

OCTOBER 18, 1993

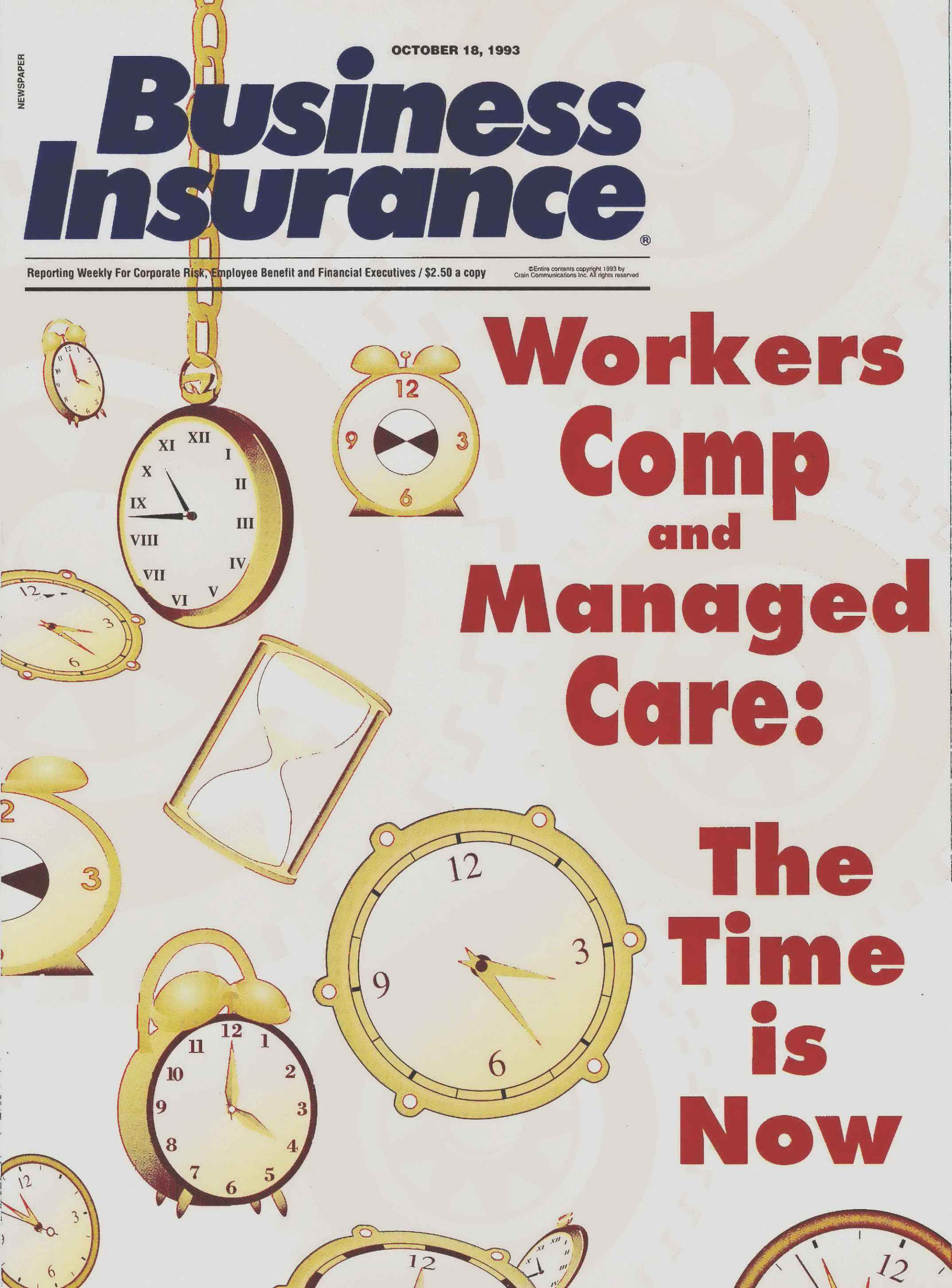
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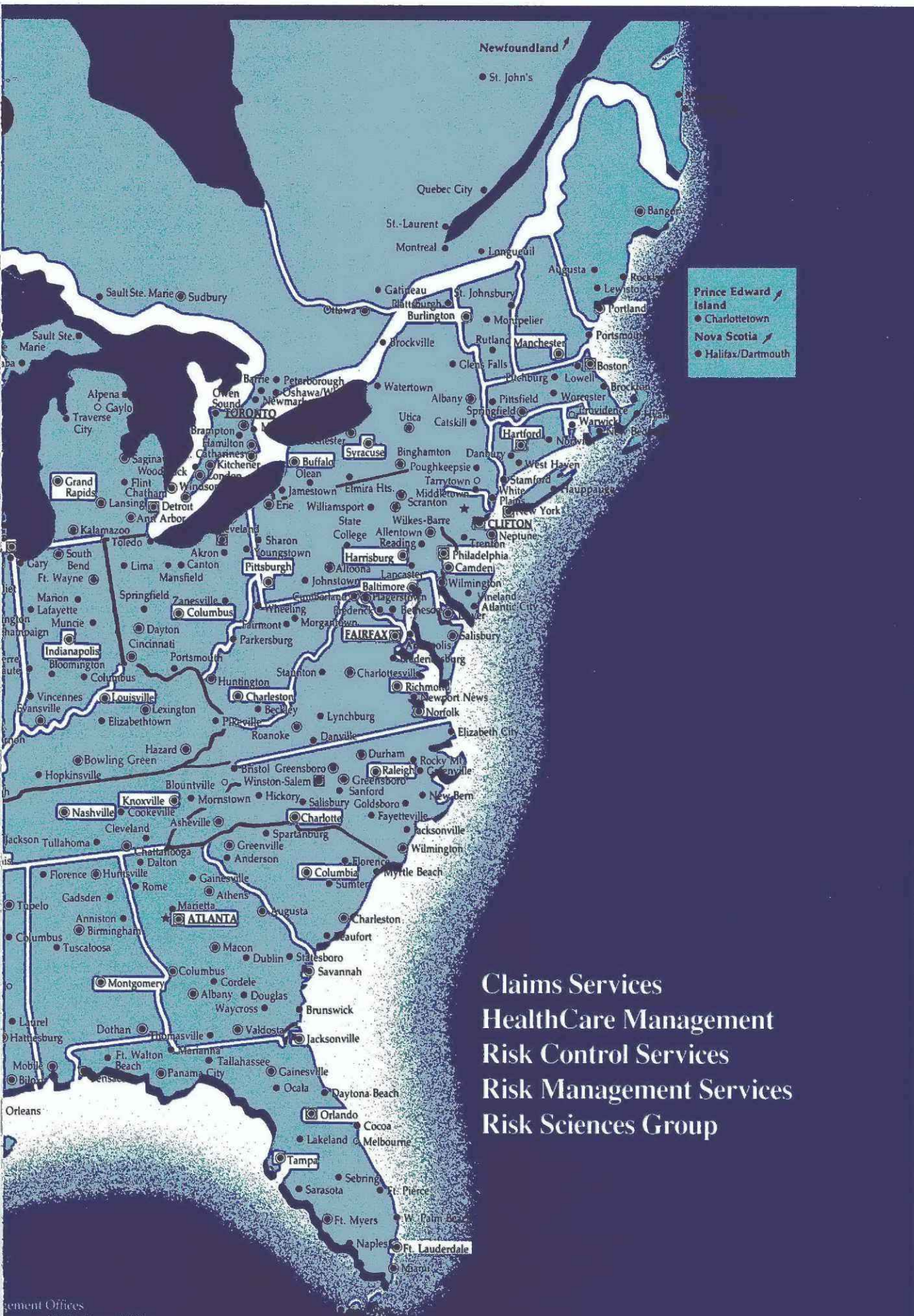
Workers Comp and Managed Care:

The Time is Now



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GRAHAM MILLER



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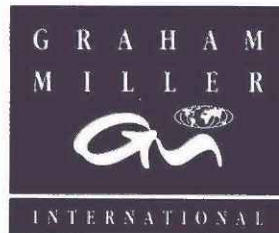
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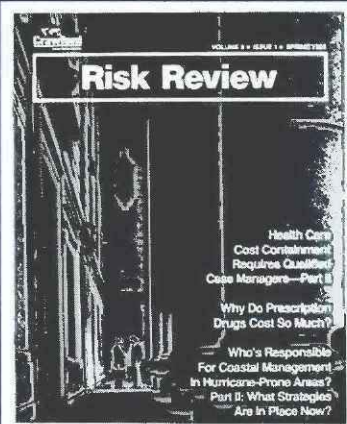
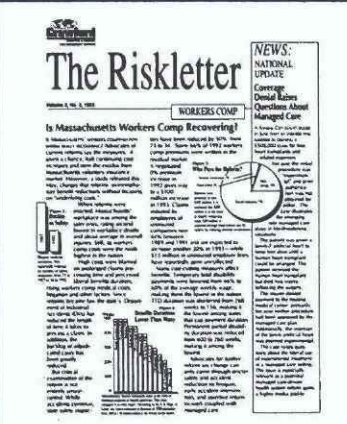
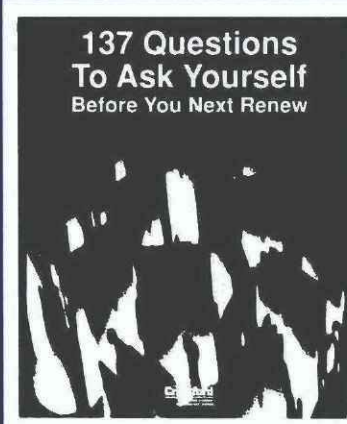
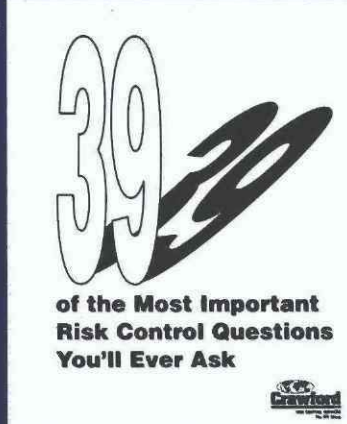
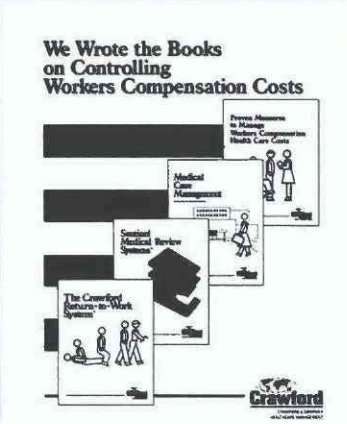
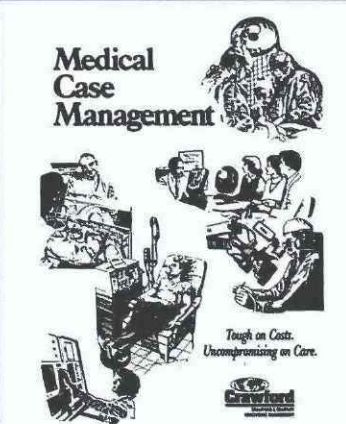
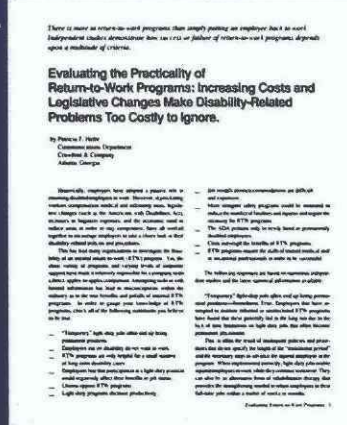
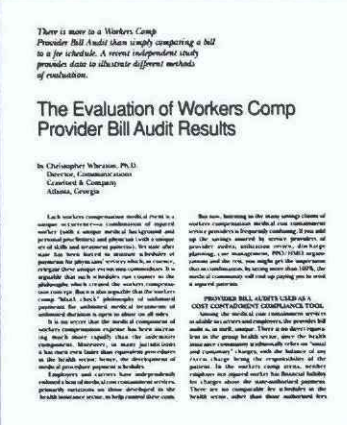
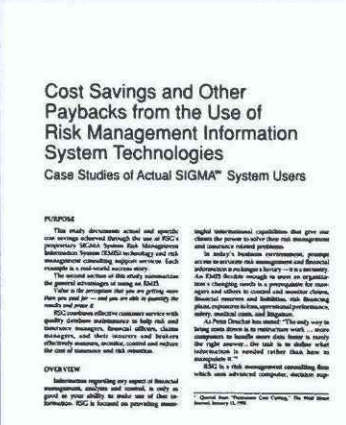
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Update

Business Insurance

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Travelers to acquire 51% stake in Merrett underwriting agency

LONDON—Travelers Corp. plans to become the first insurer to take a majority stake in a Lloyd's of London agency by buying 51% of Merrett Underwriting Agency Management Ltd.

A unique new company, which would be called "NewMA" and would have to be approved by Lloyd's, would underwrite on behalf of Travelers and individual names. Units of Marsh & McLennan Cos. Inc. and J.P. Morgan & Co. Inc., along with current Merrett staff, would provide

Continued on next page



Texas Gov. Ann Richards' appointee, J. Robert Hunter, is expected to be sworn in as the state's new insurance commissioner Nov. 1.

New Texas job but same ol' Bob

Consumers to remain focus in new post

By NANCY P. JOHNSON

AUSTIN, Texas—Texas Gov. Ann Richards got a Christmas present early this year: J. Robert Hunter as the state's insurance commissioner.

The news that the nation's most visible insurance consumer advocate will take the top Texas regulatory post draws praise from consumer groups and high hopes from business groups. Insurer groups, though, temper their expectations with carefully worded warnings that he must give insurers a fair shake.

Mr. Hunter is expected to be sworn in by Nov. 1 for a term that will end Feb. 1, 1995. Thereafter, the post runs for two-year terms, at the appointment of the governor. Gov. Richards is up for reelection next November and may face a challenge from Republican George W. Bush, the managing

general partner of the Texas Rangers and son of former president George Bush.

The insurance commissioner position is a new one, replacing a three-member board that is scheduled to go out of existence no later than Sept. 1, 1994.

The job will be a big one. The state's \$35 billion insurance market is the third largest in the nation. Mr. Hunter will oversee a department with an annual budget of \$45 million and more than 1,000 employees.

His salary, too, is Texas-size. At \$150,000 a year, it far outstrips those of the other highest-paid commissioners.

While Mr. Hunter—currently president of the Alexandria, Va.-based National Insurance Consumer Organization—is something of an enigma among risk managers and business groups in

Continued on page 77

Court orders utility to pay for 'cancerphobia' losses

By DAVE LENCKUS

ALBANY, N.Y.—Power utilities in New York must reimburse landowners whose property values plummet because of public fears—regardless of scientific evidence—that high-voltage power lines on their property cause cancer, the state's high court says.

The New York Court of Appeals' decision overturns rulings by lower courts that the landowners had to prove that the public's fear is scientifically justifiable.

But, the unanimous decision is not a ringing endorsement of "cancerphobia" claims in litigation that does not involve issues of eminent domain or inverse condemnation, attorneys say.

"I do not think the Court of Appeals has put its seal of approval on cancerphobia cases," said plaintiffs attorney Charles Stewart of Anderson, Kill, Olick & Oshinsky in New York.

The case centers on the alleged devaluation of about 100 acres of rural property in central New York after an electric utility erected high-voltage power lines on the tract.

The New York Power Authority, invoking eminent domain, appropriated land from dozens of property owners for its Marcy-South Power Line project in the 1980s. The 206-mile-long project, which stretches from near Utica to Dutchess County, is part of a larger project that brings cheaper

hydroelectric power generated in Quebec to New York City.

Among the land parcels the utility seized were about eight of the 108 acres owned by Joseph and Dominick Criscuolo in Delaware County. The Criscuolas and their families used the property, which originally featured an orchard of cherry, apple and hard maple trees and attracted wild game, for their residences.

The power authority cut down the orchard to erect the power lines. And, the game disappeared soon after construction was completed.

The Criscuolas and other landowners sued the utility to recover their alleged loss in property

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Age-weighted dilemma

By JERRY GEISEL

Clinton proposal could derail some defined contribution plans

WASHINGTON—A Clinton administration proposal to stamp out abuses in age-weighted profit-sharing plans could curb or eliminate other types of defined contribution plans.

Age-weighted plans are basically those in which an employer's contribution increases with the employee's age.

The proposal also could affect defined contribution plans that link contributions to the number of years an employee has worked and plans that base contributions on a hybrid of age and years of service.

Ironically, this measure comes just after the Internal Revenue Service published its final pension non-discrimination rules, which validate age-weighted plans.

Now, the Clinton administration

says age-weighted plans should be eliminated because they do not distribute benefits equitably.

The administration proposal will be included in legislation to shore up the financial base of the Pension Benefit Guaranty Corp. That legislation is expected to be introduced soon (BI, Oct. 11). Under the legislation, existing age-weighted plans would have to be amended by the end of next year.

Earlier this month, administration officials, led by Assistant Treasury Secretary Leslie Samuels, attacked age-weighted plans. Mr. Samuels said the plans are no more than tax shelters for high-paid employees.

"These plans now allow substan-

tial tax shelter for high-paid employees, while providing little benefit for rank-and-file workers and none of the protections provided under defined benefit plans," he said.

The Treasury official said that age-weighted plans could enable a company to make a contribution as much as 100 times higher for an older, high-paid employee as for a young, low-wage worker.

Another Treasury Department official later said that the administration intends only to eliminate "abusive" age-weighted plans, but he did not elaborate. Legislative language that defines "abusive" and details the approach to eliminate

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Not what the doctor ordered?

Clinton health plan could do more harm than good, some employers say

By NANCY P. JOHNSON

President Clinton's health care plan will create big winners—and losers—among employers if implemented in its current form.

The plan would have vastly different effects on corporate health costs, depending on factors such as company size, workforce demographics, and current health costs.

Three employers interviewed by *Business Insurance*—a large food conglomerate with few part-timers; a large manufacturer with many retirees; and a small construction firm—have calculated what President

Clinton's proposed package would mean for their current health care plans. Two of the three are not pleased with what they found.

The Quaker Oats Co. might have to scrap its flexible spending account under a Clinton-style health package. A hit with employees, the FSA has helped the company keep cost increases in check.

"Investment in our plan will be all for naught if the Clinton plan forces us to go into

a regional alliance," said Robert C. Penzkover, director-employee benefits at Quaker Oats in Chicago.

Under the president's health care proposal, employers with more than 5,000 employees would be able to form their own corporate health care alliance and opt out of regional

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Robert Penzkover of Quaker Oats believes that one of the worst aspects of Clinton's health care reform proposal is that employers will lose control over plan design.



AP/Wide World Photo

Update

Travelers to buy into Merrett

Continued from previous page
the minority capital.

In a letter to members agents, Stephen Cane, managing director of MUAM parent Merrett Holdings P.L.C., explained that the company hopes Travelers will acquire "certain assets (but not prior liabilities) of MUAM Ltd. at a fair value."

As envisioned, NewMA would write business for an insurance company, as well as for the syndicates it manages. The insurer and syndicate would operate on a "consortium" basis, each writing part of a risk. Merrett hopes the "consortium" will be able to underwrite in all 50 states, as well as in the United Kingdom.

CalPERS seeks lower costs

SACRAMENTO, Calif.—The California Public Employees' Retirement System has told 18 HMOs that cover 900,000 California public employees and their dependents that it wants a 5% premium reduction next year.

CalPERS, which buys health care for the state government and for 850 cities, counties, school districts and other public agencies, last week said it expects the rollback to be effective for the 1994-1995 plan year that begins in August 1994. Benefits would be unchanged.

"There are many areas of waste, overutilization, excessive payments and profits that managed care companies should be able to control," said Tom Elkin, chief of the CalPERS health program.

"We will try to keep working with them as partners," said a spokeswoman for Kaiser Permanente, one of the HMOs. "This is not an ultimatum but an expectation. We certainly have sympathy for the purchasers of health care."

Managed care stocks fell after the Oct. 13 CalPERS announcement. "I don't expect all plans will play ball," said Randy Huyser, managing director at stock analyst Furman Selz Inc. in San Francisco. "But at the very minimum there will be no increases" in most HMO premiums next year for CalPERS.

Garamendi may sue over laws

SACRAMENTO—California Insurance Commissioner John Garamendi is threatening to file suit to invalidate two insurance-related bills signed into law by Gov. Pete Wilson last week.

Mr. Garamendi said S.B. 905 and A.B. 1086 are illegal under Proposition 103.

S.B. 905 relieves agents and brokers from having to rebate their commissions to pay Prop. 103 rollbacks. The bill will cut rebates to policyholders by as much as 20%, Mr. Garamendi contends.

A.B. 1086, effective Jan. 1, allows agents and brokers to use advisory manuals with market information such as rating factors in shopping for coverage. Mr. Garamendi and other critics argue that such manuals would encourage price-fixing (*BI*, Aug. 16).

"It is ironic that (Mr. Garamendi) is using the threat of litigation to evade the law—something that he consistently has accused the industry of doing," said a spokesman for the Alliance of American Insurers in San Francisco.

Another bill signed by the governor, A.B. 871, is designed to lift the freeze on rate increases imposed by Mr. Garamendi during insurer challenges to his rollback orders. The bill requires the commissioner to act on rate increase applications within 180 days of their receipt.

The governor also signed: A.B. 919, which bars physicians from referring patients to health facilities that physicians own; A.B. 865, which establishes a Surplus Lines Advisory Committee to assist the commissioner in regulating; and S.B. 625, which imposes a tax of 3% on direct purchases of insurance through out-of-state insurers or brokers. A 3% tax is already applied to purchases from in-state insurers or through surplus lines brokers.

Occidental fraud indictments

LOS ANGELES—Four men, including a former official of Bayly, Martin & Fay International Inc., are facing charges that they defrauded Occidental Petroleum Corp. of \$22.5 million on phony property reinsurance placements in 1985.

A federal grand jury has indicted the four on charges of pocketing Occidental premiums after placing reinsurance for Occidental's Bermuda captive with a non-existent reinsurer. While Occidental believed its coverage was with Phoenix Assurance P.L.C. of London, the reinsurance was actually written by a bogus company with a similar name (*BI*, July 14, 1986; Feb. 10, 1986).

Named in a 19-count fraud and conspiracy indictment are: William A. Baxter, a former BMF executive vp; Gary I. Hoskie, a Boca Raton, Fla., broker; Ronald Ian McGuire, a broker based in the United Kingdom; and Gordon W. Clark, a Canadian airline pilot who allegedly acted as the phony reinsurer's agent.

Most of the \$22.5 million premium Occidental paid disappeared into Swiss bank accounts. Of the total, Mr. McGuire received \$2.7 million, Mr. Baxter got \$1.125 million, Mr. Clark received \$400,000 and Mr. Hoskie got \$369,000, the indictment charges.

A "substantial amount" of the money also went to Lawrence I. Solow, the indictment says. Mr. Solow, extradited from Spain in 1987, is serving a 15-year prison term on convictions stemming from the Occidental fraud and an unrelated bank robbery case.

Messrs. Baxter, Hoskie and Clark pleaded not guilty at arraignments this month and were released on bond. Mr. McGuire is fighting extradition from the United Kingdom, according to Ellyn Lindsay, assistant U.S. attorney in Los Angeles. The charges carry prison terms of five or 10 years and fines of up to \$250,000 apiece.

BMF and its errors and omissions insurers paid Occidental \$32 million to settle civil litigation over the reinsurance fiasco.

Updates continued on page 78

Court struggles to define sexual harassment

By CHRISTINE WOOLSEY

WASHINGTON—In the first substantive sexual harassment case to come before the nation's highest court since 1986, the Supreme Court justices appear to be far from a consensus on what constitutes sexual harassment in the workplace.

In fact, some observers fear the high court may not set any standards and may remand the case, *Harris vs. Forklift Systems Inc.*, to the lower courts.

The EEOC supports easing employees' burden of proof in discrimination suits. Page 76

If the court does not provide more guidance on the issue, sexual harassment litigation will continue to pose a serious financial threat to employers.

"Sexual harassment has turned into a lot bigger issue for business" in recent years, said Stephen Bokart, vp and general counsel for

the U.S. Chamber of Commerce in Washington. And, "passage of the 1991 Civil Rights Act has the potential to cost business a lot of money," particularly given the expanded remedies for job discrimination that the law set forth.

The act partially eases the standards by which plaintiffs can bring and win job discrimination suits and allows plaintiffs to recover not only back pay and lost benefits but also new compensatory and punitive damages and a

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Expanding defense cover

Work comp insurer to defend wrongful termination suit: Court

By JOANNE WOJCIK

SAN DIEGO—Workers compensation insurers must defend employers against wrongful termination suits if those suits allege an injury that is covered under workers compensation law, says a California appeals court.

If followed by other courts, the Oct. 7 decision could open up millions of dollars in defense cost coverage that has been excluded from the employer liability por-

tion of the two-part workers compensation insurance policy since the mid-1980s.

Because many wrongful termination suits allege emotional distress from sexual harassment or discrimination, the decision has the potential of providing coverage to defend these claims as well.

"It's an excellent ruling for employers," said Grace A. Carter, a partner with Paul, Hastings, Janofsky & Walker in Los Angeles who represents policyholders in

coverage disputes.

"It reflects a trend of finding defense coverage for wrongful termination cases, at least under work comp policies. While some of the California decisions have continued to find no coverage under CGL policies, you really only need one," she pointed out.

Many workers comp insurers have been accepting part of the defense responsibility in such cases. Early on, they set litigation

Continued on page 70

Judge rules members can sue agents

Lloyd's settlement in jeopardy

By ADRIAN LADBURY

LONDON—Some Lloyd's of London names may opt out of negotiations for a marketwide settlement and press their claims against members and managing agents in court, following a recent court ruling.

Justice Saville of the High Court in London decided Oct. 11 that members agents can be held liable for the activities of the

managing agents to which they "delegated" their underwriting responsibilities through agency agreements used until 1990.

He also found that under contract law, managing agents owe a duty of care to names for the underwriting they carried out directly on the names' behalf. Managing agents also owe a duty of care to names placed on a syndicate by a members agent under tort law, the judge said.

Justice Saville considered the claims brought by three member action groups—Gooda Walker Action Group, Feltrim Names Assn. and Merrett 418 (1985) Names Assn.—in setting this legal precedent.

Justice Saville's judgment, which settles a preliminary issue in some 37 lawsuits involving losses totaling 3.5 billion pounds (\$5.33 billion), brought some clarity.

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X.L. to write excess property

By ROGER SCOTTON

HAMILTON, Bermuda—Excess liability insurer X.L. Insurance Co. Ltd. is cautiously dipping a toe into new waters.

The company, which recently altered its mission statement to allow it to broaden its underwriting, is offering to write the uppermost \$50 million layer of property insurance excess of at least \$300 million of underlying coverage.

The excess property coverage is

Insurer to write a \$50 million layer for current clients

for physical damage only. It does not include business interruption and is only being offered to a limited number of X.L.'s existing policyholders. The policies are based on a modified version of the Oil Insurance Co. Ltd.'s property form.

X.L. says it expects \$20 million to \$30 million in excess property premiums in the next year.

"In the second year, we'll see what other needs and opportunities exist, but in the beginning the focus will be on our petrochemical clients, numbering between 60 and 65 excess liability accounts," said Senior Vp Bruce Connell.

He said this cautious approach would "let us get our hands around this class of business in

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Inside

• The Treasury Department's Superfund proposal is the best proposal to date for equitable reform, this week's editorial says. **PAGE 8**

• An E.C. court ruling limits the retroactive payments employers must make to equalize pensions. **PAGE 71**

• The risk of natural catastrophe losses in Asia requires careful analysis, say experts at the Singapore International Reinsurance Conference. **PAGE 71**

• Lower investment income may be the catalyst that finally prompts a turn in commercial insurance rates, says stock analyst Leonard M. Wilson. **PAGE 79**

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Spotlight report

Workers Compensation

There's more to managing workers comp care than using network

By CHRISTINE WOOLSEY

Employers implementing a workers compensation managed care program need to do more to hold down costs than simply contract with a network of designated providers who agree to grant discounts.

The only way to successfully control costs is to implement a program that takes a comprehensive approach to controlling the entire workers comp process.

A winning program will not only focus on directing injured workers to the most cost-effective health care providers, but also supply workplace safety consulting and training, effective utilization and claims management, targeted rehabilitation and patient advocacy services.

Some employers have slashed their workers comp expenses significantly by taking this more holistic approach.

Oakland, Calif.-based Safeway Inc., for example, has saved more than \$16 million since implementing a comprehensive program in 1986, said Michael Herberger, manager of corporate workers compensation for the retail grocery chain.

As part of its strategy, the self-insured, self-administered company developed a customized provider network to treat injured workers.

Controlling employees' choice of treating providers is becoming a more popular cost containment weapon for battling workers' compensation costs. But employers that have such networks in place are in the minority.

Historically, state laws have prohibited employers from interfering with an injured worker's choice of physician or hospital, but those restrictions are changing nationwide. In fact, according to the Workers Compensation Research Institute, 42 states currently allow employers to limit provider choice in some way.

However, evidence that restricting provider choice has restrained medical costs has been mixed, the WCRI reports. Some studies indicate that such restrictions may hold down increases in workers comp medical costs. But, one study found that states where employers can legally restrict injured workers' choice of physicians had higher workers comp medical costs than states that allowed employees to seek treatment from any physician, according to the WCRI.

"Too many people are out there promoting a provider network as a solution" to skyrocketing workers comp costs, charged Jim Walter, president of ManagedComp Inc., a subsidiary of Tufts Associated Health Plans in Boston. But employers must deal with the whole workers compensation process, from pre-injury to an employee's return-to-work, he said.

Workers compensation costs American businesses about \$60 billion annually, of which at least \$20 billion is spent on medical care, according to Mr. Walter. Much more can be achieved by taking control of the overall \$60 billion problem.

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A pilot program in Florida to provide workers comp care in a managed care setting indicates substantial savings are possible Page 6

A Midwest clothing manufacturer says that a managed care program sews up any loose ends not covered by its injury prevention programs Page 10

An impending or recent plant layoff should be one of the "red flags" used by employers and insurers to watch for fraudulent workers comp claims Page 12

The increasing challenge of controlling rising workers comp medical costs requires greater cooperation between risk and benefit managers Page 16

Aggressive management of the prescribing and dispensing process can shave about 20% off workers comp prescription drug costs Page 20

California employers await regulations from the state that will clarify sweeping vocational rehabilitation reforms Page 21

Experts warn employers that easy access to wrist splints may only compound workers' cumulative trauma injuries Page 22

State administrators say health care reformers are not fully aware of the complexities of providing workers comp care within a national health care program Page 66

GRAPHIC BY CHRIS ROY

Time for change in workers comp?

State, federal lawmakers pave way for introduction of managed care programs

By MEG FLETCHER

Many believe the time is now for including managed care in workers compensation.

The concept, used since the 1970s primarily for controlling group health care costs, is being increasingly considered as a way to help contain rising workers comp medical costs.

Employers and insurers are seizing on the concept with surprising speed and adopting what they hope will be cost-effective approaches to treating workers' job-related injuries and illnesses.

Legislators in several states this year have passed laws to make it easier for employers and insurers to adopt various managed care procedures within workers comp coverage.

Even President Clinton's health care reform proposal, which calls for coordinating workers comp medical treatment with general health care benefits, calls for elements of managed care.

Amid this flurry of developments, employers must remember that the movement toward managed care in workers comp is based more on optimism and data generated within the health benefits arena than on long-term data on managed care's effectiveness within the workers comp environment.

Also, the effectiveness of even the most well-intended managed care plan can be reduced by such factors as restricted geographic access to essential providers.

Employers must consider all factors to fairly evaluate how—and if—they should adopt managed care techniques within their workers compensation programs.

Nevertheless, managed care supporters are singing its praises.

"The wave of the future is managed care," said Tony Reinhart, vp-governmental affairs for the Missouri Chamber of Commerce. "Anything that we can do to get a better handle on the cost of the medical side of workers comp is a real positive."

"Managed care is fundamental to controlling your cost," said Robert B. Stegert, vp-casualty claims for the Marriott Corp. in Washington.

The hotel chain uses on-site nurses and an "informal" preferred provider network as part of its active approach to controlling workers comp medical costs.

"Managed care is one of the brightest new developments on the workers comp scene in the history of the 80-year-old system," said Eric J. Oxfeld, assistant general counsel with the American Insurance Assn. in Washington. "It has the potential to provide the best-quality medical care and promote recovery and return-to-work—at the best possible price."

"It stops a lot of doctor-shopping, which is done primarily to increase (workers') benefits and disability awards," said Gregory A. Saxum, workers compensation director for Eastman Kodak Co. in Rochester, N.Y. His company uses managed care techniques for more than 50% of its employees who are located in sites outside New York, which recently defeated a gubernatorial bid to authorize managed care.

However, the lack of a uniform definition of managed care when applied to workers comp creates confusion and leads to various points of view.

"You get a lot of different answers about what managed care in comp means," said James Ellenberger, assistant director of the AFL-CIO's department of occupational safety and health. This lack of precise definition has become "a significant problem."

To Tom Grannemann, manager of health policy research for the Workers Compensation Research Institute in Cambridge, Mass., the concept of managed care "is acceptance of a review process designed to offset the existence of incentives for over-provision of care."

Most states' workers comp laws often provide what an employer considers to be "bad incentives" for both providers and injured workers, he said.

Bad incentives for health care providers stem from their guaranteed reimbursement for services, regardless of whether they are worth what they cost, said Mr. Grannemann. Bad incentives for injured workers stem from their guaranteed access to medical services at no cost to themselves, he said. In addition, workers deemed unable to return to work receive tax-free wage-loss benefits that can meet, and sometimes exceed, regular take-home pay, he added.

To an increasing number of insurers and large self-insured employers, the definition of managed care includes treating injured workers through managed care organizations like preferred provider networks and health maintenance organizations. These managed care organizations are often owned or operated by insurers or their affiliates.

Employers and insurers also include in the definition the use of other techniques to restrain inappropriate services, like utilization review, bill review, case management, medical treatment protocols, preadmission certification in non-emergency cases and second surgical opinions.

Use of these initiatives has increased "dramatically" in the past

Continued on next page

Managed comp

Continued from previous page
two years—expanding by as much as 150% to 200% among employers, according to a survey earlier this year by consultant Towers Perrin (BI, June 14).

Most of the activity to date has been among large employers, with at least 10,000 employees, as well as some midsize companies that employ more than 1,000 workers, according to Jerry A. Miccolis, vp in Towers Perrin's St. Louis office.

However, the AFL-CIO's Mr. Ellenberger has a different concept of managed care. "Unfortunately, managed care is frequently a code word for discounted care," he said.

In addition, the focus of many managed care efforts often has been on limiting employee choice of physicians, he added.

Currently, choice of initial pro-

vider is controlled by the injured employee in 29 states and by employers or insurers in 15 states, according to a 1993 WCRI report. The remainder of the states use some other approach.

To Mr. Ellenberger, good managed care consists of appropriate medical care rendered by physicians in managed care organizations that are chosen with employees' help and are financially independent of employers or insurers, to ensure that medical advice is unbiased.

A good managed care program should also have physicians committed to "a total approach," which includes their involvement in helping to eliminate hazards stemming from job design and operational procedures, Mr. Ellenberger said.

His definition of managed care also excludes any employee cost-sharing, which is a key component of managed care in group health

From a labor perspective, 'states are allowing managed care techniques at a pace that is astoundingly fast and regrettable because they don't really know what they are getting into,' contends the AFL-CIO's James Ellenberger.

care plans. However, two states—Montana and Ohio—recently adopted limited-copayment provisions for workers comp cases as a way to encourage employees to use managed care provider networks.

Whatever the definition of managed care, those who want to improve states' workers comp systems are grasping at those managed care techniques that have proved "reasonably successful" in holding down employee benefit costs, said Towers Perrin's Mr. Miccolis.

For example, a Health Insurance Institute of America study showed treatment delivered by health maintenance organizations resulted in a 10% to 40% savings over fee-for-service medicine. And a Rand Corp study shows HMOs offer savings as high as 28% over individual fee-for-service systems, according to figures cited by the Florida Insurance Department.

The department used that information to help launch an ongoing pilot project to evaluate the cost dif-

ferences between the application of managed care techniques to workers comp cases and the traditional approach to treating these claims (see related story, page 6). It expects savings as a result of discounts, especially in hospital costs, and reduced utilization of services.

The Florida department's preliminary findings for one part of its two-part pilot project show managed care has helped produce a 38.5% net savings in medical claim costs, while a second, smaller part shows only 3% to 4% in net savings.

Holding down costs is important for employee benefits but even more so for workers comp.

At current rates of growth, workers comp is facing annual medical and wage-replacement costs of \$140 billion by the year 2000, compared with about \$60 billion paid out currently. Medical costs account for 50% of overall costs on average.

In addition, medical costs in the workers comp arena are increasing faster than medical costs outside the system, according to the WCRI.

The desire to keep a lid on workers comp cost increases and promote a healthy business climate has drawn an increasing number of state legislators into the discussion.

States have shown an increased willingness to expressly allow use of cost-containment measures, especially managed care techniques, in workers comp (BI, March 6).

State lawmakers are viewing managed care program proposals as "the next step for them after implementing fee schedules and controlling hospital costs," said Carol A. Telles, a WCRI analyst.

In 1993 alone, eight states passed or refined legislation related to managed care in workers comp, said the AIA's Mr. Oxfeld. They are: Arkansas, Connecticut, Montana, Nebraska, New Hampshire, Ohio, Pennsylvania and South Dakota.

Connecticut, for example, made it more difficult for an employee to opt out of an employer-chosen managed care network.

AIA staff members are actively lobbying state legislatures to overcome legal impediments to managed care techniques, Mr. Oxfeld said.

But from a labor perspective, "states are allowing managed care techniques at a pace that is astoundingly fast and regrettable because they don't really know what they are getting into," contends the AFL-CIO's Mr. Ellenberger.

"I don't think they are moving too fast. States finally woke up," said Towers Perrin's Mr. Miccolis.

Yet many state legislators appear sensitive to labor's concerns about limiting injured employee's rights to choose their physicians within some managed care networks.

Several legislatures are allowing workers to continue to use a personal physician, if he or she has been chosen before an injury. They are also requiring managed care organizations to be certified to ensure quality care is provided.

However, few states are as strict about insurers owning managed care organizations as Oregon. Oregon prohibits an insurer or employer from owning or operating a managed care organization unless the employer is a self-insured health care provider, like a hospital. Yet, some workers compensation reformers think more can be done.

President Clinton's health care reform proposal would coordinate medical care coverage for workers comp and general health care, with an eye to merging them, though details are not available. Major components of a coordinated plan include pre-empting state laws that give workers choice of provider. The Clinton plan would narrow

Continued on page 6

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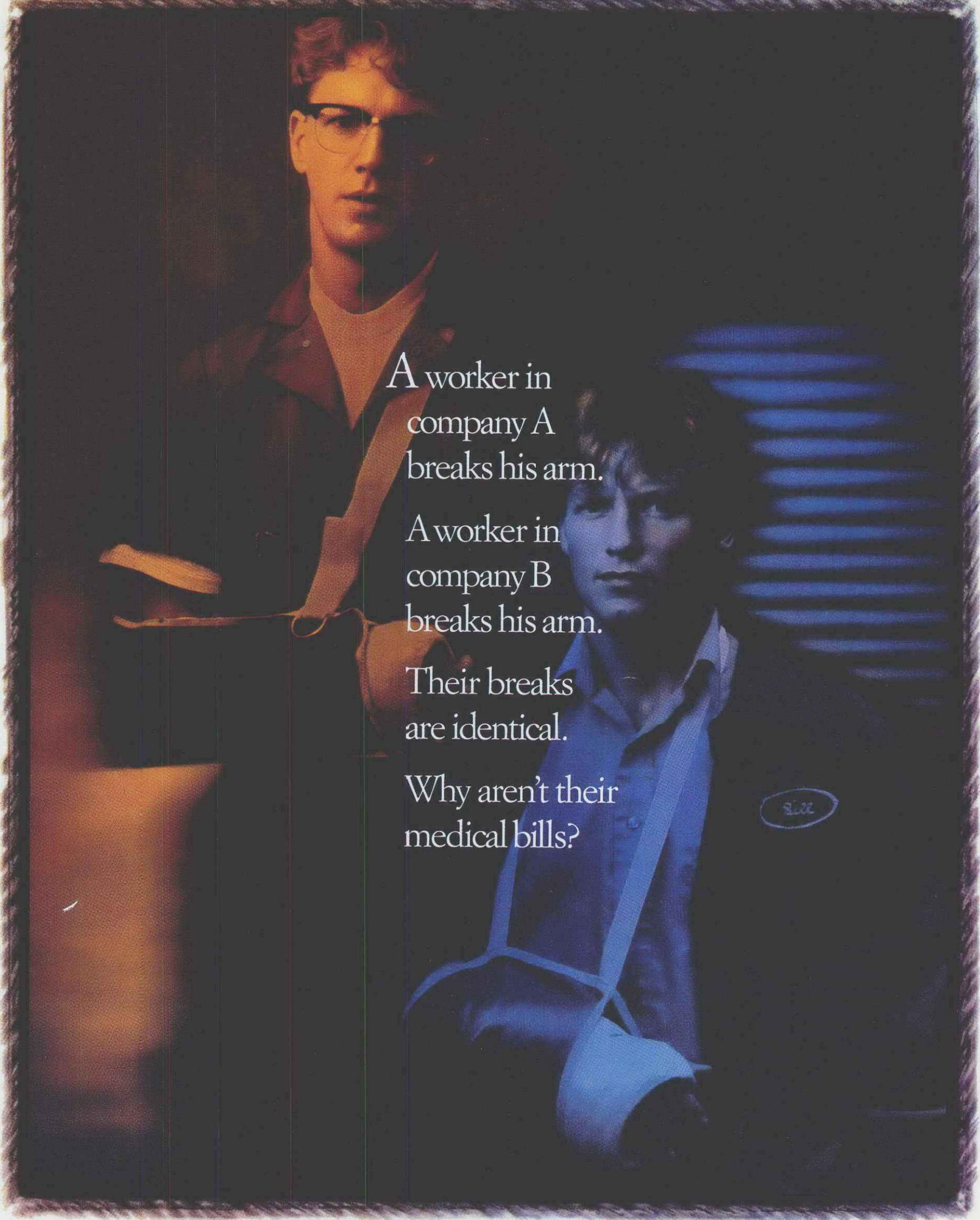
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Managed comp

Continued from page 4

the range of employee choice to physicians and health care providers within the proposed health alliances. But, it also would prevent insurers and employers from directing injured workers to provider networks chosen for cost-effective care.

While interest in the concept has reached the White House, managed care in workers comp is not necessarily the only—or best—solution to an employer's workers compensation problems.

"I think managed care is a very valuable tool, but it is not a panacea for the ills of workers comp," said Kodak's Mr. Saxum.

Statistically quantifiable data on the impact of managed care in workers compensation is generally lacking, though there are

some reports of good outcomes.

"The record is still open on the cost-effectiveness of managed care overall," said Carolyn Coviell Gay, workers compensation manager for The Dow Chemical Co. in Midland, Mich.

"Savings from a cost-containment technique like a fee schedule may be offset by the cost of reviewing claims," she said.

In addition, evaluating the impact of managed care on workers compensation requires considering several factors, especially the impact on wage-loss benefits and litigation.

Other factors include the need for providers specializing in occupational medical claims, and geographic accessibility to those providers.

For example, "managed care is fairly non-existent in rural Missouri," said the Chamber of Com-

merce's Mr. Reinhart.

Before risk managers decide to try managed care in any area, they should examine the cost drivers of their companies' claims and determine if the concept provides an opportunity for them to cut costs, Towers Perrin's Mr. Miccolis said.

The real problem could be a variety of other things, including inadequate safety programs, poor employee morale, supervisors who do not believe in allowing recuperating workers to return to work or underfunded health benefit plans that encourage workers and providers to declare an ailment work-related.

If managed care is implemented when the medical cost pattern is not out of line, a company could be adopting an expensive solution to a problem it doesn't have, according to Mr. Miccolis. **BI**

Florida pilot program indicates big savings in managed work comp

HMO cut costs by as much as 38.5%

By MEG FLETCHER

Signs indicate that the application of managed care techniques to workers compensation may have put the state of Florida on the road to big savings.

One year into a pilot program, preliminary statistics indicate that medical costs have been cut by as much as 38.5%, and Florida insurance regulators are excited.

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"We are going in the right direction," said Robbie J. Simpson, coordinator of "The Team Program," a pilot project encompassing two experimental programs launched in 1991 to test managed care's application to workers comp.

Preliminary statistics show that the larger of the two programs appears to have achieved sizeable cuts in medical costs, while a smaller program may have cut costs only 3% to 4%.

Ms. Simpson said the state is striving "to get a handle on the rising cost of the workers compensation system, while providing quality care for injured workers."

Established by a 1990 workers compensation reform law, the larger experimental program began with more than 17,000 state employees in South Florida's Dade and Broward counties. Half received medical care through a traditional fee-for-service arrangement, while the other half is treated by CAC-Ramsay Inc., a health maintenance organization with 100,000 Florida subscribers. were preadmission approval for elective hospitalization and non-emergency surgery, utilization review, second opinions requested by the employee, and use of specific treatment protocols based on existing community standards.

Each month, a quality assurance team from the HMO broadly reviews medical treatments and assesses whether providers have been following established procedures or whether they should be reprimanded.

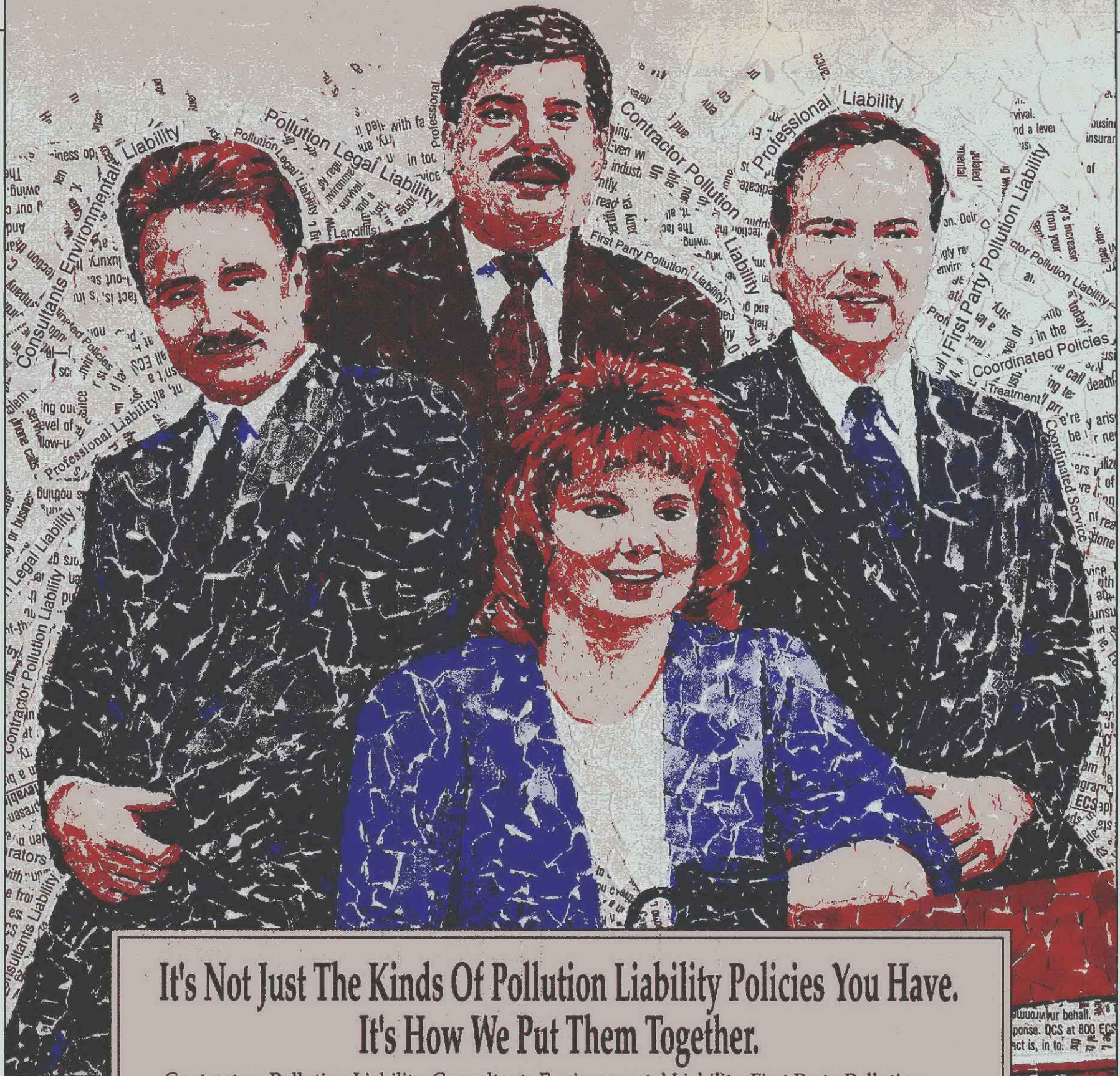
Ramsay is responsible for educating employees about the plan and has established a grievance procedure. Ramsay agreed to provide those services as well as all medical services for \$9.25 per employee per month during the two-year contract period.

Any savings or additional costs are to be shared equally between the HMO and the state.

The state anticipated savings through discounts, especially in hospital costs as well as reduced utilization of services. And in just one year, managed care cut medical claim costs—less the HMO's administrative charge—by 38.5%. A survey of patients indicated satisfaction with their care.

Despite the promising findings, analysts remain cautious about overselling the Florida program. They point out that long-duration claims were missing from the program and that medical care patterns were longer in South Florida than elsewhere, creating greater potential for cost savings.

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Opinions

A clean shot at Superfund

TREASURY SECRETARY Lloyd Bentsen has given his boss an opportunity he shouldn't pass up if he wants to achieve equitable reform of Superfund without hurting the economy.

In fact, the Treasury Department wants nothing less than a radical overhaul of the current liability scheme provided under Superfund by eliminating retroactive and joint and several liability for cleanup costs. Risk managers and insurers have sought such changes since Superfund—officially known as the Comprehensive Environmental Response, Compensation and Liability Act—became law in 1980. Such changes are long overdue.

Critics of the law say those who did little of the polluting at a Superfund site shouldn't foot the entire bill for cleanup. They also argue that it is unjust to penalize companies for dumping that was legal at the time.

In addition, critics point to the troubling fact that more than 80% of the money spent under Superfund now goes to transaction costs—primarily legal fees—rather than cleanup costs.

Fortunately for Superfund's critics, the opportunity for reform is now greater than it has been for years. CERCLA must be reauthorized by the end of 1994, or the government's power to levy special taxes to finance the cleanup of some sites will lapse.

The Treasury Department made its recommendations in a memo to an interagency task force charged with designing the administration's reauthorization bill. The proposal calls for apportioning liability "to reflect a liable party's contribution to contamination at a site," applying strict liability on the basis of a party's behavior rather than its status and abolishing retroactive liability prior to Dec. 11, 1980, or another appropriate date for potentially responsible parties whose actions complied with appropriate laws at the time. The proposal also opposes the idea that municipalities be allowed to avoid all liability under Superfund.

Not surprisingly, such a sweeping revision of Superfund has its opponents.

The Environmental Protection Agency opposes any change in liability laws, as do many environmental groups. A quartet of powerful lawmakers whose House and Senate panels will review Superfund have also voiced their opposition, holding that radical revision



**"IF THIS WORKS SO GREAT,
HOW COME WE AREN'T GETTING ANYWHERE?"**

would doom Superfund's chances for reauthorization.

The Chemical Manufacturers Assn., which supports the major liability changes, opposes the Treasury Department's plan to pay for the cleanup of pre-1980 sites through public financing. That opposition is understandable: CMA members already pay special Superfund taxes to clean sites for which no responsible parties can be found and they don't want to pay additional sums.

Some of the critics were to get their chance to blast the proposal at a meeting of the interagency task force scheduled for last Friday. But Secretary Bentsen has pledged to reform advocates that even if the task force ultimately rejects his department's proposal, the reforms drafted by his department will be presented separately to President Clinton.

The Treasury Department proposal isn't the final word on reform. There are other issues—such as how clean a site must be before it is removed from the Superfund priorities list—that the administration must address in its reauthorization legislation. But the Treasury proposal offers the best opportunity to date to achieve equitable Superfund reform that promotes cleanup without discouraging economic growth.

Letters

Settlement should silence Wellington critics

To the editor: The recent agreement on asbestos claims between Fibreboard Corp. and its insurers, units of Chubb Corp. and CNA Financial Corp., "A High Price for Certainty" (*BI*, Sept. 6), quite rightly received significant attention not only because of the size of the settlement—approximately \$3 billion—but also because it arose from very modest policy limits.

A California court hearing coverage litigation between those parties ruled that policies issued to Fibreboard back in the 1950s did not have any aggregate caps on the insurers' liability. What all commentators have failed to recognize is that both the insurance groups involved could have capped their liabilities under those policies for literally tens of millions of dollars.

The much-maligned Wellington Agree-

ment, which they were given ample opportunity to sign, would have enabled both insurers to cap their policy limits. More importantly, however, it should prove to those critics in the reinsurance and retrocessional markets—who continue to fail to respond to claims paid on policies issued by those companies who signed Wellington—on the clear advantages of that pact.

Perversely, therefore, this horrendous settlement has pointed out one of the favorable points that Wellington offered the insurance industry. Of course, the Well-

ington Agreement was not wholly satisfactory to insurers, but it did offer some significant advantages, as this recent expensive lesson showed. One hopes those procrastinating reinsurers will also note this lesson.

One of the other really appalling outcomes is that now literally hundreds of millions of dollars is going to find its way into the pockets of plaintiffs attorneys.

Robin A.G. Jackson

Chairman
London Market Asbestos
Working Party

Coverage gap issue inappropriate for NCCI comment

To the editor: Several recent letters to the editor have raised questions about whether the workers compensation and employers liability policy should extend coverage to corporate officers and other employees.

Contrary to the assertions made in these letters, the National Council on Compensation Insurance is very concerned about the impact of the language of the policy on policyholders, insurers and all affected parties. In fact, the NCCI works closely with state regulators to ensure that the policy appropriately reflects changing state laws and regulations.

At the same time, certain questions of policy coverage are often subject to extensive litigation and, eventually, determination by the courts. The original issue raised by Jesse Pagonis (*BI*, July 26) is, in fact, currently being considered by the courts.

As a result, the NCCI did not believe it appropriate to proffer a specific opinion on whether coverage should be extended or whether a gap in coverage exists.

Sally B. Narey
Senior Vp/General Counsel
National Council
on Compensation Insurance
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CIGNA

OshKosh B'Gosh's experience makes a believer of company

A Midwest clothing manufacturer has found that managed care is as essential to controlling workers compensation medical costs as denim is to jeans.

program," said Pat Hirschberg, corporate safety and health manager for OshKosh B'Gosh Inc. in Oshkosh, Wis.

Without managed care, the company's own "very aggressive" ergonomics program was incomplete, Ms. Hirschberg said.

OshKosh's comprehensive ergo-

nomics program was aimed at educating 7,000 employees—primarily seamstresses but also some managers—about work-related injuries affecting the workers' hands and arms.

“Our highest (loss) exposure is cumulative trauma injuries,” Ms. Hirschberg said. They cause about 70% of all

claims at the company's sewing factory and distribution center in Wisconsin as well as 19 other facilities in Kentucky and Tennessee.

But having an ergonomics program was not enough to control workers compensation claims, the company learned. It also needed to focus on post-injury medical care management to control injuries its workers had sustained.

In early 1992, OshKosh chose

Travelers Insurance Co. as its workers compensation insurer. That choice was made primarily because of the insurer's reputation for good claims management services and managed care capabilities, Ms. Hirschberg said. Travelers' services include hospital audits, analysis of reasonable and customary charges, preadmission certification, second surgical opinions and development of treatment protocols.

In the 19 months since then, the combination of services is doing a "much better job of controlling

Continued on next page

Continued from page 6

The state also wants to eventually evaluate the results of the program on return-to-work and indemnity costs.

Florida's early success did not come easily.

It was a challenge for the state to find a vendor that shared the state's definition of managed care. Each organization will define managed care, its components and its scope of service differently, she said.

As a result, it is critical for an employer to establish the parameters of its definition and adhere to it.

Ramsay also needed to change its mix of providers to meet the needs of workers comp claimants.

For example, the state needed fewer family practitioners and more neurologists, neurosurgeons, orthopedic specialists, chiropractors and plastic surgeons.

"It took until June 1991 to implement because of the very limited market for workers comp managed care services," Ms. Simpson said. "The market is starting to develop now."

To encourage employee participation, workers were allowed to choose their own doctors. "Traditionally the employer selects the treating physician in Florida," Ms. Simpson said. "We permitted employees to select their workers comp primary doctor within the HMO network."

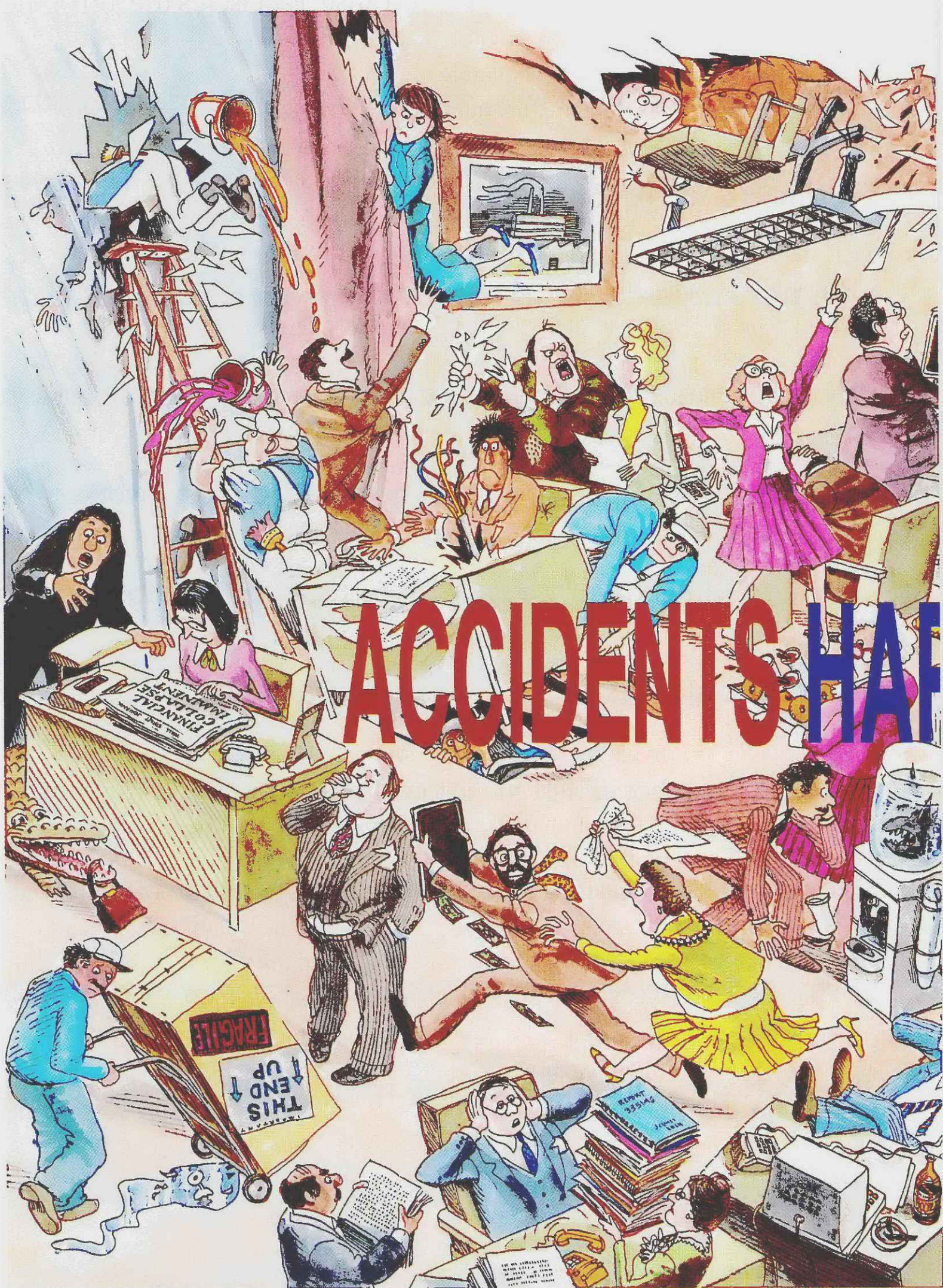
Another way the state encouraged participation was to bring the state employees' union into the loop during the planning process. "They have been very supportive," she said.

Also, meetings and a special handbook were designed to encourage participation.

"The most encompassing area the HMO has yet to master is the administrative area, which includes office work flow, paperwork, claims processing and record keeping," Ms. Simpson wrote in a report on the pilot project. "There are so many difference between workers' compensation and health care record keeping, and the HMO has had a difficult time grappling with the myriad of issues. This has, and continues to result in, many challenges for them to try to design an administrative process that will appropriately and timely meet the needs of the workers compensation system."

"It is critical to understand that all this necessitates the re-thinking of entire work flows, physical filing systems, staffing needs and training needs. All of these attendant issues must be appropriately addressed in order to have an effective system," she said.

"If vendors do not invest sufficient time and effort in product development, we will wind up with a workers compensation subspecialty that adds only to the bottom line of rates and premiums," Ms. Simpson warned. **B**



Layoffs increase chance of work comp fraud

By JOANNE WOJCIK

Some claims are legitimate, but timing should raise flag

When Pike Trailer Co. Inc. furloughed a group of 120 workers in 1991, the layoff was only supposed to be temporary.

Each time the Southgate, Calif.-based truck trailer manufacturer entered into a new production contract, it usually rehired the workers that were let go after the last contract expired.

But this time, rather than collecting unemployment benefits, 80 of the company's 120 laid-off workers filed workers compensation claims.

Although it was later determined that many of these claim-

ants had been led to file claims by a widespread workers comp fraud ring, the damage was done.

