Super Info for Buyers— hundreds of offerings

Entire contents copyright 1972 by Crain Communications Inc.

See pages 9 to 40

'Reasonable' property defense . . 37
Dental cover growth 45
Rail unions' health demands 47
Marketing your benefits 52

45¢ a copy; $10 a year January 3, 1972

business insurance®

for buyers of employe, property and liability protection/pension investments/financial services

The Taeyonkak Hotel fire in Seoul, which took the lives of 159 people on Christmas Day, has resulted in arrest and charges of criminal negligence for the owner and four other hotel officials on grounds of carelessness and improper construction. Two former city officials and a fire officer have also been arrested. —Wide World photo

Death hotel in Seoul had compulsory cover

WASHINGTON—The Korean hotel in which 159 people died when fire tore through most of its 22 floors on Christmas Day had compulsory fire and liability coverage "up to the amount invested" in the structure, according to Korean officials here.

They also say that insurance was "involved" in an announcement by the president of the Taeyonkak Hotel in Seoul that he will pay $1.1 million in Korean currency (about $2,700 U.S.) to each of the deceaseds' families.

The Korean officials, who are attached to their embassy's commercial counseling office, were unable to make a U.S. dollar estimate of the cost of the two-year-old luxury hotel, though one said it had been generally referred to as a multi-million dollar project. Ownership, as far as could be determined is all Korean.

THE COMPENSATION payment announcement of the Taeyonkak's president, Kim Yong-San, came after criminal negligence charges were filed against him and his hotel manager and coffee shop manager by Seoul authorities. They said after initial investigations that a propane gas explosion in the coffee shop caused the blaze, which has been called the worst hotel fire in history. Charges were also brought against two other hotel officials, two former city officials and a fire officer.

Police said the hotel lacked sufficient fire-fighting equipment, emergency exits and other safety facilities.

Nearly all of the dead were said to have been Korean, with one American reported among the foreigners who died.

Charges of criminal negligence stemming from fires or other disasters have been brought previously in Korea, but only when injury or death was determined to have allegedly been "caused by a person," one of the embassy officials said. He indicated that the enormity of the human and property loss in the Taeyonkak fire prompted authorities to act quickly.

The spokesman said it was assumed that the hotel had its coverage through one of more than a dozen Korean insurance companies, but a further check was being made to see if foreign co-

Continued on page 2

Capacity problem died in 1971 but others survived it

By STEPHEN GILKENSON

NEW YORK—A tombstone has not been engraved as yet, but 1971 just may go down in the annals of risk management as the year the capacity crisis died, was put to a quiet burial and was survived by a host of other little problems for risk and benefits men.

This is the consensus of more than a dozen risk and insurance managers polled by *Business Insurance* late last month. Their comments on the old year, the new one just begun and others to come follow.

WILLIAM S. MORTIMER, insurance manager, Norton Simon Inc.:

"It's my opinion we'll never have the capacity we had prior to (Hurricane) Betsy," Mr. Mortimer said when asked if the capacity situation had eased for him in 1971. "Market conditions —that is, a reversion back to the buyer's market position—will be a long time coming, if ever. If the situation has eased at all, I would say it's more or less the difference between the time when the companies panicked and refused to write anything and now when they will write a little more. But I doubt if there has been a 10% improvement across the board. I don't think capacity has improved in the pharmaceutical field, for example, and there is no great improvement in the difference in conditions area although I do think capacity has increased somewhat in the general liability area."

Asked about major problems facing him in 1972, the Norton Simon risk man said that "virtually all of our renewals are out of the way. My last major projects were going to a substantial broad self-insurance program in workmen's compensation and establishing a captive for non-highly protected risks. Both projects were wrapped up in 1971," he said.

Employe benefits: "Everybody renewing long term disability—if their rate guarantee period has expired, that is—will find substantial price increases. In fact," he added, "very few companies are willing to write the coverage these days unless experience is combined with experience for other parts of the employe benefit package." On the national health issue Mr. Mortimer said he thinks such a scheme is "more than a year off."

RAYMOND COX, insurance administrator, City Stores Co., New York:

"It very definitely has eased up," Mr. Cox said of the capacity situation. "Insurance companies made money in 1970 and I think this has been the major reason. We had a large renewal this year and while we did have some problems they were not what we have had in previous years, if only by virtue of the changed attitude on the part of insurance underwriters. Those of us in the retail business are mostly concerned with two lines, property coverage and business interruption, and with getting sufficient limits in the liability area."

Mr. Cox said one of the problems he faces next year is a big liability policy renewal. "Hopefully," he said, "because of the change in market conditions we will be able to improve our position there."

On employe benefits: "I'm deeply concerned with what is finally adopted as a national health scheme and I'll be watching this carefully. There is also a lot of interest—value and problems, as well—with the Occupational Safety and Health Act. From a risk management standpoint, however, I don't think the act will do anything but help risk management do its job."

Elaborating on the national health issue, Mr. Cox said he believes government will "definitely come up with some sort of health scheme in 1972, although it will not be effective for a year or so hence. It has to happen."

FRANK X. McCAHILL, insurance manager, Bristol-Myers Co., New York:

"Capacity has loosened and I think it will loosen even more

Continued on page 51

No major claims in Bangla Desh

LONDON—Lloyd's underwriters feel relief at the fact that so far there have been no major claims on them from the Bangla Desh scene, with the war now virtually over. Sources in the Lloyd's market told *Business Insurance:* "It looks as if the market has escaped without any substantial claims."

It is believed that while there must obviously have been damage in East Pakistan, it is covered by local insurance; and the same applies to West Pakistan, where the impact of the war with India was naturally less.

Reinsurance may absorb some of this domestic cover, but as it is spread across the market, it has had little effect, and in any case riot and war risks may be excluded from some claims for property damage. War risk rates were reduced for shipping, aircraft and cargoes within three days of the hostilities' ending by the Institute of London Underwriters.

They announced Dec. 20 that rates for shipments to West Pakistan and all of India would be placed on the lower level of 50¢ per $100, compared with $5 during the period of hostilities for some areas near the fighting.

Continued on page 2

Dial 800-243-6000 for product liability workshop

THIS IS YOUR last call to register for the exciting *Business Insurance* Product Liability Workshop to be held Monday and Tuesday, Jan. 17 and 18, in the Regency Hyatt House near O'Hare Airport in Chicago. A complete time schedule for workshop events appears on page 44. Make your reservation now by calling toll-free 800-243-6000. Connecticut readers should call 1-800-942-0655.

Call for standardization comes from BI readers

CHICAGO—Readers of *Business Insurance* have many suggestions for improving the health delivery system to aid in the administration of employe benefits, but the thing they want most is standardization of plans, benefits and claims forms.

This pattern emerged from responses to the *Business Insurance* survey on health care reform, results of which were published in the Dec. 6 issue of this magazine. The key conclusion of the survey was that employe benefits administrators want Congressional action but they favor private health care over a federal government health care program.

A number of respondents to the survey indicated that their administration of employe health care benefits would be facilitated if insurers provided standard forms nationwide for the reporting of claims.

Also suggested by many readers was a central record file on individual health insurance benefit recipients to eliminate duplication of benefits and to provide rapid computer verification of coverage and previous claims.

Better claims handling, readers said, could be accomplished in some instances simply through better cooperation among doctors, hospitals and insurance companies.

Readers' calls for elimination of duplication of benefits included a number of suggestions for integrating workmen's compensation, Social Security, Medicare, auto liability and medical pay benefits and welfare payments.

A high percentage of respondents to the survey suggested that physicians' fees be published so that consumers could compare costs and so that employe benefits administrators could set up health care programs based upon predetermined costs.

Some readers also suggested that the state regulate doctors' fees to eliminate what some termed "the gravy train" of escalating health care costs. More readers directed their criticism at doctors than at hospitals, though many respondents asked for standard hospital charges.

One reader touched on high hospital costs by declaring, "Make Blue Cross responsible to laymen, not doctors and hospitals."

A novel suggestion for rating group health care insurance came from a reader who believes that group rates and individual rates should be the same with the "expense savings" of insurers passed on to employers to cover their costs in administering the health insurance plan. ■

Stock exchange clarified

A short article in the Dec. 20 issue of *Business Insurance*, noting an acquisition by ITT of Minnesota National Life Insurance Co., which is partially owned by the Hartford Insurance Group, contained a typographical error. ITT is offering Minnesota National stockholders .1713 shares of ITT common for every Minnesota Life share, not 1,713 shares.

Death hotel

Continued from page 1

verage was involved. He said hotel fire insurance and liability both are compulsory in Korea, with coverage above the investment amount left up to the owner. ■

To decide insanity case

DETROIT—A Michigan department of labor referee will decide whether a former Chrysler Corp. plant worker, ruled insane in the fatal shooting of three fellow employes, is entitled to receive workmen's compensation.

James Johnson Jr. was found innocent of murder last spring by a recorder's court jury on the ground that he was temporarily insane when he shot three men in July, 1970. Mr. Johnson was committed to the Ionia State Hospital for the Criminally Insane. Now Mr. Johnson, through his attorney, Ronald D. Glotta, is seeking payment of $75 a week in workmen's compensation on the grounds that poor working conditions and harassment on the job drove him to kill the three men.

Referee John Conley has completed his hearings in the case. Chrysler has refused to pay the claim, stating that Mr. Johnson's unstable mental condition existed before the incident. Mr. Glotta said that poor working conditions at the company's gear and axle plant here, coupled with racial slurs from management personnel, triggered the shootings.

Mr. Glotta also is seeking payment from Chrysler for psychiatric care for his client, since Ionia is "nothing but a glorified jail" providing inadequate care for Mr. Johnson, he said. Mr. Glotta said Michigan has previously recognized emotional disturbance as a compensable injury. ■

Bangla Desh

Continued from page 1

Rates to East Pakistan, or Bangla Desh, were halved to $5 per $100, against $10 in the war zone during the vital period.

Further reductions may follow as soon as conditions in that part of the world become more settled. A new war risk rating of 0.125% is effective for Mauritius, situated in the Indian Ocean, because of a state of emergency there.

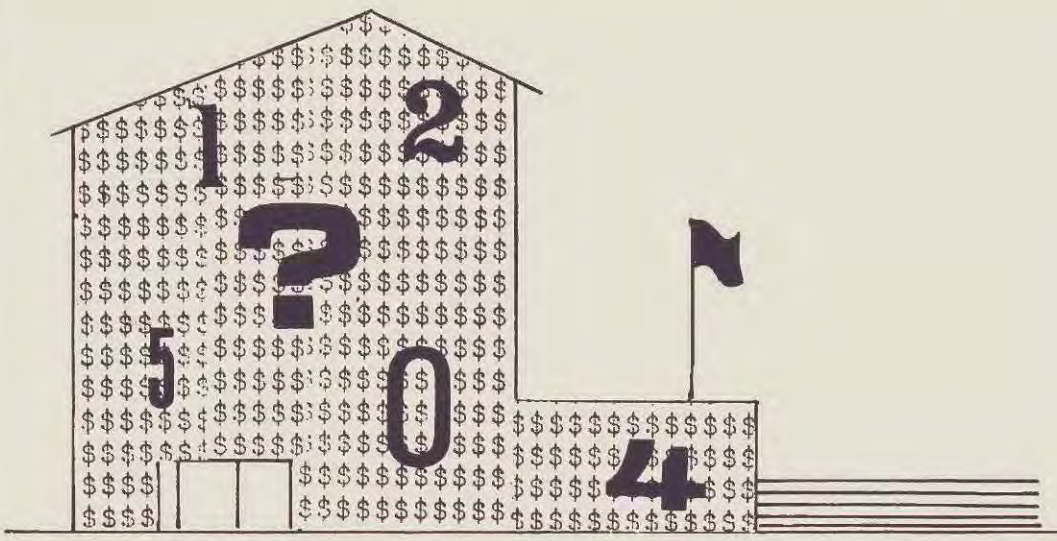
Underwriters are intrigued by the decision of the Indian government to set up "prize courts" for any ships and cargoes seized in territory that its army occupied, as well as for aircraft and air cargoes that fell under its control. Cases of disputed ownership will be heard by courts consisting of one or more Indian nationals who are qualified to sit as high court judges, and appeals against their decisions can be made to the Indian government itself.

This is a new legal step, certainly as far as the air side is concerned, and the full effect remains to be seen. It is presumed that the main intention is to exercise legal rights over any ships or cargoes belonging to West Pakistan owners that might have been in East Pakistan ports during Indian army action. ■

GUIDE TO FEATURES

Washington Watch 4
Following the Funds 8
Special Info for Buyers Section 9-40
Editorials 20
Perspective 37-38
Speaking of Safety 48

Vol. 6 No. 1—Business Insurance is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Controlled circulation postage paid at Chicago, Ill. Copyright 1972 by Crain Communications Inc.


$$$

Birth control, tranquilizer pill mix-up could cost $700,000

BOSTON—The error of a druggist, which resulted in the birth of an unwanted eighth child to a Michigan mother, could cost the pharmacist or his liability insurers as much as $700,000 over the life expectancy of the child, according to an attorney who discusses the case in an issue of the New England Journal of Medicine.

The somewhat bizarre case, which raises provocative questions concerning third-party insurance company payments as damages for rearing an unwanted child, was recently ruled actionable by the Michigan court of appeals that reversed a lower court. The lower court had dismissed the case summarily. The case is expected to go to a jury in about six months.

According to attorney William J. Curren, who teaches legal medicine at the Harvard School of Public Health in Boston, the case involved the mother of seven children who each morning faithfully swallowed what she thought was a birth control pill that her physician had prescribed for her. In the meantime, she continued to have sexual intercourse without fear of becoming pregnant.

THE MOTHER soon learned, however, that what she actually had been taking each morning was a tranquilizer. Somehow the pharmacist had mistakenly given her the wrong pills when filling her prescription.

According to Mr. Curran, the provocative questions of law relate to the costs of rearing an unwanted child, ethical problems concerning abortion, and social issues about parent-child relationships and even visiting rights. The Michigan court, however, focused its discussion on the economics of child rearing.

Noting that the cost of rearing the unwanted eighth child was just one of four reasons why the mother and her husband sued the druggist, Mr. Curran pointed out that others were: the pain and anxiety of the pregnancy and childbirth; medical and hospital expenses; and the wife's loss of wages owing to pregnancy, childbirth and child rearing.

In handing down its decision that the case was actionable on all four bases of recovery, the Michigan court of appeals said that the pharmacist was clearly negligent. The court, moreover, rejected the defendant's argument that "the joys of bringing up a child outweighs the expenses," said Mr. Curran, and "held that in modern times, the value of the services of a child are largely illusory."

THE QUESTION of aborting the unwanted child was also raised. But, the Boston attorney said, "The court ruled as a matter of law that no mother, wed or unwed, can reasonably be required to abort (even if legal) or place her child up for adoption."

Under the damage award principle, Mr. Curran said that the druggist "is basically required to furnish the funds to bring up another person's child. The family has the child, does not have to abort it or place it for adoption, but, nevertheless, does not want it and considers it—legally and publicly—a burden it wants someone else to pay for to bring up."

A judgment of this kind, involving the full life expectancy of a child, could amount to as much as $700,000, the attorney estimated. ■

Switch group plan to new carrier

TUCSON, Ariz.—Northwestern National Life Insurance Co. will carry group insurance for the Pima County employes, according to Dave O'Hern, an administrative assistant to the county board of supervisors.

County officials and insurance men had launched a vigorous campaign to get 75% of some 2,400 county employes signed up for group insurance before a November 19 deadline. The supervisors November 2 accepted the low group insurance bid of Northwestern National which set the stipulation that 75% of the employes who were eligible for the coverage had to sign for it by the deadline.

Mr. O'Hern said Nov. 19 that out of some 2,400 employes, 1,744 had signed up, 237 had rejected and the others had not yet answered. He said that some agents estimated that about 500 were not eligible, either because they had coverage by spouses or the military or work fewer than 20 hours a week.

MR. O'HERN noted that Charles A. Steinweg, the company's regional group manager, had advised there was no problem now in the company covering the county. Applications will, however, continue to be accepted for a "few more weeks," it was reported.

The benefits include a maximum $20,000 medical coverage, a flat $300 maternity benefit and $50 deductible, to be waived in accident cases.

The employes' coverage with Blue Cross-Blue Shield expired Nov. 27.

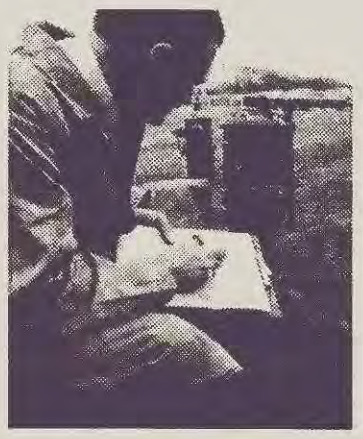
Ken Scharman, also administrative assistant to the supervisors, said that Blue Cross was not interested in renewing its present contract because only one-fourth of the county employes belonged to the plan and the company had been losing money.

