

Biography

RICHARD B. SANFORD

Professional:

Since military service during the Korean War, and his honorable discharge from the U.S. Air Force in 1955, Sanford has worked in three career fields: adult education, investment management, and the insurance industry.

Sanford's interest in adult education attracted him to Dale Carnegie courses, where he participated as an organizer, instructor and instructor-trainer throughout central and western Michigan from 1957 through 1971. His specialty centered on the training of sales managers and marketing representatives. Concurrently, in 1959, he also entered the insurance industry; serving as agent, general agent, and home-office marketing executive—where he held several posts with Michigan-based insurance companies as Director of Agencies and Marketing Assistant to the President of Fidelity Life and Income Mutual Insurance Company during the period of 1963 through 1965, and Director of Agencies, American Community Mutual Insurance Company 1965 to 1967.

In 1967, Sanford organized an investment, insurance, and financial planning firm in Kalamazoo, Michigan, which bore his name: Richard B. Sanford Associates, Inc. This firm continued in business until 1979.

Early in 1969, a group of business men and women, assembled by Sanford, met to discuss problems small-business entrepreneurs face in creating business success. As a result of these early meetings, a trade association to advocate for Michigan small businesses was formed: the Independent Business Association (IBA). IBA was incorporated as a Michigan nonprofit corporation in 1971, and Sanford was elected its president.

Early in 1973, IBA was challenged to develop a better answer for owners of small businesses regarding the problem of securing affordable group health insurance. Thus, in 1975, under Sanford's leadership, the IBA Small Business Group Insurance Trust was created and filed nationally as a multiple employer (ERISA) trust. The trust became an insurance reciprocal in 1977, and was well received in the marketplace, expanding quickly and enjoying steady growth throughout the last half of the 1980s.

In January 1980, the IBA Multiple Employer Trust was converted to a mutual property and casualty insurance company limited to the writing of disability, accident and health, and stop-loss re-insurance coverages. Sanford was named the founding chairman and president of the restructured company, IBA Mutual Insurance Company.

Along the path of business operations, the need for consolidating office space was identified, and resulted in Sanford and business colleague Judith A. Rodocker forming a Real Estate Investment Company named Les Actionaire Co.

In the early 1980s, aggressive health care inflation created a demand by owners of mid- and small-sized companies for fully or partially self-insured group health insurance arrangements. In 1982, to meet this challenge, Sanford organized Small Business Group Insurance Administrator, Inc., a Michigan-licensed third-party administrator (TPA). IBA Mutual Insurance Company provided aggregate and specific stop-loss coverage needed for these self-insuring clients, and was the only Michigan insurer to do so at the time.

In late 1984 and through 1986, significant changes in national and local costs of health care accelerated, exerting tremendous pressures upon the health insurance industry to fund these inflationary increases. On January 2, 1986, those pressures for change precipitated the demutualization and conversion of IBA Mutual Insurance Company from a mutual property and casualty insurer to a stock life and health insurance company called IBA Health and Life Assurance Company. It was the first such simultaneous demutualization and conversion in Michigan's insurance industry. Sanford organized a team of directors, managers, policyholders, consultants, and leaders of the Bronson HealthCare Group, Inc., to carry out a plan for this demutualization and conversion process. Upon completion of the reorganization, Sanford was named the company's chairman and chief executive officer.

In July 1986, Sanford was appointed by the Michigan Insurance Commissioner to serve on the commissioner's Life & Health Industry Advisory Committee. He was subsequently re-appointed in 1989.

During the period of 1985-86, Sanford also organized an Alternative Health Care Delivery system team to develop a plan for a statewide managed health care delivery system model. The outgrowth was to become the IBA HealthCare Plan, a Michigan Preferred Provider Organization of which Sanford and colleague Steven P. Stucky, CLU, were the author and founders. This plan was unique in that it blended a Preferred Provider Physician Network with a Managed Health Care Service Center, which coordinated quality health care delivery at lower costs of care. This approach was successful in reducing hospital bed-day utilization from near 700 bed-days per 1,000 to under 250 bed-days per 1,000 of inpatient stays, a 65% reduction, all in less than two years, with no reduction in "quality of care" to patient participants. This arrangement (because of lower "cost of care") reduced insurance premiums for employers, employees, and dependents.

Sanford semi-retired in 1988, upon selling his interest in IBA Life and Health Assurance company, but continued a number of other professional activities, such as project leader, consultant, and advisor to the Bronson (Hospital) HealthCare Group in their research and development efforts to develop a pilot, regionally managed health care delivery system linking Bronson Hospital with all southwestern Michigan health care delivery provider services and physician communities with employers, their employees, and dependents.

