NEWSPAPER

MARCH 8, 1993

Business Insurance®

Reporting weekly for corporate risk, employee benefit and financial executives / $2.50 a copy; $80 a year

© Entire contents copyright 1993 by Crain Communications Inc. All rights reserved

Update

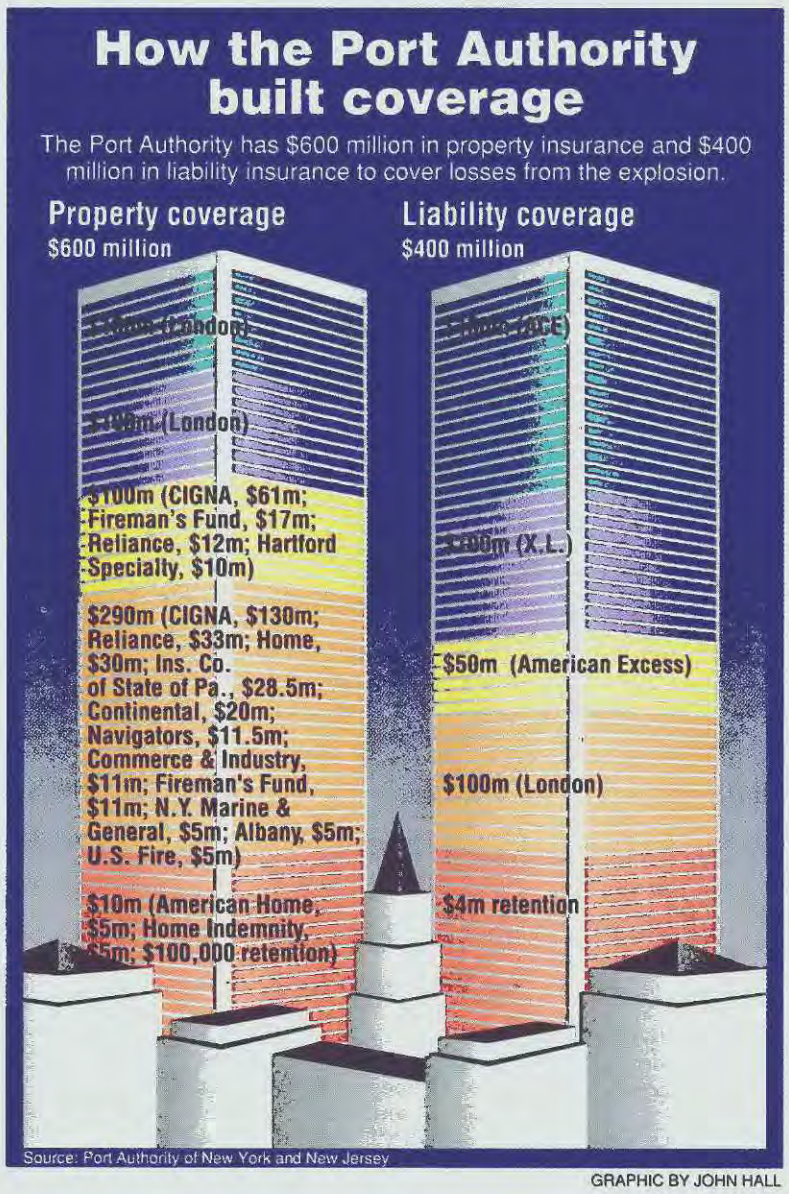
11th Circuit upholds AIDS cap under self-insured health plan

ATLANTA—A federal appeals court upheld an employer's cap on AIDS-related health claims, ruling that the Employee Retirement Income Security Act "provides no right to perpetual health insurance with immutable terms."

A three-judge panel of the 11th U.S. Circuit Court of Appeals said the case was nearly identical to *Greenberg vs. H&H Music Co.*, in which the 5th Circuit upheld a self-insurer's right to limit AIDS benefits (*BI*, Aug. 6, 1990). The Supreme Court re-

Continued on next page

Blast rips businesses, insurers



GRAPHIC BY JOHN HALL

Property damage won't top limits of Port Authority cover

By DOUGLAS McLEOD

NEW YORK—The owner of the bomb-shattered World Trade Center is struggling to assess its losses as hundreds of corporate tenants scramble to cope with the chaos that followed last month's terrorist attack.

The Port Authority of New York & New Jersey, which owns the complex, says its $600 million in property insurance and $400 million in liability insurance will be sufficient to cover losses from the explosion.

The blast killed at least five people, injured 1,000 and closed the 110-story twin towers for at least a month.

One official involved in assessing the damage estimated last week that the Port Authority's property losses may not exceed $150 million to $200 million. However, this does not include losses from the heavily damaged Vista International Hotel, one of the seven buildings that make up the World Trade Center.

Property coverage for the Vista is written by CIGNA Corp. and reinsured by a captive insurance unit of Ladbroke Group P.L.C. of London, the parent of hotel manager Hilton International, sources said. The captive's coverage is then reinsured worldwide.

While some of the complex's tenants—notably New York's commodities exchanges—were able to move back into their buildings last week, hundreds of tenants in the twin towers were scrambling to relocate.

Many large companies—including Guy Carpenter & Co. Inc., Aetna Life & Casualty Co., Deloitte & Touche, First Boston Corp. and several Japanese banks—moved thousands of employees to branch offices, to facilities specializing in temporary relocation or to vacant space in other New York buildings.

Most of the companies say they are insured for business interruption losses, but few have any idea yet how big those losses will be (see story, page 70).

Some tenants said that their losses will become significant if they are shut out of the World

Continued on page 69

Tenants should be covered

By SARA MARLEY

World Trade Center tenants denied access to their offices following last month's explosion likely will have some insurance coverage for lost profits and relocation expenses.

Tenants will be able to claim business interruption and extra-expense coverage under the civil authority clause that is standard in most business interruption and extra-expense insurance policies—as long as they purchased the coverage.

Tenants also will be eligible for coverage if they sustained sufficient property damage to require a shutdown in operations, even if they had been allowed to enter their offices.

Under the civil authority clause in the Insurance Services Office Inc.'s standard business interruption and extra-expense policy forms, up to two weeks' coverage is available if a policyholder is denied access to its premises by civil authorities because of damage to other property.

Business interruption insurance covers the loss of profits, as well as continuing operating expenses like payroll, while a business is restoring normal operations after a property loss. Extra-expense insurance covers extraordinary costs—up to a specified limit—to keep a business running after a property loss, like relocation expenses. Business interruption and extra-expense coverage usually is not triggered unless the policyholder's property is damaged.

Continued on page 70

Prop. 103 rollback rules declared unconstitutional

By LOUISE KERTESZ

LOS ANGELES—After four years of costly litigation and countless administrative hearings, the battle over Proposition 103 may be heading back to the California Supreme Court.

California Insurance Commissioner John Garamendi will attempt to appeal to the state high court a trial court ruling that his regulations for implementing Proposition 103's rate rollback provision are unconstitutional.

Mr. Garamendi wants to bypass an intermediate appellate court to expedite a final ruling.

In October 1991, Mr. Garamendi ordered 14 insurers to refund $1.57 billion in property/casualty insurance premiums to policyholders (*BI*, Oct. 21, 1991). 20th Century Insurance Co, which originally was ordered to refund $106.5 million in principal and interest, challenged Mr. Garamendi's regulations. The refund order subsequently was been amended to $78 million in principal only.

California Superior Court Judge Dzintra I. Janavs agreed with the insurer, ruling on Feb. 26 that Mr. Garamendi's regulations implementing the rollback exceeded his authority and declared them "invalid and void." She found the regulations gave the insurance commissioner the power to set rates rather than simply review them under a prior-approval system.

"There is nothing in the Proposition 103 ballot argument from which a voter could reasonably con-

Continued on page 61

Spotlight on Risk Management Services: Page 3

Directory of Risk Management Consultants: Page 15

Retirees decry benefit cutbacks at Senate hearing

By JERRY GEISEL

WASHINGTON—Herman Fasching is worried and angry.

In 1988, Mr. Fasching accepted an early retirement offer from Unisys Corp. after 33 years with the computer systems manufacturer.

Mr. Fasching, 59, said he accepted the offer primarily because it ensured that he and his wife would receive generous health care benefits. Under the plan, Mr. Fasching would not pay a premium for his coverage; the premium for his wife would be $27 a year.

But last year, Unisys said it would phase out coverage for the Faschings and thousands of other retirees, with company contributions ceasing by 1996 (*BI*, Nov. 9, 1992).

Mr. Fasching, who says that he and his wife have serious medical conditions, contends they will have to pay more than $8,000 to buy coverage when the Unisys contributions cease. He

Continued on page 60

Update

Cap on AIDS benefits upheld

Continued from previous page
fused to review that case (*BI*, Nov. 16, 1992).

The case before the 11th Circuit involved Richard Owens, an employee of Storehouse Inc. of Atlanta. The company's self-insured group health plan originally capped lifetime benefits at $1 million per employee. Then, shortly after Mr. Owens was diagnosed with AIDS in 1988, AIDS-related claims were capped at $25,000.

Attorneys for Mr. Owens, who died early in the lawsuit, argued that employers may not limit coverage for a particular illness once an employee has contracted it and files claims.

Judge Joel Dubina said Storehouse reserved the right to amend its plan, and the amendments were designed to cope with the company's financial hardship. And, he said, the AIDS benefits cap is not discriminatory because it applies to all employees equally.

The decision "wasn't a surprise" in light of the Supreme Court's refusal to hear the H&H Music case, said Richard Robbins, a lawyer for Mr. Owen. No further appeal is planned.

Health plan exclusions targeted

WASHINGTON—The president's Task Force on National Health Care Reform will recommend that insurers be barred from denying coverage to individuals with pre-existing medical conditions, says Hillary Rodham Clinton, who chairs the task force.

Ms. Clinton told a group of steel workers in New Orleans last week that the reform package would ensure coverage for pre-existing conditions.

"One of the things that will happen is that insurance companies will have to insure everybody and (will) not be able to eliminate people because they are sick," she said.

Meanwhile, the Justice Department asked a federal court in Washington to dismiss a suit filed by several health organizations demanding that the task force meetings be open to the public.

The Justice Department said the federal law that bars certain advisory committees from closed meetings does not apply to the task force, because the law would impair the president's ability to exercise his constitutional power to make recommendations to Congress.

President Clinton also sent a message last week to groups with a stake in health care reform: Don't count on a place at the bargaining table.

Mr. Clinton rebuffed overtures from the American Medical Assn. to gain a voice in how the health system will be shaped in return for softening its opposition to certain reform proposals.

In a March 2 letter to Ira Magaziner, the senior domestic policy adviser to the health care task force, the AMA indicated that in return for a bigger role in designing the new system, it would drop its blanket opposition to price controls, suggesting that negotiated spending goals would be an acceptable alternative to strict global budgets.

That was a reversal of the group's statement late last month denouncing the president's plan to limit Medicare and Medicaid reimbursements as part of a program to cut federal health spending (*BI*, Feb. 22).

"We never asked for a seat on the task force. That would be inappropriate. What we did ask for was to be included in the process," said an AMA spokesman.

New California comp reform bill

SACRAMENTO—A workers compensation bill designed to fight the fraud plaguing the California comp system has been introduced by Assembly Speaker Willie L. Brown Jr., D-San Francisco.

The measure, A.B. 1300, calls for restrictions on costly "medicolegal" exams paid for by employers (see story, page 58); would give district attorneys the power to seize illicit fees charged by workers comp "mill" operators and other health care providers (*BI*, Aug. 5, 1991); would allow any private citizen who encounters a so-called runner or capper to file civil suits against the mill operators and keep a percentage of the recovery; and would render void any contract by health care providers that violates workers fraud statues.

The proposal would also mandate restitution in all workers comp fraud cases and make it a felony to give kickbacks and rebates to workers comp adjusters.

Assemblyman Brown was a target of criticism last month by businesses clamoring for workers comp reform legislation when he left workers comp off the agenda of his economic summit (*BI*, Feb. 22).

Early retirees exceed estimates

DETROIT—About 16,500 workers—more than double initial expectations—have taken advantage of General Motors Corp.'s latest early retirement package.

The offer, available from Feb. 1 until March 1, was open to two groups of United Auto Workers employees: those between the ages of 50 and 61 with 10 years of service and workers age 62 and older (*BI*, Dec. 21, 1992). The second group was also offered a $10,000 voucher toward the purchase of a new GM car, plus $3,000 in cash if the voucher is used.

While the plan does not add years of service or age to calculate pension benefits, it offers unreduced benefits for workers retiring at a younger age. Those who took advantage of the early retirement plan will receive benefits immediately upon retirement.

The automaker offered early retirement plans to its salaried staff in 1992 and 1991 (*BI*, Feb. 10, 1992).

The offer is expected to save GM $1 billion per year, said David Healy, an analyst at S.G. Waring & Co. in New York.

Updates continued on page 70

Court limits use of RICO

Outside advisers immune to racketeering charges in many cases: Justices

WASHINGTON—Outside advisers to an organization accused of wrongdoing cannot be sued under the federal Racketeer Influenced and Corrupt Organizations Act unless they participated in the operation or management of the organization, the U.S. Supreme Court ruled last week.

"Some part in directing the enterprise's affairs is required" for RICO to apply to outside advisers, Justice Harry Blackmun wrote in the 7-2 ruling.

Legal experts describe the decision as one of vital importance in clarifying and limiting the liability of advisers like law firms and accountants under RICO, which permits triple damages.

"It is very significant for accountants, attorneys and other outside professionals who are sued when businesses go bust" and plaintiffs seek other deep pockets, said Arthur F. Mathews, a partner with Wilmer, Cutler & Pickering in Washington and co-author of a widely used RICO text.

Until the Supreme Court decision, the law had not been clear on whether a third party could face RICO liability for the wrongdoing of a central party to which it provided advice, Mr. Mathews said.

Under the high court decision, a third-party would not face RICO liability even if its actions were wrong or facilitated the wrongdoing. The third-party must actually participate in the management or operation of the enterprise, he said.

The decision involved the 1984 bankruptcy of the Farmers' Cooperative of Arkansas & Oklahoma Inc. A group of farmers who held notes in the cooperative sued Arthur Young & Co.—now Ernst & Young—charging that the accounting firm did not adequately disclose the co-op's financial difficulties.

The farmers sought damages under RICO, which applies to anyone who engages in a "pattern of racketeering." Both the district court and the 8th U.S. Circuit Court of Appeals earlier denied the farmers' RICO claim.

—By Jerry Geisel

Settlement won't end cover dispute

By JOANNE WOJCIK

RIVERSIDE, Calif.—The settlement late last month of a notorious pollution liability dispute is not expected to disrupt the California Supreme Court's review of a landmark "continuous trigger" coverage ruling that stems from the litigation.

Briefs already have been submitted to the high court in the coverage dispute, involving Montrose Chemical Co.

In a February 1992 ruling, *Montrose vs. Admiral*, a California appellate court ruled that a policyholder facing pollution claims is entitled to coverage under general liability policies from the time pollution first begins until the time liability is known. While the case only dealt with defense costs, attorneys have said the ruling can also be applied to indemnity costs.

Montrose is one of 10 defendants that agreed Feb. 26 to pay $43.6 million to settle the underlying dispute, which had gone to trial in January. In that case, a group of area residents alleged property damage and bodily injury stemming from pollution at the Stringfellow acid pits near Riverside, Calif.

Cleanup costs at the Stringfellow pits, one of the nation's most polluted areas, are estimated at more than $750 mil-

Continued on page 71

Health plan seeks OK to deny cover for AIDS

By CHRISTINE WOOLSEY

NEW YORK—A federal judge will decide whether a self-insured, multiemployer health care plan can deny coverage for HIV and AIDS treatment under the Americans with Disabilities Act.

The case could shed much-needed light on a murky area of the ADA, observers say.

The Mason Tenders District Council Welfare Fund filed suit March 1 in federal court in New York. The suit names as defendants the Equal Employment Opportunity Commission and two people covered by the fund who have contracted the human immunodeficiency virus, which causes acquired immune deficiency syndrome.

The lawsuit comes on the heels of a New York EEOC official's ruling in January that found the fund's exclusion for HIV and AIDS treatment was discriminatory (*BI*, Feb. 15).

The fund's suit specifically asks U.S. District Judge John E. Sprizzo to block any further EEOC action and to bar complaints filed against the fund by the two members. Both are seeking reinstatement of medical coverage for AIDS treatment.

The fund eliminated coverage for a variety of conditions, including treatments for HIV and AIDS, as part of a major cost-cutting program in 1991—before the ADA became law for most employers in July 1992.

According to Roger M. Levin,

Continued on page 61

WCRI finds system in need of repair

California comp assailed

By MEG FLETCHER

CAMBRIDGE, Mass.—California's workers compensation system offers employers and injured workers the worst of all worlds: high costs and low benefits, a new study contends.

WCRI

Between 1986 and 1989, California employers paid among the highest costs nationwide for workers comp coverage.

However, injured workers received "relatively low" weekly benefits compared with other states.

That was among the major findings in a 150-page study of California's workers compensation system in the aftermath of major 1989 reforms (*BI*, Oct. 2, 1989).

The study was co-authored by Peter S. Barth, an economics professor at the University of Connecticut at Storrs, and Carol A. Telles, a research associate at the Workers Compensation Research Institute in Cambridge, Mass.

Continued on page 58

Inside

- Managed care is helping to tame wildly rising health care costs, this week's editorial says. **PAGE 8**
- The World Trade Center explosion demonstrates that a well-developed disaster plan is necessary and cost-effective, Robert M. Hiltz says in Perspectives. **PAGE 39**
- McDonnell Douglas Corp. will pay $20.1 million in pension benefits and cash to settle an age-discrimination suit stemming from massive layoffs. **PAGE 60**
- U.K. insurers report improved results. **PAGE 63**
- The commercial insurance market is expanding in the Czech and Slovak republics. **PAGE 63**

Departments

Advertiser index 52
Ask a risk manager 39
Classifieds 67
Comings & goings: industry 60
For the record 62
Global briefs 64
Insurance services guide 61
International 63
Legal briefs 40
Letters 8
London 63
Opinions 8
Perspectives 39
Reader reply service 52

Vol.27, 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. Postmaster: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207-3185; 800-678-9595 or 313-446-1611. Copyright 1993 by Crain Communications Inc.

Spotlight report

Risk management services

Who should risk managers call for help?

Big Six firms say they account for clients' needs

Big Six accounting firms represent the best of two risk management consulting worlds, their consulting departments say.

The Big Six say they have the resources to offer a host of risk management consulting services. But because they are accounting firms, they do not have the specter of conflict that may hang over risk management consultants affiliated with brokers or insurers.

Another plus for the Big Six is that their favorable reputations with high-level corporate executives—like chief executive officers and chief financial officers—provide these accounting giants with easier access to the big players, risk management consultants at accounting firms say.

"We can approach risk management from the point of view of a CFO or treasurer," said William D. O'Connell, partner and principal with Deloitte & Touche's risk management consulting services division in Dallas. "They're the kind of people we rub shoulders with on a daily basis."

"We're more than insurance advisers. We're business advisers," said Donald J. Gunyan, risk management practice leader at KPMG Peat Marwick. "We come to a client

Continued on page 6

Broker, insurer affiliates claim special skills

By SARA MARLEY

Risk management consultants affiliated with insurers and brokers both say they have an intimate knowledge of the marketplace unmatched by other consultants.

"Our affiliation with AIG provides a depth of knowledge and underwriting experience," said Frank Neuhauser Jr., senior vp of AIG Risk Management Inc., a subsidiary of American International Group Inc. in New York. "Consultants affiliated with brokers have access to the market, but they are not as closely in touch with what can and cannot be done."

"As a broker, we have the ability to package a risk worldwide to all potential markets," said John V. Deitchman, senior vp of Johnson & Higgins Risk Management Services in New York. "We know who's out there. We can create capacity."

"Independents and accountants are not full-range consultants," he continued. "They act in an advisory and recommendation mode. We have a broader range (of services). We can help clients implement a program and monitor its results."

Other affiliated consultants agree.

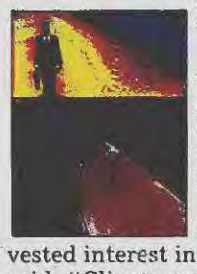
"Because we are within a (brokerage) company, we have risk control services that private consultants don't

Continued on next page

Independent consulting firms stress objectivity

The name says it all, say independent risk management consultants.

"Independent firms tend to be more effective consultants because there is no margin for error," said Richard Betterley, president of Betterley Risk Consultants Inc. in Worcester, Mass. "If we can't make our clients happy (with our risk management consulting), we go out of business."



"Because we are truly independent, we are able to attract and retain quality staff better than affiliated firms," contends Jerry A. Miccolis, vp and risk management practice leader for Towers Perrin/Tillinghast.

"Our clients express a preference (for independent firms) because we have no vested interest in the outcome of our study," Mr. Miccolis said. "Clients prefer objective advice with no specter of conflict. If insurance is part of the solution, clients can select a broker to bind it."

"Our associates and consultants are all former chief and senior executives in business making financial and business decisions, which helps them better relate to the needs of our clients," said Barron S. Wall, managing associate of Insurance Consulting Associates. "They are not from insurance companies or brokers' offices."

Continued on next page

Market not soft for risk management advice

By SARA MARLEY

Risk managers are preparing for the threat of a hard market by asking their consultants to review current insurance programs and retention levels, even though few policyholders have been hit with big rate increases.

The weak economy is weighing on risk managers, too, as staffs are trimmed and senior managers call on consultants to evaluate risk management programs as part of corporatewide efforts to increase efficiency.

These and other services added up to a strong year for most risk management consultants. The 10 largest independent consultants ranked by *Business Insurance* together boosted revenues by 8.1% in 1992.

"Right now with this economy, companies are restructuring their organizations and reducing staff," said Fred Potenza, executive vp of Gallagher Bassett Services Inc. in Itasca, Ill. To compensate for cutbacks in risk management personnel, many companies are turning to consultants.

Analysis of insurance coverages is a frequent project.

"Now is the time to lock in coverage enhancements rather than try to squeeze an additional 10% out of the price," said Michael M. Kaddatz, principal of Advanced Risk Management Techniques Inc. in Laguna Hills, Calif.

"The current insurance market is in a state of flux," said Frank Neuhauser, senior vp of AIG Risk Management, an American International Group Inc. affiliate in New York. "The movement now toward multiyear programs is to a great extent a reaction to the unbelievable price increases some clients suffered in 1985 to 1986."

Risk managers "are looking to be in a better position when the market turns," he said. "There's still a lot of softness, although it's fading."

"Now is the time to make changes, while there is still some softness left," said James A. Swanke Jr., chairman of The Wyatt Co.'s Risk Management Practice Committee in Boston. "Once the market turns, any changes will be difficult."

"The hardness or softness of the insurance market should not impact the business or role that the consultants can play in their client's risk management program. However, I believe that a hard market can make the consultants' role stand out better," said Barron S. Wall, managing associate of Insurance Consulting Associates in Hackensack, N.J.

"Clients have heard about the hard market many times in the past, but they believe it's closer now," said Michael Lusk, senior vp of American Risk Consultants Corp. in Fort Lee, N.J. "Most clients have a wait-and-see

Continued on page 10

Top independent risk management consultants

Ranked by risk management consulting revenues

	Revenues					
	1992 pure risk management consulting ($ millions)	1991 pure risk management consulting ($ millions)	% change in risk management consulting	Number of risk management clients	Total professional risk management staff (full-time)	Number of risk management offices
Towers Perrin/Tillinghast	$25.6	$22.7	12.8%	1,000+	67	18
The Wyatt Co.	15.0	15.4	-2.6	1,100	66	12
Deloitte & Touche	13.3	11.8	12.7	500+	65	14
Ernst & Young	10.9	10.3	5.8	400	86	9
Coopers & Lybrand	9.4	8.3	13.3	600	121	14
KPMG Peat Marwick	8.7	9.2	-5.4	250	65	10
S. B. Ackerman Associates Inc.	6.6	6.0	10.0	100+	40	3
J. H. Albert International	5.9	4.9	20.4	550	33	1
Caronia Corp.	4.4	3.6	22.2	154	63	21
Insurance Consulting Associates	3.8	3.6	5.6	348	35	2

*BI estimate
Source: *BI* survey

GRAPHIC BY CHRIS ROY

Affiliates

Continued from previous page

have," said Richard Duvall, president of financial and actuarial consulting at Sedgwick James Inc. in Nashville, Tenn. "There are a lot of ancillary services we use on consulting assignments."

Affiliates say the perception of a conflict of interest because their parent companies are in the business of underwriting or brokering insurance is incorrect.

"We have an objective approach," said Fred Potenza, executive vp of Gallagher Bassett Services Inc. in Itasca, Ill., an affiliate of broker Arthur J. Gallagher & Co. "We like to stay away from internal politics."

"No conflict of interest does exist, but it's perceived when you're affiliated with an insurance company or broker," AIG's Mr. Neuhauser acknowledged. "You can't put all risk managers at ease. We don't fully attempt to. You can only go so far."

But critics still argue that affiliated consultants can't set aside their parents' business: selling insurance.

"Consultants affiliated with brokers and insurers have a natural bias to come up with insurance solutions," said Michael M. Kaddatz, principal of Advanced Risk Management Techniques Inc. in Laguna Hills, Calif. "Insurance can be a solution, but very often it's not."

"A consultant who also sells insurance or works for someone who does, whether a broker or insurer, has a difficult time providing a truly independent opinion," said Ron Seaver, chairman of Corporate Policyholders Counsel Inc. in Park Ridge, Ill. "Pressure from within the consultant's firm to make the firm's products look better is easily exerted by either expressed or implied actions."

'Firms associated with brokers won't say, "Buy insurance, buy insurance," ' says Michael D. Dangelo.

"I believe it's difficult for brokers to provide independent risk management consulting," said Larry L. Klein, senior manager of Price Waterhouse's Risk Management Consulting Group in Philadelphia. "It's not impossible, but it can be difficult to overcome the brokerage ties and remain independent."

However, "Firms associated with brokers won't say, 'Buy insurance, buy insurance, buy insurance,' " countered Michael D. Dangelo, executive vp of Minet Risk Services, a unit of broker Minet Group P.L.C. that specializes in professional liability loss control advice for accountants and attorneys.

"In a brokerage environment, you have regular access to market conditions," Mr. Dangelo said. "Our recommendations are legitimate" and able to be implemented.

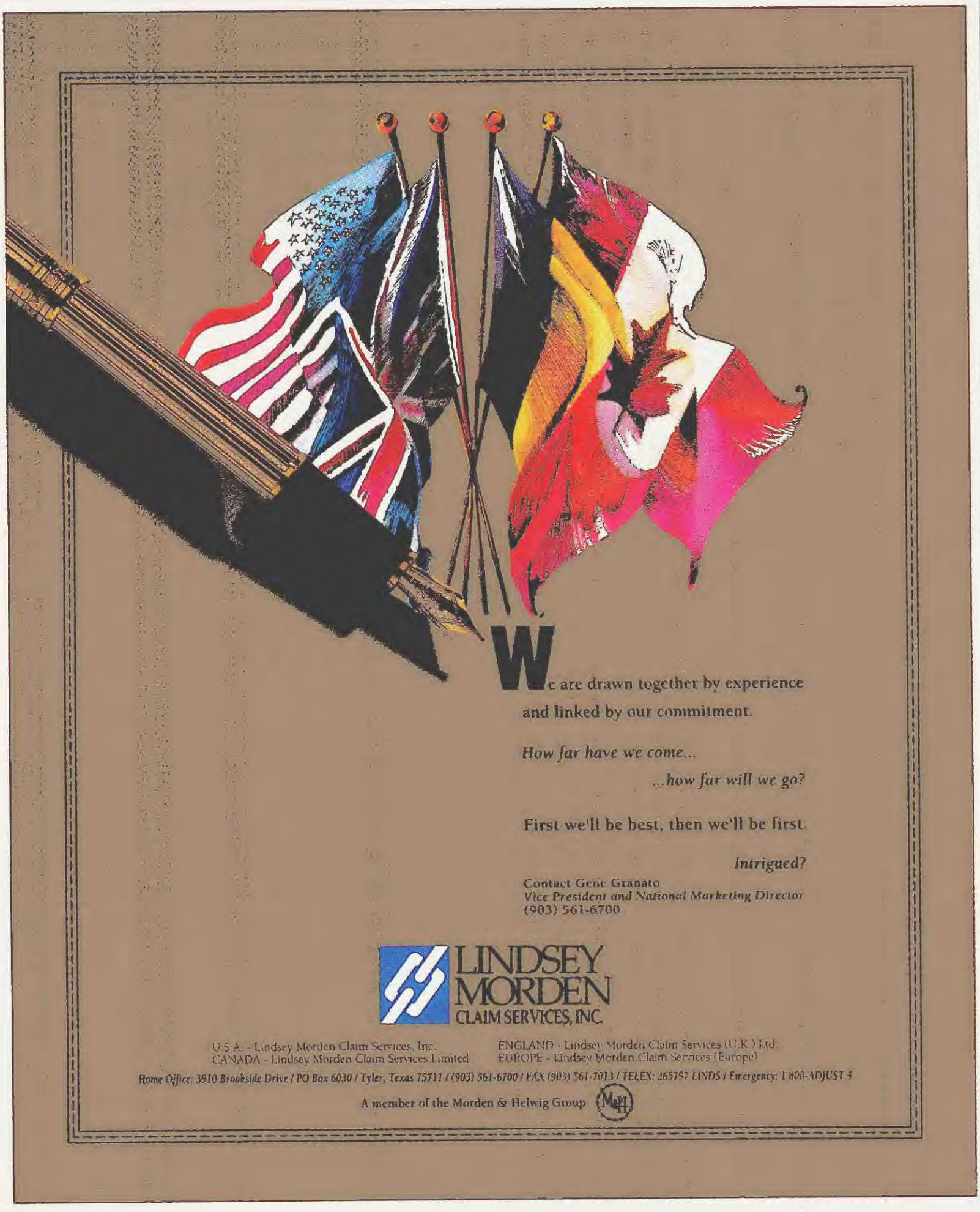
More and more clients are asking for "turnkey" implementation of consultants' recommendations after they have been presented, which brokers can deliver, he said.

"Independence is overblown," Mr. Dangelo continued. "With independents, after a recommendation, (clients) are on their own to see if they can find a broker to place it."

"If we only recommended Minet, we'd find no business out there," Mr. Dangelo said. "We are hired as pure consultants and our advice is our advice."

A risk management consultant that shared confidential material with its parent's marketing departments would soon find itself with a bad reputation and a dearth of business, Mr. Dangelo said.

About 75% of Minet Risk Services' consulting clients are Minet brokerage clients, Mr. Dangelo said. For the largest clients, consulting services are often included in the brokering process and remuneration. BI



Independents

Continued from previous page

The Wyatt Co. has been employee-owned since the 1940s, said James A. Swanke Jr., chairman of the firm's risk management committee.

"We are completely independent," said Mr. Swanke, who is based in Wyatt's Boston office. "We have no parent company or anyone else to dictate our policy."

"When we are involved with a client we can give them a complete array of services, but we don't sell them something they haven't asked for," said Bernard A. Salwen, president of S.B. Ackerman Associates Inc. in New York.

"Consultants should not be in a position to recommend a service they also offer."

Even brokers that agree not to accept an assignment as a broker for a consulting client for a determined length of time still carry an inherent bias, Mr. Salwen contends.

Brokers providing consulting services may be inclined to favor proposals from insurers with which the broker has a relationship, he said.

Influence might be "subtle, subliminal and subconscious," but "you cannot serve two masters at the same time. It's impossible," he said.

"Many of our clients have expressed this opinion: Look for a consultant who doesn't sell insurance," said Ron Seaver, chairman of Corporate Policyholders Counsel Inc., a Park Ridge, Ill.-based consulting firm. "The greatest advantage of independent consultants is simply the fact that they are independent advocates of their client."

"Even the largest independents are relatively small organizations, which tend to be very customer-responsive," Mr. Betterley said. "Our people are more likely to come to a successful conclusion to our client's problem than a larger, less-focused organization."

Consultants in smaller independent firms are closer to their company's top management, so making exceptions for clients is easier than in a larger firm, Mr. Betterley said. "Larger firms tend to have more rigid management."

Mr. Betterley offered another reason why independent firms can be more attentive to the client. "We don't have to spend too much time selling," he said. "We almost never compete against accounting firms. We never compete with brokerages. If a client wants an independent instead of a broker, that question is answered before we're ever called.

"We don't see competitors like we used to. We're not interested in bidding on the lowest-price basis. Either we're the right people or we're not." BI

THIS COMPANY CAN OVERHAUL JET AIRCRAFT. BUT IT COULDN'T GET A RETIREMENT PLAN TO FLY.

Wausau handles the administration and paperwork, helps with employee enrollment, and reports to employees on performance of The Hardesty Companies' 401(k).

The employees at Bizjet International, one of the Tulsa-based Hardesty Companies, had a profit-sharing retirement plan. But employee enthusiasm for the plan was low.

"We were convinced our employees would be interested in the benefits of a 401(k), but we didn't have the time or the means to administer one. Wausau's 401(k) answered our concerns," says Roger Hardesty, Founder and President of The Hardesty Companies, including Bizjet, a jet aircraft remanufacturer.

The plan was so well received, in fact, that Mr. Hardesty switched all his companies to the 401(k) plan. It was up to Wausau to explain the benefits and help enroll the employees.

"Wausau had to understand the diverse audience they were speaking to and the individual needs of each employee. I didn't go out and try to sell our employees on the benefits; Wausau did that. As a result, employee acceptance of the 401(k) program company-wide is tremendous."

The Hardesty Companies wanted a retirement plan their employees would be enthused about. With a Wausau administered 401(k), it took off.

WAUSAU INSURANCE

Wausau Insurance Companies, 2000 Westwood Drive, Wausau, Wisconsin 54401 Telephone (715) 845-5211 A Member of the Nationwide® Group

ONE-CALL 215-254-9890

FOR LONG-TERM AUTO LEASING INSURANCE

- Lessors Excess Liability
- Primary Physical Damage
- Lessors Contingent Liability
- Primary Liability Coverages
- Residual Value Insurance
- Contingent Physical Damage
- Interim Car Coverages • **$5 MILLION CSL LIMIT AVAILABLE**

Be sure. Take advantage of our extensive experience with this difficult-to-place business. Designed specifically for the automobile leasing/rental industry, our program saves you time, cuts your costs, satisfies your customers. We do the work, you get the credit!

We invite your inquiry and your business.
Write or call Ron Ruane.

PAIGE-RUANE, INC.
Suite 616 - The Woods
P.O. Box 6745 • Wayne, PA 19087
(215) 254-9890 • FAX # (215) 254-9893

Physical Damage by Motors Insurance
The Insurance People from General Motors

Spotlight report

Accountants

Continued from page 3

with a sense of what their business is about. We put risk management in its proper perspective, as opposed to handling it in a vacuum."

Top management "tends to look at the risk management area as difficult to understand," Mr. Gunyan continued.

"We speak two languages: insurance and finance. We bridge the gap. We come with an appreciation of their business, and we know what is on the CFO's mind," he said.

"Some independent consultants are well-known in risk management circles, but are not as well-known to CFOs, presidents and CEOs," said Frederick O. Kist, managing partner with Coopers & Lybrand in Atlanta. "The big difference in what we bring to the table is credibility with the CFO and CEO."

Accounting and tax issues often intersect with risk management problems, Mr. Kist said. For example, tax laws can have a big impact on the operation of captive insurance companies. That financial knowledge is vital in the changing environment of risk management consulting.

"Risk management is more and more financially oriented," said Mark J. Sobel, a Deloitte & Touche partner in Hartford, Conn. "Basic coverage review and policy review is only a piece" of the overall picture, he said.

Accounting firms draw the majority of their risk management consulting clients from the auditing side of the partnership.

About two-thirds of Ernst & Young's risk management consulting business comes from the firm's existing clients, according to Ronald T. Kuehn, partner and national consulting clients from the auditing side of the partnership.

Between 35% and 45% of Coopers' risk management clients are also audit clients, Mr. Kist said.

The practice will continue to grow as more auditors become aware of it and recommend it to existing Coopers & Lybrand clients, Mr. Kist said.

"Some partners view us as a value-added service," said Michael R. Vogler, a Coopers & Lybrand director. "They use us to attain new clients."

Deloitte & Touche's 1,700 partners provide an excellent referral source for the risk management consulting practice. "We had to educate them, but now they know we're into" risk management, Mr. O'Connell said.

About half of their risk management clients are existing clients of the firm, Mr. O'Connell said.

That built-in client base means accountant affiliates can spend less time marketing their risk management consulting services.

More than 90% of Price Waterhouse's consulting clients are also audit clients, said Larry L. Klein, senior manager.

Marketing efforts are focused internally because "there are a significant number of existing client relationships that have not been fully developed," he explained.

Some smaller accounting firms are also looking toward risk management consulting.

"I'm aware of a few small- to medium-sized (accounting) firms interested in setting up risk management consulting divisions," said Cathy L. McKeon, director, risk management consulting for Coopers & Lybrand in New York.

"The problem is it's very labor-intensive. They can't support the resources to respond to client needs but still keep the department small enough to be cost-effective."

The midsize companies served by smaller accounting firms often do not have a full-time risk manager, making them good candidates for the accountant's risk management consulting services, Mr. O'Connell said.

Critics charge that accounting firms' broad financial knowledge does not include enough specific experience in the insurance market.

"Accounting firms over the past decade have tried to become all things to their clients," pointed out Ron Seaver, chairman of Corporate Policyholders Counsel Inc. in Park Ridge, Ill. "Yet they have a difficult time maintaining competent risk management and consulting staffs, as the firms tend to manage these people with managing partners who are accountants by training.

"Risk management is more qualitative than quantitative, in contrast to accountancy. The disciplines, while related, are very different."

Accounting firms lack the risk management expertise to be effective consultants, agreed Charles A. Caronia, president of Caronia Corp.

"I don't question accounting firms' ability to add two and two," he noted. "But are both 'twos' accurate assessments? They're not accounting issues."

However, accounting firms maintain that accounting and risk management consulting is a perfect fit.

"Ernst & Young is a professional services firm," said Doug Hartman, senior manager with the firm in New York. "You can't just be an auditor and survive in the Big Six." BI

STABILITY

It's tough to know whom to trust these days. Wholesale brokers pop up here and there. And vanish just as quickly. Even more unsettling is that many who *are* around head for the hills at the first sign of trouble. That leaves you in peril.

When you partner with Swett & Crawford, you're safe. For nearly 80 years, we've been working with independent agents to assure stable property and casualty liability protection for risks that run from the routine to the rare.

We take our fiduciary responsibilities seriously. And we're always willing to work through the issues of long-tail liability, no matter how far back it goes.

In a risky business you need a stable ally. Swett & Crawford, the nation's largest wholesale broker network, offers you unmatched access, professionalism, and a commitment to be there when you need us, in good times or bad. For more information on how our stability takes the risk out of your business, write or call Nanci Hoffman at our Los Angeles headquarters.

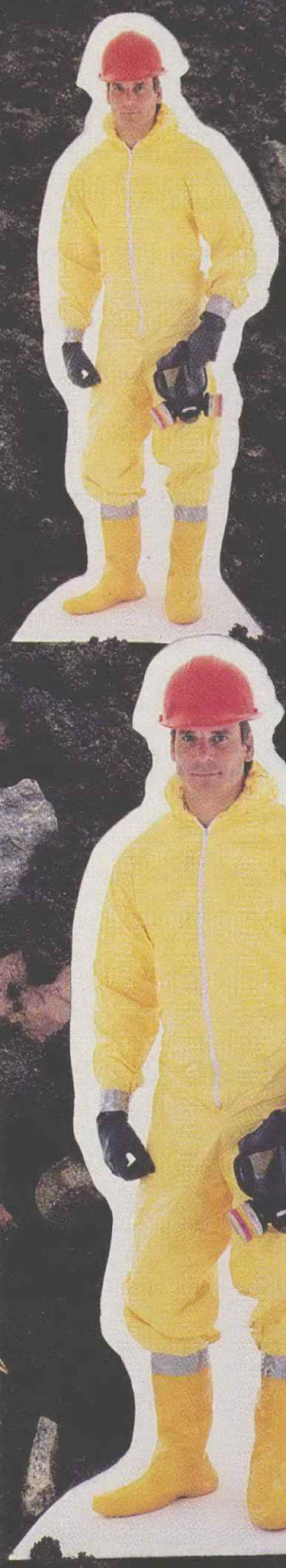
Swett & Crawford Group
Swett & Crawford
Swett Insurance Managers

3699 Wilshire Boulevard
Los Angeles, CA 90010
(213) 251-1200

© 1993 Swett & Crawford

ECS and Reliance National Bridge the Gap

How to Cover the "No Man's Land" Between Consulting and Clean-up.



CEL -- Single-policy coverage, now in $10/$20 million limits.

Companies that do both environmental consulting and clean-up run twice the risk of a company that only does one. Functions overlap. Responsibilities blur. The result: two separate policies for clean-up liability and consulting acts, errors, or omissions can leave gaps big enough for a company to fall through. That's why ECS Underwriting through Reliance National offers Consultants Environmental Liability, or CEL -- a single insurance policy that covers environmental and multi-disciplined consulting, clean-up operations, and all the gray areas in between. And now CEL is available in $10/$20 million limits, with up to a 3-year policy term. Leave it to ECS Underwriting, experts in environmental insurance since 1979, to bring you a policy that addresses real world exposures and provides your company with greater security. Return this coupon, or call ECS at 800-ECS-1414 for more information on CEL -- the one policy that's even better than two.

Environmental insurance protection for Worldwide industry.

Name

Title

Company

Address

City State Zip

Telephone

93-11-CEL-3/8

ECS Underwriting, Inc.
An ECS Company

THE CHOICE
Reliance National

520 Eagleview Boulevard, P.O. Box 636
Exton, PA 19341
Or call (800) ECS-1414 (In PA (215) 458-0570)
FAX: (215) 458-8667

This program is underwritten by Planet Insurance Company, Philadelphia, PA, a member of the Reliance Insurance Group.

Opinions

Managed plans are working

A NEW HEALTH CARE cost survey delivers a powerful message to employers: Managed care plans are helping reduce health care inflation.

Last year, group health care costs increased 10.1% to an average of $3,968 per employee from $3,605 in 1991, according to the A. Foster Higgins & Co. Inc. survey of 2,448 employers. That's a decrease from 1991 when costs rose 12.1% and from 1990 when costs rose a budget-busting 17.1%.

Managed care plans can take the credit.

While traditional indemnity plan costs surged 14.2%, increases for two types of managed care programs—point-of-service plans and health maintenance organizations—stayed well in the single-digit range—8.4% and 8.8%, respectively. Preferred provider organization costs rose somewhat more—10.5%—but that rise still was much smaller than the jump in traditional indemnity plan costs.

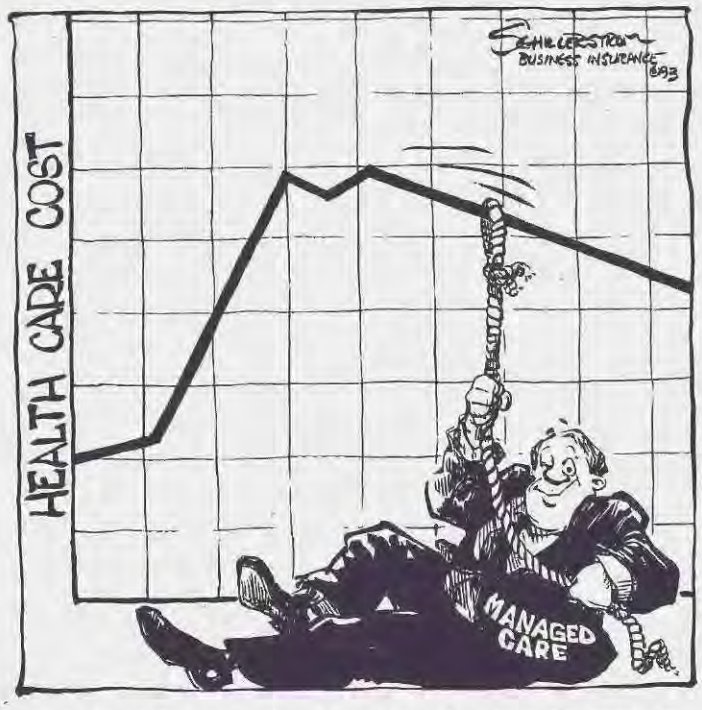
Put another way, traditional indemnity plans cost an average $4,080 per employee last year; HMO costs averaged only $3,313.

What all these figures demonstrate is that health care inflation is not some monster that is beyond employers' control. Managed care can work.

While it would be a mistake to believe that managed care is a panacea—managed care plan costs are still rising quicker than overall inflation and there are important tradeoffs that must be made when adopting a HMO, PPO or point-of-service plan—benefit managers who have been skeptical of managed care's ability to help control costs must take a second look.

Many employers are putting off any changes to their health care plans until major health care reform legislation is enacted. That's a mistake. It could be years before big changes are made to the health care system.

By installing managed care elements in their health plans, employers can do something to control health care costs—now. And, as a bonus, employers and employees will be accustomed to managed care if Congress enacts a managed competition health care reform law that requires enrollment in managed care networks.



Letters

Congress must get tough with fraud artists

To the editor: I applaud your call for tough federal penalties for white-collar insurance fraud (*BI*, Feb. 15).

State insurance regulators are eager to work with federal authorities to punish shady operators. More than two years ago, the NAIC developed proposed federal legislation to deal with this consumer rip-off, which recognizes no state or national boundaries.

Tough prison sentences are a must. In addition, the NAIC believes fines of up to $1 million are needed, bringing the financial penalties for insurance fraud in line with those for other types of financial services fraud.

The strict penalties we favor were approved by the Senate during the last Congress as part of the crime bill which, as you noted, never made it out of the congressional morass.

In the 103rd Congress, we have renewed our call for no-nonsense fines and prison terms for those who file false reports and make false statements, embezzle money and premiums, commit theft, obstruct regulatory proceedings and commit other violations.

I hope your voice will help bring resolve to Congress to get tough with white-collar insurance fraud artists.

Steven T. Foster
President
National Assn. of
Insurance Commissioners
Kansas City, Mo.

Burden is on PBGC to prove agreement with TWA is fair

To the editor: In a Feb. 15 letter that is critical of my analysis of the agreement between Trans World Airlines and the Pension Benefit Guaranty Corp. (*BI*, Jan. 25), PBGC General Counsel Carol Connor Flowe raises two issues that require further discussion: The PBGC's saving-the-jobs justification and its reluctance to disclose information to the public.

Ms. Flowe emphasizes that a key result of the agreement is that TWA still is flying, thus saving the jobs of 25,000 employees. No one with any feeling would entertain any other objective. However, to achieve this goal, the PBGC has placed its solvency at risk, thereby creating concern for the retirement security of millions of other plan participants.

The PBGC did this by agreeing to the following: a reduction of Carl Icahn's liability from more than $1 billion to $400 million or less; a benefit freeze, which permits potential PBGC liabilities to continue to increase in various ways; a level of contributions only equal approximately to interest on the unfunded liability; the adoption of a defined contribution plan, which will divert funds from the defined benefit plans; and the lump-sum option made available under an early retirement incentive program, which siphons off assets otherwise available for PBGC-guaranteed benefits. As a result, the PBGC's liability will likely become substantially greater if TWA goes under, and much depends therefore on TWA's ability to continue in business.

There is some question whether the PBGC has authority under Title IV of ERISA to place itself at risk in the attempt to preserve jobs. If the PBGC lacks the authority but desires it, the proper avenue is to seek legislation amending Title IV. This would give Congress and the public an opportunity to weigh the goal of saving jobs against placing the PBGC's solvency in jeopardy. There apparently was no effort on TWA's part to approach other interested parties for funds, including the investment community; the states of Missouri and Kansas, where TWA has major operations; the U.S. Treasury; and TWA's employee groups.

If as Ms. Flowe states I have not based my criticism on accurate information, I would point out that I made several calls to various PBGC officials. I was told either the details of the agreement were confidential, not final, or available from the U.S. Bankruptcy Court in Delaware or from the PBGC's freedom of information officer upon written request. Not wishing to delay my analysis, I relied on press reports.

Since Ms. Flowe's letter appeared, the FOI officer sent me a copy of the details of the agreement, but there still is secrecy about actuarial costs. The PBGC, for example, relied on TWA's own actuarial cost estimates, available to it on a strictly confidential basis, while the PBGC will not release its own computations.

The burden is on the agency to prove that the PBGC-TWA agreement is a fair one.

David Langer
David Langer Co. Inc.
New York

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.

Business Insurance®
Reporting weekly for corporate risk, employee benefit and financial executives

Publisher/Editorial Director: Kathryn J. McIntyre, A.R.M. (Chicago)
Editor: James M. Burcke (Chicago)
Editor-at-Large: Jerry Geisel (Washington)
Managing Editor: Paul D. Winston (Chicago)
Assistant Managing Editor/News: Timothy Stanton (Chicago)
Assistant Managing Editor/Graphics: Jeanne M. Bartels (Chicago)
International Editor: Stacy Shapiro (London)
Senior Editors: Dave Lenckus (Chicago), Douglas McLeod (New York)
Bureau Chiefs: Michael Schachner (New York), Joanne Wojcik (Los Angeles)
Copy Editors: Regis J. Coccia (Chicago), Sara J. Harty (Chicago), Sarah E. Polster (Chicago), Roseanne White (Chicago)
Associate Editors: Michael Bradford (Dallas), Meg Fletcher, A.R.M. (Chicago), Judy Greenwald (San Jose), Mark A. Hofmann (Washington), Nancy Johnson (Chicago), Louise Kertesz (Los Angeles), Sara Marley (Chicago), Deborah Shalowitz (Chicago), Gavin Souter (London), Christine Woolsey (Chicago)
Staff Reporter: Sally Roberts (Chicago)
Directory Editor: Kathy Welyki (Chicago)
Assistant Directory Editor: Cynthia L. Bloom (Chicago)
Editorial Assistant: Kerry A. Dziubek (Chicago)
Assistant to the Publisher: Karen Brown (Chicago)
Editorial Cartoonist: Roger Schillerstrom (Chicago)
Advertising Director: Martin J. Ross III (New York)
Eastern Advertising Manager: Stephen P. Lincoln (New York)
Midwest Advertising Manager: Robert L. Niesse (Chicago)
District Managers: Cynthia Bykowski (New York), Margaret Hikido (Chicago), Charles A. Horvath (New York), Thomas P. Loftus (New York), Deborah D. Neale (Chicago), Kathryn Premetz (New York)
Production Manager: Elmer Kerstowske (Chicago)
Director of Communications: Ronnie I. Drachman (New York)

EDITORIAL: Chicago: 312-649-5398; Dallas: 214-363-1066; London: 71-608-1172; Los Angeles: 213-651-3710; New York: 212-210-0100; San Jose: 408-379-1790; Washington: 202-662-7200
ADVERTISING: New York: 212-210-0228; Chicago: 312-649-5276; Los Angeles: 213-651-3710
COMMUNICATIONS: New York: 212-210-0132
CIRCULATION: Detroit: 800-678-9595

Published by Crain Communications, Inc., Chicago

Founder: G.D. Crain Jr.
Chairman: Mrs. G.D. Crain
Vice chairman: Keith Crain
President: Rance Crain
Chairman-executive committee: S.R. Bernstein
Treasurer: Mary Kay Crain
Secretary: Merrilee P. Crain
Executive vice president-operations: William A. Morrow
Vice president-circulation: William Strong
Vice president-production: Robert C. Adams

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. $2.50 a copy. $80 a year in U.S. Canada add $38 for surface mail. First-class mail to U. S., add $95; to Canada add $105. All other foreign $200 per year expedited delivery. SHEILA GORMLEY, 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 313-446-1611, Fax 313/446-1650. 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: ART MERTZ, The Crain Syndicate, 740 Rush St., Chicago, Ill. 60611-2590, 312-649-5303. For reprints or reprint permission contact: Reprint Department, Business Insurance, 220 E. 42nd St., New York, N.Y. 10017-5806, 212-210-0229, Fax 212/210-0704.

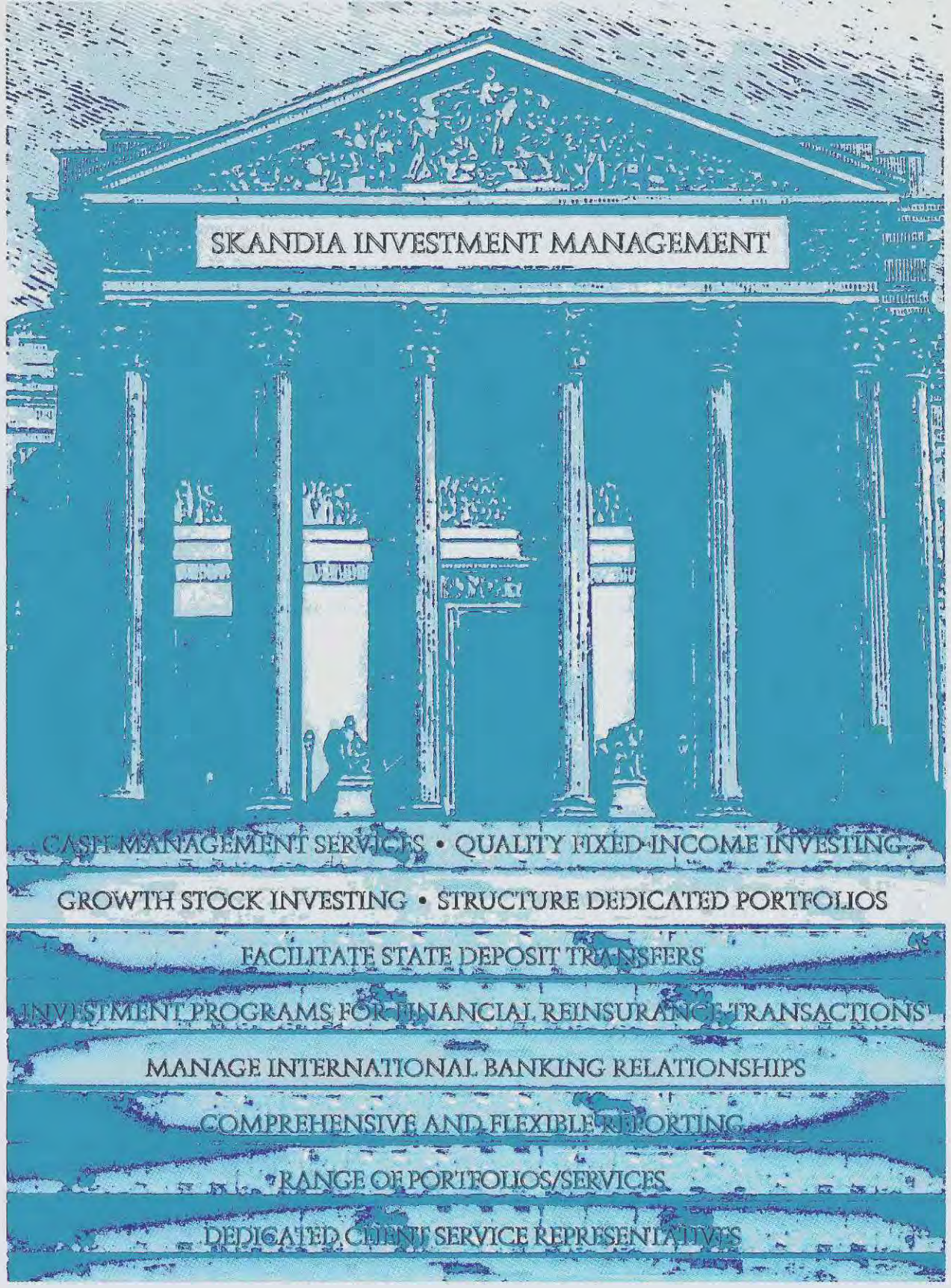
Member of Business Publications Audit of Circulation

VBPA ABP

Volatile Times Demand An Investment Manager With The Experience To Handle Them.

At Skandia Investment Management, we believe that effective portfolio management for insurance companies begins with a review of insurance company operations. Asset/liability issues, claims paying needs, plans for expanded operations, changes in business mix, all are factors that have an impact on the way we formulate an investment strategy that is tailor made for the needs of our clients.

The Skandia menu of investment services removes the burden of investing from the insurance company, and allows management to focus on the demands of its primary business—underwriting insurance.



Skandia Investment Management

The Investment Manager For Insurance Companies

Send for a booklet of our full range of services:
One Liberty Plaza • New York, NY 10006 • Tel (212) 978-2790 • Fax (212) 227-4204

Top consultants

Continued from page 3

attitude. They are developing contingency plans rather than putting them into action."

Those plans include the timetable for and cost of implementing an alternative risk financing program. Assisting clients with alternative financing mechanisms remains a hot area for risk management consultants.

A market hardening will produce a greater demand for alternative risk financing, opined Jerry A. Miccolis, vp and risk management practice leader at Towers Perrin/Tillinghast in St. Louis. "There's been a resurgence in interest in captives, particularly" for workers comp.

However, "captives have not received the most favorable tax treatment, so that is keeping them from being considered," noted Frederick O. Kist, managing partner of Coopers & Lybrand in Atlanta. "Paid-loss retros and qualified self-insurance may prove to be cheaper."

Risk managers want to do their homework and analysis on legal and accounting aspects (of alternative risk financing) so if they have to they can respond quickly," said John V. Deitchman, senior vp, director and casualty practice leader at Johnson & Higgins Risk Management Practice in New York.

"If the market turns, they want to be at least partially prepared, then they can put that preparation into high gear," said Bernard A. Salwen, president of S.B. Ackerman Associates Inc. in New York.

Not all risk managers—or risk management consultants—believe a hard market is imminent.

"People have been crying that the hard market is coming for so long, that if risk managers are not prepared now, they never will be," said Richard S. Betterley, president of Betterley Risk Consultants Inc. in Worcester, Mass.

"Risk managers are looking forward, but they're not always willing to make changes," agreed Michael R. Vogler, director of Coopers & Lybrand risk management consulting in Atlanta.

"Because (the hard market's) not here yet, it's hard to do much about it," said Richard M. Duvall, president of financial and actuarial consulting at Sedgwick James Inc. in Nashville, Tenn.

Companies that have self-insured for years now are taking a second look at their programs.

"Captives have met their goals. Now (parent companies) are looking to see what more they can do with their captives," said Mr. Swanke. "In a recessionary time, with corporations cutting back expenses, there's particular attention to the risk management area. They want to squeeze more value out of their program."

Many companies that have self-insured their liability risks for several years now are checking if their reserves are adequate, said Larry L. Klein, senior manager of Price Waterhouse Risk Management Consulting Group in Philadelphia.

"A number of clients have not made adequate balance-sheet allowances for reserves for prior years and now they're biting the bullet," he said.

Another popular service for risk management consultants is benchmarking, which entails setting goals for measuring the performance of a risk manager or risk management department. Such requests typically come from a management level above the risk manager as part of companywide efforts to boost efficiency, consultants say.

"It's a very brave risk manager who says, 'Evaluate me,' " Mr. Betterley said.

"It might make (risk managers) nervous to set themselves up against performance standards, but it's the way business is focusing," ARM Tech's Mr. Kaddatz said.

Benchmarking does not have to be a negative experience for risk managers. "Clients recognize the value of their risk manager in a way they never did before," Mr. Betterley said.

Workers compensation woes have focused top management's attention on risk managers, Mr. Lusk said. "Unfortunately, the attention has been placed on them because of the problem rather than because of the solution," he explained. However the focus "gives risk managers the opportunity to be innovative and flexible."

"It's primarily a best practices approach rather than numbers," J&H's Mr. Deitchman said.

"The risk manager gets a short shrift in corporate America because of the large cost of insurance and claims. The resources that drive risk management internally are barely adequate," said Donald J. Gunyan, risk management practice leader at KPMG Peat Marwick.

Most benchmarking studies involve setting up internal standards to determine the value of a risk management department to the overall corporation rather than comparing it to outside sources, Mr. Gunyan said. "It's not strictly dollar terms. Comparisons across companies are very difficult. It depends on the company makeup."

And, benchmarking is a two-way street: A consultant can "help risk managers get their agenda to senior management," Mr. Gunyan said.

Profiles of the 10 largest risk management consultants, based on risk management consulting revenues, follow:

Towers Perrin/Tillinghast

Revenues at Towers Perrin/Tillinghast, the largest independent consultant, rose 12.8% to $25.6 million in 1992, reversing a 3.4% slide in 1991.

The strong financial performance in 1992 came as no surprise to New York-based Tillinghast. And despite the decline, neither did the 1991 results, said Jerry A. Miccolis, vp and risk management practice leader.

Rather, that drop reflected a turn toward strategic risk management and away from traditional policy and coverage reviews.

Strategic risk management includes crisis management, succession plans and emergency communication programs, Mr. Miccolis said. "Our strategy last year was to intentionally decrease our activity in low-end commodity work," he said.

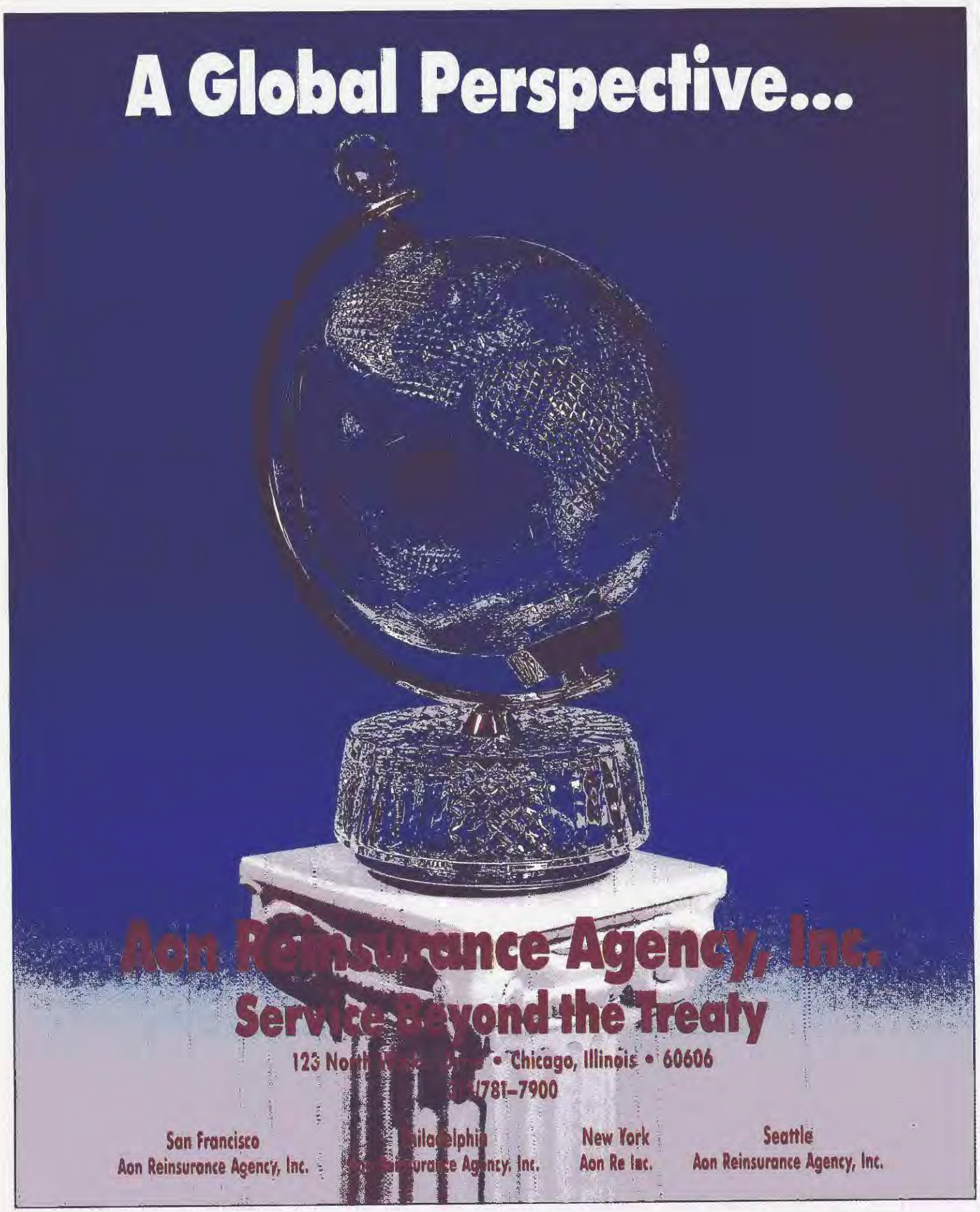
"We want to focus on the high-end strategic consulting. We're not pulling out entirely, but it's a shift in emphasis. It showed up as a decrease (in revenues), but we improved our bottom line."

