myers & Co.

426 Danbury Road, Wilton, Conn. 06897; 203-762-5052; fax: 203-762-9826

1994 Revenues

Total gross revenues	$1,200,000
Risk management consulting revenues	$1,200,000
Special projects	100%

Staff

Total	11
Risk management professionals	10
Includes: 4 principal consultants, 6 consultants	

Clients

Total	50
Minimum size	None

Consulting since: 1982.

Frequent special projects: Loss settlement assistance, expert witness, business interruption claim preparation, employee dishonesty/fidelity claim preparation.

Occasional special projects: Claims auditing, accounting systems analysis.

Locations: Chicago.

Compensation: By the hour: principal consultant, $150.

Officers: John D. Dempsey, William L. Myers, partners; Richard A. Royston, William B. Metzdorff, principals.

Devine & Tweedale Inc.

7601 Ganser Way, Madison, Wis. 53719; 608-833-9595; fax: 608-833-8088

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	70%
Risk management audits	18%
Special projects	12%

Staff

Total	6
Risk management professionals	3

Clients

Total	50
Minimum size	None

Consulting since: 1979.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, loss settlement assistance, expert witness.

Specialties: Public entities, school districts, municipalities, associations, corporate or public entities.

Compensation: By the project, by the hour: principal consultant, $100 to $125.

Officers: Dennis G. Tweedale, president.

Kevin F. Donoghue & Associates

200 Lincoln St., Boston, Mass. 02111-2496; 617-482-7015; fax: 617-556-4030

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	73%
Risk management audits	18%
Special projects	9%

Staff

Total	18
Risk management professionals	12
Includes: 7 principal consultants, 1 analyst	

Clients

Total	155
Associations	2
Minimum size	None

Consulting since: 1970.

Frequent special projects: Risk retention analysis, insurance contract analysis, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, analysis of limits, claims auditing, accounting systems analysis, loss settlement assistance, risk management organization studies, RMIS consulting, expert witness.

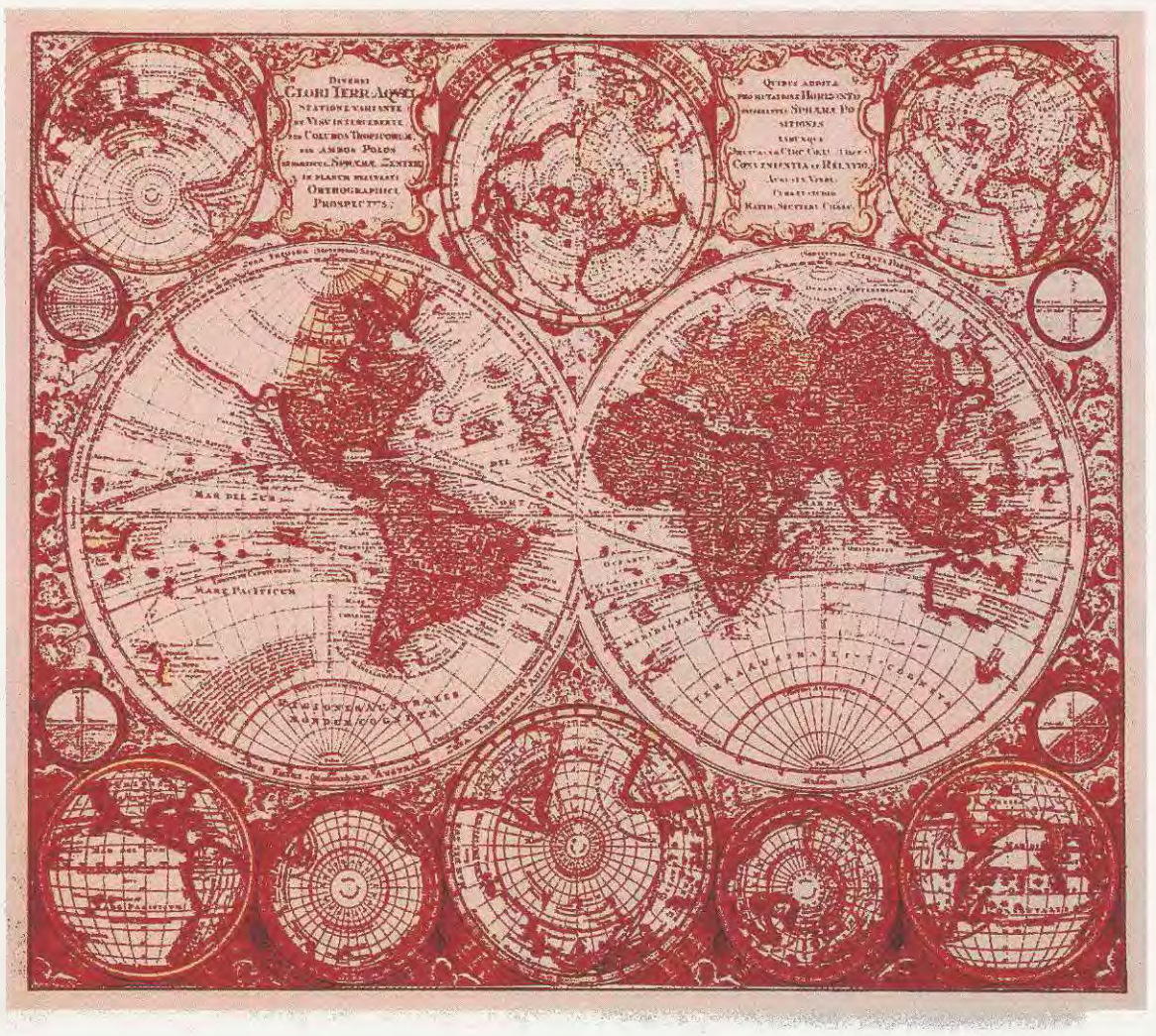
Specialties: Retail, construction, government entities, co-operatives, hospitals.

Locations: Boca Raton, Fla.

Compensation: By the hour.

Membership: SRMC.

Officers: Kevin F. Donoghue, president; Dwight Levick, executive vp; Wesley Rowe, Edward Taylor, Joseph Grillo, Joseph Boyle, senior vps.



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United Kingdom - The Bank of N. T. Butterfield & Son Ltd., London Branch, 24 Chiswell Street, London EC1Y 4TY, United Kingdom. Telephone (171) 814 8800

E

Ecology & Environment Inc.

Buffalo Corporate Center, 368 Pleasant View Drive, Lancaster, N.Y. 14086-1397; 716-684-8060; fax: 716-684-0844

1994 Revenues

Total gross revenues	$99,559,000
Risk management consulting revenues	$75,000,000
Special projects	100%

Staff

Total	1,159
Risk management professionals	900

Consulting since: 1970.

Frequent special projects: Environmental.

Occasional special projects: Loss settlement assistance.

Specialties: Government, energy industry, chemical industry, manufacturing.

Locations: Anchorage, Alaska; Fresno, Los Angeles and San Francisco, Calif.; Denver; Washington; Fort Lauderdale, Pensacola and Tallahassee, Fla.; Idaho Falls, Idaho; Chicago; Baton Rouge, La.; Detroit; Kansas City and St. Louis, Mo.; Albuquerque, N.M.; New York; Cincinnati and Cleveland; Philadelphia; Dallas and Houston; Seattle; Chile; China; Ireland; Mexico; Germany; Hungary; Saudi Arabia; Venezuela.

Compensation: By the project.

Officers: Gerhard J. Neumeier, president; Frank B. Silvestro, Gerald A. Strobel, Ronald L. Frank, executive vps; Ronald J. Skare, vp-sales.

Contact: Ronald J. Skare.

Continued on next page

InsurerTopics

A special editorial section sent exclusively to insurers and reinsurers

Local expertise invaluable in venturing internationally

By RODD ZOLKOS

Many insurance companies are finding that joint ventures are the most efficient and effective way to tap international markets.

Ideally, joint ventures give companies the advantage of a known commodity's expertise and presence in the local market.

Sometimes insurers will have to form a joint venture to gain access to a particular market. But almost always the primary motivation is a local firm's knowledge and experience.

Local firms "have the expertise, and that's not easy to hire," said Terry Clarke, international practice leader for Tillinghast in London.

"If you're building from scratch as an outsider, not only do you have to identify the right people and recruit them, then you have to create the business and that tends to be a slow process," Mr. Clarke said.

"You do a joint venture with somebody who's already in a market because you're leveraging their expertise," said Michael A. Smith, senior vp with Lehman Bros. in New York. "And the alternative is to go in with no expertise and potentially learn a very expensive lesson."

Cost is also a major reason why insurers form joint ventures rather than open branch offices.

"It's expensive to create a branch office overseas," he said. "You've got to put together a staff, pay gas, heat and electric and then you've got to go out and get business."

In any case, success in a joint venture requires finding the appropriate partner.

"The problem with going into joint ventures is of course who do you pick? What are the attributes of the people you pick?" Mr. Clarke said.

There are typically two sorts of joint insurance ventures, he said: one in which the joint venture essentially creates a new operation from scratch, and another in which one insurer simply makes a large investment in an existing local company.

In the latter cases, selecting a partner is a little more straightforward, Mr. Clarke said.

"If you're partnering with someone, effectively taking an investment stake in an operation that is already in the insurance market, although you've got a separate joint venture entity, you would be able to judge on the basis of the prior activity," he said.



And, different factors affect joint insurance ventures in different areas of the world, Mr. Clarke noted.

In the former Iron Curtain countries, for example, there is little or no existing insurance infrastructure.

Potential joint venture partners in these countries "would have the cultural knowledge but not the strong technical support mechanisms," Mr. Clarke said. Therefore, joint ventures would by necessity usually involve starting an operation from scratch.

American International Group Inc. is one U.S. insurer that has been involved in those sorts of start-up joint ventures in former Iron Curtain countries.

For example, a Russian joint venture, Russian American Insurance Co., will provide various coverages for foreign businesses and joint ventures in Russia, as well as insurance for Russian companies and banks. AIG's Russian partners in the Moscow-based venture are Stolichny Bank for Savings and Company Garant-Invest-Moscow.

AIG also has agreements to create joint insurance ventures in Uzbekistan, including a political risk insurance company and a commercial insurance company.

The political risk insurance company teams AIG with the National Insurance Co. Uzbekinvest, while the commercial insurer is a partnership between AIG and the National Bank for Foreign Economic Activity of the Republic of Uzbekistan.

In the Far East and South America, "certainly there are insurance companies of differing strengths," said Tillinghast's Mr. Clarke. But, while potential partners would have strong market knowledge, there are other local problems to be overcome.

In the Far East, for example, "they're developing nations, really," he said, while in China "basically insurance is in its infancy as such. Therefore they would not have the technical infrastructure in place, little technical knowledge, they do not have the regulation."

"Certainly if you take South America a lot of the problems would be the hyperinflation that has been there in the past," Mr. Clarke said. "While local companies would have the insurance knowledge, many might be lacking in capital strength."

Kemper National Insurance Cos. has used joint ventures to enter markets in various ways.

Since 1989, for example, Kemper National and France's UAP Group have operated UAP/Kemper HPR Co., a joint venture that writes highly protected risk insurance in Europe.

In 1992, Kemper and UAP signed a cooperation agreement aimed at allowing UAP to expand its ability to insure European businesses with North American locations. Under the agreement, Kemper shares in that business, providing its North American underwriting and servicing expertise to UAP's multinational clients' property/casualty programs.

Continued on next page

Ventures

Continued from previous page

For Kemper, the arrangement provided a way of tapping European multinational business that otherwise might have been inaccessible.

Another Kemper joint venture is an agreement with QBE Insurance Group Ltd. of Australia to establish a jointly owned engineering/loss control service company to operate in Asia, Australia, New Zealand and the Pacific islands. That joint venture starts operations April 1.

The two companies simultaneously formed a strategic alliance involving a long-term commitment to reciprocal servicing and development of multinational business. QBE also announced plans for the formation of a new global accounts division that will include Kemper's Australian portfolio.

Existing Kemper staff were given the opportunity to join either the new joint venture or QBE's global accounts division.

Joint ventures are "not a new approach for us," said Robert L. Smialek, CEO of Kemper International Corp. in Long Grove, Ill. "We have really through our entire life in our international business operated with various strategic alliances throughout the world as a way of getting some local business or as a way of getting some local fronting done."

What attracts Kemper is its partners' "local market presence, reputation and knowledge," he said.

"In some cases, where we don't have our own licensed facilities, it does take on that dimension of having a partner who is licensed to provide a policy," Mr. Smialek said.

Joint ventures allow Kemper to "do more faster" in its international business and enable the company to take advantage of partners' global technology, staff and knowledge of customs, he said. They also offer a way to bring new ideas into the insurers' business.

"There certainly are always some differences in culture and with the proper work in selecting a partner I think instead of being an obstacle that can truly be a benefit," he said.

Some of Kemper's recent joint venture activities "have gone a little bit beyond what we have done traditionally," Mr. Smialek said, reflecting "a little sharper focus on what we want to do with our international business."

That focus is on doing business with U.S. multinationals looking to create global insurance programs and to cover the U.S. risks of foreign companies.

Kemper also is looking to cover the local risks of foreign companies, "and probably to do those as a partnership rather than independently," Mr. Smialek said, though that latter activity isn't a primary focus of the insurer's strategy.

Overarching the entire approach to joint ventures is Kemper's philosophy of being a "value-added, service-oriented company," Mr. Smialek said. In examining potential joint venture partners, the insurer looks for companies that have a similar approach. "We do not intend at all to diminish the quality of service we provide, really just the opposite," he said.

"First of all, you have to have a partner you can trust. We look for partners who think reciprocally, not 'What's in it for me?' but 'What can I do for the partner?' " Mr. Smialek said. Kemper looks for companies with philosophies similar to its own, though it may welcome the prospects for new ideas in a partnership with a different sort of company.

"It's clear that if you've got an unacceptable partner the best resources aren't going to make it a success," Mr. Smialek said.

Joint venture structures can vary considerably. Kemper National, for instance, has some that involved no capital and instead a reciprocal agreement to provide services and others that are jointly owned companies where profits and expenses are shared 50/50.

Kemper owns a majority share in a Bermuda-based operation called Seven Continents Insurance Co. Ltd. with other insurance companies holding minority shares. That entity acts as a clearinghouse for premiums and reinsurance for the joint ventures.

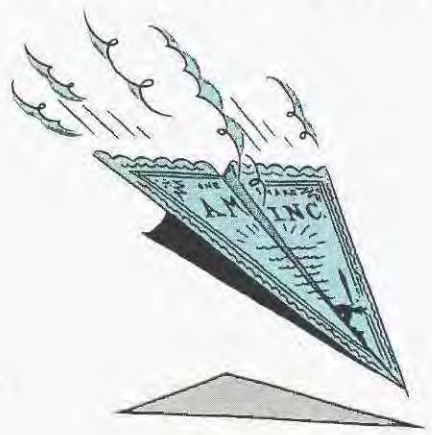
Mr. Clarke said most joint ventures he's seen involve insurance companies putting capital or technical assistance or both up front and receiving a share of the profits in return.

He noted that for companies using joint ventures to tap undeveloped markets, however, those profits might be a long time coming.

"Most people are going into them for the long haul and I think most people are not likely to see any output from them in terms of a dividend stream for a long time," Mr. Clarke said.

"Certainly I would argue that in terms of the developing countries people are not expecting a quick return. I think it would take a long time, a lot of frustration. But it's a matter of being in there early," he said. "I personally don't believe you can be in there for a quick buck. You've got to be in there for the long haul." BI

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For more information on PCS' service options, contact Gary R. Kerney at Property Claims Services, 700 New Brunswick Ave., Rahway, N.J. 07065; 908-388-5700. BI

Global business flourishes under local influence

By SARA MARLEY

Hire locally, train globally is a strategy many insurers are applying to international staffing.

Individual offices often are responsible for hiring, but new employees are likely to be brought to the home office for a portion of their training.

Finding qualified staff abroad is not a problem, insurers say. In fact, with an explosion of business activity internationally, some companies say the problem is hiring them quickly enough.

"The demand for services is growing faster than the supply," said Nick Steffey, president of Liberty International Holdings Inc., a unit of Liberty Mutual Insurance Co. "We are hiring as quickly as we can, but not as fast



as the requirements for technical work."

"The quality of people in the overseas market is really good," said Jimmy Deaderick, senior vp in charge of Chubb Corp.'s worldwide technical services in Warren, N.J.

Loss control has been growing rapidly overseas in the past five years, so Chubb has been hiring many engineering graduates in local markets.

"We primarily need (skills) on the technical side," Mr. Deaderick said. "We can teach the business side of Chubb."

Chubb expects to double its cadre of 50 international loss control experts in the next five years.

"We have found in many parts of the world the educational curriculum is as strong or stronger" than in the United States, Mr. Deaderick said. "Civil engineering in Germany is just as strong as here. Quality control is better than in the U.S., because they focus so much on quality."

New Chubb employees spend between three and nine months of their training period in the United States. Classes at Warren, N.J., headquarters are followed by time in U.S. branch offices, preferably ones with the same specialties as their offices back home.

Training sessions are fully integrated between U.S. and foreign hires. In an upcoming April course, only 11 of 31 trainees are U.S. citizens.

"In order to get a sense of what the organization is about, they need to spend some time here in basic insurance training," said Baxter Graham, senior vp for human resources at Chubb. "But it's also important that they get back to their home country and begin to operate in a way that reflects the marketplace of the country where they are located.

"It builds consistency throughout the world," he explained. "I'm not saying I expect every office to operate the same. Far from it. But the overall essence of the company is very similar."

That includes product variety and products tailored to meet individual markets and risks.

Chubb has made a real push to expand globally in the past six years. The insurer's goal is to derive at least 25% of revenues from foreign operations by the year 2000, Mr. Graham said.

While still occasionally necessary, expatriate assignments are becoming a thing of the past for many insurers.

Only about 60 of CIGNA International's 5,000 employees work outside their home country, said Carol Olsen, senior vp-human resources.

"We need people who understand the markets they are in, how they operate, the culture, the language," Ms. Olsen said. "We also need people with a global perspective, that the world is bigger than where they are."

CIGNA's worldwide workforce is growing where local economies are; for example, in Latin America and Asia, including China, India and Vietnam.

"Depending on what country, sometimes it's difficult to find experienced insurance people," said Mary Scelba, international career planning and development manager for Chubb. "Sometimes you need an experienced, seasoned professional to establish a department or a specific line of business that that country has never had before. Our goal is always to hire locally and to promote from within, but sometimes there are gaps and it is hard to fill positions as quickly as we like."

When those assignments are made, they tend to be temporary.

ITT Hartford Group Inc. recently acquired a Spanish company and for the first time is placing a "transition executive" in the company for about a year, said Dennis Thompkins, di-

Continued on page 36F

PHOENIX RE

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Insurer Topics

Turmoil defers rewards of Mexico ventures

By GAVIN SOUTER

What a difference a year makes.

At the beginning of 1994, optimism about business prospects in Mexico was rampant among U.S. insurance companies.

The North American Free Trade Agreement, which was signed in November 1993, made many U.S. insurers eager to take advantage of Mexico's developing economy.

Insurers had visions of new demand created quickly by huge infrastructure projects, the privatization of Mexican industry, increased presence of U.S. companies there and the growing Mexican middle class.

No more. In only a year, the value of the peso collapsed; foreign governments and companies had to step in to avert a financial crisis; and the Mexican government is combating rising inflation and interest rates with a severe austerity program.

So far, U.S. insurers have not suffered long-term setbacks in the Mexican crisis, said Norman Rosenthal, managing director of equity research at Morgan Stanley & Co. Inc. in New York. "All of the U.S. insurers have said that the problems in Mexico are not going to have a material effect on their results."

Global Strategies

But their high expectations for short-term growth have been dampened, Mr. Rosenthal added.

The problems have made insurers less enthusiastic about trumpeting their Mexican interests, said David Seifer, vp at Donaldson, Lufkin & Jenrette Securities Inc. in New York. "After NAFTA they all talked about being in Mexico, but after the peso they shut up or said that they were really small there."

During the past year, U.S. insurers involved in Mexico posted impressive sales figures, but the increased profits from those sales were offset by the devaluation of the peso, Mr. Seifer said.

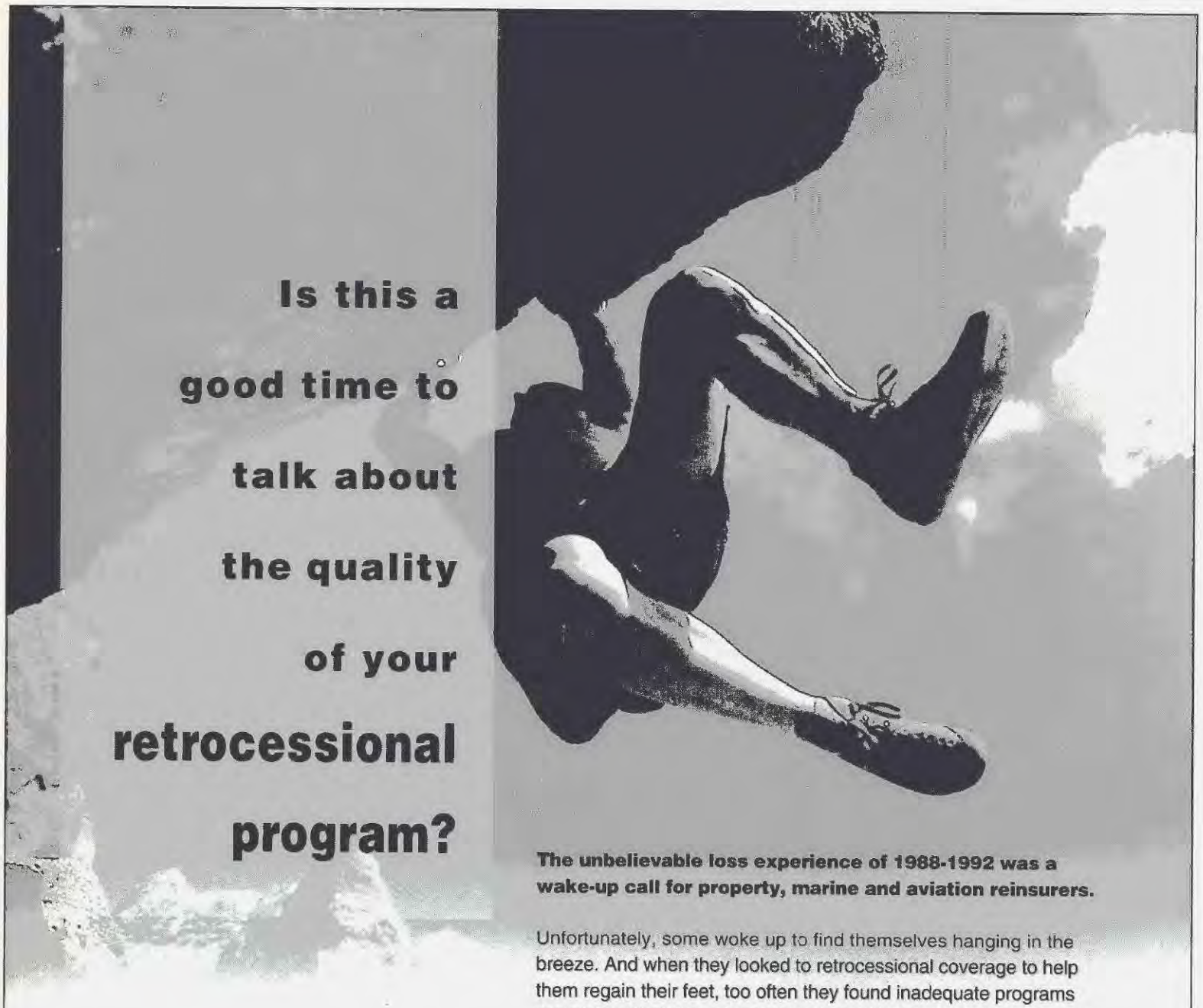
U.S. insurers see the economic crisis as only a temporary setback.

"I think the problems will be short lived," said Joseph Graziano, executive vp of the international division of Reliance National Insurance Co. in New York.

Mexico's economy should return to normal within two years, he said. "During that period there will be a lot of management efforts to deal with the problem. We'll go back to fundamentals and look at things like expenses, rates and the commissions we pay," Mr. Graziano said.

Reliance National—which became the full owner of Seguros Renamex S.A. in November 1994 after buying a 30% stake in 1993—already has adjusted its underwriting strategies in

Continued on next page



The unbelievable loss experience of 1988-1992 was a wake-up call for property, marine and aviation reinsurers.

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Global

Continued from page 36C

rector of human resources for claims and international operations.

"He will work with the company to develop management systems and make sure they are consistent in operating systems, similar to other companies, for commonality of management reporting and systems," Mr. Thompkins said.

There is also expatriate movement within various regions, such as Chile to Mexico, for example, which is facilitated by consistent training.

"The intent is a person in Germany has an equal opportunity to move to the states to manage as the reverse flow," Mr. Deaderick said.

A Hartford employee from Lyon, France, is spending a year working in the United States on Hartford's American Assn. of Retired Persons business to learn that type of program business with the goal of setting up similar programs back in France, Mr. Thompkins said.

Liberty International will also use staff expertise wherever it is warranted worldwide, Mr. Steffey said.

"We run a fairly decentralized organization to meet local market needs," he said. Most of the 2,100 employees of Liberty International are local nationals. But, new hires attend occupational health and safety training courses at Liberty's laboratory in Hopkinton, Mass.

Even though Liberty writes little pure workers compensation coverage on an international basis, workplace safety issues still dominate its business.

"Risk managers in foreign countries have growing concerns that the government is providing less in the way of benefits," Mr. Steffey said. Also, new European Union directives require employees to implement common workplace safety measures.

"There is a significant increase in the demand for products and services surrounding what we call workers compensation in the U.S.," including long-term and short-term disability, Mr. Steffey said. "Ten years ago, companies had very different standards how they treated employees in Indonesia vs. in Indianapolis. Now they want an equally safe workplace all over the world." BI

Continued from previous page

Mexico.

For example, to lessen the effects of inflation, it sometimes offers only six-month policy periods for some coverages rather than the customary one year.

In addition, it is shying away from writing coverage on older automobiles, he said. "Older cars usually have more expensive replacement parts than new cars. . . .We are trying to de-emphasize any business that is susceptible to inflation on the claims side," Mr. Graziano said.

During the economic crisis itself, companies and individuals probably will buy less coverage, said Ernest Auerbach, head of the insurance practice at Anderson Consulting in Mexico City. "For many companies, insurance will be one of the things they spend less money on so that they can pay for things that have a higher priority."

Overall, the economic woes have pushed Mexico's economic development back by two years, he said earlier this month at a roundtable discussion sponsored by the International Insurance Council.

However, most U.S. insurers still view Mexico as a market with many opportunities that is going through a difficult period of its economic cycle, he said.

"Inflation will restrict demand but it does not affect our basic program in Mexico," said Jorge Suzan, president of Liberty Veracruzana Compania Seguros S.A. in Mexico City, which is owned partly by Liberty Mutual Insurance Co.

Boston-based Liberty Mutual purchased 35% of the company in December 1994 under the terms of NAFTA. It plans to purchase 100% of the company in 1999, Mr. Suzan said.

Under NAFTA, foreign insurers normally cannot assume full ownership of Mexican companies until 1999, to give Mexican insurers time to grow sufficiently to compete with U.S. insurers. But, Mexico does permit foreign companies to acquire 100% stakes in Mexican entities by going through a relicensing process, as Reliance National did with Seguros Renamex.

The company plans to focus on marine insurance and personal lines auto and property business in regional areas, he said. "We think that there is a large proportion of the middle class in Mexico that has not been accessed by insurance companies."

The financial turmoil in Mexico is a reminder that all of the nations in Latin America are on "the road to modernization," said Gary C. Petrosino, senior vp in the Latin American Zone office of Chubb Corp. in Miami.

"Doing business in Latin America is clearly not without risk," he said at the roundtable discussion. "I believe, however, that this is a risk worth taking and that the future of Latin America and its insurance industry is bright."

The signing of NAFTA resulted in a 20% increase last year in trade by U.S. industrial and commercial companies in Mexico, Mr. Petrosino said. And U.S. insurers in Mexico are already taking a more active role.

"In October of last year, the Mexican government approved the entrance into Mexico of 47 new financial groups. Included in the group were 12 American or American subsidiaries of foreign insurance companies," he said.

This is in addition to the several other U.S. and foreign insurers that already had operations in Mexico.

"All of this additional capacity flowing into the Mexican market, when added to the capacity of the large Mexican insurers, has made this market very competitive," Mr. Petrosino said.

While this is good news for policyholders looking for the lowest rates, they should also be concerned about the security of their insurers as the competition may be strong enough to push some weaker insurance companies out of the market, he said.

Earlier this month, Chubb changed names and increased its shareholdings in its Mexican investments.

It now owns 100% of Chubb de Mexico Compania Aflanzadora, a surety and fidelity bond company formerly known as Central de Fianzas. Full ownership of Mexican surety companies is permitted under NAFTA.

And it increased its stake in Chubb de Mexico Compania de Seguros to 30% from 27%. The property/casualty insurer was previously known as Seguros Equitativa.

With NAFTA in place, U.S. insurers are projecting growth in commercial coverages that are not yet widely bought in Mexico, such as directors and officers liability and errors and omissions, said Reliance National's Mr. Graziano. "The insurance requirements in Mexico will change as investments there take hold," he said.

Increased trade with the United States should stimulate interest in D&O and product liability insurance, said Steve Schleisman, president of American International Underwriters North America, a unit of American International Group Inc. in New York.

"It's driven by the fact that a lot of companies in Mexico are looking to U.S. capital markets. Also, the increase in exports to the U.S. means that they have product liability exposures here," he said.

One benefit of the peso's devaluation is that it makes Mexican exports cheaper, said Hamilton Dasilva, president of the Latin American division of AIU.

"We are already seeing a better flow of Mexican exports, not only to the U.S. but also to other Latin American countries," he said.

Increased insurance opportunities may also result from Mexican and foreign companies taking advantage of the economic slowdown to make bargain investments in Mexico, Mr. Dasilva said.

AIU is currently setting up a NAFTA business unit to take advantage of the medium- and long-term increase in trade among Mexico, the United States and Canada, Mr. Schleisman said.

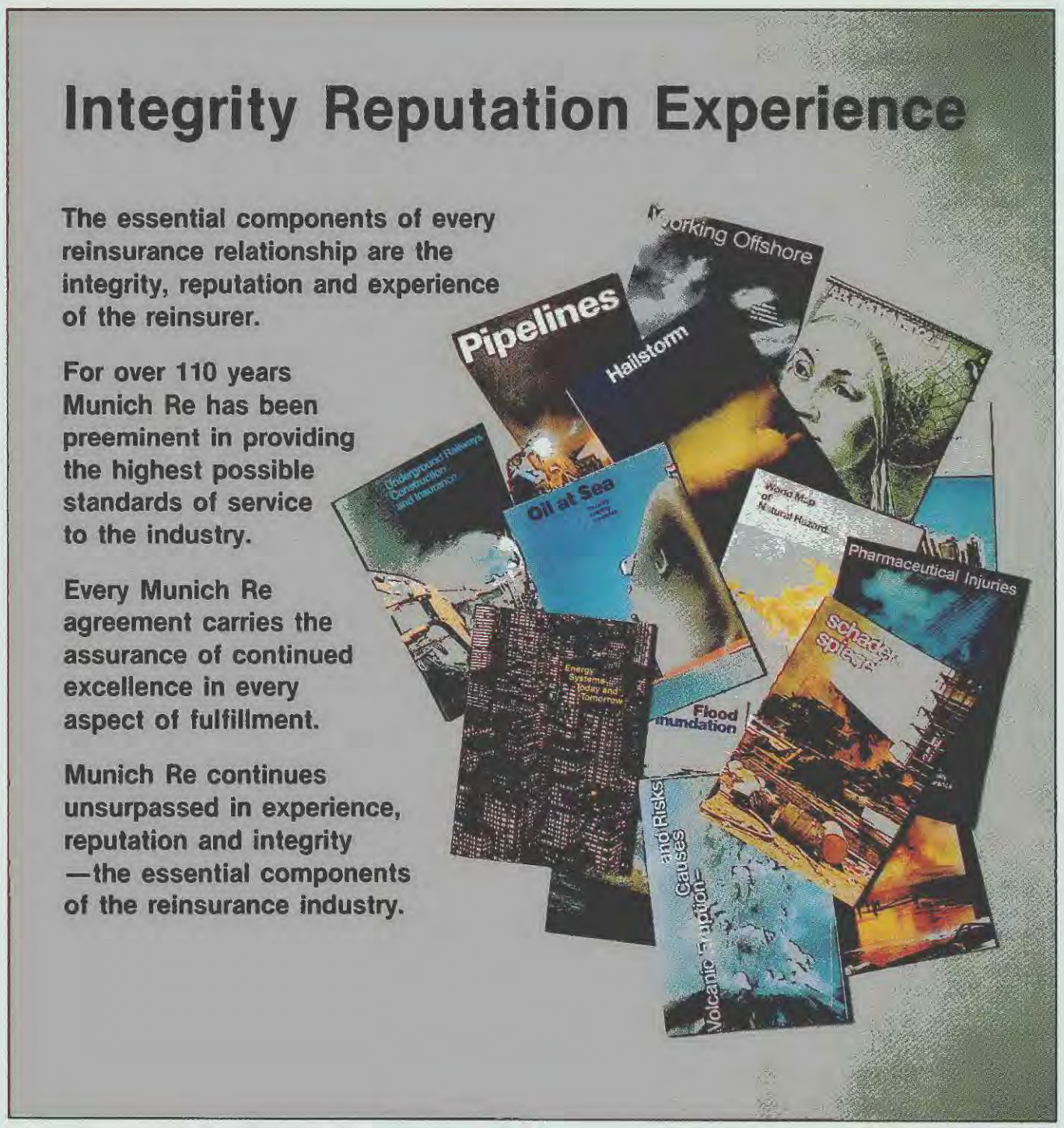
"We feel optimistic about the future and we are going ahead with our plans for the new unit despite the problems in Mexico," he said.

AIU units in North America will have NAFTA business desks that will do business with AIG's affiliate in Mexico, Mr. Schleisman said.

AIG owns 49% of Seguros Interamericana S.A. in Mexico City.

The only Mexican insurer to venture into the U.S. market is Aseguradora Mexicana S.A., or Asemex, which opened a branch office in Austin, Texas, in May 1994 to write coverage for trucking business between the United States and Mexico.

The company has not yet written any premiums and earlier this month the Mexican government took control of Asemex in Mexico due to financial problems at its parent, Grupo Financiero Asemex Banpais S.A. de C.V. (*BI*, March 13). BI



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Insurer Topics

Space at Lloyd's aids U.S. insurers

Boxes open opportunities

By ADRIAN LADBURY



The arrival of five of the biggest U.S. insurers on the third-floor gallery at Lloyd's of London in late 1992 and early 1993 caused quite a stir in the London market.

AIG Europe (U.K.) Ltd. was first past the post in September 1992. It was soon joined by: Liberty Mutual Insurance Co. (Massachusetts) Ltd., under its newly appointed chairman, Dick Hazell, a former deputy chairman of Lloyd's; Chubb Insurance Co. of Europe Ltd.; CIGNA Insurance Co. of Europe S.A. N.V.; and Reliance National Insurance Co. (U.K.) Ltd.

The U.S. insurers hoped Lloyd's decision to allow them into the building would give them access to business that brokers brought to Lloyd's, business that normally did not make it out of the building.

Two years later, at least two of the companies say they have increased their share of their respective specialty lines and that their decision to take the plunge has been rewarded.

Their arrival never did cause the sort of shake-out in London that some had feared. The original stir was not so much caused by the fact that some of the first new tenants at Lloyd's were American, or even that they were insurance companies. Rather it was the timing of the move that raised hackles.

At the time, the opening of the London Underwriting Centre had been delayed by a 1991 fire. Those delays allowed prospective tenants to get out of their LUC lease agreements and move elsewhere, and soon rumors of an LUC failure were spreading. Those fears intensified when efforts to persuade the Institute of London Underwriters to leave its half-empty headquarters and move into the LUC fell on deaf ears.

