Biggest stories—1975 in review

• **THE STANDARDS-SETTING COUNCIL** of the accounting profession decides to establish new rules governing corporate use of bookkeeping reserves for future losses which aren't insured **(January 13)**, causing an outcry by risk managers and other corporate executives who've considered this an accepted practice widely used by self-insurers. Final rules were issued in the Spring **(April 21)**, sparking lively debate at the annual meeting of risk managers in Dallas **(May 5)**.

• **THE MEDICAL MALPRACTICE CRISIS** dominated insurance news all year, spotlighted early in 1975 when hearings began in Washington to discuss various proposals for federally-sponsored solutions to the growing problem **(January 27)**. By yearend, doctors and hospitals had moved to insure themselves, using mutual insurance companies and state-sponsored pools, although West Coast doctors were engaged in work stoppages because they weren't able to get adequate insurance at affordable prices.

• **CORPORATE BELT-TIGHTENING** caused some risk management dislocations during 1975. W. T. Grant, later to file for bankruptcy, eliminated its risk management department **(January 27)**, followed by the University of California at Berkeley **(July 28)**, Fairchild Camera & Instrument **(October 6)**, Susquehanna Corp., Beverly Enterprises, and Cyprus Mines **(November 17)** and Johns-Manville Corp. **(December 15)**.

• **A YEAR OF RETRENCHMENT** for insurers beset with financial woes saw Argonaut pull out of malpractice coverage **(January 27)**, followed by Unigard's pullback **(December 15)**, Leatherby Insurance Co.'s redirection, and Commercial Union's decision to wipe $100 million in premiums off its books **(December 1)**.

• **ST. PAUL FIRE & MARINE** heralded the switch to writing malpractice insurance on a claims-made basis from the previous "occurrence" basis **(February 10)**.

Continued on page 2

LaGuardia Airport after explosion demolished baggage claim area.

Week of January 12, 1976

business insurance

the national newsmagazine for buyers of employe, property and liability protection and financial services

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All parties insured for airport bombing

By MARIE KRAKOWIECKI

NEW YORK—There are three major property insurers for damages in the violent bombing of LaGuardia Airport late last month, *Business Insurance* learned.

They are: Kemper Insurance Cos., Chicago; Federal Insurance Co., New York; and Arkwright-Boston Insurance Co., a member of the Factory Mutual System.

Kemper insured the terminal building itself, while Federal and Arkwright-Boston each had policies covering property owned by major airlines.

The bomb exploded in the locker area of Trans World Airlines Inc. TWA is insured with Factory Mutual, with a policy written by FM member Arkwright-Boston.

TWA said the policy was a typical property ground-peril coverage on a replacement value form.

Delta Airlines, which also had some of its property destroyed, is insured by Federal Insurance Co., through broker Frank B. Hall & Co. Inc.

Eleven people died from the time bomb blast, which took place at 6:33 p.m., December 29, during the height of the Christmas holiday travel rush.

However, immediately following the tragedy, there did not seem to be any indication that the airport's or the airlines' liability insurance carriers would be involved in the case.

The Port Authority of New York and New Jersey, operator of LaGuardia, insures property at all its locations through Kemper, with limits of up to $50 million per location.

Joseph P. DeMarinis, manager of the risk management division of the Port Authority, said he inspected the disaster scene the night the bomb went off.

Total property damage has been estimated at roughly $500,000, although it's not yet known what portion of this is to the Port Authority's or the tenants' properties.

Investigators from the insurance companies also rushed to La Guardia, but were not as successful as Mr. DeMarinis in getting through, since police and the Federal Bureau of Investigation had the bombed areas roped off for criminal investigation.

Liability in the explosion will probably not lie with either Port Authority, Delta, or TWA, according to aviation sources. Negligence would have to be proved first, and unless the airport or airlines are found to have acted imprudently, it is not likely to happen, the sources agreed.

The liability question would likely hinge on whether the Port Authority and airlines did everything expected of them as reasonable persons to avoid injury to non-invited public parties. One person close to the airport situation also noted that the newly-enacted crime-victim bill of New York which compensates victims of public crimes may supply funds to compensate bombing victims.

One risk manager at a major airline not affected by the La Guardia bombing said most major airlines which have hull and liability insurance with an aviation underwriting association are typically covered for ground exposures like LaGuardia's in the event liability is questioned.

The bomb was one of the most lethal ever exploded in New York. Besides killing 11, it injured 75 people. The New York bomb squad said it had the force of 25 sticks of dynamite.

Loss to the property included more than 100 yards of plate glass windows shattered along the front of the terminal. A hole 12 feet in diameter was blown through the baggage area ceiling and up through the floor of the next story.

In addition, the explosion set off the airport's sprinkler system, and much of the evidence police and FBI wanted to investigate was covered by water.

The loss was so severe that President Ford made a statement while vacationing in Vail, Colorado against "terrorist control." A $50,000 reward was offered by the nation's scheduled airlines for information leading to the arrest and conviction of the person or persons responsible.

At this writing, despite hundreds of police, FBI and aviation detectives on the case no suspects or motives have been discovered. ■

Info for buyers

This special issue is the sixth annual guide to over 250 of the latest information sources in insurance, employe benefits, risk management and related fields. These pamphlets, brochures and books are published by suppliers of services, loss prevention and safety products, and many types of insurance. Items of interest to risk managers and others involved in related endeavors are listed. The special section begins on page 15.

Companies pay up to 400% more insurance, risk manager poll shows

A THUMPING majority of corporate risk managers have faced substantial insurance premium rate hikes in recent months—increases, in fact, that have ranged up to 400% in various lines of insurance.

This is the major finding of a survey of 59 risk managers comprising the newly organized Editorial Advisory Panel of *Business Insurance*.

BUSINESS INSURANCE EDITORIAL ADVISORY PANEL

Eighty-five percent of the panel members reported that their companies had been hit by premium rate hikes in recent months. Fifteen percent said their companies had not.

Of the companies reporting premium increases, the average increase works out to 73.7%. The range, however, was considerable, from a 4%-5% increase for umbrella liability coverage purchased by a major conglomerate that spends in excess of $50 million annually on insurance, to a whopping 400% hike in excess liability umbrella coverage reported by a company in the computer field that spends $4 million annually on insurance.

The risk manager for the latter company commented: "The company with the low risk profile, especially in the product liability area, more and more, is paying premiums (excessive) unrelated to its exposure to loss and actual loss experience."

Of the companies reporting rate increases, 24 or 50% said they felt the increases they are paying were justified. An extremely vocal 22, or 46%, however, said they felt they were not. Selected comments from this group appear elsewhere in this *Business Insurance* Editorial Advisory Panel report. One respondent indicated that "some (increases) were" justified, and "some were not." Another indicated his displeasure by saying that "some increase was justified, but not by this much."

The Editorial Advisory Panel is drawn from among *Business Insurance's* corporate and state/municipal government risk management readership.

Continued on page 39

Malpractice mutuals warned—page 51

FASB rules leave risk accounting unaltered

NEW YORK—Risk managers apparently have not altered their attitudes about self-insurance, despite the much-ballyhooed Financial Accounting Standards Board (FASB) restrictions on contingency reserving.

When the FASB adopted its now famous Standard #5 in March of 1974, it touched off widespread fear that self-insurance as a financial tool of corporate management would be effectively killed.

The Risk and Insurance Management Society, the professional association for risk managers, issued a 2,000 word objection to the rule. It devoted a three-hour panel to the FASB question at its annual conference. It named a task force on the subject. It issued a resolution for the rule's amendment. RIMS continues to study the matter.

Nevertheless, a spotcheck of more than a dozen risk managers at major corporations which self-insure turned up only one who said he was approaching self-insurance differently. And he was on the RIMS task force.

One insurance manager at a large industrial organization asked *Business Insurance* what the FASB rule was all about. "I've never even heard of it," he admitted.

Waller B. Smith, director of insurance for United Airlines Inc. was the only risk manager to say the FASB rules changed his company's attitudes about self-insurance.

"It used to be our policy to engage in as much self-insurance as we could manage, but now we are engaging in as much insuring as possible to withstand the volatility impact of a large loss in a given fiscal year," he said.

United's losses in a 10-year period might run $20 million though annual losses could range anywhere from $100,000 to $9 million Mr. Smith said.

He explained that with a chronological stabilization plan, a risk manager can set aside $2 million a year and average out the decade's losses. "Without that chronological stabilization, you have to be pretty big to withstand the volatility (in losses) in a single year," Mr. Smith believes.

United has elected to take a $10 million annual aggregate deductible under the circumstances, but will probably be paying $1 million more a year in insurance premiums because of the rules.

The companies which said the FASB rules had not impacted on their self-insurance programs cited a variety of reasons. Some of them, like Rockwell International, whose director of insurance and risk management is former RIMS president B. William Altstaetter, said they had not completed their study of the rules yet.

George Reese, risk manager of Temple University, was hit by budget cuts before his department could be hit by the FASB: "We've had to adjust our budgeting approach. We've eliminated our reserves and now budget losses for the year on a current basis," he explained.

S. Peter Law of U.S. Industries and George Kahlert of Mead Corp., as well as a spokesman for an Eastern-based oil company, all pointed out that their companies self-insure on a loss-incurred basis, but not on a contingency loss basis, and would therefore not be impacted by the rules.

Two respondents said the FASB rulings did affect their reserving practices or potential reserving practices, but that they and their firms are still firmly committed to the theory of self-insurance and intended to continue it.

Robert B. Chapman, director of insurance at Monsanto Co. commented his company no longer has reserves that it would prefer to use. "We feel self-insurance or a large assumption via a deductible is just as valid as before," he said.

Mabel Weiss, insurance officer for the Seattle First National Bank, said she was also still firmly behind the concept of self-insurance and intends to go ahead with it, even though the FASB rules will "make it more difficult for us."

Ms. Weiss recalled that Seattle First National was just at the point where it was going to start reserving for contingencies when the FASB rules were issued. The bank found itself stalled because of them.

In keeping with her risk management viewpoint, however, the bank is self-insured up to half a million dollars in some areas and up to $50,000 in others.

Business Insurance also contacted one risk and insurance manager who was known to be looking at a self-insurance program before the FASB rules were issued, to see if he had changed his mind because of them. That was H. L. McConnell of Hershey Foods Corp. Mr. McConnell set up two self-insurance programs when he was insurance manager at Columbia Nitrogen Corp., Augusta, Ga., and was looking into self-insurance for Hershey.

While Mr. McConnell did not get the self-insurance programs in at Hershey before the FASB rules came out, he says the company is still considering self-insurance for the future, and meanwhile has assumed a high deductible approach.

Thomas Briggin, a vp of consulting firm Risk Planning Group, and author of articles about risk retention levels, summed up what seems to be the immediate response by risk managers to the FASB rules: "Considering all the turmoil that the FASB rules were swept in with, there seems to be little activity resulting from them," Mr. Briggin observed. ■

Top stories—1975

• **FIDUCIARY LIABILITY** travels from obscurity to fame in record time as corporations clamor for insurance to cover the risks associated with administering employe benefit plans **(February 24, March 24, April 21, August 25).**

• **COURT AWARDS $13 MILLION** to survivors of a woman raped and murdered in her Rockville, Md. apartment, holding liable two real estate firms owning the building, because they led tenants to assume the building was safe and secure **(February 10, March 24).**

• **BURMAH OIL CO. COMPLETES** placement of record-size offshore oil drilling risk into five layers with coverage written jointly by more than 100 insurers **(April 21).**

• **ITT-SHERATON CORP. ORDERED** to pay $7 million to a youth whose neck was broken when he dived into a hotel swimming pool in 1971 **(June 2).**

• **U.S. SUPREME COURT OVERTURNS** long-standing maritime liability law, establishing in its place a comparative negligence rule for assessing ship collision damages. Previously, financial responsibility was split evenly between parties involved regardless of fault **(June 2).**

• **UNITED CALIFORNIA BANK** held liable for customers' property lost in a 1972 safe deposit burglary, significantly broadening legal liability. The court found the bank negligent and guilty of bad faith for not standing by its advertising claims offering a secure depository **(June 16, July 14).**

• **GENERAL ELECTRIC CO. APPEALS** to U.S. Supreme Court for a ruling on pregnancy as a disability, after an appeals court said GE would have to pay full disability benefits to women employes absent from work for pregnancy-related illnesses **(July 28).**

• **THE NEW YORK TEACHERS'** Retirement System sues U.S. Trust Co., one of its 10 investment managers, for $13.3 million, charging the bank with negligent investment practices. The suit is seen as one of the first cases to confront the issue of fiduciary liability following passage of the federal pension law **(September 8).**

• **A $12.6 MILLION SETTLEMENT** was offered to close out a five-year tangle of suits against Penn Central directors and officers. Lloyd's of London, the bankrupt railroad's former D&O liability insurer, offered to pay $2.4 million **(September 22).**

• **SIGNAL AND IMPERIAL** Insurance Cos. declared insolvent by California's insurance commissioner **(September 22).**

• **JOHN HANCOCK MUTUAL** Life Insurance Co., plagued by problems at its new 60-story Boston headquarters, files suit against the architect, contractor, subcontractor, and window glass manufacturer to recover millions of dollars invested to make the building habitable, which it still isn't **(October 6).**

• **HAVIR MANUFACTURING CO.,** a St. Paul machine tool builder, becomes the first company to announce liquidation plans because it can't afford either product liability insurance or uninsured risks **(October 20).**

• **GULF OIL CO. PULLS OUT** of Oil Insurance Ltd., the Bermuda captive formed to insure property and casualty risks for the petroleum industry. Gulf was a founder of OIL and its largest participant in asset size and annual premiums to OIL **(October 20).**

• **A RECORD-SETTING D&O** insurance payout of $13.8 million by Lloyd's of London and two U.S. insurers disclosed as a key part of the proposed settlement of suits against Mattel Inc. directors and officers **(November 17).**

• **FORD MOTOR CO. TANGLES** with the Internal Revenue Service over taxes on profits of Ford's offshore captive insurance company. The case is seen as determining the future of offshore captives **(December 1).**

• **THE LEAGUE OF CALIFORNIA CITIES** holds hearings on mounting liability risks faced by municipalities, which are, at the same time, unable to purchase adequate insurance without skyrocketing premiums **(December 29).**

IMPORTANT

Enlarged Responsibilities and Duties under the Pension Reform Act

Trusts and Trustees have been exposed to significant legal liabilities at common law to beneficiaries of the Trust. The recently signed Pension Reform Act of 1974 which is effective January 1, 1975, for the first time by statute enlarges upon the liabilities of Trustees, and most importantly places new responsibilities on "Fiduciaries" of Pension Trust and Employee Benefit Plans.

While the duties of the Fiduciary are enumerated in the Act inclusive of breach by Co-Fiduciaries, it is abundantly clear that the only appropriate safeguard to shield against these onerous liabilities is through the purchase of effective insurance.

At the present time, the solutions proposed by others as effective insurance have serious deficiencies.

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Sues insurance buyers for not swinging best deal

By RICHARD L. GORDON

WASHINGTON—A federal government employes union has filed suit against the top health insurance buyers at the U.S. Civil Service Commission in an attempt to roll back a 35.3% premium increase that became effective January 1.

By comparison, the cost of providing health insurance to federal government civilian employes had increased only about 15% on January 1, 1975.

The most of "high option" family coverage through Blue Cross Blue Shield, the government's biggest health insurance underwriter, jumped to $43.14 every two weeks on January 1 from $31.81 every two weeks during 1975.

The government will pay $23.13 of the new biweekly amount. The employe pays $20.01 every two weeks, up $7.13 from what an employe paid in 1975.

The suit is only the latest development in a series of events that began last October when the Civil Service Commission first announced that several months of bargaining with underwriters had resulted in a huge cost increases. (*Business Insurance*, Nov. 3.)

Since then, the House of Representatives subcommittee that supervises federal government employe benefits has held hearings.

Those meetings, which ended last month, will probably result in a call for legislation that will give Congress a more direct supervisory role in the government's purchase of employe health insurance, *Business Insurance* was told.

The Civil Service Commission now handles the insurance buy, but reports only to the White House Office of Management and Budget (OMB). Congress should have some supervisory authority before the purchase is finalized, *BI* was told by subcommittee sources.

This will mean that government bargaining with health insurance underwriters, already a six month or longer process, could be lengthened by another month or two, subcommittee sources admitted.

To accommodate the extra time needed for a Congressional investigation of the insurance bill, it may be necessary to move to a two-year health insurance contract from the present one year contract.

It is unclear how the government's health insurance contractors would react to such a proposal.

The backers of the current suit against the Civil Service Commission, the 80,000 member National Treasury Employes Union (NTEU), are talking an even harder line about a shakeup in federal government insurance buying.

The union represents workers in the Internal Revenue Service, the Bureau of Alcohol, Tobacco and Firearms, and the Customs Service.

NTEU president Vincent L. Connery charged that "the Commission is no more than a pawn being manipulated by the profit-seeking Blues." Mr. Connery is pushing to relieve the Commission of its responsibilities under the federal health insurance program.

The suit, filed in U.S. District Court in Washington late last month, named Robert E. Hampton, Civil Service Commission chairman, and Thomas Tinsley, director of the Commission's Bureau of Retirement, Insurance, and Occupational Health, as defendants.

Mr. Tinsely made a health insurance buy for the federal government and its employes that will this year cost about $2.5 billion, probably the largest single insurance purchase of its type in the country.

The union has charged that Mr. Tinsely and the commission did a poor job of bargaining with their major health insurance provider, the Blue Cross/Blue Shield program.

The union charged that the commission's "own statistics" indicated that Blue Cross/Blue Shield needed only an increase in the 25% to 30% range to meet their 1976 needs.

Another federal agency, the Federal Insurance Administration, at one time last year predicted the Blues needed only 17% more in 1976, according to the union.

A study of health insurance costs by the General Accounting Office (GAO), the financial investigators for the Congress, indicated a boost in the 27% range would be sufficient this year, the union said.

The suit asks the federal court to find that Mr. Tinsely and the Civil Service Commission breached their statutory obligation to "negotiate an aggregate rate increase which reasonably and equitably reflects the costs of benefits provided."

The union said it believed a more proper cost boost for employe health insurance would be half of the present increase, and they want retroactive refunds for their members if they win the case.

This union has tangled with the Civil Service Commission and the Blue Cross/Blue Shield organization before, and, according to the union, they have won.

A 1971 complaint filed with the Price Commission forced a rollback in the 1971/72 Blue Cross/Blue Shield premium increase, the union said. The union also filed suit against the Blues in 1972 concerning the insurer's "unilateral" elimination of diagnostic benefits. The union said it won a $10 million settlement that restored these benefits.

In the current suit, the union also attacked the Civil Service Commission's provision of a reserve fund to the Blues to insure that the underwriter would be protected against major losses in the event the government chose to cancel its contract.

Civil Service Commission officials have declined comment on the charges in the suit. Blue Cross/Blue Shield is not directly involved in the suit. Its officials were not immediately available for comment. ■

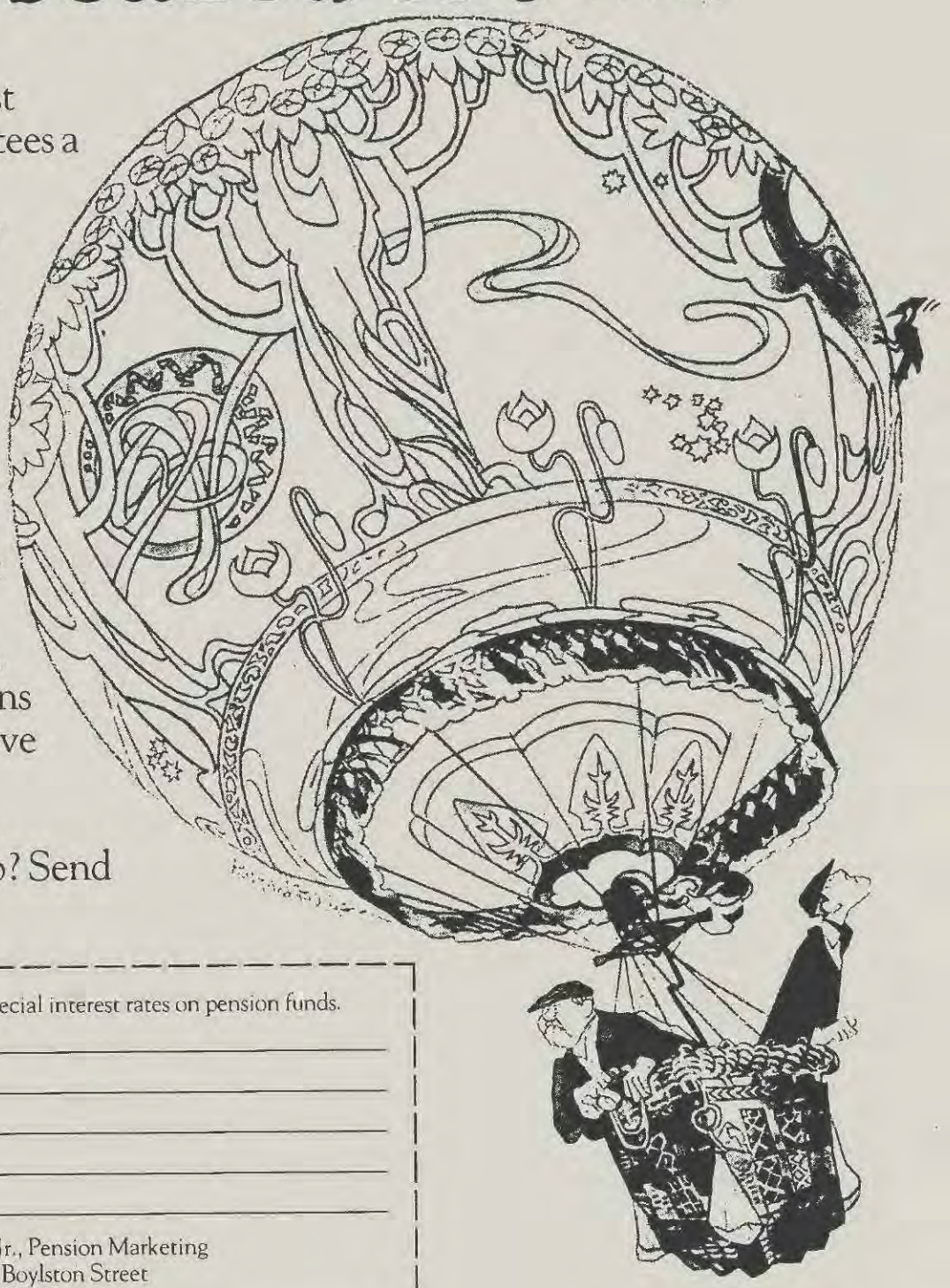
$5 million damage

Insured property damage estimated at $5 million was the result of a severe weather system causing winds and high tides to the western coast of Washington early this month, according to the property claims services of American Insurance Assn.

The area affected went from Washington's Canadian border to the Oregon border on the western side of the Cascade range.

Rains, winds and tides led to overflowed rivers and creeks all the way into the Yakima Valley.

Whose guaranteed return has soared to 9¼%?



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Colo. lawmakers push for amendment allowing doctors to set up captives

DENVER—A legislative committee on malpractice has drafted an amendment to the Colorado Captive Insurance Company Act which would allow such insurers to write malpractice insurance for individual doctors, an activity which is presently prohibited under the law.

The drafted bill has been presented to a legislative council and is likely to come up for consideration during the 1976 session, even though there is only a short session of the legislature in Colorado during the even-numbered years. Proponents of the measure are presently working to have the bill placed on the governor's list of measures which he recommends for consideration, a first step to having the bill go up for a vote.

"It's very likely" the bill will successfully be added to the governor's list, says J. Richard Barnes, insurance commissioner. Beyond that, "I think the chances are about 99% in favor of the measure's passage," he added.

This amendment would make it possible for the state medical societies and the American Medical Assn. to form association captives for the purpose of underwriting malpractice insurance on individual doctors and other medical personnel, Mr. Barnes said. As the law presently reads, hospitals or companies owning hospitals can use Colorado captives for their exposures as institutions, but the captives can't insure the malpractice liability risks of individuals.

The way the bill is drafted, it would go into effect upon its signing by the governor, said Mr. Barnes.

Six captive insurance companies have now been licensed by the state, under the terms of the 1973 statute. The most recent licenses were granted to Coachman Insurance Co. in May, a subsidiary of IU North America Inc., wholly owned by IU International Corp.; and Denver Insurance Co. in April, a wholly owned subsidiary of American Medical International Inc.

Another captive has submitted its papers and is being processed right now, said Mr. Barnes, noting this company is likely to be licensed by December 31. Still another company has completed its application forms, and processing is about to begin on the license. Both of these companies will underwrite malpractice insurance of one type or another, said Mr. Barnes. "One is a corporation owning a number of hospitals, and the other operates a substantial number of special treatment centers."

Of the six licensed captives now operating in the state, three are managed by James A. Jaeger of Frank B. Hall Management Co.: ARMS Insurance Co., owned by Amfac Inc., Denver Insurance Co., and Insurance Co. of Colorado owned by Darling & Co. Coachman Insurance Co. is managed by Edward T. Rickard Jr. of Alexander & Alexander. Glendale Insurance Co., owned by Stearns-Roger Corp., is managed by a local agency, and Pageco Insurance Co., owned by Pat Griffin Co., is self-managed.

It's said by insurance people who've looked at the advantages of writing malpractice insurance in a captive that the cost savings can be very substantial, because the premiums currently being charged seem to have little if any relationship to actual loss experience of the insureds. In one such instance, a company's malpractice insurance premium was quoted at $3.7 million a year on renewal, for $1 million/$3 million coverage, up from $400,000 for the same coverage last year. This company showed losses since 1971 averaging about $55,000, sources said.

In a recent talk, Mr. Barnes asserted he fully intends to keep pressing the issue with the Internal Revenue Service and the Treasury Department that Colorado captives should be treated differently than those based in the Bahamas or Bermuda.

"The IRS and Secretary of Treasury will continually be urged to give separate consideration to Colorado captives in any rulings, or to specifically exclude them from any rulings relating to offshore captives," said Mr. Barnes. "To do otherwise will work contrary to the interests of the citizens of Colorado, the intent of the Colorado general assembly and the expressed intent of the governor," he added.

Mr. Barnes said he sees a substantial advantage in a Colorado captive as opposed to an offshore captive because of "the very strong case of arm's-length dealing with a closely regulated insurance company which can be presented to the IRS when justifying the payment of insurance premiums to a captive insurance company."

He disclosed, however, that the captive in the final stages of licensing is going slowly because of the tax issue. "The main reason expressed for delay has been concern over the possible impact on Colorado captives of a pending Treasury ruling," he said. This is a reference to the Ford Motor Co. challenge presently being appealed in tax court (*Business Insurance*, Dec. 1). ■

FASB says prior reports need revision

STAMFORD, CT.—Companies are required to restate earnings for as many prior years as "practicable" when applying the Financial Accounting Standards Board's Statement No. 5 on accounting for future losses, the FASB stated.

The new rule, Statement No. 11, is retroactive to the effective date of Statement No. 5, amending its transition method.

The previous FASB rule required that the cumulative effective of accounting changes on prior years resulting from the application of Statement No. 5 be entered into the determination of net income in the year the statement is adopted.

Companies that have issued financial statements based on the original transition requirement are "strongly encouraged" but are not required to comply with Statement No. 11 when those financial statements are presented, the FASB continued.

