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2010 CHAMPION

IMA Takes 'Agency Of The Year' Award With Service-Oriented Corporate Culture

Employee ownership, emphasis on new blood and community involvement set winner apart

BY LAURA MAZZUCA TOOPS

A WINNING BUSINESS MODEL, a corporate culture focused on employee ownership and a commitment to "doing things right" in their communities helped earn Denver-based IMA Financial Group this year's overall "Commercial Agency of the Year" award.

In addition, IMA was given two specific category awards—for sales and marketing, as well as customer service (see sidebars)—as part of the 2010 Commercial Agency Awards for Excellence program, run jointly for the first time by National Underwriter and American Agent & Broker.

With roots in Wichita and an early recognition of the importance of claims excellence and loss control services, IMA has grown from the eighth-largest brokerage in Wichita to a well-oiled machine with additional offices in Denver, Kansas City and Dallas, clients in all 50 states, more than 400 employees, and commercial lines premium volume of over $620 million for 2009.

Meanwhile, through its 30-year relationship with Assurex, IMA also has grown a global footprint, helping it to deal with clients with international needs.

When asked to summarize in one sentence the "secret" of IMA's success, Chair and CEO Robert L. Cohen said: "We are making a difference that people are attracted to and want to be a part of, something that's aspirational."

▶ **"WE ARE MAKING A DIFFERENCE** that people are attracted to and want to be a part of—something that's aspirational," says IMA Financial Group Chair and CEO Robert L. Cohen (middle), flanked by (left) Kurt Watson, president and chief operating officer of IMA Financial Group Inc., and Bob Reiter, president of IMA Inc.

It's a formula that serves IMA well, and one that the brokerage stands by, no matter the market cycle or economic condition.

EMPHASIS ON CULTURE

There's a difference in the IMA corporate culture, one that's almost palpable on entering an IMA office, Mr. Cohen said. Part of the feeling comes from IMA's 100 percent employee-owned structure, which emphasizes perpetuation and new blood. (The average age of an IMA employee is 34, while the average age of shareholders 45 to 48).

The other difference is IMA's commitment to meeting all of its customers' needs through a full range of services—not only insurance placement, but risk control and safety consulting, claims handling, contract management and captives/alternative risk-transfer, when needed.

The third element of IMA's unique approach is its commitment to community, both through a foundation that funnels a percentage of IMA profits to each of its

operating divisions to give back to the communities they operate in, as well as the IMA community action committee, which allows employees to volunteer on company time with groups like Meals on Wheels, Volunteers of America and other charities.

"One of our core values is balance between the pillars of work, family and community," said Mr. Cohen, whose father and grandfather were among IMA's founders. "What's real in this company is balancing all three."

IMA began in Wichita, founded in 1973 through the merger of three family-owned businesses with deep roots in the region. It was the eighth-largest broker in the city, its growth spurred by a business model emphasizing risk control and value-added services—now considered agency musts, but at the time revolutionary, since carriers historically handed such services.

IMA primarily grew in Wichita until the 1980s, when the principals determined that the agency's successful business plan could be transplanted to other locations.

"We had to determine whether it was really the business model or our local relationships that had helped us grow," according to Mr. Cohen.

To put a toe in the water, IMA opened an office in Topeka and quickly learned that the business model worked and was transportable to other communities.

By the late 1980s, IMA had an office in Denver, launched by Mr. Cohen, and added a wholesaler in the 1990s.

"Expanding into the Denver marketplace was the turning point in the history of the company. After that, we grew exponentially," noted IMA's president and chief operations officer, Kurt D. Watson.

GROWTH VIA SPECIALIZATION

Today, IMA continues to grow, in spite of the recession and soft commercial insurance market in most regions and sectors.

The key is the establishment of specialty practice areas and capabilities—including aviation, biofuels, management liability, construction, energy and wrap-up programs, to name just a few.

The agency seeks opportunities in underrepresented areas, or in rethinking traditional programs—such as its unique program for the oil and gas industry that avoids previous coverage gaps by including pollution and underground equipment while adding new coverages such as extended care custody and control.

CHAMPION AT A GLANCE

- **Location:** Denver, Colo. (with offices in Wichita, Dallas and Kansas City
- **Website:** www.imacorp.com
- **2009 Commercial Premium Volume:** $620 million
- **Principals:** 15 executive team members
- **Employees:** 456
- **Points of Distinction:** Employee-ownership, next generation perpetuation emphasis, growth via specialization, 30-year relationship with Assurex

A large part of IMA's sales focus and market differentiation comes from its specialized, proprietary programs for specialized market segments. Three of these are:

- **Life IQ,** IMA's health risk management practice, which helps businesses integrate employee wellness and health intervention into benefits plans to create a tangible return on investment from their benefits insurance costs.
- **Human cellular and tissue industry program,** part of IMA's technology and life sciences practice, a groundbreaking program that delivers a holistic product to insurance and risk management for this industry.
- **Chamber Health Plus,** a discounted employee benefits and wellness program area specifically designed for the Denver Metro Chamber of Commerce, based on Anthem group health plans and expanded to include a wellness program addressing the real health issues and insurance cost drivers at member organizations.

To engage its sales force, IMA compensates its producers with a percentage of commission and fees based on the production and retention of their book of business. Goals are high.

"Most agencies would say if you have a producer who does $100,000 in business in a year and $1 million over the course of their career, that was good," according to Rob Cohen. "We looked beyond that to see if our sales people could produce $1 million in one year, and we're now closing in on an average of $300,000 per year. Some of our sales people have $5 million books of business, and we have had producers do $1 million in new business in one year."