But the bloodbath never occurred. The LUC is up and running and now more than 70% full. The ILU remains where it has always been and so far only 13 outside companies have set up shop at Lloyd's.

Because Lloyd's needed cash badly, it did not try to lock the outside insurers into long-term leases. And because London office rents were the lowest in years, the risk to the outsiders was minimal.

CIGNA and AIG profess to be pleased with their decision and believe they have won new business as a result. However, they do not plan to make a long-term commitment.

"Some of our major competitors are Lloyd's syndicates and we decided that we would have more opportunity of seeing the business if we were physically there," said Tom Rowe, vp at CIGNA Europe.

"Also, and less importantly, all the other U.S. companies seemed to be moving in and if we had not we might have missed out on some accounts. But the main reason was certainly that the business we are interested in saw its first port of call via the brokers at Lloyd's. We want to lead the market and underwrite the account so we moved in," he added.

CIGNA targeted U.K. and international excess-of-loss casualty business from its new position and reckons it has now captured about 20% more premium volume as a result of the move. It does not believe the overall market has grown but rather that its superior access has enabled it to take a bigger slice of the available pie.

Mr. Rowe said it does not aim to attract U.S. or multinational business to its Lloyd's box because it writes that business in the United States.

"We decided to set up at Lloyd's to give us access to business that we were not seeing at out our office in Fenchurch Street. It is as simple as that," said Mike Giblin, marketing manager at AIG Europe. AIG's box writes mainly North American risks placed in London such as financial lines and excess casualty business.

That attraction was not universal. Many London branches of U.S. companies decided that the Lloyd's space had little to offer.

NAC Re International Services Co. Ltd., for instance, felt Lloyd's style of business didn't fit with its own.

"The global strategy of our parent company is driven by the broker market and the desire to retain control of the business that we underwrite. By control I mean intimacy with the client, getting close to the risk, offering added value and establishing long-term sustainable partnerships," explained Finance Director John Hume. "That would be difficult if not impossible to do in Lloyd's."

Employers Reinsurance Ltd. also considered the idea but rejected it.

"We are looking to write through a number of different markets and do not see location as important," said Graham Dimmock, managing director.

The U.S. companies that have set up at Lloyd's have a common address but not ways of doing business.

AIG's Lloyd's office works no differently than its other operations and Mr. Giblin said he knew of no reason why it should. AIG operates a rotational system in which underwriters move between its Fenchurch Street office and the Lloyd's box. He said two or three underwriters are at the box at all times and another five or six could be brought in from the main office at any time.

When Liberty Mutual set up in Lloyd's in February 1993 it announced that it would also adopt a rotational system. It would not comment, however, on its progress at Lloyd's since then.

CIGNA, by contrast, has tried to copy Lloyd's ways of doing business by having the same two underwriters in its box at all times, a move Mr. Rowe credits for much of its success.

CIGNA opted for the dedicated route because brokers prefer to see familiar faces, as they would see at a normal Lloyd's syndicate, he said.

"When we decided to enter Lloyd's we ran advertisements in the U.K. press to identify our two underwriters and tell brokers what business they would be underwriting. I believe this is one of the reasons we have been successful," said Mr. Rowe.

Looking ahead, Lloyd's says it will not aggressively seek new tenants. And the U.S. insurers already there say they will stay only as long as the brokers continue bringing in business. BI

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Issue of March 20

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46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
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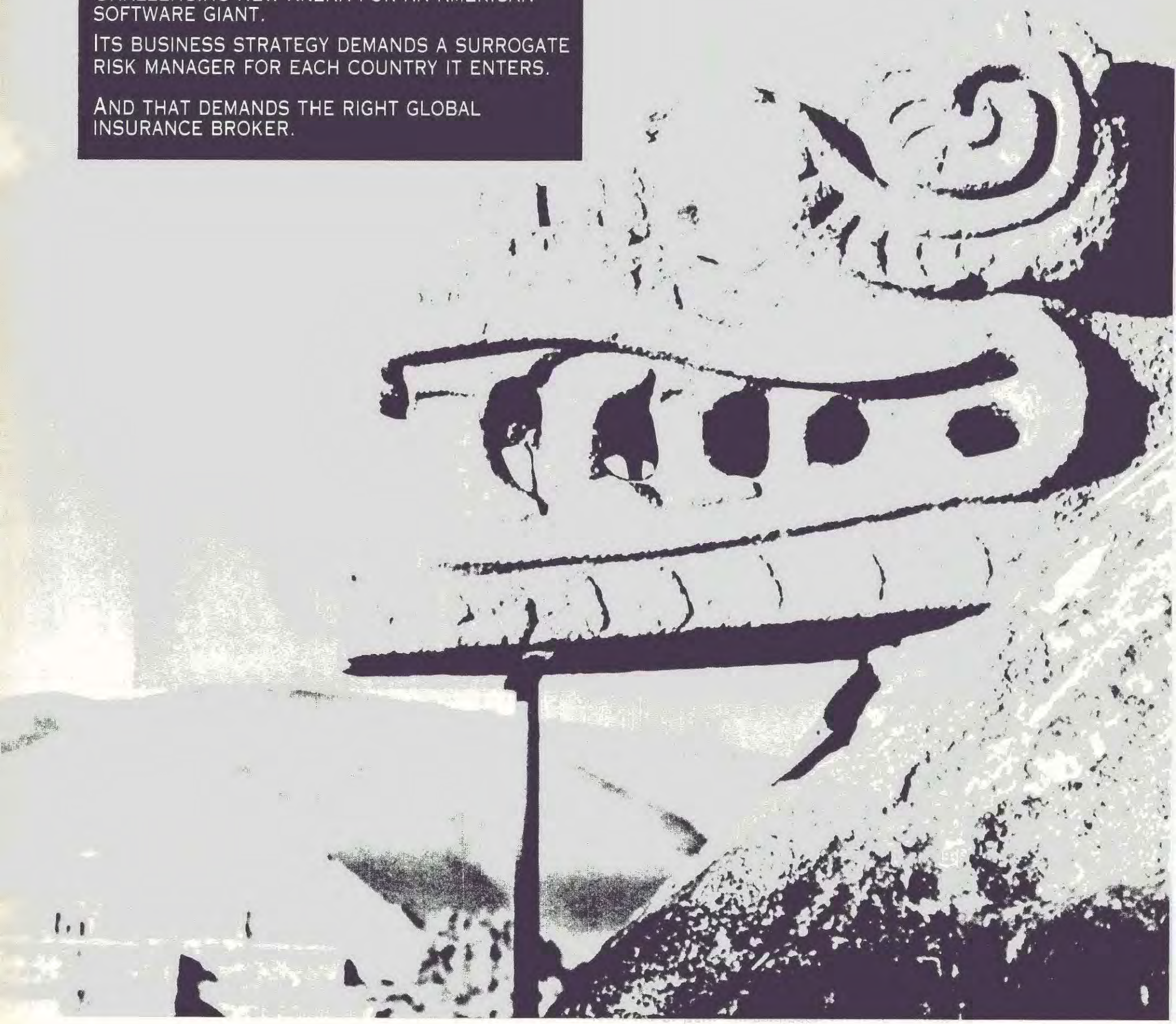
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But early in its explosive growth, this innovative software powerhouse saw the need to "re-engineer" the way it managed risks globally.

Microsoft wants each subsidiary viewed as an indigenous company in its national market. So it was crucial that overall corporate protocols and local market interpretations mesh smoothly.

"Our people are in the information business; not the insurance business," they said. "We need something they see as simple and we see as seamless."

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Because J&H/UNISON offices in more than forty national locations act as surrogate risk managers for the subsidiaries, synchronizing local activity with overall corporate objectives.

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Demand-side solutions

Controlling health care costs through decision counseling

By Walter R. Wood

AFTER YEARS OF "supply side managed care" efforts, employers with self-insured or experience-rated medical plans are looking at the demand side of the equation. This budding new way to control the costs and improve the quality of medical care provides education and counseling to employees faced with health care decisions. This service goes by several names—health care decision counseling, managed demand and personal health management. The idea is to enable the individuals, the employees and their families, through information and support, to participate with their physicians in choosing treatment alternatives.

Health care decision counseling is a benefit that employees and their families appreciate. It helps improve the quality of care delivered by their health insurance program.

The service evolved when employers saw a problem with the way health care decisions are made. Employees, more often than not, have little part in treatment choices. Their efforts to take an active part in the decisions that affect their lives are not supported. And, too many providers do not view the decision-making as a partnership between physician and patient. The problem is magnified under managed care, where providers who are reimbursed on a capitated, or per member, basis have an incentive to do less. Information is typically not readily available to individuals to enlighten their decisions.

How do the new programs work? Health care decision counseling programs provide access to a trained nurse. The nurse gives those covered by the plan information so they can actively participate in their health care. The patients and their physicians make decisions about treatment. Programs today cost between $18 and $30 per employee per year, and usually are provided as an employer-paid benefit or as part of the insurance program.

Studies have shown that when people are presented with unbiased facts about the benefits and risks of treatments, they tend to be conservative and choose less costly and less risky options. Other published studies show that these support programs result in more appropriate use of health care and improved quality of care. Long-term clients of the two vendors that have been at this the longest—Employee Managed Care Corp. in Bellevue, Wash., and Center for Corporate Health in Oakton, Va.—say they calculate savings significantly more than the program costs and continue to be satisfied with the many returns on the service. An added benefit for employers is the good will generated among employees and their families as the service helps them to get high-quality medical care.

Here are some individuals' reactions to the service:

- "Once I described my condition to the nurse, she gave me great detail about the medication my physician had prescribed, its use and side effects, and assured me that it was appropriate given my condition."
- "The nurse explained that my condition was episodic and not chronic. She said the treatment, while very aggressive, was understandable given my elevated blood pressure."
- "After I explained my symptoms, flashes at the edge of sight in my right eye, large floaters and what seemed to be a film across my eye, she told me I needed to see a doctor as soon as possible. She was calm and very pleasant, and listened carefully to my story. She made it very clear that I should get to a doctor right away and asked if she could call me later to see how I was."
- "The nurse suggested some possible sources of the problem, especially diet (salt) as the possible culprit. She said that she would like to do some more research and call me back the following day, which she did. She suggested a cookbook and other materials as well as a chat with the school's cook to see what they use in their food so I could know what to avoid."
- "I felt the nurse did a good job in helping me understand what happened and why the doctor did what she did. That was comforting. She helped me cope with the possibility that I might have a reoccurrence."
- "The nurses were helpful and caring. I felt comforted being able to talk to someone about my problem who was patient and available to listen and answer questions."

So, is this new benefit just a passing fad or here to stay?

Dr. Donald Vickery, founder of the Center for Corporate Health and most recently founder of health care decision counseling company Health Decisions Inc. of Golden, Colo., perhaps best known as co-author of the book, "Take Care of Yourself," now in its fourth edition, says: "The market for telephonic demand management services is now experiencing exponential growth. In 1993, 2 million people were in health plans with this help available. This year it's 10 million. Over the next five years the market will overtake the 'supply management' arena, including such managed care approaches as network delivery systems and utilization review."

Thank goodness, finally a win-win approach to managing the cost and improving the quality of health care. BI



Walter R. Wood is a consultant whose Bethesda, Md., firm, W.R. Wood & Co., helps employers to manage health plans, and also works with boards of directors of non-profit and for-profit entities to increase their efficiency.

Patient beware: Managing your own health risks

"Lethal Medicine: The Epidemic of Medical Malpractice in America"

By Harvey F. Wachsman with Steven Alschuler

Published by Henry Holt & Co., 115 W. 18th St., New York, N.Y. 10020

$22.50

By Kevin M. Quinley

Books & Ideas

How are you feeling today? Fine, I hope, because author Dr. Harvey Wachsman says we all play a dangerous game of malpractice roulette whenever we hand ourselves over to America's medical establishment.

According to Dr. Wachsman, the medical landscape is a minefield of incompetence, greed and apathy. No matter what steps the professional risk manager of a hospital or some other medical concern has taken, every patient must take a risk management approach to the peril of incompetent or sloppy medical care.

Whether one buys into this demonology or not, consider spending a few hours reading "Lethal Medicine," a recent publication. In the book, Dr. Wachsman, J.D., M.D., a neurosurgeon and a busy plaintiffs attorney on Long Island, N.Y., makes his case for widespread medical malpractice.

His book is a call to policymakers to protect the public from a plague of medical negligence. In addition, he aims to educate patients as consumers of health care services, keeping doctors on their toes and bypassing lunkhead practitioners.

Dr. Wachsman's arguments rely heavily on evidence that his peer-reviewed medical journals would diplomatically describe as "anecdotal." Translation: *roman a clef* case histories pulled from some of Dr. Wachsman's personal injury lawsuits. One of his many examples involves the infamous Dr. Burt of Dayton, Ohio, who performed his "surgery of love" on unsuspecting women until he surrendered his license in 1989. Dr. Wachsman supports these stories with data from university and government studies.

"Lethal Medicine" attempts to shatter the notion of "defensive medicine" driven by greedy personal injury attorneys. Further, he debunks the notion that the high cost of medical malpractice is driving doctors out of business or that lawsuits inflate the cost of health care.

Dr. Wachsman points to studies showing that each year more than 100,000 Americans die and more than 500,000 are injured due to medical negligence in hospitals. He offers evidence that members of the medical profession routinely cover up their own negligence and the carelessness of their colleagues.

State licensing boards, medical societies and other authorities fail miserably at the job of disciplining doctors, Dr. Wachsman argues. He takes dead aim at would-be tort reformers, perhaps only coincidentally because they might curb the handsome fees that he earns through jumbo settlements. Interestingly, the book omits the war stories about the cases Dr. Wachsman lost where negligence was not involved or the cases of innocent doctors plagued by lawsuits simply because a poor outcome resulted.

He outlines reforms that he believes will provide greater protection for the public. After all, everyone has to deal with doctors at one time or another.

Picking a qualified doctor is one component of any personal risk management plan. Dr. Wachsman presents a thoughtful guide telling lay people what they can do to make a wise choice. The era of the passive patient is over, perhaps now more than ever in the era of "managed care" gatekeepers who restrict the treatment choices of physicians. The kind of thorough credential search that Dr. Wachsman suggests may be daunting to all but those with J.D./M.D. backgrounds and very unrealistic in this era of managed care.

Surprisingly, his reforms include very few preventive components. He seems to prefer the stick more than the carrot. If incompetent doctors are so prevalent, shouldn't more emphasis go toward continuing education than toward enforcement and policing? In case after case, Dr. Wachsman tells of big settlements with the offending physician, some of which involve confidentiality agreements.

If he is so concerned about correcting the problem, why should he agree to sweep it under the rug with confidentiality agreements?

If Dr. Wachsman's chilling tales do nothing else, they remain a powerful testament to the virtues of staying healthy. That step makes sense, for when it comes to our own health, each one of us is a risk manager. BI



Kevin M. Quinley is vp of risk services for MEDMARC Insurance Co. Inc. and subsidiary Hamilton Resources Corp., both of Fairfax, Va. Mr. Quinley holds the Chartered Property & Casualty Underwriter and Associate in Risk Management designations.

Continued from previous page

Elam Consulting Inc.

15 Northtown Drive, Box 2, Jackson, Miss. 39211; 601-952-0403; fax: 601-977-0807

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	85%
Risk management audits	10%
Special projects	5%

Staff

Total	3
Includes: 2 principal consultants, 1 consultant	

Clients

Minimum size	$100,000

Consulting since: 1988.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, OSHA and loss control services.

Occasional special projects: Claims auditing, loss settlement assistance.

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

Officers: J. Eric Elam, president.

Empire Risk Management

300 W. Coleman Blvd., Suite 207, Mount Pleasant, S.C. 29464; 803-849-7475; fax: 803-849-7104

1994 Revenues

Total gross revenues	$521,010
Risk management consulting revenues	$431,220
Continuous consulting	65%
Risk management audits	25%
Special projects	10%

Staff

Total	7
Risk management professionals	5
Includes: 2 principal consultants, 3 consultants	

Clients

Total	22
Associations	4
Minimum size	$500,000

Consulting since: 1991.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting.

Occasional special projects: Claims auditing, expert witness.

Specialties: Transportation, including trucking and railroads; warehousing; associations.

Locations: Atlanta; Chicago; Charleston and Columbia, S.C.

Compensation: By the project.

Officers: D.W. Speer, president.

Employers' Risk & Insurance Management Inc.

P.O. Box 43188, Birmingham, Ala. 35243; 205-967-1166; fax: 205-969-0827

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	2
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Total	10
Minimum size	None

Consulting since: 1989.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications, analysis of self-insured programs and related excess insurance or reinsurance, evaluation of claims and loss control services.

Occasional special projects: Captive feasibility studies, loss settlement assistance, risk management organization studies, expert witness.

Specialties: Industrial, retail, government, water utilities, hospitals, lumber, property management.

Compensation: On retainer, by the hour: principal consultant, $90 to $120.

Membership: SRMC.

Officers: Douglas F. Miller, president; Betty D. Miller, secretary.

Encore Risk Services Inc.

1000 S. Woodward Ave., Suite 105, Birmingham, Mich. 48009-6729; 810-288-6135; fax: 810-288-6516

1994 Revenues

Total gross revenues	$40,000
Risk management consulting revenues	$8,000
Special projects	100%

Staff

Total	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	1
Associations	1
Minimum size	None

Consulting since: 1994.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, quantitative/statistical analysis and forecasting.

Occasional special projects: Broker assessment, risk management organization studies, preparation of bidding specifications.

Specialties: Association programs, group captives, products liability, industrial machinery manufacturing, motor truck transportation, schools, automotive repair, landscape construction.

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

Officers: Joseph G. DiPasquale, president; Patricia A. DiPasquale, vp.

Contact: Joe DiPasquale.

Environmental Risk Ltd.

120 Mountain Ave., Bloomfield, Conn. 06002; 203-242-9933; fax: 203-243-9055

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	20%
Risk management audits	70%
Special projects	10%

Staff

Total	56
Risk management professionals	44
Includes: 4 principal consultants, 40 consultants	

Clients

Total	350
Minimum size	None

Consulting since: 1985.

Frequent special projects: Environmental, loss prevention audits, preparation of bidding specifications, expert witness.

Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance, risk management organization studies, RMIS consulting.

Specialties: Pollution liability insurance companies, financial institutions, real estate developers, energy facility developers, industrial corporations.

Locations: Clifton, N.J.

Compensation: By the project, on retainer, by the hour: principal consultant, $180 to $225.

Officers: Richard S. Atkins, president; David I. Brandwein, Gordon T. Brookman, Mitchell M. Wurmbrand, principals.

Contact: David I. Brandwein.

Environmental Risk & Loss Control Inc.

309 E. 90th St., Suite 4, New York, N.Y. 10128; 212-369-5400; fax: 212-722-7381

1994 Revenues

Total gross revenues	$100,000
Risk management consulting revenues	$100,000
Continuous consulting	10%
Risk management audits	30%
Special projects	60%

Staff

Total	1
Includes: 1 principal consultant	

Clients

Total	10

Consulting since: 1991.

Frequent special projects: Environmental; development of comprehensive risk management policies, programs and procedures.

Occasional special projects: Claims auditing, loss prevention audits, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness.

Compensation: By the project, on retainer, by the hour: principal consultant, $125 to $150.

Officers: Wayne Tusa, president.

Ernst & Young L.L.P.

2 Commerce Square, 2001 Market St., Philadelphia, Pa. 19103; 215-448-5000; fax: 215-448-4069

1994 Revenues

Total gross revenues	$17,829,000
Risk management consulting revenues	$12,819,000
Continuous consulting	30%
Risk management audits	20%
Special projects	50%

Staff

Total	147
Risk management professionals	98
Includes: 28 principal consultants, 18 consultants, 27 actuaries, 25 analysts	

Clients

Total	425
Associations	38
Minimum size	None

Consulting since: 1911.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, self-insurance funding studies.

Occasional special projects: Loss prevention audits, RMIS consulting.

Specialties: Public entities, health care industry.

Locations: Los Angeles and San Francisco; Denver; Washington; Atlanta; Chicago; New York; Seattle.

Compensation: By the project, on retainer, by the hour: principal consultant, $190 to $250.

Officers: Ronald Kuehn, Jim MacGinnitie, Lee Smith, Charles Bryan, Dennis Henry, Dick Fallquist, John Narvell, partners; Warren Cooper, Douglas Hartman, principals.

Evazbo Risk Management Consulting Services Inc.

Banco Popular Building, Floor 9, Office 901, Old San Juan, Puerto Rico, 00902; 809-724-3442; fax: 809-723-8128

1994 Revenues

Total gross revenues	$425,000
Risk management consulting revenues	$361,250
Continuous consulting	85%
Risk management audits	10%
Special projects	5%

Staff

Total	10
Risk management professionals	4
Includes: 1 principal consultant, 2 consultants, 1 analyst	

Clients

Total	NA
Associations	4
Minimum size	$100,000

Consulting since: 1974.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Occasional special projects: Risk retention analysis, environmental, accounting systems analysis.

Specialties: Hospitals, government, manufacturing.

Locations: Florida, New York.

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

Officers: Edna Vazquez de Bonnet, president; Mildred Miranda, vp; Gloria Gordils, treasurer.

E.F. Ewing/Commercial Insurance Associates Inc.

101 Smith Drive, Suite 10, Cranberry Township, Pa. 16066; 412-776-6077; fax: 412-776-4080

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	72%
Risk management audits	9%
Special projects	19%

Staff

Total	9
Risk management professionals	4
Includes: 2 principal consultants, 2 consultants	

Clients

Total	NA
Associations	1
Minimum size	None

Consulting since: 1987.

Frequent special projects: Risk retention analysis, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, special investigations (claim or financial fraud).

Occasional special projects: Analysis of limits, accounting systems analysis relating to investigative activities, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Trucking, plastics manufacturing.

Compensation: By the project, by the hour: principal consultant, $90 to $135.

Officers: Eric F. Ewing, chairman; Richard E. Putnam Jr., president.

Contact: Eric F. Ewing, 800-727-6077.

F

Herbert H. Feldman Risk Management Inc.

60 Cutter Mill Road, Great Neck, N.Y. 11021; 516-829-6050; fax: 516-829-6029

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	3
Risk management professionals	2
Includes: 1 principal consultant, 1 actuary	

Consulting since: 1973.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Real estate, retail, manufacturing, import/export, service industries.

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

Membership: SRMC.

Officers: Herbert H. Feldman, president.

Felton Associates

3255 Fritchie Drive, Baton Rouge, La. 70809-1567; 504-925-2833; fax: 504-928-2833

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	20%
Risk management audits	20%
Special projects	60%

Staff

Total	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	20
Minimum size	None

Consulting since: 1976.

Frequent special projects: Analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications, expert witness.

Occasional special projects: Risk retention analysis, broker assessment, quantitative/statistical analysis and forecasting.

Compensation: By the hour: principal consultant, $165.

Membership: SRMC.

Officers: Robert S. Felton, principal consultant; Barbara F. Albright, consultant.

Ferguson Risk Management

122 Kirksway, Lake Orion, Mich. 48362; 810-693-3344; fax: 810-693-5803

1994 Revenues

Total gross revenues	$150,000
Risk management consulting revenues	$150,000
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	2
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Total	12
Minimum size	$2,000

Consulting since: 1992.

Parent: Nemes Allen & Co. P.C.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Construction, engineering, manufacturing, retail.

Locations: Southfield, Mich.

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

Officers: Richard D. Ferguson, president; Beverly S. Ferguson, secretary/treasurer; Richard W. Zimmerman, executive vp.

Contact: Richard D. Ferguson, Richard W. Zimmerman or Barry I. Allen.

Ben Few & Co. Inc.

510 Barnett Centre, 2000 Main St., Fort Myers, Fla. 33901; 813-334-7727; fax: 813-334-8166

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	2
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Total	22
Minimum size	None

Consulting since: 1993.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Public entities, construction, health care, hospitality.

Compensation: By the project.

Officers: Ben Few III, president.

First Priority Group/National Fleet Service Inc.

270 Duffy Ave., Hicksville, N.Y. 11801; 516-938-1010 or 800-428-0003

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	100%

Staff

Total	34
Risk management professionals	NA
Includes: 2 principal consultants	

Clients

Total	75
Minimum size	$5,000,000

Consulting since: 1983.

Parent: First Priority Group Inc.

Specialties: Service to organizations with fleets of 200 or more vehicles.

Compensation: By the project, on retainer.

Officers: Michael Karpoff, Barry Siegel, co-chairmen.

First Risk Management-Legal Division Inc.

636 Old York Road, Suite 220, Jenkintown, Pa. 19046-2858; 215-885-1125; fax: 215-885-1161

1994 Revenues

Total gross revenues	$1,000,000
Risk management consulting revenues	NA
Continuous consulting	24%
Risk management audits	1%
Special projects	75%

Staff

Total	7
Includes: 1 principal consultant, 2 consultants	

Clients

Minimum size	None*

** No minimum on commercial consulting; $5,000 on litigation support consulting*

Consulting since: 1988.

Parent: First Risk Management Co.

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, preparation of bidding specifications, expert witness, litigation support consulting.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies.

Specialties: Litigation support consulting services to attorneys.

Compensation: By the hour: principal consultant, $330.

Membership: SRMC.

Officers: Leonard J. Silver, president; Bonnie Esposito, secretary; Vera Peregrim, director, of counsel.

Contact: Leonard J. Silver.

Continued on next page

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Fortune & Co./Risk Managers Inc.

6405 Metcalf Ave., Suite 107, Overland Park, Kan. 66202; 913-262-7475

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	75%
Risk management audits	15%
Special projects	10%

Staff

Total	2
Includes: 2 principal consultants	

Clients

Total	35
Minimum size	None

Consulting since: 1978.

Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

Compensation: On retainer, by the hour: principal consultant, $90.

Officers: Burton A. Selfridge Jr., president.

Fortune Risk Management Inc.

9000 W. Sheridan St., Suite 149, Pembroke Pines, Fla. 33024-8801; 305-436-7384; fax: 305-436-7385

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	5%
Special projects	15%

Staff

Total	2
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Total	16
Associations	1
Minimum size	None

Consulting since: 1991.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, expert witness.

Compensation: By the project, on retainer, by the hour: principal consultant, $120 to $150.

Membership: SRMC.

Officers: David E. Fortune, president/treasurer; Helen Bauld, vp/secretary.

Contact: David E. Fortune.

Fowler Insurance Services Inc.

8401 Mayland Drive, Richmond, Va. 23294-4647; 804-270-9524; fax: 804-270-9527

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	10%
Special projects	40%

Staff

Total	1

Clients

Total	15
Minimum size	None

Consulting since: 1988.

Occasional special projects: Insurance contract analysis.

Specialties: Commercial property/casualty.

Compensation: By the project, on retainer, by the hour: principal consultant, $160.

Officers: Bruce L. Fowler, president.

Richard B. Frank & Associates

P.O. Box 19730-118, Portland, Ore. 97280; 503-246-3547

1994 Revenues

Total gross revenues	$125,000
Risk management consulting revenues	$125,000
Continuous consulting	25%
Special projects	75%

Staff

Total	1
Includes: 1 principal consultant	

Clients

Total	13
Associations	2
Minimum size	None

Consulting since: 1984.

Frequent special projects: Claims auditing, risk management organization studies.

Occasional special projects: Risk retention analysis, loss prevention audits, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Manufacturing, health care, retail.

Compensation: By the project.

Officers: Richard B. Frank.

Leonard R. Friedman Risk Management Inc. (LRF/RM)

170 Great Neck Road, Great Neck, N.Y. 11021; 516-466-0750; fax: 516-466-0997

1994 Revenues

Total gross revenues	$1,000,000
Risk management consulting revenues	$1,000,000
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	11
Risk management professionals	7
Includes: 3 principal consultants, 1 consultant, 3 analysts	

Clients

Total	45
Minimum size	None

Consulting since: 1974.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, safety and claims management.

Occasional special projects: Quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Retail, manufacturing, service industries, real estate, non-profit organizations.

Compensation: By the project, by the hour: principal consultant, $195.

Membership: SRMC.

Officers: Alice B. Weiss, president; Susan G. Kaufman, executive vp.

G

G.C.G. Risk Management Inc.

85 Worth St., New York, N.Y. 10013; 212-431-3000; fax: 212-941-6546

1994 Revenues

Total gross revenues	$4,000,000
Risk management consulting revenues	$3,900,000
Continuous consulting	90%
Risk management audits	2%
Special projects	8%

Staff

Total	30

Clients

Total	500
Associations	17

Consulting since: 1977.

Frequent special projects: Workers compensation risk management consulting only, including: workers comp claims review, reserve analysis and negotiation.

Occasional special projects: Workers compensation risk management consulting, including: risk retention analysis, insurance contract analysis, claims auditing, environmental, loss prevention audits, quantitative/statistical analysis and forecasting.

Specialties: New York workers comp, including: health care, contractors, food products, transportation and hauling, furniture manufacturing, metal processing.

Locations: Fairport, Schenectady and Westbury, N.Y.

Compensation: By the project, commissions, on retainer.

Officers: Joseph M. Gnesin, president; Charles S. Cates, vp; Ross L. Gnesin, treasurer; Lawrence E. Grimm, secretary.

Gallagher Bassett Services Inc.

The Gallagher Centre, 2 Pierce Place, Itasca, Ill. 60143-3141; 708-773-3800; fax: 708-285-4000

1994 Revenues

Total gross revenues	$96,000,000
Risk management consulting revenues	$9,200,000
Continuous consulting	85%
Risk management audits	5%
Special projects	10%

Staff

Total	65
Risk management professionals	50
Includes: 10 principal consultants, 40 consultants	

Clients

Total	375
Associations	25
Minimum size	None

Consulting since: 1962.

Parent: Arthur J. Gallagher & Co.

Frequent special projects: Environmental, loss prevention audits, quantitative/statistical analysis and forecasting.

Occasional special projects: Claims auditing, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness.

Specialties: Commercial, religious, educational and government entities.

Locations: Little Rock, Ark.; Denver; Miami and Orlando, Fla.; Atlanta; Schaumburg, Ill.; Portland, Maine; Kansas City and St. Louis, Mo.; London.

Compensation: By the project, on retainer, by the hour: principal consultant, $130 to $150.

Officers: John G. Campbell, chairman; Peter J. Durkalski, president; Fred Potenza, Richard Rothman, Richard McKenna, executive vps.

Contact: Tracy D. Mock, vp-marketing services.

General Consulting Services Insurance Agency Inc.

113 N. Kickapoo St., Lincoln, Ill. 62656; 217-732-1830; fax: 217-732-2146

Staff

Total	30
Risk management professionals	12
Includes: 3 principal consultants, 9 consultants	

Clients

Total	NA
Associations	1
Minimum size	None

Consulting since: 1986.

Frequent special projects: Claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

Occasional special projects: Risk retention analysis, analysis of limits, environmental, accounting systems analysis, preparation of bidding specifications, expert witness, safety manual/newsletter production, training, seminars.

Specialties: Health care.

Compensation: By the project.

Officers: Barbara O'Donohue, president; Betty J. Hayes, executive vp; Tom O'Donohue, vp; Cathy Vale, secretary.

Gerling Consulting Gruppe GMBH

D-50597 Koln, Norbertstrasse 22, Cologne, NRW/Germany; 49-221-144-5187; fax: 49-221-144-5324

1994 Revenues

Total gross revenues	$25,000,000
Risk management consulting revenues	$25,000,000
Continuous consulting	60%
Risk management audits	20%
Special projects	20%

Staff

Total	170
Risk management professionals	140
Includes: 35 principal consultants, 85 consultants, 20 analysts	

Clients

Total	500
Minimum size	None

Consulting since: 1969.

Parent: Gerling-Konzern Versicherungs Beteiligungs A.G.

Frequent special projects: Risk retention analysis, environmental, loss prevention audits, risk management organization studies, environmental auditing, quality management, risk control.

Occasional special projects: Captive feasibility studies, analysis of limits, insurance contract analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Locations: Vienna, Austria; Lyon and Paris, France; Brussels, Belgium; Berlin, Dresden and Munich, Germany; Tokyo; Oslo, Norway; London; Zurich, Switzerland.

Compensation: By the project, by the hour: principal consultant, 1,500 to 2,500 marks.

Officers: Frank Annighofer, chairman/managing director; H. Jurgen Advena, managing director; Ralph Elfgen, Peter Everts, Joachim Ganse, directors.

Global Risk Management Center Inc.

11200 Westheimer, Suite 902, Houston, Texas 77042; 713-789-0563; fax: 713-785-8016

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	70%
Risk management audits	10%
Special projects	20%

Staff

Total	2
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Total	11
Minimum size	None

Consulting since: 1991.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, environmental, broker assessment, preparation of bidding specifications, expert witness.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting.

Specialties: Waste disposal.

Compensation: By the project.

Officers: John A. Lindquist, president.

Dave Goodwin & Associates

P.O. Drawer 54-6661, Surfside, Fla. 33154-0661; 305-531-0071; fax: 305-531-5490

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	3
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Minimum size	100,000

Consulting since: 1963.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, environmental, loss prevention audits, expert witness, preparation and review of disaster manuals.

Specialties: Condominiums, property owners, manufacturing.

Compensation: By the project.

Officers: Dave Goodwin, owner.

Mel Griffin & Associates

P.O. Box 486, Rio Linda, Calif. 95673; 916-991-4315; fax: 916-991-0907

1994 Revenues

Total gross revenues	$200,000
Risk management consulting revenues	$100,000
Continuous consulting	20%
Risk management audits	50%
Special projects	30%

Staff

Total	5
Risk management professionals	4
Includes: 4 principal consultants	

Clients

Total	27
Associations	9
Minimum size	None

Consulting since: 1981.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, cost containment programs.

Occasional special projects: Loss settlement assistance, quantitative/statistical analysis and forecasting, program management services.

Specialties: Public agencies.

Locations: Concord, Calif.

Compensation: By the project, by the hour: principal consultant, $75.

Officers: Mel Griffin, president; Don Blackhurst, Sandra L. Van Slyke, Lynn Ingraham, principal consultants.

Contact: Mel Griffin, 916-991-4315 or Sandra Van Slyke, 510-825-6812.

H

HCC/Premier

1603 S. Michigan Ave., Suite 300, Chicago, Ill. 60616; 312-347-0975; fax: 312-347-1161

1994 Revenues

Total gross revenues	$178,000
Risk management consulting revenues	$178,000
Continuous consulting	30%
Risk management audits	60%
Special projects	10%

Staff

Total	7
Includes: 4 principal consultants, 3 consultants	

Clients

Total	NA
Associations	9
Minimum size	$500,000

Consulting since: 1989.

Frequent special projects: Insurance contract analysis, claims auditing, loss settlement assistance, risk management organization studies, temporary risk managers.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, loss prevention audits, broker assessment, preparation of bidding specifications, RMIS consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $200.

Officers: Bennie Jones, CEO; Gerald Harris, president; John Hibbett, senior consultant; Charles Merriwether, Alanna Ford, consultants.

HJH Group Inc.

3837 Northdale Blvd., Suite 352, Tampa, Fla. 33624; 813-985-4535; fax: 813-985-6851

1994 Revenues

Risk management consulting revenues	NA
Risk management audits	10%
Special projects	90%

Staff

Total	6
Includes: 2 principal consultants, 4 consultants	

Clients

Total	NA
Associations	3
Minimum size	None

Consulting since: 1993.

Frequent special projects: Preparation of bidding specifications; workers compensation, including analysis and implementation of managed care and disability management programs; integration of group health, workers comp, short- and long-term disability.

Occasional special projects: Claims auditing, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $175 to $200.

Officers: Dennis L. Huffman, CEO/principal; Catherine K. Johnson, president/principal.

Edward V. Harding/Risk Management Associates

Executive Offices, 13 Franklin Circle, Northborough, Mass. 01532; 508-393-2519; fax: 508-393-1467

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	10%
Risk management audits	80%
Special projects	10%

Staff

Total	4
Includes: 1 principal consultant, 1 analyst	

Clients

Total	NA
Associations	2
Minimum size	None

Consulting since: 1962.

Parent: Independent Insurance Auditing Inc.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Occasional special projects: Captive feasibility studies.

Specialties: Petroleum, school buses, contracting, retail.

Locations: Augusta, Ga.