Access to communications, health care and benefits consultants at Towers Perrin is what sets Tillinghast apart from other risk management consultants, he said.

It's most apparent in Tillinghast's approach to its largest business area: workers compensation cost management, said Mr. Miccolis, who works in the St. Louis office. That practice combines risk management, actuarial, claims and medical management, communication and human resources consulting.

"We look at it on a broad spectrum from pre-hire to post-return to work," Mr. Miccolis said. "To the client, (consulting) is seamless. They

Continued on page 12



Did a far out risk just land on your desk?

Let your wholesale broker put the capacity,
expertise and ingenuity of General Star to work for you.
Our underwriting pros will respond at warp speed
to meet your primary and excess
liability and property needs.
Ask your wholesaler today.

GENERAL STAR SM

- Market Stability
- Financial Strength
- Underwriting Quality

Specialty underwriting through appointed surplus lines brokers.
For a list of our brokers in your area, call General Star Management Company, Stamford, CT (203) 328-5700, ext. 5985.
Atlanta • Chicago • Dallas • Hartford • Los Angeles • New York • Stamford

©1992 General Star Management Company

Top consultants

Continued from page 10

don't know where one discipline ends and another begins."

Tillinghast says its size and strong technical and actuarial base also set it apart from other consultants.

"We have a very large presence within the insurance industry," Mr. Miccolis said. "We have a lot of clout within the insurance industry. We have credibility in the industry. We can influence new product development and quality of service."

Mr. Miccolis became risk management practice leader on Jan. 1, succeeding Thomas J. Wander, who left to join a client's firm. Jenny Emery was promoted to risk management practice manager, and is responsible for internal operations.

The Wyatt Co.

The Wyatt Co.'s risk management practice revenues fell 2.6% to $15 million in 1992, following a 10.1% increase in 1991.

Despite the drop "overall it was one of the best years we've had," said James A. Swanke Jr., chairman of the risk management practice committee in Wellesley Hills, Mass. "We added new clients and staff and reorganized our offices to serve clients better."

By embracing total quality management, Wyatt "wants to make the consulting process more effective for our clients and their needs," he said.

New internal software at Wyatt has streamlined service to accounts, he said.

Wyatt's expertise in other disciplines, including retiree benefits, group flexible benefits and compensation, gives it an edge over other consultants, Mr. Swanke said.

Wyatt considers workers compensation a specialty, along with hospital professional liability and directors and officers liability.

Casualty actuarial consulting has grown in the past year, often performed in conjunction with captive and self-insurance feasibility studies, Mr. Swanke said.

New consulting hires at Wyatt in the past year include: Tim Hoffman, who specializes in alternative risk financing and captives in the Washington, D.C., headquarters; and Dan Miller, a managed care and workers comp expert in the Boston office.

Mr. Swanke replaces Sylvain Dion as committee chairman. Mr. Dion returned to consulting full-time in Toronto for Wyatt. Mr. Swanke will continue to consult during his three- to five-year term.

Deloitte & Touche

Deloitte & Touche's Risk Management Consulting Services Division marked a 12.7% increase in revenues in 1992 to $13.3 million, retaining its spot as the third-largest independent risk management consultant.

Hurricanes Andrew and Iniki sparked a 20% increase in large physical damage claims consulting, one of the firm's specialties, said William D. O'Connell, partner and principal in Dallas.

Claims consulting also grew in general risk management consulting, added Mark J. Sobel, partner and principal in Hartford, Conn.

Clients also are requesting more organizational reviews in the wake of downsizing and streamlining, Mr. Sobel said.

Growth was slower in traditional services like risk and insurance program reviews and captive feasibility studies, he noted. However, those areas are expected to expand in 1993.

Deloitte & Touche has developed a new specialty in risk management information systems by hiring David A. Tweedy, a systems expert formerly with Betterley Risk Consultants Inc.

In addition, Ed Pouzar of Betterley has joined Deloitte & Touche as a senior manager.

Also new to the firm is David Stulb, a former CIA agent and independent consultant who specializes in investigation, litigation support and international issues.

Deloitte & Touche added a risk management consulting office in Denver in the past year.

Ernst & Young

Ernst & Young reports a 5.8% increase in risk management consulting revenues to $10.9 million in 1992, compared with $10.3 million a year earlier.

The Big Six accounting firm maintained its position at No. 4 on the *Business Insurance* ranking.

Health care organizations make up a growing part of Ernst & Young's business.

Many hospitals are looking to set up captives, said Ronald T. Kuehn, partner and national director of risk management consulting in Philadelphia.

"The health care industry is in a state of turmoil and restructuring," agreed Doug Hartman, senior manager in New York. "Hospitals are closing, merging and forming new organizations. It creates a need for consultants."

Business from mergers and acquisitions, and the accompanying due diligence surveys, was up in 1992 after two flat years.

While formation of new alternative risk financing alternatives may have slowed, the demand for services by the existing ones has not.

The many pools and risk retention groups formed in response to the last hard market "are growing up and experiencing growing pains," Mr. Hartman said.

Ernst & Young also works with several competitive state workers comp funds, which gives the firm a unique perspective on workers comp problems, Mr. Kuehn said.

Coopers & Lybrand

Risk management consulting revenues at New York-based Coopers & Lybrand increased 13.3% to $9.4 million in 1992, making it the fifth-largest independent risk management consultant.

The firm's strength is its ability to call on casualty actuaries, claims auditors, certified public accountants and tax lawyers, said Michael R. Vogler, director in Atlanta.

But the Big Six accounting firm stresses that its risk management consultants are not just glorified accountants.

"Our senior people have all been risk managers in government or private enterprise," said Cathy L. McKeon, director-risk management consulting in New York. "We provide a more practical approach because we understand what it is like in the trenches."

With more clients in non-insurance programs, the demand for claims auditing and claims review has increased, noted Frederick O. Kist, managing partner in Atlanta. The growth prompted Coopers & Lybrand to increase its casualty claims consulting staff from two to four in 1992.

Other growth areas include organizational studies and insurance marketing assistance, Mr. Vogler said.

"We help them create underwriting specifications, identify brokers and interpret written proposals that come in," he added.

The firm's organizational studies look at corporate structure, the risk management department's size, decision-making processes and reporting hierarchies, Ms. McKeon said.

Coopers & Lybrand has also seen an increase in one-day risk management reviews to evaluate departments and suggest improvements, Mr. Vogler said.

Coopers & Lybrand plans to open a Dallas consulting office this year and is looking to Europe and the Pacific Rim for future expansion.

KPMG Peat Marwick

Risk management consulting revenues at KPMG Peat Marwick declined slightly in 1992 after nearly doubling in 1991.

The New York-based Big Six accounting firm posted a 5.4% revenue decrease to $8.7 million, slipping one spot to the No. 6 independent risk management consultant.

"There was a time when we thought we were recession-proof," said Donald J. Gunyan, risk management practice leader. "Five percent doesn't concern anyone here."

If the market turns by 1994, revenues could be up at least 5%, he said. If the market remains stable, revenues will probably be flat.

A hard market would revive interest in risk management audits, which have fallen off.

"We are changing the mix of our

Continued on page 14

Five Years Ago, This Would Not Have Been Considered An Intensive Care Nursery.

On a warm afternoon in August, Jeremy Masters came home.

Jeremy, born six weeks premature, was expected to stay in the hospital at least five weeks. However, his insurance company asked a Special Alternatives nurse-consultant to review the case. By arranging for extracontractual benefits such as 24-hour nursing care, she made it possible for Jeremy to go home.

The move saved the insurer more than $35,000. And Jeremy's mom was so glad to have him at home.

Meeting your needs as well as your patient's.

Results like these are typical for Special Alternatives, Lincoln National's large case management program for medical clients. Our nurse-consultants apply years of professional training and experience to find cost-saving alternatives which maintain or *improve* the quality of care.

Whatever level of service you need—from consultation to full case management—Special Alternatives can complement your capabilities.

Tools for success from your reinsurer.

Reinsuring your medical business with Lincoln National gives you access to a complete package of services—including Special Alternatives. It's all part of our commitment to support our clients in more ways.

To learn how your company can benefit, contact your Lincoln National account executive.

LINCOLN NATIONAL REINSURANCE
A part of LINCOLN NATIONAL CORPORATION
The Reinsurance Resource.
1300 S. Clinton St. • Fort Wayne, Indiana 46801

With C&I's Environmental Protection Program, we're able to reach almost every aspect of your business.

Large companies with diverse property holdings can rest easy. Commerce & Industry's Environmental Protection Program offers them a broad range of pollution management services all under one roof. In partnership with AIG Risk Management (AIGRM) and AIG Consultants, we offer pollution services and policies, including risk transfer, risk funding, risk assessment, regulatory requirement analysis, environmental risks monitoring and dedicated environmental claims handling.

C&I has the highest risk transfer capacity generally available, with limits of up to $40 million. Not to mention the option of funding non-assessed sites and sites in need of remediation for as much or as little as necessary. And, in terms of flexibility, our policy provides the option of moving sites from risk funding to risk transfer during a three- to five-year policy term. As a member company of American International Group, one of the few insurance organizations to have earned the highest ratings from the major rating agencies, we have the strength to protect you and your business.

For more information on our Environmental Protection Program, contact Joe Palumbo at (212) 770-5340 and we'll be happy to give you an extra hand or two with all your pollution management needs.

AIG **World leaders in insurance and financial services.**

Commerce & Industry Insurance Company

A member company of American International Group, Inc.

Coverages and/or services may not be available in all states. Please check the actual policy for full details of coverage. Coverage subject to underwriting.

Top consultants

Continued from page 12

projects," Mr. Gunyan said. "We had relied on risk management audits."

Today, about 35% of Peat Marwick's consulting business is strictly risk management audits, while six years ago it was 80%, he noted.

Now the business mix includes risk management information systems, TPA selection, program marketing, broker selection, safety audits and litigation support.

Peat Marwick also specializes in claims consulting, Mr. Gunyan said. "Companies that become self-insured quickly realize that to make it pay off they must control their claims cost."

Because most larger companies already have sophisticated risk management programs in place, Peat Marwick will begin to approach the middle-market companies with $500 million and less in annual sales, Mr. Gunyan said.

Mr. Gunyan was appointed to director of the practice in 1992, replacing Craig Gass, who resigned from the firm.

S.B. Ackerman Associates Inc.

Business Insurance estimates that revenues at S.B. Ackerman Associates Inc. rose 10% in 1992 to $6.6 million.

That makes the New York-based company, which specializes in hospital clients, the seventh-largest independent risk management consultant.

"I don't think anyone else has the experience we do in the hospital area," said President Bernard A. Salwen.

Ackerman became active in hospitals during the medical malpractice insurance crisis of the 1970s, and now handles general liability, self-insurance and sometimes employee benefit programs for hospitals as well.

Forty percent of Ackerman's revenue is generated by continuous consulting.

Public entities and realty owners and operators are the firm's biggest growth areas, Mr. Salwen said.

City and county governments as well as other public authorities are also increasingly turning to consultants "because they recognize the need for getting insurance out of the political arena," Mr. Salwen said. "It's rare that any political entity has a meaningful risk management department."

Smaller entities may have no department at all, he added.

J.H. Albert International Insurance Advisors Inc.

J.H. Albert International Insurance Advisors Inc. recorded a 20.4% jump in revenues in 1992, the second-largest among the top 10 risk management consultants.

Revenues of $5.9 million put J.H. Albert at No. 8, the spot it held in 1991.

President Joseph H. Albert has a simple explanation for the big increase: "Our clients are happy. We have long-term relationships with clients, which helps."

J.H. Albert also saw a 10% increase in new clients.

"We don't limit ourselves to one particular industry," Mr. Albert said. "We market our services aggressively. We are on the lookout for new clients."

Another factor in the firm's success is its ability to attract and retain top-flight staff members, Mr. Albert said.

"We make it interesting for them to stay," he said.

J.H. Albert serves clients from across the country and abroad from its home office in Needham, Mass., which gives the company "quality control."

The firm added three professional staff members in the past year.

"We have developed an expertise in workers comp, particularly workers comp claims and loss control," Mr. Albert said.

"All of our clients' costs are lower than they were three to five years ago. Now our objective is to keep it that way."

Caronia Corp.

Caronia Corp. posted a 22.2% increase in risk management revenues in 1992, the largest among the top consultants.

The Melville, N.Y.-based company moves to No. 9, up from from No. 10 in 1991, with $4.4 million in revenues. Company officials are predicting a $700,000 gain in revenues in 1993, which would translate into a 15.9% increase.

Practical knowledge of claims management sets Caronia apart from other risk management consultants, President Charles A. Caronia says.

The company's experience as a third-party administrator enhances its pure risk management consulting business.

Caronia is often enlisted by self-insured companies and by the insurance companies that write their excess coverage to evaluate loss reserves and conduct claims audits, said Charles McGill, director of marketing.

Caronia's largest growth area is companies that are considering establishing an in-house claims department, either moving from a TPA or as part of a new self-insurance program, Mr. Caronia said.

Caronia can help a company hire and train staff, put computer systems in place and establish operations, then remain on as a consultant once it is up and running, he said.

Insurance Consulting Associates

Business Insurance estimates that revenues at Insurance Consulting Associates increased 5.6% in 1992 to $3.8 million.

While the Hackensack, N.J.-based firm does not reveal its revenues, Managing Associate Barron S. Wall said the company is pleased with its growth.

"I would consider our growth and performance in 1992 to be excellent, relative to the overall sluggishness in the economy which has certainly affected many of our clients," Mr. Wall said. The performance is due in part to "the fact that risk management consulting is still a growing service.

"I expect this trend to continue, if not pick up steam, in 1993."

The demand for risk management consulting is coming from a wide spectrum of businesses, he added.

"Our specialty is that we don't have a specialty," Mr. Wall said. "We are not restricted to any particular industry.

"Many of our clients are looking to transfer risks to other responsible parties such as contractors and, at the same time, to limit the risks that are being transferred to them," Mr. Wall said. "To that end, they are asking us to tighten their certificate of insurance programs and to review the risk management implications of contracts they enter into."

Designing self-insurance and self-administration programs for small but frequent liability losses is another commonly requested service, he said. BI

All Day
All Night
Workers'
Comp

Access the Alternatives with

Annual directory of risk management consultants

A

AFM Associates Ltd.

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

Consulting since: 1988.
Services: 60% of revenues from risk management consulting; including 30% continuous consulting, 15% audits, 15% special projects.
Frequent special projects: Claims auditing, accounting systems analysis, loss settlement assistance, historical account/program reconstruction, reinsurance recoverable collection, letter-of-credit requests.
Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, environmental, loss prevention audits, risk management organization studies, risk management information system consulting.
Specialties: Medical malpractice RRG's, municipal pools, Latin American industrial and multinational entities.
Locations: New York; Buenos Aires, Argentina; Cali, Colombia; Santiago, Chile.
Staff: Three total, all professionals, including one principal consultant, two consultants.
Clients: Three total; 100% with risk and insurance budgets less than $1 million. One association client. Minimum size client, $100,000.
Compensation: By the project, by the hour: principal consultant, $75; consultant, $55; clerical, $25.
Officers: Anthony F. Motola, president.

AIG Consultants Inc.

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

Consulting since: 1978.
Parent: American International Group.
Services: 13% of revenues from risk management consulting; including 6% continuous consulting, 6% audits, 1% special projects.
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 services, real estate, environmental, workers comp, construction.
Locations: Atlanta, Boston, Chicago, Cleveland, Dallas, Los Angeles, Philadelphia, San Francisco, Toronto, Washington.
Staff: 200 total; 30 professionals, including 10 principal consultants, 20 consultants. Professional designations include three CPCUs, six ARMs, 18 CSPs.
Clients: 128 total; 5% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 40% with $5 million to $9.9 million, 15% with $10 million to $24.9 million. No minimum size client.
Compensation: By the project, on retainer, by the hour.
1992 gross revenues: $20 million total, $2.6 million from risk management consulting.
Officers: Arnold Goldberg, president; Robert Blaunstein, Charles Benda, Jack Leonard, vps; Michael Davis, comptroller.

AIG Risk Management Inc.

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

Consulting since: 1974.
Parent: American International Group.
Services: 89% of revenues from risk management consulting; including 79% continuous consulting, 3% audits, 7% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, claims auditing, environmental, loss prevention audits, risk management organization studies, risk management information system consulting, feasibility studies for self-insured, hospital loss-funding studies, actuarial loss reserve studies.
Occasional special projects: Analysis of limits, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, captive mergers and acquisitions.
Specialties: Transportation, manufacturing, health care, municipalities, consumer products.
Locations: Atlanta, Boston, Chicago, Cleveland, Houston, Los Angeles, New York, Philadelphia, Pittsburgh, San Francisco, Seattle, London, Paris, Toronto.
Staff: 558 total; 74 professionals, including 12 principal consultants, 30 consultants, 14 actuaries, 18 analysts. Professional designations include 14 CPCUs, eight ARMs, six FCASs, eight CSPs, eight ACASs.
Clients: 456 total; 2% with risk and insurance budgets less than $1 million, 24% with $1 million to $4.9 million, 42% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 12% exceeding $25 million. 35 association clients. Minimum size client, $250,000.
Compensation: By the project, on retainer, by the hour.
1992 gross revenues: $132.4 million total, $118.7 million from risk management consulting.
Officers: Joseph C. Smetana, chairman; John Gantz Jr., president; Frank Neuhauser Jr., Dominic Frederico, Martin Banker, Michael Curio, Edward Troy, Joe Cavolo, senior vps.

AMI Risk Consultants Inc.

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

Consulting since: 1992.
Services: 60% of revenues from risk management consulting; including 5% continuous consulting, 5% audits, 50% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, actuarial.
Occasional special projects: Insurance contract analysis.
Specialties: Captives, self-insurers, temporary services, restaurants.
Staff: Four total; professionals include one actuary, two analysts. Professional designations include one CPCU, one ARM, one FCAS.
Clients: 5% with risk and insurance budgets of $1 million to $4.9 million, 5% with $5 million to $9.9 million, 5% with $10 million to $24.9 million, 85% exceeding $25 million. One association client. No minimum size client.
Compensation: By the project; by the hour: principal consultant, $150 to $180.
Officers: Bob Ingco, president; Cris Ramos, vp.

S.B. Ackerman Associates Inc.

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

Consulting since: 1915.
Services: 70% of revenues from risk management consulting; including 40% continuous consulting, 15% audits, 15% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management information system 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: Mount Holly, N.J.; St. Petersburg, Fla.

Continued on next page

It's 3:00 A.M., a time of rest for most, but not for hospitals, where it's business as usual 24 hours a day, every day.

And their workers' compensation exposures can be as tough as their schedule.

When several hospitals desired a responsive, cost-effective program to handle their unique round-the-clock workers' compensation exposures, Commonwealth Risk was there to help.

As a specialist in alternative risk financing, Commonwealth Risk knows how the Alternative Market "operates." With over twelve years of experience in structuring captives, Insurance Profit Center® programs and innovative funding arrangements, Commonwealth Risk can assist brokers in developing responsive workers' compensation programs for all types of sophisticated insureds.

Designing the right alternative risk financing program is just like making the right diagnosis.

When you need a remedy to cure the rising cost of workers' compensation coverage for your large clients, call Commonwealth Risk.

We have the right prescription.

For more information, please call:
Philadelphia, PA (215) 979-3300
Orange, CA (714) 978-0577
London, England 071-247-1066

CommonwealthRisk Services, Inc.

An MRM Company

• • • CommonwealthRisk

Continued from previous page

Staff: 72 total; 40 professionals, including 16 principal consultants, 20 consultants, four analysts. Professional designations include one CSP.

Clients: 100 total; 25% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 25% with $5 million to $9.9 million, 25% with $10 million to $24.9 million, 5% exceeding $25 million. Six association clients. Minimum size client, $100,000.

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

1992 gross revenues *: $6.6 million from risk management consulting.

Membership: SRMC.

Officers: Bernard A. Salwen, president.

* BI estimate.

Advanced Insurance Management

33 N. Addison Road, Suite 100, Addison, Ill. 60101; 708-279-9219 or 800-288-9256; fax: 708-279-5704

Consulting since: 1987.

Services: 99% of revenues from risk management consulting; including 1% continuous consulting, 5% audits, 93% special projects.

Frequent special projects: Analysis of limits, checking workers comp audits for premium overcharges and recovering overcharges.

Occasional special projects: Claims auditing, preparation of bidding specifications, expert witness.

Specialties: Manufacturers and contractors.

Staff: Four total; three professionals Professional designations include one CPCU.

Clients: 37 total; 95% with risk and insurance budgets less than $1 million. 5% with $1 million to $4.9 million. Two association clients. No minimum size client.

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

Officers: Edward J. Priz, president.

Advanced Risk Management Techniques Inc.

25251 Paseo de Alicia, Suite 100, Laguna Hills, Calif. 92653; 714-472-8324; fax: 714-472-9228

Consulting since: 1982

Services: 92% of revenues from risk management consulting; including 40% continuous consulting, 20% audits, 32% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, risk retention group planning projects, actuarial analysis of self-insured loss reserves.

Occasional special projects: Environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management information system consulting.

Specialties: Utilities, governmental agencies, health care industry, educational institutions, transportation, developers, contractors, property owners associations.

Locations: Sacramento, Calif.

Staff: 18 total; 12 professionals, including three principal consultants, seven consultants, one actuary, one analyst. Professional designations include four CPCUs, seven ARMs, one FCAS, one CIC.

Clients: 150 total; 10% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 35% with $5 million to $9.9 million, 15% with $10 million to $24.9 million, 5% exceeding $25 million. 45 association clients.

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

Membership: SRMC.

Officers: Steven P. Kahn, Michael M. Kaddatz, Gregory L. Trout, principals.

J.H. Albert International Insurance Advisors Inc.

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

Consulting since: 1967.

Services: 100% of revenues from risk management consulting; including 85% continuous consulting, 5% audits, 10% special projects.

Continued on page 18

We See What Others Don't.

The potential for loss is often difficult to see, or predict. Nevertheless, very real.

At Thomas Howell Group, we can identify what our competitors in the industry are more likely to miss. And ultimately, our precision saves money for the insurer, the insured – everyone.

We're one of the world's largest loss adjustment firms, and we provide expertise in a complete range of loss-related services around the globe.

Without the proper experience and training, fast accurate thinking is not possible in a business as complex as ours. That's why we place such a high priority on our staff. And why top international companies have learned to expect prompt, tailored service from our thoroughly trained professionals.

Learn more, contact Thomas Howell Group (Americas) at Six Concourse Parkway, Suite 3100, Atlanta, GA 30328. Or call 1-800-554-8697, ext. 5705. Because no matter where you are, or what loss-related service you need – you're close to an expert at Thomas Howell Group.

THOMAS HOWELL GROUP (AMERICAS) INC.

Gay & Taylor • Ward-THG • Thomas Howell Group (USA) • Gay & Taylor-THG Marine & Aviation • Thomas Howell Group (Latinoamericana)

How to read the directory of consultants

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

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

Listings begin with the year risk management **consulting** began and **parent** company, if any.

Services provided are listed as a percent of gross revenues and are categorized as follows:

- Continuous risk management consulting, which is serving as the risk management specialist for clients, providing continuous evaluation of the design and management of risk and insurance programs.
- Risk management audits, which are one-time complete reviews of clients' risk and insurance programs.
- Special risk management projects. Under this heading, risk retention analysis includes self-insurance studies and analysis of limits refers to necessary insurance limits.

If the company consults to a particular segment of business or industry, it is noted under the **specialty** heading. Wholly owned **locations** other than the home office are given next.

Total **staff** members as well as professional staff members assigned to risk management consulting, including a break out of principal consultants, consultants, actuaries and analysts, are reported in full-time equivalents. Professional designations listed are defined below.

Following are the number and size of current corporate risk management consulting **clients** by risk and insurance budget; number of association clients; and minimum-size client accepted by risk and insurance budget. How the company receives **compensation** for its services is next. Under this heading, "commissions" covers commissions received for insurance placed with underwriters. **1992 gross revenues,** when reported by the company, follow.

If at least one staff member is part of the Society of Risk Management Consultants, it is noted under **membership**. Names and titles of **principal officers** complete the entries.

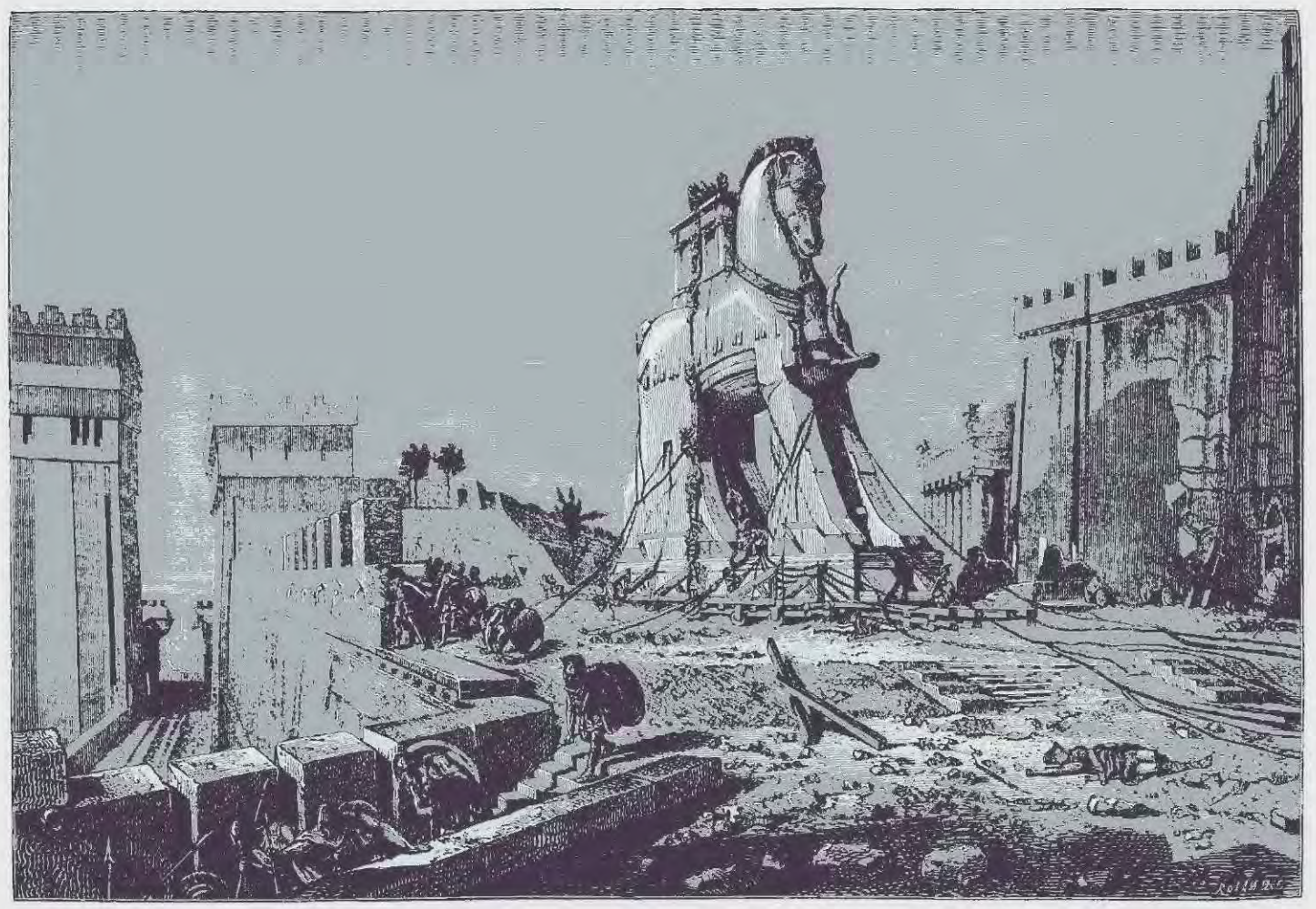
The information reported for each company is based on that company's responses to the *BI* questionnaire. Although every effort is made to print accurate listings, *Business Insurance* is unable to verify all information contained in the directory.

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

ACAS is Associate, Casualty Actuarial Society; **ARM** is Associate in Risk Management; **CIC** is Certified Insurance Counselor; **CPCU** is Chartered Property Casualty Underwriter; **CSP** is Certified Safety Professional; **FCAS** is fellow, Casualty Actuarial Society.

Liberty Mutual Presents: Great Assumptions In History.

"Look! They've surrendered."



Making the wrong assumption could cost you the battle. For instance, most buyers assume there's nothing anyone can do to battle rising workers compensation costs. Liberty Mutual customers know that's not the truth.

Liberty's answer to controlling workers compensation costs is a unique six-step program we call the Continuum of Care. An approach that better manages your claim costs. From pre-accident consulting to disability management, it uses proven methods to reduce or even eliminate costs.

How?

Liberty has over 80 years of experience gathered into one of the industry's most comprehensive databases. A powerful tool that has allowed Liberty to pioneer new loss prevention techniques and develop cost-effective treatment protocols for workplace injuries. With it, we're better able to identify what's a legitimate claim and what isn't.

The Continuum of Care will work for you regardless of the way you pay for your workers compensation costs. So there's no reason to surrender to the high cost of workers compensation. Call your Liberty Mutual office today. And find out more about Continuum of Care.

LIBERTY MUTUAL.

FACING THE ISSUES THAT FACE OUR CUSTOMERS

© Liberty Mutual Insurance Group/Boston, 1992.

Continued from page 16

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, development of risk management manuals, annual reports to management, drafting manuscript policy language, loss management including loss control and claims management, litigation support.

Occasional special projects: Accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management information system consulting.

Staff: 41 total; 33 professionals, including nine principal consultants, 24 consultants. Professional designations include 16 CPCUs, 12 ARMs, one CSP.

Clients: 550 total; 43% with risk and insurance budgets less than $1 million, 47% with $1 million to $4.9 million, 5% with $5 million to $9.9 million, 3% with $10 million to $24.9 million, 2% exceeding $25 million. Seven association clients. No minimum size client.

Compensation: By the hour: principal consultant, $158 to $300.

1992 gross revenues: $5.9 million total, all from risk management consulting.

Membership: SRMC.

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

Alderson Risk Management Inc.

7510 Maisons Court, Indianapolis, Ind. 46278; 317-875-5890; fax: 317-875-0078

Consulting since: 1990.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 20% audits, 20% special projects.

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

Occasional special projects: Risk retention analysis, captive feasibility studies, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies.

Staff: One total, a principal consultant.

Clients: 22 total; 10% with risk and insurance budgets less than $1 million, 90% with $1 million to $4.9 million. No minimum size client.

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

1992 gross revenues: $100,000 total, all from risk management consulting.

Membership: SRMC.

Officers: Frank C. Alderson president.

Aldrich & Cox Inc.

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

Consulting since: 1951.

Services: 70% of revenues from risk management consulting; including 50% continuous consulting, 10% audits, 10% special projects.

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

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

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

Staff: 14 total; nine professionals, all consultants. Professional designations include five CPCUs, three ARMs.

Clients: 70 total; 95% with risk and insurance budgets less than $1 million, 5% exceeding $25 million. No minimum size client.

Compensation: By the project, by the hour.

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 Division.

Contact: Charles H. Cox.

All Risks Ltd. Inc.

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

Consulting since: 1970.

Services: 100% of revenues from risk management consulting; including 30% continuous consulting, 10% audits, 60% special projects.

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

Occasional special projects: Assessment of broker service and remuneration.

Specialties: Public entities and pooling.

Locations: Alexandria, Va.

Staff: Two total; one professional, a principal consultant/analyst.

Clients: 20 total; 100% with risk and insurance budgets less than $1 million. No minimum size client.

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

Consulting since: 1973.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 10% audits, 30% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management aspects of the due diligence process prior to acquisitions.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Real estate, heavy manufacturing, heavy construction, distribution, import-export, hotels, service, banks.

Locations: Montreal.

Staff: 14 total; seven professionals, including five principal consultants, one consultant, one analyst. Professional designations include one CPCU.

Clients: 15% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 30% with $5 million to $9.9 million, 25% with $10 million to $24.9 million. No minimum size client.

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

Membership: SRMC.

Officers: Herbert Feldman, president; Frances Carleton, James Branigan, senior vps; Joseph Silverman, vp; Judith Scott, managing director-Canada.

American Risk Consultants Corp.

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

Consulting since: 1958.

Parent: International Risk Management Group.

Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 10% audits, 50% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, workers comp loss control program analysis and review, property and casualty loss control engineering, infrared thermographic surveys, loss cost containment and program design.

Occasional special projects: Environmental, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, risk management information system consulting, expert witness.

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

Staff: 95 total; 75 professionals. Professional designations include eight CPCUs, eight ARMs.

Clients: 316 total; 5% with risk and insurance budgets less than $1 million, 21% with $1 million to $4.9 million, 34% with $5 million to $9.9 million, 34% with $10 million to $24.9 million, 6% exceeding $25 million. 14 association clients. No minimum size client.

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

1992 gross revenues: $13 million total, all from risk management consulting.

Officers: William F. Nehls, chairman; Stephen C. Eldridge, president; Edward Holleran, president-Global Claims Services Corp.; J.S. Armstrong, Mike Lusk, senior vps.

American Risk Managers Inc.

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

Consulting since: 1979.

Services: 100% of revenues from risk management consulting; including 65% continuous consulting, 10% audits, 25% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, risk management organization studies, preparation of bidding specifications, risk management information system consulting.

Occasional special projects: Captive feasibility studies, assessment of broker service/remuneration, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness.

Locations: Tupelo, Miss.

Staff: 13 total; six professionals, including two principal consultants, four consultants. Professional designations include one CPCU, one ARM, one CIC.

Continued on next page

Continued from previous page

Clients: 110 total; 96% with risk and insurance budgets less than $1 million, 4% with $1 million to $4.9 million. Minimum size client, $50,000.

Compensation: On retainer; by the hour: principal consultant, $175.

1992 gross revenues: $754,000 total, all from risk management consulting.

Membership: SRMC.

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

Contact: Walter D. Haney.

American Risk Services Inc.

3033 Campus Drive, Suite A418, Minneapolis, Minn. 55441-2620; 612-559-7300; fax: 612-559-7640

Consulting since: 1979.

Services: 75% of revenues from risk management consulting; including 60% continuous consulting, 6% audits, 9% special projects.

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

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

Specialties: Hospitals, medical device manufacturers, nursing homes, non-profits.

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

Clients: 75% with risk and insurance budgets less than $1 million, 22% with $1 million to $4.9 million, 3% with $5 million to $9.9 million. Minimum size client, $150,000.

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

Officers: Mark T. Flaten, president; John R. Simacek, vp; Sharon K. Flaten, secretary/treasurer.

Anistics

1185 Avenue of the Americas, New York, N.Y. 10036; 212-238-1830; fax: 212-238-1040

Consulting since: 1970.

Parent: Alexander & Alexander Services Inc.

Services: 90% of revenues from risk management consulting; including 48% continuous consulting, 5% audits, 37% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, quantitative/statistical analysis and forecasting, risk management information system consulting.

Occasional special projects: Insurance contract analysis, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

Specialties: Global, health care, utility and energy related areas, manufacturing, transportation, public entities.

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

Staff: 103 total; 83 professionals.

Clients: 521 total. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $250 to $350.

Officers: Peter Densen, managing director; Deborah Durkin, Harry Shuford, Mary Villani, Gerard Van Der Gaag, global directors.

Contact: Shirley Loh, 212-238-1192.

Applied Risk Control Corp.

100 Dutch Hill Road, Suite 214, Orangeburg, N.Y. 10962; 914-365-2444; fax: 914-365-2478

Consulting since: 1985.

Services: 98% of revenues from risk management consulting; including 80% continuous consulting, 15% audits, 3% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management information system consulting, expert witness, educational seminars, loss management studies, organizational structure analysis.

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

Locations: Atlanta; Chicago; Los Angeles; Milwaukee.

Staff: 13 total; 10 professionals, including four principal consultants, three consultants, three analysts. Professional designations include one ARM, one CSP.

Clients: 100 total; 70% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 20% with $5 million to $9.9 million. One association client. No minimum size client.

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

Consulting since: 1984.

Services: 62% of revenues from risk management consulting; including 56% continuous consulting, 6% special projects.

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

Specialties: Captive insurance company use, group property/casualty insurance programs.

Staff: Two total; one professional, designations include CPCU, ARM.

Clients: Five total; 100% with risk and insurance budgets less than $1 million. One association client. No minimum size client.

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

Officers: Duane E. Allen, president.

Aptech Engineering Services Inc.

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

Consulting since: 1979.

Services: 50% of revenues from risk management consulting; including 15% continuous consulting, 35% special projects.

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 and aerospace industries.

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

Staff: 80 total; 60 professionals, including 15 principal consultants, 45 consultants.

Clients: 50 total; 15% with $5 million to $9.9 million, 30% with $10 million to $24.9 million, 55% exceeding $25 million. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $150 to $250.

1992 gross revenues: $7 million total, $3.5 million from risk management consulting.

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

Arlington Associates Inc.

1501 Lee Highway, Suite 102, Arlington, Va. 22209; 703-525-5240; fax: 703-525-5330.

Consulting since: 1990.

Services: 80% of revenues from risk management consulting; including 40% continuous consulting, 10% audits, 30% special projects.

Frequent special projects: Accounting systems analysis, risk management information system consulting.

Occasional special projects: Claims auditing, risk management organization studies, preparation of bidding specifications.

Specialties: Fortune 100 companies, third party administrators, large carriers, managed care provider networks—hospital and physician.

Staff: Three total, all principal consultants.

Clients: 40 total; 10% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 30% with $10 million to $24.9 million, 30% exceeding $25 million. Five association clients. No minimum size client.

Compensation: On retainer; by the hour: principal consultant, $85 to $140.

Membership: SRMC.

Officers: J. Christopher Walsh, owner/principal; Paul J. Frey, principal.

Contact: J. Christopher Walsh.

Armour Riley Inc.

6725 Airport Road, Suite 702, Mississauga, Ontario, Canada L4V 1V2; 416-672-0555; fax: 416-672-0270

Consulting since: 1972.

Services: 100% of revenues from risk management consulting; including 55% continuous consulting, 30% audits, 15% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications,

Occasional special projects: Risk retention analysis, claims auditing, environmental, loss prevention audits, loss settlement assistance, expert witness—litigation and governmental hearings, insurance studies for governmental agencies.

Specialties: Property development, construction, industrial and law firms engaged in insurance litigation.

Staff: Five total; professionals include one principal consultant, three consultants.

Clients: 80% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million, 5% with $5 million to $9.9 million. Minimum size client, $100,000.

Compensation: By the project; by the hour: principal consultant, $200 to $240.

Continued on next page

You learned the value of trust early. All of your life, you've tried to never let anyone down. So when it comes to recommending an employee benefit plan, you're especially careful. Because the companies you work with, and their employees, depend on you.

You've worked hard to earn people's trust. That's why you work harder to keep it.

At PM Group, we've always focused on helping businesses find cost effective, intelligent employee benefit solutions. And we have the expertise to meet your clients' specialized needs, through multiple managed care networks, prenatal care and education, innovative new dental plans and alternative funding mechanisms. And of course, we'll give you the service and dedication you'd expect from an A.M. Best A+ "Superior" company. If you'd like to know more about PM Group Life Insurance Company, call 1-800-733-7020 ext. 4246, or in Orange County, California, call 1-714-760-4246. When it comes to satisfying you and your clients, no one will work harder.

PM GROUP
A Pacific Mutual Company

When people depend on your choice.

Continued from previous page
1992 gross revenues: $400,000 total.
Membership: SRMC.
Officers: Peter Armour, president.

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

Consulting since: 1981.
Services: 70% of revenues from risk management consulting; including 49% continuous consulting, 21% special projects.
Frequent special projects: Preparation of bidding specifications.
Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, quantitative/statistical analysis and forecasting.
Specialties: Wholesale distribution, manufacturing, real estate.
Staff: Six total; three professionals, including one principal consultant, two consultants.
Clients: 55 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. Nine association clients. No minimum size client.
Compensation: By the hour: principal consultant, $135.
Membership: SRMC.
Officers: Robert K. Nelson, president; Charles N. Curcuro, vp.

Assured Risk Management Services
64 Division Ave., Suite 101, Levittown, N.Y. 11756; 800-624-2965; fax: 516-579-6108

Consulting since: 1988.
Services: 75% of revenues from risk management consulting; including 25% continuous consulting, 25% audits, 25% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Specialties: Contracting, transportation, real estate, energy, fuel, boating, manufacturing.
Staff: Six total; three professionals, including one principal consultant, two consultants. Professional designations include one CPCU.
Clients: Ten total; 100% with risk and insurance budgets less than $1 million. No minimum size client.
Compensation: By the project, on retainer, by the hour.
Officers: John J. Wenz, president.

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

Consulting since: 1966.
Parent: Alper Services Inc.
Services: 70% of revenues from risk management consulting; including 10% continuous consulting, 40% audits, 20% special projects.
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, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, expert witness.
Specialties: Manufacturers, metal and plastic job shops.
Staff: Eight total; six professionals, including two principal consultants, two consultants. Professional designations include one CPCU, two ARMs.
Clients: 100 total; 95% with risk and insurance budgets less than $1 million, 5% with $1 million to $4.9 million.
Compensation: By the project; on retainer; by the hour: principal consultant, $200.
1992 gross revenues: $550,000 total, $385,000 from risk management consulting.
Officers: Howard C. Alper, president/CEO; John F. Wheaton, executive vp/COO; Richard A. Swoik, vp.
Contact: Howard C. Alper.

WE DELIVER THE WORLD

- Over 600 worldwide locations
- 5,200 dedicated staff
- Information Technology—linked to form one cohesive global unit
- Stability through 120 years
- Total independence
- Flexibility – innovative services, tailored to meet individual needs

The Integrated Claims Management Program

GAB Robins

EUROPE, MIDDLE EAST, AFRICA & LATIN AMERICA
Robins
Davies House, 1-3 Sun Street,
London, EC2A 2BJ.
Contact: Roy Whelan/Ray Auckerman
Tel: 44 71-638-9481
Fax: 44 71-374-8298

NORTH AMERICA
GAB
Linden Plaza, 9 Campus Drive,
Parsippany, New Jersey 07054.
Contacts: Roger Eiler/John Kardos
Tel: 1-201-993 3738
Fax: 1-201-993-3205

ASIA PACIFIC
Robins
Suite 302, 156, Pacific Highway,
Greenwich, Sydney NSW 2065.
Contacts: John Moon/Colin Chinner
Tel: 61 (2) 934-5011
Fax: 61 (2) 934-5022

Emergency 24 hour telephone numbers: 44 81 763 3102/ 1-708-409-0380

B

Bahr Consultants Inc.
408 Cedar Bluff Road, Suite 354, Knoxville, Tenn. 37923; 615-694-6098; fax: 615-694-6099

Consulting since: 1988.
Services: 100% of revenues from risk management consulting; including 80% continuous consulting, 17% audits, 3% special projects.
Specialties: Financial institutions, utilities, municipalities, manufacturing.
Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations include two CPCUs, one ARM, one CIC.
Clients: 51 total; 100% with risk and insurance budgets less than $1 million. One association client. No minimum size client.
Compensation: On retainer; by the hour: principal consultant, $100 to $150.
1992 gross revenues: $150,000 total, all from risk management consulting.
Membership: SRMC.
Officers: W. Hank Bahr, president.

E.R. Bain Consultants Ltd.
106 Lakeshore Road E., Suite 204, Mississauga, Ontario, Canada L5G 1E3; 416-274-0078; fax: 416-274-3098

Consulting since: 1976.
Services: 95% of revenues from risk management consulting; including 80% continuous consulting, 10% audits, 5% special projects.
Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Specialties: Uranium industry.
Staff: Three total; two professionals, including one principal consultant, one consultant.
Clients: Seven total; 60% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million.
Compensation: By the project; on retainer; by the hour: principal consultant, $95 to $125.
1992 gross revenues: $450,000 total, $427,500 from risk management consulting.
Membership: SRMC.
Officers: E.R. Bain, president.

Becher & Carlson Risk Management Inc.
21700 Oxnard St., Suite 1800, Woodland Hills, Calif. 91367; 818-715-0800; fax: 818-407-5555

Consulting since: 1981.
Parent: American Re-Insurance Co.
Services: 25% of revenues from risk management consulting; including 15% continuous consulting, 10% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, mergers and acquisitions.
Occasional special projects: Environmental, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, expert witness.
Specialties: Large property/casualty risks.
Locations: Atlanta; Burlington, Vt.; Honolulu; Hamilton, Bermuda.
Staff: 45 total; 23 professionals, including seven principal consultants, 14 consultants, one actuary, one analyst. Professional designations include one CPCU, three ARMs, one CIC.
Compensation: By the project, on retainer, by the hour.
Officers: David L. Carlson, president/CEO; Robert W. Hessel, James J. Kofmehl Jr., senior vps; Robert L. Glicksteen, senior vp/CFO.

R.L. Beeckman & Co. Inc.
1523 Court St., P.O. Box 6700, Saginaw, Mich. 48608-6700; 517-791-4545; fax: 517-791-4714

Consulting since: 1986.
Services: 99% of revenues from risk

Continued on next page

Continued from previous page
management consulting; all continuous consulting.

Locations: Mishawaka, Ind.

Staff: 12 total; five professionals, including three principal consultants, two consultants. Professional designations include five CPCUs, four ARMs.

Clients: 100 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. No minimum size client.

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

1992 gross revenues: $700,000 total, $695,200 from risk management consulting.

Officers: Richard L. Beeckman, president.

Douglas Bell Associates Inc.

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

Consulting since: 1984.

Services: 100% of revenues from risk management consulting; including 95% continuous consulting, 2.5% audits, 2.5% special projects.

Frequent special projects: Insurance contract analysis, claims auditing, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Analysis of limits, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Staff: One total, a principal consultant.

Clients: 55% with risk and insurance budgets less than $1 million, 45% with $1 million to $4.9 million. No minimum size client.

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

Membership: SRMC.

Officers: Douglas Bell, chairman.

Max Bernstein Co.

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

Consulting since: 1986.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 30% audits, 10% special projects.

Frequent special projects: Risk retention analysis, insurance contract analysis, assessment of broker service/remuneration, 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, permanent part-time risk manager leasing program.

Specialties: Retail, manufacturing, financial services.

Staff: Four total; three professionals, including one principal consultant, two consultants. Professional designations include two CPCUs, one ARM.

Clients: 20% with risk and insurance budgets less than $1 million, 80% with $1 million to $4.9 million. Minimum size client, $250,000.

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

1992 gross revenues: $210,000 total, all from risk management consulting.

Officers: Max Bernstein, president.

Betterley Risk Consultants Inc.

10 Chestnut St., Worcester, Mass. 01608; 508-754-1704; fax: 508-752-9059

Consulting since: 1932.

Services: 85% of revenues from risk management consulting; including 30% continuous consulting, 20% audits, 35% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, claims management organizational studies, captive/risk retention group strategic planning, self-insurance group feasibility studies.

Occasional special projects: Loss prevention audits, accounting system analysis, loss settlement assistance.

Staff: 11 total; seven professionals, including four principal consultants, one consultant, two analysts. Professional designations include one CPCU, one ARM, two CICs.

Clients: 100 total; 20% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million, 35% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 10% exceeding $25 million. 15 association clients. No minimum size client.

Compensation: By the hour: principal consultant, $195 to $275.

1992 gross revenues: $1.7 million total, $1.4 million from risk management consulting.

Membership: SRMC.

Officers: Richard S. Betterley, president; Jane Y. Rastallis, William L. Granahan, Karin L. Reichin, senior consultants.

Blades, Macaulay, Crout & Myers

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

Consulting since: 1926.

Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 25% audits, 25% special projects.

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

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

Staff: Six total; four professionals, including two principal consultants, two consultants. Professional designations include two ARMs.

Clients: 30 total; 10% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 30% exceeding $25 million. Three association clients. No minimum size client.

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

Consulting since: 1895.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 15% audits, 10% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of bidding specifications, expert witness.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.

Staff: 11 total; eight professionals, including four principal consultants, four consultants. Professional designations include three CPCUs, two ARMs.

Clients: 225 total; 20% with risk and insurance budgets less than $1 million, 59% with $1 million to $4.9 million, 15% with $5 million to $9.9 million, 5% with $10 million to $24.9 million, 1% exceeding $25 million. One association client.

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; fax: 708-246-5225

Consulting since: 1986.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 20% audits, 5% special projects.

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

Occasional special projects: Environmental, loss prevention audits, assessment of broker service/remuneration.

Specialties: Financial institutions.

Staff: Two total; one professional.

Clients: 16 total; 100% with risk and insurance budgets less than $1 million. No minimum size client.

Compensation: On retainer; by the hour: principal consultant, $150.

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

Contact: James S. Brownlow Jr.

Larry W. Buck & Associates Inc.

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

Consulting since: 1977.

Services: 99% of revenues from risk management consulting; including 80% continuous consulting, 10% audits, 9% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, 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.

Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations include one ARM.

Clients: 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million.

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

Consulting since: 1976.

Services: 90% of revenues from risk management consulting; including 10% continuous consulting, 80% special projects.

Frequent special projects: Loss prevention audits; loss settlement assistance; preparation of bidding specifications; fire alarm design, testing, and consulting; design of sprinkler systems.

Occasional special projects: Risk management information system consulting, expert witness.

Staff: Three total, all professionals, including one principal consultant, two consultants.

Clients: 10% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 40% with $10 million to $24.9 million, 20% exceeding $25 million. No minimum size client.

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

Contact: Ken Buhler, president.

Burlington Environmental Inc.- Technical Services Division

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

Consulting since: 1975.

Parent: Burlington Environmental Inc.

Services: 84% of revenues from risk management consulting, all from special projects.

Frequent special projects: Captive feasibility studies, environmental, loss prevention audits, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, remedial investigations, remedial design.

Occasional special projects: Loss settlement assistance, risk management information system consulting.

Specialties: Oil/gas, chemical, manufacturing, schools, utilities, transportation, electronics.

Locations: Houston; Pittsburgh, Pa.; Seattle, Wash.

Staff: 220 total; 50 professionals, including 10 principal consultants, 40 consultants.

Clients: 250 total; 10% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 40% exceeding $25 million. 15 association clients. Minimum size client, $25,000.

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

1992 gross revenues: $26 million total, $21.8 million from risk management consulting.

Officers: John Craig, president; Roger Nelson, Michael Brochu, Mike Keller, senior vps; Gary Mathes, vp.

C

CGR

455 St-Antoine West, Suite 310, Montreal, Quebec, Canada H3C 3R6; 514-392-1253

Consulting since: 1988.

Services: 95% of revenues from risk management consulting; including 47.5% continuous consulting, 28.5% audits, 19% special projects.

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

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, accounting systems analysis, quantitative/statistical analysis and forecasting, risk management information system consulting.

Staff: Two total; one principal consultant, one consultant.

Clients: Six total; 30% with risk and insurance budgets less than $1 million, 60% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Minimum size client, $200,000.

Compensation: By the project; on retainer; by the hour: principal consultant, $175 to $200.

Officers: Andre Goyette, president.

CTA Inc.

7150 Campus Drive, Suite 100, Colorado Springs, Colo. 80920; 719-590-5100; fax: 719-590-5198

Consulting since: 1988.

Services: 15% of revenues from risk management consulting; including 5% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Loss prevention audits, risk management organization studies, preparation of bidding specifications, risk management information system consulting.

Continued on next page

First We Listen.

AMERICAN INSURANCE MANAGERS, INC.

MEDICAL STOP LOSS

Your needs are unique. By asking the right questions, we can realistically assess those needs and objectives.

Make the Call...

AIM's Medical Stop Loss Division has built a solid reputation through our ability to listen and respond with innovative solutions for our clients.

We'll Listen.

1-800-888-2464

FAX 1-404-980-1706

AMERICAN INSURANCE MANAGERS

P.O. Box 725247

Atlanta, Georgia 30339-9247

Continued from previous page

Occasional special projects: Risk retention analysis, analysis of limits, accounting systems analysis, quantitative/statistical analysis and forecasting, expert witness.

Locations: Rockville, Md.; San Antonio, Texas.

Staff: 1,200 total; 40 professionals.

Clients: Five total; 100% exceeding $25 million. No minimum size client.

Compensation: By the project.

Officers: C.E. Verez, B.A. Claussen, Greg Wasmu, Marty Tihland, Ray McMillan.

Cantor & Co.

9100 Wilshire Blvd., Suite 445, East Tower, Beverly Hills, Calif. 90210; 310-859-7277; fax: 310-859-7415

Consulting since: 1982.

Services: 20% of revenues from risk management consulting.

Frequent special projects: Quantitative/statistical analysis and forecasting, risk management information system consulting.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, preparation of bidding specifications, risk management computer seminars.

Staff: Six total; five professionals, including one principal consultant, one consultant, three analysts.

Clients: 95 total; 10% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million, 25% with $5 million to $9.9 million, 25% with $10 million to $24.9 million, 15% exceeding $25 million.

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

Officers: Alan B. Cantor, president.

Capell Industrial Risk Management Inc.

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

Consulting since: 1978.

Services: 85% of revenues from risk management consulting; including 75% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, risk management information system consulting, analysis of prior liability policies-environmental coverage.

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

Specialties: Paint, coatings, adhesives, sealants, specialty chemicals, plastics, real estate developers/construction.

Staff: Four total; one professional, a principal consultant.

Clients: 64 total; 85% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million. Two association clients. No minimum size client.

Compensation: By the project; commissions; on retainer; by the hour: principal consultant, $165.

1992 gross revenues: $590,000 total, $500,000 from risk management consulting.

Officers: James W. Capell, president.

Wayne E. Carlson

308 N. Curry, Suite 205, Carson City, Nev. 89703; 702-883-7863; fax: 702-883-7398

Consulting since: 1985.

Services: 100% of revenues from risk management consulting; including 80% continuous consulting, 20% special projects.

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

Occasional special projects: Risk retention analysis, analysis of limits, loss prevention audits.

Specialties: Public entities.

Staff: One total, a principal consultant. Professional designations include CPCU, ARM.

Clients: Nine total; 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million. One association client. No minimum size client.

Compensation: On retainer; by the hour: principal consultant, $85.

Officers: Wayne E. Carlson, president.

Caronia Corp.

Corporate Center, 395 N. Service Road, Suite 200, Melville, N.Y. 11747; 516-845-5000 or 800-227-6642; fax: 516-845-5001

Consulting since: 1972.

Services: 38% of revenues from risk management consulting; including 5% continuous consulting, 18% audits, 15% special projects.

Frequent special projects: Risk retention analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, risk management information system consulting.

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

Specialties: All types of self-insured business including health care providers, product manufacturers and major corporations.

Locations: Albany, N.Y.; Atlanta; Boston; Chicago; Dallas; Denver; Greenville, S.C.; Houston; Louisville, Ky.; Miami; Montgomery, Ala.; Nashville, Tenn.; Newport Beach, Calif.; New Orleans; San Diego; San Francisco; Santa Monica, Calif.; St. Louis; Tampa, Fla.; Washington.

Staff: 202 total; 63 professionals, all consultants. Professional designations include four CPCUs, five ARMs.

Clients: 154 total; 50% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 10% exceeding $25 million. 11 association clients. No minimum size client.

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

1992 gross revenues: $4.4 million from risk management consulting.

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

Casualty Actuarial Consultants Inc.

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

Consulting since: 1989.

Services: 100% of revenues from risk management consulting; all special projects.

Frequent special projects: Risk retention analysis, accounting systems analysis, quantitative/statistical analysis and forecasting, loss reserve certifications.

Occasional special projects: Captive feasibility studies, analysis of limits, risk management information system consulting, expert witness, letter of credit negotiations.

Specialties: Individual and group self insurers, government entities, small insurance companies.

Staff: Six total, all actuaries. Professional designations include two ACASs.

Clients: 60 total; 17% with risk and insurance budgets less than $1 million, 18% with $1 million to $4.9 million, 42% with $5 million to $9.9 million, 17% with $10 million to $24.9 million, 6% exceeding $25 million. 40 association clients. No minimum size client.

Compensation: By the project; by the hour: principal actuary, $175-$225.

Officers: J. Edward Costner, president; Lisa N. Dennison, vp; Jeffrey T. Mathis, assistant vp; Perry K. Wooley, Jeffrey S. McSweeney, assistant actuaries.

Contact: J. Edward Costner.

Charlesworth & Associates

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

Consulting since: 1977.

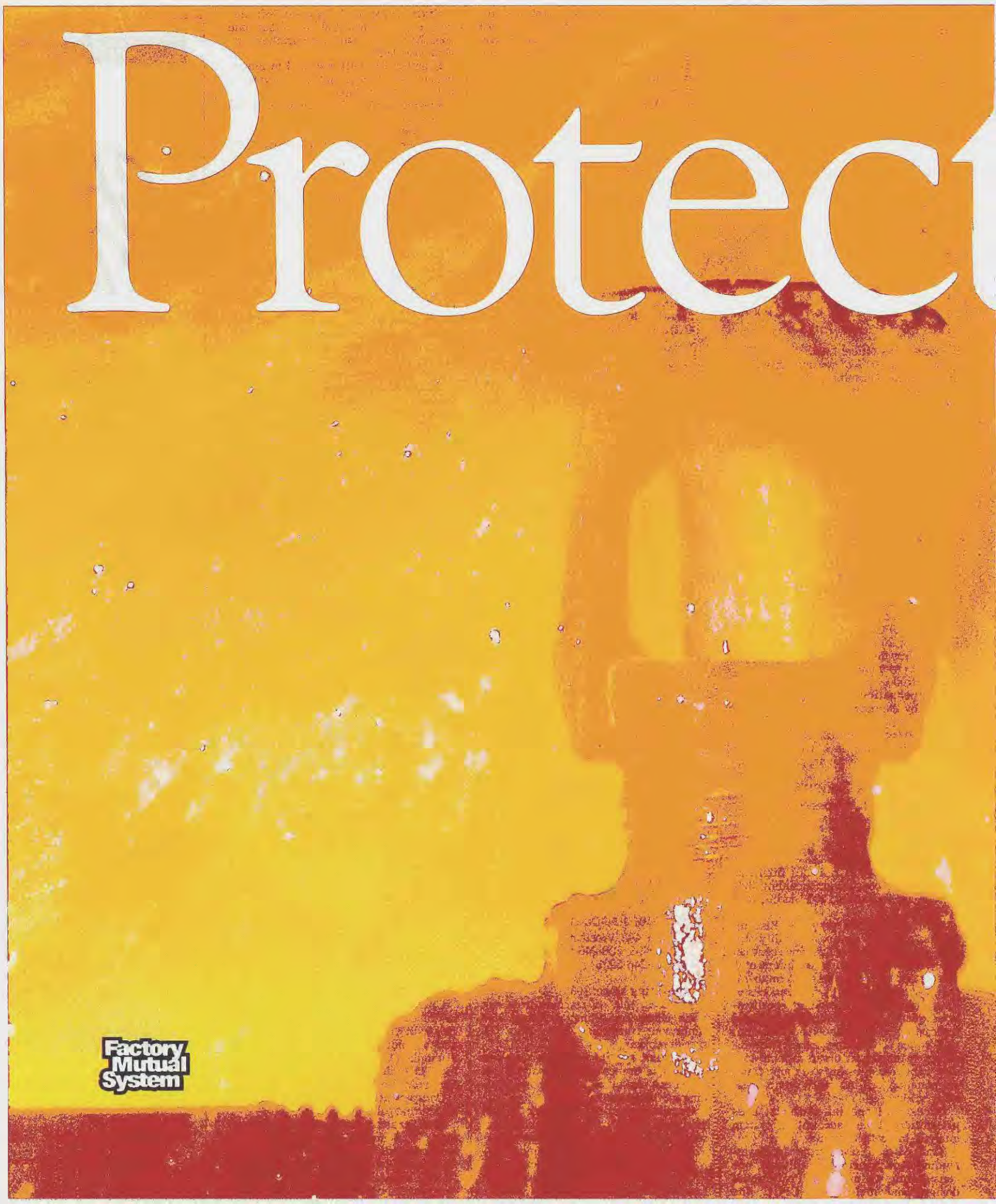
Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 30% audits, 20% special projects.

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

Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, risk management information system consulting.

Specialties: Hospitals, municipalities,

Continued on next page



Continued from previous page
schools, manufacturing.

Staff: Five total; three professionals, including one principal consultant, one consultant, one analyst. Professional designations include one CPCU, two ARMs.

Clients: 60 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $75.

Officers: Art Charlesworth, Bob Charlesworth, James Charlesworth.

CitySide Associates Inc.

180 S. Gannon Ave., Staten Island, N.Y. 10314; 718-494-5786; fax: 718-761-0378

Consulting since: 1981.

Services: 85% of revenues from risk management consulting; including 75% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, assessment of broker service/remuneration, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Occasional special projects: Insurance contract analysis, environmental, loss prevention audits, accounting systems analysis, risk management organization studies, preparation of bidding specifications.

Specialties: Hospitals.

Staff: Six total; three professionals, including one principal consultant, two consultants. Professional designations include one ARM, two FCASs.

Clients: Nine total; 90% with $1 million to $4.9 million, 10% with $5 million to $9.9 million.

Compensation: By the project, on retainer.

Membership: SRMC.

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

C.P. Comerford & Co.

Tower Hill Road, Sanbornton, N.H. 03269; 603-286-8457; fax: 603-634-1590

Consulting since: 1982.

Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Marketing assistance with placement of financial institution bonds, directors and officers liability, mortgage impairment.

Occasional special projects: Insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.

Specialties: Financial institutions.

Staff: Two total; one professional, a principal consultant.

Clients: 35% with risk and insurance budgets less than $1 million, 65% with $1 million to $4.9 million. No minimum size client.

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

Officers: Charles P. Comerford, president.

Commercial Insurance Alternatives

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

Consulting since: 1985.

Services: 100% of revenues from risk management consulting; including 85% continuous consulting, 5% audits, 10% special projects.

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, assessment of broker service/remuneration, risk management organization studies, risk management information system consulting.

Specialties: Taxicab industry, physicians, hot air balloons, hospices.

Staff: Eight total; two professionals, including one principal consultant, one consultant. Professional designations include one CPCU, one ARM.

Clients: Six total; 25% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million, 25% with $5 million to $9.9 million. No minimum size client.

Compensation: By the project, on retainer.

1992 gross revenues: $740,000 total, all from risk management consulting.

Officers: E. Richard Crebs, president/CEO; Andrea Solari, CFO; Denae Olmsted, vp.

Commercial Risk Consultants Inc.

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

Consulting since: 1979.

Services: 90% of revenues from risk management consulting; including 70% continuous consulting, 10% audits, 10% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, 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, risk management information system consulting.

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

Locations: Richmond, Va.

Staff: Seven total; five professionals, including two principal consultants, one consultant, two analysts. Professional designations include three CPCUs, two ARMs, one CSP.

Clients: 41 total; 80% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million, 5% with $5 million to $9.9 million. Minimum size client, $100,000.

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

Membership: SRMC.

Officers: John W. Newby, president; Richard F. O'Hare, vp.

Commonwealth Risk Management Inc.

P.O. Box 834, Montpelier, Vt. 05601-0834; 802-229-5000 or 800-369-8483; fax: 802-229-2715

Consulting since: 1987.

Services: 50% of revenues from risk management consulting; including 15% continuous consulting, 10% audits, 25% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, self-insured reserve funding level studies—start-up and continuing.

Occasional special projects: Environmental, loss prevention audits, risk management information system consulting.

Specialties: Automotive dealers, aviation, manufacturing, marine, mental health facilities, hotels, retailers, real estate, energy.

Locations: Long Island, N.Y.

Staff: Seven total; four professionals, including principal consultants, consultants, actuaries. Professional designations include CPCUs, FCASs.

Clients: 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million.

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

Officers: Peter D. Sanger, president.

The Compass Co. Inc.

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

Consulting since: 1984.

