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JULY 2009



MARKETING AGENCY OF THE MONTH:

**A RISK MANAGEMENT
APPROACH TO ALL
PRODUCT LINES**

ALSO: A MAJOR CARRIER'S MIDDLE MARKET COMMITMENT

MARKETING AGENCY OF THE MONTH

STAYING AHEAD



Atlanta agency provides clients and employees the resources to be successful

By Dennis H. Pillsbury

When Pritchard & Jerden, Inc., opened its doors over four decades ago, it offered risk management services that only the big brokers claimed to provide. But those claims often proved to be illusory. “William G. Pritchard built his agency on the premise that medium and large clients were being underserved by large brokers,” notes Anthony (Tony) P. Burger, CPCU, ARM, chairman of the Atlanta, Georgia-based agency. Pritchard

effectively became an outsourced risk management department for its commercial clients.

“Bill was ahead of his time,” says P&J President James (Jim) L. Bailey, CPCU, CPA. “He didn’t just sell a policy; he sold risk management. This consultative approach has become part of our DNA. Our commitment and signature to our clients, our employees and our community is ‘Serving Your Interests,’ and we’ve followed that from the very beginning.”

J.L. Jerden joined the agency in 1965 and was a strong devotee of Pritchard’s philosophy. The two complemented each other and began

building relationships that still exist at P&J today. Forty-four years later, J.L. continues to work at the agency as chairman emeritus.

The Pritchard philosophy behind the outsourced risk management concept is to have a proprietary/ownership interest in everything they do for the client. As Jim puts it, “It is as if you are an employee of the client.” As a result, P&J has developed a large commercial property and liability department with this philosophy.

This proprietary interest extends beyond traditional insurance services, which is demonstrated by the expertise and resources they

OF THE CURVE



The Pritchard & Jerden team.

have developed to assist their clients manage their bottom line. Jim points out, “We not only have negotiated collateral requirements for our clients to maximize their working capital, but also have assisted clients in the interviewing and hiring of risk management, legal and other positions.”

Through the years the agency has developed specialization in real estate, manufacturing, hospitality, technology, life sciences, professional services and energy. P&J is a proud member of CBNet—an alliance of firms across the country that practice the principles of consultative brokerage.

In its first decade, the company was successful in delivering outsourced risk management services to its commercial property and liability clients. However, it quickly became clear to Pritchard & Jerden that their commercial clients were facing another risk transfer concern and the agency was not addressing that need.

If they were truly going to live up to their motto, they had to expand into the life and employee benefits arena. They also recognized that if they didn’t address this need, someone else would. Both of these scenarios were anathemas to the agency’s *raison d’être*.

So in 1971, the agency expanded into life and employee benefits and brought in an individual to run that division. It was an auspicious decision. Crossing the Great Divide from property/casualty to life and employee benefits was a rare occurrence in 1971, but one that has paid off handsomely, both in terms of serving clients’ interests and in bottom line results.

No surprises

“One of our most important goals is that there are no surprises for our clients,” Tony points out. “We develop an understanding of our clients’



The Commercial Lines Account Managers and Account Analysts.

*First row from left: Anthony P. Burger, CPCU, ARM, Chairman; Rhonda Liggins, ACSR, ARM; Johnette Adams; Nancy Jaecks, ARM; Stephanie Holtz-Chaimov.
Second row from left: Amanda Keenan; Angela Druck; Joan Sondag, AU; Kelli Luckie; Robyn Whaley.*

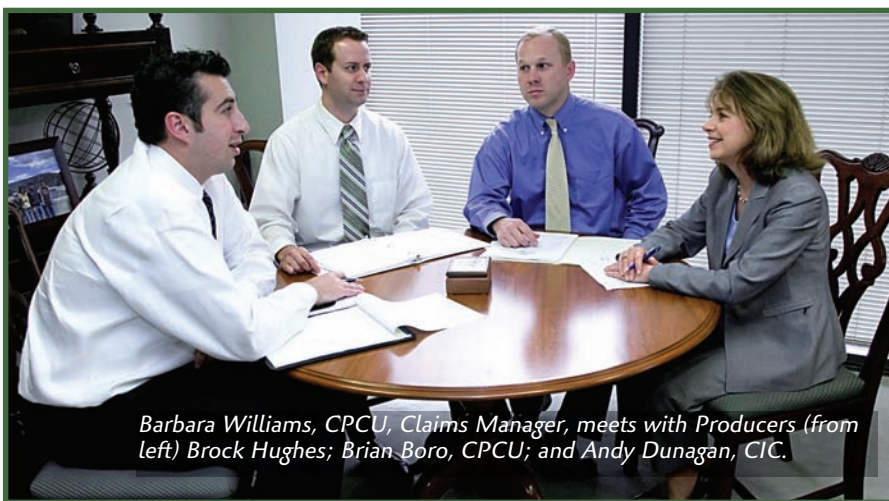
business so we understand their risk and exposures: financial, operational, hazard, and human capital. Then we sit down with the client and decide how to address these risks. There are basically four options: purchase insurance coverage for the risk, self-insure the risk (and sometimes this is not an option but a necessity due to lack of an insurance market for certain risks), contractually transfer the risk, or avoid the risk—or a combination of the four.

