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## MCM bulks up by merging with maritime insurer

Premium content from Puget Sound Business Journal by Peter Neurath, Contributing Writer

The recession may have hurt some companies doing benefits consulting and insurance brokerage, but in Seattle the well-established brokerage and benefits firm MCM is emerging much stronger, with its second merger in two years.

The merger is one of many mergers and acquisitions going on in the insurance brokerage industry right now, according to Christian Schiller, managing director of Cascadia Capital, an independent investment bank in Seattle.

“It’s a white-hot industry,” he said. “There have been tons of deals in the last couple of months.”

MCM, in business for more than 50 years, has just pulled in Global Insurance Specialists (GIS), of Seattle, in a merger that further strengthens MCM’s property-casualty insurance brokerage division by adding a strong marine component.

GIS, founded a dozen years ago, claims clients all along the West Coast, from Alaska to California and running south to Mexico and South America, as well as in Canada and even Russia.

Two years ago, the Basic Group joined MCM in a merger that gave MCM its property-casualty division, now called MCM-BACIC.

“We’ve made huge strides in that business,” said MCM founder and CEO John Meisenbach, who started the company in 1961 — and has no plans to retire any time soon. An industry veteran, Meisenbach put in two years in the Navy submarine service before graduating in 1960 from Seattle University and founding his firm a year later.

MCM already is a strong player in the local insurance market. The firm ranked No. 5 among Puget Sound-area insurance brokerages in the Puget Sound Business Journal’s 2012 Book of Lists, with 2010 premium volume of \$794.7 million.

MCM, now with about 75 employees, markets expertise in five areas: employee benefits, executive benefits, retirement plans, insurance advisory, and now property-and-casualty brokerage.

MCM claims to serve some of the Northwest's "most influential, high-net-worth individuals" as well as a number of local and multinational companies.

Meisenbach said that over the years MCM had wanted to add a property-casualty function: "There were advantages for our clients, and our clients had asked for it."

Meisenbach expressed enthusiasm about bringing GIS founders Damon Nasman and Lee Ann Thompson aboard. "The merger is a real coup for us," he said. Nasman, from GIS, now serves as MCM's managing director of the marine division.

It gives MCM an even stronger marine property-casualty component. "Our marine group is substantially strengthened and broadened by the addition of GIS," said Don Bacic, president of MCM's property-casualty group, which already brokers insurance for such market segments as construction, restaurant, hospitality and real estate, among others.

Meisenbach observed that MCM's growth runs counter to the recessionary trend in his industry of cutbacks and terminations. "We felt we could capitalize on that," he said. "We feel that if we take care of our employees and our customers, our business will thrive."

Schiller, at Cascadia Capital, observed that today's hot merger-and-acquisition activity in the insurance brokerage industry is driven, in part, by growing brokerages looking to join up with a "bigger platform" and to "share in the upside value," as well as by next year's scheduled tax increase on capital gains, which provides an incentive for completing deals this year.

It's not surprising that some would want to hook up with Meisenbach, who Schiller said is a known leader, and whose stature in this region is "the best of the best."

Meisenbach serves on the boards of Costco, Expeditors International, M Financial Group, McCormick Capital Management, Seattle Children's Hospital and Atlantic Street Center.

MCM is not done growing. Meisenbach said his company is open to growth through still more mergers.

"But we'd prefer to grow organically," he said.