Pike Trailer's claims experience was so skewed that the resulting increase in workers comp premiums forced the 97-year-old company to close its doors permanently.

"This was the straw that broke the camel's back," recalled Kristie Hutchinson, supervisor of California Compensation Insurance Co.'s Special Investigations Unit based in Diamond Bar.

Employers that think this is unlikely to happen to them because they have a loyal workforce should think again.

"A lot of these employees were long-term," she said.

An impending or recent layoff is one of the "red flags" used by workers comp insurers nationwide to spot potentially illegitimate claims.

Industrial Indemnity Co.'s fraud unit originally was going to be called the "Layoff Fraud Unit," because the majority of the claims it was investigating occurred after plant closures, according to a spokeswoman for the San Francisco-based unit of Talegen Holdings Inc., formerly Crum & Foster.

"Seventy or eighty percent of the employees laid off from one

Southern California manufacturer filed workers compensation claims," she recounted. "It was an early sign for us that plant closures could lead to a higher incidence of fraudulent work comp claims."

"It's a situation that's fairly prevalent among my clients with mass layoffs," concurred Greg Johnson, a principal in William M. Mercer Inc.'s San Francisco office.

In one instance, an attorney drove into the parking lot of an employer that had just laid off a large number of workers and handed out claim forms along with his business card.

On the day a Southern Califor-

nia defense contractor gave notice to employees of an impending layoff, about 10% of the laid-off employees filed workers comp claims, according to the employer, which requested anonymity.

About one-fourth of the company's open workers comp claims stem from downsizing, according to a spokesman, who added that the employer also is keeping an eye out for claims filed by the workers who remained.

"The more we downsize doesn't mean the workload is reduced, so we need to be careful not to overwork people so they (become injured and) start filing claims," the spokesman said.

Many of the recent prosecutions in connection with workers comp fraud in Southern California came out of post-layoff conditions, according to Ranney Pageler, assistant vp in charge of the fraud investigations division for Fremont Compensation Insurance Co. in Glendale, Calif.

"It's easy to carry out fraud after a layoff because the employee is no longer reporting to work," which makes it harder for an employer to check up on the injured worker, he said.

In some of the scams probed by Fremont in conjunction with local law enforcement authorities, "some employees didn't even know they had filed a claim," Mr. Pageler said.

"Some fraud artists bought or found a list of laid-off employees, found out who the carrier was, and started generating claims," he explained.

Dr. Mark Kaplan of Beverly Hills recently was arrested in connection with a \$50 million workers comp fraud scam that recruited laid-off workers by masquerading as an employment agency (BI, July 26).

"People would go in for interviews, and after they were told there was no job, (the scam perpetrators) would tell them about their work comp eligibility," Mr. Pageler said.

But while many post-layoff claims filed in Southern California have been found to be fraudulent, many claims are for legitimate injuries for which workers have delayed seeking treatment, according to Mark J. Noonan, national workers compensation claims manager for Johnson & Higgins in Boston.

For example, a worker who was up for a promotion may not have filed a workers comp claim out of fear he or she would be passed over, Mr. Noonan explained.

In addition, many post-layoff claims are filed by older workers, who are likely to have some type of occupational illness—such as hearing loss, carpal tunnel syndrome or multiple soft tissue injuries—if they have been working at a particular job for a long time, Mr. Noonan added.

Indeed, almost a third—30.3%—of the workers compensation claims filed nationwide in 1991 came from employees in the 41 to 65 age group, according to the National Council on Compensation Insurance.

Add to this the fact that many older workers are less likely to be rehired after being laid off because of their age, and an employer is facing a considerable workers comp claims exposure, according to Mr. Noonan.

The workforce consolidation that usually follows a merger or acquisition also can trigger an increase in workers comp claims, he said. "Maybe the other company didn't have a good safety program

Continued on page 16

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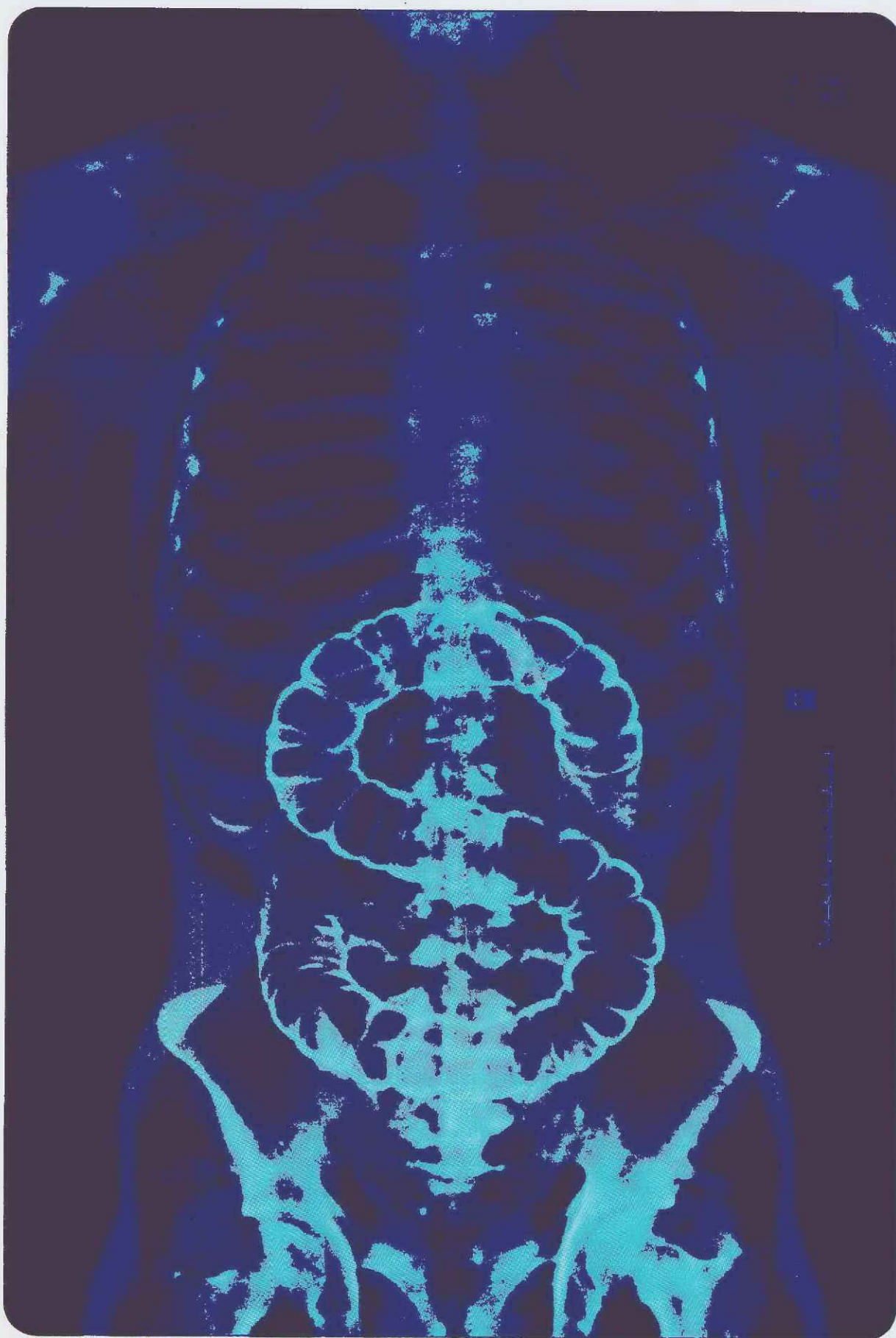
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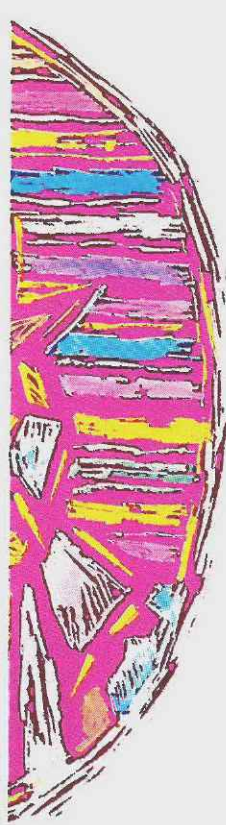
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Layoffs

Continued from page 12

or people are simply nervous because of the new owner," he said.

Some state legislatures are moving to tighten their workers comp statutes to make it harder for workers to file claims after a layoff has been announced.

Under A.B. 119, which was enacted July 26 in California, workers comp claims filed after notice of termination are disallowed unless the employee has demonstrated existence of the injury prior to the notice (BI, July 26).

And Massachusetts and Texas, two states severely hurt by the recession, both have passed workers comp reforms that make it harder for workers to file fraudulent post-termination claims (BI, Jan. 6, 1992; Dec. 18, 1989).

"Other states also are looking at anti-fraud legislation," according to J&H's Mr. Noonan.

However, even if no benefits are paid, there is nothing to stop a disgruntled former employee from filing a workers comp claim, points out Cal Comp's Ms. Hutchinson.

"Because of the no-fault nature of the workers comp system, the burden of proof that a claim is invalid rests with the employer," she said.

To mitigate such claims, risk managers need to take the offensive, workers comp experts say.

According to J&H's Mr. Noonan, among the responses a risk manager should initiate as soon as he or she is informed of a large layoff or plant shutdown are:

- Put the workers comp insurer or claims administrator on notice to review post-termination claims for potential problems.
- Review the relevant workers comp statutes in the jurisdictions involved, giving special attention to cumulative trauma regulations.
- Be aware of the rate and term of unemployment benefits and their impact, if any, on workers comp benefit entitlement.

For example, in California the maximum benefits for temporary disability are greater than unemployment compensation benefits.

- Photograph or videotape plant conditions to maintain a visual record for potential litigation, especially if the physical plant is to be demolished or renovated.

- Videotape certain job functions for physicians and for defense exhibits.

- Organize and update detailed job descriptions and locate them for easy access by the insurer, TPA and defense counsel.

- Identify key people who can testify and assist defense counsel in understanding and describing job requirements and functions.

- Determine whether termination physicals, including audiometric testing and chest X-rays, should be given.

- Update all open claims with local management so that all information is available.

- Update and review loss-prevention reports.

- Centralize claims investigation and adjusting to maintain information flow and consistency.

- Select one defense attorney or law firm to handle all workers comp claims arising out of a layoff or shutdown.

- Explore outplacement options for laid-off employees.

Lisa Calhoun, customer service manager for Cal Comp in Diamond Bar, suggests employers go further: Make it easier for workers to file for unemployment benefits.

Since a vast majority of workers comp claims after a layoff/termination are due to "capping"—soliciting clients—outside of unemployment

offices, Cal Comp has advised employers with large layoffs to bring someone from the unemployment office to their plant so workers can file for benefits before they leave.

"Of the approximately 20 employers to which this service has been provided, we have seen, on average, a 90% reduction in claims activity," she said.

Cal Comp also advises employers to inquire about possible work-related injuries or illnesses during exit interviews, escorting the employee to a physician immediately afterward if they suspect a claim will be filed.

Indeed, "by organizing and developing a long-range policy and procedure that is sensitive to the problems and conditions that accompany a large layoff or plant closing, risk managers can help control the ultimate cost effect," Mr. Noonan believes. **BI**

Teaming up to cut comp costs

Partnership between risk and benefit managers helps

By SARA MARLEY

Despite the increasing use of managed care in workers compensation, few risk management and employee benefit departments are collaborating on the program.

Fears of downsizing, poor understanding of the others' departments and old-fashioned turf wars contribute to the lack of cooperation, workers comp experts say. But benefit managers and risk managers should overcome those obstacles, because the greater challenge of controlling rising medical costs will increas-

ingly require the expertise of both areas.

The two departments "typically don't work well together" on workers comp, said Louis Midden, chief executive officer of Willis Corroon Administrative Services Corp., a property/casualty third-party administrator.

"They are giving it lip service, because everyone wants a cost-effective program, but we find it very difficult to get human resources and risk management departments to work together because of a perceived overlap in responsibilities," Mr. Midden said.

"The risk manager typically still has responsibility for workers

comp," said Dan McAdams, workers compensation national practice leader for Towers Perrin in Tampa, Fla. "However, that's changing dramatically. Many organizations are pulling all workers comp under human resources."

In some cases, risk management maintains the indemnity portion of workers comp, while the day-to-day administration of the workers comp program is moving to benefit managers and human resources departments, he explained.

The move makes sense "given the knowledge and expertise with

Continued on next page

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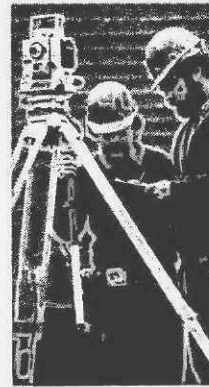
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HOME INSURANCE

Continued from previous page managed care" that benefits and human resource personnel already have, Mr. McAdams said. "They may leave safety or the actual financing in the risk management area."

But risk managers should attempt to work with benefit managers on workers comp rather than relinquish all responsibility, said Don MacMeekin, corporate risk manager for Cinemark USA Inc., a Dallas-based movie theater chain.

"If risk managers lose it, it will erode their power," Mr. MacMeekin contends.

Depending on the industry, workers comp may be a company's largest premium component, he explained.

Cinemark consolidated its property/casualty and employee benefits functions when it hired Mr.

MacMeekin, who has responsibility for both.

"When I came in, no one was handling the insurance on either side," Mr. MacMeekin said. "Someone in the finance department was paying the bill," he explained.

Consolidating risk management and benefit departments "avoids the issue of who gives up what and who takes what," Mr. MacMeekin said.

"I tell risk managers it's time to create alliances. Somewhere they have to come to a meeting of the minds. It's like a joint venture," he said.

Like many employers, Cinemark has found that cost-containment techniques used in the group health care arena can be applied almost anywhere.

The company contracts with a single preferred provider network,

The Affordable Network of Chicago, to provide medical treatment for both workers comp and group health plan claimants nationwide.

PacifiCare Health Systems Inc. of Cypress, Calif., provides case management for any claim that is likely to exceed \$10,000.

And, Hertz Claims Management Corp. acts as a third-party administrator for all work-related medical bills, analyzing them according to individual state standards.

Injured Cinemark workers can go to any doctor in the PPO and receive full coverage, according to Mr. MacMeekin.

The network is large enough to provide occupational doctors and rehabilitation services when needed, he said.

Some of the companies that have been most successful at consolidating workers comp adminis-

tration are those at which a single person has responsibility for both risk management and employee benefits.

Millicent W. Workman, director of risk management at Belz Enterprises, in Memphis, Tenn., handles both employee benefits and risk management.

Ms. Workman, the 1992 *Business Insurance* Risk Manager of the Year, said she has been able to merge case management of the real estate development and management company's workers comp and group health care benefits but not provider networks (BI, March 30, 1992).

"Some of that is driven by where I place my coverage," Ms. Workman said. "Some networks that had benefits wouldn't do workers comp."

"It's not necessarily by choice as being forced to by the availability

in the market. I'd like to see more integration; it makes sense."

Ms. Workman said she approached providers about using managed care in workers comp.

"I probably have a skewed view of comp, because I handle benefits," she said. "I've seen the results on the medical side. I see the benefits (of managed care) that other risk managers can't necessarily grasp."

Managed care differs only slightly when applied to workers comp.

"The primary difference is that the main focus of workers comp is return to work," said Alan Harkabus, director of workers compensation for Healthsource Inc., a Concord, N.H.-based health care management company.

Healthsource has been hired by the state of New Hampshire to provide managed care to the state's residual market for workers comp coverage. About 40% of New Hampshire's employers are in the residual market.

Risk managers implementing managed care should focus on the relationship with providers that benefit managers have forged in recent years, Mr. Harkabus said.

In addition, some managed care techniques can be used with workers comp coverage even in states that don't explicitly allow them.

"Precertification is practically a way of life," Ms. Workman said. "Doctors do it anyway."

In states that allow injured employees unlimited choice of doctors, companies should still draw up a list of "preferred" occupational doctors, advises Thomas R. Miller, director of managed care sales for Rehabilitation Corp. in Brentwood, Tenn.

Because fewer people have primary care physicians today, many injured employees will seek and follow advice from employers on which doctors to visit.

Choosing the same or affiliated TPAs for both workers comp and group health care claims also can cut costs.

Willis Corroon's property/casualty and life/health TPAs share a data base, so if they have a common client they can check for duplication of claims, Mr. Midden said.

Some insurers are marketing products similar to 24-hour coverage, for which separate subsidiaries underwrite the two types of coverage for clients. However, a true 24-hour product integrating workers comp with group health care benefits has yet to be introduced, though some states are conducting limited pilot programs.

The first generation of such a product might be a single policy form for workers comp and life/health, but with a distinct self-insured retention and aggregate limit for each, Mr. Midden said.

Rising medical costs for injured workers is a problem not likely to go away soon. Risk managers can best position themselves for the future by working with benefit departments and managed care companies now.

"A few years ago, workers comp was not a cost issue," Mr. Miller said. "When a problem developed, the treasurer or CEO looked at the health plan and the money saved there."

"The issue may be forced by health care reform," Cinemark's Mr. MacMeekin said. "If not, senior management will see they have duplicate systems and they will look at consolidating the management" of workers comp, he said.

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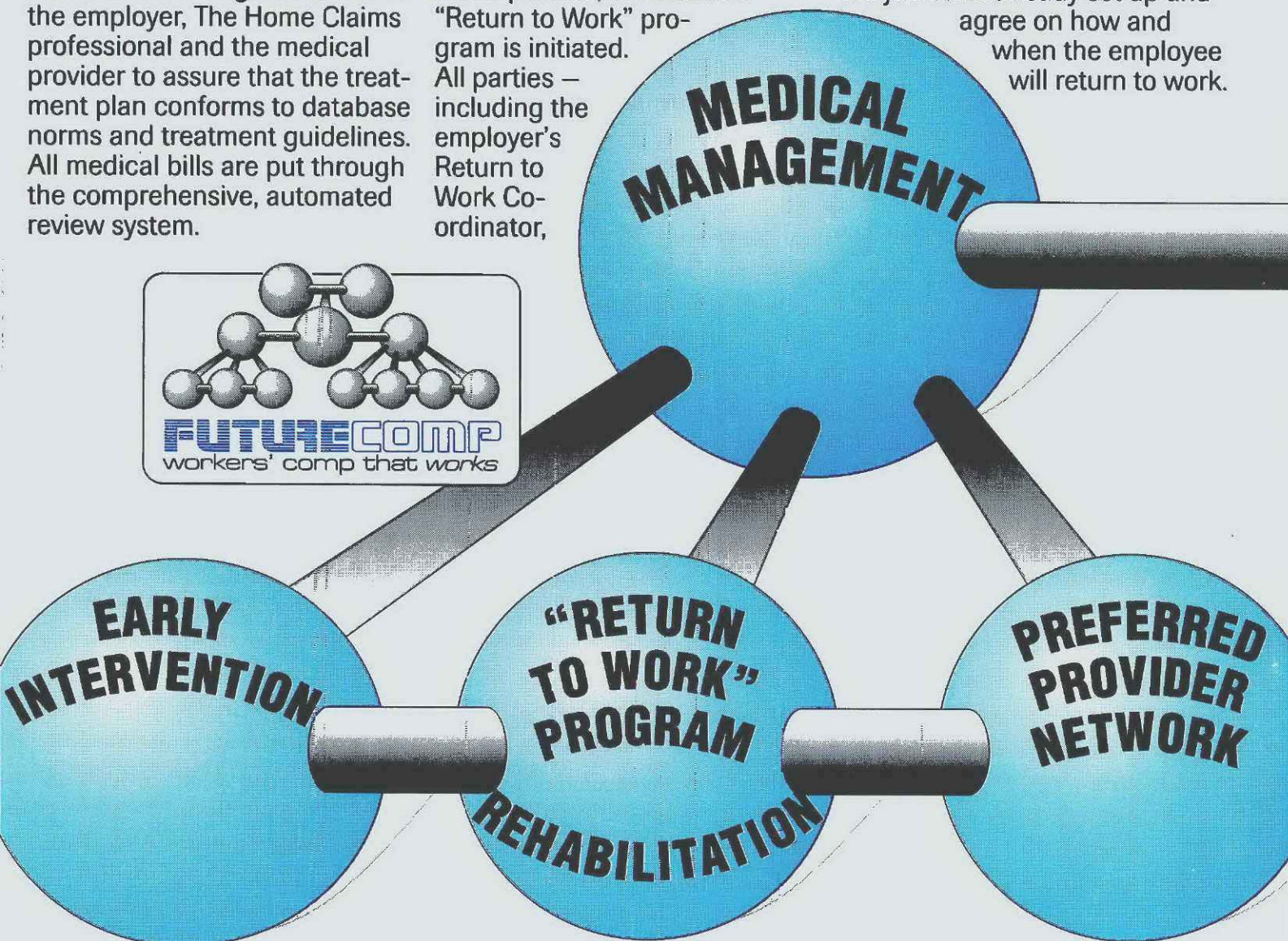
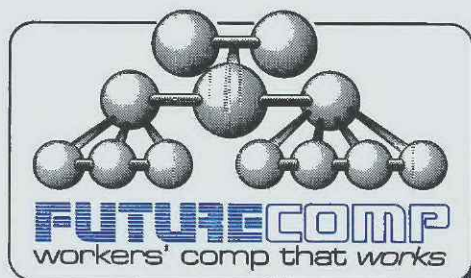
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Network necessities

Successful workers comp managed care networks will include:

- Industrial medicine experts who focus on injury prevention and minimizing reoccurrence.
- Clinics and doctors near the worksite to cut down on lost work time.
- Patient advocates or case managers who try to assure speedy return to work or develop modified duty.
- Specific standards to assess the quality of care.
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GRAPHIC BY CHRIS ROY

Managed care

Continued from page 3

lem, than by merely concentrating on the money spent on medical treatment, he asserted.

Managing care in workers comp revolves around three distinct components: workplace safety, medical treatment and lost time, explained Thomas C. Ramey, senior vp and manager of managed care at Liberty Mutual Insurance Co. in Boston.

"It's easy for the (workers comp) industry to focus on the medical only piece without focusing on the other two." But employers, insurers and providers must manage all three components, he stressed.

Workplace safety has to be emphasized in a pre-accident environment, Mr. Ramey said. Employers and their workers comp insurer, claims administrator or managed care organization should develop explicit safety standards and protocols that are easily understood by workers, their supervisors, and middle and upper management.

Employers and their vendors also should discuss specific return-to-work guidelines and modified duty programs for injured workers. Because lost work time is a significant part of workers comp expenses, employees, supervisors and providers have to establish ongoing communication regarding the injured worker's health status.

Nevertheless, making sure injured employees are treated by high-quality, cost-effective clinicians also is an important goal in managing workers' comp costs.

Experts warn against contracting with workers comp networks that rely solely on unit price discounts to produce savings. "The frailty in this arrangement is that there are physicians in the workers comp business who will take advantage of this arrangement by increasing utilization" or by unbundling or changing billing codes in order to get more money, said Steve White, general manager and vp of workers comp services for Wellpoint Life Insurance Co., a for-profit subsidiary of Blue Cross of California.

Most managed care arrangements in workers comp take the form of preferred provider networks, rather than health maintenance organizations that pay doctors a capitated fee per member. PPOs are more easily adaptable to workers comp because physicians are typically paid according to state workers comp fee schedules or according to usual and customary rates.

However, some workers comp networks are moving toward arrangements that approximate capitation. Beech Street Inc., for example, is contemplating moving its managed workers comp services away from fee-schedule-based reimbursement in favor of case rates, said John Mills, senior vp of new product development for the an Irvine, Calif.-based managed care organization.

Rather than paying a fee for each service and procedure associated with treatment of some back injuries, a case rate would include all therapeutic and diagnostic services and a specific number of outpatient treatments for one price, he said.

But, the reimbursement arrangement "isn't the end-all in workers comp," pointed out Mike Costigan, vp of workers comp for The Travelers Corp. "The end-all is to change the behavior of the physicians. It's critical for them to start a rehabilitation plan on Day One."

"Managed care for workers comp is really not about discounts," pointed out Gail Nethercut, a principal in the San Francisco office of William M. Mercer Inc. "It's more important to focus on disability management, because if we can control how soon the employee comes back to work, that's indemnity dollars and medical dollars."

Workers comp managed care organizations have to contract with physicians who are concerned with a patient's medical condition as well as how soon he or she can return to work, said Michael Shor, executive vp with Healthcare First Inc., a Newton, Mass.-based network of 400 workers comp providers.

Using a group health care provider network to treat work-related injuries isn't a good idea because the network may not include the right kind of doctors. More importantly, it may include the wrong kind.

For example, a network dedicated to treating injured workers should include primary care physicians specializing in occupational health, orthopedists, general and plastic surgeons, pulmonary specialists, chiropractors, toxicologists, podiatrists and optometrists. Unnecessary specialists, like pediatricians, should be excluded, said Mr. Shor.

Employers are better off using industrial medicine practices whose physicians are familiar with a state's distinct reporting requirements, said Wellpoint's Mr. White.

And, employers should look for mechanisms within the network that encourage prompt claims reporting. Some programs offer a toll-free telephone reporting system.

"About 80% of first reports of injury get into our utilization review nurses' hands and they are able to start managing the case by referring the injured workers to appropriate providers," noted Travelers' Mr. Costigan.

A workers comp network should contract with facilities that can immediately treat injured workers. Occupational health clinics and urgent care clinics located near the work site are a must, Mr. Shor said. "The last place you want injured workers to go is a hospital emergency room, because when they go there, unless the injury is really serious, they will wait. And, then they'll be seen by a doctor who wants to keep cases moving quickly through. Also, it's more expensive."

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By Arnold Heinrich

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By MICHAEL SCHACHNER

Although prescription drug costs make up only a small percentage of workers compensation medical expenses, self-insured employers and insurers still can yield important savings in this area.

Some employers and insurers question whether it is worthwhile to focus on trimming prescription drug costs when they account for only about 2% to 3% of total workers comp medical costs. However, with total paid workers comp costs now about \$60 billion annually, even that small percentage of medical costs could equal more than \$400 million.

Through aggressive management of the prescribing and dispensing process, insurers and self-insurers can shave about 20% off these costs, experts agree.

"Workers comp offers us a great opportunity. There are many large employers that have had success with managing their pharmacy plans under group health," said Barrett Toan, president and chief executive officer with Express Scripts Inc. in St. Louis. "Workers comp tends to be a high markup industry in which everyone is looking for a margin. I think there is a lot we can do on the pharmacy side."

To begin with, insurers and self-insured employers can arrange or enroll in preferred pharmacy networks, which dispense drugs at a fee below average wholesale price. These networks—which can be separate from, or divisions of, the large pharmacy networks that serve group employee benefit plans—offer workers comp payers front-end savings.

"Pharmacy networks alone should save our clients about \$1 million to \$1.2 million this year," said Rick Hodges, a vp with Summit Consulting Inc., a large third-party administrator in Lakeland, Fla. "We administer workers comp claims for two large self-insured funds that have about \$100 million in medical expenses. So even a 1% savings on that is \$1 million."

But more important than obtaining discounts on prescription drugs, observers say, is implementing a prescription drug utilization review system. The system could check whether a patient is eligible to have his or her prescription filled under a workers comp program, whether the patient's physician is authorized to prescribe the drug and whether the drug will negatively interact with anything else the patient is taking.

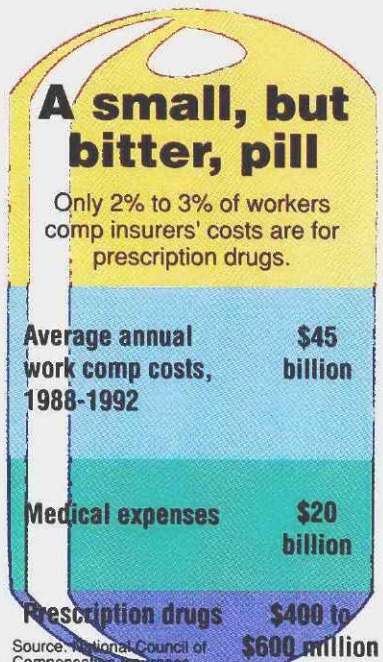
"I think the key to efficient workers compensation drug benefits is having an electronic system that monitors eligibility and appropriateness of prescriptions but also notifies the workers comp administrator that there has been an injury," said Tony Bono, manager of sales for the Central Region with Walgreen's Healthcare Plus in Deerfield, Ill. "The objective is not to restrict access to drugs, because they're a low-cost item that has a tremendous back-end impact on costs."

Mike Costigan, vp-workers compensation claims with Travelers Corp. agreed that insurers are not trying to deny prescription payments, but are concerned

about paying for drugs unrelated to a workers comp injury. Travelers uses a prescription UR system developed by Pharmacy Management Services Inc. of Tampa, Fla.

"Savings in the area of unrelated drugs are the easiest to achieve. We probably deny about 20% of all prescriptions because they just don't relate to the injury," Mr. Costigan said. "Still, this whole area is one of soft savings. The numbers aren't that big."

But with overall medical costs now constituting more than 45% of the total workers comp pie, compared with less than 30% a decade ago, all cost-containment efforts must be considered, experts agree.



"Can one save money by using some of the same techniques that have been successful on the non-occupational side? Definitely," said James Buckley, a partner in the New York office of KPMG Peat Marwick. "I think controlling physicians and monitoring various statutes is most important, followed by case management. Then comes drug management. In workers comp you don't have the chronic illnesses that require maintenance drugs and mail-order plans. But that doesn't mean you should ignore it."

Coca-Cola Bottling Group (Southwest) Inc. and Weyerhaeuser Co. both manage the cost of prescription drugs as part of their comprehensive workers comp review programs.

"Our prescription drug costs are quite reasonable. They're by no means biting at us," said Terry Mullaney, risk manager with the Coca-Cola bottler in Dallas.

Nevertheless, Coca-Cola Bottling Group reviews all prescription drug claims just as it examines all medical claims that fall under its insured workers comp program, he said.

"All medical expenses, including prescriptions, are audited for pricing and appropriateness before they're paid. If any inappropriateness is detected, we'll get in touch with the prescribing doctor right away. I imagine this is pretty standard among most insureds. Prescription drugs aren't a big problem in workers comp, but still no bill is too small to pay attention to," Mr. Mullaney said.

At Tacoma, Wash.-based Weyerhaeuser, which self-insures and self-administers its workers comp

program, prescription drug bills are reviewed as part of an overall claims-management approach.

"We look at all charts to make sure everything looks right. We don't blindly reimburse anything," said Deena Pease, corporate manager for workers compensation. "We pay special attention to narcotic pain killers to make sure there is no abuse. If we detect anything abnormal, we keep the doctor apprised. It's pretty rare that we run into anything that unusual, though."

A variety of state laws and regulations that restrict employers' ability to impose any cost sharing on injured employees or that require employees to use specific providers have hindered Weyerhaeuser's ability to create a discounted workers comp pharmacy network in the states in which it operates. "There's little we can do. We're only now exploring it," Ms. Pease said.

These different state laws also have stymied efforts to introduce workers comp drug formularies for employers operating nationwide. Use of drug formularies has saved money for group health plan payers by stipulating the specific drug that should be prescribed for certain conditions.

"Workers comp cost management has always lagged behind group health because it's so regulated and it's regulated differently in each state. It is just now catching on," said Mr. Hodges of Summit Consulting.

But the insurance industry is attempting to do more as workers comp medical costs continue to climb.

"Most workers comp cases don't require much in the way of drugs. But in the catastrophic cases that require large amounts of drugs, the costs can be very high," said Stan Harrell, chief executive officer with Pharmacy Management Services Inc. "We have reviewed the files of many insurers and in cases where prescription drugs are involved, the costs are substantial," he said.

"Most large insurers now have mail-order programs for maintenance drugs or a pharmacy discount arrangement. But what we need to press for is more acute drug management," said Peg Haennicke, medical cost-containment manager for Long Grove, Ill.-based Kemper Group's workers comp programs.

Workers comp insurers are only in the "early stages" of managing short-term prescriptions, she said. "We're trying to only pay for drugs associated with the injury. We don't want to pay for blood pressure medicine under workers comp."

Ms. Haennicke said workers comp insurers can eliminate paying for uncovered prescriptions by issuing an employee a prescription drug card upon injury. The drug card "puts the person into the system right away, ensures that the employee doesn't pay out-of-pocket and that only eligible employees are getting a drug related to their injury."

"Because workers comp has been managed under the risk management or treasury departments, there hasn't been the same amount of management as has occurred on the health side. That's changing now and it will produce savings into the future," said Mr. Toan of Express Scripts. **[E]**

Fine tuning workers comp reform

California payers want tighter vocational rehab rules

By LOUISE KERTESZ

Employers and insurers in California were awaiting the scheduled release late last week of regulations that would provide details missing from the state's new workers compensation reform laws.

And they are gearing up to provide input on the proposed regulations at hearings scheduled for Nov. 22-23 in Los Angeles and Nov. 29-30 in San Francisco.

Rules essential to clarifying new vocational rehabilitation laws were expected to be among the regulations issued by Casey Young, director of the state's Workers Compensation Division.

"In many areas, the details were purposely left out of the (reform) legislation," said Ed Woodward, president of the California Workers Compensation Institute in San Francisco, an insurer-supported group.

Those details "will be developed through rules and regulations. The Legislature has turned over a tremendous amount of control to the state agency," he said. "At this point, some of the language (of the statute) can't be interpreted."

"There are 350 pages of statutory changes" to the state's workers comp law, "much of which is not a paragon of clarity," he observed.

The Workers Compensation Division's much anticipated regulations "will tip the scales to the positive or negative side of employer costs," according to a report by Californians for Compensation Reform, a group composed of 2,000 large and small employers.

This is especially true of the reform's key change pertaining to vocational rehabilitation benefits: Limiting an injured worker to one vocational rehab plan, with an overall cap of \$16,000 and an internal cap of \$4,500 on counseling fees under most circumstances.

The new law also limits the duration of maintenance payments—unchanged at \$246 a week—while in vocational rehab to 52 weeks.

"Vocational rehabilitation... as written in A.B. 110 and S.B. 223 (the reform legislation and a cleanup measure) may actually be an employer cost-driver unless regulations are promulgated to tighten up access to second plans," according to the CCR.

The law now generally restricts a worker to one vocational rehab plan "completed within an 18-month period after approval."

But under certain circumstance, a second plan, costing up to an additional \$16,000, may be allowed, according to an analysis of the law by the CWCI. Those circumstances are:

- A claimant's permanent disability rating is 25% or greater, based on any treating physician's report.

- The first plan cannot be completed due to circumstances beyond the worker's control. These may include the worsening of the worker's disability to the point where the requirements of the first plan cannot be met.

- The rehabilitation unit decides that a second plan is necessary to give the worker the opportunity for suitable gainful employment.

- The rehabilitation unit finds that an employee can't complete a plan because a school or training facility has closed.

Because the law now allows a second plan under these rather broad conditions, "the camel's nose is un-

der the tent," quipped Bill Crapo, vp and general manager of human resources at Douglas Aircraft Co., a division of McDonnell Douglas Corp. in Long Beach.

Mr. Crapo said he was "a little bent out of shape" when the cleanup legislation, S.B. 223, did not more clearly specify the circumstances under which a second vocational rehab plan would be allowed. "They said they would take care of it in the cleanup."

Nevertheless, Mr. Crapo conceded, that concern "can be addressed in the regulations" to be developed by the Workers Compensation Division.

Limiting second vocational rehab plans will go a long way toward

curbing abuses in the system, sources said. Without the limitations, workers would simply shop around for second and third "careers."

"You can have an excuse to have voc rehab forever, especially if you're enjoying it," he said.

Though there were supposedly controls governing vocational rehab programs prior to reform, zealous vendors would often persuade a worker to take courses beyond the worker's ability and without regard for market demand, said William George, the CCR's executive director. "It would be like me becoming an opera singer," he quipped.

One often cited example is that of

a worker who was in a vocational rehab program to become a mariachi musician, said Mr. George.

Tightening the use of vocational rehab plans will be good for employees, too, said Stanley Gronos, chief personnel analyst for the city of Los Angeles' workers comp division. "It makes an individual more responsible. It probably helps them focus more on what they want to do in the way of rehabilitation, rather than fishing for something that kind of sounds good," he said.

Employers have good reason to want to place limits on the length of vocational rehab. The average cost of a vocational rehab program in California is about \$23,000.

In fiscal 1992-1993, Los Angeles spent \$2.5 million for vocational rehab, out of an overall workers comp tab of \$83 million, Mr. Gronos said.

Another provision in the reforms relieves employers of the obligation

to provide vocational rehab if they offer suitable alternative work.

Some employers have always been eager to provide alternative work for injured employees. For example, "the city of Los Angeles has a long history of trying to place employees in other jobs if they can't continue to perform their own jobs," said Mr. Gronos.

But many employers will not be able to take advantage of this provision in the new law. With more and more companies downsizing, they are having difficulty accommodating the disabilities their employees may suffer, Mr. Crapo explained.

"Prior to 1991, when we started our significant layoffs, our average vocational rehab costs were \$12,000. After the layoffs started, there was less opportunity for placement back" into alternative jobs. "Our current costs are \$23,000," similar to the statewide average, he said. **BI**

Topics to be Discussed:

HEALTH CARE REFORM:
WHAT THE MAJOR PLAYERS WANT

CONTROLLING EXPENSIVE CASES:
PRENATAL & WELL BABY CARE

COMPLYING WITH ADA & EEOC
REGULATIONS WHILE CONTROLLING COSTS

WELLNESS PROGRAMS: ARE THEY REALLY
EFFECTIVE AT CONTROLLING COSTS?

FAIR & ADEQUATE MANAGED
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Employers may compound injury

Wrist splints worn at work may add to trauma: Experts

By MEG FLETCHER

Employers that treat worker hand splints like Band-Aids are not doing their workers any favors.

A belief among many employers that offering splints will reduce employee complaints about sore wrists has led to their proliferation in the workforce, despite warnings that they should not be worn while working.

"I've worked with employers who at least made hand splints readily available to assembly workers, and I've heard from other consultants that some employers are requiring employees to wear hand splints,"

said Kathleen Rickert, a health and ergonomics consultant at Kemper Risk Management Services in Long Grove, Ill. Other employers don't distribute splints at work but let employees wear physician-prescribed splints on the job—though they should only be worn off the job or while sleeping, she said.

Some employers take a liberal approach to splint use because they say it reduces worker complaints about symptoms of repetitive stress injuries, which may range from a "pins and needles" feeling in the fingers and hand to aching pain that is worse at night.

"I think many doctors prescribe splints but don't specify not to wear

them at work," said David J. Eisen, director of research and information for The Newspaper Guild, a union that represents 31,000 employees who primarily write and edit newspapers. "Even splints prescribed by physicians are more often than not contraindicated in the workplace."

According to federal health and safety officials, "Splints should not be used during working activities unless it has been determined... that no wrist deviation or bending is performed on the job."

That determination should be made by a medical professional and an ergonomist, according to the Occupational Safety and Health Administration's "Ergonomics Program

Management Guidelines for Meatpacking Plants."

"Splinting can result in a weakening of the muscle, loss of normal range of motion due to inactivity, or even greater stress on the area if activities are carried out while wearing the splint," the guidelines warn.

But, improper splint use extends beyond the meatpacking industry.

About 1.89 million American workers last year said they suffer from symptoms of cumulative trauma disorders, reports CDTNews, a publication of the Center for Information on Cumulative Trauma Disorders, a research organization based in Haverford, Pa. In addition, about 4 million workers report suffering from tendinitis.

"Wrist braces are commonly used by workers suffering from carpal tunnel syndrome or upper-extremity tendinitis," according to CDTNews.

The widespread nature of the

problem prompted OSHA to develop ergonomic standards for cumulative trauma injuries in all industries. It is reviewing more than 200 comments it received following its advance notice of proposed rule-making on the topic. Labor unions have asked for a final standard by February of 1995, Mr. Eisen said.

And, the American National Standards Institute is taking comments on its draft of a voluntary standard to help general industries prevent cumulative trauma disorders.

That proposed standard, ANSI Z-365, was developed by a broad-based committee of employer, labor, government and health professionals. The standard examines exposures to injury created by manual lifting, assembly, manipulation of tools, machinery and other devices as well as other stresses to muscles, nerves and tendons.

ANSI Z-365 says, "Immobilization devices such as splints or supports can help rest the symptomatic area," several studies have shown. "These devices are effective off the job, particularly during sleep."

Use of splints on the job, though, requires caution. They "should not be worn at work unless the (health care provider) determines that the employee's job tasks do not require wrist deviation or bending," the ANSI draft says. "Employees who struggle to perform a task requiring wrist deviation with a splint designed to prevent wrist deviation can exacerbate symptoms in the wrist due to the increased force needed to overcome the splint."

Use of splints on the job may increase the "static contraction of forearm muscles, which has been associated with muscle fatigue," the ANSI draft notes. It also may cause symptoms in elbows or shoulders because of altered work technique.

Immobilization should be "prescribed judiciously and monitored carefully" to prevent muscle atrophy due to disuse, the draft says.

Recommended periods of immobilization will "vary from several weeks to months depending on the nature and severity of the disorder."

The general problem of repetitive strain injuries is "quite serious" for The Newspaper Guild, said Mr. Eisen, who serves on a committee that helped draft the proposed ANSI standards.

The union estimates that 35% of its computer-using members are suffering at least some symptoms, and he has heard of eight to 10 people who have had to give up their careers because of disabling injuries.

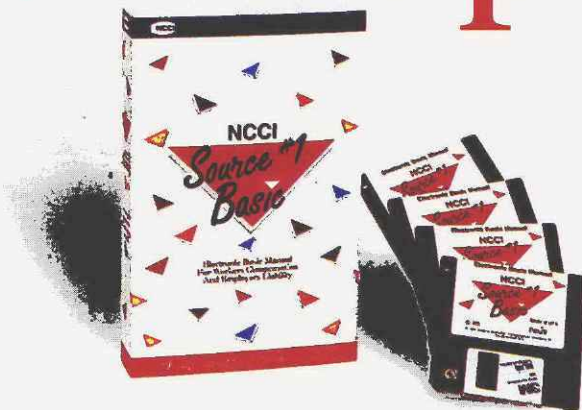
The proposed ANSI standards also outline steps an employer should take to reduce the risk of cumulative trauma disorders. For instance, employers should formally educate all employees about the signs and symptoms of musculoskeletal disorders. Employees should be "encouraged" to report symptoms so they can be evaluated and, if necessary, treated.

Early treatment of musculoskeletal problems of the back "has been shown to reduce their severity, duration of treatment and ultimate disability," the ANSI draft says. Similar positive effects are expected from early treatment of the upper extremities.

"Employees must not be subject to reprisal or discrimination based on such reporting," the draft says.

OshKosh B'Gosh Inc. requires that an employee be assessed according to medical protocols before immobilization is recommended. If it is, a company nurse administers splints. To hand them out liberally "would be to ignore the employee's call for help," said Pat Hirschberg, corporate safety and health manager for the Oshkosh, Wis.-based apparel manufacturer. **[B]**

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Guide to workers compensation information resources

■ A statutory overview of what constitutes an accident, injury or occupational disease to determine what may be covered under each state's statutes is detailed in a booklet from GAB Business Services Inc. Request item 2701.

■ A Crawford & Co. paper reviews the fundamentals of the ADA, including enforcement, its effect on workers comp, litigation and handling of claims. Request item 2702.

■ Liberty Mutual Insurance Co. offers a risk management magazine to help a company make informed workers comp decisions. Request item 2703.

■ An information sheet from

Scott Wetzel Services Inc. details the California law mandating the establishment of claims fraud identification units. Request item 2704.

■ Crawford & Co. provides a brochure reviewing its medical case management program along with a diagram for the workers comp market. Request item 2705.

■ A directory from Crawford & Co. lists its office locations throughout the United States and Canada. Request item 2706.

■ A brochure offered by Anthem Health Systems details a program on medical case management and a workers comp provider network. Request item 2707.



■ Liberty Mutual Insurance Co. offers a brochure detailing a system

to prevent workers comp claims. Request item 2708.

■ A booklet from Crawford & Co. details its hospital bill audit services for workers comp care, as well as group health claims. Request item 2709.

■ Scott Wetzel Services Inc. provides an article detailing New York state's weekly benefit rate and the advantages of having light duty work available to injured employees. Request item 2710.

■ Instructions on what to do in case of an injury and program questions and answers are supplied in a pocket file folder from Anthem Health Systems. Request item 2711.

■ Crawford & Co. offers a paper discussing the practicality of return-to-work programs and criteria that determine the success or failure of the programs. Request item 2712.

■ Returning injured employees to work through work performance evaluations is discussed in a newsletter by GAB. Request item 2713.

■ A booklet from Kemper National Insurance Cos. describes proper food handling to avoid possible food poisoning of workers. Request item 2714.

■ Crawford & Co. offers a brochure that evaluates workers comp claimants and potential problem claims. Request item 2715.

■ A brochure discussing Georgia workers compensation law, outlining new and replaced sections of the state code, is provided by Scott Wetzel Services Inc. Request item 2716.

■ An eight-page paper offered by Crawford & Co. discusses the effects of the 1990 Texas workers comp law and the new problems that claims administrators face. Request item 2717.

■ Warning signs that may signal workers comp fraud are reviewed in a pamphlet from Liberty Mutual Insurance Co. Request item 2718.

■ CompScope discusses pre-placement screening and its role in workers comp cost reduction in an information sheet. Request item 2719.

■ A brochure available from Crawford & Co. defines a program that screens lost time cases to control workers comp medical and indemnity costs. Request item 2720.

■ GAB Business Services Inc. offers a newsletter detailing general facts about Lyme disease, including its transmission, diagnosis, treatment and how to protect outdoor workers from catching the disease. Request item 2721.

■ Topical Testing Inc. supplies an article detailing a testing procedure for carpal tunnel syndrome called vibrometry. Request item 2722.

■ A six-step program to manage workers comp claims cost is described in a Liberty Mutual Insurance Co. brochure. Request item 2723.

■ Changes in the Massachusetts workers comp law and their impact on the insurance industry are reviewed in an article from Crawford & Co. Request item 2724.

■ A newsletter offered by GAB Business Services Inc. provides an overview of a managed care program to handle bill and schedule reviews, PPO processing and other vocational case management services. Request item 2725.

■ A brief description of the Americans with Disabilities Act and employers' responsibilities to their employees is offered in an article provided by Scott Wetzel Services Inc. Request item 2726.

■ A publication supplied by Specific Software Solutions Corp. offers a straight forward guide to computing workers comp modification factors. Request item 2727.

Continued on page 26

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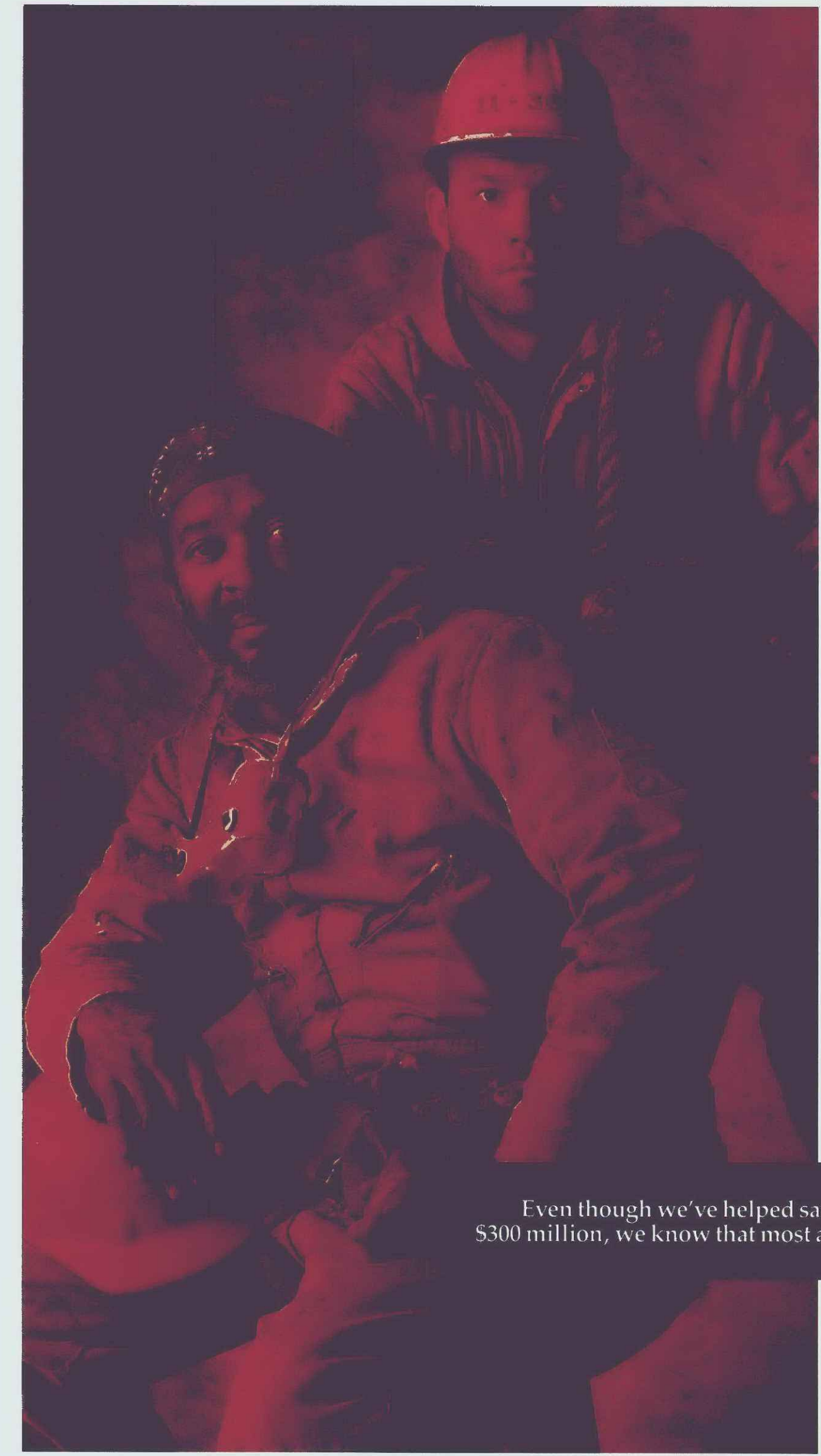
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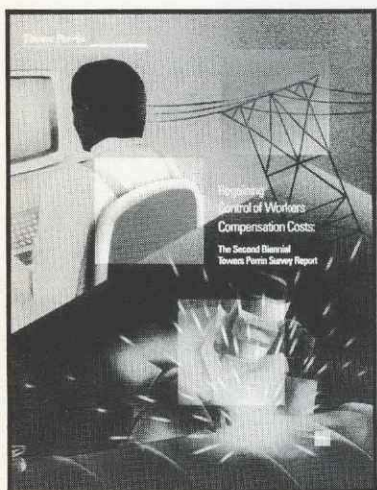
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Spotlight report

Continued from page 24

■ The Alexander Consulting Group Inc. offers a pamphlet on **controlling workers comp costs** by targeting multiple cost drivers. Request item 2728.

■ Crawford & Co. describes a **return-to-work program** that provides medical and vocational assessments for an employer and assistance for employees. Request item 2729.



■ A survey supplied by Towers Perrin offers advice on **use and effectiveness of cost-containment measures** and other issues in the area of workers comp. Request item 2730.

■ This pamphlet provided by GAB Business Services Inc. gives an **overview of the ADA**, detailing who is protected, who qualifies and practical applications. Request item 2731.

■ A brochure from Liberty Mutual Insurance Co. supplies an outline of a program to assist with **loss prevention, claims resolution and cost containment**. Request item 2732.

■ An overview on how each state deals with **alcohol-substance abuse** and willful misconduct in the workplace is offered by GAB Business Services Inc. Request item 2733.

■ An information kit by Specific Software Solutions Corp. includes a software demonstration to understand the **New Jersey workers comp modification factors**. Request item 2734.

■ A guide for claims handlers on **video surveillance of workers comp claimants** suspected of malingering is available from In-Photo Surveillance. Request item 2735.

■ An information packet available from Rehability Corp. describes an **early return-to-work system** that manages medical and rehabilitation services. Request item 2736.

■ A **return-to-work/ADA related program** is reviewed in a publication provided by Crawford & Co. Request item 2737.

■ Liberty Mutual Insurance Co. offers a booklet detailing tips for **accident prevention, medical and disability cost management and loss trend evaluation**. Request item 2738.

■ GAB Business Services Inc. provides an overview of **Louisiana's workers comp utilization review program**. Request item 2739.

■ A description of medical management and **workers comp cost containment** services is offered by the Thomas Howell Group (Americas) Inc. Request item 2740.

■ A perpetual calendar to **calculate the number of days, weeks or months between two dates** is offered by GAB. Request item 2741.

■ An article supplied by Occupational Health Services Inc. and Behavioral Healthcare Tomorrow examines the increase of **stress-related workers comp claims** and how to reduce them. Request item 2742.

■ Liberty Mutual Insurance Co. details **risk management issues associated with workers comp** in a booklet of speech summaries from its 1992 Risk Management Forum. Request item 2743.

Continued on next page

Business Insurance

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| A ☐ Yes | B ☐ No | C ☐ Please send Business Insurance subscription information |
|--------------------------------|-------------------------------|--|

To obtain copies of literature and information about products and services listed in the October 18 info section, simply indicate the key numbers for the items you want and mail the coupon to:

Business Insurance Reader Service Center

650 S. Clark St., 6th Floor
Chicago, IL 60605-1702

Please print clearly

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone () _____

Sunday Afternoon Workers' Comp

Access the Alternatives with

Continued from previous page

■ A publication supplied by NRM Computer Systems Inc. examines how the latest in **workers comp technology** can improve performance and save money. Request item 2744.

■ Kemper National Insurance Cos. supplies a newsletter describing how **residual markets** have collectively become the nation's largest provider of workers comp coverage. Request item 2745.

■ GAB Business Services Inc. supplies a state-by-state overview of **average weekly wage determination**. Request item 2747.

■ The Thomas Howell Group (Americas) Inc. supplies information on assistance with **medical management, analysis, bill review, fraud management** and

other services. Request item 2748.

■ An article from Liberty Mutual Insurance Co. discusses steps to **slow the growth of medical costs** in workers comp and property/casualty insurance lines. Request item 2749.

■ A booklet offering a state-by-state statutory and case review of **stress exposure as it applies to workers comp** is available from GAB Business Services Inc. Request item 2750.

■ Thomas Howell Group (Americas) Inc. provides a **directory of its offices** with separate listings for all workers comp and risk services locations. Request item 2752.

■ A Liberty Mutual Insurance Co. brochure describes its toll-

free **phone service to report workers comp claims**, available 24 hours a day, year round. Request item 2753.

■ U.S. Intell Investigative Services offers an overview of **surveillance tactics for rural assignments** for a workers comp investigation. Request item 2754.

■ Crawford & Co. offers a colorful quarterly **workers comp newsletter** for risk managers. Request item 2755.

■ A newsletter from Kemper National Insurance Cos. discusses why the Clinton administration should wait on **merging health care and workers comp**. Request item 2756.

■ GAB Business Services Inc. supplies a booklet detailing a

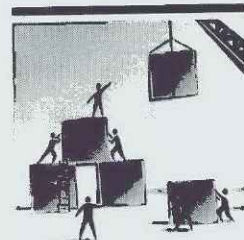
state-by-state overview of **workers comp statutes** and cases pertaining to the workers comp No Fault and Exclusive Remedy issues. Request item 2758.

■ U.S. Intell Investigative Services supplies an article defining **how to select and work with a private eye**. Request item 2759.

■ A U.S. Intell Investigative Services brochure describes how to **recognize and respond to fraudulent workers comp claims** with surveillance. Request item 2760.

■ A brochure provided by In-Photo Surveillance provides information on **how to use your surveillance tapes as evidence**. Request item 2761.

■ A series of brochures by



Build a more effective risk management team.
Add Kemper Loss Control Engineering Services.

Kemper National Insurance Cos. contains information on **increasing workplace safety** and controlling workers comp costs. Request item 2762.

■ An article offered by Ellis & Associates Inc. explores the **impact of the ADA on workers comp**, vocational rehabilitation and return-to-work issues. Request item 2764.

■ Commonwealth Risk Services Inc. supplies a booklet describing a rent-a-captive approach designed to **lower the cost of workers comp insurance**. Request item 2765.

■ Information on **how to choose a third-party administrator** for workers compensation is described in a booklet from Liberty Mutual Insurance Co. Request item 2766.

■ NRM Computer Systems Inc. discusses the **requirements of a workers comp software system**. Request item 2767.

■ Conservco provides a flier on determining which **workers comp claims may turn into financial disasters** if left unmanaged. Request item 2768.

■ An information packet from CARE Systems Corp. describes how to **reduce workers comp claims costs**, self-insurers' case load and lost work days. Request item 2769.

■ A flier provided by Conservco offers a checklist to use when **examining chiropractic treatment claims**. Request item 2770.

■ Action Healthcare Management Services offers a guide explaining **cost control mechanisms for workers comp plans**. Request item 2771.

■ A survey of employers by Towers Perrin shows the use of various techniques to **control rising workers comp costs**. Request item 2772.

■ ARM Tech supplies a guide on when an **audit of self-insured workers comp claims** is required. Request item 2773.

■ Crawford & Co. provides a brochure detailing the **benefits of early intervention** in controlling workers comp medical and indemnity costs. Request item 2774.

■ A booklet from Conservco reviews some **causes and solutions to rising workers comp costs**. Request item 2775.

■ A speech provided by American Risk Consultants Corp. offers ideas to build **management support for a workers comp safety program**. Request item 2776. **[B]**

It's Sunday afternoon, and while some rest, others go to work. What is viewed as a game to spectators is, in fact, serious business to those involved.

And as a business, the owners of professional football teams need workers' compensation coverage just like every other employer.

When several professional football teams needed a responsive, cost-effective program to address their unique workers' compensation exposures, Commonwealth Risk was there to help.

As a specialist in alternative risk financing, Commonwealth Risk knows the Alternative Market "playing field." 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 calling the right play on third and long.

When you need an effective workers' compensation program for your large clients, make the right call.

Call Commonwealth Risk.

And relax and enjoy the game.

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

Business Insurance directory of safety consultants

A

ABP Consulting Inc.

12007 Settle Court, Fairfax, Va. 22033;
703-273-5583; fax: 703-273-7463

Founded: 1992.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars; organizational studies; strategic planning; liability evaluations; design review.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability; personnel for extended on-site assignments.

Staff: Two total, both ASSE members.

Clients: 19 total, all corporate and institutional clients.

Specialties: Manufacturing, food and beverage, pharmaceutical, retail/distribution, chemical.

Offices: Boston; Houston; Orlando, Fla.

1992 revenues: 100% from unbundled safety consulting services.

Officers: William E. Phillips, president.

Accredited Risk

Management Specialists Inc.

P.O. Box 870971, Dallas,
Texas 75287; 800-348-4866;
fax: 214-306-6789

Founded: 1991.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; human resource management; ADA/EEO compliance.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving noise and vibration; fire protection engineering.

Staff: Seven total, including four safety consultants, one occupational health consultant, one industrial hygiene consultant. Three ASSE members.

Clients: 25 total, all corporate and institutional clients.

Specialties: Construction, petroleum, marine, manufacturing, chemical and plastics.

1992 revenues: 60% from unbundled safety consulting services.

Officers: A.J. Scardino Jr., chairman/CEO; Donna E. Ledgerwood, president; Don Godlewski; Nora Manning.

Contact: A.J. Scardino Jr.

Advanced Ergonomics Inc.

5550 LBJ Freeway, Suite 350, Dallas,
Texas 75240; 800-682-0169;
fax: 214-239-3757

Founded: 1989.

Services: Safety audits/reviews; evaluations or inspections; ergonomic and occupational health program assistance; on-site training classes or seminars; employment testing to conform with ADA/EEOC requirements.

Other services: OSHA compliance; research involving ergonomics.

Staff: 18 total, including nine safety consultants.

Clients: 300 total, including 30 corporate and institutional safety clients.

Specialties: Distribution, manufacturing.

Officers: Charles Anderson, president; Tommy Broxson, chairman; Kirby Dalton, executive vp; Joe Selan, vp.

Contact: Mike Raub, director-marketing.

Paul Alamar, P.E., C.S.P.

P.O. Box 134, Scranton, Pa.
18501-0134; 717-347-8665

Founded: 1972.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: OSHA compliance; research involving product liability and noise and vibration.

Staff: One total, a safety consultant and ASSE member.

Clients: 50 total.

Specialties: Construction, manufacturing, hospitals, nursing homes.

Officers: Paul Alamar, president.

J.H. Albert International Insurance Advisors Inc.

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

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and product liability.

Staff: Five total, including three safety consultants. Three ASSE members.

Clients: 600 total, including 170 corporate and institutional safety clients.

1992 revenues: \$5 million total, 22% from unbundled safety consulting services.

Officers: Joseph Albert, president; Michael Rodman; Judith Kokinda; Martin Berman; George West.

Contact: Linda Brodt.

Alcona Associates

890 Country Club Circle, Venice,
Fla. 34293; 813-497-2569 or
517-724-6649 (summer);
fax: 813-497-6256 or
517-724-6895 (summer)

Founded: 1983.

Services: Safety audits/reviews; safety program assistance; training classes or

seminars.

Other services: Publication of safety materials; OSHA compliance; research involving product liability.

Staff: Two total, including one safety consultant. One ASSE member.

Specialties: Metal forming machines and processes, machine tool safeguarding.

Offices: Harrisville, Mich.

1992 revenues: \$100,000 total.

Officers: William S. Roorda, president; Pearl E. Roorda, secretary/treasurer.

Alexander & Alexander Inc.

1211 Avenue of the Americas, New
York, N.Y. 10036; 212-840-8500;
fax: 212-555-4697

Founded: 1899.

Parent: Alexander & Alexander Ser-

vices.