Supervisor Jim Murphy said that because the bid was so low the county would contribute 47.5% of the monthly premiums, which will mean the employes will pay about $5 each, $22 for employe and spouse and $30 for the entire family. Employes can have premiums withheld from paychecks. ■

New president named

S. E. Thornton, secretary-treasurer and business manager of Amalgamated Meat Cutters and Butcher Workmen Local 120 of Oakland, Cal. was elected president of the National Foundation of Health, Welfare and Pension Plans at the foundation's annual educational conference held in Miami Beach. Mr. Thornton has conducted training courses in employe benefit trust management for Meat Cutter locals throughout the country, and serves as a trustee of five major west coast trust funds which provide pensions and other fringe benefits for meat packing workers.

"Automatic" Sprinkler Inspection and Maintenance Service



protects your investment in future profits

Already have an automatic sprinkler system? Great. You've invested in the best fire protection money can buy.* You made the investment — an intelligent decision — to protect your people, facilities and inventory.

But what are you doing to protect your investment? To protect your protection system? To realize maximum insurance savings? We have the service that answers your needs.

"Automatic" Sprinkler Inspection and Maintenance Service is designed to keep your system's effectiveness as close to 100% as humanly possible. As a world leader in fire protection, we offer a full range of services, including system inspection, maintenance, upgrading, redesign and installation.

For complete information, send for our free brochure: *"Automatic" Sprinkler Inspection and Maintenance Service.* Call or write Mr. R. L. Pardee, Manager of Marketing Services, "Automatic" Sprinkler Corporation of America, Box 180, Cleveland, Ohio 44147. (216) 526-9900.

*The National Fire Protection Association rates automatic sprinkler systems with a 96.2% satisfactory performance record since 1925. It also points out that ". . . above all, sprinkler systems must be maintained in good operating condition."

(Fire Journal July 1970, Vol. 64, No. 4)

"Automatic" Sprinkler
CORPORATION OF AMERICA
P. O. BOX 180 • CLEVELAND, OHIO 44147
Division of A-T-O Inc.

washington watch

Medical malpractice testimony mounts with no solution in sight

By JOHN REVETT

WASHINGTON—There is some feeling that the point is being stretched by medical and insurance men, but testimony is nonetheless piling up in federal hearings. It indicates that medical malpractice claims are playing a significant part in rising health care insurance costs.

Malpractice lawsuits used to be curiosities, the total amounting to only 212 during the entire 19th Century. Now the number of claims being filed is between 7,000 and 10,000 a year, with the rate increasing 10% annually. Awards sought are more than $1 million in some cases; the average claim in larger states has doubled to about $12,000 since the mid 1960s; and doctors are having an increasingly difficult time obtaining malpractice insurance, even in metropolitan areas at rates that range from $4,000 to $5,000 annually. The cost is double the amount for some specialists, and more than $20,000 for physicians who have lost lawsuits.

Witnesses presented this basic picture to the Health, Education and Welfare Department's six-month old commission on medical malpractice and then got to the details.

Not only operating table complaints are involved, said Harold G. Pearce, Blue Cross Assn. senior vp. The problem includes "anything from an incorrect or faulty surgical procedure to an inaccurately compounded prescription to an electrical shock from a malfunctioning machine to a patient's falling out of bed because the siderails were not properly in place."

The Blue Cross estimates rising liability premiums on per-patient hospitalization costs at an added 40¢ to 50¢ a day. "That seems a small amount," said Mr. Pearce, but on the basis of 59.3 million patient days for Blue Cross subscribers alone in 1970 that burden amounted to $29,650,000, which had to be passed on to Blue Cross in the form of higher costs and ultimately to the subscriber in higher rates."

A "less obvious but perhaps more significant" cause of increased premium costs, said Mr. Pearce, "is the number of diagnostic tests ordered by physicians to protect themselves against a possible charge of malpractice and to provide a more detailed defense of cases brought to court."

He said Blue Shield couldn't be sure how much diagnostic testing meant better medical care and how much stemmed from fear of litigation, "but we do know that since 1969 the number of inpatient laboratory tests has increased at rates ranging from 7% to 18.3% a year, depending on the type of hospital." He said X-ray use in the same period went up by between 4.3% and 12.6% and costs of the tests rose from 25% to 50%.

MEDICAL spokesmen also stressed the premium cost effect of malpractice claims, grabbing for every bit of ammunition available.

There were quotes from President Nixon (who ordered creation of the commission, citing a "growing menace of malpractice suits" that are creating a "climate of fear" among doctors), national publications (malpractice claims are "substantially altering the practice of medicine in the U.S."), and the American College of Surgeons, which said: "The rising number of lawsuits against physicians is seriously threatening the quality of surgical care and increasing its cost to patients."

It is, said Carl B. Hall of the American Academy of Family Physicians, "a grave national problem." He said malpractice rates have gone up "as much as 50% to 400% during the past few years" and added that insurance companies are withdrawing from malpractice coverage in a number of populous areas.

Reasons for the malpractice claim phenomena were given by Mr. Hall and other witnesses. "Consumerism" was noted, along with a "greater willingness of the public to sue professionals, and to sue with a vengeance." Medical spokesmen also saw the demise of close patient-doctor relationships as a cause. The reason: "an increasingly mobile nation." Other witnesses noted the businesslike manner in which doctors have clustered together in medical centers as specialists, each presenting their own bills.

An "impersonal medical" trend was mentioned by medical witnesses, but they were generally in agreement with Mr. Hall's contention that actual malpractice hasn't been a factor. Nor did they feel there was much more than unwarranted claims behind the problems.

Lawyers took a different view. American Trial Lawyers Assn. president Marvin E. Lewis said his organization "is not ready to conclude, in the absence of solid evidence, that soaring (malpractice) premiums are attributable to increased claims and higher awards." He said ATLA is "disturbed as to why an expense item such as 'production cost allowance' "—which he said translated as "agent's commissions"—"is so costly. Our information indicates that 20% of the premium dollar pays for this acquisition cost. This compares unfavorably even with the alleged inefficient auto insurance system." He said the cost could be "reduced dramatically by group merchandising."

As for the growth in malpractice claims, Mr. Lewis denied that there is "run-away liability" or "a multitude of spurious claims" and added: "The breakdown in doctor-patient relationship, coupled with a negligently caused bad medical result, leads to law suits."

Observers say the commission has been left somewhat perplexed by these conflicts. ■

If your company is big enough for Self-Insurance, PAIGE is big enough to handle your risk.

(and small enough to handle it right.)

Self-Insurance isn't for every company. To make it pay, you need a sizeable annual premium.

But if Self-Insurance is right for you, PAIGE can help. After all, we've been preparing custom-designed Self-Insurance plans for all kinds of companies since 1938.

We have a Self-Insurance plan for compensating injured employees that reduces premium costs dramatically, increases capital retention, and offers expert loss control and claims handling.

And PAIGE is big enough to handle big risks . . . big on experience . . . big on placement ability.

But, best of all, we're small enough to do it right. We've got the patience and ability to sit down and put together a plan that really works.

Find out more about a PAIGE Plan for Protected Self-Insurance. Write. We'll send our new brochure.

PAIGE. The Big insurance broker that stayed small.

PAIGE

BOSTON / NEW YORK / PORTLAND, EASTPORT, HOULTON, and ROCKLAND, ME. / LOS ANGELES / ATLANTA / HARTFORD / MANCHESTER, N.H. / SAN FRANCISCO

In workmen's compensation insurance we go back to the beginning.

Not a bad place to start.

The Wausau Story.

Sixty years ago, America's first constitutional workmen's compensation law went into effect. And we went into business. Many of our early policyholders were loggers and sawmill operators.

Being first in the business put a lot of responsibility on our then small firm. Businessmen had to learn to live with the new workmen's compensation law. Our job was not only to help them live with it, but to help them thrive under it.

We learned a lot about this phase of business insurance the hard way—by pioneering in it. And because of that, what we learned stuck in our minds. To make sure the most useful facts would always be readily available to us, we committed them to the memory of a sophisticated computer system.

We now have this information organized into six cross-reference categories—to be shared with our policyholders in ways that can help them save money and human suffering through the prevention of accidents.

While you may know us best for workmen's "comp," we have equal capabilities in practically every other form of business insurance. As an example, our youthful life insurance company recently passed the one billion dollar mark of insurance in force in business life plans!

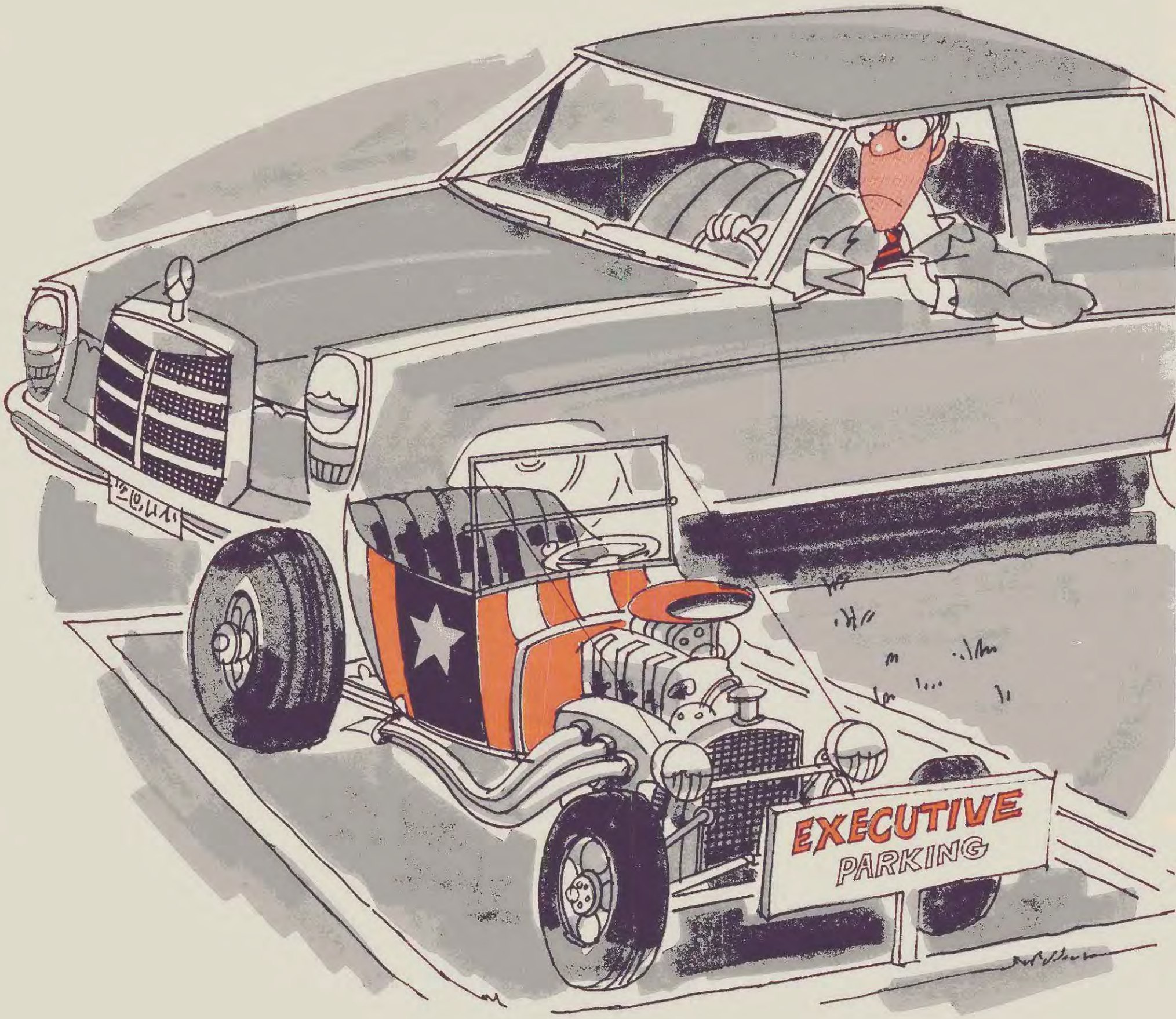
Because we grew up in Wausau—and chose to stay there—the small-town characteristic of "earning our keep" comes naturally to us in whatever insurance problem we're involved with.

It's an elusive difference, perhaps, but we think it's an important one.

come to the source

Employers Insurance of Wausau

Wausau, Wisconsin


EXECUTIVE
PARKING

It's hard to get fired up about spontaneous combustion when the stock boy parks you-know-where.

Oh boy, you can hear the reaction now, when Mercedes meets beach buggy! Meantime, out back another kind of reaction is coming to a head. Careless storage of waste material that's going to burst into flame. A detail that should have been covered, but wasn't. An Arkwright-Boston man can show you how to protect your plant against combustion and other risks, big and small.

ARKWRIGHT-BOSTON INSURANCE

Executive offices: 225 Wyman St., Waltham, MA 02154
Arkwright-Boston Manufacturers Mutual Insurance Company
Mutual Boiler and Machinery Insurance Company
Factory Mutual Insurance

COMPLETE COVERAGE

Offices in major cities throughout the United States and Canada

following the funds

Pension study says liberal benefits will cause more early retirements

NEW YORK—A study by two compensation and labor relations specialists at the Conference Board here has shown that a trend toward early retirement has been developing over the past 10 years.

The study, a survey of the 841 pension plans at 641 American manufacturing concerns conducted by Mitchell Meyer and Harland Fox, showed that the trend (which is just a trend, not a stampede) had been encouraged by the liberalization of the early retirement benefit in many of the pension plans.

"In most plans," the study said, "the early retirement pension is the 'actuarial discount' of the normal retirement benefit; that is, an adjustment is made in the accrued pension to reflect the fact that the early retirement pension will probably be paid over a longer life expectancy.

"SOME 30% of the plans in this study provide for liberalized early retirement benefits (more than the standard actuarial equivalent), compared with 16% of the plans a decade ago," the report continued. "Practically all of this growth has come through plans that provide a liberalized benefit to all employes who meet the regular early retirement eligibility requirements, and this provision is almost as common among unilateral plans as negotiated plans."

The early retirement benefits were liberalized in a number of ways, the study noted, but three kinds of supplements to the actuarial equivalent appeared to be fairly basic.

"General supplements apply to all employes who meet the standard eligibility requirements for early retirement," the authors pointed out. "They are typified by a liberalized early retirement discount with the benefit payable for life.

"Senior supplements apply to a class of employes who meet more stringent age and/or service requirements than those set for regular early retirement. Typically, the full accrued benefit is payable for life.

"Company option supplements apply to employes whose retirement is initiated by the company; or if the retirement is at the employe's request, with the company's consent; or under 'mutually satisfactory conditions.' Company option supplements typically provide the full accrued pension for life plus an additional amount that usually is paid only until 65."

The study noted that while general and senior supplements had shown marked increases during the 10-year period, the company option type plan remained "a characteristic of negotiated plans in a few specific industries."

The prevalence of the supplements was dependent on the industry, the size of the company (the larger the company, the better the chance of finding the supplements), whether the plan was negotiated with a union (41% of negotiated plans include a supplement) and which union (the Steelworkers, Autoworkers and Rubberworkers collectively accounted for 58% of the negotiated supplements, down from 86% in 1961). It should also be noted that 23% of the unilateral plans contained supplements.

While many things have been changing over the decade in the early retirement picture, the study said that one area—the age requirement—had remained steady. Most pension plans set the earliest age at which an employe can retire at 60 or 55. Interestingly, age 55 is more common among unilateral plans than among negotiated ones.

A service requirement has also become increasingly more popular among the plans. A decade ago, 80% of negotiated plans contained a length of service provision. That has risen to 90%. The prevalence among unilateral plans has risen from 55% to 82%.

THE STUDY, conducted among single employer plans, also showed that while more plans now contain the length of service provision, the amount of service needed for retirement eligibility is somewhat less than in 1961. "Most of the plans are split about evenly between those that require 10 years' service and those that call for 15 years." The general decline in the amount of service is due to the fact that fewer plans require 20 years service than in 1961.

The study noted that early retirement has shown signs of becoming a vested right.

"Increasingly, the early retirement pension is a vested right; that is, an employe who meets the age and service requirements may retire of his own volition and automatically receive his pension," the study said. "Currently, 71% of the plans have this vested benefit compared with 62% of the 1961 plans. At the same time, there has been a significant increase in plans that have not only a vested benefit but, in addition, a nonvested benefit; this usually is a more liberal early retirement pension for which company consent is neded. In 1961 some 5% of the plans had this dual arrangement; currently, 15% of the plans have it."

In a typical year, the study found that 10% of all retirements were early retirements.

"However, this ratio is definitely related to whether or not the early retirement benefit is liberalized. Among companies that provide a liberalized benefit, the median estimate is that 30% of total retirements are early; by contrast, 5% is the median ratio for companies that provide the standard actuarially reduced benefit."

The report concluded that the relationship between early retirement rates and benefit levels, when looked at in concert with the trend among employers to liberalize their early retirement benefits, indicated that the 1970s would see more and more people exercising the option to retire early. It was felt that it would be most noticeable among employes in the 60 to 64 age groups. ■

Your Employee Benefits Program Can Be Money Down the Drain

...unless your employees know about it

You have too large a stake in your employee benefits program ... and so do your personnel ... to endanger its value through poor communications.

It's no longer enough to provide the benefits. Employees must be told about them. And the language has to be simple—specific—and individually related to each person receiving the information.

Halltech Reports fill that need.

Clear, concise, computer-based reports ... individually drawn for each employee ... Halltech Reports tell each of them exactly where he stands on a dollar-and-cents level in your program. They help to realize the return you deserve on your employee benefits investment.

