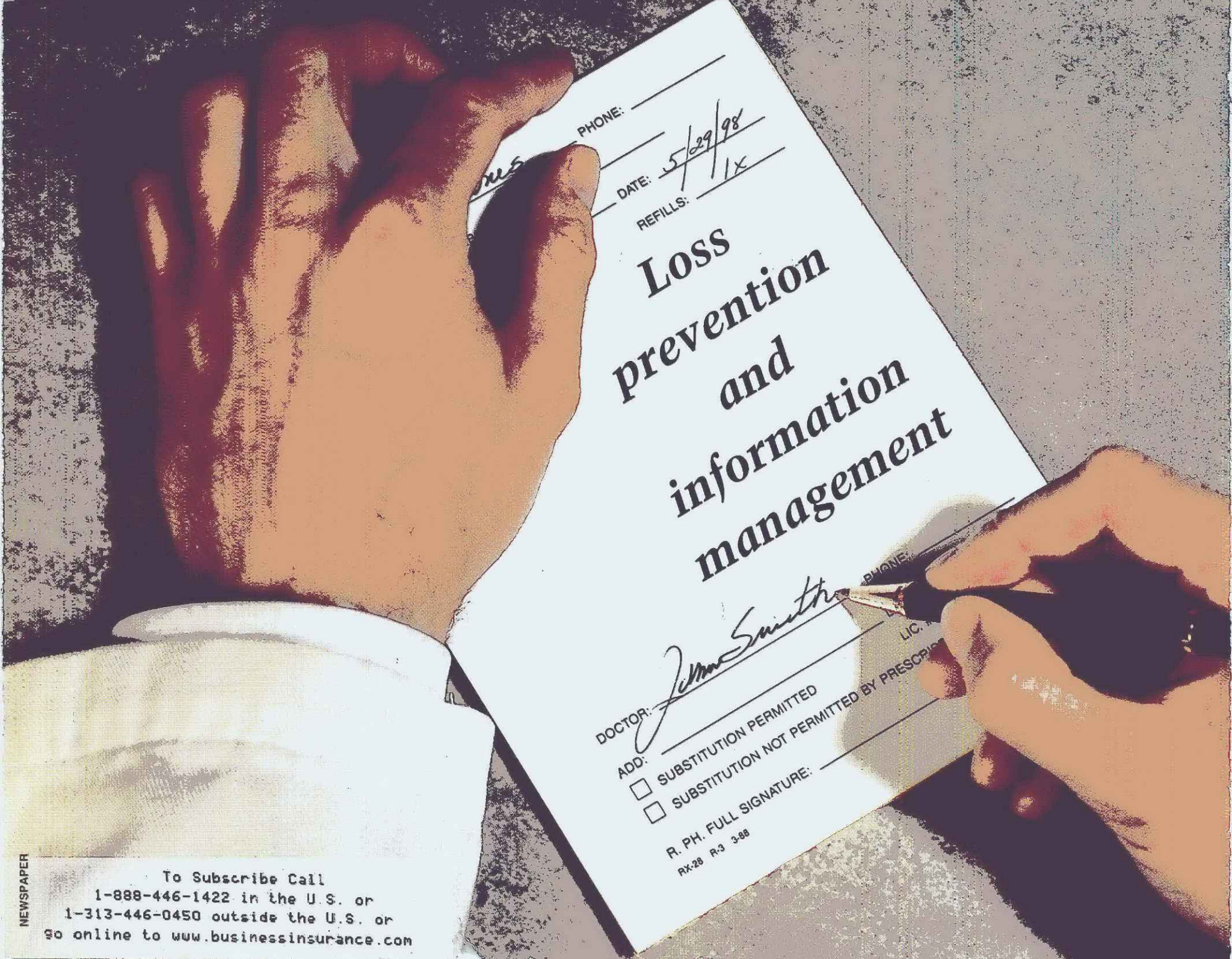
OCTOBER 26, 1998

Business Insurance®

Workers Compensation

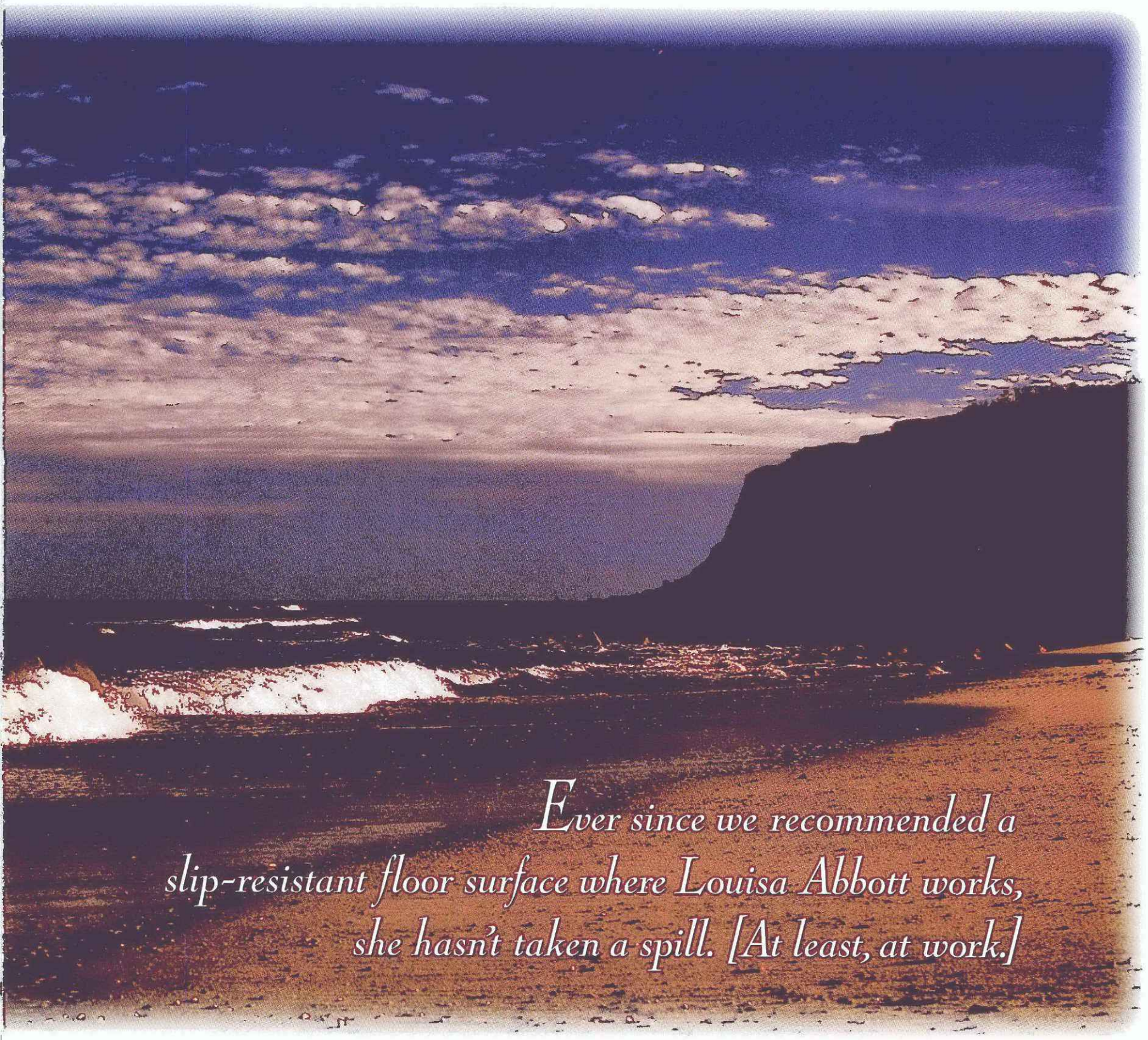
prescription for savings



NEWSPAPER

To Subscribe Call
1-888-446-1422 in the U.S. or
1-313-446-0450 outside the U.S. or
go online to www.businessinsurance.com

THE CAUSES OF HOME, HIGHWAY AND WORK ACCIDENTS. IT IS GREAT BECAUSE IT DEALS IN THE RELIEF OF PAIN AND SORROW AND FEAR AND LOSS. IT IS GREAT BECAUSE IT WORKS TO PRESERVE AND PROTECT THE THINGS PEOPLE EARN AND BUILD AND OWN AND CHERISH. ITS TRUE GREATNESS WILL BE MEASURED BY OUR POWER TO HELP PEOPLE LIVE SAFER, MORE SECURE LIVES.



Our loss prevention consultants will investigate a company's safety concerns and then recommend a thorough safety plan that includes ways to help prevent slips and falls. So, the real bottom line isn't just lowering workers compensation costs, it's ensuring that someone like Louisa Abbott lives a safer, more secure life.

➢ *There's more information we'd like to share. So please call John Ryan at (617) 574-5842 or visit our website at http://www.libertymutual.com*

LIBERTY MUTUAL.
The freedom of Liberty

THE CAUSES OF HOME, HIGHWAY AND WORK ACCIDENTS. IT IS GREAT BECAUSE IT DEALS IN THE RELIEF OF PAIN AND SORROW AND FEAR AND LOSS. IT IS GREAT BECAUSE IT WORKS TO PRESERVE AND PROTECT THE THINGS PEOPLE EARN AND BUILD AND OWN AND CHERISH. ITS TRUE GREATNESS WILL BE MEASURED BY OUR POWER TO HELP PEOPLE LIVE SAFER, MORE SECURE LIVES.

WITH OUR POLICYHOLDERS. WE ARE ENGAGED IN A GREAT MUTUAL ENTERPRISE. IT IS GREAT BECAUSE IT SEEKS TO PREVENT CRIPPLING INJURIES AND DEATH BY REMOVING T

WITH OUR POLICYHOLDERS. WE ARE ENGAGED IN A GREAT MUTUAL ENTERPRISE. IT IS GREAT BECAUSE IT SEEKS TO PREVENT CRIPPLING INJURIES AND DEATH BY REMOVIN



While Louisa hates taking a spill, it is something she expects when surfing. Where Louisa works though, she's never taken a spill because of the safety precautions her employer learned from Liberty Mutual. Slips and falls on workplace floor surfaces account for almost 30 percent of injuries and workers compensation claims. Liberty Mutual is the only insurer with a research center that studies in detail the connection between shoes, floor surfaces and slippery hazards like water and grease.

IT WORKS TO PRESERVE AND PROTECT THE THINGS PEOPLE EARN AND BUILD AND OWN AND CHERISH. ITS TRUE GREATNESS WILL BE MEASURED BY OUR POWER TO HELP PEOPLE LIVE SAFER. MORE SECURE LIVES.

HE CAUSES OF HOME, HIGHWAY AND WORK ACCIDENTS. IT IS GREAT BECAUSE IT DEALS IN THE RELIEF OF PAIN AND SORROW AND FEAR AND LOSS. IT IS GREAT BECAUSE IT



What is the freedom of Liberty?

OCTOBER 26, 1998

Business Insurance®

Reporting Weekly on Corporate Risk, Employee Benefit and Managed Health Care News / $4

Entire contents copyright 1998 by Crain Communications Inc. All rights reserved

Updates

Clinton to propose counting FMLA in eligibility, vesting

WASHINGTON—The Clinton administration this week will propose legislation that would require employers to count toward pension eligibility and vesting the time employees take off under the Family and Medical Leave Act.

That change, which would require congressional approval, would have its biggest impact on employees who work part-time during a year and do not meet the 1,000-hour threshold for counting service during a year toward pension vesting and eligibility.

See **Updates** *on next page*

400 Dallas doctors walk out on Aetna

Dispute with managed care giant leaves plan participants seeking alternatives

By JOANNE WOJCIK

DALLAS—More than 400 doctors are quitting Aetna U.S. Healthcare in Dallas, alleging the managed care company wasn't providing enough information for them to adequately manage their risk.

The move by members of the Genesis Physicians Practice Assn. has the potential of displacing some 30,000 patients enrolled in Aetna U.S. Healthcare plans in the Dallas area.

"When we entered the contract, it was understood that we would take our own risk," explained Dr. Theresa Shouse, vice chairwoman of Genesis, which is affiliated with the Presbyterian Health Care System in Dallas.

In order to do that, the physician group needed data from Aetna U.S. Healthcare on enrollment, capitation rates and utilization management, among other things, she said.

But "when Aetna merged with U.S. Healthcare, they merged their computers, and their information return went to nothing," Dr. Shouse complained.

"Most of the information was nine to 12 months old, and the data was inaccurate and incomplete," she said.

"I don't believe a physician group should be at risk without the ability to manage that risk," Dr. Shouse asserted.

Not everyone in the community, however, thinks the dispute centers on information-sharing. "We think it all comes down to money," said Marianne Fazen, president of the Dallas-Fort Worth Business Group on Health.

In July, the physician group charged Aetna U.S. Healthcare with breach of contract, giving the HMO 90 days' notice to reassign affected patients to other Aetna doctors. The notice period expired last week.

In response to the doctors' demand for more updated and accurate information, the insurer invoked the "all products" provision of its physician contracts, which require doctors who refuse to participate in its HMO to be denied access to patients in all other Aetna plans, including its preferred provider organization and point-of-service plans.

Aetna officials in Dallas referred *Business Insurance* inquiries to its Blue Bell, Pa., public relations office, which did not return calls.

Employers affected by the decision declined to comment for publication. Ms. Fazen did acknowledge that "it's causing some disruption, but Aetna's been telling employees they will find them new doctors" in Aetna plans.

If an employee would rather change health plans to keep a doctor, it could take anywhere from weeks to months for that employee to change HMOs, depending on how a benefit plan is administered. Those with only a yearly enrollment opportunity would have the most difficulty changing plans.

A consultant who works with

See **Aetna** *on page 73*

Business hopes to oust judge in Ohio election

By MEG FLETCHER

COLUMBUS, Ohio—The Ohio Chamber of Commerce is targeting a state Supreme Court race to rein in the anti-business decisions of what it considers an activist court.

"In Ohio, conventional thinking about Republicans being pro-business is wrong as it applies to the Supreme Court," said Chip McConville, director of the chamber's Political and Candidate Education program.



Justice Pfeifer

In Ohio, "while Republicans control the Supreme Court 5-2, there is frequently a 4-3 anti-business majority in the court's decisions," said Bob Hickey, an attorney with Thompson, Hine & Flory L.L.P. in Columbus, Ohio. That is because Republican Associate Justices Paul E. Pfeifer and Andrew Douglas frequently side with plaintiffs attorneys and organized labor, he said.

The Ohio Chamber of Commerce is seeking to unseat Justice Pfeifer, who has a 40% pro-business approval rating, based on a 1997 evaluation that tracked 154 decisions handed down from 1988 to 1997, according to the chamber's P.a.C.E. program.

The Ohio Chamber of Commerce is not alone in its efforts to influence the outcome of judicial races, where previously only lawyers were involved. Nationwide, there is a growing trend for such interest groups to extend their reach beyond lobbying legislative and gubernatorial races, said Seth Andersen, director of the American Judicatory Society's Hunter Center for Judicial Selection in Chicago.

Similar court watches are under way in Alabama, Louisiana, Michigan and Texas, according to the chamber's Mr. McConville.



Mr. Suster

"The business community may have support in the legislatures and governors' houses, but gains in the legislature can be wiped out by activists courts who give no deference to legislative enactments," Mr. McConville said.

In Ohio, Justice Pfeifer is running in one of three

See **Ohio** *on page 76*

Budget bill mandates reconstructive surgery

By JERRY GEISEL

WASHINGTON—Unbeknownst to them, most employers now have just two months to notify employees in writing of the latest benefit mandate imposed by Congress.

One of hundreds of amendments tucked into a 3,000-page appropriations bill passed by Congress last week and signed by President Clinton requires all health care plans offering coverage for mastectomies to cover reconstructive surgery on the same basis as they cover other surgical procedures.

The mastectomy mandate, championed by Sen. Alfonse D'Amato, R-N.Y., will require health care plans to provide coverage for breast reconstruction following a mastectomy and additional surgery to produce a symmetrical appearance.

Another 11th-hour amendment imposes a new prescription drug benefit mandate on the health care program covering federal employees.

A provision that would have blocked U.S. courts from enforcing U.K. judgments against Lloyd's names dies Page 75

However, congressional negotiators rejected an amendment by Sen. Edward Kennedy, D-Mass., that would prevent Massachusetts HMOs that provide coverage to Medicare beneficiaries from cutting prescription drug benefits. A federal court now will decide that issue.

The basic mastectomy mandate will have little impact on employers' benefit costs because exclusions for reconstructive surgery after a mastectomy are rare, especially in large-employer plans.

What will have an impact, though, is a notice requirement that is part of the mastectomy mandate. Employers—including those already offering coverage—will have to notify employees that their health care plans offer coverage for reconstructive surgery.

Given that employers already typically offer the coverage, this informational mandate is a waste

See **Budget** *on page 74*

KKR to stay with Willis

Both acknowledge ownership change is possible in future

By DOUGLAS McLEOD

NEW YORK—Willis Corroon Group P.L.C. and its new owners, led by Kohlberg, Kravis Roberts & Co. L.P., are happy to go on operating Willis as an independent rival to the industry's two global giants. For now.

Following its acquisition by KKR and five insurers, Willis will focus on expanding its global brokerage network, free from the distraction of being seen as a takeover target of rivals Marsh & McLennan Cos. Inc. and Aon Corp., Willis officials say.

While KKR views its stake in Willis as a long-term investment, officials of both companies don't rule out another change in its ownership down the road.

"A global franchise and brand like ours has value," observed John Reeve, executive chairman of Willis Corroon. "The further ahead we look, the broader the range of ownership options we see."



'We are not spending any time thinking about (ownership options) at the moment.'

— John Reeve

Mr. Reeve and Perry Golkin, a New York-based

See **Willis** *on page 63*

Updates

Clinton ideas focus on pensions

Continued from previous page

The administration also is expected to propose that employers offer in their pension plans a 75% joint and survivor benefit. Currently, plans typically offer a 50% joint and survivor benefit, though many plans offer additional survivor options.

The recommendations will be unveiled at a White House event that will focus on Social Security and women. That event had been scheduled for last week but postponed because of President Clinton's involvement in Middle East peace negotiations.

RIMS targets privacy proposals

NEW YORK—Several federal and state proposals to ensure employee health information privacy would lead to poorer health care, slower claim payments and added administrative costs, the Risk & Insurance Management Society Inc. says.

In a position statement on the issue, RIMS says current proposals to protect worker health data will create problems for employer health insurance and workers compensation programs.

For example, the National Assn. of Insurance Commissioners' model law on health information privacy—approved by the NAIC last month—would restrict employers' access to experience and loss data and "preclude the employer from making informed decisions regarding both health and workers compensation claims."

"With little power to verify employees' injuries or monitor treatment, employers might be forced to drop group health coverage or deny workers compensation claims because they cannot make an informed decision on a timely basis," RIMS warns.

Limiting information also could prevent employers from learning of workplace safety problems early enough to correct them and prevent future injuries, the statement says.

In addition, while many privacy proposals require employee authorization for releasing information, most make no provision for what happens if that authorization is withdrawn, RIMS said. Thus, an employee could withdraw authorization after he or she begins receiving benefits, and the employer would have no choice but to continue providing the benefits with no way of monitoring the employee's recovery.

According to RIMS, restrictions on health care data should:

- Not impede treatment and vocational rehabilitation in workers comp and other property/casualty claims.
- Be aimed at the recipient's use of health information and not on whether the information can be accessed.
- Be flexible enough to accommodate the different ways employers provide coverage.

Ergonomics rule not blocked

WASHINGTON—Congress has declined to block the Occupational Safety and Health Administration's efforts to develop an ergonomics standard.

OSHA Administrator Charles Jeffress said late last week that although lawmakers appropriated $890,000 for a National Academy of Sciences study of ergonomics in the omnibus budget bill, Congress "has made clear that by funding another NAS study, it in no way intends to block or delay OSHA's proposal." That is in marked contrast to previous recent Congresses, one of which appropriated money for OSHA only under the condition that the workplace safety agency not spend any funds to study ergonomics, let alone to promulgate an ergonomics rule.

Employers have been skeptical of any ergonomics regulation, fearing such a rule would follow a "one size fits all" approach that would ignore the differing conditions and exposures of various industries. Mr. Jeffress has pledged to develop "flexible, common-sense ergonomics regulations" that could be published as early as next summer.

Aon merges units into one TPA

JAMESBURG, N.J.—Aon Services Group, the specialty insurance unit of broker Aon Group Inc., has consolidated its nine third-party administration units into one company.

The new entity, called Cambridge Integrated Services Group Inc., joins together such specialized TPA operations as Martin Boyer Co. Inc., IRISC Inc., and PLCM Group. Based in Jamesburg, N.J., Cambridge is headed by Tracey A. Carragher and Stephen Eisenmann, who serve as chairwoman and president, respectively.

Cambridge represents "a year's work of pulling these companies together, and it's only the beginning of what you can expect to be a large and core strategy of the corporation," Ms. Carragher said. "We recognize that there is no (claims management) firm in the industry that does everything, and we intend to be that firm."

As a combination of the nine units, Cambridge houses specialties in workers compensation, general liability, property, automobile liability, medical malpractice, lawyer professional liability, assumed and ceded reinsurance, environmental and toxic torts, product liability, transportation, auto warranty, structured settlements and construction.

"We think it's an opportune time to get into the business," said Mr. Eisenmann. Because Cambridge has the financial backing of Aon Corp., it can invest in the right technology, systems, people and specialties to grow in the changing environment, he said.

That changing environment includes becoming a global player.

"Bringing together the businesses in the U.S. is the first step to becoming a global organization," he said.

Lloyd's expects to get captives

LONDON—The chairman of Lloyd's of London is hopeful that captives will be admitted to the market by Jan. 1, even though a formal regulatory framework for the entities has not yet been introduced.

See **Updates** *on page 74*

Texas claims top $100 million

Flood losses among state's costliest

By MICHAEL BRADFORD

SAN ANTONIO, Texas—Insurers are totaling claims from the latest round of bad weather that caused flooding in south and central Texas.

Heavy rains that tapered off early last week flooded rivers and creeks in San Antonio and other communities, killing at least 26 and causing widespread damage to homes and businesses.

Downtown San Antonio largely was spared because an underground drainage system completed last December funneled water away from the area. The San Antonio River Tunnel was built to carry flood runoff away from the downtown area and allow it to reenter the river downstream.

Early estimates are that total damages in San Antonio "won't be a mega number, probably less than $100 million," said John German, director of public works for the city. "It may be quite a lot less in the city limits."

However, he added, "I could be surprised and find things that would make that number larger."

Mr. German said streets were washed out and that water damaged the lower floors of city hall, fire stations and other buildings.

Like the floodwaters, property claims are rising. Private insurers expect to pay more than $100 mil-

See **Flood** *on page 75*



AP/ WIDE WORLD PHOTOS

Flooding in south and central Texas overran a water treatment plant in Victoria, Texas.

Take a walk on the wild side

More employers turning to alternative, unusual benefits

By MICHAEL PRINCE

CHICAGO—How about a relaxing massage? Or perhaps a quick nap before calling your leisure consultant?

Sounds like a day in the life of a billionaire, but for some it's just another day at the office.

Massages, nap rooms and personal consultants are some of the "wild" benefits employers are offering these days. With employees seeking more leisure time and employers trying to attract and retain top talent, these types of benefits are more common, said Richard Federico, vp at The Segal Co. in New York.

Wild benefits are "a workplace innovation that makes great business sense in today's world of work," Mr. Federico said at a session of the Second Annual Corporate Benefits Conference held in Chicago earlier this month. The conference was jointly sponsored by the Assn. of Private Pension & Welfare Plans, the Council on Employee Benefits, and the International Foundation of Employee Benefit Plans.

See **Benefits** *on page 72*

Broad notice triggers cover in U.K.

E&O ruling might apply to other claims-made policyholders

By CAROLYN ALDRED

LONDON—A policyholder's broad notification is sufficient notice of a claim under a claims-made policy, according to the first U.K. ruling involving pension misselling.

Justice Rix, sitting in the Queens Bench division of the Commercial Court, ruled that professional indemnity insurers must pay the costs incurred by J. Rothschild Assurance P.L.C. in compensating investors found to have been missold pensions as a result of an industrywide pensions review.

The ruling late last month by the judge says a letter advising underwriters of a circumstance that "may give rise to a claim" constituted valid notification under a claims-made policy.

The circumstance referred to was a letter sent out by the Life Assurance and Unit Trust Regulatory Organization advising all members that there was a "problem to be tackled" over pensions. It was sent out shortly before the expiration of a policy taken out by Rothschild and before any claims had arisen or the Pensions Review had started.

See **Indemnity** *on page 66*

Few docs punished for fraud

By MICHAEL PRINCE

Medical providers convicted of fraud rarely receive punishment from state medical licensing boards, a study concludes.

Only 18% of providers convicted of fraud lost their medical licenses, and fewer than half were punished at all, the study states.

"Licensing boards often fail to take any actions against those licensees who commit felony offenses related to insurance fraud," states the study, conducted by the Coalition Against Insurance Fraud. It examined records from 12 states over a three-year period.

The low percentage of providers punished is "shocking," to Carmine Morano, president of Anthem Health & Life Insurance Co. of New York. "There really should be some action against every provider who has criminally committed fraud," such as license suspension or revocation, he said.

"The penalties have to be tougher," he added.

The coalition, a Washington-based alliance of consumer groups, government agencies and insurance companies, examined federal and state fraud convictions for all types of medical providers for the years 1993-1995, along with those providers excluded from participating in Medicare or Medicaid because they committed insurance fraud. Convictions were compared to punishments handed down by state medical licensing boards.

For the 12 states covered—California, Florida, Illinois, Indiana, Massachusetts, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Texas—the coalition found no medical board punishment for 144 (57.4%)

See **Fraud** *on page 76*

Inside

- Instead of expending great effort to unseat judges who consistently rule against business interests, businesses may find it more practical to work for meaningful legislative reforms, this week's editorial says. **PAGE 8**

- U.K. risk managers welcomed last week's announcement that the government will soon lower terrorism premiums, but many would like to see the risk reinstated into property insurance policies. **PAGE 65**

Departments

Advertiser Index 60
Classifieds 70
Commentary 73
Directory of Safety Consultants 32
Directory of Rehabilitation Services 46
Global Briefs 65
Insurance Services Guide 68
Letters 8
Opinions 8
Reader Reply Service 60
Ticker 75

Business Insurance (ISSN 0007-6864) Vol. 32, No. 43, is published weekly by Crain Communications Inc., 740 N. Rush St., Chicago, Ill. 60611-2590. Periodicals postage is paid at Chicago and at additional mailing offices. POSTMASTER: Send address changes to *Business Insurance*, Circulation Department, 965 E. Jefferson Ave., Detroit, Mich. 48207. $4 a copy and $87 a year in U.S. $105 in Canada and Mexico (includes GST). All other countries $205 a year (includes expedited air delivery). Canadian Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0293512, GST No. 136760444. Printed in U.S.A. Copyright 1998 by Crain Communications Inc.

WORKERS COMPENSATION

Electronic work comp filings gain momentum

By MEG FLETCHER

The advantages of filing workers compensation injury data electronically greatly outweigh the disadvantages for both employers and state workers compensation agencies.

Replacing paper document filings with a standardized process for electronic data interchange generally results in faster, more accurate and less costly systems for both parties.

For example, EDI eliminates the time lag involved in transmitting a report of an injured worker's claim by mail, as well as the staff time and training needed to rekey claims data into multiple computer systems. EDI also reduces storage requirements for paper for both parties.

More prompt notification of claims also can speed up the application of managed care techniques to reduce the cost of claims, noted Susan Goodchild, director-government affairs and compliance for Philadelphia-based Intracorp.

The push for EDI is being led by state workers comp administrators, organized under the auspices of the International Assn. of Industrial Accident Boards & Commissions. The IAIABC has spearheaded the development of uniform standards and formats (see story, next page).

The promise of improved efficiency is encouraging employers to cooperate with the EDI initiative.

To employers, especially multistate employers, "the concept of replacing paper transactions with electronic transactions is very attractive," said Larry Holt, who will soon take over as executive director of the National Council of Self-Insurers, which he will operate from his hometown of Murray Hill, N.J. Mr. Holt recently retired as manager of workers compensation and disability benefit policy at Lucent Technologies Inc. in Murray Hill.

"We are all interested in increasing accuracy, reducing transactional costs and leading to a more timely and efficient administrative system," said Robert Steggert, vp-casualty claims with Washington-based Marriott International Inc. He is also president of the National Council of Self-Insurers.

The IAIABC's members increasingly are soliciting employers' voluntary participation in EDI, rather than turning to state lawmakers to mandate that EDI be used, said Melody Cathey, the IAIABC's director of education and research in Lawrence, Kan.

Currently, only four states—Kentucky, New Mexico, South Carolina and Texas—mandate that first reports of injury be filed electronically. California is expected to join those ranks beginning July 1, 1999.

Self-insured employers are "optimistic" about the new EDI mandate, which is consistent with other corporate communication practices, said Joseph Markey, manager of the California Self-Insurers Assn. in Sacramento, Calif. In addition, "we hope it will speed up reporting of summaries of injury

See **EDI** *on next page*

Employers seek to reduce risks from needle sticks

By AMANDA MILLIGAN

They are armed with latex gloves, goggles and face masks. Many have been vaccinated against communicable infections. A box for biohazardous waste is placed alongside the tools of their trade.

But some say that's not enough to protect them against the risks of their profession.

It sounds like a page from science fiction, but it is reality for American health care workers. The risk of infection through needlestick with deadly diseases such as Hepatitis B or C, or HIV, the virus that causes AIDS, is inherent in many health care job descriptions. Nurses and phlebotomists who routinely use needles to draw blood and start intravenous catheters are especially susceptible.

Despite the risks, it is widely agreed that many needlestick injuries are unreported. Statistics gathered through the International Health Care Worker Safety Center in the University of Virginia Health Sciences Center found underreporting to be as high as 39%. When a needlestick injury occurs, a health care worker may make a decision not to report the injury for a variety of reasons.

These reasons are motivated by different emotions, and they range from inconvenience to fear of losing or endangering one's livelihood if it were known that the worker was stuck by a needle used on an infected patient, said Dr. Janine Jagger, director of the Charlottesville, Va.-based International Health Care Worker Safety Center. Often workers make their own risk assessments.

"If they think it's a low-risk event, they may not report it. . . .The hospital needs to adopt a safety philosophy. . .that reporting is an important part of

See **Needles** *on page 6*

Slips and falls often overlooked despite high frequency of claims

By ROBERTO CENICEROS

Even though high-level discussions of slip-and-fall accidents has dropped off among risk managers in recent years, employees continue to fall down on the job.

Workplace slip-and-fall injuries "have continued without huge deviation, because everyone is concentrating on the hot issues" such as cumulative trauma disorder and ergonomics, said Lance J. Ewing, director-insurance and loss prevention for GES Exposition Services Inc. in Las Vegas, Nev.

As a recent loss control administrator for the School District of Philadelphia, Mr. Ewing saw plenty of slip-and-fall accidents, and as a leader of the Risk & Insurance Management Society Inc.'s External Affairs Team, he plans to draw more attention to the losses at the society's meetings, he said.

"I'm not going to raise it as a cause celebre, but I'm certainly going to reintroduce it to RIMS members to say we need to be on the lookout on slip-and-fall injuries," Mr. Ewing said.

He is not alone in his belief that the issue could use more attention.

Worker slip-and-fall incidents are second only to lower back pain and lifting injuries in the number of claims filed, said Tom Leamon, executive director of Liberty Mutual Insurance Co.'s Research Center for Safety and Health in Hopkinton, Mass. Some claims filed as back pain injuries actually may be caused by slips, he added.

In terms of total claims payouts, slip-and-fall injuries roughly equal those from lifting injuries, classified as "manual materials handling," Mr. Leamon said. His observations are based on analysis of claims filed with Liberty Mutual, the nation's largest workers compensation insurer.

The problem has not abated in the past decade, he said. About 4,000 Americans die annually from ground-level falls on and off the job.

"That's a jumbo jet a month," Mr. Leamon added. "And yet, who cares? Apparently, not a lot of people, because it happens one at a time."

In 1995, employees' work-related falls racked up 343,929 injuries resulting in at least one day away from work, according to the federal Bureau of Labor Statistics.

More sophisticated claims analysis methods and the trend toward allocating workers comp costs back to production units could reduce slip-and-fall injuries "with a little bit of luck," said Mr. Leamon.

"People in fast-food business, people in trucking, people in construction are now paying attention," he said.

Another source of help in reduc-

See **Slips** *on page 10*

Privacy of work comp records a key concern in proposed bills

By JUDY GREENWALD

The privacy of individuals' medical records continues to be a hot topic in workers compensation these days with federal and state regulations addressing confidentiality expected within the next year.

Potential legislation also raises other issues, including to what extent, if any, federal legislation will pre-empt any state efforts in this area. There are also lingering questions as to how federal confidentiality legislation would apply to workers comp.

Medical record confidentiality can be a divisive issue.

On the one hand, employers, insurers and workers comp administrators generally favor the free exchange of information and worry about the problems that may result if access to such information is restricted.

"The important thing for business and, really, anybody involved in the workers comp system is that there be free communications between the physician and employer's representative, particularly if it involves a modified duty or early return-to-work program," said John Toay, chairman-legislative affairs for the Carolinas chapter of the Risk & Insurance Management Society Inc. North Carolina lawmakers considered a proposal that would have limited communication between employers and physicians treating injured workers (*BI*, June 8).

On the other hand, labor representatives generally oppose unrestricted access to personal medical information.

"Everyone has a right to expect certain standards of privacy and decency when it comes to their personal medical information," said James N. Ellenberger, assistant director of the AFL-CIO's Department of Occupational Safety and Health.

"It's a most salient political issue," observed Bruce C. Wood, assistant general counsel for the American Insurance Assn. in Washington. "It touches everyone, quite literally. It's an issue that knows no party, nor does it know an ideology," he said of medical information privacy.

"Conservative Republicans and liberal Democrats can all agree on the need to ensure adequate protections for sensitive medical information, and for that reason the issue has the political profile that it does," Mr. Wood said.

See **Privacy** *on page 16*

Index:

Insuring worker safety
USAA improves ergonomics page 24

Keeping the city safe
San Jose effort lowers comp costs page 27

Seeing new hazards
Computer vision syndrome worries page 28

Directories
Safety consultants page 32
Rehabilitation services providers page46

Spotlight Editor: Meg Fletcher

EDI

Continued from previous page

data so we will have better information on which to base loss prevention efforts," he said.

Once the California mandate becomes effective, about 25% of the total U.S. workers compensation market, including some states with exclusive funds, will be subject to EDI mandates, estimates Ancel Sherrard, president of SAC³ Inc., a workers comp EDI company in Huntsville, Ala.

The NCSI would like to see self-insurers have to file claims data with only a single state agency, says Robert Steggert.

In addition to the states with mandates, about 16 other states actively encourage employers to make voluntary EDI filings.

For the majority of employers, the most common use of EDI in workers comp is the electronic exchange of first report of injury information from an employer to an intermediary, such as its third-party administrator or insurer, which then transmits the report electronically to the state, said Barbara Scheller, EDI product manager for Corporate Systems Inc. in Amarillo, Texas.

Alternatively, an employer can report the information by phone to its TPA or insurer, which files the information electronically both to its claims-handling office and to the state, said Anne Sciabba, a workers comp claims consultant for Itasca, Ill.-based broker Arthur J. Gallagher & Co. Under this process, a paper copy of the report of injury is then sent to the employer for its files, she said.

Such approaches keep employers' hardware and software costs to a minimum, because the intermediary maintains the needed equipment to exchange information electronically with the state. However, low-priced software—while it has not yet proved popular—also can enable employers to perform EDI filings with their own computer equipment.

The Internet may make EDI of workers comp information even simpler.

While most employers typically don't use the Internet in connection with state workers comp filings, clients of CorVel Corp., a provider of managed care services in Irvine, Calif., can use it to produce first reports of injury online. CorVel then links electronically with a state agency to actually file the report, according to Gordon Clemons, president of CorVel.

Making workers comp filings electronically has few disadvantages for employers, apart from any expense associated with setting up electronic reporting systems.

However, one potential risk seen with any reporting of personally identifiable claims information, especially if it is health-related, is confidentiality.

California self-insurers, for example, "are concerned that only necessary information is collected and that any information collected be made public sparingly" under the expected EDI mandate, Mr. Markey said. Specifically, he is concerned that employers not be hurt by the prompt filing of candid information about an injury's causation and medical treatment. Depending on state sunshine laws, such information may then be accessible to outsiders, who then could use it to escalate litigation or treatment costs.

In addition, Mr. Steggert said the NCSI would like to see all self-insurers have to file claims data with only a single state agency, rather than to all workers comp data collection agencies that may be operating within a state. BI

iiIAIABC leading drive for EDI

The International Assn. of Industrial Accident Boards & Commissions is leading the charge for the electronic exchange of workers comp information.

During the past seven years, the Lawrence, Kan.-based IAIABC has coordinated a joint effort among state workers compensation agencies, the insurance industry and employers to develop uniform standards and formats for electronic data interchange.

Workers comp jurisdictions are increasingly adopting the standards. Currently, 20 states are participating by requiring or allowing the electronic filing of first and subsequent reports of workers compensation injuries.

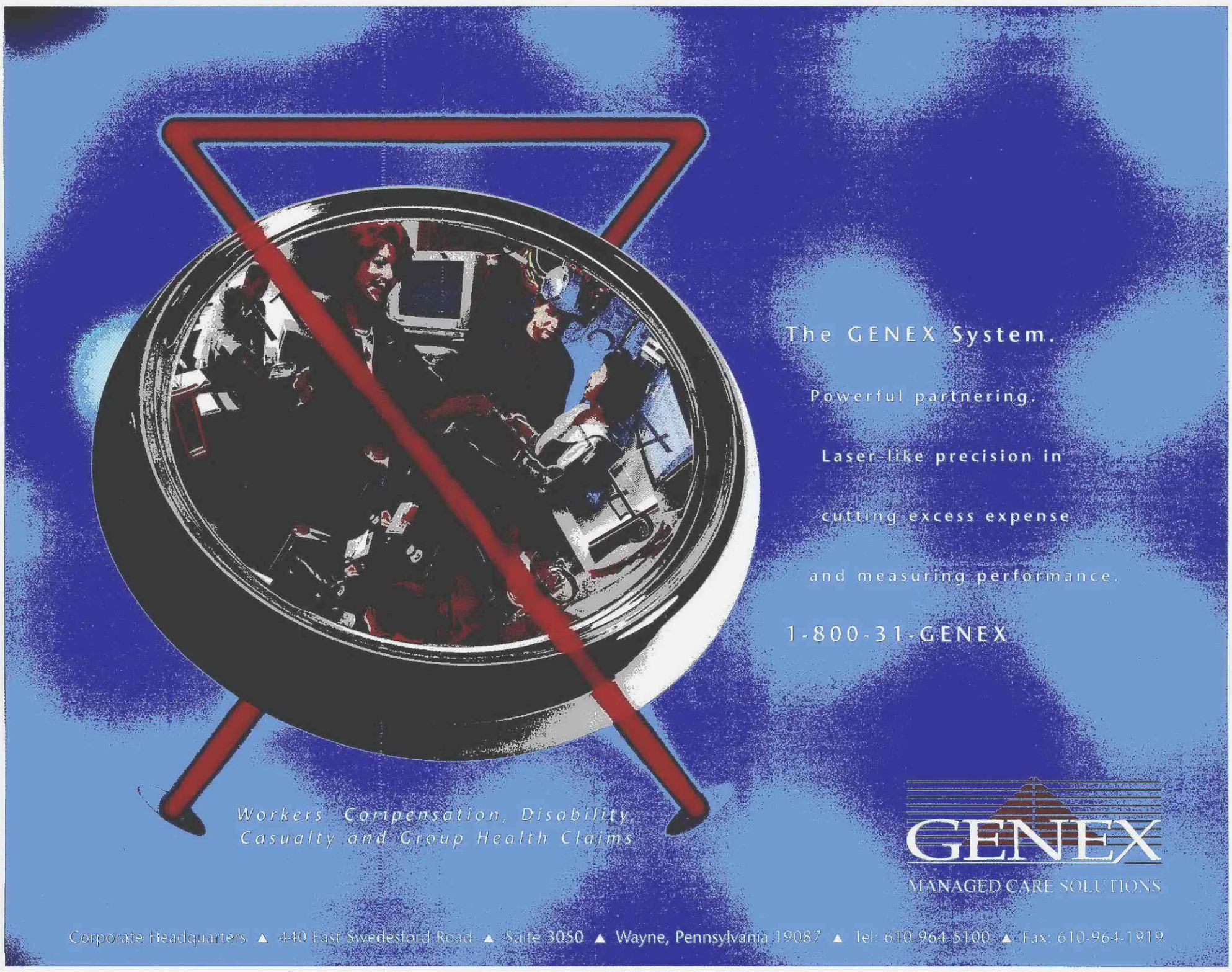
To help ensure continued uniformity in electronic workers comp filings, the IAIABC has begun enforcing its copyright on implementation guides as well as licensing EDI standards to participating claims administrators or payors for a fee. The licensing fees will provide funds to continue the project to develop electronic information standards.

However, a 1997 IAIABC moratorium on developing new formats is keeping EDI planners focused on promoting existing IAIABC formats among state workers comp agencies and payers until the year 2000. Formats on the drawing board affect return to work and litigation.

The IAIABC also has launched a program to certify vendors of EDI services, such as software companies, that meet certain quality and performance criteria to ensure uniform adoption of the IAIABC standards.

For more information, contact the IAIABC at 785-840-9103.

—By Meg Fletcher



What's the simplest way back to work?



An employee is at home ill. Another is injured on the job. With an integrated plan for occupational and nonoccupational illnesses and injuries, both claims are reported through a single toll-free number. One nurse manages the disabilities and return-to-work plans. One claim examiner investigates and assesses benefits. And one system processes the claims. It's an integrated approach that allows employees to return to work faster and lets employers get back to business. It's integrated disability management from Wausau, the business insurance experts.

The business insurance experts. WAUSAU

Wausau Insurance Companies • 2000 Westwood Dr., Wausau, WI 54401 • www.wausau.com • A+ A.M. Best Rating • Nationwide Insurance Enterprise®

Needles

Continued from page 3
promoting safety in the hospital, that the hospital will use the information to make the environment safer," Dr. Jagger said.

To better track such health care risks, Dr. Jagger developed a computer system called EPINET that records pertinent data and allows users to input and exchange information about needlesticks and other incidents.

By not documenting a needlestick, no matter how low the risk may appear at the time of the injury, health care workers who try to claim occupational infection years later may find the claim denied, risk managers say. The worker who does not report is also unable to receive counseling and education about post-exposure treatments that curb the risk of infection when prescribed immediately after injury—a measure that many hospital risk managers find reduces the number of claims filed because fewer workers become infected.

Sara Critchley, a nurse with the federal Centers for Disease Control and Prevention hospital infections program in Atlanta, said workers are more willing to report needlestick injuries when post-exposure treatments are available. She stressed that not all exposures are the same, however, and that health care employers should have well-communicated plans for injured employees to follow.

The CDC publishes guidelines to assist health care workers and employers to determine whether post-exposure drugs are needed after evaluating the type of fluid exposure that occurred and the degree to which the worker was exposed.

A vaccine exists for Hepatitis B, which is the easiest of the three deadly diseases to contract through needlestick. And post-exposure treatment is available for exposure to HIV, which is the most difficult to contract through a needlestick injury, with a transmission rate of 0.3%. Hepatitis C poses the largest threat to health care workers because nothing can be done for exposed workers, and the transmission rate ranges from 1% to 10%.

A needlestick infection can also take years to manifest into a disease.

Dr. Edward Bernacki, chairman of the joint committee on health and safety at Johns Hopkins University and Hospital, said the hospital established a 24-hour needlestick hot line two years ago that is known to employees as 5-STIX. The Baltimore hospital, which employs about 10,000 workers, has approximately 240 needlesticks per year. In 10 years, the hospital has had only two reports of occupationally acquired disease, both from Hepatitis C.

"It's not a community hospital in rural Iowa," Dr. Bernacki quipped, noting that 17% of medical patients at the hospital are HIV-positive and 2% to 7% are infected with Hepatitis C.

Phoenix-based Samaritan Health System takes a proactive approach with needlesticks, said Dale Schultz, vp-business health. That's necessary, he explained, because such accidents are covered by the workers compensation system only if the worker contracts a disease. Samaritan pays for post-exposure treatment from self-insurance funds set aside for workers comp claims.

Mr. Schultz said it makes good sense to use the funds for helping prevent claims rather than to haggle over payment later. "Being self-insured, I try to do what insurance companies won't," he said, noting that the 11,000-employee system has yet to have a worker develop occupationally any of the three infections.

Many state statutes don't require post-exposure intervention, however, and that confuses employers, which may wonder if they are responsible for paying for such treatments, said Mark Hubbard, vp-risk and human resource management at Loma Linda Medical Center in Loma Linda, Calif.

Mr. Hubbard's health care facility also provides post-exposure treatment after needlestick injuries to its 5,500 employees, but the reasoning is based more on philosophy than on financial considerations. "In spite of the fact we may not be obliged, we felt we had a moral obligation," he said. "There is not enough time to spend two or three days to determine if this is compensable."

Most of the needlestick injuries in the facility occur before the needles have been used on patients, Mr. Hubbard said. In the 20 years the facility has tracked needlestick injuries, only one needlestick infection claim was filed, and it was denied due to problems verifying causality. "It's by far the largest single source of employee injury in terms of frequency but one of the lowest in severity," he said.

Dr. Jagger and others argue that providing post-exposure treatment is not enough. They say that safer devices, such as needles designed to retract after injections, should be used to reduce needlesticks. Some of these devices cost more than their traditional counterparts and that it can be difficult to track their effectiveness.

But David D. Dodge, president and chief executive officer of PHT Services Ltd., a workers compensation self-insurance pool based in Columbia, S.C., noted that workers comp claims would decrease if hospitals made the necessary investment in safer devices. "There's a very direct link between the risk and the claims that you have."

To track the effectiveness of new safety devices and needlestick injury patterns, Connie Steed, a nurse and epidemiologist with The Greenville Hospital System in Greenville, S.C., adopted Dr. Jagger's EPINET system.

Ms. Steed, who has used EPINET for about five years, said it gives her a breakdown of each new device, tracks how injuries occur and helps the hospital make equipment purchasing decisions.

"When you get into health care and are saturated in it, some of the hazards and concerns are shadowed or buffed over. . . .The key to making changes in managed care is to have data" that can validate these decisions, Ms. Steed said.

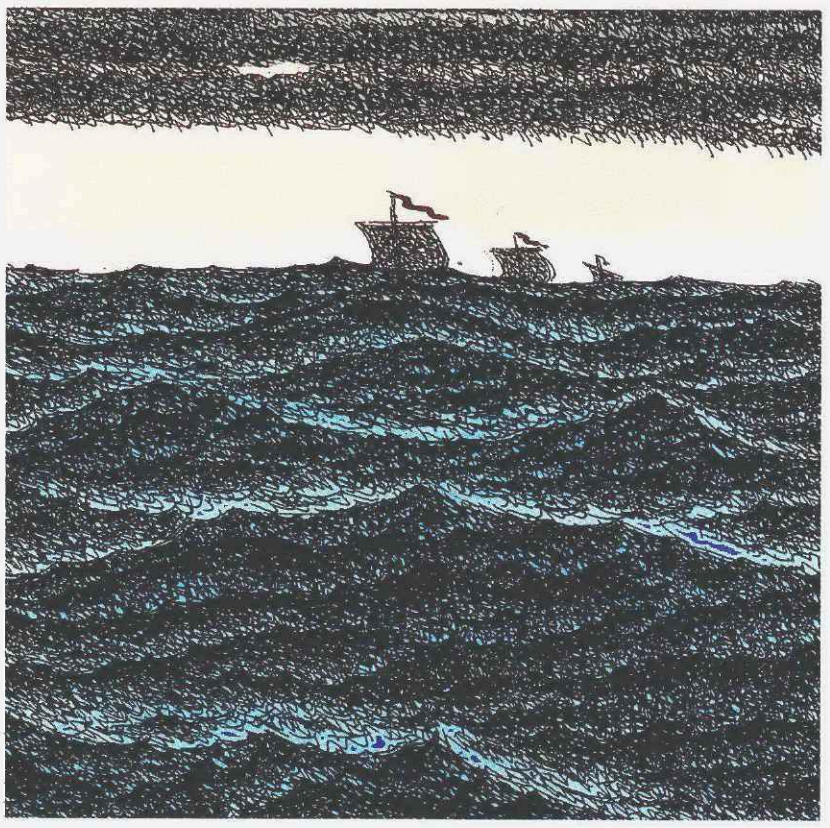
Two months ago, Charles Jeffress, assistant secretary of labor for the federal Occupational Safety and Health Administration, announced that OSHA was taking suggestions on ways to reduce needlesticks.

Reed Franklin, associate director of government affairs for the Washington-based American Nurses Assn., said he is encouraged that OSHA is getting involved. "I don't feel employers are doing enough on their own," Mr. Franklin said.

But Loma Linda's Mr. Hubbard isn't convinced that OSHA will handle the issue efficiently, and he said he believes his facility would try to act in the best interest of its staff "absent any mandate."

Others are disheartened that OSHA is willing only to take suggestions instead of taking action. "We've been providing OSHA with information on this for years," complained Dr. Jagger. "It seems more like an opportunity to delay." BI

Expanding the world of perils to cover



When an uncommon exposure appears on the horizon, call CNA E&S. We thrive on tailoring coverage to meet any need.

CNA E&S is growing steadily by exceeding customer expectations. Together with you, we'll expand opportunities. Backed by the strength of CNA and our dedication to specialty lines, there's nothing to stand in our way.

Please call us the minute an unusual peril is sighted.

312.876.3348 (Chicago)

212.440.3150 (New York)

www.cna-es.com

Innovation, Intelligence & Integrity

CNA E&S

CNA WEATHER GUARD · LIQUOR LIABILITY · NONSTANDARD AUTO · GUN DEALERS · ELEVATOR MAINTENANCE CONTRACTORS · MUNICIPAL PROFESSIONAL LIABILITY · CONTRACTORS' EQUIPMENT RENTAL · RAILROADS · SPECIALTY COMMERCIAL AUTOMOBILE · EXCESS WORKERS' COMPENSATION · PRIMARY AND EXCESS CASUALTY · GROUP PERSONAL EXCESS · FINANCIAL RISK TRANSFER

CNA E&S is a business division of CNA. Coverage is underwritten by one or more of the CNA member insurance companies. Availability in the admitted market is subject to state insurance department approval. CNA is a registered service mark and trade name of CNA Financial Corporation.

