



Busby-Stone Risk Management
Acrisure Agency Partner

2017

Gregory Stone

Professional Biography



Gregory Stone

Professional Biography Education, Background and Experience

Gregory Stone is President of Busby-Stone Risk Management, an Acrisure Agency Partner. The complex risk division of Acrisure, LLC, the nation's 12th largest insurance broker. With offices in sixteen states and thousands of employees passionate about the firm's, "Client First" philosophy, they can assist clients regardless of their location.

For the past three decades, Mr. Stone has provided complex risk and insurance services to various types of clients requiring sophisticated risk services. These client's annual revenues range from \$5,000,000 to \$15,000,000,000. A typical client is interested in the risk management process and its ability to reduce net income losses. The National Alliance of Insurance Research and Education; and the International Risk Management Institute is where he earned the following professional designations; ***Certified Insurance Counselor (CIC), Construction Risk Insurance Specialist (CRIS), Management Liability Insurance Specialist (MLIS), Agribusiness and Farm Insurance Specialist (AFIS) and Energy Risk Insurance Specialist (ERIS)***. Mr. Stone has been a disciplined student of insurance and insurance law. Comparing policy forms and reviewing outcomes of lawsuits affecting insurance everyday has been a key advantage negotiating claims and managing litigation costs for clients. Mr. Stone's work in developing actuarial calculations to study the financial impact of claims, has proven beneficial in reducing his clients cost of risk. Mr. Stone is a licensed insurance broker in every state allowing him to arrange insurance coverage for clients regardless of their location.

Acrisure-Busby-Stone Risk Management is contracted to bind coverage with insurance companies that enjoy A.M. Best ratings of "A" to "A" ++XV. Surety bond credit is the life-blood of many of Mr. Stone's clients, so he makes a point to develop and nurture strong relationships with surety underwriters. These relationships have helped many client contractors, large and small increase surety credit to levels allowing them to compete and grow in their marketplace. Mr. Stone enjoys power of attorney for several leading surety underwriters, authorizing him to sign bonds for a single contact up to \$50,000,000.00 in house.

Mr. Stone is a property and casualty insurance expert having designed and negotiated countless insurance and risk management programs for clients throughout the United States and around the world. Mr. Stone's practice has included clients involved in; agriculture, construction, oil and gas, green energy, government institutions, builder-developers, healthcare, entertainment, and high net worth individuals.

Statistics indicate that an insurance agent is unlikely to manage even one catastrophic claim during their career. Mr. Stone has managed dozens of catastrophic claims. A property and casualty claims consultant, Mr. Stone has successfully reconciled claims after insurers either offered unreasonably low settlements or denied the claim altogether.

We include examples of Mr. Stone's successful engagements in a separate document appended hereto. Each of these engagements have been included with the permission of each client.

1. The Marriott International Hotels with headquarters in United Arab Emirates, Dubai, retained Mr. Stone to assist in the negotiation of a claim denied due to terrorism. The Taliban bombed the Marriott in Islamabad, September 20, 2008. Two weeks after Marriott engaged Mr. Stone, the Taliban bombed the Marriott in Peshawar Pakistan. The chairman of Marriott International called Mr. Stone saying, “My God they have hit us again, can you come back immediately”? The Islamabad bombing was included in a scene of the true film, “Zero Dark Thirty”. The most publicized engagement of Mr. Stone’s career. This successful engagement established Mr. Stone as an authority in negotiating denied claims.
2. One of the healthcare giants denied a hearing-impaired woman benefits for inner-ear stimulators, a new device proven to restore hearing. Mr. Stone argued that the implanted stimulators are as, medically necessary as a pace maker, and to be without either, would put a person’s life in constant jeopardy. With consistent follow up, the insurer ultimately agreed to pay, \$70,000 for the inner-ear stimulators and required surgery. Mr. Stone’s efforts set a precedent requiring other healthcare insurance providers to pay for these inner-ear stimulators for other hearing impaired Americans.
3. Los Angeles California, the sale of a tower building downtown halted after an environmental impact report revealed hydrocarbons in the soil of the property. The seller’s attorney contacted Mr. Stone and asked for solutions. Mr. Stone requested a Phase III environmental report that offered additional information as to the origin of the hydrocarbons. With the report in hand, Stone headed to New York and presented his coverage design to the pollution underwriters, ultimately negotiating a premium far below the budget given. Mr. Stone met with the sellers in Los Angeles and explained the insurance and risk transfer mechanism. The owners asked Mr. Stone to present his idea for handling the pollution problem to the Korean buyers. Communicating through an interpreter, Mr. Stone suggested that in exchange for an additional \$1,000,000 added to the asking price of \$74,000,000, the sellers would be willing to provide a ten year indemnity for claims arising out of pollution incidents with a \$10,000,000 cap on their liability. The Koreans spoke among themselves and then happily agreed. The pollution insurance program negotiated by Stone included the following coverage; ten year policy term, \$10,000,000 policy limit for claims arising out of bodily injury, property damage and clean-up, on-site and off-site, \$10,000 self-insured retention, the premium \$75,000. The sellers rewarded Mr. Stone an amount he was unable to disclose.
4. Los Angeles California, a spark flew into a holding pond located in the ORU unit of ARCO refinery. Covered by local and national news Mr. Stone moved quickly to organize a successful end to what could have been catastrophic claim. After notifying, the insurance carrier and with both the permission of the adjuster and the client, Mr. Stone contacted G.E. Capital and had office trailers delivered to the front gate of the refinery. Electricity was wired in, computer equipment delivered. By the time the adjusters arrived a claims settling environment suitable for quick resolutions existed. Four days later, over four hundred and fifty boat and yacht owners received checks to have their boats washed. Because of the fast organization, and weather report obtained by Mr. Stone the day of the event. The four neighbors living “upwind” from the refinery, presented claims eventually dismissed as the fumes blew the opposite direction.