The accounting-for-contingencies statement specifies the conditions, as defined by the FASB, that must be met before an estimated loss from a future loss is charged to income. ■

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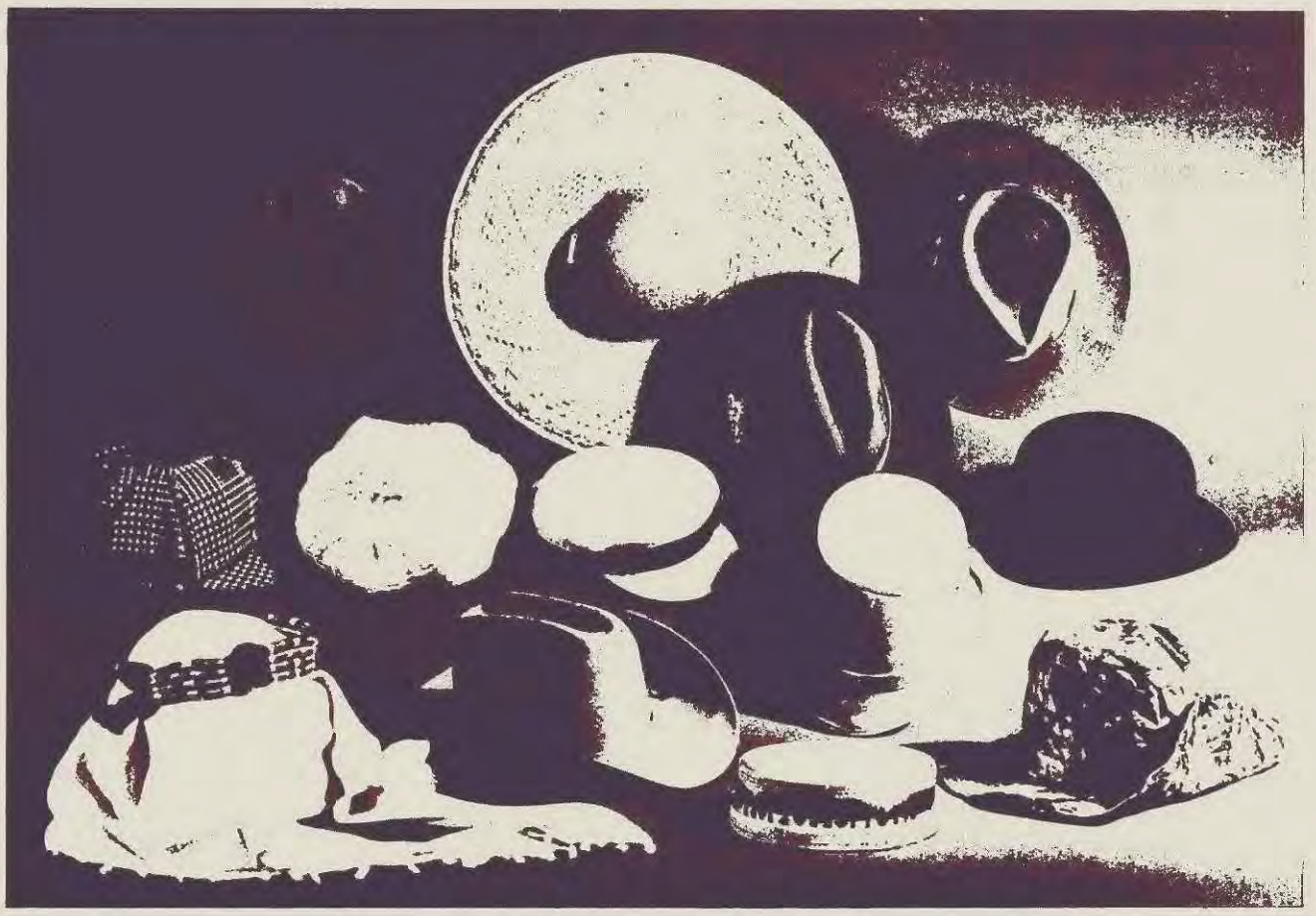

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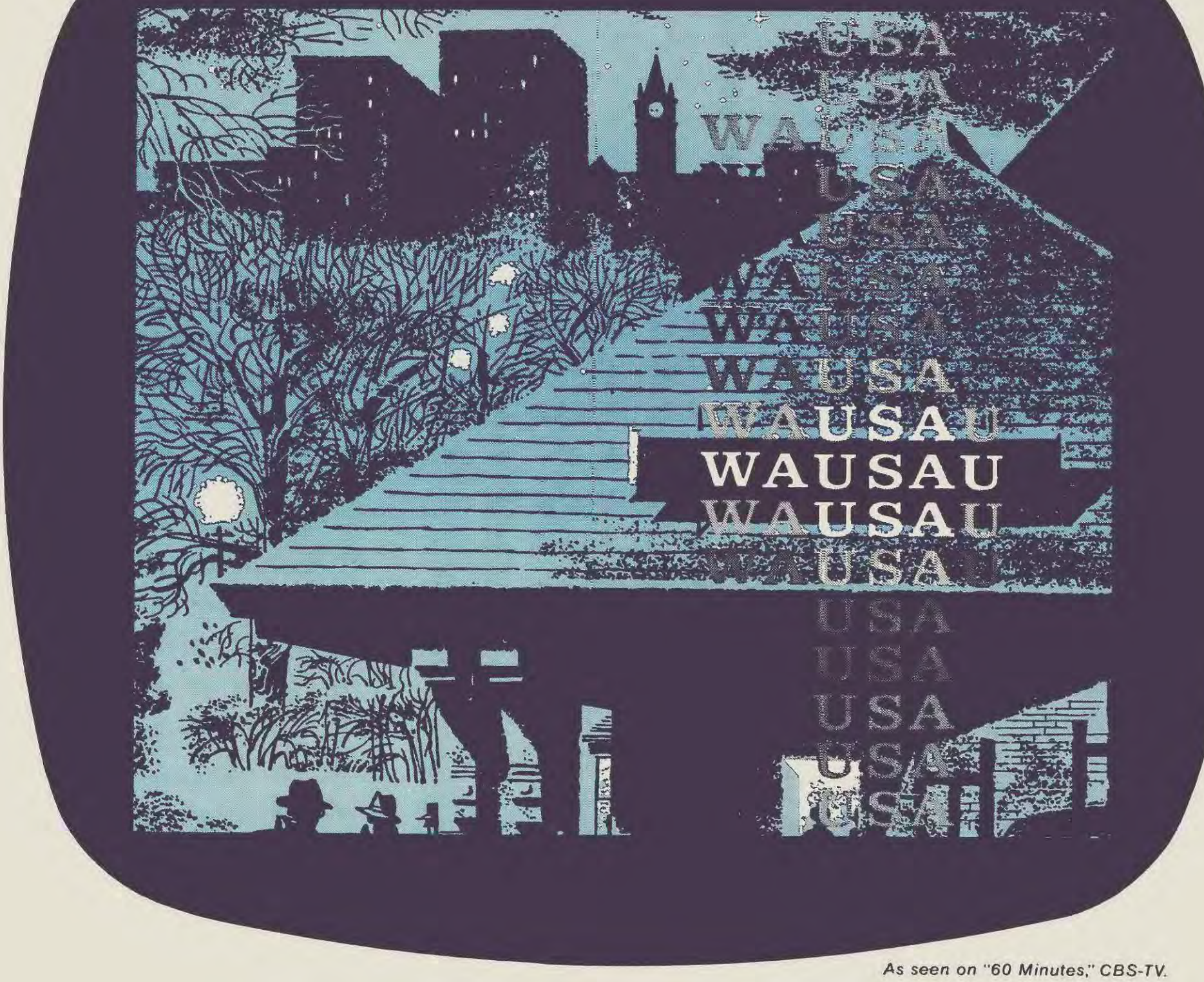

As seen on "60 Minutes," CBS-TV.

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Employers Insurance of Wausau

Wausau, Wisconsin

Calif. hospitals defer plans to use captive insurer for malpractice risk

By JOANNE GAMLIN

SACRAMENTO—The California Hospital Assn. has shelved, for the time being at least, the idea of setting up a captive insurance company that would handle medical malpractice insurance for the states' hospitals and for physicians.

Many doctors in this state currently are threatening to terminate their practice or to flee the state because of huge increase in malpractice premiums due to take effect on January 1.

Douglas Dutton, the association's coordinator for insurance programs, told *Business Insurance* that the overshadowing problem in the captive concept lies in the fact that doctors, who wanted an occurrence form of coverage, did not feel financially able to contribute the funds necessary to build simultaneously the captive's surplus and reserves.

"Moreover, the money that physicians would have placed in the surplus would not have been deductible," Mr. Dutton related, noting that the concept was taken up for the benefit of the state's doctors and not for its hospitals.

He said the California Hospital Assn. has been satisfactorily covered for medical malpractice for more than 20 years by the Truck Insurance Exchange, Los Angeles.

Nevertheless, Mr. Dutton said that the association retains a belief in the "definite economies" feasible in combining coverage for physicians and hospitals.

And he added that for this reason, the association is unwilling to dismiss the captive concept.

Meanwhile, as Southern California doctors mounted increasing protests against imminent malpractice premium hikes, the administration of Governor Jerry Brown proposed December 30 to establish a $120 million physician-controlled insurance pool. The proposal would also limit increases in malpractice insurance costs in return for manadatory free medical care for the poor.

The pool would be funded by malpractice premiums paid by physicians. Hospitals would not be required to pay into the pool.

Strong objections by physician groups promptly met the proposal. Claiming that they had not been consulted during the development of the proposal, spokesmen for the California Medical Assn. and the Los Angeles County Medical Assn. questioned whether the proposal was constitutional and whether the pool could adequately meet malpractice awards. ■

Bank tells profit sharing cash payout

CHICAGO—Continental Illinois National Bank integrated its $78 million pension plan with Social Security and adopted an annual cash payout formula for its $40 million profit sharing plan.

It is the only major U.S. bank that did not have its pensions integrated with Social Security. Bank officials did not integrate the pension plan sooner because they felt that the profit sharing plan integrated with Social Security was providing the best benefits, according to Grant Watson, second vp at Continental Bank. They reevaluated their position as Social Security costs started to climb rapidly in recent years, he noted.

Integrating the pension plan forced the bank to revise the profit sharing plan, which had been integrated with Social Security as a qualified plan. The distribution of the current profit sharing formula will be in cash: a 3% of salary distribution to all employes, then 7% of salary above the Social Security wage base if money is available. If any money remains, it will be distributed equally.

An investment option is open to employes who want to invest their money through the bank and have the bank manage it, Mr. Watson said. He noted that in the last few years about half of the 2,000 people eligible to withdraw money from profit sharing have done so.

"This showed us that they wanted the money in cash," Mr. Watson said. Continental has some 10,000 employes worldwide.

Eligibility and vesting policies for the pension plan were revised to comply with ERISA. ■

BI tells staff move in D.C.

CHICAGO—Paul R. Merrion, staff reporter for *Business Insurance* and its sister publication, *Pensions & Investments*, was named associate editor covering Washington for the two newsmagazines.

He replaces Richard L. Gordon, who has joined *Advertising Age*, also published by Crain Communications Inc. Mr. Gordon will remain in Washington as one of *Ad Age's* Washington editors. Mr. Gordon was Washington editor of *BI* and *P&I* since January, 1975.

Mr. Merrion joined the Chicago staff of the two publications in September, 1974, after graduating from the University of Illinois with a degree in English. ■

Captive set by Medenco

HOUSTON—Medenco Inc., is reportedly setting up a Colorado captive insurance company to underwrite its medical malpractice liability risks, with the captive to be formed and managed by Alexander & Alexander.

Medenco's captive ostensibly will be known as Greenway Insurance Co. and will underwrite certain liability risks growing out of Medenco's business of operating hospitals, dental laboratories, and providing paramedical services for respiratory therapy.

Officials of Medenco declined to comment on the reports. ■

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New York, N.Y. 10017

Yes, I am interested in entering our communications program(s). Please send me _____ entry blank(s) and the competition rules.

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Judges selected for BI's Benefits Communications Award competition

NEW YORK—A panel of five judges has been selected for the fourth annual *Business Insurance* Employe Benefit Communication Awards Competition.

The judges chosen are: Edward Moore, manager, executive compensation, CBS, George Bernard Finnegan III, vp-public affairs, Ciba-Geigy Corp.; Bruce R. McGraw-Hill; Roy W. Lawrence, CLU, manager, employe benefits, Abrams, vp and director of public relations, The Continental Insurance Cos. and The Continental Corp; and Robert Vivian, vp-corporate communications at Crum & Forster Insurance Cos.

Mr. Moore joined CBS in 1972 as a benefits analyst. He was formerly employed by Bankers Trust Co. as a benefits administrator handling pension, profit-sharing and thrift plans.

Mr. Finnegan has been at McGraw-Hill since 1958. His positions at the company have included assistant editor at Business Week. He has held other editorial positions at other business publications, and in 1959 won the Jesse H. Neal Award for business journalism.

Mr. Lawrence, at Ciba-Geigy since 1972, formerly was manager of benefits at Thomas J. Lipton Inc. in Englewood Cliffs, New Jersey, where he worked for five years. Prior to that, he worked in the employe benefits department at Borden's in New York.

Mr. Abrams joined the Continental Corp. in 1962, where he held various posts in the public relations area. He was named to his present position in 1975. His former experience includes the establishment of a New York agency, Abrams, Clement & Bogue, specializing in insurance advertising and public relations.

Mr. Abrams is also active in the Assn. of National Advertisers and is a member of the National Advertising Review Board.

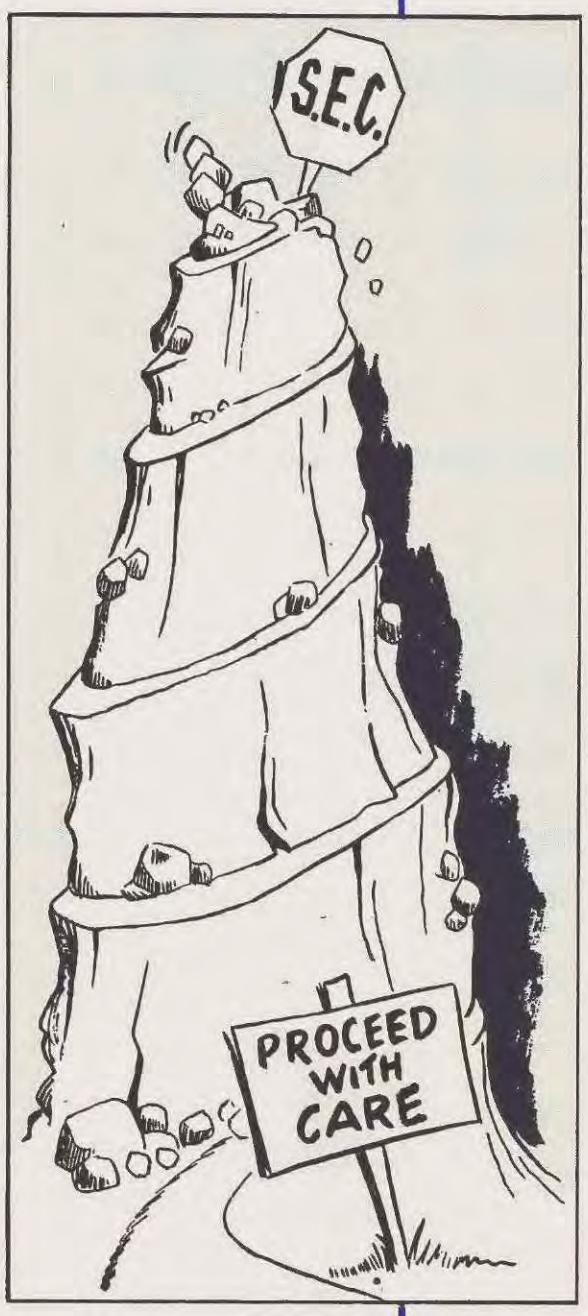
Mr. Vivian was elected vp-corporate communications at Crum & Forster in March 1975. Previous to this, he worked at Great Northern Negoosa Corp. as director of public relations and advertising from 1963 to 1975.

He is member of the Public Relations Society of America, National Investor's Relations Institute, Assn. of National Advertisers, and the International Newspapers Advertising Executives Assn.

Entries are being accepted now for the contest. The four categories to be judged are booklets, personalized correspondence, audio visual and total communications program.

Closing date for entries is February 23. The awards will be presented on April 27 at a luncheon at the annual Risk and Insurance Management Society (RIMS) conference, to be held in Los Angeles this year. ■

Should you release your next prospectus without S.E.C. Liability Insurance?



There is considerable uncertainty in judicial interpretation of what constitutes "due diligence" in the preparation of a prospectus.

Claims running into millions of dollars have been asserted against companies, their directors and officers, as well as securities underwriters, for inadequate or misleading information.

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Phone alarm system saves on fire policy

COSTA MESA, CA.—A city-wide communications department alarm system here has become the first telephone company-provided system in the U.S. to be designated by insurance underwriters as "class one," thus saving property owners an estimated $300,000 a year on fire insurance premiums.

"The savings to homeowners and tenants on their fire insurance policies," explains director of communications Orville Amburgey, "will approximate 7% while commercial and industrial savings will be as high as 11%."

The reductions resulted from surveys conducted by the San Francisco Insurance Services Office. The centralized system combines police, fire and public service communications. Citizen calls, routine and emergency, go directly to police and fire services where they are processed and personnel and equipment dispatched.

The fire alarm box system currently has 156 telephone-instrumented stations operating through a switchboard serving a city population of 80,000.

Fires, auto accidents, burglaries, robberies and illness reports are transmitted by the public through the alarm boxes which allow direct conversation with persons reporting any incident. Police also use the boxes to dictate crime and accident investigative reports. The system is tied into Costa Mesa's civic center centrex telephone network. ■

Fire losses

Losses estimated at $276 million resulted from fires in October of this year, according to the Insurance Services Office. The figure reflects an increase of $2 million above the October 1974 total.

If you're the one who never had an accident, why is your insurance bill going up 20%?

The cost of accidents has skyrocketed.

Medical expenses have spiraled. Repair costs, wage losses, and legal fees have all increased.

And this directly affects everybody's auto insurance bill.

The average increase you can expect is about 20%. In some states it could be even greater.

In the same way, the higher cost of your homeowners insurance reflects the higher prices insurance companies have to pay to replace a damaged roof, broken window, or a whole house.

And businesses are paying more for their commercial insurance due to the rising costs of labor, buildings, and equipment.

Insurance, after all, is simply a means of spreading risk.

Insurance companies collect premiums from many people and compensate the few who have losses.

The price of insurance must reflect the rising cost of compensating those losses and the work that goes into doing that. And that's why your premiums have been going up.

No one likes higher prices. But we're telling it straight.

CRUM & FORSTER INSURANCE COMPANIES
THE POLICY MAKERS.

International reinsurers had boom year in '74

WASHINGTON — International reinsurers had a boom year in terms of premium volume in 1974, the Commerce Department said last month.

United States reinsurers accepting foreign risks still reported lower net receipts, after losses, than foreign reinsurers accepting U.S. risks.

The gap, however, was the smallest since 1965, according to the Commerce Department.

Foreign firms received $669.3 million for reinsuring U.S. risks in 1974, the department said. They paid losses on those risks of $483.5 million, leaving net receipts of $185.8 million.

U.S. firms reinsuring foreign risks received net premiums of $524.8 million in 1974, paid out $375.4 million in losses, and had net receipts of $149.4 million.

The resultant U.S. deficit in this trade was $36.4 million, the lowest its been since 1965 figures were tabulated, the department said.

The volume of business done by U.S. firms abroad and foreign firms in the U.S. was the highest in the 25 years the department has collected these statistics.

In 1950, the first year for which figures are available, foreign reinsurers received $129.7 million for reinsuring risks of U.S. companies. The U.S. companies, by contrast, received only $17.5 million for reinsuring risks of foreign underwriters.

Of the $669 million reinsurance business foreign underwriters did with U.S. firms in 1974, United Kingdom reinsurers accounted for $374.2 million.

The largest overseas customers of U.S. Reinsurers in 1974 were also United Kingdom underwriters, who paid the U.S. firms $135.5 million for reinsurance. That compares to total U.S. reinsurance receipts from foreign firms of $524.8 million.

The 1974 figures are still preliminary, the Commerce Department said, and will be revised next year.

The annual summaries show the relationship to the balance of payments of reinsurance transactions between U.S. companies and insurers situated abroad. The department said they are not intended to be a statement of the underwriting results of the companies reporting. ■

It's a different ball game outside the States.

The footballplayer on the left could be from your hometown. He looks familiar to you and so does the game he is playing.

The man on the right p ays a different game. It's still called football but the rules and tactics of his game are foreign to you.

It's like that with the benefit plans you set up for employees abroad. You have to take into account the local practice and benefit laws. In fact you probably need the help of a specialist organisat on, such as Insurope.

Football or employee benefits, the name of the game is the same worldwide, but the rules and tactics are quite different. Setting up benefit plans for subsidiaries abroad requires strong local knowledge combined with international service. Insurope is a group of multinational benefit insurers who can provide you with such knowledge and service, as well as offering you cost savings by multinational experience rating and the convenience of an overall program. We can help you. Drop us a line.

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$20 million funnelled to Argonaut

MENLO PARK, CA.—Argonaut Insurance Co. received a welcome Christmas present from its parent company, Teledyne Corp., on December 8 when the latter contributed $20 million to the insurer's surplus fund.

The contribution will bring Argonaut's policyholder surplus to nearly $36 million. The underwriter's surplus was $15,722,000 at the end of October.

A company spokesman told *Business Insurance* that while the contribution was indeed good news he was not sure what its impact will be on the insurer's premium writing.

Argonaut announced the contribution in a letter to its producers. The letter pointed out that "operating loses of the last three quarters of 1974 and the first quarter of 1975" have been halted. It said that the consolidated results for Argonaut for the second and third quarters of 1975 have provided "a modest profit."

In fact, Argonaut said it had declared over $4 million in policyholder dividends during the first 10 months of 1975.

The letter noted that Argonaut has withdrawn from numerous areas of business such as the writing of contract surety bonds and reinsurance assumed. The insurer also has withdrawn from 12 managing general agencies and closed "three offices in consistently unprofitable areas."

Malpractice coverage, too, has been terminated with numerous medical societies and hospital associations while malpractice premiums have been hiked for the remaining hospitals and for the state of Florida, Pennsylvania and northern California. ■

Prevent kidnappings

Executives who are potential kidnap targets should not have their names affixed to their reserved parking spaces in company lots, a bank publication advises: "This makes it easy for someone to kidnap a bank officer or just to cause trouble by simply waiting in the parking lot for the person to retrieve his car."

Beware of the back burner

Every risk manager wants to believe his company's insurance program receives the finest services his broker can provide.
But how does he know for sure?
Perhaps his broker no longer feels the account is important enough to warrant full-time service or thoroughly experienced personnel. Or, maybe the account man isn't doing his job. Or, worse still, maybe the broker isn't equipped to provide all the services the account demands.
For reasons like these, many corporate insurance programs wind up on brokers' back burners and risk managers find themselves in the soup.
If this is happening to you, it's time you considered Corroon & Black. We've got over 70 years of corporate insurance know-how, coupled with a worldwide network of facilities and services, plus a unique ability to professionally service virtually any type of account.
And no account, regardless of its size, winds up on the back burner.

CORROON & BLACK
We make it our business to understand your business.

Cooperation key to auto industry fire prevention

DETROIT—Fire prevention measures are credited with safeguarding auto industry properly by averting incendiarism.

Speaking of the industry generally, Lyman Newell, field manager or the Factory Insurance Assn., said here, that the auto industry's track record is better than the FIA report of 637 plants being hit by incendiary fires in the last six years.

Cooperation between management and unions, formation of fire brigades, regular examinations by FIA engineers and showing films on fire protection procedures, checking sprinkler systems, valves, fire pumps, etc. are all emphasized and re-emphasized, Mr. Newell said.

A Ford Motor Co. spokesman observed that the union members who work in auto plants have a "vested interest" in avoiding loss of time from plant shutdowns due to fire, as well as in protecting themselves against personal injury.

Mr. Newell said that "We've made no across the board rate increase ever because of incendiarism." He said that even during and after the 1967 civil disturbances here only interim premium rate adjustments were made.

There was a fire in November in the 25-story headquarters office building of American Motors Corp. which caused an estimated $250,000 in damages to the 10th, 11th and 13th floors of the nearly-completed building. Arson is suspected not only in this fire but in another smaller fire of a similar nature in the building last July. Much publicity has been given this fire and a reward of $30,000 has been offered by AMC, the Detroit Building Trades Council and the general contractor, R. E. Dailey & Co., for information leading to the arrest and conviction of the arsonist.

AMC said FIA insures the building, through Johnson & Higgins. The insurer firm declined to comment on the amount of damages, calling it proprietary information.

The AMC fire pointed to the dangers of arson because 51 workmen were trapped on the building roof until after firemen had controlled the blaze on the middle floors and could then escape via express elevators. The union's participation in the award offer further accentuates the cooperation between management and the union members in promoting measures to avert fires.

Most auto company spokesmen said information on whether arson has been reflected in property risk insurance premiums was privileged. However, Chrysler Corp. observed that "The company has had no experience with rates going up due to arson." ■

Safety inspections

Hughes Tool Co., Houston, Tx., must inform its employes that it respects their right to call in inspectors of the Occupational Safety and Health Administration (OSHA). The declaration is part of a settlement with that government agency. A Hughes employe had complained to OSHA that a company representative had threatened action against employes that called in safety inspectors.

More people on insured pension rolls

NEW YORK—The number of Americans enrolled in life insurance company managed pension plans reached 14.3 million at year-end 1974. Pension reserves of plans with the life companies totaled $60.8 billion, including funds of variable annuities, which are based wholly or in part on equity investments.

These were among findings in "Pension Facts 1975," the second annual reference publication released by the Institute of Life Insurance.

At the beginning of 1974, the assets of all pension programs in the country (including Social Security) amounted to $345 billion. The book treats the various segments of the pension field, broken down into sections for single employer plans, multi-employer plans, government administered plans, private plans with life companies and private non-life insurance pension plans.

Besides providing statistics and historical background, the report summarizes the major provisions of the Employe Retirement Income Security Act of 1974 (ERISA) and provides a glossary of pension terminology.

According to the report, about 50 million Americans, or nearly half of all workers in commerce and industry in the U.S. and three-fourths of all government civilian personnel are now enrolled in retirement plans other than Social Security.

Perhaps surprisingly, integration of private plan benefits has shown a slight decrease for single employer plans.

Other items spotted in the study include:

- For post-retirement survivor benefits on single employer plans, the trend in recent years has been toward a benefit reduction of less than the actuarial equivalent, with a resulting cost to the plan.
- Some reciprocity arrangements have been set up between multi-employer groups though this is not yet widespread. Such arrangements have the effect of broadening the boundaries of the portability features for participating employes.
- Individual policy pension trusts, group permanent plans and profit-sharing plans often used by smaller firms were in effect for 1.8 million persons.
- Benefit improvements require recalculation of pension funding costs. It has been estimated that, on the average, the upgrading of plans to comply with the federal pension law will increase the expense of plans from 5% to 15% annually. ■

Set up arson control unit

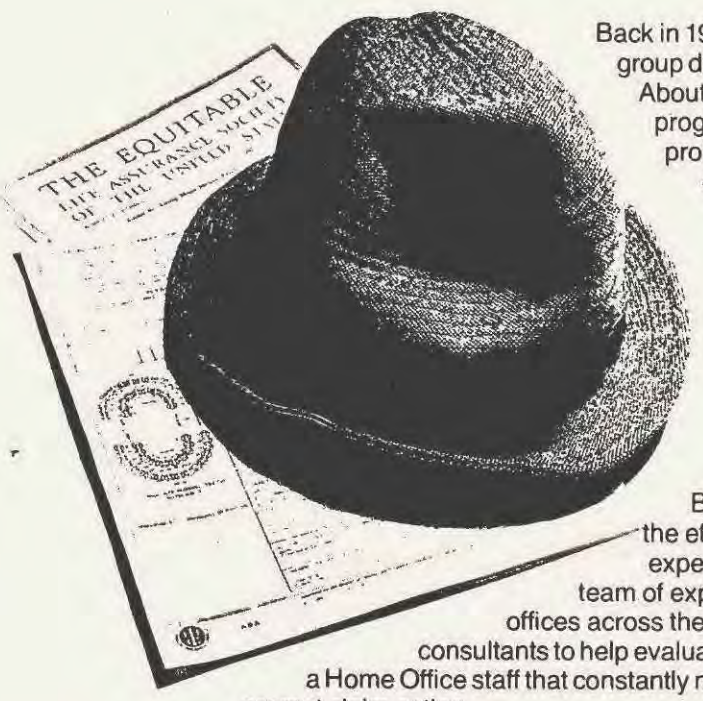
LANSING, MI.—An arson control unit was established by the state of Michigan and has published advertising in newspapers offering rewards of up to $1,000 for information that aids in the arrest and/or conviction of arsonists in the state. Anonymity is promised for a tipster's identity and report.

The amount paid is based on the degree of help rendered. A panel of arson investigation experts determines the amount.

The arson control unit stated an estimated $40 million loss is recorded annually in Michigan. ■

New Group Dental Insurance.

You'll be happy to know it's old hat with us.



Back in 1963, The Equitable started underwriting group dental plans. Since then, we've learned a lot. About things like dental claims cost control—program design—and the sometimes complex problems involved in administering dental expense insurance.

Right now, The Equitable insures over 1,700 group dental plans, ranging in size from 100 to 100,000 employees. Experience with these plans gives us a useful data base, data we can apply to the design of your dental program. To control cost and smooth out plan administration.

But there's more than technical expertise to the efficient functioning of an Equitable dental expense insurance plan. There's a team—a team of experienced professionals, located in field offices across the country. Backed by a network of dental consultants to help evaluate complex claim questions. Supported by a Home Office staff that constantly monitors field performance. And checks on prompt claim action.

If dental insurance is an idea whose time has come for your company, call for experience. Call your local Equitable representative. And remember. Dental insurance may be new for you. But it's old hat with us.

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THE EQUITABLE
Life Assurance Society of the United States, N.Y., N.Y.

Info for buyers

OUR SIXTH ANNUAL Info for Buyers issue is designed to provide an up-to-date reference guide to the many books, pamphlets, brochures, and other materials available to risk managers. Many of these items are brand-new 1976 study guides published as aids and information sources in risk management.

More than 250 Info items for 1976 include discussions of risk management with suggestions for handling certain risks; others detail policies, rates or devices for fire protection and such things as information about claims handling.

Materials are classified under eight categories: Commercial property and liability insurance; employe benefits; self-insurance and services; pensions, profit-sharing plans and Social Security; safety, workers' compensation and the Occupational Safety and Health Act (OSHA); foreign insurance and benefits; and general information.

Any item offered free of charge in the section must be requested on the reader service cards provided. List by number the items desired.

Those items at the end of each category for which there is a nominal charge should be ordered directly from the organizations whose names and addresses are provided as part of the specific items.

COMMERCIAL PROPERTY AND LIABILITY

• A reprint of a three-part series of articles describes the possible broadened features of **CGL Extensions** available through the excess and surplus lines market. The series was written by Bernard J. Daenzer, CPCU, president of the Howden Swann Group of Companies. Free copies are available by writing 102 on the reader service card.

• Arkwright-Boston Insurance is offering a 32-page, illustrated **Guide to Property Conservation and Loss Prevention Engineering.** Written for management as well as plant personnel, it highlights step-by-step procedures. Included is a sample property conservation policy statement plus a sample inspection form which covers all aspects of plant fire protection. For a free copy, write 103 on the reader service card.