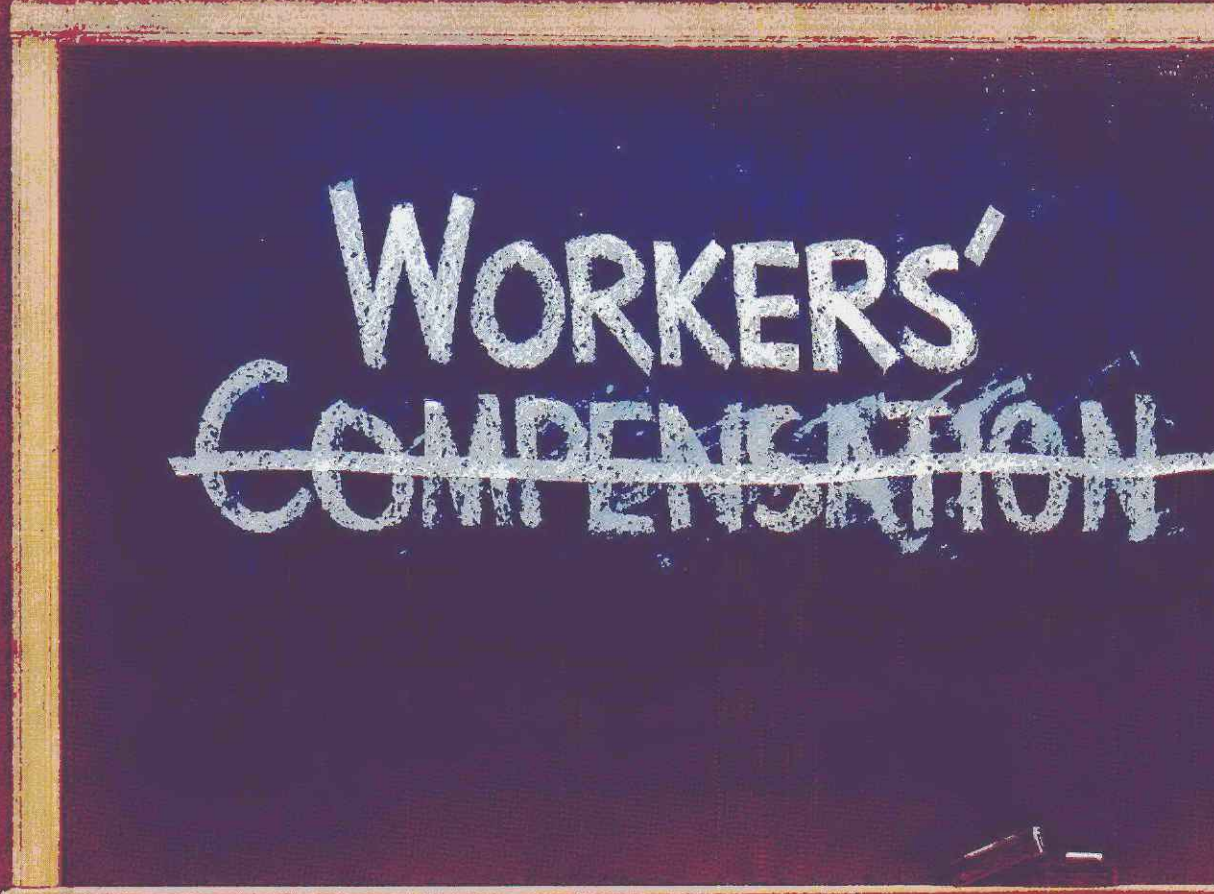
Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing at independent laboratory.

Staff: 125 total, including 119 safety consultants, three occupational health consultants, three industrial hygiene consultants. 125 ASSE members.

Clients: 2,018 total, all corporate and institutional clients.

Continued on next page



WORKERS'
~~COMPENSATION~~

FINALLY, A CASE FOR MAN

SOME WORKING SOLUTIONS FROM CONSERVCO.

Paging through this magazine, you'll see dozens of advertisements rattling off the same dismal statistics on rising medical costs. Many projecting the horrors yet to come. Still others pointing the finger at you for not waking up to the problem earlier.

At Conservco, we'd rather talk about solutions. And we found the best way to come up with them is to look at both sides of the issue. Workers' Compensation and Employee Benefits.

WORKING TOGETHER, EVERYONE BENEFITS.

Since 1981, Conservco has been a leader in both medical and disability cost management for both Employee Benefits and Workers' Compensation. And what we see are two groups whose needs and goals are moving closer and closer together. Both are struggling to control costs. Both want high quality care. Both are seeing the benefits of early intervention and bringing the employee back to work as quickly as possible.

What all this means to you, at long last, is an opportunity to look

Continued from previous page

Offices: Atlanta; Baltimore; Chicago; Dallas; Houston; Livonia, Mich.; Los Angeles; Louisville, Ky.; Minneapolis; Omaha, Neb.; San Francisco; Tampa, Fla.; 28 additional locations.

Officers: T.H. Irvin, chairman; Mike White, president/COO-Alexander & Alexander Services; Lawrence F. Burk, global managing director; Ron Forrest, chairman/CEO/president-Alexander & Alexander Inc., senior vp-Alexander & Alexander Services.

Contact: Tommy M. Ascherman, director-national loss control, 813-273-5538.

American Professional Risk Services Inc.

2 Ravinia Drive, Suite 610, Atlanta, Ga. 30346; 404-512-8916; fax: 404-512-8966

Founded: 1989.

Services: Safety audits and reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars conducted on-site and off-site.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics and noise and vibration.

Staff: Four total, all safety consultants. Two ASSE members.

Clients: 38 total, all corporate and institutional clients.

Specialties: Food processing, textiles, foundries, health care, underground storage tanks.

Offices: Atlanta.

1992 revenues: \$900,000 total, 40% from unbundled safety consulting services.

Officers: H.L. Davis, president; D.S. Kennedy, C.B. Harper, vps; W.F. Faulkinberry, assistant vp.

Anti Fire, P.E. Phillips & Associates

1963 Sycamore Trail, Las Vegas, Nev. 89108; 702-648-6757

Founded: 1974.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; legal services (all services related to fire protection only).

Other services: Development of training materials; fire protection engineering (all services related to fire protection only).

Staff: One total, a safety consultant and ASSE member.

Clients: Three total, including two corporate and institutional clients.

Specialties: Fire protection engineering consulting.

1992 revenues: \$65,000 total, 100% from unbundled safety consulting services.

vices.

Officers: Patrick E. Phillips, owner.

Applied Remedial Services Inc.

7940 Capwell Drive, Oakland, Calif. 94621; 510-430-8709; fax: 510-430-8862

Founded: 1991.

Services: Safety audits/reviews; evaluations or inspections; safety, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; consulting services for clean up of chemically affected sites.

Other services: OSHA compliance.

Staff: Two safety consultants, one industrial hygiene consultant.

Clients: 20 total.

Specialties: Chemical manufacturing industries.

1992 revenues: \$400,000 total, 10%

from unbundled safety consulting services.

Officers: Michael F. Kara, Mariam Kara.

Contact: Michael Kara.

Applied Risk Control Corp.

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

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site training classes or seminars; organizational profiles; claims management; accident investigation.

Other services: Publication of safety materials and videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; and risk management.

Staff: 15 total, including nine safety consultants, one occupational health consultant, one industrial hygiene consultant. Five ASSE members.

Clients: 75 total.

Offices: Atlanta, Chicago, Los Angeles.

1992 revenues: 95% from unbundled safety consulting services.

Officers: Harry P. Mirijanian, president.

Continued on next page

EMPLOYEE BENEFITS

AGING THEM TOGETHER.

at your total medical cost picture and manage with a more unified, flexible, cost-effective system than ever before.

A NEW SYSTEM BASED ON AN OLD CONCEPT: COMMON SENSE.

Take the case of the 24-hour RN. Upon closer examination, the injured employee had progressed to such a point that all he really needed—and wanted—was a weekly visit from a local LPN. Just that little bit of common sense saved the company more than \$6,000 that year. At Conservco, we have hundreds of little solutions

like this that add up to big savings. Solutions that work no matter where the injury occurred, who's paying, or how simple or complex the claim.

WHAT WE PUT TOGETHER, YOU CAN TAKE APART.

Everything we offer at Conservco—from Utilization Review and Hospital Bill Auditing to Medical/Disability Management and our growing provider network—is the best available. So whether you select one or any combination of our services, you'll go a long way to help contain costs. The point is, with cost management

systems in effect at every stage in the cycle of every case, from the onset of illness through recovery and billing, regardless of whether the claim is covered by Workers' Comp or Employee Benefits, you are in control. And only by being in control can you truly manage.

Call us at 800-525-5590 (in Tampa, Florida 813-969-0701), and we'll work something out.

Together.

CONSERVCO

WORKING TOGETHER, EVERYONE BENEFITS.
Integrated Medical/Disability Management

Directory lists broad range of consultants

The sixth annual directory of safety consultants lists companies that provide services such as advice on employee safety, assistance in developing safety programs, safety audits and evaluations, employee training classes and safety research.

Information for the directory was gathered from responses to a *Business Insurance* questionnaire. The directory is published as an editorial service; there is no charge to be included. However, to be listed consultants must offer their services directly to employers on an unbundled basis; companies that offer safety consulting only in conjunction with other products and services are not included.

Listings begin with the name and address of the company, followed by the year founded and parent company, if any.

Next, safety consulting services the company provides are detailed. Other services includes general research and any related services.

Information on staff follows, including total staff; professionals assigned to safety, occupational health and industrial hygiene consulting; and number of members in the American Society of Safety Engineers (ASSE). Following under the clients heading are the total number of clients and total corporate and institutional safety consulting clients in 1992.

If the company specializes in consulting to a particular type of business or industry, it is listed under the specialties heading. Locations of branch offices providing safety consulting services follow.

When reported by the company, 1992 gross revenues are provided. Officers and a contact name conclude the listing.

Although every effort is made to publish complete and accurate listings, *Business Insurance* is unable to verify all information provided by the companies.

INDUSTRIAL HYGIENE

Cost-Effective Solutions for Costly Problems

Workplace environmental problems don't have to be insurmountable obstacles. Addressing them in a proven, cost-effective fashion can actually yield significant long-term benefits including increased productivity, improved relations with employees, and reduced workers comp claims.

Crawford's team of industrial hygiene consultants can give you the specific, cost-sensitive recommendations you need to effectively control hazards and comply with OSHA and state regulations.

Call Jim Sybert at

(800) 723-3890



Continued from previous page

Asset Management Inc.

434 Old Courthouse Road, Vienna, Va. 22180; 703-255-3046; fax: 703-255-2825

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; substance abuse programs; claims control; cost containment.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration.

Staff: Seven total, including four safety consultants, one industrial hygiene consultant. Two ASSE members.

Clients: 40 total, including 30 corporate and institutional clients.

Officers: Thomas E. Bailey, president; Frank D. Parrish, vp.

Contact: Thomas E. Bailey.

Associated

Transportation Services

4102 Orange Ave., Suite 107-155; Long Beach, Calif. 90807; 310-425-0989; fax: 310-425-0989

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance.

Other services: Publication of safety materials or videos.

Staff: Five total, including two safety consultants.

Clients: 20 total, all corporate and institutional clients.

Specialties: Truck transportation.

Officers: Wayne Schooling, owner.

Axia Services Inc.

151 Farmington Ave., W101, Hartford, Conn. 06156; 203-683-3624; fax: 203-683-3746

Founded: 1972.

Parent: Aetna Life & Casualty.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; laboratory analytical services; fire prevention audits/services.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory.

Staff: 400 total, including 370 safety consultants, 12 occupational health consultants, 18 industrial hygiene consultants. 250 ASSE members.

Clients: 125 total, including 50 corporate and institutional clients.

Offices: 48 locations.

1992 revenues: \$3 million total, 5% from unbundled safety consulting services.

Officers: Stephen M. Mulready, president; James D. Matthews, vp-loss control; Joseph Labetti, sales.

Contact: Joseph Labetti or Anthony Maleski.

Clients: 200 total, including 20 corporate and institutional clients.

1992 revenues: \$200,000 total, 50% from unbundled safety consulting services.

Officers: Ronald W. Porter, director/owner.

BackCare Corp.

200 S. Des Plaines St., Chicago, Ill. 60661; 312-258-0888; fax: 312-258-0090

Services: Safety audits/reviews; ergonomic and occupational health program assistance; training classes or seminars.

Other services: Publication of safety materials; rehabilitation; OSHA compliance; research involving occupational health and ergonomics.

Staff: Five total.

Specialties: Ergonomic evaluations for VDT workstations.

1992 revenues: \$500,000 total.

Officers: Neal J. Taslitz.

Contact: Francie Morse.

Donald Baetge Consultant

1904 Tanglelane, Richmond, Texas 77469-5031; 713-342-8183

Founded: 1979.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; accident investigation; product liability loss control; expert witness.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability.

Staff: One total, a safety consultant and ASSE member.

Clients: 11 total.

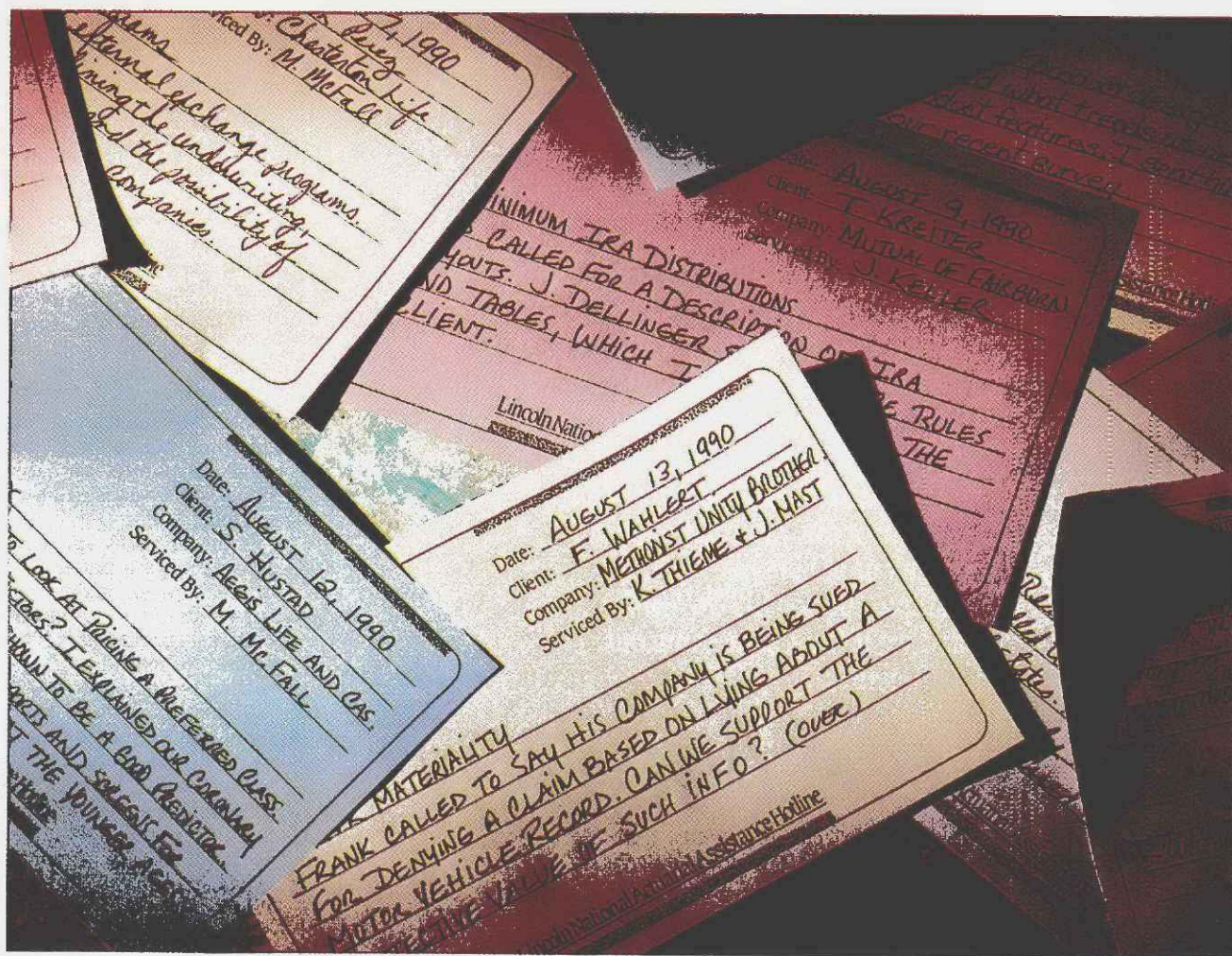
Specialties: Construction, petroleum, heavy steel fabrication and general manufacturing.

1992 revenues: \$50,000 total, 10% from unbundled safety consulting services.

Officers: Donald Baetge, owner.

Continued on next page

After Answering 679 Actuarial Questions, Our Fee Came To A Total Of \$0.00.



It's a busy morning on the Actuarial Assistance HotLine.

First, it's a senior life actuary. He asks about accelerated benefit product design. Later, a valuation actuary wants to discuss reserving for AIDS. Then there's a question about last-survivor pricing.

An actuarial resource for our clients.

With the toll-free Actuarial Assistance HotLine, preferred life reinsurance clients of Lincoln National can save time and money getting help with actuarial questions. There's no fees, no statements, and no strings attached.

The HotLine staff taps a resource pool of some of the most experienced actuaries in the field. They can share Lincoln National's research, experience or just a well-reasoned opinion. Even on the newest products. The latest legislation.

Why would a reinsurer offer a service like this?

You may think it's unusual for a reinsurer to offer a service like the HotLine, and you're right. It all comes down to this — we focus on serving as a broader resource to your company. That's what underlies our range of unique products and services, all designed to contribute to your success in new ways.

To learn how this approach can make a bottom-line difference to your company, call Joanne Collins, Director of Marketing, at 1-800-441-3989 or your Lincoln National account executive.

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A part of LINCOLN NATIONAL CORPORATION

The Reinsurance Resource.
One Reinsurance Place
1700 Magnavox Way • Fort Wayne, Indiana 46804

Continued from previous page

Becher & Carlson Risk Management Inc.

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

Founded: 1981.

Parent: American Re-Insurance Co.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance; on-site and off-site training classes or seminars; workers comp fraud prevention; behavior-based risk control; establishing return-to-work programs; evaluate risk control/safety department performance.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving occupational health, ergonomics and product liability; fire protection engineering.

Staff: One total, a safety consultant and ASSE member.

Specialties: Hospitality, restaurant, automobile importing, motion pictures, wholesale/retail food distribution companies, health care.

Offices: Marietta, Ga.

Officers: David L. Carlson, president/CEO; Robert L. Glickstein, senior vp/CFO; Robert W. Hessel, James J. Kofmehl Jr., senior vps.

Contact: Scott V. Oxman, vp-risk control.

Biehl Engineering Inc.

N66 W12659 Ravine Drive, Menomonee Falls, Wis. 53051; 414-251-8251

Founded: 1960.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; architectural engineering; product analysis; failure investigations; structural engineering.

Other services: OSHA compliance; research involving product liability; fire protection engineering; machine guarding; walkway, building and vehicle safety; accident reconstruction; casualty loss investigations; workers comp subrogation analysis.

Staff: Three total, all safety consultants. One ASSE member.

Clients: 100 total, including 30 corporate and institutional clients.

Specialties: Buildings, construction, vehicles, insurance, attorneys.

Officers: Steven F. Biehl, Francis W. Biehl, Marna J. Biehl.

Blakely & Associates

P.O. Box 413, Artesia, Calif. 90702; 310-402-3333

Founded: 1981.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site training classes or seminars; vehicle safety inspections; litigation assistance (expert witness); forklift safety training.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance.

Staff: One total, a safety consultant and ASSE member.

Clients: 40 total, all corporate and institutional clients.

Specialties: Trucking companies.

1992 revenues: \$103,668 total, 100% from unbundled safety consulting services.

Officers: Timothy L. Blakely, owner.

B. Gawain Bonner

Route 3, P.O. Box 458, Huntsville, Texas 77340; 409-594-3804

Founded: 1986.

Services: Safety audits/reviews; safety program assistance; forensics.

Staff: One total, a safety consultant and ASSE member.

Clients: Five corporate and institutional clients.

Specialties: Manufacturing.

Officers: B. Gawain Bonner, principal.

**Joseph F. Boxmeyer
Safety Consultant**

P.O. Box 143, Laurelton, Pa. 17835; 717-922-4216

Founded: 1982.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site training classes or seminars; static electricity control.

Staff: One total, a safety consultant and ASSE member.

Clients: 15 total, all corporate and institutional clients.

Specialties: Chemical, paint and coatings, pharmaceutical, printing, textiles, tape manufacturing.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Joseph F. Boxmeyer, owner.

George Boyd Associates

8111 Eastern Ave., Philadelphia, Pa. 19118; 215-825-5126; fax: 215-825-2097

Founded: 1979.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars; workers comp cost reduction.

Other services: Publication of safety materials or videos; development of

training materials; OSHA compliance; research involving industrial hygiene and noise and vibration; fire protection engineering; industrial hygiene testing at independent laboratory; environmental compliance; review of insurance companies' loss control personnel.

Staff: Two total, including one safety consultant, one industrial hygiene consultant. Two ASSE members.

Clients: 210 total, all corporate and institutional clients.

Specialties: Trade associations, metal-working, public entities, analysis of insurance companies' loss control staff.

1992 revenues: 100% from unbundled safety consulting services.

Officers: George Boyd Jr., president; Mark B. Klempner, vp-industrial hygiene services.

**Gregory B. Bragg
& Associates Inc.**

One Sierra Gate Plaza, Suite 230A, Roseville, Calif. 95678; 916-783-0100 or 800-422-7244; fax: 916-783-0338

Founded: 1986.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars; expert witness testimony.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics, product liability and noise and vibration; fire-

protection engineering.

Staff: Two total, both safety consultants and ASSE members.

Clients: 100 total, including 45 corporate and institutional clients.

Specialties: Public agencies, construction.

Offices: Chico, Fairfield, Redding, Sacramento, Stockton and Walnut Creek, Calif.

1992 revenues: \$2.6 million total, 8% from unbundled safety consulting services.

Officers: Greg Bragg, president; Lee Collins, vp/secretary; Jeff Kimball, CFO/treasurer.

Contact: Jack Kastroff, 916-344-7995 or 800-222-7995.

Continued on next page

EMPLOYEE BENEFITS BULLETIN: UNIFIED DISABILITY PROTECTION FROM CNA

This short-term disability doesn't need to become long-term.

Without immediate, appropriate care, some injuries or illnesses can develop into long-term disabilities. This can cause unnecessary suffering for an employee and result in increased costs for disability benefits, retraining and overtime, as well as lost productivity.

With CNA's Unified Disability Protection, our disability claims specialists flag short-term disability claims that could become long-term

and coordinate appropriate treatment with physicians and rehabilitation and vocational specialists.

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Spotlight report

Continued from previous page

Frank J. Breitsameter, P.E. & Associates

1005 Cardinal Lane, Mount Prospect, Ill. 60056; 708-259-8304

Founded: 1982.

Services: Safety audits/reviews; safety program assistance; training classes; accident investigation—mostly railroad and FELA cases; expert witness.

Other services: Publication of safety materials; development of training materials; rehabilitation; OSHA compliance; industrial hygiene testing at independent laboratory.

Staff: One total, a safety consultant and ASSE member.

Clients: 35 total.

Specialties: Railroad and rail transit.

Officers: Frank J. Breitsameter, owner.

Brentwood Services Administrators Inc.

213-A Ward Circle, Brentwood, Tenn. 37024; 800-524-0604; fax: 615-371-1412

Founded: 1990.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration.

Staff: Two total. One ASSE member.

Clients: 45 total.

Officers: Atlanta.

1992 revenues: \$75,000 total, 100% from unbundled safety consulting services.

Officers: Richard D. Hammer, president; Karen M. Porter, director-operations.

Contact: Keith Fawcett.

Morley Brickman & Associates Ltd.

9221 Drake Ave., Unit 410, Evanston, Ill. 60203-1626; 708-674-2664; fax: 708-674-0096

Founded: 1986.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars; forensic engineering.

Other services: OSHA compliance.

Staff: One total, a safety consultant.

Clients: Three total.

Officers: Morley Brickman, president.

The Brooks Cos.

9 Isaac St., Norwalk, Conn. 06850; 203-853-9792; fax: 203-853-0273

Founded: 1971.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: OSHA compliance; research involving noise and vibration; fire protection engineering.

Staff: Five total, including two safety consultants, one occupational health consultant, two industrial hygiene consultants.

Clients: 50 total.

Specialties: Manufacturing, government.

1992 revenues: \$400,000 total, 25% from unbundled safety consulting services.

Officers: Keisa McPartland, president; Kevin Attra, laboratory director.

Contact: Keisa McPartland.

Burlington Technical Consultants Inc.

368 Warrenville Road, Green Brook, N.J. 08812-2032; 908-754-8264; fax: 908-754-5233

Founded: 1980.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; OSHA compliance; research involving ergonomics and product liability; expert witness services involving accidents and product liability litigation.

Staff: One total, a safety consultant and ASSE member.

Clients: 12 total.

Specialties: Electric contractors, electric utilities and manufacturers associated with those businesses.

1992 revenues: \$25,000 total, 100% from unbundled safety consulting services.

Officers: Arthur L. Lewis, president/principal consultant; Julia Lewis, secretary/treasurer.

Contact: Arthur L. Lewis.

C

C-A-B Consultants Inc.

4921 Butterfield Road, Hillside, Ill. 60162; 708-449-2221; fax: 708-449-2223

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving occupational health.

Staff: Three safety consultants, two occupational health consultants. Four ASSE members.

Clients: 97 total.

Specialties: Manufacturing, corporate environment.

Officers: Carol A. Bacon, president.

Contact: Chris Romani or Marybeth James.

Chubb Services Inc.

25 Independence Blvd., Warren, N.J. 07059; 908-580-7181; fax: 908-580-7187

Founded: 1991.

Parent: Chubb & Son Inc.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving ergonomics.

Staff: 12 total.

Specialties: Manufacturers, hospitals,

nursing homes, electronics, biotechnology, municipalities.

Officers: Harrisburg, Pa.; New York; Westborough, Mass.

1992 revenues: 50% from unbundled safety consulting services.

Officers: Robert Felch, president; Robert Santoro, Arthur Billington, Richard Luongo, vps.

Contact: Robert F. Santoro.

Claims Administrative Services Inc.

P.O. Box 8357, Tyler, Texas 75711; 903-561-8484; fax: 903-509-1888

Founded: 1991.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance.

Staff: Seven total, including six safety consultants. Three ASSE members.

Clients: 223 total.

Specialties: Political subdivisions.

Officers: Abilene, Amarillo and Dallas, Texas.

1992 revenues: \$3.4 million total, 2% from unbundled safety consulting services.

Officers: Billy Hibbs, president; Barry Jones, executive vp; Billy Hibbs Jr., Gary Howell, Cliff Clay, vps.

Contact: Barry Jones.

Claymore Engineering

1308 Valle Vista Drive, Fullerton, Calif. 92631; 714-870-4521; fax: 714-870-7051

Founded: 1982.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; ventilation and air pollution control.

Staff: One total, a safety consultant and ASSE member.

Clients: 12 total.

Specialties: Chemical.

1992 revenues: \$100,000 total, 20% from unbundled safety consulting services.

Officers: Denison W. York.

Continued on next page



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ers' compensation claims in the state. We're also number 1 in cus-

tomized service, developing programs that meet your own specific



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Continued from previous page

COMCO Inc.

17120 Clark Ave., Bellflower, Calif. 90706; 310-804-0305; fax: 310-925-4248

Founded: 1980.

Parent: Communications Concepts.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos, including corporate safety, health and environmental policy manual; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomic, product liability and noise and vibration; industrial hygiene testing at independent laboratory; environmental assessments.

Staff: 24 total, including 14 safety consultants, two occupational health consultants, two industrial hygiene consultants. Four ASSE members.

Clients: 140 total, including 138 corporate and institutional clients.

Specialties: Oil refineries, bakeries, industry, manufacturing, automotive, public utilities, amusement/theme parks, pharmaceutical companies, oil terminals.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Donald E. Rhodes, president; Joann Blayney, sales manager/vp.

Compliance Consulting Group Inc.

5995 Greenwood Plaza Blvd., Suite 220, Englewood, Colo. 80111; 303-779-1152; fax: 303-741-0222

Founded: 1988.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; off-site training classes or seminars; fire safety inspections; emergency response programs and training.

Other services: Publication of safety materials; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health and noise and vibration; fire protection engineering.

Staff: Five total, including three safety consultants, one occupational health consultant, one industrial hygiene consultant. One ASSE member.

Clients: 31 total.

Specialties: Manufacturing, construction, country clubs, supermarkets.

1992 revenues: \$135,000 total, 100% from unbundled safety consulting services.

Officers: Kenneth A. Roberts, president; Helen J. Young, vp-operations.

Contact: Kenneth Roberts.

Comprehensive Risk Management Inc.

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

Founded: 1991.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance;

risk management audits; risk management program assistance.

Staff: Two total, both safety consultants. One ASSE member.

Clients: 20 total, including 15 corporate and institutional clients.

Specialties: Manufacturing, municipalities, associations.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Philip E. Goldsmith, president.

CompScope

19 Perlman Drive, Spring Valley, N.Y. 10977; 914-425-9371; fax: 914-425-5326

Founded: 1991.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; seminars and focused retreats for managers.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA

compliance; research involving noise and vibration; industrial hygiene testing at independent laboratory; statistical analysis of injury rates in comparison with national, state and industrywide data.

Staff: 27 total, including 20 safety consultants, six occupational health consultants, one industrial hygiene consultant. Twenty ASSE members.

Specialties: Manufacturing, transportation, utilities, food and beverage industry, state and local governments.

Officers: Ilene Wachs, president; Stanley Alpert, vp/treasurer.

Contact: Ilene Wachs.

Confirm Inc.

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

Founded: 1989.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability and noise and vibration; fire protection engineering.

Staff: One total, a safety consultant and ASSE member.

Clients: 15 total, including three corporate and institutional clients.

Specialties: Health and construction.

1992 revenues: 10% from unbundled safety consulting services.

Officers: James P. Faughnan Jr., president; Charles H. Cornish, vp; Paul J. Czesak, director-engineering services; Lawrence E. O'Brien, principal consultant.

Contact: James P. Faughnan Jr.

Consolidated Risk Management Services Inc.

7130 Glenforest Drive, Suite 102, Richmond, Va. 23229; 804-673-5954; fax: 804-673-5916

Founded: 1969.

Parent: Blue Cross & Blue Shield of Virginia.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving occupational health and ergonomics.

Staff: Six total, including five safety consultants. Six ASSE members.

Specialties: Construction, manufacturing, mercantile, municipalities, educational.

Officers: Columbia and Rockville, Md.; Fairfax, Va.; Raleigh, N.C.

Officers: William D. Monday Jr., president; Monty McFadden, vp-marketing; Stephen R. Hall, CFO.

Contact: Harold D. Parker, director-loss control.

Constitution State Service Co.

1 Tower Square, Hartford, Conn. 06183-4072; 203-277-2677; fax: 203-277-0142

Founded: 1980.

Parent: The Travelers Corp.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars; safety management system consulting.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory.

Staff: 277 total, including 240 safety consultants, 12 occupational health consultants, 25 industrial hygiene consultants.

Clients: 300 total, including 25 corporate and institutional clients.

Specialties: Manufacturing and retail industries.

Offices: 65 locations.

1992 revenues: \$2 million total, 80% from unbundled safety consulting services.

Officers: Jim Nothem, senior vp; Dennis Replogle, second vp; Andrew J. Myer Jr., vp; Steven Boccia, assistant director.

Contact: Steven Boccia, 203-277-2709.

Continued on next page

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Spotlight report

Continued from previous page

Consumer Usage Laboratories Inc.

1688 E. Gude Dr., Rockville
Md. 20850; 301-424-8200;
fax: 301-424-0182

Founded: 1976.

Services: Ergonomic program assistance; warning label and safety information development and testing.

Other services: Publication of safety materials or videos; research involving ergonomics.

Staff: Two total, both safety consultants. One ASSE member.

Clients: 100 total.

Specialties: Manufacturers, legal profession.

Officers: Robert J. Cunitz, president; Anita R. Cunitz, vp.

Corporate Risk Management Inc.

Daylesford Plaza, Suite 300, P.O. Box
1010; Paoli, Pa. 19301; 215-647-8830;
fax: 215-251-9368

Founded: 1962.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering.

Staff: One total, a safety consultant and ASSE member.

Clients: 25 total.

Specialties: Non profit, manufacturing, construction, health care.

1992 revenues: \$135,000 total, 100% from unbundled safety consulting services.

Officers: Barry G. Balmer, president.

Contact: Allen Dunlap.

Coulter Consulting Group Inc.

P.O. Box 557, Delaware, Ohio 43015;
614-363-9715; fax: 614-369-1235

Founded: 1980.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety

materials or videos.

Staff: 15 total, all safety consultants. Four ASSE members.

Clients: 30 total.

Specialties: Specialty risk clients; amusement parks; carnivals; arenas; stadiums; leisure, recreational and entertainment venues.

1992 revenues: \$900,000 total, 100% from unbundled safety consulting services.

Officers: Richard J. Coulter, president; Jeffrey W. Abendshien, senior vp; Dona Roudabush, Lee Geiling, vps; Fayette Coulter, secretary/treasurer.

Contact: Dona Roudabush.

Crawford & Co./ The FPE Group

5620 Glenridge Drive NE, Atlanta,
Ga. 30342; 404-256-0830;
fax: 404-847-4127

Founded: 1941.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars;

safety business planning; product liability consultation; technical claims investigation; fleet safety consultation.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing at independent lab; fire protection systems designs; boiler & machinery.

Staff: 82 total, including 52 safety consultants, two occupational health consultants, 14 industrial hygiene consultants 40 ASSE members.

Clients: 250 total, including 220 corporate and institutional clients.

Specialties: Manufacturing, food processing, health care, construction, marine, restaurants.

Offices: Boston; Chicago; Cleveland; Clifton, N.J.; Dallas; Detroit; Fairfax, Va.; Hartford, Conn.; Houston and San Antonio, Texas; Long Beach and San Francisco, Calif.; Orlando, Fla.; Philadelphia St. Louis; St. Paul, Minn.; Seattle; Winston-Salem, N.C.

Officers: F.L. Minix, chairman/CEO; Jim Sybert, senior vp/COO-risk control services; Garry Hundley, assistant vp; Robert Little, assistant vp-operations.
Contact: Jim Sybert.

D

DNV-Loss Control Management

4546 Atlanta Highway, P.O. Box 1898;
Loganville, Ga. 30249; 404-466-2208;
fax: 404-466-4318

Founded: 1974.

Parent: Det Norske Veritas.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials.

Staff: 50 total, including 46 safety consultants, two occupational health consultants, two industrial hygiene consultants. 20 ASSE members.

Clients: 3,000 total, including 2,800 corporate and institutional clients.

Specialties: Processing, manufacturing, mining, food processing, pharmaceutical.

Offices: Houston, Texas; Aberdeen, London and Manchester, U.K.; Frankfurt, Germany; Oslo, Norway; Paris; Rotterdam, Netherlands; Singapore.

1992 revenues: \$8,450,000 total, 100% from unbundled safety consulting services.

Officers: Per Olaf Brett, president; David McCollough, manager-finance & administration; Robert Arnold, manager-consulting service division.

Contact: Susan Arnold, Bryan Robbins or Mike Clyde.

Thomas F. Dalton, Ph.D. Consultant

12 Jerrys Drive, Burlington, N.J. 08016;
609-386-3788; fax: 609-386-5639

Founded: 1981.

Services: Safety audits/reviews; evaluations or inspections; safety, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; oil and hazardous material spills supervision, clean up and disposal.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving occupational health and product liability.

Staff: One total, a safety consultant and occupational health consultant.

Clients: 40 total, including 26 corporate and institutional clients.

Specialties: Response contractors.

1992 revenues: \$150,000 total, 100% from unbundled safety consulting services.

Officers: Thomas F. Dalton, principal; Sally M. Dalton, administrative assistant.

Contact: Thomas F. Dalton.

Delaney Consulting Inc.

8001 Nicklaus Drive, Suite 2, Orlando,
Fla. 32825; 407-273-7901

Founded: 1981.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: OSHA compliance; research involving product liability; fire protection engineering.

Staff: One total, a safety consultant and ASSE member.

Clients: 40 total, including 30 corporate and institutional clients.

Specialties: Construction, insurance, litigation.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Edward L. Delaney, president; Marie L. Delaney, secretary/treasurer.

Contact: Edward L. Delaney.

Drucker Health & Safety Management Inc.

505 N. Sepulveda Blvd. Suite 16, P.O.
Box 3515, Manhattan Beach, Calif.
90266; 310-372-8686;
fax: 310-318-1450

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; off-site training classes or seminars.

Continued on next page

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Continued from previous page

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics and noise and vibration; industrial hygiene laboratory.

Staff: Four total, including two safety consultants, two industrial hygiene consultants. Two ASSE members.

Clients: 100 total.

Officers: Marjorie A. Drucker.

E.I. du Pont de Nemours & Co. Inc.

10th & Market St., Wilmington,
Del. 19898; 302-774-2148;
fax: 302-774-2134

Founded: 1802.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; risk management consulting; engineering services; safety climate survey.

Other services: Development of training materials; safety audit-related software (Safer); risk management computer system.

Staff: 100 total. Five ASSE members.

Offices: Houston; Westlake Village, Calif.; Brussels, Belgium; Luxembourg; Mexico City; Paris; Sydney; Toronto.

Officers: David A. Herbert, business manager; R.A. Frick, consulting manager; R.J. Merriweather, training materials manager; J.C. Hilyard, seminars manager; T.C. Conrick, manager-Safer.

Contact: David A. Herbert, 302-774-2101

E

ELB & Associates Inc.

605 Eastowne Drive, Chapel Hill,
N.C. 27514; 800-334-5478;
fax: 919-493-2263

Founded: 1978.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene laboratory.

Staff: 14 total, including seven safety consultants, three occupational health consultants, four industrial hygiene consultants. Ten ASSE members.

Clients: 600 total, including 500 corporate and institutional clients.

Specialties: Manufacturing, construction, government, chemical industry.

Offices: Gaffney, S.C.; LaGrange, Ga.

1992 revenues: \$5 million total, 50% from unbundled safety consulting services.

Officers: Richard Ennis, president; Ray Boylston, Roy Davenport, senior vps; David Coble, vp; Steve Goode, vp-technical services.

Contact: Roy Davenport.

EOS Environmental Inc.

507 Mission St., South Pasadena,
Calif. 91030; 818-441-7050;
fax: 818-441-0016

Founded: 1982.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration; industrial hygiene testing at independent labs.

Staff: Four safety consultants, two occupational health consultants, seven industrial hygiene consultants. One ASSE member.

Clients: 200 total, all corporate and institutional clients.

1992 revenues: \$1 million total, 80% from unbundled safety consulting services.

Officers: Eugene A. Port, Anthony Kolk.

Contact: Todd Wilson.

ESIS Inc.

2 Liberty Place, 1601 Chestnut St.,
Philadelphia, Pa. 19192-2075;
215-761-6779; fax: 215-761-5596

Founded: 1953.

Parent: CIGNA Corp.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational

health program assistance; on-site and off-site training classes or seminars; property, construction and motor fleet professional liability; products liability.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing at independent laboratory.

Staff: 380 total, including 270 safety consultants, three occupational health consultants, seven industrial hygiene consultants. Two hundred ASSE members.

Clients: 1,000 total, including 253 corporate and institutional clients.

Specialties: Construction, general manufacturing, utility and petroleum, marine, aviation, motor fleets, hospitality and leisure, wholesalers, municipalities, education and real estate.

Offices: Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York, San Francisco.

Continued on next page

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Continued from previous page
1992 revenues: 10% from unbundled safety consulting services.

Officers: Raymond E. Hafner, president; Brian P. O'Hara, CFO; Bruce Hemphill, manager-product management.

Contact: Bruce Hemphill, 215-761-6784.

Essential Services & Programs Inc.

159 Great Neck Road, P.O. Box 910, Great Neck, N.Y. 11022; 516-487-0432; fax: 516-487-0498

Founded: 1986.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire

protection engineering; industrial hygiene laboratory.

Staff: 16 total; including 14 safety consultants, one occupational health consultant, one industrial hygiene consultant.

Clients: 76 total.

Specialties: General industry.

Officers: Gary Ricker, president; Michael J. Bednar, vp.

Contact: Michael J. Bednar.

Farinacci & Associates Inc.

180 N. Riverview Drive, Suite 260, Anaheim, Calif. 92808; 714-283-8025; fax: 714-283-8029

Founded: 1981.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; haz-

ardous materials management; environmental safety.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration.

Staff: Nine total, including six safety consultants, two occupational health consultants, one industrial hygiene consultant. Eight ASSE members.

Offices: Sacramento, Calif.

1992 revenues: 60% from unbundled safety consulting services.

Officers: John J. Farinacci, president; Marie J. Farinacci, vp/secretary.

Contact: John J. Farinacci.

Figgie Medical Systems

1063 Technology Park Drive, Glen Allen, Va. 23060; 804-261-7026; fax: 804-261-7093

Founded: 1975.

Parent: Figgie International Inc.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assis-

tance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration.

Staff: Four total, including three safety consultants, one industrial hygiene consultant. Four ASSE members.

Clients: 30 total, all corporate and institutional clients.

Specialties: Industrial, construction, manufacturing, hospitals, insurance companies.

1992 revenues: \$450,000 total, 100% from unbundled safety consulting services.

Officers: J.S. Black Jr., president; David W. Sommers, director.

Contact: David W. Sommers.

Fire Protection Associates Inc.

1101 Kermit Drive, Suite 304, Nashville, Tenn. 37217; 615-361-4700; fax: 615-361-4790

Founded: 1981.

Services: Fire and life safety consulting.

Other services: Fire protection.

Staff: Two total. One ASSE member.

Clients: 25 total.

Specialties: Health care, large commercial businesses.

1992 revenues: \$150,000 total, all from unbundled safety consulting services.

Officers: Tom D. Copeland, president; William M. Steffenhagen, secretary.

Contact: William M. Steffenhagen.

Firecon

P.O. Box 231, East Earl, Pa. 17519; 717-354-2411; fax: 717-354-7233

Founded: 1980.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; emergency planning and preparedness services.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering.

Staff: One total, a safety consultant and ASSE member.

Clients: 100 total.

Officers: R. Craig Schroll, president.

Fireman's Fund Insurance Co.

777 San Marin Drive, Novato, Calif. 94998; fax: 415-899-3600

Parent: Allianz Insurance Co.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars; regional training on technical and risk management topics.

Other services: Publication of safety materials or videos; development of training materials; research involving industrial hygiene, occupational health, ergonomics and product liability; fire protection engineering; industrial hygiene testing by independent labs.

Staff: 210 total, including 200 safety consultants, 10 industrial hygiene consultants. 150 ASSE members.

Specialties: Manufacturing, food, electronics, plastics, property management.

Offices: 39 offices in major metropolitan cities.

Officers: Herbert Hansmeyer, Tom Rowe, Ray Barrette, Joe Stinnette, John Meyer.

Contact: Tom Alteri, loss control department, 415-899-2290.

Flex Fire Protection Design

201 S. Naperville Road, Wheaton, Ill. 60187; 708-668-8998; fax: 708-653-5260

Founded: 1986.

Other services: Research involving noise and vibration; fire protection engineering.

Staff: Four total, all safety consultants.

Clients: 42 total, including 11 corporate and institutional clients.

Contact: Mark T. Bromann, president.

Forensic Engineering

3490 Whitney Ave., Hamden, Conn. 06518; 203-281-6551; fax: 203-287-9227

Founded: 1973.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; training classes; accident investigation; emergency troubleshooting.

Other services: Development of training materials; research involving ergonomics; system safety studies; critical path project planning/management; OSHA compliance in construction; accident reconstruction; fire-cause and origin; OSHA certified instructor in construction and general safety.

Staff: Five total, including two safety consultants. Four ASSE members.

Clients: 500 total, all corporate and institutional clients.

Officers: Michael E. Shanok, president; Gilbert E. Nicholls, senior engineer.

Fyrsafe Engineering Inc.

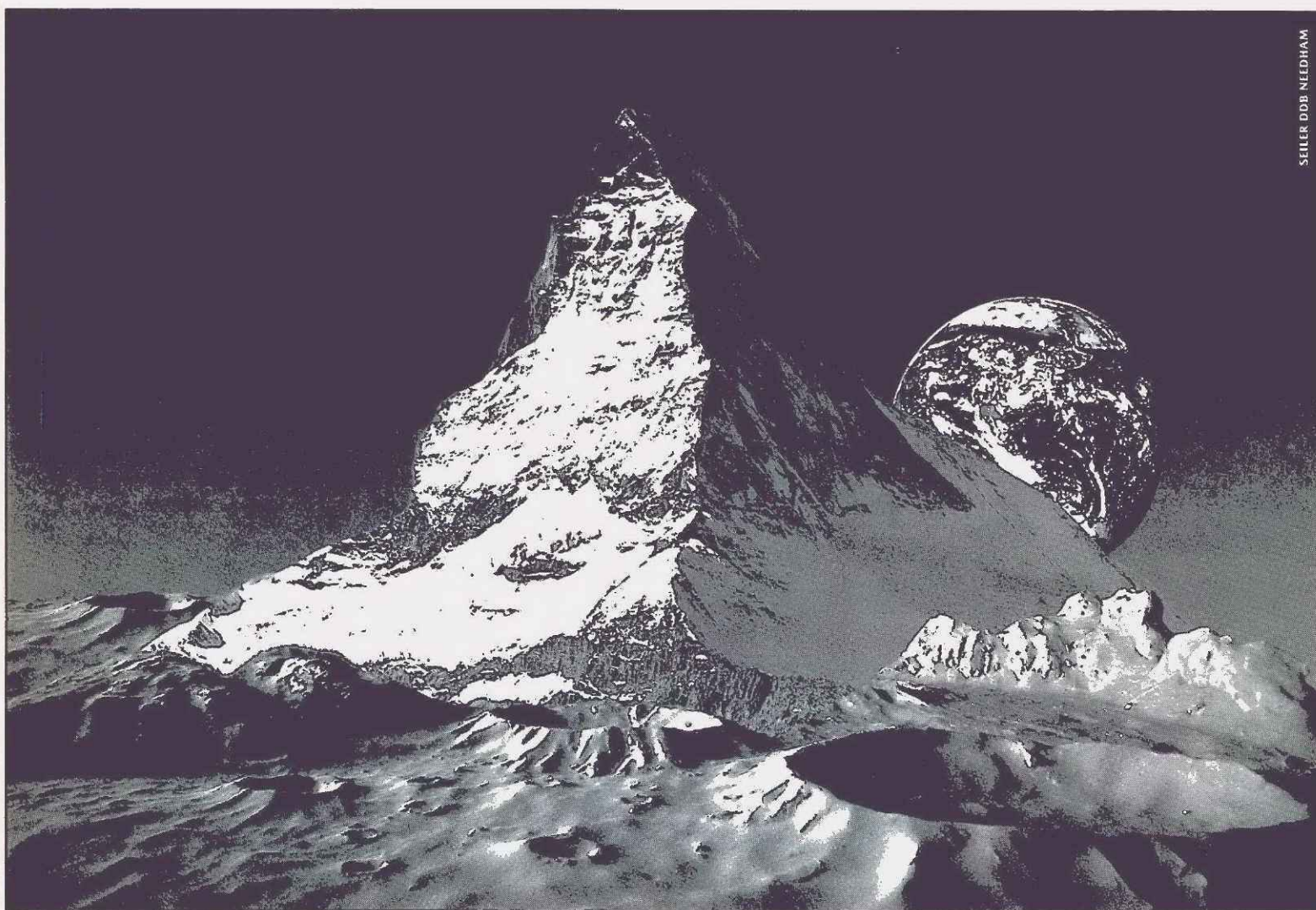
1225 Carnegie St., Suite 108, Rolling Meadows, Ill. 60008; 708-397-7233; fax: 708-392-1175

Founded: 1986.

Services: Safety audits/reviews; evaluations; training classes or seminars.

Other services: OSHA compliance; research involving product liability; fire protection engineering; forensic investigations; expert witness; codes and standards.

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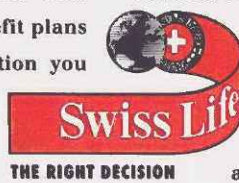


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dora; Canada: Canada Life;
Colombia: Seguros Bolivar; Czech
Republic: Kooperativa; Denmark:
Danica/International Health
Insurance/PFA Pension; Finland:
Ilmarinen/Suomi-Salama; France:
Société suisse (Swiss Life);
Germany: Schweizerische Renten-
anstalt (Swiss Life); Greece: Laski
Life; Guatemala: Seguros de Occi-
dente; 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 (Luxem-
bourg); Mexico: La Comerciál;
Netherlands: ZwiiterLeven (Swiss
Life); New Zealand: Colonial mutual;
Norway: Vital Forsikring; Panama:
Aseguradora Mundial de Panamá;
Philippines: Lincoln Philippine Life;
Poland: General Life Insurance Com-
pany 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.

Continued from previous page

Staff: Five total, including three safety consultants.

Clients: 100 total.

1992 revenues: 100% from unbundled safety consulting services.

Officers: John M. Mertens, president.

G

Gallagher Bassett Services Inc.

2 Pierce Place, Itasca, Ill.
60143-3141; 708-773-3800;
fax: 708-285-4000

Founded: 1962.

Parent: Arthur J. Gallagher & Co.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory.

Staff: 64 total, including 53 safety consultants, three occupational health consultants, three industrial hygiene consultants. 42 ASSE members.

Clients: 1,352 total, including 370 corporate and institutional clients.

Specialties: Manufacturing, food services, printing, municipal, institutional, commercial, educational, religious clients, hotels.

Offices: Atlanta; Los Angeles; Miami; Middleburg, Va.; St. Louis; Schaumburg, Ill.

1992 revenues: \$9.2 million total, 9% from unbundled safety consulting services.

Officers: John G. Campbell, chairman; Peter J. Durkalski, president; Richard McKenna, Richard Rothman, Fred Potenza, executive vps.

Contact: Fred Potenza or Kurt Montalto.

General Health & Safety Services Corp.

742 Market St., P.O. Box 290, Oregon, Wis. 53575-0290; 608-835-9109;
fax: 608-835-8863

Founded: 1978.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; part-time safety director service.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory.

Staff: Six total, including two safety consultants, one occupational health consultant, three industrial hygiene consultants. Four ASSE members.

Clients: 167 total, including 144 corporate and institutional clients.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Diane Hartwig, owner/vp; Daniel J. Hartwig, president.

Contact: Daniel L. Holcomb, technical services manager.

Gow Management Services Inc.

344 Delaware Ave., Buffalo, N.Y. 14202; 716-856-6148;
fax: 716-856-6179

Founded: 1982.

Parent: S.H. Gow & Co. Inc.

Services: Safety audits/reviews; evaluations or inspections; safety, industrial hygiene and occupational health program assistance; training classes or seminars; contract risk management.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene and noise and vibration; fire protection engineering; statistical injury/causal relationship reviews.

Staff: 22 total, including three safety consultants, three occupational health consultants, one industrial hygiene consultant. Two ASSE members.

Clients: 110 total.

Specialties: Municipalities, construction, educational systems, manufacturing, commercial real estate/development, institutional, health care.

Offices: Rochester and Syracuse, N.Y.
1992 revenues: \$750,000 total, 40% from unbundled safety consulting services.

Officers: Jeffrey Gow, president; Michael Gow, executive vp; Richard K. Mason, senior vp.

Contact: Richard K. Mason.

Great Lakes Educational Consultants Inc.

3324 Olney, Kalamazoo, Mich. 49006;
616-382-2314; fax: 616-382-6495

Founded: 1978.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site training classes or seminars; emergency plan development; safety and security plans.

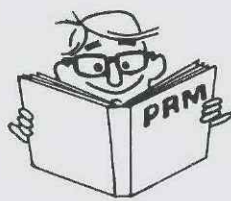
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance.

Staff: Three total, all safety consultants.

Clients: 31 total, all corporate and institutional clients.

Specialties: Educational institutions.

Continued on next page



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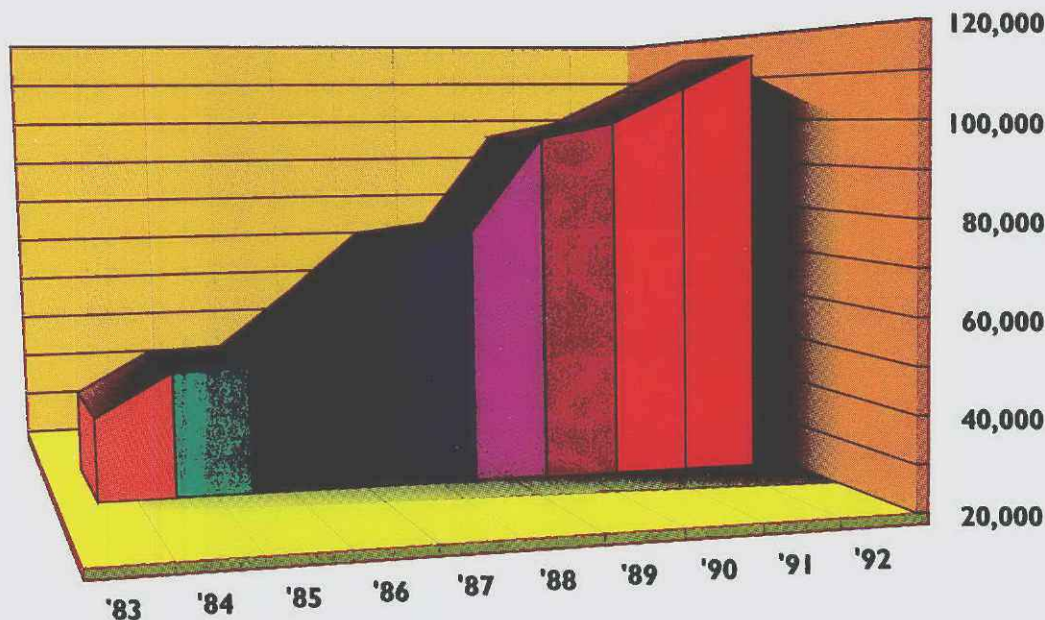
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Continued from previous page
1992 revenues: \$180,000 total, 100% from unbundled safety consulting services.

Officers: Robert F. Jonaitis, president.

Rod Guidry Consulting

P.O. Box 52864, Lafayette, La.
 70505-2864; 318-237-6316;
 fax: 318-237-6579

Founded: 1980.

Services: Safety program assistance; on-site and off-site training classes or seminars; environmental health (air and water only); equipment sales for these areas.

Other services: Development of training materials.

Staff: One total, a safety consultant and ASSE member.

Clients: Two total.

Officers: Rodney L. Guidry, owner.

H

C.R. Haines & Associates Inc.

825 Wheelwright Drive, Manchester, Mo. 63021; 314-227-3959;
 fax: 314-227-3959

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; equipment review; accident reconstruction.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability.

Staff: One total, a safety consultant and ASSE member.

Clients: 40 total.

Specialties: Construction, manufacturing, amusement/water parks.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Charles R. Haines.

Hand Therapy Ltd.

1725 W. Harrison St., Suite 263, Chicago, Ill. 60612; 312-738-3426;
 fax: 312-738-2954

Founded: 1985.

Services: Ergonomic and occupational health program assistance; carpal tunnel screening.

Staff: 10 safety consultants.

Specialties: Carpal tunnel claims.

Officers: Chicago, Ford City, Oak Brook, O'Hare area, Old Orchard and River Oaks, Ill.

Officers: Dr. Robert Schenck.

Contact: Shirley Cohen.

Dr. I. Harding-Barlow

3717 Laguna Ave., Palo Alto, Calif. 94306; 415-493-8146

Founded: 1968.

Services: Safety and occupational health program assistance; on-site training classes or seminars; risk assessments; toxicological evaluation.

Other services: Publication of safety materials or videos; development of training materials; research involving product liability; emergency services.

Staff: One total, a safety and occupational health consultant.

Clients: 10 total, including two corporate and institutional clients.

Specialties: Toxicology.

Officers: Dr. I. Harding-Barlow.

Helmsman Management Services Inc.

Riverside Office Park, 13 Riverside Road, Weston, Mass. 02193;
 617-574-5557; fax: 617-574-5552

Founded: 1983.

Parent: Liberty Mutual Insurance Group.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; machine safeguarding assistance; boiler and machinery services; construction safety services.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory; safety software programs in the areas of materials handling, accident analysis, VDT adjustment, cost-benefit analysis and power press safe guarding.

Staff: 650 total, including 558 safety consultants, 30 occupational health consultants, 32 industrial hygiene consultants. 200 ASSE members.

Clients: 225 total, including 200 corporate and institutional clients.

Specialties: Retail, construction, manufacturing, transportation services, health care, educational industries.

Officers: More than 125 locations throughout the United States, Canada and the United Kingdom.

1992 revenues: \$24.8 million total, 5% from unbundled safety consulting services.

Officers: Gary L. Countryman, chairman; Edmund F. Kelly, president; Rob-

ert L. Barresse, Theresa A. Maloney, senior vps; Amy J. Leddy, vp/manager.

Contact: James M. Rogers, director-sales/marketing.

Hewitt, Coleman & Associates Inc.

2717 Poinsett Highway, Greenville, S.C. 29609; 803-240-5800;
 fax: 803-232-8824

Founded: 1923.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration; fire protection engineering.

Staff: Seven total, all ASSE members.

Clients: 80 total, including 50 corporate and institutional clients.

Specialties: Transportation.

Officers: Atlanta; Birmingham, Ala.; Denver; Jackson, Miss.; Little Rock, Ark.; Orlando, Fla.; Raleigh, N.C.

1992 revenues: \$5 million total, 15% from unbundled safety consulting services.

Officers: Charles R. Warne, president; J. Jay Franks, senior vp; Ronald J. Graves, vp-loss control; W. Randy Chapman, vp-marketing.

Charles M. Hunt

5043 Grape, Houston, Texas 77096;
 713-665-8249

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance.

Staff: One total, a safety consultant.

Clients: Three total.

Specialties: Manufacturing, service, construction.

1992 revenues: \$5,000 total, 100% from unbundled safety consulting services.

Officers: Charles M. Hunt.

I

I.P.C. Chicago Inc.

787 Beverly Place, Lake Forest, Ill. 60045; 312-718-7395

Founded: 1986.

Services: Safety audits/reviews; evaluations or inspections; safety, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; E.P.A. accredited asbestos and lead training provider.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene and occupational health; fire protection engineering; industrial hygiene laboratory; specifications for lead and asbestos abatement; indoor air quality; environmental property audits (parts 1 and 2).

Staff: Five total; including three safety consultants, two industrial hygiene consultants. One ASSE member.

Clients: 100 total, including 50 corporate and institutional clients.

Specialties: Environmental clients.

Officers: Robert G. Cooley, president.

I.V.E. Inc.

2974 S. 900 E., Bountiful, Utah 84010;
 801-298-8996; fax: 801-298-8784

Founded: 1982.

Services: On-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials.

Staff: One total, an occupational health consultant and ASSE member.

Clients: 30 total, all corporate and institutional clients.

Officers: D. Jeff Burton, president.

Continued on page 40

1 Of Every 10 Hospital Workers Is Injured On The Job

- Bureau of Labor Statistics, U.S. Dept. of Labor, 1990

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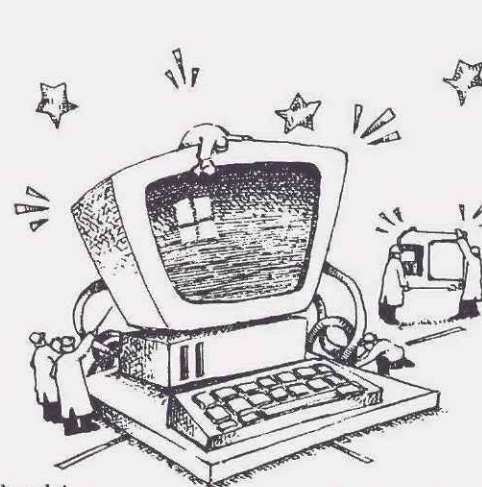
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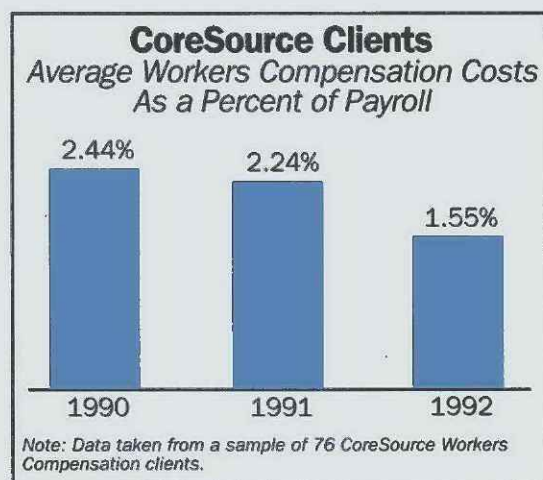
- Accident reduction through proactive prevention programs
- Expert medical management including the advantages of managed care
- Ensuring maximum productivity by returning workers to the job quickly
- Fair and accurate claims payment
- Management of disputed claims
- Management of cases in litigation
- Risk management analysis

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CoreSource combines the resources of a national operation with the focus, knowledge and responsiveness of a local company. From our 25 regional offices, we manage \$1.4 billion in client healthcare and workers compensation programs covering 1.5 million lives. All programs are designed around the local delivery systems taking community norms into consideration.

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CoreSource data indicates that our clients' workers compensation costs are spiraling downward. On average, from a sample of 76 CoreSource Workers Compensation clients across many industries, program costs as a percent of payroll have dropped more than 36 percent over a three year period.



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We're CoreSource. Let us build a solution for you. **For More Information Call Toll Free: 800 482 0615**

*Social Security Administration

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Healthcare & Workers Compensation Solutions

Continued from page 38

Impact Hearing Conservation Inc.

920 Main St., Suite 700, Kansas City, Mo 64105; 816-471-3900; fax: 816-471-1929

Founded: 1971.

Services: Safety audits/reviews; evaluations or inspections; occupational health program assistance; training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; research involving noise and vibration.

Staff: 10 occupational health consultants.

Clients: 3,600 total.