May we show you how they work?

Write for samples and descriptive literature.

HALLTECH ASSOCIATES

Employee Communications Service
200 East 42nd Street
New York, New York 10017 (212) 867-8384

info for buyers

Greatest list ever of Info for Buyer items

CHICAGO—The largest offering ever of Info for Buyers materials appears in this issue of *Business Insurance*.

Since its inception more than four years ago, Info for Buyers has become one of the most popular features of this magazine. The column has brought thousands of buyers together with sellers of services and goods related to risk management, employe benefits administration, safety and security services, financial services and investments.

Nearly 300 items, most made available for the first time, are offered in this special Info for Buyers section by insurance carriers, brokers and agents, suppliers of safety and security systems, management consultants and others who do business with those concerned with the wide range of corporate functions covered by *Business Insurance*.

BOOKLETS, pamphlets, study kits, films and other useful materials are listed under these sections: employe benefits and financial services; commercial property-liability insurance; pensions, profit-sharing plans and Social Security; foreign insurance and benefits; safety, workmen's compensation and the Occupational Safety and Health Act (OSHA); security and general educational information.

Those concerned with specific areas of interest will find the section headings helpful in finding just the Info for Buyers items they need.

Handy postage-free reader service cards are bound into this magazine to permit readers to list by number the Info for Buyers items they want. Any item offered without charge may be requested on the reader service card. The vast majority of items are free of charge.

Those items for which there is a charge must be requested from the offering organizations whose addresses are listed with the descriptions of the items.

For the convenience of those who get a pass-along copy of *Business Insurance* and might find the reader service card missing, coupons printed on pages 18, 23 and 46 may be used to order cost-free items.

Employe benefits and financial services

• Communitronics Inc., a subsidiary of Fred S. James & Co. has made available literature on their new program of employe benefits communications. A descriptive booklet and sample of a computer-prepared individual employe benefit report outline methods which enable employers to heighten employe awareness of benefits as a "second paycheck." For copies indicate number 100 on the order blank.

• **The Research Institute of America has De-Coded the Federal Tax Law** is an explanation of the use of the tax coordinator program which analyzes relevant source material on tax questions in laymen's language. Made available free from the Research Institute of America Inc., copies may be obtained by writing number 101 on the order blank.

• A paper presented to the National Foundation of Health, Welfare & Pension Plans Inc., **Medical Electronic Equipment for Multiphasic Health Testing by Paramedical Personnel,** discusses the costs of multiphasic screening for early disease detection. The Humetrics Corp. sponsored the presentation, in which cost examples center on heart disease detection via ECG analysis techniques. For copies indicate number 102 on the order blank.

• **N.E.A.T. Benefits . . . For Any Employer** outlines comprehensive group life and health coverages for employes and dependents available under the Federal Life and Casualty Co.'s National Employers' Assn. trusts program. The booklet discusses term and permanent life, dependents' life, survivor income, weekly or monthly disability income, supplemental major medical and dental coverages. For your copy indicate number 103 on the order form.

• **501(c) (9) Trusts: A Way to Reduce Employee Benefit Costs** discusses the use of an Internal Revenue Code section 501(c)(9) trust to finance employe benefits as a possible new approach to reducing the cost of employe benefit programs. Prepared by George B. Buck Consulting Actuaries, Inc., the item is available by indicating number 105 on the order form.

• The significance to management of group auto insurance as an employe benefit is explained in a new report entitled **Automobile Insurance on the Payroll Deduction Plan.** The report was prepared for insurance executives, risk managers and benefit plan administrators. Price information is available by writing Haig G. Neville, Haig G. Neville Associates, One Northland Plaza, Southfield, Mich. 48075.

• CNA Financial Corp. has released a booklet, **Intergroup Prepaid Health Services Plan,** which outlines the operations, administration and coverages of a new prepaid health maintenance program formed by insurance subsidiaries of the CNA Financial Corp. The program is initially offered in Chicago and the northern Indiana area through group practices in business, unions, and other organizations as an alternative to conventional health insurance plans. For copies indicate number 107 on the order form.

• Hewitt Associates has published a new edition of **The Future of Compensation and Benefits,** a discussion of the climate in which benefits will operate in the coming decade, including an examination of changes in the work force, economy and political picture and an appraisal of the impact of these changes upon compensation and benefit planning. For a free copy indicate number 108 on the order form.

• **Employee Benefit Communications** is a brochure produced by Towers, Perrin, Forster & Crosby describing a comprehensive survey of employe benefit communications procedures in over 200 major American companies and other organizations. For copies indicate number 109 on the order blank.

• The Humetrics Corp. has released a pamphlet, **How Industry Can Cut Costs of Employe Heart Attacks,** written by James A. Schoenberger, M.D., and reprinted from Commerce. The article deals with the high cost to industry of heart attacks and how to reduce the incidence of this major problem. For copies indicate number 110.

• **A Decision to Curtail Decisions** is a brochure released by Zurich-American Insurance Cos. outlining in detail the advantages of long term disability insurance to both employer and employe. Copies are available free by writing number 111 on the order form.

• **It's Our Business . . . And Yours** is an article from the Brentco Corp. alerting employers to the pitfalls involved in communicating their company employe benefits package to their employes. The article points out that such pitfalls end up as hidden business expenses which are not necessary costs of doing business. Copies are available free by writing number 112 on the order form.

• The Bankers Life & Casualty Co. is offering a free brochure, **Wife Insurance Plan,** explaining how life coverage for under-insured wives to provide income for paying outside help can be added to existing employe benefit plans at no extra cost. For copies indicate number 113 on the order form.

• A **Survey of Communications Practices in 19 Major U.S. Banks** has been made available by Towers, Perrin, Forster & Crosby free to *Business Insurance* readers. The survey covers, in depth, the goals, attitudes and practices of banks throughout the country in terms of internal employe communications. Indicate number 114 on the order form.

• Miller, Mason & Dickenson Inc. has prepared a pamphlet entitled the **BPQ (Benefit Plan Quotient) Analysis** which explains a method to measure and compare—on a quantitative basis—the survivor, disability, medical and retirement benefits of a company. Comparisons can readily be made with other company's plans. For a free copy write number 115 on the order form.

• **Financial Counseling,** an article by Arthur S. Hummel, president of the Aims Group Inc., discusses what the author believes are legitimate and profitable advantages to the corporation and its stockholders through the corporation's making available financial counseling services to executives. For a free copy indicate number 116 on the order blank.

• A brochure discussing heart disease detection programs for mass use in industry and communities has been prepared by Humetrics Corp. The pamphlet describes the company's Electro-CardioAnalyzer systems and their usage. For copies indicate number 117 on the order form.

• The Northwestern National Life Insurance Co. has made available **Group Survivor Income Benefits,** a brochure describing the company's new plan designed to offer young families the security of a continuing monthly income coordinated with basic group life insurance and social security. The pamphlet may be obtained by writing number 104 on the order blank.

• Three brochures—aimed at the sole proprietorship, the partnership, and the closely held corporation—describe a new approach by CNA insurance to fund a buy-sell agreement in the event of the death, disability, or retirement of the business owner. For copies write number 118 on the order form.

• **Insurance for the Uninsurables** is a manuscript prepared by the H. Malcolm Teare Agency describing health coverages available to persons who may have had cancer, diabetes, heart disease or over 100 other substandard conditions. Copies may be obtained without charge by indicating number 119 on the order blank.

• The National Foundation of Health, Welfare and Pension Plans Inc. has made available a **Textbook for Welfare, Pension Trustees and Administrators,** the proceedings of the 16th annual educational conference. The 517-page book covers pension and welfare plans, administration and legal topics. For price information write James Neitzel, Editor, at the foundation, P.O. Box 69, Brookfield, Wis. 53005.

• **Employee Benefits in Professional Corporations** is a plan design manual covering those considerations which are unique to professional corporations. Instructions are given as to how to modify insurance fringe benefit plans to meet the particular needs of professional men and women. The book covers medical/dental expense reimbursement plans, disability income, group life and qualified plans. For price information write the sales department, National Underwriter Co., 420 E. 4th St., Cincinnati, O. 45202.

• **Vanguard One** is a brochure offered by Bankers Security Life to explain the company's individual term life plan of special interest to inflation-conscious business executives. The plan was developed to provide benefits which increase automatically, according to the Consumer Price Index, during each four-year renewal period. A copy of the free brochure may be obtained by writing number 120 on the order form.

• **Organization of the Employe Benefit Function** is a foldout dealing with the results of a survey conducted by Towers, Perrin, Forster & Crosby to form the basis of a suggested organization geared to present trends and future needs in industry for professional administrative competence in the employe benefits field. The survey was conducted among 33 firms in the United States varying in industry affiliation, size, sales volume and management practices. Written by William A. Jaffe, a member of the firm, the report is a reprint from Pension and Welfare News. For a copy write number 121 on the order blank.

• **There's More to Benefit Communication than Plans and Provisions,** a reprint of an article published in the Journal of Commerce, has been made available to *Business Insurance* readers by Benefacts Inc., a subsidiary of Alexander & Alexander. The pamphlet contains hints on employe benefit communications, stressing computerized annual statements and their pitfalls and the problems of matching plans. Copies are available by indicating number 122 on the order form.

• American International Life's **Voluntary Financial Program** (VFP) kit describes the company's new mutual fund life insurance program for employer-employe groups. It contains an explanatory brochure for the employer, solicitation material for the employe, and a message to the insurance producer about the program. It is free to agents, brokers, and buyers by writing number 123 on the order blank.

• **Organ Transplant Benefit,** is a flyer describing a new coverage for organ transplants, and artificial devices to function as organs, offered as a rider to basic group hospital and major medical policies by Continental Casualty Co. The coverage is available in all states but New York. For copies write number 106 on the order form.

Continued on page 10

Employe benefits and financial services

Continued from page 9

• The Travelers Insurance Co. has released **Your Employee Savings & Investment Plan,** a brochure describing the company's new plan offering a wide variety of options for both employers and eligible employes in groups of 25 or more. Copies may be obtained by indicating number 124 on the order blank.

• Towers, Perrin, Forster & Crosby, international consultants to management, have released their report on **Executive Bonus Awards and Stock Options in the Top 100 U.S. Industrial Companies** containing information on the compensation of all publicly-held U.S. companies through analysis of proxy statements and other publicly available sources. For a copy write number 125 on the order form.

• Rentention Communication Systems, Inc. has made available a brochure describing its RCS module systems, cartridge sound and picture devices suitable for employe training and recruitment programs as well as employe benefit communications. The booklet is available by indicating number 126 on the order form.

• The Equity Funding Corporation of America offers four brochures describing its new series of business insurance packages incorporating the company's leverage concept which enables individuals to purchase insurance and mutual funds in a coordinated program. The pamphlets cover Equity's close corporation, defered compensation, key man and partnership programs. Copies may be obtained by indicating number 127 on the order blank.

TO GET FREE LITERATURE USE POSTCARD OR COUPONS

• Bankers Security Life Insurance Society has just published a booklet entitled **Life Insurance and Estate Planning for the Corporate Executive.** The pamphlet emphasizes the importance of coordinating an executive's will and various fringe benefit plans, such as stock options, deferred compensation and qualified pension and profit sharing plans, in order to achieve maximum tax savings and family objectives. For a free copy write number 128 on the order form.

• A new booklet, **How to Provide a Better Health Program for Employees at Low Cost,** has been published for those management officials concerned with employe health, health insurance plans and pension and welfare fund administration. The pamphlet is a non-technical explanation of automatic multiphasic health testing, and available free of charge from International Compumedics Corp. by indicating number 129 on the order blank.

• **Life and Health Insurance Books,** a complete bibliography of books in print on these subjects available from publishers and other sources has been offered by the Institute of Life Insurance and Institute of Health Insurance. Especially helpful is a list of publishers and their addresses that allows those interested to order books directly. For copies indicate number 130.

• Professional Corporations of America Group Insurance Trust has made available a brochure describing its group life insurance plan designed especially for the professional corporation. Copies are available free by writing number 138 on the order form.

• The incentive division of the Sperry & Hutchinson Co. has prepared a booklet, **The Unique Incentive,** explaining in detail how S&H Green Stamps can be utilized as an employe incentive in such areas as safety, job performance, response, sales and morale. Copies are available by indicating number 131.

• **Effective Communication of Employee Benefits,** a book by Richard M. Coffin and Michael S. Shaw, propounds the authors' thesis that most employes neither understand their benefits nor appreciate their value because management has never made the facts clear to them. To order copies write the American Management Assn., 135 W. 50th St., New York, N.Y. 10020. Copies are $6.

info for buyers

• Bankers Security Life Insurance Society has produced a brochure, **Major Decisions,** dealing with the question of employe sick-pay and introducing the Payroll Continuation Plan concept. The recently revised pamphlet includes current information on tax advantages and steps to making such a plan operational. It is available at no charge by writing number 132 on the order blank.

• **How Well Will They Live** is a booklet by Provident Life and Accident Insurance Co. explaining monthly benefits payable to surviving spouse and children under the Provident group insurance plan known as Group Survivor Income Insurance. The brochure also includes graphs and easy to read tables. For a copy write number 133 on the order form.

• The National Foundation of Health, Welfare and Pension Plans, Inc. has made available its **Communications Guidebook** dealing with all phases of employe benefits communications. The book, originally the official guide to the employe benefits communications exhibit at a recent Foundation conference, provides a comprehensive guide to the benefits communication field. A special feature is the extensive use of footnotes and bibliography which heightens the books's possibilities for future reference. Copies are available for 75¢ from the Foundation, 18700 W. Bluemound Rd., P.O. Box 69, Brookfield, Wis. 53005.

• A micro-history of employe benefits in the U.S. has been compiled by Hewitt Associates consulting firm. The pamphlet, in convenient chart form, summarizes important employe benefit developments during the past 200 years and includes a list of general trends in retirement, death, disability and medical care benefits. Copies are available without charge by writing number 134 on the order blank.

• Johnson & Higgins has produced a special two-page bulletin on automated multiphasic health screening entitled **Multiphasic Screening: A Step in Preventive Health Care.** The bulletin deals with examination procedure, costs and the effect of test results, and details six points an employer considering multiphasic screening should consider. Copies are available free by writing number 135 on the order form.

• **More Effective Employe Benefits Communications** is a brochure released by Halltech Associates describing how their reports are vital to the success of an employe benefits program. The brochure outlines their role in helping employes to understand and to be aware of their benefits program and its specific meaning to them. Copies are available by indicating number 136 on the order form.

• **Group Accident Insurance Plan** is a brochure by Bankers Life and Casualty explaining its complete accidental death and dismemberment plan for salaried employes and their families. For a copy of the booklet write number 137.

info for buyers

• A 173-page book covering the proceedings of the 1970 Public Employees Fringe Benefits Conference has been published by the National Foundation of Health, Welfare and Pension Plans. The book includes sections on trustee responsibility, investments, financing and methods of health care programs, contributory and non-contributory pension programs, national health insurance and communications and pre-retirement counseling. Non-members of the foundation can purchase the book for $3.75 (less in quantities), members for $2.75. For copies or more price information write James Neitzel, Editor, at the foundation, P.O. Box 69, Brookfield, Wis. 53005.

• **The Information Explosion and Communications in the 1970s'** is a summary of a presentation by Warren R. Harrop, principal, Towers, Perrin, Forster & Crosby before the American Management Assn.'s briefing session on managing benefits impacted in the economic and social environment of the 70s. The speech deals with the how's and why's of different communication problems in the future. To order indicate number 162.

• A subscription cassette tape program, **Foundation Forum,** has been instituted by the National Foundation of Health, Welfare and Pension Plans. The series is basically a news and information service in the employe benefits field, and each cassette is a one hour presentation of news items, interviews, in-depth reports, book reviews and such standard features as a digest of legal and legislative developments in Washington, a report from Wall Street and an idea roundup. For price information write David Livingston, Research Director, at the foundation, P.O. Box 69, Brookfield, Wis. 53005.

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

These blue chips may know something about productivity you don't.

These giants are all Allendale policyholders. Have been for an average of 39 years. Why? Because they know first-hand that Allendale property insurance protects their productivity and growth. With continuous, fast service by a mobile field force second to none, here and overseas. With flexible underwriting and complete coverage. With engineering know-how that forestalls production breaks.

If your present property insurance does not provide such productivity protection, you are paying too much. No matter how low the premium may be! Allendale Mutual Insurance Company, Providence, Rhode Island 02904. *Associates:* New Providence Corporation, underwriters for Affiliated F M Insurance Company and Appalachian Insurance Company.

Factory Mutual System

Allendale Insurance

Commercial property-liability insurance

• **Boiler and Machinery,** a booklet released by the Maryland Casualty Cos., is a comprehensive guide to boiler and machinery insurance. The brochure includes sections on the basics of boiler and machinery insurance, types of boiler or pressure vessel objects, basic coverage on boiler or pressure vessel objects and types of machinery objects. For your free copy write number 291 on the order blank.

• **Insurance Agent's Action Guide to Catastrophes,** produced by the General Adjustment Bureau Inc., is a handbook of procedures for insurance agents in such disasters as hurricanes, explosions, hail and windstorms. It suggests priorities, protective tips for clients and customers, gives proven advice on communications, transportation, repairs and how to expedite equitable claims handling. For a free copy indicate number 139 on the order blank.