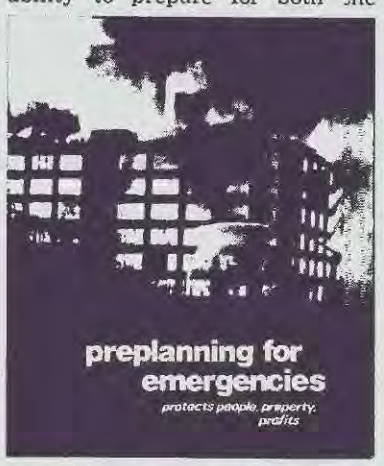
• A 24-page booklet from Arkwright-Boston Insurance explains the basics of **Boiler and Machinery Insurance,** including the insuring agreement, conditions which apply to it, and a description of the various forms which complete the policy. It also details special provisions which apply to direct damage coverage, endorsements that provide indirect damage coverage and a complete glossary of frequently used boiler and machinery terms. For free copies, write 104 on the reader service card.

• **DIC Insurance,** from Arkwright-Boston Insurance, describes a Difference in Conditions policy and the less common sources of loss it is designed to cover, plus recommendations to help prevent or minimize these losses. For a free copy, write 105 on the reader service card.

• Written for the risk manager of industrial, commercial or institutional properties, this brief booklet on **Fire Insurance,** offered by Arkwright-Boston Insurance, focuses on additioal perils covered under the basic fire policy, such as collapse and liquid damage. For a free copy, write 106 on the card.

• **Businessowners Policy,** introduced last year by the Insurance Company of North America, is designed to provide property and liability protection for selected classes of retail trade. The policy is in booklet form, is easily read and contains a table of contents and glossary. For a copy of the policy and a promotional brochure, write 107 on the reader service card.

• **Preplanning for Emergencies** is a 22-page, illustrated manual from Improved Risk Mutuals to help organizations maintain their ability to prepare for both the



prevention and control of fire emergencies. Contains two inspection checklists and much useful basic fire prevention information. For a free copy, write 110 on the reader service card.

• A promotional brochure on **Difference in Conditions Insurance from American Home** is available, along with a sample application. For a free copy, write 111 on the reader service card.

• An introductory promotional brochure on **Employment Agents Liability Insurance** is available from the American Home Assurance Co. A detachable application form is included. For a free copy, write 112 on the reader card.

• A specialized insurance protection program for brownstone houses, an **Endangered Species,** is described in a brochure from the Insurance Co,. of the State of Pennsylvania. For a free copy, write 115 on the reader service card.

• **American Home/National Union's Warehouseman's Legal Liability Insurance** is a promotional brochure describing the program and listing the addresses of branch offices. For a free copy, write 113 on the reader service card.

• A brief outline of **Special Events Insurance** and a list of branch offices are available in a promotional brochure from National Union Fire Insurance Co. of Pittsburgh, Pa. For a free copy, write 114 on the reader service card.

• National Union Fire Insurance Co. is offering a brochure on fiduciary liability insurance called **You Asked for It.** Designed for attorneys and accountants who act as fiduciaries, a free copy is available by writing 116 on the reader service card.

• A promotional brochure that describes the kinds of **Fire** insurance coverage that American Home Assurance Co. and National Union Fire Insurance Co. will write is available. For a free copy, write 118 on the reader service card.

• American Home Insurance Co. is offering a promotional brochure on directors and officers liability insurance called **In Your Position, Every Move is Visible . . . and Vulnerable.** It gives a brief definition of a wrongful act and describes the protection program available. For a free copy, write 119 on the reader service card.

• **Pension Trust Liability Insurance** is a promotional brochure from National Union Fire Insurance Co. of Pittsburgh, Pa. It gives a brief background on ERISA and defines the acts for which a fiduciary might be held liable. For a free copy, write 120 on the reader service card.

• A brief promotional brochure on the worldwide aviation insurance facilities offered by Global Aviation Insurance Managers, an affiliate of Synercon Corp., is available. A brief biography on the firm's three principles is included. For a free copy, write 109 on the card.

• A description of the **Highly Protected Risk Coverage,** how it works and what Commerce & Industry Insurance Co. can do for clients are contained in a free brochure, which is available by writing 121 on the reader card.

• Special events insurance for short-term ventures—up to $10 million for bodily injury and property damage protection, as well as legal defense funds—is being offered especially for **Bicentennial Coverage,** and is described in a promotional brochure from the National Union Fire Insurance Co. of Pittsburgh, Pa. Copies are free, available by writing 122 on the reader service card.

• **Travel Agents** liability insurance is described in a promotional brochure from American Home Assurance Co. Free copies are available by writing 123 on the reader service card.

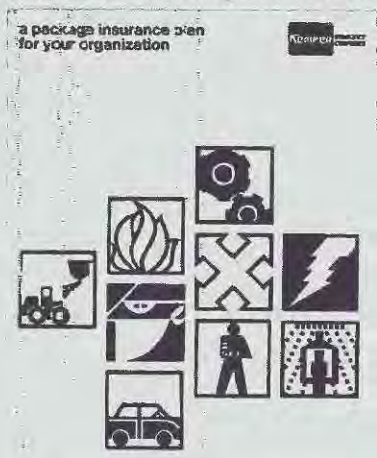
• A new product from American Home Assurance Co.—Interior Designers Liability Insurance—is briefly described in a promotional brochure. Copies are free, available by writing 124 on the reader service card.

• A description of the **Kemper Supplemental General Liability Protection** in a pamphlet form is available. It briefly covers broad-form property damage, blanket contractual liability, world-wide products liability and host liquor law liability. To obtain a free copy, write 125 on the reader service card.

• A brochure on comprehensive catastrophic liability coverage—commonly known as an umbrella—is available from the Kemper Insurance Cos. The promotional brochure includes a chart showing the limits available by type of coverage. For a free copy, write 126 on the reader service card.

• A promotional brochure on **Commercial Umbrella Insurance** is available from American Home Assurance Co. and National Union Fire Insurance Co. of Pittsburgh, Pa. For a free copy, write 117 on the reader service card.

• A brochure on Kemper Insurance Cos.' comprehensive policy, **A Package Insurance Plan for Your Organization,** shows how to combine basic and optional cover-



ages into one policy. Included is a quotation form for comparison. To obtain a free copy, write 129 on the reader service card.

• A brochure from Kemper Insurance Cos. describes how Difference in Conditions (DIC) insurance can provide additional protection. DIC covers accidental loss due to less probable but extremely costly catastrophes such as collapse, water damage, burglary or robbery, theft, blasting and leaking. For a free copy, write 130 on the reader service card.

• **Business Interruption Protection,** a brochure from Kemper Insurance Cos., describes how business interruption insurance can protect earnings and overhead during the period in which a business is shut down as a result of a fire or other loss. For a free copy, write 131 on the reader service card.

TO OBTAIN INFO FOR BUYERS DATA—USE THIS COUPON

business insurance

P. O. Box 395, Wilmette Illinois 60091

Please send me the following data (insert code number of each item wanted):

Name _____

Title _____

Company _____

Address _____

City/State/Zip _____

Nature of Company's Business _____

Essential you supply complete information.

NOTE: THIS COUPON WILL NOT BE SERVICED AFTER FEBRUARY 29, 1976

• A detailed look at a **Special Multi-Peril Policy Package** is available in a brochure from Kemper Insurance Cos. Standard coverages are organized in an easy-to-read manner, and the optional coverages are also easily and quickly presented. For a free copy, write 127 on the reader service card.

• A promotional brochure from Kemper Insurance Cos. explains **The Tent,** a coverage package which is offered as a supplement to the special multi-peril policy. For a free copy, write 128 on the reader service card.

• **HPR—Superior Form** is a brochure from Kemper Insurance Cos. that tells how businesses which qualify can purchase specialized fire insurance which the Highly Protected Risks (HPR) or Superior Form policies provide. Free copies are available by writing 132 on the reader service card.

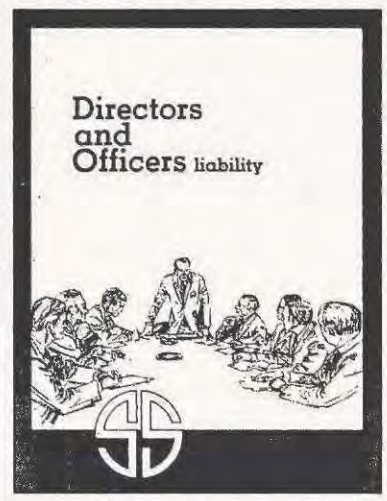
• **RM/i Consultants Inc.** is offering an introductory brochure on its independent property loss prevention engineering consulting service for the risk manager, insurance consultant, broker or insurer. The service is used for self-insurance programs and pre-engineering newly acquired and existing properties for highly protected risk or special risk insurance. The firm also represents the insurance buyer in evaluating insurance company loss prevention recommendations. For a free copy, write 134 on the reader service card.

• Underwriters Adjusting Co. is offering **Employers' Liability,** an examination of worker's compensation policy in regard to the actions of an insured employe. The liability of an employer to a defendant who has been sued by an injured employe is one of the most rapidly developing areas in the field of contribution and indemnification. For a free copy, write 135 on the reader service card.

• **Profile: Underwriters Adjusting Co.** is a complete resume of the company from history and organization to its claim services, education and training of adjustors and territory covered by regional offices. For a free copy, write 136 on the reader service card.

• Gay & Taylor Inc. is offering its **Directory of Facilities,** a complete list of all locations including address, telephone number and management information on more than 100 offices. Also included is general information regarding the company's history, services available, quality control system and administrative personnel. For a free copy, write 138 on the reader service card.

• A **Directors and Officers Liability Kit** is available from Stewart Smith. It contains a cover letter listing the information needed



to provide a quote, proposal forms and specimen policies. For a free copy, write 140 on the reader service card.

• The Stewart Smith organization is offering **S.E.C. Liability Insurance,** a kit that contains a specimen policy and an explanation of why the coverage is needed. Copies are free, available by writing 139 on the reader service card.

• Stewart Smith is offering a **Railroad Protective Liability Insurance** kit, containing an application, a declarations page and a specimen policy form. For a free copy, write 141 on the reader service card.

• A **Patent Infringement Protection** kit from Stewart Smith is now available. The coverage reimburses the insured for "investment" made in plant, equipment and other expenses that may be lost because of legal action prohibiting use of his patent. The kit contains a cover letter, a specimen policy, a proposal form and a copy

Continued on page 20

High premium average lets Leatherby specialists provide each comp insured with its own tailored plan

That, perhaps more than any other factor, has been the reason Leatherby has built such a widespread reputation for reducing losses for insureds in the comparatively few years of the company's existence. From inception, management has insisted that risks be chosen carefully and the average premium be kept high. Over the years, it has averaged well over $50,000 per workers' compensation policy.

What this has meant, of course, is that Leatherby's service representatives have been permitted to concentrate far more extensively on the individual risk. The loss control staff has been able to study and provide loss history, accident analysis and dollar cost reports to enable management to determine areas where losses are occurring — and to provide a host of other services.

Similarly, a lower case load has enabled the claims staff to provide a more personalized handling of employee injuries. It's been a factor in Leatherby's record promptness of payments and its unique severity control program producing greater empathy for the badly injured. And, it has helped provide fast, more knowledgeable answers from proficient in-house legal counsel.

To learn how Leatherby might serve you, contact...

Leatherby Insurance Company

National Headquarters
1400 No. Harbor Blvd
Fullerton, Calif. 92635
Phone: (714) 879-8903,
(213) 694-4741

A Richmond Corporation Company

We just removed 5 reasons why you don't like supplemental life insurance plans.

There's a big need out there for supplemental term life insurance because there's a limited amount of insurance a company can afford to give its employees. And most employees could use additional coverage.

The problem is, most supplemental plans have a lot of sticky requirements. Some plans require high group participation, or changes in the group plan, personal employee interviews, or employer contributions.

Many have long forms and questionnaires to fill out, which make it difficult for the employee.

That's where our new PET (Preferred Economy Term) insurance is different. It's easy-to-get individual term life insurance at favorable rates.

Up to $10,000 coverage is guaranteed issue (firms with 100+ employees) and participation requirements are low. Or, you can go with $10,000 of *simplified issue* coverage (firms with 10+ employees) and just one has to be insured. Up to $200,000 coverage is available for each individual.

It's guaranteed renewable and noncancellable. And it's portable. If the employee changes jobs, he or she can take the coverage with, at the same rate. PET can also be converted to whole life insurance at any time.

For spouses, we have PET/MATE. It's equally simple and has the same guarantees. All it takes is the employee's signature.

Also, Accidental Death and Dismemberment and Children's Insurance riders are available with *both* PET and PET/MATE.

Preferred Economy Term products are available to any firm with 10 or more employees, even if the group life isn't with NWNL. It's ideal from the employer's standpoint, since employees pay for the coverage through payroll deductions. It's the convenient way for employees to get the extra coverage they need.

For more information on how you can provide PET and PET/MATE coverage, just fill in and mail the coupon to Al Benson, Rte. 1153.

I like your supplemental PET insurance. Please send me more information.

NAME_____

TITLE_____

COMPANY_____

ADDRESS_____

CITY_____ STATE_____ ZIP_____

PHONE (_____) _____
(Area Code)

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY
BOX 20 • MINNEAPOLIS, MINNESOTA 55440

editorial opinions

Shared experiences

BEGINNING ON page one of this issue is a special report detailing the results of the first survey of members of the *Business Insurance* Editorial Advisory Panel which has just been set up.

The survey comprises the answers to a questionnaire returned to this magazine by 59 corporate and state/municipal government risk managers who spend a total of $258 million annually on direct insurance premiums. Several more members have joined the panel since the deadline for this one, and their comments on other subjects will be included in future *BI* Editorial Advisory Panel Reports.

Our initial report, we think, is especially timely. We've asked our panel if their companies have experienced insurance premium rate hikes recently (most have); we've asked whether they predict a capacity crunch for 1976 (most do) and, if so, in what lines (most feel an insurance shortage will come in liability lines).

What do we hope to accomplish through such surveys? Simply, it's an expansion of a job we feel we've been doing right along: Providing corporate insurance consumers with information that helps them make better business judgments. The results of the survey in this issue, for example, will undoubtedly make some readers feel a little better about the experiences of their own companies. And it may make others feel a little uneasy. One thing is certain, however: All should benefit from access to such information.

Risk managers not members of the panel who feel they would like to contribute information—especially those with strong opinions who do not mind spending a few moments now and then expressing them—should get in touch with us.

400% justifiable?

IT IS OBVIOUS from the results our Editorial Advisory Panel Report that underwriters have reacted rather sharply in recent months to the financial problems besetting them. Underwriting losses estimated to be in excess of $3.5 billion this year do have a way of shaking things up.

We sometimes wonder, however, if there hasn't been too much reaction in some quarters and too little in others. For there doesn't seem to be any uniform, concerted effort to adjust the financial problems facing the insurance industry in a reasonable, intelligent and equitable way.

The tabular matter on page 39 aptly illustrates part of the problem. To us there seems to be no rhyme or reason for the huge percentage spread noted by companies reporting premium hikes in recent months.

The average of all the increases reported was 73.7%, a figure which in light of the straits the industry now finds itself in does not seem terribly immodest in and of itself. Yet very few of the companies reporting increases to us reported them as having been in the 75% range. Only three companies—or 4% of the total—were in this range, in fact. Yet there is a heavy grouping of companies in the 40% lower ranges, reporting insurance premium increases of 40% and under, and a generous group of companies reporting increases of 90% or more. Granted, we are talking about apples and oranges; the increases reported are not always in the same general line of insurance and of course the companies we've tracked have different risks and different insurance programs.

Nevertheless, we just can't see how any insurance company can justify an increase of 300%, 350% or 400%. Things are bad, but that bad? The top management of any insurance company that now finds out its product was so woefully underpriced that the company now needs a 400% increase to renew that business ought to be asked to step down.

Thrashing it out

ON JANUARY 14, a dozen or more manufacturers with products liability problems will meet in Franklin Massachusetts. Elliott H. Rosenberg, president of Thomson National Press Co. there, organized the gathering to get people with a common insurance problem together to find a way to persuade the state legislature to help out.

The problems for small machinery manufacturers who must buy products liability protection have been multiplying rapidly. If an accident occurs because a machine has been improperly maintained, the employer responsible for upkeep can't be sued under present workers' compensation laws limiting his liability. However, the manufacturer can be sued by the injured employe, even if the item was produced decades earlier. It is often the only way a seriously injured worker can get enough money to fully compensate for a disability.

But the practice can cripple a small manufacturer. The plight was dramatized when Havir Manufacturing Co. was forced out of business because it could no longer afford both insurance and defense costs in products liability cases (*Business Insurance*, Oct. 20, 1975). Mr. Rosenberg and his colleagues hope to push the Massachusetts legislature into enacting some meaningful legislation that would help solve the problem for small manufacturers.

Whether they succeed, only time will tell. But the manufacturers deserve credit for trying to manage their small firms' risks in the most effective way open to them: By pooling their resources and ideas in an open forum. It's a constructive start for the new year.

"Of course, you may prefer to pay your premiums quarterly."

letters

Letters are welcome. Address letters to the Editor of Business Insurance, 708 Third Ave., New York, N.Y. 10017.

Refusing a risk

To the Editor: Your article on the product liability problems of small businesses was well done and deserves high praise.

Enclosed is a paper explaining the product liability insurance problem as it appears to a company that does not have any. An excellent explanation of why it does not is contained in the enclosed letter of refusal from an insurance company.

E. W. Plume
President, Safeguard Manufacturing Co., Woodbury, Ct.

Editor's note: Mr. Plumb's situation was described in BI's *Nov. 3 issue. The letter of refusal he enclosed did not identify the insurance company. It read, in part, "... Even if the case is one of no liability on the part of any of the manufacturers involved, the legal expenses involved in these cases can be staggering.*

"For this reason, we cannot consider writing your products liability part of your business. We face loss-certain situations in the same manner as the other carriers for products liability in that we would be obliged to defend each case and carry a reserve for each claim."

Chilling facts

To the Editor: Most of the articles now appearing on the issue of products liability insurance fail to mention these chilling facts: All insurance company recommendations to industry to make a safer product, to warn users and to coordinate defense activities are meaningless in any product which has been in use for years and decades, which is the case for machinery manufacturers who have been serving their industries this long.

Why is this so? Because there is nothing in the laws of workers' compensation or tort of OSHA to oblige the user of the equipment to retrofit it no matter how often he is urged to do so by the equipment manufacturer and no matter how many accidents occur.

The result of all this is workers are being injured, there is inadequate compensation, lawyers are profiting, and the user of the equipment, no matter how many accidents may occur in his plant, is protected by outmoded workers' compensation laws.

Meanwhile, the insurance companies which write workers' compensation insurance and gain profits in cash flow from so doing are

Continued on page 20

business insurance

the national newsmagazine for buyers of employe, property and liability protection and financial services

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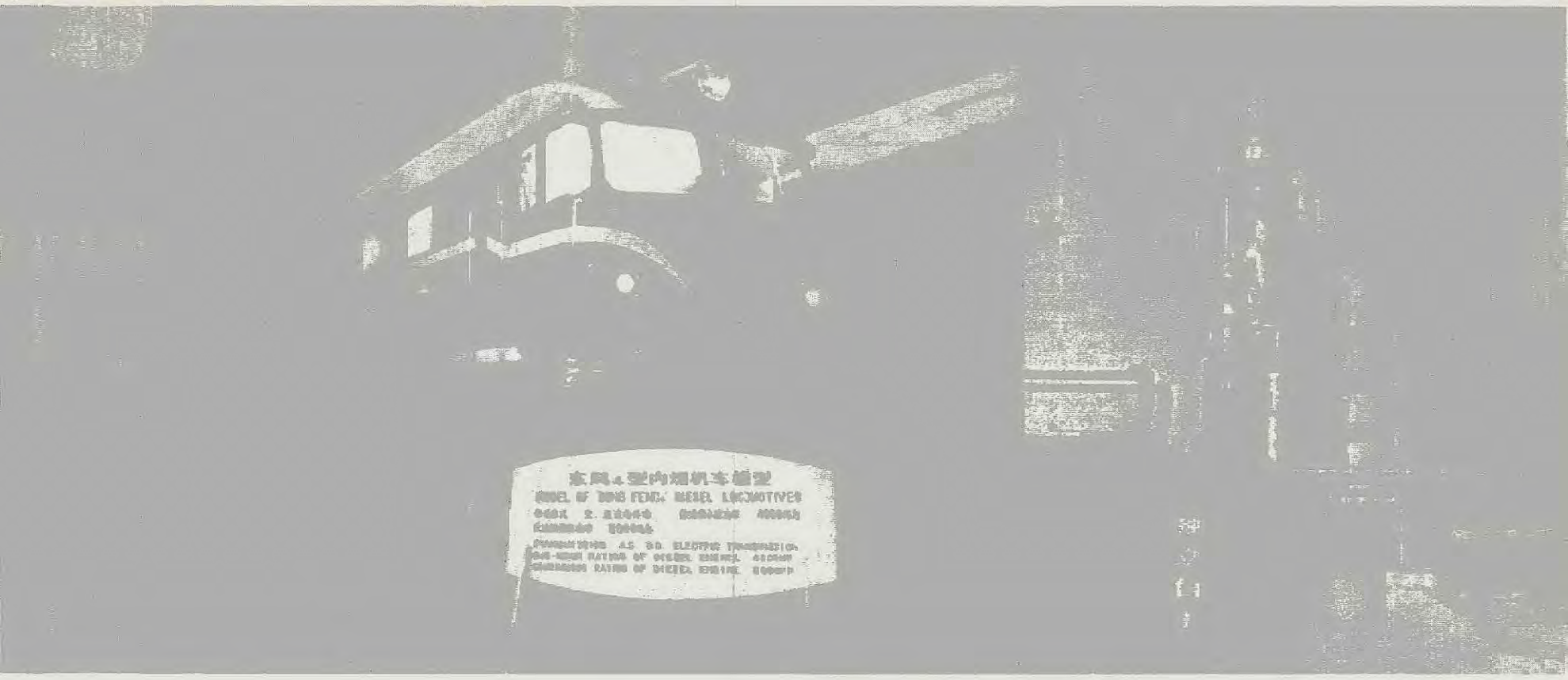


American International Group and People's Insurance Company of China have established a business relationship.

As trade between our respective countries increases, a closer business relationship on all levels naturally becomes necessary and desirable.

That's why we are pleased that AIG, the only American insurance group invited to Peking to discuss the development of insurance protection, has concluded several agreements with the People's Insurance Company of China.

If you wish additional information about our services and programs for multinational companies, please write: *Corporate Communications Department, American International Group, 102 Maiden Lane, New York, NY 10005.*

American International Group

letters

Continued from page 18

refusing to write product liability coverage or are demanding such high premiums that more companies are forced to self-insure.

This is equivalent to going out of business and these companies are in the best position to advise users about the appropriate equipment to protect their workers.

I am working on a prose poem: "Ballad of a Sad State. The Small Manufacturer of Machinery Put to Death by Due Process of Law."

Elliott H. Rosenberg
President, Thomson National Press Co., Franklin, Ma.

Computer analysis

To the Editor: *Re: Survey on the Use of Computers for Risk Management* in your December 1 issue, Johnson & Higgins evidently was not asked to participate in the Valovic survey nor were we footnoted because of unique services as were two other non-participating firms. This absence leaves an implication that we do not have or use a computer for risk management purposes, which I wish to correct.

In connection with captive insurance company studies, we have developed a program and use computer models to test application of various rating formulae to existing and to theoretical loss patterns. In another program, our computer performs marine cargo loss analysis for certain clients.

Much of our involvement in this area utilizes other computer facilities where the expense to our client can be minimized, notably utilizing the clients' own computer facilities.

Grant H. Morris
Assistant vp and Manager of Data Processing, Johnson & Higgins, New York, N.Y.

Info for buyers

Continued from page 16

of the insuring agreement. For a free copy, write 142 on the reader service card.

• The **Stewart Smith School Board Liability Insurance** kit contains a question-and-answer brochure, specimen policies, proposal forms and a cover letter. For a free copy, write 143 on the reader service card.

• A **Law Enforcement Officers Liability Insurance** kit is available from Stewart Smith. It contains a descriptive brochure, cover letter, a specimen policy, and applications. For a free copy, write 144 on the reader service card.

• The **Stewart Smith Kidnap & Ransom Insurance Kit** contains the following: cover letter, corporate application and individual application, a kidnap and ransom policy, schedule of assureds, individual kidnap and ransom wording, optional coverages, ransom and extortion extention and a suggested kidnap detention procedure. For a free copy, write 145 on the reader service card.

• A **Public Official Liability Insurance** kit, available from Stewart Smith, contains a question-and-answers brochure, a proposal form and a specimen policy. For a free copy, write 146 on the reader service card.

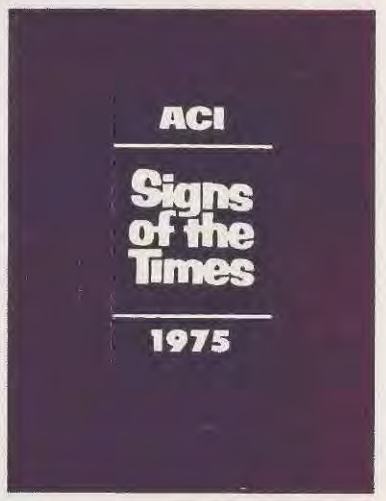
• A revised and updated listing of all General Adjustment Bureau office locations, domestic and foreign, is available in the Bicentennial Edition of GAB's pocket size **Little Red Book for 1976.** The directory lists all district, regional and branch offices, with complete addresses as well as day and night telephone numbers. The guide also lists and describes various GAB services. Free copies are available by writing 147 on the reader service card.

• General Adjustment Bureau's **Office Directory** contains 112 pages of data on GAB's branch, regional, district and corporate staffs, regular and emergency contact procedures, facility availability and service information. Free copies may be obtained by writing 148 on the reader service card.

• **Excess Casualty Insurance,** a promotional brochure from American Home/National Union, describes the excess casualty lines being offered by these companies. For a free copy, write 149 on the reader service card.

• **Q & A,** a short question and answer brochure provided by American Credit Indemnity Co., explains the basic principles of credit insurance. For a free copy, write 831 on the reader service card.

• **Signs of the Times 1975,** provided by American Credit Indemnity Co. charts business failure trends in the U.S. and Canada, collection filings, declining value



of past due accounts and other factors of credit insurance. For a free copy, write 832 on the reader service card.

• **If,** available free of charge from American Credit Indemnity Co., briefly describes the type of credit insurance the insurer provides. For a free copy of this colorful, short brochure, wrie 833 on he reader service card.

• **Livestock Morality Insurance** from Frelinghuysen Livestock Agency Inc. describes a mortality policy and the types of coverage available for this risk. A reprint of an article by the agency's general counsel is included in the brochure. For a free copy, write 834 on the reader service card.

• **Primer of Boiler and Machinery Insurance,** a comprehensive single volume treatment of voiler and machinery coverages in layman's terms, is available from Kemper Insurance. Included in the primer are: descriptions of common hazards inherent in the operations of this equipment; a review of the inspection laws of the various states; a review of insurance coverages applicable to various types of operations; and a simple glossary of the common boiler and machinery terms. Copies are $3, available by writing to Communications and Public Affairs Dept., Kemper Insurance Cos., Long Grove, Il. 60049.

• Institutional Research Consultants has published a legal report entitled **Uninsured Motorist Endorsement, What Is It All About?** The report explores most of the

Our team:
all pros.

And all
captains!

Every one is president or a principal of his own firm. A successful independent local insurance broker or agent. He's also the Assurex International partner firm in his area. The only one. But he's linked with 60 others in major cities in the U.S., Canada, Mexico, 14 other nations. An international network of insurance professionals. Ready to go to bat for your company wherever it's located... or will do business... or branch out. Get a winning team on your side. Call our nearest captain. Or our main locker room: (304) 232-3611. P.O. Box 1270, Wheeling, W. Va. 26003.

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latest court cases and answers many complicated questions concerning the subject. It includes definition and duties of the insured, what the standard endorsement includes, definition of uninsured automobile and how hit-and-run drivers are treated. Also included is a complete bibliography. The price is $5. Mail requests for the report to IRC at 5725 Fremont Pike ,Box 181 Stony Ridge, Oh. 45458.

• **Contractors' Additional Interest Expense** describes the protection now being offered by Wohlreich & Anderson Ltd. for insuring contractors. Written by Bernard J. Daenzer, president of the Howden Swann Group, the article explains the coverage afforded for the additional interest charged on loans which have to be renegotiated due to reconstruction. It tells how this new policy provides assurance to lenders for interest payments in the event of a delay caused by physical damage. For a free copy, write number 150 on the reader service card.

• **Seedman Errors and Omissions,** underwritten by Lloyd's of London, discusses a specially developed insurance program exclusively for members of the American Seed Trade Assn. For a free copy of the brochure write number 151 on the reader service card.

• An updated version of **Approach to Property and Casualty Insurance,** written by Harold F. Gee, has been published by The Rough Notes Co. The revised contents of the text reflect changes in wording of policies discussed, and, in a few instances, changes in coverages which have been made during the past three years. Cost is $3, less in quantity. Write to the firm at 1200 North Meridian St., Indianapolis, In. 46204.

• The Rough Notes Co. has published the **1975 Special Multi-Peril Guide,** containing new material on the underwriting guide for SMP condominium coverage. SMP condominium general property form MLB-29 and MLB-29A, and commercial umbrella loss examples. Other sections of the 112-page booklet have been significantly revised. Cost is $3.50, less in quantity. Order from: The Rough Notes Co. Inc., 1200 N. Meridian St., Indianapolis, In. 46204.

