NEWSPAPER

MARCH 7, 1994

Business Insurance®

Reporting Weekly For Corporate Risk, Employee Benefit and Financial Executives / $4.00 a copy

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Updates

House of Lords to hear appeal that could impact Lloyd's suits

LONDON—The House of Lords has agreed to hear an appeal that will impact litigation between thousands of Lloyd's of London members and their members agents.

The agents are appealing a U.K. Court of Appeal decision upholding a lower court ruling that members agents can be held contractually liable for the negligence of managing agents (*BI*, Dec. 20, 1993; Oct. 18, 1993).

That decision would give troubled Lloyd's names access to more than 1 billion pounds

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Support for Clinton reforms erodes

GRAPHIC BY KIM ROME

By JERRY GEISEL

WASHINGTON—Just one week after mandatory health care purchasing alliances were declared all but dead, the Clinton administration is losing support for another key element in its reform package: an employer health care mandate.

Feeling heat from its membership, the U.S. Chamber of Commerce last week reversed an earlier position supporting a mandate under which all employers would have to pay a portion of employees' health care premiums.

"A very substantial portion of our membership opposes mandates. And we recognize that," said Chamber President Richard Lesher.

Almost simultaneously to the Chamber's action, the Jackson Hole Group, a group of health care policy experts best known as the architects of managed competition, also reversed course and said it no longer supported an employer mandate.

Dr. Paul Ellwood, the group's president, testified before a Senate panel last week that other reforms—which are not as politically divisive—should be enacted before an employer mandate is considered.

"I'm just saying. . .let's get the system restructured. Let's get the buying groups going before we make a decision on what kind of mandate is necessary," Dr. Ellwood said during a Senate Finance Committee hearing.

"I don't think we should do everything at once," he said, referring to an employer mandate as well as other elements of President Clinton's reform proposal, including caps on insurance premium increases and mandatory purchasing alliances.

However, Dr. Ellwood's argument drew a sharp response from Sen. John D. Rockefeller IV, D-W.Va., who served as President Clinton's health care adviser during the 1992 campaign.

"In a sense, you are asking us to go to the lowest common denominator:

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Union 'yes' may not help Clinton plan

By CHRISTINE WOOLSEY

WASHINGTON—Organized labor's money and manpower may not be enough to propel President Clinton's increasingly unpopular health care reform bill through a divided Congress.

Labor groups still carry weight on Capitol Hill—particularly among urban Democrats—but many observers say labor's influence alone cannot unite a Democratic party at odds over the direction of health care reform.

However, union leaders are counting on the general lack of consensus in Congress to help them persuade lawmakers to vote for the Clinton reform plan.

Another part of their strategy: the enticement of campaign contributions. Union members are explaining to lawmakers who voted against labor on the North American Free Trade Agreement that it would be in their best interest to side with labor on health care reform, especially in an election year.

Labor groups "are not without influence in certain circles. They have a lot of money to help congressional campaigns," said Fred Graefe, a health care lobbyist and partner at Baker & Hostetler in Washington.

Labor's endorsement of the Health Security Act

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Execs with ties to failed insurer form new venture

By DOUGLAS McLEOD

We'll meet again.
Don't know where, don't know when.

This could be the theme song for insurance regulators trying to shut down undercapitalized offshore insurers: Chances are good the entrepreneurs running these insurers will turn up later with another offshore company.

Take First Assurance & Casualty Co. Ltd. of the Turks & Caicos Islands, which was barred in several states and filed for bankruptcy last year, leaving millions of dollars of unpaid claims from the 1992 Los Angeles riots.

While riot victims struggle to recover their losses in an Oklahoma bankruptcy court, some of First Assurance's operators have moved on to solicit property/casualty and international reinsurance business for another insurer, International Casualty & Surety Co. Ltd. of New Zealand.

The New Zealand company was capitalized with some of the same assets previously used by First Assurance and rejected by California regulators when they barred First Assurance from the state last year.

In addition, several agents and brokers now generating business for IC&S were previously involved in a variety of other failed U.S. and offshore insurers, *Business Insurance* has learned.

IC&S producers include: a former president of Anchorage Fire & Casualty Insurance Co. Ltd., now in liquidation in Tennessee; the former managing director of the defunct Avalon Insurance Co. Ltd. of Bermuda and Tiberian In-

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Courts to feel quake's tremors

Suits expected to allege building flaws

By JOANNE WOJCIK

LOS ANGELES—Legal aftershocks are starting to rattle area courthouses as more and more lawsuits are brought in connection with the Jan. 17 earthquake.

Several suits have been filed in Los Angeles Superior Court seeking damages for wrongful death from the owner and builder of the multistory Northridge Meadows apartment complex, which collapsed during the 6.8 temblor.

And at least one suit has been filed by an insurer that holds the mortgage to a Woodland Hills office building that fell into foreclosure because its owners couldn't afford to repair it.

But with claims adjusters and building inspectors still sifting through the rubble more than a month after the disaster, many predict these cases are just the beginning of what will eventually become a legal quagmire.

In an effort to reduce some litigation, the local arm of a national arbitration and mediation service is gearing up to provide potential plaintiffs a less expensive alternative.

Suits alleging faulty construction or design are expected to be among the leading causes of action.

"One of the key types of litigation will be construction defect litigation," predicts Gene Weisberg, a partner at Cummins & White in Los Angeles. "You would want to find out who touched anything that failed."

Not only will contractors, architects and engineers be sued by the owners of damaged buildings, but also by the building owners' property insurers and mortgage holders, he speculated.

"A lot of those construction defect cases will be subrogation cases" filed by insurers attempt-

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Updates

Lords to hear agents' appeal

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($1.49 billion) of members agents' errors and omissions coverage if they prove their claims.

The House of Lords' decision to hear the case is likely to result in a postponement of members' actions against their agents, said a spokesman for Elborne Mitchell, which represents some of the members agents. The first and largest of these, which involves defunct syndicates managed by Gooda Walker Ltd., is scheduled for April 26.

FHP, TakeCare deal on again

FOUNTAIN VALLEY, Calif.—FHP International Corp.'s on-again, off-again merger with TakeCare Inc. apparently is on again following Friday's announcement that the two California HMOs have signed a definitive merger agreement.

Under terms of the agreement, which was approved unanimously by both boards, FHP will acquire TakeCare for $1.1 billion. That is higher than FHP's $829 million offer in January, which was later put on hold as TakeCare entertained other bids (*BI*, Feb. 14; Jan. 17).

The merger will create the nation's sixth-largest HMO—including point-of-service enrollment—with more than 1.6 members and is expected to be completed by July.

Georgia comp reform savings

AUGUSTA, Ga.—Georgia employers would save an estimated 10% to 12% on workers comp costs under a bill passed by the Georgia Legislature and expected to be signed by Gov. Zell Miller.

The bill focuses on cost containment and would permit companies to use managed care to control costs. It would also remove disincentives for return to work by creating a 15-day grace period in which an injured worker who returns to work can choose to go back on workers comp if he or she is still unable to work because of the injury.

Under the bill, employers could stop benefits after filing a request with the state Workers' Compensation Board if a worker is offered a job he or she can perform but turns it down.

While the Georgia bill focuses largely on cost containment, it also would increase benefits—to $275 per week from $250 per week for temporary total benefits and to $192.50 per week from $175 per week for temporary partial benefits.

State officials expect the bill's cost-saving measures to outweigh any added costs from the benefit increase.

Plan exempt from surcharge

NEW HAVEN, Conn.—A self-insured union health benefit fund does not have to pay a Connecticut hospital surcharge intended to cover health care for the uninsured, a federal judge has ruled.

U.S. District Judge Jose A. Cabranes found that the New England Health Care Employees Union District 1199 does not have to pay the surcharge—originally about 30% of hospital bills but now 20%—that the state uses to finance uncompensated care. The surcharge violates provisions of the Employee Retirement Income Security Act of 1974 barring plans from paying benefits to non-members, the judge ruled.

The ruling could kill the state surcharge fund, which collects about $300 million a year but cannot continue to operate under the law that created it if any group is exempted from the surcharge.

It could also cost the state $150 million in yearly federal matching funds that are based on surcharge fund expenditures.

Courts in New York and New Jersey have voided similar hospital surcharges in those states (*BI*, Feb. 8, 1993; June 1, 1992).

Court widens liability exposure

SAN FRANCISCO—Municipal officials can be sued individually when they vote to pay punitive damage awards on behalf of police officers found liable for brutality, a federal appeals court ruled Feb. 28.

The 9th U.S. Circuit Court of Appeals affirmed a lower court decision holding that Los Angeles City Council members who voted to pay a punitive damage award on behalf of city police officers are not entitled to absolute immunity, because they were performing an administrative, not legislative, act.

The case stemmed from a civil rights suit filed by a girl whose father was killed by Los Angeles police as he and three other men robbed a restaurant. In an earlier suit, a jury had awarded no compensatory damages but ordered punitive damages of $44,000. The council voted to have the city pay on the officers' behalf.

In her suit, the girl charged that by "indemnifying officers in substantially every case" involving police brutality, the City Council had created a "pattern and practice" that caused the loss of her father and violated her civil rights.

The city has not yet decided whether to seek a rehearing or appeal.

Aetna, SAFECO report losses

Aetna Life & Casualty Co. and SAFECO Corp. have announced significant catastrophe losses for the first quarter of 1994.

Aetna's net income will be down by about $120 million due to losses from the Los Angeles earthquake and the winter storms in January and February. The 2,500 earthquake-related claims will total approximately $80 million and the 31,000 storm claims will total approximately $40 million after reinsurance and taxes, Aetna reported.

SAFECO expects to suffer $60 million in losses from the quake, said Boh A. Dickey, executive vp and chief financial officer.

The company expects 8,000 claims and gross losses of $150 million to $175 million. Under SAFECO's reinsurance program, the insurer recovers 90% of its losses between $50 million and $200 million.

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Employer survey dispels fears over family leaves

By RODD ZOLKOS

Although businesses campaigned loudly against the Family and Medical Leave Act, their fears of excessive costs and administrative burdens haven't materialized, a new study contends.

The survey, conducted by William M. Mercer Inc. and the University of California at Berkeley, found that few employees are exercising their right to take unpaid leaves under the law.

In addition, contrary to the predictions of the law's opponents, small businesses aren't being hit harder by FMLA provisions than their larger counterparts, according to the study.

The study also found, however, that a majority of employers surveyed still are not fully in compliance with the law.

The FMLA, which took effect in August 1993, requires employers with 50 or more workers to provide employees up to 12 weeks of unpaid leave within a 12-month period for certain family or medical reasons (*BI*, Feb. 8, 1993). It also requires health insurance coverage to be continued on the same basis as before the leave.

The survey, conducted in November 1993, drew responses from 299 employers, primarily in California.

Most respondents indicated they anticipate little administrative burden in complying with the FMLA's requirements. The survey showed 47.1% reporting they anticipate little difficulty and 11.8% saying they expect no administrative difficulty complying with the law.

And smaller employers, those with fewer than 200 employees, actually expect less administrative trouble than the surveyed group as a whole, with 51.4% saying they anticipate little difficulty

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A very welcome change

Brokers report sizable improvements in 1993 earnings

By SALLY ROBERTS

Some unfamiliar words are coming from the mouths of insurance brokerage executives, despite the ever-so-familiar competitive operating environment.

Words like "extremely pleased" and "very happy" more often than not were used to describe the publicly held U.S. brokers' 1993 results, even though brokerage executives report no end in sight to the soft property/casualty marketplace.

The justification: All but one of the seven brokers surveyed by

Business Insurance reported that profits jumped by more than 25%. The seven companies' earnings totaled $561.7 million in 1993, an 88.7% increase over $297.7 million in 1992.

Revenues also increased, although more modestly, for six of the seven brokers: Alexander & Alexander Services Inc., while reporting a profit for 1993 compared with a loss in 1992, reported a 2% decline in gross revenues. Revenues for all seven brokers totaled $6.5 billion in 1993, a 13.4% increase from $5.8 billion in 1992.

The brokers' "good" results can be attributed to a "new sense of normalcy," contends John Wicher, managing director of investment bank Russell Miller Inc. in San Francisco. Brokerages "are more tightly managed, which reflects the belief that tighter markets are not around the corner."

If the economy remains strong and brokers continue to manage

Continued on page 54

McCarran reform fears

AIA compromise comes under fire

By MARK A. HOFMANN

WASHINGTON—Small insurers fear that a proposal to limit their ability to collectively gather and disseminate data could harm their competitiveness.

Many smaller insurers say restrictions on joint data collection contained in proposed reforms of the federal McCarran-Ferguson Act would hurt their ability to accurately price coverage. Some also fear that joint activities permitted under the reforms would be challenged in court.

The reform proposal—the product of compromise negotiations between the staff of Rep. Jack Brooks, D-Texas, and the American Insurance Assn.—has polarized the insurance industry (*BI*, Feb. 28).

The Independent Insurance Agents of America's executive board voted last Wednesday not to support the compromise in its current form because, among other things, it does not provide a clear safe harbor for agents to use rating manuals. The agents' group intends to launch its own negotiations on a compromise to H.R. 9, the tough McCarran reform bill authored by Rep. Brooks.

H.R. 9 would strip insurers of all limited antitrust exemptions

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Deadline approaching for captive manager directory

Business Insurance will publish its annual directory of captive management companies in the April 18 issue, which also will contain a spotlight report on domestic and foreign captive domiciles.

There is no charge to be listed. To be included, companies must complete a questionnaire provided by *Business Insurance*.

The questionnaire will also gather information on policyholder-owned alternative risk financing facilities, which will be published in a chart appearing in the July 4 issue.

The extended deadline for returning completed questionnaires is March 25.

If your company provides captive management services or manages an alternative risk financing facility, and you have not yet received a questionnaire but would like to, please request one from Associate Directory Editor Kerry Dziubek at 312-280-3195. Requests may also be faxed to 312-649-7801.

Inside

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Vol.28, No.10—*Business Insurance* (ISSN 0007-6864) is published weekly by Crain Communications Inc., 740 N. Rush St., Chicago, Ill. 60611-2590. Second-class postage is paid at Chicago, Ill., and at additional mailing offices. Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0293512, GST No. 136760444.
Printed in U.S.A. Postmaster: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207-3185; 800-678-9595 or 313-446-1611.
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RISK MANAGEMENT SERVICES

Looking beyond company walls

Bad news for risk managers bodes well for consultants

By SARA MARLEY

Corporations that trim their risk management staff are finding many consultants willing to step in and pick up the slack.

Despite recent reports from risk managers and recruiters that the job market for risk managers is improving (*BI*, Dec. 6, 1993), risk management consultants say that companies continue to pare department staff and shift responsibilities to consultants. And some employers are eliminating the risk management function altogether, consultants report.

For companies facing tough times, risk management "is one of the departments high on the list to go," said Susan G. Kaufman, executive vp of Leonard R. Friedman Risk Management Inc. in Great Neck, N.Y.

"I can't think of a case where the department hasn't been reduced by at least one or two," said Emory Shawver, president of American Risk Services Corp., who has visited 10 or 15 clients during the past six weeks.

All departments, not just risk management, are coming under scrutiny, said James A. Swanke, practice director of risk management services for The Wyatt Co. in Wellesley Hills, Mass. But, risk managers are learning to express their contribution in terms of earnings per share and the bottom line, he said.

"It's important that risk managers do a better job of convincing management of their value," said Michael D. Dangelo, executive vp of Minet Risk Services, a unit of broker Minet Group P.L.C. Or else, when the powers that be want to make cuts, risk management "is the first place they go."

The corporate downsizing movement "has pushed a lot of risk management out to operations and individual facilities," said Jerry A. Miccolis, vp and practice leader at Towers Perrin/Tillinghast in St. Louis.

"In some cases, companies are removing an umbrella risk management department," agreed Fred Potenza, executive vp of risk management consulting services at Gallagher Bassett Services Inc. in Itasca, Ill. "Each subsidiary now has its own risk management department, and they are forced to outsource because they don't have the expertise."

Employee turnover and increased employment-related litigation also are contributing to companies' decisions to outsource responsibilities.

"When you outsource to consultants, you also outsource your problems," said Charles Caronia, chief executive officer of consulting firm Caronia Corp. in Melville, N.Y.

"We have a much more transient workforce than ever before," Mr. Caronia noted. In the health care field, "the average work expectancy of a risk manager is 2½ to three years."

Up to a year of that could be spent in training and learning the technical aspects of the field.

"If a consultant is not doing the job, they are off the job the same day," Mr. Caronia said. "If an employee is not doing the job, if you terminate that employee, you have all sorts of problems."

"The trend has been to remove the corporate overhead cost associated with retirement, benefits and vacation," said William D. O'Connell, national director of business insurance consulting for Deloitte & Touche in Dallas.

Sometimes the decision to outsource is made because of a personnel problem, not because of the importance of risk management.

"If it's the wrong person, change the person," said Richard S. Betterley, senior consultant of

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Top independent risk management consultants

Ranked by risk management consulting revenues

	Revenues: 1993 pure risk management consulting ($ millions)	% change	Number of clients	Professional risk management staff	Number of offices
Towers Perrin/Tillinghast	$23.8	-7.1%	1,000	104	15
The Wyatt Co.	15.8	5.3	1,150	75	15
Deloitte & Touche	15.7	18.0	500	69	15
Coopers & Lybrand	13.4	42.6	1,250	138	17
Ernst & Young	11.4	4.8	375	88	9
KPMG Peat Marwick	9.5	9.2	233	65	10
Milliman & Robertson/Betterley	7.5	NA	1,000	90	12
S. B. Ackerman Associates Inc.	7.1[1]	7.6	100	40	3
J. H. Albert International	6.3	6.8	600	36	1
Caronia Corp.	5.6	25.4	162	68	24

Companies listed are general service consultants that are not affiliated with an agent, broker or insurance company. Staff figures are given in full-time equivalents.
[1] *BI* estimate
Source: *BI* survey

GRAPHIC BY MIKE GARVEY

Association insurance programs expanding

By SARA MARLEY

Association-sponsored insurance programs are growing in number and sophistication.

The programs are "holding their own in the soft market," said Edgar W. Armstrong, managing director of the risk management services division of Aon Specialty Group in Washington. "You would expect them to go down when insurance coverage is as inexpensive as it is today."

Aon conducts a survey of association insurance programs in conjunction with the American Society of Assn. Executives.

Of the 974 ASAE members that responded to the questionnaire, 5.1% sponsored a property/casualty program, 11.5% sponsored a life/health program, and 13.1% sponsored both.

Workers compensation accounted for the largest property/casualty premiums, with an average of $6.7 million per program, up from $6.2 million in 1991, the last time the survey was conducted.

Errors and omissions was the second most popular coverage, with $4.8 million in average premium volume. Other coverages and their average volume were: general liability, $2.6 million; crime, $1.5 million; directors and officers, $1.5 million; umbrella liability, $1.2 million; and automobile liability, $700,000.

The average property premium volume was $1 million. However, property is the coverage most associations are planning to offer in the future: It is under consideration at 28.6% of associations.

That may be a response to anticipated hardening—and actual hardening, in some areas—in the property insurance market.

"You see growth in association and group programs where members have trouble doing well themselves," Mr. Armstrong said. "The workers comp market has been tough."

"We've seen stepped-up inquiries to form group captives for areas that are currently difficult," like directors and officers liability for high-tech firms, said Michael D. Dangelo, executive vp of Minet Risk Services in New York.

"In association programs, we have seen the biggest changes in the past 24 months in the workers comp area," said James A. Swanke, practice director-risk management services for The Wyatt Co. in Wellesley Hills, Mass.

Through loss control and managed care, association

Continued on next page

Association

Continued from previous page
members can enjoy 20% to 40% cuts in workers comp costs, he said.

While self-insured group programs for workers comp have been most prevalent in the Northeast, they are moving westward. Pennsylvania and California have recently allowed them, he added.

And workers comp programs might expand even more due to 24-hour coverage.

"With the inevitable advent of occupational and non-occupational coverage and true 24-hour coverage, there is a movement toward integration," said Jerry A. Miccolis, vp and practice leader at Towers Perrin/Tillinghast in St. Louis.

Consultants agree that the potential for national health care reform is not stopping associations from changing their programs.

A sign of the maturing association market is that fewer are turning to commercial insurers.

The Aon/ASAE study found 50.6% of associations turned to the commercial market for property/casualty insurance in 1993, down from 54.5% in the 1992 report.

CNA Insurance Cos. remained the most popular association underwriter, followed by American International Group Inc., syndicates at Lloyd's of London, Dodson Insurance Group, Continental Insurance Cos., Sentry Insurance Group, CIGNA Insurance Co., Kansas Bankers Surety Co. and Federated Group.

Meanwhile, the use of self-insurance pools, captives and purchasing groups increased to 29.6% of associations in 1993 from 27.1% in 1991.

When measured by premium volume, however, self-insurance pools headed the list, generating an average of $13.5 million. Programs sponsored through insurers followed with an average premium volume of $8.3 million. Captives generated $5.9 million; managing general agents and brokers, $3.2 million; and purchasing groups, $1.8 million.

Although 35.2% of associations sponsored programs through MGAs or brokers in 1993, 15% of associations now own their own agencies.

"It offers more money, but more importantly, it offers more control," Mr. Armstrong said. "It's a real trend. There are a lot of joint ventures with existing administrators and programs."

Another sign of associations' increasing sophistication is that they are becoming more involved in reinsuring their self-insured programs.

Mr. Swanke is encouraging groups to assume a portion of the risk on each excess layer to improve their negotiating position.

"They're really running a mini-insurance company," said Towers Perrin/Tillinghast's Mr. Miccolis, who reports increased association activity among public entities and franchisees of fast-food companies and convenience stores.

Many association-sponsored programs are loss-sensitive, so active loss control is often embraced.

Nearly 70% of association programs perform onsite inspections to enforce loss control, according to the Aon/ASAE survey. Associations communicated loss control through: written material, 81.5%; seminars, 72.3%; and periodicals, 47.9%.

Insurance Consulting Associates encouraged a group of retailers to install sprinkler systems to qualify as a highly protected risk.

"It was a marketplace that was unavailable to them prior to that," said Barron S. Wall, managing associate of ICA in Hackensack, N.J. "By having increased buying power, they can get better and broader coverage."

Association programs should be designed to accommodate the entire group but still reward members with good loss experience.

"Debits and credits should be given to everyone relative to individual experience," Mr. Wall said. "It allows (the group) to achieve stability within the program so it can last the test of time."

About 30.8% of property/casualty programs were formed during the past five years, but it is also a maturing market, according to the survey. More than half of all property/casualty programs are six to 15 years old, while 13.2% are more than 20 years old.

Associations and their insurers "have to be patient enough to wait not two to five years but 10 to 20 years to absorb what will happen," said Ed Michaels, assistant vp in CNA's custom accounts area. "That patience is rewarded with a loyal client and a cadre of loyal customers who are in the CNA fold for the long haul."

Association programs are still largely market-driven, said Mr. Wall, who administers association programs for food cooperatives.

"Casualty is still very soft," Mr. Wall said. "We are seeing first-dollar coverage replacing deductibles and self-insured retentions."

Almost all associations cited member service as the reason for sponsoring an insurance program, and nearly 70% said they succeeded in that regard.

"An insurance program is an inducement to bring new members into the fold," Mr. Michaels said. Associations can also "generate modest non-dues income as a result of the programs."

CNA has the endorsement of 45 national programs, which generate $1 billion in premiums. The insurer seeks out high-exposure risks like contractors risk for electricians, roofers, landscapers and plumbers.

More than 80% of organizations said members were satisfied with their property/casualty insurance program. One-third of members typically purchase insurance from their association when it is offered.

Premium increases were members' most common complaint for property/casualty, cited by 64.4% of associations. Lack of service was the second most frequent complaint, reported by 16.7%. Other complaints included inadequate coverage—6.7%—and slow or inadequate claims settlement—5.5%.

Sponsoring an insurance program may be a relatively easy source of revenue for most organizations.

More than three-quarters of associations that sponsored property/casualty programs received remuneration—an average of $221,000 per year or 4.7% of premium volume.

In 61.8% of the associations with property/casualty programs, the program took less than 25% of one staff person's time. In 15.7% of the associations, 100% of one person's staff time was devoted to the insurance program.

One-third of the time, sponsoring a property/casualty program cost the association less than $1,000 to administer. Slightly more than one-fifth cost $1,000 to $5,000, and only 13.5% set an organization back more than $100,000.

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Copies of the "Association Insurance Program Guide & Survey Report" are available for $99 from the American Society of Assn. Executives Publications Department, 1575 I St. N.W.; Washington, D.C. 20005-1168; 202-626-2748; fax: 202-408-9634. Request catalog No. 213711.

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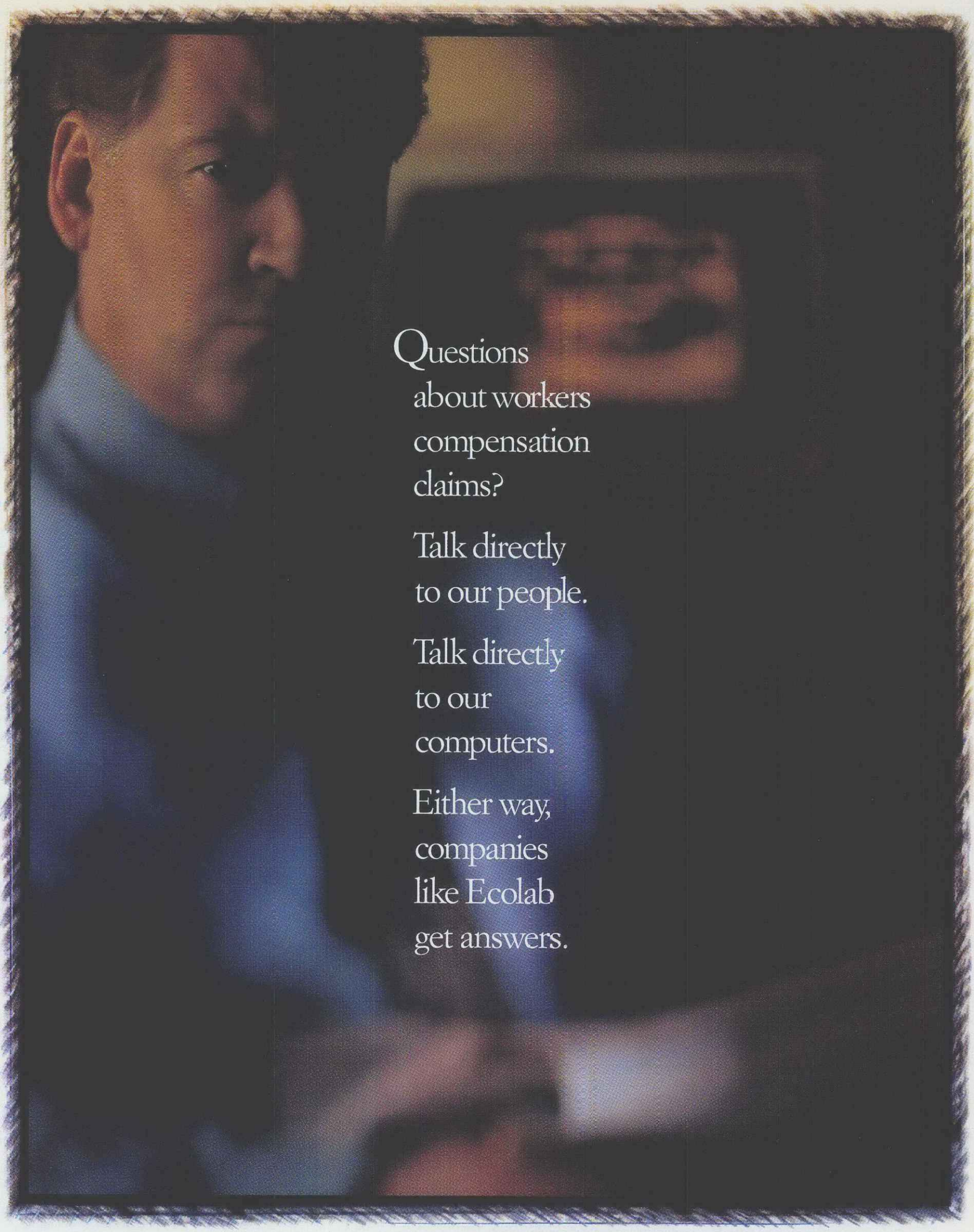

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Outsource

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Worcester, Mass.-based Betterley Risk Consultants, a division of actuarial firm Milliman & Robertson.

Milliman & Robertson makes its debut on the *Business Insurance* ranking of risk management consultants at No. 7 following its acquisition of Betterley (*BI*, Jan. 17).

But sometimes the driving force in outsourcing is what can be gained rather than what can be cut—in other words, strategic risk management.

"Even those companies that have not seriously downsized risk management are more serious about value added in the risk management function," Towers Perrin's Mr. Miccolis said.

As strategic risk management planning becomes more important, risk managers with reduced staffs may farm out technical work to consultants.

Some consultants believe that arrangement works best.

Services like alternative risk financing feasibility studies, portfolio and contract review, and information systems projects adapt well to outsourcing, but it's difficult for a consultant outside the company to develop a philosophy of retaining losses vs. risk transfer, Mr. Dangelo said. "An outside consultant can't get close enough," he said. "Or else they're on retainer for so many hours that the company should just keep a full-time risk manager."

Minet consultants do not serve as outside risk managers, but they do provide risk management services for companies that do not have full-time risk managers.

Companies can't manage their risk adequately "if (risk management) is the fourth most important job of the assistant treasurer," Mr. Dangelo said. "If a company needs a half-time or two-thirds-time risk manager, they can do well outsourcing until they can afford a full-time risk manager."

Outsourcing "is not a bad concept, but I'm not convinced it fits each and every risk management situation," said Michael R. Vogler, director of risk management consulting for Coopers & Lybrand in Atlanta. "Risk management involves so many disciplines, safety, loss control. It's hard to make it work."

Coopers & Lybrand is on retainer for about 125 companies but does not currently serve as an outsourced risk manager for any company. The firm has responded to several requests for proposals, but in some cases the companies withdrew them because they did not get any acceptable bids, Mr. Vogler said.

The potential for consultants to alienate risk managers exists, he noted. "We have made a concerted effort not to actively seek out these opportunities or market" outsourcing services.

"But when a company has already made up its mind, when the opportunity comes to us, we will look at it. We think risk management is a full-time job."

Betterley follows the same philosophy and only accepts clients that have an employee responsible for risk management.

"We make sure somebody in-house is responsible," Mr. Betterley said. "I don't believe you can truly outsource 100% of the risk management responsibility."

"I do not encourage clients to be entirely dependent on the outside," Mr. Caronia said. "It should be a team effort, a hybrid of in-house and outside consultants. A consultant can only make recommendations. Ultimately, it's (the client's) dollar."

It can be difficult for an outside risk manager to perform all of the tasks an in-house risk manager does—from filling out accident reports to reviewing contracts—and still be cost-effective, said Joseph H. Albert, president of J.H. Albert International Insurance Advisors Inc. in Needham, Mass.

Consultants must depend on someone inside the company to provide information rather than gathering it themselves as an in-house risk manager would. "You're working with blinders on," he said. "There's a danger of an out-of-house risk manager not being in the loop."

Mr. Albert said he would not rule out becoming a "rent-a-risk manager" for a company, but upper management "might not like the cost. I would put someone inside the company to be the eyes and ears."

Some consultants do just that, and they say their broad experience benefits clients.

"It's 99.9% of our practice," said Barron S. Wall, managing associate of Insurance Consulting Associates in Hackensack, N.J. "We manage $1 billion in premium. We have a good handle on the marketplace."

"We offer expertise you generally could not get in one person," said Ms. Kaufman of LRF/RM, which serves as the risk management department for 35 to 40 companies. "A risk manager might have ties with one or two brokers. We deal with a lot of brokers and dozens of insurance companies. That's the reason outsourcing of the risk management function is becoming more and more attractive."

Outsourcing is cost-effective for many companies.

"In dollars and cents, you pay less for outsourcing than in-house (staffing) for a broader range of expertise," Ms. Kaufman said.

Cost must be evaluated in light of companies' goals for the reorganization, said Kenneth Zignorski, vp and account manager for Johnson & Higgins in New York. Outsourcing "could create the same or slightly higher operating costs but result in a more comprehensive corporate practice of providing services."

However, companies must beware that they are not simply shifting costs from payroll to consulting fees.

"The pendulum could swing too far toward outsourcing, and companies discover they want some things done in-house," Deloitte & Touche's Mr. O'Connell said.

Outsourcing is generally not affordable for companies with less than $20 million in sales, Ms. Kaufman said. Conversely, most large corporations want to have an inside risk manager, though that may be changing.

Even the smallest companies could benefit if their exposures are particularly difficult to insure.

On the other end of the spectrum, Johnson & Higgins currently has 10 Fortune 1,000 companies in its PartnershipPLUS program, which assists corporation duties in outsourcing risk management, Mr. Zignorski said. Clients include petroleum companies, utilities, financial services, consumer product manufacturers and hospitals.

Continued on page 10

If you've ever talked to an insurance company, you know why we've made some structural changes.

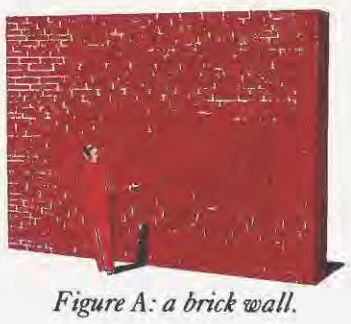

Figure A: a brick wall.

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Opinions

Compromise on McCarran

THE DEBATE over the McCarran-Ferguson Act is entering what could—and should—be its final phase with the release late last month of a compromise measure aimed at modifying the 49-year-old law.

The McCarran-Ferguson Act has long been a lightning rod for insurance industry critics who claim that insurers enjoy unjustified exemptions from federal antitrust laws. One of the most persistent of those critics has been House Judiciary Chairman Jack Brooks, D-Texas, who has introduced H.R. 9, the Insurance Competitive Pricing Act, every session since 1988.

H.R. 9 in its current form represents more punishment than reform and deserves the universal resistance it has received from insurers. But that doesn't mean that the mere suggestion of McCarran reform should trigger the blind opposition it has received from many corners of the insurance industry.

The American Insurance Assn. deserves more than a little praise for going into a proverbial lion's den and attempting to compromise with Rep. Brooks. Years of negotiations, first with Rep. Brooks' staff and more recently the U.S. Department of Justice, appear to have paid off with the draft compromise that has been approved by the AIA board.

The proposal would preserve the necessary joint industry activities that H.R. 9 would have outlawed. For instance, it would allow insurers to develop and use common policy forms. That's a basic protection that would have disappeared if H.R. 9 had been passed. The compromise also creates a specific safe harbor for existing industry pools and residual markets, and it requires the Justice Department to move quickly on applications for new pools. And, insurers would still be allowed to conduct joint fire inspections, provided state law permitted them to do so.

Like all compromises, though, this one is not perfect. While McCarran protection for collective trending of data by industry-affiliated organizations like the Insurance Services Office Inc. would be phased out, it leaves open the question of whether independent trending vendors would be allowed to operate, since such activities would be "presumed not to violate antitrust laws." There needs to be more than a presumption that such activities would be legal. The bill also needs to provide a specific safe harbor for the use of rating manuals by agents.

"IT STILL ISN'T TOO LATE TO COMPROMISE, GENERAL CUSTER!"

Still, despite those caveats, the AIA compromise stands as a great improvement over H.R. 9. As we have noted for years, McCarran is an albatross that is now coming under increasingly serious assault. The Justice Department already has weighed in with support for H.R. 9's objectives, if not all of its particulars. More seriously, President Clinton's health care reform bill explicitly would strip health insurers of their McCarran protections. Anyone who believes the industry's opponents won't try to extend that wholesale repeal to property/casualty insurers is at best naive.

All it would take would be another hard market like that of the mid-1980s, and Rep. Brooks' version of H.R. 9 would look mild.

By accepting a reasonable compromise now, insurers can help head off that possibility. The McCarran debate has taken up too much time and too much effort. The AIA's compromise, if adopted, should bring that debate to a long-overdue conclusion.

Letters

To improve access, reform medical schools

To the editor: What exactly is it we are trying to accomplish when we use the term "health care reform?" If you have made a New Year's resolution to stop smoking, get more exercise and eat right, then you have engaged in health care reforms. By taking these simple measures, you have improved your chances for longevity and reduced your chances for a heart attack, lung cancer and colon cancer.

The accident and sickness insurance contract, misnamed health insurance, gives the policyholder mental tranquility. The policyholder knows that he or she will not go broke as a result of landing in the hospital. The accidents and sicknesses insured against that are covered by policy provisions, like pregnancy, the use of prescription drugs, mental illness, etc., are determined by the individual's circumstances. The policyholder may decide it is cheaper to finance a pregnancy by dealing directly with the medical provider and hospital via a cash transaction, which saves the cost of paperwork for both parties.

The existence of the accident and sickness insurance contract is due to the high cost of hospitalization; it is not necessary to have insurance to see a primary care physician. This simple but important fact tends to be forgotten when we discuss the need for universal coverage. Many people have access to primary medical care through a credit card, which is an acceptable means of financing medical care.

If we want to give our citizens more access to doctors and hospitals, we are going to have to allow the formation of medical schools not accredited by the Liaison Committee on Medical Education, a creature of the American Medical Assn. We could reduce the time in which it takes to produce a doctor by taking men and women straight from high school.

A for-profit medical school could be associated with a for-profit hospital. Such an institutional arrangement, free of accreditation by boards made up of medical practitioners, would write contracts financing students' tuitions and financing medical services rendered. It would seek students and patients. More medical care and more access to insurance coverage would be provided without federal intervention.

We have forgotten to look at the operations of the institutions whose services are required when the accident and sickness insurance contract is engaged. The medical school is a stagnant institution. It has not changed since 1910, when many medical schools were closed in the name of quality control. Illinois has not had a new medical school since 1973.

If White Castle had to seek McDonald's approval to start a restaurant, you can bet there would be a shortage of hamburgers.

Social Security is unfunded to the tune of $12 trillion. If any private company's pension plan assets and liabilities were so mismatched, its officers and directors would face civil and criminal charges. If we are to have equality under the law, the rules and regulations that are applicable to the evil, commercial insurance companies also should be made applicable to our public, social insurance companies. The ultimate bosses of public corporations like Social Security are the citizens of the United States.

Charles R. Courtney
Riverside, Ill.

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.

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Published by Crain Communications, Inc., Chicago

Founder: G.D. Crain Jr. (1885-1973)
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Published weekly at 740 Rush St., Chicago, Ill. 60611-2590, Telex 6871241, Fax 312/280-3174, Cable CRAINCOM. Offices: 220 E. 42nd St., New York, N.Y. 10017-5806, Fax 212/210-0704, CRAIN COM NYK; 1 Northpark, East Suite 114, 8950 N. Central Expressway, Dallas, Texas, 75231-6415, Fax 214/696-1936; Suite 814, National Press Building, Washington, D.C. 20045-1801, Fax 202/638-3155; 6500 Wilshire Blvd., Suite 2300 Los Angeles, Calif. 90048-4947, Fax 213/655-8157; 540 Latimer Circle, Campbell, Calif. 95008, Fax 408/379-3257; Cowcross Court, 2nd Floor, 75-77 Cowcross St., London EC1M 6BP, England, Fax 71/608/1173. $4 a copy. $80 a year in U.S. $126 in Canada (includes GST). First-class mail subscriptions in U.S. $175, in Canada $198 (includes GST). All other countries $200/yr (includes expedited air delivery). DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Send subscription correspondence to Circulation Department, Business Insurance, 965 E. Jefferson Ave., Detroit, Mich., 48207-3185, or phone 800-678-9595 or 313-446-0450, Fax 313/446-6777. Microfilm copies are available from University Microfilms, 300 Zeeb Road, Ann Arbor, Mich. 48013. Microfiche copies available: Bell & Howell, Micro Photo Division, Old Mansfield Road, Wooster, Ohio 44691. Portions of the editorial content of this issue are available for reprint or reproduction in other media. For information and rates to reproduce in general circulation media, contact: JOSEPH P. HANLEY, Crain News Service, 220 E. 42nd St., New York, N.Y. 10017-5806, 212-254-0890. For reprints or reprint permission contact: KAREN BROWN, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590, 312-649-5319, Fax 312/280-3174.

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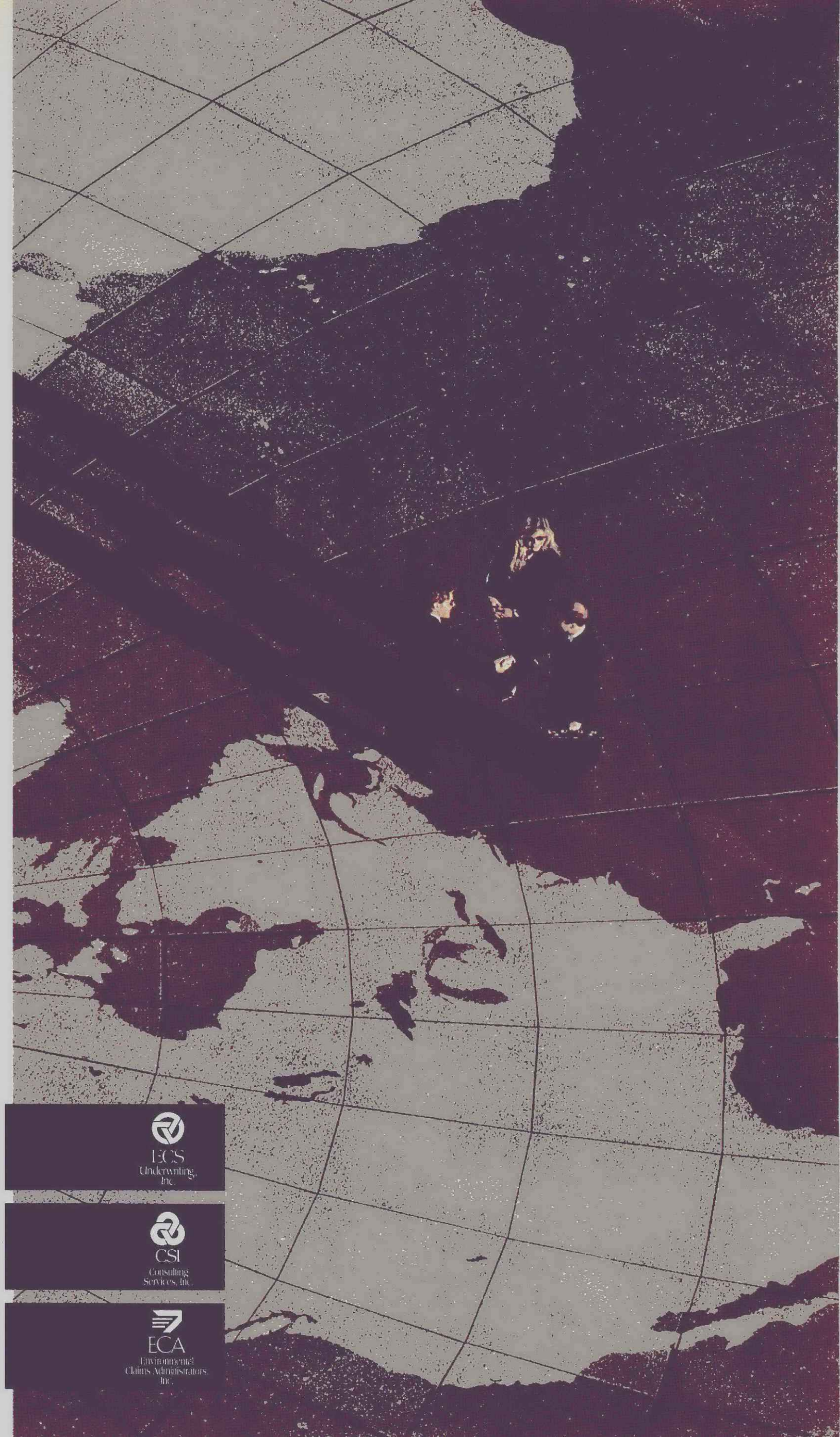

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Outsource

Continued from page 6

The middle market—companies that have $5 million to $500 million in sales—constitutes the majority of ICA's clients, Mr. Wall said.

Consultants serving as outside risk managers say the key is establishing good communication.

"I want to be included on the paper trail for a lot more things than if I were less involved," said Mark Charron, director of risk management consulting services for Deloitte & Touche in Hartford, Conn.

The client "has to feel comfortable picking up the phone and calling us four or five times a day," Ms. Kaufman said.

To facilitate communication, LRF/RM provides clients a risk management manual that explains coverages and provides guidelines about when the consultant should be contacted.

ICA's clients "have our home phone numbers; they can reach us seven days a week," Mr. Wall said. "A client may call on every single claim."

Consultants also spend a lot of time in clients' offices, depending on their needs and their agreement.

ICA employees are often placed with clients full-time.

Where consultants are less involved, they may meet monthly or quarterly.

During renewals, J&H places a staff member onsite one or two days per week for many of its PartnershipPLUS clients. The rest of the time, communication via electronic mail, video conferencing and telephone is sufficient.

J&H establishes a primary contact person within each organization, either a chief financial officer, treasurer, controller or a remaining risk manager.

"Our office simply becomes a part of the client's office at satellite locations," Mr. Zignorski said. "More and more companies have more than a single location where corporate work is carried out."

The professional liability risks posed by serving as an outside risk management department is not prohibitive, consultants say.

At large accounting firms like Deloitte & Touche, professional liability is essentially self-insured, and risk management constitutes a very small portion of the exposure, Mr. O'Connell pointed out.

LRF/RM limits liability by having an extensive system of checks and balances, including peer review, Ms. Kaufman said.

Consultants' liability can be minimized by clarifying the working relationship at the outset, Mr. Zignorski said.

"This includes outlining each task that will need to be performed and then assigning responsibility for each: Sometimes J&H is responsible; other times, the client is responsible," he said.

For example, J&H is not responsible for final purchase decisions.

"When re-engineering the corporate risk management function, a company cannot totally abdicate its responsibilities in risk management," he said. "We work with our clients to develop agreed-upon areas of responsibility and authority."

ICA seeks indemnification from its clients to limit liability. "We are quasi-employees, but we are not responsible for what we don't know," Mr. Wall said.

Despite some concerns, outsourcing is likely to continue. "It's the wave of the future for the next five years," Mr. Caronia said. BI

Risk management consultant directory

A

AFM Associates Ltd.

10421 Byrum Woods Drive, Raleigh, N.C. 27613; 919-846-1414

1993 Revenues	
Continuous consulting	28%
Risk management audits	15%
Special projects	15%
Staff	
Total	6
Professionals	4
Includes: 2 principal consultants, 1 consultant, 1 analyst	
Clients	
Total	4
Budgets less than $1,000,000	100%
Minimum size	$150,000

Consulting since: 1988.

Frequent special projects: Insurance contract analysis, claims auditing, accounting systems analysis, loss settlement assistance, reinsurance recoverable analysis and collection.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, environmental, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness, historical account reconstruction, dispute resolution.

Specialties: Medical malpractice RRGs, commercial/industrial concerns, Latin American indigenous and multinational entities.

Locations: New York; Buenos Aires, Argentina; Sao Paulo, Brazil; Santiago, Chile; Cali, Colombia.

Compensation: By the project, on retainer, contingency and retrospective based on goal achievement, by the hour: principal consultant, $90.

Officers: Anthony F. Motola, president; Carlos Barros de Movera, principal.

AIG Consultants Inc.

72 Wall St., New York, N.Y. 10270; 212-770-3653; fax: 212-785-8287

1993 Revenues	
Total gross revenues	$21,200,000
Continuous consulting	6%
Risk management audits	6%
Special projects	1%
Risk management consulting revenues	$2,600,000
Staff	
Total	170
Professionals	30
Includes: 10 principal consultants, 20 consultants	
Clients	
Minimum size	None

Consulting since: 1978.

Frequent special projects: Environmental, loss prevention audits.

Occasional special projects: Claims auditing, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

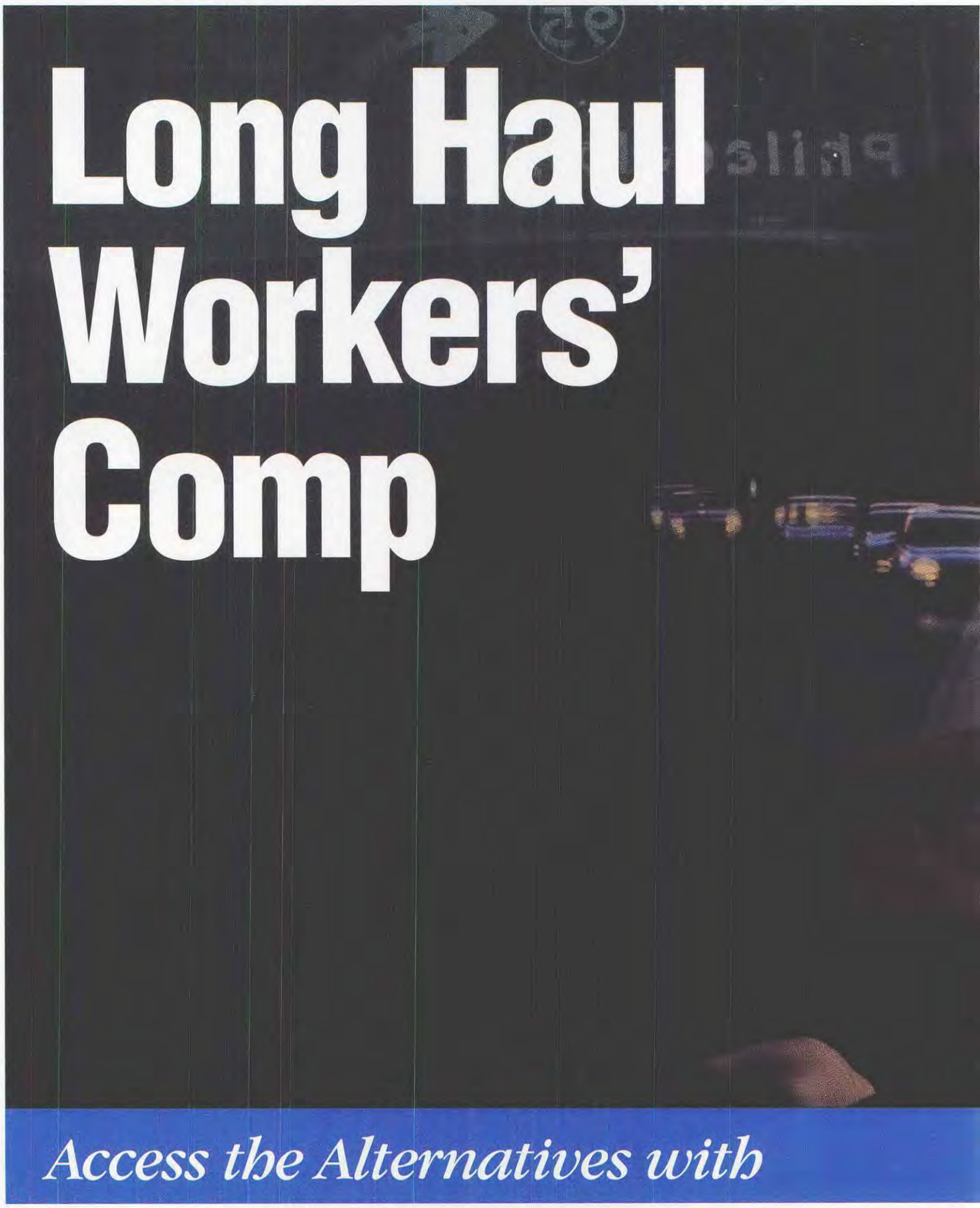
Specialties: Health care, financial, real estate, environmental workers compensation construction.

Locations: Los Angeles; San Francisco; Atlanta; Chicago; Boston; Philadelphia; Dallas; Montreal.

Compensation: By the project, on retainer, by the hour: principal consultant, $110-$150.

Officers: Arnold Goldberg, president; Robert Blaunstein, Charles Bender, Jack Leonard, vps; Michael Davis, comptroller.

Continued on next page



Continued from previous page

AIG Risk Management Inc.