RELIANCE NATIONAL'S
Workers' Compensation Alternatives



The sound of an ambulance can be very intimidating. Even more intimidating for an employer whose employee is injured on the job. That same siren, however, can also be catastrophic. Catastrophic for self-employed individuals who, in some states, cannot even purchase workers' compensation insurance. And when an accident strikes – it's often disastrous!

At Reliance National, we've made it a top priority to offer the most attractive alternatives for the Workers' Compensation marketplace. Our aggressive approach to offering comprehensive alternative programs includes a shared expertise between underwriting disciplines. This approach allows us to offer our clients nontraditional coverages that blend A & H and Casualty market capacity and know-how that can be tailored on an individual needs basis.

Alternative Programs include:

- Excess Occupational Accident
- Nonsubscriber Occupational Accident
- Truckers' Occupational Accident
- Various Types of Workers' Compensation Carve-Outs
- "Opting Out" Alternatives
- Excess Employers' Indemnity
- Primary Employers' Indemnity

THE CHOICE

Reliance National

A Reliance Group Holdings Company

77 Water Street, New York, N.Y. 10005

For further information write us or call (212) 858-6602

http://www.RelianceNational.com

Reliance National products and programs are underwritten by Reliance Insurance Company, Reliance National Indemnity Company, Reliance National Insurance Company, Reliance Insurance Company of Illinois, Reliance Universal Insurance Company, United Pacific Insurance Company and/or Reliance Surety Company.

© 1998 Reliance National

Opinions

Change the law, court will follow

Businesses in many states are, no doubt, throwing their weight in the upcoming elections behind candidates who support pro-business agendas.

Just as important may be putting their weight behind efforts to throw out elected officials who consistently put business interests last and thereby make it more difficult for companies to grow and profit.

One state where the latter effort is under way is Ohio, where the Ohio Chamber of Commerce is pushing to unseat an elected state Supreme Court judge who consistently rules against business interests, in particular on workers compensation matters.

Business organizations frequently focus on candidates for legislative and executive positions at the state or federal level who are most aligned with their interests. More rare is campaigning for or against elected members of the judiciary, who can have just as great an impact on businesses.

For several years now, the Ohio Chamber has tracked the stance of elected judges on business issues before the courts. It currently is targeting one Republican judge, Paul E. Pfeifer, who, despite his membership in what is traditionally seen as the pro-business party, has what it sees as a record of aligning with Democrats on the bench to form an anti-business majority.

One recent case in particular has drawn the Chamber's attention and further demonstrates the Chamber's desire to unseat Associate Justice Pfeifer. In the case, a majority of the Ohio Supreme Court, including Justice Pfeifer, ruled that an employee who alleges work-related mental injury not caused by a physical injury can bring a tort suit against her employer. The ruling sets a precedent in Ohio, because the workers compensation law does not consider so-called "mental-mental" claims a compensable injury.

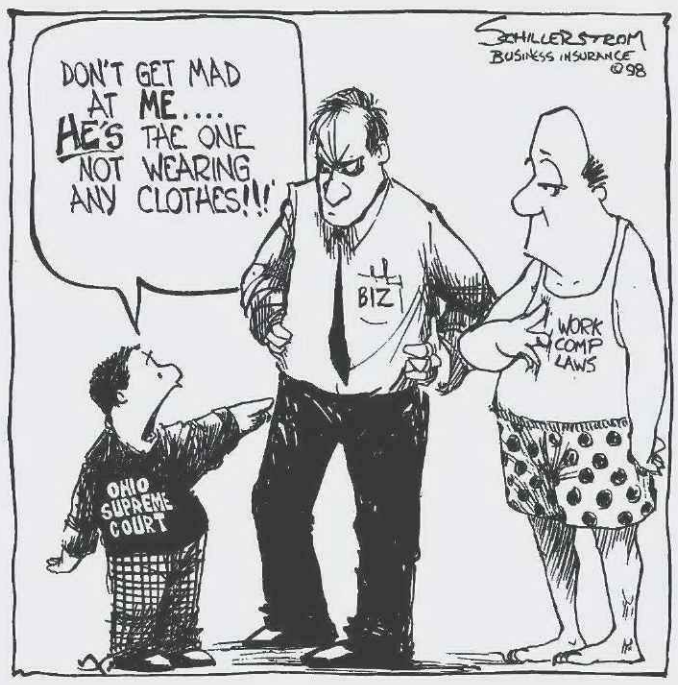
Ohio businesses are up in arms that the court has opened up a new avenue for tort lawsuits against employers.

While we can appreciate that this may seem like one more reason to unseat the judge, we believe that the limitations of the state's workers compensation law left the court with few alternatives in this case.

If businesses wish to avoid costly lawsuits brought by employees alleging mental injuries caused by their jobs, then the next lobbying effort should be directed at amending the state's workers compensation statutes.

Currently, only a minority of states still deny compensation for purely mental injuries not predicated by physical injuries. That limitation on compensability only serves to remove such claims from the protection that workers compensation's exclusive remedy affords employers.

While businesses' knee-jerk reaction may be to bemoan yet another ailment added to the list of compensable claims, we believe it would be far more manageable and less costly to deal with such claims under the workers comp system than in civil trials before unpredictable juries—or



judges.

In this day and age, it's hard to deny that the work environment can lead to disabling mental illnesses or injuries. The case before the court provides an apt illustration of such claims. The claimant, Rachel Bunger, allegedly suffered a "post-traumatic stress reaction" after witnessing a robbery at the Dairy Mart convenience store where she worked. She was unable to continue to work at the store and obtained medical treatment for her psychological injury. When Ms. Bunger sought workers comp benefits for her condition, they were denied since she had suffered no physical injury. Had she been shot during the holdup, the claim would have been covered.

The trial and appeals courts issued rulings reminiscent of Catch-22: Ms. Bunger's comp claim was denied because her condition did not result from a physical injury, yet a tort action was denied because her condition arose during the course and scope of her employment.

The Supreme Court essentially ruled that if a claim is not covered by workers comp, then the claimant cannot be barred from pursuing common law remedies.

Now that the court has created this path to the courthouse for plaintiffs with purely mental injuries, we think businesses in Ohio might want to rethink the scope of their comp statutes and lobby for inclusion of mental-mental claims.

Getting rid of the judges who interpret laws unfavorably for business is one way for businesses to protect themselves. But for more lasting and predictable protection from lawsuits, businesses need to throw their weight behind meaningful legislative reforms.

Letters

Lloyd's name argues for legislative relief in U.S.

To the editor: I believe the Oct. 19 Update, "Provision Would Protect Names from Lloyd's Judgments Abroad," is misleading and inaccurate.

The proposed legislation would have no impact on policyholders. The English court judgments are for monies that would go to Lloyd's, not Equitas or any policyholder. You also should have realized that nothing in the proposed legislation would have prevented U.S. policyholders from suing a U.S. name to cover a valid insurance claim.

The proposed legislation was a reasonable response to the English courts preventing names from making a fraud defense in response to Lloyd's efforts to reap the rewards of its fraud. In other words, the U.S. names were prevented from claiming: "Lloyd's, we don't owe you $90 million because you defrauded us."

Under the proposed legislation, U.S. names would still have the burden of establishing that the English Court judgments resulted from a transaction that previously violated U.S. securities fraud statutes.

The U.S. insurance industry should recognize a real, serious threat to U.S. policyholder security: a series of bylaw changes recently proposed by Lloyd's ruling Council.

These bylaw changes would modify the composition of the Lloyd's Council according to the proposals of the "Pen Kent Committee." The new bylaws would clear the way for Lloyd's to become entirely backed by limited liability capital. This metamorphosis of Lloyd's capital structure would allow the Council to eliminate Lloyd's Central Fund and Joint American Trust Fund, which currently safeguard U.S. policyholders in the event Equitas ever runs out of money.

When Equitas was authorized by the New York Insurance Department in late 1996, the ongoing Lloyd's market was required to indemnify Equitas with the Central Fund and the JATF. This indemnification will be moot if Lloyd's is permitted to restructure its ruling Council and capital base.

Jack Shettle
Chairman
American Names Assn.
Rancho Santa Fe, Calif.

■ *Editor's note: The Lloyd's provision was stripped from the final budget bill.*

Business Insurance welcomes letters to the editor. The section is intended to be a forum for readers' opinions and comments. We reserve the right to edit letters for clarity or space. We will not publish unsigned letters. Please send your letters to Letters to the Editor, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611; fax: 312-280-3174; e-mail: pwinston@crain.com

Business Insurance®
Reporting weekly on corporate risk, employee benefit and managed health care news

Vice President/Publisher/Editorial Director: Kathryn J. McIntyre, ARM. *(Chicago)*
Associate Publisher/Advertising Director: Martin J. Ross III *(New York)*
Editor: Paul D. Winston *(Chicago)*
Editor-at-Large: Jerry Geisel *(Washington)*
Managing Editor: Regis J. Coccia *(Chicago)*
Senior Editors: Meg Fletcher, ARM. *(Chicago)*; Judy Greenwald *(San Jose)*; Dave Lenckus *(Tucson)*; Douglas McLeod *(New York)*; Roseanne White *(Washington)*; Joanne Wojcik *(Los Angeles)*
Washington Editor: Mark A. Hofmann *(Washington)*
Assistant Managing Editor: Todd J. Behme *(Chicago)*
Bureau Chiefs: Sarah Goddard *(London)*; Gavin Souter *(New York)*
Graphics Editor: Kathy L. Barnes *(Chicago)*
Copy Editor: Mary B. Nick *(Chicago)*
Assistant Copy Editors: Richard Trout *(Chicago)*; Matt Scroggins *(Chicago)*
Associate Editors: Michael Bradford *(New Orleans)*; Roberto Ceniceros *(Los Angeles)*; Robert Kazel *(Chicago)*; Matthew MacDermott *(London)*; Michael Prince *(New York)*; Sally Roberts *(Denver)*; Edwin Unsworth *(London)*; Rodd Zolkos *(Chicago)*
Directory Editor: Sandra L. Budde *(Chicago)*
Editorial Assistant: Amanda L. Milligan *(Chicago)*
Production Assistant: Amy R. Kepka *(Chicago)*
Assistant to the Publisher: Karen Brown Tucker *(Chicago)*
Editorial Cartoonist: Roger Schillerstrom *(Chicago)*
National Sales Manager: Steve Akins *(New York)*
Midwest Advertising Manager: Robert L. Niesse *(Chicago)*
District Managers: Blake Delony *(New York)*; Chris Graff *(New York)*; Roger Lynch *(New York)*; Elizabeth McGahren *(New York)*; Deborah D. Neale *(Chicago)*
Classified Advertising Manager: Irais Amleshi *(Chicago)*
Sales Assistant: Lori Lieberman *(Los Angeles)*
Production Manager: Elmer Kerslowske *(Chicago)*
Director of Communications: Ronnie I. Drachman *(New York)*
Promotion Manager: Barbara O'Brien *(New York)*

EDITORIAL: Chicago: 312-649-5398; Denver: 303-698-7601; London: 171-457-1400; Los Angeles: 213-651-3710; New Orleans: 504-269-9988; New York: 212-210-0100; San Jose: 408-774-1500; Tucson: 520-579-1937; Washington: 202-662-7200
ADVERTISING: Chicago: 312-649-5276; New York: 212-210-0228; Los Angeles: 213-651-3710
COMMUNICATIONS: New York: 212-210-0132
SUBSCRIPTIONS: Detroit: 888-446-1422

Business Insurance is published by Crain Communications Inc.

Keith E. Crain, Chairman; Merrilee Crain, Secretary; Rance Crain, President; Mary Kay Crain, Treasurer
William A. Morrow, Executive Vice President/Operations
Robert C. Adams, Vice President/Production
Peter Johnson, Vice President/Circulation

G.D. Crain Jr., *Founder (1885-1973)*; Mrs. G.D. Crain Jr., *Chairman (1911-1996)*
S.R. Bernstein, *Chairman-executive committee (1907-1993)*

Published weekly at 740 Rush St., Chicago, Ill. 60611-2590, Fax 312-280-3174, E-mail: biweb@crain.com, Offices: 220 E. 42nd St., New York, N.Y. 10017-5806, Fax 212-210-0704, CRAIN COM NYK; 2726 Prytania, #6, New Orleans, La. 70130, Fax 504-269-0858; Suite 814, National Press Building, Washington, D.C. 20045-1801, Fax 202-638-3155; 6500 Wilshire Blvd., Suite 2300 Los Angeles, Calif. 90048-4947, Fax 213-655-8157; 967 Bermuda Court, Sunnyvale, Calif. 94086-6750, Fax 408-774-1155; New Garden House, 78 Hatton Garden, London EC1N 8JQ England, Fax 171-457-1440; 8157 N. Torrey Way, Tucson, Ariz. 85743, Fax 520-579-3476; 777 E. Speer Blvd., Denver, Colo. 80203-4214; Fax 303-733-2244. $4 a copy and $87 a year in U.S. $105 in Canada and Mexico (includes GST). All other countries $205 a year (includes expedited air delivery). DON MIERENDORF, circulation manager. Four weeks' notice required for change of address. Send subscription correspondence to Circulation Department, Business Insurance, 965 E. Jefferson Ave., Detroit, Mich., 48207-3185, or phone 888-446-1422 or 313-446-0450, Fax 313-446-6777. Microfilm copies are available from University Microfilms, 300 Zeeb Road, Ann Arbor, Mich. 48013. Microfiche copies available: Bell & Howell, Micro Photo Division, Old Mansfield Road, Wooster, Ohio 44691. Portions of the editorial content of this issue are available for reprint or reproduction in other media. For information and rates to reproduce in general circulation media, contact: JOSEPH P. HANLEY, Crain News Service, 220 E. 42nd St., New York, N.Y. 10017-5806, 212-254-0890. For reprints or reprint permission contact: KAREN BROWN TUCKER, Business Insurance, 740 N. Rush St., Chicago, Ill. 60611-2590, 312-649-5319, Fax 312-280-3174.

www.businessinsurance.com

TO SUBSCRIBE CALL 888-446-1422 • 313-446-0450 outside of the United States



Introducing the CorVel Healthcard.

Simple, Effective, Affordable.



The CorVel Healthcard offers up to 50% discounts on medical, dental, pharmacy and vision care products and services nationwide. Our program provides healthcare savings to all of your employees, regardless of any pre-existing medical conditions or their participation in your current benefit plan. The Healthcard can supplement your existing program by offering additional discounts on items your employees value, such as contact lenses, dental check-ups or prescription medications. And for employees without healthcare benefits, the CorVel Healthcard is the affordable solution for all of their healthcare needs.

CorVel

Call 1-888-7-CORVEL for more information or visit our website: http://www.corvel.com

Slips

Continued from page 3

ing such accidents may be on the way.

The American Society for Testing & Materials, based in Conshohocken, Pa., has two current projects that could make a difference. The standards development organization is about a year from concluding work on an analysis method for testing floor safety in specific work environments, said George Widas, chairman of the ASTM task group developing the analysis method.

Currently, the U.S. Occupational Safety and Health Administration requires that workplace floors meet a slip-resistant standard measured at a 0.5 coefficient of friction. Many employers and floor manufacturers strive to meet that number, Mr. Widas said. The number is widely used in a general sense, with many employers installing flooring that meets that standard in a laboratory setting. But the material actually could be deadly under the specific conditions of some workplaces, he said.

"In order to say 0.5 slip resistance is safe enough, you have to say under what conditions and for who, doing what," Mr. Widas said. "It's now subjective and varies from industry to industry."

"The reason that many people believe that we still have 8 million to 10 million fall injuries a year in the United States is because people are not following a safety recipe for their installation," Mr. Widas continued. "They are looking for some representation of what is safe universally, and there is no such thing."

To improve matters, Mr. Widas' ASTM task group is developing an analysis method that will allow an employer to determine what constitutes a safe floor under its specific conditions. The committee is also looking at a similar process for footwear.

Contaminations on shoes and floors almost immediately reduce slip resistance of floors, Liberty Mutual research shows.

"You implement these proposed standards when they are developed and approved, and your loss ratio will go down," Mr. Widas promises. "This is a formula for success in safety of footwear and flooring."

Attorneys and other professionals involved with workers compensation eagerly are awaiting the conclusion of ASTM's new work, Mr. Ewing said.

However, Mr. Widas conceded, the new analysis methods could help plaintiffs, as well as employers, if plaintiffs are able to use them to show that employers have not done everything possible to make their floors safe.

Floor and shoe manufacturers that specialize in work safety products say employer interest has intensified, and there is plenty of new competition aimed at feeding a growing market.

Indeed, there is a preoccupation with floor treatments, cleaning products and slip-resistant tiles and shoes, several experts said.

But companies are learning that even a light coat of dust, water, grease or metal shavings can reduce the effectiveness of these various safety products.

Regardless of the industry or safety materials in place, floor cleaning is the most effective action an employer can take, said Mr Leamon of Liberty Mutual's Research Center.

"One of the things we have found in our research is contaminations on shoes and floors almost immediately reduce the slip resistance of every floor we have looked at," he said. "Whatever the floor manufacturer tells you, he is testing in a lab where he cleans the floor tiles. . .and takes an ideal circumstance. We are pretty certain they don't predict performance very well."

But, challenged by volume buyers, floor and shoe product manufacturers have made improvements, said Christopher E. Mandel senior director-worldwide risk management for Tricon Global Restaurants Inc., based in Louisville, Ky.

Tricon restaurants, which include Pizza Hut, Taco Bell and Kentucky Fried Chicken, have reduced slip-and-fall accidents in recent years, though they continue to be a frequent concern requiring vigilance, Mr. Mandel said.

There is likely no one product that will be effective for every industry or even for every restaurant, Mr. Mandel said. With many available products, the best advice is for companies to test them at a small number of facilities, Mr Mandel said.

For example, Tricon recently tested a microbial cleaner that produces live organisms purported to eat the grease splattered on floors.

"It seemed to work, but when we tested it against other standard floor cleaners and what it took to get the team to use it correctly, we ended up concluding it was too new technology," Mr. Mandel said. Perhaps with improvements it will be of more use to Tricon in the future, he said.

Floor safety products can also produce their own workers compensation hazards. That happened at one California quick-service restaurant when workers mixed a floor etching product with another chemical stored in the facility.

The floor etching product, when mopped on and left to stand for 20 minutes, creates tiny peaks and valleys in floor tiles. But when mixed with the other chemical, it produced noxious fumes, said the restaurant chain's risk manager, who asked not to be identified.

To avoid similar problems, the restaurant company ordered its line managers to rid all of its facilities of the remaining etching solution, the risk manager said. However, some of the managers at individual restaurants continued to horde the etching product because it seemed effective for reducing their restaurants' slip-and-fall losses. Those losses currently are the No. 3 cause of accidents in the restaurant company, but they account for the most dollars spent on workers comp injuries.

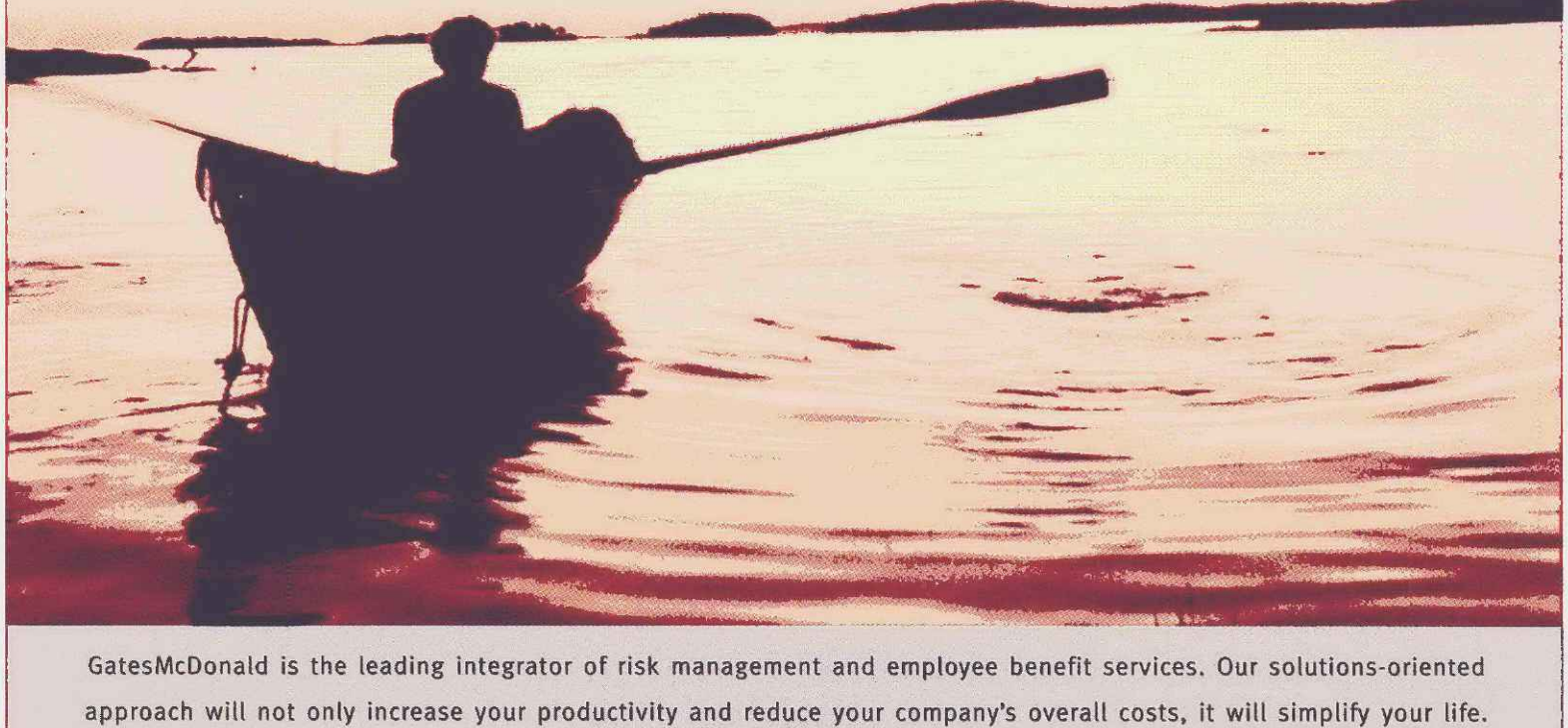
Yet even the prized etching substance required good cleaning practices to keep grease from filling in the etched-out surface. Regardless of the product, the real challenge is ensuring that workers regularly mop and brush the floors, the risk manager said. "It's all about training and local management and making sure it's happening." BI

RIGHT NOW

HE'S BUSY MANAGING 375 EMPLOYEE ABSENCES, AGGRESSIVELY REDUCING

LOST WORK DAYS BY 34%, SHRINKING DISABILITY COSTS 30%...

AND KEEPING HIS PEACE OF MIND.



GatesMcDonald is the leading integrator of risk management and employee benefit services. Our solutions-oriented approach will not only increase your productivity and reduce your company's overall costs, it will simplify your life.

1-800-336-4733

GATESMCDONALD®
Shared Vision...Quality Results
Member of the Nationwide Insurance Enterprise®

www.gatesmcdonald.com

Workers' Compensation • STD • LTD • Absence Management • Medical Management • Group Health • Unemployment Compensation • Auto and General Liability • Property • Loss Control

This is not an Independent Insurance Agent...

*...It's your **most important** Business Partner*



In today's complex world of insurance, you need a proven professional who can help you compete. Your Independent Insurance Agent knows the insurance needs of your business, and your community. Put them to work for you and take advantage of their years of experience. If you do, you'll realize what we at Travelers have known for over 130 years. The Independent Insurance Agent is your most important business partner.

We've made choosing the right business partner easier.
Call your local Travelers Agent today.

Travelers Property Casualty
A Member of *Travelers Group*

How money works now[SM]

©1998 Travelers Property Casualty Corp., Hartford, CT 06183. All Rights Reserved.

Janet Knott



Bath, Maine:

Schoolkids take initiative and push their stalled school bus (and a few of their schoolmates) towards a gas station.

Group Disability, Life and Dental • Variable Universal Life and Annuities • Long Term Care • Mutual Funds
Individual and Small Group Health • Preneed • Provider Excess • Credit Related Insurance Services

A community that isn't afraid to get out and push teaches us something about effort and commitment.

FORTIS

Solid partners, flexible solutions℠

Fortis:

Along the road, we've learned what it means to serve the community and when you need a hand, we can pitch in with insurance and investment solutions for businesses and individuals. Call your insurance professional or Fortis at 1-800-377-7282, or log on to www.us.fortis.com.

Privacy

Continued from page 3

Legislative activity may occur on both the state and the federal levels. States may consider adoption of a model law, the Health Information Privacy Model Act, that was approved by the National Assn. of Insurance Commissioners at its plenary session Sept. 14. The model law, which would apply to all insurers, would require them to develop and implement policies, standards and procedures to address the handling of all health information. It also would regulate protected, or individually identifiable, health information.

On the federal front, under the 1996 federal Health Insurance Portability and Accountability Act, Congress has until August 1999 to enact legislation governing the privacy of medical records. The secretary of Health and Human Services is directed to promulgate regulations if Congress fails to act, though inaction by lawmakers is considered unlikely.

Prominent among the bills introduced in Congress in this area is the Health Care Personal Information Non-disclosure Act of 1998, which was introduced in April by Sen. Jim Jeffords, R-Vt., who chairs the Labor and Human Resources Committee, where the bill now rests (*BI*, April 27). Its co-sponsor is Sen. Christopher Dodd, D-Conn.

The Jeffords-Dodd bill, S.B. 1921, is intended to "establish strong and effective mechanisms to protect against the unauthorized and inappropriate use of protected health information," according to the proposed legislation.

In addition, a patient protection bill that includes similar medical privacy provisions, H.R. 4250, has already been approved by the House, and the Senate may consider its own version of that bill next year (*BI*, July 27).

Although H.R. 4250, which was introduced by House Speaker Newt Gingrich, R-Ga., is a comprehensive health care bill, it is "much more modest" on the issue of privacy than the free-standing Jeffords-Dodd bill, which deals with that issue exclusively, said Eric J. Oxfeld, president of UWC Inc., a trade group that focuses on workers comp and unemployment insurance and represents both employers and insurers.

There was no Senate action on the Jeffords-Dodds bill before Congress adjourned.

With the August 1999 deadline still several months away, "it just was difficult to attract attention at this time, when there are other health-related issues in more active consideration," said a spokesman for the Senate Labor and Human Resources Committee.

But it will definitely be considered next year, he said. "Congress, I'm sure, will act with some kind of legislation rather than allow the HHS department to administratively take action," the spokesman said.

"It's still kind of early," Nancy Schroeder, director of workers comp for the National Assn. of Independent Insurers in Des Plaines, Ill., said of federal action on medical records privacy. "Part of the confusion has to do with everybody waiting for elections, particularly this year, before they make any predictions for next year."

The concept of how best to protect personal medical records "has not really gestated yet," agreed Mr. Oxfeld. "It has not yet matured as an issue," he said.

"The fact is that it has received very little public attention within the business community or the public at large, and we expect there to be, as people realize what is on the table, more attention paid to it next year," he said.

Sure to also receive additional scrutiny is the extent to which any federal privacy law would apply to workers comp.

This "is still very much up in the air, and the level of awareness among some of the (Senate committee) staff dealing with this issue is still pretty minimal," said Mr. Oxfeld. "There are conflicting answers sometimes when you ask the question, 'Does this apply to workers compensation?' " he said.

The AIA's Mr. Wood said the Jeffords-Dodd bill is flawed because, even though it does not explicitly include property and casualty and workers comp insurers, it does list several rules "the effect of which would be to require workers comp insurers to obtain multiple authorizations for obtaining information from entities that are covered in the bill."

The AFL-CIO wants injured workers to be provided for in any privacy legislation, said Mr. Ellenberger. "We have been in communication with the secretary at (Health and Human Resources) to insure that there's no exceptions made for workers comp insurers, that they be bound by the same privacy concerns that are all others who are privy to such information," said Mr. Ellenberger.

"There are really two levels'" of concern here, said Mr. Oxfeld. One is the procedures that will be in place to protect information that has already been gathered. The other is the procedures that will be imposed to give the person who is the subject of the information rights to withhold it, he said.

The Jeffords-Dodds bill, for example, would require workers to give written authorization before the employer or insurer could obtain information about their treatment. But once that information is obtained, there are not any restrictions on its disclosure. "We thought that was backwards," said Mr. Oxfeld.

By contrast, he said, the House bill says if you have the information, you must take certain steps to see it is not abused, "but it doesn't throw up roadblocks to getting information you need," said Mr. Oxfeld.

Mr. Oxfeld noted that the NAIC model law does not have prior authorization provisions for the release of records but does impose restrictions on disclosures once the employer or insurer has obtained the information.

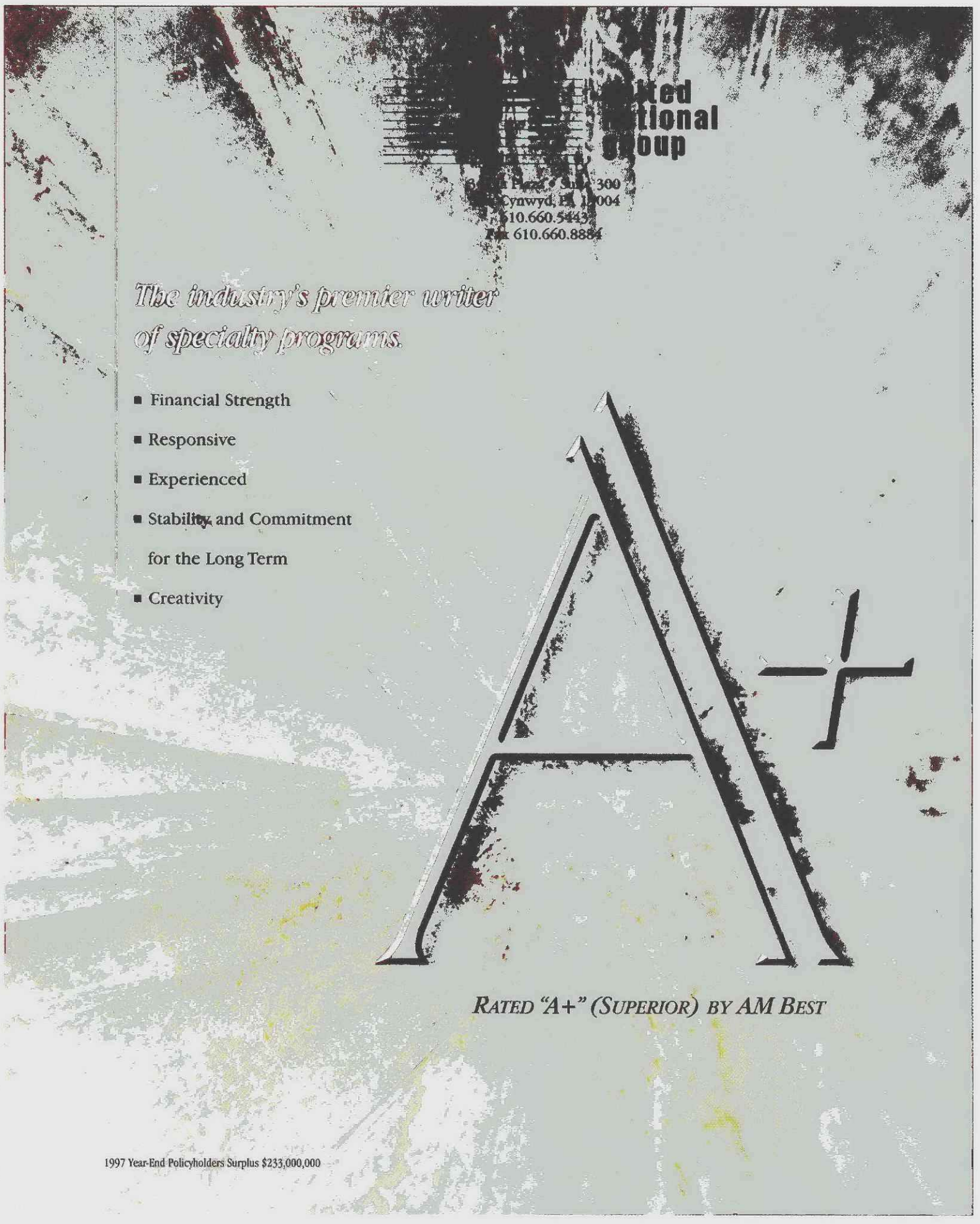
Proposals such as the NAIC model bill, though, "would restrict employers' access to experience and loss data, a necessary tool in the evaluation and enhancement of risk management programs," warned RIMS in a position statement issued earlier this month.

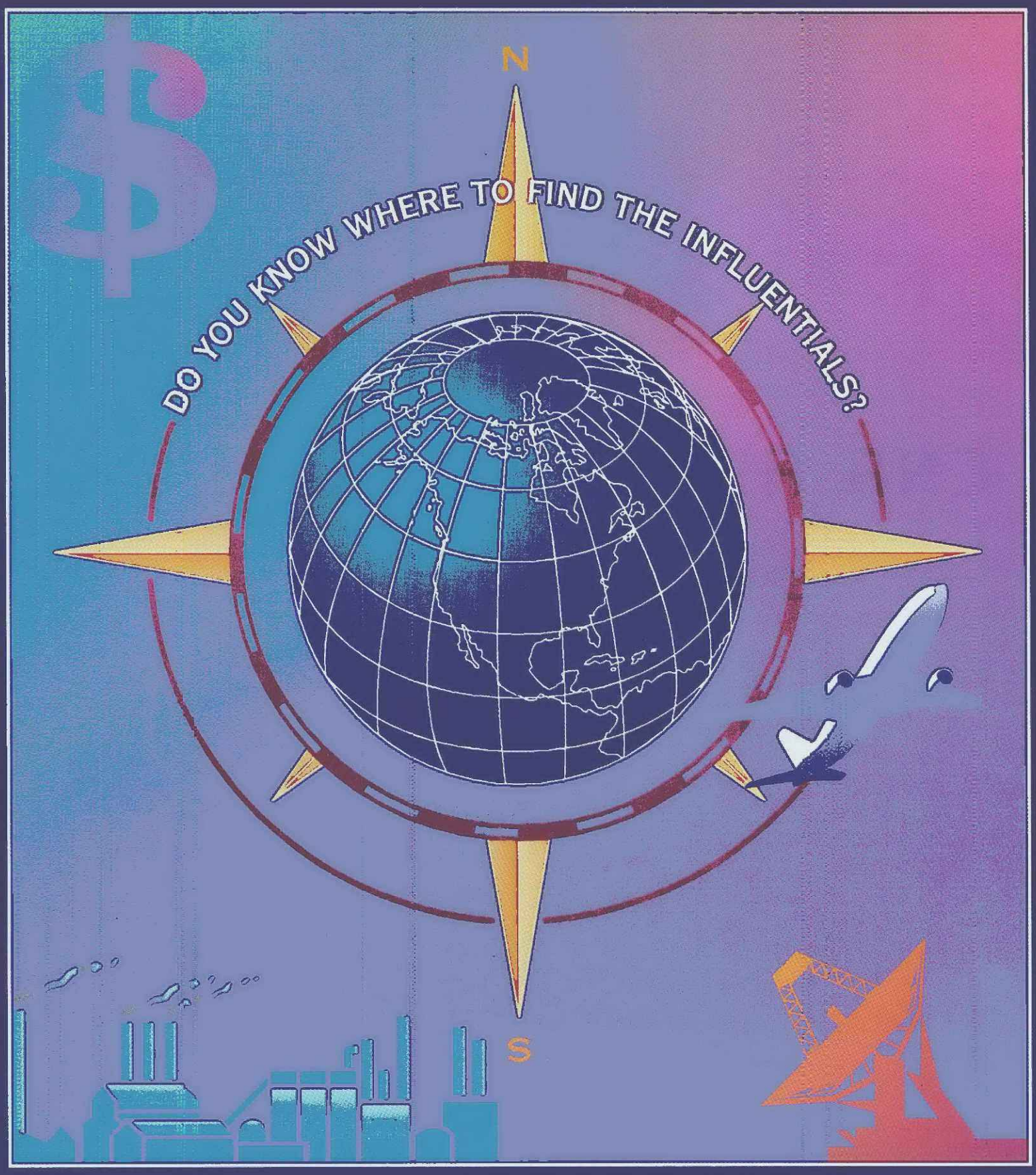
One lingering question is the issue of federal pre-emption of any state action.

"My concern is the states aren't going to have the option" to take action on the issue because, unlike the property/casualty area, Congress usually dictates what the states may do in the health area, said South Dakota Insurance Director Darla Lyon, who chairs the NAIC's Commercial Lines (D) subcommittee and its workers compensation task force.

Congress will likely establish a

See **Privacy** *on page 20*





1998 1999 DIRECTORY OF BUYERS

When you want to reach corporate influentials who matter most in purchasing commercial insurance, risk management, employee benefits and related products and services, you'll want to reach for the most comprehensive reference tool from the publishers of *Business Insurance*.

In the Directory of U.S.-Based Corporate Buyers you'll find nearly 18,000 executives from more than 3,000 companies. Listings include company address, telephone and fax numbers, plus vital statistics on:

- primary type of business
- revenue or assets, when available
- number of employees, when available
- name and title of chief financial officer
- names and titles of executives directly responsible for employee benefits . . . pension/retirement plans . . . personnel . . . risk & insurance management . . . property/casualty insurance . . . international employee benefits and/or risk management.

The sixteenth annual edition of *BI's* Directory of U.S.-Based Corporate Buyers is only $95*. You'll get a 15% discount on orders of 5 or more copies.

The Directory of U.S.-Based Corporate Buyers is also available on disk for the PC. You can print your own labels or reports in a variety of formats directly from your computer. The disk is $595 or $297.50 for an upgrade from a previous version. Special pricing is available for network/multiple users.

For information about the BID Software, or to order your printed copy, call: **313-446-1623.**

*Plus tax where applicable.

Business Insurance
www.businessinsurance.com

CNA RISK MANAGEMENT PRESENTS ITS STRATEGIC DESIGN FOR SERVICES IN THE NEW MILLENNIUM.

INTRODUCING

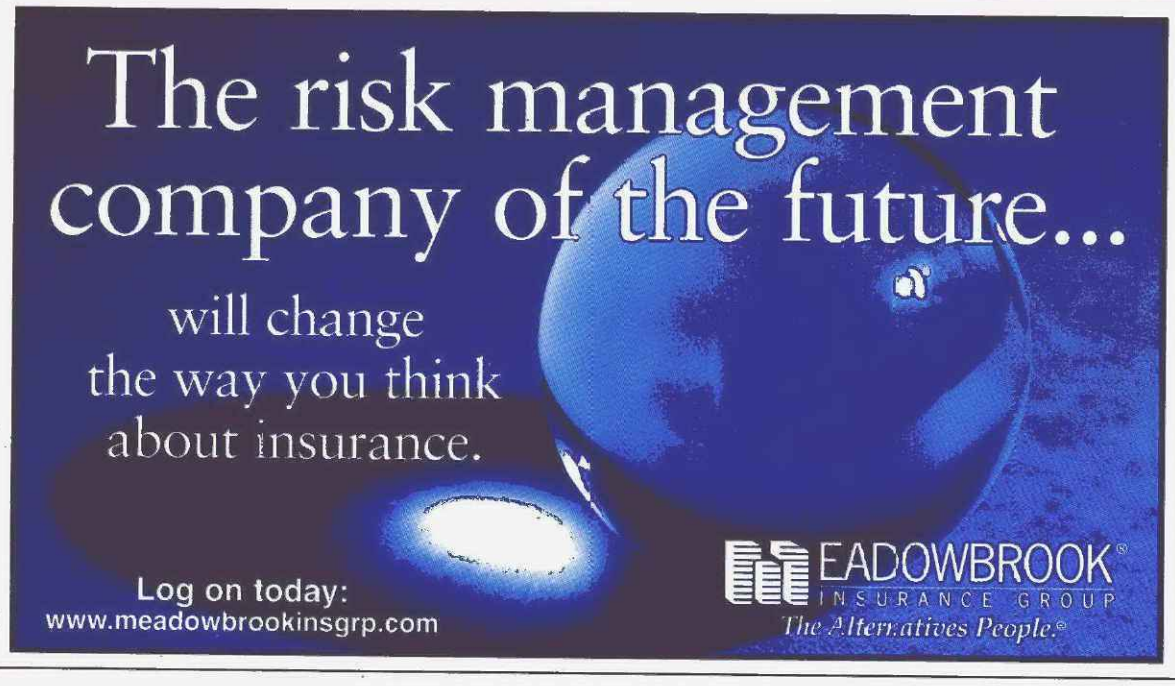
SM RSKCo

PREEMINENCE REDEFINED.

ANNOUNCING A RISK SERVICES ORGANIZATION THAT DEFINES PREEMINENCE NOT BY THE SEIZING OF OPPORTUNITIES BUT BY THE CREATING OF THEM. OUR SCALE BRINGS YOU UNPARALLELED PROBLEM-SOLVING CAPACITY THAT IS UNIQUE TO RISK MANAGEMENT.

Claims Services • Loss Control Services • Information Services • Cost Management

Claims Services and Information Services are provided by Transcontinental Technical Services, Inc., a member company of RSKCo. Loss Control Services are provided by Ctek, Inc. and Smith System Driver Improvement Institute, Inc., member companies of RSKCo. Cost Management Services are provided by Continental Rehabilitation Resources, Inc., a member company of RSKCo. The navigator globe design and the name RSKCo are protected service marks. © Copyright 1998



Privacy

Continued from page 16

certain minimal level and tell the states that, while they may be more restrictive than the federal rules, they cannot be less so, said Ms. Lyon.

"The question is whether the federal bill is the ceiling or the floor," agreed Ms. Schroeder of the NAII. Also unknown is whether Congress will pre-empt any state legislation or allow the states to adopt stronger legislation, she added.

The issue of pre-emption is one of the "fault lines" on this issue, said AIA's Mr. Wood. Although some observers find the bill's language on this aspect unclear, Mr. Wood said he believes that, under the Jeffords-Dodds bill, state law would be pre-empted only to the extent it is inconsistent with federal law. "That is a weak pre-emption standard and would result in a proliferation of varying medical privacy standards," he said.

"A strong pre-emption standard would provide that federal law pre-empts any and all state law on medical privacy. In constitutional parlance, it would occupy the field," said Mr. Wood, adding that would be a "steeper hill to climb."

While declining to explicitly state whether he favors this approach, Mr. Wood said, "I think the (insurance) companies' interest is in ensuring that there are uniform rules applicable to the exchange of information. I favor any way we could get from here to there.

"Without sounding disingenuous about that," he continued, "we are, on the one hand, supportive of state regulation of insurance, but historically, traditionally, there are some exceptions made to that, and this may very well be one of them," said Mr. Wood.

With a weak pre-emption, he said, there could well be a federal floor as well as state laws that go above that, "so you still end up with 50 states plus the District of Columbia plus the federal standard, and we're not better off under that system than we are under today's system. In fact, we're worse off."

Another approach is possible as well, said Mr. Wood. For example, instead of descriptive rules, federal legislation could set out broad principles governing any privacy legislation and provide that any state law incorporate those standards, said Mr. Wood.

In the meantime, states may delay any legislative activity on the model law in light of possible federal action in 1999. "I seriously doubt that states will take a look at it until they know what Congress is going to do" with the Jeffords-Dodd bill, said Ms. Lyon.

However, Ms. Schroeder said, "I would expect there to be some activity, but not as much as there would be otherwise," she said.

"I expect that it will be introduced in some of the states in January," said Mr. Wood, who added there has been an increasing amount of state activity in this area.

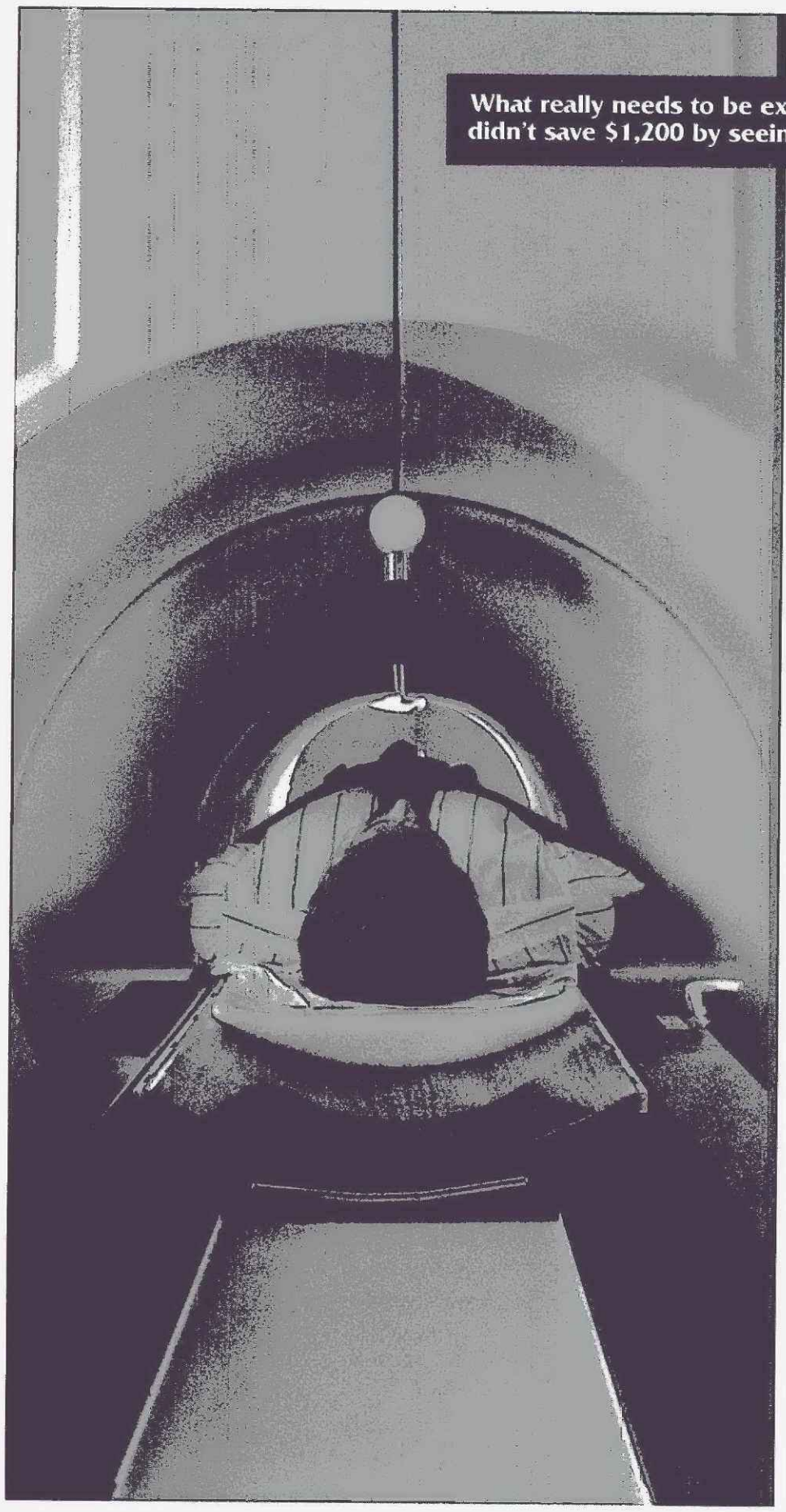
In North Carolina, for instance, hearings were held earlier this year by a state Industrial Commission on a proposal that would virtually prohibit spoken communication between employers and physicians and would require that injured workers be notified of written communications.

Risk managers and insurers oppose the proposal, which the commission prepared after the North Carolina General Assembly instructed it to do so last year.

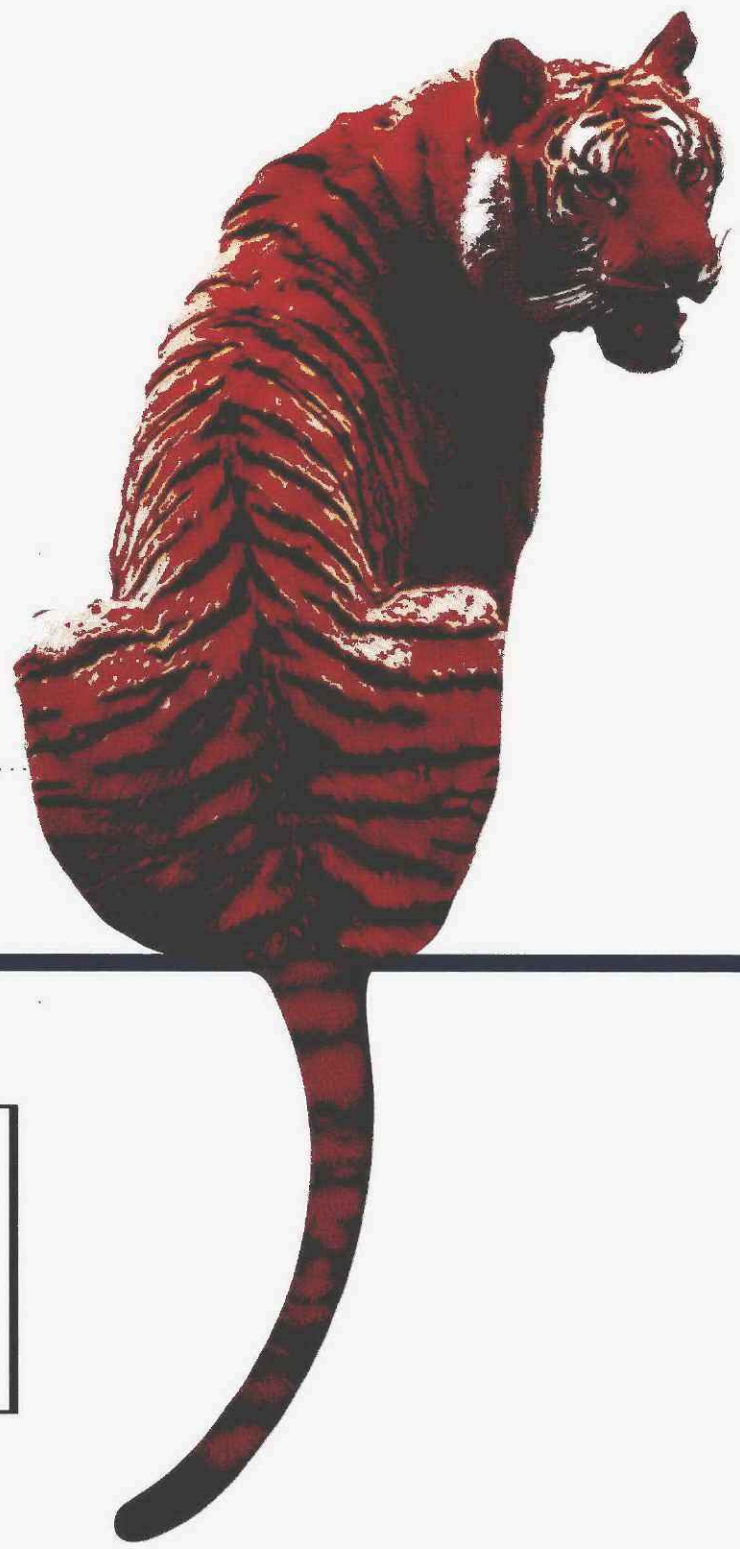
J. Howard Baum, the commission chairman, said it has been sitting on the back burner because a number of those involved have been tied up with the Legislature, which is expected to adjourn shortly.

