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INSURANCE CONSULTANT

Carl Lidstrom has the job he always wanted

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Cover Story

Carl Lidstrom: Insurance Consultant

Growing up in Detroit Lakes, Carl Lidstrom was not sure what career path he wanted to choose. He tried the Navy, college and even owned a resort in northern Minnesota. But once an employment recruiter steered him to insurance, Lidstrom knew he had found his calling. It took him only a bit longer to figure out what for him was the prime job in the business: risk management consultant.

Since the mid 1980s Lidstrom has been advising clients on the best ways to buy insurance and avoid risk. He relishes it.

"It all started back when I was at Risk Planners," said Lidstrom, referring to an in-house property casualty agency for SuperValu, that served grocers in the food company's large network of stores and franchises. "A colleague one day asked me what my dream job was. Well, at Risk Planners we had a University of Georgia professor as a consultant. I said I thought that would be the ideal job, Travel around and help people."

Another important influence on his choice was an experience Lidstrom had while working in sales for Wausau (his initial job in the industry) One case in particular demonstrated dramatically the impact of paid advice.

"I thought I had sold workers' compensation insurance to a business owner," Lidstrom recalled. "Then he phoned back and turned it down. He said he knew my proposal would save him money. But his lawyer's advice was to stay with his old carrier because moving might adversely affect a pending workers comp claim. He asked that if he was paying for his lawyer's advice and didn't follow it, wouldn't he be a fool?" Lidstrom did not get the sale but he did get an appreciation for being paid to give advice.

Lidstrom received the chance to pursue his ambition a bit earlier than he anticipated. After 16 months with Risk Planners, he was the recipient of a layoff notice as the economy began a downturn. Lidstrom next chose to go with First Insurance, a bank agency in Minneapolis. It took about a year for him to realize that he would be happier following his risk planning aspiration. He worked briefly for a private risk management firm to gain needed experience before he ventured out on his own. In 1987 Lidstrom joined Line Shea, an agent who specialized in life and health coverages, to form a fee-based consulting firm in St. Louis Park. Lidstrom advised on property casualty, Shea on life and health. Eventually, Shea moved back to commission-based sales and Lidstrom formed his own operation, Professional Risk Management, Inc. based in Edina.

"Almost all of my business today comes from referrals by clients, agents or brokers," Lidstrom said. "In fact, some of my most frequent referrals come from insurance brokers. They like the idea that I am very loyal to my clients and that I tend to keep coverage in place, which appeals to them."

Lidstrom said his practice has grown steadily over the years. He is especially active with property management firms. He typically works with business owners, corporate risk managers and chief financial officers from organizations with 100 to 500 employees.

"I essentially tell them, look, you can spend a lot of time dealing with insurance, and it's not pleasant. I'll do it for you," Lidstrom said. "I don't promise them that I will save them money because I can't change premiums. But I do bring a slant different from an agent or broker. For example, they usually lock into insurance as the answer where I might suggest a totally different alternative."

Currently, Lidstrom is working with a company (Portogo) which will cover economic losses that occur if Internet transmissions are lost between servers.

Lidstrom, who is the current president of the Minnesota CPCU Chapter, became involved with that organization when he worked with Wausau. He earned his IIA, ARM and CIC designations before completing his CPCU in 1988.

"That was also about the time I was starting as a consultant," Lidstrom recalled. "Cheryl Gorder asked me to get involved, which I did. I think the CPCU was looking for more occupational diversity among its leadership. A few years later they asked me to join the board which led to my becoming president this year."

Lidstrom said his goals as president include increasing the number of educational seminars, maintaining the six scholarships the organization provides and continuing the society's strong relationship with the University of Minnesota and insurance professor, Andy Whitman.

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