

Lapre Scali is one of the fastest growing agencies in the Southwest with 15 locations and 150 employees. We have assembled experts in the discipline of commercial property and casualty, risk management, bonding, claims management, actuarial studies, pollution, and personal lines. Lapre Scali also owns and operates a human resources consulting firm. We handle group insurance, provide information on human resources issues and can handle your payroll needs on a bundled or unbundled basis.

One of our greatest strengths lies in the depth of experience within our associate's group. Contracted through Lapre Scali, we can provide the expertise of the industry's best talent, in technical areas such as directors

and officers, actuarial and cash flow studies, alternative financing, and risk management. This allows us to match the most appropriate resource with the needs of the client. For example, our associate for Directors & Officers heads up one of the largest financial service practice groups in the United States. Besides being a practicing attorney, he was just named one of the best lawyers in America. We have former risk managers, teaching professionals and experts in individual lines of coverage. We use their talents as needed in compiling your risk program and they are provided as part of our service to our clients at no additional cost.

We would appreciate the opportunity to discuss your risk program and how we might benefit your business.



PARTNERS

Teresa Buelow, Vice President of Human Resources

Ron Cadaret, Northern Arizona Territory Manager

Cassandra Craig, Sr. Vice President

Sara Gromek, Account Executive

Steve Hay, Sr. Vice President

Ed James, Sr. Vice President/Chief Insurance Officer

Mike Kohler, Sr. Vice President

Nancy Kozloski-Rausch, Sr. Vice President Benefits Division

Mike Lapre, President

Chris Lee, Account Executive

Nick Scali, Account Executive

Terry Scali, CEO & Managing Member

Tony Scali, Sr. Vice President, Sales Manager

Lisa Sturgill, Benefits Department Manager

Jason Sheahan, Markets Manager



A Division of

Lapre Scali & Company Insurance Services, LLC

www.laprescali.com



Lapre Scali & Company Insurance Services, LLC

Real Service is about much more than cost. It is about Reliability, Integrity, Sincerity and Personal Commitment.

Lapre Scali & Entrepreneurial Large Accounts

We all understand tough economic times and the effect they have on the way we conduct business. More than ever, corporate America must be innovative in business transactions. At Lapre Scali & Company, we understand that we must constantly strive to be more productive, more cost efficient and more entrepreneurial than our competition. In Thomas Kuhn's book, *The Structure of Scientific Revolutions*, he addresses changes in assumptions within the theory of science in contrast to normal scientific concepts. When applying this to the science of insurance, we must look at alternatives to the traditional approach. We believe our strategy for large accounts sets us apart from our competition and in fact, allows us to work better as part of a team with our clients.



What is a large account? Historically, large accounts were defined by the premium dollars expended by the account. The size of the premium dollars expended to meet the definition of a large account generally is dependent on the carrier or broker. Lapre Scali & Company defines a large account as follows:

1. Exposure to loss justifies the use of unique or manuscript endorsements or coverage forms.
2. Significant number of locations or multiple insureds requiring coverage enhancements for past and future exposures.
3. Complex product or completed operation exposures.
4. Significant transportation and transit exposures.
5. Exposure to catastrophic loss from earthquake, mold, directors and officers suits, self insured exposures, intellectual rights issues.
6. Need for non-traditional coverages, such as reps and warranties insurance, finite loss coverage, copyright infringement, credit insurance, recall, and pollution.

Risk Management versus Enterprise Risk Management

In the past, once a large account was identified, the broker applied traditional risk management processes. In theory the broker would identify the risk, analyze the risk, control the risk, finance the risk and administer the risk. This approach was the gold standard for many years, but even so, we submit that over time many brokers have shortened this process. Applications are completed listing assets, payrolls, and earnings. The broker then goes to market and awaits the proposal for presentation. In many cases, the broker is asked to market an account predicated on a set of bid specifications. Typically, there is a generic list of coverage recommendations listed.

There is rarely an in depth discussion regarding how a firm transacts their business. Without this understanding, we question how a business will be able to understand the policy limitations and exclusions and how they will apply to their company's exposures. We find very few firms that can confidently say they have a well structured plan without a formal risk program in place.