Compensation: On retainer, by the hour: principal consultant, $90.

Membership: SRMC.

Officers: Edward V. Harding, proprietor; Joan M. Harding, president-Independent Insurance Auditing Inc.

Continued on next page

A chart of the largest risk management consultants appears on page 15.

Continued from previous page

Harvard Aimes Group

6 Holcomb St., P.O. Box 16006, West Haven, Conn. 06516; 203-933-1976; fax: 203-933-0281

1994 Revenues

Risk management consulting revenues ..... NA
Special projects 100%

Staff

Total 3
Risk management professionals 2
Includes: 1 principal consultant, 1 analyst

Clients

Minimum size ..... None

Consulting since: 1985.

Frequent special projects: Risk management organization studies, risk management executive searches.

Compensation: By the project, on retainer.

Officers: James Gunther, principal.

Louis A. Hellming Co.

4959 Delhi Parkway, Cincinnati, Ohio 45238; 513-922-2261; fax: 513-451-0023

1994 Revenues

Risk management consulting 100%
Continuous consulting 70%
Risk management audits 20%
Special projects 10%

Staff

Total 2
Risk management professionals 1
Includes: 1 principal consultant

Clients

Minimum size ..... None

Consulting since: 1982.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Manufacturing, municipalities.

Compensation: On retainer, by the hour: principal consultant, $125.

Membership: SRMC.

Officers: Frederick A. Kolish, president.

Henderson Insurance & Risk Management Consultants Inc.

3300 Henderson Blvd., Suite 206, Tampa, Fla. 33609; 813-287-2986; fax: 813-289-0583

1994 Revenues

Risk management consulting revenues $159,640
Continuous consulting 50%
Risk management audits 30%
Special projects 20%

Staff

Total 3
Risk management professionals 2
Includes: 2 principal consultants

Clients

Total 50
Minimum size ..... None

Consulting since: 1971.

Frequent special projects: Insurance contract analysis, claims auditing, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, analysis of limits, loss prevention audits, broker assessment, risk management organization studies, RMIS consulting, expert witness.

Compensation: By the hour: principal consultant, $125.

Membership: SRMC.

Officers: Otto Lee Henderson, president; Robert F. Hood, senior vp; William O. Taylor, vp.

The Hilder Group Inc.

220 Campus Drive, Suite 201, Arlington Heights, Ill. 60004; 708-342-4900; fax: 708-342-4907

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 75%
Risk management audits 15%
Special projects 10%

Staff

Total 3
Includes: 1 principal consultant, 2 consultants

Clients

Total 15
Minimum size ..... None

Consulting since: 1987.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Compensation: By the project, on retainer, by the hour: principal consultant, $185.

Officers: Daniel E. Hilder, president; Christine Kmiec; Jeffrey R. Hilder.

Contact: Jeffrey R. Hilder.

P.M. Hudson & Associates Inc.

19224 Orbit Drive, Gaithersburg, Md. 20879; 301-212-9300; fax: 301-990-0665

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 40%
Risk management audits 50%
Special projects 10%

Staff

Total 9
Risk management professionals 9
Includes: 1 principal consultant, 3 consultants, 2 analysts

Clients

Total 145
Associations 24
Minimum size ..... None

Consulting since: 1982.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, surveys, coverage design, international.

Occasional special projects: Captive feasibility studies, claims auditing, accounting systems analysis, expert witness, claims forecasting-actuarial, mergers and acquisitions.

Specialties: High technology, real estate, foreign corporations, associations, wholesale distribution, embassies.

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

Officers: Peter M. Hudson, president; Stephen T. Howard, vp; Margretta C. Glock, secretary/treasurer; Mitchell J. Shon, vp-engineering.

Contact: Peter Hudson.

Robert Hughes Associates Inc.

14180 Dallas Parkway, Suite 400, Dallas, Texas 75240*; 214-980-0088; fax: 214-233-1548

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 7%
Risk management audits 9%
Special projects 84%

Staff

Total 12
Risk management professionals 9
Includes: 1 principal consultant, 5 consultants, 2 actuaries, 1 analyst

Clients

Total 275
Associations 4
Minimum size ..... None

Consulting since: 1979.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Occasional special projects: Claims auditing, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting.

Locations: Houston; London.

Compensation: By the project, on retainer, by the hour: principal consultant, $275.

Officers: Robert N. Hughes, president; Cathy L. Jones, executive vp; Michele S. Martin, corporate secretary.

** Address as of April 1, 1995.*

R.M. Hunt & Associates Inc.

422 Petaluma Blvd. N., Suite B, Petaluma, Calif. 94952; 707-769-2970; fax: 707-769-2973

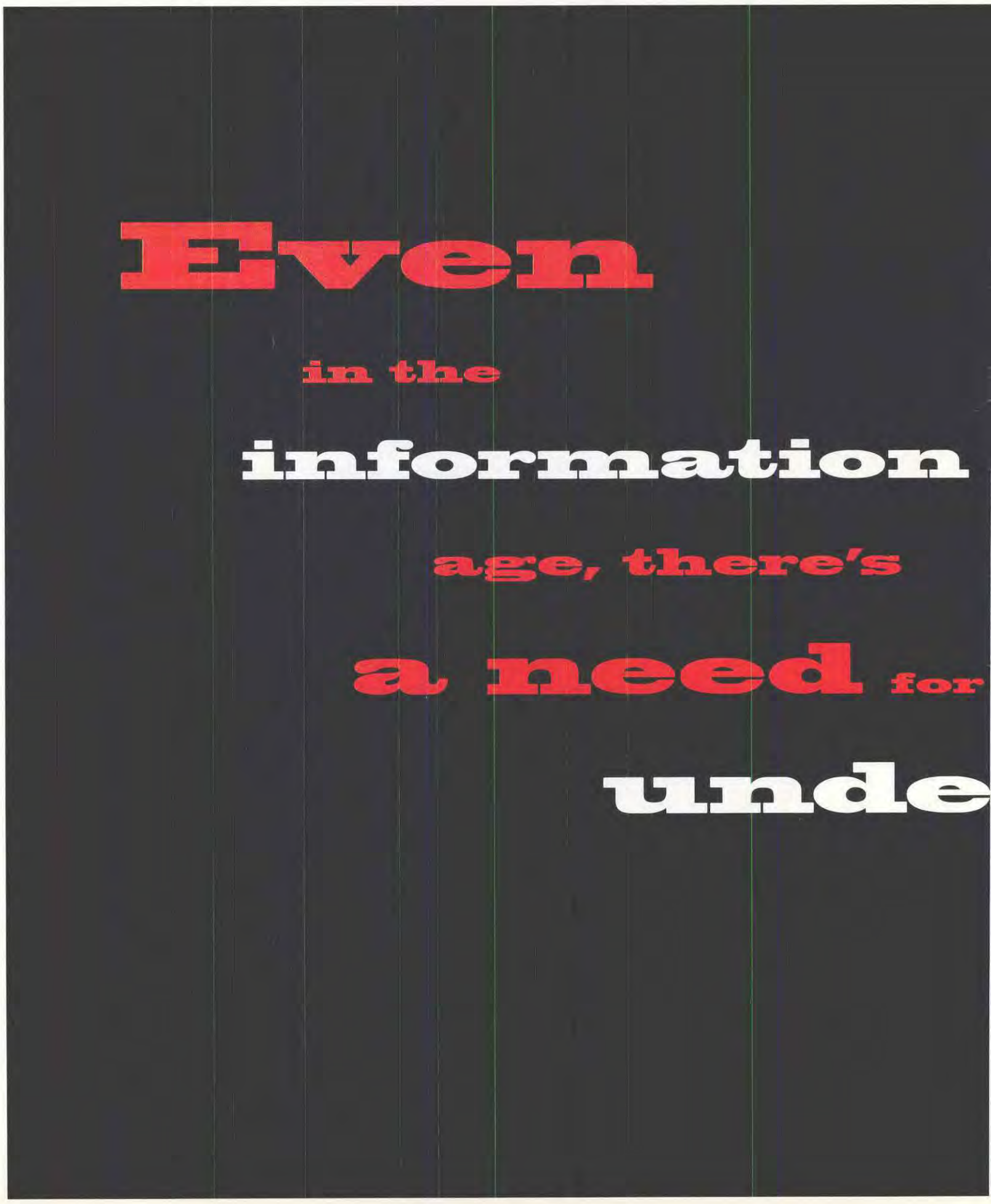
Staff

Total 4
Risk management professionals 2

Clients

Total 12
Associations 1
Minimum size $500,000

Continued on next page



Continued from previous page

Consulting since: 1989.

Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, quantitative/statistical analysis and forecasting, captive formation and management, self-insurance program management, investment management.

Occasional special projects: Claims auditing.

Specialties: Health care industry.

Compensation: By the project, commissions, on retainer, by the hour: principal consultant, $200.

Officers: Robert M. Hunt, president/CEO; Mark J. Mitchell, CFO.

Contact: Dianna Cruppi.

J.N. Hunter & Associates Inc.

P.O. Box 270, Rome, N.Y. 13440; 315-337-1000; fax: 315-337-0072

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	100%

Staff

Total	6
Risk management professionals	5
Includes: 1 principal consultant, 4 consultants	

Clients

Minimum size	None

Consulting since: 1984.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance, preparation of bidding specifications, claim reserve analysis.

Occasional special projects: Loss prevention audits, broker assessment, risk management organization studies, expert witness.

Compensation: By the project, on retainer, by the hour: principal consultant, $125.

Officers: J.N. Hunter, president; E.G. Hunter, vp/treasurer.

Contact: J.N. Hunter.

IAG Ltd.

240 Madison Ave., 6th Floor, New York, N.Y. 10016; 212-697-2680; fax: 212-697-4354

Staff

Total	20
Risk management professionals	11
Includes: 4 principal consultants, 7 consultants	

Clients

Total	225
Minimum size	None

Consulting since: 1985.

Frequent special projects: Reconstructing missing policies for companies facing environmental and products liability claims; historic insurance research; coverage graphics; policy database management; sample policy form procurement, coverage analysis, organization of records.

Occasional special projects: Insurance contract analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Utilities, chemical, manufacturing, mining, metals, pharmaceuticals, energy, marine.

Compensation: By the hour: principal consultant, $175 to $225.

Officers: Sheila Mulrennan, president; Michele Pierro, senior vp; Bik Moy, vp; Susan Brender, assistant vp.

Contact: Sheila Mulrennan.

Independent Risk & Insurance Management Services Inc.

8040 E. Morgan Trail, Suite 17, Scottsdale, Ariz. 85254; 602-483-9005; fax: 602-483-8983

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	3
Risk management professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients

Total	25
Associations	2
Minimum size	None

Consulting since: 1981.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, loss prevention audits, accounting systems analysis, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Public entities, non-profit organizations.

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

Officers: James E. Loeb, principal.

Industrial Risk Specialists Inc.

150 Great Neck Road, Great Neck, N.Y. 11021; 516-487-1700; fax: 516-487-1146

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	95%
Risk management audits	3%
Special projects	2%

Staff

Total	17
Risk management professionals	12
Includes: 2 principal consultants, 4 consultants, 6 analysts	

Clients

Total	108
Minimum size	$100,000

Consulting since: 1980.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Claims auditing, broker assessment, risk management organization studies, expert witness.

Specialties: Entertainment, real estate, hotel and retail chains.

Compensation: By the project, on retainer, by the hour: principal consultant, $225 to $250.

Membership: SRMC.

Officers: Robert S. Sterling, president; Daniel S. Sterling, secretary/treasurer; Les Welch, vp.

Information Security International Inc.

8403 Colesville Road, Suite 610, Silver Spring, Md. 20910; 301-589-4949; fax: 301-589-0007

Staff

Total	
Risk management professionals	
Includes: principal consultants, consultants, actuaries, analysts	

Clients

Total	
Associations	
Minimum size	None

Consulting since: 1986.

Frequent special projects: Loss prevention audits, accounting systems analysis, quantitative/statistical analysis and forecasting, RMIS consulting.

Occasional special projects: Claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

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

Officers: Michael J. Burke, president.

INSPRO Risk Management Inc.

P.O. Box 515039, Dallas, Texas 75251; 214-235-3030; fax: 214-235-3556

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	20%
Special projects	30%

Staff

Total	6
Risk management professionals	4
Includes: 2 principal consultants, 2 consultants	

Clients

Total	25
Minimum size	$100,000

Consulting since: 1991.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, loss prevention audits,

Continued on next page

Having good data is important. But frequently, what a business really needs is timely, useful information to fully understand its situation. Until recently, Leiner Health Products, headquartered in Garden Grove, California, had multiple policies for workers' compensation coverage — one for each state in which the company did business. Collecting and entering current losses and ratings onto spread sheets was slow. The company also had to deal with multiple loss control programs and their representatives, a process the Leiner home office described as frustrating. After determining Leiner's needs, agent Lloyd Ross, along with

rstanding.

SAFECO's commercial lines team, was able to write just one policy. SAFECO's multi-state capabilities now save Leiner time and office expense, and result in fewer loss control visits. Just as important, by putting all locations on a single policy, SAFECO was able to provide Leiner with premium discounts of $100,000. If this is the kind of information you're interested in, let's talk.

SAFECO *What's right.*

Commercial Lines

Continued from previous page
broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, policy reconstruction.

Specialties: Governmental, manufacturing, communications, oil and gas, architects and engineers, professional liability.

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

Officers: Gerald P. Brunker, Paul J. McVearry, principals; Sherman Power, consultant.

Insurance Audit & Inspection Co. Inc.

6314 Rucker Road, Suite G,
Indianapolis, Ind. 46220-4892;
317-259-1013; fax: 317-465-1004

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	14
Risk management professionals	11

Clients

Total	200

Consulting since: 1901.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, risk management organization studies, expert witness.

Locations: St. Louis, Mo.; Columbus, Ohio.

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

Membership: SRMC.

Officers: Daniel Coate Free, president/general counsel; Mary Evelyn Free, secretary/treasurer; Jack G. Harris, executive vp; Kenneth Bush, vp.

Contact: Daniel C. Free.

Insurance Buyers' Council Inc. / First Risk Management/IBC Inc.*

9690 Deereco Road, Suite 650,
Timonium, Md. 21093-6943;
410-561-9200; fax: 410-561-9351

1994 Revenues

Total gross revenues	$2,201,562
Risk management consulting revenues	$2,180,331
Continuous consulting	93%
Risk management audits	2%
Special projects	5%

Staff

Total	21
Risk management professionals	14
Includes: 11 principal consultants, 3 consultants	

Clients

Total	253
Associations	23
Minimum size	None

Consulting since: 1945.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, preparation of risk management and insurance manuals.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting.

Locations: Philadelphia.

Compensation: By the hour: principal consultant, $175 to $320.

Membership: SRMC.

Officers: Bernard J. McGovern, chairman/president/treasurer; Adam P. Sielicki Jr., executive vp; Fredric W. Schultz, vp/secretary; Thomas J. Krzys, vp.

** First Risk Management/IBC Inc. is 90% owned by Insurance Buyers' Council Inc.*

Insurance Consulting Associates

155 Polifly Road, Hackensack,
N.J. 07601; 201-343-8300;
fax: 201-343-0357

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	96%
Risk management audits	2%
Special projects	2%

Staff

Total	40
Risk management professionals	29
Includes: 12 principal consultants, 7 consultants, 10 analysts	

Clients

Total	305
Associations	15
Minimum size	None

Consulting since: 1956.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, setting up association programs, technical review of insurance and risk management programs for accountants and other professional organizations.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, loss prevention audits, RMIS consulting, expert witness.

Specialties: Retail, manufacturing, importers, real estate, financial institutions/service organizations, contractors, transportation, hospitality, universities, Caribbean based companies.

Locations: Clark, Hasbrouck Heights and Wyckoff, N.J.

Compensation: By the project, on retainer, by the hour: principal consultant, $250 to $300.

Membership: SRMC.

Officers: Barron S. Wall, managing associate.

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Insurance Control Systems Inc.

1118 N. LaBrea Ave., Inglewood,
Calif. 90302; 213-678-7115;
fax: 310-673-3350

1994 Revenues

Total gross revenues	$1,300,000
Risk management consulting revenues	$1,100,000
Continuous consulting	60%
Risk management audits	30%
Special projects	10%

Staff

Total	15
Risk management professionals	9
Includes: 2 principal consultants, 2 consultants, 1 actuary, 2 analysts	

Clients

Total	45
Associations	2
Minimum size	$80,000

Consulting since: 1989.

Frequent special projects: Insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, actuarial work.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, environmental, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Locations: Atlanta; Reno, Nev.; Dallas.

Compensation: By the project, on retainer.

Officers: A.D. Kirkpatrick, president; Valeta Paganelli, Laura Patten, vps; Velda Heitkamp, controller; Patty Traber, service director.

Contact: Valeta Paganelli.

Insurance Dynamics

27 Farnum, San Francisco,
Calif. 94131; 415-586-2948;
fax: 415-586-5844

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	2
Includes: 1 principal consultant	

Clients

Total	NA
Associations	3
Minimum size	None

Consulting since: 1987.

Special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Common interest developments.

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

Membership: SRMC.

Officers: Ann C. Krilanovich, owner.

Continued on next page

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Insurance Management Bureau

5754 W. 74th St., Indianapolis, Ind. 46278-1754; 317-290-4250; fax: 317-290-4261

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	85%
Risk management audits	10%
Special projects	5%

Staff

Total	9
Risk management professionals	5

Includes: 1 principal consultant, 2 consultants, 2 analysts

Clients

Total	211

Consulting since: 1950.
Parent: Acordia School Benefits Inc.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, risk management organization studies.
Specialties: School systems, government entities, mental health facilities.
Compensation: By the project, on retainer.
Officers: Dewey O. King, president.

Insurance Management & Planning

608 E. Bauer Road, Naperville, Ill. 60563-2820; 708-369-7870; fax: 708-369-7982

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	10%
Risk management audits	50%
Special projects	40%

Staff

Total	1

Includes: 1 principal consultant

Clients

Total	20
Associations	1
Minimum size	None

Consulting since: 1988.
Frequent special projects: Insurance contract analysis, broker assessment, preparation of bidding specifications, expert witness.
Occasional special projects: Risk retention analysis, analysis of limits, claims auditing, loss settlement assistance, risk management organization studies, RMIS consulting.
Specialties: Municipalities, construction, health care.
Compensation: By the project, by the hour: principal consultant, $205.
Membership: SRMC.
Officers: James F. Goodman, managing director.

Insurance Review & Management

1820 Water Place, Suite 210, Atlanta, Ga. 30339; 404-955-4474; fax: 404-955-4358

1994 Revenues

Total gross revenues	$228,963
Risk management consulting revenues	$228,963
Continuous consulting	75%
Risk management audits	20%
Special projects	5%

Staff

Total	3

Includes: 2 principal consultants, 1 analyst

Clients

Total	70
Associations	3
Minimum size	None

Consulting since: 1985.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, preparation of bidding specifications, quantitative/statistical analysis and forecasting.
Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting, expert witness.
Specialties: Local governments (city and county), public school systems, community banks, apartment management firms.
Compensation: By the project, on retainer, by the hour: principal consultant, $120.
Officers: T. Joe Byrd, owner; Bill Swiger, principal consultant.

Insurance & Risk Management

P.O. Box 1705, 3811 Illinois Road, Fort Wayne, Ind. 46801; 219-436-1616; fax: 219-432-4083

1994 Revenues

Total gross revenues	$125,000
Risk management consulting revenues	$125,000
Risk management audits	80%
Special projects	20%

Staff

Total	5
Risk management professionals	4

Includes: 4 consultants

Clients

Total	275
Associations	275
Minimum size	None

Consulting since: 1988.
Frequent special projects: Loss prevention audits.
Occasional special projects: Environmental, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.
Locations: Indianapolis, Muncie and Warsaw, Ind.; Defiance and Sylvania, Ohio.
Compensation: By the project, by the hour: principal consultant, $75.
Officers: Bart Bircheff, COO; Jim Van Dyck, Dewey Tagtmeyer, Len Koeller, Ron Harruff, account executives.
Contact: James E. Krouse.

Insurance Surveys Co.

P.O. Box 1058, Liberty, N.Y. 12754; 914-292-5390; fax: 914-292-2191

1994 Revenues

Total gross revenues	$25,000
Risk management consulting revenues	$10,000
Continuous consulting	25%
Risk management audits	65%
Special projects	10%

Staff

Total	2
Risk management professionals	1

Includes: 1 principal consultant

Clients

Total	5
Minimum size	None

Consulting since: 1950.
Frequent special projects: Risk retention analysis, insurance contract analysis, loss settlement assistance.
Occasional special projects: Analysis of limits, loss prevention audits, broker assessment, preparation of bidding specifications.
Specialties: Department stores, chicken farms.
Compensation: By the hour: principal consultant, $75.
Officers: Benjamin Levy.

Integrated Risk Management

1302 Raintree Circle, Culver City, Calif. 90230; 310-559-7032; fax: 310-838-0742

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	60%
Risk management audits	10%
Special projects	30%

Staff

Total	2

Includes: 1 principal consultant, 1 consultant

Clients

Total	8
Associations	2
Minimum size	None

Consulting since: 1986.
Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, preparation of bidding specifications, OSHA compliance programs/documentation.
Occasional special projects: Claims auditing, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting, expert witness, safety/insurance manuals.
Specialties: Transportation, health care, property development.
Compensation: By the project, on retainer, by the hour: principal consultant, $125.
Officers: Alar. P. Schreibman, principal.

Interisk Corp.

1111 N. Westshore Blvd., Suite 208, Tampa, Fla. 33607-4711; 813-287-1040; fax: 813-287-1041

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	60%
Risk management audits	20%
Special projects	20%

Continued on next page

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Staff

Total 6
Risk management professionals 4
Includes: 1 principal consultant, 2 consultants, 1 analyst

Clients

Total 50
Associations 16
Minimum size ..... None

Consulting since: 1979.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, seminar and corporate training, design and implementation of risk management departments.

Occasional special projects: Environmental, accounting systems analysis.

Specialties: Transportation, medical care facilities, financial institutions, associations, manufacturing, sports and leisure, condominium associations, historical institutions.

Compensation: By the project, on retainer, by the hour: principal consultant, $100 to $250.

Officers: Lawton Swan III, president.

Inwald Consulting Service

2750 S. Woodward Ave., Bloomfield Hills, Mich. 48304; 810-332-2300; fax: 810-333-9710

1994 Revenues

Risk management consulting revenues $75,000
Continuous consulting 20%
Special projects 80%

Staff

Total 5
Risk management professionals 1
Includes: 1 principal consultant

Clients

Total 4
Minimum size ..... None

Consulting since: 1992.

Frequent special projects: Insurance contract analysis, quantitative/statistical analysis and forecasting, expert witness, managed care liability issues, drafting insurance policies, review of captive insurance company performance.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications.

Specialties: Health care, HMOs, hospital professional liability, group physician professional liability, benefit stop-loss.

Compensation: By the project, on retainer, by the hour: principal consultant, $150 to $200.

Officers: Joseph M. Inwald, principal.

J

JM Risk Management Co. of the Southwest Inc.

305 FM 474, Boerne, Texas 78006-7809; 210-537-4076; fax: 210-537-5023

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 100%

Staff

Total 2
Risk management professionals 1
Includes: 1 principal consultant

Clients

Total 34
Minimum size ..... None

Consulting since: 1987.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, accounting systems analysis, risk management organization studies, RMIS consulting, expert witness.

Specialties: Oil and gas, LP gas, explosives, construction and engineering, real estate development, manufacturing, transportation.

Compensation: On retainer, by the hour: principal consultant, $115 to $125.

Officers: James L. Macdonald, president/principal owner.

JNW Enterprises

P.O. Box 2421, Niagara Falls, N.Y. 14301; 716-282-8120

1994 Revenues

Total gross revenues $200,000
Risk management consulting revenues $180,000
Continuous consulting 50%
Risk management audits 35%
Special projects 15%

Staff

Total 2
Risk management professionals 1
Includes: 1 principal consultant

Clients

Total 4
Minimum size $1,000,000

Consulting since: 1988.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies.

Occasional special projects: Captive feasibility studies, accounting systems analysis, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Construction, demolition (interior and total), environmental (asbestos), hazardous cleanup, Superfund.

Compensation: On retainer, flat fee and expenses.

Officers: Joseph N. Williams, owner.

Jerico International Ltd.

203 Gibbons Building, 10 Queen St., Hamilton, Bermuda HM11; 809-295-0850; fax: 809-292-3704

Staff

Total 10

Clients

Total .....
Associations .....
Minimum size ..... None

Consulting since: 1986.

Frequent special projects: Claims auditing, environmental, loss prevention audits, RMIS consulting, expert witness.

Occasional special projects: Accounting systems analysis, risk management organization studies.

Specialties: Insurance, shipping, manufacturing, high tech, financial.

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

Officers: Gerard P. Burke, president; Andrew M. Sinclair, Tatiana S. Gau, directors.

Contact: Eric Bassett.

The Johnson Group Ltd.

1326 Wilder St., Thousand Oaks, Calif. 91362; 805-497-6200; fax: 805-496-2846

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 94%
Risk management audits 6%

Staff

Total 3
Risk management professionals 2

Clients

Total 15
Minimum size $500,000

Consulting since: 1980.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Manufacturing.

Compensation: By the project, on retainer.

Officers: Eugene F. Johnson, president; Gregory E. Johnson, senior vp.

Johnson & Higgins Global Risk Control Services

125 Broad St., New York, N.Y. 10004-2424; 212-574-7000; fax: 212-574-7676

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 35%
Risk management audits 5%
Special projects 60%

Staff

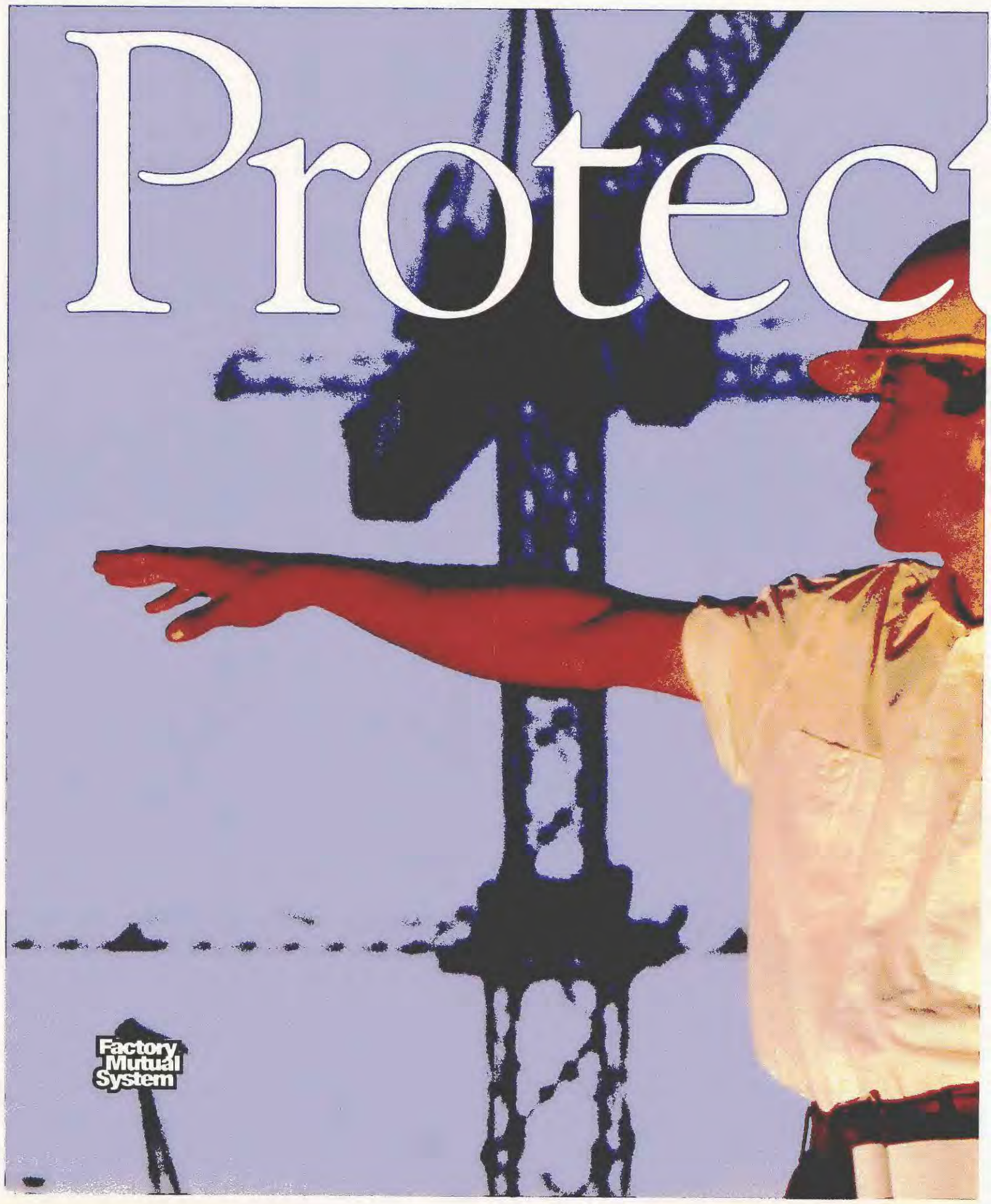
Risk management professionals 130

Clients

Total 500

Consulting since: 1972.

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Parent: Johnson & Higgins.

Frequent special projects: Risk retention analysis; captive feasibility studies; analysis of limits; claims auditing; loss prevention audits; loss settlement assistance; preparation of bidding specifications; quantitative/statistical analysis and forecasting; RMIS consulting; cost allocation programs; financial reinsurance consulting (finite risk consulting); actuarial consulting, including certifications for captives and self-insurers; group captive and risk retention group studies.

Occasional special projects: Insurance contract analysis, environmental, accounting systems analysis, broker assessment, risk management organization studies, expert witness, management consulting, performance guarantees, captive strategic planning.

Locations: Birmingham, Ala.; Anchorage, Alaska; Phoenix; Costa Mesa, Los Angeles, San Diego, San Francisco and San Jose, Calif.; Denver; Hartford and Stamford, Conn.; Wilmington, Del.; Washington; Maitland, Miami and Tampa, Fla.; Atlanta; Honolulu; Boise, Idaho; Chicago; Indianapolis; Louisville, Ky.; New Orleans; Portland, Maine; Baltimore; Boston; Detroit and Grand Rapids, Mich.; Minneapolis; Ridgeland, Miss.; St. Louis; Omaha, Neb.; Las Vegas; Parsippany, N.J.; Buffalo and Rochester, N.Y.; Charlotte, N.C.; Cincinnati, Cleveland and Columbus, Ohio; Tulsa, Okla.; Portland, Ore.; Erie, Philadelphia and Pittsburgh, Pa.; Greenville, S.C.; Nashville, Tenn.; Dallas; Houston; Salt Lake City; Richmond, Va.; Seattle; Milwaukee.

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

Officers: John V. Deitchman, director/senior vp/casualty practice leader; Fred L. Packer, managing principal/senior vp/manager-national casualty office & risk financing; Robert P. Eramo, vp/actuary; David North, principal/senior vp-global risk control services.

Contact: John V. Deitchman.

K

KPMG Peat Marwick L.L.P.

345 Park Ave., New York, N.Y. 10154; 212-872-6577; fax: 212-872-6973

1994 Revenues	
Risk management consulting revenues	$10,700,000
Risk management audits	10%
Special projects	90%
Staff	
Risk management professionals	65
Includes: 17 principal consultants, 27 consultants, 12 actuaries, 10 analysts	
Clients	
Total	191
Associations	7
Minimum size	$2,000,000

Consulting since: 1984.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, claims consulting on workers compensation.

Occasional special projects: Captive feasibility studies, environmental, loss prevention audits, loss settlement assistance, expert witness.

Specialties: Manufacturing, retail, financial institutions.

Locations: Los Angeles; Hartford, Conn.; Atlanta; Chicago; Bahamas; Bermuda; Cayman Islands.

Compensation: By the project.

Officers: Aaron Halpert, partner-in-charge; Don Gunyan, practice leader.

Contact: Don Gunyan.

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; 310-212-3344; fax: 310-328-6793

1994 Revenues	
Total gross revenues	$35,218,000
Risk management consulting revenues	$2,162,000
Continuous consulting	50%
Risk management audits	33%
Special projects	17%
Staff	
Total	384
Risk management professionals	16
Includes: 3 principal consultants, 13 consultants	
Clients	
Total	93
Associations	63

Consulting since: 1978.

Frequent special projects: Analysis of limits, loss prevention audits, accounting systems analysis, loss settlement assistance, formation of joint power agencies, drug and alcohol testing.

Occasional special projects: Risk retention analysis, insurance contract analysis, environmental, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Public school districts, municipal agencies, hospitals.

Locations: Campbell, Chico, Emeryville, Fresno, Riverside, Sacramento, San Diego, Santa Ana and Westlake Village, Calif.

Compensation: By the project, on retainer.

Officers: John R. Keenan, CEO; David J. De Wenter, chief administrative officer; Richard Stewart, Murton L. Munson, Sean Smith, executive vps.

Kusters Consulting International

2100 Tangewilde, Suite 392, Houston, Texas 77063; 713-785-3307; fax: 713-785-3307

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	10%
Risk management audits	30%
Special projects	60%
Staff	
Total	1
Includes: 1 principal consultant	
Clients	
Minimum size	None

Consulting since: 1985.

Frequent special projects: Insurance contract analysis, loss prevention audits, risk management organization studies, product liability audits, security risk audits, corporate risk profiles.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, environmental, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Specialties: International operations.

Locations: Genk, Belgium.

Compensation: By the project, on retainer, by the hour: principal consultant, $115.

Officers: Jacques H. Kusters, owner.

L

Larsen Risk Consultants Inc.

10 North St., Easton, Conn. 06612-1041; 203-268-4177; fax: 203-268-1266

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	75%
Risk management audits	20%
Special projects	5%
Staff	
Total	4
Risk management professionals	3
Includes: 1 principal consultant, 1 consultant, 1 analyst	
Clients	
Total	17
Minimum size	None

Consulting since: 1984.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, loss prevention audits, RMIS consulting, expert witness.

Specialties: Financial institutions, real estate developers, manufacturing.

Compensation: By the project, on retainer.

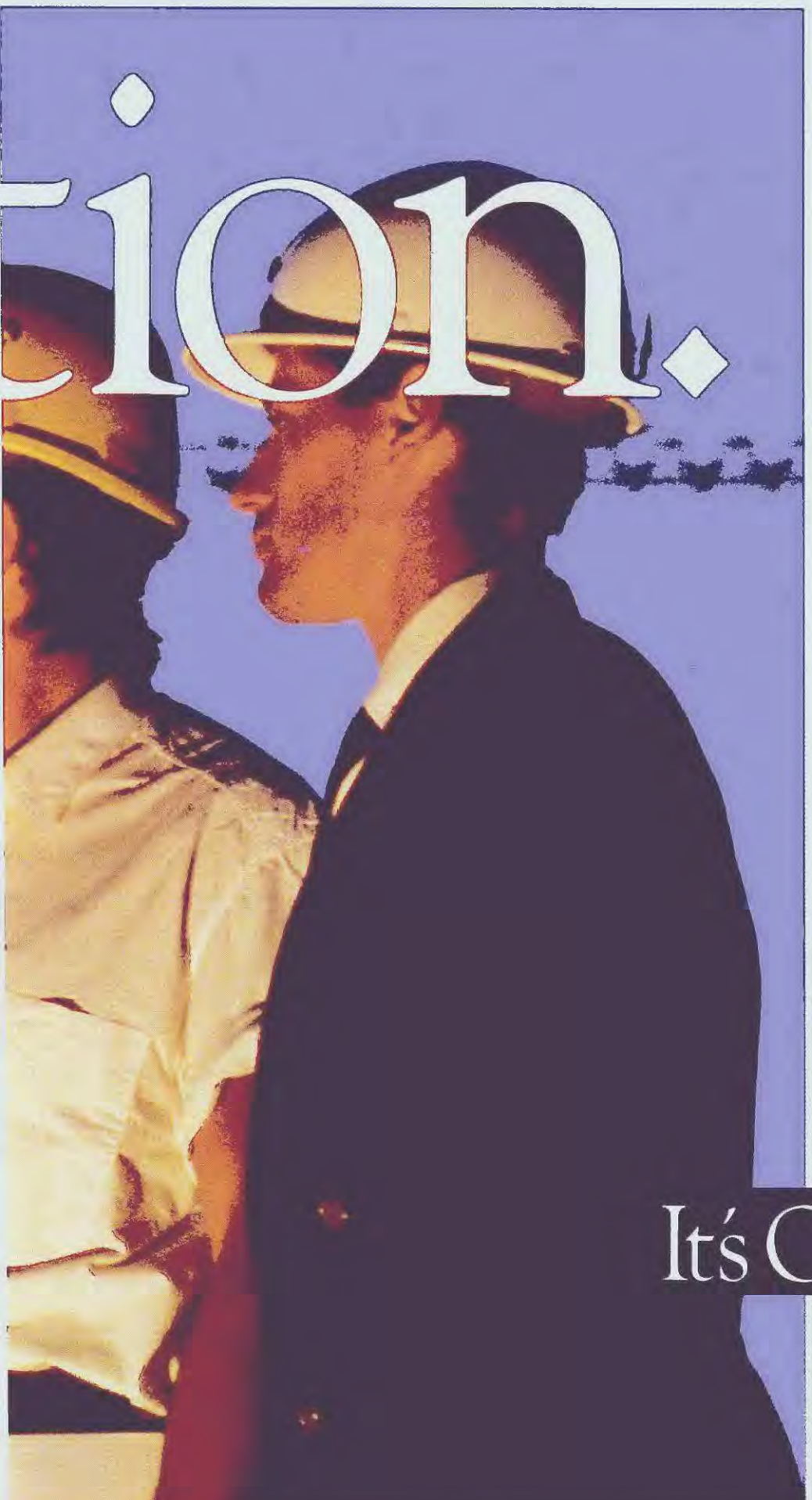
Officers: James F. Larsen, president.

