

Clements Finds a Niche in Some Of the World's Most Dangerous Places

By Alyn Ackermann, senior associate editor, BestWeek

WASHINGTON June 26 (BestWire) — In an uncertain and increasingly dangerous world, Clements International has carved out a niche as a provider of insurance services for Americans living and working overseas.

The Washington, D.C.- based company works with agents and brokers in the United States and globally to supply individual and group coverage for a full range of risks, from terrorism to personal automobile.

Clements' clients include government employees and employees of government contractors, employees of non-governmental organizations providing aid and disaster relief around the globe, and individuals working overseas for U.S. companies.

Part of Clements' job is to act as the broker to the brokers, connecting domestic and foreign providers.

"In some cases, yes, we do serve in that intermediary role," said Lloyd Yavener, Clements' vice president for marketing. "We also are an MGA on some products, and we're cover holders with Lloyd's of London, so we have our own binder with London for group and individual medical internationally."

Yavener said Clements has a large number of clients in Iraq and Afghanistan, providing Defense Base Act workers' compensation and other covers to civilian employees of the U.S. military, insurance for other U.S. government employees and military contractors. It also does terrorism, kidnap and ransom and personal accident.

Not surprisingly, coverage in war zones can be difficult and expensive to place, Yavener said.

He cited the example of a client who contracted to supply 6,700 Ford Ranger trucks for use by Afghani police. Clements looked to Lloyd's to place the terrorism coverage, but the London underwriters thought the trucks presented too fat a target.

Lloyd's eventually agreed to provide the cover - but for shipments of only 20 Rangers at a time, and no more than 60 per week. It took more than two years to complete the contract, Yavener said.

"If you can't find the coverage, the communications start going back and forth: 'Well, how can we get this covered?' And they say it's an aggregation issue. So they were

saying if you break it up and deliver these over time, it's less of a target, and Lloyd's was comfortable providing that," he said.

Clements was started in 1947 as Clements & Co. by Robert Clements and his wife, M. Juanita Guess. The company worked solely with government employees for nearly 30 years before branching out to other clients.

Now headed by Jon Clements, son of the founders, the company's Web site says it has more than 60 employees working with a network of 60 domestic and international brokers for thousands of clients in more than 170 countries.

Clements works with small and midsize businesses, Yavener said. "We stay away from the big-elephant hunting."

A new field for Clements, Yavener said, is providing coverage to businesses that package "medical vacation" trips for clients having plastic surgery and other procedures in foreign countries. The company also is seeing an increase in kidnap and ransom insurance for American students attending foreign universities.

One part of the Clements' business, Yavener said, is providing personal coverage to members of "expatriate communities" of Americans around the world.

"When we go visit the embassy, people know we're coming, and there will be people lined up with questions," he said. "When people are overseas, they love that sense of home."

Clements' unique business has spared it from the soft market cycle hammering profits at many domestic brokers.

"I think it's a delayed phenomenon, and one that is probably not as great, because the markets are not that competitive," Yavener said. "Some of the risks that we place are very unique."

Clements adheres to official restrictions on doing business in certain countries - currently Cuba, Iran and North Korea - but otherwise will find covers for almost any kind of risk, anywhere in the world, Yavener said.

"From a broker standpoint, our goal is, if someone comes to us and says we need coverage in an environment that's difficult, or pricey, our job is to find them that product," he said.

(To view an interview with Clements International's Lloyd Yavener, please go to www.ambest.com/conversations)