At that point, "we will get into gear," said Mr. Baum. A committee that includes representatives from the private sector is expected to present recommendations to the commission, he said.

Mr. Toay of the Carolinas RIMS chapter, who is also president of Fort Mill, S.C.-based Loss Prevention Management, said he is optimistic a satisfactory solution will be reached on the issue. "The commission is really working hard to try to find a middle ground," he said. BI







It's all

BAL

There is a side to TIG Re that you may know: A confident, commercial side, with a reputation for exposure underwriting. That side is still very much alive, but that's only half of the TIG Re story.

The imagination and drive that helped us earn our stripes are now stronger than ever. At TIG Re, you'll also discover a renewed spirit and leadership with a reputation for taking risk and an insistence on financial prowess. We're strengthened by TIG Holdings' $7.3 billion in assets. And with our $720M in shareholder's equity and a Best's "A" Rating, today's TIG Re strikes a genuine balance

STAMFORD • ATLANTA • CHICAGO • COLUMBUS • DALLAS • HARTFORD • LO

about

N C E



There's another side to TIG Re you should know: A wise side, committed to superior financial strength through calculated but imaginative risk-taking. Does this side outweigh the other? Never. It strikes the perfect balance.

between agility and stability. Poised to pounce on opportunity, yet keenly alert to our clients' treaty, facultative and finite reinsurance needs. There has never been a better time to get to know us.

Call us at **203-977-8000**, or e-mail us at marketing@tigreinsurance.com.

TIG REINSURANCE®
You won't find a better balance.

N D O N • M I A M I • N E W Y O R K • P H I L A D E L P H I A • S A N F R A N C I S C O • S A N T I A G O

© 1998 TIG Holdings, Inc.

USAA honored for excellence in ergonomics

Program prevents injuries, decreases workers comp costs, improves morale

By MICHAEL BRADFORD

Brenda Quinones found out how eager the United Services Automobile Assn. is to accommodate employees with special needs.

Ms. Quinones, a customer account professional, happened to ask during a training session after being hired earlier this year whether it would be suitable for her to stand at times while she worked. Injuries from a car accident left her with chronic pain from herniated discs in the neck and sciatic nerve damage. She also suffers from carpal tunnel syndrome.

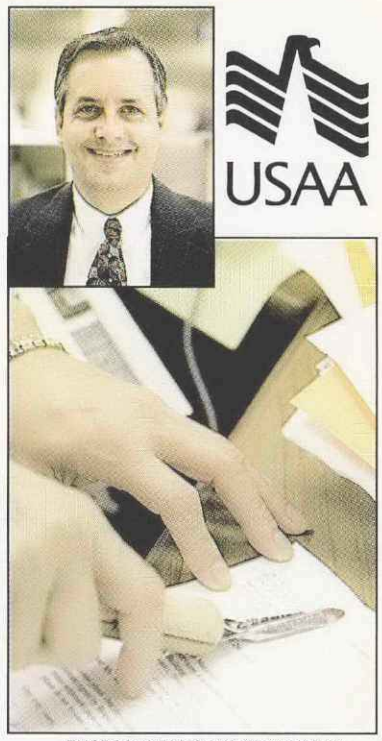
Her question led to the design of a sit/stand workstation that allows her to push a button that raises her desk so she can comfortably work while standing.

Her chair, she said, "looks like a pilot's chair," with a hydraulic system that allows it to change positions.

To alleviate the discomfort from carpal tunnel syndrome, "I had someone from ergonomics teach me to use the mouse with my left hand," she said. Her keyboard was redesigned to reduce awkward movements while typing.

Because of these and other ergonomic changes to her work space, Ms. Quinones said the daily pain she suffers has been greatly reduced. "The difference," she said, "is phenomenal."

USAA's ergonomics program is bringing down workers compensation costs, but it hasn't been a quick fix.



PHOTOS: GEORGE WEYNAND/USAA

Hank Austin, manager of safety/environmental affairs at United Services Automobile Assn. (top). An employee of USAA uses an ergonomic stapler puller.

When the San Antonio-based insurer and financial services company began its ergonomics push in the early 1990s, it aggressively sought to identify employees who were experiencing some pain or discomfort in the workplace. As a result, incidence rates began to rise, and there was a spike in the company's workers compensation costs.

Since 1992, USAA's ergonomics specialists have conducted about 7,200 one-on-one ergonomics consultations with workers. More than 20,000 employees have undergone ergonomics training, and more than 38,000 adjustments have been made to their workstations in an effort to alleviate or prevent discomfort or injury.

The company's ergonomics program has been awarded the first Outstanding Office Ergonomics Award for a private sector company by the Center for Office Technology. The City of San Jose, Calif., won the public sector award from the association (see story, page 27).

The effort continues, and the payoff has begun, according to Hank Austin, manager of safety/environmental affairs at USAA.

But as expected, USAA's numbers got worse before they got better.

Without revealing specific figures, Mr. Austin said USAA has seen a "classic bell curve" pattern in musculoskeletal disorder claims since it began attacking those injuries through ergonomic changes. As the injuries were uncovered, the number of claims rose to a peak in 1995. In 1997, the number of claims was about half the 1995 number.

Even though the number of claims increased, early intervention had an impact on medical costs, which have fallen as fewer injuries progress to the point where they need surgery. That also means there are fewer lost-time work days. Claims payouts on musculoskeletal disorders have dropped to 48% of workers comp claims in 1997 from 66% in 1992.

The decrease is important for USAA, a company that carries a large retention as part of its workers comp coverage, which is written by a unit of The Hartford Financial Services Group Inc.

Apart from falling comp costs, USAA's ergonomics effort has led to

See **USAA** *on page 26*

Wherever your business takes you, Assurex agencies can serve your insurance needs

UNITED STATES

ALABAMA
McGriff, Seibels & Williams, Inc.
Thames Batré Mattei Beville & Ison

ARIZONA
The Mahoney Group

ARKANSAS
Ramsey, Krug, Farrell & Lensing, Inc.

CALIFORNIA
Barney & Barney, LLC
Bolton and Company
DiBuduo & DeFendis Insurance Group
Woodruff-Sawyer & Co.

COLORADO
Van Gilder Insurance Corporation

CONNECTICUT
The Watson Group

FLORIDA
DavisBaldwin, Inc.
J. Rolfe Davis Insurance Agency, Inc.
Seitlin

GEORGIA
Hamilton Dorsey Alston Company
Palmer & Cay, Inc.

HAWAII
American Mutual Underwriters, Ltd.

ILLINOIS
Mack and Parker, Inc.

INDIANA
Insurance & Risk Management
M-J Insurance, Inc.

IOWA
Cottingham & Butler, Inc.
LaMair-Mulock-Condon Co.

KANSAS
Insurance Management Associates, Inc.

KENTUCKY
Powell-Walton-Milward, Inc.

LOUISIANA
Gillis, Ellis & Baker, Inc.

MARYLAND
Early, Cassidy & Schilling, Inc.
Riggs, Counselman, Michaels & Downes, Inc.

MASSACHUSETTS
Fred C. Church, Inc.

MICHIGAN
Kapnick & Company, Inc.

MINNESOTA
W.A. Lang Co.

MISSISSIPPI
Fox-Everett, Inc.

MISSOURI
The Daniel and Henry Co.
Gilbert-Magill Company

MONTANA
Terry Payne & Co., Inc.

NEBRASKA
The Harry A. Koch Co.

NEVADA
Cragin & Pike, Inc.

NEW JERSEY
NIA, Ltd.

NEW MEXICO
Daniels Insurance Agency, Inc.

NEW YORK
Frenkel & Co., Inc.
Hatch-Leonard/Markin-Shaw, Inc.

NORTH CAROLINA
Cameron M. Harris & Co.

OHIO
Berwanger Overmyer Associates
The James B. Oswald Company
Picton Cavanaugh, Inc.
Schiff, Kreidler-Shell, Inc.

OKLAHOMA
North American Group

OREGON
JBL&K Insurance, Inc.

PENNSYLVANIA
Clair Odell Group
Engle-Hambright & Davies, Inc.
The HDH Group, Inc.

RHODE ISLAND
Starkweather & Shepley, Inc.

SOUTH DAKOTA
Howalt-McDowell Insurance, Inc.

TENNESSEE
Polk & Sullivan Group, Inc.
Treadwell & Harry Insurance Agency

TEXAS
Catto & Catto
Roach Howard Smith & Hunter
John L. Wortham & Son, L.L.P.

UTAH
Fred A. Moreton & Company

VERMONT
Kinney, Pike, Bell & Conner, Inc.

WASHINGTON
Parker, Smith & Feek, Inc.

WISCONSIN
Laub Group inc.

CANADA

BRITISH COLUMBIA
Parsons Brown & Company Ltd.

MANITOBA
Ryan Gateway Insurance Brokers Inc.

NEW BRUNSWICK
Wilson Insurance Ltd.

NEWFOUNDLAND
Anthony Financial Inc.

NOVA SCOTIA
Fraser & Hoyt Insurance Ltd.

ONTARIO
Binks Insurance Brokers Limited
Keilty Muntz & Beatty Limited
Stevenson & Hunt Insurance Brokers Limited

QUEBEC
Roger Viau & Fils Inc.

INTERNATIONAL

ARGENTINA
Herzfeld & Levy S.A.

AUSTRALIA
J.M.D. Ross Insurance Brokers Pty. Ltd.
Western United Insurance Brokers Pty. Ltd.

BELGIUM
Ch. Le Jeune Limited n.v.

BERMUDA
Harnett & Richardson Ltd.

BRAZIL
Adams & Porter Ltda.

CHILE
Errazuriz Y Fisher S.A.

COLOMBIA
Correcol - Corredores Colombianos De Seguros Ltda.

ENGLAND
Robert Fleming Insurance Brokers Limited

FRANCE
SGAP

GERMANY
Assekuranzgeschaft Joh. Leonh. Orth GmbH
Gayen & Berns Homann GmbH

GREECE
Koumbas Risk Services Group

GUATEMALA
Asesores Profesionales de Seguros Internacionales S.A.

HONG KONG
New World Insurance Group of Companies

IRELAND
Coyle Hamilton Limited

ISRAEL
S. Madanes Insurance Agency Ltd.

ITALY
Assiteca S.p.A.

JAPAN
The Kyoritsu Co., Ltd.

MACAU
New World Insurance Consultants Ltd.

MALAYSIA
NWI Risk Management Consultants Sdn. Bhd.

MEXICO
Lorant Martínez Salas y Cía

NETHERLANDS
Kamerbeek Assurantiemakelaars b.v.

PANAMA
KAM & ASOCIADOS, S.A.

PHILIPPINES
Gotuaco, Del Rosario & Associates, Inc.

SHANGHAI
New World Insurance Services Limited

SINGAPORE
New World Insurance Brokers (Singapore) Pte. Limited

SOUTH AFRICA
GIB Insurance Brokers (PTY) Ltd.

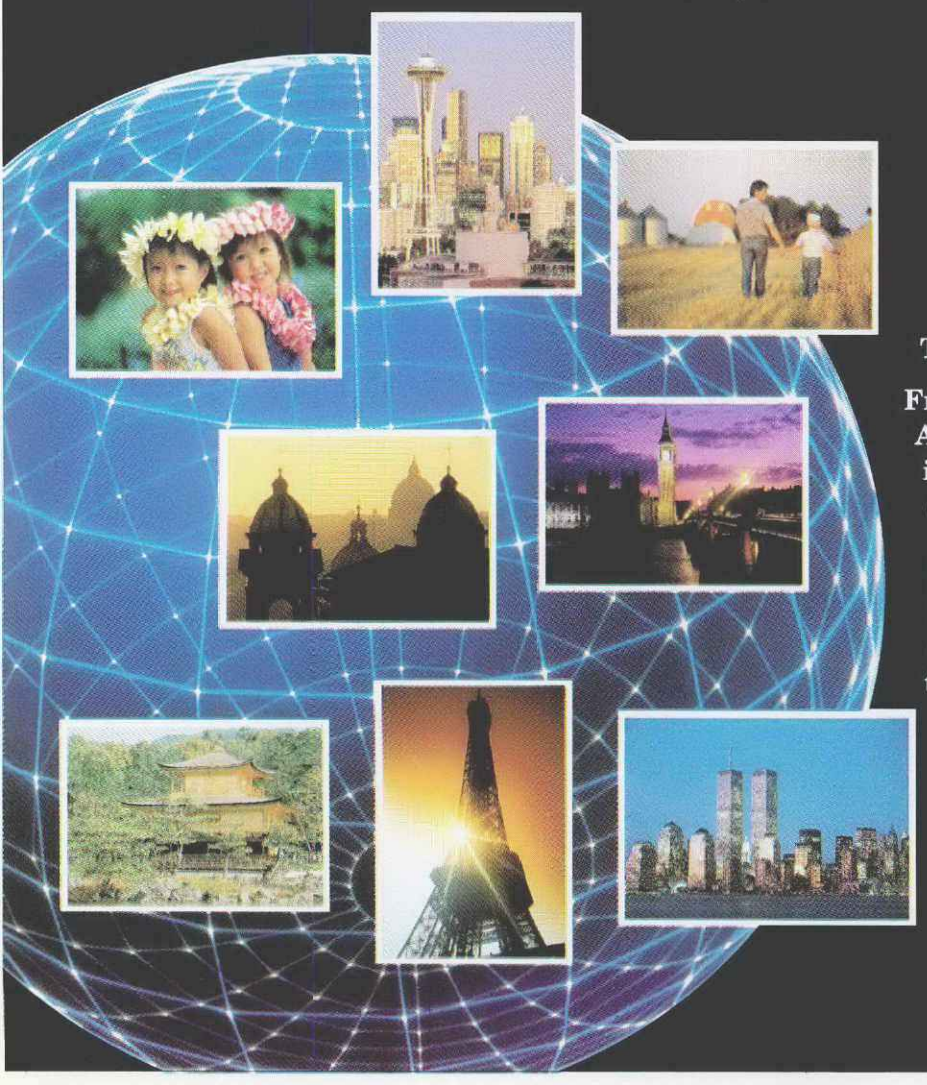
SPAIN
Comercial Gestora, S.A. (COGESA)

SWITZERLAND
Kamerbeek Schweiz AG

THAILAND
PAP New World Insurance Brokers (Thailand) Limited

VENEZUELA
Excel Insurance Brokers

ZAIRE
Ch. Le Jeune Limited (Zaire) sprl



The sun never sets on Assurex.

From Hartford to Hamburg to Hong Kong, Assurex agencies are strategically positioned in major commercial centers on six continents. Clients get the best of both worlds: skilled insurance professionals with local ties, working with others they know meet the high standards of an Assurex agency. With more than 7,000 employees, there is always an Assurex person nearby.

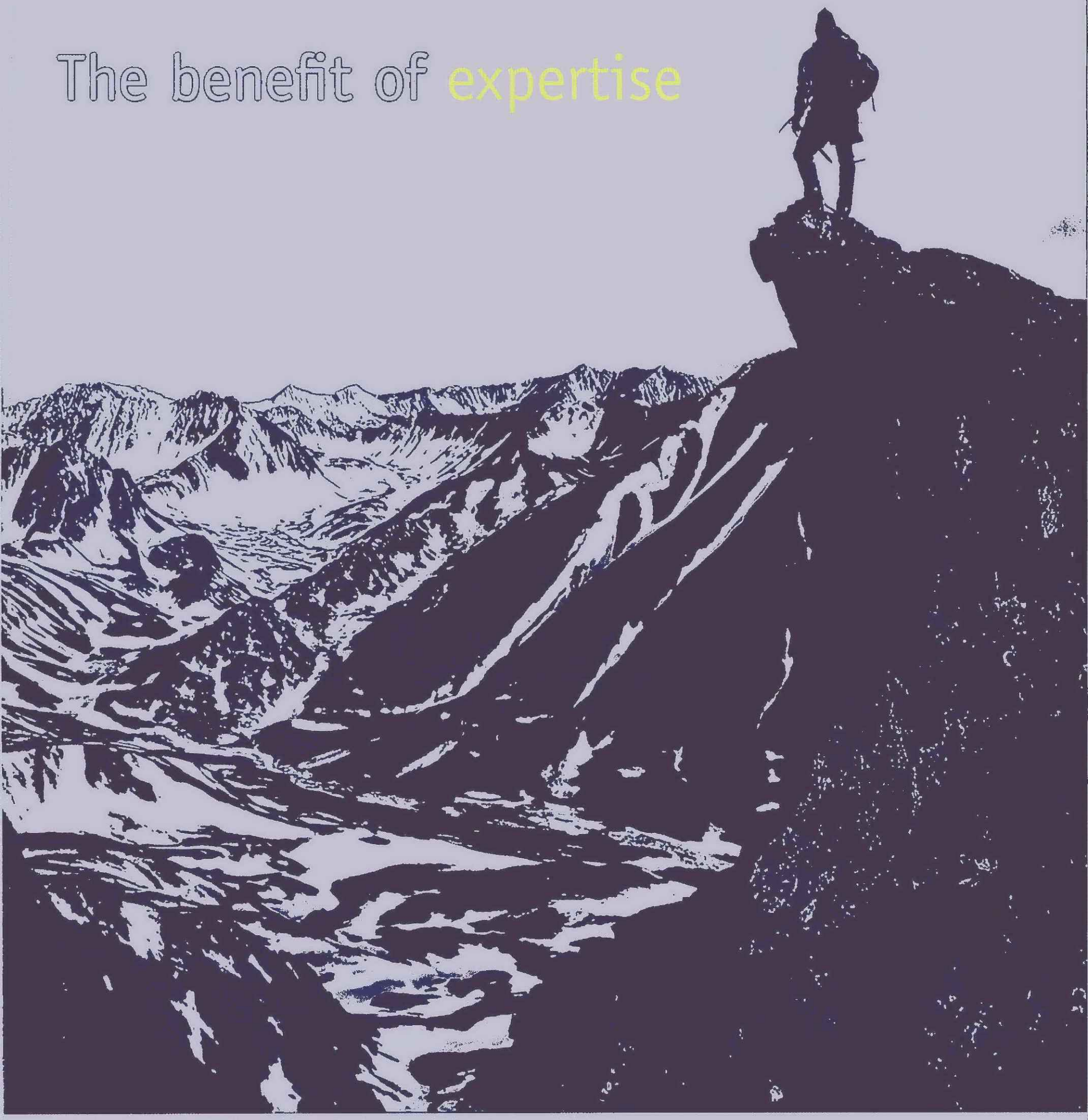
Contact us today at www.assurex.com

Assurex INTERNATIONAL

Think Globally...Insure Locally

445 Hutchinson Avenue Columbus, Ohio 43235-1408
www.assurex.com

The benefit of expertise



It takes a high level of expertise to negotiate the maze of today's alternative insurance market.

For more than 40 years, Old Republic Risk Management has focused solely on the alternative market and has developed an enviable expertise in helping clients structure responsive insurance programs.

To learn more about how you might benefit from our expertise, see us at *www.orrm.com* or call **414/797-3400.**

OLD REPUBLIC
Risk Management, Inc.

Specialists in the alternative risk market.

The best in ergonomics is recognized

Center for Office Technology introduces awards for public, private sector

The Center for Office Technology is honoring the best ergonomics efforts among private companies and public entities.

The COT, an association of companies that use and manufacture computer equipment, has introduced an annual Outstanding Office Ergonomics Award as way to further its mission of recognizing and promoting ergonomics programs that keep computer workers safe and comfortable and allow employees to retain their jobs.

"We are concerned about the introduction and use of office technology," said a spokeswoman for the COT in Alexandria, Va.

Established in 1985, the Center for Office Technology publishes training materials employers can use to make office systems safer and more comfortable.

The association also operates a clearinghouse of information on safety and health issues related to computer workstations.

The first Outstanding Office Ergonomics awards were handed out earlier this year to United Services Automobile Assn. in San Antonio and the City of San Jose, Calif.

Nominations for next year's award are being accepted.

Anyone involved in the development or implementation of an ergonomics program at a company, business organization or government entity can submit a nomination.

The deadline for nominations is Nov. 30. Award winners are expected to be announced around the end of February 1999.

For more information, contact the Center for Office Technology, 301 N. Fairfax St. #102, Alexandria, Va. 22314; 703-684-7760; www.cot.org.

—By Michael Bradford



Frank Rooney, chairman of the Center for Office Technology, second from right, presents the COT's 1998 ergonomics awards to Dave Armstrong and Marynka Rojas, at left, of the City of San Jose, Calif., and Hank Austin of USAA.

USAA

Continued from page 24

other benefits. Improved morale is among them.

Just the idea that their employer makes the effort to keep them comfortable and safe means a lot to workers, according to Mr. Austin.

"The thing that really has had an impact," he said, is the "hands-on approach and caring attitude of the company. And the fact that they are spending so much time and effort for the employees."

USAA's ergonomics program has evolved since the late 1980s when management decided it would make a full-time, dedicated effort to reduce the number of injuries through ergonomic changes. It gained momentum in the early 1990s when the company began to aggressively seek ways to make workers more comfortable and bring down injury claims.

USAA describes its program as proactive, designed to prevent injuries with ergonomic changes instead of just making changes after injuries occur.

In an operation that involves about 20,000 employees who work in typical office jobs, a mail center that processes about 400,000 pieces of mail a day, a large commercial printing facility and other enterprises, USAA knew it had to focus on easing the strain of repetitive movements and making sure employees were properly fitted to their work stations.

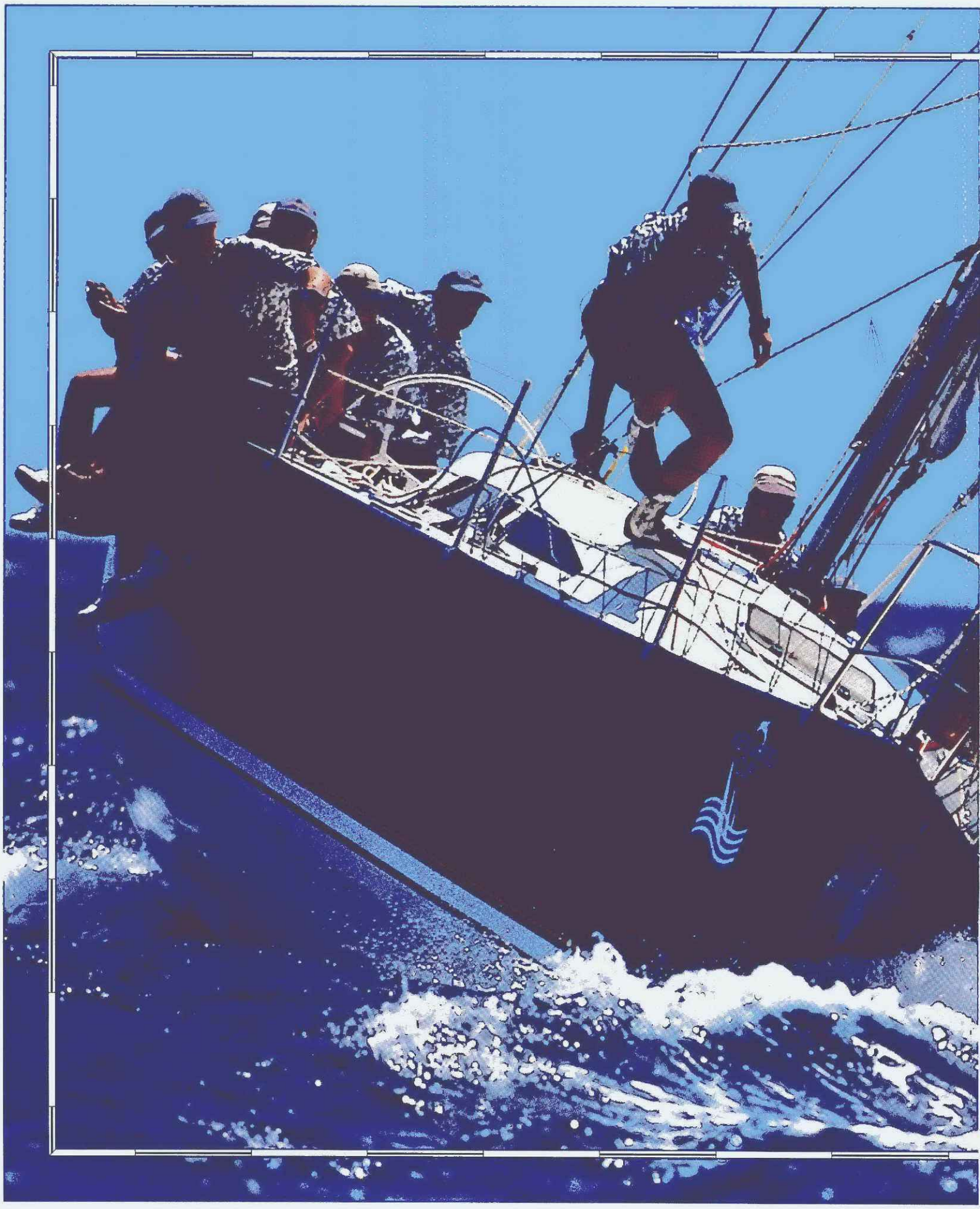
They go about it in a number of ways.

"We have two software usability labs that test all new software," Mr. Austin noted. The labs, he explained, "engineer out any key combinations that put the hands in awkward positions over time."

The company designed its own work tools when it found no commercial products were adequate. One example is the large-handled staple puller that USAA designed when it found the standard pinch-type removers and small pullers shaped like letter openers were difficult for some workers to use. USAA converted the small pullers by adding a larger wooden handle that makes the tool easier to use. Several hundred are distributed to workers each year.

USAA also has designed reading and writing stands, document holders for computer terminals and other objects to make computer use more comfortable.

The company works with furniture manufacturers to build desks or other components to fit the work styles of USAA employees. In some cases, USAA has worked with manufacturers to create a workstation component or an entire workstation to meet an individual employee's needs. BI



Ergonomic changes comfort San Jose

Efforts to reduce workplace injuries save millions and help workers stay on the job

By MICHAEL BRADFORD

The city of San Jose is pocketing big savings by decreasing the number of workplace injuries with ergonomic changes.

A municipality that self-insures its workers compensation exposure, San Jose knew that beyond keeping workers safe and comfortable, an ergonomics program could bring down its workers comp costs. In 1994, the city set out to meet both those goals.

Earlier this year, San Jose's success was recognized by the Center for Office Technology's first Outstanding Office Ergonomics Award. The COT, an association of high-tech manufacturers and corporate users of computer equipment, named the city's program tops in the public sector category, with United Services Automobile Assn. taking the private sector award (see story, page 26).

A number of ergonomic changes have dramatically reduced workplace injuries and saved San Jose millions. In fiscal year 1996-97, back injuries among city workers fell by 57.3% while wrist injuries dropped 25.9% compared with the year before.

The ergonomics program and a health and safety program have together saved the city $5.7 million in workers comp costs since 1995. It is expected to produce additional savings of $4.2 million over the next three to five years.

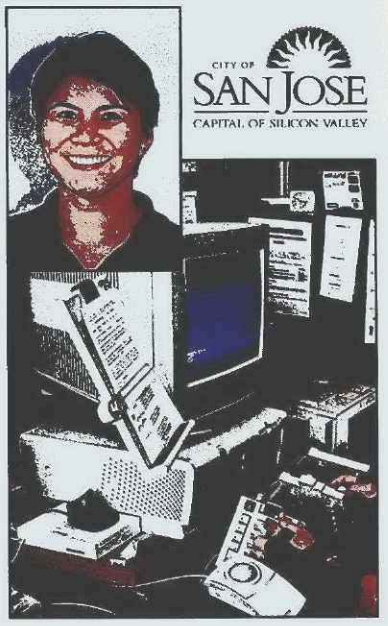
Apart from the savings, the ergonomics efforts by the city have helped workers like Bernadette Cava stay on the job. Ms. Cava, an analyst with the city, suffers from tendinitis and degenerative disks in her neck. Years of keyboard work caused the injuries and she continues to deal with chronic pain.

Ms. Cava said changes to her workstation, many made before the formal ergonomics program was under way, have made it possible for her to stay at her job while keeping her injuries from worsening.

"The keyboard I went to is a split keyboard," she said, explaining that it is divided into sections that force movements that are not as stressful on joints and muscles. A track ball instead of a mouse makes it easier to avoid repetitive arm movements when navigating the computer screen.

Her chair provides "better back support" than an off-the-shelf desk chair, Ms. Cava said, and its adjustable arms give her the ability to change positions. Other workstation adjustments have included basic moves like making sure her computer monitor is at the proper height.

Without the changes, Ms. Cava said, "I would not be able to work."



Marynka Rojas, top, says back injuries are the city's largest injury area. An employee uses a split keyboard, which reduces stress on joints and muscles.

Now a member of the city's ergonomics team, Ms. Cava pushed for ergonomic changes for San Jose employees "for a long time," she said. In the mid-1990s, the city began taking steps to make those changes.

With help from experts at the University of California at San Francisco and the University of Michigan at Ann Arbor, the city has developed an ergonomics program that focuses on educating and training employees to work comfortably, avoiding strains and repetitive motion injuries.

The city focused much of its ergonomic efforts on hands and backs, two areas that see a lot of strain because of the amount of typing, lifting and other movements by city workers.

Back injuries are "our largest injury area," said Marynka Rojas, safety and ergonomics manager for the city. One of the techniques to reduce those kinds of injuries by workers in the streets, fire, traffic and other departments is the city's Biomechanical Imprinting Program, she said.

Under the program, a job is analyzed over a number of days to identify high-risk activities. Custodians, for example, are watched as they sweep, mop and perform other tasks. A training session is created to show those workers how to work differently to reduce the risk of injuries. Aside from work-specific instruction, the six-hour course gives basic information on proper body mechanics, posture and breathing.

As a result of the city's efforts, the workers comp cost of back injuries is falling. Those costs amounted to $2.5 million in fiscal year 1996-97 and fell to $2 million in fiscal 1997-98. The amounts are estimated costs for the life of claims.

Another program, called the Motion Based Ergonomics Retraining Program, teaches employees who use computers proper typing techniques that can reduce repetitive motion disorders.

The program is based on techniques similar to those taught to pianists. Participants, generally employees referred through the city's workers comp program, are taught typing techniques that use larger muscle groups such as the upper arm to reduce the number of repeated hand and wrist movements.

The program is a series of weekly 90-minute meetings for 11 weeks. Apart from the keyboard techniques, participants attend ergonomics lectures, are evaluated by a doctor and are taught stretching and other exercises. Each employee's workstation is evaluated and ergonomic changes are made if needed. BI



Accept the Challenge

The CRC Challenge Cup

A quest for excellence. A challenge to ourselves. The goal...creative, intelligent and responsive service for our clients. We've accepted the challenge for almost 60 years. And now we invite you to play The CRC Challenge Cup. Perhaps you'll learn something about Constitution Re as you play. Maybe you'll discover how much more you really should know. To find out, call today. **212-225-1000.**

What percentage of our clients has been with Constitution Re for more than a decade?
20%
47%
62%

What was the estimated number of motor vehicle accidents in 1996?
35 million
22 million
18 million

When did Hurricane Bob cause an estimated insured loss of $620,000,000 in the Northeast?
1989
1990
1991

Rank these states in order of highest to lowest workers compensation payments made.
Pennsylvania
California
New York

Answers: 62%, 1991, 35 million, CA, NY, PA

It takes Constitution

Constitution Re

www.constitution.com

A+ A.M. Best Rating: A+

Computer-related vision woes hard to see

By JOANNE WOJCIK

Employers should be prepared for what some experts see as the next wave of computer-related injury claims.

Computer vision syndrome, a condition marked by tired and sore eyes, blurred vision, headaches and neck, shoulder and back pain, afflicts nearly 90% of workers who use computers, according to the American Optometric Assn.

The condition costs nearly $2 billion a year to diagnose and treat, according to the AOA, but there is no data available on how much CVS contributes to lost work time or decreased worker productivity.

And few, if any, occupational injury claims have been filed in connection with the disorder, workers compensation experts say. This may be because the symptoms of eye strain from computer use disappear quite quickly once the sufferer leaves his or her workstation, they point out.

But computer-related eye and vision problems meet most of the definitional requirements of cumulative trauma disorders, points out James Sheedy, an optometrist and director of professional development at SOLA Optical in Petaluma, Calif. Dr. Sheedy also is a clinical professor of optometry at the University of California at Berkeley.

CTDs are largely the result of using a part of the body that functions well under normal activity or workloads but develops problems when used repetitively and stressfully.

"Likewise, the visual and ocular problems that result from work at a computer are the result of stressing some aspect of the eye or visual system to the point that it causes symptoms," Dr. Sheedy said.

And, because the eyes lead the body, computer-related back and/or neck injury claims often can be traced to the need for vision correction, said Pam Simonian, an assistant vp at Sedgwick of California Inc. in Orange. Ms. Simonian specializes in ergonomic evaluations in workers compensation cases.

"If an employee experiences upper back and neck pains, it may not be the furniture; it may be their glasses. We need to consider that possibility in the ergonomic assessment," she said.

Ms. Simonian described as typical a recent case in which an employer would not provide coverage of corrective lenses for an employee who requested the lenses until after she began complaining of neck and back pain.

"They didn't want to provide glasses for that employee because then the other employees would ask for them," she explained.

"A lot of employers are ignoring the problem, hoping it will go away," contends Dr. Jeffrey Anshel, an optometrist and president of Corporate Vision Consulting in Encinitas, Calif.

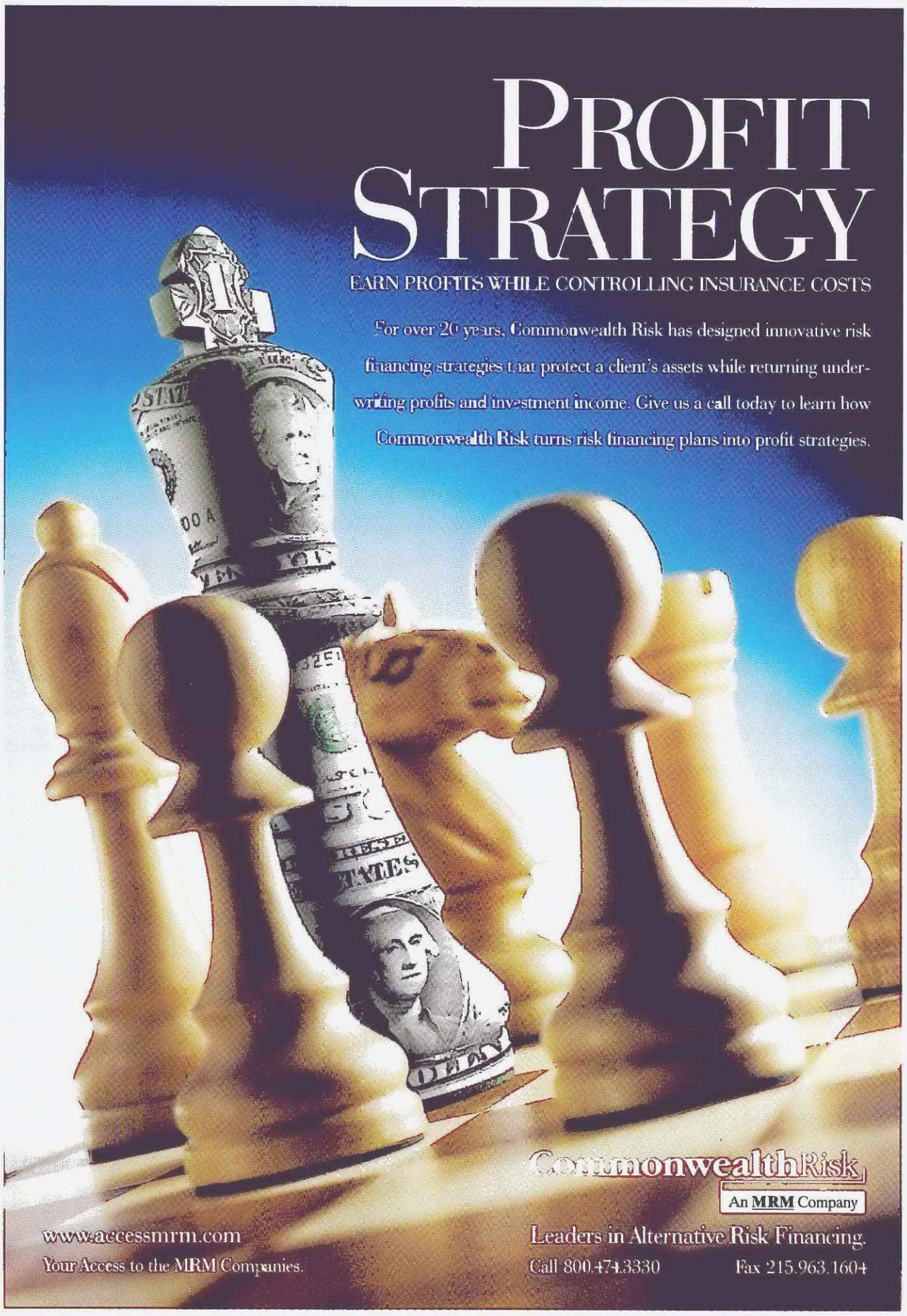
But the problem is growing and cannot be ignored, he said.

"When I first looked at computer vision syndrome in 1990-91," approximately 10% of employees complaining of vision problems were diagnosed with CVS, Dr. Anshel said. "Now it's up to 17%. That's a growth rate of 1% per year."

If this trend continues, "CVS is going to be the carpal tunnel of the next century," he warned.

Recognizing the connection between computer use and vision disorders, the World Health Organization now recommends an eye examination for all computer users before they begin work for a new employer, and subsequent examinations beyond age 40, especially for

See **Eyesight** *on page 30*



ARTICLE ARCHIVE

Order Your Access Now!

Business Insurance offers a searchable online archive containing the full text of all articles and directories in the magazine from January 1994 to the present.

Business Insurance's Article Archive provides easy access to a database containing the industry's most comprehensive information on news and trends in risk management, employee benefits, commercial insurance and managed health care. The archive is a useful source of information for market research, data gathering, speech writing, competitive analysis and legal inquiries.

The Article Archive, located on *BI's* home page at **www.businessinsurance.com** is available for a one-year archive access fee of $80 for subscribers to *BI* magazine and $120 for non-subscribers. Go to *BI's* site at **www.businessinsurance.com** to order this service online, or call 312-649-5398 for more information.

Business Insurance®
www.businessinsurance.com

STILL LOOKING FOR A RELIABLE WAY TO FORECAST RETURN-TO-WORK PLANS?



In the sphere of worker's compensation claims, you need to cut costs and save money by quickly returning injured employees to work. Policy Management Systems Corporation® has the perfect medium to help you do just that.

PMSC® has the first and only reliable tool to help you develop the earliest possible return-to-work plans for people hurt on the job. Incorporating precise information on 12,000 medical conditions and 14,000 occupations, PMSC takes the guesswork out of settling claims, reducing lost time by as much as 15 percent.

Solutions For The Global Insurance And Financial Services Industries

How can PMSC help your business? The answer is crystal clear. It provides unrivaled immediate and continual expertise and guidance. That gives you a sustainable competitive advantage by enabling your specialists to manage the complex medical and occupational aspects of your most difficult cases.

PMSC—specifics, not speculation. For a free reading of your business benefits, call (803) 333-3300 today. The future looks bright.

POLICY MANAGEMENT SYSTEMS CORPORATION

www.pmsc.com

Visit our booth # 1111 at the National Workers' Compensation & Disability Conference and Exhibit in Chicago, IL, November 16th & 17th.

Eyesight

Continued from page 28

persons who report musculoskeletal or eye strain symptoms.

But it's only the progressive employer that today follows this prescription, Sedgwick's Ms. Simonian says.

"Employers can't see the tangible benefits," she said. "You're either going to pick up a repetitive motion claim for back and neck, or you can be a progressive employer and realize you've got to address the issue" at its root cause, she said.

For the most part, employers are hesitant to acknowledge computer vision syndrome because no long-term disability is involved, according to a spokeswoman for the Center for Office Technology in Alexandria, Va. The COT is a coalition of large manufacturers and corporate users of high-tech equipment.

"Your eyes get tired, you rest your eyes, then you're fine," she said. "We haven't seen any permanent damage occurring."

However, she acknowledged that adjusting computer monitors and office lighting can make computer work more comfortable.

Furthermore, the COT's "new 'Comfortable Computing' book recommends that people who use computers tell their eye doctors how much they use them and discuss the possibility of corrective eyewear if necessary," Ms. Saunders said.

While it's easy to blame computers for visual discomfort, improper office lighting may be the biggest contributor, ergonomics experts say.

"The biggest problem with CVS is glare," asserts Edmund Cameron, chief executive officer of Spectracom Technologies Corp. in Scottsdale, Ariz. Spectracom makes glare filters for fluorescent light fixtures and computer monitors.

'While (computer vision syndrome is) not a terribly serious problem, treating it can enhance employee comfort and productivity,' says Dr. James Sheedy.

In partnership with Arizona State University, Spectracom conducted a yearlong, double-blind study of the effects of lighting on productivity involving 150 people who worked in a high-tech firm's customer service call center.

"There was a natural wall dividing the room in half, so we closed the door and put filters on half of the facility without telling anyone," Mr. Cameron recounted.

After collecting data on the number of computer keystrokes, time spent on calls and complaints about eye strain, researchers found that "productivity on the filtered side increased by almost 3%, while complaints dropped significantly," he said.

The cost of preventing and treating computer vision syndrome need not be prohibitive, experts say.

"You don't have to send everybody to the eye doctor," said Dr. Anshel of Corporate Vision Consulting. Instead, he said, "you can do a workplace screening."

For example, Dr. Anshel distributes a software program that can provide a basic screening. The self-directed program asks computer users questions on computer habits, gives a vision test and then makes recommendations that take into consideration the survey responses and test results.

For example, if the employee reports complaints but passes the vision test, environmental adjustments may be recommended, Dr. Anshel explained. Conversely, if the employee has complaints and fails the vision test, the program would print out recommendations to give to an eye doctor.

Employers that provide general eyecare benefits as part of an overall employee benefit program should encourage computer users to have their vision checked regularly, Dr. Sheedy advises.

Such employers also should provide coverage for an additional pair of glasses designed specifically for viewing computer screens, he added.

"The employer needs to be assured that a second pair of glasses for use at a computer is, indeed, different from dress eyewear and not just a spare pair of glasses for the employee," Dr. Sheedy advised in a September 1997 article published in the Journal of the American Optometric Assn.

Recognizing the growth of computer vision syndrome, the American Optometric Assn. recommends that the following information be obtained during routine eye examinations:

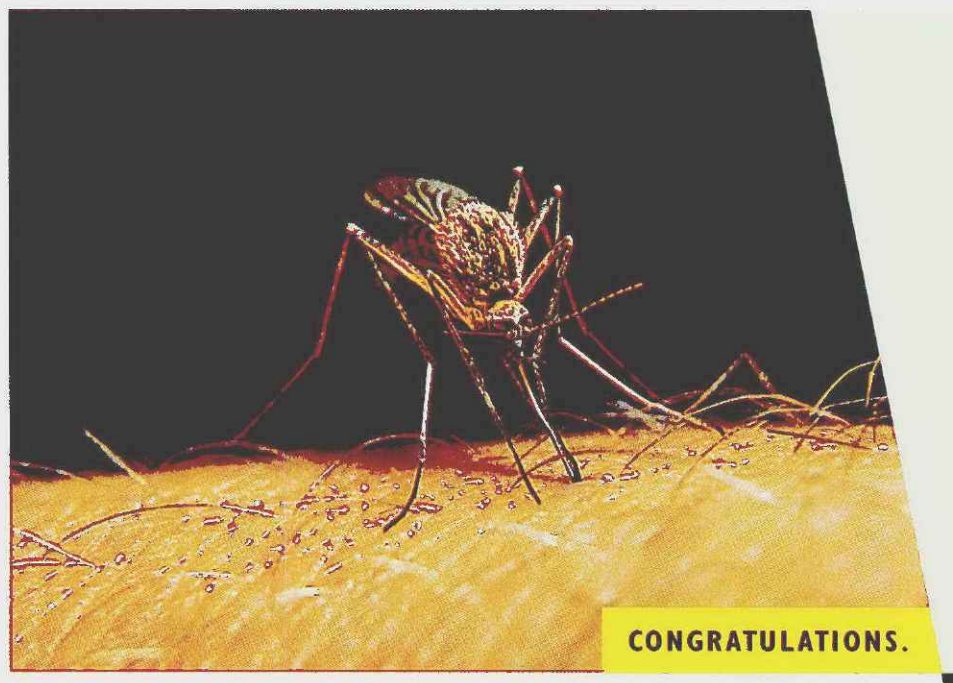
- A detailed history of symptoms, nature of computer work, position and working distances of the screen and other materials as well as the other visual characteristics of the work environment such as lighting and reflections.
- Assessment of accommodative abilities, assessment of ocular coordination, refractive determination for the required viewing distances at the computer workstation and design of occupational lenses, if indicated.
- Consulting regarding the visual environment at the workstation.

"For proper eyecare of computer users, it is important that the providers understand the eye and vision problems of computer users, be able to diagnose the underlying causes of these problems and be able to implement proper care for these conditions," said Dr. Sheedy.

For example, employees who wear bifocals for presbyopia, or far-sightedness, often report computer vision problems because their glasses are designed for looking down rather than at the angle required for proper computer monitor viewing, he said.

In addition, contact lens wearers often suffer from dry, irritated eyes because the blink rate is significantly reduced when working at a computer, he added.

"Too many employers try to sweep this problem under the rug," Dr. Sheedy observed. "But they should acknowledge it. While it's not a terribly serious problem, treating it can enhance employee comfort and productivity." BI



Crawford®
PROMISES KEPT

Is it a petty annoyance or a major liability claim threatening your company's profits and reputation? In either case, you want it to go away right now.

So do we. Thorough investigation, fair negotiation and expedient settlement: that is our promise. Because mishandled claims can only get worse.

Local experts in 670 hometowns around the world stand ready with a wide range of easily tailored resources, including investigation and subrogation. While we have a proven record handling large cases, each claim, regardless of size, receives all the attention it requires. As a result, less than five percent of all claims we handle involve any litigation at all.

We are committed to the highest standards of service, perhaps higher than you've come to expect from others.

Then, for the moment, you can get back to your business, confident that next time—and unfortunately there will be a next time—we'll be there to help. We promise.

1-888-213-2533 • www.crawfordandcompany.com

"General Re's actions went far beyond the contract."



Robert Caldwell, left, with John Seibert, General Re

"Everyone from General Re worked very hard to help us survive the worst catastrophe loss in our history. Their willingness to help was instant and sincere...real people who care...with enthusiasm, professionalism and a wealth of knowledge. General Re proved it is a lot more than just very secure financial support."

Robert Caldwell, President,
N.C. Grange Mutual Insurance Company

General Re®

The difference is...the quality of the promise

General Reinsurance Corporation
General Re Financial Products Corporation
General Re-New England Asset Management, Inc.

General & Cologne™ RE

www.genre.com

Business Insurance annual directory of safety consultants

AIG Consultants Inc.

70 Pine St., 10th Floor,
New York, N.Y. 10270;
888-285-7780; 212-742-1564
www.aig.com

Staff

Total....120
Safety consultants....90
Occupational health consultants....15
Industrial hygiene consultants....8
ASSE members....50

Clients

Total....10
Corporate/institutional clients....10

1997 revenues

Safety consulting....$300,000

Founded: 1975.

Parent: American International Group Inc.

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

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

Offices: Los Angeles, San Francisco, Atlanta, Chicago, Boston, Philadelphia, Dallas.

Service area: Nationwide.

Officers: John Carey, president; Duncan Karcher, vp-operations; Michael Castelli, vp-field operations; Jan Andrew Young, vp-technical services.

Contact: Jan Andrew Young.

J.H. Albert International Insurance Advisors Inc.

72 River Park, Needham
Heights, Mass. 02494-2631;
871-449-2866; fax: 781-449-5340

Staff

Total....2
Safety consultants....2
ASSE members....2

Clients

Total....170
Corporate/institutional clients....170

1997 revenues

Safety consulting....$260,000

Founded: 1967.

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

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

Specialties: Manufacturing, distribution, health care.

Service area: Nationwide.

Officers: Joseph H. Albert, president; Michael A. Rodman, executive vp; George W. West, Thomas L. Atkins, Martin S. Berman, vps.

Contact: Joseph H. Albert.

Applied Risk Control Corp.

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

1997 revenues

Safety consulting....$742,000

Founded: 1985.

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

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

Offices: Los Angeles; San Francisco; Atlanta; Chicago; Kansas City, Kan.; New York.

Service area: Nationwide.

Contact: Harry P. Mirijanian, president.

** Industrial hygiene testing by independent labs.*

Applied Risk Management

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

Staff

Total....4
Safety consultants....4

Clients

Total....12

1997 revenues

Safety consulting....$750,000

Founded: 1980.

Services: Ergonomic and industrial hygiene program assistance; onsite and offsite training classes or seminars; expert witness.

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

Specialties: Apparel design/manufacturing, banking, hospitals, insurance companies.

Offices: Oakland, Calif.

Service area: Nationwide.

Officers: Irvin D. Nicholas, president/CEO; Dan Nicholson, Jay Ayala, Janet Calhoon, executive vps.

Contact: Peggy Eller.

** Industrial hygiene testing by independent labs.*

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....75
Corporate/institutional clients....15

1997 revenues

Safety consulting....$200,000

Founded: 1996.

