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INSURANCE JOURNAL  
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## Armed & Ready to Outsell the Competition

West Coast's InterWest Insurance  
Services Remains Militant on Sales



INSURANCE JOURNAL

**TOP 100**  
AGENCIES

Left: Tom Williams, chairman  
Right: Keith Schuler, CEO

# Armed & Ready to Outsell the Competition

West Coast's Interwest Insurance Services Remains Militant on Sales

By Ted Huntington

When a former Special Forces Green Beret and the former captain of one of the nation's most heralded prep school football programs set out on a mission to double the revenue and premium volume of their insurance agency, they mean business.

The former Green Beret is Tom Williams, 74, chairman of Sacramento-based InterWest Insurance Services Inc. InterWest ranks No. 12 on *Insurance Journal's* list of top insurance agencies in the nation. The task of overseeing InterWest's daily operation was recently handed over to its newly appointed CEO, 47-year-old Keith Schuler.

Williams, who combines country charm with the wisdom of a wily business executive, knows what it takes to be successful — no matter what the endeavor. Schuler, who, as a teenager, captained Concord, Calif.'s famed De La Salle High School football team, learned early on in life the values of hard work, teamwork and commitment.

Earlier this year InterWest announced plans to double the size of the agency's business and increase premiums managed by the firm by an additional \$500 million. Some may view such expectations as unrealistic, given the lengthy soft market and the current economic conditions of both California and the nation. But for Williams and Schuler, there is no hesitation or doubt they will surpass their goals.

## InterWest Is Born

In the early 1990s, Lindo, Hanna and Abbott, Sacramento-based Noack and Dean, Insurance Associates of Redding, Calif., and later, the Insurance Center of Merced, Calif., merged operations to create InterWest Insurance Services in 1992.

Today, InterWest boasts more than 340 employees, revenues of \$51.7 million and transactional policy premiums of \$519.6 million. Headquartered in Sacramento, InterWest's market area spans from California's East Bay to Lake Tahoe and from Bakersfield, Calif., to the Oregon border. There are nine InterWest offices throughout California.

In the mid-1990s, InterWest tapped Schuler to lead the company's new Northern Division. The success of that operation led to Schuler's

recent appointment as InterWest CEO. Schuler readily admits that since becoming InterWest's CEO he has had a difficult time finding the "shut off switch." Even when he does get some much-needed rest and relaxation, it still seems to involve challenging situations. Schuler is an avid outdoorsman who spends time in the mountains and at his home

in Lake Tahoe — his place to unwind. One of Schuler's recent adventures was helicopter skiing.

Following Williams' Special Forces military duties he entered the insurance industry as a claims manager/investigator for a national claims organization. He later formed and ran several successful insurance management entities prior to founding InterWest. An accomplished author, Williams' "Dynamics of Selling 2000" is considered one of the standard sales and marketing training tools within the insurance industry. He has also penned numerous trade articles on sales and management for the insurance industry. Like Schuler, Williams is an outdoorsman at heart. He is an accomplished pilot, an underwater diver and skydiver with more than 500 jumps to his credit.

## A Sales Organization

The InterWest team does not lose sight of the fact that they are first and foremost a sales organization. Schuler says, "It is invaluable that for the past 20 years I have been heavily involved in selling and producing business. I have never wandered away from it." Schuler makes it a point to stay very connected to InterWest's sales process. "It's more than just placing coverage," Schuler adds. "We are an organization that provides business solutions. We stay involved with our clients. We are a sales and service organization."

Williams explains that to InterWest, sales is not a numbers game. "To us, our belief is that you bring

in clients one at a time. Particularly now in the soft market you see a lot of 'merger mania.' That's what happens when you've been in a soft market four to five years. Usually, as a rule, the weaker players that haven't focused on recruiting the best sales people or put them through a thorough training and development program are forced to

### Insurance Journal Top 100 Agency Profile

**RANKING: No. 12**

#### Agency Name:

InterWest Insurance Services Inc.

#### Headquarters:

Sacramento, Calif.

