

# HCG

2014 vol.07

The Heffernan Group



HEFFERNAN  
BRANCHES  
OUT!

WALNUT CREEK    PORTLAND  
SAN FRANCISCO    ST. LOUIS  
MENLO PARK    NEW YORK  
PETALUMA  
LOS ANGELES  
ORANGE COUNTY

HG MAGAZINE  
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For the last four years,  
HG Magazine has been  
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the American Business  
Awards (aka "The Stevies")  
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See [stevieawards.com](http://stevieawards.com).



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# Still Growing

The theme of this year's HG Magazine is "Heffernan Branches Out!"

After 25 years in business, this issue highlights our continuing growth and expansion. For instance, you probably know that we're headquartered in Walnut Creek—and we are very proud of our East Bay roots. But did you know we have three more thriving Bay Area branches (San Francisco, Menlo Park and Petaluma)?

Are you aware that our presence in California extends south, to Los Angeles and Orange County? And also up into the Northwest (Portland, Ore.)? And into the Midwest (St. Louis, Mo.)? Or that we most recently extended our reach all the way across the country? That's right—in 2011 we became bi-coastal, with our newest office located in the heart of New York City.

Each of our nine branches has a distinct personality, and within these pages we'll introduce you to all of them, and also take this opportunity to familiarize you with a client from each branch, showcasing our main niche practices (we have over a dozen!).

And of course we're always on the lookout for new practice areas, which brings us to our most recent forays into cutting-edge specialties like tech, cyber liability and more.

Also, we're very proud of the fact that for over twenty years, Heffernan has offered Financial Services, as well as a full-service Benefits division. See pages 26-27 for details.

We thought you might find it interesting to learn how every year our managers participate in a "branch manager swap," trading places in order to see, up close, how the other offices operate. We think it's a great way to cross-pollinate ideas and improve our management practices. Read more about the program on page 30.

Of course, along with our business and financial growth, our mission continues to be firmly grounded in giving back, so our recent efforts in corporate philanthropy are also highlighted within this issue.

So take a look, and please let us know if there's something more we can do for you. Because even as we continue to grow, we remain dedicated to our clients: always looking for more and better ways to serve you.

*F. Mike Heffernan*

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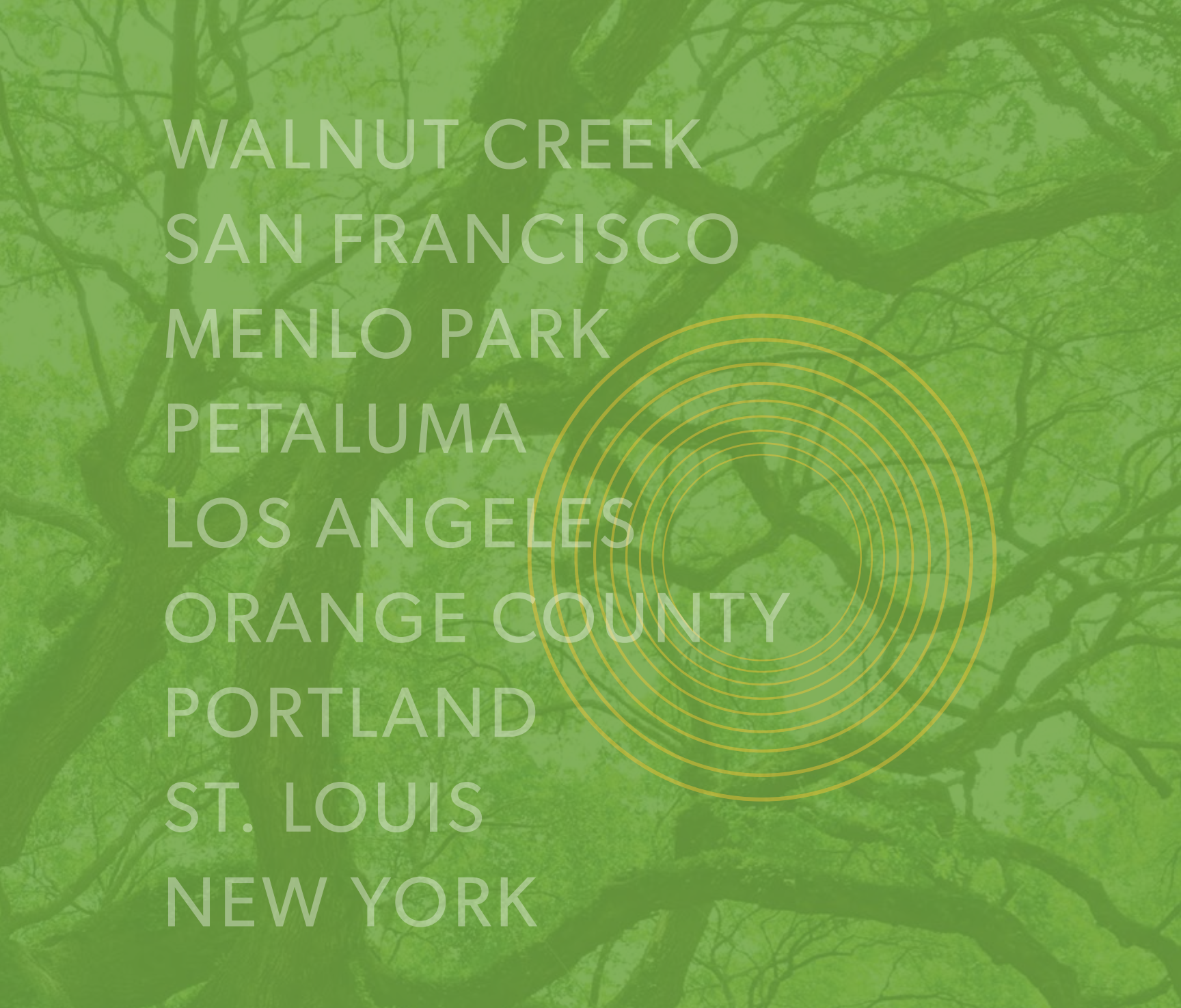


Heffernan

# BRANCHES

Division and Branch profiles by Terry Phelan  
Branch Client profiles by Heather Sloan

# OUT



WALNUT CREEK  
SAN FRANCISCO  
MENLO PARK  
PETALUMA  
LOS ANGELES  
ORANGE COUNTY  
PORTLAND  
ST. LOUIS  
NEW YORK

Last year Heffernan Insurance Brokers happily celebrated its 25-year anniversary. That's all well and good—but never content to sit back, the company continues to look for new opportunities to expand and grow!

In the pages that follow we provide a glimpse into each of the nine Heffernan branch locations, which now extend from California to New York. We also highlight nine valued clients serviced by each of the branch locations, in order to showcase our varied and ever-expanding niche practices.



# WALNUT CREEK

HUG 6

## HQ IN WC

The feel of Heffernan's headquarter Walnut Creek branch is motivated yet laid-back. Wander into the building on Carlback Avenue on any given day and you'll find four very full floors of hardworking staff occupying colorfully decorated and personalized cubicles and offices, overflowing with photos of kids and families and pets. At the copier you're more likely to bump into somebody wearing yoga pants and tennis shoes than a business suit, but that doesn't mean that business isn't taken seriously here.

Accounting, Benefits, Operations, Corporate, SelectSolutions, Property & Casualty, and several other niche lines are all found in the 'Creek. Although the spirit of the office is fun-loving, the working atmosphere is positively professional. "Work hard, play hard" is an informal company motto, and the headquarter Walnut Creek branch fully embodies it.

Evolving exposures is one of the key reasons that both the First Congregational Church of Palo Alto (FCCPA) and the First Presbyterian Church of Berkeley (First Pres) chose Heffernan Insurance as their insurance partner. Both organizations are growing and striving to be good stewards, which of course, requires proactive risk management.