• Illinois R. B. Jones Inc. has made available **Seedmen's Errors and Omissions,** an explanatory brochure as to the need for this coverage, citing examples of losses that would be covered as well as an explanation of the insuring agreements in layman's language. To order, indicate number 140 on the order form.

• **Advantages of a Self-Insurance Program,** a reprint from Risk Management magazine by Robert J. McRell, deals with the assumption of corporate risks in a formal program of self-insurance. The article describes how a risk manager can determine if self-insurance is feasible for the company he represents. For copies indicate number 141 on the order form.

• The Commerce and Industry Insurance Co. (a member of the American International Group) has made available **Any Company Will Tell You the Advantages of Being a Preferred Risk. We'll Help You become One.** The brochure explains in detail what a preferred risk is, the advantages of this classification, and how retail stores can become preferred risks. The brochure is the first in a series which will highlight the company's specialization in certain industry fields. For a free copy indicate number 142.

• How to update your property appraisals at a fraction of the original investment is the subject of a booklet available from Marshall and Stevens. **Annual Valuation Service** discusses the high cost of over-insuring and the dangers of under-insuring, the system developed by Marshall and Stevens to keep inventories and appraisals current and coverage and costs in balance. For a copy write number 143 on the order blank.

• The National Underwriter Co. has published the **1971 Agent's and Buyer's Guide,** an annual reference book publication containing information on unusual and hard-to-place risks. Each year, the guide is revised to make it accurate and up-to-date. Price information is available from the sales department, 420 E. 4th St., Cincinnati, O. 45202.

Continued on page 12

Commercial property-liability insurance

Continued from page 11

• The Kaiser Aluminum & Chemical Corp. has produced a comprehensive audio-visual training program to develop an awareness of product liability problems and ways to implement product liability loss prevention. Available in filmstrips or slides, the program includes cassette narration and a published guideline. For price information send inquiries to R. A. Dickson, Room 756, Kaiser Aluminum & Chemical Corp., 300 Lakeside Dr., Oakland, Cal. 94604.

• **Hospital Operating Income Insurance** is a brochure issued by the National Union Fire Insurance Co. explaining in detail the need for hospital operating income coverage which protects hospitals from loss of operating income and extra expenses incurred from the time of physical damage to the time when normal operations are resumed. For your copy indicate number 145 on the order blank.

• **What is Value?**, a 25-minute slide presentation, defines and illustrates the proper applications of the various terms of value for clear communication in business transactions. For more information write John Heath Jr., Marshall and Stevens Inc., 1645 Beverly Blvd., Los Angeles, Cal. 90026.

• **The Legal Liability of Owners and Operators of Airports,** a summary of the law presented by the United States Aircraft Insurance Group, covers such topics as aircraft accidents, fueling, hangarkeepers, police and security, indemnity, liability to surrounding property owners and special events. For copies indicate number 146 on the order form.

info for buyers

• **Airkem Emergency Smoke Odor Removal Service** is a brochure describing how Airkem's service removes residual smoke odors from buildings and contents after fires. It describes the network of service outlets who perform the service as well as the types of buildings that can be effectively deodorized. For your free copy indicate number 147 on the order form.

• Marshall and Stevens has made available **How Not to Cook Your Corporate Goose,** an issue of the company's newsletter, which offers first-hand information on insurance policies and co-insurance clauses in order to provide adequate coverage and acceptable proof of value in the event of loss. The article is written from the viewpoint of the appraiser, the insurance company and the adjuster. For a copy write number 148 on the order form.

• **Municipal Risk Management,** a book published by the National Underwriter Co., is a practical approach to the problem of conserving the assets of any governmental unit. A series of check lists, questionnaires, sample safety inspection forms, hiring guides and actual case histories are included. Price information is available from the sales department, 420 E. 4th St., Cincinnati, O. 45202.

• Valuation Counselors Inc. has made available **Services to Meet Key Property Insurance Policy Obligations,** a checklist of policy obligations for risk managers including a description of the company's services. For a free copy write number 149 on the order blank.

• **CIRCA—Commercial and Industrial Replacement Analysis** is a packet of descriptive literature from Automated Appraisal Systems outlining the CIRCA method of determining property replacement costs. Copies are available by indicating number 150 on the order form.

• **Proper Planning . . . For New Construction . . . Additions . . . Alterations** is a kit containing an 8-page general planning guide for building construction in outline form plus 18 booklets, folders and information sheets covering specific hazards and recommended fire safety precautions. Each kit is $3 and available from the field service department, Improved Risk Mutuals, 15 N. Broadway, White Plains, N.Y. 10601.

• **Architects & Engineers Errors and Omissions,** from Illinois R. B. Jones Inc., is an explanation as to why such coverage is needed and presents 21 important questions answered by architects

E&O

and engineers with a further analysis of the policy insuring agreements, conditions and exclusions. For copies indicate number 144 on the order form.

• The doctrine of comparative negligence as interpreted in the original Wisconsin statute is discussed in a 36-page book from the Defense Research Institute. **Comparative Negligence—The Wisconsin Rule and Procedure** analyzes the Wisconsin comparative negligence statute in detail and contrasts it with comparative and contributory provisions in other states. Copies are available to DRI members and subscribers for a $1 handling fee; for non-DRI member the fee is $2. Write the institute, 1100 W. Wells St., Milwaukee, Wis. 53233.

• **Bankers Executive Protective Insurance Kit Portfolio** discusses the coverage which protects bank officials against the hostage/extortion type robbery by providing restitution to the bank upon proof of loss. The kit portfolio contains an explanatory brochure, specimen policy and application. Available through the American Home Assurance Co., copies may be obtained by writing number 152 on the order blank.

• A revised edition of **Existing Proposed Auto Insurance Systems: A Comparison Chart** has been made available by the Insurance Information Institute. The chart compares the main features of laws enacted in Florida, Illinois, Delaware, Oregon and South Dakota. The traditional tort liability insurance system is summarized, as well as major proposals for reform, and no-fault laws in Massachusetts, Puerto Rico and Canada are updated. For copies write the Insurance Information Institute, 110 William St., New York, N.Y. 10038. Copies are 5¢.

Continued on page 17

You *can* insure through one of the world's largest brokers *and* benefit from an independent broker's genuine care. But only through Assurex International. Multicity, multinational service — through independents. *United* independents.

Assurex INTERNATIONAL

RISK MANAGEMENT, INSURANCE AND RELATED FINANCIAL SERVICES
THROUGH OFFICES IN PRINCIPAL CITIES EVERYWHERE

ALABAMA, Mobile; Thames & Batre
ARIZONA, Phoenix; National-Heard Insurance
ARKANSAS, Little Rock; Rector-Means and Rowland, Inc.
CALIFORNIA, Los Angeles; Kindler, Laucci & Day
San Francisco; Clifton & Company
CANADA, Manitoba, Winnipeg; Ryan Agency Limited
Ontario, Toronto; Tomenson, Saunders Limited
Quebec, Montreal; E. A. Whitehead Ltd.
Saskatchewan, Regina; Ducketts Limited
COLORADO, Denver; Loiseau, Neiswanger & Co.
CONNECTICUT, Hartford; Allen, Russell & Allen, Inc.
DISTRICT OF COLUMBIA, Washington;
Howard & Hoffman Inc.
FLORIDA, Miami; D. R. Mead & Company
GEORGIA, Atlanta; Dunlap and Company
Savannah; Palmer & Cay, Inc.
INDIANA, Indianapolis; Robert N. Bowen & Associates, Inc.
IOWA, Des Moines; LaMair-Mulock-Condon Co.
KENTUCKY, Louisville; Nahm, Turner, Vaughan and
Landrum, Inc.
LOUISIANA, New Orleans; Gillis, Hulse & Colcock, Inc.
MAINE, Portland; Morse, Payson & Noyes
MARYLAND, Baltimore; Riggs, Counselman, Michaels &
Downes, Inc.
MASSACHUSETTS, Lowell; Fred. C. Church, Inc.
MEXICO, Mexico; D. F. Kennedy & Hijo, A. P.
MICHIGAN, Detroit; General Underwriters, Inc.
MISSISSIPPI, Jackson; Fox-Everett, Inc.
MISSOURI, St. Louis; Lawton-Byrne-Bruner Insurance
Agency Co.
NEW JERSEY, Millburn; Donnelly Brothers
NEW YORK, Buffalo; Laverack & Haines, Inc.
New York; Reid & Carr, Inc.
NORTH CAROLINA, Charlotte; James J. Harris & Company
OHIO, Cincinnati; A. W. Shell & Company
Cleveland; The W. F. Ryan Corporation
Columbus; The McElroy-Minister Company
OKLAHOMA, Oklahoma City; Ancel Earp, McEldowney &
Associates, Inc.
OREGON, Portland; Jewett, Barton, Leavy & Kern
SOUTH CAROLINA, Columbia; Boyle-Vaughan Agency
Greenville; The Furman Co.
TENNESSEE, Memphis; E. H. Crump & Company
TEXAS, Houston; Langham, Langston & Dyer
UTAH, Salt Lake City; Ed. D. Smith & Sons
VIRGIN A, Richmond; DeJarnette & Paul, Inc.
WASHINGTON, Seattle; LaBow, Haynes Company, Inc.
WEST VIRGINIA, Charleston;
McDonough-Caperton-Shepherd-Goldsmith
WISCONSIN, Milwaukee; Carney-Rutter Agency, Inc.

. . . . . .

ARGENTINA, AUSTRALIA, BELGIUM, ECUADOR,
ENGLAND, FRANCE, GERMANY, IRELAND, ITALY, JAPAN,
NETHERLANDS, NEW ZEALAND, PERU, VENEZUELA

Commercial property-liability insurance

Continued from page 12

• A pamphlet describing their board of education indemnity program has been produced by Stewart, Smith. The program has been devised expressly for the protection of school board members and school district employes. Copies of the brochure may be obtained by writing number 156 on the order form.

• **The Risk Management Manual** is bi-monthly supplemented and covers exposure identification, risk analysis and evaluation, risk control (avoidance, elimination and reduction), retention, non-insurance transfer of risk, insurance, valuations, marketing, disaster planning, loss handling and communications. Inquiries on price information should be sent to Jeanne Chesley, Promotions Manager, Insurors Press Inc., P. O. Box 1430, Santa Monica, Cal. 90406.

• **The Hold Harmless Agreement,** a 120-page book on their identification and evaluation, discusses the role of the risk manager, recommended courses of action, evaluation of agreements, and legislative action in the direction of controlling hold harmless agreements through standardization of risk transfer within contracts. Price information is available from the sales department, National Underwriter Co., 420 E. 4th St., Cincinnati, O. 45202.

• The United States Aircraft Insurance Group has made available the **Legal Liability of Manufacturers of Aircraft and Aircraft Components.** The pamphlet discusses the increasing scope of liability, sources of liability, aircraft design, fabrication and testing, components, aircraft repair, and safety features. Copies may be obtained by indicating number 154 on the order form.

• **Commercial Property Product Lines** is a concise guide to the various commercial property product lines in which American Home Assurance Co. specializes. The booklet lists over 20 products the company is actively writing, with an explanation on each cover. For a free copy, write number 155 on the order blank.

• A revised third edition of **Insurance for Contractors** is available from Fred S. James & Co., 1 N. La Salle St., Chicago, Ill. 60602 at $3 per copy. The 109-page booklet is of wide interest to general, prime and sub-contractors, owners, architects, engineers and those charged with properly insuring contract specification. A wide variety of topics is discussed, including hold-harmless clauses, directors'/officers' liability, protective liability and employe benefit liability. Quantity prices are available from the company upon request.

• The Small Business Administration has made available an **Insurance Checklist for Small Businesses,** by Mark R. Greene, distinguished professor of insurance, University of Georgia, which aids the small businessman in evaluating the important needs and coverages of his insurance program. Copies are available free by writing number 157 on the order form.

info for buyers

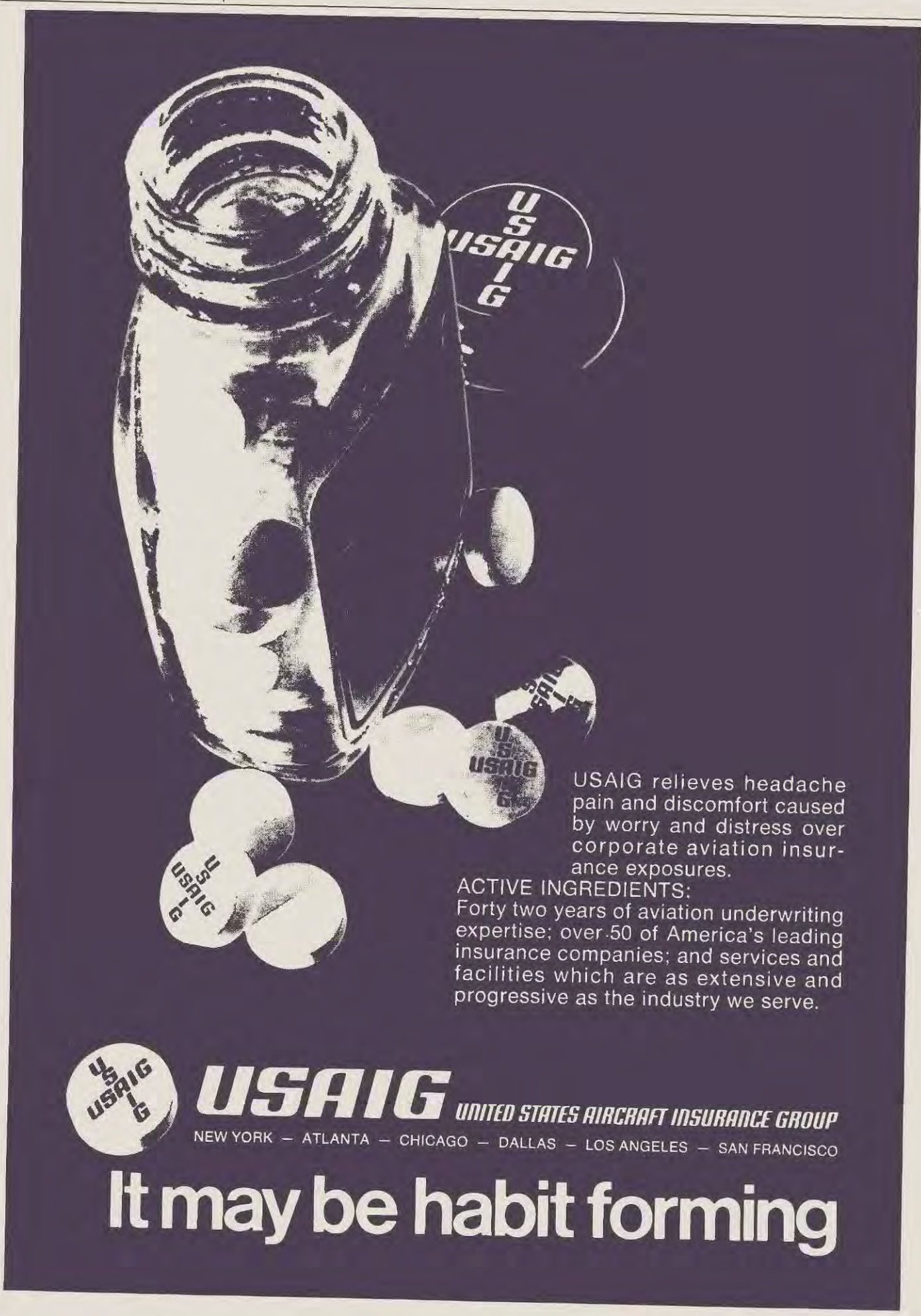
• A 35-page monograph on the problem of professional liability for insurance agents and brokers has been published by the Defense Research Institute of Milwaukee. Written by attorney Joseph R. O'Connor, associate counsel for the State Farm Insurance Co., the publication analyzes the nature of liability and the responsibilities of practitioners in the field and examines the defenses and the insurance protection available to an agent or broker. Copies of **Liability of Insurance Agents and Brokers** may be obtained by non-members of DRI for a handling fee of $2.00 each, prepaid, from the institute, 1100 W. Wells St., Milwaukeee, Wis. 53233.

Continued on page 18

EST. 1899

DAVIS, DORLAND & CO.
INSURANCE BROKERS

99 CHURCH ST., N.Y., N.Y. 10007 TEL: (212) 964-2500



TO OBTAIN INFO FOR BUYERS DATA—USE THIS COUPON

business insurance

P. O. Box 21204, El Paso, Texas 79998

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, 1972

Commercial property-liability insurance

Continued from page 17

• The Insurors Press has recently published **No-Fault Insurance,** a 300-page hard-covered book that provides a comprehensive analysis of the principles of no-fault auto insurance. Written by Dr. Willis Park Rokes of the University of Nebraska at Omaha, the book gives the history of auto reform plans based on no-fault and also presents the major arguments pro and con regarding the adoption of a no-fault program and abandonment of tort liability. An extensive comparison chart of currently prominent no-fault plans is also included. Copies are $12.50 each and are available from the Insurors Press, Inc., 1631 18th St., Santa Monica, Cal. 90404.

• **Guide to Property Conservation,** a booklet produced by the engineering staff of the combined property department of Kemper Insurance is available free to *Business Insurance* readers. The pamphlet is applicable to almost any plant situation and covers such topics as plant security, cutting and welding regulations, problems of expansion, what happens when a loss occurs and what to do in case of disaster. Copies are available by writing number 158 on the order form.

