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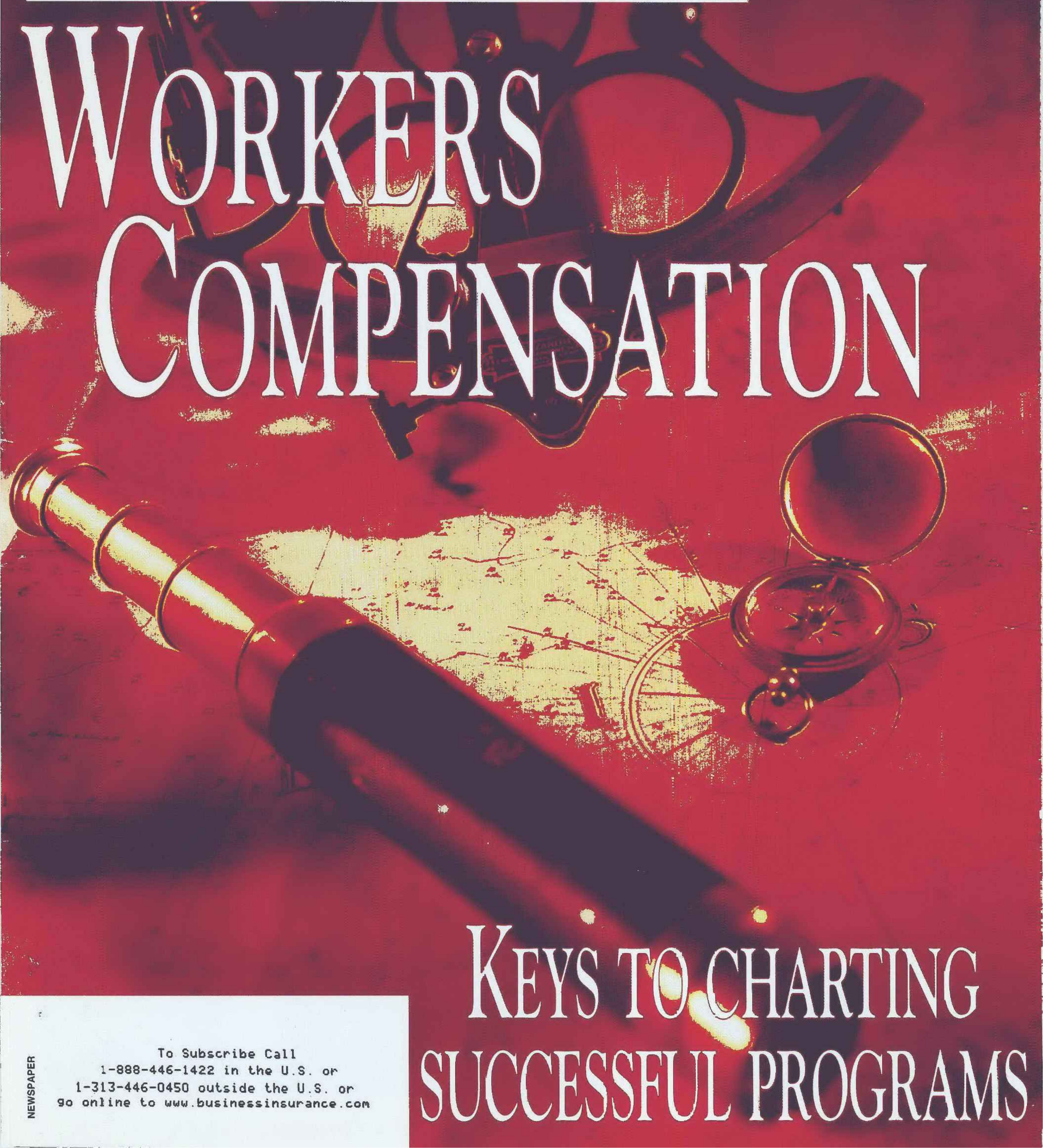

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Updates

Kemper to exit HPR business, sell renewals to Employers Re

LONG GROVE, Ill.—Employers Reinsurance Corp. has agreed to buy the renewal rights to Kemper Insurance Cos.' highly protected risk property insurance business.

Terms of the transaction have not been disclosed. A spokesman for Overland Park, Kan.-based Employers Re said the business will be written by Hartford, Conn.-based HSB Industrial Risk Insurers, of which Employers Re is the majority owner.

Kemper has been in the HPR business for 35 years, a spokeswoman for the Long

See **Updates** *on next page*

Suits by public entities expected to increase

By DOUGLAS McLEOD

NEW YORK—As government officials join with plaintiffs' lawyers to take aim at a wider array of industries in big-money lawsuits, business representatives are increasingly worried about how to counter the litigation trend—and where it will lead.

Rhode Island Attorney General Sheldon Whitehouse last week brought a suit against eight paint manufacturers and a lead industry trade group for costs to the state of treating lead poisoning victims and abating lead paint in buildings.

The suit follows the groundbreaking $206 billion settlement between 46 attorneys general and the tobacco industry and a wave of suits by U.S. cities against gun manufacturers for costs of treating handgun injuries.

"First it's tobacco, then firearms, now lead paint. Who's next?" wondered Robin Conrad, senior vp with the National Chamber Litigation Center of the U.S. Chamber of Commerce.

While trial lawyers say the actions are necessary to recover public funds spent as a result of industry negligence, pro-business groups say the lawsuits are usurping legislative and regulatory powers and are increasingly seen as a source of revenue by states.

And they are spreading.

In an August letter to another state attorney general, Rhode Island's Mr. Whitehouse proposed "going after" the latex rubber industry over health problems possibly caused by latex allergies, a copy of the letter shows. The states could seek "a couple of billion dollars" to fund latex allergy education and research programs, Mr. Whitehouse suggested.

Other government-sponsored lawsuits

See **Lawsuits** *on page 62*

Agent licensing standard gaining support in Congress

By MEG FLETCHER

WASHINGTON—Financial services modernization legislation that could be finalized and voted on by Congress as early as this week would put new pressure on state insurance commissioners and legislators to adopt uniform, multistate agent licensing procedures.

NAIC

Among several amendments to S. 900 that were approved last week by a U.S. House-Senate conference committee is one that would allow creation of a National Assn. of Registered Agents & Brokers if states fail to break down existing agent licensing barriers across states during the next few years.

Supporters of NARAB say enhancing uniformity in agent licensing would benefit commercial policyholders, agents and insurers by giving them more options at lower cost.

In an era of multistate operations and national products, licensing uniformity would reduce administrative headaches and costs of doing business in several states by reducing delays in getting line-by-line and state-by-state agent license approval, industry sources say. In addition, it would spur the elimination of laws that require that buyers use only resident agents or pay them countersignature fees on policies issued by out-of-state brokers.

The NARAB proposal, which has been discussed off and on for the past several years, is one part of the major financial services modernization bill being finalized by congressional conferees. The fi-

See **NARAB** *on page 64*

PHOTO BY ELLEN DOMKE, COURTESY CHICAGO SUN-TIMES

CNA is facing a suit after a window pane from its Chicago headquarters struck a pedestrian.

Insurer hit with lawsuit

CNA, city probe fatal accident

By DAVE LENCKUS

CHICAGO—The cracked window in CNA Financial Corp.'s high-rise office complex was not the first damaged pane the insurer had secured with adhesive film to prevent glass from crashing down on Chicago's streets.

The measure had worked before on other windows in CNA's distinctive downtown complex until repairs could be made, a CNA spokeswoman said.

But the measure failed 10 days ago, with deadly consequences.

And now, still early in the city's and CNA's investigation of the incident, the Chicago building commissioner says the film never was approved for that use. The commissioner said she hopes the resulting death of a mother sends a clear message to other building owners how they should—and should not—attend to cracked windows.

On Oct. 8, months after CNA had film applied to the damaged three-quarter-inch-thick pane on the 29th floor, a four-foot-square section of glass pulled away and plummeted to the ground. The glass struck 36-year-old Ana Flores in the head, killing her instantly in front of her 3-year-old daughter.

Ms. Flores and the girl, who was not physically harmed, were walking down an open-air sidewalk across the street from CNA's red two-tower complex. The sidewalk adjacent to the complex was shielded by a temporary canopy erected at the onset of a months-long external painting and facade maintenance project at the complex.

Four days after the tragedy, Ms. Flores' husband filed a three-count law-

See **CNA** *on page 63*

Harder lobbying on liability lies ahead

Businesses gird for fight on health care measure

By AMANDA MILLIGAN

WASHINGTON—As sharply different versions of patient protection legislation go to a congressional conference committee, employer and insurer trade groups are ready to do battle on the most contentious issue: a provision in the House-passed bill that could expose health plans to massive liability awards.

Business groups say that in the months ahead they will conduct more meetings with legislators and will warn members of Congress of the dire consequences to the nation's health care system—including more employers dropping coverage—if health plans face potentially unlimited awards in coverage disputes.

While there now appears to be overwhelming support at least in the House for expanding health plans' liability, many business and insurer lobbyists say that with a strong lobbying effort they can persuade legislators to soften the provision.

In particular, employer groups say, they will push for what some describe as a middle ground: requiring health care coverage disputes to be resolved by independent, external panels of health experts, whose rulings would be binding.

"There's been a middle ground that's been left untouched," said Neil Trautwein, director of employment policy at the National Assn. of Manufacturers in Washington.

But no one expects that the liability issue will be decided soon. It could be months, if at all, before congressional conferees reach an agreement.

The Employee Retirement Income Security Act now generally limits patients' ability to recover damages against health plans or employers in coverage disputes to the plaintiff's actual loss, such as the cost of a surgical procedure.

The Senate-passed bill would leave that ERISA protection intact. But the House bill, known as the Norwood-Dingell bill, would allow patients to sue plans in state court and seek any damages, such as punitive damages, allowed under state law. Employers also could be sued if they were involved in coverage decisions and those decisions were found to have harmed patients.

NAM's Mr. Trautwein says there "will be a considerable effort to soften the House bill." NAM will push to defeat any liability provision and will push for a quality internal and external review process, which NAM believes

See **Patients** *on page 64*

Updates

Kemper to exit HPR business

Continued from previous page
Grove, Ill.-based insurer said. "We've been reviewing HPR operations for several months, and we're taking this action because we want to focus on other businesses that are a better strategic fit," she said. Kemper's HPR business generated about $135 million in premium last year, out of total gross premiums of $3.3 billion.

The Employers Re spokesman noted that Kemper's hospital HPR business was one factor that made the acquisition an attractive one.

"One of the reasons we're interested in the hospital business is that we bring a lot of added value from the standpoint of loss prevention, engineering services, liability, medical malpractice and stop-loss coverages," he said.

Second plea deal in Cascade

BATON ROUGE, La.—Another defendant has reached a plea agreement in the scandal involving Cascade Insurance Co.

Robert Bourgeois, director of the Louisiana Receivership Office Inc., will plead guilty to one federal count of conspiracy to commit mail fraud and one federal count of witness tampering. He was indicted on 43 counts involving fraud and conspiracy.

Under the plea agreement with the federal government, Mr. Bourgeois faces up to six months in prison and a fine of up to $10,000. He also will testify against the remaining defendants: Louisiana Insurance Commissioner Jim Brown; former Gov. Edwin Edwards; David J. Disiere, Cascade's owner; and Ron Weems, Mr. Disiere's attorney.

Mr. Bourgeois is the second defendant to reach a plea agreement in the case. Earlier this month, Judge Alfred Foster "Foxy" Sanders reached a deal to plead guilty to one count each of conspiracy to commit mail fraud and witness tampering (*BI*, Oct. 11).

Capital Re stakes raised

NEW YORK—The takeover battle for Capital Re Corp. is heating up, with XL Capital Ltd. increasing its offer for the financial guarantee reinsurer and rival bidder ACE Ltd. taking two seats on Capital Re's board.

The Capital Re board is expected to decide on a bid this week.

XL last week increased its offer 4% to about $474.8 million, or $13 per share, from $456.3 million, or $12.50 per share, a week earlier (*BI*, Oct. 11). XL also said it would pay a $25 million breakup fee that Capital Re would incur if it rejects ACE's offer, which was made in May. Additionally, XL will provide $50 million in "standby" capital to Capital Re if its offer is accepted.

The XL cash bid is considerably higher than ACE's stock bid, which was valued at $375.3 million on the day prior to XL's initial Oct. 6 bid. The ACE stock has declined further since then.

Although ACE has not increased its offer, on Oct. 10 it exercised its right under a previous agreement to invest $75 million in Capital Re and appoint two ACE executives to Capital Re's board, which now has nine directors. The new directors are Donald Kramer, vice chairman of ACE, and Dominic Frederico, chairman, president and chief executive officer of ACE INA.

St. Paul Re cuts property writings

NEW YORK—St. Paul Re no longer will write facultative property reinsurance in the United States.

The refocusing by the reinsurance operation of The St. Paul Cos. Inc. follows an unrelated announcement earlier this month that St. Paul is realigning its primary insurance underwriting operations into three organizational components: global specialty products, U.S. operations and international operations.

St. Paul Re will focus entirely on casualty business in its U.S. domestic facultative reinsurance operations. The company says this will include three areas of concentration: program business; large casualty accounts; and e-business, which involves developing technologies to transact business with clients electronically.

On the primary side, the global specialty products segment has been created with worldwide responsibility for product development, strategic planning, pricing and risk selection for The St. Paul's specialty products. A new unit, alternative risk transfer, also has been established to enhance the company's position in the non-traditional insurance market.

In addition, the distribution of all commercial and specialty commercial products will be consolidated into two operations: U.S. operations and international operations.

HCC buying stop-loss insurer

HOUSTON—In a merger of medical stop-loss insurers, HCC Insurance Holdings Inc. agreed to purchase The Centris Group Inc. for $171 million.

HCC will pay $12.50 for each outstanding share of Centris and assume $25 million in bank debt. Centris closed at $10.94 a share on Friday.

HCC will combine the stop-loss operations, both of which have experienced underwriting losses in recent years.

"We plan to rapidly integrate both stop-loss underwriting operations, which are of similar size and structure, using the strengths of both companies to maximize the synergies created and hasten the return to underwriting profitability," Stephen Way, chairman and chief executive officer of HCC, said in a statement.

Centris, which had previously rejected offers from HCC (*BI*, Feb. 8), declined to comment on the sale.

Third-party bad-faith battle

SACRAMENTO, Calif.—A diverse coalition of California businesses, consumer advocates and insurers is seeking to put a referendum on the March ballot that would repeal a new law permitting third-party bad-faith suits that is set to take effect on Jan. 1, 2000.

See **Updates** *on page 62*

Airlines face higher damages

By DAVE LENCKUS

NEW YORK—Two U.S. federal court decisions could lead to greater airline liability for merely frightening U.S. domestic flights as well as for tragic international trips.

A U.S. District Court jury in New York on Oct. 7 ordered American Airlines Inc. to pay $2.2 million to 13 passengers who were scared they would die when their June 1995 flight from Los Angeles to New York encountered extremely rough turbulence near Minneapolis.

The award is "by far the highest" against any airline that has faced litigation over passenger fright caused by turbulence, said plaintiffs attorney James Kreindler of Kreindler & Kreindler in New York.

A day earlier in another New York federal court, a judge ruled that the families of 45 French passengers killed in the July 1996 explosion of TWA Flight 800 can sue Trans World Airlines Inc. and the Boeing Co. in the United States.

In the American Airlines case, the airline admitted that despite ample warning, the flight did not avoid the bad weather or prepare passengers for the turbulence. The passengers, who were not warned to fasten their seat belts, were thrown around the plane. Many claimed they thought they would die, Mr. Kreindler said.

The case went to trial because the airline and the plaintiffs, three of whom were children, could not agree on monetary damages. The flight carried about 100 passengers, but only 14 sued, Mr. Kreindler said. The 14th passenger settled about a year ago for "a modest sum," he said.

See **Airlines** *on page 62*

Oklahoma says $500 assessment valid

RRGs protest anti-fraud fee

By JERRY GEISEL

OKLAHOMA CITY—Risk retention groups are protesting the Oklahoma Insurance Department's demand that RRGs operating in the state pay a $500 anti-fraud assessment fee, even if they are domiciled elsewhere.

The controversy erupted earlier this year after the Oklahoma Legislature passed a bill that sets a $500 annual fee on insurers licensed to do business in the state. The funds raised by the fee are to be used by state regulators for the investigation and prosecution of insurance fraud.

After the legislation was enacted, the Insurance Department issued an "emergency rule" interpreting the statute language "licensed to do business in this state" as an insurer "transacting the business of insurance" in the state. And the department has sent demand letters to RRGs warning them that failure to pay the fee could result in a $5,000 fine.

"Our basic position is that any insurer transacting business in the state is subject to the fraud assessment. That is the intent of the legislation," said Wesley Combs, assistant general counsel at the Oklahoma Insurance Department in Oklahoma City.

See **Oklahoma** *on page 61*

Award called example of why reform needed

By MARK A. HOFMANN

WASHINGTON—A large punitive damage award levied against State Farm Mutual Automobile Insurance Co. points to the need for changes in the way interstate class-action suits are tried, tort reform advocates say.

John Speroni, an associate judge in Williamson County, Ill., earlier this month ordered State Farm to pay $600 million in punitive damages after a jury awarded State Farm policyholders $456 million in a class-action suit (*BI*, Oct. 11). The plaintiffs—representing a class consisting of policyholders from all over the country—contended that the Bloomington, Ill.-based insurer had breached its contract by specifying that less-expensive "aftermarket" parts be used in repairs rather than auto manufacturer-authorized replacement parts.

Judge Speroni also ordered State Farm to pay another $130 million in damages that represented State Farm's "direct savings" from using such parts.

See **Award** *on page 61*

Buyers advised on evaluating statements

By RODD ZOLKOS

CHICAGO—For a risk manager looking to make the right insurance buying decision, insurers' financial statements provide several valuable tools.

But in using those tools, it's important to compare "apples to apples" and to consider such tools in the context of the existing business environment, said Geoffrey E. Hunt, senior vp and manager of division operations for Liberty Mutual Insurance Co.'s Business Market in Boston.

In a presentation on evaluating insurers and interpreting their financial statements at Liberty Mutual's 1999 Risk Management Forum

See **Evaluate** *on page 60*

Inside

- Congress should call for mandatory external review of managed care coverage disputes rather than unrestricted litigation against HMOs, this week's editorial says. **PAGE 8**
- Australian insurer AMP Ltd. plans to take full control of the struggling insurer GIO Australian Holdings Ltd. **PAGE 55**
- E-commerce will mean dramatic changes for the industry but not the end of agents and brokers, a panel of executives predicts during the 86th annual Insurance Leadership Forum earlier this month. **PAGE 59**
- Enterprise risk management is seen as either the death or salvation of risk management as it is now known, but Publisher and Editorial Director Kathryn J. McIntyre says that the truth lies somewhere in-between. **PAGE 61**

Departments

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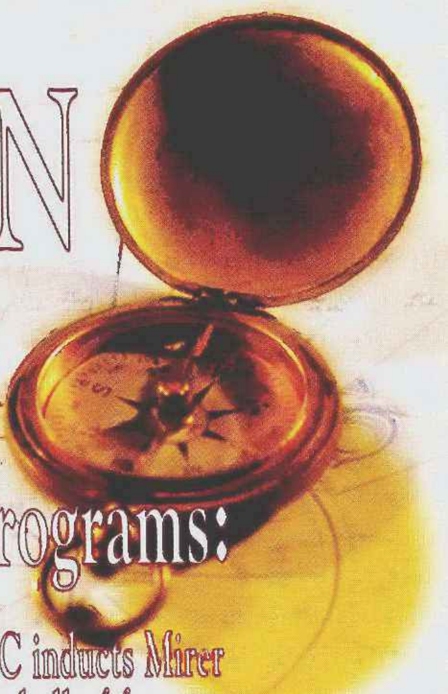
WORKERS COMPENSATION



LEARNING FROM AWARD-WINNING PROGRAMS

Huntsman Packaging's ingenuity helps company bag top safety award

By MEG FLETCHER

Huntsman Packaging Co.'s recent innovation award for its patented technology to reduce worker cumulative trauma disorder illnesses from plastic bag manufacturing is a national model of cooperation among managers and hourly workers.

Huntsman's Macedon, N.Y., plant was recognized last month with the Voluntary Protection Programs Participants' Assn.'s 1999 Innovation Award for its "outstanding" health and safety achievement.

"Huntsman has addressed safety concerns arising from repetitive motion syndrome, a common health problem in the packaging industry," the VPPPA said in a statement.

"The Autowicketing System is the only equipment in existence that truly automates the transfer of bags from stacking pins to wickets. All other systems require workers to operate the system using an awkward wrist position," it said.

HUNTSMAN PACKAGING

Previously, operators staffing these lines had to use two hands to grasp slippery bundles of bags weighing up to 10 pounds each, necessitating "a repetitive, forceful movement, which would be required nearly 1,500 times per 12-hour shift on a manual line." (See photos, page 25)

"The machine was designed and patented by the site's Technical Support Group with support from the management of the plant," according to the VPPPA.

The VPPPA organization is affiliated with the Occupational Safety and Health Administration's Voluntary Protection Programs. That joint labor, management and government program rewards safe worksites that meet several criteria, including low worker injury rates, by waiving routine inspections. In fact, among 6 million worksites nationally, the Huntsman plant is one of 51 sites that have maintained for at least a decade the highest "star" ranking available from the Voluntary Protection Programs.

Although the latest version of Huntsman's autowicketer has been in place for a little less than a year, it and its earlier prototypes have reduced the number of complaints and injuries related to the manufacture of packaging bags. The

See Wicket on page 25

Workers comp rate cutting may be coming to an end

By AMANDA MILLIGAN

Employers nationwide should expect an increase in pricing for workers compensation coverage beginning in the next few months as insurers seek to make up for poor results, insurers, brokers and analysts say.

Due to fierce undercutting of workers comp coverage pricing for the past several years, many said, prices have neared the bottom. But the market correction is not likely to prompt employers to change their insurance arrangements, they said.

In the current soft market conditions, employers are experiencing "a win situation," said Lance Ewing, chair of the external affairs team for the Risk & Insurance Management Society Inc. and director of insurance and loss prevention for GES Exposition Services & Exhibit Group in Giltspur, Nev. Although some larger insurers are raising rates or walking away from some renewing business, employers still are able to find affordable coverage from medium-sized and small insurers, Mr. Ewing said.

But, with a combined ratio of 122%, the workers comp market "is not as rosy as one would be led to believe with competition in the marketplace," said Peter M. Burton, Wayne, Pa.-based senior division executive responsible for state relations for National Council on Compensation Insurance Inc.

"There seems to be a change of condition," Mr. Burton said. "The goodness of the reforms of the early 1990s has probably wrung out all of the savings" for insurers that it can, he said.

As of earlier this month, nearly half of the 20 states that had submitted rate filings through the NCCI requested an increase, said Mr. Burton. Colorado and Oklahoma have approved increases of 3.4% and 5.0%, respectively. The NCCI files rates in 38 states. Several other rate filings with increases are pending.

Although a decision on 2000 rates for California has not yet been made, California insurers posted an estimated 141% combined ratio, according to the California Workers' Compensation Insurance Rating Bureau, which submits rate filings for the state (*BI*, Oct. 11).

Mary Ann Godbout, a vp with Conning & Co. in Hartford, Conn., said that after being a very attractive line in recent years due to significantly improved loss trends, workers comp's very depressed prices, increasing losses and strained reserves are beginning to take a toll on insurers.

"The picture for comp is not looking good," she said. "I think things will get worse before they'll get better. Right now, we don't know how fast and how bad

See Market on page 10

Spotlight Editor: Meg Fletcher

Injury prevention efforts targeting behavior

Building a safety culture complements traditional hazard identification: Experts

By JOANNE WOJCIK KOCHANIEC

Acknowledging the adage that you can lead a horse to water but you can't make him drink, more employers are turning to behavioral modification to get employees more involved in injury prevention efforts.

Traditional safety engineering must be combined with behavioral change to prevent workplace injuries, loss control experts say.

"The current state-of-the-art in injury prevention is behavioral-based," said Chuck Mitchell, executive vp-corporate accounts in San Francisco for Australia-based insurer HIH Insurance. Mr. Mitchell also is a member of the California Workers' Compensation Institute's workplace safety and health committee.

While it may sound cliche, he said, "we're trying to do more to empower the employee to make good judgment calls, and also provide training and feedback to get the job done safely."

"You can engineer out any hazard, but if that employee feels that he or she has been slighted in any way, if you don't have support from the CEO to middle managers, you're going to have greater exposure to injury," said Brad Bohler, West-area manager for Gallagher Bassett Services in Itasca, Ill.

There's definitely a trend toward a more "humanistic" approach to workplace injury prevention, said Carol Corcoran, vp of health and safety at Boston-based Managed Comp.

"It's even in the language safety professionals use," she said, pointing out that "accidents" today are referred to as "injuries."

"That's a much more personal term," she said.

Focusing on behavioral contributors to injuries is a natural step in the evolution of occupational loss control, observed John Carey, president of AIG Consultants Inc. in New York.

"Loss prevention has to constantly evolve. As industry changes, the workplace changes and the nature of work changes," he said.

And now that "companies have provided mechanical interventions, integrating safety into the culture is the next step," he continued. "Employers need to make safety a part of their daily activities."

In particular, loss control professionals must abandon the typical "inspection mentality," in which they concentrate on identifying workplace hazards without considering the behavioral and psychological factors that contribute to occupational injuries, Mr. Carey said.

"The '70s and '80s OSHA-compliance mentality worked then, but not today,"

See Safety on page 16

Unicover problems may speed up hardening: Observers

By DOUGLAS McLEOD

The disintegration of Unicover Managers Inc.'s reinsurance facilities may be a subject of morbid fascination in the workers compensation market, but it is also something more: a catalyst that will speed hardening of the market and raise the cost of workers comp coverage for some employers, market observers say.

Unicover, a Lisle, Ill.-based underwriting manager, saw its reinsurance facilities unravel earlier this year after one reinsurer participant reported a huge loss and accused Unicover of vastly exceeding its premium volume projections.

Since then, workers comp reinsurance capacity has eroded markedly, and rates and other terms are firming, accelerating a trend that had begun before the Unicover fiasco, workers comp experts say.

"Things were gradually starting to harden, but this has really sped up the process," said Phillip Giles, a vp with LDG Reinsurance Underwriters Inc., a Wakefield, Mass., reinsurance pool manager.

The withdrawal of reinsurance capacity may push a number of pool managers out of the workers comp business.

At the same time, Unicover has made life more complicated for those who remain, as reinsurers add restrictions to their pool agreements and increase their scrutiny of underwriting managers, and as state regulators focus on the workers compensation "carve-out" market that Unicover dominated.

'Things were gradually starting to harden, but (Unicover) has really sped up the process,' says Phillip Giles.

All of this, in turn, means that some workers comp insurers likely will be passing on their own higher costs to policyholders in the form of higher rates.

Primary comp insurers "will have to be a lot more judicious in the pricing of risks," Mr. Giles said.

Insurers that took advantage of relatively cheap reinsurance like Unicover's to aggressively write hazardous business now will have to raise rates and underwrite more "responsibly," agreed a West Coast workers comp reinsurance broker who requested anonymity.

"For primary companies, it was simply a kind of arbitrage situation," William M. Wilt, a vp and senior analyst with Moody's Investors Service Inc., said of the Unicover facilities. "It was less expensive to purchase reinsurance than to retain the risk themselves. . .(now) they will simply go back to what they were doing before."

Formed in 1994, Unicover specialized in workers comp carve-out business, in which the accident and health portion of a workers comp risk is separated from the employers liability portion and ceded to life reinsurers.

Unicover typically wrote first-dollar and low-layer covers, effectively allowing workers comp insurers to "buy down" retentions to as little as $10,000 per loss from previous retentions as high as $1 million.

The three Unicover facilities, offering a $500,000 limit excess of ceding insurer retentions, included a five-member pool and two facilities in which Reliance National Insurance Co. and Lincoln National Life Insurance Co. each reinsured 100% of a given risk.

Reliance National also acted as a fronting insurer for the pool, whose members were: Connecticut General Life Insurance Co., a CIGNA Corp. unit; General & Cologne Life Reinsurance Co., a General Re Corp. unit; Lincoln National; Phoenix Home Life Mutual Insurance Co.; and ReliaStar Life Insurance Co.

Unicover also arranged whole-account retrocessional coverage for the three facilities, ceding $490,000 excess of $10,000 of each loss to General & Cologne Life Re, Phoenix Home and Sun Life Assurance Co. of Canada.

Trouble emerged earlier this year, when pool reinsurers say they discovered that Unicover had written about $1.2 billion in annual reinsurance premiums, many times the volume Unicover had said it would write.

Between January and March, all of the facilities' reinsurers suspended or terminated their participation, and General & Cologne Life Re's parent reported a $275 million pretax loss, most of it attributable to Unicover business.

Reinsurers and industry analysts noted that the facilities were structured to generate profits for facility members while virtually guaranteeing losses for retrocessionaires. Total losses on Unicover business could hit $2 billion or more, and members' retrocessionaires may see their combined ratios surpass 200%, industry analysts estimated.

Sun Life and Phoenix Home have since demanded arbitration to void all of their Unicover-related contracts.

This month, Standard & Poor's Corp. also placed the credit ratings of Reliance and Lincoln National under review with negative implications, citing their Unicover exposure.

The debacle has had a marked impact on reinsurance capacity and pricing, which had already begun firming after years of rate competition and deteriorating experience, industry observers say.

Reinsurers have borne the brunt of the decline: The loss ratio on the ceded portion of workers comp business has been consistently worse than the overall gross loss ratio, and the gap has continually widened over the past three to five years, Moody's Mr. Wilt said.

"From a broad economic point

See **Unicover** *on page 6*


Times
TIME CAPSULE
WAUSAU

Spotlight report

Market

Continued from page 3

losses will deteriorate."

Across all lines of business, including workers comp, Conning & Co. is anticipating rates to "bottom in 1999." Modest hardening is occurring for some workers comp exposures, with pricing holding at current levels or seeing increases in the very low single digits, said Ms. Godbout.

Charles L. Ruoff, senior vp and chief marketing officer of Acordia Inc. in Indianapolis, said he estimates employers will see, on average, a minimum of a 7% increase in prices for 2000 renewals of workers comp coverage.

Bill Bohstedt, president of the risk management division of Arthur J. Gallagher Risk Management Services Inc. in Itasca, Ill., said: "The real low-priced deals that have been out there for a number of years are disappearing. The market is definitely changing right now for very low guaranteed-cost pricing."

Mr. Bohstedt noted that insurers had been cutting prices based on their assumption that cost containment measures for case management and return-to-work programs would offset any competitive price reductions. But "Those cost containment measures have run their course, and medical costs continue to increase," he said.

If insurers continue to see negative results from workers comp business, some may stop writing the coverage, Mr. Ruoff said. But, he said, they'll do so selectively, on a state-by-state basis.

"It's always a question of whether rates are adequate to today's medical costs and benefits," Mr. Ruoff said. Regulators in the past have been inclined to adjust rates upward to offset market imbalances caused by poor employer loss experience, he said.

'The real low-priced deals that have been out there for a number of years are disappearing,' says Bill Bohstedt.

Price increases will depend more on the state than the type of business, said Tom W. Brown, vp of commercial casualty underwriting in the business customer group of Kemper Insurance Cos. in Long Grove, Ill. For example, California employers could see rate increases of 10% to 20% in workers comp, he said. Results "now are the worst that they've ever been" for the workers comp market in general, he added.

In the early 1980s, most rates were established through bureaus, and price competition in the workers comp market occurred through dividends, said Keith Bateman, vp and director of workers compensation for the Alliance of American Insurers in Downers Grove, Ill. The move to a deregulated market in workers comp pricing has given insurers greater freedom to set individual prices in an effort to remain competitive.

Now, Mr. Brown said, although the rates filed by regulatory agencies are generally adequate, insurers' discretionary pricing is the driving factor behind poor results.

"It's a totally different cause for the unprofitability today. It's sheer price competition," he noted. "The buyer of workers compensation has had a great deal."

George Busche, senior vp of workers compensation underwriting-commercial insurance for CNA Financial Corp. in Chicago, said he sees companies pushing for about a 5% increase in workers comp rates. "While the (approved) rates are rising, the prices are still low," he said.

That may not always be the case, workers comp insurers say.

In 1999, workers comp pricing has been increasing quarterly, said Gary Gregg, executive vp and manager of commercial markets for Liberty Mutual Insurance Co. in Boston. In the third quarter, workers comp prices were up for renewing accounts, on average, more than 5% over 1998's pricing. In the fourth quarter of this year, renewing accounts may see price increases reach the low double-digits, he said.

Risk managers that have focused on cost control and maintaining a safety culture during the period of intense competition will see much more modest increases, Mr. Gregg added.

Jim Roberts, Parsippany, N.J.-based president of the specialty workers comp division for American Home Assurance Co. in New York, said employers can expect to see the workers comp marketplace increasing prices by 15% to 25% over the next year or two. American Home is a division of New York-based American International Group Inc.

Trends in workers comp are running contrary to historical patterns, Kemper's Mr. Brown noted.

Typically, in good economic times, claims frequency would go up. In harder times, frequency would stay the same or decline slightly, but claim severity would increase, said Mr. Brown. But despite the current sound economy, frequency is going down while severity is increasing. At the same time, medical costs are on the rise.

A shift in the nature of workers comp exposures and other economic factors also are reshaping how insurers evaluate and compete for risks. Some industries might find that their risks are harder to place, insurers say.

In addition, some industries are not being as discerning when hiring new workers, which may affect workers comp risks, said Mr. Roberts of American Home.

"In many instances, particularly new companies, (employers) are scrambling to get qualified employees," he said, noting that longer working hours and a less-trained workforce could have a detrimental impact on workers comp.

When evaluating risks, Mr. Roberts said, American Home looks for companies with a strong management commitment to safety and whose hiring practices reflect that commitment.

"Companies that are stretched in those areas are dangerous to write," said Mr. Roberts. "We have to be more discriminating in the types of risks we accept."

While slight hardening of the workers comp market may slow insurers' interest in vying for every risk, it is not likely to cause employer flight to the alternative market, industry observers say.

See **Market** *on page 12*

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Spotlight report

Market

Continued from page 10

In the immediate future, rates aren't going to escalate to the point that self-insurance will become any more attractive to employers than it currently is, said Conning's Ms. Godbout. She noted that, despite low prices in the traditional workers comp market for the past few years, those companies using the alternative market have kept their arrangements, and she expects that employers with traditional coverage will remain in the traditional market.

"I think the workers comp system is a very efficient and effective system today, with a significant degree of deregulation and with the level of sophistication that is needed to manage workers comp," said Liberty Mutual's Mr. Gregg. "The last time there was a stampede to self-insurance, there wasn't deregulation and flexibility."

A pricing increase in guaranteed-cost workers comp coverage "may still be a good deal, based upon the options" in the market, said Gallagher's Mr. Bohstedt, noting that deductible plans and loss-sensitive plans still are priced competitively.

And RIMS' Mr. Ewing said, "For now, the traditional market is still the best bet for workers compensation coverage."

Some say employers will not graciously accept a market correction of the imbalance between pricing and loss costs, though, and they suggest the alternative market may be attractive for more than just the largest employers.

"Employers may decide that, where it was cheaper to transfer risk when rates were lower, (now) they may decide to take part of that risk themselves through higher deductibles or self-insurance," Mr. Ruoff said. "The work comp market will revert to a hard market going into 2000."

To combat this, Mr. Ruoff said, captives, deductibles and self-insurance will become more popular approaches for large employers. Alternative arrangements now are becoming more feasible for mid-sized employers, as these companies form group captives or pool their risks.

Having a well-developed alternative market option is enough to prevent drastic increases in the traditional market, noted Bill Wilt, vp and senior analyst for property/casualty insurance, finance, securities and insurance for Moody's Investors Service in New York. BI

Research updating tired shift-work rules

By MICHAEL PRINCE

Employers have woken up in the past five to 10 years to the problem of worker fatigue.

Researchers have discovered in recent years much of the biological basis for worker fatigue, especially for workers on the late shift. And the realization that accidents occur more frequently when workers are fatigued has driven more employers to embrace programs designed to keep their employees rested and alert.

No group of workers is more affected by fatigue than shift workers, those working during the night. According to a 1997 report issued by the National Institute for Occupational Safety and Health, 15.5 million workers in the United States are involved in shift work.

In the past decade, researchers have probed deeply into the human body's natural daily cycle, called the circadian rhythms. Every person has a built-in clock that regulates body functions throughout the day. People's natural rhythms make them more awake during the day and more sleepy at night. Thus, working at night means fighting the body's natural cycle. Meanwhile, trying to sleep during the day runs contrary to both a person's circadian rhythms and those of society as well. The world operates during the day, creating disruptions that disturb sleep.

