



How
Associations
Can Partner
for Success:

A Case Study

By Judith Harrington-Carlisle

Senior Account Executive | The Harrington Company

Background

This is a story of two captive insurance associations who, with the help of The Harrington Company (THC), partnered to create their industry's first-ever regional conference. This case study demonstrates the importance of keeping trade and professional associations and societies strong and vibrant so they can work together to support their members and representative industries as they slog through this troubled economy.

Captive insurance is an increasingly popular area of the U.S. commercial insurance industry, part of a growing insurance industry segment referred to as "the alternative market," which occupies over 50 percent of the U.S. commercial insurance market. In essence, captives are formed to allow a company (or a group of companies) to insure, capitalize and manage their own risks.

A majority of these captive entities are regulated on a state-by-state basis in the U.S. (or by the regulatory bodies of other countries for off-shore captives). The captive industry is supported by many professional disciplines, e.g., accounting, legal, claims, actuarial, captive management and others; the recent growth in the captive industry has in turn created a growing global employment base. More and more mid- to large-size companies are forming their own captives to cover a number of risks, creating greater competition in the industry. For more about captive insurance, go to www.Captive.com.

One of THC's current clients, Arizona Captive Insurance Association (AzCIA), is a relatively small state-based association with state and national corporate members scattered throughout the country. As with most associations, its annual conference is a major funding source for the group's activities throughout the year. While planning their annual conference, AzCIA's leaders were concerned that economic conditions could negatively impact their annual conference by reducing the number of attendees, sponsors and exhibitors. As many of AzCIA's conference attendees also belong to other captive associations in the country and annually participate in several captive events, AzCIA has always been competing with other associations for their members' limited dollars and time for these types of events.

Despite these challenges, AzCIA saw a way to grow its conference, save their members time and money, and increase its chances of surviving in their industry's competitive environment. They decided to partner with Utah Captive Insurance Association (UCIA), another relatively small and newer state captive association in the western region of the U.S., to produce the Western Region Captive Insurance Conference in 2010. UCIA had in the past produced a small annual conference of its own and wanted to grow its presence in the captive community.

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THC / AMC to the Rescue

Neither AzCIA nor UCIA had its own staff. AzCIA, as noted, is managed by THC, and UCIA is volunteer-managed. To successfully partner, the two associations approved an agreement for an equitable distribution of conference net income, along with other terms identifying how the event would be managed to provide both parties with the comfort level needed to take the partnership into the planning phase and beyond.

One of the key elements of the partnership agreement was the requirement of hiring an independent AMC to manage the conference, and they selected THC to handle their inaugural event. Hiring an outside company prevents one association from having an advantage over the other and allows the two groups to use a professional, experienced company to do the work of setting up a conference budget, bank account and website; negotiating the hotel contract; and handling registrations, exhibitor and sponsor relations, speaker coordination, and conference promotion and administration services.

The next hurdle was designing a program that gave each association face time with its own members and identifying educational sessions that appealed to all attendees. The planning committee envisioned a program that allowed for separate face-to-face association meetings at the beginning of the conference similar to each association's meetings at their stand-alone conferences. Because both associations were represented on the planning committee, they were able to jointly design the rest of the program to meet both groups' educational needs. The expanded networking activities during this joint conference afforded attendees from each association additional opportunities to meet new faces in the industry beyond the usual participants of their associations' stand-alone conferences.

The conference occurred in spring 2010 in Arizona, attracting professionals from 27 different states and three countries. Although the conference was promoted vigorously, attendance was slightly lower than the anticipated goal of the groups; however, sponsorship and exhibit sales exceeded expectations. This, plus close monitoring of conference expenses prior to the event, tremendously helped the bottom line. Both groups realized income, and their collaboration proved to be a great success with their members. They are currently weighing their options and a venue choice for next year. As was hoped for, since the associations share a number of members between them, the joint conference saved their members the time, travel and registration expenses, of attending two conferences. About 28 percent of the attendees were non-members of either group, and several of them joined one of the associations during the conference.

By hiring an AMC, these two groups were able to consolidate the conference oversight activities in a seamless fashion for efficiency and cost-savings, as well as work with a company they could trust to handle the job in a professional manner. With the success of this first regional captive insurance conference, AzCIA and UCIA hope the other Western region captive insurance associations will join them next year. Given the current economy and the strain it has put on many associations to maximize their resources, it may be worthwhile for more industry associations to consider consolidating their annual conferences to contain costs and expand networking opportunities for their members.

Some may argue that the associations could diminish their personal identity (or "brand") in the industry by partnering with other competing associations. But looking at the big picture, and given today's technological advances and communication tools, there are myriad ways for associations to retain their standing with their members and the industries they serve. 🏆

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