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

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

Specialties: Construction, petrochemical, utilities, manufacturing.

Offices: Novato, Calif.

Service area: Nationwide.

Contact: Richard Lawler, principal.

AsteRisk Inc.

P.O. Box 476,
Blackstone, Mass. 01504;
800-432-5038; fax: 508-883-3558
www.asterisk-inc.com

Staff

Total....3
Safety consultants....3
ASSE members....1

Clients

Total....21
Corporate/institutional clients....19

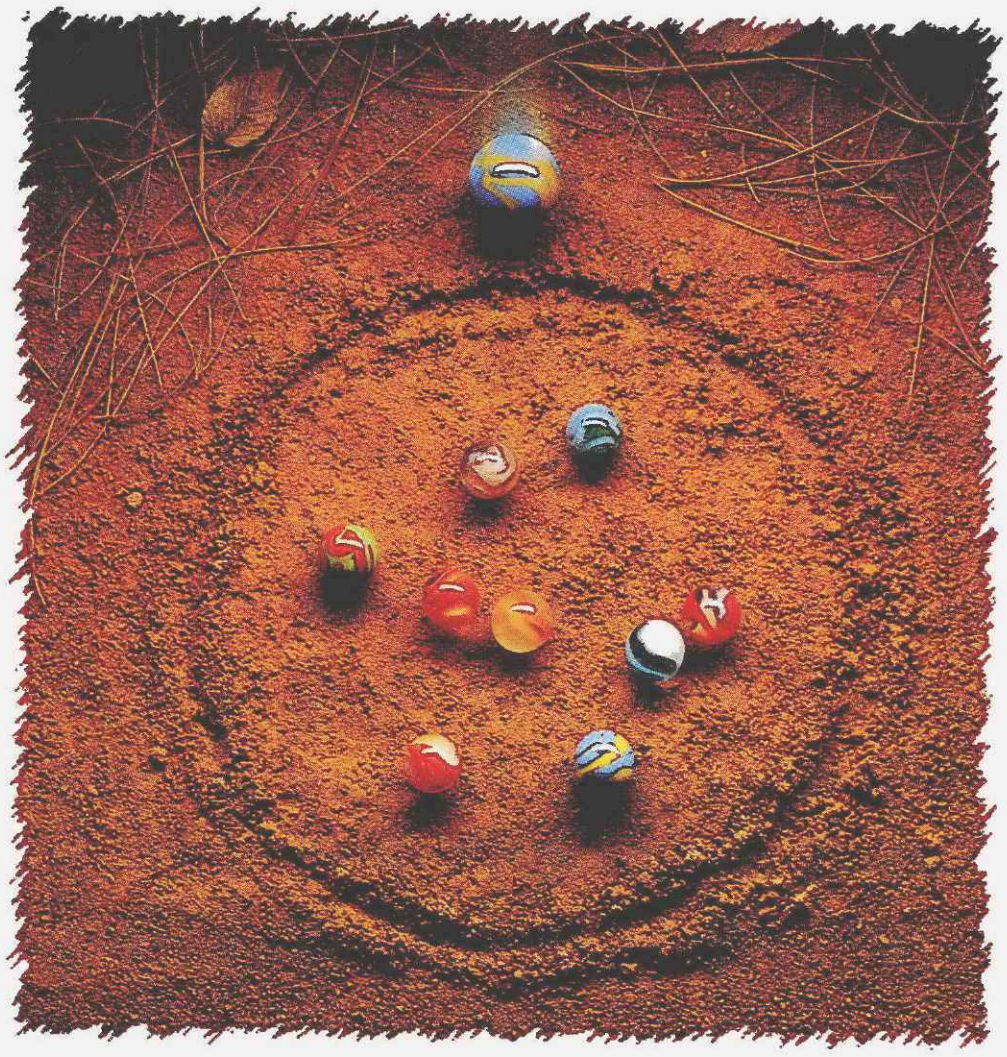
1997 revenues

Safety consulting....$225,000

Founded: 1992.

Services: Safety audits/reviews, evaluations or inspections; safety program assistance; onsite and offsite training classes or seminars; loss pre-

Continued on next page



Protect your association from outside threats with insurance plans from The Hartford.

The Hartford specializes in insurance programs for all types of associations. Custom-designed insurance and competitive rates can save members money. We offer commercial auto, property, liability, crime, marine, workers' compensation and umbrella policies. We're financially strong and a pleasure to do business with. For more information call Doug Morrill at The Hartford at 1-860-547-3212.

Partnership. Bring It On.®

THE HARTFORD

©1998 The Hartford Financial Services Group, Inc.

Continued from previous page

vention/management training.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; software-based training and compliance management.

Specialties: Foundries, manufacturers, temporary staffing services, chemical.

Offices: Tempe, Ariz.; Bowie, Md.

Service area: Nationwide.

Contact: Thomas Badstubner, president.

B

Biehl Engineering Inc.

N66 W12659 Ravine Drive,
Menomonee Falls, Wis. 53051-5260;
414-251-8251; fax: 414-251-8251

Staff	
Total	2
Safety consultants	2
ASSE members	1
Clients	
Total	150
Corporate/institutional clients	100
1997 revenues	
Safety consulting	$200,000

Founded: 1960.

Services: Safety audits/reviews, evaluations or inspections; safety and ergonomic plan assistance; technical forensic investigations; insurance casualty loss/subrogation investigations.

Other services: OSHA compliance; product liability research; fire protection engineering; fire cause/origin investigations; electrical failures investigation; machine guarding; slip and fall; structural failures; heating, ventilation and air conditioning problems.

Specialties: Insurance, attorneys.

Service area: Nationwide (primarily Midwest).

Contact: Steven F. Biehl, president; Francis W. Biehl, vp.

C

Cannon Cochran Management Services Inc.

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

Staff	
Total	27
Safety consultants	27
ASSE members	20
Clients	
Total	2,000
Corporate/institutional clients	1,000
1997 revenues	
Safety consulting	$8,000,000

Founded: 1978.

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

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene and ergonomics; industrial hygiene laboratory*.

Specialties: Nursing homes, governmental entities, construction, manufacturing.

Offices: Little Rock, Ark.; Margate, Fla.; Atlanta; Oak Brook, Ill.; Des Moines, Iowa; Metairie, La.; Jackson and Ridgeland, Miss.; Kansas City and St. Louis, Mo.; Camp Hill, Pa.; Austin, Texas.

Service area: Arkansas, California, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Mississippi, Missouri, Nevada.

Officers: G. Bryan Thomas, chairman/president/CEO; Steven F. Luebbert, executive vp/chief marketing officer; Rodney J. Golden, senior vp/COO; Sam P. Cannon, Frederick J. Jarosz, directors.

Contact: Annie Mariage, 800-252-5059 ext. 200.

** Industrial hygiene testing by independent labs.*

Cecil P. Chastain & Associates

499 Old Antioch Road,
Carrollton, Ga. 30117;
770-258-2508; fax: 770-258-9305

Staff	
Safety consultants	3
ASSE members	2
Clients	
Total	26
Corporate/institutional clients	12
1997 revenues	
Safety consulting	$386,483

Founded: 1982.

Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic and occupational health program assistance; onsite training classes or seminars; fleet transportation safety audits; Department of Transportation inspections.

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

Specialties: Trucking, manufacturing.

Offices: Carrollton, Ga.

Service area: Nationwide.

Officers: Cecil P. Chastain, president; Karin Chastain, vp/secretary.

Contact: Cecil P. Chastain.

Chubb Services Corp.

25 Independence Blvd.,
Warren, N.J. 07059;
908-903-7181; fax: 908-903-7187
www.chubb.com

Staff	
Total	12
Safety consultants	7
Occupational health consultants	2
Industrial hygiene consultants	3
ASSE members	12
Clients	
Total	75
Corporate/institutional clients	75
1997 revenues	
Safety consulting	$1,700,000

Founded: 1991.

Parent: Chubb Corp.

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

Continued on next page

Explanation of terms used in the directory

The 11th 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; only firms that generate $200,000 or more in revenues from safety consulting are listed.

Listings begin with the company's address, phone and fax numbers and World Wide Web site address, if provided. 1997 **staff** information is then listed, 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 1997, and, of those, the number of corporate and institutional safety consulting clients. Listed next are the company's 1997 **gross revenues** from safety consulting services directly to corporate or institutional employers, excluding third-party vendors.

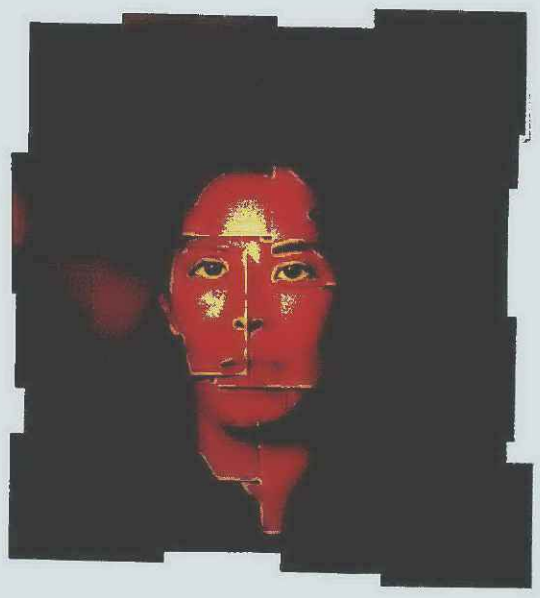
The next section of each listing contains the year **founded** and **parent** company. In addition, the company's safety consulting **services** and **other services** related to safety are detailed.

Particular types of business or industry in which the company specializes are listed under the **specialties** heading. Locations of branch **offices** providing safety consulting services are listed next, and the **service area** details 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.

A company that manages every medical aspect of catastrophic injury from any point in the life of the claim, anywhere in the country. That actually manages cost by ensuring high-quality treatment and uncompromising medical management, working to bring injured workers to higher levels of recovery. That actually defines outcomes and guarantees medical cost. A company, and a way, that puts the lives of everyone touched by catastrophic injury back together.

Now there is a company that *shares your responsibility* in every phase of catastrophic injury recovery.



DEFINED OUTCOMES
GUARANTEED MEDICAL COSTS
WORKERS' COMPENSATION CASES

PARADIGM

for catastrophic injury.
for life.

1.800.676.6777

WWW.PARADIGMHEALTH.COM

COPYRIGHT © 1998 PARADIGM HEALTH CORPORATION

Continued from previous page

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

Specialties: Financial institutions, high-tech electronics.

Offices: Warren, N.J.; Charlotte, N.C.; Philadelphia.

Service area: Nationwide.

Officers: Jim Deaderick, managing director-worldwide loss control manager, Chubb & Son Inc.; Sam Lee, vp-Chubb Services; Art Stilez, DRP manager/assistant vp-Chubb Services; Scott Spencer, assistant vp-premium audit manager.

Contact: Sam Lee, 908-903-7172.

Claims Administrative Services Inc.

501 Shelley Drive,
Tyler, Texas 75701;
903-509-8484; fax: 903-509-1888
www.hhccas.com

Staff

Total	5
Safety consultants	5
ASSE members	1

Clients

Total	322
Corporate/institutional clients	322

1997 revenues

Safety consulting	$1,200,000

Founded: 1992.

Parent: Hibbs-Hallmark Co.

Services: Safety audits/reviews, evaluations or inspections; safety program assistance; onsite classes or seminars.

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

Specialties: School districts and other political subdivisions.

Offices: New Orleans; Pittsburgh; Amarillo, Dallas and Houston, Texas.

Service area: Texas and contiguous areas.

Officers: Barry Jones, president; Wesley Slade, senior vp-operations; Sheila Darland, vp-operations.

Contact: Wesley Slade.

Clayton Group Services Inc.

22345 Roethel Drive,
Novi, Mich. 48375;
248-344-1770; fax: 248-344-2642
www.claytonenv.com

Staff

Total	130
Safety consultants	25
Occupational health consultants	5
Industrial hygiene consultants	100
ASSE members	20

Clients

Total	115
Corporate/institutional clients	115

1997 revenues

Safety consulting	$21,000,000

Founded: 1954.

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

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

Specialties: Manufacturing, construction, aerospace, automotive.

Offices: Los Angeles; San Francisco; Atlanta; Chicago; Wichita, Kan.; Boston; Detroit and Novi, Mich.; Minneapolis; New York; Cleveland; Portland, Ore.; Philadelphia; Dallas; Seattle.

Service area: Nationwide.

Officers: Tom Kowalski, president/CEO; Lisa Simkins, COO; Mark Schumacher, CFO; Alice Farrar, Bob Lieckfield, national vps.

Contact: Thomas J. Martin.

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	15
Safety consultants	13
Occupational health consultants	2
Industrial hygiene consultants	2
ASSE members	2

Clients

Total	60
Corporate/institutional clients	60

1997 revenues

Safety consulting	$350,000

Founded: 1983.

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

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

Specialties: Oil refineries, industry, manufacturing, public utilities.

Service area: Nationwide.

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

Consulting Engineers

1635 Camino de Villas,
Burbank, Calif. 91501-1107;
818-846-1700; fax: 818-557-8481

Staff

Total	3
Safety consultants	3
Occupational health consultants	3
Industrial hygiene consultants	1
ASSE members	1

Clients

Total	49
Corporate/institutional clients	40

1997 revenues

Safety consulting	$235,000

Founded: 1985.

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

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

Specialties: Construction.

Service area: Arizona, California, Nevada.

Officers: Ezra Abrahamy, Fred Battle, Len Kushner.

Contact: Leonard H. Kushner.

Corporate Safety & Health Consultants Inc.

125 Maiden Lane, 11th Floor,
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

1997 revenues

Safety consulting	$900,000

Founded: 1983.

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

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

Specialties: Construction, general industry, municipalities, health care.

Service area: Nationwide.

Officers: Susan Geier-Fahmy, president; Theodore J. Mellard, senior vp.

Contact: Susan Geier-Fahmy.

Ctek Loss Control-CNA Risk Management

CNA Plaza, Chicago, Ill. 60685;
312-822-6836; fax: 312-817-3350

Staff

Total	157
Safety consultants	137
Occupational health consultants	1
Industrial hygiene consultants	5

Clients

Total	570
Corporate/institutional clients	570

1997 revenues

Safety consulting	$22,000,000

Founded: 1995.

Parent: CNA Insurance Cos.

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

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

Specialties: Bottling, transportation, temporary staffing services, health care.

Continued on next page



Continued from previous page

Offices: Phoenix; Brea, Glendale, San Bruno, San Francisco and Woodland Hills, Calif.; Englewood, Colo.; Farmington, Conn.; Castleberry, Orlando, Plantation and Tampa, Fla.; Duluth, Ga.; Chicago and Downers Grove, Ill.; Carmel, Ind.; Overland Park, Kan.; Louisville, Ky.; Metairie, La.; Boston and Quincy, Mass.; Grand Rapids and Southfield, Mich.; Chesterfield, Mo.; Parsippany, N.J.; Albuquerque, N.M.; Buffalo, Melville and New York, N.Y.; Charlotte, N.C.; Columbus and Independence, Ohio; Tulsa, Okla.; Beaverton, Ore.; Pittsburgh and York, Pa.; Chattanooga and Nashville, Tenn.; Bellaire, Dallas and San Antonio, Texas; Richmond, Va.; Brookfield, Wis.

Service area: Nationwide.

Officers: Randall R. Hollenbeck, senior vp-risk management; Richard Ryther, senior vp-field consulting; Marla Rabrich, senior vp-casualty services; Kenneth Travers, senior vp-property; Bradley Wedel, senior vp-sales/account management.

Contact: Bradley Wedel, 800-519-2835.

The directory of rehabilitation providers begins on page 46. Directory terms are explained on page 47.

E

ECS Risk Control Inc.

600 Eagleview Blvd., P.O. Box 640,
Exton, Pa. 19341;
610-458-7280; fax: 610-458-7285
www.ecsinc.com

Staff

Total	28
Safety consultants	20
Industrial hygiene consultants	8
ASSE members	8

Clients

Total	50
Corporate/institutional clients	42

1997 revenues

Safety consulting	$550,000

Founded: 1985.

Parent: ECS Inc.

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

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

Specialties: Chemical, manufacturing, transportation, construction.

Offices: Los Angeles; San Francisco; Hartford, Conn.; Atlanta; Chicago; Houston.

Service area: Nationwide.

Officers: William Kronenberg, president/CEO; Frank Piliero, executive vp; James F. Splain, senior vp.

Contact: James F. Splain.

EOS Environmental Inc.

507 Mission St.,
South Pasadena, Calif. 91030;
626-441-7050; fax: 626-441-0016
www.home.earthlink.net/~eosenv

Staff

Safety consultants	1
Occupational health consultants	1
Industrial hygiene consultants	4
ASSE members	1

Clients

Total	78
Corporate/institutional clients	56

1997 revenues

Safety consulting	$256,000

Founded: 1990.

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

Other services: OSHA compliance; research involving industrial hygiene and occupational health; industrial hygiene laboratory*.

Specialties: Construction, manufacturing, legal community, insurance.

Service area: Southern California.

Officers: Tom Blanton, president; Todd C. Wilson, executive vp.

Contact: Todd C. Wilson.

** Industrial hygiene testing by independent labs.*

ESIS Inc.

1601 Chestnut St., TL32G,
Philadelphia, Pa. 19192-2325;
215-761-6779; fax: 215-761-5476

Staff

Total	230
Safety consultants	170
Occupational health consultants	45
Industrial hygiene consultants	9
ASSE members	180

Clients

Total	290
Corporate/institutional clients	275

1997 revenues

Safety consulting*	$3,100,000

Founded: 1953.

Parent: INA Financial Service Corp.

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

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and product liability; fire protection engineering; industrial hygiene laboratory**; behavioral safety consulting/analysis; business interruption evaluations; risk assessment surveys; process reviews.

Specialties: Service industries, manufacturing, construction, financial.

Offices: Los Angeles; San Francisco; Denver; Atlanta; Chicago; Boston; New York; Portland, Ore.; Philadelphia; Dallas and Houston.

Service area: Nationwide.

Officers: Ray Hafner, president; Brian O'Hara, vp/CFO; Sharon E. Simpson, Jim Young, Larry Keough, vps.

Contact: Sharon E. Simpson, 215-761-6788.

** Estimate. ** Industrial hygiene testing by independent labs.*

Employers Risk Services

1240 Fairway St.,
Bowling Green, Ky. 42102;
502-782-7678; fax: 502-782-7654

Staff

Total	6
Safety consultants	5
ASSE members	5

Clients

Total	1,000
Corporate/institutional clients	20

1997 revenues

Safety consulting	$500,000

Founded: 1994.

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

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

Specialties: Forestry/wood industry, coal mining, construction.

Offices: Miami; Lexington, Ky.; Oklahoma City; Nashville, Tenn.

Service area: Nationwide.

Officers: Tim Renfro, president; Pat Parsons, Don Turner, vps.

Contact: Don Turner.

G

Gage-Babcock & Associates Inc.

3975 Fair Ridge Drive N., Suite 310,
Fairfax, Va. 22033-2924;
703-934-6440; fax: 803-385-6749
www.gage-babcock.com

Staff

Total	67
Safety consultants	45
ASSE members	3

Clients

Total	300
Corporate/institutional clients	100

1997 revenues

Safety consulting	$5,800,000

Founded: 1952.

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

Other services: Publication of safety materials or videos; development of training materials; fire protection engineering; security consulting and design.

Offices: Los Angeles; San Francisco; Washington; Atlanta; Chicago; New York; Vancouver, British Columbia; South Korea.

Service area: Worldwide.

Officers: Tom Jaeger, president; Al Longhitano, treasurer; Mario Antonetti, secretary.

Contact: Douglas J. Rollman, director-business development.

Continued on next page

ON BEING THERE.

Reinsurance can be a powerful, positive force, if your reinsurer is truly there for you. It can offer the solid protection you need as you take on new business.

At St. Paul Re, we deliver all that, and more. Our global network enables us to be there for you all over the world. No matter where you do business, you are connected to our resources and expertise. Whenever, wherever opportunities may surface, you'll get the solutions you need, when you need them. In addition, St. Paul Re is backed by a surplus of $3 billion and financial ratings among the highest in the industry, so you'll have the financial security of a world class organization.

If you seek a reinsurance relationship that is secure enough to help you seize new opportunities, choose St. Paul Re. Because when you're covering new ground, you need a partner that is right there with you every step of the way. In fact, we're here for you right now. Visit us at **http://www.stpaulre.com** today.

St Paul Re

Continued from previous page

Gallagher Bassett Services Inc.

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

Staff

Total	61
Safety consultants	45
Occupational health consultants	2
Industrial hygiene consultants	10

Clients

Total	587
Corporate/institutional clients	281

1997 revenues

Safety consulting	$6,175,000

Founded: 1962.
Parent: Arthur J. Gallagher & Co.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene program assistance; onsite and offsite training classes or seminars; behavior-based safety; comprehensive program evaluations.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory; emergency preparedness/disaster recovery planning; loss benchmarking and analysis; construction wrap-up; school violence programs.
Specialties: Manufacturing, food services, printing, municipalities, retail, educational, religious, hotels, health care, construction.
Offices: Los Angeles; Atlanta; Fort Worth, Texas.
Service area: Nationwide; Asia, Australia, Canada, Europe.
Officers: John G. Campbell, chairman; Peter J. Durkalski, president; Richard McKenna, Joseph Slifka, executive vps; Emil Bravo, vp.
Contact: Emil Bravo.

H

Helmsman Management Services Inc.

9 Riverside Road, Weston, Mass. 02193; 617-243-7985; fax: 781-736-0256

Staff

Total	595
Safety consultants	450
Occupational health consultants	22
Industrial hygiene consultants	30
ASSE members	400

Clients

Corporate/institutional clients	249

1997 revenues

Safety consulting	$10,500,000

Founded: 1983.
Parent: Liberty Mutual Group.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; safety and health catalog; behavior-based safety; training program needs assessment; driver training; international services.
Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration; industrial hygiene laboratory; auto safety, return-to-work, prosthetics, driver fatigue, shift work research.
Specialties: Construction, transportation, health care, industrial manufacturing.
Offices: All major metropolitan areas.
Service area: Worldwide.
Officers: Edmund F. Kelly, president; Amy J. Leddy, Barry S. Gilvar, Scott Murphy, Richard E. Leeman, vps.
Contact: Amy J. Leddy or Jim Johnson, 175 Berkeley St., Boston, Mass. 02117; 617-357-9500 ext. 45620.

I

ITT Specialty Risk Services

Goodwin Square, 225 Asylum St., 16th Floor, Hartford, Conn. 06103; 860-520-2599; fax: 860-520-2503

Staff

Total	279
Safety consultants	268
Industrial hygiene consultants	11

Clients

Total	150
Corporate/institutional clients	150

1997 revenues

Safety consulting	$3,800,000

Founded: 1991.
Parent: The Hartford Financial Services Group Inc.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; return to work; injury management; benchmarking.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory; CD-based training programs.
Specialties: Health care, municipalities, manufacturing, personnel services.
Offices: Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Virginia, Washington, Wisconsin.
Service area: Nationwide.
Officers: Dennis Replogle, president; Stephen Holcomb, senior vp; Annette Sanchez, Jim Leonard, Patsy Baumgartner, vps.
Contact: Tim Howe.

Your Rolodex® Card File Just Got Smaller.

One Contact, One Number.

Welcome to Presidium where we deliver a truly integrated array of disability management tools and services. Cut the hassle and work with us to cut your disability losses. Call us today.

1-800-920-3541



Presidium, Inc.
THE DISABILITY MANAGEMENT COMPANY

1-800-920-3541
10911 White Rock Road, Suite 100, Rancho Cordova, CA 95670-6029

Rolodex® brand is a registered trademark of Newell Office Products.

Inservco Insurance Services

2 N. Second St., Harrisburg, Pa. 17105-3899; 717-230-8300, ext. 4023; 717-221-6060

Staff

Total	6
Safety consultants	6
ASSE members	3

Clients

Total	87

1997 revenues

Safety consulting	$267,000

Founded: 1980.
Parent: Penn National Insurance Co.
Services: Safety audits/reviews, evaluations or inspections; safety and ergonomic program assistance; onsite and offsite training classes or seminars; loss control surveys for insurance companies.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering; audit rating for property insurance, including sprinkler/fire suppression system credits.
Specialties: Governmental, educational, manufacturing, commercial agri-business.
Offices: Trenton, N.J.; Greensboro, N.C.; Harrisburg and Pittsburgh, Pa.
Service area: Delaware, District of Columbia, Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina, Virginia.
Officers: Jim Butler, president; Bob Conrad, executive vp; Mike Scheib, vp-operations; Joeseph Boslet, vp-safety.
Contact: Joseph Boslet.

Insurance Control Systems

1118 N. LaBrea Ave., Inglewood, Calif. 90302; 310-672-1334; fax: 310-673-3350

Staff

Total	6
Safety consultants	1
Occupational health consultants	1
Industrial hygiene consultants	1

Clients

Total	52
Corporate/institutional clients	8

1997 revenues

Safety consulting	$1,025,000

Founded: 1989.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and product liability; fire protection engineering; industrial hygiene laboratory*.
Specialties: Construction, manufacturing.
Service area: Western United States.
Officers: A.D. Kirkpatrick, president; V. Paganelli, vp; Damien Paganelli, operations; V. Heitkamp, controller; P. Traber, senior director.
Contact: V. Paganelli, P.O. Box 4485, Inglewood, Calif. 90302.
** Industrial hygiene testing by independent labs.*

Insurance & Risk Management

3811 Illinois Road, P.O. Box 1705, Fort Wayne, Ind. 46801; 219-436-1616; fax: 219-432-4083
www.insuranceriskmgmt.com

Continued on page 39







GAB Robins

EMERGENCY PROCEDURE

IF BACKSTRAIN OCCURS:

MAKE SURE YOUR CLAIMS ADMINISTRATOR HAS EASY-TO-ACCESS INFORMATION SYSTEMS.



GAB Robins doesn't just utilize the most innovative technology infrastructure, we create it. ACIS™, our Automated Claims Information System, provides timely and easy-to-access information through our ClienTell™ query and reporting tool. And with other integrated database tools, we can assess, plan and monitor medical care from first report of injury through return to work. Questions? answers@gabrobins.com or call 888.888.4242

©1998 GAB Robins North America, Inc.

We too have become specialized – in your business.



Every company is unique in terms of its business, its objectives and its risks. Your business demands versatility from your reinsurer. At Zurich Re, understanding risk and delivering solutions to minimize the downside of that risk is our business.
To do that, we get below the surface to understand the goals of your business. We treat each client individually as if he or she were our only one. Our team of specialists will take time to get to know you and your business, so that together we can come up with solutions that ensure your success. Off the shelf solutions are easy to find. Specialized solutions that support your goals and deliver the results you need are what we are about.
At Zurich Re, your success is our success.

Zurich Re, Zurich
General Guisan-Quai 26
CH-8022 Zurich, Switzerland
Main Phone Number: +41 1 639 93 93
Main Fax Number: +41 1 639 90 90

Zurich Re, Cologne
Oppenheimstrasse 2
D-50668 Cologne, Germany
Main Phone Number: +49 221 77 15 0
Main Fax Number: +49 221 72 60 24

Zurich Re, North America
One Chase Manhattan Plaza
New York, NY 10005, U.S.A.
Main Phone Number: +1 212 898 5000
Main Fax Number: +1 212 898-5052
Website:
http://www.zurichre-na.com

ZURICH RE

Business Insurance's

GLOBAL FOCUS

A special section sent exclusively to readers outside the U.S.

Workers Compensation



INSIDE:

Private systems becoming norm in Latin America
Page G2

Rates, courts make costs high in Hong Kong
Page G6

U.K. employers get more active in prevention
Page G7

GLOBAL FOCUS

Latin American workers comp becoming private purview

By MARIA KIELMAS

Major changes are afoot in Latin American workers compensation systems.

For the past three decades, workers compensation benefits in most countries have been administered by government monopolies within the social security system.

But as Latin American governments limit their dominant roles in the economy and reform their underfinanced and highly indebted social security systems, workers comp is developing as a thriving private sector business.



The role model for this reform is Chile, which founded its current workers comp system 30 years ago. It began voluntarily among employers and industry sector organizations concerned about the mounting costs of workplace accidents.

Chile created a group of mutual insurers with three areas of responsibility: loss prevention, medical attention and disability payments. Today, there are 13 privately administered mutuals, but just three of these dominate the market: Mutualidad de Seguros; Instituto de Seguros del Trabajador; and Asociacion Chilena de Seguridad, or ACHS, which was created as part of the Construction Chamber, Camara de Construccion.

The mutuals cover 2.8 million people, or 75% of the working population, said Eduardo Undurraga, general manager of Santiago-based ACHS. The remainder of the population is covered through Instituto de Normalisation Previsional, the clearinghouse for the old state social security system after Chile privatized its social security system in the 1980s.

Mr. Undurraga claims that the mutuals' greatest achievement has been loss prevention. Nearly 30 years ago, in 1969, Chile's rate of workplace accidents was 35.3 per 100 workers, while today the accident rate has fallen to 9.5%.

"The system has worked well and lowered overall costs," said Joseph Hamilton, senior vp of Liberty Mutual Insurance Co. in Boston.

Employers pay 100% of workers comp premiums, which are determined by law.

There is a base premium of 0.95% of payroll, and an additional premium of up to 6.8% may be assessed, depending on the level of work hazard and the loss record of the employer.

According to Jonathan Calland, general manager of the Santiago-based employee benefits consultant Calland y Cia., Chilean employers pay an average of 1% of payroll for workers comp premiums. But ACHS' Mr. Undurraga said the average is about 1.9% of payroll.

However, Liberty Mutual's Mr. Hamilton said this mandated premium is a drawback to the system. "It's an over-rigid system. The lowest you pay is the minimum rate for an industry group. There is a recognized subsidy between groups" for higher-risk members of the mutual system, Mr. Hamilton said.

Every employer is required to subscribe to a workers comp mutual. Only organizations with more than 2,000 employees may self-insure. About 45,000 Chilean workers in nine companies are covered under a self-insurance plan, of which five are a division of the state-owned copper company Corporacion Nacional del Cobre del Chile, which has about 35,000 employees.

"Self-insurance is an option, but it is limited because the state has the power to tax the premiums," said Mr. Calland. The company can hold on to only one-third of the premiums it generates; the remainder goes in tax. "The state does not encourage employers to go it alone," Mr. Calland said.

Messrs. Calland and Undurraga said there is little call to demutualize.

"It's a non-issue," said Mr. Calland. "In Colombia, the system is for profit; in Argentina the system is for profit. Here, we have had a mutual system since 1968, and it functions well," said Mr. Undurraga. New entrants into the Chilean workers comp market will find the going tough, he said.

Chile was a model for the reform



of the Colombian system in 1993.

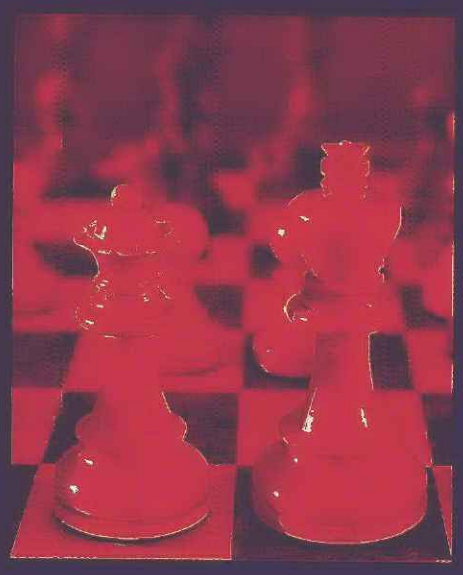
That year, the Colombian government passed a comprehensive reform of pension, health care and workers comp.

Until then, those areas had been administered as a government monopoly. Health care was reorganized into Entidades Provedores de Salud, a kind of health maintenance organization; private pension funds were created, called Aseguradoras Fondos de Pensiones; and coverage for workers comp came under the purview of Aseguradoras de Riesgos Profesionales. The state social security system, Instituto de Seguridad Social, was reorganized along the same lines. This reform was controversial at the time.

See **Reforms** *on page G4*

In an ever changing market, how can you preserve the value in your reinsurance relationship?

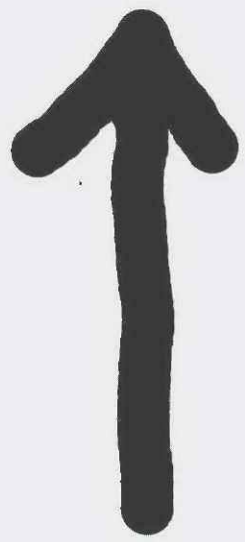
The long term specialist in catastrophe reinsurance.



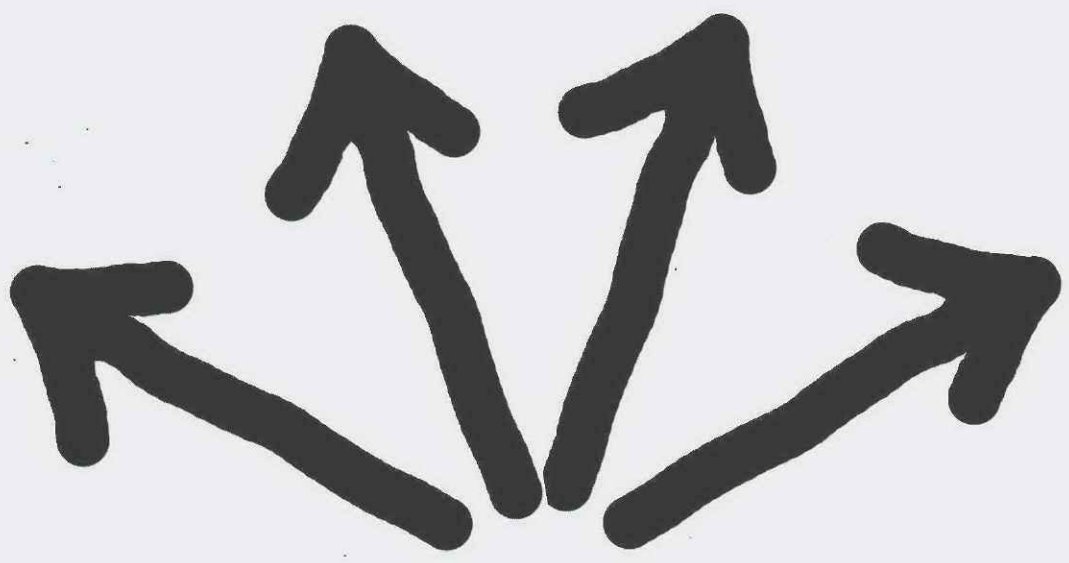
With capital and surplus of more than $600 million. Rated "A" by A.M. Best and Standard & Poor's.

Renaissance Reinsurance Ltd.
Renaissance House, East Broadway, P.O. Box HM 2527, Hamilton HM GX, Bermuda
Telephone 441.295.4513 Fax 441.292.9453 www.renre.com

Renaissance REINSURANCE



Moving up.



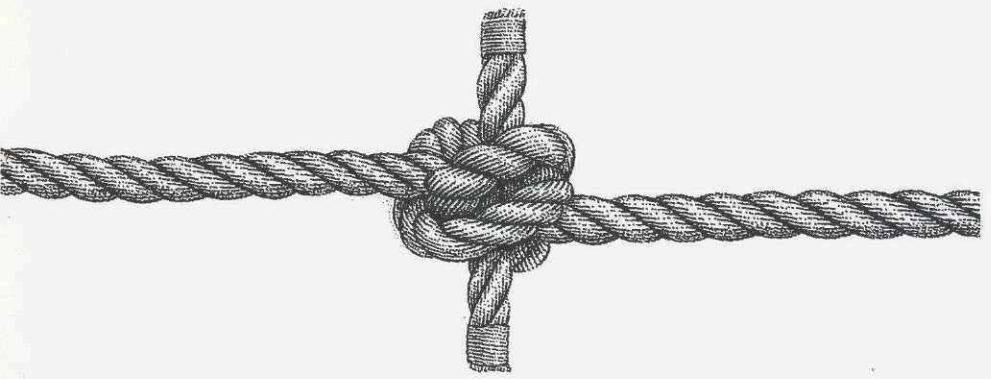
Branching out.



Looking ahead.

ACE
LIMITED

NYSE:ACL / Rated A+ (Superior) by A.M. Best



THE COMBINED LINES HUNTER'S BEND

Just as a Hunter's Bend knot joins two lines to create a stronger length of rope, a Combined Lines policy can easily tie up more insurance protection for you.

A Combined Lines policy from Chubb Atlantic can merge the limits of several lines into one efficient premium that shares aggregate limits. And a combined policy that covers several lines over several years can reduce annual applications, negotiations and administration costs. Our underwriters have tied a Combined Lines knot with some of the largest insureds in the world. And we have the capacity in Excess Liability, D&O, E&O, Property, and other lines to blend the right strands of coverage for you.

Owned by a corporation with more than $19 billion in assets and 115 years of experience, Chubb Atlantic has the financial strength and stability to make it a solid choice for clients in the Fortune 2000. If a Combined Lines product can bind up your insurance needs, contact Chubb Atlantic. You'd be amazed at the kinds of things we can make insurance do.

Chubb Atlantic Indemnity Ltd.
Belvedere Building, P.O. Box HM 660
Hamilton HM CX, Bermuda
(441) 292-7343 www.chubbatlantic.bm

CHUBB

The precise coverage afforded is subject to the terms, conditions and exclusions of the policies as issued. Coverage may not be available in all jurisdictions.



Reforms

Continued from page G2

"There was concern within the state system of losing income and power," said Mr. Hamilton.

He noted that there is a similar controversy in Mexico over the state social security provider, IMPS.

"That is the country's largest employer, with 450,000 employees and with the largest union," he said of IMPS.

In Colombia, there are 15 private-sector ARPs, and the ISS remains a state provider. As in Chile, employers pay 100% of the premiums, which average about 1% of payroll, said Mauricio Parra, general manager at Bogota, Colombia-based Aon Previsionales y Personas Ltda., a subsidiary of Aon Corp.

A government-mandated matrix determines workers comp premiums. The matrix organizes businesses into five industry categories, based on workplace hazards. Within each category, there are then three rating levels: a base rate, a minimum rate and a maximum rate.

Thus, an employer has an incentive to improve loss control and pay a smaller premium, to either move to a lower rate or even a lower-risk category, Mr. Parra said.

Colombian employers have criticized this minimum rate system as too rigid, Mr. Parra said. Employers are seeking to make the market more competitive, but this may be premature, he said. Mr. Parra said he believes that freeing up the market now could cut premiums from 1% to 0.1% and cause many bankruptcies among ARPs.

According to Mr. Parra, the 15 private-sector ARPs have 37% of the work force and the ISS has 63%. But the private sector earned 47% of total workers comp premiums in Colombia, while the state sector earned 53%, implying that higher-paid workers are affiliated with the private-sector system. Total workers comp premiums collected were 10 billion Colombian pesos ($10 million) in 1995, 80 billion pesos ($80 million) in 1996, and 145 billion pesos ($145 million) last year.

"There has been a remarkably good experience to date," said Mr. Hamilton.

But this market is showing the same oligopolistic trends as in Chile, where a small number of companies virtually control the market. Two companies control 52% of the ARP market in Colombia. One is Colmena, a subsidiary of Fundacion Social, a Bogota-based holding company that groups the business interests of the Jesuit order. The other is Surapet, a subsidiary of the country's largest insurer, Suramericana de Seguros.

Each of Colmena and Surapet holds 26% of the market. Colpatria, part of the Pacheco family groups, holds 11%, and Colseguros, part of the Santodomingo group, holds 10%. Thus, four companies control nearly three-quarters of the market.

As in Chile, the Colombian system pays indemnities regardless of the liability of the employer.

"But if the employer is considered liable for the accident, then you, as an employee, can sue him. This has nothing to do with the ARP," said Mr. Parra.

As in Chile, self-insurance is an option open only to the largest Colombian companies. The country's largest employer is the state oil company Empresa Colombiana de Petroleos. The company has been self-insured since its creation in 1948. It owns one clinic for its employees in Barrancabermeja, a city where one of its refineries is located. All contributions for pensions, health care and other benefits are paid by the company. Ecopetrol employees pay no contributions to their benefits package. The company will also pay the medical costs of employees' close relatives, such as spouses, children and, occasionally, parents. These benefits are arranged under an agreement with the company's labor union, explained Luis Cardenas, insurance manager at Ecopetrol.

Ecopetrol may explore purchasing workers comp insurance in the future, he said.

Venezuela is set to be the next Latin American country to reform its social security system. President Rafael Caldera is expected to sign into law a social security reform bill by November, in advance of December elections.



The measure would partly privatize the state social security system and take workers comp coverage out of the government's monopoly.

The new system is expected to resemble Colombia's system, said Terence Gilbert, general manager at Caracas-based Johnson & Higgins de Venezuela. At present, the Venezuelan government provides all workers comp, with the exception of employees of the state oil company, Petroleos de Venezuela S.A.

Social security started in Venezuela in the 1960s, Mr. Hamilton explained.

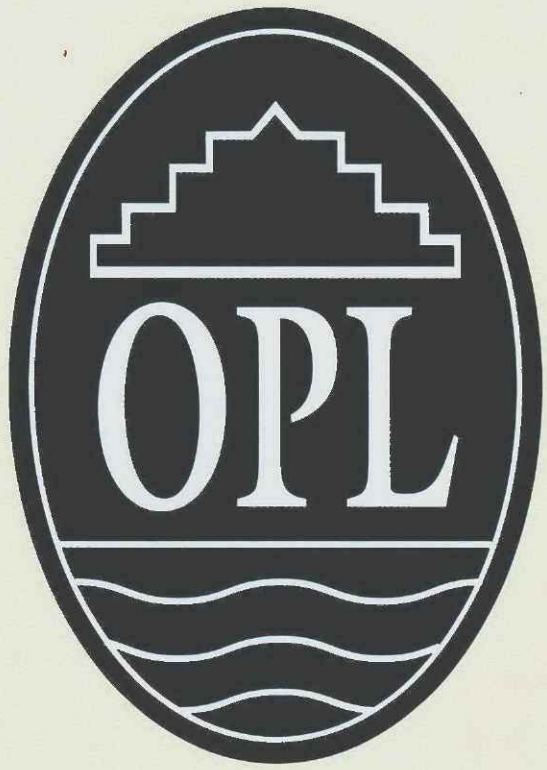
But employers in outlying rural areas that lacked state facilities had the option of buying private insurance. In addition, strong unions in a highly politicized industry such as oil could demand and get better benefits. Therefore, PDVSA buys workers comp coverage in the private market. Contractors to PDVSA, as well as some larger private employers, also buy workers comp in the market, Mr. Hamilton said.

Under the proposal awaiting the president's signature, both employer and employee would be required to contribute to the new Venezuelan system. The employer would contribute up to 6.6% of payroll, while the employee would contribute up to 2.6%. The rates would be set on a scale that varies depending on industry hazards. Total rates for office workers would vary between 0.75% and 1.5% of payroll, while oilfield workers would pay up to 7% of payroll.



Reform of the workers comp system in Brazil is at least two years away, said Ron Gabay, an employee benefits consultant at Aon Brasil Corretores de Seguros in Sao Paulo. The system was privately run until 1968, when the government took it over as part of an expansion of state power and made it part of the state social security system. Brazilian employers pay 22% to 24% of payroll for their social security contribu-

See **Reforms** *on page G6*



OVERSEAS PARTNERS LTD.

PARTNERSHIP IS OUR MIDDLE NAME

Overseas Partners Ltd. and its subsidiary companies ("OPL") is one of the world's largest reinsurance companies. Since 1983, OPL has quietly grown to $2.3 billion in capital by concentrating on non-catastrophic risks. OPL spans all lines of non-catastrophic reinsurance - balancing risks globally across a range of industries.

OPL provides creative solutions to reinsurance needs in areas such as property, marine, worker's compensation, aviation, automobile and finite risk.

Diversity has helped OPL forge long term relationships with prestigious international clients. These partnerships are maintained and strengthened through integrity, honesty and stability.

For your global reinsurance needs, don't take unnecessary risks. Call OPL at 441-295-0788.



QUIETLY REINSURING

Overseas Partners Ltd.

Mintflower Place | P.O. Box HM 1581 | 8 Par-La-Ville Road | Hamilton, HM 08 | Bermuda

Tel: 441-295-0788 | Fax: 441-292-9142 | e-mail: opl@oplbda.com

GLOBAL FOCUS

U.K. companies learning employee health management

By CAROLYN ALDRED

An increasing number of U.K. companies are waking up to the high cost of not managing their employers liability exposure more aggressively.

Rather than merely transfer the risk to an insurer for a costly premium, more U.K. employers are finding that they can reduce their costs and keep a more productive work force by taking steps to reduce the number of illnesses and injuries and by working more closely with disabled workers to get them back on the job.

Many of these disability management practices are being imported into the U.K. market by international insurers and employers that have seen how widely used and successful they have been for U.S. employers.

This shift in attitude follows a crisis of capacity and affordability in the U.K. employers liability insurance market in the early 1990s. Continued increases in the size and frequency of employers liability claims also have forced a change in risk managers' thinking.

"The move toward more complete management of employers liability (risks) is still in its embryonic stage in the U.K. but, as in the U.S., it is a trend that will develop," said David Thomas, a principal in London of Willis Risk Solutions, a division of Willis Corroon P.L.C.

The Assn. of Insurance & Risk Managers is finalizing work on a model disability management program for U.K. employers.

The goal of the program is to first identify and measure the total cost of occupational and non-occupational illness and injuries among workers, coordinating the efforts of various internal departments. The next step is to devise model programs for controlling and reducing the costs of worker disability.

The AIRMIC program, titled "Good Health-Good Management," is being developed by a range of professionals involved in employee health care, including risk managers, occupational health specialists, and officials from corporate health and safety and human resource departments.

"In many companies, several departments—such as human resources, health and safety and insurance—currently all work in isolation. We have developed a program which will enable the various departments to work together to identify and measure the costs of employee sickness, absence and injury and to get handle on the issue," said Donna Thomas, an independent consultant who is helping coordinate the project.

The whole issue of managing disability costs is still relatively unknown in many U.K. companies, said Ms. Thomas. She said initiatives such as health screening, claims management, analyzing claims data and adopting early-return- to-work programs are infrequently used.

"We are developing the program because there was a need for it. Nobody had a handle on what sickness was costing their corporations," said Ms. Thomas.

AIRMIC's health management program is being tested in several companies and is likely to be made available to other U.K. employers next year, said AIRMIC Chief Executive David Gamble.

One U.K. company focusing on keeping workers healthy is chemical conglomerate ICI P.L.C., one of the United Kingdom's largest industrial companies.

In the past few years, ICI has made a major drive to focus management on employee health issues, said ICI's chief medical officer, Dr. John Ferguson-Smith. "We have been doing a lot of work to underline that line managers at all levels are responsible for health in the same way as they are responsible for safety and the environment," he said.

"In recent years, occupational health has become much more focused and an integral part of the business process. Line managers quite readily accept ownership and responsibility for improving health," Dr. Ferguson-Smith said.

ICI is focusing on educating its management and employees on occupational health issues with the "emphasis always on prevention rather than tidying up afterwards," he said.

The company has refined its reporting system for work-related ailments so it can better track specific health risks. For example, it has added new categories for specific skin-related problems, respiratory problems and repetitive trauma, including noise-induced hearing loss as well as upper-limb disorders.

ICI also has introduced health-related performance indicators, as well as comprehensive workplace risk assessments, from ergonomics analyses to safety hazard inspections. And the company has an active rehabilitation policy.

"Getting people back into the workplace as soon as possible is in everyone's best interest," said Dr. Ferguson-Smith.

Insurers are taking the lead in helping U.K. companies better manage their employers liability exposure. One such company is AIG Europe (UK) Ltd., a subsidiary of New York-based American International Group Inc.

Concerned by the length of time taken to resolve EL claims and the fact that many U.K. employers have not adopted the type of disability management programs practiced in the United States, AIG's EL claims team decided to reform the way it tackled EL risks in the United Kingdom, said Steve Eckhardt, U.K. and Ireland claims manager for AIG.

"Our view was that we needed to approach EL differently. We formed a special risk management claims unit in April 1996. . .whose real innovation came last year when a qualified nurse joined the team," he noted.

The unit's aim was to reduce policyholders' costs by developing an early-return-to-work program for injured employees; identifying ways for clients to reduce the risk of EL claims; reducing the time taken to settle EL claims; developing a system to remove the adversarial approach to claims handling; and putting the emphasis on the recovery and care of the employee, according to Mr. Eckhardt.

One of the most crucial areas identified by AIG in cost containment was to reduce legal costs by speeding up the process for settling a claim and making the process less adversarial.

The company has devised standard injury report forms, in collaboration with the British Orthopaedic Society and the Law Society, to make it easier for employers to obtain detailed medical reports on worker injuries.

On receipt of a claim for compensation, the injured worker's lawyer is immediately advised that action is being taken and is provided with a copy of the medical report. "This approach has led to a more open and amicable dialogue" between insurer and plaintiff, according to Mr. Eckhardt.

In addition, the investigation of the employer's liability for a worker's claim is handled separately from an investigation of the medical needs of the employee, which is dealt with by a nurse focused on getting the employee back to work.

"Due to the fact that the vast majority of all claims dealt with under this system are concluded quickly and without the need to resort to litigation, there is a dramatic and substantial reduction in legal costs," he said.

The success of the program led AIG to form a separate company this year. Called AIG Medical & Rehabilitation Ltd., it specializes in managing the care of the injured worker and returning him or her to work.

Another insurer adopting a new approach to EL underwriting in the United Kingdom is Bermuda-based EXEL Ltd., which recently launched a new U.K. company specializing in EL insurance.



XL Prevent, which is owned by Dublin, Ireland-based XL Europe Insurance, offers "a new approach" to EL insurance, according to General Manager Terry Nichol.

"We aim to give companies something other than simply financial protection. We want to give them educational support and advise them on how to achieve best risk management practice," said Mr. Nichol.

XL Prevent has launched an integrated risk management and insurance product called EMPHASIS, or Employers' Health & Safety & Insurance Support. In addition to underwriting liability coverage, the EMPHASIS program has a network of risk advisory units in Manchester, England; Dublin; Burton upon Trent, England; Glasgow, Scotland; and Harrogate, England; a risk and claims management center in Newcastle upon Tyne, England; and a risk evaluation center in London.

The company offers long-term liability insurance contracts, typically of three years or more, using both conventional and non-conventional financial products. As part of the contracts, risk management services are provided to all policyholders.