**Serving the community of Berkeley for more than 135 years, First Pres supports more than 1,000 congregants and Cornerstone Children's Center and Berkeley Christian Counselors as entities under its ministry umbrella. Cumulatively, there are more than 80 individuals who work in various capacities within the church, daycare and counseling entities.**

**Founded in 1900, FCCPA features three full-time ministers and a nursery school. In the past few years, the sanctuary has been renovated to comply with ADA codes and to improve acoustical qualities. The organization serves roughly 800 members.**

Both churches feature beautiful campuses, which must be protected by adequate property and earthquake insurance. "In church settings, potential risks are easily overlooked because insurance is a topic that no one likes to deal with," says Cedric Hughes, FCCPA's volunteer risk manager. "Coverage is often based on outdated property values and as new programs emerge, so do coverage gaps. It's important that someone pays attention and adjusts insurance as needed. We have to avoid being penny-wise and pound-foolish."



### **Church Niche**

# FIRST CONGREGATIONAL CHURCH OF PALO ALTO & FIRST PRESBYTERIAN CHURCH OF BERKELEY

To help manage the ever-increasing liabilities of working with children through nurseries, schools and camps, Heffernan helped both organizations get more proactive with employee/volunteer policies and training, background checks and waivers of liability for youth programs.

"Churches have tight budgets. Our job is to help organizations proactively manage risk and control costs so funds intended for outreach aren't inadvertently siphoned away by high insurance premiums caused by poor claim experience," says broker Kerry Dantzig.

Terry Mathew, First Pres facility manager, appreciates Kerry's efforts, saying, "My personal experience with Heffernan has been excellent. They are responsive to requests, available when questions arise, helpful with processing claims and competitive with their pricing."

Cedric agrees, saying, "Heffernan's responsiveness is excellent, bar none. Kerry and Michelle Salow are highly professional and technically adept. They helped us redesign every aspect of our program so our coverage for each line reflects our true exposures."

Heffernan is actively expanding its church practice, with the goal of helping other religious organizations achieve similarly positive risk management experiences.



# SAN FRANCISCO

## WE LEFT OUR HEARTS...IN SAN FRANCISCO

Like the city itself, the San Francisco branch epitomizes the synergy between tradition and innovation. With a strong foundation of veteran leadership and niche practice expertise, and invigorated by its crop of fresh young talent, the downtown branch exemplifies the power of being rooted in tradition while always looking toward the future.

Opening a branch in downtown San Francisco in 1991 and establishing a location in close

proximity to Property & Casualty underwriters was key to developing business relationships and keeping abreast of the P&C market. Heffernan Financial Services and Heffernan Investment Advisors are an integral part of our San Francisco team, as well as Heffernan's Benefit Advisors practice. The branch also has leadership in Technology, Property, Refuse, Food Practice (see client profile on the next page) and Hospitality.





For 25 years, Annie's has been nourishing families with simple, down-to-earth foods that taste great. Known for its healthy version of macaroni and cheese, the Annie's team seeks out the best real ingredients Mother Earth has to offer. In fact, over the past three years, it has purchased more than 91 million pounds of organic ingredients!

Annie's has worked with Heffernan Insurance broker Pete Picetti since 2012, the year the company went public. "Pete and his team exemplify the meaning of great customer service. If you call them with anything, they're very quick to respond," says Annie's Chief Financial Officer Zahir Ibrahim. "Since we've been with Heffernan, they've helped us negotiate positive claim outcomes and have successfully intervened on a workers' compensation audit error

that cut the additional premiums owed from the audit by more than 50 percent. Currently, they are assisting on the insurance side of our acquisition of a snack manufacturing plant in Missouri."

Heffernan manages most of Annie's business insurance. Over the years, the company has grown at a rate of 20 percent annually, so it's important that its insurance programs keep pace. "We are honored to help Annie's succeed in its mission to support healthy, sustainable lifestyles," Pete says.

At work, Annie's promotes safety as well as sustainable employee benefits. After six months of employment, employees qualify for \$500 toward the purchase or upgrade of a commuter bike, \$1,000 toward home improvements that reduce waste or the consumption of water or energy and \$5,000 toward a fuel-efficient car.

### **Food Niche**

# ANNIE'S HOMEGROWN

# MENLO PARK

## POISED AND ON THE MOVE

Housed in a nondescript office park located on the outskirts of Silicon Valley, the first thing you notice about the Menlo Park branch is its open, friendly feel. Step inside and you are greeted with the delightful expansiveness of the high-ceilinged, loft-like interior of this pleasant space with its modern, clean design. As an added bonus, the office is proud to be the first Heffernan branch to have its own on-site fitness center!

Property & Casualty, Hospitality, Professional Practice, Manufacturing and, of course, Tech, are just some of the

niche lines managed by the staff in the South Bay. The branch is big on team building, spirit and participation.

When there's a meeting or presentation, all hands are expected to be on deck. There are many veteran producers in this office—folks who have been in the industry for decades who have compiled substantial books of business. But there are also some newer recruits, eager to build their careers. The office design reflects this combination of established continuity mixed with a modern, fresh face, eager to take on new challenges.



The Menlo Park Train Station, built in 1867 by the San Francisco and San Jose Railroad

If you've seen "Rio 2," "The Lego Movie" or "300: Rise of an Empire," then you've experienced RealD innovation in action. As a global licensor of 3D, 2D and other visual technologies, RealD's extensive intellectual property portfolio enables premium viewing experiences in homes and theaters around the world.

RealD has trusted broker Bob Zimmerman for insurance advice since 2004. Today, Heffernan Insurance manages all of the company's property, liability and workers' compensation coverage, as well as its employee benefits and 401(k) plans. When the company went public in 2010, Bob was instrumental on the insurance side of the transaction.

"I've never been enamored by the large insurance firms, although I've dealt with them in the past," RealD Chief Operating Officer and General Counsel Craig Gatarz says. "I get a nice small-company feel from Heffernan. Bob and his team are incredibly responsive and helpful. In my experience, they've always gotten the job done in a timely, efficient manner with a good financial result."

One of the more unique exposure challenges faced by RealD is the potential product liability of the production and distribution of 3D glasses for theatre attendees. "We spent a lot of time thinking about how to best insure against potential issues," Craig explains. "Fortunately, we haven't received any substantive claims."

At the workplace, RealD proactively promotes health and wellness. Working with Heffernan, the company implemented a work station program to prevent carpal tunnel syndrome. And the company's Quality of Life team promotes wellness in different ways at each office. For example, the Beverly Hills, Calif., location has a walking club, and the Boulder, Colo., office features showers and a bike storage room.

"RealD is a dynamic organization. Craig and his team are very conscious of the vital role risk management plays in their company's success. Our team at Heffernan appreciates the opportunity to assist Craig and his team in achieving their goals. The result is a positive, healthy culture that has very few claims," Bob says.

Entertainment Niche

RealD



## PETALUMA PROUD

The employees in the Petaluma branch of Heffernan love their northern California outpost, with its atmosphere of "co-workers as extended family." The folks in Petaluma describe their workplace as "warm and friendly." Employees enjoy working together and doing other things together, including the three-day-a-week fitness boot camp, where a personal trainer puts the staff through their paces in the outdoor courtyard.

As you might expect, given its proximity to Napa and Sonoma, food and wine are huge niche lines for Petaluma. Heffernan offers specialized

coverage that features all aspects of vintners and growers insurance, as well as food practice and food distribution coverages. Personal Lines are also handled here, as well as Claims, Construction and Transportation. Petaluma also reps a "Nonprofit and World Religions" niche. (After all, this is the heart of New Age-y northern California!)

Named a "Best Place to Work" by the Business Times for the last three years running, the Petaluma branch agrees, and is very happy in its own skin.

# PETALUMA



# TONY'S FINE FOODS

In northern California, Tony's trucks are frequently seen delivering a full array of food products, including gourmet cheeses, meats, bakery items and seafood to grocers, delis, restaurants and others in the hospitality sector. Tony's distribution extends throughout the U.S., Guam, Hawaii and the Philippines.

The company was founded in 1934 by Tony Ingoglia and is headquartered in West Sacramento. Tony's employs 783 people and has several warehouses and subsidiary companies. Over the years, the company's main warehousing location has grown from 191,000 to 247,000 square feet with additional plans to expand.

Tony's began working with Heffernan Insurance in 2002. At the time, they wanted a high-deductible workers' compensation program and broker Debra Costa tenaciously delivered. "Other brokers said it couldn't be done and Debra gave us everything we wanted in two weeks. We were very impressed by her determination," says Risk Manager Gary Vorce. The high-deductible program gave Tony's the ability to better control claims, helping them achieve a Workers' Compensation Experience Modification Factor of .47 and inspiring their decision to move to a captive in later years.