• **Fiduciary Liability Insurance for Taft-Hartley Funds: A Comparison of Coverages** has been researched and published by the International Foundation of Employe Benefit Plans. Among the questions answered and analyzed in the report: Who is insured? What acts are covered? What constitutes a wrongful act? Are prior acts covered? What acts are excluded? How much is the deductible? What are the limits of liability? What factors determine the premium? Also, the report compares policies offered by Aetna, CNA, Lloyd's and Sequoia. For members of the foundation, cost is $6.50, $6 for orders of three copies or more. Cost to non-members is $7.50, or $7 for orders of three or more. The report may be obtained by writing to the International Foundation of Employe Benefit Plans, P.O. Box 69, Brookfield, Wi. 53005.

• The 1975-1976 edition of the Gypsum Assn. **Fire Resistance Design Manual** is now available. It presents data on fire resistance and sound control plus related information on partition heights,

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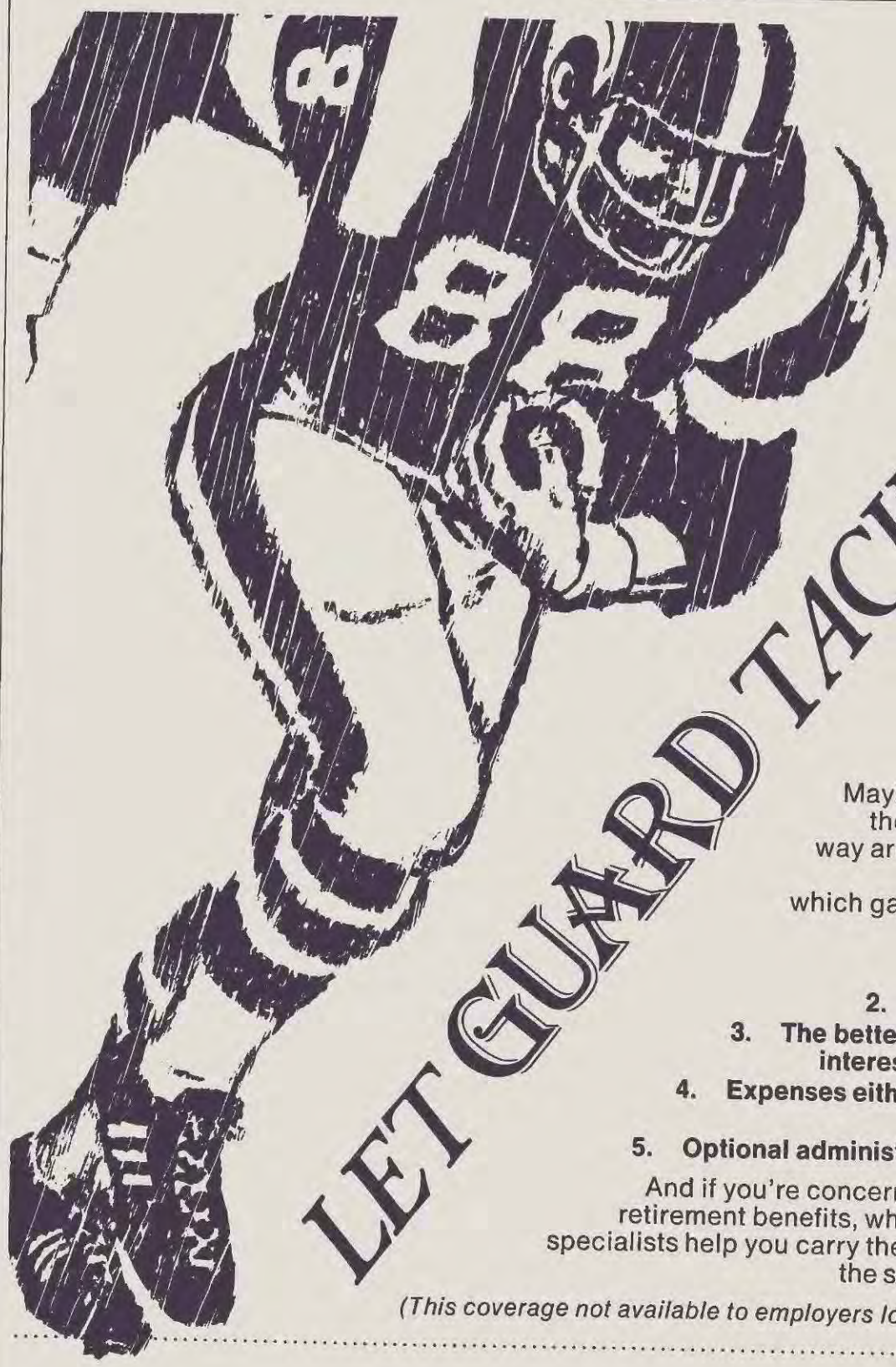

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You get:
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And if you're concerned with the adequacy of your retirement benefits, why not let Crown Life's pension specialists help you carry the ball? They're warming up on the sidelines, waiting for your nod!

(This coverage not available to employers located in the state of New York.)

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Info for buyers

design weight and thickness. The manual is referenced by the three major model codes—BOCA, ICBO and SECC—as well as minimum property standards published by the U.S. Department of Housing and Urban Development. Single copies are available at no charge; orders for two or more copies will be filled at 85 cents each plus postage and handling. Contacts: Gypsum Assn., Suite 1210, 1603 Orrington Ave., Evanston, Il. 60201.

• **Construction Contract Bond Indemnity Agreement Provisions** are analyzed in a monograph from the Defense Research Institute. Research was based on the indemnity agreement forms of General Insurance Corp. of America, Globe Indemnity Co. and the National Surety Corp. In addition to a detailed study of 28 provisions of an indemnity agreement by a surety on a construction contract bond, a section of comments on a model general agreement of indemnity is included. The publication is available to DRI members for $2.50 and to non-members for $5, prepaid through the Defense Research Institute, 1100 West Wells St., Milwaukee, Wi. 53233.

EMPLOYE BENEFITS AND PENSIONS

• **Looking for the Best Dental Care Plan for Your Group?** asks Delta Dental Plans Assn. which offers this comparative review of the characteristics of group prepaid dental programs. Emphasis is on administrative and provider compensation features of plans. Delta Dental Plans are a system of dental society-sponsored service corporations. Single copies are free, available by writing number 200 on the reader service card.

• If your employes have ever had difficulty putting together and submitting medical claims, you may want to read this brochure on **Claim Disbursement and Record Systems,** offered by Prudential Insurance Co. The illustrated pamphlet answers questions about how a computerized claims handling system works, how claims forms are completed and when claims are paid and not paid under this system. The Prudential booklet is free to readers of *Business Insurance* by writing number 201 on the reader service card.

• Prudential Insurance Co. offers insights on **Coordination of Benefits—How It Works** in a brochure that unravels the complexities of coordinating payments to employes under multiple health and medical insurance programs. The brief summary offers guidelines for determining what kinds of plans need coordinating and for determining which plan will pay benefits when more than one plan is involved. The brochure is available free by writing number 202 on the reader service card.

• A detailed discussion of federal pension reform, the Employe Retirement Income Security Act is offered by Manhattan Life Insurance Co. in its **ERISA Highlights.** The material provides a discussion of the old law and the new law, along with ramifications of changes. For your free copy write number 204 on the reader service card.

• Employers can offer an income tax preparation service to their employes at a benefit cost under one cent per employe hour, H&R Block says in a booklet entitled **An Employe Benefit.** The brochure describes how the program works and its cost, advantages and desirability. Unlike benefits used only in time of accident or illness, tax preparation gives employes help with a difficult problem each year, says H&R Block. For a free copy of the Block booklet, write number 205 on the reader service card.

• **Claims Administration System** is a brochure published by System Development Corp. describing how advanced on-line computers can be used to handle the administration of medical and dental claims. The brochure points out the computer's advantage as a management tool, and notes that the company has administered benefit plans for corporations by using computers since 1971. For free copies, write number 203 on the reader service card.

• **HMO Services** is a brochure prepared by Northwestern National Life Insurance Co. to help employers evaluate, implement and administer health maintenance organization options. The brochure is designed to assist with handling the problems of the new dual choice benefits mandated by the HMO Act. For your free copy, write number 206 on the reader service card.

• Northwestern National Life Insurance Co. publishes a digest of information on HMOs for corporate benefits administrators, entitled **A Guide To Health Maintenance Organizations.** The 12-page booklet defines HMOs, points out their advantages and disadvantages, and discusses the legal aspects of HMOs. The booklet is available free by writing number 207 on the reader card.

• Ebasco Services Inc. discusses the need for proper planning and evaluation of an organization's compensation program to produce an effective employe benefit and

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• **An Open Letter About Severance Pay Plans is offered by** George B. Buck Consulting Actuaries. It contains comments and suggested changes in the definition of severance pay plan, in the Labor Department regulation published in the August, 1975 Federal Register. Copies are free to readers by writing number 209 on the reader service card.

• **Joint and Survivor Pensions: A Simplified Approach** is a four-page newsletter from Kwasha Lipton Inc. which discusses some pros and cons of adopting so-called simplified factors in pension programs. The discussion focuses on the amount by which a pension plan participant's pension should be reduced when a joint or survivor option is elected. Copies are available free by writing number 212 on the reader service card.

• Kwasha Lipton Inc. is making available copies of its newsletter discussing **Living With ERISA: Some Special Problems for Pension Fund Managers.** The newsletter outlines the provisions in the pension reform law which bear most directly on fund management, and provides comments from banks and other investment advisors who act as fund trustees. For free copies write number 213 on the reader service card.

• Kwasha Lipton Inc. discusses split-dollar life insurance and key man insurance programs in its newsletter on **Special Death Benefits for a Selected Employe Group.** These plans can serve a useful function in an employe benefit or executive compensation program, the newsletter points out, suggesting consideration of six key areas when looking into these programs. For a free copy of the newsletter, write number 214 on the reader service card.

• A discussion of the positive approach to the disclosure requirements of the new pension law appears in Kwasha Lipton Inc.'s newsletter on **The Pension Act: Disclosure or Communication?** For a free copy write number 215 on the reader service card.

• Kwasha Lipton has published the full text of a speech on **Fundamentals of Savings Plans Administration with References to the Effects of ERISA,** given by Leonard Mactus, president of the consulting actuaries division. He describes in detail the basics of sound recordkeeping for savings and thrift plans, with particular emphasis on points of interest to fiduciaries as a result of federal pension reform legislation. Copies are available free by writing number 216 on the reader service card.

• A special report on **Working With the New, Tougher Funding Requirements of the Pension Reform Law** is available from Kwasha Lipton Inc. The analysis focuses on exempt plans, normal costs and past service liabilities, and funding alternatives. For a free copy, write number 217 on the reader service card.

• A brochure available from PAID Prescriptions describes **Drug Benefit Programs,** with emphasis on effective cost control features of programs which are either insured or self-insured. For a free copy write number 218 on the reader service card.

• Medical benefit administrative services contracts (ASOs) and the advantages of using these contract services are described in **Health Benefit Administration,** published by Health Application Systems Inc. The brochure is written for employe benefit managers who administer health and medical insurance programs. For a free copy write number 219 on the reader service card.

• **The Crown Life International Group Passport** is a pocket-size vinyl booklet containing 16 pages of descriptions of group life, health and pension program details. It explains group insurance terminology and includes disability sections. The passport from Crown Life Insurance Co. is available in English, French or Spanish. Free copies are available to readers by writing number 220 on the reader service card.

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• **Smile Guard** is a brochure describing the preventive care approach to group dental programs. It is designed to help employes and their dentists understand how dental plans work, fully describing three different dental insurance plans and the features and options available under each. State Mutual Life Assurance Co. of America aims the brochure are companies with 10 to 250 employes. For a free copy write number 221 on the reader service card.

• The **LRS Bibliography List** provides a record of literature on ambulatory health care administration, including available materials on health insurance costs, medical care costs, HMO costs, and health medical recordkeeping. For a free copy of the list from Medical Group Management Assn., write number 223 on the card.

• Improved cash flow through analysis and design of employe benefit, pension and profit sharing programs is the focus of **Employer/Employe Benefits Counsel,** published by Blair, Follin, Allen & Walker Inc. The brochure explains why employers can no longer afford to consider benefits as fringes. For a free copy write number 225 on the reader card.

• Funding alternatives for new or supplemental qualified retirement plans are described in **AID,** a brochure from State Mutual Life Assurance Co. of America about allocated investment dollars programs. The brochure outlines

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some of the typical problems which employers can solve with AID contracts. Such plans can be used with qualified pension plans, profit sharing plans, thrift plans and voluntary contribution plans. For a free copy write number 222 on the reader service card.

• **ESOP/ESOT: A Special Report** is available from Marshall and Stevens. Presenting the views of three independent authorities, the report includes benefits, applications, pitfalls and pointers on setting up a healthy employe stock ownership plan and trust. For a free copy write number 228 on the reader service card.

• **Your Employes: Do They Know All You're Doing for Them?** This brochure from Synerconsultants discusses current problems and solutions in communicating employe benefits. It focuses on a cafeteria approach to benefits communications, including computerized benefits booklets, statements, audio-visual presentations and monthly benefit reminders. For a free copy write number 229 on the reader service card.

• **A Progress Report—Health Insurance Protection Against Large Medical Expenses** has been released by the Health Insurance Assn. of America. It states that almost three in four Americans under age 65—135 million persons—have this protection. Coverage includes major medical plans paying benefits which range from $10,000 to $250,000 and sometimes are unlimited. Free copies are available by writing number 230 on the reader service card.

• **HALLways to Better Benefits,** a periodic newsletter from the National Benefit Services Division of Frank B. Hall & Co., describes in its most recent issue the concept of employe stock ownership trusts (ESOPs). For a free copy write number 231 on the reader card.

• Equitable Life Assurance Society has published a new and extensive survey called **1975 Hospital Room and Board Charges.** The survey, updated from the 1973 edition, is based on data from 2,593 short-term general hospitals, providing weighted average charges for private, semi-private and intensive card accomodations in 1,420 cities. State and national averages are also included. For a free copy write number 232 on the card.

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• Metropolitan Life's annuity and endowment programs are explained in a 14-page booklet, **Individual Retirement Annuity: Questions and Answers.** It reviews the disability provision, death benefits, non-forfeiture provision and the retirement income arrangements and summarizes the qualification requirements in terms of plan design and funding. For a free copy, write 300 on the reader service card.

• Highlights of General American Life's **Deposit Administration Side Fund Contract** are discussed in a 48-page brochure. Interest guarantees, alternative purchase rates and expense charges for individual policy pension trust plans are treated. For a free copy, write 302 on the reader service card.

• A 48-page booklet entitled **Qualified Plan Concepts** gives an overview of group and individual pensions, including information about ERISA, Social Security and sales ideas. For a free copy, write 303 on the reader service card.

• A description of the consulting, recordkeeping and communication services available from George B. Buck Consulting Actuaries Inc. is provided in **Thrift Plan Administration Services.** The brochure explains design and administration of a defined contribution plan for thrift, savings, or profit sharing plans in compliance with ERISA. For a free copy, write 304 on the reader service card.

• **Insurance and Ideas** is a brochure published by Blair, Follin,

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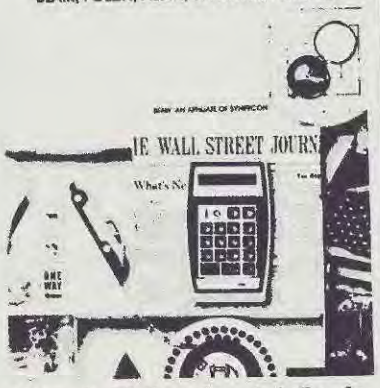

Allen & Walker Inc. briefly describing employe benefit facilities and the alternatives available when planning a total program of benefits to motivate and protect employes. For a free copy, write number 224 on the reader service card.

• An 18-page booklet, **New Money: The Method Behind the Millions,** tells what a new money rate is, how it's calculated and how it affects the cost of retirement plans. Published by Union Mutual Life Insurance Co. For a free copy, write 305 on the reader service card.

• **Summary of Impact on Savings Plans of Employe Retirement Income Security Act of 1974,** a 23-page booklet published by Kwasha Lipton Inc., summarizes the provisions in ERISA as they affect savings plans. For a free copy, write 306 on the reader service card.

• **Group Pension Portfolio** contains a brief description of four group pension products available from Crown Life Insurance Co. The colorful display concentrates on funding and investment options provided. For a free copy, write 307 on the reader service card.

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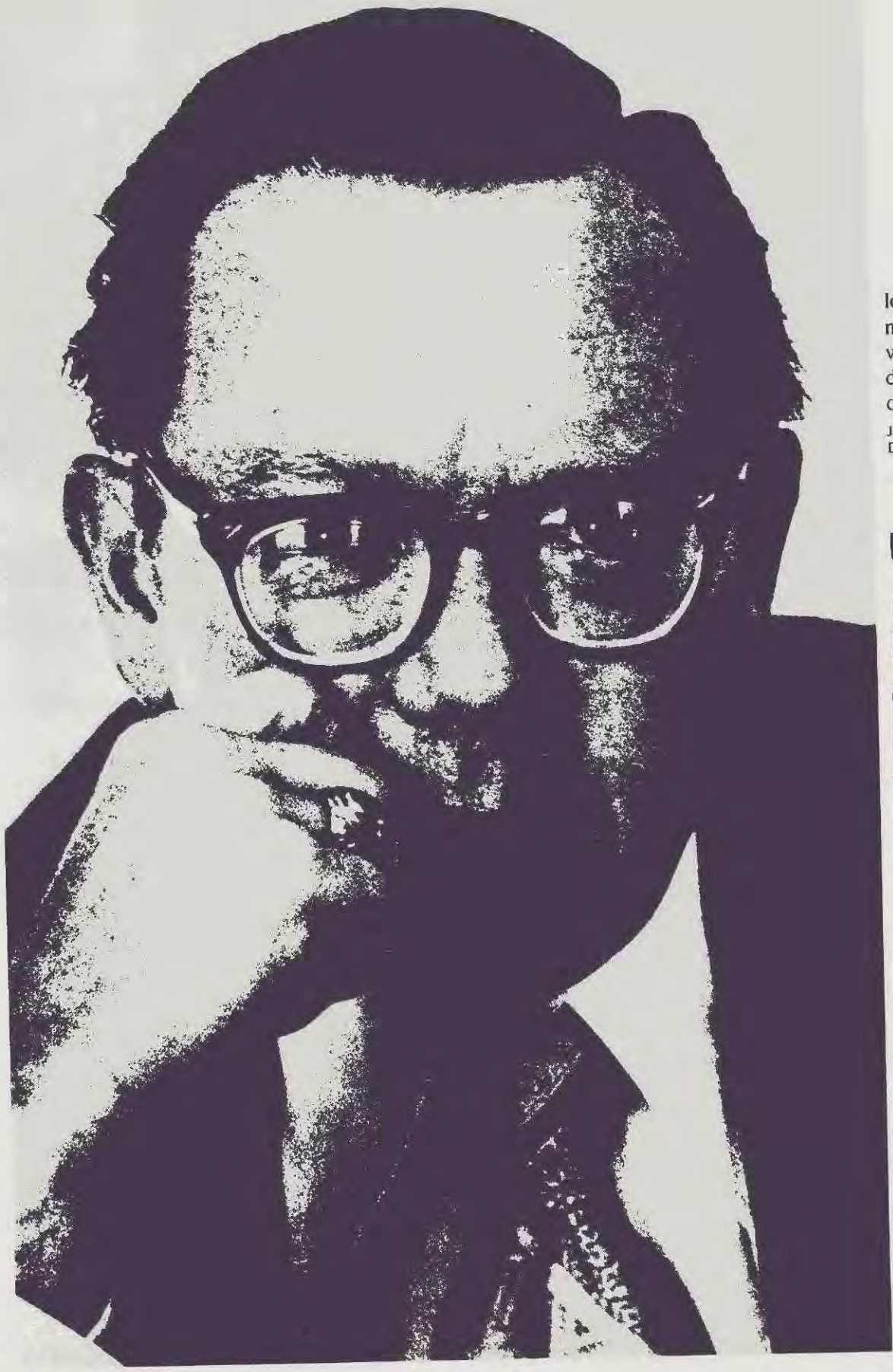

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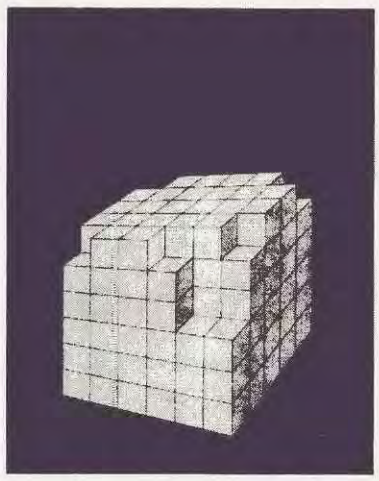
• **New Designs for Savings and Thrift Plans,** published by Kwasha Lipton Inc., covers 14 items to consider when designing a savings or thrift plan. Topics include type of plan, eligibility, employe contributions, company contributions, investment funds, vesting and forfeitures. For a free copy, write 308 on the reader service card.

• A reprint of a 6-page letter from George B. Buck Consulting Actuaries Inc. to the Labor Dept. is available which comments on and suggests changes in the 1,000 hour rule for determining a year of service for vesting purposes in the proposed regulations issued on September 8, 1975. For a free copy, write 309 on the card.

• **Vesting and Participation Rules Proposed by Government,** published by George B. Buck Consulting Actuaries Inc., explains the minimum standard regulations on participation and vesting proposed by the Labor Department on September 8, 1975. Topics covered include hours of service, breaks in service and service with controlled groups. For a free copy, write 310 on the reader card.

• **The Group Annuity Investment Contract,** published by Lincoln National Life, describes the contract as designed for qualified pension and profit-sharing plans,



providing an investment choice, multiple payout options, low cost and administrative services. For a free copy, write 301 on the card.

• A reprinted letter from George B. Buck Consulting Actuaries Inc. to the Labor Department comments on the rules published in the Aug. 25, 1975, Federal Register on voluntary gratuitous payments to pre-ERISA pensioners. It is available free by writing 311 on the reader service card.

• **First Colony Life Introduces Contingent Life** explains an insurance concept involving multiple lives on an individual basis where death benefits are paid on a first death basis with automatic continuance of coverage for survivors. Each person has an individual policy with total premium and nonforfeiture values allocated to the individual on a basis proportionate to individual premium participation. For a free copy, write 500 on the reader service card.

• **PayPlus,** published by Pension Planning Co. Inc., describes employe benefit statements marketed by the company which provide each employe with a personal computerized summary of the value of his or her fringe benefits. For a free copy of the brochure, write 312 on the reader service card.

• A guide to the review and purchase of guaranteed **Insurance Company Investment Contracts** (for pension and profit sharing plans) is available from Reed Shaw Stenhouse. It includes a checklist with all the major pitfalls that need to be considered when evaluating alternative proposals. For a free copy, write number 313 on the reader service card.

• A new booklet has been prepared which cuts through the tangle of insured funding. It tells what a new money rate is and explains its role in insured retirement programs. For a free copy, write number 314 on the reader service card.

• Alexander & Alexander is offering its 1975 edition of **Notes on Old Age Benefits Under Social Security.** The booklet is designed to help retirement and benefit plan administrators estimate Social Security benefits. For a free copy, write number 315 on the reader service card.

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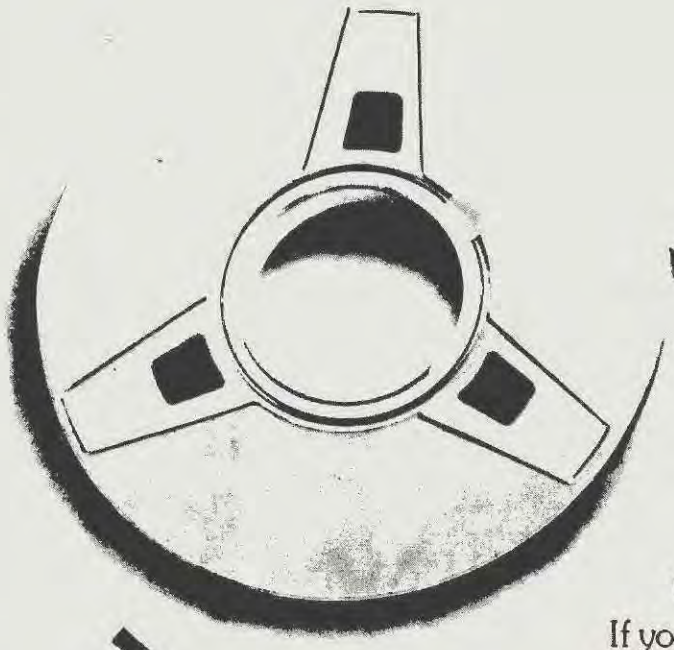

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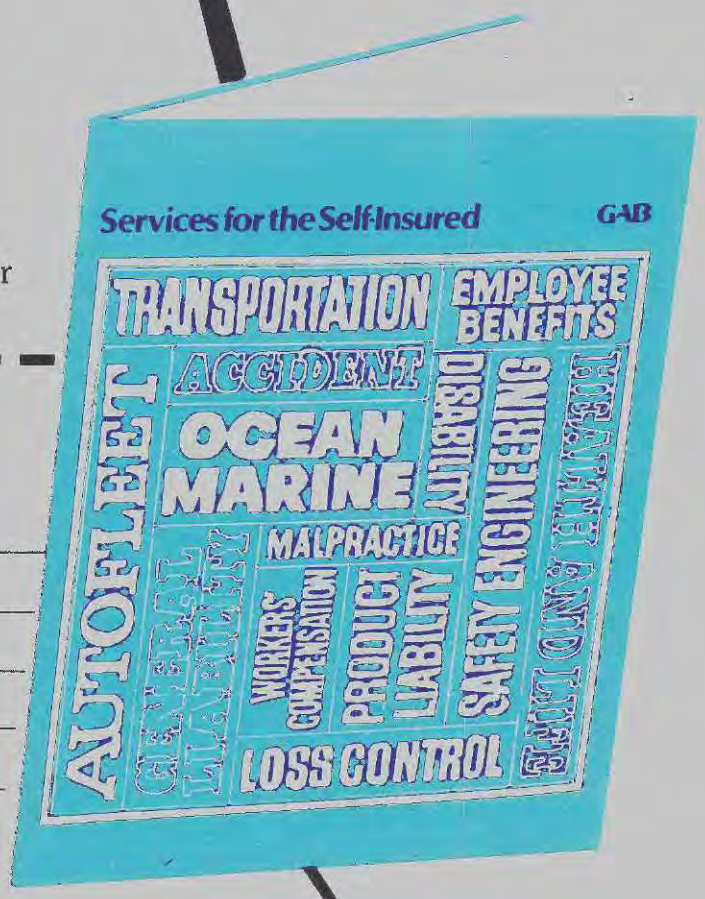

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• **Consulting Actuarial Services** is a brochure available from Alexander & Alexander Inc. describing pension plan design aspects of benefit planning, and discussing actuarial projection considerations. For a free copy write number 807 on the reader service card.

• **Employe Benefits and Services** is a bibliography of literature received by the Civil Service Commission library. Order No. 006-000-00816-0. Cost is $1.40. To order, write to the Public Documents Distribution Center, 5801 Tabor Ave., Philadelphia, Pa. 19120. Make checks payable to the Superintendent of Documents—do not send cash.

• U.S. Government publication of interest: **The Social Security Act (As Amended Through Jan. 4, 1975) and Related Laws.** A very useful reference aid for those who deal with Social Security. Cost is $5.80. Use order no. 052-070-02746-1. Write to the Public Documents Distribution Center, 5801 Tabor Ave., Philadelphia, Pa. 19120. Make checks payable to Superintendent of Public Documents; do not send cash.

• **The HMO: Funding Mechanisms,** by Dan Maruna, is available from Protech Publications. Cost is $2.50. Use order number 3015.04. There is a 25% discount for *Business Insurance* subscribers. To order, write to Protech, 2182 Dupont Dr., Irvine, Ca. 62664.

• **HMO's Make Economic Sense,** by Joseph N. Rosenfield, is available for $4 from Protech Publications. There is a 25% discount for *Business Insurance* subscribers. Write to Protech, 2181 Dupont Dr., Irvine, Ca. 92664.

• **The HMO Complex: Auxiliary Corporations,** written by Dan Maruna, is available from Protech Publications. Price is $4, but there is a 25% discount to *Business Insurance* subscribers. To order, write to Protech, 2182 Dupont Dr. Irvine, Ca. 92664.

• **Orgeon Life Safety Study of Institutional Care Facilities** (Technology Report 74-3), published by the Society of Fire Protection Engineers, is now available. Written by C. Walter Stickney, a former Oregon state fire marshall, the report describes a continuing program for improved life safety from fire in institutional care facilities in Oregon. Smoke detection and supervisory requirements have reduced the casualties in Oregon hospitals and nursing home from 18 in 1969 to zero in 1973. Price is $3.75. The 45-page illustrated report is available from the SFPE, 60 Batterymarch St., Boston, Ma. 02110.

• **Employe Benefits in Modern Society,** written by Kenneth Clark, secretary of England's Life Insurance Assn., has been published by Keith Shipton Developments Ltd. in association with Woodhead-Faulkner Ltd. of Cambridge, England. The study shows the difference between employes' and employers' perceptions of the value of benefits. In addition to providing a survey of benefits available in England today, the report covers benefits in Europe and possible future developments. Cost is 1.50 British pounds sterling, plus 25 pence for postage and handling. To order, write to Woodhead-Faulkner Ltd., 7 Rose Crescent, Cambridge, England.

• Werbel's **Variable Annuities Booklet** provides explanations of variable annuities by defining them and describing their functions. The company has now come out with its third edition, first printing, and follows a format of detailing the operation of fixed annuities and the workings of separate accounts. The booklet includes a self-quiz and is suitable for preparation for state examinations. It is available for $1.50 from Werbel Publishing Co., Mrs. V. Merkel, Manager, Circulation Department, 595 Old Willets Path, Smithtown, N.Y. 11787.