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

1993 Revenues

Total gross revenues	$151,445,731
Continuous consulting	81%
Risk management audits	2%
Special projects	6%
Risk management consulting revenues	$141,841,010

Staff

Total	547
Professionals	81

Includes: 15 principal consultants, 30 consultants, 16 actuaries, 20 analysts

Clients

Total	488
Budgets less than $1,000,000	2%
Between $1,000,000-$4,900,000	27%
Between $5,000,000-$9,900,000	36%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	14%
Associations	41
Minimum size	$250,000

Consulting since: 1974.
Parent: American International Group.
Frequent special projects: Captive/self-insurance feasibility studies, analysis of limits, claims auditing, accounting systems analysis, preparation of bidding specifications, RMIS consulting, hospital loss funding studies, actuarial loss reserve studies.
Occasional special projects: Insurance contract analysis, environmental, loss prevention audits, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness, captive mergers and acquisitions.
Specialties: Manufacturing, retail, transportation, health care.
Locations: Los Angeles and San Francisco, Calif.; Atlanta; Chicago; Boston; Cleveland; Philadelphia; Pittsburgh; Dallas; Houston; London; Toronto.
Compensation: By the project, on retainer.
Officers: Joseph C. Smetana, chairman; John Gantz Jr., president; Dominic Frederico, Martin Banker, Joseph Cavolo, Gregg Springer, Michael Curio, Edward Troy, senior vps.

A&L Risk Management Ltd.

9971 Valley View Road, Suite 205,
Eden Prairie, Minn. 55391;
612-829-8879; fax: 612-829-8924

1993 Revenues

Continuous consulting	55%
Risk management audits	25%
Special projects	20%

Staff

Total	3
Professionals	3

Includes: 2 principal consultants, 1 consultant

Clients

Budgets less than $1,000,000	55%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	5%
Minimum size	None

Consulting since: 1986.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, broker assessment, preparation of bidding specifications, risk management strategic planning, international risk management audits.
Occasional special projects: Captive feasibility studies, environmental, loss settlement assistance, risk management organization studies, quantitative/-statistical analysis and forecasting, RMIS consulting, expert witness.
Specialties: Electronics, computer, medical high-tech, contractors, general manufacturers, food products, services, foreign companies doing business in the United States, U.S. multinationals.
Compensation: By the project, on retainer, by the hour.
Officers: Robert Abrahamson, president/executive consultant.

AMI Risk Consultants Inc.

11410 N. Kendall Drive, Suite 208,
Miami, Fla. 33176; 305-273-1589;
fax: 305-274-4706

1993 Revenues

Continuous consulting	5%
Risk management audits	5%
Special projects	50%

Staff

Total	6
Professionals	NA

Includes: 1 actuary, 2 analysts

Clients

Budgets less than $1,000,000	5%
Between $1,000,000-$4,900,000	5%

Continued on next page

It's 11:00 P.M., the end of the day for some, but not for truckers, where it's just the beginning of a long night.

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London, England 071-247-1066

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How to use risk consultant 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 insurance companies, 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 1993 gross **revenues** along with the percent attributed to continuous risk management consulting, risk management audits and special risk management projects.

Also listed is the actual 1993 revenue generated by risk management consulting.

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** along with the percent in each of the given risk and insurance budget ranges. 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.

Listings conclude with the names and titles of the companies top **officers,** a notation if a Society of Risk Management Consultants **(SRMC)** member is on staff and the name of a **contact** for readers seeking additional information.

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, *Business Insurance* is unable to verify all information contained in the directory.

Continued from previous page

Between $5,000,000-$9,900,000	5%
Between $10,000,000-$24,900,000	5%
Budgets over $25,000,000	80%
Minimum size	None

Consulting since: 1992.

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

Occasional special projects: Insurance contract analysis.

Specialties: Captives, self-insurers, temporary services, restaurants.

Compensation: By the project, by the hour: principal consultant, $150-$220.

Officers: Bob Ingco, president; Cris Ramos, vp.

ARM Tech-Advanced Risk Management Techniques Inc.

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

1993 Revenues	
Continuous consulting	40%
Risk management audits	20%
Special projects	32%

Staff	
Total	17
Professionals	12
Includes: 3 principal consultants, 6 consultants, 1 actuary, 2 analysts	

Clients	
Total	200
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	35%
Between $5,000,000-$9,900,000	35%
Between $10,000,000-$24,900,000	15%
Budgets over $25,000,000	5%
Associations	60
Minimum size	None

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 group planning projects, actuarial analyses of self-insured loss reserves.

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

Specialties: Utilities, governmental agencies, health care, education, transportation, developers, contractors, property owners associations.

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

Membership: SRMC.

Officers: Steven P. Kahn, Michael M. Kaddatz, Gergory 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

1993 Revenues	
Continuous consulting	40%
Risk management audits	15%
Special projects	15%

Staff	
Total	72
Professionals	40
Includes: 16 principal consultants, 20 consultants, 4 analysts	

Clients	
Total	100
Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	22%
Between $5,000,000-$9,900,000	25%
Between $10,000,000-$24,900,000	25%
Budgets over $25,000,000	3%
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, RMIS consulting.

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

Specialties: Associations, builders, conglomerates, governmental entities, hospitals, manufacturers.

Locations: Largo, Fla.; 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; 708-279-9219; fax: 708-279-5704

1993 Revenues	
Continuous consulting	5%
Risk management audits	4%
Special projects	90%

Staff	
Total	4
Professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients	
Total	105
Budgets less than $1,000,000	100%
Associations	1
Minimum size	None

Consulting since: 1987.

Frequent special projects: Insurance contract analysis, claims auditing, workers comp premium audits.

Occasional special projects: Broker assessment, preparation of bidding specifications, expert witness.

Specialties: Small/medium-sized manufacturers, contractors.

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

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

1993 Revenues	
Total gross revenues	$6,300,000
Continuous consulting	80%
Risk management audits	5%
Special projects	15%
Risk management consulting revenues	$6,300,000

Staff	
Total	45
Professionals	36
Includes: 9 principal consultants, 27 consultants	

Clients	
Total	600
Budgets less than $1,000,000	45%
Between $1,000,000-$4,900,000	47%
Between $5,000,000-$9,900,000	5%
Between $10,000,000-$24,900,000	2%
Budgets over $25,000,000	1%
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/safety manuals, loss control/claims management consulting, development of claims management procedures.

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

Specialties: Manufacturing, retail, wholesale distribution, contracting, health care, real estate, education, governmental entities, high-tech.

Compensation: By the project, by the hour: principal consultant, $165-$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, Judith A. Kokinda, vps.

Contact: Joseph A. Albert.

Aldrich & Cox Inc.

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

1993 Revenues	
Continuous consulting	50%
Risk management audits	10%
Special projects	10%

Staff	
Total	14
Professionals	9
Includes: 9 consultants	

Clients	
Total	70
Budgets less than $1,000,000	95%
Budgets over $25,000,000	5%
Minimum size	None

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

Continued on page 16

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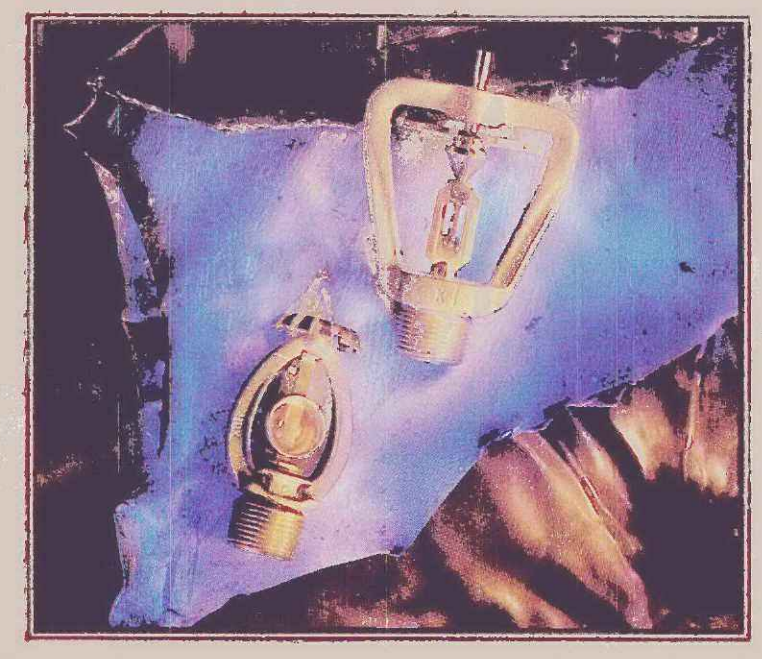

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Continued from page 12
feasibility studies, environmental, loss prevention audits, risk management organization studies, quantitative/-statistical analysis and forecasting, expert witness.

Specialties: Manufacturers, retailers, health care, education, municipalities.

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

Membership: SRMC.

Officers: Charles H. Cox, president; James B. Hood Jr., executive vp; Michael B. Coyle, vp; Ernest A. Holfoth, vp/director-Holfoth Risk Management.

Contact: Charles H. Cox.

All Risks Ltd. Inc.

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

1993 Revenues

Continuous consulting	30%
Risk management audits	10%
Special projects	60%

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Total	30
Budgets less than $1,000,000	100%
Minimum size	None

Consulting since: 1970.

Frequent special projects: Insurance contract analysis, preparation of bidding specifications, expert witness.

Occasional special projects: Broker assessment.

Specialties: Public entities, pools.

Locations: Alexandria, Va.

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

Membership: SRMC.

Officers: Hubert M. Farrow Jr., president.

Alpha Risk Management Inc.

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

1993 Revenues

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

Staff

Total	14
Professionals	7
Includes: 6 principal consultants, 1 consultant	

Clients

Budgets less than $1,000,000	15%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	25%
Between $10,000,000-$24,900,000	25%
Budgets over $25,000,000	5%
Minimum size	None

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, distribution, hotels, import/export.

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, Frances Carleton, senior vps; David Feldman, treasurer.

Contact: Herbert H. Feldman.

American Risk Consultants Corp.

4123 Westview Road, Suite 300, Baltimore, Md. 21218; 410-366-5583; fax: 410-366-5584

1993 Revenues

Continuous consulting	50%
Risk management audits	50%

Staff

Total	2
Professionals	2
Includes: 2 principal consultants	

Clients

Total	25
Budgets between $1,000,000-$4,900,000	100%
Minimum size	None

Consulting since: 1993.

Compensation: By the project, by the hour.

Officers: Kevin McNulty, Jenny Schaefer.

American Risk Group

1 Executive Drive, P.O. Box 1383, Fort Lee, N.J. 07024; 201-592-7100; fax: 201-592-7859

1993 Revenues

Total gross revenues	$18,800,000
Continuous consulting	26%
Risk management audits	6.5%
Special projects	32.5%
Risk management consulting revenues	$12,200,000

Staff

Total	95
Professionals	75

Clients

Total	320
Budgets less than $1,000,000	5%
Between $1,000,000-$4,900,000	21%
Between $5,000,000-$9,900,000	34%
Between $10,000,000-$24,900,000	34%
Budgets over $25,000,000	6%
Associations	14
Minimum size	None

Consulting since: 1958.

Parent: International Risk Management Group.

Locations: San Francisco; Atlanta; Chicago; Springfield, Mass.; Detroit; Minneapolis; Kansas City, Mo.; Somerville, N.J.; Cleveland; Nashville, Tenn.; Dallas; San Antonio; Seattle; Toronto; Weybridge, England; Frankfurt; Luxembourg City, Luxembourg.

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

Officers: Arthur H. Deters, chairman; Thomas G. Grilli, vice chairman; John J. Ryan, president; William F. Nehls, Emory M. Shawver, executive vps.

American Risk Managers Inc.

P.O. Drawer 789, Suite 3, Sanderson Building, Hamilton, Ala. 35570; 800-548-0117; fax: 205-921-3146

1993 Revenues

Continuous consulting	67.5%
Risk management audits	9%
Special projects	13.5%

Staff

Total	10
Professionals	6

Clients

Total	125
Budgets less than $1,000,000	95%
Between $1,000,000-$4,900,000	5%
Minimum size	$50,000

Consulting since: 1979.

Frequent special projects: Risk retention analysis, analysis of limits, claims auditing, loss prevention audits, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, safety program design/installation/monitoring.

Occasional special projects: Captive feasibility studies, insurance contract analysis, broker assessment, loss settlement assistance, risk management organization studies, expert witness.

Locations: Tupelo, Miss.

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

Officers: Walter D. Haney, chairman; Walter D. Haney Jr., president; Ginny Hughett, vp.

Arthur Andersen-Risk Management Consulting Services

69 W. Washington St., Chicago, Ill. 60602; 312-580-0069; fax: 312-507-2548

1993 Revenues

Special projects	100%

Staff

Total	13
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Minimum size	None

Consulting since: 1994.

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, expert witness.

Occasional special projects: Environmental, loss prevention audits, accounting systems analysis, RMIS consulting.

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*1993 Interstudy Competitive Edge, Vol. 2, No. 2.

Continued from page 16

Locations: San Francisco; Hartford, Conn.; New York; Philadelphia.

Compensation: By the hour: principal consultant, $300-$400.

Officers: Neal C. Schneider, director-insurance industry services; Michael L. Toothman, director-property/casualty actuarial services; Randall K. Hindman, director-risk management consulting services.

Contact: Randall K. Hindman, 212-708-4871 or 312-507-6514.

Anistics

1185 Ave. of the Americas, New York, N.Y. 10036; 212-238-1821; fax: 212-238-1040

1993 Revenues

Continuous consulting	8%
Risk management audits	4%
Special projects	28%

Staff

Total	120
Professionals	34
Includes: 4 principal consultants, 13 consultants, 2 actuaries, 15 analysts	

Clients

Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	35%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	25%
Associations	4
Minimum size	None

Consulting since: 1970.

Parent: Alexander & Alexander.

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, accounting systems analysis, risk management organization studies, preparation of bidding specifications.

Specialties: Health care, construction, public entities.

Locations: San Francisco; Dallas; Sydney, Australia; London; Paris.

Compensation: By the project, on retainer, by the hour: principal consultant, $300-$400.

Officers: Peter Denoen, managing director; Harry Shuford, Michael Hopkovitz, Christine Adamour, Julien McKee, vps.

Contact: Lee Topham.

Applied Risk Control Corp.

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

1993 Revenues

Continuous consulting	80%
Risk management audits	15%
Special projects	3%

Staff

Total	12
Professionals	10
Includes: 5 principal consultants, 2 consultants, 3 analysts	

Clients

Total	100
Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	20%
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.

Occasional special projects: Accounting systems analysis, quantitative/statistical analysis and forecasting.

Locations: Los Angeles; Atlanta; Chicago; Milwaukee.

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

1993 Revenues

Continuous consulting	10%
Special projects	15%

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Total	4
Budgets less than $1,000,000	25%
Between $5,000,000-$9,900,000	25%
Between $10,000,000-$24,900,000	25%
Budgets over $25,000,000	25%
Associations	1
Minimum size	None

Consulting since: 1984.

Occasional special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, expert witness.

Specialties: Captives.

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

Officers: Duane E. Allen, president.

Aptech Engineering Services Inc.

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

1993 Revenues

Total gross revenues	$7,000,000
Continuous consulting	15%
Special projects	35%
Risk management consulting revenues	$3,500,000

Staff

Total	80
Professionals	60
Includes: 15 principal consultants, 45 consultants	

Clients

Total	50
Budgets between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	30%
Budgets over $25,000,000	55%
Minimum size	None

Consulting since: 1979.

Frequent special projects: Loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness, engineering inspection/analysis to determine present condition and remaining life of equipment and structures.

Specialties: Fossil and nuclear power, petrochemical, marine, transportation, aerospace.

Locations: Upper Marlboro, Md.; Gastonia, N.C.; Bethlehem, Pa.; Chattanooga, Tenn.; Houston; Tokyo.

Compensation: By the project, by the hour: principal consultant, $150-$200.

Officers: Geoffrey R. Egan, president; Kimble J. Clark, Terry W. Rettig, Harry E. Stengele. Steven A. Lefton, vps.

Arkwright Risk Services

225 Wyman St., Waltham, Mass. 02244; 617-890-9300

1993 Revenues

Total gross revenues	$600,000
Continuous consulting	60%
Special projects	30%
Risk management consulting revenues	$540,000

Staff

Total	11
Professionals	7
Includes: 4 principal consultants, 2 consultants, 1 analyst	

Clients

Total	11
Between $1,000,000-$4,900,000	60%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	10%
Associations	1
Minimum size	None

Consulting since: 1993.

Parent: Arkwright Mutual Insurance Co.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, preparation of bidding specifications, quantitative/statistical analysis and forecasting, development/implementation of finite risk financing solutions, direct placement consulting on excess and reinsurance coverage.

Occasional special projects: Environmental, broker assessment, loss settlement assistance, risk management organization studies.

Specialties: Electric and gas utilities, chemical industry, pollution/environmental remediation.

Compensation: By the project.

Officers: Tobey Russ, managing director; Bob Nusslein, Brady Young, Chris Scondras, directors.

Associated Consultants Inc.

P.O. Box 636, Park Ridge, Ill. 60068; 708-297-0500; fax: 708-635-0156

1993 Revenues

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

Staff

Total	5
Professionals	3
Includes: 1 principal consultant, 2 consultants	

Continued on next page

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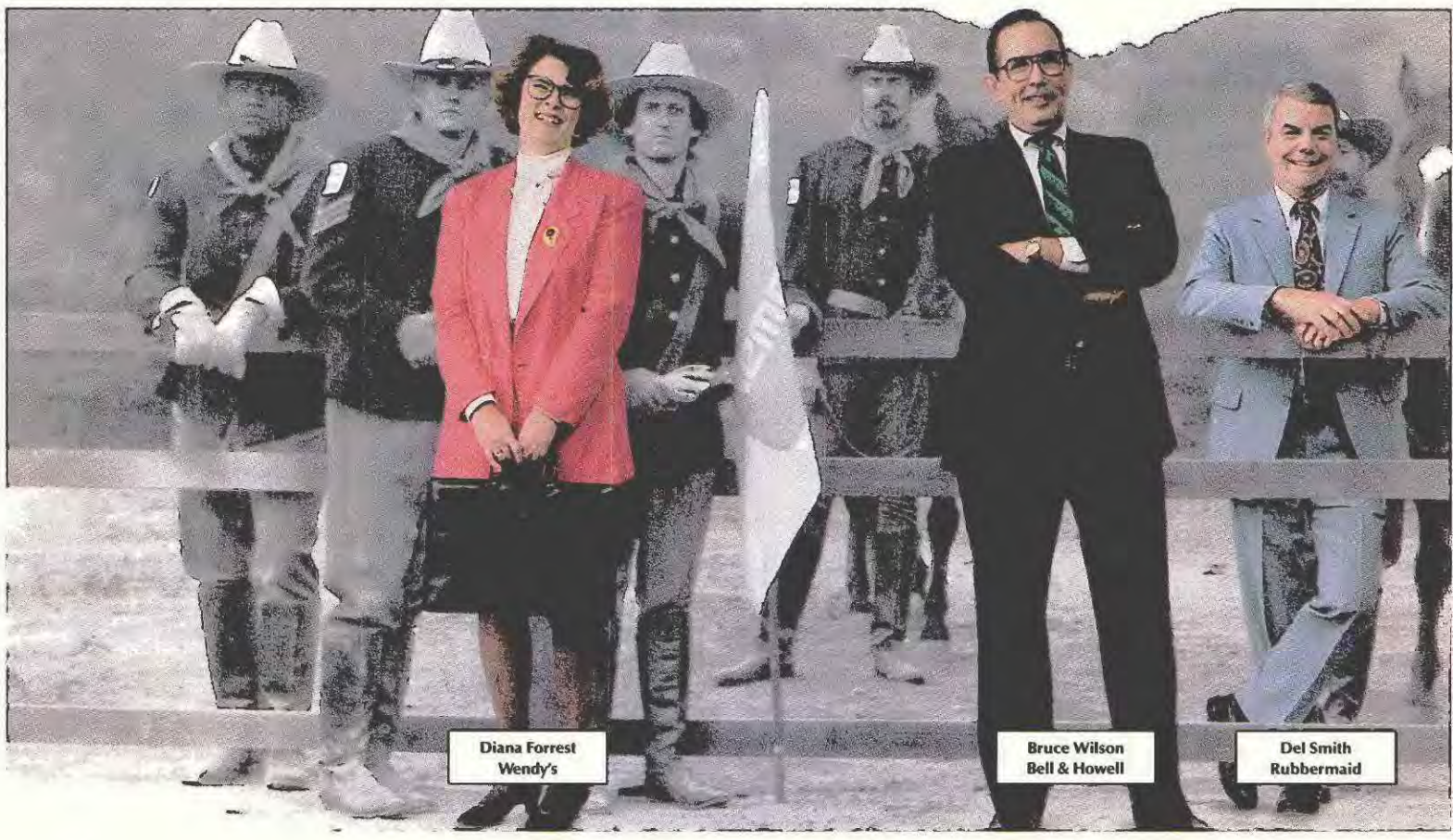

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Continued from previous page

Clients

Budgets less than $1,000,000	75%
Between $1,000,000-$4,900,000	25%
Associations	5
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 audits, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/-statistical analysis and forecasting.

Specialties: Real estate, wholesale distribution, manufacturing, construction.

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

1993 Revenues

Total gross revenues	$600,000
Continuous consulting	10%
Risk management audits	40%
Special projects	20%
Risk management consulting revenues	$415,000

Staff

Total	8
Professionals	6
Includes: 2 principal consultants, 2 consultants	

Clients

Total	100
Budgets less than $1,000,000	95%
Between $1,000,000-$4,900,000	5%
Minimum size	None

Consulting since: 1966.

Parent: Alper Services Inc.

Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, workers comp claims management.

Occasional special projects: Risk retention analysis, claims auditing, environmental, accounting systems analysis, broker assessment, risk management organization studies, preparation of bidding specifications, expert witness.

Specialties: Manufacturers, metal and 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.

B

Bahr Consultants Inc.

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

1993 Revenues

Total gross revenues	NA
Continuous consulting	85%
Risk management audits	10%
Special projects	5%
Risk management consulting revenues	$185,000

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	52
Budgets less than $1,000,000	100%

Consulting since: 1989.

Frequent special projects: Preparation of bidding specifications.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, expert witness.

Specialties: Financial institutions, gas utilities, governmental entities.

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

Membership: SRMC.

Officers: W.H. Bahr, president.

Becher & Carlson Risk Management Inc.

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

1993 Revenues

Continuous consulting	11%
Special projects	7%

Staff

Total	46
Professionals	29
Includes: 8 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.

Specialties: Large property/casualty risks and warranty and credit life programs.

Locations: Marietta, Ga.; Honolulu; Burlington, Vt.; Hamilton, Bermuda.

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

Officers: David L. Carlson, president/CEO; Robert L. Glicksteen, CFO/senior vp; Robert W. Hessel, Atlanta branch manager/senior vp; James J. Kofmehl, Los Angeles branch manager/senior vp.

R.L. Beeckman & Co. Inc.

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

1993 Revenues

Total gross revenues	$865,000
Continuous consulting	99%
Special projects	1%
Risk management consulting revenues	$865,000

Staff

Total	11
Professionals	7
Includes: 2 principal consultants, 3 consultants, 2 analysts	

Clients

Total	115
Budgets less than $1,000,000	93%
Between $1,000,000-$4,900,000	5%
Between $10,000,000-$24,900,000	2%
Minimum size	None

Consulting since: 1986.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, environmental, loss settlement assistance, risk management organization studies, expert witness.

Specialties: Municipalities, manufacturers, schools, retailers, contractors, fabricators.

Locations: Mishawaka, Ind.

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

Officers: Richard Beeckman.

Contact: Richard Beeckman or R. Scott Ecker.

Douglas Bell Associates Inc.

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

1993 Revenues

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

Staff

Total	1

Clients

Total	15
Budgets less than $1,000,000	65%
Between $1,000,000-$4,900,000	35%
Minimum size	None

Consulting since: 1984.

Frequent special projects: Insurance contract analysis; preparation of bidding specifications.

Occasional special projects: Risk retention analysis, analysis of limits, environmental, accounting systems analysis, broker assessment, risk management organization studies, quantitative/-statistical analysis and forecasting, RMIS consulting, expert witness.

Compensation: By the hour: principal consultant, $125-$150.

Officers: Douglas Bell, chairman.

Max Bernstein Co.

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

1993 Revenues

Total gross revenues	NA
Continuous consulting	60%
Risk management audits	30%
Special projects	10%

Continued on next page

KEEP COMPANY WITH KEMPER.

Many Fortune 500 risk managers are saving their companies millions of dollars in medical benefits this year because they have Kemper workers' compensation insurance.

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Kemper National Insurance Companies

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Continued from previous page

Risk management consulting revenues $250,000

Staff

Total 4
Professionals 3
Includes: 1 principal consultant, 2 consultants

Clients

Total 26
Budgets less than $1,000,000 .....77%
Between $1,000,000-$4,900,000 .....23%
Minimum size .....None

Consulting since: 1986.
Frequent special projects: Risk retention analysis, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications.
Occasional special projects: Captive feasibility studies, analysis of limits, claims auditing, loss prevention audits, risk management organization studies, expert witness.
Specialties: Health care, financial services, biotech, retail, manufacturing.
Compensation: By the project, on retainer, by the hour: principal consultant, $175.
Officers: Max Bernstein, president.

Blades, Macaulay, Crout & Myers

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

1993 Revenues

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

Staff

Total 6
Professionals 4
Includes: 2 principal consultants, 2 consultants

Clients

Total 30
Budgets less than $1,000,000 .....10%
Between $1,000,000-$4,900,000 .....20%
Between $5,000,000-$9,900,000 .....20%
Between $10,000,000-$24,900,000 .....20%
Budgets over $25,000,000 .....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-$180.
Membership: SRMC.
Officers: John J. Crout, Richard L. Myers, partners.

T.E. Brennan Co.

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

1993 Revenues

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

Staff

Total 11
Professionals 8
Includes: 4 principal consultants, 4 consultants

Clients

Total 225
Budgets less than $1,000,000 .....20%
Between $1,000,000-$4,900,000 .....59%
Between $5,000,000-$9,900,000 .....15%
Between $10,000,000-$24,900,000 .....5%
Budgets over $25,000,000 .....1%
Associations 1

Consulting since: 1895.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of bidding specifications, expert witness testimony.
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.
Compensation: By the hour: principal consultant, $110-$200.
Membership: SRMC.
Officers: John Hayes, chairman/secretary/treasurer; Thomas E. Gold, president.

Brownlow Associates Inc.

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

1993 Revenues

Continuous consulting 90%
Risk management audits 10%

Staff

Total 2
Professionals 1
Includes: 1 principal consultant

Clients

Total 12
Budgets less than $1,000,000 .....100%
Minimum size .....None

Consulting since: 1986.
Specialties: Financial institutions.
Compensation: By the project.
Officers: J.S. Brownlow, president; A.J. Brownlow, vp.

Larry W. Buck & Associates Inc.

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

1993 Revenues

Continuous consulting 80%
Risk management audits 10%
Special projects 9%

Staff

Total 3
Professionals 2
Includes: 1 principal consultant, 1 consultant

Clients

Budgets less than $1,000,000 .....80%
Between $1,000,000-$4,900,000 .....20%

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, manufacturers, hotels, non-profit agencies, retail.
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

1993 Revenues

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

Staff

Total 4
Professionals 4
Includes: 2 principal consultants, 2 consultants

Clients

Associations 10
Minimum size .....None

Consulting since: 1976.
Frequent special projects: Captive feasibility studies, loss prevention audits, preparation of bidding specifications, sprinkler system design.
Occasional special projects: Expert witness.
Specialties: Electronics industry, roll paper and printing, envelope manufacturers.
Compensation: By the project, on retainer, by the hour.
Officers: Ken Buhler, president; Randy Buhler, Sandy Relkin, vps.

Burlington Environmental Inc.

210 W. Sand Bank Road, Columbia, Ill. 62236; 618-281-7173; fax: 618-281-5120

1993 Revenues

Total gross revenues $35,614,474
Special projects 85%
Risk management consulting revenues $30,272,302

Staff

Total 256
Professionals 60
Includes: 15 principal consultants, 45 consultants

Clients

Total 300
Budgets less than $1,000,000 .....10%
Between $1,000,000-$4,900,000 .....10%
Between $5,000,000-$9,900,000 .....10%
Between $10,000,000-$24,900,000 .....20%
Budgets over $25,000,000 .....50%
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 and 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-$110.
Officers: Gary M. Mathes, vp.

C

CGR

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

1993 Revenues

Continuous consulting 33%
Risk management audits 33%
Special projects 33%

Staff

Total 3
Professionals 2
Includes: 1 principal consultant, 1 consultant

Clients

Total 10
Budgets less than $1,000,000 .....90%
Between $1,000,000-$4,900,000 .....10%
Minimum size .....None

Consulting since: 1987.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, accounting systems analysis, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting.
Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting.
Compensation: On retainer, by the hour: principal consultant, $200.
Officers: Andre Goyette, president.

CTA Inc.

7150 Campus Drive, Colorado Springs, Colo. 80920; 719-590-5100; fax: 719-590-5198

1993 Revenues

Total gross revenues $136,000,000
Continuous consulting 5%
Risk management audits 5%
Special projects 5%
Risk management consulting revenues $20,000,000

Staff

Total 1,300
Professionals 45

Clients

Total 6
Budgets between $10,000,000-$24,900,000 .....100%
Minimum size .....None

Consulting since: 1988.
Frequent special projects: Loss prevention audits, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting.
Occasional special projects: Risk retention analysis, claims auditing, accounting systems analysis, loss settlement assistance, expert witness.
Specialties: Automated information systems.
Locations: Rockville, Md.; Bedford, Mass.; San Antonio.
Compensation: By the project.
Officers: C.E. Velez, president; Greg Wagner, CFO; B.A. Claussen, Ray McMillan, Marty Titland, vps.

California Hospitals Affiliated Insurance Services Inc.

11060 White Rock Road, Suite 210, Sacramento, Calif. 95670; 916-631-0333; fax: 916-638-5263

1993 Revenues

Total gross revenues $8,108,991
Continuous consulting 12%
Risk management audits 5%
Special projects 3%
Risk management consulting revenues $3,457,433

Staff

Total 82
Professionals 13
Includes: 4 principal consultants, 8 consultants, 1 analyst

Clients

Total 124
Budgets less than $1,000,000 .....60%
Between $1,000,000-$4,900,000 .....20%
Between $5,000,000-$9,900,000 .....15%
Between $10,000,000-$24,900,000 .....5%
Minimum size .....None

Consulting since: 1983.
Parent: California Assn. of Hospitals & Health Systems.
Frequent special projects: Analysis of limits, loss prevention audits, quantitative/statistical analysis and forecasting, special security liability audits as required by A.B. 508/Calif., malpractice audit/consultation/education/prevention.
Occasional special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, claims auditing, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.
Specialties: Hospitals, long-term care, health care.
Locations: Bakersfield, Buena Park, Glendale, Huntington Beach, Mission Viejo, South Lake Tahoe, Upland, Walnut Creek and Watsonville, Calif.; Milwaukee.
Compensation: By the project, commissions, on retainer, by the hour: principal consultant, $125.
Officers: Gene Marsh, David Durgin, Jeff Sousa, Cathy Shorr.

Cantor & Co.

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

1993 Revenues

Special projects 15%

Staff

Total 6
Professionals 5
Includes: 1 principal consultant, 4 analysts

Clients

Budgets less than $1,000,000 .....10%
Between $1,000,000-$4,900,000 .....30%
Between $5,000,000-$9,900,000 .....30%
Between $10,000,000-$24,900,000 .....20%
Budgets over $25,000,000 .....10%
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, Horsham, Pa. 19044; 215-441-5561; fax: 215-441-5567

1993 Revenues

Total gross revenues $634,000
Continuous consulting 75%
Risk management audits 5%
Special projects 5%
Risk management consulting revenues $539,000

Staff

Total 4
Professionals 1
Includes: 1 principal consultant

Clients

Total 66
Budgets less than $1,000,000 .....85%
Between $1,000,000-$4,900,000 .....15%
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.
Occasional special projects: Risk retention analysis, captive feasibility studies, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness, insurance archaeology.
Specialties: Paints/coatings, adhesives/sealants, specialty chemicals, plastics, real estate developers/construction.
Compensation: By the project, commissions, on retainer, by the hour: principal consultant, $175.
Officers: James W. Capell, president.

Caronia Corp.

395 N. Service Road, Suite 200, Melville, N.Y. 11747; 800-227-6642; fax: 516-845-5001

1993 Revenues

Total gross revenues .....NA
Continuous consulting 9%
Risk management audits 17%
Special projects 16%
Risk management consulting revenues $5,570,000

Staff

Total 210
Professionals 68
Includes: 68 consultants

Clients

Total 162
Budgets less than $1,000,000 .....50%
Between $1,000,000-$4,900,000 .....20%
Between $5,000,000-$9,900,000 .....10%
Between $10,000,000-$24,900,000 .....10%
Budgets over $25,000,000 .....10%
Associations 14
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, program design, frequency & 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, high-exposure risks, health care.
Locations: Newport Beach, San Diego, San Francisco and Santa Monica, Calif.; Denver; Washington; Miami and Tampa, Fla.; Atlanta; Chicago; Louisville, Ky.; New Orleans; Baltimore; Boston; St. Louis; Albany and New York, N.Y.; Greenville, S.C.; Nashville, Tenn.; Dallas, Houston and San Antonio, Texas; Seattle.
Compensation: By the project, on retainer, by the hour: consultant, $75-$125.
Officers: Charles Caronia, CEO; Charles McGill, Joseph D'Heron, executive vps; Benjamin Thompson, CFO.

Casualty Actuarial Consultants Inc.

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

1993 Revenues

Special projects 100%

Staff

Total 7
Professionals 7
Includes: 7 actuaries

Clients

Total 83
Budgets less than $1,000,000 .....33%
Between $1,000,000-$4,900,000 .....30%
Between $5,000,000-$9,900,000 .....12%
Between $10,000,000-$24,900,000 .....15%
Budgets over $25,000,000 .....10%
Associations 63
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, especially workers comp groups and governmental entities.
Compensation: By the project, by the hour: principal consultant, $175.
Officers: J. Edward Costner, president; Cecilia M. LePere, senior vp; Lisa N. Dennison, vp.
Contact: J. Edward Costner.

Charlesworth & Associates

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

1993 Revenues

Continuous consulting 40%
Risk management audits 40%
Special projects 20%

Staff

Total 5
Professionals 3
Includes: 1 principal consultant, 2 consultants, 1 analyst

Clients

Total 54
Budgets less than $1,000,000 .....97%
Between $1,000,000-$4,900,000 .....3%
Associations 1
Minimum size .....None

Consulting since: 1977.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications.
Occasional special projects: Claims auditing, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, quantitative/statistical analysis and forecasting.
Specialties: Municipalities, school districts, hospitals, manufacturing.
Compensation: By the project, on retainer, by the hour: principal consultant,

Continued on next page

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$75.

Officers: Art Charlesworth, owner.

Cityside Associates Inc.

P.O. Box 429, Route 515 at Guthrie Corner, Vernon, N.J. 07462; 201-764-7590; fax: 201-764-8582

1993 Revenues

Continuous consulting	8.75%
Risk management audits	5.25%
Special projects	21%

Staff

Total	6
Professionals	2

Clients

Budgets between $1,000,000-$4,900,000	65%
Between $5,000,000-$9,900,000	10%
Budgets over $25,000,000	25%
Minimum size	None

Consulting since: 1981.

Frequent special projects: Insurance contract analysis, claims auditing, loss settlement assistance.

Occasional special projects: Risk retention analysis, analysis of limits, loss prevention audits, broker assessment, preparation of bidding specifications, expert witness.

Specialties: Municipalities, health care.

Locations: Mineola and New York, N.Y.

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

Membership: SRMC.

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

C.P. Comerford & Co.

11 Arlington St., P.O. Box 738, Kennebunkport, Maine 04046; 207-967-2383; fax: 207-967-2383

1993 Revenues

Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	50%
Minimum size	None

Consulting since: 1982.

Frequent special projects: Analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications, marketing assistance with placing financial institution bonds, directors & officers liability and mortgage impairment insurance.

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

Specialties: Financial institutions.

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

Officers: Charles P. Comerford, president.

Commercial Insurance Alternatives

176 Main St., Suite C, St. Helena, Calif. 94574; 707-963-2400; fax: 707-963-2848

1993 Revenues

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

Staff

Total	7
Professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients

Total	10
Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	50%
Between $5,000,000-$9,900,000	25%
Associations	5

Consulting since: 1985.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, loss prevention audits, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Claims auditing, broker assessment, risk management organization studies, RMIS consulting.

Specialties: High risk liability and not-for-profit associations.

Compensation: By the project, on retainer.

Officers: E. Richard Crebs, president/CEO; Beth Goff, vp-underwriting; Andrea Solari, CFO.

Contact: E. Richard Crebs.

Commercial Risk Consultants Inc.

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

1993 Revenues

Continuous consulting	70%
Risk management audits	10%
Special projects	10%

Staff

Total	4
Professionals	2
Includes: 2 principal consultants, 2 analysts	

Clients

Total	41
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	15%
Between $5,000,000-$9,900,000	5%
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 processing, automobile parts manufacturing.

Locations: Richmond, Va.

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

Membership: SRMC.

Officers: John W. Newby, president.

The Compass Co. Inc.

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

1993 Revenues

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

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Budgets less than $1,000,000	20%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	5%
Minimum size	None

Consulting since: 1984.

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, expert witness.

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

Specialties: Workers comp, construction, development, retirement communities, higher education, recreation services.

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

Officers: Edward W.S. Neff, president.

Comprehensive Risk Management Inc.

515 Lowell St., Peabody, Mass. 01960; 508-535-9779; fax: 508-535-3636

1993 Revenues

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

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	12
Budgets less than $1,000,000	20%
Between $1,000,000-$4,900,000	50%
Between $5,000,000-$9,900,000	30%
Associations	1
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: Claims auditing, RMIS consulting.

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

Officers: Philip E. Goldsmith, president.

Compu-Weather Experts

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

1993 Revenues

Continuous consulting	30%
Risk management audits	10%
Special projects	40%

Staff

Total	35
Professionals	16
Includes: 8 principal consultants, 6 consultants, 2 analysts	

Clients

Total	1,032
Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	40%
Between $10,000,000-$24,900,000	15%
Budgets over $25,000,000	5%

Consulting since: 1978.

Frequent special projects: Environmental, loss settlement assistance, expert witness.

Occasional special projects: Claims auditing, loss prevention audits, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Continued on next page

Business Development Associates, Inc.

and

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Raising Insurance Company Capital in a Turbulent Market:

Cutting-Edge Strategies for Insurers to Tap Into New Funding Sources

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Continued from previous page

Compensation: By the project, on retainer.

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

Confirm Inc.

30 Watervliet Ave., P.O. Box 265, Albany, N.Y. 12201-0265; 518-459-0296; fax: 518-438-4042

1993 Revenues	
Continuous consulting	35%
Risk management audits	15%
Special projects	48%
Staff	
Total	4
Professionals	4
Includes: 2 principal consultants, 2 consultants	
Clients	
Total	18
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Associations	2
Minimum size	$50,000

Consulting since: 1989.

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

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss settlement assistance, RMIS consulting, 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, consultant.

Contact: James P. Faughnan Jr.

Coopers & Lybrand, Casualty Actuarial/Risk Management Consulting Services

1251 Avenue of the Americas, New York, N.Y. 10020-1157; 212-536-2000; fax: 212-536-3500

1993 Revenues	
Total gross revenues	$26,700,000
Continuous consulting	10%
Risk management audits	20%
Special projects	20%
Risk management consulting revenues	$13,400,000
Staff	
Total	164
Professionals	138
Includes: 72 principal consultants, 36 consultants, 53 actuaries, 30 analysts	
Clients	
Total	1,250
Budgets less than $1,000,000	5%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	35%
Between $10,000,000-$24,900,000	30%
Budgets over $25,000,000	5%
Minimum size	None

Consulting since: 1979.

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, expert witness.

Occasional special projects: Environmental, loss prevention audits, RMIS consulting, insurance litigation services, liquidation services.

Specialties: Chemical, pharmaceutical, financial services, retail/distribution, manufacturing, higher education, transportation, mining, energy, health care, utilities, government.

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

Compensation: By the project, by the hour: principal consultant, $275-$440.

Membership: SRMC.

Officers: Frederick O. Kist, managing partner; Orin M. Lindeon, partner; W. Michael Flaharty, Cathy L. McKeon, Michael R. Vogler, directors.

Contact: Cathy L. McKeon, 212-259-1844.

Copper Roof Management Inc.

807 Drake St., Vancouver, British Columbia, Canada; V6Z 1C1; 604-669-0456 or 800-363-7475; fax: 604-682-6738

1993 Revenues	
Continuous consulting	38%
Risk management audits	33%
Special projects	24%
Staff	
Total	5
Professionals	2
Includes: 1 principal consultant, 1 consultant, 1 analyst	
Clients	
Total	26
Budgets less than $1,000,000	95%
Between $1,000,000-$4,900,000	5%
Associations	3
Minimum size	None

Consulting since: 1982.

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

Occasional special projects: Claims auditing, environmental, loss prevention audits, expert witness.

Specialties: Municipalities, financial institutions, armored car industry, courier industry, property developers and managers.

Locations: Kirkland, 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 111, Oldenburg, Ind. 47036; 812-933-0656; fax: 812-933-0656

1993 Revenues	
Total gross revenues	$9,200
Continuous consulting	44%
Risk management audits	20%
Special projects	36%
Risk management consulting revenues	$9,200
Staff	
Total	4
Professionals	4
Includes: 3 principal consultants, 1 analyst	
Clients	
Total	3
Budgets less than $1,000,000	100%
Minimum size	None

Consulting since: October 1993.

Frequent special projects: Risk retention analysis, insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, safety and asset protection training, contract administration.

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

Locations: Chicago; Middletown, Ohio.

Compensation: By the hour: principal consultant, $125.

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

Corporate Advisors Inc.

910 Skokie Blvd., Suite 204, Northbrook, Ill. 60067; 708-564-5820; fax: 708-564-5828

1993 Revenues	
Total gross revenues	$80,000
Special projects	15%
Staff	
Total	3
Professionals	2
Includes: 1 principal consultant, 1 consultant	
Clients	
Minimum size	None

Consulting since: 1970.

Frequent special projects: Captive feasibility studies, broker assessment, expert witness.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, risk management organization studies, preparation of bidding specifications.

Specialties: Chemical, fire protection, pharmaceutical, railroad industry.

Compensation: By the project, commissions, by the hour: principal consultant, $250.

Officers: Louis W. Biegler, president; Mrs. C.M. Murphy, vp.

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Directory terms and methodology explained on page 11.

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Continued from previous page

Corporate Financial Management Inc.

16 S. Main St., Yardley, Pa. 19067; 215-295-7213

1993 Revenues

Continuous consulting	10%
Risk management audits	30%
Special projects	20%

Staff

Total	3
Professionals	2
Includes: 2 principal consultants	

Clients

Total	10
Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	60%
Between $5,000,000-$9,900,000	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.

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

Specialties: Environmental, professional services, trucking, health care, manufacturing, distribution.

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

Membership: SRMC.

Officers: Helen R. Bosley, president/CEO; Katherine J. O'Neill, principal.

Corporate Policyholders Counsel Inc.

2 Westbrook Corporate Center, Suite 640, Westchester, Ill. 60154; 708-449-0165; fax: 708-449-0235

1993 Revenues

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

Staff

Total	6
Professionals	4
Includes: 4 principal consultants	

Clients

Total	100
Associations	10
Minimum size	None

Consulting since: 1898.

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.

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

Compensation: By the project, by the hour: principal consultant, $150-$200.

Membership: SRMC.

Officers: Steven A. Coombs, president; Robert J. Trompeter, executive vp; William Leinheiser, senior vp.

Contact: William Leinheiser.

Corporate Risk Consultants

26600 Telegraph Road, Southfield, Mich. 48034; 313-358-1100; fax: 313-358-1614

1993 Revenues

Total gross revenues	$1,600,000
Continuous consulting	63%
Risk management audits	1%
Special projects	7%
Risk management consulting revenues	$1,400,000

Staff

Total	23
Professionals	6
Includes: 3 principal consultants, 1 consultant, 1 actuary, 3 analysts	

Clients

Total	41
Budgets less than $1,000,000	26%
Between $1,000,000-$4,900,000	51%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	10%
Budgets over $25,000,000	3%

Parent: Meadowbrook Inc.

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.

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

Compensation: By the hour: principal consultant, $100-$200.

Officers: Merton J. Segal, chairman; Robert A. Engle, president; Cheryl Reno, Lawrence Kraus, vps; Robert S. Cubbin, vp/general counsel.

Corporate Risk Management Inc.

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

1993 Revenues

Continuous consulting	30%
Risk management audits	18%
Special projects	12%

Staff

Total	7
Professionals	5
Includes: 2 principal consultants, 2 consultants, 1 analyst	

Clients

Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
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, manufacturers, entertainment and motion picture industry, truckers.

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

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

1993 Revenues

Continuous consulting	42%
Risk management audits	14%
Special projects	14%

Staff

Total	7
Professionals	4
Includes: 2 principal consultants, 1 consultant, 1 analyst	

Clients

Total	35
Budgets less than $1,000,000	75%
Between $1,000,000-$4,900,000	25%
Minimum size	None

Consulting since: 1978.

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, captive feasibility studies, environmental, loss prevention audits, accounting systems analysis, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

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

Officers: William B. Heeney, Mark S. Moss.

Contact: William B. Heeney.

Corporate Risk Managers Inc.

250 Prairie Center Drive, Suite 121, Eden Prairie, Minn. 55344; 612-944-0474; fax: 612-944-0607

1993 Revenues

Continuous consulting	96%
Risk management audits	3%
Special projects	1%

Staff

Total	4
Professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients

Budgets less than $1,000,000	91%
Between $1,000,000-$4,900,000	6%
Between $10,000,000-$24,900,000	3%
Minimum size	$20,000

Continued on next page

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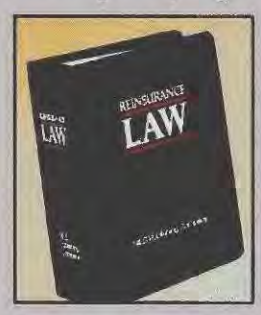

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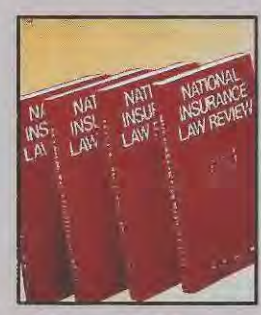

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Continued from previous page

Consulting since: 1974.

Frequent special projects: Risk retention analysis, 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, expert witness.

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

Compensation: On retainer, by the hour.

Officers: Burdell R. Wessels, president.

Crain, Langner & Co.

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

1993 Revenues

Total gross revenues	$401,000
Continuous consulting	34%
Risk management audits	42.5%
Special projects	8.5%
Risk management consulting revenues	$401,000

Staff

Total	4
Professionals	2
Includes: 2 principal consultants	

Clients

Total	100
Budgets less than $1,000,000	75%
Between $1,000,000-$4,900,000	18%
Between $5,000,000-$9,900,000	3%
Between $10,000,000-$24,900,000	3%
Budgets over $25,000,000	1%
Associations	5
Minimum size	None

Consulting since: 1939.

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

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

Specialties: Hospitals, political subdivisions, manufacturing, banking.

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 International

6114 LaSalle Ave., Suite 355, Oakland, Calif. 94611; 510-531-9150; fax: 510-531-2531

1993 Revenues

Continuous consulting	2%
Risk management audits	25%
Special projects	73%

Staff

Total	1

Clients

Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Minimum size	None

Consulting since: 1985.

Frequent special projects: Captive feasibility studies, expert witness, group captive and risk retention group formations.

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

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

Membership: SRMC.

Officers: Donn P. McVeigh.

Crouch Insurance Consulting Inc.

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

1993 Revenues

Total gross revenues	$533,841
Continuous consulting	70%
Risk management audits	15%
Special projects	15%
Risk management consulting revenues	$533,841

Staff

Total	3
Professionals	1
Includes: 1 principal consultant, 1 analyst	

Clients

Total	50
Budgets less than $1,000,000	98%
Between $1,000,000-$4,900,000	2%
Minimum size	None

Consulting since: 1982.

Frequent special projects: Preparation of bidding specifications.

Occasional 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, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Apartments, retailers, power authorities and wholesalers.

Compensation: By the project, on retainer, by the hour: principal consultant, $175-$525.

Officers: Gregory K. Crouch, president.

Robert M. Currey & Associates Inc.

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

1993 Revenues

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

Staff

Total	10
Professionals	6
Includes: 3 principal consultants, 3 consultants	

Clients

Total	71
Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	35%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	5%
Budgets over $25,000,000	5%
Associations	3
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.

Contact: Kathleen Nickerson.

Curtner Risk Management Inc.

1616 17th St., Suite 464, Denver, Colo. 80202; 303-628-5556; fax: 303-628-5596

1993 Revenues

Continuous consulting	55%
Risk management audits	20%
Special projects	20%

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Total	11
Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	60%
Between $5,000,000-$9,900,000	10%
Associations	1
Minimum size	None

Consulting since: 1984.

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.

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

Specialties: Cable television, policy archeology, energy.

Compensation: By the project, on retainer, by the hour: principal consultant, $90-$110.

Membership: SRMC.

Officers: Walter R. Curtner, president.

D

Deloitte & Touche-Risk Management Consulting Services

2200 Ross Ave., Suite 1600, Dallas, Texas 75201; 214-777-7700; fax: 214-777-7781;

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1993 Revenues

Total gross revenues	NA
Continuous consulting	30%
Risk management audits	20%
Special projects	50%
Risk management consulting revenues	$15,700,000

Staff

Total	80
Professionals	69
Includes: 27 principal consultants, 27 consultants, 10 actuaries, 5 analysts	

Clients

Total	500
Budgets less than $1,000,000	15%
Between $1,000,000-$4,900,000	15%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	20%
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, fidelity claims, disaster recovery planning.

Occasional special projects: Environmental, loss prevention audits.

Specialties: Energy, chemical, retail, financial institutions, health care, public sector, manufacturing, insurance, hotel.

Locations: Los Angeles; Denver; District of Columbia; Chicago; Minneapolis; Newark, N.J.; New York; Portland, Ore.; Houston; Seattle; Calgary, Toronto and Vancouver, Canada.

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

Officers: William D. O'Connell, Jan A. Lommele, Vincent C. Cali, Larry Moeller, Harvey Michaels, Gregory Higgins, partners/principals.

Dempsey, Myers & Co.

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

1993 Revenues

Total gross revenues	$900,000
Special projects	100%
Risk management consulting revenues	$900,000

Staff

Total	7
Professionals	7
Includes: 2 principal consultants, 5 consultants	

Clients

Total	30
Budgets less than $1,000,000	10%
Between $1 000,000-$4,900,000	15%
Between $5 000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	40%
Budgets over $25,000,000	20%
Minimum size	None

Consulting since: 1982.

Frequent special projects: Loss settlement assistance, business interruption and employee dishonesty claim preparation.

Occasional special projects: Expert witness.

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

Officers: John D. Dempsey, William L. Myers, partners.

Contact: John D. Dempsey.

Devine & Tweedale Inc.

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

1993 Revenues

Continuous consulting	70%
Risk management audits	18%
Special projects	10%

Staff

Total	5.5
Professionals	3

Clients

Total	50
Budgets less than $1,000,000	83%
Between $1,000,000-$4,900,000	7%
Between $5,000,000-$9,900,000	6%
Between $10,000,000-$24,900,000	4%
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: School districts, municipalities, associations.

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

Officers: Dennis G. Tweedale, president.

Kevin F. Donoghue & Associates

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

1993 Revenues

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

Staff

Total	18
Professionals	12
Includes: 7 principal consultants, 1 analyst	

Clients

Total	145
Budgets less than $1,000,000	44%
Between $1,000,000-$4,900,000	36%
Between $5,000,000-$9,900,000	14%
Between $10,000,000-$24,900,000	4%
Budgets over $25,000,000	2%
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: Retailing, 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; Wes Rowe, Edward Taylor, Joseph Grillo, senior vps.

E

EQE International Inc.

44 Montgomery St., Suite 3200, San Francisco, Calif. 94104; 415-989-2000; fax: 415-397-5209

1993 Revenues

Total gross revenues	$33,000,000
Special projects	60%
Risk management consulting revenues	$20,000,000

Staff

Total	250
Professionals	210
Includes: 20 principal consultants, 25 consultants, 165 analysts	

Clients

Total	300
Associations	10
Minimum size	None

Consulting since: 1981.

Frequent special projects: Analysis of limits, loss prevention audits, seismic risk assessment, portfolio analysis.

