

## WE'RE IN THIS FOR THE LONG HAUL

### *Family-owned MGA rules the road on trucking risks*

By Elisabeth Boone, CPCU

In the depths of the Great Depression, most people were watching their businesses collapse—not starting new enterprises. One man who bucked that trend was Walter Adam Schickedanz, who in 1931 decided to leave the life insurance business and open a managing general agency in Belleville, Illinois, just across the Mississippi River from St. Louis. In 1932 the agency received its first MGA contract, with Bituminous Casualty Corporation, and embarked on its mission of arranging specialty placements in a number of challenging markets.

This month marks the 75th anniversary of the W.A. Schickedanz Agency, Inc., and the firm is now in its fourth generation of family management. Over the last three quarters of a century, the agency has built a solid reputation for expertise in transportation and trucking risks. Other specialties are garage risks, monoline workers compensation and employers liability, special events, and liquor-related risks.

Carl J. Miller, the son-in-law of Walter Schickedanz, joined the firm in 1945 after returning from service in World War II and became president in 1968. In 1969, C. Jack Miller, Schickedanz's grandson, joined the agency; he has served as president since 1984. Steven C. Miller, Jack's brother, came into the agency in 1972 and currently serves as executive vice president and secretary. The most recent additions to the staff are great-grandsons David A. Miller and Michael A. Miller, who are Jack's sons. David, who is vice president and underwriting manager, joined the agency in 1998. Michael came on board in 2003 and is a commercial auto underwriter. Patrick Threlkeld, David's brother-in-law, is the agency's regional marketing manager.

W.A. Schickedanz operates as both an MGA and a surplus lines broker in southern Illinois and eastern Missouri. The agency owns and operates Interstate Risk Placement, Inc., in Peoria, Illinois, which transacts business in northern Illinois and Arkansas. Each agency works with approximately 600 retail producers.

“The bulk of our business comes to us from local agents who have just the occasional trucking risk and who seek our expertise



*W.A. Schickedanz Agency, Inc., is located across the Mississippi River from St. Louis, in Belleville, Illinois. The management team includes (from left): Jack Miller, President/CEO; Patrick E. Threlkeld, Regional Marketing Director; David A. Miller, Vice President; Michael A. Miller, Underwriter; and Steven C. Miller, Executive Vice President.*



*Mike and Steve Miller at a local construction company.*

and talent,” Jack says. “We also get business from specialists because we have access to markets that aren’t open to retailers, and because the retail agent can count on us to provide the kinds of services the insured needs.”

### Trucking is tops

Trucking and transportation business is W.A. Schickedanz’s largest market segment, and the agency entertains a wide range of transportation risks: local, intermediate, and long-haul trucking, including for-hire, fleets, or owner-operators; dump trucks, garbage trucks, ready-mix operations, tow trucks, emergency vehicles, public auto, driver training, and courier services.

For these risks, Schickedanz has binding authority with Acceptance Casualty, Argonaut Midwest Insurance, National Fire & Marine, National Indemnity, National Liability & Fire, Occidental Fire & Casualty of Illinois, and Universal Casualty.

In addition to trucking risks, Schickedanz writes a large number of other specialty lines and classes on both a binding authority and brokerage basis. The agency works with both domestic markets and Lloyd’s to place monoline workers compensation, monoline property, miscellaneous professional liability, products liability, monoline liquor and liquor packages, cargo, inland marine, and specialty personal lines.

Classes of business for which Schickedanz arranges coverage include general contractors, artisan contractors, EFIS (exterior finish insulation systems) contractors, industrial and welding contractors, and other contracting classes; mercantile, manufacturing, warehouseman’s legal liability, hotel, habitational, technology-related services including Internet service providers, day-care operations, health and exercise clubs, sports (camps, leagues, and events), garage risks, vacant properties, and special events.

Additional classes are light commercial vehicles, livery, limousines, taxicabs, and tow trucks; oil and gas operations, land improvement, utility, highway contractors, ready-mix operations, and commercial construction programs including workers compensation; high-value property (habitational, vacant, restaurants).

Looking at this list, one might be tempted to think that Schickedanz is the ultimate niche player that never met a specialty it didn’t like.