Officers: Jeffrey C. Morrill, CEO; Bill Glotzbach, president; Michael L. Sterrett, vp.

Contact: Bob Clark, sales manager.

Inductive Engineering

602 State St., Cedar Falls, Iowa 50613-3346; 319-266-0566

Founded: 1952.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of

training materials; OSHA compliance; research involving ergonomics, product liability and noise and vibration.

Staff: One safety consultant who is an ASSE member.

Clients: 40 total.

Officers: Dale Gumz, owner

Industrial Technical Associates

P.O. Box 332, 3 Stanley Road, West Orange, N.J. 07052; 201-674-2625

Founded: 1967

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational

health program assistance; training classes or seminars; air sampling and testing; smoke and heat abating; sound level control.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance research involving industrial hygiene, ergonomics, product liability and noise fire protection engineering; industrial hygiene laboratory.

Staff: Three total, including two safety consultants, one occupational health consultant, one industrial hygiene consultant. One ASSE member.

Clients: 100 total.

1992 revenues: \$120,000 total, all from unbundled safety consulting services.

Officers: A. Wallach, director.

Inservco Insurance Services Inc.

3461 Market St., Suite 201, Camphill, Pa. 17011-4441; 717-761-7735; fax: 717-763-5732

Founded: 1980.

Parent: Penn National Insurance Group.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering.

Staff: Eight total, including six safety consultants, one occupational health consultant, one industrial hygiene consultant. Four ASSE members.

Clients: 208 total, including 180 corporate and institutional clients.

Specialties: Governmental, educational, health care, contractors, commercial agri-business.

Offices: Greensboro, N.C.; Pittsburgh and Blue Bell, Pa.; West Trenton, N.J.

1992 revenues: \$15 million total, 5% from unbundled safety consulting services.

Officers: James Taylor, president; Robert Conrad, executive vp; Kenneth Shutts, secretary/general counsel; Barry Kline, treasurer.

Contact: Joseph Boslet.

Insurance Control Systems Inc.

1118 N. LaBrea Ave., Inglewood, Calif. 90302; 213-678-7115; fax: 310-673-3350

Founded: 1989.

Parent: Ca Corp.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory.

Staff: Seven total, including three safety consultants.

Clients: 47 total, including 15 corporate and institutional clients.

Offices: Atlanta; Dallas; Reno, Nev.

1992 revenues: \$1.4 million total, 95% from unbundled safety consulting services.

Officers: Alfred Kirkpatrick, president; Valeta Paganelli, vp; Laura Patten, vp-operations; V. Heitkamp, controller; J. Vasquez, service manager.

Contact: Laura Patten.

Insurers Technical Services Inc.

55 Alhambra Plaza, Coral Gables, Fla. 33134; 305-461-7410; fax: 305-461-4303

Founded: 1983.

Parent: Skandia Group.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance.

Other services: OSHA compliance; fire protection engineering; insurance underwriting surveys and services.

Staff: 14 total, including 10 safety consultants. Two ASSE members.

Clients: 15 total.

Specialties: Property and casualty insurance companies.

Offices: Maitland, Fla.

1992 revenues: \$300,000 total, 50% from unbundled safety consulting services.

Officers: R.C. Chaffin, president; John Marshall, vp.

Contact: Martin R. Lerner.

International Safety Consulting

406-A E. First St., Suite 438, Long Beach, Calif. 90802; 310-436-3370; fax: 310-432-1560

Founded: 1991.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site training classes or seminars; custom videotapes of the employee safety program.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics.

Staff: One total, a safety consultant.

Clients: 10 total, all corporate and institutional clients.

Continued on page 42

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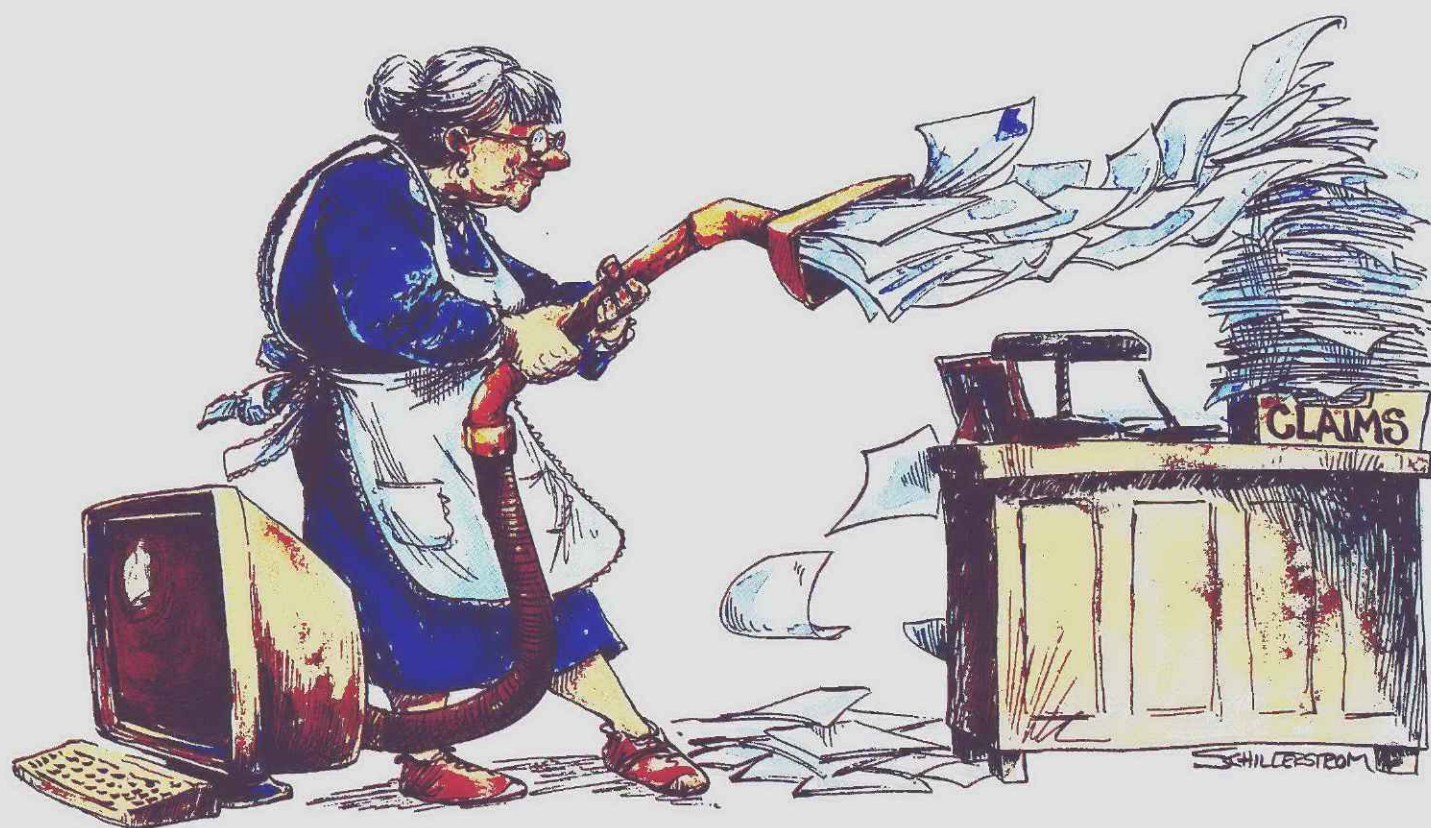
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CUTTING COSTS WITH AUTOMATION



Health care system to go on a diet

Clinton plan will force insurers to trim fat from operations

By DAVE LENCKUS

Fat. Lingering in numerous health insurer operations, it's blamed for contributing to needlessly inflated premiums. Cutting it away, the Clinton administration believes, will help many Americans get the same or better coverage for comparable or lower premiums.

Fed by the current health care system, it's found in claims processing, marketing, medical care delivery review and numerous other health insurer operations.

Industry experts agree that the pinched margins that insurers would face under President Clinton's proposed health care system, which is loosely based on managed competition, will force health insurers to cut these excesses wherever they're found.

But, even when weighed together, the fat in many insurers' operations hardly tips the scale, consultants and insurers also say.

Generally, "I think you're going to be talking about pennies on the premium dollar," said John Kleiman, a vp with Conning & Co., an insurance research and financial services firm in Hartford, Conn.

Lewis Derendorf, an associate with William M. Mercer Inc. in Stamford, Conn., estimates that the health insurer administration expenses that realistically can be shed account for only 4% to 7% of health care premiums.

They are pennies, though, that insurers are expected to squeeze out in an effort to maximize margins in an environment of price controls.

The Clinton plan proposes imposing premium caps that would equal the projected increase in the Consumer Price Index plus 1.5 percentage points in 1996, one point in 1997 and a half-point in 1998. From there on, health insurance premiums could rise no faster than the general inflation rate.

By comparison, midyear premium hikes were 18% to 22% for traditional indemnity plans, 12% to 18% for preferred provider plans, 10% to 16% for point-of-service plans and 4% for health maintenance organizations (BI, June 21).

Under the proposed premium caps, and considering how insurers currently spend each premium dollar, many health insurers don't have much room to make a significant profit, if any, industry experts say.

In 1992, the largest 100 health insurers on average spent 12% of the premium dollar on administration, according to Mr. Kleiman. However, administration costs for the insurers ranged from 4.5% to 20%.

Agents' commissions represented about 4.6% of costs, he said.

Claims costs varied widely for the group. But, insurers typically spent 60% to 80% of the premium dollar on claims costs, Mr. Kleiman said.

Others, though, say that figure is much higher. For example, David C. Willis, assis-

tant vp and national director of provider network management for Aetna Health Plans in Middletown, Conn., estimated that medical costs consume 95 cents of the premium dollar industrywide.

For many health insurers, there was no profit in 1992. For many others, profit represented only a few cents of the premium dollar.

With premium caps, health insurers will have to look everywhere for whatever fat they can trim, because that excess is not concentrated in any one area, most industry experts say.

"I'd be hard-pressed to say one area would generate a majority of it," Mr. Kleiman said. "It will vary from company to company."

Still, one area where observers believe that many health insurers can run leaner is claims handling and data interchange.

That includes even efficient insurance companies—and they know it.

Mr. Kleiman recounted a recent visit with an insurer client with a "very good expense ratio," during which an executive told him, "We shuffle paper too much."

Most health insurers' claims departments fall into one of two camps, according to Thomas Farley, managing consultant with A. Foster Higgins & Co. Inc. in New York.

Some, like Blue Cross & Blue Shield plans, "have done as much as they can to automate, so only a small number of people are

Continued on next page

Merriman retiring from ACORD, not automation

By MARK A. HOFMANN

PEARL RIVER, N.Y.—When Robert E. Merriman looks to the future, he doesn't just see the baseball, tennis and seaside flower gardening that he says will take up much of his time as a retiree.

Instead, the ACORD president, who announced in late August that he would retire next July at the age of 65, also sees an increasingly sophisticated world of automation, a world of which he intends to remain a part, probably as a part-time consultant.

ACORD is a non-profit property/casualty insurance association devoted to making the independent agency distribution system more efficient.

More than 850 insurers and 33,000 independent insurance agencies are affiliated with the Pearl River, N.Y.-based group, as are many national property/casualty trade associations, including: the Council of Insurance Agents & Brokers (until earlier this month known as the National Assn. of Casualty & Surety Agents); the Independent Insurance Agents of America; the National Assn. of Insurance Women; the National Assn. of Professional Insurance Agents; and major industry service providers.

An executive search committee has begun seeking a successor to Mr. Merriman.

Mr. Merriman, who joined ACORD in 1975 as executive director, became the group's president in 1978.

He started his insurance career in Allstate Insurance Co.'s New York City office during the mid-1950s and was working in that insurer's Long Island regional office in the 1960s when Allstate began using electronic data processing in its billing operations. In 1968, he joined Johnson & Higgins, where he served as manager of corporate systems and programming.

When ACORD was merged with the Insurance Institute for Research in 1983, Mr. Merriman became executive vp of the new organization, which was called IIR/ACORD. In 1988, he was named president and chief executive officer of the group, which had resumed using the name ACORD a year earlier.

ACORD's greatest achievement since its creation "is the fact that the property/casualty insurance industry now recognizes it as the standards-setting organization for the industry," Mr. Merriman said.

ACORD was created in 1970 as a project of the Independent Insurance Agents of America, which sought to make the insurance distribution system more efficient. The first fruits of the IIAA's project came in 1972, with the release of the inaugural ACORD forms, which were standardized loss notices. ACORD was incorporated in 1974 and seven years later published its first electronic standards.

Mr. Merriman said he takes his greatest personal satisfaction from his tenure at ACORD in the fact that ACORD forms now have a wide industry acceptance. About 200 million ACORD forms are used annually. Between 80 and 90 million of those forms are delivered electronically, he said. He added that there are currently about 85 ACORD forms of all types in use, with 850 insurers

Continued on page 40F

Trimming fat

Continued from page 40B

Ms. Goudy also expects that insurers' workers compensation and automobile medical claims payments will drop, since all medical care will be funneled through health plans that alliance members select.

That arrangement should all but eliminate the double payment of medical claims that some individuals receive from their health insurers and their workers comp or auto insurers, Ms. Goudy said. The cost of tracking down those double payments or ensuring they aren't made in the first place also will disappear, she said.

Industry experts aren't sure how much insurers could cut their mar-

keting costs after health care reform. While the agency force could be largely eliminated if the Clinton proposal is enacted, new marketing needs could gobble up those freed resources.

"Under the Clinton proposal, the need for staff of the magnitude insurers currently have will go away," Mercer's Ms. Goudy said.

"I think the agents area is certainly one that's going to be under a lot of pressure," said Conning's Mr. Kleiman.

Under the Clinton proposal, health insurers would not have to market as they traditionally have because all policies would look alike, he observed.

And health insurers would not vie for employers' business. Large health alliances of individuals would negotiate premiums and

then inform members about the health plans it had certified.

"What are you selling? Maybe a different network" of health care providers, Mr. Kleiman said. "One could easily leap to the conclusion that we don't need any agents," except for supplemental plans.

However, if the alliances are less regulated and less structured than now envisioned by the Clinton administration, "I suspect it could be more of the sales force we have today," Mr. Derendorf said.

Insurers still would have to compete with other certified health plans for the business of alliance members. Insurers may just re-deploy their marketing resources to form a team of "plan enrollers" that would visit workplaces on open enrollment dates to sign up individuals, Mr. Kleiman said.

Health insurers also would have to keep a sales force to sell to large employers that establish corporate alliances, Mr. Derendorf said.

Industrywide overhead costs also will drop following an expected wrenching consolidation of the approximately 1,500 health insurers and HMOs, observers say.

Consolidation is expected because many health insurers will not have the critical mass of business to earn an adequate return on investment in managed care, particularly if premium caps are imposed.

The caps would "make it more difficult for insurers to make a profit who are not capable of going into managed care themselves or allying themselves with managed care providers," said Beth E. Morrow, director of insurance rat-

ing services for Standard & Poor's Ratings Group in New York.

"A lot of insurers could cut costs if their groups were bigger," she said. But, Ms. Morrow noted, "Long before this, several companies put their books of business together to increase the economies of scale."

Most recently, Massachusetts Mutual Life Insurance Co. of Springfield, Mass., purchased ITT/Hartford Group Inc.'s group medical and dental benefits business (BI, Sept. 20).

Sometimes, to Aetna Health Plans' way of thinking, less is more.

For example, Mr. Willis asked, "Why put the higher-performing doctors through the hoops of utilization review?"

Aetna Health Plans is exempting many providers with a good track record from its precertification requirements, though they still are monitored. That reduces time-consuming paperwork and lowers administration costs for those doctors. And, it allows Aetna Health Plans "to economize on the nurses used for precertification and use them instead for case management," Mr. Willis said.

In other areas, such as the rapidly changing drug formulary environment, Aetna Health Plans is taking greater pains to guide physicians. Mr. Willis said that for physicians who attended medical school in the 1960s, about 80% of today's formularies were not available then.

The difference in cost and effectiveness of two antibiotics that are available today illustrates why this helping hand is necessary and how much costs can be reduced without sacrificing quality.

One so-called first-generation antibiotic is 94% effective while a third-generation drug is 100% effective. However, the more effective drug is 40 times more expensive, Mr. Willis pointed out.

The most effective and cost-efficient use of the drugs is to prescribe the third-generation drug in only the 6% of cases that cannot be treated effectively with the first-generation drug, he said.

Aetna Health Plans also keeps an eye out for patients who may be seeing several doctors for different ailments without informing the providers that they already are under medical care. The potential problem is that certain drugs taken in combination can cancel each other or cause adverse reactions.

Indeed, about 5% of hospital admissions are due to the inappropriate use of prescription drugs, according to Aetna Health Plans. For the elderly, though, this figure rises to about 25%-30%.

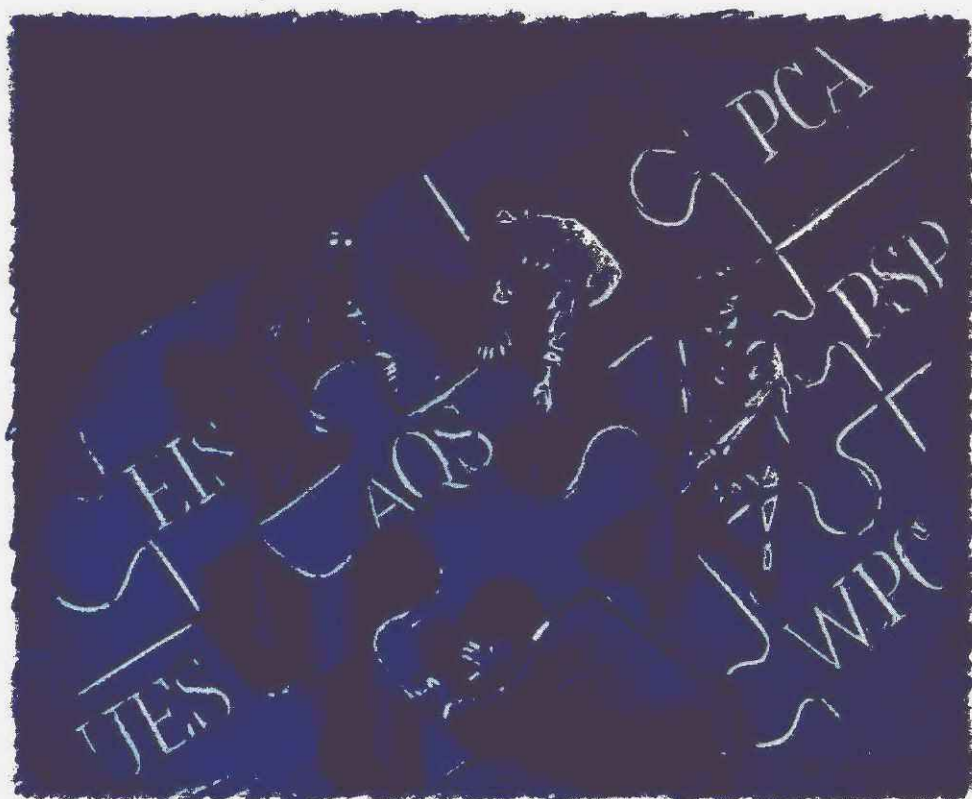
When spotted, the Aetna unit will alert doctors and patients.

Covers also can be trimmed by covering home health care more often.

Mr. Willis also believes that diligence in verifying providers' credentials and in limiting their practice privileges to areas in which they are most qualified also will improve quality of care and drive down costs.

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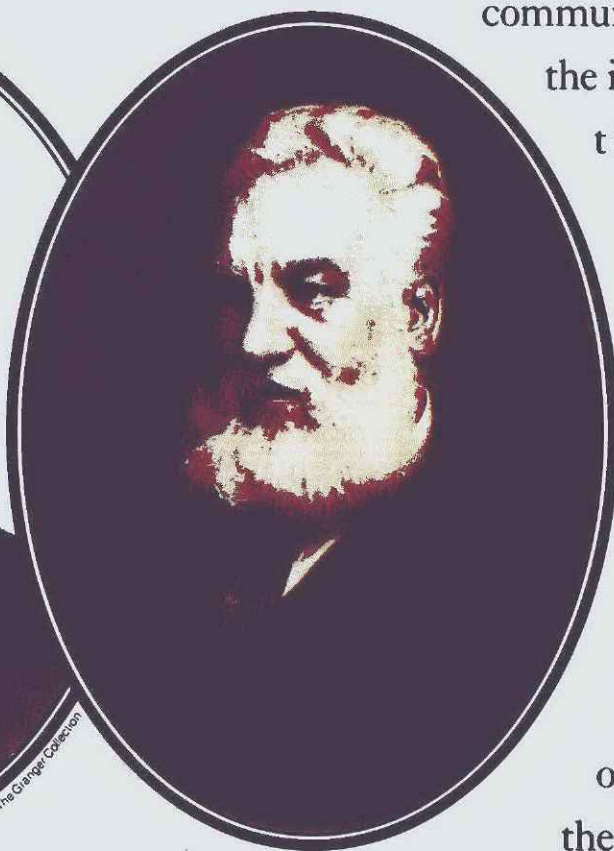
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Insurer Topics

Trimming fat

Continued from previous page in the claims shops," he said.

Others still depend on manual claims handling.

"I expect to see a drop in employee headcount because manual processes can be computerized," Mr. Farley said.

For example, automated systems would be an efficient replacement for manual reviews of physician charges that check whether a physician has unbundled his charges for multiple surgical procedures, which inflates those providers' bills.

"We see a high incidence of errors today in the handling of multiple surgical procedures" by claims administrators using man-

ual systems, Mr. Farley said.

"Some of the worst claims administrators are paying 30% more for multiple surgical procedures than those doing it automatically," he said.

Even some health insurers with claims departments that are backstopped by claim examination software can achieve far greater efficiency and savings, according to Mr. Farley.

In those claims departments, the software often is not integrated with the claims-handling process. Instead, claims handlers must access the software while processing claims.

"But, most of the time, that doesn't get done," Mr. Farley said. Claims handlers often don't access the software because "they're under a time crunch" to process 125

to 175 claims daily, he said.

They have to take shortcuts, and accessing the software would slow them down too much, he said.

The reliability of software already in use also can be problematical, said Mr. Farley, noting that some software has been around since the late 1970s.

The potential savings from reducing paperwork in data exchanges between insurers and providers holds even more promise, many observers believe.

"What we really think the opportunity in the industry is, is to streamline the forms themselves and then replace that data with electronic data interchange," said Mary Lou Marek, a vp with Aetna Health Plans.

The required health care industry investment would be huge, but

the expected savings would be even more significant, she said.

Ms. Marek said insurers' automation efforts currently are concentrated on developing systems for which the American National Standards Institute has established standards.

Many insurers already have adopted claims-handling systems that meet ANSI standards, she noted.

But, there are more opportunities for health insurers to realize savings by adopting ANSI standards on:

- Electronic remittance advice, or the explanation of benefits that insurers send providers.

Automating this area would help doctors reduce their administrative costs, because they could automatically post this information

to their accounts receivable, Ms. Marek explained.

- Electronic enrollment from plan sponsors.

- Electronic eligibility inquiries, which would allow providers in managed care plans to check on patients' coverage eligibility.

"In the next year or two, we'll see much more widespread implementation" of all of those systems, Ms. Marek said.

The industry's one-time expense for automating these functions is steep: between \$5 billion and \$17 billion, according to the Work Group on Electronic Data Interchange, a public/private health care industry group consisting of representatives from the government, insurers and managed care firms, employers, providers and consumers. Ms. Marek is a member of WEDI's steering committee.

But, those costs would be shared by providers, consumers, health insurers, HMOs and Blues plans. WEDI estimates that providers would pick up about half of the tab and that consumers and health plans would split the remaining costs.

But, the payoff would be tremendous, according to WEDI. Those systems would save between \$8 billion and \$20 billion annually, with providers realizing half of the savings and consumers and health plans equally sharing the remainder.

Next year, Ms. Marek also expects ANSI to release standards for a system that would allow insurers to electronically verify that a procedure performed by a specialist for a managed care enrollee was authorized by a primary care physician.

Further in the future, health insurers probably will be able to implement expert computer systems that primary care physicians can access for guidance. Through a question and answer format, those systems would be able to guide providers on the most appropriate procedures based on the most recent medical research.

Of course, health insurers still would have to provide human intervention in many instances, Ms. Marek said.

The opportunity to trim costs extends beyond the claims-handling and data interchange areas, industry experts agree.

Savings in other areas would be possible, not because there is plenty of fat to trim but because some envisioned health care reforms would change how insurers operate.

"Fat may not even be the appropriate term, necessarily," said Rosemary C. Goudy, a principal with William M. Mercer Inc. in Stamford, Conn.

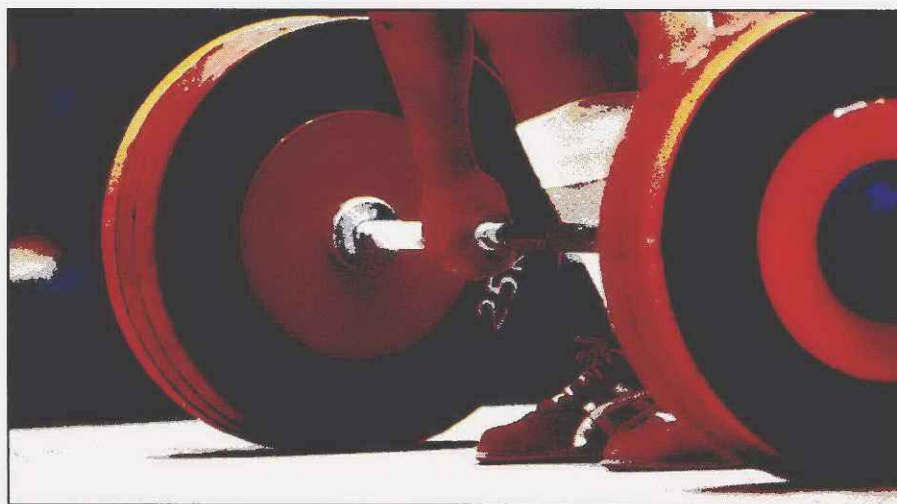
Referring to the president's health care reform proposal, she said, "The types of changes talked about will reduce administration needs even in the most efficient companies."

For example, with a standardized benefits package, there will be "a reduction in the need for tailor-made programs," noted Mercer's Mr. Derendorf. That also means health insurers will have to produce far fewer booklets explaining plan benefits, he said.

And, since spouses would have individual coverage through health alliances under the Clinton proposal, "the need for coordination of benefits as we know it today will be dramatically reduced or totally go away," Mr. Derendorf pointed out.

Continued on page 40D

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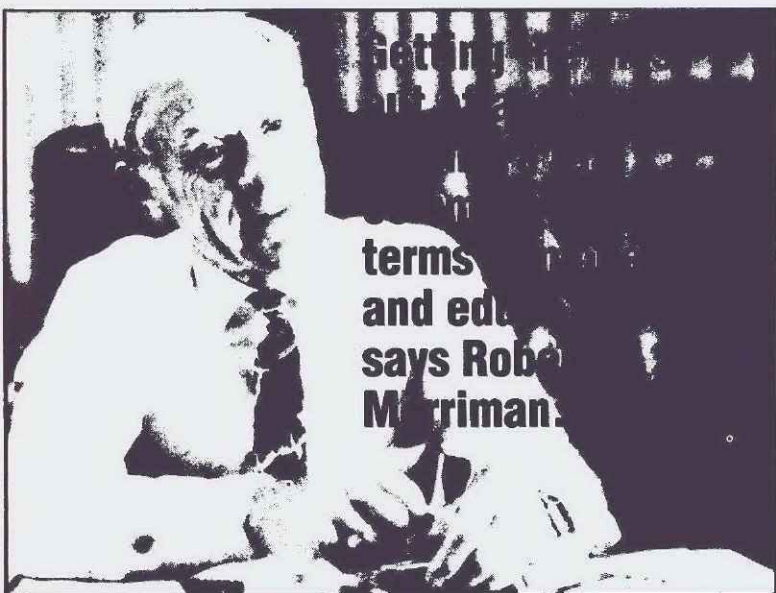


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Getting the most out of the forms, says Robert Merriman.

Systems with applications built around Microsoft Corp.'s Windows environment already allow users to work directly with ACORD forms on their screens, he said.

"Forms are something everybody knows. That's their livelihood; they use it every day," he said.

Such sophistication reduces the amount of training needed to put automation to work, Mr. Merriman said.

Equipment continues to get faster and smaller, he said. Now, simply slipping a new card in the back of the unit upgrades the computer's abilities instantly.

As a result of this constant change, agents, underwriters and support personnel will all become more dependent on emerging technologies such as ever more sophisticated laptop computers, elec-

tronic notebooks and powerful workstations, Mr. Merriman said.

In some workstations, users will be able to call up spreadsheet programs and enhanced graphics capabilities while tied into local area networks, he said.

In fact, Mr. Merriman believes that the workforce of the next decade will demand to have workstations that are linked together.

"Client-server technology is the future of the business," said Mr. Merriman.

Meanwhile, ACORD has begun searching for Mr. Merriman's successor.

James B. Phelan, chairman of ACORD's board of directors, chairs the search committee. Mr. Phelan said that the committee hopes to select Mr. Merriman's successor before ACORD's annual meeting in

March 1994.

The chief executive officer's duties include promoting and implementing the vision of ACORD, acting as a spokesperson for the American agency system and maintaining a close working relationship with insurers, agents and service providers.

The successful candidate for the position must also have the ability to manage the association and achieve industry objectives in harmony with the board of directors and members of the insurance industry.

Anyone interested in being considered for the position of ACORD's chief executive officer should contact James B. Phelan, President, Insurance Marketing Associates, P.O. Box 13, Versailles, Ohio 45380; 513-526-5148. **BI**

Merriman

Continued from page 40A

using all or some of the forms. Mr. Merriman said the number of ACORD forms in use should grow considerably in the next year or so as the organization introduces state-specific forms.

As a driving force behind insurer/agency automation and interface, ACORD published the "Agency System Requirements Report" nine years ago. The report outlined what independent insurance agents needed from their computer system. It served as a sort of blueprint for the next generation of agency systems.

In 1990, ACORD published its "Interface System Requirements Report." This report described what agents needed from interface systems and the business reasons that drive those needs. That report led to an industrywide move to download data via computers.

Mr. Merriman noted that as recently as 1982, only 10% or so of U.S. insurance agencies used any form of automation. According to a survey ACORD took last year, more than 88% of agencies now use some sort of automation, he said.

Agencies' use of automation exploded in 1985 and 1986, when agencies began relying heavily on what were then still relatively novel personal computers, Mr. Merriman said.

Despite the dramatic increase in automated agencies, "the pace of automation in the industry at large is too slow," said Mr. Merriman, citing that slowness as his greatest disappointment.

"We've had standards out here for 11 or 12 years," he said.

Mr. Merriman said he realizes that "the industry is large and it takes a long time for things to get done."

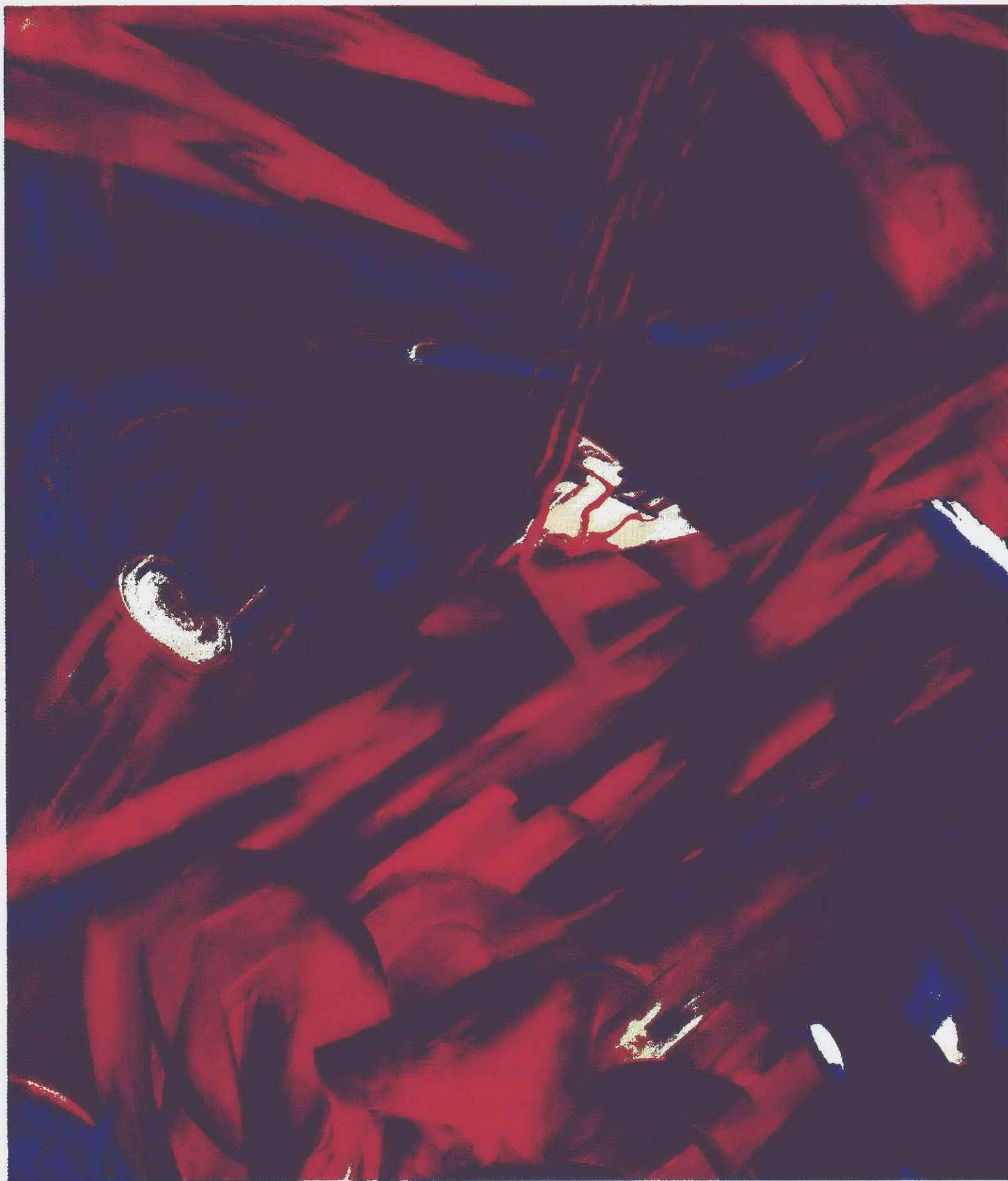
He added that the insurance industry is conservative as well and that insurers guard their proprietary interests.

But, in too many cases, insurance companies and agents alike just don't put automation at the top of their lists, he said. "Everybody who addresses the subject says it's going to happen," but then they don't take the right steps to assure that it will, Mr. Merriman said.

Getting the most out of automation means "a real commitment" in terms of money and education, he said.

The two parties often can't see how the things one side does benefits the other, he said, which has slowed the pace of progress as well.

Mr. Merriman made clear that he sees the pace of technological progress quickening rather than slowing down.



Rulings challenge Prop. 103 rollback regulations

By Hilary N. Rowen

IT Perspective

WHEN JOHN GARAMENDI took office as California's first elected insurance commissioner in February 1991, he immediately announced that he was abandoning the rollback regulations developed by his predecessor, Roxani Gillespie, and that he would "turbocharge" the rollback process with new regulations.

In October 1991, Commissioner Garamendi issued Proposition 103 rollback orders to 14 insurers under new and aggressive rollback regulations.

The 14 insurers, in order of

claimed rollback liability, were: Allstate Insurance Co., State Farm Mutual Auto Insurance Co., California State Auto Club, Aetna Casualty & Surety Co., Auto Club of Southern California, USAA Group, SAFECO Corp., 20th Century Insurance Co., Progressive Casualty Insurance Co., Nationwide Mutual Insurance Co., Transamerica Corp., Mercury Insurance Co., CIGNA Corp. and GEICO Corp.

Of these, Progressive, Mercury, Transamerica and both auto clubs

Targeted insurers may get a break on liability

have entered into settlements concerning rollback liability with the California Department of Insurance.

The commissioner publicly asserted that these 14 insurers collectively owed more than \$1.25 billion in rollbacks (before interest) to California policyholders. Commissioner Garamendi's ability to deliver rollbacks anywhere close to this magnitude is now in serious jeopardy.

In the first rollback proceeding initiated by Commissioner Garamendi, 20th Century

successfully challenged the rollback regulations.

In February of this year, a California Superior Court judge ruled that the central features of Commissioner Garamendi's rollback regulations are unconstitutional and violate Prop. 103 (BI, March 8).

This fall, the California Supreme Court will decide a direct appeal of the Superior Court's decision by the Commissioner and Voters Revolt, the consumer group that authored Prop. 103.

The challenged regulations set forth a series of formulas that are

used to determine both rollback rates for 1989 and prior approval rates for years after 1989.

The formulas utilize little actual company data. Indeed, the only information that comes into the formulas unmodified is loss data (and even that information is subject to a reserve strengthening test, under which loss reserves and IBNR are reduced under a three-part formula that compares loss development in 1989 with loss development in prior years).

All the other standard rate components—fixed expenses, commissions, taxes, profit and investment income—are artificial numbers based on nationwide allocations or normative assumptions. ("Normative assumption" refers to a rate component that is determined according to the regulator's concept of what it should have been rather than by looking at what actually happened.) The Prop. 103 regulations are loaded with normative provisions.

Rate-of-return ruling

The regulations set a maximum rate of return of 10% for the rollback year and precluded any company from "relitigating" this number. ("Relitigation" is really a misnomer since the 10% rate-of-return figure was set in the regulations and was never litigated.)

The Superior Court held that the 10% rate of return mandated by the regulations presented a sufficient risk of confiscation to constitutionally entitle every insurer to demonstrate that the 10% rate of return was too low to provide it a fair and reasonable rate of return.

The judge then held that 20th Century had demonstrated that its cost of capital, based on its unique characteristics and risk, was at least 20%. Under the 20th Century decision, every insurer is entitled to demonstrate that its cost of capital in 1989 exceeded 10%.

The potential impact of this holding on total rollbacks can be estimated for the 14 insurance companies that received rollback orders from the California Department of Insurance in the fall of 1991.

The rollback orders issued to those 14 companies comprise more than 60% of the rollbacks claimed by Commissioner Garamendi and provide a solid basis for estimating the impact of the 20th Century decision on total rollback liability for all insurers writing Prop. 103 lines in California.

If those companies were able to demonstrate an average low-end rate of return of 13%, the rollback would be reduced by \$147 million. (The 13% figure is consistent with the low end of the rates of return estimates offered by most expert witnesses at various Prop. 103 rulemaking hearings since 1988. It is also the average rate of return allowed public utilities—significantly less risky enterprises than insurers—in California in 1989.)

Expense disallowances

Of perhaps greater importance to the typical insurer—which did not require or earn a rate of return above 20% in 1989—is the Superior Court's holdings on expense disallowances.

Continued on next page

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Insurer Topics

Prop. 103

Continued from previous page

The rollback formula disallows numerous categories of expenses: allocated and unallocated loss adjustment expenses for multistate companies, fixed expenses, variable expenses (commissions and premium taxes) and federal income taxes. Every expense disallowed is treated as though it never occurred and, in essence, as if the expenses had been profit. Each expense disallowance depresses the actual rate of return; under the regulations, insurers do not actually receive a 10% rate of return.

The Superior Court's analysis of the expense disallowances distinguished the two separate mechanisms by which the regulations reduce insurers' actual expenses and surplus: the normative standards and what has been called the "ratchet effect." The normative standards are set forth explicitly in the regulations; the "ratchet effect" emerges only when the rollback formulas are applied to an insurer.

The formula uses expense ratios to derive permitted expenses, but applies those ratios to the premiums determined by the formula rather than to the actual premiums.

The inevitable result is that expenses are disallowed even if the regulations' normative standards are satisfied.

The ratchet effect is well illustrated by the treatment of

variable expenses—commissions and premium taxes—in the regulations.

In the formula, a "variable expense factor," which expresses variable expenses as a percentage of allowed premium, is used in place of any actual variable expenses.

The result is an automatic disallowance of commissions and premium taxes whenever the premium determined by the formula is lower than the actual premium.

Total variable expenses disallowed under the regulations are about \$135 million (or about 12% of total variable expenses) for the 14 companies that have received rollback orders.

The Superior Court held that since 20th Century's variable expense costs (primarily state premium taxes since the company is a direct writer) had been legitimately incurred and were in fact paid during 1989, their disallowance was unconstitutional.

The regulations also disallow a remarkable percentage of insurers' fixed expenses through both normative standards and the ratchet effect. Fixed expense disallowances for the 14 companies total \$318 million, or 15.5% of all fixed expenses. Curiously, two-thirds of these disallowances (\$207 million) come from the ratchet effect, only 5.4% of fixed expenses would be disallowed if the normative expense ratios were applied to actual premiums.

The 20th Century decision

clearly rejected the application of the ratchet effect so as to disallow expenses and depress the rate of return.

Surplus disallowances

In a similar fashion, the regulations determined a normative amount of surplus and only allow the insurer to earn a return on that normative amount. As with fixed expenses, the ratchet effect also plays a significant role in disallowing surplus. The regulations disallow an amazing \$2.13 billion in surplus, almost 36% of the surplus underlying Prop. 103 lines in California. Of this disallowance, \$1.56 billion is due to the normative surplus standards and another \$568 million is the result of the ratchet effect.

The 14 companies that have received rollback orders had an actual premium to surplus ratio of 2.1-to-1 in 1989, very close to the standard 2-to-1 ratio. The regulations in setting normative standards by line of insurance reduce the effective premium to surplus ratio to 2.6-to-1. The operation of the ratchet effect then pushes the 2.6-to-1 ratio all the way to 3.0-to-1 by disallowing additional surplus.

At a 10% rate of return, disallowed surplus accounts for \$213 million of the aggregate rollback of \$1.253 billion for the 14 companies. The surplus disallowed under the ratchet effect alone is worth \$52 million in rollback liabilities for those companies.

However, since the regulations

do not "count" investment income on disallowed surplus, allowing companies to earn a return on additional surplus will also increase the amount of investment income included in the premium calculations.

Federal income taxes

The treatment of federal income taxes under the rollback formulas is another excellent example of the substitution of fiction for fact in the regulations.

The formulas determine a tax allowance based not on actual 1989 payments to the IRS, but on what the tax liability would have been if the company had charged the formulas' minimum permitted earned premium in 1989 and incurred the formula expenses in 1989. The difference between actual and imputed taxes is treated as profit available for rebate to policyholders.

20th Century paid more than \$29 million in federal income taxes in 1989 but was credited with only \$8 million under the rollback formulas. The \$21 million difference was treated by the Commissioner as net income available to be rolled back. The Superior Court ruled that the hypothetical possibility that 20th Century could take a deduction for rollbacks in some future tax return could not be a basis for rollback liability.

For all 14 companies the disallowed federal income taxes total \$166 million.

Rollback liability

If the Superior Court's 20th

Century decision is upheld by the California Supreme Court, what will be left of the rollbacks claimed by Commissioner Garamendi?

The best answer appears to be "not a lot."

The reductions in rollback liability for the 14 companies that have received rollback orders based on explicit holdings in the Superior Court decision are \$707 million out of a claimed \$1.253 billion: fixed expenses (ratchet effect only), \$207 million; income taxes, \$166 million; individual cost of capital, \$147 million; commissions and premium taxes, \$135 million; surplus disallowances (ratchet effect only, without offset for investment income), \$52 million; total: \$707 million.

The explicit holdings in the 20th Century ruling cut the claimed rollback liability by more than 50%.

The logic of the 20th Century decision, if extended to issues not before the Superior Court, such as the treatment of allocated and unallocated loss adjustment expenses, could reduce the rollback liability by an even more substantial amount.

There is now real doubt as to whether Commissioner Garamendi can deliver the rollbacks promised under his "turbo-charged" regulations. **BI**

Hilary N. Rowen is a special counsel at the San Francisco office of Thelen, Marrin, Johnson & Bridges. She specializes in insurance regulation and litigation.



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Insurers capture a bit of history

With founders like Ben Franklin, Philadelphia insurers have head start on most

By MICHAEL SCHACHNER

PHILADELPHIA—In the City of Brotherly Love are three insurance companies that have operated longer than the United States has been a country or Pennsylvania a commonwealth.

These insurers have grown to become three of the 10 oldest continually operating companies of any type in America by maintaining a sharp focus on specialized products and by not trying to be all things to all people.

And, though business conditions in the latter part of the 20th century have forced these graybeards to diversify somewhat, they remain committed to the philosophies instilled in them by their original founders, which include such noteworthy individuals as Benjamin Franklin, Dr. Benjamin Rush and two sons of William Penn.

Covenant Life Insurance Co., which was formed in 1717 to provide annuities to Presbyterian ministers and their families, is the second-oldest continually run company in the United States, according to Dun & Bradstreet's recent list of

the 10 oldest continually operating companies.

The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, which was formed by Benjamin Franklin and friends in 1752 to insure the first Philadelphia homeowners against fire, is the third-oldest company in America, D&B asserts.

And, The Mutual Assurance Co., better known as "The Green Tree," was spawned from The Contributionship in 1784, when The Contributionship's leaders determined that the company no longer would insure properties with trees on the premises because trees increased the risk of fire.

D&B lists The Green Tree as the seventh-oldest American company.

To this day, all three companies specialize predominantly in their original lines of business.

"I think we have lasted for more than 275 years by being very focused on our original mission, which was to serve the religious community with life insurance and annuity products. By not being all things to everyone, we have achieved success," said Robert Kloss, president

and chief executive officer of Covenant Life.

Covenant Life, which was founded in 1717 and had its first charter approved by Thomas and Richard Penn in 1759, carries the distinction of being not only the nation's first life insurer but also the first chartered U.S. corporation of any type.

Born as the Presbyterian Minister's Fund, Covenant Life still serves only the religious community with life insurance and annuity products. But in response to the diversification and immigration that has defined the United States, Covenant Life now insures clergy and religious volunteers of all faiths and denominations, from Presbyterian and Baptist churches to Jewish congregations.

"We're one of the few true niche companies in the life industry, which has grown more and more competitive since the middle of the 1800s," Mr. Kloss said. "I can't say whether our founders envisioned us lasting more than 275 years, but we have always operated with strict focus."

While the War of Independence, the drafting of the Constitution, the War of 1812 and the Civil War

molded early America, Covenant Life grew at a slower pace.

From 1874 to 1878, the company issued only about 35 life and annuity policies every two months and saw its asset base grow to \$146,638 and its surplus climb to \$55,732.

Today, Covenant Life has more than \$600 million in assets and writes more than \$63 million in life and annuity business per year. Quite a difference from the PMF's first fund drive, which spanned the fledgling colonies, Ireland, Scotland and England and generated all of 15 pounds, 16 shillings and 10 pence.

The Philadelphia Contributionship, which was formed in 1752 by Ben Franklin, celebrated its 240th birthday last year.

The company, which has occupied the Philadelphia Office of the Treasury since 1836, began as a mutual insurer writing only fire insurance for dwelling owners on a perpetual, deposit-based system. Through its first 200 years, The Contributionship did not branch out into any other lines of insurance.

In 1960, however, the company spun off a standard insurer called Contributionship Insurance Co., which is now one of the largest homeowners insurers in Philadelphia, writing more than \$20 million in business per year.

It took until 1983, or about 230 years, for the original Contributionship to begin writing something other than perpetual fire insurance, admits Morris "Mickey" Lloyd, the company's president and chief executive officer. "We have always been conservative. It has a lot to do with why we're still here today."

Ten years ago, The Contributionship began offering multiperil homeowners coverage, but still through a perpetual, deposit-based program that requires contributors to deposit a certain amount of cash in exchange for coverage and dividends on investments.

Recently, The Contributionship began writing some high-level catastrophe reinsurance, and suffered significant losses on those policies at the hands of Hurricane Andrew.

In addition, within the past decade the company has bought a pair of burglary and private safety firms that now operate in eight states under the name of Vector Security Inc.

"Perpetual fire is really all we did until 1980. You could say we've been a very conservative company with long-term investment strategies based heavily on equities, which is opposite of what most of the insurance industry is involved in," Mr. Lloyd said.

With a logo of four crossed hands on a shield displaying the date 1752, The Contributionship has evolved from Ben Franklin's local fire insurance company to a more diverse firm that, unlike most insurers, combines traditional fire and homeowners protection with safety and security services.

It happened in Philadelphia...

1717: Covenant Life Insurance Co. is founded to provide life insurance and annuities to clergy members.

1752: The Philadelphia Contributionship is formed by Benjamin Franklin and friends to insure Philadelphia homeowners against fire.

1784: Mutual Assurance Co., known as "The Green Tree," is spun out of the Contributionship to provide fire insurance for higher-risk properties.

Source: Dun and Bradstreet

GRAPHIC BY KIM ROME

The third member of this long-lived Philadelphia trio is The Mutual Assurance Co., formed in 1784 when The Contributionship stopped writing fire insurance on property with trees.

"For a few extra shillings, our company started writing homes with trees. From that point, we have been known as The Green Tree," explained Daniel Rough, president and chief executive officer.

With offices situated in the shadow of Independence Hall, Mutual Assurance spent its first century writing the same type of deposit-based perpetual fire insurance as its predecessor, The Contributionship.

But, during that time, the company played a major role in several occurrences that shaped modern insurance, the city of Philadelphia and the country as we know it.

For example, in 1792, Mutual Assurance was an initial investor in the seed company that later became the Insurance Co. of North America. "That was the first casualty company in the country," Mr. Crough noted.

After the turn of the century—the 19th century, that is—The Green Tree invested in the first canal that transported coal from central Pennsylvania to Philadelphia. "That canal helped modernize this city," he said.

And, when the nation divided over the issue of slavery, Mutual Assurance raised money for the Union troops. For the remainder of the 1800s and up until 1949, The Green Tree stuck to writing only perpetual fire insurance for homes. In 1949, it formed The Green Tree Insurance Co. to write conventional homeowners insurance.

Only in 1989 did it purchase American Loyalty Insurance Co. and Old Dominion Insurance Co. to write commercial multiperil insurance and commercial and private passenger automobile coverage.

"The company clearly operated as a small, selective company for a very long time. Through good underwriting, good management and profitable investments, we built up quite a surplus. It seemed time to grow from a \$4 million company to something bigger," said Mr. Crough.

Today, The Green Tree writes about \$50 million in various lines of insurance and is now active in 33 states.

"As much as we are proud of our heritage, it became obvious that you can't operate like it's the 1700s forever," he said. **BI**

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Insurers urged to take concerns to Congress

By SARA MARLEY

CHICAGO—Insurance companies of all sizes should get involved in the many insurance-related debates now raging in Washington, including redlining, data collection and solvency.



That was the message shared by several speakers who addressed the National Assn. of Mutual Insurance Cos. at its annual meeting last month. NAMIC is an Indianapolis-based trade group that represents more than 1,000 mostly small to medium-size insurance companies.

"There was a time when the insurance business didn't pay attention to the world inside the Beltway," said James Taylor, president of Pennsylvania National Mutual Casualty Insurance Co. in Harrisburg. "But the Beltway is heading in your direction."

The first mutual insurance company was formed in 1752 and today's average NAMIC member has been in existence for 75 to 100 years, observed Mr. Taylor, who is also a member of NAMIC's Regulatory Steering Committee.

"We can no longer allow other in-

surance trade organizations to carry our voice," Mr. Taylor said.

For example, anti-redlining proposals in Congress "will affect all insurers, not just those in urban areas," pointed out Secretary of Agriculture Edward Madigan. Many NAMIC member companies, such as farm mutual insurers, serve rural areas.

"Get involved early in the process," Mr. Madigan urged mutual insurance company executives. "Problems like this will never just go away. They come back worse in the next session of Congress."

Two bills have proposed collecting data from insurers to detect and eliminate redlining. But the data that would be sought is too broad and neither committee considering the measures has defined what the information would be used for, contends Mavis A. Walters, executive vp of the Insurance Services Office Inc. in New York.

Rep. Cardiss Collins, D-Ill., chairwoman of the House Subcommittee on Commerce, Consumer Protection and Competitiveness, has proposed a wide-ranging study of the insurance industry by the U.S. Commerce Department (BI, Aug. 10, 1992).

House Consumer Credit and Insurance Subcommittee Chairman Jo-

seph Kennedy, D-Mass., has also proposed a bill that would create a Federal Insurance Administration to monitor reports of redlining (BI, March 15).

With two bills in Congress, it is likely that one or the other will pass in some form, Ms. Walters said.

NAMIC convention attracts 1,700

CHICAGO—About 1,700 mutual insurance company executives attended the National Assn. of Mutual Insurance Cos. 98th anniversary convention in Chicago last month.

Sessions were held on farm and crop insurance as well as multiple lines. A conference highlight was an address by Lloyd's of London Chairman David Rowland (BI, Oct. 4).

Next year's convention will be held in Seattle Sept. 25-28. For more information, contact NAMIC at 3601 Vincennes Road, P.O. Box 68700, Indianapolis, Ind. 46268; 317-875-5250; fax: 317-879-8408.

Rep. Collins' bill would only apply to insurers that have at least 1% of a state's market. Many NAMIC members would fall below this mark.

"They just don't like the way we do business today," Ms. Walters said. "They want to redefine our rating territories using census tracts or ZIP codes."

However, another panelist said that the insurance industry may be cleared of redlining accusations when the underwriting information that would be collected under the bills is released.

"The data is going to show that some companies do not write in the inner city but write in suburban areas, while some companies won't write rural risks but will write in the city," said William McCartney, Nebraska's director of insurance.

That diversity and specialization does not necessarily mean insurers are discriminating, Mr. McCartney said. But, a "lemming-like mentality" to market coverage primarily to suburban and Main Street risks has gotten the industry in trouble.

He noted that a market consisting mostly of smaller farm mutuals has developed to serve the rural market, but a similar market has not grown up to serve the inner city.

Projects like the Robert Plan in inner cities in New York and New Jersey, though, prove "you can serve that marketplace profitably."

The Robert Plan Corp. is a Lynbrook, N.Y.-based underwriting manager and claims administrator that handles inner-city and assigned risks for major insurers in California, Connecticut, Florida, New Jersey, New York, Pennsylvania and Texas.

Strict underwriting standards have produced favorable results. For example, in New Jersey's assigned risk pool, 85% of the drivers qualify for a credit available to those who drive fewer than 10 miles to work. In the Robert Plan, only 15% of drivers qualify for that credit.

As in rural areas, it may be smaller insurers that step in to serve urban risks.

Despite the potential for clearing the industry of redlining charges, insurers are wary of the data-collection bills because of the large amount of data they request without explanation of what it would be used for.

Fear of misused data also makes insurers wary of the risk-based capital requirements now being developed by the National Assn. of Insurance Commissioners (BI, Oct. 4; Sept. 13).

However, risk-based capital "should never be used by regulators for rate purposes," Mr. McCartney said. "That's not what it's designed to do."

Online underwriting system helps insurers map risks

By MICHAEL SCHACHNER

NEW YORK—The Insurance Services Office Inc. is now offering a new online computer product that will help protect underwriters from much of the misinformation provided by potential policyholders.

The Geographic Underwriting System, better known as GUS, is a software program that helps underwriters more accurately rate property and automobile insurance policies by eliminating all-too-frequent misclassification of risk.

For example, the program is capable of pinpointing how far potential policyholders drive to work each day, how far a building is from major bodies of water or how prone a site is to windstorms.

The program also is equipped to determine fire protection, whether a site is eligible for a wind pool—which would give an insurer a credit if it underwrites the risk voluntarily—and how susceptible a piece of property is to various forms of crime.

"This product provides underwriters with more online information than they have ever had before. And, GUS' accuracy and precision will mean enhanced revenue and credits for the insurers who use it," said Philip D. Miller, senior vp and chief actuary with ISO in New York.

GUS, which is IBM-compatible and can be ordered on an online basis or on computer tape from ISO in either an abbreviated or detailed version, provides instantaneous hazard information in four specific areas:

- Windstorm information on a specific site, including wind pool eligibility, proximity to the nearest major body of water and recent wind events at the desired site.

- Automobile liability rating variables, including distances within one-tenth of a mile from the policyholder's home address to a given work address. Mileage from one site to another, which has been provided by DataMap Inc., is available in street miles and "as the crow flies" distance.

- Crime ratings, based on a scale of 1 through 10, with 10 as the highest possible crime zone and 1 the lowest. Specific 1-to-10 crime ratings for arson, auto theft, robbery, assault, burglary and aggregate crimes against people and property are also available.

Crime data is supplied by CAP Index Inc., a firm that specializes in crime information.

- Public fire protection, including an ISO Public Protection Classification of the community in which the property is located, as well as detailed information on the fire district the property is located in and distance to the closest hydrant and fire station.

Currently, fire protection information is only available in Florida. ISO is expanding GUS' fire information on a state-by-state basis and expects to have complete nationwide fire information available by the end of next year.

Later this year, ISO will begin loading GUS with information on earthquakes and environmental risks.

"Insurers and their agents are frequently pressed to act quickly on a potential new customer's request for coverage. When researching a risk means hours of looking into books and various maps, it's easy to make assumptions that can prove erroneous and costly," said Mr. Miller.

The unit price for GUS depends on the four types of orders available: online abbreviated, online detailed, tape abbreviated or tape detailed.

Each online abbreviated request costs between \$2 and \$2.50, depending on the number of monthly orders a subscriber makes. Detailed online requests cost \$3.75 to \$5 per order, depending on the number of monthly requests.

Abbreviated tape orders are \$1 to \$2 each, while full tape orders cost \$2 to \$4 each.

Crime orders carry a 25-cent surcharge.

For more information, contact the Insurance Services Office Inc. in New York at 212-898-6000. **BI**

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39648; 601-684-1107**Founded:** 1982.**Services:** Construction safety consulting; off-site training classes or seminars.**Other services:** OSHA compliance for construction.**Staff:** One safety consultant who is an ASSE member.**Specialties:** Construction.**Officers:** C.E. Jackson Jr.**Jacobs Consulting Ltd.**P.O. Box 11779, St. Paul, Minn.
55111; 612-699-7938**Founded:** 1990.**Services:** Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site training classes or seminars; task analysis.**Other services:** OSHA compliance; research involving ergonomics.**Staff:** One total, a safety consultant and ASSE member.**Clients:** 30 total.**1992 revenues:** 100% from unbundled safety consulting services.**Officers:** Philip Jacobs, president.**William L. Jacobs**P.O. Box 7333, Fort Lauderdale,
Fla. 33338; 407-324-9245;
fax: 305-766-9910**Founded:** 1987.**Services:** Safety audits/reviews; evaluations or inspections; ergonomic program assistance.**Other services:** OSHA compliance.**Staff:** One safety consultant.**Specialties:** Retail safety, supermarkets, shopping centers, construction, municipalities.**Offices:** Osteen, Fla.**1992 revenues:** 100% from unbundled safety consulting services.**Officers:** William L. Jacobs, president.**Jarry Associates**13 Riggs Court, Basking Ridge, N.J.
07920-3095; 908-953-0567**Founded:** 1980.**Services:** Safety audits/reviews; evaluations or inspections; safety program assistance.**Other services:** Publication of safety materials or videos; OSHA compliance.**Staff:** Three total, including two safety consultants. Two ASSE members.**Clients:** Six total.**Specialties:** Manufacturing.**Offices:** Center Conway, N.H.; Birmingham, Ala.**1992 revenues:** \$98,000 total, all from unbundled safety consulting services.**Officers:** Harry J. Eiermann, principal consultant.**Johnson & Higgins**125 Broad St., New York, N.Y.
10004-2424; 212-574-8760;
fax: 212-574-7373**Founded:** 1845.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; product liability consulting; environmental management consulting; vehicle fleet safety consulting; construction safety.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; disaster recovery planning.**Staff:** 65 total; including 65 safety consultants, two occupational health consultants, two industrial hygiene consultants.**Specialties:** Manufacturing, construction, health care, government sector, financial institutions, educational institutions.**Offices:** Atlanta; Baltimore; Birmingham, Ala.; Boston; Charlotte, N.C.; Chicago; Cincinnati; Cleveland; Costa Mesa,

Los Angeles, Riverside, San Diego and San Francisco, Calif.; Dallas; Denver; Detroit and Grand Rapids, Mich.; Hartford and Stamford, Conn.; Honolulu; Houston; Louisville, Ky.; Miami; Minneapolis; Nashville, Tenn.; Parsippany, N.J.; Philadelphia; Phoenix; Pittsburgh; Portland, Ore.; Richmond and Roanoke, Va.; Rochester, N.Y.; St. Louis; Salt Lake City; Seattle; Tulsa, Okla.; Washington; Wilmington, Del.