• **The Legal Liability of Owners and Operators of General Aviation Aircraft** is a summary of the law from United States Aircraft Insurance Group. The booklet

covers increasing activity and hazards, extent of liability, degree of care, collisions, proximate cause, statuatory provisions and vicarious liability. To order, indicate number 151.

• The risk management department of Ebasco Services Inc. has made available copies of **Self-Insurance vs. Insurance for Large Cities** by Warren Brockmeier. The booklet is a reprint of a paper presented by Mr. Brockmeier at the 1971 annual Municipal Finance Officers Assn. conference in New York, and deals primarily with the way a self-insurance program can be utilized by a municipality and the factors that must be considered in developing such a program. Copies are available by writing number 159 on the order form.

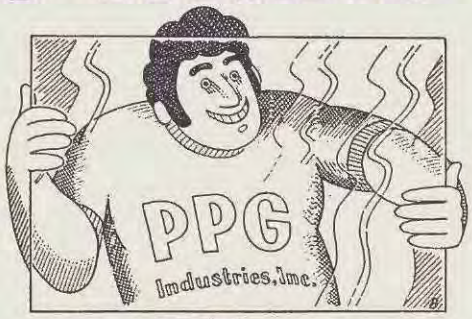
info for buyers

• **Making Our Cities Insurable Again,** a brochure describing the Consolidated Insurance Companies new Consolidated Claims Limited, outlines CCL's claims handling services, loss prevention programs, pre-underwriting investigations, company oriented audits and personnel training, all available to property-liability carriers and self-insureds in metropolitan areas. For copies write number 160 on the order form.

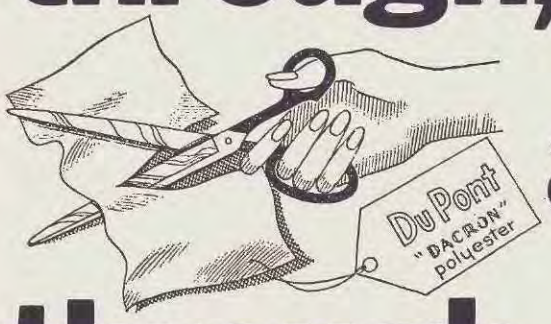
• Audio-cassettes, complete journals of the *Business Insurance*-Computerworld computer protection/insurance workshop, are available to *Business Insurance* readers. Edutronics Systems International Inc., 3345 Wilshire Blvd., Los Angeles, Cal. 90010 offers four audio-cassettes containing the entire workshop proceedings for $50. Included on the tapes are speeches and panel discussions of computer fire protection, computer security, computer employe safety and morale, property and liability insurance and risk management for computer facilities.

Continued on page 22

Equitable helps people who make things you



see through, cut through



and look through.

Here are three uncommon companies with one thing in common: Equitable Group Insurance.

Why Equitable?

Ever since we originated group insurance back in 1911, we've kept ahead of the changing times. Offering employers a broad range of coverages, a wide choice of claim settlement procedures and a complete package of services: actuarial, administration, plan design and investment services for pension and profit sharing plans.

Maybe that's why PPG Industries, Inc., Du Pont, Montgomery Ward and more than 135 other companies have provided their employees Equitable protection for 50 years or more.

Maybe that's why today we have more than 22,000 group policies in force.

And maybe that's why, 50 years from now, more and more people will have something in common: Group Insurance from Equitable.

Helping people build a better life

THE EQUITABLE

© The Equitable Life Assurance Society of the United States, New York, N.Y. 1971

We may yet wind up eating our words.

For years we've insisted that no single insurance company could be both the biggest in Group LTD and the best from the standpoint of serving their clients. But while we've been concentrating on being the best, some interesting things have been happening.

1 Some of the really big boys who write group LTD have been taking a second look lately and "consolidating their positions."

2 Our growth has been more than steady. It has been spectacular! We now have close to twice as many cases on the books as our closest competitor, which doesn't make them very close, does it?

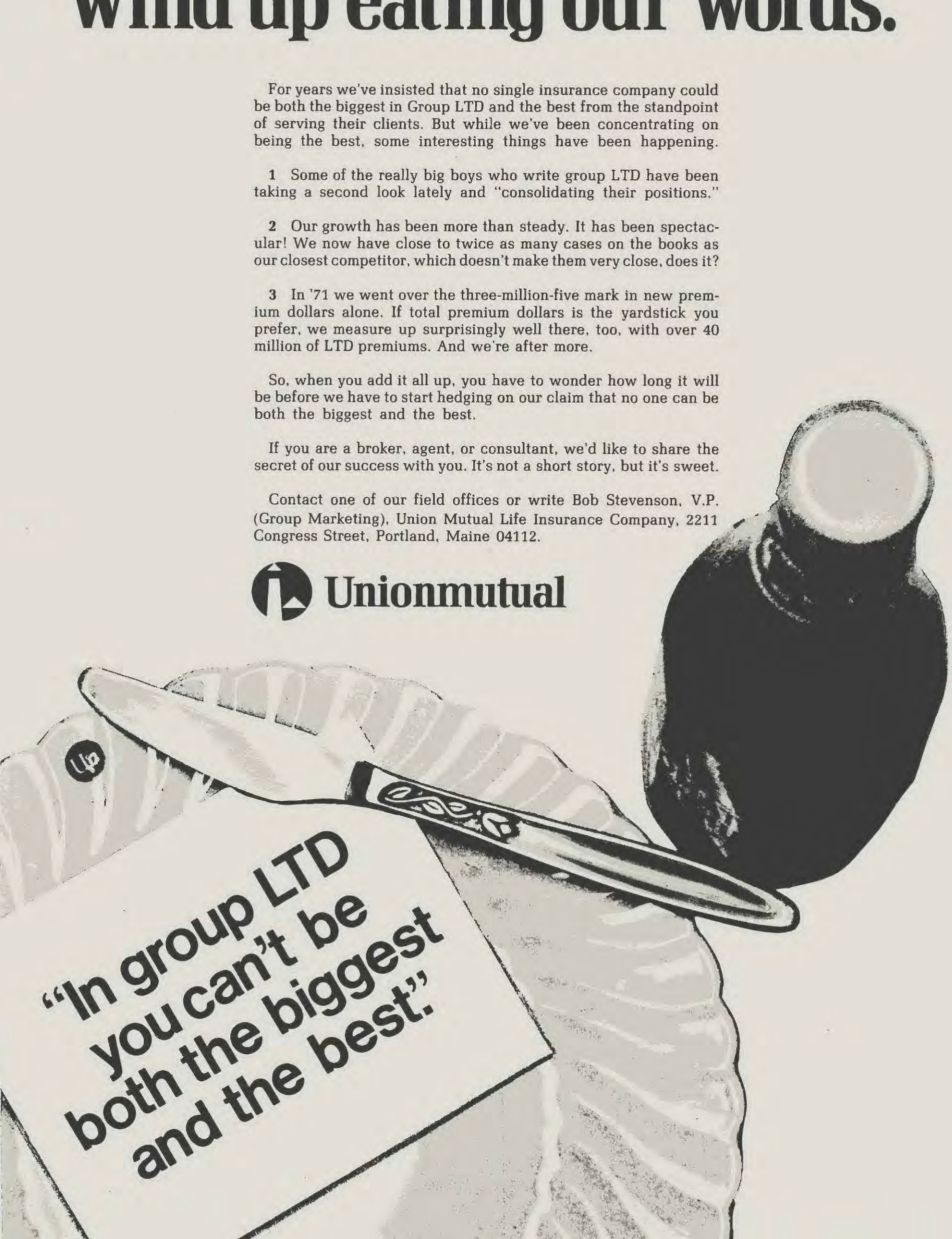
3 In '71 we went over the three-million-five mark in new premium dollars alone. If total premium dollars is the yardstick you prefer, we measure up surprisingly well there, too, with over 40 million of LTD premiums. And we're after more.

So, when you add it all up, you have to wonder how long it will be before we have to start hedging on our claim that no one can be both the biggest and the best.

If you are a broker, agent, or consultant, we'd like to share the secret of our success with you. It's not a short story, but it's sweet.

Contact one of our field offices or write Bob Stevenson, V.P. (Group Marketing), Union Mutual Life Insurance Company, 2211 Congress Street, Portland, Maine 04112.

Unionmutual



opinions

The ghost of Joe Gerber

THE CHICAGO DAILY NEWS, whose staff won a Pulitzer Prize for exposing the infamous Hodge scandal in Illinois in the 1950s, has performed another public service by detailing the questionable legal dealings of former Illinois Insurance Director Joseph S. Gerber. Articles in the Daily News allege that Mr. Gerber, now a member of the insurance faculty at the University of Arizona, shared in legal fees paid by insurance companies while he served as head of the Illinois insurance department.

The newspaper says that Mr. Gerber got "consultant" fees of $40,000 from the law firm of Berman & Woodruff, set up at his suggestion by two of his former deputies when Mr. Gerber expected to be dropped by incoming Democratic Gov. Otto Kerner. Instead of being dropped by Gov. Kerner, Mr. Gerber, appointed by Republican Gov. William G. Stratton in 1957, was retained until February, 1963. He was then in line to become president of the National Assn. of Insurance Commissioners and the talk around Illinois was that Gov. Kerner retained Mr. Gerber at the insistence of large Illinois-domiciled insurance companies to bring "honor" to the state by having Mr. Gerber head NAIC.

Mr. Gerber's explanation of the law firm link to the Daily News was this: "When Otto Kerner was elected governor in November, 1960, I expected to be replaced along with all of Stratton's other cabinet officers. So Larry (Berman), Vaughn (Woodruff) and I decided to go into private practice together. We went out and rented law offices, and I even helped them hunt business. But then Kerner surprised everyone—including me—by offering to reappoint me, so I agreed to stay on." Mr. Gerber also said that he considered the "consulting" fees to be ethical because they did not involve matters actually pending before the insurance department.

We are not much interested in what Mr. Gerber has to say about what's ethical and what isn't. The fact is that the law firm his deputies set up represented a large number of insurance companies that were either licensed by the department headed by Mr. Gerber or under investigation by the department. The Daily News alleges that 14 of 18 firms "in hot water" and represented by Berman & Woodruff later went insolvent. We think that count is incomplete because it does not include companies licensed under the Gerber administration that later went bankrupt.

Illinois has a shameful record of 34 insurance company bankruptcies in the past decade, a figure that nearly matches the decade's total insurance insolvencies in all other states and the District of Columbia combined. We said in an editorial long ago that many of these bankruptcies could be "laid at the administrative doorstep" of Joseph S. Gerber. That was a charitable way of saying what was long talked of in legal and insurance circles throughout the country. Marginal insurance operators knew that there was "someone to see" in Illinois while Mr. Gerber was director of insurance.

The tragedy of the Gerber insurance department administration is far from over. Thousands of families and businesses have suffered and continue to suffer severe financial losses because of the myriad insolvencies of Illinois-licensed insurers. Losses are not confined, as some mistakenly believe, to the unused premiums lost by policyholders when insurance companies fall into bankruptcy. Far greater losses are suffered by those in Illinois and elsewhere who have unsatisfied judgments against companies that go under.

In the wake of the disclosures in the Daily News there was a fresh outcry for the adoption of strict ethics legislation in Illinois, a state beset by scandals ranging from politicians buying cut-rate race track stock to the finding of $800,000 in a shoe box owned by a state official who died an untimely death. We think ethics legislation is needed in Illinois and in every other state that does not yet make public officials accountable for income arising from conflict of interest situations.

In the case of Mr. Gerber, however, something more than ex post facto ethics legislation is called for. People and businesses continue to suffer financial losses because of irregularities in licensing and insurance regulation during Mr. Gerber's administration of the Illinois insurance department. It is not too late to take action on the insurance mess in Illinois. We strongly urge:

- That the Cook County and Sangamon County state's attorney's offices conduct a complete investigation of the disclosures in the Chicago Daily News to determine if the facts presented by the newspaper and the admissions by Mr. Gerber and his law firm associates constitute grounds for grand jury action against the former state officials and marginal insurance operators involved in the legal fees.
- That Illinois Gov. Richard B. Ogilvie promptly appoint a special deputy director of insurance whose assignment would be to conduct a thorough investigation of the financial condition of every insurance company chartered in Illinois during the administration of former Insurance Director Gerber. Incumbent Insurance Director James R. Baylor has been unwilling or incapable of taking decisive action on failing companies despite his oft-repeated pledge to regulate for "solidity." The public can no longer afford to see the Illinois insurance department sit idly by while insurance companies slide one by one into bankruptcy. In Illinois high-risk auto companies engineered to self-destruct are called "six-year companies." Unhappily, there may be some Gerber-licensed companies on 10-year or 12-year self-destruct cycles.

BUSINESS FAILURE TREND

Year	Failures	Dollar Liability
1966	13,061	$ 1.38 billion
1967	12,364	1.26 billion
1968	9,636	.94 billion
1969	9,154	1.14 billion
1970	10,748	1.88 billion

Business failures in 1970 increased 17% over the previous year and the dollar liabilities rose 65%. Credit insurance is designed to protect a businessman when title to merchandise has been transferred to a customer who has not yet paid for it and payment is made by the insurer if the account proves uncollectible because of business failure. Credit insurance premium volume of stock companies was $1.90 million in 1961 and had reached $25.7 million by 1970, with a jump of $5 million alone over 1969.
Sources: Dun & Bradstreet Inc., Best's Aggregate and Averages.

Meager benefits

IN THE WAKE of the tragic water tunnel explosion that killed 22 workers in Port Huron, Mich., *Business Insurance* reported that survivor families would receive weekly payments of between $75 a week and $102 a week for approximately ten years. In addition, survivors got a lump-sum burial payment of $750 and $3,000 under a union accidental death insurance program.

To these payments the Social Security Administration will add monthly cash payments ranging from $105.60 to $480, depending upon the income of the dead wage earner. Social Security officials say an "average" monthly payment to survivor families is $324.

Therefore, the families of workers killed in the Michigan explosion can expect to receive tax-free monthly payments of about $680 a month to replace gross income of $920 a month or more earned by the typical laborer on the tunnel project. However, the combined workmen's compensation and Social Security benefits will be sharply reduced when the 500-week workmen's compensation benefit period lapses.

Payments under Michigan workmen's compensation law typify schedules in force in most states. Contrast the Michigan payments with the $370.83 maxiumum weekly payment provided for survivor families of employes of the federal government.

The plight of the families who survive the Michigan workmen should be studied by the National Commission on State Workmen's Compensation Laws as it examines the adequacy of benefit levels in all states. When workmen's compensation was initiated 60 years ago it was intended to be an exclusive remedy for work-related injuries and fatalities. Since then the system has had the help of Social Security and even the combined benefits provide only a meager standard of living for survivor families.

business insurance

for buyers of employe, property and liability protection, pension investments, financial services

G. D. CRAIN, JR., *Chairman* — S. R. BERNSTEIN, *President*
ALFRED MALECKI, *Publisher* — RANCE CRAIN, *Editorial Director*

RICHARD C. BJORKLUND, *Editor* — STEPHEN D. GILKENSON, *Eastern Editor*
Associates: Chicago—TERESA NORTON, LESLIE MURRAY. *New York*—PATRICK A. THOMAS, LYNN M. LATHAM. *Washington*—JOHN REVETT. *Editorial Assistant: Chicago*—ANDREA SUCHERMAN. *Art Director:* JOE FARACI.
Correspondents: San Francisco: KENNETH R. MACDONALD (415-474-5532). *Minneapolis:* ROBIN SUHRBIER (612-786-5483). *Hartford:* ALLEN WIDEM (203-232-3101). *And in all principal cities.*
Contributing Editors: ROBERT ABRAHAMSON, insurance manager, Control Data Corp., Minneapolis. J. E. BENOIT, J. E. Benoit & Assoc., St. Leonard, Quebec. DONALD BERRY, vice president, C. B. Lilly Inc., East Orange, N. J. WARREN G. BROCKMEIER, director-western region, risk management dept., Ebasco Services Inc., Chicago. HAROLD A. CLARK, senior consultant, Peat, Marwick, Mitchell & Co., Newark, N. J. BION H. FRANCIS, insurance consultant, Milford, Conn. JOHN W. GILES, attorney at law, Washington, D. C. JOSEPH GULLO, vice president of insurance, D. H. Overmyer Co., New York. NORMAN HOFFMAN, corporate insurance director, National Industries Inc., Louisville, Ky. PAUL C. JOHNSON, insurance division, U. S. Maritime Administration Washington, D. C. ROBERT J. KAMIN, partner, Gofen & Glossberg Investment Counselors, Chicago. CHARLES LEVINSON, director of insurance, United Brands Co., New York. NED MILLER, vice president, Compensation Planning Corp., New York. J. P. OLSEN, assistant counsel, Ingersoll-Rand Co., Woodcliff Lake, N. J. HOWARD L. PECK, partner, Hewitt Assoc., Deerfield, Ill. WILLIAM H. RODDA, president, Marine Insurance Handbook Inc., Chicago.