Of course, the current hard times have hobbled some of that growth—both premium volume and commercial lines income were down in 2009—but down doesn't mean out.

"The economy is a challenge no matter what shape you're in, but it doesn't have to be a death blow," Mr. Cohen said. "People talk about flat being the new good, but when you're used

CATEGORY AWARD #1

IMA Sets High Standard On Sales & Marketing Efforts

BY LAURA MAZZUCA TOOPS

WITH A STABLE OF 51 commercial lines producers and top carrier partners, IMA is positioned to serve its primarily commercial lines clients (comprising 70.4 percent of total income) with whatever they need to protect their businesses.

From its inception, IMA has focused on risk management and value-added services—something of an anomaly when the agency was formed in 1973.

"Although the company had a vision for where it thought the industry should go, back then these services were provided by carriers," recalled Chair and CEO Robert L. Cohen. "It was unusual for a broker to provide services like that."

Atlanta-based Reagan Consulting estimates that brokers on average spend 3.8 percent of their revenues on claims and loss control services for clients—IMA invests 8 percent on these critical support functions.

IMA also employs 15 risk control consultants across four offices, each selected for their expertise and problem-solving skills within a specific industry sector such as construction, oil and gas, hospitality and manufacturing.

Other employees have experience in areas such as fire protection, crisis management, industrial hygiene and ergonomics, providing clients with access to whatever professional advice they may need.

IMA markets itself as a strategic partner to clients in protecting assets and making a difference. The company refined its brand after conducting a comprehensive client and internal survey. Clients said that knowledge, access and passion were the three main characteristics they valued in IMA, so those attributes form the basis for the key messages about IMA. NU

to growing, it's hard to get excited about flat or marginal growth."

However, whether the market is soft or hard, IMA plans on sticking to its business model for the foreseeable future.

"I have no idea what's going to happen five years down the line, but in our business, the market is soft 16 out of 20 years, so if you don't have a business model that addresses this, you should get into a different business," added Bob Reiter, president of IMA Inc. "When the hard market does come, we will be in a good position because we're problem solvers."

Although IMA has reaped the benefits of being large, with plenty of resources to draw from, size doesn't have to be a prerequisite for success—it's more important to know who you are and be able to clearly articulate why you're different and how that benefits the customer, according to Mr. Cohen.

"There are a lot of people out there and you must be able to find your business's value proposition and articulate it clearly," he said.

Specialization is important as well. "Being a generalist in this day and age doesn't work. Find an industry or industries where you can become an expert and that will be part of your differentiation."

This issue is especially relevant to Mr. Cohen, who moved to Denver in 1989, during another bad economy, to run part of IMA's initial expansion.

"Your business strategy and thought process should not change based on external environment," he said. "Figure out who and what you are, and be it, regardless of the market. What changes is your tactics and how to attack the market."

A laser focus on sales is also indispensible, he asserted. "This economy is losing so much in size, with exposure rates going down, that the core of our commission is going down, too," he noted. "What's sustaining us is new business sales, which helps growth. You have to focus on the sales side for the long term, not the short term."

It doesn't hurt to have fun, either. "One of the measurements of success I use is to walk around the office and see if I hear laughter," Mr. Cohen noted. "People spend a lot of time here, and we want to make sure they enjoy it." NU

▶ **IMA'S NEW DENVER OFFICE WILL BE** the first commercial building in the Union Station Neighborhood redevelopment, a state-of-the-art transportation, commercial and residential hub. At the redevelopment site stand (l-r) Kurt Watson, president and chief operating officer of IMA Financial Group Inc., Rob Cohen, chair and CEO of IMA Financial Group Inc., and Bob Reiter, president of IMA Inc.

▶ **Laura Mazzuca Toops** is Editor of *American Agent & Broker*, part of Summit Business Media's Property & Casualty Media Group, which includes *National Underwriter*.

■ CATEGORY AWARD #2

IMA Boosts Customer Service By Acting As Trusted Advisor

BY LAURA MAZZUCA TOOPS

IMA IS COMMITTED TO BEING A valued advisor to its clients, not just a peddler of insurance policies.

"Business owners trust IMA because we think like business owners—and as employee owners of IMA, we are," according to its award essay submission.

Examples of successfully anticipating the needs and solving the problems of customers include:

▶ A condominium and retail development, which became an IMA client after selecting them to broker a major construction defect repair project.

IMA went head-to-head with another broker that had a long-term relationship with one of the building's original contractors and won by offering more coverage in key areas for roughly the same amount of premium—such as flood and earthquake coverage and a longer tail on pollution coverage. IMA also offered in-house claim management and wrap experience.

▶ An organization facing escalating claims costs due to a dysfunctional health care delivery system turned to IMA, which found the business a clinic management partner, pharmacy site manager and pharmacy benefit manager.

IMA also identified and selected vendors, established an overall health care strategy, developed plan design changes and incentives, and established a comprehensive wellness program—including health risk assessments, biometric health screenings and employee wellness incentives.

Total plan costs went down 12 percent from the previous year and 24 percent below the year's predicted increase.

▶ An IMA contract review of a large energy service contractor uncovered a costly and outdated program design more suited to a small company. IMA redesigned the program to fit the business's size and geographic presence and negotiated lower rates and more comprehensive coverage with carriers, resulting in a program that saved the business more than $750,000.

▶ One client credited IMA with changing its financial outlook for the entire year after a coverage review and subsequent insurance placement saved the business nearly $1 million on a loss that wouldn't have been covered before. NU

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