To the contrary, the agency’s principals are both cautious and deliberate about entering a new market segment. “Our first step is to see how well that market is being serviced in our territory,” Jack says. “Is it something that every Tom, Dick, and Harry who calls



*Jack and Dave Miller meet with John Small, CFO of the YMCA of Southwest Illinois, which is one of the agency’s clients.*



*The Miller family with the agency’s first (1932) MGA contract, with Bituminous Casualty Corporation.*

himself an MGA has a market for, or is it a situation with a problem where we can develop a solution that might be unique to us? In the kind of marketplace we're in today, that approach is a bit more difficult than it was a couple of years ago. We always want to be flexible and open to looking at new opportunities, because part of the advantage of being an MGA is that we can be more innovative in less time than a standard market," Jack remarks.

Integrity, experience, and commitment to service, the principals believe, give W.A. Schickedanz an important edge over competitors. "There are a lot of people out there who call themselves MGAs and surplus lines brokers," Jack says. "They're like the old adage: 'I have a pickup truck and a ladder, so I'm a contractor.' Our advertising theme is: 'We're in this for the long haul,' and our tagline is: 'We're a first-class market for first-class producers.'

"We really believe there's a place in the market for quality, and we try to sell quality: the ability of our underwriters to analyze the risk, and the breadth and quality of our markets," Jack explains. "We have no market that's rated less than A-, and when we've used a lower-rated market in the past, either we've had a long-term relationship with the carrier or we've known and understood the reasons behind the rating."

### **Technology rules**

Another way in which W.A. Schickedanz makes good on its commitment to quality is a highly sophisticated automation system that connects the agency's offices and links the firm electronically to its carriers and retail producers.

"We've invested heavily in technology," Jack says. "Four or five years ago we spent a significant amount of money to upgrade our system. We've grown tremendously since 2000 with very little need to hire additional personnel because of our investment in automation."

The agency's system, called ConceptOne®, performs multiple functions including accounting, policy management, claim management, open reporting, and workflow management. "Unlike our two previous systems, this one is designed exclusively to meet the needs of wholesalers," Jack says. "It's not a retailer system that has been jury-rigged to work in a wholesale environment.

"Our system allows us to track the activity of our producers, so we not only know what business they currently have placed with us, but we can also look at all of their submissions over whatever period we choose and see how many submissions we quoted, how many we declined, and whether we're spending our time

wisely with a producer. For example, if a producer has sent us 50 submissions in the last six months and we've only written two of them, we have to decide whether we're wasting our time.

Conversely, if a producer has submitted 10 pieces of business and we've written six of them, we want to figure out how to increase his submissions, because we know we're going to write 60% of what he brings us," Jack says. "Those tools are all built into our system and are available to Pat so he can analyze what the producers are doing."

For 30 of its 75 years in business, principals of the W.A. Schickedanz Agency have kept their professional and competitive edge through active involvement in the American Association of Managing General Agents (AAMGA). Jack has served on and chaired several committees over the years, and his son David currently serves as senior vice chair of the association's Under Forty Organization (UFO).

"We believe the resources provided by the AAMGA enable our executives to efficiently interact and network with colleagues and associates from around the world," Jack says. "We see AAMGA-sponsored events as opportunities to communicate with key players in the industry and to effectively build our business. The educational opportunities allow our staff and underwriters to stay abreast of current trends and regulatory/compliance issues."

## Trucking trends

As a wholesaler that has specialized in trucking and transportation risks for 75 years, the Schickedanz agency has experienced firsthand the gyrations of a market that is heavily influenced by changes in the economic, legal, regulatory, and labor environments. We asked Jack Miller to identify what he sees at the key trends currently affecting this market.

"First, pricing has become more competitive, simply because over the last several years carriers were able to bump their rates up significantly," Jack observes. "We're seeing increased competition particularly on the larger risks, coupled with the fact that some of the major standard carriers are now going after risks they previously weren't involved in. Our problem is that we're being beaten significantly by standard carriers. I've been in this business for almost 40 years, so this is not my first rodeo," he says wryly. "Over the years, I've learned to live with these turns in the market. Some of the business that comes to us easily in a hard market probably is going to be the first to go away when the market softens. We try to hang on to what we have and do our best with it."

At the W.A. Schickedanz Agency, four generations of committed family management have generated steady growth, strong relationships with retailers and carriers, and an unquestioned

reputation for integrity. As they prepare to celebrate their 75th anniversary, the agency's staffers can look back on decades of solid accomplishment and forward to continued success in some extremely challenging markets. \*

**For more information:**

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