5. Shafter California, a helicopter company hired to spray potato fields, sprayed one hundred and twenty five farm laborers when the pilot failed to see them working in an adjacent field. Covered by both local and national news, Mr. Stone worked quickly to organize a publicist to communicate with the news media. These efforts allowed the client to focus of the loss mitigation plan prepared by Mr. Stone. Surrounding farmers were improperly included in the following lawsuits. The media coverage made the settlements almost impossible, however, the organized settlement strategy that called for including each of the farmers insurance companies, ultimately allowed each to settle for what all agree were reasonable amounts. None of the farm workers suffered fatal inhalation injuries.

6. Taft California, a representative of a major oil company walked the jobsite of a recently completed seep remediation project. The oil lease is a diatomite formation and the oil is tar-like. The process to increase viscosity so the oil can be pumped to the surface, is to inject steam twenty-four, seven. The oil company executive designed the seep remediation process and without realizing, it created an underground boiler that over the next few days following the completion eroded the ground. When the executive inspected the completed project he unwittingly stepped exactly on the eroded area, the surface gave way. The other oil company executive could not reach the man who literally boiled to death in front of him. Unfortunately, certain organizations set out to demonize one of the contractors that worked on the remediation project, Mr. Stone's client. The local news immediately reported that the client was the cause of the accident, a complete falsehood. Mr. Stone hired an attorney/publicist, called the news media, and invited them to the office where the attorney read a script written by Mr. Stone, explaining the fact that nearly a dozen contractors were involved in the construction project. Mr. Stone worked closely with the insurance company who immediately reserved the claim at over twenty million dollars. This was unacceptable to Stone as the insurance was renewing in the next few months and this catastrophic claim reserve would cause the premium to skyrocket. Mr. Stone negotiated with the adjuster using calculations he developed in the past. The insurer agreed to reduce the reserve to one million dollars; this was seven hundred thousand dollars \$700,000.00 more than Mr. Stone projected. The insurance renewal was successful and the premium was not impacted negatively. Mr. Stone's projection was used to negotiate a lower published reserve.

7. Los Angeles California, referred by a client Mr. Stone met with a structural concrete contractor. The young man was the third generation in his family and was definitely smart. When they met the contractor expressed concerns about growing and went on to explain his surety would only approve him for one six million dollar project at a time. Mr. Stone collected the underwriting information requested and analyzed the condition of the contractor's financial statement. Determining the contractor had the three "C's", character, competence and capital, Mr. Stone traveled to San Francisco to present the information to a bond underwriter. To the young contractor's surprise Mr. Stone delivered him a surety bond credit line allowing a single contract up to twenty-three million and a total program of sixty million dollars.

8. Telluride Colorado, Mr. Stone managed the insurance, risk management and security program for the Telluride Ski & Golf Resort. Initially involved with the purchase of the resort from the sole heir of the Sony fortune, the absentee strategy had taken its toll on the resort. Spending three days a month for the first year following the acquisition, Mr. Stone implemented a behavior based safety program used in the oilfield of Bakersfield, California. The efforts were an immediate success. The post-acquisition worker's compensation claims were less than \$300,000, \$700,000 less than the average annual paid losses.