Officers: John V. Deitchman, David A. North, Joseph T. Mullahey, senior vps; Ronald R. Williams, James R. Johnson, Dan R. Kett, Robert F. Satterfield, vps.**Contact:** Joseph T. Mullahey.**K****K&T Safety Service Inc.**9888 Bissonnet, Suite 285, Houston,
Texas 77036; 713-988-9021;
fax: 713-988-2358**Founded:** 1981.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics and noise and vibration; fire protection engineering; industrial hygiene laboratory.**Clients:** 100 total.**Specialties:** Construction, manufacturing, oil and gas, schools.**1992 revenues:** \$350,000 total, all from unbundled safety consulting services.**Officers:** Henry G. Kana, president; Suellyn H. Kana, vp.**Contact:** Henry G. Kana.**Kemper Risk Management
Services-NATLSCO Div.**1 Kemper Drive, Long Grove,
Ill. 60049-0075; 708-320-4901;
fax: 708-320-4330**Founded:** 1968.**Parent:** Kemper National Insurance Cos.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory; injury and illness management program; environmental program assistance; EPA compliance assistance; office ergonomics services; ADA compliance assistance.**Staff:** 140 total, including 47 safety consultants, 22 industrial hygiene consultants. 38 ASSE members.**Specialties:** National and international corporations.**Officers:** F.G. Minchik, president; A.O. Odom, vp-technical services; G. Krafcsin, vp-industrial hygiene laboratory; J.G. Weiss, vp-marketing.**Contact:** Jack Kester, national accounts executive, 708-320-2620.**Murvin J. Kimbrell**4024 Dunsmore St., Huntsville,
Ala. 35802; 205-883-9605;
fax: 205-922-0705**Founded:** 1985.**Services:** Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance.**Staff:** One total, a safety consultant and ASSE member.**Clients:** Five total.**Specialties:** Manufacturing, engineering services.**1992 revenues:** 100% from unbundled safety consulting services.**Officers:** Murvin J. Kimbrell.**Kleckner Associates**P.O. Box 357, Hibernia, N.J. 07842-
0357; 201-586-2620**Founded:** 1961.**Services:** Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site training classes or seminars.**Other services:** Publication of safety materials or videos; OSHA compliance; research involving ergonomics and product liability; fire protection engineering.**Staff:** Four total, all safety consultants.**Clients:** 300 total, including 175 corporate and institutional clients.**Specialties:** Law firms, insurance companies, manufacturing companies.**Offices:** Inverness, Fla.; Long Valley, N.J.; Whitehall, Pa.**1992 revenues:** 100% from unbundled safety consulting services.**Officers:** Dr. Willard R. Kleckner, president/CEO.**L****LKM Safety Consultants**P.O. Box 3954, Champaign, Ill.
61826; 217-352-1673**Founded:** 1983.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance and certified trainer; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering.**Specialties:** Construction, manufacturing, health care.**1992 revenues:** 75% from unbundled safety consulting services.**Officers:** Linda K. May.**LPA Consultants**87 Plunkett St., Brentwood, N.Y.
11717; 516-434-9130**Founded:** 1969.**Services:** Safety audits/reviews; evaluations or inspections; ergonomic program assistance.**Other services:** OSHA compliance; research involving ergonomics and noise and vibration; fire protection engineering.**Staff:** One total, a safety consultant and ASSE member.**1992 revenues:** 90% from unbundled safety consulting services.**Officers:** R. Scotto-Lavino.**Larks Engineering/
Consulting Co.**4762 Kingfisher Drive, Houston,
Texas 77035-4920; 713-721-6644;
fax: 713-721-6679**Founded:** 1953.**Services:** Safety audits/reviews; evaluations or inspections; ergonomic program assistance; on-site training classes or seminars.**Other services:** OSHA compliance; accident reconstruction, investigation and evaluation; technical assistance in litigation preparation.**Staff:** One total, a safety, occupational health and industrial hygiene consultant and ASSE member.**Specialties:** Attorneys, construction industry.**Officers:** Jack Larks.**Contact:** Norma Larks.**Loss Control Associates Inc.**172 Middletown Blvd., Suite B-204,
Langhorne, Pa. 19047; 215-750-6841;
fax: 215-750-6845**Founded:** 1986.**Services:** Safety audits/reviews; evaluations or inspections; safety program assistance; process plant/process safety management.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering; training; expert witness.**Staff:** Six safety consultants.**Clients:** 50 total, including 30 corporate and institutional clients.**Specialties:** Chemical, petrochemical, refining, hazardous-material users and handlers.**1992 revenues:** \$980,000 total, all from unbundled safety consulting services.**Officers:** Orville M. Slye Jr., president; David W. Owen, consultant.**Contact:** Orville M. Slye Jr.**Loss Control Services**P.O. Box 147, 2116 Main St., Suite
1H, Julian, Calif. 92036-0147;
619-765-0363**Founded:** 1988.**Services:** Safety audits/reviews; eval-

uations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; early return-to-work programs.

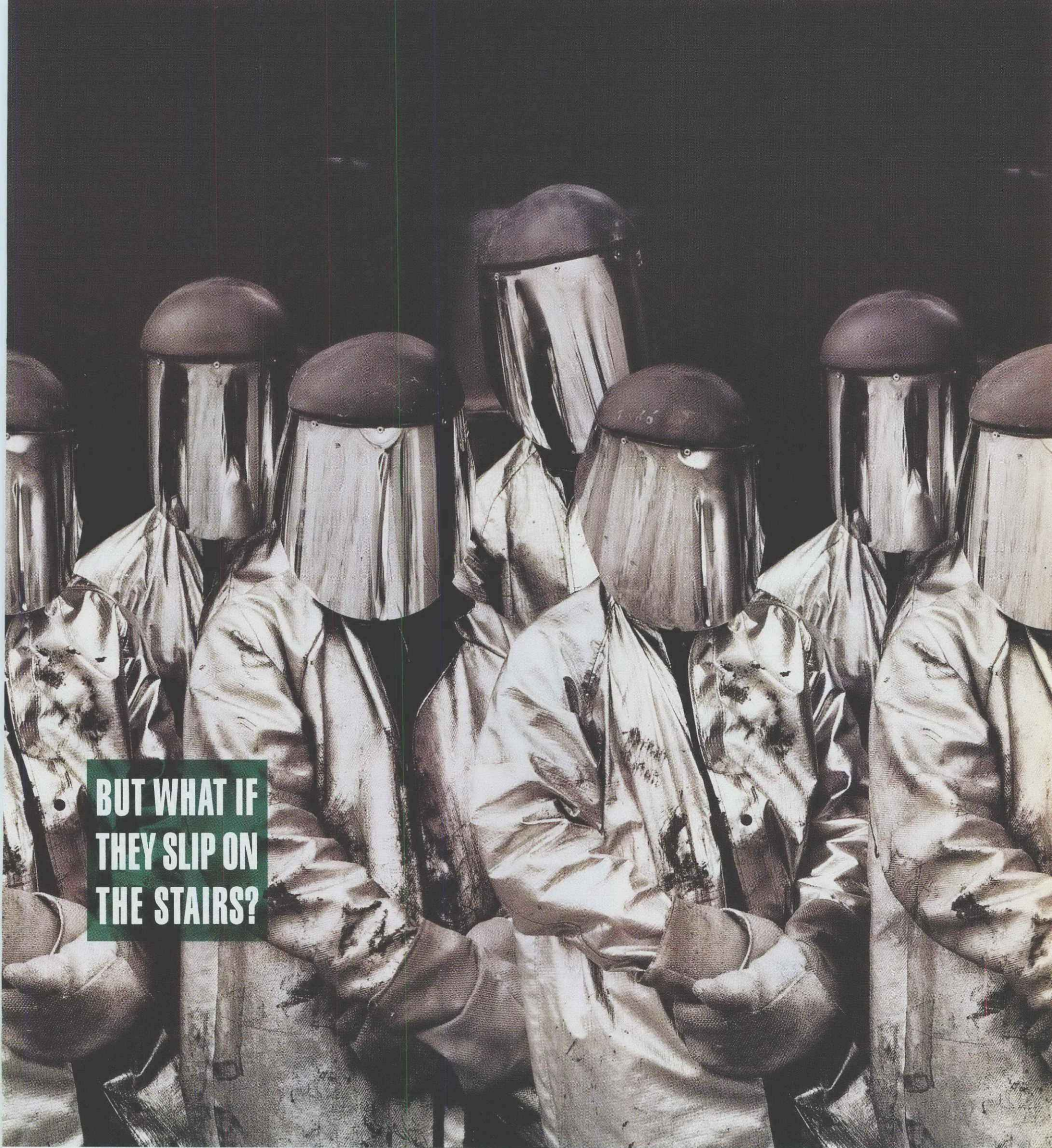
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving noise and vibration; EMR evaluation; workers comp management.**Staff:** Two total, both safety, occupational health and industrial hygiene consultants. One ASSE member.**Clients:** Six total.**Specialties:** Construction.**1992 revenues:** \$42,000 total, 35% from unbundled safety consulting services.**Officers:** Patricia E. Ash, president.**Loss Prevention Inc.**

7510 34th St. S., Suite T-16; St. Petersburg, Fla. 33711; 813-866-7101

Founded: 1990.**Services:** Safety audits/reviews; evaluations or inspections; safety, industrial hygiene and occupational health program assistance; on-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene and occupational health; fire protection engineering.**Staff:** Two ASSE members.**Clients:** Three total, all corporate and institutional clients.**Specialties:** Expert testimony to law offices; health care safety.**1992 revenues:** \$50,000 total.**Officers:** Louis D. Gasbarro, president.**Loss Prevention
Consultants Inc.**P.O. Box 54012, Jackson, Miss.
39288-4012; 601-878-2138;
fax: 601-878-2394**Founded:** 1983.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance; on-site and off-site training classes or seminars; accident investigation and reconstruction.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving occupational health, ergonomics, product liability and noise and vibration; expert witness.**Staff:** Three total, including two safety consultants, one occupational health consultant. One ASSE member.**Clients:** 50 total, including 35 corporate and institutional clients.**Specialties:** Transportation (especially hazardous materials), manufacturing.**1992 revenues:** 100% from unbundled safety consulting services.**Officers:** John R. Eubanks Jr., president.**M****Management Services Inc.**2 E. Main St., Danville, Ill. 61832;
217-446-1089; fax: 217-443-0927**Founded:** 1978.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics and noise and vibration; fire protection engineering; industrial hygiene testing at independent labs.**Staff:** 19 safety consultants. 13 ASSE members.**Offices:** Des Moines, Iowa; Indianapolis; Kansas City and St. Louis, Mo.; Oak Brook, Ill.**Officers:** Sam Cannon, CEO; Bob Cowgill, president; Jacque Cannon, vp; Gary Schirmer, director.**Contact:** Mike Reed, ext. 182; Bonnie Gotham, ext. 118; Mary Norenberg, ext. 108.**McNeary Insurance
Consulting Inc.**P.O. Box 220926, Charlotte,
N.C. 28222; 704-365-4150;
fax: 704-365-4155**Founded:** 1956.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic,

industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; fire protection and control program evaluation assistance; plant emergency response organization assistance; disaster plan design assistance.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving noise and vibration.**Staff:** Four total, including four safety consultants, two occupational health consultants, two industrial hygiene consultants. Two ASSE members.**Specialties:** Health care.**Offices:** Atlanta.**Officers:** William C. Moore, chairman; Glen E. Pehl, president; William D. Yae-ger, senior vp; Carl W. Malmberg, vp.**Contact:** Carl W. Malmberg.**Meehan & Associates Inc.**2847 84th St. S.E., Grand
Rapids, Mich. 49316-9121;
616-698-3119**Founded:** 1992.**Services:** Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars; advanced safety management/safety administrator course.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene and product liability; workers compensation case management programs; product liability claim defense.**Staff:** Five safety consultants, all ASSE members.**Clients:** 14 total, all corporate and institutional clients.**Specialties:** Manufacturing, contractors.**1992 revenues:** \$75,000 total, 100% from unbundled safety consulting services.**Officers:** Terrance P. Meehan, president.**Michigan Hospital
Assn. Service Corp.**6215 W. St. Joseph Highway, Lansing,
Mich. 48917; 517-323-3443;
fax: 517-323-0913**Founded:** 1982.**Parent:** Michigan Hospital Assn.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, and noise and vibration; industrial hygiene testing at independent labs.**Staff:** Six total. One ASSE member.**Clients:** 160 total.**Specialties:** Health care.**Offices:** Southfield, Mich.**1992 revenues:** \$600,000 total (occupational safety department), 50% from unbundled safety consulting services.**Officers:** Fritz Kellerman, executive vp/COO; Kathleen Dickenson, executive vp; Pier-George Zanoni, director-occupational health and environmental safety.**Contact:** Pier-George Zanoni.**Miller Engineering Inc.**2392 Fuller Road, Ann Arbor,
Mich. 48105; 313-662-6822;
fax: 313-747-9712**Founded:** 1980.**Services:** Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics and product liability; fire protection engineering; design of warnings for industrial products and workspaces; product safety analysis.**Staff:** Five total, all safety consultants. Four ASSE members.**Clients:** 50 total, including 40 corporate and institutional clients.**1992 revenues:** \$750,000 total, 67% from unbundled safety consulting services.**Officers:** J.M. Miller, Timothy Rhoades, Paul Frantz, Bruce Main.**Contact:** Paul Frantz.*Continued on page 44*



**BUT WHAT IF
THEY SLIP ON
THE STAIRS?**

 You can take every precaution. Follow every rule to the letter. Check. And double check. But, as anyone who's ever handled a workers' comp claim will tell you, anything that can happen will. At Intracorp, we've witnessed this more than half a million times. In fact, our data base is comprised of all the information we've gleaned from helping claims professionals manage more than 20 years of workers' comp cases. We've now taken that data and transformed it into a valuable tool. To help flag potential problems. To recognize claims which may benefit from disability management. To recommend alternative treatment methods. To return the employee to a productive life. And, of course, to close claims. To learn more, call us at 1-800-345-1075. Because, though we can't control the *what if*, we most definitely can affect the *what will be*. **INTRACORP THE HEALTH CARE MANAGEMENT COMPANY.**

Spotlight report

Continued from page 42

Dr. Donald P. Milione, D.C.

7012 Eighteen Ave., Brooklyn,
N.Y. 11204; 718-232-9595;
fax: 718-232-6800

Founded: 1990.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and occupational health program assistance; on-site and off-site training classes or seminars; pre-placement/pre-employment examinations; cost effective diagnostic and treatment services for cumulative trauma disorders.

Other services: Development of training materials; rehabilitation; IMEs; back and neck injury prevention; loss source analyses; early return-to-work programs.

Staff: Three total, including one safety consultant, one occupational health consultant.

Specialties: Manufacturing/industrial, construction, sedentary office workers, service industry employees, health care personnel, vehicle operators, management/supervisory personnel.

Offices: New York.

Officers: Donald Milione, D.C., CEO; C.E. Sammis, accounts coordinator.

Contact: Dr. Donald Milione.

A. Mims Associates Inc.

31 Apache Court, Appleton, Wis.
54911-1012; 414-731-7548;
fax: 414-472-5716

Founded: 1973.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; expert witness.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving noise and vibration; fire protection engineering.

Staff: Three total, including three safety consultants, one occupational health consultant, one industrial hygiene consultant. One ASSE member.

Clients: 12 total, including six corporate and institutional clients.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Albert Mims, president; Margie L. Kolbe-Mims.

Contact: Albert Mims.

Robert Moore & Associates Inc.

9949 Greenfield, Dallas, Texas
75238; 214-348-0219

Founded: 1992.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing by independent lab.

Staff: Three total, including three safety consultants, two industrial hygiene consultants.

Specialties: Aviation, manufacturing, construction, warehousing, retailing and service-related industries.

Officers: Robert E. Moore, president; D.M. Moore, vp; Gary D. Owen, Milton J. Terrell, consultants.

National Safety Council

1121 Spring Lake Drive, Itasca,
Ill. 60143-3201; 708-285-1121;
fax: 708-285-1315

Founded: 1913.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and product liability; fire protection engineering.

Staff: 300 total, including 30 safety consultants, 10 occupational health consultants, 10 industrial hygiene consultants. 35 ASSE members.

Clients: 75 total.

Offices: Atlanta; Foster City, Calif.; Syracuse, N.Y.; Washington.

Officers: Chuck Gilcrest, president; Irvin B. Etter, executive vp/COO; Michael Meersman, vp-finance; John Kuchta, vp-sales.

Contact: James P. Kaletta, director, 708-775-2340.

Northeast Consulting Engineers Inc.

74 Holten St., Danvers, Mass. 01923;
508-777-8339; 508-777-6380

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars.

Other services: OSHA compliance; research involving ergonomics, product liability and noise and vibration; fire protection engineering.

Staff: Two total, including safety consultants.

Clients: 150 total.

1992 revenues: \$100,000 total, 100% from unbundled safety consulting services.

Officers: John W. Mroszczyk, president.

Occupational Safety & Health Advisors Inc.

16167 Elmwood Station, Minneapolis,
Minn. 55416; 612-444-4775;
fax: 612-444-4775

Founded: 1989.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; expert advice and expert witness service.

Other services: Publication of safety materials or videos; OSHA compliance.

Staff: One total, a safety consultant and ASSE member.

Clients: 40 total.

1992 revenues: \$80,000 total, 100% from unbundled safety consulting services.

Officers: Ivan Russell, president.

Occupational Safety & Health Consultants

5228 Magazine St., New Orleans,
La. 70115-1846; 504-895-8966;
fax: 504-895-8966

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars.

Other services: Development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics and noise and vibration.

Staff: Three total, including one safety consultant, one industrial hygiene consultant. Two ASSE members.

Clients: Five total.

Specialties: Oil and gas drilling related industries, heavy construction, maritime industries.

Offices: Abbeville, La.

1992 revenues: \$175,000 total, 70% from unbundled safety consulting services.

Officers: Donald Broussard, president/CEO; Renee D. Broussard, secretary/treasurer (finance officer); Joe McKillip, vp-industrial hygiene.

Organizational Safety Services Inc.

63 Sequoia Drive, Huntington,
W.Va. 25705; 304-736-4920

Founded: 1987.

Services: Safety audits/reviews; eval-

uations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars; forensic services.

Other services: Development of training materials; OSHA compliance; research involving ergonomics and product liability.

Staff: Four total, all ASSE members.

Clients: 26 total.

Specialties: Pulp and paper manufacturing.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Keith E. Barenklau, president; LeRoy V. Abbott, vp/treasurer; Eric E. Barenklau, secretary; Linda C. Abbott, vp.

Contact: Keith E. Barenklau.

Donald E. Ostrum

12109 Cottonwood St. N.W., Coon
Rapids, Minn. 55448; 612-757-0102

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics.

Staff: One total, a safety consultant, industrial hygiene consultant and ASSE member.

Clients: 60 total, including 30 corporate and institutional clients.

Specialties: Grain industry, attorneys.

1992 revenues: \$50,000 total, 100% from unbundled safety consulting services.

Officers: Donald E. Ostrum, owner.

Pipeline Specialties

14909 E. 92nd St., Owasso, Okla.
74055; 713-370-0969

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability; fire protection engineering; expert witness.

Staff: One total, a safety consultant and ASSE member.

Clients: Eight total.

Specialties: Chemical, petrochemical, refining, pipeline, marine.

1992 revenues: \$200,000 total, 100% from unbundled safety consulting services.

Officers: Thomas A. McWillie.

Pooler Consultants Ltd.

321 Upland Drive, Lafayette,
La. 70506; 318-984-1601;
fax: 318-988-1762

Founded: 1989.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; environmental assessments and training.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration; fire protection engineering; industrial hygiene laboratory; third party exposure program.

Staff: Four ASSE members.

Clients: 110 total.

Officers: Ben Pooler, president.

Professional Safety Consulting Service Inc.

1923 Molina Ave., Suite 205, Long
Beach, Calif. 90804; 310-597-1988;
fax: 310-498-2085

Founded: 1976.

Services: Safety audits/reviews; evaluations or inspections; safety, industrial hygiene and occupational health program assistance; on-site training classes or seminars; hazardous waste training and certification.

Other services: OSHA compliance; research involving occupational health; fire protection engineering.

Staff: One total, a safety consultant, occupational health consultant, industrial hygiene consultant and ASSE member.

Clients: 20 total, including five corporate and institutional clients.

Specialties: Legal, forensic engineering, expert witness.

1992 revenues: \$150,000 total, 100% from unbundled safety consulting services.

Officers: Raymond N. Chace Sr., president/director; Michelle Chace-Bass, secretary/treasurer; Raymond N. Chace Jr., vp.

Contact: Raymond N. Chace Sr.

R

R.E.C. Inc.

12900 Silver Crest Road, Chester,
Va. 23831-4328; 804-748-8003;
fax: 804-748-2384

Founded: 1975.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site training classes or seminars.

Other services: Publication of safety materials or videos; OSHA compliance; research involving industrial hygiene; industrial hygiene testing at independent labs.

Staff: Four total, including one safety consultant, one occupational health consultant, one industrial hygiene consultant. One ASSE member.

Clients: 46 total, including 25 corporate and institutional clients.

Specialties: Asbestos and lead removal companies, indoor air quality, government, private and commercial companies, municipalities, chemical and pharmaceutical manufacturing facilities.

1992 revenues: \$250,000 total, all from unbundled safety consulting services.

Officers: Henry M. Taylor Jr., president; Genevieve Wills-Taylor, vp.

Contact: Genevieve Wills-Taylor.

RMS Associates

109 Shasta Road, Plymouth Meeting,
Pa. 19462; 215-275-0820;
fax: 215-277-9660

Founded: 1971.

Services: Accident investigation; product evaluations.

Other services: Expert witness services.

Staff: One total, a safety consultant and ASSE member.

Clients: 75 total.

Specialties: Legal profession, insurance adjusters.

Officers: Robert B. Benowitz, president.

RPF Associates

20 LeRoy St., Dix Hills, N.Y. 11746;
516-586-0778; fax: 516-586-5164

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; occupational safety and health audits; D.O.T. type audits; hazardous communication training; lockout/tagout programs; bloodborne pathogen programs; confined space entry programs; basic electrical safety and emergency planning.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving occupational health, ergonomics, product liability and noise and vibration; fire protection engineering.

Staff: Nine total, including six safety consultants, one occupational health consultant, one industrial hygiene consultant. Four ASSE members.

Clients: 51 total, including 10 corporate and institutional clients.

Specialties: Printing industry, bakeries, food distribution, retail stores, life safety, slip and fall, auto accident investigation, hospital and nursing home safety.

1992 revenues: \$240,000 total, all from unbundled safety consulting services.

Officers: Robert P. Firmbach, president; Carol P. Firmbach, executive vp.

Contact: Robert P. Firmbach.

Frederick Rauh & Co.

3300 Central Parkway, Cincinnati,
Ohio 45225-2384; 513-559-0500;
fax: 513-559-7067

Founded: 1870.

Parent: American Business Insurance Inc.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site training classes or seminars; amusement ride safety inspections; ADA compliance; job safety analysis.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics and product liability; fire protection engineering; initial screening for lead paint; building code and life safety code reviews.

Staff: Three total, including three safety consultants, one occupational health consultant, one industrial hygiene consultant. Two ASSE members.

Clients: 25 corporate and institutional clients.

Specialties: Manufacturing, construction, broadcasting, large habitation, selected chemicals manufacturing and distribution, amusement parks, municipal services.

1992 revenues: 1% from unbundled safety consulting services.

Officers: David Eslick, president/CEO; Tom Schaefer, executive vp; Mark Erion, CFO; Bob Lane, Bob Stone, vps.

Contact: Bob Stone, 513-559-7055.

The Reliability Group

870 N.E. 97th St., Miami, Fla.
33138; 305-754-0075

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health and ergonomics.

Staff: Eight total, including seven safety consultants. Three ASSE members.

Clients: 27 total, including 23 corporate and institutional clients.

Officers: Hank Sarkis, president; Robert Cooke, vp.

Contact: Hank Sarkis.

F.A. Richard & Associates Inc.

2360 Fifth Ave., Suite 100, Manderville,
La. 70448; 504-624-8383;
fax: 504-624-8489

Founded: 1979.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance.

Staff: Five total, all safety consultants and ASSE members.

Clients: 60 total, all corporate and institutional clients.

Offices: Atlanta; Dallas; Lafayette, Metairie and Monroe, La.

1992 revenues: \$600,000 total, 100% from unbundled safety consulting services.

Officers: F.A. Richard, CEO; Reed Bell, executive vp; Dan Clark, Todd Richard, Francis Reynard, senior vps.

Contact: David Sturgis, vp, 318-988-4008.

Risk Analysts Inc.

4828 Loop Central Drive, 9th Floor,
Houston, Texas 77081; 713-661-9933;
fax: 913-669-4724

Founded: 1984.

Parent: Wisenberg Insurance & Risk Management.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars; emergency and disaster planning; job safety analysis; blood borne pathogen program; hazard communication; confined space entry; employee practices; lockout/tagout; fleet safety.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing at independent lab; safety incentive programs; videotape analysis; life safety; ADA compliance.

Staff: Four total, all safety consultants and ASSE members.

Specialties: Light to heavy manufacturing, hospitals, health care, wholesale, warehousing, retail, hotel/motel, real estate, auto racing, restaurants.

1992 revenues: 90% from unbundled safety consulting services.

Officers: Irving Pozmantier, chairman; Joe L. Williams, president; Thomas C. Francis, Nicholas P. Dalby, vps.

Contact: Nicholas P. Dalby, 713-669-4792.

Continued on next page

N

National Medical Advisory Service

7910 Woodmont Ave., Suite 700,
Bethesda, Md. 20814-3015;
301-913-0014; fax: 301-718-1891

Founded: 1975.

Services: Safety audits/reviews; evaluations or inspections; industrial hygiene and occupational health program assistance.

Other services: OSHA compliance; research involving industrial hygiene, occupational health, product liability and noise and vibration.

Staff: 35 total; including two safety consultants, two occupational health consultants, two industrial hygiene consultants.

Officers: Dr. Ronald E. Gots, president.

Contact: Sharon A. Aiken, project administrator.

Continued from previous page

J.D. RobertsP.O. Box 2369, Slidell, La. 70459;
504-643-7309; fax: 504-643-7309**Founded:** 1989.**Services:** Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics and noise and vibration.**Staff:** One total, a safety consultant and ASSE member.**Clients:** 25 total, including seven corporate and institutional clients.**Specialties:** Dental labs, maritime, construction, retail.**1992 revenues:** \$100,000 total, 50% from unbundled safety consulting services.**Officers:** John D. Roberts, owner.**J.C. Roumas & Associates**895 Linden Ave., Ridgefield, N.J.
07657; 201-945-7970**Founded:** 1988.**Parent:** James C. Roumas.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing at independent lab.**Staff:** One total, a safety, occupational health and industrial hygiene consultant and an ASSE member.**Specialties:** Manufacturing, chemical processing, construction.**Officers:** James C. Roumas, president.**S****Safety Associates Inc.**1351 E. Morehead St., Charlotte,
N.C. 28204; 704-334-8690;
fax: 704-376-5838**Founded:** 1978.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance and assistance in handling citations; research involving noise; fire protection engineering.**Staff:** Four total, all safety consultants.**Clients:** 20 total.**1992 revenues:** \$350,000 total, all from unbundled safety consulting services.**Officers:** James W. Stephens, president; Ronald F. Sullivan, vp.**Contact:** James W. Stephens.**Safety Consulting Inc.**P.O. Box 2789, 1271 S.W. Harrison,
Topeka, Kan. 66601-2789;
913-232-3887; fax: 913-233-1746**Founded:** 1971.**Services:** Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; accident investigations; expert witness.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability.**Staff:** Three total, all safety consultants and ASSE members.**Clients:** 85 total, including 30 corporate and institutional clients.**Specialties:** Construction, manufacturing, petroleum.**Offices:** Wichita, Kan.**1992 revenues:** \$300,000 total, all from unbundled safety consulting services.**Officers:** Denzell B. Ekey, president; Philip W. Blake, vp.**Safety Consulting Service**1288 Newman Ave., Seekonk, Mass.
02771-2605; 508-761-5625**Founded:** 1966.**Services:** Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars; CPR and first aid.**Other services:** Publication of safety materials or videos; development of training materials; research involving industrial hygiene.**Staff:** One total, a safety consultant and ASSE member.**Clients:** 10 total, including one corporate and institutional client.**Specialties:** Research laboratories, academic institutions.**1992 revenues:** \$6,000 total, all from unbundled safety consulting services.**Officers:** Eric W. Spencer.**Safety/Hazard Associates**P.O. Box 249, Annapolis, Md. 21404;
410-267-7171; fax: 410-263-8503**Founded:** 1984.**Services:** Safety audits/reviews; eval-

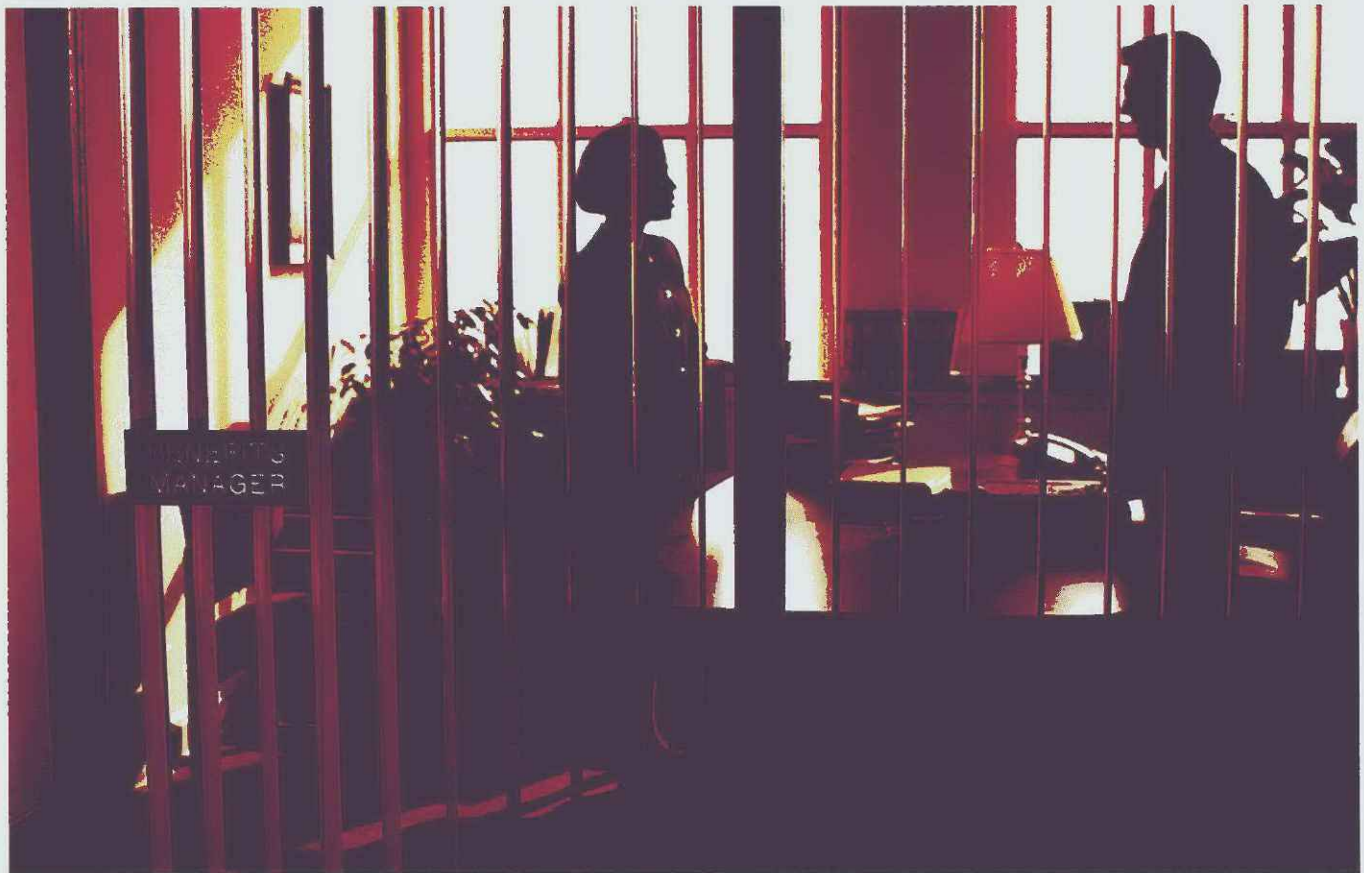
uations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability and noise and vibration; fire protection engineering.**Staff:** One total, a safety consultant and ASSE member.**Clients:** Six total, all corporate and institutional clients.**Specialties:** Construction, manufacturing.**1992 revenues:** \$90,000 total, all from unbundled safety consulting services.**Officers:** Richard C. Knapp, owner/sole proprietor.**Safety & Health****Consultants Inc.**161 William St., New York,
N.Y. 10038; 212-349-1221;
fax: 212-732-2639**Founded:** 1984.**Services:** Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars.**Other services:** Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, ergonomics, product liability and noise and vibration; fire protection engineering.**Staff:** 11 total, including seven safety consultants, two occupational health consultants, two industrial hygiene consultants. All ASSE members.**Clients:** 100 total.**Specialties:** Construction, health care, manufacturing, municipalities, service, performing arts.**1992 revenues:** \$175,000 total, all from unbundled safety consulting services.**Officers:** Stephen J. Lovell, president; Richard F. Andree, executive vp/COO.**Contact:** Matthew V. McFarland.

Continued on next page

Directory terms and methodology explained on page 29.

To put together a first-rate managed health care plan
we got a second opinion
from people who never went to medical school.



Consulting with Benefits Managers convinced us we should have our HMOs examined. Our PruCare® HMOs. Along with our PruCare Plus® plans. Not because they're in poor shape, but to assure Benefits Managers that we have a clean bill of health.

In fact, The Prudential is the first national carrier to seek external accreditation for a range of managed care plans from the National Committee for Quality Assurance (NCQA). And the only one to make examination of health benefits a general practice. For more information about The Prudential Health Care System, please write to: John A. Selby, Prudential Group Department, 56 Livingston Ave., Roseland, NJ 07068-1790.

The Prudential 

Continued from previous page

Safety & Health Council of Western Missouri & Kansas

901 Charlotte St., Kansas City, Mo. 64106; 816-842-5223; fax: 816-842-6226

Founded: 1917.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; community health and safety presentations for business, industry, government, and for public and private sectors, including senior citizens and children.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health and noise and vibration; fire protection engineering; industrial hygiene laboratory.

Staff: 24 total; including 16 safety consultants, six occupational health consultants, two industrial hygiene consultants.

Clients: 420 total, including 315 corporate and institutional clients.

1992 revenues: \$750,000 total, 55% from unbundled safety consulting services.

Officers: Paul Glinn, chairman; Thomas P. Cox Jr., vice chairman; Kathleen S. Zents, president/CEO; Victor C. Panus, vp/general counsel; James F. Hughes, vp-safety and public relations division; Walter K. Disney, vp/treasurer.

Safety & Loss Control Associates

P.O. Box 1851, Palatine, Ill. 60078-1851; 708-358-7523; fax: 708-358-7524

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety and industrial hygiene program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving noise and vibration.

Staff: Two total, including one safety consultant. One ASSE member.

Clients: 32 corporate and institutional clients.

Specialties: Construction.

1992 revenues: \$100,000 total, 50% from unbundled safety consulting services.

Officers: Donald A. Neslund.

Safety Management Associates

11300 Lilling Lane, Fairfax Station, Va. 22039; 703-978-3000 or 703-455-0511; fax: 703-978-3000

Founded: 1981.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; level 1 and 2 environmental assessments of commercial property; evaluate HVAC systems and indoor air quality in offices.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; industrial hygiene testing at independent lab.

Staff: Two total, including one safety consultant. One ASSE member.

Clients: 11 total, including seven corporate and institutional clients.

Specialties: System safety analysis for aerospace/defense industry, occupational safety and health for manufacturers, expert safety testimony.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Neil R. Temple, president/principal consultant.

Safety Management Consultants Inc.

636 S. Washington St., Elmhurst, Ill. 60126-4347; 708-279-9499; fax: 708-279-9498

Founded: 1982.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars; fleet safety.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability and noise and vibration; fire protection engineering; industrial hygiene testing by independent lab; product hazard reviews; workers compensation cost containment;

product warning label development; litigation support services; review of safety-related product literature and videos.

Staff: Five total, including three safety consultants, three occupational health consultants, three industrial hygiene consultants. Three ASSE members.

Clients: 25 total, all corporate and institutional clients.

1992 revenues: 100% from unbundled safety consulting services.

Officers: J. Terrence Grisim.

Safety Management Services of Texas

13647 Purple Sage Road, Dallas, Texas 75240-5733; 214-661-1941

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety and industrial hygiene program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving noise and vibration.

Staff: 10 total, including eight safety

consultants, two industrial hygiene consultants. Six ASSE members.

Clients: 35 total, all corporate and institutional clients.

Specialties: Semiconductor manufacturing, vegetable oil food products, cosmetics manufacturing.

1992 revenues: \$400,000 total, all from unbundled safety consulting services.

Officers: Roy H. Kinslow, president; Dennis Donegan, Bill B. Turney, Ted Swift, vps.

Safety & Risk Control Services Inc.

335 Main St., Suite 4, Metuchen, N.J. 08840; 908-906-2244; fax: 908-906-2045

Founded: 1989.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; off-site training classes or seminars; development of management training programs on safety.

Other services: Publication of safety materials or videos; development of

training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and product liability; fire protection engineering; industrial hygiene testing by independent labs; supervision and technical review of publications, videos and film programs; coordination and auditing of insurers' loss control services; analysis of loss information and development of loss control service specifications; loss prevention programs for associations and MGA programs.

Staff: 15 total, including 14 safety consultants. Fourteen ASSE members.

Clients: 18 total, including 15 corporate and institutional clients.

Specialties: Transportation, manufacturing, associations.

1992 revenues: 75% from unbundled safety consulting services.

Officers: Harvey S. Staple, president.

Sandler Occupational Medicine Associates Inc.

275 Broadhollow Road, Suite 302, Melville, N.Y. 11747; 516-756-2204; fax: 516-756-2213

Founded: 1983.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; industrial hygiene testing by independent labs; ADA compliance; medical case management.

Staff: 35 total, including two safety consultants, 28 occupational health consultants, five industrial hygiene consultants. Three ASSE members.

Clients: 200 total, including 75 corporate and institutional clients.

Offices: Philadelphia; Rockville, Md.; San Antonio, Texas.

Officers: Dr. Howard M. Sandler, president; Sheldon H. Rabinovitz, Dr. Richard S. Blume, vps; Amalia C. Apostoleris, director.

Contact: Lisa Fallon, marketing manager.

Continued on next page



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Continued from previous page

Schaible Associates

900 Center St., Mount Joy,
Pa. 17552-9371; 717-684-6045;
fax: 717-898-9302

Founded: 1982.

Services: Safety audits/reviews; evaluations or inspections; ergonomic, industrial hygiene and occupational health program assistance; on-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene testing by independent lab.

Staff: One total, a safety, occupational health and industrial hygiene consultant and an ASSE member.

Clients: 500 total.

Specialties: All industries except construction or fleet.

Officers: Ronald D. Schaible, president.

Schirmer Engineering Corp.

707 Lake Cook Road, Deerfield,
Ill. 60015-4997; 708-272-8340;
fax: 708-272-2639

Founded: 1939.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; CSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering.

Staff: 24 total, including 20 safety consultants, two occupational health consultants, two industrial hygiene consultants. Six ASSE members.

Offices: Dallas, Los Angeles, San Francisco, Washington.

1992 revenues: \$9.8 million total, 45% from unbundled safety consulting services.

Officers: Richard R. Osman, president; Chester W. Schirmer, chairman; Carl F.

Baldassarra, vp.

Contact: Carl F. Baldassarra.

John Schmitt Consulting

206 Treeline Drive, Pen Argyl,
Pa. 18072; 215-588-7226

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety and industrial hygiene program assistance; on-site training classes or seminars.

Other services: Research involving product liability; expert witness; assistance to legal counsel.

Staff: One total, an ASSE member.**Clients:** Three total.

Specialties: Coatings and adhesives, building material manufacturers, asbestos products.

1992 revenues: \$5,200 total, all from unbundled safety consulting services.

Officers: John C. Schmitt.**John B. Schroering**

P.O. Box 242, Prospect, Ky.
40059; 502-228-0331

Services: Safety audits/reviews; eval-

uations or inspections.

Other services: OSHA compliance; research involving ergonomics, product liability and noise and vibration.

Staff: Four total, all safety consultants. One ASSE member.

Clients: 20 total.**Offices:** Louisville, Ky.

Officers: John B. Schroering, president.

**Sedgwick James Inc.-
Risk Control Services**

2000 Center Point Drive, Suite 2350,
Columbia, S.C. 29210; 803-772-1111;
fax: 803-772-6361

Founded: 1858.**Parent:** Sedgwick Group P.L.C.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars; computerized contingency planning services; environmental consulting.

Other services: Publication of safety

materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing by independent labs.

Staff: 109 total, including 90 safety consultants, 12 occupational health consultants, seven industrial hygiene consultants.

Specialties: Self-insured associations/pools, real estate, manufacturing, public entities, health care, retail, warehouse/distribution, energy, construction, financial institutions, hotels, food processing, environmental.

Offices: Arlington, Va.; Atlanta; Boston; Chicago; Columbia, S.C.; Dallas; Detroit; Ft. Lauderdale, Maitland and West Palm Beach, Fla.; Harrisburg, Philadelphia and Pittsburgh, Pa.; Irvine, Los Angeles and San Francisco, Calif.; Jackson, Miss.; Kansas City and St. Louis, Mo.; Knoxville and Memphis, Tenn.; Little Rock, Ark.; New York and Rochester, N.Y.; Norwalk, Conn.; Omaha, Neb.; Phoenix; Portland, Maine; Portland, Ore.; Seattle; Short Hills, N.J.

1992 revenues: 30% from unbundled safety consulting services.

Officers: R. Jane Hill, senior vp-risk services; J. Steven Hunt, national director-casualty risk control services; Richard E. Botts, national director-property risk control services.

Contact: J. Steven Hunt, Sedgwick James of the Carolinas, P.O. Box 21804, Columbia, S.C. 29221.

Ships Operational Safety Inc.

284 Main St., Port Washington,
N.Y. 11050; 516-944-9600;
fax: 516-944-9602

Founded: 1968.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials.

Staff: Two total, both safety consultants.

Clients: 12 total, including two corporate and institutional clients.

Specialties: Marine transportation.

Officers: Hugh M. Stephens, president; Elizabeth V. Stephens, vp.

Contact: Hugh M. Stephens.**Sigma Associates Ltd.**

105 Timber Ridge Blvd., Pass Cristian,
Miss. 39571; 601-452-4866;
fax: 601-452-7202

Founded: 1975.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving noise and vibration; fire protection engineering.

Staff: Five total, including three safety consultants, one occupational health consultant, one industrial hygiene consultant. One ASSE member.

Clients: 45 total, including five corporate and institutional clients.

Specialties: Construction, demolition, petroleum, manufacturing, marine, fire and explosion.

Officers: A.J. Scardino Jr., president; Loislyn Blanchard Scardino, secretary/treasurer.

Contact: Loislyn Blanchard Scardino.**Richard Zane Spiegel**

360 Annapolis Drive, Claremont,
Calif. 91711-5329; 909-621-3501

Founded: 1982.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; forensic safety engineering.

Other services: Publication of safety materials or videos; OSHA compliance; California/OSHA compliance and representation; expert witness consulting and testimony.

Staff: One total, a safety consultant and ASSE member.

Clients: Nine total.**Specialties:** Primarily construction.

1992 revenues: \$8,500 total, all from unbundled safety consulting services.

Officers: Richard Spiegel, principal/consultant.

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Spotlight report

Continued from previous page

State of Alaska, Dept. of Labor/O.S.H.

3301 Eagle St., Suite 305, P.O.
Box 107022, Anchorage, Alaska
99510-7022; 907-269-4940;
fax: 907-269-4950

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health and noise and vibration; industrial hygiene laboratory.

Staff: 23 total, including industrial hygiene consultants. 10 ASSE members.

Specialties: Construction, general, fishing and logging industries.

Offices: Fairbanks, Juneau, Ketchikan, Ketchikan, Kodiak and Wasilla, Alaska.

Officers: Donald G. Study, director-labor standards & safety; Dennis L.

Smythe, chief of compliance; Eric A. Shortt, Dwayne Honck, assistant chiefs of compliance; Stan Godsoe, chief of voluntary compliance (consultation/training.)

Strategic Safety Associates

P.O. Box 80161, Portland, Ore.
97280-1161; 503-245-4296;
fax: 503-243-3549

Founded: 1983.

Services: Safety audits/reviews; evaluations or inspections; safety and ergonomic program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; research involving ergonomics; managerial consultation.

Staff: Six total, all safety consultants. Two ASSE members.

Clients: 75 total, all corporate and institutional clients.

Officers: Robert Pater, Robert Button.

Contact: Robert Pater.

Sullivan Engineering Associates

15 Dale St., Andover, Mass. 01810;
508-475-0448; fax: 508-475-3811

Founded: 1955.

Services: Safety audits/reviews; evaluations or inspections; accident investigations for cause and origin.

Other services: OSHA compliance; research involving product liability.

Staff: Three total, all safety consultants and ASSE members.

Clients: 120 total, including 80 corporate and institutional clients.

Specialties: Insurance company claims investigations, expert witness.

Offices: Coral Springs, Fla.

1992 revenues: \$150,000 total, all from unbundled safety consulting services.

Officers: James F. Sullivan, president/owner; John F. Torrey, vp; Francis H. Collopy, chief engineer.

Contact: James F. Sullivan.

System Engineering & Laboratories

12785 State Highway 64 East, Tyler,
Texas 75707-8705; 903-566-1980;
fax: 903-566-4504

Founded: 1981.

Services: Safety audits/reviews; evaluations/inspections; safety and ergonomic program assistance; system safety; hazard, safety and failure analysis.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics, product liability and noise and vibration; fire protection engineering; accident investigation and reconstruction; forensic engineering.

Staff: 21 total, including three safety consultants. Four ASSE members.

Specialties: Construction, manufacturing, petroleum, transportation.

Offices: Amarillo and Dallas, Texas; New Orleans.

Officers: Frank Johnson, Dixie Johnson.

Contact: Tracie Bolton, 1-800-624-0905.

System Engineering & Laboratories of Northwest Texas

P.O. Box 1506, Amarillo, Texas 79105;
806-371-7657; fax: 806-371-7657

Founded: 1985.

Parent: Lawrence C. Keaton and SEAL Corp of Tyler Texas.

Services: Safety audits/reviews; evaluations or inspections; safety, industrial hygiene and occupational health program assistance; on-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, product liability and noise and vibration; fire protection engineering; industrial hygiene testing by independent lab.

Staff: Six total, including safety consultants, occupational health consultants, industrial hygiene consultants. All ASSE members.

Clients: 10 total, including five corporate and institutional clients.

Offices: New Orleans; Tyler, Texas.

1992 revenues: \$150,000 total, all from unbundled safety consulting services.

Officers: Frank H. Johnson, president-S.E.A.L. Corp.; Lawrence C. Keaton, partner.

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F.J. Szymanski Safety Services

5258 Forest Circle S., Stevens Point,
Wis. 54481; 715-344-4127

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; written safety programs; supervisory training; workers compensation insurance surveys; speaker.

Other services: Development of training materials; OSHA compliance; research involving ergonomics and noise and vibration.

Staff: 1.5 total, including one safety consultant.

Clients: 35 total, all corporate and institutional clients.

Specialties: Manufacturing, construction, concrete products, wood products, tires.

1992 revenues: \$85,000 total, 90% from unbundled safety consulting services.

Officers: Frank J. Szymanski.

T

T-JENS & T-JENS Inc.

4614 Hickorygate Drive, Spring,
Texas 77373-8521; 713-353-3680;
fax: 713-353-3680

Founded: 1992.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; on-site and off-site training classes or seminars.

Other services: Development of training materials; OSHA compliance; professional speaking.

Staff: One total, a safety consultant and ASSE member.

Clients: Seven total, all corporate and institutional clients.

Specialties: Oil and gas, real estate, transportation.

Offices: Member of the ADP Group which has offices in Fairfax, Va.; Peabody, Mass.; Winter Park, Fla.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Joel N. Tietjens, president.

Topf Organization

1062 Lancaster Ave., Rosemont
Plaza, Suite 1, Rosemont, Pa. 19010;
215-525-8370; fax: 215-527-2152

Founded: 1980.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; total employee involvement in safety and environmental awareness; attitude and behavioral management process to prevent accidents, injuries and environmental incidents.

Other services: Development of training materials; safety and environmental attitude, behavioral and cultural assessment of employee population.

Staff: 12 total, including eight safety consultants. Two ASSE members.

Clients: 72 total, including 68 corporate and institutional clients.

Continued on next page

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Specialties: Manufacturing, research, pharmaceutical, chemical, petrochemical.

1992 revenues: 100% from unbundled safety consulting services.

Officers: Michael Topf, president; Ron Preston, vp; Don Theune, vp-sales.

V

Wesley R. Van Pelt Associates Inc.

773 Paramus Road, Paramus, N.J. 07652; 201-445-5124; fax: 201-445-6488

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; industrial hygiene program assistance; radiation safety; health physics; radioactive materials management.

Other services: OSHA compliance.

Staff: One total, an industrial hygiene consultant.

Clients: 10 total.

Specialties: Pharmaceutical, high-tech research and development, biotechnology.

1992 revenues: \$200,000 total, all from unbundled safety consulting services.

Officers: Wesley R. Van Pelt, president.

Vernon Associates

P.O. Box 10101, College Station, Texas 77840; 409-696-3871

Founded: 1990.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars; economic and engineering analysis of total loss prevention and control program.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, product liability and noise and vibration; fire protection engineering; industrial hygiene testing at independent labs.

Staff: Three total, including two safety consultants, one industrial hygiene consultant. Three ASSE members.

Clients: Seven total, including five corporate and institutional clients.

Specialties: Manufacturing, chemical, petroleum, construction, mercantile.

1992 revenues: \$197,000 total, all from unbundled safety consulting services.

Officers: Ralph J. Vernon, president.

W

Webb, Murray & Associates Inc.

1730 NASA Road 1, Suite 202, P.O. Box 58250, Houston, Texas 77058; 713-335-1668; fax: 713-335-1682

Founded: 1974.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars; process safety management services, including process hazard analysis and emergency planning.

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene testing at independent labs; audit/inspect field operations and facilities; model vapor cloud dispersions; develop/review procedures and contingency plans; audit emergency services, alarms and P.A. systems; conduct investigations.

Staff: 137 total, including 38 safety consultants, one occupational health consultant, three industrial hygiene consultants. Eleven ASSE members.

Clients: 225 total, including 160 corporate and institutional clients.

Specialties: Petrochemical, aerospace, medical, public utilities, construction, research and development operations involving unique exposures.

Officers: Corpus Christi, Deer Park, Freeport and Nassau Bay, Texas; Baton Rouge, La.

1992 revenues: \$7.7 million total, 40% from unbundled safety consulting services.

Officers: Robert M. Webb, president/treasurer; Robert W. Murray, senior vp/secretary; Billy C. Magee, vp.

Contact: Bill Crittenden or Bob Brennecke.

Weiner & Associates Ltd.

305 W. Chesapeake Ave., Towson, Md. 21204; 410-821-7450; fax: 410-821-1042

Founded: 1968.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; accident reconstruction.

Other Services: Research involving product liability; safety testing and design services; product design and safety; product liability audits.

Staff: Four total, all safety consultants. Two ASSE members.

Clients: 300 total, including four corporate and institutional clients.

Specialties: Transportation, construction, recreation, medical equipment, industrial operations and tools.

Officers: Robert I. Weiner, president; Barbara Janos, secretary/treasurer.

Weinstein & Associates

371 Fore St., Portland, Maine 04101; 207-772-1142; fax: 207-772-7615

Founded: 1986.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving product liability; development and testing of safety labels.

Staff: Three total, all safety consultants.

Clients: 15 total.

Specialties: Manufacturing.

Officers: Alvin S. Weinstein.

Contact: Rebecca D'Alessio.

Scott Wetzel Services Inc.

500 Pacific Ave., Suite 700, Bremerton, Wash. 98310; 800-426-5990; fax: 206-479-8297

Founded: 1941.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site training classes or seminars.

Other services: Publication of safety materials or videos; development of

training materials; OSHA compliance; research involving industrial hygiene, occupational health and ergonomics; research and management statistical analysis.

Staff: Three total, all safety consultants and ASSE members.

Clients: 452 total, including 40 corporate and institutional clients.

Specialties: Municipalities, food processors, construction, manufacturing, banks, hospitals.

Officers: John Harrold, CEO/president; Terry Neal, executive vp-finance; Edward Kocott, vp-operations; Peter Greenland, vp-marketing; Warren Zimmerman, vp-corporate services.

Contact: Valerie Williams, corporate loss control manager.

Continued on next page



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Continued from previous page

Wood Associates

12711 9th St., Yucaipa, Calif. 92399;
909-795-5141; fax: 909-795-5141

Founded: 1980.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; National Safety Council defensive driver courses.

Other services: Publication of safety materials or videos; accident investigation.

Staff: Two total, both safety consultants.

Clients: 10 total, including six corporate and institutional clients.

Specialties: Only aviation.

1992 revenues: \$100,000 total, all from unbundled safety consulting services.

Officers: Richard H. Wood, president; Theodore J. Banick, senior consultant.

Directory terms and methodology explained on page 29.

The Worksafe Group

25251 Paseo de Alicia, Laguna Hills, Calif. 92653; 714-583-1760;
fax: 714-583-7091

Founded: 1984.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; National Safety Council defensive driver courses.

Other services: Publication of safety materials or videos; development of training materials.

Staff: 10 total, including six safety consultants. Three ASSE members.

Clients: 52 total, including 46 corporate and institutional clients.

Specialties: Construction, health care, temporary employment agencies, wholesale/retail grocery industry, municipalities.

Offices: Affiliated with The Worksafe Group, Blackstone, Mass.

1992 revenues: \$900,000 total, 70% from unbundled safety consulting services.

Officers: R.S. Anderson, president; T.V. Jolicoeur, executive vp.

Contact: Robert S. Anderson.

The Worksafe Group

61 Main St., P.O. Box 476, Blackstone, Mass. 01504-0476; 508-883-0927;
fax: 508-883-3558

Founded: 1993.

Services: Safety audits/reviews; evaluations or inspections; safety program assistance; on-site and off-site training classes or seminars; National Safety Council defensive driver courses.

Other services: Publication of safety materials or videos; development of training materials.

Staff: Three total, all safety consultants. One ASSE member.

Clients: 10 total, all corporate and institutional clients.

Specialties: Industrial gas, construction, health care, temporary employment agencies, wholesale/retail grocery industry, municipalities.

Offices: Affiliated with the Worksafe Group, Laguna Hills, Calif.

1992 revenues: \$160,000 total, 70% from unbundled safety consulting services.

Officers: T.L. Badstubner, president.

X

Xordium Inc.

12465 Lewis St., Suite 104, Garden Grove, Calif. 92640; 714-748-9291;
fax: 714-748-9294

Founded: 1985.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; on-site and off-site training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health and ergonomics; computer management "risk controller" services; legal issues consultant; expert witness.

Staff: Three total, including two safety consultants, one industrial hygiene consultant. Three ASSE members.

Clients: 65 total, all corporate and institutional clients.

Specialties: Manufacturing, construction, service.

1992 revenues: \$650,000 total, 80% from unbundled safety consulting services.

Officers: Karen Gillett, president; Fred Gillett, executive vp.

Contact: Karen Gillett.

Y

Yankus Associates

3820 Vardon Ct., Woodridge, Ill. 60517; 708-416-1898

Founded: 1988.

Services: Safety audits/reviews; evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health and ergonomics; industrial hygiene testing by independent labs; risk management computer programs; environmental programs.

Staff: Six total, including five safety consultants, four occupational health consultants, two industrial hygiene consultants. Three ASSE members.

Clients: 40 total, all corporate and institutional clients.

Specialties: Construction, manufacturing, associations, insurance, service groups.

Officers: Jerry Yankus, president. **BI**

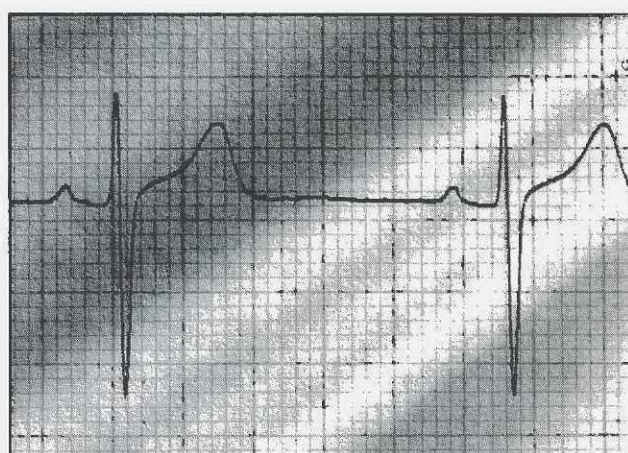
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In 1993, *Business Insurance* will publish 19 in-publication directories making access to services and suppliers easy. Providing comprehensive listings of firms in specialized areas, *BI's* directories give readers a direct route to better management techniques and eliminate frustrating hours researching services and suppliers available in the marketplace. For a listing of 1993 in-publication directories, call:

Directory information:
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For more information, call one of the numbers listed below:

Advertising information:
212/210-0228

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800/678-9595

Annual directory of companies managing vocational rehabilitation

A

Alpha Health Network

415 Holiday Drive, Pittsburgh, Pa. 15220; 412-937-1396; fax: 412-937-9655

Rehab services since: 1993.

Parent: American International Group.

Services: Telephone case management, medical assessment, return-to-work modification and coordination, IMEs, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, second surgical opinion, PPO access.

Staff: 4.5 total, all RNs. Designations held include one CRRN.

Customers: Two total, including one insurance company, one claims administrator.

Service area: Pennsylvania.

Officers: Kip Kaplan, CEO; Rick Chiocchi, director-marketing; Dr. Donald Fetterolf, medical director; Regina Hoover, director-workers compensation; Linda Wostein, director-provider relations.

Contact: Rick Chiocchi.

American International Health & Rehabilitation Services Inc.

400 Interpace Parkway, Building A, Parsippany, N.J. 07054; 201-402-3625; fax: 201-402-3105

Rehab services since: 1987.

Business: 10% rehabilitation services for employers; 80% rehabilitation services for insurance companies and TPAs; 10% other, including managed care.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, life care plan/cost projections.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, early intervention programs.

Coverage: Workers compensation; auto liability; general liability; auto no/fault; long term disability; group health-FECA, FELA, USL&H.

Staff: 410 total; 216 professionals, including 130 RNs, 86 vocational counselors. Designations held include 26 CRCs, 52 CIRSs, 13 CRRNs.

Customers: 336 total; including 63 corporate and institutional clients, 125 insurance companies, 64 claims administrators and TPAs.

Cases: 11,097 closed in 1992; 26 IME cases; 198 expert opinion cases.

Service area: Nationwide.

1992 revenues: \$31.5 million total, \$29 million from rehabilitation services.

Compensation: Per hour, \$70 to \$87; utilization management, fee for service.

Officers: Ralph L. Rousseau, president/CEO; Elaine C. Halberstadt, vp; Mary Pick, Dave Griffiths, Ginny VanderWaal, Ken Roy, Pat Murphy, assistant vps.

Contact: Mary Pick.

Aspire

8125 Parkview Drive, Des Moines, Iowa 50322-1512; 515-276-7344; fax: 515-276-8637

Rehab services since: 1991.

Business: 20% rehabilitation services for employers; 70% rehabilitation services for insurance companies and TPAs; 10% other, including rehabilitation services clinic.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work

modification and coordination, IMEs, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, clinical rehabilitation services.

Other services: Patient advocacy programs, retrospective review, second surgical opinion, PPO access.

Coverage: Workers compensation, auto liability.

Staff: Two total, both professionals, including one RN and one vocational counselor. Designations held include one CIRS, one CRRN.

Customers: 150 total; including 30 cor

Continued on next page

PROFESSIONALS SERVING PROFESSIONALS™ THE ENERGY MARKET: AN UPDATE

MARKET

STIMULUS: Market changes have caused insurers to take a cautious approach to many energy risks.

HOME

RESPONSE: "The market may be changing, but Home is wide open for business. We're writing on-shore property coverage for petroleum, chemicals, mining, coatings, plastics and electrical generation.

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DAVID WHITING, Vice President
(312) 559-9501



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Continued from previous page
 corporate and institutional clients, 105 insurance companies, 15 claims administrators and TPAs.

Cases: 83 closed in 1992.
Service area: Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, Wisconsin.

Compensation: Per hour, \$65 to \$205; \$130 per hour for depositions; \$105 per hour for clinical rehabilitation services.

Officers: Clark H. Williams, president.

B

Bluegrass Rehabilitation Inc.

P.O. Box 436177, Louisville, Ky.
 40253-6177; 502-254-9981 or
 800-456-6594; fax: 502-426-5935

Rehab services since: 1989.

Business: 30% rehabilitation services for employers; 60% rehabilitation services for insurance companies and TPAs;

10% other, including medical bill reviews, ADA consulting.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, catastrophic case management, corporate design of internal case management programs, peer review, utilization review for workers compensation.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long term disability, short term disability, health and accident.

Staff: 20 total; all professionals, in-

cluding 12 RNs, six vocational counselors, two degreed professionals. Designations held include five CRCs, eight CIRSS, four CRRNs.

Customers: 38 total; including 20 corporate and institutional clients, 10 insurance companies, six claims administrators and TPAs.

Cases: 610 closed in 1992; 108 IME cases; 18 expert opinion cases.

Service area: Southern Indiana, Kentucky, southern Ohio, eastern Tennessee.

1992 revenues: \$1.3 million total, \$1 million from rehabilitation services.

Compensation: Per hour, \$55 to \$58; large corporate contract accounts based on annual fee.

Officers: Anne Marie Marks, president; Bruce L. Ferguson, CEO; Scott Ferguson, treasurer; Bruce W. Ferguson, secretary; Jack Stewart.

Board Certified Rehabilitation Consultants

Holiday Professional Plaza,
 1900 Brooks, Suite 105, Missoula,
 Mont. 59801; 406-721-9320;
 fax: 406-549-5305

Rehab services since: 1987.

Business: 30% rehabilitation services for employers, 65% rehabilitation services for insurance companies and TPAs, 5% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, all phases of ADA consultation and assistance, litigation consultation.

Other services: Rehabilitation nurse with case management credentials.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, medical malpractice and railroad workers compensation (FELA).

Staff: 11 total; six professionals, including one RN, six vocational counselors, one degreed professional. Designations held include four CRCs, two CIRSS, one CRRN.

Continued on next page

Third annual rehabilitation service listing

The third annual *Business Insurance* directory of rehabilitation management service providers lists companies that offer rehabilitation services directly to employers on an unbundled basis. We define rehabilitation as providing services included in the medical management or vocational rehabilitation of an injured or ill individual.

The listings begin with the company name and address, followed by the year rehab services began, and the parent company, if applicable.

Under **business**, a percent breakdown of gross revenues is given, divided into rehabilitation services for employers; for insurance companies and TPAs under workers compensation or other liability lines of insurance; and other services.

The **services** section lists all rehabilitation services offered; case management refers to both on-site and telephone services. **Other services** lists any cost containment or utilization review services available. **Coverage** lists the insurance lines for which rehabilitation services are provided.