NOTE: Most items listed here are available without charge. For free material use the coupon in this issue or a postcard, indicating the item number. Material which is available at a price should be requested directly from the source, at the address given.

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• Werbel's **New York State Addendum to Life Insurance Primer** is designed to acquaint prospective life insurance agents with the state's insurance law and savings bank life insurance. The booklet is written to be used as an orientation tool on the subject of life insurance, and is available for $1 by writing Mrs. V. Merkel, Manager, Circulation Department, Werbel Publishing Co. Inc., 595 Old Willets Path, Smithtown, N.Y. 11787.

• Keith Shipton Developments Ltd., risk management consulting division of a large international brokerage firm, has done a study on **Employe Benefits In Modern Society,** available for $5 to U.S. and Canadian readers (1.75 pounds in the U.K., 2.00 pounds in Europe, and 2.50 pounds elsewhere). The study draws attention to critical factors to be taken into account when a company is considering a benefit package. Descriptions of the most commonly found benefits, attitudes of management and employes toward these benefits, and possible future developments are discussed. For a copy of the study, write to Jan Wisotzkey, Publications Officer, Keith Shipton Developments Ltd., Adelaide House, London Bridge, London, England EC4R 9DS.

• **Dental Benefit Programs: A concise Guide to Their Design** and **Operation** is available for $6 a copy. Fundamental plan design concepts and options for dental plans are described in the brochure. Summaries of 25 existing dental plans are displayed, indicating possible trends for updating existing plans. Write to: Gail Koeppen, Charles D. Spencer & Assoc. Inc., 222 W. Adams St., Chicago, Il. 60606.

• Coverage of Social Security benefits and a brief explanation of Medicare is provided in **1975 Social Security Benefits, Including Medicare.** The brochure, available at 50 cents a copy (minimum order, two copies), shows increased tax and benefit base for 1975. It is non-technical and includes a detailed table of Social Security benefits. Write to: James F. Golden, Public Relations Dept., Commerce Clearing House, Inc., 4025 W. Peterson Avenue, Chicago, Il. 60646.

• An explanation of the amended Social Security law is provided in **1974 Social Security and Medicare Explained Including Medicaid.** Tables and examples supplement the layman's language text. Copies are available at $5. Write to James F. Golden, Public Relations Dept., Commerce Clearing House Inc., 4025 W. Peterson Avenue, Chicago, Il. 60646.

• **Explanation of Pension Reform Act of 1974,** offered by Commerce Clearing House Inc. for $2 a copy, provides a detailed description of the new law. The 96-page publication covers who's affected by the law, when, how and what to do about it, but does not provide the law text or technical details. To obtain a copy, write to James F. Golden, Public Relations Dept., Commerce Clearing House, 4025 W. Peterson Ave., Chicago, Il. 60646.

• Commerce Clearing House Inc. is offering **Pension Reform Act of 1974, Law and Explanation.** The 400-page publication provides the full text of the law and gives an explanation of its requirements and new features plus major com-

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• **Flextime: An Overview,** from Personnel Research Assoc., summarizes the pros and cons of the concept, and reactions to the concept from personnel directors, union, employes and management. Copies cost $4 each. Write to Mr. R. D. Quinn, president, Personnel Research Assoc., 49 Oakridge Rd., Verona, N. J. 07044.

• For the uninitiated in retirement plans, **Designing a Corporate Retirement Plan to Meet the Requirements of the Employe Retirement Income Security Act of 1974** provides basic background. It outlines some plan provisions which must be included and calculates the benefit needed at a future retirement date. The cost is $2.50 a copy and as available by writing: Gail Koeppen, Charles D. Spencer & Assoc. Inc., 222 W. Adams St., Chicago, Il. 60606.

• Published for quantity distribution to clients, **What an Employer Should Know About Pension Plans** described various retirement plan options which are available to the small employer. Included are optional benefits as well as discussion of the minimum standards under ERISA. Minimum order is 25 copies at 50 cents each. Write to: Charles D. Spencer & Assoc. Inc., 222 W. Adams St., Chicago, Il. 60606.

• **Individual Retirement Plans** describes the three types of plans available, taking into account the IRS's proposed regulations already issued and including various IRS forms such as those illustrating model individual retirement trust and custodial account agreements. Copies are available for $1.50 each. Write to: James F. Golden, Public Relations Dept., Commerce Clearing House, 4025 W. Peterson Ave., Chicago, Il. 60646.

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• Western Safety Equipment's 44-page catalog illustrates and describes 62 eyewashes and more than 100 emergency drench showers. Special emphasis is on portable eyewashes, free-standing showers, and lab installations. All OSHA approved. For a free copy, write 400 on the reader service card.

• **Guidelines for Measuring OSHA Noise,** published by B & K Instruments Inc., is a general semi-technical article setting forth the basic guidelines for firms just beginning to undertake noise measurement and analysis in an OSHA-compliance effort. It presents the basics of "steady level, mixed noise, impact noise, and survey records." Also, it covers the practical aspects of instrumentation and analysis techniques needed to consider data, and the institution of personnel hearing conservation program. For a free copy, write 401 on the reader service card.

• Markel Service Inc. is offering the **Markel Service Road Safety Patrol Brochure** describing the only nationwide road patrol service available to owners of commercial fleets and insurance companies. Reports are sent to management describing driver conduct on the highway. Equipment is inspected for safety requirements for the purpose of lower accident ratios. For a free copy, write 402 on the reader service card.

• A **Trans-Vue** folder describes a transparent safety curtain material for welding curtains offering see-through ability and safety protection in filtering out most of the harmful ultraviolet and infrared rays emitted by welding arcs. A sample of the material is included in the folder. For a free copy, write 403 on the reader service card.

• A specifications sheet for **Yellow-Neoprene-Coated Asbestos Cloth** is available from Singer Partitions Inc. For a free copy, write 404 on the reader service card.

• **Firesafety Systems Ideabook,** "an ideabook to help you protect your building and its occupants," describes how the Johnson JC/80 computerized firesafety system meets the demands of today's buildings and firecodes and offers advice on selecting the proper system and equipment. Free copies are available by writing 405 on the reader service card.

• **They Come Back Stronger Than Ever** is a booklet which describes the rehabilitation experience, capabilities and spirit of Employers Insurance of Wausau's staff of professionals. The booklet credits

teamwork as the key to their success and to the success of disabled workers who battle back to productive lives again. One case history illustrates what can be done. For a free copy, write 406 on the reader service card.

• **SET/7000 Fire Alarm Systems,** explains the systems approach to firesafety and a description of Johnson Control Inc.'s SET/7000, SET/7500 and SET/7000 EVAC systems and accessories. For a free copy, write 407 on the reader service card.

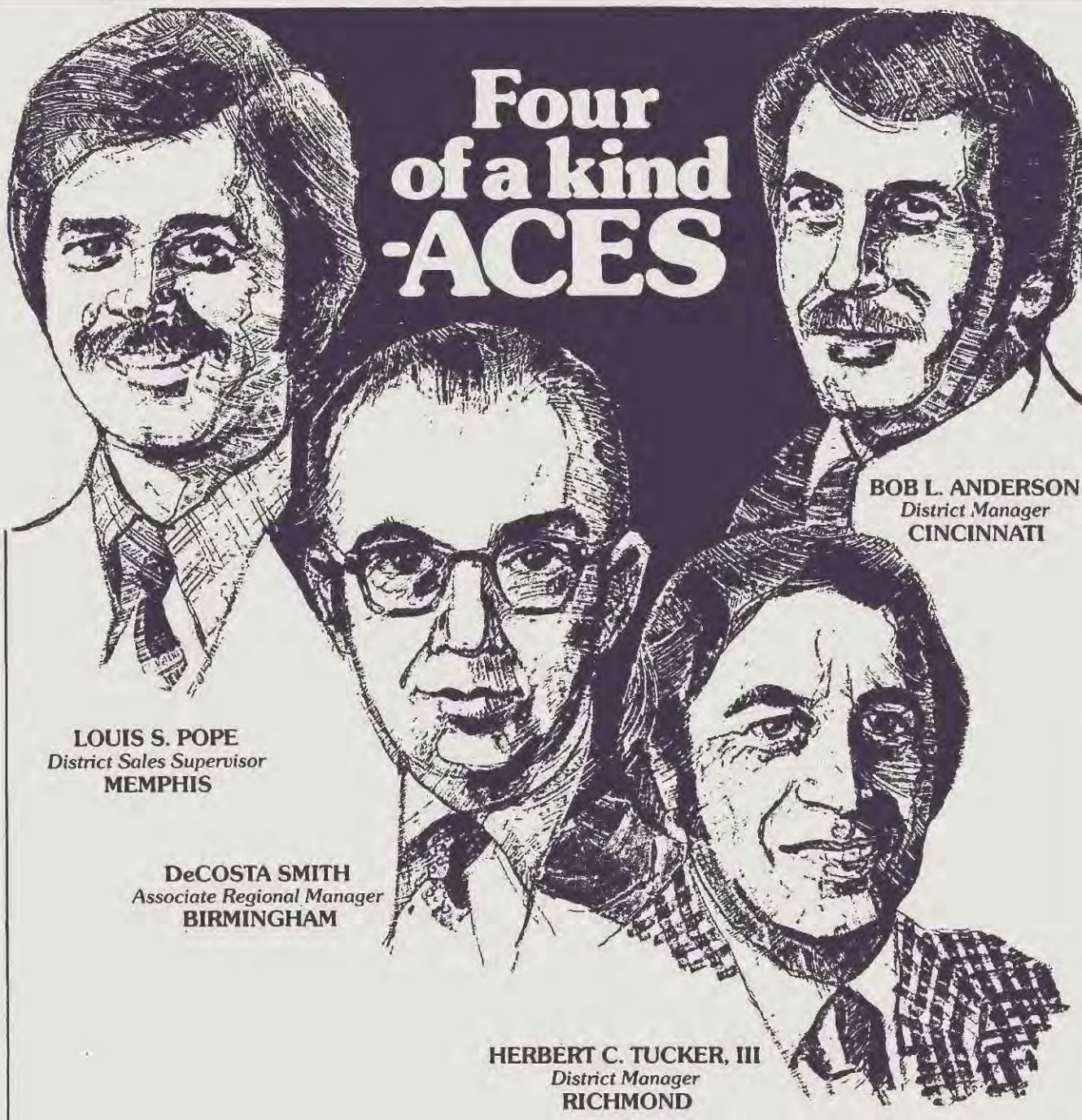
• **Occupational Health Consulting Services,** published by National Loss Control Service Corp., explains how consulting services can help lower health insurance and worker's compensation costs. It also discusses how improved employe health programs, medical program analysis and "tailored" first aid training programs can reduce employe health and injury cost. For a free copy, write 408 on the reader service card.

• The National Fire Protection Assn. is offering a **Catalog of Publications and Visual Aids.** The 52-page catalog contains more than 600 titles—books and booklets, films, training courses, posters, speakers' aids, and educational material for employes, firefighters and the general public, plus the current edition of each NFPA standard and code. Free copies are available by writing 409 on the reader service card.

• A catalog of **Johnson & Johnson First Aid Kits** is available, listing industrial kits for various sizes of businesses. For a free copy, write 410 on the card.

• **Willson Gas Masks** is a catalog sheet describing protection against the most commonly encountered industrial vapors and gases and combinations of these dangerous compounds. The catalog sheet, published by the Willson Products Division of ESB Inc., also shows gas mask accessories and how to

Some different approaches to lumber exposures.



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• **Willson Hearing Protection** is a catalog sheet showing various types of ear muffs and other hearing protection devices manufactured by the Willson Products Division of ESB Inc. For a free copy, write 412 on the reader service card.

• **Bounce This Idea Off Your Head** is a catalog sheet from the Willson Products Division of ESB Inc., makers of head protection equipment. The sheet describes hard hats and plastic caps for protection of the worker in industry. For a free copy, write 413 on the reader service card.

• **Willson Respirator Protection** is a catalog sheet, from the Willson Products Division of ESB Inc., which describes the 2-D Dustite respirator for use with nuisance dusts and the #600A Monomask respirator for use in dust and mist environments. For a free copy, write 414 on the reader service card.

• **Let's Clear the Air About Respirators,** a brochure from the Willson Products Division of ESB Inc., is designed to help the worker and industry understand the need for on-site personal respiratory protection. Written in question-and-answer format, it outlines the problem of respiratory hazards, offers the essentials of a comprehensive protection program, explains how respirators fit into safety programs and shows the types and functions of respiratory devices available. For a free copy, write 415 on the reader service card.

• A promotional brochure on Willson's #1400 **Disposable Respirator** is available from the Willson Products Division of ESB Inc. For a free copy, write 416 on the reader service card.

• A catalog sheet from the Willson Products Division of ESB Inc. describes the Willson **Abrasive Blasting Helmet #52,** which protects against impact and abrasion by rebounding material during abrasive blasting operations, and the Paint Spray Hood, which has many applications where operations involve paint spraying. For a free copy, write 417 on the reader service card.

• **Willson 1200 Series Respirator** is a product catalog showing the many variations of the NIOSH/MESA approved respirator, manufactured by Willson Products Division, ESB Inc. Its exhalation valve assembly reduces the possibility of any contaminants entering the facepiece. For a free copy, write 418 on the reader service card.

• Willson Products, a division of ESB Inc., is offering a five-part catalog showing eye protection equipment. Included are sections on safety spectacles, faceshields, welding goggles and helmets, lightweight spectacles and safety goggles. For a free copy, write 419 on the reader service card.

• **Four Dimensions of Safety,** a promotional brochure from Willson Products, shows items for the protection of the eyes, respiratory, head and hearing of the worker in industry. For a free copy, write 420 on the reader service card.

• Safety First Products Corp. is offering its **Safety First Fire Protection Folder,** which contains literature on portable fire extinguishers, wheeled and stationary extinguishers, automatic dry chemical restaurant systems, automatic dry chemical industrial systems, automatic Halon 1301 systems and completely mobile dry chemical systems. Copies are free, available by writing 421 on the reader service card.

• Chemetron Fire Systems is offering a booklet, **Chemetron Halon 1301/Carbon Dioxide Systems For "Hot Spot" Fire Protection,** which describes and compares high and low pressure systems of these types. For a free copy, write 422 on the reader service card.

• Norris Industries Fire and Safety Equipment division has a catalog of **Interior Fire Protection Equipment.** The 12-page brochure provides charts and illustrations of hoses, extinguisher cabinets, valves and other devices that help architectural and engineering firms in choosing insurance compliance equipment for new building plans. For a free copy, write 423 on the reader service card.

• The International Safety Academy's **Catalog of Safety and Training Films** is available. It includes films for general industry, hospital safety, chemical and construction industries, first aid training, motor transportation and other topics. For a free copy, write 424 on the reader service card.

• **Fire in America: Yesterday and Today** is a colorful red, white and blue folder from the National Fire Protection Assn. which opens into 11 by 17-inch size poster, a Bicentennial year publication about early fire fighting in America, and, on the reverse side, practical suggestions to prevent fire from claiming lives and property. It also includes topics for group discussion, case histories of typical recent fires, and a reading list. One free copy is available on request by writing 425 on the reader service card.

• A **Safety Training Products Catalog** from the International Safety Academy is available. Listings include OSHA aids, audio cassettes, films, reference books, training manuals and more. For a free copy, write 426 on the reader service card.

• A catalog sheet listing the specifications of **Constrained Layer Damper,** A Singer Partitions Inc. of the visco-elastic, self-adhering product, explains the properties material that reduces resonating noise from bins, motor housings, cabinets and locker doors. For a free copy, write 427 on the reader service card.

• A catalog sheet listing the specifications of **Vibration Damper,** a Singer Partitions Inc. product, is available. The product is a visco-elastic coating material for deadening the sound of vibrating metal surfaces. To obtain a free copy, write 428 on the reader service card.

• Specifications for **Sound Reduction Material,** a product of Singer Partitions Inc., are listed in a catalog sheet. The fiberglass reinforced, loaded vinyl material is USDA approved and is used in partitions and enclosures to reduce machinery and equipment noise. For a free copy, write 429 on the reader service card.

• **Interior Fire Protection Equipment, No. S-76 AE** from Norris Industries catalogs recessed and semi-recessed Fyr-Fyter fire house and extinguisher cabinets and related fire protection equipment for office buildings, high-rise apartments and commercial buildings and industrial complexes. For a free copy of the equipment catalog write 430 on the reader service card.

• **Rockwood Flammable Liquid Systems** describes the use of low and high expansion foam for the fire protection of fuel loading racks, aircraft hangers, heloports, production and storage areas, flammable liquid storage tanks, marine shipboard deck and engine compartment. For a free copy, write 431 on the reader service card.

• **Engineered High Speed Fire Protection Systems** is offered by Fenwall Inc. to describe its high speed water deluge systems and detection devices. For a free copy of the brochure, write 432 on the reader service card.

• **OSHA Recordkeeping Service** describes an accident information

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• A device which responds to the first traces of fire in the form of visible smoke or invisible products of combustion is described in **Ionization Fire Detector, Model DI-7L, Catalog 9010.** Provided by Pyrotronics, the device does not require heat or flame and is designed for light commercial or institutional occupancy for use in clean, dry, normal room ambient conditions. For a free copy of the brochure, write 434 on the card.

• Norris Industries is offering its **Buyers Guide** on portable fire extinguishers. The catalog describes and illustrates dry chemical, carbon dioxide and water extinguishers which meet all OSHA requirements and performance and operations. It also includes data on high-capacity wheeled dry chemical and carbon engines. For a free copy, write 435 on the card.

• Norris Industries is offering **Automatic Fire Sprinklers,** which describes the equipment in four pages. For a free copy, write 436 on the reader service card.

• Norris Industries is offering **Catalog of Fire Protection Equipment** for industry, commerce and institutions. For a free copy, write 437 on the reader service card.

• Norris Industries is offering **Halex 1301 Modular Computer and Record Storage Protection.** For a free copy, write 438 on the reader service card.

• Norris Industries is offering **Halex 1301 Marine Fire Extinguishing System for Yachts and Motorboats.** For a free copy, write 439 on the reader service card.

• **Aircraft Hangar Fire Protection Systems** from 3M Company describes in four pages how Light Water AFFF Systems can be used in hangars. Reasons leading to acceptance by Factory Mutual and Underwriters' Laboratories Inc. are described. For a free copy, write 445 on the reader service card.

• National Foam System Inc. has described new techniques, products and equipment for flammable liquid fire protection in **National AER-O-FOAM Fire Protection Systems,** available in either English or metric versions. For a free copy, write 440 on the reader service card.

• **Safety and Security for Supervisors** is a 40-page daily calendar booklet, pocket size. It provides an ongoing supervisory training program from Man & Manager Inc. including questions and answers on OSHA, a safety checklist form and cash histories and articles on all phases of industrial safety and security. For a free sample, write 441 on the reader service card.

• **Foam; What it Is and How it Works,** from National Foam System Inc., contains information on application techniques and the operation of equipment as well as specifications for the amount and consistency of foam to use under various conditions. For a free copy of the brochure, write 442 on the reader service card.

• **Petroleum Fire Protection Systems** from 3M Company describes in four pages the use of Light Water AFFF Systems in petroleum storage. The 3M Subsurface Injection System, listed by Underwriters' Laboratories Inc., is defined and test data included. For a free copy, write 443 on the reader service card.

• A six-page brochure entitled **Chemical Plant Fire Protection Systems,** available free from 3-M Co., describes various methods of fire protection utilizing Light Water Brand AFFF Products and Systems. Test data on various commonly used liquid chemicals is also included. For a copy of the brochure, write 444 on the reader service card.

• **Light Water Portable Fire Extinguisher** is a brochure from the 3M Co. describing the theory, installation, operation and inspection/maintenance of the Light

Water 2½-gallon portable fire extinguisher. An illustration of how the extinguisher foam works is included. For a free copy of the brochure, write 453 on the reader service card.

• Mine Safety Appliances Co. is offering its **Industrial Safety Equipment** catalog. Listed are personal protection products, environmental surveillance products, hazard control products, and emergency care products. For a free copy, write 446 on the reader service card

• A promotional brochure on Hewitt, Coleman & Associates Inc.'s **Accident Control** program is available. It describes how the firm sets up seminars in accident control with all levels of management, and provides a brief overview of what the seminars cover. For a free copy, write 447 on the reader service card.

• **Are You Receiving All Benefits Available Under the Law?** A brochure from Kemper Insurance Cos. asks this question in reference to a program that allows small employers having similar businesses and trade characteristics to take advantage of the "law of large numbers" to pool their results and reduce workers' compensation costs. For a free copy, write 448 on the reader service card.

• Wirt & Knox, a division of National Foam Systems, offers a free product brochure on its **Hose-Handling Equipment, Carts and Metal Specialties.** It covers a variety of equipment, including carts for hose, foam and extinguishers, utility carts, reels and racks for a variety of hose, wire and rope. For a free copy, write 449 on the reader service card.

• Edmont Instruments is offering a catalog sheet illustrating and describing the complete line of instruments for measuring and monitoring combustible gas, oxygen and noise levels. Includes accessories, and an explanation of the oxygen sensor which can easily be recharged anywhere. For a free copy, write 450 on the readerservice card.

• The **1976 Schedule of Conferences** of the International Safety Academy is available. The schedule describes each conference, with dates and locations, and registration details. Included are conferences on basic safety management, inspection training, total loss control, environmental health management, motor fleet management, scientific accident investigation with motor fleet orientation, machine guarding and machine accident investigation. For a free copy, write 451 on the reader service card.

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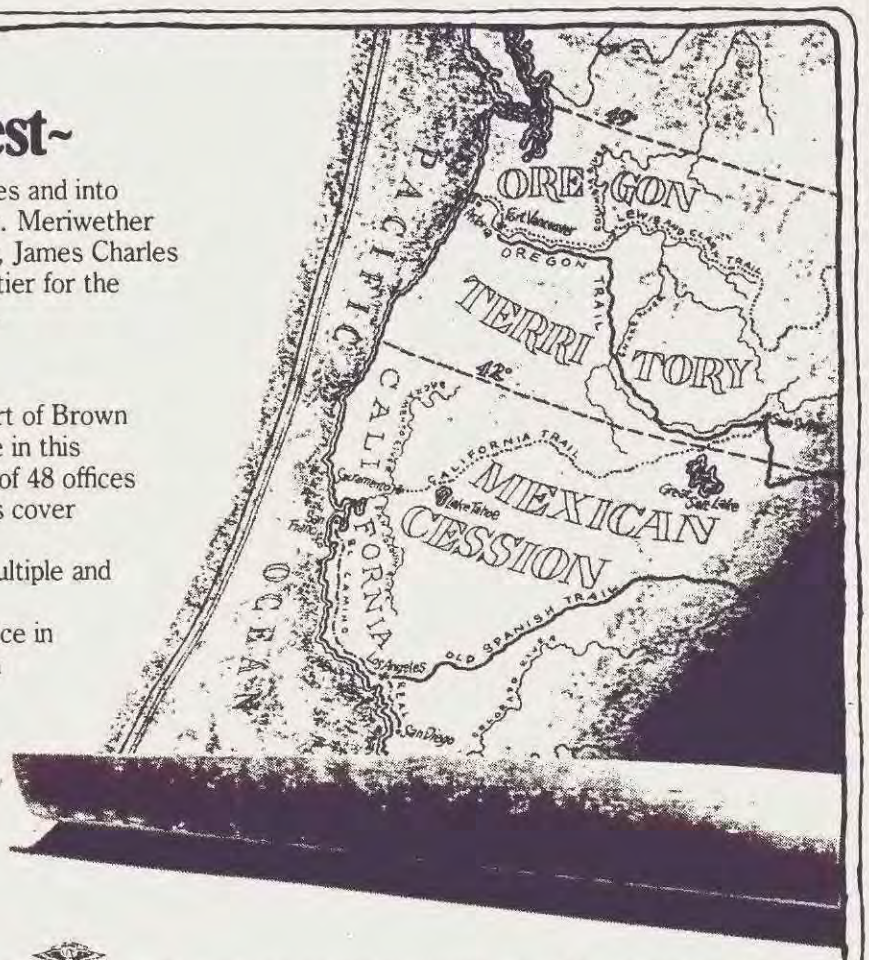

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• A product information bulletin from the 3M Co. on **Light Water—Alcohol Type Concentrate,'** an aqueous film forming foam, describes the recently introduced alcohol-polar solvent resistant extinguishing agent. Illustrations are included to show how Alcohol Type Concentrate works on both hydrocarbons and alcohol (polar solvents). A detailed table of test data is included. For a free copy, write 452 on the reader service card.

• **Product Technology Newsletter—Product Safety,** published by Arthur D. Little Inc., describes how the product technology section of ADL can help manufacturers and industry associations deal with issues related to product design and safety. Some recent examples are given. For a free copy, write 454 on the reader service card.

• **Product Technology Newsletter—Flame Resistant Plastics,** published by Arthur D. Little Inc., gives a background of recent developments in flame resistant plastics, including how flame retardants can affect plastic products and processing. For a free copy, write 455 on the reader service card.

• The ABCs of hearing conservation are presented in an employe-directed booklet, **Noise and You,** published by the David Clark Co. Inc., makers of noise protective devices. For a free copy, write number 456 on the reader service card.

• The advantages of coating plastic safety lenses with TEMA II, made by American Cyanamid, are explained in a question and answer booklet from Glendale Optical Co., **Glass or Plastic?** For a free copy, write number 457 on the reader service card.

• A 20-page question and answer booklet on **Industrial Noise and Hearing Loss** is available from Maico Hearing Instruments. It covers acoustical measurements, noise control, protection for the employe, hearing measurements and documentation. For a free copy, write number 458 on the reader service card.

• A series of brochures from Dymo Products Co. provides a **Guide to Effective Safety Signage.** Principles of safety communication and a survey of safety sign uses are included, along with price lists for Dymo sign-making products. For a free kit, write number 459 on the reader service card.

• Granet Corp., makers of industrial protection gloves, is offering **Protect Hands,** a brochure of products available and a checklist for determining glove needs. For a free copy of the brochure write number 460 on the reader service card.

• **Handbook & Standard for Manufacturing Safer Consumer Products,** published by the Consumer Product Safety Commission, outlines a step-by-step method to implement a product safety policy and procedures. Technical recommendations focus on design review, identification and evaluation of potential hazards, documentation of any changes in design, materials or production that could affect safety, safe production practices, maintenance of records and product safety audits. Single copies are available at no cost from the Commission in Washington, D.C. 20207.

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F. THOMAS BRADSHAW
Vice President

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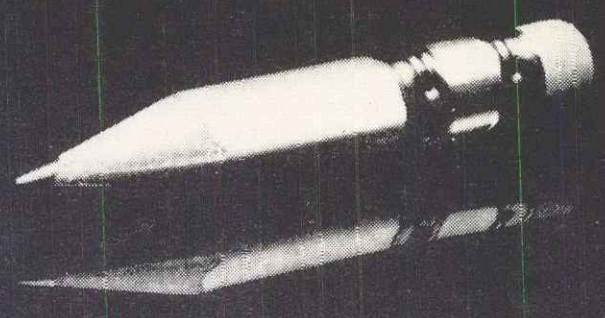

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PERSPECTIVE

PREMIUMS SOAR AS MARKETS TIGHTEN

Over half of all insurance buyers responding said they've been hit with premium hikes of 30%-plus. Most see worse trouble ahead.

Continued from page 1

The 59 persons responding to this, our initial sampling, are responsible for spending $257.8 million annually on direct insurance premiums. The figure is not truly representative of the actual dollar amounts spent for risk management by their companies, however, since many of the companies absorb substantial deductibles. One company reporting even plows $5.5 million annually into its own captive insurance company. This figure was not included in the $258 million noted above.

The panel member reporting the heaviest expenditures for insurance said his company, an airline, spends in excess of $125 million annually on insurance. Reporting the smallest expenditure ($75,000) was a municipality.

Six or eight times a year, members of the panel will be asked to answer a brief questionnaire or to give us their opinions on a particular subject. Results of these surveys will be published in *BI* quickly, making them topical and, we think, provocative.

Members of the panel will not be identified with their opinions or answers, unless they specifically approve. However, to protect the integrity of the inquiries, respondents must identify themselves on questionnaires returned to the editors of the magazine.

The first questionnaire was mailed to about 125 risk managers late in November. These persons were selected at random by the editors of *BI*, with some knowledge of the qualifications of the individuals invited. By deadline, 59 had returned questionnaires and agreed to participate. Several other affirmative responses were received after the deadline, and these persons will be included in future surveys.

The first questionnaire asked risk managers if their companies had experienced premium rate increases recently and, if so, in what particular line(s) of coverage and by how much. Risk managers were then asked if they felt the increases were justified, and for brief comments they may have on the subject.

Panel members were also asked if they forecast a "capacity crunch" for 1976, and if they did so in what lines might there be availability problems during the year. Thirty-nine, or 67%, of those responding to this question said they do see a capacity crunch coming. Seventeen, or 29%, said they do not. Two respondents, or 3%, said they foresee a "price crunch" rather than a capacity crunch.

Thirty-nine respondents, or 81% of those responding affirmatively to that question said they thought capacity problems would occur mostly in casualty lines. Three respondents, or 6%, said they saw property lines getting tight. Six, or 13%, said both property and casualty lines would become tighter.

Some of the answers by one respondent to the survey were not used in computing percentages and dollar expenditures for insurance of panel members.

That person, who was speaking on behalf of a multitude of institutions nationwide that aggregately spend $1.5 billion on insurance, said the rate increases experienced by those he was speaking for were ranging between 400% and 1,000%. The editors of *BI* felt the results of the survey would be weighed in an unbalanced fashion if these large aggregate figures were used, so it was decided to exclude these percentages and dollar amounts from the conclusions of the survey. ■

How members of the Business Insurance advisory panel view the insurance market place at yearend 1975

Based on responses from 59 corporate and state/municipal government risk managers responsible for direct insurance premium payments totaling $257.8 million annually.