#### Year Founded:

1992

#### Additional Locations:

9 locations in California

#### 2007 Property/Casualty

##### Premium:

\$519.6 million

#### Other than P/C Premium:

\$93.9 million

#### 2007 Revenues:

\$51.7 million

#### Principals:

Tom Williams, chairman; Keith Schuler, CEO; William O'Keefe, division president; Steve Azevedo, division president; Don Pollard, chief financial officer; Rich Pratt, secretary.

#### Number of employees:

340

### InterWest, continued from page N19

merge in order to grow.”

InterWest’s sales process begins with the hiring of new employees. “It’s about attracting good producers,” Schuler says. “With our internal resources we can provide great opportunities for people coming into the industry.”

InterWest’s leaders expect a lot from their producers as well. Their producers must be committed and disciplined, and in return InterWest’s producers reap the rewards of their hard work.

In an industry where it can be tough to find new sales talent, InterWest has been able to develop a successful formula for attracting skilled producers. InterWest frequently looks for producers who have been forced to endure unstable management situations.

“There are a lot of good sales people who worked for an agency that sold to a financial institution or that went through a series of new bosses,” Williams said. “One thing they get with an organization like InterWest is predictability. We are an ideal place for a producer

### ‘We’re focused on high retention levels and on producing business in industries where we can have a meaningful impact.’

with a proven track record.” Williams adds that InterWest’s commitment to remaining fiercely independent is very appealing to producers who have had to endure buy-outs and mergers and an unstable work environment.

### Outselling the Competition

In order to surpass the organization’s goal of doubling its size, InterWest has placed a lot of its trust in the ability of its sales force to simply outsell the competition. While other agencies may grow through acquisitions and mergers, InterWest’s visionaries believe nothing beats good old sales skills.

Schuler says there may be a time and a place to bring on additional strategic partners through a possible merger. But, right now they are focused on retaining their good clientele by providing an extremely high level of service.

“We want to be one of the best brokerage firms in the Western U.S. We will provide the best platform for our sales staff to attract the best clientele,” Schuler adds. “We’re focused on high retention levels and on producing business in industries where we can have a meaningful impact.” InterWest employs more than 100 producers who have the ability to canvas the northern California area for the right clients that fit with the InterWest family.

InterWest’s clients agree.

Rick Smith, president and CEO of Tri Counties Bank, headquartered in Chico, Calif., has been an InterWest insured for two decades. Smith says Tri Counties Bank was initially attracted to InterWest’s ability to develop a strong relationship with the bank. “The people at

InterWest are very proactive. They are looking ahead and looking to see what changes are going on in the industry. They meet with us frequently so we can make educated business decisions. They understand our business

very well. Not a lot of people understand the banking business.”

### Perfecting the Niche Game

Another important element of InterWest’s growth plan involves the continued development of the firm’s niche programs.

Schuler developed his knack for niche marketing during his years with Chubb. While with Chubb, Schuler worked on a program endorsed by the Professional Golfers Association (PGA). He learned how to market traditional coverages to golf and country clubs and eventually managed insurance programs for some 60 golf and country clubs.

Schuler brought his unique experience in developing niche programs to InterWest. About seven years ago a small group of golf courses in the Monterey, Calif., area were facing extreme swings in the workers’ compensation market. InterWest explored various options and developed a self-insured group very unique to the golf course industry. The tightly controlled, successful self-insured group — called Elite Golf — now includes about 20 clubs.

Mike Bowhay, general manager of Monterey Peninsula Country Club, is chairman of the Elite Golf group. InterWest has been Monterey Peninsula’s insurance agency for about 10 years. Bowhay says he has been extremely impressed with Schuler’s ability to think outside the box. “When we discussed our workers’ compensation problems, Keith did not bury his head in the sand. He came up with some real, viable options. I have always been impressed with the individual attention we receive from InterWest.”

Bowhay says InterWest is a large agency that treats each client like it’s their most important policyholder. “They are extremely responsive — more so than any broker I have ever dealt with. They act more as a partner than as a broker. No issues are left unresolved.”