Every year, Tony's conducts a top-down review of business exposures and assesses what risk levels they are willing to self-insure. Gary and Debra review the insurance policies for any coverage gaps to avoid surprises, along with reviewing what limits and coverage are needed.

"What I like most about Tony's is their warm family atmosphere, how dedicated they are to their customers and business partners, and that they are not afraid to manage and retain risk. Tony's is truly a part of the Heffernan fabric and we all love going to bat for them!" Debra says.

"Heffernan is a solid brokerage partner that advocates for its clients," Gary says. "Debra and her team are responsive and forward-thinking and make sure things are done right."



## L.A. HEATS UP

Located in the heart of downtown on Wilshire Boulevard, the staff in the Los Angeles office of Heffernan is mostly young and eager. They really look up to and respect their branch manager, John DeFazio, a very positive, hands-on and energetic leader. He works great with the new hires in the group, attending all the sales calls with the newbie producers in order to facilitate their training.

The L.A. branch is excited—and hungry! The business is new for so many of them and there is a shared eagerness to make a name for themselves. They realize the company does not have as much name recognition in Southern California, and they are determined to change that! Lines handled by the branch include Employee Benefits, Business Insurance, Professional Liability, Cyber Insurance and a specialized niche for the entertainment industry, *insuremyequipment.com*.



LOS ANGELES



## Manufacturing Niche

# GIBSON OVERSEAS

If you take a close look around your home, you'll most likely find something produced by Gibson Overseas, Inc., which, for 35 years, has dominated the tabletop industry as one of the leading international distributors of dinnerware, flatware, cookware, cutlery, glassware and kitchen tools. With a talented staff of more than 400 in the U.S., China, India and Thailand, Gibson works with the majority of the world's largest mass-merchandisers and retailers.


When containers filled with merchandise arrive at the company's headquarters in Commerce, Calif., it's up to Gibson's warehouse team to process every carton MANUALLY from start to finish. As one can only imagine, such a high-volume manual material-handling operation could be prone to major safety concerns...but NOT at Gibson! This amazing accomplishment is due to the company's "Herculean" dedication to increased safety awareness which, in turn, has slashed its Workers' Compensation Experience Modification Factor from 198 to 83, a drop of 60 percent over the past 14 years.

Gibson's safety team is the driving force behind the company's safety culture.

Under the leadership of the Vice President of Human Resources, Syed Haneef, many safety programs and procedures have been established. The entire team's commitment to safety and ongoing safety collaboration are particularly remarkable given that there are 28 ethnicities who work together at Gibson.

Heffernan Insurance has been Gibson's workers' compensation partner since 2008. "California has one of the nation's most complex work comp environments, so it's crucial for us to have a knowledgeable broker with the clout and carrier relationships to get the job done right," says Gibson's Director of Human Resources, Louise Gifford. "Heffernan has done an outstanding job for us. They truly over-deliver on every project and their corporate value system meshes perfectly with ours."

Broker John DeFazio, Account Manager Cynthia Borja, Claims Executive Lawren Chung and Wellness Advisor Adam Cox all work together to help Gibson control claims frequency and severity. They also help carry out a variety of educational events and safety celebrations to keep safety and wellness in the forefront of every team member's daily activities. "It's a pleasure to be associated with the fantastic team at Gibson," John says. "They are passionate about making Gibson a safe place to work and they genuinely care about their employees."



## DRIVING DOWN THE 101, ORANGE COUNTY HERE WE COME...

With a brand-new look and a re-energized focus, the Orange County office is on a serious move! Primary niches include Professional Practices Liability, Real Estate, Nonprofits and Hospitality, along with a full spectrum of general Property & Casualty lines of coverage.

In early 2014, Orange County was inspired to revamp the design of their office space (after all, this is Southern California where style and presentation matter). The end result is a look and feel that expresses the vibrant culture of the office. Orange County's mission is to best service clients, provide quality advice, have fun and continue to work toward becoming the pre-eminent insurance brokerage firm in Southern California.

# ORANGE COUNTY





## Nonprofit Niche

# ORANGE COUNTY HEAD START

Orange County Head Start, Inc. (OCHS), a nonprofit agency incorporated in 1979, serves more than 4,000 preschoolers, infants, toddlers, pregnant mothers and families throughout all of Orange County, including homeless and foster children and families whose incomes are at or below the federal poverty line. The nonprofit's goal is to be a catalyst that launches children and their families to a brighter future.

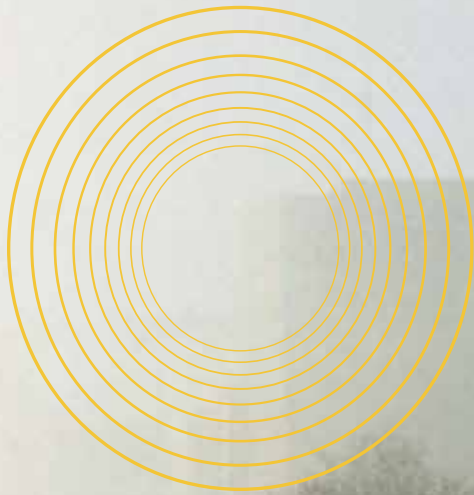
Three years ago, OCHS set out to find a new workers' compensation insurance partner, and Heffernan Insurance emerged as the top candidate. "We were impressed by Heffernan because they understood the unique risks faced by early-childhood educators, and they had many proactive ideas about how to improve our loss experience," says Executive Director Colleen Versteeg.

Choosing Heffernan was a good decision. The nonprofit has gradually improved its loss experience by setting up a safety committee, offering proactive employee training and implementing an early-return-to-work program. "From a big picture perspective, Heffernan helped our team of 435 employees understand the ripple effect of claims. They now know that when we spend more on claims and insurance premiums, we have fewer resources for the families we serve," Colleen explains. "With that understanding, the entire team is more committed to safe work practices."

Colleen had very high expectations when she began working with Heffernan, and she has not been disappointed. Her broker, Christian Smith, and the Orange County Branch Manager, Ben Stern, are very responsive to the organization's fiscal and human resources teams. And in addition to helping OCHS take control of claims, Christian and Ben have solicited support for OCHS through both the Heffernan Foundation and the Plus3 program, helping OCHS provide dental care and other invaluable support to families in need.

"Colleen and her team are very receptive to risk-management ideas. As the father of two children and the husband of an elementary school teacher, it is personally rewarding for me that our efforts contribute to the OCHS mission of serving Orange County families," Ben says.





# PORTLAND

## SITTING PRETTY IN PORTLAND

This area of the Pacific Northwest has a reputation for being passionate about the outdoors, progressive politics, organic food, microbreweries, music and entertainment (not necessarily in that order). In the heart of it all, located just outside downtown Portland, you'll find the Heffernan offices, situated along the Willamette River—which flows north through the city center, separating the east and west sections of the city. Employees like taking a lunchtime walk or a bike ride along the river, enjoying the spectacular view of Mt. Hood off in the distance.

Portlanders don't let the regular rainfall (locally referred to as "liquid sunshine") get them down: in fact the team, which recently came under the leadership of new Branch Manager Tim Nielsen, describes itself as "positive go-getters." They also call themselves "friendly," "fun," and insist "we enjoy teamwork and caring about one other." The Portland branch represents a full menu of niche lines, including Benefits, Construction, Nonprofit and Janitorial.

Picture elegant waterfront condos with pioneering floor plans, inspiring interiors and spacious terraces. Now imagine state-of-the-art design, fire-safe steel and concrete construction and sound engineering. Take a broader look at the building and you'll discover an innovative mixed-use approach that integrates for-rent, for-sale and commercial-use property—all within one structure. Now you know the kind of work that MC Construction Consultants are known for.

Headquartered in Ruston, Wash., MC Construction has been changing the face of Washington with general contracting, land development, project development, architecture and design since the early '80s. Today, the company has roughly 100 employees, completing many notable projects each year.