So, when shift workers try to sleep during the day, "it's insufficient in quality and quantity," said Bill Sirois, vp/chief operating officer for Circadian Technologies Inc., a Cambridge, Mass., research and consulting firm that specializes in studying how circadian rhythms affect worker productivity.

The result is that shift workers sleep, on average, two to three fewer hours each night than do other workers, research has shown.

Because shift workers work against their natural clock, their performance drops, leading to more safety problems. Day work is safest, the NIOSH report states, and shift workers "are more likely to make errors that could lead to accidents or injuries."

By not taking fatigue into account, employers are asking workers to exceed their limits "and fight Mother Nature and do things that people were not designed to do," Mr. Sirois said.

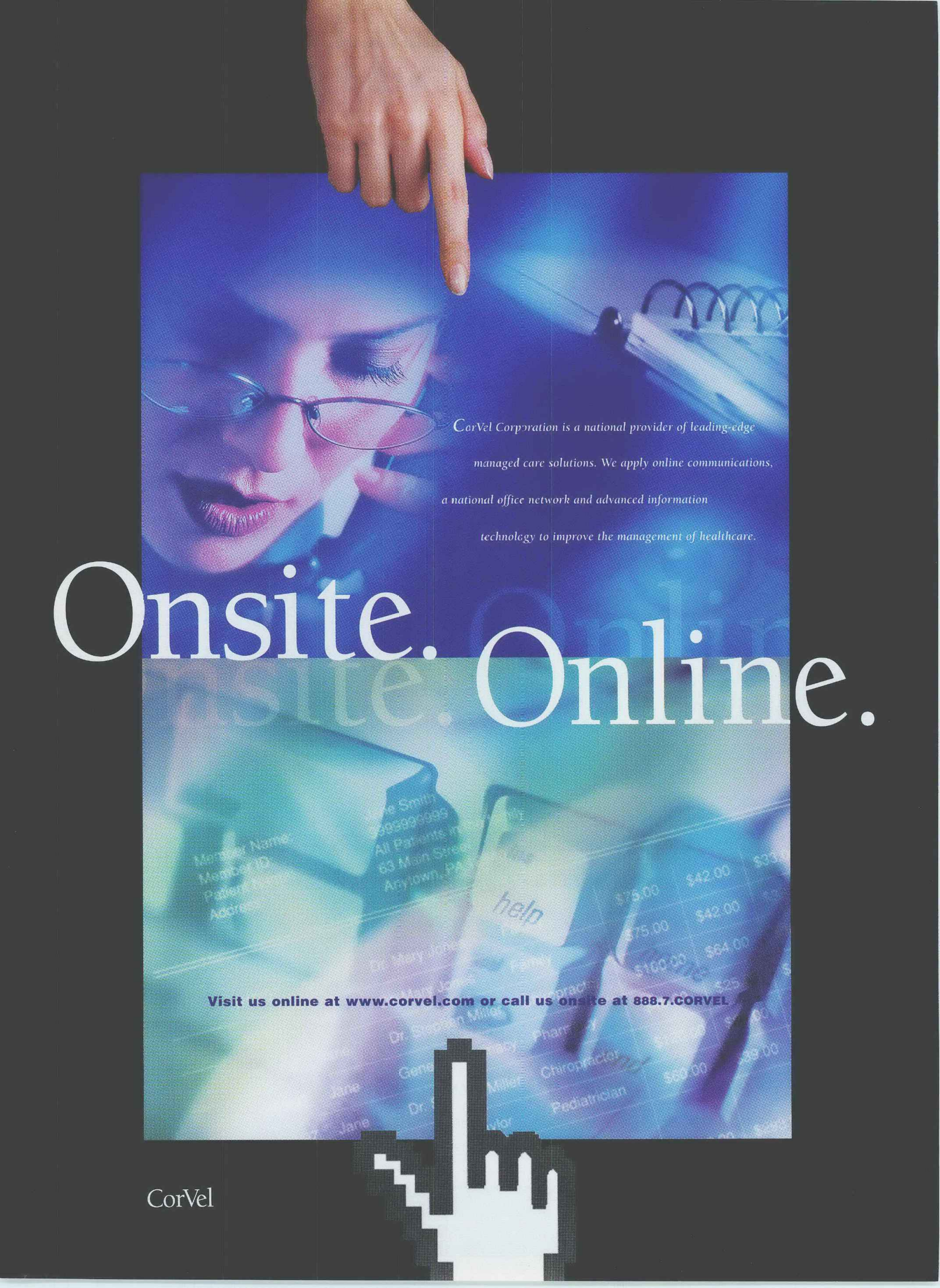
But a change is under way with regard to addressing these problems, he said.

Historically, day managers dictated shift schedules and procedures without input from the shift workers. The result was that procedures were designed for the convenience of the day manager. Such a philosophy, for example, produced the 10 a.m. staff meeting, which forced sleepy shift workers to wait hours after their shift ended to attend the meeting, Mr. Sirois explained.

Over the past 10 years, however, as the body's circadian rhythms have become more widely understood, some employers have changed their approach with respect to shift workers. The research has shown that different types of schedules can be "biocompatible," meaning that they are better for the health and safety of workers, and "socially compatible," meaning that they better fit society's schedule. And it's becoming more common for employers to seek input from shift workers in crafting shift schedules.

For example, the most common schedule has been the so-called "southern swing schedule," in which workers work one week on the day shift, change the next

See **Shifts** *on page 14*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Shifts

Continued from page 12

week to the night schedule, and follow that with a week on the evening schedule, generally from 3 p.m. to 11 p.m. But research has showed that this schedule is contrary to workers' circadian rhythms and leaves them "in a perpetual state of jet lag," Mr. Sirois said.

Creating a workable schedule is one of the most important strategies for employers with shift workers, said Judy Sehnal, senior technical consultant in the loss control department for The Hartford Financial Service Group Inc. in Hartford, Conn. Research on circadian rhythms shows that it's hardest for people when they change schedules, rotating among day, evening and overnight schedules. If an employer must use rotating schedules, "there are ways to do it that are more accommodating," Ms. Sehnal said.

One company has not only changed the timing of its shifts but has done so with input from its employees. At The Burlington Northern & Santa Fe Railway Co., management accepted input from its shift workers as well as their union. The collaboration resulted in an extensive examination of the scheduling of train crews; addressed the problem of fatigue in these workers, who often work long hours; and the led to the creation of a program that is believed will make the trains even safer.

To succeed with the changes, the company realized at the outset that it needed to bring all interested parties together, said Al Lindsey, general director-safety and rules for the Fort Worth, Texas-based railroad.

"If you're going to attack a problem of this magnitude, you need all shareholders in the same room," Mr. Lindsey said. To the railroad's good fortune, when the company started looking into the problem, it found that the union also was examining what could be done to reduce fatigue.

The railroad is one of only a small number of employers giving workers a role in their shift scheduling. Only during the past four to five years have employers recognized the need to ask employees for input on scheduling shifts, said Martha O'Neal, loss prevention consultant for Travelers Property Casualty Corp. in Hartford.

"It's a progressive idea," she said.

> **Creating a nap culture is one of the least expensive and most effective anti-fatigue measures, 'but it's so opposite to (society's) culture,' says Cindy Bohan.**

Beginning in 1996, the railroad implemented a pilot program that allowed train crews to nap. Although the program was not a success initially because too many restrictions were placed on the employees, it did break the longstanding prohibition against napping on the job—formerly grounds for termination. Allowing napping by train crews, even under limited circumstances, represented "a major cultural shift for us," Mr. Lindsey said.

Creating a nap culture also is one of the least expensive and most effective anti-fatigue measures, "but it's so opposite to (society's) culture, it's hard to implement," said Cindy Bohan, loss prevention consultant for Travelers in Hartford. The workers comp insurer has been researching shift-worker fatigue for customers seeking to combat an increase in accidents by such workers.

Naps of five to 20 minutes can deliver an alertness boost lasting three to four hours, Ms. Bohan said. But if a person sleeps too long, he or she enters a different sleep phase and will awaken groggy. Thus, naps should be limited to 20 minutes, she recommends.

Burlington Northern did not abandon its nap program. Instead, it lifted many restrictions on when and how the train crews could nap. Still, naps are permitted only when a train is not moving and waiting on a side track.

The policy has been a big success, because the company and union educated the employees on the importance of the naps and changed the company culture to allow workers to nap without suffering the scorn of peers and supervisors, said George Smallwood, assistant vp-manpower training and operating practices for the railroad.

Anti-fatigue programs shouldn't be limited to the workplace, however, advocates say. Workers must also be educated about creating home environments that allow them to sleep so they can come to work alert.

The main thrust of many employers' efforts has been getting employees "to take care of themselves when working those shifts," said Ms. Sehnal of The Hartford.

Burlington Northern goes beyond that, though, and educates its employees on how to sleep at home. It also provides nutritional counseling to help employees avoid digestive problems, which occur often with night workers, because the digestive system tends to be inactive at night. The company also educates workers on identifying and treating sleep conditions that disrupt workers' sleep and leave them fatigued.

In early 1997, the company also began altering its schedules for train crews. The new scheduling is based on the philosophy that employees need to know exactly when they will be off work. By knowing when work will end, employees can better plan their lives and schedule sleep into their days, Mr. Smallwood said.

Other strategies include changing the work environment. Strong lights, bright colors and even certain odors help stimulate the body. On the other hand, low lights and monotonous sounds tend to lull people, Ms. Bohan said.

Changes don't have to be big to make a difference. Even wearing sunglasses while leaving work at dawn helps workers sleep once they get home.

"The light is that cue to your circadian rhythm to wake up," Ms. Bohan said. BI

Safety

Continued from page 3

he said.

Indeed, "most business owners think safety is all about avoiding OSHA fines, but this is the wrong emphasis," concurred Jon Gise, president and chief operating officer of Managed Comp in Boston.

This outmoded mind-set presents a real challenge to safety consultants, according to Ms. Corcoran.

"They think a safety consultant will come out, walk around the facility and give them a laundry list of what needs to be fixed," she said.

But "90% of injuries are related to what people do, vs. the conditions in the workplace," she pointed out.

Bill Grimes, senior vp at Marsh Risk Consulting in Atlanta, said his company has developed a Behavioral Risk Improvement program specifically to target these at-risk behaviors.

At first, the major thrust in occupational injury prevention was to re-engineer the workplace, Mr. Grimes explained. Next, the tasks themselves were modified to give workers more flexibility. The trend in the past four years, however, has been to focus on human behavior management, he said.

Mr. Grimes cited the work of James Reason, a human factors professor at the University of Manchester in England. Professor Reason, who has studied injury prevention, argues that accidents happen only after five barriers have been broken.

Those barriers are: Senior management decision-making; middle-management supervision; corporate culture; individual behavior; and rules, procedures and other elements of the safety program.

"If you have an accident, it breeches all five barriers," Mr. Grimes explained.

According to Mr. Grimes, Marsh's Behavioral Risk Improvement program focuses on two of the middle barriers: corporate culture and individual behavior.

"We work with clients to help them develop a system to identify critical behaviors," he said. Then, "instead of measuring the accident rate, we measure the unsafe behaviors that can lead to accidents."

For example at one manufacturing client, consultants set up safety-improvement teams that used positive reinforcement and coaching to encourage workers to use eye protection.

At many employers, the corporate culture itself may contribute to injuries, Mr. Grimes said.

For example, if a high production rate is expected, there may be less emphasis on getting the job done safely, he said.

In such cases, a cultural change also is necessary at the management level, he said.

"You've got to start with senior management. I know it sounds old hat, but if the CEO doesn't give active—vs. tacit—support, it won't work," said HIH Insurance's Mr. Mitchell.

Lance Davis, director of risk management at Xerox Corp in Stamford, Conn., credits the success of his company's Zero-Injury Strategy to high-level management support.

"It's got to be a top-down approach," he said. "Rick Thoman, our president and CEO, is behind the program."

Xerox's total recordable incident rate fell 20% in 1997 from the year before after the company introduced its Zero-Injury Strategy, according to Bonny Way, Xerox's manager of workplace safety in Webster, N.Y.

Xerox's injury rate held steady in 1998, but so far this year total recordable incidents are down an average of 12% across all the company's units.

Each of Xerox's 50 or so business units has adopted the strategy's objective, but each is implementing it autonomously. For example, some are incorporating it into wellness, while others are incorporating it into safety.

"The managers are held accountable, but they are also autonomous in developing their own plan for injury reduction," Ms. Way explained.

Meanwhile, Xerox's employees worldwide can learn about injury prevention tools and techniques via the corporate intranet.

"We're encouraging employees to share their success stories," she said.

Each month, division management reviews the injury reports to identify causes and develop preventive strategies.

Involving front-line managers by holding them accountable for injuries that occur on their watch is an effective way to integrate safety into an organization's culture, suggests Managed Comp's Mr. Gise.

But "once you get those people on board, then you must go to the workers so they feel the buy-in, too," he said.

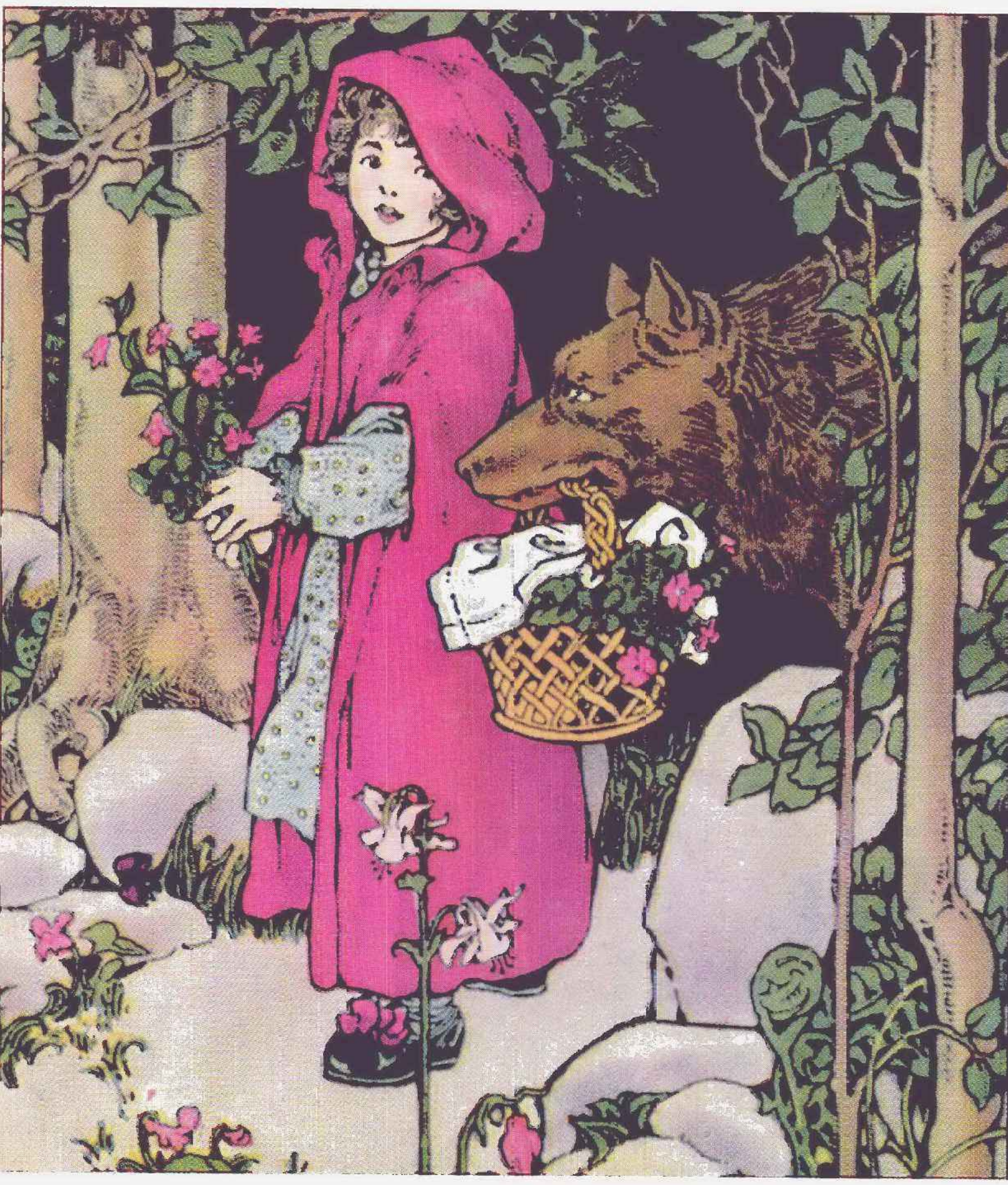
For example, employers can establish safety committees, composed of employees, that develop ideas on ways to reduce injuries based on the workers' personal on-the-job experience, he said.

Unfortunately, safety committees traditionally haven't been very effective, as member employees often doubt management's commitment to entertaining their ideas, he acknowledged.

"To really make this work, the key is to buy the first ideas workers bring in," even if they don't sound useful, Mr. Gise suggested. Otherwise, he said, workers who contribute ideas will become discouraged.

The mind-set of such safety committees also has to change to be more big-picture-

See **Safety** *on page 20*



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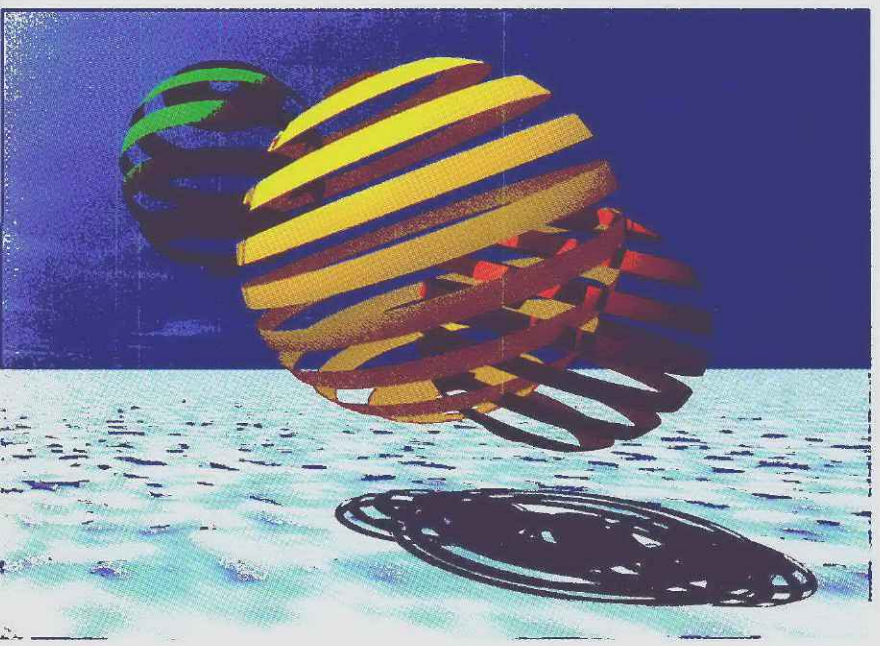

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Sunday, November 14, 1999

Golf and Tennis Tournaments and Barbecue Luncheon for Players

Registration and Welcome Reception with Exhibitors

Monday, November 15, 1999

- Captives 101: The Benchmark Course
  - *Nicholas Dove, President, Skandia International Risk Management*
  - *D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin*

or

- Basics of Employee Benefits for Captives Owners
  - *John Woyke, Esq., Principal, Towers Perrin*
  - *P. Bruce Wright, Esq., Partner, LeBoeuf, Lamb, Green & MacRae*

Keynote Address: David Wasserman, President, Centre Solutions

- Group Captives
  - *George Chaffee, President, Skandia International Risk Management Ltd. (VT),*
  - *Michael Ducey, Assistant Vice President and Managing Director, Bermuda Operations, Liberty Mutual Insurance Group*
  - *Robert S. Wilkinson, Executive Vice President for Plan Operations, Health Services Medical Corporation, A Univera Company*
  - *Moderator: Gaelen W. Cole, Marketing Director, Fireman's Fund Insurance Company*

or

- The Capital Market Landscape
  - *Joe Kavanagh, Vice President, Marsh & McLennan Securities Corporation*
  - *Additional panelists to be announced*
  - *Moderator: Thomas Wronski, Director, Insurance & Risk Management, Fidelity Investments*

- New Ways to Better Use Your Captive
  - *James D. Cameron, Esq., Partner, Baker & McKenzie*
  - *Mitchell J. Cole, Principal, Towers Perrin*
  - *Moderator: Michael Maglaras, Principal, Michael Maglaras & Co.*

or

- Capital Markets vs. Reinsurance
  - *John Berger, CEO, Chubb Re*
  - *John Kiernan, Senior Vice President, Lehman Re*
  - *Moderator: D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin*

Reception at the Spa Terrace

Tuesday, November 16, 1999

- Rent-a-Captives and Segregated Cell Facilities
  - *Philip J. Harvey, President, Philip J. Harvey & Company, Inc.*
  - *Philip J. Stevens, ARM, Vice President, Aon Group Inc., Alternative Markets Organization*
  - *William Watson, Executive Vice President, Reliance National*
  - *Moderator: Nicholas Dove, President, Skandia International Risk Management*

or

- Improving Financial Performance
  - *Patrick C. Jensen, FCAS, Senior Manager, Deloitte & Touche LLP*
  - *Jan Lommele, Principal, Deloitte & Touche LLP*
  - *John M. Lummis, Senior Vice President and Chief Financial Officer, RenaissanceRe Holdings Ltd.*
  - *Moderator: Mitchell J. Cole, Principal, Towers Perrin*

- New Reinsurance Products for Captives
  - *R. Lincoln Trimble, Vice President, Chubb Atlantic*
  - *Michael Woodroffe, President, Meadowbrook International*
  - *Moderator: Robert J. Rosser, Senior Vice President, Skandia International Risk Management*

or

- Expanding Captive Horizons to Employee Benefits
  - *Nancy Bern, Senior Vice President, John Hancock*
  - *Richard M. Inserra, Assistant Treasurer, Union Carbide Corporation*
  - *Gary Matson, Director, Global Benefits, HJ Heinz*
  - *Moderator: Mitchell J. Cole, Principal, Towers Perrin*

- Shutdowns and Windups: Has Your Captive Run Its Course?
  - *Sanford Bragman, Vice President Risk Management, Tenet HealthSystems*
  - *James M. Dineen, Principal, The Knowledge Guild, Inc.*
  - *Moderator: Robert J. Rosser, Senior Vice President, Skandia International Risk Management*

or

- Integrated Risk Financing/Enterprise Risk Management/Basket Aggregates
  - *Michel Cournier, Director of Risk Management, Alcatel*
  - *P. Richard Hackenburg, President & CEO, XL America, Inc.*
  - *Brian Kawamoto, Director, Enterprise Risk, Swiss Re New Markets*
  - *Moderator: Kathryn J. McIntyre, Publisher and Editorial Director, Business Insurance*

- Using a Captive in Mergers and Acquisitions — A Healthcare Perspective
  - *C. Richard Cornelius, Vice President Insurance Services, VHA Inc.*
  - *Corbette Doyle, Chief Executive Officer of Healthcare, Aon Healthcare Alliance*
  - *Moderator: Michael Maglaras, Principal, Michael Maglaras & Co.*

or

- Getting Ready for a Merger or Acquisition
  - *Peter Gentile, CEO, Gerling Global*
  - *Ken Krenicky, Vice President, Risk Management, Rhone-Poulenc Rorer Inc.*
  - *Gary Peruse, Senior Vice President, Risk Management, Ogden Corporation*
  - *Moderator: Kathryn J. McIntyre, Publisher and Editorial Director, Business Insurance*

Reception, Dinner and Entertainment at the Pavilion

Wednesday, November 17, 1999

- Captive Case Studies Reception, Dinner and Entertainment at the Pavilion
  - *Janet Evans, Corporate Risk Manager, Snow Summit Ski Corporation*
  - *Barry Port, President, Public Utility Mutual Insurance Company*
  - *Philip Thomas, Director of Risk Management, Bass*
  - *Moderator: D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin*

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Spotlight report

Mirer a driving force in autoworker health and safety

'Most influential health and safety practitioner' in organized labor: Safety council

By MEG FLETCHER

Teaming the brains and bravura of Franklin Mirer with the brawn of the United Auto Workers has improved autoworker health and safety for the past quarter century.

Mr. Mirer, 53, is a certified industrial hygienist and chemist in Detroit who has been with the UAW International Union since 1975. Since 1982, he has served as director of the labor union's Health & Safety Department.

He is one of two workplace experts being inducted this week into the National Safety Council's Safety and Health Hall of Fame International during the organization's 87th Congress and Exposition in New Orleans. The other is A.J. Scardino Jr. (see story page 24).

"Mr. Mirer is widely regarded as the most influential health and safety practitioner in the organized labor movement today," according to a statement from the National Safety Council. His influence is felt directly in innovative collective bargaining strategies affecting auto, aerospace and parts suppliers, as well as workers in public and private offices and professions, the NSC stated.

In addition, the safety organization said, "he has also played a key role in promoting legislation to improve worker and community safety and in opposing legislation which would threaten workplace and environmental health.

"Through his publications, organizational role and constant legislative efforts, his own research and research that he has helped to initiate and supported, he has changed the world of health and safety for the better," the NSC said in the statement.

The NSC singled out for praise Mr. Mirer's early and continuing concern and research about the risks of workplace exposure to "metalworking fluids" in the automotive and related industries.

In researching the fluids' risks, "we started with a concern about occupational cancer," and found that workers exposed to such fluids experienced not only an excessively high rate of mortality from stomach and other cancers as well as respiratory problems such as asthma and bronchitis, Mr Mirer recalled.

The issue still is being pursued today, as the UAW is encouraging the Occupational Safety and Health Administration to adopt

Mr. Mirer

Continued on next page

Safety

Continued from page 16

oriented,contends Ms. Corcoran.

All too often, such committees espouse the inspection mentality that today's safety professionals are trying to overcome, she said.

The members of today's workplace safety committees "have to see the forest for the trees and not be too nit-picky and forget the reason for their existence," she said. "They also need to know the whys, not just how or what to do."

For example, "you can have the most ergonomically designed workstation, but it's useless without worker training. They need to know to take breaks, to watch their posture, and be encouraged to do so."

"There has to be an element of fun, too," said Mr. Gise.

Something as simple as hosting a company-paid pizza party for a division that goes injury-free for a given period of time can influence employees' attitudes toward safety, he said.

"It's surprising how little it takes to get people excited," Mr. Gise said.

Some of Managed Comp's employer clients have gone as far as encouraging their employees to think about safety outside the workplace. One way this was accomplished was through a safety poster contest for employees' children.

"The company management showed it cared about safety and got employees involved not only at work, but at home," recounted Ms. Corcoran. "By having the poster contest, employees had to talk to their kids about what they do all day long."

Mr. Mitchell of HIH agreed that employee involvement is essential to making a safety program work.

"Too often safety programs are dictated from the top down, but people who are doing the work day in and day out often know better how things can be done safer," he said.

For example, when he worked as a corporate safety manager overseeing a corrugated cardboard plant in Southern California in the early '90s, he asked employees for safety recommendations based on this question: "If you were telling your daughter or son how to do your job safely, what would you tell them?"

Those recommendations, which were incorporated into the union contract, resulted in a 42% reduction in the plant's incident rate over a one-year period, Mr. Mitchell said.

"What made it work is the rules came from the workers, not management," he said. BI

Continued from previous page
significantly lower exposure limits, he said.

The UAW also was active at the beginning of this decade in changing the fetal protection policies of Johnson Controls Inc., a Milwaukee company that specifically prohibited all fertile women from working with lead, a known fetal toxin, in the manufacture of batteries. The U.S. Supreme Court ultimately ruled in March 1991, reversing an appellate ruling, that it was discriminatory for employers to broadly bar all fertile women from holding such jobs.

"Our view was that we should make it safe for everyone—men as well as women—and our people have a right to choice," Mr. Mirer said. Following the Supreme Court ruling, employers generally dealt with the issue by improving working conditions, primarily through enhanced ventilation, for all employees, he said.

The UAW also has been concerned about appropriate worker exposure limits to a variety of other workplace substances, including silica, diesel particles, sulfuric acid and synthetic mineral fibers, he said.

In addition, Mr. Mirer has helped encourage companies to introduce systemwide changes that reduced ergonomic problems, said David Wegman, a professor and chair of the Department of Work Environment at the University of Massachusetts in Lowell.

The UAW's research into workplace hazards has been given teeth through collective bargaining, a process in which Mr. Mirer often participates.

For example, the recent contract with DaimlerChrysler Corp. gave the union the right to debate the need for lower exposure limits to some potentially risky substances during the contract's multiyear term, he said.

'It's no accident that Dilbert cartoons are being put up on every wall and every workplace,' says Franklin Mirer.

In addition, Mr. Mirer played a lead role in expanding labor/management programs to include efforts to identify, analyze and develop solutions to workers' health and safety problems, Mr. Wegman said.

"Frank is probably a pioneer of that concept," said Henry Lick, manager of occupational and environmental health sciences at Ford Motor Co. in Detroit.

Overall, he said, Mr. Mirer possesses "good insight on the ideal way to do health and safety in the industry," said Mr. Lick. "I find him pretty much a responsible union leader," and "a strong advocate of health and safety," he said.

"I think the leadership he has demonstrated in the labor movement and the representation he has provided in both the regulatory and public arenas has been outstanding," Mr. Wegman said.

Mr. Mirer, a Brooklyn native, found it easy to move to Detroit because he considers himself a "city boy" who is accustomed to having a lot of people around him from varied backgrounds. In contrast, his background also includes a few years spent attending a two-room schoolhouse in Fredericksburg, Va., so his father could oversee a small clothing factory there. His mother was a high-school English teacher.

Mr. Mirer's interest in social justice was honed at New York's Columbia University during the escalation of U.S. involvement in the Vietnam conflict. He graduated magna cum laude in 1966. His interest in using science to improve people's health and led him to pursue more higher education. He eventually earned a doctorate in chemistry from Harvard University.

Currently, his attorney wife represents plaintiffs in employment discrimination cases, his son is a sophomore at Columbia, and his daughter attends high school in Detroit.

Mr. Mirer says that "we are in a very difficult era in employment" in the United States, one that has seen significant downsizings and consolidations, he said.

The UAW, in an effort to counteract dwindling numbers, is responding by expanding its membership into white collar jobs, including service-sector employees as well as state employees in Michigan and Indiana, he said.

Other job-related challenges include getting the federal government to play a more active role in protecting worker health and safety. That is very difficult because recent Congresses typically have not supported OSHA's role, he said.

In addition, state-based "workers comp does a very poor job of addressing occupational diseases," Mr. Mirer added.

One of the biggest challenges facing individual employers is the need to choose between two competing business philosophies that affect workers' safety and health, Mr. Mirer said.

He likens one of these business philosophies to that of the boss in the Dilbert comic strip, who seeks only financial gain by sweating cubicle-crazed workers and squeezing suppliers, caring little about workers' health and safety.

With so many employers adopting that approach, Mr. Mirer said "it's no accident that Dilbert cartoons are being put up on every wall and every workplace in the country."

But Mr. Mirer said he is encouraged by another business philosophy: striving to continuously improve the safety of workplaces and the employees' contributions within them.

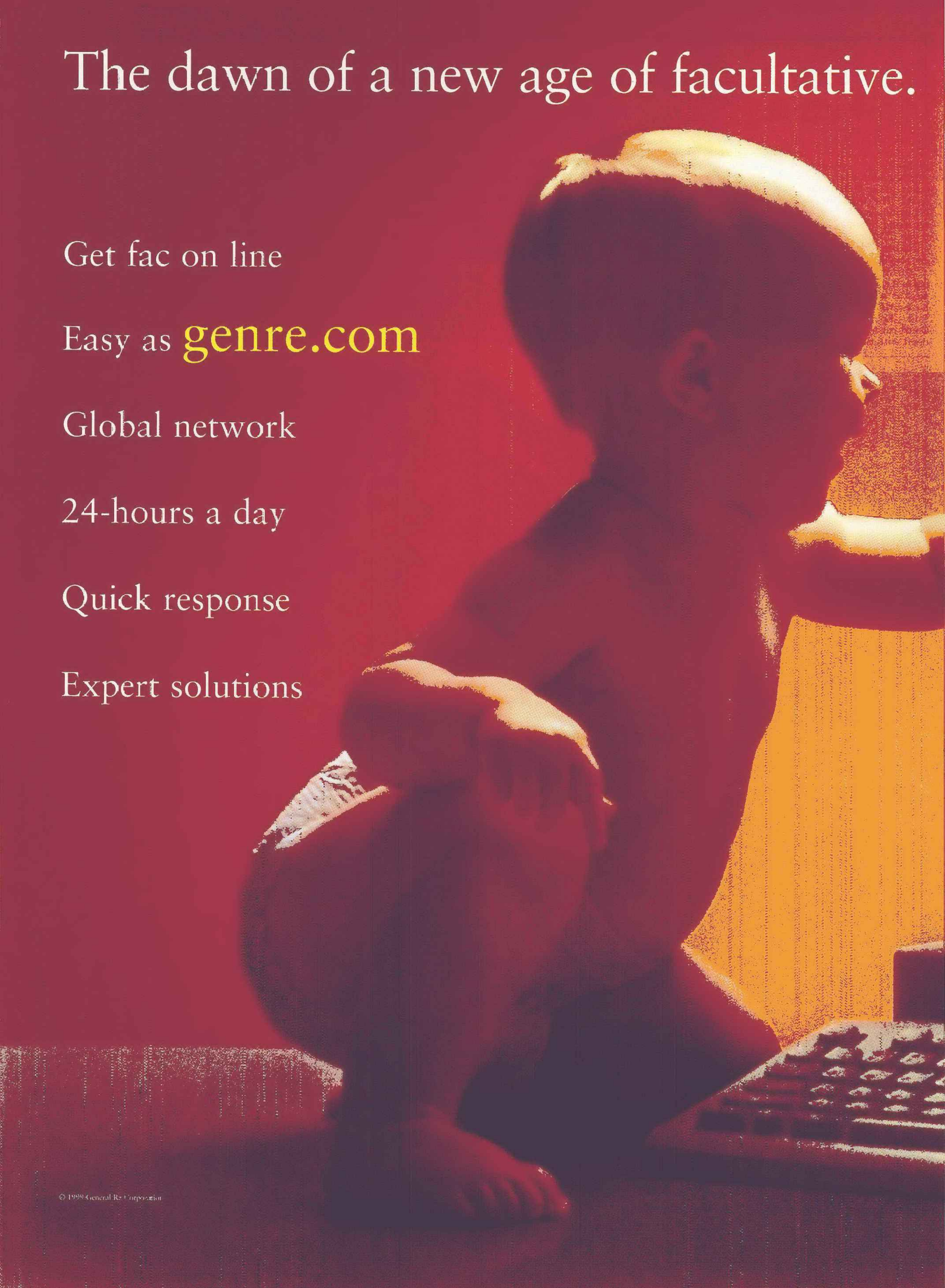
"There was a bloom of that in the early and middle 1980s when the economy was down and we were hemorrhaging to Japanese competition," he said.

One of the main gurus of continuous improvement through cooperative activities was W. Edwards Demming, a U.S. management consultant who is considered by some to be primarily responsible for the tremendous rise of Japanese businesses after World War II.

The Japanese embraced his quality concepts, which were spurned by American managers at the time.

"My impression was that when Demming was in favor, people were more interested in worker participation and safety," said Mr. Mirer.