Occasional special projects: Expert witness.

Specialties: Fortune 1000 and Global 500 corporations with facilities on the Pacific Rim, in California or the Midwest.

Locations: St. Louis; Stratham, N.H.

Compensation: By the project.

Officers: Peter I. Yanev, chairman; Douglas O. Frazier, president; Stephen Hom, James J. Johnson, senior vps.

Ecology & Environment Inc.

Buffalo Corporate Center, 368 Pleasantview Drive, Lancaster, N.Y. 14086-1316; 716-684-8060; fax: 716-684-8060

1993 Revenues

Total gross revenues	$88,700,000
Continuous consulting	100%
Risk management consulting revenues	$88,700,000

Staff

Total	1,200
Professional	1,000

Consulting since: 1970.

Frequent special projects: Environmental.

Specialties: Environmental concerns.

Locations: Anchorage, Alaska; Fresno, Los Angeles and San Francisco, Calif.; Washington; Fort Lauderdale, Pensacola and Tallahassee, Fla.; Idaho Falls, Idaho; Chicago; Baton Rouge, La.; Kansas City and St. Louis, Mo.; Albuquerque, N.M.; New York; Cincinnati and Cleveland,

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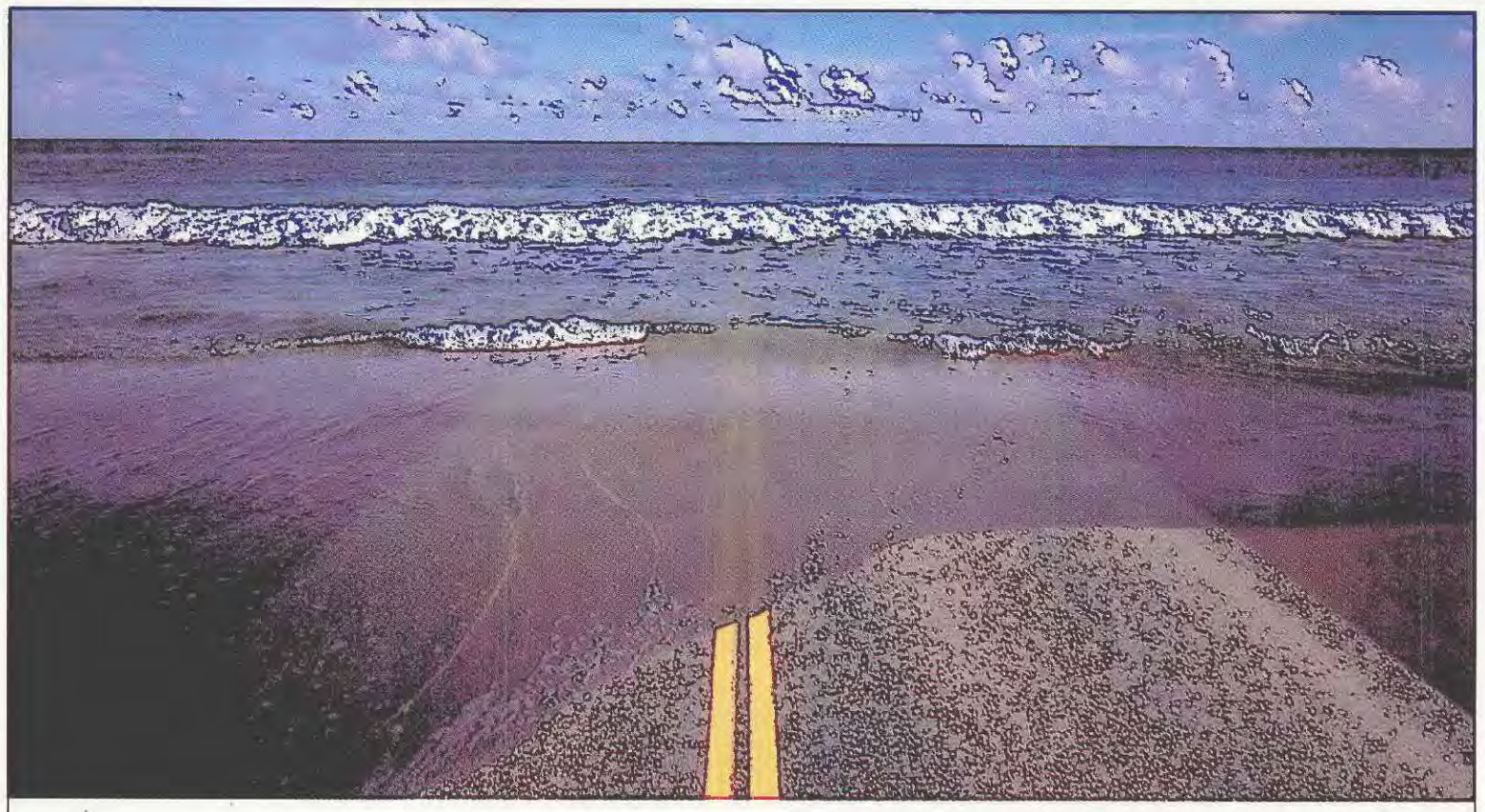

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Continued from page 26

Ohio; Philadelphia; Dallas and Houston, Texas; Seattle; Chemnitz, Germany; Budapest, Hungary; Jeddah, Saudi Arabia.

Compensation: By the project.

Officers: Gehard J. Neuamier, president; Frank B. Silvestro, Gerry A. Strobel, Ronald A. Frank, executive vps.

Contact: Ronald J. Skare, vp-sales.

Elam Consulting Inc.

217 W. Capitol St., Jackson, Miss. 39201; 601-353-8708; fax: 601-969-5958

1993 Revenues

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

Staff

Total	3
Professionals	3
Includes: 2 principal consultants, 1 consultant	

Clients

Budgets less than $1,000,000	60%
Between $1,000,000-$4,900,000	40%
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: Eric Elam, president; Eileen Luter, vp.

Empire Risk Management

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

1993 Revenues

Total gross revenues	$775,000
Continuous consulting	40%
Risk management audits	10%
Special projects	10%
Risk management consulting revenues	$465,010

Staff

Total	6
Professionals	NA
Includes: 2 principal consultants, 1 consultant	

Clients

Total	11
Budgets less than $1,000,000	7%
Between $1,000,000-$4,900,000	50%
Between $5,000,000-$9,900,000	18%
Between $10,000,000-$24,900,000	15%
Budgets over $25,000,000	10%
Associations	3
Minimum size	$750,000

Consulting since: 1991.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting.

Occasional special projects: Captive feasibility studies, loss prevention audits, accounting systems analysis, risk management organization studies, expert witness.

Specialties: Transportation, trucking, associations.

Compensation: By the project, on retainer.

Officers: D.W. Speer, president.

Employers' Risk & Insurance Management Inc.

3637 Northcote Drive, P.O. Box 43188, Birmingham, Ala. 35243; 205-967-1166; fax: 205-969-0827

1993 Revenues

Continuous consulting	90%
Risk management audits	10%

Staff

Total	2
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	11
Budgets less than $1,000,000	92%
Between $1,000,000-$4,900,000	8%
Minimum size	None

Consulting since: 1989.

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

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

Specialties: Industrial, governmental, water utilities, hospitals, lumber, property management.

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

Membership: SRMC.

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

Environmental Risk Ltd.

120 Mountain Ave., Bloomfield, Conn. 06002; 203-242-9933; fax: 203-243-9055

1993 Revenues

Continuous consulting	20%
Risk management audits	10%
Special projects	30%

Staff

Total	50
Professionals	40
Includes: 4 principal consultants, 36 consultants	

Clients

Total	300
Budgets less than $1,000,000	35%
Between $1,000,000-$4,900,000	35%
Between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	10%
Budgets over $25,000,000	5%
Minimum size	None

Consulting since: 1985.

Frequent special projects: Loss prevention audits.

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

Specialties: Pollution liability insurance companies, financial institutions, real estate developers, energy facility developers, industrial corporations.

Locations: Concord, N.H.; Clifton, N.J.

Compensation: By the project, on retainer, by the hour: principal consultant, $165-$195.

Officers: Richard S. Atkins, David I. Brandwein, Gordon T. Brookman, Mitchell M. Wurmbrand.

Contact: David I. Brandwein.

Environmental Risk & Loss Control Inc.

309 E. 90th St., New York, N.Y. 10128; 212-369-5400; fax: 212-722-7381

1993 Revenues

Special projects	100%

Staff

Total	1

Clients

Total	10
Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	25%
Between $10,000,000-$24,900,000	25%
Minimum size	None

Consulting since: 1991.

Frequent special projects: Environmental, loss prevention audits, risk management organization studies, proactive environmental risk programs.

Occasional special projects: Claims auditing, loss settlement assistance, RMIS consulting, expert witness.

Compensation: By the hour: principal consultant, $125-$150.

Officers: Wayne Tusa, president.

Ernst & Young-Risk Management Group

2 Commerce Square, 2001 Market St., Suite 4000, Philadelphia, Pa. 19103; 215-448-5000; fax: 215-448-4069

1993 Revenues

Total gross revenues	$22,390,000
Continuous consulting	30%
Risk management audits	10%
Special projects	25%
Risk management consulting revenues	$11,425,000

Staff

Total	138
Professional	88
Includes: 26 principal consultants, 17 consultants, 22 actuaries, 23 analysts	

Clients

Total	375
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	30%
Budgets over $25,000,000	5%
Associations	38
Minimum size	None

Consulting since: 1922.

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.

Occasional special projects: Loss prevention audits, RMIS consulting.

Specialties: Public entities, health care industry.

Locations: Los Angeles, San Francisco, Denver, Washington, Atlanta, Chicago, New York, Philadelphia, Seattle.

Compensation: By the project, on retainer, by the hour: principal consultant, $190-$250.

Officers: Ronald T. Kuehn, Lee Smith, Charles Bryan, Terry Godbold, Dennis Henry, Dick Fallquist, 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

1993 Revenues

Total gross revenues	$425,000
Continuous consulting	70%
Risk management audits	10%
Special projects	5%
Risk management consulting revenues	$361,250

Staff

Total	10
Professionals	4
Includes: 1 principal consultant, 2 consultants, 1 analyst	

Clients

Budgets less than $1,000,000	20%

Continued on next page

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Continued from previous page

Between $1,000,000-$4,900,000	80%
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.

F

Herbert H. Feldman Risk Management Inc.

60 Cutter Mill Road, Great Neck, N.Y. 11021; 516-829-6050; fax: 516-829-6029

1993 Revenues

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

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 actuary	

Clients

Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	30%
Minimum size	None

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

1993 Revenues

Continuous consulting	15%
Risk management audits	25%
Special projects	60%

Staff

Total	2
Professionals	2
Includes: 2 principal consultants	

Clients

Total	30
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Minimum size	None

Consulting since: 1976.

Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications, expert witness.

Occasional special projects: Risk retention analysis, broker assessment.

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

Membership: SRMC.

Officers: Robert S. Felton, owner; Barbara F. Albright, senior consultant.

Contact: Robert S. Felton.

Directory terms and methodology explained on page 11.

Fiberglass Structural Engineering Corp.

316 E. McLeod Road, Bellingham, Wash. 98226; 206-734-7040; fax: 206-733-7905

1993 Revenues

Continuous consulting	6%
Special projects	54%

Staff

Total	25
Professionals	9
Includes: 2 principal consultants	

Clients

Total	200
Budgets between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	30%
Budgets over $25,000,000	40%
Minimum size	$1,000,000

Consulting since: 1976.

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

Occasional special projects: Environmental, loss settlement assistance, consulting on design of fiberglass-reinforced plastic equipment and piping.

Specialties: Power, chemical, pulp and paper, environmental, corrosion, waste water.

Compensation: By the project, by the hour: principal consultant, $110-$150.

Officers: Randall Rapoza, principal; Michael Gowan, marketing manager.

R.M. Fields & Co. Ltd.

Public Ledger Building, Suite 856, Philadelphia, Pa. 19106; 215-625-9639; fax: 215-625-9679

1993 Revenues

Special projects	100%

Staff

Total	9
Professionals	6
Includes: 2 principal consultants, 3 consultants, 1 analyst	

Clients

Budgets less than $1,000,000	4%
Between $1,000,000-$4,900,000	2%
Between $5,000,000-$9,900,000	38%
Between $10,000,000-$24,900,000	36%
Budgets over $25,000,000	20%
Minimum size	None

Consulting since: 1982.

Frequent special projects: Insurance contract analysis, loss settlement assistance, insurance archaeology, historic insurance audits, insurer solvency analysis, policy data base management.

Specialties: Oil/chemical, utilities, manufacturers, airlines, religious institutions.

Locations: Los Angeles, London.

Compensation: By the project, by the hour: principal consultant, $275.

Officers: Randolph Fields, president; Geoffrey Cullen, senior vp; James Ma-

Continued on next page

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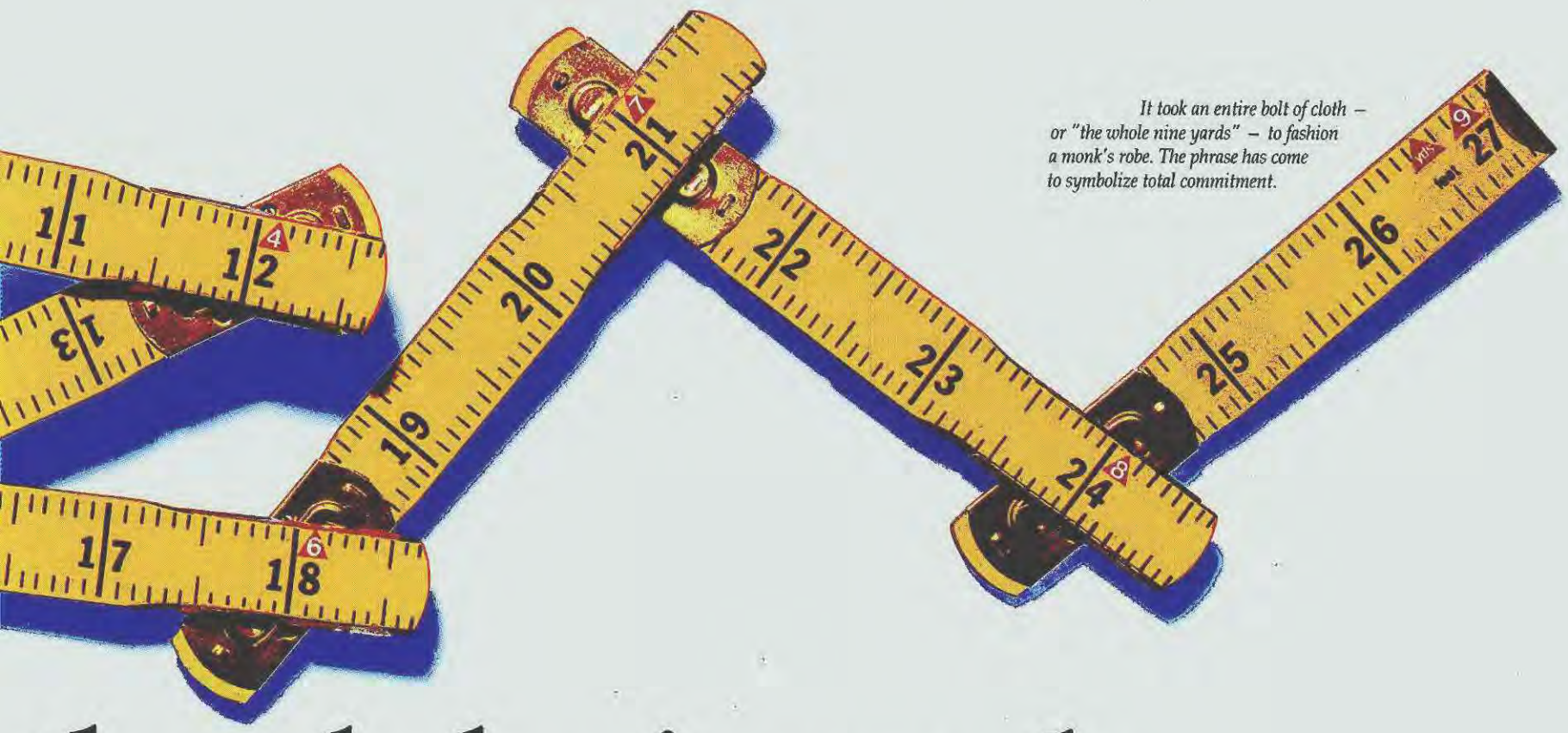

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Continued from previous page
charen, Henry Booth, David Jones, vps.
Contact: Geoffrey Cullen.

First Risk Management Co.

636 Old York Road, Suite 220, Jenkintown, Pa. 19046; 215-885-1125; fax: 215-885-1161

1993 Revenues

Continuous consulting	13%
Risk management audits	3%
Special projects	49%

Staff

Total	7
Professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients

Total	50
Minimum size	None

Consulting since: 1956.
Frequent special projects: Analysis of limits, broker assessment, loss settlement assistance, preparation of bidding specifications, expert witness, litigation support consulting services.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, loss prevention audits, risk management organization studies.
Specialties: International, bottling industry.
Compensation: On retainer, by the hour: principal consultant, $320.
Membership: SRMC.
Officers: Leonard J. Silver, president; Bonnie Esposito, secretary; Harry Cylinder, assistant vp.
Contact: Leonard J. Silver.

William D. Fleming & Associates

1221 Creekside Drive, Wheaton, Ill. 60187; 708-690-0350; fax: 708-690-8968

1993 Revenues

Total gross revenues	$500,000
Continuous consulting	30%
Risk management audits	40%
Special projects	30%
Risk management consulting revenues	$500,000

Staff

Total	9
Professionals	7
Includes: 1 principal consultant, 6 consultants	

Clients

Total	65
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%

Consulting since: 1988.
Frequent special projects: Insurance contract analysis, broker assessment, risk management organization studies, preparation of bidding specifications, expert witness.
Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, RMIS consulting.
Specialties: Public entities, law firms.
Compensation: By the project, on retainer, by the hour: principal consultant, $125.
Membership: SRMC.
Officers: William D. Fleming, principal.

Fortune & Co. Risk Managers Inc.

6405 Metcalf Ave., Overland Park, Kan. 66202; 913-262-7475

1993 Revenues

Continuous consulting	85%
Risk management audits	2%
Special projects	13%

Staff

Total	3
Professionals	2
Includes: 2 principal consultants	

Clients

Budgets less than $1,000,000	100%
Associations	1
Minimum size	None

Consulting since: 1977.
Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications, RMIS consulting.
Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, 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, $75-$100.
Officers: Burton A. Selfridge Jr., president/treasurer; Cheryl W. Intrater, vp; Heather L. Coldsnow, secretary.

Fortune Risk Management Inc.

9000 W. Sheridan St., Suite 125, Pembroke Pines, Fla. 33024-8801; 305-436-7384; fax: 305-436-7385

1993 Revenues

Continuous consulting	60%
Risk management audits	10%
Special projects	10%

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Total	8
Budgets less than $1,000,000	87.5%
Between $1,000,000-$4,900,000	12.5%
Minimum size	None

Consulting since: 1991.
Frequent special projects: Analysis of limits, insurance contract analysis, loss settlement assistance, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, broker assessment, risk management organization studies, expert witness.
Compensation: On retainer, by the hour: principal consultant, $120.
Officers: David E. Fortune.

Fowler Insurance Services Inc.

8401 Mayland Drive, Richmond, Va. 23294; 804-270-9524; fax: 804-270-9527

1993 Revenues

Continuous consulting	60%
Risk management audits	10%
Special projects	20%

Staff

Total	2
Professionals	1

Clients

Budgets less than $1,000,000	100%
Associations	2
Minimum size	None

Consulting since: 1988.
Occasional special projects: Analysis of limits, insurance contract analysis, broker assessment, preparation of bidding specifications, expert witness.
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

1993 Revenues

Special projects	100%

Staff

Total	1

Clients

Total	9
Budgets less than $1,000,000	5%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	25%
Budgets over $25,000,000	10%
Associations	2
Minimum size	None

Consulting since: 1983.
Frequent special projects: Claims auditing, risk management organization studies.
Occasional special projects: Risk retention analysis, analysis of limits, 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, forest products.
Compensation: By the project.
Officers: Richard B. Frank.

Leonard J. Friedman Risk Management Inc.

170 Great Neck Road, Great Neck, N.Y. 11021; 516-466-0750; fax: 516-466-0997

1993 Revenues

Total gross revenues	$1,000,000
Continuous consulting	90%
Risk management audits	5%
Special projects	5%
Risk management consulting revenues	$1,000,000

Staff

Total	11
Professionals	7
Includes: 3 principal consultants, 1 consultant, 3 analysts	

Clients

Total	35
Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	10%

Continued on next page

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Agent/Broker Topics

A monthly editorial section sent exclusively to agents and brokers

A world of opportunity awaits brokers in a variety of international markets

Brokers planning to go abroad but remain focused on U.S. middle market

By SALLY ROBERTS

Becoming a truly international broker is not a foreign concept to executives at Arthur J. Gallagher & Co., Acordia Inc. and Hilb, Rogal & Hamilton Co.—it is just not a short-term priority.

Executives at these large U.S.-based brokers, while acknowledging the increasing international focus within Corporate America, say their current emphasis remains in the U.S. middle market, where there is still ample opportunity for these brokers to grow.

Unlike the world's largest brokers, which own offices around the world or have establsished highly formalized correspondent networks, these middle-tier are focusing on acquiring U.S.-based agencies and brokers and expanding their clout on this side of the border.

That does not mean Gallagher, Acordia and HRH have missed the boat to international opportunities, however. They all have the means to tap the London market to place coverage for clients and say they currently can service any of their clients' international needs.

The brokers also understand that to serve their clients and to maintain their market position in the future, they will have to increase their international capabilities. All three are studying global opportunities and expect to be significant global players in the near future.

"Not a quarter goes by where there is no discussion about the opportunity in the U.K., Mexico and other parts of the world," said Patrick M. Sheridan, executive vp and chief financial officer of Acordia.

Business Insurance's annual ranking of brokers currently places Indianapolis-based Acordia as the world's 13th-largest broker, based on 1992 revenues of $207.2 million. Based on 1993 revenues, including those from American Business Insurance Inc., which Acordia acquired last fall, Acordia could rank as high as the ninth-largest broker in the world, with $338.8 million in revenues.

Clearly, an international focus is part of the broker's long-term strategy, Mr. Sheridan said. "We have a number of folks with experience that keep us in tow with

Continued on next page

Global

Continued from previous page
what's going on."

In the meantime, Acordia remains focused on acquiring other U.S. brokers, he said.

For example, "we have a heavy presence in Indiana, Kentucky, Ohio, West Virginia and Pennsylvania, but there are still lots of decent-sized cities we have no operations in that we would like to," he said.

At this time, any international services that clients need can be handled through the agreement with London-based broker Bain Clarkson Ltd., Mr. Sheridan said. With the ABI acquisition last year, Acordia assumed the year-old reciprocal services agreement between ABI and Bain Clarkson, under which the two brokers refer business to one another (*BI*, Aug. 30, 1993).

In addition to opportunities overseas, the recent passage of the North American Free Trade Agreement has "everyone interested" in Mexico, he added. "We've got a list of what's available there, but we haven't crossed the border yet."

Currently, "an insignificant amount of revenue comes from international clients," Mr. Sheridan said. However, five years from now, "we will be an international player and will have made international acquisitions."

On the other hand, the global strategy at Itasca, Ill.-based Arthur J. Gallagher "is not to run around the world and buy up international brokers," said J. Patrick Gallagher, president and chief operating officer. He noted that he doesn't envy the international networks formed by brokers like M&M and A&A.

In addition to opportunities overseas, the recent passage of the North American Free Trade Agreement has 'everyone interested' in Mexico, says Patrick M. Sheridan, executive vp and chief financial officer of Acordia.

Instead, Gallagher picks the best independent brokers in countries that need representation in the United States and develops nonformal agreements to work with them, he said. It's "quid pro quo." They gain access to U.S. markets, and Gallagher gains access to markets in their country.

Gallagher, which like Acordia and HRH builds its business largely on a book of medium-sized accounts, is currently the 10th-largest broker in the world, based on $272.7 million in revenues for 1992, as ranked by *Business Insurance*.

Mr. Gallagher contends that "partnerships" are the best strategy because of "the different mind-set."

For example, because two independent brokers agree to work together, Gallagher is not locked into an office that is "not so great." For example, Gallagher doesn't have to go overseas and manage the office there, and if the overseas office develops problems and the partnership loses its appeal, Gallagher will simply look for another partner.

In addition to 38 business arrangements in Europe, South America and the Far East, Gallagher has three foreign subsidiaries:

- Gallagher Bassett International Ltd. The London-based unit of Gallagher Bassett Services Inc. provides risk management services for foreign companies' overseas and U.S. operations.
- Gallagher Plumer Ltd. Also London-based, Gallagher Plumer places international insurance and reinsurance with underwriters at Lloyd's of London and other markets for Gallagher, retail clients and other brokers worldwide.
- Arthur J. Gallagher & Co. (Bermuda) Ltd. It provides clients access to the Bermuda and other international insurance and reinsurance marketplaces.

Gallagher's revenue from global risk management services was a little more than $2 million in 1993, Mr. Gallagher said, adding that global brokerage income was a little more than that.

Mr. Gallagher pointed out that the number of clients that use Gallagher's international services is expected to increase, along with the number of countries in which Gallagher has partnerships.

"In five years, there is the potential, depending on the market, for huge growth" internationally, he said.

Robert H. Hilb, president of HRH, gives a clearer time frame for the international future of the Glen Allen, Va.-based broker.

In 10 years, 15% to 20% of the broker's book will be generated from international business, and within five years, HRH will have offices outside the United States, he predicts.

Going global "is something we are studying a lot more of than you might think," he said. "We do lots of networking and do lots of correspondence work with London brokers and foreign subsidiaries."

HRH currently holds the No. 18 spot in the *BI* ranking of the world's largest brokerages, based on 1992 revenues of $125.9 million.

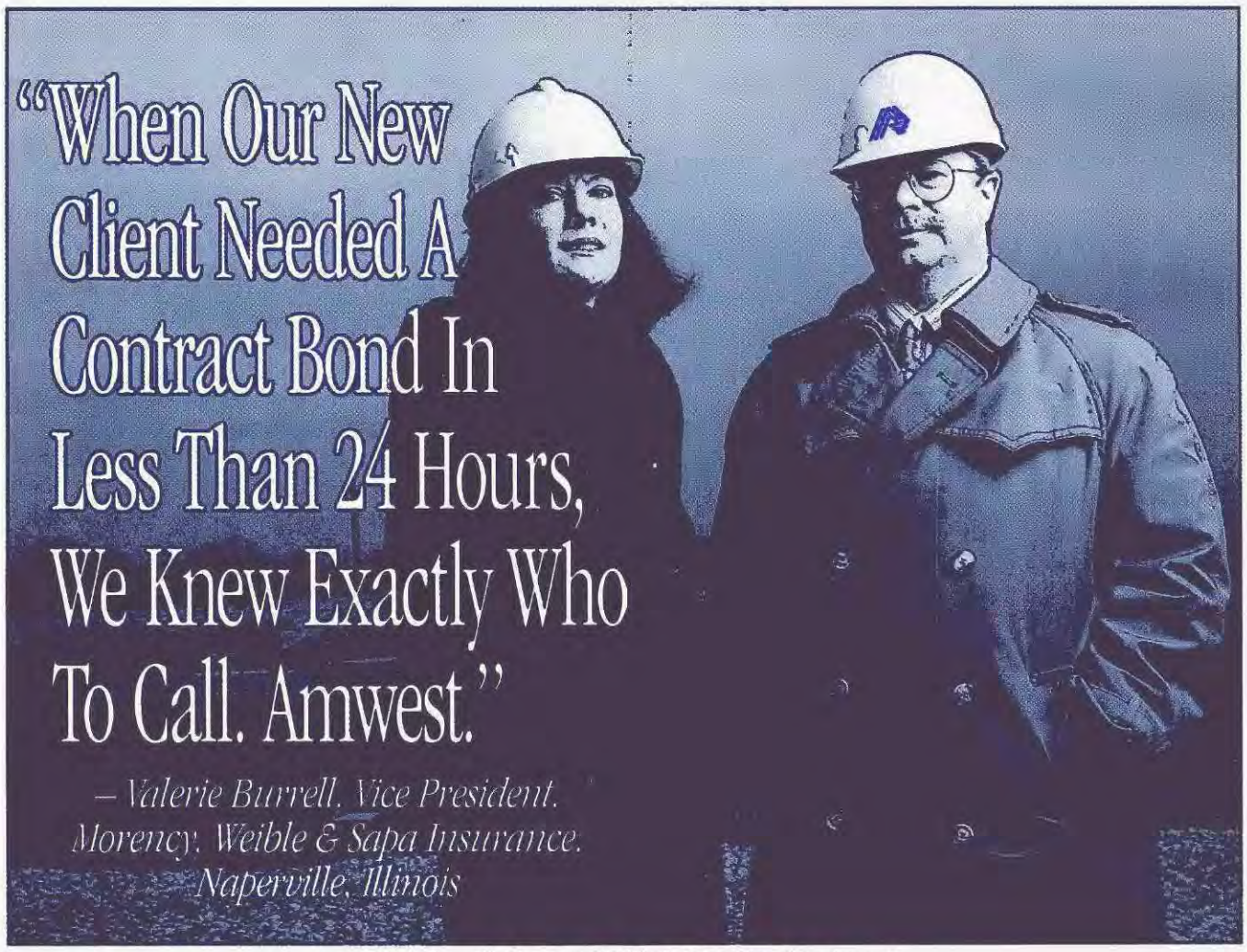
Right now, however, "there is more opportunity for greatness still in the U.S.," Mr. Hilb commented.

HRH's 4-year old HRH International unit serves HRH-owned agencies as a central facility for risks placed outside the United States. More than 60% of HRH agencies tap HRH International for access to the London market (*BI*, July 5, 1993).

While, HRH International produced more than $1 million in revenues for the year, it amounted to less than 1% of total revenues, Mr. Hilb said.

In addition, HRH is looking into the potential growth stemming from the passage of the North American Free Trade Agreement, he said.

HRH currently has offices on the Mexican border in McAllen and Corpus Christi, Texas, and in San Diego. BI



Valerie Burrell, Morency, Weible & Sapa; Tom Kay, Amwest

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Agent/Broker Topics

Smaller brokers tap others' global services

By SALLY ROBERTS

What does a smaller domestic broker with no international capabilities do when its client opens up a manufacturing operation in Germany or needs political risk advice on Central America?

In many cases, the broker can rely on international insurers to help service the account.

Executives at Robert F. Driver Co. Inc. in San Diego use global insurers to obtain information on regulations in foreign countries and to help develop relationships with overseas brokers, said Stan Hartman, account executive.

"We don't necessarily have offices outside the U.S.," he said. Instead, the broker develops relationships with other brokers overseas. And if there is no relationship in a certain country, "it's easy to go to (American International Group Inc.) and they will give us the name of one of their large brokers in that country for us to build a relationship with."

Based on *Business Insurance's* annual ranking of brokers, Robert F. Driver is the 31st-largest broker of U.S. business, based on 1992 revenues of $21.3 million.

With no offices outside the United States, Meadowbrook Insurance Group also uses a number of international contacts to help service any clients that go abroad, said Merton Segal, chairman of the Southfield, Mich.-based broker.

"There is not too much call for the international market," he acknowledges. But when the situation does arise, the broker calls on contacts in the international reinsurance market and brokers at Lloyd's of London to help out.

In some instances, the broker will call on a domestic insurer that has foreign offices, "and they often tell us to call one of their international underwriting offices" for any help, Mr. Segal said.

Business Insurance ranks Meadowbrook as the 38th-largest broker of U.S. business, based on 1992 revenues of $18 million.

Brokers with no global capabilities can serve international clients in various ways, said Timothy J. Cunningham, senior consultant with Hales & Associates Inc. in Westchester, Ill.

In addition to developing their own in-house international capabilities and using the expertise of international insurers, smaller brokers can "co-broker" an account with a larger global broker like Marsh & McLennan Cos. Inc., he said. Smaller brokers can also develop reverse-flow agreements with brokers overseas, in which each broker agrees to give the other representation in their country.

In some instances, the smaller broker will not have the capabilities to meet the demands of international clients, despite having international agreements, said Fred Dopfel, president of Russell Miller Inc. in San Francisco.

"It's all analogous," he said. In a situation in which a local broker has a client and that client grows and expands into different states, the local broker will try to maintain and service that relationship. However, in the event the broker doesn't have the capabilities to service the client, it will lose the account to the next bigger player.

If that client continues to grow and expands internationally and the bigger broker cannot provide adequate services, it will lose the account to an international broker with global services, Mr. Dopfel explained. BI

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No cover for broker's placement

By LOUISE KERTESZ

A broker that was sued for allegedly negligent placement of a bond with an insurer that became insolvent cannot obtain coverage under its professional liability insurance policy because of an exclusion for insurer insolvency, a federal court has ruled.

Subcontractors of Roma Construction Corp. sued Contractors Bond Brokerage Inc. of San Jose, Calif., for contract and other damages, alleging the broker was negligent in securing a construction payment bond for Roma with now-insolvent Presidential Fire & Casualty Co.

Gretna, La.-based Presidential failed in early 1992 (*BI*, March 2, 1992).

The broker tendered claims arising from those suits to its E&O insurance company, United National Insurance Co., of Bala Cynwyd, Pa.

However, United National won a summary judgment in U.S. District Court in San Francisco. The court ruled that United National's policy does not require it either to defend or to indemnify CBBI for the subcontractor's suits.

The exclusion in the United National policy provides that coverage "does not apply to claims arising out of or in connection with the financial inability to pay, insolvency, receivership, bankruptcy or liquidation of any insurance company," the court ruled.

CBBI had argued the exclusion did not apply because Presidential is a surety company, not an insurance company.

However, the court ruled that the use of the word "insurance" in CBBI's professional liability insurance policy included surety insurance.

CBBI has filed a motion to reconsider, which was scheduled to be heard late last week, according to James Nielsen of Wright, Robinson, McCammon, Osthimer & Tatum in San Francisco, United National's attorney.

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United National Insurance Co. vs. Contractors Bond Brokerage Inc., U.S. District Court for the Northern District of California; No. C 93-3752-FMS.

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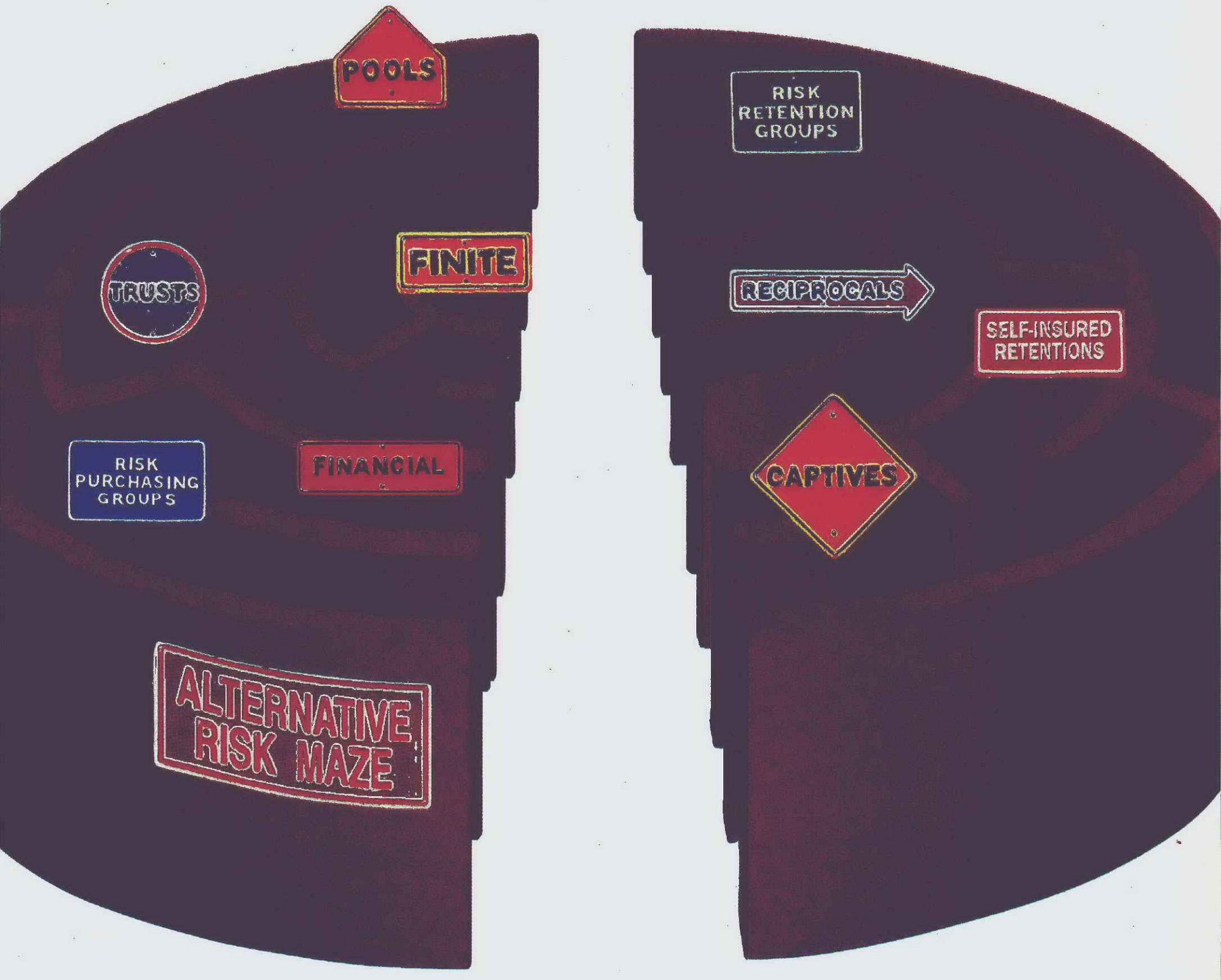

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Agent/Broker Topics

Seeing profit in international privatizations

Winds of change signal windfall for agents and brokers as well as governments

By ADRIAN LADBURY

Privatization of former state-owned enterprises is expected to generate hundreds of billions of dollars for governments worldwide over the next five years.

These deals also mean thousands of dollars in revenues for insurance brokers that place insurance and provide other services.

In the United Kingdom alone, which is serving as a model for European privatizations, successive conservative governments have sold off nearly $60 billion worth of state assets since 1981. And throughout Europe, state-run enterprises are expected to continue to be sold to the private sector to raise much-needed capital.

Investment bankers, lawyers and accountants have been quick to tap the wealth of fees arising from this global phenomenon.

Insurance brokers are swiftly catching up.

Managing the change from state to private ownership requires much more than simple insurance advice, brokers say. Buyers, sellers, managers and external investors of newly privatized enterprises also face a multiplicity of exposures that demand more extensive risk management services.

If the clients for these services also place their insurance business with the broker, that's just icing on the cake, the brokers claim.

Several major brokers now are starting to offer privatization consulting services.

"We are still the new kids on the block as far as the professionals are concerned—the bankers, accountants and lawyers—but we are more sophisticated now and probably doing just as professional a job," contends Tim Hopkirk, executive director of Advanced Risk Management Services in London, a risk management consulting arm of Willis Corroon Group P.L.C.

The scale of global privatizations is mind-boggling and it is no surprise that the brokers are keen to get in on the act.

U.K. investment managers, many of which are now veterans at privatizations, have been falling over themselves to take advantage of the latest wave of interest. In fact, three major investment funds specifically aimed at privatizations have been launched in Britain already in 1994.

One of those firms, London-based investment manager Guiness Flight Global Asset Management Ltd., estimates that over the next five years the value of privatizations in established markets in Europe, the Far East and Australasia will reach a staggering $170 billion. Another $15 billion will be raised through privatizations in emerging markets like Latin America and Turkey, the firm contends.

Europe currently is the international hotbed of privatizations and the other new funds are targeting investors for European ventures.

"European governments see privatization as a means of raising revenue in the short term, resulting in more efficient, competitive industries in the longer term. This provides private investors with an immense opportunity," said Simon White, managing director of Kleinwort Benson Investment Management, which launched one of the funds last month.

Kleinwort's fund has singled out France, Italy and Spain as the three major growth regions for privatization "turnover" in Western Europe. The investment bank estimates that the three countries together will raise $35 billion over the next three years by privatizing government industries.

France also is looking to privatize several of its state-owned insurance companies (*BI*, Dec. 20, 1993).

Investment bank Mercury Asset Management P.L.C. also launched an investment fund aimed at privatizations in Europe.

Mercury estimates that there is already about $300 billion worth of stock in privatized companies on the market and another $120 billion or so will hit the market in the next five years. The investment bank singles out telecommunications and utilities as likely privatization targets in Europe.

The value of potential privatizations is enormous and brokers are still determining how to earn fees from assisting the buyer, seller, manager or investor of privatized entities.

Dutch broker ABN-AMRO Verzekeringen B.V., for example, saw significant revenue growth in 1992 after the Netherlands privatized a variety of public services—fire departments, law enforcement and public schools—many of which required insurance for the first time (*BI*, July 5, 1993).

Willis Corroon has identified seven core areas where brokers can be of service in privatizations:

• Assessment of pre-privatization liabilities.

This entails determining, for example, whether the new entity will be liable for future claims arising from past exposures. If so, the broker should ascertain whether these liabilities should be capped or shared with the government.

• Interpreting new statutory/regulatory/contractual frameworks.

Managers of former state enterprises especially have big problems dealing with new regulatory requirements, which can come as a great cultural shock. Also, complex contractual relationships that private companies deal with every working day are not common in the usually horizontally and vertically integrated state enterprises.

• Sorting loss data.

State enterprises generally have had no reason to record loss data of individual operating units in a systematic and historical manner.

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This makes estimation of liabilities difficult, if not virtually impossible.

- Advising on a new management structure.
- Minimizing directors and officers liability exposures.
- Assessing property/casualty insurance needs.
- Assessing the entity's ability to retain risk.

Mr. Hopkirk of ARMS said that Willis Corroon started getting interested in privatization work in the mid-1980s, when the process started to heat up in the United Kingdom.

The breakup and privatization of the United Kingdom's electricity industry in 1990, which had been collectively governed by the Central Electricity Generating Board, was the broker's first major foray into this field.

It also gave Willis Corroon and other brokers plenty of new clients as the 22 newly privatized regional electricity boards hired new brokers. Before the breakup, Sedgwick Group P.L.C. had provided brokerage services to the regional entities for 25 to 30 years.

Willis Corroon, for example, now has six and a half—it shares one account with Bain Clarkson Ltd.—of the regional accounts. But, winning the brokerage account was only the beginning.

The broker then had to assess the new entities' potential liabilities.

"If you take out the manufacturing enterprises, there should be very little product liability risk, so the main risks left are employers liability plus environmental and public liability," Mr. Hopkirk said.

"But take the Central Electricity Generating Board: There were so many different parts to the organization before privatization and imagine how many different parts the employees worked in at different times in their career. How could they have accounted for future claims? So a big pot was put to one side by the government" to cover future liability claims.

"Contractual liability is another very important area because instead of having just one contractual relationship with the CEGB (as the central buying pool for the regional boards), all of a sudden you had to have strict contractual guidelines between perhaps 15 different parties. So the contractual issues were really quite enormous," said Mr. Hopkirk.

After the privatization, the broker was on more familiar ground, providing such services as insurance placement and setting up and managing captive insurers for the regional electric companies.

Following the electricity industry's privatization, 20 new captive insurers were formed, most of which are domiciled on the Isle of Man, said Mr. Hopkirk.

The Isle of Man also boasts captives owned by British Gas P.L.C. and British Telecommunications P.L.C., both of which were privatized in the 1980s.

Alexander & Alexander Services Inc.'s Alexander Howden Ltd. subsidiary in London has set up a coordination and management committee to manage its growing book of privatization work, which it calls the Privatization Consulting Group.

A&A identifies much the same opportunities for brokers arising from privatizations as Willis Corroon, but further splits its services between governments and buyers of privatized entities.

For governments, A&A performs, among other services, feasibility studies for privatizations; strategies for a successful privatization; training for management and staff for the transition; asset valuation; and analysis of liability exposures.

The goal of these services to governments is to "create a well organized, smoothly running private entity attractive to investors," said Alan Punter, managing director of Alexander Howden's financial services division.

Once a company is privatized, A&A can provide, among other things, insurance bid preparation; arrangement of risk management and insurance services; assessment of pension and employee benefit plan liabilities; and the design, pricing and implementation of compensation plans for employees.

The importance of pension and compensation consulting cannot be underestimated in a privatization, Mr. Punter said. In the United Kingdom, at least, these items can account for the lion's share of the broker's work.

Managing post-employment liabilities can be a big job in most privatizations. These deals are typically followed by massive job cutbacks as managements slash nonproductive areas of the organization that previously may have been protected under government ownership.

For British Gas, this process is proving very expensive.

The company has taken an extraordinary charge of $2.45 billion to pay for the corporate restructuring needed to compete in the private sector.

Among other things, the huge bill will help cover costs associated with the dismissal of about 25,000 workers this year. British Gas estimates that the severance and pension costs associated with the dismissals will total $1.95 billion.

To Mr. Punter, the fact that Alexander Howden is tackling these kinds of problems is proof that the modern insurance broker is capable of providing far more than insurance placement services.

Both Mr. Punter and Willis Corroon's Mr. Hopkirk like to think that their privatization services are more than a means of getting a foot in the door to pitch their brokerage services. Neither could deny, though, that it is nice to win the brokerage account, as well.

"The traditional insurance broker is not appropriate anymore," said Mr. Punter. "What has shifted for some of the brokers is that you have this much broader consulting activity, whereby you are not simply reacting to a client coming to you and asking you to place their insurance business. . .but are almost acting as the management consultancy."

Newly privatized entities "are not natural insurance buyers anyway because they have not bought it in the past. They want advice on how to run their operation and how to manage and minimize risk. They need to better run and assess risk that beforehand they had not perceived," he said.

Mr. Hopkirk agreed. "Our role is very much the consultancy role and the initial stages of the consul-

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Privatization

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tancy role. . .but once it's back out into the private sector it's really like any other industrial account. You'd certainly expect to be able to compete with the other brokers once you'd carried out the job," he said.

Meanwhile, though privatizations continue apace in Western Europe, it likely will be some time before brokers are competing tooth and nail for privatization work in the former Soviet bloc countries.

Russia, in particular, is expected to delay privatizations until the political landscape there is more settled.

But in the long term, the former Soviet bloc, and Russia especially, could provide a huge volume of privatization work. In anticipation of this scenario, some brokers are entering these markets now in hopes of cleaning up in the not-too-distant future.

Privatization opportunities in Eastern Europe are "very piecemeal" for brokers, according to Mr. Punter.

"The main advice the governments are looking for is on the whole structure of the privatization process itself. Maybe there is more focus on how to raise the finance or whether to sell off the company in parts or as a whole, which is more of a merchant bankers job," Mr. Punter said.

Johnson & Higgins is one broker keen to establish itself in Russia now so that it will be able to tap into the rich vein of privatization revenue when and if it starts to flow.

Paul Merlino, vp and area coordinator for Eastern Europe and the former Soviet Union, has been busy setting up the framework for J&H business in the former Soviet bloc countries.

J&H's colleagues in this venture are its partners in the international UNISON brokerage network, particularly German broker Jauch & Huebener and Gras Savoye S.A. of France.

J&H's Moscow office now spends 90% of its time servicing its multinational clients and the other 10% carrying out ad hoc consulting and brokerage work for Russian entities.

Mr. Merlino is convinced that J&H's presence and business ties will pay dividends once Russia begins privatizing state-run enterprises.

Privatization opportunities in Eastern Europe are 'very piecemeal,' says Alan Punter.

"The state has started on smaller and some medium-sized enterprises, mainly in the retail sector. But, the big dinosaurs that will need complete restructuring and 90% of their staff laid off have not been tackled yet for various political reasons. . .but we are working as an adviser to the government in conjunction with various banks that would help finance the projects."

Mr. Merlino believes other brokers may rue their decision to wait until privatizations begin en masse before trying to win clients among privatized entities in the former Soviet bloc.

"I can see why the others are afraid and sit back and watch and handle the business from the West, but the Russians keep on telling us that 'Yes, these are hard times but those that are here with us now will probably have the advantage later on when things become a little bit easier.' You have to make a commercial decision on whether you want to make an investment that could make money in the future," Mr. Merlino observed. BI

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Pomeroy gives advice on lobbying

By MARK A. HOFMANN

The best way for insurance agents to influence legislation is to put their political biases aside and "work very hard at building relationships" with their representatives, advises a congressman and former state insurance regulator.

Rep. Earl Pomeroy, D-N.D., offered that bit of advice to independent agents attending the National Assn. of Professional Insurance Agents' federal legislative conference in Arlington, Va., last week. He drew on his own experiences as a congressman, ex-state legislator, former North Dakota insurance commissioner and past president of the National Assn. of Insurance Commissioners to describe the ins, outs, do's and don'ts of the legislative process to the agents as they prepare to take their case to Capitol Hill.

Rep. Pomeroy said he had not initially intended to run for Congress in 1992. In fact, he and his wife were preparing to join the Peace Corps to go to Russia when a shakeup in state politics left the Democratic nomination for North Dakota's sole congressional seat open. Rep. Pomeroy said a friend urged him to accept his party's nomination by saying, "You don't have to go all the way to Moscow to find a government in chaos."

The freshman lawmaker found a Congress with an institutional structure that he called "very confused." For instance, different committees have overlapping jurisdictions. Rep. Pomeroy cited as examples the House Judiciary and the Energy and Commerce committees. Each committee approved its own bill to curb alleged insurer redlining, but the bills take widely divergent approaches.

Most legislators are "generalists professionally," Rep. Pomeroy said. They must make decisions based on very limited knowledge of issues that don't usually concern them. And, there's "too ready a tendency to think that every wrong in this world" can be corrected by a federal action.

He also criticized the current Congress as being too ideological and too partisan. "There will not be health care reform without some bipartisanship."

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But Rep. Pomeroy suggested the debate over the North American Free Trade Agreement hinted that more bipartisanship may be in the offing. Republicans and Democrats crossed party lines during the NAFTA debate and eventual passage of the bill.

The congressman noted that he had to rely on bipartisanship when he served as North Dakota insurance commissioner. He said that PIA National Director and North Dakota legislator Frank Wald, who introduced Rep. Pomeroy at the PIA conference, proved to be his "point man" on insurance regulatory issues in the state Legislature, even though Mr. Wald is a conservative Republican and Rep. Pomeroy is a Democrat.

Rep. Pomeroy pointed out that when he and Mr. Wald served together in the statehouse, they could disagree on budgetary matters and then put party differences aside to join forces on other matters.

Rep. Pomeroy urged agents to put aside their personal opinions of individual lawmakers in favor of trying to work with them on issues of interest.

Agents, he said, must play a role in the debate over state regulation of insurance and should work to enhance the credibility of state insurance departments.

The congressman also counted off a list of federal initiatives that will affect agents and offered his assessment of the outlook for each.

The good news about the health care reform debate is it has stifled the debate over a federal role in regulating insurance company solvency, he said. The bad news is that the Clinton administration's approach to health care reform challenges the primacy of state regulation of insurance.

A provision in the Clinton proposal that would repeal McCarran-Ferguson Act antitrust protection for health insurers is the "stupidest, screwiest" part of the bill, he said. He also cited the administration's call for mandatory purchasing alliances, global budgeting and mandating that employers offer health care coverage as other troublesome aspects of the measure.

"I'm kind of disappointed that the insurance industry has emerged as the No. 1 bogeyman" in the debate over health care reform, Rep. Pomeroy said.

The nation does have a health care crisis, he said, but blame for the crisis has centered on insurers. He criticized a series of television commercials sponsored by the Health Insurance Assn. of America as having "personalized the debate" as one between insurers and the White House, thereby giving health care providers a "free ride."

"I think this Congress genuinely wants to enact health care reform," he said when a member of the audience asked him if he thought the debate would continue into 1995. "Failure to address reform today means more radical reform tomorrow."

Rep. Pomeroy said he doesn't see a push yet to enact a natural disaster response bill in this Congress. But he said that support is growing for the bill, which among other things would create a federal reinsurance facility that would respond to truly catastrophic events.

H.R. 1290, the federal solvency regulation bill drafted by House Energy and Commerce Committee Chairman John D. Dingell, D-Mich., is a "work in progress," Rep. Pomeroy said. He added that he believes that the bill's interstate agent licensing provisions would be biased toward large, national insurance brokers at the expense of independent agents.