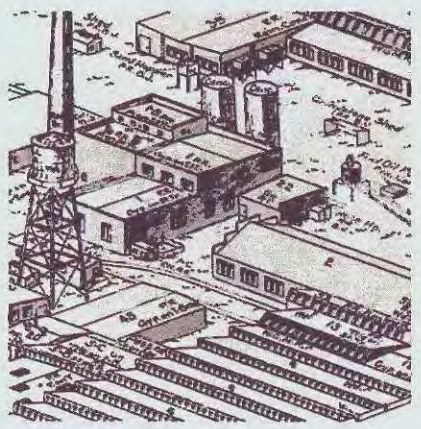
Litigation Management Specialists Inc.

Nationsbank Plaza, 414 Union St., Suite 2051; Nashville, Tenn. 37219-1758; 615-255-5510; fax: 615-255-4679

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	30%
Risk management audits	15%
Special projects	55%

Continued on next page





Many years ago, our engineers provided meticulously detailed isometric drawings of our insureds' property. Protecting an organization requires commitment and a "hands-on" approach to loss prevention engineering. Protection Mutual's focus on service provides insureds with a value not found in an ordinary insurance contract.

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300 South Northwest Highway
Park Ridge, Illinois 60068 708.825.4474

Continued from previous page

Staff

Total 3
Risk management professionals 2
Includes: 1 principal consultant, 1 analyst

Clients

Total 20
Associations 2
Minimum size ..... None

Consulting since: 1988.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, litigation management/supervision, loss avoidance, risk spreading, loss prevention.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, broker assessment, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness.

Specialties: Manufacturing, including industrial equipment, automotive service products, power equipment, recreational equipment, medical devices.

Compensation: By the project, on retainer, by the hour: principal consultant, $110 to $140.

Officers: James A. Freeman III, president.

Loss Control Associates Inc.

172 Middletown Blvd., Suite B-204, Langhorne, Pa. 19047; 215-750-6841; fax: 215-750-6845

1994 Revenues

Total gross revenues $707,460
Risk management consulting revenues $707,460
Risk management audits 25%
Special projects 75%

Staff

Total 8
Risk management professionals 6
Includes: 1 principal consultant, 5 consultants

Clients

Total 81
Minimum size ..... None

Consulting since: 1986.

Frequent special projects: Loss prevention audits, process safety management in chemical process plants, employee training.

Occasional special projects: Risk management organization studies, preparation of bidding specifications, expert witness.

Specialties: Refineries, petrochemical plants, facilities handling flammable and combustible liquids and gases.

Compensation: By the project.

Officers: Orville M. Slye Jr., president.

MMI Risk Management Resources Inc.

540 Lake Cook Road, Deerfield, Ill. 60015; 708-940-7550; fax: 708-374-1332

1994 Revenues

Total gross revenues $10,600,000*
Risk management consulting revenues $9,800,000
Continuous consulting 89.0%
Risk management audits 1.5%
Special projects 9.5%

Staff

Total 81
Risk management professionals 36

Clients

Total 534
Minimum size ..... None

Consulting since: 1985.

Parent: MMI Cos. Inc.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, workers compensation program assessment, claim system design and evaluations.

Occasional special projects: Insurance contract analysis, preparation of bidding specifications.

Specialties: Health care organizations, managed care organizations, medical group practices, physicians and allied health care providers.

Locations: Irvine and San Francisco, Calif.; Hartford, Conn.; Orlando, Fla.; Atlanta; Detroit; Albuquerque, N.M.; Raleigh, N.C.; Eugene, Ore.; Dallas; London.

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

Officers: Anna Marie Hajek, president; Tom Ahern, vp-health care financial risk services; Michelle Cooney, vp-health care education/information services; Pam Lockowitz, vp-health care consulting services; Judith Napier, vp-health care medical services.

Contact: Susan Wisbey-Smith, 800-854-2617.

Maclean, Oddy & Associates Inc.

1445 Ross Ave., Suite 3900, Dallas, Texas 75202; 214-855-7700; fax: 214-855-7794

1994 Revenues

Total gross revenues $740,833
Risk management consulting revenues $740,833
Risk management audits 5%
Special projects 95%

Staff

Total 4
Includes: 1 principal consultant, 1 consultant, 1 actuary, 1 analyst

Clients

Total 46
Associations 18
Minimum size ..... None

Consulting since: 1992.

Frequent special projects: Risk retention analysis, claims auditing, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, analysis of limits, insurance contract analysis, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Specialties: Association self-insurance funds, public entities.

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

Officers: Roy B. Oddy, chairman; Anita M. Chanpong, president; Everett J. Souza, executive vp/CFO.

James R. Mahurin

Suite 405, United Bank Building, P.O. Box 1926, Beckley, W.Va. 25802-1926; 304-252-0705; fax: 304-255-0112

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 75%
Risk management audits 10%
Special projects 15%

Staff

Total 2
Risk management professionals 1

Clients

Total 88
Minimum size ..... None

Consulting since: 1984.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications, assessment of insurance companies.

Occasional special projects: Claims auditing, environmental, loss prevention audits, broker assessment, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness, legislative, market studies.

Specialties: Mining, construction, government entities, regional jewelry chains, financial, medical and educational institutions.

Compensation: On retainer, by the hour: principal consultant, $90 to $125.

Officers: James R. Mahurin.

Management Functions Inc.

1409 N.E. 22nd Ave., Suite 109, P.O. Box 70272, Ocala, Fla. 34470; 904-351-1850; fax: 904-351-1261

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting* 95%
Risk management audits* 5%

Staff

Total 5
Includes: 1 principal consultant, 1 consultant, 1 analyst

Clients

Total 12
Associations 1
Minimum size $200,000

** Includes special risk management consulting projects.*

Consulting since: 1980.

Frequent special projects: Risk retention analysis, analysis of limits, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, RMIS consulting, expert witness.

Continued on next page



Continued from previous page

Specialties: Property management, health and mental health centers.

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

Officers: Robert A. Carr, president.

Manchester Risk Management Consulting

25 Nashua Road, London Derry, N.Y. 03053; 603-432-8700; fax: 603-432-3349

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	25%
Special projects	25%

Staff

Total	5
Risk management professionals	3
Includes: 2 principal consultants	

Clients

Total	NA
Associations	3
Minimum size	None

Consulting since: 1986.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications, litigation management.

Occasional special projects: Claims auditing, environmental, loss settlement assistance, risk management organization studies, RMIS consulting, expert witness.

Specialties: Public entities.

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

Officers: Lorene R. Larrabee, Richard F. Larrabee.

Keith L. Mason Insurance & Risk Management Consulting

21 Crinkleroot Court, The Woodlands, Texas 77380; 713-364-8846; fax: 713-364-7267

1994 Revenues

Total gross revenues	$7,000
Risk management consulting revenues	$7,000
Continuous consulting	60%
Special projects	40%

Staff

Total	1
Includes: 1 principal consultant	

Clients

Total	3
Minimum size	None

Consulting since: 1994.

Frequent special projects: Insurance contract analysis, broker assessment, preparation of bidding specifications, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, loss settlement assistance, RMIS consulting.

Specialties: Contractors, manufacturing, automobile dealers.

Compensation: By the project, on retainer, by the hour: principal consultant, $150 to $175.

Officers: Keith L. Mason, owner/principal.

R.E. Maynard Consulting Inc.

325 Davis St., Evanston, Ill. 60201; 708-864-7717

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	100%

Staff

Total	1

Clients

Total	1
Minimum size	$500,000

Consulting since: 1985.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, accounting systems analysis, loss settlement assistance, risk management organization studies.

Specialties: Manufacturing.

Compensation: On retainer.

Officers: Robert E. Maynard, president.

McLaughlin Consulting Group

23 Georgetown Road, West Newbury, Mass. 01985; 508-363-2150; fax: 508-363-2152

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	3
Risk management professionals	2
Includes: 2 principal consultants	

Clients

Total	NA
Associations	1
Minimum size	None

Consulting since: 1984.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, RMIS consulting.

Specialties: Malt beverage industry.

Compensation: By the hour: principal consultant, $125.

Officers: George T. McLaughlin III; Marjorie S. McLaughlin.

Contact: George T. McLaughlin III.

McNeary Insurance Consulting Inc.

P.O. Box 220926, 6525 Morrison Blvd., Suite 200, Charlotte N.C. 28222; 704-365-4150; fax: 704-365-4155

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	72
Risk management professionals	23
Includes: 11 principal consultants, 3 consultants, 9 analysts	

Clients

Total	300
Associations	12
Minimum size	None

Consulting since: 1967.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Claims auditing, environmental, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Locations: Marietta, Ga.; Richmond, Va.

Compensation: By the project, on retainer, by the hour: principal consultant, $150 to $190.

Officers: W.C. Moore Jr., chairman; Glen E. Pehl, president/CEO; William D. Yaeger, executive vp/COO; Norman F. Crews, senior vp; Lea Ann Kremer, vp/controller.

Contact: Glen E. Pehl.

McPherson Management Co.

1 Park Place, Suite 221, P.O. Box 366, Fredonia, N.Y. 14063-0366; 716-673-1777; fax: 716-673-1760

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	60%
Risk management audits	20%
Special projects	20%

Staff

Total	2
Includes: 1 principal consultant, 1 consultant	

Clients

Minimum size	None

Consulting since: 1975.

Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance.

Compensation: By the project, by the hour.

Membership: SRMC.

Officers: Warren D. McPherson, president.

Melanber Inc.

Box 1C1, Site 9, R.R. 1, Boutilier's Point, Nova Scotia, Canada B0J 1G0; 902-826-7579; fax: 902-826-7996

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%

Continued on next page

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Continued from previous page

Risk management audits	25%
Special projects	25%

Staff

Total	4
Risk management professionals	3
Includes: 2 principal consultants, 1 consultant	

Clients

Total	10
Associations	2
Minimum size	None

Consulting since: 1978.

Frequent special projects: Risk retention analysis, insurance contract analysis, claims auditing, environmental, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, analysis of limits, loss prevention audits, broker assessment, loss settlement assistance, expert witness, setting up underground storage tank insurance programs.

Specialties: Government, financial, manufacturing, self-insurance plans.

Compensation: By the project, on retainer, by the hour: principal consultant, $175.

Membership: SRMC.

Officers: Mel J. Parsons, president; Beryl Shapley-Parsons, secretary/treasurer; Robb Hubbard, senior consultant.

Milliman & Robertson Inc.

289 Edgewater Drive, Wakefield, Mass. 01880; 508-754-1704; fax: 508-752-9059

1994 Revenues

Total gross revenues	$29,000,000
Risk management consulting revenues	$7,100,000
Continuous consulting	50%
Risk management audits	25%
Special projects	25%

Staff

Total	182
Risk management professionals	24
Includes: 4 principal consultants, 5 consultants, 12 actuaries, 3 analysts	

Clients

Total	1,000
Minimum size	None

Consulting since: 1932.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Environmental, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting, expert witness.

Specialties: Health care, financial institutions, municipalities.

Locations: Irvine, Los Angeles and San Francisco, Calif.; Denver; Atlanta; Chicago; Boston; Minneapolis; New York; Philadelphia; Dallas; Seattle; Milwaukee; Bermuda.

Compensation: By the project, on retainer, by the hour: principal consultant, $225 to $325.

Membership: SRMC.

Officers: William L. Granahan, Allan M. Kaufman, James F. Cerone, E. Frederick Fossa.

Contact: William L. Granahan.

Minet Risk Services

1114 Ave. of the Americas, New York, N.Y. 10036; 212-782-6000; fax: 212-782-6100

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	65%
Risk management audits	5%
Special projects	30%

Staff

Total	61
Risk management professionals	25
Includes: 4 principal consultants, 14 consultants, 3 actuaries, 4 analysts	

Clients

Total	120
Associations	25
Minimum size	None

Consulting since: 1929.

Parent: Minet Group P.L.C.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, environmental, quantitative/statistical analysis and forecasting, business continuity planning, workers compensation cost containment.

Occasional special projects: Loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, loss prevention for professional services firms.

Specialties: Professional service firms, financial institutions, energy, construction, information technologies, biosciences.

Locations: Los Angeles and Palo Alto, Calif.; London; Melbourne and Sydney, Australia.

Compensation: By the project, on retainer, by the hour: principal consultant, $200 to $500.

Officers: J. Bernard Friemann, CEO; Michael D. Dangelo, executive vp; L. Ware Preston III, James M. Gevlin, David Avasthi, senior vps.

Contact: Michael D. Dangelo.

Munich American Services Corp.

560 Lexington Ave., New York, N.Y. 10022; 212-310-1759; fax: 212-308-7395

1994 Revenues

Risk management consulting revenues	NA
Risk management audits	10%
Special projects	90%

Staff

Total	9
Risk management professionals	7
Includes: 3 principal consultants, 2 consultants, 2 actuaries	

Clients

Total	35
Minimum size	None

Consulting since: 1984.

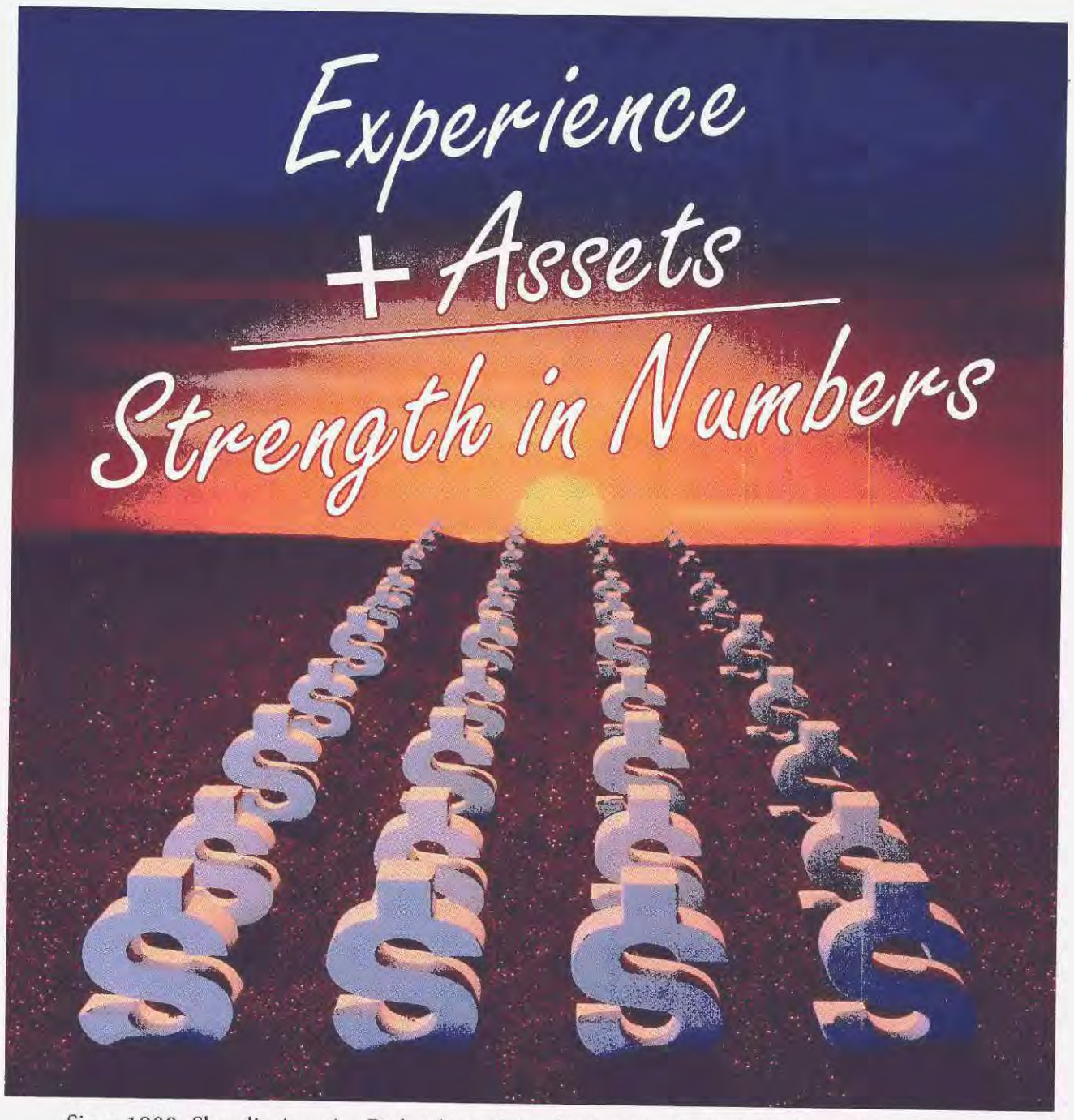
Frequent special projects: Insurance contract analysis, claims auditing, environmental, accounting systems analysis, quantitative/statistical analysis and forecasting, actuarial reserving and pricing analysis, environmental claims.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, broker assessment, loss settlement assistance, risk management organization studies.

Specialties: Foreign reinsurance companies, U.S. reinsurance companies.

Compensation: By the hour: principal consultant, $175 to $225.

Officers: Sandra C. Santomenno, president; Arthur Coleman, vp; Austin Thornton, assistant vp; Adrienne Levine, Victor Marques, assistant secretaries.



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N

National Insurance Advisory Services

5725 Corporate Way, West Palm Beach, Fla. 33407; 407-697-4500; fax: 407-689-1009

1994 Revenues

Total gross revenues	$1,000,000
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	20
Risk management professionals	12
Includes: 6 principal consultants, 3 consultants, 3 analysts	

Clients

Total	150
Associations	4

Consulting since: 1979.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, expert witness, workers compensation audits.

Occasional special projects: Risk retention analysis, captive feasibility studies, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Specialties: Temporary help, employee leasing companies, construction.

Locations: Braintree, Mass.

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

Officers: James B. Conant, CEO.

National Risk Services Inc.

1 Executive Drive, Suite 215, Fort Lee, N.J. 07024; 201-944-7533; fax: 201-585-0487

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	30%
Risk management audits	40%
Special projects	30%

Staff

Total	10
Includes: 2 principal consultants, 1 consultant, 3 analysts	

Continued on next page

Continued from previous page

Clients	
Minimum size	$45,000

Consulting since: 1987.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, preparation of bidding specifications, expert witness.

Occasional special projects: Insurance contract analysis, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Workers compensation cost controls.

Compensation: By the hour: principal consultant, $265.

Officers: Montgomery J. Gale, president/CEO; Marsha Smith, vp; Philip L. Kravitz, chairman/secretary.

The Nemirow Group

3662 Katella Ave., Suite 211, Los Alamitos, Calif. 90720; 310-430-8231; fax: 310-799-1377

1994 Revenues	
Total gross revenues	$110,000
Risk management consulting revenues	$110,000
Continuous consulting	80%
Risk management audits	15%
Special projects	5%

Staff	
Total	2
Risk management professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients	
Minimum size	None

Consulting since: 1988.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits.

Specialties: Manufacturing, hospitals, hotels.

Compensation: By the project, by the hour: principal consultant, $190.

Membership: SRMC.

Officers: Lawrence Nemirow, president.

The New Directions Group

2 Dorchester, Irvine, Calif. 92720; 714-551-0180; fax: 714-551-2497

1994 Revenues	
Total gross revenues	$310,000
Risk management consulting revenues	$310,000
Continuous consulting	85%
Special projects	15%

Staff	
Total	3
Risk management professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients	
Total	NA
Associations	3
Minimum size	None

Consulting since: 1984.

Frequent special projects: Risk retention analysis; captive feasibility studies; broker assessment; preparation of bidding specifications; oversight of captive insurance companies, including management services.

Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Compensation: By the project, on retainer, by the hour: principal consultant, $225.

Officers: Allon J. Greene Jr., principal.

O

Erin Oberly, CPCU

643 Bay St., San Francisco, Calif. 94133; 415-885-5727; fax: 415-885-5519

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	10%
Risk management audits	40%
Special projects	50%

Staff	
Total	1

Clients	
Total	23
Associations	1
Minimum size	None

Consulting since: 1992.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Occasional special projects: Accounting systems analysis, expert witness.

Compensation: By the hour: principal consultant, $175.

Officers: Erin Oberly, risk management consultant.

Occupational Safety & Health Advisors Inc.

16167 Elmwood Station, Minneapolis, Minn. 55416; 612-444-4775; fax: 612-444-4775

1994 Revenues	
Total gross revenues	$80,000
Risk management consulting revenues	$40,000
Continuous consulting	20%
Risk management audits	30%
Special projects	50%

Staff	
Total	1
Includes: 1 principal consultant	

Clients	
Total	50
Associations	40
Minimum size	None

Consulting since: 1989.

Frequent special projects: Loss prevention audits, expert witness, safety programs.

Compensation: By the hour: principal consultant, $125.

Officers: Ivan Russell, president.

P

PRM Consultants

134 N. 21st St., Newark, Ohio 43055; 614-344-7589; fax: 614-344-8408

1994 Revenues	
Risk management consulting	100%
Special projects	100%

Staff	
Total	1
Includes: 1 principal consultant	

Clients	
Minimum size	None

Consulting since: 1993.

Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting.

Specialties: Manufacturing, restaurants, consumer products.

Compensation: By the project, on retainer, by the hour: principal consultant, $75 to $125.

Officers: Nikki S. Payne, principal.

Pacific Risk Management

1904 Third Ave., Suite 735, Seattle, Wash. 98101; 206-682-9232; fax: 206-682-1360

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	70%
Risk management audits	10%
Special projects	20%

Staff	
Total	1
Includes: 1 principal consultant	

Clients	
Total	NA
Associations	2
Minimum size	None

Consulting since: 1984.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, reinsurance contract commutations.

Specialties: Pooling arrangements.

Compensation: By the project, on retainer, by the hour: principal consultant, $90 to $100.

Membership: SRMC.

Officers: John D. Haywood, principal.

Paretzky Information Network

6701 Democracy Blvd., Suite 300, Bethesda, Md. 20817; 301-571-9400; fax: 301-564-9619

Staff	
Total	4
Risk management professionals	3

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, preparation of bidding specifications.

Occasional special projects: Broker assessment, loss settlement assistance, risk management organization studies, expert witness.

Compensation: By the project, on retainer, by the hour: principal consultant, $200 to $275.

Officers: Yvonne Paretzky, president.

The Parvus Co.

8403 Colesville Road, Suite 610, Silver Spring, Md. 20910; 301-589-4949; fax: 301-589-0007

Staff	
Total	11

Consulting since: 1984.

Frequent special projects: Claims auditing, environmental, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Occasional special projects: Loss prevention audits, accounting systems analysis.

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

Officers: Gerard P. Burke, chairman; Tatiana S. Gau, executive vp; Michael J. Burke, CFO; Robert Wade, senior vp.

Contact: Eric Bassett.

B.W. Payne-Risk & Insurance Management Services

P.O. Box 541505, Houston, Texas 77254-1505; 713-667-8013; fax: 713-667-6144

1994 Revenues	
Risk management consulting revenues	NA
Continuous consulting	55%
Risk management audits	35%
Special projects	10%

Staff	
Total	1
Includes: 1 principal consultant	

Clients	
Minimum size	None

Consulting since: 1975.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

Occasional special projects: Accounting systems analysis, quantitative/statistical analysis and forecasting.

Specialties: Public entities, including utilities, education, local government; oil and gas; professional services.

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Compensation: By the project, on retainer, by the hour: principal consultant, $175.

Officers: B.W. Payne, principal.

Philip Environmental Services Corp.*

210 W. Sand Bank Road, Columbia, Ill. 62236; 618-281-7173; fax: 618-281-5120

1994 Revenues

Total gross revenues	$35,000,000
Risk management consulting revenues	$35,000,000
Continuous consulting	15%
Special projects	85%

Staff

Total	275
Risk management professionals	85
Includes: 15 principal consultants, 70 consultants	

Clients

Total	300
Associations	15
Minimum size	$25,000

Consulting since: 1975.

Parent: Philip Environmental Inc.

Frequent special projects: Captive feasibility studies, environmental, loss prevention audits, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, remedial investigations, remedial design.

Occasional special projects: Loss settlement assistance, RMIS consulting.

Specialties: Oil and gas, chemical, manufacturing, schools, utilities, transportation, electronics.

Locations: Pittsburgh; Houston; Seattle.

Compensation: By the project, by the hour: principal consultant, $90 to $110.

Officers: Gary M. Mathes, president; Lance West, controller.

** Formerly Burlington Environmental*

John Pierce Consulting Actuary

1420 Renaissance Drive, Suite 104, Park Ridge, Ill. 60068-1341; 708-297-1177; fax: 708-297-1178

1994 Revenues

Total gross revenues	$230,000
Risk management consulting revenues	$115,000
Special projects	100%

Staff

Total	4
Risk management professionals	3
Includes: 3 actuaries	

Clients

Minimum size	None

Consulting since: 1983.

Frequent special projects: Quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, environmental, RMIS consulting, expert witness.

Specialties: Risk retention groups, hospitals, trucking, self-insured workers compensation.

Compensation: By the hour: actuary, $200 to $225.

Officers: John Pierce, president.

Pleasant Valley Consulting

381 Highland Way, Worthington, Ohio 43085; 614-847-1663; fax: 614-847-1663

1994 Revenues

Risk management consulting revenues	NA
Special projects	100%

Staff

Total	2
Includes: 2 consultants	

Clients

Total	2
Associations	2
Minimum size	None

Consulting since: 1992.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, environmental, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting, financial impact studies, business interruption studies, business continuity studies.

Occasional special projects: Claims auditing, loss prevention audits, accounting systems analysis, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Compensation: By the project, on retainer.

Officers: Anthony J. Ten-Barge, president.

Praxia Group

3 Continental Towers, Suite 600, 1701 Golf Road, Rolling Meadows, Ill. 60008; 708-290-0617; fax: 708-437-4941

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	75%
Special projects	25%

Staff

Total	6
Risk management professionals	4

Consulting since: 1992.

Parent: National Insurance Partners.

Frequent special projects: Captive feasibility studies, insurance contract analysis.

Occasional special projects: Risk retention analysis, analysis of limits, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Compensation: By the project.

Officers: Michael Mead, president; Henry Peterson, executive vp; Ralph Hubbard, Paul Williams, vps.

Contact: Henry Peterson.

Professional Liability Risk Management Ltd.

214 Bronson Road, Suite 200, Syracuse, N.Y. 13219-1408; 800-323-7475; fax: 315-488-3963

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	10%
Special projects	40%

Staff

Total	6
Risk management professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	14
Associations	2
Minimum size	None

Consulting since: 1983.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness, litigation assistance, casualty coverage analysis.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, broker assessment, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Architects and engineers professional liability.

Compensation: Commissions, on retainer, by the hour: principal consultant, $200.

Officers: Eli Marposon III, president.

Professional Risk Management Inc.

9971 Valley View Road, Suite 203, Eden Prairie, Minn. 55344; 612-829-8922; fax: 612-829-8924

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	95%
Risk management audits	2%
Special projects	3%

Staff

Total	1
Includes: 1 principal consultant	

Clients

Total	28
Minimum size	None

Consulting since: 1988.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, claims auditing, environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Manufacturing, distribution, real estate, public entities, chemicals, medical, automotive, directors and officers liability, professioanl errors and omissions liability, wrap-ups (OCIPs).

Compensation: By the project, by the hour: principal consultant, $100 to $150.

Membership: SRMC.

Officers: Carl F. Lidstrom, president.

Continued on next page

Directory terms are explained on page 20.

READER REPLY SERVICE

PRODUCTS & SERVICES LISTING

Issue of March 20

Reader Service #	Advertiser	Page #
1	Acordia	26-27
2	AIG Corporate	72
3	AIG/Intellirisk	28
4	Alexander & Alexander	6
5	Alexsis Incorporated	32-33
—	Allendale Insurance	16-17
6	Ameritas Life Insurance Co.	55
7	The Bank of Butterfield	36
—	Business Insurance	21
—	CEIS	58
8	Commonwealth Risk Service	45
9	Conning & Company	20
10	Continental Underwriters	54
11	Dorn Technology Group Inc.	20
—	Dublin Re	62
12	ECA Inc.	51
13	ECS Underwriting Inc.	37
14	Employers Reinsurance Corp.	22-23
15	Equipment Insurance Mgrs.	56
—	General Reinsurance	12-13
16	InPhoto Inc.	59
—	Johnson & Higgins	38
17	Kemper National Insurance	24-25
18	Liberty Mutual	31
—	Matrix Risk Consultants	56
19	Wm. H. McGee & Co., Inc.	48
20	Meadowbrook Insurance Group	57
21	Minet Inc.	11
22	NAC Reinsurance Corp.	9
23	Protection Mutual Ins. Co.	46-47
24	Reliance National	7
25	Reliastar	14-15
—	Safeco Insurance Company	42-43
26	Sedgwick James	18
—	Sedgwick Re	49
—	Sherwood Insurance	30
27	Skandia America Group	50
28	Stewart Smith Group	44
29	Tennant Risk Services	60
30	Thomas Howell/Gay & Taylor	10
34	Toplis & Harding	61
31	Travelers Insurance Co.	34
—	UnionAmerica Insurance Co. Ltd.	4
—	Wausau Insurance Company	5
32	Western Atlantic	35
—	ZRC	29
33	Zurich American Ins. Grp/Arus	19

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A ❑ Mfg/Svcs B ❑ Association C ❑ Union D ❑ Government E ❑ Educational Inst F ❑ Ins Agent G ❑ Ins Broker H ❑ Ins/Reins Co I ❑ Actry/Conslt J ❑ Attorney K ❑ Adj/Apprs L ❑ TPA M ❑ Health care Inst N ❑ Other ____

2. Number of employees:
1 ❑ 150 or less 2 ❑ 151 - 499 3 ❑ 500 - 999 4 ❑ 1,000 - 4,999 5 ❑ 5,000 or more 6 ❑ Unknown

3. My title is best defined as:
A ❑ Administrative Mgt B ❑ Financial Mgt C ❑ Risk Mgt D ❑ Benefits Mgt E ❑ Loss Prevention Mgt F ❑ Other_____

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150

Please print clearly

Name _____

Title _____

Company _____

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City _____ State _____ Zip _____

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Continued from previous page

Professional Risk Management Consultants

393 Vanadium Road, Pittsburgh, Pa. 15243; 412-429-3301; fax: 412-429-3310

1994 Revenues

Total gross revenues	$450,000
Risk management consulting revenues	$450,000
Continuous consulting	15%
Risk management audits	45%
Special projects	40%

Staff

Total	4
Risk management professionals	3
Includes: 3 principal consultants, 1 consultant	

Clients

Total	200

Consulting since: 1983.

Parent: Halliwell & Associates.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, expert witness.

Specialties: Health care, municipal, financial institutions.

Compensation: By the project, on retainer, by the hour: principal consultant, $160.

Officers: Thomas S. Baily, president; Paul D. Halliwell, president-Halliwell & Associates.

Contact: Mari Murphy.

RCS Services

16300 Katy Freeway, Suite 170, Houston, Texas 77094; 713-647-9022; fax: 713-647-0722

1994 Revenues

Total gross revenues	$1,000,000
Risk management consulting revenues	$1,000,000
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	13
Includes: 4 principal consultants, 9 consultants	

Clients

Total	400
Associations	5
Minimum size	None

Consulting since: 1990.

Frequent special projects: Claims auditing, loss prevention audits, RMIS consulting, experience modification consultation and review, captive insurance company loss control, risk management consultation and service.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

Specialties: Captives (homo and heterogeneous), temporary help, employee leasing, staffing, retail.

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

Officers: Bill Nagel, CEO; James E. Parker, president/general manager; Mark A. Lawrence, vp-operations; Trish McCall, vp-field services.

Contact: Mark A. Lawrence.

RWL & Associates

101 W. Renner Road, Suite 240, Richardson, Texas 75082-2003; 214-907-9095; fax: 214-907-9198

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	50%
Risk management audits	25%
Special projects	25%

Staff

Total	8
Risk management professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients

Total	300
Associations	7
Minimum size	None

Consulting since: 1989.

Parent: RWL Group.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, preparation of bidding specifications, claim disputes and settlements, contractual risk transfer and insurance requirements.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, broker assessment, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

Compensation: By the project, on retainer, by the hour: principal consultant, $195.

Membership: SRMC.

Officers: Robert W. Lazarus, president; Roberta A. Lazarus, vp/corporate secretary.

Thomas C. Radziewicz Risk Management Consulting

300 W. Main St., Northboro, Mass. 01532; 508-393-6699; fax: 508-393-6709

1994 Revenues

Risk management consulting	100%
Continuous consulting	60%
Risk management audits	20%
Special projects	20%

Staff

Risk management professionals	1
Includes: 1 principal consultant	

Clients

Total	30
Minimum size	None

Consulting since: 1994.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.

Occasional special projects: Accounting systems analysis, loss settlement assistance, risk management organization studies, expert witness.

Specialties: Educational institutions, banking, manufacturing, retail, utilities, hospitals, municipalities, real estate, construction.

Compensation: By the project, by the hour: principal consultant, $160.

Membership: SRMC.

Officers: Thomas C. Radziewicz.

Regent Consultants Corp.

544 Broadway, Suite 200, Massapequa, N.Y. 11758; 516-541-0021; fax: 516-541-1964

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	3
Includes: 1 principal consultant, 1 consultant	

Clients

Minimum size	None

Consulting since: 1968.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, expert witness.

Specialties: School districts, municipalities, wine and spirits, materials handling, manufacturing, general wholesaling.

Compensation: By the hour: principal consultant, $165.

Membership: SRMC.

Officers: Philip Platzer, president.

Risk Administration & Management Co.

1390 Willow Pass Road, Suite 500, Concord, Calif. 94520; 800-684-7475; fax: 510-685-3638

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	5%
Special projects	15%

Staff

Total	12
Risk management professionals	10
Includes: 1 principal consultant, 9 consultants	

Clients

Total	60
Minimum size	None

Consulting since: 1986.

Parent: InsPro Corp.

Frequent special projects: Claim administration and management, early dispute consultation, claim reviews and loss analysis, litigation management, risk management consultations, loss prevention education programs, contract review and analysis, statistical reporting,database development and tracking.

Occasional special projects: Underwriting surveys, systems analysis, reserve adequacy audits, program development, dispute resolution design and implementation, quality management reviews, loss prevention audits, insurance policy drafting and compilation.

Specialties: Professional risks; real estate agents; insurance agents; self-insured programs; architects and engineers, including environmental engineers and single multiyear projects.