As you can imagine, they need a savvy construction insurance partner, and that's exactly what they've found in Heffernan Insurance broker Susan Brodahl. As MC Construction Principal

Mike Cohen puts it, "Susan impressed us with her construction knowledge and her ability to customize coverage to the unique needs of our mixed-use projects."

Susan was first introduced to MC Construction by a mutual business contact. "One of my longtime clients was entering into a lease with MC Construction. I negotiated the coverage terms with the CFO. When the CFO asked why I was doing so, I told him it was how we operated. This led to many conversations, and finally the award of their insurance business," Susan explains.

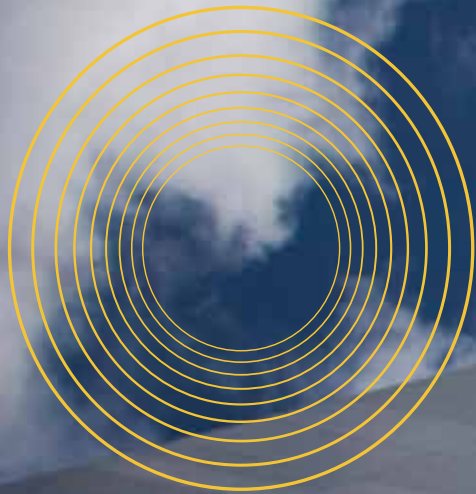
Smart insurance is essential to MC Construction—not only to protect their own assets, but also to satisfy lenders and to protect investors' interests. Susan is known for taking a creative and aggressive approach when marketing insurance programs. In her words, "We were able to come up with new ways of looking at their program to more accurately reflect the company's risk tolerance."

You could say that the relationship between MC Construction and Heffernan Insurance is custom-built. "MC Construction is a smart builder with some amazing contributions to the community. I'm thrilled to help them realize their vision," Susan says.

## Construction Niche

# MC CONSTRUCTION CONSULTANTS





# ST. LOUIS

## CUTTING-EDGE AND SALT OF THE EARTH

Despite its heartland location and despite the fact that the people working there are true-to-type Midwesterners (i.e., nice, polite and friendly), the St. Louis office considers itself modern and cutting-edge. They think outside the box and they embrace technology. They also embrace the sports culture of St. Louis and its fantastic local teams: NHL St. Louis Blues, MLB Cardinals, and the NFL Rams!

The St. Louis staff is a close-knit group who likes to mix business with pleasure. It is a true “team and family” atmosphere, where people feel free to comment, question, and discuss new ideas. The heavy emphasis here is on Benefits, Health Care Providers and Construction.

# WILLOWS WAY

A 22-year-old man with Asperger's syndrome used to spend most of his day sitting alone on his mother's couch reading books. Today, those books are gathering dust, and the young man is actively engaged in the community, learning how to manage a budget, focused on his ultimate goal of living on his own. He is just one example of how Willows Way provides personalized support to individuals with challenges, promoting dignity while fostering independence, growth and life choices within the community.

Thanks to Willows Way, many Missourians with disabilities like Down's syndrome and autism are able to enjoy more rewarding, productive lives. Headquartered in St. Charles, Mo., the nonprofit organization serves adults residing throughout the greater St. Louis area. Willows Way is known for its innovative, interactive daytime program and evening classes supporting more than 1,000 participants each year and its personalized in-home care supporting more than 100 individuals.

"We can establish building blocks while clients still live with their families in order to pave the way for successful, independent living later on," says Director of Human Resources Becky Yarbrough.

According to clients, the program works. One client was overheard saying, "I'm happier than I've ever been in my life!" "These supports put 'choice' back into the lives of our clients," says Executive Director Joy Steele. Care facilities

often face unique risk-management concerns, requiring a great deal of expertise, which is why Willows Way trusts Heffernan Insurance Brokers to manage its property, liability and workers' compensation insurance programs. Over the years, brokers Michael Boone and Linda Huber have helped the organization manage risk in a cost-effective manner. And that's crucial—but it's not the only reason Willows Way chooses Heffernan.

"Heffernan is a business partner that engages us beyond the bounds of insurance," Director of Finance Neil Cassmeyer says. "For example, Mike recently asked if he could help us by sponsoring a happy-hour fundraising event. He truly takes a personal interest in our success."

The admiration is mutual. "Willows Way is a great client because its executive team is very involved in the process," says Boone. "They are always receptive to our ideas about risk management and ways to improve group insurance solutions for their workforce. They have a great team approach."

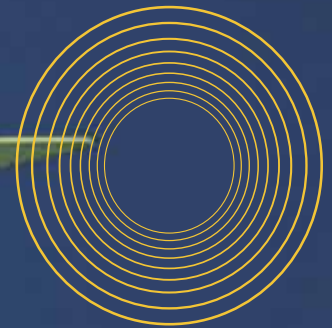


# NEW YORK CITY

## HG ♥ NY!

Another branch, another revamped office space—2013 was a great year for fresh starts at Heffernan. In New York, Manager Victor Fonseca did a great job reworking their space, bringing in a designer to turn an uninteresting, uninspiring interior into a pleasant modern space with small work stations. When they first moved in, instead of having everyone work in separate offices along the periphery, everyone worked out on the main floor in cubicles, side by side, for about a month. The temporary arrangement helped create a sense of cohesion amongst the personnel.

The branch is located in the heart of downtown, near Wall Street, where there's plenty going on—but happily, they're finding that the area is not too overrun or busy. As an added plus, there are a substantial number of major carriers also housed in the immediate vicinity. New York focuses on Construction, Cyber Liability, Benefits and Personal Lines.





## ***Building Services Niche***

# ECO SPECIALTIES

**From the New York Yankees Clubhouse to the Lincoln Center for the Performing Arts, ECO products add comfort, function and beauty to a wide range of environments.**

Based in New Jersey, ECO manufactures and installs acoustical panels and fabric panel systems for clients throughout the United States. For clients with a green focus, ECO offers a PVC-free stretch system and formaldehyde-free insulation. The company's panels have been used in several prestigious LEED Gold and LEED Platinum projects.

Interestingly, when ECO bids for new projects, loss experience proves to be an effective differentiator. "Safety is one of our biggest selling points," says President Deep Singh. "We've had clean loss runs for the past five years, and we have a very low experience modification rating. Clients like the idea of working with one of the safest companies in New York."

One of the driving forces behind ECO's impeccable safety record is its full-time safety

director—a rare investment for a company with only 30 employees. To further cultivate a safe workplace, ECO hosts an employee training day and barbeque every year at which employees learn safe lift, ladder and saw techniques. Additionally, all company foremen and workers are OSHA-certified.

Another key risk-management advantage is the company's longstanding relationship with Heffernan Insurance broker Victor Fonseca. "We have a great deal of trust in Victor," says Deep. "He's very creative when structuring the best insurance solutions for our business, and in addition to that, he's extremely well-connected and willing to spread the word about our services. We appreciate his business referrals."

Heffernan Insurance manages ECO's property, liability, workers' compensation and health insurance. "ECO is a smart, proactive company that has figured out how to control their cost of risk and therefore gain a measurable competitive edge," says Victor. "They are a pleasure to work with and a great role model for other businesses."



# OUT on a LIMB

Where We've Been, Where We Are, Where We're Going...

In 1988, Mike Heffernan purchased a struggling insurance brokerage that had financial problems and 10 employees. That company, now Heffernan Insurance Brokers, has since grown to 400 employees with branches stretching from coast to coast.

From the beginning, the goal was to create a different type of insurance agency: one that served and educated the client, served the community, served employees and brought about positive change in the industry. The early decision was to focus on niches (health care, benefits, nonprofits, etc.) in order to understand the particular needs and issues within those industries, with the goal of providing the best and most complete insurance coverage possible.

Over the years our array of niche practices has expanded to include real estate, transportation, janitorial, care providers, construction, private clients, wines, churches, hospitality and food practice, among others. Along the way we also established sizeable programs for small businesses, employee benefits and financial services (all three of which

are profiled in the pages that follow). More recent expansions include the establishment or further development of niche programs in cutting-edge industries like tech and cyber liability.

The company's continued advancement has always been driven by implementing innovative ideas for organic growth, and hiring talented people who like what they do and enjoy the company's unique culture. We are very proud that for years Heffernan has been named among the "Best Places to Work," based on employee satisfaction, and is also consistently recognized for its corporate philanthropy.