Regarding redlining legislation, Rep. Pomeroy said the punitive approach taken by Rep. Joseph Kennedy II, D-Mass., in H.R. 1257, is "not good public policy." H.R. 1188, sponsored by Rep. Cardiss Collins, D-Ill., and supported by insurers and agents, is a much more reasonable bill. But even though the Collins bill appears to have more backing, some consumer groups have begun vocally pushing the Kennedy approach recently, he said.

Rep. Pomeroy also praised the Clinton administration for advocating reform of the federal crop insurance program. He said it is not fair that some farmers regularly pay premiums to the program while others receive federal disaster assistance without paying premiums. BI

Agents review issues now in Congress

By MARK A. HOFMANN

Although health care reform was never far from the minds of insurance agents visiting their local lawmakers on Capitol Hill, that issue was not the only concern of agents who attended the National Assn. of Professional Insurance Agents federal legislative conference.

The PIA members who gathered in Arlington, Va., last week, also received progress reports on such issues as federal natural disaster policy, the continuing controversy over banks' expanding insurance powers and the tax treatment of intangible assets.

Frank Nutter, president of the Reinsurance Assn. of America, urged agents to push hard for passage of the Natural Disaster Protection Act. The House version of the bill, H.R. 2873, is sponsored by Rep. Norman Mineta, D-Calif., and the Senate version, S. 1350, by Sen. Daniel Inouye, D-Hawaii. The measure would encourage local and state governments to undertake catastrophe mitigation efforts, such as tightening building codes; encourage homeowners to buy earthquake insurance; and create a federal reinsurance facility that would respond following a truly catastrophic event. The facility would be funded by insurers and reinsurers.

Mr. Nutter noted that H.R. 2873 recently received a very favorable hearing before the House Public Works Committee's Subcommittee on Water Resource and the Environment (*BI*, Feb. 28). Its Senate version won considerable support when it was the subject of a hearing late last year as well.

There is no organized opposition to the bills, he said. The problem has traditionally been one of "benign neglect" as previous versions of the measure have languished in subcommittees. Although Mr. Nutter said that he couldn't predict whether the bill would indeed become law this

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year, the recent Los Angeles earthquake gave the measure a much higher profile than earlier versions.

Scott Sinder, an associate in the Washington office of law firm Jenner & Block, said the debate over expansion of banks' insurance powers is unlikely to be addressed during the current congressional session.

Sen. Christopher J. Dodd, D-Conn., had initially intended to link greater bank leeway in interstate banking with restrictions on the right of national banks to sell insurance. But Sen. Dodd withdrew a restrictive amendment to the interstate banking bill approved by the Senate Finance Committee late last month.

Mr. Sinder noted that one possible reason for the senator's action was that insurance agents were no longer united on the issue. But when a member of the audience asked him if life insurance agents had torpedoed the Dodd amendment by demanding further restrictions, Mr. Sinder politely declined to answer.

A third issue of concern to agents is the tax deductibility of intangible assets like customer lists and goodwill. Kenneth J. Kies, coordinator of tax practice at the Washington law firm Baker & Hostetler, said Congress urged the Internal Revenue Service "in the strongest possible terms" to settle intangibles disputes that were outstanding when the Budget Reconciliation Act went into effect last year. But, the IRS settlement guidelines don't impact service industries as favorably as they do manufacturers, he said (see story, page 30L).

The IRS had held that customer lists, insurance expirations and other similar intangibles were non-amortizable assets. However, the Supreme Court ruled otherwise last year in *IRS vs. Newark Morning Ledger* (*A/BT*, May 3, 1993).

Mr. Kies said that the IRS's current guidelines don't adequately reflect the Newark Morning Ledger decision.

Insurance agents ought to spend some time during the Capitol Hill visits explaining to legislators their concerns about the treatment of intangibles, Mr. Kies advised. BI

Broader not necessarily better, insurers find

Insurers hope specializing in appropriate niches will lead to underwriting profitability

By GAVIN SOUTER

Big losses in several lines of business are forcing insurers to review their underwriting strategies.

And, following those reviews, many insurers are deciding that the way back to underwriting profit is specialization.

While the days of the multiline insurer are far from numbered, many insurers are picking and choosing business niches rather than trying to be all things to all people, insurers and brokers say.

Insurers now are more carefully analyzing their results by specific business and geographical area and concentrating their efforts on the lines in which they are making money—rather than losing it.

Insurers are unbundling their portfolios, and units that are losing money are being revamped, shut down or sold off. And those companies that continue to offer broad arrays of coverages are trying to better control the risks they accept through tighter underwriting guidelines and more field visits to policyholders.

Most of the changes in strategy are being seen in middle-market accounts where significant amounts of risk transfer is common, said Horace Holcomb, director of Impact, a market intelligence focus group within Alexander & Alexander Services Inc. in New York.

"Companies are concentrating on niches where they've done a lot of research. . . .They feel that they have a well-spread book and that they understand the risks better, so they can separate the good from the bad," Mr. Holcomb said.

These companies then develop specialized loss control, claims handling and legal departments with expert knowledge of particular fields, rather than asking the same staff to handle numerous different types of business, he said.

And where insurers are finding that they do not have the expertise or desire to participate in certain areas, they are selling business units or subsidiaries to other companies that still have an appetite for the business, he said.

"It would appear that the way to succeed in the insurance industry is to specialize," agreed Brian O'Hara, president and chief operating officer of Bermuda-based excess liability insurer X.L. Insurance Co. Ltd.

Over the past few years, several large multiline insurers have downsized and segmented business units in an effort to become more specialized, he said. "It's hard to find an instance where it isn't happening."

Through specialization, companies gain more control over the risks they insure, he said.

While the price of coverage remains an important factor in underwriting, it is becoming less important as companies specialize more, Mr. O'Hara said. "There are more qualitative factors, such as coverage and continuity, that you expect from specialist providers."

Both insurers and policyholders benefit from specialization, Mr. O'Hara said: Insurers have better control over their risks, and customers have more stable coverage.

"So if you are buying casualty coverage, you do not have the situation where your coverage is cut off because your carrier is suffering badly on the property side," Mr. O'Hara said.

Also, customers will not be subjected to broad pricing cycles. Instead, there will be "microcycles" during which the cost of different elements of a company's insurance program will rise and fall at different times, he said.

Gaining greater control over the risks they insure is becoming of paramount importance to insurers, said Richard Franklin, senior vp at CIGNA Corp. in Philadelphia.

During the soft market, many underwriters have concentrated on retaining business at the expense of stringent underwriting, he said.

"There was less attention paid to loss control, financial analysis and exposure identification. . . .We may have saved a few dollars in underwriting costs by doing that, but it cost us more in losses," Mr. Franklin said.

To reduce those losses, CIGNA now is reclassifying much of its business, he said. The insurer is giving its underwriters updated and stricter underwriting guidelines and advice on how to price risks.

As a result of the reclassifications, which began in April 1993, approximately half of CIGNA's commercial package accounts have undergone changes, like increased deductibles, increased premiums or restructured overages, Mr. Franklin said.

Better control of risks is also being achieved through closer work with customers, said Ernest A. Lausier, senior vp and chief underwriting officer at CNA Insurance Cos. in Chicago.

"We are trying to find out what the customer needs are and then fulfill them. Then you are in a position to have underwriters acting as business consultants rather than as an underwriter who just accepts or rejects risks," he said.

To do this, underwriters visit policyholders' facilities, Mr. Lausier said.

And local underwriters are being given more responsibility, he said. "In the past, we may have had 5,000 to 7,000 submissions go to our home office. But that has been reduced by half, and we hope to get it down by 75% because it allows our people to be more responsive to what the customer wants."

The event that stimulated the greater emphasis on more controlled underwriting was Hurricane Andrew in 1992, said Gerard Kelly, senior vp at Johnson & Higgins in New York.

Since then, property underwriters have examined the risks they insure much more thoroughly, he said. "Underwriters are looking at the risks and making sure that their book is well-spread and they are charging the right premium."

Through this process, underwriters have found that many risks insured in the past led to much larger claims than had been expected, Mr. Kelly said. For example, many properties in Florida did not meet the specifications demanded under Florida's building code.

And this style of underwriting will remain even when competition for property accounts increases and prices fall, he predicted.

"With the size of potential catastrophe losses that we now know insurers could suffer, underwriters can't afford to not look carefully at their cat exposures," Mr. Kelly said.

Workers compensation is another line of business in which underwriters have suffered big losses and have been forced to review their strategies, said A&A's Mr. Holcomb.

Companies are now ranking states in terms of how favorable the workers compensation environment is, he said.

As a result, insurers will target about 30 to 35 first- and second-tier states—classified by the regulatory environment of each state—where their workers comp underwriting environment is satisfactory, and they will not seek workers comp business in other states, Mr. Holcomb said.

This strategy can have an impact other coverages, too, because workers comp is often written as part of a package policy. Consequently, insurers will not only avoid underwriting workers comp in some states, but they will in effect be avoiding other coverages in those states as well, he said.

"There will be exceptions for long-term clients, but what will happen is that they will not write new business there," he said.

CIGNA's poor experience in workers comp caused the company to stop writing workers comp coverage as a component of middle-market package policies in 1992, Mr. Franklin said.

Now, it has decided to re-enter the market, underwriting workers comp exposures separately from the rest of the coverage it writes for a policyholder to better reflect the loss exposure, he said.

"We want to write comp as comp, not as part of an account," Mr. Franklin said.

CIGNA will also limit the number of states in which it will offer workers comp coverage to 10 first-tier and five second-tier states.

Despite actions by many underwriters to change their underwriting strategies, there is no sea change in the insurance industry that will lead to better underwriting standards, according to Richard D. Smith, president of Chubb Corp. in Warren, N.J.

"It varies by risk and by company, but you cannot say that there is a compelling notion in the industry to develop more professional and basic underwriting," he said.

But those insurers that wish to be successful should ensure that they are employing professional underwriters with a sound knowledge of the risks they are insuring, Mr. Smith said. BI

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Vague policies interpreted in agents' favor

By JOANNE WOJCIK

Vaguely worded errors and omissions policies covering agents and brokers must pay claims that result when an agent or broker has placed business with an insurer that becomes insolvent, the Kentucky Supreme Court has ruled. However, a professional liability insurer can specifically exclude such coverage, the state's highest court ruled.

The Jan. 31 decision stemmed from the appeal of two conflicting rulings involving an agency E&O policy underwritten by St. Paul, Minn.-based St. Paul Fire & Marine Insurance Co.

Both agents involved had recommended that several of their clients join a self-funded insurance trust called the National Business Assn. Trust, which stopped paying claims and was seized by Kentucky regulators in 1990. The trust members then sued their agents for negligence, asserting that they had failed to properly investigate the trust before recommending it.

In one decision, *St. Paul vs. Putnam Agency*, the U.S. District Court for the Eastern District of Kentucky said coverage existed because of an ambiguity in St. Paul's policy language. The court held that the policy was susceptible to two different interpretations, depending on whether the agency's losses are considered to be a consequence of its negligence in deficiently investigating the insurer and recommending it to its clients, or as a consequence of the insurer's "inability to pay."

As a result, the court held that under Kentucky law the interpretation most favorable to the policyholder should be adopted.

But another judge in the district found in *St. Paul vs. Powell-Walton-Milward Inc.* that such coverage was specifically excluded because the policy stated that the insurer "won't cover claims that result from the inability of an insurance company, joint underwriting association or any similar entity to pay all or part of insured claims."

After reviewing the two conflicting decisions, the Supreme Court sided with *St. Paul vs. Putnam*.

"A policy of insurance is to be construed liberally in favor of the insured and if, from the language, there is doubt or uncertainty as to its meaning, and it is susceptible to two interpretations, one favorable to the insured and the other favorable to the insurer, the former will be adopted," the high court said. However, the court said that a clearly worded exclusion denying coverage for brokers who place business with insurers that become insolvent would not violate public policy. It had been suggested that such an exclusion, which would nullify coverage, would violate public policy because agents and brokers in Kentucky are required by law to buy professional liability insurance.

"The exclusion appearing in St. Paul's policy does not render an agent uninsured," the court said.

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St. Paul Fire & Marine Insurance Co., Movant vs. Powell-Walton-Milward Inc., Supreme Court of Kentucky; No. 93-SC-418-CL, Jan. 31, 1994.

Court upholds bank's right to buy agency

By SALLY ROBERTS

In another blow to insurance agents, the Michigan Supreme Court says that a bank's plan to buy an insurance agency does not violate state insurance laws.

The Michigan Supreme Court in Lansing found earlier this year that a 1989 ruling by former Insurance Commissioner Dhiraj N. Shah and a state Circuit Court judge that prohibited Ludington Service Corp., a wholly owned subsidiary of Ludington Savings Bank, from acquiring and operating an insurance agency were not supported by material and substantial evidence.

The commissioner's concerns, among other issues, were that Ludington would use the opportunity to coerce clients into buying insurance from the agency and would solicit insurance information with mortgage applications—actions that violate state insurance codes, said William A. Chenoweth, state assistant attorney general and counsel to current Insurance Commissioner David Dykhouse.

The state Supreme Court, however, affirmed a Michigan Court of Appeals decision and ruled that Ludington's proposed business plan clearly implements safeguards against these actions.

"We are not persuaded by the commissioner's fear that 'even assuming the actual practice is in steadfast conformity with the business plan, an employee (of Ludington) could approach any loan customer right in the bank at any point in a loan transaction and personally attempt to sell required insurance,' " the high court ruled.

"This abuse may occur in the future, but at this point the commissioner's concern is mere speculation, unsupported by substantial evidence. While the language of the business plan specifically addresses only what the bank would or would not do, the business plan and the announced intent of both the bank and (Ludington Service Corp.) indicate that (Ludington) would not and probably could not engage in such activities."

But the appellate court ruling mentioned another route for the insurance commissioner to take in an attempt to bar Ludington's proposed acquisition. The court said Chapter 13 of the insurance code gives the commissioner approval powers in connection with "any merger or other acquisition of control" of a domestic insurer.

Mr. Chenoweth has filed for a rehearing with the appeals court on whether Chapter 13, which mentions only insurance compa-

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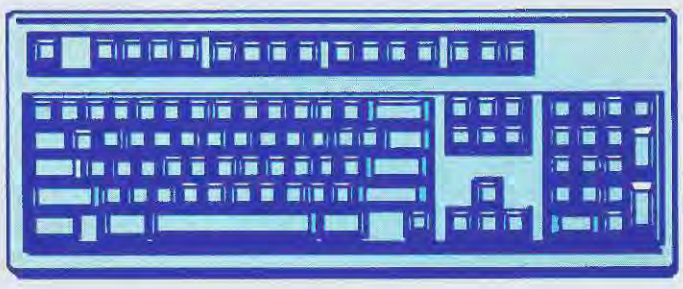

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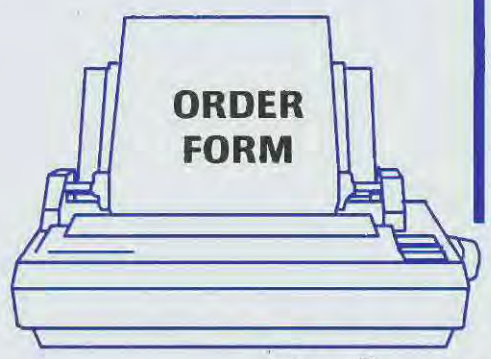

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nies, also applies to agencies. However, if the court rules that Chapter 13 applies to the acquisition of an agency, he said, then all the regulations and statutes in the insurance code would apply to insurance agencies, including the requirement that an agency have $1.5 million in surplus in order to be licensed.

"It is the longstanding interpretation of both the Insurance Bureau and the insurance industry generally that Chapter 13 does not apply to agents or brokers," he wrote in the brief filed for the rehearing.

"This motion for rehearing is not motivated simply by the court's decision to reverse the former acting commissioner's declaratory ruling. Whatever the court ultimately decides. . .a rehearing is necessary to consider the rationale. . .(that) threatens to disrupt the established insurance regulatory system in far-reaching and apparently unintended ways," he wrote.

Agents and brokers may find relief through legislation. Bills introduced soon after the high court's decision would preserve the ruling and ban banks, thrifts and credit unions from owning agencies and other insurance-related businesses.

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Ludington Service Corp. vs. Acting Insurance Commissioner et al., Supreme Court of Michigan; Nos. 95123, 95124, Jan. 25, 1994.

Agents, brokers unimpressed by IRS's settlement proposal

Tax rules on intangibles discriminatory, trade groups say

By SALLY ROBERTS

The Internal Revenue Service's take-it-or-leave-it offer to settle a dispute over the tax treatment of intangible assets may prompt some agents and brokers to take their chances in tax court.

Agent and broker associations say the IRS's offer to settle disputes over the deductibility of intangible assets acquired before July 25, 1991, discriminates against service industries—many of which depend heavily on intangible assets—and contradicts guidelines set by the U.S. Supreme Court and Congress.

However, the IRS contends those guidelines pertained only to intangibles acquired after July 25, 1991, and were not meant to be retroactive.

Under the IRS offer, agents and brokers can settle disputes over intangibles with the IRS by reducing their claimed deductions by "the greater of a 15% minimum concession adjustment or a 50% cost recovery adjustment."

That essentially would mean either reducing the original value of amortized intangibles by 15% or using a complex adjustment whose net effect would be to extend the amortization period for intangibles, said Ken Kies, an attorney with Baker & Hostetler in Washington and counsel to the Amortization of Intangibles Task Force. The task force is made up of private businesses and several insurance industry trade groups.

Most service industries—including insurance agents and brokers—will be subject to the complex cost recovery adjustment, he said. This adjustment will result in much longer recovery periods for amortizing intangibles.

For example, using the cost recovery adjustment, insurance agents that normally would amortize their customer lists over a seven-year period now will have to stretch out their recovery period for as long as 20 years, he said.

The IRS's offer does not follow Congress' intent in the Omnibus Budget Reconciliation Act—specifically Section 197 of that law—which calls for intangible assets acquired after Aug. 10, 1993, to be 100% deductible over a 15-year period, contends Robert A. Rusbuldt, vp-federal affairs for the Independent Insurance Agents of America Inc. (*A/BT*, Oct. 4, 1993).

While admitting the IRS settlement is less generous than the treatment permitted under the budget law, an IRS spokesman said that because Congress did not specifically apply the law to disputes before July 25, 1991, it was not asking the IRS to retroactively give favorable treatment to such assets.

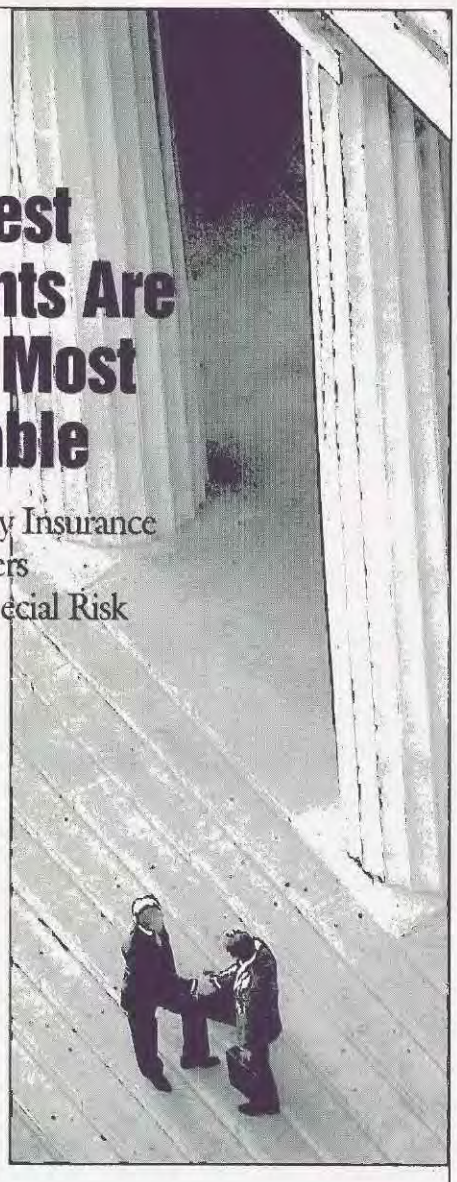
"If they wanted to apply the law retroactively, they would have done it. The settlement offer, we believe, is the best resolution for taxpayers and the government," he said. Companies will have 90 days after April 1 to settle their claims under the offer.

Agents also say the settlement is inconsistent with the Supreme Court's ruling in the Newark Morning Ledger case. In that case, the high court ruled 5-4 that a company could depreciate the value of intangible assets—including customer lists—from companies they acquire if they can prove the assets have a useful life and a dollar value (*A/BT*, May 3, 1993).

For those agencies with disputes over intangible assets acquired between July 25, 1991, and Aug. 10, 1993, they can choose to abide by Section 197 of the budget law or they can abide by the law prior to President Clinton's budget act, which would follow the Newark Morning Ledger case, Mr. Kies said. Under the latter option, agents, after proving the intangible assets have a useful life with a fair market value, can amortize the assets over their useful life. He warns, though, that the IRS could challenge agents who elect this option.

According to Mr. Kies, agents and brokers are unlikely to consider the IRS's settlement guidelines and write out a big check to the government.

Mr. Kies late last month asked the IRS for the opportunity to meet and discuss the task force's concerns with the changes to the amortization guidelines under the proposed settlement. BI



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G

G.C.G. Risk Management Inc.

85 Worth St., New York, N.Y. 10013; 212-431-3000; fax: 212-941-6546

1993 Revenues

Total gross revenues	$3,800,000
Continuous consulting	81%
Risk management audits	2%
Special projects	7%
Risk management consulting revenues	$3,580,000

Staff

Total	30

Clients

Total	500
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	9%
Between $5,000,000-$9,900,000	1%
Associations	17

Consulting since: 1977.

Occasional special projects: Workers compensation risk management consulting only, including: risk retention analysis, insurance contract analysis, claims auditing, environmental, loss prevention audits, quantitative/statistical analysis and forecasting, workers comp claims review/reserve analysis and negotiations.

Specialties: New York workers comp, including: health care, contractors, food products, transportation/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

1993 Revenues

Total gross revenues	$85,855,000
Continuous consulting	8.5%
Risk management audits	0.5%
Special projects	1.0%
Risk management consulting revenues	$92,000,000

Staff

Total	65
Professionals	NA
Includes: 10 principal consultants, 40 consultants	

Clients

Total	350
Budgets less than $1,000,000	58%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	5%
Budgets over $25,000,000	2%
Associations	25
Minimum size	None

Consulting since: 1962.

Parent: Arthur J. Gallagher & Co. Inc.

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, education, government.

Locations: Little Rock, Ark.; Denver; Miami and Orlando, Fla.; Atlanta; Schaumburg, Ill.; Portland, Maine; Kansas City and St. Louis, Mo.; London, England.

Compensation: By the project, on retainer, by the hour: principal consultant, $130-$150.

Officers: John G. Campbell, chairman; Peter J. Durkalski, president; Fred Potenza, Richard Rothman, Rich McKenna, executive ups.

Contact: Tracy Mock, director-marketing, 708-285-3593.

General Consulting Services Inc.

113 N. Kickapoo, Lincoln, Ill. 62643; 217-732-1830; fax: 217-735-5135

1993 Revenues

Continuous consulting	37%
Risk management audits	9%
Special projects	6%

Staff

Total	22
Professionals	11
Includes: 4 principal consultants, 6 consultants, 1 analyst	

Clients

Total	46
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
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

Continued on page 33

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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 Hayes, vp; Dana Sydney, treasurer; Maureen Wibben, secretary.

Global Risk Management Center Inc.

11200 Westheimer, Suite 902, Houston, Texas 77042; 713-789-0563; fax: 713-785-8016

1993 Revenues

Continuous consulting	35%
Risk management audits	25%
Special projects	40%

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Total	12
Budgets less than $1,000,000	40%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	10%
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-related industries.

Compensation: By the project, on retainer.

Officers: John A. Lindquist, president.

Dave Goodwin & Associates

P.O. Drawer 54-6661, Surfside, Fla. 33154-0661; 305-531-0071; fax: 305-531-5490

1993 Revenues

Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	3
Professionals	1
Includes: 1 principal consultant	

Clients

Budgets less than $1,000,000	95%
Between $1,000,000-$4,900,000	5%
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 of disaster manuals.

Specialties: Condominiums, property owners, manufacturers.

Compensation: By the project, on retainer.

Officers: Dave Goodwin, owner.

Mel Griffin & Associates

P.O. Box 486, Rio Linda, Calif. 95673; 916-991-4315; fax: 916-991-0907

1993 Revenues

Total gross revenues	NA
Continuous consulting	10%
Risk management audits	10%
Special projects	80%
Risk management consulting revenues	$120,000

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	14
Budgets less than $1,000,000	5%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	50%
Budgets over $25,000,000	15%
Associations	5
Minimum size	None

Consulting since: 1981.

Frequent special projects: Risk retention analysis, claims auditing, preparation of bidding specifications.

Occasional special projects: Analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting.

Specialties: Self-insured public and private employers.

Compensation: By the project.

Officers: Mel Griffin, president; Don Blackhurst, senior consultant.

Contact: Mel Griffin.

H

HJH Consulting Inc.

3837 Northdale Blvd., Suite 352, Tampa, Fla. 33624; 813-985-4535; fax: 813-949-5227

1993 Revenues

Special projects	90%

Staff

Total	4
Professionals	4
Includes: 2 principal consultants, 2 consultants	

Clients

Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
Minimum size	None

Consulting since: 1993.

Frequent special projects: Preparation of bidding specifications, workers compensation—analysis and implementation of managed care and disability management programs.

Occasional special projects: Claims auditing, broker assessment, risk management organization studies.

Compensation: By the project, on retainer, by the hour: principal consultant, $150-$175.

Officers: Dennis L. Huffman, CEO; Catherine K. Johnson, president.

Edward V. Harding/Risk Management Associates

Executive Offices, 13 Franklin Circle, Northborough, Mass. 01532; 508-393-2519; fax: 508-393-1467

1993 Revenues

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

Staff

Total	5
Professionals	NA
Includes: 2 principal consultants, 1 analyst	

Clients

Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
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, retailing.

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

Membership: SRMC.

Officers: Edward V. Harding, proprietor; Joan M. Harding, president-Independent Insurance Auditing Inc.

G.K. Harris Ltd./Insurance Support Systems Inc.

1736 S. Michigan Ave., Third Floor, Chicago, Ill. 60616; 312-347-0021; fax: 312-347-4568

1993 Revenues

Total gross revenues	$600,000
Continuous consulting	34%
Risk management audits	1%
Special projects	20%
Risk management consulting revenues	$320,000

Staff

Total	9
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Budgets less than $1,000,000	47%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	2%
Budgets over $25,000,000	1%
Minimum size	$500,000

Consulting since: 1982.

Frequent special projects: Analysis of limits, insurance contract analysis, risk management organization studies.

Occasional special projects: Risk retention analysis, broker assessment, loss settlement assistance.

Specialties: Malpractice insurance, municipalities, schools, non-profit entities.

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

Officers: Gerald K. Harris, president; Bennie Jones, vp; Fred Bullard, consultant.

Harvard Aimes Group

6 Holcomb St., P.O. Box 16006, West Haven, Conn. 06516; 203-933-1976; fax: 203-933-0281

1993 Revenues

Special projects	100%

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients

Budgets between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	35%
Budgets over $25,000,000	50%
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 Pike, Cincinnati, Ohio 45238; 513-922-2261; fax: 513-922-3304

1993 Revenues

Continuous consulting	25%
Risk management audits	20%
Special projects	55%

Staff

Total	2
Includes: 1 principal consultant	

Clients

Total	25
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
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, captive feasibility studies, broker assessment, loss settlement assistance, expert witness.

Specialties: Services to public entities, manufacturers, property owners.

Compensation: By the project, on retainer, by the hour: principal consultant, $125-$200.

Membership: SRMC.

Officers: Frederick A. Kolish, president.

Henderson Insurance & Risk Management Consultant

3300 Henderson Blvd., Suite 206, Tampa, Fla. 33609; 813-287-2986; fax: 813-289-0583

1993 Revenues

Continuous consulting	50%
Risk management audits	5%
Special projects	45%

Staff

Total	3
Professionals	NA
Includes: 1 principal consultant, 1 consultant	

Clients

Total	25
Budgets less than $1,000,000	40%
Between $1,000,000-$4,900,000	50%
Between $5,000,000-$9,900,000	5%
Between $10,000,000-$24,900,000	3%
Budgets over $25,000,000	2%
Minimum size	None

Consulting since: 1971.

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

Compensation: By the hour.

Membership: SRMC.

Officers: Otto Lee Henderson, president; J.L. Henderson, William Taylor, vps; J.C. Henderson, secretary/treasurer.

Contact: Otto Lee Henderson.

The Hilder Group Inc.

220 Campus Drive, Suite 201, Arlington Heights, Ill. 60004; 708-342-4900; fax: 708-342-4907

1993 Revenues

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

Staff

Professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients

Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	50%
Between $5,000,000-$9,900,000	25%
Minimum size	None

Consulting since: 1987.

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

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, risk management organization studies, RMIS consulting, expert witness.

Specialties: Biotechnology, manufacturing.

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

Officers: Daniel E. Hilder, president; Christine Kmiec, Jeffrey R. Hilder.

P.M. Hudson & Associates Inc.

12300 Twinbrook Parkway, Suite 530, Rockville, Md. 20879; 301-468-6946; fax: 301-984-3807

1993 Revenues

Continuous consulting	40%
Risk management audits	50%
Special projects	10%

Staff

Total	9
Professionals	NA
Includes: 1 principal consultant, 3 consultants, 2 analysts	

Clients

Total	120
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	15%
Between $5,000,000-$9,900,000	5%
Associations	14
Minimum size	None

Consulting since: 1982.

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.

Occasional special projects: Captive feasibility studies, environmental, accounting system analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: High technology, real estate, associations, wholesale distribution.

Compensation: By the hour: principal consultant, $190.

Officers: Peter M. Hudson, president/CEO; Claudia Sclar, senior consultant/vp; Margretta Glock, secretary/treasurer; Tony Bennett, consultant.

Robert Hughes Associates Inc.

15400 Knoll Trail, Suite 201, Dallas, Texas 75248; 214-980-0088; fax: 214-233-1548

1993 Revenues

Continuous consulting	5%
Risk management audits	6%
Special projects	89%

Staff

Total	12
Professionals	9
Includes: 1 principal consultant, 5 consultants, 2 actuaries, 1 analyst	

Clients

Total	244
Associations	5
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, $250.

Officers: Robert N. Hughes, president; Cathy L. Jones, executive vp; Michele S. Martin, corporate secretary.

R.M. Hunt & Associates Inc.

1301 Redwood Way, Suite 235, Petaluma, Calif. 94954; 707-664-9923; fax: 707-664-9920

1993 Revenues

Special projects	35%

Staff

Total	4
Professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients

Total	15
Budgets less than $1,000,000	15%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	45%
Minimum size	None

Consulting since: 1989.

Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, quantitative/statistical analysis and forecasting, insurance/reinsurance due diligence, reinsurance management.

Occasional special projects: Claims auditing, risk management organization studies, preparation of bidding specifications.

Specialties: Workers compensation captive reinsurance, health care, distribution industry.

Compensation: By the project.

Officers: Robert M. Hunt, president; Mark 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

1993 Revenues

Continuous consulting	40%
Risk management audits	5%
Special projects	10%

Staff

Total	8
Professionals	7
Includes: 1 principal consultant, 5 consultants, 1 analyst	

Clients

Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%

Consulting since: 1984.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss settlement assistance, preparation of bidding specifications, consulting on workers compensation claim reserves, defense and payment.

Occasional special projects: Claims auditing, loss prevention audits, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Manufacturing, municipalities.

Compensation: By the project, commissions, on retainer.

Officers: J.N. Hunter, president; W.E. Dalgety, vp.

I

IAG Ltd.

240 Madison Ave., New York, N.Y. 10016; 212-697-2680; fax: 212-697-4354

1993 Revenues

Special projects	100%

Staff

Total	15
Professionals	10
Includes: 4 principal consultants, 2 consultants, 4 analysts	

Clients

Total	225
Budgets less than $1,000,000	5%
Between $1,000,000-$4,900,000	5%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	15%
Budgets over $25,000,000	65%
Minimum size	None

Consulting since: 1985.

Frequent special projects: Insurance contract analysis, locating missing policies, historic insurance research, coverage graphics, organization of records and policy database management.

Occasional special projects: Expert witness.

Specialties: Utilities, oil/gas, marine, energy, chemical, manufacturing, mining, metals, pharmaceutical.

Compensation: By the hour: principal consultant, $150-$225.

Officers: Sheila Mulrennan, president; Michele Pierro, senior vp; Luz Moreno, Bik Moy, Susan Brender, assistant vps.

Contact: Sheila Mulrennan.

Independent Risk & Insurance Management Services Inc. (IRIMS)

8040 E. Morgan Trail, Suite 17, Scottsdale, Ariz. 85258; 602-483-9005

Continued on next page

Continued from previous page

1993 Revenues

Continuous consulting	40%
Risk management audits	10%
Special projects	20%

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients

Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	10%
Associations	1
Minimum size	None

Consulting since: 1981.

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

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, risk management organization studies, RMIS consulting, expert witness.

Specialties: Public, non-profit and health care 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

1993 Revenues

Continuous consulting	90%
Risk management audits	2%
Special projects	3%

Staff

Total	16
Professionals	10
Includes: 2 principal consultants, 3 consultants, 5 analysts	

Clients

Total	110
Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	55%
Between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	5%
Minimum size	$150,000

Consulting since: 1980.

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

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

Specialties: Entertainment, real estate, hotels, retail chains, construction.

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

Membership: SRMC.

Officers: Robert S. Sterling, president; Daniel S. Sterling, secretary/treasurer; Andrew M. Schutzman, senior vp; Les Welch, vp.

Contact: Robert Sterling.

Information Security International Inc.

8403 Colesville Road, Suite 610, Silver Spring, Md. 20910; 301-589-4949; fax: 301-589-0007

1993 Revenues

Continuous consulting	4%
Risk management audits	10%
Special projects	16%

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

1993 Revenues

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

Staff

Total	5
Professionals	3
Includes: 2 principal consultants, 1 consultant	

Clients

Total	25
Budgets less than $1,000,000	20%
Between $1,000,000-$4,900,000	60%
Between $5,000,000-$9,900,000	20%
Minimum size	$100,000

Consulting since: 1991.

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

Occasional special projects: Captive feasibility studies, loss prevention audits, accounting systems analysis, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, policy reconstruction.

Specialties: Governmental, manufacturing, communications, oil/gas, hi-tech contract labor, architects/engineers, professional liability.

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

Officers: Gerald P. Brunker, Paul J. McVearry, principals; Sherman Power, consultant.

Insurance Agency Programs Inc.

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

1993 Revenues

Special projects	100%

Staff

Total	5
Professionals	3
Includes: 1 principal consultant, 2 consultants	

Consulting since: 1984.

Frequent special projects: Captive feasibility studies, analysis of limits.

Occasional special projects: Risk retention analysis, insurance contract analysis, broker assessment, expert witness.

Specialties: Captives, finite risk insurance products for corporations, self-insureds and insurance companies.

Locations: Jupiter, Fla.; Scarsdale, N.Y.

Compensation: By the project.

Officers: Andrew Barile, president/CEO.

Insurance Analysts of Vermont Inc.

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

1993 Revenues

Continuous consulting	15%
Risk management audits	10%
Special projects	25%

Staff

Total	7
Professionals	4
Includes: principal consultants, consultants, actuaries	

Clients

Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%

Consulting since: 1987.

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, self-insured reserve funding level studies.

Occasional special projects: Environmental, loss prevention audits, RMIS consulting.

Specialties: Automotive dealers, aviation, manufacturing, marine, mental health facilities, hotels, retailers, real estate development, energy, contractors, transportation.

Locations: Long Island, N.Y.

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

Officers: Peter D. Sanger, president.

Insurance Audit & Inspection Co. Inc.

6314 Rucker Road, Suite G, Indianapolis, Ind. 46220-4892; 317-259-1013; fax: 317-465-1004

1993 Revenues

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

Staff

Total	11
Professionals	8

Clients

Total	200
Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	25%
Between $10,000,000-$24,900,000	10%
Budgets over $25,000,000	5%

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; Columbus, Ohio; Dallas.

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

Membership: SRMC.

Officers: Mary Coate Houtz, chairman; 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.

9690 Deereco Road, Suite 650, Timonium, Md. 21093; 410-561-9200; fax: 410-561-9351

1993 Revenues

Total gross revenues	$1,857,903
Continuous consulting	87%
Risk management audits	4%
Special projects	8%
Risk management consulting revenues	$1,836,703

Staff

Total	18
Professionals	12
Includes: 6 principal consultants, 6 consultants	

Clients

Total	245
Budgets less than $1,000,000	20%
Between $1,000,000-$4,900,000	59%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	6%
Budgets over $25,000,000	5%
Associations	21
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/insurance manuals.

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

Specialties: Non-profit, governmental, commercial and industrial organizations.

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

Membership: SRMC.

Officers: Bernard J. McGovern, chairman/president/treasurer; Adam P. Sielicki Jr., executive vp; Fredric W. Schultz, vp/secretary.

Insurance Consulting Associates

155 Polifly Road, Hackensack, N.J. 07601; 201-343-8300; fax: 201-343-0357

1993 Revenues

Continuous consulting	98%
Risk management audits	1%
Special projects	1%

Staff

Total	40
Professionals	29
Includes: 12 principal consultants, 7 consultants, 10 analysts	

Clients

Total	340
Budgets less than $1,000,000	75%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	4%
Between $10,000,000-$24,900,000	1%
Associations	20
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, set-up of association programs.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, loss prevention audits, RMIS consulting, expert witness.

Specialties: Retailing, manufacturing, importers, real estate, financial institutions, transportation (Caribbean- and Pacific Rim-based companies).

Locations: Clark, Hasbrouck Heights and Wyckoff, N.J.

Compensation: By the project, on retainer, by the hour: principal consultant, $250-$300.

Membership: SRMC.

Officers: George Jack Wall, founder/senior associate; Barron Stephan Wall, managing associate.

Insurance Control Systems Inc.

1118 N. LaBrea Ave., Inglewood, Calif. 90302; 213-678-7115; fax: 310-673-3350

1993 Revenues

Total gross revenues	$1,300,000
Continuous consulting	75%
Risk management audits	10%
Special projects	5%
Risk management consulting revenues	$1,200,000

Staff

Total	16
Professionals	9
Includes: 2 principal consultants, 2 consultants, 1 actuary, 2 analysts	

Clients

Total	51
Budgets less than $1,000,000	54%
Between $1,000,000-$4,900,000	26%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	10%
Associations	3
Minimum size	$75,000

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.

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.

Officers: Alfred D. Kirkpatrick, president; Valeta Paganelli, Laura Patten, vps; Velda Heitkamp, controller.

Insurance Dynamics

27 Famum, Suite 110, San Francisco, Calif. 94131-2638; 415-586-2948; fax: 415-586-5844

1993 Revenues

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

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients

Total	75
Budgets less than $1,000,000	40%
Between $1,000,000-$4,900,000	50%
Between $5,000,000-$9,900,000	10%
Associations	3
Minimum size	None

Consulting since: 1987.

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: Common interest developments, including condominiums and townhouses; construction.

Compensation: By the project, on retainer.

Membership: SRMC.

Officers: Ann C. Krilanovich, principal; William P. Gerry, associate.

Insurance Management Bureau

5754 W. 74th St., Indianapolis, Ind. 46278-1754; 317-290-4250; fax: 317-290-4261

1993 Revenues

Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	9
Professionals	5
Includes: 1 principal consultant, 2 consultants, 1 actuary, 1 analyst	

Clients

Total	215
Budgets less than $1,000,000	100%
Associations	4
Minimum size	None

Consulting since: 1950.

Parent: Acordia School Benefits Inc.

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

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

Specialties: School systems, government, mental health facilities.

Compensation: By the project, on retainer.

Officers: Dewey O. King, president.

Insurance Management & Planning

110 Cottage Hill, Suite 250, Elmhurst, Ill. 60126-3369; 708-832-1385

1993 Revenues

Continuous consulting	10%
Risk management audits	25%
Special projects	15%

Staff

Total	1

Consulting since: 1989.

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

Occasional special projects: Analysis of limits, claims auditing, broker assessment, loss settlement assistance, risk management organization studies.

Specialties: Manufacturing, construction, development, real estate, public entities.

Compensation: By the project, by the hour: principal consultant, $195.

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

1993 Revenues

Total gross revenues	$199,345
Continuous consulting	75%
Risk management audits	20%
Special projects	5%
Risk management consulting revenues	$199,345

Staff

Total	3
Professionals	3
Includes: 2 principal consultants, 1 analyst	

Clients

Total	65
Budgets less than $1,000,000	94%
Between $1,000,000-$4,900,000	4.5%
Between $5,000,000-$9,900,000	1.5%
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, apartments.

Compensation: By the project, on retainer, by the hour: principal consultant, $120.

Officers: T. Joe Byrd, owner; Bill Swiger, principal consultant.

Integrated Risk Management

1302 Raintree Circle, Culver City, Calif. 90230; 310-559-7032; fax: 310-838-0742

1993 Revenues

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

Staff

Total	1

Clients

Total	16
Budgets less than $1,000,000	100%
Associations	2
Minimum size	None

Consulting since: 1986.

Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of bidding specifications, OSHA compliance documentation.

Occasional special projects: Claims au-

Continued on next page

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diting, accounting systems analysis, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, safety/risk management manual development.

Specialties: Transportation, health care.

Compensation: By the project, on retainer, by the hour: principal consultant, $135.

Officers: Alan P. Schreibman, principal.

International Settlement Design Inc.

313 Sixth Ave., Suite 700, Pittsburgh, Pa. 15222; 800-456-7226; fax: 412-281-2292

1993 Revenues

Special projects	100%

Staff

Total	35
Professionals	NA
Includes: 8 principal consultants, 15 consultants, 4 analysts	

Clients

Budgets between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	40%
Budgets over $25,000,000	20%
Minimum size	None

Consulting since: 1980.

Special projects: Environmental, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness, structured settlements/use of annuities for individual workers comp claims and bulk transfers to comply with FAS 112 and GASB 10.

Specialties: Self-insured, captive and property/casualty insurance companies, government, environmental.

Locations: Denver; Daytona Beach, Fla.; New York; Rapid City, S.D.; London.

Compensation: Commissions, by the hour: principal consultant, $100-$150.

Officers: Gary Brant, president; David Hickey, executive vp/COO; John Darer, Robert Beago, Quillian Spearman, Don Herrmann, principals.

Interisk Corp.

1111 N. Westshore Blvd., Suite 208, Tampa, Fla. 33607-4711; 813-287-1040; fax: 813-287-1041

1993 Revenues

Continuous consulting	50%
Risk management audits	10%
Special projects	10%

Staff

Total	6
Professionals	4
Includes: 1 principal consultant, 2 consultants, 1 analyst	

Clients

Budgets less than $1,000,000	12%
Between $1,000,000-$4,900,000	41%
Between $5,000,000-$9,900,000	12%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	15%
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, seminars/corporate training, design/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-$250.

Officers: Lawton Swan III, president.

Interisk Ltd.

1600 Dove St., Suite 310, Newport Beach, Calif. 92660; 714-553-6630; fax: 714-553-6635

1993 Revenues

Total gross revenues	$600,000
Continuous consulting	5%
Risk management audits	5%
Special projects	90%
Risk management consulting revenues	$590,000

Staff

Total	5
Professionals	3
Includes: 1 principal consultant, 2 consultants, 1 analyst	

Clients

Total	40
Budgets less than $1,000,000	15%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	40%
Between $10,000,000-$24,900,000	5%
Minimum size	None

Consulting since: 1984.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, broker assessment, expert witness, insurance litigation and industry research.

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

Specialties: Attorneys in insurance coverage, claims or errors and omissions litigation; contractors, developers, property managers, public agencies, transportation, captive owners.

Compensation: On retainer, by the hour: principal consultant, $175-$250.

Membership: SRMC.

Officers: James A. Robertson, presi-

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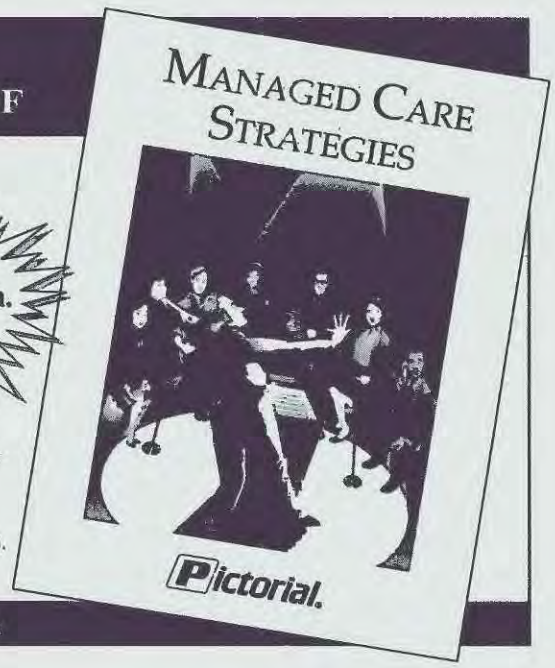

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dent/CEO.
Contact: James A. Robertson or Linda K. Edgell.

Inwald Consulting Services

2750 S. Woodward Ave., Suite 300, Bloomfield Hills, Mich. 48304; 810-332-2300; fax: 810-333-9710

1993 Revenues

Continuous consulting 30%
Special projects 50%

Staff

Total 1

Clients

Total 12
Associations 2

Consulting since: 1992.
Frequent special projects: Insurance contract analysis.
Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.
Specialties: Hospital and physician professional liability, channeled programs, managed care.
Compensation: By the project, on retainer, by the hour: principal consultant, $125-$175.
Officers: Joseph M. Inwald, principal.

The Joseph Ivy Co.

9420 Research Blvd., Echelon III, Suite 300, Austin, Texas 78759; 512-346-6921; fax: 512-346-9321

1993 Revenues

Total gross revenues $560,000
Continuous consulting 20%
Risk management audits 20%
Special projects 30%
Risk management consulting revenues $392,000

Staff

Total 8
Professionals 7
Includes: 2 principal consultants, 4 consultants, 1 analyst

Clients

Total 30
Budgets less than $1,000,000 ..... 30%
Between $1,000,000-$4,900,000 ..... 50%
Between $5,000,000-$9,900,000 ..... 20%
Associations 12
Minimum size $250,000

Consulting since: 1985.
Specialties: Local governments, health care institutions, risk retention pools, association captives, purchasing groups.
Compensation: By the project, on retainer, by the hour: principal consultant, $120-$150.
Officers: William I. Martin Jr., Francis J. Fey, principals; Samuel D. Francis, Don C. Moore, senior consultants; Martha King, CFO.

J

JDW Risk Services

P.O. Box 193, 415 E. Yandell Drive, El Paso, Texas 79942-0193; 915-521-8405; fax: 915-533-2614

1993 Revenues

Total gross revenues $366,000
Continuous consulting 40%
Risk management audits 20%
Special projects 40%
Risk management consulting revenues $366,000

Staff

Total 7
Professionals 3
Includes: 2 principal consultants, 1 consultant

Clients

Total ..... NA
Budgets less than $1,000,000 ..... 80%
Between $1,000,000-$4,900,000 ..... 20%
Minimum size ..... None

Consulting since: 1985.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, preparation of bidding specifications, workers compensation—act rejection.
Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.
Specialties: Construction, specialty manufacturing.
Compensation: By the project, by the hour: principal consultant, $100.
Officers: D.R. Margo, president; Darrell Burton, director-risk management; Nati Reyes, vp; Jim Esco, assistant vp.

JM Risk Management Co. of the Southwest Inc.

305 FM 474, Boerne, Texas, 78006-7809; 210-537-4076; fax: 210-537-5023

1993 Revenues

Risk management consulting 100%

Staff

Total 1

Clients

Associations 33
Minimum size ..... None

Consulting since: 1987.
Compensation: On retainer, by the hour: principal consultant, $115.
Officers: James Lloyd Macdonald, president.

Jardine Risk Management

11835 W. Olympic Blvd., 5th Floor, Los Angeles, Calif. 90064; 310-444-3333; fax: 310-444-3444

1993 Revenues

Total gross revenues $5,500,000
Continuous consulting 5%
Special projects 5%
Risk management consulting revenues $550,000

Staff

Total 28
Professionals 19
Includes: 8 principal consultants, 1 actuary, 3 analysts

Clients

Minimum size $2,000,000

Consulting since: 1968.
Parent: Jardine Insurance Brokers.
Frequent special projects: Risk retention analysis, analysis of limits, claims auditing, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.
Occasional special projects: Captive feasibility studies, insurance contract analysis, loss settlement assistance, preparation of bidding specifications.
Specialties: Building contractors, defense contractors, grocers, manufacturers, payroll services.
Compensation: By the project, commissions, on retainer, by the hour.
Officers: Richard Cook, president; Ben Young, Bill Obata, senior vps; Francesca Loftis, vp; Lee Van Slyke, consulting actuary; Brian Whitworth, assistant vp.

Jerico International Ltd.

203 Gibbons Building, 10 Queen St., Hamilton, Bermuda HM11; 809-295-0850; fax: 809-292-3704

1993 Revenues

Continuous consulting 5%
Risk management audits 3%
Special projects 31%

Consulting since: 1986.
Frequent special projects: Loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies.
Occasional special projects: Claims auditing, environmental, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.
Specialties: Insurance, law, accounting, financial services.
Compensation: By the project, on retainer, by the hour: principal consultant, $125.
Officers: Gerard P. Burke, president; Andrew M. Sinclair, Tatiana S. Gau, directors.

The Johnson Group Ltd.

1326 Wilder St., Thousand Oaks, Calif. 91362; 805-497-6200; fax: 805-496-2846

1993 Revenues

Continuous consulting 95%
Risk management audits 5%

Staff

Total 2
Professionals 2
Includes: 2 principal consultants

Clients

Total 17
Budgets less than $1,000,000 ..... 50%
Between $1,000,000-$4,900,000 ..... 50%
Minimum size $500,000

Consulting since: 1981.
Specialties: Manufacturing.
Compensation: By the project, on retainer.
Officers: Eugene F. Johnson, president; Gregory E. Johnson, CFO.

Johnson & Higgins Risk Management Services

125 Broad St., New York, N.Y. 10004-2424; 212-574-7000; fax: 212-574-7676

1993 Revenues

Continuous consulting 35%
Risk management audits 5%
Special projects 60%

Staff

Total 95

Clients

Total 500

Consulting since: 1972.
Parent: Johnson & Higgins.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, financial reinsurance consulting.
Occasional special projects: Insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, broker assessment, risk management organization studies, preparation of bidding specifications, expert witness.
Locations: Birmingham, Ala.; Anchorage, Alaska; Costa Mesa, Los Angeles, San Diego, San Francisco and San Jose, Calif.; Denver, Colo.; Hartford and Stamford, Conn.; Wilmington, Del.; Washington; Miami and Tampa, Fla.; Atlanta; Honolulu; Boise, Idaho; Chicago; Louisville, Ky.; New Orleans, La.; Portland, Maine; Baltimore; Boston; Detroit and Grand Rapids, Mich.; Minneapolis; St. Louis; Las Vegas; Charlotte, N.C.; Parsippany, N.J.; Rochester, N.Y.; Cincinnati and Cleveland, Ohio; Tulsa, Okla.; Portland, Ore.; Philadelphia; Memphis and Nashville, Tenn.; Austin, Dallas, Houston and San Antonio, Texas; Salt Lake City; Richmond, Va.; Seattle; Calgary, Edmonton, Halifax, London, Montreal, St. John's, Saskatoon, Toronto, Vancouver and Winnipeg, Canada; London.
Compensation: By the project, commissions, on retainer, by the hour.
Officers: John V. Deitchman, senior vp/director/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/manager-risk control services.

K

KPMG Peat Marwick

345 Park Ave., New York, N.Y. 10154, 212-872-6577; fax: 212-872-3272

1993 Revenues

Total gross revenues ..... NA
Risk management audits 1%
Special projects 2%
Risk management consulting revenues $9,500,000

Staff

Professionals 65
Includes: 17 principal consultants, 25 consultants, 13 actuaries, 10 analysts

Clients

Total 233
Budgets less than $1,000,000 ..... 10%
Between $1,000,000-$4,900,000 ..... 20%
Between $5,000,000-$9,900,000 ..... 50%
Between $10,000,000-$24,900,000 ..... 15%
Budgets over $25,000,000 ..... 5%
Minimum size $1,000,000

Consulting since: 1984.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting.
Occasional special projects: Captive feasibility studies, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, RMIS consulting, expert witness.
Specialties: Claims consulting to insurance industry.
Locations: Los Angeles; Hartford, Conn.; Atlanta; Chicago; Radnor, Pa.; Bahamas; Bermuda; Cayman Islands; London.
Compensation: By the project, by the hour: principal consultant, $250-350.
Officers: Aaron Halpert, partner-in-charge; Don Gunyan, practice leader.