Advertising

District managers: New York—CHARLES A. HORVATH, THOMAS J. O'MARA
Chicago—ROBERT L. NIESSE
Los Angeles—DENNIS KOCH
Production manager: Chicago—JOHN JAMKA
Manager, marketing services: New York—DAVID E. COHEN
Assistants to publisher: New York—RONNIE DRACHMAN
Chicago—GIGI SIEGEL

Published by Crain Communications Inc., Chicago, publisher of Advertising Age, Industrial Marketing, Advertising & Sales Promotion.
M. A. HARTENFELD, *executive vice-president:* RANCE CRAIN, KEITH CRAIN, J. J. GRAHAM, J. V. O'GARA, S. E. COHEN. D. J. CLEARY, JR., LOUIS F. DEMARCO, ALFRED MALECKI, WILLIAM STRONG, *vice-presidents.* G. R. CRAIN, secretary and treasurer. RICHARD M. DAUGHERTY, *controller.*
Cable address: *CRAINCOM*

Published at 740 Rush St., Chicago 60611 (337-5200). Offices at 630 Third Ave., New York 10017 (YU 6-5050); National Press Bldg., Washington, D.C. 20004 (RE 7-7659); 965 E. Jefferson Ave., Detroit 48207 (963-9520); 6404 Wilshire Blvd., Los Angeles 90048 (OL 1-3710). 45 cents a copy, $10 a year in U.S., Canada and Pan America. Elsewhere $4 a year extra. WILLIAM STRONG, circulation director. ROGER DIGREGORIO, subscription manager. Four weeks' notice required for change of address. Address all subscription correspondence to subscription manager, Business Insurance, 740 Rush Street, Chicago, Ill. 60611.

BPA Member of Business Publications Audit of Circulation ABP

letters

(This column is a readers' forum. Letters are welcome. Address: Letters to the Editor, Business Insurance, *740 Rush St., Chicago, Ill. 60611.)*

No position

To the Editor: I have just read the editorial in your issue of Nov. 22 concerning the Insurance Consultants' Society, in which you refer to "a liaison committee between the consultants' society and the American Society of Insurance Management to monitor the introduction of the standards program and to head off misunderstandings that could easily arise between those who rate risk management programs and those whose programs are to be rated."

As I said in a recent letter to you, the American Society of Insurance Management has not taken a position on the matter of the announced plan of the Insurance Consultants' Society, and will not do so before study and consultation. This study and consultation has not yet been completed.

Douglas Barlow
President, American Society of Insurance Management, New York.

Editor's note: Mr. Barlow is correct in the technical sense that no official liaison committee has been appointed by Mr. Barlow of ASIM and Leonard Silver, president of the Insurance Consultants' Society. However, informal liaison discussion has been held between David Legner of Crain-Legner & Co., Cleveland insurance consultants, and E. W. Altstaetter, risk manager of North American Rockwell Corp. and vp-education of the American Society of Insurance Management. Mr. Legner said that the liaison group was formed "from the bottom rather than the top" of the two organizations because both he and Mr. Altstaetter believe that it is better to work out informally any misunderstandings that might arise about the ICS standards program and the certification of those who are to administer the standards. Mr. Legner said that early publicity given to the ICS standards program has given some people the erroneous impression that the system of analyzing risk management programs is already in use. In fact, he said, it may be many months before anyone qualifies to administer the risk management analysis program.

LTD article

To the Editor: We would like to circulate to the 235 clubs that comprise the American Automobile Association the article "Long Term Disability—Evaluation of a Benefit" that appeared in the Dec. 6 issue of *Business Insurance.*

George Phillips
Manager, Club Programs, AAA Life Insurance Co., Washington, D. C.

Editor's note: Permission granted.

New book

To the Editor: I would very much appreciate any information you could give me as to whether or not there are any books available on risk management.

John B. Veach Jr.
President, Bemis Harwood Lumber Co., Asheville, N. C.

Editor's note: A recently published volume is the Risk Management Manual by Matthew Lenz Jr. brought out by Insurors Press Inc., P.O. Box 1430, Santa Monica, Cal. 90406.

WE'RE GOING TO TELL YOU HOW TO SOLVE A PROBLEM YOU DON'T EVEN KNOW YOU'VE GOT YET. BUT, BELIEVE US, YOU'VE GOT IT.

You may well be in for a shock next time you try to renew your commercial liability insurance.

Because the friendly, cooperative, warm-hearted insurance companies you dealt with last year may very well give you the cold shoulder this year.

It's very possible your primary company will tell you they're sorry but they have to lower their limits. That they have all their capacity can handle—and then some.

And it's also very possible your umbrella company will tell you they're sorry but they have to raise their primary limits. That they just can't take the kind of chances they took last year. And that they no longer want to write coverage on exposures like products, completed operations and XCU.

And there you are, right in the middle, not knowing which way to turn.

Welcome to the 1972 Insurance Gap. It's becoming more and more widespread, and you should be prepared for it.

The reasons are complex.

As complex as the rapid increase in technology —something most insurance companies don't know how to deal with. Or the trend to consumerism, that's resulted in more lawsuits and bigger judgments —something most insurance companies don't want to deal with.

On the other hand, the reasons for the gap are simple. As simple as adverse losses.

But whatever the reasons, the problem is how to cover this gap.

To do it, you may have to do business with a kind of insurance company you've never had to do business with before. A kind of insurance company you know very little about.

A company like ours—the Lexington Insurance Company.

As an excess and surplus lines company, we used to exist to fill tiny crevices in the insurance market. Now we're filling huge gaps. We used to exist to sell insurance to the smaller, more exotic companies. Now we're selling insurance to some pretty traditional companies, too.

We're stepping in to fill the gaps your other insurance companies are creating. Gaps in limits and gaps in coverage.

We do it by writing excess layers. Upper excess layers, lower excess layers, or better yet, whole excess layers.

True to our name, we're a revolutionary company, set up to do business like it's never been done before.

Every day we look at risks other companies have turned down and see them as writable. Because we look at an individual risk as just that—an individual risk.

We don't have fixed rates, we use judgment rates. We don't use standardized forms, we hand-tailor forms to an individual company's needs.

And if, at this point, you're thinking that all this holds true for any excess and surplus lines company, call any other one. And then call us. You may be surprised at just how much further we're willing to go.

Our attitude is one of greater and more flexible risk-taking, and an attitude like that has to be backed up with stability and resources. We have a brochure that details our resources and shows you exactly how stable we are. You can get a copy by writing to: Lexington Insurance Co., Dept. A-14, 25 New Chardon St., Boston, Mass. 02114. We deal only through agents and brokers.

Get to know us now before you really need us, so that if your insurance company drops the bomb, it won't wipe you out.

LEXINGTON INSURANCE COMPANY

A member company of American International Group

Commercial property-liability insurance

Continued from page 18

• **Carrying a Carrier?**, a brochure offered by Self-Insurers Service Company Inc., discusses various aspects of self-insurance and the services offered by SISCO. Fully illustrated, the booklet is available by indicating number 161 on the order form.

• **Flood Adjusters Handbook** is now available from the Mutual Loss Research Bureau, 20 N. Wacker Dr., Chicago, Ill. 60606. Designed for use by insurance adjusters handling flood or water damage losses, the 90-page manual covers basic facts about flood losses, safety tips for adjusters, emergency procedures, worksheets and forms. Single copies are $2.50.

• The June **ANNALS** of the Society of Chartered Property and Casualty Underwriters, Box 519, Media, Pa. 19063, is a review, analysis and critique of the U.S. Department of Transportation's study. The ANNALS has condensed the 3,400 page study to 84 pages. The issue will be free to alkl new subscribers. Direct orders to the society.

info for buyers

• **Insurance Certification and the Accountant,** an article by S. B. Ackerman, discusses the relationship of the accountant and the risk manager and discusses the types of information an accountant requires in terms of insurance. Copies are available by writing number 153 on the order blank.

Pensions, profit sharing and Social Security

• Insurance consultant Donald G. Shapiro has made available **The Variable Annuity,** a booklet describing how the variable annuity works during pay-in and payout periods and its risk and rewards. Sample plans are included, along with dollar cost averaging and an explanation of federal taxation. For your copy write number 167 on the order blank.

• Certified Portfolios Inc. has made available a new booklet entitled **How to Establish a Flexible Keogh Retirement Plan** that outlines the Keogh plan and its benefits. Copies are available by indicating number 163 on the order blank.

• George B. Buck Consulting Actuaries Inc. has put out a booklet, **Proposed IRS Regulations Affect Lump-Sum Distributions,** that discusses the proposed Treasury department regulations concerning the allocation of lump-sum distributions under qualified pension and profit-sharing plans between the part taxable as long-term capital gains and the part taxable as ordinary income. For copies write number 164 on the order blank.

• **What Every Businessman Should Know about Pension and Profit-Sharing Plans** has been released by the Provident Mutual Life Insurance Co. The booklet discusses the factors which induce an employer to install a pension or profit-sharing plan, the factors which help the employer decide between a pension or profit-sharing plan and the various methods of funding the selected plan. For a copy write number 165 on the order form.

• **Employee Savings Plans,** a book written by Bion H. Francis, contributing editor to *Business Insurance,* and published by Advertising Publications Inc., is a thorough discussion of all aspects of pension and retirement planning today. The book also features three model employe savings plans. Copies are $12.95 and available by writing directly to CrainCom Bookshelf, Crain Communications, 740 Rush St., Chicago, Ill. 60611.

• **What's That Man Doing with My Money?** is a booklet designed for distribution to profit-sharing and money purhase pension plan participants. Produced by Deferred Compensation Administrators Inc., the booklet affords an easy to understand explanation of why securities, both equity and fixed, fluctuate in market value. Sample copies are available by indicating number 166 on the order form.

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

• First Investment Annuity Co. of America has released **Now That You're Retiring . . .** booklet discussing the possibilities for those receiving a retirement plan distribution. The pamphlet compares the lump-sum, monthly payment and combination options with the investment annuity. For a sample copy write number 168 on the order blank.

• The Huggins & Co. Inc. has released their November, 1971, bulletin containing a summary and discussion of Revenue Ruling 71-446 stating the new tax qualification rules for integration of retirement plans with Social Security. In addition to describing the ruling in some detail, it also focuses on areas where existing plans may require change. For a copy indicate number 169 on the order form.

• **The Management Approach to Funds Evaluation** describes A. G. Becker & Co.'s funds evaluation service that measures, compares and evaluates the past and current performance of retirement and other non-taxable funds. For copies write number 170 on the order blank.

• A booklet offered by William A. Dreher & Associates Inc. covers legislative proposals and private pension plans, the cost of vesting, funding and reinsurance and investment performance audits to regulate investment earnings. **Private Pension Funds—Hazards and Options for the '70s** is available by indicating number 171 on the order form.

• CNA Insurance has made available literature on its new series of IRS qualified and preapproved retirement plans. Pamphlets are available on four different plans, each plan available both as a master plan with the Illinois State Bank as trustee and as a prototype in which the employer designates his trustee. The plans are the defined benefit, the defined contribution, the assumed benefit pension plans and the profit-sharing plan. Copies are available from Steve Hirsch, Continental Assurance Co., 310 S. Michigan Ave., Chicago, Ill. 60604. Please specify the plan in your request and whether master plan or prototype.

• Deferred Compensation Administrators, Inc. has made available **PLANTAX—Personalized Computer Calculations Comparing Tax Consequences of Profit Sharing Distributions.** The brochure is a computer prepared analysis of federal income taxes attributable to distributions from qualified pension, profit sharing and thrift plans. It makes possible a comparison of the tax consequences between various alternatives of receiving the distribution and between various dates of distribution. For a sample copy indicate number 172 on the order form.

• **Multi-Employer Pension Plans,** a basic informational guide for employers, union officials, consultants and administrators concerned with jointly administered labor-management pension plans, has been published by the Institute of Life Insurance. The handbook covers major factors in setting up such plans and calls attention to the facilities of life insurance companies in underwriting them. Single copies are available free by indicating number 173 on the order blank. Quantity price information may be obtained by writing Joseph M. McCarthy, assistant vp, Institute of Life Insurance, 1701 K St., N.W., Washington, D. C. 20006.

TO GET FREE LITERATURE USE POSTCARD OR COUPONS

• **New Integration Rules Issued by IRS,** an article issued by George B. Buck Consulting Actuaries, Inc., discusses and summarizes the new rules covering the integration of pension and profit-sharing plans with Social Security benefits as set forth in Revenue Ruling 71-446. For your copy write number 174 on the order blank.

• **Tax and Fringe Benefit Planning for Professional Corporations** is a complete tax and fringe benefit planning guide for professional corporations fully cited to all authority and containing an extensive bibliography. The book contains the new Social Security integration rules for qualified plans, with illustrations. Also included is a tax analysis work sheet. Price information is available from the sales department, National Underwriter Co., 420 E. 4th St., Cincinnati, 45202.

• Certified Portfolios Inc. has released a new booklet, **How to Establish a Flexible Corporate Pension or Profit Sharing Plan** based on CPI's variable Master Plans. A worksheet is also provided for the reader. For your copy write number 176 on the order form.

Continued on page 24

TO OBTAIN INFO FOR BUYERS DATA—USE THIS COUPON

business insurance

P. O. Box 21204, El Paso, Texas 79998

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

Name _____

Title _____

Company _____

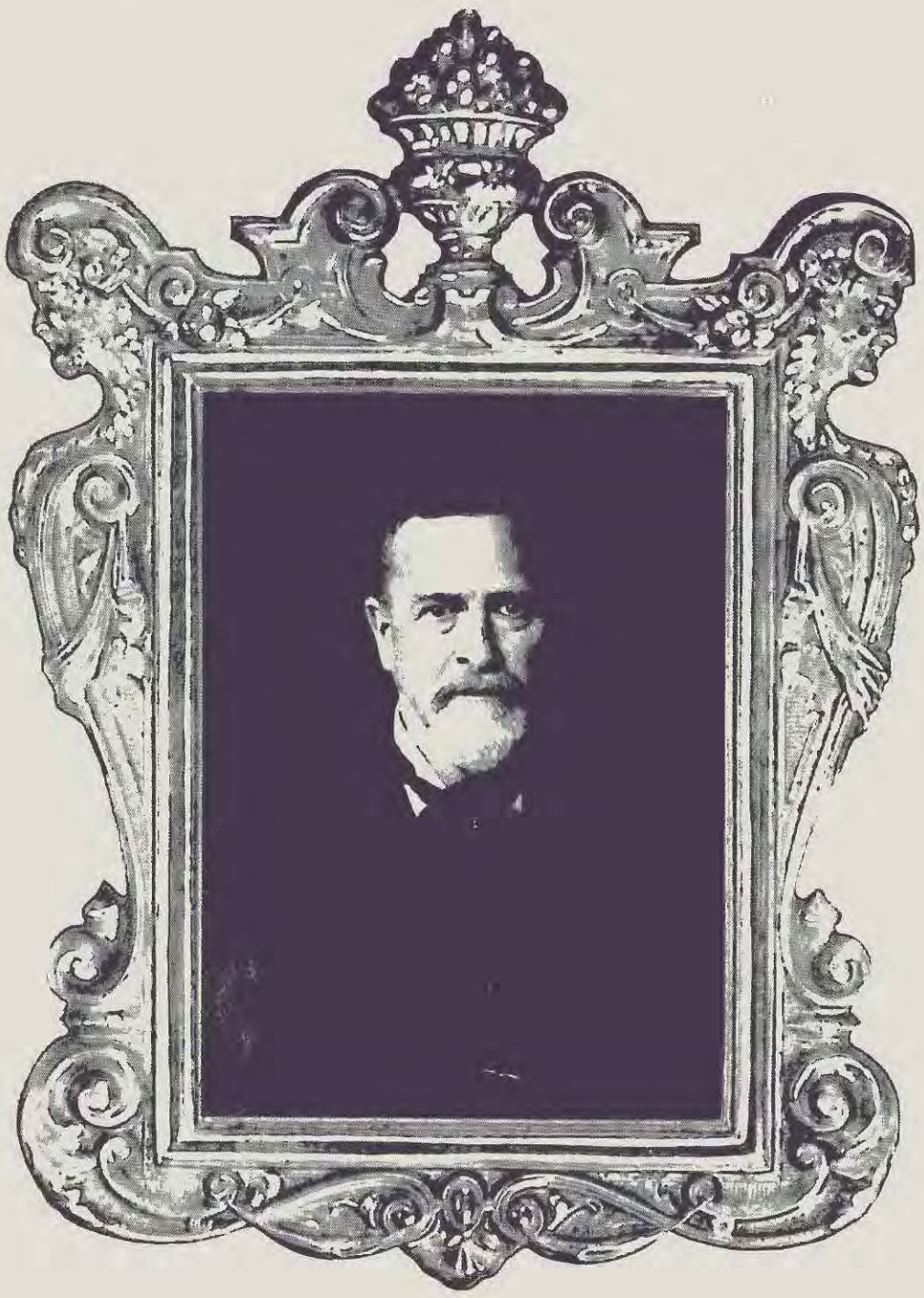
Address _____

City/State/Zip _____

Nature of Company's Business _____

Essential you supply complete information.

NOTE: THIS COUPON WILL NOT BE SERVICED AFTER FEBRUARY 29, 1972



Beyond his fondest dreams

No record exists of what Alfred James hoped to achieve when he founded his insurance business some 113 years ago.

Did he want it to ultimately represent the best in quality and service to insurance buyers? Did he want this excellence manifest in the form of confidence and faith? Did he imagine that it might some day be one of the largest as well as the finest brokerage and risk management firms in the world? Perhaps these are the ambitions of almost all who venture into this realm of insurance.