Compensation: By the project, by the hour: principal consultant, $200.

Officers: S. Lee Nelson, director.

Risk Analysts Inc.

24 Greenway Plaza, Suite 1100, Houston, Texas 77046-2401; 713-507-9400; fax: 713-507-4724

1994 Revenues

Total gross revenues	$1,240,816
Risk management consulting revenues	$925,685
Continuous consulting	74%
Risk management audits	6%
Special projects	20%

Staff

Total	14
Risk management professionals	14
Includes: 3 principal consultants, 4 consultants, 2 analysts	

Clients

Total	94
Associations	6
Minimum size	None

Consulting since: 1982.

Parent: Wisenberg Insurance & Risk Management.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, workers compensation act rejection (Texas), risk transfer by contract.

Occasional special projects: Captive feasibility studies, broker assessment, RMIS consulting, expert witness.

Specialties: Workers compensation non-subscriber, hospitals, entertainment, motor sports, retail, supermarket chains, wholesale distribution.

Compensation: By the project, on retainer, by the hour: principal consultant, $250.

Officers: Joe Williams, president; Irving Pozmantier, chairman; Thomas Francis, executive vp/senior consultant.

Risk Consultants Inc.

7506 E. Independence Blvd., Suite 100, Charlotte, N.C. 28227; 704-537-3400; fax: 704-532-2359

1994 Revenues

Total gross revenues	$570,230
Risk management consulting revenues	$388,760
Continuous consulting	68%
Risk management audits	20%
Special projects	12%

Staff

Total	10
Risk management professionals	6
Includes: 3 principal consultants, 2 consultants, 1 analyst	

Clients

Total	200
Associations	3
Minimum size	None

Consulting since: 1969.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of bidding specifications, fire protection engineering.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, accounting systems analysis, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, feasibility and formation of reciprocals.

Specialties: Banks, manufacturing, trucking, hospitals, schools, municipalities.

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

Officers: Merle D. Randle, chairman; Richard C. Canovai, president; J. Lanny Goode, vp-sales; David R. Lively, vp.

Risk Consulting Group

12120 Alicia Parkway, Suite 200, Mission Viejo, Calif. 92692; 714-583-1161; fax: 714-583-0245

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	40%
Risk management audits	20%
Special projects	40%

Staff

Total	11
Risk management professionals	7
Includes: 2 principal consultants, 3 consultants, 2 analysts	

Clients

Total	NA
Associations	8
Minimum size	None

Consulting since: 1976.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Claims auditing, accounting systems analysis, loss settlement assistance, RMIS consulting, expert witness.

Specialties: Property management, health care, wholesale, manufacturing, service, retail.

Locations: Glen Rock, N.J.

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

Membership: SRMC.

Officers: R.E. Ford, M.L. Finch, principals; K. Michaels, manager.

Contact: R.E. Ford.

Risk Control Inc.

216 Water St., Excelsior, Minn. 55331; 612-474-5204

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	5
Risk management professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients

Minimum size	None

Consulting since: 1978.

Special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications, expert witness.

Specialties: Plastics, wood, light manufacturing.

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

Membership: SRMC.

Officers: Jerry Brecke, president.

Risk Control Strategies Inc.

170 Great Neck Road, Great Neck, N.Y. 11021; 516-466-0750; fax: 516-466-0997

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	70%
Risk management audits	20%
Special projects	10%

Staff

Total	5
Risk management professionals	4
Includes: 1 principal consultant, 2 consultants, 1 analyst	

Clients

Total	18
Minimum size	None

Consulting since: 1984.

Frequent special projects: Claims auditing, loss prevention audits, preparation of bidding specifications, customized safety and claims management programs.

Occasional special projects: Risk retention analysis, analysis of limits, broker assessment, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Retail, distribution, manufacturing.

Compensation: By the project, on retainer, by the hour: principal consultant, $175.

Membership: SRMC.

Officers: Susan G. Kaufman, president.

Risk International Services Inc.

320 Springside Drive, Suite 250, Akron, Ohio 44333-2435; 216-666-2556; fax: 216-666-0842

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	29%
Risk management audits	6%
Special projects	65%

Staff

Total	42
Risk management professionals	33
Includes: 8 principal consultants, 4 consultants, 1 actuary, 20 analysts	

Clients

Total	36
Minimum size	None

Consulting since: 1986.

Parent: International Marine Casualty Services.

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, broker assessment, loss settlement assistance, preparation of bidding specifications, insurance archaeology, environmental and toxic tort insurance recoveries.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Locations: Baltimore; Houston; Salt Lake City.

Compensation: By the project, on retainer, by the hour: principal consultant, $110 to $145.

Officers: Del R. Jones, chairman; David C. Hatch, president; Douglas L. Talley, vp/counsel.

Risk Management Inc.

6969 Carey Lane, Maple Grove, Minn. 55369; 612-425-4040; fax: 612-425-4040

1994 Revenues

Total gross revenues	$89,000
Risk management consulting revenues	$89,000
Special projects	100%

Staff

Total	2
Includes: 1 principal consultant, 1 consultant	

Consulting since: 1980.

Frequent special projects: Expert witness.

Occasional special projects: Insurance contract analysis.

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

Officers: Andrew F. Whitman, president; Susan J. Whitman, secretary/treasurer.

Risk Management Advisers

12370 Darkwood Road, San Diego, Calif. 92129; 619-484-4548; fax: 619-484-4860

1994 Revenues

Total gross revenues	$100,000
Risk management consulting revenues	$100,000
Continuous consulting	11%
Risk management audits	12%
Special projects	77%

Staff

Total	1
Includes: 1 principal consultant	

Clients

Total	50
Minimum size	None

Consulting since: 1982.

Frequent special projects: Analysis of limits, insurance contract analysis, loss settlement assistance, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications.

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

Officers: Edward A. Whitney, principal consultant.

Risk Management Affiliates Ltd.

990 Westbury Road, Westbury, N.Y. 11590; 516-333-7250; fax: 516-333-7778

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	85%
Risk management audits	10%
Special projects	5%

Staff

Total	4
Risk management professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	NA
Associations	4
Minimum size	None

Consulting since: 1991.

Frequent special projects: Risk retention analysis, analysis of limits, claims auditing, loss settlement assistance, risk management organization studies.

Occasional special projects: Captive feasibility studies, insurance contract analysis, environmental, loss prevention

Continued on next page

Continued from previous page
retail, law firms.

Compensation: By the project, on retainer, by the hour: principal consultant, $150 to $200.

Membership: SRMC.

Officers: Edward W. Siver, president/senior consultant; James Marshall Jr., executive vp/senior consultant; Robert F. McBurney, senior vp/senior consultant; Stephanie M. Barnhill, secretary/senior consultant.

Contact: Edward W. Siver.

Smith Consulting Group

Foothill Executive Plaza, 1150 Foothill Blvd., Suite J, La Canada, Calif. 91011-3248; 818-790-0573; fax: 818-790-0576

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	80%
Risk management audits	15%
Special projects	5%

Staff

Total	1

Clients

Total	19
Minimum size	None

Consulting since: 1985.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Compensation: On retainer, by the hour: principal consultant, $165 to $200.

Officers: Dick Smith, principal.

Soper & Associates Ltd.

P.O. Box 39, Kirkland, Wash. 98083-0039; 206-889-0113; fax: 206-889-0114

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	20%
Risk management audits	5%
Special projects	75%

Staff

Total	5
Includes: 3 principal consultants, 1 consultant, 1 analyst	

Clients

Total	14
Minimum size	None

Consulting since: 1982.

Frequent special projects: Analysis of limits, risk management organization studies, expert witness, crisis management, disaster recovery, contingency planning.

Occasional special projects: Risk retention analysis, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $145.

Membership: SRMC.

Officers: Richard H. Soper, Wesley J. Goss, principals; Virginia R. Sundt, director-administration; George H. Griffin, Diana P. Walker, directors.

Specialty Risk Management Inc.

8015 Bronco Lane, Lago Vista, Texas 78645; 512-328-2545; fax: 512-328-2486

1994 Revenues

Total gross revenues	$335,000
Risk management consulting revenues	$280,000
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	6
Includes: 3 principal consultants, 3 analysts	

Clients

Total	27
Minimum size	None

Consulting since: 1993.

Frequent special projects: Risk retention analysis; analysis of limits; insurance contract analysis; claims auditing; loss prevention audits; broker assessment; loss settlement assistance; risk management organization studies; preparation of bidding specifications; RMIS consulting; hot-line service for questions regarding OSHA, human resources and injuries; outsourcing for internal development, internal procedures and human resources; onsite training for key managers/supervisors.

Occasional special projects: Captive feasibility studies, environmental, accounting systems analysis, quantitative/statistical analysis and forecasting.

Specialties: Manufacturing, heavy industry, distribution, agriculture, restricted retail.

Locations: Austin, Dallas and Houston, Texas.

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

Officers: Pamela J. Hanley, president.

C.J. Spivey Associates Inc.

5821 Fairview Road, Suite 100, Charlotte, N.C. 28209; 704-553-0462; fax: 704-553-0536

1994 Revenues

Total gross revenues	$741,891
Risk management consulting revenues	$382,364
Continuous consulting	70%
Risk management audits	19%
Special projects	11%

Staff

Total	2.5
Risk management professionals	1.5
Includes: 1 principal consultant, 0.5 consultants	

Clients

Total	41
Minimum size	$100,000

Consulting since: 1981.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting, exposure analysis.

Occasional special projects: Captive feasibility studies, broker assessment, quantitative/statistical analysis and forecasting, expert witness, risk management job analysis.

Specialties: Municipalities, counties, city and state government, schools, colleges and universities, hospitals, housing authorities, area mental health, fraternities.

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

Officers: C.J. Spivey, president/treasurer; B.R. Spivey, vp/secretary.

William H. Sternburg & Associates Inc.

125 Greenleaf St., Quincy, Mass. 02169; 617-773-6672; fax: 617-479-7563

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	3
Risk management professionals	2
Includes: 2 principal consultants	

Clients

Total	55
Minimum size	None

Consulting since: 1991.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, captive feasibility studies, loss prevention audits, RMIS consulting, expert witness.

Specialties: Privately held corporations, middle-market premiums up to $5 million.

Compensation: By the project, on retainer, by the hour: principal consultant, $150 to $200.

Officers: William H. Sternburg, president; Emily F. Schabacker, executive vp.

Stogniew & Associates

12225 28th St. N., St. Petersburg, Fla. 33716; 813-572-7400; fax: 813-572-7457

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	75%
Risk management audits	10%
Special projects	15%

Staff

Total	9
Risk management professionals	7
Includes: 4 principal consultants, 3 consultants	

Clients

Total	100
Associations	100
Minimum size	None

Consulting since: 1980.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, expert witness.

Occasional special projects: Risk retention analysis, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Banks, thrifts, credit unions, finance companies, insurance companies, stock brokers, broker/dealers, mortgage bankers, hospitals, nursing homes, law firms, title companies.

Locations: Los Angeles; Chicago; Portland, Ore.; Dallas.

Compensation: By the project, on retainer, by the hour: principal consultant, $125 to $200.

Officers: Gerald F. Stogniew, CEO; Richard L. Junkermann, president; Robert L. Niemann, Cheresse N. Smoot, directors.

Contact: Rich Junkermann.

Stone & Webster Management Consultants Inc.-Risk Management Division

1 Penn Plaza, 250 W. 34th St., New York, N.Y. 10119; 212-290-7137; fax: 212-290-7123

1994 Revenues

Risk management consulting revenues	$1,100,000
Continuous consulting	60%
Risk management audits	20%
Special projects	20%

Staff

Total	8
Risk management professionals	7
Includes: 4 principal consultants, 2 consultants, 1 analyst	

Clients

Total	85
Associations	1
Minimum size	None

Consulting since: 1934.

Parent: Stone & Webster Inc.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk transfer analysis (contracts and certificates).

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, RMIS consulting, expert witness.

Specialties: Utilities, government, financial institutions, manufacturing.

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

Officers: Michael Natale, vp/director-risk management services; William Gombocz, manager-client services; Louis DeMartino, assistant manager-client services.

Strang & Associates

2656 29th St., Suite 201, Santa Monica, Calif. 90405-2984; 310-396-6884; fax: 310-396-0681

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	60%
Risk management audits	30%
Special projects	10%

Staff

Total	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	10
Minimum size	None

Consulting since: 1992.

Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications, expert witness, ongoing risk management services.

Occasional special projects: Risk retention analysis, broker assessment, loss settlement assistance, risk management organization studies.

Specialties: Aviation industry, CPA firms, law firms, banking establishments.

Compensation: By the project, by the hour: principal consultant, $150 to $175.

Membership: SRMC.

Officers: James P. Strang, Elizabeth S. Strang.

Strategy & Risk Group

2700 N. Central Ave., Suite 630, Phoenix, Ariz. 85004; 602-222-5909; fax: 602-222-5911

Staff

Total	5
Risk management professionals	2
Includes: 2 principal consultants	

Clients

Total	35
Associations	4
Minimum size	None

Consulting since: 1987.

Parent: Ralph Korn & Associates Inc..

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Loss prevention audits, broker assessment, loss settlement assistance, RMIS consulting, expert witness.

Specialties: Public entities, newspaper publishers, construction and contractors.

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

Membership: SRMC.

Officers: Ralph Korn, president; Thomas J. O'Malley, Anne B. Livingston, vps.

Contact: Ralph Korn or Thomas O'Malley.

21st Century Healthcare Management Inc.

120 Burr Ridge Parkway, Burr Ridge, Ill. 60521; 708-655-0800; fax: 708-655-0881

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	30%
Risk management audits	40%
Special projects	30%

Staff

Total	10
Risk management professionals	10
Includes: 4 principal consultants, 2 consultants, 2 actuaries, 2 analysts	

Clients

Total	20
Associations	3
Minimum size	None

Consulting since: 1991.

Frequent special projects: Risk retention analysis, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, RMIS consulting.

Occasional special projects: Captive feasibility studies, analysis of limits, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Self-insurers.

Compensation: By the project, on retainer, by the hour: principal consultant, $175.

Officers: Liz Spreck, CEO/president.

TMB Insurance Valuations

1 Stamford Landing, Suite 218, Stamford, Conn. 06902; 203-348-0088; fax: 203-324-9961

Staff

Total	700
Risk management professionals	500

Clients

Total	250
Minimum size	None

Consulting since: 1994.

Parent: Troostwijk Group B.V.

Frequent special projects: Risk retention analysis; analysis of limits; claims auditing; loss settlement assistance; valuations for insurance and financial purposes, including loss assessment.

Occasional special projects: Environmental, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Locations: Los Angeles; Denver; Tampa, Fla.; Chicago; Princeton, N.J.; New York; Philadelphia; Dallas and Houston; Austria; Belgium; Brazil; China; France; Germany; Italy; Ivory Coast; Mexico; Morocco; Mozambique; Netherlands; Portugal; Spain; Switzerland; United Kingdom; Venezuela.

Compensation: By the project.

Officers: Adrian Westerhof, CEO; Marcel Juliard, Charley Veels, executive management.

Tanglewood Associates

P.O. Box 212, Boxford, Mass. 01921; 508-887-2070; fax: 508-887-7260

1994 Revenues

Total gross revenues	$100,000
Risk management consulting revenues	$100,000
Continuous consulting	80%
Risk management audits	10%
Special projects	10%

Staff

Total	3
Risk management professionals	1
Includes: 1 principal consultant, 2 consultants	

Clients

Total	5
Minimum size	None

Consulting since: 1988.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, claims auditing, environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Utilities, pharmaceuticals.

Compensation: By the project, by the hour.

Officers: H. Brown Baldwin, principal.

Tennant Risk Services Inc.

CityPlace II, 185 Asylum St., Hartford, Conn. 06103; 203-527-9717; fax: 203-527-2438

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	57%
Special projects	43%

Staff

Total	8
Includes: 2 principal consultants, 1 consultant	

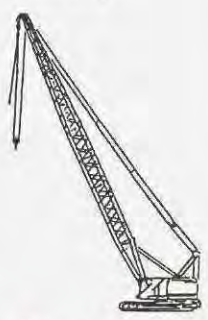
Consulting since: 1987.

Frequent special projects: Risk retention analysis, captive feasibility studies,

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Continued from previous page

loss prevention audits, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Analysis of limits, risk management organization studies, RMIS consulting.

Compensation: By the project, commissions, by the hour.

Officers: Robert T. Sargent, president; Kimberley L. Byrd, executive vp.

Contact: Kimberley L. Byrd.

D.L. Tibbals Risk Management Consulting Inc.

990 Hammond Drive N.E., Suite 310, Atlanta, Ga. 30328; 404-395-3850; fax: 404-395-3852

1994 Revenues

Total gross revenues	$303,392
Risk management consulting revenues	$303,392
Continuous consulting	60%
Risk management audits	30%
Special projects	10%

Staff

Total	2
Risk management professionals	1

Clients

Total	50
Minimum size	None

Consulting since: 1987.

Frequent special projects: Risk retention analysis; analysis of limits; insurance contract analysis; broker assessment; loss settlement assistance; risk management organization studies; preparation of bidding specifications; quantitative/statistical analysis and forecasting; review of contracts, leases and other agreements to identify potential exposures and insurance implications.

Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, RMIS consulting, expert witness.

Specialties: Hotels/hospitality industry, hospitals, real estate development and management, country clubs, high tech and telecommunications industries, banking, construction, light manufacturing.

Compensation: By the hour: principal consultant, $150.

Membership: SRMC.

Officers: David L. Tibbals, president.

Tiller Consulting Group Inc.

99 Trent Drive, St. Louis, Mo. 63124; 314-567-7480

1994 Revenues

Risk management consulting revenues	NA
Special projects	100%

Staff

Total	2
Includes: 1 principal consultant, 1 actuary	

Consulting since: 1985.

Frequent special projects: Risk retention analysis, captive feasibility studies, environmental, quantitative/statistical analysis and forecasting, expert witness, actuarial evaluations, property/casualty, health.

Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Specialties: Public entities, industry.

Officers: Margaret W. Tiller, president; Michael H. Tiller, principal.

Contact: Margaret W. Tiller.

Towers Perrin Risk Management

245 Park Ave., New York, N.Y. 10167; 212-309-3400; fax: 212-309-0950

1994 Revenues

Total gross revenues	$55,900,000*
Risk management consulting revenues	$25,200,000
Continuous consulting	40%
Risk management audits	10%
Special projects	50%

Staff

Total	296
Risk management professionals	100
Includes: 15 principal consultants**, 23 consultants***, 17 analysts	

Clients

Total	1,000
Associations	100
Minimum size	None

** Includes property/casualty consulting only; excludes life/health, employee benefit and general management consulting.** Includes 8 actuaries. *** Includes 10 actuaries.*

Consulting since: 1946.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, environmental, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, workers compensation cost management, strategic risk financing, vendor selection/evaluation.

Occasional special projects: Insurance contract analysis, loss prevention audits, accounting systems analysis, expert witness, financial reinsurance design.

Locations: Irvine and San Francisco, Calif.; Denver; Hartford and Stamford, Conn.; Jacksonville, Fla.; Atlanta; Chicago; Boston; Minneapolis; St. Louis; Parsippany, N.J.; Dallas; San Antonio; London.

Compensation: By the project, by the hour: principal consultant, $270 to $390.

Officers: Jerry Miccolis, practice leader; Jenny Emery, practice manager; Greg Berg, Lisa Chanzit, Rob Darby, Cecily Gallagher, Tom Gallagher, Charles Lee, Martin Lewis, Dave Mohrman, Judi Morgan, Rick Moscicki, Paul Pinckney, Hugh Rosenbaum, John Yonkunas, principals.

Contact: Jerry A. Miccolis, 314-862-7611.

Transatlantic Insurance Associates Inc.

Doral House 2, Suite 521, 9805 N.W. 52nd St., Miami, Fla. 33178; 305-592-0484; fax: 305-592-9942

1994 Revenues

Risk management consulting revenues	NA
Risk management audits	15%
Special projects	85%

Staff

Total	2
Risk management professionals	1
Includes: 1 principal consultant	

Clients

Minimum size	None

Consulting since: 1994.

Frequent special projects: Risk retention analysis, insurance contract analysis, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, international audits, international risk management and commercial property loss projects.

Occasional special projects: Captive feasibility studies, analysis of limits, environmental, loss prevention audits, broker assessment, loss settlement assistance, RMIS consulting, expert witness.

Specialties: Consulting on operations in central and eastern Europe, Russian Federation, China and far east.

Locations: Budapest, Hungary.

Compensation: By the project, by the hour: principal consultant, $115.

Officers: Frank Farago, principal consultant.

TransGlobal Risk Management

P.O. Box 9336, WBB, Dayton, Ohio 45409-9336; 513-299-9200; fax: 513-299-9200

1994 Revenues

Risk management consulting	100%
Special projects	100%

Staff

Total	1

Continued on next page

This Fraud Control Expert Made the Business Award Finals Three Years Running. Want to Know Why?

For the past three years InPhoto's Bill Kizorek has been chosen as a finalist in the Merrill Lynch/Ernst & Young "Entrepreneur of the Year" contest. With tens of thousands of businesses eligible, what made the difference?

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Bill has been the driving force behind establishing industry standards with his six books (the latest, SIU 101, has over a thousand fraud flags and interview procedures), TV appearances, and magazine articles.

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Clients

Total 2
Associations 1
Minimum size ..... None

Consulting since: 1993.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, broker assessment, risk management organization studies, preparation of bidding specifications.
Occasional special projects: Loss prevention audits, loss settlement assistance, RMIS consulting, expert witness, comparative industry analysis, text/manual drafting and editing.
Compensation: By the project, on retainer, by the hour: principal consultant, $150.
Officers: Glenn A. MacCorkle, CEO.

The Traverse Group

3772 Plaza Drive, Ann Arbor, Mich. 48108; 313-747-9300; fax: 313-747-9229

Staff

Total 56

Clients

Total 5
Associations 5
Minimum size ..... None

Consulting since: 1975.
Frequent special projects: Environmental, including risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness, regulatory compliance, risk assessments for property (Phase I and II), remediation investigation and feasibility studies, environmental wellness programs.
Occasional special projects: Quantitative/statistical analysis and forecasting.
Locations: Traverse City, Mich.
Compensation: By the project, commissions, on retainer, by the hour.
Officers: John M. Armstrong, CEO; Jeffrey B. Martin, general manager.
Contact: Laura A. Armstrong, vp-business development.

U

United Insurance Consultants Inc.

11 Harristown Road, Glen Rock, N.J. 07452; 201-444-3888; fax: 201-444-9335

1994 Revenues

Risk management consulting revenues $5,000,000
Continuous consulting 98%
Risk management audits 2%
Special projects 2%

Staff

Total 25
Risk management professionals 10
Includes: 10 principal consultants

Clients

Total 500
Minimum size ..... None

Consulting since: 1979.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, preparation of bidding specifications, quantitative/statistical analysis and forecasting.
Occasional special projects: Risk retention analysis, captive feasibility studies, broker assessment, loss settlement assistance, risk management organization studies.
Specialties: Mining, retail, manufacturing, construction, electronics.
Compensation: On retainer.
Officers: Thomas A. Kovatch, president; Jeffrey Teitel, Scott Teitel, Mitchell Gerber, Stephen Gerber, Albert Sica, David Rosenthal, Robert Weinberg, Craig Farrell, Steve Levy, senior associates.

United Risk Management Inc.

14261 E. Fourth Ave., Suite 261, Aurora, Colo. 80011; 303-752-0775; fax: 303-364-3602

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 26%
Risk management audits 3%
Special projects 71%

Staff

Total 1

Clients

Minimum size ..... None

Consulting since: 1982.
Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies.
Specialties: Public entities, financial sector.
Compensation: By the project, on retainer, by the hour: principal consultant, $110.
Officers: Brian L. Briese, president; Jan Briese, secretary.

V

Voller, Savage & Associates

P.O. Box 3903, Laguna Hills, Calif. 92654-3903; 714-454-0315; fax: 714-454-8341

1994 Revenues

Total gross revenues $185,000
Risk management consulting revenues $185,000
Continuous consulting 10%
Risk management audits 20%
Special projects 70%

Staff

Total 2
Includes: 2 principal consultants

Clients

Total 38
Minimum size ..... None

Consulting since: 1992.
Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting, wrap-up feasibility projects, TPA selection and evaluation.
Specialties: Entertainment, health care, public entities.
Compensation: By the project, on retainer, by the hour: principal consultant, $165 to $225.
Membership: SRMC.
Officers: Donald J. Voller, principal.

W

Walker Risk Management Services Inc.

2515 Fourth Ave., Suite 2208, Seattle, Wash. 98121; 206-728-5872; fax: 206-728-5681

1994 Revenues

Total gross revenues $100,000
Risk management consulting revenues $100,000
Continuous consulting 75%
Risk management audits 20%
Special projects 5%

Staff

Total 1
Includes: 1 principal consultant

Clients

Total 25
Minimum size ..... None

Consulting since: 1992.
Frequent special projects: Analysis of limits; insurance contract analysis; claims auditing; loss settlement assistance; expert witness; marine insurance consulting to brokers, including specs, marketing and placement of insurance.
Occasional special projects: Risk retention analysis, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications.
Specialties: Marine related, international trade and transportation risks.
Compensation: By the project, on retainer, by the hour: principal consultant, $100.
Officers: William C. Walker III, president.

Walston & Addicks

1640 Powers Ferry Road, Building 28, Suite 200, Marietta, Ga. 30067-9418; 404-980-9423; fax: 404-980-1181

1994 Revenues

Total gross revenues $615,000
Risk management consulting revenues $399,000
Continuous consulting 93%
Risk management audits 5%
Special projects 2%

Staff

Total 10
Risk management professionals 5
Includes: 2 principal consultants, 2 consultants, 1 analyst

Consulting since: 1970.
Parent: Walston & Associates Inc.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.
Occasional special projects: Captive feasibility studies, risk management organization studies.
Compensation: By the project, by the hour.
Membership: SRMC.
Officers: Thomas F. Walston, president; Lois M. Walston, secretary; Raymond C. Addicks Jr., principal; Dara Bishop, vp-claim administration.

David Warren

58 Diablo View Drive, Orinda, Calif. 94563-1507; 510-254-9472; fax: 510-253-9645

Staff

Total 1

Consulting since: 1979.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.
Occasional special projects: Captive feasibility studies, loss settlement assistance, RMIS consulting.
Compensation: By the project, by the hour: principal consultant, $175.
Membership: SRMC.
Officers: David Warren.

Warren, McVeigh & Griffin Inc.

1420 Bristol St. N., Suite 220, Newport Beach, Calif. 92660; 714-752-1058; fax: 714-955-1929

1994 Revenues

Risk management consulting 100%
Continuous consulting 45%
Risk management audits 20%
Special projects 35%

Staff

Total 10
Risk management professionals 7
Includes: 3 principal consultants, 4 consultants

Clients

Total 70
Associations 10
Minimum size ..... None

Consulting since: 1968.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, risk management organization studies, preparation of bidding specifications, expert witness.
Occasional special projects: Captive feasibility studies, loss prevention audits, accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting.
Specialties: Government, utilities, hospitals, construction, transportation.
Locations: San Mateo, Calif.
Compensation: By the project, by the hour: principal consultant, $175 to $250.
Membership: SRMC.
Officers: C.C. Griffin, president; Ronald Rakich, Bruce Codding, vps.

Waters Risk Management

7300 Park St. N., Seminole, Fla. 34647-4601; 813-397-8665; fax: 813-386-3585

1994 Revenues

Risk management consulting 100%
Continuous consulting 45%
Risk management audits 20%
Special projects 35%

Staff

Total 4
Risk management professionals 2
Includes: 1 principal consultant, 1 consultant

Clients

Total 50
Associations 3
Minimum size ..... None

Consulting since: 1978.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, group benefits analysis and requests for proposals.
Occasional special projects: Loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.
Specialties: Public entities.
Compensation: By the project, by the hour: principal consultant, $130.
Membership: SRMC.
Officers: Al Waters, Hayden Knowlton.
Contact: Al Waters.

WEB Insurance Consultants Inc.

P.O. Box 4065, Middletown, N.J. 07748; 908-671-9455; fax: 908-671-2820

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 69%
Risk management audits 15%
Special projects 16%

Staff

Total 4
Risk management professionals 2
Includes: 1 principal consultant, 1 consultant

Clients

Minimum size ..... None

Consulting since: 1981.
Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting.
Specialties: Health care, public entities.
Compensation: By the project, on retainer, by the hour.
Officers: William Brengel, president; Barbara Benedetto, vp.
Contact: William Brengel.

Webber Consulting Group

P.O. Box 1446, Roswell, Ga. 30077-1446; 404-641-1868; fax: 404-641-1899

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 10%
Risk management audits 30%
Special projects 60%

Staff

Total 2
Includes: 2 principal consultants

Clients

Minimum size ..... None

Consulting since: 1984.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, broker assessment, risk management organization studies, preparation of bidding specifications, RMIS consulting.
Occasional special projects: Risk retention analysis, loss prevention audits, accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting.
Specialties: Government, public entities.
Compensation: By the project, by the hour: principal consultant, $150.
Officers: Steven R. Webber, president; Patricia I. Webber, vp.

Weil & Son Inc.

1127 Euclid Ave., Suite 1050, Cleveland, Ohio 44115-1695; 216-781-1300; fax: 216-241-8267

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 80%
Risk management audits 10%
Special projects 10%

Staff

Total 5
Risk management professionals 4
Includes: 1 principal consultant, 2 consultants, 1 analyst

Clients

Total 15
Minimum size ..... None

Consulting since: 1985.
Frequent special projects: Insurance contract analysis, risk management organization studies, preparation of bidding specifications, expert witness.
Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, broker assessment, loss settlement assistance.
Specialties: Real estate management and development.
Compensation: By the project, on retainer, by the hour: principal consultant, $185.
Officers: Michael R. Weil, president.

Richard B. Wigzell, Risk Management Consulting

P.O. Box 3172, Saratoga Springs, N.Y. 12866; 518-583-0852; fax: 518-583-0852

1994 Revenues

Risk management consulting revenues ..... NA
Continuous consulting 80%
Special projects 20%

Staff

Total 1
Includes: 1 principal consultant

Clients

Total 3
Minimum size ..... None

Consulting since: 1993.
Frequent special projects: Loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting.
Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, accounting systems analysis, broker assessment, risk management organization studies, preparation of bidding specifications, accident investigation, self-insurance qualification and implementation.
Specialties: Manufacturing.
Compensation: By the project, by the hour: principal consultant, $95 to $125.
Officers: Richard B. Wigzell.

Robert L. Wilkinson

155 24th Ave., Suite 5, San Francisco, Calif. 94121; 415-387-5522; fax: 415-387-0771

1994 Revenues

Total gross revenues $225,000
Risk management consulting revenues $225,000
Continuous consulting 50%
Risk management audits 35%
Special projects 15%

Staff

Total 1
Includes: 1 principal consultant

Clients

Total 35
Associations 1
Minimum size ..... None

Consulting since: 1994.
Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications, expert witness.
Occasional special projects: Risk retention analysis, captive feasibility studies, loss settlement assistance, risk management organization studies.
Compensation: By the project, by the hour: principal consultant, $175 to $225.
Membership: SRMC.
Officers: Robert L. Wilkinson, owner.

Continued on next page

Consultants E&O

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For more information, call or write:

Tennant Risk Services Inc.

Cityplace II * 185 Asylum Street
Hartford, CT 06103-4105

Tel: (203) 527-9717
Fax: (203) 527-2438

Continued from previous page

Willis Corroon Advanced Risk Management Services

26 Century Blvd., Nashville, Tenn. 37214; 615-872-3200; fax: 615-872-3333

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	59%
Risk management audits	2%
Special projects	39%

Staff

Total	109
Risk management professionals	57

Includes: 17 principal consultants, 20 consultants, 10 actuaries, 10 analysts

Clients

Total	340
Associations	16
Minimum size	None

Consulting since: 1976.

Parent: Willis Corroon Group P.L.C.

Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, environmental, risk management organization studies, quantitative/statistical analysis and forecasting, actuarial analysis and certification, loss financing alternatives.

Occasional special projects: Analysis of limits, claims auditing, loss prevention audits, broker assessment, loss settlement assistance, preparation of bidding specifications, RMIS consulting, expert witness.

Specialties: Health care, construction, transportation, food service, government, financial services, energy, aerospace, manufacturing, retail.

Locations: Glendale, Calif.; New York.

Compensation: By the project, on retainer, by the hour: principal consultant, $225 to $350.

Officers: James V. Davis, chairman/CEO; P. Richard Hackenburg, president/COO; Greg Alff, senior vp.

Contact: P. Richard Hackenburg.

The Wyatt Co.

601 13th St. N.W., Suite 1000, Washington, D.C. 20005-3808; 202-508-4600; fax: 202-508-4688

1994 Revenues

Total gross revenues	$21,000,000
Risk management consulting revenues	$17,500,000
Continuous consulting	65%
Risk management audits	10%
Special projects	25%

Staff

Total	146
Risk management professionals	100

Includes: 29 consultants, 25 actuaries, 22 analysts

Clients

Total	1,300
Associations	80
Minimum size	None

Consulting since: 1973.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, captive re-engineering studies, risk retention group studies, evaluation of reserves, workers compensation managed care, special industry surveys, contingency planning.

Occasional special projects: Environmental, loss prevention audits, accounting systems analysis.

Specialties: Health care, corporations, associations, public entities and pools, financial institutions, energy.

Locations: San Francisco; Chicago; Boston; Detroit; Dallas; Bridgetown, Barbados; Calgary, Montreal and Toronto, Canada; London; Amsterdam, Netherlands; Auckland, New Zealand; Oslo, Norway.

Compensation: By the hour: consultant, $100 to $300.

Membership: SRMC.

Officers: James A. Swanke Jr., practice director; Alvin S. Begun, president-DAVID Corp.; Roger Davies, Sylvain Dion, Jacqueline Frank, Jeffrey R. Jordan, James E. Rech, William Van Ark, actuaries; Ronald Hendy, Timothy Hoffman, Russell McGuire, Paul Van Zuiden, consultants.

Contact: James A. Swanke Jr., 617-237-3900.

Xordium Inc.

P.O. Box 10, Orange, Calif. 92666; 714-771-3733; fax: 714-771-1579

1994 Revenues

Total gross revenues	$500,000
Risk management consulting revenues	$500,000
Continuous consulting	40%
Special projects	60%

Staff

Total	4

Includes: 3 principal consultants, 1 analyst

Clients

Total	100
Minimum size	None

Consulting since: 1985.

Frequent special projects: Loss prevention audits, risk control management consulting, programs development.

Occasional special projects: Claims auditing, environmental, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, California OSHA intermediary.

Specialties: Manufacturing, construction, food service, health care facilities.

Compensation: By the project, on retainer, by the hour: principal consultant, $165.

Officers: Karen Gillett, president; Fred Gillett, executive vp.

Yankus Safety Consultants Inc.

3820 Vardon Court, Woodridge, Ill. 60517; 708-416-1898; fax: 708-416-6911

1994 Revenues

Risk management consulting revenues	NA
Continuous consulting	55%
Risk management audits	10%
Special projects	35%

Staff

Total	5
Risk management professionals	3

Includes: 2 principal consultants, 1 consultant

Clients

Total	35
Associations	4

Consulting since: 1988.

Frequent special projects: Loss prevention audits.

Occasional special projects: Loss settlement assistance, RMIS consulting.

Specialties: Construction, manufacturing, associations.

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

Officers: Jerry Yankus, president. BI

Results

Continued from page 2

as merger and acquisition participants.

Alan Levin, managing director at Standard & Poor's Corp. in New York, noted a set of "conflicting trends" in the industry: While a consolidation wave is sweeping up traditional markets, many new small companies are being formed for every large, old insurer that disappears, he said.

"The industry may or may not actually be consolidating," Mr. Levin observed.

While a host of factors suggests some firming of prices should begin soon, market observers see no signs that this is happening, and few expect this year to be much better than the last.

"It's more of the same: a lousy business, ineptly managed," said Myron M. Picoult, managing director and senior insurance analyst with Oppenheimer & Co. in New York.