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; 310-212-3344; fax: 310-328-6793

1993 Revenues

Total gross revenues $31,061,000
Continuous consulting 3%
Risk management audits 1%
Special projects 2%
Risk management consulting revenues $1,760,000

Staff

Total 375
Professionals 19
Includes: 3 principal consultants, 16 consultants

Clients

Total 92
Budgets less than $1,000,000 ..... 15%
Between $1,000,000-$4,900,000 ..... 50%
Between $5,000,000-$9,900,000 ..... 30%
Between $10,000,000-$24,900,000 ..... 5%
Associations 63
Minimum size ..... None

Consulting since: 1978.
Frequent special projects: Analysis of limits, loss prevention audits, accounting systems analysis, loss settlement assistance.
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: Chico, Campbell, Emeryville, Fresno, Riverside, Sacramento, Santa Ana, San Diego and Thousand Oaks, Calif.
Compensation: By the project, on retainer.
Officers: John R. Keenan, CEO; David J. De Wenter, chief administrative officer; Harwood J. Bren, COO; Murton L. Munson, executive vp.

Ralph Korn & Associates Inc.

2700 N. Central, Suite 630, Phoenix, Ariz. 85004; 602-222-5909; fax: 602-222-5911

1993 Revenues

Continuous consulting 40%
Risk management audits 10%
Special projects 50%

Staff

Total 1

Clients

Total 30
Budgets less than $1,000,000 ..... 90%
Between $1,000,000-$4,900,000 ..... 10%
Associations 3
Minimum size ..... None

Consulting since: 1987.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, broker assessment, preparation of bidding specifications, disaster recovery planning.
Occasional special projects: 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, $110-$115.
Membership: SRMC.
Officers: Ralph Korn, president; Anne Livingston, vp.

Kusters Consulting International

2100 Tanglewilde, Suite 392, Houston, Texas 77063; 713-785-3307; fax: 713-785-3307

1993 Revenues

Continuous consulting 25%
Risk management audits 15%
Special projects 50%

Staff

Total 2
Professionals 2
Includes: 2 principal consultants

Clients

Minimum size ..... None

Consulting since: 1985.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, environmental, loss prevention audits, risk management organization studies.
Occasional special projects: Captive feasibility studies, broker assessment, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.
Specialties: International operations.
Compensation: By the project, on retainer, by the hour: principal consultant, $95.
Officers: Jacques H. Kusters, owner.

L

Larsen Risk Consultants Inc.

22 W. Putnam Ave., Suite 18, Greenwich, Conn. 06830; 203-622-6681; fax: 203-622-6501

1993 Revenues

Total gross revenues ..... NA
Continuous consulting 75%
Risk management audits 5%
Special projects 20%
Risk management consulting revenues $305,000

Staff

Total 4
Professionals 3
Includes: 1 principal consultant, 1 consultant, 1 analyst

Clients

Total 15
Budgets less than $1,000,000 ..... 80%
Between $1,000,000-$4,900,000 ..... 20%
Minimum size $2,500

Consulting since: 1984.
Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications, claims monitoring and reporting.

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Occasional special projects: Risk retention analysis, loss prevention audits, loss settlement assistance, RMIS consulting, expert witness.

Specialties: Real estate, banks, financial institutions.

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

Officers: James F. Larsen, president.

Litigation Management Specialists Inc.

First American Center, Suite 1265, 315 Deaderick St., Nashville, Tenn. 37238-1265; 615-255-5510; fax: 615-255-4679

1993 Revenues	
Continuous consulting	35%
Risk management audits	20%
Special projects	35%

Staff	
Total	3
Professionals	2
Includes: 1 principal consultant, 1 analyst	

Clients	
Total	20
Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	10%
Associations	2
Minimum size	None

Consulting since: 1988.

Frequent special projects: Claims auditing, environmental, loss prevention audits, broker assessment, loss settlement assistance, litigation management.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness.

Specialties: Manufacturing—industrial equipment, automotive service, outdoor power equipment, recreational equipment, medical devices.

Compensation: By the project, on retainer, by the hour: principal consultant, $100-$140.

Officers: James A. Freeman III, president.

M

MMI Risk Management Resources Inc.

540 Lake Cook Road, Deerfield, Ill. 60015-5290; 708-940-7550; fax: 708-374-1332

1993 Revenues	
Total gross revenues	$7,900,000
Continuous consulting	79%
Risk management audits	1%
Special projects	13%
Risk management consulting revenues	$7,400,000

Staff	
Total	67
Professionals	NA
Includes: 6 principal consultants, 26 consultants, 7 analysts	

Clients	
Total	448
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 comp feasibility studies and program assessment.

Occasional special projects: Preparation of bidding specifications.

Specialties: Consulting to health care organizations, medical group practices, physicians, allied health professionals, managed care organizations.

Locations: San Francisco; Atlanta; Albuquerque, N.M.; Raleigh, N.C.; Eugene, Ore.; Dallas; Richmond, Va.

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

Officers: Anna Marie Hajek, president; Pam Lockowitz, vp-health care consulting services; Tom Ahern, vp-health care financial risk services; Michelle Cooney, assistant vp-health care education services.

Contact: Susan Wisbey-Smith.

Maclean, Oddy & Associates Inc.

1445 Ross Ave., Suite 3900, Dallas, Texas 75202; 214-855-7700; fax: 214-855-7794

1993 Revenues	
Total gross revenues	$540,000
Risk management audits	5%
Special projects	95%
Risk management consulting revenues	$540,000

Staff	
Total	4
Professionals	4
Includes: 1 principal consultant, 1 consultant, 1 actuary, 1 analyst	

Clients	
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	45%
Between $10,000,000-$24,900,000	30%
Budgets over $25,000,000	5%
Associations	45
Minimum size	None

Consulting since: 1992.

Frequent special projects: Risk retention analysis, quantitative/statistical analysis and forecasting.

Occasional special projects: 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, RMIS consulting.

Specialties: Association self insurance funds, public entities.

Compensation: By the project.

Officers: Roy B. Oddy, chairman; Anita Chanpong, president; Everett J. Souza, CFO; Richard G. Alford, vp.

Contact: Richard G. Alford.

James R. Mahurin

United Bank Building, Suite 405, P.O. Box 1926, Beckley, W.Va. 25802-1926; 304-252-0705; fax: 304-255-0112

1993 Revenues	
Continuous consulting	63%
Risk management audits	15%
Special projects	12%

Staff	
Total	2
Professionals	1
Includes: 1 principal consultant	

Clients	
Total	85
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
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, insurance company assessment.

Occasional special projects: Claims auditing, environmental, loss prevention audits, broker assessment, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness, market studies.

Specialties: Mining; construction; governmental entities; regional jewelry chains; financial, medical and educational institutions.

Compensation: On retainer, by the hour: principal consultant, $90-$125.

Management Functions Inc.

P.O. Box 70272, 1409 N.E. 22nd Ave., Suite 109, Ocala, Fla. 34470-0272; 904-351-1850; fax: 904-351-1261

1993 Revenues	
Continuous consulting	85%
Risk management audits	5%
Special projects	5%

Staff	
Total	2
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients	
Total	12
Budgets less than $1,000,000	100%
Associations	1
Minimum size	None

Consulting since: 1987.

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, accounting systems analysis, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

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

Officers: Robert A. Carr, president/owner.

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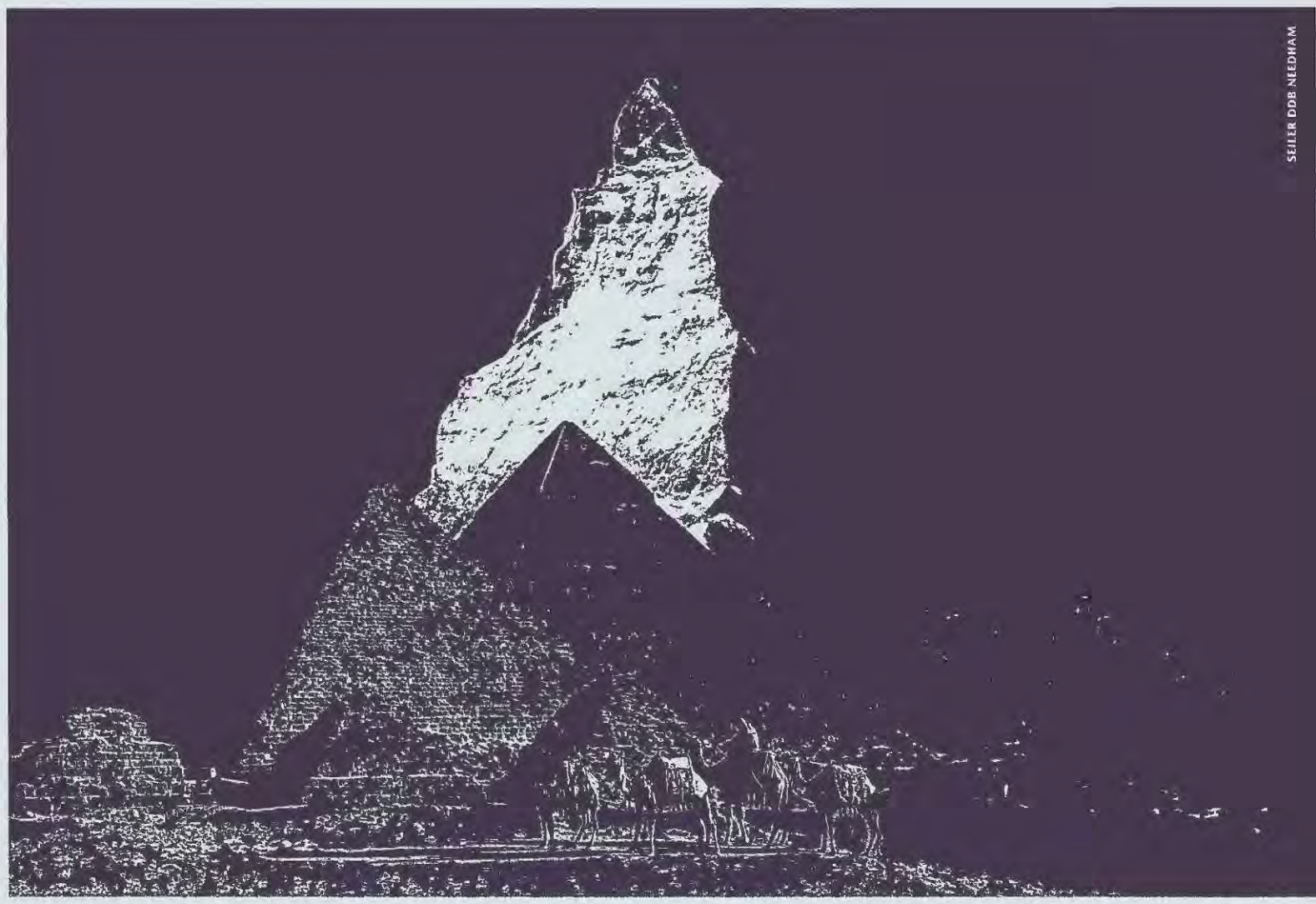

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Manchester Risk Management

25 Nashua Road, Londonderry, N.H. 03053; 603-432-8700; fax: 603-432-3349

1993 Revenues

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

Staff

Total	4
Professionals	2
Includes: 2 principal consultants	

Clients

Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	5%
Between $5,000,000-$9,900,000	15%
Minimum size	None

Consulting since: 1987.
Special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, broker assessment, loss settlement assistance, preparation of bidding specifications, expert witness.
Specialties: Public entities, municipal risk pools, solid waste management.
Compensation: By the project, on retainer, by the hour.
Officers: Lorene R. Larrabee, president; Richard F. Larrabee, vp.
Contact: Lorene R. Larrabee.

R.E. Maynard Consulting Inc.

325 Davis St., Evanston, Ill. 60201; 708-864-7717

1993 Revenues

Continuous consulting	100%

Staff

Total	1

Clients

Total	1
Minimum size	$500,000

Consulting since: 1985.
Specialties: Metal fabrication.
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

1993 Revenues

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

Staff

Total	3
Professionals	2
Includes: 2 principal consultants	

Clients

Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
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, not-for-profit organizations.
Compensation: By the hour: principal consultant, $125.
Officers: George T. McLaughlin III, Marjorie S. McLaughlin.
Contact: George T. McLaughlin.

McNeary Insurance Consulting Inc.

6525 Morrison Blvd., Suite 200, Charlotte, N.C. 28211; 704-365-4150; fax: 704-365-4155

1993 Revenues

Continuous consulting	34%
Risk management audits	6%
Special projects	5%

Staff

Total	69
Professionals	NA
Includes: 15 principal consultants, 6 consultants, 10 analysts	

Clients

Total	300
Budgets less than $1,000,000	59%
Between $1,000,000-$4,900,000	32%
Between $5,000,000-$9,900,000	6%
Between $10,000,000-$24,900,000	1.5%
Budgets over $25,000,000	1.5%
Associations	12
Minimum size	None

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.
Specialties: Associations.
Locations: Atlanta; Richmond, Va.
Compensation: By the project, on retainer, by the hour: principal consultant, $140-$190.
Officers: W.C. Moore Jr., chairman; Glen E. Pehl, president/CEO; William D. Yaeger, executive vp; 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

1993 Revenues

Continuous consulting	58%
Risk management audits	20%
Special projects	20%

Staff

Total	2
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Budgets less than $1,000,000	100%
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.

Mead Loss Control Consultants Inc.

Courthouse Plaza N.E., Dayton, Ohio 45463; 513-495-7200; fax: 513-495-7220

1993 Revenues

Total gross revenues	$1,731,000
Continuous consulting	88%
Risk management audits	10%
Special projects	2%
Risk management consulting revenues	$1,731,000

Staff

Total	16
Professionals	10
Includes: 8 principal consultants, 2 consultants	

Clients

Total	15
Minimum size	None

Consulting since: 1971.
Parent: Mead Corp.
Frequent special projects: Loss prevention audits, preparation of bidding specifications.
Occasional special projects: Captive feasibility studies, environmental, loss settlement assistance.
Specialties: Pulp and paper, manufacturing, telecommunications.
Compensation: By the project, commissions, on retainer, by the hour: principal consultant, $100-$125.
Officers: Walter P. Luker, senior vp/manager; Larry D. Jones, vp-engineering; Alan J. Rodeck, manager-business development; Keith Willoughby, senior loss control engineer.

Melanber Inc.

Box 1C1, Suite 9, R.R. #1, Boutilier's Point, Nova Scotia, Canada B0J 1G0; 902-826-7579; fax: 902-826-7996

1993 Revenues

Continuous consulting	50%
Risk management audits	25%
Special projects	23%

Staff

Total	4
Professionals	4
Includes: 2 principal consultants, 1 consultant	

Clients

Total	15
Budgets less than $1,000,000	75%
Between $1,000,000-$4,900,000	25%
Associations	2
Minimum size	None

Consulting since: 1978.
Frequent special projects: Risk retention analysis, insurance contract analysis, claims auditing, environmental, risk

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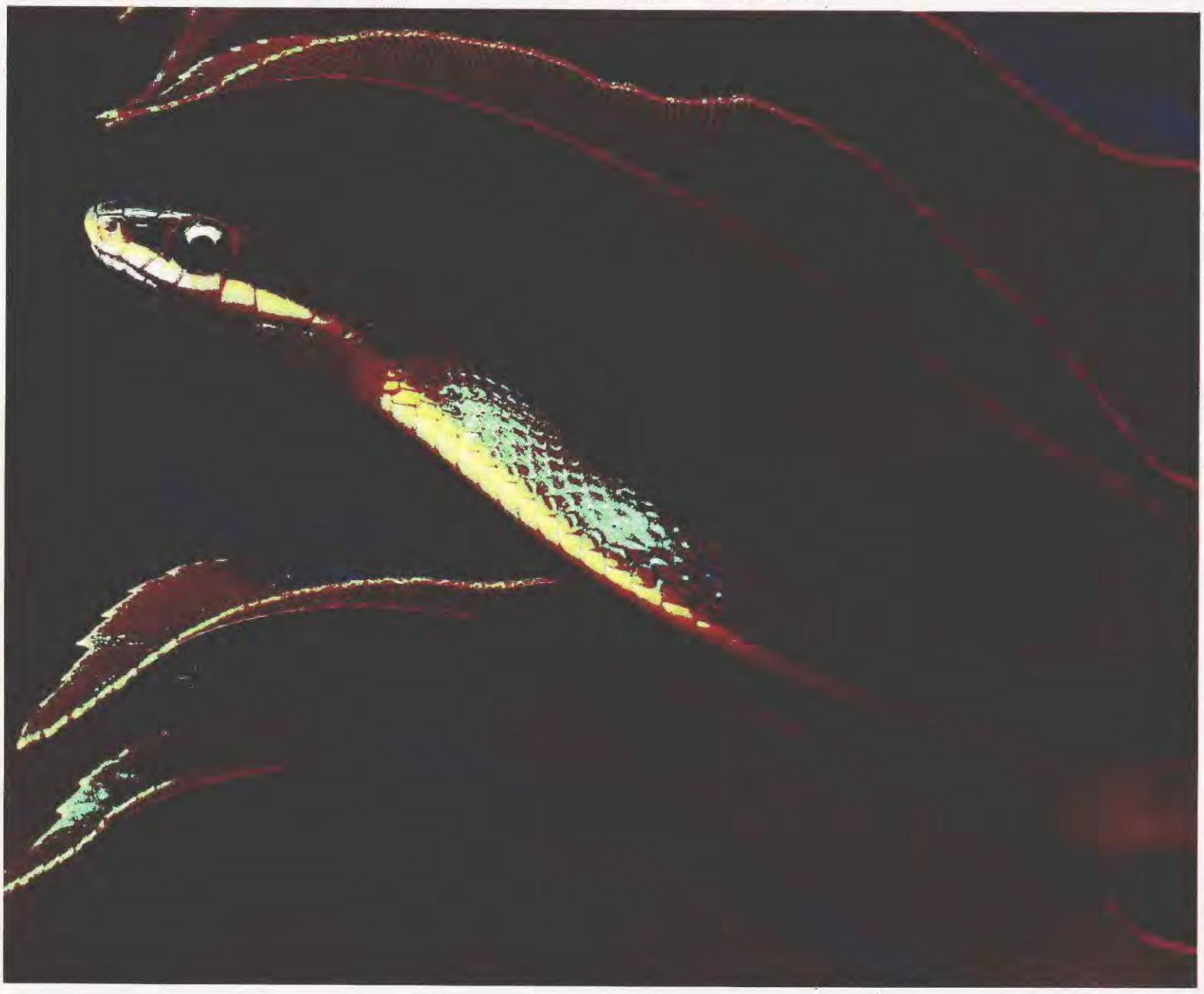

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management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, analysis of limits, loss prevention audits, broker assessment, loss settlement assistance, expert witness, underground storage tank insurance program set-up.

Specialties: Financial, governmental, manufacturing, self-insurance plans.

Locations: Des Moines, Iowa.

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/ Betterley Risk Consultants

10 Chestnut St., Worcester, Mass. 01608; 508-754-1704; fax: 508-752-9059

1993 Revenues

Total gross revenues	$23,000,000
Continuous consulting	11%
Risk management audits	9%
Special projects	13%
Risk management consulting revenues	$7,500,000

Staff

Total	900
Professionals	90
Includes: 14 principal consultants, 31 consultants, 19 actuaries, 26 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, environmental, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, claims management organizational studies, captive/RRG strategic planning.

Occasional special projects: Loss prevention audits, accounting systems analysis, loss settlement assistance.

Locations: Irvine, Los Angeles and San Francisco, Calif.; Denver; Atlanta; Boston; Minneapolis; New York; Philadelphia; Seattle; Milwaukee.

Compensation: By the project, on retainer, by the hour: principal consultant, $195-$390.

Membership: SRMC.

Officers: Richard S. Betterley, William L. Granahan, Allan M. Kaufman, James F. Cerone, senior consultants.

Contact: Richard S. Betterley.

Minet Risk Services

1114 Ave. of the Americas, New York, N.Y. 10036; 212-782-6000; fax: 212-782-6100

1993 Revenues

Continuous consulting	65%
Risk management audits	5%
Special projects	30%

Staff

Total	52
Professionals	38
Includes: 16 principal consultants, 14 consultants, 3 actuaries, 5 analysts	

Clients

Total	100
Budgets between $1,000,000-$4,900,000	5%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	10%
Budgets over $25,000,000	75%
Associations	25
Minimum size	None

Consulting since: 1929.

Parent: Minet Group.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, quantitative/statistical analysis and forecasting, business continuity planning, workers comp cost containment.

Occasional special projects: Environmental, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, loss prevention professional service firms.

Specialties: Professional services firms, financial institutions, technology, energy.

Locations: Los Angeles and San Jose, Calif.; Atlanta; London; Sydney, Australia.

Compensation: By the project, on retainer, by the hour: principal consultant, $200-$300.

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.

Moss Adams Risk Management Group

601 Montgomery St., Suite 1000, San Francisco, Calif. 94111; 415-956-1500; fax: 415-956-4149

1993 Revenues

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

Staff

Total	1

Clients

Minimum size	None

Consulting since: 1990.

Parent: Moss Adams Certified Public Accountants.

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, RMIS consulting.

Compensation: By the hour: principal consultant, $150-$225.

Membership: SRMC.

Officers: Robert L. Wilkinson, director.

Munich American Services Corp.

560 Lexington Ave., New York, N.Y. 10022; 212-310-1600; fax: 212-308-7395

1993 Revenues

Risk management audits	10%
Special projects	50%

Staff

Total	9
Professionals	7
Includes: 3 principal consultants, 2 consultants, 2 actuaries	

Clients

Total	35
Budgets less than $1,000,000	5%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	40%
Budgets over $25,000,000	25%
Minimum size	None

Parent: Munich American Consulting Corp.

Frequent special projects: Insurance contract analysis, claims auditing, environmental (consulting/claims), accounting systems analysis, quantitative/statistical analysis and forecasting, actuarial reserving/pricing audits.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, broker assessment, loss settlement assistance, risk management organization studies.

Specialties: Foreign insurance/reinsurance companies writing business in the United States.

Compensation: By the hour: principal consultant, $175-$225.

Officers: Brian Carlin, president; Sandra Santomenno, vp/manager; Austin Thornton, Arthur Coleman, assistant vps; Mark Fidelman, assistant secretary.

N

National Fleet Services Inc.

270 Duffy Ave., Hicksville, N.Y. 11801; 516-938-1010 or 800-428-0003

1993 Revenues

Continuous consulting	15%

Staff

Total	20
Professionals	NA
Includes: 2 principal consultants	

Clients

Total	75
Budgets between $5,000,000-$9,900,000	5%
Between $10,000,000-$24,900,000	45%
Budgets over $25,000,000	50%
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 and Barry Siegel, co-chairmen.

National Insurance Advisory Services

5725 Corporate Way, West Palm Beach, Fla. 33407; 407-697-4500; fax: 407-689-1009

1993 Revenues

Total gross revenues	$1,000,000
Continuous consulting	75%
Risk management audits	5%
Special projects	5%
Risk management consulting revenues	NA

Staff

Total	20
Professional	12
Includes: 6 principal consultants, 3 consultants, 3 analysts	

Clients

Total	150
Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	10%
Associations	4

Consulting since: 1979.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, expert witness.

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.

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Continued from previous page

Specialties: Temporary help, mergers and acquisitions, construction, distribution, hazardous waste.

Locations: Braintree, Mass.

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

Officers: James B. Conant, CEO.

National Risk Services Inc.

1 Executive Drive, Fort Lee, N.J. 07024; 201-944-7533; fax: 201-585-0487

1993 Revenues

Continuous consulting	40%
Risk management audits	35%
Special projects	25%

Staff

Total	6

Clients

Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Minimum size	$45,000

Consulting since: 1987.

Frequent special projects: Analysis of limits, claims auditing, RMIS consulting.

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

Specialties: Workers compensation cost controls.

Compensation: By the project, commissions, on retainer, by the hour: principal consultant, $205.

Officers: Montgomery J. Gale, president; Marsha Smith, manager.

The Nemirow Group

3662 Katella Ave., Suite 211, Los Alamitos, Calif. 90720; 310-430-8231; fax: 310-799-1377

1993 Revenues

Total gross revenues	$80,000
Continuous consulting	10.8%
Risk management audits	72.0%
Special projects	7.2%
Risk management consulting revenues	$72,000

Staff

Total	2
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	20
Budgets less than $1,000,000	35%
Between $1,000,000-$4,900,000	14%
Between $5,000,000-$9,900,000	51%
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.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, RMIS consulting, expert witness.

Specialties: Manufacturing, hotels, clubs, hospitals.

Compensation: By the project, on retainer, by the hour: principal consultant, $190.

Membership: SRMC.

Officers: Lawrence Nemirow, president.

New Directions Risk & Insurance Services

2 Dorchester, Irvine, Calif. 92720; 714-551-0180; fax: 714-551-2497

1993 Revenues

Total gross revenues	$273,000
Continuous consulting	50%
Special projects	50%
Risk management consulting revenues	$273,000

Staff

Total	4
Professionals	3
Includes: 1 principal consultant, 1 consultant, 1 analyst	

Clients

Total	14
Budgets less than $1,000,000	45%
Between $1,000,000-$4,900,000	35%
Between $5,000,000-$9,900,000	20%
Associations	3
Minimum size	$500,000

Consulting since: 1984.

Frequent special projects: Risk retention analysis, captive feasibility studies, broker assessment, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance, 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, president.

O

Erin Oberly, CPCU

643 Bay St., San Francisco, Calif. 94133; 415-885-5727; fax: 415-885-5519

1993 Revenues

Continuous consulting	15%
Risk management audits	30%
Special projects	55%

Staff

Total	1

Clients

Total	24
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: Loss settlement assistance, expert witness.

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

Officers: Erin Oberly, owner/principal.

Occupational Safety & Health Advisors Inc.

16167 Elmwood Station, Minneapolis, Minn. 55416; 612-444-4775; fax: 612-444-4775

1993 Revenues

Total gross revenues	$60,000
Continuous consulting	24%
Risk management audits	17%
Special projects	17%
Risk management consulting revenues	$35,000

Staff

Total	1

Clients

Total	30
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
Associations	30
Minimum size	None

Consulting since: 1989.

Frequent special projects: Loss prevention audits, expert witness.

Occasional special projects: Environmental, RMIS consulting.

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

Officers: Ivan W. Russell, president.

Offshore Financial Services (Eastern Caribbean) Inc.

5878 S.W. 61st St., Miami, Fla. 33143; 305-669-8203; fax: 305-667-9712

1993 Revenues

Total gross revenues	$750,000
Continuous consulting	4%
Special projects	71%
Risk management consulting revenues	$600,000

Staff

Total	3

Clients

Total	50
Budgets between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	40%
Between $10,000,000-$24,900,000	40%
Budgets over $25,000,000	10%
Minimum size	None

Consulting since: 1991.

Frequent special projects: Captive feasibility studies, captive set-up advisement/assistance.

Specialties: Banking, data processing, insurance.

Compensation: By the project.

Officers: Kathleen Tuitt, president; Ralston Allen, accountant; Wilbur Harrigan, accountant.

P

PLCM Group Inc.

300 W. Washington Blvd., Suite 610, Chicago, Ill. 60606; 312-201-3000; fax: 312-201-3030

1993 Revenues

Continuous consulting	10%
Risk management audits	10%
Special projects	10%

Staff

Total	55
Professionals	NA
Includes: 5 principal consultants	

Clients

Minimum size	None

Consulting since: 1990.

Parent: Aon Specialty Group.

Frequent special projects: Claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, telephone risk management surveys.

Occasional special projects: Insurance contract analysis, preparation of bidding specifications.

Specialties: Health care and legal profession consulting.

Locations: Los Angeles, Calif.; Stamford, Conn.; Coral Gables, Fort Lauderdale and Tampa, Fla.; Atlanta, Ga.; Nashville, Tenn.; Dallas and Houston, Texas.

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

Officers: William P. Vit, president; Anthony R. Zumbano, executive vp; Eileen Barrett, Tanya Lamoreaux, Sylvia Brown, senior vps.

Contact: William P. Vit.

PRC Environmental Management Inc.

1505 PRC Drive, McLean, Va. 22102; 703-883-8874; fax: 703-556-2852

1993 Revenues

Total gross revenues	$85,000,000
Special projects	8%
Risk management consulting revenues	$7,000,000

Staff

Total	750
Professionals	750
Includes: 475 consultants, 275 analysts	

Clients

Total	25
Budgets less than $1,000,000	32%
Between $1,000,000-$4,900,000	48%
Budgets over $25,000,000	20%
Minimum size	None

Consulting since: 1982.

Parent: Black & Decker/PRC Inc.

Frequent special projects: Environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, health and safety plans.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, quality assurance/quality control, training.

Specialties: Environmental risk management support for federal, state, international and private sector.

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PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

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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/Consit 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:
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1 ❑ recommend only 2 ❑ specify 3 ❑ approve

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Locations: Sacramento, San Diego and San Francisco, Calif.; Denver; Atlanta; Honolulu; Chicago and Rolling Meadows, Ill.; Kansas City, Kan.; Baton Rouge, La.; St. Paul, Minn.; Helena, Mont.; Albuquerque, N.M.; Portland, Ore.; Cincinnati; Philadelphia; Aiken, S.C.; Nashville, Tenn.; Dallas and Houston; Seattle; Milwaukee.

Compensation: By the project.

Officers: Thomas Brisbin, president; Michael J. Nigre, Daniel Chow, Ed Didomenico, vps; Robert Van Osten, CFO.

Contact: Mark F. Johnson.

PRM Consultants

134 N. 21st St., Newark, Ohio 43055; 614-344-7589; fax: 614-344-8408

Staff	
Total	1

Clients	
Minimum size	None

Consulting since: 1993.

Specialties: Consumer products, international, manufacturing, mining.

Compensation: By the project, on retainer, by the hour: principal consultant, $75-$125.

Officers: Nikki S. Payne, principal.

Pacific Risk Management

1904 Third Ave., Suite 735, Seattle, Wash. 98101; 206-682-9232; fax: 206-682-1360

1993 Revenues	
Continuous consulting	70%
Risk management audits	10%
Special projects	20%

Staff	
Total	1

Clients	
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	80%
Between $5,000,000-$9,900,000	10%
Associations	2
Minimum size	None

Consulting since: 1984.

Frequent special projects: Risk retention analysis, 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 computations.

Specialties: Pools/captives consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $90-$100.

Membership: SRMC.

Officers: John D. Haywood, principal.

The Parvus Co.

8403 Colesville Road, Suite 610, Silver Spring, Md. 20910; 301-589-4949; fax: 301-589-0007

1993 Revenues	
Continuous consulting	5%
Risk management audits	2%
Special projects	13%

Consulting since: 1984.

Frequent special projects: Loss prevention audits, accounting systems analysis, broker assessment, risk management organization studies, RMIS consulting.

Occasional special projects: Claims auditing, environmental, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Security and investigative industries.

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

Officers: Gerard P. Burke, chairman/CEO; Tatiana S. Gau, managing director; Michael J. Burke, CFO.

Contact: Tatiana S. Gau.

B.W. Payne—Risk & Insurance Management Services

P.O. Box 541505, Houston, Texas 77254-1505; 713-667-8013; fax: 713-667-6144

1993 Revenues	
Continuous consulting	65%
Risk management audits	10%
Special projects	15%

Staff	
Total	1

Clients	
Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	50%
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: Education, oil and gas, professional sector, public entities, utilities.

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

Officers: B.W. Payne, principal.

John Pierce Consulting Actuary

1420 Renaissance Drive, Suite 104, Park Ridge, Ill. 60068; 708-297-1177

1993 Revenues	
Total gross revenues	$220,000
Special projects	50%
Risk management consulting revenues	$110,000

Staff	
Total	4
Professionals	4
Includes: 3 actuaries, 1 analyst	

Clients	
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	50%
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, RMIS consulting, expert witness.

Specialties: Hospitals, risk retention groups, self-insured workers compensation, trucking.

Compensation: By the hour.

Officers: John Pierce, president.

Praxia Group

3 Continental Towers, Suite 600, 1701 Golf Road, Rolling Meadows, Ill. 60008; 708-290-0617; fax: 708-437-4941

1993 Revenues	
Continuous consulting	40%
Risk management audits	5%
Special projects	50%

Staff	
Total	7
Professionals	NA
Includes: 3 principal consultants, 3 consultants	

Clients	
Total	12
Budgets less than $1,000,000	20%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	25%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	10%
Associations	6
Minimum size	None

Consulting since: 1992.

Parent: National Insurance Partners.

Frequent special projects: Captive feasibility studies, claims auditing, broker assessment, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, risk management organization studies, RMIS consulting.

Specialties: Construction, health care, transportation.

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

Officers: M.R. Mead, CEO; Henry Peterson, COO; Ralph Hubbard, Wade Smith, vps.

Contact: Henry Peterson.

Premier Health Cost Consultants

1603 S. Michigan Ave., Chicago, Ill. 60616; 312-347-0975; fax: 312-347-4568

1993 Revenues	
Total gross revenues	$480,000
Continuous consulting	20%
Risk management audits	10%
Special projects	30%
Risk management consulting revenues	$288,000

Staff	
Total	8
Professionals	3
Includes: 1 principal consultant, 2 consultants, 1 analyst	

Clients	
Total	12
Budgets less than $1,000,000	8%
Between $1,000,000-$4,900,000	8%
Between $10,000,000-$24,900,000	14%
Budgets over $25,000,000	70%
Associations	4
Minimum size	None

Consulting since: 1989.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance.

Occasional special projects: Captive feasibility studies, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Specialties: Government, hospital, insurance companies, manufacturing, third-party administrators.

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

Officers: Bennie Jones, president; Michael Drew, Torquka Johnson, consultants; Gerald Harris, insurance consultant.

Professional Liability Risk Management Ltd.

214 Bronson Road, Syracuse, N.Y. 13219; 800-323-7475 or 315-488-5957; fax: 315-488-3963

1993 Revenues	
Continuous consulting	50%
Risk management audits	10%
Special projects	40%

Staff	
Total	6
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients	
Total	12
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	50%
Between $10,000,000-$24,900,000	20%
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.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, broker assessment, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Architects, engineers.

Compensation: Commissions, by the hour: principal consultant, $75.

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

1993 Revenues	
Continuous consulting	67%
Risk management audits	2%
Special projects	3%

Staff	
Total	1

Clients	
Total	31
Budgets less than $1,000,000	71%
Between $1,000,000-$4,900,000	26%
Between $10,000,000-$24,900,000	3%
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: Automotive, chemical, directors and officers liability, distribution, manufacturing, medical, professional errors and omissions, public entities, real estate, wrap-ups (OCIPs).

Compensation: By the project, by the hour: principal consultant, $95-$145.

Membership: SRMC.

Officers: Carl F. Lidstrom, president.

Directory terms and methodology explained on page 11.

Professional Risk Management Consultants

2 Gateway Center, 18th Floor, Pittsburgh, Pa. 15222; 412-288-0832; fax: 412-288-0863

1993 Revenues	
Total gross revenues	$350,000
Continuous consulting	15%
Risk management audits	45%
Special projects	40%
Risk management consulting revenues	$350,000

Staff	
Total	3
Professionals	3
Includes: 1 principal consultant, 1 consultant, 1 analyst	

Clients	
Total	170
Budgets less than $1,000,000	75%
Between $1,000,000-$4,900,000	24%
Between $5,000,000-$9,900,000	1%
Minimum size	None

Consulting since: 1983.

Parent: Halliwell & Associates 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.

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

Specialties: Contractors, educational, financial institutions, health care, manufacturing.

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

Officers: Paul D. Halliwell, president-Halliwell & Associates; Thomas S. Baily, vp-Halliwell & Associates/president-Professional Risk Management Consultants.

Contact: Tom Baily.

R

RCS Services Inc.

16300 Katy Freeway, Suite 170, Houston, Texas 77094; 713-647-9033; fax: 713-647-0722

1993 Revenues	
Continuous consulting	50%
Special projects	50%

Staff	
Total	11
Professionals	8
Includes: 3 principal consultants, 5 consultants	

Clients	
Total	209
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Associations	3
Minimum size	None

Consulting since: 1991.

Frequent special projects: Claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting, resolution of experience modifier problems/conflicts.

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

Specialties: Industrial, temporary staffing.

Locations: Los Angeles, Washington, Chicago.

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

Officers: William D. Nagel, CEO/president; James E. Parker, Jr., director.

Contact: Mark A. Lawrence, manager-field services.

RWL & Associates

101 W. Renner Road, Suite 240, Richardson, Texas 75082-2003; 214-907-9095; fax: 214-907-9198

1993 Revenues	
Continuous consulting	50%
Risk management audits	20%
Special projects	10%

Staff	
Total	8
Professionals	4
Includes: 1 principal consultant, 3 consultants	

Clients	
Total	280
Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	5%
Associations	5
Minimum size	None

Consulting since: 1981.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, preparation of bidding specifications, claim disputes/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, $185.

Membership: SRMC.

Officers: Robert W. Lazarus, president; Roberta A. Lazarus, vp/corporate secretary.

RAIMS Corp.

P.O. Box 11061, 1910 Byro Ave., Suite 215, Richmond, Va. 23230; 804-285-6160; fax: 804-285-3237

Staff	
Total	2
Professionals	2
Includes: 2 principal consultants	

Consulting since: 1994.

Compensation: By the project.

Officers: W. Everett Alexander Jr., president; Sandra J. Ellis, vp/secretary.

Randall & Associates/ Risk Management Group

15 Montpellier, Suite 200, Laguna Niguel, Calif. 92677; 714-499-4020; fax: 714-499-0836

1993 Revenues	
Continuous consulting	75%
Risk management audits	10%
Special projects	15%

Staff	
Total	3
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients	
Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	50%
Associations	2
Minimum size	None

Consulting since: 1990.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, risk management organization studies.

Occasional special projects: Captive feasibility studies, claims auditing, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Compensation: By the project, by the hour: principal consultant, $135.

Officers: K. Randall Burt, principal; Julia A. Endres, vp.

Frederick Rauh & Co.

1014 Vine Street, Cincinnati, Ohio 45202-1195; 513-333-0909; fax: 513-333-2093

1993 Revenues	
Continuous consulting	17.4%
Risk management audits	0.4%
Special projects	0.9%

Staff	
Total	93
Professionals	NA
Includes: 6 principal consultants, 2 consultants	

Clients	
Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	25%
Between $10,000,000-$24,900,000	5%
Associations	1
Minimum size	None

Consulting since: 1960.

Parent: Acordia.

Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, claims auditing, environmental, accounting systems analysis, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Amusement parks, contractors, environmental, jewelers, manufacturing, non-profit organizations, truckers.

Compensation: By the project, commissions, by the hour: principal consultant, $150-$200.

Officers: David Eslick, president; Thomas J. Schaefer, Harry M. Addison, Peter Dowd, senior vps; Robert A. Lane, Robert I. Slovin, Michael Fishel, Robert J. Stone, vps.

Continued on next page

Continued from previous page

Raybar Insurance Consultants

P.O. Box 899, Matawan, N.J. 07747; 908-946-7317; fax: 908-780-5481

1993 Revenues

Continuous consulting	65%
Risk management audits	5%
Special projects	5%

Staff

Total	4
Professionals	2
Includes: 1 principal consultant, 1 consultant, 2 analysts	

Clients

Total	17
Budgets less than $1,000,000	100%
Associations	2
Minimum size	None

Consulting since: 1989.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance.

Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, consulting on appraisal of property values.

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

Officers: Raymond M. Patella, president/CEO.

Regent Consultants Corp.

544 Broadway, Suite 200, Massapequa, N.Y. 11758-5042; 516-541-0021; fax: 516-541-1964

1993 Revenues

Continuous consulting	90%
Risk management audits	5%
Special projects	5%

Staff

Total	4
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	25
Budgets less than $1,000,000	60%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	10%

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, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

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

Membership: SRMC.

Officers: Philip Platzer, president.

Risk Analysts Inc.

4828 Loop Central Drive, 9th Floor, Houston, Texas 77081; 713-661-9933; fax: 713-669-4724

1993 Revenues

Total gross revenues	$1,411,886
Continuous consulting	63%
Risk management audits	4%
Special projects	12%
Risk management consulting revenues	$1,114,856

Staff

Total	61
Professionals	NA
Includes: 3 principal consultants, 3 consultants, 2 analysts	

Clients

Total	88
Budgets less than $1,000,000	69%
Between $1,000,000-$4,900,000	15%
Between $5,000,000-$9,900,000	8%
Between $10,000,000-$24,900,000	6%
Budgets over $25,000,000	2%
Associations	5
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, Texas workers compensation act rejection, risk transfer by contract.

Occasional special projects: Captive feasibility studies, broker assessment, RMIS consulting, expert witness.

Specialties: Entertainment, hospitals, motor sports, petrochemical, retail, supermarket chains, wholesale distribution, workers compensation non-subscriber.

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

Officers: Joe Williams, president; Irving Pozmantier, chairman; Thomas Francis, executive vp/senior consultant.

Risk & Asset Managers Inc.

1365 Westgate Center Drive, Building O-2, Winston-Salem, N.C. 27103; 910-765-7475; fax: 910-765-9508

1993 Revenues

Total gross revenues	$370,000
Continuous consulting	60%
Risk management audits	10%
Special projects	30%
Risk management consulting revenues	$370,000

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Total	19
Budgets less than $1,000,000	45%
Between $1,000,000-$4,900,000	50%
Between $5,000,000-$9,900,000	5%
Minimum size	$200,000

Consulting since: 1982.

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

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Consumer products, educational, health care, manufacturing, municipalities.

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

Officers: Richard P. Ackerman, president/CEO.

Risk Consultants Inc.

919 Third Ave., New York, N.Y. 10022; 212-688-9700; fax: 212-319-7509

1993 Revenues

Total gross revenues	$500,000
Continuous consulting	25%
Risk management audits	25%
Special projects	25%

Staff

Professionals	6

Clients

Budgets less than $1,000,000	100%

Consulting since: 1983.

Frequent special projects: Workers compensation consulting, loss prevention audits, loss settlement assistance.

Occasional special projects: Risk retention analysis, broker assessment, quantitative/statistical analysis and forecasting.

Specialties: Food service, health care, non-profits, real estate.

Locations: West Palm Beach, Fla.

Compensation: By the contract, by the hour: principal consultant, $125.

Officers: Steven Grossberg, James Kornreich, Thomas Kornreich, William Kornreich, partners; Glenn David, vp-risk management services.

Risk Consultants Inc.

7506 E. Independence Blvd., Suite 100, Charlotte, N.C. 28227; 704-537-3400; fax: 704-532-2359

1993 Revenues

Total gross revenues	$550,140
Continuous consulting	40%
Risk management audits	20%
Special projects	10%
Risk management consulting revenues	$385,200

Staff

Total	10
Professional	6
Includes: 3 principal consultants, 2 consultants, 1 analyst	

Clients

Total	220
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
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, reciprocals (feasibility/formation).

Specialties: Banks, manufacturing firms, 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

23120 Alicia Parkway, Suite 200, Mission Viejo, Calif. 92692; 714-583-1161; fax: 714-583-0245

1993 Revenues

Continuous consulting	40%
Risk management audits	20%
Special projects	40%

Staff

Professional	NA
Includes: 2 principal consultants, 3 consultants, 2 analysts	

Clients

Budgets less than $1,000,000	15%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	5%
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: Health care, property management, wholesale, manufacturing, service, retail industry.

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

Membership: SRMC.

Officers: R.E. Ford, M.L. Finch, principals; K. Michaels, manager.

Risk Control Inc.

216 Water St., Excelsior, Minn. 55331; 612-474-5204

1993 Revenues

Continuous consulting	93%
Risk management audits	4%
Special projects	3%

Staff

Total	6
Professional	4
Includes: 3 principal consultants, 1 consultant	

Clients

Budgets less than $1,000,000	87%
Between $1,000,000-$4,900,000	11%
Between $5,000,000-$9,900,000	2%
Associations	1
Minimum size	None

Consulting since: 1978.

Frequent special projects: Risk retention analysis, broker assessment.

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

Membership: SRMC.

Officers: Jerry L. Brecke, president.

Risk Control Strategies Inc.

170 Great Neck Road, Great Neck, N.Y. 11021; 516-466-0750; fax: 516-466-0997

1993 Revenues

Continuous consulting	60%
Risk management audits	10%
Special projects	30%

Staff

Total	5
Professional	4
Includes: 1 principal consultant, 2 consultants, 1 analyst	

Clients

Total	18
Budgets less than $1,000,000	40%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	20%
Minimum size	None

Consulting since: 1984.

Frequent special projects: Claims auditing, loss prevention audits, preparation of bidding specifications, safety/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, manufacturing, distribution.

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

Membership: SRMC.

Officers: Susan G. Kaufman, president.

Risk International Services Inc.

190 Montrose West Ave., Suite 160, Akron, Ohio 44321-2786; 216-666-2556; fax: 216-666-0842

1993 Revenues

Continuous consulting	44%
Risk management audits	2%
Special projects	52%

Staff

Total	28
Professional	21
Includes: 6 principal consultants, 7 consultants, 1 actuary, 7 analysts	

Clients

Total	28
Budgets less than $1,000,000	27%
Between $1,000,000-$4,900,000	44%
Between $5,000,000-$9,900,000	4%
Between $10,000,000-$24,900,000	24%
Budgets over $25,000,000	1%
Minimum size	None

Consulting since: 1986.

Parent: International Marine Casualty Services.

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, loss settlement assistance, preparation of bidding specifications, insurance archaeology, environmental/toxic tort insurance recoveries.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Locations: Houston, Salt Lake City.

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

Officers: Del R. Jones, chairman; David C. Hatch, president; Douglas L. Talley, vp/counsel; Daniel C. Buser, Richard A. Green, claims managers/counsels.

Risk Management Inc.

6969 Carey Lane, Maple Grove, Minn. 55369; 612-425-4040; fax: 612-425-4040

1993 Revenues

Continuous consulting	10%
Risk management audits	5%
Special projects	40%

Staff

Total	3
Professional	2
Includes: 2 principal consultants	

Consulting since: 1978.

Frequent special projects: Insurance contract analysis, broker assessment, expert witness.

Specialties: Consulting attorneys on insurance coverages.

Compensation: By the project, by the hour: principal consultant, $200-$300.

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

1993 Revenues

Total gross revenues	$120,000
Continuous consulting	5%
Risk management audits	25%
Special projects	70%
Risk management consulting revenues	$120,000

Staff

Total	1

Clients

Total	50
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
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

1993 Revenues

Total gross revenues	$300,000
Continuous consulting	28.31%
Risk management audits	1.67%
Special projects	3.33%
Risk management consulting revenues	$100,000

Staff

Total	4
Professional	2
Includes: 1 principal consultant, 1 consultant	

Clients

Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	65%
Between $5,000,000-$9,900,000	10%
Associations	4
Minimum size	None

Consulting since: 1991.

Continued on next page

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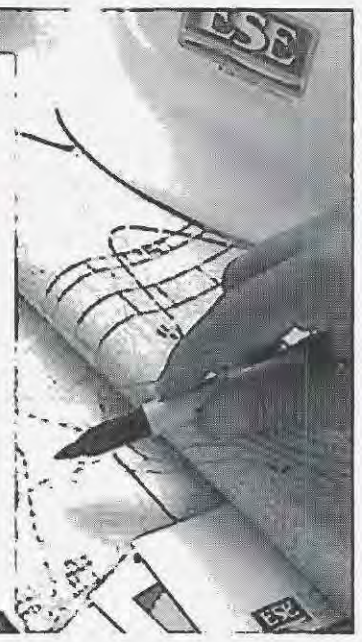

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Frequent special projects: Risk retention analysis, analysis of limits, claims auditing, loss settlement assistance, risk management organization studies, RMIS consulting.

Occasional special projects: Captive feasibility studies, insurance contract analysis, environmental, loss prevention audits, broker assessment, preparation of bidding specifications, expert witness.

Specialties: Consulting to health care institutions.

Compensation: By the project, on retainer.

Officers: Reynold M. Corn, president.

Risk Management Associates

4673 Watch Hill Road, Manlius, N.Y. 13104; 315-682-4079; fax: 315-682-4079

1993 Revenues

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

Staff

Total	1

Clients

Total	51
Budgets less than $1,000,000	100%
Associations	2
Minimum size	None

Consulting since: 1989.

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

Occasional special projects: Risk retention analysis, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Health care, educational/financial institutions, manufacturing, retail, service, public entities.

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

Membership: SRMC.

Officers: Justus O. Linkletter Jr., president.

The Risk Management Center Inc.

4075 Old River Trail, Powhatan, Va. 23139-4112; 804-598-7954; fax: 804-598-7905

1993 Revenues

Continuous consulting	40%
Risk management audits	10%
Special projects	40%

Staff

Total	1

Clients

Total	20
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	90%
Associations	2
Minimum size	None

Consulting since: 1993.

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

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

Specialties: Medical malpractice, trucking, municipalities, transit systems, marine, non-profits, financial institutions.

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

Membership: SRMC.

Officers: Richard F. O'Hare, president.

Risk Management Consultants Inc.

1621 E. Flamingo Road, Suite 15-B, Las Vegas, Nev. 89119; 702-369-7475; fax: 702-796-7475

1993 Revenues

Continuous consulting	60%
Risk management audits	10%
Special projects	10%

Staff

Total	3
Professional	1
Includes: 1 principal consultant	

Clients

Total	25
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Associations	2
Minimum size	None

Consulting since: 1985.

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, risk management organization studies, RMIS consulting, expert witness.

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

Officers: K. Steven Kawa, president.

Risk Management Consultants Inc.

250 W. 57th St., New York, N.Y. 10107; 212-582-2214

1993 Revenues

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

Staff

Total	5
Professional	4
Includes: 2 principal consultants, 1 consultant, 1 analyst	

Clients

Total	50
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Minimum size	None

Consulting since: 1957.

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.

Occasional special projects: Loss prevention audits, accounting systems analysis, RMIS consulting, expert witness.

Compensation: By the project, on retainer.

Membership: SRMC.

Officers: Ezra Lifshitz, president.

Risk Management Consulting

4 Harton Court, East Northport, N.Y. 11731; 516-462-9716; fax: 516-462-1570

1993 Revenues

Continuous consulting	90%

Staff

Total	1

Clients

Total	10
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
Associations	2
Minimum size	None

Consulting since: 1991.

Compensation: By the project, on retainer.

Officers: Isaac Proser, president.

Risk Management Consulting Associates

400 W. Main St., P.O. Box 39, Wyckoff, N.J. 07481; 201-847-0200; fax: 201-847-9244

1993 Revenues

Continuous consulting	96%
Risk management audits	2%
Special projects	2%

Staff

Total	5
Professional	3
Includes: 3 principal consultants	

Clients

Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	60%
Between $5,000,000-$9,900,000	10%
Associations	2
Minimum size	$100,000

Consulting since: 1990.

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

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

Specialties: Manufacturing, retail, hospitality, service, distribution, import/export, contractors.

Compensation: By the project, on retainer.

Officers: Gary D. Salt, president.

Risk Management Dynamics

P.O. Box 383, 77 Cameron Drive, Southampton, Pa. 18966; 215-364-4404; fax: 215-364-2890

1993 Revenues

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

Staff

Total	6
Professional	2
Includes: 2 principal consultants	

Clients

Budgets less than $1,000,000	95%
Between $1,000,000-$4,900,000	5%
Minimum size	None

Consulting since: 1987.

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

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

Specialties: Financial institutions, manufacturing, transportation, retirement communities.

Compensation: On retainer, by the hour: principal consultant, $175.

Membership: SRMC.

Officers: Alvin E. Mangold, president; Bernice Mangold, secretary/treasurer; David J. Mangold, vp.

Risk Management Group

15 Montpellier, Suite 200, Laguna Niguel, Calif. 92677; 714-499-4020; fax: 714-499-0836

1993 Revenues

Continuous consulting	80%
Risk management audits	10%
Special projects	5%

Staff

Total	4
Professional	NA
Includes: 1 principal consultant, 1 consultant	

Clients

Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	65%
Between $5,000,000-$9,900,000	5%
Associations	2
Minimum size	None

Consulting since: 1991.