Alfred James is pictured above. His younger brother Frederick S. joined him in 1864.

We who are his business heirs would wish him to know that his visions are no longer fantasy, but fact.

Insurance Brokers and Consultants Since 1858

James

Fred. S. James & Co., Inc.

Pensions, profit-sharing and Social Security

Continued from page 23

• **Now that You Have a Retirement Plan Distribution Coming** is a booklet from Investment Annuity Administrators, Inc. describing a new annuity which allows the annuitant or his investment advisor to invest his defered or immediate annuity reserves as he chooses—in stocks, bonds, mutual funds, savings or government securities. The plan allows the annuitant to avoid immediate taxation on the distribution from his profit-sharing account and tax shelter the investment yield on his annuity reserve investments. Copies are available by indicating number 177.

• Union Mutual Life Insurance Co. has made available a series of forms, or "spread sheets," designed to simplify a company's analysis of group pension funding vehicles. The forms outline all pertinent information with regard to any company's deposit administration, immediate participation guarantee, investment contract or segregated accounts and lays the information out in a format that is easy to understand and evaluate. To get your sample, write number 179 on the order form.

• If you are retiring the amount of your benefits under Social Security is important to you. Information on **Social Security Benefits, How to Estimate the Amount . . . How You Earn Them . . . How Much Credit You Need** has been compiled in leaflet form by the U. S. Dept. of Health, Education, and Welfare. The leaflet helps a person estimate the amount of benefits payable on the basis of average income and amount of years working. This excellent employe handout can be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402, for 15 cents per single copy and $10 per 100 copies.

info for buyers

• First Investment Annuity Co. of America has made available **A Guide to Your Personal Investment Annuity Policy.** The pamphlet describes the policy in an extensive and direct question-and-answer format and includes a specimen custodian fee schedule. For your free copy indicate number 178 on the order blank.

• Written from a laymen's viewpoint, **Exacting Demands of Inheritance & Estate Taxes** gives a working knowledge of the federal estate and state inheritance tax laws. It enables the reader to check the approximate effect these taxes may have on his estate and suggests a practical way to minimize their consequences. Produced by the Union Central Life Insurance Co., the booklet is available without charge by indicating number 175 on the order blank.

• Pictorial Publishers, Inc. has published the **Retirement Rehearsal Guidebook** by Elmer Otte, a complete retirement preparation tool for the soon-to-be retiree and his family. The book discusses finance and leisure time planning, as well as other topics which usually cause preretirement apprehension. Advertising Age newspaper has said, "Mr. Otte wittily discusses the endless ramifications of retirement problems he has researched for 10 years." Price information is available from Pictorial Publishers, 1718 Lafayette Rd., Indianapolis, Ind. 46222.

• **Paying for Your Pension** is a pamphlet designed to explain, in clear and concise language, what goes into a pension fund, how pension money is provided and what happens to the money. Samples and price information are available on request from Mrs. Retta Renich, Hewitt Information Service Inc. (a subsidiary of Hewitt Associates), 102 Wilmot Rd., Deerfield, Ill. 60015.

TO GET FREE LITERATURE USE POSTCARD OR COUPONS

• Alexander & Alexander has released a revised edition of its brochure, **Notes on Old Age Benefits Under Social Security,** based on 1971 amendments. The pamphlet contains notes and tables for calculating maximum primary old age Social Security benefits at retirement for ages 55 to 70. Single copies are available to *Business Insurance* readers by writing number 180 on the order blank.

• **The Prototype Planner** is a monthly publication dealing with new developments and trends in the area of corporate master and prototype plans. For price information write Jack McKinley, Editor, The Prototype Planner, P. O. Box 171, Kew Gardens, New York 11415.

Foreign insurance and benefits

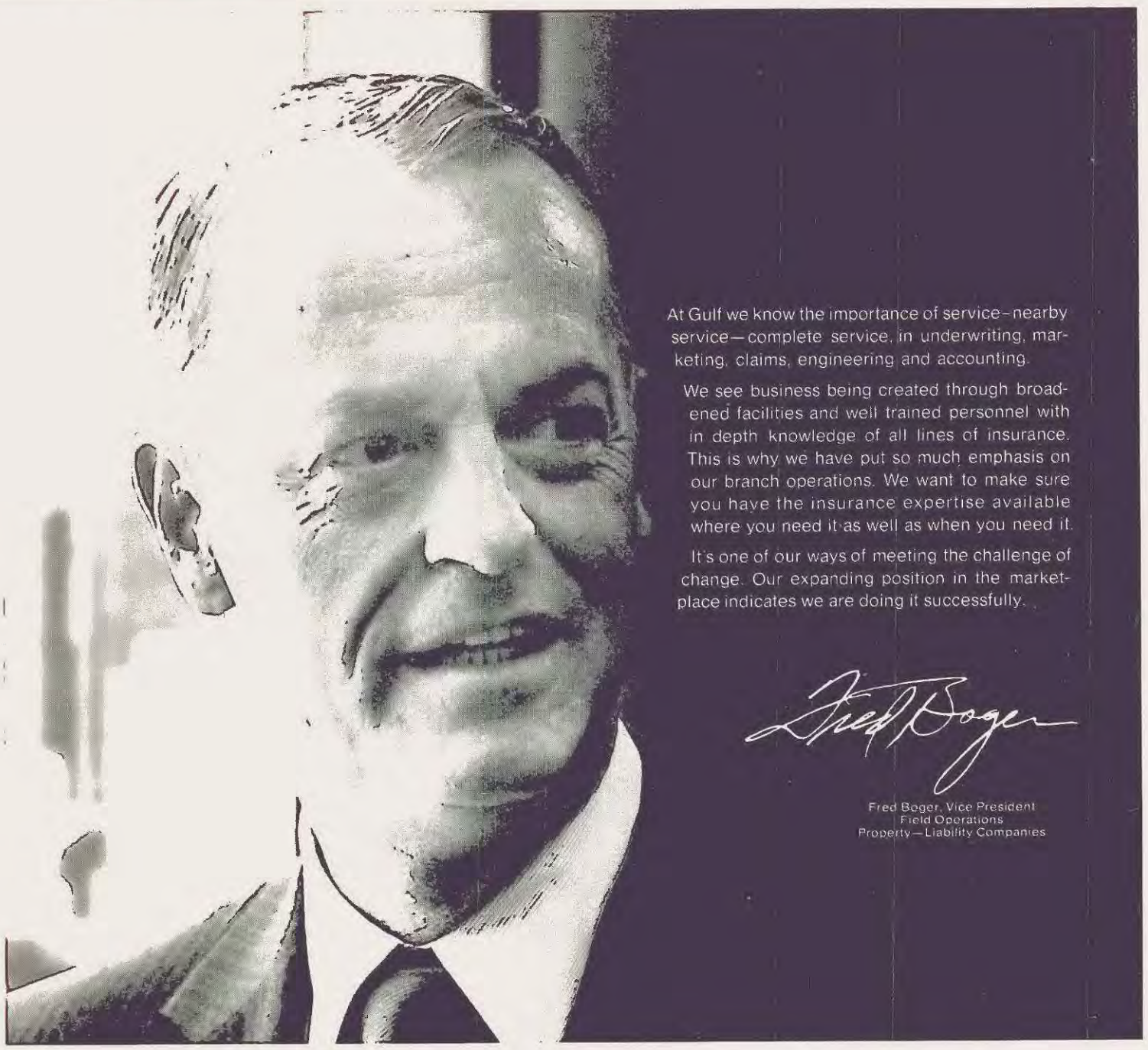
• The Swiss Life Insurance and Pension Co. has made available **Legislative Developments in Switzerland,** a summary of recent legal developments and their effect on the Swiss three pillar concept of state Social Security, occupational schemes and provisions by individuals. For your free copy indicate number 181 on the order blank.

• The Marine Office—Appleton & Cox Corp. has made available a reprint of **Marine Insurance Today—and Tomorrow** by John B. Ricker, Jr., chairman of MOAC. The article deals with most major aspects of marine insurance in relation to the changing world situation. For copies indicate number 182 on the order form.

• **Contractors All Risk Insurance,** presented by American International Underwriters, explains in detail all the coverages AIU can provide a contractor or builder doing business overseas, as well as the special engineering and claims facilities the company has to offer. To order indicate number 183 on the order form.

• George B. Buck Consulting Actuaries Inc. has produced **Canadian Government Issues New Rules Affecting Pension Plans,** an explanatory summary of a Canadian Department of National Revenue circular pertaining to pension plans and the tax deductibility of employer contributions in Canada. Indicate number 184 on the order blank.

Continued on page 26



Meeting the challenge of change!

GULF GROUP

GULF GROUP COMPANIES
GULF INSURANCE COMPANY
ATLANTIC INSURANCE COMPANY
SELECT INSURANCE COMPANY
GULF ATLANTIC LIFE INS. CO.
EXECUTIVE OFFICES P. O. BOX 1771, DALLAS, TEXAS (214) 526-5281

Why does Allen Products (ALPO) insure with AFIA?

Because Allen Products knows what it takes to be number one in its field. They should. With 27% share of market and $120 million in sales, Allen Products is the kingpin in canned dog foods and has been since 1966 when all-meat ALPO became America's best-selling dog food.

Now they've moved into markets overseas and being a company that knows what it takes to be number one, Allen and its brokers wanted the top foreign insurance underwriter to provide the protection they needed. That's why they picked AFIA.

We have branches in the big markets and the small ones. A staff of highly trained people in more than 200 offices abroad who know the local conditions and are more dogged than a bloodhound. We can provide the kind of sound insurance program that lets you know you're fully protected... by a Doberman not a toy poodle. Maybe it's why we're the top dog in our field... why 90 of the leading 100 American companies operating abroad insure with AFIA.

AFIA

WORLDWIDE INSURANCE *World Headquarters:* 110 William Street • New York, N.Y. 10038
U.S. branch offices: Chicago • Dallas • Houston • Los Angeles • San Francisco • Washington, D.C.

Reach the billion dollar multinationals through their U.S. based executives in

BUSINESS INSURANCE INTERNATIONAL

SPECIAL ISSUE FEBRUARY 28 Ads close February 16

business insurance

NEW YORK: 630 Third Ave. (212) 986-5050
CHICAGO: 740 Rush St. (312) 337-5200
LOS ANGELES: 6404 Wilshire Blvd. (213) 651-3710

Foreign insurance and benefits

Continued from page 24

• American International Underwriters has made available **General Third Party Liability Insurance,** a brochure explaining the need for third party liability insurance overseas and the various exposures that AIU can cover under its broad policy format. For your free copy write number 187 on the order blank.

• **Employe Benefits Trends and Practices in the Far East** is a brochure produced by Marsh & McLennan International. The booklet offers a country-by-country look at the current benefits situation and the new trends which appear to be developing in the Far East. For your copy write number 188 on the order form.

• **U.K. Pension Plans—The 1971 Government White Paper** is a booklet outlining the British proposals in brief and identifying those areas of company pension plans which are most affected. Produced by Marsh & McLennan International, you may order your copy without charge by indicating number 185 on the order blank.

• **Swiss Life's Master Cover Contract** explains the purpose and outlines a number of the features of Swiss Life's umbrella agreement for multinational firms. The booklet is free by writing number 186 on the order form.

• Towers, Perrin, Forster & Crosby has made available an article by Bruce A. Searle entitled **Is My Transfer a Promotion, Demotion or Lateral Move? The** article discusses the need for a common salary grading system in the multinational firm and how to proceed in establishing such a scale. For a free copy indicate number 189 on the order blank.

info for buyers

• **Third Country National Kit Portfolio** contains an explanatory brochure, proposal form describing the various benefits in detail, and various descriptive material about the need for broad insurance protection for a third country national employe. Produced by American International Life Assurance Co. of New York, the portfolio is available free by writing number 190 on the order form.

• The Swiss Life Insurance and Pension Co. has produced a pamphlet, **Risk Premium,** describing the nature and incidence of risk in relation to employe benefit plans and the actuarial determination of risk premiums. To receive a copy without charge indicate number 191 on the order form.

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

• Marsh & McLennan International has made available a speech by Don Boden, managing director of the company's Benefits International Ltd., London, entitled **European Employee Benefits.** The booklet deals with the current European situation and its problems, emphasizing (among other things) the functions of a global pension plan and organizational approaches in establishing international operation pension plans. The pamphlet includes charts, graphs and other explanatory aids and is available by writing number 197 on the order form.

• **The Problems of Total Remuneration in the European Economic Community and United Kingdom** is a revised brochure on wages, salaries, benefits and other forms of employe remuneration in the Common Market countries and U.K. Available from Towers, Perrin, Forster & Crosby, you can order your free copy by indicating number 193 on the order form.

Continued on page 28

When you're shooting for better pension fund earnings, consistency runs up the score.

Putting a dozen fast points on the board is nice, but maintaining a consistent scoring percentage is the way to win ball games. And to post a winning record over the seasons.

At Ætna, we think successful pension fund management calls for the same kind of maximum long-term performance. Our team is trained to deliver it.

There are other special advantages Ætna can offer. Pension fund management is a field where experience counts. Our 40 years in the pension field pays off for you in every move we make.

The dollars we manage—over $3 billion in pension assets—reflect the confidence buyers have in us. They know we've long since learned how to tailor our game plan to the ups and downs of the economy.

We also have facilities nationwide; not just regional. That's why we can shoot from any part of the court.

And we know how to be flexible. That's why we offer pension fund managers a complete line of pension products with flexibility in combining equity with fixed dollar investments. And important fixed income guarantees.

The next time you review your pension plans, call an Ætna Group and Pension representative. Or have your own broker or consultant contact us. After you take a good look at the record, we think you'll know why we're rated so high in our league.

OUR CONCERN IS PEOPLE Ætna LIFE & CASUALTY

ZURICH:
Top protection for
100 years in
Europe.

ZURICH-AMERICAN:
Top protection for
60 years in
America.

It may be "old hat," but Zurich
or Z-A . . . it's top protection for the individual,
his home and his business in America and
around the rest of the free world.

ZURICH · AMERICAN
INSURANCE COMPANIES

YOUR Independent Insurance AGENT

ZURICH GROUP

100 Years of International Protection - 60 Years in the U.S.

ZURICH INSURANCE COMPANY
AMERICAN GUARANTEE & LIABILITY INSURANCE COMPANY
ZURICH LIFE INSURANCE COMPANY (Affiliate)
ZURICH AMERICAN LIFE INSURANCE COMPANY (Affiliate)
111 West Jackson Blvd., Chicago, Illinois 60604, Phone: 922-3124

OFFICES IN: New York, Boston, New Haven, Buffalo, Latham, N.Y., E. Orange, Philadelphia, Pittsburgh, Baltimore, Greensboro, Atlanta, Richmond, Canton, Cleveland, Cincinnati, Toledo, Detroit, Grand Rapids, Minneapolis, Milwaukee, Chicago, Jackson, New Orleans, Dallas, Houston, St. Louis, Kansas City, Denver, Portland, Sacramento, San Francisco, Los Angeles, Phoenix.

Foreign insurance and benefits

Continued from page 26

• Insurope, the multinational association of group benefit insurers, offers a facts and figures newsletter, **NEWSCOPE,** covering current developments in the international employe benefit field. Copies are available free of charge by writing number 196 on the order blank.

• **International Group Life and Pension Services** is a detailed source book from the Swiss Life Insurance and Pension Co. The brochure discusses experience rating in multinational plans and unallocated funding as well as offering more specific information on the company, its methods of handling the two topics mentioned, the scope of its international network and services provided. To order your free copy indicate number 192 on the order blank.

• **Patterns of Multi-national Organization Design** is a summary report of a study of the organization in design patterns in 47 large North American and European multi-national firms. The booklet is offered by Towers, Perrin, Forster and Crosby and available without charge by indicating number 194 on the order form.

• American International Life Assurance Co. has made available **New Concepts in International Employee Benefits,** a brochure describing the company's coverages, staff and facilities around the world. The booklet includes material on group life, group medical, third country nationals pensions, voluntary plans, mass marketing, war risk and pooling. For your free copy write number 195 on the order blank.

TO GET FREE LITERATURE USE POSTCARD OR COUPONS

• A checklist for building a foreign insurance program is one of the topics covered in a brochure, **Meeting the Challenge,** prepared by the International division of Chubb & Son Inc. Copies are available by writing number 198 on the order blank.

• American International Underwriter's **International Hotel and Motel Insurance Program** is a manual for agents, brokers and buyers interested in a complete insurance program for hotels and motels located abroad. It explains the company's new package plan concept, a coordinated program of basic insurance with optional plans. The manual also specifically outlines concepts of accident prevention and safety. Agents, brokers and buyers may receive a free copy by writing number 199 on the order blank.

• **Developing Policies and Procedures for Overseas Employee Benefit Programs,** a newsletter released by George B. Buck Consulting Actuaries, Inc., is available free to *Business Insurance* readers. The bulletin stresses pension planning in Japan. Indicate number 200 on the order form.

• **The Canadian Insurance Forms Manual,** a loose-leaf service providing continually updating specimens of Canadian property and liability policy forms and endorsements, whether tariff or non-tariff is of value to anyone involved in Canadian business as Canadian forms are not the same as U.S. or British. For price information write the Insurance Forms Co. Ltd., 462 Wellington St. West, Toronto 2B, Canada.