Heffernan Insurance Brokers is not afraid to try new things and is not afraid to make mistakes. We fully expect to do both as we continue to build on our demonstrated success.



# Heffernan Powered by SELECTSOLUTIONS

In 2013, Heffernan Insurance Brokers announced an exciting new solution to enhance service to our Small Business customers. The increased service capabilities are brought together under our new brand: Heffernan Powered by SelectSolutions.

This division balances our new technology platform, which provides our clients with self-service access and many other value-added capabilities, along with our time-tested, hands-on personal customer care. We now provide features such as online quoting and online certificates of insurance,

online access to proposals and documents, DocuSign, credit card and E-check payment options and much more.

We have always been committed to providing a broad spectrum of brokerage services to the small and mid-size business owners. "Heffernan Powered by SelectSolutions" takes this to a new level, and we are very excited about what this new capability brings to our customers.

The launch of "Heffernan Powered by SelectSolutions" proves once again that

whether you've been in business for years, or are just getting off the ground, our company is dedicated to ensuring that all sizes and types of businesses have the coverage and support they need in order to succeed.

Visit us at

<http://ion.selectsolutionsins.com/hef>



The "Heffernan Powered by SelectSolutions" team

*As a contractor, this technology is an important improvement in functionality for me and my business. Easy and efficient to use—great job!!!*

Jorge Corral, Corral Construction



*Heffernan Powered by SelectSolutions continues to go the extra mile. Had they not found a new home for our work comp, we would have had financial implications totaling six times our normal annual premium, or had to go without coverage. We can already see how the recently implemented changes have positively affected our business.*

Derrick Johnson, SC Johnson Construction



# HEFFERNAN BENEFIT ADVISORS

With HR and Benefits administration becoming increasingly complex, you need help. You also need the tools, resources and support to ensure the needs of the company and your employees are being met.

You need data, information and analysis to ensure you're making sound financial decisions. And you need strategic guidance to prepare and plan for the future.

You need a new approach. You need Heffernan Benefit Advisors.

Heffernan's experience and resources are already helping thousands of companies across the country to successfully address a wide range of benefits and HR challenges. Cutting-edge technology like HeffConnect, HeffConnect Lite, and HeffTotal Solution make benefits communication and administration easy.

Online enrollment and employee self-service save time, boost productivity and improve employee satisfaction—while making paper disappear!

Eligibility and election information is captured and centralized in one place. Running reports and sending data to carriers and payroll is a snap.

But technology is just the beginning.

Heffernan Employer and Employee Hotlines are staffed with industry professionals available to quickly respond to questions. You can rely on experts to help you solve problems ranging from short- and long-term benefits strategies to legal advice, compliance, health care reform education and much more. With Heffernan, you'll gain confidence and control as you work with a partner that helps your business thrive.

Contact us to let us show you the Heffernan difference. You deserve it—because you're different.



*Because You're Different*

## HEALTH CARE REFORM ADVISORY SERVICES

While Health Care Reform makes coverage available to millions of Americans, it creates significant administrative challenges for employers. The legislation contains numerous legal and administrative requirements for employers, who need to implement processes and record-keeping changes in order to be, and to remain, compliant.

Heffernan can assist! We've summarized the law's requirements, and can advise on how employers can meet those requirements with the support of the Heffernan team. For regular updates, visit [www.healthcarereform-updates.com](http://www.healthcarereform-updates.com).



Because You're Different

TOP TEAM

# HEFFERNAN FINANCIAL SERVICES

From the Golden Gate Bridge to the Giants' Stadium at AT&T Park, San Francisco has something for everyone. Bustling with energy and a sophisticated, cosmopolitan vibe, it was a no-brainer to establish San Francisco as the beachhead for Heffernan Financial Services in 1991.

Besides, "without a strong presence in San Francisco, we would not have been able to attract talent from some of the top financial institutions around the world such as Charles Schwab, Morgan Stanley, ING and Wells Fargo," observed Steve Williams, President of Financial Services.

Heffernan Financial Services has developed a top financial services and advisory team who offer corporate, nonprofit, and individual clients a host of unique strategies and solutions not found elsewhere, including investment advisory, assistance with corporate and individual retirement plan design and implementation, estate and financial planning, nonprofit consulting and endowment management, portfolio review and management for individuals, asset protection strategies, life insurance, and insurance planning.

With over 20 life specialists throughout the country we can help business owners fund buy-sell agreements, along with protecting individuals with term life insurance, long-term care insurance and individual disability coverage. Many of our clients look to Heffernan for property and casualty and medical insurance, but in our life division we think we insure the most important asset: our valued clients themselves.

Our Advisor team has also been recognized repeatedly by national groups such as PlanAdviser and NAPA as a leader in the retirement industry. From Plan Design Assistance, to Investment Oversight and Financial Stewardship, to Benchmarking and Fee Reviews and customized employee communication programs, we thrive on helping companies retain their valuable employees.

We also are proud to have a strong Wealth Advisory Practice (Heffernan Investment Advisors and the Retirement Plan Consulting teams) who utilize a disciplined, goal-based process in order to help individuals manage their hard-earned assets.

To meet the team up close, or to learn more about Heffernan Financial Services and Heffernan Investment Advisors, visit our website at [www.heffgroupfs.com](http://www.heffgroupfs.com).



Because You're Different

*2008 PLANSPONSOR Retirement Plan Adviser of the Year Finalist and 2011 PLANSPONSOR Retirement Plan Adviser Team of the Year Award – Nominated by industry professionals and selected based on quantitative evaluation of service levels and feedback from plan sponsor clients. Advisors who have attained the PLANSPONSOR Retirement Professional Designation receive an automatic nomination.*

*2013 ASPPA 401(k) Advisor Leadership Award – Nominated by industry professionals and selected by a panel of industry peers based on leadership, innovation and contributions to the retirement plan industry.*

*2013 and 2014 PLANADVISER Top 100 Retirement Plan Advisor Teams – Selected based solely on quantitative factors, including plan assets and number of plans, as reported directly by nominees.*

*Retirement plan consulting services are offered through LPL Financial and available in advisory relationships only. Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Heffernan Investment Advisors, a registered investment advisor. Heffernan Investment Advisors and Heffernan Financial Services are separate entities from LPL Financial.*

# COME SAIL AWAY

## 2013 Was a Banner Year for Heffernan Employee and Lifelong Sailor, Tamara Sokolov

For ten years, Heffernan employee Tamara Sokolov has run a sailing program for teens sponsored by the San Francisco Sailing Whaleboat Association. Sokolov says, "We lived up the street from where the boathouse is, in San Francisco, and I would come down and hang out with my older brothers there when I was 12 and 13. I joined when I was 14, and took over running it when I turned 21."

The year-round program enables kids from all over the Bay Area to meet every weekend to sail. The official age range is 13–21, but it's mostly high school kids, with most staying with the program all four years. Sokolov specifically runs the all-girls group, called "Viking." "We have about 25 girls right now, and about 20 boys. On any given weekend, we usually have 30 kids show up at the boathouse, and we have two whaleboats, so everyone gets to sail."

The program utilizes two wooden boats from the 1930s (former U.S. Navy lifeboats), which have been converted to sailing whaleboats. A typical Saturday has the kids showing up at 9:30 to work on a couple of boat projects, then bringing the boats in from their anchorage. Next the kids load all the sails and safety gear on board, grab some lunch, and then head out to sail the afternoon away.

People sometimes perceive sailing as a high-end, expensive, elite hobby, but almost all the kids in the program are public school or homeschooled kids who, previous to joining the program, would never have listed sailing as one their interests. Sokolov points out, "They join because of their friendships, but they stay because they are getting so much more out of it."

All the work that gets done on the boats is done by the kids. Says Sokolov, "They learn all kinds of craftsmanship: woodworking, maintenance—and they also learn responsibility. For example, if they're out there sailing on the Bay, and come in too fast and ram into the dock, they're the ones who have to touch up the paint job!