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, RMIS consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $130.

Officers: K. Randall Burt, CEO; Julia Endres, executive vp.

The Risk Management Group Inc.

900 Fort St. Mall, Suite 1210, Honolulu, Hawaii 96813; 808-521-8073; fax: 808-531-8341

1993 Revenues

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

Clients

Budgets less than $1,000,000	65%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	10%
Associations	5
Minimum size	None

Consulting since: 1979.

Frequent special projects: Analysis of limits, insurance contract analysis, accounting systems analysis, broker assessment, preparation of bidding specifications, safety program design/implementation, employee incentive programs.

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

Compensation: By the project, on retainer.

Officers: Marvin R. Walden, president; Arthur P. Lessing, executive vp.

Risk Management Group Inc.

4425 Randolph Road, Suite 333, Charlotte, N.C. 28211; 704-366-4910; fax: 704-366-4918

1993 Revenues

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

Staff

Total	6
Professional	4
Includes: 2 principal consultants, 1 consultant, 1 analyst	

Clients

Budgets less than $1,000,000	55%
Between $1,000,000-$4,900,000	35%
Between $5,000,000-$9,900,000	10%
Associations	4
Minimum size	None

Consulting since: 1980.

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

Occasional special projects: Claims auditing, loss settlement assistance, risk management organization studies, RMIS consulting, expert witness.

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Specialties: Electric and water utilities, public power, electric co-ops, banks, universities, hospitals, political entities, associations.

Locations: Austin, Texas.

Compensation: By the project, on retainer, by the hour: principal consultant, $145.

Membership: SRMC.

Officers: William B. Brown, president; Donald K. Gray, vp.

Risk Management Resources Inc.

6547 City West Parkway, Eden Prairie, Minn. 55344; 612-944-8515; fax: 612-944-4014

1993 Revenues

Continuous consulting	70%
Risk management audits	15%
Special projects	13%

Staff

Total	9
Professional	6
Includes: 2 principal consultants, 3 consultants, 1 analyst	

Clients

Total	45
Budgets less than $1,000,000	85%
Between $1,000,000-$4,900,000	15%
Minimum size	None

Consulting since: 1978.

Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, claims auditing, accounting systems analysis, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, insurance policy development/drafting.

Specialties: Electronics, wind energy, sports/entertainment, printing, manufacturing.

Compensation: By the project, on retainer, by the hour: principal consultant, $100-$125.

Officers: Jeffrey P. Isenberg, president; William E. Husbands, vp/COO.

Risk Management Services Inc.

990 Westbury Road, Westbury, N.Y. 11590; 516-333-7250; fax: 516-333-7778

1993 Revenues

Total gross revenues	$902,000
Continuous consulting	60%
Risk management audits	20%
Special projects	20%
Risk management consulting revenues	$902,000

Staff

Total	4
Professional	NA
Includes: 1 principal consultant, 1 consultant	

Clients

Budgets less than $1,000,000	35%
Between $1,000,000-$4,900,000	55%
Between $5,000,000-$9,900,000	10%
Associations	3
Minimum size	None

Consulting since: 1984.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, broker assessment, risk management organization studies, preparation of bidding specifications, workers comp audits.

Occasional special projects: Loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Chemicals, manufacturing, non-profits, municipalities, hospitals, waste management.

Compensation: By the project, on retainer.

Officers: Allen H. Bader, president; Angela Cotrone, vp.

Risk Management Services, Aon Specialty Group

1120 20th St. N.W., Suite 850, Washington, D.C. 20036; 800-368-0321; fax: 202-857-8397

1993 Revenues

Total gross revenues	$700,000
Continuous consulting	40%
Risk management audits	20%
Special projects	40%
Risk management consulting revenues	$700,000

Staff

Total	7
Professional	NA
Includes: 2 principal consultants, 2 consultants, 1 actuary, 1 analyst	

Clients

Total	100
Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Associations	20
Minimum size	None

Consulting since: 1992.

Parent: Aon Corp.

Frequent special projects: Risk retention analysis, insurance contract analysis, quantitative/statistical analysis and forecasting, expert witness.

Occasional special projects: Captive feasibility studies, analysis of limits, broker assessment, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Specialties: Financial institutions, actuarial services, health care institutions, associations.

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

Officers: Ed Armstrong, managing director; Ron Summerville, vp.

Risk Research & Captive Services A/S

Gammel Kongeves Go, D-1790 Copenhagen V, Denmark; 45-3121-2121; fax: 45-3313-1716

1993 Revenues

Total gross revenues	$185,000
Continuous consulting	75%
Special projects	20%
Risk management consulting revenues	$176,000

Staff

Total	3

Clients

Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	80%
Associations	20
Minimum size	$100,000

Consulting since: 1979.

Parent: Codan Insurance A/S.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, loss prevention audits, risk management organization studies, RMIS consulting.

Compensation: By the project, by the hour.

Officers: Morten Holm, general manager; Peter Skov, consultant; Hanne Lausten, accountant.

Risk Resources

2 Westbrook Corporate Center, Suite 640, Westchester, Ill. 60154; 708-449-0165; fax: 708-449-0235

1993 Revenues

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

Staff

Total	6
Professional	4
Includes: 4 principal consultants	

Clients

Total	100
Associations	10
Minimum size	None

Consulting since: 1992.

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.

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

Compensation: By the project, on retainer, by the hour: principal consultant, $150-$200.

Membership: SRMC.

Officers: Steven A. Coombs, president; Robert J. Trompeter, executive vp; William Leinheiser, senior vp.

Contact: William Leinheiser.

Risk Resources Group Inc.

4823 Old Kingston Pike, Suite 170, Knoxville, Tenn. 37919; 615-584-5450; fax: 615-584-5870

1993 Revenues

Total gross revenues	$425,000
Continuous consulting	80%
Risk management audits	5%
Special projects	5%
Risk management consulting revenues	$382,000

Staff

Total	5
Professional	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	20
Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	5%
Between $10,000,000-$24,900,000	10%
Budgets over $25,000,000	10%
Associations	1
Minimum size	None

Consulting since: 1991.

Parent: Fenchurch USA/Fenchurch Group P.L.C.

Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications, RMIS consulting.

Occasional special projects: Analysis of limits, claims auditing, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting.

Specialties: Mining, public entities, manufacturing.

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

Officers: Kenneth L. Sloan Jr., president; David Griffiths, secretary/treasurer; Michael Small, John Plummer, Roger Earl, directors.

Risk Services of California

10655 Lemon Ave., Suite 3614, Alta Loma, Calif. 91737-6966; 909-980-1874; fax: 909-948-5523

1993 Revenues

Continuous consulting	11%
Risk management audits	6%
Special projects	79%

Staff

Total	2
Professional	2
Includes: 1 principal consultant, 1 analyst	

Clients

Total	30
Budgets less than $1,000,000	30%
Between $1,000,000-$4,900,000	13%
Between $5,000,000-$9,900,000	50%
Between $10,000,000-$24,900,000	7%
Associations	6
Minimum size	$350,000

Consulting since: 1979.

Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, claims auditing, loss settlement assistance, preparation of bidding specifications, expert witness, risk management/claims procedure manual production, design and installation of turn key claims departments.

Occasional special projects: Analysis of limits, loss prevention audits, accounting systems analysis, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialties: Self-insureds, captives, alternative programs, hospitals, retail/wholesale groceries, professional and product liability.

Compensation: By the project, on retainer, by the hour: principal consultant, $125-$150.

Officers: Terry Coleman, principal; Suzanne Coleman, operations manager/claims analyst.

RISKCAP

1571 Race St., Denver, Colo. 80206; 303-388-5688; fax: 303-388-5585

1993 Revenues

Continuous consulting	80%
Risk management audits	3%
Special projects	17%

Staff

Total	15
Professional	NA
Includes: 1 principal consultant, 4 consultants, 4 analysts	

Clients

Total	60
Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	53%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	2%
Associations	5
Minimum size	$10,000

Consulting since: 1976.

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, preparation of bidding specifications, expert witness, self-insured alternative market program design/implementation, risk financing program management.

Occasional special projects: Environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting.

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

Membership: SRMC.

Officers: Michael Murphy, principal consultant; James Graham, Sherlyn Farrell, senior consultants; Ed Rohrer, Wendy Boutin, consultants; Donna Holstlaw, Richard Poling, George Kern, risk analysts; Tim Peterson, junior risk analyst.

Risktech Resources Group Ltd.

4959 Delhi Pike, Cincinnati, Ohio 45238; 513-451-3334; fax: 513-677-9303

1993 Revenues

Continuous consulting	20%
Risk management audits	25%
Special projects	55%

Staff

Total	5
Professional	4
Includes: 4 principal consultants	

Clients

Total	22
Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	10%
Minimum size	None

Consulting since: 1993.

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

Occasional special projects: Captive feasibility studies, claims auditing, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting.

Specialties: Municipalities, manufacturers, associations, contractors.

Compensation: By the project, on retainer, by the hour: principal consultant, $125-$250.

Officers: Donald S. Malecki, president; Frederick A. Kolish, William R. Douglas, vps; Gregory G. Deimling, secretary/treasurer.

Roberts Resources Inc.

1420 Bristol St. N., Suite 220, Newport Beach, Calif. 92660; 714-752-1058 ext. 232; fax: 714-955-1929

1993 Revenues

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

Staff

Total	2
Professional	1
Includes: 1 principal consultant	

Clients

Total	7
Budgets between $1,000,000-$4,900,000	60%
Between $10,000,000-$24,900,000	40%
Minimum size	None

Consulting since: 1989.

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

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, accounting systems analysis, loss settlement assistance, RMIS consulting.

Specialties: Property/casualty and marine risks; consulting to governmental entities, educational institutions, publishing, entertainment, manufacturing, retailing.

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

Officers: Sheila P. Roberts, president.

R.W. Rogers & Associates Inc.

810 W. Alex Bell Pike, Dayton, Ohio 45459; 513-436-4655; fax: 513-436-9785

1993 Revenues

Continuous consulting	45%
Risk management audits	5%
Special projects	10%

Staff

Total	2
Professional	1
Includes: 1 principal consultant	

Clients

Total	5
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
Minimum size	None

Consulting since: 1986.

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

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

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

Officers: Richard W. Rogers, president.

Rollins Hudig Hall Risk Management Services A/S

Strandgade 4C, 1401 K Copenhagen, Denmark; 45-3296-9664; fax: 45-3296-9634

1993 Revenues

Total gross revenues	$300,000
Continuous consulting	50%
Risk management audits	15%
Special projects	35%
Risk management consulting revenues	$300,000

Staff

Total	5
Professional	5
Includes: 1 principal consultant, 4 consultants	

Clients

Total	20
Budgets less than $1,000,000	75%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	10%
Budgets over $25,000,000	5%
Minimum size	$100,000

Consulting since: 1990.

Parent: Rollins Hudig Hall (Scandinavia) Holding.

Frequent special projects: Captive feasibility studies, analysis of limits, insurance contract analysis, environmental, loss prevention audits, preparation of bidding specifications, due diligence investigations.

Occasional special projects: Risk retention analysis, claims auditing, broker assessment, loss settlement assistance, risk management organization studies, RMIS consulting.

Specialties: Pharmaceutical, engineering-related manufacturing.

Compensation: By the project, commissions, by the hour: principal consultant, $150-$225.

Officers: Knud Petri, chairman; Lone Hertz, director; Stuart Henney, vp.

Contact: Stuart Henney.

Continued on next page

Directory terms and methodology explained on page 11.

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Continued from previous page

Rosenthal Insurance Consulting Inc.

P.O. Box 35220, Richmond, Va. 23235-0220; 804-330-8100; fax: 804-330-3389

1993 Revenues

Total gross revenues	$150,000
Continuous consulting	60%
Risk management audits	16%
Special projects	4%

Staff

Total	5
Professional	3

Includes: 1 principal consultant, 1 consultant, 1 analyst

Clients

Budgets less than $1,000,000	90%
Between $1,000,000-$4,900,000	10%
Minimum size	None

Consulting since: 1989.

Special projects: Expert witness.

Specialties: Manufacturers, retailers, wholesalers, distributors, governmental entities, school boards, associations.

Compensation: On retainer, by the hour: principal consultant, $125.

Officers: Samuel L. Rosenthal, president; Elaine McCracken, vp/treasurer.

Contact: Sam Rosenthal.

Russell Insurance Services Consulting Inc.

15 165th Ave. S.E., Bellevue, Wash. 98008-4721; 206-644-1658; fax: 206-644-1658

1993 Revenues

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

Staff

Total	2
Professional	2

Includes: 1 principal consultant, 1 consultant

Clients

Total	40
Budgets less than $1,000,000	25%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	20%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	5%
Minimum size	None

Consulting since: 1986.

Frequent special projects: Risk retention analysis, claims auditing, loss settlement assistance, risk management organization studies, expert witness, insurance related strategic planning.

Occasional special projects: Captive feasibility studies, analysis of limits, insurance contract analysis, loss prevention audits, broker assessment, preparation of bidding specifications, RMIS consulting.

Specialties: Airlines, retail, logging, trucking, maritime, municipalities; health program, workers comp, employee assistance and wellness program consulting.

Compensation: By the project, on retainer, by the hour: principal consultant, $125-$150.

Officers: A. Dan Russell, president; Agnes M. Russell, vp.

S

Safety & Claims Consultants

130 El Cerrito, Bakersfield, Calif. 93305; 805-322-5394

1993 Revenues

Continuous consulting	38%
Risk management audits	2%
Special projects	50%

Staff

Total	5
Professionals	5

Includes: 1 principal consultant, 2 consultants, 1 actuary, 1 analyst

Clients

Total	75
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	15%
Between $5,000,000-$9,900,000	5%
Minimum size	None

Consulting since: 1985.

Frequent special projects: Risk retention analysis, claims auditing, loss prevention audits, loss settlement assistance, preparation of bidding specifications, security-property and personnel.

Occasional special projects: Analysis of limits, insurance contract analysis, accounting systems analysis, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Agriculture, construction, hospitals (medical care facilities), manufacturing, petroleum, public agencies, retail.

Compensation: By the project, on retainer, by the hour: principal consultant, $65-250.

Officers: Michael B. Doolittle.

Seaver & Associates Inc.

1460 Renaissance Drive, Suite 305, Park Ridge, Ill. 60068; 708-298-1790; fax: 708-298-1805

1993 Revenues

Continuous consulting	30%
Risk management audits	45%
Special projects	25%

Staff

Total	6
Professionals	4

Includes: 3 principal consultants, 1 analyst

Clients

Total	90
Budgets less than $1,000,000	40%
Between $1,000,000-$4,900,000	45%
Between $5,000,000-$9,900,000	5%
Between $10,000,000-$24,900,000	5%
Budgets over $25,000,000	5%
Minimum size	None

Consulting since: 1898.

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, captive feasibility studies, claims auditing, environmental, broker assessment, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting.

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

Officers: Ronald E. Seaver, chairman/president/treasurer; Laurie K. Filipinski, vp/secretary/office manager.

Contact Laurie K. Filipinski.

Sedgwick Financial & Actuarial Consulting

1285 Ave. of the Americas, New York, N.Y. 10019; 212-830-1000; fax: 212-830-1029

1993 Revenues

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

Staff

Total	18
Professionals	15

Includes: 4 principal consultants, 3 consultants, 3 actuaries, 4 analysts

Clients

Total	290
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	50%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	10%
Associations	25
Minimum size	None

Consulting since: 1976.

Parent: Sedgwick Group P.L.C.

Frequent special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, risk finance methodology design, cost allocation system design.

Occasional special projects: Analysis of limits, insurance contract analysis, environmental, risk management organization studies, expert witness.

Specialties: Health care, manufacturing, public entities, retail.

Locations: Irvine and San Franciso, Calif.; Atlanta, Ga.; Chicago, Ill.; Boston, Mass.; Portland, Ore.; Columbia, S.C.; Nashville, Tenn.; Dallas, Texas; Seattle, Wash.

Compensation: By the project.

Officers: R. Jane Hill, senior vp (Risk Services, Sedgwick James, Inc.); Richard M. Duvall, president; Scott M. Sanderson, executive vp; Mary Frances Miller, Patrick Lynch, senior vps.

Contact: Richard M. Duvall, 615-783-2505.

Sedgwick Ltd. (Risk Services-Canada)

P.O. Box 439, Commercial Union Tower, Toronto-Dominion Centre, Toronto, Ontario M5K 1M3; 416-361-6700; fax: 416-361-6743

1993 Revenues

Continuous consulting	60%
Risk management audits	5%
Special projects	35%

Staff

Total	21
Professionals	16

Includes: 6 principal consultants, 8 consultants, 2 analysts

Clients

Total	150
Minimum size	None

Consulting since: 1987.

Parent: Sedgwick Group P.L.C.

Locations: Calgary, Montreal and Vancouver, Canada.

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

Officers: William O. Jarvis, CEO; Murray Lamb, senior vp/corporate secretary; Brian McAskill, vp.

Self-Insurance Exchange Inc.

25251 Paseo de Alicia, Suite 200, Laguna Hills, Calif. 92653; 714-768-0334; fax: 714-951-6213

1993 Revenues

Continuous consulting	50%
Risk management audits	10%
Special projects	10%

Staff

Total	6
Professionals	4

Includes: 4 analysts

Clients

Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	50%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	10%
Associations	40
Minimum size	None

Consulting since: 1986.

Occasional 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, RMIS consulting, expert witness, marketing/sales support.

Specialties: Self-insured programs.

Locations: McLean, Va.

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

Officers: Andrew J. Cmiel, president/CEO.

Self-Insurance Resource Inc.

12770 Coit Road, Dallas, Texas 75251; 214-991-8077; fax: 214-991-8498

1993 Revenues

Continuous consulting	50%
Risk management audits	5%
Special projects	5%

Staff

Total	12
Professionals	9

Includes: 4 principal consultants, 3 consultants, 2 analysts

Clients

Total	70
Budgets less than $1,000,000	60%
Between $1,000,000-$4,900,000	26%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	2%
Budgets over $25,000,000	2%
Associations	2
Minimum size	$250,000

Consulting since: 1983.

Frequent special projects: Insurance contract analysis, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, accounting system analysis, broker assessment, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness.

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

Officers: Keith C. Kakacek, president; John R. Catanzano, Rae Kakacek, John Sterrantino, vps.

Self-Insurance Specialists Inc.

6909 S. Holly Circle, Suite 320, Englewood, Colo. 80112; 303-741-5683; fax: 303-741-5679

1993 Revenues

Special projects	100%

Staff

Total	2
Professionals	1

Includes: 1 principal consultant

Clients

Total	10
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	70%
Between $5,000,000-$9,900,000	20%
Associations	4
Minimum size	None

Consulting since: 1991.

Frequent special projects: Risk retention analysis, insurance contract analysis, broker assessment, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness, self-insurance pool management audits and feasibility studies.

Continued on next page

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Continued from previous page

Occasional special projects: Captive feasibility studies, analysis of limits, claims auditing, environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, RMIS consulting.

Specialties: Public entities, pools, school districts, self-insureds.

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

Officers: Sally Perske Arnold, president.

Richard E. Sherman & Associates Inc.

1109 Siskiyou Blvd., Suite A, Ashland, Ore. 97520; 503-488-0331; fax: 503-488-0331

1993 Revenues

Continuous consulting	20%
Special projects	40%

Staff

Total	2.25
Professionals	2.25
Includes: 1 principal consultant	

Clients

Total	24
Budgets less than $1,000,000	35%
Between $1,000,000-$4,900,000	45%
Between $5,000,000-$9,900,000	20%
Associations	3
Minimum size	None

Consulting since: 1991.

Frequent special projects: Risk retention analysis, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, analysis of limits, RMIS consulting, expert witness, cost allocation plan reviews.

Specialties: Longshore, logging, public entities, hospitals, trucking.

Compensation: By the project, by the hour: principal consultant, $150-$200.

Officers: Richard E. Sherman, president; Reider Peterson, consultant; Dawn Glover, Gordon Montgomery, actuaries; Mary Ann Evia, analyst.

Peter Shuley & Associates Inc.

P.O. Box 5254, Vancouver, British Columbia, Canada V6B 4B5; 604-684-4700; fax: 604-684-4750

1993 Revenues

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

Staff

Total	3
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	45
Budgets less than $1,000,000	55%
Between $1,000,000-$4,900,000	33%
Between $5,000,000-$9,900,000	12%
Associations	4
Minimum size	None

Consulting since: 1981.

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

Occasional special projects: Captive feasibility studies, claims auditing, environmental, 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, $150.

Membership: SRMC.

Officers: Peter Shuley, president.

SIRCO Consulting Services Inc.

P.O. Box 70729, Richmond, Va. 23255; 804-747-7577; fax: 804-346-4815

1993 Revenues

Continuous consulting	100%

Staff

Total	2
Professionals	2
Includes: 2 principal consultants	

Clients

Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	30%
Minimum size	$250,000

Consulting since: 1974.

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, RMIS consulting.

Occasional special projects: Expert witness.

Specialties: Heavy equipment leasing, crane/rigging operations, steel erection, ferrous recycling, environmental.

Compensation: On retainer.

Officers: Steve Revenson, president; Sam Revenson, vp.

Siver Insurance Management Consultants

P.O. Box 21343, 9400 Fourth St. N., Suite 119, St. Petersburg, Fla. 33742; 813-577-2780; fax: 813-579-8692

1993 Revenues

Continuous consulting	15%
Risk management audits	5%
Special projects	35%

Staff

Total	24
Professionals	7
Includes: 2 principal consultants, 7 consultants, 1 actuary	

Clients

Total	75
Budgets less than $1,000,000	54%
Between $1,000,000-$4,900,000	22%
Between $5,000,000-$9,900,000	13%
Between $10,000,000-$24,900,000	4%
Budgets over $25,000,000	7%
Associations	2
Minimum size	None

Frequent special projects: Risk retention analysis, 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: Captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, risk management organization studies, RMIS consulting.

Specialties: Government, health care, retail, law firms.

Compensation: By the project, on retainer, by the hour: principal consultant, $150-$175.

Membership: SRMC.

Officers: Edward W. Siver, president; Jim Marshall, executive vp; Robert F. McBurney, senior vp; Stephanie M. Barnhill, secretary.

Smith Consulting Group

1150 Foothill Blvd., Suite J, La Canada, Calif. 91011-3248; 818-790-0573; fax: 818-790-0576

1993 Revenues

Continuous consulting	45%
Risk management audits	25%
Special projects	30%

Staff

Total	1

Clients

Total	18
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	15%
Budgets over $25,000,000	5%
Associations	1
Minimum size	None

Consulting since: 1985.

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, loss settlement assistance, RMIS consulting.

Compensation: On retainer, by the hour: principal consultant, $140-$175.

Officers: Dick Smith, principal.

Soper & Associates Ltd.

P.O. Box 39, Kirkland, Wash. 98083-0039; 206-889-0113; fax: 206-889-0114

1993 Revenues

Continuous consulting	47%
Risk management audits	12%
Special projects	41%

Staff

Total	3
Professionals	1
Includes: 1 principal consultant	

Clients

Total	12
Budgets less than $1,000,000	34%
Between $1,000,000-$4,900,000	16%
Between $5,000,000-$9,900,000	34%
Between $10,000,000-$24,900,000	8%
Budgets over $25,000,000	8%
Minimum size	None

Consulting since: 1982.

Frequent special projects: Analysis of limits, insurance contract analysis, risk management organization studies, expert witness, crisis management con-

Continued on next page

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Continued from previous page
tingency planning.

Occasional special projects: Risk retention 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.

Specialties: Engineering, architecture, construction, manufacturing, processing, distribution, law firms, insurers, wholesale/retail sales, public sector.

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

Membership: SRMC.

Officers: Richard H. Soper, principal; V.R. Sundt, director-administration.

C.J. Spivey Associates Inc.

5821 Fairview Road, Suite 100, Charlotte, N.C. 28209; 704-553-0462; fax: 704-553-0536

1993 Revenues

Total gross revenues	$793,500
Continuous consulting	38%
Risk management audits	8%
Special projects	5%
Risk management consulting revenues	$403,870

Staff

Total	2.5
Professionals	1.5
Includes: 1 principal consultant, 0.5 consultant	

Clients

Total	44
Budgets less than $1,000,000	44%
Between $1,000,000-$4,900,000	12%
Between $5,000,000-$9,900,000	8%
Between $10,000,000-$24,900,000	21%
Budgets over $25,000,000	15%
Associations	4
Minimum size	$100,000

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: Broker assessment, quantitative/statistical analysis and forecasting, expert witness, risk management job descriptions.

Specialties: Municipalities, county and state governments, schools, mental health, housing authorities, hospitals, fraternities, associations.

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

Officers: C.J. Spivey, president/treasurer; B.R. Spivey, vp/secretary.

Duke Nordlinger Stern & Associates Inc.

385 Bayview Drive N.E., St. Petersburg, Fla. 33704-2430; 813-894-4000; fax: 813-894-1040

1993 Revenues

Total gross revenues	$362,799
Continuous consulting	60%
Risk management audits	15%
Special projects	5%
Risk management consulting revenues	$290,239

Staff

Total	5
Professionals	4
Includes: 1 principal consultant, 3 consultants	

Clients

Total	34
Budgets less than $1,000,000	52%
Between $1,000,000-$4,900,000	18%
Between $5,000,000-$9,900,000	24%
Between $10,000,000-$24,900,000	6%
Associations	28
Minimum size	None

Consulting since: 1980.

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, design/implementation of claims prevention systems.

Occasional special projects: Environmental, accounting systems analysis.

Specialties: Professional/trade associations and societies.

Locations: Bridgetown, Barbados; Hamilton, Bermuda; London.

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

Officers: Duke Nordlinger Stern, president.

William H. Sternburg & Associates Inc.

125 Greenleaf St., Quincy, Mass. 02169; 617-773-6672; fax: 617-479-0135

1993 Revenues

Total gross revenues	$297,000
Continuous consulting	90%
Risk management audits	5%
Special projects	5%
Risk management consulting revenues	$297,000

Staff

Total	3
Professionals	2
Includes: 2 principal consultants	

Clients

Total	40
Budgets less than $1,000,000	60%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	10%
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.

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

1993 Revenues

Total gross revenues	$1,400,000
Continuous consulting	20%
Risk management audits	40%
Special projects	30%
Risk management consulting revenues	$1,250,000

Staff

Total	30
Professionals	25
Includes: 6 principal consultants, 11 consultants, 8 analysts	

Clients

Total	150
Budgets less than $1,000,000	70%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	10%
Associations	100
Minimum size	None

Consulting since: 1980.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, broker assessment, expert witness, litigation/claims support.

Occasional special projects: Risk retention analysis, accounting systems analysis, loss settlement assistance, risk management organization studies, RMIS consulting.

Specialties: Banks, thrifts, mortgage banks, stock brokerages, broker/dealers, insurance companies, title insurance, lawyers, security inspections.

Locations: Los Angeles; Miami; Atlanta; Portland, Ore.; Dallas; London; San Juan, Puerto Rico.

Compensation: By the project, on retainer.

Officers: Gerald F. Stogniew, CEO; Richard L. Junkermann, Robert L. Niemann, Cheresse N. Smoot, directors; Rosemary Stogniew, CFO; Kristen J. Stogniew, counsel.

Stone & Webster Management Consultants Inc.

1 Penn Plaza, 250 W. 34th St., New York, N.Y. 10119; 212-290-7137; fax: 212-290-7123

1993 Revenues

Total gross revenues	NA
Continuous consulting	55%
Risk management audits	20%
Special projects	20%
Risk management consulting revenues	$1,300,000

Staff

Total	11
Professionals	9
Includes: 4 principal consultants, 4 consultants, 1 analyst	

Clients

Total	95
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	25%
Between $10,000,000-$24,900,000	20%
Budgets over $25,000,000	5%
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, loss settlement assistance, risk

Continued on next page

RIMS Preview - April 11th

Ad Closing: March 30th

Highlighting upcoming events and sessions of the 32nd Annual RIMS Conference in New Orleans including a special "take out" section full of information for conference attendees.

Captives/Risk Manager of The Year - April 18th

Ad Closing: April 6th

This issue, distributed at the RIMS conference, profiles the 17th annual Risk Manager of the Year and the Risk Management Honor Roll and also includes our exclusive Directory of Captive Managers.

RIMS Report: Employee Benefits & Workers Comp - April 25th

Ad Closing: April 13th

BI editors will provide an in-depth perspective on the issues and trends highlighted at the RIMS employee benefits & workers comp sessions.

RIMS Report: Risk Management - May 2nd

Ad Closing: April 20th

This final, comprehensive look at the RIMS Conference will detail the presentations and conclusions of the RIMS risk management sessions.

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* Nationwide Survey on *Business Insurance*, *The Wall Street Journal*,1992
**Includes pass-along readership

Continued from previous page
management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk transfer analysis.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, RMIS consulting, expert witness.

Specialties: Industry, utilities, government, financial institutions.

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

Officers: Michael Natale, vp/director-risk management services; William Combocz, 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

1993 Revenues

Continuous consulting	42%
Risk management audits	21%
Special projects	7%

Staff

Total	2
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	9
Budgets less than $1,000,000	78%
Between $1,000,000-$4,900,000	11%
Budgets over $25,000,000	11%
Minimum size	None

Consulting since: 1992.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, expert witness, analysis of insurance wording in non-insurance contracts.

Occasional special projects: Risk retention analysis, environmental, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Specialties: Aviation.

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

Membership: SRMC.

Officers: James P. Strang, Elizabeth S. Strang, principals.

T

21st Century Healthcare Management Inc.

120 Burr Ridge Parkway, Burr Ridge, Ill. 60521; 708-655-0800; fax: 708-655-0881

1993 Revenues

Continuous consulting	27.5%
Risk management audits	16.5%
Special projects	11%

Staff

Total	10
Professional	10
Includes: 4 principal consultants, 2 consultants, 2 actuaries, 2 analysts	

Clients

Total	20
Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	10%
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.

Tanglewood Associates

P.O. Box 212, Boxford, Mass. 01921; 508-887-2070; fax: 508-887-7260

1993 Revenues

Total gross revenues	$100,000
Continuous consulting	70%
Risk management audits	10%
Special projects	20%
Risk management consulting revenues	$100,000

Staff

Total	3
Professionals	3
Includes: 1 principal consultant, 2 consultants	

Clients

Total	2
Budgets less than $1,000,000	50%
Budgets over $25,000,000	50%
Minimum size	None

Consulting since: 1988.

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

Occasional special projects: Risk retention analysis, environmental, loss settlement assistance, risk management organization studies, expert witness.

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

Officers: H. Brown Baldwin, principal.

Tennant Risk Services Inc.

CityPlace II, 185 Asylum St., Hartford, Conn. 06103-4105; 203-527-9717; fax: 203-527-2438

1993 Revenues

Continuous consulting	20%
Special projects	15%

Staff

Total	8
Professionals	3
Includes: 2 principal consultants, 1 consultant	

Consulting since: 1987.

Frequent special projects: Risk retention analysis, captive feasibility studies, 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, vp.

Contact: Kimberley L. Byrd.

D.L. Tibbals Risk Management Consulting Inc.

990 Hammond Drive, Suite 475, Atlanta, Ga. 30328; 404-395-3850; fax: 404-395-3852

1993 Revenues

Total gross revenues	$304,000
Continuous consulting	60%
Risk management audits	30%
Special projects	10%
Risk management consulting revenues	$304,000

Staff

Total	2
Professionals	1

Clients

Total	50
Budgets less than $1,000,000	60%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	5%
Between $10,000,000-$24,900,000	5%
Associations	1
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.

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 technology/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; fax: 314-567-4199

1993 Revenues

Special projects	95%

Staff

Total	2
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Consulting since: 1985.

Frequent special projects: Risk retention analysis, environmental, quantitative/statistical analysis and forecasting, expert witness, actuarial evaluations.

Occasional special projects: Captive feasibility studies, analysis of limits, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting.

Specialties: Public entities, industries with environmental exposures.

Officers: Margaret W. Tiller, president; Michael H. Tiller, principal.

Contact: Margaret W. Tiller.

Toplis & Harding Inc.

222 S. Riverside Plaza, Chicago, Ill. 60606; 312-648-1300; fax: 312-454-1588

1993 Revenues

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

Staff

Total	300

Clients

Budgets less than $1,000,000	50%
Between $1,000,000-$4,900,000	30%
Between $5,000,000-$9,900,000	10%
Budgets over $25,000,000	10%
Minimum size	None

Consulting since: 1991.

Frequent special projects: Claim audits, reserve adequacy audits, run-off claims analysis, self-insurance analysis.

Occasional special projects: Loss settlement assistance, self-insurance qualification assistance.

Specialties: Manufacturers, hospitals, associations, pools, clinics, municipalities.

Compensation: By the project, by the hour: principal consultant, $85-$125.

Officers: William J. Berglund.

Towers Perrin/Tillinghast

101 S. Hanley, St. Louis, Mo. 63105; 314-854-4936; fax: 314-854-4953

1993 Revenues

Total gross revenues	$50,222,000
Continuous consulting	25%
Risk management audits	5%
Special projects	17%
Risk management consulting revenues	$23,815,000

Staff

Total	282
Professionals	104
Includes: 15 principal consultants, 11 consultants, 10 actuaries, 21 analysts	

Clients

Total	1,000
Associations	100
Minimum size	None

Consulting since: 1946.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, broker assessment, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, workers comp cost management, claims administration selection/evaluation.

Occasional special projects: Loss prevention audits, accounting systems analysis, financial reinsurance design.

Locations: Irvine and San Francisco, Calif.; Denver; Hartford and Stamford, Conn.; Jacksonville, Fla.; Atlanta; Chicago; Boston; Minneapolis; St. Louis; Saddle Brook, N.Y.; Dallas and San Antonio, Texas; London.

Compensation: By the project, by the hour: principal consultant, $225-$350.

Officers: Jerry Miccolis, practice leader; Jenny Emery, practice manager; Greg Berg, Amy Bouska, Lisa Chanzit, Cecily Gallagher, Tom Gallagher, Charles Lee, Martin Lewis, Dave Mohrman, Judi Morgan, Rick Moscicki, Paul Pinckney, Hugh Rosenbaum, John Yonkunas, principals.

Trans-Global Risk Management

P.O. Box 9336, WBB, Dayton, Ohio 45409-9336; 513-299-9200; fax: 513-299-9200

1993 Revenues

Special projects	100%

Staff

Total	2
Professionals	1
Includes: 1 principal consultant	

Clients

Total	4
Budgets less than $1,000,000	100%
Associations	3
Minimum size	None

Consulting since: 1993.

Frequent special projects: Risk retention analysis, captive feasibility studies, 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, RMIS consulting, expert witness.

Occasional special projects: Claims auditing, quantitative/statistical analysis and forecasting.

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

Officers: Glenn A. MacCorkle, CEO.

The Traverse Group Inc.

3772 Plaza Drive, Ann Arbor, Mich. 48108; 313-747-9300; fax: 313-747-9229

1993 Revenues

Total gross revenues	$4,300,000
Continuous consulting	25%
Risk management consulting revenues	$1,100,000

Staff

Total	60
Professionals	35
Includes: 5 principal consultants, 10 consultants	

Clients

Total	5
Associations	5
Minimum size	None

Consulting since: 1975.

Frequent special projects: Environmental, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Occasional special projects: Loss prevention audits.

Specialties: Manufacturing, utilities, oil/gas industry, automotive, government, municipalities, railroads, paint/coatings, insurance, law firms.

Locations: Traverse City, Mich.

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

Officers: John M. Armstrong, CEO; Jeff B. Martin, general manager; Laura A. Armstrong, vp-business development; John D'Addona, technical director; Greg Pierce, laboratory director.

U

Unirisk

700 Larkspur Landing Circle, Suite 199, Larkspur, Calif. 94939; 415-461-8870; fax: 415-461-6958

1993 Revenues

Total gross revenues	$115,000
Continuous consulting	65%
Risk management audits	10%
Special projects	25%
Risk management consulting revenues	$115,000

Staff

Total	1

Clients

Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	25%
Between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	50%
Minimum size	None

Frequent special projects: Expert witness.

Occasional special projects: Analysis of limits, insurance contract analysis, broker assessment, loss settlement assistance, preparation of bidding specifications.

Specialties: Financial institutions, contractors, real estate developers.

Compensation: By the project; on retainer; by the hour: principal consultant, $175-$200.

Officers: Warren C. Heiman, principal.

United Insurance Consultants Inc.

11 Harristown Road, Glen Rock, N.J. 07452; 201-444-3888

1993 Revenues

Total gross revenues	$3,700,000
Continuous consulting	90%
Risk management audits	4%
Special projects	3%
Risk management consulting revenues	$3,700,000

Staff

Total	26
Professionals	10
Includes: 10 principal consultants	

Clients

Total	496
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	10%
Minimum size	None

Consulting since: 1979.

Specialties: Manufacturing, retail, distribution.

Compensation: On retainer.

Officers: Thomas A. Kovatch, president; Stephen Gerber, Jeffrey Jeitel, Mitchel Gerber, David Rosenthal, Robert Weinberg, vps.

Contact: Thomas A. Kovatch.

United Risk Management Inc.

14261 E. 4th Ave., Suite 261, Aurora, Colo. 80011; 303-752-0775; fax: 303-364-3602

1993 Revenues

Continuous consulting	20%
Risk management audits	15%
Special projects	65%

Staff

Total	1

Clients

Budgets less than $1,000,000	100%
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, broker assessment, loss settlement assistance, risk management organization studies.

Specialties: Public sector.

Compensation: By the project; by the hour: principal consultant, $115.

Officers: Brian L. Briese, president; Janice L. Briese, secretary.

Contact: Brian L. Briese.

V

Voller, Savage & Associates

P.O. Box 4997, Scottsdale, Ariz. 85261-4997; 602-991-0496; fax: 602-948-1292

1993 Revenues

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

Staff

Total	2
Professionals	2
Includes: 2 principal consultants	

Clients

Total	36
Budgets less than $1,000,000	20%
Between $1,000,000-$4,900,000	60%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	10%
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, design/implementation of owner-controlled insurance programs.

Occasional special projects: Captive feasibility studies, claims auditing, RMIS consulting, cost management studies, TPA selection/evaluation.

Specialties: Banking, entertainment, health care, hospitality, manufacturing, public entities, real estate & develop-

Continued on next page

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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
ment, retail, service, wholesale.

Compensation: By the project, on retainer, by the hour: principal consultant, $165-$225.

Membership: SRMC.

Officers: Donald J. Voller, Helen Savage, principals.

Contact: Helen Savage.

W

Walker Risk Management Services Inc.

10115 Holly Drive, Suite C-206, Everett, Wash. 98024; 206-348-1626; fax: 206-348-1636

1993 Revenues

Continuous consulting	75%
Risk management audits	20%
Special projects	5%

Staff

Total	1

Clients

Total	15
Budgets less than $1,000,000	100%
Minimum size	$500

Consulting since: 1992.

Frequent special projects: Analysis of limits, insurance contract analysis, broker assessment, expert witness.

Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, loss settlement assistance, preparation of bidding specifications.

Specialties: Marine, transportation, international trade.

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

Officers: William C. Walker III, president.

Walston & Addicks

2424 Herodian Way, Smyrna, Ga. 30080; 404-980-9423; fax: 404-980-1181

1993 Revenues

Continuous consulting	60%
Risk management audits	3%
Special projects	2%

Staff

Total	12
Professionals	6
Includes: 2 principal consultants, 3 consultants, 1 analyst	

Clients

Budgets less than $1,000,000	48%
Between $1,000,000-$4,900,000	37%
Between $5,000,000-$9,900,000	3%
Between $10,000,000-$24,900,000	12%
Minimum size	None

Consulting since: 1987.

Parent: Walston & Associates Inc.

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, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Occasional special projects: Captive feasibility studies, loss prevention audits.

Specialties: Manufacturers, hospitals, real estate holding companies, pest control, municipalities, retailers, truckers, school districts, wholesalers.

Compensation: By the project; on retainer; by the hour: principal consultant, $145.

Membership: SRMC.

Officers: Thomas F. Walston, president; Dara Bishop, vp; Lois Walston, secretary.

Contact: Thomas F. Walston.

David Warren, CPCU

58 Diablo View Drive, Orinda, Calif. 94563-1507; 510-254-9472; fax: 510-253-9645

1993 Revenues

Risk management audits	70%
Special projects	30%

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, expert witness.

Occasional special projects: Captive feasibility studies, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting.

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

Membership: SRMC.

Warren McVeigh & Griffin Inc.

1420 Bristol St. N., Suite 220, Newport Beach, Calif. 92660; 714-752-1058; fax: 714-955-1929

1993 Revenues

Continuous consulting	40%
Risk management audits	25%
Special projects	30%

Staff

Total	12
Professionals	7
Includes: 3 principal consultants, 3 consultants, 1 analyst	

Clients

Total	160
Budgets less than $1,000,000	8%
Between $1,000,000-$4,900,000	68%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	10%
Budgets over $25,000,000	4%
Associations	12
Minimum size	None

Consulting since: 1968.

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

Occasional special projects: Captive feasibility studies, environmental, accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting.

Specialities: Public entities, hospitals, construction, manufacturing, transportation, banking, technology, utilities.

Location: San Mateo, Calif.

Compensation: By the project; on retainer; by the hour: principal consultant, $175-$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: 813-397-3585

1993 Revenues

Continuous consulting	45%
Risk management audits	20%
Special projects	35%

Staff

Total	4
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Total	50
Budgets less than $1,000,000	40%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	15%
Between $10,000,000-$24,900,000	10%
Budgets over $25,000,000	5%
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.

Occasional special projects: Accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness.

Specialties: Public entities.

Compensation: By the hour: principal consultant, $125.

Membership: SRMC.

Officers: Al Waters, principal; Hayden Knowlton, associate.

WEB Insurance Consultants Inc.

P.O. Box 4065, Middletown, N.J. 07748; 908-671-9455; fax: 908-671-2820

1993 Revenues

Continuous consulting	71%
Risk management audits	4%
Special projects	25%

Staff

Total	4
Professionals	2
Includes: 1 principal consultant, 1 consultant	

Clients

Budgets less than $1,000,000	85%
Between $1,000,000-$4,900,000	15%
Minimum size	None

Consulting since: 1981.

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, broker assessment, 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.

Webber Consulting Group

P.O. Box 1446, Roswell, Ga. 30077-1446; 404-641-1868; fax: 404-641-1899

1993 Revenues

Continuous consulting	5%
Risk management audits	15%
Special projects	60%

Staff

Total	2
Professionals	2
Includes: 2 principal consultants	

Clients

Budgets less than $1,000,000	60%
Between $1,000,000-$4,900,000	20%
Between $5,000,000-$9,900,000	10%
Between $10,000,000-$24,900,000	5%
Budgets over $25,000,000	5%
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: Governments, 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., Cleveland, Ohio 44115; 216-781-1300; fax: 216-241-8267

1993 Revenues

Continuous consulting	60%
Risk management audits	2%
Special projects	8%

Staff

Total	4
Professionals	3
Includes: 1 principal consultant, 2 consultant	

Clients

Total	11
Budgets less than $1,000,000	80%
Between $1,000,000-$4,900,000	20%
Minimum size	None

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.

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

Officers: Michael R. Weil, president.

West Michigan Insurance Consultants

3500 Kraft Ave. S.E., Grand Rapids, Mich. 49512; 800-878-8347; fax: 616-942-5040

1993 Revenues

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

Staff

Total	5
Professionals	3
Includes: 2 principal consultants, 1 consultant	

Clients

Budgets less than $1,000,000	100%

Consulting since: 1979.

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

Occasional special projects: Risk retention analysis, claims auditing, loss settlement assistance.

Specialties: Municipalities, school districts, fire/EMS organizations, not-for-profit organizations.

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

Officers: Brian K. Timmer, president; David L. Landman, vp, George W. Timmer, consultant.

Willis Corroon Advanced Risk Management Services

26 Century Blvd., Nashville, Tenn. 37214; 615-872-3200; fax: 615-872-3333

1993 Revenues

Continuous consulting	60%
Risk management audits	2%
Special projects	38%

Staff

Total	110
Professionals	40
Includes: 12 principal consultants, 14 consultants, 4 actuaries, 10 analysts	

Clients

Total	320
Budgets less than $1,000,000	4%
Between $1,000,000-$4,900,000	31%
Between $5,000,000-$9,900,000	46%
Between $10,000,000-$24,900,000	15%
Budgets over $25,000,000	4%
Associations	14
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, quantitative/statistical analysis and forecasting, actuarial analysis/certification, loss financing alternatives.

Occasional special projects: Analysis of limits, claims auditing, loss prevention audits, accounting systems analysis, broker assessment, loss settlement assistance, risk management organization studies, preparation of bidding specifications, RMIS consulting, expert witness.

Specialties: Health care, construction, transportation, food service, governmental, financial services, energy, aerospace, manufacturing, retail.

Locations: Glendale, Calif.; New York.

Compensation: By the project; on retainer, by the hour: principal consultant, $225-$350.

Officers: James V. David, chairman; Manny D. Buzzell, vice chairman; Ronald D. O'Nan, Greg Alff, Leon Gottlieb, senior vps.

Contact: Ronald D. O'Nan.

Worksite Solutions Inc.

627 Eagle Rock Ave., Suite 260, West Orange, N.J. 07052; 201-325-2188; fax: 201-325-2208

1993 Revenues

Total gross revenues	$250,000
Special projects	100%
Risk management consulting revenues	$250,000

Staff

Total	5
Professionals	2
Includes: 2 principal consultants	

Clients

Total	33
Budgets less than $1,000,000	10%
Between $1,000,000-$4,900,000	40%
Between $5,000,000-$9,900,000	30%
Between $10,000,000-$24,900,000	20%
Associations	5
Minimum size	None

Consulting since: 1992.

Frequent special projects: Environmental, loss prevention audits, workers comp training/consulting services.

Locations: Hartford, Conn.

Compensation: By the project; on retainer.

Officers: Tim Bannon, president; Pamela Churchill, executive vp/president-sales & marketing; Edward Bank, executive vp/technical director; David Bertone, executive vp/director-research & development.

Continued on next page

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Leave law

Continued from previous page
dealing with the law's administrative requirements and 20% expecting no difficulty.

Nor do employers seem particularly wary of costs associated with the FMLA. Only 4.2% reported they expect to incur major costs as a result of the law, while 49.5% anticipate minor costs and 13.9% expect to experience insignificant costs due to the law.

The survey also looked at employers' experience under California's family leave law, which took effect in 1992. The California law originally required up to 16 weeks leave over a 24-month period. The law has since been changed to mirror the requirements of the federal law.

Nearly two-thirds of those surveyed reported that less than 1% of their workforce had taken unpaid leave under the California law over the last 12 months.

And the California leave law hasn't had a major financial impact on employers. The survey found that 52.1% of respondents reported that their costs of complying with the California law were insignificant, while 40.7% reported their costs as minor.

There are two ways of viewing the FMLA's limited impact, according to Andrew Scharlach, a co-author of the study.

"One way is it confirms some of the preliminary studies that have been done that suggest that companies find relatively inexpensive ways to replace workers if they know it's going to be for a finite duration," said Mr. Scharlach, chairman of the Work and Family Task Force at the Institute of Industrial Relations of the University of California.

In some cases, companies are covering the absence of employees taking family leaves by hiring temporary workers, while "a lot of what's done is people just end up working harder," Mr. Scharlach said.

The latter case often takes the form of an "informal, intangible investment pool," he said, in which each employee "is putting in a little more time against the occasion when they might need it themselves."

The other way of interpreting the lack of problems stemming from the FMLA is that utilization is lower than anticipated, Mr. Scharlach said.

In part, that may be a function of the newness of the law, he said, with many employees simply unaware of their right to take the unpaid leave.

Another major factor limiting leave-taking probably is that the leave is unpaid and many workers can't afford to take the time off without pay, he added.

Utilization of the family leave law also may be limited by informal pressures in the workplace.

For example, workers may know they're entitled to 12 weeks leave, but the "organizational norm" in their workplace is six weeks and they don't want to alienate supervisors by taking the full 12 weeks, he said.

The experience of MacFrugal's Bargains Close-Outs Inc., a Dominguez, Calif.-based close-out retailer with approximately 6,000 employees, is consistent with the survey's findings.

"I don't really believe that (the FMLA) has had an effect," said Juliaett Jones, benefits manager for MacFrugal's.

"We go along, and people continue to take leaves as they always have," Ms. Jones said. Typically those leaves are for pregnancies or worker injuries.

If anything, the law has increased paperwork at MacFrugal's. "We're trying to be a little more detailed and thorough in the tracking of leaves," Ms. Jones said.

Les Jones, director of human resources for Marshall Industries in El Monte, Calif., sees the act having a similarly minor impact on his company, an electronics distributor with 1,600 employees.

At Marshall Industries, the FMLA's primarily has been used for extended pregnancy leaves, Mr. Jones said.

"It created some forms development and processing, but because we've had so few, most often extended pregnancy leaves, the documentation has been fairly easy," Mr. Jones said.

At AMDAHL Corp. in Sunnyvale, Calif., the company's 4,500 U.S. employees already enjoyed medical and family leave policies exceeding the state and federal law, so the FMLA has had no impact, said Cathy Murphy, manager of health and fitness programs for the computer and computer equipment manufacturer.

AMDAHL employees are eligible for up to 12 months medical leave and six months personal leave, so "there has been no change in our operation," Ms. Murphy said.

The federal law did prompt some minor record keeping changes at AMDAHL, Ms. Murphy said. "We did have to do some systems work. . .to allow us to track leave in a different way."

For Cupertino, Calif.-based Apple Computer Inc., the biggest problem has been trying to reconcile the federal law with the company's own leave policy—developed in response to the California leave law—in such a way that it can be applied consistently to Apple's 8,000 U.S. employees scattered across 38 states, said Sally Gottlieb, Apple's benefits manager.

"The way the (federal) law has been structured makes that difficult," she said.

Beyond that, though, the act's impact on Apple has been minor, Ms. Gottlieb said. "We do have a fair number of people going on leave," she said. "At any given time 30 to 50 people are out on family leave. But they're fairly short. Most of them are not the maximum 12 weeks."

One of the most vocal opponents of the federal leave act, the National Federation of Independent Business, has yet to conduct a formal survey of the law's effect on the organization's members, though such a survey probably will be done this year, said Mary E. Reed, legislative representative for the Washington-based trade association.

"Most of what we've gotten so far is anecdotal," she said. "Most of what we've received back from (members) is confusion about whether or not they are required by the law to comply."

Ms. Reed noted that only 30,000 of the organization's 600,000 members are covered by the leave law, the remainder falling beneath the 50-employee threshold.

While many employers have a sense that the FMLA has increased bureaucracy, "in fairness, most employers haven't been doing all the paperwork they're supposed to be doing," said the University of California's Mr. Scharlach.

One of the survey's most significant findings was that "a lot of employers are out of compliance with the law," he said.

About one-third of those surveyed are "totally out of compliance," he said, by either not continuing health benefits, not guaranteeing that the same or equivalent job will remain available for the leave taker, or similar violations of the act. Another third are out of "technical compliance," such as not doing appropriate paperwork, among other things.

"There's not too much more than 10% that are totally in compliance with the law," the study's co-author said.

The survey also revealed that while many companies have developed written leave policies, many have made little attempt to train supervisors and managers on the details of that policy.

Only 22.4% of survey respondents indicated they have trained supervisors to comply with the FMLA's provisions, while 22.1% indicated no plans to do so.

While the survey showed the FMLA causing employers few problems so far, that's not to say there won't be difficulties in the future, Mr. Scharlach said.

"When you have this kind of law inevitably there will be problems that develop," he said. "Once employees start taking more advantage of the leave, then we're going to start seeing more problems arise."

As workers become increasingly aware of their right to 12 weeks of family leave, some will abuse that right, Mr. Scharlach conceded, taking leaves of absence simply because they know they're entitled to it.

•

Copies of the Mercer/University of California study are available at no cost. Contact either Mercer's Janice Stanger at 415-393-5211, or the University of California's Mr. Scharlach at 510-642-0126.

Maine lawmakers mull universal care

AUGUSTA, Maine—Taking a cue from the Vermont Legislature, Maine's Democratic state lawmakers scrapped their proposed health care reforms based on managed competition and now will seek several recommendations to achieve universal health care.

The state's Democrats hope to introduce a bill as early as this week that would charge a state commission with developing several proposals for guaranteeing a universal comprehensive and portable health benefit plan, said Dan Paradee, an aide to Senate President Dennis Dutremble, D-Biddeford.