9. Hollywood California, what started out as a request to have lunch ended up in a protracted courtroom drama. The children, of singer, song writer Marvin Gaye listened to Pharrell William's smash hit, "Blurred Lines". Performed by singer Robin Thicke the song brought in over twenty-million dollars (\$20,000,000). The back-beat of the song sounded just like the back-beat in their father's smash hit "Got to Give It Up". Mr. Stone was engaged to advise on risk finance strategies for the estate of Marvin Gaye if they lost the lawsuit. Why would it cost them anything we asked Mr. Stone. Hollywood contracts have prevailing party clause. This requires the loser to pay the "prevailing party's court costs. The estate is not in a position to take a hit of this potential magnitude. Essentially the strategy involves projecting the amount of the settlement if the suit is lost. The amount and a discount rate is used to calculate the future value to an investor given an estimated time to adjudicate the case. This work was fortunately unnecessary as the attorney representing the estate of Marvin Gaye told Rolling Stone Magazine; that he will try to block all future sales of "Blurred Lines" until an agreement is reached. Robin Thicke noticeably ripped off Marvin Gaye's 1977 hit "Got to Give It Up" when he wrote the smash hit "Blurred Lines" with Pharrell Williams and T.I., a Los Angeles jury has decided. He and co-songwriter Pharrell Williams must pay Gaye's family \$7.3 million as part of the ruling, according to Variety. The verdict puts to rest over, a year's worth of legal back and forth between Thicke and Gaye's estate, in which the latter sought \$25 million in damages.

10. Los Angeles California, Mr. Stone competed for a client then spending \$6,500,000 for their worker's compensation program, the largest brokers in the country were invited. The two month interview process ultimately ended with Stone winning the client's business. The client indicated that five brokerage firms were invited but Stone's deep knowledge of how our actuarial data and it's effect in driving their cost of risk far exceeded what the other five firms demonstrated. That was ten years ago and the client reported savings in excess of \$12,000,000 for the time period. They credit Stone for spending the time necessary to understand their \$500,000,000 a year company and crafting a risk financing program that had real legs and is successful to this day.

11. Telluride Colorado, Mr. Stone received a phone call from the new risk manager he had hired for the resort. A jet had crashed at the Montrose, Colorado airport. Member and resident of the resort, Dick Ebersol, president of NBC Sports had chartered a Net Jet to transport him and his two sons. The pilot waived-off the de-icing offered by the airport personnel. Mid-winter, rain and snow of the area is legendary. Frost built-up on the wings and that was enough weight to hinder the jets ability to take-off and it crashed, killing one of the sons, Mr. Ebersol and other son survived. CNN immediately reported that the crash took place at the Telluride airport of the Telluride Ski & Golf Resort. Stone took immediate action to negate the inevitable damage to the resort's brand. Calling CNN Atlanta, the producer of the news event spoke with Stone and repeated into the ear of the reporter the actual news and events. CNN retracted their statement of the location of the crash and followed Stone's to repair the damage done. CNN continued to communicate with Mr. Stone and report throughout the day the disposition of the accident followed by the real location of the crash site being Montrose, Colorado.

12. Delano California, a cold storage facility suffered a massive machinery breakdown when the pipes broke and the coolant, ammonia, sprayed thousands of boxes of grapes waiting to be shipped to market. Mr. Stone spent three years working with the largest insurance broker in the world and they sent him with the best in the industry requiring him to go into the field with the engineers to inspect their client's boilers and machinery. Clients such as Disneyland, Avon Cosmetic Products, TOSCO Refinery. Stone put to work all of the knowledge gained working with the engineers when the farming company first commissioned him as broker of record. Photographing each compressor, tanks, electrical panels, and piping the insurance company was able to identify the origin of the loss, a task that is historic in delaying payment of claims. It happened that Stone knew to endorse the insurance policy's valuation with "market value", few brokers knew the endorsement existed. The client was paid market value for every box of grapes and the machinery was repaired within three weeks of the claim allowing the farmer to continue storing grapes coming out of the field.

13. Los Angeles, California 2010 began the era of class action lawsuits involving wage and hour claims. The plaintiff's bar first attacked the heavy mechanical contractors working in refinery facilities. Mr. Stone had four clients in that industry included in this new gold rush for California lawyers. The total amount for all class actions combined was \$42,000,000. Mr. Stone realized that the method by which the lawyers were negotiating settlements had no real methodology other than good old fashion back and forth costing other contractors millions and millions of dollars. Mr. Stone immediately created a method for analyzing the true amount of wages the employees were owed but not paid. Each of the clients were represented by the top employment law firms in Los Angeles and approved of Mr. Stone's strategy. One commenting, "The strategy is so strong, I am frankly embarrassed that your insurance broker developed it and we did not". Along with one other key strategy in hand each client successfully settled their lawsuits for a total amount of \$8,000,000. \$34,000,000 less than what was originally required to settle.