"We make sure companies have good reporting and recording procedures for incidents, including near-misses, and use that information pro-actively," said Mr. Nichol.

The company also ensures claims are dealt with speedily and, through a partnership with Liberty Risk Services, provides a range of health and safety research and consulting and training services.

Mr. Nichol emphasized that the risk management support is continuous throughout the insurance contract, not merely provided as an initial loss prevention survey.

XL Prevent currently offers a standard limit of £10 million ($17 million) for EL and £5 million ($8.5 million) for public and products liability, said Mr. Nichol.

While XL Prevent is focusing initially on claims prevention and management, the company also plans to increase its rehabilitation services in the future.

"I believe rehabilitation is the future. There needs to be a change in attitude" among employers and injured employees, said Mr Nichol. Instead of focusing on damages, the focus must instead be on the injured person, maximizing their recovery and helping them back to work as soon as possible, he explained. BI

Reforms

Continued from page G4

tions, which provide benefits in public health, workers comp and pensions. The system has a deficit of $8 billion, or 2% of the Brazilian GDP. "It's a big black hole," said Mr. Gabay.

Brazilian employers face a potential surge in costs as a result of the country's first attempt to regulate private health plans, said Humberto Torloni, a consultant at Aon Consultants in Sao Paulo.

In the past, Brazil's HMOs generally excluded sophisticated medical procedures. But the new law obliges them to cover conditions such as AIDS and procedures such as transplants. There are also tighter regulations governing the minimum financial reserves that HMOs must maintain.

Thus HMOs, which offered limited coverage, will incur greater costs in adjusting their coverage to meet the new requirements. This expense will be reflected in increases in health insurance for the consumer, said Mr. Torloni. "The costs are going to shoot right up," he said.



Argentina's 1996 workers compensation reform has not met its goal of stimulating employer investment in programs to reduce the risk of workplace accidents.

The Argentine government introduced a U.S.-style private workers comp system in 1996, with responsibility for coverage shifting to employers or individual workers from the state.

At the time, the stated goal of the change was to reduce civil litigation under the old system and encourage employers to adopt safety and loss prevention programs (*BI*, June 10, 1996).

According to a report published by the superintendent of the Argentine workers comp system, or SRT, each month, there are more than 25,000 accidents at work in Argentina.

The SRT puts the blame for continued high accident rates on employers' failure to invest in loss prevention. The government contends that 97% of Argentine businesses fail to meet required workplace safety and hygiene standards. The government also claims that most Argentine companies do not fully train staff in safety procedures, when such procedures exist.

A recent study carried out by the SRT found that 24.2% of companies questioned do not comply with basic safety regulations, 67.2% partially comply with safety regulations, and only 8.6% fully comply with current safety regulations.

In response to nationwide unrest and regular civil protest against unsafe working conditions, the Argentine government recently proposed raising the ceiling on payments for insurance covering total disability and death at work. The payment amount would be doubled, to 110,000 pesos ($110,000) from 55,000 pesos ($55,000). The proposal is part of several pieces of legislation that would reform the workers comp law.

•

Rupert Eden contributed to this report.

GLOBAL FOCUS

Workers comp rates remain high in Hong Kong

But new safety ordinance aims to reduce injuries in the workplace

By KATE TILLEY

HONG KONG—Beset by workers compensation premium increases for the past five years, Hong Kong employers may get a reprieve but still have some work to do.

More claims litigation, combined with higher court awards and a statutory increase in benefits since 1993, have been largely responsible for a 40% rise in premiums over the past five years, an insurance executive says.

Rising levels of court-awarded compensation and benefits to employees make premium increases essential, said Leo Ma, chairman of the Accident Insurance Assn. of Hong Kong, and assistant general manager for Prudential Assurance Co. Ltd., Hong Kong.

In addition, court decisions for years have shown a bias in favor of injured workers, "and this is still the case," he said.

Another factor in the increases is Hong Kong's overburdened court system, which in July prompted Hong Kong's chief justice to issue a directive encouraging lawyers to seek out-of-court settlements.

> *Rising levels of court-awarded compensation and benefits to employees make premium increases essential. In addition, court decisions for years have shown a bias in favor of injured workers.*
>
> —Leo Ma

The directive is the latest attempt by government administrators over the past five years to ease pressure on Hong Kong's court system, according to Mr. Ma.

Meanwhile, the government is requiring employers to address the root of the claims problem by taking steps to reduce workplace accidents.

The Occupational Health & Safety Ordinance, which was enacted in 1997, requires employers to increase workplace safety measures, said Flora Loh, information officer for the Hong Kong Labor Department, which regulates workplace issues.

Ms. Loh said the new law also stiffens penalties, with fines ranging from $10,000 Hong Kong to $500,000 Hong Kong ($1,291 to $64,550). Violators in more hazardous work situations can receive prison terms of up to 12 months.

Over the past five years, the average fine for contravening health and safety legislation on construction sites has increased from $7,923 Hong Kong to $25,698 Hong Kong ($1,023 to $3,318). For other industrial operations, the average fine has increased from $4,095 Hong Kong to $10,450 Hong Kong ($529 to $1,349) over the same period.

Hong Kong's most recent revision of workers compensation levels went into effect Aug. 1, 1998. The current maximum death benefit in Hong Kong is now $2,016,000 Hong Kong, compared with $163,044 Hong Kong ($260,266 from $21,049) in 1993.

Compensation for permanent, total incapacity also increased in August to a maximum of $1,764,000 Hong Kong ($227,732), compared with $540,000 Hong Kong ($69,714) in 1993.

The Accident Insurance Assn. recommends a 2% base rate increase in premiums to its members, but does not expect them to raise premiums.

"You have to remember we have a very aggressive free-market economy here in Hong Kong at the best of times, and currently the region is in financial turmoil, so there is massive competition for premiums," Mr. Ma said.



Hong Kong

As early as 1993, employers suggested the Hong Kong Legislative Council could use premium increases as a reason to dump the privately run workers comp program.

Mr. Ma confirmed that a transition to a statutory, government-run program was supported by the Department of Labor and labor unions in Hong Kong.

However, he said there are "no indications of further legislative changes in regard to the workers legislation, and neither is there anything to indicate a change in direction regarding the industry since the government handover in July 1997." BI

GLOBAL FOCUS

Global Focus will appear six times in 1999 as a regular section distributed exclusively to non-U.S. subscribers. Articles in this special demographic section will address the specific risk management and employee benefits concerns of executives in countries other than the United States.

If your business is targeted to meet the needs of executives around the world, you won't want to miss these 1999 advertising opportunities in *Global Focus*.

1999 ADVERTISING OPPORTUNITIES	
ISSUE DATE	AD CLOSING
February 15	February 3
Distribution: Bermuda Insurance Symposium: World Insurance Forum	
March 29	March 17
Distribution: Association of Insurance & Risk Managers	
June 14	June 2
August 30	August 18
Distribution: Monte Carlo Rendez-Vous	
October 25	October 13
Distribution: Management Centre Europe Insurance & Risk Management Conference; Baden-Baden; Federation of European Risk Management Associations	
November 22	November 10

Business Insurance®
www.businessinsurance.com

For advertising information contact Martin J. Ross, Associate Publisher and Advertising Director
220 East 42nd Street, New York 10017-5806
Phone: 212-210-0228 • Fax: 212-210-0704 • E-mail: mross@crain.com

INTERNAZIONALE

International

International



国際的

Protection.



Long before the trend toward global risk management programs, our policyholders enjoyed the benefits of multi-national insurance, based on principles developed by the Factory Mutual System. For more than 30 years, our affiliate, Factory Mutual International has provided our "Highly Protected Risk" policyholders with fundamental loss prevention research, engineering sevice and effective employee training programs.

As boundaries disappear and policyholders are presented with new opportunities for growth, we are ready to meet the challenge of protecting critical assets from the devastating effects of loss. To meet changing business needs, we are concentrating our efforts on service that brings the most value to our policyholders. From 13 offices around the world, our international service network brings its vast knowledge and experience to each and every policyholder. As we continue to provide superior global insurance programs, we are pleased to announce the formation of Protection International Limited, with headquarters in London.

For more information about Protection International Limited, contact David Wilkinson, Managing Director.

INTERNACIONAL

Protection International Limited

London Office:
Number 1 Minster Court
London EC3R 7AA
(071) 369.5400 Telephone
(071) 369.0206 Facsimile

Amsterdam Office:
Prinses Irenestraat, 43
1077 WV Amsterdam
(31) 20.661.3223 Telephone
(31) 20.661.2168 Facsimile

It's Our Word.

Factory Mutual System

Factory Mutual International

International Service Network:
Annecy, Brussels, Frankfurt, Madrid, Manchester, Melbourne, Paris, São Paulo, Singapore, Tokyo, Turin

Protection International Limited

Continued from page 36

Staff

Total....5
Safety consultants....5
ASSE members....3

Clients

Total....200

1997 revenues

Safety consulting....$275,000

Founded: 1963.

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

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

Specialties: Manufacturing, construction, school systems.

Offices: Indianapolis; Defiance and Toledo, Ohio.

Service area: Nationwide.

Officers: Harold Everett, Ron Harruff, John Hettwer, James E. Krouse, Dewey Tagtmeyer, Jim Van Dyck, managing partners.

Contact: James E. Krouse.

J

Jacobs Consulting Ltd.

P.O. Box 11779, St. Paul, Minn. 55111; 651-699-7938

Staff

Total....1
Safety consultants....1
ASSE members....1

1997 revenues

Safety consulting....$200,000

Founded: 1990.

Services: Ergonomic program assistance; onsite and offsite training classes or seminars; ergonomic task evaluation and design.

Other services: Research involving ergonomics.

Service area: Nationwide.

Contact: Philip Jacobs, president.

J&H Marsh & McLennan Inc.

1166 Ave. of the Americas, New York, N.Y. 10036; 212-345-6000; fax: 212-345-5785

Staff

Total....400
Safety consultants....390
Occupational health consultants....20
Industrial hygiene consultants....10
ASSE members....200

Clients

Total....5,000
Corporate/institutional clients....5,000

1997 revenues

Safety consulting....$20,000,000

Founded: 1845.

Parent: Marsh & McLennan Cos. Inc.

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

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

Specialties: Construction, manufacturing, health care, higher education.

Service area: Nationwide.

Officers: Harry Taback, J.B. Farley, managing directors; Bill Grimes, Dan Kett, senior vps; Charles Pacella, vp.

Contact: Bill Grimes, 191 Peachtree NE, Suite 3400, Atlanta, Ga. 30303; 404-586-8360.

** Industrial hygiene testing by independent lab.*

K

K&T Safety Service Inc.

800 Wilcrest, Suite 205, Houston, Texas 77042-1360; 713-974-4394; fax: 713-974-4396

Staff

Total....3
Safety consultants....1
Industrial hygiene consultants....1
ASSE members....1

Clients

Total....25
Corporate/institutional clients....25

1997 revenues

Safety consulting....$200,000

Founded: 1981.

Services: Safety audits/reviews, evaluations or inspections; industrial hygiene program assistance; environmental consulting; expert testimony.

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

Specialties: Indoor air quality.

Service area: Louisiana, New Mexico, Oklahoma, Texas.

Officers: Henry G. Kana, president; Suellyn H. Kana, CFO.

Contact: Henry G. Kana.

L

Loss Control Associates Inc.

172 Middletown Blvd., Suite B-204, Langhorne, Pa. 19047-1822; 215-750-6841; fax: 215-750-6845 www.erols.com/lcainc

Staff

Total....10
Safety consultants....8

Clients

Total....60
Corporate/institutional clients....10

1997 revenues

Safety consulting....$850,000

Founded: 1986.

Services: Safety audits/reviews, evaluations or inspections; safety program assistance; process safety management services; fire protection systems design; hazard evaluations.

Other services: Development of training materials; OSHA compliance; fire protection engineering; process safety management

Specialties: Petrochemical, refining, chemical, hazardous material warehouses, industrial.

Service area: Worldwide.

Officers: Orville M. Slye Jr., president.

Loss Prevention Consultants Inc.

P.O. Box 54012, Jackson, Miss. 39288-4012; 601-878-2138; fax: 601-878-2394

Staff

Total....3
Safety consultants....3
ASSE members....1

Clients

Total....50
Corporate/institutional clients....50

1997 revenues

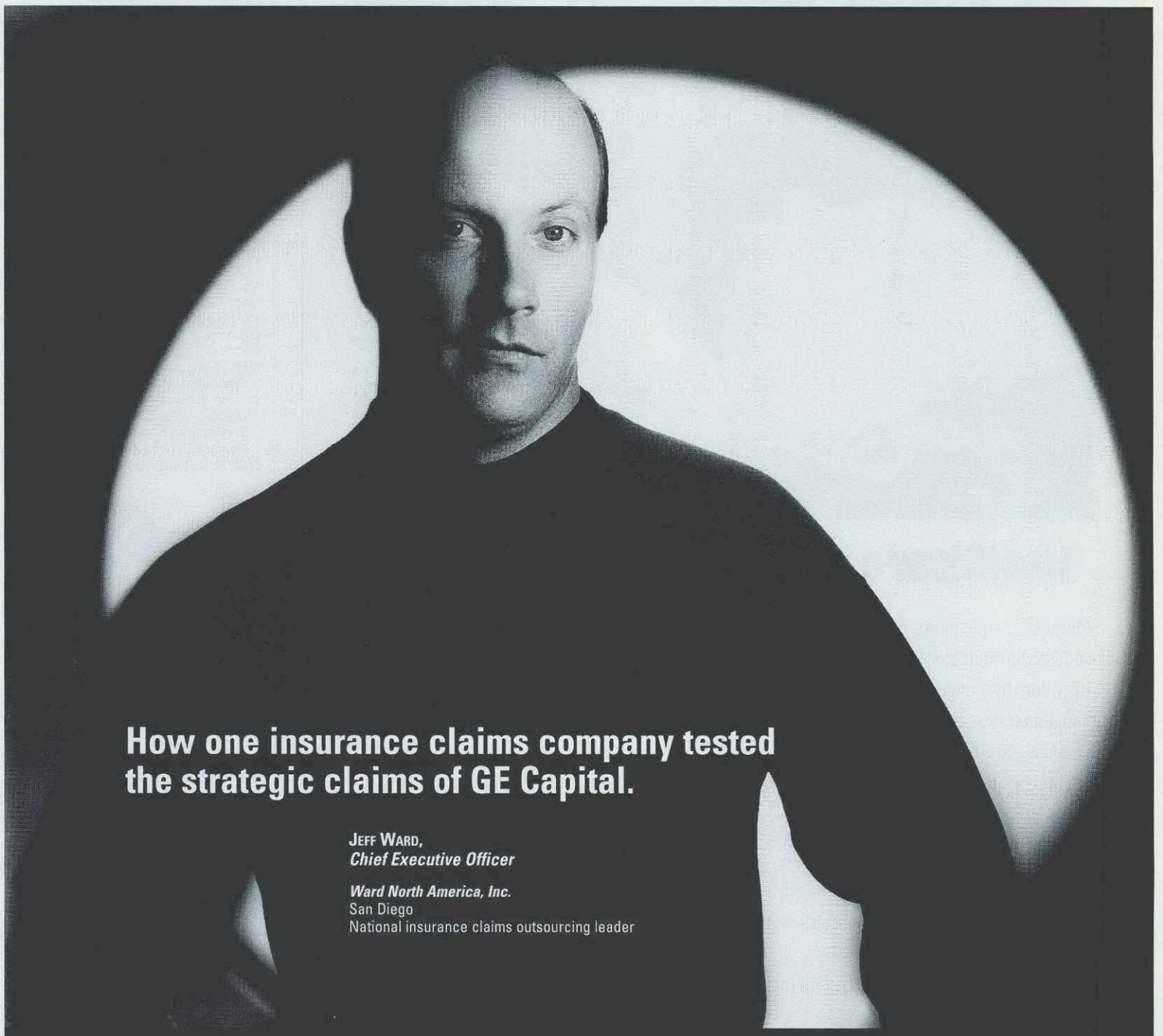
Safety consulting....$225,000

Founded: 1984.

Services: Safety audits/reviews, evaluations or inspections; safety, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; accident investigation/reconstruction.

Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, prod-

Continued on next page



How one insurance claims company tested the strategic claims of GE Capital.

JEFF WARD,
Chief Executive Officer

Ward North America, Inc.
San Diego
National insurance claims outsourcing leader

GE Capital
Equity Capital Group

"Privately held companies like mine want investors who provide more than capital. They've got to help us – strategically – to create new business opportunities. Not just talk about it."

Following a management buy-out in 1995, CEO Jeff Ward sought new private equity financing to take the company to the next level during an upcoming period of industry consolidation.

"GE Capital said their strategic investment would fuel growth while providing important business opportunities and resources within General Electric. And they delivered on their claims."

Ward knew GE Capital could invest from $5 million to $50 million for a minority ownership stake, if the conditions were right. But he found that the investment could give his company an extra edge. Like introducing Ward's claims administration services to GE Capital's reinsurance business. Like gaining access to GE's internal services, ranging from purchasing discounts to high-end information technology support.

If your business is ready for equity capital from a strategic investor who delivers on its claims, call us at 1.888.809.8500, e-mail us at equity@gecapital, or check our web site at www.equitycapital.com.

Private equity at GE Capital.
We bring good things to life.

Learn how Ward North America can provide technologically advanced and diverse outsourcing services for a full range of insurance claims management needs. Call them at 1-800-274-9844 and ask a licensed adjuster to send you a free information kit.
© 1998 General Electric Company. All rights reserved.



Healthcare shouldn't be one of them.

Mergers. Acquisitions. Bankruptcies. Industry turmoil has turned many healthcare providers into huge, impersonal conglomerates. All this makes it a real challenge to find reliable healthcare for your clients—unless you know about Greater Newport Physicians.

Our medical decisions are made by doctors based on patient needs, not by Wall Street executives. Maybe that's why our patient satisfaction rate is 97%, which means fewer client calls and complaints to your office.

Greater Newport Physicians gives your clients' employees access to Hoag Hospital, consistently rated #1 by Orange County residents. And with more than 250 physicians located throughout coastal, central and south Orange County, patients have the choice and convenience they want.

To assure reliable, high quality care and prompt service, recommend one of the health plans listed below and a primary care physician within Greater Newport Physicians. Let us take the challenge out of heathcare for you and your clients.

OUR HEALTH PLANS

AETNA US HEALTHCARE • BLUE SHIELD/CARE AMERICA • CIGNA PRIVATE PRACTICE PLAN
INTER VALLEY HEALTHCARE • MAXICARE • ONE HEALTH PLAN
PACIFICARE/FHP • PRIVATE HEALTH CARE SYSTEMS • PARKER HANNIFIN • PRUDENTIAL HEALTH PLANS
UNITED HEALTHCARE • UNIVERSAL CARE
SENIOR PLANS: CARE AMERICA 65 PLUS • PRUDENTIAL SENIOR CARE • SECURE HORIZONS • AETNA SENIOR

For more information, call 949/760-5769.

GREATER NEWPORT PHYSICIANS
A Medical Group at Hoag Hospital

Continued from previous page

uct liability and noise and vibration; fire protection engineering; industrial hygiene laboratory*.

Service area: Nationwide.

Contact: John R. Eubanks Jr, president.

** Industrial hygiene testing by independent labs.*

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	14

Clients

Total	58
Corporate/institutional clients	58

1997 revenues

Safety consulting	$262,000

Founded: 1995.

Parent: MEMIC.

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

Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics; ergonomic assesments; "ergo-team" development; "ELF" eliminate the lift in patient handling practices.

Specialties: Healthcare, manufacturing, construction, transportation.

Offices: Portland, Maine.

Service area: Nationwide.

Contact: Daniel S. Cote, president, 207-791-3480; Beth Stowell, vp-sales, 207-791-3484.

N

National Floor Safety Institute

2220 Airport Freeway, Suite 400,
Bedford, Texas 76022;
800-798-7968 or 817-685-7184,
fax: 817-685-0057

Staff

Total	1
Safety consultants	1

Clients

Total	500
Corporate/institutional clients	250

1997 revenues

Safety consulting	$200,000

Founded: 1997.

Parent: Traction Plus Inc.

Services: Training classes or seminars.

Other services: OSHA compliance; ADA compliance as related to floor surfaces only.

Specialties: Food services, health care, hospitality, insurance.

Service area: Nationwide.

Officers: R.J. Kendzior, E.M. Kendzior, J.M. Kendzior.

Contact: Laura Cooper.

National Safety Council

1121 Spring Lake Drive,
Itasca, Ill. 60143;
630-775-2356; fax: 630-285-1613
www.nsc.org

1997 revenues

Safety consulting*	$2,000,000

Founded: 1913.

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

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

Offices: Redwood City, Calif.; Atlanta; Itasca.

Service area: Nationwide.

Officers: Jerry Scanneli, president; Alan C. McMillan, executive vp.

** Estimate.*

The directory of safety consultants begins on page 32; directory terms are explained on page 33.

NATLSCO

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

Staff

Safety consultants	80
Occupational health consultants	4
Industrial hygiene consultants	17

Clients

Total	200
Corporate/institutional clients	200

1997 revenues

Safety consulting	$18,000,000

Founded: 1971.

Parent: Kemper Insurance Cos.

Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars; behavior safety; fleet safety; property conservation and valuation; general liability; construction safety; laboratory analytical services; machine guarding.

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

Specialties: Manufacturing, pharmaceutical, retail.

Offices: Los Angeles; San Francisco; Denver; Atlanta; Chicago; Summit, N.J.; Philadelphia; Dallas; Richmond, Va.

Service area: Worldwide.

Officers: E.M. Linder, executive vp; R.M. Hiltz, vp-NATLSCO Inc.; A.D. Odom, vp-Casualty Services.

Contact: John N. Garis, manager marketing and training.

Network Safety Consultants Inc.

14400 John Humphrey Drive,
Orland Park, Ill. 60462;
708-873-3325; fax: 708-873-0120

Staff

Total	2
Safety consultants	2
ASSE members	1

Clients

Total	95
Corporate/institutional clients	7

1997 revenues

Safety consulting	$210,000

Founded: 1994.

Parent: Horton Insurance Agency Inc.

Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; onsite safety inspections; assist answering OSHA citations; lead/silica air monitoring.

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

Specialties: Construction, manufacturing, demolition.

Service area: Great Lakes region.

Officers: Gary Glader, president; Rick Janusz, Glenn Horton, vps.

Contact: Gary Glader.

O

Orthopaedic Health Services Inc.

P.O. Box 437,
Old Lyme, Conn. 06371;
860-434-9398; fax: 860-434-0739

Staff

Total	5
Safety consultants	1
Occupational health consultants	3
Industrial hygiene consultants	1

Clients

Total	10
Corporate/institutional clients	10

1997 revenues

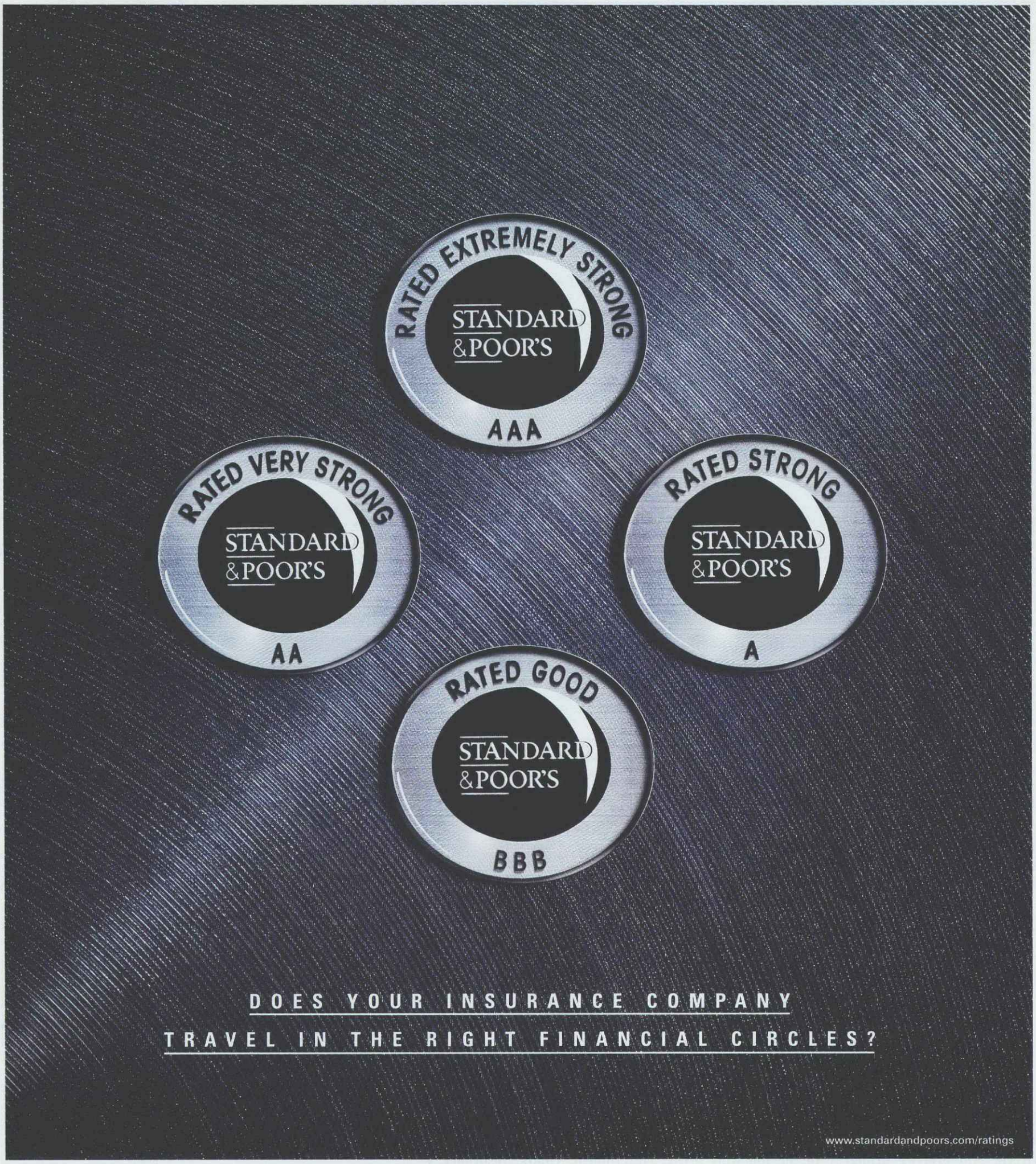
Safety consulting	$275,000

Founded: 1977.

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

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

Continued on page 42



When you're buying insurance, nothing is more important than choosing a secure insurer. Why? Because insurance is never a good buy if the insurer can't pay your claim or meet its financial obligations to you. How can you make a well-informed choice? Check to see if your insurer displays the **Standard & Poor's Security Circle Icon**®. Standard & Poor's, the world's leading financial rating service, is committed to excellence, integrity and objectivity. Our highly skilled analysts rate the financial health of thousands of insurers throughout the year. For an insurer, displaying the **Standard & Poor's Security Circle Icon** means it voluntarily underwent our toughest review and achieved one of Standard & Poor's top four ratings for financial security. For you, it's simply the best way to make a well-informed choice. For up-to-date ratings, call 212-208-1527 or visit our website anytime.

STANDARD &POOR'S

A Division of The McGraw-Hill Companies

Continued from page 40

Specialties: Health care.
Offices: Chicago; Cincinnati; New York; Barre, Rutland and Williston, Vt.
Service area: Nationwide.
Officers: John Spratt, CEO; Michael Forunato, CFO.
Contact: John Spratt.

R

RPF & Associates
20 Leroy St.,
Dix Hills, N.Y. 11746-6644;
516-586-0778; fax: 516-586-5164
www.quikpage.com/r/rpf

Staff	
Total	4
Safety consultants	4
ASSE members	2
Clients	
Total	55
Corporate/institutional clients	28
1997 revenues	
Safety consulting	$240,000

Founded: 1984.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic and occupational health program assistance; onsite and offsite training classes or seminars; OSHA and DOT auditing; compulsory New York state safety consultations in the workplace; automatic sprinkler testing and inspection; expert witness.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving occupational health, ergonomics, product liability, and noise and vibration; fire protection engineering; NFPA, ANSI, building code, OSHA and DOT code research.
Specialties: General industry, construction, painting, paper cardboard box manufacturing.
Offices: Durham, Pa.
Service area: Nationwide; Canada, Caribbean, Mexico.
Contact: Robert P. Firmbach, president.

Reliability Group
2421 NE 33rd St.,
Lighthouse Point, Fla. 33064;
954-782-5588; fax: 954-788-9136

Staff	
Total	10
Safety consultants	7
ASSE members	3
Clients	
Total	29
Corporate/institutional clients	21
1997 revenues	
Safety consulting	$200,000

Founded: 1985.
Services: Safety audits/reviews, evaluations or inspections; safety program assistance; onsite or offsite training classes or seminars.
Other services: Publication of safety materials or videos; development of training materials; research involving industrial hygiene and occupational health.
Specialties: Manufacturing, pharmaceuticals, petroleum refining.
Service area: Nationwide.
Officers: Hank Sarkis, president; Robert Cooke, executive vp.
Contact: Hank Sarkis.

Risk Analysts Inc.
24 Greenway Plaza, Suite 1100,
Houston, Texas 77046;
713-507-9400; fax: 713-507-9433
www.wisenberg.com

Staff	
Total	3
Safety consultants	2
ASSE members	2
Clients	
Total	150
Corporate/institutional clients	80
1997 revenues	
Safety consulting	$500,000

Founded: 1984.
Parent: Wisenberg Insurance & Risk Management.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; focus safety groups; workers' compensation; GL, fleet, property and non-subscribers; training programs; rapid eye check program.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability, and noise and vibration; fire protection engineering; ergonomics training customized for specific industry and other customized courses, such as OSHA, hazardous materials, back injury prevention.
Specialties: Manufacturing, auto dealerships, health care, real estate, retail, wholesale, oil and gas, hospitality, restaurant, entertainment.
Service area: Nationwide.
Officers: Irving Pozmantier, chairman; Joe Williams, CEO/president; Jeff Pozmantier, Jay Williams, executive vps; Nicholas P. Dalby, vp/director-risk control.
Contact: Nicholas P. Dalby.

S

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

Staff	
Total	6
Safety consultants	6
ASSE members	3
Clients	
Total	300
Corporate/institutional clients	300
1997 revenues	
Safety consulting	$550,000

Services: Safety audits/reviews, evaluations or inspections; safety program assistance; onsite and offsite training classes or seminars.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance.
Specialties: Transportation.
Offices: Whitesburg, Ky.
Service area: Nationwide.
Contact: Jim Stephens, president.

Safety Consulting Inc.
1403 S.W. Topeka Blvd.,
P.O. Box 2789,
Topeka, Kan. 66601-2789;
785-232-3887; fax: 785-233-1746

Staff	
Total	3
Safety consultants	3
ASSE members	2
Clients	
Total	50
Corporate/institutional clients	20
1997 revenues	
Safety consulting	$300,000

Founded: 1971.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; training classes or seminars.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving ergonomics and product liability.
Specialties: Construction, manufacturing, school districts, oil drilling.
Offices: Kansas City and Topeka, Kan.
Service area: Nationwide.
Officers: Craig S. Stromgren, president; John Parkin, partner.
Contact: Craig S. Stromgren.

Safety & Risk Control Services Inc.
395 Main St., Suite 4,
Metuchen, N.J. 08840-1806;
800-466-4025; fax: 732-906-2045
www.safetyconsultant.com

Staff	
Total	15
Safety consultants	15
ASSE members	12
Clients	
Total	50
Corporate/institutional clients	35
1997 revenues	
Safety consulting	$500,000

Founded: 1989.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; offsite training classes or seminars; coordination of insurance and TPA loss control services, preparation of loss control specifications, coordination and development of association safety and training programs management.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving occupational health and product liability; fire protection engineering; industrial hygiene laboratory*; supervision and technical review of safety publications, training videos and film presentations.
Specialties: Transportation, real estate management, heavy industry, wire manufacturing, machine shops, services management groups, food processing.
Service area: Nationwide.
Contact: Harvey S. Staple, president.
** Industrial hygiene testing by AIHA-accredited independent labs.*

Sedgwick Inc.
P.O. Box 171377,
Memphis, Tenn. 38187-1377;
901-761-1550; fax: 901-684-3825

Staff	
Total	100
Safety consultants	90
Industrial hygiene consultants	5
1997 revenues	
Safety consulting	$15,000,000

Founded: 1858.
Parent: Sedgwick Group P.L.C.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; computerized contingency planning services; environmental services.
Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory*.
Specialties: Self-insured association/pool, real estate, manufacturing, health care, warehouse/distribution, energy, construction, financial institutions, hotels, environmental.
Offices: Little Rock, Ark.; San Francisco; Denver; Stamford, Conn.; Washington; Fort Lauderdale and Maitland, Fla.; Atlanta; Boise, Idaho; Chicago; Portland, Maine; Detroit; Minneapolis; Kansas City and St. Louis, Mo.; Roseland, N.J.; New York and Rochester, N.Y.; Portland, Ore.; Harrisburg, Philadelphia and Pittsburgh, Pa.; Columbia, S.C.; Memphis, Tenn.; Dallas; Seattle; Calgary, Alberta; Vancouver, British Columbia; Toronto; Montreal, Canada.
Service area: 29 states.
Officers: R. Jane Hill-Fleming, senior vp; Joseph Labetti Jr., managing director-risk control consulting.
Contact: Joseph Labetti Jr.
** Industrial hygiene testing by independent labs.*

SHEEM-Safety Health Ergonomic Environmental Management
3028 High Meadow Lane,
San Jose, Calif. 95135-1614;
408-238-2298; fax: 408-238-2298

Staff	
Total	5
Safety consultants	3
Occupational health consultants	1
Industrial hygiene consultants	2
ASSE members	4
Clients	
Total	7
Corporate/institutional clients	5
1997 revenues	
Safety consulting	$217,000

Founded: 1996.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; out-sourced environmental health and safety program management, environmental audits, phase one assessments, obtaining/resolving permit issues.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, noise and vibration; fire protection engineering.
Specialties: Electronics, manufacturing, machine shops, office, administrative.
Offices: San Jose, Calif.
Service area: Greater San Francisco, San Jose, Oakland Bay area; nationally by request.
Contact: Larry Tuck, principal; Deborah Tuck, CFO.

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	5
Industrial hygiene consultants	1
Clients	
Total	28
Corporate/institutional clients	23
1997 revenues	
Safety consulting	$437,700

Founded: 1978.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; Marshall and Swift evaluations.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering; causation investigation.
Specialties: Construction, marine, government.
Service area: Nationwide.
Officers: A.J. Scardino Jr., president; Bob Lanhan, Al Lagerda, consultants.
Contact: A.J. Scardino Jr.

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

Staff	
Safety consultants	10
ASSE members	10
Clients	
Total	450
Corporate/institutional clients	450
1997 revenues	
Safety consulting	$2,000,000

Founded: 1985.
Services: Safety audits/reviews, evaluations or inspections; safety and ergonomic assistance; onsite and offsite training classes or seminars; train the trainer back injuries and slips and falls; accident repeater systems; managerial safety leadership programs.
Other services: Publication of safety materials or videos; development of training materials.
Specialties: Manufacturing, transportation, oil, international.
Service area: Worldwide.
Officers: Robert Pater, director; Paul McClellan, manager-special projects; Craig Lewis, manager-strategic activities.
Contact: Robert Pater, P.O. Box 80161, Portland, Ore. 97280.

T

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

Staff	
Total	18
Safety consultants	12
ASSE members	3
Clients	
Total	146
Corporate/institutional clients	146
1997 revenues	
Safety consulting	$3,000,000

Founded: 1981.
Services: Safety audits/reviews, evaluations or inspections; safety program assistance; onsite and offsite training classes or seminars; behavioral safety training processes.
Other services: Publication of safety materials or videos; development of training materials; behavioral safety training processes; environmental spill and release reduction.
Service area: Nationwide; Canada, Europe, South America.
Officers: M.D. Topf, president.
Contact: Donald H. Theune.

Continued on next page

The Law Firm of

Tiffany & Bosco, P.A.

is pleased to announce that

John A. Greene

has joined the firm as a shareholder.

Mr. Greene is the former director of the Arizona Department of Insurance and the President of the Arizona State Senate.

Mr. Greene joins Kathy A. Steadman and John P. Flynn in the Health Care and Insurance Regulatory practice groups within the Firm.

Mr. Greene will practice primarily in the following areas: Government Affairs, Insurance Regulation, Administrative, Tax, ERISA and Employee Benefits.

The Firm provides insurance regulatory and health care representation before the Arizona Legislature, as well as the Arizona Department of Insurance and other regulatory agencies in the following areas: Mergers & Acquisitions (Holding Company Act Procedures), Policy Form Drafting, Policy Form Regulatory Filing, Rate Filing, Company Licensing, Third-Party Administrator Representation, Broker/Agent Representation, Contract Drafting and Negotiation, Market Conduct and Financial Examination Defense, Medicare Policy Form Review and Filing, Premium Tax Disputes, Company Withdrawal Hearings.

If we may be of assistance, please contact us at the following:

Tiffany & Bosco, P.A.
1850 North Central Avenue
5th Floor Viad Tower
Phoenix, Arizona 85004

John A. Greene	**602-255-6024**
John P. Flynn	**602-255-6020**
Kathy A. Steadman	**602-255-6026**



Suddenly, things are looking up in today's global marketplace. Now one company brings you truly integrated insurance and reinsurance brokerage, captive management, and consulting services — all under one roof. We proudly offer these highly specialized services to American Re and Munich Re clients, and independently to non-clients. Our worldwide expertise and unrivaled resources are backed by the strength and security of the Munich Re Group, resulting in exceptionally creative, custom solutions. But we believe the real beauty of it all — is the vision we bring to our clients.

Am-Re Global Services, Inc.
A WORLD OF SERVICES UNDER ONE REMARKABLE ROOF℠

Am-Re Brokers, Inc., reinsurance intermediaries • Am-Re Consultants, Inc., insurance/reinsurance consultants
ARB International Ltd., a Lloyd's broking house • Becher + Carlson Companies, brokers/consultants

©1998 Am-Re Global Services, Inc. • 685 College Road East, Princeton, NJ 08543 • 609-243-4900 • www.amreglobalservices.com

Carvill

Reinsurance Intermediary

INDEPENDENCE
INTEGRITY
SERVICE

CONSISTENT PHILOSOPHY & PERFORMANCE
SINCE 1977

Atlanta Bermuda Chicago London Stamford

Continued from page 42

Travelers Property Casualty-Loss Prevention & Engineering
1 Tower Square, 8CR,
Hartford, Conn. 06183;
860-277-4418; fax: 860-954-6727
www.travelerspc.com

Staff

Total	460
Safety consultants	425
Occupational health consultants	5
Industrial hygiene consultants	30
ASSE members	380

Clients

Total	4,800

1997 revenues

Safety consulting	$35,000,000

Founded: 1895.
Parent: Citigroup Inc.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; behavioral safety; product safety; boiler and machinery; premises security liability; workplace violence.
Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; fire protection engineering; industrial hygiene laboratory; loss prevention/engineering laboratory.
Specialties: Transportation, construction, health care, public entities.
Offices: 60 locations nationwide.
Service area: Nationwide.
Officers: Bob Brody, vp-loss prevention/engineering; Hal Dufault, Ev Waite, second vps-loss prevention/engineering.
Contact: Patrick Mullen, 860-277-0410.

Trigon Administrators Inc.
7130 Glen Forest Drive, Suite 102,
Richmond, Va. 23226;
804-673-5824; fax: 804-673-5916

Staff

Total	3
Safety consultants	3

Clients

Total	1,400
Corporate/institutional clients	1,400

1997 revenues

Safety consulting	$350,000

Parent: Trigon Blue Cross Blue Shield.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic and industrial hygiene program assistance; training classes or seminars.
Other services: Publication of safety materials or videos; development of training materials; rehabilitation; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics.
Specialties: Construction, wood products and furniture manufacturing, municipalities, educational.
Offices: Columbia and Rockville, Md.; Raleigh, N.C.; Chantilly, Va.
Service area: Middle Atlantic, Southeast.
Officers: William D. Monday Jr., president; Thomas D. England, vp.
Contact: Vincent J. McCarthy Jr., manager-loss control.

U.S. Healthworks-Preventive Services Division
605 Eastowne Drive,
Chapel Hill, N.C. 27514;
919-967-2228; fax: 919-493-2263
www.health-hygiene.com

Staff

Total	120
Safety consultants	7
Occupational health consultants	5
Industrial hygiene consultants	15
ASSE members	10

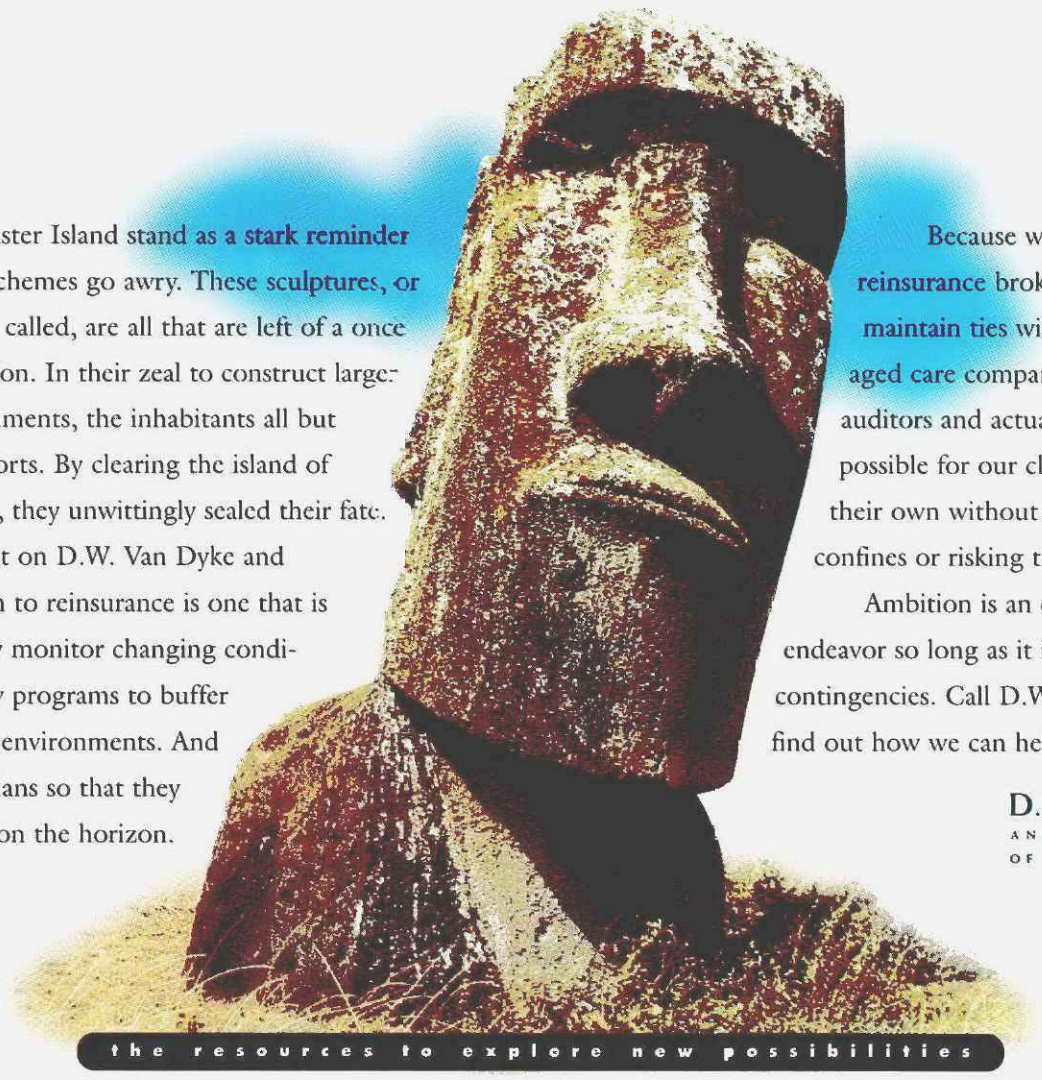
Continued on page 46

Imagine if AMBITION LACKED FORESIGHT



The 600 statues on Easter Island stand as a stark reminder of what happens when grand schemes go awry. These sculptures, or moai as they are called, are all that are left of a once thriving civilization. In their zeal to construct larger and larger monuments, the inhabitants all but ignored the impact of their efforts. By clearing the island of trees to hoist their monuments, they unwittingly sealed their fate.

This is not a lesson lost on D.W. Van Dyke and Company. Our whole approach to reinsurance is one that is future focused. We aggressively monitor changing conditions so that we can create new programs to buffer or even take advantage of new environments. And we constantly adjust existing plans so that they thrive no matter what appears on the horizon.



Because we're experienced and knowledgeable reinsurance brokers, our resources are vast. We maintain ties with the world's most respected managed care companies, managing general underwriters, auditors and actuaries. These relationships make it possible for our clients to create "monuments" of their own without being limited to set confines or risking their organization.

Ambition is an essential asset in any endeavor so long as it is tempered with sound contingencies. Call D.W. Van Dyke at (203) 341-8770 to find out how we can help you make the most of yours.

D.W. VAN DYKE
AND COMPANY
OF CONNECTICUT

the resources to explore new possibilities

EBC AWARDS

EFFECTIVE BENEFIT COMMUNICATION



A Spotlight Report on
BENEFITS: EFFECTIVE BENEFIT COMMUNICATION AND EBC AWARDS
including BI's Directory of
BENEFIT COMMUNICATION SYSTEMS

Publishing — November 23, 1998
Ad Closing — November 11, 1998

Business Insurance®
www.businessinsurance.com

New York: 212-210-0133 ▪ Fax: 212-210-0704
Chicago: 312-649-5276 ▪ Fax: 312-649-7937
Los Angeles: 323-651-3710 ▪ Fax: 323-655-8157

Continued from page 44

Clients

Total 5,000
Corporate/institutional clients 5,000

1997 revenues

Safety consulting $15,000,000

Founded: 1978.
Parent: U.S. Healthworks.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars; expert witness; consensus standards committees; accident investigation.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics, product liability and noise and vibration; industrial hygiene laboratory.
Specialties: Construction, manufacturing, public sector, associations.
Offices: Los Angeles; Atlanta; Indianapolis; Kansas City, Mo.; Chapel Hill, Charlotte and Greensboro, N.C.
Service area: Nationwide; also serves Europe, North America and the Pacific Rim.
Officers: Jeff Morrill, president; Hank Barnum, Susan Megerson, senior vps; David Coble, vp-safety.
Contact: Lee Ann Obringer (Chapel Hill) or Dan Fredley, 1600 Genessee, Suite 700, Kansas City, Mo. 64102; 816-471-3900.

W

The Walden Group

164 Washington St., Suite 102,
Norwell, Mass. 02061-1727;
781-681-7000; fax: 781-681-7050
www.waldenrisk.com

Staff

Total 5
Safety consultants 5
ASSE members 2

Clients

Total 27
Corporate/institutional clients 27

1997 revenues

Safety consulting $285,000

Founded: 1991.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic and risk management program assistance; onsite and offsite training classes or seminars; risk management audits.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance.
Specialties: Transportation, health care, service industries.
Offices: Virginia Beach, Va.
Service area: Nationwide.
Officers: Philip E. Goldsmith, managing director; Ronald M. Kaufman, president.
Contact: Philip E. Goldsmith.

X

Xordium Inc.

P.O. Box 10, Orange, Calif. 92856;
714-771-3733; fax: 714-771-1579
www.xordium.com

Staff

Total 2
Safety consultants 2
ASSE members 2

Clients

Total 15
Corporate/institutional clients 15

1997 revenues

Safety consulting $250,000

Founded: 1985.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; onsite and offsite training classes or seminars.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; research involving industrial hygiene, occupational health, ergonomics and noise and vibration; expert witness; legal research; material safety data sheet management.
Specialties: Construction, food service, health care, general industry.
Service area: Western United States, including Hawaii and the South Pacific.
Officers: Karen J. Gillett, president; Fred C. Gillett, executive vp.
Contact: Fred C. Gillett.

Z

Zeigle Consulting Associates Inc.

843 Apache Trail,
Lake Villa, Ill. 60046;
847-265-1170; fax: 847-265-6465

Staff

Total 4
Safety consultants 3
Industrial hygiene consultants 1
ASSE members 4

Clients

Total 20
Corporate/institutional clients 20

1997 revenues

Safety consulting $465,900

Founded: 1993.
Services: Safety audits/reviews, evaluations or inspections; safety, ergonomic, industrial hygiene and occupational health program assistance; offsite training classes or seminars; mock OSHA/Department of Transportation audits; highly protected risks surveys for property; defensive driving training.
Other services: Publication of safety materials or videos; development of training materials; OSHA compliance; fire protection engineering.
Specialties: Insurance companies/brokers, fleets, agribusiness, contractors.
Offices: Lake Villa, Ill; Burlington, Vt.
Service area: Nationwide; also serves Canada, Central America and South America.
Officers: Stephen J. Zeigle, president; John R. Zeigle, vp; Griselda Zeigle, secretary/treasurer. BI

BI annual directory of rehabilitation service providers

A

The ASU Group-Recovery Unlimited

P.O. Box 1520,
Okemos, Mich. 48805-1520;
800-968-2417; fax: 517-349-1332
www.asugroup.com

1997 revenues

Total $3,800,000
% rehab services direct to employers 7%
Rehab services direct to employers $302,000

Staff

Total 37
Professionals 28
Including: 22 RNs, 5 vocational counselors, 1 degreed professional
Designations: 2 CRCs, 6 CDMSs, 5 CRRNs, 15 CCMs

Customers

Total 140
Claims administrators/TPAs 42
Insurance companies 98

Cases

Closed in 1997 1,230

Continued on next page



PXRE Reinsurance is dedicated to providing continuity of coverage under the most extreme circumstances. We offer a full line of reinsurance products and services that you can count on to be there when you need them most. Not only to pay your claims, but to ensure that you can continue to write business when it's no longer "business as usual."

In evaluating risk, we use the standard computer models. Then we go beyond them to view the results through the lens of experience gained during some of the most challenging years in reinsurance history.

And we have designed our finances to withstand worst case outcomes that many of our competitors prefer not even to imagine.

If you are looking for a full-line reinsurer with experience in all parts of the business cycle, call PXRE. We write business worldwide, supported by over $475 million of our own surplus, and almost $4 billion in capital made available to us by trading partners who share our underwriting philosophy. When it comes to response time to underwriting requests as well as claims, we are proud to have set the industry standard.