"Dilbert is the reflection of what happens when you don't have Demming." **BI**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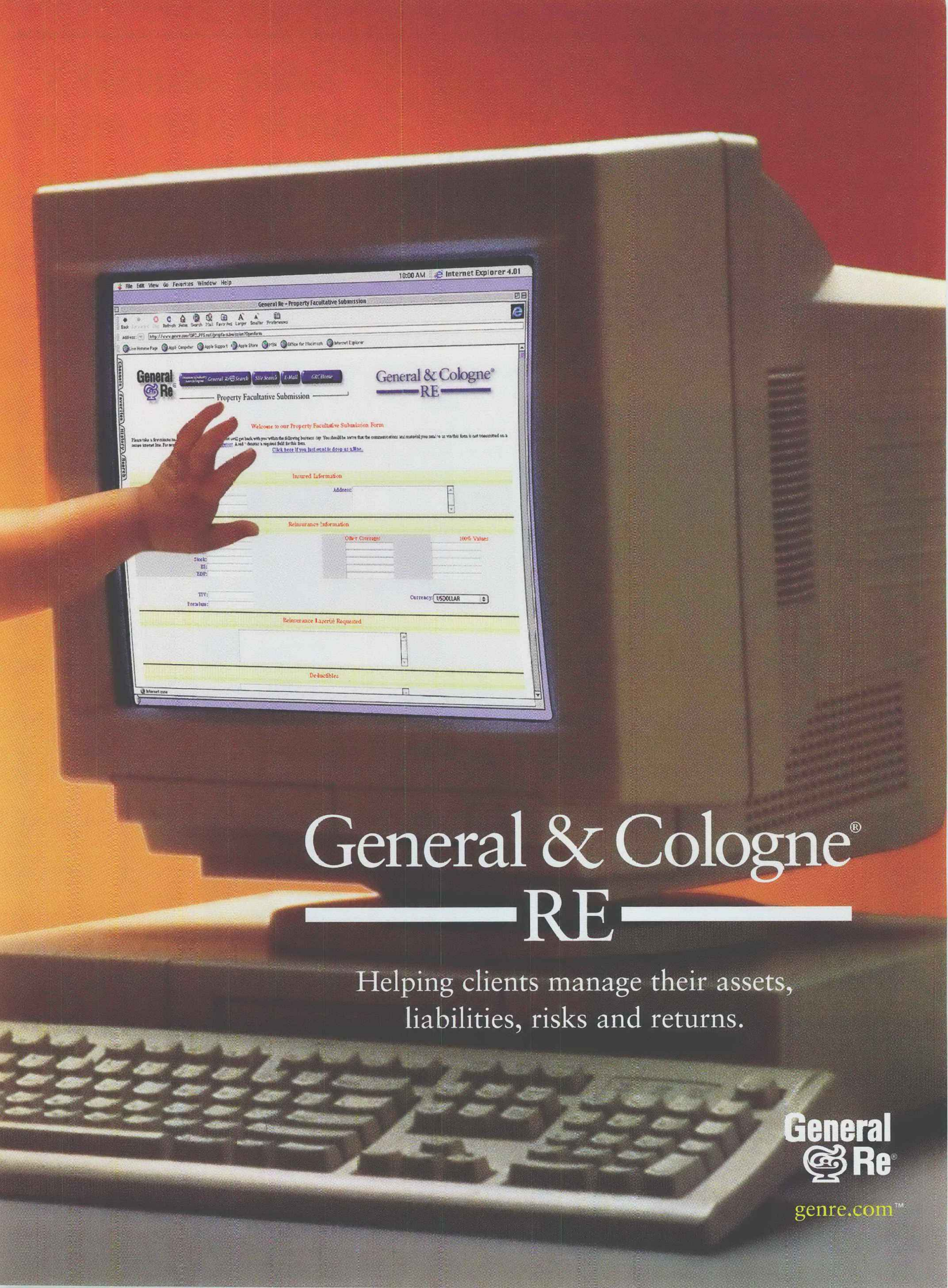

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Safety innovator's spot in history secure

By MICHAEL BRADFORD

A.J. Scardino Jr. knows he is joining some pretty good company.

"This I think you will find most interesting," he says, turning to a page in a spiral-bound book.

The listing he is pointing out reads: "Bernardino Ramazzini was born Nov. 3, 1633, in Carpi, Italy. He died Nov. 5, 1714, at Padua. He is recognized as the founder of the discipline of occupational medicine."

The book, a listing of inductees into the National Safety Council's Safety and Health Hall of Fame International, is a who's who of innovators in the profession. The creator of the National Highway Traffic Safety Administration is there, as are the inventor of the lap/shoulder seat belt, the founder of driver education courses, the developer of the Heimlich maneuver, and many other notable figures.

In the next edition, Mr. Scardino's name and accomplishments will be included as well.

"It hasn't hit me yet," he said of his impending induction into the hall of fame. "I always have the feeling that perhaps I'll wake up and it's not real. The folks in there have made some tremendous contributions."

When the inductions are held later this month, Mr. Scardino will be honored for his numerous contributions to the field of safety. Those achievements include:

- Design of a vest to be used by workers around water. The vest, which has not appeared on the market, was designed to rotate an injured worker to a face-up position in water.
- A study that led to the development of a harness for female workers. The design removes features of the old harness that could have resulted in trauma to the breast and reproductive organs.
- Development of the "split-top matrix," a decision-making tool that gives supervisors in the field a set of "basic determiners" for evaluating a workplace safety decision. The matrix is a "simplified checklist for supervisors in the field to use as a guide," he explained.
- Promotion and development of the Institute of Performance Procedures for Industry, which aims to publish procedures that are alternatives to minimum-requirement standards of safety used by many organizations.

The idea for the institute arose from a meeting of the Veterans of Safety, a group of safety professionals, during which a previous inductee into the Safety and Health Hall of Fame challenged the membership to shift its focus away from simply developing minimum standards. The idea was to generate procedures that would stop injuries from occurring, and the challenge led the group to begin work on "performance procedures" that serve as a "guide to management, labor, government and industry as to what should be done as opposed to, 'What's going to be the minimum of what we have to do,' " Mr. Scardino said.

Mr. Scardino's achievements make him a worthy inductee into the hall, according to Robert L. Marshall, who was inducted last year after a 50-year career in safety education in Kansas and Missouri schools and a stint as deputy director of the National Commission on Safety Education.

"He's been in the field a long time," Mr. Marshall said, "and done some unusual things."

Mr. Marshall pointed out that Mr. Scardino has held a number of leadership positions, including two terms as president of Veterans of Safety International. That ability to lead has made him "well enough regarded that he's able to do quite well" with his own risk manage-

See **Scardino** *on next page*

Scardino

Continued from previous page

ment firm, Mr. Marshall noted.

From his home in Pass Christian, Miss., where Mr. Scardino works as president of safety consulting firm Sigma Associates Ltd., he discussed his background in the field of safety and the accomplishments that paved his way into the hall of fame.

"I can't obviously say I planned it, but just gravitated into it," he said of his career in safety. "I've been in the field going on 42 years now."

That career began in Louisiana in the Jefferson Parish Sheriff's Office. While there, he introduced the parish's first K-9 corps program to train police dogs, and he implemented the first new-officer training program.

After leaving law enforcement, Mr. Scardino became a safety engineer for shipbuilder Avondale Industries Inc. in Avondale, La. Among his accomplishments at Avondale was the introduction of a new-employee safety orientation program. He then spent time with another company with interests in shipyard and other services in the New Orleans area and worked for a loss control firm in Nashville, Tenn., before forming Sigma Associates in 1978.

Mr. Scardino has taught a number of fire, oil field and industrial safety courses at universities, and he has written technical chapters for Occupational Safety and Health Administration manuals. His professional designations and memberships create a small alphabet after his name.

Among his most important accomplishments, Mr. Scardino says, are the development of the work vest and the harness for women.

Work on the vest has brought encouragement as well as frustration. Although it has been 30 years since he determined that an improved vest could save lives, his idea currently remains unproduced.

In studying and researching the effectiveness of life vests from 1967 to 1970, Mr. Scardino said he realized that there was no vest that would rotate an unconscious individual to a face-up position in the water.

Subsequent study led him to conclude "that if you make one of the (vest) pods larger than the other pod, then it makes them unstable in a face-down position," and the additional buoyancy on the larger side will rotate the person face-up.

A prototype vest was developed, he said, but no manufacturer has agreed to produce it.

"I've written to a number of manufacturers and given them the information on what we have," said Mr. Scardino. "Each one said, 'Send me a sample and we'll determine whether it's practical or not.'"

He hasn't been willing to send the prototype without a patent, Mr. Scardino noted. As for bringing the product to the market, he said "I'm pursuing it but having some difficulty with it."

PHOTO: MICHAEL BRADFORD

A.J. Scardino Jr.'s many contributions to safety have brought him international acclaim.

He's had more success with the work harness he developed for women.

The harness stemmed from research done in 1994 of containerized cargo handling in the Long Beach, Calif., area. In talking with a female worker at one site, Mr. Scardino asked how she liked the harness she wore to protect herself in falls.

"I asked her if there was anything she didn't like about it, and she said, 'The way it destroys my breasts,'" Mr. Scardino recalled. The hardware, he said, was designed for males, with a cross-chest strap that put a lot of pressure on the breast. In addition, the harness caused the legs to spread quickly apart during a fall, posing a danger to female reproductive organs.

The redesign of the harness moved the chest strap above the breasts and included a seat strap so that the legs stayed together in a fall.

"The configuration of the harness made a major improvement in female fall protection," Mr. Scardino remarked. He said he believes the redesigned harnesses still are being produced by a maker of fall-protection equipment.

In another accomplishment, Mr. Scardino's efforts to make work around guy derricks safer likely has saved lives in the oil industry. Derricks are support frameworks around oil rigs and machinery.

"There were a number of serious injuries and fatalities that had occurred as a result of guy derrick upset," he explained.

His research into the problem led Mr. Scardino to develop simple procedures to determine whether the derricks were properly anchored. His work was published in 1989 as a chapter in an OSHA technical manual, and, as of last month, there had been no fatalities on any project that followed the guidelines, he said.

Mr. Scardino said it is difficult for him to designate any one of his accomplishments as the most meaningful. Often, the results of his contributions are difficult to measure.

"There is a statement made in the profession," he noted, "that you never know how many you save, you only know the ones you lose." BI

Wicket

Continued from page 3

device also has helped the company bring injured workers back to work more quickly and improved worker morale, according to company managers and one formerly injured worker.

"In addition, the company has demonstrated its support of safety and health principles by licensing this technology to ensure that others in their industry can benefit from the device," the VPPPA said.

The Macedon plant, which employs about 430 workers and generates about $70 million in annual sales, is a division of Salt Lake City-based Huntsman Corp. The parent company, which describes itself as North America's largest privately held chemical corporation, employs more than 16,000 workers in 34 countries and has annual revenues of about $8 billion.

Huntsman, which bought the Macedon plant from Mobil Corp. in 1993, continued the plant's focus on heating plastic resin pellets to a molasses-like consistency and extruding the liquid into large rolls of plastic wrap of differing densities, which it calls "film."

The plastic film is then printed according to customer specifications with the logos of various products and formed into bags, which are then shipped to customers. About 70% of the plant's production goes to bakeries that fill the bags with fresh baked goods, while other customers use them to package a wide variety of products, including fresh and frozen vegetables, cotton balls and disposable diapers.

The commitment of Huntsman Packaging, which is near Rochester, N.Y., to worker health and safety stems from a long-standing corporate philosophy, according to Tom Bowden, Macedon's plant manager. The corporate owners' Mormon belief in people-centered principles is one of the reasons "Huntsman's commitment to safety and health is very, very strong," Mr. Bowden said.

The plant also has demonstrated its commitment in a variety of ways that cumulatively have resulted in an experience rating modification factor of 0.57, which is considerably below the 1.0 average for similar risks, said Tod Quirk, risk control consultant with Marsh Inc., Huntsman Corp.'s Salt Lake City broker.

For example, its support in 1995 of another equipment innovation, which made it easier for a single worker to handle large rolls of plastic film, also earned it a VPPPA innovation award.

"There is a commitment from the very top, and it goes down to every employee on the floor," said Steven Kincaid, production manager of the plant's finishing department.

PHOTO: COURTESY OF HUNTSMAN PACKAGING CORP.

Huntsman Packaging Corp.'s patented technology helped to reduce cumulative trauma disorders in its plastic bag manufacturing operations. The innovative system earned Huntsman a VPPPA award.

Identifying the plant's most serious safety and health problem was much easier than finding a way to solve it.

The problem occurred on the bag-making production line, where all workers and visitors are required to wear steel-toed shoes to reduce injuries and hair nets to ensure sanitary conditions.

Near the end of the line, clusters of loose bags, topping out at 500 each and weighing up to 10 pounds, have to be manually removed from pins and placed on horizontal wickets sandwiched between front-and-back divider boards, as well as rubber grommets.

"The main problem (for workers) was the pinching and lifting of the weight," Mr. Kincaid said.

Mr. Bowden said he remembers the "almost-sickening feeling" he had during his first plant tour when he saw the awkward hand motions and physical stress workers were repeatedly enduring.

Like most repetitive motion disorders, it took time for them to manifest themselves among bag line operators, who typically make $8 to $13 per hour.

After four years on the line, Sharrie Lunser, now 30, of Clifton Springs, N.Y., noticed a numbing and tingling in her fingers, and "I was constantly dropping things," she said.

To alleviate her physical problems, she ultimately had carpal tunnel surgery on both hands, as well as surgery on the insides of both elbows in 1997. She received workers compensation benefits for a year or more during that period, she said.

According to the plant's OSHA log, other bag department workers also suffered similar cumulative trauma injuries, said Susan Reid, the plant's health, safety and environmental manager. In 1996, three workers experienced a total of 291 lost work days; in 1997, two workers had a total of 145 lost days and 16 days of restricted work.

Solving the problem required "a tremendous amount of work" over several years, according to Gordon Pickering, the manager of the plant's cast film department. He is one of four current or former employees whose names appear on the Huntsman patent for the autowicketer system.

The plant itself previously spent about $500,000 over the past five years to develop a prototype of the autowicketer and test it, Mr. Pickering said.

Many Huntsman workers, including hourly workers, were "heavily involved" in designing and testing the evolving equipment, Mr. Bowden said.

Huntsman's insurer, Zurich Group, and its broker also contributed, but "Huntsman really did it," Mr. Quirk said.

The autowicketer device is, essentially, a sophisticated packing mechanism that ensures that customers will receive wickets containing properly counted and aligned bags. Customers place the bag-filled wickets on their own automated equipment and fill them with their products.

"They engineered out the hazard of repetitive motion," said Norman R. Deitch, OSHA's VPP manager of Region 2.

From the point of view of medical personnel, "the automated process significantly decreases exposure to cumulative trauma in the upper extremity," according to a letter of nomination jointly prepared by two professional health care providers from the plant's occupational medicine program, Health Works. Health Works is an affiliate of F.F. Thompson Health System Inc. in Farmington, N.Y.

"By reducing the handling of the bags in their 'unbound' form, the hands and wrists are greatly spared the frequently repeated grasp-and-release motion. With the automated wicket machine, the associate only needs to grasp the slippery bundle of bags after the cardboard backers and rubber grommets have been placed. This gives the associate a more solid surface to hold, with a significant reduction in the amount of grasp force required, as well as reducing the total number of times the product must be handled," wrote Dr. David Carlson, Health Works' medical director; and Curt DeWeese, a physical therapist who is Health Works' associate director of industrial rehabilitation.

An operator on a autowicketer line experiences "less stress and less motion," said Ms. Lunser, who returned to work last winter. "It just makes the job easier," she said.

Ms. Lunser was eased back into her 12-hour shift through a schedule of modified duty, which included office work and a work-hardening routine of two-hour intervals of packing bags.

The autowicketer would not have become a reality without the parent company's authorization of an additional $1.5 million to implement an equipment prototype on 16 of 36 production lines about a year ago. Bowden said.

"It was just remarkable, the amount of money and commitment they put into resolving workers' safety problems," Mr. Quirk said.

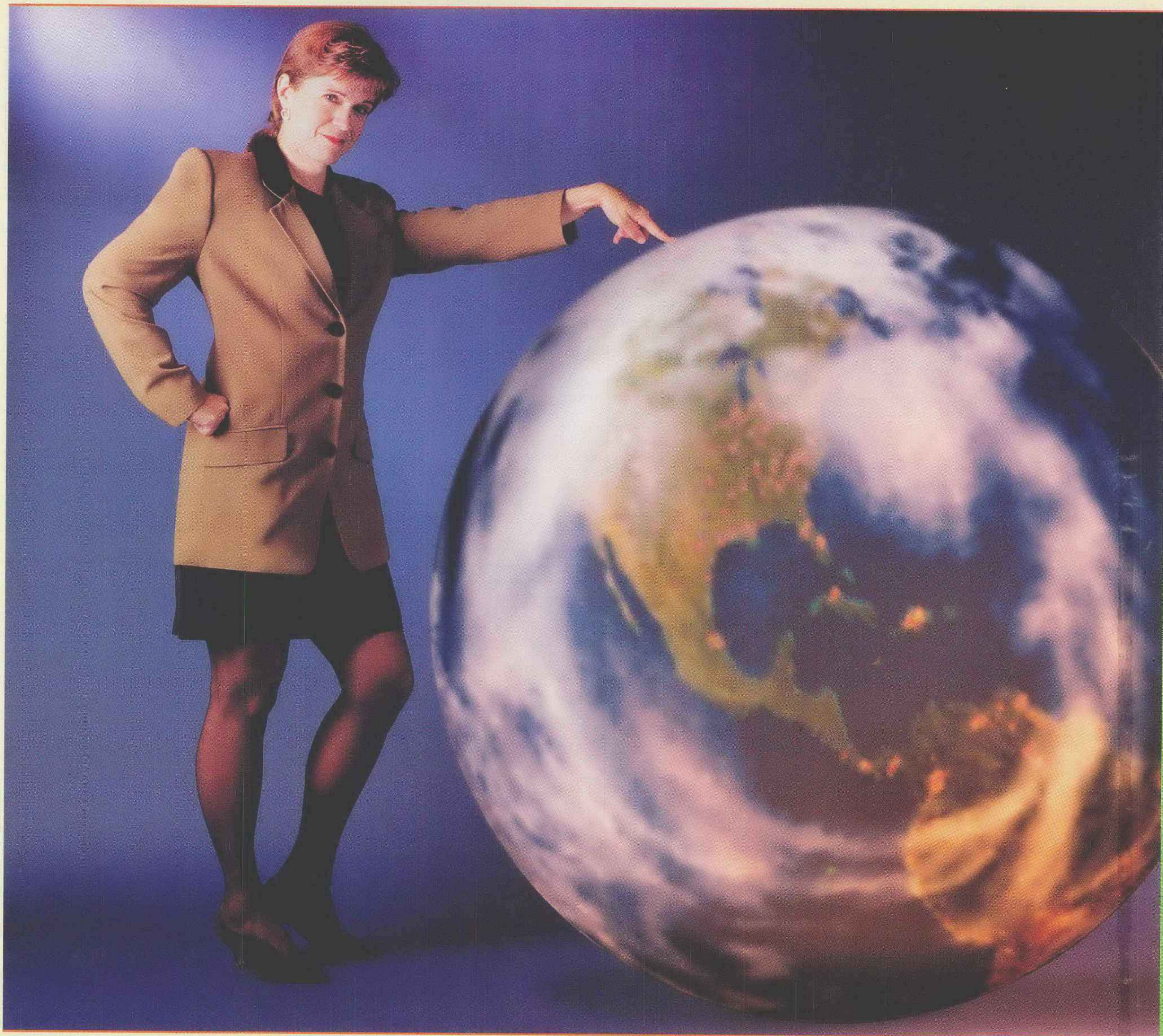
By doing so, Huntsman helped itself, too, he said. Having a very low experience mod factor reduces its costs of production and improves morale, he said. That makes the company more competitive.

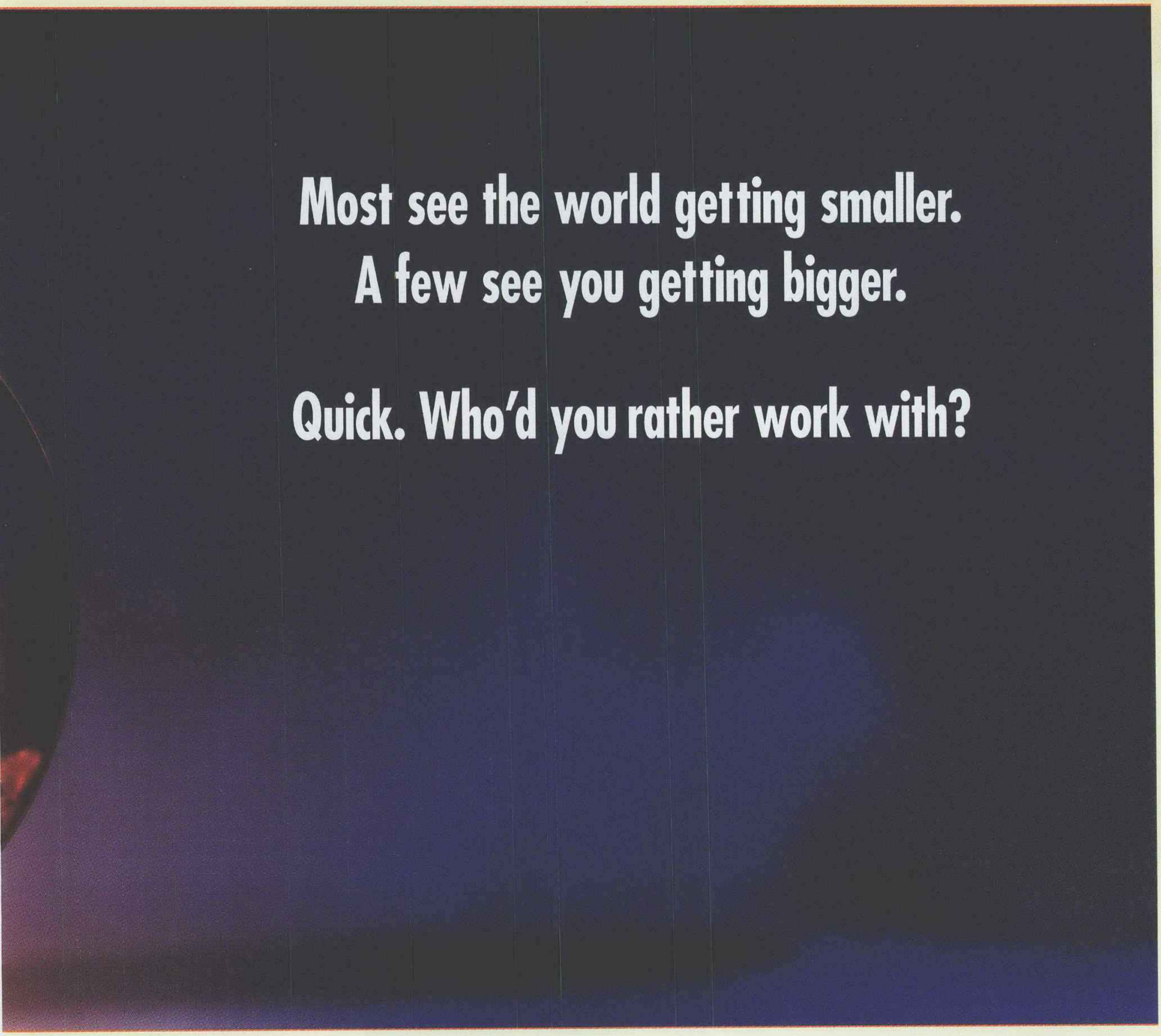
Thus far, "the project has been extremely successful," Mr. Bowden said.

In 1998, the plant's OSHA log listed only two workers suffering cumulative trauma ailments and losing just 76 days. In addition, the plant has had no reports of workers experiencing such symptoms and no lost days through June of this year, Ms. Reid said.

The plant has yet to receive the full benefit of the new equipment in regard to its operations or its insurance costs, because

See **Wicket** *on page 28*




Most see the world getting smaller.
A few see you getting bigger.
Quick. Who'd you rather work with?

Wicket

Continued from page 25

carpal tunnel disorders are a long-term phenomenon, Mr. Bowden said. Still, Huntsman has had workers return to full duty on the autowicketer machines long before they could have returned to a manual line, he said.

Huntsman Packaging makes it a point to share its experience with potential customers.

"They all say they are impressed by our commitment. I think it shows integrity," Mr. Bowden said.

Huntsman also is sharing its technology with the bagging industry as a whole, principally by exclusively licensing its patented technology to the Hudson-Sharp Machine Co. in Green Bay, Wis. That company now produces an enhanced version of the device that it calls a "WASP"—Wicketed Automatic Stack Processor. It expects to sell about a dozen units this year, in both the United States and Canada, said Paul Staab, Sharp's North American sales manager.

Meanwhile, the Huntsman plant in Macedon plans to further enhance its own machine by automating components to load backer boards and grommets. Additionally, management is improving operations by urging workers to vary throughout their shifts the way they remove bag stacks from the assembly line and transfer them to packing boxes.

The company also is considering expanding the use of the machine within its own plant.

Other steps that demonstrate Huntsman's commitment to continuous improvement include its hiring of Mr. DeWeese for 16 hours each month to educate its rotating shifts of workers about other potential ergonomic problems in regard to other aspects of plant operations.

The company also is continuing to boost morale through a wall of fame and monthly awards of grocery coupons for helpful ideas.

From several points of view, Huntsman and its workers consider themselves to be winners.

"It's quite a good feeling" to solve the most-significant safety and health problem the plant had, Mr. Bowden said.

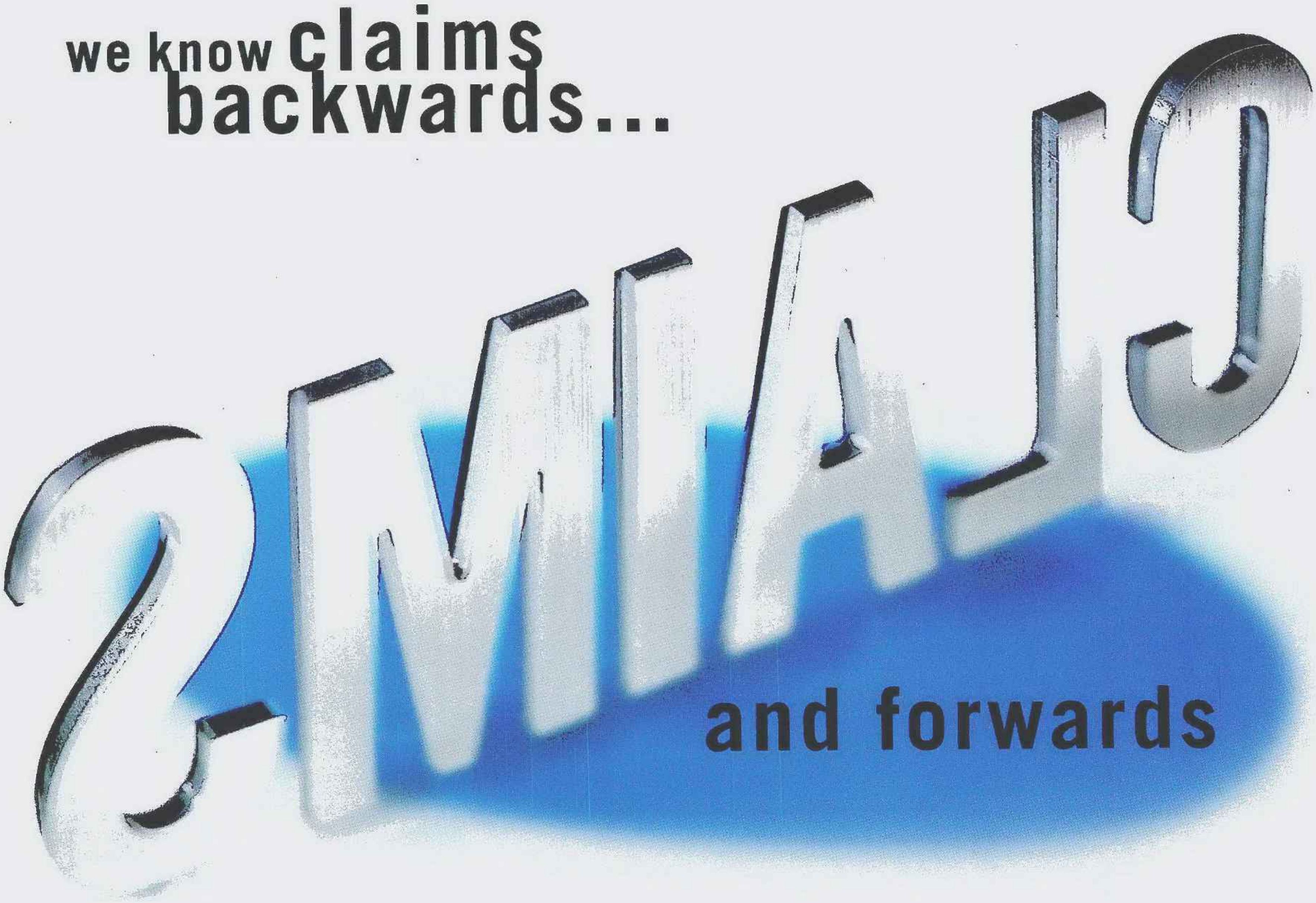
"It's always nice when an employer—in this case, Huntsman—tries to get ahead of processes and do things to prevent injuries," said Health Works' Dr. Carlson.

As Huntsman employee Ms. Lunser sees it, "it's nice to see a place that takes profits and puts it back into making things better."

"This site serves as a model for other plastic converting manufacturers to follow," said Marsh's Mr. Quirk.

"This exemplifies all of the concepts of the VPP: management leadership and employee involvement, worksite analysis to determine that there was a specific problem, hazard prevention through engineering controls, and training in the use of the equipment," said OSHA's Mr. Deitch.

"The idea of being recognized makes it all worthwhile," said Mr. Pickering. "It's also great for morale," he added. BI



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OSHA floats changes to voluntary programs

By MEG FLETCHER

Federal regulators are proposing revisions that they say would strengthen an established safety and health recognition program.

The U.S. Department of Labor's Occupational Safety and Health Administration last week announced it is seeking public comment through Nov. 26 on proposed revisions to its Voluntary Protection Programs.

The proposed changes include extending eligibility to federal agencies and certain contractors as well as requiring participants to report illness rates and numbers in addition to injury data.

"The revised VPP requirements we're announcing today clarify and strengthen OSHA's cooperation with industry and labor and emphasize the agency's commitment to reducing occupational illnesses," according to a statement by OSHA Administrator Charles N. Jeffress.

The VPP was established in 1982. It is a set of programs operating in conjunction with other federal and state agencies to recognize worksites that achieve and maintain excellence in worker safety and health protection through cooperation among workers, management and government.

More than 550 U.S. worksites, at which hundreds of thousands of U.S. employees work, have received one of three VPP designations: "star" companies have excellent safety and health programs; "merit" companies have good programs and are working toward star status; and "demonstration" companies have excellent programs with innovative features OSHA wants to evaluate.

To become a VPP participant, a worksite presents an application to OSHA, which then dispatches a special team to review the facility. "The team looks for a high level of management leadership and employee involvement in the worker safety and health program; methods of worksite analysis; hazard prevention and control; and safety and health training," according to information from the Voluntary Protection Programs Participants' Assn.

The association is a private, nonprofit organization based in Falls Church, Va., that promotes the VPP's goals through special awards and programs. Its members represent about 75% of VPP worksites, according to Lee Anne Elliott, executive director of the association.

Employers whose worksites meet VPP eligibility criteria typically experience lost-workday and injury-incident rates that are 50% lower than overall industry averages, reduced workers compensation costs, increased productivity, reduced absenteeism and improved morale. "These benefits lead to increased efficiency and competitiveness for corporations and for the U.S. in the global market," the association said in a statement.

Another advantage of a worksite receiving a VPP designation—and maintaining it through periodic inspections—is that it is exempt from routine OSHA inspections. A VPP worksite, however, is subject to special inspections, such as those resulting from a valid worker complaint, fatality or other catastrophic or significant event, Ms. Elliott said.

In addition, federal lawmakers supporting the VPP program have introduced a bill, H.R. 1459, that would codify the program and help ensure its continued existence as part of an OSHA program, Ms. Elliott said.

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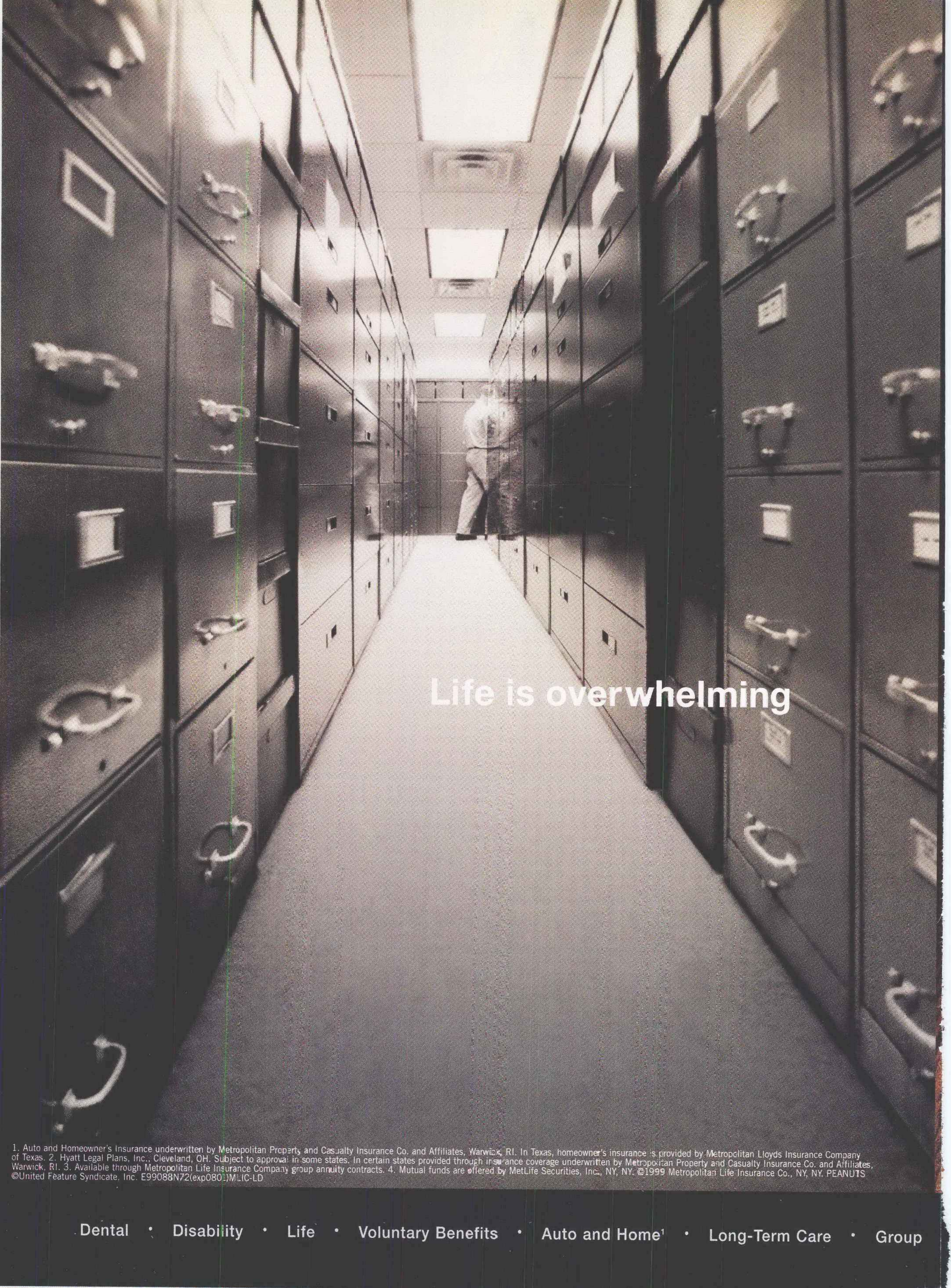
Additional details on Voluntary Protection Programs are available on the Internet at www.osha.gov and www.vpppa.org.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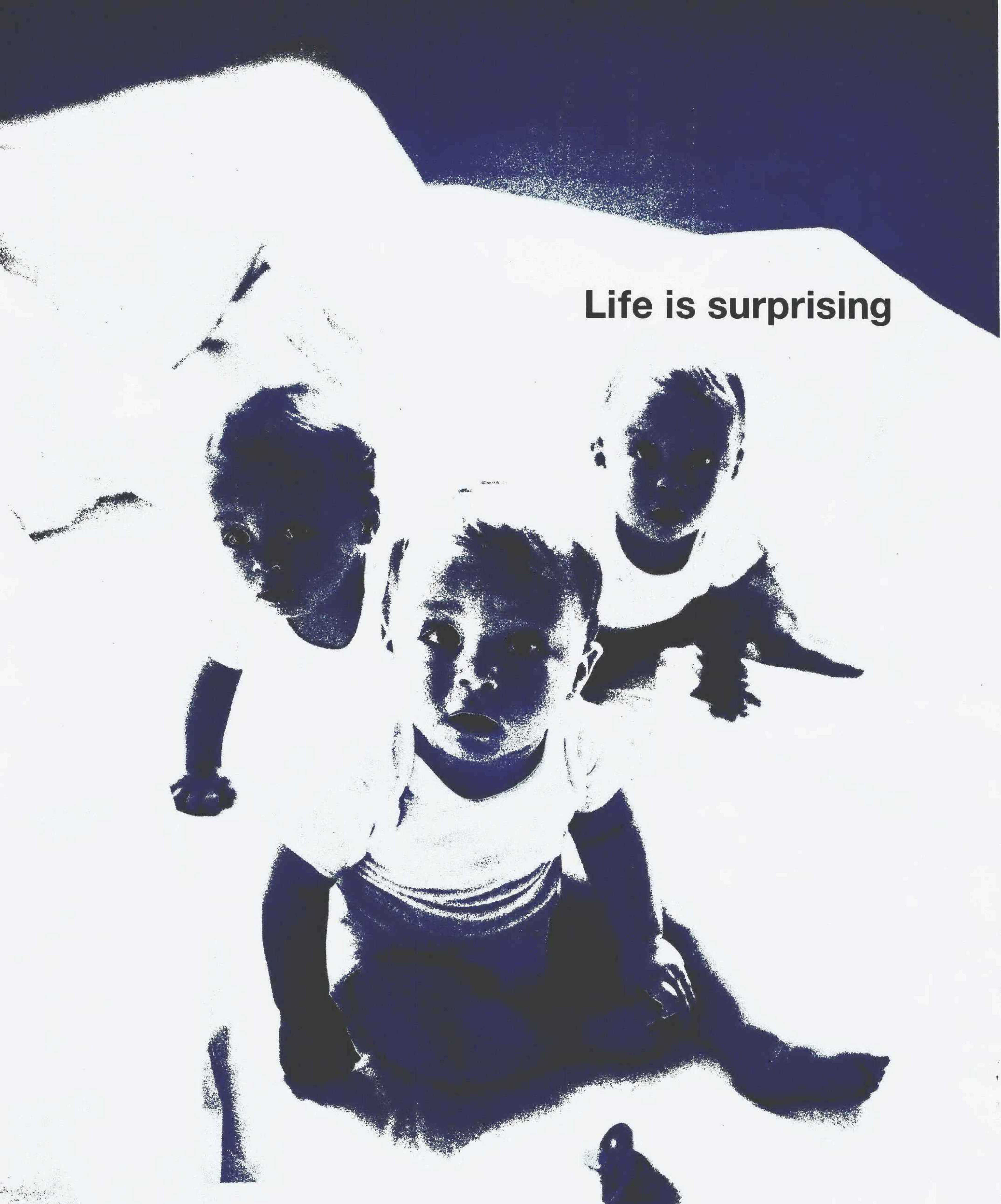
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Business Insurance annual directory of safety consultants

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Staff
Total 120
Safety consultants 90
Occupational health consultants 14
Industrial hygiene consultants 6
ASSE members 50
Clients
Total 1,200
Corporate/institutional clients 550
1998 revenues
Safety consulting $19,000,000

Founded: 1975.
Parent: American International Group.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; OSHA & DOT audits.
Other services: production of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; computer-based training.
Offices: Los Angeles and San Francisco; Atlanta; Chicago; Boston; New York; Philadelphia; Dallas; Toronto.
Service area: nationwide.
Officers: John Carey, president; Michael Castelli, vp-operations; Jon Andrew Young, vp-technical services.
Contact: Jon Andrew Young.

