



## ONE "MAIN STREET" AGENCY'S 80 YEAR ODYSSEY

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I knew I had something in common with *American Agent & Broker*. Besides the fact that both the magazine and I—in my role as president of the National Association of Professional Insurance Agents—have tried to give voice to the interest and

concerns of independent agents, I was surprised to learn we have another thing in common. Eighty years ago, when the founders of *The Local Agent* were pushing Issue One out the door in St. Louis, Mo., the founders of my business, E & K Agency, were shaking hands with their first client in the seashore town of Asbury Park, N.J.

*E & K tries to combine the best of the new... with those values instilled in us by our founders—personal service and an overriding, sincere concern for the families and businesses who are our valued clients.*

The policy for that first client still hangs on the wall at E & K. It's a property policy for a moving and trucking company. Premium: five bucks. Gee, we think we have a soft market now? Like so many businesses, things have certainly become a lot more complicated over this long stretch of time. But the fundamentals have not changed. Why we do what we do has not changed.

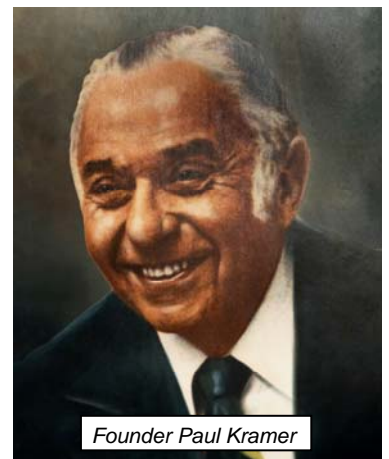
Back in 1930, Paul Kramer, a former Fuller Brush Man, figured he could better invest the \$400 cash value of a life insurance policy by investing it in himself. Along with his father-in-law, Herman Epstein, Kramer took the cash value and founded E & K with a desire to prosper while protecting his neighbors and helping them prosper as well: a tall order as

the realities of the Great Depression were sinking in.

Despite such humble beginnings, E & K has managed to succeed. In its history, E & K has moved its offices five times, each time more than doubling its size. Most recently, and counterintuitive to the tough insurance marketplace, we have significantly expanded our main office and opened another.

Like many insurance agencies, E & K has an enduring family nexus. For four generations, at least one agency principal has been a son-in-law of a prior owner. Despite being fully automated, our modern offices are steeped in tradition. Conference rooms are named for founders and prior principals. Old E & K signs and nostalgic photographs of the Jersey Shore adorn the walls.

Through each succeeding generation, things have become more complicated. We have gone from spending hours designing a sign for over the front door to spending months designing our Web presence. We have gone from weekly trips to insureds to collect premiums, to establishing platforms for electronic fund transfers. We have gone from sitting among filing cabinets full of paper to an entirely paperless environment. Of course, I am still trying to



Founder Paul Kramer

figure out how we ended up with more computers than employees and why we still buy so much darn paper.

Things have changed for our clients, too. Added to the exposures that threaten them are a slew of risks their grandparents could not possibly have imagined: mold, underground storage tanks, employment practices, terrorism. Such risks make all the more troubling the trend among direct writers to provide cookie-cutter service to people who are not, well... cookies. Mass marketing has skewed the value proposition defining it as "cheapest premium" with no reference to coverage. Great value before a claim, but not so much after a claim.

That's where the fundamentals have not changed. E & K, like many Main Street agencies, has strived to stay close to its clients; to understand their particular needs and their aspirations—to safeguard their dreams. That requires problem solving and crafting individual insurance programs for individuals. Mergers and acquisitions have been all the rage in so many industries, including our own. Main Street agencies like E & K, regularly compete with conglomerations comprised of what were once many distinct agencies. Often bank



owned or the product of a few agency aggregators, these entities are analogous to the "big box" stores along the highway. Their customers move through them like so many shadows passing through the automatic doors of Walmart.

Unfortunately, all too often the same can be said of their employees, who are caught in the musical chairs of downsizing from both the recession and the duplication of positions when the boss sells out. Sometimes these insurance professionals are just frustrated by becoming paper pushers rather than trusted advisors. It's why so many of E & K's professionals come to us from the largest mega-brokers in the country. As we often say at E & K, "We're in search of colleagues, not books of business."

While adhering to principles developed over its 80 years, E & K looks ahead to the challenges posed by the furious pace of change in business and technology. Already, we are orchestrating changes to our procedures anticipating the end of paper policies. And like most insurance professionals, we must address the prospect of competition from almost anywhere on the planet and the possible total transformation of the health insurance industry. As I like to say, change is inevitable—except from a vending machine.

However, why we do what we do has not changed. We work hard as knowledgeable and trusted advisors to safeguard our clients and serve as active partners in their prosperity. In doing so, E & K tries to combine the best of the new—such as professionalism, automation and education with those values instilled in us by our founders—personal service and an overriding, sincere concern for the families and businesses who are our valued clients.

As for the purchaser of that \$5 policy hanging on the wall—they have diversified, grown and changed, and remain in business. Moreover, they remain a valued client of E & K.

I like that kind of change.



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