

BROKERS



Hank Haldeman, president
— Worldwide Programs,
Worldwide Facilities

WORLDWIDE FACILITIES GROWS; RESTRUCTURES BY DAN REYNOLDS

Risk & Insurance® talks to Hank Haldeman about his new role with Worldwide Facilities.

IN OCTOBER, THE national wholesaler MGA and programs manager Worldwide Facilities announced an organizational restructuring into three divisions: Worldwide Brokerage, Worldwide MGA and Worldwide Programs. As part of the restructure, Hank Haldeman takes over as president — Worldwide Programs.

R&I: For starters, Hank, how about giving us an overview of the company and recent developments?

Hank Haldeman: Maybe I'll start with discussing that Worldwide Facilities over the past three or four years has undergone a significant expansion from being about a \$500 million company in premium to something that is over triple that. It has done this through a combination of organic growth and recruitment and, of course, acquisitions.

In that process, the company has also diversified from being predominantly a wholesale broker; the business is still wholesale in that all of our business goes through retail insurance brokers, but we are now diversified into the MGA space as well as the specialty programs space.

Having done so, we have announced a structural reorganization that divided the company into three segments, reflecting those three aspects of the wholesale channel. Those being individual risk wholesale brokerage, the contract underwriting that characterizes the MGA business, and then thirdly specialty programs. By that I mean national or larger regional exclusive programs with a real specialty focus. And with that reorganization, the company has asked me to take charge of the program side of the business.

R&I: We see a lot of data about growth in the program sector. Why do you think programs are doing so well?

HH: I think there is a growing



recognition of the power that a program manager can bring to a homogeneous segment of the business. That homogeneity may be a deep and specialized knowledge of a particular industry or it could be some deep and specialized knowledge of a coverage; sometimes it is the intersection of the two.

But it's the ability to focus distribution and underwriting on a segment of the business that is distinct and separate.

That allows an insurer to target that business in a much more competitive fashion. In this sense, the program manager will align with the retail agents and brokers who specialize in that kind of business and establish a rapport and understanding of what the appetites are and what the drivers are.

It leads to an enhancement of loss control and other risk management within that particular industry segment, and you end up with a higher quote to bind ratios as well as generally improve loss experiences.

So, it is proving itself a channel of distribution for the insurers and meanwhile creates an opportunity for entrepreneurs in the program

management space to take advantage of the expertise that they have developed and the underwriting knowledge that they have developed.

R&I: What's exciting about this restructuring? Where do you see the upside for the company?

HH: Worldwide Facilities has a fairly unique opportunity, given the size we are and the way we are organized now, to really do something different in the program and product development space than you generally see in the business.

We are wholesalers, not retailers, which puts us in a different position with our insurance partners in terms of developing products or coalescing books of business.

Now we have enough scale as a program manager to establish broader-based relationships with the insurers that write program business, which allows us a bit of freedom to develop new programs, because they are part of the overall relationships and not having to stand truly on their own in terms of profitability.

That has been one of the barriers to the development of new programs. You see some of the larger diversified

program managers being able to bring new programs to market, substantially more so than some of the smaller and single-industry program managers. We now have that kind of a position.

On top of that, we have a very large national wholesale broker operation and an MGA operation with access to a lot of different blocks of business. That gives us the ability to analyze those blocks of business and see if there are opportunities to coalesce some of those books of business in programs, allowing us to deliver more focused or responsive coverage or better priced coverage for our retail customers.

You don't see many operations that have the same scale in program management and in wholesale brokerage and MGA. When you do, they often are totally separate independent silos.

The new president of Worldwide Brokerage, Eric Stuckman, is in an office about five feet from mine. We can sit and talk about how programs can serve to provide products to the retail base and ultimately the customers of the brokerage side of our business. And we can collaborate on that kind of business and find ways not just to grow premium and revenue for Worldwide but also to grow product and capabilities that we can offer our retail client base.

R&I: When you look at your career and where you are now, what's exciting about this personally?

HH: I have to say I am really excited to be a part of Worldwide Facilities. I know the senior management here and have known them my entire career. We have always seen the business similarly, always been driven by similar outlooks.

It is just a unique opportunity, in my mind, to combine something that is still small enough to have entrepreneurialism within it, but has scale to be relevant and competitive in today's industry. &