Wondering about a turn in the market, he asked, "What does it take? Hurricanes, earthquakes, a bond market crash: None of it has had any impact."

Reserve bolstering for environmental claims was about the only notable development in the industry in the last half of 1994, according to S&P's Mr. Levin.

This reserve strengthening and losses from the Northridge, Calif., earthquake combined to produce subpar results for many insurance companies, and the continuing competitive market offers little hope that things will improve much in 1995, Mr. Levin said.

The 27 major property/casualty insurers surveyed by *Business Insurance* reported a 108.1% combined ratio in 1994, an improvement from the 111.8% combined ratio reported by the insurers for 1993.

The 1994 results do not include Continental Corp., which is in the midst of being merged into Chicago-based CNA Financial Corp. (*BI*, Dec. 12, 1994).

Travelers Corp. provided 1994 results, which are included in the cumulative totals, but could not supply 1993 information for most items due to its acquisition by Primerica Corp. As a result, the year-to-year comparisons for all but combined ratios and net premiums written do not reflect Travelers figures.

Among other year-end 1994 results:

- The 22 companies surveyed by *Business Insurance* that reported net income posted $7.73 billion for the year.

The 21 companies that reported figures for both years posted a 29.1% increase compared with $5.79 billion in 1993. Of those, 14 reported gains in net income last year, while seven companies saw net income decline.

- Net written premium volume for the 27 companies surveyed expanded by a meager 2.3% to $82.04 billion from $80.2 billion in 1993. Still, this was slightly higher than the 1.8% increase reported by most of the same companies for the first nine months of 1994.

Eleven of the surveyed companies saw their premium volume expand, while 16—including Travelers—saw it shrink. The slower premium volume growth in 1994, reflecting continued rate competition, follows bigger increases in volume in 1993 fueled by rising property rates in regions exposed to catastrophe losses, S&P notes.

- Underwriting losses stood at $6.63 billion at year-end 1994. For the 26 companies reporting both years, underwriting losses were 34% lower than losses of $9.1 billion the previous year. Of these companies, only four posted an underwriting gain last year.

- Pretax investment income was $12.92 billion last year. Among the 26 companies, investment income was 1% lower than $12.15 billion in 1993.

- Policyholder surplus for the companies reporting this information was $53.1 billion in 1994. For the 24 companies reporting in both years, it was up a modest 3.5% from $49.3 billion at the end of 1993.

The figures do not include Travelers, as well as American International Group Inc. and Liberty Mutual Insurance Co., which did not report surplus for 1994.

Among those reporting, 13 insurers reported increases in surplus last year, while 11 saw their surplus decline, including a 31.3% drop for The Home Insurance Co.

While the industry's overall results were hardly stellar, most of the surprises were on the positive side, noted Michael Lewis, first vp with Dean Witter Reynolds in New York.

"The industry's own policing of its underwriting is starting to produce results," he said, noting efforts to cut expenses and focus on better underwriting in lines that have proved most profitable. "They are basically being a lot tougher in their underwriting."

Mr. Picoult took a more jaundiced view of market conditions.

"We are in the ninth year of the three-year cycle. Everybody tells you the pricing is lousy, but the business they're writing is fine," he said. "If the business is as good as the companies say, why aren't we on the cusp of big rate-cutting?"

S&P's Mr. Levin cited the most notable development last year as the strengthening of reserves by several companies for environmental losses in the third and fourth quarters.

Continental, for example, took a total of $800 million in pretax charges last year, including $400 million for incurred-but-not-reported environmental claims, $164 million for unrecoverable reinsurance and $59 million in restructuring charges.

Aetna Life & Casualty Co. took charges of $13.4 million in the fourth quarter and $23 million in the third quarter, bringing pollu-

Continued on next page

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McLarens TOPLIS INC

A JOINT VENTURE BETWEEN McLARENS INTERNATIONAL GROUP AND TOPLIS AND HARDING, INC - NORTH AMERICA

Summary of major property/casualty insurers' year-end 1994 results

Ranked by change in net income. All amounts in thousands of dollars.

		Corporate				Property/casualty operations							
Rank 1994		Consolidated revenues 1994	Net income 1994	Percent increase (decline) 1993-1994	Combined[1] ratio 1994	Combined[1] ratio 1993	Net premiums written 1994	Percent increase (decrease) 1993-1994	Pretax underwriting income (loss) 1994	Percent increase (decline) 1993-1994	Pretax investment income 1994	Percent increase (decrease) 1993-1994	Policyholders surplus 1994	Percent increase (decrease) 1993-1994
1	Hartford Steam Boiler	603,600	51,900	296.2	93.0	107.6	340,300	(1.2)	20,700	178.4	26,600	(9.8)	269,800	4.1
2	Aetna Life & Casualty Co.	17,524,700	467,500	227.8	123.3[2]	116.4[2]	4,400,500[2]	(2.6)	(795,000)	19.7	832,100	(12.6)	2,492,700	(6.9)
3	TIG Holdings	1,777,300	51,500	140.2	112.1[2]	126.4[2]	1,620,800	2.3	(183,700)	56.0	257,700	0.7	901,000	4.3
4	CIGNA Corp.	18,392,000	554,000	136.8	123.9	137.4	3,950,000	(6.6)	(987,000)	39.5	650,000	(2.5)	1,770,000	(4.7)
5	Chubb Corp.	5,709,500	528,500	63.0	99.5[2]	114.8[2]	3,951,100	12.2	(8,300)	98.4	560,500	5.0	1,857,873	3.6
6	USF&G Corp.[2]	3,216,000	232,000	40.6	108.3	109.4	2,312,000	(4.8)	(200,000)	11.9	423,000	(2.3)	1,569,000	1.8
7	Fremont General Corp.	653,148	55,812	37.7	98.0	101.2	426,432	(6.4)	8,794	264.2	62,169	(5.4)	235,294	6.1
8	Berkshire Hathaway Group	1,341,355	429,153	26.1	85.9	95.2	915,521	24.2	129,010	329.0	418,175	11.4	13,400,000	16.2
9	Sentry Insurance Cos.[2]	1,450,855	88,115	20.6	104.8	106.0	1,093,197	(10.1)	(56,754)	24.4	180,991	1.4	1,031,053	7.3
10	ITT Hartford Group Inc.	10,957,000	585,000	18.7	102.6	105.1	6,728,000	5.1	(228,000)	33.9	713,000	1.4	3,104,000	(6.3)
11	American International Group	22,441,723	2,175,515	12.2	98.8[2]	100.1[2]	10,865,753	8.4	147,517	1,419.7	1,435,092	7.1	N/A	N/A
12	Ohio Casualty Corp.	1,558,650	96,891	11.4	103.8[2]	110.3[2]	1,286,443[2]	(1.5)	(92,949)	36.9	183,811	(3.5)	659,977	(7.5)
13	Lincoln National Corp.	6,984,400	349,800	9.7	105.7	107.5	1,664,500	(5.8)	(83,600)	37.5	241,100	(3.8)	1,414,300	(14.5)
14	The St. Paul Cos. Inc.	4,701,285	442,828	3.6	102.3[2]	104.7[2]	3,623,026	14.0	(113,008)	24.8	674,818	4.4	1,904,853	5.0
15	Argonaut Insurance Co.[2]	346,210	90,428	(1.0)	103.4	99.2	215,778	(15.8)	(731)	(109.3)	99,874	(6.1)	633,553	8.6
16	General Re Corp.	3,836,900	665,300	(6.5)	101.3[2]	101.5[2]	3,001,200	18.9	(40,000)	(9.6)	749,100	(0.8)	3,770,100	(1.7)
17	Old Republic Int'l	1,679,014	151,073	(13.7)	103.3[2]	106.0[2]	851,582	(2.8)	(33,247)	50.8	173,804	2.2	1,228,728	4.1
18	Royal Group (U.S. subs.)[2]	N/A	67,500	(16.6)	116.2[3]	117.4[3]	1,590,000	(2.1)	(259,200)	10.8	285,800	(3.0)	854,700	(3.9)
19	SAFECO Corp.	3,726,977	314,374	(26.7)	103.8	99.5	2,103,465	5.2	(77,345)	(885.4)	283,481	2.1	1,496,639	(3.9)
20	Reliance Ins. Co. and subs.	3,047,050	43,821	(40.4)	104.4	110.8	1,764,290	(0.4)	(97,343)	44.4	232,299	7.3	908,538	0.7
21	CNA Financial Corp.	11,000,000	36,500	(86.4)	113.8[2]	126.6[2]	6,940,000[2]	8.9	(979,900)[2]	42.2	1,228,100[2]	18.3	3,370,000	(6.4)
—	Travelers Insurance Cos.	4,570,700	248,000	N/A	114.2	118.1	3,846,600	(0.4)	(625,500)	N/A	644,000	N/A	2,062,000	N/A
—	The Home Insurance Co.[2]	N/A	N/A	N/A	126.8	128.3	1,356,000	(14.7)	(347,863)	17.4	174,630	(35.1)	618,697	(31.3)
—	Liberty Mutual Ins. Co.[2]	N/A	N/A	N/A	111.1	114.4	5,137,321	(10.1)	(488,980)	36.3	1,006,590	(0.3)	N/A	N/A
—	Nationwide Mutual Ins. Co.[2]	N/A	N/A	N/A	108.6	107.9	7,433,516	2.8	(680,900)	(17.0)	851,943	(1.5)	4,811,777	20.5
—	Commercial Union Ins. (U.S.)[2]	N/A	N/A	N/A	107.5[3]	106.8[3]	1,643,700	7.5	(138,200)	(16.8)	223,700	7.1	948,700	1.0
—	Kemper National Ins. Cos.[2]	N/A	N/A	N/A	114.2	109.9	2,978,963	(5.2)	(420,272)	(33.0)	310,557	(1.3)	1,788,013	(4.9)
	Cumulative	125,518,367	7,725,510	29.1[4]	108.1	111.8	82,039,987	2.3	(6,631,771)	34.0[4]	12,922,934	1.0[4]	53,101,295	3.5[4]

[1]After dividends [2]Statutory [3]Before dividends [4]Does not include Travelers numbers N/A-Company did not provide data

Results

Continued from previous page

tion-related reserve strengthening to $113.7 million for the year.

Mr. Picoult, though, expressed disappointment with the overall level of reserve strengthening. The fourth quarter was an "opportunity lost" for many companies, he said.

With expectations about their performance relatively low, insurers had a chance to address their reserve problems, and most did not, partly out of a fear of opening a Pandora's box of environmental liabilities, Mr. Picoult said.

Aetna, for example, has said it does not have enough information on many of its environmental cases to put up reserves, and still has no environmental IBNR reserves other than for legal expenses, Oppenheimer said in an analysis of the company.

About the only significant news at the end of last year was more consolidation among old-line property/casualty insurers, according to Gloria Vogel, managing director and senior insurance analyst with Ladenburg, Thalmann & Co. in New York.

"A lot of companies have realized that one of the best ways to cut expenses is to spread those expenses over the largest revenue base possible," she noted.

Further merger activity has slowed, though, as companies await the outcome of the proposed Zurich/Home deal, several analysts say.

If the deal works out, it could accelerate acquisitions of other, smaller players, according to Mr. Lewis.

Several observers, though, expressed reservations about the deal's separation of Home's "bad business" from its "good business."

"There's something wrong when you can say, 'There's a good book and a bad book, and we're walking away from bad book,'" said one insurance industry observer who requested anonymity.

Industry officials will be gauging the "political climate" in the wake of the proposed deal, looking to see how much "hue and cry there is over it" and whether such a deal could be done again, Mr. Levin said.

Meanwhile, the market remains its competitive self, boding ill for insurers' 1995 performance, observers say.

Profitable lines like auto and workers compensation that have eased the burden for many insurers can't be counted on to do so much longer, A.M. Best Co. concluded in a January review of the property/casualty industry.

Best predicted that it may take only one more "run-of-the-mill catastrophe to crush the industry's fragile fundamentals."

Ms. Stewart, however, suggests the industry may linger in its present weak condition: Asked about catastrophe losses, the bond market sell-off and other forces that should produce a turn in the market, she said, "Dream on."

Commercial markets "are fluid enough that any time there is a loss of capital, more capital flows right in," she said.

The kind of "ordinary" catastrophe that is familiar to insurers is unlikely to trigger a major change in the market, Ms. Stewart said. Instead, a market-turning event would have to be something frightening and unlike the kinds of losses insurers have come to understand.

"It's the kind of thing where you would say, 'There's no tomorrow,'" she said. BI

The Irish High Court

In the Matter of

Dublin International Reinsurance Company Limited
(In Voluntary Liquidation)

The joint liquidators have applied for and been granted an Order by the Irish High Court to enable them to estimate the value of contingent or otherwise unascertained reinsurance liabilities due to Dublin Re's cedants. The joint liquidators have, in accordance with the above mentioned Order, issued an Explanatory Circular to all known retrocessionaires, cedants and other creditors on 25th January, 1995. In the case of cedants they have also issued details of the relevant estimations which will become binding unless they are disputed by 26th March, 1995. Any cedant, retrocessionaire or other creditor who has not received the appropriate documentation should immediately contact the joint liquidators in writing at the following address:

Dublin International Reinsurance Company Limited,
(In Voluntary Liquidation),
1st Floor, Bell House, Montague Street, Dublin 2.

N. L. Fox,
J. McStay,
Joint Liquidators.

Rollout of risk-based capital rules a non-event for most P/C insurers

Most property/casualty insurers are expected to report more than adequate risk-based capital levels in their 1994 statutory statements, state insurance regulators say.

In anticipation of the reports, most property/casualty insurers have taken steps to boost their financial situation so their "numbers" are high enough to avoid increased regulatory scrutiny.

The fact that several hundred P/C insurers erred in calculating some components of the first-time formula is considered a small glitch, regulators said at last week's National Assn. of Insurance Commissioner's quarterly meeting.

NAIC officials are asking some insurers to recalculate the incorrect items. And officials have invited representatives of industry trade groups to meet next month to improve filing directions.

The National Assn. of Insurance Commissioners required property/casualty insurers to begin reporting their risk-based capital levels in 1994 statements. The formula is designed to become more stringent in the 1995 and 1996 accounting years.

Similar reporting rules went into effect for life insurers with the 1993 statutory statements.

Risk-based capital rules essentially require insurers to have more capital to support assets and liabilities that are considered risky.

Most states now set a minimum capital of $1 million to $3 million for property/casualty insurers and then limit the amount of premium that insurers can write against their capital. That type of standard does not differentiate between insurers that write highly volatile coverage like earthquake risks and less risky lines.

Specifically, most property/casualty insurers are required to report their risk-based capital analysis on an individual—not on a consolidated—basis as part of their five-year historical data. A company must report "total adjusted surplus to policyholders" and "authorized control level risk-based capital," which is the level at which a regulator may take action to rehabilitate or liquidate the insurer.

The insurer, however, is not required to file the ratio that results from dividing the first number by the second number. The outcome of that calculation, multiplied by 100, yields the basic percentage regulators will use to determine the adequacy of an insurer's protection.

"Most companies aren't going to be very happy if their risk-based capital ratio falls below 200% and will try to avoid it," said Vincent Laurenzano, assistant deputy superintendent for the New York Insurance Department. Mr. Laurenzano oversaw the NAIC's development of the risk-based capital formula for property/casualty companies.

The NAIC model calls for a progressive scale of regulatory responses. For example, at the 200% level a regulator could require an insurer to file a plan for raising its ratio, while at the 70% level, a regulator could seize an insurer and place it in rehabilitation or liquidation.

Ratios for some major insurers that have reported 1994 results are well in excess of 200%, including Nationwide Mutual Insurance Co., 700.4%, and Hartford Fire Insurance Co., 386%.

The formula is not designed to differentiate among well-capitalized insurers with ratios above 200%, regulators emphasize. They added teeth to that warning by prohibiting agents and insurers from ranking insurers by their ratios in marketing materials.

Meanwhile, only a minority of states to date have adopted model legislation that spells out enforcement actions against insurers whose risk-based capital ratios suggest inadequate capitalization.

Colorado, Connecticut and Nebraska have adopted the combined life and property/casualty risk-based capital legislation that gives them authority over both types of insurers. The NAIC has made the combined model part of the body of model laws a state must enact to receive accreditation, effective Jan. 1, 1997.

—By Meg Fletcher

INTERNATIONAL

Members blast Lloyd's self-regulation

By ADRIAN LADBURY

LONDON—The Assn. of Lloyd's Members is attacking regulation at Lloyd's of London and is proposing changes.

ALM Editor Robert Miller and Simon Blunt, chairman of the McMillan 80 and 843 Names Action Group, co-authored an article in the ALM's newsletter last week that described Lloyd's self-regulatory system as a "disaster."

The ALM article calls for random drug and alcohol testing of employees in the underwriting room, a log of all telephone calls to and from the market and the replacement of the current criminal standards for investigating people in the market with less onerous civil standards, which would make it easier to make a case for misconduct.

Lloyd's contends it has already made major improvements to its regulatory system and continues to do so.

Lloyd's regulatory department is planning to launch a "major review" of the effectiveness of its regulation and a separate review of its disciplinary procedures within the next two weeks, according to a source within Lloyd's.

The review process will not rule out a possible relaxation in the burden of proof when investigating individuals, which could lead to an increase in the number of disciplinary actions brought. "The standard at Lloyd's is very high at the moment and maybe we should lower it. This may increase the risk of getting it wrong, but would certainly increase the flow of cases," the Lloyd's source said.

The review also will consider "jurisdictional questions" between Lloyd's departments.

A spokesman for Lloyd's also pointed out that it has already adopted or plans to adopt many of the reforms urged by the ALM and described others as impractical and irrelevant.

The ALM's main proposals are:

- The introduction of a bylaw that would require vicarious liability on underwriting agencies. The ALM complains that under current rules, the regulatory board can only pursue individuals.

The ALM also complains that members have limited access to compensation in cases of wrongdoing because agents are no longer required to purchase errors and omissions liability insurance.

- The introduction of a "Code of

Continued on next page

Russian regs limit the role of brokers

By ELENA KUDIMOVA

MOSCOW—Provisional regulations on the registration of insurance brokers doing business in Russia limit the brokers strictly to providing insurance brokerage services.

More than 200 companies in Russia are believed to provide insurance brokerage services, with many of them providing other services as well.

The regulations, issued by the Russian Federal Insurance Supervisory Service and effective last month, also continue to require that brokers place primary insurance strictly with domestic insurers. The regulations do not impose any similar restrictions on reinsurance transactions.

The regulations are expected to make doing business in Russia more difficult for foreign insurance brokers.

But foreign insurance brokers new to the Russian insurance market can work through established Russian insurance brokers that are united in the Guild of Brokers. The Guild of Brokers says from now on it will have a better chance of competing successfully in the local market through strength in numbers (*BI*, Jan. 2).

Some foreign brokers, like Sedgwick Russia and Willis Corroon, already have obtained legal status as Russian companies. While the Russian insurance brokers have to

Continued on next page

Past claim history fails to reflect terrorism risk for airlines: Underwriter

BY STACY SHAPIRO

LONDON—Although hull war risk claims have been scarce in the past two years, the terrorist risk to airlines and airports is greater than ever, warns a leading Lloyd's of London aviation hull war risk underwriter.

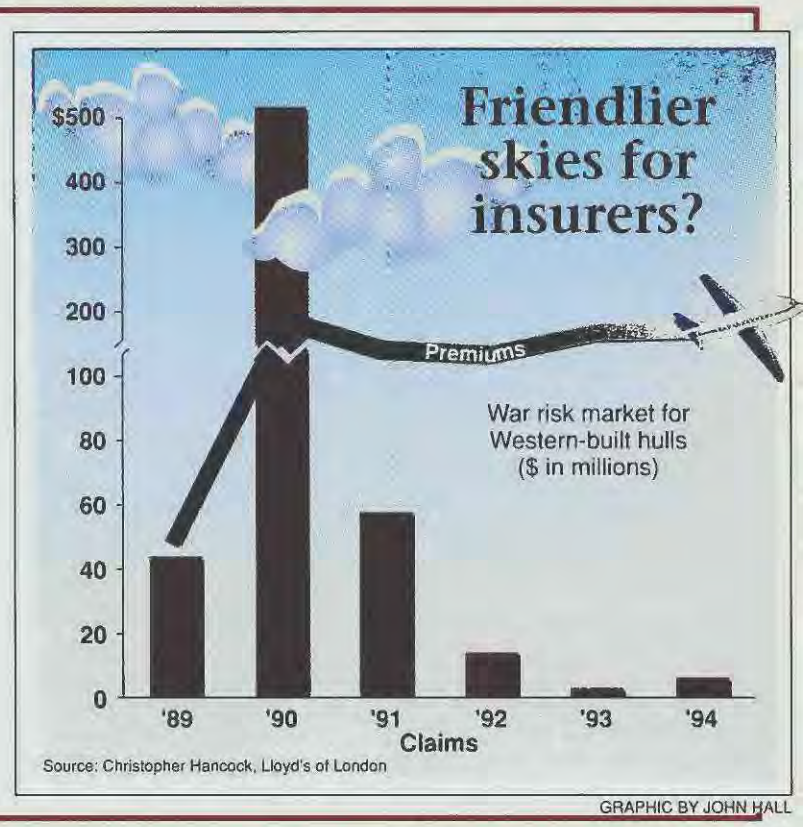
"Terrorism directed against civil aviation will not go away," said Christopher Hancock, hull war risk underwriter for syndicate 270, which is managed by Tower Managing Agents Ltd.

"The emotional attractiveness of such a soft, newsworthy target appeals to those who commit acts of unlawful interference," he said. This is a message that all airline and airport senior managers and governments should be aware of and act upon, he said.

Defensive procedures must take into account that aggressive actions may take place outside the airline's principal hub, such as in smaller airports or offices, Mr. Hancock said.

"It is my belief that the emergence of Moslem terrorists determined to sacrifice their lives in the cause of Islamic fundamentalism poses the greatest threat to civil aviation today," said Mr. Hancock. The religious fundamentalism seen in Medieval Europe now is being witnessed in the Moslem world, but the potential damage has magnified in mod-

Continued on next page



GRAPHIC BY JOHN HALL

'Estonia' settlement challenged

By MARIA KIELMAS

OSLO, Norway—Today is the deadline for survivors and relatives of the victims of the "Estonia" ferry disaster in the Baltic Sea to accept a settlement offer from Assuranceforeningen Skuld, the Norwegian protection and indemnity club that wrote liability insurance for the vessel.

A minority group of claimants from last September's disaster are dissatisfied with the offer, valued at an estimated $55 million to $69 million, and are considering suing the ferry's owner, Estline, to recover greater damages.

Oslo-based Skuld made the settlement offer of 400 million to 500 million Swedish krona ($55.2 million to 69.1 million) in January (*BI*, Jan. 16; Oct. 3, 1994). So far, more than 90% of them have accepted the offer, a Skuld spokesman said.

The offer provides differing levels of compensation depending on claimants' nationalities. Claimants from Estonia, Lithuania and the former Soviet states would receive 35% lower compensation under the settlement than what Swedes and other Western Europeans would receive.

Skuld and lawyers for the majority said at the time of the offer that the different scales reflected the difference in the cost of living in Western and Eastern European countries.

But, a minority group made up mostly of Estonian and Lithuanian nationals has been holding out for equal compensation. "We are the only ones who have been fighting for equality between the nations," said Henning Sjostrom, head of the Jurishuset law firm, which represents the minority claimants.

"The ship was a coffin. There were a lot of errors and the ship was not at all ready to go out to sea in a storm," said Mr. Sjostrom, whose clients may reject the settlement and instead sue Estline, the Swedish-Estonian joint venture that owned the ferry.

Many of the minority claimants may accept the Skuld offer despite their discontent because "they don't want to discuss money at all," Mr. Sjostrom acknowledged.

"There is no social security in the Baltic countries. Even if the Swedish families were not compensated by the insurers, they would be looked after by the state. This is not the case in Estonia and Lithuania. Costs of living are rising and this compensation is a payment for life," Mr. Sjostrom added.

Mr. Sjostrom said he chose to represent the minority claimants because he thought they were being bulldozed into accepting the offer hammered out by Swedish and Norwegian lawyers.

A minority of the claimants has been holding out for equal payments under the ferry disaster settlement.

The Swedish government appointed an official to follow the course of the compensation agreement, "but he went immediately onto the side of the company," Mr. Sjostrom said.

If the minority claimants do not accept the offer, they will have to seek compensation through the courts, the spokesman for Skuld said.

"This is a costly and long-winded system and the courts would have to follow Swedish law, which means smaller compensation amounts," he said.

The Skuld offer exceeds the maximum 275 million Swedish kronor ($37.9 million) that the company is obliged to pay under Swedish maritime law. BI

Cat losses growing: Munich Re

By DON LEWIS KIRK

MUNICH, Germany—Natural catastrophes are becoming alarmingly large and more frequent, warns a Munich Reinsurance Co. summary of major 1994 disasters.

Overall losses from the earthquake that struck Kobe, Japan, earlier this year are estimated at $200 billion—more than three times the record catastrophe losses of $65 billion racked up in all of 1994, the reinsurer said.

According to Munich Re, only about $1 billion to $4 billion of the Kobe loss is insured.

Munich Re's own loss from the Japanese quake was 200 million DM ($141.3 million).

In 1994, the Northridge quake that struck Los Angeles caused total losses of $40 billion, of which $11.2 billion was insured, according to the most recent industry estimates.

Munich Re itself reported losses of 150 million DM ($105.9 million) from the Northridge quake.

Most reinsurers came away relatively unscathed, however, said Wolf Otto Bauer, vice director of Munich Re. In both quakes, reinsurers' exposure was smaller than insurers', he said.

Of the $65 billion in overall catastrophe losses last year, $15 billion was insured, according to Munich Re.

Catastrophe losses for 1993 were $50 billion, of which $10 billion was insured, the reinsurer said. 1993's largest insured catastrophe loss came from the March 1993 storms that devastated the East Coast of the United States, totaling $1.8 billion.

Climate changes represent a greater danger than earthquakes, however, Munich Re contends.

"More storms, floods, hailstorms and other extreme weather patterns are a near certainty" in the future, said Munich Re's chief meteorologist, Gerhard Berz.

Mr. Bauer also said that if policyholders expect premiums on catastrophe exposures to be more affordable, there must be a more "adequate retention of risk" by policyholders and a ceiling for insurer and reinsurer liability. "Both act to make insurance (affordable)."

Four times as many natural catastrophes occurred from 1980 to 1990, as between 1960-1970, Munich Re reports. In addition, economic losses were six times greater during the 1980s compared with the '60s, while insured losses were 14 times greater in the more recent period.

Higher property values in disaster-prone areas and the greater influence of climate change are largely blamed for these increased losses, Mr. Bauer said.

Past loss experience can no longer be a primary basis for calculating catastrophe premiums, he said. Instead, insurers and reinsurers should base their rates on claims potential, he suggested. BI

ALM

Continued from previous page
Best Practice" for underwriters and for calculating the yearly reinsurance to close premium. The ALM also calls for registering all employees or consultants with "significant responsibilities" in the market.

- A bylaw that would require the recording of all telephone conversations within the market, as is done in some financial markets to ensure the accuracy of trades.
- A bylaw providing for random drug tests and heavy penalties to prevent underwriters, brokers and staff from working under the influence of alcohol or drugs.
- Removal of the criminal standard of proof for all offenses except the most serious. The ALM argues that the use of a criminal standard means that Lloyd's is unable to pursue many cases for fear of losing.

Malcolm Mackenzie, chairman of the Lloyd's Underwriting Agents Assn.—which the ALM says could play a regulatory role in a beefed-up system—was unimpressed by the ALM's menu of changes.

"It rather looks like more of the same," he said. David Rowland, Brian Garraway and Sir Alan Hardcastle have done a lot in the past few years, and "it must not be forgotten that market forces have squeezed out the less able individuals," he said.

Mr. Mackenzie sees little point in registering employees. "This would merely serve to cramp the ability of the professionals within the market," he said, citing entrepreneurial flair as the foundation of Lloyd's success worldwide.

As far as he is aware, drugs and alcohol are not a problem at Lloyd's, Mr. Mackenzie said, though he said he supports in principle a recent drive to end the "liquid lunch" in London's business district.

Many of the ALM's proposed reforms are borrowed from the regulation of other London markets, such as the commodities market, Mr. Mackenzie said. Not all such rules can be easily transferred, he said, citing audio-taping of phone conversations as an example.

"Discussions between agents and members about participations in syndicates is not in the same category as share-dealing. It is not just a matter of buying and selling, it's much more important than that. If the ALM and members are concerned about this aspect, surely it would be better to seek confirmation in writing," he said.

The Lloyd's spokesman also said that last week's rumors that the Parliamentary committee investigating Lloyd's regulation will propose external regulation next month are premature and unfounded. "Even if (the committee) does call for external regulation, there is no guarantee Parliament will accept its proposals," he said. BI

War risks

Continued from previous page
ern times, said Mr. Hancock. "Fully laden 747s with 400 or more passengers on board make an easy and emotive target."

Speaking at the 10th International Airline Insurance Conference, Mr. Hancock produced statistics that showed that hull war risk coverage for Western-built aircraft has produced overall profits for underwriters in the past six years.

Premiums between 1989 and 1994 total $854.1 million, while claims total nearly $625 million. Only in 1990, during the Gulf War, did hull war claims exceed premiums (see chart, page 63).

But premiums rose less than 3% to $172.1 million last year from $166.8 million in 1993 and $136.2 million in 1992.

"If early trends from the first two months of this year continue, the reduction in rates will more than outweigh the still strong growth in fleet values, resulting in the war market's first drop in premium income since 1989," he said.

Between 1989 and 1993 there were 305 criminal acts against civil aviation; 251 of those occurred between 1991 and 1993.

Of these, there were 95 hijackings, 13 of them in China in 1993; two bombings and three attempted bombings; 22 shootings at aircraft; 71 attacks at airports; and 123 attacks of off-airport facilities such as airline ticket offices.

Two incidents in particular last year "highlighted how much worse things could have been for us," added Mr. Hancock. Losses could have been substantial if a disgruntled employee who gained control of a Federal Express Corp. DC-10 in April had succeeded in crashing the aircraft on the company's headquarters at the Memphis International Airport, he said. "Fortunately, the crew were able to overpower him."

The second incident was the much more publicized hijacking of an Air France A300 aircraft last Christmas Day, when Algerian terrorists' planned to crash-land the aircraft over Paris before being thwarted by French authorities in Marseilles (*BI*, Jan. 9). BI

Russia

Continued from previous page
pay more than 60 cents in taxes from every dollar earned, these foreign brokers enjoy a fairer tax rate since they pay taxes abroad.

The provisional regulations do not specify any financial requirements or broker licensing fees, but a broker has to state its capital on the application form. Insurance brokerage executives are required to submit a university or college diploma with a legal or economic background and must have a minimum of three years' experience in either field.

While the regulations prohibit insurance brokering without a license, the Insurance Supervisory Service promises to consider license applications within a month.

The Insurance Supervisory Service reserved the right to refuse a license with an explanation of the refusal. And, the license may be canceled after a year if a broker hasn't started providing brokerage services.

The regulations require brokers to have complete information about the client and the reliability of an insurer, including its capital, reserves and liabilities.

Insurers cannot establish brokers, and a broker cannot be an employee of an insurer or its shareholder.

The Insurance Supervisory Service also recommends, though it does not require, that all brokers buy professional liability coverage of not less than 50 times the minimum wage in Russia.

But, obtaining professional liability coverage may be difficult.

"I have not heard of any Russian company underwriting such coverage for insurance brokers," said Serguey Danilychev, a broker with Willis Faber & Dumas in Moscow.

The permanent regulations on insurance brokers are being worked on in the lower house of Parliament, but the document is not yet ready for discussion by the full Parliament, said Alexander Krapivsky, president of TFK Insurance Brokers & Consultants, who helped draft the regulations.

At any rate, there is not much use in adopting the permanent regulations before new insurance legislation is passed that has been waiting to be presented to the Parliament for some time, he said. BI

Limits

Continued from page 1
United Airlines crash in Sioux City, Iowa (*BI*, Oct. 10, 1994).

If U.S. passenger fatalities cost an average of $12 million apiece—about the average of the USAir and United Airlines awards—then a new aircraft with 650 passengers would need liability coverage of $7.8 billion, said Mr. Lerwill. "I can see the underwriters here today saying, 'We shall want some (more) premium for that.' "

But, even if the average compensation was $2 million per person, airlines with new aircraft would be looking for more than $1.5 billion in liability coverage, he said.

Current liability insurance limits available for the world's major airlines run about that now, said John Tilling, Lloyd's of London aviation underwriter for syndicate 340, managed by Gravett & Tilling Underwriting Agencies Ltd. Maximum limits are $1 billion for airlines based in Africa and North America to $1.5 billion for those in Europe and Japan.

In the near future—possibly during the major airlines' fall renewals—carriers will probably start asking underwriters for $2 billion in liability limits, he said.

Meanwhile, future passenger compensation may be decided by the passport each passenger holds, Mr. Tilling predicted.

After years of discussion and lengthy courtroom battles to shoot down the liability limits by proving willful misconduct, governments and airlines are looking to eliminate or raise the liability limitations in Article 22 of the Warsaw Convention.

The original limit under Warsaw was $8,300, but under the Hague protocol it increased to $75,000 for passengers flying to, from and stopping in the United States. European countries and other nations have ratified the Montreal Protocols, which raise this limit to 100,000 Special Drawing Rights ($153,000), but the U.S. government has not ratified the protocols (*BI*, April 11, 1994).

Most recently, the European Commission and the U.S. Department of Transportation granted the International Air Transport Assn. immunity from antitrust laws to meet with all airlines in Washington this summer to discuss voluntary ways to change the limitations (*BI*, March 13).

The IATA requested permission to hold the meetings in 1993 and the European Commission granted the request. But the Department of Transportation stalled while it tried to get airlines, manufacturers and other parties to support congressional ratification of the Montreal Protocols and a supplemental compensation plan to pay unlimited damages subject to a $500 million per disaster limit.

The Department of Transportation, the Department of Justice, airlines, aircraft manufacturers and others met with White House officials last year to reach a compromise. But, manufacturers would not agree to raising the $75,000 Warsaw limit without immunity from passenger suits, participants said.

More recently, the Department of Transportation's order granting the IATA's request to meet spelled out its position on several matters:

- The department does not favor the initiative taken by Japanese airlines, which waived the Warsaw liability limitation in 1993 by removing the language on all passenger tickets. "We do not believe that approach is workable," says the order signed by Patrick V. Murphy, acting assistant secretary for aviation and international affairs. "Some carriers would probably attempt this, while others would not. Those that did would likely offer contracts with different terms from one another. One clear and unacceptable result of such an approach would be that portions of the traveling public would not be adequately protected."
- Any international agreement must include strict and unlimited liability for passenger claims from international journeys ticketed in the United States and for U.S. citizens traveling internationally on tickets not issued in the United States.
- Any agreement is "an interim solution" until the Montreal Protocols are ratified in the United States or a new convention to replace Warsaw meets all U.S. requirements.

"The United States has a firmly established policy that liability limits should be adequate to contemporary standards of compensation and that the current regime needs to be updated to provide sufficient protection to the traveling public," the department's order states.

Many questions must be answered before the world's airlines make an agreement, said William Murnighan, director of legal services for the IATA in Montreal. For example: Will an agreement be worldwide? Will it include limited or unlimited liability? How will it relate to the Warsaw Convention and protocols?

Meanwhile, the Australian and European governments are considering raising liability limits for flights to, from and through their countries.

The Australian government has published a final draft of legislation that would raise passenger liability limits on international flights of Australian airlines to 260,000 Special Drawing Rights ($397,500) from 100,000 SDRs ($153,000) under the Montreal Protocols.

The bill would amend the provisions of Australia's Civil Aviation (Carriers' Liability) Act. The Australian government has sought voluntary compliance from other international air carriers with the proposed higher limit (*BI*, Jan. 2).

The Australian government asked that comments on the draft be sent by the end of last month, and British Airways and the French and London underwriters did so, DYP conference members heard.

BA's Mr. Lerwill said he is concerned that the Australian bill "lacks clarity" on insurance requirements. "The document also refers to possible priority of claims in the liability section, stating that these should take precedent before a hull damage claim," he said.

