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AG Alan Gray, Inc.

The Solution for Insurance and Risk Management Quandaries

Alan H. Gray, Founder and Executive V.P.

The Alan Gray, Inc. (AGI) organization does not sell insurance, but it is a storehouse of insurance-related expertise. That is why insurance companies, self-insured companies, reinsurers, financial institutions, law firms, brokers and professional service providers who work with insurance all look to AGI for guidance and assistance.

“What we really do is gather facts and perform analysis so that our clients can make the best business decisions possible. Our aim in providing any service is to improve the client’s bottom line,” says Al Gray, Founder and Executive V.P. of Alan Gray, Inc.

In fact, he can point to many instances where AGI has dramatically improved the bottom line for clients through professional investigation, auditing, management, processing, handling or forecasting of insurance or reinsurance claims. For example, AGI has produced:

- Forensic accounting audit on behalf of an international financial services company to quantify a misappropriation of funds resulting in the discovery of more than \$100 million in misappropriated funds, leading to a substantial recovery and prosecution.
- A successful reconstruction of reinsurance claims that had been overlooked for a three-year period, leading to the collection of more than \$7 million for AGI’s property and casualty insurer client.
- An account reconciliation of payments made, leading to the collection of \$4 million in deductibles from an insured for claims that were mistakenly reported as being subject to aggregation rather than treated as per claim deductibles.
- A review of \$25 million in legal invoices relating to asbestos liability claims, resulting in a recommended reduction in billings of more than 23 percent.

With results like that, it is hardly surprising that clients look to AGI for a wide array of services, including: *actuarial services* to set reserves and provide accurate cash flow projections; *business technology services* to develop real-time reporting of claims or automated legal invoice review; *claims auditing services* to help clients accurately evaluate exposures and reduce claim costs; *commercial premium and deductible collection services* to help clients improve cash flow and reduce collection costs; *forensic accounting services* for discovery of fraud, embezzlement or irregularities; *investigative services*, including interviews of witnesses and claimants, procurement of medical reports and producing photos or diagrams of accident scenes; *legal invoice auditing* to ensure compliance with litigation guidelines and help reduce legal costs; *reinsurance* collections and reconciliations to help improve cash flow and maximize the value of a company’s reinsurance assets; *quantitative services* for loss trending and other projections; *third party claims management* for management, evaluation, administration and disposition of claims; and *underwriting or risk management services*

related to policy design, account testing and other matters.

With offices in Boston, New York, Hartford, Philadelphia, and London, AGI has also developed an incredible stable of clients, ranging from small businesses to Fortune 100 corporations, from regional insurance providers to global insurance and financial services giants.

“Because of the breadth of our experience and knowledge, clients are now looking to us not just for traditional services, but for strategic advice and that is where we see a lot of future growth,” says Gray, noting that the firm now has the capabilities to help insurers and other clients with their merger, acquisition and capital raising strategies.

Looking at this juggernaut company, it is hard to imagine that it consisted of just a few dedicated souls when Gray founded it 22 years ago after developing his expertise working for insurance companies involved in general liability, professional liability, auto, workers comp, products liability, toxic torts, mass torts and other areas. “Because of our strong commitment to client satisfaction and quality customer service, we have had a solid and loyal client base that has been willing to move with us and that was extremely important,” Gray recalls, noting that AGI still services the very first client they ever had.

The firm now employs about 85 full time staff members, most of whom are insurance professionals, auditors, CPAs, actuaries and other professionals.

He also credits Mike Ceppi, now the President of Alan Gray, Inc., for being a rainmaker, talent finder and business developer ever since he came to the firm in 1990. “Mike pushed the envelope on growth, but just to the right extent and at the right times,” says Gray.

The veteran insurance expert is quick to point out that the firm has never pushed beyond the capabilities of its people. “Just recently we had a client call us about a need and after careful evaluation of the circumstances we had to tell him that it was not really a good fit for what we do. This is definitely a rare exception, given the wide range of services we provide, but it does happen and I think clients respect it when you admit that you are not the best fit for them,” says Gray.

He adds that the firm has also benefited from a “go lean” movement in the insurance industry. “A lot of companies cut back and no longer had sufficient staff or expertise to handle their auditing, claims, actuarial, accounting or other functions,” Gray says, pointing out that many incredibly experienced professionals have joined the firm as a result of seismic shifting in the industry.

“Because of our experienced staff, clients know that we won’t take missteps and we will get results in adversarial settings while preserving critical relationships among brokers, insurers, insureds and law firms,” says Gray, noting that “it is not unusual for us to conduct an audit and later have the audited firm call us for assistance on an unrelated project, due in large part to our professional approach to conducting business.” He says that each matter the firm handles is a chance to live up to its motto of “expertise, integrity and results.”

Gray also attributes a measure of AGI’s success to the firm’s outside legal counsel, noting that Richard G. “Rick” Pichette of Burns & Levinson has represented AGI for more than 15 years. “He brings to us what we try to bring to clients. He is experienced, reliable and responsive. He finds a way to get things done, or he finds the right colleague in the firm and produces results,” Gray asserts.

- John O. Cunningham, freelance writer/editor