Following the Bronson project, Sanford was asked by the successor to IBA, the Small Business Association of Michigan (SBAM), to design and develop a new small-business group insurance program for their existing and prospective members. As a result, an arrangement between SBAM, Blue Cross/Blue Shield of Michigan (BCBSM), and a newly formed independent insurance administration company was created to conduct the marketing and administration of the program. BCBSM provided the insurance element; SBAM provided the membership sponsorship; and the new insurance administration services organization, Sanford Insurance Group, Ltd., a licensed Third Party Insurance Administration organization (TPA) with headquarters in Kalamazoo, Michigan, provided the Plan marketing, customer/member services, and plan administration. The company grew rapidly, generating over 14,000 new SBAM members in ten years through its 400+ independent Michigan insurance agents, generating over \$136,000,000 in annual insurance premium income.

Also, during the 1990s, Sanford's interest in challenging research and development projects led him to identify the insurance needs of retiring employees. One such area of need was prescription drug coverage for retirees and seniors. As a result, the American Network for Health Care Savings Corporation was organized in 1994, offering "low-cost" prescription-drug benefits for retirees and seniors nationwide. In 2004, a linking of USA customers with heavily discounted prescription drugs via Canadian Pharmacy Rx resources was added. The AmNet Prescription Plan, as it was called, provided significantly lower priced prescription drugs for retirees as they departed their employers' insurance plans.

Following semi-retirement in 2000, Sanford was approached by former colleagues asking him to dedicate time and effort in formalizing his Small Business Strategic Planning Model and show them (and their staffs) how to acquire and implement the planning skills and tools he had developed and used in forming, planning, and executing business success for his companies over the past 40 years. This same year, he formed a consulting and seminar business named Simplified Strategic Business Planning, LCC, and continues to provide consulting services to a select group of clients and community organizations.

The development of a training guide for use by people he taught Simplified Strategic Business Planning to was the motivator for formalizing his model into a book for entrepreneurs and clients. He subsequently published *Success by Design* in 2011.

Recognizing the need for a revamping of this book, Sanford published *Growing Your Business 1, 2, 3* in 2016.

Special Interests:

For over fifty-five years, Sanford's interests have been directed to adult education, entrepreneurship, and small business—initially in Michigan and later in other states. In 1967, recognizing the need to unify the owners of small businesses—in an effort to help them help themselves and to assist in the preservation of the grassroots of our free enterprise system—Sanford organized a group of small business owners and founded the Small Business Association of Michigan (formerly named the Independent Business Association of Michigan). SBAM was subsequently incorporated in 1969. This statewide, nonprofit trade association of Michigan's small-business owners and managers, is dedicated exclusively to the preservation, enrichment, and promotion of small businesses in Michigan. At one point its membership reached 10,200+ members. By 1999, it was the largest membership trade association in the state of Michigan and continues with this distinction today.

To provide further assistance to the owners of Michigan's small businesses, SBAM, during the chairmanship of Sanford, organized and sponsored the formation of the IBA Federal Credit Union, the IBA Small Business Group Insurance Trust, the Small Business Association of Michigan Legislative Action Council, the Michigan Small Business Political Action Committee (PAC), and the Small Business Education Foundation of Michigan. Although Sanford retired from active association leadership and participation in 1997, he remains SBAM's founder and honorary chairman.

During the 1980s, Sanford was a leader in the formation of Small Business United, a national small-business advocacy group located in Washington, D.C. He also served as advisor for various small-business associations being formed in other states, including Iowa, Wyoming, Illinois, California, Washington, and Indiana. Among his many civic activities, he served as chairman of the Michigan Delegation to the President's White House Conference on Small Business in 1980 and was appointed by then Governor William Milliken to serve as his chairman of the first-ever Michigan Conference on Small Business, which concluded in 1981.

Sanford was a four-year member of the Detroit District U.S. Small Business Administration Advisory Council and a member of Lt. Governor James Brickley's Regulatory Relief Task Force, which met with then-Vice President George H. W. Bush at the White House to affect a coordinated effort between Michigan and the White House. On January 1, 1981, Sanford was appointed to the National Advisory Board of the U.S. Small Business Administration (SBA), serving on its executive committee and advocacy network providing input to SBA's Office of Advocacy. He continued his service on SBA's National Advisory Council through 1986.

Personal:

Richard B. Sanford was born, raised, and educated in Battle Creek, Michigan, and briefly attended Ohio State University. Following high school, he served in an Aerial Photo Intelligence Squadron of the United States Air Force. He was stationed in New York, Mississippi, California, and Ohio and dispatched to French Morocco, North Africa.

Sanford holds professional insurance designations of Registered Health Underwriter (RHU) and Third-Party Insurance Administrator (ASM). He is a 41-year member of Rotary, and a multiple Paul Harris Fellow. He returned to college after a 54-year hiatus to earn a Bachelor's Degree (with Honors) in Business Administration from Madison University.

Sanford and wife, Cay, reside in Cheboygan County, Michigan, at their Mullett Lake home and like to winter in Litchfield Park, Arizona. The couple enjoys mutual hobbies of golf, reading, competition cribbage, and spoiling their daughters and grandchildren.