Total staff members in 1992, not including part-time or per case consultants, is listed under **staff**. Also included here is the number of professionals employed, divided into registered nurses, vocational counselors, other degreed professionals (social workers, physical therapists and occupational therapists), and physicians; as well as designations held including CRC (Certified Rehabilitation Counselor), CIRSS (Certified Insurance Rehabilitation Specialist) and CRRN (Certified Rehabilitation Nurse).

Next is total **customers** in 1992, including a breakout of corporate and institutional employers, insurance companies and claims administrators/TPAs.

Information on the number of rehabilitation cases closed in 1992, the number of independent medical examination cases in 1992 and the number of expert opinion cases in 1992 are given under **cases**.

Service area gives states or regions serviced. **Gross revenues** lists 1992 total revenues and 1992 revenues generated solely by rehabilitation services, if provided. Charges and methods of billing is given under **compensation**.

Names and titles of principal **officers** complete the listings, as well as a **contact** person for those seeking more information.

The directory is published as an editorial service; there is no charge for companies to be listed. However, companies were asked to complete a *BI* questionnaire to be included in the directory. Each firm's listing is based on its responses to that questionnaire. Although every effort is made to publish complete and accurate listings, *BI* is unable to verify all information provided.

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Acordia, Inc.



The logo features a large, stylized, cursive 'A' followed by the word 'cordia' in a serif font. The 'A' is composed of two overlapping loops, creating a distinctive graphic element.

Continued from previous page

Customers: 10 corporate and institutional clients, 58 insurance companies, 27 claims administrators and TPAs, two railroads and seven governmental entities.

Cases: 100 closed in 1992; 35 IME cases; 85 expert opinion cases.

Service area: California, Idaho, Montana, North Dakota, Washington, Wyoming.

1992 revenues: \$600,000 total, all from rehabilitation services.

Compensation: Per hour, \$67 to \$75.

Officers: William Goodrich, president; Katherine Kleinkopf, Kent Kleinkopf, vps.

Contact: Kent Kleinkopf, marketing manager.

Briskie & Associates

P.O. Box 965, South Pasadena, Calif. 91031; 818-285-8127

Rehab services since: 1986.

Business: 100% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, disability management.

Coverage: Workers compensation.

Staff: One total, a vocational counselor, who holds a CIRS designation.

Customers: Five total; including one corporate and institutional client, three insurance companies, one claims administrator/TPA.

Cases: 20 closed in 1992.

Service area: California.

Compensation: Per hour, \$65 and up.

Officers: Mark Briskie, owner.

C

CMC Occupational Health

306 W. Fayette St., Baltimore, Md. 21201; 410-752-3010; fax: 410-539-7023

Rehab services since: 1989.

Parent: Occupational Health Resources Inc.

Business: 5% rehabilitation services for employers, 20% rehabilitation services for insurance companies and TPAs, 75% other.

Services: Telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, provider bill audits, PPO access, direct provision of medical service related to workers compensation, full range of occupational health services.

Coverage: Workers compensation, auto liability, general liability, auto no-fault.

Staff: 39 total; 22 professionals, including two RNs, six degreed professionals, 14 physicians.

Customers: 1,200 total.

Cases: 3,000 IME cases; 20 expert opinion cases.

Service area: Maryland.

Compensation: Per case, \$350 to \$800; per hour, \$150 to \$400—physician time dependent on service.

Officers: Jeffrey Rose, CEO; Christopher Brigham, vp-medical affairs; Stanley Musial, vp-finance; Peter Hotz, vp-marketing/sales; Amy Alfriend, director-program development/training/education.

Contact: Suzanne Croke, marketing coordinator, 215-546-4700.

Care Management Consultants

P.O. Box 3101, Brentwood, Tenn. 37024; 615-373-2273; fax: 615-377-3916

Rehab services since: 1990.

Business: 15% rehabilitation services for employers, 80% rehabilitation services for insurance companies and TPAs, 5% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment

and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, life care plans.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, malpractice.

Staff: 26 total; including 23 RNs, three vocational counselors. Designations held include three CRCs, 16 CIRSs, five CR-RNs.

Customers: 70 total.

Service area: Tennessee.

Compensation: Per hour, \$60 to \$75.

Officers: Kathleen Ingleson, president; Cathlin Vinett, vp/treasurer.

Centennial Rehabilitation Associates Inc.

950 S. Cherry St., Suite 1008, Denver, Colo. 80222; 303-757-527; fax: 303-757-5735

Rehab services since: 1979.

Business: 35% rehabilitation services for employers, 65% rehabilitation services for insurance companies and TPAs.

Continued on next page

A managed care approach to lowering Worker's Compensation Costs . . .



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Continued from previous page

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, life care planning.

Other services: Discharge planning, functional capacity evaluation, development/administration of managed care programs.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, FELA.

Staff: 40 total; including 10 RNs, 10 vocational counselors, four degreed professionals. Designations held include four CRCs, four CIRs, two CRRNs.

Customers: 80 total; including 16 corporate and institutional clients, 49 insurance companies, 15 claims administrators and TPAs.

Cases: 735 closed in 1992.

Service area: Colorado, Iowa, Nebraska, Utah, Wyoming.

Officers: Barbara Laskowski, president; Dennis Boyd, secretary.
Contact: Dennis Boyd.

CompRehab Inc.

7500 Flying Cloud Drive, Suite 825, Eden Prairie, Minn. 55344; 612-942-9560; fax: 612-942-6546

Rehab services since: 1990.

Parent: State Fund Mutual Insurance Co.

Business: 95% rehabilitation services for insurance companies and TPAs; 5% other, including job analysis and ADA services.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion and ADA assessment/compliance.

Coverage: Workers compensation, auto liability, general liability, auto no/fault,

long- and short-term disability.

Staff: 18 total; 14 professionals, including six RNs, six vocational counselors, one degreed professional. Designations held include five CRCs, four CIRs, one CRRN.

Customers: 26 total; including five corporate and institutional clients, 15 insurance companies, six claims administrators and TPAs.

Cases: 337 closed in 1992; 25 expert opinion cases.

Service area: Minnesota; bordering areas of Iowa, North Dakota, South Dakota, Wisconsin.

1992 revenues: \$1.6 million total, \$1.4 million from rehabilitation services.

Compensation: Per hour, \$45 to \$85.

Officers: Patricia Johnson, CEO; Jeanne Cregan Sanstead, president/COO; Andrea Linner, secretary; Terry Miller, treasurer.

Contact: Jeanne Cregan Sanstead, 612-942-9560 ext. 519.

Directory terms and methodology explained on page 52.

Comprehensive Rehabilitation Associates Inc.

312 Union Wharf, Boston, Mass. 02109; 617-367-2163; fax: 617-367-8519

Rehab services since: 1978.

Business: 28% rehabilitation services for employers; 68% rehabilitation services for insurance companies and TPAs; 4% other, including attorney referrals.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, auditing, peer reviews.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical

opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, long term disability, social security, accident/health.

Staff: 1,590 total.

Service area: Nationwide and Canada.

Officers: Lois E. Silverman, CEO; Donald J. Larson, president.

CompScope

19 Perlman Drive, Spring Valley, N.Y. 10977; 914-425-9371; fax: 914-425-5326

Rehab services since: 1991.

Business: 40% rehabilitation services for employers; 60% other, including safety engineering and loss control, body mechanics education, employee motivation programs, fraud and abuse surveillance, preplacement screening.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, testimony and expert opinion, work hardening, work conditioning, functional capacity testing, job analysis.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, medical network development, IME network and comprehensive case management.

Coverage: Workers compensation.

Service area: Nationwide.

Compensation: Per employee, \$25 and up; per hour, \$85 to \$225.

Officers: Ilene Wachs, president; Stanley Alpert, vp/treasurer.

Contact: Ilene Wachs.

Conservco

3903 Northdale Blvd., Suite 200, Tampa, Fla. 33624; 813-969-0701 or 800-525-5590; fax: 813-265-6430

Rehab services since: 1981.

Business: 25% rehabilitation services for employers; 38% rehabilitation services for insurance companies and TPAs; 37% other, including PPO networks, utilization management, DRG validation, social security evaluation assistance.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, ADA employer consulting.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, chiropractic review, social security evaluation assistance.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, long term disability, short term disability, department of labor, longshore.

Staff: 1,000 total; including 700 RNs, 250 vocational counselors, 40 degreed professionals, 10 physicians.

Customers: 1,000 total; including 250 corporate and institutional clients, 275 insurance companies, 225 claims administrators and TPAs, 250 other.

Cases: 35,000 closed in 1992.

Service area: Nationwide.

1992 revenues: \$118 million total.

Compensation: Per employee, per case, per hour.

Officers: Dr. Dwight Robertson, president; Patrick Kinney, vp-sales/marketing; Dr. James Vance, chief medical officer; Kam Shah, CFO; Pat Sorzano, vp-human resources.

Contact: Tom Wille, marketing director.

Consolidated Medical Care Inc.

4467 Willow Road, Suite 203, Pleasanton, Calif. 94588; 510-463-8456; fax: 510-463-9671

Rehab services since: 1989.

Business: 3% rehabilitation services for employers; 15% rehabilitation services for insurance companies and TPAs;

Continued on next page

The Wall Street Journal recently conducted a survey among business insurance purchasers.

Question: How credible do you feel each of the following insurance rating firms are?

Answers: I consider this firm:

	A.M. Best	Duff & Phelps	Moody's	Standard & Poor's	Weiss Research
Credible (Total)	81.5%	39.3%	80.2%	83.7%	27.8%
Very credible	34.4	7.9	31.9	36.0	4.6
Fairly credible	33.8	22.5	39.5	39.3	15.3
Somewhat credible	13.3	8.9	8.8	8.4	7.9
Not at all credible	1.1	0.2	0.2	0.5	2.2
Don't know	13.9	52.0	14.7	11.9	60.9
Not stated	3.5	8.5	4.9	3.9	9.1

Excerpt from The Wall Street Journal's "A Nationwide Survey on Business Insurance," August 1993. Response base was 1,249 total decision makers surveyed.

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Standard & Poor's



Continued from previous page
82% other, including medical bill review, software sales.

Services: Rehabilitation PPO; rehabilitation cost containment, including bill review, utilization review, management information.

Other services: Retrospective review, hospital bill audits, provider bill audits and PPO access.

Coverage: Workers compensation.

Staff: 10 total; four professionals, all degreed professionals.

Customers: 30 total; including five corporate and institutional clients, 20 insurance companies, five claims administrators and TPAs.

Cases: 3,000 closed in 1992.

Service area: California.

1992 revenues: \$3.3 million total, \$580,000 from rehabilitation services.

Compensation: Per case/per month \$10; charge per open case or per bill processed.

Officers: Dave Abbott, president.

Contact: Alan Waldman, rehab product manager.

Continental Rehabilitation Resources Inc.

1 Continental Drive, Cranbury, N.J. 08570-0001; 609-395-2020; fax: 609-395-6303

Rehab services since: 1988.

Business: 25% rehabilitation services for employers, 65% rehabilitation services for insurance companies and TPAs, 10% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, ADA consultation and compliance, long-term disability case management, liability case analysis.

Other services: Retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, large case management, cost containment.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, accident and health.

Staff: 435 total; 330 professionals, including 201 RNs, 139 vocational counselors. Designations held include 133 CRCs, 116 CIRSSs, 173 CRRNs.

Service area: Nationwide.

Officers: M. Britton Barbre, senior vp.

CorpCare

241 Springside Drive, Akron, Ohio 44312; 216-665-4430; fax: 216-665-4130

Business: 30% rehabilitation services for employers; 30% rehabilitation services for insurance companies and TPAs; 40% other, including occupational medical services.

Services: On-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Concurrent hospital treatment review, discharge planning, patient advocacy programs, retrospective review, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability.

Staff: 42 total; including six RNs, one vocational counselor, 14 degreed professionals, two physicians. Designations held include one CRC, one CIRSS, two CRRNs.

Customers: 549 total; including 527 corporate and institutional clients, two insurance companies, 20 claims administrators and TPAs.

Cases: 123 closed in 1992.

Service area: California, Colorado, Ohio, Pennsylvania, West Virginia.

1992 revenues: \$5 million total, \$3 million from rehabilitation services.

Compensation: Per hour, \$55.

Officers: Robert E. Raitz, senior vp; Michael Kosuth, director-business development; Sandra Zewalski, supervisor-case management.

Contact: Sandra Zewalski.

Corporate Care Management Inc.

142 Corporate Drive, Binghamton, N.Y. 13904; 607-724-6520; fax: 607-722-1332

Rehab services since: 1976.

Business: 20% rehabilitation services for employers; 80% other, including prospective, concurrent and retrospective health cost management services.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, job-seeking skill training, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, DRG prospective assignment, validation of assignment and calculation.

Coverage: Workers compensation, self-funded health plans, disability.

Staff: 27 total.

Customers: 38 total; including 35 corporate and institutional clients, three

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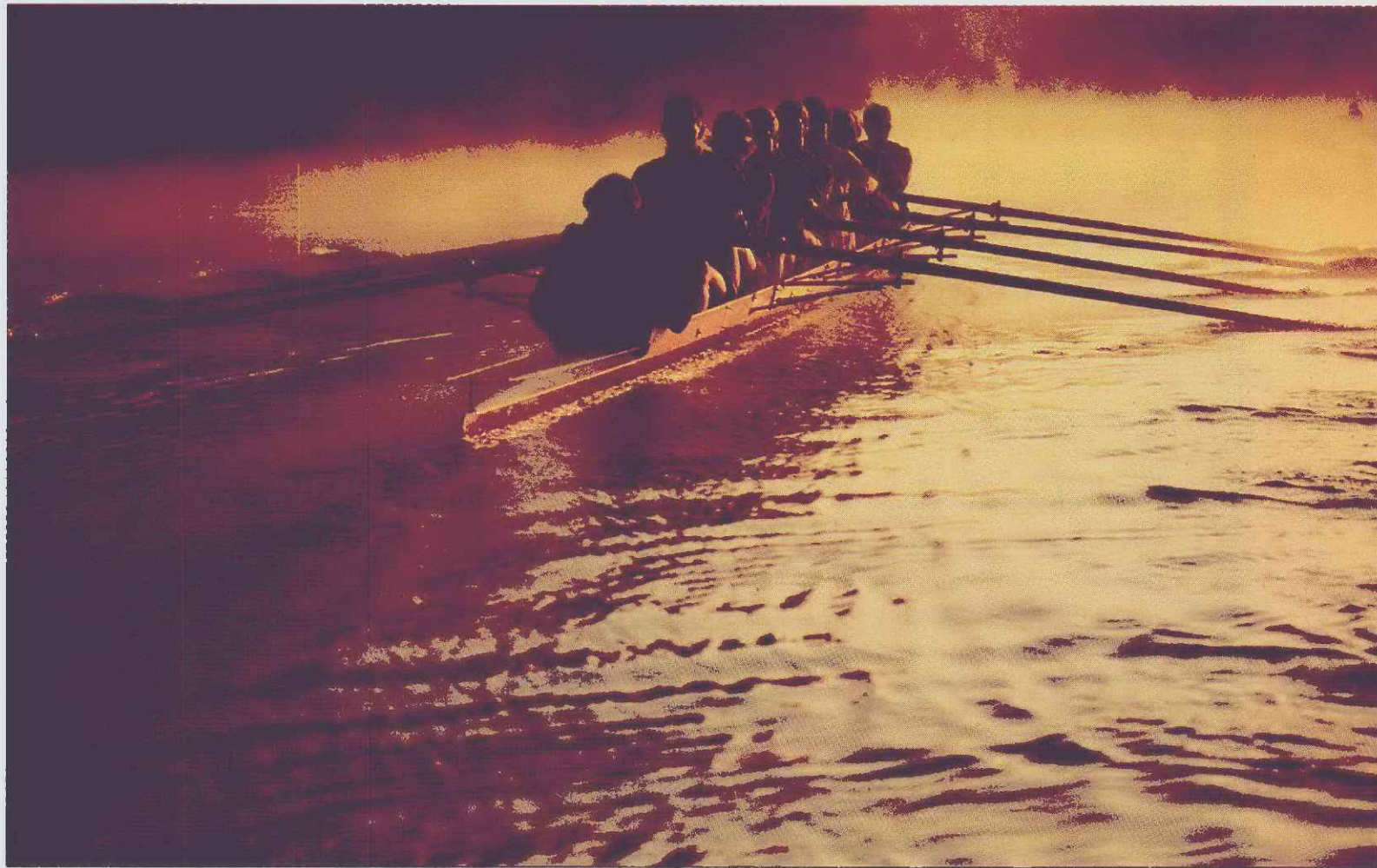
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Continued from previous page
 claims administrators and TPAs.

Service area: Nationwide.
1992 revenues: \$1.1 million total.
Compensation: Per employee; per hour.
Officers: P.J. Kearse, president/CEO; B.S. Kane, vp/COO.
Contact: K. Heslin, marketing representative.

CorVel Corp.

1920 Main St., Suite 1090, Irvine, Calif. 92714; 714-851-1473; fax: 714-851-1469

Rehab services since: 1975.
Business: 5% rehabilitation services for employers; 51% rehabilitation services for insurance companies and TPAs; 44% other, including utilization review, PPOs, bill auditing, early intervention services.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment

and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, IME clinics, early intervention, first report of loss preparation filing, catastrophic case management.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, chiropractic and physical therapy utilization review, fee schedule/usual and customary review, managed care organizations in all applicable states.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long term disability, group health.

Staff: 950 total; all professionals, including 400 RNs, 435 vocational counselors, 115 degreed professionals. Designations held include 275 CRCs, 240 CIRs, 120 CRRNs.

Cases: 11,400 closed in 1992; 800 IME cases.

Service area: Nationwide.
1992 revenues: \$61.8 million total, \$34 million from rehabilitation services.
Compensation: Per case, \$185 for early intervention services; per hour, \$66 to \$70; hourly rates may be higher in Alaska, California and New York.
Officers: Gordon Clemons, president; Daniel H. Davis, vp-marketing; Bennie Hamlin, Mike Wilson, Lou Silverman, vps-field operations.
Contact: Daniel H. Davis, 215-953-5060.

Crawford & Co.

5620 Glenridge Drive N.E., Atlanta, Ga. 30342; 404-256-0830; fax: 404-847-4028

Rehab services since: 1974.
Business: 7% rehabilitation services for employers; 13% rehabilitation services for insurance companies and TPAs; 80% other, including TPA, information systems, risk control, medical bill review, utilization management, PPO.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case man-

agement, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, internal/light duty return-to-work, ADA services.

Other services: Preadmission certification, concurrent hospital treatment review, length-of-stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, diagnostic testing review.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long term disability, long-term care, group health.

Staff: 1,321 total; 1,038 professionals, including 567 RNs, 377 vocational counselors, 98 degreed professionals, nine physicians. Designations held include 304 CRCs, 245 CIRs, 175 CRRNs.

Customers: 2,400 total; including 960 corporate and institutional clients, 1,350 insurance companies, 40 claims adminis-

trators and TPAs, 50 other.
Cases: 81,981 closed in 1992.
Service area: Nationwide.
1992 revenues: \$598 million total, \$120.1 million from rehabilitation services.
Compensation: Per hour, \$68 to \$90.
Officers: F.L. Minix, chairman; P.A. Bollinger, president/COO; J.A. Bisio, assistant vp; J.H. Potter, J.V. Aycock, vps.

Creative Rehabilitation Management Inc.

4755 Kingsway Drive, Suite 325, Indianapolis, Ind. 46205; 317-257-7725; fax: 317-255-1259

Rehab services since: 1991.
Business: 5% rehabilitation services for employers; 15% rehabilitation services for insurance companies and TPAs; 80% other, including referrals by plaintiff attorneys.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Coverage: Workers compensation, general liability.

Staff: Three total; two professionals, including two vocational counselors. Designations held include three CRCs, one CIR.

Cases: 212 closed in 1992; 618 expert opinion cases.

Service area: Nationwide.
1992 revenues: \$262,000 total, all from rehabilitation services.

Compensation: Per hour, \$65 to \$200.
Officers: Stephanie R. Archer, president; Michael L. Blankenship, vp.

D

Desert Vocational Services

68860 Perez Road, Suite F1, Cathedral City, Calif. 92234; 619-328-9753; fax: 619-324-9902

Rehab services since: 1986.
Business: 10% rehabilitation services for employers; 60% rehabilitation services for insurance companies and TPAs; 30% other, including outplacement, mediation, ergonomic assessment, ADA consulting, safety consulting, personal injury expert witness.

Services: Job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony, expert opinion.

Coverage: Workers compensation.
Staff: 15 total, all vocational counselors.

Customers: 113 total; including 20 corporate and institutional clients, 80 insurance companies, 13 claims administrators and TPAs.

Cases: 680 closed in 1992; 10 expert opinion cases.

Service area: Arizona, California.
1992 revenues: \$2 million total, all from rehabilitation services.

Compensation: Per hour, \$65 to \$150.
Officers: Charlotte R. Rios, owner.

E

Ellis & Associates Inc.

300 W. Grand, Suite 500, Chicago, Ill. 60610; 312-645-1214; fax: 312-645-0752

Rehab services since: 1979.
Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, ADA technical assistance.

Other services: Concurrent hospital treatment review, discharge planning, retrospective review, hospital bill audits, provider bill audits.

Coverage: Workers compensation, auto liability, general liability, individual/

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Continued from previous page
group health, long-term disability.

Staff: 47 total. Designations held include 13 CRCs, three CIRSSs.

Customers: 250 total.

Service area: Illinois, Indiana, Iowa, southwestern Kentucky, Missouri, Wisconsin.

1992 revenues: \$4 million total, all from rehabilitation services.

Compensation: Per hour, \$65 to \$125.

Officers: Cindy R. Ellis, president.

Employee Development Services of Wisconsin

534 Water St., Eau Claire, Wis. 54703;
715-834-8326; fax: 715-834-8398

Rehab services since: 1983.

Business: 10% rehabilitation services for employers; 60% rehabilitation services for insurance companies and TPAs; 30% other, including human resource consulting, vocational expert evaluation and testimony.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling, plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Discharge planning.

Coverage: Workers compensation, auto liability, general liability, long-term disability.

Staff: Seven total; four professionals, including one RN, three vocational counselors. Designations held include two CRCs, two CIRSSs, one CRRN.

Customers: 60 total; including 10 corporate and institutional clients, 40 insurance companies, 10 claims administrators and TPAs.

Cases: 65 closed in 1992; 200 expert opinion cases.

Service area: Eastern Minnesota, Wisconsin.

Compensation: Per hour, \$69.

Officers: Jeanne Krizan, president.

Ethix Southeast Inc.

P.O. Box 222097, Charlotte,
N.C. 28222-2097; 704-364-8215;
fax: 704-364-9718

Rehab services since: 1993.

Business: 100% other, including PPO, utilization management services, case management services.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, disability management.

Coverage: Workers compensation.

Service area: North Carolina, South Carolina.

Compensation: Per employee; per case; per hour.

Officers: Brenda Miller, executive vp; Gayle Burleson, director-value assurance; Alan Capps, director-network services; John Nowak, director-business development.

F

First Health Strategies Inc.

6975 Union Park Center, Salt Lake
City, Utah 84121; 801-568-5838

Rehab services since: 1990.

Parent: First Financial Management Corp.

Business: 85% rehabilitation services for employers, 15% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, utilization review and precertification of workers compensation.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, short-term disability, long-term disability.

Staff: 10 total; including four RNs, one vocational counselor, two physicians. Designations held include one CRC, one CIRSS, one CRRN.

Customers: 15 total; including 13 corporate and institutional clients, one insurance company, one claims administrator/TPA.

Cases: 150 closed in 1992.

Service area: Nationwide.

Compensation: Per employee, per case, per hour.

Officers: Terry Nofsinger, president/CEO; George Dreisbach, executive vp-marketing; Ted White, executive vp/COO; Dennis Bayes, executive vp/CFO.

Contact: Carl Cecka, 801-568-5459 or Leigh Ann Havas, 801-568-5835.

First Physical Therapy

1027 N. 27th St., Billings, Mont. 59101;
406-245-6513; fax: 406-245-4193

Rehab services since: 1985.

Business: 10% rehabilitation services for employers; 90% other, including occupational health services and physical rehabilitation treatment.

Services: Prescreening of cases for rehabilitation intervention, job analysis, return-to-work modification and coordination, IMEs, testimony and expert opinion, employer consultation, ergonomics analysis, injury prevention seminars, pre-shift exercise programs, ADA consulting, functional capacity evaluation.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, health insurance.

Staff: 13 total; including eight degreed professionals.

Customers: Two corporate and institutional clients, 12 insurance companies, four claims administrators and TPAs.

Cases: 60 IME cases; six expert opinion cases.

Service area: Montana, North Dakota, Wyoming.

1992 revenues: \$1 million total, \$100,000 from rehabilitation services.

Compensation: Per hour, \$80 to \$125; functional capacity evaluations, \$713.

Officers: Jerome B. Connolly, president; Lorin R. Wright, vp/treasurer.

Contact: Jerome Connolly.

G

GAB Business Services Inc.

Linden Plaza, 9 Campus Drive, Parsippany, N.J. 07054; 201-993-9400;
fax: 201-993-9579

Rehab services since: 1987.

Parent: Societe' Generale de Surveillance Holding S.A.

Business: 48% rehabilitation services for employers; 45% rehabilitation services for insurance companies and TPAs;

7% other, including early medical intervention, crisis management.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, crisis response program, early medical intervention.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long-term disability.

Staff: 109 total; all professionals, including 72 RNs, 37 vocational counselors. Designations held include 19 CRCs, 44 CIRSSs, six CRRNs.

Continued on next page

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Continued from previous page

Customers: 193 total; including 137 corporate and institutional clients, 54 insurance companies, two claims administrators and TPAs.

Cases: 4,640 closed in 1992; 28 IME cases; 47 expert opinion cases.

Service area: Nationwide, excluding Hawaii, Idaho, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, South Dakota, Utah, West Virginia, Wyoming.

1992 revenues: \$10.8 million from rehabilitation services.

Compensation: Per hour, \$60 to \$90.

Officers: Richard Simon, chairman/CEO; William F. Bergs, president/COO; Joseph L. Rizzo, executive vp-operations; Raymond A. Auckerman, senior vp; John F. Darden, senior vp/CFO.

Gates McDonald Healthcare Management Services Plus

3455 Mill Run Drive, Hilliard, Ohio 43026; 800-642-7587; fax: 614-777-3493

Rehab services since: 1986.

Parent: Nationwide Insurance.

Business: 3% rehabilitation services for employers; 0.5% rehabilitation services for insurance companies and TPAs; 96.5% other, including TPA services.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length-of-stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability.

Staff: 17 total; 14 professionals, including 12 RNs, one vocational counselor, one physician. Designations held include one CRC, two CIRSS, six CR-RNs.

Customers: 162 total; including 160 corporate and institutional clients, two insurance companies.

Cases: 162 closed in 1992; 18 IME cases; 22 expert opinion cases.

Service area: Illinois, Kentucky, Michigan, Ohio, Pennsylvania, West Virginia.

1992 revenues: \$40 million total.

Compensation: Per hour, \$60 to \$69.

Officers: David Hollingsworth, COO; David Brown, vp-RMS operation; Ellen Ramlet, vp-finance; Peter Barr, director-health care management services; Janice Rook, manager-rehabilitation services.

Contact: Janice Rook.

General Rehabilitation Services

735 Chesterbrook Blvd., Suite 200, Wayne, Pa. 19087; 215-993-2800; fax: 215-993-2822

Rehab services since: 1979.

Business: 16% rehabilitation services for employers, 83% rehabilitation services for insurance companies and TPAs, 1% other.

Services: Prescreening of cases for rehabilitation intervention, case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Utilization review, patient advocacy programs, hospital bill audits, PPO access.

Staff: More than 1,000 total; 565 professionals, including 374 RNs, 191 vocational counselors, one physician.

Compensation: Per hour, \$65 to \$75.

Officers: Lawrence J. Kent, president; Maurice Kent, Peter Madeja, executive vps; Michael Lindberg, Patricia Weiner, vps.

Contact: Patricia Wright.

Directory terms and methodology explained on page 52.

H

Hand Therapy Ltd.

1725 W. Harrison, Suite 263, Chicago, Ill. 60612; 312-738-3426; fax: 312-738-2954

Rehab services since: 1985.

Services: Prescreening of cases for rehabilitation intervention, medical assessment, job analysis, return-to-work modification and coordination, testimony and expert opinion, carpal tunnel screening, ergonomic analysis, on-site job visits, functional capacity evaluations.

Coverage: Workers compensation, general liability.

Staff: 10 total, all degreed professionals.

Service area: Illinois (Chicago metropolitan area).

Officers: Dr. Robert R. Schenck

Contact: Shirley Cohen, director-clinical services/professional development.

Health Care Review Inc.

18587 Sigma Road, Suite 200, San Antonio, Texas 78258; 210-490-9008; fax: 210-490-4948

Rehab services since: 1987.

Business: 0.5% rehabilitation services for employers; 4.5% rehabilitation services for insurance companies and TPAs; 95% other, including fee guideline review, retrospective peer review, utilization review, independent medical exams.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length-of-stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto

liability, general liability, group medical.

Staff: 10 total; seven professionals, including five RNs, one degreed professional, one physician.

Customers: 56 total; including three corporate and institutional clients, 38 insurance companies, 13 claims administrators and TPAs, two other.

Cases: 125 closed in 1992; seven IME cases; 1,073 expert opinion cases.

Service area: Arizona, Arkansas, Louisiana, New Mexico, Oklahoma, Texas.

1992 revenues: \$1.8 million total, \$92,425 from rehabilitation services.

Compensation: Per employee, \$1.10 to \$1.60 (utilization review); per hour, \$75 (rehabilitation/case management); per hour, \$65 (retrospective peer review); per line, \$1.10 (fee schedules); 1%-2% of bill (hospital audits).

Officers: Delores Morton, president; Robert Brown, CEO; Maureen Brown, CFO; Dr. Carmalt B. Jackson Jr., medical director.

Contact: Maureen Brown.

Heartland Rehabilitation Associates Inc.

11225 Davenport St., Suite 112, Omaha, Neb. 68154-5604; 402-330-3066; fax: 402-330-3767

Rehab services since: 1987.

Business: 20% rehabilitation services for employers; 50% rehabilitation services for insurance companies and TPAs; 30% other, including lost earning capacity evaluations.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, employability evaluations-divorce cases.

Coverage: Workers compensation, auto liability, general liability, auto no-fault.

Service area: Iowa, Nebraska.

Compensation: Per hour.

Officers: Lynne R. Easterday, president.

I

Interpose Group Inc.

326 Center Ave., Verona, Pa. 15147; 412-826-1220; fax: 412-826-4415

Rehab services since: 1982.

Business: 55% rehabilitation services for employers, 40% rehabilitation services for insurance companies and TPAs, 5% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, job coaching, organization of physician panels and PPOs, training seminars.

Other services: Concurrent hospital treatment review, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long-term disability, group medical.

Staff: 55 total; 32 professionals, including 16 RNs, 16 vocational counselors. Designations held include three CRCs, five CIRSS.

Customers: 103 total; including 27 corporate and institutional clients, 44 insurance companies, 12 claims administrators and TPAs, 20 attorneys.

Cases: 590 closed in 1992; 536 IME cases; 57 expert opinion cases.

Service area: Ohio, Pennsylvania, West Virginia.

Compensation: Per employee, \$2.50 to \$7.00; per hour, \$62.00 to \$95.00.

Officers: Mark L. Heckman, Sharor L. Mains, principals.

Contact: Mark L. Heckman or Sam Wood.

Continued on page 50

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Continued from previous page

Intracorp

1205 Westlakes Drive, Suite 300,
Berwyn, Pa. 19312; 215-889-2600;
fax: 215-889-2621

Rehab services since: 1970.

Parent: CIGNA.

Business: 1% rehabilitation services for employers, 39% rehabilitation services for insurance companies and TPAs, 60% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, long term disability, short term disability.

Staff: 3,993 total; 793 professionals, including 11 physicians.

Customers: 1,295 total, including 327 corporate and institutional clients; 504 insurance companies; 108 claims administrators and TPAs; 356 other, including home health care agencies, government agencies, legal firms.

Cases: 58,549 closed in 1992; 6,226 IME cases; 395 expert opinion cases.

Service area: Nationwide.

1992 revenues: \$271.4 million total, \$103 million from rehabilitation services.

Compensation: Per case, per hour.

Officers: Dr. S. Jeffery Ackerman, president; Donald M. Duford, senior vp-marketing & sales; Kenneth R. Ross, senior vp-operations.

K**Karr Rehabilitation Services Inc.**

4825 Highway 55, Suite 100, Minneapolis, Minn. 55422; 612-542-1090; fax: 612-542-3056

Rehab services since: 1980.

Business: 5% rehabilitation services for employers; 93% rehabilitation services for insurance companies and TPAs; 2% other, including consulting services, catastrophic case management.

Services: Prescreening of cases for rehabilitation intervention, telephone case-

management, on-site medical case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, disability cost control services, ADA consulting, employee assistance program.

Other services: Discharge planning, case management.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, long term disability, health and accident, social security, veterans administration.

Staff: 110 total; 70 professionals, including 20 RNs, 41 vocational counselors, nine degreed professionals. Designations held include 16 CRCs, 11 CIRs,

seven CRRNs.

Customers: 556 total; including 110 corporate and institutional clients, 274 insurance companies, 34 claims administrators and TPAs, 138 attorneys and physicians.

Cases: 1,907 closed in 1992; 115 expert opinion cases.

Service area: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Washington, Wisconsin.

1992 revenues: \$5.4 million total, \$5 million from rehabilitation services.

Compensation: Per hour, \$45 to \$80.

Officers: Marilyn Karr, CEO; Donald Hutchison, president/COO.

Contact: William Margolis, product manager.

Kemper National Services Inc.

1601 S.W. 80 Terrace, Plantation, Fla. 33324-4036; 305-452-4000; fax: 305-452-4025

Rehab services since: 1981.

Parent: Kemper Corp.

Business: 10% rehabilitation services for employers; 25% rehabilitation services for insurance companies and TPAs; 65% other, including medical bill audits, provider network utilization management.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis.

Continued on next page

J**Jordan Rehabilitation Services, Division of Jordan Services**

900 Ellison Ave., Westbury, N.Y. 11590; 800-767-1616 or 516-683-0100; fax: 516-683-0259

Rehab services since: 1974.

Business: 50% rehabilitation services for employers; 25% rehabilitation services for insurance companies and TPAs; 25% other, including medical bill audits.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, medical peer review.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, health, long term disability.

Staff: 64 total; 41 professionals, including 30 RNs, eight vocational counselors, one degreed professional. Designations held include 11 CRCs, 14 CIRs, three CRRNs.

Customers: 500 total, including 29 corporate and institutional clients; 146 insurance companies; 28 claims administrators and TPAs; 297 attorneys, government agencies and other rehabilitation companies.

Cases: 868 closed in 1992; 53 expert opinion cases.

Service area: Connecticut, Delaware, New Jersey, New York, Pennsylvania.

1992 revenues: \$2 million total, all from rehabilitation services.

Compensation: Per hour, \$70.

Officers: Morris Ehrenreich, CEO; Sandra Horowitz, CFO; Joan Jennings, COO; Maureen Armstrong, director-Audit; Roberta Friedman, director-marketing.

Contact: Morris Ehrenreich or Roberta Friedman.

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Spotlight report

Continued from previous page

sis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, catastrophic case management, discharge planning.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, health benefits.

Staff: 520 total; 100 professionals, including five RNs, 25 vocational counselors, eight degreed professionals, two physicians. Designations held include 18 CRCs, 15 CIRSS, 18 CRRNs.

Customers: 38 total; including four corporate and institutional clients, 23 insurance companies, 11 claims administrators and TPAs.

Cases: 2,594 closed in 1992; 35 IME cases.

Service area: Nationwide (telephonic); on-site case management: California, Florida, Georgia, Kentucky, North Carolina, South Carolina.

1992 revenues: \$22 million total, \$7 million from rehabilitation services.

Compensation: Per hour, \$65 to \$75; state fee schedules where applicable.

Officers: Thomas Chapman, president/CEO; Gary Chohamin, Ileana Chapman, Robert Kulbick, vps; Eileen Ramallo, Philip Boyd, Keith Nelson, Jacob Rausch, assistant vps.

Contact: Ileana Chapman or Eileen Ramallo.

L

Lafon Management & Consulting

P.O. Box 1767, 26139 Hwy. 189, Lake Arrowhead, Calif. 92352; 909-337-0745; fax: 909-337-1624

Rehab services since: 1982.

Business: 5% rehabilitation services for employers; 5% rehabilitation services for insurance companies and TPAs; 90% other, including expert testimony and litigation consulting.

Services: Prescreening of cases for rehabilitation intervention, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, social security, FEOLA, long term disability.

Staff: Two total; one professional, a vocational counselor. Designations held include one CRC, one CIRSS.

Customers: Two corporate and institutional clients, five insurance companies, two claims administrators and TPAs, 20 attorneys.

Cases: 10 closed in 1992; 300 expert opinion cases.

Service area: California.

Compensation: Per case, per hour.

Contact: Richard H. Lafon, president.

Liaison Inc.

17000 N. Dallas Parkway, Suite 103, Dallas, Texas 75248; 214-380-6944; fax: 214-380-8629

Rehab services since: 1984.

Business: 40% rehabilitation services for employers; 55% rehabilitation services for insurance companies and TPAs; 5% other, including medical record reviews, life care plans, job descriptions for ADA compliance.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Concurrent hospital treatment review, length of stay determi-

nation, outpatient utilization review, retrospective review, second surgical opinion, PPO access, life care planning, medical record review, fee negotiations.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, group health, long term disability.

Staff: 50 total.

Service area: Alabama, Arkansas, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Missouri, Mississippi, New Mexico, North Carolina, Nebraska, Oklahoma, South Carolina, Tennessee, Texas, Wisconsin.

Compensation: Per hour, \$58 to \$65.

Officers: Madeline Schneider, president; Catherine Marrs, executive vp; Gary Brust, vp/general manager; Tommy Jeffery, comptroller; Bill Jackson, director-sales.

Contact: Gary Brust.

M

MBA Rehabilitation

P.O. Box 3060, 311 W. Chocolate Ave., Hershey, Pa. 17033; 717-533-5173; fax: 717-534-2560

Rehab services since: 1985.

Parent: Inservco Insurance Services.

Business: 40% rehabilitation services for employers, 50% rehabilitation services for insurance companies and TPAs, 10% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, IME network.

Other services: Concurrent hospital treatment review, length of stay determination, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, discount pharmacy access, physical therapy and durable equipment, workers compensation panels arranged.

Coverage: Workers compensation, auto liability, general liability, auto no/fault.

Staff: 36 total; 28 professionals, including nine RNs, 19 vocational counselors. Designations held include six CRCs, three CIRSS.

Customers: 36 total; including three corporate and institutional clients, 20 insurance companies, six claims administrators and TPAs, seven attorneys.

Cases: 681 closed in 1992; 83 IME cases.

Service area: New Jersey, Pennsylvania.

1992 revenues: \$1 million, all from rehabilitation services.

Compensation: Per hour, \$56 to \$65.

Officers: James I. Taylor, president; Robert L. Conrad, executive vp; S. Geoffrey McDowell, vp; Barry L. Kline, treasurer; Kenneth R. Shuts, secretary.

Contact: Mary Beth Orris, vp-rehabilitation.

Mediff of America

400 Frank W. Burr Blvd., Teaneck, N.J. 07666; 201-836-1773; fax: 201-836-5299

Rehab services since: 1986.

Business: 20% rehabilitation services for employers, 80% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, concurrent case management from time of injury for workers compensation.

Coverage: Workers compensation.

Customers: 47 total, all corporate and institutional clients.

Cases: 400 closed in 1992.

Service area: Connecticut, Florida, central & southern New Jersey, eastern Pennsylvania, Texas.

1992 revenues: \$18 million total, \$400,000 from rehabilitation services.

Compensation: Per employee/per month, \$2.50 to \$6.00; per case, \$75 to

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FREE LITERATURE FOR READERS

Issue Date: OCTOBER 18, 1993

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b ☐ Association g ☐ Ins Broker l ☐ TPA
c ☐ Union h ☐ Ins/Reins Co m ☐ Healthcare
d ☐ Government i ☐ Actry/Const n ☐ Inst
e ☐ Educational Inst j ☐ Attorney o ☐ 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 d ☐ Benefits Mgt
b ☐ Financial Mgt e ☐ Loss prevention Mgt
c ☐ Risk Mgt f ☐ Other

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Name _____

Title _____

Company _____

Address _____

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Continued from previous page

\$500; per hour, \$65 to \$85.

Officers: George E. Harvey, CEO; Shelley Boyce, executive vp; Richard Lavine, senior vp; Vincent DeProssino, senior vp-business development; Paul Couzelis, senior vp-project development.
Contact: Shelley Boyce.

Memphis Business Group on Health

2675 Union Extended, Memphis, Tenn. 38112; 901-323-1808; fax: 901-458-0709

Rehab services since: 1990.

Business: 5% rehabilitation services for employers; 95% other, including utilization review (medical, surgical, psychological).

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, testimony and expert opinion.

Other services: Patient advocacy programs, second surgical opinion, PPO access.

Coverage: Workers compensation.

Staff: Three total; two professionals, including one RN. Designations held include one CIRs, one CRRN.

Customers: Nine total, all corporate and institutional clients.

Cases: 151 closed in 1992; 35 IME cases.

Service area: Arkansas, Mississippi, Tennessee.

1992 revenues: \$661,000 total, \$31,000 from rehabilitation services.

Compensation: Per employee, \$.77 per month; percentage of local undiscounted modified workers compensation premium for company.

Officers: Donna Miller, CEO; Bonnie McKeever, president; Barbara Halliburton, vp; Fred Bowman, treasurer; Linda Lucas, secretary.
Contact: Donna Miller.

Menninger Return to Work Center

8340 Mission Road, Suite 205, Prairie Village, Kan. 66206; 913-648-2897 or 800-678-0633; fax: 913-648-0613

Rehab services since: 1976.

Business: 50% rehabilitation services for employers, 50% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, job-seeking skill training, job placement, testimony and expert opinion, employer consultation on disability management and return-to-work issues, employer-based training, ADA consultation.

Coverage: Workers compensation.

Staff: Seven total; including four vocational counselors, three degreed professionals. Designations held include three CRCs.

Service area: Nationwide.

Compensation: Per hour, \$66; vocational evaluation, \$325 to \$650; expert testimony, \$350 to \$650.

Officers: Dr. Roy Menninger, Dr. Walt Menninger.

Michigan Hospital Assn. Service Corp.

6215 W. St. Joseph Highway, Lansing, Mich. 48917; 517-323-3443

Rehab services since: 1985.

Business: 40% rehabilitation services for employers, 60% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, return-to-work program consultation to hospitals/health care providers.

Coverage: Workers compensation, short-term disability.

Staff: Five professionals; including three RNs, two vocational counselors. Designations held include two CRCs, two CRRNs.

Customers: 75 corporate and institutional clients, one claims administrator/TPA.

Cases: 75 closed in 1992.

Service area: Michigan.

1992 revenues: \$380,000 total, all from rehabilitation services.

Compensation: Per hour, \$63 to \$75.

Officers: Spencer Johnson, president-MHA; Fritz Kellermann, senior vp/COO; K. Dickenson, G. Henrikson, vps; Helen Van Amburg, vp-finance.

Donald P. Milione, D.C. Chiropractor

7012 18th Ave., Brooklyn, N.Y. 11204; 718-232-9595; fax: 718-232-6800

Rehab services since: 1990.

Business: 100% rehabilitation services for employers.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, labor market survey, job placement, testimony and expert opinion.

Other services: Discharge planning, utilization review, retrospective review, provider bill audits.

Coverage: Workers compensation, auto liability, general liability, auto no-fault.

Staff: Four total; two professionals, including one degreed professional, one physician.

Customers: Five insurance companies.

Cases: 20 IME cases; 10 expert opinion cases.

Service area: New York.

Compensation: Per employee, \$100 to \$250; per case, \$250 to \$350; per hour, \$150.

Officers: Donald P. Milione, D.C., director; C.T. Sammis.

Montana Rehabilitation & Clinical Consultants

314 N. Last Chance Gulch, Helena, Mont. 59601; 406-443-0530; fax: 406-443-9563

Rehab services since: 1984.

Parent: Work Recovery Inc.

Business: 10% rehabilitation services for employers; 80% rehabilitation services for insurance companies and TPAs; 10% other, including attorney referrals, expert witness work, Office of Workers Compensation Programs.

Services: Telephone case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Coverage: Workers compensation, long-term disability.

Staff: Nine total; seven professionals, all vocational counselors. Designations held include seven CRCs, one CIRs.

Customers: 25 total; including 15 insurance companies, 10 attorneys.

Cases: More than 300 closed in 1992.

Service area: Montana, northern Wyoming.

Compensation: Per hour, \$60.

Officers: James Gracey, CEO.

Contact: Lawrence L. Rowan, corporate office or Jim Fortune, 1236 N. 28th, Suite 109, Billings, Mont. 59101.

MossRehab Industrial Program

Center One, 9880 Bustleton Ave., Suite 203, Philadelphia, Pa. 19115; 215-676-9612; fax: 215-676-9593

Rehab services since: 1992.

Parent: Moss Rehabilitation Hospital.

Services: Functional capacity evaluation and comprehensive return to work analysis, functional assessment of rehabilitation progress, physical therapist evaluation, IMEs, job analysis, job safety analysis, return-to-work modification and coordination, ergonomic analysis, educational programs and injury management systems consultation, ADA consultations on facility accessibility, human resources policies and procedures.

Service area: Southwestern New Jersey, southeastern Pennsylvania.

Compensation: Per hour; basic functional capacity evaluations, \$425; return to work analysis, \$985; IMEs, \$525 to \$595, depending on physician specialty.

Officers: Sy Schlossman, president; George Fee, vp-finance; Leonard Kamen, medical director-Moss Functional Testing Center; Robert O'Donnell, director-Moss Industrial Program.

Contact: Valerie Mahgoul, director-professional and client services.

National Rehabilitation Consultants Inc.

1700 W. Hwy. 36, Suite 400, St. Paul, Minn. 55113; 612-636-9699; fax: 612-636-9316

Rehab services since: 1970.

Business: 5% rehabilitation services for employers, 90% rehabilitation services for insurance companies and TPAs, 5% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, ADA consulting, work injury management consulting to employees, Social Security Disability Insurance advocacy.

Other services: Outpatient utilization review, retrospective review, hospital bill audits, provider bill audits.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, Veterans Administration, Social Security administration.

Staff: 72 total; 58 professionals, including eight RNs, 50 vocational counselors. Designations held include 25 CRCs, 10 CIRs, one CRRN.

Customers: 202 total; including 16 corporate and institutional clients, 122 insurance companies, 25 claims administrators and TPAs, 39 law firms.

Cases: 1,377 closed in 1992; 175 expert opinion cases.

Service area: Eastern Arizona, Colorado, northern Illinois, northern Iowa, Minnesota, New Mexico, eastern North Dakota, eastern South Dakota, western Texas, eastern Utah, Wisconsin, southern Wyoming.

1992 revenues: \$2.7 million total, \$2.4 million from rehabilitation services.

Compensation: Per hour, \$55 to \$85.

Officers: Richard W. Nelson, president; Mark L. Anderle, vp; Harold Vermeer, director-Colorado; Connie John Swanson, director-Minnesota; Kevin Vaudt, director-New Mexico; Tim Greeny, director-Wisconsin.

Contact: Mark L. Anderle.

Nowak & Associates Inc.

P.O. Box 669, New Lenox, Ill. 60451; 815-485-4736; fax: 815-485-1217

Rehab services since: 1988.

Business: 10% rehabilitation services for employers, 80% rehabilitation services for insurance companies and TPAs, 10% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, ADA compliance consultation, disability management development programs.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, divorce.

Staff: Eight total; including one RN, seven vocational counselors. Designations held include two CRCs.

Customers: 30 total.

Cases: 105 closed in 1992; 10 expert opinion cases.

Service area: California, Illinois, Indiana, Wisconsin.

Compensation: Per hour, \$65; expert testimony, \$130 per hour.

Officers: P. Bridget Nowak, president.

Occupational Health Excellence of Maine

Forside Place, 202 U.S. Route 1, Falmouth, Maine 04105; 207-781-3288; fax: 207-781-3492

Parent: Occupational Health Resources Inc.

Business: 10% rehabilitation services for employers, 90% rehabilitation services for insurance companies and TPAs.

Services: Telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, testimony and expert

opinion.

Other services: Preadmission certification, concurrent hospital treatment review, outpatient utilization review, retrospective review, second surgical opinion, provider bill audits.

Coverage: Workers compensation, auto liability, general liability, auto no-fault.

Staff: One RN, two physicians.

Customers: 100 total; including five corporate and institutional clients, 50 insurance companies, 25 claims administrators and TPAs, 20 attorneys.

Cases: 720 IME cases, 25 expert opinion cases.

Service area: Maine.

Compensation: Per hour, \$150 to \$250; IMEs, \$475 and \$250 each additional hour.

Officers: Jeffrey Rose, CEO; Stanley Musial, vp-finance; Peter Hotz, vp-marketing and sales; Christopher Brigham, vp-medical affairs; Timothy Buono, director-business development.

Contact: Virginia Bishop.

Occusystems Inc.

P.O. Box 31737, Richmond, Va. 23294-1737; 804-965-0550; fax: 804-965-6958

Rehab services since: 1984.

Business: 15% rehabilitation services for employers; 84% rehabilitation services for insurance companies and TPAs; 1% other, including attorneys and trust funds.

Services: Prescreening of cases for rehabilitation intervention, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Concurrent hospital treatment review, length-of-stay determination, discharge planning, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long-term disability, group health.

Staff: 40 total; 30 professionals, including 13 RNs, 13 vocational counselors, 17 degreed professionals. Designations held include nine CRCs, three CIRs, two CRRNs.

Customers: 60 total, including four corporate and institutional clients; 34 insurance companies; 14 claims administrators and TPAs; eight other, including attorneys, trust funds and the Department of Labor.

Cases: 727 closed in 1992; 25 IME cases; 30 expert opinion cases.

Service area: Delaware, District of Columbia, Maryland, North Carolina, northwestern South Carolina, Virginia.

1992 revenues: \$1.4 million total, all from rehabilitation services.

Compensation: Per case, \$325 to \$375; per hour, \$57 to \$63.

Officers: George D. Moore, president; Denise Moore, secretary.

Contact: George D. Moore.

Options

700 River Ave., Suite 400, Pittsburgh, Pa. 15212; 412-323-8500; fax: 412-323-8502

Rehab services since: 1981.

Business: 20% rehabilitation services for employers, 60% rehabilitation services for insurance companies and TPAs, 20% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length-of-stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, coordinates peer review.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long-term disability.

Staff: 41 total; 32 professionals, including 13 RNs, 17 vocational counselors, two degreed professionals. Designations held include four CRCs, five CIRs, two CRRNs.

Customers: 130 total; including 15 corporate and institutional clients, 80 insurance companies, 20 claims administrators and TPAs, 15 attorneys.

Cases: 900 closed in 1992; 300 IME cases; 120 expert opinion cases.

Service area: Northern Maryland, New

Jersey, eastern Ohio, Pennsylvania, northern West Virginia.

Compensation: Per hour, \$59 to \$125.

Officers: Joseph M. McCabe, president; Antonia L. Scarlata, COO.

Contact: Lesly S. Wagner, director-marketing.

P

PHR Associates Inc.

P.O. Box 271364, Tampa, Fla. 33688; 813-931-0101; fax: 813-933-2475

Rehab services since: 1979.

Business: 10% rehabilitation services for employers, 80% rehabilitation services for insurance companies and TPAs, 10% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, longshore long-term disability.

Staff: Includes RNs, vocational counselors. Designations held include seven CRCs, eight CIRs, six CRRNs.

Service area: Southern Alabama, Florida, southern Georgia.

Compensation: Per hour, \$58 to \$65.

Officers: Thomas Aderhold, president.

Pacific Review Services

5995 Plaza Drive, Cypress, Calif. 90630; 800-223-4276; fax: 714-220-3743

Rehab services since: 1989.

Parent: Pacific Health Systems Inc.

Business: 2% rehabilitation services for employers, 5% rehabilitation services for insurance companies and TPAs, 93% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length-of-stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, PPO access.

Coverage: Workers compensation, general liability.

Staff: 22 total; 19 professionals, including 16 RNs, two degreed professionals, one physician. Designations held include two CIRs.

Cases: 216 closed in 1992; six IME cases.

Service area: Nationwide.

1992 revenues: \$7 million total, \$500,000 from rehabilitation services.

Compensation: Per hour, \$115.

Officers: Barbara Lubash, president; Vi Karr, director-administration; Brenda Lupton, director-operations; Dr. James Considine, medical director; Gary Wolfe, director-case management.

Contact: Gary Wolfe.

The Principal Financial Group

711 High St., Des Moines, Iowa 50392-0001; 515-248-8048; fax: 515-248-3669

Business: 10% rehabilitation services for employers, 55% rehabilitation services for insurance companies and TPAs, 35% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Coverage: Workers compensation, auto liability, general liability, long-term disability.

Staff: 23 total, including five RNs, 18 vocational counselors. Designations held include five CRCs, eight CIRs.

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Customers: 65 total; including 12 corporate and institutional clients, 42 insurance companies, 11 claims administrators and TPAs.
Cases: 242 closed in 1992; 16 IME cases; 10 expert opinion cases.
Service area: California, Georgia, Iowa, Nebraska, Utah.
1992 revenues: \$481,000 from rehabilitation services.
Compensation: Per hour, \$65 to \$75.
Officers: G. David Hurd, chairman/CEO; David Drury, president; Ronald Keller, Charles Rohm, Theodore Hutchison, executive vps.

ProHEALTH of New Jersey Inc.
 2040 Sixth Ave., Suite B, Neptune, N.J. 07753; 908-776-6767; fax: 908-776-5168
Rehab services since: 1991.
Parent: Occupational Health Resources Inc.
Business: 15% rehabilitation services for employers, 10% rehabilitation services for insurance companies and TPAs, 75% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, managed care program for workers compensation.
Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.
Coverage: Workers compensation.
Staff: 16 total; including two RNs, three degreed professionals, two physicians. Designations held include one CRRN.
Customers: 165 total; including 150 corporate and institutional clients, five insurance companies, five claims administrators and TPAs.
Cases: 650 IME cases; 55 expert opinion cases.

Service area: Maryland, New Jersey, Pennsylvania.
Compensation: Per case, \$275 to \$650; per hour, \$75 to \$150.
Officers: Jeffrey Rose, CEO; James Montenegro, COO; Dr. Robert Dennis, president; John Corcoran, vp-marketing & sales; Stanley Musial, vp-finance.
Contact: Suzanne Croke, marketing coordinator-Occupational Health Resources Inc., 215-546-4700.
Pro-West, A Professional Review Organization
 10700 Meridian Ave. N., Suite 100, Seattle, Wash. 98133-9075; 206-364-9700; fax: 206-368-2419

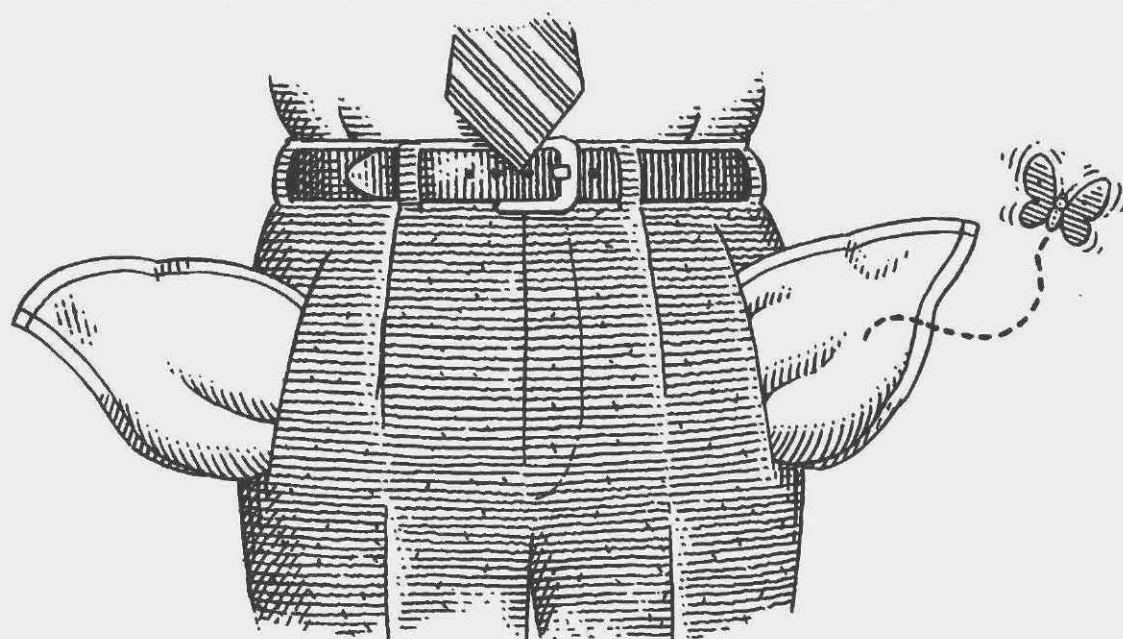
Rehab services since: 1983.
Business: 2% rehabilitation services for employers; 2% rehabilitation services for insurance companies and TPAs; 96% other, including utilization review.
Services: Telephone case management, on-site medical case management.
Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient

advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, therapeutic modality review, medical consultation, case management, DRG validation, prenatal experimental/investigational review, disability claim review.
Coverage: Workers compensation, auto liability, general liability, auto no-fault.
Staff: Four total, all RNs.
Customers: Seven total; including two corporate and institutional clients, two insurance companies, three claims administrators and TPAs.
Service area: Alaska, Arizona, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming.
1992 revenues: \$6.9 million total.
Compensation: Per hour: \$90 to \$98 nurse time, \$200 to \$275 physician time, \$108 physical therapist time.
Officers: Dr. Herbert M. Hilgers, chairman; John W. Dhise, CEO; Georgene Grauman, CFO; J.C. Peterson, medical director; Michael Garrett, director-utilization management.
Contact: Michael Garrett.

Q
Quality Managed Care Inc.
 8717 W. 110th St., Suite 270, Overland Park, Kan. 66210; 913-345-1784; fax: 913-345-1804
Parent: Olsten Corp.
Business: 20% rehabilitation services for employers, 10% rehabilitation services for insurance companies and TPAs, 70% other.
Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, job-seeking skill training, job placement, testimony and expert opinion, utilization review.
Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion.
Coverage: Workers compensation, auto liability, general liability, auto no-fault, group health.
Staff: 42 total; 25 professionals, including 20 RNs, three vocational counselors, two physicians. Designations held include five CIRSS, six CRRNs.
Customers: 75 total, including corporate and institutional clients, insurance companies, claims administrators and TPAs.
Service area: Nationwide.
Compensation: Per hour.
Officers: Michael Gaines, CEO/president; Noreen Whalen, vp/general manager.
Contact: Karen Griffin.

Quality Rehabilitation Services
 11640 Arbor St., Suite 100, Omaha, Neb. 68144; 402-333-2543; fax: 402-333-9024
Rehab services since: 1977.
Business: 30% rehabilitation services for employers, 70% rehabilitation services for insurance companies and TPAs.
Services: Prescreening of cases for rehabilitation intervention, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.
Other services: Concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.
Coverage: Workers compensation, auto liability, general liability, long term disability, health carrier.
Staff: 14 total; 10 professionals, including five RNs, five vocational counselors. Designations held include three CRCs, two CIRSS.
Customers: 37 total; including four corporate and institutional clients, 13 insurance companies, five claims administrators and TPAs, 15 other.
Cases: 273 closed in 1992; 10 IME cases; 24 expert opinion cases.
Service area: Western Iowa, Nebraska, southern South Dakota.
Compensation: Per hour, \$64.
Officers: Kathleen Hesselink, president; Beverly Eckhoff, vp; Margaret Fox, secretary.

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R
Ranier Case Management Inc.
 4601 N.E. 77th Ave., Suite 250, Vancouver, Wash. 98662; 206-892-8855
Business: 20% rehabilitation services for employers, 80% rehabilitation services for insurance companies and TPAs.
Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, job site modification.
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cation, ADA consulting/program design, testimony and expert opinion.

Staff: 40 total, all vocational counselors. Designations held include six CRCs, six CIRSS.

Customers: 50 total, including 10 corporate and institutional clients.

Cases: 1,200 closed in 1992; 75 expert opinion cases.

Service area: Idaho, Oregon, Washington.

Compensation: Per hour, \$55 to \$65.

Officers: Tom Garbarino, president; Brad Reckord, vp.

Contact: Brad Reckord.

Recovery Unlimited Inc.

2173 Commons Parkway, Okemos, Mich. 48864; 517-349-9092; fax: 517-349-1332

Rehab services since: 1974.

Parent: ASU Group.

Business: 5% rehabilitation services for employers, 95% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Concurrent hospital treatment review, length-of-stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, all medical bill reviews, chiropractic review, physical therapy and chiropractic precertification, professional and peer review.

Staff: 65 total; 43 professionals, including 24 RNs, 16 vocational counselors. Designations held include three CRCs, four CIRSS.

Customers: 190 total; including 15 corporate and institutional clients.

Cases: 872 closed in 1992.

Service area: Indiana, Kentucky, Michigan, Minnesota.

1992 revenues: \$3.4 million total.

Compensation: Per hour, \$64 to \$66.

Officers: Linda Hill, president; Larry Musser, chairman; Tara LaRose, vp; April Zelinski, secretary; Pete Strongrich, treasurer.

Contact: Linda Hill.

Rehabilitation Advisors Inc.

445 Wymore Rd., Suite 220, Winter Park, Fla. 32789; 407-629-1110; fax: 407-629-4221

Rehab services since: 1981.

Business: 10% rehabilitation services for employers, 90% rehabilitation services for insurance companies and TPAs.

Services: On-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Discharge planning, patient advocacy programs, second surgical opinion, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, long-term disability, health.

Staff: 17 total; 14 professionals, including eight RNs, five vocational counselors, one degreed professional. Designations held include three CRCs, five CIRSS, seven CRRNs.