J.H. Albert International Insurance Advisors Inc.
72 River Park,
Needham Heights, Mass. 02494-2631
781-449-2866; fax: 781-449-5340

Staff
Total 2
Safety consultants 2
Occupational health consultants 2
Industrial hygiene consultants 2
ASSE members 2
Clients
Total 160
Corporate/institutional clients 160
1998 revenues
Safety consulting $250,000

Founded: 1967.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits; school violence programs; workplace violence programs; OSHA compliance audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; product liability research.
Service area: nationwide.
Officers: Michael A. Rodman, president; Joseph H. Albert, chairman; Thomas L. Atkins, vp.
Contact: Michael A. Rodman; mrodman@jhalbert.com.

Applegate Associates Inc.
465 Chestnut St.,
Union, N.J. 07083;
908-964-4949; fax: 908-964-9060

Staff
Total 4
Safety consultants 3
Industrial hygiene consultants 1
ASSE members 1
Clients
Total 40
1998 revenues
Safety consulting $397,880

Founded: 1992.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; occupational health research; ergonomic research; noise and vibration research; OSHA intervention- represent clients during OSHA inspection or for accidents involving employees.
Offices: Union and Wall Township, N.J.
Service area: California, Connecticut, Maryland, Massachusetts, New Jersey, New York, Pennsylvania and Rhode Island.
Officers: Grace Applegate, president.

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

Staff
Total 12
Safety consultants 9
Occupational health consultants 2
Industrial hygiene consultants 1
Clients
Total 120
Corporate/institutional clients 120
1998 revenues
Safety consulting $750,000

Founded: 1985.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars.
Other services: production of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering; industrial hygiene laboratory; risk management consultation.
Offices: Los Angeles and San Francisco; Washington; Atlanta; Chicago; New York.
Service area: nationwide.
Contact: Harry P. Mirijanian, president.

Arlington Associates
770 Arlington Circle,
Novato, Calif. 94947;
415-883-0884; fax: 415-883-0847

Staff
Total 1
Safety consultants 1
ASSE members 1
Clients
Total 30
Corporate/institutional clients 25
1998 revenues
Safety consulting $200,000

Founded: 1996.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; ergonomic research.
Service area: nationwide.
Officers: Rich Lawler, president.

B

Back School of Atlanta
1465 Northside Drive N.W.,
Suite 217, Atlanta, Ga. 30318;
404-355-7756; fax: 404-355-3907
www.backschoolofatlanta.com

Staff
Total 3
Occupational health consultants 3
ASSE members 1
Clients
Total 100
Corporate/institutional clients 20
1998 revenues
Safety consulting $250,000

Founded: 1979.
Parent: Southeastern Clinics Inc.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; ergonomic research.
Service area: nationwide.
Contact: Ronald W. Porter, director, 800-783-7536; backschoolofatlanta@mindspring.com.

Biehl Engineering Inc.
N66 W 12659 Ravine Drive,
Menomonee Falls, Wis. 53051-5260;
800-993-8251; fax: 262-251-8251

Staff
Total 2
Safety consultants 2
Clients
Total 120
Corporate/institutional clients 30
1998 revenues*
Safety consulting $200,000
** Estimate.*

Founded: 1960.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; expert witness; OSHA & DOT audits; insurance casualty loss investigating, technical advice to attorneys, slip fall investigations, machine guarding accidents, structural failure analysis, fire cause and origin, vehicle accident: reconstruction, electrical failure analysis.
Other services: OSHA compliance; product liability research; fire protection engineering.
Service area: international.
Officers: Steven F. Biehl, president; Francis W. Biehl, vp; Sharon Biehl, secretary.

Gregory B. Bragg & Associates Inc.
1 Sierra Gate Plaza, Suite 350B,
Roseville, Calif. 95678;
916-783-0100; fax: 916-783-0334
www.gbbragg.com

Staff
Total 4
Safety consultants 3
Clients
Total 64
Corporate/institutional clients 55
1998 revenues*
Safety consulting $200,000
** Estimate.*

Founded: 1986.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; onsite training classes or seminars; expert witness; OSHA & DOT audits; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; fire protection engineering.
Service area: western United States.
Officers: Gregory B. Bragg, president; Lee W. Collins, vp; Jeff Kimball, vp/CFO.Contact: Jack Kastorff, risk control manager; jack.kastorff@gbbragg.com.

C

Cecil P. Chastain & Associates
499 Old Antioch Road,
Carrollton, Ga. 30117;
770-258-2508; fax: 770-258-9305

Staff
Total 3
Safety consultants 2
Occupational health consultant 1
ASSE members 2
Clients
Total 108
Corporate/institutional clients 41
1998 revenues
Safety consulting $528,000

Founded: 1981.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; occupational health program assistance; OSHA & DOT audits; school violence programs; workplace violence programs; fleet safety audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; occupational health research; product liability research.
Service area: nationwide, Great Britain.
Officers: Cecil P. Chastain, president; Karen Chastain, secretary/treasurer.

Claims Administrative Services Inc.
501 Shelley Drive, Second Floor,
Tyler, Texas 75701;
903-509-8484; fax: 903-509-1888

Staff
Total 7
Safety consultants 7
Occupational health consultant 1
ASSE member 1
Clients
Total 30
Corporate/institutional clients 375
1998 revenues
Safety consulting $1,242,485

Founded: 1990.
Parent: Hibbs-Hallmark & Co.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits; school violence programs; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering.
Service area: Arkansas, Louisiana, New Mexico, Oklahoma, Pennsylvania and Texas.
Officers: Barry L. Jones, president; Wesley Slade, senior vp; Sheila Darland, assistant vp.
Contact: Wesley Slade.

Clayton Group Services Inc.
41650 Gardenbrook Road,
Suite 155, Novi, Mich. 48375;
248-344-8550; fax: 248-344-0229
www.claytongrp.com

Staff
Total 121
ASSE members 35
Clients
Total 1,941
1998 revenues
Safety consulting $15,900,000*
** Fiscal year ending 6/30/98*

Founded: 1954.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; expert witness; OSHA & DOT audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; noise and vibration research; fire protection engineering; industrial hygiene laboratory.
Offices: Pleasanton and Santa Ana, Calif.; Kennesaw, Ga.; Kailua, Hawaii; Downers Grove, Ill.; Wichita, Kan.; Lincoln, Mass.; Novi, Mich.; Minneapolis; Edison, N.J.; Akron, Ohio; Portland, Ore.; Downingtown, Pa.; Seattle.
Service area: nationwide.
Officers: Thomas P. Kowalski, president/CEO; Lisa K. Simkins, senior vp/COO; Mark Schumacher, vp/CFO.
Contact: M.J. Haught, marketing manager, 925-426-2662; fax: 888-357-7020; mjhaught@claytongrp.com.

Cannon Cochran Management Services Inc.
2 E. Main St.,
Danville, Ill. 61832;
217-446-1089; fax: 217-443-0927
www.ccmsi.com

Staff
Total 25
Safety consultants 25
ASSE members 20
Clients
Total 2,000
Corporate/institutional clients 1,000
1998 revenues
Safety consulting $8,500,000

Founded: 1978.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; ergonomic research; fire protection engineering; industrial hygiene laboratory.
Offices: Little Rock, Ark.; Lake Mary and Margate, Fla.; Atlanta; Oak Brook, Ill.; Des Moines, Iowa; Metairie, La.; Jackson and Ridgeland, Miss.; Kansas City and St. Louis, Mo.; Las Vegas.
Service area: Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Louisiana, Mississippi, Missouri and Nevada.
Officers: G. Bryan Thomas, chairman/president/CEO; Steven F. Luebbert, executive vp; Rodney J. Golden, senior vp/COO.
Contact: Karen Waclaw; 800-252-5059 ext. 1200.

COMCO Safety Consulting Inc.
2365 E. Sepulveda Blvd.,
Long Beach, Calif. 90810-1944;
562-981-5335; fax: 562-981-5330
www.comcosafety.com

Staff
Total 7
Safety consultants 5
Clients
Total 300
Corporate/institutional clients 75
1998 revenues
Safety consulting $250,000

Services: safety audits/reviews, evaluations or inspections; safety program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance.
Service area: nationwide.
Officers: Don Rhodes, president; Joann Blayney, vp; Joy Janes, CFO.
Contact: Don Rhodes.

Compensation Management Associates Inc.
200 Galleria Parkway, Suite 1290,
Atlanta, Ga. 30339;
800-571-9675; fax: 770-303-8154
www.compmanagement.com

Staff
Total 12
Safety consultants 12
ASSE members 2
Clients
Total 166
Corporate/institutional clients 13
1998 revenues
Safety consulting $3,800,000

Founded: 1984.
Parent: Hilb, Rogal & Hamilton Co.
Services: safety program assistance; ergonomic program assistance.
Other services: production of safety materials or videos; development of training materials; ergonomic research; safety incentives.
Service area: nationwide.
Officers: Richard Simmons III, CEO; Melissa Teske, president; Sabrina Glover-Dillard, general manager.
Contact: Sabrina Glover-Dillard; sdillard68@aol.com.

Corporate Safety & Health Consultants Inc.
125 Maiden Lane,
New York, N.Y. 10038;
212-482-1185; fax: 212-482-1377

Staff
Total 5
Safety consultants 4
Industrial hygiene consultants 1
ASSE members 5
Clients
Total 40
1998 revenues
Safety consulting $800,000

Founded: 1986.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; expert witness; OSHA & DOT audits; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; ergonomic research; noise and vibration research.
Service area: nationwide.
Officers: Sue Geier, president; Ted Mellard, vp.

E

ECS Risk Control Inc.
520 Eagleview Blvd.,
Exton, Pa. 19341;
610-458-7280; fax: 610-458-7285
www.ecsinc.com

Staff
Total 25

Continued on page 38

Continued from page 36

Safety consultants	11
Industrial hygiene consultants	14
ASSE members	10
Clients	
Total	30
Corporate/institutional clients	25
1998 revenues	
Safety consulting	$550,000

Founded: 1985.
Parent: XL Capital Ltd.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; expert witness; OSHA & DOT audits; process safety, transportation safety, construction safety.
Other services: production of safety materials or videos; development of training materials; OSHA compliance.
Offices: Los Angeles and San Francisco; Hartford, Conn.; Orlando, Fla.; Atlanta; Chicago; Houston.
Service area: nationwide.
Officers: William Kronenberg III, president/CEO; James Splain, senior vp; Mark Zimmerman, assistant vp.
Contact: James Splain.

EOS Environmental Inc.
507 Mission St.,
South Pasadena, Calif. 91030;
626-441-7050; fax: 626-441-0016
www.eosenvironmental.com

Staff	
Total	7
Safety consultants	1
Occupational health consultants	1
Industrial hygiene consultants	5
ASSE members	2
Clients	
Total	143
Corporate/institutional clients	143
1998 revenues	
Safety consulting	$233,000

Founded: 1978.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene laboratory.
Service area: Southern California.
Officers: Thomas Blanton, president; Todd Wilson, executive vp; Millicent Blanton, secretary.
Contact: Todd Wilson.

ESIS Inc.
1601 Chestnut St., TL32G,
Philadelphia, Pa. 19103;
215-761-3171; fax: 215-761-5476
www.esis.com

Staff	
Total	108
Safety consultants	102
Industrial hygiene consultants	6
ASSE members	80
Clients	
Total	300
Corporate/institutional clients	300
1998 revenues*	
Safety consulting	$6,100,000

** Estimate.*

Founded: 1953.
Parent: ACE USA.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; expert witness; OSHA & DOT audits; school violence programs; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; noise and vibration research; fire protection engineering; industrial hygiene laboratory; safety and consultation behavioral analysis.
Offices: Los Angeles and San Francisco; Denver; Atlanta; Chicago; Boston; New York; Portland, Ore.; Philadelphia; Dallas and Houston.
Service area: nationwide.
Officers: Chris Barnes, president; Eugene Fazzie, CFO/vp; Michael Billings, vp.
Contact: Renell D. Burton, process improvement manager.

F

FARA Risk Control Services
204 Windchester Drive,
Lafayette, La. 70506;
318-988-4008; fax: 318-988-4121
www.fara.com

Staff	
Total	20
Safety consultants	18
ASSE members	9
Clients	
Total	86
Corporate/institutional clients	65
1998 revenues	
Safety consulting	$1,200,000

Founded: 1979.
Parent: FARA Inc.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; school violence programs; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; product liability research; noise and vibration research; fire protection engineering.
Offices: Atlanta; Lafayette, La.; Charlotte, N.C.; Knoxville, Tenn.; Dallas.
Service area: nationwide.
Officers: Todd Richard, president-FARA; Reed Bell, executive vp-FARA; Dan Clark, senior vp-FARA.
Contact: David Sturgis, president-FARA Risk Control Services.

Fire & Safety Specialist Inc.
P.O. Box 9713,
College Station, Texas 77842;
409-690-7559; fax: 409-690-7562

Staff	
Total	7
Safety consultants	4
Industrial hygiene consultants	3
ASSE members	1
Clients	
Total	150
Corporate/institutional clients	60
1998 revenues	
Safety consulting	$400,000

Founded: 1980.
Services: safety audits/reviews, evaluations or inspections; offsite training classes or seminars; expert witness; OSHA & DOT audits; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; product liability research; fire protection engineering.
Service area: nationwide.
Officers: David White, president/CEO.
Contact: davidw@fireworld.com.

G

Gage-Babcock & Associates Inc.
3975 Fair Ridge Drive N., #310,
Fairfax, Va. 22033-2924;
703-934-6440; fax: 703-385-6749
www.gage-babcock.com

Staff	
Total	45
Safety consultants	45
ASSE members	5
Clients	
Total	150
Corporate/institutional clients	100
1998 revenues	
Safety consulting	$6,200,000

Founded: 1952.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; onsite training classes or seminars; expert witness; life safety audits, security audits.
Other services: production of safety materials or videos; development of training materials; fire protection engineering.
Offices: Los Angeles and San Francisco; Atlanta; Chicago; New York; Vancouver, British Columbia; Seoul, South Korea.
Service area: nationwide, worldwide.
Officers: Thomas W. Jagger, president; Al Longhitano, vp; Mario Antonetti, secretary.
Contact: Douglas J. Rollman, director of business development; gbamktg@aol.com.

Gallagher Bassett Services Inc.
The Gallagher Centre - 2 Pierce Place,
Itasca, Ill. 60143-3141;
630-773-3800
www.gallagherbassett.com

Staff	
Total	55
Safety consultants	42
Occupational health consultants	1
Industrial hygiene consultants	5
Clients	
Total	523
Corporate/institutional clients	287
1998 revenues	
Safety consulting	$6,755,000

Founded: 1962.
Parent: Arthur J. Gallagher & Co.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; school violence programs; workplace violence programs; behavior-based safety comprehensive program evaluations.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering; industrial hygiene laboratory; emergency preparedness/disaster recovery planning, newsletters, construction wrap-up.
Offices: Los Angeles; Atlanta and Fort Worth, Texas.
Service area: nationwide, Canada, Asia and Europe.
Officers: Peter J. Durkalski, president; Richard McKenna, executive vp; Joseph Slifka, executive vp.
Contact: Emil Bravo, senior vp-claims management; Joseph Slifka.

Global Risk Consultants Corp.
Metro Park, 99 Wood Ave. S.,
Iselin, N.J. 08830-2715;
732-635-4400; fax: 732-635-1648

Staff	
Total	23
Safety consultants	12
Occupational health consultant	1
Industrial hygiene consultants	6
ASSE members	11
Clients	
Total	52
Corporate/institutional clients	36
1998 revenues	
Safety consulting	$2,100,000

Founded: 1958.
Parent: International Risk Management Group Ltd.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; expert witness; OSHA & DOT audits; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; fire protection engineering; industrial hygiene laboratory.
Offices: 27 locations.
Service area: nationwide, worldwide.
Officers: William F. Ramonas, CEO; Glenn H. Giles, president; Dennis G. McGowan, COO.
Contact: George Nassif, executive vp.

I

IVE Inc.
2974 S. Oakwood Drive,
Bountiful, Utah 04010;
801-298-8996; fax: 801-298-9098

Staff	
Total	3
Industrial hygiene consultants	3
ASSE members	3
Clients	
Total	90
Corporate/institutional clients	8
1998 revenues	
Safety consulting	$212,000

Founded: 1982.
Services: onsite training classes or seminars; offsite training classes or seminars; ventilation, IAQ.
Other services: production of safety materials or videos.
Service area: nationwide.
Contact: D.J. Burton, president.

Inservco Insurance Services Inc.
2 N. Second St.,
Harrisburg, Pa. 17105-3899;
717-230-8300; fax: 717-221-6060

Staff	
Total	7
Safety consultants	7
ASSE members	5
Clients	
Total	112
Corporate/institutional clients	112
1998 revenues	
Safety consulting	$283,000

Founded: 1980.
Parent: Penn National Insurance Cos.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; school violence programs; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; ergonomic research; product liability research; fire protection engineering; property/fire protection engineering; property insurance rate reviews and audits.
Offices: Hunt Valley, Md.; Lawrenceville, N.J.; Greensboro, N.C.; Harrisburg, Pa.
Service area: Delaware, Maryland, New Jersey, North Carolina, Pennsylvania and Virginia.
Officers: James Butler, president; Mike Scheib, vp-operations; Joseph Boslet, vp-safety management services.
Contact: Joseph Boslet.

Insurance & Safety Services Inc.
2401 Lexford Court,
Louisville, Ky. 40242;
502-426-8828; fax: 502-426-9832

Staff	
Total	26
Safety consultants	20
Occupational health consultants	3
Industrial hygiene consultants	3
ASSE members	18
Clients	
Total	31
Corporate/institutional clients	19
1998 revenues	
Safety consulting	$364,000

Founded: 1989.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; expert witness; OSHA & DOT audits; loss control.
Other services : production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; fire protection engineering; owner controlled insurance program, construction wrap up, safety program management.
Service area: nationwide.
Officers: Raymond M. Smith, CEO; Mary Smith, CFO.
Contact: issrsknt@aol.com.

Insurance & Risk Management
3811 Illinois Road, P.O. Box 1705,
Fort Wayne, Ind. 48801;
219-436-1616; fax: 219-432-4083
www.insuranceriskmgmt.com

Staff	
Total	4
Safety consultants	3
ASSE members	2
Clients	
Total	200
1998 revenues	
Safety consulting	$275,000

Founded: 1983.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; onsite training classes or seminars; offsite training classes or seminars; OSHA & DOT audits; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; ergonomic research.
Offices: Indianapolis; Toledo, Ohio.
Service area: nationwide.
Officers: John Hettwer-executive vp; Jim Van Dyck-executive vp; Jim Krouse-executive vp.
Contact: Jim Krouse; jkrouse@irmgmt.com.

J

Jacobs Consulting Ltd.
P.O. Box 11859,
St. Paul, Minn. 55111;
651-699-7938

Staff	
Total	1
Safety consultant	1
ASSE member	1
Clients	
Total	30
Corporate/institutional clients	30
1998 revenues	
Safety consulting	$200,000

Founded: 1990.
Services: safety audits/reviews, evaluations or inspections; ergonomic program assistance; onsite training classes or seminars; offsite training classes or seminars.
Other services: ergonomic research.
Service area: nationwide.
Contact: Philip Jacobs, president.

K

K&T Safety Service Inc.
800 Wilcrest #205,
Houston, Texas 77042-1360;
713-974-4394; fax: 713-974-4396

Staff	
Total	4
Safety consultants	2

Continued on page 40

Directory terms explained

The 12th 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.

To be listed, consultants must offer services directly to employers on an unbundled basis; companies that offer safety consulting only in conjunction with other products and services are not included. In addition, companies are required to provide information on gross revenues and must generate at least $200,000 in revenue from safety consulting to be listed.

Listings begins with the company's address, phone and fax numbers and Web site address. 1998 **staff** information is listed next, including the number of professionals assigned to each of the following: safety, occupational health and industrial hygiene consulting. The number of staff members who belong to the American Society of Safety Engineers (ASSE) also is included. All staff figures are reported in full-time equivalents.

The **clients** section includes the total number of safety clients in 1998, and, of those, the number of corporate and institutional safety consulting clients. Listed next are the company's 1998 gross **revenues** from safety consulting services directly to corporate or institutional employers, excluding business for third-party vendors.

The next section of each listing contains the year **founded** and **parent** company. In addition, the company's safety consulting **services** and **other services** related to safety are detailed.

Locations of branch **offices** providing safety consulting services are listed next, and **service area** indicates the states or regions served. **Officers** and a **contact** name conclude each listing.

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

Continued from previous page

Industrial hygiene consultants	2
ASSE member	1
Clients	
Total	20
Corporate/institutional clients	20
1998 revenues	
Safety consulting	$210,000

Founded: 1981.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; industrial hygiene program assistance; expert witness OSHA & DOT audits.

Other services: production of safety materials or videos; OSHA compliance; noise and vibration research; industrial hygiene laboratory.

Service area: nationwide.

Officers: Henry G. Kana, president; Suellyn H. Kana, vp; W.C. Highdon, executive vp.

Contact: Henry G. Kana; ktsafety.hkana@email.msn.com

The directory begins on page 36. An explanation of terms used in this directory is on page 38.

L

Liberty International Risk Services

175 Berkeley St.,
Boston, Mass. 02116;
617-574-5601; fax: 617-574-6635
www.libertymutual.com

Staff	
Total	400
Safety consultants	225
Occupational health consultants	165
Industrial hygiene consultants	10
ASSE member	1
1998 revenues	
Safety consulting	$30,000,000*

*Estimate.

Founded: 1912.

Parent: Liberty Mutual Insurance Co.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; benchmarking; workplace violence programs.

Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; noise and vibration research; industrial hygiene laboratory.

Offices: Argentina; Australia; Brazil; Canada; China; Ireland; Malaysia; Mexico; Netherlands; South Africa; United Kingdom; Venezuela.

Service area: nationwide, worldwide.

Officers: Gary P. Lia, president; Michael T. Noble, director-consulting services; Clive Carroll, director-European operations.

Contact: Michael T. Noble; 617-574-5601.

Loss Control Associates Inc.

172 Middletown Blvd., Suite B-204,
Langhorne, Pa. 19047;
215-750-6841; fax: 215-750-6845
www.losscontrolassociates.com

Staff	
Total	6
Safety consultants	6
ASSE members	2
Clients	
Total	20
Corporate/institutional clients	20
1998 revenues	
Safety consulting	$750,000

Founded: 1986.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; onsite training classes or seminars; expert witness; OSHA & DOT audits; process safety.

Other services: OSHA compliance; fire protection engineering.

Service area: nationwide.

Officers: Orville M. Slye Jr., president; Anthony M. Ordile, consulting engineer; Anita M. Slye, administrative assistant.

Contact: Anthony M. Ordile; lcainc@erols.com.

Loss Prevention Management Inc.

3467 Nestling Lane,
Fort Mill, S.C. 29703;
803-547-5851; fax: 803-802-3192
www.losspm.com

Staff	
Total	2
Safety consultants	2
ASSE member	1
Clients	
Total	125
Corporate/institutional clients	50
1998 revenues	
Safety consulting	$250,000

Founded: 1989.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; onsite training classes or seminars; offsite training classes or seminars; OSHA & DOT audits.

Other services: production of safety materials or videos; OSHA compliance; early return-to-work programs.

Service area: Georgia, North Carolina, South Carolina, Virginia and West Virginia.

Officers: John K. Toay, president; Ellen P. Toay, vp.

Contact: John K. Toay; JohnT@losspm.com.

M

MEMIC Safety Services

261 Commercial St.,
Portland, Maine 04104;
207-791-3480; fax: 207-791-3333
www.memicsafetyservices.com

Staff	
Total	14
Safety consultants	14
Occupational health consultants	3
ASSE members	6
Clients	
Total	35
Corporate/institutional clients	12
1998 revenues	
Safety consulting	$450,000

Founded: 1996.

Parent: Maine Employers Mutual Insurance Co.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; workplace violence programs; behavior assessments.

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

Service area: nationwide.

Officers: Daniel Cote, president; Beth Stowell, vp.

Contact: Daniel Cote, 207-791-3480; Beth Stowell, 207-791-3484.

Marsh Risk Consulting

1 World Trade Center, 100th floor,
New York, N.Y. 10048-9302;
212-345-0450; fax: 212-345-0713
www.marshmc.com

Staff	
Total	200
Safety consultants	200
Occupational health consultants	20
Industrial hygiene consultants	20
ASSE members	175
Clients	
Total	3,000
Corporate/institutional clients	3,000
1998 revenues	
Safety consulting	$75,000,000

Founded: 1875.

Parent: Marsh & McLennan Cos. Inc.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA and DOT audits; school violence programs; workplace violence programs; behavioral risk, fleet safety.

Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering.

Offices: 28 U.S. offices; 50 international offices.

Service area: nationwide, worldwide.

Officers: Jim Connolly, managing director; Harry Taback, managing director; William Grimes, senior vp.

Arthur I. Moll Inc. dba Compaudit Services

2509 Egret Lake Drive,
West Palm Beach, Fla. 33413;
800-665-5628; fax: 800-665-5638

Staff	
Total	2
Safety consultants	2
ASSE member	1
Clients	
Total	15
Corporate/institutional clients	15
1998 revenues	
Safety consulting	$209,000

Founded: 1985.

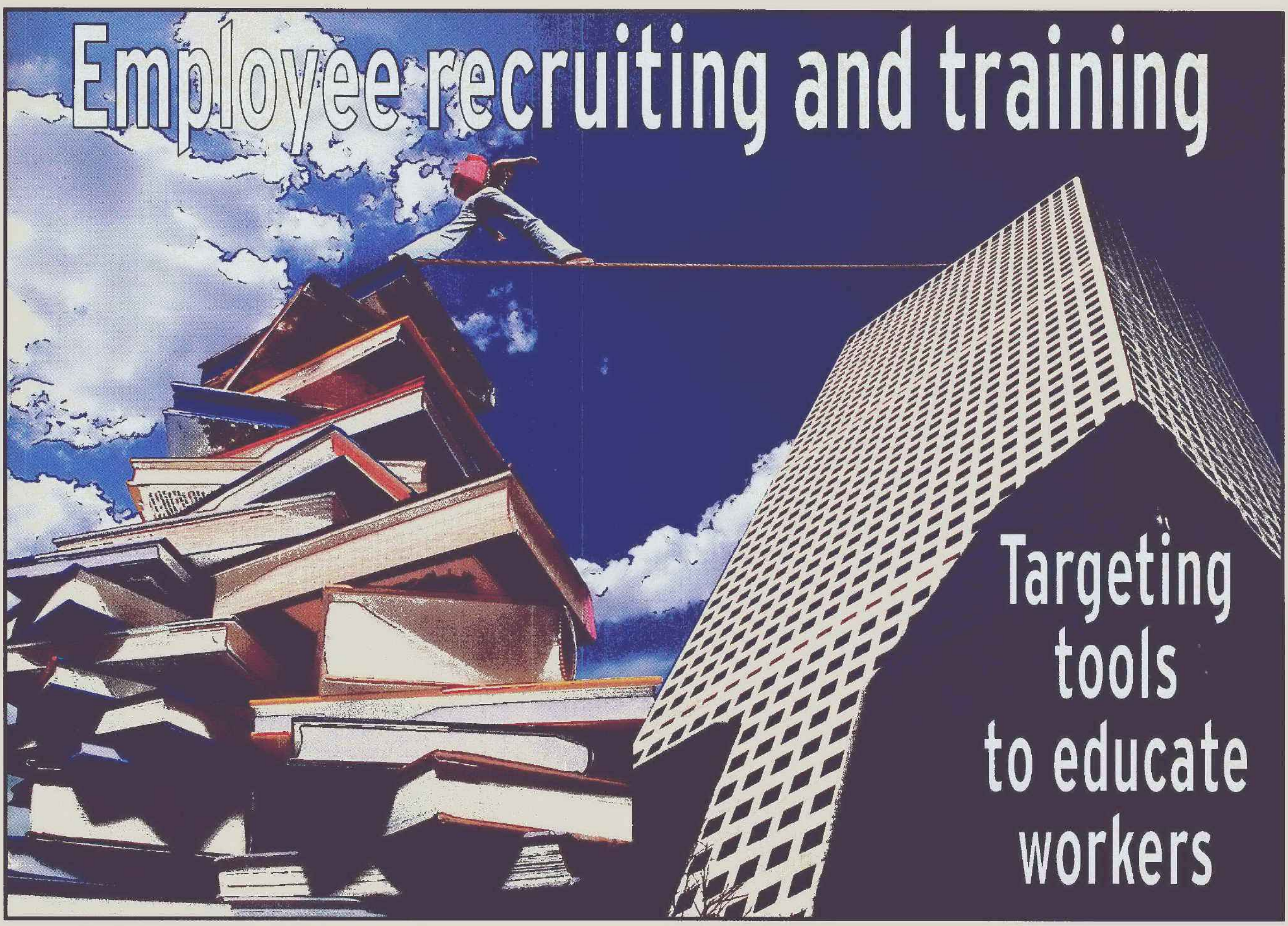
Services: safety audits/reviews, evaluations or inspections; safety program assistance.

Other services: production of safety materials or videos; workers compensation premium reduction.

Continued on page 44

Insurer Topics

A special editorial section sent exclusively to insurers and reinsurers



Inside:

Online education getting good grades

Despite high attrition, online courses seen as a possible alternative to the classroom

By RODD ZOLKOS

As the Internet changes how companies do business, it's probably no surprise that it's also changing the face of education for insurance industry professionals.

Online educational programs and distance learning are becoming increasingly commonplace, offering such advantages as increased efficiency and reduced cost for both the students and their employers.

The American Institute for CPCU and the Insurance Institute of America completed their first full complement of Internet-based classes last spring, with students who participated in the programs subsequently taking their INS and CPCU national examinations.

The Institutes offer online classes for their professional programs.

Now the Institutes are evaluating that initial experience, and their preliminary review suggests that online learning "represents an educational delivery system that may be an effective alternative to traditional classroom learning," according to Kenneth R. Dauscher, vp-educational services for the Malvern, Pa.-based Institutes.

Other organizations are looking at online alternatives to the classroom as well.

Organizations such as the National Assn. of Independent Insurers see the Internet as a potentially efficient way to provide training and education programs for member insurance companies that are scattered across the country.

Among other things, the organization is exploring the possibility of joining with the FBI in an online insurance fraud education effort (*Insurer Topics*, Sept. 20).

> *'Those who like the online class approach seem to learn the material and speak highly of the experience.'*
>
> — Kenneth R. Dauscher

The Boston-based New England College of Finance also is developing an online education program for its courses in insurance, banking and financial services.

Officials at the college had initially hoped to have the first phase of the online program in place early this year.

The New England College's online classes are not yet up and running, but it remains committed to the effort and reports that the delay is the result of needing the time "to do it right."

In a follow-up report examining the first-year experience of the American Institute for CPCU and the Insurance Institute of America with online learning, Mr. Dauscher noted that the insurance industry students' results were very much in line with those of online learners overall.

While "there can be a high attrition rate—sometimes as high as 50%," according to Mr. Dauscher, "Those who like the online class approach seem to learn the material and speak highly of the experience."

The Institutes offered classes in INS 22 and 23 in their general insurance program and CPCU 5, 6 and 9, the latter part of the 10-course program for Chartered Property & Casualty Underwriter designation.

This fall, the course offering was expanded to also include INS 21 and CPCU 1 and 3. The

Institutes plan to offer the remaining CPCU classes during the spring semester.

Approximately 100 students enrolled in the online classes, using virtual classroom software to tap into instructor lectures, learning activities, discussions and practice exams that supplemented the students' work with conventional textbooks and course guides.

Mr. Dauscher noted that "the key measure of mastery of CPCU or IIA material is passing the national examination administered by the Institutes for each course."

Pass rates for the online CPCU 5, 6 and 9 classes ranged from 75% to 100%, according to his report, while the INS 22 and 23 pass rates were 78% and 86%, respectively.

He also noted that various factors influence online students' performance on the examinations, including their study skills; effort and time spent on the class; examination writing skills; related knowledge and experience; and overall scholastic ability.

The Institutes' evaluation of the online classes showed that those who completed the classes generally were quick to master navigating the online system.

And the one to three hours per week that students typically spent reading and responding to online class postings was comparable to the amount of time traditional students spent traveling to and attending regular weekly classes.

Both students and course leaders indicated that the scheduling flexibility of the online class approach was a major attraction. Students also rated the online approach's virtual seven-day-a-week access to an instructor and instructor feedback as another key factor.

Students also said they liked the opportunity to interact with fellow students around the country.

Course leaders, who typically visit the virtual classroom daily to review and respond to students' postings, indicated they probably spent more time doing so each week than they would likely spend commuting to and from a traditional classroom.

But, according to the report, many think the online course's flexibility offsets the need to devote extra time to the online class.

Mr. Dauscher reported that understanding course attrition is a "considerable challenge."

"Students who drop out early in the class schedule typically do not respond to requests for

See **Online** *on next page*

Many plan staff increases in second half of 1999: Survey

By RODD ZOLKOS

More than half of the insurance industry executives responding to a recent survey expected to increase hiring of executive, professional and sales staff in the second half of 1999.

The percentage of insurance industry executives who said they expected to increase staff during that period was virtually the same as the percentage across all industries, according to the new study, which was conducted by Cleveland-based search and recruiting firm Management Recruiters International.

Those results are slightly different from the results of the last MRI poll. That earlier poll, which looked at the second half of 1998, showed the percentage of insurance industry companies planning to increase staff size lagging slightly behind the figure for all industries.

Executives with hiring responsibilities were surveyed during the first half of 1999.

Of the surveyed executives from the insurance industry, 53.3% said they planned to increase staff during the second half of 1999. That figure is a slight decline from the 53.4% who expected to add to staff over the comparable period last year.

Of the insurance executives surveyed, another 38.3% indicated plans to maintain current staff sizes, while 8.4% indicated they planned to reduce staff—a two-percentage-point increase from the 6.4% that reported such plans in the last poll.

By comparison, of the 5,606 executives polled for all industries, 53.2% indicated plans to increase staff, a drop from the 56.5% in the last survey.

Across all industries, 38.4% of the executives surveyed indicated they planned to maintain their current staff sizes, and 8.4% indicated they would reduce staff sizes.

This year's study is the 42nd in an ongoing series of polls conducted by MRI.

The insurance industry executives' hiring plans put the insurance industry in the middle of the pack of industry groups, at number 10 of 22 groups.