"It's a neat program, because we live in this really beautiful environment, with water all around us, and so few people are really experiencing it to its fullest. These teenagers get out there on a boat by themselves and sail around the Bay. They've got boats with sails, and if the wind dies, they've got oars. It's great for team building. Everyone has their job on the team, and everything has to work like a well-oiled machine."

The SF Sailing Whaleboat Association is a nonprofit funded by donations—mostly from alumni and industry donations. Victoria Ketchum (another Heffernan employee) and Sokolov both volunteer in the program and make an annual donation (which is matched by Heffernan) every year. The kids each pay only \$10 a month to be members of the program. A committee runs the program, helping with fundraising and outreach, and working with the teen groups on an advisory level. Volunteers run the day-to-day.

Besides the weekly sails, the teen groups also do a two-week sailing trip in the summer. Starting in San Francisco, they cruise up the Delta, ending up in Old Town Sacramento. "We sail from place to place, and dock and camp out under the stars in sleeping bags." Sokolov adds, "It's a lot of fun."

How does a teenager join? "It's drop-in; there's info about it on the internet ([www.corsair-viking.org](http://www.corsair-viking.org)), but it's mostly word of mouth. They guest-sail one day; if they like it, they fill out a form, and join." Sokolov adds, "My five best friends in the world are people that I met in this sailing program while in high school. It's awesome and fun and a little dangerous too. There are some scary moments where you come together on a sailboat and really gel. These days there's not enough 'danger that's safe' in a teenager's life. Supervised, controlled danger!

"The Bay is often treated just as background or scenery, but you can't do anything on the Bay without knowing everything about the Bay. When the kids are out there, they see the patterns of the currents. They learn about the natural topography of the Bay. The program is a total immersion."



As a lifetime sailor, having the America's Cup races hosted in San Francisco in 2013 was thrilling for Tamara Sokolov, who states, "It had a direct impact on the awareness of sailing in the Bay Area. For instance, a year ago, if a kid wanted to join the sailing club, I'd get a lot of blank reactions from parents. But now, it's like, 'Oh, sailing—that's really cool!'"

Sokolov volunteered with the America's Cup mostly because she wanted to get close to the action. It turned out that the event was incredibly accessible.

"Regarding my teen sailing club, the America's Cup organization was accommodating on all levels. They gave the girls free tickets, and invited them to an opening party with the actual Cup trophy right there for them to see. The organizers worked to raise the profile of sailing in the Bay Area, not just for the event, but for all community sailing organizations."

The America's Cup organization also sponsored the Healthy Ocean Project, where sailing teams hosted a beach clean up once a month, over the entire two years that the America's Cup was taking place in and around San Francisco.



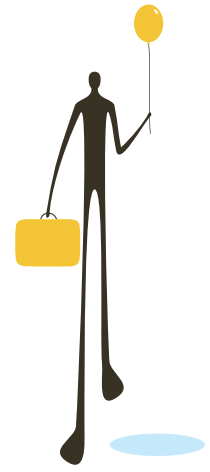
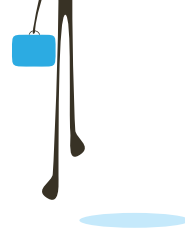
Sokolov adds, "The girls showed up to the monthly cleanups, worked hard, but had a lot of fun. Over 20,000 pounds of trash was picked up during that period, through those events."

"Also three of the four racing teams gave us tours, led by actual team sailors, who were very friendly and supportive of the kids—taking time to talk to them about how they got started in sailing."

"So it was really neat, because our organization has these very basic, old-school boats—and that's awesome and the kids love all that—but then seeing the other end of the spectrum: these carbon-fiber, multi-hulled, foiling sailboats! And for our kids to be able to actually witness the opposite spectrum of the same sport. It was an inspiration to meet these awesome people—real athletes—who had made a career out of sailing."

People in sailboat left to right :  
Thayse Pasold,  
Nick Bell, Peter Mack  
and Finn Johann.

Four girls left to right:  
Louise Hendzel,  
Almudena Phillips,  
Elisabeth McKee and  
Tamara Sokolov



**In recent years,** Heffernan has conducted an annual “Branch Manager Swap,” where managers step into the supervisory role at another branch for a two-day stint.

It’s a win/win, as employees get exposure to a different management style, and managers get a chance to observe, first-hand, how another office functions.

Both sides can then use their observations to implement improvements in their home branch on a variety of operations, such as organizational structure and work flow.

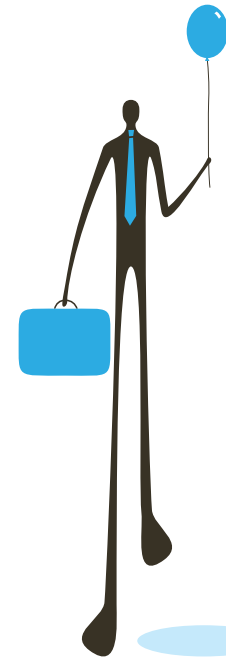
Post-swap, the visiting managers also have a chance to share their perspectives on the workings of the visited branch, with an eye toward improving how each office runs.

This informal program has been a big hit, and employees look forward to seeing a fresh, new face in their local branch once a year.

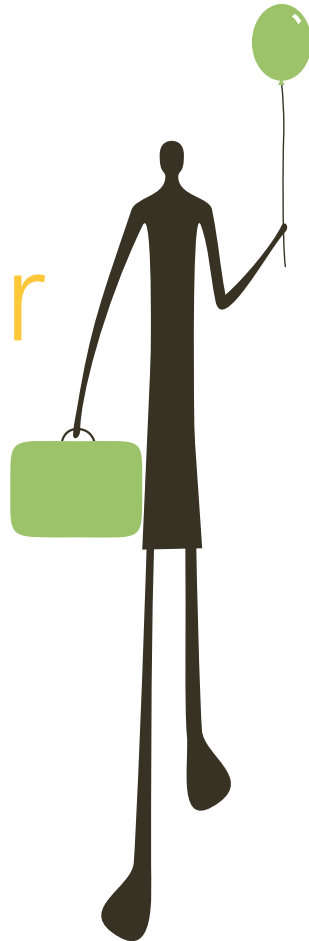
On a departmental basis, a similar program is the Commercial Lines Manager Swap. Managers exchange places in order to get answers to questions like, “What’s the culture in the department?” “What works?” “What doesn’t?” “What are the suggestions for improvement?”

Susan Bottari, Vice President/Commercial Lines Manager, says about the program, “The swap is worthwhile—it exposes our employees to other management types, and vice versa. Those of us who have worked together for years can get a little stale and complacent. We need to re-energize ourselves!”

These efforts are another way Heffernan seeks to grow the company organically, staying attuned to the day-to-day experiences of our employees in the workplace.



# Branch Manager Swap



# HG Magazine Asked Our Branch Managers, “How Would You Describe Your Branch’s Personality?”

Our branch is high-energy, fast-paced, hardworking, yet casual. People truly like and care about each other. Newcomers are surprised by the office buzz, because we are certainly not a quiet and stuffy bunch!

*Brian Dantzig, Walnut Creek*

We’re blazing new ground, with amazing technology and new capabilities. Change is always challenging, but the benefits of our expanded program are truly groundbreaking!

*John Prichard, Jr., Heffernan Powered by SelectSolutions, Walnut Creek*

We’re a youthful, intelligent, fast-paced, assertive, tenacious group of professionals, looking to change the industry in our “Relentless Pursuit of Excellence.” Like the song says, “If you can make it here...”

*Victor Fonseca, New York*

We bring the Heffernan energy, excitement and fun to a St. Louis insurance marketplace looking for the difference our great people can give them.

*Brian Billhartz, St. Louis*

Was that the pop of a cork? Another Friday afternoon begins in Petaluma, as we toast the success of our award-winning clients in the wine, food, nonprofit, construction and transportation industries!

*Elizabeth Bishop, Petaluma*

The group that we have in Orange County is bound together as a single force. We’re excited about the cohesive team that we’re building!

*Ben Stern, Orange County*

Portland is a close group of professionals who embrace change and work together to achieve financial growth for the office and each other’s success—all within the Heffernan Family!

*Tim Nielsen, Portland, Ore.*

Charismatic, caring, energetic, collaborative, real, fun and healthy. Our branch is an awesome group that cares deeply for each other, and deeply for our clients.