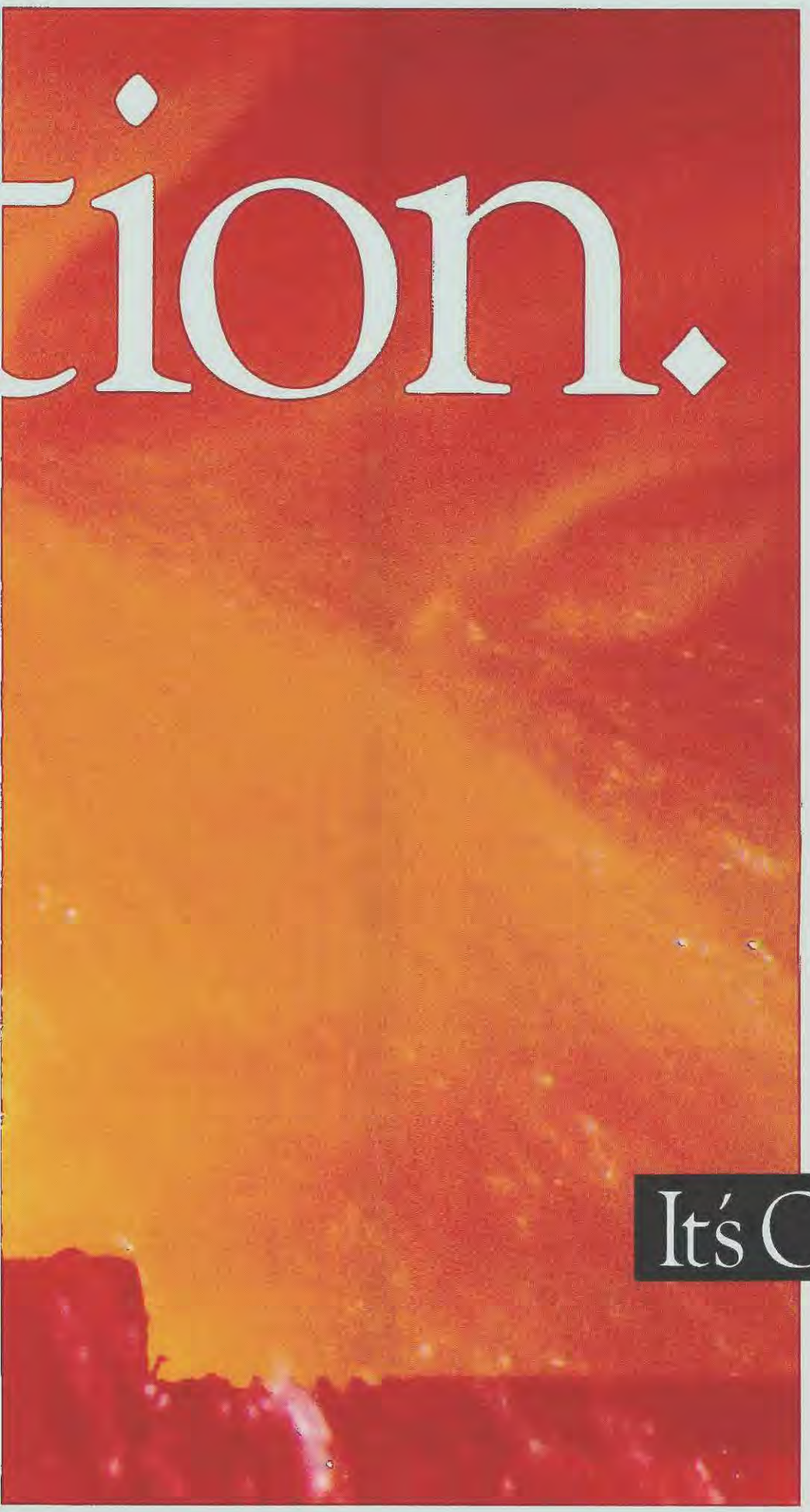
Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 20% audits, 30% special projects.

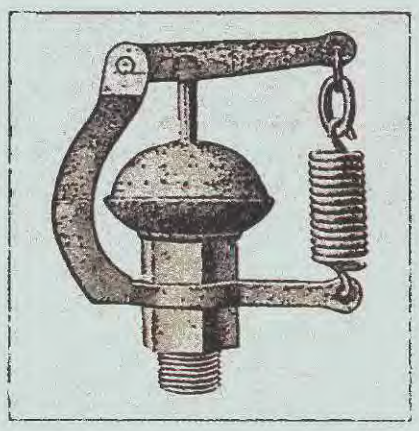
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, risk management information system consulting.

Specialties: Construction/development, retirement communities, higher

Continued on next page





Since the late 1870s, the automatic sprinkler has provided basic fire protection support for industry. Although the fundamental design of the automatic sprinkler is simple, the facilities it protects have become increasingly complex.

Through the research capabilities of the Factory Mutual Engineering & Research Corporation, Protection Mutual serves the needs of business by pioneering improved sprinkler designs.

This commitment to superior facility protection provides Protection Mutual insureds with an extraordinary insurance value. Protection Mutual combines engineering expertise with insurance to protect the world's leading organizations.

It comes down to one word . . . Protection.

With physical and financial protection, we will secure the future of your business.

It's Our Word.

Protection Mutual

Part of the Factory Mutual System

300 South Northwest Highway
Park Ridge, Illinois 60068 708.825.4474

Continued from previous page

education, not-for-profit organizations, errors and omissions liability, directors and officers liability, workers comp.

Staff: Two total; one principal consultant. Professional designations include CPCU, ARM.

Clients: 20% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million, 30% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 5% exceeding $25 million. Three association clients. No minimum size client.

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

Consulting since: 1991.

Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 20% audits, 30% special projects.

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

Occasional special projects: Claims auditing, risk management information system consulting.

Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations include two ARMs, two CSPs.

Clients: 12 total; 20% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million, 30% with $5 million to $9.9 million. One association client. Minimum size client, $250,000.

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

Officers: Philip E. Goldsmith, president.

Compu-Weather Experts

P.O. Box 1122, Flushing, N.Y. 11354; 718-961-4242; fax: 718-353-1575

Consulting since: 1989.

Frequent special projects: Insurance contract analysis, environmental, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, loss prevention audits, risk management organization studies, risk management information system consulting.

Specialties: Film and entertainment, legal, municipalities, government.

Staff: 25 total; eight professionals, including three principal consultants, five consultants.

Clients: 73% with insurance budgets less than $1 million, 27% with $1 million to $4.9 million. 50 association clients. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $125 to $150.

Officers: Jeff Wimmer, general manager; Peter Muldavin, vp-sales/marketing.

Confirm Inc.

111 B Green St., P.O. Box 265, Albany, N.Y. 12201; 518-426-9301; fax: 518-426-9298

Consulting since: 1989.

Services: 98% of revenues from risk management consulting; including 40% continuous consulting, 10% audits, 48% special projects.

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

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

Specialties: Public entities, health facilities.

Staff: Three total, all professionals, including two principal consultants, one consultant. Professional designations include two CPCUs, one ARM, one CSP.

Clients: 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. 15 association clients. Minimum size client, $50,000.

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

Membership: SRMC.

Officers: James P. Faughnan Jr., president; Charles H. Cornish, vp; Paul J. Czesak, director-engineering service.

Coopers & Lybrand

1301 Avenue of the Americas, New York, N.Y. 10019; 212-259-1000; fax: 212-259-1331

Consulting since: 1979.

Services: 50% of revenues from risk management consulting; including 10% continuous consulting, 20% audits, 20% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, insurance litigation services.

Occasional special projects: Environmental, loss prevention audits, risk management information system consulting.

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

Locations: Atlanta; Boston; Chicago; Los Angeles; Parsippany, N.J.; Philadelphia; San Francisco; Seattle; Hamilton, Bermuda; London; Melbourne and Sydney, Australia; Toronto.

Staff: 141 total; 121 professionals, including 48 principal consultants, 35 consultants, 50 actuaries, 38 analysts. Professional designations include eight CPCUs, 11 ARMs, 34 FCASs, 16 ACASs, one CIC.

Clients: 5% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million, 35% with $5 million to $9.9 million; 30% with $10 million to $24.9 million, 5% exceeding $25 million. No minimum size client.

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

1992 gross revenues: $18.9 million total, $9.4 million from risk management consulting.

Membership: SRMC.

Officers: Frederick O. Kist, managing partner; Orin M. Linden, Terrence M. O'Brien, partners; Cathy L. McKeon, Michael R. Vogler, directors.

Copper Roof Management Inc.

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

Consulting since: 1982.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 10% audits, 30% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, risk management organiza-

Continued on page 26

AVIATION PRODUCTS LIABILITY

COMPANY FORCED TO LIQUIDATE IN ORDER TO COVER COST OF NUT.

AN ENGINE ON AN AIRLINE'S TEST STAND BURST INTO A $1,000,000 FIRE. CAUSE: A DEFECTIVE NUT IN A FUEL NOZZLE. THE NUT MANUFACTURER WAS UNINSURED, AND HAD TO SELL THE BUSINESS TO PAY THE JUDGMENT. IT'S AN EXPENSIVE FALLACY TO THINK THAT BY HAVING LITTLE-TO-NO INVOLVEMENT WITH AVIATION, OR BY BEING CONSCIENTIOUS, OR BY HAVING NOTHING TO DO AT ALL WITH MANUFACTURING AIRCRAFT YOU WILL HAVE NO EXPOSURE TO AVIATION PRODUCTS LIABILITY CLAIMS. AAU KNOWS THE RISKS YOU FACE AND HOW TO PROTECT YOU BY EXPERT UNDERWRITING, LOSS PREVENTION PLANS, RESOURCEFUL LEGAL AND CLAIMS SUPPORT. IN SHORT, THE RIGHT INSURANCE WITH THE RIGHT PEOPLE. ASSOCIATED AVIATION UNDERWRITERS. YOU DON'T HAVE TO BUILD AIRPLANES TO NEED AVIATION PRODUCTS LIABILITY PROTECTION.

AAU! *Raising Your Expectations*

FOCUSING ON SOLUTIONS

MINET

GLOBAL RISK MANAGEMENT SPECIALISTS

In a world of generalists, Minet is a specialist. We focus on the most complex risk management issues for the most demanding industries and professions — major industrial corporations, financial services, energy, law, accounting, design, architecture, advertising and management consulting. Each of these businesses and professions requires unique coverages, extraordinary capacities, and cost-effective solutions for tough, industry-specific problems. Our distinguished team of risk management specialists understands these needs and can respond to them easily because they have worked in these businesses as risk managers, executives, and professionals. This first-hand understanding enables us to spot potential pitfalls and construct the appropriate safety nets better than other brokers. Risk managers the world over depend on Minet's foresight and full range of services to help take the worry out of managing risk. Whether it's a coverage design, exposure analysis or loss control program, our specialists create innovative, custom-tailored solutions that are not available or known to other brokers. Minet's place among the world's top 10 insurance brokers and risk management consultants is the result of a singular history of close, client-driven relationships, many of which have existed for over 40 years. These relationships have flourished because Minet consistently provides each client with specialized knowledge, competitive terms and conditions, and global resources that add security and value to risk management programs. It's clear why Minet is a respected name in insurance broking—we see further and do more for clients. If you could benefit from a sharper focus on your risk management and insurance needs, call Nancy Oblinger in our New York office at 212-455-8303.

Minet

THE SPECIALTY BROKER

Minet • 220 East 42nd Street • New York, NY 10017 • 212-297-9000

Atlanta • Calgary • Hamilton • Houston • London • Los Angeles • Montreal • New York City • Paramus • San Francisco • Toronto • And 125 cities worldwide

Continued from page 24

tion studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, public sector risk assessment.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss settlement assistance, risk management information system consulting, expert witness.

Specialties: Public sector, municipal risk, transportation.

Locations: Kirkland, Wash.

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

Clients: 60% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million.

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

Membership: SRMC.

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

Corporate Advisors Inc.

910 Skokie Blvd., Suite 204, Northbrook, Ill. 60062; 708-564-5820

Consulting since: 1970.

Services: 60% of revenues from risk management consulting; including 5% continuous consulting, 5% audits, 50% special projects.

Frequent special projects: Captive feasibility studies, analysis of limits.

Occasional special projects: Risk retention analysis, insurance contract analysis, claims auditing, environmental, loss prevention audits, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.

Specialties: Railroad, fire protection, pharmaceutical, chemical.

Staff: Three total; two professionals, including one principal consultant, one consultant.

Clients: 20% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 40% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 10% exceeding $25 million. No minimum size client.

Compensation: By the project; commissions; by the hour: principal consultant, $150 to $225.

1992 gross revenues: $150,000 total.

Officers: Louis W. Biegler, president.

Corporate Financial Management Inc.

751 River Road, Yardley, Pa. 19067; 215-295-7213; fax: 215-321-3669

Consulting since: 1990.

Services: 60% of revenues from risk management consulting; including 20% continuous consulting, 20% audits, 20% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, environmental, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, expert witness.

Occasional special projects: Claims auditing, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Environmental, transportation, financial services, health care, consumer and industrial products.

Staff: Three total; professionals include two principal consultants. Professional designations include one ARM.

Clients: No minimum size client.

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

Officers: Helen R. Bosley, president; Katherine J. O'Neill, vp.

Corporate Policyholders Counsel Inc.

1460 Renaissance Drive, Park Ridge, Ill. 60068; 708-298-1770; fax: 708-298-3458

Consulting since: 1898.

Services: 100% of revenues from risk management consulting; including 30% continuous consulting, 45% audits, 25% special projects.

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, assessment of broker service/remuneration, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting.

Staff: Six total; four professionals, including three principal consultants, one analyst. Professional designations include one CPCU, one ARM.

Clients: 90 total; 40% with risk and insurance budgets less than $1 million, 45% with $1 million to $4.9 million, 5% with $5 million to $9.9 million, 5% with $10 million to $24.9 million, 5% exceeding $25 million. No minimum size client.

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

Officers: Ronald E. Seaver, chairman/president/treasurer; Laurie F. Filipinski, vp/secretary/office manager.

Corporate Risk Consultants

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

Parent: Meadowbrook Inc.

Services: 71% of revenues from risk management consulting; including 63% continuous consulting, 1% audits, 7% special projects.

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

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

Specialties: Group/association programs, public entity pools, risk retention groups, workers comp programs.

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

Staff: 18 total; five professionals, including two principal consultants, one consultant, two analysts. Professional designations include five CPCUs, two ARMs, one CIC.

Clients: 39 total; 26% with risk and insurance budgets less than $1 million, 51% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 3% exceeding $25 million. 39 association clients. Minimum size client, $750 million.

Compensation: By the project; by the hour: principal consultant, $100 to $200.

1992 gross revenues: $1.4 million total, $1 million from risk management consulting.

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

Corporate Risk Management Inc.

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

Consulting since: 1978.

Services: 50% of revenues from risk management consulting; including 26% continuous consulting, 14% audits, 10% special projects.

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

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.

Staff: Seven total, including two principal consultants, one consultant, one analyst. Professional designations include one CPCU, one ARM, one CIC.

Clients: 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million. No minimum size client.

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

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

Contact: Robert A. Wilson.

Corporate Risk Management Inc.

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

Consulting since: 1978.

Services: 75% of revenues from risk management consulting; including 50% continuous consulting, 15% audits, 10% special projects.

Continued on next page

IF YOU WANT TO SAVE MILLIONS LIKE THESE RISK MANAGERS,

© 1993 Lumbermens Mutual Casualty Company

Continued from previous page

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, environmental, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Warehousing, real estate, manufacturing, financial.

Staff: Five total; four professionals, including two principal consultants, one consultant, one analyst. Professional designations include one CPCU, two ARMs.

Clients: 30 total; 75% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million. Two association clients. No minimum size client.

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

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

Corporate Risk Managers Inc.

7525 Office Ridge Circle, Eden Prairie, Minn. 55344; 612-944-0474; fax: 612-944-0607

Consulting since: 1974.

Services: 100% of revenues from risk management consulting; including 96% continuous consulting, 3% audits, 1% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management information system consulting, expert witness, complete risk and insurance management services for all lines of insurance.

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

Staff: Five total; professionals include three principal consultants, one consultant. Professional designations include one CPCU, one CSP.

Clients: 91% with risk and insurance budgets less than $1 million, 6% with $1 million to $4.9 million, 3% with $10 million to $24.9 million. One association client. Minimum size client, $20,000.

Compensation: On retainer, by the hour.

Officers: Burdell R. Wessels, president; Brian G. Colway, assistant vp.

Crain, Langner & Co.

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

Consulting since: 1939.

Services: 95% of revenues from risk management consulting; including 70% continuous consulting, 20% audits, 5% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, preparation of bidding specifications, expert witness.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, insurance archeology.

Specialties: Health care, governmental, manufacturers, financial, institutions, contractors, developers.

Staff: Five total; three professionals, all principal consultants. Professional designations include three CPCUs, two ARMs.

Clients: 110 total; 90% with risk and insurance budgets less than $1 million, 8% with $1 million to $4.9 million, 1% with $5 million to $9.9 million, 1% exceeding $25 million. Two association clients. No minimum size client.

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

Membership: SRMC.

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

YOU'RE IN GOOD 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.

Kemper's special cost containment programs have saved up to 40 percent for companies like Bell & Howell, British Airways, Frito-Lay, Pepsi-Cola, Pizza Hut, Rubbermaid and Wendy's -- without sacrificing quality health care.

And with similar cost-effective Kemper programs, you could save big money too, even if you're not a big company.

What's more, you can see your savings in a customized Client Savings Analysis, four times a year.

You see, at Kemper, we don't just talk about saving money on workers' comp.

We give you proof.

Kemper National Insurance Companies

FOLLOW THE LEADER.

For more information, contact your independent insurance agent or broker who represents Kemper.

Creative Risk Concepts International (CRC)

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

Consulting since: 1985.

Services: 100% of revenues from risk management consulting; including 1% continuous consulting, 29% audits, 70% special projects.

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

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

Staff: One total, a principal consultant. Professional designations include CPCU, ARM.

Clients: 30 total; 10% with risk and insurance budgets less than $1 million, 60% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 10% with $10 million to $24.9 million. No minimum size client.

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

1992 gross revenues: $100,000 total, all from risk management consulting.

Membership: SRMC.

Officers: Donn P. McVeigh, managing director.

Crouch Insurance Consulting Inc.

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

Consulting since: 1982.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 10% audits, 30% special projects.

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, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Multi-housing management/owners, manufacturing, contracting, wholesale/retail.

Staff: Four total; two professionals, including one principal consultant, one analyst. Professional designations include one CPCU, two CICs.

Clients: 50 total; 98% with risk and insurance budgets less than $1 million, 2% with $1 million to $4.9 million. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $150 to $450.

1992 gross revenues: $639,801 total, all from risk management consulting.

Officers: Gregory K. Crouch, president.

Robert M. Currey & Associates Inc.

478 Commonwealth Ave., Boston, Mass. 02215; 617-262-5100; fax: 617-859-7883

Consulting since: 1982.

Services: 93% of revenues from risk management consulting; including 60% continuous consulting, 15% audits, 18% special projects.

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

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

Staff: 11 total; seven professionals, including four principal consultants, three consultants. Professional designations include three CPCUs, two ARMs, one CSP, one CIC.

Clients: 68 total; 25% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 30% with $5 million to $9.9 million, 5% with $10 million to $24.9 million, 5% exceeding $25 million. Three association clients. No minimum size client.

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

Continued on next page

APPLICATIONS FOR THE HAROLD JACKSON SCHOLARSHIP ARE BEING ACCEPTED BY THE COLLEGE OF INSURANCE

The College of Insurance and the American Institute of Marine Underwriters announced that applications for the Harold Jackson Scholarship for the study of ocean marine insurance in London are being accepted by the College. The scholarship, provided for under the will of the late Harold Jackson, former president of Wm. H. McGee & Company Inc. is awarded on a competitive basis.

The scholarship consists of round trip transportation, full tuition for a course of study selected by the successful applicant, housing costs and a stipend for living costs and miscellaneous expenses.

To obtain further information and an application contact: **Margaret Montano, Business Manager, The College of Insurance, 101 Murray Street, New York, NY 1007.** Applications deadline May 30, 1993.

The College of Insurance is accredited by the Middle States Association of Colleges and Schools and is chartered by the New York State Department of Education.

Continued from previous page

Officers: Robert M. Currey, president; Sharon S. Mohney, senior vp; Kathleen M. Nickerson, vp; D. Christopher Page, assistant vp.

Curtner Risk Management

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

Consulting since: 1984.
Services: 95% of revenues from risk management consulting; including 55% continuous consulting, 20% audits, 20% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, environmental, loss prevention audits, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.
Occasional special projects: Captive feasibility studies, claims auditing, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Specialties: Cable television, policy archeology, energy, auto dealerships.
Staff: Two total, both professionals, one principal consultant, one analyst. Professional designations include one ARM.
Clients: Nine total; 50% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. No minimum size client.
Compensation: By the project; by the hour: principal consultant, $85 to $110.
Membership: SRMC.
Officers: Walter R. Curtner, president.

D

Davidson, MacKinnon & Co.

601 California St., Suite 1106, San Francisco, Calif. 94108; 413-397-1300; fax: 415-989-6218

Consulting since: 1990.
Services: 80% of revenues from risk management consulting, all from special projects.
Frequent special projects: Consulting on legal cost control, legal bill audits.
Specialties: Insurance companies, government agencies, manufacturing companies, financial institutions.
Clients: 215 total. No minimum size client.
Compensation: By the project, by the hour.
Officers: William Retzer, CEO; Robert Davidson, president; Mary Clark, Jeffrey Malloy, vps.
Contact: William Kobler.

Deloitte & Touche-Risk Management Consulting Services Division

2001 Bryan Tower, Suite 2400, Dallas, Texas 75201; 214-220-8000; fax: 214-220-8859

Consulting since: 1978.
Services: 100% of revenues from risk management consulting; including 30% continuous consulting, 20% audits, 50% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, business interruption/physical damage claims, disaster recovery planning.
Occasional special projects: Environmental, loss prevention audits.
Specialties: Energy, chemical, retail, financial institutions, health care, public sector, manufacturing, insurance.
Locations: Chicago; Denver; Hartford, Conn.; Houston; Los Angeles; Minneapolis; New York; Newark, N.J.; Portland, Ore.; Washington; Calgary, Alberta; Toronto; Vancouver, British Columbia.
Staff: 77 total; 65 professionals, including 25 principal consultants, 25 consultants, 10 actuaries, five analysts. Professional designations include two CPCUs, one ARM, seven FCASs, two ACASs.
Clients: 500 total; 15% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million, 30% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 20% exceeding $25 million. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $275 to $375.
1992 gross revenues: $13.3 million total, all from risk management consulting.
Officers: William D. O'Connell, Mark J. Sobel, Vincent C. Cali, Jan A. Lommele, Larry Moeller, principals/partners; Mark Charron, David Tweedy, Ed Pouzar, David Stulb, Don Wilks, Harvey Michaels, senior managers.

Dempsey, Myers & Co.

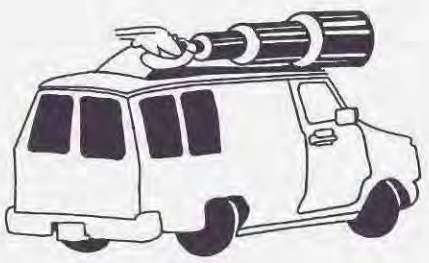
426 Danbury Road, Wilton, Conn. 06897; 203-762-5052; fax: 203-762-0595

Consulting since: 1982.
Services: 100% of revenues from risk management consulting; including 100% special projects.
Frequent special projects: Loss settlement assistance.
Staff: Five total, all professionals, including two principal consultants, three

Continued on page 30

Why do Claims Handlers call this Surveillance Expert?

Because InPhoto's president, Bill Kizorek, is an expert at uncovering fraudulent or exaggerated personal injury claims. He has written four books on claims investigation and surveillance. InPhoto Surveillance has full-time investigators located within a three hour drive of 80% of the U.S. population. For the brochure "The Strategies and Legalities of Video Surveillance", contact Michelle Cavanagh or fax InPhoto on your company letterhead.



InPhoto Surveillance

800-822-8220
FAX 800-752-0720

Feeling lonely? We are there, if you need us.

HANNOVER Re/EISEN UND STAHL Re
Karl-Wiechert-Allee 50 · D-3000 Hannover 61 · Germany
Telephone (5 11) 56 04-0 · Fax (5 11) 56 04-1 88

Continued from page 28
analysts.

Clients: 30 total; 25% with risk and insurance budgets of $5 million to $9.9 million, 25% with $10 million to $24.9 million, 50% exceeding $25 million. No minimum size client.

Compensation: By the hour: principal consultant, $135.

1992 gross revenues: $750,000 total, all from risk management consulting.

Officers: John D. Dempsey; William L. Myers.

Devine & Tweedale Inc.

7601 Ganser Way, Madison, Wis. 53719; 608-833-9595; fax: 608-833-4684

Consulting since: 1982.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 10% audits, 30% special projects.

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

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

Specialties: Petroleum marketer associations, public entities associations, individual accounts.

Staff: 5.5 total; three professionals, all principal consultants. Professional designations include three CPCUs, one ARM.

Clients: 50 total; 83% with risk and insurance budgets less than $1 million, 7% with $1 million to $4.9 million, 6% with $5 million to $9.9 million, 4% with $10 million to $24.9 million. 13 association clients. No minimum size client.

Compensation: By the project, by the hour.

Membership: SRMC.

Officers: Dennis G. Tweedale, president.

Kevin F. Donoghue & Associates

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

Consulting since: 1970.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 15% audits, 10% special projects.

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

Occasional special projects: Captive feasibility studies, claims auditing, loss settlement assistance, risk management organization studies, risk management information system consulting, expert witness.

Specialties: Construction, retailers, municipalities, co-operatives.

Locations: Boca Raton, Fla.

Staff: 13 total; 10 professionals, including five principal consultants, four consultants, one analyst. Professional designations include three CPCUs, two ARMs.

Clients: 134 total; 37% with risk and insurance budgets less than $1 million, 52% with $1 million to $4.9 million, 9% with $5 million to $9.9 million, 2% with $10 million to $24.9 million. One association client. Minimum size client, $50,000.

Compensation: By the hour: principal consultant, $217.50.

Membership: SRMC.

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

Dynamac Corp.

2275 Research Blvd., Rockville, Md. 20850; 301-417-9800; fax: 301-417-9801

Services: 70% of revenues from risk management consulting; including 40% continuous consulting, 20% audits, 10% special projects.

Specialties: Captive feasibility studies, environmental risk management studies, specifications for bidding, consultation on design of risk management information systems.

Locations: Atlanta; Chicago; Crystal City, Va.; Fort Lee, N.J.; Devon and Philadelphia, Pa.; Research Triangle Park, N.C.; Sacramento, Calif.

Staff: 450 total; 395 professionals.

Clients: 100 total.

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

Officers: Diana MacArthur, chairman/CEO; Paul Goldstein, president; William Ogletree, treasurer/vp; John Lyons, vp; G. Cioban, vp/secretary.

Contact: Russ Enos, vp.

E

EQE International Inc.

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

Consulting since: 1981.

Services: 60% of revenues from risk management consulting, all from special projects.

Frequent special projects: Analysis of limits, loss prevention audits, seismic risk assessment to determine probable maximum losses/loss control, portfolio analysis to determine losses due to earthquakes or hurricanes.

Occasional special projects: Expert witness.

Specialties: Fortune 1000 and global 500 corporations with facilities in the Pacific Rim, California and Midwest U.S.

Locations: Irvine, Calif.; Sacramento, Calif.; St. Louis; Stratham, N.H.; United Kingdom.

Staff: 200 total; 170 professionals, including 15 principal consultants, 20 consultants, 135 analysts.

Clients: 300 total. 10 association clients.

Compensation: By the project.

1992 gross revenues: $28 million total, $16 million from risk management consulting.

Membership: SRMC.

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; 716-684-8060; fax: 716-684-0844

Consulting since: 1970.

Services: 90% of revenues from risk management consulting, all from special projects.

Frequent special projects: Environmental.

Specialties: Energy, chemical, waste management industries.

Locations: Albuquerque, N.M.; Anchorage, Alaska; Baton Rouge, La.; Chicago; Cincinnati; Cleveland; Dallas; Denver; Detroit; Fresno, Calif.; Fort Lauderdale, Fla.; Houston; Idaho Falls, Idaho; Kansas City, Kan.; Los Angeles; New York; Oak Ridge, Tenn.; Pensacola, Fla.; Philadelphia; San Francisco; Seattle; St. Louis; Tallahassee, Fla.; Washington.

Staff: 1,100 total; 900 professionals.

Compensation: By the project.

1992 gross revenues: $90 million total.

Officers: Gerhard Neumaier, president; Frank Silvestro, executive vp-operations; Gerald Strobgel, executive vp-technical; Ronald Frank, executive vp-administration; Eugene Mruk, senior vp-sales/marketing.

Contact: Ronald Skare, vp-sales.

Elam Consulting Inc.

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

Consulting since: 1988.

Services: 100% of revenues from risk management consulting; including 85% continuous consulting, 10% audits, 5% special projects.

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

Occasional special projects: Claims auditing, loss settlement assistance.

Specialties: Private and government sector entities.

Staff: Three total, all professionals, including two principal consultants, one consultant.

Clients: 60% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million. Two association clients. Minimum size client, $100,000.

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

1992 gross revenues: $142,000 total, all from risk management consulting.

Officers: Eric Elam, president; Eileen Luter, vp.

Empire Risk Management Services Inc.

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

Consulting since: 1990.

Services: 60% of revenues from risk management consulting; including 40% continuous consulting, 10% audits, 10% special projects.

Frequent special projects: Risk retention analysis, claims auditing, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, I.C.C. auto self-insurance, state workers comp self-insurance preparation, trucking owner/operator programs.

Occasional special projects: Captive feasibility studies, insurance contract analysis, accounting systems analysis, risk management organization studies.

Specialties: Transportation.

Locations: Chicago; Hartford, Conn.; Jackson, Miss.

Staff: 14 total; six professionals, including three principal consultants, two consultants, one analyst. Professional designations include three CPCUs, four ARMs, one CSP.

Clients: 12 total. 5% with risk and insurance budgets less than $1 million, 80% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. Two association clients. Minimum size client, $500,000.

Compensation: By the project.

1992 gross revenues: $360,000 from risk management consulting.

Officers: D.W. Speer, president; Alan Bender, vp-claim services; Beverly Speer, vp-insurance services.

Continued on next page

GENERAL REHABILITATION SERVICES INC.
THE FAST TRACK TO A COMEBACK

cost con•tain•ment *n.* efforts used to check, monitor and control the cost of rehabilitating disabled workers while at the same time ensuring that they receive quality care.

GRS gives new meaning to the word "rehabilitation" by offering you a variety of well-defined medical and vocational COST-CONTAINMENT PROGRAMS that benefit employers as well as workers. That's because all of our programs are designed to put disabled workers on the *fast track to a comeback.*

As America's largest INDEPENDENT DISABILITY MANAGEMENT ORGANIZATION, GRS can help you develop and administer a disability cost containment program of your own.

MORE THAN 100 OFFICES in the United States, Puerto Rico and Canada, GRS now serves well over 1,000 clients.

Continued from previous page

Employers' Risk & Insurance Management Inc.

3637 Northcote Drive, P.O. Box 43188, Birmingham, Ala. 35223; 205-967-1166; fax: 205-969-0827

Consulting since: 1989.
Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 10% audits.
Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, captive feasibility studies, loss settlement assistance expert witness.
Specialties: Industrial, governmental, hospitals, water utilities, lumber, property management.
Staff: Two total, both professionals, one principal consultant, one analyst.
Clients: 12 total; 92% with risk and insurance budgets less than $1 million, 8% with $1 million to $4.9 million. No minimum size client.
Compensation: On retainer; by the hour: principal consultant, $90 to $100.
Membership: SRMC.
Officers: Douglas F. Miller, president; Betty D. Miller, secretary; Sandra Kowal, vp-policy/financial analysis.

Encompas Inc.

1 Executive Drive, Fort Lee, N.J. 07024; 201-944-7533; fax: 201-585-0487

Consulting since: 1987.
Services: 60% of revenues from risk management consulting; including 20% continuous consulting, 15% audits, 25% special projects.
Frequent special projects: Claims auditing, loss prevention audits, loss settlement assistance, workers comp cost controls, injury management programs.
Occasional special projects: Risk retention analysis, captive feasibility studies, assessment of broker service/remuneration, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.
Locations: Dallas.
Staff: 14 total, including three principal consultants, two consultants, two analysts. Professional designations include one CPCU, two CSPs.
Clients: 90% with risk and insurance budgets less than $1 million, 7% with $1 million to $4.9 million, 2% with $5 million to $9.9 million, 1% with $10 million to $24.9 million. Two association clients. Minimum size client, $100,000.
Compensation: By the hour: principal consultant, $270.
Officers: Michele Wilbur, president; Brad Hollinger, vp; Marsha Smith, operations manager; Montgomery Gale, COO.

Environmental Risk Ltd.

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

Consulting since: 1985.
Services: 60% of revenues from risk management consulting; including 20% continuous consulting, 10% audits, 30% special projects.
Frequent special projects: Environmental, loss prevention audits, property site assessments, EIL/CPL risk assessment studies.
Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management information system consulting, expert witness.
Specialties: Pollution liability insurance companies, financial institutions, real estate developers, energy facility developers, industrial corporations.
Locations: Clifton, N.J.
Staff: 45 total 35 professionals, including four principal consultants, 31 consultants.
Clients: 300 total; 35% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 15% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 5% exceeding $25 million.
Compensation: By the project; on retainer; by the hour: principal consultant, $165.
Officers: Richard S. Atkins, David I. Brandwein, Gordon T. Brookman, Mitchell M. Wurmbrand, principals.

Environmental Risk & Loss Control Inc.

309 E. 90th St., Suite 4, New York, N.Y. 10128; 212-722-7381; fax: 212-722-7381

Consulting since: 1991.
Services: 100% of revenues from risk management consulting, all from special projects.
Frequent special projects: Environmental.
Staff: One total, a principal consultant
Clients: 10 total; 20% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 20% exceeding $25 million. One association client. No minimum size client.
Compensation: By the hour: principal consultant, $125 to $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

Consulting since: 1911.
Services: 71% of revenues from risk management consulting; including 32% continuous consulting, 12% audits, 27% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, self-insurance funding studies.
Occasional special projects: Loss prevention audits, risk management information system consulting.
Specialties: Public entities, health care industry, all industry groups.
Locations: Atlanta; Baltimore; Boston; Chicago; New York; San Francisco; Washington.
Staff: 141 total; 86 professionals, including 25 principal consultants, 16 consultants, 22 actuaries, 23 analysts. Professional designations include seven CPCUs, five ARMs, 13 FCASs, 11 ACASs, four CICs.
Clients: 400 total; 15% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 25% with $5 million to $9.9 million, 25% with $10 million to $24.9 million, 15% exceeding $25 million. 35 association clients.
Compensation: By the project: by the hour: principal consultant, $185 to $235.
1992 gross revenues: $11.6 million total, $10.9 million from risk management consulting.
Officers: Ronald Kuehn, George Raftelis, Lee Smith, Charles Bryan, Terry Godbold, Dennis Henry, Richard Fallquist, partners; Warren Cooper, principal.

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

Consulting since: 1974.
Services: 85% of revenues from risk management consulting; including 70% continuous consulting, 10% audits, 5% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Occasional special projects: Risk retention analysis, environmental, accounting systems analysis.
Specialties: Hospitals, government, manufacturing.
Locations: Florida, New York.
Staff: 10 total; four professionals, including one principal consultant, two consultants, one analyst. Professional designations include two CPCUs, two ARMs.
Clients: 20% with risk and insurance budgets less than $1 million, 80% with $1 million to $4.9 million. Four association clients. Minimum size client, $100,000.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
1992 gross revenues: $425,000 total, $361,250 from risk management consulting.
Officers: Edna Vazquez de Bonnet, president; Mildred Miranda, vp; Gloria Gordils, treasurer.

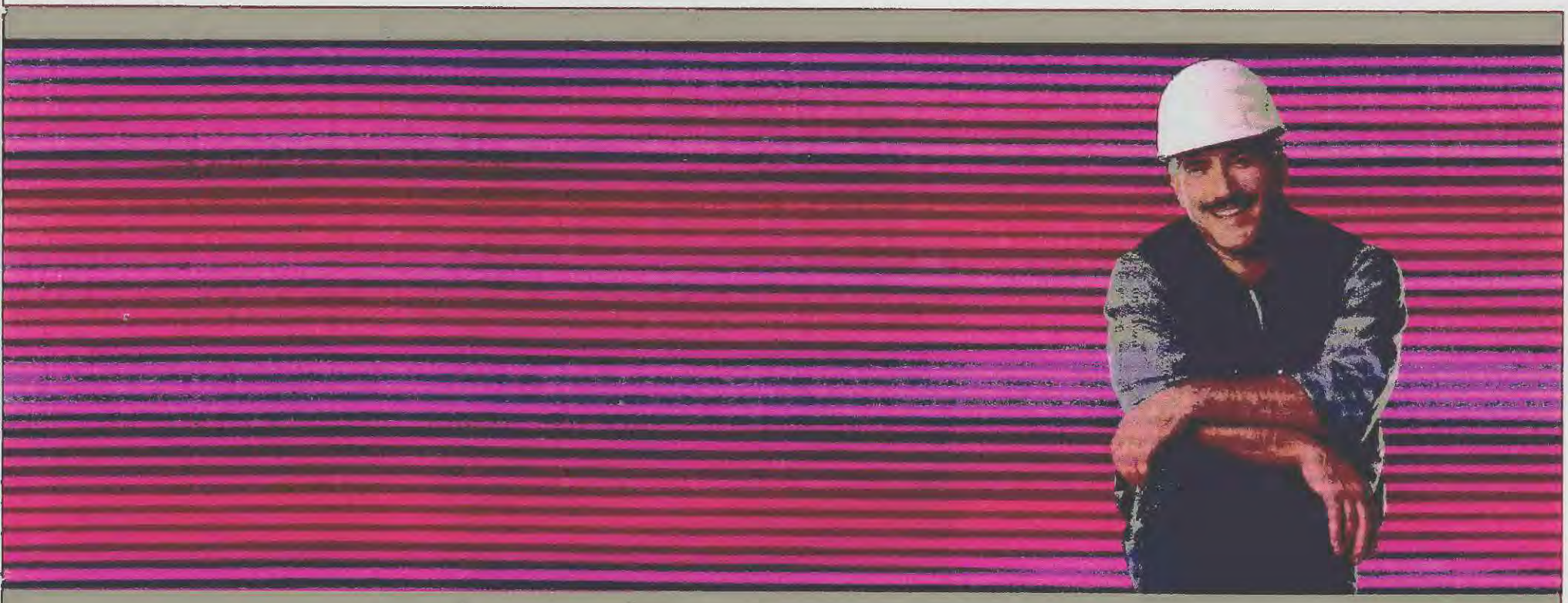
F

Herbert H. Feldman Risk Management Inc.

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

Consulting since: 1973.
Services: 100% of revenues from risk management consulting; including 80% continuous consulting, 10% audits, 10% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management aspects of the due diligence process prior to acquisitions.
Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: Real estate, retail, manufacturing, import/export, services.
Staff: Three total; two professionals, including one principal consultant, one analyst.
Clients: 70% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million. No minimum size client.

Continued on next page



COMPLETE ENVIRONMENTAL SOLUTIONS

With a unique understanding of the needs of the insurance community, ESE's scientific and engineering experts combine to provide service that goes beyond technical expertise.

ESE offers a comprehensive range of services to support underwriting, claims management, and investment and property management including:

- ▲ Expert Witness Testimony
- ▲ Third Party Review
- ▲ CERCLA/PRP Representation
- ▲ Technical Support to Agency Negotiations
- ▲ Transactional Environmental Assessments
- ▲ Analytical Laboratory Services
- ▲ Risk Assessment, Air Resources, Industrial Hygiene, Geosciences
- ▲ Remedial Engineering

ESE Environmental Science & Engineering, Inc.
A CILCORP Company

Call 800-ESE-1999 for a brochure outlining ESE's services for the insurance community.

Nationwide Network of Offices

Continued from previous page

Compensation: 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

Consulting since: 1976.

Services: 100% of revenues from risk management consulting; including 15% continuous consulting, 25% audits, 60% special projects.

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

Occasional special projects: Risk retention analysis, analysis of limits, assessment of broker service/remuneration, risk management organization studies.

Staff: Two total, including one principal consultant, one consultant. Professional designations include one CPCU.

Clients: 75% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million. Five association clients. No minimum size client.

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

1992 gross revenues: $130,000 total, all from risk management consulting.

Membership: SRMC.

Officers: Robert S. Felton, Barbara Albright.

Fiberglass Structural Engineering Inc.

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

Consulting since: 1976.

Services: 60% of revenues from risk management consulting; including 6% continuous consulting, 54% special projects.

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.

Staff: 21 total; nine professionals, including two principal consultants.

Clients: 200 total; 10% with risk and insurance budgets of $1 million to $4.9 million, 20% with $5 million to $9.9 million, 30% with $10 million to $24.9 million, 40% exceeding $25 million. Minimum size client, $1 million.

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

Officers: Randal Rapoza, principal; Michael Gowan, project development.

R.M. Fields & Co. Ltd.

Public Ledger Building, Philadelphia, Pa. 19106; 215-625-9639

Consulting since: 1992.

Services: 100% of revenues from risk management consulting, all special projects.

Frequent special projects: Insurance contract analysis, environmental, loss settlement assistance, insurance archaeology, historic insurance audits.

Specialties: Oil, chemical, manufacturers, utilities.

Locations: Los Angeles, London.

Staff: 10 total, including four principal consultants, one consultant, five analysts.

Clients: 100 total; 4% with risk and insurance budgets less than $1 million, 2% with $1 million to $4.9 million, 44% with $5 million to $9.9 million, 30% with $10 million to $24.9 million, 20% exceeding $25 million. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $150 to $225.

1992 gross revenues: $1.5 million total, all from risk management consulting.

Officers: Randolph M. Fields, president; Henry R. Booth, David R. Jones, Carl Watkins, directors.

First Risk Management Co.

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

Consulting since: 1956.

Services: 100% of revenues from risk management consulting; including 25% continuous consulting, 5% audits, 70% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, expert witness, litigation support consulting services.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, loss prevention audits, risk management organization studies.

Specialties: International, bottling industry, litigation support.

Staff: Six total; three professionals, including one principal consultant, two consultants. Professional designations include two CPCUs, two ARMs.

Clients: 40 association clients. No minimum size client.

Compensation: On retainer; by the hour: principal consultant, $320.

Membership: SRMC.

Officers: Leonard J. Silver, president.

William Fleming & Associates

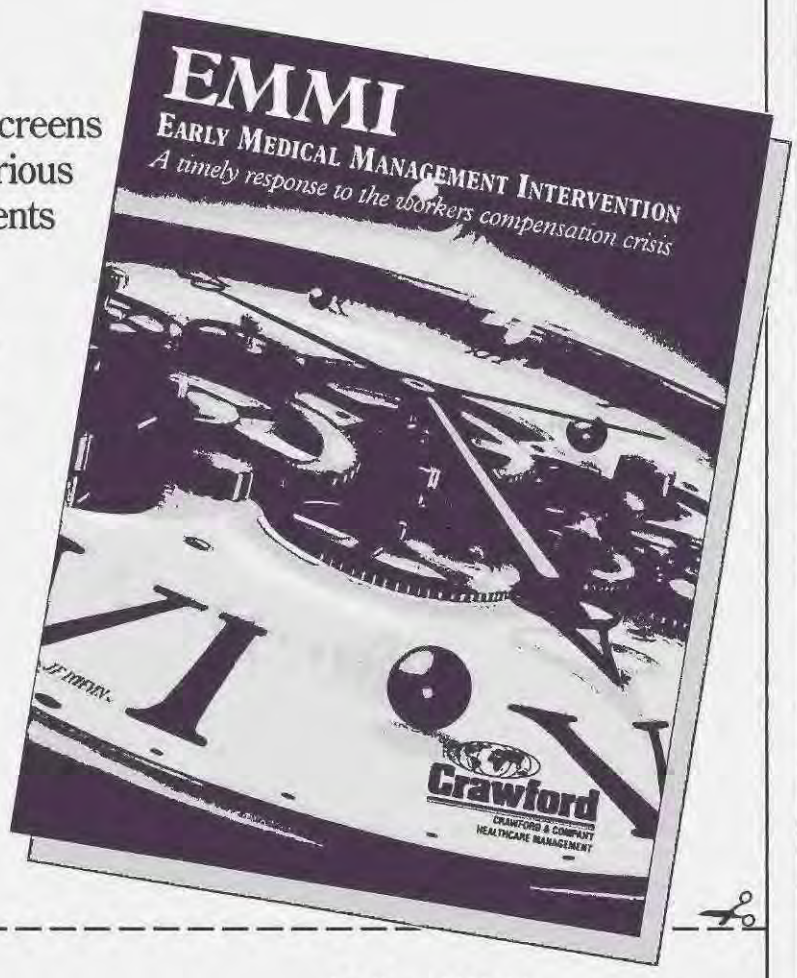
1221 Creekside Drive, Wheaton, Ill. 60187; 708-690-0350; fax: 708-690-8968

Consulting since: 1988.

Continued on page 34

Get control of workers compensation costs when it's most critical—*before* they have an opportunity to escalate.

Crawford & Company's Early Medical Management Intervention℠ (EMMI) program screens all lost time cases, quickly detects potentially serious or high-cost cases, provides telephonic assessments through physician contacts, conducts pre-certifications, makes sound recommendations for alternative care, and refers serious cases for on-site medical case management—**all within 24 hours of notification of an injury.** EMMI can help you get a handle on workers comp claims costs by ensuring timely, appropriate medical care. For more information, just call Richard Groepper, Ph.D., at 1-800-241-2541 or send for these complimentary materials today!



Crawford
CRAWFORD & COMPANY
HEALTHCARE MANAGEMENT

Send me information on the following programs to reduce my Workers Compensation costs.

- ❑ Early Medical Management Intervention℠ (EMMI) program
- ❑ Crawford's Occupational Re-Employment℠ (CORE) program
- ❑ Medical Case Management
- ❑ Please have a Crawford representative call.

Name:_____

Title:_____

Company:_____

Address:_____

_____

Phone:(_____)_____

Mail or FAX this coupon to:
Richard Groepper, Ph.D., Director, Client Development, Crawford & Company, 5620 Glenridge Dr. (Zip 30342), P.O. Box 5047, Atlanta, GA 30302; FAX(404)847-4028

Crawford
CRAWFORD & COMPANY
HEALTHCARE MANAGEMENT

BI

Photo by Elliott Erwitt

Protection for the Past... Security for the Future.

To the uninitiated, loss reserving can seem like hocus-pocus. Or crystal gazing. Or sleight of hand.

At Scor Re, our actuarial wizards peer into the past, discover the unknown, find hidden patterns and interpret the future. Using the tools of actuarial science, they continually refine our sophisticated reserving formulas.

Our actuaries also work hand-in-hand with our expert underwriting, claims, accounting and investment teams to find long-term solutions for today's complex risk exposures. And their keen, exacting insights underpin our assurance of financial stability, profitability and the power to pay losses.

So, when your needs are reinsurance, call Scor Re. When time past and time present are time future.

Rated "A+" (Superior) by A.M. Best

SCOR RE

SCOR

Scor Reinsurance Company
110 William Street • New York, NY 10038-3995 • 212-978-8200
Chicago 312-346-2189 • Dallas 214-401-1066
Hartford 203-525-2300

Continued from page 32

Services: 100% of revenues from risk management consulting; including 30% continuous consulting, 40% audits, 30% special projects.

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

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Public entities, law firms.

Staff: Nine total; seven professionals, including one principal consultant, six consultants. Professional designations include four CPCUs, one CIC.

Clients: 65 total; 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million. Three association clients. No minimum size client.

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

1992 gross revenues: $500,000 total, all from risk management consulting.

Officers: William D. Fleming, principal.

Fortune & Co./ Risk Managers Inc.

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

Consulting since: 1978.

Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 10% special projects.

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

Occasional special projects: Risk retention analysis, claims auditing, environmental, assessment of broker service/remuneration, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness.

Staff: Two total; one professional, a principal consultant. Professional designations include CPCU, ARM.

Clients: 16 total; 100% with risk and insurance budgets less than $1 million. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $75 to $100.

1992 gross revenues: $105,346, all fromrisk management consulting.

Officers: Burton A. Selfridge, president.

Fowler Insurance Services Inc.

8401 Maryland Drive, Richmond, Va. 23294-4648; 804-270-9524; fax: 804-270-9527

Consulting since: 1988.

Services: 70% of revenues from risk management consulting; including 50% continuous consulting, 10% audits, 10% special projects.

Occasional special projects: Insurance contract analysis.

Specialties: Commercial property-casualty.

Staff: Two total; one professional.

Clients: 15 total; 85% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million. Two association clients. No minimum size client.

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

Officers: Bruce Fowler.

Leonard R. Friedman Risk Management Inc.

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

Consulting since: 1974.

Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, safety and claims management.

Occasional special projects: Quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Retail, manufacturing, contractors, real estate, non-profit organizations.

Staff: 12 total; eight professionals, including three principal consultants, two consultants, three analysts. Professional designations include one CPCU, five ARMs.

Clients: 35 total; 70% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Minimum size client, $250,000.

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

1992 gross revenues: $1 million total, all from risk management consulting.

Membership: SRMC.

Officers: Alice B. Weiss, president; Susan G. Kaufman, executive vp.

G

G.C.G. Risk Management Inc.

85 Worth St., New York, N.Y. 10013; 212-431-3000; fax: 212-941-6546

Consulting since: 1977.

Services: 95% of revenues from workers comp risk management consulting; including 85.5% continuous consulting, 1.9% audits, 7.6% special projects.

Frequent services: Workers' compensation claims review, reserve analysis and negotiations.

Occasional special projects: Workers comp: risk retention analysis, claims auditing, environmental, loss prevention audits, quantitative/statistical analysis and forecasting.

Specialties: New York workers compensation consulting, including health care, contractors, food products, transportation and hauling, furniture manufacturing, metal processing.

Locations: Schenectady, N.Y.; Westbury, N.Y.

Staff: 27 total.

Clients: 500 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. 17 association clients. No minimum size client.

Compensation: By the project, commissions, on retainer.

1992 gross revenues: $3.7 million total, $3.5 million from risk management consulting.

Officers: Joseph M. Gnesin, president; Charles S. Cates, vp; Ross L. Gnesin, treasurer; Lawrence E. Grimm, secretary.

Contact: Ross L. Gnesin or Joseph M. Gnesin.

Gallagher Bassett Services Inc.

Two Pierce Place, Itasca, Ill. 60143-3141; 708-773-3800; fax: 708-285-4005

Consulting since: 1962.

Parent: Arthur J. Gallagher & Co.

Services: 10% of revenues from risk management consulting, all from special projects.

Frequent special projects: Environmental, loss prevention audits, expert witness, industrial hygiene, ergonomics, liability control, property surveys, fire protection, engineering, loss analysis, fleet safety program, safety regulatory compliance training.

Occasional special projects: Captive feasibility studies, insurance contract analysis, risk management organization studies, preparation of bidding specifications.

Specialties: Commercial, municipal, educational, religious, hospital clients, hotels.

Locations: Nationwide.

Staff: 53 consultants. Professional designations include six ARMs, 16 CSPs.

Compensation: By the project; commissions; on retainer; by the hour: consultant, $95 to $115.

1992 gross revenues: $87 million total, $9.2 million from risk management consulting.

Officers: John G. Campbell, chairman; Peter J. Durkalski, president; Fred Potenza, Richard R. Rothman, executive vps; Kurt Montalto, account executive.

General Consulting Services Inc.

113 N. Kickapoo St., Lincoln, Ill. 62656; 217-732-1830; fax: 217-735-5135

Consulting since: 1986.

Services: 55% of revenues from risk management consulting; including 40% continuous consulting, 10% audits, 5%

Continued on next page

It's hard to find the responsiveness you need with some case management services.

Continued from previous page
special projects.

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

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

Specialties: Health care associations.

Locations: Chicago.

Staff: 20 total; eight professionals, including four principal consultants, four consultants.

Clients: 59 total; 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million. No minimum size client.

Compensation: By the project; on retainer; by the hour: consultant, $75.

Officers: Barbara O'Donohue, president; Betty J. Hayes, vp.

Dave Goodwin & Associates

P.O. Drawer 54-6661, Surfside, Fla. 33154-0661; 305-531-0071; fax: 305-531-5490

Consulting since: 1963.

Services: 60% of revenues from risk management consulting; including 55.8% continuous consulting, 1.2% audits, 3% special projects.

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

Occasional special projects: Risk retention analysis, environmental, loss prevention audits, preparation of disaster manuals.

Specialties: Condominiums, property owners, manufacturers.

Staff: Three total; one professional, a principal consultant.

Clients: 97% with risk and insurance budgets less than $1 million, 3% with $1 million to $4.9 million. One association client. Minimum size client, $100,000.

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

Consulting since: 1981.

Services: 100% of revenues from risk management consulting; including 10% audits, 90% special projects.

Frequent special projects: Claims auditing.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Self-insured, public and private employers.

Staff: Three total; two professionals, including one principal consultant, one consultant. Professional designations include one ARM.

Clients: No minimum size client.

Compensation: By the project.

1992 gross revenues: $80,000 total.

Officers: Mel Griffin, president; Don Blackhurst, senior consultant.

Contact: Mel Griffin.

H

Thomas J. Hammond & Co.

10501 Wilshire Blvd., Suite 2201, Los Angeles, Calif. 90024; 213-272-5755

Consulting since: 1975.

Services: 100% of revenues from risk management consulting; including 65% continuous consulting, 10% audits, 25% special projects.

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

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, risk management information system consulting, expert witness.

Specialties: Hospitals, rest homes, manufacturing.

Staff: Four total, including two principal consultants.

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

Membership: SRMC.

Officers: Thomas J. Hammond Jr., president/treasurer; Rosemary Jansen, secretary of computing.

Harvard Aimes Group

6 Holcomb St., P.O. Box 16006; West Haven, Conn. 06516; 203-933-1976

Consulting since: 1985.

Services: 100% of revenues from risk management consulting, all from special projects.

Frequent special projects: Risk management organization studies, executive risk management searches on retainer.

Staff: One principal consultant.

Clients: 40 total; 15% with risk and insurance budgets $5 million to $9.9 million, 35% with $10 million to $24.9 million, 50% exceeding $25 million. 40 association clients. No minimum size client.

Compensation: By the project, on retainer.

Officers: James J. Gunther, principal.

George Hatch Jr. & Associates Inc.

15705 Indian Queen Drive, Odessa, Fla. 33556; 813-920-9743

Consulting since: 1988.

Services: 74% of revenues from risk management consulting, all from special projects.

Frequent special projects: Claims auditing, loss settlement assistance.

Occasional special projects: Risk retention analysis, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, preparation of bidding specifications, risk management information system consulting, expert witness.

Specialties: Workers compensation, employers' liability.

Staff: One total, a principal consultant.

Clients: 100% with risk and insurance budgets exceeding $25 million. No minimum size client.

Compensation: By the hour: principal consultant, $75.

1992 gross revenues: $93,000 total, $69,000 from risk management consulting.

Officers: George W. Hatch Jr., president.

Healthcare Management Consulting Services

5723 Benning St., Houston, Texas 77096; 713-723-0297

Consulting since: 1990.

Services: 60% of revenues from risk management consulting; including 18% continuous consulting, 18% audits, 24% special projects.

Frequent special projects: Loss prevention audits, risk management organization studies, integration of quality management and utilization management with risk management programs for managed care organizations and health care facilities.

Specialties: Managed care organizations—HMOs/PPOs, health care facilities.

Staff: One total, a principal consultant.

Clients: Two total; 100% with risk and insurance budgets $5 million to $9.9 million. Five association clients. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $80.

Officers: Margaret Radzwill, principal.

Louis A. Hellming Co.

441 Vine St., 825 Carew Tower, Cincinnati, Ohio 45202; 513-381-2260; fax: 513-381-2262

Consulting since: 1982.

Services: 100% of revenues from risk management consulting; including 30% continuous consulting, 60% audits, 10% special projects.

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

Occasional special projects: Risk retention analysis, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, expert witness.

Specialties: Manufacturers, governmental entities, property owners.

Staff: Two total; one professional, a principal consultant. Professional designations include ARM.

Clients: 25 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. No

Continued on page 41

Clients appreciate the speed and efficiency of this CNA case management team.

On December 12th, the wife of a terminally ill patient called. She was concerned that an extension of his hospital stay wouldn't be approved and that she couldn't take care of him at home. I called CNA's case management people that same day. The same evening a nurse arrived. She comforted the patient's wife by assuring her she would take care of his needs personally in dealing with the approvals. It's great to see how efficiently CNA's Case Management System works.

Yours truly,

Diane Lampe

Group Department Manager, The Duncan Insurance Office, Inc.

Insurance companies can make promises, but it's the people who keep the commitments. And the people on CNA's case management team, like Nancy Hicks, Robin Nash, Sally Wallin, Bill Kettlewell and Breneda Williams understand the importance of responding promptly. They know that this kind of responsiveness makes the difference between a policy and an effective employee benefits program.

Benefits managers and employees across the country have written to thank our staff for their responsiveness, flexibility in designing the right plan, cost containment efforts, and even more importantly, their compassion and courtesy.

It's the dedication and commitment of our people that have helped the CNA Insurance Companies become one of the leading group benefits insurers.

For more information, call your independent agent or broker, or your CNA representative.

CNA

For All the Commitments You Make®

Group Benefits from CNA: Life & Health • AD&D • Vision • Dental • LTD • Pensions • Long Term Care • Managed Care • Coverages are underwritten by Continental Assurance Company and Continental Casualty Company, two of the CNA Insurance Companies/CNA Plaza/Chicago, IL 60685.

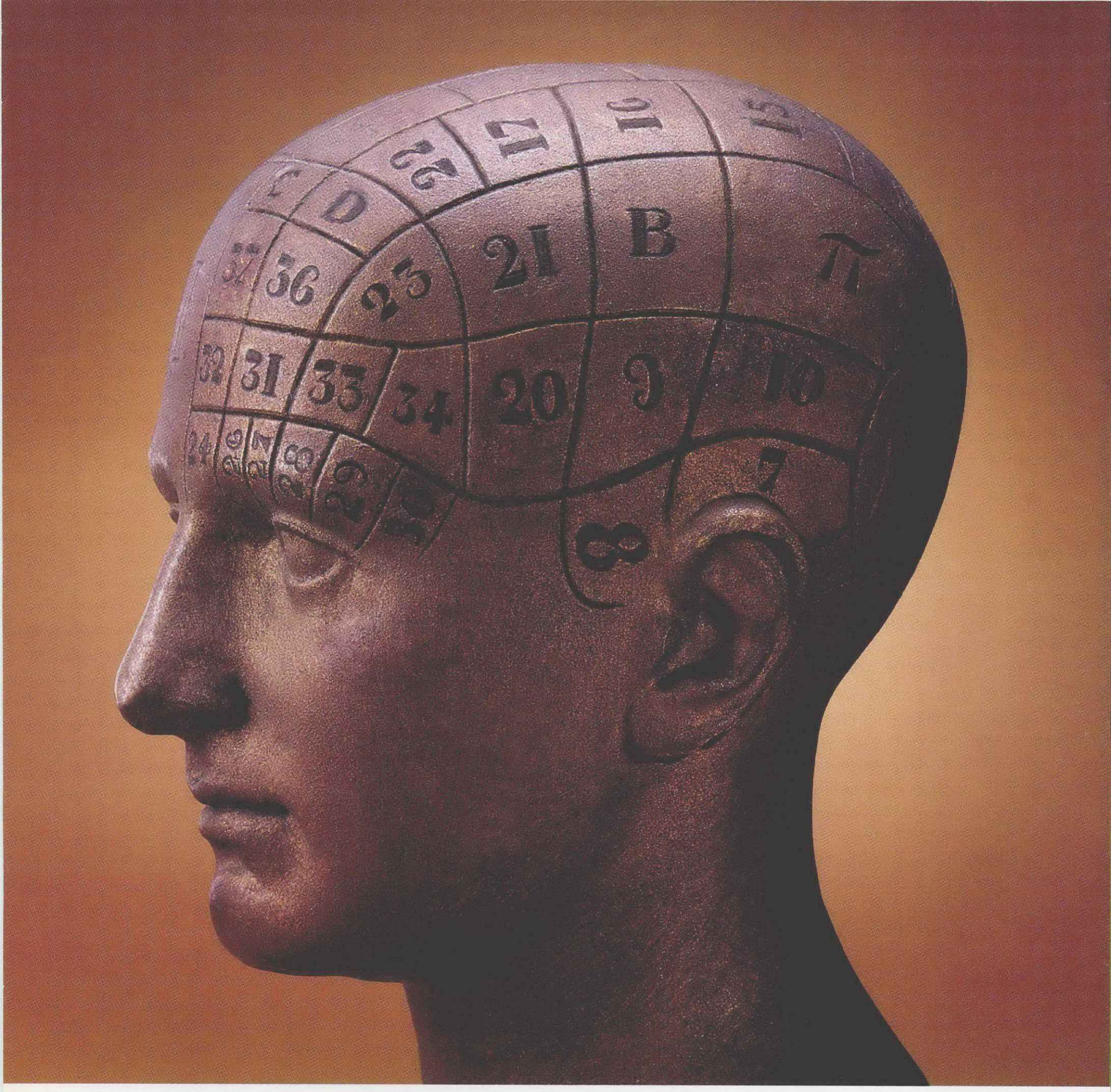
G R O W T H

BIG MAY NOT BE THE MEASURE OF SUCCESS BUT IT HAS ITS STRONG POINTS

Big, as we are constantly reminded these days, is not always synonymous with permanence. Strong corporations have to be properly nurtured, watched, protected, in order to continue growing. Nothing in nature or business is guaranteed a place in the chain; it requires vigilance. For almost a century ERC has fostered such guardedness within so we can continue to use the skills in the profession we have always enjoyed.

E M P L O Y E R S **R** E I N S U R A N C E **C** O R P O R A T I O N

5200 METCALF, OVERLAND PARK, KS 66201
A GENERAL ELECTRIC FINANCIAL SERVICES COMPANY
See us at RIMS - Booth #417



INTELLIGENT REINSURANCE KNOWS NO BOUNDS.

Reinsurance used to be divided into two basic parts: Treaty and Facultative. Today, not only have the barriers disappeared between Treaty and Fac, but they've been joined by Financial Reinsurance, Alternative Markets, Claims Management, Engineered Risk and many other sophisticated specialties. North American Re provides every type of reinsurance our clients need. When you need reinsurance without boundaries, keep us in mind.

NORTH AMERICAN RE

A TRADITION OF EXCELLENCE

NORTH AMERICAN REINSURANCE CORPORATION 237 PARK AVENUE, NEW YORK, NY 10017 (212) 907-8000 ATLANTA BOSTON CHICAGO DALLAS LOS ANGELES NEW YORK PHILADELPHIA SAN FRANCISCO

A MEMBER OF THE SWISS RE GROUP

ASK A RISK MANAGER

Self-insured employers can use claim audits to evaluate TPA service

Q **I am involved with our first formal audit of our claims administrator's claim files. If you have any experience with such an audit I would appreciate your comments on appropriate procedures to follow.**

A Claim audits provide an excellent opportunity to objectively evaluate the performance of your claims administrator. Since the greatest percentage of premium dollars is spent in the claims area, it is certainly in a company's best interest to verify that the claims adjustment process is being handled professionally and according to specifications. Regardless of whether your claims are adjusted by an insurance company under a "bundled" program or independently through an "unbundled" program, as a customer you are entitled to the highest level of service available.

The first consideration is the types of files to be audited. You may want to focus on only workers compensation cases or perhaps liability claims currently in litigation. Or you may prefer to audit claims under all casualty coverage lines. Will you limit the selection to claims within a certain financial range?

To make these initial decisions you must have valid loss information. If you have a computerized risk management information system, prepare a report or series of reports identifying claims within specific financial ranges. Otherwise, sort through printed loss runs to gather the information.

The next step would be determining if the audit will be performed in individual claims offices or at a central location. The latter involves routing files to one location for review. I recommend visits to claims offices as part of the audit process to gain a clear understanding of management practices followed at the local adjusting level.