Information technology topped the list: 71.3% of executives surveyed in that industry indicated plans to boost staff. Next on the list was telecommunications, at 70.6%.

At the bottom of the list were metals, with 34.4% of executives surveyed planning to increase hiring; lumber, at 36.8%; and textiles, at 40.6%.

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A summary of the survey findings is available free from Management Recruiters International, 200 Public Square, 31st Floor, Cleveland, Ohio 44414; Attention: Karen Bloomfield; or by calling 800-875-4000. Survey results can also be requested by e-mail at ksb@mricorp.mri-net.com.

Online

Continued from previous page

information, so it is not known if their reasons are based on technical difficulties or if they otherwise do not like something about the online format," he reported.

Mr. Dauscher noted a prevailing opinion: some students expect online learning to be "a shortcut learning process, which it is not."

Although it doesn't involve a conventional classroom, online learning requires the same work as a regular class, with assignments to be read, homework to be done and "discussions" in which a student must participate to gain the maximum educational benefit.

Because it's easier to "stop going to class" in an online setting, it might require greater self-discipline from a student than a conventional class, Mr. Dauscher suggested.

A lack of comfort with the technology involved in online learning is another possible explanation for some students dropping out the classes, according to Mr. Dauscher.

The fact that all communications in an online class is by reading and writing on the computer, making the approach an unattractive option for persons with poor reading and writing skills, is another possible explanation for student attrition.

But, there is a potential benefit in the possibility that those skills can be improved through the reading and writing the courses require, according to Mr. Dauscher. BI

Insurer Topics

NAMIC awards honor insurance industry executives' service

SAN ANTONIO—The National Assn. of Mutual Insurance Cos. honored several individuals for exceptional service to the insurance industry during the organization's 104th annual convention last month in San Antonio.

Bruce N. Heaton, secretary and manager of The Point Mutual Insurance Co. in Pontiac, Ill., won the 1999 NAMIC Chairman's Award, recognizing leadership, accomplishment and outstanding service to NAMIC and the insurance industry.

Mr. Heaton, who also operates the Heaton Insurance Agency in Pontiac with his wife, Sharon, has worked in the industry for 38 years. In addition to serving on many committees and task forces, Mr. Heaton joined NAMIC's board of directors in 1984, became its chairman in 1988 and served as NAMIC treasurer from 1990 until retiring from the post in 1998.

NAMIC Service Awards were presented to Susan Andrews, executive vp of the Mutual Insurance Cos. Assn. of Indiana; Curtis J. Lankford, vp-farm and commercial underwriting at the Farm Bureau Mutual Insurance Co. in West Des Moines, Iowa; W. Neal Menefee, president of the Rockingham Group in Harrisonburg, Va.; and Wayne F. White, chairman and president of Farm & Home Mutual Insurance Co. in Conway, Ark.

The Service Awards recognize those who have made significant contributions to the association.

Theodore K. Sapeta, a business teacher at John F. Kennedy High School in Bellmore, N.Y., received the Insurance Education Foundation's Insurance Educator of the Year award at the conference.

Mr. Sapeta has integrated the topic of insurance in all his classes, including lessons on the types of insurance students will need in their lives and how to use insurance to offset personal and business risks. His students also learn about career opportunities in the insurance field.

Also during this year's conference, Jack Clanton, executive vp and general manager of Farm Bureau Insurance Co. in Manhattan, Kan., was elected chairman of the NAMIC board for the 1999-2000 year.

More than 1,800 property/casualty insurance industry executives and guests attended this year's NAMIC convention.

IT Briefs

Floyd guide issued

BOCA RATON, Fla.—The National Council on Compensation Insurance has issued an informational circular to help define procedures for handling insurance risks affected by Hurricane Floyd.

The circular advises insurers to use the "rule of reason" when dealing with workers compensation policyholders in areas that have not been declared disaster areas but that still may be affected by delayed mail delivery, power failures, etc.

In general, this means insurers should use good judgment and be flexible if extra time is needed to perform an audit or a loss control survey or for billing/payment purposes.

Questions about either the procedures or the circular may be directed to Bill Malphurs, NCCI bid process administrator, at 561-997-4749.

Class actions hit

DOWNERS GROVE, Ill.—The Alliance of American Insurers has adopted a policy designed to reduce the number and cost of class-action lawsuits.

The Downers Grove, Ill.-based Alliance plans to seek enactment of a specific slate of reforms at the state and federal level to make it less costly for insurers to defend themselves and their policyholders against class-action suits.

The group currently is drafting legislative initiatives, procedural changes and other tools designed to reduce the incentives for bringing such suits.

The proposals will include:

- Reforms aimed at enabling insurers to move suits to federal from state courts.
- Procedures that would require consumer complaints to move through regulatory channels before suits are filed.
- An "approved practices" policy that would create a presumption of validity for insurers in the same way government standards are invoked in product liability cases.
- Other measures to control discovery costs, urge alternative dispute resolution prior to the filing of class actions, and enable insurers to appeal class certification before a case goes to trial.

Gerber elected

PHILADELPHIA—Joseph A. Gerber, chairman of client relations and business development at the law firm of Cozen & O'Connor, was elected this summer to a two-year term as chairman of the Insurance Society of Philadelphia.

Mr. Gerber, the first attorney in private practice elected to the society's board of directors, has served on the board for 12 years.

Fremont tops list

FREMONT, Calif.—The San Francisco Bay Area city of Fremont, Calif., earned the top rating for enforcing building codes in a national evaluation conducted for the insurance industry.

The Insurance Services Office Inc.'s Building Code Effectiveness Grading program evaluates the effectiveness of local building codes enforcement to help determine how well homes and commercial structures will fare in hurricanes, earthquakes and other natural disasters.

Fremont, one of 3,600 municipalities in 44 states evaluated by ISO, scored 95.3 points out of a possible 100.

ISO attributed Fremont's high rating to the city's focus on continual improvements in building inspection and plan review, including a rigorous training program; the hiring of more certified and experienced inspection and plan-review personnel; and improved quality control. Fremont also has enhanced its public education programs and has implemented services to help local residents and businesses comply with building codes and regulations.

ISO developed its building code program after Hurricane Andrew in 1992.

Payday to expand

CINCINNATI—Union Central Life Insurance Co. has purchased Jacksonville, Fla.-based payroll service company Payday of America Inc. Terms of the transaction were not disclosed.

Cincinnati-based Union Central expects to expand Payday into additional cities beyond Jacksonville. Union Central sees the linking of outsourced payroll services with an insurer as creating potential efficiencies for employers by streamlining the payroll deduction process for benefits.

PIA honor given

DENVER—R. David Swanson, Tennessee marketing manager for Hanover Insurance Co., was named company representative of the year by the National Assn. of Professional Insurance Agents.

The award recognizes outstanding contributions by an insurance company representative to professional independent agents and to the insurance industry as a whole.

The award was presented in August at the association's annual conference in Denver. BI

RiskBrowser provides access, uniformity

Risk Management Solutions Inc. is launching a Web browser-based underwriting system that it says will enable insurance company managers to easily access multiple underwriting resources and enforce corporate underwriting guidelines.

RiskBrowser can be used through an intranet or the Internet to access modeling and other underwriting resources on a server, according to Hemant Shah, senior vp at RMS in Menlo Park, Calif.

Using a browser-based system allows every underwriter in a company to access the same information without having to update each workstation every time a new resource is added, Mr. Shah said.

The system also allows senior management to implement immediately any changes to underwriting guidelines, Mr. Shah said.

For example, insurers may decide to abstain from writing new property risks in Florida until an oncoming hurricane passes. Any local underwriter that submits a risk would automatically receive a message over the system not to write that or any similar risks for, say, 48 hours.

RiskBrowser costs between $250,000 and $2 million a year, depending on the size of the system and the models used, Mr. Shah said. It can be used in conjunction with RMS modeling software or with software sold by other companies, he said.

The system already has been used by six insurers that agreed to try out the system for several months, Mr. Shah said.

—By Gavin Souter

Insurer Topics

When negotiating settlements, pay attention to nuances

By Fredric L. Goldfein

IT Perspective

Picture this: You're a defense lawyer at a major law firm. A plaintiff's attorney is on the phone chatting about the $250 million damage claim you've just been assigned to defend.

"By the way," the attorney, Tom, queries offhandedly, "who's the insurer for ABC Co.?"

You tell him. Tom's response: "Great. They're a good company." End of conversation.

What you should have detected immediately from that exchange is that your company is in trouble. When the plaintiff's lawyer tells you that the defendant's insurer is a good company, that means it has a reputation as a pushover, one that pays out without much pressure.

That's one of the first rules in the art of settlement negotiations. Such negotiations can become the linchpin of a company's fiscal health, determining whether it turns a profit or heads for bankruptcy court. That's why the practice of settlement negotiations is truly an art.

Each nuance of the process—the conversation, each word chosen, each offer selected—plays an important role in the ultimate disposition.

What follows are seven rules not just for winning but for winning big.

- Rule one: Perception is everything.

If plaintiffs attorneys perceive the defendant's insurer as good, that's a bad sign for your negotiations. On the other hand, if Tom says the insurer is a "bad company," that's good. Why? Because you know upfront that you have a strong position in the negotiations.

If the latter is the case, Tom knows he's in for a fight. He also knows the company you represent does not have a reputation as a softie. Instead, it is known for its preference for the courtroom.

In such a scenario, Tom will get the message that he'll have to set his sights lower or wind up going to trial.

Don't forget—the plaintiffs lawyer's goal is to get as much money for as little effort as possible. Thus, bringing a case to trial is not the desired outcome for the plaintiffs lawyer. In a settlement, he or she is certain to recover; in a trial, the outcome is never a sure bet.

- Rule two: Employ an incremental plan for settlements.

Here's an example: Tom is negotiating to resolve a $500,000 medical malpractice claim his client has brought against the hospital you represent. The hospital's primary limits are $200,000, and it has an excess policy for another $1 million. As the lawyer for the hospital, you're convinced that Tom will not accept $200,000.

So you throw in the $200,000 limits and allow the insurer to take over negotiations from this point. The excess insurer tells you there is considerable concern about the case. It makes the next offer of $400,000—$200,000 from the primary, and $200,000 from the excess.

The case ultimately settles for $500,000.

You run into Tom a week later and ask him, "Did you really settle that case for $500,000?" Tom's response: "I'm as shocked as you are that I got that much. I would have accepted $275,000."

Lesson learned? Plan increments with a directed strategy. The initial offer made by the excess insurer for $200,000 above the primary layer sent a clear message to Tom that the insurer was worried about the case.

Instead, the strategy should have been to use the $200,000 previously offered together with a minimal increase.

For example, an increase of $30,000 above the primary layer would have sent the message that there was not a lot more to get from the excess insurer. The underlying message for the plaintiff's attorney is, "Whatever more we can squeeze out above the $30,000 will be pure profit for your client."

On the other hand, when the excess insurer literally doubled the primary limits in its first offer, Tom knew he was home free. This offer didn't require him to make any hard decisions; he already had received offers well beyond his expectations.

Clearly, Tom's initial goal was to get the $275,000. Now he had a home run worth $500,000.

- Rule three: Keep your adversary under pressure.

Force your adversary to confront these questions: "Have I been offered enough? In the face of this offer, should I take the risk?"

If the defense counsel, convinced of the success of the case, goes into trial with nothing offered, that makes the decision an easy one for the plaintiff's lawyer.

If, in fact, you want to settle a case, the best strategy is to make an offer that will be seriously considered. Make an offer that gives Tom cause to stop and think: "If I go to trial, will I win? Will I get this much?"

When you offer nothing, Tom has nothing to lose by going to trial. Once you advance your offer to a point within the verdict range, you remove the pressure from your client and place it on the plaintiff's attorney. That's how you control the settlement negotiations.

- Rule four: You can always offer more.

Remember that you can always offer your adversary more in settlement negotiation. Don't worry about insulting an attorney by offering less. You don't know whether the plaintiff has told his or her lawyer to nab the best offer. The client might be saying: "I can't stand it anymore. I don't want to go to court."

- Rule five: Never show your hand.

This is a rule that probably began when the West was the American frontier and the chief recreation of gun-toting cowboys was gambling. Keep your negotiating strategies close to your vest, not out on the table. Keep the pressure on the other side. Never say:

- *"My client is very nervous about going to trial."*
- *"I hope we get this case settled this week, because my expert witness is on vacation."*
- *"My expert witness is charging me an arm and a leg. I wish we didn't have to pay that fee."*
- *"I have used this expert witness before, and he didn't come through."*
- *"I planned a vacation for the week the trial is scheduled."*

This leads your opponent to conclude that you're not serious about your position. And if your opponent draws that conclusion, you can be sure he is not going to be serious about your position, either. In fact, he may capitalize on what he sees as a weakness.

- Rule six: Make settlement offers in component parts.

If you are offering a settlement in a personal-injury action, make a two-part offer that includes both a lump-sum payment and structured settlement. This allows you to find out which part of the offer the other side doesn't like.

For example, if you offer the plaintiff $250,000 up front and $1,000 a month for life, you can extract the information you need. Is the $250,000 not enough? Or is the $1,000 a problem with his or her client? Get the plaintiff's counsel to agree to one and object to the other.

- Rule seven: Never succumb to the plaintiff's deadline.

Plaintiffs lawyers are known to submit deadlines for settlement.

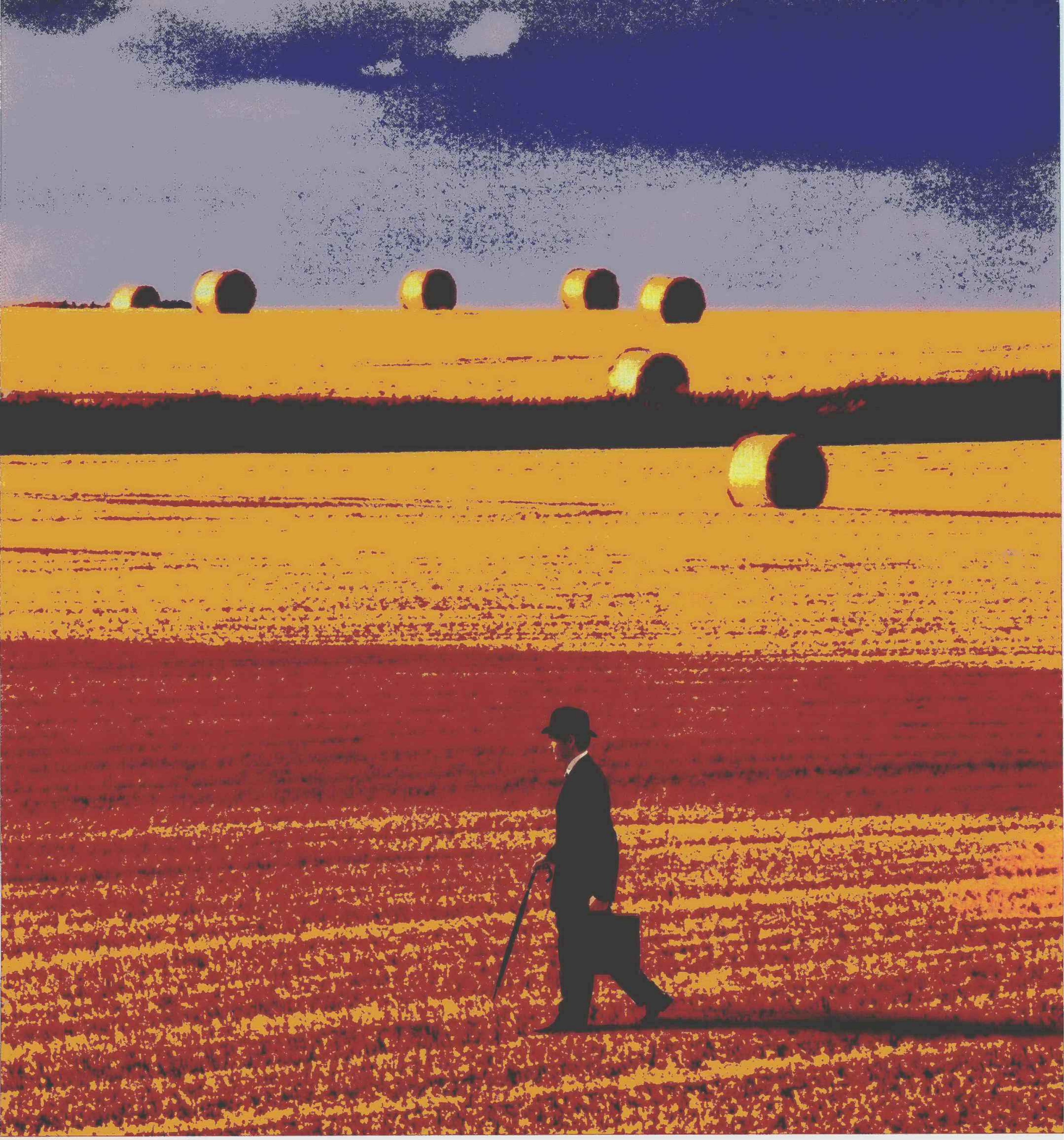
For example, an attorney may state that "this offer is good only until the 25th of September, at which time my demand will go from $400,000 to $700,000." Routinely ignore such demands.

When an attorney makes such a demand, there's a good chance that desperation is setting in. Don't be afraid to call that bluff. BI

Fredric L. Goldfein is managing attorney at Goldfein & Joseph, a multistate litigation law firm based in Philadelphia. The firm specializes in the defense of professional liability, casualty, toxic tort and other litigation matters.

Whether you're in Pocatello or Philadelphia, you're never far from CGU. CGU traces its roots back to London in 1696. We've kept our promises to our customers and agents in each of four centuries. Now one of the largest insurance companies in the world, CGU is comprised of 13 different regions and 44 branch offices throughout the United States. This enables

Each and every person in the new CGU is dedicated to continuing our 300 year history of keeping the company's promises to our clients.



Continued from page 40

Offices: Yonkers, N.Y.; Lake Ariez, Pa.
Service area: nationwide.
Officers: Arthur I. Moll, president.

N

NATLSCO
Route 22 K-4,
Long Grove, Ill. 60049;
847-320-2026; fax: 847-320-5460
www.natlsco.com

Staff	
Total	109
Safety consultants	89
Occupational health consultants	3
Industrial hygiene consultants	17
Clients	
Total	250
1998 revenues	
Safety consulting	$24,000,000

Founded: 1968.
Parent: Kemper Insurance Co.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; workplace violence programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; ergonomic research; product liability research; fire protection engineering; industrial hygiene laboratory; safe behavior management; joint commission accreditation of health care organization compliance.
Offices: Los Angeles; San Francisco; Washington; Atlanta; Chicago; Boston; Minneapolis; Summit, N.J.; New York; Charlotte, N.C.; Portland, Ore.; Nashville, Tenn.; Dallas; Houston; Seattle.
Service area: nationwide, worldwide.
Officers: Robert Hiltz, vp-loss control services; A.D. Odom, vp-casualty services; Phillip A. Davis, vp-property services.
Contact: John N. Garis, manager-marketing/training; jgaris@kemperinsurance.com.

National Floor Safety Institute
2220 Airport Freeway, Suite 400,
Bedford, Texas 76022;
817-685-7306; fax: 817-685-0057

Staff	
Total	1
Safety consultant	1
Clients	
Total	500
Corporate/institutional clients	250
1998 revenues	
Safety consulting	$220,000

Founded: 1997.
Services: safety program assistance; onsite training classes or seminars; offsite training classes or seminars.
Other services: development of training materials; OSHA compliance; ADA compliance as related to floor surfaces only.
Service area: nationwide.
Officers: Russell Kendzior, president/executive director; William Balek, vp; Frank Newman, secretary.
Contact: Laura Cooper, 817-685-7306 ext. 28; laurac@nfsi.org.

If your company was not listed in this directory and you would like to receive a questionnaire for next year's directory, please call Assistant Directory Editor Susanne Beal, 312-649-5313.

Network Safety Consultants
14400 John Humphrey Drive,
Orland Park, Ill. 60462;
708-226-9125; fax: 708-226-9126

Staff	
Total	4
Safety consultants	3
Industrial hygiene consultant	1
Clients	
Total	373
Corporate/institutional clients	13
1998 revenues	
Safety consulting	$645,000

Founded: 1994.
Parent: Horton Insurance Agency.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits; construction safety services.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; ergonomic research; fire protection engineering.
Offices: Orland Park and Rolling Meadows, Ill.; Milwaukee.
Service area: Midwest.
Officers: Gary Glader, president; Glenn Horton, vp.
Contact: Gary Glader.

North American Risk Inc.
P.O. Box 49228,
Sarasota, Fla. 34230;
941-907-2200; fax: 941-907-2217

Staff	
Total	57
Safety consultants	46
Occupational health consultants	5
Industrial hygiene consultants	6
ASSE members	21
Clients	
Total	11*
1998 revenues	
Safety consulting	$2,113,491

Founded: 1993.
Parent: North American Holdings Inc.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; workplace violence programs; casualty insurance assessments; heavy construction.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; noise and vibration research; high hazard casualty insurance risk assessments; evaluations; loss frequency/severity analysis.
Offices: New York, Dallas.
Service area: nationwide.
Officers: Barbara Adkins, executive vp; Harold Schade, vp; Jeff Corder, manager.
Contact: Harold Schade.
**Includes insurance company clients only*

O

Richard Oliver International
1717 Park St.,
Naperville, Ill. 60563;
800-571-7676; fax: 630-637-5003
www.richardoliver.com

Staff	
Total	11
Safety consultants	6
Occupational health consultants	4
Industrial hygiene consultant	1
ASSE members	11
Clients	
Total	250
1998 revenues	
Safety consulting	$5,200,000

Founded: 1972.
Parent: Willis Corroon Group Ltd.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; workplace violence programs.
Other services: development of training materials; ergonomic research; fire protection engineering.
Offices: non-U.S. offices in Australia, Brazil, Hong Kong, New Zealand, Singapore, United Kingdom.
Service area: nationwide, worldwide.
Officers: Robert Reilly, managing principle; Wayne Breda, principle; Robert Beerman, principle.
Contact: Robert Beerman, beerman-rp@willis.com.

P

Pooler Consultants Ltd.
321 Upland Drive,
Lafayette, La. 70506;
318-984-1601; fax: 318-988-1762

Staff	
Total	3
Safety consultants	3
ASSE members	3
Clients	
Total	100 (est.)
Corporate/institutional clients	100 (est.)
1998 revenues	
Safety consulting	$200,000

Founded: 1989.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits; environmental.
Other services: production of safety materials

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or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; product liability research; noise and vibration research; fire protection engineering; industrial hygiene laboratory.

Service area: nationwide.

Officers: Ben Pooler, president; Kaye Pooler, vp/secretary/treasurer.

Contact: Ben Pooler.

Professional Risk Management

2101 Webster St., Suite 900,
Oakland, Calif. 94612;
510-452-9300; fax: 510-452-1479
www.mmicompanies.com

Staff	
Total	4
Safety consultants	4
Clients	
Total	12
1998 revenues	
Safety consulting	$750,000

Founded: 1980.

Parent: MMI Companies Inc.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; onsite training classes or seminars; offsite training classes or seminars; workplace violence programs; environmental, health and safety.

Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; ergonomic research; product liability research; noise and vibration research; industrial hygiene laboratory.

Service area: nationwide.

Officers: Jean Baulis, president; Dan Nicholson, executive vp; Jay Ayala, executive vp.

Contact: Peggy Eller, vp; peller@mminet.com.

Protocol Work Systems Inc.

2 Copley Place, 4th Floor,
Boston, Mass. 02116;
800-434-1144; fax: 617-375-7653
www.coreinc.com

Staff	
Total	12
Safety consultants	10
Clients	
Corporate/institutional clients	52
1998 revenues	
Safety consulting	$1,000,000

Founded: 1987.

Parent: CORE Inc.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; job functional analyses and isometric testing.

Other services: production of safety materials or videos; development of training materials; ergonomic research; ADA compliance and accommodation services.

Service area: nationwide.

Officers: Stuart T. Greer, managing director; George C. Carpenter IV, chairman/CEO; William E. Nixon, executive vp/CFO.

Contact: Tali Korn, marketing assistant; 617-375-7732.

R

RCS Services

8550 Katy Freeway, Suite 123,
Houston, Texas 77084;
713-461-4119; fax: 713-461-2457
www.rcsservicesinc.com

Staff	
Total	9
Safety consultants	8
Industrial hygiene consultant	1
ASSE members	4
Clients	
Total	597
1998 revenues	
Safety consulting	$2,206,832

Founded: 1990.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits.

Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; noise and vibration research; distribution of onsite and laboratory substance abuse testing; background screening service.

Service area: nationwide.

Officers: Patricia A. McCall, president; Kyle W. Hutton, vp; J. Scott Butler, director-client services.

Contact: Mark J. Packwood, director-marketing; mpackwood@rcsservicesinc.com.

RPF Associates

20 Leroy St.,
Dix Hills, N.Y. 11746;
516-586-0778; fax: 516-586-5164
www.quikpage.com/R/rpf

Staff	
Total	4
Safety consultants	3
ASSE members	2
Clients	
Total	40
Corporate/institutional clients	40
1998 revenues	
Safety consulting	$220,000

Founded: 1984.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits; workplace violence programs; New York State Labor Department Code Rule 59 workplace consultations.

Other services: production of safety materials or videos; development of training materials; OSHA compliance; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering.

Service area: nationwide, Canada, the Caribbean and Mexico.

Contact: Robert P. Firmbach, president.

Regional Reporting

111 John St.,
New York, N.Y. 10038;
212-964-5973; fax: 212-608-5074
www.regionalreporting.com

Staff	
Total	190
Safety consultants	140
Industrial hygiene consultants	14
ASSE members	40
Clients	
Total	190
Corporate/institutional clients	20
1998 revenues	
Safety consulting	$13,500,000

Founded: 1963.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; onsite training classes or seminars; OSHA & DOT audits.

Other services: production of safety materials or videos; OSHA compliance; fire protection engineering.

Offices: Sacramento, Calif.; Hartford, Conn.; Atlanta; Chicago; New York; Cleveland; Philadelphia; Dallas.

Service area: nationwide.

Officers: Martin Myers, president; Louis Sieger, executive vp.

Contact: Martin Myers.

Reliability Group

2421 N.E. 33rd. St.,
Lighthouse Point, Fla. 33064;
954-782-5588; fax: 954-788-9284
www.se.mediaone.net/~relgroup

Staff	
Total	10
Safety consultants	7
ASSE members	3
Clients	
Total	35
Corporate/institutional clients	23
1998 revenues	
Safety consulting	$200,000

Founded: 1985.

Services: safety audits/reviews, evaluations or inspections; safety program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking.

Other services: production of safety materials or videos; development of training materials; industrial hygiene research; occupational health research.

Service area: nationwide.

Officers: Hank Sarkis, president; Dr. R. Cooke, executive vp.

Contact: Hank Sarkis.

Risk Analysts Inc.

P.O. Box 983,
Houston, Texas 77001;
713-507-4792; fax: 713-507-9433
www.wisenberg.com

Staff	
Total	3
Safety consultants	2
ASSE members	2
Clients	
Total	110
Corporate/institutional clients	50
1998 revenues	
Safety consulting	$260,000

Continued on page 48


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555 College Road East, Princeton, New Jersey 08543 (609) 243-4200 www.amre.com
A.M. Best Company: A++ Standard & Poor's: AAA Moody's: Aaa

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Founded: 1986.
Parent: Wisenberg Insurance & Risk Management.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; expert witness; OSHA & DOT audits; school violence programs; workplace violence programs; focus groups; behavioral programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering; ergonomics; rapid eye check program.
Service area: nationwide.
Officers: Joe Williams, chairman; Jeff Pozmantier, president; Nicholas Dalby, vp/director-risk control.
Contact: Nicholas Dalby; ndalby@wisenberg.com.

RSKCo Consulting Services
333 S. Wabash Ave., Floor 28 S.,
Chicago, Ill. 60604;
800-519-2835; fax: 312-817-3350

Staff
Total 115
Clients
Total....575
Corporate/institutional clients....575
1998 revenues
Safety consulting $20,000,000
Founded: 1995.
Parent: CNA Financial Corp.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; workplace violence programs; transportation; driver development process; turnkey training seminar.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering; industrial hygiene laboratory, simulation facility for driver training.
Offices: Los Angeles, San Francisco, Atlanta, Chicago, New York, Dallas.
Service area: nationwide.
Officers: Randall Hollenbeck, president; Brad Wedel, senior vp-sales/client services; Richard Ryther, senior vp-field services.
Contact: Brad Wedel, 312-822-5363.

S

Safety Associates Inc.
1351 E. Morehead St.,
Charlotte, N.C. 28204;
704-334-8690; fax: 704-376-5838

Staff
Total 6
Safety consultants 5
Industrial hygiene consultants 1
ASSE members 2
Clients
Corporate/institutional clients....65
1998 revenues
Safety consulting....$480,000
Founded: 1978.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; industrial hygiene program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering.
Service area: 48 states.
Officers: Jim Stephens, president.

Safety Consulting Inc.
150 S.W. 33rd St., Suite A,
Topeka, Kan. 66611;
785-232-3887; fax: 785-233-1746

Staff
Total 3
Safety consultants 3
Clients
Total....50
Corporate/institutional clients....50
1998 revenues
Safety consulting....$300,000
Founded: 1971.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; noise and vibration research; fire protection engineering.
Service area: nationwide.
Officers: Craig Stromgren, president; John Parkin, vp; Robert Buckingham, consultant.
Contact: Craig Stromgren.

Safety & Risk Control Services Inc.
395 Main St., Suite 4,
Metuchen, N.J. 08840-1806;
800-466-4025
www.safetyrisk.com

Staff
Total 16
Safety consultants 15
Industrial hygiene consultants 1
ASSE members 13
Clients
Total....50
Corporate/institutional clients....48
1998 revenues
Safety consulting ....$500,000 (est.)
Founded: 1989.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; industrial hygiene program assistance; offsite training classes or seminars; OSHA & DOT audits; coordination of insurance carrier and TPA loss control services; preparation of loss control specifications; coordination and development of affinity and association group loss control programs.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; product liability research; fire protection engineering; industrial hygiene laboratory; supervision and technical review of safety publications, training videos and film presentations.
Service area: nationwide.
Contact: Henry S. Staple, president

Safework Inc.
P.O. Box 231550,
Sacramento, Calif. 95823-0409;
916-685-9767; fax: 916-685-9767

Staff
Total....5
Safety consultants 5
Clients
Total....7
Corporate/institutional clients 7
1998 revenues
Safety consulting....$435,000
Founded: 1992.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; onsite training classes or seminars; offsite training classes or seminars; OSHA & DOT audits.
Other services: production of safety materials or videos; development of training materials; OSHA compliance.
Offices: Los Angeles and Sacramento, Calif.
Service area: Western United States, Alaska and Hawaii.
Officers: Linda Larson Alders, president; Rebecca Jones, CEO; Victoria Northrud, CFO.
Contact: safewkinc@aol.com.

Sigma Associates Ltd.
105 Timber Ridge Blvd.,
Pass Christian, Miss. 39571;
228-452-4866; fax: 228-452-7202
www.sigmaassocltd.com

Staff
Total....5
Safety consultants 3
Occupational health consultants 1
Industrial hygiene consultants 1
Clients
Total....25
Corporate/institutional clients....10
1998 revenues
Safety consulting....$580,000
Founded: 1978.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits; school violence programs; workplace violence programs; instructor training courses.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; noise and vibration research; fire protection engineering; human resources management.
Service area: nationwide.
Officers: A.J. Scardino Jr., president/CEO; Loislyn Scardino, secretary/treasurer; Al Lagerda, senior consultant.
Contact: A.J. Scardino Jr.; ajatsigma@worldnet.att.net.

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Specialty Risk Services
Goodwin Square,
225 Asylum St., 16th Floor,
Hartford, Conn. 06103;
860-520-2599; fax: 860-520-2503
www.specialtyriskservices.com

Staff
Safety consultants ... 200
Industrial hygiene consultants ... 10
ASSE members ... 160
Clients
Total ... 150
Corporate/institutional clients ... 150
1998 revenues
Safety consulting ... $4,200,000

Founded: 1990.
Parent: The Hartford.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; benchmarking; OSHA & DOT audits; school violence programs; workplace violence programs; back injury prevention; environmental.
Other services: production of safety materials or videos; development of training materials; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; product liability research; noise and vibration research; fire protection engineering; industrial hygiene laboratory; Americans with Disabilities Act services.
Offices: 60 locations; major hubs are Los Angeles; San Francisco; Hartford, Conn.; Atlanta; Chicago; Dallas.
Service area: nationwide.
Officers: Dennis Replosle, president; Steve Holcomb, senior vp; Timothy Howe, assistant vp.
Contact: Timothy Howe, tim.howe@thehartford.com.

Strategic Safety Associates
8335 S.W. 22nd St.,
Portland, Ore. 97219;
503-977-2094; fax: 503-977-3175
www.movesmart.com

Staff
Total ... 15
Safety consultants ... 10
ASSE members ... 8
Clients
Total ... 85
1998 revenues
Safety consulting ... $1,000,000

Founded: 1985.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; onsite training classes or seminars; trainer, management and supervisory safety training.
Other services: production of safety materials or videos; development of training materials.
Service area: nationwide, worldwide.
Officers: Robert Pater, managing director; Paul McClellan, manager-special projects; Craig Lewis, manager-strategic activities.
Contact: Robert Pater.

Page 38 has explanation of directory terms.

T

TOPF Organization
3000 Valley Forge Circle, G15,
King of Prussia, Pa. 19406;
610-783-1776; fax: 610-783-1775
www.topforg.com

Staff
Total ... 20
Safety consultants ... 14
ASSE members ... 5
Clients
Total ... 200
Corporate/institutional clients ... 200
1998 revenues
Safety consulting ... $4,000,000

Founded: 1983.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; onsite training classes or seminars; offsite training classes or seminars; behavioral safety consulting and training services; changing unsafe attitudes and behaviors on and off the job.
Other services: development of training materials.
Service area: nationwide, Canada, Europe and South America.
Officers: Michael D. Topf, president; Donald H. Theune, vp.
Contact: Donald H. Theune.

Trigon Administrators Inc.
7130 Glen Forest Drive,
Richmond, Va. 23236;
804-673-5900; fax: 804-673-5916

Staff
Total ... 3
Safety consultants ... 3
ASSE members ... 3
Clients
Total ... 3,000
Corporate/institutional clients ... 3,000
1998 revenues
Safety consulting ... $375,000

Founded: 1984.
Parent: Trigon Blue Cross Blue Shield of Virginia
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; onsite training classes or seminars; offsite training classes or seminars; OSHA & DOT audits; workplace violence programs.
Other services: development of training materials; OSHA compliance; ergonomic research; noise and vibration research; fire protection engineering.
Service area: Maryland, North Carolina, Virginia and the District of Columbia.
Officers: William Monday, president; Tom England, vp.
Contact: Vincent J. McCarthy, manager-loss control.

U

U.S. HealthWorks-Preventive Services Division
1600 Genessee, Suite 700,
Kansas City, Mo. 64102;
800-946-7228; fax: 816-471-1929
www.ushealthworks.com

Staff
Total ... 60
Safety consultants ... 10
Occupational health consultants ... 18
Industrial hygiene consultants ... 32
ASSE members ... 10
Clients
Total ... 400
Corporate/institutional clients ... 125
1998 revenues
Safety consulting ... $7,500,000

Founded: 1972.
Services: safety audits/reviews, evaluations or inspections; safety program assistance; ergonomic program assistance; industrial hygiene program assistance; occupational health program assistance; onsite training classes or seminars; offsite training classes or seminars; expert witness; OSHA & DOT audits; workplace violence programs; simulated OSHA inspections; implementing safety and health management programs.
Other services: production of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; industrial hygiene research; occupational health research; ergonomic research; noise and vibration research; industrial hygiene laboratory.
Offices: Indianapolis; Chapel Hill and Charlotte, N.C.
Service area: nationwide.
Officers: Jeff Morrill, president; Susan Megerson, vp-operations; Dan Fredley, national accounts manager.
Contact: Krystal Fischer. BI

Business Insurance directory of rehabilitation service providers

A

ASU Group - Recovery Unlimited
2173 Commons Parkway,
Okemos, Mich. 48805;
800-968-2417; fax: 577-349-1332
www.asugroup.com

1998 revenues
Total ... $25,000,000
Rehab services direct to employers ... $4,000,000
Staff
Total ... 61
Professionals ... 44
Including: 37 RNs, 7 vocational counselors.
Customers
Total ... 200 (est.)
Cases
Closed in 1998 ... 1,224

Rehab services since: 1974
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability.
Service area: Illinois, Indiana, Kentucky, Michigan.
Compensation: per hour, $74 (Indiana, Kentucky), $77 (Illinois, Michigan).
Officers: Tara Larose, COO; Nancy Hilliard, vp-operations; Bruce Stubbs, vp-sales.
Contact: Bruce Stubbs, 800-968-4668.