*John Tallarida, Menlo Park*

The Los Angeles Branch has mojo! Smart and fearless problem-solvers. A little bit of swagger! Lots of laughter out on the floor. Lucky to have the opportunity work with such fantastic personalities!

*John DeFazio, Los Angeles*

We are deeply embedded in the culture and energy of San Francisco. Like the city itself, the branch epitomizes the synergy between tradition and innovation.

*Jeff Hamlin, San Francisco*

Intelligent, entrepreneurial, independent thinkers: bringing over 100 years of investment advice and guidance to individuals, corporations and nonprofit clients, we are Heffernan Financial Services!

Creative, compliant and customer focused, our Employee Benefits team now works more closely than ever with our clients and their employees.

*Steve Williams, HFS and Heffernan Benefit Advisors, San Francisco*



# 2013

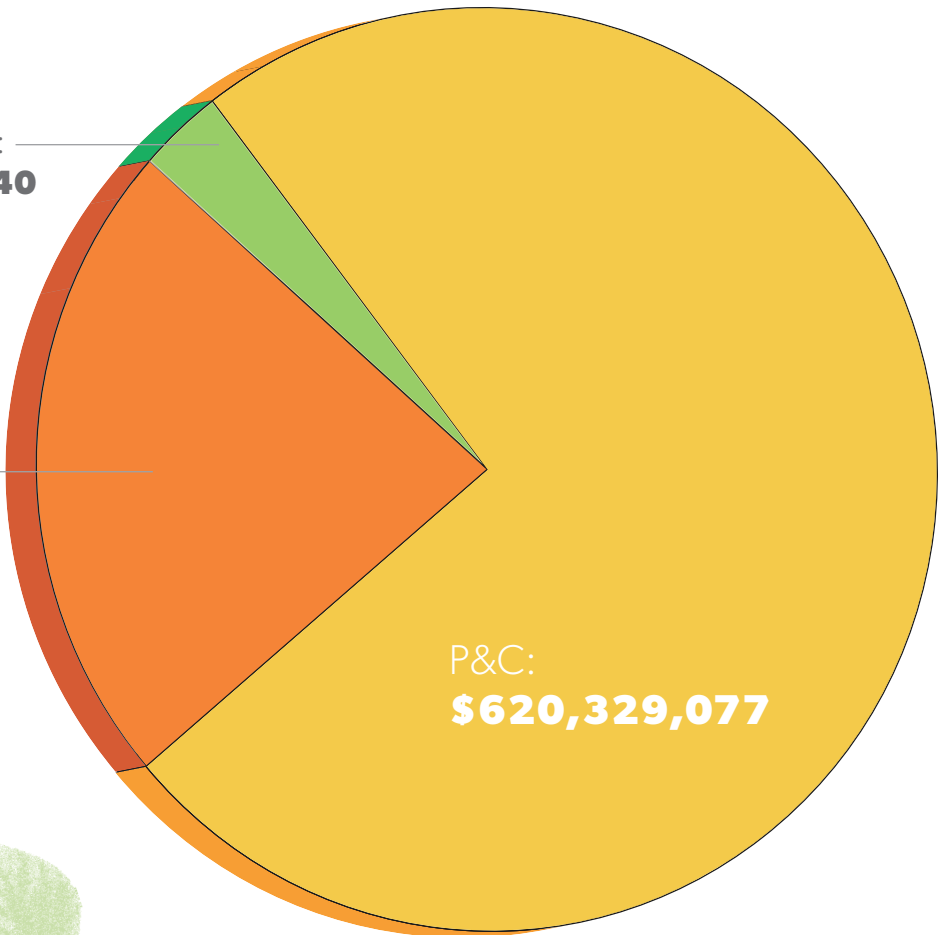
## HEFFERNAN INSURANCE BROKERS OVERALL PREMIUM VOLUME

### \$826,836,484

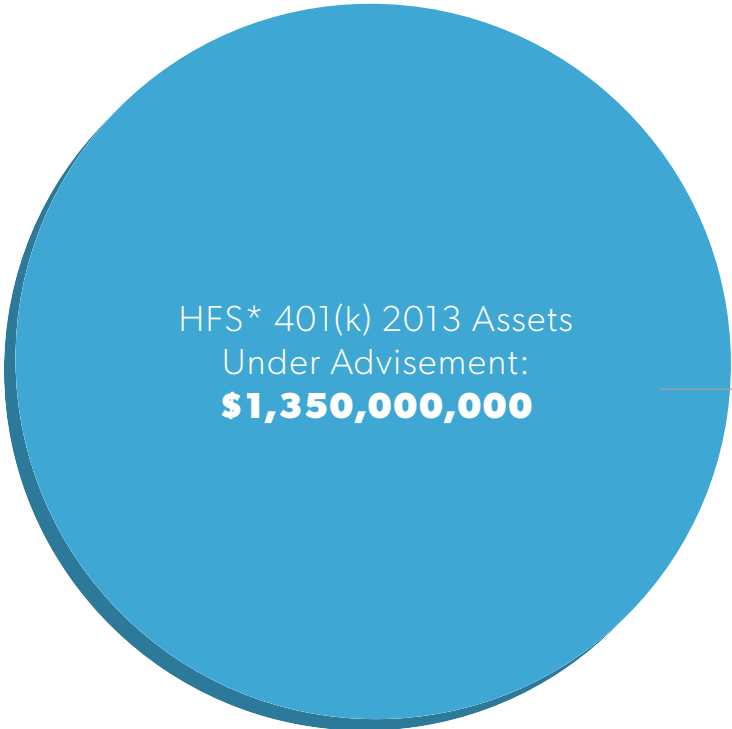
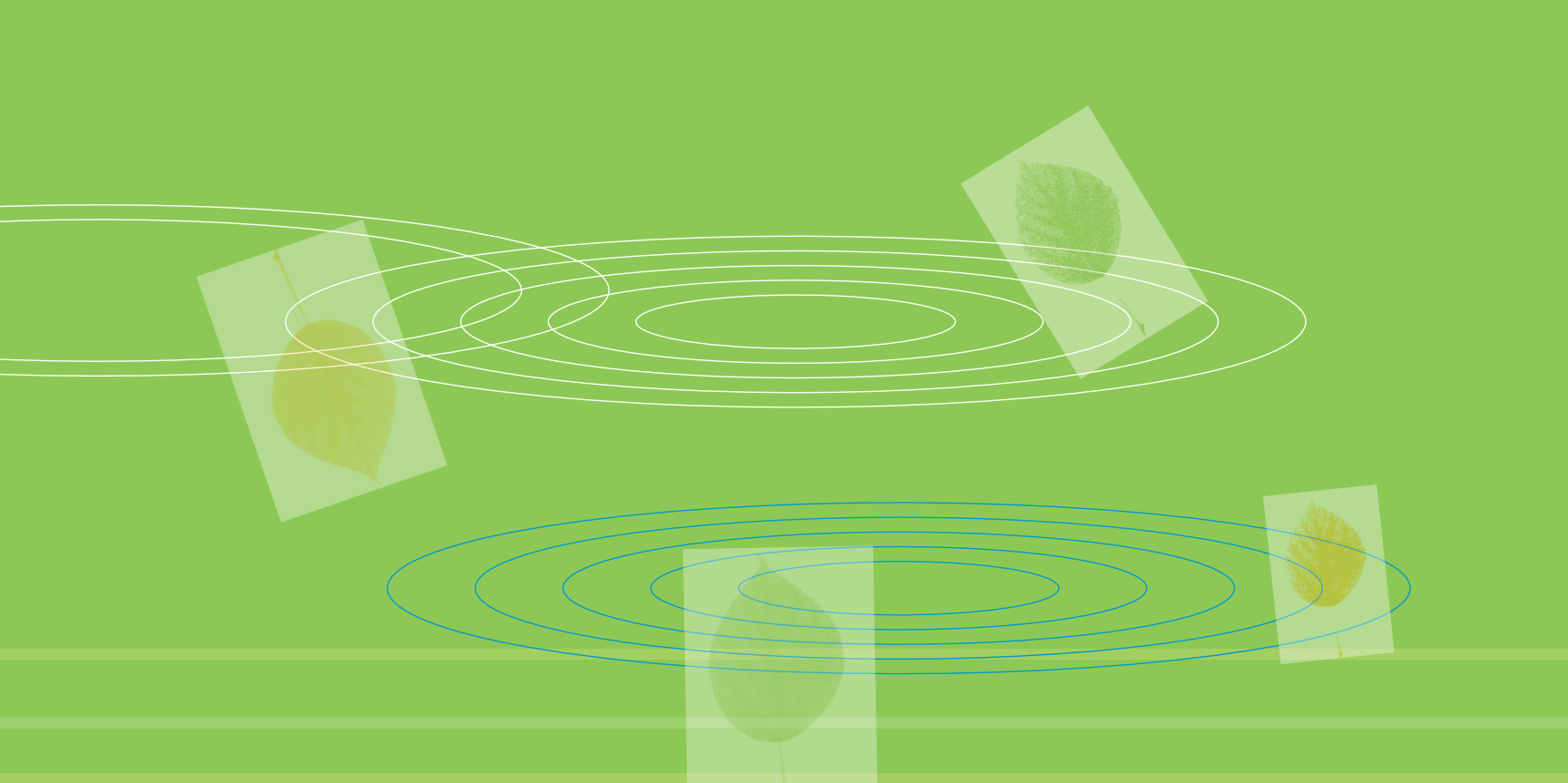
Personal Lines:  
**\$25,661,740**

