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Strong Attitude Backed by
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Mesirow Financial Finds
Relationships Pay Off in More Ways than One

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Left to right: Norm Malter, senior managing director, Property and Casualty, Richard Price, president and chief operating officer, John Harney, senior managing director, Property and Casualty

Photography by Stuart-Rodgers Photography

Strong Attitude Backed by Superior Knowledge

Mesirow Financial Finds Relationships Pay Off in More Ways than One

By Nicole Bissett

Clients get more than they bargain for with Mesirow Financial. They are a team in every sense of the word — each player is strong in attitude and knowledge. They provide services in insurance, investment banking, consulting, and real estate. Mesirow assists heads of businesses in a variety of industries with employee benefit packages; identifying and controlling property/casualty risks; insuring key executives; finding new sources of capital; addressing financial business challenges; and much more.

The Evolution of Mesirow Financial

Founder Norman Mesirow was a high-risk investor in a time when investing was considered unsafe. In 1937, he had no way of knowing what kind of long-term investment he was making when he purchased a seat on the New York Stock Exchange. Since then, the firm he founded has grown from a one-man trading company to a \$1.4 billion organization.

In the 1960s, Mesirow added institutional markets to their services, as well as fixed-income and equity sales and trading, underwriting and syndication of equities. In the early 1970s, the firm entered the clearing business with Correspondent (now B/D and IA Services), providing execution and clearing services to broker-dealers nationwide.

In 1972, Mesirow launched its insurance division, followed in 1974 by the Asset Management Group (now Equity Management and Fixed Income Management).

In the 1980s, the firm developed its real estate division, as well as its private equity and investment banking (including corporate finance, public finance and sale-leaseback capital).

Mesirow Financial grew yet again in the 1990s by introducing Advanced Strategies capabilities. Then in 1992, the firm reported their first year of record revenues.

Though Mesirow had merged with much smaller companies in the early '80s, it made their first big acquisition in 1997 with Stein & Co. — a move that enhanced its real estate division's services.

Then in the late 1990s, Mesirow developed an investment management division, uniting Advanced Strategies, equity management, fixed income management, private equity, and individuals and families.

In the past decade, Mesirow assumed Chicago-based accounts of Near North Insurance Brokerage Inc., established a currency management department and consulting division; acquired KPMG LLP's U.S. Corporate Recovery practice; hired chief economist and senior managing director Diane Swonk; and reported the 13th consecutive year of record revenues.

Today, Mesirow Financial is a one of the largest independent financial services firms in the Midwest. More important than its size is what the Mesirow team has helped build — a solid reputation throughout the country based on integrity, service and performance.

Successful Team

Leadership at Mesirow Financial says the strongest aspect of the firm is their knowledgeable team. Norm Malter, Mesirow's senior managing director of Property and Casualty, says each producer specializes in one area, but they all work as a team to ensure their clients receive the best service possible. "We're able, because we're private, because we're part of a large financial service organization, we're very well capitalized, and we're able to drop a lot of capital to support our infrastructure, to provide what we feel translates into superior customer service," says Malter, who has been with Mesirow for 23 years. "We know that our competitive advantage is our infrastructure," Malter says. "And we need to continue to keep that very cutting edge."

Malter believes the success of the firm comes from its diverse owners and employees. The Mesirow team comes from varying backgrounds, with rich knowledge and expertise, its leaders say.

Team members also have positive attitudes. "Around here, you can always find a gap to fill," says chief economist Diane Swonk. "There's a sense of ... you just jump in and fill it, you don't have to go through some institutional bureaucracy and say, 'that's not my job.' The expecta-

Top 100 Agency Profile

Agency Name:

Mesirow Financial

Headquarters:

Chicago, Ill.

Year Founded: 1937**2008 Total Premium****Volume:** \$1.4 billion**Property/Casualty:** \$397.5 million**Other than P/C:** \$1.0 billion**% Commercial:** 24%**% Personal:** 12%**2008 Revenues:** \$90.5 million**Principals:**

Richard Price, president and chief operating officer; Norman Malter, senior managing director; John Harney, senior managing director

Number of employees: 315

Special Report Top 100 Profile

tion is it is your job. Around here, if a client has a need, fill it, and if you can't answer it, someone probably can."

The best part of being privately-owned, Swonk says, is that clients can receive the benefit of all the expertise that the team at Mesirow has to offer. "At Mesirow, the identity is the independence of knowing that you get the job done, however you can. Its entrepreneurial spirit, its extraordinary groups of people that can support each other across business lines, but also within business lines where you feel like you can do

what you need to do to get the job done. Everybody has a vested interest in getting it done. What you don't see around here is the pass the buck. Things get done extremely quickly, their responsiveness is very quick ... you're all on the same team."

Swonk has been with Mesirow since 2004. She is a respected and sought-after economist throughout the world. She has over 20 years of experience in financial services, and is proven to be an invaluable resource for policymakers and business leaders from Washington to Tokyo. Her analysis is seen regularly on national and international television and can be read in top financial news publications around the world. She has appeared in *Detroit Free Press*, *Moneynews.com*, *CNBC*, and *Msnbc.com*. She was runner-up in forecasting accuracy on *Msnbc.com*'s 2009 panel. She also puts out a monthly newsletter that provides insight into trends, issues and forecasts for the U.S. economy; and writes Mesirow Financial's annual economic outlook.

Swonk's duties for Mesirow include, but are not limited to, working with clients of all types to understand the current eco-

nomie environment, as well as talking with them about their risks. "Every day goes by where someone will contact me internally and say 'this is what I'm thinking, what do you think?' and it will take either a few seconds to sit there and answer them with what our perspective is on something or I have to turn out something for them that's a little bit more ... meaty. But that's all part of strategy.