Size of Increase	Number of Companies	% of Total Responses
Under 5%	1	2
6% — 10%	2	4
11% — 15%	5	10
16% — 20%	8	16
21% — 30%	5	10
31% — 40%	4	8
41% — 50%	2	4
51% — 60%	2	4
61% — 70%	3	6
71% — 80%	3	6
81% — 90%	0	0
91% — 100%	5	10
Over 100%	2	4
200%	2	4
300%	2	4
350%	1	2
400%	1	2
400% — 1,000%	1	2
Average Increase of Companies reporting:	73.7%*	

*For purposes of this figure, the 400%-1,000% increase reported by one panel member was not used in determining average; this panel member was speaking for independent institutions nationwide that had increases ranging from 400% to 1,000% and an average cannot be verified.

		% of Totals
• Was increase justified?		
Yes:	24	50
No:	22	46
"Some were":	1	2
"Not by this much":	1	2
• Do you forecast a capacity crunch in 1976:		
Yes:	39	67
No:	17	29
"Price crunch":	2	3
• In what lines?		
Liability:	39	81
Property:	3	6
"Both":	6	13
• Total companies reporting rate increases:	50	84.7
• Total companies reporting no rate increases:	9	15.3

Note: Figures do not always add up to 59 because of some unanswered questions.

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Forecasts and remarks

A risk manager for a manufacturing company that has had an increase of 35% in its primary liability line, reported "In light of current markets, we got off cheaply."

However, a risk manager for a manufacturing company with comprehensive general liability premium hikes of "over 100%" said, "We are being loss rated with other manufacturers whose proven incurred loss experience is considerably worse than ours."

A middle of the road comment was elicited from a risk manager for a manufacturing company reporting increases of from 20% to 200% in property/casualty lines. He said "some (rate increases) were (justified) some were not. The industry is out to 'get well' and is operating in a seller's market."

For additional comments of BI panelists see following page.

Business Insurance *plans to make its Editorial Advisory Panel truly representative, covering risk management on the corporate, state/municipal government and association/institution levels in all sections of the country. Readers who might wish to participate in future surveys—particularly those who have strong opinions and do not mind spending a few moments expressing them—are invited to obtain further information by contacting Stephen D. Gilkenson, Editor,* Business Insurance, *708 Third Ave., New York, N.Y. 10017 (212/986-5050).*

business insurance

PERSPECTIVE

Concern mounts as premiums advance

Risk managers who saw some or no justification behind the premium hikes they were notified of, offered these comments:

"Over reaction by (insurance) industry to products losses in animal feed"—risk manager for agricultural products company with liability rate increases of 200%.

"No claims (for us), but rates were too low to justify exposure"—risk manager for service company reporting 50% increase in umbrella liability.

"Not justified on the basis of past claims history of this company"—risk manager reporting increases of $300 in basic and excess liability lines for manufacturing company.

"Partially justified"—risk manager for chemical company reporting 50% hike in liability premiums.

"To a certain extent (rate hikes are justified), but not to the degree presently being asked by underwriters"—risk manager in the aviation industry, who estimates aviation hull and liability rate increases of 10% to 20% when negotiations now in progress are completed.

"Our corporate experience deteriorated slightly, but it's still profitable (for insurer). I feel largest part of increase is a reflection of industry's poor experience"—risk manager for utility, with primary casualty rate hikes of approximately 80%.

"An increase in retentions was also required (at recent policy renewal). We have had a loss ratio under 50% for four years"—risk manager for industrial company whose general liability-products rates jumped 75%.

"The increase reflects increased reinsurance costs passed on to primary carriers. Primary markets are being surcharged for poor underwriting and poor forecasting"—risk manager for rubber products company hit with liability increase of 350%.

"Marine experience warranted increase. General market increase understandable, but not entirely justified, except by our outdated regulatory and market system"—risk manager for manufacturing company whose rates jumped "25%-plus" in marine, umbrella, aircraft lines.

"While we have seen some modest rate increases, our rate of premium growth is less than our corporate growth"—risk manager for manufacturer reporting no increases of significance.

"We had a 17% decrease in marine cargo. However, we anticipate an increase when we renew our liability and worker's comp programs early next year (1976)"—risk manager for industrial company).

"Benefit levels (in worker's comp) have increased, but not enough to warrant the reaction taken by underwriters. Too many are simply pulling out"—risk manager for industrial company reporting a 35% increase in excess worker's comp.

"Our loss ratio ate us up"—risk manager for industrial company reporting 8%-10% increase in worker's comp.

"Since our loss experiece is exceptional, the increase should have only included inflationary factors"—risk manager for quasi-government authority reporting 70% hike in excess liability.

"Their (insurers') loss ratio is distorted by including dividend payments in underwriting results. They are really trying to recoup from bad investments in stock market"—risk manager for drug company reporting 100% jump in products liability.

"Increases may have been needed by underwriters, but our experience did not justify such increases"—risk manager for bank reporting 20% hike in bankers blanket bond and "100%-plus" jump in auto/general liability.

"Our experience has not been fully taken into account. Underwriters are merely saying you have the exposure so your rates will be increased by X%. Our experience has been excellent"—risk manager for manufacturing company reporting hikes of 20% to 75% in all casualty lines.

"Our past five years' experience runs at a 25% loss ratio. Our increase is based on changes in our courts and *expected* losses by insurance companies"—risk manager for industrial company reporting a 300% jump in products liability rates.

"Adverse experience of a very limited market made higher costs inevitable. That's the big picture. We were disturbed because our experience has been favorable"—risk manager reporting 70% in liability (medical malpractice), explaining however that the percentage increase "in itself is not significant" because costs were kept in line by converting a $100,000 deductible program to a $250,000 claims and service costs (S.I.R.), with excess coverage only above that level. ■

Capacity, cost crunch predicted

Areas where problems are foreseen include:

"All target liability lines (will have capacity problems). With ever increasing underwriting losses, we better all pray that the stock market holds up."

"Excess umbrella liability and comprehensive general liability. worker's comp (except loss rated retros), and possibly in fiduciary liability and directors' and officers' liability (depending on experience developments)."

"It (a capacity crunch) has already started in gas utility, pipeline business."

"Errors and omissions liability."

"(I see) only a cost crunch."

"Yes (I see problems) for some types of companies who have failed to control their product liability losses. I also see problems in some specialty areas, like aircraft products and D&O."

"Municipal liability, CGL and E&O for police and engineers."

"Bridge and tunnel multi-risk physical damage insurance."

"Fire and allied lines, bonding and professional liability."

"In D&O. And also in the product liability area. Every manufacturing company I know is experiencing a surge in this type of claim."

"Liability and surety bonds for the construction industry."

"General liability, auto and high limit umbrellas. Small business packages and/or total accounts."

"Product liability for pharmaceuticals."

"Malpractice."

"(Getting) high limits on specific types of risks, such as flood, California earthquake etc."

"The problems) appear to be in casualty lines, in general, but I expect general liability to be the worst."

"Bankers blanket bonds—and general liability." ■

'Voluntary' approach to safety needs incentives

By DAVID V. MacCOLLUM
Safety Research Consultant

TRYING TO ASSURE for safety without providing economic incentives is like leading a horse to water—he won't drink unless he's thirsty!

A huge amount of federal funds can be expended in showing how to make a safer workplace, safer consumer products, safer facilities, safer transportation systems, etc.,. but business often reacts just as the farmer did who said: "I know how to farm a lot better than I do it.

Currently, the concept of the government's providing consultive safety services has become a legislative answer for making the Occupational Safety and Health Act (OSHA) work, and may well be applied to several other safety enforcement laws. Free consultive services won't really reap the benefits which are being promised. Free advice is worth exactly what it costs—nothing!

Traditionally, when government attempts to provide technical services, the same old "fly in the ointment" always appears: Competent expertise cannot be provided within budget limitations. Instead of competent consultants being hired, the program is compromised by employment of technicians who must work with a checklist. Such an approach is generally unsatisfactory, as safety problems are usually solved by applying "bandaid" control measures. There are also limitations when it comes to measuring safety performance against compliance with safety requirements published in the Federal Register.

For over a quarter of a century before the enactment of OSHA, many states had advisory inspection services. Federal entry into the safety field was felt necessary because such programs attained only nominal gains. Now the federal government is confronted with the same old problem of chasing the golden fleece when it comes to getting safety implemented within every organization.

The reason for this lack of success is simple—up to this point we have never addressed the basic issue of what constitutes a managed safety program which will assure for safe workplaces, products, public facilities, transportation, etc. However, this subject is currently under study in a NIOSH contract conducted by the Joint Commission on Accreditation of Hospitals.

Because of its knowledge in the management process of running hospitals and related health services, this organization is applying its available knowledge to safety program accreditation and identifying basic safety program guidelines for everyone's benefit. This study is using the experience of organizations such as the National Rural Electric Cooperative Assn. which has a safety accreditation program. In this program's eight years, it has been able to substantially reduce insurance costs for cooperatives which qualify and maintain their accreditation.

Another basic concept which would provide incentive is an annual safety audit, similar to a CPA's financial audit of an organization to verify financial integrity. Such an audit would certify:

"The examination of the operation and products or services, made in accordance with generally accepted safety standards and accordingly included such surveys, evaluations, or tests as considered necessary, was made to assess the effectiveness of the safety program.

"It is our opinion the review shows the program to be in conformity with generally accepted safety principles. Included as an attachment, the following variances from accepted safety standards or procedures were found, and provision for abatement is outlined."

Such an evaluation, conducted by competent authorities on safety within the organization, or as a service of the underwriter, or by recognized consultants, is then made a matter of public record. Economic benefits which would become apparent through normal evaluation would soon create a desire for safety within the governing body of every organization. Safety would not be such a perplexing problem, because the responsibility would clearly rest where it belongs—with management, not government.

Voluntary compliance need not be another case of chasing the elusive golden fleece, but can become a reality, if safety is made a matter of public record. Once management recognizes that accountability for the safety of people is as important as the supervision of finances and must be handled at the same level of management, voluntary compliance will be assured.

It is not what government can do for industry—it is what industry will do for itself! Instituting voluntary safety programs is a necessity for industry in view of the huge court awards now being made in industrial and product accident litigation. Industry has not perceived the economic benefits which will be derived from either an accrediting process or an annual safety audit as effective approaches to accident prevention.

Government could utilize our tax dollars more effectively by supporting either of the above programs with tax relief to those industries which can show savings attributed to increased safety performance. The cost of caring for the disabled and their dependents who are on our tax rolls because of accidents is a far greater drain on our tax dollars than the cost of prevention.

Either a safety accrediting process or an annual safety audit by independent bodies will allow industries to become preferred risks under their casualty insurance. ■

Mr. MacCollum began his career as a safety engineer for the state of Oregon, after graduating from Oregon State University in 1951 with a BS degree. He is a Certified Safety Professional and a professional engineer. He served as director of safety for the Army's Strategic Communications Command. He is currently president of the American Society of Safety Engineers, and is an appointed member of Arizona's OSHA Review Board.

Continued from page 37

• **Product Safety Consulting Service** outlines ways to counter the negative effects of noncompliance with the Consumer Product Safety Act, and of outmoded internal safety control programs. The booklet, published by National Loss Control Service Corp., discusses

how to build into corporate operations the goal of engineering, manufacturing and marketing a safe product. For a free copy write number 827 on the reader service card.

• Advantages and benefits of analysis of the workplace environment are discussed in **Industrial Hygiene Consulting Services.** The booklet, published by National Loss Control Service Corp., points out the ways a company can benefit by reducing or eliminating industrial hygiene problems in the workplace. For a free copy write number 828 on the reader service card.

• The **1973-1974 List of ASTM Publications,** issued by the American Society for Testing and Materials, lists more than 600 ASTM publications dealing with standardization test methods and specifications for materials, the knowledge of materials and materials evaluation. For a free copy write number 462 on the reader service card.

• The California Workers' Compensation Institute has published **Litigation in Workers' Compensation—A Report to the Industry.** The 15-page report contains the results of a two-year study by a professional research organization to find out why employes litigate —or why they feel they have to— in order to determine the extent of unnecessary litigation and what steps the industry could undertake to reduce it. The CWCI reveals one dominant theme: Uncertainty creates a fertile atmosphere for litigation. For up to 25 copies free, write number 463 on the reader service card.

• **You and the High-Rise Building Fire,** written by Dr. Anne W. Phillips, discusses the physiological and emotional problems faced by human beings, especially the elderly, when confronted by fire. Dr. Phillips is a surgical researcher at Massachusetts General Hospital, Boston. Price is $2.50. To order, write to the Society of Fire Protection Engineers, 60 Batterymarch St., Boston, Ma. 02110.

• The National Fire Protection Assn. has collected a series of reprints from Fire Journal and Fire Technology dealing with **Fires in High-Rise Buildings.** The 120-page illustrated book gives case studies of several fires, as well as technical articles on sprinkler systems and other safety features. Copies are $4.75. Use order number SPP-25. To order, write to the National Fire Protection Assn., Publications Sales Dept., 470 Atlantic Ave., Boston, Ma. 02210.

• **A Handbook of Occupational Safety and Health,** published by the National Safety Council, addresses the problems confronted by supervisors, owners and managers responsible for safety in a small company or plant. It is a compact introduction to the safety and health field for a person with little knowledge or experience in this area. The range of information includes guidance on filling out required government forms. Cost is $6. Stock No. 129.03. There are 266 pages, with 90 figures and tables. Orders and quantity discount inquiries should be directed to the Membership Dept., National Safety Council, 425 N. Michigan Ave., Chicago, Il. 60611.

• Commerce Clearing House has released its **Field Operations Manual:** compliance guidelines for the Occupational Safety and Health Act. Reprinted from the official OSHA manual, it sets procedures for conducting inspec-

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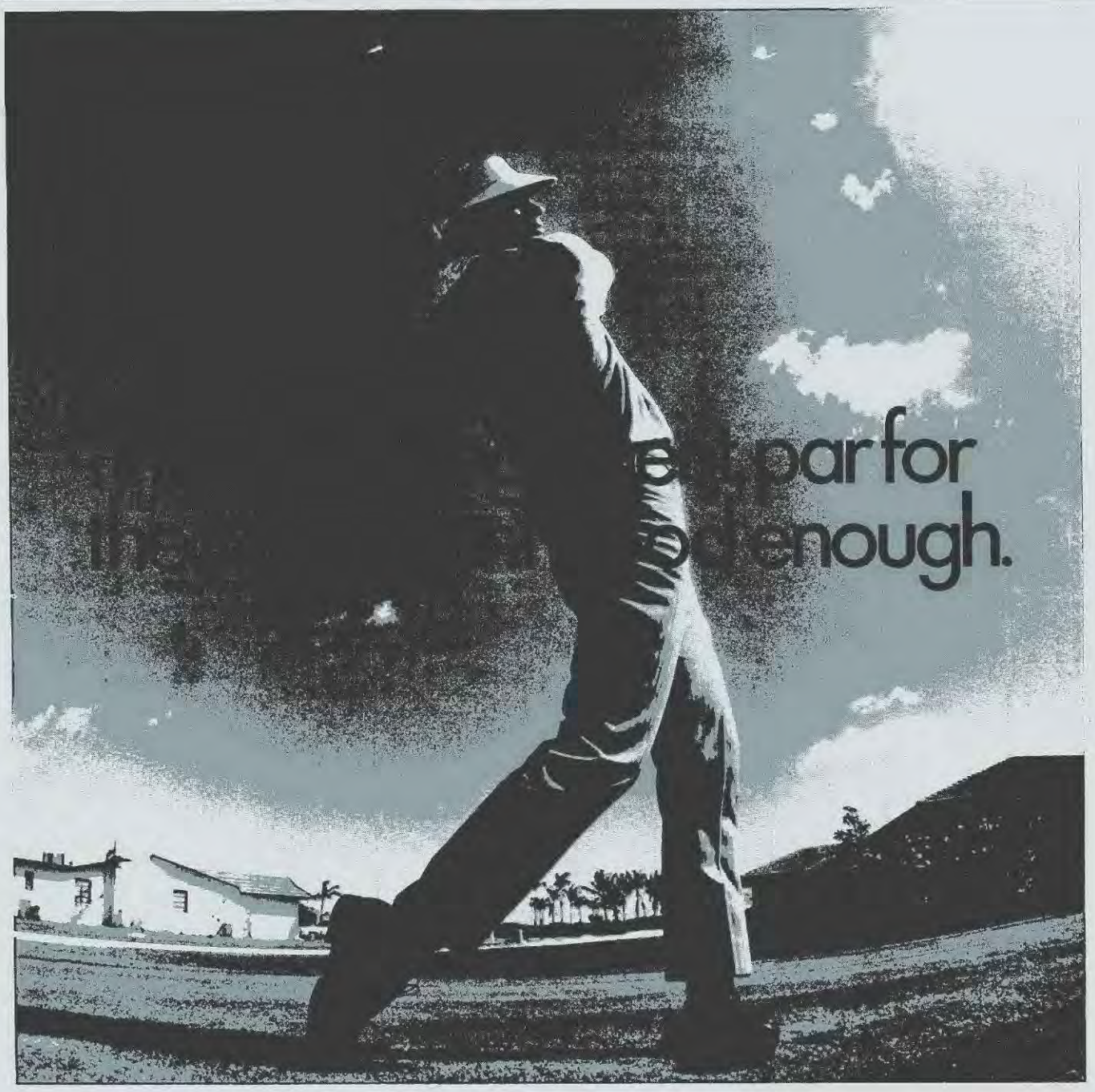

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• U.S. Government publications of interest: Two brochures from the National Institute of Law Enforcement and Criminal Justice provide standards to assist in the selection and procurement of security equipment. **Magnetic Switches for Burglar Alarms,** 20 pages, illustrated. Order number 127-000-00238-2. $.65. **Terms and Definitions for Instrusion Alarm Systems.** 16 pages, illustrated. Order number 027-000-00290-1. $.65. To order, write to the Public Documents Distribution Center, 5801 Tabor Ave., Philadelphia, Pa. 19120. Make checks payable to the Superintendent of Documents; do not send cash.

• **Flixborough: The Implications for Management** is available from Keith Shipton Developments Ltd., for $5 a copy sent to the U.S. or Canada. The brochure discusses the implication of the disaster which apply not only to chemical plants but to all organizations, says author H. D. Taylor. It also considers some of the technical aspects of interest to plant managers. Write to Jan Wisotzkey, publications' officer, Keith Shipton Developments Ltd., Adelaide House, London Bridge, London, EC4R 9DS.

• **Health & Safety at Work: An Appraisal for Management** by David Farmer deals with the historical background of the legislation and the resulting general responsibilities of the employer and employe, the enforcement system, the research and design functions of industry and the role of the Health and Safety Commission. Copies are $5 each sent to the U.S. or Canada. Write to Jan Wisotzkey, publications officer, Keith Shipton Developments Ltd., Adelaide House, London Bridge, London EC4R 9DS.

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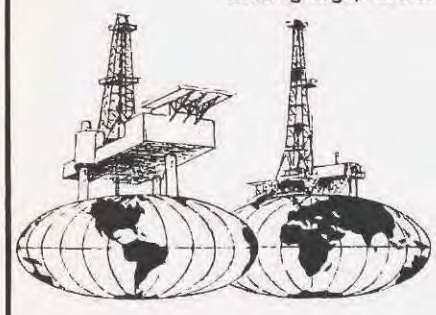

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• Continental Instruments Corp. is offering **Cypher Lock,** a brochure explaining an electronic combination lock it manufactures, which can be used to activate electric door strikes and door operators. For a free copy of the illustrated pamphlet, write 514 on the reader service card.

• **Mark V Central Surveillance and Monitor Panel** explains a product from Continental Instruments Corp. which monitors other security systems and devices, temperature and medical equipment. Illustrations and diagrams are included in this free brochure. For a copy, write 515 on the reader service card.

• The **Trim-Gard Exit Alarm/ Model 3300** is designed to prevent pilferage and traffic through emergency exists that can not legally be locked for safety and fire regulations. The product, described in a free brochure, published by Continental Instruments Corp., can be installed without modification plates or projections over window glass in narrow style aluminum doors. For a copy, write 516 on the reader service card.

• **Eagle Eye Optical Security** describes an optical device manufactured by Continental Instruments Corp. which utilizes and automatically adjusts to surrounding light and operates without reflectors or transmitters. For a free copy of the brochure, write 517 on the reader service card.

• A brochure describing Mosler's **400A Grade A Mercantile Alarm System,** which provides protection against hold-up attempts, break-ins and burglaries, is available free of charge. For a copy, write 518 on the reader service card.

• **American II Vault Doors** describes Mosler's most recently developed vault doors, with 13 different appearance and performance options available. For a free copy of the brochure, write 519 on the reader service card.

• **Total Line Security** describes Mosler's electronic security systems—Hi-line security, coded line security, and internal line security—in a colorful, illustrated brochure. For a free copy, write 521 on the reader service card.

• **The Hanover Report,** offered by the Factory Mutual System, explains the growing magnitude of industrial fire loss in the U.S. For a free copy of the descriptive report, write 522 on the reader service card.

• **The Who, What, When, Where, Why and How of Factory Mutual Approvals** is a booklet for manufacturers interested in obtaining an OSHA-recognized, Factory Mutual approval of equipment, services or materials they offer. For a free copy, write 523 on the reader service card.

• Mosler's custom and rapid set safe deposit boxes are described in **Safe Deposit Boxes.** The boxes are designed to meet the customer's space specifications and are furnished with pick-proof, UL listed locks and self-cleaning brass tumblers. For a free copy of the brochure, write 520 on the reader service card.

• A promotional brochure on American International Underwriters' contractors all risk insurance—**The Trend is Big**—is available from the company. For a free copy, write number 524 on the reader service card.

• U.S. Government publications of interest: Two brochures from the National Institute of Law Enforcement and Criminal Justice provide standards to assist in the selection and procurement of security equipment. **Magnetic Switches for Burglar Alarms,** 20 pages, illustrated. Order number 127-000-00238-2. .65 cents. **Terms and Definitions for Intrusion Alarm Sytems.** 16 pages, illustrated. Order number 027-000-00290-1. .65 cents. To order, write Public Documents Distribution Center, 5801 Tabor Ave., Philadelphia, Pa. 19120. Make checks payable to the Superintendent of Documents; do not send cash.

FOREIGN

• A general liability program developed by American International Underwriters Corp. for European commercial insurance needs is described in **Global Accident Protection.** The brochure notes that the European market for liability has been undergoing a transformation toward a more extensive pooling of resources. For a free copy, write 600 on the reader service card.

• Kwasha Lipton Inc. is making available free of charge a brochure entitled **International Employe Benefits** which describes the

consulting actuarial firm's services. Write 605 on the reader service card.

• **International Benefit Planning Concepts** is a writeup based on a presentation given by Kwasha Lipton Inc. at the Risk and Insurance Management Society national conference in Dallas in April, 1975. For a free copy, write 601 on the reader service card.

• **International Employe Benefit Planning: 10 Commandments** includes the factors a multinational employer should consider when developing international benefit programs. For a reprint of this Kwasha Lipton article, write 603 on the reader service card.

• **International Employe Benefit Planning: 10 Commandments Revisited** is a followup reprinted newsletter. For a free copy, write 602 on the reader service card.

• **Non-Discrimination for Age, Sex & Marital Status under Employe Benefit Plans in Ontario** is available free of charge from George B. Buck Consulting Actuaries Inc. The brochure summarizes the interim report of a government task force which recommends eliminating discrimination in pension, life insurance, disability, medical, hospital and dental. plans. For a copy, write 604 on the reader service card.

• The services offered by Internation at Service Corp. abroad are described in **Until Now, Until ISC.** For a copy, write 606 on the card.

• A folder describing contractors all risk insurance, entitled **The Trend is Big,** is available free from American International Underwriters Corp. by writing 607 on the reader service card.

• A joint venture American International Group and certain Iranian business leaders is described in Iran-America International Insurance Co. The brochure explains what the insurance covers, the organization's goals and who the company's officers are. For a free copy, write 608 on the reader service card.

• **Insurance of Container Traffic,** by Andrew E. Rossmere, vp of Bleichroeder, Bing & Co. Inc., provides a history of containerization, legal aspects, traffic and ownership in addition to an explanation of insurance considerations. For a free copy, write 609 on the reader service card.

• **U.K. Taxation of Foreign Earnings and Foreign Pensions After the Finance Act 1974** by T. Anthony Salter, a consultant with Swiss Life, focuses on the basic principles and scope of the British income tax system, including the tax treatment of foreign pension payments and contributions. For a copy, write 610 on the card.

• **United Kingdom: State Social Security,** by John W. Manaton of Swiss Life Insurance and Pension Co., explains the British social security system where the state provides a flat rate old age pension in return for earnings related contributions. Also discussed are the Three Pillar concept, partnership between public and private pensions, widow/widower benefits and employer/employe contributions. For a free copy, write 611 on the reader service card.

• Insurance coverage for medium-hazard overseas boiler and machinery exposures is explained in a folio provided by AIG. **The Mark II Program** brochure contains class listing of qualifying

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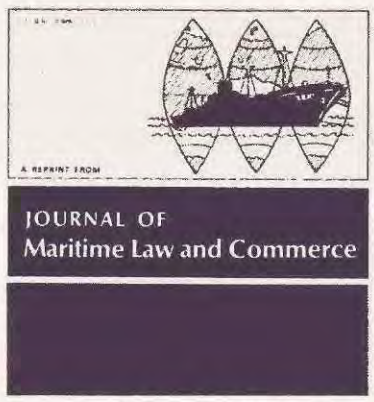
Correspondents in All Other States

Info for buyers

groups; equipment guide by size range and type; policy declarations; sample of use and occupancy policy, both actual loss sustained and valued; a sample of consequential damage policy; and more. For a free copy, write 612 on the reader service card.

• International Service Corp.'s **Directory** is available at no charge. The looseleaf or booklet form lists ISC offices and agents abroad offering insurance services to its clients worldwide. For a copy, write 613 on the reader service card.

• **Cargo Insurance and Carriers' Liability—A New Approach,** by Andrew E. Rossmere, vp of Bleichroeder, Bing & Co. Inc. proposes a no-fault approach in which all cargo losses would be borne by the cargo marine insurance market without recovery from carriers. Available at $5 but only as part of Vol. 6 No. 3, April 1975 of the Journal of Maritime Law and Commerce. Write to: Jefferson Law Book Co., P.O. Box 1936, Cincinnati, Oh. 45201.



• **Everything You Always Wanted to Know About Broker Services . . . Internationally,** a reprint from Risk Management, provides a question and answer approach with five major insurance brokers. The brochure explains how brokerage firms service clients with risks outside the U.S. and Canada. The cost is $1.00. Write to: Dept. BSI, Risk and Insurance Management Society (RIMS), 205 E. 42nd St., New York, N.Y. 10017.

GENERAL

• From Zurich-American Insurance Cos. is a booklet entitled **Honesty is the Best Policy** which discusses surety bonds. For a free copy, write 801 on the reader service card.

• **What do I do Now?** explains what beneficiaries should do following the death of a relative or spouse. From CNA Insurance, this brochure is available free by writing 802 on the reader service card.

• A discussion of the university risk management function, the tools necessary for its operation and the input from the academic community necessary for its success is found in **The Resource Challenge: Risk Management in Higher Education.** For a free copy of this brochure from Risk Planning Group, write 803 on the reader service card.

• Changes in today's society are discussed in **Risk Management in the future: Four Challenges,** a publication for Risk Planning Group, in terms of the risk manager. Areas of fortuitous loss exposure and the tools needed to control and fund this widening area of risk are the focal point. For a free copy of this publication, write 804 on the reader service card.

• **Employe Communication Services** describes various communication services this firm offers. For a free copy of the marketing brochure, write 805 on the reader service card.

• **Thinking About the Future** is a newsletter published by Alexander & Alexander Inc. which probes broad economic and financial topics such as future investment capital needs of the U.S. and world food trends as they relate to inflation and political power. The newsletter is authored by Geoffrey N. Calvert, economist and actuary. For a free copy write number 808 on the reader service card.

• **Management Guide on Alcoholism and Other Behavioral Problems** outline procedures of Kemper Insurance and Financial Cos., and should provide a resource for companies considering adopting controls for alcoholism, drug abuse and emotional problems. It is not designed as a model program, but defines one company's methodology. For a free copy write number 809 on the reader service card.

• **The Way To Go** is a factual summary of the latest information available on drinking and driving, published by Kemper Insurance Cos. The booklet is designed to urge drivers to avoid alcohol before they drive. For a free copy write number 810 on the reader service card.

• **What to do About the Employe With a Drinking Problem** was designed as an aid to businesses interested in reducing costs and retaining valued employes. Prepared by Kemper Insurance Cos., it outlines procedures and policies based on current knowledge of alcoholism as a disease. For a free copy write number 811 on the reader service card.

• **Detour Alcoholism Ahead** is a small information-filled booklet designed for supervisors and others who need a basic understanding of alcoholism. The book, from Kemper Insurance Cos., acts as a guide to identifying the various work performance problems of developing alcoholism, and lists sources of rehabilitation help. For a free copy write number 814 on the reader service card.

• Brown Brothers Adjusters Service offers its **Directory** of adjustment services and offices, according to territories serviced. For a free copy write number 815 on the reader service card.

• Kemper Insurance Cos. has compiled a **Guide for the Family of the Alcoholic** which provides families with information to help them understand the disease and act to speed an alcoholic's recovery. It stresses the encompassing nature of alcoholism and shows how the illness can affect the family as well as the alcoholic. For a free copy write number 812 on the reader service card.

