

Annual Report

2013

Client Profile: E. & J. Gallo Winery

RISK RESILIENCE



FM Global®

Resilience through Research

E. & J. Gallo Winery

Jeff Wilson
Director of Risk Management

Troy Lute
Senior Loss Control Specialist

“Our company is constantly evolving and growing to best meet the needs of consumers,” says Jeff Wilson, director of risk management at E. & J. Gallo. “One area that epitomizes this expansion is our spirits business. A few years ago, Chief Executive Officer Joe Gallo announced the company’s initiative to double spirits production and sales volume. We knew Gallo’s existing storage capabilities likely would not meet the demands for this growth and we envisioned two main challenges: creating a space to store the new inventory, and protecting the product against loss or damage.”

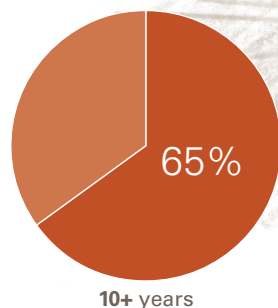
Managing risk at every stage: “Given the international scope of our business, we have to think broadly about risk at all stages of the production and distribution process. With both property protection and business continuity goals in mind, we invited FM Global to tour our facility and listen to our concerns. FM Global came here and worked as a team with us—ultimately proposing options that included a recommendation to relocate the spirits inventory and upgrade sprinkler systems in several facilities.”

At that point, says Troy Lute, Gallo’s senior loss control specialist, “There was not enough full-scale fire test information available to provide the exact protection standards necessary for our finished goods spirits storage configuration. So, we and FM Global met with the local fire departments to determine the best course of action.”

Research proving ground: “Ultimately, we conducted a series of large-scale burn tests at FM Global’s Research Campus,” Lute continues. “This research helped us determine a protection scheme for our specific storage arrangement, which was lacking in the previously accepted industry standards. The results also led Gallo on a path of education and training that culminated in inventory relocation and upgrades to several of our protection systems.”

Wilson asserts that “the most critical goal at Gallo is to consistently provide high quality and value to our customers. Given that many of our products are produced only once per year, it is vital for us to appropriately protect those products. What is most valuable to us regarding FM Global is their willingness to challenge us in a proactive manner, and their ability to provide assurance. When FM Global comes to us with an issue that might be an exposure for us, we work together to turn research results into reality.”

Long-term Relationships



The majority of FM Global clients have been our policyholders for more than 10 years, and nearly one-third of clients have insured with us for 20 years or more.

The background of the page is a large, light-colored pencil sketch of a multi-story building under construction. The sketch shows the structural framework with scaffolding and various levels. Two men are standing in the foreground, in front of the sketch. The man on the left is wearing a dark blue blazer over a light blue shirt and khaki pants. The man on the right is wearing a dark suit, a light blue shirt, and a blue patterned tie. Both men are smiling and have their hands in their pockets. The text is positioned above the men.

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