'[I]n terms of knowing our clients well, and knowing our industries well, and coming up with unique ways to solve their problems ... I think that's where we kind of define ourselves.'

I'm accessible to anyone in the firm. You're dealing with all these entrepreneurial groups, but our group has a function of realizing synergies where they exist, too."

Other key leaders focus on keeping in close contact with clients. Despite his executive duties, Malter still prefers to work directly with clients, and is able to interact with them often, he says. "What I do more than anything is go out and sell insurance. I have some oversight responsibilities, but, to be candid with you, our people are so competent and capable that oversight takes minimal time. So where I spend my time is going out and developing business and helping those other people within our organizations develop business."

Another longtime leader at Mesirow is Dana Mikstay, senior managing director of Life and Disability, who has been with the company for 15 years working often with well-known entertainers across the United States. When Mikstay began her career over 20 years ago, she had no intention of staying in the business. "I think it was because of the sophistication I was exposed to so early on, and how beneficial it can be. I think that's why it was a more positive experience.

"Young people today, if they go work for an insurance company as an agent, they're asked to sit down and make a list of everybody they know and then they have to start approaching them, calling and prospecting. I learned how to do it in a different way and so I think that's why it made it a lot more attractive to me." Mikstay entered the insurance business in a different agency and learned how to run the business behind the scenes. She learned the terminology, how to work with carriers, and how to get policies issued. She took these skills to Mesirow. "It's a real art to be able to work between the client and your carriers and get all the loose ends tied up."

Innovation also plays an important role in Mesirow's success, says executive Debbie Kriepps, the firm's chief marketing officer who has been with Mesirow for 16 years. "For a small organization, we've done some innovative things," Kriepps says. "Not in your traditional definition of innovation in terms of being the first one out with a new technology or anything like that, but in terms of knowing our clients well, and knowing our industries well, and coming up with unique ways to solve their problems. I think that's where we kind of define ourselves."



Left to right: John Harney, senior managing director, Property and Casualty; Diane Swonk, chief economist; Richard Price, president and chief operating officer; Dana Mikstay, senior managing director, Life and Disability; Norm Malter, senior managing director, Property and Casualty

But success relies on more than just leadership.

“Collectively, it takes everyone to make this thing work,” Malter says. “I think that is the most important part of the culture.”

Insurance and Benefits

Clients rely on the insurance branch of Mesirow Financial for their many specialty groups. Their producers specialize in management liability, health care, condominiums, public and private entity practices, aviation, international, and more. Part of Mesirow’s health care services involves enhancing benefits plans, streamlining administration, and increasing employees’ awareness and appreciation of their benefits. They structure group insurance plans, health promotion programs, voluntary benefits plans, self-funded plans and key executive programs for almost any size business.

Mesirow’s Consulting division is comprised of two groups: Mesirow Financial Consulting and Compensation and Executive Benefit Strategies. While they operate independently, the divisions share a similar objective — to provide advice that can help ensure their clients’ future success.

Mesirow’s large employee benefits account for around 35 percent of its revenue. This group is responsible for group health plans and Life and Disability plans. The group also writes plans for individuals.

‘Collectively, it takes everyone to make this thing work. I think that is the most important part of the culture.’

Mikstay specializes in Life and Disability plans for individuals, families and corporate owners. “It’s all that I’ve done over my entire career,” Mikstay says. “I love what I do. It’s not always an easy business, because it’s a very intangible asset. You have to talk about things that don’t always make people comfortable, like death and disability and taxes and things of that nature. But we use this product to fund a lot of really wonderful planning ideas for clients, and I love it.”

Social Responsibilities

Community support is another vital part of Mesirow, and the staff practices this through a wide range of civic and community services.



Richard Price, president and chief operating officer

Malter says Mesirow donates to charities helping children and health care. “It’s really an important part of our culture. We don’t spend money marketing on TV or in print. Our work and the way we spend our discretionary dollars is to give it back to the community, which we’re part of, and that’s in the form of charitable works.”

Many employees at Mesirow offer their time and financial support to charitable organizations as well.

“You can have the day off to contribute your time,” Krieps says. “Not just send a check, but really to be active and be involved and make a difference.” Krieps is involved with an organization against domestic violence, and has participated in her children’s schools for years.

Mikstay has worked for 15 years as the treasurer and board chair of the Chicago Foundation for Women, the largest all-women grant-making organization in the United States. She also sits on the board of the only public, all-girls charter school in Chicago.

The Predicted Future

Swonk believes the U.S. economy is on the way out of the crisis, but financial market conditions are still fragile. “We’re not done yet,” Swonk says. “We’re on the mend, but economists tend to under-predict recoveries. Even the most bullish of economists are only predicting about 4 percent growth this year; and the reality is, even if we get to 5 or 6 percent, it’s still sub-par.” Swonk

believes this economic crisis could have been at the level of the depression. “It’s very hard to tell people, it’s bad, but it could have been so much

worse. I’m not being Pollyanna by saying we’re in a recovery right now; I’m saying I understand it’s really bad, and I’m just glad it’s not worse.”

So what does this mean for a 73-year-old firm founded by a man who dared to take risks in a time of depression? Though the declining stock market depressed values in some of Mesirow’s investment management businesses, the market volatility fueled growth in other segments. These counterbalancing effects allowed Mesirow to manage the downturn, as well as to take advantage of opportunities to grow and expand in other areas. Remaining independent and the firm’s dedication to long-term client relationships will continue to keep Mesirow successful in the years to come. ■



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Innovative Solutions.

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