14. California, a contractor-client only mentioned in a complaint against a competitor alleging violations of the Cartwright Act found himself included in the, third amended complaint. Believing that such a suit would never be covered by insurance, Mr. Stone's client never contacted him to report the claim. Thirty days later the contractor's legal expenses were an astounding \$932,000, he called Mr. Stone. During the call the client reported that the original party to the suit had mentioned that their broker informed them that their general liability policy would not respond to the suit. Mr. Stone explained that he had to find only one cause of action included in the lawsuit to trigger defense under the client's general liability policy. Mr. Stone reviewed the complaint and found a covered cause of action, reported it to the contractors insurance company, the insurer eventually paid nearly \$3,000,000.

15. Austin, Texas a client delivered rental equipment for a sewage by-pass strategy designed by their contractor client. The residential resort developer began the next phase and the contractor began wetting down the land next to a resident of the resort. The contractor renting the equipment improperly connected the by-pass pumps, pipes and associated equipment. Turned-on the pump and left, “Friday afternoon” for the weekend. Late Sunday night the contractor was called by the frantic homeowner. The resident was manager to PGA Tour professional Ben Crenshaw. He reported that his yard and home smelled like a sewer and it appeared that an, “out-house” had been dumped in his front yard. A lawsuit against the equipment rental company (Stone’s client) was averted by the contract verbiage Mr. Stone recommended to his client which included, indemnity, hold harmless but most importantly, a clause that required the rental companies clients to undergo training for any by-pass systems involving hazardous substances, and acknowledged by renter that only those employees that had been properly trained would operate the by-pass systems. The clean-up costs were nearly \$500,000 not a penny paid by Stone’s client.

16. Beverly Hills, CA Mr. Stone known for both his ability as a negotiator and for his enviable access to various dignitaries around the world used both to introduce talent to a Presidential hopeful. A longtime fan of country music superstar Merle Haggard, Stone heard Donald Trump’s message to America in many of Mr. Haggard’s songs. Stone sent a link that included “Are the Good Times Really Over for Good, I wish a Buck was Still Nickel” to his friend, Donald Trump Jr. The note saying, “Don when you and your father have a chance listen to this Merle Haggard song, I think you both will agree, its message is similar to your father’s”. Perhaps this song and others would be a fit for background music while campaigning. Replying back fifteen minutes later, young Mr. Trump replied, “That would be really cool, see what you can put together for us, stay in touch”. A month later in Beverly Hills, CA, Mr. Stone met with Merle Haggard to discuss a deal. Mr. and Mrs. Kris Kristofferson attended this meeting and Mrs. Kristofferson made certain Mr. Stone understood that they did not share the same admiration for Mr. Trump as Mr. Haggard. The deal to produce a CD for the Donald Trump Presidential campaign was agreed that evening. The Los Angeles Times reviewed the concert that evening, and included a comment Merle made during the concert about the proposed project. The nineteen hundred fans exploded into applause. Stone sitting in the wings of the stage recalls, Merle glancing over at his lead guitarist and son, Ben Haggard in amazement. Mr. Stone manage the project from beginning to end. Just before the recording dates in Nashville, Mr. Haggard fell ill. He had been fighting double pneumonia that year. Sadly, Merle Haggard died April 6, 2016, his birthday. Mr. Trump borrowed a line from one of Merle’s songs and music video, “America First” during an interview.

17. Palm Beach, Florida a longtime money manager with a reputation for making solid returns for his clients was unfortunately caught in the dot.com bubble. Although many people lost billions when that bubble burst one of the clients, and the money manager’s best friend took exception to the reduction in the value of his portfolio and began soliciting other clients of the manager to join him in a class action lawsuit. Fortunately, Mr. Stone had convinced the money manager he should purchase a full management liability insurance program. This policy included, director’s and officer’s liability, fiduciary liability, professional liability. Ultimately a jury found for the defendant indicating while money was lost, the manager did nothing out of the norm and took immediate action to mitigate further losses. Notwithstanding, the insurance policy paid nearly five hundred thousand dollars (\$500,000) for defense cost. The money manager was quick to thank Mr. Stone and shared that had the insurance not been there he would have to manage fifty million dollars (\$50,000,000) to pay for the defense costs.

