

# KAPNICK INSURANCE: FAMILY-OWNED, THRIVING AND EVOLVING

## WJR'S BUSINESS BIOGRAPHY: EPISODE 2

### BUILT FROM NECESSITY

Kapnick is celebrating its 76th year in business in 2022. Elmer Kapnick founded the company out of necessity in 1946, shortly after WWII ended. The need was to earn money to feed his wife and children. Elmer had been doing this by working with his father-in-law, but after a disagreement one day, he decided to quit and go into the insurance business.

Under Elmer's leadership, Kapnick remained a small company, employing only about seven people for a number of years. The business started to grow after Elmer hired his son, Doug. Doug began working for his father when he was a senior in college, and he planned his classes around his work schedule. His original intention was not to work in the family business, but after getting married and expecting a child, he realized that staying with the company was the best option.

### GROWING BEYOND ADRIAN

Doug realized after a few months at Kapnick that the company needed to expand beyond Adrian, MI if it were to grow and succeed. Elmer made the decision to sell the company to him and relocate to Florida. Doug began to expand the business into niche markets after gaining control of it. Doug's first major move was to insure import auto dealers. Insurance companies at the time were charging import auto dealers a 25% surcharge because they did not believe the dealers would have a base in America to cover any product liability claims. Doug spoke with Volkswagen of America in Grand Rapids, who assured him that they would cover any liability claims filed against them. Doug then found a Michigan insurance company willing to insure Volkswagen without the 25% surcharge. Kapnick ended up insuring every Import Auto Dealer in Michigan after Doug figured out the problem.

Under Doug's leadership, Kapnick grew from around ten employees to about 110.

After working for a couple of years with a different insurance company following college, Doug's son, Jim, started working for the company. Mike, Doug's other son, quickly realized that stockbroking was not for him and decided to join the family business. Jim was a natural salesperson, so he oversaw the sales side of the business,

while Mike oversaw the finance and accounting side. Doug immediately entrusted his two sons with the company after bringing them on board, and he let them get to work without too much supervision. This was a significant milestone in Kapnick's history, as most family-owned businesses don't survive to the third generation and are sold.

### THE THIRD GENERATION

Jim and Mike have implemented multiple business strategies to build the company up for as much success as possible. They believe it is all about getting people together to communicate and brainstorm to increase room for improvement. Another strategy was to structure the business to feel small, while having the resources and ability to help with any problem. The brothers also treat everyone in the company as family members and try to make the business a platform for everyone to succeed as much as possible.

They believe the insurance brokerage industry has proven to be a great place to work because of its surprising resilience and stability, which has enabled the company to continue to grow. While Kapnick is in a great place right now, it can also be difficult. Jim and Mike want everyone to keep working hard, growing, and providing as many opportunities for the future as possible. Kapnick is a privately held company, which means that anyone who owns stock in the company must be involved in the day-to-day operations (not just family). Those who own stock are known as partners, and they are expected to value the company's success.

### INTO THE FUTURE

Kapnick Insurance has been in business for 76 years and plans to keep growing. Client service "so extraordinary that you want to share it with your family at the dinner table" is a major factor in their longevity. This is in addition to attempting to hire people who are likable and enthusiastic about the company's success.

Jim's children and Doug's grandchildren are part of the new generation of performers. They're learning the ins and outs of the company and how the insurance industry works. Kapnick's third generation of ownership was impressive, and now that the fourth generation has joined the company, Doug says he can't get the smile off his face.