• S. B. Ackerman Associates is offering a reprint of an article on **Plans to Limit Malpractice Claims,** written by Mr. Ackerman, which summarizes various methods of loss control and loss reduction suggested for use in the malpractice field. For a free copy write number 816 on the reader service card.

• Statistics and facts about property and casualty insurance lines, as well as loss data are available in **Insurance Facts: 1975 Edition,** published by the Insurance Information Institute. Single copies of the book are free. Included in the annual statistical roundup are loss

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occurrences for which the property and casualty industry have paid claims, such as fires, highway accidents, business failures, crime losses, and major windstorms during the year. For a copy write number 817 on the reader service card.

• **Personnel Research Associates** explains the services of that firm. For executives considering flextime, a suggestion plan or a preretirement counselling program, PRA will provide the research. For a free copy of the folio, write 806 on the reader service card.

• **Social Security Benefits & Taxes—Their Impact on the Economy & on Future Private Pensions,** published by Alexander & Alexander Inc., is based on a speech by Geoffrey N. Calvert given at the American Pension Conference in December, 1973. It raises questions regarding the future of the Social Security system and its likely future impact on private benefit plans. For a free copy, write number 316 on the reader service card.

• Matt Jaffe Associates Ltd. offers a brochure entitled **A Short and Simple Introduction to Insurance Specialists,** providing a description of insurance and insurance-related services offered to commercial clients. For a free copy of the booklet write number 818 on the reader service card.

• **Assurex International** offers a color brochure describing its network of 45 independent agents and brokers in North America and 16 foreign offices, serving commercial and industrial insureds. For a free copy write number 819 on the reader service card.

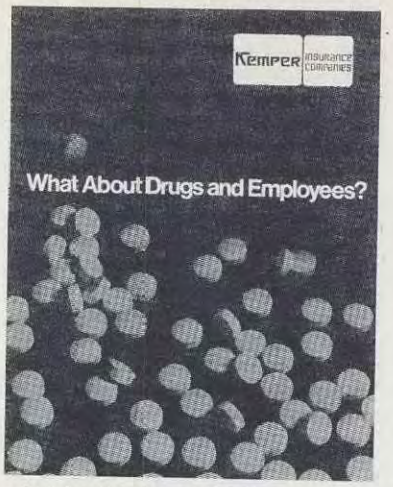
• **Businessman's Guide to the Telephone Interconnect Industry** is a brochure from American Phonetronix division of Merrifam Co. describing the benefits of an interconnect system and raising questions for prospective buyers or leasors to ask before they start using interconnect systems. For a free copy write number 820 on the reader service card.

• **Investment Tax Credit, an Opportunity for Increased Cash Flow** is a brochure published by Valuation Research Corp. describing some ways to achieve tax relief and reduce costs for new capital facilities, by recognizing that certain operating features of plants, warehouses and commercial buildings which are part of a basic construction contract will qualify for tax credits. For a free copy, write number 821 on the reader service card.

• **Appraising Closely-Held Stock —Valuation Methods and Concepts** is a 22-page brochure available from Valuation Research Corp. telling about the ways to approach stock valuation, with tax ramifications of different approaches. For a free copy write number 822 on the reader service card.

• To maximize reimbursement relating to property depreciation, an accurate record of all facilities should be maintained, says Valuation Research Corp. in its brochure on **Maximizing Cost Reimbursement for Hospitals Through Property Control and Depreciation.** For a free copy write number 823 on the reader service card.

• An outline of the formal policy of Kemper Insurance Cos. regarding on-the-job drug traffic and drug abuse is contained in **What About Drugs and Employes?** The book is designed for managers of other companies who are endeavoring to develop guidelines within their own organizations. For a free copy write number 813 on the reader service card.



• Distribution of property taxes is a primary concern to businesses, and **Values for Equitable Property Tax** discusses the nature of property and how to approach conflicting questions of value. For a free copy of the brochure from Valuation Research Corp., write number 824 on the reader service card.

• **Valuation Counselors for Business Decisions** describes services available in the area of valuation and asset management, for business, financial and institutional communities. The booklet from Valuation Research Corp. outlines the kinds of problems valuations can be used to solve, and describes a range of valuation studies done in problem areas. For a free copy write number 825 on the reader service card.

• **Valuation of Business Enterprise, Capital Stock, Intangible Assets, Equity Securities, Debt Securities** outlines comples business problems for which financial valuation might help find solutions. The booklet is published by Valuation Research Corp. and discusses the degree to which factors other than income alone in a business create wealth for owners and shareholders. For a free copy write number 826 on the reader service card.

• **Risk Cost Stabilization** is a booklet published by National Loss Control Service Corp. which presents an alternative to the conventional loss and claim data reporting systems. Designed for risks that are insured, self-insured or non-insured. For a free copy write number 829 on the reader service card.

• **A Simplified Guide to Automobile Maintenance** that gives information on the basic operating systems of a car is available from Underwriters Adjusting Co. It can

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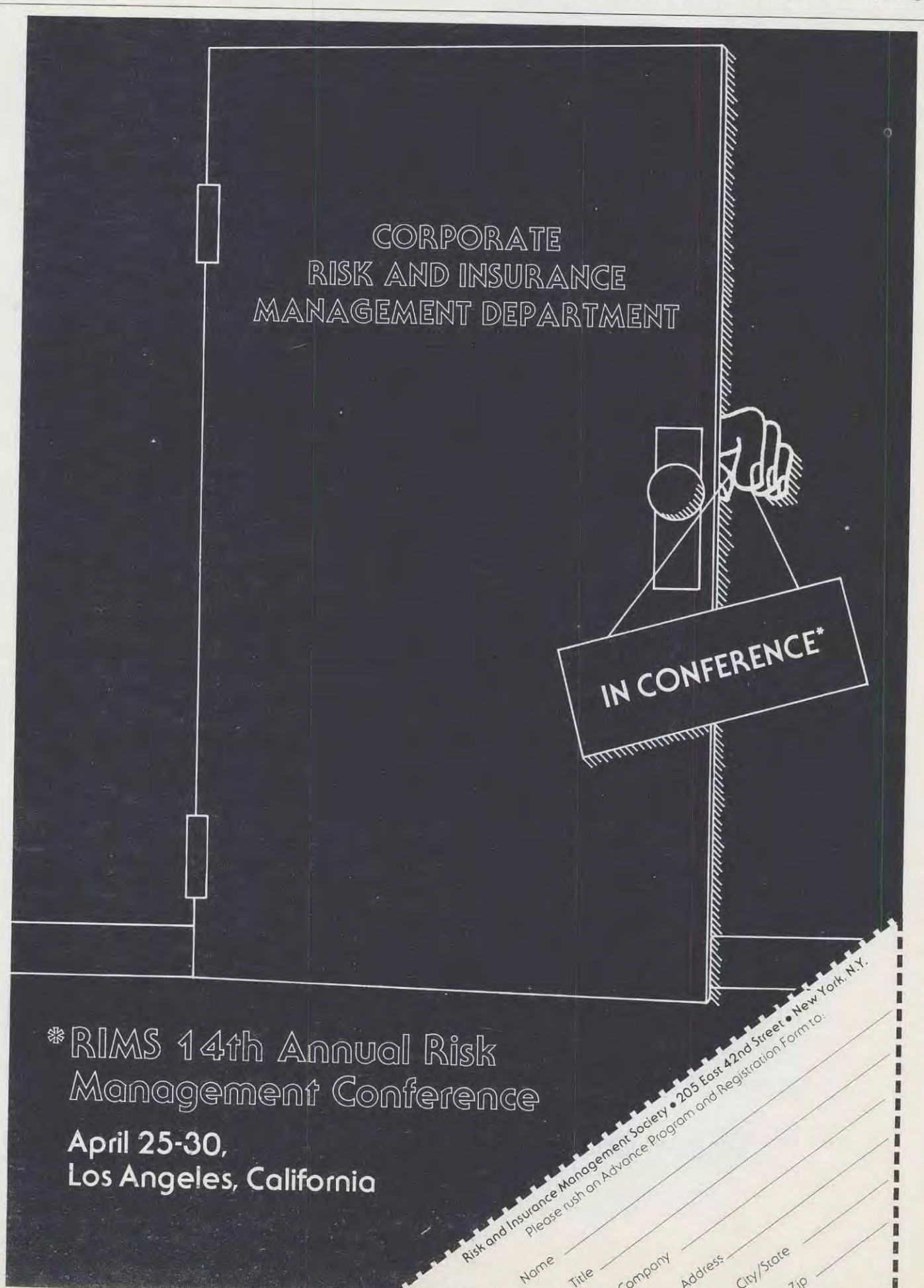

Info for buyers

be used as a reference on the care needed to prevent major trouble and to identify problems to a repairman. For a free copy, write 830 on the reader service card.

• **No One Can Afford a Large Lawsuit... Unless...** from the Kemper Insurance Cos. supplies information on personal catastrophe liability insurance available at reduced cost for groups of five or more. It enables individuals to get coverage against extraordinarily large clamiant awards. For a free copy of the brochure, write 836 on the reader service card.

• Tap to the beat of **The New Nashville Sound,** a cleverly written and illustrated brochure which describes data processing packages offered by Data Service Corp., Nashville. Emphasis is on time/cost accounting and payroll/accounting programs for lawyers, printers, beverage distributors, retailers, wholesalers and bankers plus OSHA recordkeeping. For a free copy, write 835 on the reader service card.

• Three authorities on the Employe Stock Ownership Plan present their views on this concept in corporate financing in **ESOP: Fable Becomes Reality.** In a question and answer format, the reprinted article from Marshall & Stevens Inc. provides guidelines on setting up the essential trust and keeping on good working terms with the IRS. For a free copy, write 837 on the reader service card.

• A quarterly newsletter called **The Valuation Consultant** is being offered free of charge by Marshall & Stevens Inc., Los Angeles. It is aimed at management in all types of businesses and institutions with contributors from insurance, asset management, accounting, financing and taxation. For a free subscription, write 838 on the reader service card.

• **How Not to Cook Your Corporate Goose,** from Marshall & Stevens Inc., Los Angeles, cuts through commercial insurance contract language to explain key areas of coverage. Included are how to be sure assets are really covered, how to be ready with the facts in case of loss, how to double check coinsurance. For a free copy of the pamphlet, write 839 on the reader service card.

• **Product Liability Litigation** by Arthur D. Little Inc. describes how lawyers and others involved in litigation can use the consultant's services as expert witness and technical support in product liability actions. A few case histories are presented. For a free copy, write 841 on the reader service card.

• **Guide: A Common Sense Introduction to Insurance** from Kemper Insurance Cos. is designed for individuals and families who are considering basic personal lines coverage. The booklet explains policy provisions and options in layman's language. For a free copy, write 842 on the reader service card.

• **IN.S.I.D.E. is an Economical Risk Management Alternative** describes American International Group's services to corporate self-insured programs. For a free copy of the folio, write 843 on the reader service card.

• National Union Fire Insurance Co. of Pittsburgh, Pa. is making available **Carefree Travel Insurance,** a brochure about a group program designed to provide overseas and domestic trip investment and personal insurance coverage. For a free copy, write 844 on the reader service card.

• **Insurance in Perspective** explains the services of John F. Curry Agency, New York. For a free copy, write 840 on the reader service card.

• A. I. Credit Corp., **AICCO,** markets premium financing plans of the American International Group in the Southern states. For a free copy of the descriptive reprint, write 845 on the reader service card.

• James S. Kemper & Co. is an institutional corporate brochure describing the Chicago-based insurance brokerage firm. It outlines the background of the company, coverages, services available and broker office locations. For a free copy, write 846 on the reader service card.

• A catalog of loss prevention materials is available in the Factory Mutual System's **Property Conservation Publications and Training Aids.** The illustrated brochure lists hundreds of items and describes how they can be used. For a free copy, write 847 on the reader service card.

• **Lettre D'Information,** reprinted from July 1975, summarizes the economic insurance research done by the Geneva Assn. For a free copy, write 848 on the reader service card.

• A brochure from the National Assn. of Insurance Agents tells **How to Avoid Costly Mistakes in Business Insurance.** A loss exposure checklist is included. For a free copy, write number 849 on the reader service card.

• **Claims Review and Service Analysis** describes what Rimco Inc., risk management consultants, looks for when making an audit of an insurance company. Among the objectives of such an audit: To use in bidding insurance—compilation of loss data and analysis of claims —open and closed; verify experience rating; verify retro and dividend rating; avoid excess reserves being established by the carrier; obtain true loss picture; and determine if the insurer is properly handling claims. Copies are free to buyers of insurance. Write 850 on the reader service card. Others may purchase copies for $5. Write to Rimco Inc., 10300 North Central Expressway, Suite 150, Dallas, Tx. 75231.

• A reprint of a speech delivered by Bernard J. Daenzer, CPCU, president of the Howden Swann Corp, entitled **A Look Into the Future,** is now available. It contains highlights of Mr. Daenzer's address at the CPCU International Seminar, Mexico City, October 1975. The reprint delves into the possibility of failures, the affect of inflation, as well as specific recommendations that segments of the industry can utilize in planning for the next five years. Copies can be obtained by writing 101 on the reader service card.

• A promotional brochure on Sarasohn & Co. Inc. describes the facilities a professional insurance adjustor can offer a policyholder in the event of a major or complex loss. The various functions performed by members of the staff are listed. For a free copy, write 108 on the reader service card.

• A new independent inspection and appraisal company, **Sanders Inspections Ltd.,** is making a self-descriptive brochure available. The company provides services such as loss control recommendations, underwriting information and building appraisals for self-

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insurance programs, risk managers and insurance companies. For free copies, write 133 on the reader service card.

• **Excess of Policy Limits,** published by Underwriters Adjusting Co., discusses the principles as to what an insurer must do or not do to avoid excess judgments. "Since the insurance company bears the burden of judgment and the cost of defense it must have the right to control the defense of the suit," the booklet says. "This right to control the defense carries with it the legal obligation to use due care or good faith respecting the interests of the insured." For a free copy, write 137 on the reader service card.

• **The ESOT—Savior of the Independent Brokerage?** is a reprint of an article being offered by Russell R. Miller & Co. Inc. In the article he discuss employe stock ownership trusts being set up by independent agents and brokers on a widespread basis to preserve their independence and yet create market for their stock. The reprints are free by writing number 210 on the reader service card.

• An employe stock ownership trust may be used in acquisitions so that the ultimate cost is lower than without a trust, says Russel R. Miller & Co. Inc. in its preprinted article entitled **Employe Stock Ownership Trust: Secret Weapons in Acquisitions.** For a free copy, write number 211 on the reader service card.

• **The Evatone Idea Kit** is a packet of material illustrating potential uses of flexible soundsheets to explain employe benefits, profit sharing plans, or insurance programs. Brochures include data on soundsheet specifications, check lists for usage and effective programs in such areas as training, motivation, annual reports, advertising, political campaigns, fund raising. Packets also include numerous samples of soundsheets used in the past. For a free packet write number 226 on the reader service card.

• **This Is the House That Soundsheets Built** is a lengthy colorful brochure which reviews Evatone Inc. plant facilities and production capabilities, and provides descriptions of various solutions to communications, marketing, promotion and training problems by using soundsheets. Included are samples of plastic and the newest type of Soundsheet. For a free copy write number 227 on the reader service card.

• General Adjustment Bureau has published a new 24-page booklet on **Services For the Self-Insured,** which describes administrative services for organizations retaining their own risks, including claims management, workers' compensation, auto fleet, general liability, product liability, property, transportation and ocean marine, employe benefits, safety and safety engineering. For a free copy, write number 700 on the reader service card.

NOTE: Most items listed here are available without charge. For free material use the coupon in this issue or a postcard, indicating the item number. Material which is available at a price should be requested directly from the source, at the address given.

• **Loss Prevention: The Best Way to Protect Your Assets** is a promotional brochure from Philadelphia Manufacturers Mutual Insurance

Co. that describes how you can protect your business against loss by identifying and correcting potential hazards. Also included is an outline of the company's approach to meeting the insurance needs of large, well-protected facilities. For a free copy, write 100 on the reader service card.

• National Loss Control Service Corp. is offering a brief promotional brochure that outlines the benefits possible through a self-insurance program and lists the types of **Self-Insured Claim and Loss Control Services** available to help realize those benefits. For a free copy, write 702 on the reader service card.

• Georgia State University's school of business administration has published **RISKM: Administrator's Manual for Utilization,** which is a comprehensive forecasting model for risk managers in a wide range of businesses and institutions. The 110-page paperbound manual presents the basic concept of applying quantitative techniques, relying on Monte Carlo simulation, to measuring the effects of factors such as premiums, loss frequency, loss severity, loss control plans, reserve levels, and aggregate insurance coverage on overall insurance programs. The manual is available for $7.50 postpaid in the U.S. and Canada ($9 elsewhere) by writing to the Publishing Services Division, School of Business Administration, Georgia State University, Atlanta, Ga. 30303. Also available as a supplement and at additional cost is the computer program for this quantitative model, written in Fortran.

• **The Forum—Answers to Questions on Insurance Coverage** has been published by the Rough Notes Co. Extensively revised, the 12 page book contains questions and answers on coverage and loss matters, such as auto, crime, fire and allied lines, general liability, inland marine, commercial multiperil, professional liability, and E&O, surety and bonding. Copies are $3. Order from The Rough Notes Co. Inc., 1200 N. Meridian St. Indianapolis, In. 46204.

• The American Bankers Assn. is offering its **Schedule of Bank Insurance,** a loose-leaf listing of common bonds and insurance policies that allow a bank to fill in the spaces for a record of its insurance program. Various insurance coverages used by banks are listed, along with a brief outline of the coverage furnished under each form. Cost is $2, available by writing to Edgar W. Armstrong Jr., assistant director, American Bankers Assn., 120 Connecticut

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On April 27, 1976, at a luncheon during the Risk and Insurance Management Society's annual conference, *Business Insurance* will present awards for outstanding achievement in communicating employe benefits programs. Awards will also be presented to consultants.

The competition officially opens on **January 1, 1976 for entries to be received** in the New York office of *Business Insurance* (note address below).

There are four categories of communication which will be judged by an independent panel selected by *Business Insurance.* **The categories involved are: Booklets . . . Personalized Correspondence . . . Audio-Visuals . . . Total Communications Program.** The competition is open to all companies and is not limited by the number of employes.

For more information about the competition, to obtain entry forms or to submit your employe benefits program, call . . . Ronnie Drachman, Awards Coordinator, 212/986-5050 or clip the coupon and send it to us as soon as possible.

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• Risk managers from Rutgers, Yale, Stanford and the University of California discuss the application of risk management techniques to the operation of the contemporary university in **Managing Risk in the University.** The reprint from Risk Management Magazine costs $1 a copy. Write to Dept. RU, Risk and Insurance Management Society (RIMS), 205 E. 42nd St., New York, N.Y. 10017.

• **Governmental Risk Management,** a reprint from Risk Management magazine is available for $1 a copy. The 16-page article focuses on the preservation of human and physical resources within government agencies. Write to: Dept. GRM, Risk and Insurance Management Society (RIMS), 205 E. 42nd St., New York, N. Y. 10017.

• **Practical Risk Management Application: A Guide for the Part-Time Risk Manager or Insurance Buyer,** by Edward W. Silver, is a compilation of 12 articles originally appearing in Risk Management magazine. Particular emphasis is given to loss prevention and corporate insurance programs for modest-size corporations. Sections on risk retention, catastrophe planning, insurance management and asset preservation are included. Single copies are $2 each. For 10-99 copies, the charge is $1.50 each. Write to Dept. RM, Risk and Insurance Management Society (RIMS), 205 E. 42nd St., New York, N.Y. 10017.

• The eleventh edition of **Insurance Words and Their Meanings** is available for $4 a copy from Rough Notes Co. New words and terms have been defined in the listing. Write to Rough Notes Co. Inc., 1200 North Meridian St., Indianapolis, In. 46204.

• **Report N. 4: New Doorways to Mid-America via Lash & Seabee Systems,** provided by International Adjusters Ltd. for $5 a copy, reports on inland waterway freight transportation available from Lash & Seabee. Its barges pick up cargo at an inland points in Europe, Asia or America and transport the cargo on waterways to a port of loading where it is lifted aboard a ship for ocean crossing. For a copy of the study, write to Mr. E. Raymond Keyes, president of International Adjusters Ltd., 16 John St., New York, N.Y. 10038.

• Many a tax dollar may be saved by knowing tax codes that affect insurance proceeds, involuntary conversion, replacement, directors and officers reimbursement, etc. and by recognizing when to call tax counsel. **Taxes and Risk Management Decisions,** available from Practical Risk Management for $7.50 a copy, is obtained by writing; Ros McIntosh, editor, Practical Risk Management, 680 Beach St., San Francisco, Cal. 94109.

• An excerpt from Edward P. Lalley's forthcoming book on risk management has been published in monograph form. **Self Assumption, Self Insurance and the Captive Insurance Company Concept** explores a wide variety of risk financing techniques, including informal self assumption of losses as current expenses, the formal use of self insurance reserves, highly structured risk retention through a captive insurance company, and risk transfer. Cost is $3.50. Write to Dept. MG, Risk and Insurance Management Society, 205 East 42nd Street, New York, N.Y. 10017.

• Keith Shipton Developments Ltd. has commissioned a study of Great Britain's **Sandilands Report —Its Impact on Insurance Valuations.** The Sandilands Committee on Inflation Accounting was required to consider whether, and if so how, company accounts should allow for changes (including relative changes) in costs and prices. In its report, the committee has recommended a change in the underlying principles of the historic cost accounting methods used by most UK companies. In particular, the report recommends that assets should be valued at their "value to business" rather than on the basis of their purchase price, thus making valuation for insurance purposes the same as is proposed for accounting purposes. Copies are $5 in the U.S. and Canada. Write to Jan Wisotzkey, publications officer, Keith Shipton Developments Ltd., Adelaide House, London Bridge, EC4R 9DS.

• Legislation, court decisions, rulings, and regulations about equal employment rights are contained in the **1975 Guidebook to Fair Employment Practices,** published by Commerce Clearing House Inc. and available for $2.50 per copy. The book is designed to provide practical information for those covered by the laws and expected to comply. Discusses rights and responsibilities of employers and employes, recordkeeping, reporting and affirmative action requirements, as well as enforcement procedures. For a copy, write to James F. Golden, Public Relations Department, Commerce Clearing House Inc., 4025 West Peterson Ave., Chicago, Il. 60646.

• **An ESOP's Fable,** published by Charles D. Spencer & Associates, takes a critical look at employe stock ownership plans, attempting to separate myth from fact. The 36-page booklet discusses the technical aspects of ESOPs, including the tax aspects of setting up and effectively using such plans, and such matters as valuing the stock. The book includes illumination of complications often overlooked in ESOPs, such as dilution problems, the lure of "magic money" to finance the deals through bank loans, and the life insurance investment and ownership details of ESOPs. The booklet is available for $5 by writing to Charles D. Spencer & Associates, Gail Koeppen, 222 West Adams St., Chicago, Il. 60606.

• The **1976 U.S. Master Tax Guide** published by Commerce Clearing House is based on the Internal Revenue Code, and presents pertinent 1975 tax changes, including those made by the tax reduction act. It contains regulations and court decisions, covering tax precepts for businesses, estates and trusts. Copies $7 each, and quantity discounts are available. For copies write to James F. Golden, Manager-Public Relations, Commerce Clearing House Inc., 4025 W. Peterson Ave., Chicago, Il. 60646.

• A kit which includes worksheets and instructions for development and implementation of affirmative action programs is available from Entelekia Associates at a cost of $5.95. **The Quick Analysis Worksheet** is designed to assist in the required analyses and goal setting procedures for affirmative action. To obtain the booklet and worksheets write to James M. McHugh, President, Entelekia Associates, R.D. #1, Box 264, Vincentown, N. J. 08088.

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'Bedpan mutuals' seen having high failure potential

CHICAGO—An insurance company executive warned against forming so-called "bedpan mutuals" by doctors and others for the purpose of providing malpractice insurance.

"If experienced companies are taking a bath in red ink, how do the doctors expect to make a go of it with relatively inexperienced people?" asked Grant Miller, assistant general counsel, Employers Insurance of Wausau (Wi.)

He believes these standard stock and mutual insurance companies being formed to underwrite medical malpractice may result in insolvencies which, "because they are unable or unwilling to charge adequate rates," in turn, will involve the industry through guaranty funds. "We will be in there picking up the pieces while the doctors will have enjoyed several additional years of coverage at bargain rates," Mr. Miller said at a conference here last month.

Employers of Wausau withdrew from the professional medical and hospital liability market last month by notifying policyholders of its intention not to renew their coverage. Earlier, the company stopped writing malpractice in Pennsylvania.

"The (insurance) industry ought to take an active interest in the rate filings of these bedpan companies, and . . . do what it can to make certain these companies charge rates which provide at least a reasonable probability of continuing solvency," Mr. Miller advised.

He views the ideal solution to the malpractice problem as "a change in the way this country compensates persons who sustain injuries which incapacitate them from work and require expenditures of money for cure and treatment."

Among his suggestions is advocating the enactment of a law to require promise of a cure in writing in order to slow down the flow of suits alleging breach of contract. Mr. Miller explained that claimants use this approach "to avoid the relatively short tort statute of limitations and in some cases to avoid having to prove negligence."

Another law that Mr. Miller believes might be enacted is one "specifically applicable to malpractice cases to the effect that the injury or condition relied upon for recovery must be shown to have been produced by the practitioner's negligence."

Mr. Miller's proposal involves eliminating res ipsa loquitur in malpractice cases. This legal doctrine provides that the "mere existence of an injury or condition under certain circumstances is itself evidence of negligence."

Mr. Miller advocates state laws which would establish a statute of limitations beginning on the date of treatment, not on the date of discovery of injury.

He pointed to a sliding fee scale as a solution for those who think the contingent fee system "provokes a large number of ill-founded or nuisance lawsuits."

Proposals run from "a flat 10% of recovery, which is the percentage established for claims under the federal tort claims act; to a flat 20%, which is provided under most workers' compensation laws; to a sliding scale ranging from 33.3% in smaller cases to 10% on the jumbo verdicts," Mr. Miller expained.

"Legislation can be enacted to prohibit any statement in the pleading of the specific amount claimed," suggested Mr. Miller, as a way of averting "the publicity given to damage suits asserting large claims."

Mr. Miller advocates re-establishing the locality rule would "prohibit any expert who is not in active practice in the local community from testifying as to standards of care in that community."

He claimed there are a number of plaintiff's doctors from large metropolitan areas "who make a career out of going about the country and testifying on behalf of plaintiffs." Formerly, he explained, the patient had to prove that the doctor did not measure up to the standard of care which prevailed in the local professional community.

Lamenting that juries award verdicts for damages "based on evidence as to the plaintiff's life expectancy and other elements relating to future events which cannot be known," Mr. Miller suggested laws to permit the defenddant to pay such damages only as they accrue. "Obviously, such an arrangement would do much to reduce the size of jumbo verdicts."

Progress in the continuing education of doctors is "notably lack-

Continued on page 52

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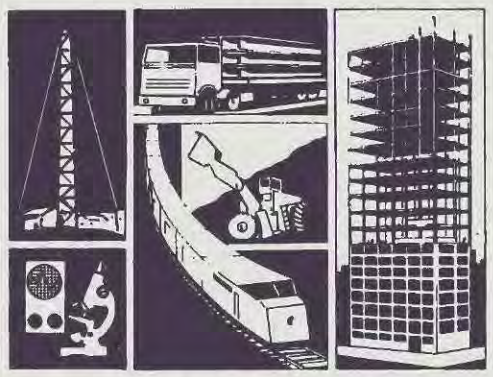

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Continued from page 51
ing at the present time," Mr. Miller said, adding that a program "ought to be instituted and carried through on a mandatory basis."

Another area in which doctors could show improvement, in Mr. Miller's opinion, is "humanizing their image: Whether justified or not, the preoccupation of many doctors with earning large incomes and spending as much time as possible on the golf course has got to be counteracted . . . doctors have got to rededicate themselves to treating their patients as human beings rather than as cold meat."

On the claims-made malpractice insurance policy, Mr. Miller thinks that its proponents "are prone to make exaggerated claims on its behalf, even to the point of asserting that it will solve the malpractice crisis."

He insists that the problem will not be resolved "unless the incidence of malpractcie itself is drastically reduced and/or the supporting base is broadened."

In Wisconsin, he noted, there are 4,500 physicians and surgeons actually engaged in practice. For six million-dollar malpractice verdicts per year, the premium loss would be almost $1,400 per doctor per year.

"About one doctor in a thousand will be hit for a jumbo case, but . . . a doctor beginning his practive has about one chance in three to be a defendant in a malpractice action at some time during his professional life," Mr. Miller said.

One of the big problems in resolving malpractice is the lack of a clearcut before and after comparison. "Under workers' compensation, the question is simple," he said. "You start out with a healthy individual, he sustains the incident and now you have an unhealthy individual. But in the malpractice situation, you generally start off with an unhealthy individual who may or may not be worse off after receiving medical treatment than he was before the treatment."

The "closest thing" Mr. Miller sees to a workers' compensation proposal is "medical adversity insurance."

He pointed out the success of the proposal depends on the medical profession's willingness to acknowledge that certain results proceeding from certain medical activities "are almost always produced because of malpractice of the physician."

Mr. Miller cautioned against the difficulties of "getting large numbers of physicians to agree on what untoward results conclusively demonstrate malpractice and further the difficulty of apportioning liability between doctors and hospitals in appropriate cases."

As for the joint underwriting associations (JUAs) established in many states, Mr. Miller believes that the only salutary effect these mandatory plans serve "is that they will generally broaden the participating base which will pay for the losses."