Customers: 40 total; including two corporate and institutional clients, 10 insurance companies, 28 claims administrators and TPAs.

Cases: 180 closed in 1992; five IME cases; seven expert opinion cases.

Service area: Florida.

Compensation: Per hour, \$60 to \$75.

Officers: Betty Reid, president.

Rehabilitation Consultants for Industry Inc.

1420 Kensington Road, Suite 334, Oak Brook, Ill. 60521; 708-571-6650; fax: 708-571-6675

Rehab services since: 1981.

Business: 38% rehabilitation services for employers, 62% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement,

testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length-of-stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access for workers compensation and health.

Coverage: Workers compensation, auto liability, general liability, auto no-fault, health insurance.

Staff: 102 total; all professionals, including 76 RNs, 22 vocational counselors, three degreed professionals, one physician. Designations held include 14 CRCs, 13 CIRSS, 48 CRRNs.

Customers: 132 total; including 27 corporate and institutional clients, 82 insurance companies, 23 claims administrators and TPAs.

Cases: 3,410 closed in 1992.

Service area: Nationwide.

1992 revenues: \$9.3 million total, \$8.2 million from rehabilitation services.

Compensation: Per hour, \$70; fee may also depend on services and volume.

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Continued from previous page
Officers: John Allen, CEO; Mark Johnston, president.
Contact: Mark Johnston.

Rehabilitation Management Inc.

6323 N. Avondale Ave., Suite 141,
 Chicago, Ill. 60631; 312-763-5600;
 fax: 312-763-2339

Rehab services since: 1980.
Business: 15% rehabilitation services for employers, 75% rehabilitation services for insurance companies and TPAs, 10% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, life care planning, medical/legal file reviews.

Coverage: Workers compensation, auto liability, general liability, group health,

medical malpractice.
Staff: 50 total; 37 professionals, including 20 RNs, 17 vocational counselors. Designations held include 10 CRCs, 15 CIRSS.

Customers: 55 total; including five corporate and institutional clients, 20 insurance companies, five claims administrators and TPAs, 25 attorneys.

Cases: 1,073 closed in 1992; 75 expert opinion cases.

Service area: Northern Illinois, northwestern Indiana, southeastern Wisconsin.

1992 revenues: \$3.5 million total, \$3.3 million from rehabilitation services.

Compensation: Per hour, \$67.50 to \$125.00.

Officers: Judith Sher, president; Myles Levin, secretary.

Contact: Myles Levin.

Rehabilitation Professionals Inc.

P.O. Box 436089, Louisville,
 Ky. 40253-6089; 800-467-7331;
 fax: 502-245-3721

Rehab services since: 1988.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, group health.

Staff: 32 total; 24 professionals. Designations held include one CRC, four CIRSS.

Customers: 60 total; including six corporate and institutional clients, 51 insurance companies, three claims administrators and TPAs.

Cases: More than 650 closed in 1992.

Service area: Illinois, Indiana, Kentucky, Ohio, Tennessee.

Compensation: Per hour, \$50 to \$60.
Officers: Walter Schumm, president; Jean Schumm.

Rehabilitative Services & Vocational Placement Inc.

2809 Emerywood Parkway, Suite 125,
 Richmond, Va. 23294; 804-672-7787;
 fax: 804-672-6236

Rehab services since: 1981.

Business: 10% rehabilitation services for employers; 85% rehabilitation services for insurance companies and TPAs; 5% other, including liability file reviews, expert services.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Concurrent hospital treatment review, discharge planning, retrospective review, hospital bill audits,

provider bill audits.

Coverage: Workers compensation, auto liability, general liability.

Staff: 17 total; all professionals, including nine RNs, eight vocational counselors. Designations held include six CRCs, three CIRSS, three CRRNs.

Service area: District of Columbia, North Carolina, Tennessee, Virginia.

Compensation: Per hour, \$61 to \$75.

Officers: Edward M. Rice, president; Sharon D. Bunker, general manager.

Contact: Edward M. Rice.

Resource Consultants Inc.

P.O. Box 4356, Tampa, Fla.
 33677-4356; 813-933-0037;
 fax: 813-876-8773

Rehab services since: 1992.

Business: 45% rehabilitation for employers; 45% rehabilitation services for insurance companies and TPAs; 10% other, including attorneys for expert testimony, training and education evaluations.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Discharge planning.

Coverage: Workers compensation, auto liability, auto no/fault, long term disability, divorce.

Staff: 15 total; all professionals, including four RNs, 10 vocational counselors, one degreed professional. Designations held include seven CRCs, nine CIRSS, one CRRN.

Customers: Four corporate and institutional clients, 14 insurance companies, 13 claims administrators and TPAs, 12 attorneys and state agencies.

Cases: 87 closed in 1992; 13 expert opinion cases.

Service area: Florida.

Compensation: Per hour, \$63.

Officers: Richard Cooperwasser, president; Joan Driscoll, treasurer; Patricia Streuber, vp; David Patten, secretary.

Contact: Freida Douglas, marketing director or Richard Cooperwasser.

Resource Opportunities Inc.

4122 Innslake Drive, Richmond,
 Va. 23060; 804-527-1100;
 fax: 804-527-1509

Rehab services since: 1977.

Parent: Pharmacy Management Services Inc.

Business: 10% rehabilitation services for employers, 88% rehabilitation services for insurance companies and TPAs, 2% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, group health, FELA, FECA.

Staff: 225 total; 200 professionals, including 50 RNs, 47 vocational counselors, three degreed professionals. Designations held include 45 CRCs, 30 CIRSS, 20 CRRNs.

Customers: 850 total; including 150 corporate and institutional clients, 650 insurance companies, 50 claims administrators and TPAs.

Cases: 1,500 closed in 1992; 60 IME cases; 45 expert opinion cases.

Service area: Alabama, California, Florida, Georgia, Illinois, Iowa, Kentucky, Louisiana, Maryland, Michigan, Missouri, Nevada, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin.

1992 revenues: \$10 million total, all from rehabilitation services.

Compensation: Per hour, \$50 to \$82.

Officers: Alice Hall, president; Michael Leep, Jeff Odell, vps.

Contact: Michael Leep.

Return To Work Inc.

2000 Smallman St., 2nd Floor,
 Pittsburgh, Pa. 15222; 800-860-7565;
 fax: 412-232-0931

Rehab services since: 1990.

Continued on next page

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Business: 70% rehabilitation for employers; 20% rehabilitation services for insurance companies and TPAs; 10% other, including light duty modification, IMEs, job analysis, ADA compliance, training.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, plant/position ergonomics, ADA compliance and modification recommendation, seminar production for workers compensation and ADA.

Other services: Hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation.

Staff: 13 total; eight professionals, including six vocational counselors, two degreed professionals. Designations held include one CRC.

Customers: 62 total; including 45 corporate and institutional clients, 10 insurance companies, five claims administrators and TPAs, two government entities.

Cases: 102 closed in 1992; 13 IME cases; eight expert opinion cases.

Service area: Delaware, Maryland, New Jersey, New York, Ohio, Pennsylvania, Virginia, West Virginia.

Compensation: Per case, \$1,500 to \$3,500; per hour, \$26 to \$49.

Officers: Lance J. Gurganus, president/CEO; Brian J. Lazorishak, vp; Robert R. Tabita, accounts manager.

Contact: Lance J. Gurganus.

F.A. Richard & Associates/ Richard & Associates

2360 Fifth Ave., Mandeville, La. 70448;
504-624-8383; fax: 504-624-8489

Rehab services since: 1992.

Business: 3% rehabilitation services for employers; 97% other, including TPA, independent insurance adjusting.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability.

Staff: 10 total; seven professionals, including five RNs, two vocational counselors. Designations held include two CIRSS.

Customers: 275 total, all corporate and institutional clients.

Cases: 700 closed in 1992; 12 IME cases; 24 expert opinion cases.

Service area: Alabama, Arkansas, California, Georgia, Louisiana, Mississippi, Texas.

1992 revenues: \$12 million total, \$300,000 from rehabilitation services.

Compensation: Per case, \$98 to \$2,800; per hour, \$65 to \$72.

Officers: Francis A. Richard, president/CEO; Todd Richard, executive vp; Reed A. Bell, senior vp/secretary/treasurer; Dan Clark, David Cantrell, senior vps.

Contact: Reed A. Bell.

S

Sandler Occupational Medicine Associates Inc.

275 Broadhollow Road, Suite 302,
Melville, N.Y. 11747; 516-756-2204;
fax: 516-756-2213

Business: 7.5% rehabilitation services for employers; 7.5% rehabilitation services for insurance companies and TPAs; 85% other, including occupational and environmental health, claims/litigation support, information management.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and co-

ordination, IMEs, job placement, testimony and expert opinion, medical case management and occupational case file triage analysis and evaluation.

Other services: Development and management of an occupational health care delivery system.

Coverage: Workers compensation, general liability, product liability, toxic tort, environmental.

Staff: 30 total; 18 professionals, including six RNs, 12 physicians.

Customers: 100 total; including 50 corporate and institutional clients, 48 insurance companies, two claims administrators and TPAs.

Cases: 100 IME cases; 100 expert opinion cases.

Service area: Nationwide.

Compensation: Per case, per hour, per project/task, fixed-price, retainer basis.

Officers: Dr. Howard M. Sandler, president; Dr. Richard S. Blume, Sheldon H. Rabinovitz, vps; Amalia C. Apostoleris, Eric Hollander, directors.

Contact: Lisa Fallon, marketing manager.

Select Rehabilitation Associates

4645 Richmond Road, Cleveland,
Ohio 44128; 216-831-8855;
fax: 216-831-0517

Rehab services since: 1990.

Parent: Lakeland Healthcare Corp.

Business: 40% rehabilitation services for employers; 20% rehabilitation services for insurance companies and TPAs; 40% other, including expert opinions, ergonomics, ADA consultation.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, ADA consultation, ergonomics.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability.

Staff: 17 total; 13 professionals, including three RNs, seven vocational counselors, two degreed professionals, one physician. Designations held include five CRCs, two CIRSS, two CRRNs.

Customers: 65 total; including 41 corporate and institutional clients, seven insurance companies, five claims administrators and TPAs, 12 law practices.

Cases: 194 closed in 1992; 17 IME cases; 93 expert opinion cases.

Service area: Ohio.

1992 revenues: \$875,000 total, all from rehabilitation services.

Compensation: Per hour, \$68 to \$100.

Officers: Paul E. Balcom, president; Jeff A. Leimgruber, vp; Joseph M. Cannelongo, director; George W. Cyphers, manager.

Contact: Joseph M. Cannelongo.

Systemedic Corp.

10809 Executive Center Drive, Suite
105, Little Rock, Ark. 72211;
501-227-5553; fax: 501-227-8362

Rehab services since: 1981.

Business: 20% rehabilitation services for employers, 60% rehabilitation services for insurance companies and TPAs, 20% other.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, ADA consulting.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, peer review.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, health claims, long term disability.

Staff: 25 total; including 18 RNs, seven vocational counselors. Designations held include seven CRCs, one CIRSS, four CRRNs.

Customers: 22 corporate and institutional clients, 20 insurance companies, 15 claims administrators and TPAs.

Service area: Arkansas, western Tennessee.

1992 revenues: \$3.1 million total, \$1.8 million from rehabilitation services.

Compensation: Per hour, \$65 to \$80.

Officers: Tom Strickland, president; Jeanne Boling, director-medical services; Howard Bennett, business manager.

T

21st Century Health Care Management Inc.

2 Plaza Drive, Box 5265, Woodridge,
Ill. 60517; 708-246-0100;
fax: 708-246-0206

Business: 40% rehabilitation services for employers; 40% rehabilitation services for insurance companies and TPAs; 20% other, including medical case management, nurse training, custom-designed case management programs, risk management consulting, insurance consulting.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, medical advisement to claims adjusters, injury auditing service, fraud review, performance guarantee program.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, workers compensation PPO/PPO access, provide training medical case management nurses, morals/ethics training for rehabilitation companies, insurance consulting, custom-designed case management programs.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, general benefits.

Staff: 10 total; five professionals, including RNs, degreed professionals, physicians. Designations held include CRCs, CIRSS, CRRNs.

Customers: 50 total.

Cases: 275 closed in 1992.

Service area: Illinois, Indiana, Wisconsin.

Compensation: Per hour negotiable; fee for service or per project.

Officers: Liz Spreck, president.

Contact: Jay Spreck, marketing director.

U

United Healthcare Corp.- Workers Compensation Division

P.O. Box 1373, Minneapolis,
Minn. 55410; 612-936-5780;
fax: 612-936-7356

Rehab services since: 1985.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and co-

ordination, IMEs, testimony and expert opinion.

Other services: Preadmission certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability.

Staff: 177 total; 157 professionals, including 25 RNs, two degreed professionals, 130 physicians.

Customers: 63 total; including 38 corporate and institutional clients, 20 insurance companies, one claims administrator.

Continued on next page

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The workers' compensation crisis:

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Continued from previous page
tor/TPA, four state workers compensation insurance funds/state employee groups.

Cases: 22,000 closed in 1992.

Service area: Nationwide.

Compensation: Per employee, per case, per hour.

Officers: T. Stevens Spruth, president; Glenda Garrard, vp-client programs; Virginia McDonald, director-operations.

Contact: Lynn Harris, national sales manager.

United Medical Philadelphia

100 N. 17th St., Fifth Floor,
Philadelphia, Pa. 19103;
215-972-2500; fax: 215-972-1588

Parent: Occupational Health Resources Inc.

Business: 10% rehabilitation services for employers, 90% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, medical assessment, job analysis, IMEs, vocational assessment and testing, labor market survey, testi-

mony and expert opinion.

Other services: Concurrent hospital treatment review, retrospective review, second surgical opinion.

Coverage: Workers compensation, auto liability, general liability, auto no/fault.

Staff: Six total; including one physician.

Customers: 800 total.

Cases: 1,800 IME cases; 100 expert opinion cases.

Service area: Pennsylvania.

Compensation: Per case, \$350 to \$700.

Officers: Jeffrey Rose, CEO; Dr. Christopher Brigham, vp-medical affairs; Stanley Musial, vp-finance; Randall Elliott, director; Peter Hotz, vp-marketing & sales.

Contact: Randall Elliott.

V

Vocational Consultants Inc.

P.O. Box 35340, Richmond, Va.
35340; 804-276-2772 or
800-849-8282; fax: 804-378-5233

Rehab services since: 1990.

Business: 10% rehabilitation services for employers, 90% rehabilitation services for insurance companies and TPAs.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Other services: Outpatient utilization review, retrospective review, hospital bill audits.

Coverage: Workers compensation.

Staff: 16 total; 10 professionals, including one RN, seven vocational counselors, two degreed professionals. Designations held include two CRCs, one CIRS, one CRRN.

Customers: 32 total; including seven corporate and institutional clients, 25 insurance companies.

Cases: 244 closed in 1992; 47 IME cases; 19 expert opinion cases.

Service area: Kentucky, Maryland, North Carolina, South Carolina, Virginia, West Virginia.

1992 revenues: \$478,934 total, all from rehabilitation services.

Compensation: Per hour, \$45 to \$65; per mile charges, \$.28 to \$.36.

Officers: Bonny B. Henderson, Gregory B. Henderson.

Contact: Gregory Henderson.

Y

S. Yangouyian & Associates Inc.

27041 Southfield Road, Suite 200,
Lathrup Village, Mich. 48076-7911;
313-552-0550; fax: 313-552-0571

Rehab services since: 1985.

Business: 20% rehabilitation services for employers; 75% rehabilitation services for insurance companies and TPAs; 5% other, including expert witness consultation/testimony.

Services: Prescreening of cases for rehabilitation intervention, on-site medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, on-site return to work program, on-site disability case management, on-the-job evaluation program.

Other services: Hospital bill audits.

Coverage: Workers compensation, auto liability, general liability, auto no/fault, long term disability.

Staff: 21 total; including six RNs, 10 vocational counselors. Designations held include four CRCs, five CIRS.

Customers: 42 total; including five corporate and institutional clients, 25 insurance companies, 10 claims administrators and TPAs, two attorneys.

Cases: 25 expert opinion cases.

Service area: Michigan, northern Ohio.

Compensation: Per hour, \$55 to \$150.

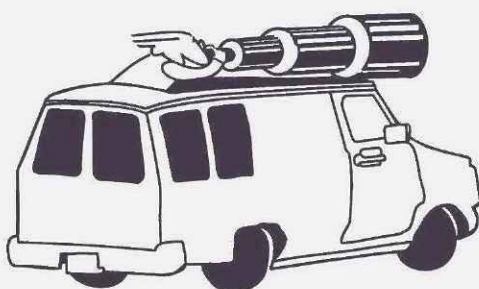
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BI

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Integrating comp into reforms concerns regulators

By MEG FLETCHER

PORTLAND, Ore.—State workers compensation administrators are very concerned that federal health care planners aren't giving enough attention to the complex problems of providing workers comp medical care within a national health insurance plan.

Sparkling those concerns are reports that Hillary Rodham Clinton and administration planners still advocate eventually merging workers comp medical care and the system's financing aspects into the proposed health care system.

In a detailed outline of its plan released last month, the administration recommended only "integration" of workers comp medical care, leaving separate the risk financing system that is designed to reward safe employers with lower premiums (BI, Sept. 20).

The administration does, however, call for creating a commission "to study the feasibility and appropriateness" of transferring the financial responsibility for medical benefits under workers comp—and under automobile insurance—to the new health system. The commission is to report its findings by July 1, 1995.

That report is of special concern to leaders of the International Assn. of Industrial Accident Boards and Commissions, an organization of workers compensation administrators.

Allyn C. Tatum, a member of the Arkansas Workers Compensation Commission and former IAIABC president, says he is confident that President and Mrs. Clinton will require the commission's study to be "an honest inquiry."

But even Mr. Tatum, a Clinton supporter, is skeptical about the intentions of lower-level staffers. "I think some of the staff people have started with the conclusion of total merger and are working backwards to try to figure out how to do it," he said during the annual IAIABC convention earlier this month.

"If it is not developed properly, it could really screw up workers comp and, in the end, national health in-

Continued on next page

Oregon blazing trails

24-hour coverage experiment may serve as national model

By MEG FLETCHER

PORTLAND, Ore.—National health care planners may want to look West to Oregon for practical advice on how to combine medical coverage for workers compensation and group health care claims.

Gary Weeks, the state's director of administrative services, said, "Having spoken with a number of staff that are developing the Clinton proposal and will try to implement it, I am convinced they are up here at this level" of understanding—raising a hand to eye-level—"thinking it's a good idea and it makes a lot of sense to fold in workers comp and auto coverage into a national health care coverage plan."

"But down here," he said, raising his hand to his lower chest, "they haven't even thought about some of the things that we are going to deal with" in Oregon's 24-hour coverage experiment.

Oregon is discussing arrangements with insurers, managed care organizations and others interested in pilot programs "to test ways to enhance the delivery and improve the cost-effectiveness of medical services for workers and employers by combining group health insurance coverage with the medical portion of workers compensation."

The program will exclude wage-loss and other disability benefits

provided under workers comp.

The program will consist of four to six pilot projects, which are expected to be implemented early next year, said Edward J. Nieubuurt, director of Oregon's project.

The two officials spoke at the annual convention of the International Assn. of Industrial Accidents Boards & Commissions, held Oct. 2-6 in Portland, Ore. It was announced there that Mr. Weeks had resigned as director of the Oregon Department of Consumer and Business Services, which includes the state's Insurance Department, to accept an appointment to direct all of the state's administrative services.

Two developments this year—a grant and passage of enabling legislation—should help the 24-hour pilot projects become a reality.

The Robert Wood Johnson Foundation awarded a \$336,000 grant to the program in February. It will be used to pay administrative expenses and evaluation costs for the 18-month project.

That grant helped confirm Oregon's leadership in the health care arena, where it is working to develop a universal health care plan for its citizens (BI, Aug. 9; March 26). In addition, the state also has gone through the "gut-wrenching" process of developing a plan for rationing care provided under state programs, Mr. Weeks said.

In August, the state enacted a measure, H.B. 2285, to make the 24-hour coverage program a reality, Mr. Nieubuurt said.

That law authorizes several different types of insurers that provide medical coverage—including property/casualty and life/health insurers, self-insurers and health maintenance organizations—to participate in pilot programs with managed care networks for up to four years.

It also requires pilot programs to comply with current insurance and workers compensation laws, though the insurance commissioner has the authority to approve exemptions to certain administrative and operational rules. However, exemptions cannot affect the "benefits and rights" of injured workers, so copayments and deductibles will continue to be prohibited for coverage of work-related injuries and illnesses.

In addition, it allows the use of managed care networks and establishes a broad-based committee to advise regulators on the project's progress.

The law also requires self-insured employers' plans that are qualified under the federal Employee Retirement Income Security Act of 1974 to stipulate that they will continue to comply with state laws. That should prevent problems with federal pre-emption, regulators say.

Program officials are "still nurtur-

ing" interest in the two emerging models of 24-hour coverage that will be explored in pilot projects, Mr. Nieubuurt said. These are: a "coordinated administration model" and a "blended plan model."

Under both approaches, an employer pays premiums to both a workers comp plan and a group health plan. Also, under both approaches employees typically obtain all medical services from their regular physician in the managed care network that contracts with the employer's group health plan. The group health plan, in turn, coordinates and communicates treatment of work-related cases with the workers comp plan.

Both approaches will focus on getting the employee treated and back to work, with causation "a secondary issue," Mr. Nieubuurt said.

Where they differ is primarily in how the workers comp plan is charged for work-related cases by the managed care network.

Under the "coordinated administration model," the managed care network bills a worker's medical costs to the group health plan, which pays those charges and then submits them on to the workers comp plan for full reimbursement.

Under the "blended plan model," an employer's group health plan contracts with its workers comp plan to be financially responsible for all employees' work-related medical costs that fall within a one-year period. The workers comp plan would then be financially liable only for the "tail" of employees' medical costs beyond the first year, as well as all other wage-loss and disability benefits. **BI**

Comp reform

Continued from previous page

insurance," he said. If the problems of workers' comp are not carefully considered, costs will increase, state laws would be "in total disarray and confusion," litigation "would flourish," and state-focused managed care programs would be harmed, said IA-IABC President Evelyn Scott Ferris.

She made those arguments in an April letter presenting the organization's position paper to national health care planners. In it, the organization recommended that: "A national health care plan simply should not absorb workers compensation health care programs at this time without carefully implemented strategies for addressing the unique set of linked goals from medical care to medical stabilization to productive employment."

During the IA-IABC's annual meeting, she added: "Whatever federal position they take, we will work with them." Ms. Ferris is executive assistant to the director of the Oregon Department of Consumer and Business Services.

"It's our job to make workers comp an issue," Mr. Tatum explained.

In a panel discussion on national health care at the recent annual meeting, a spokesman for an insurer trade group fueled administrators' concerns about the intentions of the national health insurance planners.

"The real objective (of federal planners) is to move directly into an integrated system, when they can figure out the technical problems," said Keith T. Bateman, vp of policy development for commercial lines at the Alliance of American Insurers in Schaumburg, Ill. "They want a seamless system."

One political goal is to eliminate employer opposition to legislative mandates for employers to provide additional benefits to workers under health reform, he said. Including comp medical benefits in a national health insurance scheme is like Mary Poppins' "spoonful of sugar"

to help the medicine go down.

Mr. Bateman questioned the objectivity of any report that will be produced by the study commission called for under the Clinton plan. However, he noted that the deadline for the report is July 1, 1995, which is early enough in the process for program changes to be made while still allowing states to adopt enabling legislation by their 1997 deadline.

Mr. Bateman emphasized the need to consider the proposed workers compensation segment of the national health care plan in the context of the entire plan.

When that is done, it becomes clear that workers comp medical care is not subject to budget limits. In addition, workers comp will be affected by other provisions including confidentiality of patient records, mandated use of standardized forms and pre-emption of state laws limiting the scope of providers' practice, he said.

One argument against a complete merger of workers comp medical care and financing with national health care is that a merger would undermine established state laws and procedures for managing disability and return-to-work programs, which could increase employer's wage-loss payments, Mr. Bateman said. Also, incentives would likely continue for providers and employees to shift costs to workers comp from the general health care plan, he said.

In addition, worker safety could be adversely affected if an employers' premium for workers comp medical care is based on community rating rather than individual loss experience, as is done through the current experience-rating system.

Of particular concern is the possibility that workers comp medical care may get lost in the new system, Mr. Bateman said. He also believes that case management must be tied to financial risk.

In contrast, Cindy Zehnder, a Seattle-based official of the Teamsters

union, said "full integration" is "a terrific opportunity for us." A completely merged system would prevent cost shifting by "creative" providers, she said.

A merged approach "just makes sense to workers" and should improve worker access to top quality, standards-driven care, which should reduce litigation, she said.

The "only one serious, potential downside," is the need to "reconnect" the employer and the injured employee early on to rehabilitate the worker as quickly as possible and prevent future injuries, she said. **BI**

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Study offers window to early retirement

By DEBORAH SHALOWITZ

Nearly half of those who accept an early retirement window offer subsequently get a job elsewhere, many at positions with similar hours and pay, a new study shows.

"Employers worry that when they offer these windows they'll lose precisely the people other firms want to hire," said Charles Brown, a University of Michigan economist who wrote the study. "It's certainly true that these windows are being accepted by some workers that other companies find they can profitably employ."

In early retirement window programs, workers typically get enriched pension benefits or credit for additional years of age or service if they agree to retire within a certain

period of time.

Just because early retirees find work elsewhere does not mean that offering such plans is a mistake, Mr. Brown said. However, "it ought to start to get you worrying about that."

The University of Michigan survey of about 6,300 employees age 51 to 61 found that about 45% of those who accepted an early retirement window offer later worked elsewhere.

Frequently their hours went down only slightly and their pay remained nearly the same. For example, among one group of employees, weekly hours dropped from an average of 45 on the pre-window job to 31 on the post-window job, the study found. But wages at both positions averaged \$26 per hour.

Early retirement window plans have grown in popularity and visibility in the last several years, yet only a very small percentage of the middle-age working population actually receives the offers, according to the study, which is part of a larger, ongoing survey conducted by the University of Michigan on health and retirement.

Only 5.6% of the employees studied by Mr. Brown ever received an early retirement offer.

Among companies, by contrast, the programs are more widespread.

Some 27% of companies have offered early retirement window programs in the last five years, Hewitt Associates found in a recent study (BI, Sept. 7, 1992).

Mr. Brown suggested that the university's sample might include more employees of small and medium-size firms, which are less likely to offer early retirement windows, than the Hewitt sample did.

Of those receiving early retirement window offers, 41% told the University of Michigan researchers that they accepted the first offer they received, Mr. Brown found.

Hewitt, though, found an average acceptance rate of 30% on first offers.

Several factors could account for that discrepancy. First, the University of Michigan study surveyed in-

dividuals over a period of 10 years and some people—especially those who rejected an early retirement offer many years ago—might have forgotten about the offer, he noted. That could have raised the university's acceptance rate, Mr. Brown explained.

Employers worry that 'they'll lose precisely the people other firms want to hire,' says Charles Brown.

Also, the university's study only addressed the first and last early retirement offers people received, not those in between, which could account for many other offers that were rejected, Mr. Brown pointed out.

When people who reject one early retirement window plan are offered another one, acceptance rates are similar to those subsequent offers, the study found. Of those who rejected an initial early retirement window offer, 39% accepted a subsequent offer.

Many firms are offering more than one early retirement window

plan, according to the survey. Thirty-two percent of those individuals who rejected an initial early retirement window plan were later offered a second plan.

Demographically, there are few differences between those who accept the offers and those who reject them, the study found.

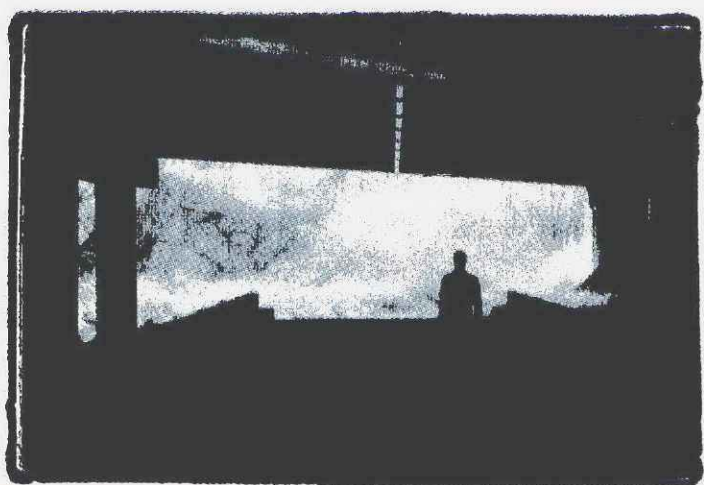
The major difference seems to be individual tolerance for risk. Those who accepted window offers were about twice as likely as those who rejected them to say they would accept a hypothetical alternative job that had the potential to either double their family income or reduce it by one-third.

And although there was a correlation between a more generous offer and a higher acceptance rate, only a third of those who rejected a window offer said that doubling the offer would have changed their decision.

The study also found that 75% of those who accepted the window offer described it as important to their decision to retire at the time, rather than something they would have done anyway.

For more information on the survey, contact Charles Brown, Department of Economics, University of Michigan, 611 Tappan St., Lorch Hall, Ann Arbor, Mich. 48109-1220.

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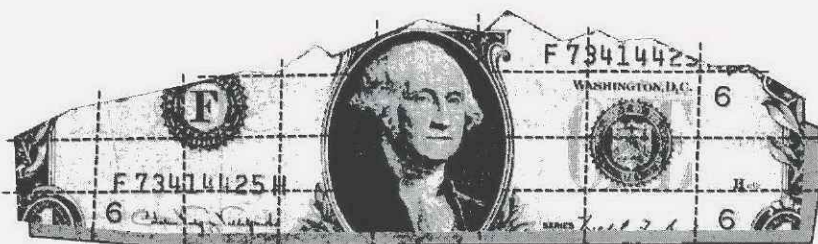
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Seeley is new CEO at A&A unit

Donald L. Seeley has been named president and chief executive of the Alexander Consulting Group Inc. He succeeds A.M. "Bud" D'Alessandro, who died Oct. 1.

Mr. Seeley was formerly senior vp of financial management at parent company Alexander & Alexander Services Inc. He also managed A&A's strategic planning process and is a member of the company's operations board.

Prior to joining A&A in 1988, Mr. Seeley was vp and treasurer of United Airlines in Chicago. He also served as corporate treasurer and vp of G.D. Searle & Co. from 1979 to 1986.

In changes at other suppliers:

Larry K. Hinson named president and chief financial officer of USA Health Network in Phoenix. He succeeds Linda K. Howland, who is now overseeing the daily operations of the preferred provider organization and its affiliates.

Robert E. Merriman will retire as president and chief executive officer of ACORD in July 1994. A search committee has been formed to identify candidates to replace Mr. Merriman.

James M. Leap joined Willis Corroon Corp.'s WF Corroon division in St. Louis as vp and managing consultant in the welfare benefits consulting division.

Agents/brokers

J. Christopher Bulger, named president of Sedgwick James of California Inc. and regional director for the state, as part of the broker's ef-

New X.L. cover

Continued from page 2

what has to be one of the toughest of all industries."

Some X.L. policyholders, he added, are expecting or already experiencing difficulty in obtaining property insurance. But the company will offer coverage only in a single \$50 million block. "We want to discourage people from coming to us to buy their last \$15 million in coverage. Our \$50 million is both a maximum and a minimum limit."

The insurer will not be seeking additional protection for the increased net exposure to its capital base. But Mr. Connell pointed out that by some standards, X.L.'s capital is seen as underutilized, "so what we're doing now makes sense."

According to Michael Kevany, chairman of X.L.'s parent, EXEL Ltd., the move into property insurance is unlikely to affect the insurer's financial base.

"With assets well in excess of \$3.5 billion and shareholders equity approaching \$2 billion, our organization has the capital to offer substantial capacity to this class of business without affecting our ability to grow the excess liability lines of business already offered by X.L.," he said in a statement.

Capacity is continuing to withdraw from the property market, said Mr. Connell. "There's still a high level of demand for capacity, but it is increasingly a demand for good quality capacity."

Mr. Connell added that a consultant had been retained to help with the company's new underwriting activities and that policy and underwriting information would soon be released to brokers and intermediaries.

X.L. aims to begin underwriting excess property accounts by year end. **BI**

Coming & Goings: Industry

forts to consolidate California operations. He previously was director of the company's Northern California region. Other appointments include: Stephanie Sparks named managing executive in the Los Angeles office; Kathy Quintana named managing executive of the Irvine office; Darryl Vroman named managing director for new business development; and Bruce Haga named managing director of marketing.

Also, Martha J. Chase joined the Los Angeles office of Sedgwick as vp/manager-bond department.

R.B. "Trey" Busch III named vp in the Salinas, Calif., office of Rollins Hudig Hall Inc.

Gary Sindler appointed senior vp-finance and administration at Rollins Hudig Hall of New York Inc.

James F. Murphy appointed regional director of the newly formed Southern California region of Willis Corroon Corp. in Los Angeles.

Insurers

Gail P. Norstrom named president of Industrial Risk Insurers in Hartford, Conn., succeeding G. Wayne Crawford, who is retiring. Mr. Norstrom had been senior vp-operations of the property insurance pool.

Linda L. Bell joined ITT Hartford Group Inc. as senior vp, chief actu-

ary and director of actuarial research operation-property/casualty in Hartford, Conn. Ms. Bell previously was senior vp and chief actuary for Transamerica Insurance Group in Woodland Hills, Calif. She succeeds Albert J. Quirin, who retired in July.

Nicholas M. Brown Jr. joined The St. Paul Cos. as president of the specialty underwriting operations in St. Paul, Minn. Previously, he was vp-select commercial accounts for Aetna Life & Casualty Co.

Candace L. Sutcliffe named vp and manager of Liberty Mutual Insurance Cos.'s new environmental department in Boston.

Stephen H. Matheson named senior vp-managed care operations for The Travelers Corp. in Hartford, Conn. He previously was president

of CIGNA Healthplan.

Paul Kuhn named president of Workers Compensation & Indemnity Co. of California, a subsidiary of the Continental Corp.

Reinsurance

James F. Duffy named president and chief executive officer of St. Paul Re, the reinsurance operation of The St. Paul Cos. in New York.

Paul D. Hawksworth named vice chairman at Willis Faber North America Inc. in New York. He formerly was president and CEO of Mercantile & General Reinsurance Co.

Jeremy Hindle named vp-underwriter at Mid Ocean Reinsurance Co. Ltd. in Hamilton, Bermuda.

Salvatore D. Zaffino named president and chief executive officer of Sedgwick Payne Co., the reinsurance unit of Sedgwick P.L.C. in New York. **BI**

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General Care Review

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Defense coverage

Continued from page 2

guidelines for employers' attorneys, but the workers comp insurers later bail out when the court costs start to mount, said H. Paul Kondrick, the San Diego attorney who represented the employer in this case.

"Now they're responsible for the whole enchilada," Mr. Kondrick said.

The decision also will broaden coverage for sexual harassment and racial discrimination claims that allege emotional distress, he predicted. "To the extent that the emotional distress results from the (work-related) event, it's workers comp."

The Oct. 7 ruling in *La Jolla Beach & Tennis Club vs. Industrial Indemnity* builds on a ruling earlier this year by the same court. In the earlier ruling—*Wong vs. State Compensation Insurance Fund*—an employee alleged emotional distress arising from a forced resignation.

The court in *Wong* found the workers comp insurer owed a duty to defend the civil action. "Injuries resulting from the non-consensual termination of employment are included within the scope of workers compensation, as both the act of termination and the acts leading up to termination necessarily arise out of and in the course of employment," the court said.

Believing that *Wong* was "fundamentally flawed," Industrial Indemnity Co. decided to fight a claim for defense coverage in the later wrongful termination case, said Andre Hassid, general counsel and vp for the San Francisco-

based unit of Talegen Holdings Inc., formerly Crum & Forster.

Industrial Indemnity will appeal to the California Supreme Court.

Other workers comp insurers will support Industrial Indemnity, because the ruling could increase their coverage obligations as well, predicts Bob Schiff, a partner with Fisher & Hurst in San Francisco who represents insurers in coverage matters.

By going beyond even its earlier ruling, the California court put "the whole range of employment torts... essentially up for grabs," said Mr. Schiff.

In its ruling, the California appeals court recognized that it was increasing the burden on the workers compensation system. But the court also pointed out that workers comp insurers could draft narrower defense clauses, and that several recent state laws will curtail post-termination stress injury claims.

But implementing those exclusions won't be easy.

Mr. Schiff pointed out that because insurers are subject to state antitrust laws under Proposition 103, they won't be able to collectively decide on narrower policy wording. Instead, each insurer will have to have its own exclusion approved by pro-consumer Insurance Commissioner John Gramendi.

"It's going to take a long time for the industry to come up with a solution," said Mr. Schiff.

Furthermore, workers compensation reforms enacted in the state this year allow post-termination injury claims stemming from "extraordinary circumstances," such as sexual harassment and racial

discrimination, according to the state Workers Compensation Division.

While the ruling certainly favors employers, it will not necessarily give them a windfall.

Because the obligation to provide coverage only applies to the employer and not to other parties that may be named in a wrongful termination suit, it will provide only "a subsidy," paying perhaps a third of the total defense costs in a wrongful termination case, said Mr. Schiff. Defense costs in wrongful termination suits can exceed \$100,000.

And employers will have to accept whatever defense counsel the workers comp insurer provides, whether or not they have experience in tort law, according to Mr. Schiff.

Employers will also lose their general right to select another insurer-provided counsel when their interests diverge from their insurers' interests. In this case, there is no right to these so-called *Cumis* counsel, because there is no conflict of interest for the insurer as the workers comp policy doesn't provide indemnification.

So "they get a partial defense afforded through lawyers they don't know and didn't select," said Mr. Schiff.

The wording of the underlying lawsuit also may determine whether the workers comp insurer would be forced to provide a defense.

As long as the underlying lawsuit alleges an injury that occurred in the employment context, the claim will trigger coverage under the workers compensation policy, the court found. However, lawyers for employees do not ap-

pear to be drafting their complaints with an eye toward coverage, said policyholder attorney Ms. Carter.

The La Jolla case began in 1986 when Adnan Saleh filed a racial discrimination complaint against the Sea Lodge restaurant, where he had been a manager for six years, and Robert Kellogg, manager of the restaurant.

Mr. Saleh, who is of Palestinian descent, said he was told not to hire any more of "his own kind" or any other "foreigners."

In his suit, Mr. Saleh alleged breach of an employment contract, breach of the covenant of good faith and fair dealing, wrongful termination, intentional infliction of emotional distress and violation of the Fair Employment and Housing Act.

On May 9, 1986, La Jolla Beach & Tennis Club, the owner of the Sea Lodge, tendered defense of the Saleh complaint on its own behalf and on behalf of the restaurant manager to Industrial Indemnity.

La Jolla Beach & Tennis Club was covered under a standard two-part workers compensation policy with Part I designated as "workers compensation insurance" and Part II designated "employers liability insurance."

Part II excluded coverage for "any obligation imposed by a workers compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law." Part I provided payment for "the benefits required of (La Jolla) by the workers compensation law."

What brought Mr. Saleh's complaint within the scope of workers compensation coverage was his

allegation of emotional distress, the court said.

By ruling several times that workers compensation is the exclusive remedy for emotional distress caused by a termination of employment, the California Supreme Court has defined the scope of workers compensation coverage to include such claims, the court reasoned.

"If La Jolla was able to establish it had not terminated Saleh because of his Palestinian ancestry and that his termination did not otherwise violate public policy, Saleh would still have a remedy under the workers compensation law for the emotional distress he suffered upon his termination," the court found.

The reason Mr. Saleh would have a remedy is because workers compensation is a no-fault system, the court explained: "It is important to recognize that recovery under the Workers Compensation Act is permitted even when there is no showing of any employer fault."

Two earlier California appeals court rulings had denied workers comp coverage for employment discrimination complaints, but the La Jolla court said its ruling did not conflict with them.

"In neither case was the court asked to consider the potential of coverage under the workers' compensation insurance portion of a standard workers compensation and employers (liability) policy," the court pointed out.

La Jolla Beach and Tennis Club Inc., et al., vs. Industrial Indemnity Co., Court of Appeal, 4th Appellate District, DO15953 (Super. Ct. No. 627975), Oct. 7, 1993.

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GLOBAL FOCUS

Global Focus will appear for the first time as a regular section in 1994. Published quarterly, this section will be distributed exclusively to non-U.S. subscribers.

PUBLISHING DATES AD CLOSING DATES

February 14..... February 2

June 13..... June 1

August 22 August 10

November 14..... November 2

INTERNATIONAL

E.C. court cuts retroactive pension liability

By ALINE SULLIVAN

LUXEMBOURG—European employers will not have to make costly adjustments to equalize pension benefits for men and women retroactive to May 1990, following a recent decision by the European Court of Justice.

The Oct. 7 ruling could save European Community employers up to 100 billion pounds (\$153.65 billion) in back payments to male employees, according to consulting actuaries.

The ruling clarifies an issue raised by the court's landmark decision in *Barber vs. Guardian Royal Exchange* on May 7, 1990. Prior to that decision, most E.C. countries had paid full pensions to women who re-

tired at age 60, but men were not eligible for full pension benefits until age 65. The court ruled in *Barber* that occupational pension plans are governed by the European Community's equal pay law and, therefore, men's and women's pension benefits must be equalized.

But the decision left many questions about pension equity unanswered, including whether benefits must be retroactively equalized.

The Oct. 7 ruling concerns one of three cases stemming from the *Barber* decision that are currently before the court. Each case tackles a different aspect of the same problem: How do employers interpret the *Barber* ruling.

In its most recent decision, the court decided a Dutch case brought

by Ten Oever, who sued the pension fund in which his late wife participated. The fund paid survivor benefits to the widows but not the widowers of former employees of a cleaning company. The Court of Justice decided that since pension benefits fall under the European Community's equal pay law, equal payments should be made to survivors of either sex. However, in its *Ten Oever* ruling, the court said equal payments need only be made for work carried out after the May 17, 1990 *Barber* decision.

The retroactivity issue is a key part of all three cases before the court, and has been at the forefront of employers' concerns. The cost of back payments to equalize pension benefits could have been prohibitive

for many E.C. employers, actuaries said.

No judgments have been made as yet on the other two cases. The most significant of the two, employers say, concerns a group of former employees of Coloroll, a failed British wallpaper company.

In *Coloroll Pension Trustees Ltd. vs. Russell, Mangham & Others*, the court must decide how employers should equalize annuity benefits given that women outlive men by an average of five years and therefore require more money to fund a comparable benefit.

"The (*Ten Oever*) judgment provides useful clarification of some issues, especially that no retrospective payments are needed before 1990," said Alan Jenkinson, policy director

of actuary Noble Lowndes in Croydon, England. "But we are still awaiting answers to more fundamental questions on pension equalization," such as whether unisex actuarial factors have to be used in calculating pension benefits. For these we will have to await the *Coloroll* judgment."

The remaining case, *Meroni vs. Collor*, is based on the length of retrospective payments to men. In this German case, the court must decide whether backdated benefits apply only to actual work performed after its 1990 decision or to the total service of employees retiring after that date.

An indication of the court's final decisions came on April 28 (*BI*, June 14, 1993). *Continued on next page*

GLOBAL BRIEFS

Uni Storebrand plans share issue for Christiania Re

OSLO, Norway—UNI Storebrand International, a subsidiary of Norway's UNI Storebrand A/S, has filed a registration statement with the Securities and Exchange Commission for a public offering of shares of its wholly owned U.S.-based reinsurance company, Christiania Re Corp.

UNI Storebrand wants to issue primary and secondary shares over the NASDAQ exchange.

The share offering is part of the restructuring of UNI Storebrand International and will strengthen the company's capital and solvency margin, according to a company statement.

Christiania Re primarily writes property and casualty treaty reinsurance through its wholly owned subsidiary, Christiania General Insurance Corp. of New York.

Christiania Re has \$70 million in capital and had a 1992 non-marine gross premium volume of \$173 million, said Oyvind Grini, executive vp-finance at UNI Storebrand International in Oslo.

Earlier this year, UNI Storebrand International's marine and energy business was taken over by the non-life subsidiary, UNI Storebrand Skadeforsikring A.S. (*BI*, June 14; April 26).

No decision has been made about the size of the share offering or its price, Mr. Grini said.

The shares will be offered worldwide by a U.S. syndicate co-managed by C.S. First Boston and Bear, Stearns & Co. Inc., and an international syndicate led by CS First Boston and Bear, Stearns International Ltd.

If the SEC approves the proposed share offering, the transaction is expected to be completed by the end of 1993.

Lloyd Briggs, chairman and CEO of Christiania Re in New York, said the share offering proceeds will be used three ways: to increase the company's surplus; to reduce the debt the parent company, UNI Storebrand International, owes to Christiania Re to \$30 million from its present \$50 million; and to buy back a portion of the parent company's shares in Christiania Re.

Mr. Briggs said the aim of the offering is to reduce UNI Storebrand

Continued on page 73

The emerging Asian market

Disaster risks merit deeper analysis and enhanced loss control: Experts

By KATE McILWAINE

SINGAPORE—Policyholders and underwriters are ignoring some of the risks associated with large-scale natural catastrophes in Asia, an expert warns.

In addition to the obvious damages caused by natural disasters, corporate policyholders may experience unexpected losses. A volcanic eruption, for example, can spew volcanic ash for a tremendous distance, interfering with computer systems hundreds of miles away, said Russell Blong, associate director of the Climate Impacts Center at Macquarie University in Sydney, Australia.

Risk management is critical to minimizing all exposures to major catastrophes. Proper assessment of potential risks, providing warnings of impending catastrophic events, preparing a di-

saster plan, and developing disaster-resistant infrastructure can mitigate losses, Mr. Blong said during a session at the Singapore International Reinsurance Conference earlier this month.

Mr. Blong said the risk from volcanic ash, for example, can produce major losses because it is magnetic and can damage computers and aircraft engines.

In the past 20 years, there have been 64 incidents in which aircraft were affected by volcanic ash, he said, including a \$125 million insured loss three years ago for damage to a KLM Royal Dutch Airlines plane whose engines stalled over Alaska and descended to 1,000 feet above a mountain range before they were restarted. Although the engines restarted, they sustained damage and the plane had to make an

Continued on next page

Road to profits paved with a long-term view

By KATE McILWAINE

SINGAPORE—Development of Southeast Asian insurance markets is a long-term process, according to insurers with expertise in the region.

But the industry must prepare to meet the expected increase in demand for coverage from commercial and private insurance buyers as the economies of these nations grow, these experts say.

Insurers and reinsurers that invest in the new markets will not earn immediate profits, but companies that make long-term investments will eventually reap a return, said Leow Siak Fah, Singapore-based chairman of Equatorial Re (S) Ltd. and Provincial Insurance Asia Pte. Ltd. Asia is not interested in opportunistic capital, he said.

Patrick Peugeot, chairman and chief executive of Paris-based SCOR S.A., said it would be beyond the year 2000 before the Asian market developed into a regional insurance center.

Mr. Leow and Mr. Peugeot

spoke at the Singapore International Reinsurance Conference held earlier this month.

Mr. Leow warned that insurers and reinsurers must visit the Asian nations and see the risks for themselves rather than underwriting from afar.

"My philosophy is simple, if you don't know it, don't write it," Mr. Leow said.

The markets in Singapore, Japan, Taiwan and Hong Kong already are developed. Emerging Markets include Indochinese countries like Cambodia, Laos and Vietnam, and nations on the Asian subcontinent such as Nepal, Sri Lanka and Pakistan. The 1990 population of those areas combined was 370 million, Mr. Leow said.

Asia, with its rapidly developing economics and large populations, should no longer be viewed as "the mysterious East," Mr. Leow said.

Reinsurers could enter the markets to provide capacity, expertise and—in some cases—capital.

Continued on next page



GRAPHIC BY JOHN HALL

Region offers opportunities for innovators, broker says

By KATE McILWAINE

GOLD COAST, Australia—Asian markets offer a wealth of opportunities for insurers, brokers and risk management consultants, but the insurance industry's reluctance to pursue innovation could hinder expansion, a broker warns.

Steve Nevitt, divisional director with broker Sedgwick Ltd. in Melbourne, said the insurance industry is "notorious for stifling innovation rather than wringing every last ounce out of an opportunity," and that attitude could close the door on expansion into the growing Asian markets.

Speaking at last month's Australian Insurance Law Assn. annual conference, Mr. Nevitt said Asian nations' populations and economies are growing so rapidly that, by the year 2000, seven of the world's 10 largest cities will be in Asia.

A key opportunity for insurance industry expansion is China.

China's economy is currently growing at 15% and has averaged 10% growth a year over the past decade. If that growth continues, by 2005 the Chinese economy will be larger in aggregate than the United States', Mr. Nevitt said.

"The Asia-Pacific region is overflowing with people with increasing expectations and demands and a desire for consumer goods and financial services," he said.

Economic development in the region will result in opportunities because of new insurance requirements, such as workers compensation, and corporations' need to protect their wealth and investments, he said.

Social and governmental awareness of workplace safety and the need to protect the productive assets of corporations is growing, and risk management training and development is needed, he said.

Sedgwick Ltd. established a re-

Continued on page 73

E.C. pensions

Continued from previous page
21) when an E.C. advocate-general published opinions on all three cases.

If the court endorses all three of those April opinions, the pension benefits of the disadvantaged sex must be brought up to the level of the advantaged sex. However, "leveling down," or at some future date lowering the retirement age of men to 60, was not ruled out by the advocate-general.

Decisions on the two remaining cases are expected by the end of this month or by early November. Actuaries and lawyers following the cases expect the court to make the same decision concerning retroactive payments for work carried out prior to 1990 in the German and British cases as it made in the Dutch case.

If so, the decisions will come as an enormous relief to E.C. employers that feared that throngs of employees would demand backdated pension benefits.

In the absence of a firm ruling from the Court of Justice on the length of retrospective payments, E.C. officials last year added a provision to the Maastricht treaty on European union that retrospective pension payments should apply only to service after May 1990. However, the treaty has not yet been ratified by all E.C. member states. **BI**

Disaster planning

Continued from previous page
emergency landing in which passengers were injured, he recounted.

"It's interesting to speculate on the cost if the jet had crashed. I'd suggest it would have to be half a billion U.S. dollars," Mr. Blong said.

Insurers must keep better data on major risks and analyze them from a longer-term view to ensure that rare events are included in calculations of probable maximum losses, said Mr. Blong.

"We need to look at hundreds of years; five, 10, even 20 years isn't long enough," he said. "The interactions between hazards have not been considered carefully, or even understood, by the industry."

Mr. Blong said the insurance industry considers "an earthquake is an earthquake, but there are a lot of different ways of doing damage" during and after a quake.

Statistics show that from 1947 to 1981, 85% of global deaths from natural disasters—mainly earthquakes, typhoons and floods—were recorded in Asian countries, stretching from Turkey to Indonesia.

Little data is available on the scope of insured losses but, as the insurance markets in Asian countries develop, there will be more insured risks, Mr. Blong said.

Taking into account low-frequency, high-impact catastrophic events is of fundamental importance in calculating probable maximum losses but these events often are not considered because of their infrequency, he said.

Using volcanic eruptions as an example, Mr. Blong said the June 1991 eruption of Mount Pinatubo in the Philippines had produced 175,000 cubic feet of volcanic debris, including ash, which was heavy enough to collapse roofs at the Subic Bay U.S. naval base (BI, June 24, 1991).

However, Mount Pinatubo was only medium-sized compared with earlier volcanic eruptions, he said.

The 1883 eruption on the small Indonesian island of Krakatau generated 350,000 cubic feet of erupted

material, a widespread ash dusting and a 132-foot-high tsunami that destroyed villages and more than 16,000 acres of arable land.

And, Mr. Blong noted that earlier eruptions in the Asian region had been even larger.

Tambora, on the island of Sumbawa, 781 miles east of Jakarta, erupted in April 1815, generating 1.75 million cubic feet of volcanic material.

Although major eruptions are rare, Mr. Blong said, hundreds of volcanoes are active in the region and there are "innumerable inactive ones, many with the potential to produce at least Pinatubo-sized eruptions."

"Can we afford to ignore Pinatubo-sized events in estimating (probable maximum losses)?" he asked.

And, Mr. Blong questioned if many conference delegates knew whether volcanic perils are covered in their reinsurance contracts, whether damage from a tsunami generated by a volcanic eruption is covered, whether insurers are liable for an earthquake triggered by a volcanic eruption or how a large eruption would affect their companies.

Citing the July 16, 1990, Baguio earthquake in the Philippines as an example, Mr. Blong said many insurance losses were caused by things other than the initial earthquake.

Landslides occurred, blocking roads and damaging villages, and softened soil caused foundations to collapse. Although insured losses were estimated at \$200 million, Mr. Blong warned that the quake demonstrated the potential for much greater damage from a larger quake (BI, July 23, 1990).

In addition, many area businesses can incur serious business interruption losses, and publicity about damage to major hotels can affect their businesses worldwide.

"Damage is produced by a range of events, often producing consequences in different areas and affecting different aspects of insured risks," he warned.

Corporate policyholders often

have major manufacturing facilities in Asian countries, and the value of their assets is increasing, he said.

"The future is likely to be at least as hazardous as the present. Population growth, rapid urbanization and the increasing complexity of insured risks suggest insurance payouts on natural perils will continue to increase," Mr. Blong said.

Mr. Blong told insurers and reinsurers to map areas exposed to hazards produced by typhoons, earthquakes and other natural perils and determine their relative vulnerability. The industry's current accumulation zones are insufficient and more detailed analysis is required.

Asian markets

Continued from previous page
he said.

In many of these countries, one major retailer of insurance has a monopoly on the market. But competition will grow as the region responds to the trend toward free-market economies, Mr. Leow said.

He suggested governments could stimulate growth by lowering entry barriers for foreign insurers, which is happening in several of the countries. This year, French insurer Groupement Europeen d'Assurances Maritimes et Terrestres entered an agreement to help Cambodia establish a government-owned insurer, the country's first insurance company.

India is considering allowing foreign insurers to enter its currently closed market, he said.

Truong Moc Lam, general director of Vietnam's sole, state-owned insurer, The Vietnam Insurance Co., told delegates there is currently draft legislation to allow foreign insurers into Vietnam, and it could become law in 1994.

Mr. Peugeot cautioned regulators against liberalizing developing markets too soon, saying the competition could destabilize companies that are still undercapitalized.

Regional markets develop in three phases: political awareness among the individual nations of common

And records must be examined over hundreds of years, not just decades, to identify and assess natural perils, he said.

And, there is substantial evidence that earthquakes occur in places other than known earthquake belts, he said. For example, Newcastle, Australia, which was not considered earthquake prone, experienced a severe quake in 1989.

"I argue that all of Australia and all the United States should be considered seismic risks," he said.

The session was chaired by Wee Choo Neo, managing director of PWS Asia Pacific Reinsurance Brokers Pte. Ltd. in Singapore. **BI**

interests, creation of a development model, and economic unity.

Other means by which insurance companies could enter the new markets are franchising, merging with or acquiring an existing company, joint ventures, consortia and strategic alliances, Mr. Leow said. Forming a consortium is particularly suited to providing coverage for large, specialty or extra-hazardous risks.

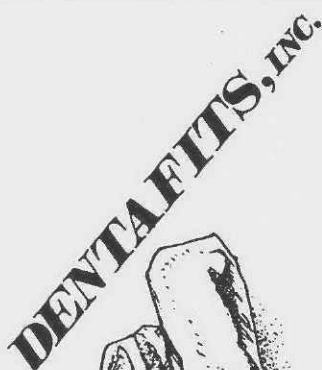
Teo Chee Hean, Singapore's minister of finance and communications, said the Asian region's insurers must show sustained profitability before new capital would be attracted.

Sustained profits require insurers to return to traditional rating disciplines. Hardening rates won't provide long-term benefits unless the industry's fundamental problems are addressed, he said.

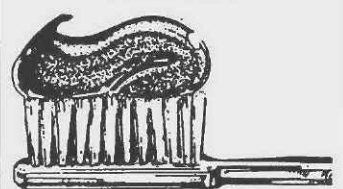
"Companies should be wary of market-share underwriting (aimed at gaining market share rather than truly rating the risk) or reliance on investment income," Mr. Teo said.

Mr. Teo suggested reinsurers use Singapore as a base for establishing reinsurance companies to serve the growing Asian markets.

Timothy Ong, managing director of National Insurance Co. Berhad, the state-owned insurer of Brunei, moderated the session. **BI**



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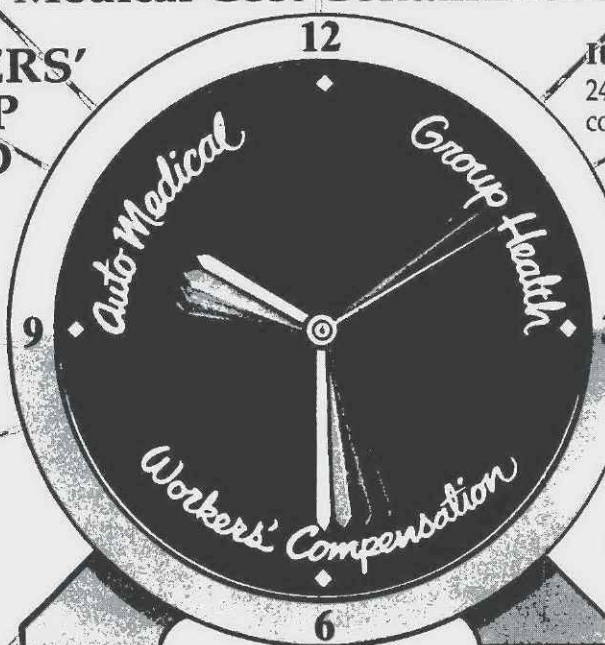


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INTERNATIONAL

Opportunities

Continued from page 71

gional base in Melbourne six years ago to provide insurance brokering and risk management services throughout the Asia-Pacific region, Mr. Nevitt added.

Except for Hong Kong and Singapore, Asian insurance markets are "largely unsophisticated," he said.

Malaysia and Indonesia have a shortage of skilled, quality insurance industry staff, he said. In Malaysia, an inability to recruit from overseas, because of work permit problems, contributes to the lack of qualified personnel.

"We're faced with a region largely devoid of expertise in insurance and allied financial services. Expertise is lacking in underwriting, broking and loss adjusting," Mr. Nevitt said.

"There is a particular dearth of knowledge and experience in risk management. This is a particular area of opportunity as the workforces of developing nations expect to complete a day's work without threat to their lives or those of innocent third parties."

Companies must learn to cater to "cultural differences and alien business practices" if they want to sell insurance and risk management services in Asia, Mr. Nevitt said.

A "hard sell" approach is inappropriate; business relationships have to be forged over the long term, Mr. Nevitt warned.

Mr. Nevitt advises that companies do their homework so they understand the cultural differences that arise in doing business in Asia, for example, the Indonesian practice of taking time to give a commitment even when there is enthusiasm for a deal.

BI

GLOBAL BRIEFS

Continued from previous page

International's stake in Christiania Re to 30% from its present 100%.

This objective suggests that the share offering may result in a significant dilution of the company's ownership, since Christiania Re is not planning to buy back the entire 70% stake.

Christiania Re's strategy is to become a major player in the reinsurance market. "We've been growing rapidly since 1985," said Mr. Briggs.

About 70% of the company's premium income is from property reinsurance.

About 22% of the company's premium income is from Latin American countries, mainly Argentina, Venezuela and Mexico, and some 8% is from Canada.

Stock market analysts believe that the capital markets still are quite skeptical about share offerings from Scandinavian or Scandinavian-owned insurance companies if these offers are not tied specifically to a new profit-making strategy.

In UNI Storebrand's case, memories of the failed Skandia takeover persist (BI, Aug. 31, 1992).

"I think it might be positive for UNI Storebrand to be able to shed Christiania Re in a way which does not involve writing down of assets on a balance sheet," suggested Mike Wheelhouse, insurance analyst at Nomura International in London.

However, Mr. Wheelhouse is skeptical because he believes that the recovery of U.S. reinsurance is only patchy, while European reinsurance is firming across the board. There are better offers on the market for potential investors in insurance companies, he said.

The recent offering of Partner Re, a Bermuda property catastrophe reinsurance company being formed by New York-based Head Insurance Partners L.P. and Swiss Reinsurance Co., "which involved the injection of new capital into the reinsurance sector, made a lot of sense because it was aimed at a part of the reinsurance market where capacity is limited but where profits are high," Mr. Wheelhouse said (BI, Aug. 30).

But in the case of Christiania Re, the new capital would be directed toward less productive uses such as surplus, share buyback and debt reduction.

"The investor is not entirely sure that he would not be paying for yesterday's mistakes," Mr. Wheelhouse said.

Safety at Hoechst

FRANKFURT, Germany—Safety officials at Hoechst A.G., Europe's largest chemical company, have been cleared of allegations of fault in a series of 11 mishaps early this year.

However, two independent studies—among other investigations—that cleared the management of fault have called for improvements in safety technology.

Last spring, a series of accidents at Hoechst—including an explosion that killed one employee and injured another—triggered debate over the safety standards of the entire German chemical industry (BI, April 5).

The two reports, generated from a six-month investigation into the accidents, called for better procedures to check the technological standards of older facilities. The studies also called for training programs and education in how best to reduce human error and improve the safety of specific facilities.

Additionally, the investigation report said training and practice for responding to emergency situations could be improved. It recommended making knowledge of pollution control and safety standards a required part of employee evaluation.

German government authorities plan to amend state safety regulations for chemical facilities. An inspection of 90 similar facilities showed 75% of them had problems that could lead to emission of harmful chemicals.

According to Joschka Fischer, environment minister for Germany's Hesse region, an investigation of 800 facilities around the Frankfurt area will commence this month.

Meanwhile, Karl Holoubek, vice director at Hoechst, said additional steps to improve safety are planned. The chemical company already implemented a 10-point plan to improve its alarm and accident containment systems, as well as improving training and safety-audit procedures.