B

Board Certified Rehabilitation Consultants
255 W. Front St.,
Missoula, Mont. 59802;
406-721-9320; fax: 406-549-5305
www.nlcii.com

1998 revenues
Total ... $1,200,000
Rehab services direct to employers ... $800,000
Staff
Total ... 15
Professionals ... 9
Including: 2 RNs, 4 vocational counselors, 3 degreed professionals.
Customers
Total ... 100
Corporate/institutional ... 20
Claims administrators/TPAs ... 30
Insurance companies ... 20
Other ... 30
Cases
Closed in 1998 ... 150
IME cases ... 35
Expert opinion cases ... 165

Rehab services since: 1987
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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, hospital bill audit, provider bill audit, PPO access, nationally certified life care planners.
Coverage: workers compensation, auto liability, general liability, long-term disability, short-term-disability, life care planning for catastrophic injuries or disabling conditions, medical malpractice, wrongful discharge, product liability, ADA claims, modified employee assistance programs.
Service area: western states except California.
Compensation: per hour, $85 to $150.
Officers: William Goodrich, president; Katherine Kleinkopf, Kent Kleinkopf, vps.
Contact: Kent Kleinkopf.

C

CCN/Resource Opportunities Inc. (ROI)
4122 Innslake Drive,
Glen Allen, Va. 23060;
800-438-4764; fax: 804-527-1509
www.roiusa.com

1998 revenues
Total ... $18,200,000
Rehab services direct to employers ... $3,500,000
Staff
Total ... 278
Professionals ... 248
Including:155 RNs, 90 vocational counselors, 1 degreed professional, 2 physicians.
Customers
Total ... 583
Corporate/institutional ... 83
Claims administrators/TPAs ... 180
Insurance companies ... 320
Cases
Closed in 1998 ... 11,553
IME cases ... 527
Expert opinion cases ... 150

Rehab services since: 1977
Parent: Columbia/HCA Corp.
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, hospital bill audit, provider bill audit, PPO access.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability, Department of Labor, group health, Federal Employers Liability Act.
Service area: all states excluding Alaska, Colorado, Hawaii, Idaho, Iowa, Kansas, Maine, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, Rhode Island, South Dakota, Texas, Vermont, Wyoming.
Compensation: per hour, $56 to $115.
Officers: Richard Mastaler, CEO; Michael Bell, COO; Michael Leep, president-ROI.

Care Management Consultants Inc.
P.O. Box 3101,
Brentwood, Tenn. 37024;
615-373-2273; fax: 615-377-3916

1998 revenues
Total ... $2,000,000
Rehab services direct to employers ... $200,000
Staff
Including: 27 RNs, 3 vocational counselors.
Customers
Total ... 45
Corporate/institutional ... 5
Claims administrators/TPAs ... 20
Insurance companies ... 20
Cases
Expert opinion cases ... 75

Rehab services since: 1990
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite medical case management, medical assessment, job analysis, return-to-work modification and coordination, labor market survey, job placement, testimony and expert opinion.
Other services: life care plans, elder care.
Coverage: workers compensation, auto liability, general liability, long-term disability, malpractice.
Service area: Alabama, Arkansas, Kentucky, Mississippi, Tennessee.
Compensation: per hour.
Officers: Kathy Ingleson, president; Kristin Lesh, supervisor/manager; Cathlia Vinett, vp.

CompRehab Inc.
P.O. Box 581006,
Minneapolis, Minn. 55458-1006;
612-838-4400; fax: 612-838-2003

1998 revenues
Total ... $1,839,593
Rehab services direct to employers ... $1,697,785
Staff
Total ... 19
Professionals ... 14
Including: 4 RNs, 8 vocational counselors, 2 degreed professionals.
Customers
Total ... 34
Corporate/institutional ... 10
Claims administrators/TPAs ... 9
Insurance companies ... 8
Other ... 7
Cases
Closed in 1998 ... 731
Expert opinion cases ... 10

Rehab services since: 1990
Parent: State Fund Mutual Cos.
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: discharge planning, ergonomic and safety training, workstation evaluations, job description development, job coaching, social security assistance, Americans with Disabilities Act services, life care planning.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability, medical malpractice.
Service area: Iowa, Minnesota, North Dakota, South Dakota and Wisconsin.
Compensation: per hour, $74.38 to $125.
Officers: Patricia R. Johnson, CEO; Jeanne Cregan Sanstead, president/COO; Maureen Ziezulewicz, vp.
Contact: Glenda G. Kibat, corporate liaison; 612-838-4406.

CONCENTRA Managed Care Inc.
312 Union Wharf,
Boston, Mass. 02109;
617-367-2163; fax: 617-367-8519
www.concentramc.com

1998 revenues
Total ... $616,000,000
Rehab services direct to employers ... $60,000,000
Staff
Total ... 1,200
Professionals ... 1,200
Including: 940 RNs, 360 vocational counselors, 100 degreed professionals, 300 physicians.
Customers
Total ... 1,400
Corporate/institutional ... 200
Claims administrators/TPAs ... 300
Insurance companies ... 900
Cases
Closed in 1998 ... 46,166
IME cases ... 83,000
Expert opinion cases ... 800

Rehab services since: 1978
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability, group health.
Service area: nationwide, Canada.
Compensation: per hour, $75.
Officers: Daniel J. Thomas, CEO; Tom Kiraly, CFO, executive vp-finance; Richard Parr, executive vp/general counsel.
Contact: Stephanie Pesce, marketing/communications manager; stephanie-pesce@concentramc.com.

CorVel Corp.
2010 Main St., Suite 1020,
Irvine, Calif. 92614;
949-851-1473; fax: 949-851-1469
www.corvel.com

1998 revenues
Total ... $159,000,000
Rehab services direct to employers ... $17,000,000
Staff
Total ... 1,475
Professionals ... 1,310
Including: 1,010 RNs, 235 vocational counselors, 65 degreed professionals.
Customers
Total ... 1,200
Corporate/institutional ... 150
Claims administrators/TPAs ... 175
Insurance companies ... 875
Cases
Closed in 1998 ... 48,500
IME cases ... 9,049

Rehab services since: 1975
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access, early case management intervention, catastrophic case management, chiropractic and physical therapy utilization review.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability, group health, integrated disability management, 24-hour managed care services.
Service area: nationwide.
Compensation: per hour, $70 to $73.

Continued on next page

Business Insurance directory terms explained

The ninth annual *Business Insurance* directory of rehabilitation management service providers lists companies that provide services included in the medical management or vocational rehabilitation of injured or ill individuals. These services must be available to employers on a direct, unbundled basis; companies that offer these services only in conjunction with other products and services are not included.

Listings begin with the company's address, phone and fax numbers and Web site address, if provided. Information on **1998 revenues** is provided; companies must report revenue information and generate at least $200,000 in gross revenues from rehabilitation services to be listed.

The **staff** section lists the total number of individuals and the number of professionals employed by the company in 1998 on a full-time equivalent basis. Social workers, physical therapists and occupational therapists are included in the category of degreed professionals. Staff figures do not include individuals hired on a consulting or per case basis.

The **customers** section lists the total number of rehabilitation customers in 1998 as well as a breakout of customers by the number of corporate and institutional employers, claims administrators/TPAs, insurance companies and others.

The number of rehabilitation cases closed in 1998, the number of independent medical examination cases and the number of expert opinion cases are listed under **cases** for 1998.

The **year rehab services began** and the name of the **parent** company also are provided.

The **services** section lists all rehabilitation services offered. **Other services** includes, but is not limited to, cost containment and utilization review services. **Coverage** lists the insurance lines for which rehabilitation services are provided.

Service area details the states or regions served; charges and methods of billing are detailed under **compensation.** Names and titles of principal **officers** and a **contact** complete each listing.

The directory is published as an editorial service; there is no charge for companies to be listed. Although every effort is made to publish complete and accurate listings, *BI* is unable to verify all information provided by the companies.

Continued from previous page

Officers: Gordon Clemons, president/CEO; Daniel H. Davis, vp-marketing; Lou Silverman, vp-operations.

Contact: Daniel H. Davis; 215-953-5060; dan_davis@corvel.com.

Crawford & Co.

5620 Glen Ridge Drive N.E.,
Atlanta, Ga. 30342;
800-241-2541; fax: 404-847-4028
www.crawfordandcompany.com

1998 revenues
Total $667,000,000
Rehab services direct to employers ... $93,000,000
Staff
Total 1,015
Including: 318 RNs, 138 vocational counselors, 146 degreed professionals, 1 physician.
Customers
Total 600
Cases
Closed in 1998 56,645
IME cases 8,962
Expert opinion cases 5,127

Rehab services since: 1972

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access, certified MCO services, peer review coordination, functional capacity evaluation coordination, absenteeism management, life care planning, PPO channeling.

Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability.

Service area: nationwide.

Officers: Archie Meyers, chairman/CEO; Grover Davis, president/COO; Victoria Holland, executive vp-health care management.

Contact: Wanda Gross, project manager; 404-845-3183.

E

ESIS Inc.

1601 Chestnut St., TL32G,
Philadelphia, Pa. 19103;
215-761-3171; fax: 215-761-5476
www.esis.com

1998 revenues
Total $196,000,000
Rehab services direct to employers $8,000,000
Staff
Total 262
Professionals 240
Including: 158 RNs, 79 vocational counselors, 13 degreed professionals, 12 physicians.
Customers
Total 311
Corporate/institutional 1
Claims administrators/TPAs 1
Cases
Closed in 1998 11,994
IME cases 193
Expert opinion cases 4

Parent: INA Holdings Corp.

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.

Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability.

Service area: nationwide.

Compensation: per case, per hour.

Officers: Chris Barnes, president; Eugene Fazzie, vp/CFO; Mike Billings, vp.

Contact: Renell Burton, process improvement manager; renell.burton@esis.com.

F

FARA Healthcare Management

2360 Fifth Ave.,
Mandeville, Iowa 70471;
504-624-8383; fax: 504-624-8489
www.fara.com

1998 revenues
Total $15,100,000
Rehab services direct to employers $3,300,000
Staff
Total 30
Professionals 27
Including: 20 RNs, 6 vocational counselors, 1 physician.
Customers
Total 237
Corporate/institutional 180
Claims administrators/TPAs 5
Insurance companies 52
Cases
Closed in 1998 5,154
IME cases 76
Expert opinion cases 21

Rehab services since: 1992

Parent: F.A. Richard & Associates Inc.

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite medical case management, medical assessment,

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Continued from previous page

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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.

Coverage: workers compensation, auto liability, general liability, long-term disability, short-term disability, group health.

Service area: Alabama, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, South Carolina, Texas, Virginia.

Compensation: per employee; per hour, $78 to $80.

Officers: Todd Richard, president/CEO; Reed A. Bell, executive vp; Dan Clark, senior vp.

Contact: Kay Martin kay.martin@fara.com, 318-988-1008.

G

GatesMcDonald

3455 Mill Run Drive,
Hilliard, Ohio 43026;
614-777-3000

1998 revenues

Total	$120,000,000
Rehab services direct to employers	$34,000,000
Staff	
Total	224
Professionals	224

Including: 220 RNs, 3 vocational counselors, 1 physician.

Customers

Total	350
Corporate/institutional	338
Insurance companies	12
Cases	
Closed in 1998	37,200

Parent: Nationwide Insurance Co.

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite medical case management, medical assessment, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, job placement, testimony and expert opinion.

Other services: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.

Coverage: workers comp, auto liability, general liability, long-term disability, short-term disability.

Service area: 36 states.

Compensation: per employee, $1.50 to $2.45; per case, $95 to $550; per hour, $74 to $84.

Officers: Danny Fullerton, president; Kelly Hamilton, vp-finance; Peter Barr, vp.

Contact: Scot Van Marter, marketing officer.

GENEX Services Inc.

440 E. Swedesford Road,
Wayne, Pa. 19087;
610-964-5100; fax: 610-964-1919
www.genexservices.com

1998 revenues

Total	$103,500,000
Rehab services direct to employers	$36,225,000
Staff	
Total	1,500
Professionals	915

Including: 560 RNs, 325 vocational counselors, 30 physicians.

Customers

Total	1,250
Corporate/institutional	437
Claims administrators/TPAs	563
Insurance companies	250
Cases	
Closed in 1998	55,000

Rehab services since: 1978

Parent: UnumProvident Corp.

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.

Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term disability, long-term care.

Service area: nationwide, Puerto Rico, Canada.

Compensation: per employee, per case, per hour.

Officers: Peter C. Madeja, president/CEO; Richard A. Baron, vp/CFO; Paul M. Bode, senior vp-sales/marketing.

Contact: Carolyn Hildenbrand, director-marketing.

I

Intracorp

1601 Chestnut St.,
Two Liberty Place, TLO9J,
Philadelphia, Pa. 19192-2116;
215-761-7100; fax: 215-761-5538
www.intracorp.com

1998 revenues

Total	$334,000,000
Rehab services direct to employers	$15,600,000
Staff	
Total	1,292
Professionals	1,252

Including: 827 RNs, 363 vocational counselors, 62 physicians.

Customers

Total	1,187
Corporate/institutional	297
Claims administrators/TPAs	298
Insurance companies	498
Other	94
Cases	
Closed in 1998	183,957
IME cases	9,418
Expert opinion cases	515

Rehab services since: 1970

Parent: CIGNA Corp.

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.

Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term disability.

Service area: nationwide.

Compensation: per case, per hour.

Officers: Kirk E. Rothrock, president; Kenneth R. Ross, senior vp-disability; Eileen O. Auen, senior vp-health care.

Contact: Colleen Bergin, public relations manager, 215-761-7152; cbergin@mail.intracor.com.

J

Jordan Services Inc.

900 Merchants Concourse, Suite 112,
Westbury, N.Y. 11590;
516-683-0100; fax: 516-683-0259
www.jordanservices.com

1998 revenues

Total	$6,380,000
Rehab services direct to employers	$5,295,400
Staff	
Total	80
Professionals	60

Including: 45 RNs, 15 vocational counselors.

Customers

Total	715
Corporate/institutional	55
Claims administrators/TPAs	187
Insurance companies	467
Other	6
Cases	
Closed in 1998	1,870
IME cases	20,900
Expert opinion cases	2,146

Rehab services since: 1974.

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.

Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term disability, group health.

Service area: Nationwide for IMEs and audits. Connecticut, New Jersey, New York and Pennsylvania for case management.

Compensation: per employee, $1.25 to $4; per hour, $79 to $150.

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Continued from previous page

Officers: Morris Ehrenreich, president; Sandra Horowitz, CFO; Phyllis Snow, director-marketing.
Contact: Phyllis Snow; 516-683-0100, ext. 136.

L

Liaison Inc.
17000 N. Dallas Parkway, Suite 103,
Dallas, Texas 75248;
972-380-6944; fax: 972-380-8629
www.liaisoninc.com

1998 revenues
Total ... $1,800,000
Rehab services direct to employers ... $1,800,000
Customers
Total ... 154
Corporate/institutional ... 25
Claims administrators/TPAs ... 109
Insurance companies ... 20
Cases
Closed in 1998 ... 430
IME cases ... 130
Expert opinion cases ... 470

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability.
Service area: nationwide.
Compensation: per employee, $150 to $1500; per case, $150 to $1500; per hour, $55 to $85.
Officers: Catherine L. Marrs, president/CEO; Karen Kyle, general manager.
Contact: Catherine L. Marrs; cmarrs@liaisoninc.com.

M

MedInsights
4360 Chamblee Dunwoody Road,
Atlanta, Ga. 30341;
770-457-2400; fax: 770-457-1500
www.gabrobinsna.com

1998 revenues
Total ... $20,600,000
Staff
Total ... 250
Professionals ... 165
Including: 150 RNs, 15 vocational counselors.
Customers
Total ... 278
Corporate/institutional ... 200
Claims administrators/TPAs ... 13
Insurance companies ... 60
Other ... 5
Cases
Closed in 1998 ... 11,814

Rehab services since: 1985
Parent: GAB Robins North America.
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access, crisis intervention, 800 reporting, provider insights network, catastrophic case management, medical-legal review.
Coverage: workers comp, auto, general liability, auto no-fault, long- and short-term disability.
Service area: nationwide.
Compensation: per case, per hour.
Officers: David McGirr, chairman; Gary Billiard, CEO; Joe Caporaso, vp-finance.
Contact: Margaret Aslakson, eastern region director-case management; 800-457-6991, ext. 225.

P

Professional Case Management Consultants Inc.
P.O. Box 940338,
Maitland, Fla. 32794-0338;
800-647-6347; fax: 407-647-1395
www.pcmcinc.com

1998 revenues
Total ... $910,000
Rehab services direct to employers ... $275,000
Staff
Total ... 28
Professionals ... 28
Including: 20 RNs, 5 vocational counselors, 2 degreed professionals, 1 physicians.
Customers
Total ... 43
Corporate/institutional ... 10
Claims administrators/TPAs ... 9
Insurance companies ... 20
Other ... 4
Cases
Closed in 1998 ... 324
IME cases ... 20
Expert opinion cases ... 4

Rehab services since: 1992
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, discharge planning, outpatient utilization review, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, pharmaceutical therapy review, medical cost projections, life care planning.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability, health insurance, long-term insurance.
Service area: Florida.
Compensation: per case, $225 to $895; per hour, $65 to $100.
Officers: Belinda Brice, president; Harry Greene, director-customer relations.
Contact: Harry Greene.

Q

QRS Managed Care Services
2435 Blvd. of Generals,
Norristown, Pa. 19403;
610-631-7000; fax: 610-631-7011

1998 revenues
Total ... $13,000,000
Rehab services direct to employers ... $9,000,000
Staff
Total ... 200
Professionals ... 75
Including: 75 RNs, 25 vocational counselors, 20 degreed professionals, 5 physicians.
Customers
Total ... 75
Corporate/institutional ... 25
Claims administrators/TPAs ... 20
Insurance companies ... 20
Other ... 10

Rehab services since: 1989
Parent: ADP/IMS
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite medical case management, medical assessment, job analysis, return-to-work modification/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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.
Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability.
Service area: nationwide.
Compensation: per hour, $65 to $75.
Officers: Joseph Fox, vp/general manager; Michael Fox, vp; John Jordan, regional manager.

Quality Solutions
11640 Arbor St., Suite 100,
Omaha, Neb. 68144;
402-333-2543; fax: 402-333-9024

1998 revenues
Total ... $1,100,000
Rehab services direct to employers ... $350,000
Staff
Total ... 10
Professionals ... 10
Including: 7 RNs, 3 vocational counselors.
Customers
Total ... 200
Corporate/institutional ... 95
Claims administrators/TPAs ... 25
Insurance companies ... 80
Cases
Closed in 1998 ... 635
IME cases ... 92
Expert opinion cases ... 35

Rehab services since: 1977
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: length of stay determination, hospital bill audit, provider bill audit.
Coverage: workers compensation, auto liability, general liability, long-term disability, short-term-disability.
Service area: Iowa, Nebraska and South Dakota.
Compensation: per hour, $65 to $95.
Officers: Kathleen Hesselink, president; Beverly Eckhoff, vp; Margaret Fox, secretary.
Contact: Beverly Eckhoff.

Continued on next page

The directory of rehabilitation service providers begins on page 49; the directory of safety consultants begins on page 37.

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R

Rainier Case Management Inc.

101 E. 8th St., Suite 210,
Vancouver, Wash. 98660;
360-695-8383; fax: 360-695-8343
www.rainiercasemgt.com

1998 revenues
Total $3,998,525
Rehab services direct to employers $603,987
Staff
Total 61
Including: 4 RNs, 57 vocational counselors.
Customers
Total 45
Corporate/institutional 10
Claims administrators/TPAs 10
Insurance companies 20
Other 5
Cases
Closed in 1998 1,368
Expert opinion cases 21

Rehab services since: 1981
Services: prescreen cases for rehabilitation intervention, onsite 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.
Coverage: workers compensation, long-term disability.
Service area: Washington.
Compensation: per hour, $63 to $74.
Officers: Tom Garbarino, president; Brad Reckord, vp.

Resource Consultants Inc.

P.O. Box 4356,
Tampa, Fla. 33677-4356;
813-877-9592; fax: 813-876-8773

1998 revenues
Total $244,200
Rehab services direct to employers $237,318
Staff
Professionals 3
Including: 1 RN, 2 vocational counselors.
Customers
Corporate/institutional 6
Claims administrators/TPAs 5
Insurance company 1
Other 20
Cases
Closed in 1998 72
Expert opinion cases 38

Rehab services since: 1992
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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.
Coverage: workers compensation, auto liability, general liability, long-term disability, short-term-disability.
Service area: Alabama, Florida, Georgia.
Compensation: per hour, $75 to $125.
Officers: Richard Cooperwasser, president; Patricia Streuber, vp; Joan Driscoll, treasurer/CFO.
Contact: Joan Driscoll, 727-393-7234.

If your company was not listed in the directory this year and you would like to be listed next year, please contact Assistant Directory Editor Susanne Beal at 312-649-5313.

T

Total Care Management

850 S. Pleasantbury,
Greenville, S.C. 29607;
800-638-6329; fax: 864-233-5337
www.hewittcoleman.com

1998 revenues
Total $4,763,000
Rehab services direct to employers $412,000
Staff
Total 8
Professionals 6
Including: 6 RNs.
Customers
Corporate/institutional 210
Insurance companies 5
Cases
Closed in 1998 700
IME cases 125
Expert opinion cases 32

Rehab services since: 1994
Parent: Hewitt, Coleman & Associates Inc.
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, labor market survey.
Other services: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access, catastrophic injury management, disease management, life care plans.
Coverage: workers comp, auto, general liability, long- and short-term-disability, group health.
Service area: nationwide.
Compensation: per case, $275 to $500; per hour, $70 to $85.
Officers: Charles R. Warne, president; Ronald G. Graves, senior vp-operations; Clay Walters, vp-finance/administration.
Contact: Dianne Matthews, diannem@hewittcoleman.com.

V

Vocare Services Inc.

4645 Richmond Road, Suite 103,
Cleveland, Ohio 44128;
216-514-1221; fax: 216-514-0706
www.advocare-inc.com

1998 revenues
Total $3,923,607
Rehab services direct to employers $1,206,834
Staff
Total 12
Professionals 11
Including: 11 vocational counselors.
Customers
Total 100
Corporate/institutional 80
Claims administrators/TPAs 10
Insurance companies 5
Other 5
Cases
Closed in 1998 1,284
Expert opinion cases 361

Rehab services since: 1976
Parent: Advocare Inc.
Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification,

Continued on next page

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concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audit, provider bill audit, PPO access.

Coverage: workers compensation, auto liability, general liability, long-term disability, short-term-disability, 24/7 coverage.

Service area: Indiana, Michigan, Ohio, Pennsylvania and West Virginia.

Compensation: per employee, $1.50 to $2; per hour, $65 to $85.

Officers: Joseph M. Cannelongo, president; Karen Agnich, vp; George W. Cyphers, secretary/treasurer.

Contact: Joseph M. Cannelongo; josephc@advocare-inc.com.

VocMed Inc.

13817 Village Mill Drive, Suite V,
Midlothian, Va. 23113;
804-378-5230; fax: 804-378-5233

1998 revenues	
Total	$2,000,000
Rehab services direct to employers	$2,000,000
Staff	
Total	40
Professionals	40
Including: 15 RNs, 25 vocational counselors.	
Customers	
Corporate/institutional	10
Claims administrators/TPAs	15
Insurance companies	40
Other	10
Cases	
Closed in 1998	150
Expert opinion cases	10

Rehab services since: 1990

Services: prescreen cases for rehabilitation intervention, telephone case management, onsite 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: preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, second surgical opinion, hospital bill audit, provider bill audit.

Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability.

Service area: Delaware, Florida, Georgia, Kentucky, Maryland, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

Compensation: per hour, $55 to $70.

Officers: Gregory B. Henderson, president; Bonny B. Henderson, vp.

Contact: Christine Thompson.

Y

S. Yangouyian & Associates Inc.

26400 Lahser Road, Suite 306,
Southfield, Mich. 48034;
248-357-1670; fax: 248-357-3321

1998 revenues	
Total	$714,000
Rehab services direct to employers	$225,000
Staff	
Total	7
Professionals	6
Including: 1 RN, 5 vocational counselors.	
Customers	
Total	35
Corporate/institutional	10
Claims administrators/TPAs	15
Insurance companies	10
Cases	
Closed in 1998	213
Expert opinion cases	30

Rehab services since: 1985

Services: prescreen cases for rehabilitation intervention, onsite 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.

Coverage: workers compensation, auto liability, general liability, auto no-fault, long-term disability, short-term-disability, group health.

Service area: nationwide.

Compensation: per hour, $65 to $175.

Officers: Sandra Yangouyian Manoogian, president/CEO. BI

Reader information available on issues in workers comp

The Workers Compensation Information Resource section is an editorial compilation of current informational and educational materials on topics of interest to corporate risk management and employee benefits executives.

The listings are published as an editorial service by *Business Insurance*; there is no charge to list materials in the section. All items listed in this section are offered free of charge to *BI* readers.

To receive any of the informational materials listed in this special section, please write the item numbers of those materials on the reader service coupon printed in the magazine at the end of the section. Fill out the remainder of the coupon and mail it to:

Business Insurance
Reader Service Center
519 E. Briarcliff Road
Bolingbrook, Ill. 60440

All requests must be received before **Dec. 13, 1999**, to be processed.

WORKERS COMPENSATION

■ Actec Inc. offers an informational packet that includes articles about companies' experience and promotion of **toll-free claims reporting services**. The packet also contains examples of standard reporting guides. Request item **1701**.

■ American Re-Insurance Co. offers a guide to **workers compensation settlements** in the United States. Eight questions are asked in 51 jurisdictions that explain the circumstances allowing various forms of settlement. Request item **1702**.

■ Crawford Insights is published by Crawford & Co. as an informational resource for its current and prospective clients and associates in the casualty, workers compensation and group health environments. Its editorial focus is to cover key issues while offering **solutions to cost- containment problems**. Request item **1703**.

■ Corporate Risk Management offers a booklet explaining **workers compensation retrospective plans**. Request item **1704**.

■ CFR offers a newsletter discussing certified workplace medical plans in **workers compensation in Oklahoma**. Request item **1705**.

■ HJH Group Inc. has published material providing an overview of industry trends and events that affect **workers compensation and workers compensation managed care**. Request item **1707**.

■ The Mid-America Coalition on Health Care offers insight into the demonstration project funded by the Robert Wood Johnson Foundation to improve the **timeliness of the communication process in the medical component of workers compensation**. Request item **1709**.

■ AIG Claim Services Inc. offers a quarterly publication for brokers and risk managers. It examines workplace issues, **including workers compensation and modified duty programs for disabled employees**. Request item **1712**.

■ SAC3 offers a booklet describing the **workers compensation insurance system** and recent industry trends. Request item **1713**.

■ An article from SIGMA Actuarial Consulting Group Inc. discusses factors that drive the **workers compensation experience modification** up or down. Request item **1714**.

■ A report from HJH Group Inc. gives an inside view of coming product changes and industry challenges in **effective management of workers compensation medical and disability costs**. Information categories include: insurance rates, competitive factors, industry changes and managed care. Request item **1715**.

■ HJH Group Inc. offers the results of their survey on **risk managers' experience and perceptions** of workers compensation managed care. Request item **1716**.

■ HJH Group Inc. provides an informational approach to understanding the **10 critical factors that form the basis for "best in class"claims management**. Request item **1717**.

■ AmericanCare Source provides answers to **frequently asked questions regarding the negative impact that unmanaged ancillary healthcare services** have on insurance programs costs. Request item **1718**.

■ Humana Workers Compensation Services provides a helpful guide to more-productive return-to-work results. Includes keys for senior management and five no/low cost initiatives for **frontline supervisors**. Request item **1719**.

■ Specialty Risk Services Inc. provides **a practical guide to return-to-work success from a preinjury planning perspective**. Request item **1720**. BI

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INTERNATIONAL

Global Briefs

The St. Paul Cos. Inc. reported its maximum exposure to potential claims from the Oct. 5 London rail accident will be less than $10 million. Its U.K. subsidiary, St. Paul International Insurance Co. Ltd., insures both First Great Western and Thames Trains Ltd., operators of the two commuter trains that collided. . . .**Lloyd's of London** plans to do away with its current system of broker regulation and replace it with one based on accreditation of both full-access and sponsored intermediaries. Full-access intermediaries would be entitled to deal with every managing agency at Lloyd's, while sponsored intermediaries could do business with any Lloyd's managing agents that sponsored them. The change, expected to be implemented in 2001, is intended to widen access to the market and thus help attract more business. . . .Standard & Poor's Corp. has lowered its long-term counterparty credit and insurer financial strength ratings on **Zurich Protector Forsikring AS**, part of the Zurich Financial Services Group, to A- from A, and revised its outlook on the rating to "negative" from "stable." It said the downgrade is based on Zurich Protector's "significant losses, exacerbated by the highly competitive marine insurance sector". . . .U.K. multiline insurer CGU P.L.C. has appointed **Patrick Thiele** as group director in London, responsible for strategic development initiatives across the group. He previously was executive vp of St. Paul Cos. Inc. in St. Paul, Minn., and chief executive officer of its U.S. and international insurance operations. . . . The **loss exposure of Taiwanese insurers** to the island's Sept. 21 earthquake is expected to be limited because of reinsurance and a generally low level of insurance sales on the island, according to Standard & Poor's. S&P said that insured losses are estimated at $19 billion Taiwanese ($598.9 million) and that no industrywide ratings adjustment is anticipated for Taiwan's insurers, though individual ratings may be altered. . . . **The Multilateral Investment Guarantee Agency,** the private insurance unit of the World Bank Group, has signed a cooperation agreement with Turkey's national insurer, Turk Eximbank, to increase political risk insurance capacity to cover Turkish investments in developing countries and transition economies. . . .Insurer CGU Ltd., a South African subsidiary of CGU P.L.C., has launched a controversial **"rape survivor" policy** to provide insurance coverage for victims of rape. For a monthly premium of 25 rand ($4.08), the policy provides up to 5,000 rand ($816) for medical treatment and up to 5,000 rand worth of counseling for the victim and family. CGU said the policy is a "regrettable necessity" in South Africa, which now has one of the world's worst crime rates. . . .A Web site providing a registry of assets seized by the Nazis has been launched to pressure European insurers into making good on Holocaust claims. The site is at **www.livingheirs.com**. Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center, said the posting on the Internet was meant to encourage insurers to provide the names of unpaid policyholders. . . .**Gerling Namur Assurances du Credit S.A.** has acquired for an undisclosed sum a 49% share of French insurer Etoile Commerciale S.A. from Groupe des Assurances Nationales S.A. Gerling Namur, a Belgium-based subsidiary of Germany's Gerling Group A.G., hopes the acquisition will strengthen its guarantee business in France, where Etoile Commerciale is active in the construction, automobile and wine industries. . . .Cologne, Germany-based **Gerling Credit Insurance Group** has signed a letter of intent to acquire the credit insurance business of Helsinki, Finland-based Pohjola Non-Life Insurance Co. Ltd. as of Oct. 1. Gerling plans to strengthen its position as a leading provider of credit insurance in Scandinavia by opening a Helsinki branch of Scandinavian credit insurance arm Gerling Nordic Kredittforsikring AS to service Finnish policyholders.

AMP forging ahead on GIO

By MATTHEW MacDERMOTT

SYDNEY, Australia—Australian multiline insurer AMP Ltd. plans to take full control of the struggling Australian insurance company GIO Australia Holdings Ltd.

AMP gained 57% control of GIO in January after a hostile, five-month takeover battle (*BI*, March 1).

GIO has incurred massive reinsurance losses and is facing a $500 million Australian ($327.8 million) class-action lawsuit from shareholders angered by the GIO board of directors' non-disclosure of its poor results.

But despite GIO's recent problems, Paul Batchelor, AMP's chief executive officer, said GIO remained a "strong strategic fit" with the business of AMP.

He said GIO would bring strong brand values, new distribution channels, cross-selling opportunities, economies of scale, and additional business to the combined group.

AMP is Australia's largest life insurer, with annual premiums of about $8 billion Australian ($5.24 billion). It also has a small non-life operation, AMP General. GIO is a non-life insurer with annual premiums of more than $1.5 billion Australian ($983.3 million). The combined group would create Australia's third-largest non-life insurance group.

GIO's recent financial problems have centered on its international reinsurance division, which recorded losses of $759 million for the 1998-99 fiscal year ending June 30. The loses from GIO Re dragged GIO's overall results down to a $743 million Australian ($487 million) loss.

Mr. Batchelor said AMP had been carefully assessing GIO's financial problems to protect its 57% investment in GIO.

He said full ownership was chosen as the best option to quickly and efficiently enhance synergies and deliver increased revenues and cost savings.

Under the deal, GIO shareholders will receive $3.05 Australian ($1.99) per share plus the possibility of additional payments, depending on the performance of GIO's reinsurance business written to date. GIO shareholders will vote on the proposal in mid-December. GIO directors have recommended shareholders accept the AMP offer.

AMP will fund the purchase through a $500 million Australian debt security issue on the Australian stock exchange.

If the new takeover succeeds, Mr. Batchelor said, AMP would recapitalize GIO to ensure all Australian regulatory requirements are satisfied.

He said the injection of new capital would enhance GIO's future prospects and allow AMP to

See **AMP/GIO** *on next page*

A new marine insurer now can write almost all the risks of ships such as this in Hamburg.

German insurer wins OK to write all marine risks

By DON LEWIS KIRK

HAMBURG, Germany—A new German property/casualty insurer is offering shipowners coverage previously unavailable in Germany.

German regulators have approved the operations of Trampfahrt A.G., a new subsidiary of Hamburg, Germany-based mutual Trampfahrt a.G., beginning Oct. 1.

Trampfahrt is the first German insurer to underwrite essentially all marine risks, including war hull coverage. Until now, German shipowners have been able to insure war cargo risks in Germany but not war hull risks. As a result, German shipowners had to go to the markets in London, Norway and Switzerland to insure specialty war risks.

"We are clearly positioned to take on international competition," said Jan-Peter Dietrich, a Trampfahrt A.G. board member based in Hamburg. "Claims handling is just one benefit," of one-stop coverage shopping for buyers, who "will no longer be subject to the possible supplementary calls of (protection & indemnity) clubs," he said.

Product development efforts will focus on balance-sheet protection, Mr. Dietrich said. "That is where marine insurance is most innovative, and we see our way clear to move in that direction."

Trampfahrt's expansion into the international marine niche business marks a departure, said Klaus Koester, a spokesman for the German Assn. of Shipowners.

"Essentially, this is Germany's first P&I club and an option for buyers," Mr. Koester said.

The new insurer plans to adhere to the hull underwriting guidelines of the Institute of London Underwriters, as well as the London market's War Risks Rating Committee decisions on war risk exemptions for regions of crisis, Mr. Dietrich said.

See **Trampfahrt** *on next page*

Brokers oppose disclosure plan

By KATE TILLEY

GOLD COAST, Australia—Australian insurance brokers got vocal recently in their opposition to proposed compensation disclosure regulations.

Australian Financial Services Minister Joe Hockey, who is responsible for implementing the proposed federal regulations, received a hostile reception when he spoke at the annual convention of the National Insurance Brokers' Assn., held on the Gold Coast, Queensland, Oct. 9-12.

Mr. Hockey was jeered and heckled as he faced angry questions, and brokers clapped and cheered when they agreed with the questioners.

Despite the vehement opposition of the brokers, Mr. Hockey was adamant that, while some aspects of the proposed laws may still be flexible, disclosure of broker commissions is not.

"I hear what you're saying, but I disagree," Mr. Hockey said, when asked by one conventioneer why the government was "hell bent" on disclosure, which, he was told, would damage small businesses.

"Why don't you want to tell the buyer what they are paying for advice?" Mr. Hockey asked. He said that the government would be implementing a single licensing system and that there would be no exceptions or exclusions. "A consumer has a right to be told how they are paying for advice," he said.

The new system will mean that all financial services providers, whether they sell life or non-life insurance or securities, will be licensed in the same way and can cross-sell products.

Brokers argued that the move would drive clients to deal directly with insurers. Mr. Hockey responded, though, that all financial services providers, including insurers, would be governed by the same regulations.

The initial draft of the new Cor-

See **Disclosure** *on next page*

Case spotlights teacher stress

Retired teacher wins settlement

By CAROLYN ALDRED

A compensation settlement of £47,000 ($77,893) for a U.K. high school teacher who took early retirement sets a precedent in the acknowledgement of stress as an occupational hazard among teachers.

The National Union of Teachers agreed in late September to the settlement for Muriel Benson, 60, who took disability retirement in 1996 from Prenton High School, located near Liverpool in northwest England, where she taught English and media studies.

