

# WESTCHESTER COUNTY ALL ABOUT BUSINESS IN NEW YORK'S GOLDEN APPLE BUSINESS JOURNAL

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## Insuring success

*Firm's clients  
do well by  
doing good*

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Back in the mid-1980s, when he was an employee of his father's New Rochelle insurance agency, Adam Friedlander scammed down the "Inc. 500" list of the fastest small companies in the country.

"I said to myself that I wouldn't find insurance companies on that list — we were a slow-growing industry — but on it there were three insurance firms with innovative, unique products," Friedlander said. "And that really became part of the catalyst for me to change. I was frustrated with our slow growth."

Later, a potential customer told Friedlander that instead of saving a sig-

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COMPETITIVE EDGE: FRIEDLANDER GROUP INC.

From left: Adam Friedlander, president of Friedlander Group Inc., and Ruth Guzman, manager at the McDonald's in the Westchester Pavilion in White Plains. Friedlander says the worker-compensation practice now makes up about 65 percent of the company's revenues, compared with 35 percent for the rest of the company's business.

Business Journal photo by DAVID TOTH

# Insuring success —

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nificant amount of money by choosing Friedlander's firm, he would stick with another insurance company that was administering his company's worker's compensation plan. Friedlander decided that was the niche to get into, and by 1992 he did.

For the three funds directed by the Friedlander Group, only businesses that have good safety records are allowed to join, and when they do, the insurance company warns them if they are about to submit claims that they would ultimately wind up paying more for an increased premium. The result: Friedlander's worker-compensation funds cost clients about half of the state standard amounts.

From \$5 million in premium payments in 1992, the firm has grown to \$55 million in premiums last year — an average 19 percent rate of growth.

Friedlander, now president and owner of the company, said he did not want to disclose the company's annual revenue, but said it grew 15 percent last year and was somewhat below that so far this year. That's still well above the estimated 4.7 percent growth in premiums for insurance sold last year, according to Robert Hartwig, chief economist for the Insurance Information Institute, a nationwide organization headquartered in New York City.

Tim Dodge, director of research for Independent Insurance Agents and Brokers of New York, a statewide trade group based in Dewitt, said 15 percent growth in the industry is "the same or somewhat better" than other insurance companies administering worker's compensation groups.

The worker-compensation practice now makes up about 65 percent of the company's revenues, compared with 35 percent for the rest of the company's business, almost all of which is what an independent insurance agency traditionally does, Friedlander said.

## SUCCESS

"The key to safety starts with management and their concern about the well-being of their employees, and it comes through in different ways, whether it's proper training in their field or the maintenance of their housecleaning, making sure their aisles are clean, their floors are not wet, their hiring of people who are safety-conscious and care about what they're doing," Friedlander said. "We find that where that exists, there are low claims."

Friedlander Group both sells the worker's compensation insurance directly to companies and also sells through other independent agencies across the state. If Friedlander sells the insurance directly, it also offers customers other kinds of insurance, just like the company that frustrated Friedlander before he got into the worker's compensation field.

Since Friedlander already knows the



ADAM FRIEDLANDER, PRESIDENT, THE FRIEDLANDER GROUP INC., PURCHASE

### What was the most important lesson you learned in running the company?

"You can't really motivate people. What you can do is create an environment within which motivated people can thrive. We have beautiful office space. We have a great product line, we invest a lot of money in marketing to give them top sales, we give them top technology, we have a welcoming, secure environment and if they're motivated, they can hit a home run here."

### What advice would you give to those who want to succeed in business?

"Focus on your unique abilities, find what you do best and then stick with it, because the specialists generally do better than

the generalists. The other thing is that in order to get different results you have to do things differently. You can't do the same thing and expect to get different results."

### What do you do to unwind?

"I like to go sailing. I like to play tennis. I play guitar. I like to read. I like to be with my family, we go skiing."

### What part of your job do you like doing most?

"I like selling and helping our employees grow. Coaching my employees."

### What part of your job do you most dislike?

"The paperwork and administration."

customer is safety conscious with employees, he can negotiate with carriers for lower rates for casualty, property and other insurance, because a safety-conscious client is less likely to get into other problems as well.

"Just as the employee is not going to fall on a wet floor, the customer isn't," he said.

Hartwig, of the Insurance Information Institute, said the strategy seems sound: "In business insurance lower-than-average risk in one field tends to also imply lower-than-average risk in other areas."

## NOW

Friedlander's company is a manager of three of New York state's worker's compensation "safety groups," businesses within one of the different industry classifications that pool together their premiums to fund worker's compensation claims. Some industry classifications have more than one safety group. The Friedlander Group administers safety groups for restaurants, retail businesses and wholesale businesses.

As manager of its three safety groups, the company's job is to market the group plans, to act as a gatekeeper in letting busi-

nesses join or stay in the program, and to advise businesses when they might not want to submit a claim to the state.

The state Insurance Department holds the money in the compensation funds and pays it out to disabled workers, and it also ultimately sets the cost of each safety group, although it generally accepts the advice of Friedlander's company in setting those rates.

Peter Samaha, president and owner of Alps Management Inc. in Armonk, which owns and operates 13 McDonald's restaurants in Westchester and the Bronx, said he likes the way Friedlander Group maintains standards for members of the safety group his company joined.

"If they see a problem, boom, they attack it right away," Samaha said. If a business begins to file more claims, they keep in touch and, if necessary, advise the business on how it might have a safer operation, he said.

## THIRD GENERATION

Adam Friedlander's grandfather, Harold Friedlander, started the business in 1924 on Nassau Street in Manhattan. When Harold's son, Bert, took over the company, he moved it to New Rochelle and

ran it until it passed to his son, Adam, in 1995. Eight years later, in 2003, he moved the company to 2500 Westchester Ave. in Purchase, just off Route 287.

This year the company has an agreement with The Business Council of Westchester to advise its members on which safety groups they might join to buy worker's compensation insurance.

Since 1992, when Friedlander changed the company's focus by concentrating more on administering worker's compensation programs, "we've basically been implementing the plan for the past 13 years," Friedlander said. "We haven't really changed our direction so much since then. We've been just trying to implement it and increase our goals as we went along."

"I think you're better off if you have a great product and you have an OK salesman, that's better than being a great salesman with an OK product," Friedman said. "When we changed our product and focused on it, we had dramatic growth. When we were a generalist, we didn't have any unique distinction."

For the future, he said, expect more of the same. By 2010 he hopes to grow the company to \$100 million in premiums, about double what it is now.