Benefits & Life:  
**\$180,845,667**

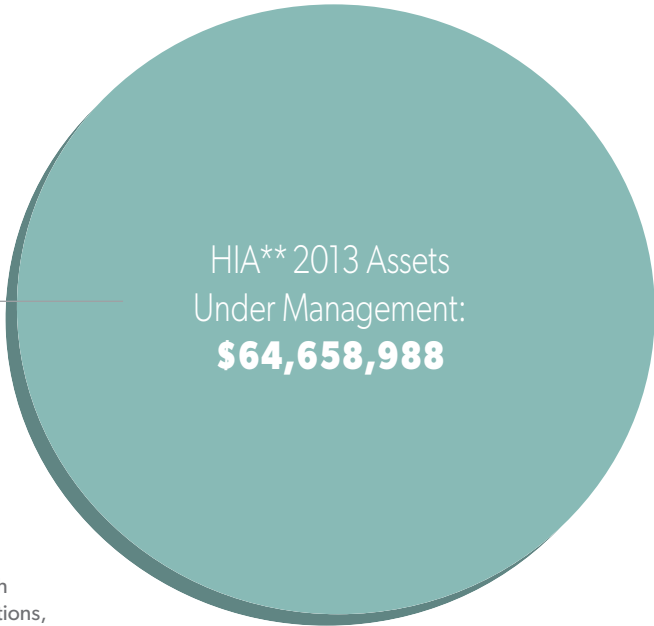
P&C:  
**\$620,329,077**







\*John Prichard, Sr., Blake Thibault, John Clark and Rebecca Tapia are registered representatives with, and securities and advisory services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC. Heffernan Insurance Brokers, Heffernan Investment Advisors and Heffernan Financial Services are separate entities from LPL Financial.



\*\* Heffernan Investment Advisors: Wealth Management for Individuals, Corporations, Nonprofit Endowments, Custodian Services offered through Charles Schwab & Co.



# CORPORATE PHILANTHROPY

THE HEFFERNAN GROUP HAS BEEN INVOLVED IN THE COMMUNITY SINCE ITS INCEPTION IN 1988. IN 2013 HEFFERNAN PROUDLY DONATED OVER 10% OF ITS PROFITS TO CHARITY. THE HEFFERNAN GROUP BELIEVES IN GIVING BACK, WHETHER THROUGH VOLUNTEER OPPORTUNITIES OR DONATIONS, AS A WAY TO IMPROVE THE COMMUNITIES WHERE WE LIVE AND WORK.

## COMMUNITY INVESTMENT

The Heffernan Group averaged \$1,650 in donations per employee in 2013. We sponsor four official avenues for charitable giving:

**EMPLOYEE VOLUNTEER TIME** – Each Heffernan employee is granted up to four paid days off per year, one day per quarter, to volunteer their time at a local nonprofit. Additionally, Heffernan participates in the Insurance Industry Charitable Foundation’s annual Week of Giving.

**EMPLOYEE MATCHING** – Employees are offered the opportunity to donate to 501(c)3 charities of their choice each year, and Heffernan will provide a dollar-for-dollar match.

**GAREE LEE SMITH SCHOLARSHIP AWARD** – Last year, the Heffernan Group Foundation awarded eight \$5,000 scholarships to students. Garee Lee Smith was one of Heffernan’s first employees and was instrumental in establishing Heffernan’s family-friendly culture.

**LARGE GRANT DONATIONS** – The Heffernan Foundation’s mission is to serve nonprofits that provide direct support and services to our local communities in the area of shelter, food, education and the preservation of the environment. The Foundation accepts applications for grants by invitation only on an annual basis. Grants to 501(c)3 nonprofits typically range from \$2,500 - \$10,000.

Top photo, left to right:  
Sherry Glover, Liz Bishop,  
Phil Chigos, Drew Medina,  
Jeff Prout, Dan Mahoney,  
Shannon Mahoney, Rene  
Sprague, Tammy Georges

## HEFFERNAN GIVES BACK TO THE COMMUNITY

**INVESTMENT IN OUR EMPLOYEES** – The Heffernan Group is committed to providing a workplace that promotes and protects work-life balance for our employees.

**WORKPLACE WELLNESS** – Heffernan stays healthy and active thanks to our Wellness@Work program. Additionally, Heffernan’s partnership with +3 Network allows our employees to raise money for nonprofits by simply working out! In 2013, the firm launched a bicycle borrowing program for employees during office hours, and also instituted a gym subsidy program, where employees can earn up to \$50/month subsidy toward a gym membership.

Combining Wellness and Philanthropy: in 2013, Heffernan staff participated in the following philanthropic fitness events:

- Dirty Girl Mud Run, San Francisco
- Avon Walk for Breast Cancer, Chicago
- Race for the Roses, Portland
- ALS Walk, St. Louis
- Susan G. Komen Race for the Cure, Portland
- Heffernan Foundation Walk for Humanity, All Offices
- Nike Women’s Half Marathon, San Francisco
- Rock ‘n Roll Half Marathon, San Francisco

**2014 events include:**

- Color Run, San Francisco, March
- Color Run, San Jose, May
- Avon Walk, July
- Tough Mudder, August
- Heffernan Foundation Walk, Fall 2014
- Hike for Shelter, October
- U.S. Half Marathon, November
- Walnut Creek Turkey Trot, November

During the summer of 2014 we will sponsor a “Family Give Back Saturday,” where all offices have the opportunity to participate with their families in a park or beach cleanup. There’s also the “Dollars for Do-ers” program (volunteer 50 or 25 hours for a nonprofit, and Heffernan will donate \$500 and \$250, respectively).

Kira Trimbee and her family



Front row: Kim Roman, Jackie Donnelly, Jessie Sweeney  
Back row: Jaynette Lancaster, Adam Cox, Mike Heffernan

## Come Say Hello!

Walnut Creek (headquarters)  
1350 Carlback Avenue  
Walnut Creek, CA 94596  
800.234.6787

San Francisco  
180 Howard Street, Suite 200  
San Francisco, CA 94105  
800.829.9996

Petaluma  
101 2nd Street, Suite 120  
Petaluma, CA 94952  
800.655.7796

Menlo Park  
1460 B O'Brien Drive  
Menlo Park, CA 94025  
650.842.5200

Orange County  
6 Hutton Centre Drive, Suite 500  
Santa Ana, CA 92707  
800.655.4033

Los Angeles  
811 Wilshire Boulevard, Suite 810  
Los Angeles, CA 90017  
213.622.6500

New York  
5 Hanover Square, 22nd Floor  
New York, NY 10004  
212.308.5393

Portland  
5100 SW Macadam, Suite 440  
Portland, OR 97239  
503.226.1320

St. Louis  
16100 Swingley Ridge Road  
Suite 250  
Chesterfield, MO 63017  
636.536.2082



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