Brokers and underwriters should be notified in advance of the audit so they can have representatives available as well. One of these parties may wish to make the actual scheduling arrangements. If your coverage program is fully self-insured and no outside parties will be involved, you should provide your third party administrator with enough advance notice so files can be pulled and adjusters' work loads not interrupted. However, it is also a good idea to pull some files at random.

Next, draft an audit checklist of items which should be in the files. Examples include adjusters' notes, check registers, monthly progress reports and any additional information listed in your claims handling specifications. It's a good idea to ask your underwriter for input on what items the insurer looks for during an audit. Likewise, the claims administrator has performance standards for its adjusters to follow. By obtaining this criteria from other parties, you can design an audit form which serves many purposes.

For example, our workers compensation claims audit form includes an appraisal of claims handling, including investigation, timely payments, supervision and compliance with state and federal laws. Appraisals are also made with regard to adequate and timely reserves; whether or not the claim was appropriately reported to the insured; if the claim was properly managed medically; and how the file was settled. This type of checklist can be easily modified for reviewing liability firms.

On the day or days of the audit do your best to stick to a schedule. If others are involved, assign each person a certain number of files. At the end of the morning and again before leaving each day, discuss your findings with the other participants. Then, immediately upon completing the audit, share the preliminary results with the claims administrator. This can be done in a wrap-up session at each location followed with a written report. It would be appropriate to share the report with your broker and underwriter since they have a definite interest in how your account is being serviced.

After the initial audit has been completed, consider performing similar audits on a routine basis. In addition to claim file audits, we schedule periodic large case reviews with our TPA. The claims administrator meets with me and members of my staff for an in-depth discussion of pending cases at various reserve levels. The process keeps us current on all aspects of the claims.

No doubt you will come away from the audit with valid questions and perhaps suggestions on how to better manage the claims administration function. After all, the monitoring and refining of old ideas and implementation of new ones makes risk management the dynamic profession it is today. BI

Would you like advice from an experienced colleague on a risk management, benefits management or actuarial problem? Four quarterly features in the Perspective section of Business Insurance can give you some answers.

Ask A Risk Manager, Ask A Benefits Manager, Ask A Benefit Actuary and Ask A Casualty Actuary answer written questions from readers on risk and benefits management issues and actuarial problems.

This month's column on risk management issues is written by Susan M. Werner, director of risk management at Hardee's Food Systems Inc. in Rocky Mount, N.C. Dennis J. Nirtaut, manager of employee benefits at Continental Bank Corp. in Chicago, answers questions on employee benefit plans. William J. Miner, an actuary with The Wyatt Co. in Chicago, answers actuarial questions on benefits issues. And, Richard E. Sherman, president of Pacific Actuarial Resources (PAR) Excellence in Ashland, Ore., answers actuarial questions in the casualty field.

Ms. Werner

Ms. Werner's next column will appear in June.

Address your questions to ASK, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611. Please give us your name, title and employer; however, Business Insurance will consider unsigned letters.

Now is the time to develop emergency plan

By Robert M. Hiltz

New York explosion a graphic wake-up call

THE HUGE EXPLOSION that rocked the World Trade Center in New York Feb. 26 illustrates the need for risk managers of organizations with large facilities to plan for catastrophes.

The incident shows that the time, effort and cost to develop and carry out an emergency plan are small when compared with the potential cost of being unprepared. With an effective plan in place, the potential losses to property and injuries to individuals can be greatly reduced.

Major emergencies that can strike at nearly any location include fires, bomb threats, tornadoes, hurricanes, earthquakes and floods. Depending on the nature of an emergency, one of two courses of action may be called for: evacuation of the building's occupants or their relocation to safe areas.

Evacuation requires all occupants to leave a building in an orderly fashion through designated emergency routes. This is called for in the event of a fire or bomb threat.

Relocation requires all occupants to remain inside a building but to move to designated safe areas. This would be done in the event of rapidly approaching severe weather conditions, like tornadoes.

An effective emergency action plan consists of the following basic elements. Other elements may be needed based on the specific location:

- **Written policy and procedures.**

The most effective emergency plan is written, publicized and supported by top management. Programs should include the following: people to call if an emergency situation arises; complete explanation of the building alarm system, including how alarms are transmitted to fire or police departments and the appropriate response to alarms; restrictions on the use of elevators and escalators; maps to designate exit routes; special evacuation/relocation instructions as required; and guidelines for extinguishing fires.

All facility personnel should receive copies of the plan or a summary. They should also be trained in carrying out the plan. Written procedures are important to assure program continuity as staff members change.

- **Initial and periodic training.**

All employees who could be involved in carrying out portions of the emergency plan should be trained to do so. The training can be done by the general program administrator or a designated alternate. Periodic training is important to refresh memories and to make sure that new staff members understand their role in an emergency.

- **Audible and visual alarm systems.**

Alarms and controls should be easily accessible and protected from accidental operation. A secondary power source consisting of a storage battery and charger or an engine-driven generator and storage batteries with four hours' capacity should be available. Consider connecting the alarm to the local fire department, to a central station alarm company located off-premises or to an on-premises proprietary system.

Evacuation and relocation alarms should have separate, distinct signals. The national standard fire alarm evacuation signal is a uniform Code 3 temporal pattern with a series of pulsating on and off bursts repeated for not less than three minutes. The relocation signal should be audibly distinctive from the evacuation signal. Visual alarms for the deaf are also needed. Combination horn/light units, which consist of an alarm horn and an intense strobe light, are effective sound and sight alarms.

- **Communication systems.**

A public address or intercom system connected to emergency back-up power is recommended as an additional means of communicating emergency procedures to building occupants. These systems are especially effective in high-rise buildings with a large number of occupants on upper floors.

- **Adequate and well-maintained exit routes.**

Safe exit from a building requires a protected path of escape from fire, smoke and combustion gases. Desirable provisions for escape routes in virtually any building include: self-closing, well-fitted and well-maintained exit doors; exit stairwells enclosed with fire-rated doors and walls; ordinary and emergency lighting systems to light the exit corridors; doors that open in the direction of exit travel; at least

Continued on next page

Emergency planning

Continued from previous page
half of exits discharging directly to the outside of the building; all means of exit clearly marked; at least two remote means of exit from each floor.

• **Posted map routes and signs.**
Easy-to-read maps should be posted in visible locations throughout the building. Maps will help occupants locate evacuation routes and relocation areas. Maps should indicate the location of the nearest exits and recommended paths of travel.

• **Emergency lighting and electrical power.**
Well-designed emergency lighting, using a source of power independent from the normal building service, should be arranged so that the necessary exit path illumination will be maintained if the normal lighting system fails. There should be no appreciable interruption of illumination.

• **Emergency response team.**
Representatives from all departments, floors, shifts and areas of a building should make up an emergency response team. The size and complexity of the facility usually determines the emergency response team's size and scope. An emergency response team typically would include the following members and assigned responsibilities (not all the positions outlined are needed in every building):

✔ The *general program administrator* should have full management support, and knowledge or interest to carry out the emergency procedures program. General duties are overall plan maintenance and administration. There should be a back-up administrator to fill in when the general program administrator is gone.

✔ *Building coordinators* are particularly useful in building complexes with multi-story or multiple buildings. The building coordinator would carry out the emergency program within the assigned building, maintain a current team roster for the building, provide instruction and communications to other team members, assign floor captains and assist the general program coordinator.

✔ *Floor captains'* duties are similar to the building coordinators, though responsibility is limited to individual floors. Floor captains may also appoint emergency team members and provide back-up support to the building coordinator.

✔ *Floor lieutenants* are assigned by floor captains to be responsible for emergency activities in a designated area of the floor. Floor lieutenants will take responsibility for assigning group leaders; searchers and their search areas; and exit guards assigned to nearby exit doors.

✔ *Group leaders* must know the various alarm signals and types of emergency procedures. They will be responsible for the safe evacuation or relocation of their small assigned groups.

✔ *Exit guards* are assigned to an exit door to permit or deny entry, depending on the emergency. In evacuations, they are to hold doors open.

✔ *Searchers* are assigned a designated area, such as a washroom, office or storeroom. The searcher's job is to look through the assigned area to make sure everyone has left.

• **Regular emergency drills.**
Drills instill habit in time of emergency, and they develop skill and confidence in handling emergencies. Announce rehearsals to prevent panic, and conduct them under realistic conditions that simulate an actual emergency. Drills should be evaluated and problems corrected.

• **Emergency control headquarters and shelter/ relocation area.**
The emergency control headquarters should be located in a well-equipped and easily accessible area, preferably on the first floor. Provide telephones, public address system controls, a diagram of the building, emergency lighting, two-way radios and first-aid supplies. Flashlights, spare batteries, rope, megaphones, hard hats, gloves and safety glasses also may be kept there.

Shelter areas should be safely away from exterior walls and windows. Additional shelter areas from fire and smoke are needed for people with physical disabilities who cannot readily evacuate a building.

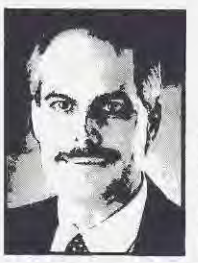
• **First-aid provision.**
The company doctor, nurse or first-aid provider should run the emergency medical program and should be responsible for the first-aid station. Keep additional first-aid kits at all designated shelter areas. Post and maintain a list of all currently trained first-aid personnel.

• **Police and fire department orientation procedures.**
Include police and fire department orientation in an emergency response program. This is important to assure that police and firefighters know what hazards may exist. Let them tour the facility. They may have suggestions of their own to improve a building's protection system.

• **Elevators.**
Elevators pose a special hazard during any emergency evacuation or relocation. As a general rule, do not use elevators in any emergency. Post signs at elevators to that effect. Also equip elevators with emergency alarms; an intercom or telephone; an automatic car return to first or alternate floors when detectors, alarms or protection systems are activated; and controls that allow fire department override.

Where earthquakes are likely, an earthquake preparedness plan can be helpful. Most of the emergency response procedures and provisions already discussed would apply. In addition, consider stocking bottled water and non-perishable food in sufficient quantity for the occupancy. Also train personnel to quickly locate and shut down gas, water and electric systems as needed.

Emergency response and disaster control measures are important for protecting lives and property. A properly developed and implemented evacuation and relocation plan is a critical element in any successful safety program. BI



Robert M. Hiltz is a loss control officer for Kemper National Insurance Cos. in Long Grove, Ill.

Plan participants denied damages in pension dispute

Legal briefs

Neither extracontractual compensatory damages nor punitive damages were available in an action brought by former employees under the Employees Retirement Income Security Act, according to a ruling by the 7th U.S. Circuit Court of Appeals.

This litigation arose out of a dispute between Alan D. Eisenberg and some of his former employees over the distribution of the employees' pension benefits.

Mr. Eisenberg was the president and sole director of Alan D. Eisenberg S.C., a Milwaukee law firm. The plaintiffs were former employees of the firm who left at various times during the 1986.

Prior to leaving the firm, all of the employees were participants in the Alan D. Eisenberg S.C. Pension and Profit Sharing Plan, of which Mr. Eisenberg was the named trustee and administrator.

Several of the employees made oral and written requests for information about and distribution of their benefits under the plan. Mr. Eisenberg rebuffed the requests with a variety of explanations and excuses as to why the benefits could not be paid at the time in question.

The plaintiffs sued claiming Mr. Eisenberg had refused to comply with their requests in violation of the plan, the policy and practice of the law firm and ERISA. They plaintiffs sought compensatory and punitive damages in addition to documents and benefits.

The trial court denied punitive damages but after a trial a jury awarded the employees sums ranging from $7,500 to $25,000 (some of which was reduced by the court as bearing no reasonable relationship to the evidence).

On appeal, the employees argued that section 502(a)(1)(B) of ERISA allowed them to recover extracontractual benefits in a civil action as they were attempting to enforce their right under the plan to proper treatment by the plan fiduciary.

While the appellate court thought their argument ingenious, it concluded that the terms of the plan did not entitle beneficiaries to compensatory damages resulting from delay in payments of benefits. The court also said it did not believe such damages were sustainable as equitable relief.

Similarly, the appellate court held that punitive damages were not available in an action for breach of fiduciary duty brought by a beneficiary to redress a violation of ERISA.

Harsch vs. Eisenberg, 7th U.S. Circuit Court of Appeals, Feb. 10, 1992, As amended Feb. 19, 1992 (*BI*/02/D.-$10).

Damages can exceed limits

Consequential damages awarded to an insured in an action to recover under a fire insurance policy could exceed the policy limits, according to the Court of Appeals of Indiana.

In November 1985, a fire and explosion occurred at a commercial building owned by Joseph and Deborah Plummer. The Plummers operated two businesses within the building.

The building and its contents were insured by Indiana Insurance Co. The Plummers submitted a formal proof of loss to the insurer on Jan. 24, 1986. On March 24, 1986, the insurer denied the claim based on failure to document losses and the insurer's belief that the fire was intentionally set by the Plummers.

The insurer filed a suit seeking a declaration that it was not liable, alleging a genuine dispute as to the cause of the fire. The Plummers sued the insurer under the policy.

The two suits were consolidated. A jury awarded the Plummers $4.2 million. Of the total award, $465,000 represented the amount recovered under the contract; $216,000 represented consequential damages; and $3.5 million represented punitive damages.

The appellate court noted that the consequential damages were awarded to compensate the Plummers for costs arguably incurred because of both the insurer's lengthy investigation into the fire and its denial of the claim.

Of the $216,000 award, the court said that $125,000 represented the interest and expenses that the Plummers owed on their personal residence and the real estate on which the burned building was constructed.

The remainder of this sum represented reimbursement for their costs incurred in defending actions filed by various creditors.

The insurer argued an award of damages cannot exceed the limits of the Plummers' policy.

But, the court said that those costs that are found to be the proximate result of an insurer's breach are recoverable even if such exceed the policy limits.

According to the court, the policy limits restrict the amount the insurer may have to pay in the performance of the contract, not the damages that are recoverable for its breach. The award was affirmed with the exception of some costs that were not the direct result of the insurer's actions.
Indiana Insurance vs. Plummer Power Mower, Court of Appeals of Indiana, April 22, 1992 (*BI*/02/A.-$10). BI

These abstracts were prepared by Mayo H. Stiegler. Copies of these decisions are available by sending a $10 check payable to Mayo H. Stiegler to Business Insurance, *740 N. Rush St., Chicago, Ill. 60611-2590. List the number for each opinion.*

Continued from page 35

minimum size client.

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

Membership: SRMC.

Officers: Frederick A. Kolish, president.

Henderson Insurance & Risk Management Consultants Inc.

3300 Henderson Blvd., Suite 206, Tampa, Fla. 33609; 813-287-2986; fax: 813-289-0583

Consulting since: 1928.

Services: 100% of revenues from risk management consulting.

Frequent special projects: Insurance contract analysis, loss settlement assistance, risk management organization studies, preparation of bidding specifications, resource recovery project insurance, requirements of contractors.

Occasional special projects: Risk retention analysis, claims auditing, environmental, assessment of broker service/remuneration, risk management information system consulting.

Specialties: Government and commercial accounts.

Staff: Three total; two professionals, including one principal consultant, one consultant.

Clients: 95% with risk and insurance budgets less than $1 million, 5% with $1 million to $4.9 million. One association client. No minimum size client.

Compensation: By the hour.

Membership: SRMC.

Officers: Otto Lee Henderson, president; William O. Taylor, vp/treasurer; E.M. Henderson, secretary.

The Hilder Group Inc.

220 Campus Drive, Arlington Heights, Ill. 60004; 708-632-0737; fax: 708-392-6440

Consulting since: 1987.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 15% audits, 10% special projects.

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

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Staff: Three total; two professionals, including one principal consultant, one consultant.

Clients: 12 total; 10% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 30% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 10% exceeding $25 million. No minimum size client.

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

Officers: Daniel E. Hilder, president; Christine Kmiec.

P.M. Hudson & Associates

12300 Twinbrook Parkway, Rockville, Md. 20852; 301-468-6946; fax: 301-770-5639

Consulting since: 1982.

Services: 100% of revenues from risk management consulting; including 20% continuous consulting, 50% audits, 30% special projects.

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

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

Specialties: High technology, real estate, associations, wholesale distribution.

Staff: 12 total; seven professionals, including one principal consultant, three consultants, three analysts.

Clients: 60% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 5% with $5 million to $9.9 million. 20 association clients. No minimum size client.

Compensation: By the hour: principal consultant, $230.

Officers: Peter M. Hudson, chairman; Peter Dec, president; Allen S. Allner, executive vp; Margretta Glock, secretary/treasurer.

Contact: Peter M. Hudson.

Robert Hughes Associates Inc.

15400 Knoll Trail Drive, Suite 201, Dallas, Texas 75248; 214-980-0088; fax: 214-233-1548

Consulting since: 1979.

Services: 75% of revenues from risk management consulting; including 8% continuous consulting, 8% audits, 59% special projects.

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, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies.

Locations: Houston; London.

Staff: Nine total; seven professionals, including two principal consultants, three consultants, two actuaries. Professional designations include two CPCUs, two ARMs, one FCAS, one ACAS.

Compensation: By the hour: principal consultant, $250.

Officers: Robert N. Hughes, president; Cathy L. Jones, vp.

Continued on next page

MARINE INSURANCE PROBLEMS??
...CALL G&M MARINE, INC.

$25,000,000 IN HOUSE LIABILITY CAPACITY
A & A+ RATED AMERICAN COMPANIES
NO PROHIBITED CLASS OF BUSINESS • 40 YEARS EXPERIENCE

G&M MARINE, INC.
600 MARITIME BLDG. • NEW ORLEANS, LA 70130
(504) 588-9044 • FAX 504-588-9397
A SERVICE OFFICE FOR AGENTS AND BROKERS

"I challenge competitors to match RLI in service, compassion and underwriting expertise."

John R. Coleman
Vice President
RLI Northern California
Regional Office

At RLI, service in the field is measured by how promptly we respond to our customers' needs. Our fast quote turnaround and standard 15-day policy issuance are certainly part of this service. But I'm especially proud of RLI's reputation as a caring market that works with customers to help tailor special coverages.

How do I know we're measuring up? I hear it first-hand, from our valued customers. Here's what Jim Barnes, president of Sherwood Insurance Services of Northern California, had to say about RLI:

"Whenever I need a quick response to coverages that are unique and require exceptional creativity, my first call is to RLI. For example, I had a large course of construction risk that included earthquake. The client had several quotes, but none with a satisfactory deductible. I called RLI at 9:00 a.m. By 9:30 a.m. we had worked out a deductible buy-back policy that satisfied everyone."

We can be this responsive, flexible and decisive because the underwriting talent RLI hires is the best in the industry. Regional offices are empowered with full underwriting authority. That's a tremendous advantage, because it gives us a decided edge. We can present solutions to customers and bind coverage while competitors must wait for a decision from the home office.

It is exciting to bring this new benchmark of service to customers, especially in an industry that seems reluctant to shed its old image and change its old ways. I think it's time we as an industry realized that service isn't the only thing; it is everything.

RLI 9025 N. Lindbergh Drive Peoria, IL 61615
800/445-5468

Continued from previous page

R.M. Hunt & Associates Inc.

1301 Redwood Way, Suite 235, Petaluma, Calif. 94954; 707-664-9923; fax: 707-664-9920

Consulting since: 1989.
Services: 70% of revenues from risk management consulting; including 50% continuous consulting, 5% audits, 15% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, preparation of bidding specifications, quantitative/statistical analysis and forecasting, financial analysis for insurance operation due diligence.
Occasional special projects: Environmental, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management information system consulting, expert witness.
Specialties: Captive reinsurance with special emphasis on workers compensation.
Staff: Four total; three professionals, including two principal consultants, one analyst. Professional designations include one ARM.
Clients: 12 total; 10% with risk and insurance budgets less than $1 million, 60% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 10% with $10 million to $24.9 million. Three association clients.
Compensation: By the project, on retainer.
Officers: Robert M. Hunt, president/CEO; Mark J. Mitchell, CFO.
Contact: Mark J. Mitchell or Dianna Cruppi.

J.N. Hunter & Associates Inc.

P.O. Box 270, Rome, N.Y. 13440; 315-337-1000; fax: 315-337-0072

Consulting since: 1984.
Services: 55% of revenues from risk management consulting; including continuous consulting, audits, special projects.
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, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: Industrial and municipal consulting.
Staff: Eight total; professionals include one principal consultant, five consultants, one analyst. Professional designations include one CPCU.
Clients: 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million.
Compensation: By the project, commissions, on retainer.
Officers: J.N. Hunter, president; R.W. Wennberg, W.F. Dalgety, vps.

I

IAG Ltd.

240 Madison Ave., 14th Floor, New York, N.Y. 10016; 212-697-2680; fax: 212-697-4354

Consulting since: 1985.
Services: 100% of revenues from risk management consulting, all from special projects.
Frequent special projects: Insurance contract analysis, historic insurance research, coverage analysis, sample policy form research.
Specialties: Utilities, oil and gas, marine, energy, chemical/manufacturing, mining/metals, pharmaceutical.
Staff: 15 total; 10 professionals, including two principal consultants, three consultants, five analysts.
Clients: 200 total; 5% with risk and insurance budgets less than $1 million, 5% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 15% with $10 million to $24.9 million, 65% exceeding $25 million. No minimum size client.
Compensation: By the hour: principal consultant, $150 to $200.
Officers: Sheila Mulrennan, president; Michele Pierro, vp; Susan Brender, Bik Moy, assistant vps.

Independent Risk & Insurance Management Services

8040 E. Morgan Trail, Suite 17, Scottsdale, Ariz. 85258; 602-483-9005

Consulting since: 1981.
Services: 70% of revenues from risk management consulting; including 40% continuous consulting, 8% audits, 22% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, preparation of bidding specifications.
Occasional special projects: Captive feasibility studies, claims auditing, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: Public and non-profit organizations.
Staff: Three total; two professionals, including one principal consultant, one analyst. Professional designations include one ARM.
Clients: 20 total; 40% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Two association clients. No minimum size client.
Compensation: On retainer; by the hour: principal consultant, $110.
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

Consulting since: 1980.
Services: 90% of revenues from risk management consulting; including 85% continuous consulting, 2% audits, 3% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, claims auditing, assessment of broker service/remuneration, loss settlement assistance, expert witness.
Specialties: Retail chains, real estate, entertainment, hotels, construction.
Staff: 14 total; 10 professionals, including two principal consultants, three consultants, five analysts. Professional designations include two CPCUs, two ARMs.
Clients: 100 total; 50% with risk and insurance budgets less than $1 million, 45% with $1 million to $4.9 million, 5% with $5 million to $9.9 million. Minimum size client, $100,000.
Compensation: On retainer; by the hour: principal consultant, $250.
Membership: SRMC.
Officers: Robert S. Sterling, president; Andrew M. Schutzman, senior vp; Les Welch, vp; Daniel S. Sterling, secretary/treasurer.
Contact: Robert S. Sterling.

Information Security International Inc.

1700 Elton Road, Suite 100, Silver Spring, Md. 20903; 301-431-1200; fax: 301-431-0007

Consulting since: 1986.
Parent: The Parvus Group of Cos.
Services: 80% of revenues from risk management consulting; all special projects.
Frequent special projects: Claims auditing, accounting systems analysis, loss settlement assistance.
Occasional special projects: Environmental, loss prevention audits, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Specialties: Law firms, insurance underwriters.
Staff: Seven total; all professionals, including five principal consultants, two analysts.
Clients: Five total; 80% with risk and insurance budgets less than $1 million, 20% with $10 million to $24.9 million. No minimum size client.
Compensation: By the hour: principal consultant, $125.
1992 gross revenues: $1.9 million total, $1.6 million from risk management consulting.
Officers: Gerard P. Burke, chairman/CEO; Michael J. Burke, CFO.

Continued on next page

When 88% of the cost goes

High transaction costs only add to the problem of waste. Just what we don't need when only 5% of the Superfund sites have been cleaned to date.

AM-RE SERVICES, INC., a wholly owned subsidiary of American Re-Insurance Company, will work with insurers to anticipate future environmental exposures and identify ways to reduce them. We offer expertise in technical underwriting, claims management and financial planning.

We have specially trained underwriters who can spot a future liability before it happens and give you access to the newest technologies in pollution prevention, waste reduction and recycling. Litigation managers who can suggest methods of dispute resolution to reduce these frictional costs. Reinsurance professionals who can structure E.I.L. programs to protect bottom line results. We can even help unscramble the acronyms of

Continued from previous page

INSPRO Risk Management Inc.

P.O. Box 515039, Dallas, Texas 75251; 214-235-3030

Consulting since: 1991.
Services: 60% of revenues from risk management consulting; including 18% continuous consulting, 12% audits, 30% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance, preparation of bidding specifications, analysis of nonsubscribing to Texas workers comp law.
Occasional special projects: Captive feasibility studies, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, policy reconstruction.
Specialties: Governmental, manufacturing, communications, oil and gas, high-tech contract labor, architects.
Staff: Five total; three professionals, including two principal consultants, one consultant. Professional designations include one CPCU, two ARMs.
Clients: 25 total; 20% with risk and insurance budgets less than $1 million, 60% with $1 million to $4.9 million, 20% with $5 million to $9.9 million. Minimum size client, $100,000.
Compensation: By the project; commissions; on retainer; by the hour: principal consultant, $100 to $150.
Officers: Gerald P. Brunker, Paul J. McVearry, principals; Sherman Power, consultant.

Insurance Advisory Service Inc.

4914 Wisconsin Ave. N.W., Washington, D.C. 20016-4104; 202-537-3333; fax: 202-537-3338

Consulting since: 1974.
Services: 100% of revenues from risk management consulting; including 95% continuous consulting, 5% audits.
Specialties: Construction.
Staff: Five total; four professionals, including three principal consultants, one consultant. Professional designations include one CPCU, one CIC.
Clients: 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. Two association clients. No minimum size client.
Compensation: On retainer.
Officers: Howard de Franceaux, chairman; John L. Byrd, president; J. Evan Rees, managing director.

Insurance Agency Programs Inc.

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

Consulting since: 1984.
Services: 50% of revenues from risk management consulting; including 5% audits, 45% special projects.
Frequent special projects: Captive feasibility studies, expert witness.
Occasional special projects: Insurance contract analysis, assessment of broker service/remuneration.
Specialties: Fronting consulting.
Staff: Professional designations include one CPCU.
Clients: 10% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 40% exceeding $25 million.
Compensation: By the project.
Officers: Andrew Barile, president.

Insurance Audit & Inspection Co. Inc.

6314 Rucker Road, Suite G, Indianapolis, Ind. 46220-4892; 317-259-1013; fax: 317-465-1004

Consulting since: 1901.
Services: 100% of revenues from risk management consulting; including 80% continuous consulting, 10% audits, 10% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, 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: Columbus, Ohio; Dallas; Memphis, Tenn.; St. Louis.
Staff: 12 total; nine professionals. Professional designations include five CPCUs, four ARMs.
Clients: 200 total; 30% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 25% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 5% exceeding $25 million.
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

Consulting since: 1945.
Services: 98% of revenues from risk management consulting; including 87% continuous consulting, 2% audits, 9% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, 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, risk management information system consulting.
Staff: 18 total; 12 professionals, including six principal consultants, six consultants. Professional designations include eight CPCUs, nine ARMs, one CIC.
Clients: 244 total; 21% with risk and insurance budgets less than $1 million, 58% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 6% with $10 million to $24.9 million, 5% exceeding $25 million. 18 association clients. No minimum size client.
Compensation: By the hour: principal consultant, $175.
1992 gross revenues: $1.92 million total, $1.89 million from risk management consulting.
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

Consulting since: 1956.
Services: 100% of revenues from risk management consulting; including 98% continuous consulting, 1% audits, 1% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, setting up association programs.
Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, loss prevention audits, risk management information system consulting.
Specialties: Retailing, manufacturing, importers, real estate, financial institutions, transportation.
Locations: Hasbrouck Heights, N.J.
Staff: 35 total; 25 professionals, including 11 principal consultants, four consultants, 10 analysts. Professional designations include one CPCU, six ARMs.
Clients: 348 total; 78% with risk and insurance budgets under $1 million, 18% with $1 million to $4.9 million, 3% with $5 million to $9.9 million, 1% with $10 million to $24.9 million. 25 association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $250 to $300.
1992 gross revenues: * $3.8 million from risk management consulting.
Membership: SRMC.
Officers: George Jack Wall, founder/senior associate; Barron Stephan Wall, managing associate.

* *BI* estimate.

Continued on next page

for litigation, who cleans up?

governmental regulations so you can work toward the most cost-effective means of compliance.

Pollution liabilities cost us all. If we work together, we can ensure that the next generation doesn't waste their energy paying for the fact that we didn't. To find out how you can use our experience to better manage your pollution exposures, call Corporate Communications at 609-243-4339.

AM·RE SERVICES, INC.
555 College Road East, Princeton, NJ 08543-5241 (609) 243-4200

Atlanta, Bermuda, Bogota, Boston, Brussels, Cairo, Chicago, Columbus, Dallas, Hartford, Kansas City, London, Los Angeles, Melbourne, Mexico City, Minneapolis, Montreal, New York, Philadelphia, San Francisco, Santiago, Singapore, Sydney, Tokyo, Toronto, Vienna

Continued from previous page

Insurance Control Systems Inc.

1118 N. La Brea Ave., Inglewood, Calif. 90302; 213-678-7115; fax: 310-673-3350

Consulting since: 1989.
Services: 90% of revenues from risk management consulting; including 75% continuous consulting, 10% audits, 5% special projects.
Frequent special projects: Insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, 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, risk management information system consulting, expert witness.
Locations: Atlanta; Dallas; Reno, Nev.
Staff: 14 total; nine professionals, including two principal consultants, two consultants, one actuary, two analysts. Professional designations include two ARMs, three CSPs.
Clients: 48 total; 55% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 10% with $10 million to $24.9 million. Three association clients. Minimum size client, $75,000.
Compensation: By the project.
1992 gross revenues: $1.4 million total, $1.3 million from risk management consulting.
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

Consulting since: 1987.
Services: 100% of revenues from risk management consulting; including 80% continuous consulting, 10% audits, 10% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting.
Occasional special projects: Captive feasibility studies, expert witness.
Specialties: Manufacturing, contractors, community interest developments.
Staff: One total, a principal consultant.
Clients: 40 total. 40% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. One association client. No minimum size client.
Compensation: By the project; by the hour: principal consultant, $145.
Membership: SRMC.
Officers: Ann C. Krilanovich, principal.

Insurance Management Bureau

5754 W. 74th St., Indianapolis, Ind. 46278-1754; 317-290-4250; fax: 317-290-4261

Consulting since 1950.
Parent: Acordia School Benefits Inc.
Services: 100% of revenues from risk management consulting; including 85% continuous consulting, 10% audits, 5% special projects.
Frequent special projects: Risk retention analysis analysis of limits, insurance contract analysis, preparation of bidding specifications.
Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, risk management information system consulting.
Specialties: School systems and governmental bodies, mental health facilities.
Locations: Illinois.
Staff: Nine total; five professionals, including one principal consultant, two consultants, one actuary, one analyst. Professional designations include one CPCU, one CIC.
Clients: 200 total; 100% with risk and insurance budgets less than $1 million.
Four association clients. No minimum size client.
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

Consulting since: 1989.
Services: 50% of revenues from risk management consulting; including 10% continuous consulting, 25% audits, 15% special projects.
Frequent special projects: Risk retention analysis, insurance contract analysis, preparation of bidding specifications.
Occasional special projects: Analysis of limits, claims auditing, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies.
Specialties: Manufacturing, construction/development/real estate, public entities.
Staff: One total. Professional designations include ARM.
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

Consulting since: 1985.
Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 20% audits, 5% special projects.
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, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, risk management information system consulting, expert witness.
Specialties: Local governments (city and county), public entities (schools), community banks.
Staff: Three total, all professionals, including two principal consultants, one analyst. Professional designations include two CPCUs.
Clients: 59 total; 96% with risk and insurance budgets less than $1 million, 3% with $1 million to $4.9 million, 1% with $5 million to $9.9 million. Four association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $120.
1992 gross revenues: $204,553 total, all from risk management consulting.
Officers: T. Joe Byrd, owner; Bill Swiger, principal consultant.

Insurance Strategies Inc.

P.O. Box 17149, Charlotte, N.C. 28270; 704-845-9033; fax: 704-845-2597

Consulting since: 1991.
Services: 100% of revenues from risk management consulting; including 10% continuous consulting, 15% audits, 75% special projects.
Frequent special projects: Risk retention analysis, preparation of bidding specifications.
Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: Hospital/medical industry, construction industry.
Staff: Three total, all professionals, including two principal consultants, one analyst.
Clients: 15 total; 50% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $100.
1992 gross revenues: $250,000 total, all from risk management consulting.
Officers: R. Bradford Lee, president; Joseph A. Sloan, vp.

Integrated Risk Management

1302 Raintree Circle, Culver City, Calif. 90230; 310-559-7032; fax: 310-838-0742

Consulting since: 1986.
Services: 100% of revenues from risk management consulting; including 30% continuous consulting, 25% audits, 45% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, loss settlement assistance, preparation of bidding specifications, design of loss prevention incentive programs.
Occasional special projects: Risk retention analysis, claims auditing, risk management organization studies, risk management information system consulting, expert witness, written OSHA compliance programs.
Specialties: Property development, transportation, medical offices.
Staff: Two total; one professional, a principal consultant. Professional designation includes ARM.
Clients: 23 total; all with risk and insurance budgets less than $1 million. Three association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $125.
Officers: Alan P. Schreibman, principal.

Interisk Corp.

1111 N. Westshore Blvd., Suite 208, Tampa, Fla. 33607; 813-287-1040; fax: 813-287-1041

Consulting since: 1979.

Services: 70% of revenues from risk management consulting; including 50% continuous consulting, 10% audits, 10% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, seminar and corporate training, design and implementation of risk management departments.
Occasional special projects: Environmental, accounting systems analysis.
Specialties: Transportation, medical care facilities, financial institutions, associations, manufacturing, sports and leisure time.
Staff: Four total; three professionals, including one principal consultant, one consultant, one analyst. Professional designations include three CPCUs, three ARMs, one CSP.
Clients: 12% with risk and insurance budgets less than $1 million, 41% with $1 million to $4.9 million, 12% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 15% exceeding $25 million. Fifteen association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $90 to $150.
Officers: Lawton Swan III, president.

Interisk Ltd.

1600 Dove St., Suite 1600, Newport Beach, Calif. 92660; 714-553-6630; fax: 714-553-6635

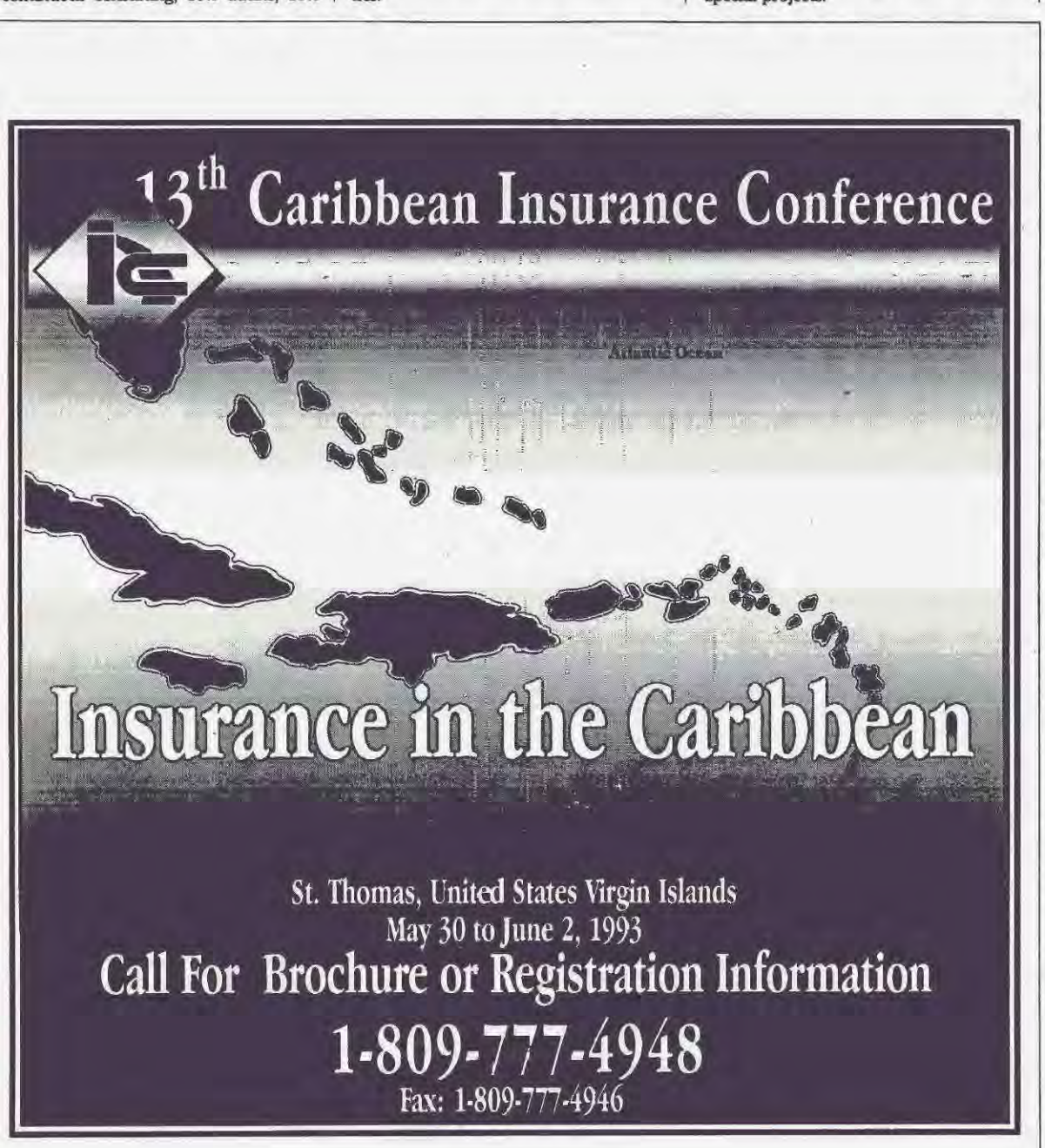
Consulting since: 1984.
Services: 95% of revenues from risk management consulting; including 4.75% continuous consulting, 4.75% audits, 85.5% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, expert witness, insurance litigation and industry research, mediation/arbitration services.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.
Specialties: Attorneys in insurance coverage, claims or errors and omissions litigation (for any litigant), contractors, developers, property managers, public agencies, manufacturers, transportation, captive owners.
Staff: Four total; three professionals, including one principal consultant, one consultant, one analyst. Professional designations include two CPCUs, two ARMs.
Clients: 20 total; 15% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 40% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. No minimum size client.
Compensation: On retainer; by the hour: principal consultant, $175 to $250.
1992 gross revenues: $300,000 total, $280,000 from risk management consulting.
Membership: SRMC.
Officers: James A. Robertson, president/CEO.
Contact: James A. Robertson or Linda K. Edgell.

International Settlement Design Inc.

313 Sixth Ave., Suite 700, Pittsburgh, Pa. 15222; 800-456-7226; fax: 412-281-2292

Consulting since: 1980.
Services: 100% of revenues from risk management consulting, all from special projects.
Frequent special projects: Loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness, structured settlements and use of settlements for workers comp claims.
Specialties: Property/casualty insurance companies, self-insured corporations, government entities, attorneys.
Locations: Denver; New York; Rapid City, S.D.; London.
Staff: 35 total; professionals include eight principal consultants, 15 consultants, four analysts. Professional designations include one CPCU.
Clients: 20% with risk and insurance budgets of $1 million to $4.9 million, 20% with $5 million to $9.9 million, 40% with $10 million to $24.9 million, 20% exceeding $25 million.
Compensation: Commissions.
Officers: Gary Brant, president; David Hickey, executive vp/COO; John Darer, Robert Beago, Donald Hermann, principals.

Continued on next page



Continued from previous page

The Joseph Ivy Co.

9420 Research Blvd., Echelon III, Suite 300, Austin, Texas 78759; 512-346-6921; fax: 512-346-9321

Consulting since: 1985.
Services: 70% of revenues from risk management consulting; including 20% continuous consulting, 20% audits, 30% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, risk management organization studies, preparation of bidding specifications, risk retention pool performance reviews, risk retention pool strategic planning.
Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: Local governments (cities, counties, school districts, special districts), health care (hospitals, mental health facilities, medical societies), risk retention pools, association captives.
Staff: Eight total; seven professionals, including two principal consultants, four consultants, one analyst. Professional designations include one CPCU, two ARMs.
Clients: 30% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million, 20% with $5 million to $9.9 million. Twelve association clients. Minimum size client, $250,000.
Compensation: By the project; on retainer; by the hour: principal consultant, $120 to $150.
Officers: William I. Martin Jr., Francis J. Fey, principals; Samuel D. Francis, general counsel; Dennis W. Burke, COO.

J

JDW Risk Services Inc.

P.O Box 193, El Paso, Texas 79942; 915-533-2614

Consulting since: 1984.
Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 15% audits, 45% special projects.
Frequent special projects: Risk retention analysis, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, workers compensation act rejection, medical case management.
Occasional special projects: Captive feasibility studies, analysis of limits, environmental, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: Construction, manufacturing, transportation.
Staff: Nine total; professionals include four principal consultants, one consultant. Professional designations include one CPCU, one ARM, one CSP.
Clients: 40 total; 60% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 5% with $10 million to $24.9 million, 5% exceeding $25 million. One association client. No minimum size client.
Compensation: By the project; by the hour: principal consultant, $100.
1992 gross revenues: $327,000 from risk management consulting.
Officers: Darrell W. Burton, president; Carl Dickson, senior vp; Natividad Reyes, vp.

JM Risk Management Co. of the Southwest Inc.

Route 8, Box 5592, Boerne, Texas 78006; 210-537-4076; fax: 210-537-5023

Consulting since: 1987.
Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 9% audits, 1% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, loss control/loss prevention surveys, formulation of written loss control programs.
Occasional special projects: Captive feasibility studies, accounting systems analysis, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Specialties: LP Gas, explosives, oil and gas, construction/engineering, real estate development, manufacturing, transportation.
Staff: Two total; one principal consultant.
Clients: 32 total; 92% with risk and insurance budgets less than $1 million, 8% with $1 million to $4.9 million. 32 association clients. No minimum size client.
Compensation: On retainer; by the hour: principal consultant, $90 to $115.
Officers: James L. Macdonald, president.

Herbert L. Jamison & Co.—Risk Management Division

345 Park Ave. S., New York, N.Y. 10010; 212-686-2233

Consulting since: 1938.
Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 5% audits, 20%

Continued on next page

PROFESSIONALS SERVING PROFESSIONALS℠
D&O/E&O MARKETS: AN UPDATE

MARKET STIMULUS: Agents and brokers have had difficulty placing certain D&O and E&O business.

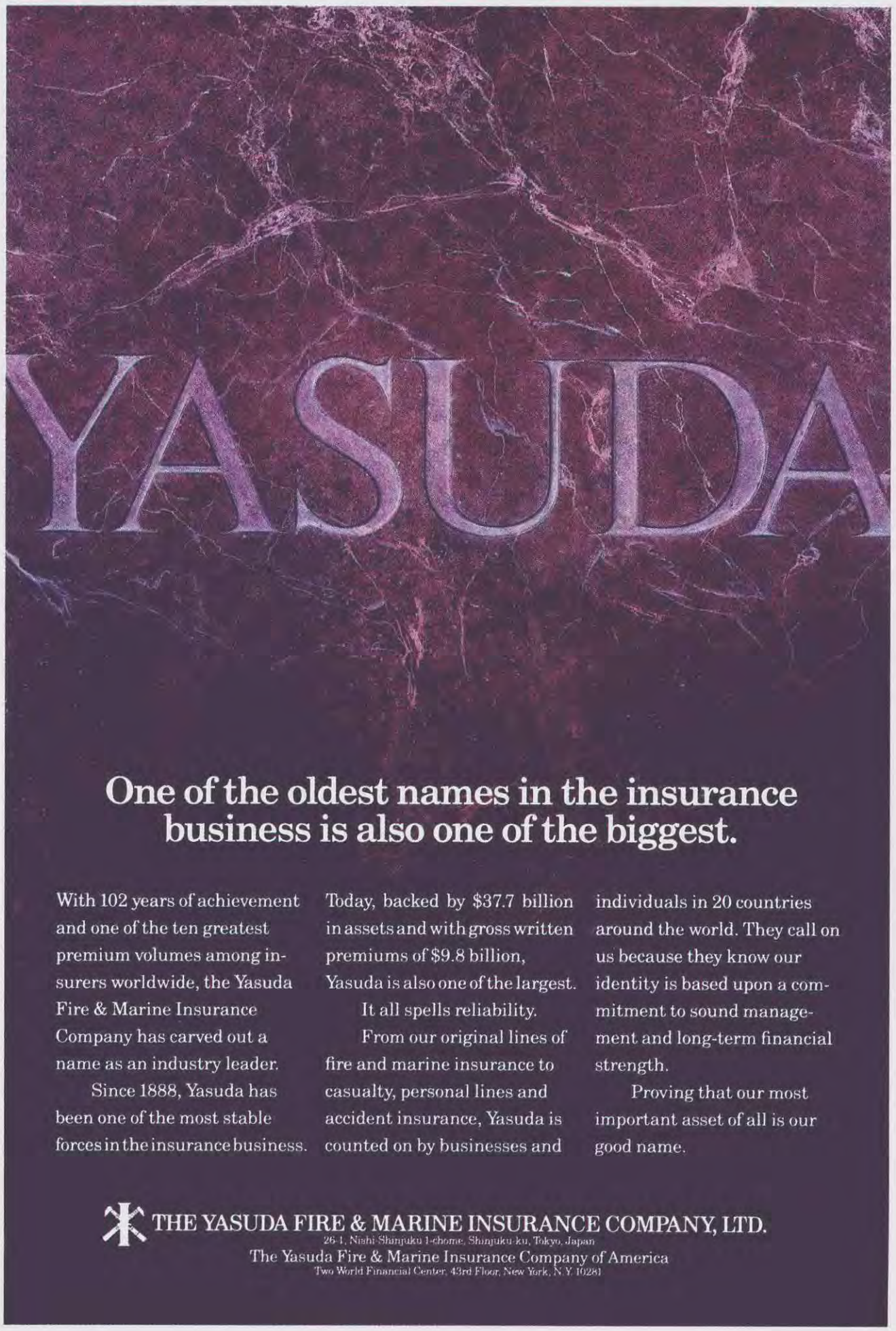
HOME RESPONSE: " The Home is open to D&O and E&O exposures in for-profit corporations with assets of $1 million and above."

"We also have a strong appetite for the complicated, the irregular, the hard to place non-standard D&O and E&O risks in companies of any type, regardless of the class or the financial considerations.

JOHN SHEERAN, Vice President
(212) 530-6949

HOME 1853

HOME INSURANCE
SPECIALTY LINES DIVISION



One of the oldest names in the insurance business is also one of the biggest.

With 102 years of achievement and one of the ten greatest premium volumes among insurers worldwide, the Yasuda Fire & Marine Insurance Company has carved out a name as an industry leader.

Since 1888, Yasuda has been one of the most stable forces in the insurance business.

Today, backed by $37.7 billion in assets and with gross written premiums of $9.8 billion, Yasuda is also one of the largest.

It all spells reliability.

From our original lines of fire and marine insurance to casualty, personal lines and accident insurance, Yasuda is counted on by businesses and individuals in 20 countries around the world. They call on us because they know our identity is based upon a commitment to sound management and long-term financial strength.

Proving that our most important asset of all is our good name.

THE YASUDA FIRE & MARINE INSURANCE COMPANY, LTD.
26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, Japan
The Yasuda Fire & Marine Insurance Company of America
Two World Financial Center, 43rd Floor, New York, N.Y. 10281

Continued from previous page
special projects.

Frequent special projects: Insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, environmental, assessment of broker service/remuneration, risk management organization studies, risk management information system consulting.

Locations: West Orange, N.J.

Staff: 110 total; five professionals, including three principal consultants, one consultant, one analyst. Professional designations include two CPCUs, one ARM.

Clients: 10 total; 20% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 60% with $5 million to $9.9 million. Minimum size client, $300,000.

Compensation: On retainer.

1992 gross revenues: $900,000 total, all from risk management consulting.

Officers: Jesse J. Watkins, managing partner; Raymond J. Devine, John Richards, vps; Augie LuLuna, assistant vp; Eric Watkins, senior account executive.

Jardine Risk Management Inc.

11835 W. Olympic Blvd., Fifth Floor, Los Angeles, Calif. 90064; 310-444-3333; fax: 310-478-4354

Consulting since: 1968.

Parent: Jardine Insurance Brokers.

Services: 30% of revenues from risk management consulting; including 10% continuous consulting, 20% special projects.

Frequent special projects: Risk retention analysis, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, analysis of limits, insurance contract analysis, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Specialties: Building contractors, defense contractors, grocers, manufacturers, payroll services.

Locations: Hawaii, Bermuda.

Staff: 15 total; nine professionals, including two principal consultants, three consultants, one actuary, three analysts. Professional designations include two CPCUs, two ARMs, one FCAS.

Clients: Minimum size client, $2 million.

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

Membership: SRMC.

Officers: Richard Cook, president; Francesca Loftis, Kevin Malbon, vps; Lee Van Slyke, consulting actuary.

The Johnson Group Ltd.

1326 Wilder St., Thousand Oaks, Calif. 91362; 805-497-6200; fax: 805-496-2846

Consulting since: 1981.

Services: 100% of revenues from risk management consulting; including 95% continuous consulting, 5% audits.

Specialties: Manufacturing.

Staff: Two total, both principal consultants. Professional designations include CPCUs, ARMs.

Clients: 15 total; 50% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million. Minimum size client, $500,000.

Compensation: On retainer.

Officers: Eugene F. Johnson, president; Gregory E. Johnson, vp.

Johnson & Higgins Risk Management Services

125 Broad St., New York, N.Y. 10004; 212-574-7000; fax: 212-574-7676

Consulting since: 1972.

Parent: Johnson & Higgins.

Services: 100% of revenues from risk management consulting; including 35% continuous consulting, 5% audits, 60% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, quantitative/statistical analysis and forecasting, risk management information system consulting, actuarial consulting including certifications for captives and self-insurers, group captive and risk retention group studies, cost allocation programs, financial (re)insurance consulting.

Occasional special projects: Insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, preparation of bidding specifications, captive strategic planning, management consulting.

Staff: 95 total. Professional designations include 13 CPCUs, eight ARMs, one FCAS, three ACASs.

Clients: 500 total.

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

Officers: John V. Deitchman, senior vp/director/casualty practice leader; Fred L. Packer, senior vp/manager-national casualty office/risk financing; Robert P. Eramo, vp/actuary; David North, vp/manager-client technical services.

Contact: Fred L. Packer.

K

KPMG Peat Marwick

345 Park Ave., New York, N.Y. 10154; 212-872-6577; fax: 212-872-3272

Consulting since: 1984.

Services: 3% of revenues from risk management consulting; including 1% audits, 2% special projects.

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

Occasional special projects: Captive feasibility studies, accounting systems analysis, risk management information system consulting, expert witness.

Specialties: Claims consulting to insurance industry.

Locations: Atlanta; Chicago; Hartford, Conn.; Los Angeles; Valley Forge, Pa; Bahamas; Bermuda; Cayman Islands; London.

Staff: 65 professionals, including 18 principal consultants, 25 consultants, 12 actuaries, 10 analysts. Professional designations include three CPCUs, two ARMs, nine FCASs, three ACASs, one CIC.

Clients: 250 total; 10% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 45% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 5% exceeding $25 million. Six association clients. Minimum size client, $1 million.

Compensation: By the hour: principal consultant, $250 to $350.

1992 gross revenues: $8.7 million from risk management consulting.

Officers: Aaron Halpert, partner; Donald Gunyan, practice leader; Kevin McAllister, senior manager; Herbert Goodfriend, director.

Keenan & Associates

2355 Crenshaw Blvd., Suite 200, Torrance, Calif. 90501; P.O. Box 4328, Torrance, Calif. 90510; 310-212-3344; fax: 310-328-6793

Consulting since: 1978.

Services: 5% of revenues from risk management consulting; including 2% continuous consulting, 1% audits, 2% special projects.

Frequent special projects: Analysis of limits, loss prevention audits, accounting systems analysis, loss settlement assistance, specialists in forming joint powers agencies.

Occasional special projects: Risk retention analysis, insurance contract analysis, environmental, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Public school districts, municipal agencies and hospitals.

Locations: Campbell, Chico, Emeryville, Fresno, Riverside, Sacramento, San Diego, Santa Ana and Westlake Village, Calif.

Staff: 380 total; 16 professionals, including two principal consultants, 14 consultants. Professional designations include four CPCUs, six ARMs.

Clients: 95 total; 15% with risk and insurance budgets less than $1 million, 55% with $1 million to $4.9 million, 25% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. 65 association clients.

Compensation: By the project, on retainer.

1992 gross revenues: $28 million total, $1.6 million from risk management

Continued on next page

THE SECOND ANNUAL

Business Insurance®

HEALTH CARE MANAGEMENT & COST CONTAINMENT CONFERENCE

PRESENTED BY

Business Insurance, and IBF/International Business Forum

May 16-18, 1993

Sheraton New York Hotel • New York City

HOW TO REGISTER:

Registration fee: $795. Early Bird registration fee is $695 if you register before March 15. To register or receive exhibit information, please complete the form below and mail or fax to:

IBF/International Business Forum
50 Charles Lindbergh Blvd., Suite 400 • Uniondale, N.Y. 11553
Tel (516) 229-2375 • Fax (516) 229-2386

THE SECOND ANNUAL *BUSINESS INSURANCE* HEALTH CARE MANAGEMENT & COST CONTAINMENT CONFERENCE

☐ PLEASE REGISTER THE FOLLOWING DELEGATE.
☐ PLEASE SEND ME EXHIBIT INFORMATION.
☐ PLEASE KEEP ME INFORMED.

Name _____

Title _____

Company _____

Street _____

City _____ State _____ Zip _____

Telephone ( ) _____ Fax ( ) _____

CONFERENCE AGENDA

SUNDAY, MAY 16

6:00 – 7:30 p.m. EARLY REGISTRATION & COCKTAIL RECEPTION
Hosted by The Upjohn Company

MONDAY, MAY 17

7:45 a.m. *Continental Breakfast & Registration*

9:00 a.m. OPENING REMARKS BY CONFERENCE CO-CHAIR
Kathryn J. McIntyre
Publisher & Editorial Director
Business Insurance

9:15 a.m. NEW INITIATIVES IN MANAGED CARE
Panel Moderator:
James M. Burcke, Editor
Business Insurance
Joseph W. Duva, Partner
Ernst & Young
Larry Goelman, President and CEO
Cost Care, Inc.
Harry Neer, Vice Chairman
USA Healthnet, Inc.

10:30 a.m. MID-MORNING REFRESHMENTS & TABLE-TOP EXHIBITS
Hosted by Clinical Pharmacy Advantage

11:00 a.m. MULTI-EMPLOYER COALITIONS: A GRASSROOTS APPROACH
J. Bryan Bushick, M.D., Consultant
Towers Perrin
Lawrence J. Frye, President
Iameter, Inc.
Dee Kemnitz, Vice President, Employee Benefits
Carlson Companies, Inc.

12:15 p.m. LUNCHEON FOR SPEAKERS AND ATTENDEES
Hosted by John Hancock Financial Services

1:00 p.m. KEYNOTE LUNCHEON SPEAKER
Sean Sullivan, President & CEO
National Business Coalition Forum on Health

1:45 p.m. *Break*

2:00 p.m. *Concurrent Session A:*
STRUCTURING AND MANAGING AN ON-SITE MEDICAL FACILITY
Panel Moderator:
Kathryn J. McIntyre
Publisher & Editorial Director
Business Insurance
Jerry Appelbaum, M.D., Corporate Medical Director
The Gates Clinic, Inc.
Deborah T. Carroll, Director of Benefits
Barnett Banks, Inc.

Continued from previous page
consulting.

Officers: John R. Keenan, CEO/president; David J. De Wenter, chief administrative officer; Harwood J. Bren, COO; Murton L. Munson, executive vp.

Ralph Korn & Associates

2700 N. Central Ave., Suite 630, Phoenix, Ariz. 85004; 602-222-5909; fax: 602-222-5911

Consulting since: 1987.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 1% audits, 39% special projects.

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

Occasional special projects: Loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Electric utilities, newspaper publishing.

Staff: One total, a principal consultant.

Clients: 22 total; 90% with risk and insurance budgets less than $1 million, 5% with $1 million to $4.9 million, 5% with $5 million to $9.9 million. One association client. No minimum size client.

Compensation: By the hour: principal consultant, $110 to $150.

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

Consulting since: 1985.

Services: 87% of revenues from risk management consulting; including 25% continuous consulting, 15% audits, 47% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, risk management organization studies, product liability.

Occasional special projects: Environmental, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Specialties: Foreign companies doing business in the United States.

Staff: Two total, both professional, including one principal consultant, one consultant. Professional designations include one ARM.

Clients: No minimum size client.

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

Officers: Jacques H. Kusters, owner/principal consultant.

L

Larsen Risk Consultants Inc.

22 W. Putnam Ave., Suite 18, Greenwich, Conn. 06830; 203-622-6681; fax: 203-622-6501

Consulting since: 1985.

Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 10% audits.

Specialties: Real estate developers, owners and managers; financial institutions; manufacturers.

Staff: Four total; professionals include one principal consultant, one consultant, one analyst. Professional designations include one ARM, one CIC.

Clients: 13 total; 77% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million, 8% with $5 million to $9.9 million. No minimum size client.

Compensation: By the project, on retainer.

1992 gross revenues: $400,000 from risk management consulting.

Officers: James F. Larsen, president; Susan E. Larsen, executive vp.

Contact: James F. Larsen.

Benjamin Levy—Insurance Surveys Co.

P.O. Box 1058, Liberty, N.Y. 12754; 914-292-5390; fax: 914-292-2191

Consulting since: 1965.

Services: 95% of revenues from risk management consulting; including 90% continuous consulting, 5% audits.

Staff: Two total; one professional, a principal consultant.

Clients: Five total; 100% with risk and insurance budgets less than $1 million. Three association clients. No minimum size client.

Compensation: By the hour: principal consultant, $70.

Officers: Benjamin Levy, owner.

Litigation Management Specialists Inc.

First American Center, Suite 1265, 315 Derderick St., Nashville, Tenn. 37238; 615-255-5510; fax: 615-255-4679

Consulting since: 1988.

Services: 80% of revenues from risk management consulting; including 20% continuous consulting, 20% audits, 40% special projects.

Frequent special projects: Claims auditing, environmental, loss prevention audits, loss settlement assistance, litigation management, loss avoidance, loss prevention, risk spreading.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, risk management information system consulting, expert witness.

Specialties: Manufacturing, industrial equipment, recreational equipment, power equipment, medical devices.

Staff: Three total; two professionals, including one principal consultant, one analyst.

Clients: 14 total; 72% with risk and insurance budgets less than $1 million, 21% with $1 million to $4.9 million, 7% with $5 million to $9.9 million. One association client. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $95 to $135.

Officers: James A. Freeman, president.

Loss Control Associates Inc.

172 Middletown Blvd., Suite B-204, Langhorne, Pa. 19047; 215-750-6841; fax: 215-750-6845

Consulting since: 1986.

Services: 100% of revenues from risk management consulting; all from special projects.

Frequent special projects: Loss prevention audits, expert witness, chemical plant process safety reviews, fire protection engineering.

Specialties: Petrochemical; petroleum refining; businesses with hazardous chemical handling, storage or use.

Staff: Seven total; six professionals, including three principal consultants, three consultants.

Compensation: By the project.

1992 gross revenues: $1.2 million total, all from risk management consulting.

Officers: Orville M. Slye Jr., president.

M

MMI Risk Management Resources Inc.

540 Lake Cook Road, Deerfield, Ill. 60015; 708-940-7550; fax: 708-374-1332

Parent: MMI Cos. Inc.

Services: 81% of revenues from risk management consulting; including 75% continuous consulting, 2% audits, 4% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, risk management information system consulting, claim system evaluations.

Occasional special projects: Preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, workers comp feasibility studies and program assessments.

Specialties: Healthcare organizations, multispecialty group practices, physician office practices, managed care networks.

Locations: Albuquerque, N.M.;

Continued on next page

Concurrent Session B:
HOW TO ENROLL RETIREES IN MANAGED CARE PLANS

William J. Boyle, Director, Benefits and HRIS
Western Union

Marcia Inch, Principal
William M. Mercer, Inc.

Charles A. Newman
Program Manager, Health Care Management
GE Power Systems

3:15 p.m. **MID-AFTERNOON REFRESHMENTS & TABLE-TOP EXHIBITS**
Hosted by Clinical Pharmacy Advantage

3:45 p.m. **WORKERS COMPENSATION: INTEGRATING MANAGED CARE TO CONTROL WORKERS COMPENSATION COSTS**

Edwin E. Freedman
Managing Director, AlexComp Consulting Plus
The Alexander Consulting Group Inc.

Bill Murphy, Director of Risk Management
Sky Chefs

Robert L. Buckley
Manager of Special Investigations
Kemper Risk Management Services

5:00 p.m. **COCKTAIL RECEPTION**
Hosted by USA Healthnet, Inc.

TUESDAY, MAY 18

7:45 a.m. *Continental Breakfast & Table-Top Exhibits*

9:00 a.m. **REMARKS FROM THE CHAIR**

9:15 a.m. **KEYNOTE ADDRESS**

John Polk, Executive Director
Counsel of Smaller Enterprises

9:45 a.m. **HEALTH CARE REFORM: WHAT ARE THE OPTIONS?**

Panel Moderator:
Jerry Geisel, Editor-at-Large
Business Insurance

Ellen Goldstein, Director of Health Care Policy and Communications
Association of Private Pension & Welfare Plans

Doug Leland, Vice President
Intracorp

Thomas R. Reardon, M.D.
Member, Board of Trustees
American Medical Association

Michael A. Zarcone, Government Relations Counsel
MetLife Insurance Co.

11:00 a.m. *Mid-Morning Refreshments & Table-Top Exhibits*

11:30 a.m. **RECEIVING THE MOST VALUE FROM YOUR PHARMACEUTICAL BENEFIT PLAN**

James W. Heenan, Director, Corporate Account Sales
The Upjohn Company

Jim Miller, Vice President – Marketing
PreferredOne

Norrie Thomas, President & COO
Clinical Pharmacy Advantage

12:30 p.m. **LUNCHEON FOR SPEAKERS AND ATTENDEES**
Hosted by The Alexander Consulting Group Inc.

1:15 p.m. **KEYNOTE LUNCHEON SPEAKER**

The Honorable Robert G. Torricelli
House of Representatives, New Jersey, Democrat

1:45 p.m. *Break*

2:00 p.m. **CASE STUDIES OF SELECTED WINNERS FROM THE *BUSINESS INSURANCE* EMPLOYEE BENEFITS COMMUNICATION AWARDS**

Concurrent Session A:
Charlotte Jerace, Manager
KPMG Peat Marwick

Concurrent Session B:
Richard D. Quinn, III
Director, Corporate Benefits Planning
Public Service Electric & Gas Co.

Lee Saviola
District Manager, Managed Care Administration & Employee Education
AT&T

Pamela G. Stout
Communications Team Leader – New York Region
The Wyatt Company

Concurrent Session C:
Vicki Dungan, Principal
Dungan Communications Resources

Lorna Mackey, Manager, Benefits Communication
PepsiCo Inc.

3:15 p.m. *Mid-Afternoon Refreshments*

3:30 p.m. **SHOULD THE PRIVATE SECTOR ADOPT RESOURCE-BASED RELATIVE VALUE SCALE (RBRVS) PHYSICIAN FEE SCHEDULES?**

Panel Moderator:
Christine Woolsey, Associate Editor
Business Insurance

Zachary Dyckman, Ph.D., Executive Vice President
Center for Health Policy Studies

Thomas R. Reardon, M.D.
Member, Board of Trustees
American Medical Association

4:30 p.m. **CONFERENCE ADJOURNS**

CORPORATE SPONSORS

The Upjohn Company

John Hancock Financial Services

Clinical Pharmacy Advantage

The Alexander Consulting Group Inc.