"This is believed to be the first teacher stress case to be settled," according to a statement issued by the NUT. "The outcome of this case confirms that teacher stress is an occupational health problem for employers which they must take seriously," said Doug McAvoy, NUT's general secretary in the statement.

Meanwhile, the NUT is pursuing nearly 140 cases similar to Ms. Benson's, according to an NUT spokesman, who predicted that publicity from the case likely will prompt more teachers to come forward with complaints.

Ms. Benson claimed that her employer, the metropolitan borough of Wirral, Merseyside, had organized her system of work so negligently that it exposed her to a

See **Stress** *on page 57*

AMP/GIO

Continued from previous page

"reap the rewards from a full acquisition."

GIO has formally placed its troubled reinsurance division into runoff. The division had been on the market for more than a month, but no buyer was found.

Paul Dassenko has been appointed GIO Re chief operating officer and will be responsible for the runoff.

In 1994, Mr. Dassenko completed a six-year contract as chief operating officer responsible for the Transit Casualty Co. runoff. Since then, he has worked as a reinsurance consultant.

Meanwhile, the class-action suit by GIO shareholders against the insurer's former directors and financial advisers officially started in Australia's federal court last week.

More than 6,500 GIO shareholders have joined the class action, coordinated by the law firm of Maurice Blackburn Cashman.

At a directions hearing at the federal court in Sydney on Oct. 14, Maurice Blackburn Cashman was granted access to a range of GIO documents relating to its struggling reinsurance division.

GIO must provide the documents to the firm by Nov. 26. A second directions hearing is to be held Dec. 1. However, it could take up to 18 months before the class action, which is expected to claim more than $500 million Australian in damages, comes to trial.

The poor performance of GIO Re is at the center of the class action. GIO shareholders allege that the GIO board and its financial advisers, Sydney-based Grant Samuel & Associates, did not fully disclose the losses last year when they urged shareholders to reject AMP's takeover offer.

Shareholders who stayed with GIO, on the recommendation of the GIO board, saw their investments decline due to the company's massive reinsurance losses.

AMP offered $5.35 Australian ($3.51) per GIO share last year, but GIO shares have traded as low as $2.40 Australian ($1.57) since the reinsurance losses were announced. GIO shareholders have received no dividends this year.

The defendants in the GIO class action are Grant Samuel and the GIO directors at the time of last year's AMP takeover, none of whom still is a member of the GIO board.

Although the action is not against GIO as a company, Paul Mazoudier, GIO's chairman, said the litigation had the potential to "diminish goodwill in the company and jeopardize its businesses, to the detriment of shareholder value."

Mr. Mazoudier said delivering full ownership of GIO to AMP represents GIO shareholders' best opportunity for a "fair and reasonable" exit from their investment. BI

Trampfahrt

Continued from previous page

The insurer will, however, selectively underwrite risks as it sees fit, he added. "We will make our own choices," he said.

Mr. Dietrich thinks the company is well positioned to compete with London.

Trampfahrt A.G. is reinsuring its risks with major reinsurers, led by Munich Reinsurance Co.

Previously, more than 80% of the premium of German shipowners was placed outside Germany—a trend Mr. Dietrich said his company can reverse.

"Our launch comes at a time when marine corporate capital is withdrawing from the London market to avoid high losses," he said.

"We hope to benefit from a harder market. The goal is to reach critical mass and make a profit within five years," Mr. Dietrich said.

In addition to war hull risk, Trampfahrt A.G. will underwrite broad marine coverages, including loss of hire and legal expense risks. The company is owned indirectly by the members of its mutual parent. BI

Disclosure

Continued from previous page

porate Law Economic Reform Program—known as CLERP6, as it is the sixth in a series of financial reforms—is expected to be prepared by the end of the year. It will then be subject to comment for three months before the final bill is drafted. Mr. Hockey said he expects the bill to go before the federal Parliament in the first half of 2000; if passed, it could take effect as soon as Jan. 1, 2001.

Mr. Hockey said current regulations severely restrict broker activities, while the new rules would be more flexible and allow brokers to offer their clients a greater variety of products. Brokers need greater flexibility in product offerings to compete in today's changing market, he said.

Mr. Hockey cited the Internet as a major challenge, because it gives consumers the opportunity to round up insurance quotes.

"This will hurt insurance brokers," Mr. Hockey warned. "Two million people in Australia log onto the Internet a day now; it will be 10 million by 2005. I'm not saying it's good or bad. . . .You can't stop new technology or globalization."

One broker argued that the current legislation governing intermediaries, the Insurance Agents & Brokers Act of 1984, already provides strict regulation, and that there is no need to change the current arrangements.

But Mr. Hockey said that, with more threats to brokers from new technology and other distribution channels, the new legislation would reduce regulatory burdens and allow brokers to receive volume commissions. The Insurance Agents & Brokers Act forbids brokers from receiving larger commissions for volume business from insurers.

"If you are already complying (with the current law) and being professional, you will have no concerns about CLERP6," Mr. Hockey said. BI

Losses, lower capacity predicted for Lloyd's

By SARAH GODDARD

LONDON—Growing loss forecasts at Lloyd's of London could be the trigger for capacity to exit the market, according to a London rating agency.

The latest forecasts from Moody's Investors Service Ltd., issued toward the end of last month, anticipate Lloyd's posting a "marginal" return for its 1997 underwriting year, with both 1998 and 1999 producing losses. Next year's underwriting result "is overshadowed by the threat of potential Y2K claims," the agency reported in a statement.

Lloyd's reports its result on a three-year accounting basis, and underwriting agencies still are in the process of closing the 1997 year of account.

Moody's expects Lloyd's to post a marketwide loss of 0.8% of its £10.11 billion ($17.29 billion) capacity for its 1997 trading year, though this may be mitigated by releases from excess reserves from prior years. Earlier this year, Lloyd's boosted its 1996 global profit to £606 million ($1.02 billion) by releasing £268 million ($450.0 million) from prior-year reserves.

At the same time that it announced its 1996 results, Lloyd's was predicting profits of around £70 million ($117.5 million) for 1997 and a loss of £60 million ($101.0 million) for 1998, though Ron Sandler, Lloyd's chief executive officer at the time, did warn that those figures could worsen.

Mr. Sandler's warning appears well founded, as Moody's is estimating a 6.7% loss for 1998, when the market was underwriting against £10.18 billion ($17.09 billion) capacity, and a 6.2% loss for 1999 against £9.87 billion ($16.61 billion) capacity, even though the 1999 year still has three months of underwriting left.

These figures are based on "pure" year results, however, which include various business costs but do not take into account the effects of prior-year reserve releases. Once these are factored into the estimated results, Moody's foresees a £398 million ($669.8 million) loss for 1998 and a £376 million ($620.0 million at a current exchange rate) loss for 1999.

These still may not be the bottom for the results, as the figures being reported by some syndicates continue to show a quarterly deterioration throughout their open years.

LLOYD'S

In its commentary, Moody's notes that the slight upturn in estimated results for 1999 "is due more to the fact that. . .a number of the poorer-performing syndicates either ceased to trade or were merged into other units, rather than reflecting a general improvement in market conditions," compared with 1998.

'People are absolutely not going to reduce rates if they have any sanity,' says Robert Hiscox, chairman of Hiscox P.L.C.

Dominic Simpson, a Moody's vp and senior analyst of financial institutions, property casualty and reinsurance in Europe, said analysis showed corporate-owned syndicates were underperforming compared to the rest of the market.

"It is no surprise to see these losses," he said. Mr. Simpson said that it is important to bear in mind that corporate-owned syndicates started in 1997 and therefore have not had time to establish reserves, while, at the same time, market conditions have been plummeting.

"In the current down cycle, syndicates will cease to trade," Mr. Simpson said. "It could be that some of these (syndicates) are 100% corporate-backed. Corporate capital does not equal permanent capital."

Already, Lloyd's has seen some corporate capital back away from the market. Capital Re Corp. has pulled its investment from RGB Underwriting Agencies Ltd. As a result, syndicate 490 went into runoff last month, when Capital Re failed to find a buyer for the business. Earlier, UNUM Corp. said it was willing to sell its stake in Lloyd's underwriting agency Duncanson & Holt Syndicate Management Ltd. If there are no takers in the short term, however, UNUM will support the agency for the 2000 year of account, according to Mr. Simpson. Last month, D&H syndicate 1101 announced it is setting up a new managing agency, subject to Lloyd's approval, to look after its interests starting early next year, but D&H's other syndicates—55, 957, 1308 and 1999—still are looking for a new home.

Even though the signs portend of capacity leaving Lloyd's, Mr. Simpson cited the examples of Danish Reinsurance Co. Ltd. and CGU P.L.C.'s marine syndicate as new capacity coming in.

"There will remain an appetite for doing business at Lloyd's," he said. "I suspect there will be a net inflow (of capacity) for next year."

Robert Hiscox, chairman of Hiscox P.L.C. and former deputy chairman of Lloyd's, agreed that there will be more capacity in than out for the 2000 year of account, though he cast doubts over the quality of some of the newer arrivals at Lloyd's. Not only have they been able to set up in Lloyd's for an entry fee of £25,000 ($41,165), giving them instant access to Lloyd's brand image and network of licenses, few have brought new business to the market, Mr. Hiscox argued.

Some have joined "with third-rate underwriters and tired management," he said, adding that "every existing business in Lloyd's is starved of good business (to underwrite). . . .I am all for people joining the market, but it should be the elite and they should bring something with them. We are effectively allowing people to grab at the business we are already writing."

Announcing Hiscox's interim results to the end of June, Mr. Hiscox did, however, say he sees signs that rates have now bottomed and are strengthening in certain sectors. "People are absolutely not going to reduce rates if they have any sanity," he said.

Mr. Hiscox said that, as reinsurance capacity has withdrawn, as with the collapse of Australian reinsurer New Cap Reinsurance Corp. Ltd. earlier this year, underwriters have been forced to reassess their exposures, putting pressure on rates. "The rot has stopped," he said. BI

Stress

Continued from page 55

foreseeable risk of injury, according to the NUT.

In addition to teaching English and media studies during the 1980s, Ms. Benson ran after-school activities, served on the school's governing board, and produced the school magazine. Some of her other activities included organizing trips and a poetry festival for the school. In 1988, she began writing to her employer about her complex and demanding workload and her lack of time outside the classroom during the schoolday.

'I feel bereaved at the loss of my career and angry that my employers did nothing to assist me,' says teacher Muriel Benson.

In September 1995, on short notice, Ms. Benson was given an additional class to teach. When she spoke to her manager about this, Ms. Benson was told that she was the victim of her own success.

At the beginning of 1996, she became unable to work because of stress, which developed into depression. Ms. Benson saw her employer's occupational health consultant in May 1996, but no significant steps were taken to help her return to work, according to the NUT.

"I feel bereaved at the loss of my career and angry that my employers did nothing to assist me or other colleagues who ended up in similar difficulties," Ms. Benson said. "There was a failure on the part of my managers to recognize the stresses caused by the complexity of my responsibilities. Each problem in the system was viewed separately, and no one was prepared to take an overview of consequences for the workload of a particular member of staff."

"They had not carried out an assessment of risk, had failed to act on Mrs. Benson's complaints about her workload, or to act on her sickness record indicating that she was suffering from work-related stress. Nor did the authority provide any stress management consulting," according to the NUT statement.

Ms. Benson's employer would not comment on the case. BI

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LEGAL NOTICES

CENTAUR ANNOUNCES BUY-BACK PLAN

Richard S. Darling, Chief Operating Officer of the Special Deputy Receiver, representing the Director of Insurance of the State of Illinois, announces that Centaur Insurance Company, in Rehabilitation, has embarked upon a program to buy-back all liability policies where there are open and pending claims.

The Circuit Court of Cook County entered an order on August 16, 1999, directing and authorizing the Rehabilitator to seek out and effectuate policy buy-backs as part of a plan to finalize and fully resolve Centaur's liability for direct claims and to wind down and close the Centaur receivership.

The Court order grants the Rehabilitator one year to pursue policy buy-back negotiations, at which point the Court shall consider further steps respecting the termination of the Rehabilitation proceedings.

Policyholders subject to the order will soon be receiving a communication from the Rehabilitator with an invitation to participate in the buy-back program.

Inquiries can be directed to the Office of the Special Deputy Receiver at 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654.

LEGAL NOTICES

IN THE SUPREME COURT OF BERMUDA CIVIL JURISDICTION	IN THE HIGH COURT OF JUSTICE (ENGLAND) CHANCERY DIVISION
IN THE MATTER OF TRENT INSURANCE COMPANY LIMITED (Incorporating the merged companies of Trent Insurance Company Limited and Hemisphere Marine & General Assurance Ltd.)	IN THE MATTER OF TRENT INSURANCE COMPANY LIMITED (Incorporating the merged companies Trent Insurance Company Limited and Hemisphere Marine & General Assurance Ltd.)
and	and
IN THE MATTER OF THE COMPANIES ACT 1981	IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that, by an Order date 20th May, 1999 in the Supreme Court of Bermuda and by an Order dated 21st May, 1999 made in the High Court of Justice of England and Wales in the above matter (the "Orders"), a meeting was ordered to be convened of the Scheme Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) of the above named company (hereinafter called the "Company") for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and its Scheme Creditors (as therein defined) and that such meeting will be held at The Chamber of Commerce, Front Street, Hamilton, Bermuda on 15th November 1999 commencing at 10:00 am at which place and time all such Scheme Creditors are requested to attend.

The Company incorporates the merged companies of Trent Insurance Company Limited ("Trent") and Hemisphere Marine & General Assurance Ltd. ("HMG"). The Scheme will apply to all claims against Trent and HMG except for claims which are fully secured. In addition to any claims against Trent and HMG, the proposed scheme will apply to those former creditors of Capital Marine Insurance Company Limited (dissolved) (CapMar) who become Scheme Creditors of the Company by having executed and returned a Release.

The Scheme Creditors may vote in person at the said meeting or they may appoint another person, whether such person is or is not a Scheme Creditor, as their proxy to attend and vote in their place and are requested to complete the Form of Proxy and return it to the Company at Craig Appin House, Wesley Street, Hamilton HM11, Bermuda (facsimile number (44) 295-3480) Attn: Jennifer C. Woods. The Form of Proxy must be received on or before the date of the said meeting.

Each Scheme Creditor or his proxy will be required to register his attendance at the meeting prior to its commencement. Registration will commence at 9:30 a.m.

By the Orders, the Courts have appointed Paul Anthony Brereton Evans or failing him, D. Geoffrey Hunter to act as Chairman at the said meeting and have directed the Chairman to report the result of the meeting to the Courts.

Copies of the Scheme of Arrangement and the Explanatory Statement required to be furnished pursuant to Section 100 of the Companies Act 1981 of Bermuda and Section 426 of the Companies Act 1985 of Great Britain, Forms of Proxy for use at the meeting, the Claims Form and the Release are available from the Company's offices at the above address.

The Scheme of Arrangement will be subject to the subsequent sanction of the Courts.

Dated this 18th October, 1999

Conyers Dill & Pearman Clarendon House 2, Church Street Hamilton HM CX Bermuda	and	Cadwalader, Wickersham & Taft 55 Gracechurch Street London EC3V 0EE United Kingdom

Commentary

A risk approach

Risk managers' roles evolving

LEGAL NOTICES | LEGAL NOTICES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE PETITION OF DAN YORAM SCHWARZMANN AND
COLIN GRAHAM BIRD, AS JOINT PROVISIONAL LIQUIDATORS OF
BLACK SEA AND BALTIC GENERAL INSURANCE COMPANY LIMITED,
CASE NO. 98-B-46759 (CB)

NOTICE IS HEREBY GIVEN THAT ON OCTOBER 12, 1999, THE BANKRUPTCY COURT ENTERED AN ORDER (THE "ORDER") CONTINUING THE PRELIMINARY INJUNCTION ORDER PURSUANT TO 11. U.S.C. § 304 ORIGINALLY ENTERED IN THIS CASE ON OCTOBER 5, 1998. THE ORDER SHALL REMAIN IN EFFECT PENDING A HEARING TO CONSIDER WHETHER IT SHALL BE CONTINUED, WHICH HEARING IS SCHEDULED TO BE HELD ON APRIL 12, 2000 AT 2:00 P.M. (THE "RETURN DATE") BEFORE THE HONORABLE CORNELIUS BLACKSHEAR, IN ROOM 601 OF THE ALEXANDER HAMILTON CUSTOM HOUSE, ONE BOWLING GREEN, NEW YORK, NEW YORK. ALL PAPERS SUBMITTED FOR THE PURPOSE OF OPPOSING CONTINUATION OF THE ORDER AFTER THE RETURN DATE SHALL BE FILED WITH THE COURT, WITH A COPY TO THE CHAMBERS OF THE HONORABLE CORNELIUS BLACKSHEAR AND SERVED ON COUNSEL FOR THE PETITIONERS LISTED BELOW, SO AS TO BE RECEIVED AT LEAST FOURTEEN (14) DAYS PRIOR TO THE RETURN DATE. ANY PERSON WISHING TO OBTAIN A COPY OF THE ORDER SHOULD CONTACT COUNSEL TO THE PETITIONERS.

CHADBOURNE & PARKE LLP
ATTORNEYS FOR THE PETITIONERS
30 ROCKEFELLER PLAZA
NEW YORK, NEW YORK 10112
(212) 408-5100
ATTN: HOWARD SIEFE, ESQ.
LISA DORR, ESQ.

LEGAL NOTICES | LEGAL NOTICES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE PETITION OF PHILIP JOHN SINGER AND IAN DOUGLAS BARKER BOND, AS JOINT PROVISIONAL LIQUIDATORS OF **THE CHARTER REINSURANCE COMPANY LIMITED,**
CASE NO. 99-B-44653 (CB)

PLEASE TAKE NOTICE that on or about August 6, 1999, the scheme of arrangement (the "Scheme") between The Charter Reinsurance Company Limited (the "Company") and its Scheme Creditors* was mailed to all known cedents, creditors, debtors, agents and brokers of the Company. Pursuant to an order of the High Court of Justice of England and Wales (the "High Court"), a meeting of Scheme Creditors was held in London on September 22, 1999, at which time resolutions approving the Scheme were passed by the requisite statutory majorities. By order dated October 11, 1999, the High Court sanctioned the Scheme, which is expected to become effective on or about October 12, 1999.

Pursuant to an order of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), a hearing will be held on November 4, 1999 at 2:00 p.m., or as soon thereafter as counsel can be heard, before the Honorable Cornelius Blackshear in Room 601 of the Bankruptcy Court, One Bowling Green, New York, New York 10004, to consider the Provisional Liquidators' Motion for entry of an Order pursuant to 11 U.S.C.§ 304 (the "Proposed Order"):

1. Granting the Petition filed on July 27, 1999 (the "Petition") commencing this ancillary case;
2. Providing that the Scheme shall be given full force and effect in the United States and be binding on and enforceable against all Scheme Creditors in the United States;
3. Permanently enjoining all persons and entities from taking any action in contravention of, or inconsistent with, the Scheme; and
4. Requiring all persons and entities in possession, custody or control of property of the Company in the United States, or the proceeds thereof, to turn over and account for such property or its proceeds to the Scheme Administrators.

PLEASE TAKE FURTHER NOTICE that any and all objections to the Motion must be in writing, filed with the Bankruptcy Court, with a copy to the Chambers of the Honorable Cornelius Blackshear, and served so as to be received by counsel to the Provisional Liquidators on or before November 1, 1999, at 5:00 p.m. New York time.

Copies of the Motion, Scheme, Proposed Order and Petition are available upon written request to the undersigned counsel below.

CHADBOURNE & PARKE LLP
ATTORNEYS FOR THE PETITIONERS
30 ROCKEFELLER PLAZA
NEW YORK, NEW YORK 10112
(212) 408-5100

ATTN: HOWARD SEIFE, ESQ.
LISA C. DORR, ESQ.

* Capitalized terms used but not defined herein have the meanings ascribed to them in the Scheme.

E-commerce empowers buyers

By PAUL D. WINSTON

WHITE SULPHUR SPRINGS, W.Va.—Electronic commerce is likely to make commercial insurance more efficient and responsive to customers' needs, but it is unlikely to replace most insurance professionals, a panel of executives says.

However, insurers and intermediaries that are unable to keep up with and take advantage of the rapid changes brought by technology and the Internet could be left behind, the panelists said during a session at the 86th Insurance Leadership Forum at The Greenbrier. The forum is the joint annual meeting of the Council of Insurance Agents & Brokers and Council of Insurance Company Executives, held Oct. 2-6 at The Greenbrier resort in White Sulphur Springs, W.Va.

"The lesson of the Web is that it gives power to the buyer," said John McCauley, vp-global insurance consulting for International Business Machines Corp. in White Plains, N.Y., and a former insurance consultant.

In light of a growing use of e-commerce in insurance transactions, current service providers such as agents and brokers will move to playing a "trusted adviser role," he said. Although much of the insurance transaction can be accomplished online, buyers still will rely on brokers to provide expert advice and value-added services, he explained.

However, another panelist said brokers may not be the automatic choice for that role.

Becoming a "trusted adviser" in a Web-based economy will be difficult for some of today's service providers, predicted Hans Hawrysz, executive vp of strategic planning for CMGI Inc. of Andover, Mass. CMGI is a conglomerate of Internet-based companies.

Rather than rely on current providers for advice or assistance in navigating e-commerce choices, customers may turn to each other for information and recommendations, he said. Communities of users could exchange such information online, he predicted.

Robert Mendelsohn, group chief executive of Royal & SunAlliance Insurance Group P.L.C. in Charlotte, N.C., said, though, that insurance agents and brokers will not be rendered obsolete by online information exchanges.

"I think the buyer will look to both sources," he said. "Knowing what the customer wants will give us an edge in competing to deliver services," he predicted.

The Internet is more likely to help insurers and intermediaries improve the service they deliver to buyers, panelists said.

THE INSURANCE LEADERSHIP FORUM AT THE GREENBRIER

Insurers typically have lumped similar risks together for more a cost-effective standardized rating approach, but more powerful computer technology now allows insurers to do more customized underwriting of individual accounts, Mr. Mendelsohn said.

As e-commerce takes hold in the commercial insurance arena, the challenge will be making sure that clients see the broker's role as a value-added service, said Bruce Basso, chairman of ABD Insurance & Financial Services Inc. of Belmont, Calif.

One way ABD is attempting to do this is by requiring its information technology support staff to focus not only on finding internal solutions, but also in helping create risk management solutions for ABD's customers, he said.

ABD also is using "data mining" techniques to get better information about its customers and deliver products that best meet their needs, he added.

The panelists also discussed what it will mean for the insurance industry to have buyers who have greater access to information.

Once buyers in a particular market are "empowered," the next step is for that market to move to an auction model, said CMGI's Mr. Hawrysz.

The Internet could provide insurance buyers with more information to judge their own risks and make purchasing decisions without the assistance or advice of intermediaries, he explained.

Mr. Basso said, however, that most clients still need a broker or adviser to help with insurance transactions. Clients have their own businesses to run and don't have time to become experts in insurance, he said.

But the fact that buyers might have such options will force brokers to "validate" their role in the process, Mr. Basso added.

Another challenge the Internet poses for the insurance industry is the risk of new competitors coming from outside the traditional industry, the panelists said.

Companies in the insurance industry are focused too much on obvious competitors, warned Mr. McCauley of IBM. The real competitors, he said, will come from outside the industry.

"There's nothing to prevent a Microsoft or other company from entering" our industry as a competitor, said Mr. Basso. The challenge for ABD, he said, will be keeping up with technological changes so that it is ready to respond to new competition or industry change as it occurs.

Mr. Mendelsohn of Royal & SunAlliance said that outside competitors will be hard-pressed to make inroads in the large commercial lines sector simply because they can deliver a product online. "Outsiders, whoever they are...can't ignore the service component of an account," he said.

If a Microsoft, for example, is going to compete with a broker or agent, it must deliver the same level of service, if not more, to entice customers away from current intermediaries, he said.

One member of the audience questioned how the industry can retain face-to-face relationships in light of e-commerce developments.

"Pay attention to what the customer wants. Be open-minded enough to adapt. And don't hang on too long" to how business used to be done, advised Mr. Basso.

James R. Woods, managing partner of LeBoeuf, Lamb, Greene & MacRae in San Francisco, served as moderator. BI

CIAB elects new officers

WHITE SULPHUR SPRINGS, W.Va.—The Council of Insurance Agents & Brokers elected new officers during its 86th joint annual Insurance Leadership Forum at The Greenbrier with the Council of Insurance Company Executives.

Robert A. Gleason Jr., chairman and chief executive officer of The Gleason Agency Inc. of Johnstown, Pa., was elected chairman of the Council. Thomas J. Rodell, executive vp and chief operating officer of Aon Risk Services Inc. of Illinois in Chicago, was elected vice chairman.

They succeed what was formerly the office of co-chairmen of the council, which was held by James J. Kilbride, chairman and CEO of Morse, Payson & Noyes Insurance of Portland, Maine; and Christopher M. Collins, managing director of Marsh Inc. of New York.

Other key council officer elections at the meeting included:

- John L. Van Osdall, senior vp-property & casualty at USI Insurance Services Corp. in Houston, elected treasurer.
- William R. Wilkerson III, chairman and CEO of Haas & Wilkerson Inc. in Shawnee Mission, Kan., elected assistant treasurer.
- Frederick J. deGrosz, president and CEO of ABD Insurance & Financial Services Inc. of Belmont, Calif., elected secretary.

Ken A. Crerar continues to serve as Council president.

Along with the officers named above, the following individual board members make up the Council's executive committee for 1999/2000:

- J. Hyatt Brown, chairman, president and CEO of Brown & Brown Inc. of Daytona Beach, Fla.
- J. Norman Eckstein, partner of The Brower Insurance Agency P.L.L. of Dayton, Ohio.
- Joseph W. Hamilton III, senior vp of Hamilton Dorsey Alston Co. of Atlanta.
- Stanley D. Loar, CEO of Woodruff-Sawyer & Co. of San Francisco.

The council also added several new individuals to its board of directors for three-year terms that began Oct. 6. Newly elected were:

- William L. Chaufty, president of Hilb, Rogal & Hamilton of Oklahoma in Oklahoma City.
- H. Wade Reece, president of BB&T Insurance Services Inc. of Raleigh, N.C.
- John W. Williams, president and CEO of Molton, Allen & Williams Corp. of Birmingham, Ala.

The Council also re-elected several board members to new three-year terms, including:

- Michael W. Battle, executive vp of Keen Battle Mead & Co. of Miami Lakes, Fla.
- Mr. Brown of Brown & Brown Inc.
- William C. Cohen Jr., CEO of Insurance Management Associates Inc. of Wichita, Kan.
- James F. Cuff Jr., vp and chief financial officer of Byerly Inc. of Lemoyne, Pa.
- Charles R. Daniels III, president of The Daniels Agency Inc. of Pawling, N.Y.
- Mr. Eckstein of The Brower Insurance Agency.
- Mr. Hamilton of Hamilton Dorsey Alston.
- George A. Steadman III, chief operating officer of Thomas Rutherfoord Inc. of Roanoke, Va.
- Jon W. Yoskin II, chairman and CEO of Tri-Arc Financial Services Inc. of Wayne, Pa.

Next year's meeting will be held Sept. 30-Oct. 4 at The Greenbrier resort. For more information, contact the Council of Insurance Agents & Brokers, 701 Pennsylvania Ave., N.W., Suite 750, Washington, D.C. 20004-2608; 202-783-4400; fax: 202-783-4410; www.ciab.com. BI

Lawsuits

Continued from page 1

may target pharmaceutical companies; alcoholic beverage makers, for costs of treating those injured by drunk drivers; auto makers, for failing to provide devices that car owners could use to limit a vehicle's maximum speed; managed care companies; and polluters of public waterways, business representatives and trial lawyers say.

"If you've got a formula for success, it's good business judgment to follow it," Quentin Riegel, deputy general counsel of the National Assn. of Manufacturers in Washington, observed ruefully of government plaintiffs and their lawyers.

States launched their first lawsuits against easy targets that enjoyed little public sympathy. "It's a trend that's beginning with the most unpopular industries," cigarette and gun makers, noted Victor Schwartz, general counsel for the American Tort Reform Assn. in Washington.

The states' success against tobacco companies, though, has unleashed forces that likely will keep similar suits coming and that has set dangerous precedents for other industries, pro-business observers say.

One such force is "the fusion of public entities with the very wealthy and aggressive parts of the plaintiffs' bar," Mr. Schwartz observed.

Rhode Island, for example, is being represented in its lead paint suit by Ness, Motley, Loadholdtz, Richardson & Poole, a Charleston, S.C., firm that also represented more than two dozen states in tobacco litigation. Other firms involved in the tobacco cases are expected to file lead paint suits on behalf of other states, and some of the same firms also represent cities in suits against gun makers.

Having won billions in the tobacco litigation—which many states plan to spend on projects unrelated to tobacco-related health programs—the states now see the potential financial gain in such litigation, observers add.

"This is such a revenue-raising extravaganza here that the attorneys general would be foolish to give it up," Ms. Conrad said.

"I think they see it as politically popular," said Michael Flynn, director of legislation and policy with the American Legislative Exchange Council, a Washington-based group with 2,500 state legislator members. "Even though the states have been posting surpluses, they've been spending money like sailors on shore leave."

"If you want to tax and you want to regulate and you can't do it through the Legislature and the governor's office, you try to do it through the courts," Mr. Schwartz said.

The states' motivations may be ideological as well as financial, he added.

"They don't want to have lead paint. They don't want to have guns. They don't want to have alcoholic beverages. They don't want to have fast food, (because) it's not good for us," Mr. Schwartz said. "The philosophy that the government should have strong power to make us do the right thing is also part of it."

Lawyers working with governments, however, strongly disagree. States "have a role in looking out for the safety and health of their citizens," said Richard Lewis, a partner with Cohen, Milstein, Hausfeld & Toll in Washington. The firm is discussing possible lead paint suits with four states. Governments also must protect public funds spent because of private industry's negligence and should represent victims who can't represent themselves, he added.

"You could say that everyone in America could go out and hire a lawyer and bring a case, but you would have to be closing both eyes when you make that argument," Mr. Lewis said.

Agreeing that the tobacco settlement has "heightened awareness" that states can win recoveries, Mr. Lewis argued that the suits are legitimate efforts to correct corporate wrongdoing.

Business and legislative groups expect more lawsuits to come and are organizing a counterattack.

ALEC, the state legislators' group, has prepared a model state law that would subject government plaintiffs to the same rules and procedures that would apply to the injured person on whose behalf they are suing. The model mirrors the federal Litigation Fairness Act of 1999, introduced earlier this year by Sen. Mitch McConnell, R-Ky.

In efforts to curb government "outsourcing" of litigation to private lawyers, Texas and North Dakota have enacted laws that require legal contracts exceeding certain dollar amounts to be approved by the state legislature or subjected to competitive bidding standards, ALEC's Mr. Flynn said.

Other legislation aimed at stemming the suits is expected to be introduced in more than a dozen states either this year or next, he said.

In addition, the U.S. Chamber of Commerce has prepared a state model bill that would forbid a state in litigation or considering it to change laws to favor its position in the suit. The model is a response to Maryland and other states that amended their laws to weaken tobacco companies' defenses while litigation was pending.

Another Chamber of Commerce model bill would bar lawyers who give more than $250 to an elected official's campaign from representing that official in a lawsuit.

Neither of the models has yet been introduced in a state legislature, but interest in them is strong, according to James Wootton, executive director of the Chamber's Institute for Legal Reform.

Whether these or other efforts will slow government-sponsored lawsuits is open to question.

"It will go on until there is public outrage and a public backlash," predicted Mr. Schwartz. "But so far, the public is either unaware or indifferent or thinking that it's money from heaven, not from them." BI

Airlines

Continued from page 2

Noting that the bulk of the passengers' claims against American Airlines were for emotional distress only, Mr. Kreindler said: "The message from the jury is, 'We'll treat these injuries seriously.'"

Individual awards in the case ranged from $150,000 to $215,000, he said. Similar cases against airlines generally have settled for between $25,000 and $50,000 per plaintiff.

American Airlines said last week it had not decided whether to appeal.

The jury award ups the ante on the amount of emotional distress damages airlines could face for incidents aboard U.S. domestic flights. The award, though, likely will not have an impact on airlines' liability for incidents aboard international flights.

The Warsaw Convention on airline liability for international passengers is silent on the issue, but the U.S. Supreme Court has ruled that mental duress claims without accompanying physical injuries are not compensable. In addition, the new Montreal accord that would update the Warsaw Convention bars mental duress claims (*BI*, June 7). The Montreal accord is expected to take effect in 2001.

In the TWA Flight 800 case, U.S. District Court Judge Robert W. Sweet found little reason to force the French plaintiffs to pursue their claims in France. He said that without TWA's and Boeing's offer to concede liability to the French plaintiffs, the defendants' motion to dismiss the French claims would not warrant "serious consideration."

In exchange for the court dismissing the French claims from the U.S. damages litigation, the airline and Boeing would have both conceded liability to the 45 French plaintiffs and submitted to the French judicial system's authority to determine compensatory damages

All 230 passengers and crew aboard Flight 800 were killed in July 1996 when the center fuel tank of the Paris-bound 747 exploded eight nautical miles off the shore of New York state. Some 145 lawsuits, which have been consolidated, seek compensatory and non-economic damages from TWA; Boeing, which built the jet; and component manufacturer Hydro-Aire Inc. Boeing and Hydro-Aire also face claims for punitive damages.

In his decision, Judge Sweet ruled that France is an adequate alternative legal forum and that "private interest" factors in the case do not support either retaining or dismissing the French claims.

Public interest factors, however, weigh heavily in favor of not dismissing the French claims filed in U.S. court, Judge Sweet ruled. Those factors include the "local interest in having localized controversies decided at home and avoiding unnecessary problems with conflict of law or application of foreign law."

Judge Sweet noted that dismissing the French claims would not cause the entire case to be dismissed.

In addition, dismissing the French claims would set a precedent for essentially transferring the claims stemming from the deaths of other foreign nationals on Flight 800 to other appropriate jurisdictions.

That "would not be an efficient use of judicial resources," Judge Sweet ruled. "The prospect of several trials simultaneously taking place in different countries around the world thus also weighs against dismissal."

The decision sets "some precedent" for the damages litigation filed by families of the Swissair Flight 111 crash victims, according to plaintiffs attorney Lee Kreindler, whose law firm represents plaintiffs in both the TWA and Swissair litigation. All 229 passengers and crew aboard the Swissair flight were killed in September 1998 when the MD-11 crashed in the Atlantic Ocean off the coast of Nova Scotia shortly after takeoff from New York.

Mr. Kreindler said the Swissair defendants have indicated they will file a forum non-conveniens motion in an attempt to move the damages claims filed by families of the many foreign nationals on Flight 111 outside of the United States.

Meanwhile, a decision is expected soon on the defendants' appeal of another ruling by Judge Sweet in the TWA Flight 800 case.

Last year, Judge Sweet rejected the defendants' motion to try the case under the 1920 Death on the High Seas Act. Trying the case under DOHSA would have protected the defendants against the potential unlimited liability they face under the Warsaw Convention. DOHSA, which supersedes the Warsaw Convention, limits plaintiffs' recoveries to pecuniary, or economic, damages.

A decision by the 2nd U.S. Circuit Court of Appeals is expected soon.

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Nancy Spielberg et al. vs. American Airlines Inc., U.S. District Court for the Southern District of New York; 96 Civ. 4763.

In re air crash off Long Island, U.S. District Court for the Southern District of New York; 96 Civ. 7986 (RWS); MDL No. 1161 (RWS).

Updates

Third-party bad-faith battle

Continued from page 2

The coalition, Consumers Against Fraud & Higher Insurance Costs, says the new law, signed by Gov. Gray Davis on Oct. 8, could increase liability insurance rates as much as 14.5% based on an analysis of insurance costs in the five other states that permit such suits. According to research by the San Francisco-based Law & Economic Consulting Group, Florida has permitted third-party bad-faith suits against insurers since 1995; Kentucky has since 1988; Massachusetts since 1983; Montana since 1983; and West Virginia since 1981.

The referendum backers have until year end to collect the 419,260 signatures needed to put the issue to a vote. If they are successful, the California law will be stayed at least until the March election.

Wausau buys rights from ACE USA

WAUSAU, Wis.—Wausau Commercial Insurance, a unit of Liberty Mutual Insurance Co., has bought the renewal rights for most of the middle-market business of ACE USA for at least $12.5 million.

The deal will enable ACE to exit the middle-market business it acquired in the purchase of CIGNA Corp.'s property/casualty business and focus on large-account business. It also will help Wausau in its plans to expand into the middle-market, the companies said.

About half of the 200 people now working in the unit, Commercial Insurance Services, are expected to lose their jobs.

Under the agreement, Wausau will pay $6 million in cash and a 5% ceding fee over the next three years, with a minimum total payment of $12.5 million. CIS had gross premiums of $365.1 million in 1998.