"Many JUAs are declared by statute to be nonprofit enterprises but it seems ridiculous for a law to mandate that doctors, of all people, should be furnished their business liability at cost," Mr. Miller commented.

"Doctors themselves need to institute reforms in their profession," he emphasized. "Guaranteed availability of malpractise insurance may tend to obscure the necessity of refusing insurance to those few license holders who should not be permitted to practice." ■

ISO filings confirm fears of rate rocket

NEW YORK—The insurance industry's predictions of skyrocketing premium rates for 1975 are being fulfilled nationwide, as rate increases filed by the Insurance Services Office (ISO) for the first nine months of 1975 show.

Commercial fire and extended coverage increased on the average, 10.9%, a spokesman for ISO said. The highest increase was 33% filed in Pennsylvania, the lowest .5% in New Hampshire.

Pennsylvania is in for another increase in fire and extended coverage premiums, as the ISO filed an additional increase of 39.2% for fire policies and 15.1% for extended coverage earlier this month.

Liability premiums (other than auto) saw the biggest percentage of increase in ISO filings, with products liability heading the list.

An average 109.7% increase in products liability was filed by ISO in the first nine months of 1975. Liability limits for business interruption were increased on the average, 64.8% according to the ISO spokesman, while basic rates for business interruption liability jumped 39.9%.

ISO increased malpractice premiums for hospitals across the country an average 57.3%. For physicians and surgeons, the average increase was 88.7% according to the ISO. ■

Underwriting losses are at a record high

NEW YORK—Despite third quarter underwriting losses of $3.6 billion—higher than those sustained in all of 1974, the worst year in history for the property-casualty insurance industry—the industry registered a net income of $172.4 million, according to the Insurance Information Institute (III).

Federal income tax credits accounted for the net income, credits given on account of the extraordinary underwriting losses, said the III.

The Institute said the $3.6 billion underwriting loss for the period ended Sept. 30 includes $3.16 billion in statutory underwriting loss and $474.6 million in dividends paid to policyholders.

Statistics are based on reports filed with the California Insurance Department by 480 property-casualty insurance companies, which write 80% of the business countrywide. ■

Suits settled

Some 35 insurance companies, led by State Farm Mutual Insurance Co. accepted a $1.7 million settlement of a Superior Court civil lawsuit seeking recovery from Newhall Refining Co. and Pualey Refining Co. of claims the companies had paid to persons whose homes were gutted in the 1970 fire in the Chatsworth-Newhall area of Los Angeles County. In their lawsuit, the insurance companies argued that the fire which started Sept. 25, 1970, was caused by faulty wiring in the Newhall refinery. The resulting fire burned more than 40,000 acres in Los Angeles and Ventura Counties.

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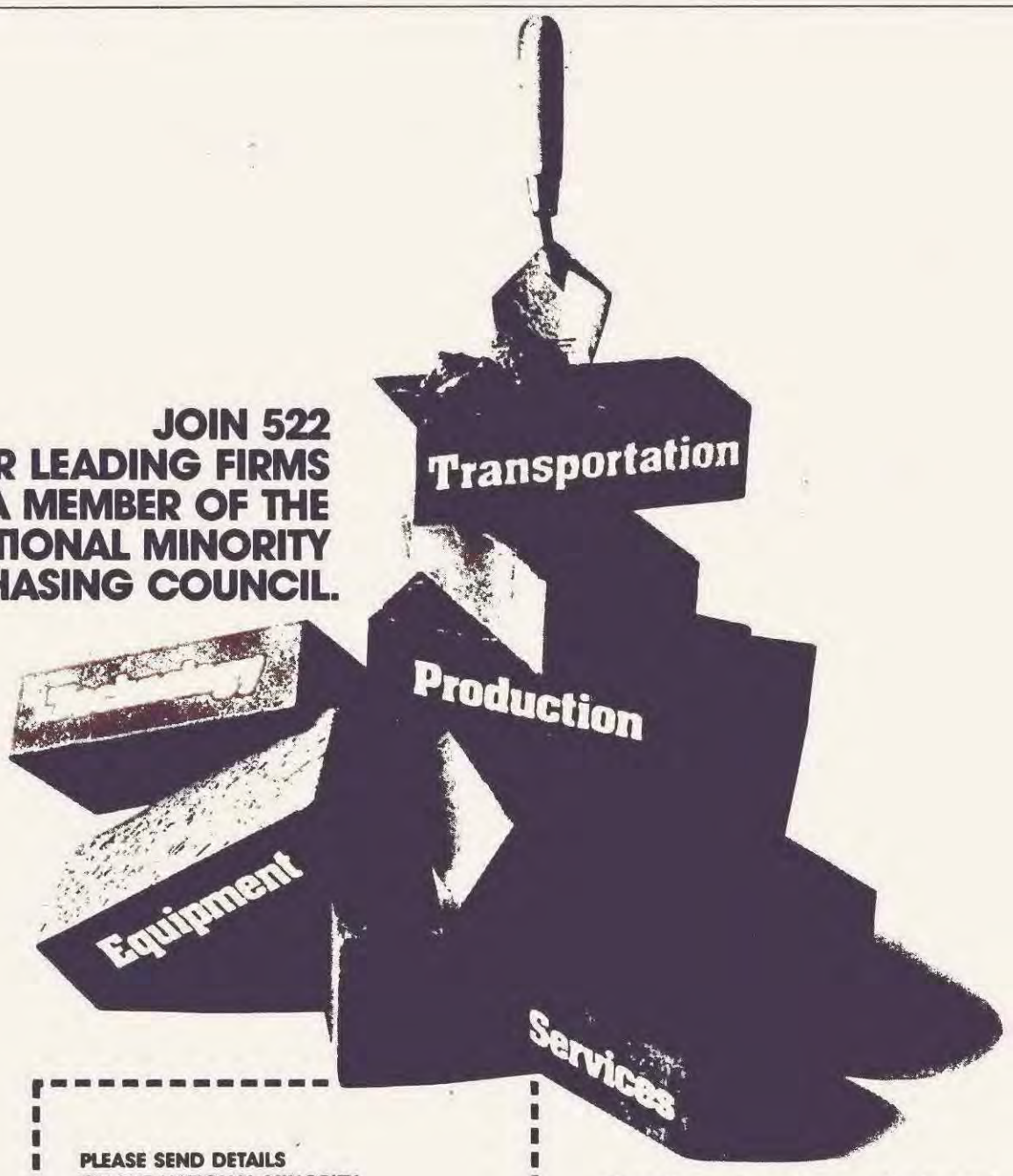

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Roundtable debates the nuclear safety question

WASHINGTON—"If it is so safe, why isn't it insurable?" Ralph Nader asked of the nuclear industry in a published debate released the same week Congress voted to extend the Price-Anderson Act.

The Price-Anderson Act limits liability and provides low-cost federal indemnities for nuclear risks.

Mr. Nader's remarks were part of a roundtable entitled "Is Nuclear Power Safe?" sponsored by the American Enterprise Institute in Washington.

Although the debate, with Melvin R. Laird, former Secretary of Defense as chairman, took place in May in two videotaped discussions, the institute just released an edited volume of the proceedings.

One of the suggestions made in the discussions by Laurence I. Moss, a nuclear engineer and environmentalist, was that the provisions of the Price-Anderson Act which limit the liability for nuclear plant accidents should be repealed.

Daniel Ford, executive director of the Union of Concerned Scientists, commented on a study by the American Physical Society (APS), which touches on risks and risk management aspects of nuclear plants.

"The important contribution of that study is the estimate of exactly what risk is involved in a nuclear power reactor accident. The authors studied a type of accident which, according to Atomic Energy Commission statistics, would be expected to happen once every couple of decades in a program of the size the AEC is promoting.

"These are the consequences of such an accident, as predicted by the American Physical Society's study: Lethal cancers would be produced by the accident, between 10,000 and 20,000 lethal cancers.

"**Genetic defects** would be produced in the population exposed to radioactive material, between 3,000 and 20,000 such cases. And finally, between 22,000 and 350,000 of those living near the reactor would develop thyroid nodules, a small fraction of which would be malignant," he reported.

Mr. Ford observed that the entire management of the nuclear power program has not shown the type of care and diligence, nor the type of candor that is required to manage a program with such large inherent risks.

He said the Union of Concerned Scientists conducted an investigation which obtained thousands of AEC internal files which show that, for the last ten years, rather than acting to protect the public, the federal regulators have been much more interested in promoting the program.

"Their interest was so intense," he claimed, "that it led them to suppress and conceal critical information about the hazards from the general public.

Ralph E. Lapp, physicist and nuclear consultant, argued that Mr. Ford misstated the results of the APS study to an "incredible" degree, and that the consequences are much less probable.

According to Dr. Lapp's interpretation of the APS study, the consequences of an accident at a nuclear power plant are actually not more than one death per year, and one cancer death per year.

Mr. Moss intervened with the comment that the APS study did identify certain injuries that would result from reactor accidents that the AEC had not properly accounted for, although he thought Mr. Ford exaggerated the significance of that correction.

He pointed out that all of the people associated with the study opposed a moratorium on nuclear power plants, because even though the risks they had identified were somewhat higher than those calculated by the AEC, they had no reason to believe they were greater than those from the use of coal.

Ralph Nader argued that in ever nuclear power plant there is at least 2,000 times more radioactive material than the fallout in the Hiroshima weapon.

"People disagree over the probability (of an accident)," the consumer advocate said, "but there could be an earthquake, there could be sabotage, there could be human error."

He cited the case of how "a man with a candle" started a fire in a big nuclear plant in northern Alabama and shut down the entire plant for four to six months.

This was the case of the Tennessee Valley Authority's Brown's Ferry Nuclear Station near Decatur, Al., which suffered a major fire last March 22. Someone was checking with a candle for air leaks in the packing of a sealant and an uncontrolled fire started. ■

Congress extends Price-Anderson Act

WASHINGTON—Congress approved a 10-year extension, to August, 1987, of the Price Anderson Act, which limits corporate liability in the event of a nuclear power plant accident.

The Senate, however, came within one vote of agreeing to an amendment that would have required a court case in 1976 to test the constitutionality of limiting nuclear plant liability to $560 million.

That amendment was offered in Senate debate this month by Sen. William D. Hathaway (D-Me.)

Earlier in the debate, another Hathaway amendment was approved. It extends the statute of limitations for claims arising from a nuclear accident to 20 years from 10 years.

An amendment offered by Sen. Mike Gravel (D-Ak.) to effectively eliminate the $560 million liability limit was defeated.

The Senate passed the 10-year extension by a 76 to 18 vote. The House earlier approved the bill in a 329 to 61 vote.

Attempts to limit the extension to five years were quashed. ■

Occupational safety

Bureau of Labor Statistics studies of work-related injuries and illnesses in selected industries, which appeared from 1940 to 1970, are being made available through the National Technical Information Service. More information is available from the Bureau of Labor Statistics, Office of Occupational Safety and Health Statistics, Washington, D.C. 20212.

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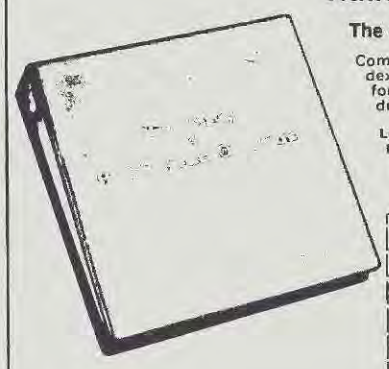

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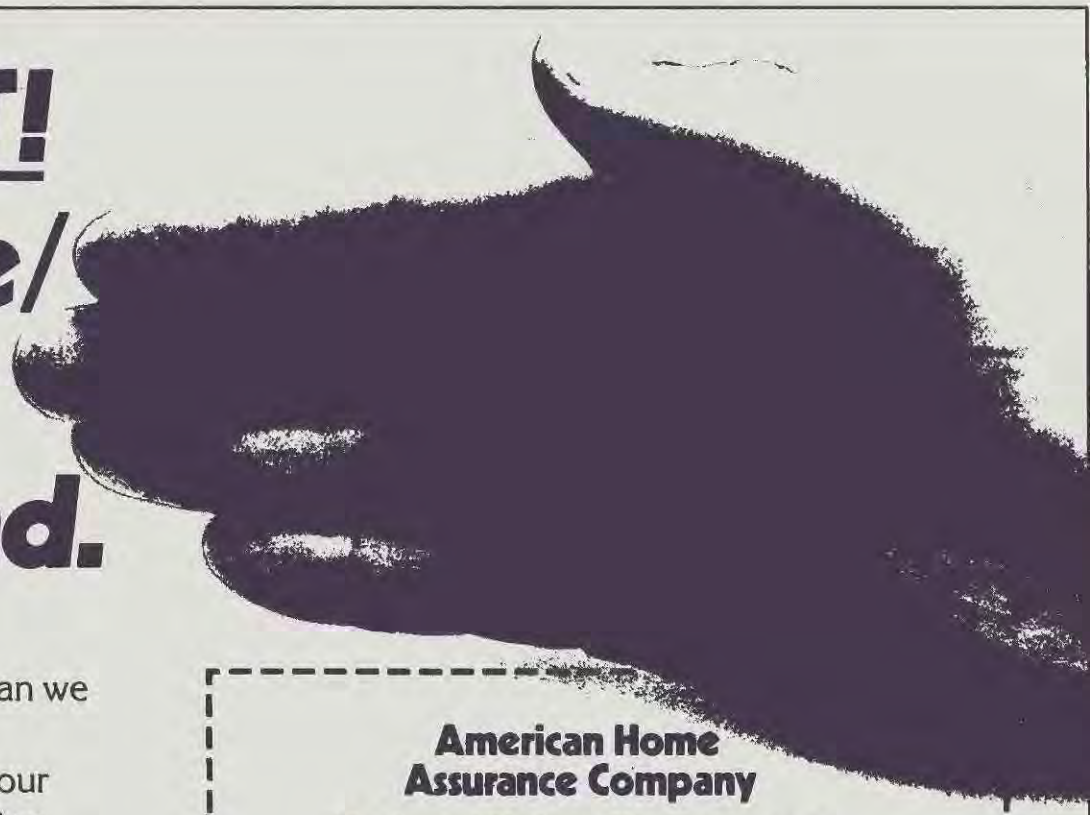

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Annual inflation outlook portends indexing of rates, buyer changes

NEW YORK—Group insurance buyers should have actuarial conditional premium endorsements based on inflation applied to the rates they pay over the next decade.

They will become more and more price conscious, and turn to higher retentions, a trend which could slow the growth of the property/liability insurance industry.

These observations were made during a discussion on the future of insurance, which took place at the annual meeting of the Insurance Services Office at the Plaza Hotel, December 19.

Dr. C. Arthur Williams Jr., dean of the college of business administration at the University of Minnesota, predicted the move to higher retention levels and subsequent slowdown of the industry.

He based his remarks on predictions by another panelist, Dr. Carl H. Madden, chief economist of the U.S. Chamber of Commerce. Dr. Madden said the agency expected an inflation rate of between 3.5% and 5% for the next five years, although the country's economic growth rate will be slower than it was in the 1960s.

Thomas A. Harnett, New York superintendent of insurance, was in the ISO panel's audience of about 125 people. He made a few suggestions from the floor on how the insurance industry could cope with inflation, primarily by using indexing in ratemaking for commercial lines.

"Businessmen with multi-peril or comprehensive policies would readily understand the concept and see a need for it," Superintendent Harnett said of indexing.

"I don't know why the industry's actuaries can't sit down, check the components of their product, and create an index that would relate the basic rates with the rate of inflation.

"In looking at applications for increases, we haven't seen activity at all on the part of the industry. If you have something to say, say it where it counts, not to yourselves," Mr. Harnett told the gathering of many insurance company executives.

There had been much criticism by speakers at the ISO meeting of the role played by state regulators. Many of them were charged with being inexperienced with insurance matters, or interested primarily in the political advantage of their office, or both.

Roy C. McCullough, chairman of the board and president of Maryland Casualty Co., and a member of the ISO panel, had remarked that "excessive regulation" muddied the ratemaking picture.

When Mr. Harnett told the panel that insurers should be aggressive in presenting intelligent indexing components to avoid having to "cry in their beer" over pricing problems, Mr. McCullough said: "You'll get Maryland's filing Tuesday."

The panel, which also included Robert H. Tullis Jr., president of the Home Insurance Co., and was moderated by Dr. Edwin S. Overman, president of the American Institute for Property and Liability Underwriters Inc., cited other factors besides inflation which will change the face of property/casualty underwriting.

A shift in dominant age groupings, consumerism, and changes in the way the public perceives its morality, and concerns with the environment will all have as yet undetermined affects.

Mr. McCullough insisted that there has to be a change in the system of paying indemnity.

"The Anglo-Saxon system is becoming overburdened in the area of indemnity for injuries and property damage," he said.

"I see a switch away from the present system of fixed costs at the time of the contract to one where ultimate costs will be determined when injury occurs and is disposed of."

And Dr. Madden warned that as insurance premiums rise because of fixed maintenance costs, the issue of repair will become rapidly more politicized and the federal government will involve itself in increasing phases of insurance. ■

Shorter policies and rate hikes are urged

NEW YORK—Shortened time periods of policy coverage and increased premiums for 1976 were called for by the president of the Insurance Services Office (ISO) at the annual meeting here last month.

"The unpredictability of the annual rate of inflation makes it almost an uninsurable risk under our present catch-up system," Daniel J. McNamara, ISO president said.

"I believe our business must promptly explore the feasibility of a program under which premiums or coverages would respond promptly and automatically to changes in the rate of inflation," he continued.

"To say the obvious, our first priority this year was an aggressive attempt to achieve some closer relationship of insurance premium levels with these rising costs," the new ISO president declared.

He said that rate level revisions that were achieved for the major ISO lines in 1975 were up a total of 22.5%. For commercial automobile policies, the increases were 21.2%, and for commercial fire and extended coverage, 17.3%.

Mr. McNamara called on underwriters to examine the desirability of shortening the period of time over which coverage is provided in many of its contracts.

Risk sharing and loss prevention mechanisms will be stressed by the ISO in the coming year, the president said.

"Exclusive, first-dollar risk taking by insurers may be, for certain lines of insurance, unrealistic in the years ahead," he said. "It should be possible to demonstrate to policyholders that it is in their best interest to share with their insurer some of the risk through such devices as higher deductibles, percentage loss participation clauses, retrospective rating provisions, loss prevention and other mechanisms."

A comprehensive revision and simplification of all ISO commercial multi-peril programs will be implemented in 1976, as will a belated businessowners' policy, Mr. McNamara said.

"We expect also to introduce our commercial fire rating schedule and fire class rate manual into a number of additional states during 1976," he disclosed. ■

Report merger

Arnold, Eaton & Durant Inc., a 25-year-old insurance agency in Long Beach, Ca. with an estimated premium volume of approximately $1.7 million, will merge with Roy J. Horton Insurance, Tustin, Ca., on January 1. The Horton agency has an estimated premium volume of about $300,000. The name of the merged agency will be Arnold, Eaton & Horton, Inc. Four of the largest clients of Arnold, Eaton & Durant are: Allied Oil Well Service Inc.; Eastman Inc., Manufacturers Packing Inc., and Langslet & Son, all of Long Beach. About 70% of the revenues of both firms is derived from commercial lines, according to an Arnold, Eaton & Durant spokesman.

ISO system to facilitate rate changes

NEW YORK—The Insurance Services Office will implement an expanded "fast track" monitoring system in the first quarter of 1976 to improve pricing capabilities on all lines of insurance.

The broadened system is designed to close the gap between cost changes and price changes. Twenty of ISO's largest writers, in addition to selected writers in individual states, will report fast track data within 45 days of the end of each quarter.

Those 20 firms account for more than 90% of commercial multiple peril statistics and more than 80% of general liability statistics, according to George G. P. Knapp, senior vp of Chubb & Son Inc. and former chairman of ISO's board of directors.

Announcing the fast track expansion at ISO's annual meeting last month, Mr. Knapp said for all major lines of property and casualty insurance aside from private passenger auto, insurers will receive quarterly data by state, including the ratio of direct earned premiums to total limits incurred losses and loss adjustment expenses.

Changes in reserves for incurred but not reported losses will also be included.

"We believe these fast track systems will significantly improve our pricing capability by giving companies, ISO staff and regulatory authorities up-to-the minute information on trends in underwriting results," Mr. Knapp said.

The ISO hopes regulators will, through the fast track system accept sampling techniques permitting use of less than 100% data in support of rate filings by ISO and individual insurers. ■

Gallagher relocates

The Chicago-based brokerage firm, Arthur J. Gallagher & Co., plans to move its headquarters to suburban Rolling Meadows, Il. by March. The firm has 33 U.S. offices and locations in Bermuda and London and expects to increase its total personnel to 200.

people

TWA names O'Neil director of insurance

Trans World Airlines, Kansas City, Mo., named **James F. O'Neil** director of insurance on December 29 to replace **Jeffrey B. Pennock,** who joined Fiat-Allis Construction Machinery Inc., Deerfield, Il. (*Business Insurance*, December 15). Mr. O'Neil formerly was in TWA's accounting department and reports to the vp-treasurer in his new position. Describing his responsibilities as encompassing "the whole gamut of risk management," Mr. O'Neil said he is involved in property/casualty risks, employe benefit coverage and loss control.

* * *

A newly-created claims manager position at Montgomery Ward, Chicago, was taken by **Thomas H. Martin,** 30, in mid-December. Mr. Martin is responsible for the administration of claim policies, reports and investigations, reporting to Ward's insurance manager. He is also in charge of claims in suit, which formerly were handled by the legal department. Mr. Martin previously was assistant claims manager at Leatherby Insurance Co., Chicago.

* * *

William J. Gladden, 30, joined Emery Industries Inc., Cincinnati, as corporate insurance analyst. He replaces **William Seifert,** who now works for Thomas E. Wood Insurance Agency, Cincinnati. Mr. Gladden reports to the manager of insurance, taxes and payroll and is responsible for the purchase of property/casualty coverage and claims administration. Mr. Gladden formerly was area claims manager for General Accident Insurance Group, Cincinnati. In June, he expects to receive the degree of Juris Doctor from Chase College of Law. Emery is a manufacturer of specialty chemicals for consumer and industrial use.

William Hollingsworth, safety compliance consultant to Olin Corp., Stamford, Ct., was appointed an industry representative to the Consumer Product Safety Agency's 15-member Product Safety Advisory Council, effective January 1. Mr. Hollingsworth, an attorney and member of the Risk and Insurance Management Society (RIMS), was one of five persons named. Others represent the consumer and government as well as safety sectors. The five were chosen from more than 400 applications on file and will serve on the Advisory Council for at least two years.

* * *

Gulf Oil Canada Ltd., Montreal, promoted **Yvon Lariviere,** 35, to senior analyst in the insurance department to replace **Gaetan Guay,** who was named supervisor of insurance (*BI*, December 29). Mr. Lariviere reports to Mr. Guay and is responsible for property/casualty insurance claims for the province of Quebec. He formerly worked in the company's accounting department.

* * *

Ronald W. Stasch, 39, joined Federal Mogul Corp., Southfield, Mi., as corporate risk manager, a newly-created position, this fall. Reporting to the treasurer, Mr. Stasch is in charge of developing and managing a risk management program, including property/casualty and employe benefit coverage. Safety and loss programs are "in the process of being defined," he said. His position formerly was handled by the assistant treasurer and others who had other functions at Federal Mogul. Mr. Stasch, a CPCU and RM, previously worked for The Budd Co. as assistant insurance manager. A replacement is being sought there. ■

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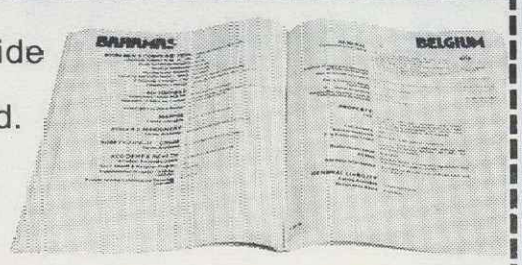

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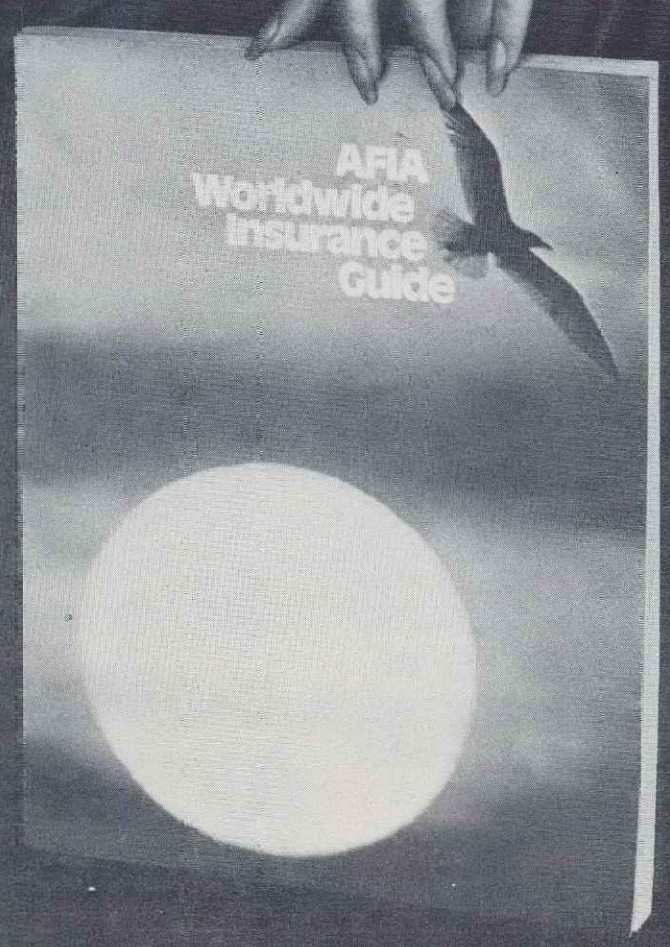

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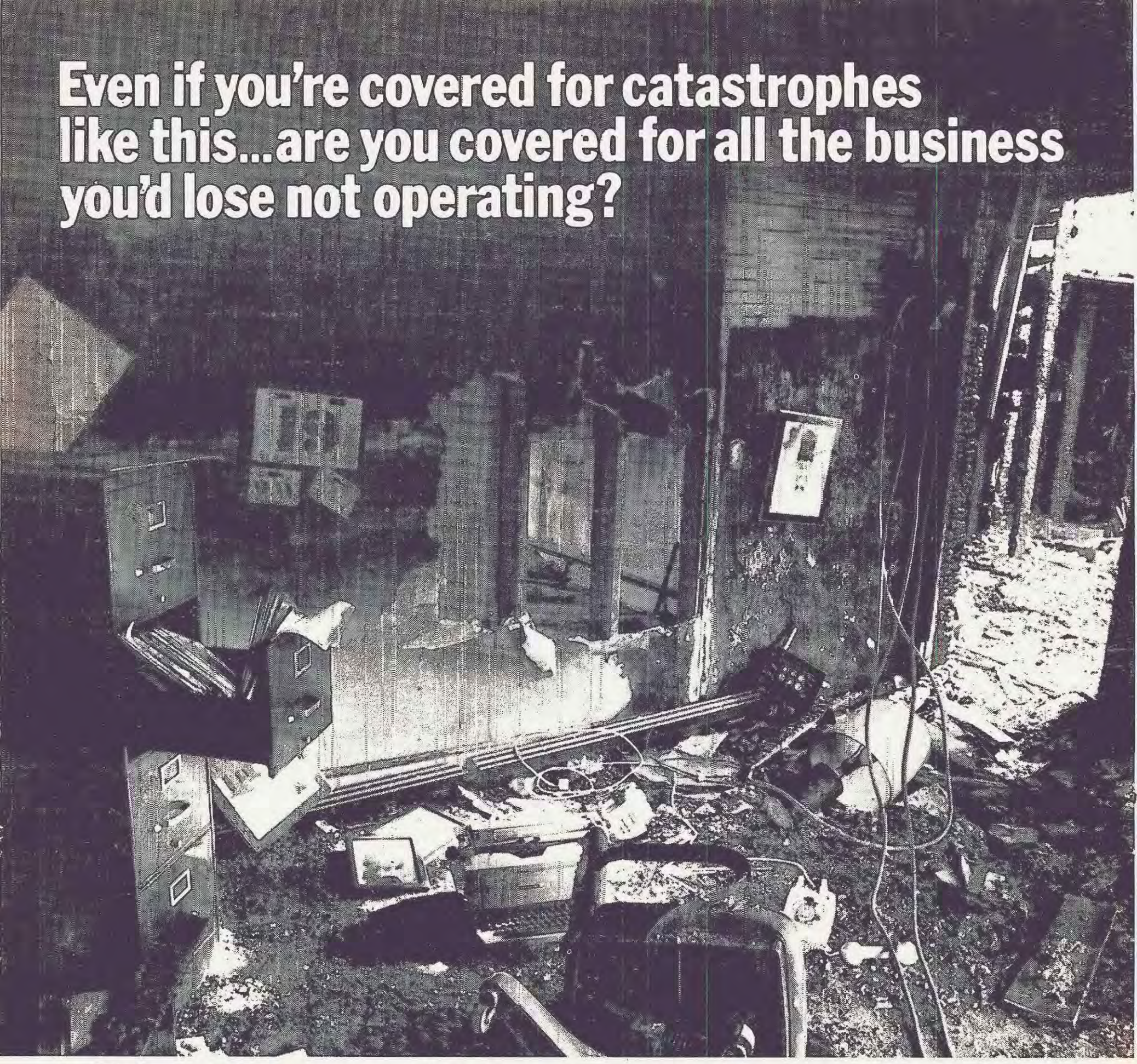

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