USA Healthnet, Inc.

Continued from previous page
Atlanta; Eugene, Ore.; Richmond, Va.; San Francisco.

Staff: 36 total; 13 principal consultants, 10 consultants, three analysts.

Clients: 240 total. Two association clients.

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

1992 gross revenues: $4.5 million total, $3.6 million from risk management consulting.

Officers: Anna Marie Hajek, president; Pam Lockowitz, assistant vp.

Contact: Anna Marie Hajek.

James R. Mahurin

United Bank Building, Suite 405, P.O. Box 1926, Beckley, W.Va. 25802-1926; 304-252-0705

Consulting since: 1984.

Services: 72% of revenues from risk management consulting; including 45% continuous consulting, 25% audits, 2% special projects.

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

Occasional special projects: Risk retention analysis, claims auditing, environmental, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Mining, construction, government entities, regional jewelry chains, financial, medical and educational institutions.

Staff: Two total; one professional. Professional designations include CPCU, ARM.

Clients: 80 total; 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million. No minimum size client.

Compensation: By the hour: principal consultant, $80 to $100.

Contact: James R. Mahurin.

Management Functions Inc.

1409 N.E. 22nd Ave., P.O. Box 70272, Ocala, Fla. 34470; 904-351-1850

Consulting since: 1987.

Services: 90% of revenues from risk management consulting; including 80% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.

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

Specialties: Property management, mental health facilities, dealerships.

Staff: Three total, including one principal consultant, one consultant.

Clients: 10 total; 60% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million. One association client. Minimum size client, $250,000.

Compensation: By the project; on retainer; by the hour: principal consultant, $150 to $200.

1992 gross revenues: $96,000 total, $85,000 from risk management consulting.

Officers: Robert A. Carr, owner/president.

Manchester Risk Management Consulting

25 Nashua Road, Londonderry, N.H. 03053; 603-432-8700; fax: 603-432-3349

Consulting since: 1988.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 10% audits, 15% special projects.

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

Occasional special projects: Risk retention analysis, claims auditing, assessment of broker service/remuneration, loss settlement assistance, expert witness.

Specialties: Public entities, including municipal solid waste management, mass burn incineration projects.

Staff: Four total; two professionals, both principal consultants. Professional designations include two CPCUs, one ARM.

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

Consulting since: 1985

Services: 100% of revenues from risk management consulting, all from continuous consulting.

Specialties: Property and casualty.

Staff: One total, who is a CPCU.

Clients: One total, with a risk and insurance budget of $1 million to $4.9 million. Minimum size client, $200,000.

Compensation: On retainer.

Officers: Robert E. Maynard.

McGee Risk Management Services

P.O. Box 419013, Kansas City, Mo. 64141-6013; 816-842-4800; fax: 816-472-5018

Consulting since: 1910.

Parent: Thomas McGee & Sons.

Services: 22% of revenues from risk management consulting; including 14% continuous consulting, 2% audits, 6% special projects.

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, risk management information system consulting.

Specialties: Public sector, hospitals, nursing homes, medium-size manufacturers.

Staff: 80 total; 13 professionals, including two principal consultants, nine consultants, one actuary, one analyst. Professional designations include one CPCU, one ARM, two CSPs, two CICs.

Clients: 90% with risk and insurance budgets less than $1 million, 4% with $1 million to $4.9 million, 5% with $5 million to $9.9 million, 1% with $10 million to $24.9 million. 10 association clients. No minimum size client.

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

Membership: SRMC.

Officers: John Wolff, administrative partner; Larry Kaminsky, Charles Kaufmann, Gene Klein, Kevin McGreevy, Jerome Reardon, partners.

Contact: Ed Treadwell, manager.

McLaughlin Consulting Group

23 Georgetown Road, West Newbury, Mass. 01985; 508-363-2150; fax: 508-363-2152

Consulting since: 1984.

Services: 100% of revenues from risk management consulting; including 80% continuous consulting, 10% audits, 10% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, assessment of broker service/remuneration, 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, risk management information system consulting.

Specialties: Malt beverage industry.

Staff: Three total; two professionals, both principal consultants. Professional designations include two CPCUs, one ARM.

Clients: 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million. One association client. No minimum size client.

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

Officers: George T. McLaughlin III, Marjorie S. McLaughlin.

Contact: George T. McLaughlin III.

McNeary Insurance Consulting Services Inc.

P.O. Box 220926, 6525 Morrison Blvd., Charlotte, N.C. 28220; 704-365-4150; fax: 704-365-4155

Consulting since: 1967.

Services: 48% of revenues from risk management consulting; including 37% continuous consulting, 6% audits, 5% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Claims auditing, environmental, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Administration of association insurance programs.

Locations: Atlanta; Richmond, Va.

Staff: 62 total; 15 principal consultants, four consultants, 10 analysts. Professional designations include seven CPCUs, eight ARMs, one CSP, four CICs.

Clients: 300 total; 59% with risk and insurance budgets less than $1 million, 32% with $1 million to $4.9 million, 6% with $5 million to $9.9 million, 1.5% with $10 million to $24.9 million, 1.5% exceeding $25 million. Twelve association clients. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $170.

Officers: W.C. Moore, chairman; Glen E. Pehl, president/CEO; William D. Yaeger, executive vp; Norman F. Crews, senior vp; Lea Ann Kremer, vp/controller.

McPherson Management Co.

1 Park Place, Suite 221, P.O. Box 366, Fredonia, N.Y. 14063; 716-673-1777

Consulting since: 1974

Services: 98% of revenues from risk management consulting; including 68% continuous consulting, 15% audits, 15% special projects.

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

Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance.

Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations include one CPCU, two ARMs.

Clients: 100% with risk and insurance budgets less than $1 million. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $75.

Membership: SRMC.

Officers: Warren D. McPherson, president.

Mead Loss Control Consultants

Courthouse Plaza N.E., Dayton, Ohio, 45463; 513-495-7200; fax: 513-495-6299

Consulting since: 1972.

Parent: Mead Corp.

Services: 52% of revenues from risk management consulting; including 49% continuous consulting, 3% special projects.

Frequent special projects: Preparation of bidding specifications.

Occasional special projects: Captive feasibility studies, loss prevention audits.

Specialties: Highly protected risk.

Staff: 26 total; 10 professionals. Professional designations include two ARMs.

Clients: 17 total; 3% with risk and insurance budgets less than $1 million, 6% with $1 million to $4.9 million, 18% with $5 million to $9.9 million, 18% with $10 million to $24.9 million, 55% exceeding $25 million.

Compensation: On retainer; by the hour: principal consultant, $150.

1992 gross revenues: $3.1 million total, $1.6 million from risk management consulting.

Officers: Walter P. Luker, senior vp/manager; Larry Jones, vp-engineering; Alan Rodeck, manager-business development.

Melanber Inc.

Box 1C1, Site 9, R.R. 1, Boutilier's Point, Nova Scotia, Canada B0J 1G0; 902-826-7579; fax: 902-826-7996

Consulting since: 1978.

Services: 98% of revenues from risk management consulting; including 51% continuous consulting, 27% audits, 20% special projects.

Frequent special projects: Risk retention analysis, insurance contract anal-

Continued on next page

ACCIDENT REDUCTION SYSTEM

Cost-Effective Solutions for Costly Problems

Accident reduction can be viewed as the first and best step in avoiding the financial blows of the workers comp crisis. Knowing where to look for problems—and finding cost-effective solutions to them—requires innovative approaches and an ability to treat each situation objectively.

Ours is a systematic approach involving the application of proven loss control techniques in a customized manner. Workable solutions then are developed with the intention that they will pay for themselves.

For more information on reducing your workplace exposures: Call Jim Sybert at

(800) 723-3890

Crawford
RISK CONTROL SERVICES
The FPE Group

Deloitte & Touche
is pleased to announce that
David A. Tweedy
and
Edward A. Pouzar
have joined its
Casualty Actuarial and Risk Management
Consulting Practice

Deloitte & Touche provides comprehensive risk management services, including actuarial and risk management reviews, claim audits, RMIS studies, and alternative funding strategies. Our consultants are also recognized among the leaders in claim preparation for physical damage, business interruption, and fidelity claims.

CityPlace 1
185 Asylum Street
Hartford, CT 06103
(203) 280-3000

Bryan Tower
2001 Bryan Tower
Suite 2400
Dallas, TX 75201
(214) 220-8000

Deloitte & Touche

Accounting, Tax, and Consulting Services

We Listen. We Deliver.
Deloitte Touche Tohamtsu International

Continued from previous page
ysis, claims auditing, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Captive feasibility studies, analysis of limits, environmental, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, expert witness.

Specialties: Financial, governmental, manufacturing, self-insurance plans.

Staff: Two total; both professionals including one principal consultant, one consultant.

Clients: 10 total; 60% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million. One association client. No minimum size client.

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

Membership: SRMC.

Officers: Mel J. Parsons, president; Beryl Shapley-Parsons, secretary/treasurer.

Minet Risk Services

220 E. 42nd St., New York, N.Y. 10017; 212-297-9000; fax: 212-297-9015

Consulting since: 1929.

Parent: The St. Paul Cos.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 10% audits, 30% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, quantitative/statistical analysis and forecasting, business continuity planning.

Occasional special projects: Loss prevention audits, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, law firm professional liability audits.

Specialties: Professional service firms, financial institutions, information technology companies, energy companies, manufacturers, retailers.

Locations: Atlanta; London; Sydney, Australia.

Staff: 21 total; 16 professionals, including seven principal consultants, five consultants, one actuary, two analysts. Professional designations include three CPCUs, two ARMs, one ACAS.

Clients: 40 total; 5% with risk and insurance budgets of $1 million to $4.9 million, 10% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 75% exceeding $25 million. 20 association clients. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $200 to $300.

Officers: J. Bernard Friemann, CEO; Michael D. Dangelo, executive vp; L. Ware Perston III, senior vp; James M. Gevlin, Ellen Perle, vps.

Moss Adams Risk Management Group

601 Montgomery St., Suite 1000, San Francisco, Calif. 94111; 415-956-1500; fax: 415-956-4149

Consulting since: 1990.

Parent: Moss Adams Certified Public Accountants.

Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 30% audits, 30% special projects.

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, assessment of broker service/remuneration, loss settlement assistance, risk management information system consulting.

Staff: Two total, both professionals, including one principal consultant, one consultant. Professional designations include two CPCUs, two ARMs.

Compensation: By the hour: principal consultant, $150 to $225.

Membership: SRMC.

Officers: Robert L. Wilkinson, director.

Munich American Services Corp.

560 Lexington Ave., New York, N.Y. 10022-6890; 212-310-1759; fax: 212-308-7395

Consulting since: 1982.

Parent: Munich Re Group.

Services: 72% of revenues from risk management consulting; including 2% audits, 70% special projects.

Frequent special projects: Insurance contract analysis, claims auditing, environmental, accounting systems analysis, quantitative/statistical analysis and forecasting, actuarial pricing studies.

Occasional special projects: Risk retention analysis, captive feasibility studies, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies.

Specialties: Foreign insurance and reinsurance companies writing business in the United States.

Staff: Nine total; seven professionals, including two principal consultants, two consultants, two actuaries, one analyst. Professional designations include one CPCU, one ACAS.

Clients: 30 total; 5% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 40% with $10 million to $24.9 million, 25% exceeding $25 million. No minimum size client.

Compensation: By the hour: principal consultant, $175 to $225.

Officers: Brian Carlin, president; Sandra Santomenno, vp/manager; Austin Thornton, assistant vp.

Contact: Sandra Santomenno.

N

National Fleet Services Inc.

270 Duffy Ave., Hicksville, N.Y. 11801; 516-938-1010 or 800-428-0003

Consulting since: 1983.

Parent: First Priority Group Inc.

Services: 15% of revenues from risk management consulting, all from continuous consulting.

Specialties: Those with fleets of 200 or more vehicles.

Staff: 20 total, including two principal consultants.

Clients: 75 total; 5% with risk and insurance budgets of $5 million to $9.9 million, 45% with $10 million to $24.9 million, 50% exceeding $25 million. Minimum size client, $5 million.

Compensation: By the project, on retainer.

Officers: Michael Karpoff, Barry Siegel, co-chairmen.

National Insurance Advisory Services

1599 Washington St., Braintree, Mass. 02184; 617-848-4500; fax: 617-848-2553

Consulting since: 1979.

Services: 95% of revenues from risk management consulting; including 85% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, preparation of bidding specifications, risk management information system consulting, workers compensation cost control analysis.

Occasional special projects: Risk retention analysis, captive feasibility studies, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, expert witness.

Specialties: Temporary help, manufacturing, construction, distribution, hazardous waste.

Locations: West Palm Beach, Fla.

Staff: 15 total; nine professionals, including five principal consultants, two consultants, two analysts. Professional designations include one CSP.

Clients: 120 total; 30% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 10% exceeding $25 million. Four association clients.

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

1992 gross revenues: $1 million total.

Officers: James B. Conant, CEO/president.

National Medical Advisory Service

7910 Woodmont Ave., Suite 700, Bethesda, Md. 20814-3015; 800-258-0014; fax: 301-913-0014

Consulting since: 1975.

Services: 90% of revenues from risk management consulting; including 67.5% continuous consulting, 9% audits, 13.5% special projects.

Frequent special projects: Environmental, expert witness.

Occasional special projects: Claims

Continued on next page

TODAY, EVERY GREAT AMERICAN NEEDS ANOTHER.

Directors' and Officers' Liability Insurance from Great American: Powerful protection for powerful people.

Business leaders. Corporate executives. Entrepreneurs. Foundation and charity directors.

They're the most powerful individuals in America, the few who make the decisions that affect many, many others. And with each decision comes the risk of litigation from shareholders and competitors, customers and employees, even regulatory agencies and citizens' groups.

Great American is one of very few insurance carriers that can offer protection for virtually all such decision-makers.

Our Executive Liability Division offers distinct D&O policies for standard risks, non-standard risks, and non-profit organizations, as well as errors and omissions coverage for insurance companies. Also, preferred rates, retentions and coverage enhancements for middle market accounts.

Our liability limits are among the highest in each category. And our reputation for responsive, problem-free claims handling is second to none in the business.

For those prominent Americans who need such coverage, making decisions is never easy.

But in light of the unusual strength and integrity we've brought to our field, choosing coverage from Great American is probably the easiest decision of all.

Please call or write today for more information.

THE GREAT AMERICAN INSURANCE GROUP.
STRENGTH WITH INTEGRITY

Great American Insurance Group
Executive Liability Division
P.O. Box 66943, Chicago, IL 60666
(708) 330-6750 Fax: (708) 619-6457

Continued from previous page
auditing.

Specialties: Generally manufacturers.

Locations: Baltimore, Md.

Staff: 28 total; 12 professionals, including principal consultants, consultants. Professional designations include one CPCU, one CSP.

Clients: 150 total. Three association clients. No minimum size client.

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

Membership: SRMC.

Officers: Dr. Ronald E. Gots; John W. Spencer, senior vp.

Contact: John W. Spencer, 301-913-0014.

National Risk & Insurance Consultants Inc.

278 W. Main St., P.O. Box 2563, Waterbury, Conn. 06723; 203-754-0080; fax: 203-757-9925

Consulting since: 1987.

Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 15% audits, 35% special projects.

Frequent special projects: Risk retention analysis, claims auditing, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management information system consulting.

Occasional special projects: Analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Municipalities, nonprofit entities, hospitals.

Staff: Three total; two professionals, including one principal consultant, one analyst. Professional designations include one CPCU, one ARM, one CIC.

Clients: 30% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 30% with $5 million to $9.9 million. Four association clients. No minimum size client.

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

Officers: Arthur J. Giulietti, president.

The Nemirow Group

3662 Katella Ave., Suite 211, Los Alamitos, Calif. 90720; 310-430-8231; fax: 310-799-1377

Consulting since: 1988.

Services: 60% of revenues from risk management consulting; including 6% continuous consulting, 42% audits, 12% special projects.

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

Occasional special projects: Captive feasibility studies, environmental, assessment of broker service/remuneration, risk management organization studies, risk management information system consulting, expert witness.

Specialties: Manufacturers, hospitals, architects and engineers, hotels.

Staff: Two total, including one principal consultant. Professional designations include ARM.

Clients: 25 total; 60% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 5% with $5 million to $9.9 million. No minimum size client.

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

Membership: SRMC.

Officers: Lawrence H. Nemirow, president.

O

Occupational Safety & Health Advisors Inc.

16167 Elmwood Station, Minneapolis, Minn. 55416; 612-444-4775

Consulting since: 1989.

Services: 80% of revenues from risk management consulting; including 30% continuous consulting, 20% audits, 30% special projects.

Frequent special projects: Loss prevention audits, expert witness, attorney advice.

Occasional special projects: Environmental.

Staff: One total, a principal consultant. Professional designations include CSP.

Clients: 30 total; 93% with risk and insurance budgets less than $1 million, 7% with $1 million to $4.9 million. No minimum size client.

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

1992 gross revenues: $50,000 total, $40,000 from risk management consulting.

Officers: Ivan W. Russell, president.

P

PLCM Group Inc.

300 W. Washington Blvd., Suite 610, Chicago, Ill. 60645; 312-201-3000; fax: 312-201-3030

Consulting since: 1990.

Parent: Aon Specialty Group.

Services: 30% of revenues from risk management consulting; including 10% continuous consulting, 10% audits, 10% special projects.

Frequent special projects: Claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, telephone risk management surveys, risk management for law firms.

Occasional special projects: Preparation of bidding specifications.

Specialties: Health care and legal profession.

Locations: Los Angeles; Stamford, Conn.

Staff: 42 total, including three principal consultants.

Clients: No minimum size client.

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; 703-883-8884; fax: 703-556-1174

Consulting since: 1982.

Parent: Black & Decker/PRC Inc.

Services: 10% of revenues from risk management consulting, all from special projects.

Frequent special projects: Environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, accounting systems analysis, loss settlement assistance, preparation of bidding specifications.

Specialties: Environmental risk management support for federal, state, international and private sector.

Locations: Addison, Chicago and Rolling Meadows, Ill.; Albuquerque and Los Alamos, N.M.; Atlanta; Aiken, S.C.; Baton Rouge, La.; Cincinnati; Dallas; Denver; Helena, Mont.; Honolulu; Houston; Kansas City, Kan.; Los Angeles, Sacramento, San Diego and San Francisco, Calif.; Milwaukee; Nashville, Tenn.; Philadelphia; Phoenix; Seattle; Tigard, Ore.; Manila, Philippines; Paris; Prague, Czech.

Staff: 800 total, all professionals, including 500 consultants, 300 analysts. Professional designations include three ARMs.

Clients: 25 total; 32% with risk and insurance budgets less than $1 million, 48% with $1 million to $4.9 million, 20% exceeding $25 million. No minimum size client.

Compensation: By the project.

1992 gross revenues: $100 million total, $10 million from risk management consulting.

Membership: SRMC.

Officers: Dr. Thomas Brisbin, president; Michael J. Nigro, Dan Chow, Ed Didomenico, vps; Bob Van Osten, CFO.

Contact: Mark F. Johnson.

Pacific Actuarial Resources Excellence

1109 Siskiyou Blvd., Suite A, Ashland, Ore. 97520; 503-488-0331

Consulting since: 1991.

Services: 70% of revenues from risk management consulting; including 20% continuous consulting, 50% special projects.

Frequent special projects: Risk retention analysis, quantitative/statistical analysis and forecasting, reserve adequacy studies; funding studies, cost allocation plan design or review.

Occasional special projects: Captive feasibility studies, analysis of limits, risk management information system consulting.

Staff: 2.25 total; all professionals, including one principal consultant, part time consultant, part time actuary, and part time analyst. Professional designations include one FCAS.

Clients: 20 total; 35% with risk and insurance budgets less than $1 million, 45% with $1 million to $4.9 million, 20% with $5 million to $9.9 million. Three association clients. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $150 to $175.

Officers: Richard E. Sherman, president; Reider Peterson, consultant; Dawn Glover, actuary.

Pacific Risk Management

1904 Third Ave., Suite 735, Seattle, Wash. 98101; 206-682-9232; fax: 206-682-1360

Consulting since: 1984.

Services: 100% of revenues from risk management consulting; including 70% continuous consulting, 10% audits, 20% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, 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, risk management information system consulting, expert witness, reinsurance contract commutations.

Specialties: Pooling arrangements.

Staff: One total, a principal consultant. Professional designations include CPCU, ARM.

Clients: 10% with risk and insurance budgets less than $1 million, 80% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Two association clients. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $90 to $100.

Membership: SRMC.

Officers: John D. Haywood, principal.

B.W. Payne— Risk & Insurance Management Services

P.O. Box 541505, Houston, Texas 77254-1505; 713-667-8013; fax: 713-667-6144

Consulting since: 1975.

Services: 90% of revenues from risk management consulting; including 65% continuous consulting, 10% audits, 15% special projects.

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

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

Specialties: Public entities, utilities, education, oil and gas, professional.

Staff: Two total; one professional, a principal consultant.

Clients: 50% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million. No minimum size client.

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

Officers: B.W. Payne, president.

John Pierce Consulting Actuary

2000 Milton, Park Ridge, Ill. 60068-2320; 708-692-5284

Consulting since: 1983.

Services: 50% of revenues from risk management consulting, all from special projects.

Frequent special projects: Quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, environmental, risk management information system consulting.

Specialties: Hospitals, self-insured workers compensation, risk retention group.

Staff: Three total; all professional actuaries. Professional designation includes one FCAS.

Clients: 10% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 50% with $5 million to $9.9 million. No minimum size client.

Compensation: By the hour.

1992 gross revenues: $250,000 total, $120,000 from risk management consulting.

Officers: John Pierce, president.

Praxia Group

1701 Golf Road, 3 Continental Towers, Suite 600, Rolling Meadows, Ill. 60008; 708-290-0617; fax: 708-437-4941

Consulting since: 1992.

Parent: National Insurance Partners Inc.

Services: 85% of revenues from risk management consulting; including 50% continuous consulting, 20% audits, 15% special projects.

Frequent special projects: Captive feasibility studies, claims auditing, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, environmental, loss prevention audits, risk management information system consulting.

Specialties: Transportation, health care, construction.

Staff: Six total; professionals include two principal consultants, two consultants. Professional designations include two CPCUs, two ARMs.

Clients: 10 total; 25% with risk and insurance budgets of $1 million to $4.9 million, 35% with $5 million to $9.9 million, 30% with $10 million to $24.9 million, 10% exceeding $25 million. No minimum size client.

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

Officers: Michael R. Mead, chairman; Henry A. Peterson, executive vp/COO; Gene Patterson, Ralph Hubbard, vps.

Contact: Henry A. Peterson.

Price Waterhouse— Risk Management Consulting Group

30 S. 17th St., Philadelphia, Pa. 19103-4094; 215-575-5000; fax: 215-575-5066

Parent: Price Waterhouse.

Services: 100% of revenues from risk management consulting; including 20% continuous consulting, 40% audits, 40% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, claims auditing, accounting systems analysis, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Locations: Chicago; Detroit; Hartford, Conn.; Washington.

Staff: 24 total; 18 professionals, including three principal consultants, three consultants, nine actuaries, three analysts. Professional designations include five CPCUs, three ARMs, three FCASs, three ACASs, one CIC.

Clients: 100 total; 5% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 40% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 5% exceeding $25 million. Two association clients. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $250 to $320.

Officers: F.J. Lattanzio, partner; L.L. Klein, senior manager.

Professional Liability Risk Management Ltd.

214 Bronson Road, Syracuse, N.Y. 13219; 315-488-2162; fax: 315-424-1374

Consulting since: 1983.

Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 10% audits, 40% special projects.

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, assessment of broker service/remuneration, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Architects and engineers.

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

Clients: 11 total; 10% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 50% with $5 million to $9.9 million, 20% with $10 million to $24.9 million. Two association clients. No minimum size client.

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

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

Consulting since: 1988.

Services: 91% of revenues from risk management consulting; including 78% continuous consulting, 6% audits, 7% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, D&O, professional E&O, OCIP.

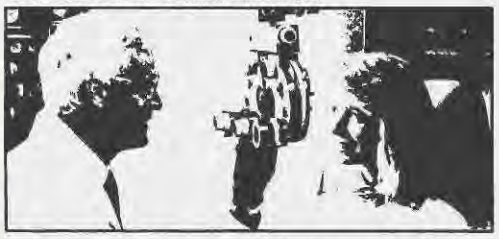
Occasional special projects: Risk retention analysis, claims auditing, environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system

Continued on next page

Exam Plus

Better Vision Benefits

For Benefit Plan Administrators



For a nominal fee, Cole Vision provides health insurers and third party administrators with the complete administration of a national network of optical providers and a comprehensive vision benefit, including paid-in-full eye exams and scheduled discounts on eyewear.

Exam Plus is an innovative program that provides plan sponsors with the advantages of traditional vision benefits at a fraction of the cost.

For detailed information contact:

CVMS - (Tucson, Arizona) 1 (800) RX-EXAMS

CVMS - (Bala Cynwyd, PA) 1 (800) 949-0270

1 (800) 793-9267

Continued from previous page
consulting, expert witness.

Specialties: Manufacturing, distribution, real estate, public entities, chemicals, medical, automotive, D&O, OCIP.

Staff: One professional, a principal consultant. Professional designations include CPCU, ARM, CIC.

Clients: 34 total; 65% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million.

Compensation: By the project; by the hour: principal consultant, $90 to $135.

Membership: SRMC.

Officers: Carl F. Lidstrom, president.

Professional Risk Management Consultants

Two Gateway Center, 18th Floor, Pittsburgh, Pa. 15222; 412-288-0832; fax: 412-288-0863

Consulting since: 1983.

Parent: Halliwell & Associates Inc.

Services: 100% of revenues from risk management consulting; including 13% continuous consulting, 50% audits, 37% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, preparation of bidding specifications, risk management information system consulting, expert witness.

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

Specialties: Educational institutions, health care, contractors, manufacturers, financial institutions.

Staff: Three total; all professionals, including two principal consultants, one analyst. Professional designations include two CPCUs, two ARMs.

Clients: 162 total; 75% with risk and insurance budgets less than $1 million, 24% with $1 million to $4.9 million, 1% with $5 million to $9.9 million. No minimum size client.

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

1992 gross revenues: $400,000 total, all from risk management consulting.

Membership: SRMC.

Officers: Paul D. Halliwell, president-Halliwell & Associates; David B. Thomas, vp-Halliwell & Associates; Thomas S. Baily, vp-Halliwell & Associates/president-Professional Risk Management Associates.

Contact: Thomas S. Baily.

R

RWL & Associates

101 W. Renner Road, Suite 240, Richardson, Texas 75082-2003; 214-907-9095; fax: 214-907-9198

Consulting since: 1981.

Services: 80% of revenues from risk management consulting; including 50% continuous consulting, 20% audits, 10% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, preparation of bidding specifications, claim disputes and settlements, contractual risk transfer and insurance requirements.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

Staff: Eight total; four professionals, including one principal consultant, three consultants. Professional designations include one CPCU, two ARMs.

Clients: 275 total; 50% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 15% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. Five association clients.

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

Membership: SRMC.

Officers: Robert W. Lazarus, president; Roberta A. Lazarus, vp/corporate secretary.

Contact: Robert W. Lazarus.

Randall & Associates/ Risk Management Group

15 Montpellier, Laguna Niguel, Calif. 92677; 714-499-4020; fax: 714-499-0836

Consulting since: 1990.

Parent: Risk Management Group.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 10% audits, 15% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, risk management organization studies.

Occasional projects: Captive feasibility studies, claims auditing, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting.

Staff: Three total; two professionals, including one principal consultant, one consultant.

Clients: 50% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million. Two association clients. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $135.

Officers: K. Randall Burt, principal; Julia A. Endres, vp.

Raybar Insurance Consultants

P.O. Box 899, Matawan, N.J. 07747; 908-946-7317; fax: 908-780-5481

Consulting since: 1989.

Services: 75% of revenues from risk management consulting; including 65% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, 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, consult on appraisal of property values.

Staff: Four total; two professionals, including one principal consultant, one consultant, two analysts.

Clients: 15 total; 100% with risk and insurance budgets less than $1 million. Two association clients. No minimum size client.

Compensation: By the project; commissions; on retainer; by the hour: principal consultant, $135.

Officers: Raymond M. Patella, president/CEO.

Rea Associates Ltd.

12 Oaks Centre, Suite 807, Wayzata, Minn. 55391; 612-475-0873; fax: 612-475-3686

Consulting since: 1986.

Services: 90% of revenues from risk management consulting; including 35% continuous consulting, 45% audits, 10% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, risk management strategic planning and support services to other consultants, test marketing of insurance, renewal program assistance.

Occasional special projects: Captive feasibility studies, environmental, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Computer, contractors, underground storage tank manufacturers/installers, general manufacturing, CPA and law firms, food products, other consulting firms, foreign companies.

Staff: Three total; two professionals, both principal consultants. Professional designations include one ARM.

Clients: 45% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 10% with $10 million to $24.9 million, 5% exceeding $25 million. One association client. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $165.

Officers: Robert Abrahamson, managing director.

Regent Consultants Corp.

170 Great Neck Road, Great Neck, N.Y. 11021; 516-466-7740; fax: 516-466-7742

Consulting since: 1968.

Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, 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, risk management information system consulting, expert witness.

Staff: Four total; two professionals, including one principal consultant, one consultant. Professional designations include one CPCU, one ARM.

Clients: 25 total; 60% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 10% with $5 million to $9.9 million.

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

Membership: SRMC.

Officers: Philip Platzer, president.

Joseph A. Rinaldi

P.O. Box 518, Kings Park, N.Y. 11754-0518; 516-265-6594

Consulting since: 1993.

Staff: One professional, a principal consultant.

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

Officers: Joseph A. Rinaldi, owner.

Risk Analysis Inc.

4828 Loop Central Drive, Suite 900, Houston, Texas 77081; 713-661-9933; fax: 713-669-4724

Consulting since: 1982.

Parent: Wisenberg Insurance & Risk Management.

Services: 92% of revenues from risk management consulting; including 83% continuous consulting, 2% audits, 7% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, workers compensation act rejection-Texas, risk transfer by contract.

Occasional special projects: Captive feasibility studies, assessment of broker service/remuneration, expert witness.

Specialties: Workers comp non-subscribers, hospitals, retail, supermarket chains, entertainment/motorsports, petrochemical, wholesale distribution.

Staff: 62 total; professionals include three principal consultants, seven consultants, two analysts. Professional designations include three CPCUs, five ARMs, three CICs.

Clients: 82 total; 80.5% with risk and insurance budgets less than $1 million, 11% with $1 million to $4.9 million, 7.3% with $5 million to $9.9 million, 1.2% with $10 million to $24.9 million. Two association clients.

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

1992 gross revenues: $1.2 million total, $1.1 million from risk management consulting.

Officers: Joe Williams, president; Irving Pozmantier, chairman; Thomas Francis, vp/senior consultant.

Risk Consultants Inc.

919 Third Ave., New York, N.Y. 10022; 212-688-9700; fax: 212-319-7509

Consulting since: 1983.

Services: 100% of revenues from risk management consulting; including 25% continuous consulting, 25% audits, 50% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, loss settlement assistance, risk management organizational studies, preparation of specifications for bidding.

Occasional special projects: Risk retention analysis, captive feasibility studies, environmental, accounting systems analysis, assessment of broker service/remuneration, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Real estate, food service, manufacturing, construction and nonprofit.

Locations: West Palm Beach, Fla.

Staff: Six total; all professionals, including three principal consultants, three consultants. Professional designations include two CPCUs, two ARMs, one CSP.

Clients: 75% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million. Three association clients. No minimum size client.

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

1992 gross revenues: $500,000 total.

Officers: Morton Kornreich, Matthew Kornreich, chairmen; Steven Grossburg, COO; James Kornreich, Thomas Kornreich, Bill Kornreich, vps; Glenn David, vp-risk management services.

Risk Consultants Inc.

7506 E. Independence Blvd., Suite 100, Charlotte, N.C. 28227; 704-537-3400; fax: 714-532-2359

Consulting since: 1969.

Services: 70% of revenues from risk management consulting; including 40% continuous consulting, 20% audits, 10% special projects.

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, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, reciprocals-feasibility and formation.

Specialties: Banks, manufacturing firms, trucking, hospitals, schools and municipalities.

Staff: 10 total; six professionals, including three principal consultants, two consultants, one analyst. Professional designations include one CPCU, two ARMs.

Clients: 220 total; 80% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million. Three association clients. No minimum size client.

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

1992 gross revenues: $542,985 total, $380,190 from risk management consulting.

Officers: Merle D. Randle, chairman; Richard C. Canovai, president; J. Lanny Goode, David R. Lively, vps.

Risk Consulting Group

23120 Alicia Parkway, Suite 200, Mission Viejo, Calif. 92692; 714-583-1161; fax: 714-583-0245

Consulting since: 1976.

Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 20% audits, 40% special projects.

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

Occasional special projects: Claims auditing, environmental, accounting systems analysis, loss settlement assistance, risk management information system consulting, expert witness.

Specialties: Health care, property management, retail, wholesale, manufacturing and service industries.

Staff: Two principal consultants, three consultants, two analysts. Professional designations include one ARM.

Clients: 15% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 35% with $5 million to $9.9 million, 20% with $10 million

Continued on next page

INSURANCE BROKERS E&O

Miscellaneous E&O Programs include:

- Insurance Agents & Brokers
- Wholesalers/E&S Brokers/MGAs
- Consultants
- Other Miscellaneous Classes

For more information, call or write:

TENNANT RISK SERVICES INC.

CityPlace II • 185 Asylum Street
Hartford, CT 06103-4105

Tel: (203) 527-9717
Fax: (203) 527-2438

What's new in country club coverages?

Ask Bruce.

Or Brendan. Or Bryan.
It's no accident that knowledgeable agents and brokers turn to the Brownyards when clients turn to *them* for country club coverages.
The Brownyard Group surveyed thousands of country clubs and created insurance programs providing the tailored, comprehensive protection those buyers wanted.

Bruce Brownyard

Private golf and country clubs across the nation are benefiting from Brownyard "full-featured" coverages. Be sure *your* clients get the latest and best in country club protection. **Talk to the Brownyards.**

21 Maple Avenue, CN9175
Bay Shore, New York 11706-9175
(800) 645-5820 • In NY: (516) 666-5050 • FAX: (516) 666-5723

Spotlight report

Continued from previous page
to $24.9 million. 10 association clients.

Compensation: By the project, by the hour.

Membership: SRMC.

Officers: R.E. Ford, M.L. Finch, principals; K. Michaels, manager.

Contact: R.E. Ford.

Risk Control Inc.

216 Water St., Excelsior, Minn. 55331; 612-474-5204

Consulting since: 1978.

Services: 62% of revenues from risk management consulting; including 54% continuous consulting, 2% audits, 6% special projects.

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

Occasional special projects: Risk retention analysis, claims auditing, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Staff: Six total; professionals include three principal consultants, two consultants. Professional designations include one CPCU, three ARMs.

Clients: 84% with risk and insurance budgets less than $1 million, 13% with $1 million to $4.9 million, 3% with $10 million to $24.9 million.

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

Consulting since: 1984.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 10% audits, 30% special projects.

Frequent special projects: Claims auditing, loss prevention audits, preparation of bidding specifications, customized safety and claims management programs.

Occasional special projects: Risk retention analysis, analysis of limits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, risk management information system consulting.

Specialties: Retail, manufacturing.

Staff: Four total; three professionals, including one principal consultant, one consultant, one analyst. Professional designations include two ARMs.

Clients: 18 total; 40% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 20% with $5 million to $9.9 million. No minimum size client.

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

Membership: SRMC.

Officers: Susan G. Kaufman, president; Alice B. Weiss, vp.

Risk Information System Consulting Inc.

P.O. Box 337, Huntington, N.Y. 11743; 516-367-1361

Consulting since: 1988.

Services: 100% of revenues from risk management consulting, all from special projects.

Frequent special projects: Risk management information system consulting.

Staff: One total, a principal consultant. Professional designations include CPCU.

Compensation: By the project; by the hour: principal consultant, $130.

Officers: Michael N. Singer, president.

Risk International Services Inc.

190 Montrose West Ave., Suite 160, Akron, Ohio 44321-2786; 216-666-2556; fax: 216-666-0842

Consulting since: 1986.

Parent: International Marine Casualty Services.

Services: 98% of revenues from risk management consulting; including 61% continuous consulting, 2% audits, 35% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, loss settlement assistance, preparation of bidding specifications, insurance archaeology, environmental and toxic tort insurance recoveries.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Aerospace, chemical, manufacturing, marine.

Locations: Houston.

Staff: 18 total; professionals include five principal consultants, two consultants, one actuary, five analysts. Professional designations include one CPCU.

Clients: 26 total; 27% with risk and insurance budgets less than $1 million, 44% with $1 million to $4.9 million, 4% with $5 million to $9.9 million, 24% with $10 million to $24.9 million, 1% exceeding $25 million. No minimum size client.

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/counsel.

Risk Management Inc.

6969 Carey Lane, Maple Grove, Minn. 55369; 612-425-4040; fax: 612-425-4040

Consulting since: 1978.

Services: 80% of revenues from risk management consulting, all from special projects.

Frequent special projects: Insurance contract analysis, expert witness.

Occasional special projects: Analysis of limits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies.

Staff: Four total; three professionals, including two principal consultants, one analyst. Professional designations include one CPCU.

Clients: 20 total; 100% with risk and insurance budgets less than $1 million. No minimum size client.

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

1992 gross revenues: $197,000 total, $157,600 from risk consulting.

Officers: Andrew F. Whitman, president; Susan J. Whitman, vp/secretary.

Risk Management Advisors

12370 Darkwood Road, San Diego, Calif. 92129-3752; 619-484-4860

Consulting since: 1982.

Services: 100% of revenues from risk management consulting; including 10% continuous consulting, 30% audits, 60% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, expert witness.

Occasional special projects: Risk retention analysis, captive feasibility studies, risk management organization studies, quantitative/statistical analysis and forecasting.

Staff: One total, a principal consultant. Professional designations include CPCU, ARM, CIC.

Clients: 250 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. Five association clients. No minimum size client.

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

1992 gross revenues: $114,000 from risk management consulting.

Officers: Edward A. Whitney, principal consultant.

Risk Management Associates

13 Franklin Circle, Executive Offices, Northboro, Mass. 01532; 508-393-2519; fax: 508-393-1467

Consulting since: 1972.

Parent: Independent Insurance Auditing Inc.

Services: 95% of revenues from risk management consulting; including 80% continuous consulting, 5% audits, 10% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, sales and marketing consulting services to risk management consulting.

Occasional special projects: Risk retention analysis, captive feasibility stu-

Continued on next page

READER REPLY SERVICE

PRODUCTS & SERVICES LISTING

Issue of March 8

READER SERVICE #	ADVERTISER	PAGE #
1	American Excess	57
2	American Excess	59
3	American Excess	61
4	American Insurance Mgrs. Inc.	21
5	American Re-Insurance Co.	42-43
—	AON Reinsurance Agency Inc.	10
6	Assoc. Aviation Underwriters	24
7	Brownyard Group	51
—	Business Insurance	46-47
—	Caribbean Insurance Conf.	44
8	CNA Insurance Co.	34-35
—	College of Insurance	28
9	Commerce & Industry/AIG	13
10	Commonwealth Risk Service	14-15
11	Crawford & Company	32
12	Crawford & Company	48
—	CVMS	50
—	Deloitte & Touche	48
13	Employers Reinsurance Corp.	36-37
14	Environmental Compliance	7
15	Environmental Science & Eng.	32
16	GAB Business Services	20
17	General Rehab	30-31
—	General Star Management	11
—	G & M Marine Incorporated	41
37	Great American Insurance	49
—	Hannover Reinsurance	29
—	Home Insurance	45
18	Industrial Risk Insurers	68
19	InPhoto Inc.	28
20	Kemper Insurance Group	26-27
21	Liberty Mutual	17
22	Lincoln National Reinsurance	12
23	Lindsey Morden	4
24	Minet Inc.	25
25	North American Reinsurance	38
26	Pacific Mutual-PM Group	18-19
—	Paige-Ruane, Inc.	6
27	Protection Mutual Ins. Co.	22-23
28	Reliance National	72
29	RLI Corp.	41
30	Scor Reinsurance	33
—	Shearman & Sterling	64,65
31	Skandia Investment	9
32	Swett & Crawford Group	6
—	Swiss Life	62
—	Tennant Risk Services	51
33	Thomas Howell/Gay & Taylor	16
34	U.S. Risk Underwriters, Inc.	55
35	Wausau Insurance Company	5
36	Yasuda Fire & Marine Ins.	45

READER SERVICE

To obtain free information on the products and services advertised, turn to our post-paid Reader Service Reply Card bound in this issue, or complete the coupon below and mail to:

BUSINESS INSURANCE
Reader Service Center
650 So. Clark St., 6th Fl.
Chicago, IL 60605-1702

Business Insurance

FREE LITERATURE FOR READERS

Issue Date: MARCH 8, 1993
Card Expiration: MAY 3, 1993

All questions must be answered to process inquiries.
PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:

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 [ ] Healthcare Inst
N [ ] Other _____

2. Number of employees:

1 [ ] 150 or less
2 [ ] 151 - 499
3 [ ] 500 - 999
4 [ ] 1,000 - 4,999
5 [ ] 5,000 or more
6 [ ] Unknown

3. My title is best defined as:

A [ ] Administrative Mgt
B [ ] Financial Mgt
C [ ] Risk Mgt
D [ ] Benefits Mgt
E [ ] Loss prevention Mgt
F [ ] Other _____

4. My purchasing involvement for the requested products is to:

1 [ ] recommend only
2 [ ] specify
3 [ ] approve

5. Do you now receive a personally addressed copy of Business Insurance?

A [ ] Yes
B [ ] No, so please send subscription info

Circle the numbers below that correspond to the companies listed on our Advertiser Index for the **March 8, 1993** issue. Cards with more than 20 items circled will not be processed. This card expires **May 3, 1993.**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150

Please print clearly

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone ( ) _____

Continued from previous page
dies, expert witness.
Specialties: Petroleum-rolling stock.
Staff: Three total, including one principal consultant, one analyst.
Clients: 10 total.
Compensation: On retainer, by the hour.
Membership: SRMC.
Officers: Joan M. Harding, president-Independent Insurance Auditing Inc.; Edward V. Harding, owner-Risk Man/Risk Management Associates.

Risk Management Associates

4673 Watch Hill Road, Manlius, N.Y. 13104; 315-682-4079

Consulting since: 1990.
Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 40% audits, 20% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, assessment of broker service/remuneration, preparation of bidding specifications, quantitative/statistical analysis and forecasting.
Occasional special projects: Captive feasibility studies, loss prevention audits, loss settlement assistance, risk management organization studies, expert witness.
Specialties: Manufacturing, health care, transportation, education, wholesale, chemical, retail.
Staff: Two total; one professional, a principal consultant.
Clients: 41 total; 100% with risk and insurance budgets less than $1 million. Two association clients. Minimum size client, $50,000.
Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $150.
Officers: Justus O. Linkletter Jr., president.

Risk Management Consultants Inc.

1621 E. Flamingo, Suite 15-B, Las Vegas, Nev. 89119; 702-369-7475; fax: 702-796-7475

Consulting since: 1985.
Services: 75% of revenues from risk management consulting; including 65% continuous consulting, 5% audits, 5% special projects.
Frequent special projects: Insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, employee benefits.
Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Staff: Three total.
Clients: 25 total; 100% with risk and insurance budgets less than $1 million. One association client. No minimum size client.
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., Suite 1572, New York, N.Y. 10107; 212-582-2214

Consulting since: 1957.
Services: 100% of revenues from risk management consulting; including 70% continuous consulting, 20% audits, 10% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, 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, risk management information system consulting, expert witness.
Staff: Five total; four professionals, including two principal consultants, one consultant, one analyst. Professional designations include two CPCUs, two ARMs.
Clients: 50 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. No minimum size client.
Compensation: By the project, on retainer.
Membership: SRMC.
Officers: Ezra Lifshitz, president.

Risk Management Consulting

4 Harton Court, E. Northport, N.Y. 11731; 516-462-9716; fax: 516-462-1570

Consulting since: 1991.
Services: 90% of revenues from risk management consulting, all from continuous consulting.
Staff: One total, a principal consultant.
Clients: Six total; 83% with risk and insurance budgets less than $1 million, 17% with $1 million to $4.9 million. Two association clients. No minimum size client.
Compensation: By the project, on retainer.
1992 gross revenues: $140,000 total, $120,000 from risk management consulting.
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

Consulting since: 1990.
Services: 100% of revenues from risk management consulting; including 97% continuous consulting, 2% audits, 1% special projects.
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, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.
Specialties: Retail, manufacturing, service, import/export operations, distribution.
Staff: Five total; three professionals, all principal consultants.
Clients: 30% with risk and insurance budgets less than $1 million, 60% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Two association clients. Minimum size client, $100,000.
Compensation: By the project, on retainer.
Officers: Gary D. Salt, president.

Risk Management Dynamics

P.O. Box 383, Southampton, Pa. 18966; 215-364-4404; fax: 215-364-2890

Consulting since: 1987.
Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 5% audits, 5% special projects.
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, risk management organization studies, expert witness.
Specialties: General contractors, financial institutions, merchandising, light manufacturing, resort hotels.
Staff: Four total; two professionals, both principal consultants. Professional designations include two CPCUs, two ARMs.
Clients: 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $175.
Membership: SRMC.
Officers: Alvin E. Mangold, president; David T. Mangold, senior staff consultant.

Risk Management Group Inc.

900 Fort St. Mall, Suite 1210, Honolulu, Hawaii 96813; 808-521-8074; fax: 808-531-8341

Consulting since: 1979.
Services: 90% of revenues from risk management consulting; including 45% continuous consulting, 9% audits, 36% special projects.
Frequent special projects: Risk retention analysis, insurance contract analysis, alternate funding methods, broker evaluation, preparation of specifications, audits, safety and loss control, employee manuals.
Occasional special projects: Captive feasibility studies, environmental, loss prevention audits, risk management organization studies.
Clients: 55% with risk and insurance budgets less than $1 million, 45% with $1 million to $15 million.
Compensation: By the project, on retainer.
Officers: Marvin R. Walden, president/treasurer; Arthur P. Lessing, executive vp.

Risk Management Group Inc.

4425 Randolph Road, Suite 333, Charlotte, N.C. 28211; 704-366-4910

Consulting since: 1980.
Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 20% audits, 20% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting.
Occasional special projects: Claims auditing, environmental, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management information system consulting, design of loss control programs.
Specialties: Electric and water utilities, public power, financial institutions, colleges, political entities, hospitals, general manufacturing, associations.
Locations: Austin, Texas.
Staff: Five total; three professionals, including two principal consultants, one consultant. Professional designations include one CPCU, three ARMs.
Clients: 60 total; 55% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Three association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $140.
Membership: SRMC.
Officers: William B. Brown, president; Donald K. Gray, vp.

Risk Management Resources Inc.

6547 City W. Parkway, Eden Prairie, Minn. 55344; 612-944-8515; fax: 612-944-4014

Consulting since: 1991 after a merger between Isenberg Risk Management Inc. (1978) and Husbands Independent Risk Management Co. Inc. (1982).
Services: 98% of revenues from risk management consulting; including 70% continuous consulting, 15% audits, 13% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, claims auditing, accounting systems analysis, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, development/drafting of insurance policies.
Specialties: Electronics, wind energy, sports and entertainment, printing, manufacturing.
Staff: Eight total; five professionals, including two principal consultants, two consultants, one analyst. Professional designations include one CPCU.
Clients: 45 total; 85% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $100 to $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

Consulting since: 1984.
Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 20% audits, 20% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, assessment of broker service/remuneration, preparation of bidding specifications, environmental risk analysis, merger acquisitions analysis.
Occasional special projects: Accounting systems analysis, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: Chemicals, manufacturing, real estate, non-profit organizations, health care (hospitals).
Locations: Hartsdale, N.Y.
Staff: 12 total, professionals include three principal consultants, two consultants, one analyst. Professional designations include one CPCU, two ARMs.
Clients: 35% with risk and insurance budgets less than $1 million, 55% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Three association clients. Minimum size client, $50,000.
Compensation: By the project, on retainer.
1992 gross revenues: $835,000 total, all from risk management consulting.
Officers: Allan H. Bader, president; Reynold Corn, executive vp; Angela Cotrone, senior vp; Rosemarie Goherty, vp; Keith Bader, consultant.

Risk Management Services-Aon Specialty Group

1120 20th St. N.W., Washington, D.C. 20036; 800-368-0321; fax: 202-857-8397

Consulting since: 1992.
Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 20% audits, 30% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, risk management organizational studies, quantitative/statistical analysis and forecasting, expert witness, assisting trade and professional associations in developing sponsored insurance programs, assisting financial institutions to develop future for-profit insurance operations, loss reserve analysis, reinsurance structuring.
Occasional special projects: Analysis of limits, claims auditing, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, risk management information system consulting.
Specialties: Financial institutions, trade and professional associations.
Staff: Six total; five professionals, including two principal consultants, two consultants, one actuary. Professional designations include CPCUs, ARMs, FCASs.
Clients: 100 total; 75% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million, 5% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. 20 association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $220.
Officers: Edgar W. Armstrong, managing director; Ronald C. Summerville, vp.
Contact: Edgar W. Armstrong.

Risk Research Group

2040 E. Foothill Blvd., Pasadena, Calif. 91107-3220; 818-584-9093

Consulting since: 1985.
Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 40% audits, 20% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, expert witness.
Occasional special projects: Assessment of broker service/remuneration, preparation of bidding specifications, assist lawyers in preparing insurance specifications in real property leases and other contracts, second opinions on personal/family property and casualty insurance coverages.
Specialties: Standing real estate, development and construction; commerce and industry; critique, analysis and design of business executives and retirees insurance programs.
Staff: Two total, both professionals, including one principal consultant, one consultant.
Clients: 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million.
Compensation: By the project; on retainer; by the hour: principal consultant, $125.
Officers: Robert R. Griswold, chief consultant.

Risk Resources

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

Consulting since: 1992.
Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 20% audits, 20% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications.
Occasional special projects: Captive feasibility studies, claims auditing, accounting systems analysis, expert witness.
Staff: Five total; three professionals, all principal consultants. Professional designations include one CPCU, two ARMs.
Clients: No minimum size client.

Continued on next page

We've Made A Name For Ourselves.

BUSINESS INSURANCE

It's Business Insurance.

We're the weekly it takes to stay on the cutting edge of the commercial insurance marketplace.

SUBSCRIBE TODAY!

CALL TOLL-FREE on 1-800-678-9595. Fax your order in on 1-313-446-0961. Use the card in this issue or if it's gone, use the coupon below.

Business Insurance gives you total news coverage of loss prevention, risk financing and benefit management. Every week. Annual subscription (52 issues) in U.S. dollars.

	Surface Mail		By Air	
Check Here	1 year	2 years	1 year	2 years
USA	☐ $80	☐ $140	☐ $175	☐ $330
Canada	☐ $118	☐ $210	☐ $185	☐ $350
All other countries (by expedited air)			☐ $200 U.S.	☐ $380 U.S.

☐ new subscription. ☐ renewal. ☐ payment enclosed.
☐ bill me. ☐ bill company.
☐ Please send information on your special 20%-off group rate for five or more subscriptions.

Mail to: Business Insurance, Circulation Dept., 965 E. Jefferson Ave., Detroit, MI 48207

name (please print)
title telephone
company
nature of business
☐ business or ☐ home address
city state/country zip/postal code
☐ I prefer not to receive information or advertising by mail from companies not affiliated with Business Insurance.

4C043

Continued from previous page

Compensation: By the project; on retainer; by the hour: principal consultant, $170 to $185.

Membership: SRMC.

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

Risk Resources Group Inc.

4823 Old Kingston Pike, Suite 170, Knoxville, Tenn. 37919; 615-584-5450; fax: 615-584-5870

Consulting since: 1991.

Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 20% audits, 30% special projects.

Frequent special projects: Risk retention analysis, insurance contract analysis, assessment of broker service/remuneration, preparation of bidding specifications, risk management information system consulting.

Occasional special projects: Captive feasibility studies, analysis of limits, claims auditing, loss prevention audits, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting.

Specialties: Mining, food service, public entities, manufacturing.

Staff: Seven total; four professionals, including one principal consultant, two consultants, one analyst. Professional designations include one CPCU, one ARM, one CIC.

Clients: 10 total; 60% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 10% with $10 million to $24.9 million. No minimum size client.

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

1992 gross revenues: $400,000 total, all from risk management consulting.

Officers: Kenneth L. Sloan Jr., president; David H. Griffiths, secretary/treasurer; John A. Plummer, director.

Risk Services of California

24831 Alicia Parkway, C321, Laguna Hills, Calif. 92653-4696; 714-859-3697; fax: 714-859-3592

Consulting since: 1979.

Services: 96% of revenues from risk management consulting; including 12% continuous consulting, 6% audits, 78% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, claims auditing, loss settlement assistance, preparation of bidding specifications, expert witness, writing risk management claim procedure manuals, design and installation of turnkey claim departments, managing major claims to conclusion.

Occasional special projects: Analysis of limits, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Self insured, captives and other alternative programs, products, hospital claims, retail and wholesale grocery, professional and product liability.

Staff: Two total; both professionals, one principal consultant, one analyst.

Clients: 37 total; 30% with risk and insurance budgets less than $1 million, 13% with $1 million to $4.9 million, 50% with $5 million to $9.9 million, 7% with $10 million to $24.9 million. Six association clients. Minimum size client, $350,000.

Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $150.

Officers: Terry Coleman, principal; Suzanne Coleman, operating manager/claims analyst.

RiskCap

1571 Race St., Denver, Colo. 80206; 303-388-5688; fax: 303-388-5585

Consulting since: 1976.

Services: 55% of revenues from risk management consulting; including 35% continuous consulting, 3% audits, 17% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, expert witness, alternative market programs design/implementation/management.

Occasional special projects: Environmental, loss prevention audits, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting, employee benefit consulting.

Specialties: Feasibility design, implementation and management of the full spectrum of paid loss retrospective plans; alternative market programs; self-insured plans; self-insured pools, trusts, captives and risk retention groups; insurance profit center programs for banks and corporate clients; ongoing risk management support to in-house risk management departments.

Staff: 13 total; 10 professionals, including one principal consultant, seven consultants, two analysts. Professional designations include two CPCUs, two ARMs, one CIC.

Clients: 63 total; 45% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 18% with $5 million to $9.9 million, 2% with $10 million to $24.9 million. Five association clients. Minimum size client, $10,000.

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

Membership: SRMC.

Officers: Michael Murphy, principal consultant; James Graham, Dale Gray, Sherlyn Farrell, Ed Rohrer, Richard Poling, Donna Holstlaw, Wendy Boutin.

Risktech Inc.

50 Briar Hollow E., Suite 660, Houston, Texas 77027; 713-877-8101

Consulting since: 1980.

Services: 90% of revenues from risk management consulting; including 80% continuous consulting, 7% audits, 3% special projects.

Frequent special projects: Insurance contract analysis, claims auditing, loss prevention audits, preparation of bidding specifications, workers compensation act rejection.

Occasional special projects: Risk retention analysis, analysis of limits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Food industries, meat packing, purveyors of meat products, manufacturing, restaurants, property managers, construction.

Staff: 11 total; five professionals, including two principal consultants, one consultant, two analysts. Professional designations include one CPCU, one ARM, one CSP, three CICs.

Clients: 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. No minimum size client.

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

Officers: Charles E. Comiskey, president; Robert A. Epstein, counsel.

Risktech Group Ltd.

4959 Delhi Road, Cincinnati, Ohio 45238; 513-451-3334; fax: 513-451-0023

Consulting since: 1993.

Services: 100% of revenues from risk management consulting; including 25% continuous consulting, 20% audits, 55% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, expert witness.

Occasional special projects: Claims auditing, risk management organization studies, risk management information system consulting, research archives, policy drafting-captives, retention groups.

Specialties: Manufacturers, governmental bodies, broker service assessment.

Staff: Seven total; five professionals, all principal consultants. Professional designations include two CPCUs, two ARMs.

Clients: 60 total; 50% with risk and insurance budgets less than $1 million, 5% with $1 million to $4.9 million, 14% with $5 million to $9.9 million, 30% with $10 million to $24.9 million, 1% exceeding $25 million.

Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $250.

Membership: SRMC.

Officers: Donald S. Malecki, president; William R. Douglas, executive vp; Frederick A. Kolish, vp; Gregory Dimeling, secretary/treasurer.

R.W. Rogers & Associates Inc.

77 W. Elmwood Drive, Suite 310, Dayton, Ohio 45459; 513-436-4655; fax: 513-436-9785

Consulting since: 1987.

Services: 55% of revenues from risk management consulting; including 45% continuous consulting, 5% audits, 5% special projects.

Frequent special projects: Insurance contract analysis, assessment of broker service/remuneration, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness.

Staff: Three total; one professional, a principal consultant.

Clients: Six total; 25% with risk and insurance budgets less than $1 million, 75% with $1 million to $4.9 million. Minimum size client, $500,000.

Compensation: By the project, by the hour.

1992 gross revenues: $200,000 total, $110,000 from risk management consulting.

Officers: Richard W. Rogers, president.

Rosenthal Insurance Consulting Inc.

P.O. Box 35220, Richmond, Va. 23235-0220; 804-330-8100; fax: 804-330-3389

Consulting since: 1989.

Services: 80% of revenues from risk management consulting; including 64% continuous consulting, 8% audits, 8% special projects.

Frequent special projects: Risk retention analysis studies, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Occasional special projects: Captive feasibility studies, claims auditing, risk management organization studies.

Specialties: Governmental entities, school divisions, retailers, manufacturers, real estate developers and management, contractors.

Staff: Three total; all professionals, including one principal consultant, one consultant, one analyst. Professional designations include one CPCU, one ARM.

Clients: 57 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. No minimum size client.

Compensation: On retainer; by the hour: principal consultant, $125.

Officers: Samuel L. Rosenthal, president; Elaine McCracken, vp.

Bernard Ruback

94 Fairfax Court, Madison, N.J. 07940; 201-822-0203

Consulting since: 1982.

Services: 100% of revenues from risk management consulting, all special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss settlement assistance, business interruption claims, appraising in loss settlement disputes.

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

Staff: One total, a principal consultant.

Clients: 25 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million.

Compensation: By the project, by the hour.

Officers: Bernard Huback, owner.

Russell Insurance Services Consulting Inc.

1380 156th Ave. N.E., Suite C-2, Bellevue, Wash. 98007; 206-644-1658

Consulting since: 1986.

Services: 100% of revenues from risk management consulting; including 70% continuous consulting, 20% audits, 10% special projects.

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

Occasional special projects: Analysis of limits, insurance contract analysis, loss prevention audits, assessment of broker service/remuneration, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Airlines, retail, logging, trucking, maritime, municipal.

Staff: Two total; both professionals, including one principal consultant, one consultant. Professional designations include one CPCU.

Clients: 35 total; 25% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 5% exceeding $25 million. Two association clients. No minimum size client.

Compensation: Commissions; on retainer; by the hour: principal consultant, $125 to $150.

Membership: SRMC.

Officers: A. Dan Russell, president; Agnes M. Russell, vp.

S

Sedgwick James Inc.-Financial & Actuarial Consulting

1285 Avenue of the Americas, New York, N.Y. 10019; 212-830-1000; fax: 212-830-1029

Consulting since: 1976.

Parent: Sedgwick Group P.L.C.

Services: 100% of revenues from risk management consulting; including 10% continuous consulting, 10% audits, 80% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, design of risk finance methodology, design of cost allocation systems.

Occasional special projects: Analysis of limits, insurance contract analysis, environmental, risk management organization studies, expert witness.

Specialties: Health care, public entities, manufacturing, retail.

Locations: Atlanta; Boston; Chicago; Columbia, S.C.; Dallas; Irvine, Los Angeles and San Francisco, Calif.; Nashville, Tenn.; Portland, Ore.; Seattle.

Staff: 18 total; 15 professionals, including four principal consultants, three consultants, four actuaries, four analysts. Professional designations include five CPCUs, three ARMs, one FCAS, one ACAS.

Clients: 310 total; 20% with risk and insurance budgets of $1 million to $4.9 million, 50% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 10% exceeding $25 million. 35 association clients. No minimum size client.

Compensation: By the project.

Officers: R. Jane Hill, corporate senior vp-risk services; Richard M. Duvall, president-financial/actuarial consulting; Scott M. Sanderson, executive vp-financial/actuarial consulting; Ann Griffith, senior vp-financial/actuarial consulting.

Contact: Richard M. Duvall, 3401 W. End Ave., Nashville, Tenn. 37203; 615-385-2860.

Sedgwick James-National Risk Services (Canada)

P.O. Box 439, Toronto Dominion Centre, Toronto, Ontario, M5K 1M3, Canada; 416-361-6700

Consulting since: 1987.

Parent: Sedgwick Group P.L.C.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 5% audits, 35% special projects.

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

Occasional special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, risk management information system consulting.

Locations: Montreal, Calgary, Vancouver, Canada.

Staff: 22 total; 17 professionals, including six principal consultants, nine consultants, two analysts. Professional designations include one CSP.

Clients: 600 total. Four association clients. No minimum size client.

Compensation: By the project, by the hour.

Officers: William E. Toyne, senior vp/director-risk services.

Self-Insurance Exchange Inc.

25251 Paseo de Alicia, Suite 200, Laguna Hills, Calif. 92653; 714-768-0334; fax: 714-951-6213

Consulting since: 1986.

Services: 70% of revenues from risk management consulting; including 50% continuous consulting, 10% audits, 10% special projects.

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

Specialties: Self-insurance.

Locations: McLean, Va.

Staff: Six total, including two principal consultants, four analysts. Professional designations include one CPCU.

Clients: 10% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 50% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 10% exceeding $25 million. 35 association clients. No minimum size client.

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

Officers: Andrew J. Cmiel, president/CEO.

Self-Insurance Resources Inc.

12770 Coit Road, Suite 1215, Dallas, Texas 75251; 214-991-8077; fax: 214-991-8498

Consulting since: 1983.

Services: 60% of revenues from risk management consulting; including 40% continuous consulting, 10% audits, 10% special projects.

Frequent special projects: Insurance contract analysis, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting.

Occasional special projects: Risk retention analysis, captive feasibility studies, analysis of limits, claims auditing, accounting systems analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, expert witness.

Staff: 11 total; nine professionals, including four principal consultants, two consultants, two analysts. Professional designations include two CPCUs, two ARMs.

Clients: 60 total; 40% with risk and insurance budgets less than $1 million, 40% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 5% with $10 million to $24.9 million, 5% exceeding $25 million. Two association clients. Minimum size client, $250,000.

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

Officers: Keith C. Kakacek, president; Don Tate, John Catanzano, Rae Kakacek, vps.

Self-Insurance Specialists Inc.

600 S. Cherry St., Suite 1205, Denver, Colo. 80222; 303-394-0344; fax: 303-393-0561

Consulting since: 1991.

Services: 100% of revenues from risk management consulting, all from special projects.

Frequent special projects: Risk retention analysis, insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, expert witness, self-insurance pool management audits, self-insurance pool feasibility studies.

Occasional special projects: Captive feasibility studies, analysis of limits, claims auditing, environmental, loss prevention audits, accounting systems analysis, preparation of bidding specifications, risk management information system consulting.

Specialties: Public entities, self-insurance pools, school districts, self-insureds.

Staff: Two total; one professional, a principal consultant. Professional designations include CPCU, ARM.

Clients: 10 total; 10% with risk and insurance budgets less than $1 million, 80% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. Four association clients. No minimum size client.

Compensation: By the project, by the hour.

Officers: Sally Perske Arnold, president.

Continued on next page

Continued from previous page

Peter Shuley & Associates Inc.

Box 5254, Vancouver, B.C., V6B 4B5, Canada; 604-684-4700; fax: 604-684-4750

Consulting since: 1982.
Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 25% audits, 25% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management organization studies, risk management information system consulting, expert witness.
Staff: Three total; two professionals, including one principal consultant, one consultant.
Clients: 50% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million, 25% with $5 million to $9.9 million. Two association clients. No minimum size client.
Compensation: By the hour: principal consultant, $150.
Membership: SRMC.
Officers: Peter Shuley, president.

Sirco Consulting Services Inc.