Lapre Scali believes in the application of Enterprise Risk Management, which deals with the firm as a whole and a broad range of risk including, but not limited to:

1. Strategic, including mergers and acquisitions, R&D, customs and market share
2. Operational, including business interruption, supply chain, fraud, efficiency and safety
3. Human Capital, including employment practices, turnover and leadership
4. Legal and regulatory,
5. Technology, including intellectual property and information security

6. Financial, including foreign exchange and credit
7. Reputation, including market share and branding

Enterprise Risk Management is simply an expansion of traditional risk management. The key difference is that traditional risk management looks at loss and risk transfer to protect assets at a fixed cost whereas Enterprise Risk Management goes one step further by looking at risk as having both upside and downside potentials. It is important to note that the transformation from Risk Management to Enterprise Risk Management is partially defined by the size of the business. Specifically those firms utilizing risk finance programs including large deductible, retrospective rating, self insurance, OCIP's, or federal risk retention groups and captives.

THE MOST IMPORTANT CONCEPT TO REMEMBER IS THAT THE PROCESS LAPRE SCALI & COMPANY UTILIZES IS THE SAME FOR ALL LARGE ACCOUNTS

The obvious duties of an agent or broker are to provide adequate and proper coverage at the lowest possible cost. At the same time, like a conductor, they must be capable of pulling non-homogenous parts together to produce an outcome far greater than its constituent parts. To further define the role of your agent/broker we have listed the following traits necessary to be a successful agent/broker:

1. The Risk Management Team must be a great collaborator in pulling together necessary information, analyzing this information, and producing a comprehensive and affordable risk plan.
2. The Risk Manager must challenge the boundaries of knowledge and innovation in assisting the large account while establishing an effective insurance risk transfer program.
3. The Risk Management Team must have a system for communicating complex risk issues in plain business language.
4. The Risk Management Team must be able to respond to rapid changes in today's business environment and be able to innovate and create new methodologies.
5. The Risk Management Team must be constantly updating their knowledge, skills and training.
6. Finally the Risk Management Team must be able to provide a codified written plan that may be reviewed and evaluated. In addition, it must be easily updated and provide an overview of the client's risk plan.

At first glance, the Enterprise Risk Management process may appear as a daunting concept and unwieldy in application. In point of fact, we have developed a detailed and controlled process to guide your firm. The process begins with utilizing our comprehensive survey. Where applications look at asset and income lists, we delve into the way a business is run, and how it may differ from other businesses. We look at contracts, work flow, talk to employees and engineer the work environment. We identify risks both insurable and otherwise and do a systems based analysis looking at claims, loss reporting, policy reviews, and claims instructions. Additionally, an in depth analysis of both standard and non standard coverages are assessed prior to exploring marketing.

This process culminates in a report which we utilize as the basis of your risk management program. This framework allows us to stay updated as your risk, underwriting, or operations change.

The report details your exposures to risk and provides a means for the client to control this risk and plan for the future. It provides a meaningful summation of your risk program which may be given to board members or other members of the executive team.

Most importantly, it provides a framework for coordinating between the client and Risk Management Team allowing them to work together, eliminating redundancy and providing the best coverage at the lowest possible cost. The report also provides a means to discussion, evaluation, and for benchmarking progress.



"There are brokers and then there are brokers. What St. Vincent de Paul needed was a partner that understood our needs and constraints as a non-profit. LSC took the time to get to know our organization and the value and importance of employee health benefits in our compensation package. We believe that our relationship with LSC is not just that of a service provider and receiver, but as partners in providing vital services to the community."

Marcus Anderson
St. Vincent de Paul



"I am delighted to say that moving my insurance program to Lapre Scali & Company was the best choice I could have made. I am more than happy with the level of service my company enjoys and would not hesitate to recommend their services to any size company. Lapre Scali & Company goes the extra mile for their clients and I'm proud to say they are my brokers."

Terry A. Rondberg, DC
CEO of Chiropractic Benefit Service Inc.

"We have enjoyed a professional relationship with Rick Stephens at AJS Insurance Services, a division of Lapre Scali & Company Insurance, LLC, for nearly 20 years. Rick and his team of specialists have always been able to meet our unique insurance needs. No matter how complicated the risk management problem has been, AJS Insurance has been able to find a competitive solution. While the banking industry continues to change, Rick Stephens and AJS Insurance Services have been right there to help us navigate a successful course."

Brian M. Riley, CEO
Mohave State Bank