18. Bakersfield, California south of the town a contractor hired to prepare soil for planting the next crop manage to strike a thirty-six inch gas line owned by PG&E. Unfortunately the operator driving the tractor was killed instantly, the massive machine was burned to the ground. The contractor hit the same pipeline a year earlier. The standard operating procedure when excavating is to call the state authorities that locate, map and manage information regarding the location of all pipelines. They will send personnel to the jobsite indicated by the contractor. Once on-site the person representing the pipeline uses various materials to mark the location of the line so the contractor can avoid hitting the line. The first accident occurred because the personnel sent by the owner of the pipeline marked the location sixty feet incorrectly. Fortunately the machine operator's training kicked in and he immediately exited the machine. The machine, still running continued across the field ultimately hitting yet another pipeline where it stopped. The gas from the second pipeline operated as a torch directly under the machine. The machine was valued at four hundred and fifty thousand dollars (\$450,000). When it rains it pours, the contractor's insurance agent forgot to add the machine to the inland marine policy.

The contractor's attorney contacted Mr. Stone and asked him to consider the engagement that the contractor really needed help. Mr. Stone immediately reviewed all open claims. Started a lawsuit against the broker of record failing to insure the machine when advised during a meeting and follow-up from the contractor via email. Next Mr. Stone took the contractor and his wife to Los Angeles and introduced them to the attorney Tom Girardi made famous by the Erin Brokovich movie for winning the case against PG & E as well as others. Then the task of replacing the expiring policies, began, Mr. Stone indicating the hardest placement of his thirty-four year career. He created a risk control program for the contractor that included contractual risk transfer mechanism not typically used by the agricultural industry.

19. Mr. Stone is using his experience to create a contractual risk transfer program for the ag industry in the San Joaquin Valley indicating during our interview that, "farmers are so far behind the energy and construction industry that someone needed to take the lead". That is exactly what Mr. Stone is doing, with the help of Dan Clifford, son of well-known and respected attorney Steve Clifford of Clifford Brown Law Firm. When our program is completed we will have a series of contracts for each specific area of the agriculture industry. Farmers and their contractors will have in writing, indemnity, hold harmless and insurance requirements so that when claims arise of a size they will have confidence that their interests are properly communicated. Mr. Stone estimates that this will reduce that cost of risk for all involved. Going on to say, many times there is no contract between the farmer and the contractor. More times than not, they, the farmer has failed to secure certificates of insurance. And when they do have one in file, it is normally incomplete or incorrect. This allows the attorneys to drag others that should not be included into the lawsuit. This drives premiums up which ultimately increases the cost of food we buy. We are excited to be taking the lead in this much needed risk management strategy and look forward to rolling it out nationally.

20. Palo Verde Nuclear Generating Station located forty-five miles west of Tonopah, Arizona. Mr. Stone managing the insurance and risk for the largest sprinkler pipe manufacturer and rental firm in the nation. The plant maintains several large cooling ponds. While performing regular maintenance, they rented eight inch pipe and pumps that moved fifty thousand gallons a minute. Unfortunately the power plant personnel did not listen to the instructions given by the client. The person powered off the pump and seconds later turned it back on. The void between the water left in the pipe and the new water headed for that void is known as an air-hammer. When the water reached the void an enormous amount of pressure is created, and in this case the seam connecting the pipe together split open from the force. What is more, the seam was pointing exactly towards the two inch liner in the pond. Not realizing until the next day that the pipe had split open and water was blowing between the liner and the earth. Mr. Stone recalls flying to the accident in the client's King-Air. "We purposely flew over the accident site and immediately saw this enormous balloon coming growing on the side of the bank where the seam split open". Water had been blowing under the liner for over twenty-four hours at a rate of fifty thousand gallons a minute. The estimated damages were in the millions of dollars if the integrity of the liner was determined to be in question. Mr. Stone recalls, mentioning during a meeting with representatives of the power plant, client and insurance company AIG, "Folks do you know whether or not the person that shut down the pump attended the tutorial given by the client at the time of delivery". He presented the instructions and signatures of each person that attended the tutorial provided by the client. Negotiations immediately became more civil. The settlement is confidential, but it is okay to say, Mr. Stone's client was quite pleased with the results.

Over the years, Mr. Stone has consistently used his various talents, education, background and experience to assist others. He has managed client's cost of risk regardless of the insurance market conditions or claims experience, and supported client surety needs enabling them to grow. His dedication to continuing education and creativity in managing risk has benefited clients around the world. Writing an insurance policy is the easiest part of an agent or brokers job, Stone said. The most difficult part is acquiring knowledge and using that knowledge to design the coverage in the first place studying the client's operations so that coverage can really solve problems.

If any of these qualities can benefit you, hire Mr. Stone. It is foolhardy to experiment with the outcome of a claim, hire a broker with verifiable experience. Mr. Stone can be contacted by calling toll free 877-665-9150.