Innsbrook Corporate Center, 4321 Cox Road, Glen Allen, Va. 23060; 804-747-7577

Consulting since: 1974.
Services: 100% of revenues from risk management consulting, all from continuous consulting on risk management, insurance and special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, environmental, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance.
Occasional special projects: Expert witness.
Specialties: Crane and heavy rigging, steel erection, environmental.
Staff: Two total, both principal consultants. Professional designations include one CPCU, one CIC.
Clients: 70% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million. Minimum size client, $250,000.
Compensation: On retainer.
1992 gross revenues: $250,000 total, all from risk management consulting.
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

Consulting since: 1970.
Services: 55% of revenues from risk management consulting; including 15% continuous consulting, 5% audits, 35% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness, insurance litigation services.
Occasional special projects: Captive feasibility studies, claims auditing, loss prevention audits, accounting systems analysis, risk management organization studies, risk management information system consulting.
Specialties: Government, health care, retail, law firms.
Staff: 19 total; seven professionals, including four principal consultants, two consultants, one actuary. Professional designations include five CPCUs, three ARMs, one FCAS.
Clients: 75 total; 54% with risk and insurance budgets less than $1 million, 22% with $1 million to $4.9 million, 13% with $5 million to $9.9 million, 4% with $10 million to $24.9 million, 7% exceeding $25 million. Two association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $200.
Membership: SRMC.
Officers: Edward W. Siver, president; Jim Marshall, Robert I. Siver, vps; Stephanie M. Barnhill, corporate secretary.
Contact: Edward W. Siver or Barbara Reynolds.

Smith Consulting Group

4551 Glencoe Ave., Marina del Ray, Calif. 90292; 310-822-1129; fax: 310-821-1094

Consulting since: 1985.
Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 15% audits, 25% special projects.
Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.
Occasional special projects: Captive feasibility studies, accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting.
Specialties: General risk management.
Staff: Two total; one professional, a principal consultant. Professional designations include one CPCU, one ARM.
Clients: 27 total; 88% with risk and insurance budgets less than $1 million, 4% with $1 million to $4.9 million, 4% with $5 million to $9.9 million, 4% with $10 million to $24.9 million. One association client. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $125 to $160.
Officers: Dick Smith, principal.

Soper & Associates

Before 5/25/93: P.O. Box 3727, Palos Verdes Peninsula, Calif. 90274; 310-544-4049; fax: 310-544-0498

After 5/25/93: P.O. Box 39, Kirkland, Wash. 98083-0039; 206-889-0113; fax: 206-889-0114

Consulting since: 1982.
Services: 100% of revenues from risk management consulting; including 42% continuous consulting, 19% audits, 39% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, expert witness, crisis management, contingency planning consulting.
Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, accounting systems analysis, loss settlement assistance, preparation of bidding specifications, risk management information system consulting.
Specialties: Engineering, architecture, construction, manufacturing, processing, distribution, law firms, insurance carriers, wholesale and retail sales entities.
Staff: Five total; three professionals, all principal consultants. Professional designations include one CPCU, one ARM, one CSP.
Clients: 14 total; 58% with risk and insurance budgets less than $1 million, 21% with $1 million to $4.9 million, 14% with $5 million to $9.9 million, 7% exceeding $25 million. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
Membership: SRMC.
Officers: Richard H. Soper, principal; Virginia R. Sundt, director-administration.

Special Event Risk Management

P.O. Box 3454, Dana Point, Calif. 92629; 914-493-0529

Consulting since: 1989.
Services: 50% of revenues from risk management consulting; all from special projects.
Frequent special projects: Loss prevention audits, in-house training and risk analysis.
Occasional special projects: Claims auditing, risk management organization studies, expert witness.
Specialties: Special events, facility events.
Staff: One total.
Compensation: By the project, by the hour.
Officers: Alexander Berlonghi, president.

C.J. Spivey Associates Inc.

5821 Fairview Road, Suite 100, Charlotte, N.C. 28209; 704-553-0462; fax: 704-553-0536

Consulting since: 1981.
Services: 52% of revenues from risk management consulting; including 35% continuous consulting, 8% audits, 9% special projects.
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 and policy received reviews, risk management information system consulting, exposure analysis.
Occasional special projects: Assessment of broker service/remuneration, quantitative/statistical analysis and forecasting, expert witness, risk management job description.
Specialties: Municipal, county, city and state governments; schools; colleges; universities; area mental health; housing authorities; hospitals; fraternities and associations.
Staff: 2.5 total; 1.5 professionals, including one principal consultant, one part-time consultant. Professional designations include one ARM.
Clients: 47 total; 38% with risk and insurance budgets less than $1 million, 11% with $1 million to $4.9 million, 8% with $5 million to $9.9 million, 24% with $10 million to $24.9 million, 19% exceeding $25 million. Four association clients. Minimum size client, $100,000.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
1992 gross revenues: $812,000 total, $422,240 from risk management consulting.
Officers: C.J. Spivey, president/treasurer; B.R. Spivey, vp/secretary.

Duke Nordlinger Stern & Associates Inc.

1336 54th Ave. N.E., St. Petersburg, Fla. 33703-3225; 813-527-1212; fax: 813-525-4090

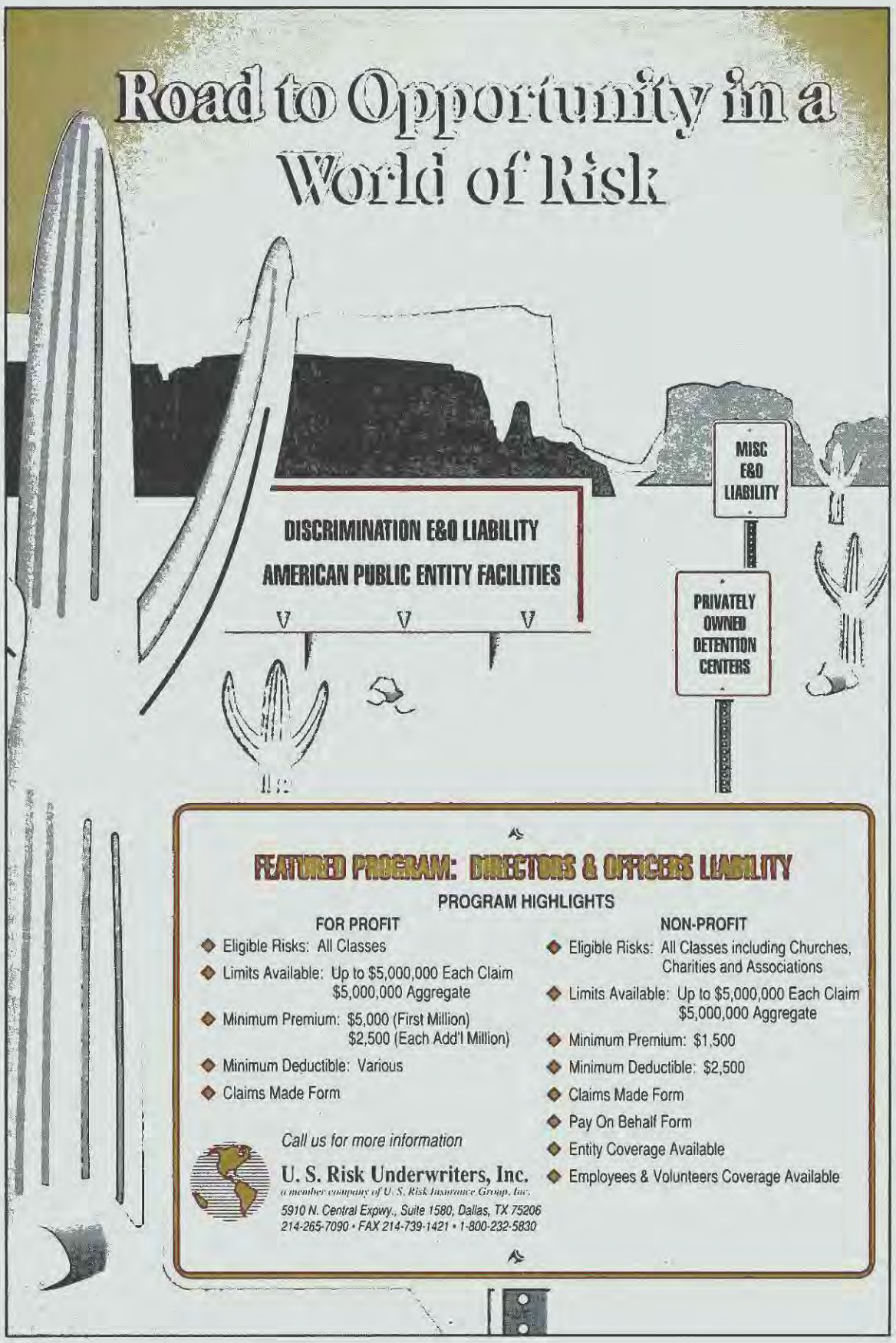
Consulting since: 1980.
Services: 80% of revenues from risk management consulting; including 60% continuous consulting, 15% audits, 5% special projects.
Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, design and implementation of claims prevention systems.
Occasional special projects: Environmental, accounting systems analysis.
Specialties: Professional and trade associations and societies.
Locations: Bridgetown, Barbados; Hamilton, Bermuda; London.
Staff: Five total; four professionals, including one principal consultant, three consultants. Professional designations include one CPCU, one ARM, two CSPs, one CIC.
Clients: 34 total; 52% with risk and insurance budgets less than $1 million, 18% with $1 million to $4.9 million, 24% with $5 million to $9.9 million, 6% with $10 million to $24.9 million. 29 association clients. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
1992 gross revenues: $398,271 total, $318,617 from risk management consulting.
Officers: Duke Nordlinger Stern, president.

William H. Sternburg & Associates Inc.

125 Greenleaf St., Quincy, Mass. 02169; 617-773-6672; fax: 617-479-0135

Consulting since: 1991.
Services: 100% of revenues from risk management consulting; including 90% continuous consulting, 5% audits, 5% special projects.
Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, assessment of broker

Continued on next page



Continued from previous page
service/remuneration, 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, risk management information system consulting, expert witness.

Specialties: Privately held corporations, middle market (premiums to $5 million).

Staff: Three total; two professionals, both principal consultants. Professional designations include one CPCU.

Clients: 40 total; 60% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 10% with $5 million to $9.9 million. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $150 to $200.

1992 gross revenues: $280,000 total, all from risk management consulting.

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

Consulting since: 1980.

Services: 80% of revenues from risk management consulting; including 20% continuous consulting, 20% audits, 40% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, accounting systems analysis, expert witness, on-site risk surveys, assistance with manuscript policies.

Occasional special projects: Risk retention analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, risk management information system consulting.

Specialties: Banks, thrifts, credit unions, mortgage bankers, insurance companies, finance companies, armored car companies, stockbrokers, law firms.

Locations: Atlanta; Charlotte, N.C.; Dallas; London; Los Angeles; Miami; Portland, Ore.

Staff: 20 total; 14 professionals, including six principal consultants, six consultants, two analysts. Professional designations include one CIC.

Clients: 150 total; 90% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million. 30 association clients. No minimum size client.

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

1992 gross revenues: $1.3 million total, $1 million from risk management consulting.

Membership: SRMC.

Officers: Gerald F. Stogniew, CEO; Richard L. Junkermann, Robert L. Niemann, directors; Cheresse N. Smoot, regional director; William Falzone, senior consultant.

Stone & Webster Management Consultants Inc.

1 Penn Plaza, 250 W. 34th St., New York, N.Y. 10119; 212-290-7137; fax: 212-290-7123

Consulting since: 1934.

Parent: Stone & Webster Inc.

Services: 95% of revenues from risk management consulting; including 53% continuous consulting, 23% audits, 19% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk transfer analysis (contracts and certificates).

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, accounting systems analysis, risk management information system consulting, expert witness.

Specialties: Industry, government, utilities, financial institutions.

Staff: 15 total; 13 professionals, including six principal consultants, six consultants, one analyst. Professional designations include two CPCUs, three ARMs, one CSP.

Clients: 115 total; 10% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 30% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 5% exceeding $25 million. One association client. Minimum size client, $300,000.

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

1992 gross revenues: $1.6 million from risk management consulting.

Membership: SRMC.

Officers: Bruce H. Suter, vp; Michael J. Natale, vp/director-client services; William J. Gombocz, manager-client services; Louis J. DeMartino, assistant manager-client services.

T

Tanglewood Associates

P.O. Box 212, Boxford, Mass. 01921; 508-887-2070; fax: 508-887-7260

Consulting since: 1987.

Services: 100% of revenues from risk management consulting; including 80% continuous consulting, 20% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration.

Occasional special projects: Captive feasibility studies, claims auditing, environmental, loss prevention audits, loss settlement assistance, risk management organization studies, preparation of bidding specifications, expert witness.

Specialties: Gas distribution utilities.

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

Clients: Five total; 40% with risk and insurance budgets less than $1 million, 20% with $1 million to $4.9 million, 20% with $10 million to $24.9 million, 20% exceeding $25 million. Minimum size client, $25,000.

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

1992 gross revenues: $100,000 from risk management consulting.

Officers: H. Brown Baldwin, principal.

Tennant Risk Services Inc.

City Place II, 185 Asylum St., Hartford, Conn. 06103-4105; 203-527-9717; fax: 203-527-2438

Consulting since: 1987.

Services: 35% of revenues from risk management consulting; including 20% continuous consulting, 15% special projects.

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, risk management information system consulting.

Staff: Eight total; professionals include two principal consultants, one consultant. Professional designations include one CPCU, one ARM.

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

Officers: Robert T. Sargent, president; Kimberley L. Byrd, vp.

D.L. Tibbals Risk Management Consulting Inc.

990 Hammond Drive, Suite 475, Atlanta, Ga. 30328; 404-395-3850; fax: 404-395-3852

Consulting since: 1987.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 30% audits, 10% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, assessment of broker service/remuneration, 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, risk management information system consulting, expert witness.

Specialties: Hotels and the hospitality industry, hospital, real estate development and management companies, country clubs, high tech and telecommunications industry, banking, construction, light manufacturing.

Staff: Two total; one professional.

Clients: 50 total; 60% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 5% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. No minimum size client.

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

1992 gross revenues: $260,000 total, all from risk management consulting.

Membership: SRMC.

Officers: David L. Tibbals, president.

Tiller Consulting Group Inc.

2833 N. Geyer Road, St. Louis, Mo. 63131; 314-567-7480

Consulting since: 1985.

Services: 95% of revenues from risk management consulting, all from special projects.

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, preparation of bidding specifications, risk management information system consulting.

Specialties: Public entities, industry with environmental exposures.

Staff: Two total; both professionals, including one principal consultant, one actuary. Professional designations include one CPCU, two ARMs, one FCAS.

Membership: SRMC.

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

Consulting since: 1991.

Services: 100% of revenues from risk management consulting; including 20% continuous consulting, 30% audits, 50% special projects.

Frequent special projects: Risk retention analysis; analysis of limits; insurance contract analysis; claims auditing; assessment of broker service/remuneration; risk management organization studies; preparation of bidding specifications; expert witness; insurance reviews related to real estate transactions, loans and acquisitions.

Occasional special projects: Captive feasibility studies, loss prevention audits, accounting systems analysis, loss settlement assistance, risk management information system consulting.

Specialties: Manufacturers, hospitals, clinics, municipalities, churches.

Staff: Three total; two professionals, both principal consultants. Professional designations include one CPCU, one ARM.

Clients: 50% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 10% exceeding $25 million. No minimum size client.

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

Officers: Robert Russell, Joyce Armstrong, consultants.

Towers Perrin/Tillinghast

245 Park Ave., New York, N.Y. 10167; 212-490-3460; fax: 212-351-4157

Consulting since: 1946.

Services: 44% of revenues from risk management consulting; including 24% continuous consulting, 5% audits, 15% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, environmental, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, workers comp cost management, claims administration selection/evaluation.

Occasional special projects: Loss prevention audits, accounting systems analysis, financial reinsurance design.

Locations: Atlanta; Boston; Chicago; Dallas and San Antonio, Texas; Denver; Hartford and Stamford, Conn.; Hamilton, Bermuda; Irvine and San Francisco, Calif.; Jacksonville, Fla.; London; Paris; St. Louis; Sydney, Australia; Toronto; Washington.

Staff: 323 total; 67 professionals, including 17 principal consultants, 16 consultants, 12 actuaries, 22 analysts. Professional designations include nine CPCUs, 13 ARMs, 12 FCASs, four ACASs.

Clients: 1,000 total. 125 association clients. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $225 to $355.

1992 gross revenues: $57.8 million total, $25.6 million from risk management consulting.

Officers: Jerry Miccolis, vp/practice leader; Jenny Emery, principal/practice manager; Felix Kloman, Charles Lee, Paul Pinckney, vps.

The Traverse Group Inc.

3772 Plaza Drive, Ann Arbor, Mich. 48108; 313-747-9300; fax: 313-747-9229

Consulting since: 1975.

Services: 40% of revenues from risk management consulting; all from special projects.

Frequent special projects: Environmental; risk management information system consulting; design, construction and operation of various remediation systems including: bioremediation, bioventing, carbon treatment, soil venting and incineration.

Occasional special projects: Expert witness.

Specialties: Business, government, industry.

Locations: Grand Rapids and Traverse City, Mich.

Staff: 80 total; 45 professionals, including five principal consultants, 10 consultants.

Clients: 300 total; 20% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 20% with $10 million to $24.9 million, 10% exceeding $25 million. Three association clients. No minimum size client.

Compensation: By the project, by the hour.

1992 gross revenues: $7 million total, $2.8 million from risk management consulting.

Officers: John M. Armstrong, CEO; Michael R. Brenoel, president; Laura A. Armstrong, vp-business development.

U

Unirisk

700 Larkspur Landing Circle, Suite 199, Larkspur, Calif. 94939; 415-461-8870; fax: 415-461-6958

Consulting since: 1986.

Services: 75% of revenues from risk management consulting; including 40% continuous consulting, 25% audits, 10% special projects.

Frequent special projects: Insurance contract analysis, assessment of broker service/remuneration, expert witness.

Staff: One total, a principal consultant.

Clients: 25% with risk and insurance budgets less than $1 million, 50% with $1 million to $4.9 million, 25% with $5 million to $9.9 million. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $175 to $200.

Officers: Warren C. Heiman, owner/principal.

United Insurance Consultants Inc.

11 Harristown Road, Glen Rock, N.J. 07452; 201-444-3888; fax: 201-444-9335

Consulting since: 1979.

Services: 100% of revenues from risk management consulting; including 98% continuous consulting, 2% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, captive feasibility studies, claims auditing, loss prevention audits, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Manufacturing, retailing, construction, mining and international exposures in these areas.

Staff: 26 total; professionals include eight principal consultants, two consultants, one analyst. Professional designations include one CPCU, two ARMs.

Clients: 496 total; 75% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. No minimum size client.

Compensation: On retainer.

1992 gross revenues: $3.4 million total, all from risk management consulting.

Officers: Thomas Kovatch, president; Jeffrey Teitel, Mitchel Gerber, Stephen Gerber, Robert Weinberg, David Rosenthal, Craig Farrell, principal consultants.

Contact: Thomas Kovatch.

United Risk Management Inc.

14261 E. Fourth Ave., Suite 261, Aurora, Colo. 80011; 303-752-0775; fax: 303-364-3602

Consulting since: 1982.

Services: 85% of revenues from risk management consulting; including 35% continuous consulting, 20% audits, 30% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, assessment of broker service/remuneration, preparation of bidding specifications, comparative analysis of bidding results.

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

Specialties: Public entities.

Staff: One total, a principal consultant.

Clients: 100% with risk and insurance budgets less than $1 million. One association client. No minimum size client.

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

Membership: SRMC.

Officers: Brian L. Briese, president; Janice L. Briese, secretary.

V

Voller, Savage & Associates

P.O. Box 4997, Scottsdale, Ariz. 85261-4997; 602-991-0496; fax: 602-948-1292

Consulting since: 1992.

Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 20% audits, 40% special projects.

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

Occasional special projects: Captive feasibility studies, claims auditing, risk management information system consulting, cost management studies, TPA selection and evaluation.

Specialties: Health care, entertainment, hospitality, banking, real estate and development, retail, wholesale, manufacturing, service, public entities.

Staff: Two total, both principal consultants.

Clients: 20 total; 30% with risk and insurance budgets less than $1 million, 70% with $1 million to $4.9 million. One association client. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $150 to $200.

Membership: SRMC.

Officers: Donald J. Voller, Helen Savage, principals.

W

Walker Risk Management Services Inc.

4385 239th Place S.E., Issaquah, Wash. 98027; 206-392-0535; fax: 206-392-1735

Consulting since: 1992.

Services: 100% of revenues from risk management consulting; including 60% continuous consulting, 30% audits, 10% special projects.

Continued on next page

Continued from previous page

Frequent special projects: Analysis of limits, insurance contract analysis, environmental, loss settlement assistance, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, risk management organization studies.

Specialties: Maritime industry, steamship companies, ports, shipyards, international traders.

Staff: One total, a principal consultant. Professional designations include CPCU.

Clients: Four total; 75% with risk and insurance budgets less than $1 million, 25% with $1 million to $4.9 million. No minimum size client.

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

Officers: William C. Walker III, president; Diana D. Walker.

Walston & Addicks

2424 Herodian Way, Suite 100, Smyrna, Ga. 30080; 404-980-9423; fax: 404-980-1181

Consulting since: 1986.

Services: 68% of revenues from risk management consulting; including 56% continuous consulting, 5% audits, 7% special projects.

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

Occasional special projects: Captive feasibility studies, accounting systems analysis, risk management information system consulting, expert witness.

Specialties: Manufacturers, hospitals, real estate holding companies, pest control companies, municipalities, retailers, school districts, wholesalers.

Staff: 16 total; professionals include three principal consultants, three consultants, one actuary, one analyst. Professional designations include three CPCUs, two ARMs, one ACAS.

Clients: 35 total; 71% with risk and insurance budgets less than $1 million, 23% with $1 million to $4.9 million, 3% with $5 million to $9.9 million, 3% with $10 million to $24.9 million. Two association clients. No minimum size client.

Compensation: By the project; by the hour: principal consultant, $145.

Membership: SRMC.

Officers: Thomas F. Walston, president; Jim Wiley, vp; Lois Walston, secretary.

David Warren CPCU

58 Diablo View Drive, Orinda, Calif. 94563-1507; 510-254-9472; fax: 510-253-9645

Consulting since: 1979.

Services: 100% of revenues from risk management consulting; including 50% audits, 50% special projects.

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

Occasional special projects: Captive feasibility studies, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting.

Staff: One total. Professional designations include CPCU.

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

Membership: SRMC.

Officers: David Warren.

R. Warren Co.-Division of Warren Group Inc.

60 E. 42nd St., Suite 1620, New York, N.Y. 10165-1620; 212-972-4321; fax: 212-986-3389

Consulting since: 1986.

Services: 100% of revenues from risk management consulting; including 50% continuous consulting, 5% audits, 45% special projects.

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

Occasional special projects: Loss prevention audits, assessment of broker service/remuneration, risk management organization studies, quantitative/statistical analysis and forecasting, risk management information system consulting.

Specialties: Manufacturers and trade associations.

Staff: 10 total, including one principal consultant, three consultants.

Clients: 20 total; 95% with risk and insurance budgets less than $1 million, 5% with $1 million to $4.9 million. Four association clients. No minimum size client.

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

1992 gross revenues: $550,000 total, all from risk management consulting.

Officers: Richard W. Cohen, president; Espa Dell, executive vp.

Contact: Richard W. Cohen.

Waters Risk Management

7300 Park St. N., Seminole, Fla. 34647-4601; 813-397-8665; fax: 813-397-3585

Consulting since: 1978.

Services: 100% of revenues from risk management consulting; including 45% continuous consulting, 20% audits, 35% special projects.

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

Occasional special projects: Accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Public entities.

Staff: Four total; professionals include one principal consultant, one consultant. Professional designations include two CPCUs, two ARMs.

Clients: 50 total; 40% with risk and insurance budgets less than $1 million, 45% with $1 million to $4.9 million, 10% with $5 million to $9.9 million, 5% with $10 million to $24.9 million. Four association clients. No minimum size client.

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

Membership: SRMC.

Officers: Al Waters, principal; Hayden Knowlton, associate.

WEB Insurance Consultants Inc.

P.O. Box 4065, 23 Tindall Road, Middletown, N.J. 07748; 908-671-9455; fax: 908-671-2820

Consulting since: 1981.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 2% audits, 23% special projects.

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, assessment of broker service/remuneration, loss settlement assistance, risk management organization studies, quantitative/statistical analysis and forecasting.

Staff: Four total; two professionals, including one principal consultant, one consultant. Professional designations include one ARM.

Clients: 85% with risk and insurance budgets less than $1 million, 15% with $1 million to $4.9 million. No minimum size client.

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

Officers: William Brengel, president.

Webber Consulting Group Inc.

P.O. Box 1446, Roswell, Ga. 30077-1446; 404-641-1868 or 800-476-1209; fax: 404-641-1899

Consulting since: 1984.

Services: 85% of revenues from risk management consulting; including 8.5% continuous consulting, 51% audits, 25.5% special projects.

Frequent special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, risk management information system consulting, occupational health.

Occasional special projects: Captive feasibility studies, accounting systems analysis, loss settlement assistance, quantitative/statistical analysis and forecasting.

Specialties: Governmental entities, small to midsized companies.

Staff: Two total, both professionals. Professional designations include one ARM.

Clients: 50% with risk and insurance budgets of $1 million to $4.9 million, 10% with $5 million to $9.9 million, 40% with $10 million to $24.9 million. No minimum size client.

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

Officers: Steven R. Webber, president; Patricia I. Webber, vp.

West Michigan Insurance Consultants

3500 Kraft Ave. S.E., Grand Rapids, Mich. 49512; 800-878-8347; fax: 616-942-5040

Consulting since: 1978.

Parent: George W. Timmer & Son Inc.

Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 20% audits, 5% special projects.

Occasional special projects: Risk retention analysis, analysis of limits, insurance contract analysis, claims auditing, loss prevention audits, assessment of broker service/remuneration, preparation of bidding specifications, quantitative/statistical analysis and forecasting, expert witness.

Specialties: Municipalities, non-profit organizations, schools and colleges, emergency service organizations, individuals.

Staff: Three total, all principal consultants. Professional designations include two CICs.

Compensation: By the project; on retainer; by the hour: principal consultant, $75 to $125.

Officers: Brian K. Timmer, president; David L. Landman, vp; George W. Timmer, consultant.

Williams & Co. Consulting Inc.

1000 Illinois St., Suite B, Des Moines, Iowa 50314; 515-284-1616; fax: 515-284-0017

Consulting since: 1984.

Services: 90% of revenues from risk management consulting; including 60% continuous consulting, 15% audits, 15% special projects.

Frequent special projects: Analysis of limits, insurance contract analysis, claims auditing, environmental, risk management organization studies, preparation of bidding specifications.

Occasional special projects: Risk retention analysis, loss prevention audits, accounting systems analysis, assessment of broker service/remuneration, loss settlement assistance, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness.

Specialties: Governmental entities, banks, associations.

Locations: Sioux City, Iowa.

Staff: 12 total, including one principal consultant, four consultants, two analysts. Professional designations include two CPCUs, one ARM, one CIC.

Clients: 60 total; 50% with risk and insurance budgets less than $1 million, 10% with $1 million to $4.9 million, 20% with $5 million to $9.9 million, 20% with $10 million to $24.9 million.

Compensation: By the project; on retainer; by the hour: principal consultant, $130.

Membership: SRMC.

Officers: Robb Hubbard, principal-risk management services.

Willis Corroon Advanced Risk Management Services

26 Century Blvd., Nashville, Tenn. 37214; 615-872-3200; fax: 615-872-3333

Consulting since: 1976.

Parent: Willis Corroon Group P.L.C.

Services: 100% of revenues from risk management consulting; including 2% continuous consulting, 2% audits, 96% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, insurance contract analysis, environmental, quantitative/statistical analysis and forecasting, actuarial analysis and certification, loss financing alternatives.

Occasional special projects: Analysis of limits, claims auditing, loss prevention audits, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, risk management information system consulting, expert witness.

Specialties: Health care, transportation, construction, food service, governmental, financial services, manufacturing, retail.

Staff: 90 total; 33 professionals, including seven principal consultants, 11 consultants, 11 actuaries, four analysts. Professional designations include 13 CPCUs, 10 ARMs, two FCASs, one CSP, two ACASs, one CIC.

Clients: 360 total; 5% with risk and insurance budgets less than $1 million, 35% with $1 million to $4.9 million, 40% with $5 million to $9.9 million, 15% with $10 million to $24.9 million, 5% exceeding $25 million. 19 association clients. No minimum size client.

Compensation: By the project; on retainer; by the hour: principal consultant, $225 to $350.

Officers: James V. Davis, chairman; Manny D. Buzzell, vice-chairman; Ronald D. O'Nan, Greg Alff, Leon Gottlieb, senior vps.

The Wyatt Co.

601 Thirteenth St., N.W., Suite 1000, Washington, D.C. 20005; 202-508-4600; fax: 202-508-4688

Services: 84% of revenues from risk management consulting; including 54% continuous consulting, 10% audits, 20% special projects.

Frequent special projects: Risk retention analysis, captive feasibility studies, analysis of limits, insurance contract analysis, claims auditing, assessment of broker service/remuneration, risk management organization studies, preparation of bidding specifications, quantitative/statistical analysis and forecasting, risk management information system consulting, expert witness, workers compensation managed care, evaluation of resources, risk retention group studies, special industry surveys, special exposure analysis.

Occasional special projects: Environmental, loss prevention audits, accounting systems analysis, loss settlement assistance, contingency planning.

Specialties: Health care, associations, financial institutions, corporations, public entities and pools, energy.

Locations: Boston; Chicago; Dallas; Detroit; San Francisco; Auckland, New Zealand; Calgary, Montreal, Quebec and Toronto, Canada; London.

Staff: 121 total, including 30 consultants, 20 actuaries, 16 analysts. Professional designations include seven CPCUs, 12 ARMs, eight FCASs, seven ACASs.

Clients: 1,100 total. 75 association clients. No minimum size client.

Compensation: By the hour.

1992 gross revenues: $17.8 million total, $15 million from risk management consulting.

Membership: SRMC.

Officers: James A. Swanke Jr., chairman; Robert Briere, Sylvain Dion, Pierre Laurin, James E. Rech, actuaries; Thomas G. Briggin, Ronald Hendy, Timothy Hoffman, Russell McGuire, Doug Nishimura, Paul Van Zuiden, consultants.

Contact: James A. Swanke Jr., 80 William St., Wellesley Hills, Mass. 02181; 617-237-3900.

X

Xordium Inc.

12465 Lewis St., Suite 104, Garden Grove, Calif. 92640; 714-748-9291; fax: 714-748-9294

Consulting since: 1985.

Services: 100% of revenues from risk management consulting; including 40% continuous consulting, 60% special projects.

Frequent special projects: Loss prevention audits.

Occasional special projects: Risk retention analysis, claims auditing, assessment of broker service/remuneration, preparation of bidding specifications, risk management information system consulting, expert witness.

Specialties: Manufacturing, services.

Staff: Six total; three professionals.

Clients: 125 total; 95% with risk and insurance budgets less than $1 million, 5% with $1 million to $4.9 million. Two association clients. No minimum size client.

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

1992 gross revenues: $700,000 total, all from risk management consulting.

Officers: Karen Gillett, president; Fred Gillett, executive vp.

Y

Yankus Associates

3820 Vardon Court, Woodridge, Ill. 60517; 708-416-1898

Consulting since: 1988.

Services: 70% of revenues from risk management consulting; including 40% continuous consulting, 15% audits, 15% special projects.

Frequent special projects: Claims auditing, environmental, loss prevention audits.

Occasional special projects: Loss settlement assistance.

Specialties: Construction, manufacturing, associations.

Staff: Eight total; six professionals, including three principal consultants, three consultants. Professional designations include one CSP.

Clients: 35 total; 60% with risk and insurance budgets less than $1 million, 30% with $1 million to $4.9 million, 7% with $5 million to $9.9 million, 3% with $10 million to $24.9 million. 10 association clients.

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

Officers: Jerry Yankus, president.

Continued on next page

Bermuda

or American

American Excess Insurance Association

Phone: (203) 528-2155 Fax: (203) 282-9393

California comp

Continued from page 2

Mr. Barth discussed the findings during the WCRI's annual conference, held Feb. 23-24 in Cambridge, Mass.

One example of the low benefits for injured workers is the $336 maximum weekly benefit for temporary total disability in 1991, which was less than 70% of the state's average weekly wage. That weekly benefit also was less than the maximum paid in at least 33 other states, according to the report.

Approximately 18% of employees receiving temporary total disability benefits in 1991 received less than 80% of their aftertax earnings as replacement income.

Weekly permanent partial disability benefits and death benefits also are low in California, Mr. Barth said.

But, minimum total disability benefits are relatively high, so that 11% of California workers received more than 100% of their pre-injury, aftertax wages as replacement income.

The apparent contradiction of high employer costs and low worker benefits is explained as the result of other aspects of the California comp system, the report says. These include: higher litigation costs, more frequent payment of permanent partial disability claims, a growing number of cumulative injury and stress claims, and workers' generous entitlement to vocational rehabilitation programs.

"The litigation story in California is a complicated one," Mr. Barth said. "Half of all lost-time claims result in the filing of an application for adjudication and require some agency intervention to resolve," he said. "In one-quarter of all lost-time claims, the employer's first notice of injury is by attorney's letter."

Litigation added $1.5 billion in costs in 1990 and litigation costs have grown at a rate of 22.5% annually since 1981, the report says.

Medical expert costs constitute 47% of these litigation expenses.

Mr. Barth said the California system provides "perverse" incentives when it comes to medical expert fees, which are payments to doctors for expert evaluation in litigation, not treatment of injured workers.

"Medical expert fees are several times higher than in other states, and are paid by defendants regardless of whether the worker is entitled to benefits," he said (see related story).

This scenario creates powerful incentives that increase the settlement value of many cases and resulting benefit costs, as well as litigation rates and the likelihood of fraud on the part of health providers and attorneys.

The report also found that:

- The state's primary medical fee schedule has shortcomings because it is at least 5 years old, includes only physicians' fees and fails to require mandatory utilization review.

Half of California's lost-time claims require agency intervention to resolve, says Peter Barth.

- A "paperwork blizzard" complicates claims handling and adds costs. The state Division of Workers Compensation requires the filing of "massive" amounts of forms, employers, insurers and attorneys complain. The division apparently believes that the forms are needed if the appeals board is going to actively monitor insurer and employer practices, the study says.
- The Industrial Medical Council, which was created by the 1989 reforms to help solve disputed medical issues, has had a "shaky start" due in part to delayed appointments.
- The state Division of Workers Compensation faces several problems. For example, it has a large workload and does not always efficiently allocate staff. In addition, it gives workers comp judges only "limited and sporadic" training, the report says.

Also, the agency does not collect basic data and conducts little research on system performance.

Asked to name the one thing he would do to improve California's workers compensation system, Mr. Barth quipped, "I would move it to Wisconsin."

Wisconsin's workers compensation system is considered a model for the nation (*BI*, Nov. 16, 1992).

On a more serious note, he suggested changing the California law to eliminate the private "medicolegal" expert's role in the workers comp system. Instead, he recommended the state division hire 200 physicians to decide controversial medical issues. That suggestion was discussed last year by legislators and rejected, a spokesman for a California insurer said.

Both houses of California's Legislature currently are considering proposals to reform the workers comp system.

•

For a copy of "Workers' Compensation in California: Administrative Inventory," send a $25 check to the Workers Compensation Research Institute, 101 Main St., Cambridge, Mass. 02142. Specify publication No. WC-92-8.

ADDENDUM

The following entry was not received in time to be included in the alphabetical listings.

Paretzky Information Network Inc.

6701 Democracy Blvd., Suite 300, Bethesda, Md. 20817; 301-571-9400; fax: 301-279-5610

Founded: 1988.
Services: 100% of revenues from risk management consulting; including 75% continuous consulting, 10% audits, 15% special projects.
Frequent special projects: Analysis of limits, loss prevention audits, assessment of broker service/remuneration, preparation of bidding specifications.
Occasional special projects: Risk retention analysis, claims auditing, loss settlement assistance, risk management organization studies, risk management information system consulting, expert witness.
Specialties: Construction, transit, municipalities.
Staff: Four total; three professionals, including one principal consultant, two consultants. Professional designations include ARMs.
Clients: 10 total; 30% with risk and insurance budgets $5 million to $9.9 million, 60% with $10 million to $24.9 million, 10% exceeding $25 million. No minimum size client.
Compensation: By the project; on retainer; by the hour: principal consultant, $150.
Officers: Yvonne Paretzky, president; Billie Haywood, secretary/treasurer. BI

California could legislate savings

Target "medicolegal" exams in workers comp, WCRI says

SACRAMENTO, Calif.—Financial incentives for California physicians to solicit workers compensation claimants could be legislated out of existence if lawmakers heed the results of new research.

California's workers comp system has a "great opportunity" to rein in the "exceptionally high" costs of "medicolegal" exams, which are medical exams used to help determine indemnity benefit payments, according to experts from the Workers Compensation Research Institute in Cambridge, Mass.

The researchers summarized preliminary WCRI findings at a hearing last week before the California Assembly's Finance, Insurance and Public Investment Committee.

More than $1 billion—or 9% of the total cost of the California workers comp system—was spent on medicolegal reports last year, said Leslie Boden, senior economist at the WCRI and a professor at Boston University's School of Public Health.

"The reasons for these high costs are clear: California does more exams per claim than other states and the physicians doing the exams receive higher fees," he said.

Specifically, the hourly fee for these examinations —nearly $500—is "three to four times as lucrative as treating patients," even when adjusted for the additional time and effort required, said Richard Victor, the WCRI's executive director.

In addition, California also averages slightly more than three medical reports per workers comp case, which is the highest of four states the WCRI studied, including Maryland, New Jersey and Wisconsin.

California employers and insurers pay about $2,376 in medicolegal exam costs for each permanent partial disability case, which is five to 10 times higher than in other states studied.

In collecting California data, WCRI researchers reviewed a random sample of 375 soft-tissue back injury claims and gathered information on 1,166 medicolegal reports. They also conducted telephone interviews with 60 to 80 California physicians. The average physician performed 300 such exams last year.

The finding "highlights an important public policy issue: In its current form, the California system creates powerful incentives for doing these medicolegal exams," Mr. Victor said.

Specifically, California is unique in that its law requires employers and insurers pay all of a claimant's medicolegal expenses, even if a claim is later judged non-compensable.

As a result, demand for the tests is not restrained by cost and this "encourages physicians to create additional demand for their services," Mr. Boden said. "California is the only state to experience a flood of advertising by providers of medicolegal services.

"The California statute creates incentives for this advertising and other, less savory, practices to locate workers to examine (sometimes without regard for the compensability of their injuries,)" he said.

California also is unique because it has two fee schedules: One for the treatment of workers' illness and injuries; and a second one for medicolegal fees.

The medicolegal fee schedule has a built-in mechanism for annual increases based on the prior year's billings, but "provides no methods to control these fees," he said.

California legislators can reduce medicolegal costs by either placing a cap on the number of reports per claim or reducing the fee for such exams, or both, Mr. Victor said.

The Assembly committee hopes to draft and pass a "relatively comprehensive" workers comp reform bill by the end of the month, said Chris Humes, chief of staff for committee Chairman Steve Peace, D-Chula Vista. The WCRI's preliminary data confirmed Mr. Peace's suspicions but it "surprised" other legislators that the costs were so high, Mr. Humes said. "It's clear our costs are higher than they should be."

The WCRI's study is incomplete and while final numbers may change, the qualitative findings are not expected to, Mr. Victor said. The WCRI is confident enough in its findings to testify before the state lawmakers using preliminary data for only the second time in its nine-year history.

—By Meg Fletcher

Workers comp researchers outline 'success stories'

By MEG FLETCHER

CAMBRIDGE, Mass.—Several successful workers compensation programs can provide lessons for those seeking help with workers comp problems, a research organization says.

WCRI

The model programs were representatives of three different types of programs that the Workers Compensation Research Institute identified as "success stories" at its annual conference last month.

The programs cited by the WCRI are the Electrical Employers Self-Insurance Safety Plan in New York; a workers compensation insurance program underwritten by Travelers Insurance Co; and the exclusive state workers comp fund operated by Washington Department of Labor and Industries.

In addition, the Cambridge, Mass.-based institute separately praised Wisconsin's workers compensation program, which it analyzed in a recent study (*BI*, Nov. 16, 1992).

"Nirvana for workers compensation is higher benefits for workers and lower costs for employers," said Stephen Rosenfeld, vice chairman of the Boston Risk Management Corp. Mr. Rosenfeld was one of several experts who discussed the success stories at the WCRI meeting.

The Electrical Employers Self-Insurance Safety Plan, which was established in 1967 as the first workers comp self-insurance pool in New York state, has reached that goal, according to the WCRI.

The program, which is administered by Local 3 of the International Brotherhood of Electrical Workers in New York City, has paid $39.7 million in supplemental weekly indemnity benefits to union workers who were injured on the job during the past decade.

For example, the basic statutory indemnity level that EESISP-covered workers in New York City received last year was $505 per week, which is $155 higher than the state-mandated level other electricians in New York State received.

Meanwhile, participating employers have saved approximately $90 million in estimated premium costs during the past decade, the WCRI said.

The program saves money by emphasizing safety and operating with lower overhead costs, said James R. Harley, the EESISP's safety director. It also uses "peer pressure" to prevent the filing of fraudulent claims and to encourage injured workers to return to work as soon as is medically appropriate.

The EESISP's success illustrates that collective bargaining can be a powerful, positive force in reducing the costs of workers comp, according to Mr. Harley.

In addition, safety is fundamental to cost savings, but it must have "status" with employers and employees to succeed, he said.

A well-run self-insured program is not the only way to succeed in controlling costs, however.

Changes in Travelers workers compensation operations since 1988 have made workers comp the company's fastest-growing and most profitable line of insurance, accounting for $2.5 billion of premium or its equivalent for self-insured firms, said Senior Vp Richard W. Palczynski.

Hartford, Conn.-based Travelers is now the third-largest workers comp insurer in the Fortune 1,000 market, and is the second-largest servicing carrier for workers comp assigned risk pools. It also writes some small workers comp risks, though in a "dwindling" number of states, he said.

Travelers' restructuring included: doubling the number of claims adjusters nationwide to halve their workload; expanding adjusters' training in "best practices"; expanding the number and type of treatment reviewers; and establishing a national network of physicians specifically to provide medical services to workers comp claimants.

However, in-house changes were not enough to remedy the problem created by insured employers that reported claims three to four weeks after an injury, Mr. Palczynski said.

In response, Travelers established a toll-free telephone reporting system and employer education programs to speed the reporting of claims. Travelers' goal was to enlist employers' help so it could "pounce" on a claim within 24 hours, he said.

"We came to realize that the greatest leverage to loss payout reduction is not in networks or in adjuster's inventories; it is with the employer directly in how the employer treats the worker after injury, in showing how much he or she cares about the worker, in making sure the worker receives the right treatment and in designing re-

Continued on next page

Continued from previous page
turn-to-work opportunities," Mr. Palczynski said.

In addition, Travelers invested heavily in safety consulting by establishing a group of 15 engineers capable of performing long-term, on-site evaluations of an employers' operations.

Travelers' program is paying off.

For example, after eight months, Arley Merchandise Corp., a curtain manufacturer in Taunton, Mass., was able to reduce lost workdays to 44 per 100 employees from 284.6 in 1991, which was three times the Bureau of Labor Statistics' rate for its class of employer.

"As insurers, there is a great deal of leverage in today's system to improve this line," Mr. Palczynski said.

In addition, administrators of state workers compensation systems may be able to learn some lessons from reforms adopted by Washington state.

The Washington state fund, an exclusive workers comp fund, had a $225 million deficit in 1985. A series of reform measures, including repealing mandatory vocational rehabilitation, wiped out that deficit by 1987.

"Benefit delivery is not the problem," despite the attention that issue receives, said Joseph A. Dear, former director of the state Department of Labor and Industries in Olympia, which administered the fund.

The state fund's turnaround was engineered by enlisting labor and management cooperation. In addition, health care costs were controlled, while the fund took steps to assure quality care. In addition, the state fund improved its organizational capabilities and directed its attention to preventing losses and encouraging safety.

The fund now has a $330 million surplus (*BI*, Feb. 22).

In response to the success stories identified by the WCRI, Bernard L. Brommer, president of the Minnesota AFL-CIO, warned that too often workers comp reform efforts focus on cutting employees' benefits. Instead, insurers and employers should respond in a caring way following an injury and focus on safety.

"The delivery mechanism is not the most important element of success," said Allyn C. Tatum, a member of the Arkansas Workers Compensation Commission and immediate past president of the International Assn. of Industrial Accident Boards & Commissions.

"It's people—how you treat them and how you motivate them," he said. "Common sense and common courtesy will go a long way to solving our workers compensation problems."

Boston Risk Management's Mr. Rosenfeld added, "The opportunities for private reform are enormous." He encouraged people to develop them, rather than be daunted by legislative reform problems. BI

Comp managed care explored

By MEG FLETCHER

CAMBRIDGE, Mass.—State workers compensation regulators are increasing their efforts to contain workers comp medical costs, including exploring managed care strategies.

However, state workers comp systems still lag behind group health care plans in terms of embracing managed care initiatives.

WCRI

"Activity in medical cost containment has increased within the past few years," says Carol A. Telles, a research associate with the Workers Compensation Research Institute.

"Much of the increased activity has focused on price controls through medical fee schedules and hospital payment regulation," she said.

"As the next logical step, and as part of the move toward a comprehensive cost containment program, states have turned to enforcement and managed care programs, mostly in the form of bill review and utilization review," Ms. Telles said at a session during the WCRI's conference, in Cambridge, Mass., last month.

Between 1990 and 1992, the use of six key medical cost containment tools tracked by the WCRI was increased by 14 state workers comp systems. Those tools are: limiting initial choice of provider; limiting provider change by employee; fee schedules; hospital payment review; bill review; and utilization review.

In 1992, about 17 states allowed employers to use at least four of those strategies, up from about 10 states in 1990, the research organization says.

The WCRI data, which reviewed only activities allowed by state workers comp regulators as of September 1992, is the latest in a series of national inventories that tallies —but does not evaluate—the effectiveness of cost containment strategies. The latest study will be published in June.

Many of the managed care tools now used to control group health care costs are transferable to workers comp medical care, including preferred provider networks, utilization review, bill review, case management and medical practice policies, observed Ms. Telles.

Only cost sharing, in which employees directly pay a portion of their medical expenses, is not likely to occur in workers comp, she noted.

However, states' use of managed care strategies to date has not been uniform, Ms. Telles said. Some state laws mandate that employers use managed care techniques. Other states allow private payers to initiate such techniques.

"For managed care to become widely used in workers comp, it is not clear that specific statutory authority is essential, but ambiguity may inhibit action and lead to unnecessary debate," she said.

In addition, state authorization to adopt managed care techniques doesn't necessarily result in program implementation, she said.

Although the appropriate cost containment role for state workers comp agencies is yet to be defined, Ms. Telles said, the range of responses includes:

- Empower development of managed care options by requiring them by law.
- Regulate providers and organizations through a certification process or monitoring program.
- Evaluate the effectiveness of managed care by sponsoring or participating in pilot programs.

Florida and Ohio currently have pilot managed care programs under way, Ms. Telles noted.

- Inhibit development of managed care through restrictive rules or outright bans.

For example, four states—Illinois, Montana, Nebraska and New York—prohibit employers from requiring employees to obtain care only from preferred providers.

In contrast, the Minnesota Department of Labor and Industry certifies managed care organizations, like PPOs, to treat workers comp claimants. The department requires certified providers to attend educational sessions, to see workers comp claimants within 24 hours of injury and to communicate with employers about returning the employee to work.

If a Minnesota employer chooses to use a certified managed care organization, its employees are required to cooperate, said Gloria Gebhard, director of rehabilitation and medical affairs for the Minnesota Department of Labor and Industry in St. Paul.

The state agency's cost control program also includes treatment standards for lower back pain, surgery and chronic pain. The agency uses a new medical fee schedule based on a resource-based relative value scale, she said.

Minnesota also requires standardization of certain billing information, which helps the state agency collect and evaluate data.

Despite advances by some state agencies, private payers are using managed care techniques on their own far more than they are encouraged by state agencies.

The involvement of employers and insurers is often motivated by the financial pressure caused by rising workers comp rates.

"Workers compensation is a make-or-break issue for many companies," said Joseph Tangney, senior vp of cost containment for American International Group Inc. in New York.

The related high costs can wipe out entire companies, leading to another problem: "The workers of America are not protected if there are no jobs, either because (the jobs) are moved from one state to another or exported to another country," he said.

"The proper perspective is one of partnership and not confrontation; one of shared responsibilities and not finger-pointing; one of a joint effort to create and preserve a safe and economically viable workplace," Mr. Tangney said.

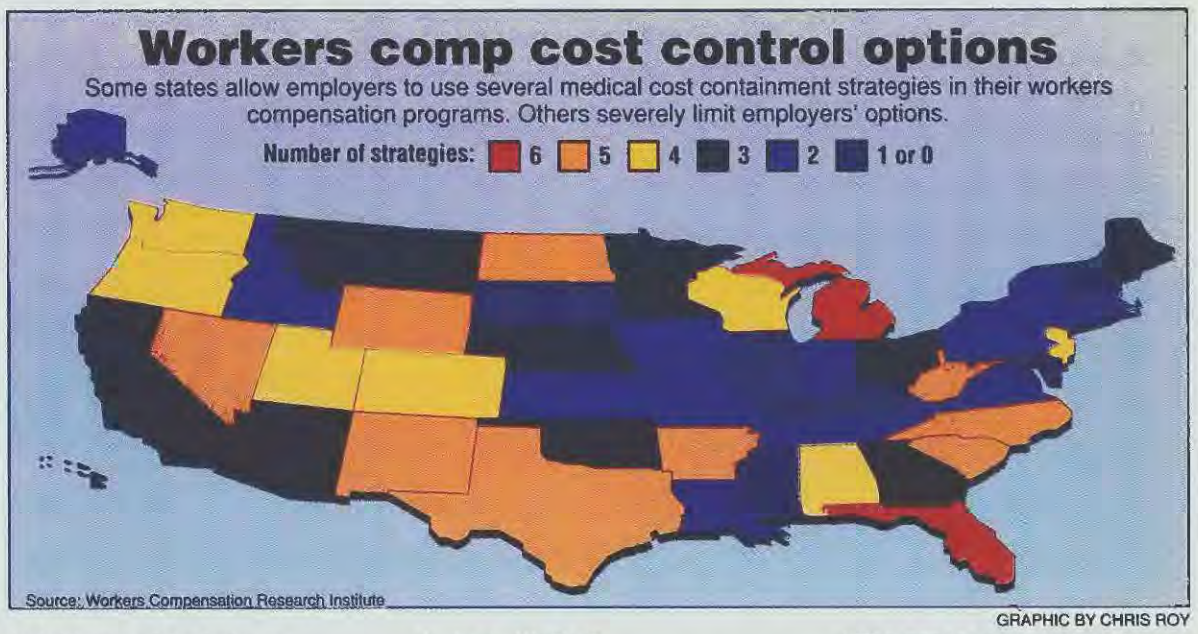
If this approach is applied conscientiously, everyone can benefit and survive in the system, which has severe systemic problems, he said.

Mr. Tangney urged employers, insurers and state agencies to contain costs by cooperating to reduce claims frequency, aggressively reevaluate and manage each claim, effectively manage the administrative process and aggressively manage service providers.

And one option, fee schedules, is not the answer, he said.

Mr. Tangney criticized traditional fee schedules because they lack uniformity and effectiveness. He predicted they will eventually be replaced by another standard.

In Canada, fee schedules help curb medical costs, but that savings may be more than offset by higher indemnity costs caused by lengthy delays in getting appointments with health care specialists, Canadian representatives at the conference said. BI



GRAPHIC BY CHRIS ROY

Workers comp meeting draws 300

CAMBRIDGE, Mass.—More than 300 people attended the Workers Compensation Research Institute's annual conference Feb. 23-24.

The WCRI is a non-profit group that provides objective information about public policy issues involving workers compensation.

Each year, its team of economists and researchers collect and analyze data on topics that affect state workers compensation systems. Results of its work is presented in monthly research briefs and several paperback books.

The institute does not take positions on the issues it researches, leaving that to state legislators and other policymakers.

In addition, it has developed a computer model to help public officials analyze the impact of changing temporary disability benefit structures, and is working on a fee schedule model.

Some of the largest insurers and employers in the United States established the WCRI in late 1983 and continue to fund the institute.

Last year, more than 200 organizations supported the institute as members or associate members. They include insurers and reinsurers, insured and self-insured employers, professional associations, labor associations and state workers comp administrators.

For additional information, contact Richard A. Victor, Executive Director, Workers Compensation Research Institute, 101 Main St., Cambridge, Mass. 02142; 617-494-1240.

Get out of the London fog.

American Excess Insurance Association
Phone: (203) 528-2155 Fax: (203) 282-9393

Retirees testify

Continued from page 1

does not become eligible for Medicare until 1999, and his wife won't become eligible until 2005.

"My health care costs will exceed my pension. It will wipe (the pension) out," Mr. Fasching told a Senate Labor and Human Resources Committee hearing last week.

Mr. Fasching says Unisys is breaking a commitment.

"I assumed in 1988 when I retired that the company would honor benefits promised me. To accept the offer, I gave up future peak earnings, future contributions to my retirement plans, increased Social Security benefits and took a 28% reduction in my pension. Unisys should not be allowed to do this after employees have given their entire working lives in faithful service and retired relying on their promises," Mr. Fasching said.

Casey Patelski, a rocket scientist now retired from McDonnell Douglas Corp., also is worried.

Under an innovative plan, the defense contractor is giving non-union retirees a one-time pension supplement of $18,000 that can be used only to prepay health care costs over the next next four years. After 1996, the company does not plan to restore benefits (*BI*, Oct. 19, 1992).

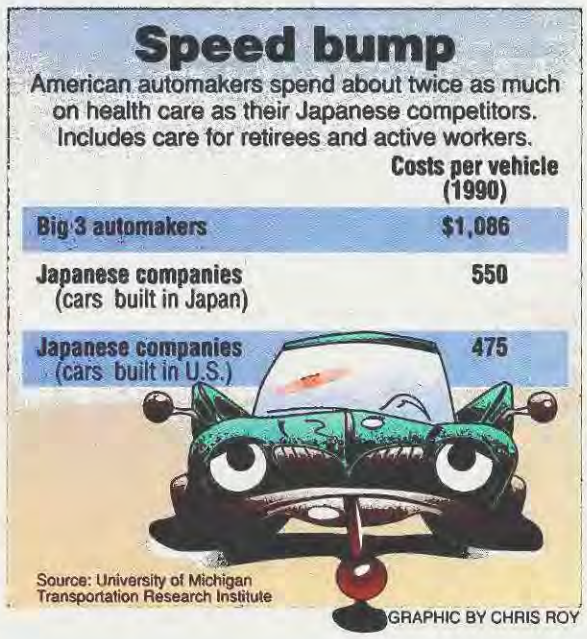
Mr. Patelski, who retired last year at age 62 after 28 years with McDonnell Douglas, has polio and uses a wheelchair.

It doesn't take a rocket scientist, Mr. Patelski says, to know that he will face huge medical expenses in the future. New leg braces alone will cost thousands of dollars, he says.

After 1996, "I'm afraid that any medical emergency. . .could financially bankrupt me and my family. We now live under the constant fear that something will happen to us that will erase our financial resources and and make us dependent on public assistance," he says.

"McDonnell Douglas now claims it never promised us lifetime benefits and that it can raid our pension and deny us future care. I doubt that a person like me is going to be able to obtain health care insurance or, if we can, I bet that cost will be prohibitive," Mr. Patelski said.

Mr. Fasching and Mr. Patelski are just two of what may be hundreds of thousands of retirees who are victims of corporate efforts to control health care costs either through benefit reductions or the out-and-out elimination of retiree health plans.



Many employers say they have no choice —because of soaring health care costs and a growing pool of retirees—but to reduce benefits. And, employers say their actions are perfectly legal.

Some of the recent figures—General Motors Corp. recently announced a $20.8 billion charge to earnings to recognize accumulated retiree health obligations, while Ford Motor Co. took a $7.5 billion charge—illustrate the magnitude of corporate retiree health care liabilities.

But amid all the statistics, the human element is sometimes overlooked. Every time an employer cuts or eliminates retiree health care coverage, retiree workers and their families feel the pain: a psychological and economic safety net has been torn.

Sen. Paul Wellstone, D-Minn., calls retiree health care benefit cutbacks "a moral outrage."

William Bywater, president of the International Union of Electrical, Salaried Machine and Furniture Workers in Washington, says employers cutting retiree health benefits only care about their own "damn bottom line."

Unisys and McDonnell Douglas declined to testify at the hearing. Both companies are being sued by retirees over the health care cutbacks.

But other employers that testified said when they established retiree health care plans, it was a voluntary decision.

"Perhaps overlooked in the current debate is the fact that most firms implemented their retiree health plans with the belief that they were voluntary plans, amenable to alteration or even termination," said Alan Peres, manager of employee benefits planning at Ameritech Corp. in Chicago.

With new Financial Accounting Standards Board rules on recognizing retiree health care obligations as well as double-digit health care plan inflation, many employers feel they have no choice other than to limit retiree health care coverage, Mr. Peres said.

Union leaders, while denouncing retiree health care cutbacks, do understand why some companies believe they have to reduce benefits.

Health care coverage for current employees and retirees in 1990, the most recent year for which figures are available, cost the Big 3 automakers the equivalent of $1,086 per vehicle. That cost compares to $475 for Japanese firms—which have much younger workforces—with facilities here; and $550 per vehicle in Japan where there is a national health insurance program.

"As long as employers have to compete on the basis of their health care costs, there will be substantial pressure on employers to seek ways to reduce these costs, and, in particular, to cut back on health benefits for retirees," said Owen Bieber, president of the United Auto Workers Union in Detroit.

While human suffering and tragedies ensue when employers cut retiree benefits, there are beneficial effects that may be overlooked, a benefit consultant says.

Employers that terminate their retiree health care plans can plow the savings into new jobs and new capital equipment, said Harry Conaway, a principal with William M. Mercer Inc. in Washington.

The cutback and elimination of retiree health plans by big companies should be put in a broader perspective, said Mr. Peres, who testified on behalf of the Washington Business Group on Health, a trade group representing large employers.

The vast majority of employers do not and do not intend to provide retiree health care coverage, he noted. "The is an expense suffered almost exclusively by large employers."

Most large employers want to continue to accept the responsibility of providing coverage as long as they can control costs, Mr. Peres said. "For those companies that determine that they no longer can afford to provide retiree medical coverage, please remember that they join the ranks of the majority of employers in this country." BI

THE KEMPER NATIONAL INSURANCE COMPANIES' NEW YORK CITY OFFICES ARE OPEN FOR BUSINESS

As a result of the explosion at the World Trade Center, Kemper National has relocated to provide ongoing service to our policyholders, agents, brokers and other customers.

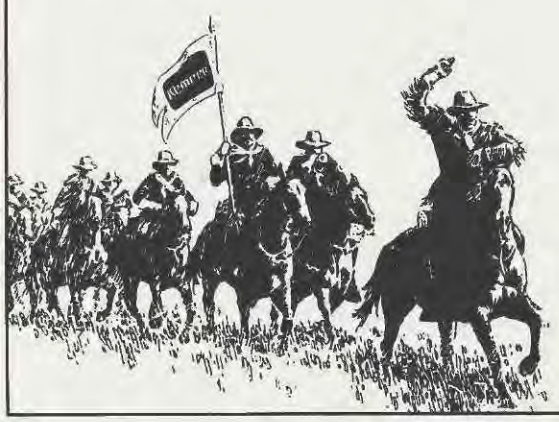
Claim service continues with no change in locations or telephone numbers.

Most New York City office personnel can be reached by calling our New York City number, 212-313-4000.
Faxes should be directed to 908-522-4001.

All regular mail service should continue to be addressed to:
Kemper National Insurance Companies
2 World Trade Center, 31st Floor
New York, NY 10048

Overnight mail should be addressed to:
Kemper National Insurance Companies
Beechwood at DeForest
Summit, NJ 07901-2154

We anticipate no further interruption in service.



Kemper national insurance companies

Selective appoints new CEO

Comings & goings: Industry

James W. Entringer has been named chairman, president and chief executive officer of Selective Insurance Group Inc. in Branchville, N.J.

Mr. Entringer, formerly president and chief operating officer, is replacing **Frederick H. Jarvis**, who is retiring April 1.

In other insurer changes:

John Evers promoted to vp-transportation for Nautilus Insurance Co. and Great Divide Insurance Co. in Scottsdale, Ariz.

Continental Corp. of New York recently announced several new appointments: **Jim Macdonald** named senior vp in the special operations group. **Wendy Baker** named senior vp-marketing and business development, special operations. Ms. Baker succeeds **Joe Hamilton**, who was transferred to the casualty insurance unit in Chicago. **Alan Pritz** named senior vp and chief underwriting officer for special operations. Mr. Pritz succeeds **Timothy Mitchell**, who was assigned to the risk management services unit.

Edward G. Wright, now president and chief executive officer of Exchange Insurance Co., named chairman. Mr. Wright succeeds **Charles J. Clauss** who will continue to serve as a director.

Jason J. Israel has been promoted to executive vp-operations for American Bankers Insurance Co. and American Bankers Life Assurance Co., subsidiaries of American Bankers Insurance Group in Miami.

Joseph T. Brophy will retire as president of The Travelers Corp.'s Managed Care and Employee Benefits Operations March 31. **Elliot F. Gerson**, senior vp, succeeds Mr. Brophy as president and **Robert E. Evans** succeeds Mr. Gerson as senior vp and head of the financial services department.

Agents/brokers

Timothy J. Danis appointed chairman and chief executive officer of Rollins Hudig Hall of Illinois Inc., a Chicago-based subsidiary of Rollins Hudig Hall Co. Mr. Danis is replacing **John Sacia**, who will head RHH's Pacific Northwest region. Also at RHH of Illinois, **Thomas P. Danis** joined the brokerage as executive vp.

Christopher R. Reither joined Rollins Hudig Hall of Missouri Inc. as executive vp.

Great Lakes Agency Inc. in Chicago recently announced three new promotions: **Kent J. Thoney** promoted to executive vp and **David W. Jones** and **Carla E. Romoser** promoted to senior vps.

Reinsurance

Richard L. Sandor named president and chief executive officer of Centre Financial Products in New York, a new division of Centre Reinsurance Co. of Bermuda. Mr. Sandor previously was executive managing director with Kidder Peabody & Co., where he was credited with developing the idea of insurance futures contracts.

Anthony L. Le Han promoted to vp within the financial services division of American Re-Insurance Co. in Princeton, N.J.

American Re also announced two appointments in its Am-Re Services Inc. subsidiary: **Phillip J. Ludvigsen** and **Charles W. Deyo** appointed vps. **Dennis G. O'Keefe** appointed vp of another subsidiary, Am-Re Managers Inc.

Excess/surplus

Terrence Coughlin has been named regional vp in S.H. Smith & Co. Inc.'s new office in Cleveland. Previously, Mr. Coughlin was branch manager at CNA Insurance Cos. in Cleveland.

Other suppliers

Stephen C. Eldridge appointed president of American Risk Consultants Corp., a risk management consulting subsidiary of the International Risk Management Group.

Kenneth M. Carpenter has joined PCS Health Systems Inc. as regional vp of sales in Scottsdale, Ariz.

HMOs/PPOs

Timothy Brown, counsel for Aetna Health Plans' Eastern and Central regions, named president of Aetna Health Plans of Western Pennsylvania. **Robert L. Dawson** has been named vp for Aetna Health Plans in Houston.

Karen Hoyer has been promoted to vp of operations for TakeCare Heath Plan, an HMO subsidiary of TakeCare Inc. in Concord, Calif. BI

Prop. 103 ruling

Continued from page 1

clude that he/she was voting for ratemaking," Judge Janavs wrote. "Proposition 103 did not provide that the commissioner shall fix, prescribe or set rollback rates."