From Left to Right: Tim Crane, Steve Azevedo, Craig Houck, Dave Dias, Don Pollard (sitting in front), Keith Schuler, John Hopkins (standing in back), Tom Williams (sitting in front), Rich Pratt (standing in back), Bill O’Keefe (standing in back), Steve Williams (sitting in front)

InterWest gives considerable thought to its niche programs. Williams explains, "When we put together InterWest's niche programs we wanted to make sure that there was one person at InterWest with significant expertise in each category." In addition to serving as a business advisor to golf and country clubs, InterWest's niche programs also include construction, agriculture, residential and commercial property management, light industry and financial institutions.

Some of InterWest's niche programs have been implemented simply because of the great abundance of potential business. For example, construction is everywhere. In some areas of the state, agriculture is a vital market segment. On the other hand, other niches often relate to one of the producer's special interests. The golf program is one example of a niche that arose out of Schuler's passion. InterWest will work with a producer to see if their recommended niche is worth investigating. Management identifies whether the firm can become the very best at servicing that industry. If not, they will pass.

### Fiercely Independent

About a year ago InterWest brought in a consulting firm to conduct a strategic planning session, as the agency does every five years. The consultants asked InterWest's 30 owners and shareholders about their top priorities for the organization. Consistently, the number one response was to remain independent.

Needless to say, independence is at the core of InterWest's values. It is what Williams and Schuler believe separates InterWest from its competition. There is a strong sense of pride among the InterWest leaders — and they steadfastly refuse to allow any outside organization to alter their course, their strategy or their commitment to their goals. This closely resembles the kind of commitment one would see from a championship football team and a powerful military: everyone is on the same page and everyone clearly understands the goals.

"If you look at the majority of the producers in our organization," Schuler explains, "they came to work for InterWest for one reason.

**'[T]he weaker players that haven't focused on recruiting the best sales people or put them through a thorough training and development program are forced to merge in order to grow.'**

That was to have the independence and the ability to create a career with an organization with which they can be proud."

This independent thinking has attracted several young visionaries to InterWest. As Williams is quick to point out, aside from Williams himself, the average age of their management team is in its mid-40s.

### The Community and Its Relationships

It is not enough for InterWest to be profitable and to grow. It is just as important to give back to their community. Their belief is that giving back goes hand-in-hand with prosperity.

Williams says, "We have made donations to over 200 charities throughout our organization."



Keith Schuler,  
CEO



Tom Williams,  
chairman

Giving back to the community is much more than just hanging out a shingle. It's about caring for the well being of your community. Schuler comments, "The level of commitment we have to the community where we reside goes beyond the financial giving. It predates InterWest. It is the human side of the business. All of our staff members for the most part volunteer time in their community."

InterWest's independence also allows it the freedom to continue to foster relationships as it sees fit — without any outside distractions. Relationship building is vital to the organization — whether it is with clients, staff or carriers.

All InterWest staff members are dialed into the organization's plan. As Schuler explains, "If you can get 100 percent of your staff engaged in the process of where you want to take the organization, it creates a level of excitement and energy that is unique in this industry." Schuler adds, "Everyone, from our receptionist to our largest producer, understands our goals. This creates a lot of energy and it allows us to move swiftly toward our goals."

It also helps that the staff has a stake in the success of InterWest. One hundred percent of the stock is owned by employees of the company. Williams says, "Our people know that we are an organization with a lot of integrity and we look after our folks."

InterWest has built a reputation as a firm that is committed to ethics and integrity. They work diligently to understand their carriers' needs and changes to the marketplace that impact their carriers. That understanding is critical for InterWest and its clients. The agency-carrier relationship is a two-way street. Schuler notes, "It is important for us to make sure our carriers understand our goals and how they can help to facilitate the best possible product for our clientele."

One word that can be used to describe all of InterWest's operation is accountability. Everyone is accountable for his or her actions — from the receptionist, to the producers, to the CEO, to the chairman of the board. And the agency's visionaries work diligently to make certain they hire employees with strong character and integrity. This ability to formulate the strongest possible team and to provide the tools needed to succeed goes way back to Schuler's days at De La Salle High School and to Williams' days in the military. ■