A Feb. 22 accident in Griesheim, which killed one employee, was the result of at least three human errors and disregard for several warning indicators. "As a result, the chemical reaction went out of control and the safety system couldn't compensate," said Mr. Holoubek. The accident created a three-mile-long toxic cloud that passed over a nearby suburb.

—By Don Lewis Kirk

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**IN THE MATTER OF THE LIQUIDATION
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NO. 88 CH 02865

NOTICE OF CLAIMS DATE AND PROCEDURES

PLEASE TAKE NOTICE, that on September 23, 1993 an Order of Liquidation was entered against North American Fire & Casualty Company ("North American") and Commercial Inland & Marine Indemnity Company ("Commercial") by the Circuit Court of Cook County, Illinois. Stephen F. Selcke, Director of Insurance of the State of Illinois ("Liqudator") is the statutory and court affirmed Liquidator of North American and Commercial. North American and Commercial are unauthorized insurers and as such, their policyholders are not entitled to guaranty fund protection in the State of Illinois.

TAKE FURTHER NOTICE, that on September 23, 1993, the Circuit Court of Cook County, Illinois, entered an Order Fixing the Final Date for the Filing of Claims ("Fixing Order"). Pursuant to the terms of the Fixing Order, all rights and liabilities of North American and Commercial and their creditors, policyholders and stockholders, and all other persons interested in their assets, are fixed as of September 23, 1993, unless otherwise provided in a subsequent Order of the Court.

TAKE FURTHER NOTICE, that all persons and entities, who have, or may have, claims against North American or Commercial or their property or assets, shall have the right to present and file with the Liquidator, proper proofs of claim on or before 4:30 p.m., C.S.T., on March 9, 1994.

TAKE FURTHER NOTICE, that the form of, and required contents of, all proofs of claim are described in 215 ILCS 5/209, as amended by P.A. 88-297, effective August 11, 1993. Proofs of Claims, together with supporting documents, if any, are to be filed with, and may be secured from, the Liquidator of North American and Commercial, in Liquidation, 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654. Filing shall occur upon receipt of Proof of Claim by the Liquidator. The Liquidator reserves the right to require such additional information with respect to any claim filed with him as he may deem necessary. The Liquidator further reserves any and all defenses available to North American or Commercial upon all filed claims. All Proofs of Claim must be duly sworn to before an Officer authorized to take oaths.

THE LAST DATES FOR THE FILING OF PROOFS OF CLAIM WITH THE LIQUIDATOR IS SET FORTH ABOVE. NO PERSONS HAVING OR CLAIMING TO HAVE ANY CLAIMS AGAINST NORTH AMERICAN OR COMMERCIAL OR ITS POLICYHOLDERS, SHALL PARTICIPATE IN ANY DISTRIBUTION OF THE ASSETS OF THE COMPANY, UNLESS SUCH CLAIMS ARE PROPERLY FILED WITH THE LIQUIDATOR ON OR BEFORE MARCH 9, 1994 AT 4:30 P.M., C.S.T.

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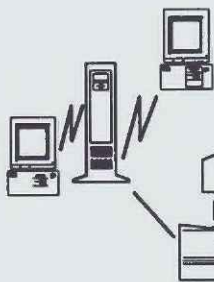
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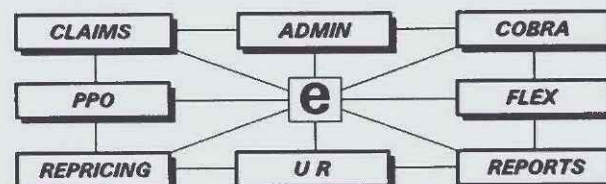
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Clinton plan

Continued from page

alliances, but with some penalties. Corporate alliances would have to offer the same benefit package as regional alliances, including a fee-for-service plan, plus a health maintenance option and a preferred provider option. Employers must pay at least 80% of employees' health insurance premiums in either type of alliance.

The Clinton plan would virtually eliminate flexible benefit programs—including FSAs—as they are structured today. Employees, for example, would not be able to make pretax contributions to pay for a portion of health insurance premiums or unreimbursed medical expenses, like deductibles and copayments (BI, Sept. 20).

Not only would the Clinton plan undermine the FSA, it would also raise Quaker Oats' health costs, said Mr. Penzkover. But one of the worst aspects of the proposal is that employers will lose control over plan design. Employees, too, will "get less out of it," he added.

Currently, health care costs represent about 7% of payroll, but that could rise to as much as 7.9% if the company joined a regional alliance, said Mr. Penzkover.

Opting out of the alliances would offer little relief. Costs for the company could include a proposed surcharge equal to 1% of payroll for opting out of a regional alliance and

various taxes imposed by states on private employers' plans, he said. Added to this would be the costs of reporting and regulatory oversight to ensure compliance with state and federal rules.

According to Mr. Penzkover, "Even if we saved our plan, utilization would go up because we would have to change the plan design."

Worried about rising health costs, Quaker Oats 12 years ago began re-vamping its health care program. And, though cost savings have gone up and down in certain years, that program has held increases to an average of 5% in the last four years.

Quaker Oats' health care program "has driven a lot of waste out of the system," said Mr. Penzkover. "We've cut hospital utilization from 769 days per 1,000 to 369 days over the last 10 years, but daily charges for hospitalization have increased almost 400%," he said.

"It's trite but true: We need health reform, and everyone must pay a price, but do you really have to throw away something that works?" Mr. Penzkover asked.

Not all benefit managers at big companies are displeased with the Clinton health plan.

Take Edwin F. Goff, director-total compensation management at Pittsburgh-based Westinghouse Electric Corp.

What he likes about the president's plan includes a promise to take over a sizable percentage of early retirees' health costs, curtail

cost shifting and develop protocols for quality medical care.

Westinghouse, which has about 109,000 employees, has about 60,000 retirees, 13,000 of whom are under age 65.

"We are very encouraged" about the Clinton health proposal, said Mr. Goff.

After legislators consider the various reform proposals, "We think the health care problem will be solved in the next couple of years and we will end up with a uniquely American health care system that will work," he said.

How would Westinghouse fare under the Clinton health care package?

"As long as we can stay self-insured, we would save money under the Clinton health plan" said Mr. Goff. Because the company has been able to manage its health costs effectively, "we would save money even if we have to pay the 1% payroll tax" to opt out of regional alliances, he said.

And he cites another place Westinghouse would benefit under the Clinton plan: The 25% of the company's health costs that it estimates are due to cost shifting. "By creating a level playing field, we will save money," he said.

The biggest positive effect a Clinton-style health program would have on Westinghouse would be in the government taking over a big chunk of health care costs for early retirees, he said.

The administration has proposed paying 80% of these costs, but recently said it is considering scaling that back to 70% (BI, Sept. 27; Oct. 11). In addition, the administration is considering a substantial one-time charge on employers that transfer health care liabilities for pre-65 retirees to the regional alliances.

The Clinton plan also could reduce an employer's obligations under Financial Accounting Standard 106, which requires employers to accrue retiree health benefit obligations as an expense against earnings. "This would have an immediate positive impact" for Westinghouse, said Mr. Goff.

If the government were to make good on this proposal, "that would be fantastic!" he said. "But I won't believe it until I see it."

The company now pays about \$3,400 per employee yearly for

health care, including the cost of retiree health care coverage. That figure is about \$2,900 for active employees only, he said.

Westinghouse now provides early retirees who are not yet eligible for Medicare the same health care benefits that active employees are offered, but the cost is about \$1,000 more per early retiree, he said.

Westinghouse provides a spectrum of health care choices for its employees, but the vast majority choose a comprehensive medical indemnity plan, said Mr. Goff. Employees' contributions toward coverage and deductibles are set by a sliding scale based on pay, he said. The company currently is expanding



'As long as we can stay self-insured, we would save money under the Clinton health plan,' says Edwin Goff of Westinghouse.

its offerings for managed care plans, he added.

Mr. Goff sees another bright spot for cost savings in the Clinton plan, one that he says doesn't get much attention: quality control measures. Under the Clinton plan, a National Health Board would be responsible for managing quality and developing performance standards for providers and health plans (BI, Oct. 4).

"The fact that there is a strong quality initiative, establishing protocols for procedures and controls for experimental treatments, will improve efficiency in the way medicine is delivered," Mr. Goff said.

"This is very exciting and has a lot of potential," he said. "In the long run, this will be the driving force for keeping costs down. We know that price controls don't work."

The Clinton plan could also have a widely varied impact on small, low-wage employers. For companies that do not now offer benefits, health reform could spell layoffs, lost business and perhaps shutting their doors.

The president's plan promises that small employers joining regional health alliances would pay lower rates for health care coverage than

they do now. Small, low-wage employers would be entitled to special subsidies and could pay as little as 3.5% of payroll on premiums, which would offset the requirement to pay 80% of health premiums for all employees, even part-timers (BI, Sept. 27).

One business owner who worries about the fate of his small company is Dick Busby, president of Busby Maintenance & Construction Co. in Dayton, Texas.

Today, getting health insurance is a "nightmare" for small companies, said Mr. Busby, whose firm has 10 full-time employees. Over one four-year period, Mr. Busby changed insurers once a year, though he has had the same insurer now for three years.

But, bad as the current system is, the worst may be yet to come. "I believe the Clinton plan will be very detrimental," says Mr. Busby, who is chairman of the insurance committee of the Texas Assn. of Business in Austin.

For one thing, the cost of providing health care coverage will prove to be a financial burden for customers and suppliers who do not now offer health care coverage, Mr. Busby argues.

"Construction and maintenance work will be cut back, and our volume of work will decline," he explained.

And, "the cost of the services we provide would be driven up to where customers would cancel construction projects," Mr. Busby predicted.

The company now spends about \$500 per month—or \$6,000 per year—for family coverage for each employee. "If small employers could afford health coverage, they would do it now, not for altruistic purposes, but to compete in the marketplace," Mr. Busby said.

"I don't think the government has any business controlling the marketplace—what people pay and what benefits they provide," he added. "Businesses can't absorb it any more than the government can."

As to the promise of subsidies for small employers, "that is a joke," said Mr. Busby.

"To me, it is just crazy. People who are professional bureaucrats believe the government is the answer to any problem," Mr. Busby said. **BI**

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Discrimination ruling favors employers

WASHINGTON—The Equal Employment Opportunity Commission is throwing its support behind efforts in the House of Representatives to lighten the burden of proof on employees who bring discrimination suits against their employers.

Two bills now pending in the House would overturn a recent Supreme Court ruling in *St. Mary's Honor Center vs. Hicks*, which made it easier for employers to obtain a summary judgment dismissing discrimination actions brought under Title VII of the Civil Rights Act of 1964.

The EEOC contends that by increasing the plaintiff's burden of proof, the June decision is hampering the agency's ability to enforce anti-discrimination laws. The EEOC is urging key members of the House Education and Labor Committee to consider two nearly identical bills that would require federal courts to base their decisions in discrimination cases on a 1973 Supreme Court ruling that is much less onerous on plaintiffs.

In its 5-4 *Hicks* ruling, the Supreme Court ruled that a plaintiff must not only show that an employer's stated reasons for firing or demoting were mere "pretext," but must also affirmatively prove that

an employer's discriminatory animus influenced its actions.

The decision modified the court's earlier ruling in *McDonnell Douglas vs. Green*. In that 1973 case, the Supreme Court had ruled that after a plaintiff proves a prima facie case of discrimination, the burden of proof shifts to the defendant employer, which then must articulate some non-discriminatory reason for its actions. Once that occurs, the burden of proof shifts back to the plaintiff, who, in order to win his or her case, must only show that the employer's stated reasons are false or unworthy of credibility.

But under the *Hicks* ruling, the plaintiff must now go beyond just disproving the employer's reasons, and must convince a fact-finder of the employer's discriminatory intent.

"Under this holding, it's virtually impossible to prove discrimination," said a legislative aide for Rep. David Mann, D-Ohio, who has introduced a measure, H.R. 2787, that would overturn *Hicks*. This bill, along with H.R. 2867, which was introduced by Rep. Alcee Hastings, D-Fla., seek to codify the *McDonnell Douglas* ruling, according to the aide, who added that the Mann bill has 18 co-sponsors in the House.

As the *Hicks* ruling currently stands, it is of great benefit to employers facing discrimination suits, employment lawyers said.

"For employers, motions for summary judgment are now easier to obtain" under *Hicks*, said Gerald L. Maatman of Baker & McKenzie in Chicago. "But even with *Hicks* at their side, it won't change the way prudent employers try a case in front of a jury. This is really only a benefit for the purposes of obtaining a summary judgment, which is still important considering that is where 90% of these cases are settled or resolved."

Christopher Brewster, an employment law specialist with Kaye, Scholer, Fierman, Hays & Handler in Washington, said that while on the surface the *Hicks* ruling is a victory for employers, "it hasn't been assessed much on a day-to-day basis."

He said he is not at all surprised by a possible congressional challenge of the ruling. "The court seems to be holding plaintiffs responsible for proving discrimination and why that discrimination occurred. That's a fairly high hurdle to clear and I can see why certain members of Congress and the EEOC are objecting."

—By Michael Schachner

J. Robert Hunter

Continued from page 1

Texas, he is anything but unknown among national groups that deal with insurance issues. Those groups have heard his sometimes sharp and always quotable swipes at the insurance industry for more than 20 years.

Understandably, insurers are frequently the focus of his criticism.

He blasted American International Group Inc., for example, for its attempt to raise rates following Hurricane Andrew, calling the move a "blatant, us-first price-fixing strategy" (*BI*, Sept. 14, 1992).

He later chided insurers for being caught off-guard at the scale of Andrew's damage, saying, "How can they act surprised when the (University of Miami) football team's nickname is the Hurricanes?" (*BI*, Aug. 23).

Mr. Hunter also has called for stripping insurers of their key exemptions from antitrust law under the McCarran-Ferguson Act.

Regulators, too, have been stung by his sharp criticism.

He has frequently faulted the National Assn. of Insurance Commissioners—a group he is about to join—calling it "the Great American Delay Machine" (*BI*, Dec. 7, 1992).

But will Mr. Hunter bring all this political baggage with him to Austin?

"I still feel the same about those issues," he said in an interview.

Still, Mr. Hunter says the welfare of the Texas insurance consumer will be his top priority when he takes the commissioner's post. "My priorities will be to provide excellent, useful consumer information on insurance. I believe in competition. Also, I plan to look into consumer services and study how consumer complaints are handled," he said.

And, Mr. Hunter views risk managers as consumers, too. "I want to work with them and learn their views."

But Mr. Hunter says he needs time to study the Texas insurance market before focusing on any major offensive. For example, regarding a lawsuit challenging the constitutionality of the 1989 workers compensation reform act—an issue that worries risk managers—Mr. Hunter said, "The Texas Supreme Court has to make that decision. I can't comment on a court case."

He says "it is understandable" that insurance companies worry he will be unable to make the transition from consumer advocate to regulator. But, he insists he'll be happy to talk to insurers. "I won't shut the door."

Mr. Hunter affirmed that he plans to take an active role in the NAIC and will focus on issues "from the Texas perspective." He expects to work on the issue of data collection, "and, because Texas is a coastal state, I'm interested in pricing for hurricane risks."

Asked if he expects to fit in with other insurance commissioners, he replied, "I don't have any problem fitting in with people, even people I've criticized."

Many observers say that Mr. Hunter's unique background makes him a natural for the job—especially because the job is offered by Gov. Richards, who is known for her pro-consumer stance on insurance issues.

Mr. Hunter, who has a bachelor's degree in physics from Clarkson University in Potsdam, N.Y., began his career as an insurance underwriter. He later joined an

industry rating bureau—now the Insurance Services Office Inc.—serving as an actuary for most of the 1960s.

In 1970, he joined the Federal Insurance Administration, which oversees federal flood insurance, riot reinsurance and crime insurance. It was there, says Mr. Hunter, that he began to look at things from the consumer's point of view. At the time, the agency had about 450 salaried employees and 450 contract employees and a budget of about \$500 million. When the FIA's head, George Bernstein, left in 1974, Mr. Hunter served as acting head of the FIA until 1976, when he sent a letter to consumer advocate Ralph Nader, proposing an organization to supply consumers with information on how to buy insurance.

In 1980, Mr. Hunter created the National Insurance Consumer Organization with financial backing from Mr. Nader (*BI*, Feb. 17, 1986).

Mr. Hunter, 56, is a complex man. Though he was sought for the job by Gov. Richards—a Democrat—he is a Republican and a Washington Redskins fan. Perhaps most tellingly, those who might be labeled his opponents have lavish praise for his abilities.

"It certainly won't be business as usual in Texas," observes Les Cheek, director-domestic external affairs at Xerox Corp., which is the owner of Talegen Holdings

Inc., formerly Crum & Forster Inc. "He is very open, willing to engage in discussion," said Mr. Cheek. "I like him and always have, which a lot of people in the insurance business find pretty strange."

"He brings a passion to the issues," said Tom O'Day, associate vp at the Alliance of American Insurers in Washington, who has known Mr. Hunter for more than 20 years. "He tends to call attention to the things that deserve at-

'I don't have any problem fitting in with people, even people I've criticized,' says J. Robert Hunter.

tention."

And, Mr. Nader is jubilant about the appointment.

The Texas commissioner post will provide just as prominent a platform for Mr. Hunter's views as he had in Washington, said Mr. Nader. "If any insurance companies are glad they have gotten Bob Hunter out of Washington, they had better have another look, especially in the area of health insurance," Mr. Nader warned.

And, with Mr. Hunter joining the NAIC, the regulators' group

Age-weighted pension plans

Continued from page 1

"abusive" age-weighted plans was not available last week.

Benefit experts say age-weighted defined contribution plans are legitimate programs that, like traditional defined benefit plans, skew benefits in favor of older workers.

"In a way, they mimic defined benefit plans. If it is OK to allocate more to an older person in a defined benefit plan," why shouldn't the same be allowed for defined contribution plans? asked Michael Sternklar, a principal at Kwasha Lipton in Fort Lee, N.J.

"The Internal Revenue Service would allow you to do much the same thing in a defined benefit plan. But it is not OK in a defined contribution plan. There seems to be an inconsistency," said Marge Martin, director of technical information at Sedgwick Noble Lowndes in Roseland, N.J.

The principle behind age-weighted plans is that a much smaller contribution made on behalf of a younger worker can ultimately equal a much larger contribution for an older worker. After years of compounded interest, the younger workers' contribution would buy the same retirement benefit, as a percentage of current employee compensation, as the bigger contribution for the older worker.

Relatively few age-weighted profit-sharing plans now exist. A Profit Sharing Council of America survey conducted earlier this year found that only 1.7% of 811 profit-sharing plans surveyed linked contributions to age.

But employer interest in the plans has been increasing, especially from smaller firms eager to dump defined benefit plans because of high administrative costs.

"There has been a surge of interest but not much actual implementation yet," said Kwasha Lipton's Mr. Sternklar.

But benefit consultants say interest could explode now that final IRS pension non-discrimination rules have been published that have given the green light to

age-weighted plans and similar arrangements.

Those regulations, seven years in the making, include a provision that allows so-called "cross-testing" of defined benefit and defined contribution plans.

Under cross-testing, an employer can, for example, test a defined contribution plan as if it were a defined benefit plan to ensure that highly compensated employees do not receive disproportionately greater benefits.

The cross-testing would be done by converting the employer contribution made on behalf of a worker into a benefit. Essentially, the current contribution would be converted into an annuity that the amount of the contribution could purchase, taking compounded interest into account, when the worker reaches age 65.

An example illustrates how

'In a way they mimic defined benefit plans. If it is OK to allocate more to an older person in a defined benefit plan,' why shouldn't the same be allowed for defined contribution plans? asks Michael Sternklar, of Kwasha Lipton.

cross-testing would work in an age-weighted plan. An employer contributes 10% of pay, or \$10,000, on behalf of a 55-year-old worker earning \$100,000. The employer contributes 1%, or \$100, to a 25-year-old earning \$10,000.

By assuming the contributions earn 8% interest—an assumption allowed under IRS regulations—the \$10,000 contribution made on behalf of the 55-year-old would be worth about \$21,000 when the worker turns age 65.

At that point, \$21,000 will purchase an annual annuity of about \$2,100, or 2.1% of the 55-year-old's current compensation, estimates Paul Strella, a principal with William M. Mercer Inc. in Washington.

The 25-year-old's \$100 contribution would, with interest, be

"will be pushed into a more pro-consumer position," Mr. Nader predicted.

The president of the NAIC, Steven T. Foster of Virginia, said, "I welcome Bob as a colleague and on behalf of my fellow commissioners, welcome him to the ranks of state regulators."

For insurance buyers, though, the main hope for the new commissioner stems from the pocket-book.

"We hope he will maximize the statutory authority that the office has to regulate insurance products" and "ensure rates are reasonable and non-discriminatory," said Pam Beachley, president and general counsel at the Business Insurance Consumers Assn. of Texas.

One risk manager, though, views Mr. Hunter with caution.

"I think he will make things difficult for insurers, and it's bound to make things difficult for us," said Jonathan S. Soules, manager-risk management at Enserch Corp., a Dallas-based parent of a natural gas utility. "We try to get into a partnership with our insurers. If they have negative regulatory constraints, it will reflect negatively back on us."

Not surprisingly, insurers stop short of saying all will be sunny skies under Mr. Hunter's tenure.

"He has a very difficult job ahead, trying to balance interests of consumers and insurance com-

panies. I suspect the job could be even more challenging because of his years of advocacy in which he generally could find nothing but fault with insurers' business practices," said Rick Gentry, regional vp of the Insurance Information Institute in Austin.

"We are cautiously optimistic about Mr. Hunter's regime, based on comments he made" when he accepted the position that he plans to facilitate a more open and competitive market in Texas, said Bob Zeman, assistant general counsel-legislative affairs for the National Assn. of Independent Insurers in Des Plaines, Ill.

As to whether Mr. Hunter will be open to insurers' concerns, "I don't see how he can operate without taking consideration of all views. If not, he will hurt consumers and himself in the process," said Mr. Zeman.

But Mr. Cheek, for one, is confident Mr. Hunter will deal fairly with insurers. "He has a keen political sense. He doesn't want to disrupt the market."

Meanwhile, as Mr. Hunter prepares to leave the Beltway for the Lone Star State, he acknowledged that the move will mean a change of scenery.

But will he swap his trademark bow tie for a cowboy-style string tie? "The sun is hot down there—maybe a 10-gallon hat is a good idea," he mused. "But the bow tie stays." **BI**

employees and plans in which contributions are tied to both age and years of service.

Benefit lobbyists say the administration's shift on cross-testing is yet another example of how the government is creating more confusion in pension regulations.

The IRS implicitly endorsed age-weighted plans by allowing cross-testing as part of its final pension non-discrimination rules, said James Klein, executive director of the Assn. of Private Pension & Welfare Plans, a Washington-based benefits lobbying group.

Then, as soon as those non-discrimination rules are published, the administration has a change of heart.

"Here we are at the end of a seven-year regulatory process, and within a week or so of the rules being published, which ratified the legitimacy of these plans, the government calls (them) into question. Government can't send a consistent message," Mr. Klein said.

"To suddenly reverse course and ban age-weighted and comparability plans is unfair to those who have incorporated this feature into their plans in good-faith reliance upon IRS rules," said Paula Calimafde, president of the Small Business Council of America in Bethesda, Md.

If age-weighted profit-sharing plans are curbed or eliminated through new restrictions on cross-testing, employers could design defined benefit plans that would produce a similar range of benefits, benefit experts say.

But many employers, especially smaller firms, want nothing to do with defined benefit plans because of more complex government rules and high administrative costs, such as actuarial fees.

Rather than curbing cross-testing and damaging a wide range of defined contribution plans, some benefit experts say perceived abuses might be reduced by new limits on interest-rate assumptions employers could use in calculating how contributions would increase over time. **BI**

Cancerphobia

Continued from page 1

value and the damage to their property during the power line construction.

The most significant charge was that their land values significantly diminished after the power lines were erected because the public—and therefore potential buyers—feared that the power lines generated cancer-causing electromagnetic energy. The landowners sought consequential damages, regardless of the reasonableness of the public's fear.

Some studies have linked EME and cancer, but scientific evidence on the subject is not conclusive. The National Institute of Environmental Sciences at Research Triangle Park in North Carolina is conducting studies to determine whether EME causes cancer.

The Criscuolas' and 46 other claimants' cases were combined at the trial court level to determine whether they had to prove that the public's fear, or "cancerphobia," was justified before their individual suits could proceed.

The 47 claimants sought a total of about \$10 million of consequential damages, estimated independent plaintiffs attorney Michael Rikon of New York, who represented the Criscuolas. The Criscuolas said their property was worth \$100,000 before the power lines were erected but \$46,400 less afterward.

The trial court, in a decision later upheld by the state appellate court, ruled that the claimants must prove the public's cancerphobia was reasonable but had not done so. The trial court allowed the claimants to seek reimbursement only for actual damages to their property.

The trial court later awarded the Criscuolas about \$6,000 in compensatory damages for the loss of their game and orchard.

The Criscuolas appealed to the state's high court, which overturned the lower courts' rulings in a 6-0 decision on Oct. 12. One judge did not participate in the case.

"The issue in a just compensation proceeding is whether or not the market value has been adversely affected," the court explained in a decision written by Judge Joseph

Bellacosa.

"This consequence may be present even if the public's fear is unreasonable. Whether the danger is a scientifically genuine or verifiable fact should be irrelevant to the central issue of its market-value impact," Judge Bellacosa wrote.

The ruling brings New York in line with case law in 11 other states and with a 1959 decision by the 6th U.S. Circuit of Appeals. The 11 states are Arkansas, California, Indiana, Iowa, Louisiana, North Carolina, Ohio, Oklahoma, South Dakota, Virginia and Washington. The 6th Circuit covers Kentucky, Michigan, Ohio and Tennessee.

Four states—Alabama, Florida, Illinois and West Virginia—require plaintiffs to prove the public's fear is reasonable.

Case law on that topic is unclear in the other states.

The Criscuolas now must show a lower court that the public genuinely fears that EME causes cancer and that the public's fear caused their property's value to drop.

Of the 47 cases originally combined at trial, damages have not been determined in about 25 cases, according to a spokeswoman for the New York Power Authority. The consequential damages in those cases total nearly \$6.3 million, according to an independent appraiser the utility hired.

In addition, other plaintiffs are appealing trial court rulings in their cases. Their consequential damages total about \$2.4 million, according to the appraiser.

The plaintiffs, though, are actually seeking greater consequential damages, the utility's spokeswoman said.

Any future court awards would be covered by funds the utility originally set aside to purchase easements from the property owners for the power lines, she said.

General liability policies for utilities typically do not cover the cost of compensating landowners for diminution of property values following inverse condemnation.

However, "Our feeling on the decision is that the burden of proof is still on the property owner," the spokeswoman said.

But, establishing that the public's "cancerphobia" exists and proving it led to reduced property

values is "going to be a snap," said Mr. Rikon, the Criscuolas' attorney. Appraisers can testify that they have observed the public's fear and that the land fetches a lower price now than it did before the power lines were erected, he said.

The decision will likely influence courts in other states, said a spokesman for the Edison Electric Institute, a Washington-based association for 180 investor-owned power utilities nationwide. The publicly owned New York utility is not an EEI member.

However, he also believes that proving "cancerphobia" causes a drop in property market values "is not an easy thing to do."

In defending such cases, though, utilities may have to conduct much more extensive research on the effect that high-voltage power lines have on property values, he said.

Most attorneys also believe that New York courts will not rely on the Court of Appeals' decision in "cancerphobia" cases that do not involve eminent domain issues.

"I don't think it represents any type of precedent in the personal injury area," said insurer attorney Barry Ostrager, a senior partner with Simpson Thatcher & Bartlett in New York.

In addition, courts will not likely apply the court's reasoning in litigation filed by landowners with property near hazardous-waste sites who are seeking reimbursement for their diminished property values, most attorneys say.

"Once you start talking about hazardous waste and you put one private party against another private party, it's an entirely different test" for determining property damages, said Anderson Kill's Mr. Stewart.

However, one insurer attorney disagrees.

"Personally, I think it's a dangerous precedent," said Bud London, a partner with London Fischer in New York.

"The only general conclusion that can be drawn (from the decision) is that the value of property damage cases has been increased, and insurers have to view that negatively," he said.

Joseph Criscuola et al. vs. Power Authority of the State of New York, New York Court of Appeals; No. 172.

sents 3,000 names on four syndicates who are suing 71 members agents for 550 million pounds (\$837.3 million).

But Mr. Deeney also told *Business Insurance* that now that the "last legal hurdle" has been removed, there is little incentive to settle out of court. He said that the chances of a settlement are increasingly remote, and the likelihood that his names would accept a lower amount than they could expect to obtain in litigation is equally slim.

"It is the last major hurdle before our case is heard in April, when we will demonstrate to the court the extent of the negligence which has already been publicly revealed by a Loss Review Committee appointed by Lloyd's itself," he said in an earlier statement. The Gooda action groups' April 26, 1994, court date was the first to be set for a major member action group (*BI*, July 26).

Colin Hook, chairman of the Felt-rim Names Assn., was equally pleased with the outcome. His group has a case set for next October involving 59 members agencies, one managing agent and up to 600 million pounds (\$913.4 million) in claims. Mr. Hook, however, refused to rule out the possibility of an out-of-court settlement.

Update

Group fights for self-insurers

WASHINGTON—A coalition backed by business and insurers will launch a campaign in several states later this year to preserve self-insured health benefits.

Members of The Coalition to Preserve Self-Insurance will conduct educational campaigns in California, New York and several smaller states to generate support for preserving employers' right to offer self-insured health benefits, said George Pantos, counsel for the Self-Insurance Institute of America.

According to James A. Kinder, president of the SIIA and chief executive of the coalition, the Clinton administration's health reform plan would destroy "employer choice" by forcing most employers into mandatory health purchasing alliances. The group says that only about 1,800 of the nation's 5 million employers have 5,000 or more employees, the minimum suggested by the administration to allow an employer to continue to self-insure.

In addition to the SIIA, the Washington-based coalition is supported by, among others, the Health Insurance Assn. of America, the International Mass Retail Assn. and the Small Business Council of America.

Houston tanker explosion

HOUSTON—The extent of damage caused by two explosions on board the OMI Charger, a fuel tanker anchored near the Houston Ship Channel, is not yet known, a spokesman for owner OMI Corp. in New York said.

Three crew members were killed and 26 were injured in the Oct. 9 explosions, which are believed to have been caused by welding aboard the ship. The 660-foot tanker was empty at the time of the blasts, except for its own 365,000 gallons of fuel.

The OMI Charger is insured for \$7 million, with 80% of the hull coverage placed in London and the remainder placed in the United States and France. The coverage was led in Lloyd's of London by syndicate 52 managed by Hiscox Syndicates Ltd. and syndicate 488/532 managed by Charman Underwriting Agencies Ltd. In the Institute of London Underwriters, the coverage was led by Royal Insurance (U.K.) Ltd. and Sun Alliance & London Insurance Ltd.

The owner has liability coverage with Steamship Mutual Underwriting Assn. Ltd., a protection and indemnity club in London that offers standard unlimited P&I coverage.

The tanker was under a long-term contract to Amoco Corp.

Reserve hit hurts Travelers

HARTFORD, Conn.—Travelers Corp. will post a net loss in the third quarter after adding \$325 million to its property/casualty reserves for asbestos, environmental liabilities and litigation.

Travelers—which is merging with Primerica Corp. (*BI*, Sept. 27)—said the reserve addition would result in a \$211 million aftertax charge. Third-quarter results are to be released today.

The addition will bring the level of reserves for asbestos and environmental litigation net of reinsurance to \$670 million as of Sept. 30. Travelers has been averaging about \$100 million a year in asbestos and pollution losses.

One reason for adding to reserves is that claims are increasing from workers who allege asbestos exposure while working on site at various companies, Travelers said. The insurer also has had an increase in environmental claims, primarily from smaller companies with lower coverage limits, and has been named a defendant in coverage cases brought by other insurers.

Briefly noted

The maximum amount of an employee's wages subject to the 6.2% **Social Security retirement payroll tax** will rise next year to \$60,600 from \$57,600. In addition, all wages will be subject to the 1.45% Medicare payroll tax; currently, the Medicare tax only is assessed on the first \$135,000 of wages. The Social Security Administration also announced that beneficiaries next year will receive a 2.6% cost-of-living increase, boosting the average monthly benefit to \$674. . . . France's largest insurer, state-owned **L'Union des Assurances de Paris**, last week acquired a majority stake in Germany's Colonia Versicherung A.G., following a complicated series of stock swaps and cash payments involving various subsidiaries of UAP and Cie. de Suez, which owned the German insurer (*BI*, Oct. 11). . . . **Renaissance Holdings Ltd.**, parent company of property catastrophe reinsurer Renaissance Reinsurance Ltd., has filed a registration statement with the Securities and Exchange Commission for an initial public offering seeking to raise gross proceeds of up to \$218.5 million. . . . A group of conservative GOP senators led by Phil Gramm, R-Texas, unveiled their **health care reform package** last week. The package, which has not been formally introduced, would encourage employers and employees to set up "medical savings accounts" to provide catastrophic health coverage and allow the formation of voluntary health insurance purchasing alliances for small businesses. . . . Alexander Howden Ltd. has set up an excess liability **reinsurance facility for captives** that offers limits of \$25 million. Participating insurers include Swiss Reinsurance Co., Zurich Insurance Co., American Re Corp., and General Re Corp. . . . Reinsurers that will participate in a catastrophe reinsurance program for members of the **National Assn. of Mutual Insurance Cos.** are Kemper Reinsurance Co., Liberty National Insurance Corp. and Chartwell Reinsurance Co. The program is being led by CNA Insurance Cos. (*BI*, Sept. 27). . . . In a complaint filed with the Maine Human Rights Commission, a former **Blue Cross & Blue Shield of Massachusetts** employee claims she was fired for blowing the whistle about illegal activities at the insurer. . . . **ITT Hartford Life Insurance Cos.** last week agreed to buy **American Skandia Life Reinsurance Corp.**, a unit of Skandia Group, for \$21 million in cash.

Lloyd's member ruling

Continued from page 2

ity to the bitter disputes (*BI*, Aug. 30). But there was disagreement in the market over its impact.

Lloyd's believes that the judgment will help speed the out-of-court settlement it is helping to negotiate between member action groups and agents' errors and omissions underwriters.

The coverage available from E&O underwriters, though, is believed to be hundreds of millions of pounds short of the amount sought by the names. Lloyd's set up the negotiations to save all parties legal costs and free itself from the adverse publicity brought by constant legal battles. Avoiding negative publicity is especially important during the market's attempt to attract new incorporated capital for next year.

"The E&O underwriters now know where they stand," said a Lloyd's spokesman. "The fact that they know they are liable gives them two advantages. First, the certainty makes the negotiations much simpler and, second, they now have the legal authority to go to their reinsurers."

Michael Deeney, chairman of the Gooda Walker Action Group, was delighted with the judgment. The Good Walker Action Group repre-

"It is the last major legal hurdle, but (the decision) does not alter the size of the E&O pot. It merely confirms that we can get at it," he said.

What is clear, however, is Justice Saville's determination that agents held to be negligent in the handling of names underwriting prior to 1990 will have to pay up.

"If it were established that what managing agents of the particular syndicate did fell below the required standard. . . it follows. . . that the members' agents have broken their promise to the name to conduct the underwriting to the requisite standard and are liable," wrote Justice Saville.

He was equally clear on the liability of the managing agents.

"The very fact that the agents are given the widest possible authority to act on behalf of the names, together with the fact that the names' potential liability for the actions of the agents is unlimited, and the further fact that the agents receive remuneration for exercising their professional skills on behalf of the names, seem to me to point irresistibly to the conclusion that. . . the law does impose a duty of reasonable care and skill upon the underwriting agents of the kind alleged by the names," wrote Justice Saville. **[B]**

Ticker

Easy capital removes incentive to harden commercial pricing

By LEONARD M. WILSON

Special to Business Insurance

INSURANCE BROKERAGE STOCKS absorbed something of a drubbing over the past few weeks despite generally buoyant activity for financial services issues.

The action of the brokerage stocks was a perverse reminder that most observers of the industry had high hopes for a turn in the commercial pricing cycle at the beginning of 1993. Instead, with the exception of the widely acknowledged increase in rates for commercial property coverage, centered in the catastrophe segment, pricing has remained competitive.

What will it take to turn prices? In the past few years, underwriters have encountered setbacks on several fronts.

Real estate losses sapped the capital of some underwriters. Lloyd's of London's disarray has contracted reinsurance capacity materially. Hurricane Andrew revealed the potential for losses in this era of gigantic insurance values and massive concentration of risk.

Now, underwriters are experiencing flagging investment income. Interest rates are unlikely to rise appreciably unless inflation again becomes a problem. So, underwriters face continuing slippage in investment income as maturing higher-yielding bonds are rolled over into lower-yielding instruments.

Perhaps the changed outlook for investment income will be the long-awaited catalyst for a firming in rates on commercial lines. Underwriting losses and reduced investment income are not compatible over the long term with adequate returns on capital. Nonetheless, we are not ready to forecast a shift to better pricing.

We are troubled by the ease with which insurance capital enters the marketplace. This ease of entry does not provide much comfort that capital constraints or putative underreserving in commercial insurance will lift prices. Property catastrophe reinsurance is a case in point.

No one can deny the painfully tight supply

of capacity in the property catastrophe reinsurance market. Results of reinsurance brokers in 1992 were hurt by an inability to place coverage for clients. Coverage is not available at any cost to some primary insurers. We are directly acquainted with one major insurer that has chosen to go bare rather than pay what its management believes to be uneconomic rates.

Tight capacity has correctly driven up prices to the point where the expectation of substantial profit is now drawing a group of willing suppliers of capital to the property catastrophe reinsurance market. Investment bankers are joining forces with insurance professionals to create pools of capital that will meet the needs of the marketplace.

Perhaps the outlook for investment income will be the long-awaited catalyst for a firming in rates on commercial lines.

Innovative Mid Ocean Ltd. was the first vehicle that raised capital in the public arena to write property catastrophe reinsurance. But a good idea seldom goes unnoticed for long in our dynamic domestic capital markets (BI, June 21; May 31).

We count nine entities now in the wings, soon to raise capital in the public equity markets. Close to \$4 billion will be floated if all the prospective underwriters are funded.

In addition, Lloyd's is likely to repair its capacity through the attraction of sizable amounts of limited-liability capital in the not-too-distant future.

Optimistic observers affirm that \$5 billion or \$6 billion of capital has been depleted by losses at Lloyd's and sundry withdrawals by players no longer able to stay the course. The shortage of capital won't be made up quickly, so the bullish argument goes, while immense needs for coverage are going unsat-

isfied.

We are inclined to agree that there is room for more capital in this narrow segment of the market. But we suspect that the \$4 billion figure is a floor, not a ceiling, and that additional capital will flow into the marketplace. It seems to be the embedded nature of insurance markets that price-driven capital flows to targets of opportunity almost unabatedly until prices fall and returns are driven down.

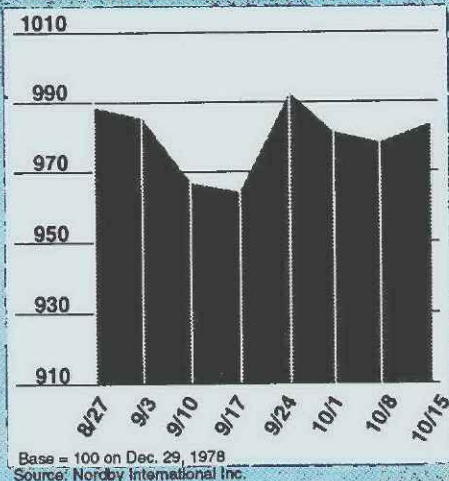
We cite property catastrophe reinsurance as a case study. We grant that one should probably not hastily extrapolate from this narrow market with its special characteristics to commercial insurance in general. Nevertheless, six years of soft rates are the issue. Capital flows easily into commercial insurance markets when profits seem fat, but capital is seldom displaced when returns decline.

The publicly owned insurance brokers with reinsurance brokerage subsidiaries should benefit directly from additional capacity in catastrophe markets. More placements at higher prices will be helpful. But the restoration of growth in earnings over a sustained period of time depends upon a better rate environment in mainstream liability lines.

Most industry followers, including this writer, were optimistic about pricing at the beginning of 1993. Now, caution prevails.

Insurance markets may yet turn for reasons that are not discernible, or as a result of less buoyant investment income. Our choice for the brokers is a moderately firm pricing environment. We would be more comfortable with that prospect if the barriers to entry in commercial lines were just a smidgen less porous.

BI Insurance Index



Insurance stocks rose last week, as the **Business Insurance Index** gained 6.6 points to 984.6 Oct. 15 from 978.0 on Oct. 8. Advancing issues for the week were led by: Lawrence Insurance Group, up 21.9%; Seibels Bruce Group, up 20.0%; and Arthur J. Gallagher & Co., up 11.0%. Declining issues for the week were: U.S. Healthcare, down 9.3%; Wellpoint Health Networks, down 6.1%; and W.R. Berkley Corp., down 5.9%. The most active issue was U.S. Healthcare, 12.0 million shares traded. The BI Index rose 0.7%; the Dow Jones 30 Industrials rose 1.3%; the NYSE Composite rose 1.8%; and the Standard & Poor's 500 rose 2.0%.

British Issues

Oct. 14 Companies	Price pence	P/E	Div. pence	Yield %	1 week High-Low pence	
					High	Low
Comm Union	629	N/M	32.5	5.2	643-629	
Genl Accident	721	N/M	35.7	5.0	739-721	
Gdn Royal Exch	221	N/M	9.3	4.2	230-221	
Royal	309	N/M	6.7	2.2	319-308	
Sun Alliance	383	N/M	19.0	5.0	397-383	
Brokers						
Bradstock	125	14.7	6.8	5.4	125-125	
CE Heath	383	18.6	20.5	5.3	383-383	
Hogg Group	161	17.9	10.2	6.3	162-161	
JIB Group	175	17.2	10.0	5.7	175-173	
Lloyd Thompson	277	18.7	8.4	3.0	277-276	
Lowndes Lmbrt	405	14.8	18.0	4.4	407-405	
PWS Holdings	60	9.0	5.3	8.8	60-59	
Sedgwick Grp	179	21.5	8.0	4.5	179-167	
Steel Bri Jones	148	N/M	11.3	7.6	154-148	
Willis Corroon	211	19.7	8.8	4.2	211-203	

Source: Philip Olsen, London

* Estimated



Leonard M. Wilson is a senior vp with Lazard Asset Management Inc. He is a member of the New York Society of Security Analysts.

BI Industry Stock Report

OCT. 11, 1993 THROUGH OCT. 15, 1993

BROKERS												INSURERS/REINSURERS													
		Price	Weekly % change	Year to date % change	Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value	Price	Weekly % change	Year to date % change	Annual		Vol.(000)	\$ Div.	% Yield	P/E	Book value	Mkt/Bk. value		
					High	Low											High	Low							
Accordia Inc.	NYS	25.00	-3.85	16.28	27.63	15.13	233	0.44	1.76	15	9.57	2.61	Mutual Risk Mgmt. Ltd.	NYS	43.88	-0.28	8.33	46.00	31.75	38	0.40	0.91	23	11.39	3.85
Alexander & Alexander	NYS	20.25	1.25	-23.58	28.88	19.13	823	1.00	4.94	22	5.02	4.03	NAC Re Corp.	OTC	34.50	1.85	-14.81	44.75	33.25	215	0.16	0.46	44	17.23	2.00
E.W. Blanch Holdings Inc.	NYS	23.13	2.21	N.A.	23.38	16.50	114	0.00	0.00	29	3.60	6.42	National Re Corp.	NYS	32.88	-0.38	10.97	39.63	25.50	307	0.12	0.37	10	14.18	2.32
Gallagher Arthur J. & Co.	NYS	35.38	10.98	25.22	37.38	24.25	208	0.72	2.04	19	6.26	5.65	Navigators Group	OTC	36.00	0.00	10.77	38.00	28.50	1	0.00	0.00	26	16.99	2.12
Hibb, Rogal & Hamilton	NYS	11.75	-2.08	-24.80	16.88	11.50	118	0.44	3.74	17	2.73	4.30	Nobel Insurance LTD.	OTC	6.94	2.79	18.09	8.25	4.50	71	0.00	0.00	3	6.84	1.01
Marsh & McLennan	NYS	83.63	-1.47	-8.48	97.63	83.00	873	2.68	3.20	19	15.03	5.56	NWNL Companies	NYS	37.00	-1.00	45.45	38.75	18.13	399	0.80	2.16	15	21.65	1.71
Poe & Brown	OTC	19.75	3.95	17.91	21.25	12.75	17	0.40	2.03	35	2.60	7.60	Ohio Casualty Corp.	OTC	68.25	-0.36	8.12	72.00	59.25	194	2.84	4.16	12	45.85	1.49
BROKERS	AVERAGE	1.6	0.4				2.5	22					Old Republic Int'l	NYS	25.38	0.50	2.01	27.63	21.50	701	0.44	1.73	8	21.06	1.20
													Orion Capital Corp.	NYS	45.00	0.84	27.21	46.88	29.81	102	0.88	1.96	9	24.32	1.85
													Phoenix RE Corp.	OTC	36.75	4.63	133.33	38.25	12.00	248	0.20	0.54	-	11.88	3.09
													Provident Life	NYS	28.00	0.90	-1.75	31.50	24.75	96	1.04	3.71	11	30.72	0.91
													Re Capital Corp.	OTC	15.50	3.33	-6.06	16.63	13.25	20	0.28	1.81	23	14.76	1.05
													Reliance Group-Holdings	NYS	9.88	8.22	61.22	9.88	4.88	1615	0.32	3.24	3	2.99	3.30
													RLI Corp.	NYS	25.13	0.50	1.52	28.63	20.63	34	0.56	2.23	11	18.62	1.35
													St. Paul Companies	NYS	92.63	1.93	20.29	94.00	67.88	665	2.80	3.02	-13	52.24	1.77
													SAFECO Corp.	OTC	63.38	-2.69	11.67	66.75	52.25	1102	1.80	2.84	13	38.95	1.63
													SCOR U.S. Corp.	NYS	16.00	-3.76	-8.57	20.75	14.88	70	0.32	2.00	-	14.69	1.09
													Seibels Bruce Group	OTC	0.75	20.00	-60.00	2.75	0.31	177	0.00	0.00	0	1.90	0.39
													Selective Ins. Group	OTC	30.25	1.68	37.50	30.75	19.75	34	1.12	3.70	23	22.92	1.32
													Stagman Group Inc.	OTC	13.63	0.93	13.54	16.50	7.13	135	0.20	1.47	6	8.65	1.58
													Tier Holdings	NYS	25.38	-1.46	N.A.	28.00	22.88	430	0.20	0.79	-8	17.14	1.48
													Tokio Marine & Fire	OTC	60.00	-1.84	25.00	67.00	43.25	4	0.00	0.00	-	57.72	1.04
													Torchmark Corp.	NYS	54.50	1.16	-3.96	64.75	49.88	767	1.12	2.06	15	15.15	3.60
													Transatlantic Holdings	NYS	56.13	2.51	0.00	61.50	45.13	59	0.28	0.50	18	24.57	2.28
													Travelers Corp.	NYS	37.50	1.69	37.61	38.88	22.00	6725	1.60	4.27	-5	31.77	1.18
													Twenlock Group Inc.	OTC	44.00	0.00	7.98	49.75	36.50	35	0.88	2.00	16	26.00	1.69
													United Fire & Casualty	OTC	36.00	0.00	-13.25	43.00	34.75	3	1.00	2.78	-	28.96	1.24
													Unitrin	OTC	44.75	-1.10	4.68	46.75	36.25	393	1.40	3.13	14	37.69	1.19
													UNUM Corp.	NYS	53.75	2.14	1.42	60.13	44.00	711	0.80	1.49	14	21.25	2.53
													US Facilities Corp.	OTC	12.38	5.32	23.75	13.25	6.50	337	0.00	0.00	14	10.48	1.18
													USFG& Corp.	NYS	14.50	3.57	17.17	19.63	10.13	3039	0.20	1.38	-	9.63	1.51
													USLICO Corp.	NYS	17.50	0.00	-2.78	20.00	15.00	22	0.24	1.37	-5	23.61	0.74
													USLIFE Corp.	NYS	44.63	2.88	23.10	44.63	29.50	98	1.20	2.69	13	39.48	1.13
													Washington Nat onal	NYS	23.88	0.00	3.80	28.00	20.25	100	1.08	4.52	11	28.84	0.83
													Zenith National Ins.	NYS	28.25	1.35	43.04	29.25	16.38	91	1.00	3.54	18	15.82	1.79
													Zurich Reinsurance Centr.	NYS	32.00	-1.54	N.A.	36.38	30.00	83	0.00	0.00	-	23.99	1.33
													INSURERS/REINSURERS	AVERAGE	1.2	13.0				1.8	10.0				
HEALTH MAINTENANCE ORGANIZATIONS																									
													PHP International	OTC	21.25	1.19	6.25	30.00	16.75	931	0.00	0.00	16	9.50	2.24
													Pacificare Health Sys.	OTC	31.50	-1.56	-38.24	57.50	25.50	319	0.00	0.00	15	3.90	8.08
													Saleguard Health Enter.	OTC	10.50	3.70	7.69	12.25	7.50	5	0.00	0.00	13	5.04	2.08
													Sierra Health Services	ASE	17.50	-2.78	-19.08	22.00	11.50	127	0.00	0.00	14	7.73	10.12
													TakeCare Inc.	OTC	41.50	-0.60	-6.74	50.25	25.75	422	0.00	0.00	15	13.84	3.00
													United Healthcare Corp.	NYS	68.00	0.18	19.56	70.63	40.00	1827	0.03	0.04	34	9.46	7.19
													U.S. Healthcare	OTC	42.75	-9.28	-4.20	59.75	36.75	11956	0.64	1.50	20	5.21	8.21
													Wellpoint Health Networks	NYS	26.75	-6.14	N.A.	39.75	23.00	649	0.00	0.00	16		
													HMOs	AVERAGE	-1.9	-5.1				0.2	16				
													ALL COMPANIES	AVERAGE	0.3	2.8				2.0	13				

Harassment

Continued from page 2

right to a jury trial under Title VII of the 1964 Civil Rights Act.

The law "definitely gives plaintiffs an increased incentive to sue," said Glenn Lammi, chief counsel of the legal studies division of the pro-business Washington Legal Foundation. Plaintiffs' ability to get punitive damages, coupled "with an uncertain legal test for sexual harassment definitely creates a burden for business," he said.

"If the Supreme Court's decision doesn't make clear the definition of harassment, it'll be very difficult for companies" to establish policies that prohibit specific conduct that constitutes sexual harassment, said Doug McDowell, general counsel for the Equal Employment Advisory Council in Washington, which filed an amicus brief on behalf of defendant Forklift Systems Inc.

The case before the high court asks whether victims of sexual harassment must prove they suffered serious psychological injury to establish liability under Title VII of the 1964 Civil Rights Act.

In 1985, Teresa Harris was hired as a sales manager at Forklift Systems, a Nashville, Tenn.-based company that sells and leases forklifts. She resigned in 1987 and sued the firm, accusing its president, her supervisor, of sexual harassment.

Among other things, Ms. Harris said President Charles Hardy asked her to retrieve coins from his front pants pocket. She also accused Mr. Hardy of repeatedly humiliating her in front of other employees, saying, "Let's go the Holiday Inn to negotiate your raise." And, after signing up a new long-term client, Ms. Harris claimed Mr. Hardy responded: "What did you do, promise him (sex) on Saturday night?"

She also said he showed a lack of respect for her as a worker, saying, "You're a dumb-ass woman. What do you know?" She said she was not physically harassed.

A federal magistrate dismissed Ms. Harris' sexual harassment claim, ruling that the conduct was crude and vulgar but did not cause her "serious psychological injury." The 6th U.S. Circuit Court of Appeals dismissed her appeal without writing an opinion.

While lower courts have adopted a psychological injury test, the Clinton administration, the American Civil Liberties Union and Ms. Harris' attorney argue that standard is not required by Title VII.

In fact, Forklift's attorney, Stanley Chernau, admitted that the psychological injury standard might be too high. He argued however, that despite his client's vulgarity, the lower court decisions should stand because "there are acts that can be characterized as harassment but don't rise to the level to allow you to seek redress."

During oral arguments last week, the justices seemed to be struggling to find a standard to measure what constitutes sexual harassment in the workplace. They aren't likely to adopt the psychological injury standard, observers agree.

"The employer's lawyer abandoned the psychological damage standard and I think wisely so because there is no way the court would uphold it," said Mr. Bokst of the U.S. Chamber.

The justices did discuss the EEOC standard set by the high court in 1986, in its first sexual harassment case, *Meritor Savings Bank vs. Vinson*. In that unanimous decision, the court held that Title VII of the 1964 Civil Rights Act prohibits employers from maintaining workplaces in which sex-based conduct is sufficiently severe to alter conditions of employment or create an abusive

working environment.

At one point, Justice Ruth Bader Ginsburg, who dominated the questioning, suggested that the appropriate standard should be "whether one sex has to put up with something that the other sex doesn't have to put up with."

Justice Ginsburg asked if a woman would have a bona fide claim if she found sexually oriented comments annoying but could not prove that she suffered injury.

Chief Justice William Rehnquist questioned whether derogatory comments directed at both men and women would constitute sexual harassment. "Would it be okay to say 'dumb-assed man?'" he asked.

Irwin Venick, Ms. Harris' attorney, said it would not be sexual harassment if such comments were directed at both men and women.

Justice Scalia questioned how harm could be defined. He asked, for example, if a case of sexual harassment would exist if women were assigned to work in less desirable inner offices, while men were assigned more desirable outer offices.

What if the treatment of men and women differed by sex, but the treatment did not make working conditions more difficult for women? asked Chief Justice Rehnquist.

Justice Ginsburg asked why sexual harassment could not be defined as simply, on the basis of a worker's sex, behavior that makes it harder for an employee to do the job.

"How about saying that? Is it really more complex?" she asked.

"There is no question the majority believe Ms. Harris should prevail ultimately, but that's not the high court's only role. They have to set guidance for the country and I think they might not see this as the proper case to do it," the U.S. Chamber's Mr. Bokst said.

In other actions, the court:

- Agreed to decide whether workplace stress is considered an injury under the Federal Employers' Liability Act, which covers about 200,000 railroad workers.

The case, *Consolidated Rail Corp. vs. Gottshall*, involves a railroad worker who, after seeing a fellow employee and close friend die of heart attack on a hot August day, was ordered back to work while the body still lay on the ground. The surviving worker, James Gottshall, soon suffered a breakdown and was diagnosed as suffering from depression and post-traumatic stress disorder. Mr. Gottshall sued Conrail.

Although a district court threw out Mr. Gottshall's claim, the 3rd U.S. Circuit Court of Appeals reinstated it, saying Conrail had denied Mr. Gottshall and other workers routine breaks on the day of the incident. The Supreme Court will decide whether the Federal Employers' Liability Act, which supercedes state workers compensation laws, covers emotional stress without physical injury.

- Heard arguments in a pension case to determine whether non-guaranteed group annuity pension assets are subject to the Employee Retirement Income Security Act.

The case—*John Hancock Mutual Life Insurance Co. vs. Harris Trust & Savings Bank*—sprang from Harris Trust's suit against the insurer. Harris Trust, the trustee for Sperry Rand's retirement plan, accused John Hancock of failing to live up to its ERISA fiduciary duties through its administration of the non-guaranteed portion of the Sperry group annuity program. John Hancock holds that funds held in its general account aren't plan assets.

The 2nd U.S. Circuit Court of Appeals earlier ruled for Harris Trust.

•
Jerry Geisel and Mark A. Hofmann contributed to this story.

For the Record

Grand jury charges 2 with defrauding CNA

ST. LOUIS—A federal grand jury indicted two men earlier this month for allegedly conspiring to defraud CNA Insurance Co. by having tens of thousands of dollars in checks issued for expenses and legal services that were never provided.

The defendants are: William R. Andler, 59, of Florissant, Mo., a former litigation supervisor for the insurer; and Robert W. Schmieder, 50, of Belleville, Ill., a former partner in the Belleville office of Chicago-based Hinshaw & Culbertson.

The grand jury indicted them on one felony count of conspiracy, three felony counts of mail fraud and 20 felony counts of wire fraud as a result of checks written between May 1987 and July 1991, according to the U.S. Attorney's Office in St. Louis.

Clinton task force ponders Superfund

WASHINGTON—An interagency task force charged with devising the Clinton administration's Superfund strategy heard conflicting views on apportioning liability during a closed meeting last week.

According to Washington observers who spoke on condition of anonymity, the Treasury Department's proposal to eliminate retroactive and joint and several liability drew support from government agencies such as the Office of Management and Budget (OMB, Oct. 11).

The proposal was vigorously opposed, though, by the Environmental Protection Agency and the Justice Department.

The task force was scheduled to meet again last Friday and possibly endorse or reject the Treasury proposal.

Study: 401(k) plans top benefit in '80s

It's no exaggeration to describe 401(k) plans as the star benefit plan of the last decade, according to a new study.

Between 1983 and 1989, the last year for which complete information is available, the number of 401(k) plans leaped to 83,300 from 1,700.

The growth in the number of plan participants during the same period also climbed sharply, rising to 17.3 million from 4.4 million, according to a study presented this month at a Wyatt Co. conference by James Poterba, a researcher at Massachusetts Institute of Technology.

Because the market has become saturated, 401(k) plan growth has eased since the high point of the mid-1980s, the study reports.

For example, 51% of 401(k) plans were started between 1984 and 1986.

But just 19% of 401(k) plans were established after 1986.

Lloyd's voting plan favors corporations

LONDON—Corporate members of Lloyd's of London will have greater voting power than individual members, if the recommendations of a working party on names' voting rights are accepted.

According to the working party,

members should be allocated votes based on their individual underwriting capacity at Lloyd's. Under the current system, each member has one vote regardless of capacity.

In effect, the proposal would give corporate members more voting power at Lloyd's.

The minimum capacity for corporate members will be 3 million pounds (\$4.6 million) whereas the average capacity for individual members this year is 454,000 pounds (\$691,124).

The working party also recommended that a corporate member be allocated a seat on the Council of Lloyd's.

The working party is chaired by Mark Sheldon, past president of the Law Society and joint senior partner of law firm Linklaters & Paines in London.

Responses to the proposals are due by Nov. 5.

Government cleared in site cleanup case

LOS ANGELES—Four oil companies and a property company could be liable for the \$100 million cleanup of a toxic waste site in Los Angeles, a district court has ruled.

Shell Oil Co., Texaco Inc., Atlantic Richfield Co. and Union Oil Co. dumped nearly 100,000 cubic yards of sludge at the McCall Site owned by McAuley LCX Corp. in the 1940s.

The oil companies claimed that the site was created under an Act of War and the government should pay the cleanup costs.

But Judge Robert Kelleher granted a U.S. government motion for partial summary judgment.

A spokesman for the oil companies said: "While we are disappointed by the decision, we are continuing to vigorously pursue our case to other legal grounds."

Partial coverage in strip-search suits

CALUMET CITY, Ill.—A suburban Chicago municipality must pay more than \$6 million to 372 women to settle a lawsuit stemming from illegal strip searches performed by police for six years during the 1980s.

Calumet City is paying \$3 million of the settlement through the sale of a municipal bond.

Three insurers—California Union Insurance Co., Republic Insurance Co. and National Casualty Insurance Co.—will pay varying shares of the remaining \$3.013 million of the settlement, according to Alan Brinkmeier, a partner with Merlo, Chapello & Douglas Ltd. in Chicago, who is representing the city.

In their 1987 suit, the women alleged that police were violating a 1979 Illinois law by routinely strip searching women arrested for misdemeanors like petty theft and ordinance violations, including traffic offenses.

On March 31, 1988, nearly a year after the lawsuit was filed, Calumet City wrote and instituted a new policy for strip searches. U.S. District Court Judge Milton Shadur approved the policy. That date became the end period for the class action suit.

Most of the women will receive \$10,000 or less, but some of the women may receive as much as \$26,000 under the terms of the settlement. The women can object

to their individual settlement amounts at a hearing later this month.

Massachusetts reviews policies

BOSTON—The Massachusetts Insurance Division is reviewing its rules for large deductible workers compensation policies in the wake of insurance company litigation.

A dozen major insurers obtained specific injunctions against the rules, which the division adopted in late July. The rules are in effect for all other insurance companies.

One of the most controversial rules imposes a complex cap on the amount of large deductible policies an insurance company can write.

An appeals court recently ordered an expedited hearing on the matter, which should be held this month, said Stephen D'Amato, director of the division's State Rating Bureau.

Tricare sues insurers over claims denials

IRVINE, Calif.—An occupational health care services provider is suing seven insurance companies for \$115 million in damages, alleging that its business has been destroyed by the insurance companies' refusal to pay legitimate charges.

Tricare Inc., which operates six clinics, reported a \$13 million loss for its most recent fiscal year and has laid off more than 100 workers.

"In effect, we were in the business of supplying medical/legal evaluations of workers comp claims and submitting them for reimbursement to the insurance companies, and they simply refused to make payments to us," said Chief Financial Officer Richard L. Klein.

Named in the suit are: California's State Compensation Insurance Fund; Industrial Indemnity Co.; Liberty Mutual Insurance Co.; Republic Indemnity Co. of America; California Compensation Insurance Co.; Superior National Insurance Co.; and TIG Insurance Co.

Information in brief

Ten retail pharmacy chains and 10 independent pharmacies filed suit in federal court Oct. 14, charging seven of the largest U.S. drug manufacturers with wide-ranging violations of federal antitrust laws, including price discrimination and illegal price-fixing. . . Standard & Poor's Corp. has raised its claims-paying ability rating for St. Paul Reinsurance Co. Ltd. to AAA from BBB, based on a guarantee agreement provided by parent St. Paul Fire & Marine Insurance Co. . . Wind, hail and tornadoes caused an estimated \$35 million in insured property damage to portions of Kansas and Missouri Sept. 21-22, reports the American Insurance Services Group. The PCS reports that a similar storm wrought an estimated \$20 million in insured property damage to parts of Delaware, Maryland, New Jersey, Pennsylvania and Virginia on Sept. 27. . . Florida legislators will consider a workers comp reform package proposed by Insurance Commissioner Tom Gallagher at an upcoming special session. [B]

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