Maine lawmakers changed their course in the face of a vow by Republican Gov. John R. McKernan to veto their managed competition plan. That plan, which the Democrats have been pushing for two years, included an employer mandate and price controls.

Maine lawmakers think that their new approach, which was influenced by Vermont's health care reform efforts, is "the best way to keep health care moving in the state and address people's concerns of us getting too far ahead of the Clinton administration," Mr. Paradee said.

Lawmakers last week had not settled on any guidelines that they would ask a commission to follow in devising its recommendations. The Legislature is scheduled to adjourn March 31.

—*By Dave Lenckus*

Continued from previous page

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1993 Revenues	
Total gross revenues	$19,000,000
Continuous consulting	54%
Risk management audits	9%
Special projects	20%
Risk management consulting revenues	$15,800,000
Staff	
Total	133
Professional	75
Includes: 30 consultants, 19 actuaries, 26 analysts	
Clients	
Total	1,150
Associations	75
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, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, RMIS consulting, expert witness, reserve evaluation, risk retention group studies, exposure analysis, contingency planning.

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Specialties: Health care, associations, public entities, pools, energy, financial institutions.

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.

Membership: SRMC.

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Contact: James A. Swanke Jr.

X

Xordium Inc.

12465 Lewis St., Suite 104, Garden Grove, Calif. 92640; 714-748-9291; fax: 714-748-9294

1993 Revenues	
Total gross revenues	NA
Continuous consulting	40%
Special projects	60%
Risk management consulting revenues	$500,000
Staff	
Total	7
Professionals	1
Includes: 1 principal consultant	
Clients	
Total	125
Budgets less than $1,000,000	95%
Between $1,000,000-$4,900,000	5%
Associations	2
Minimum size	None

Consulting since: 1985.

Frequent special projects: Loss prevention audits.

Occasional special projects: Risk retention analysis, claims auditing, broker assessment, preparation of bidding specifications, RMIS consulting, expert witness.

Specialties: Manufacturing, service, construction.

Compensation: By the project; on retainer.

Officers: Karen Gillett, president; Fred Gillett, executive vp; Jeff Noreen, vp-marketing.

Y

Yankus Associates

3820 Vardon Court, Woodridge, Ill. 60517; 708-416-1898; fax: 708-416-6911

1993 Revenues	
Continuous consulting	45%
Risk management audits	15%
Special projects	20%
Staff	
Total	4
Professionals	3
Includes: 2 principal consultants, 1 consultant	
Clients	
Total	38
Budgets less than $1,000,000	35%
Between $1,000,000-$4,900,000	10%
Between $5,000,000-$9,900,000	50%
Between $10,000,000-$24,900,000	5%
Associations	4

Consulting since: 1988.

Frequent special projects: Claims auditing, environmental, loss prevention audits.

Occasional special projects: Loss settlement assistance.

Specialties: Construction, manufacturing, associations.

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

Officers: Jerry Yankus, president. BI

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Syndicates balk at new solvency measure

By STACY SHAPIRO

LONDON—Some Lloyd's of London's non-marine syndicates could post worse 1991 results than already expected because of additions to reserves forced by new solvency requirements.

Lloyd's could post an overall loss of 2.05 billion pounds ($3.03 billion) when its 1991 results are announced May 24 under Lloyd's three-year accounting system, predicts syndicate analysts Chatset Ltd. (*BI*, Feb. 14). This estimate includes an 850 million pound ($1.26 billion) deterioration in results from old years of account.

Lloyd's non-marine market alone is expected to post a loss of 800 million pounds ($1.18 billion), Chatset predicts.

But those dire forecasts could be exacerbated by solvency requirements set by Lloyd's and the Department of Trade and Industry that effectively boost some syndicates' reserve requirements for U.S. dollar-denominated policies written between 1982 and 1984.

The increase in reserves "could affect any syndicate in existence today that was around in the 1980s," said Richard Youell, underwriter for Lloyd's syndicates managed by Janson Green Ltd.

Each year, under the Insurance Companies Act of 1982, Lloyd's must post a "statement of solvency" with the DTI to make sure that members maintain a minimum solvency margin. The solvency statement is based on the assets and liabilities of the market's entire membership.

Two solvency tests are used, according to Towers Perrin/Tillinghast. Each test results in a liability figure. Syndicates must maintain the larger of those two amounts in reserves, require syndicate members to pay more into reserves or pay a penalty fee into the next year of account.

The tests are:

- Test 1, which is based on a minimum percentage of net premium for each class of business written. The DTI sets the percentages each year.
- Test 2, which is "largely judgmental" and is based on a "best estimate" of the syndicates' liabilities including runoff expenses. This liability figure is based on paid losses, unpaid claims and incurred-but-not-reported losses.

Normally, syndicates have to post reserves equal to whichever test produces the larger number. In most cases, after three years of accounting, the syndicate's actual reserves compiled through Test 2 are adequate to satisfy solvency, said Gavin Steel, manager of Lloyd's solvency department.

If Test 1 is greater, then the syndicate could close the year of ac-

Continued on next page

Rising star remains high on Lloyd's

Merrett crisis overplayed: Burnhope

By ADRIAN LADBURY

LONDON—Stephen Burnhope resigned from Merrett Underwriting Agencies Ltd. last July to set up what is thought to be the biggest new syndicate at Lloyd's ever. But don't tell this rising star that his resignation helped foster the crisis of confidence that hastened the demise of one of Lloyd's largest underwriting groups.

In fact, Mr. Burnhope, a leading Lloyd's underwriter and a director of Lloyd's Non-Marine Assn., says there was no need for MUAM to cease underwriting.

Looking ahead, he is convinced that it will be business as usual at Lloyd's of London, though he notes underwriters have been forced to spend too much time reassuring jittery clients that policies will be honored.

In many lines of business—especially the profitable ones—Lloyd's underwriters are competing with a soft U.S. domestic market ready to snatch business away from what clients see as a tottering institution.

But U.S. policyholders need not start scrambling for new capacity once the U.K. commercial court starts handing down judgments on the myriad lawsuits brought against agents by members facing losses, Mr. Burnhope said.

Lloyd's underwriters have proved their survival skills during the current troubles and will not relax their grip on hard-won U.S. clients, he asserted.

If anyone is qualified to give advice on survival and conducting U.S. business at Lloyd's, it is Mr. Burnhope.

The former underwriter of MUAM syndicate 1067, the agency's profit leader in the latest year that has been closed, has carried the "vast majority" of his primarily U.S. professional and financial liability business to his new syndicate 1212, managed by the renamed Spreckley Villers Burnhope & Co. Ltd. (*BI*, July 19, 1993).

Syndicate 1212 is reputedly the largest-ever syndicate startup at Lloyd's, with a 1994 stamp capacity of 45 million pounds ($66.6 million), 25% of which is corporate capital.

Mr. Burnhope's team includes: Miriam Cogan, who specializes in professional liability, which will

Continued on next page

Stephen Burnhope

Mining disaster covered

South African accident calls liability system into question

By MARIA KIELMAS

JOHANNESBURG, South Africa—A recent disaster at a South African gold mine could prompt changes in the country's liability system, insurance observers say.

Property and liability claims from the Feb. 22 collapse of a slime dam at Harmony Gold Mine near Virginia in the Orange Free State are expected to total between 50 million and 100 million rand ($14.5 million and $29 million).

A mud slide resulting from the broken dam killed 14 people and destroyed about 100 houses. Thirty-eight people remain missing. This was the first major South African mining disaster that affected individuals not employed at the mine.

Insurance purchased by Harmony Gold Mining Co. Ltd., the mine's Johannesburg-based owner, is expected to cover claims.

South Africa's Mineral and Energy Affairs Department said a judicial inquiry into the disaster will begin early this month.

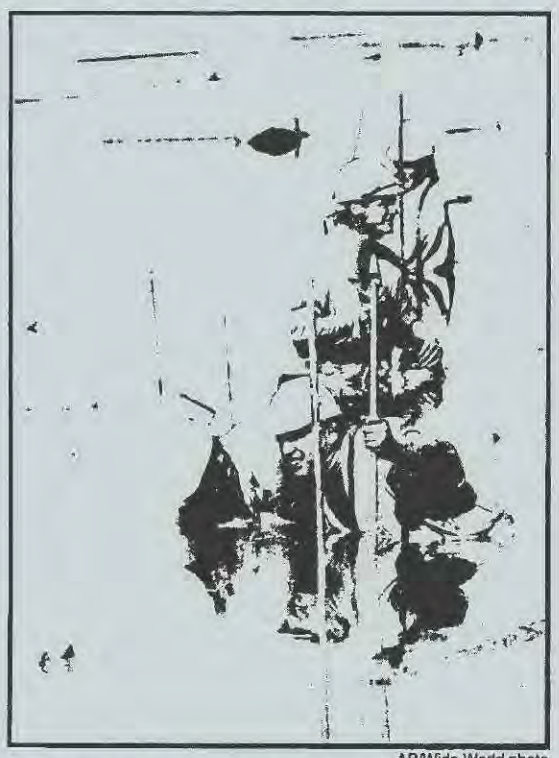
The cause of the dam collapse remains unknown, according to a statement from Randgold & Exploration, Harmony's parent. It added that the slime is not toxic and no injuries from exposure to it have been reported.

The gold mine disaster occurred at 9 p.m. when the wall of an approximately 100-foot high slime dam collapsed, allowing mud and wet debris to flow into Merriespruit, a residential area adjacent to the dam.

Merriespruit is a predominantly white working-class suburb of Virginia, housing employees from the mine. The mud slide destroyed 80 houses in the area and damaged 200 others. The houses were only about 1,000 feet from the dam and valued locally at about 300,000 rand ($87,000) each.

The dam had been used to hold back slime that consisted of finely milled rock from which gold had been extracted. Mined ore is first crushed, milled to a fine powder and mixed with water, then gold is extracted and the remaining muddy substance is disposed of in a heap outside the mine and behind a dam wall made of dried mud.

"South Africa is full of these dumps," said Mike Heyns, finance director at Randgold & Explorations. Mr. Heyns added that the mud slide had not affected work at the mine. Harmony employs 14,500 people.



AP/Wide World photo

Rescue workers search for 38 missing persons after a slime dam collapsed and the ensuing mud slide took 14 lives and caused up to $29 million in damages.

Until the beginning of this year, Randgold was a unit of mining and finance conglomerate Barlow Rand Ltd. Randgold is now an independent company, but Barlow Rand continues to buy insurance for its former division.

Ian Douglas, claims manager at Barlow Rand, said insurance will cover "billions of rand" and that the property damage, cleanup costs and liability claims from the disaster won't exceed the limits.

Damage that occurred within the mine

Continued on next page

Lloyd's designs coverage to top Bermuda layers

LONDON—Lloyd's of London underwriters have launched a new $100 million liability insurance facility designed to offer coverage above that of the Bermuda-based excess liability insurers.

The new line slip—written entirely in the Lloyd's market—is designed to offer coverage excess of $100 million, "but ideally we want to be even higher than that," said Richard Youell, one of the facility's leading underwriters.

The coverage can be accessed by any Lloyd's broker.

The Lloyd's facility does not use the same coverage terms as Bermuda insurers like ACE Ltd. and X.L. Insurance Co. Ltd. The Lloyd's coverage is written on its own strict claims-made policy wording and contains several exclusions, including pollution. The Lloyd's facility, though, does provide coverage for punitive damages.

The new Lloyd's facility evolved after leading Lloyd's underwriter Stephen Merrett stopped underwriting the Bowring slip, named after Marsh & McLennan Cos. Inc.'s London affiliate, Marsh & McLennan Bowring Ltd. That slip was formed in March 1990 to provide $100 million of liability coverage excess of $200 million and was led by Lloyd's syndicates underwritten by Mr. Merrett, who stopped underwriting last year.

Bowring is currently working to renew the line slip, said John Tyndall, deputy chief executive of Bowring Worldwide Insurance Brokers. So far, Bowring and M&M have attracted $75 million and expects to complete the total $100 million in the next few weeks, probably without Lloyd's participation. The Bowring slip follows the ACE and X.L. claims-made policy wordings.

—By Stacy Shapiro

Negotiations halt in Pulbrook case

LONDON—The trial in a dispute between Lloyd's of London members and Pulbrook Underwriting Management Ltd. and 14 members agents is proceeding after settlement talks broke down last week.

The 366 members of Syndicate 334 (1985) Names Assn. allege that the 44 million pounds ($65.9 million) in losses they have incurred to date—which are expected to ultimately reach four times that amount—are a direct result of Pulbrook's negligence in placing a runoff reinsurance contract in 1981 that was later voided.

The runoff contract, which was placed with Merrett Underwriting Agency Management Ltd.'s syndicate 418, was ruled void during an arbitration hearing in early 1990. Merrett had argued that the coverage was invalidated because of material non-disclosure by Pulbrook. The members claim that if Pulbrook had not failed to disclose relevant facts, their losses would have been mitigated by the runoff reinsurance.

The members' case commenced Feb. 24 in London's High Court. A settlement offer was made last week by Pulbrook that was rejected by the members. A counteroffer made by the members reportedly was deemed too high by the members agent's errors and omissions underwriters and negotiations broke down.

A ruling by Lord Justice Cresswell is expected by the end of this month.

—By Adrian Ladbury

Solvency

Continued from previous page

count by transferring a "penalty" along with a reinsurance-to-close premium to the next year of account, noted Tillinghast.

The penalty would be the difference between the result of Test 1 and the reinsurance-to-close premium.

Or, a managing agent could decide to boost existing reserves rather than increasing the reinsurance-to-close premium. Under that scenario, syndicate members would have to put up more money to boost old-year reserves.

Lloyd's and the DTI at the end of last year published the minimum reserve percentage tables for Test 1, which "contained one or two shocks," said Lloyd's underwriter Reg Brown, former chairman of Lloyd's Underwriters Non-Marine Assn.

In particular, the tables boosted minimum reserve percentages for "non-marine business written in U.S. dollars" to 100% of net premiums for the 1982, 1983 and 1984 underwriting years, up from 30% to 65%. The percentage also was increased to 90% for the 1989 underwriting year, up from 65%.

Most sources believe the percentages were raised because of the DTI's concern about increased claims stemming from U.S. long-tail liability policies.

Discussions were held late last year among Lloyd's, non-marine underwriters and the DTI to try to reduce the percentages, "but the DTI wouldn't budge," said Mr. Steel of Lloyd's solvency department.

No one knows, least of all Lloyd's Underwriters Non-Marine Assn., how many syndicates have been affected by the DTI's actions, said Mr. Steel.

However, the hike in minimum percentages has meant that some Lloyd's non-marine syndicates might increase old-year reserves for solvency purposes to avoid any penalty, even though the underwriters believe the syndicates are adequately reserved.

For example, syndicate 702, managed by Octavian Syndicate Management Ltd., would have to put up an additional $3.6 million under the new Test 1 percentages, said Mr. Brown, the syndicate's underwriter.

Mr. Brown said he believes his syndicate is being "unfairly penalized" because it only writes long-tail U.S. dollar-denominated business outside the United States.

Janson Green syndicates also have been given a "heavy thump" from the new Test 1 requirements, said Mr. Youell. "The new solvency requirements have hit us badly," causing the syndicates to produce results that are worse than those forecasted last year, said Mr. Youell. For example, Janson Green's main syndicate 79, which predicted a 1991 loss of 4 million pounds ($5.9 million) last year, now predicts a loss of 5.6 million pounds ($8.2 million).

Meanwhile, Janson Green's syndicate 932's still-open 1989 year will post an additional loss of at least 30.6 million pounds ($49.4 million) on top of existing total losses of 22.6 million pounds ($36.5 million). The syndicate's 1991 open year also is expected to post a loss of between 26 million pounds and 32.5 million pounds ($38.5 million pounds to $48.1 million pounds).

Syndicate 932's membership was transferred to its predecessor syndicate 79 in 1992.

Realizing the problems, Lloyd's solvency department has agreed with the DTI that syndicates' existing reserves, calculated under Test 2, can be used for solvency purposes if they are lower than Test 1—provided there is an actuarial opinion to support the lower figure.

Actuarial opinions are likely to fall somewhere between Test 1 and Test 2, said John H. Beck, a consultant with Tillinghast in London.

Late last month, the DTI and the Institute & Faculty of Actuaries finalized guidance notes for performing actuarial opinions for syndicate solvency purposes.

Mr. Brown said his syndicate has never used an outside actuary before "but we'll have to this year."

But Mr. Youell doubts his syndicates will seek independent actuarial opinions, because they would have to be on the syndicates' entire portfolio and there are only a few weeks left before syndicates must file their results on March 28. The exercise would be "impractical," he said. BI

Burnhope

Continued from previous page

account for 31% of premium volume this year; Jane Bennett, who will concentrate on financial institutions coverage, expected to constitute 24% of the syndicate's premium volume; and George Carrington, who underwrites the treaty reinsurance account, which will constitute 20% of volume. The remaining 25% will be composed of general liability insurance, directors and officers liability and miscellaneous lines.

Mr. Burnhope resigned from Merrett last July and left in September, about a month before disgruntled members agents publicly pulled the capacity from MUAM's loss-riddled syndicates and effectively forced it to cease active underwriting (*BI*, Dec. 6, 1993).

However, in Mr. Burnhope's view, the aftermath of MUAM collapse provides an example of Lloyd's flexibility, versatility and will to survive.

Mr. Burnhope created syndicate 1212; MUAM syndicate 418 underwriter Barnabas Hurst-Bannister went to Janson Green Ltd.; and former Chief Executive Dennis Purkiss, syndicate 1066 underwriter Ken Barrett and syndicate 1068 underwriter Richard Lawrence went to Zurich Re (U.K.) Ltd.

Mr. Burnhope said that, in his opinion, too much fuss was made over the supposed crisis at MUAM and the dramatic impact it supposedly would have on Lloyd's U.S. customer base.

"I personally feel that there was excessive concern shown in the ability of the Merrett Group to continue underwriting. . . .I never really expected it to (fall), and I was extremely disappointed when it did. But, having said that, there are other underwriters who have participated on the renewal of that business who have been able to provide the continuity.

"We have made it clear to our customers that, subject to the appropriate due diligence, we are prepared to act as a renewal market for all the past customers (of Merrett syndicates) in most lines of business. . . .It is clearly a matter for the individual client, but we have been successful with the vast majority. And not for a moment have we viewed it as an opportunity to increase the premiums. That's why we are a leader. We felt we have an obligation to our clients. . . .It's all part of the long-term relationship, and we recognize the value of that."

The long term-philosophy is crucial to Mr. Burnhope's business strategy and that of all Lloyd's syndicates, because the nature of the products they sell and of the market itself is geared to quality, service and leadership, not price-driven competition and volume.

"One of the selling points of the market is product leadership, which goes back to the underwriters' hands-on approach. We give individual attention to individual assureds. We are not selling a commodity. Quality—not quantity—tends to be the emphasis. That doesn't mean price is not important, but it is just one element, and thankfully there is a considerable number of parties prepared to do business that way," he explained.

That approach also explains why Mr. Burnhope and his peers pride themselves on their personal contact with buyers, regardless of domicile. The quality emphasis also explains why the bad press Lloyd's has suffered since it started reporting losses since the 1988 underwriting year has been such a worry.

The market is much healthier than many would have predicted, says Stephen Burnhope.

But Mr. Burnhope believes that corporate capital and the market's ability to successfully manage problems, such as those posed by the breakup of the Merrett empire, show that there's still confidence in Lloyd's.

"From a buyer's point of view, the market is pretty healthy and certainly much healthier than many in the market would have predicted just a few months ago. . . .(Corporate capital) has provided a tremendous balancing factor, because most of our customers take the interest and time to come to us directly and make their own inquiries and go beyond the headlines, as it were. In fact, they tend to encourage us to be more outspoken with the positive message, but that could be an unrealistic expectation because it doesn't sell newspapers," he said.

Indeed, Mr. Burnhope said it seems the biggest stumbling block for U.S.-oriented syndicates like his own is not Lloyd's problems but the state of the U.S. market.

Even though he likes to espouse quality and a long-term view, price still is important, and the soft U.S. market is proving a drag on growth prospects in the short term.

Lloyd's strong suit in the United States currently is renewals rather than new business, he said. Opportunities exist for syndicate 1212's products, but when it comes to getting the message across to U.S. risk managers, "it tends to be easier to get a hearing in times of need rather than plenty."

Like other London market underwriters, Mr. Burnhope partly blames the soft U.S. casualty market on the insurers that entered after the big property losses in recent years and—in financial business at least—the collapse of the U.S. real estate market in the late 1980s.

He singled out the financial institutions insurance market as an example of tough U.S. competition. Some property insurers, in their quest to look for safer lines to write and in keeping with current industry trends, have started specialty divisions targeting financial institution risks.

"But the FI market has a false image of strong profitability," he said.

"Banks have been loan averse and have tended to concentrate on core activities, and there has been a more conservative philosophy in several of the risk areas. (The real estate loan crisis of the late 1980s) has also fostered a better regulatory framework. But as the U.S. comes through the recession and as the business becomes profitable again, there is a danger that (banks) will adopt more expansionary loan policies again.

"There will be increased loan demand and the losses will come through, and there is a question as to whether the total premium volume of the industry and the total limits it sustains are adequate, even though at first glance the basic loss ratios appear to be satisfactory," Mr. Burnhope said.

More concerned with what is going on in the market than in the courts. Mr. Burnhope said he is determined to retain Lloyd's role as the first port of call for U.S. and international insurance buyers.

"We (Lloyd's) have lost business, but by the same token some of the better U.S. companies have also lost business. And I think we have done extraordinarily well to maintain the loyalty and commitment of our customers, despite the adverse publicity. It's entirely to our credit and to their credit that we have managed to maintain our relationships," he said. BI

Mud slide

Continued from previous page

itself was small and will not exceed the policy deductible.

South Africa does not require companies to insure against cleanup costs, Mr. Douglas said.

Part of the coverage is placed in the South African market by broker First Bowring RES and the remainder is placed in London by broker Willis Corroon Group P.L.C.

South African insurance sources say Barlow Rand's liability coverage could have a limit of 500 million rand ($144.8 million).

Although a number of attorneys have banded together to represent claimants from Merriespruit, Mr. Douglas noted that "we don't have class actions in South Africa."

Randgold has established a 1 million rand ($290,000) fund to assist residents affected by the disaster, and the government has set up a 6 million rand ($1.7 million) emergency fund.

But, insurance sources in Johannesburg say the disaster may have long-term consequences on South Africa's liability system.

"There has been a tendency not to have class actions in South Africa. But I think that after the elections, we will see a more socially conscious legal system," an insurer official in Johannesburg said, referring to South Africa's first multiracial elections, which will take place April 27.

Under South Africa's legal system, liability damages cannot be assessed until negligence is proven. Punitive damages are not awarded, but this may change, he said. BI

California regulators faulted in report

By LOUISE KERTESZ

SACRAMENTO, Calif.—Legislators should not approve the budget for the Insurance Department's Conservation and Liquidation Division until they see the agency's plans for restructuring and oversight, a state legislative analyst says.

The Legislative Analyst Office report, which is part of an analysis of the state budget, faults the controversial division for inadequate monitoring of the money it spends from the assets of 94 insurers in conservation. Those insurers' assets total about $753 million.

The division is proposing a budget of $532,000.

The Sacramento Bee recently reported that the agency misappropriated millions of dollars from some conserved insurers. Insurance Commissioner John Garamendi conceded that money from conserved insurers was used in enforcement procedures against other insurers. But department officials said they have made changes in the agency's procedures and that the Bee "ignored documentation" provided by the department (*BI*, Feb. 28).

The legislative analyst report faulted the agency for the following:

- Other than the $532,000 in the state budget, the division has "no meaningful budget." It "does not develop an annual budget for its expenditures" from the assets of failed insurers. "Instead, the division spends on an 'as-needed' basis."
- Although some of the 94 insurers under conservation have been under the division's control "for as long as 25 years, (it) has not established a management plan for any of these estates." The agency has no way "to assess the progress of a particular estate" toward solvency or liquidation.
- The division has "no policy procedure for establishing non-civil-service positions." As a result, of the division's 98 employees, only seven are state civil-service employees, and the rest are more costly non-civil-service employees and consultants. And, "there is no upper limit on the salaries which may be approved."
- When Mr. Garamendi demoted the former head of the division, a civil servant whose salary was approximately $74,500 a year, he was replaced by Fred Buck, a private consultant, who is being paid $250 an hour for up to 600 billable hours, or a maximum of $150,000. Mr. Buck is the former president of First Capital Life Insurance Co., which is in conservation (*BI*, Oct. 11, 1993).
- Five large insurers in conservation—including Executive Life Insurance Co.—with total assets of about $3.1 billion are not managed by the division. "Instead, these estates are managed by on-site managers appointed by the commissioner. . . .It is unclear why the bulk of the assets under state conservatorship are managed outside of the division."
- The division should report to the Legislature annually on planned expenditures from the assets of conserved estates.

A spokesman for Mr. Garamendi said the department is preparing a response. "There are a number of factual errors (in the report) and it is based on old information that does not include remedial steps that the department has taken." BI

IC&S

Continued from page 2

surance Co. Ltd. of Anguilla; and a Florida broker identified by regulators as a former business associate of insurance con man John V. Goepfert.

No one involved with IC&S has been charged with wrongdoing connected with the insurer's operations.

However, the Arizona Insurance Department is investigating Frontier Administrators Inc., a Scottsdale firm that helped manage First Assurance and is now running IC&S. Frontier is not related to Frontier Insurance Co. of Monticello, N.Y.

Samuel B. Love, Frontier Administrators' president and owner, said he is unaware of the Insurance Department investigation. He also defended IC&S and its producers.

"I personally feel it's a very solid little company," Mr. Love said.

While several of the same people operated First Assurance, IC&S and their U.S. management firms, pinning down their precise roles with these companies is not always easy.

Jesse J. Maynard, First Assurance's owner, is also owner and president of Impact III, First Assurance's Enid, Okla.-based manager.

In an interview, Mr. Maynard identified Mr. Love as Impact III's chief financial officer. Mr. Love denied this, however, saying: "To my knowledge, I've never been CFO."

A 1992 Arizona corporate filing for Frontier Administrators, meanwhile, lists Mr. Maynard as chairman and Mr. Love as president. Mr. Maynard, however, said he is "not aware" of ever having been a Frontier officer, and Mr. Love also expressed surprise that Mr. Maynard was listed in the filing.

"That's news to me," Mr. Love said. "I don't know how he really got in there."

Mr. Maynard also once served as president of IC&S, but he said he resigned last year to focus on the First Assurance bankruptcy and has no involvement with IC&S now.

Mr. Love is listed on an IC&S "company directory" as the insurer's sole director.

First Assurance's license was suspended by Turks & Caicos regulators in May 1993. It had been barred from writing business in California the previous month and was earlier declared ineligible in Illinois and Texas (*BI*, Aug. 16, 1993).

First Assurance wrote $10.1 million in premiums in California in 1993, according to reports to the state Surplus Lines Assn.

California regulators cited several reasons for banning First Assurance, including alleged misrepresentations of the ownership and value of its assets, and its failure to pay undisputed claims from the Los Angeles riots.

The California department disallowed most of the insurer's claimed assets in a review of its financial statements and concluded that First Assurance was actually insolvent by more than $5 million.

Mr. Maynard disputed the California department's conclusions but last October filed a Chapter 11 bankruptcy petition for First Assurance in U.S. Bankruptcy Court in Oklahoma City.

He confirmed that he intended the First Assurance filing to be a debtor-in-possession bankruptcy, in which he would have maintained control over the insurer while it ran off its debts.

However, policyholders with $6.7 million in unpaid riot claims last month won the appointment of an independent bankruptcy trustee, arguing that the First Assurance bankruptcy filing was a sham designed to avoid claims payments and that Mr. Maynard continued to siphon money from the company after the filing (see related story).

In 1992, as First Assurance faced mounting Los Angeles riot claims, IC&S was formed in New Zealand as a First Assurance affiliate.

IC&S's initial directors were Mr. Maynard; Vik Jain, a Plano, Texas, businessman; and Warwick Feldman, a Los Angeles insurance consultant (*BI*, March 29, 1993).

Mr. Feldman resigned in November 1992; Messrs. Maynard and Jain resigned in August 1993 and were replaced by Mr. Love, New Zealand records show.

First Assurance intended to help capitalize IC&S in return for equity ownership of the New Zealand company, according to Mr. Maynard, who testified in the bankruptcy case that First Assurance was planning to roll over its California business into IC&S.

First Assurance was also to act as IC&S' main reinsurer, Mr. Love added.

In fact, First Assurance contributed a large part of the $11 million New Zealand ($5.7 million) in year-end 1992 assets reported by IC&S, according to Mr. Maynard.

These assets included some that California regulators later rejected as being of questionable value in their review of First Assurance.

IC&S' 1992 assets, according to its financial statement, included:

- $4.7 million New Zealand (about $2.4 million) in stock of Bora Capital Inc., a company that reported shareholders equity of $43,629 as of March 31, 1992, and whose own assets included a bankrupt Seattle hospital and an airplane hangar in Sun Valley, Idaho.

Bora Capital stock also appeared on First Assurance's balance sheet and was disallowed by California regulators.

- $2.7 million New Zealand ($1.4 million) in notes issued by West Virginia Oil & Gas Co., reportedly collateralized by oil and gas property.

Similar notes appeared in First Assurance's balance sheet and were disallowed by California regulators as having doubtful liquidity and value.

- $1.8 million New Zealand ($926,100) in preferred stock of Impact Investments Ltd., a company partially owned by Mr. Love.

Shortly after year-end 1992, IC&S and First Assurance decided to cancel their asset swap, Mr. Maynard said, because IC&S' New Zealand lawyer concluded that the assets would not be acceptable to government regulators.

First Assurance and IC&S are no longer affiliated, he said. In its company directory, IC&S reports that its major shareholder is now von Tempsky Nominees Ltd., a New Zealand company.

Mr. Love declined to identify von Tempsky's owners. "I'm not at liberty to say, even if I knew."

IC&S also revised its investment portfolio, presenting a much-changed balance sheet as of June 30, 1993.

The revised statement, however, still includes assets that were rejected by California regulators when they appeared in First Assurance's financial statements.

The $11.1 million New Zealand ($6.2 million) in assets on IC&S' latest balance sheet include:

- The West Virginia Oil & Gas notes.
- $3.8 million New Zealand ($2.1 million) of stock in Logos International Inc. of Salt Lake City. Formed in 1981 as a distributor of medical diagnostic equipment, Logos now operates a car-towing and used auto parts business and "is currently entering into the pawning industry," according to its third-quarter 1993 10-Q report filed with the Securities and Exchange Commission.

The California department disallowed First Assurance's investment in Logos stock, noting that the company had reported doubts about its ability to survive as a going concern.

- $3.7 million New Zealand ($2.1 million) of stock in Canton Industrial Corp., a bankrupt tire recycling company in Salt Lake City. Canton's Sept. 30, 1993, financial statement reported "substantial doubt" about its ability to survive as a going concern.

Logos and Canton are both controlled by the same businessman, Allen Z. Wolfson, according to SEC filings.

Mr. Love said he obtained the Logos and Canton stock from the companies in exchange for debentures issued by his investment firm, Impact Investments. He declined to provide any financial information about Impact Investments, but he said the firm has sufficient assets to back up the debentures.

Logos—which reported to the SEC that it "did not attach any value" to the Impact debentures—later traded them to a third company for stock and pre-World War II German government bonds purportedly worth $18 million, SEC filings show.

IC&S and First Assurance investments have not fared so well: Messrs. Maynard and Love both acknowledge that some of the assets have suffered substantial declines in value.

"At the time, they appeared to be appropriate," Mr. Maynard said of First Assurance's holdings.

He added that they are not the only stocks to lose value: "IBM certainly has had a significant drop in the last couple of years, too."

Mr. Love reported that IC&S has since traded its Logos, Canton and West Virginia Oil & Gas holdings and will be reporting new common stock investments in a financial statement he said would be completed this month. He declined to identify the new securities.

While IC&S has been juggling its problem investments, it has also been busy soliciting property/casualty, marine, aviation and international reinsurance business through Frontier Administrators and a network of agents and brokers across the country.

For example, IC&S and First Assurance were proposed last year as retrocessionaires on a massive U.S. Virgin Islands property insurance program covering New York banking giant Chase Manhattan Corp., documents show (*BI*, Jan. 31).

That program was to be directly insured by La Fenix Boliviana S.A., a Bolivian insurer that Frontier was separately proposing last year as an insurer for three Alabama risk purchasing groups.

Frontier no longer represents La Fenix, said Mr. Love, adding that he was not aware IC&S ever participated on the Chase Manhattan program.

IC&S is also assuming international reinsurance business through Polaris International Corp., a Boca Raton, Fla., firm managed by Felipe Palacio. Mr. Palacio was formerly a partner of Palacio & Weinraub, a broker on the defunct Insurance Exchange of the Americas in Miami.

Polaris manages a $1 million facultative obligatory treaty for Latin American and Caribbean ceding insurers, according to Mr. Palacio, who said IC&S takes a 20% share of the $1 million limit.

IC&S also reinsures Compania General de Fianzas S.A., a Nicaraguan surety company formed last September by Mr. Palacio, Frontier and several other investors. Mr. Palacio said IC&S reinsures 75% of the Nicaraguan company's $400,000 limit on surety bonds. The company does not issue bonds in the United States, he added.

Meanwhile, IC&S has also attracted several agents and brokers who were previously involved with a variety of now-defunct insurers. These producers include:

- Anthony J. Hicks, who served briefly as president and later as a consultant to Anchorage Fire & Casualty of the Turks & Caicos (*BI*, June 1, 1992).

Anchorage was barred by several states, including California, which charged the insurer with reporting millions of dollars of worthless assets on its balance sheet and failing to pay more than $1 million in Los Angeles riot claims.

Anchorage was ordered liquidated by a Tennessee court in May 1993.

Mr. Hicks now manages assumed and ceded reinsurance for IC&S, and said he has produced about $500,000 in assumed reinsurance premiums for the company so far, mainly from European ceding insurers. He added that he is looking to expand into Caribbean property insurance and reinsurance.

Mr. Hicks said he resigned from Anchorage because other Anchorage officials did not follow his underwriting advice and because "I felt I had no control."

In his current position, Mr. Hicks added, he is relying on information other IC&S representatives have given him about the company. "I look to them to give me the balance sheets and trust accounts or whatever to get business and to get IC&S accepted."

- Robert Urbine, former managing director of Avalon Insurance Co., now being wound up in Bermuda, and Tiberian Insurance Co., barred by California regulators in 1992.

Both insurance companies were used by convicted insurance con man Arthur A. Blumeyer III to write a variety of commercial property/casualty coverages in several states (*BI*, Aug. 9, 1993; March 1, 1993).

In 1990, Mr. Urbine himself received a cease and desist order and was fined $75,000 by Nevada regulators for allegedly soliciting

Continued on next page

Policyholders call bankruptcy a sham

OKLAHOMA CITY—When First Assurance & Casualty Co. Ltd. filed for Chapter 11 bankruptcy protection last year, its owner intended to maintain control over the insurer as a debtor-in-possession.

However, First Assurance policyholders last month convinced a federal bankruptcy judge to appoint an independent trustee to oversee the estate.

The policyholders—mainly Korean American business owners with millions of dollars of unpaid claims from the 1992 Los Angeles riots—argue that First Assurance's bankruptcy filing was a sham to avoid claim payments and that the insurer's owner, Jesse J. Maynard, continued to siphon money out of the company after the filing.

In court filings, the policyholders charge that First Assurance's operations showed evidence of "gross mismanagement, incompetence and possibly fraud." Among other things, they cite "unsound investments" used to capitalize the company; its "delinquent, misleading and inaccurate" financial reports; and its "self-serving tactics" in delaying claim payments for months after the riots.

The policyholders also note that during November 1993—the month after First Assurance's bankruptcy filing—the insurer recorded income of only $22,031 but paid out $25,000 in travel and entertainment expenses to Mr. Maynard and $301,794 in consulting fees to Impact III, a management company he owns.

The filings also point out that Mr. Maynard and First Assurance helped set up International Casualty & Surety Co. Ltd. of New Zealand in 1992 (see story, page 2).

"Rather than attempt to rehabilitate First Assurance, it appears that the principals are abandoning it for a new insurance company," the policyholders charge.

In an interview, Mr. Maynard called the charges "garbage" and said no one has proved that there was "ever any fraud or misappropriation or misapplication of funds."

"They are trying their case in the newspapers," he said.

Mr. Maynard said the fees paid to Impact III were used to pay lawyers, adjusters and others handling First Assurance's business.

He also charged that more than 80% of the insurer's riot claims were inflated or fraudulent, and said he has complained to the California Insurance Department about the alleged claims fraud.

In court filings, Mr. Maynard testified that First Assurance was forced into bankruptcy by the riot claims and by the efforts of Fujitsu America Inc. to freeze the insurer's bank and stock brokerage accounts. Fujitsu won a $1.1 million default judgment against First Assurance in 1992 after it failed to pay a performance bond claim.

He also testified that First Assurance's largest asset is about $5.7 million in uncollected premiums due from California surplus lines brokers. The next most valuable assets "would seem to be" the securities that capitalized the insurer, though he also testified that some of the securities have suffered a "substantial decrease" in value.

First Assurance owes $3 million to $4 million on outstanding claims and could pay them if it recovers the uncollected premiums, Mr. Maynard said in an interview.

However, the riot victims—who sued First Assurance and others in a California state court last year—say their unpaid claims add up to $6.7 million.

—By Douglas McLeod

IC&S

Continued from previous page

aviation business illegally for Intrepid Insurance Co. of West Virginia and Unified Assurance & Casualty Co., an offshore insurer.

Intrepid, which Mr. Urbine helped to form in 1987, was declared insolvent and ordered into rehabilitation in 1991, court records show.

Mr. Urbine said he was victimized by others involved with these insurers.

Mr. Blumeyer, for example, wrote business for Avalon without authority and failed to forward premiums, he said.

"It's been a nightmare for me," Mr. Urbine said.

He is now producing aviation business for IC&S through Universal Insurance Services Inc. of Greensboro, N.C., and expects to generate $1 million in annual premiums.

• Eamon Baird, a Tampa, Fla., intermediary who confirmed he is soliciting other brokers to produce business for IC&S.

Mr. Baird formerly worked for American Healthcare Underwriting Managers Inc., a San Francisco intermediary that placed accident and health reinsurance for a local affiliate of an allegedly fraudulent labor union, the National Council of Allied Employees (*BI*, May 18, 1992). Reinsurers of the NCAE health plan included Avalon and Tiberian.

In 1982, Illinois insurance regulators liquidating Kenilworth Insurance Co. also identified Mr. Baird as a business associate of Mr. Goepfert, who later pleaded guilty to defrauding Kenilworth and other insurers (*BI*, Aug. 16, 1993).

Mr. Baird has never been charged with wrongdoing involving Kenilworth or the NCAE plan.

He also defended IC&S. "I'm comfortable with the company (and) the people who run it. Otherwise I would not be here."

Offering evidence of the insurer's security, several IC&S producers pointed to a policyholders' trust account that IC&S maintains at The Trust Co. of St. Joseph, Mo.

Nancy Barnett, a trust officer at The Trust Co., confirmed that IC&S has set up an account valued at $2.5 million and consisting of 180,000 shares of Maxxim International Corp. of Dallas.

Maxxim stock is traded on the over-the-counter electronic bulletin board but is not registered with the SEC, said Bill DeCamp, the company's manager of special projects.

In a July 31, 1993, pro forma balance sheet, Maxxim reported total assets of $24.2 million. These assets included: gold mining claims located near Tucson, Ariz.; the North American marketing rights to a patented "seed moisturizing and pre-germinating system"; and molds to reproduce classic cars and trucks from the 1930s. BI

Brokers

Continued from page 2

their business with cost discipline, 1994 "should result in a favorable year for them," he predicts.

"This is the most positive position we've been in this early in the year since 1987," said J. Michael Bischoff, vp-corporate development for Marsh & McLennan Cos. Inc. in New York, adding that the optimism is "not because of a U.S. change in the marketplace."

Part of this optimism comes from the improving economy. Brokers report beginning signs of employment growth in businesses, which will increase the demand for brokerage services.

"It's a much better environment," remarked Patrick G. Ryan, chairman and chief executive officer of Rollins Hudig Hall Group Inc. in Chicago, noting that "people are doing more business."

The rebound in the economy "has to help," agreed Patrick M. Sheridan, executive vp and chief financial officer of Acordia Inc. in Indianapolis. Payroll increases will lead to larger property/casualty insurance accounts and more employees means more health care business, he noted.

Although the economy is showing signs of improvement, brokers still are being plagued by weak short-term interest rates and the soft property/casualty insurance prices.

In addition, the ongoing health care reform debate is not benefiting brokers. The uncertainty out of Washington is causing many benefit managers to hold off on benefit plan redesigns, which in turn batters the brokers' benefit consulting revenues.

For example, revenues at A&A's benefit consulting unit, Alexander Consulting Group Inc., declined by 4% in 1993, said Frank R. Wieczynski, A&A's corporate secretary (*BI*, Nov. 8, 1993).

M&M also felt the effects of

Continued on next page

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Continued from previous page

President Clinton's health care reform proposal as consulting revenues, including those from its William M. Mercer Cos. Inc. unit, tumbled 5.9% during 1993.

"The reason why consulting was so weak was because of the hiatus between the Bush and Clinton administrations," Mr. Bischoff explained.

Corporations also were "insecure" about changing their benefits programs because health care reform last year was "kept under wraps," he said.

This year, benefit consulting will grow, Mr. Bischoff said. The Clinton administration is now firmly ensconced and the health care reform debate is now under way, he explained.

"We expect pretty good earning growth in 1994" in consulting revenues, he said.

This year has the potential to be a better year got brokers overall than 1993, said John L. Ward, chief executive officer of analyst Ward Financial Group in Cincinnati.

Brokers have many "pluses" on their side in 1994 that will overshadow the soft property/casualty rates and poor investment income that will continue into the year.

"Some of the curve balls thrown at the industry" that have adversely affected brokers' results in the past—namely the economy and health care reform—will add to brokers' growth in 1994, he said.

One thing brokers are not counting on in their 1994 strategies, though, is an overall change in the marketplace.

Brokers continue to report rate increases for coastal property accounts, some European accounts and catastrophe reinsurance. However, the market for nearly all types of casualty insurance remains soft.

"I believe 1994 will be just as tough a year as '93. There's not a heck of a lot of difference. People have accepted (the marketplace)," said Michael J. Cloherty, vp-finance for Arthur J. Gallagher & Co. in Itasca, Ill.

At least one broker is optimistic about the cycle turning around.

"I have a feeling a change is not too far away," said Robert H. Hilb, present of Hilb Rogal & Hamilton Co. in Glen Allen, Va., the sole member of the group whose profits declined last year.

If 1994 is a big disaster year, "and it's certainly starting out as one," the toll on insurers could bring a "little more heat to the burner," he said.

But, while Mr. Hilb thinks the market may turn during 1994, HRH still is not budgeting for any changes in rates.

Individual results for the publicly held brokers follow:

Continued on next page

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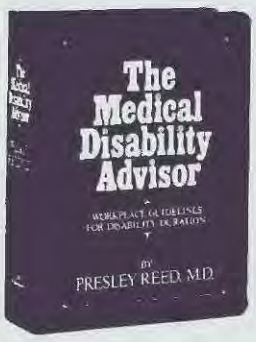

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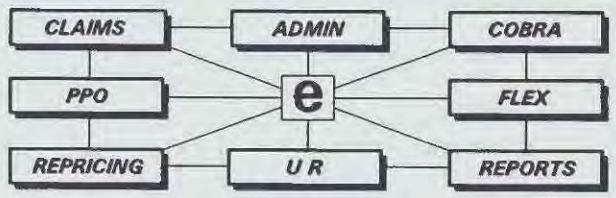

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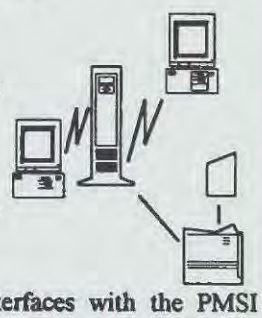

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Brokers

Continued from previous page

Marsh & McLennan

Gross revenues at the world's largest broker passed the $3 billion mark in 1993, rising 7.7% to $3.2 billion from $2.9 billion in 1992.

Net income also rose, increasing 26.1% to $332.4 million from $263.7 million in 1992. If a $40.1 million charge taken in the first quarter of 1992 for adoption of Financial Accounting Standards 106 and 109 were not included, M&M would have posted only a 9.4% gain in profits.

The 7% revenue growth is the best of M&M since 1987, said Mr. Bischoff.

However, the driving force behind the increase was not insurance-related, but instead was M&M's Boston-based investment management subsidiary, The Putnam Cos. Putnam's revenues jumped 30.8% to $518.1 million in 1993 from $396.0 million in 1992.

One might eventually expect a "slowdown" in Putnam's growth, though the unit continues to have "significant momentum going into 1994," Mr. Bischoff said.

Still, revenues from insurance services, including reinsurance broker Guy Carpenter & Co. Inc., increased 9.7% to $1.8 billion last year from $1.6 billion in 1992.

M&M's property catastrophe reinsurance brokerage operations, in particular, contributed to the revenue increase.

Excluding weak foreign exchange rates, all types of reinsurance brokering grew at about a 7% to 10% rate.

M&M's "market making activities" in connection with Mid Ocean Ltd., the Bermuda cat reinsurer, added about $10 million to $15 million to revenues.

The only sore spot in M&M's year-end results came from benefits consulting. Consulting revenues, including revenues from Mercer, fell 5.9% to $854.8 million in 1993 from $908.2 million in 1992.

Alexander & Alexander

Revenues for the world's second-largest broker tumbled by 2% to $1.34 billion in 1993 from a restated $1.37 billion in 1992.

However, A&A still had a profitable 1993: Reversing 1992's $88 million loss, A&A reported $26.9 million in net income last year.

Revenues and profits for 1992 and the first half of 1993 were restated because of financial mismanagement at Alexander Consulting Group (*BI*, Nov. 8, 1993). 1992 results also were adjusted to reflect revenues from Clay & Partners, a U.K. human resources management consultant A&A acquired through a pooling of interest basis in November (*BI*, Dec. 6, 1993).

"This particular year, with respect to the problems with the consulting unit, can be marked or labeled as unusual," Mr. Wieczynski said. "There is no question that operations will perform better in 1994."

Despite the "problems," reinsurance brokerage revenues from Alexander Howden Reinsurance Brokers rose by 10% in 1993; revenues from wholesale broker Alexander Howden Intermediaries increased 12%; and retail brokerage revenues increased 2%, Mr. Wieczynski said.

Benefit consulting revenues were down 4% for the year to $214 million from $222 million. These figures exclude a U.K. investment manager A&A sold in the fourth quarter of 1992, he said. Including 1992 revenues from the U.K. company, consulting revenues were down 7%.

"The biggest ingredient that would impact the company's financial results is the long-awaited insurance rate increase" in the property/casualty industry, said Mr. Wieczynski, noting that he has not seen anything to indicate the market may be hardening.

Rollins Hudig Hall

Acquisitions fueled a hefty 67.2% jump in Rollins Hudig Hall's revenues last year to $1.2 billion from $726.7 million in 1992. Net income also catapulted, soaring 92.1% to $128.1 million from $66.7 million.

The increases are gigantic because RHH did not restate its 1992 results to include the acquisition or Frank B. Hall & Co. Inc., which parent Aon Corp. bought in late 1992.

Still, performance in 1993 was stirred through the combination of Aon's Rollins Burdick Hunter Group Inc. unit; Dutch broker Hudig-Langeveldt b.v.; and Frank B. Hall, Mr. Ryan said.

While a company can often miss opportunities in the marketplace when trying to combine operations following a merger, RHH has had "significant success in terms of being very effective in the marketplace," despite the extra work necessitated by the combination of three brokers, he said.

While property/casualty price changes are "not dramatic enough of a lift" to help RHH on a wide scale, firming rates in Europe, as well as for property catastrophe reinsurance, added to RHH's successful year, Mr. Ryan said. However, earnings continued to be hurt by the soft property/market in the United States and by lower short-term interest rates, he added.

It also was a "challenging" year for Aon's benefit consulting unit, Godwins Booke & Dickenson, Mr. Ryan said, reporting only "modest growth" in benefit consulting revenues.

Arthur J. Gallagher

A drive to improve quality is credited with increased revenues and profits at Arthur J. Gallagher.

Gross revenues increased 9.9% to $317.7 million in 1993 from a restated $288.9 million in 1992. Net income jumped 35.4% last year to $32.3 million from $23.8 million.

Mr. Cloherty attributes the growth to Gallagher's quality program, which focuses on client satisfaction and account retention as well as the company's continuing effort to contain costs.

In addition, the broker received a $4.1 million boost to earnings in the second quarter when it converted its U.K. pension plan to a defined contribution plan from a defined benefit plan, he said.

"We're extremely pleased" with the 1993 results, Mr. Cloherty said, adding that Gallagher's board "was so pleased" that it increased its quarterly dividend to shareholders by 22% to 22 cents per share.

Risk management services, including subsidiary Gallagher Bassett Services Inc., were a big contributor to the broker's revenues. Revenues from fee-based services increased 15.1% to $127.7 million from $111 million in 1992. Gallagher Bassett was responsible for about 70% of consulting revenues.

New business also contributed to the broker's growth, adding in excess of $40 million to 1993 revenues, Mr. Cloherty said.

Gallagher in 1994 will continue its aggressive "blocking and tackling" approach to maintaining its client base and searching for new business, Mr. Cloherty added.

Acordia

Following strong revenue growth and a major acquisition last year, Acordia expects to boost its standing among the world's largest brokers.

Revenues jumped 24.4% to $257.8 million in 1993 from $207.2 million a year earlier. Net income increased 26.3% to $25.6 million from $20.2 million.

1993 revenues include a $27 million boost from a full quarter of results from American Business Insurance Inc., which Acordia acquired last fall (*BI*, Aug. 30, 1993), said Thomas E. Vanneman, vp and treasurer.

Taking into account a full year of ABI, 1993 revenues would total $338.8 million, which should propel Acordia several notches in the ranking of the world's largest brokers from the No. 13 spot in 1992.

"We're very, very pleased" with the results, Mr. Sheridan said. "We continue to improve profit margins somewhat, and expenses in the units are not as high as they have been."

As part of the ABI acquisition last year, Acordia also acquired McDonough Caperton Insurance Group Inc., which was a big contributor to the broker's results, Mr. Vanneman said.

Hilb, Rogal & Hamilton

Revenues were essentially flat at Hilb, Rogal & Hamilton in 1993, rising a mere 0.4% to $135.0 million from $134.4 million in 1992. Net income did not fare as well, dropping 3.6% to $8.4 million from $8.7 million.

Part of that loss can be attributed to a problematic $1 million computer software system at its third-party administration unit that has since been "tossed out," Mr. Hilb said. That produced additional expenses, as additional staff were needed to carry out claims administration functions by hand.

"It's something we're all obviously in a state of shock about," said Mr. Hilb.

Brokerage revenues were depressed by the continued soft market conditions, as well as the loss of revenue from two wrap-up contracts for two large construction projects that have been completed, Mr. Hilb said.

For example, HRH placed wrap-up coverage for the new Pittsburgh airport. When construction was completed last year, it was the same as if HRH had lost a $700 million account, Mr. Hilb explained.

Mr. Hilb is optimistic that 1994 will be a better year for the broker. While there may not be a big change in rates, the economy is recovering, which should lead to an upswing in demand for coverage, he said.

Poe & Brown

Revenues at Tampa, Fla.-based Poe & Brown Inc. increased 6.8% to $95.4 million last year from a restated $89.3 million in 1992. Net income, on the other hand, more than doubled, shooting up 212.5% to $8 million from a restated $4.1 million.

The figures have been restated to include a full year of Brown & Brown Inc., which merged with Poe & Associates last April on a pooling of interest basis, said Cory T. Walker, vp and chief financial officer.

The jump in profits also was aided by a $600,000 tax reserve made in 1992 for Brown & Brown, he said.

Despite the costs and "distractions" associated with the merger, "our people stepped up to the plate and generated sales," Mr. Walker said. The merger has gone "outstandingly well."

Total expenses were up only 2% for the year, he said. Overall, Poe & Brown spent roughly $1.3 million in merger-related costs for canceled leases, professional fees and reallocation costs.

In the fourth quarter alone, expenses were down 12% over 1992 due to a reduction in head count: The company has 1,017 employees at the end of 1993, compared with 1,121 at the beginning of the year. The reduction is a result of both attrition and layoffs as a result of the merger.