Business Insurance®

• SERVICES •

SINGLE-COPY SALES
To order any current or back issue of *Business Insurance*, call the single-copy sales division of *BI's* Circulation Department:
313/446-1609

Continued from previous page

Expert opinion cases.....9

Rehab services since: 1974.

Services: Prescreening of 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, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

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

Service area: Midwest.

Compensation: Time and expense; alternative pricing.

Officers: Larry Musser, president; Tara LaRose, COO; Mike Woods, CFO; James Matthews, chief administrative officer; Edward Shaw, chief marketing officer.

Contact: Bruce Stubbs; 17177 N. Laurel Park Drive, Suite 334, Livonia, Mich. 48152; 800-968-4668 or 734-632-8346.

B

Board Certified Rehabilitation Consultants of Montana Inc. (BCRC)

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

1997 revenues

Total.....$1,000,000
% rehab services direct to employers.....40%
Rehab services direct to employers.....$400,000

Staff

Total.....14
Professionals.....8
Including: 2 RNs, 5 vocational counselors, 3 degreed professionals
Designations: 5 CRCs, 2 CRRNs, 6 CCMs

Customers

Total.....100
Corporate/institutional clients.....20
Claims administrators/TPAs.....30
Insurance companies.....20

Cases

Closed in 1997.....150
IME cases.....30
Expert opinion cases.....150

Rehab services since: 1987.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, onsite medical case management, job analysis, return-to-work modification and coordination, IMEs, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion, life care planning, litigation consulting, Americans with Disabilities Act compliance, ADA training, ergonomic consultation.

Other services: Concurrent hospital treatment review, length of stay determination, discharge planning, outpatient utilization review, patient advocacy programs, retrospective review, hospital bill audits, provider bill audits, life care planning.

Coverage: Workers compensation, auto liability, general liability, short-term disability, long-term disability, life care planning for catastrophic or disabling conditions, medical malpractice, wrongful discharge, product liability, ADA claims.

Service area: Idaho, Montana, North Dakota, South Dakota, Washington, Wyoming.

Compensation: Per employee, negotiated; per hour, $70 to $125; negotiated based on services/volume administered; capitated on EAPs.

Officers: William R. 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.ccnusa.com

1997 revenues

Total.....$16,200,000
% rehab services direct to employers.....15%
Rehab services direct to employers.....$2,400,000

Staff

Total.....254
Professionals.....221
Including: 140 RNs, 80 vocational counselors, 1 degreed professional
Designations: 80 CRCs, 90 CDMSs, 90 CRRNs, 110 CCMs

Customers

Total.....540
Corporate/institutional clients.....80
Claims administrators/TPAs.....178
Insurance companies.....300

Cases

Closed in 1997.....10,499
IME cases.....450
Expert opinion cases.....150

Rehab services since: 1977.

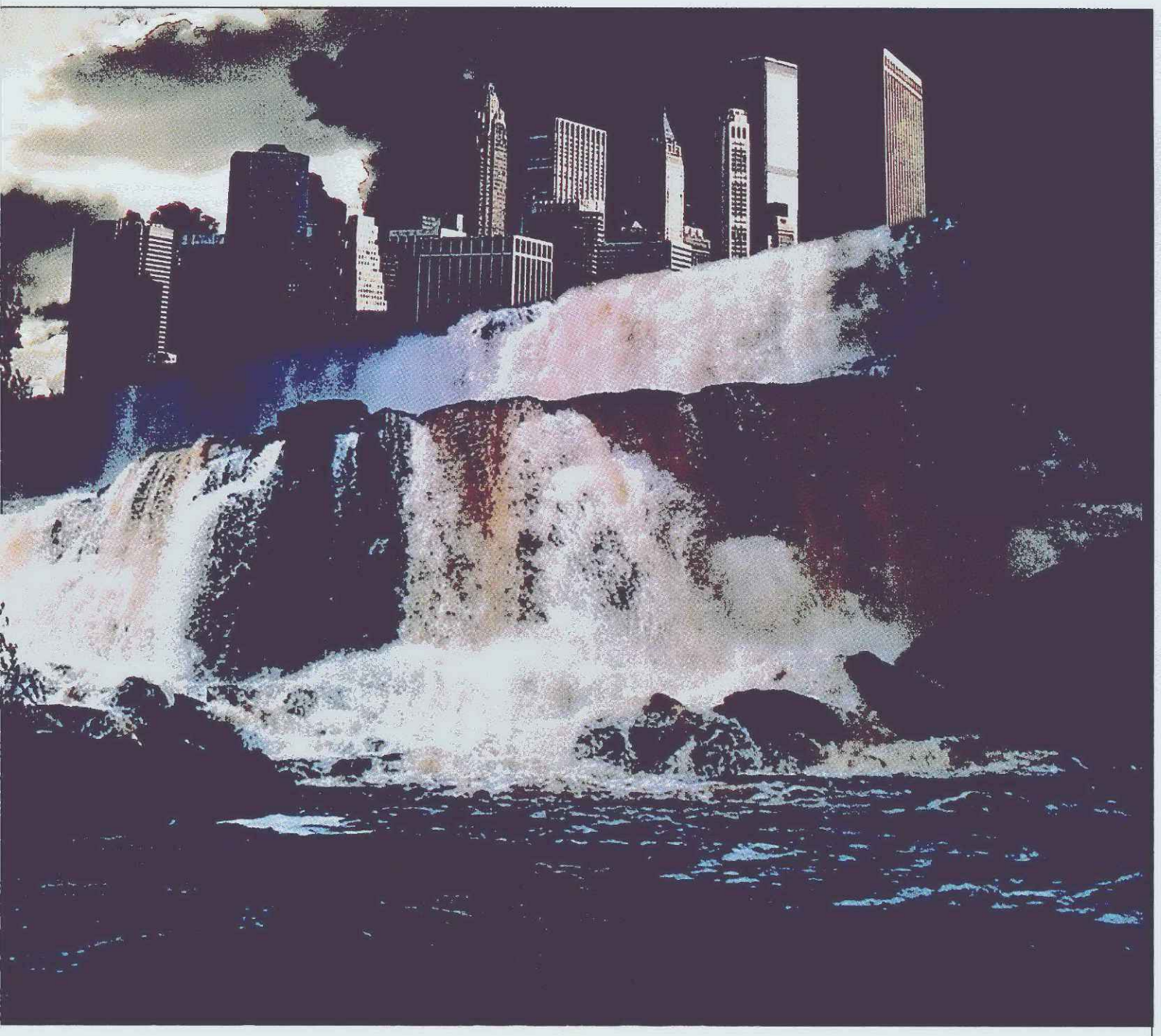
Parent: Columbia/HCA Healthcare Corp.

Services: Prescreening of 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, retrospective review, hospital bill audits, provider bill audits, PPO access, telephonic and onsite case management.

Coverage: Workers compensation, auto liabil-

Continued on next page



PXRE Reinsurance Company
Continuity of coverage in property catastrophe, marine and aviation reinsurance

NYSE: PXT
Member of BRMA (Brokers and Reinsurers Market Association)

USA: Michael Bleisnick (Domestic Treaty) or Gordon Forsyth (International Treaty) +1 (732) 906-8100 Fax: +1 (732) 906-9283

Brussels: Alain Tounquet +32 (2) 231-13-55 Fax: +32 (2) 230-77-49

Lloyd's: Peter Butler, PG Butler Syndicate 1224 (managed by PXRE Managing Agency Ltd.) +44 (0171) 327-3007/8 Fax: +44 (0171) 626-7602

www.pxre.com

PXRE

Explanation of terms used

The eighth 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 World Wide Web site address, if provided. Information on **1997 revenues** is provided, including the percentage and dollar amount generated by direct rehabilitation services. To be included, companies must report information on gross revenues and generate at least $200,000 in gross revenues from rehabilitation services.

The **staff** section includes the total number of individuals and the number of professionals employed by the company in 1997 on a full-time equivalent basis. Certain specific degrees and designations held by the professionals are also listed, including CRC (Certified Rehabilitation Counselor), CDMS (Certified Disability Management Specialist), CRRN (Certified Rehabilitation Nurse) and CCM (Certified Case Manager). 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 1997 as well as a breakout of the number of corporate and institutional employers, claims administrators/TPAs and insurance companies.

The number of rehabilitation cases closed, the number of independent medical examination cases and the number of expert opinion cases are listed under **cases** for 1997.

The **year rehab services began** and the name of the **parent** company are also 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 lists the states or regions served, and 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

ity, general liability, auto no-fault, short-term disability, long-term disability, Federal Employees Liability Act.

Service area: Alabama, Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin; also serves Puerto Rico.

Compensation: Per hour, $50 to $110.

Officers: Richard Mastaler, CEO-CCN; Michael Bell, president/COO-CCN; Blaine Faulkner, CFO-CCN; Mark Heinemeyer, senior vp/chief sales and marketing officer-CCN; Michael Leep, president-ROI.

Contact: Michael Leep.

CEC Associates Inc.

P.O. Box 911,
Valley Forge, Pa. 19482;
800-246-9767; fax: 610-935-5556
www.cecassoc.com

1997 revenues

Total	$1,054,906
% rehab services direct to employers	21%
Rehab services direct to employers	$221,530

Staff

Total	25
Professionals	8

Including: 4 RNs, 4 vocational counselors
Designations: 3 CRCs, 1 CRRN, 2 CCMs

Customers

Total	38
Corporate/institutional clients	10
Claims administrators/TPAs	3
Insurance companies	25

Cases

Closed in 1997	609
IME cases	91
Expert opinion cases	232

Rehab services since: 1983.

Services: Prescreening of 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 audits, provider bill audits.

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

Service area: Delaware, Maryland, New Jersey, Pennsylvania.

Compensation: Per hour, $68 to $140.

Officers: Jasen Walker, president; Esther Weiss, vp.

Contact: Barbara Grosso.

Care Management Consultants Inc.

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

1997 revenues

Total	$1,750,000
% rehab services direct to employers	20%
Rehab services direct to employers	$350,000

Staff

Total	28

Including: 24 RNs, 4 vocational counselors
Designations: 3 CRCs, 12 CDMSs, 8 CRRNs, 28 CCMs

Customers

Total	42

Cases

Closed in 1997	1,350
Expert opinion cases	150

Rehab services since: 1990.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, onsite medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Coverage: Workers compensation, auto liability, general liability, long-term disability, malpractice.

Service area: Tennessee.

Compensation: Per hour. Volume discount available.

Officers: Kathy Ingleson, president; Cathlin Vinett, vp; Brenda Williams, manager-quality control; Kristin Lesh, manager-operations.

Contact: Kathy Ingleson.

CompRehab Inc.

7500 Flying Cloud Drive, Suite 825,
Eden Prairie, Minn. 55344-3758;
612-942-9460; fax: 612-942-6546

1997 revenues

Total	$1,756,666
% rehab services direct to employers	91%
Rehab services direct to employers	$1,596,767

Staff

Total	13
Professionals	13

Including: 5 RNs, 2 vocational counselors, 6 degreed professionals
Designations: 4 CRCs, 2 CDMSs, 1 CRRN, 4 CCMs

Customers

Total	32
Corporate/institutional clients	9
Claims administrators/TPAs	8
Insurance companies	9

Cases

Closed in 1997	675
Expert opinion cases	6

Rehab services since: 1990.

Parent: State Fund Mutual Cos.

Services: Prescreening of 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, transferable skills analysis, job coaching.

Other services: Discharge planning, ergonomic/safety training, life care planning, workstation evaluations, Social Security assistance, job description development, Americans with Disabilities Act services.

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

Service area: Iowa, Minnesota, North Dakota, South Dakota, Wisconsin.

Compensation: Per hour, $57.22 to $74.38.

Officers: Patricia R. Johnson, CEO; Jeanne Cregan Sanstead, president/COO; Maureen Ziezulewicz, vp; Terrance L. Miller, treasurer.

Contact: Glenda Kibat, corporate liaison, 612-914-1506.

Concentra Managed Care Inc.

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

1997 revenues

Total	$494,000,000
% rehab services direct to employers	4%
Rehab services direct to employers	$19,760,000

Staff

Total	1,562
Professionals	1,562

Customers

Total	2,068

Cases

Closed in 1997	49,189
Expert opinion cases	12,845

Rehab services since: 1978.

Services: Prescreening of 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, physical therapy, primary occupational health care.

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 audits, provider bill audits, PPO access, out-of-network hospital bill review, specialty medical review, psychiatric/substance abuse programs.

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

Service area: Nationwide.

Compensation: Per case, per hour.

Officers: Daniel J. Thomas, president/CEO; Joseph F. Pesce, executive vp/CFO; Ken Laffrede, senior vp-sales/marketing; Jim Greenwood, executive vp-corporate development; Richard Parr, executive vp/general counsel.

Contact: Anne Kirby, vp-product development and marketing; ext. 5108.



Continued on page 50

Products vs. SOLUTIONS!

Seeking more than standard reinsurance?

hannover re Advanced solutions

THE CHALLENGE

Surplus for Fire, Cat. XL for Property, per-risk XL for Casualty. Sound familiar? But in today's world, expectations go well beyond capacity and protection against catastrophes. Smoothing results, stabilizing earnings, protecting values – engineering the financials – have become priorities calling for innovative reinsurance expertise.

THE SOLUTION

We are not saying surplus treaties for Fire, traditional Cat. XLs, etc. are no longer needed. Yet they can be creatively supplemented and combined, sometimes even replaced. **Hannover Re Advanced Solutions** focuses on insurers' key balance sheet figures and values. It deals with single lines as well as multiple lines of business. It encompasses both standard and non-standard risks. It addresses single-year and multiple-year situations. It challenges the view that traditional reinsurance products are economically optimal.

Hannover Re Advanced Solutions offers no off-the-shelf products. It offers solutions – customized solutions. Whether clients refer to them as funding, financial, finite, blended, or simply non-traditional reinsurance, they all have one thing in common: By going beyond conventional wisdom, they become advanced solutions.

THE EXPERTISE

Hannover Re Advanced Solutions was elevated to a strategic division within the Hannover Re Group in 1996. It concentrates the Group's expertise in structuring and underwriting transactions to protect values, earnings, and surplus of insurance companies around the world in the most comprehensive way. Operating out of the International Financial Services Centre in Dublin, **Hannover Re Advanced Solutions** is embedded in the worldwide pool of resources of the world's fifth-largest professional reinsurer.

Hannover Re's expertise in innovative solutions dates back to the late 70s when it was a pioneer in structuring and underwriting complex financial reinsurance transactions. Ever since, it has been second to none in providing advanced non-traditional solutions.

Hannover Re Advanced Solutions Ltd.
2 Custom House Plaza, Dublin 1, Ireland
Telephone: +353 1 612-5700
Telefax: +353 1 829-1400
E-mail: advanced.solutions@hannover-re.com

hannover re
Advanced Solutions

Continued from page 48

CorVel Corp.

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

1997 revenues

Total	$136,000,000
% rehab services direct to employers	10%
Rehab services direct to employers	$13,600,000

Staff

Total	1,260
Professionals	1,084

Including: 614 RNs, 362 vocational counselors, 108 degreed professionals

Designations: 351 CRCs, 315 CDMSs, 176 CRRNs, 118 CCMs

Customers

Total	1,258
Corporate/institutional clients	142
Claims administrators/TPAs	181
Insurance companies	935

Cases

Closed in 1997	42,884
IME cases	8,651

Rehab services since: 1975.

Services: Prescreening of 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, early case management intervention, preparation/filing for first report of loss, catastrophic case management.

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 audits, provider bill audits, PPO access, chiropractic and physical therapy utilization review.

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

Service area: Nationwide.

Compensation: Per hour, $70 to $73.

Officers: Gordon Clemons, president/CEO; Richard Schweppe, CFO; Daniel H. Davis, vp-business development; Lou Silverman, vp-operations; Don McFarlane, vp-information technology.

Contact: Daniel H. Davis, 1210 Northbrook Drive, Suite 410, Trevose, Pa. 19053; 215-953-5060.

Crawford & Co.

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

1997 revenues*

Total	$692,000,000
% rehab services direct to employers	15%
Rehab services direct to employers	$103,000,000

Staff

Total	783
Professionals	699

Including: 285 RNs, 125 vocational counselors, 15 degreed professionals, 1 physician

Designations: 61 CRCs, 5 CDMSs, 19 CRRNs, 88 CCMs

Customers*

Total	525

Cases

Closed in 1997	59,726
IME cases	9,060
Expert opinion cases	5,538

Rehab services since: 1972.

Services: Prescreening of 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, peer review coordination, functional capacity evaluation coordination, absenteeism management, life care planning, PPO channeling.

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 audits, provider bill audits, PPO access, certified managed care organization services.

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

Service area: International, including 51 countries.

Compensation: Per case; per hour, $86 to $99.

Officers: Forrest L. Minix, chairman/CEO; Archie L. Myers Jr., president/COO; Jeffery C. McWey, senior executive vp; John F. Giblin, senior vp-finance; Judd F. Osten, senior vp-general counsel/corporate secretary.

Contact: Wanda L. Gross, contract specialist.

** Includes business for TPAs and insurance companies.*

Ellis & Associates Inc.

745 McClintock Drive, Suite 305,
Burr Ridge, Ill. 60521;
630-887-4747; fax: 630-887-4077

1997 revenues

Total	$3,400,000
% rehab services direct to employers	12.1%
Rehab services direct to employers	$410,000

Staff

Total	55
Professionals	38

Including: 23 RNs, 15 vocational counselors

Designations: 15 CRCs, 12 CDMSs, 4 CRRNs, 18 CCMs

Customers

Total	220
Corporate/institutional clients	20
Claims administrators/TPAs	18
Insurance companies	85

Cases

Closed in 1997	2,330
IME cases	50
Expert opinion cases	300

Rehab services since: 1979.

Services: Prescreening of 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, long-term and short-term disability management.

Other services: Hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, short-term disability, long-term disability.

Service area: Nationwide.

Compensation: Per hour, $60 to $85.

Officers: Cindy R. Ellis, president.

ESIS Inc.

1601 Chestnut St.,
Philadelphia, Pa. 19192-2325;
215-761-6779; fax: 215-761-5476

1997 revenues*

Total	$170,000,000
% rehab services direct to employers	1%
Rehab services direct to employers	$7,000,000

Staff

Total	283
Professionals	251

Including: 161 RNs, 88 vocational counselors, 15 degreed professionals, 19 physicians

Designations: 88 CRCs, 141 CDMSs, 188 CRRNs, 88 CCMs

Customers

Total	328
Corporate/institutional clients	328

Cases

Closed in 1997	13,514
IME cases	212
Expert opinion cases	6

Rehab services since: 1971.

Parent: INA Financial Services Corp.

Services: Prescreening of 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, provider bill audits, PPO access, network-based managed care delivery systems, demand management.

Coverage: Workers compensation, auto liability, general liability, auto no-fault.

Service area: Nationwide.

Compensation: Per hour; flat rate pricing for early intervention.

Officers: Raymond E. Hafner, president; Brian P. O'Hara, vp/CFO; Sharon E. Simpson, vp-sales.

Continued on page 52



You know quality personnel are vital to every aspect of your business. So does Insurance Overload Systems. IOS has set the standards of excellence in temporary insurance staffing since 1983. We've just raised our standards even HIGHER.

Insurance Overload Systems is ISO 9002 Certified for All Branch Locations Nationwide

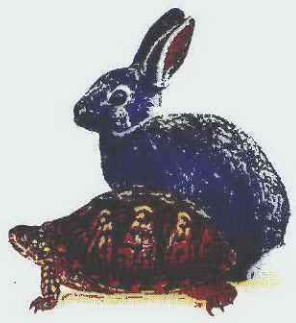
What does this mean to you?
ISO 9002 certification means worldwide accreditation of quality standards for screening and placing personnel. ISO 9002 certification documents how IOS will meet or exceed your expectations for quality standards from staffing services. It ensures staffing solutions are directly linked to your specific needs. **Quality You Can See.**

The Quality Insurance Congress Member

Insurance Overload Systems
1-800-822-2422
www.iostemps.com

ISO 9002 CERTIFIED

AT REM,
WE BELIEVE
THAT CLOSING
A CLAIM
THE FASTEST WAY
IS NOT
ALWAYS THE
BEST WAY.



We think that looking only

at the finish line

is somewhat shortsighted.

Which is why we don't just process claims.

We manage them.

Proactively. Quickly. Fairly.

It's why we're totally focused

on avoiding leakage: those loss costs

that exceed what should be paid.

And it's why we go over and above Best Practices

to what we call REMarkable Practices.

A results-driven philosophy of service

that impacts everything we do.

And every claim we handle.

So we not only manage your total loss costs,

we improve your bottom line, too.

In the long run, it's the kind of finish

you'll call REMarkable.

R E M®

REMarkable Practices. REMarkable Solutions.℠

A member of the Zurich Financial Services Group

Claims Management • Environmental & Mass Tort Management • Investigative Services • Structured Settlements • Information Services • Loss Control • Managed Care

RISK ENTERPRISE MANAGEMENT LIMITED

NEW YORK • PHILADELPHIA • ATLANTA • FLORHAM PARK, NJ • NASHVILLE • BREA, CA • CHICAGO • DALLAS • UNITED KINGDOM • 1 800 297 2170

Continued from page 50

Contact: William Bruce Hemphill, director-legal services; 215-761-6784.

** Estimates.*

F

FARA Healthcare Management

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

1997 revenues*

Total	$2,300,000
% rehab services direct to employers	45%
Rehab services direct to employers	$1,035,000

Staff

Total	30
Professionals	26

Including: 20 RNs, 6 vocational counselors

Customers

Total	257
Corporate/institutional clients	197
Claims administrators/TPAs	2
Insurance companies	46
Other	12

Cases

Closed in 1997	4,987

Rehab services since: 1992.

Parent: F.A. Richard & Associates Inc.

Services: Prescreening of 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, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access.

Coverage: Workers compensation, auto liability, general liability, short-term disability, long-term disability.

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

Compensation: Per case, $70 to $105; per hour, $65 to $85.

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

Contact: Reed A. Bell.

** Restated to include the business of the rehabilitation service division only.*

Ferra & Associates

P.O. Box 9339,
Bakersfield, Calif. 93389;
805-327-0911; fax: 805-327-2318

1997 revenues

Total	$573,346
% rehab services direct to employers	54%
Rehab services direct to employers	$310,000

Staff

Total	5
Professionals	5

Including: 5 vocational counselors
Designations: 2 CRCs

Customers

Total	95
Corporate/institutional clients	27
Claims administrators/TPAs	25
Insurance companies	30

Cases

Closed in 1997	275
Expert opinion cases	13

Rehab services since: 1979.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, job analysis, return-to-work modification and coordination, vocational assessment and testing, vocational counseling and plan development, labor market survey, job-seeking skill training, job placement, testimony and expert opinion.

Coverage: Workers compensation.

Service area: California.

Compensation: Per hour, $65.

Officers: Kenneth P. Ferra, Linda M. Ferra, owners.

G

GatesMcDonald & Co.

3455 Mill Run Drive,
Hilliard, Ohio 43026-9074;
614-777-3016; fax: 614-777-3493

1997 revenues

Total	$87,000,000
% rehab services direct to employers	28%
Rehab services direct to employers	$23,280,000

Staff

Total	240
Professionals	205

Including: 194 RNs, 5 vocational counselors, 3 degreed professionals, 3 physicians
Designations: 15 CRCs, 185 CRRNs, 170 CCMs

Customers

Total	388
Corporate/institutional clients	385
Insurance companies	3

Cases

Closed in 1997	37,000
Expert opinion cases	2

Rehab services since: 1991.

Parent: Nationwide Insurance Co.

Services: Prescreening of 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-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, provider bill audits, PPO access.

Coverage: Workers compensation, general liability, short-term disability, long-term disability.

Service area: Nationwide.

Compensation: Per employee, $1.35 to $1.75; per case, $130 to $450; per hour, $74 to $89.

Officers: David Hollingsworth, president; Kelly Hamilton, vp-finance; Gerry Sheldon, Rich Hoyt, Peter Barr, vps.

GENEX Services Inc.

440 E. Swedesford Road,
Suite 3050, Wayne, Pa. 19087;
610-964-5100; fax: 610-964-1919
www.genexservices.com

1997 revenues

Total	$95,000,000
% rehab services direct to employers	35%
Rehab services direct to employers	$33,250,000

Staff

Total	1,350
Professionals	820

Including: 500 RNs, 320 vocational counselors, 25 physicians

Customers

Total	1,200
Corporate/institutional clients	420
Claims administrators/TPAs	540
Insurance companies	240

Cases

Closed in 1997	50,000

Rehab services since: 1978.

Parent: Provident Cos. Inc.

Services: Prescreening of 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 audits, provider bill audits, PPO access.

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

Service area: Nationwide; also serves Canada and Puerto Rico.

Compensation: Per employee, per case, per hour. Charges vary by service, volume and location.

Officers: Peter C. Madeja, president/CEO; Richard A. Baron, vp/CFO; Paul M. Bode, senior vp-sales/marketing; Delphia B. Frisch, senior vp-operations; Daniel P. Lubas, senior vp-information systems/services.

Contact: Paul N. Wituschek, director-marketing.

I

Intracorp

1601 Chestnut St.,
2 Liberty Place Routing-TL11G,
Philadelphia, Pa. 19192-2116;
215-761-7100; fax: 215-761-7458
www.intracorp.com

Continued on page 54

[NOT GETTING WHAT YOU ORDERED?]



WE'RE HERE TO SERVE

OUR KNOWLEDGE REPORTING PRODUCTS AID IN IDENTIFYING COST-SAVING STRATEGIES.

Sometimes managing risk is like looking at a menu. Choices are everywhere but not every choice is good for you. When the choice is loss control, Corporate Systems serves you the innovative cost-saving strategies. We are the industry's only major independent provider of risk management systems. We don't answer to a parent company, so we're 100 percent free to focus on solutions for you. Turn Corporate Systems' independence into your advantage.

corporate systems
THE RISK MANAGEMENT EDGE

1.800.9-CS-EDGE www.csedge.com

It's a whole new cat and mouse game.



©1998 TRCL

With our recent acquisition of Cat Ltd. and their powerful computer modeling techniques, we can now offer you the most precise risk assessment tools available. That means exactly the right cover for exactly the right reason. Backed by an organization with $1 Billion in tangible equity.

Consult with us for effective, efficient and economical catastrophe coverage—premium value reinsurance perfectly programmed to your needs.

TempestRe

THE CAT RESOURCE

A member of the ACE group of companies

Tempest Reinsurance Company, Limited,
14 Par-la-ville Road, Hamilton, HM08, Bermuda
Mailing address: Suite #653,
48 Par-la-ville Road, Hamilton, HM11, Bermuda
Phone 441 292 2603, Fax 441 292 2395

Continued from page 52

1997 revenues

Total $332,000,000
% rehab services direct to employers 2%
Rehab services direct to employers $6,600,000

Staff

Total 1,300
Professionals 1,256
Including: 829 RNs, 355 vocational counselors, 72 physicians

Customers

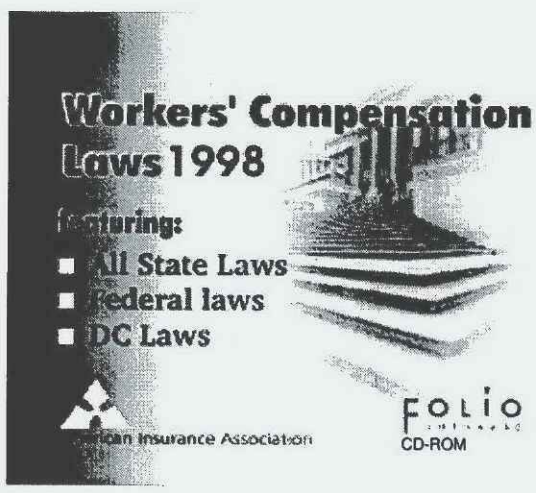
Total 1,014
Corporate/institutional clients 304
Claims administrators/TPAs 122
Insurance companies 365

Cases

Closed in 1997 199,525
IME cases 7,827
Expert opinion cases 174

Rehab services since: 1970.
Parent: CIGNA Corp.
Services: Prescreening of 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, early assessment/intervention services, prevention services, software programs.
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 audits, provider bill audits, PPO access, network-based managed care delivery systems, demand and disease state management, work/life management programs.
Coverage: Workers compensation, auto liability, general liability, auto no-fault, short-term disability, long-term disability.
Service area: Nationwide.
Compensation: Per case, per hour.
Officers: Dennis Mouras, president; Eileen Auen, senior vp-operations; Brian Jaffe, senior vp-marketing; Dr. Allen Woolf, senior vp/chief medical officer; William Loucks, senior vp-finance.
Contact: Betty Nelson, director-marketing services.

Keep up with the laws.



Call today for more information
1130 Connecticut Avenue, NW, Suite 1000
Washington, DC 20036 www.aiadc.org
1/800/242-2302 Fax: 1/202/293-1219

American Insurance Association

J

Jordan Services Inc.

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

1997 revenues

Total $6,380,000
% rehab services direct to employers 83%
Rehab services direct to employers $5,295,400

Staff

Total 80
Professionals 60
Including: 45 RNs, 15 vocational counselors
Designations: 18 CRCs, 16 CDMSs, 13 CRRNs, 40 CCMs

Customers

Total 715
Corporate/institutional clients 55
Claims administrators/TPAs 187
Insurance companies 467
Other 6

Cases

Closed in 1997 1,870
IME cases 10,900
Expert opinion cases 2,146

Rehab services since: 1974.
Services: Prescreening of 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 audits, provider bill audits, PPO access.
Coverage: Workers compensation, auto liability, general liability, auto no-fault, short-term disability, long-term disability.
Service area: IMEs/audits: nationwide; case management: Connecticut, New Jersey, New York, Pennsylvania.
Compensation: Per employee, $1.25 to $4.00; per hour, $79 to $150.
Officers: Morris Ehrenreich, president; Sandra Horowitz, CFO; Phyllis Snow, director-marketing; Joan Jennings, director-professional services.
Contact: Phyllis Snow.

The directory of Safety Consultants begins on page 32; only firms that generate $200,000 or more in revenues from safety consulting are included.

K

Kemper National Services

1601 S.W. 80th Terrace,
Plantation, Fla. 33324;
954-452-4000; fax: 954-452-4059
www.kemperinsurance.com

1997 revenues

Total $69,000,000
% rehab services direct to employers 37%
Rehab services direct to employers $26,900,000

Staff

Total 320
Professionals 283
Including: 239 RNs, 44 vocational counselors
Designations: 41 CRCs, 39 CDMSs, 30 CRRNs, 139 CCMs

Customers

Total 52
Corporate/institutional clients 14
Claims administrators/TPAs 19
Insurance companies 17

Cases

Closed in 1997 10,658
IME cases 254

Rehab services since: 1989.
Parent: Kemper Insurance Cos.
Services: Prescreening of 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, discharge planning, outpatient utilization review, patient advocacy programs, hospital bill audits, provider bill audits, PPO access.
Coverage: Workers compensation, auto liability, general liability, auto no-fault, short-term disability, long-term disability.
Compensation: Per hour, $70 to $85.
Officers: David Patterson, president/CEO; Peg Haennicke, vp; Raymond Barrett, vp-sales/marketing; Deanna Brown, officer.
Contact: Virginia Tomic, ext. 2338.

L

Liaison Inc.

17000 N. Dallas Parkway,
Suite 103, Dallas, Texas 75230;
972-380-6944; fax: 972-380-8629

1997 revenues

Total $2,200,000
% rehab services direct to employers 50%
Rehab services direct to employers $1,000,000

Staff

Total 15
Including: 10 RNs, 1 vocational counselor, 1 degreed professional, 2 physicians
Designations: 1 CRC, 2 CRRNs, 3 CCMs

Customers

Total 130
Corporate/institutional clients 90
Claims administrators/TPAs 30
Insurance companies 10

Cases

Closed in 1997 222
IME cases 100

Rehab services since: 1983.
Services: Prescreening of 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, peer reviews, medical record reviews.
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 audits, provider bill audits, PPO access.
Coverage: Workers compensation, auto liability, general liability, auto no-fault, short-term disability, long-term disability.
Service area*: Arkansas, Indiana, Louisiana, Oklahoma, New Mexico, Texas.
Compensation: Per hour.
Officers: Catherine Marrs.
** Bill review available nationwide.*

N

Novaeon Inc.

117 Great Valley Parkway,
Malvern, Pa. 19355;
800-551-8622; fax: 610-993-9026
www.novaeon.com

1997 revenues

Total $28,956,363
% rehab services direct to employers 36%
Rehab services direct to employers $10,000,000

Staff

Total 266
Professionals 266
Including: 146 RNs, 116 vocational counselors, 150 degreed professionals
Designations: 52 CRCs, 61 CDMSs, 19 CRRNs, 115 CCMs

Continued on page 56

Who does one of the world's leading camera companies trust with their exposure?

Yasuda. That's Who.

The Yasuda Fire & Marine Insurance Company of America



GROWTH.
JUST ONE OF
THE THINGS
TIG
STANDS FOR.

Our production partners are mavericks. People with the inventiveness to identify and grow new markets. Facilitating this growth is our primary objective. Sharing the entrepreneurial spirit of our production partners, we will act quickly on new—and often never-been-done-before—business opportunities.

From capital to direct access to our senior executives, we will devote the resources needed to fund the ideas and futures of our production partners. We will provide you the opportunity to share in the risk and the profit of the business you develop.

So let us help you grow your business. Because we can't be successful if you aren't.

TIG

To learn more about becoming one of our production partners or to obtain information on our business approach and specific areas of market interest, please call us at (972-831-5000). TIG Holdings Group has been rated A (Excellent) by the A.M. Best Company.

Continued from page 56

Rainier Case Management Inc.

4601 N.E. 77th Ave., Suite 250,
Vancouver, Wash. 98662;
360-891-6145; fax: 360-891-6148

1997 revenues

Total	$3,800,000
% rehab services direct to employers	20%
Rehab services direct to employers	$760,000

Staff

Total	50
Professionals	40

Including: 3 RNs, 37 vocational counselors
Designations: 5 CRCs, 5 CDMSs, 3 CRRNs, 4 CCMs

Customers

Total	50

Cases

Closed in 1997	1,800
Expert opinion cases	20

Rehab services since: 1978.

Services: Prescreening of 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.

Coverage: Workers compensation, auto liability, short-term disability, long-term disability, personal injury.

Service area: Western Idaho, Oregon, Washington.

Compensation: Per hour, $63 to $75.

Officers: Tom Garbarino, president; Brad Reckord, vp.

Contact: Lynn Rushing.

21st Century Health Care Management

2 Plaza Drive, P.O. Box 5265,
Woodridge, Ill. 60517;
800-772-8944; fax: 630-655-0881

1997 revenues

Total	$5,000,000
% rehab services direct to employers	50%
Rehab services direct to employers	$2,500,000

Staff

Total	21

Including: 17 RNs, 1 vocational counselor, 2 degreed professionals, 1 physician
Designations: 5 CRCs, 5 CCMs

Cases

Closed in 1997	2,500

Rehab services since: 1990.

Services: 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, rehabilitation audits.

Other services: Preadmissions certification, concurrent hospital treatment review, length of stay determination, discharge planning, patient advocacy programs, retrospective review, second surgical opinion, hospital bill audits, provider bill audits, PPO access, medical fraud review.

Coverage: Workers compensation, auto liability, short-term disability, long-term disability.

Service area: Nationwide*.

Compensation: Per employee; per case; per hour, $80 to $150; risk sharing/percentage of savings; contingency basis.

Officers: Liz Spreck.

Contact: Jay Spreck, 630-655-0800.

** Onsite in Midwest only; by telephone elsewhere.*

Total Care Management

850 S. Pleasantburg Drive,
Greenville, S.C. 29607;
864-240-5852; fax: 864-233-5337
www.hewittcoleman.com

1997 revenues

Total	$5,500,000
% rehab services direct to employers	22%
Rehab services direct to employers	$1,200,000

Staff

Professionals	7

Including: 7 RNs
Designations: 1 CDMS, 2 CRRNs, 5 CCMs

Cases

Closed in 1997	442
Expert opinion cases	50

Customers

Total	220

Parent: Hewitt, Coleman & Associates Inc.

Services: Prescreening of cases for rehabilitation intervention, telephone case management, onsite medical case management, medical assessment, job analysis, return-to-work modification and coordination, IMEs, job-seeking skill training.

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

Coverage: Workers compensation, auto liability, general liability, short-term disability.

Service area: Nationwide.

Compensation: Per hour, $65 to $80.

Officers: Charles Warne, president; William Chapman Jr., senior vp-marketing; Ron Graves, vp-operations; Sherry Loftis, vp-risk management; Clay Walters, vp-administration/finance; Breck Warren, client services representative.

Contact: Dianne Matthews, director-managed care.

S. Yangouyian & Associates Inc.

26400 Lasher Road, Suite 306,
Southfield, Mich. 48034;
248-357-1670; fax: 248-357-3321

1997 revenues

Total	$750,000
% rehab services direct to employers	40%
Rehab services direct to employers	$300,000

Staff

Total	8

Including: 2 RNs, 6 vocational counselors
Designations: 3 CRCs, 2 CDMSs, 1 CCM

Customers

Total	35

Cases

Closed in 1997	96
Expert opinion cases	45

Rehab services since: 1985.

Services: Prescreening of 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, life care planning, disability case management.

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

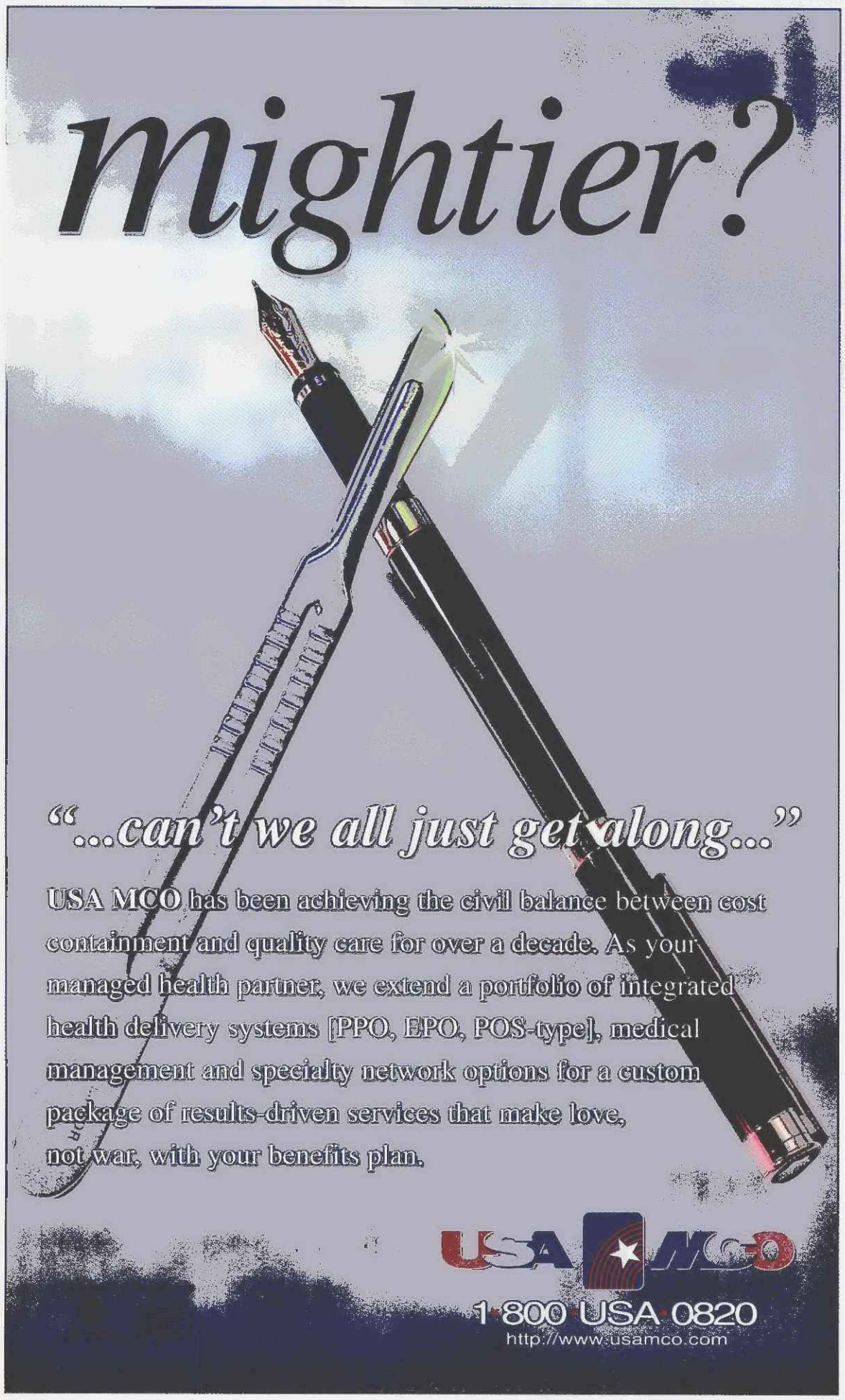
Service area: Nationwide*.

Compensation: Per hour, $65 to $150.

Contact: Sandra Yangouyian, CEO/president.

** Through nationwide network.*

BI



Business Insurance

• SERVICES •

SINGLE-COPY SALES

To order any current or back issue of *Business Insurance*, call the single-copy sales division of *BI's* Circulation Department:

313/446-1623

LIST RENTAL

Portions of *BI's* subscriber database are available to qualified companies for list rental. For available titles and a price quote, call our list broker:

888/446-1422

First Union Corporation

is pleased to announce that

John R. Honigmann

has joined First Union Capital Markets as a Managing Director

in the

Insurance Investment Banking Group

FIRST UNION

© 1998 First Union Corporation. First Union Capital Markets is a division of Wheat First Securities, Inc., a registered broker/dealer, member NYSE and SIPC, and a separate, non-bank affiliate of First Union Corporation.

Kemper Risk Group
THE RISK MITIGATION COMPANY



Stamnos (vase) depicting Odysseus tied to the mast listening to the song of the Sirens.

THERE ARE BETTER WAYS TO AVOID CRASHING ON THE ROCKS THAN BEING TIED TO YOUR MAST.

To avoid danger from the siren's call, Odysseus' sailors tied him to his mast, and filled their ears with bees wax. Today, you can get all the protection you need from a new global reinsurance power, Odyssey Re. With over $900 million of Gross Written Premium, and $1 billion of dedicated reinsurance capital, Odyssey Re is one of the largest reinsurance organizations in the world, providing you with more than enough resources to chart a course with confidence. Rated A- by both A.M. Best Company and Standard & Poor's, Odyssey Re offers a broad product mix, covering property/casualty, life, marine and aviation risks, as well as unusual risks, on a facultative, treaty and finite basis. We can underwrite risks virtually anywhere in the world through a seamless global network, with local underwriting autonomy for fast, responsive service. Let us make your company's voyage a safe one.

OdysseyRe

SAFE JOURNEY

ODYSSEY REINSURANCE CORPORATION: NEW YORK, ATLANTA, SAN FRANCISCO, CHICAGO • ODYSSEY RE LONDON, ODYSSEY RE BERMUDA • COMPAGNIE TRANSCONTINENTALE DE RÉASSURANCE: PARIS, SINGAPORE, TOKYO, COLOGNE • ODYSSEY REINSURANCE COMPANY OF CANADA: TORONTO • ODYSSEY RE STOCKHOLM, ODYSSEY RE LATIN AMERICA

Art Resource, NY

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, employee benefits and financial executives.

The listings are published as an editorial service by *Business Insurance*; there is no charge to list materials in this section.

All items appearing in this section are offered free to *BI* readers. To receive any of the materials listed in this section, please write the item numbers of those materials on the reader service coupon printed in the section. Fill out the remainder of the coupon and mail it to:

Business Insurance
Reader Service Center
650 S. Clark St.,
Sixth Floor
Chicago, Ill. 60605-1702

All requests must be received before **Dec. 21, 1998,** to be processed.

WORKERS COMPENSATION

■ Colorado Compensation Insurance offers a brochure detailing designated provider discounts and **Cost Containment Certification**. Request item **2400.**

■ An article dealing with **workers compensation in California**, including information on undocumented workers, is available from the Rehabilitation Professionals Inc. Request item **2401.**

■ A report on **travel management risks** is provided by International SOS Assistance. Request item **2402.**

■ Gates McDonald provides a newsletter focusing on changes and events in **unemployment compensation and workers compensation**. Request item **2403.**

■ The Rehabilitation Professionals Inc. have presented an article about defending and arguing **psychiatric claims** in California. Request item **2404.**

■ A pamphlet produced by Colorado Compensation Insurance highlights the benefits of **return-to-work programs** and provides ideas on implementing such programs. Request item **2405.**

■ The settlement of **vocational rehabilitation benefits** in California is the topic of an article available from the Rehabilitation Professionals Inc. Request item **2406.**

Continued on page 62

Business Insurance ®

Information Resource

NOTE: THIS COUPON WILL NOT BE PROCESSED AFTER **DECEMBER 21, 1998.**

All questions must be answered in order to have your inquiry processed.

Please check one item for each category:

1. My organization is best described as:
A ☐ Mfg/Svcs B ☐ Association C ☐ Union D ☐ Government E ☐ Educational Inst F ☐ Ins Agent G ☐ Ins Broker H ☐ Ins/Reins Co I ☐ Consultant J ☐ Actry/Attorney K ☐ Adj/Apprs L ☐ TPA M ☐ Health Care Inst N ☐ Other

2. Number of employees:
1 ☐ 150 or fewer 2 ☐ 151-499 3 ☐ 500-999 4 ☐ 1,000-4,999 5 ☐ 5,000 or more 6 ☐ Unknown

3. My title is best defined as:
A ☐ Administrative Mgt B ☐ Financial Mgt C ☐ Risk Mgt D ☐ Benefits Mgt E ☐ Loss Prevention Mgt F ☐ Other

4. My purchasing involvement for the requested products is to:
1 ☐ recommend only 2 ☐ specify 3 ☐ approve

5. Do you now receive a personally addressed copy of *Business Insurance*?
A ☐ Yes B ☐ No, please send subscription information

To obtain copies of literature and information about products and services listed in the **October 26** info section, simply indicate the key numbers for the items you want and mail the coupon to:

Business Insurance Reader Service Center
650 S. Clark St., 6th Floor
Chicago, IL 60605-1702

Please print clearly

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone ( ) _____ Fax ( ) _____

READER REPLY SERVICE

now available online at
www.businessinsurance.com/magazine

PRODUCTS & SERVICES LISTING

Issue of October 26

Reader Service #	Advertiser	Page #
1	Aetna/US Healthcare Group Plans	48
2	American Equity Underwriters	69
—	American Insurance Assoc.	54
—	American Physical Therapy	20
3	Assurex International	24
—	Bermuda Insurance Institute	25A-H
4	Burnham Systems	68
—	Business Insurance	17,45,71
5	Carvill America, Inc.	44
6	CNA/E&S	6
7	CNA/Reinsurance	I. B. Cov.
8	CNA/Risk Management	18-19
9	Collins Associates	66
—	CCIA	45R
10	Commonwealth Risk Services	28
11	Constitution Reinsurance	26-27
12	Corporate Systems	52
13	Corvel Corporation	9
14	C.P.C.U. Society	56
15	C.P.C.U. Society	67
16	Crawford & Company	30
—	Delta Dental Ins. Plan	45R
17	Judy Diamond Associates	68
18	Facts Services Inc.	68
—	First Union Capital Mkts.	58
19	Fortis Inc.	14-15
20	GAB Robins	37
21	Gates McDonald	10
—	GE Equity Capital Group	39
22	General Reinsurance	31
23	GENEX	4
—	Hannover Reinsurance	49
—	Hoag Hospital Human Resource	40
—	I M G	67
24	InPhoto Inc.	56
25	Insurance Overload Systems	50
26	J & H / Marsh & McLennan	13
27	Liberty Mutual	Covers 2, 3-4
—	Mastercare	45R
28	Meadowbrook Insurance Group	20
29	Munich-American Risk Partners	43
30	Odyssey Re	59
31	Old Republic Risk Management	25
32	Paradigm Health Corporation	33
33	Policy Management Systems	29
—	Presidium, Inc.	36
—	PXRE Reinsurance Company	46-47
34	Pyramid Services Inc.	12
35	Reliance National	7
36	Risk Enterprise Management	51
37	Royal & Sunalliance	B. Cov.
—	S. K. Goodrich & Company	68
38	Standard & Poor's Corp.	41
—	State Comp. Ins. Fund	45R
39	St. Paul Reinsurance	34-35
—	Swiss Re International	64
40	Tempest Re	53
—	The Hartford	32
—	The Travelers	11
—	Tiffany & Bosco, P.A.	42
41	TIG Insurance	55
42	TIG Reinsurance	21
43	TIG Reinsurance	22-23
44	United Healthcare	57
—	United National Group	16
45	USA Managed Care Organization	58
46	D. W. Van Dyke & Company	44
47	Walden Institute, The	68
—	Watson Wyatt Worldwide	62-63
—	Wausau Insurance Company	5
48	WLT Software of FL, Inc.	68
—	World Captive Forum	61
49	Yasuda Fire & Marine Insurance	54
—	Zurich Reinsurance International	38

READER SERVICE

To obtain free information on the products and services advertised:

- **go online to www.businessinsurance.com and click on MAGAZINE then select "ACCESS CURRENT ADVERTISERS"**
- fax this coupon to BI's Reader Service Center at 312-922-3165
- mail this coupon to:
BUSINESS INSURANCE, Reader Service Center
650 S. Clark St., 6th Fl., Chicago, IL 60605-1702

Business Insurance

FREE LITERATURE FOR READERS

Issue Date: OCTOBER 26, 1998

Card Expiration: DECEMBER 21, 1998

All questions must be answered to process inquiries.

