

Creating Solutions

An Interview with James W. Crystal, Vice Chairman, Alliant Insurance

EDITORS' NOTE After joining his father, Frank Crystal, at Crystal & Company in 1961, James Crystal was named President in 1963. Crystal serves as a Vice Chairman, Trustee, and Member of the Executive Committee and Co-Chairman of the Audit Committee of Mount Sinai Medical Center, Vice Chairman and Member of the Board of Alliant Insurance, along with serving on the board of K2 Intelligence.



James W. Crystal

COMPANY BRIEF Crystal & Company (crystalco.com) is known as a leading strategic risk and insurance adviser, addressing clients' risk management, insurance brokerage and employee benefits consulting needs. Founded in 1933, Crystal & Company was comprised of more than 400 colleagues in 11 regional offices across the United States and placed more than \$1 billion in premiums in the global marketplace annually. Prior to its acquisition by Alliant Insurance Services, Crystal was a family enterprise spanning three generations of Crystal family ownership and management.

What made you feel the timing was right for a partnership with Alliant?

Even though our businesses are different, our unique areas of strength complement one another, so one plus one can make three. Also, there is leverage as we dovetail with each other.

Will there be a change in the business for Crystal & Company?

Our clients will find the high level of excellence and expertise they have come to expect; however, they will now be exposed to more skill sets thanks to Alliant's deep roster of talent and national reach.

How do you define the Crystal advantage?

We have been very service-intensive, to the point where our clients have become some of our best salespeople by recommendation. We have had many clients for more than 40 years and, through multiple owners, and that tends to solidify our base.

In addition, we are clearly one of the major leaders for financial institutions, mergers and acquisitions, and high-net worth individuals. This was attractive to Alliant as an opportunity to expand within this space.

Conversely, Alliant has specialties in construction and benefits that will expand the capabilities of our team.

Is the high-net worth client the sweet spot for Crystal & Company?

It is a sweet spot. However, the financial institutions are stronger because the premiums are larger.

We have high-net worth people who spend close to a million dollars in premiums per year.

We have figured out there is a cross-sell relationship between high-net worth people and businesses and we also want to handle the insurance for the executives of major corporations as well.

Is your primary growth within the U.S. market and is there opportunity for international growth?

The international growth potential is there, but the premiums are much lower in most cases, and there are so many brokers that the business is fractured. Unless we aligned with major brokers in each country, we would be handing out business from here but there would be no reverse flow. In our case, reverse flow has become very important. Alliant also believes there is extensive value in international growth. This is where Brokerslink becomes even more important for the combined company.

Was cultural fit critical as you evaluated your partnership with Alliant?

Alliant and Crystal both have entrepreneurial, service-oriented cultures that complement each other well.

Being offered the position of Vice Chairman and being a director of the combined companies is a unique position to be able to inculcate the best of both firms.

How important has it been for Crystal & Company to have offices in each of its client markets?

There are clients that like us to be in their towns, but the preponderance of clients are more interested in buying expertise and leverage. The common denominator is how well we know their businesses or industries so there is no on-the-job training at a client's expense.

What are the keys to building client loyalty with such as focus on price today?

Client loyalty is something we can earn by performance and there are a multiple of

performance metrics – price is just part of the equation. Service, collecting claims, introducing new ideas, understanding the industry and having a basic understanding of economics are all relevant.

How much is technology affecting the business?

Technology impacts how we provide service and enables us to have a much better database that is accurate and instantly accessible.

It also gives the client tools to work with us and to receive instant access to data.

How do your business skills influence your philanthropic work?

We have to be careful of trying to solicit and combine philanthropy with an economic endeavor, but the skill sets that we have are helpful in philanthropy. In some cases, we may be able to give them actual business advice, but we can also be of service by just looking at what they're doing and suggesting alternatives.

What have been the keys to a smooth family dynamic at the company?

It starts when everybody is young and then there is a degree of follow-through. Even when one's sons or daughters are young, business is always being discussed so it becomes something they understand by osmosis.

The issue becomes part of the family dynamic on a daily basis and whether we are driving things together or apart. Everyone has to work on this.

What is it about the insurance industry that is so special for you?

Despite what many think, it's a creative business – we're creating solutions for people's problems.

We help people do something they are financially incapable of doing for themselves. If everyone could be self-insured, they would. The biggest challenge will be complying with certain statutes that might not be applicable or beneficial to everyone.

Then, we have social issues on top of the financial issues, which seem to be getting broader.

Do you take the time to reflect and celebrate the wins?

I don't forget roots in life, personally or corporately, but I don't think my father would have dreamed this business would be where it is today and I don't know if it would be where it is without my three sons. ●