CIS' business is similar to Wausau's, but it brings some diversification in distribution, products and geographical spread, said James McIntyre, executive vp of commercial insurance markets at Wausau.

About 58% of the CIS business is workers compensation; Wausau's business is about 65% workers comp, he said. Other lines written by CIS include commercial auto and multiperil business.

Wausau plans to continue expanding its middle-market business, possibly through more acquisitions, Mr. McIntyre said.

The deal does not include CIS' California workers comp business, which accounts for 10% of its total business and is still for sale.

Value of benefits to be paid

CAMBRIDGE, Mass.—Some 300 to 500 misclassified employees of Harvard University will receive the dollar value of unpaid health, pension and education benefits they are owed.

Under an agreement the university reached last week with the Harvard Union of Clerical & Technical Workers, anyone working at the university for three months or more must be classified as a "regular" rather than "casual" employee, a union spokeswoman said. That makes the employees entitled to health insurance, pension and education benefits, she said.

The university has acknowledged that it had been misclassifying these employees, many of whom had worked part time, since July 1, 1995.

The value of the unpaid benefits has yet to be calculated, but when combined with back wages that also are owed, lump-sum payments will range from $250 to $12,000 per employee, the spokeswoman said.

Tougher codes get preliminary OK

KISSIMMEE, Fla.—The Florida Building Commission has voted to require storm shutters or impact-resistant glass on both commercial and residential structures under 60 feet tall in most parts of Florida's 35 coastal counties.

While the vote is preliminary, it represents a turnaround for a commission that had considered abandoning tougher standards in South Florida in favor of implementing a uniform statewide building code, according to the Tallahassee, Fla.-based Florida Insurance Council Inc.

Another vote will be taken at the commission's Nov. 8-10 meeting in Naples, Fla. The final vote is scheduled for the commission's Dec. 6-9 meeting in Kissimmee. If the Legislature and Gov. Jeb Bush accept the commission's recommendations, they will take effect in 2001.

The vote would have no impact on Dade, Broward or Palm Beach counties, because they already have strict local standards for windows, according to the commission.

Briefly noted

The House Commerce Committee last week gave its approval to H.R. 2500, a **Superfund reform bill**. The measure, sponsored by Rep. James Greenwood, R-Pa., would not repeal retroactive liability. . . .The **Overseas Private Investment Corp.**, which provides political risk insurance to U.S. companies doing business in certain developing nations, reported last week that it has $70 million in political risk insurance covering six projects in Pakistan. The agency expressed concern over the political instability in Pakistan following last week's coup. . . . Nicholas Brown has resigned as managing director and head of London brokerage operations for embattled broker **Stirling Cooke Brown Holdings Ltd.** Stirling Cooke is fighting a racketeering suit filed against it and numerous defendants by Odyssey Re (London) Ltd. Separately, WEB Management L.L.C., another defendant in the Odyssey complaint, has filed a motion to dismiss the suit, charging that Odyssey has provided no basis for fraud charges against WEB. . . .**Great-West Life & Annuity Insurance Co.** has agreed to acquire the group life and health business of Allmerica Financial Corp. The deal, scheduled to close next March 1, involves 400,000 group members representing $985 million in premiums. . . .A broad array of **pension reforms**, including boosting the maximum annual deferrals employees can make to 401(k) plans, are included in a broader bipartisan bill raising the minimum wage that was expected to be introduced in the House of Representatives late last week. The pension provisions were included in a tax cut bill President Clinton earlier vetoed. . . .The Cincinnati City Council has voted to appeal a county court judge's ruling that dismissed the city's **suit against gun manufacturers**.

CNA

Continued from page 1

suit against CNA in Cook County (Ill.) Circuit Court. The suit seeks unspecified damages for wrongful death, emotional distress and funeral expenses.

Corboy & Demetrio, the law firm Mr. Flores retained, negotiated a $4.5 million settlement in January for the family of a man killed by a piece of ice that fell from the Neiman Marcus building in Chicago in 1994.

Various factors could exacerbate CNA's legal problems, according to lawyers not involved in the case. Among those is CNA's months-long delay in replacing the damaged pane. In addition, a piece of glass that fell from the complex in June 1994 injured another pedestrian. He later settled with CNA.

"We know what happened, but not why it happened," the CNA spokeswoman said.

The crack was discovered in June. The application of adhesive film to the inside of the pane was the same initial protective measure CNA had taken to secure other cracked windows at the complex, the spokeswoman said. The spokeswoman, describing the film as "very sticky and powerful," said the measure had always worked in the past.

"We had no reason to believe it posed any kind of danger," she said.

She could not estimate how often windows crack at the complex, but she said the number falls within a routine range for high-rise offices.

After the film is applied, CNA then contracts with one of a few specialty glass companies to remove the panes. Typically, two teams of glass workers create suction on the inside and the outside of a damaged window, which allows the outside team to remove the pane piece by piece. The spokeswoman said that method "was the safest way to do it."

The window that gave way was not replaced for months because access to the window was blocked by a scaffolding system being used for the external maintenance project at the complex, which two CNA subsidiaries co-own. The project began before the cracked window was discovered.

The heavy and complex scaffolding system used the same external tracks that are needed to lower glass workers in a swing cage from the roof of the complex, the spokeswoman explained. The scaffolding "is almost like a piece of architecture," she said. It is "just not something you can easily push out of the way or remove."

As a result, the window replacement was delayed until the maintenance project was completed.

CNA is investigating how that decision was reached and by whom. The spokeswoman said that several of the people involved have either retired or have left CNA. She also suggested that those individuals may have relied on recommendations by outside consultants.

Mr. Flores' attorneys, meanwhile, have filed an emergency motion for a protective order to preserve all CNA building maintenance records.

Days after the incident, Chicago Building Commissioner Mary Richardson-Lowry ordered CNA to begin erecting a protective

'We know what happened, but not why it happened,' a CNA spokeswoman says of the falling window pane that killed a woman in Chicago.

canopy over the sidewalk where Ms. Flores was killed. The commissioner said the canopy should be up by early this week.

The commissioner also ordered CNA to suggest protective measures that would catch falling glass before it reached the street that runs parallel with the protected sidewalks.

For a few days after the incident, CNA had the consulting engineering firm of Wisf, Janney, Elstner Associates Inc. of Northbrook, Ill., conduct visual internal inspections of all 4,900 windows in the CNA complex.

The firm did not find any windows that posed an imminent danger to the public or raised safety issues, but a few windows were removed in an "extraordinary" safety measure, the CNA spokeswoman said.

A Wisf official said CNA has directed the firm not to discuss the matter.

Ms. Richardson-Lowry said CNA also must conduct external visual examinations of all the windows, as well as instrument tests to search for invisible fissures.

The commissioner said CNA's decision not to replace the cracked window immediately "is a matter of great concern."

She said most building owners follow that "best practice," even if that means boarding up a window opening temporarily.

"Whatever methodology they used to address the problem since 1994 wasn't followed or was insufficient," the commissioner said.

The adhesive film CNA used is not designed to be used as a long-term safety measure, Ms. Richardson-Lowry asserted. She warned against relying on the film to hold a cracked window in place for more than 24 to 48 hours.

The commissioner said the film is designed to protect glass workers and the public during window replacement. If a cracked pane shatters as it is being removed, the film prevents countless shards of glass from raining down.

That use of the film worked well when some windows in the Sears Tower had to be replaced in the early 1990s, she said.

Ms. Richardson-Lowry appealed to other building owners: "Don't take any chances. It is not worth the risk to public safety or the business interests involved."

Attorneys not involved in the case pointed out some possible defense complications even if CNA eventually does not contest liability.

Generally, a prior incident such as the one CNA resolved in a settlement would not jeopardize the property or general liability coverage a company may have to cover its liability, said insurance coverage attorney Mike Pope, a partner at McDermott, Will & Emery in Chicago.

A prior incident, though, could lead to punitive damages "if it appears a company didn't take the danger seriously," Mr. Pope said.

"But that's a stretch at this stage. It's not the same as if it happened 15 times," he said.

Another attorney said one prior incident could be enough to prompt a jury to order a defendant to pay punitive damages if it took no precautions to protect the public after the first incident.

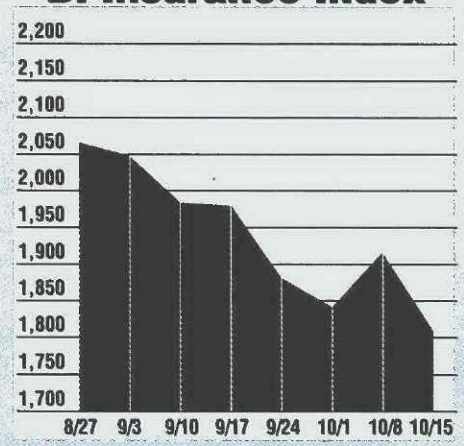
In addition, "if nothing was done from June till now, it gets you closer down the road to a potential punitive damages situation," said the attorney, Lori Iwan of Iwan Cray Huber Horstman & VanAusdal L.L.C. in Chicago. Ms. Iwan's firm defends policyholders in liability litigation and insurers in coverage disputes.

The case may come down to the reasonableness of delaying the window replacement for several months, Ms. Iwan said.

"I have a hard time defending them doing nothing" for several months other than applying the film, Ms. Iwan said.

Punitive damages are not insurable in Illinois. BI

BI Insurance Index



Base=100 on Dec. 29, 1978
Source: *CNET Investor* (investor.cnet.com) Boulder, Colo.

PCS catastrophe options

As of Oct. 15

Call spread	Price bid/ask
National Annual 1999	
60/80	14.0/19.5
80/100	1.2/—
100/120	0.3/—
150C	0.2/2.0
Southeastern December 1999	
40/60	0.2/—
60/80	0.1/—
80/100	0.1/—
Eastern December 1999	
10/20	—/4.0
20/30	—/2.0
40/60	0.2/2.0
60/80	0.1/—

Call spread	Price bid/ask
California Annual 1999	
60/80	0.1/—
80/100	0.1/0.5
100/150	0.1/1.0
Western Annual 1999	
80/100	—/1.9
National Annual 2000	
100/150	6.7/—
150C	5.0/—
190/195	0.3/0.5
200/250	3.0/—

Total volume: 0 Total open interest: 6,737

For information on PCS cat options, call the Chicago Board of Trade at 312-435-3674.

Source: Chicago Board of Trade

British Issues

Companies	Price pence	P/E	Div. pence	Yield %	52-week high-low
Legal & Gen	176	20.9	3.6	2.2	237-142
Royal & Sun	412	14.8	23.0	5.4	633-412
Brokers					
Lmbrt Fenchurch	77	7.8	4.2	5.3	94-58
JLT	256	11.5	12.0	4.7	286-166

Note: Prices are Oct. 15 closings; other numbers from Oct. 14.

Source: *CNET Investor* (investor.cnet.com) Boulder, Colo.

BI Industry Stock Report OCT. 11, 1999, THROUGH OCT. 15, 1999

		Price	Weekly % change	Year to date % change	Year to date High	Year to date Low	Vol.(000)
BROKERS							
Aon Corp.	NYS	26.94	-7.51	-27.93	46.69	26.06	4806
Clark Bardes Holdings	NDQ	13.75	-22.26	-18.58	21.00	8.50	1004
E.W. Blanch Holdings Inc.	NYS	58.13	-8.46	24.50	71.75	37.94	197
Gallagher Arthur J. & Co.	NYS	50.88	-1.93	16.29	56.50	34.88	251
Hilb, Rogal & Hamilton	NYS	24.75	-0.75	32.89	25.25	15.56	40
Kaye Group Inc.	NDQ	8.00	-6.91	10.34	9.25	5.00	7
Marsh & McLennan	NYS	66.25	-5.36	12.05	81.50	50.38	3973
Brown & Brown	NYS	33.31	4.31	-4.65	39.44	29.31	119
BROKERS	AVERAGE		-3.18	15.24			
INSURERS/REINSURERS							
ACE Ltd.	NYS	16.56	6.85	-49.33	35.81	15.50	4688
Accel International Corp.	NDQ	1.00	-3.03	-66.67	3.38	0.75	141
Acceptance Insurance Cos.	NYS	11.88	-3.55	-40.25	21.00	11.75	73
AEGON N.V.	NYS	87.00	-0.07	-28.65	130.13	69.63	413
Aetna Life & Casualty	NYS	52.94	0.83	-33.67	99.88	46.50	7494
AFLAC Inc.	NYS	43.00	-4.84	-2.27	56.75	32.19	1905
Allmerica Financial Corp.	NYS	49.50	1.67	-12.58	64.81	40.56	903
Allstate Corp.	NYS	23.56	0.00	-38.80	48.38	22.88	18271
Ambac Financial Group.	NYS	46.25	-1.86	-22.84	62.38	43.88	1661
American Financial Group	NYS	26.19	-4.99	-36.42	43.88	26.19	236
American General	NYS	63.25	-6.38	-19.17	81.38	61.88	2910
American Heritage Life Ins.	NYS	32.00	0.59	32.99	32.19	19.25	707
American Intl Group	NYS	81.94	-13.01	5.18	107.19	58.50	13220
American Safety Insurance	NYS	7.13	0.00	-25.00	10.38	6.63	24
Argonaut Group	NDQ	23.88	-3.78	-0.52	28.38	22.38	125
AXA-UAP Group	NYS	63.50	-2.96	-11.27	80.25	49.81	134
Baldwin & Lyons Inc.	NDQ	20.63	-0.60	-11.76	26.00	18.50	23
Berkley W.R. Corp.	NDQ	22.13	-1.39	-34.44	36.50	21.50	537
Berkshire Hathaway Inc.	NYS	57000.00	-2.06	-16.54	81100.00	54600.00	1
Capital RE Corporation	NYS	12.50	-3.85	-36.10	22.63	9.44	1331
Capitol Transamerica Corp.	NAS	13.38	-3.60	-24.38	20.25	12.50	43
Centris Group Inc.	NYS	10.94	10.06	16.67	14.06	7.50	2026
Chartwell Re	NYS	15.50	1.64	-33.33	29.63	13.25	73
Chubb Corp.	NYS	46.69	-8.68	-28.10	76.38	46.69	4252
CIGNA Corp.	NYS	67.94	-4.73	-12.62	98.63	62.50	5699
Cincinnati Financial Corp.	NYS	32.81	-11.47	-8.06	42.50	30.88	1643
Citigroup	NYS	42.44	-8.86	25.90	51.75	22.44	47612
CNA Financial Corp.	NYS	34.19	-3.01	-13.04	45.31	33.00	1282
CNA Surety	NYS	10.50	-6.67	-29.71	16.00	10.19	121
EMC Insurance Group Inc.	NDQ	9.31	-4.49	-26.96	13.38	9.25	30
ESG Re Limited	NDQ	8.63	-2.82	-56.47	22.25	8.50	147
Enhance Financial Services	NYS	17.69	-5.03	-41.53	30.38	16.81	309
Everest Reinsurance	NYS	21.50	-6.27	-41.40	38.94	21.50	1218
Fremont General Corp.	NYS	7.63	-2.40	-68.39	25.69	7.25	1604
Frontier Insurance Group	NYS	8.00	-4.48	-36.00	18.75	7.50	938
Gainsco Inc.	NYS	5.94	-5.00	-5.94	6.94	3.94	125
Harleysville Group	NDQ	14.44	5.00	-43.38	26.13	13.13	467
HSB Group Inc.	NYS	34.00	-5.06	-15.40	43.31	33.88	203
HCC Insurance Holdings	NYS	15.06	-5.86	-11.07	25.13	13.88	664
ING Groep N.V.	NYS	55.75	-2.30	-8.61	70.00	45.06	187
IPC Holdings Ltd.	NDQ	17.38	-3.47	-23.63	26.38	17.38	46
Hartford Financia Services	NYS	37.63	-8.51	-32.59	66.44	36.50	4233
LaSalle Re Holdir gs Ltd.	NYS	11.50	3.95	-44.24	26.00	10.94	727
Lincoln National	NYS	39.00	-1.27	-5.88	57.50	33.50	3156
MAIC Holdings Inc.	NYS	24.88	-0.50	-22.27	33.13	24.13	52
Markel Corp.	NYS	170.25	-4.76	-5.55	193.00	137.75	48
MBIA Insurance Group	NYS	47.25	-2.70	-28.75	71.88	45.00	1681
Meadowbrook Insur. Group	NYS	10.00	-11.11	-38.70	24.88	10.00	35
MMI Cos. Inc.	NYS	8.13	-22.62	-51.31	19.06	7.88	157
Mutual Risk Mgm:. Ltd.	NYS	11.00	-5.38	-71.00	43.25	9.81	7306
Navigators Group	NDQ	13.38	0.00	-12.30	16.25	13.25	2
NYMagic Inc.	NYS	12.81	-1.44	-38.62	22.63	12.00	7
Ohio Casualty Corp.	NDQ	15.25	-3.17	-25.84	21.69	15.00	913
Old Republic Int'l	NYS	14.06	-5.06	-34.40	24.00	14.06	1223
Orion Capital Corp.	NYS	48.06	0.39	22.65	48.50	27.56	400
Partner Re Ltd.	NYS	31.50	-0.40	-30.29	46.50	31.25	340
Penn-America Group Inc.	NYS	7.13	-13.64	-22.97	11.44	7.13	21
PMA Capital Corporation	NDQ	20.38	2.19	4.15	21.13	16.94	103
Philadelphia Cons. Holding	NDQ	14.13	-11.72	-33.53	25.50	10.81	192
PXRE Corp.	NYS	12.19	-8.02	-51.73	26.69	12.19	448
Reliance Group Holdings	NYS	3.63	-1.69	-71.98	15.13	3.50	1658
ReliaStar Financial Corp.	NYS	34.81	5.49	-22.21	49.81	31.69	3042
RenaissanceRe Holdings Ltd.	NYS	36.38	6.20	0.69	41.56	30.00	110
Risk Capital Holdings	NDQ	13.59	-4.61	-35.65	23.75	12.00	54
RLI Corp.	NYS	30.81	-3.33	-7.68	38.81	27.88	72
St. Paul Companies	NYS	26.44	-8.04	-24.46	37.50	25.81	3755
SCOR	NYS	47.38	-5.13	-27.12	68.50	45.88	19
SAFECO Corp.	NDQ	27.00	-3.79	-36.47	46.75	26.38	3599
SCPIE Holdings Inc.	NYS	34.94	8.97	16.22	35.38	23.69	NA
Seibels Bruce Group	NDQ	2.00	-21.95	-42.86	6.25	1.94	403
Selective Ins. Group	NDQ	17.75	-3.89	-12.35	23.00	17.25	282
Terra Nova Ins Co. Ltd.	NYS	30.94	-1.79	26.92	32.63	21.25	295
Tokio Marine & Fire	NDQ	56.25	-2.17	-4.46	64.63	50.00	78
Torchmark Corp.	NYS	26.38	-4.31	-24.10	45.50	24.56	1705
Transatlantic Holdings	NYS	70.06	-1.41	-7.36	85.94	69.06	100
Travelers Property Casualty	NYS	29.06	-1.48	-5.10	41.88	27.50	1737
Trenwick Group Inc.	NDQ	19.00	0.00	-39.92	35.25	16.50	681
Unico American Corp.	NDQ	8.06	-1.53	-30.08	14.13	8.00	22
United Fire & Casualty	NDQ	22.44	-1.64	-32.58	38.50	22.19	41
Unitrin	NDQ	34.13	-3.87	-3.70	42.38	30.50	325
UNUM Corp.	NYS	30.56	-8.77	-49.01	62.50	28.38	3505
Vesta Insurance Co.	NYS	4.00	-8.57	-30.43	9.88	3.38	210
XL Capital Ltd.	NYS	47.00	-3.96	-34.32	79.50	41.94	1155
Zenith National Ins.	NYS	21.63	-0.86	-6.49	26.69	20.31	14
INSURERS/REINSURERS	AVERAGE		-3.53	-22.49			
HEALTH MAINTENANCE ORGANIZATIONS							
Foundation Health Systems Inc.	NYS	7.75	1.64	-29.55	20.06	5.88	3066
Humana Inc.	NYS	6.63	-8.62	-65.02	22.13	6.31	5055
Oxford Health Plans	NDQ	10.50	0.60	-25.00	24.25	7.31	4609
Pacificare Health Sys.	NDQ	35.81	-9.91	-49.91	100.38	35.81	2379
Safeguard Health Enter.	NDQ	3.75	-4.75	5.26	5.50	2.36	88
Sierra Health Services	NYS	7.88	-3.08	-62.28	24.94	7.88	359
United HealthGroup	NYS	43.19	2.22	-3.09	70.00	35.94	5769
Wellpoint Health Networks	NYS	51.94	1.84	-39.52	97.00	48.25	4497
HMOs	AVERAGE		-2.51	-33.64			
ALL COMPANIES	AVERAGE		-3.07	-13.63			

Top advancing issues: Centris Group Inc., SCPIE Holdings Inc., ACE Ltd. Leading decliners: MMI Cos. Inc., Clarke Bardes Holdings, Seibels Bruce Group. Most active issue: Citigroup. The *BI* index fell 5.6%; the Dow Jones 30 Industrials declined 5.9%; the S&P 500 decreased 6.6%, and the NYSE Composite went down 6.1%. Average P/E: Brokers, 16.0; Insurers/reinsurers, 15.5; HMOs, 14.2.

Source: *CNET Investor* (investor.cnet.com), Boulder, CO

FTR FOR THE RECORD

ACE USA restructures unit

PHILADELPHIA—ACE USA has restructured the Special Risk Facilities division it acquired as part of its purchase of CIGNA Corp.'s property/casualty operations this year.

SRF will become more decentralized, and regional executives have been appointed to head the field operations of the division, said Bill Curcio, president of SRF. Mr. Curcio joined ACE USA this summer from Reliance National Insurance Co. He succeeded Dennis Kane, who left SRF to join Kemper Insurance Cos.

"My vision is to move decision-making authority much closer to the point of the transaction," Mr. Curcio said.

SRF, which currently writes traditional coverages, also will expand its business to include non-traditional insurance coverages, he said.

"We will get into the realm of financial products to manage business risk exposures in addition to the traditional coverages," he said.

The four regional senior vps are: Jay Lefkowitz in the Northeast Region, who also heads SRF's Balance Sheet Protection unit in New York; Kevin McCracken in the Atlantic Region; Gary Hightower in the Southwest Region; and Ric Pena in the Pacific Region. SRF currently is seeking an additional senior vp to head the Midwest Region.

Another three senior vps have been appointed in Philadelphia to head major products lines of SRF: Paul Knauer heads Core Casualty, Dave Filer heads Casualty Specialty, and Susan Firestone heads Financial Products.

Finally, three other senior vps have been appointed in Philadelphia to head support units: Bob Dowe is special adviser/office of the president and will assist Mr. Curcio, Dan Haley heads client relations/business development, and Catherine Fabitti heads customer services/operations.

Pfizer to appeal trademark verdict

NEW YORK—Pfizer Inc. will contest a jury award of $147 million in damages stemming from a trademark infringement dispute.

The award assessed last week by a federal district court jury in Los Angeles includes $135 million in punitive damages. It is the nation's largest-ever trademark infringement award, several sources reported.

"We plan to challenge the verdict on liability and damages in the trial court," Paul S. Miller, Pfizer's executive vp and general counsel, said in a statement. "And if we fail there, (we) will appeal to the (9th U.S. Circuit Court of Appeals). These jury verdicts are not supported by either the law or the facts, and we are confident this decision will not be upheld," the statement continued.

The jury found that New York-based Pfizer, by using the name "Trovan" for a human antibiotic product, infringed on a trademark name of U.K.-based Trovan Ltd., a maker of electronic pet tracking devices.

FHS subsidiary to exit Washington market

WOODLAND HILLS, Calif.—Foundation Health Systems Inc. has signed definitive transition agreements with two firms to facilitate the departure of its Bellevue, Wash.-based subsidiary, QualMed Washington Health Plan, from the Washington market, where it serves 93,000 commercial members.

A spokeswoman for Woodland Hills, Calif.-based FHS said the managed care organization signed agreements with Mercer Island, Wash.-based PacifiCare of Washington and Mount Lake Terrace, Wash.-based Premera Blue Cross to facilitate QualMed's departure from the western and eastern Washington commercial markets, respectively.

FHS plans to complete its exit from these markets by April 30, 2000. PacifiCare and Premera will offer replacement coverage to QualMed's health maintenance organization and point-of-service groups, according to FHS.

In addition, Long Beach, Calif.-based American Family Care Inc. will assume control of QualMed's health plan license and take on its 55,000 federal Medicaid and 5,000 state Basic Health Plan memberships.

All three deals are for undisclosed amounts.

Information in brief

The pension unit of St. Paul, Minn.-based Minnesota Life Insurance Co. recently completed the acquisition of **Fort Dearborn Life Insurance Co.**'s group annuity business. The acquisition represents 235 plans with more than 16,500 participants—and approximately $158 million in assets, according to a company statement. . . .Warren, N.J.-based **Chubb Corp.** has opened a new office in Portsmouth, N.H., to service accounts in New Hampshire and Maine. The property/casualty insurer also has added many local independent agents in both states to its distribution system. BI

Patients

Continued from page 1

would provide an answer to concerns about the need for expanded liability and medical necessity reforms, Mr. Trautwein said.

"We feel a good-quality external review provision can resolve both issues," he said.

Paul Dennett, vp-health policy for the Washington-based Assn. of Private Pension & Welfare Plans, said he doesn't think it's possible for the House position to prevail.

"It's not a framework that health plans and employers can operate under," Mr. Dennett said, noting that health plans cannot sustain themselves and make everyday treatment decisions while under the threat of rampant lawsuits with unlimited liability in every state.

Some speculate that patients' rights legislation has become nothing more than political.

Legislators "just really want to set aside these issues and play politics," said Kate Sullivan, manager of health care policy for the U.S. Chamber of Commerce in Washington.

"There was a certain amount of piling on," said the NAM's Mr. Trautwein, noting that House members wanted to be on the winning side of the bill.

He also said there are "myths and misinformation" surrounding issues raised in the bills. For example, he said, one myth is that health care liability does not affect employers.

"A health plan that is sued will pass on the cost of that litigation to health care purchasers, whether employer or individual," Mr. Trautwein said. "While the number of uninsured (Americans) continues to climb. . .the one bright spot has been (that) the number of employer-sponsored plans has been increasing."

Higher health care coverage costs would be charged to employers if the House bill or any similar measure is passed. In turn, employees could pay more in premiums and deductibles, and some employers would be driven to withdraw some or all health benefits, Mr. Trautwein warned.

A spokesman for the Washington-based Health Insurance Assn. of America said his cautionary remark to proponents of expanded liability is "don't wish too hard for what you want, because you're liable to get it." He said expanded liability could lead to an increase in the number of uninsured Americans.

Bill Pierce, the Washington-based director of public affairs for the Blue Cross & Blue Shield Assn., said he is concerned about the damage to health insurers' reputations in the wake of the House debate over the Norwood-Dingell measure.

"Those who supported (the bill) did a very good job of making liability a very populist, common-sense issue and did a good job of demonizing us," said Mr. Pierce. He noted that if the politician's allegations were true, "people would be dying in the streets. It's not good for Americans not to trust their health insurance company."

Dan Danner, vp-federal public policy for the National Federation of Independent Business and chairman of the Health Benefits Coalition, said, "It's not time to panic yet."

Lobbying congressional conferees is difficult, he said, but the HBC will try to hold targeted meetings with members both during the recess and while they are in conference. He doesn't anticipate committee members will do much before the first of next year.

The HBC, an employer/insurer group, spent about $3 million fighting patient protection legislation with broadcast advertising and by visiting with members during the past year. This figure does not include members' grass-roots efforts and campaign costs, he said. Mr. Danner said he does not know how much more the group will spend on the issue.

During the past six months, Mr. Trautwein said the NAM has increased its efforts to influence the legislators. At least 20 NAM-member companies have initiated employee-involvement programs, soliciting comments from workers at all levels in the company for lobbying.

The APPWP's Mr. Dennett said: "This is a true line-in-the-sand issue. It's been made absolutely clear to all who represent employers that this must not be allowed to become law."

Calling the Norwood-Dingell bill "a bill of rights for lawyers and doctors," Thomas Emerick, vp-benefits for Wal-Mart Stores Inc. in Bentonville, Ark., said he is concerned about a number of issues in the legislation.

"This bill doesn't apply to just HMOs but to all types of health insurance," said Mr. Emerick. He noted that HMOs would have an easier time responding quickly to appeals than would indemnity plan providers who don't have leverage with physicians. "It's going to be more difficult for indemnity plans to comply than HMOs."

To combat the passage of measures such as those in the House bill, Mr. Emerick said Wal-Mart will lobby independently and through national employer organizations.

Phil Blando, director of strategic planning for the American Assn. of Health Plans in Washington, said patients' bill of rights issues have become "a permanent campaign" for the AAHP since 1996.

The association is "looking at this with all the techniques and tools of a political campaign," he said, adding that, from 1997 to 1998, the AAHP spent $5 million in advertising, public relations and grass-roots campaigns.

Some wonder, however, how much good all of the business community's efforts will do in the end.

"I think the business community has been there all along and speaking as loudly as possible," said Ken Feltman, executive director of the Employers Council on Flexible Compensation in Washington. "We may have an issue that seems so simple to the public but so difficult for (employers and insurers) to live with." BI

NARAB

Continued from page 1

nal bill is expected to be voted on this week by the House and Senate, said Joel Wood, senior vp-government affairs for the Washington-based Council of Insurance Agents & Brokers.

The latest NARAB amendment would give states at least five years to address multistate licensing issues before NARAB would be created.

NARAB would not be created, though, if within three years a majority of states enact uniform licensing or reciprocity laws, in which states would recognize another state's licensing of non-resident agents.

If that threshold is not met, the act authorizes the NAIC to establish NARAB within two years unless a majority of states—and representing at least 50% of the total U.S. commercial lines premiums—satisfied either the uniformity or reciprocity requirement during that two-year period. In addition, the act would give the NAIC initial authority to oversee NARAB operations; however, if the organization fails to do so, an independent federal agency would be created to provide that oversight.

"If the states do not take action and NARAB is created, the organization itself will not provide a federal license for insurance sales but rather will serve as a clearinghouse for multistate licensing so that service may be more efficiently provided to policyholders," according to a CIAB analysis. "NARAB will be charged with imposing licensing and professional qualifications requirements that exceed the standards of any current state law. It will have the authority to reduce duplicative regulatory requirements that are now imposed on agents and brokers whose clients' needs require them to be licensed to do business in more than one state," the analysis says.

"This historic action by the House and Senate conferees is the most important victory ever in the struggle to enact multistate licensing reform for insurance agents and brokers," said Ken Crerar, president of the CIAB.

The NAIC has previously acknowledged the need to improve the efficiency of agent licensing and to make changes to increase the efficiency and effectiveness of state regulation.

"The NAIC has been working for more than two years toward improving regulatory efficiency through a series of technology initiatives called State Regulation 2000," according to a statement by Steven Larsen, Maryland Insurance Commissioner and chair of the NAIC's Market Conduct and Consumer Affairs Subcommittee.

The NAIC took action to further the goal of uniformity at its fall meeting earlier this month, when his subcommittee adopted what is now called the Producer Licensing Act. The proposed model is designed to help states create a more uniform and streamlined producer licensing system by codifying, simplifying and organizing some statutory language and allowing the use of new technology.

The full NAIC is expected to formally adopt the measure as a model law during its meeting Dec. 4-8.

While insurance industry representatives generally support the NAIC's efforts, they consider them to be too long in coming. "The problem has been that the pace of reform has lagged behind the pace of marketplace convergence," said the CIAB's Mr. Wood. Officials of the NAIC, however, "still do not think (NARAB) is necessary, and from an official point of view, we are opposed to it," said NAIC VP George Nichols III.

In June, though, the NAIC floated its own NARAB-type proposal as part of a bargaining chip in negotiations over other measures in the financial services reform legislation (*BI*, June 14). But that effort later died with the demise of the House Commerce Committee's version of a financial reform measure, which the NAIC generally supported, said Mr. Nichols, the Kentucky Insurance Commissioner.

Now that the industry-drafted amendment is included in S. 900, "I hope and expect that state insurance commissioners and legislators will respond appropriately by passing laws in their states that will create a uniform system, so NARAB will never have to be triggered," he said.

"The time has come," said Patricia A. Borowski, division vp with the National Assn. of Professional Insurance Agents in Alexandria, Va. "I'm predicting that the pace of agent licensing reform will accelerate at state levels during the next two years."

The NAIC currently is focused on bigger issues in the financial modernization bill, including what it describes as "serious regulatory loopholes" that could prevent state insurance authorities from regulating some portions of banks' new insurance-related activities, according to a statement by Mr. Nichols.

Those concerns were not alleviated by an agreement reached last week between the Federal Reserve Board and the U.S. Treasury over regulatory authority, Mr. Nichols said.

The agreement essentially affirmed the authority of the Federal Reserve Board over holding companies as well as states' oversight of most insurance-related operations. The agreement also rejected the Treasury Department's attempt to let banks enter new financial activities through their operating subsidiaries, which it regulates, though they will be able to engage in some securities activities.

The American Insurance Assn., however, said the deal was a good sign. "The resolution of the (operating subsidiaries) issue was a strong indication that a final deal would be struck," according to a statement from an AIA spokesman.

But congressional conferees face other issues, including privacy guidelines for sharing information among affiliates and entities' Community Reinvestment Act responsibilities. BI

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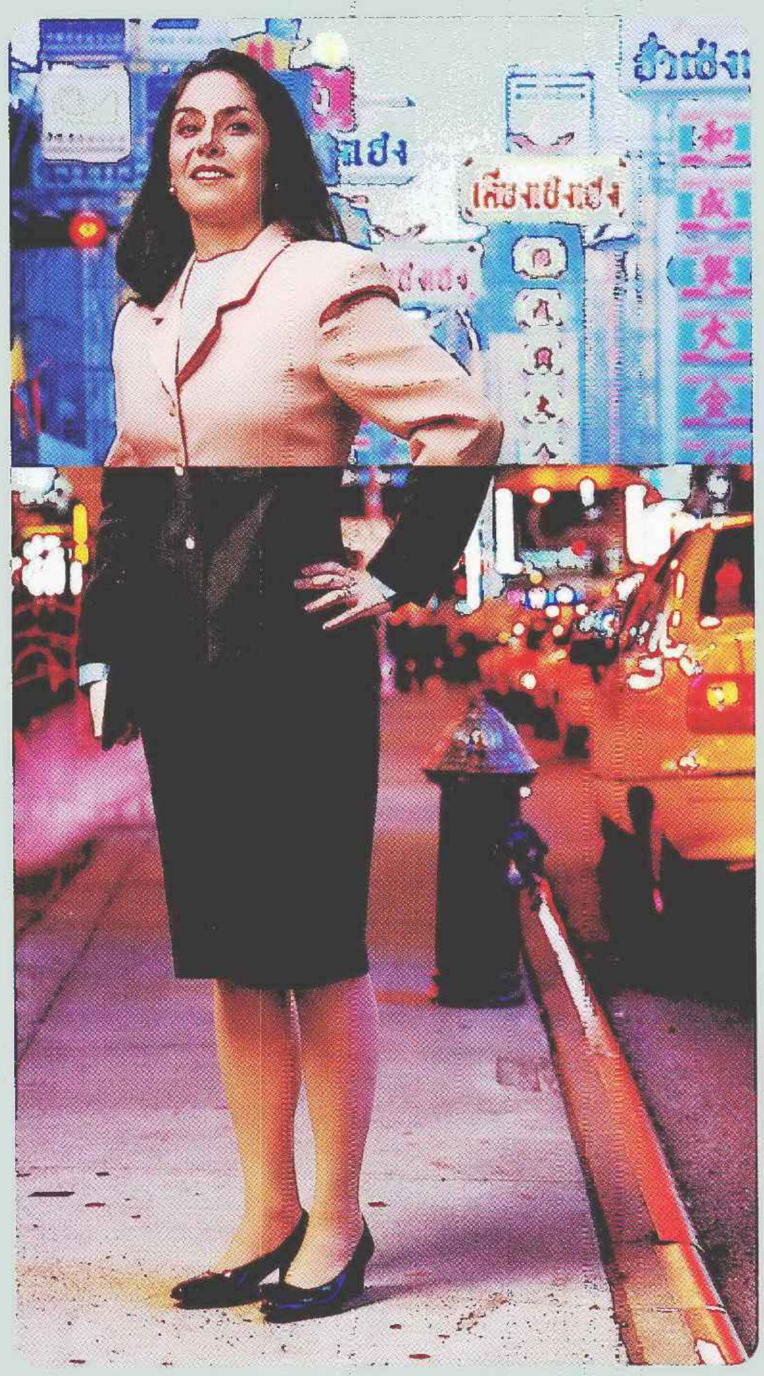

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