PLEASE CHECK ONE ITEM FOR EACH CATEGORY:

1. My organization is best described as:
A ❑ Mfg/Svcs B ❑ Association C ❑ Union D ❑ Government E ❑ Educational Inst F ❑ Ins Agent G ❑ Ins Broker H ❑ Ins/Reins Co I ❑ Consultant J ❑ Actry/Attorney K ❑ Adj/Apprs L ❑ TPA M ❑ Health care Inst N ❑ Other_____

2. Number of employees:
1 ❑ 150 or less 2 ❑ 151 - 499 3 ❑ 500 - 999 4 ❑ 1,000 - 4,999 5 ❑ 5,000 or more 6 ❑ Unknown

3. My title is best defined as:
A ❑ Administrative Mgt B ❑ Financial Mgt C ❑ Risk Mgt D ❑ Benefits Mgt E ❑ Loss Prevention Mgt F ❑ Other_____

4. My purchasing involvement for the requested products is to:
1 ❑ recommend only 2 ❑ specify 3 ❑ approve

5. Do you now receive a personally addressed copy of *Business Insurance*?
A ❑ Yes B ❑ No, so please send subscription info

Circle the numbers below that correspond to the companies listed on our Advertiser Index for the **October 26, 1998** issue. Cards with more than 20 items circled will not be processed. This card expires **December 21, 1998.**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150

Please print clearly

Name_____

Title_____

Company_____

Address_____

City_____ State_____ Zip_____

Phone ( )_____ Fax ( )_____

8th World Captive and Alternative Risk Financing Forum

Register Now!

Doral Golf Resort and Spa
Miami, Florida

November 15–18, 1998

Keynote Speakers:

Brian O'Hara,
X.L. Insurance Company, Ltd.

Dr. Roger Sellek,
Lloyd's of London

For registration information, contact Judith Harrington, WCF Conference Director, 612-928-4659 or fax 612-929-1318 or visit our website, www.captive.com/CaptiveForum

Produced by:

Business Insurance

Skandia SINSER

Tillinghast - Towers Perrin

Maximizing Potential

This year's program includes general sessions, roundtable discussions and concurrent workshops on the following:

Basics of Captives and Risk Financing
- *Nicholas Dove, President, Skandia International Risk Management, Bermuda*
- *D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin, London*

Risk Managers Round Table
- *James D. Cameron, Partner, Baker & McKenzie, New York*
- *George Chaffee, President, Skandia International Risk Management (Vermont, Inc.)*
- *Moderator: Robert J. Rosser, Senior Vice President, Skandia International Risk Management, Bermuda*

Tax Treaties, Dividends and Loan-Backs
- *James D. Cameron, Partner, Baker & McKenzie, New York*
- *Thomas M. Jones, Esq., Partner, McDermott, Will & Emery, Chicago*
- *Moderator: George Chaffee, President, Skandia International Risk Management (Vermont, Inc.)*

Digital Cash and Electronic Money: The Investment Potential
- *Denise L. Brown, Vice President, Citicorp, N.A., Stamford*
- *Frank Dunn, Vice President, Citibank, N.A., New York*
- *Moderator: D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin, London*

"I Get By With a Little Help From My Friends" Choosing the Right Service Providers for Your Captive.
- *Charles A. Buikema, Assistant Vice President & Director of Risk Management, INOVA Health System, Springfield, VA*
- *Susan Wilde Hughes, Vice President, Health Care Practice, Aon Risk Services, Washington, DC*
- *Moderator: Michael Maglaras, Principal, Michael Maglaras & Co., Stamford, CT*

Group Captives
- *Brian Donovan, President, SteelTank Insurance Co., Lake Zurich, IL*
- *David A. Bossman, President, American Feed Industry Insurance RRG, Inc., Arlington, VA*
- *Moderator: D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin, London*

Accessing Capital Markets
- *Kevin Callahan, President and CEO, Aon Capital Markets Inc., Chicago*
- *Neil Campbell, MA, ACII, General Manager, Zeneca Risk and Insurance Services, London*
- *Moderator: Kathryn J. McIntyre, Publisher and Editorial Director, Business Insurance, Chicago*

Rent-a-captives: A Time to Lease; A Time to Buy
- *Doug Crowell, CFO,Consolidated Personnel Corporation, Chesterfield, MO*
- *Rick Shimer, CFO, Cust-O-Fab Service Co., Tulsa, OK*
- *Richard G. Turner, President, Commonwealth Risk Services Inc., Philadelphia*
- *Moderator: Nicholas Dove, President, Skandia International Risk Management, Bermuda*

Reinsurance
- *Albert J. Beer, FCAS, MAAA, President, AM-RE Managers, Inc., Princeton, NJ*
- *Philip M. Roels, CPCU, ARM, Vice President for Operations, Dorinco Reinsurance Company, Midland, MI*
- *Michael Schnur, Managing Director, Guy Carpenter & Co., Inc, Chicago*
- *Moderator: Robert J. Rosser, Senior Vice President, Skandia International Risk Management, Bermuda*

Third-party Business
- *Joel S. Chansky, FCAS, MAAA, Consulting Actuary, Milliman & Robertson, Inc., Wakefield, MA*
- *Dean Reynolds, Director, Nissan America, Torrence, CA*
- *Moderator: Kathryn J. McIntyre, Publisher and Editorial Director, Business Insurance, Chicago*

Financing Enterprise Risks: Captives or Conventional Solutions
- *Scott Sanderson, Senior VP J&H Marsh & McLennan, Minneapolis*
- *Thomas Seuntjens, Member of the Treasury Department Management Team, Honeywell Inc., Minneapolis*
- *Moderator: Gregory Berg, Principal, Tillinghast-Towers Perrin, Weatogue, CT*

Employee Benefits and Rent-a-captives: U.S. vs. International
- *Karin Landry, North East Group and Healthcare Practice Leader, Watson Wyatt & Company, Wellesley, MA*
- *Hugh O'Neil, Group Risk Manager DHL International Ltd., Belgium*
- *Moderator: Kathryn J. McIntyre, Publisher and Editorial Director, Business Insurance, Chicago*

Wrap Up/Domicile Issues
- *Moderator: D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin, London*

Captive Case Studies
- *Judy Lindenmayer, ARM, Vice President, Insurance and Risk Management, Fidelity Investments, Boston*
- *Herb Martin, Corporate Risk and Quality Manager, Pat Salmon & Sons, Inc., Little Rock, AR*
- *Krister Nyman, President, Volvo Group Insurance, Volvo AB, Goteborg, Sweden*
- *Moderator: D. Hugh Rosenbaum, Principal, Tillinghast-Towers Perrin, London*

www.captive.com/CaptiveForum

Continued from page 60

■ Aholm & Monahan offers a quarterly law update on **Illinois workers comp claims handling techniques and issues**. Request item **2407.**

■ A brochure presented by Colorado Compensation Insurance details an **experience modification rating** for in-state policyholders. Request item **2408.**

■ An article provided by the Rehabilitation Professionals Inc. describes the consequences to an employer when a late offer of **modified or alternative work** is made. Request item **2409.**

■ Aholm & Monahan offer a resource manual on handling and defending **Illinois workers comp claims.** Request item **2410.**

■ **Medical and legal issues**, auditing, claims and fraud prevention are discussed in an employer's guide to worker's compensation insurance in Colorado presented by Colorado Compensation Insurance. Request item **2411.**

■ Rehabilitation Professionals Inc. presents an article detailing the duty of the employer to investigate **modified or alternative work**. Request item **2412.**

■ Strategies for using **workers compensation information in the hiring process** is outlined in a booklet by Avert Inc. Request item **2413.**

■ The employer's role is explained in a brochure about **managing claims and reducing litigation** published by Colorado Compensation Insurance. Request item **2414.**

■ Intracorp provides a study of individuals who have experienced **work-related injuries or illnesses**. Request item **2415.**

■ A pamphlet that discusses and tests knowledge of **absenteeism** is available from Martin Dennison Press. Request item **2416.**

■ A paper describing the effects of an inadequate notice of **potential eligibility** is provided by the Rehabilitation Professionals Inc. Request item **2417.**

■ Richard B. Frank & Associates offers a bulletin for **training managers and supervisors**. Request item **2418.**

■ Frequently asked questions about **underwriting workers compensation insurance** are answered in a pamphlet available from Colorado Compensation Insurance. Request item **2419.** BI

Business Insurance®

Information Resource

NOTE: THIS COUPON WILL NOT BE PROCESSED AFTER DECEMBER 21, 1998.

All questions must be answered in order to have your inquiry processed.

Please check one item for each category:

1. My organization is best described as:
A ☐ Mfg/Svcs F ☐ Ins Agent K ☐ Adj/Apprs
B ☐ Association G ☐ Ins Broker L ☐ TPA
C ☐ Union H ☐ Ins/Reins Co M ☐ Health Care Inst
D ☐ Government I ☐ Consultant
E ☐ Educational Inst J ☐ Actry/Attorney N ☐ Other

2. Number of employees:
1 ☐ 150 or fewer 3 ☐ 500-999 5 ☐ 5,000 or more
2 ☐ 151-499 4 ☐ 1,000-4,999 6 ☐ Unknown

3. My title is best defined as:
A ☐ Administrative Mgt D ☐ Benefits Mgt
B ☐ Financial Mgt E ☐ Loss Prevention Mgt
C ☐ Risk Mgt F ☐ Other

4. My purchasing involvement for the requested products is to:
1 ☐ recommend only 2 ☐ specify 3 ☐ approve

5. Do you now receive a personally addressed copy of *Business Insurance*?
A ☐ Yes B ☐ No, please send subscription information

To obtain copies of literature and information about products and services listed in the **October 26** info section, simply indicate the key numbers for the items you want and mail the coupon to:

Business Insurance Reader Service Center
650 S. Clark St., 6th Floor
Chicago, IL 60605-1702

Please print clearly

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone ( ) _____

Fax ( )

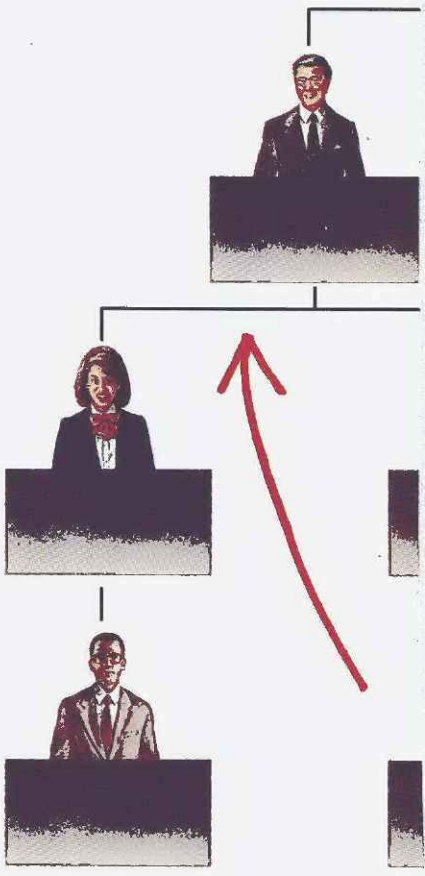
Business Insurance®

• SERVICES •

ONLINE SERVICES
Now you can find *Business Insurance* on the World Wide Web. *BI's* home page includes many important departments, including ... UPDATES for late-breaking news posted each Friday ... INTERNET ARTICLES from past issues ... a DATEBOOK of searchable industry-wide meetings and events ... WEB LINKS listing sites on the Web of interest to risk and benefit managers ... ONLINE FORUMS for users to exchange information ... and much more:
www.businessinsurance.com

REPRINT SERVICES
BI's Reprint Department can provide reprints, in quantities of 100 or more, of any article appearing in the weekly newsmagazine. Legal permission, complying with U.S. copyright laws, also can be provided to companies wishing to reprint on their own, material appearing in the newsmagazine. For information, call or fax:
312/ 649-5319
Fax: 312/ 280-3174

THERE'S A NEW PARADIGM IN RETIREMENT. IT'S CALLED WORKFORCE MANAGEMENT.



We'd respectfully like to suggest something to those using today's paradigms for retirement planning. It's time to retire them. Combine a less mobile, aging workforce with a shortage of new talent, and suddenly even the "new" models of hiring, rewarding and retiring employees just don't work anymore. Enter a remarkable new retirement paradigm from Watson Wyatt called Workforce Management.™ Basically, it enables you to manage the structure of your workforce in ingenious new ways–allowing you to retain

Business Insurance, October 26, 1998 / 63

Willis

Continued from page 1

KKR official, both pointed not only to consolidation within the insurance industry but also to mergers across financial services sectors, such as the combination of Citicorp and Travelers Group.

"Nobody knows what the model will be," Mr. Golkin said. "Who knows what this part of the industry will look like?"

KKR, which manages about $6 billion on behalf of U.S. pension funds and other investors, typically invests with the intention of holding the investment for five to seven years, Mr. Golkin said, adding "we have lots of companies that have gone a lot longer" than seven years.

KKR's largest previous insurance industry acquisition was American Re Corp., which it bought in 1992 and sold to Munich Reinsurance Co. in 1996.

Whether or not Willis is ultimately sold to another company will depend largely on the views of its management, Mr. Golkin said.

"We will take our cue from them. They are the ones that oftentimes decide strategically what is appropriate," he said.

"We will have ample opportunities between ourselves and KKR to address the various ownership options," Mr. Reeve noted. "We are not spending any time thinking about that at the moment."

Instead, Willis is planning to expand as a privately owned company, no longer captive to its next quarterly earnings statement or burdened by persistent takeover rumors, Mr. Reeve said.

Morale already has improved. "It had been inevitably affected by the continuous rumors of transactions that were about to happen that would affect our independence," he said. "It was a distraction. Clients used to ask what our ownership status was."

Willis will now focus on adding to its "global distribution platform," he said, opening new brokerage outlets in Latin America after having established itself as a top-tier broker in Europe, Mr. Reeve said.

The company's growth will come both through "organic" expansion of its existing operations and through acquisitions.

"We are the only global alternative" to J&H Marsh & McLennan Inc. and Aon, he observed. "We think that position is going to bring very significant opportunities, including acquisition opportunities."

Meanwhile, Willis officials dismissed concerns about any potential conflict in the fact that its owners include insurance companies.

Trinity Acquisition P.L.C., the KKR-led consortium that acquired Willis, also includes Guardian Royal Exchange P.L.C., Royal & Sun Alliance Insurance Group P.L.C., Chubb Corp., The Hartford Financial Services Group Inc. and Travelers Property Casualty Corp.

Insurers have also recently bought stakes in brokers USI Insurance Services Corp. and Tri-City Brokerage Inc.

The insurer investors in Willis Corroon "have no say or influence over our affairs. They do not sit on the board," Mr. Reeve asserted.

"There are no particular special arrangements with the five carriers as part of the transaction," he added, maintaining that Willis will not favor the insurers as a result of their investment.

He said, however, that "we are open to working closely with carriers that can provide value to our clients."

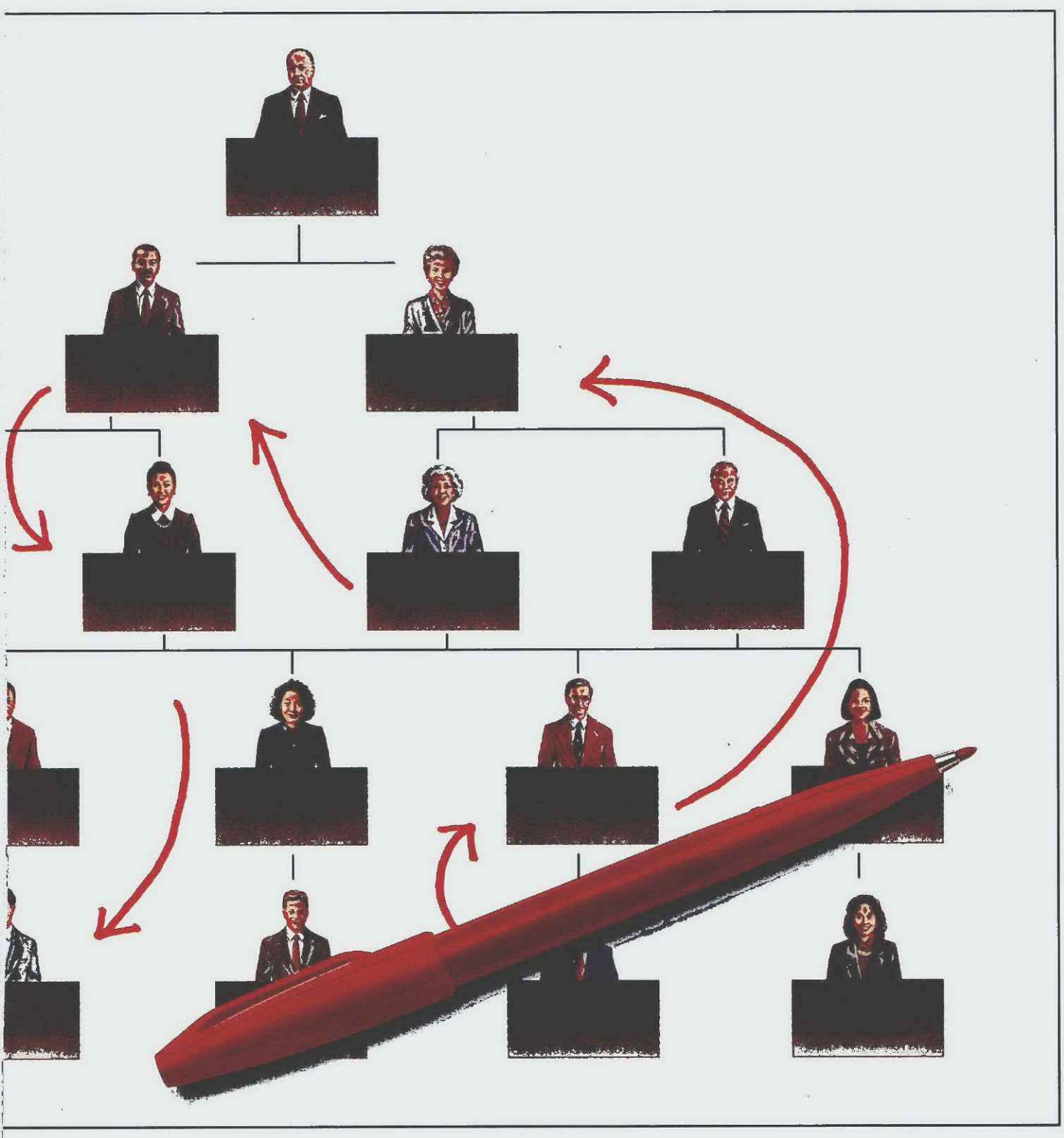
"I'm sure we will work closely with the five carriers that have invested in our business. . .but we will equally work with other carriers if we think they can add value to our business," Mr. Reeve said.

"They understand that, as far as we're concerned, we serve the client first," noted Kenneth Pinkston, chairman of Nashville, Tenn.-based Willis Corroon Corp. and group executive director of Willis Corroon Group.

Insurance companies are investing in brokers not to gain control over their business but to prevent the megabrokers from acquiring them and gaining that much more of a stranglehold on the market, Mr. Reeve said.

"They are investing in brokers to ensure that consolidation does not reach the point where there is such a paucity of choice that it damages their own business," he observed.

"If choice becomes severely constrained, I think there will be a lot of losers," Mr. Reeve said. BI



the invaluable intellectual capital Boomers possess, while simultaneously giving talented Xers room to flourish. And to do so while keeping benefit costs in line. For more details, call your local Watson Wyatt office or 1-800-851-4346, or visit our web site at www.watsonwyatt.com. And let us show you why so many of today's assumptions about retirement need to be retired.

Watson Wyatt *Worldwide*

Making Strategy Work®

Dependent care leave mandated

BOSTON—Massachusetts employers must allow time off for employees to attend doctor's appointments for their children or elderly relatives and for parent-teacher conferences, a newly adopted statute mandates.

The statute, dubbed the Small Necessities Leave Act, took effect in August and affects employers with more than 50 employees. Employees may take a total of 24 hours of unpaid leave per 12-month time frame to handle such personal responsibilities. They may take the time in hourly increments.

A spokeswoman for Massachusetts Sen. Thomas Birmingham, D-Chelsea, who sponsored the bill, said the senator was motivated by the many stories that he heard where an employee was forced to choose between job and family.

The mandate, which is enforced by the Business and Labor Protection Bureau of the office of the attorney general, can bring up to a $500 fine on an employer that does not allow time off when an employee files in accordance with the mandate, or if an employer discriminates against or demotes an employee because of the leave.

"We've received a lot of questions and inquiries but no formal complaints to my knowledge," said Anthony Penski, assistant attorney general and deputy bureau chief for the Business and Labor Protection Bureau.

Mr. Penski's office has drafted an advisory to assist employers in compliance. Many of the calls from employers, he said, involve what types of information they can ask employees to produce as proof that the time off met the criteria of the Small Necessities Leave Act.

"It's a bit heavy-handed and so bureaucratic," said John F. Welsh, a partner and attorney in the labor and employment group for the Boston-based law firm of Testa, Hurwitz & Thibeault. For multistate corporations, he said, it's almost impossible to have uniform company policies without catering to the "quirks" of each state. He also noted that it makes it more difficult to remove chronically absent employees.

Mr. Welsh said the mandate sends a pro-worker, pro-family message, and for politicians, "it's a nice little sound bite for a speech."

—By Amanda Milligan

Services Guide

CPCU® and IIA candidates
I guarantee you will learn more in less time with The Burnham System — or your money back
Ray Burnham, CPCU, CLU, ARM
19 Everett Street, Southbridge, MA 01550
Call 1-800-GET-CPCU Now!

Stymied studying for the ARM?
3 day workshops + The Walden Workbook
We decipher the texts
Orlando, Los Angeles, VA Beach
The Walden Institute
(888) 681-RISK

1998-1999 Standard Directory of Third Party Administrators
NEW
Your one stop source for TPA information.
Judy Diamond Associates, Inc.
800-231-0669

TRANSPORTATION BONDS
S.K. Goodrich & Co.
Ask about our special program with
American Bankers Insurance Company of Florida
ICC Property Broker Bonds
Fuel & Road Tax Bonds
Turnpike and Toll Bonds and
Other Misc. Transportation Bonds
Earn Extra Commission
Call Christine at
(602) 935-2190 Fax (602) 935-0553
PO Box 1086,Litchfield Park, AZ 85340

WLT
CLAIMS PROCESSSING SOFTWARE SINCE 1979
831 NORTH HERCULES AVE., CLEARWATER, FLORIDA 34625
(813) 442-9296 FAX: (813) 443-4936
www.wltsoftware.com

FACTS®
The Full Spectrum of Automated Solutions for Integrated Managed Care
Fully automated and integrated software and hardware solutions for managed care administration – specializing in claim and encounter processing, risk management, and cost containment. Full-service training, support, and consulting.

- Automatic claim adjudication
- Automatic benefit code generation
- Benefit administration
- Capitation
- Case Management
- Clinical editing
- Electronic Data Interchange (EDI)
- MICR laser check / EOB encoding
- Optical Imaging / IOCR
- Point-Of-Service (POS)
- Electronic claim workflow distribution
- Section 125 - Flexible benefits
- Over 150 reports/custom report generator
- Letter generation

All FACTS® products are year 2000 compatible.

FACTS® Services, Inc.
1575 San Ignacio Avenue, Suite 406 • Coral Gables, Florida 33146
(305) 284-7400 • www.facts-services.com™
General Automation Value Added Reseller

Publishing November 23 in
Business Insurance®
Benefits: Effective Communication/EBC Awards
Directory: Benefit Communication Systems
Ad Closing: November 11
Call Now To Reserve Your Ad Space!
(312) 649 - 5340

For advertising information contact: Irais Amleshi,
Classified & Services Guide Advertising, 740 North Rush Street, Chicago, Illinois 60611.
Telephone (312) 649-5340 • Fax (312) 649-7937

Meteors

Continued from page 65

tion measures to reduce the exposures.

Asia Satellite Telecommunications Co. Ltd. in Hong Kong has decided to "take precautions to safeguard our satellite fleet against the Leonid storm to ensure no interruption of traffic," it said in a statement.

These precautions include changing the angle of certain satellites' solar arrays to minimize the surface exposed to the speeding particles—generally smaller than the width of a human hair—and having staff at headquarters during the storm to deal with any problems that may arise.

The Washington-based International Telecommunications Satellite Organization is taking similar precautions. Most of Intelsat's 20 geosynchronous satellites have solar arrays that will be angled away from the direction from which the meteoroids are coming. A spokeswoman for Intelsat said she is confident that its operational traffic most likely will not be affected by the meteor storm because the solar arrays will only slue, or move, between 10 degrees and 12 degrees for two to three hours.

"It won't affect the service at all," she said. "The satellites will still be getting power from the sun, and the antennae will always be facing the earth." Moving the solar arrays will not prevent them from getting sufficient power—they can operate during a solar eclipse using batteries but are not expected to need them during the Leonid storm.

Extra satellite controllers and on-call engineers will be on full alert at the height of the storm.

Intelsat predicts the likelihood of mechanical damage caused by the meteoroids hitting the satellites' structure or components at less than 0.02%. However, there is also the risk of damage from electrostatic discharge as meteoroids colliding with a satellite ionize and form a plasma cloud. To lessen the chances of ESD interrupting transmission, Intelsat plans to turn off certain satellite modes that could be adversely affected by ESD.

PanAmSat Corp. of Greenwich, Conn., is confident the Leonids will not pose a danger to its 16 geostationary satellites. It has predicted the possibility of a collision between one of its satellites and a Leonid particle as "extremely low." In addition, its satellites have on-board shielding to protect them from collisions. At the same time, the direction of the solar arrays relative to the meteoroids also will help lower the chances of collision.

Gloucester, Ontario-based Telesat estimates the probability of significant damage to a satellite by a Leonid meteor storm to lie in the region of 0.00075% to 0.000000375% and emphasizes that even if a meteoroid penetrates a satellite's body panel, it will not necessarily result in serious damage. More vulnerable areas on the satellite include propellant tanks and wiring harnesses. Although solar arrays and communications antennae are not especially at risk, Telesat will be reorienting the solar arrays to reduce the area exposed during the storm.

PanAmSat Corp. of Greenwich, Conn., is confident the Leonids will not pose a danger to its 16 geostationary satellites.

Even the National Aeronautics and Space Administration and the Department of Defense in the United States are taking heed of the Leonid threat. The space shuttle will be grounded during the meteor storm, and the Hubble space telescope will be rotated so its mirrors are shielded from the meteoroids.

According to the Aerospace Corp. of El Segundo, Calif., the threat to satellites from the 1998 storm is "minimal," with damage most likely coming from ESD damaging on-board electronics. It recommends satellite operators have a contingency plan in place should a spacecraft sustain damage.

In testimony to the U.S. House of Representatives Committee on Science earlier this year, William Ailor, director of the Center for Orbital and Reentry Debris Studies, along with a physicist and a scientist, described the upcoming Leonid storm as "the largest (meteoroid) threat ever experienced by our critical orbiting satellite constellations."

Although they did not think a large number of satellites would be knocked out, they warned of the threat of ESD damaging electronic circuitry and causing the crafts to fail.

In contrast, space insurers appear to be taking a relaxed attitude toward the Leonids.

"It's just part of the risk we take," said a space underwriter. "The risk of a satellite getting hit by a meteorite sufficiently hard to damage it is far less than a satellite going wrong on its own. . .it will need a reasonable-size meteorite to hit it in a vulnerable spot to damage it."

What's more, a number of satellites may not be covered, as in-orbit insurance sometime is not bought beyond the early years of operation, when the satellite is thought to be most vulnerable.

Nevertheless, some insurers bought reinsurance for Leonid damage because the rates were so low it made commercial sense, according to another space underwriter. Nobody really knows what is going to happen, the underwriter said.

Scientific estimates indicate that the upcoming Leonids meteor storm will approximately double the risk of a meteor hitting a satellite, said Giovanni Gobbo, director of the space department at Assicurazioni Generali S.p.A. in Trieste, Italy. "And only a couple of satellites have been hit in history" by meteoroids, he added.

Even if a satellite is hit, the collision may not be with a vital part of the craft, and Generali says that it believes that the probability of loss is so low that reinsurance specifically for the Leonids event is unnecessary, Mr. Gobbo observed.

But satellite operators and insurers should be aware that the European Space Agency satellite Olympus was destroyed in 1993, probably by a meteoroid shower, warned Udo Martinsohn, a member of the board at Munich, Germany-based Bayerische Ruckversicherung A.G.

Scientific calculations show that the maximum probability of one of the 200 or so geostationary satellites being hit in a Leonid shower is about 2%, said Mr. Martinsohn. But this year's shower is not expected to be as intense as in the past and the meteoroids are approaching from a fairly benign direction, so the probability drops to less than 0.2%, he said. Bavarian Re's worst-case scenario, assuming total losses, predicts the meteoroid shower will take out four satellites.

See **Meteors** *on next page*

"Be sure that you return it."

If you're racing through this issue of *Business Insurance* because you "borrowed" it from a colleague, you should have your own subscription. Then you'll be first on the list. You can take as much time as you like with all of *Business Insurance's* exclusive worldwide news of loss prevention, risk financing and benefit management every week.

To subscribe, use the card in this issue or Call 1 (800) 678-9595 Toll-Free.

Ask about our special 20%-off group subscription rate for five or more subscriptions. A great way to save money. And avoid pass-along problems.

Subscription Rates in U.S. Dollars for 1 year, 52 Issues.

USA	$87
Canada/Mexico	$105*
All other countries by expedited air.	$205

* Price includes Canadian GST.

Business Insurance.
Subscription Dept.
965 E. Jefferson
Detroit, MI 48207
Outside the USA
Call (313) 446-0450

Pool Re

Continued from page 65

million) at the end of last year.

The decision to reduce premiums so drastically was proposed to Treasury by the Pool Re board, said Pool Re Chief Executive Leslie Lucas. At the same time, the board took the opportunity to simplify some of the aspects of Pool Re's rating system and bring its practices into line with the rest of the insurance market.

For example, Pool Re places risks in one of four zones: central London; inner London and central business districts of specific large towns and cities; the rest of England, except for Devon and Cornwall; and the rest of Great Britain. Rates are different for each zone, but after the premium discounts are implemented for terrorism coverage, effective Dec. 25, 1998, these will be streamlined into two rates: 0.015% as a multiple of the property value for the first two zones, and 0.003% for the other two.

David Kettley, chairman of the Assn. of Insurance & Risk Managers, welcomed the decision. "We believe they have at last been heeding the groundswell of opinion," he said. Even though the risk appears much reduced in the wake of the peace agreement, buyers still like to purchase terrorism coverage "for peace of mind," he added.

Others decided not to purchase the coverage when Pool Re was established because the cost was just too high for the perceived risk of their property portfolios; the lower risk and commensurate lower premiums now offered still are not tempting them into the market.

Also, a number of buyers who originally bought from Pool Re have jumped ship, primarily because of the pool's lack of flexibility, and have found other insurers.

The alternative terrorism insurance market, started about four years ago to provide buyers with a choice of insurers and products, shows little sign of crumbling at Pool Re's announcement, though it has taken underwriters by surprise.

"This has an impact on the bottom line because we have seen rates reduce very dramatically," said Philip Perry, terrorism underwriter at Hiscox syndicate 33, part of Hiscox P.L.C. Reductions were anticipated, but not to this degree, he said.

Even so, Hiscox's U.K. Terrorism Unit will continue to write terrorism coverage with rates lower than the Pool Re rate, said Mr. Perry, plus offering broker commission. In addition, Hiscox offers coverage on a building-by-building basis: Pool Re, which as a tariff insurer provides only preset rates and terms, will cover only an entire property portfolio. Earlier this year, Hiscox led an £18.5 billion ($31.66 billion) terrorism coverage for 79 U.K. universities, members of the UM Assn. (Terrorism) Ltd. (*BI*, Oct. 5).

"The success is in getting the spread (of insureds)," said Mr. Perry.

What's more, he anticipates a higher demand from insurance buyers because the coverage will be so cheap. Last year, the alternative terrorism insurance market wrote about £50 million ($85.6 million) in premiums, he said, which could increase 50% to £75 million ($128.4 million) for 1998. Mr. Perry estimated Hiscox writes about 25% of the alternative market, and "we want a bigger market share—we are looking at growing continually."

By contrast, other insurers offering U.K. mainland terrorism coverage are questioning whether the business is worth writing on a bespoke basis at such low rates.

"We are reviewing our stance right now," said Ian Harrison, underwriter with Beazley Furlonge Ltd. "The only way forward is to develop technology and systems to do this cost-effectively."

Mr. Harrison questioned the motivation behind Pool Re discounting its premium rates so heavily. If Pool Re is cutting rates to compete in the open market, it is not acting as it was intended to. "Are they acting in a competitive market situation when they are a mutual?" he asked. Lloyd's of London underwriters offering terrorism coverage have been able to grow their market share considerably because they were not bound by the tariff that Pool Re writes to, and the rate cut may have been motivated by Pool Re's loss of market share, he surmised.

'There are still not any indications that (reinsurers) are prepared to delete the terrorism exclusion,' says Leslie Lucas.

Pool Re's Mr. Lucas defended the reinsurer's decision, saying that one of the advantages of the organization is that any profits made on terrorism insurance are not lost on other classes of business, as it writes no other lines.

This is not the first time Pool Re has discounted its premiums; in 1996, it organized a 60% deposit premium arrangement, though this was revoked by the South Quay and Manchester explosions, which led to the 40% balance being called by the pool.

In her statement to Parliament, Ms. Hewitt suggested this could happen again. "The discount will be withdrawn if, in the course of the year, significant new claims are notified to Pool Re," she said. "This would affect subsequent new or renewed policies."

Beazley's Mr. Harrison has seen some insurance buyers deciding not to purchase terrorism coverage because the perceived risk is so small now, but Mr. Lucas warned against organizations taking this route. "There is a great deal of uncertainty with regard to terrorism because it is politically motivated," he said.

"Clearly with the peace process there is a lowered chance of the kind of bombing risk at South Quays," said David Lewis, senior analyst on the Europe desk of political risk consultancy Control Risks Group.

However, "there are serious problems with the peace process," particularly the refusal by the IRA to decommission its weapons. In addition, there are a number of dissident groups such as the Real IRA suspicious of the peace process, he added. "The basis of conflict is still there."

London in particular still runs risks from other organizations such as Middle Eastern terrorist groups, said Mr. Lewis. Higher risk businesses include U.S. and Israeli organizations, which face a threat from Islamic fundamentalists, as well as companies working closely with government or those with contracts in Norther Ireland which are perceived as close to government.

Ms. Hewitt said in her Parliamentary statement: "Despite the relatively low level of terrorist activity on the mainland recently, experience has shown that businesses in Great Britain would be well-advised to maintain full insurance coverage against terrorist damage. This applies whether it is bought through the government-backed arrangements operated by Pool Re or through the alternative arrangements that have been appearing in the insurance market."

But risk managers feel a better solution would be to reinstate terrorism as part of property coverages.

"I would welcome it," said David Finch, insurance manager of United Biscuits (Holdings) P.L.C., a food manufacturer based in West Drayton, Middlesex. United Biscuits purchases terrorism coverage only when it is mandatory, generally when a landlord of a rented property requires it as part of the contract. Otherwise, the location of the company's properties, generally in suburban and rural sites, makes the risk very minor, and not worth the purchase price of coverage.

Whether insurers will put terrorism back into property coverages is a moot point. Some insurance executives say continental reinsurers with little experience of property terrorism in their domestic markets don't understand the risk and therefore refuse to offer coverage to insurers. Nevertheless, several think primary insurers should now be able to carry the risk as a standard add-on to a policy.

"The original Pool Re mandate was as a reinsurer of last resort until there was no more need for it to exist," said Beazley's Mr. Harrison. "Now terrorism could go back to being a property add-on."

"From the beginning of Pool Re, government policy was (for Pool Re) to stay as a reinsurer as long as it was needed to do so," explained Pool Re's Mr. Lucas. "If market capacity comes back, we will say goodbye. . . .As long as the standard reinsurance market will not provide automatic coverage for terrorism, Pool Re will be required," he said. "There are still not any indications that (reinsurers) are prepared to delete the terrorism exclusion." BI

Meteors

Continued from previous page

Most of the geostationary satellites are insured, with a total value of 40 billion deutsche marks ($24.4 billion), said Mr. Martinsohn, with a single satellite worth up 500 million deutsche marks ($305 million). "And Bavarian Re is participating in most of the satellite insurance," he said. "The loss of one satellite could cost Bavarian Re up to 20 million deutsche marks ($12.2 million)," and the reinsurer is concerned that the failure of several satellites could lead to a breakdown in worldwide communications.

Mr. Martinsohn explained that the risk of satellite failure has been substantially reduced because of the angle of the solar arrays. "We think the. . .largest probability is partial losses, so if a satellite is hit, it will not be taken totally out, but some part of the electrical energy will be taken out," said Mr. Martinsohn. This would mean the total capacity of the satellite could be reduced between 5% and 10%, which likely could be accommodated by reserve units in the satellites.

Delbert Smith, a partner with Washington-based law firm Reed Smith Shaw & McClay, said the insurance industry is being far too complacent. After spending a lot of time with space technology experts, including U.S. Defense Command and the Aerospace Corp., Mr. Smith said he believes the danger from the Leonids is high.

"My best guess is there is a good possibility that between three and five communications satellites will be damaged," he predicted.

The difficult part is predicting the degree of damage, he said, which may range from minimal to catastrophic. From the insurance industry's point of view, the situation is serious because it is a two-year event, not a one-year event.

It could be that insurers feel they will not be responsible for Leonids-related losses because they are a foreseeable event, particularly if the satellite operator failed to take any risk mitigation steps, said Mr. Smith, though it seems that a number of policies do cover the risk, he added.

Satellite underwriters have refused to comment on policies being triggered by Leonids-related losses, though Generali's Mr. Gobbo noted it may be difficult to determine whether a satellite failure was due to a meteoroid collision, other debris hitting the satellite or malfunctioning systems, among possible causes.

From the satellite operators' point-of-view, loss of service if the satellite fails and back-up systems are not in place could prove disastrous, affecting numerous systems from telecommunications to banking, Mr. Smith pointed out. "This is such a serious situation for the insurance industry," he said.

But Mr. Gobbo disagreed that the situation is potentially so dire. "We are much more concerned and afraid by new technology and failures than meteorites," he said. The probability of a satellite failing because of technology is a greater risk compared with meteoroid collision, he said, and the biggest concern at the moment is the low premiums and high losses in the satellite insurance market.

"We are limiting our exposures, and therefore our presence in the market is less significant," said Mr. Gobbo. The loss experience from the early 1980s, when Generali first became involved in satellite insurance, has been positive, "but that is not due to the events of the last two years," he said.

Insured satellite losses in the first nine months of this year have reached $800 million, said Bavarian Re's Mr. Martinsohn, double that posted for the same period last year and slightly more than the premiums received for the period.

"The market for this year is in loss already," he said, and a serious loss could provide a turning point for premium rates to start rising. "There is a sign that people are getting more aware of what they are doing," said Mr. Martinsohn, and a lot of the big losses are landing in the laps of the newer players in the satellite insurance market. Bavarian Re has declined to participate in many satellite programs during 1998 because of low rates and is concerned that untested technology, such as the exploded Delta 3 launch vehicle, whose maiden voyage resulted in the total loss of a $250 million PanAmSat Galaxy X communications satellite, is increasing the risk factors too much.

The likely threat of the Leonid meteor shower is "one more contributing factor" to a possible change in market conditions, said Mr. Martinsohn. BI

AEU
SPECIALIZATION

Expert management of a full range
of customized maritime insurance programs,
including Jones Act, USL&H,
State Act Workers' Compensation, and Specific Excess
and Aggregate Workers' Compensation.

The American Equity Underwriters, Inc.
www.amequity.com

The Professional Marketplace

RATES AND CLOSING TIME:

Rates: *Display classified is $180.00 per column inch, minimum of one inch. Straight classified is $16.00 per line, minimum of 5 lines. Count 34 characters per line (include each space and punctuation as a character). Additional $25.00 charge for all blind box ads. Only those responses which fit into a business size envelope will be forwarded. Responses are forwarded daily.*

Closing: *Published every Monday. Copy must be in typewritten form by 5:00 Tuesday, 6 days preceding publishing date. No verbal phone copy accepted. Most major credit cards accepted. Mail ads to, Irais Amleshi, Classified Advertising, 740 N. Rush St., Chicago, IL 60611. For more information call 312-649-5340, FAX 312-649-7937, or e-mail iamleshi@crain.com*

ADVANCED DEGREES

Secure your Masters in Security & Crime Risk Management

Protect your future through our innovative distance learning program designed for busy professionals who desire the flexibility to study without having to give up work. We also offer Masters programs in Security Management, Criminal Justice Studies, Public Order Studies, and Risk, Crisis & Disaster Management.

Leicester University
United Kingdom

You can structure your study to fit your schedule, location, and budget. This fully accredited distance learning Masters program is offered under Royal Charter through the Scarman Centre at Leicester University, one of the world-renowned universities in the United Kingdom.

Supported locally by RDI and by Leicester's world-class faculty, you profit from the experience and knowledge you need to meet your educational and career objectives.

rdi **For more information and a free brochure,** call us now at **800-874-5844**. E-mail requests should be sent to rdiusa@erols.com. Visit the university's web site at: www.le.ac.uk

ADVANCED DEGREES

LEGAL NOTICE

High Court No. 002198 of 1992
In the Matter of S W N (U K) LIMITED
(previously known as G W B (U K) Limited) and In the Matter of the Insolvency Act 1986
(Compulsory Winding-Up Order dated 3 June 1992)

NOTICE IS HEREBY GIVEN pursuant to Rule 4.54 of the Insolvency Rules 1986 that a meeting of the CREDITORS of the above named company, which has been summoned by the Liquidator in accordance with section 168 of the insolvency Act 1986, will be held on Thursday 12 November 1998 at 11:00 am at Plumtree Court London EC4A 4HT.

The purposes of the meeting being to consider and, if thought appropriate, appoint a Liquidation Committee and to fix the renumeration of the Liquidator.

A Proxy Form is available which, to entitle you to vote by proxy at the meeting, must be completed and lodged with me not later than 12 noon on Wednesday 11 November 1998, together with a completed Proof of Debt Form if one has not already been lodged.

T R Harris
Liquidator
Plumtree Court
London EC4A 4HT

Dated this 14th day of October 1998

LEGAL NOTICE

IN THE SUPREME COURT OF BERMUDA
COMPANIES (WINDING-UP)
1998: No. 325
IN THE MATTER OF BELVEDERE INSURANCE COMPANY LIMITED
AND IN THE MATTER OF THE INSURANCE ACT 1978
AND IN THE MATTER OF THE COMPANIES ACT 1981

ADVERTISEMENT OF WINDING-UP ORDER

(Companies (Winding-Up) Rules 1982, Rule 30)

NOTICE is hereby given that on the 9th October 1998:

1.a winding-up order was made against Belvedere Insurance Company Limited; and

2.it was ordered that Malcolm L. Butterfield and Anthony McMahon be appointed as Joint Provisional Liquidators of Belvedere Insurance Company Limited.

DATED this 16th day of October 1998.

Malcolm L. Butterfield and Anthony McMahon
Joint Provisional Liquidators

High Court No. 007905 of 1992
In the Matter of INDERAWASI INSURANCE ADVISORY LIMITED
(previously known as Grand Union Insurance Consultants Limited) and In the Matter of the Insolvency Act 1986
(Compulsory Winding-Up Order dated 13 January 1993)

NOTICE IS HEREBY GIVEN pursuant to Rule 4.54 of the Insolvency Rules 1986 that a meeting of the CREDITORS of the above named company, which has been summoned by the Joint Liquidators in accordance with section 168 of the Insolvency Act 1986, will be held on Thursday 12 November 1998 at 11:30 am at Plumtree Court London EC4A 4HT.

For the purposes of considering and, if thought appropriate, appointing a Liquidation Committee and of fixing the renumeration of the Joint Liquidators.

A Proxy Form is available which, to entitle you to vote by proxy at the meeting, must be completed and lodged with me no later than 12 Noon on Wednesday 11 November 1998, together with a completed Proof of Debt Form if one has not already been lodged.

T R Harris
Joint Liquidator
Plumtree Court
London EC4A 4HT

Dated this 14th day of October 1998

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

IN THE PETITION OF ANTHONY JAMES MCMAHON AND PHILIP WEDGWOOD WALLACE,
AS JOINT PROVISIONAL LIQUIDATORS OF
SOVEREIGN MARINE & GENERAL INSURANCE COMPANY LIMITED

Case No. 97-B-44652 (CB)

NOTICE IS HEREBY GIVEN that on October 21, 1998, the Bankruptcy Court entered an order (the "Order") continuing the Preliminary Injunction Order pursuant to 11 U.S.C. §§ 105 and 304(b) originally entered in this case on July 31, 1997. The Order shall remain in effect pending a hearing scheduled to be held on April 9, 1999 at 10:00 a.m. before the Honorable Cornelius Blackshear, in the Alexander Hamilton Custom House, One Bowling Green, New York, New York. Any person wishing to obtain a copy of the Order should contact Mary Ann Elliott at (202) 862-2342.

CADWALADER, WICKERSHAM & TAFT
100 Maiden Lane • New York, New York 10038
Tel: (212) 504-6000 • Fax: (212) 504-6666
Attention: Kenneth P. Coleman, Esq.
Stephen Doody, Esq.

HELP WANTED

MANAGEMENT OPPORTUNITY

Growing Chicago based insurance firm has ground-floor opportunity for general manager of a start-up P&C agency. 10+ years experience. High 5 figure salary plus substantial bonus. Call David at (312)629-6235.

HELP WANTED

SEDGWICK, J&H and M&M PRODUCERS

If you are good, but tired of the national brokers, consider Colorado with a progressive large regional broker. Send your resume to: Van Gilder Insurance, 700 Broadway, Suite 1000, Denver, CO 80203, Attention: Dell Van Gilder.

HELP WANTED

CLAIMS MANAGER - expanding Florida Homeowners Company. Will oversee the day-to-day Florida Claims operation and report directly to home office. Entrepreneurial skills and 5 to 7 years Homeowners Claims experience required. Must have experience monitoring complex Property & Casualty claims and experience managing & reviewing adjusters. Experience with electronic work flow a plus.

Fax/send resumes:
PO Box 14075
Tallahassee, FL 32317
Fax (850) 894-1830

HELP WANTED

REGIONAL MARKETING MANAGER

Extremely well positioned smaller New York area MGU seeks sales-marketing professionals with impeccable industry credentials to develop and implement wholesale marketing strategy for new proprietary A&H product. Product is already selling well.

Successful candidates will have 10 plus years experience including selling to General Agents and Brokers, be fully licensed, and be a highly motivated self-starter. Past retail experience a plus. Ground floor opportunity with future industry leader. Competitive salary, benefits, some travel required. Mail/fax resume in strict confidence to:

Robert Long, **Entrepreneur Equity Corp.**, 345 Route 17 S., Upper Saddle River, NJ 07458, fax: (201)934-4225.

HELP WANTED

INTERNATIONAL RISK ANALYST

International brokerage firm seeks candidates with 3-5 years experience in insurance (2 in international), to facilitate company-wide book of international business. Must be aggressive in researching issues, organized to handle work flow and liaison with foreign brokers. Qualifications for this position include a Bachelor's degree, excellent communication and organizational skills and working knowledge of Microsoft Office.

Candidates should send cover letter, resume and salary requirements (cover letters w/o salary requirements will not be considered) to:

Joanne Beauvais,
Human Resources Representative
Hobbs Group, LLC
24 Exeter Farms Road
Exeter, NH 03833
E-mail: jbeauvais@hobbsgroup.com
Fax: 603-775-7351

☑ Check Us Out
www.businessinsurance.com

HELP WANTED

LOGIC ASSOCIATES, INC.

Celebrating our 21st Year of National Search to the Risk Management Community

Telephone: 212-227-8000
Fax: 212-766-0188

Look for a partial listing of current search assignments at:
www.logicassociates.com

"The Original and #1 Choice in Risk Management Recruiting"
67 Wall Street, Suite 2411
New York, New York 10005

HELP WANTED

MANAGER
SALES & MARKETING DIVISION

LDG has an immediate opening for a Sales and Marketing Executive in the international accident and health insurance field. This individual will be responsible for implementing sales and profit strategies with a clientele including Colleges and Universities, State and Federal Government Agencies, Foundations, Corporations as well as Profit and Non-Profit Agencies engaged in international exchange of students, scholars, faculty and industrial trainers.

The ideal candidate must be a positive, energetic, organized and self-motivated individual seeking an opportunity with a growing company. Must have excellent presentation, sales and marketing skills along with a commitment to higher education and a keen interest in international affairs. A Bachelors degree (with a major in English, History or Political Science preferred) and prior insurance experience required.

LDG offers a professional environment and competitive compensation and benefits program. Please send resume with salary requirements to:

LDG
C/O Donald V. Reilly
401 Edgewater Place, Suite 400
Wakefield, MA 01880
or
Fax: (781) 245-0052

HELP WANTED

HIRSCH WOLF & CO.
Prestigious Insurance Agency in Brooklyn, NY
Is Expanding, and has openings For Professional, Experienced People

We are insurance experts and specialists for the Long Term Care Industry. Our insurance products and services are very unique and we have carved out a special niche in the area of workers compensation. We offer professional risk management services to reduce and control claims. Our phenomenal success has enabled us to expand countrywide, and we are looking for quality help to sell our products and to service our clients.

The individual for the service position will have a college degree, and be extremely professional and accomplished in the workers compensation area. Knowledge of loss control, claims management, metro programs, and the ability to close open losses and review experience modifications is required. He or she must possess strong written and verbal communications skills, as they will be working very closely with prestigious clientele.

The individual for the sales position must be innovative, motivated, intelligent and professional, with the ingenuity to rise to the challenge of this specialized field.

Hirsch Wolf & Co. offers a competitive compensation package, a comfortable work environment, and the opportunity for advancement. If you want to be part of a dynamic growing organization, that appreciates the dedication and loyalty of its staff, fax your resume to (718) 253-9682.

"Where Professionals Insure Their Careers"

EXECUTIVE RECRUITERS NATIONWIDE

- ❑ Risk Management
- ❑ Safety & Loss Control
- ❑ Claims Management
- ❑ Insurance Brokerage
- ❑ Risk Management Consulting

Also Ask About Our Temporary Opportunities

15 James Street, Main Level, Florham Park, NJ 07932
Call 973-765-9000 • Fax 973-765-9009

RMA RICHARD MEYERS & ASSOCIATES, INC.

Insurance

Director of Risk Management

A multi-national Fortune 500 manufacturing company headquartered in the Southeastern U.S. is seeking a corporate Director of Risk Management.

Key responsibilities include the implementation of risk management best practices in self-insured worker compensation claims administration and claims cost reduction, safety, ergonomics and environmental protection; enterprise-wide risk identification and strategic planning and analysis of risk financing solutions; planning and implementation of cost of risk reduction strategies; and measuring the effectiveness of the company's risk management program.

Candidates should possess a minimum of 10 years of progressively responsible risk management experience in a large manufacturing company.

