



**No Gamble with Gambell**

**December 1, 2009**

**Online:** <http://www.riskandinsurance.com/story.jsp?storyId=294706628>

*Engle Martin's claims expert shares his insight into the bench strength of claims departments and the state of TPAs, and shows some empathy for underwriters.*

*By CYRIL TUOHY, managing editor of Risk and Insurance®*

*J. Robert Gambell executive vice president for [EMCAS](#), [Engle Martin's](#) third-party administrator division, oversees the day-to-day operations of the company's 70-plus staff. Gambell also serves on the company's executive management team and is responsible for Engle Martin's casualty field adjusting operations.*

*Gambell has earned his [Chartered Property and Casualty Underwriter \(CPCU\)](#) designation and is actively involved in the [Target Markets Program Administration Association](#), the [National Association of Surplus Lines Offices](#), the [Self-Insurance Institute of America](#), and the [Risk and Insurance Management Society](#).*

*He spoke recently with [Risk & Insurance®](#) Managing Editor Cyril Tuohy about the latest developments in the TPA and [insurance claims business](#).*

**Q: How did you start out?**

**A:** I went to LaSalle University in Philadelphia to get a business degree back in 1985. Marketing seemed like a good area for me to study as I was always interested in the sales and advertising side of the business world. My father was an insurance defense attorney at the time and had some friends in the industry who owned a small independent adjusting operation.

I had no idea what I was about to get myself into. But when I did get into it, I realized it was pretty interesting. It was different every day. I got to meet a variety of people and learned a lot about how to communicate with people from diverse backgrounds. Whereas a lot of my friends were working on Wall Street, I was enjoying being a claims guy who had some pretty good stories to tell and had a company car.

In claims, you often have to sell yourself before you can sell your position. At one point I was handling a claim for the old GRE Insurance Group in Princeton. They were looking to add an inside adjuster, and I jumped at the opportunity to get some experience on the company side. It was quite an awakening. Within a year almost everyone in the department left, and I somehow became the claims manager. I was there for about six years and wound up managing several employees who had a lot more technical experience than me.

I got by through diving into the CPCU courses, and asking questions. One of the things that I emphasize to our staff is that you can't ask enough questions, and you can't be afraid to be wrong and to fail once in a while.

- more -



ENGLE MARTIN &  
ASSOCIATES, INC.

Adjusters & Claims Administrators

**Engle Martin & Associates, Inc. Gambell  
Add One**

**Q: ....about a claim when it comes to your desk, you mean?**

**A:** Yes, or about any issue really. You can't hide an issue because you're afraid to reveal that you don't know the answer, but it seems to happen all too often. If you are a part of the right environment and you have the right leaders in place, those questions will be seen as opportunities for people and operations to grow. There's a learning opportunity and coaching opportunity in every unanswered question.

Fortunately, I was in a good environment that way at GRE and then even more so at Caliber One, which was the [excess-and-surplus lines](#) arm of PMA Capital. I quickly learned that E&S is a whole different world than the standard lines arena.

**Q: How was it so different?**

**A:** We wrote nursing homes, long-haul trucking, and logging equipment, contractors in California, gun manufacturers, and medical malpractice for distressed doctors. You just see so many things that you wouldn't otherwise see. I say that my four years there were like dog years in terms of experience.

I also had the opportunity to be an underwriter for a while. It's like the difference between offense and defense. In claims, you're on defense and trying to prevent points from being scored. But on the underwriting side, you're playing offense. You're putting points on the board, and there's the thrill of the chase of a new account.

For a claims person to see what underwriters had to go through to get an account was eye opening: the different players involved, the retail agents, the brokers. That was a huge enlightenment for me.

**Q: What was it about that that came as a shock?**

**A:** It's harder to write a good piece of business than claims people give underwriters credit for. When an adjuster gets a new claim, it's so easy to say, "What were they thinking when they wrote this"? Many claims people don't realize that it's not easy for underwriters when they have a stack of submissions on their desk with brokers pressuring them for a quote while they're trying to get the information they need to make the right decision ... and then do it over and over again.

While I was with Caliber One, I had the pleasure of working with the folks at Engle Martin & Associates Inc., who did a lot of our independent adjusting and TPA work. Engle Martin catered to the excess-and-surplus marketplace and clearly wasn't out to be all things to all people. They asked me to join the firm and head up their TPA and casualty field operations. It was an easy decision for me, as they clearly cared about what they did and worked hard and were well-respected.

- more -

**Engle Martin & Associates, Inc. Gambell  
Add Two**

**Q: How have you seen the industry change since you joined it? What has been more striking for you? Is it technology? Is it talent issues?**

**A:** It's the talent. Technology is critical but only gets you so far. Sure, a good claims system can make you more efficient and give you a better way to capture your data, but people still have to make the right decisions. Right now there seems to be a real absence of bench strength in the industry. There are still some good people out there, don't get me wrong. But without the strong training programs that we used to have, along with the focus shifting away from training and development over the past 10 to 15 years, there's no real next wave of talent like there had been in the past.

If I were someone coming out of school right now, I would look long and hard at getting into the insurance industry, and especially the claims sector, because there are not a whole lot of layers of depth to get through to make a name for yourself.

**Q: It's clear there's a depletion of bench strength. But I would imagine that's just about everywhere within insurance.**

**A:** It probably is. There are a lot more colleges that have risk management programs now, but they do seem to have a bent toward underwriting and production. You don't see many of the young kids in risk management programs saying that they're risk management majors with a concentration in claims. They all seem to wind up with carriers and brokers.

**Q: How has the demand of the TPA market changed over the past few years?**

**A:** Five years ago, when the market was harder, there were a lot more small accounts being written with self-insured retentions (SIR). Carriers were attaching lower SIRs on accounts that never really new what a self-insured retention was. So it was bittersweet, we were getting a lot of small accounts being referred to us by the underwriters but had our work cut out for us trying to educate the policyholders on the nuances of an SIR.

When the market softened and more business was being written with deductibles, some carriers didn't want to staff internally in order to deal with the claims frequency. The real impact that any claims operation can make, whether it be a TPA or an in-house claims operation, is reducing loss costs. It's important to control expenses, but that has a minimal impact compared to the loss leakage that you can experience if you don't have the right people making the right decisions. The end result is claims that aren't thoroughly investigated or properly evaluated.

Think about it. Let's say on a \$100 million book of business, there is a 5 percent underwriting profit. That's \$5 million. The wrong claims team can blow that in a heartbeat by making bad decisions. The right claims team can help turn that 5 percent margin into 10 percent.

**Q: Hence the importance of having the right people and the right talent.**

**A:** Yes, you need to have people who recognize that every dollar saved goes right to the bottom line. If you can save \$1,000 dollars a thousand times that is \$1 million. You also need people who understand that the effective management of claims is very much a balance of art and science.

###