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# MEMIC & Wilson: History Indicates Strength

MAY 27TH 2011 BY STAFF WRITER

## MEMIC & Wilson: History Indicates Strength

For more than 15 years, Missouri Employers Mutual Insurance Co. has grown into the state's largest workers compensation carrier. During that same time, the company has been under the leadership of two strong, reputable leaders in Dennis Smith until 2009 and most recently by Roger Wilson.

Established in 1993 by the Missouri State Legislature, MEMIC was created in a time when workers compensation premiums were soaring and availability was limited. MEMIC was given a strict charge to provide work comp insurance for Missouri small business and provide training and assistance in creating safe worksites throughout the state.

MEM began business in 1995 with a \$5 million loan from the state. At the end of 2009, it had \$154.4 million in assets. As a mutual company, ownership of MEMIC belongs to the policyholders of the company. .

Unfortunately, all the greatness and financial stability they have created in the insurance industry, Missouri Employers Mutual has entered into the media spotlight receiving unwanted publicity last week when former Gov. Roger Wilson and current president of MEM was put on administrative leave.

In June of 2009, Wilson was hired as the acting president to replace Dennis Smith, who led MEM from its infancy to the number one workers' comp writer in the state. A worthy replacement, Wilson had established a stellar career in a political life with over 20 years

in state government. Wilson served Missourians with 14 years in the State Senate, 8 years as lieutenant governor and filled the unexpired term as governor following the death of Gov. Mel Carnahan. Wilson became president at MEMIC permanently in January 2010.

Without an insurance background, Wilson's leadership continued the stellar growth in 2010 as total premiums written fell from \$109.7 million from \$110.1 million while market share grew to 16.13 percent from 14.8 percent. With more market share than its seven closest competitors combined, MEMIC enjoys a position of dominance in the marketplace.

That begs the question how the incredible performance of a strong Missouri-based corporation and the impeccable reputation of a good man and public servant can automatically be brought into the light of controversy so quickly.

The scandal began in March of this year as a MEMIC board member, Karen Pletz of Kansas City, was indicted with 24-counts of federal charges of embezzlement and tax fraud. The second dose of scandal began in April as Doug Morgan of St. Louis was indicted on a federal count of bank fraud.

The improprieties of the board members remained under the radar of the general public until Wilson was put on administrative leave. At that point, a frenzy of accusation, doubt and concern began to unravel on both MEMIC and Wilson.

The tight corporate mum that has been given to the action by MEM has placed upon Wilson further fuels this frenzy. Chairman Jim Owen, a St. Louis attorney who replaced Morgan, has not offered a corporate position or reason for the board's action.

The facts remain that the reputations of both Missouri Employers Mutual and Roger Wilson deserve a degree of honor until which point the mystery has been disclosed.

The strength of MEM is found in its past performance, strong financial position and the people that represent the company.

MEM was a leveling force in the workers' comp marketplace, bringing lower costs to Missouri Small business, said Larry Case, executive vice president of the Missouri Association of Insurance Agents. Historically, they have not only met but also exceeded all expectations of customers, agents and general public.

"It wasn't an accident that MEM has grown into the largest writer of workers

compensation insurance in Missouri,” Case said. “Its past leadership has been proven by their successes.”

The strength of Wilson remains in his own performance. Under Wilson’s leadership at MEM, Missouri small business has seen a significant drop in insurance premiums in 2010. He has also expanded the scope of MEM subsidiary, Missouri Employers General Agency for Missouri businesses that perform work outside the state.

Moreover, Wilson deserves the respect for his integrities and service to Missouri. A good indicator of the future is past performance. Just like MEM, Wilson’s track record is strong.

Putting Wilson on leave is difficult to understand when, “they refuse to indicate what is going on,” said Case.

“These actions are confusing,” Case said, adding that Wilson “has always been a solid professional and straightforward in his actions. I can’t imagine what would have prompted this action at this time.”

LAST UPDATED ON MAY 27TH 2011 BY NEWS

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