

The Personal Touch

Targeting high-end personal lines yields rich results

By **BRETT WOODWARD**, member, Lane McVicker LLC, Chicago

When F. Scott Fitzgerald wrote, “The rich aren’t like you or me,” he probably wasn’t thinking about insurance—but he could have been. Many agencies and brokerages treat high-end personal lines insurance as account rounding, cross-selling, or as “accommodation business” for a commercial client’s CEO. Unfortunately, none of these approaches truly meets the buyer’s need for products, service and expertise.

Recognizing that need, Lane McVicker LLC (LMV) was launched in 1999 as a personal lines insurance agency focused on the needs of high-net-worth clients. Today, with eight offices, 22 employees and written premium approaching \$40 million, Lane McVicker provides its clients with a full range of coverage, from homeowners and automobile to coverage for yachts, fine art and antique cars.

Outstanding customer service is the cornerstone of the business. Lane McVicker’s team configuration within a national company infrastructure, supported by information technology capabilities, provides customers with easy access to an expert on his or her account. The firm’s exclusive commitment to individual risk management enables it to focus on meeting customer needs with precision and personal service. Lane McVicker has enjoyed double-digit growth year after year, resulting in a rapidly growing premium book of only personal property-casualty policies.

Keith McVicker and Robert Boni started Lane McVicker LLC in 1999, with two insurers (Atlantic Mutual and Chubb) and a goal to write only personal property-casualty insurance in the high-net-worth market.

Both men knew the business segment well. In 1984, McVicker founded PLI Brokerage, a personal lines business that was acquired by Chubb; Boni’s background was with brokerage Alexander & Alexander. Experience told them that although service and proper product were important, so was the principle that price is a significant part of the individual insurance transaction. Tight focus on this customer segment would result in simplicities of product delivery, yielding substantial operating efficiencies.



Left to right: **Brett Woodward**, member; **Kelley Danis**, assistant vice president; **Anthony Rosania**, associate manager.
Photo: Rachel Chavez

In late 1999, LMV purchased from PLI Brokerage—at that time wholly owned by Chubb—a block of Atlantic Mutual business, most of which were New Jersey residents. Days after closing on this book, LMV sold 62 percent

of its policies to a middle-market broker, retaining the bulk of the premium from the transaction that represented high-net-worth accounts.

In January 2004, LMV merged with AIG Private Client Group’s Sponsored Business, an in-house agency, and Wayne Berman, a well-connected Washington, D.C. consultant who had served as assistant secretary of commerce for policy under President George H.W. Bush. Three individual members and AIG divided the ownership, with no one a majority owner. Concurrent with this transaction, LMV added AIG as a third underwriter. The company now had three offices: New York, Wilmington, Del., and McLean, Va.

I came on board in early 2005, when LMV “acquired” me and two other industry veterans—Michael Carmody, who I’d worked with at PLI, and Gilbert Lai, formerly of Aon, allowing each of us to purchase equity in the company. Three offices became six with the

addition of Alpharetta, Ga., Chicago and Morristown, N.J. We added a fourth underwriter, Fireman’s Fund. Later that year, concerned about a potential conflict with AIG’s minority ownership, LMV invited Trident Funds, managed by Stone Point Capital, to buy AIG’s share of the business.

The following year, LMV employee Amy Ciasulli was offered an opportunity to buy in as a member partner. This employee-to-member example continues as an intention of the company to allow accomplished colleagues to become unfettered equity owners.

Today, LMV is owned by six individuals, a private equity fund and the estate of co-founder Robert Boni, who died this year. Our national footprint is supported by eight offices in eight states

with 22 employees—five of whom are members.

A UNIQUE CUSTOMER BASE

LMV's customer base is affluent and wealthy individuals. We coordinate insurance programs nationally. Typical lines of coverage are lines of personal property-casualty insurance, from homeowners and auto to specialty lines, such as coverage for art and wine collections, luxury and vintage cars, jewelry and yachts. Other products are workers' compensation and employment practices liability insurance for domestic employees.

Not surprisingly, this business is highly driven by personal relationships. Most of our customers come through unsolicited referrals by another customer, or by a trusted advisor to the client. This highly personal relationship means our retentions are typically in the high 90s.

FOCUS ON EXCELLENT EXECUTION

To best deliver first-rate service, LMV is organized around our employees so that each individual realizes his or her inherent importance to the whole operation. Our colleagues interact daily, sharing information about underwriters, laws, policy interpretations and local developments.

Our model uses a local team configuration of at least three people. Each team manages 1,000 accounts at \$10,000 average premium per account, yielding \$10 million in annual premiums. The three persons intimately know each account, enabling them to provide comprehensive customer service.

Each employee is asked to adopt a "personal specialty." For example, one of our group oversees Applied Systems' software, another coordinates non-

core underwriters flood placements, and another coordinates our marketing material design and logistics. This personal specialty aspect allows LMV to have a relatively small yet efficient administrative function.


Technological systems play a critical part of our infrastructure. We rely on "distributed computing" to simplify network administration, and to enhance collaborative nature. A constant fear is a software configuration that is too complicated and provides too much nonessential information to the desktop user.

Our quality control centers on the fact that what our customers want is a correct, concise and rapid response to questions or transaction requests. When our employees consult a policy for a response, we tag on a short review of coordination and cover, using the summary of insurance page.

Each time we write to a customer or representative, we strive for perfect document delivery, whether it's e-mail, notes, letters or forms. A misspelled word can suggest that we lack quality control.

PLANS FOR THE FUTURE

We plan continued national growth, placing offices in major metropolitan areas. Profitable growth will come from hiring people new to insurance, attracting industry talent and acquiring books of business.

We've based our growth plans on the potential to tap into this market. No one really does what we do; even the big brokerage houses have overlooked this market, treating it more as accommodation business than a stand-alone specialty. We're meeting an important need for important people—and expect our business to thrive as a result. 

Lane McVicker LLC

22 Employees and
8 Offices in **7** States

(California, Florida, Georgia, Illinois, New Jersey, New York, Pennsylvania and Virginia)

Written premiums: **\$35 million**

Typical account:
\$14,000 in premium

Local team configuration:
3 People

4 Core Underwriters
ACE Private Risk Services
AIG Private Client Group
Chubb
Fireman's Fund

Firm Ownership:
6 Individuals, **1** Private Equity Fund
1 Estate