“We explain these options to the client so that if a loss occurs, the client knows what to expect,” says Tracey Friedman, commercial lines manager. “Until I joined P&J, I had never worked with a company that had detailed, written service procedures in place,” Tracey continues. “I started working with Mr. Jerden and he emphasized the importance of contacting clients well in advance of their renewal date so that we have time to complete our risk analysis.

“We start the risk analysis 120 days prior to the renewal date,” she continues. “Our goal is to deliver solutions, not policies.” Barbara Williams, CPCU, claims manager, adds: “If the solution involves loss control or review of a claim, that’s where we come in. We have a dedicated claims department and loss control resources. We act as the liaison between our customer and the insurance company on all claims and also conduct reviews on open claims; monitor reserves; provide clients with a loss summary analysis; and conduct unit statistical reviews for the workers compensation mod as a tool to assist clients towards keeping their mod under 1.00.”

Bringing the same options to personal lines

“Just as in commercial lines, we look to become the risk manager for the personal lines client as well,” notes Shannon Price, a partner and private client group manager. With this philosophy, P&J’s personal lines division has grown from what was merely an accommodation into a strategic resource for the agency, as



Barbara Williams, CPCU, Claims Manager, meets with Producers (from left) Brock Hughes; Brian Boro, CPCU; and Andy Dunagan, CIC.

is evident by revenues now close to \$1 million.

Whether clients' challenges prove to be complex or apparently straightforward, the impact of P&J's belief in total asset management is quite clear. As Shannon points out, "While we specialize in the unique needs of the affluent market, we also apply the same principles to many middle market accounts as well."

Tony adds, "We have full services for young people who are just starting out. We want to grow with them and work to become the agency of choice for the client and, hopefully, for their children and grandchildren as well. In fact, we're working with a number of clients who represent the third generation of insureds for us."

"Nearly all our personal lines business comes from referrals," Shannon says. "These referrals occur because of the comprehensive service we provide to our clients. We conduct annual reviews for all our personal lines accounts and quarterly reviews for the larger accounts. We also offer a full range of personal life insurance and estate planning services through our benefits division."

"Our people are experienced in all aspects of both individual and group programs," says Robert M. Shulman,



Members of the Private Client Group meet to discuss an account. From left: Mandi Besecker, API; Shannon Price, Group Manager; and Brad Disque.

CLU, vice chairman and producer in charge of the benefits division. "Our expertise runs the gamut from life to medical to retirement planning. We can help an individual with his or her estate planning needs or help a large middle market client with their benefits program.

"We educate our clients so they understand all the options available to them," Bob continues. "This is especially critical in the group health arena where costs continue to rise.

For example, we have custom-designed HRAs [health reimbursement accounts] for our customers to coordinate with their group health plans, particularly if the plan that has been adopted is a consumer-driven plan.

"We also work with them to put together a package of voluntary benefits that will fit best with their workforce," he explains. "Additionally, we provide wellness programs that can reduce health care costs.



The Life and Employee Benefits Team.

First row from left: Jill Bushnell; Debbie Fazzone; Robert M. Shulman, CLU, Vice Chairman; Eileen Horowitz; Debbie Holmes.
Second row from left: Jerry Hardin, CLU; Jodie Braner; Emily Monahan; Sandy Simonds; Ember Ford.
Third row from left: A.J. Black; Rob Peters; Bill Farkus; Patrick Bell; John Allan, CLU.



The sales meeting is an important part of Pritchard & Jerden's process. In his presentation, James L. Bailey, CPCU, CPA, President (standing), discusses ways to create and enhance resources that will benefit clients.

"The goal in our division is the same as the rest of the agency. We are there to provide solutions. Our producers stay very close to their customers," Bob adds. "We offer enrollment services, will do 5500 filings, and provide COBRA follow-up."

A culture of higher learning

"Our largest and most valued asset is our employees," Tony points out. "We invest in our employees, but that also comes with a high level of expectation from them. We invest in continuing education, industry organizations, community organizations, etc. This not only builds knowledge and experience but also gives back to our industry and

communities. We expect more than simply joining an organization. We want them to work toward a leadership position. We have had two national presidents of CPCU among many other positions."

Tracey adds, "We provide employees time to study at work and fund classes to attend in their pursuit of professional designations." The firm is proud to have a number of employees with such designations as CPCU, CLU, CEBS, CIC, CPA and others.

Perpetuating a legacy

"It is important to us to be private and independent." Jim states. "In order for us to remain independent,

we have successfully transferred stock ownership through the first generation and are working hard to ensure we continue to transfer ownership. It is part of our strategic planning. Bill & J.L. have provided us with an incredible opportunity. We want to provide the same opportunity to the next generation—the opportunity to continue the legacy of 'Serving Your Interests.'"

Rough Notes is proud to recognize Pritchard & Jerden as our Marketing Agency of the Month. The agency exemplifies the devotion to service and integrity that has made the independent agency system the dominant and most trusted marketing system in the insurance industry. ■



Connie P. Campbell, ARM, Director of Education and Training (standing), teaches a commercial lines class in the agency's Ed Center.