In addition, though the law permits the commissioner to develop regulations applying to all insurers, individual companies must be given the opportunity to argue that exceptions be made, Judge Janavs ruled. Mr. Garamendi's system for implementing Proposition 103 did not permit requests for variances through individual company hearings.

Mr. Garamendi maintains that Judge Janavs' decision "threatens to doom Proposition 103 to endless hearings."

"The decision completely eviscerates Prop 103's control over premiums," agreed Harvey Rosenfield, author of the controversial initiative and head of Voter Revolt, the consumer organization that sponsored the ballot initiative.

"I'm confident (the California Supreme Court) will reverse. The only way this could be upheld is through a gross exercise in judicial activism, and I don't think this will happen," he asserted.

"If by some astounding circumstance the Supreme Court does not reverse (Judge Janavs' ruling), then Proposition 103 will be effectively rendered a nullity," Mr. Rosenfield said.

The insurance industry, though, hailed the decision.

"Garamendi's complex, convoluted regulatory scheme was exposed by the court as an illegal power-grab, inconsistent with the California constitution and insurance law. In pursuing his agenda, the commissioner has wasted years of opportunity and millions of dollars of the public's money," said Craig Berrington, senior vp and general counsel for the American Insurance Assn. in Washington.

Judge Janavs' decision affirms that "California has a commissioner, not a czar," said Thomas F. Conneely, president of the Assn. of California Insurance Cos. in Sacramento.

"It's pretty much total victory for 20th Century and the insurance industry," said Gary Fontana, a partner with Thelen, Marrin, Johnson & Bridges in San Francisco, who represents the Woodland Hills-based insurer.

Proposition 103, approved by voters in November 1988, mandated that most property/casualty "charges" in effect between November 1988 and November 1989 be rolled back to 20% below their 1987 levels.

Although the California Supreme Court upheld the rollback provision in May 1989, it ruled that insurers were entitled to a fair rate of return, which it did not specify.

When he took office in January 1991 as the state's first elected commissioner, Mr. Garamendi scrapped the 11.2% average rate of return developed by former Commissioner Roxani Gillespie for implementing the rollbacks. Mr. Garamendi then issued new regulations, which established a 10% rate of return benchmark.

But Judge Janavs ruled last month that 20th Century presented "substantial evidence that a 10% rate of return is inadequate as to 20th Century and that 20th Century's. . ..reasonable rate of return was at least 20%."

A 10% rate of return would be "confiscatory" for the insurer, she said.

Fast-growing 20th Century deserves a higher rate of return because its policyholder surplus must increase as quickly as its premium volume, said a spokesman for the insurer.

It also is entitled to a higher rate of return because the insurer only writes personal lines coverage in California and cannot rely on profits from other states, he said.

"The record shows that 20th Century had. . .aftertax income of $76 million in 1989. The rollback ordered by the Commissioner is $78 million (plus interest), which leaves 20th Century with a negative return in 1989," Judge Janavs wrote.

Judge Janavs also ruled the formula that Mr. Garamendi used to compute his rollback order for 20th Century Insurance was confiscatory in other ways.

For example, for earthquake coverage, "premiums paid to reinsurers are ignored in computing expenses," she wrote.

However, agreeing with the Department of Insurance, Judge Janavs said that it was "not inconsistent with Proposition 103" that the rollback formula results in one line of insurance subsidizing another line to produce an average rollback to all policyholders.

When he took office in January 1991, Mr. Garamendi said that rates would be frozen for each insurer until that company had complied with rollback orders and litigation had been concluded.

Asked whether the rate freeze would now be lifted, a spokesman for Mr. Garamendi said: "We will seek a conclusion to the rollback issue before developing prior approval regulations" necessary to review rates.

While 20th Century and other insurers have fought against Mr. Garamendi's regulations, four major insurers already have paid or agreed to pay $215 million in rollbacks under the regulations that were invalidated by Judge Janavs' ruling.

"We made a business decision to go ahead and pay the rollback and get this behind us," thus avoiding the "time and resource drain" of protracted litigation, said Bruce Norman, marketing vp at Mercury Insurance Co., which paid $46 million to 266,000 policyholders last May.

Mercury still thinks that was a good business decision, because the process of implementing Proposition 103 "is not over with by any stretch of the imagination," Mr. Norman said.

CalFarm Insurance Co. and its affiliate, Zenith Insurance Co., the most recent insurers to settle with the department, still will pay the $14 million plus interest they agreed to pay in January. "We have an agreement with the Insurance Department," said John Tickner, Zenith general counsel.

Automobile Club of Southern California and Progressive Insurance Co. also have agreed to pay $104 million and $51 million, respectively, to comply with Mr. Garamendi's regulations.

While most insurers are pleased with Judge Janavs' ruling, they say they also welcome Mr. Garamendi's appeal to the California Supreme Court.

"We are pleased the commissioner has finally agreed with an action the ACIC advocated two years ago: Expedite the (Proposition) 103 appeal to the state Supreme Court," Mr. Conneely said.

"We welcome that. It's a wonderful idea. It will put an end to this once and for all," said Mr. Fontana, 20th Century's attorney.

If the commissioner asks for "expedited consideration, it is theoretically possible the case could be decided within the next year," he said. BI

AIDS coverage suit

Continued from page 2

managing partner of Levin & Weissman in New York, who represents the fund, the trust fund's actions are governed by the Employee Retirement Income Security Act of 1974, not the ADA.

Under ERISA, self-insured, jointly-administered funds "have the unfettered right" to restrict or eliminate coverage for certain ailments, Mr. Levin asserted.

He further contends that the cuts were not made to discriminate against people with HIV or AIDS. Therefore, the cuts were not "used as a subterfuge to evade the purposes" of the ADA, he said.

According to the fund's complaint, benefits were cut because of "deteriorating economic conditions" in the construction industry. "During the period from 1988 to 1991, plaintiff fund experienced striking annual decreases in assets available" to pay members' benefit claims, the complaint says.

At one point, the fund—which has been operating for more than 30 years—covered about 10,000 people, but now covers only half that many, Mr. Levin noted.

The fund's assets dropped 59% between 1988 and 1991, leaving roughly $4.9 million, "a benefit payment reserve of less than 60 days," according to the complaint.

At the same time, claims payments were rising to more than $28.5 million in 1990, from about $18.3 million in 1988, the complaint says.

In June 1991, "in an effort to stem the economic hemorrhaging" the fund reduced or eliminated a variety of coverages, including any expenses incurred for alcoholism and drug abuse treatments, HIV infection or AIDS treatments, in-vitro fertilization and treatments related to obesity.

Those cutbacks reduced benefit payments by more than $5 million, which "significantly" improved the fund's financial health, the complaint said.

Despite the 1991 benefit cuts, the fund was advised by its actuarial consultants to further reduce benefits and, in August 1992, it eliminated coverage for other medical services and treatments, including organ transplants, routine physicals, immunizations and well-baby care.

The "sole purpose" of the reductions was to "reduce the operational costs of the fund," not to discriminate against any fund beneficiaries, according to the complaint. The fund's trustees and administrators had no knowledge of the HIV status of any members, it added.

In November 1992, one participant, Terrence P. Donaghey Jr., brought a discrimination charge before the EEOC in New York. Mr. Donaghey, who has AIDS, claimed the benefit cuts were discriminatory under the ADA and sought reinstatement of those benefits.

In a non-binding opinion, an EEOC official last month agreed the welfare plan changes were discriminatory under the ADA.

While the EEOC itself cannot order the fund to reinstate benefits to the members, if a conciliation isn't reached between the parties, the agency could file suit on Mr. Donaghey's behalf.

However, Mr. Levin argues that Section 501(c) of Title V of the ADA, "expressly exempts self-insured, jointly-administered, multi-employer, labor-management, ERISA-covered trust funds from almost all the strictures of the ADA."

Nothing in the ADA "alters prevailing ERISA pre-emption standards," he argued.

Furthermore, the fund's complaint says, "The EEOC has not enacted regulations which proscribe the elimination of medical coverage for specific conditions or illnesses under Title V of the ADA. Thus, such regulatory silence by the EEOC implicitly recognizes the right of a covered entity. . .to eliminate any benefits, so long as such elimination is not predicated by discriminatory intent."

According to Section 501(c) of the ADA, benefit plans must meet only two basic conditions, Mr. Levin said. First, they must be "bona fide" and they must not be used "as a subterfuge to evade the purposes" of the act.

Benefit cuts, the fund argues, cannot be considered a scheme to violate the ADA because the cuts were made before the law took effect.

The trust fund "is trying to legitimize their discriminatory actions," charged Cary LaCheen, an attorney with New York Lawyers for the Public Interest, which represents Mr. Donaghey. "The lawsuit filed by the union is an attempt to block EEOC action to take subsequent steps under the ADA."

Ms. LaCheen pointed out that no clear interpretation of the ADA's Section 501(c) has been made. "Everyone has their own ideas about what it means."

Mr. Levin agreed. "The lawsuit seeks answers to important legal questions left open by the ADA or by the EEOC's interpretation of the ADA. While it's the fund's belief that it doesn't violate the ADA, a definitive determination of this question is essential if self-insured plans are going to be able to operate effectively."

Other experts agree that Congress and the EEOC left some unanswered questions about how the ADA affects employee benefit plans.

"The ADA is definitely ambiguous about whether self-funded employers are exempt under ERISA," said Michael Lotito, an attorney with Jackson, Lewis, Schnitzler & Krupman in San Francisco, which represents employers.

Section 501(c) of the ADA "is intended to give insurers, HMOs, TPAs and employers the same opportunities to design and administer health insurance plans they would have without the legislation," as long as they are consistent with accepted insurance risk classification principles, according to Henry Saveth, a principal with A. Foster Higgins & Co. Inc. in New York. "The question here is what level of proof will be required by the court."

If the intent of the ADA is to prohibit financially troubled self-insured health plans from cutting benefits, more people will wind up without insurance as the plans fail, Mr. Lotito asserted. "That's something Hillary Clinton better address."

Mr. Saveth urged employers to carefully evaluate the impact of cutting AIDS benefits.

"This case illustrates that even if employer plans have the right to cut back benefits, they may want to consider whether it makes sense. While AIDS is a scary disease, it's not as costly to treat as some other illnesses and conditions. And, eliminating AIDS benefits guarantees prominent exposure in the newspapers and gives an organization PR it may not want." BI

Proudly made in the U.S.A.

American Excess Insurance Association
Phone: (203) 528-2155 Fax: (203) 282-9393

For the Record

Two PennCorp units to get Conning stock

HARTFORD, Conn.—Two subsidiaries of holding company PennCorp Financial Group are acquiring all of investment and research firm Conning Corp.'s preferred stock.

Specific terms of the transaction, finalized late last month, were not disclosed between Conning and the two PennCorp units: Pennsylvania Life Insurance Co. in Lemoyne, Pa.; and Occidental Life Insurance Co. of North Carolina in Raleigh.

Covenant Mutual Insurance Co. of Hartford, Conn., previously owned the stock. Connecticut regulators seized Covenant last week, citing Hurricane Andrew losses.

Conning President and Chief Executive Officer Maurice W. Slayton said the new financing enhances Conning's capital base and places the company in an advantageous position to capitalize on future business opportunities.

Phoenix Re plans public stock offering

NEW YORK—Phoenix Re Corp. plans a public offering of 2 million shares of common stock to bolster the surplus of its Phoenix Reinsurance Co. unit.

Phoenix expects to sell the shares at $22 each, raising $44 million. Expected net proceeds of $40.7 million will go to strengthen Phoenix Reinsurance's capacity to write new and renewal business and to increase retentions, the company announced.

Phoenix Reinsurance will increase its underwriting of property catastrophe reinsurance, said Jeffrey D. Cropsey, senior vp, treasurer and chief financial officer.

Phoenix Reinsurance Co. reported statutory surplus of $65.2 million as of Dec. 31, 1992.

Alex. Brown & Sons Inc. and Dillon, Read & Co. Inc. are co-managing the offering, which is expected to close March 3.

Pensions increased to settle age bias suit

ST. LOUIS—McDonnell Douglas Corp. will pay more than 900 former non-union employees $20.1 million in pension benefits and cash to settle an age-discrimination suit stemming from massive layoffs.

The company cut its workforce by 10,000—nearly 25%—in 1990 and 1991. Among those laid off were 4,600 non-union workers, including 900 who were 55 or older.

Some workers filed an age discrimination complaint with the Equal Employment Opportunity Commission. An EEOC analysis shows the company laid off 370 more of these older workers than it should have, said Gretchen Huston, an EEOC regional attorney.

Under the settlement, the 900 former workers would receive $10.1 million in additional pension benefits. Individual amounts would be set by crediting workers with an additional 2.3 years of service and other pension formula adjustments.

The 900 former workers also would receive $10 million in cash, with each receiving at least $9,500. And, $20,000 would be paid to each of the 45 workers who filed a charge with the EEOC within 300 days of their layoff, thus preserving their right to sue.

McDonnell Douglas also will offer jobs to 20 of the former workers, who would then earn additional pension credits. And, 180 additional jobs will be created for the former workers at subsidiary McDonnell Douglas Technical Service Co., which does not offer a pension plan.

A federal judge must approve the settlement. A hearing is scheduled for June 21.

Soldier of Fortune payout short of order

BOULDER, Colo.—Soldier of Fortune magazine's settlement with the sons of a man slain in a contract killing is less than the $4.4 million the publication was ordered to pay.

The magazine exhausted the remaining $190,000 of a $500,000 insurance policy written by Lexington Insurance Co. as part of the settlement, according to Alex McColl, director of special projects at Soldier of Fortune.

Mr. McColl, who would not reveal the amount of the settlement, said part of the limits of the policy had been used to pay plaintiffs in a similar case several years ago. The remaining portion of the recent settlement was paid by the magazine.

Soldier of Fortune was sued by the sons of an Atlanta man killed in a 1985 contract murder they contended was arranged through a classified ad in the magazine.

A federal court jury originally awarded the plaintiffs $12.4 million, but the presiding judge reduced the amount to $4.4 million. The 11th U.S. Circuit Court of Appeals upheld the award (*BI*, Aug. 31, 1992) and the Supreme Court subsequently refused to hear the case.

West Virginia, Kentucky unveil health reforms

CHICAGO—Under health care reform proposals unveiled last week, West Virginia seeks to adopt elements of managed competition while Kentucky wants to take a play-or-pay approach.

The West Virginia Health Care Reform Act announced by Gov. Gaston Caperton March 2 would establish a Health Care Authority to implement reforms of the state's health care system.

The authority would oversee the development of so-called Community Care Networks of health care, education and support service providers. The networks would offer a complete range of health care and, in some cases, social services.

The authority also would be responsible for developing, among other things, a basic mandated benefit package; a system of prepaid reimbursement for all health care providers; a cap on capital expenditures by providers; a global health care budget; a framework for selecting provider practice guidelines; and a uniform billing system.

Kentucky employers would have to provide a minimum benefits package to all workers or pay a 16% payroll tax under a health care reform plan unveiled March 1 by Gov. Brereton Jones.

Under the plan, Kentucky would create a voluntary "mega pool" that would offer all employers and individuals basic and catastrophic coverage for $116 each each month.

Employers in the pool would not be able to pass along any of the premium to full-time employees. Employers would pay a pro-rated premium for part-time workers. The remaining portion of part-timers' premiums would be subsidized by the state or paid by the employees, depending on their income.

Small businesses, low-income workers who want to buy additional coverage and the unemployed would be eligible for state subsidies to cover the cost of coverage through the pool. BI

EXTRA-TERRESTRIAL PLANS?
WE'LL BE THERE.

Swiss insurers are known for going the distance when it comes to innovative employee benefit solutions. As the leading international network of life insurers, Swiss Life's services are truly out of this world. Wherever there is business to be done, employee benefit plans to be prepared, people to be insured, you'll find a member of the Swiss Life Network. And of course we are represented throughout the EC, as well as in Eastern Europe.

We provide multinationals with first class employee benefit plans along with the information you need to control benefit levels and achieve significant financial savings.

And we're there at once when you need us.

You'll find your Swiss Life Network Partner understands the pressures you face. He'll meet your most demanding insurance needs with solutions backed by our immense international expertise and the local, personal and flexible response you expect. Plus, highly competitive investment returns.

It's one small step to your nearest Network Partner, one giant leap towards cost-effective employee benefits. So call Swiss Life Zurich (+411/284-3797) or your local Network Partner today – close to you and light-years ahead of the pack.

Swiss Life
THE RIGHT DECISION

Head Office: Swiss Life, General Guisan-Quai 40, 8022 Zurich/Switzerland, Telephone 411/284 37 97, Telefax 411/202 19 80; Argentina: Seguros Los Andes; Australia: Colonial mutual; Austria: Wiener Städtische; Belgium: Swiss Life (Belgium); Brazil: Iochpe Segurudora; Canada: Canada Life; Colombia: Seguros Bolivar; Czech Republic: Kooperativa; Denmark: Danica/International Health Insurance/PFA Pension; Finland: Ilmarinen/Suomi-Salama; France: Société suisse (Swiss Life); Germany: Schweizerische Rentenanstalt (Swiss Life); Greece: Laiki Life; Guatemala: Seguros de Occidente; Hong Kong: Jardine Life; Indonesia: Lippo Life; Ireland: Irish Life; Israel: La Nationale; Italy: Swiss Life (Italia); Japan: Meiji Life/Yasuda Life; Korea: Korea Life; Luxembourg: Swiss Life (Luxembourg); Mexico: La Comercial; Netherlands: ZwitserLeven (Swiss Life); New Zealand: Colonial mutual; Norway: Vital Forsikring; Panama: Aseguradora Mundial de Panamá; Philippines: Lincoln Philippine Life; Poland: General Life Insurance Company of Poland; Portugal: Império; Singapore: NTUC Income; Slovak Republic: Kooperativa; South Africa: Southern Life; Spain: Swiss Life (España); Switzerland: La Suisse/Swiss Mobiliar (both non-life); Taiwan: Kuo Hua Life; Thailand: Bangkok Life; United Kingdom: Swiss Life (UK) plc; USA: Swiss Life North American Services (Advisory Service)/The Guardian/MassMutual.

INTERNATIONAL

U.K. insurers report better results in '92

By GAVIN SOUTER

LONDON—Profitability is making a comeback among some British multiline insurers.

Although bottom-line losses still are the order of the day for most U.K. multiline insurers, the huge deficits of 1992 have been cut, thanks largely to rate increases and better weather conditions in Britain.

But mortgage indemnity guarantee business in Britain and hurricanes in the United States continue to depress the multiline insurers' results.

The most dramatic turnaround took place at Guardian Royal Exchange P.L.C., which reported a 3 million pound ($4.5 million) profit in 1992, compared with a loss of 210 million pounds ($392.7 million) in 1991 (*BI*, March 16, 1992).

"1992 has seen a welcome return to profit somewhat ahead of our own expectations," said John Sinclair, managing director (U.K.) at GRE.

Much of the improvement is attributable to GRE's British business, for which pretax losses were cut to 25 million pounds ($37.9 million) from 177 million pounds ($331 million).

Rate increases for personal auto and homeowners coverages, in particular, helped boost GRE results, he said.

The mild weather in Britain last year also led to a reduction in windstorm and subsidence claims, he said.

The company continued to be hurt by mortgage indemnity guarantee losses, which totaled 21 million pounds ($31.8 million) last year, compared with 37 million pounds ($69.2 million) in 1991. MIG policies indemnify lenders against losses if a borrower defaults on a mortgage loan.

GRE's profits on U.S. business increased 150% to 18 million pounds ($27.3 million) from 7 million pounds ($13.1 million) in 1991. GRE writes mainly marine business in the United States.

Another large multiline insurer to return to profitability is Commercial Union P.L.C., which announced its 1992 results in February to coincide with a rights offering (*BI*, Feb. 15).

CU reported a 31.4 million pound ($47.6 million) profit in 1992, compared with a loss of 68.6 million pounds ($128.3 million) in 1991.

The picture was less bright at other insurers.

General Accident P.L.C. reported a loss of 29.3 million pounds ($44.4 million) for 1992. However, this is a considerable improvement on its 1991 loss of 171.6 million pounds ($320.9 million).

Higher rates for U.K. business was largely the reason for the better results, said Nelson Robertson, chief general manager at GA. "Underlying trends are now in the right direction."

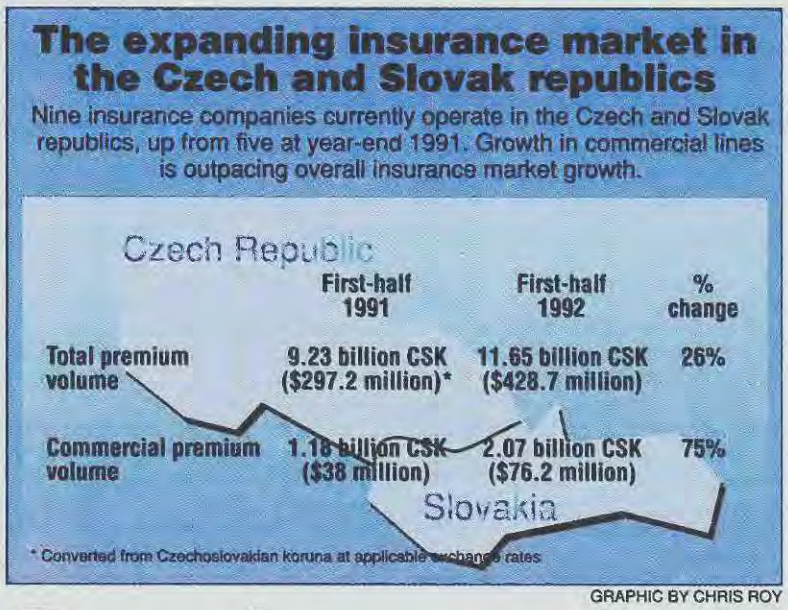
But GA's general improvement was marred by losses from mortgage indemnity guarantee policies and Hurricane Andrew, Mr. Robertson said.

MIG losses totaled 53.1 million pounds ($80.5 million) in 1992, up 14.9% from 46.2 million pounds ($86.4 million) in 1991.

GA's net loss from Hurricane Andrew was 65 million pounds ($98.5 million), he said. "In the U.S., losses on Hurricane Andrew have masked some encouraging signs."

The insurer also had to increase its reserves and claims payments for U.S. pollution losses to $44 million in 1992 from

Continued on page 65



GRAPHIC BY CHRIS ROY

Growing market in new republics

By STACY SHAPIRO

LONDON—The burgeoning insurance companies in the Czech and Slovak republics are focusing on commercial lines rather than personal lines.

"New (insurance) companies have focused mainly on commercial business as it has greater potential for profit," said Konstantin Alexejenko, director of the international/reinsurance department of Czech and Slovak insurer Kooperativa, Cesko-Slovenska Druzstevna Pojistovna A.S. in Bratislava.

Since the "Velvet Revolution" that led Czechoslovakia's Communist government to resign in November 1989, the number of private companies has increased very rapidly to 1.1 million small and medium-size firms, said Mr. Alexejenko. "The number of commercial (insurance) clients is 10 times higher than before 1989."

Commercial lines have grown faster than any other class of insurance since 1991, according to figures presented by Mr. Alexejenko. For the first six months of last year, commercial lines premium volume totaled 2.07 billion Czechoslovakian korunas ($76.2 million at applicable exchange rates), a 75% increase from the 1.18 billion korunas ($38 million) in commercial premium volume during the first half of 1991.

"It means this class is very dynamic," said Mr. Alexejenko.

Another reason commercial lines are more attractive to insurers is that living standards have deteriorated since communism gave way to new capitalist economies in 1989, and fewer people can afford to buy personal lines coverages like life and homeowners insurance, he said.

Insurance is not a priority, Mr. Alexejenko said, "because people have to cover their (essential) costs and the insurance is not important to them."

Though it seems as if the market is just now taking off, Czechoslovakia had a long insurance history, guests were told at an afternoon seminar last month hosted by the London Insurance & Reinsurance Market Assn.

The first Bohemian Reinsurance Bank in the region was one of the earliest specialist reinsurance companies in all of Europe, said Mr. Alexejenko. And there is "a long and proud history" of other cooperative and mutual insurance companies in the region.

In fact, Czechoslovakia "was the second richest country in Europe between the world wars," added Bruce Selby Bennett, director of the reinsurance division of broker Harris & Dixon in London. The Czech and Slovak regions also were "the most industrialized and developed areas" in the Austrian-Hungarian Empire before World War I, he said.

However, under Communist rule

Continued on page 65

Aon unveils plan to acquire NCC

By STACY SHAPIRO and GAVIN SOUTER

LONDON

LONDON—Aon Corp. is acquiring 100% of Lloyd's broker Nicholson Chamberlain Colls Ltd., parts of which will be merged with Aon's U.K. brokerage unit, Leslie & Godwin Ltd.

The move ends speculation in the market over the fate of NCC in the wake of Aon's purchase last year of Frank B. Hall & Co. Inc., which owned Leslie & Godwin (*BI*, July 13, 1992). Before the purchase of Hall, Aon's only presence in London was through its 47% share in NCC.

Aon late last year merged its existing Rollins Burdick Hunter Co. brokerage unit with Hall and Hudig-Langeveldt Group bv, which it acquired in 1991, to form retail broker Rollins Hudig Hall Inc.

Leslie & Godwin and NCC will continue to operate as sister companies, said NCC Chairman Alan Colls. But several operations, including aviation brokerage, will be merged.

RHH last week announced the formation of an umbrella U.K. retail brokerage arm, Rollins Hudig Hall Insurance Services Ltd., that will report to Rollins Hudig Hall bv, its European division based in Rotterdam, Netherlands.

Michael Eve, formerly an executive of Leslie & Godwin, will be chairman and managing director of the U.K. retail operation and will be a member of the board of RHH bv in Rotterdam.

Leslie & Godwin's prominent aviation department will be merged with NCC's aviation team to form Nicholson Leslie Aviation. NCC Aviation Division Chairman Jonathan Palmer-Brown will serve as chairman of that unit and will report to Mr. Colls. Rupert Harris, formerly an NCC director, and Bill Smith, formerly managing director of Leslie & Godwin's aviation department, will be joint managing directors of the new entity.

Some layoffs will result following the merger of the two aviation departments, Mr. Colls confirmed.

NCC was formed in 1988 by more than 100 people, many of whom had left the aviation division of Stewart Wrightson Holdings P.L.C., after its merger with Willis Faber P.L.C.

NCC's aviation reinsurance division, Nicholson Stewart Brown, will continue to operate under its current structure.

Reinsurance and marine wholesale business will remain with Leslie & Godwin, whose chairman is Anthony Pinsent. And NCC's marine department will move to Leslie & Godwin.

Leslie & Godwin's small North American property/casualty wholesale department and its financial institutions department will be absorbed into NCC, Mr. Colls said.

"Before there were a few overlaps between their business and ours, but now there are none."

'60 Minutes' rebuttal

Lloyd's of London has undertaken an image-control campaign to help the market withstand potential unfavorable publicity from an upcoming episode of "60 Minutes," the CBS news program.

"60 Minutes" filmed the segment

Continued on page 65

Norwegian regulation blamed

Government helped cause UNI Storebrand debacle: Report

By MARIA KIELMAS

LONDON—A government-appointed commission says Norway's Finance Ministry and Kredittilsynet, the nation's banking and insurance regulatory agency, did not enforce a law that could have prevented UNI Storebrand A/S from making its disastrous 1992 raid on Sweden's Skandia Group.

Meanwhile, last week Finance Minister Sigbjoern Johnsen was fighting for his job amid a spate of allegations from newspapers and politicians that he misled Parliament over the state of UNI Storebrand.

The report by the commission, headed by former Supreme Court Judge Erling Sandane, is the second study of the events leading to the Norwegian insurer's bankruptcy. A report blasting the insurer's former management for the failed Skandia takeover was released in late January by UNI Storebrand's administrator (*BI*, Feb. 1).

The Sandane report, released late last month, criticizes the Finance Ministry's and Kredittilsynet's interpretation of a 1988 law that forbids Norwegian financial institutions from acquiring more than 10% of a foreign financial institution without special permission. Under this law, UNI Storebrand should have been stopped before it had acquired an 11.4% stake in Skandia Group in September 1991, the commission said.

The report, which specifically names Mr. Johnsen and the Finance Ministry's permanent secretary, Arne Oeien, says that both the ministry and the regulatory authority failed to demand details from UNI Storebrand about its plans for building up its Skandia stake.

By Nov. 22, 1991, UNI Storebrand had either bought or committed itself to a 28% stake in Skandia, but no permission for this investment had been obtained from the authorities. Although former UNI Storebrand Chief Executive Erik Langangen had numerous meetings with Mr. Oeien, the ministry did not seek sufficient information from UNI Storebrand.

On Dec. 23, 1991, the Finance Ministry finally gave UNI Storebrand permission to build up a 25% stake in Skandia. This permission came almost one month after the announcement by UNI Storebrand and Hafnia Holding of their plans to create a pan-Scandinavian insurer. The ministry then gave UNI Storebrand further permission to increase its stake to 28%, which the company already had done more than a month earlier.

The report also says that the Finance Ministry should not have given this permission because UNI Storebrand had a considerable liquidity problem and it was unclear how the company would raise needed capital.

Furthermore, the report notes that permission from the Finance Ministry for Storebrand A/S and UNI Mutual General Insurance Co. to merge in January 1991, before the onslaught on Skandia began, carried the condition that the merged company should invest in Norwegian stocks.

INTERNATIONAL

Onshore captives an option for U.K. firms

By GAVIN SOUTER

LONDON—Offshore domiciles are still the best place for a U.K. company to set up a captive insurance company, but some large companies may benefit from having an onshore captive.

A risk manager can exert greater influence over an onshore captive and use it to promote risk management principles throughout a company, captive experts say.

However, onshore captives generally are subject to more onerous regulation, may be more expensive and generally take longer to establish than their offshore counterparts.

For most companies in the United Kingdom, offshore domiciles remain the best locations to set up a captive insurer, said David Johnstone, general manager of the Nottingham office of captive manager English & American Group P.L.C.

"An onshore captive will be of advantage only to a relatively small number of parent companies; for the majority, a captive located in a well-regulated offshore location will be perfectly adequate," he said at a recent conference in London, sponsored by Risk & Insurance Research Group Ltd.

The few companies that currently have, or have had, captives located onshore in the United Kingdom include: B.A.T Industries P.L.C.; British Aerospace P.L.C; British Petroleum P.L.C.; Forte P.L.C.; Great Universal Stores P.L.C.; Imperial Chemicals Industries P.L.C.; and Unilever P.L.C.

"One can see that size, internationalism and large risk exposure are three common features to virtually all of these companies," Mr. Johnstone said.

The risk managers of companies that have formed captives onshore also find it easier to be involved with the management of the captive.

"The risk manager has immediate access to his captive manager, his broker, his captive's reinsurance broker, loss adjusters, actuaries and his parent-company colleagues," he said.

Risk managers with onshore captives also have greater involvement in insurance and reinsurance renewals and they can be actively involved in decisions on claims settlements, he said.

In addition, if a captive is onshore, its board of directors can more easily include managers from several areas of the parent company, which helps enhance risk management awareness throughout the company, Mr. Johnstone said.

A captive formed as an authorized U.K. insurer also has greater credibility with other insurers and reinsurers than a captive formed offshore, Mr. Johnstone said. In addition, it is able to issue policies directly to subsidiaries. Offshore captives can only issue policies directly to a parent company.

However, all authorized U.K. insurers—including onshore captives—are required to make contributions as needed to the Policyholders Protection Board, which compensates policyholders of defunct insurers, Mr. Johnstone said.

"Perhaps now is not the time to set up onshore, as the insurance industry is going to take some hits over the next year or two," he said.

However, if companies do decide to set up a captive onshore, they need not be overly concerned about being liable for greater premium taxes than are assessed on an offshore captive, Mr. Johnstone said.

For example, under U.K. regulations, offshore captives can retain half of net profits for 18 months, rather than return the full amount as a dividend to their parent. Therefore, an offshore captive with net profits of 1 million pounds ($1.45 million) can avoid paying corporation taxes of about 175,000 pounds a year (about $254,000) on which it will earn investment income of only 14,000 pounds a year (about $20,000) at 8%, he said.

"Clearly this is a recurring, annual savings, but I think most risk managers would agree it's not much savings against the benefits potentially available through the full use of an onshore captive," Mr. Johnstone said.

Over a 10-year period the extra cost of being onshore is less than 2% of premiums, he said.

However, there are disadvantages in having a captive located onshore, said Christian Dinesen, senior consultant at RIRG in London.

In particular, onshore captives face more rigorous regulations, he said.

"As opposed to many offshore locations, there will be no specific regulations for (onshore) captives. This will mean that the regulatory requirements will be far more onerous than those offshore" because the onshore captives will be subject to the more complex regulations for U.K. commercial insurance companies, Mr. Dinesen said.

Also, onshore captives can take longer to receive authorization from regulatory authorities, Mr. Dinesen said. "The timetable for authorization onshore is likely to be somewhere between six months and two years depending on the location."

In comparison, an offshore captive can be set up in as little as a few weeks.

But despite the lengthy establishment period, captives established in the United Kingdom can be attractive to large companies, said Rodney Hall, head of insurance at Forte P.L.C., a London-based hotel and catering company.

Forte first planned to establish an onshore captive in the United Kingdom in April 1989, but it did not receive regulatory approval until February 1990.

However, an onshore captive provided several advantages over an offshore captive. For example, a risk manager can more easily manage an onshore captive.

"I cannot stress too strongly the real sense of freedom to get on with the job of managing which we experienced in the U.K.," Mr. Hall said. The risk manager becomes "a genuine managing director" rather than just a director of an offshore company.

Forte's captive also can issue direct insurance policies for its subsidiaries located elsewhere in the European Community, Mr. Hall said. BI

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

Petition of Christopher John Hughes and Ian Douglas Barker Bond, as Joint Provisional Liquidators of Kingscroft Insurance Company, Ltd.,	In Petition Under Section 304 Case Nos. 92-B-41974 (PBA) through 92-B-41977 (PBA) Jointly Administered
Debtor in Foreign Proceedings	

PRELIMINARY INJUNCTION ORDER

This matter has come before the Court on Petitioners' request for a Preliminary Injunction Order pursuant to Bankruptcy Rule 7065 and Federal Rule of Civil Procedure 65(b). The Court has considered and reviewed the Petitions filed in these cases, the Affidavit of Ronald DeKoven, one of the attorneys for the Petitioners, duly sworn to the 7th day of April, 1992, the Declaration of Gabriel Moss, duly sworn to the 8th day of April, 1992, the Declaration of Christopher John Hughes, one of the Petitioners herein, duly sworn to the 8th day of April, 1992, and the Memorandum of Law in support of the application, and the responses filed thereto, and having held hearings and heard arguments by counsel on April 10, 1992, May 12, 1992, August 19, 1992, November 17, 1992, and February 23, 1993, and based on the foregoing the Court finds and concludes as follows:

1. Petitioners have demonstrated a substantial likelihood of success or have raised serious questions on the merits of the contentions that Kingscroft Insurance Company Ltd. ("Kingscroft"), El Paso Insurance Company Ltd. ("El Paso"), Lime Street Insurance Company Ltd. ("Lime Street") and Mutual Reinsurance Company Ltd. ("Mutual") (collectively, "KELM") are companies subject to foreign proceedings, that Petitioners are the foreign representatives of the debtors, that the commencement or continuation of any judicial, administrative or regulatory action or proceeding against KELM, or any of their property in the United States, should be enjoined* pursuant to 11 U.S.C. § 304(b) to permit the orderly resolution of claims in the pending proceedings brought under foreign law, and that the relief requested will not cause hardships to parties which are not outweighed by the benefits;

2. Unless an injunction is issued, it appears to this Court that one or more parties in interest will relinquish or dispose of property of KELM in the United States, or will commence or continue the prosecution of judicial, administrative or regulatory actions against KELM and/or seek to retain assets of KELM, thereby interfering with, and causing harm to, the Petitioners' efforts to administer the estates of KELM pursuant to the foreign proceedings, and that as a result the Petitioners will suffer immediate and irreparable injury for which they will have no adequate remedy at law;

3. The interest of the public will be served by restraining such disposition of KELM property and the commencement or continuation of such judicial, administrative or regulatory actions or proceedings;

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

ORDERED, that all persons (except as provided in the Orders of Conservation) are hereby preliminarily enjoined and restrained from:

(1) relinquishing or disposing of any property of KELM in the United States, or the proceeds of such property, to third parties;

(2) commencing or continuing any judicial, administrative or regulatory action or proceeding against Kingscroft, El Paso, Lime Street and/or Mutual or any of their property in the United States;

(3) enforcing any judicial, administrative or regulatory judgment, assessment or order and commencing or continuing any act or any judicial, administrative or regulatory proceeding to create, perfect or enforce any lien, set-off or other claim against Kingscroft, El Paso, Lime Street and/or Mutual or any of their property in the United States;

ORDERED, that nothing in this order shall in any respect prevent the continuance or commencement of proceedings against or involving other London Market insurers or any other insurance company defendant;

ORDERED, that pursuant to Bankruptcy Rule 7065, the security provisions of Fed. R. Civ. P. 65(c) be, and the same hereby are, waived; and it is further

ORDERED, that this Preliminary Injunction Order shall be served (A) by hand delivery, facsimile or United States mail, first class postage prepaid, on or before February 26, 1993 upon the parties in interest appearing in these cases and in *In re Petition of Christopher John Hughes, Ian Douglas Barker Bond and Gareth Howard Hughes as Joint Provisional Liquidators of Walbrook Insurance Company Ltd.*, Case No. 92-B-44623 (PBA) (Bankr. S.D.N.Y.), at the time of such service; and (B) by publication of a summary of this Preliminary Injunction Order in Business Insurance Magazine on or before March 22, 1993; that service pursuant to this paragraph shall be deemed good and sufficient service and adequate notice; and it is further

ORDERED, that the time to answer or move with respect to the Petition is extended sine die, but that parties wishing to move for modification of or relief from this Order or otherwise may do in accordance with the schedule set forth by the Court herein and in any subsequent Scheduling Order entered by the Court in this case;

ORDERED, that this injunction shall remain in effect pending further order of the court, after a hearing scheduled to be held in Room 617 of the Alexander Hamilton House, One Bowling Green, New York, New York on June 9, 1993 at 2:30 p.m.; and it is further

ORDERED, that all papers submitted for the purpose of controverting the petition or opposing a continuation of the relief provided for in this Preliminary Injunction Order shall be filed with the Court with a copy to the Chambers and delivered personally or by overnight mail or so as to be received by Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (Attention: Ronald DeKoven), Attorneys for Petitioners, on or before June 2, 1993.

Dated: New York, New York
February 23, 1993
3:00 o'clock p.m.

/S/PRUDENCE BEATTY ABRAM

U.S.B.J.

*Petitioners' request for relief, and the terms of this Order, are subject to the provisions of the Orders of Conservation obtained by the New York Superintendent of Insurance in the New York Supreme Court for New York County (the "Orders of Conservation").

Aussie court blocks Lloyd's suit

BRISBANE, Australia—An Australian appellate court has blocked a Lloyd's of London member's attempt to sue Lloyd's in an Australian court.

In denying the appeal, a three-judge appellate court upheld a ruling by the Supreme Court of Victoria that it was not the appropriate forum for a suit filed by Dr. Emlyn Williams, a Melbourne anesthesiologist.

Dr. Williams filed suit last year against Lloyd's and Fenchurch Underwriting Agencies Ltd. in the Supreme Court of Victoria. Dr. Williams claims he should not be required to pay syndicate losses because the profit potential from investments in Lloyd's were misrepresented to him and that the market's operations were not fully explained to him.

He also alleged that the misrepresentations breached Australia's Trade Practices Act and the Australian Companies Code (*BI*, Aug. 3, 1992).

Judge Alan McDonald, delivering a 96-page judgment on Nov. 19, 1992, ruled that the contract between Dr. Williams and Lloyd's was made in England and the agreement he signed to have any dispute "governed by and construed in accordance with the law of England" is valid.

The Victorian Supreme Court is "clearly an inappropriate forum," the judge said, adding that Dr. Williams should plead his case in the commercial court in London.

—By Kate McIlwaine

GLOBAL BRIEFS

Danish storm damage

COPENHAGEN, Denmark—Hurricane-force winds that hit Denmark Jan. 14 will result in approximately 30,000 claims totaling 250 million Danish kronor ($40.1 million), according to preliminary estimates.

Revised figures will be issued later this month, said a spokesman from the Danish insurance information service, Forsikringsoplysning.

The storm hit the Limfjord area in northern Jutland and the Faroe Islands in the North Sea.

Baltica Insurance Co. Ltd. says damage from the storm is expected to cost the company 50 million Danish kronor ($8 million). Hafnia Insurance Co. Ltd. says it will suffer 25 million Danish kronor ($4 million) in losses. And Tryggingarsambandid, a Faroese insurer, expects 12 million kronor ($1.92 million) in damage claims from the Jan. 14 storm.

Meanwhile, damage from a Feb. 21 storm that hit Denmark is still being assessed.

—By Maria Kielmas

Weather insurance

SYDNEY, Australia—C.E. Heath International Holdings Ltd. has formed a joint venture with New York-based Worldwide Weather Inc. to underwrite weather-related risks in Australia, New Zealand and the Asia-Pacific region.

Worldwide Weather, a 5-year-old underwriting agency, uses a data base including information dating back more than 40 years from 40,000 weather stations to write weather-related insurance for commercial entities, says Harold Mollin, president.

Worldwide Weather opened a London office last May (*BI*, May 25, 1992).

George Sturesteps, Heath International's managing director, said the Australian market could generate $3 million Australian ($2.1 million) in premiums during Worldwide Weather Underwriting Agencies (Australia) Pty. Ltd.'s first year, with "further growth anticipated as the business is expanded throughout the region."

Clients could include film studios, concert promoters and sports event organizers.

Worldwide Weather underwrote coverage for the 1992 Wimbledon tennis tournament and the movie "Basic Instinct," which was filmed in California in 1992, among other risks.

—By Kate McIlwaine

INTERNATIONAL

U.K. insurers

Continued from page 63

$12 million in 1991, said Walter Farnham, chief executive officer of General Accident Insurance Co. of America in Philadelphia.

However, GA did see rate increases of about 10% on its U.S. commercial business, Mr. Farnham said. GA targets small and medium-sized companies in the United States, he added.

Improved 1992 results were also reported by Royal Insurance Holdings P.L.C.

Royal lost 119 million pounds ($180.3 million) in 1992, compared with 373 million pounds ($697.5 million) in 1991.

Royal's pretax losses on U.K. business was cut dramatically to 50 million pounds ($75.8 million) from 367 million pounds ($686.3 million).

MIG losses were also reduced to 160 million pounds ($242.4 million) in 1992, compared with 257 million pounds ($480.6 million) in 1991.

Losses from reinsurance business, though, worsened in 1992. Royal lost 79 million pounds ($119.7 million) on reinsurance in 1992, compared with 38 million pounds ($71.1 million) in 1991.

Royal in January said it will sharply reduce its participation in the reinsurance market.

In the United States, Royal suffered catastrophe underwriting losses of 40 million pounds ($60.6 million) last year. However, it still managed to increase its overall pretax profits on U.S. business to 24 million pounds ($36.4 million) from 3 million pounds ($5.6 million).

Fewer claims and higher rates helped push up U.S. profits, explained Richard Gamble, group chief executive.

Results for Sun Alliance Group P.L.C. and Eagle Star Group P.L.C. are also expected to improve, but not enough to push the insurers back into the black, analysts say.

Sun Alliance is expected to announce a pretax net loss of about 156 million pounds ($236.3 million), compared with a net loss of 466 million pounds ($871.4 million) in 1991, said Roman Cizdyn, insurance analyst at Smith New Court Securities Ltd. in London.

The company is expected to lose 200 million pounds ($303 million) on its MIG account alone, he said.

Eagle Star is expected to report a 107 million pound ($162.1 million) loss for 1992, compared with a loss of 303 million pounds ($566.6 million) in 1991, said Andrew Goodwin, insurance analyst at UBS Phillips & Drew Ltd. in London.

Eagle Star's results are expected to be released today; Sun Alliance will report on April 8. BI

Czech and Slovak markets

Continued from page 63

there were only two state-owned insurance companies in Czechoslovakia: Ceska Statni Pojistovna and Slovenska Statna Pojistovna. "Insurance was popular, which is illustrated by the fact that there were more than 16 million policies issued by both companies. This is not a very small number in comparison with a market of 15 million people," said Mr. Alexejenko.

Of these, about 57% were personal lines policies like life, endowment and homeowners policies. But nearly all state-controlled companies, cooperatives and farms bought some type of commercial insurance, he said.

Czechoslovakia officially split into the Czech republic and Slovak republic this year, and each now has its own parliament and currency.

In the first half of 1991, both republics enacted separate insurance laws. By the end of that year, the two republics had five insurance companies, with the state-owned insurers dominating the market, said Mr. Alexejenko. Premium volume for all insurers during all of 1991 totaled 20.1 billion korunas ($736 million at applicable exchange rates).

Today, nine insurance companies operate in the two republics, including the two former state-owned insurers. Premium volume in the first six months of 1992 totaled 11.65 billion korunas ($428.7 million), 26% more than 9.23 billion korunas ($297.2 million) in the first half of 1991. There are 11,500 full-time employees in the insurance sector and 20,000 part-time employees.

One of the insurers is Kooperativa, founded in October 1990 before insurance legislation was passed, which writes mainly commercial and industrial risks. The company now employs 1,000 people throughout the two republics. Kooperativa's premium income grew last year to 1.11 billion korunas ($39.3 million) from 170 million korunas ($6.2 million) in 1991.

Kooperativa is the first insurer to buy reinsurance coverage from Western European markets like the London market.

Meanwhile, claims are rising in the Czech and Slovak republics, which is a reflection of the economy, said Mr. Alexejenko. For example, theft losses in the first half of 1992 totaled 553.9 million korunas ($20.4 million), six times greater than in the comparable 1990 period. Those theft claims largely were filed against personal lines policies.

Because of the increasing number of claims, the insurance companies in the Czech and Slovak republics realize they must increase rates for personal lines business, said Mr. Alexejenko. However, "new companies are afraid of increasing the rates because of competition. This has led new companies often to concentrate on commercial insurance and not personal lines."

In the future, there is a huge potential for the insurance markets in the Czech and Slovak republics. The market potential currently is estimated at between 30 billion and 35 billion korunas ($1.05 billion and $1.23 billion) in premium volume.

"Development of the insurance industry depends on legal framework, not only in insurance law, but in (related) laws," said Mr. Alexejenko. This includes laws enacted Jan. 1 that introduce a European-type accounting system into the republics.

Also, "the government is pressuring entrepreneurs and top management of companies through tax policy to (purchase insurance for) themselves," he said. "They are more motivated and active in looking for good conditions provided by insurance companies. This situation is challenging for many brokers which are now established in our market." BI

LONDON

Continued from page 63

in London last August, shortly after Lloyd's announced record losses of 2.06 billion pounds ($3.85 billion at the applicable exchange rate) for the 1989 underwriting year (*BI*, June 29, 1992).

The story is expected to be a market overview, but Lloyd's officials are concerned that the piece won't discuss market reforms that have occurred since last summer. Lloyd's fears that the show's producers had negative notions about Lloyd's before they arrived in London and will not provide an accurate picture of the market, a Lloyd's spokesman said.

In a pre-emptive strike, Lloyd's earlier this year issued market briefing notes to London brokers with North American clients. The London brokers are sending the information to: U.S. brokers; coverholders, or those with the authority to issue Lloyd's policies; and some policyholders, the spokesman said.

According to the briefing notes: Lloyd's is a secure market; the market has a firm capital base; changes are being implemented to strengthen the market; and Lloyd's will soon return to profitability.

Although Lloyd's has issued briefing notes before in the wake of negative media coverage, this is the first time it issued them in response to a specific program, the Lloyd's spokesman said.

Approximately 30% of Lloyd's premium volume is derived from the United States.

Gooda Walker suit

More than 2,000 Lloyd's of London members issued lawsuits against 67 agents last week in an attempt to recover massive underwriting losses.

The 2,145 members of the Gooda Walker Action Group are suing members agents and managing agents for the 396 million pounds ($574.2 million at current exchange rates) that they have lost on LMX reinsurance syndicates formerly managed by Gooda Walker Ltd.

The members allege that the underwriting on syndicates 164, 290, 298 and 299 was grossly negligent.

"The average loss of our members is 184,877 pounds ($268,071), but some individual members have lost up to 1 million pounds ($1.4 million)," said Michael Deeny, chairman of the action group.

Mr. Deeny became group chairman on March 1. Former chairman Alfred Doll-Steinberg resigned after a disagreement with members of the committee that heads the group over plans for remuneration for the committee members (*BI*, Dec. 7, 1992).

Loss estimate soars

The Lloyd's of London syndicate previously headed by underwriter Roy Bromley, who committed suicide earlier this year, could post losses totaling 700% of its capacity for its still-open 1989 underwriting year, a report to members' agents says.

The total loss for syndicate 475 could be 175 million pounds ($316.7 million at applicable exchange rates) for its 1989 account and 45.5 million pounds ($73.3 million) for its 1990 account.

Neither year will be closed in 1993, says the report from Knightstone Group Ltd., which took over the runoff of the defunct syndicate in October 1992 (*BI*, Jan. 25).

The Knightstone report says the syndicate's loss for 1989 will be between 298% and 700% of its 25 million pound capacity ($45.2 million), and the loss for 1990 will be between 50% and 130% of its 35 million pound capacity ($56.3 million).

Mr. Bromley committed suicide in January when it became clear that his former syndicate would incur massive losses. BI

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	
Petition of Christopher John Hughes, Ian Douglas Barker Bond and Gareth Howard Hughes, as Joint Provisional Liquidators of Walbrook Insurance Company Ltd.,	Case No. 92-B-44623 (PBA)
Debtor in Foreign Proceedings	

PRELIMINARY INJUNCTION ORDER

This matter has come before the Court on Petitioners' request for a Preliminary Injunction Order pursuant to Bankruptcy Rule 7065 and Federal Rule of Civil Procedure 65(b). The Court has considered and reviewed the Petition filed in this case, the Affidavit of Ronald DeKoven, one of the attorneys for the Petitioners, duly sworn to on the 16th day of August, 1992, the Declaration of Gabriel Moss, Q.C., duly verified on the 14th day of August, 1992, the Declaration of Ian Douglas Barker Bond, one of the Petitioners herein, duly verified on the 14th day of August, 1992, and the Memorandum of Law in support of the application, and the responses filed thereto, and having held hearings and heard arguments by counsel on August 19, 1992, September 25, 1992, November 17, 1992 and February 23, 1993, and based on the foregoing the Court finds and concludes as follows:

1. Petitioners have demonstrated a substantial likelihood of success or have raised serious questions on the merits of the contentions that Walbrook Insurance Company Ltd. ("Walbrook") is subject to foreign proceedings, that Petitioners are the foreign representatives of the debtor, that the commencement or continuation of any judicial, administrative or regulatory action or proceeding against Walbrook, or any of its property in the United States, should be enjoined* pursuant to 11 U.S.C. § 304(b) to permit the expeditious and economical administration of the foreign estate in the pending proceedings brought under foreign law, and that the relief requested will not cause hardships to parties which are not outweighed by the benefits;

2. Unless an injunction is issued, it appears to this Court that one or more parties in interest will relinquish or dispose of property of Walbrook in the United States, or will commence or continue the prosecution of judicial, administrative or regulatory actions against Walbrook and/or seek to retain assets of Walbrook, thereby interfering with, and causing harm to, Petitioners' efforts to administer the Walbrook estate pursuant to the foreign proceedings, and that as a result Petitioners will suffer immediate and irreparable injury for which they will have no adequate remedy at law:

3. Unless the injunction is issued, Petitioners will be unable to acquire sufficient information about pending litigations and U.S. assets of Walbrook to properly protect the interests of Walbrook in the United States, subjecting Walbrook to the risk of default judgments and resulting in the further depletion of Walbrook's limited assets;

4. The interest of the public will be served by restraining the disposition of Walbrook's property and the commencement or continuation of such judicial, administrative or regulatory actions or proceedings; and

5. Venue is proper in this district pursuant to 28 U.S.C. § 1410;

NOW, THEREFORE, IT IT HEREBY ORDERED as follows:

ORDERED, that all persons (except as provided in the New York Superintendent Orders) are hereby enjoined and restrained from:

(1) relinquishing or disposing of any property of Walbrook in the United States, or the proceeds of such property, to third parties;

(2) commencing or continuing any judicial, administrative or regulatory action or proceeding against Walbrook or any of its property in the United States; and

(3) enforcing any judicial, administrative or regulatory judgment, assessment or order and commencing or continuing any act or any judicial, administrative or regulatory proceeding to create, perfect or enforce any lien, set-off or other claim against Walbrook or any of its property in the United States; and it is further

ORDERED, that nothing in this order shall in any respect prevent the continuance or commencement of proceedings against or involving other London Market insurers or any other insurance company defendant; and it is further

ORDERED, that pursuant to Bankruptcy Rule 7065, the security provisions of Fed. R. Civ. P. 65(c) be, and the same hereby are, waived; and it is further

ORDERED, that this Preliminary Injunction Order shall be served (A) by hand delivery, facsimile or United States mail, first class postage prepaid, on or before February 26, 1993 upon the parties in interest appearing in this case and in *In re Petition of Christopher John Hughes and Ian Douglas Barker Bond as Joint Provisional Liquidators of Kingscroft Insurance Company Ltd., et al.*, Case Nos. 92-B-41974 through 92-B-41977 (PBA) (Bankr. S.D.N.Y.), at the time of such service; and (B) by publication of a summary of this Preliminary Injunction Order in *Business Insurance Magazine* on or before March 22, 1993; and that service pursuant to this paragraph shall be deemed good and sufficient service and adequate notice; and it is further

ORDERED, that the time to answer or move with respect to the Petition is extended *sine die*, but that parties wishing to move for modification of or relief from this Order or otherwise may do so in accordance with the schedule set forth by the Court herein and in any subsequent Scheduling Order entered by the Court in this case;

ORDERED, that this injunction shall remain in effect pending further order of the Court, after a hearing scheduled to be held in Room 617 of the Alexander Hamilton House, One Bowling Green, New York, New York on June 9, 1993 at 2:30 p.m.; and it is further

ORDERED, that all papers submitted for the purpose of controverting the petition or opposing a continuation of the relief provided for in this Preliminary Injunction Order shall be filed with the Court with a copy to the Chambers and delivered personally or by overnight mail or so as to be received by Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (attention: Ronald DeKoven), Attorneys for Petitioners, on or before June 2, 1993.

Dated: New York, New York
February 23, 1993
3:00 o'clock, p.m.

/S/PRUDENCE BEATTY ABRAM

U.S.B.J.

*Petitioners' request for relief, and the terms of this Order, are subject to the provisions of any temporary restraining order or order of conservation to be obtained by the New York Superintendent of Insurance ("New York Superintendent Orders").

The Professional Marketplace

RATES AND CLOSING TIME:

Rates: Display classified is $130.00 per column inch, minimum of one inch. Straight classified is $11.50 per line, minimum of 5 lines. Count 34 characters per line (include each space and punctuation as a character). Additional $17.50 charge for all blind box ads. Only those reponses which fit into a business size envelope will be forwarded. Responses are forwarded daily.

Closing: Published every Monday. Copy must be in typewritten form by noon Tuesday, 6 days preceding publishing date. No verbal phone copy accepted. Prepayment required for all advertisements. Mail ads to Margaret Hikido, Classified Advertising, 740 N. Rush St. Chicago, IL 60611. For more information call 312-649-5340. FAX 312-649-7799.

RISK MANAGEMENT OPPORTUNITIES

Director, Risk Management ...$120K
Southern service corp.

Director, Risk Management ...$110K
Northeast service corp.

Director, Risk Management $100K
Southwest manufacturer.

International Property Manager.....$90K
NYC manufacturer.

For additional information, please contact:
• BILL PERRY • BARRY CITRON
• ABE ALTSCHULE

"THE ORIGINAL & #1 CHOICE IN RISK MANAGEMENT RECRUITING"
212-227-8000/Fax 212-766-0188
170 Broadway, Suite 814, NYC 10038

LOGIC ASSOCIATES, INC

"Where Professionals Insure Their Careers"

EXECUTIVE RECRUITERS NATIONWIDE

- ❑ Risk Management
- ❑ Safety & Fire Protection
- ❑ Claims Management
- ❑ Benefits & Pensions
- ❑ Property & Casualty and others

Also Ask About Our Temporary Opportunities!

15 James Street, Main Level, Florham Park, NJ 07932
Call 201-765-9000 • Fax 201-765-9009

RMA RICHARD MEYERS & ASSOCIATES, INC.

STRUCTURED ANNUITY PRODUCERS

A major structured annuity company located in the Northeast is looking to expand its existing network of producers throughout the United States. The major carriers are represented by our offices.

Please contact: Warren Kobil
1-800-221-4623

Settlement Funding Assoc. Inc.

UNDERWRITERS RISK MANAGERS

Establish your OWN RISK MANAGEMENT PRACTICE

for a demonstration tape on our RISK MANAGEMENT FRANCHISE send:

your background outline & a check for $5.99 to:

RISK MAN...®
Director of Franchising
13 Franklin Circle
Northboro, MA 01532

BROKER VP

Texas E&S broker seeks person with primary duties of account analysis, program design, production & marketing of P&C accounts. $75K DOE. Contact GILBERT-HAFNER at P.O. Box 554, Cedar Hill, Tx. 75204. 214-291-1903

Insurance Company BOARD MEMBER

Retired CEO of substantial insurance company sought for Board of insurance company subsidiary of major Southern California public corporation. Please reply to:

CHAIRMAN - Box 2778
Business Insurance
740 N. Rush Street
Chicago, IL 60611-2590

CONSULTING

TROUBLESHOOTER

Chicago based P/C consultant available on project basis. Travel OK. Problem resolution. Business plans. Versatile. Confidential. 708-343-5267 or FAX 708-969-8485. A. Maneks

---

HELP WANTED

CITY OF ATLANTA
DIRECTOR, BUREAU OF TREASURY, LICENSING & EMPLOYEE BENEFITS

Salary Range: $47,406 - $68,232. Requires BA in business adm. or related field & four yrs. managerial exp. in financial or revenue mgt., accounting, or emp. bens. Forward resumes by 4/2/93 to: **Linda Burgner, City of Atlanta, Personnel Bureau, 68 Mitchell St., SW, Atlanta, GA 30335-0306. (404) 330-6377.** EEO/Full benefits.

Business Insurance Circulation Breakdown*

Commercial Consumers

Administrative:	
CEO's Presidents, and Owners	2,652
Vice-Presidents, General Managers and Other Administrative Personnel	4,166
Financial:	
Chief Financial Officers and Vice-presidents of Finance	2,526
Secretaries, Treasurers, controllers and other Financial Personnel	3,735
Risk/Employee Benefits:	
Vice-presidents, directors, managers, and other related department personnel of: insurance, risk, employee benefits, personnel, compensation, pension, safety, security, industrial relations, human resources and employee/labor relations	15,035
Sub-total	28,114
Associations	392
Government, Unions and Educational Institutions	1,120
Commercial Consumers	
Sub-total	29,626
Insurance Agents and Brokers	8,788
Insurance Companies	7,977
Accountants, Actuaries, Attorneys & Consultants	3,572
Adjusters, Appraisers, TPA's, Captive Managers & Health Care Providers	1,849
Others Allied to the Field	968
Single Copies	-
TOTAL	52,785

* Source Business/Occupational breakdown of qualified circulation, November 30, 1992 issue, as submitted to BPA for December 1992 BPA Publisher's Statement.

HELP WANTED

CLAIMS MANAGER
to $60,000

Risk Management Department of a major Memphis-based national corporation is seeking an experienced Claims Manager. Responsibilities include the development of programs & procedures to process worker's compensation & other casualty insurance claims on a nationwide basis, the review & analysis of reserves & settlements to ensure proper claims handling, administration of self-insured claims, internal record keeping for risk management decision makinig, & forecasting & planning for insurance & other risk related costs.

The qualified candidate will have at least 8 years experience in claims managemnet with broad knowledge of worker's comp. claims, claims adjustment and evaluation, causation analysis, & claims prevention. A 4 yr. degree, excellent communication and presentation skills are required. I.I.A. and/or CPCU coursework are a plus.

Qualified appliacnts interested in becoming part of a successful & growing national organization with a reputation for high quality should send their resume & salary history to: **Recruiter/ Claims Position, P.O. Box 45, Memphis, TN 38101.**

PROFESSIONAL SERVICES

Serving clients who need full-time Risk Management results, without full-time expenses.
- Insurance consulting and management services by ARM.
- Premium reduction audits for NCCI rated workers compensation.

MITCHELL RISK MANAGEMENT
217-854-9085

James J. Kerasiotes
Secretary of the Massachusetts Executive Office of Transportation

Laurinda T. Bedingfield
Massachusetts Highway Department Commissioner

Central Artery/Tunnel

The largest public works project of its kind in the U.S. today, Boston's $6 billion Central Artery/Tunnel will create a safer, more efficient highway, improve airport access, and create acres of open space where an elevated roadway now stands.

Risk Manager

The Risk Manager is responsible for the development, implementation and coordination of insurance and other risk management programs that will provide protection for various participants in the CA/T Project from potential loss. Further responsibilities will include the identification and evaluation of loss potential; recommendation of the means to protect, reduce and eliminate such loss and recommendation of insurance cost containment measures. Additionally, the Risk Manager will bear responsibility for the analysis, layout and recommendation of the comprehensive project business insurance coverages, broken negotiations and liaison as well as the development coordinator and administrator of self insurance programs and other alternative Risk Management programs.

Must have a solid working knowledge of risk, insurance, liability, finance, accounting, and actuarial principles and concepts. Knowledge of overall risk and insurance arrangements and their applicability in Project risk considerations. Knowledge of insurance marketing and underwriting principles. Demonstrated skill in project-level contractual negotiations and administration.

Please send resume and salary history to:

BECHTEL/PARSONS BRINCKERHOFF
(A Joint Venture of Bechtel Corporation and Parsons Brinckerhoff Quade & Douglas, Inc.)
Human Resources, Dept. BI30308/315
One South Station, Boston, MA 02110

An Equal Opportunity Employer
M/F/D/V Principals Only

Sr. Treaty Underwriter

We are a leading, NYC-based reinsurance company rated A+ Best. Currently, we have a need for a dedicated individual to help us in our treaty underwriting and client services area.

In this key assignment, you'll evaluate existing accounts, develop treaty structures and quotes, participate in underwriting audits, and generate new business and underwriting profit, working with highly experienced professionals.

To qualify, you must have 5+ years' underwriting experience preferably casualty, with primary insurance and reinsurance, strong analytical and mathematical abilities, superior communication skills, and a knowledge of PCs (LOTUS, D-Base, or similar).

In return, we offer a competitive salary and comprehensive benefits. Send or fax your resume and salary requirements to: DSE, BOX 111, 485 Fifth Avenue, New York, NY 10017-6183. FAX: (212) 490-0183. An equal opportunity employer.

In just one week, an advertiser received over 48 resumes when running a blind classified ad in the Professional Marketplace Section of Business Insurance. Put the power of Business Insurance to work for you! For details call...

800-678-2724 • 312-649-5340
FAX: 312-649-7799

Business Insurance

FAX or mail
CLASSIFIED ORDER BLANK

Business Insurance

MarketPlace Classified Rates
Display: $130.00 per inch. Frequency rates available. **In-Column/Straight:** $11.50 per line. 34 characters per line. **Blind Box:** $17.50. **Deadline:** Tuesday, noon for following Monday issue. **Payment:** Prepayment must accompany insertion order.