1993 "was more symbolic of getting the merger together and focusing on costs," Mr. Walker said. Costs and headcount are in line, so "our primary goal (for 1994) is revenue growth. We're looking for another good year." BI

1993 broker results

in thousands of dollars

Broker	Gross revenues	% change	Net income	% change
Marsh & McLennan	$3,163.4	7.7%	$332.4	26.1%
Alexander & Alexander**	1,341.6	-2.0	26.9	NM
Rollins Hudig Hall*	1,215.0	67.2	128.1	92.1
Arthur J. Gallagher**	317.6	9.9	32.3	35.4
Acordia	257.8	24.4	25.6	26.3
Hilb, Rogal & Hamilton	135.0	0.4	8.4	-3.6
Poe & Brown**	95.4	6.8	8.0	212.5

* Pretax ** Restated NM: Not meaningful

Source: Company reports

GRAPHIC BY JERRY PARKS

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Sedgwick revenues, profits grow

LONDON—Sedgwick Group P.L.C. had "an exceptionally active year" in 1993, which is reflected in an 18% increase in revenues, Chief Executive Sax Riley announced last week.

Acquisitions, particularly that of benefit consultant Noble Lowndes & Partners Ltd., boosted Sedgwick's revenues to 809.7 million pounds ($1.19 billion) from 684.9 million pounds ($1.01 billion) at year-end 1992.

Were it not for the acquisitions, Sedgwick's revenues would have increased 13% to 773.9 million pounds ($1.14 billion) in 1993.

In dollar terms, though, Sedgwick's revenues grew only 0.8% to $1.215 billion from $1.205 billion in 1992, based on average exchange rates.

Overall, Sedgwick's pretax profits increased 24% to 70.5 million pounds ($105.6 million) from 56.7 million pounds ($100 million) in 1992. Sedgwick's 1992 profits were restated to reflect new U.K. accounting procedures affecting property assets and certain group benefits.

In particular, Sedgwick's U.S. operations saw a 41.7% increase in pretax profits to 40.8 million pounds ($61.1 million) from 28.8 million pounds ($50.8 million) in 1992; while U.K. profits dropped 12.8% to 20.4 million pounds ($30.6 million) from 23.4 million pounds ($41.3 million).

Sedgwick North American retail brokerage revenues increased 23.2% to 278.4 million pounds ($417 million) from 225.9 million pounds ($398.7 million) in 1992.

—By Stacy Shapiro

Reforms

Continued from page 1

What will pass. . .gee, what will people think. Right now, I care what people think, but I care more about what is a real health care system going to look like and how it can best work. I thought that is what you have been doing all your life," the senator said.

"I have," Dr. Ellwood replied, adding that personal views can change on issues this important.

The defection of the Chamber of Commerce—the first in a series of setbacks the administration incurred last week (see related story)—is an especially hard blow for the administration.

Shortly after Mr. Clinton took office, his advisers trumpeted the Chamber's decision to support "shared" employer/employee responsibility to pay for health care coverage as a sign of business support for an employer health care mandate.

But the Chamber shifted course after a wave of protests from its members, including hundreds of phone calls from members opposed to an employer mandate, officials of the group acknowledged.

The opposition was rooted in both a philosophic disapproval of any government mandate as well as members' fears of being saddled with health care plans that they one day might not be able to afford, Mr. Lesher explained.

"Employers don't want to lock into a high-cost plan," agreed Alan Kranowitz, senior vp-government relations at the National Assn. of Wholesaler-Distributors in Washington, a small-employer trade group that also opposes an employer health care mandate.

The defection of the Chamber leaves just one major employer group—the Assn. of Private Pension & Welfare Plans—in favor of an employer health care mandate. Several provider groups, including the Blue Cross & Blue Shield Assn., the Health Insurance Assn. of America and the American Hospital Assn.—all of which could benefit from an employer mandate—also endorse the concept.

Furthermore, the APPWP stresses that its support of an employer mandate should not be interpreted as endorsement of the mandate contained in the Clinton proposal.

Under that proposal, employers would have to pay 80% of employees' health care premiums, but would have no say in the design of the benefit package and—except for the largest employers, which could opt out of state-established purchasing alliances—no control over the plans offered to employees.

"We can't support a mandate that requires an employer to provide benefits but precludes employers from controlling costs. That is the antithesis of an employment-based system. It relegates the role of employers to that of signing checks," said James Klein, executive director of the APPWP, which represents medium-sized and large employers on benefit issues.

Administration efforts to win business support for an employer mandate—or at least defuse opposition—haven't been helped by a number of strategic errors, including setting the employer contribution at 80% of the total premium. That's a much more generous benefit than many companies now provide, especially for family coverage.

"We told them on several occasions that an 80/20 split was overly generous and did not reflect what business was doing today," said Mark Ugoretz, president of the ERISA Industry Committee in Washington, another benefits lobbying group representing employers.

While business opposition to an employer mandate certainly isn't a surprise, uncertainty remains over whether Congress would approve such a mandate.

Business lobbyists say there currently is sufficient support to pass an employer mandate like the one President Clinton proposes among only two of the six congressional committees that share jurisdiction over health care reform—the Senate Labor and Human Resources Committee and the House Education and Labor Committee.

One idea being discussed on Capitol Hill would require only larger employers—those with at least 100 employees—to pay for employees' health care costs. However, it's too soon to gauge support for that proposal.

Under this proposal, the government would provide a sliding scale of subsidies, linked to income, for lower-wage employees at small companies to offset the cost of their coverage.

Dr. Ellwood suggested such an approach last week, though he advised that subsidies be available to low-income employees regardless of the size of their employer.

The nation should cover those most in need, keep track of what is going on and "then make your big decisions," he said. BI

Prognosis grows bleaker for Clinton reform plan

WASHINGTON—Policy reversals by the U.S. Chamber of Commerce and the Jackson Hole Group weren't the only blows the administration's health care reform strategy suffered last week.

As the debate on health care reform continued to pick up steam:

• A nationwide survey showed that more Americans now oppose the Clinton reform plan than support it, despite the administration's intense campaign to build support.

A Washington Post-ABC News poll of 1,531 adults found 48% of respondents oppose the plan, while 44% support the Clinton plan and 8% are undecided.

President Clinton attributed the survey's results in part to the millions of dollars spent by interest groups "to trash the plan," a reference to the Health Insurance Assn. of America's "Harry and Louise" advertising campaign that criticizes the administration proposal.

Arguing that the administration receives 10 times more media coverage than opponents of the Clinton plan, Senate Minority Leader Robert Dole said the American people simply don't believe the administration's promises. "How can we create all these entitlements. . .and still say we are going to save money?" asked the Republican senator from Kansas.

• In a sign of how weak congressional support is for the administration's proposal, Energy and Commerce Committee Chairman John Dingell, D-Mich., and Rep. Henry Waxman, D-Calif., agreed to skip review by the Health and Environment Subcommittee, which Rep. Waxman chairs, and begin work on the proposal at the full committee level where there is marginally more support.

But, if the Clinton proposal has a better chance in the full committee, it's only by a hair. All 17 Republicans on the 44-member committee are expected to oppose it. And a number of Democratic members—including Reps. Jim Cooper, D-Tenn., and Roy Rowland, D-Ga.—have introduced their own reform proposals, which do not include the key elements—mandatory purchasing alliances, an employer mandate and a legislatively set benefit package—that are the heart of the Clinton proposal.

• A group of 15 House Democrats, led by Rep. Rowland, broke ranks with the president and—joined by 15 Republicans—introduced what they call the "Health Reform Consensus Act of 1994."

The bill includes many provisions, including curbs on pre-existing medical condition exclusions in health insurance policies and certain reforms in the small-employer insurance market, for which there is no significant opposition.

• GOP attacks on the Clinton plan continued unabated, even as Senate Republicans met last week at a retreat in Annapolis, Md., to develop their own consensus on health care reform. Senate Republicans, except for Sen. James Jeffords, R-Vt., are against the Clinton proposal, but GOP senators have yet to get behind one alternative in large numbers.

Sen. John Chafee, R-R.I., labeled the Clinton bill as terminally ill and in "deep-deep trouble."

Sen. John Danforth, R-Mo., lit into yet another plank of the administration's proposal—the basic benefit package that all Americans would be entitled to—and suggested that the list of benefits would keep growing because politicians can't say no to interest groups.

"Politicians never will be able to keep things off a list of benefits. I hear nothing other than a ducking of the issue," Sen. Danforth said at a Finance Committee hearing.

—By Jerry Geisel

TV ads to encourage support of Clinton health care reforms

A series of TV ads airing in the next few weeks will try to convince Americans of the need for national health care reform.

Sponsored by the Health Care Reform Project, the ads endorse the general principles of President Clinton's reform package. The Health Care Reform Project is a coalition of businesses, labor unions, consumers, older Americans, children's advocates, health care providers and other groups.

The coalition will spend $750,000 to air the television spots and also is preparing radio and print ads. The ads will tout the plan's basic features, including universal coverage, comprehensive benefits, choice, affordability, and an employment-based insurance system.

"Unions' role in this, apart from our political clout, is to educate the public about what is in health care reform," said Jack Sheehan, assistant to the president of the United Steelworkers of America, which belongs to the Health Care Reform Project.

"There is a layer of hesitancy to come out and say Clinton's is a great plan, but that's because of the lack of knowledge and misinformation based on sound-bite rhetoric," Mr. Sheehan said.

The ads will augment grassroots lobbying efforts already under way. Among other things, the spots will emphasize the problem of the uninsured and controversial insurance underwriting practices.

Health insurers' own ad campaign—centered on the "Harry and Louise" commercials—has come under fire from the White House.

—By Christine Woolsey

Unions

Continued from page 1

"looks good for the president because at least someone supports his bill," he said. But, "in terms of the number of votes they can deliver, it's questionable because unions' strength in numbers is declining."

"It's very hard to know whether standing by themselves labor could carry the day," commented Michael Gordan, an employee benefits attorney in Washington and one of the principal drafters of the Employee Retirement Income Security Act. "But, it's clear that without their strenuous help, what's left of the Clinton initiative is finished."

Indeed, over the last several weeks, special interests have been turning their backs on the Clinton bill. Three major business groups have criticized the plan's bureaucratic nature and the administration's lack of concern for corporate interests (*BI*, Feb. 21; Feb. 7).

And, late last month, the American Assn. of Retired Persons—whose support had been anticipated by the administration—turned a deaf ear on the president's plea, citing worries about the plan's financing given proposed cuts in Medicare and Medicaid.

Health insurers, drug companies and certain medical groups also declined to support President Clinton's plan early on, primarily because it calls for global budgets and price caps and would restrict patients' choice of providers.

Labor's support for the president's plan—which includes a promise to spend $10 million in cash and other resources to promote it (*BI*, Feb. 28)—is not surprising, given the alternatives, Mr. Gordon said.

"There might be other reform proposals they would rather see enacted, but they aren't politically feasible. They came to the conclusion that they really want health care reform" and the Clinton bill comes the closest to their views. They really have nowhere else to go," he said.

"I consider them a powerful and effective organization on health care reform because of their efficient grassroots activities," said Bill Gradison, president of the Health Insurance Assn. of America in Washington, which has been waging its own campaign against the Clinton plan for months.

"I think they carry a great deal of influence within the Democratic party," he said. "In many committees they are a major PAC arm, supplying money and volunteers, influencing the nomination process and endorsing candidates in primaries."

Labor-sponsored political action committees gave $43 million to members of congress during the 1991-92 election cycle, according to Josh Goldstein, project director for the Center for Responsive Politics. The center is a non-profit, non-partisan research group that studies political contributions.

"I think labor will clearly have an influence, especially among the Democrats, who are more dependent on labor than Republicans," Mr. Goldstein predicted. During the last elections, 92% of the $43 million in union PAC contributions went to Democrats, he noted.

Labor hardly dominates PAC funding, though. Business groups outspent labor by three to one during the last election, forking over $127 million in PAC contributions.

And even with union manpower factored in, labor money doesn't guarantee votes.

"Organized labor's clout, as they construe it, didn't do any good with NAFTA," pointed out Leo Troy, a professor of economics and labor specialist at Rutgers University in Newark, N.J.

Some Washington observers say labor's endorsement of the Clinton plan is meaningless, given the widespread disagreement within the Democratic Party over how to reform the health care system.

"I can't see, in the near future, any one of the proposals currently on the Hill getting the majority vote," said John Erlenborn, who represented Illinois in the House of Representatives from 1965 to 1985.

"Organized labor is not going to shift a lot of votes among competing groups in Congress," said Mr. Erlenborn, now an attorney with Seyfarth, Shaw, Fairweather & Geraldson. "And, the uncommitted aren't even a large enough group that their endorsement of the Clinton plan could generate a majority."

Labor itself may be divided on health care reform. Rank-and-file workers, for instance, do not all support the AFL-CIO leadership, which recently endorsed the Clinton plan. Many, in fact, still favor a single-payer system, like that proposed by Rep. Jim McDermott, D-Wash.

"The AFL-CIO and its affiliates are working for the Clinton plan, but there is still strong sympathy by my union and others for single payer," said a spokesman for the Communications Workers of America. However, "the general feeling is the Clinton plan, as it is presently laid out, has a better chance of being passed."

"Most labor groups, if they had their druthers, would take McDermott," Mr. Graefe said. "But I think most would rather have no bill than a small bill that only addresses insurance reforms or portability issues."

"I see somewhat of a parallel of what is happening now to what went on in the '60s and '70s when we were considering ERISA," Mr. Erlenborn said. During that debate, the autoworkers and steelworkers unions put "pressure on the union leadership to quiet any naysayers."

Employers and employees in the auto and steel industry have an enormous stake in health care reform, he said. They view President Clinton's plan as a big win because it promises to cap employer premiums and slash early retiree health care liabilities.

However, some companies in lower-wage industries say that they cannot afford to provide health insurance and will be forced to cut jobs if they are required to do so.

That assertion is "economic blackmail," charges a spokesman for United Food & Commercial Workers International Union. The union is undertaking a massive campaign to convince members and non-members of the need for health care reform and the advantages of the Clinton plan.

Other unions are doing the same and most union spokesmen say the entire labor movement is united in support of President Clinton's plan.

One union representative pointed out that business opposition to the Clinton plan is far from unanimous. "There are members of the Business Roundtable who wanted the group to stay neutral," said Jack Sheehan, assistant to the president of the United Steelworkers of America. "There is a charge that the Roundtable was dominated by the Prudential Insurance Co.," which obviously has its own agenda, he said.

Labor experts say the passage of comprehensive health care reform could help organized labor reverse

Continued on next page

Earthquake

Continued from page 1

ing to recoup loss payments, Mr. Weisberg said.

And while the statute of limitations for litigation involving latent defects is only 10 years in California, there is no limit on the time during which individuals may sue to recover damages for bodily injury or wrongful death, according to Joel Castro, a Santa Monica attorney who specializes in construction defect cases.

Mr. Castro, who is representing several of the Northridge Meadows tenants, has won a temporary restraining order preventing demolition of the apartment complex before structural engineers can determine whether shoddy construction led to its collapse. Including those clients, Mr. Castro expects to have 10 such lawsuits filed by the end of the month.

Indeed, the design community is concerned about its potential liability, said Bud London, a partner with London/Fischer in New York who represents policyholders of Design Professionals Insurance Co. of Monterey, Calif.

"People are always trying to blame the architect for not making these buildings earthquake-proof," he said.

While architects and structural engineers usually design projects to meet local building codes, those codes may be insufficient for an earthquake of this magnitude, he explained.

"Even though they've met the building code, that does not provide them with an absolute defense that they acted prudently in their design," Mr. London said.

Regardless of whether the construction met building codes, Mr. Castro believes building contractors should be held strictly liable for their work because they know how to make structures earthquake-proof and aren't doing so.

"Everybody knows the code is the minimum," he said, comparing it to a 50% test score.

"We've been arguing to juries for years that we're going to have a terrible calamity if they don't do something about sheer connections," he said, referring to connections between floors in multistory buildings.

"And we have known in steel construction that there should be cross beams," he said, referring to several new and under-construction structures in which cracks were found in steel supporting columns following the quake.

The earthquake also is likely to trigger disputes between policyholders and insurers over coverage for construction upgrades necessary to make some damaged buildings quake-proof, attorneys predict.

"You're going to have a lot of litigation over code upgrade coverage," predicts Curtis Anderson, managing director of property claims for Willis Corroon Integrated Management Services in Nashville, Tenn.

While few insurers are likely to contest coverage for property owners who purchased earthquake insurance, many will disagree over the amount of coverage their policies provide, he explained.

"This is not so much a coverage issue as an amount of damages issue," he said.

For example, while a policy may provide replacement cost coverage, it may not pay for building code upgrades required by local officials at the time of reconstruction, explained Mr. Anderson, who came across this problem after the 1989 San Francisco quake.

"We had a situation in Oakland where damage to the building was only $10 million, but the code upgrades ran $16 million," he recounted.

A lot depends on policy wording, he explained.

For example, the standard "earthquake" and "ordinance and law" endorsements to the commercial fire policy form issued by the Insurance Services Office Inc. provides code upgrade coverage at the time of loss, but does not provide for any additional replacement costs necessitated by new building codes enacted after the loss.

While the Los Angeles City Council has not yet promulgated more stringent building codes in response to the extensive quake damage, the city building department is unlikely to issue permits to reconstruct buildings that cannot withstand another temblor.

"They're not going to get permits to build under the old code," because the extent of the damage from the quake proves they are inadequate, Mr. Castro said.

Other coverage disputes could arise in cases involving older buildings that didn't meet existing code at the time they were insured and have replacement cost coverage.

Such a problem arose after the 1989 Loma Prieta earthquake with a 60-year-old office building in San Francisco that was not subject to city ordinances enhancing building codes, according to Robert N. Schiff, a partner with Fisher & Hurst in San Francisco who represents insurers in coverage cases.

"To obtain a permit for reconstruction, it would cost more than to make it like it was," he said. The building owner filed suit for coverage of the enhancements in 1990, which is still being litigated.

Because of the complexity of earthquake coverage, "we're going to see a lot of problems," predicts Steve Thomas, a partner with Thomas & Elliott in Los Angeles who often represents policyholders in insurance coverage disputes.

"There are plenty of misunderstandings that are developing," he said.

In one case involving a condominium complex that was damaged by the quake, the insurer for the condo association is trying to pass the claim off to the individual condominium owners' insurers, which are attempting to hand it back to the condo association's insurer, according to Mr. Thomas.

Other disputes are arising between tenants and landlords in both residential and commercial leases; in real estate transactions that were in escrow when the quake hit; between employers and employees regarding the need for flexible work schedules or alternative worksites; and between property owners and contractors over labor costs that have been inflated in response to the increased demand for their services.

In one dispute, Massachusetts Mutual Life Insurance Co. is suing its mortgagee, the owner of a building in Woodland Hills that housed TIG Group Inc.'s corporate headquarters.

The suit, filed Feb. 8 in Los Angeles Superior Court, seeks to attach insurance payments made to 6464TW Associates Inc. for damage to its building, which went into foreclosure after being condemned by city building inspectors.

Neither a $5 million primary property policy issued to 6464TW Associates by Homestead Insurance Co. nor a $10 million excess policy underwritten by Agricultural Insurance Co. name the lender, Massachusetts Mutual, as an additional insured, said Phillip Davis, an attorney with Sheppard, Mullin, Richter & Hampton in Los Angeles who is handling the litigation. A $10 million earthquake policy written for tenant TIG by Aetna Life & Casualty Co. named both 6464TW Associates and Massachusetts Mutual as additional insureds, but that coverage alone is not enough to restore the building.

"The borrower claims that Mass Mutual has no right to the insurance, but Mass Mutual claims it was assigned those proceeds under the deed of trust," he said.

He said there may be many similar disputes brewing in Los Angeles since much more commercial property was damaged by the quake than was originally thought.

"You're just seeing a tiny trickle" of the disputes that could lead to litigation, agreed Viggo Boserup, a Los Angeles attorney and member of the Southern California Mediation Assn., which is developing an earthquake assistance project to encourage the use of alternative dispute resolution. "It takes time for people to find out they have a dispute."

The project, which so far has endorsements from Los Angeles Mayor Richard Reardon, Gov. Pete Wilson and California Attorney General Dan Lungren, will provide mediation services to disaster victims on a reduced-fee or no-fee basis, depending on their financial status.

Because the program is voluntary, SCMA will spread word of its availability through media reports and by distributing pamphlets at disaster relief centers set up by the Federal Emergency Management Agency.

A similar, but mandatory, program involving 10 insurers was successfully implemented by the American Arbitration Assn. in Florida following Hurricane Andrew, according to William K. Schlei, director of the AAA Center for Mediation in Los Angeles.

Nearly 90% of the hundreds of thousands of property damage claims filed after the 1991 hurricane in South Florida were settled through mediation or arbitration, saving more than $20 million in legal fees, he estimated.

"Mediation is a process that can, at a very early stage, move a matter quickly to a successful resolution," Mr. Schlei said. BI

Unions

Continued from previous page

its decline.

Getting its way on health care reform "is a question of survival because the share of market organized labor represents has declined," Mr. Gold said.

In 1993, just 15.8% of employed wage and salaried workers belonged to a union, compared with 16.8% in 1988 and 20.1% in 1983, the Bureau of Labor Statistics reports.

Organized labor has to become more aggressive than it was 10 or 12 years ago, said Peter Lefkin, vp of government and industry affairs for Fireman's Fund Insurance Co. in Washington.

"One of the many ways (unions) maintained their membership was in delivering good health plans. Now, their capacity to do that has eroded substantially," Mr. Gold said. The reasoning behind their endorsement of the Clinton plan may be the feeling that "if they can transfer responsibility for health plans to someone else, they can concentrate on other things and regain some ground."

"They've been forced to give away a lot of hard fought gains made in the '50s and '60s," Mr. Lefkin agreed. "This has given them the resolve, though, to be a strong political force. . . .They need a political win to justify their existence. BI

Updates

Jetliners insured for losses

LONDON—Two U.S. jetliner accidents last week could produce $120 million in aviation insurance losses, bringing total losses since November renewals to more than $700 million.

A Northwest Airlines Inc. Boeing 747 caught fire last Tuesday shortly after landing at Tokyo's Narita Airport, but none of the 245 passengers and crew was injured. The landing went awry after one of the engines came loose from the wing. The extent of damage to the hull, which is insured for more than $100 million, was unknown late last week. Northwest's hull and liability coverage, which renews July 1, is led in the United States by Associated Aviation Underwriters and in London by Lloyd's of London's Ariel syndicate.

On Thursday, a Continental Air Lines Inc. McDonnell Douglas MD-80 aborted takeoff and skidded off a runway at a snowy LaGuardia Airport in New York. A $20 million to $25 million hull claim is expected if the jet, which sustained damage to its nose and fuselage, is a total loss. Twenty-nine of the 116 people on board were injured. Continental's hull and liability coverage, which renews June 1, is led in the United States by U.S. Aviation Insurance Group and in London by the Ariel syndicate.

If these two hulls are total losses, then the aviation market will have lost more than $740 million in hull and satellite losses since renewals in November (*BI*, Nov. 8, 1993).

Phillips settles suits

BARTLESVILLE, Okla.—Phillips Petroleum Co. has settled 191 more lawsuits stemming from the 1989 explosion at its complex in Pasadena, Texas, that killed 23 people and injured 130.

The amount of the settlement was not disclosed.

To date, more than 700 claims from the explosion have been settled and 145 remain, a Phillips spokesman said.

Phillips has $200 million in liability insurance written by ACE Ltd. of Bermuda. The company also purchased $150 million in liability insurance excess of $400 million in the London market (*BI*, Oct. 30, 1989).

In 1991, ACE paid out $125 million in connection with the explosion (*BI*, Dec. 23, 1991). ACE's coverage at the time was excess of a $100 million attachment.

Cases involving workers who were killed or seriously injured have already been settled, the spokesman said. The suits settled last week were mainly for orthopedic injuries and psychological distress.

Only 16 lawsuits have gone to trial. Those consolidated suits resulted in a total award of $726,000 by a Houston jury in November 1993. The plaintiffs had sought $200 million.

Briefly noted

A $27.9 million jury award in Houston last week will likely pressure Minnesota Mining & Manufacturing Corp. to join a proposed **$4.75 billion global settlement** of silicone gel breast implant claims (*BI*, Feb. 21). 3M and two other defendants are appealing the award to three women who say their leaking implants caused various nervous and immune system disorders. . . .Standard & Poor's Corp.'s Feb. 23 announcement that it is dropping **CNA Financial Corp.** stock from its S&P 500 Index prompted heavy trading of CNA shares. S&P said CNA stock, 83% of which is held by Loews Corp., does not meet its index criteria for broad ownership and liquidity. The move should not be construed as a commentary on the investment merits of CNA's stock, S&P said. . . .The Port Authority of New York & New Jersey faces claims from 550 people as of the deadline for seeking damages from the **World Trade Center bombing** on Feb. 26, 1993 (*BI*, March 8, 1993). About half seek damages for personal injury, the remainder for property damage. . . .**X.L. Insurance Co. Ltd.** in April will launch a general liability policy aimed at middle-market accounts. The coverage will offer companies with revenues of less than $500 million between $10 million and $50 million in general liability limits. The minimum attachment point is $25 million. . . .Linda Takayama, **Hawaii insurance commissioner** since 1991, has been promoted to the post of deputy director of commerce and consumer affairs, which oversees the insurance division. She is succeeded by Lawrence Reifurth, former supervising deputy attorney general in the attorney general's education unit. . . .A Connecticut legislative committee has set aside a staff proposal to abolish the state's Second Injury Fund, which provides high-risk **workers comp** insurance. Insurers and self-insured employers objected to the proposal, which would have required them to assume the fund's claim liabilities with only 75% reimbursement. . . .Moody's Investors Service has upgraded the ratings of six members of **Home Insurance Group's** property/casualty intercompany pool to Baa1 from Baa2. The move follows Home's recapitalization and strengthening of its loss reserves (*BI*, Dec. 27, 1993). . . .**William Zindel**, 59, former executive vp-underwriting at Hartford Steam Boiler Inspection & Insurance Co., died Feb. 28. He had retired in 1992. . . .**Patricia L. Rowland** has been named president of Intracorp, the health care and disability management unit of CIGNA Corp. in Berwyn, Pa. Ms. Rowland succeeds S. Jeffrey Ackerman, who left the company. . . .Milwaukee-based **Allis-Chalmers Corp.** expects to terminate an underfunded pension plan. The plan, which has 9,462 participants, has $258 million in liabilities and $249 million in assets. . . .**Atlantic Richfield Co.'s** ultimate costs for cleaning up Superfund sites could exceed by $1 billion the $648 million it has reserved for cleanups over the next five or six years, the company disclosed in a 10-K filing with the Securities and Exchange Commission. . . .Exxon Corp. would not confirm reports that plaintiffs in Exxon Valdez oil spill litigation will seek **punitive damages of up to $10 billion**. . . .In New Jersey, Governor Christine Todd Whitman has chosen Dean Karpinski as the state's **new insurance commissioner**. Mr. Karpinski, former president of a Parsippany, N.J., insurance agency, must still be approved by the state Senate.

McCarran

Continued from page 2

granted by the McCarran-Ferguson Act. Rep. Brooks has introduced a version of H.R. 9 every congressional session since 1988.

The compromise version of H.R. 9 worked out between Rep. Brooks' staff and the AIA would, among other things, phase out McCarran protection for the collective trending of data by industry-affiliated groups like the Insurance Services Office Inc. Such trending provided by non-insurer-affiliated vendors, though, would be "presumed not to violate antitrust laws."

The compromise would also permit insurers to develop and use common policy forms, which Rep. Brooks' current draft of H.R. 9 would not allow.

Although Rep. Brooks had not accepted the AIA compromise as of last week, the House Judiciary Committee's ranking Republican already has indicated he would not support the measure.

That's fine with executives of many small and regional insurers. "We really feel as a company that the McCarran-Ferguson Act should be left undisturbed," said Dennis E. Hoffmann, chairman and president of John Deere Insurance Group Inc. of Moline, Ill.

Mr. Hoffmann explained that his company writes a small amount of business in every state. All of John Deere's business is commercial, "so we don't have any market leaders."

From an actuarial standpoint, John Deere alone won't have broad enough data to underwrite as accurately as it now can with centrally collected data, he said.

The compromise would "make it very difficult" for smaller companies to set adequate rates, said F. David Rolwing, chairman and president of Montgomery Mutual Insurance Co. of Sandy Spring, Md., and chairman of the Alliance of American Insurers. Montgomery Mutual, which writes commercial and personal lines coverages in seven states and the District of Columbia, would "probably have an easier time" operating in Maryland than elsewhere, because about 60% of its premium volume comes from its state of domicile, he said.

But even in some areas of Maryland, the insurer doesn't have the data base to make pricing decisions as accurately as it can with broader-based data, he said.

Restricting the collection of data could lead to "a me-too pattern," in which smaller insurers simply follow the pricing lead of their larger competitors, just as airlines sometimes do, he said. The inherent danger in this approach is that an industry leader could engage in predatory pricing by deliberately underpricing coverage and drive small companies into insolvency.

Deere's Mr. Hoffmann said that while the compromise protects some data collection activities, he predicted that the definition of what is and is not permissible would end up in court. "We could be hamstrung" if that happened.

The "limited ability to jointly trend historical loss data to project future losses and thereby set independent rates will discriminate against regional and small companies," said Lee Bondus, chairman of the National Assn. of Mutual Insurance Cos., an Indianapolis-based trade group for small insurers. "These smaller companies cannot economically staff for the actuarial and legal expertise necessary to develop valid data to price their products."

A longtime opponent of McCarran reform, Rep. Hamilton Fish, R-N.Y., told insurer executives last week that the compromise represents little improvement over Rep. Brooks' original proposal.

"The changes in H.R. 9 make a bad bill a better bill. However, the revised version still contains fatal flaws and defects. The revised bill is not one I can support," he said at the National Assn. of Independent Insurers' Federal-State Legislative Conference in Arlington, Va.

Among the changes in the compromise that Rep. Fish, the ranking GOP member of the Judiciary Committee, regards as improvements:

- Insurers would be able to rely on the "state action defense," which means some joint activities would have immunity from federal antitrust laws if state laws sanction those activities.
- Existing industry pools would remain in operation, and the Justice Department would establish a review process for the creation of new pools.
- The proposed scope of the Federal Trade Commission's jurisdiction over insurers would be limited.

In addition, the compromise bill is stripped of inflammatory language such as "price-fixing" and "conspiracy," he said.

But Rep. Fish said that the failure to protect collectively developed trending information from antitrust laws "is the most serious defect in the proposal." He also is "concerned" that the definition of "loss development factor" in the compromise does not explicitly cover incurred-but-not-reported claims.

Rep. Fish also pointed to the compromise's lack of an explicit safe harbor for the use of rating manuals by agents as reason for his opposition. "Rate manuals are a handy, convenient, pro-consumer tool. They allow agents to quote a price quickly and accurately from a jointly developed data base. Under the proposed language of the revised H.R. 9, these manuals do not appear to be protected from antitrust challenge, nor would the agents who use them." BI

Jury verdict not binding for excluded insurers

SPRINGFIELD, Ill.—A trial judge hearing a massive pollution coverage dispute cannot streamline the case by preventing some insurers from participating and still binding them to a jury's verdict, the Illinois Supreme Court has ruled. In the case, electric and gas utility Central Illinois Public Service Co. sued three environmental impairment liability insurers and 44 comprehensive general liability insurers in 1987 for coverage of cleanup costs at several polluted sites in the state where the utility manufactured gas from coal.

In a 1991 jury trial on whether CIPS expected or intended the pollution at one of the sites, Cook County Circuit Court Judge Warren D. Wolfson permitted only EIL insurer American Empire Surplus Lines Insurance Co. to participate. The other 30 to 35 CGL insurers that had not settled with CIPS were not allowed to participate, so the judge could manage the case more easily.

The other EIL insurers were dismissed from this portion of the case because they wrote excess coverage that would not be tapped.

While CIPS knew it was generating a pollutant at the site, it neither expected nor intended the pollution to escape and pollute the site, the jury found.

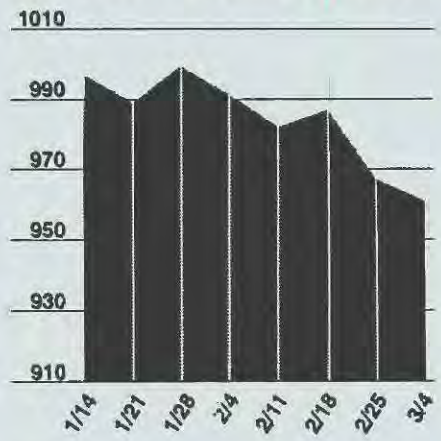
Judge Wolfson later bound the CGL insurers to the verdict. An appellate court refused to hear the case, but the state's high court reversed the decision in a 2-1 opinion on Feb. 17.

Writing for the majority, Justice James D. Heiple said the trial judge violated the CGL insurers' due process rights and should have either allowed them to participate or not bound them to the jury's verdict.

In the dissenting opinion, Justice Mary Ann McMorrow said that a trial court appointment of a lead counsel for all of the defendants would have been more prudent. But, the court's failure to do so is an inadequate ground to reverse the decision, she said.

—By Dave Lenckus

BI Insurance Index



Base = 100 on Dec. 29, 1978
Source: Nordby International Inc.

Insurance stocks fell last week, as the *Business Insurance* Index lost 6.5 points to 960.6 March 4 from 967.1 on Feb. 25. Advancing issues for the week were led by: Seibels Bruce Group, up 14.8%; TakeCare Inc., up 12.3%; and Sierra Health Services, up 8.9%. Declining issues for the week followed: Phoenix Re Corp., down 16.9%; SCOR U.S. Corp., down 8.9%; and ITT Hartford Group, down 8.1%. The most active issue was Travelers Corp., 8.6 million shares traded. The *BI* Index fell 0.7%; the Dow Jones 30 Industrials lost 0.2%; the NYSE Composite fell 0.3%; and the Standard & Poor's 500 fell 0.3%.

British Issues

March 3 Companies	Price pence	P/E	Div. pence	Yield %	1 week High—Low pence	pence
Commi Union	607	19.3*	31.0*	5.1*	626—607	
Genl Accident	646	12.3*	34.4*	5.3*	651—646	
Gdn Royal Exch	200	12.3*	9.5*	4.8*	216—200	
Royal	285	12.4*	9.4*	3.3*	301—285	
Sun Alliance	335	20.9	18.1	5.4	357—335	
Brokers						
Bradstock	137	15.4*	6.9*	5.0*	137—133	
CE Heath	392	15.*	20.5	5.2	398—389	
Hogg Group	144	24.0	7.1	4.9	148—144	
JIB Group	184	16.0	9.5	5.2	185—184	
Lloyd Thmpson	289	19.5*	8.4*	2.9*	292—289	
Lowndes Lnsb'y	442	13.5	15.8	4.3	443—441	
PWS Holdings	81	11.8*	5.0*	6.2*	81—80	
Sedgwick Grp	196	21.8*	7.5*	3.8*	97—194	
Steel Brl Jones	121	N/M*	11.3	9.3	21—108	
Willis Corroon	212	20.5	8.3	3.9	222—212	

Source: Philip Olsen, London * 1993 figure; others estimated

BI Industry Stock Report

FEB. 28, 1994, THROUGH MARCH 4, 1994

		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	27.00	1.41	9.64	27.63	18.38	27	0.60	2.22	14	10.22	2.64
Alexander & Alexander	NYS	20.00	-0.62	0.63	28.00	17.63	339	1.00	5.00	53	6.73	2.97
E.W. Blanch Holdings Inc.	NYS	16.75	-2.19	-3.60	23.50	16.50	60	0.32	1.91	17	4.10	4.09
Gallagher Arthur J. & Co.	NYS	29.75	0.85	-16.78	37.38	29.38	77	0.88	2.96	15	7.52	3.96
Hilb, Rogal & Hamilton	NYS	11.63	0.00	-11.43	16.88	11.13	84	0.48	4.13	19	4.51	2.58
Marsh & McLennan	NYS	82.88	0.15	1.84	96.00	77.00	567	2.68	3.23	18	16.76	4.94
Poe & Brown	OTC	17.75	1.43	-1.39	21.25	16.25	660	0.40	2.25	19	3.02	5.88
BROKERS	AVERAGE		0.1	-3.0					3.1	22		
INSURERS/REINSURERS												
ACE Ltd.	NYS	26.63	-2.29	-12.70	36.00	25.50	673	0.40	1.50	5	28.74	0.93
Acceptance Insurance Cos.	NYS	12.00	-1.03	3.23	15.63	10.88	36	0.00	0.00	13	9.65	1.24
AEGON N.V.	NYS	50.50	-1.46	-7.76	58.50	43.25	27	1.22	2.42	10	34.71	1.45
Aetna Life & Casualty	NYS	58.75	-5.43	-2.49	66.25	46.13	2069	2.76	4.70	-11	71.84	0.82
Allied Group Inc.	OTC	24.63	-0.51	-1.50	32.75	21.34	189	0.60	2.44	7	10.45	2.36
Allmerica Prop. & Casualty	NYS	18.63	-0.67	-13.54	22.16	18.00	163	0.16	0.86	5	56.97	0.33
Allstate Corp.	NYS	25.25	-3.81	-15.13	34.25	25.00	5054	0.72	2.85	8	18.43	1.37
American General	NYS	25.75	-3.74	-9.65	36.50	25.50	1987	1.16	4.50	22	22.09	1.17
American Heritage Life Ins.	NYS	18.25	-3.95	-2.01	25.34	17.25	29	0.60	3.29	11	12.42	1.47
American Indemnity/Fin'l	OTC	13.50	0.00	3.85	16.25	7.75	25	0.12	0.89	5	16.18	0.83
American International	NYS	85.75	-2.70	-2.70	100.25	78.41	2592	0.40	0.47	14	45.25	1.90
American Re Corp.	NYS	25.75	-6.79	-8.85	40.25	25.50	330	0.00	0.00	12	14.80	1.74
Aon Corp.	NYS	50.13	0.50	3.89	58.50	45.00	412	1.80	3.59	12	33.10	1.51
Argonaut Group	OTC	30.75	0.00	0.82	35.50	29.50	41	1.00	3.25	9	27.65	1.11
AVEMCO Corp.	NYS	15.50	2.48	-17.33	25.50	14.50	51	0.44	2.84	12	8.13	1.91
Baldwin & Lyons Inc.	OTC	14.75	-6.35	-0.84	16.25	11.16	57	0.20	1.36	9	12.59	1.17
Berkley W.R. Corp.	OTC	37.00	2.78	12.98	48.00	32.00	1097	0.40	1.08	14	28.12	1.32
Berkshire Hathaway Inc.	NYS	15300.00	-0.97	-6.28	17800.00	11800.00	0	0.00	0.00	40	8115.28	1.89
Chandler Insurance	OTC	7.00	3.70	27.27	7.06	3.50	92	0.00	0.00	13	8.87	0.79
Chubb Corp.	NYS	74.75	1.18	-4.93	96.38	73.00	1106	1.72	2.30	19	46.59	1.60
CIGNA Corp.	NYS	64.75	-1.33	2.37	70.50	56.50	759	3.04	4.69	20	78.23	0.83
CNA Financial Corp.	NYS	68.75	-0.36	-12.70	100.63	67.75	4120	0.00	0.00	16	77.92	0.88
Continental Corp.	NYS	24.63	-2.96	-10.86	34.63	24.38	609	1.00	4.06	8	38.99	0.63
EXEL Ltd.	NYS	40.75	-5.51	-9.44	52.25	40.75	951	1.20	2.94	6	33.81	1.21
Fremont General Corp.	NYS	24.13	1.05	0.00	28.75	21.00	148	0.72	2.98	8	23.40	1.03
Frontier Insurance Group	NYS	40.38	-4.72	-7.98	50.00	36.72	52	0.60	1.49	13	16.33	2.47
Gainsco Inc.	ASE	9.88	1.28	9.72	17.16	8.25	99	0.04	0.41	13	3.49	2.83
General RE Corp.	NYS	104.63	-2.33	-1.53	133.38	102.50	867	1.92	1.84	13	55.54	1.88
Guaranty National Corp.	NYS	15.63	8.70	-10.71	24.75	13.75	152	0.48	3.07	10	11.81	1.32
Harleysville Group	OTC	23.75	-6.86	-16.67	31.50	22.63	112	0.64	2.69	10	18.35	1.29
Hartford Steam Boiler	NYS	50.25	2.29	12.92	59.50	42.63	122	2.12	4.22	80	15.80	3.18
HCC Insurance Holdings	OTC	26.50	-7.02	-12.40	35.75	18.00	72	0.00	0.00	16	14.94	1.77
Horne Holdings Inc.	NYS	16.25	1.56	-5.80	18.50	15.88	39	0.00	0.00	-	19.96	0.81
ITT (Hartford Group)	NYS	88.00	-8.09	-4.09	104.25	76.50	1993	1.96	2.23	12	57.11	1.54
Kemper Corp.	NYS	40.00	-1.84	11.50	43.00	30.00	1163	0.92	2.30	-17	38.98	1.03
Lawrence Insurance Group	ASE	3.38	0.00	-6.90	7.75	3.25	11	0.00	0.00	-8	4.26	0.79
Liberty Corp.	NYS	26.50	0.95	7.07	34.75	23.75	71	0.60	2.26	10	21.44	1.24
Lincoln National	NYS	40.63	0.00	-5.52	48.25	37.00	828	1.64	4.04	10	32.53	1.25
Markel Corp.	OTC	44.00	1.73	14.29	44.50	32.25	13	0.00	0.00	10	24.68	1.78
Mid Ocean Ltd.	OTC	26.00	0.97	-7.96	34.75	25.00	519	0.00	0.00	13	20.24	1.28
Mutual Risk Mgmt. Ltd.	NYS	28.50	3.17	-5.00	32.75	21.16	97	0.26	0.93	18	5.71	4.99
NAC Re Corp.	OTC	29.63	1.28	1.72	43.25	27.50	333	0.16	0.54	15	19.24	1.54
National Re Corp.	NYS	27.25	-6.03	-11.02	39.63	27.13	750	0.16	0.59	8	16.85	1.61
Navigators Group	OTC	20.50	1.23	-41.43	39.00	16.50	301	0.00	0.00	11	16.99	1.21
Nobel Insurance LTD.	OTC	8.00	-1.54	4.92	8.44	6.25	16	0.00	0.00	3	6.84	1.17
NWNL Companies	NYS	28.00	1.82	-13.85	38.75	26.50	415	0.80	2.86	11	23.97	1.17
Ohio Casualty Corp.	OTC	62.50	-0.79	-2.34	72.00	57.63	306	2.92	4.67	10	47.65	1.31
Old Republic Int'l	NYS	23.13	-2.63	2.78	27.63	21.50	498	0.44	1.90	8	23.57	0.98
Orion Capital Corp.	NYS	32.13	-0.39	4.05	37.50	28.63	100	0.72	2.24	8	25.56	1.26
Phoenix RE Corp.	OTC	20.50	-17.59	-25.45	38.25	20.50	582	0.28	1.37	6	19.96	1.03
Provident Life	NYS	27.63	-2.21	-12.65	31.88	25.63	101	1.04	3.76	10	26.36	1.05
Re Capital Corp.	OTC	14.25	3.64	4.59	15.75	13.25	53	0.28	1.96	12	16.86	0.84
Reliance Group Holdings	NYS	5.88	0.00	-24.19	10.38	5.63	1348	0.32	5.45	6	4.22	1.39
RLI Corp.	NYS	24.63	0.51	-7.94	27.75	23.25	64	0.56	2.27	10	22.91	1.07
St. Paul Companies	NYS	80.50	-3.16	-10.31	98.00	77.63	419	3.00	3.73	8	57.84	1.39
SAFECO Corp.	OTC	56.75	-0.87	3.89	66.75	51.88	659	1.80	3.17	10	41.59	1.36
SCOR U.S. Corp.	NYS	10.25	-8.89	-18.81	20.75	10.25	58	0.32	3.12	7	16.08	0.64
Seibels Bruce Group	OTC	1.94	14.81	10.74	2.00	0.31	452	0.00	0.00	-1	1.90	1.02
Selective Ins. Group	OTC	28.88	-1.28	-4.55	31.00	20.50	43	1.12	3.88	17	23.11	1.25
Sphere Drake Holdings	NYS	15.25	-3.94	-7.58	21.63	15.25	121	0.12	0.79	16	12.17	1.25
Statesman Group Inc.	NYS	11.88	-1.04	-5.00	15.72	9.75	156	0.10	0.84	5	8.65	1.37
TIG Holdings	NYS	20.00	-3.61	-11.60	28.00	20.00	329	0.30	1.50	10	18.49	1.08
Tokio Marine & Fire	OTC	62.00	-3.13	14.81	67.00	47.38	2	0.37	0.60	41	57.72	1.07
Torchmark Corp.	NYS	42.50	-1.16	-5.03	62.25	41.13	321	1.12	2.64	11	17.35	2.45
Transatlantic Holdings	NYS	45.75	-4.44	-14.29	61.50	45.75	549	0.36	0.79	12	29.60	1.55
Travelers Corp.	NYS	35.63	-5.00	-8.36	49.50	28.59	8592	0.48	1.35	9	33.35	1.07
Trenwick Group Inc.	OTC	34.75	2.58	-10.32	49.75	33.25	135	0.88	2.53	10	26.00	1.34
United Fire & Casualty	OTC	38.50	4.05	6.94	39.00	34.75	2	1.08	2.81	10	28.96	1.33
Unitrin	OTC	40.50	-1.22	-4.71	46.75	39.00	334	1.40	3.46	18	36.90	1.04
UNUM Corp.	NYS	52.25	-2.11	-0.48	60.13	47.75	821	0.80	1.53	13	27.55	1.90
US Facilities Corp.	OTC	9.00	-2.70	-24.21	14.00	7.75	70	0.00	0.00	8	10.48	0.86
USF&G Corp.	NYS	14.63	2.63	-3.31	19.63	12.38	1096	0.20	1.37	16	10.60	1.38
USLICO Corp.	NYS	17.13	-0.72	3.79	19.00	15.50	44	0.24	1.40	8	25.22	0.68
USLIFE Corp.	NYS	38.38	-1.60	-0.97	45.75	35.75	266	1.24	3.23	9	41.73	0.92
Washington National	NYS	23.75	-0.52	-2.06	28.00	21.75	62	1.08	4.55	9	28.40	0.84
Zenith National Ins.	NYS	22.88	-0.54	3.39	29.25	21.25	40	1.00	4.37	8	17.71	1.29
Zurich Reinsurance Centr.	NYS	25.50	-2.39	-9.73	36.38	25.50	100	0.00	0.00	33	24.41	1.04
INSURERS/REINSURERS	AVERAGE		-1.2	-4.1					2.1	11.4		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	OTC	26.75	-7.76	2.88	30.00	18.25	1844	0.00	0.00	7	11.43	2.34
Pacificare Health Sys.	OTC	50.00	-5.66	32.45	57.25	30.50	156	0.00	0.00	21	11.15	4.48
Safeguard Health Enter.	OTC	15.00	5.26	20.00	15.25	8.00	135	0.00	0.00	8	5.71	2.63
Sierra Health Services	ASE	29.13	8.88	30.90	30.38	11.50	517	0.00	0.00	21	4.60	6.33
TakeCare Inc.	OTC	75.25	12.31	38.07	75.25	27.50	3253	0.00	0.00	24	18.69	4.03
United Healthcare Corp.	NYS	61.38	0.31	8.86	67.25	44.75	1454	0.03	0.04	33	10.64	7.65
U.S. Healthcare	OTC	62.50	-0.40	8.70	68.25	36.75	4905	0.80	1.28	13	6.21	10.06
Wellpoint Health Networks	NYS	33.50	-2.90	8.50	35.00	24.00	545	0.00	0.00	8	10.94	3.06
HMOs	AVERAGE		1.3	18.8					0.1	9		
ALL COMPANIES	AVERAGE		0.1	3.9					2.2	15		

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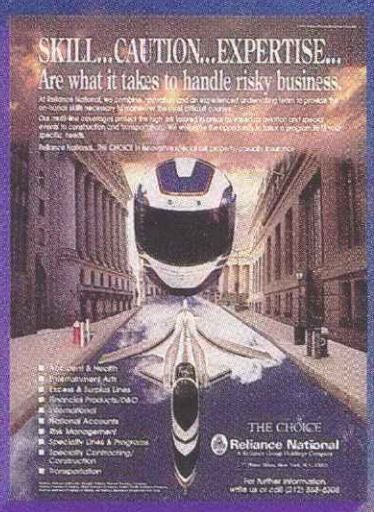

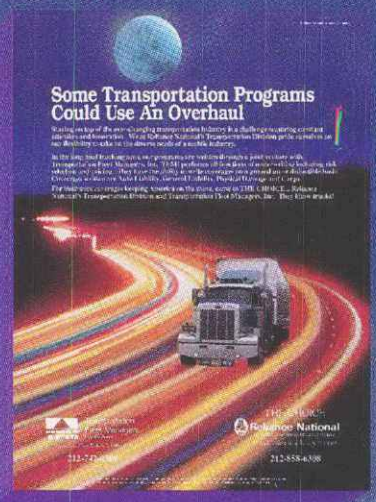

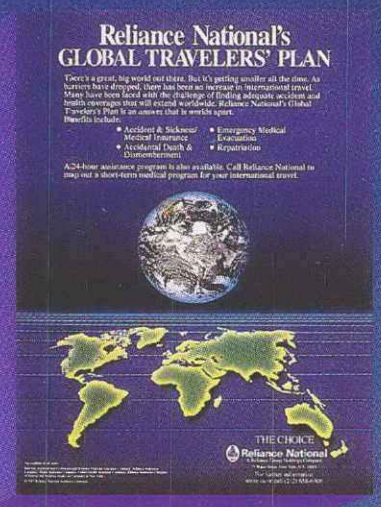

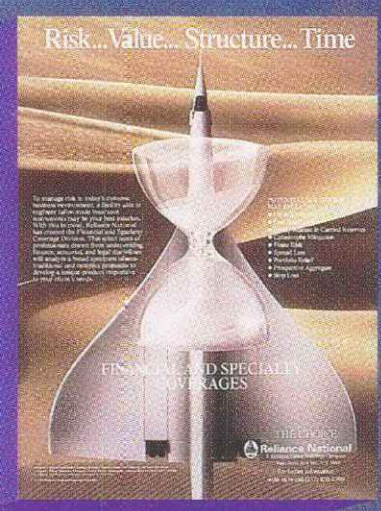

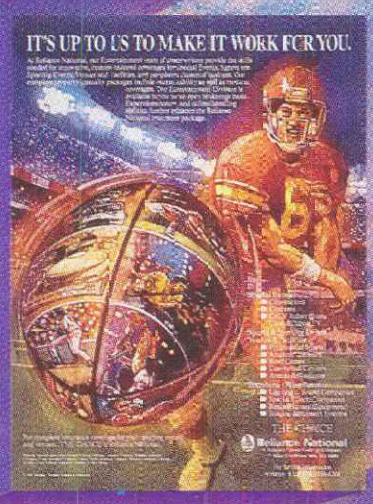

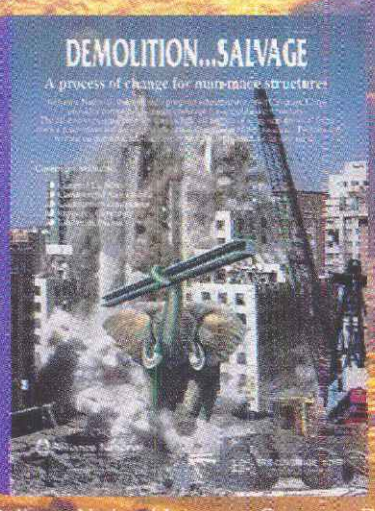

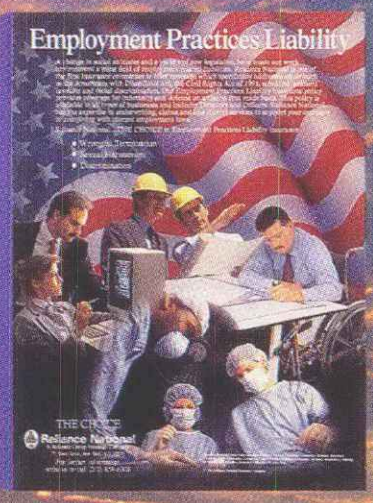

THE CHOICE

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