The European Civil Aviation Conference also has called for increasing per passenger liability in international flights to, from and through Europe to 250,000 SDRs—although some lawyers at DYP believe ECAC might raise this to 500,000 SDRs ($765,000)—from 100,000 SDRs.

Perhaps the best way to change the Warsaw Convention limits, though, is to eliminate the passenger ticket altogether, which spells out the convention's restrictions, suggested George N. Tompkins Jr., senior partner at Tompkins, Harakas, Elsasser & Tompkins in White Plains, N.Y.

A longtime advocate of eliminating the liability limitation, Mr. Tompkins, who drafted the Japanese initiative, said the solution may be easy: "Don't issue tickets."

This is not as farfetched as it may seem, since airlines already are trying to move to a ticketless system to cut costs. He advocates using passenger vouchers with a disclaimer like: "AUTHORITY TO TRAVEL: Notwithstanding anything herein to the contrary, no part of this document is intended by the carrier to be the passenger ticket/baggage check referred to in Articles 3 and 4 respectively in the Warsaw Convention." BI

220 attend airline conference

LONDON—The Warsaw Convention's passenger liability limit was a highlight of the 10th Annual Airline Insurance Conference organized by the DYP Group of London.

The limit, set at $75,000 per passenger for flights to, from and through the United States, has caused years of litigation in U.S. courts, as survivors and the families of victims have sued to recover greater compensation. Two key examples are litigation from the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland, and the 1983 downing of Korean Air Lines Flight 007 in the Sea of Japan.

Pan Am's insurers currently are trying to settle at least 137 suits. This effort follows the U.S. Supreme Court's refusal to review an appeals court decision that the airline was guilty of willful misconduct, which quashes the Warsaw liability limit (*BI*, Jan. 30).

Meanwhile, 47 claims are still pending in federal court from the 12-year-old Korean Air Lines disaster, and 14 others are on appeal.

Litigation from these two disasters shows that "liability limits are no longer practical," said George N. Tompkins Jr., a partner at Tompkins, Harakas, Elsasser & Tompkins in White Plains, N.Y., who represents the two airlines. "You get results like you get in the Lockerbie case and Korean case because there is a cloud in the courtroom which has $75,000 written on it and the jury knows if they don't find willful misconduct, that's all the families are going to get."

Get rid of any liability limit "and you solve the problem."

About 220 delegates attended this year's International Airline Insurance Conference, which was sponsored by London law firm Barlow Lyde & Gilbert, Lloyd's of London underwriting agencies Gravett & Tilling (Underwriting Agencies) Ltd. and Sturge Aviation Syndicate Management Ltd., and Skandia International Insurance Corp. of Stockholm, Sweden. For 1996 conference information, contact DYP Conferences, Lloyd's of London Press Ltd., 1 Singer St., London EC2A 4LQ, England.

—By Stacy Shapiro

Need for aviation rate hikes under debate

BY STACY SHAPIRO

LONDON—Aviation insurers need to raise rates for airlines around the world to offset a rising trend of liability claims, one underwriter contends.

But an airline risk manager counters that a broad increase would be unfair to carriers with good loss experience.

The airline insurance market suffered its worst-year ever in 1994, with claims totaling $1.95 billion and gross premiums amounting to $1.56 billion, according to Hans Sandstrom, head of the aviation department of Skandia International Insurance Corp. in Stockholm, Sweden.

With net premiums of $1.17 billion, the airline insurance industry was about $800 million in the hole last year, he said.

However, when one looks at the losses of the last 10 years, 1994 was a relatively "normal" year in the airline insurance business, Mr. Sandstrom told attendees of the 10th International Airline Insurance Conference, organized by the DYP Group in London earlier this month.

"1994 was a better year than average for world air safety," he said. There were 667 fatalities compared with an average of 750 per year between 1985 and 1994.

There were 22 total losses of Western-built aircraft in 1994, the same as the average between 1985 and 1994, he said.

Last year also was an average year for hull insurance losses, which totaled $773 million. "When you see the increase in fleet values (between 1985 and 1994), you see a rather predictable picture when it comes to hull claims. So 1994 is a very normal year from a hull claims point of view—normal, but not profitable," said Mr. Sandstrom.

However, liability losses totaling $901 million, including $650 million for North American air disasters, are exceptional "on the face of it," said Mr. Sandstrom.

Over the last 10 years, the airline industry has suffered a total of $3.6 billion in liability costs and "the variation from year to year is substantial," he noted.

But liability claims are on the rise with North American passenger claims now costing an average of $2 million per person, up from $400,000 on average in 1970, Mr. Sandstrom said. The amount of exposure also is on the rise as governments and airlines consider increasing or eliminating liability limitations on international flights, he added (see story, page 1).

"The market can be very wrong if it assumes that the liability claims pattern (last year) cannot be repeated in the coming year," said Mr. Sandstrom.

Based on trends of the last five years, airline hull and liability claims could total as high as $2.1 billion in 1995, so gross premiums therefore should be at least $2.6 billion in order for underwriters to make a profit this year, said Mr. Sandstrom. Based on last year's premiums, though,"There's $1 billion missing," he said.

Mr. Sandstrom noted that liability claims have increased 500% since the 1970s but the average liability insurance rate is only 40% higher today than it was in 1970. While underwriters have raised hull rates substantially during that time, "liability rates have not received the attention they deserve," said Mr. Sandstrom.

Airline underwriters could raise rates to collect 60% higher premiums from the 49 airlines that suffered losses in the past five years, but that would generate only another $170 million, which is nowhere near the $1 billion needed to make up the expected deficit, he said.

"It leads to the conclusion of the old established (insurance) principle that the losses of the few will be paid by the many, but it's more accurate than ever," said Mr. Sandstrom. "We must expect an (additional) contribution from all airlines if you believe that overall premium levels must increase."

If premium increases this year don't come about, "and I have my doubts, the loss to underwriters may reach $1 billion. Who will foot the bill?" Mr. Sandstrom asked.

But William Griffith, director-corporate insurance for Air Canada in Montreal, believes airline rates have gone up enough already.

"Underwriters have been saying that they need more premium in 1995 than they had in 1994" because of last year's major losses, said Mr. Griffith. But 1994 was an exceptional year for airline losses, he argued.

"I would like to think quite honestly that the market has peaked" in terms of airline rates, he said. "A six-fold increase in premium in five years is not exactly small change," Mr. Griffith said.

A softening of rates is returning to some segments of the London property/casualty market, noted Mr. Griffith. "I would have hoped the aviation market would have been similarly inclined," he said.

Mr. Griffith said he is not adverse to a cyclical market and would rather ride the ups and downs of insurance rating than buy multiyear insurance programs.

And, no risk manager wants the return of the soft aviation market of 1990—when the risk was laid off in the form of reinsurance to "uneducated capacity," said Mr. Griffith. Underwriters should be able to pay their losses and make a reasonable profit.

But "we're not interested, I think, in seeing underwriters raise rates across the board to all (airlines), regardless of risk," said Mr. Griffith. Last year's rate increases for airlines with substantial losses is the right way forward, he said. BI

Kansas City

Continued from page 2

ideas it can apply beyond the Kansas City area.

CNA Insurance Cos. has shown interest in working closely with the Kansas City program and, after a year of development, started a nearly identical project in Nashville on Feb. 1. The workers comp insurer believes it can benefit from the Kansas City coalition's experiences and data, while the coalition can share data from the Nashville project and profit from CNA's administration and claims handling knowledge.

Reported cost decreases came even as rates in the region rose steadily. In Missouri, major workers comp insurers increased workers comp rates by an average of 11% in 1994, the coalition reports. And the National Coalition on Compensation Insurance recently asked state officials for a 16.7% average increase in rates for Missouri's workers comp assigned risk pool.

Meanwhile, workers comp rates in Kansas have increased 53% over the past five years, according to the coalition.

The dozen Kansas City-area employers surveyed were: Hallmark Cards Inc., Payless Cashways Inc., Wilcox Electric Inc., U.S. Engineering Co., St. Luke's Hospital, Yellow Freight System Inc., Associated Wholesale Grocers Inc., Atchison Casting Co., Marion Merrell Dow Inc., Butler Manufacturing Co., GST Steel Co. and the University of Kansas Medical Center.

Not all reported cost decreases. Two actually reported 5% increases between 1992 and 1994.

The survey found that nine companies had a decrease in workers comp lost-time cases from 1992 to 1994, while two showed no change and one reported an increase in lost-time cases.

At U.S. Engineering Co., which reported the increase, business had grown significantly in those three years, with accompanying growth in its work force and its labor hours.

And, while the national construction engineering firm's overall workers comp costs increased during the period surveyed, the company's workers comp costs per hour worked actually decreased, said James E. Tonty, safety officer at U.S. Engineering. "When your cost per labor hour is less, you're going to be competitive," he said. "And I think that's the whole key to the coalition."

Among the factors cited by the surveyed companies to explain their workers comp savings were: improved medical communication and case management; use of managed care network providers; return to work and modified duty programs; safety management and accident prevention; and support and training of supervisors. All of those factors are stressed in the coalition's model cost containment program.

Primarily, the program emphasizes employers taking greater control of the medical component of their workers compensation benefits.

Primarily, though, the program emphasizes employers taking greater control of the medical component of their workers comp benefits. To accomplish that, the model sets out guidelines for improved communication between employers and health care providers.

It also relies on use of a uniform workability report form, and sets parameters for treating five leading workplace injury areas: back, knees, tendinitis, shoulder and carpal tunnel syndrome.

The coalition is developing additional components for the project, including a model guide for safety promotion and injury prevention, parameters for managing injuries in the first seven days after they occur and ways to evaluate treatment parameters and compliance.

Larry Levret, manager of safety, environment and security at Wilcox Electric Inc., said his company has experienced dramatic workers comp savings during the three years surveyed, though the model's medical cost-containment guidelines were just one part of the reason.

"Our work comp costs are down significantly but it's for a whole combination of factors, not just the model program," Mr. Levret said. "If you want to reduce workers comp costs you have to go back and prevent accidents."

The model workers comp program "really enters the picture after you've had an accident or after you have an individual undergoing some kind of medical care," he noted.

Wilcox, which manufactures ground-based aircraft navigation and landing systems, in 1994 spent $24,000 on workers comp, Mr. Levret said, down from $93,000 the year before and $377,000 three years ago. "If you follow these kinds of things, which we do, they can be very, very beneficial," Mr. Levret said. "But we've had limited opportunity to see these things in action because of our strong focus on preventing accidents."

Coalition officials estimate that more than 100 major companies employing more than 100,000 workers in the Kansas City region are using the coalition's model or a similar approach to managing workers comp injury cases. BI

California's statute of limitations applies to breast implant cases: Court

By JOANNE WOJCIK

SAN DIEGO—California's one-year statute of limitations on medical product liability suits applies to breast implant injuries, a state appellate court has ruled.

In *Bristol-Myers Squibb vs. Superior Court*, the California 4th District Court of Appeal ruled last month that the statute of limitations runs from the date of either actual knowledge of the injury or from the date when the plaintiff should have known of the injury.

And while the issue of whether the plaintiff should have known is normally a question for a jury to decide, the court found that summary judgment may be appropriate in cases where the uncontradicted facts lead to only one conclusion.

Bristol Myers had appealed the San Diego Superior Court's denial of a motion for summary judgment in one of several breast implant cases currently under administration by that court.

The case involved a 1991 lawsuit filed by Carol Jo Jones against the breast implant manufacturer. Earlier, she had also filed a medical malpractice action against the doctor who performed the implant surgery.

Since Ms. Jones "knew or at least suspected that she had an action for malpractice in 1984 or 1985. . .the statute of limitations on her malpractice action therefore commenced to run at that point," the 4th District Court found. "It commenced not only as to known defendants, but also as to unknown defendants, including the moving parties (Bristol-Myers) in this petition. Since plaintiff's action was not filed until April 1991, the one-year statute clearly had run."

While the case was clearly a victory for the implant manufacturer, the 4th District is one of the more conservative of California's appellate districts, pointed out Dean Hansell, an attorney with the Los Angeles office of LeBoeuf, Lamb, Greene & MacRae who was involved in the case.

"However, I suspect their thinking is in line with the California Supreme Court, so that even if this case is appealed (to the high court), the court is unlikely to change the legal analysis," he said.

•

Bristol-Myers Squibb Co. et al., vs. The Superior Court of San Diego County, No. D022596, California Court of Appeal, 4th Appellate District, Feb. 24, 1995.



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The market reform myth

Study questions state health care reform's effectiveness

By CHRISTINE WOOLSEY

Small group health care market reforms enacted by the states appear to have had little success in lowering health insurance premiums for small employers or in increasing the number of small groups covered by insurance, according to a recent study.

Similar incremental reforms are being considered by Republican lawmakers in Washington as they address national health care reform.

Since 1990, 45 states have enacted small group reforms aimed at both improving the availability of health insurance for employees of small companies and stabilizing deteriorating markets.

But, such measures "did not seem to have had either an important adverse or positive effect on the small group market," a study by George Washington University's Intergovernmental Health Policy Project in Washington found.

The lack of baseline data collected by state officials prior to implementing small group reforms makes measuring the impact of such reforms particularly difficult, said Kala Ladenheim, a senior research associate at IHPP.

In fact, most state insurance departments' involvement generally has focused on the violations, rather than any evaluations, of the reforms, according to the study, which was funded by a grant from the Commonwealth Fund, a New York-based philanthropic organization.

The report contains information on state laws regulating the small group health insurance market that were enacted as of December 1994. However, the researchers were able to examine the impact of such laws in only a dozen states that were among the earliest to adopt small group reform measures: Arkansas, Colorado, Delaware, Indiana, Iowa, Kansas, Louisiana, New Mexico, North Dakota, Ohio, Rhode Island and South Carolina.

Most small group reforms are aimed at eliminating insurance company practices that are deemed discriminatory, including medical underwriting, pre-existing condition exclusions, industry redlining and durational rating. Durational rating occurs when insurers initially discount premiums and then sharply raise rates to offset the higher health care costs that aging policyholders incur.

Smaller employers are turning to self-insurance or joining association plans to circumvent small group reform.

While most states originally defined small groups as those having 25 or fewer employees, many states have expanded the scope of their reforms to apply to employers with up to 50 employees, and several states recently expanded reforms to apply to groups with as many as 100 employees, the study noted.

The researchers said they had difficulty in accurately assessing the net impact the reforms had in making health insurance more available or in stabilizing health insurance premiums.

"The hypothesis implicit in this set of policy reforms is that rates remained stable after the reforms were implemented. However, the baseline data needed to carry out an evaluation of the impact of the reforms on the rates, the number of policies offered and the number of lives covered were lacking," according to the report.

Insurance regulators were able to provide some anecdotal evidence that rates had "stabilized in the market and that they suffered only mild premium increases compared to previous years," the researchers concluded. But, the change in rates could not be attributed solely to the reforms, they said.

Ms. Ladenheim suggested a federal requirement may be needed to facilitate the necessary data collection to measure the success of small group health care reforms.

However, she noted, in general the reforms did not appear to have a negative impact on state insurance markets as a whole.

"When the reforms were enacted, there was concern among state officials about (insurers) threatening to drop out of the market," the report said. While state regulators witnessed some movement by insurers, "they didn't seem to think of it as unusual," the report said. Rather, respondents attributed the insurers' movement out of the market to changes in the overall business climate in the state.

The study cited the federal Employee Retirement Income Security Act as a major obstacle in getting employers to comply with state insurance reforms. ERISA exempts self-insured employee benefit plans from state regulation.

Several insurance regulators have said smaller employers are increasingly turning to self-insurance or joining association plans to circumvent small group reform requirements, according to the report.

•

For free copies of "Small Group Market Reforms: A Snapshot of States' Experience," contact Bernie Tarshis at The Commonwealth Fund, 212-606-3840.

Compact

Continued from page 2

being considered in California, Illinois, Indiana, Missouri, Nebraska, New Hampshire and Texas.

Furthest along in the legislative process is Nebraska, where a measure has survived the first—and toughest—of three readings in the state's single legislative body. In New Hampshire, a bill has been approved by the Senate, while in Illinois, only the House Insurance Committee has passed the bill.

The proposal they are considering is the Interstate Insurance Receivership Compact, which has been jointly supported by some regulators in Midwestern states and NCOIL (*BI*, Dec. 12, 1994).

The compact is designed to make receiverships and the laws governing them more orderly, efficient and uniform, as well as to coordinate interaction between receiverships and guaranty associations.

The proposal would establish a non-profit commission controlled by regulators that would oversee and coordinate receivers in the states or become a receiver itself, if asked. It would also monitor guaranty fund activities in those states, help resolve disputes and be able to file lawsuits. Funding for the commission would come 75% from insurers and 25% from states.

Many interstate compact proposals have been discussed recently. Among the three that still are being actively considered is a Michigan proposal that would establish a dual regulatory system and allow insurers to choose to operate under the existing system or the compact.

Under this proposal, two boards of directors, representing insurers and regulators, respectively, would decide which of a wide range of activities were appropriate and oversee them. The compact could regulate, for example, the licensing of insurers and agents, guaranty funds, receiverships, market conduct, policy rates and forms, examinations, accounting practices and financial reporting.

"States have all the authority but a compact would enhance their uniformity, ability and clout," said Robert Bailey, deputy commissioner-financial regulation in Michigan, who chairs two NAIC working groups on this issue.

Right now, though, "the receivership compact is the only one that is moving along," said Robert Myers Jr., an attorney with Neely & Player in Washington, who follows this issue.

"It has a single recognizable utility to it, which is the rationalizing of state receiverships," said Transamerica's Mr. Jackson.

The popularity of the receivership compact may increase regulators' interest in compacts in general.

A white paper to be presented in December will "inform the entire membership and alert them to it so we can get some direction," said NAIC President Lee Douglass of Arkansas.

"I don't know how they will respond," said Mr. Douglass. "The interstate compact concept is a legal concept that crosses a lot of boundaries other than insurance."

Whatever the reaction to that report, the receivership compact will not be affected, said Illinois' Mr. Schacht. But regulators' reaction could affect the organization's willingness to use the concept for other purposes, like licensing of agents or insurers.

Already a working group is developing a new compact proposal for regulating non-U.S. insurers. That proposal harks back to the model Federal Non-U.S. Insurer Act, which was drafted several years ago, but never introduced in Congress.

Under the bill, minimum standards would be established for non-U.S. insurers and reinsurers by federal authority and the NAIC would be appointed an agency of the federal government under federal oversight to ensure those standards were implemented. BI

Tax bill

Continued from page 2

Still, the legislation doesn't change the principal reason why employers don't pay LTC premiums—corporate reluctance to take on new benefit liabilities.

Even these changes, while welcome, won't open the floodgates of the LTC market, said Malcolm Cheung, general director of group long-term care at John Hancock Mutual Life Insurance Co. in Boston.

But, the change in LTC premium's tax-status might prompt some employers to pay premiums for policies offering basic benefits, said Ted Nelson, a Hewitt Associates L.L.C. consultant in Washington.

Even if few employers decide to pay LTC premiums, employee participation in the plans is likely to increase slightly because of a provision in the legislation that would allow employees to take a tax deduction—up to certain limits—for the LTC premiums they paid.

The deduction amount would be linked to the individual's age:

- Individuals who are 40 years old and younger could deduct premiums of up to $200 a year.
- Policyholders between 41 and 50 years old could deduct premiums of up to $375 a year.
- Policyholders between 51 and 60 years old could deduct premiums of up to $750 a year.
- The maximum LTC premium deduction for individuals who are between 61 and 70 years old would be $2,000.
- For individuals over age 70, the maximum annual LTC premium deduction would be $2,500.

But, the premium payments would be deductible only if—combined with employees' unreimbursed medical expenses—they exceeded 7.5% of the person's adjusted gross income.

The dollar limits and the tax-favored $200 a day benefit limit in LTC plans in which the premium is employer-paid would be indexed to increases in the Consumer Price Index's medical care component.

Another provision would allow employees to make tax-free withdrawals of funds from their 401(k) plans to pay for LTC premiums for themselves and for their spouses.

The ability to take tax-free withdrawals from 401(k) plans to pay for LTC premiums also will encourage employees to buy LTC coverage, said John Hancock's Mr. Cheung.

However, the legislation lacks changes that would give group LTC programs an even bigger boost.

For example, LTC plans could not be included in flexible benefit programs and employees could not use pretax dollars to pay for LTC premiums.

The new IRA—known as American Dream Savings Accounts—would allow individuals, regardless of income or whether they were covered by a pension plan, to make annual $2,000 non-tax-deductible contributions to the accounts.

Funds could be withdrawn tax-free after five years for any purpose by individuals over 59½, or for "qualified special purposes," which includes down payment on a first home, educational and medical expenses or LTC premiums.

A 10% excise tax on early withdrawals would not apply to funds removed for these special purposes before five years, but regular taxes would.

Benefit experts doubt if employees would divert contributions now made to 401(k) plans to these new "dream accounts," since most 401(k) plans match—typically 50%—of employees' pretax contributions.

"That is an incredibly powerful difference," said Howard Weizmann, a consultant with The Wyatt Co. in Washington.

In addition, 401(k) plans offer the ease of contributions through payroll deductions, while most plans also allow employees to borrow funds.

Those most likely to contribute to the new dream accounts are employees who want to supplement the contributions they make to their 401(k) plans, Mr. Weizmann said.

While House approval of the Archer bill is expected, the measure's fate is less certain in the Senate, where concern is growing over revenue losses the bill would cause.

House GOP leaders, though, say they will later propose federal spending reductions to offset at least some of the expected revenue losses. BI

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New NAIC members try fresh approach

By MEG FLETCHER

MIAMI BEACH, Fla.—Brisk breezes at the National Assn. of Insurance Commissioners meeting here coincided with top insurance regulators urging their colleagues to consider a fresh approach to openness and accessibility.

"The winds of change are blowing through the NAIC," said Robert L. Zeman, assistant vp and assistant general counsel for the National Assn. of Independent Insurers in Des Plaines, Ill.

One example of that trend was the introduction of a resolution for change that was proposed by four large states at a closed-door plenary session during the meeting.

Newly designated regulators from California, New York and Texas joined with Illinois' call for reforming NAIC deliberations and operations.

Specifically, their resolution proposes opening most NAIC meetings, including the executive and plenary voting sessions, to the public. They also want the public to have open access to information about the five top NAIC employees' salaries and compensation, as well as a breakdown of NAIC income and expenses by program rather than on a consolidated basis.

The four states also propose limiting new accreditation requirements to "desired" standards that are at least four years old and have been enacted by at least 25 states. Their resolution would also give states "an additional reasonable period of time" to comply with any new required standards.

However, the four states recommend keeping all mandatory components of the current accreditation program to maintain its integrity.

Regulators referred the matter by voice vote to two NAIC subgroups for study, though its supporters say they hope for action by June.

"I'm pleasantly surprised there was huge support," said New York Insurance Superintendent Edward Muhl, former Maryland commissioner and an ex-NAIC president.

He added he had no idea what impact the proposals, if adopted, would have on New York regaining its accreditation status.

"The proof will be in the pudding," said Acting Illinois Insurance Director James W. Schacht. "I'll be real happy when the organization begins taking the steps that the resolution indicates."

For the NAIC's part, President Lee Douglass of Arkansas said, "The things contained in the resolution and referred to the two working groups were items we looked at before."

Yet, Mr. Douglass and other top NAIC leaders exhibited a willingness during the meeting to follow members' new wishes and revisit the topics.

For example, the NAIC appointed accreditation overseers to establish a working group to study the effectiveness of risk retention group regulation as prescribed by the NAIC and as practiced by Vermont, which has failed to win NAIC accreditation primarily because of its approach to such regulation.

"I think (the study) is a good solution," said Vermont Insurance Commissioner Elizabeth Costle. "We say we get to solvency in a different way."

At the meeting NAIC leaders also continued to try to develop a workable relationship with the National Council of Insurance Legislators, despite a recent critical report by NCOIL and the absence of state lawmakers at a joint organizational meeting held during the NAIC meeting (*BI*, March 6).

NCOIL had asked that the joint meeting be rescheduled to coincide with its own meeting in Florida, scheduled for March 22-24, because of the difficulty state legislators would have in traveling to Florida twice within two weeks, said Robert E. Mackin, a consultant who serves as NCOIL's executive director.

Regardless, Mr. Douglass said he expects to attend NCOIL's meeting and he urged other NAIC regulators to attend.

The leadership's responsiveness also was seen in a decision of the Special Committee on Statistical Information to eliminate from even theoretical consideration the possibility that the NAIC would expand its operations to become a statistical agent (*BI*, Feb. 20).

"This is a very good time for this organization to examine itself," said NAIC Vp Brian Atchinson of Maine.

A fresh approach by the NAIC is timely, in large part, because 18 states have new top insurance regulators (see related story).

"I think it may go farther than many people realize," said Zack Stamp, a former director of the Illinois Insurance Department who is now an attorney at Peterson & Ross in Springfield, Ill.

The reality of that hit home at the first meeting of a working group designed to analyze questions about the organization.

Some commissioners complained that the working group's proposed mission statement was too narrow because it focused primarily on financial matters and did not address fundamental questions about the organization's identity. However, working group Chairman Steven Foster of Virginia encouraged the members to rewrite the proposed mission statement and broaden it as they saw fit.

Meanwhile, in other action at the quarterly meeting, state insurance regulators:

• Authorized spending $1.75 million to explore the feasibility of the proposed System for Electronic Rate and Form Filing (*BI*, Feb. 27). The NAIC also appointed Deloitte & Touche L.L.P. as its business partner for the project.

• Changed a drafting note in the small group health insurance model law during a closed plenary session to effectively eliminate an endorsement of community rating. The full NAIC then adopted substitute language indicating that community rating is merely one of many approaches a commissioner should consider.

The change "is subtle but very significant," said Utah Insurance Commissioner Robert E. Wilcox, an actuary.

• Announced a timetable for adopting risk-based capital requirements for all types of health care organizations regulated by insurance departments, such as Blue Cross & Blue Shield plans. The NAIC wants to adopt the formula by year end so that the organizations must file the risk-based capital information in their 1996 statements. BI

18 new faces among regulators

About one in three of the nation's top insurance regulators is new to the post this year.

There are 18 states with new top regulators, several of which are serving as acting insurance commissioners. They are:

Alabama, Michael DeBellis (acting); Alaska, Marianne Burke; California, Charles Quackenbush; District of Columbia, Patrick Kelly (acting); Florida, Bill Nelson; Georgia, John Oxendine; Hawaii, Wayne C. Metcalf; Idaho, John Michael Brassey; Kansas, Kathleen Sebelius; Michigan, Patrick McQueen (acting); Nebraska, Robert G. Lange; Nevada, Alice Molasky; New York, Edward Muhl; Oklahoma, John Crawford; Pennsylvania, Linda S. Kaiser; South Carolina, Suzanne K. Murphy; Tennessee, Douglas M. Sizemore; Texas, Elton Bomer.

ING deal draws insurers' ire

ING's write-off of insurance units cited

By ADRIAN LADBURY

LONDON—Leaders in the London insurance market are reacting angrily to Dutch banking and insurance giant Internationale Nederlanden Groep N.V.'s takeover of failed British bank Barings P.L.C.

The Bank of England's decision to give ING the go-ahead to acquire one of London's best-known financial institutions has London insurance professionals unhappy in light of the Dutch group's past actions.

Ian H. Dean, president and chief executive officer of Sphere Drake Holdings Ltd., the international insurance and reinsurance company based in Bermuda and London, felt strongly enough about ING's reemergence in London to write Eddie George, governor of the Bank of England, to express his concerns.

Mr. Dean received a response last Thursday that stated that the bank had "noted his concerns."

Mr. Dean is not alone. London insurers and brokers say that ING tainted its reputation and set a dangerous precedent in 1992, when it refused to continue to fund the huge, mainly U.S. losses faced by its two London insurance subsidiaries, Orion Insurance Co. P.L.C. and The London & Overseas Insurance Co. P.L.C.

Provisional liquidator Price Waterhouse estimated last October that the two companies face losses up to $1.5 billion. Many of the major policyholders are U.S. firms (*BI*, Oct. 24, 1994).

ING further upset Londoners a year later when it announced it would provide no further support to its London reinsurance subsidiary, NRG Victory Reinsurance Co. Ltd., when it was placed into runoff. NRG Victory is still solvent but has a large book of long-tail U.S. casualty business, and its management has not ruled out insolvency.

Bill Dikland, NRG chairman, said that the company currently has assets of about $2.5 billion, most of which are in technical reserves for claims. The runoff could take up to 10 years. "All companies are solvent but clearly struggling," said Mr. Dikland, referring to NRG's three London subsidiaries.

All three companies have been "deconsolidated" from the main ING group. This is a Dutch accounting technique under which the parent company's investment in the subsidiary is written off and the parent's profit and loss account is protected from further deterioration in the subsidiary.

Mr. Dean said that the news of ING's return to London, albeit in a banking guise, angered him sufficiently to write to Mr. George. He said he did not expect his letter to block the deal but felt Mr. George ought to be aware of the background.

"I felt so incensed I wrote to Eddie George to register my concern about the takeover in the light of what happened with Orion and NRG," Mr. Dean said.

Sphere Drake and Orion operated a joint pool from 1967 and the two companies worked "very closely" at that time, said Mr. Dean. Liabilities from the pool have been capped by broker Alexander & Alexander Services Inc. under an agreement signed between the companies.

The Bank of England said it was unable to comment on the letter but said that the fact that it had granted approval to the takeover showed that it regards ING as a "fit and proper" bank.

"When there is a change of ownership, the Bank of England has to decide whether or not the buyer is fit and proper to manage a bank and the fact that ING has had a U.K. banking license for some time and that we permitted the takeover of Barings shows that the bank clearly regards ING as fit and proper," said a Bank of England spokesman.

ING officials were unavailable for comment.

NRG's Mr. Dikland said that he was unable to comment on his parent company's past record or Mr. Dean's concerns. "Our runoff and the acquisition of Barings by ING are two totally different issues. I suspect ING has good commercial reasons for buying Barings," he said.

But others support Mr. Dean's opposition.

"I am very much against ING taking over Barings. How can the (Bank of England) allow a bank like Barings to go to a buyer with a record like this when it had other buyers available?" said a leading executive with a continental reinsurer based in London.

"This is an important issue. Should such a large group let its subsidiary companies go under? What does this mean for the credibility of the parent? Can a large financial group like ING just let a subsidiary go and move onto further green fields? It's not so much a question of regulation but rather credibility of the owner," he continued.

U.K. legislation does not prevent a parent company from refusing to support a troubled subsidiary, according to the Department of Trade and Industry. BI

Floods

Continued from page 1

at up to $2 billion, though only a fraction may be insured.

While coverage is available under the federal crop insurance program for some of the damaged crops, relatively few farmers buy commercial crop insurance, said Barbara Carey, manager-crop insurance for Cal-Ag Insurance Services Inc. in Sacramento, a unit of Zenith National Insurance Group.

A spokesman for the Property Claims Services division of the American Insurance Services Group Inc. in Rahway, N.J., said an estimate of insured losses—which would not include agricultural damage—is expected to be released today.

Vineyard operators said they were unsure about any flood damage coverage that may be available under their property programs.

Doug Roberts, director-financial services for Wine World Estates Co. in St. Helena, Calif., estimated his company, which operates Beringer Vineyards and has vineyards throughout the state, sustained $500,000 in property damage.

But, he said he was unsure how much of the damage sustained—which included broken levees—would be covered under a Lloyd's of London policy, which has a $100,000 deductible. Wine World does have federal crop insurance to cover vineyard damage, which was not significant, he said.

Similarly, Willis Blakewell, comptroller for the Rutherford Hill Winery and Jaeger Vineyards in Yountville, Calif., which sustained significant damage to their trellis systems, said, "We're unsure of whether we have insurance or not at this point."

"We're trying to figure out if our insurance covers it or not," said Mr. Blakewell.

A Continental Corp. property policy covers both operations, he said, but added that it was too early to estimate damages late last week because the fields were still under a foot or two of water.

The vintner does not have federal crop insurance for vines damaged in the flooding.

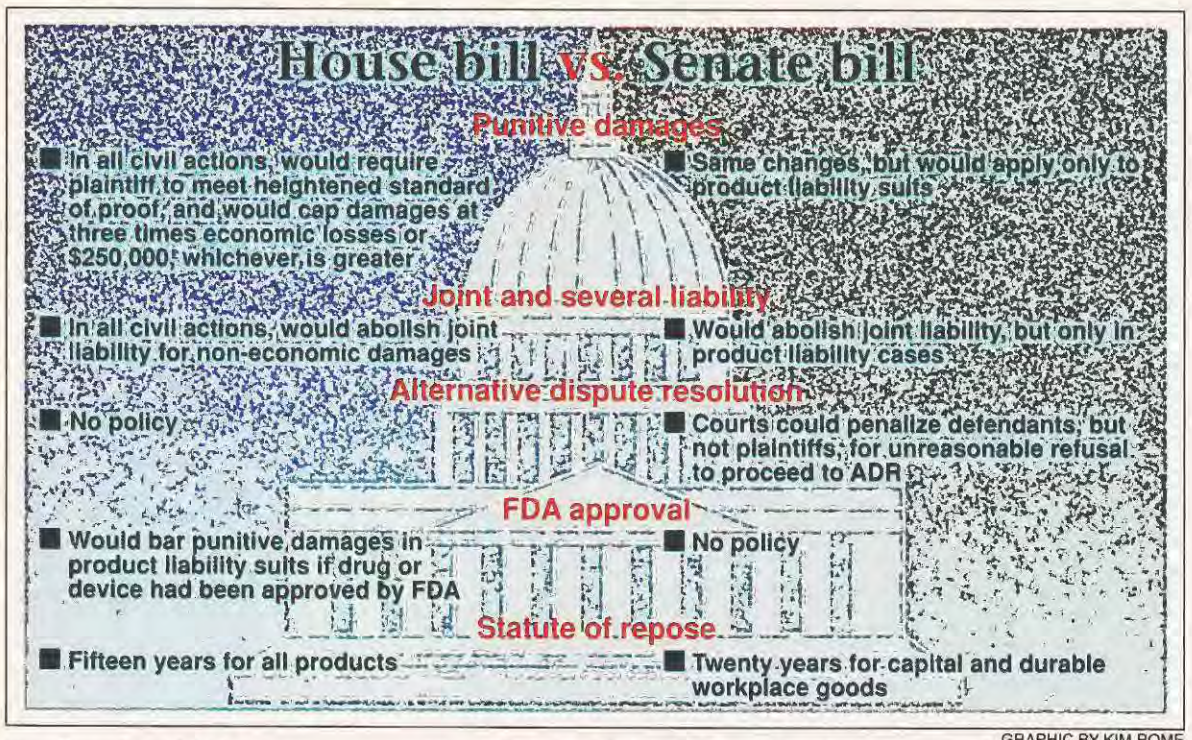
Elsewhere, a spokesman for Pacific Gas & Electric Co. estimated the utility sustained $16 million in damages. But while PG&E does have flood and windstorm insurance coverage, its policy, which is led by underwriters at Lloyd's, has a $25 million deductible, a spokeswoman said.

A spokesman for the Southern Pacific Railroad Co. in San Francisco said the railroad is self-insured for the first $10 million of losses for any single incident, with catastrophe coverage above that layer. However, a loss total will not be available until the railroad reports its first-quarter results.

A Chevron Corp. spokesman could not provide information about the total estimated costs or insurance coverage for a March 11 oil spill that occurred in Kettleman City, Calif.

The spill may have been caused when debris from a collapsed bridge struck an 18-inch diameter pipeline, releasing an estimated 200 barrels of crude oil. The company has been actively involved in the cleanup. The spokesman said the spill did not cause environmental damage.

Brenda Fields, senior vp for Sedgwick James of California Inc. in San Francisco, said the brokerage has received claims from real estate developers, apartment building owners and owners of large commercial buildings, primarily for windstorm damage. Once a roof was damaged, she explained, water would seep into the interior of the building causing additional damage, which could be covered under property insurance policies. BI



GRAPHIC BY KIM ROME

Liability

Continued from page 1

bill would apply the restriction to all civil cases.

The House bill also would cap non-economic damage awards in medical malpractice cases at $250,000. The Senate bill makes no mention of medical malpractice.