Category: Line ad ☐ Display ☐

Ad Copy: _____

Date(s) of Insertion: _____

Amount Enclosed _____

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Visa ☐ MC ☐ Amex ☐

Credit Card # _____

Name on card: _____

Exp. Date: _____ Phone: _____

Clip and Fax or Mail this Form to:

BUSINESS INSURANCE CLASSIFIED
740 N. Rush Street, Chicago, IL 60611-2590
PHONE: 1-800-678-2724 or 312-649-5340
FAX # 1-312-649-7799 or 312-280-3189

Insurance Services Guide

ENVIRONMENTAL CLAIM AUDITS
&
RISK ASSESSMENTS
ACTUARIAL CONSULTING
Financial Evaluation of Environmental Losses
TILLER CONSULTING GROUP, INC.
2833 N Geyer Road / St Louis, MO 63131-3320 314/567-7480

THE INSURANCE PROFESSIONALS, INC.
GARAGE - BODYSHOPS
PROPERTY & LIABILITY COVERAGES
TOW TRUCK INSURANCE
AGENT APPOINTMENTS CALL
(602) 991-3600

InPhoto Surveillance

Expens in long range video surveillance. Our agents are stationed within a 3 hour drive of 80% of the U.S. population.
Call 800-822-8220 FAX 800-752-0720

ASI SERVICES
Service with a Golden touch!
A.S.I. Services
A.S.I. Flex PPO
For cost effective Workers' Comp. medical cost containment, A.S.I. has the right strategy!
call (310) 404-0549
or write to:
A.S.I. Services
P.O. Box 3007
Cerritos, Ca. 90703

For advertising information in the INSURANCE SERVICES GUIDE
Contact: Margaret Hikido at...
740 N. Rush Street, Chicago Illinois 60611-2590.
Phone: (312) 649-5340
FAX: (312) 280-3189

CASE MANAGEMENT PC SOFTWARE
RETURN™
Workers' Compensation, Disability Plans and Other Individual Care
Manages, Maps and Coordinates Case Process -
all providers, services and resources.
Disability duration guidelines optional
HMT
Health Management Technologies, Inc. 1-800-647-7007

WLT
Software of Florida, Inc.
Insurance Software Specialists
• SOPHISTICATED SOFTWARE
• QUALITY SERVICE
• AFFORDABLE PRICING
▪ HEALTH CLAIMS ADMINISTRATION AND BILLING
▪ WORKERS' COMPENSATION CLAIMS ADMINISTRATION
▪ FLEXIBLE BENEFITS ADMINISTRATION
▪ COBRA ADMINISTRATION
STAND ALONE AND NETWORK BASED PC SYSTEMS
CALL TODAY FOR MORE INFORMATION OR A FREE DEMONSTRATION
831 NORTH HERCULES AVENUE • CLEARWATER, FLORIDA 34625
813-442-9296
...ANYTHING ELSE IS A COMPROMISE

AssuranceWARE
Common Sense Software for the Insurance Industry
■ Workers' Compensation
- Policy Adminstration
- Rating
- Claims Adminstration
- Premium Billing/Accounting
■ Workers' Compensation Managed Care
- PPO Management
- Billing & Administration
- Utilization Review
- Pre-Certification Management
■ State Medical Fee Schedule
■ Reasonable & Customary Bill Processing
■ Rehabilitation Case Management
IBM Business Partner — Industry Application Specialist
Call today for more information and for a FREE demonstration diskette.
PROGRESSIVEDATASOLUTIONS, INC.
1320 N. SEMORAN BLVD., SUITE 205 ■ ORLANDO, FL 32807 ■ 407-382-5920

RISKMASTER® Software
by DORN Technology Group, Inc.
Software, Services & Consulting
...Another Proven Riskmaster Software Series Product
...A Nationaly Ranked Leader Since 1982
ONSITE TRAINING ONGOING SUPPORT
▪ GENERAL CLAIMS
▪ WORKERS' COMP
▪ VEHICLE ACCIDENTS
▪ CHECK WRITING
▪ EXP. MODIFICATION FACTORS
▪ ACTUARIAL REPORTING
▪ DATA CONSOLIDATION FOR CARRIERS, TPA'S & BROKERS
FOR PC/LAN/UNIX
For Marketing Questions or to Attend a Free Seminar, Call (313) 462-5800

The Most Comprehensive Risk Management PC Software Ever!
Call for an On-Line Demonstration. You Must See It to Believe It!
FasTrack RMIS™
For DOS, Windows and Novell
ISS™ Insurance Software Solutions
700 Old Roswell Lakes Pkwy. #300
Roswell, Georgia 30076
(404) 992-9383 FAX (404) 992-9377
- Workers' Compensation, Automobile General Liability, Property & Equipment
- 24 Hour Care (Health & Workers' Compensation)
- Formal Policy, Coverage & Claim Reserve and Detail Transaction Accounting
- Safety & Loss Control Analysis & Reporting
- Medical Cost Containment - using MDR's, UCR & State WC Fee Schedules
- ICD-9 and CPT-4 Medical Coding Edits Using MDR's Claims Edit Database
- WC Policy Rating, Issue, Auditing & Billing
- WC Experience Modification Factor Calculation
- Over 300 Standard Reports and Two Menu Driven Ad Hoc Report Writers
- Historical & On-Going Claim Data Conversion
- Consulting Services & Free Installation & Training

CONTROL STAFFING COSTS
IN MEDICAL/DENTAL CLAIMS PROCESSING
With CSRG's F L E X I B L E Staffing, you can:
CSRG CLAIM SERVICES RESOURCE GROUP
- Reduce staffing and benefit costs
- Increase production instantly
- Meet service goals all the time
- Minimize claim inventories
Proven results in over 1,000 companies nationwide.
800-331-5039

Self Insured's, TPA's, Insurance Carriers, Funds,....
Investigate the new generation of quality software solutions for health benefits management, workers' compensation claims, general liability, and medical cost containment.
ISP CompStar: Automated system for processing Workers' Compensation claims. The system is designed to meet the regulatory reporting requirements on a state-by-state basis. Verifies employee eligibility, validates payments, writes checks and prepares state forms.
ISP MediStar: Medical Fee Schedule Validation system automates the processing of WC medical bills in accordance with state by state reimbursement regulations, detects bundled and unbundled charges, PPO Functions, and much more.
ISP MultiStar: Multi-Line Claims Management system, it is ideal for most coverages, including Commercial Auto, General Liability, Professional Liability and Medical Malpractice.
ISP HealthStar: Health Benefit Management System, including Major Medical, Surgical, Dental, Vision, Life and Disability.
ISP
Insurance Software Packages, Inc.
3425 Queen Palm Drive
Tampa, Florida 33619
(800) 237-8133

If you don't have months to catch up on all the new developments in AIDS management, do you have ONE DAY?
On March 31, you'll learn about the most recent trends, innovations and cutting edge issues in AIDS management. Our one-day seminar, *Managing AIDS in the '90s—The Healthcare and Business Perspective,* gathers six of the country's foremost AIDS authorities for a series of information–packed presentations.
Co–sponsored by Rehabilitation Management, Inc. and Integrated Health Services, Inc., the seminar will be held at the Rosemont Conference Center (5 min. from Chicago's O'Hare Airport) and will focus on topics such as:
- Innovative and effective cost-cutting management techniques
- New health care reform proposal and its impact on AIDS
- Insurance industry's changing coverages
- Alternative care solutions
- Medical advances
- Precedent–setting legal cases
SEMINAR PRESENTERS INCLUDE:

Dr. Paul Volberding
Director of medical oncology, San Francisco General Hospital, founder of the International AIDS Society and AIDS research pioneer

Mr. Larry Gostin
Executive director, American Society of Law & Medicine, director of AIDS Litigation Project and professor of health law at Harvard University

Mr. Stephen Young
Director, Health Insurance Association of America (N.Y.) and nationally recognized authority on health insurance protocols relating to AIDS
Cost for the seminar is $195. To register or for more information, please call Jan Williams at (312) 763-5600 or Kelly Saterbak at (708) 423-1200.

N.Y. explosion is a costly lesson in loss control

By MARK A. HOFMANN

The explosion at the World Trade Center underscores yet again the need for sound, repeatedly reviewed emergency response plans, say loss-control and counterterrorism experts.

They caution, however, that no system is fail-safe. They also stress that there comes a point after which additional measures to conserve property or enhance security become economically unjustified.

Risk managers should avoid being sidetracked by exotic factors—like the center's status as the world's second-tallest building complex and the possibility that an international terrorist group was responsible for the blast—and focus instead on how the lessons learned in New York can be translated into everyday risk management, loss control and security experts agreed.

"Whether this is terrorism or not, it's the day-to-day activities we've got to face," said Herb Clough, president of Cointelsys International, a Beverly Hills, Calif.-based business security consultant.

Mr. Clough, a former FBI agent, said the incident underscores the need to implement "normal, prudent security procedures. I don't think you need to get paranoid."

Among the measures Mr. Clough advocates are:

- Controls on building access, particularly for high-profile buildings like the World Trade Center.
- Constant video recording of access points to provide a "visual trail" of comings and goings.
- Good lighting.
- Regular reviews of security measures.

E.C. "Mike" Ackerman, managing director of Ackerman Group Inc., a Miami-based security firm that is a consultant to Chubb Corp., said the bombing underscores the need to re-examine security in underground garages. Security arrangements will have to be upgraded, which could include searching vehicle interiors, he said. Visitors need to be screened as well.

"You have to establish that the person coming there has a legitimate purpose, and that's quite a headache. To screen is a major undertaking," said Mr. Ackerman.

He added that terrorism likely is not a nationwide problem, and extraordinary security measures could probably be confined to high-profile facilities in a few key cities like Chicago, Los Angeles, New York and Washington.

William O'Connell, partner and national director of business insurance consulting with Deloitte & Touche in Dallas, wasn't so sure that the response will be limited.

"I think you'll see things just like you saw in the early 1970s when skyjackings were prevalent," he said. High-profile potential targets might be ringed with metal detectors and X-ray machines, just like airport departure areas are, he predicted.

Although security is likely to be enhanced in the aftermath of the blast, Mr. Clough said, the most important preventive measure is a crisis management plan. Create a crisis management committee whose members have preassigned responsibilities and then test the plan regularly, he advised.

Managers of small businesses often think they don't need such a plan, when in reality they may need it more than larger companies because even a brief interruption can result in a fatal loss of capital, he added.

Planning is also at the heart of the loss control response to incidents like the World Trade Center blast.

Steven W. Sachs, vp-risk management for Hobbs Group, Arkwright Mutual Insurance Co.'s Columbia, Md.-based brokerage unit, said that under ideal circumstances, building tenants should take part in regular evacuation drills.

"The lesson to be learned is that things happen. Where it isn't practical to evacuate a high-rise, there ought to be an abbreviated practice," he said.

Mr. Sachs said every floor of a high-rise should have at least one "floor captain" and more than one if the floor houses more than one tenant. The floor captains ensure everyone gets to the proper exits and then conducts a final sweep to ensure no one is left behind.

One of the major problems in the World Trade Center blast was that smoke rose rapidly through the stairwells, choking people attempting to get out of the building.

Under normal circumstances, stairwells can be pressurized to control smoke, said Richard Davis, manager-construction section of Factory Mutual Research Corp.'s standards division in Norwood, Mass.

Clean air is injected into the stairwells to create positive pressure within the enclosed area. Then smoke doesn't migrate from areas outside the stairwell into the shafts, he said.

Maintaining adequate pressure is a "delicate balance," said Mr. Davis. As people enter the stairwells from various floors, the pressure is weakened. But, if too much pressure is created in the

Continued on next page

The IRI Difference:

IRI Provides Capacity and Stability Despite Record Catastrophes

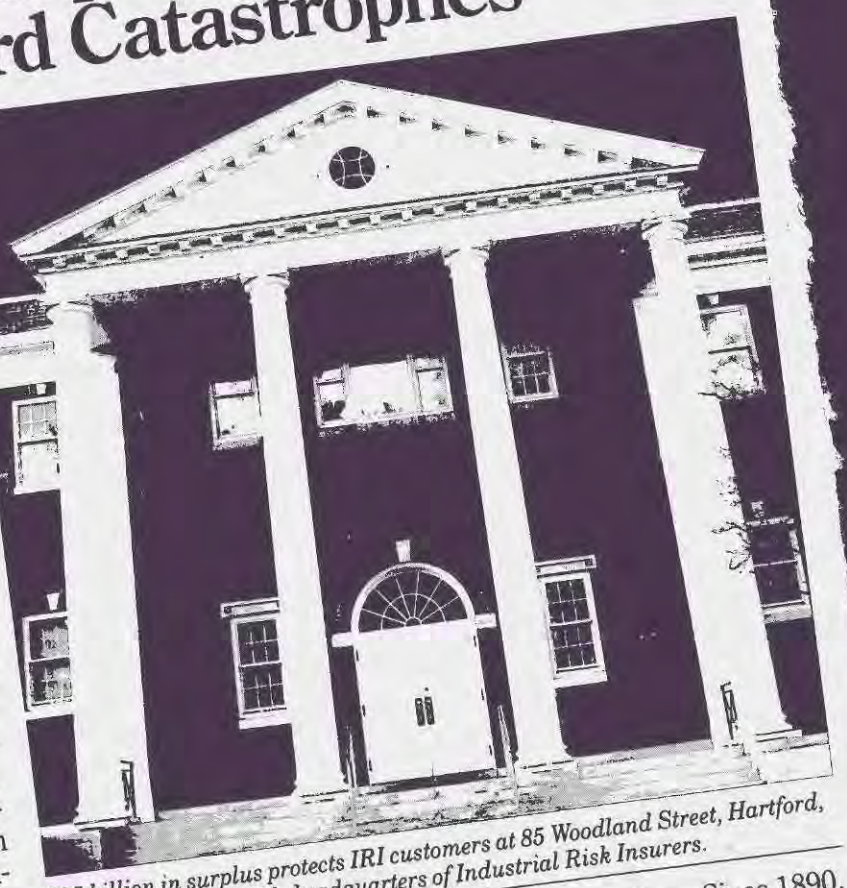
43 Member Companies: $134 Billion in Assets, $35 Billion in Surplus.

HARTFORD, CT—On a worldwide basis, the property catastrophe reinsurance market is shrinking. As a result, capacity is decreasing and costs are increasing. However, our customers and their agents or brokers are secure in the knowledge that IRI can meet their capacity needs, thanks to the financial strength of our 43 members, who stand behind each IRI policy.

During 1992—A Year of Catastrophes—the insurance industry was stunned by a record succession of disasters. Three of the ten all-time costliest insured events occurred in 1992—including Hurricane Andrew, the largest insured catastrophe in history. Already, several insurance companies have been pushed into bankruptcy because of 1992 property losses.

At IRI, we provide insurance programs that reflect more accurately the changing conditions of the marketplace and deliver customer service on a continuing basis. Both of these efforts are essential elements of The IRI Difference, which offers the highest level of confidence in property insurance transactions.

Regardless of changing market conditions, IRI continues to maintain a stable presence in the global HPR marketplace, offering blue chip capacity to commercial, industrial and service organizations. Since 1890, our customers have taken comfort in the fact that we are here when we are needed.



$35 billion in surplus protects IRI customers at 85 Woodland Street, Hartford, Connecticut, worldwide headquarters of Industrial Risk Insurers.

Bulletin: Warning for IRI Customers!

Some 100 tons of inferior steel flanges from China are being sold in the United States and Canada. The flanges are grossly unsafe and could fail catastrophically. Flange markings say they comply with ASME B16.5 and/or ASTM 105, but they do not. Some flanges marked "forged" were made by welding plates together, filling the gap with rod stock, and machining the part to look solid. All flanges marked "China," whether installed or in stock, must be investigated for fitness for service.

More information is available from the National Board of Boiler and Pressure Vessel Inspectors, 1055 Crupper Avenue, Columbus, Ohio 43229 or your servicing IRI office.

For more information concerning our global underwriting, claim handling and loss prevention services, contact your agent or broker, the IRI office nearest you, or IRI Marketing (800) 243-8308 (in Connecticut, call Trish Sasso 520-7412).

IRI℠ can make a difference

© 1993 Industrial Risk Insurers, Hartford, Connecticut

Continued from previous page
stairwell, doors won't open as easily, thereby threatening safety, he said. To maintain adequate pressure, stairwells are zoned, with the number of stories on any one zone limited to the pressurizing capability, he said.

Mr. Davis also advises installing a backup diesel generator to provide emergency lighting. The generator should have a minimum two-hour fuel supply, he said. In addition, the generator, fuel supply and associated material should be surrounded by a fire wall with a minimum two-hour resistance.

But smoke rising through the stairwells was not the only problem faced by people attempting to exit the World Trade Center. Communications faltered and phones failed.

"If there's no backup communications, it has to be done by word of mouth and that's always difficult," said Thomas M. Campbell, director of customer training at Arkwright in Waltham, Mass. Arkwright has been offering a special seminar on fire protection and prevention in high-rise buildings for several years (*BI*, June 3, 1991).

Mr. Campbell said that strategically placing cellular telephones throughout a structure is one solution to communications backup problems.

"I think cellular phones would be a great" response, Mr. Sachs agreed. Their effectiveness can be limited, though, if the emergency involves widespread natural catastrophe, he added. For example, people in the Miami area right after Hurricane Andrew found that cellular phones weren't much use at first because cells around Miami had been knocked out by the storm, he said.

Mssrs. Campbell and Sachs said there is no fail-safe way to guarantee that every system will remain operating during an emergency like the World Trade Center blast.

"The only thing that can work —and it depends on how much you want to spend—is you can build in redundancy, and that's expensive,' Mr. Sachs said, referring to extra backup systems. "I don't know that you can engineer these types of things at a price society's willing to pay."

The fact that there's no perfect system doesn't absolve risk managers of their responsibility to prepare as completely as they can for the unexpected, said Mr. Campbell.

"The biggest problem I find is apathy: 'It can't happen here.' We've found out again that it can happen to anyone anywhere." BI

Explosion

Continued from page 1
Trade Center for more than a month.

The complexity of restoring a myriad of operating systems damaged by the explosion led Port Authority Executive Director Stanley Brezenoff last week to announce that the towers would not reopen until April. He initially suggested the towers could reopen this month.

One of the few overall estimates of the bombing's economic impact came from New York City Comptroller Elizabeth Holtzman, who estimated that losses could climb to $1.07 billion if the Trade Center remains closed for a month. The estimate—which she said is "subject to a wide margin of error"—includes property damage and a variety of projected business losses. She estimated $360 million in losses in the first few days after the blast (see chart).

Meanwhile, federal agents last week arrested Mohammed A. Salameh, who authorities described as an Islamic fundamentalist who had rented a van that may have been used to carry explosives into the World Trade Center's underground garage.

While the Port Authority last week had not yet estimated its property or liability losses from the bombing, the agency said in a disclosure for a $100 million bond offering last week it does not expect losses to exceed its insurance limits. The agency sold the bonds easily, and Moody's Investors Service Inc. and Standard & Poor's Corp. affirmed the Port Authority's ratings despite the bomb damage.

"It's very early, but. . .I can't see where it will exceed any of those limits," said John Davison, the Port Authority's assistant director-treasury.

The preliminary estimate that Port Authority property losses will amount to about $150 million to $200 million includes property damage and loss of rent from World Trade Center tenants and payments from the Vista Hotel, said the official who made the assessment.

It would not include property damage to the Vista itself—which he could not estimate—or certain business interruption losses connected with Port Authority Trans Hudson train service, parking operations revenues and other items.

The Port Authority carries a $100,000 retention for property damage, with $600 million in insurance structured in several layers:

- A $10 million primary layer, with American Home Assurance Co., an American International Group Inc. unit, and The Home Insurance Co. each writing 50%.
- A $290 million excess of $10 million layer written by 11 insurers.

CIGNA Corp. underwrites roughly $130 million of the layer; Reliance Insurance Co., about $33 million; Home Insurance, about $30 million; Insurance Co. of the State of Pennsylvania, another AIG unit, $28.5 million; Continental Corp., $20 million; Navigators Insurance Co., $11.5 million; Commerce & Industry Insurance Co., another AIG unit, $11 million; Fireman's Fund Insurance Co., $11 million; Albany Insurance Co., a GRE of America Corp. unit, $5 million; New York Marine & General Insurance Co., $5 million; and United States Fire Insurance Co., a Crum & Forster Corp. unit, $5 million.

- A $100 million excess of $300 million layer written by four insurers. CIGNA writes $61 million of this layer; Fireman's Fund, $17 million; Reliance, $12 million; and Hartford Fire Insurance Co., $10 million.
- A $100 million excess of $400 million layer and another $100 million excess of $500 million layer, both written by Lloyd's of London syndicates and other London markets. The layers are led by Lloyd's syndicate 724, managed by Quill Underwriting Agency Ltd. Port Authority officials and property underwriters say the property coverage does not exclude terrorism.

The property coverage was brokered in the United States by Hamond & Regine in Mineola, N.Y. The London layers were placed by C.E. Heath P.L.C.

In previous years, the Port Authority relied more heavily on Lloyd's and London markets for its property coverage: Until 1990, the first $10 million was written by AIG but the first excess layer of $100 million was led in London by syndicate 210 managed by Sturge Nonmarine Syndicate Management Ltd., London sources say.

A further $200 million excess of $110 million was placed in the U.S. market.

However, the program changed to its current structure on renewal in June 1990, when the original London underwriters wanted to alter the coverage from an all-risk wording to specified perils, sources say.

The Port Authority's Mr. Davison said that London markets were generally tightening insuring conditions at the time and the agency "agreed to disagree" with London underwriters on terms, shifting the program's structure.

The Port Authority is currently litigating with scores of its U.S. and non-U.S. property insurers, including dozens of Lloyd's syndicates, to cover the costs of asbestos removal at properties owned, leased or operated by the Port Authority.

The properties included John F. Kennedy International Airport and LaGuardia Airport, PATH train facilities, the Lincoln and Holland tunnels connecting Manhattan and New Jersey, and several New York and New Jersey bridges and marine terminals.

This suit, filed June 1991, is still pending, along with other Port Authority suits against asbestos producers, said Jeffrey Green, the Port Authority's general counsel.

Meanwhile, the Vista Hotel—though part of the World Trade Center complex—is separately insured for property damage under policies issued to Ladbroke, the parent of Hilton International, according to Michael Friedman, executive general adjuster with GAB Services, which is handling claims for several Port Authority property insurers.

The Port Authority's lease agreement with Hilton International requires it to obtain property coverage for the Vista naming the Port Authority as an additional insured, Mr. Friedman said.

Mr. Davison could not comment on how the Port Authority and Hilton International insurance will respond to the Vista losses.

A spokeswoman for Hilton International would say only that the Vista is covered for terrorism and business interruption losses.

The Vista is covered under a property policy issued by CIGNA to Ladbroke.

CIGNA retains about 10% of risk and reinsures the remainder with the Ladbroke captive, Chancel Insurance Ltd. of the Isle of Man, managed by Alexander Insurance Managers (Isle of Man) Ltd., London sources say.

The captive buys facultative reinsurance covering in worldwide markets through Alexander Howden Reinsurance Brokers Ltd., the sources say. About 15% of the reinsurance is placed at Lloyd's, where it is led by syndicate 210 managed by Sturge. Other portions of the reinsurance are placed in the London and French markets.

The Port Authority is waiting to see how dire liability claims against it become. Though it has not estimated these losses, it expects them to be within the $400 million limits of its non-airport liability insurance. The Port Authority has separate liability coverage for its airport operations, Mr. Davison said.

Some lawyers have predicted a flood of claims from those injured in the blast and from the families of those killed, though only one complaint had been filed late last week (see story, below).

The Port Authority may also face claims for tenant losses not covered by business interruption insurance and subrogation claims from tenants' business interruption insurers.

The extent of these liabilities "remains to be seen. I wouldn't even hazard a guess on that," Mr. Davison said.

The Port Authority's non-airport liability program includes a $4 million self-insured retention, with $400 million in limits in four layers:

- A $100 million layer written by Lloyd's syndicates and other London markets, which is led by syndicate 724, managed by Quill Underwriting Agency.
- A $50 million excess of $100 million layer written by American Excess Insurance Assn., a consortium of U.S. insurers writing excess liability risks.
- A $100 million excess of $150 million layer written by Bermuda-based X.L. Insurance Co. Ltd.
- A $150 million excess of $250 million layer written by Bermuda-based A.C.E. Insurance Co. Ltd.

The chaos began just after noon on Feb. 26 when a bomb detonated in the garage below the Vista Hotel, blowing a crater 200 feet wide through seven levels of the World Trade Center complex.

The blast blew apart water and power lines, dumping 1.8 million gallons of water and knocking out generators and other equipment that controlled the towers' emergency lighting, communications and ventilation systems.

Smoke choked the towers' lower floors and quickly reached their highest floors. Steady evacuation of the thousands of workers through darkened stairwells continued past 10 p.m., with some descending more than 100 flights.

Five people were killed in the explosion, including four Port Authority employees; one person was still missing late last week. About 1,000 more were injured, most commonly citing smoke inhalation.

Law enforcement authorities, including the FBI and New York City police, last week began removing wrecked cars and debris from the garage, looking for clues to the bomb, believed to have consisted of 500 to 1,500 pounds of dynamite.

This search turned up evidence that helped FBI agents track the van that led them to Mr. Salameh.

Authorities couldn't reach the blast site itself, though, because floors and walls around it were dangerously unstable.

Eugene J. Fasullo, the Port Authority's chief engineer, described subsurface structural damage as "limited" and "local."

The Port Authority last week began working to shore up the complex's underground supports and restore damaged systems.

Workers cut through the floor of the ballroom at the Vista Hotel to lower steel beams to brace columns around the bomb crater. The structural repairs were described as crucial for the reopening of the hotel, which has been closed.

Further restoration work was slowed, though, because law enforcement officials needed to preserve the site to sift for evidence.

•

Mark A. Hofmann, Michael Schachner and Gavin Souter contributed to this report.

Economic aftershocks

City officials put the Feb. 26-28 impact of the World Trade Center bombing at $360 million.

REPAIR OF BUILDING DAMAGE	Cost ($ million)
Cleanup, window repairs	$5
Phone line repair	$5
Structural repair/reinforcement	$15
Replacement of equipment	$15
New security systems	$20
TOTAL	**$60**
BUSINESS LOSSES	
Loss of work at WTC (1 day)	$30
Inventory damage/loss	$20
Loss of business	$80
Records damage/loss	$20
Health-related costs	$15
Moving/temporary relocation	$30
New security/redundancy	$40
Traffic and transit disruption	$50
Legal and accounting	$15
TOTAL	**$300**

Source: Estimates by New York City Comptroller

GRAPHIC BY CHRIS ROY

Who's to blame? Answer unclear

By MICHAEL SCHACHNER

NEW YORK—Most plaintiffs' attorneys are not rushing to the courthouse in the wake of the World Trade Center bombing, claiming more dust needs to settle before liability can be assessed.

Lawyers spent much of last week fielding phone calls from businesses and individuals claiming physical and monetary damages from the Feb. 26 blast, but only one notice of claim had been filed with the Port Authority of New York and New Jersey as of late last week.

Several prominent New York personal injury attorneys said they may eventually agree to represent clients and sue the Port Authority, which owns and manages the twin towers, but only after more facts about the bombing are released by investigators.

Federal and local authorities attribute the massive explosion to a bomb in an underground parking garage. The blast killed five people and injured hundred of others.

Although dozens of terrorist organizations claimed credit for planting the explosive, investigators last week had a suspect in custody (see story, page 1).

Plaintiffs' attorneys say it is far too early to say whether negligence by the Port Authority contributed to the bombing.

"There's a possibility of negligence, which would make them liable. But you cannot know until you examine what happened," said Lee Kreindler, a partner with Kreindler & Kreindler. The New York firm represented the families of victims of Pan Am Flight 103, which was blown up by a terrorist bomb over Lockerbie, Scotland, in 1988.

Other lawyers agreed that more time is needed

Continued on next page

Contingency plans get workout

By MICHAEL SCHACHNER and DOUGLAS McLEOD

NEW YORK—Many World Trade Center tenants have far more experience than they'd like in catastrophes, but that experience appears to have paid off last week.

Using contingency plans drawn up after other recent catastrophes, the firms reassigned employees, set up alternative computer facilities and even closed deals that were interrupted by the Feb. 26 bombing.

Dean Witter & Discover Co., the complex's largest tenant, used a plan drawn up during the Gulf War. Officials spent most of the weekend of Feb. 27-28 assigning 4,500 employees to dozens of rented sites in New York and New Jersey.

Dean Witter, which occupies 30 floors, was likely spared severe property damage because its data processing is done in Dallas.

Following a 2-year-old emergency plan, Deloitte & Touche moved its 1,200 trade center employees to its Midtown Manhattan offices. That plan was drawn up after hundreds of employees were dislocated by a 1991 fire in Philadelphia (*BI*, March 4, 1991).

"Based on what happened in Philadelphia, we were probably better prepared to respond," said Russ Raman, director of marketing.

He could not confirm the extent of smoke and soot damage.

Investment management firm Fiduciary Trust Co. International moved nearly all of its 550 trade center employees to an emergency computer facility run by Comdisco Inc., which specializes in temporary relocations.

"We had some experience with this from the Los Angeles riots. Although it was a much smaller office, we had to move people from downtown L.A. to a Comdisco site 40 miles away. But it worked very well, as has this relocation," said George Mullen, a Fiduciary Trust senior vp.

Minutes after the blast, the firm's computer staff carried out all important documents and disks, Mr. Mullen said. "Now we're pretty much business as usual."

Fiduciary Trust says it has has extensive insurance to cover the high cost of relocation. Chubb Corp. is the lead underwriter of its business interruption coverage, said Michael Magdol, the chief financial officer at Fiduciary Trust. He estimated that the firm will incur insurable expenses of more than $1 million per month.

Guy Carpenter & Co. Inc.—which had 800 employees shut out of six floors of one of the twin towers—was conducting business from other locations the Monday after the Friday bombing.

Under an emergency plan, the reinsurance brokerage moved some of its people into other New York-area Carpenter offices and shifted some functions to offices in Philadelphia and Hartford, Conn.

Carpenter did not lose any records following the blast, said a spokesman, who would not comment on the firm's potential business interruption losses or its insurance.

Aetna Life & Casualty Co. had 350 employees in a commercial insurance office in one of the towers. Last week more than half were working in other New York-area Aetna offices, in agents' offices or from home, a spokesman said.

The company plans to move the operations to leased offices across the street from the World Trade Center until the towers reopen.

Aetna insures about 50 businesses with trade center offices. The insurer had received only one or two notices of business interruption losses last week, but expects more to be filed.

Kemper National Insurance Cos. last week moved 100 of its 273 World Trade Center employees to its Summit, N.J., office. Others were

Continued on next page

Lawsuit outlook

Continued from previous page

to determine whether the Port Authority could have done more to prevent the bombing and to set up contingency plans.

"Personally, I believe there will be a liability issue, but we have 10 months to file notice. There's no need to do it today," said Paul Rheingold, a partner with Rheingold & McGowan, which received several inquiries from businesses claiming to have sustained financial losses.

ernment entities sovereign immunity. But it does set a 10-month time limit on filing suit and requires public entities to be notified 60 days before a suit is actually filed.

"I see no reason to file a notice of claim less than a week after the bombing," said Joel Savit of the New York personal injury firm of Harry H. Lipsig & Partners. "At this point, I don't know how anyone could prove liability on the part of the Port Authority. If it was a terrorist attack, we'd have to know they irrationally failed to protect the building better."

Any future suits will most likely contend that the Port Authority failed to act on a 1985 anti-terrorism task force investigation into high-profile sites in major U.S. cities. That report allegedly indicated that the World Trade Center was susceptible to an attack similar to last month's bombing.

"If it becomes clear they didn't act on a memo that spelled out that the World Trade Center was vulnerable, then that would raise the possibility of legal action," said Mr. Kreindler, who has already been contacted by three people who said they were injured during the evacuation of the building.

"The Port Authority has the same duty as any landlord, and that's to foresee criminal conduct. If they carelessly ignored an official warning then we'll have a good case," added Mr. Rheingold.

One notice of claim has already been filed by the New York firm of Sullivan & Liapakis on behalf of a parking garage employee on duty at the time of the blast.

That employee alleges that he suffered head and torso injuries as well as post-traumatic stress as a result of the Port Authority's negligence said said Jeffrey Green, general counsel for the Port Authority. BI

Tenants' coverage

Continued from page 1

Unlike last year's Chicago "flood," where many of the tenants denied access to offices in flooded buildings had no property damage, most World Trade Center tenants incurred property damage from smoke and soot. That also will entitle them to business interruption and extra-expense coverage if the damage is severe enough to halt normal business once they re-enter their offices.

"The way I understand the loss, everyone will have some form of property damage," said William D. O'Connell, principal with Deloitte & Touche's risk management consulting division in Dallas.

The extent of the damage to individual offices is unclear since tenants have only been allowed in their offices for short periods of time.

With the reopening of the twin towers of the World Trade Center possibly a month away, some businesses that rely on the standard civil authority clause for coverage may find their limits exhausted before they can return to their offices.

"Some larger firms may buy up to six months' (coverage), but it's very unusual," said Suzanne Douglass, senior vp of Alexander & Alexander Services Inc. in New York. Policyholders commonly add two to four weeks of coverage to the standard two weeks.

"There's been increased emphasis" on the civil authority clause "because of the Meridian fire in Philadelphia," Ms. Douglass said, referring to a 1991 fire that swept through a downtown skyscraper and forced the relocation of tenants (*BI*, March 4, 1991).

"It's possible to extend the normal two weeks' coverage, but it's not common," said Tom Radziewicz, senior consultant with Towers Perrin/Tillinghast in Boston.

For World Trade Center tenants, "extra-expense might be the coverage that is most important in this loss," said Lawrence L. Drake, managing director of Marsh & McLennan Inc. in New York.

Unlike the hotel and restaurants affected, the business of the brokerages, financial institutions, law firms and accountants in the center is not tied to their location, Mr. O'Connell said.

"I suspect that the larger portion of the two claims will be extra expense," he said.

Extra-expense losses will be concentrated during the first two weeks after the disaster—during the period the civil authority coverage applies—as companies establish alternative sites, said Charles Fiske, group marketing director at Sedgwick James Inc. in Memphis.

However, if the World Trade Center is closed for two months, "business interruption could overtake extra expense," he said. "It's a situation where business interruption could carry on for some time."

Both coverages are "definitely worth the price," Mr. Fiske added.

"The costs are at historic lows for property and business interruption insurance," Mr. Drake said. "It shouldn't have been a burden for anyone to buy it."

"Business interruption is readily available," said Michael D. Dangelo, executive vp of Minet Risk Services, a unit of broker Minet Group P.L.C. "Underwriters think if you're a good enough risk for direct property damage, you're a good risk for business interruption."

Because limits and premiums for business interruption are based on sales, it's important to review the policy annually, brokers said.

Tenants generally should not be concerned that business interruption coverage will be voided because the explosion was an act of terrorism.

"There is no question of coverage," said a Chubb Corp. spokeswoman in Warren, N.J. "Terrorism is not excluded under our policy."

"If operations are shut down by ruling of civil authority, it's an insured peril," agreed Jim Black, vp and director of regional operations for Protection Mutual Insurance Co. in Park Ridge, Ill. "Most contracts would cover explosion; it doesn't matter if it's terrorism."

•

Michael Schachner contributed to this report.

Update

Andrew claims another victim

HARTFORD, Conn.—Connecticut regulators have seized control of Covenant Mutual Insurance Co., saying losses from Hurricane Andrew threaten the 196-year-old insurer's solvency.

Net Andrew-related claims of $19.7 million reduced Covenant's policyholder surplus to just $2.2 million. State law requires at least $4 million in surplus.

Covenant is the seventh U.S. insurer to fail under the weight of Hurricane Andrew claims, according to the Florida Insurance Department. And at least three other insurers have become insolvent due in part to heavy losses related to the 1992 storm.

California seizes comp insurer

LOS ANGELES—Alleging fraud and mismanagement, California regulators last week seized workers compensation insurer Pacific States Casualty Co., which is insolvent by $25 million.

The Chino, Calif.-based insurer, which primarily covered large companies, had assets of $84 million and liabilities of $109 million. State law requires a surplus of at least $3 million.

In its application for conservation, the state Insurance Department alleged that President and Chairman Rudolph Lowy had fraudulently misappropriated more than $5 million of company assets for his use, among other charges.

Pacific States wrote $77 million in premiums in 1992 for 1,275 workers comp policyholders in several industries.

The department said it intends to liquidate the company and that the state guaranty fund will pay all workers comp claims.

However, Milbank, Tweed, Hadley & McCloy, a Los Angeles law firm representing the insurer, said the conservation is "premature and perhaps unnecessary" and the allegations against Mr. Lowy are "equally unjustified."

Auditor cleared in fraud suit

NEW YORK—The New York State Supreme Court has dismissed a suit charging Coopers & Lybrand with fraud.

The Teachers' Insurance & Annuity Assn. sued the accounting firm in connection with a 1978 audit of Combustion Equipment Associates Inc.'s financial results.

TIAA that year made $12 million in loans to Combustion Equipment. In 1980, Combustion Equipment went bankrupt and could not repay the loans. Two years later, TIAA sued Coopers & Lybrand for $28 million, equaling the loan plus interest.

Under New York law, third parties generally do not have a cause of action for negligence against an accounting firm, which owes a duty of care primarily to the direct client, said Martin L. Perschetz of Schulte, Roth & Zabel in New York, Coopers & Lybrand's attorney. Therefore, the TIAA alleged fraud, he said.

"The jury determined that Coopers & Lybrand made statements of material fact that were untrue in their audit report on the financial statements of Combustion Equipment Associates," a TIAA spokeswoman said. "Unfortunately, the hurdle required to establish fraud is a difficult one." TIAA has not decided whether to appeal, but is "considering all options," she said.

"This sends a message that sophisticated investors and lenders who lose money in bad investments can't expect to recover their losses simply by suing innocent accounting firms," said Coopers & Lybrand Deputy Chairman and General Counsel Harris J. Amhowitz.

Briefly noted

Details of a recapitalization plan that would pump hundreds of millions of dollars into **Zurich Reinsurance Co. of New York,** a Zurich Insurance Group unit, are expected to be announced this week. The recapitalization is intended to establish Zurich Re as a major broker market reinsurance company. Steven M. Gluckstern, now president and chief executive officer of Centre Reinsurance Holdings Ltd. in Bermuda, a Zurich affiliate, is expected to head the new company. . . .Legislation jointly introduced in the House and Senate last week by 58 members of Congress would establish a single-payer, **Canadian-style national health insurance program**. . . .The state of New York has agreed to return $102 million to the **New York Property/Casualty Insurance Security Fund** in four annual payments beginning this year. The insurers charged that the Legislature had improperly appropriated the money (*BI*, April 8, 1991). . . .A New York appeals court ruled that Reliance Group Holdings Inc.'s directors and officers liability coverage does not cover a $21.1 million settlement with Walt Disney Productions Inc. shareholders who charged that Reliance elicited a huge **"greenmail"** payment from Disney to abandon its attempted hostile takeover of the company. . . .**Stuart Grayston**, the former head of Frank B. Hall & Co. Inc.'s Bermuda captive insurance and brokerage operations, has formed Grayston Consulting in Bermuda. . . .Employers could permanently provide employees up to $5,250 in **tax-free tuition reimbursement benefits** under the Clinton administration's new economic package. . . .**Edward Bloxham** is resigning as chief executive of R.H.M. Outhwaite (Underwriting Agencies) Ltd. to become chief executive of Cater Allen Lloyd's Holdings Ltd. . . .London market reinsurer **NW Reinsurance Corp. Ltd.** ceased underwriting last week, citing heavy catastrophe losses in recent years. . . .The liquidator of the **Bank of Credit & Commerce International** last week filed a second set of lawsuits against the bank's former auditors, Ernst & Young and Price Waterhouse, seeking around $10 billion in connection with 1986 and 1987 audits of BCCI. . . .Insurance executive Wade R. Waterman has been convicted on criminal charges of siphoning $5 million out of **American Commercial Liability Insurance Co.** of Grand Rapids, Mich., which is now in liquidation (*BI*, Oct. 21, 1991).

Continued from previous page
moved to Kemper offices in Philadelphia and Wallingford, Conn., as part of its disaster plan.

Kemper's business interruption losses shouldn't be significant if the trade center reopens within three or four weeks, said Donald Pence, a Kemper property claims officer.

Eight Kemper policyholders have offices in the trade center. Three had reported property losses last week, including smoke damage, damage to improvements and betterments, and business interruption, he said.

Not all companies had formal contingency plans in place. Cantor Fitzgerald Securities Corp., a large stock, bond and government securities trading firm, was scrambling last week to find alternative facilities for 750 World Trade Center employees.

Brokers found temporary space in the offices of several other Wall Street firms, a spokesman said. Other operations were shifted to Cantor Fitzgerald offices in Boston, Chicago, Dallas, Los Angeles and London.

Brokerage activities resumed last week. But the firm, a major dealer in U.S. government securities, was still working on restoring "limited" trading in this market last Friday after nearly a week of disruption.

The firm released no estimate of its losses or details of its insurance.

Only a few of the banks located in World Trade Center had formal prepaid contingency plans that allowed them to quickly hook up computer and phone systems and move employees off-site.

Many foreign bank tenants never believed they would need backup systems because they'd been told the buildings were among the world's safest.

One of the ones with a plan is Yasuda Bank & Trust Co., which moved its employees to a backup center several minutes away from the World Trade Center run by disaster-recovery firm Telehouse International Corp. of America Inc. Even on the day of the bombing, Yasuda was able to complete all its transactions.

Hilton International last week laid off 900 employees of the Vista International Hotel and a separate restaurant on the 107th floor of one tower. Hilton International manages both.

"While other companies operating in the trade center can relocate, in our business we just can't," a Hilton International spokeswoman said.

Hilton International will rehire the workers when the facilities reopen, she said.

●

Crain News Service contributed to this story.

Pollution cover dispute

Continued from page 2
lion. However, the settlement only covers injuries and property damage suffered by area residents; it does not cover cleanup costs.

In addition to Montrose, others agreeing to the settlement include Alcan Aluminum Corp.; Deutsch Co.; McDonnell Douglas Corp.; Northrop Corp.; Rockwell International; Rohr Industries Inc.; Quantum Chemical Corp.; Quemetco Inc.; and Riverside County, which had approved dumping at the site.

One defendant remains in the underlying litigation: the state of California, which helped set up the disposal site (*BI*, June 12, 1989). The trial will continue in Riverside County Court after a weeklong recess.

It was not clear how much each defendant was to pay under the settlement. Together, the nine companies named as defendants were responsible for dumping 60% of the chemicals at the landfill owned by James B. Stringfellow Jr. Defense attorneys would not say whether insurers contributed to the settlement, but sources close to the litigation believe some insurance proceeds are being used.

At least three defendants besides Montrose still are litigating with their insurers over coverage for pollution cleanup: They are Northrop, Rockwell and Rohr Industries.

Montrose's settlement of its Stringfellow liabilities will not deter the company from trying to win defense coverage from its insurers, said Kristine Wilkes, an attorney with Latham & Watkins in San Diego representing Montrose in the coverage litigation. "The appeal will go forward and is not mooted by the settlement."

The Stringfellow case is one of three underlying cases that led to the landmark continuous trigger of coverage ruling in *Montrose vs. Admiral*.

In addition to the Stringfellow case, Montrose is involved in a federal cleanup suit under the Superfund law and another civil suit seeking damages for its failure to disclose contamination of property that was sold in 1981.

Despite the partial settlement of the Stringfellow case, "There are still outstanding coverage disputes," Ms. Wilkes said.

Montrose, which manufactured DDT for use in pesticides from 1947 to 1982, purchased primary and excess comprehensive general liability insurance from seven insurers from 1960 to 1986. All but one—Admiral Insurance Co., which insured Montrose from 1982 to 1986—agreed to provide a defense.

Montrose sued Admiral seeking coverage of defense costs. The trial court ruled in favor of Admiral, which argued that the property damage and injuries stemming from the pollution did not occur during its policy period. The court also agreed with Admiral that a "manifestation" trigger of coverage should apply, meaning that only policies in place when the property damage or bodily injury became known or should have become known to the policyholder are liable.

But the 2nd District Court of Appeals in February 1992 rejected both arguments, ruling that the trigger of coverage in an environmental coverage dispute is "continuous" (*BI*, March 9, 1992).

Under the continuous trigger theory, if injury or damage is continuous or progressive throughout successive policy periods, coverage is triggered under all of the policies in effect for all relevant time periods.

The Stringfellow settlement will not affect Admiral's case now before the California Supreme Court, the insurer's attorney said. "The settlement doesn't really change *Montrose vs. Admiral*," said Jeffrey Burt, who is with Wilson, Kenna & Borys in Los Angeles. "Payment of defense costs is still under dispute."

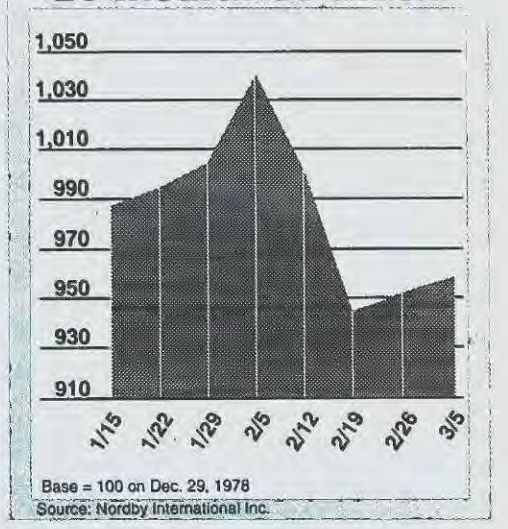
However, some attorneys who are closely following the litigation think the settlement may influence the high court's attitude when it considers whether the duty to defend is linked to the duty to indemnify.

Usually, "you can only defeat the duty to defend if you can prove there could not possibly be any indemnification," observed Tom Freeman, a policyholder attorney with Brobeck, Phleger & Harrison in San Francisco.

But if insurers did, in fact, contribute to the Stringfellow settlement, "how can you acknowledge coverage enough to pay the claim but not to pay to defend it? The practical answer from the insurance company's point of view is that 'we had the opportunity to settle the underlying case and cut our losses, but that doesn't mean we acknowledge a duty to defend.' "

The Stringfellow settlement, which still has to be ratified after a series of public meetings, brings to more than $96 million the damages defendants have agreed to pay some 3,800 plaintiffs. The plaintiffs, all residents of Glen Avon, Calif., a community just west of Riverside, sued the companies and public entities in 1985 claiming they suffered physical and mental injuries and property damage because of pollution. Some 34 million gallons of toxic chemicals were dumped at the site between 1956 and 1972. BI

BI Insurance Index



Insurance industry stocks continued to rise last week, as the *Business Insurance* Index climbed 6.1 points to 957.1 March 5 from 951.0 on Feb. 26. Advancing issues for the week were led by Guaranty National Corp., up 15.1%; Safeguard Health Enter., up 14.5%; and Orion Capital Corp., up 10.2%. Declining issues for the week followed FHP International, down 9.0%;PacifiCare Health Sys., down 8.9%; and United Fire & Casualty, down 7.5%. The most active issue was U.S. Healthcare, 13.2 million shares traded. The *BI* Index was up 0.6%; the NYSE Composite was up 0.8%; the Standard & Poor's 500 was up 0.6%; and the Dow Jones 30 Industrials rose 1.0%.

British Issues

Mar. 4 Companies	Price pence	P/E	Div. pence	Yield %	1 Week High—Low pence	pence
Comml Union	617	N/M	32.5	5.3	623—600	
Genl Accident	599	N/M	35.7	6.0	600—585	
Gdn Royal Exch	184	N/M	9.3	5.0	193—184	
Royal	296	N/M	6.7	2.3	300—295	
Sun Alliance	331	N/M	19.0	5.7	333—326	
Brokers						
Bradstock	139	16.4	6.8	4.9	139—139	
CE Health	368	21.3	21.3*	5.8	368—365	
Hogg Group	185	17.7	10.9	5.9	185—185	
JIB Group	184	14.0	10.0	5.4	186—184	
Lloyd Thompson	292	23.5	7.5	2.6	292—290	
Lowndes Lmbrt	351	13.9	16.8	4.8	352—351	
PWS Holdings	59	8.8	5.3	9.0	59—59	
Sedgwick Grp	162	19.5	8.0	4.9	162—161	
Steel Brrl Jones	243	11.8	17.7	7.3	243—238	
Willis Corroon	186	11.9	17.6	9.5	187—185	

Source: Philip Olsen, London * Estimated

BI Industry Stock Report

MARCH 1, 1993 THROUGH MARCH 5, 1993

		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	22.50	6.51	4.65	24.75	15.13	328	0.36	1.60	20	7.01	3.21
Alexander & Alexander	NYS	25.63	-1.91	-3.30	28.88	18.00	239	1.00	3.90	19	10.00	2.56
Gallagher Arthur J. & Co.	NYS	34.38	2.61	21.68	35.00	21.00	215	0.64	1.86	21	6.35	5.41
Hilb, Rogal & Hamilton	NYS	16.38	1.55	4.80	16.38	11.00	739	0.44	2.69	23	3.11	5.27
Marsh & McLennan	NYS	92.63	-2.24	1.37	97.63	71.25	405	2.68	2.89	22	14.40	6.43
Poe & Associates	OTC	17.00	0.74	1.49	19.00	11.25	40	0.40	2.35	22	2.64	6.44
BROKERS	AVERAGE		1.2	5.1					2.2	18		
CONGLOMERATES & HOLDING COMPANIES												
Berkley W.R. Corp.	OTC	46.75	-0.27	8.72	50.50	31.00	264	0.36	0.77	17	23.51	1.99
Berkshire Hathaway Inc.	NYS	12810.0	2.69	9.02	12900.0	8675.00	1	0.00	0.00	51	6437.25	1.99
ITT (Hartford Group)	NYS	77.50	2.48	7.64	77.50	62.50	1671	1.96	2.53	-29	68.23	1.14
Sears (Allstate)	NYS	53.00	0.24	16.48	54.75	37.75	3924	1.60	3.02	-9	40.18	1.32
CONGLOMERATES	AVERAGE		1.3	10.5					1.6	7		
INSURERS/REINSURERS												
AEGON N.V.	NYS	46.75	0.81	12.31	46.75	33.00	235	0.68	1.45	8	34.06	1.37
Aetna Life & Casualty	NYS	48.13	-1.79	3.49	53.75	38.00	913	2.76	5.74	88	67.08	0.72
Allied Group Inc.	OTC	42.25	3.68	33.07	42.25	18.75	293	0.64	1.51	13	11.29	3.74
Allmerica Prop. & Casualty	NYS	56.50	1.35	11.88	60.25	34.75	409	0.44	0.78	9	40.44	1.40
American General	NYS	29.75	1.28	-47.81	61.50	29.75	2112	2.20	7.39	6	39.89	0.75
American Heritage Life Ins.	NYS	31.88	0.00	5.37	33.88	24.88	1	0.84	2.64	15	16.51	1.93
American Indemnity/Fin'l	OTC	9.00	2.86	50.00	9.75	4.75	2	0.08	0.89	5	14.43	0.62
American International	NYS	122.00	0.10	5.17	127.88	82.00	1544	0.56	0.46	16	54.21	2.25
Aon Corp.	NYS	53.00	3.41	-1.85	55.50	39.75	307	1.68	3.17	18	27.17	1.95
Argonaut Group	OTC	31.00	6.44	1.64	33.25	25.50	120	0.84	2.71	9	21.70	1.43
AVEMCO Corp.	NYS	24.38	-1.52	4.28	28.00	21.00	32	0.40	1.64	30	7.33	3.33
Baldwin & Lyons Inc.	OTC	36.00	7.06	-1.37	36.50	26.50	13	0.48	1.33	9	30.85	1.17
Chandler Insurance	OTC	4.00	-5.88	-15.79	7.63	3.88	6	0.00	0.00	18	8.63	0.46
Chubb Corp.	NYS	91.13	-0.27	2.53	95.50	62.38	1070	1.60	1.76	13	40.67	2.24
CIGNA Corp.	NYS	60.50	-1.83	3.20	68.00	47.13	861	3.04	5.02	11	81.73	0.74
CNA Financial Corp.	NYS	91.00	-2.93	-7.14	102.88	78.50	82	0.00	0.00	-	80.24	1.13
Continental Corp.	NYS	26.38	0.00	-1.86	34.75	20.00	1006	1.00	3.79	12	38.32	0.69
EXEL Ltd.	NYS	47.38	5.87	0.26	51.00	32.13	902	1.00	2.11	9	N/A	N/A
Fund American Corp.	NYS	74.13	-0.17	2.95	74.50	62.50	47	0.00	0.00	54	81.85	0.91
Fremont General Corp.	OTC	40.13	3.55	16.30	40.13	17.00	221	1.08	2.69	9	25.62	1.57
Frontier Insurance Group	NYS	45.50	2.82	4.60	46.25	27.03	42	0.60	1.32	16	13.97	3.26
Gainsco Inc.	ASE	18.38	0.00	30.09	19.50	7.78	163	0.04	0.22	25	2.65	6.93
General RE Corp.	NYS	117.25	0.11	1.30	130.50	77.50	655	1.88	1.60	17	46.07	2.55
Guaranty National Corp.	NYS	23.75	15.15	20.25	23.75	13.50	339	0.48	2.02	15	9.12	2.60
Harleysville Group	OTC	26.75	-0.93	-5.31	32.75	17.75	103	0.64	2.39	11	16.77	1.60
Hartford Steam Boiler	NYS	58.50	0.21	1.30	59.25	45.13	156	2.12	3.62	22	19.74	2.96
Kemper Corp.	NYS	31.00	6.90	4.64	35.25	20.75	598	0.92	2.97	-9	37.66	0.82
Lawrence Insurance Group	ASE	7.63	-1.61	-11.59	10.25	7.00	4	0.48	6.30	17	4.66	1.64
Liberty Corp.	NYS	30.75	3.80	8.85	32.88	22.25	77	0.56	1.82	12	18.43	1.67
Lincoln National	NYS	76.25	2.73	2.91	78.25	50.50	329	3.04	4.04	10	58.92	1.28
Markel Corp.	OTC	35.25	-0.70	12.80	36.00	23.00	18	0.00	0.00	8	15.44	2.28
Mutual Risk Mgmt. Ltd.	NYS	39.88	0.31	-1.54	46.00	25.75	59	0.28	0.70	23	7.51	5.31
NAC Re Corp.	OTC	40.63	-0.91	0.31	44.75	21.75	385	0.16	0.39	71	13.60	2.99
National Re Corp.	NYS	34.50	-2.47	16.46	39.00	17.00	80	0.12	0.35	19	N/A	N/A
Navigators Group	OTC	32.00	0.00	-1.54	48.00	28.50	12	0.00	0.00	23	15.69	2.04
Nobel Insurance LTD.	OTC	7.13	-5.00	21.28	8.25	4.25	117	0.00	0.00	5	3.91	1.82
NWNL Companies	NYS	59.00	-1.05	15.97	62.13	29.75	221	1.48	2.51	14	46.21	1.28
Ohio Casualty Corp.	OTC	66.00	0.57	4.55	68.75	49.00	66	2.84	4.30	12	43.08	1.53
Old Republic Int'l	NYS	25.75	4.57	3.52	27.38	18.75	541	0.40	1.55	8	18.63	1.38
Orion Capital Corp.	NYS	43.38	10.16	22.61	43.38	23.19	153	0.80	1.84	8	28.62	1.52
Phoenix RE Corp.	OTC	26.00	0.97	65.08	26.00	8.88	288	0.20	0.77	-40	13.32	1.95
Provident Life	NYS	28.38	-1.73	-0.44	31.50	20.00	290	1.04	3.67	11	30.38	0.93
Re Capital Corp.	ASE	14.75	-4.84	-10.61	16.63	12.25	147	0.24	1.63	70	16.88	0.87
Reliance Group Holdings	NYS	6.25	2.04	2.04	7.13	4.00	180	0.32	5.12	3	2.94	2.13
RLI Corp.	NYS	27.50	-1.79	11.11	28.63	17.75	10	0.52	1.89	12	17.92	1.53
St. Paul Companies	NYS	77.63	0.00	0.81	83.25	66.50	517	2.80	3.61	-13	59.79	1.30
SAFECO Corp.	OTC	63.00	-0.40	11.01	64.50	42.00	762	1.64	2.60	15	35.37	1.78
SCOR U.S. Corp.	NYS	20.50	2.50	17.14	20.63	13.13	6	0.28	1.37	85	14.39	1.42
Seibels Bruce Group	OTC	1.81	-3.31	-3.31	6.13	0.38	60	0.00	0.00	0	6.22	0.29
Selective Ins. Group	OTC	25.00	4.17	13.64	25.75	16.75	72	1.12	4.48	12	20.22	1.24
Statesman Group Inc.	OTC	14.13	0.89	17.71	14.88	5.00	589	0.05	0.35	8	6.71	2.11
Tokio Marine & Fire	OTC	47.38	-0.52	-1.30	52.63	32.25	0	0.00	0.00	95	70.93	0.67
Torchmark Corp.	NYS	61.00	1.24	7.49	64.75	36.00	516	1.04	1.70	17	14.87	4.10
Transamerica	NYS	48.38	0.26	0.78	51.00	40.00	623	2.00	4.13	11	35.86	1.35
Transatlantic Holdings	NYS	52.00	-1.89	-7.35	56.75	29.38	159	0.28	0.54	18	21.85	2.38
Travelers Corp.	NYS	26.75	0.00	-1.83	30.75	17.13	978	1.60	5.98	-3	43.85	0.61
Trenwick Group Inc.	OTC	48.13	6.94	18.10	48.13	25.00	308	0.80	1.66	19	23.87	2.02
United Fire & Casualty	OTC	37.00	-7.50	-10.84	43.00	35.34	3	1.00	2.70	15	28.47	1.30
Unitrin	OTC	42.50	1.19	-0.58	44.00	32.75	133	1.20	2.82	13	36.51	1.16
UNUM Corp.	NYS	56.50	5.12	6.60	58.00	32.00	848	0.64	1.13	15	21.83	2.59
US Facilities Corp.	OTC	7.88	-5.97	-21.25	17.75	7.00	1165	0.00	0.00	8	9.64	0.82
USF&G Corp.	NYS	13.38	-2.73	8.08	15.00	8.00	1597	0.20	1.50	-79	10.29	1.30
USLICO Corp.	NYS	15.75	-1.56	-12.50	20.00	15.00	66	0.24	1.52	22	29.80	0.53
USLIFE Corp.	NYS	38.88	-3.42	7.24	42.63	28.41	270	1.20	3.09	13	64.90	0.60
Washington National	NYS	26.38	1.93	14.67	27.50	16.63	37	1.08	4.09	15	30.27	0.87
Zenith National Ins.	NYS	25.75	0.98	30.38	25.75	14.50	119	1.00	3.88	27	14.81	1.74
INSURERS/REINSURERS	AVERAGE		0.7	5.9					2.5	18.4		
HEALTH MAINTENANCE ORGANIZATIONS												
FHP International	OTC	19.00	-8.98	-5.00	29.00	12.50	2013	0.00	0.00	18	9.61	1.98
Pacificare Health Sys.	OTC	33.25	-8.90	-34.80	57.50	25.25	535	0.00	0.00	18	3.90	8.53
Safeguard Health Enter.	OTC	8.88	14.52	-8.97	14.75	7.00	25	0.00	0.00	11	4.03	2.20
Sierra Health Services	ASE	14.88	1.71	-31.21	21.69	8.06	443	0.00	0.00	13	2.01	7.40
United Healthcare Corp.	NYS	47.00	6.21	-17.36	68.00	34.25	3536	0.03	0.06	28	4.68	10.04
United Medical Corp.	ASE	9.13	0.00	43.14	9.75	6.13	2	0.20	2.19	22	10.30	0.89
U.S. Healthcare	OTC	42.50	1.19	-4.76	59.75	29.00	13194	0.52	1.22	23	3.60	11.81
HMOs	AVERAGE		0.8	-8.4					0.4	17		
ALL COMPANIES	AVERAGE		1.0	3.3					2.2	17		

System design: Nordby International Inc.

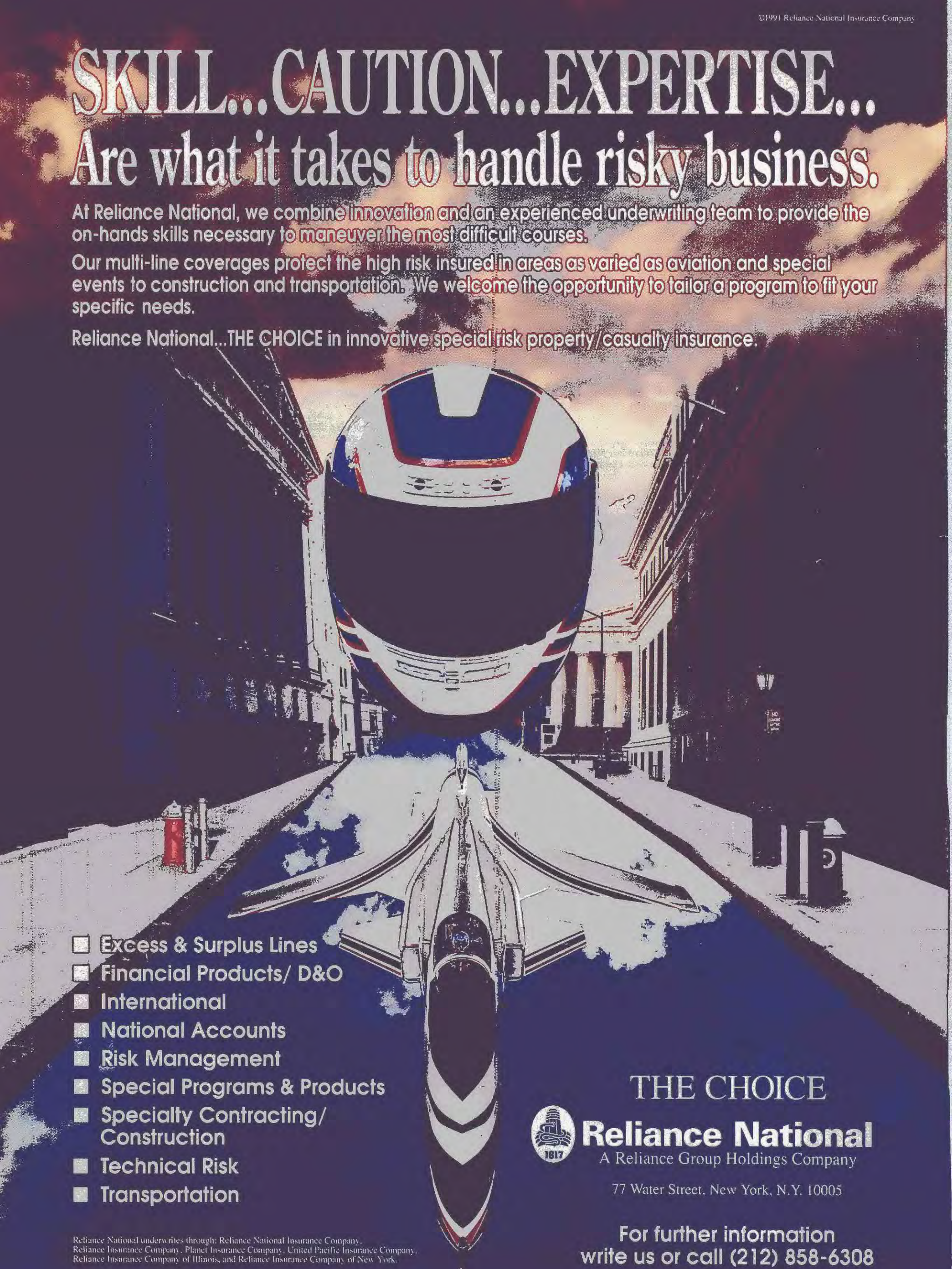
©1991 Reliance National Insurance Company

SKILL...CAUTION...EXPERTISE...
Are what it takes to handle risky business.

At Reliance National, we combine innovation and an experienced underwriting team to provide the on-hands skills necessary to maneuver the most difficult courses.

Our multi-line coverages protect the high risk insured in areas as varied as aviation and special events to construction and transportation. We welcome the opportunity to tailor a program to fit your specific needs.

Reliance National...THE CHOICE in innovative special risk property/casualty insurance.



- Excess & Surplus Lines
- Financial Products/ D&O
- International
- National Accounts
- Risk Management
- Special Programs & Products
- Specialty Contracting/ Construction
- Technical Risk
- Transportation

THE CHOICE

Reliance National

A Reliance Group Holdings Company

77 Water Street, New York, N.Y. 10005

For further information write us or call (212) 858-6308

Reliance National underwrites through: Reliance National Insurance Company, Reliance Insurance Company, Planet Insurance Company, United Pacific Insurance Company, Reliance Insurance Company of Illinois, and Reliance Insurance Company of New York.