Additional personal and professional attributes should include exceptional communications skills; proven ability to create positive change and improvement in a teamwork environment; commitment to process improvement, goal setting and measurement; highly-developed analytical and long-range planning skills; and a dynamic, enthusiastic eagerness to build a value-added risk management function in a fast-paced growth company.

We offer compensation commensurate with experience, incentives for excellent performance, competitive benefits, comprehensive relocation, and a challenging and rewarding career opportunity.

For consideration, please send your resume including compensation history to: **Attn: 3SP-BIM, R/G Confidential Reply Service, 8215 Roswell Rd., Bldg. 800, Atlanta, GA 30350; Fax: (770) 353-2767.** EOE

Business Insurance

Circulation Breakdown
Commercial Consumers

Administrative:
CEO's, Presidents, and Owners, ... 5,007
Vice Presidents, General Managers and Other Administrative Personnel 5,346

Financial:
Chief Financial Officers and Vice Presidents of Finance 4,872
Secretaries, Treasurers, controllers and other Financial Personnel 3,927

Risk/Employee Benefits:
Vice Presidents, Directors, Managers, and other related department personnel of: insurance, risk, employee benefits, personnel, compensation, pension, safety, security, industrial relations, human resources and employee/labor relations 13,774

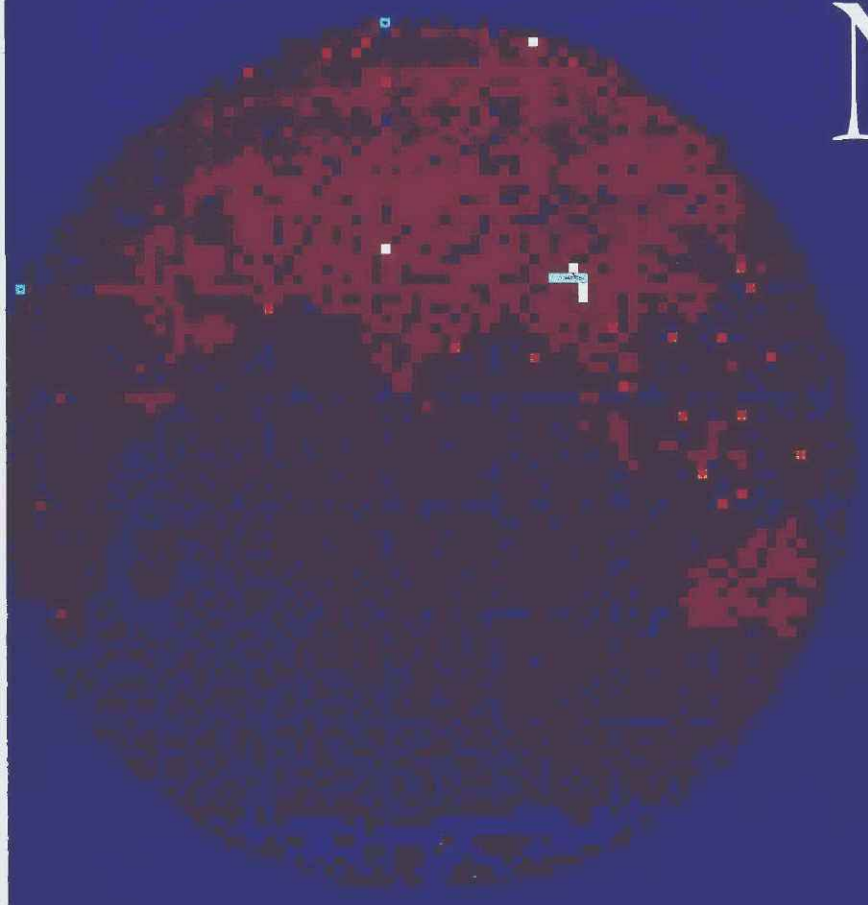
Sub-total **32,926**
Associations 259
Government, Unions and Educational Institutions 931

Commercial Consumers Sub-total **34,116**
Insurance Agents and Brokers 7,735
Insurance Companies 6,668
Accountants, Actuaries, Attorneys & Consultants 2,520
Adjusters, Appraisers, TPA's, Captive Managers & Health Care Providers 1,432
Others Allied to the Field 759

Total Qualified **53,235**
Non-qualified/Paid Subscription 17
Single Copy Sales 3

TOTAL CIRCULATION **53,255**

★ *Source Business/Occupational breakdown of qualified circulation, May 25, 1998 Issue, as submitted to BPA for June 1998 BPA Publisher's Statement*



Not quite clear where on earth to find it ?

It's clear. Your best resource is here !

1997 DIRECTORIES

Issue Date	Directory
Feb 3	Utilization Review Providers & Case Managers
Feb 17	Third-Party Administrators
Mar 3	Benefit Information & Claims Systems
Mar 17	Risk Management Consultants
Apr 14	Captive Managers
May 5	401(k) Plan Administrators
May 19	Alternative Risk Financing Facilities
Jun 9	Environmental Risk Management Consultants
Jun 23	EAPs & Dependent Care Resources and Referral Services
Jul 21	Agents & Brokers
Aug 4	Prescription Benefit Managers
Aug 18	Property Loss Control Consultants
Sep 1	Leading Reinsurers Worldwide
Sep 15	Surplus Lines Insurers & Wholesalers
Oct 6	International Insurers & Benefit Networks
Oct 27	Safety Consultants & Rehabilitation Services
Nov 10	Reinsurance Brokers
Nov 24	Benefit Communication Systems
Dec 1	Risk Management Information Systems
Dec 8	Employee Benefit Consultants
Dec 29	Managed Care Providers—HMOs, PPOs, and POS Plans

If you're in immediate need, order now from our list of 1997 issues, while quantities last, call Dorothy Wood at 1-888-446-1422.

Are you looking for a list of agents and brokers, TPAs, UR providers and case managers, HMOs or PPOs or POS Plans, captive managers or alternative facilities, safety consultants and rehabilitation services, international insurers and benefit networks, reinsurers, or other suppliers of insurance services?

Search no more. Every year, the editors of *Business Insurance* compile the most comprehensive directories of the insurance services providers that you need.

But these issues are so popular they might not make it past the first name on your company's routing slip.

So when you're trying to locate lists of suppliers you know must exist somewhere, don't go to the ends of the earth trying to find them. Just take a look at the exclusive directories *BI* offers.

You're sure to find the ones that are right for you ... To order your copies, call **1-888-446-1422.**

1998 DIRECTORIES

Issue Date	Directory
Feb 2	Utilization Review Providers & Case Managers
Feb 16	Third-Party Administrators
Mar 2	Benefit Information & Claims Systems
Mar 16	Risk Management Consultants
Apr 6	401(k) Plan Administrators
Apr 27	Captive Managers
May 25	Environmental Risk Management Consultants
Jun 8	Alternative Risk Financing Facilities
Jun 15	EAPs & Dependent Care Resources and Referral Services
Jul 20	Agents & Brokers
Aug 3	Prescription Benefit Managers
Aug 17	Property Loss Control Consultants
Aug 31	Leading Reinsurers Worldwide
Sep 7	Surplus Lines Insurers & Wholesalers
Oct 5	International Insurers & Benefit Networks
Oct 26	Safety Consultants & Rehabilitation Services
Nov 9	Reinsurance Brokers
Nov 23	Benefit Communication Systems
Dec 7	Risk Management Information Systems
Dec 14	Employee Benefit Consultants
Dec 28	Managed Care Providers—HMOs, PPOs, and POS Plans

To reserve your 1998 directory issues, call Dorothy Wood at 1-888-446-1422.
For directory information, contact Amanda Milligan at (312) 649-5398.

Business Insurance®

http://www.businessinsurance.com

Budget

Continued from page 1

of employer resources, consultants say.

"This is wasting time and money without adding new benefits," said Howard Tarre, a director at PwC Kwasha in Fort Lee, N.J.

And employers don't have much time to communicate to employees a benefit they already are providing. Employers with calendar plans, for example, have only until Jan. 1 to get the notice out.

After that, employers face an annual notification mandate, though the legislative language is so confusing that benefit experts are divided on who must receive the notice.

A literal reading of the language suggests that the annual notice should go only to employees who have undergone mastectomies.

While that is what the language says, the practical effect would be illogical, some say. "Does this mean, for example, that 25 years after a woman has a mastectomy, the employer still has to notify her each year of the coverage? That doesn't make sense," said Henry Saveth, an attorney with William M. Mercer Inc. in Washington.

Others, though, believe the intent of the amendment is to require employers to notify all employees each year of the availability of coverage for reconstructive surgery after a mastectomy.

In any case, there could be later regulatory relief or a technical correction to clarify the employer's notice obligation, Mr. Saveth said.

Sen. D'Amato's amendment is a pared-back version of a bill he earlier introduced that would have required health plans to provide coverage for hospitalization after mastectomies for as long as medically necessary. The earlier bill was a response to reports that a small percentage of managed care plans were denying women coverage for overnight hospitalization following mastectomies.

Few plans now exclude reconstructive surgery. "When there is an underlying medical reason—in this case a mastectomy—for reconstructive surgery, it is covered. This shouldn't have an impact, at least not in the large-employer community," said Barry Barnett, a principal with PwC Kwasha.

"The overwhelming majority—at least 90%—of large-employer plans" cover reconstructive surgery after a mastectomy, added Linda Anderson, a consultant with Hewitt Associates L.L.C. in Lincolnshire, Ill.

Sen. D'Amato, though, earlier said in a statement that "scores" of women have been denied coverage for reconstructive surgery following mastectomies after their insurers ruled that the procedure was cosmetic and not medically necessary.

The other benefit mandate in the legislation would apply strictly to the health care benefits program that covers federal employees and dependents.

That mandate will require health care plans participating in the program, which covers about 1.2 million women of child-bearing age, to cover prescription contraceptives to the same extent that the plans cover other prescriptions. Religious plans participating in the federal program, as well as physicians with moral objections, would be exempt from the mandate, which was proposed by Rep. Nita Lowey, D-N.Y.

Currently, 90% of the 374 health plans participating in the federal program provide coverage for at least one type of prescription contraceptive, though only 19% cover all five methods of prescription contraceptives: the pill, the diaphragm, IUDs, Norplant and Depo-Provera.

The largest plan in the federal program, a Blue Cross & Blue Shield PPO, has for some time been covering all of the major methods except the diaphragm, which it planned to cover next year even before the legislation was passed.

"We are market-sensitive," and prescription contraceptive coverage "is a benefit valuable for many people," said Jean Barber, managing director for business analysis and strategy for BC/BS's federal employee program in Washington.

Congress should not be 'a micromanager of private-sector plans,' says James Klein of the APPWP.

The cost impact of the new mandate should be minimal, said a spokesman for the federal Office of Personnel Management, which administers the program. That is because female federal employees or dependents who want prescription contraceptives likely already are in plans that offer such coverage, he said.

"We think this will have a small fiscal impact but provide a significant expansion of choice," the OPM spokesman said.

Indeed, a Buck Consultants Inc. study recently conducted for The Alan Guttmacher Institute found that a prescription contraceptive mandate would increase group health care plan costs—for plans not offering any coverage—an average of $21 per year per employee. Other consultants say the cost would be even lower. That cost does not take into account potential savings through a reduction in unwanted pregnancies.

"This is a marginal cost item," said Andrea O'Boyle, a benefit consultant in Buck's New York office.

Benefit lobbyists say mandating prescription contraceptive coverage for health care plans in the federal program is an appropriate role for Congress.

"The focus of Congress should be on its own plans, not as a micromanager for private-sector plans," said James Klein, president of the Assn. of Private Pension & Welfare Plans in Washington.

Still, the new mandate for plans in the federal program could be the first step toward a mandate covering employer plans. Consultants estimate that roughly 80% to 85% of HMOs provide prescription contraceptive coverage and 50% to 70% of employers with self-funded prescription drug plans cover contraceptives. The prevalence, though, of employers offering such coverage has been rising in recent years, said Bridget Eber, a Hewitt consultant in Lincolnshire.

Employers excluding contraceptives from their prescription drug plans include those that have philosophical objections to paying for contraceptives as well as those that limit their plans to providing coverage for prescriptions that only are absolutely medically necessary, said Tamra Lair, a consultant in the Minneapolis office of Watson Wyatt Worldwide.

While approving the contraceptive drug mandate, legislators declined to interfere with a 1994 Massachusetts mandate requiring HMOs in the state to provide either unlimited or no prescription drugs to retirees eligible for Medicare.

Several HMOs in the state have proposed cutting back prescription drug benefits to $800 a year, an action that is permitted by a provision in a 1997 budget law that preempts state laws or rules dictating the kind of benefits Medicare HMOs must offer, they say.

The Massachusetts Division of Insurance, though, disagrees with that interpretation and is suing one of the HMOs—Harvard Pilgrim Health Care—that wants to scale back its prescription drug benefit. In turn, a Massachusetts HMO trade group is seeking a court ruling that the federal budget law preempts the Massachusetts mandate.

Sen. Kennedy, responding to pleas for intervention from Massachusetts politicians, drafted an amendment for insertion in the appropriations bill to make clear that the Bay State's prescription drug mandate was not pre-empted by the federal law.

But congressional negotiators would not accept Sen. Kennedy's amendment, which Sen. Kennedy said was a case in which "the Republican leadership in Congress sided with HMOs instead of patients."

Others, though, say the Kennedy amendment was pushed aside because of legislators' reluctance to weaken federal pre-emption.

If states were allowed to carve out their own Medicare exceptions, "pretty soon you don't have a federal program with federal uniform rules," Mr. Saveth said. BI

U.S. Re to buy Assurex unit

NEW YORK—Reinsurance intermediary U.S. Re Cos. Inc. has acquired a majority interest in Assurex Marketing Group, a division of brokerage network Assurex International.

Terms were not disclosed.

Columbus, Ohio-based Assurex International is a network of 67 independent, U.S.-based brokers, with affiliates in more than 30 countries. Assurex in 1997 had combined revenues of $574 million. Assurex Marketing Group provides marketing and underwriting management services to network members.

New York-based U.S. Re provides reinsurance, consulting and other financial services worldwide. The intermediary has offices in Atlanta; Dallas; Copenhagen, Denmark; Shanghai, China; Hong Kong; and Mexico City.

The deal will help expand U.S. Re's reach internationally as well as increase the company's managing general agency business, Chairman and Chief Executive Officer Tal P. Piccione said in a statement.

Assurex's president and CEO, Tom Harvey, said in a statement that the deal will provide capital for AMG's internal development and access to reinsurance.

The agreement, announced earlier this month, has been approved by the boards of both U.S. Re and Assurex but still requires the approval of Assurex shareholders.

Updates

Lloyd's expects to get captives

Continued from page 2

"Lloyd's has no reason to believe that it will throw up any problems,' said Chairman Max Taylor. "The timing of this process is not, because of the many factors involved, completely within our control," he added.

Even so, he stressed, "we are still committed to the admission of captive syndicates into the Lloyd's market from the first of January 1999."

The Council of Lloyd's in July approved in principle allowing captives within the market. But despite a Jan. 1 admission date, the Council has yet to sign off on the regulatory framework governing how captives will operate.

Mr. Taylor said Lloyd's would be an attractive location for captive owners from U.K. multinationals and for European and U.S. multinationals wanting London market access. It also could attact captives owned by corporations in emerging markets where the Lloyd's name "has a strong brand appeal," he said.

Separately last week, Mr. Taylor announced that Lloyd's annual charges for corporate syndicates—including captives—will be reduced by 0.65% at the beginning of next year to 2.45% as part of Lloyd's ambition "to provide a service that was cost-effective and responsive to the requirements of our customers."

Court: Schools can be liable

SAN FRANCISCO—Public school districts must not ignore racial harassment of students, or they can be held liable for damages, a federal appeals court panel unanimously ruled last week.

The Oct. 19 ruling by the 9th U.S. Circuit Court of Appeals in *Kathy Monteiro vs. The Tempe Union High School District* overturned a U.S. District Court dismissal of a lawsuit brought against the Tempe Union High School District in Arizona. The U.S. District Court for the District of Arizona had found that ignoring students' discriminatory acts was not enough to hold a school district liable.

But the three-member appeals court panel disagreed, saying a school district that is deliberately indifferent to a student's right to an environment free of discrimination and racial hostility is liable. The case now goes back to federal district court in Arizona.

The lawsuit was brought by a mother who alleges the school district failed to respond to her complaints that white students called her daughter and other African-American students a racial epithet and scrawled the word on school walls.

However, the appeals court rejected the plaintiff's request to be able to sue the school district because it required her daughter to read "Huckleberry Finn" and other books that contain the epithet.

Briefly noted

The **European Commission** has approved Marsh & McLennan Cos. Inc.'s merger with Sedgwick Group P.L.C. Meanwhile, M&M has extended its offer for Sedgwick shares until Nov. 3. The initial offer was set to expire Oct. 20. M&M also reserved its right to reduce the percentage of Sedgwick stock it seeks in the tender offer to a minimum of 50.1% from 90%. As of last week, M&M held 70.1% of Sedgwick. . . . **Vail Resorts Inc.** would not comment on insurance for the seven fires that destroyed three buildings and four chairlifts, causing an estimated $12 million in damage last week. An environmental group called Earth Liberation Front claimed responsibility, saying the fires were in protest of the ski resort's expansion project. . . . President Clinton has signed legislation that will provide companies attempting to fix the **Year 2000 computer problem** some immunity from liability lawsuits and relief from antitrust strictures when they share information to solve the problem (*BI*, Sept. 21). . . . U.S. District Court Judge Richard Stearns in Boston is expected to rule this week on whether federal law pre-empts a Massachusetts statute and regulation that requires HMOs providing coverage to Medicare beneficiaries to offer either unlimited or no **prescription drug benefits**. Meanwhile, Tufts Health Plan, the largest Medicare HMO in the state, says it intends to offer a zero-premium plan with a $500 annual cap on prescription drugs. . . . Chicago-based CNA Financial Corp.'s CNA Risk Management unit has created a new risk management services organization, called **RSKCo**. In forming RSKCo, CNA unified its two claims services organizations, Alexis Risk Management Services Inc. and Servco, and combined the unified entity with CNA Risk Management's cost management, loss control and risk management information service functions. . . . U.K. multiline insurer **CGU P.L.C.** plans to shut nine offices in England and Scotland. CGU anticipates the 230 staff affected will be redeployed, though some may be lost through attrition and early retirement. . . . London-based broker **Heath Group** has sold its U.K. retail branch operation in the last stage of its corporate disposal program. The retail operation was sold to management and follows the sale of Premium Search last year and Anthony Kidd Agencies Ltd. in April. The proceeds of the sale will be used to develop Heath's overseas network in Eastern Europe, Latin America, Southeast Asia and the Middle East. . . . A lawsuit filed in U.S. District Court in Philadelphia against the **tobacco industry** last week claims the companies targeted African-Americans with advertising designed to entice them to smoke more-dangerous menthol cigarettes. The suit, which seeks class-action status, was filed under federal civil rights laws. . . . **Goldman Sachs & Co.** will pay the Orange County (Calif.) Transportation Authority $4.8 million to settle a lawsuit the agency filed against the firm in the wake of the 1994 collapse of an investment fund run by Orange County in which the transportation authority participated. . . . The Internal Revenue Service officially confirmed that the **maximum 401(k) deferral limit** in 1999 will be $10,000, unchanged from this year. . . . The **New Orleans Saints** have rejected offers to settle a $650,000 lawsuit filed by a football player who claims he was injured during a training camp hazing incident. The lawsuit filed last week by Jeff Danish in U.S. District Court in Madison, Wis., claims he suffered a broken hand and a gash to his arm and hand in the incident at the team's spring training camp earlier this year in La Crosse, Wis. The suit says he and other rookies were beaten as they ran through a line of players.

Lloyd's provision cut from budget

Proposal drew swift opposition from regulators

By MARK A. HOFMANN

WASHINGTON—Hands across the water helped strip a controversial provision on Lloyd's of London from the omnibus U.S. budget bill before it was enacted.

The provision, which would have amended laws to block U.S. courts from enforcing judgments by British courts against U.S. Lloyd's names by British courts and given the names new defenses in their suits against Lloyd's, became known late last week as Congress hammered out a budget agreement (*BI*, Oct. 19). British and U.S. regulators responded quickly.

A British Embassy spokesman in Washington, while declining to say what role the British ambassador played in squelching the provision, said, "Where British interests are involved, obviously the Embassy will make representations regarding those interests."

A spokeswoman for the U.K. financial regulator, Her Majesty's Treasury, said: "We were keen to uphold the jurisdiction of U.K. courts. This is very welcome because, if passed, it could have jeopardized the protection of all Lloyd's policyholders," she said.

A Lloyd's of London spokesman confirmed the amount of debt that could have been affected by the provision was $150 million.

A group of U.S. names has denied that the provision would have put policyholders at any risk (see Letters, page 8). The group's members say Lloyd's defrauded them; Lloyd's has denied that claim.

Louisiana Insurance Commissioner Jim Brown, who also is chair of the National Assn. of Insurance Commissioners' surplus lines committee, said the provision apparently came from the office of Rep. Henry Hyde, R-Ill. Rep. Hyde's office did not return a call by Friday.

Mr. Brown said "the focus of our concern was American policyholders, not Lloyd's investors." He emphasized that the NAIC was not acting as a "mouthpiece for Lloyd's." He said Lloyd's has a "huge presence" in Louisiana, and "We want to be sure that nothing is done to impair Lloyd's' obligations throughout the U.S."

"The problem was the last-minute efforts to put some unknown factors involving Lloyd's into the budget bill without any input, review or understanding by insurance commissioners. That was disturbing. There is no federal regulation of insurance. It's done by the states," he said. "Even if the proposal had merits, commissioners throughout the country were deeply concerned there was no opportunity to review or have any input in the proposal," he said.

He said he contacted House Appropriations Committee Chairman Bob Livingston, R-La., who had initially supported the provision but agreed to remove it.

Harvey L. Pitt, a partner at Washington law firm Fried Frank Harris Shriver & Jacobsen, which represents Lloyd's, called the provision "an example of the legislative process at its worst, because it was an effort to sneak something in without telling people what it did or why it was bad."

•

Matthew MacDermott contributed to this report.

Floods

Continued from page 2

lion in claims related to the flooding, according to the Southwestern Insurance Information Service, an industry trade group in Austin, Texas.

The total is expected to climb much higher as rivers and creeks flood downstream after the rain has stopped, said Jerry Johns, president of SIIS. "These could be the most costly flood losses for insurers in decades."

Mr. Johns pointed out that his group's estimate does not include losses under coverage written by the National Flood Insurance Program. It's "anyone's guess" what the total insured losses will be from the storm, he said.

The NFIP, which is administered by the Federal Emergency Management Assn., did not have claim amounts last week but released figures that indicate the program's exposure. In Travis County, which includes Austin, 5,323 policies are in force, representing $549.2 million in coverage. In Bexar County, where San Antonio is located, 2,217 polices are in place, amounting to $225.5 million in coverage.

Insured losses, including those covered under the NFIP, will be high, according to Mr. Johns, because the flooding "involves the entire central part of Texas" and stretches into the southern part of the state.

Storms that dumped as much as 20 inches of rain in some areas blanketed the region from San Antonio north to Austin, causing swollen creeks and streams to flood low-lying areas.

Hard hit were neighborhoods on the east side of San Antonio and areas of New Braunfels, further north, where flood waters swept away cars and tore houses from their foundations. BI

1998 cat toll at $8.3 billion

NEW YORK—Natural catastrophes caused an estimated $8.3 billion in insured property damage during the first nine months of this year, according to the Insurance Services Office Inc.'s Property Claim Services unit.

The $8.3 billion loss compares with $2.35 billion in insured catastrophe losses during the same period of 1997.

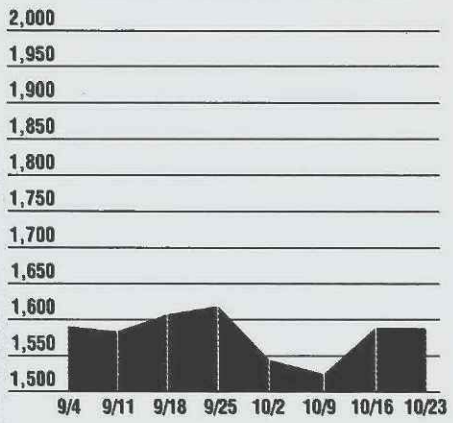
In fact, catastrophe-related insured property damage of $3.66 billion in the third quarter alone surpassed last year's total of $2.6 billion.

More than two-thirds of 1998's third-quarter losses arose from Hurricane Georges, which caused $2.5 billion in damage in four Southern states and Puerto Rico in late September (*BI*, Oct. 12).

The hurricane played a key role in making July-September 1998 the third-costliest third quarter on record. It was surpassed only by the same period in 1992—when hurricanes Andrew and Iniki bore most of the blame for pushing the insured property damage total to $17.4 billion—and the third quarter of 1989, when Hurricane Hugo bore most of the responsibility for a $4.4 billion total.

—By Mark A. Hofmann

BI Insurance Index



Base=100 on Dec. 29, 1978
Source: *Nordby International Inc.* (nordby.com) Boulder, Colo.

PCS catastrophe options

As of Oct. 23

Call spread	Price bid/ask
National Annual 1998	
80/100	0.5/1.6
150C	—
National December 1998	
10/20	—
20/40	0.3/—
Eastern September 1999	
40/60	—
Southeastern September 1999	
40/60	—
National Annual 1999	
40/60	9.2/—
60/80	4.0/—
100/120	2.0/—
150C	—/6.0
Western Annual 1999	
40/60	1.4/—
80/100	1.0/2.0
Midwest June 1999	
10/20	1.0/1.6

Total volume: 0 Total open interest: 13,315

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
Gdn Royal Exch	278	4.4	13.4	4.8	495-227
Legal & Gen	654	19.2	13.3	2.5	796-400
Royal & Sun	511	13.1	23.6	4.5	825-437
Brokers					
Lmbrt Fenchurch	99	7.8	5.7	7.1	138-99
Lloyd Thmpson	182	11.0	10.5	7.3	213-151
Sedgwick Grp	215	—	7.0	3.3	220-119
Willis Corroon	199	23.1	6.9	4.3	210-116

Note: Prices are Oct. 23 closings; other numbers from Oct. 22.

Source: *Nordby International Inc.*(nordby.com) Boulder, Colo.

BI Industry Stock Report OCT. 19, 1998, THROUGH OCT. 23, 1998

BROKERS		Price	Weekly % change	Year to date % change	52-week High	52-week Low	Vol.(000)
Aon Corp.	NYS	59.31	2.04	1.17	75.56	48.25	2121
E.W. Blanch Holdings Inc.	NYS	38.81	-1.11	12.70	41.13	30.63	125
Gallagher Arthur J. & Co.	NYS	42.50	6.92	23.41	46.56	33.56	612
Hilb, Rogal & Hamilton	NYS	19.63	15.44	1.62	19.63	15.38	231
Kaye Group Inc.	NDQ	6.50	26.83	-1.89	7.88	5.13	80
Marsh & McLennan	NYS	53.75	2.63	8.13	64.31	43.38	1865
Poe & Brown	NYS	35.81	3.06	20.38	42.50	26.50	36
Sedgwick Group PLC	NYS	18.63	2.76	51.27	18.63	9.94	26
Willis Corroon Corp.	NYS	16.75	-0.37	36.04	17.25	10.06	158
BROKERS	AVERAGE		7.02	18.96			
INSURERS/REINSURERS							
ACE Ltd.	NYS	33.88	-2.52	5.31	43.00	24.38	1309
Acceptance Insurance Cos.	NYS	19.81	6.38	-18.09	27.44	17.44	65
AEGON N.V.	NYS	86.88	0.87	93.86	111.31	37.56	309
Aetna Life & Casualty	NYS	66.19	-0.94	-6.20	89.38	60.19	3944
AFLAC Inc.	NYS	33.50	-7.90	31.05	38.25	22.13	3019
Allied Group Inc.	NYS	48.06	0.13	67.90	48.38	25.00	54
Allmerica Financial Corp.	NYS	45.63	9.94	-8.64	75.25	38.38	1127
Allstate Corp.	NYS	41.88	-10.07	-7.46	52.38	36.06	17630
AMBAC Indemnity Corp.	NYS	52.38	5.01	13.86	65.94	40.00	587
American Bankers Ins.	NDQ	41.81	3.24	-8.98	66.06	30.13	4864
American Financial Group	NYS	34.38	3.00	-14.73	45.75	30.50	140
American General	NYS	66.19	-1.40	22.43	75.69	46.56	2017
American Heritage Life Ins.	NYS	20.06	-1.53	11.46	26.06	17.06	99
American Indemnity/Fin'l	NDQ	12.00	12.94	-13.51	15.38	9.50	3
American International	NYS	85.63	-2.35	18.10	102.38	64.75	13409
American Safety Insurance	NDQ	9.25	5.71	-24.87	15.06	6.75	98
Argonaut Group	NDQ	24.56	2.08	-27.49	37.50	21.25	235
AXA-UAP Group	NYS	53.94	1.29	38.30	71.25	31.88	227
Baldwin & Lyons Inc.	NDQ	21.56	10.58	-10.62	28.75	18.50	16
Berkley W.R. Corp.	NDQ	30.38	3.85	-30.77	49.88	25.25	1253
Berkshire Hathaway Inc.	NYS	62700.00	-5.71	36.30	84000.00	42500.00	2
Capital RE Corporation	NYS	20.63	5.77	-33.53	38.69	14.75	848
Capitol Transamerica Corp.	NAS	19.50	19.08	-8.50	27.00	15.00	32
Centris Group Inc.	NYS	8.63	2.22	-22.69	14.81	7.94	143
Chartwell Re	NYS	25.25	9.49	-25.19	35.31	21.94	37
Chubb Corp.	NYS	64.00	-0.97	-15.37	88.81	55.38	2263
CIGNA Corp.	NYS	71.31	5.94	24.11	74.50	50.44	2626
Cincinnati Financial Corp.	NAS	36.88	-3.12	-21.41	47.13	27.94	1352
Citigroup	NYS	46.63	11.68	-13.46	73.50	28.50	77331
CNA Financial Corp.	NYS	39.63	0.48	-6.95	53.25	34.50	174
CNA Surety	NYS	13.69	2.34	-11.34	16.75	12.56	98
EMC Insurance Group Inc.	NDQ	11.06	0.57	-16.51	15.88	9.00	98
ESG Re Limited	NDQ	18.50	18.40	-21.28	28.88	12.75	52
Enhance Financial Services	NYS	25.13	7.20	-15.55	37.56	17.31	740
Everest Reinsurance	NYS	34.19	5.39	-17.12	45.25	28.75	814
Executive Risk Inc.	NYS	44.06	7.31	-36.88	75.75	35.50	230
EXEL Ltd.	NYS	75.75	0.50	19.53	83.25	61.56	921
Fremont General Corp.	NYS	49.38	5.90	-9.82	62.13	36.00	300
Frontier Insurance Group	NYS	15.00	2.56	-34.43	33.50	12.19	1068
Gainsco Inc.	NYS	6.06	-6.73	-28.68	10.00	5.75	236
General RE Corp.	NYS	214.06	-6.52	0.97	275.00	191.00	1363
Gryphon Holdings	NDQ	16.56	6.85	-1.12	19.38	11.38	105
Harleysville Group	NDQ	21.25	9.68	-11.46	28.50	17.25	161
Hartford Steam Boiler	NYS	40.19	1.10	9.23	59.56	33.25	367
HCC Insurance Holdings	NYS	19.00	4.11	-10.59	28.31	15.63	264
ING Groep N.V.	NYS	48.25	0.39	14.03	76.75	36.06	504
IPC Holdings Ltd.	NDQ	25.25	17.44	-21.55	33.25	19.00	79
Hartford Financial Services	NYS	49.31	2.87	5.41	60.00	37.63	3173
LaSalle Re Holdings Ltd.	NYS	22.38	1.13	-36.75	42.94	19.50	170
Life Re Corp.	NYS	92.63	0.75	42.09	92.94	52.06	940
Lincoln National	NYS	70.31	-13.46	-10.00	98.88	64.63	2110
MAIC Holdings Inc.	NYS	27.63	7.80	3.13	30.38	23.94	91
Markel Corp.	NYS	148.25	4.40	-5.04	187.00	132.00	18
MBIA Insurance Group	NYS	55.56	-0.34	-16.84	80.94	46.06	1343
Meadowbrook Insur. Group	NYS	24.00	4.07	-7.91	35.00	22.31	35
MMI Cos. Inc.	NYS	18.00	2.49	-28.36	26.50	15.25	116
Mutual Risk Mgmt. Ltd.	NYS	33.75	5.68	12.73	39.94	25.38	378
NAC Re Corp.	NYS	48.50	-4.55	-0.64	55.88	43.50	240
Navigators Group	NDQ	14.25	3.64	-24.13	20.75	13.25	20
Nobel Insurance Ltd.	NDQ	0.88	21.74	-93.33	1.00	0.40	51
NYMagic Inc.	NYS	21.00	-2.89	-23.81	34.25	21.00	12
Ohio Casualty Corp.	NDQ	37.00	5.34	-17.09	51.75	33.75	538
Old Republic Int'l	NYS	23.69	11.80	-4.45	32.25	17.94	1057
Orion Capital Corp.	NYS	32.50	2.77	-30.01	59.25	28.00	530
Partner Re Ltd.	NYS	39.56	-0.63	-14.69	52.50	33.63	643
Penn-America Group Inc.	NYS	8.75	0.00	-57.32	23.00	8.13	28
Pennsylvania Manufacturer's Co	NDQ	19.13	6.99	14.18	23.75	16.25	47
Philadelphia Cons. Holding	NDQ	21.75	1.16	22.54	24.50	15.50	174
PXRE Corp.	NYS	23.25	-0.27	-29.94	35.25	23.13	106
Reliance Group Holdings	NYS	13.88	5.71	-1.77	19.81	10.75	962
Reliastar Financial Corp.	NYS	42.50	2.87	3.19	52.44	29.00	966
RenaissanceRe Holdings Ltd.	NYS	41.00	0.92	-7.08	50.75	38.00	178
Risk Capital Holdings	NDQ	21.50	8.52	-3.37	25.50	18.81	71
RLI Corp.	NYS	32.88	0.00	-17.50	45.63	31.56	82
St. Paul Companies	NYS	33.94	-1.09	-17.29	47.19	28.06	3847
SCOR	NYS	58.63	-7.59	22.77	72.75	40.75	45
SAFECO Corp.	NDQ	43.31	-3.62	-11.15	56.00	38.25	1826
SCPIE Holdings Inc.	NYS	29.81	3.47	3.02	38.38	26.50	NA
Seibels Bruce Group	NDQ	4.00	-7.25	-46.67	8.38	3.72	14
Selective Ins. Group	NDQ	17.88	-0.69	-33.80	29.25	16.69	804
Terra Nova Insurance Co. Ltd.	NYS	26.63	4.16	1.43	35.00	23.50	36
TIG Holdings	NYS	12.88	7.29	-61.21	36.31	11.63	1406
Tokio Marine & Fire	NDQ	56.50	-1.31	-2.16	60.13	39.00	185
Torchmark Corp.	NYS	40.00	5.44	-5.19	49.81	31.81	1429
Transatlantic Holdings	NYS	83.75	-0.59	17.13	94.50	67.44	129
Travelers Property Casualty	NYS	31.19	3.53	-29.12	46.06	24.13	1830
Trenwick Group Inc.	NDQ	33.50	20.45	-10.96	41.75	26.75	89
Unico American Corp.	NDQ	13.44	9.69	9.69	18.13	8.88	68
United Fire & Casualty	NDQ	36.25	5.07	-18.08	47.00	32.13	23
Unitrin	NDQ	68.88	-0.54	6.58	74.13	55.56	509
UNUM Corp.	NYS	45.50	-8.54	-16.32	59.63	43.13	4542
Vesta Insurance Co.	NYS	6.69	1.90	-88.74	64.75	5.13	1093
Zenith National Ins.	NYS	24.94	-0.99	-3.16	30.50	23.00	50
INSURERS/REINSURERS	AVERAGE		2.89	-7.50			
HEALTH MAINTENANCE ORGANIZATIONS							
Foundation Health Systems Inc.	NYS	9.44	-10.12	-57.58	32.63	5.88	2236
Humana Inc.	NYS	16.19	-5.82	-21.99	32.13	12.25	4313
Oxford Health Plans	NDQ	10.19	17.27	-34.54	73.88	5.81	5817
Pacificare Health Sys.	NDQ	64.50	0.98	28.36	88.88	46.75	45
Safeguard Health Enter.	NDQ	5.50	10.00	-59.26	14.88	3.63	95
Sierra Health Services	NYS	21.63	3.59	-3.53	27.63	15.88	208
United Healthcare Corp.	NYS	36.56	-5.65	-26.42	73.94	29.56	5623
Wellpoint Health Networks	NYS	62.63	0.91	48.22	75.00	38.63	1311
HMOs	AVERAGE		1.40	-15.84			
ALL COMPANIES	AVERAGE		3.77	-1.46			

Top advancing issues: Kaye Group Inc., Nobel Insurance Ltd., Trenwick Group Inc. Leading decliners: Lincoln National, Foundation Health Systems Inc., Allstate Corp. Most active issue: Citigroup. The *BI* Index fell 0.04%; the Dow Jones 30 Industrials increased 0.4%; the S&P 500 gained 1.4% and the NYSE Composite increased 1.5%. Average P/E: Brokers, 23.9; Insurers/reinsurers, 14.4; HMOs, 20.6.

Source: *Nordby International Inc.* (nordby.com), Boulder, Colo.

Ohio

Continued from page 1

Supreme Court contests that are technically non-partisan in the general election, meaning that his party affiliation is not listed on the ballot. The justice's affiliation with the Republican Party is known, however, because he was designated through an earlier partisan primary.

The upcoming November balloting for his seat is "a very significant opportunity to realign the court and make it more balanced," said Joseph Annotti, assistant vp-public affairs for the National Assn. of Independent Insurers in Des Plaines, Ill.

In its first-ever endorsements of Supreme Court candidates, the Ohio Chamber of Commerce is recommending that business interests support Ronald Suster, a conservative Democrat, over Justice Pfeifer.

Business groups expect Mr. Suster to be more impartial, though he is not expected to always vote for business interests.

"Many businesspeople are supporting Pfeifer's opponent because of decisions like *Bunger*," said Jim Woodward, managing director-public policy for the Ohio Manufacturers' Assn., which does not endorse candidates.

In that 4-3 decision, *Bunger vs. Lawson Co.*, which Justice Pfeifer wrote, the court upheld the right of a convenience store clerk to sue her employer outside the workers compensation system because her alleged psychological work-related injury was not covered by state workers comp law (see related story). Ohio law currently considers a worker's psychological injuries to be compensable only if they are accompanied by physical injuries.

Election-focused opposition from business groups is a concern, said Melody Hamilton, Justice Pfeifer's campaign and finance director. "It is distressing that they are more concerned with their personal agendas instead of a fair and independent court system," she said. "Court opinions should be based on facts and law, especially the constitution, not on who brought the case forward," she said.

Also, voters should consider the evaluation of the Ohio State Bar Assn., which rated Justice Pfeifer "qualified" and Mr. Suster "not recommended," she said. The ratings were based on a variety of criteria, including references and interviews.

The Ohio AFL-CIO is among Mr. Pfeifer's boosters. "He has written good decisions that labor feels are supportive of people in the state," said Stewart Jaffy, general counsel for the Ohio AFL-CIO. BI

Fraud

Continued from page 2

of the 251 convicted providers.

Although the coalition conducted a thorough search of the disciplinary rulings, it is possible that some disciplinary actions were not discovered, said Dennis Jay, the coalition's executive director.

The study, prompted by anecdotal evidence, confirmed the coalition's suspicion that medical boards rarely punished providers convicted of fraud, Mr. Jay said.

One problem the coalition encountered in conducting the study was the lack of data available on fraud convictions involving providers. "It was a very tough project," he said.

The study showed that 46 providers (18.3%) lost their licenses: 13 surrendered their medical licenses and 33 had them revoked. Other punishments included 11 warnings (7.3%), 21 license suspensions (8.4%) and 29 cases involving other types of punishment, such as fines.

"Too many medical providers perceive there's little risk that they will be denied the opportunity to continue to practice their profession. . .Remedying this situation could go a long way toward reducing the high cost of insurance fraud to society," the study stated.

The study proposed a number of recommendations to encourage more vigorous punishment. First, states should clarify what offenses could trigger medical board action.

Next, and perhaps most important, courts and prosecutors need to better communicate convictions to state boards. Although most states have laws requiring prosecutors or court clerks to notify state medical boards of convictions, the laws are not well known and are rarely enforced.

"The courts and prosecutors have to do a better job of informing the boards," Mr. Jay said.

Employers and insurers could help correct this problem by notifying medical boards directly of providers' convictions and not assuming their role ends at the convictions.

"I would think (a letter) would carry a lot of weight," with medical boards, Mr. Jay said.

Not notifying licensing boards "really limits the effectiveness of anti-fraud activities," he said.

But because employers don't review claims or directly contract with providers, they are not in a position to detect fraud or to remove fraudulent providers from health plans, said Joyce Cook, vp at The Northern Trust Co. in Chicago. Rather, employers rely on HMOs and health plans to perform this role.

"They are in the best place and have access to the information," to terminate contracts with convicted providers, she said.

Ultimately, suspension or revocation of a provider's license will not only put the offending provider out of business but deter others from committing fraud.

Another reason for the low punishment rate, the study noted, stems from confusion by state boards over their powers to punish the providers. Many board members believe their powers are limited to punishment in cases of medical malpractice. But in fact, Mr. Jay said, the boards in all 12 states studied did have the legal authority to punish providers for fraud convictions.

State medical boards don't put punishment for fraud high on their list of priorities, preferring to concentrate on cases of malpractice, said Joyce Hansen, vp at Integrity Plus Services, a Minneapolis-based United HealthCare subsidiary specializing in health care fraud consulting.

She recommends states pass laws imposing automatic penalties for all providers convicted of fraud.

In addition, those states that want to identify and punish offenders often lack the resources to conduct investigations.

"They need resources to take a look at those people who are siphoning money out of the system," Mr. Jay said.

The coalition plans to promote its recommendations as part of its larger anti-fraud campaign in 11 states starting next year. In particular, the coalition plans to urge state legislatures to pass laws mandating automatic referral by the courts to state medical boards whenever medical providers are convicted of fraud.

•

The study, entitled "Licensed to Steal: Action and Inaction by State Medical Boards," can be obtained free by writing to the Coalition Against Insurance Fraud at 1511 K St., N.W., Suite 623, Washington, D.C. 20005, or by calling 202-393-7331.

Ohio allows worker to sue

Psychological claim not barred by exclusive remedy doctrine

By MEG FLETCHER

COLUMBUS, Ohio—The Ohio Supreme Court has ruled that a convenience store clerk may sue her employer for negligence for alleged psychological injuries she suffered after a gunman robbed the store where she worked.

The 4-3 decision breaches the doctrine of workers compensation as an exclusive remedy for workplace injuries by allowing the worker to seek a civil remedy outside the Ohio workers comp system.

Ohio's workers comp law, however, does not compensate claims for psychological injuries if they are not accompanied by physical injury arising out of and in the course of employment.

Ohio's approach to such claims is in the minority nationally.

"The majority of states allow compensation for some purely psychological injuries suffered in the workplace," according to a summary of workers comp law cited in the eight-page decision, which was written by Associate Justice Paul E. Pfeifer.

In the case, *Bunger vs. Lawson Co.*, Rachel Bunger allegedly suffered a "post-traumatic stress reaction" after a robbery at the Dairy Mart convenience store where she worked alone. She was unable to continue to work at the store and obtained medical treatment for her psychological injury.

The denial of her claim for workers comp benefits was upheld by a state appeals court.

In its majority opinion, the Supreme Court denied workers comp benefits, noting that the state law did not permit such claims without a physical injury. But the majority ruled that Ms. Bunger could bring a tort claim against her employer.

"If a psychological injury is not an injury according to the statutory definition of 'injury,' then it is not among the class of injuries from which employers are immune from suit," the decision said.

In a dissenting opinion, Associate Justice Andrew Douglas suggested the court should have gone further. He wrote that legal provisions "that attempt to exclude purely psychological injuries from compensability under the Workers' Compensation Act violate principles of equal protection."

The Supreme Court's decision is one of several regarded as anti-business by Ohio business groups, which are hoping to unseat Justice Pfeifer in upcoming elections (see story, page 1).

The decision in *Bunger* is "an unfortunate decision by the Ohio Supreme Court that represents an expansion of liability for employers," said attorney Brett L. Miller of Buckingham, Doolittle & Burroughs in Columbus, Ohio. He represents Dairy Mart Convenience Stores, based in Cuyahoga Falls, Ohio, which was the employer in the case. "It opens up new avenues of claims for work-related incidents," he said.

Ms. Bunger's attorney also was critical of the ruling, but for different reasons.

"We were disappointed the (the majority decision) didn't go far enough. I really think the court should have decided that it was unconstitutional to exclude coverage for her claim," said Stewart Jaffy, who is also general counsel for the Ohio AFL-CIO.

Jim Woodward, managing director of public policy for the Ohio Manufacturer's Assn., said, "The *Bunger* decision is not really as bad as we thought it might be."

The OMA's concern had been that the court would expand the workers comp law to cover psychological injuries without a physical cause.

But leaving such claims outside the workers comp system can create problems, an insurer group says.

The *Bunger* decision "illustrates the strain on the exclusive remedy when categories of injuries are excluded from the act," said Bruce C. Wood, assistant general counsel with the American Insurance Assn. in Washington. Excluding specific categories of injuries has also led to litigation in Montana and Virginia in recent years.

"The likely result is uncertainty and expensive tort litigation," Mr. Wood added.

Ms. Bunger, who is currently working at a bank, has not yet filed the civil suit permitted by the court's decision in connection with the 1993 robbery in Fairfield, Ohio.

•

Bunger vs. Lawson Co., Ohio Supreme Court, No. 970341.

Employers don't measure outcomes

But integrated disability management seen as important: Survey

By ROSEANNE WHITE

Most employers with integrated disability programs do not measure the effectiveness of their programs, according to a new survey.

Though employers say cost saving is a key reason to integrate the programs, only 38% actually measure the outcomes of their efforts, according to the third annual disability management survey by Watson Wyatt Worldwide and the Washington Business Group on Health.

One reason more employers don't measure outcomes is that "companies believe measuring is more difficult and expensive than it really is," said Michael Scofield, a consultant with Watson Wyatt in Little Falls, N.J.

But employers can start easily by measuring four "readily available" core outcomes: disability cost trends, avoidable claims, work days lost, and employee commitment and satisfaction, Mr. Scofield said.

Another factor that may be keeping employers from even basic measures is that the people in various company departments that have pieces of the data may not be communicating with one another, said Veronica M. Hellwig, a Watson Wyatt consultant in Wellesley Hills, Mass.

The newness of the programs also could be a factor. Additionally, 40% of the employers surveyed said no one in the company is responsible for measuring the results.

Among those that do measure outcomes, lost work days are tracked by 92%, production statistics by 14%, customer satisfaction by 10% and sales/revenue per employee by 6%. Other measures are used by 14%.

This year's survey reflects the responses of 100 employers with 1,000 or more employees that together account for $2.7 billion in direct disability costs. The two previous surveys were based on a larger employer base that included companies with fewer than 1,000 workers. Watson Wyatt said this year's survey focuses on larger companies that can provide specific data on costs, interventions and results.

The percentage of employers with integrated disability programs was 42% in 1998. Of the employers with 1,000 or more workers that responded to the earlier surveys, 30% had integrated disability programs in 1997 and 26% had them in 1996.

Of those that have integrated disability programs and measure their results, about one-third report saving an average of 25% of their total disability costs, while 11% report no cost saving. More than half of respondents said they don't know what they are saving.

Integrated disability is defined as the coordination of workers compensation, sick pay, short-term disability and long-term disability.

Asked to assess several potential reasons for integrating disability programs, all employers ranked improving return to work as "important" or "very important." Improving financial results was ranked "important" or "very important" by 99% of employers, increasing productivity by 98%, minimizing administrative redundancy by 96%, and improving employee health by 95% of the employers surveyed.

"Health, costs, productivity and commitment are all inextricably linked," Mr. Scofield said. "Disability management is one key ingredient" in improving a company's productivity.

Employers use a variety of programs to reduce occupational and non-occupational injuries. Safety/injury prevention programs are used by 90% of employers to reduce occupational injuries and by 30% to reduce non-occupational injuries. Transitional or modified return-to-work programs are used by 80% of employers for workers with occupational injuries and by 71% of employers for workers with non-occupational injuries. Case management is used by 79% of employers for occupational injuries and by 74% for non-occupational injuries.

Among other survey highlights:

- Plan design is viewed by 95% of the employers as a factor affecting employee use of disability programs. Employee job satisfaction is seen as a factor by 92%, supervisor involvement by 87%, and the employee's medical history by 87%.
- Musculoskeletal injuries account for 28% of lost work days. Pregnancy accounts for 23%, repetitive motion for 9% and mental health for 8%.
- Direct disability costs include: workers compensation, amounting to 2% of payroll; sick pay, amounting to 1.9% of payroll; and long-term and short-term disability, each amounting to 1.1% of payroll.
- Indirect disability costs include overtime, amounting to 3% of payroll; replacement employees, 2.7%; and workstation/job accommodation, 1%.

•

Copies of the complete survey report, "Staying @ Work: Improving Health and Productivity," will be available before the end of the year by calling 800-388-9868.



Innovation

Many reinsurance companies call themselves innovative. What does it really mean to be innovative? It means being first and it means anticipating market trends. CNA Re offers a number of specialized products to help you adapt to the changing reinsurance landscape and a client-focused staff who develop the kind of creative solutions your company needs to also be a leader. Combined, our products and staff form a reinsurance company that proves innovation through action.

THE BRITISH INSURANCE AWARDS 1998 WINNER

And that takes commitment.

Find out why brokers and clients alike come to us for innovative reinsurance programs.

Contact us today at www. cnare.com

Committed to Relationships℠

CNA RE

Amsterdam Atlanta Bermuda Chicago Columbus Dallas Hartford London Los Angeles Milan New York Singapore Toronto Zurich

You Have Our Attention.

No matter which corner of the world you're in.

ROYAL & SUNALLIANCE

Providing commercial property and casualty, personal and specialty insurance coverages

©1998 Royal & SunAlliance USA, Charlotte NC 28273 • www.royalsunalliance.com
A member of the worldwide Royal & Sun Alliance Insurance Group plc