Perhaps the most significant difference between the House and Senate bills is that the Senate bill would place a cap on punitive damages in product liability cases at $250,000 or three times economic damages, whichever is greater. The old Senate bill contained no such cap. But the House bill would apply the cap to all punitive damages.

Unlike the House bill, the Senate bill would: allow claimants to use non-binding state alternative resolution mechanisms to settle product liability suits; allow plaintiffs two years to bring an action after the plaintiff discovered the injury and its cause; and not allow workers compensation subrogation to affect an injured worker's recovery in a product liability action.

The Senate bill also does not contain the House bill's proposed defense against punitive damages for companies that have received approval for their products from the Food and Drug Administration, and would not provide any specific protections against "unfair liability" for manufacturers of biomaterials used in medical devices.

Both bills would establish a national standard of "clear and convincing" evidence of the defendant's "conscious flagrant indifference to the safety" of others as a prerequisite for awarding punitive damages. Both bills also would provide defenses for manufacturers if the claimant was drunk or drugged when injured using the product. And, both measures would limit the product liability of sellers under many circumstances.

The two chief Senate sponsors of the bill defended the measure's limited scope. Sen. Rockefeller said he was "very certain" the House bill could not pass muster in the Senate and was certain to face a presidential veto if for some reason it did pass. Sen. Gorton insisted that "we will oppose any amendment" to the Senate bill that either increased the chances of a veto or threatened the 60-vote majority needed to kill a filibuster.

"I am quite confident this bill will be reported as a product liability bill," he said.

Separate tort reform legislation is pending in the Senate.

The Gorton-Rockefeller bill drew immediate praise from pro-reform groups like the National Assn. of Manufacturers and the Product Liability Coordinating Committee. Both groups also had wasted no time in praising the House measure.

"What will the Senate do? Who knows?" Sherman Joyce, president of the American Tort Reform Assn. in Washington, said during an address to the National Assn. of Professional Insurance Agents' federal legislative conference in Arlington, Va., two days before the Gorton-Rockefeller bill became public.

Some proponents seemed resigned that, at best, a watered-down bill would pass the Senate.

"I think the Senate is not going to be as strong a bill as the House. They voted 'No' on the balanced budget amendment, which is an issue that can fit on a bumper sticker—it's a no-brainer. If they don't have enough reform religion to pass a balanced budget amendment, it's unlikely they're going to pass tough legal reform," said Rep. Jack Kingston, R-Ga., a former property/casualty insurance agent who has vigorously backed reform.

It's "very, very unlikely" that the House bill will be the final document, agreed Tom O'Day, associate vp in the Alliance of American Insurers' Washington office. The Alliance was for many years the only insurer group to actively support bills calling for a uniform federal product liability code.

But the fact that nearly a quarter of the House Democrats voted in favor of H.R. 956 on March 10 and that the Senate bill includes as its co-sponsors such influential Democratic lawmakers as Sens. Rockefeller and Joseph Lieberman, D-Conn., would make it very difficult for the president to veto the bill that ultimately lands on his desk, said Mr. O'Day.

"The hard part's going to be in the Senate," agreed Jim Anderson, vp-government affairs for the National Assn. of Wholesaler-Distributors in Washington. The Senate rules differ from those of the House, he noted. In addition, "I anticipate the plaintiffs lawyers will make their stand" in the Senate, he said. "It will be the political equivalent of dropping a safe on us," he added.

Nonetheless, Mr. Anderson said that he continues to believe that "winning the battle in the Senate is very doable." Although he would not speculate whether the president would ultimately sign a reform measure, Mr. Anderson noted that the House bill drew strong bipartisan support and that the Senate product liability measure enjoys bipartisan sponsorship. "There is no ideological or partisan reason" for the president not to sign a bill, he said.

Before any bill gets to the president, proponents and opponents are going to engage in battles in the Senate that could make this month's earlier fight over the tort reform legislation in the House look like a children's game, according to some reform advocates.

"This is going to be Armageddon," said Mr. Joyce. The plaintiffs bar and organized consumer groups will go "all out," he said.

Like Mr. Joyce, Mr. O'Day predicts a much tougher struggle in the Senate than was the case in the House. "We had several battles in the House, but the real battle is yet to come," as the plaintiffs bar marshals its forces, he said. He foresees a nationwide exchange on the airwaves as opponents and proponents of reform try to influence the votes of key senators, particularly those facing re-election next year.

One key question is the focus of the battle.

"I don't think anybody knows what the make-or-break provisions are," said Mr. Joyce.

But Mr. O'Day said that certain parts of the tort reform package would be easier to enact than others. Those that deal strictly with product liability, notably setting a single statute of repose, which the House bill sets at 15 years and the Senate at 20 years, should prove to be less controversial than such moves as extending the limits on punitive damages to all civil cases, said Mr. O'Day. He noted, however, that the U.S. Supreme Court has indicated that setting punitive damage standards is a job for legislators, not judges.

Mr. O'Day remains optimistic about reform's chances, provided the Senate moves swiftly.

The House vote "opens up a tremendous window of opportunity for legal reform," said Mr. O'Day, adding that he believes the window will close toward the end of the year, when Washington becomes enmeshed in "presidential gridlock." The bipartisanship will fade and intraparty disagreements will slow the legislative process, he said.

Mr. O'Day gives passage and enactment of a product liability law by the year end a 50/50 chance.

Even a very mild reform bill has odds of enactment of "50/50 at best," predicted Joel Wood, vp-government affairs for the Council of Insurance Agents & Brokers in Washington. Mr. Wood said he had "very low expectations on this administration signing anything."

A March 6 letter to House Speaker Newt Gingrich, R-Ga., from Attorney General Janet Reno and White House counsel Abner Mikva "poisoned" the atmosphere as it objected to many of the tort reforms' tenets, Mr. Wood said. BI

Updates

Police recover stolen Picasso

Continued from page 2

still missing. The insurers indemnified Illinois artist Harold Gregor $2,250 for the landscape, sources said. Both paintings were on consignment to the gallery.

CIGNA Corp. of Philadelphia wrote 60% of the gallery's blanket fine arts liability insurance program, and Nordstern Insurance Co. of America U.S.A., the U.S. branch of German insurer Nordstern Allgemeine Versicherungs A.G., wrote 40%. Insurers typically try to sell recovered artworks directly at auction or on consignment to recoup their losses, said gallery owner Richard Gray.

CIGNA would not comment, and Nordstern did not return calls.

Office fire settlement reached

PHILADELPHIA—More than four years after the largest office building fire in U.S. history was extinguished, the owners of One Meridian Plaza in downtown Philadelphia have settled for $15 million the last of more than 50 negligence suits they faced.

Last week, building owner E/R Associates Inc.—a partnership of the Equitable Life Assurance Society of America, Richard Rubin & Co. and a Dutch pension fund—along with building tenant Balis & Co. Inc., in whose office the fire started, settled with a group of up to 5,000 surrounding business owners and employees of One Meridian Plaza and an adjacent building.

The settlement will be fully financed by X.L. Insurance Co. Ltd. and Federal Insurance Co., a unit of Chubb Corp., excess liability insurers for Balis and E/R, respectively.

Federal wrote $25 million excess of $10 million for E/R, while X.L. wrote $100 million excess of $50 million for Balis. The money will be put into escrow, giving eligible claimants several months to make a claim or opt out. Attorneys fees will be subtracted from the settlement.

A cost-sharing agreement on settlements entered into by E/R and various claimants, including subrogating insurers of tenants that had property and business interruption losses, assigned most of the liability to Balis and its insurers, lawyers for E/R said.

E/R settled all of the suits it faced for substantially below $100 million, said a source familiar with E/R's post-fire litigation. E/R had faced 53 suits seeking between $500 million and $2 billion. Last March, E/R received more than $100 million in a settlement with 15 companies that serviced the building's fire safety systems (*BI*, March 28, 1994).

Meanwhile, talks between E/R and Aetna Casualty & Surety Co.,E/R's sole property insurer, over how to reconstruct the badly damaged 38-story high-rise are stalled. Aetna sued E/R in federal court in New York, alleging breach of contract. E/R wants to rebuild the building from the 19th floor up, while Aetna wants to repair only the damaged floors.

Briefly noted

A federal judge ruled last week that **E.I. du Pont de Nemours & Co. Inc.** does not have to pay $9.7 million in punitive damages awarded in December to an ornamental tree nursery that used the company's Benlate DF fungicide in 1989. The judge let stand $7.4 million in compensatory damages (*BI*, Dec. 19, 1994). . . .The **Northridge earthquake** that struck Los Angeles last year caused an estimated $11.2 billion in insured property damage, according to the Property Claim Services division of the American Insurance Services Group. The figure is the sixth increase in the PCS estimate since February 1994. . . .The Washington state House of Representatives is considering a bill that would **repeal the employer mandate** in the state's 1993 Health Services Act. A version of the bill already passed by the Senate would withdraw the state's obligation to seek a waiver of the Employee Retirement Income Security Act. . . .**PacifiCare Life & Health Insurance Co.** received an A rating from A.M. Best Co. The life and health insurance subsidiary, formerly Columbia General Life Insurance Co., was acquired by PacifiCare Health Systems Inc. in 1986. . . .Rehabilitators of **Confederation Life Insurance Co.** (U.S.) have hired Lehman Bros. as a financial adviser in connection with securitizing the insurer's approximately $3 billion commercial mortgage portfolio. The rehabilitators said they believe the move will improve the portfolio's liquidity and should facilitate the eventual assumption of policyholder liabilities by other insurers. . . .A federal grand jury in Baton Rouge, La., has subpoenaed documents from the **Louisiana Insurance Department**. U.S. Attorney L.J. Hymel declined to describe the documents or the focus of the grand jury's investigation. Insurance Commissioner Jim Brown also said he could not comment on the subpoena. A state grand jury in East Baton Rouge Parish is already investigating former Deputy Commissioner Winston Riddick's alleged solicitation of a $50 million loan from the chief executive officer of Blue Cross/Blue Shield of Louisiana (*BI*, March 13). . . .The Labor Department last week gave **General Motors Corp.** permission to contribute $6 billion in stock to its underfunded pension plan for hourly workers. Regulators waived a provision in the Employee Retirement Income Security Act that bars a pension plan from holding more than 10% of its assets in company stock. The contributed stock constitutes 21% of the plan's total assets. . . .The Senate Finance Committee last week approved legislation that would retroactively restore to 1994 the 25% **tax deduction for health insurance premiums** that the self-employed can take. The deduction would rise to 30% this year. Legislation earlier passed by the House of Representatives would keep the deduction at 25%. . . .A federal judge has officially approved a $38 million settlement with the state and federal government in connection with a 1991 chemical spill in the Upper Sacramento River near Dunsmuir, Calif., caused by the **derailment of a Southern Pacific Railroad tanker car** (*BI*, March 28, 1994).

NCQA survey

Continued from page 1

of whether to compare plans and we specifically designed it to discourage what's happening now," said Dan Malloy, vp-product development for Resource Technologies Inc., a supplier of automated outcomes and patient satisfaction systems based in East Greenwich, R.I.

Specifically, the NCQA committee members were "concerned about data integrity and how that would affect direct comparability," said Mr. Malloy, who chaired the data audit committee for the NCQA's national report card project.

For example, some of the 21 managed care plans from around the country that were surveyed in the national HEDIS project did not provide sufficient data for some of the preventive health services areas measured. In those cases, plans were often given a lower score, which may not reflect their actual performance.

"We were operating under the basic assumption that the plans had access to medical records for all of their members," explained Ms. Corrigan. "But we realize now that there may not have been enough time for the plans to put all of their medical groups on notice."

As a result, she said, plans with smaller, regional networks were able to provide more complete data than those with larger, national networks, which is another reason why the plan ratings cannot be ranked.

In addition, the preferred provider organizations that participated in the national reporting effort were put at a disadvantage, according to N. Steve Ober, a former executive vp and corporate medical director for Private Healthcare Systems Inc., which participated in the national HEDIS project. Mr. Ober is now president and chief executive officer of RTI.

Often the PPO claims data did not include the preventive services being counted for the HEDIS project because many indemnity-based health plans don't cover them, agreed NCQA's Ms. Corrigan.

So if a service wasn't in the health plan's administrative data or in the approximately 400 patient medical records reviewed for each participating plan, it wasn't included in the HEDIS measurements. For example, many physicians that participate in plans may not have reported providing preventive services if the patient's employee benefit plan did not cover them. In those cases, physicians may code preventive procedures as some other procedure which would be covered under the benefit plan.

As a result, if plans in the project are compared with one another, a plan that does not cover preventive services would appear to get lower grades than a plan that does cover preventive services, even though those services still may be provided.

The Washington-based NCQA launched the report card project in January 1994 to measure the performance of 21 managed care plans nationwide. The plans were evaluated on 36 performance criteria, including member satisfaction, quality of care and access, and then independently audited. The criteria came from the HEDIS survey and a steering committee of health care policymakers and representatives of the participating plans, employers, labor unions and consumer groups.

The NCQA purposely chose to survey representative plans from different health care markets to avoid direct comparisons within a single market, which might affect plan enrollment, according to Ms. Corrigan.

However, the California HEDIS project did directly compare the local plans it surveyed. These included the local arms of Aetna Healthplans, CIGNA Corp., MetLife HealthCare Network Inc. and Prudential Health Care Plan Inc.-PruCare, all of which were in the national survey.

Some are concerned that California's HEDIS project results may have a detrimental effect on the plans that scored below average on some criteria. For example, while PruCare of California scored either average or above average on most criteria measured by the national HEDIS, it scored below average on some criteria in the California report card project, according to Art Small, vp-medical services for quality improvement based in San Francisco.

The California and national projects "used a different formula to calculate their results," he said. But when PruCare approached the California Collaborative HEDIS Reporting Initiative and asked that its results be reviewed, PruCare was told it was too late because the publication deadline was too close, Mr. Small said.

Still, California benefit managers plan to use the information culled from both the national and local HEDIS project.

It is likely that the Pacific Business Group on Health itself will use the HEDIS information in its future negotiations with health plans.

"We negotiate performance standards as part of our alliance's group negotiations," explained Robin Wythe, manager of health programs planning for the San Francisco-based Pacific Telesis Group, a coalition member. "So some of this information will be incorporated into these negotiations."

"It helps us to talk to the plans and negotiate the use of preventive services," explained Ms. Miller of Wells Fargo Bank, also a member of the PBGH. "We don't use it to weed out plans, but to further educate ourselves and the plans."

Benefit managers also will likely be watching to see how the plans react to the report cards, Ms. Wythe predicts.

For example, while some HMOs are touting their high performance in area newspapers, others—particularly those that scored poorly—have been openly criticizing the effort.

In fact, one of the primary goals of the NCQA's national HEDIS reporting project was to give plans some tangible measures to use internally to give physicians feedback and to establish benchmarks for medical groups, according to Ms. Corrigan.

The intent of the HEDIS project was to establish "norms" or "ranges" that could eventually be used to set a benchmark for plan comparison, explained RTI's Mr. Malloy.

"The intent was to figure out what is acceptable or what is the norm" for utilization of certain procedures, he said.

Already the report card discussion is turning to what comes next.

For example, since some of the plans' results may have been affected by the practice patterns of the medical groups with which they contract, it would be helpful to break the data down further, to see how treatment "trickles down," suggested Ms. Wythe.

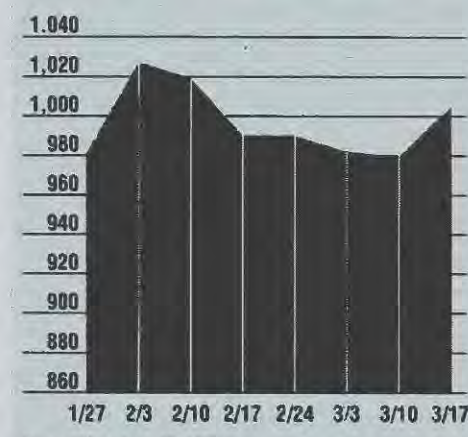
"A lot may be impacted by contracting," she said. "Some plans defer the responsibility of determining treatment to the medical groups." As a result, doctors in different regions may have different treatment philosophies, she said. "There's a lot more that we have to study."

For example, according to the national HEDIS report, childhood immunization rates ranged from a high of 91% in Massachusetts to a low of 60% in Texas.

"When we first heard about HEDIS, we were thrilled that we'd finally have something we could wrap our arms around and make HMOs something less of a 'black box,'" observed Larkin Bertram-Cox, a consultant with The Segal Co. in San Francisco.

But "while the attention HEDIS has gotten is good, there has been some misinformation," he acknowledged. When it comes to measuring health plan quality, "I think we have a very, very steep learning curve." BI

BI Insurance Index



Base=100 on Dec. 29, 1978
Source: Nordby International Inc.

Catastrophe insurance option call spreads

As of March 16

Call spread	Price bid/ask	Rate on line %	Call spread	Price bid/ask	Rate on line %
Eastern September 1995			Western Annual 1995		
45/65	5 8/8.5	29/32.5	20/30	0.5/3	5/30
50/70	5 3/5.6	26.5/28	30/40	0.5/1.8	3/13
60/80	4/5 5	20/27.5	30/50	0.5/2.5	2.5/12.5
100c	8.5/12	8.5/12	50/70	0.8/1.8	3/9
150c	3.5/5	7/10	60/80	0.3/3.5	1.5/17.5

Total volume: 0 Total open interest: 5,106

For quotes, call the CBOT trading floor at 312-341-3342. For general information, call 312-435-3574.
Source: Chicago Board of Trade

British Issues

Mar. 16 Companies	Price pence	P/E	Div. pence	Yield %	1 week high—low
Commi Union	558	11.2	38.0	5.9	553—525
Genl Accident	559	8.2	36.3	5.5	553—533
Gdn Royal Exch	180	N/M	10.3	5.7	183—174
Independent	275	7.6	11.9	4.3	275—274
Royal	294	5.6	15.0	5.1	294—278
Sun Alliance	314	10.6	19.7	6.3	314—303
Brokers					
Bradstock	86	9.7	7.1	8.2	86—86
Fenchurch	145	10.1	10.0	6.9	145—145
CE Heath	229	11.4*	20.0*	8.7	230—229
JIB Group	121	10.5	9.4	7.8	123—121
Lloyd Thmpson	151	10.5	9.8	6.5	151—151
Lowndes Lmbrt	151	8.9*	10.4*	6.9	153—151
Nelson Hurst	169	13.3*	8.3*	4.9	170—169
PWS Holdings	14	N/M	0.8	5.7	14—14
Sedgwick Grp	153	13.9	8.1	5.3	155—153
Steel Brl Jones	113	13.3	11.3	10.0	115—113
Willis Corroon	147	N/M	8.3	5.6	147—139

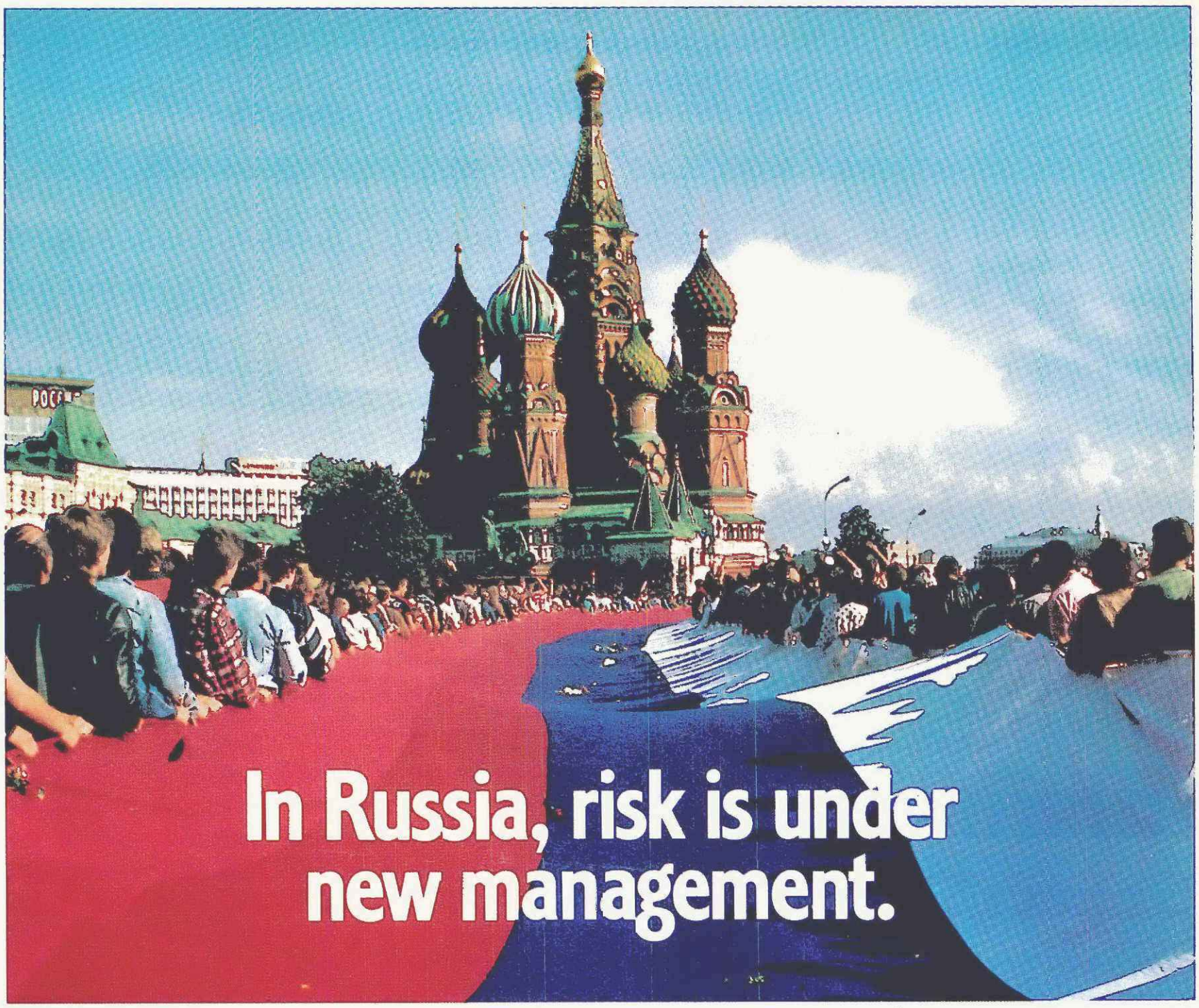
Source: Philip Olsen, London * Estimated 1994 data

BI Industry Stock Report MARCH 13, 1995, THROUGH MARCH 17, 1995

		Price	Weekly % change	Year to date % change	Annual High	Annual Low	Vol.(000)	$ Div.	% Yield	P/E	Book value	Mkt./Bk. value
BROKERS												
Acordia Inc.	NYS	32.63	-1.51	-2.61	34.50	24.63	13	0.72	2.21	16	13.24	2.46
Alexander & Alexander	NYS	21.50	-1.71	16.22	22.50	14.00	157	0.10	0.47	-8	6.08	3.54
E.W. Blanch Holdings Inc.	NYS	19.63	-5.42	-4.65	23.00	16.50	42	0.40	2.04	16	4.55	4.31
Gallagher Arthur J. & Co.	NYS	34.75	1.46	8.59	36.00	28.13	61	1.00	2.88	16	6.48	5.36
Hilb, Rogal & Hamilton	NYS	11.38	2.25	-6.19	13.38	10.75	74	0.56	4.92	14	4.72	2.41
Marsh & McLennan	NYS	82.63	-0.30	4.26	88.75	71.25	460	2.90	3.51	16	19.40	4.26
Poe & Brown	NDQ	22.00	2.33	1.15	22.75	18.00	27	0.48	2.18	14	4.49	4.90
BROKERS	AVERAGE		-0.4	2.4					2.6	12		
INSURERS/REINSURERS												
ACE Ltd.	NYS	24.13	1.58	3.21	28.88	20.75	334	0.44	1.82	-8	22.45	1.07
Acceptance Insurance Cos.	NYS	14.88	-2.46	-0.83	18.00	11.13	104	0.00	0.00	9	9.83	1.51
AEGON N.V.	NYS	69.88	1.08	10.04	70.88	49.38	44	2.92	4.18	12	43.84	1.59
Aetna Life & Casualty	NYS	56.25	2.27	19.36	58.25	42.25	1829	2.76	4.91	14	57.21	0.98
Allied Group Inc.	NDQ	26.50	-1.40	7.07	31.00	22.00	44	0.68	2.57	6	23.43	1.13
Allmerica Prop. & Casualty	NYS	18.63	0.68	10.37	20.13	14.25	88	0.16	0.86	11	19.45	0.96
Allstate Corp.	NYS	27.38	2.82	15.26	27.50	22.63	1479	0.78	2.85	25	19.60	1.40
American General	NYS	32.13	4.47	13.72	32.38	24.88	1803	1.24	3.86	13	20.39	1.58
American Heritage Life Ins.	NYS	18.00	-5.26	-5.26	19.75	16.50	24	0.64	3.56	11	12.42	1.45
American Indemnity/Fin'l	NDQ	12.25	3.16	20.99	14.25	10.00	8	0.24	1.96	3	15.92	0.77
American International	NYS	104.88	2.69	7.02	106.88	82.38	2410	0.46	0.44	15	49.75	2.11
American Re Corp.	NYS	33.38	-0.37	3.49	35.75	25.25	175	0.32	0.96	17	16.85	1.98
Aon Corp.	NYS	35.88	2.50	12.11	36.13	29.25	519	1.28	3.57	11	21.96	1.63
Argonaut Group	NDQ	30.38	-0.41	7.52	31.25	26.25	179	1.16	3.82	10	29.80	1.02
AVEMCO Corp.	NYS	15.13	1.68	-1.63	17.38	13.38	129	0.44	2.91	13	6.30	2.40
Baldwin & Lyons Inc.	NDQ	15.75	0.00	6.78	17.63	13.75	7	0.24	1.52	11	13.56	1.16
Berkley W R. Corp.	NDQ	35.69	2.70	-4.83	42.00	32.50	138	0.48	1.35	26	36.47	0.98
Berkshire Hathaway Inc.	NYS	22200.00	0.00	8.82	25200.00	15400.00	1	0.00	0.00	28	9157.79	2.42
Capital RE Corporation	NYS	23.25	2.20	-15.07	27.38	18.63	25	0.20	0.86	9	21.48	1.08
Capsure Holdings Corp.	NYS	13.13	0.96	-10.26	16.13	12.13	63	0.00	0.00	14	13.72	0.96
Chubb Corp.	NYS	79.00	1.94	2.10	82.63	68.63	1092	1.96	2.48	13	48.40	1.63
CIGNA Corp.	NYS	75.88	1.85	19.25	76.13	57.00	1219	3.04	4.01	10	80.98	0.94
CNA Financial Corp.	NYS	73.88	1.03	13.87	75.00	60.00	48	0.00	0.00	145	73.83	1.00
Continental Corp.	NYS	19.50	0.00	2.63	23.63	12.00	1203	0.00	0.00	-2	29.69	0.66
EMC Insurance Group Inc.	NDQ	10.75	4.88	13.16	10.88	8.50	6	0.52	4.84	8	10.77	N.A.
Emphesys Financial Gr. Inc.	NYS	37.50	1.35	18.11	38.88	21.25	275	0.60	1.60	10	N.A.	N.A.
EXEL Ltd.	NYS	45.88	4.56	16.14	45.88	36.00	836	1.32	2.88	17	31.62	1.45
Fremont General Corp.	NYS	19.63	-4.27	-16.04	26.00	19.63	131	0.76	3.87	5	22.90	0.86
Frontier Insurance Group	NYS	21.38	-2.29	-2.29	37.50	16.75	84	0.48	2.25	16	14.94	1.43
Gainsco Inc.	ASE	10.00	11.11	21.21	10.25	7.63	483	0.04	0.40	13	3.79	2.64
General RE Corp.	NYS	129.50	1.97	4.86	133.00	102.75	1169	1.96	1.51	16	57.17	2.27
Guaranty National Corp.	NYS	16.63	0.76	-9.52	18.50	14.25	28	0.48	2.89	9	11.84	1.40
Harleysville Group	NDQ	24.13	-0.52	-0.52	26.50	19.75	12	0.68	2.82	17	20.18	1.20
Hartford Steam Boiler	NYS	42.38	1.50	6.27	52.38	35.88	102	2.20	5.19	17	14.62	2.90
HCC Insurance Holdings	NDQ	23.75	-4.04	13.10	25.75	15.00	72	0.00	0.00	15	10.75	2.21
Home Holdings Inc.	NYS	8.25	-4.35	-12.00	15.38	3.00	442	0.00	0.00	-3	22.36	0.37
ITT (Hartford Group)	NYS	101.88	3.69	14.95	101.88	77.00	1618	1.98	1.94	12	49.95	2.04
Kemper Corp.	NYS	42.63	3.02	12.54	65.00	35.75	3156	0.92	2.16	23	28.68	1.49
Lincoln National	NYS	40.25	-1.23	15.00	43.88	34.63	574	1.72	4.27	12	31.99	1.26
Markel Corp.	NDQ	46.00	2.22	10.84	46.50	37.50	39	0.00	0.00	14	25.15	1.83
Mid Ocean Ltd.	NDQ	28.00	-3.45	2.75	30.50	22.25	496	1.00	3.57	9	20.24	1.38
Mutual Risk Mgmt. Ltd.	NYS	27.75	-0.45	5.71	29.25	21.13	28	0.32	1.15	15	9.11	3.05
NAC Re Corp.	NDQ	31.25	-4.58	-6.72	34.00	24.00	127	0.16	0.51	6	19.75	1.58
National Re Corp.	NYS	30.50	0.83	16.19	31.75	22.25	180	0.16	0.52	19	17.31	1.76
Navigators Group	NDQ	16.75	-1.83	15.52	20.50	13.75	13	0.00	0.00	-5	10.21	1.64
Nobel Insurance Ltd.	NDQ	9.00	-1.37	9.09	9.13	7.63	6	0.20	2.22	5	6.84	1.32
Ohio Casualty Corp.	NDQ	33.25	1.14	17.70	34.00	26.50	281	1.52	4.57	14	21.68	1.35
Old Republic Int'l	NYS	24.63	2.07	15.88	25.50	18.38	342	0.48	1.95	10	24.60	1.00
Orion Capital Corp.	NYS	35.00	-0.36	-0.71	37.88	28.13	49	0.80	2.29	9	25.86	1.35
Partner Re Holdings Ltd.	NDQ	20.88	-0.60	0.60	22.25	18.50	1112	0.40	1.92	8	N.A.	N.A.
Penn-America Group Inc.	NDQ	7.00	0.00	-5.08	8.00	6.50	13	0.00	0.00	9	6.21	1.13
Phoenix RE Corp.	NDQ	23.13	2.78	-18.14	29.25	18.50	609	0.60	2.59	5	22.86	1.01
Provident Life	NYS	22.88	0.00	5.17	29.88	21.50	94	0.72	3.15	8	27.09	3.84
Re Capital Corp.	NDQ	18.25	1.39	48.98	18.25	12.00	74	0.32	1.75	16	17.63	1.04
Reliance Group Holdings	NYS	5.13	0.00	-1.20	6.75	4.38	246	0.32	6.24	13	3.48	1.47
Reliastar Financial Corp.	NYS	34.00	0.00	17.24	35.50	27.00	311	0.90	2.65	10	24.81	1.37
RLI Corp.	NYS	23.75	4.40	15.85	24.75	19.88	43	0.60	2.53	-28	20.51	1.16
St. Paul Companies	NYS	50.75	0.50	13.41	51.00	37.88	907	1.60	3.15	10	31.88	1.59
SAFECO Corp.	NDQ	55.63	1.14	6.97	59.75	46.75	535	1.96	3.52	12	46.94	1.19
SCOR U.S. Corp.	NYS	7.88	-1.56	-5.97	12.25	7.50	22	0.20	2.54	-17	13.60	0.58
Seibels Bruce Group	NDQ	1.63	-7.14	-35.00	3.50	1.38	116	0.00	0.00	7	1.05	1.55
Selective Ins. Group	NDQ	28.00	-1.75	10.89	28.50	23.00	50	1.12	4.00	10	23.36	1.20
Sphere Drake Holdings	NYS	13.63	0.00	-1.80	17.88	10.75	75	0.16	1.17	7	13.15	1.04
TIG Holdings	NYS	20.75	3.75	10.67	21.75	17.00	541	0.20	0.96	26	17.25	1.20
Titan Holdings, Inc.	NYS	9.75	-2.50	0.00	11.38	7.75	44	0.28	2.87	8	9.31	1.05
Tokio Marine & Fire	NDQ	55.75	0.00	-8.23	66.00	49.88	9	0.40	0.72	49	57.72	0.97
Torchmark Corp.	NYS	40.38	-4.15	17.03	44.50	32.38	741	1.12	2.77	11	17.45	2.31
Transatlantic Holdings	NYS	60.25	1.05	7.83	60.25	45.63	195	0.40	0.66	14	32.43	1.86
Transnational Re Corp.	NDQ	19.75	-0.63	-15.96	25.50	17.25	369	0.00	0.00	7	N.A.	N.A.
Travelers Corp.	NYS	38.75	2.65	19.69	39.88	30.38	3027	0.80	2.06	10	24.26	1.60
Trenwick Group Inc.	NDQ	43.25	-1.14	2.06	44.25	33.75	12	1.12	2.59	14	39.20	1.48
United Fire & Casualty	NDQ	27.25	-6.03	-1.51	29.81	24.37	1	0.80	2.94	9	28.96	0.94
Unitrin	NDQ	49.63	-0.25	15.41	51.50	38.50	497	2.00	4.03	17	38.64	1.28
UNUM Corp.	NYS	44.88	5.59	18.87	56.75	35.13	936	0.96	2.14	22	27.78	1.62
US Facilities Corp.	NDQ	13.38	-2.73	33.75	14.63	8.25	376	0.20	1.50	13	11.07	1.21
USF&G Corp.	NYS	14.00	1.82	3.70	15.50	11.69	928	0.20	1.43	7	10.04	1.39
USLIFE Corp.	NYS	36.50	0.69	4.66	41.38	30.88	29	1.32	3.62	9	40.82	0.89
Washington National	NYS	18.38	-2.65	-3.29	24.88	17.81	87	1.08	5.88	7	23.67	0.78
Zenith National Ins.	NYS	20.25	-2.99	-10.99	27.38	19.50	71	1.00	4.94	10	17.54	1.15
Zurich Reinsurance Centr.	NYS	30.13	0.00	4.33	30.38	24.50	45	0.00	0.00	-25	22.26	1.35
INSURERS/REINSURERS	AVERAGE		0.3	5.8					2.4	13.3		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	NDQ	28.75	2.68	11.65	31.00	20.25	1263	0.00	0.00	16	12.29	2.35
Humana Inc.	NYS	24.38	6.56	7.73	25.75	15.88	2856	0.00	0.00	22	6.04	4.04
Pacificare Health Sys.	NDQ	68.00	-0.73	4.41	79.50	44.25	109	0.00	0.00	23	14.21	4.79
Safeguard Health Enter.	NDQ	9.75	11.43	5.41	15.50	8.25	4	0.00	0.00	36	6.13	1.58
Sierra Health Services	NYS	31.00	3.77	-1.98	33.50	21.25	66	0.00	0.00	18	6.04	5.13
United Healthcare Corp.	NYS	46.63	9.06	3.32	55.38	37.25	5367	0.03	0.06	28	6.57	7.10
U.S. Healthcare	NDQ	43.63	5.76	5.76	49.00	33.75	7246	1.00	2.29	18	5.03	8.66
Wellpoint Health Networks	NYS	30.50	-2.01	4.72	37.00	24.25	250	0.00	0.00	14	12.73	2.40
HMOs	AVERAGE		4.6	5.1					0.3	19		
ALL COMPANIES	AVERAGE		1.5	4.4					2.5	16		

Top advancing issues: Safeguard Health Enter.; Gainsco Inc.; United Healthcare Corp. Leading decliners: Seibels Bruce Group; United Fire & Casualty; E.W. Blanch Holdings Inc. Most active issue: U.S. Healthcare. The BI Index rose 2.6%; the Dow Jones 30 Industrials rose 0.9%; the S&P 500 increased 1.2% and the NYSE Composite gained 1.1%.

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