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

• The International Benefits Information Service offers the **IBIS Briefing Service,** a monthly newsletter hilighting current developments in the international employe benefits field and IBIS Reference Manuals, continuously updated, loose-leaf manuals for countries which are important industrially and have well-developed employe benefit structures. Both services are available on a subscription basis. For more information write IBIS, 60 Broad St., New York, N. Y 10004 or Charles D. Spencer & Associates Inc., 222 W. Adams St., Chicago, Ill. 60606.

• The new **Difference in Conditions** 12-page explanatory brochure describes what the coverage provides, why it's important for commercial and industrial accounts, and the many special features the policy affords. The policy is written domestically by American Home Assurance Co., and overseas by American International Underwriters. For more information write number 201 on the order form.

• Marsh & McLennan has made available a **Survey of Group Life, Medical and Retirement Plans In the Republic of China (Taiwan).** The report provides a description of social insurance practices, current benefit practices and makes recommendations for a benefit program in Taiwan. The booklet can be obtained by indicating number 202 on the order form.

info for buyers

• The third English edition of **Tables of Practical Equivalents,** published by the International Union of Marine Insurance and available from the International Insurance Monitor, contains the principal terms, clauses and conditions of cover used in forty-eight countries for the insurance of cargo against the risks of international transport. For price information write the International Insurance Monitor, 150 W. 28th St., New York, N. Y. 10001.

• **Problems of a Foreign Reinsurer in the United States and Canada,** a speech made by Dr. Gottfried Berger, president of the Cologne Life Reinsurance, Co. before an ALC medical section meeting and reprinted from the International Insurance Monitor, is available by indicating number 203 on the order blank.

TO GET FREE LITERATURE USE POSTCARD OR COUPONS

We'll give you lessons in loss prevention from people who learned the hard way.

It's unfortunate, but a lot of people end up learning about loss prevention the hard way.

We don't want you to be one of them!

And that's why we've come up with something we call Factory Mutual System Loss Lesson Kits.

In them, we've included slides and background data on a range of disasters we've investigated. The idea being, of course, to benefit from others' mistakes. To use the slides and data to build a presentation to call attention to any defects in your plant's catastrophe preparedness. To encourage interest in your plant's emergency organization. And to assure that your plant's emergency force will work as an effective team during any kind of calamity.

Learn loss prevention the easy way instead of the hard way! Send coupon for list of sets and purchase fees.

Factory Mutual System

Allendale Insurance
Arkwright-Boston Insurance
Philadelphia Manufacturers Insurance
Protection Mutual Insurance
System Subsidiaries
FM Insurance Co. Ltd.
FM Engineering and Research

More than insurance.

Factory Mutual System, Department P 5
Norwood, Massachusetts 02062

I don't want to learn about loss prevention the hard way. Please inform me on what kits are presently available and their cost. Also place me on list to receive information on new kits as issued.

Name_____

Position_____

Company_____

Address_____

City_____

State_____ Zip_____

Safety work comp, OSHA

• The industrial risk information system (IRIS) developed by CNA insurance is described in a booklet for large corporate risk managers and their agents and brokers. IRIS is a risk control analysis designed to tell a company where its insurance money is working and how to make changes. The system pinpoints problem areas and predicts cost factors for future planning. For a free copy indicate number 204 on the order blank.

• **Self-Insurance . . . Management's Powerful Cash Retention Tool** is a brochure from Assurer's Service Inc. covering the aspects of self-insurance for workmen's compensation and the role of the service company in supplying the necessary tools to bring about a successful conclusion to the program. For copies indicate number 205 on the order blank.

• Frank B. Hall & Co. Inc. has released the **Longshoremen's Safety Checklist,** a list to be considered before starting loading or discharging cargo by stevedoring superintendents, hatch bosses and others. For your free copy indicate number 207 on the order form.

• **Your Compensation Insurance Retro Primer,** a non-technical primer of the pricing of workmen's compensation insurance, is available by writing Walter R. White, senior vp, Kemper Insurance, Long Grove, Ill. 60049. The booklet is free to ASIM members, $1 to all others.

• The Ansul Co. has released **Fire Protection Capabilities,** a graphic and written presentation of the fire protection capabilities of the company, including a description of manufacturing, research, development, fire test station, international fire school and government activities. For a free copy indicate number 208 on the order form.

info for buyers

• A new brochure prepared by John C. Paige & Co. examines the potential benefits of self-insurance for companies paying sizeable workmen's compensation premiums. **Up With Retained Capital . . . and Profit** may be obtained by writing number 209 on the order blank.

• **Standards for Determining Accident Preventability for the Professional Driver** is a guide for accident review boards in determining professional drivers' responsibilities under various traffic situations. Released by Frank B. Hall & Co. Inc., the brochure is available by indicating number 210 on the order blank.

• Honeywell Inc. has made available **Proprietary Fire Alarm System,** a brochure describing the company's decimal code system, UL approved Class A package. For a copy write number 211 on the order form.

• The National Safety Council has released **Cold Facts and Fiction About Safe Winter Driving,** a booklet using a true-or-false technique to dispel many of the myths surrounding winter driving. It clarifys some misconceptions about winter auto maintenance and provides drivers with a factual winterizing checklist. For price and quantity information write the membership department of the council, 425 N. Michigan Ave., Chicago, Ill. 60611.

• **Explosion/Fire Protection Technology** is a detailed description of fire and explosion testing services and facilities available for materials and processes hazards investigation from Fenwal Inc. The brochure also contains information on the explosion characteristics of dusts, vapors and gases. For a free copy write 212 on the order blank.

• The Ansul Co. has released **Fire Protection for the Petroleum Industry,** a booklet discussing hazards and proposed fire protection for the petroleum industry, including off shore platforms, petroleum loading racks, refinery complexes and the training of fire safety personnel. For a copy write number 213 on the order blank.

• **About That Tough New Federal Safety Law** is a booklet outlining the new OSHA regulations which affect every employer and

employe engaged in interstate commerce. The booklet is provided by the Great American Insurance Cos. and available by writing number 206 on the order blank.

• The **Elasticone Bulletin,** available from the Central Safety Equipment Co., discusses the company's Elasticone machine coverings. For a copy write number 214 on the order blank.

• **Complete Services for the Self Insurer** is a 26-page handbook describing the custom-designed programs for self-insurers from General Adjustment Bureau. Available free of charge, the handbook outlines the varieties of workmens compensation, safety engineering, auto fleet, property and transportation, liability and Occupational Safety & Health Act services offered by GAB. It also shows the EDP reporting systems available with sample printouts. For a copy write number 236 on the order blank.

• **How to Create a System for Accident Cost Control out of OSHA Recordkeeping** is a bulletin put out by Computer Claims Control. It features sections on OSHA recordkeeping requirements, samples of forms to be used, available recordkeeping alternatives, and the Computer Claims Control System '70 recordkeeping system designed to manage all reports and records in the OSHA regulations. Copies of the booklet are available free of charge by indicating number 237 on the order blank.

• The Grinnell Corp. has released **Fire Protection is Good Business,** a brochure describing the advantages of protecting a facility against fire by an automatic sprinkler system. For a copy indicate number 218 on the order form.

• **Protect the Operator,** a brochure from Personal Environment Systems, discusses ways to protect heavy equipment operators from dust, fumes and other materials under OSHA standards. For a copy write number 219 on the order blank.

Continued on page 30

Safety work comp, OSHA

Continued from page 29

• The 1971-1972 edition of the **Design Data—Fire Resistance Manual** is available from the Gypsum Association. The publication contains extensive fire test data for 262 wall, ceiling, column, beam and roof deck assemblies using gypsum board or gypsum plaster, as well as considerable sound and structural data. Newly expanded to 100 pages, it provides detailed information for assemblies used in residential, commercial, industrial and institutional buildings plus a detailed sketch of each assembly listed. Single copies may be obtained at no charge by writing number 238 on the order blank.

• A brochure describing **Sta-Put Wheel Chocks** has been released by Sta-Put Enterprises Inc. The booklet describes how ramp construction uses the weight of the vehicle as a locking brake. For a free copy indicate number 215 on the order blank.

• The Aldon Co. has released a catalog and explanatory brochure of railway and industrial safety products, many of which are required by OSHA. For a free copy indicate number 220 on the order blank.

• The Hartford Steam Boiler Inspection and Insurance Co., Hartford, Conn. 06102, has made available to *Business Insurance* readers a copy of their **Engineering Bulletin No. 69** which describes the establishment and operation of an air condition and refrigeration log program and samples of their logs. The logs can help prevent breakdown by warning of impending trouble and by providing a data base necessary for maintenance programs and reduce the likelihood of an accident which can be costly even if the equipment is insured. For more information about the loss prevention control method write the firm.

info for buyers

• Fenwal Inc. has made available a brochure describing typical installations for Halon 1301 automatic fire protection systems. **Engineered High-Speed Fire Protection Systems** outlines the advantages of Halon 1301 as a fire extinguishing agent. For a free copy write number 217 on the order blank.

• The National Safety Council has recently published **Fundamentals of Industrial Hygiene,** a hard cover 1,008-page textbook for self-teaching or college class work in an industrial hygiene fundamentals course. The book is fully indexed, includes a glossary plus extensive bibliographies for many of the chapters and can serve as an important reference source. Written for students with minimal backgrounds in this field, the manual features recognition, evaluation and control of chemical, ergonomic and physical environmental stresses. A complimentary syllabus and instructor's guide is also available. For information write the council, 425 N. Michigan Ave., Chicago, Ill. 60611.

• The General Scientific Equipment Co. has published **Eye and Hearing Safety,** a booklet dealing with many methods of reducing eye and ear risks and injuries. The pamphlet deals extensively with noise standards under OSHA. Copies are available free by writing number 239 on the order form.

• **Insta-Wall Fire Confinement Folder,** released by Singer Safety Products Inc., describes the company's fire wall system for containing fires. For a copy indicate number 221.

• The Ellwood Safety Appliance Co. has released a brochure describing equipment for protecting toes, feet, insteps, shins, knees and legs against occupational hazards. The equipment is worn as separate protection, not as part of the worker's apparel. For a copy indicate number 222.

• Fenwal Inc. has released **Explosion Protection Systems,** a descriptive brochure explaining the nature of explosions and how repetitive explosions can be stopped after one occurs. To order indicate number 223 on the order blank.

• **As of April 28, 1971 Unsafety is a Federal Offense!** is a booklet prepared by the loss prevention and environmental control department of CNA insurance. The

pamphlet outlines the impact of new occupational safety legislation in terms of investigation, enforcement and penalization. For your free copy indicate number 216 on the order blank.

• Information about Halon 1301 fire protection systems for industrial and commercial total flooding applications is available from Safety First Products Corp. SF1301 automotive systems are manufactured by Safety First and are the first Halon clean gas fire extinguishing systems to be listed by Underwriters Laboratories in their catagories. For your copy write number 240 on the order blank.

• The safety engineering department of Hewitt, Coleman & Associates, Inc., P.O. Box 3665, Greenville, S. C. 29608, has prepared an illustrated booklet on **Logging Safety.** The pamphlet offers numerous specific hints on avoiding logging accidents and would make an excellent employe hand-out for those in the logging industry. For copies and more information write the company.

You don't think you're worth $1,000,000? Think again!

You could be worth more than that to the man who sues you. And if there's a judgment, until it's satisfied, the judgment will stand—even if it bleeds you into bankruptcy.

The Crum & Forster Insurance Companies Medalist was designed to protect you and your future against catastrophe lawsuits. It can cover you for $1,000,000—or up to $10,000,000 and more—above any other liability insurance you may have. In fact it will cover many areas of liability your regular policies do not. Even your legal defense costs in such a suit could be catastrophic. So the Medalist provides for them, too.

The cost of C&F Medalist is low but it easily might be worth more than a million dollars to you to let your insurance man arrange one for you. Ask him.

C&F

UNITED STATES FIRE INSURANCE COMPANY
THE NORTH RIVER INSURANCE COMPANY
WESTCHESTER FIRE INSURANCE COMPANY
INTERNATIONAL INSURANCE COMPANY

CRUM & FORSTER INSURANCE COMPANIES

YOUR Independent Insurance AGENT SERVES YOU FIRST

• **Preventing Office Accidents,** a pamphlet from the U.S. Department of Labor safety training programs, outlines the causes of most office accidents and enumerates ways to prevent them. Included are office safety checklists. Copies of the booklet are available for 15 cents each from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402.

• The Reynolds Televator Corp. has released a bulletin describing the company's telescopic, electrically operated aluminum work platform. Required OSHA features are discussed. For a free copy write number 225 on the order blank.

• **Self-Sticking Standardized Identification Systems** describes markers and tapes available through the W. H. Brady Co. and required by OSHA. For a free copy indicate number 226 on the order blank.

• **The Ansul Clean Agent System,** a presentation of the new Halon "Clean Agent" fire protection system available through the Ansul Co., may be ordered by indicating number 227 on the order blank.

• Kelmore Inc. has made available a booklet, **Questions and Answers on Explosion Proof Refrigerators,** discussing such points as class 1 hazardous locations and the quantity of gas or liquid necessary to produce a hazardous atmospheric condition. For copies write number 228 on the order blank.

• The **Haws Safety Equipment Catalog** illustrates and explains the company's emergency wash fountains, drench showers and decontamination showers and stalls. Released by the Haws Drinking Faucet Co., copies are available by indicating number 229 on the order blank.

• **Environmental Surveillance Products,** released by the Mine Safety Appliances Co., is for use in evaluating potentially hazardous atmospheres and describes the company's portable combustible gas instruments, toxic gas instruments and combustible gas/oxygen instruments. For a free copy write number 230 on the order form.

• The Ansul Co. has released a brochure, **Sentry Fire Extinguishers,** describing the company's new chemical fire extinguishers, their UL ratings and the comparative fire killing power of the new units contrasted with water, soda, acid and carbon dioxide extinguishers. For a free copy indicate number 231 on the order form.

• **Loss Prevention in Print,** released by the Factory Mutual System, describes the company's publications, films, booklets, posters and other material to help in safeguarding plants against fire, explosion, windstorm, boiler and machinery accidents and other hazards. For your copy indicate number 232 on the order form.

• Kawecki Berylco Industries Inc. has released **Federal Controls on Occupational Exposures to Beryllium: A Rapid-Reference Compliance Guide.** The article deals with OSHA regulations and other federal rulings regarding the limits of concentration of beryllium in workplaces. For a free copy indicate number 233 on the order form.

• The Mine Safety Appliances Co. has made available **Environmental Surveillance Products and Protective Equipment** for evaluating and protecting against potentially harmful noises. The booklet describes a variety of noise measuring instruments and noise protection equipment. To get your copy without charge, indicate number 234 on the order blank.

info for buyers

• **Dear Grandma** is a booklet released by Libbey-Owens-Ford describing the company's super Shock Absorber windshield designed to significantly reduce the severity of bodily injuries from windshield-oriented accidents. For a free copy indicate number 235 on the order blank.

Continued on page 32

HOW LONG HAS IT BEEN

SINCE you had an objective, independent audit of your Corporate Insurance Program?

Herbert L. Jamison & Co.

90 Park Avenue
New York, New York 10016
Area Code 212 — Oxford 7-6678

NWNL gives you the "Group Grabbers"!

We make it as easy as possible for you to sell high potential group markets by giving you specialized coverages most companies just don't offer. We make it as profitable as possible for you, too, with generous commissions. For example:

PET PLAN. PET, short for Preferred Economy Term life insurance, is a mass-marketed individual NWNL policy plan without the usual employer contribution or participation requirements.

With PET you can make from $5,000 up to $100,000 of additional coverage available on an employee pay-all basis . . . a worthwhile and substantial dimension to your client's established group and individual life programs.

GP-10/33 PLAN. Specially written for employee groups of 10 to 33 people. Includes life schedules up to $100,000 or more. Up to $1,000 monthly LTD benefits for groups down to 10 lives. Comprehensive Major Med benefit of $25,000 plus $25,000 for organ transplant. Only life required; all other coverages optional so you can tailor a plan to the group. We have special plans for other market segments, too. For example: hospital and school employees, college students and faculties, unions and professional and trade associations. Return the coupon below for complete information on NWNL's Group Grabbers.

Northwestern National Life Insurance Co.
20 Washington Avenue South, Dept. BI-9
Minneapolis, Minnesota 55440

Name_____

Company_____

Address_____

City_____ State_____ Zip_____

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

Safety

work comp, OSHA

Continued from page 31

• **How Workmen's Compensation Insured Can Avoid Duplicate Recordkeeping** under OSHA is a folder prepared by the Travelers Insurance Cos. The booklet contains a chart listing the workmen's comp form most frequently used in each state and the specific information required by OSHA not contained on the state form. By using the chart, employers can supplement their state workmen's compensation form with the necessary OSHA information, eliminating the need to keep a duplicate record on OSHA form no. 101. Copies are available by writing the company, Commercial Lines PMB, One Tower Square, Hartford, Conn. 06115.

• The National Safety Council has published a complete and comprehensive report on an occupational safety and health act briefing session, held in cooperation with the U.S. Bureau of Labor Statistics. For price information write the council, 425 N. Michigan Ave., Chicago, Ill. 60611, by referring to stock number 099.40.

• The Harrington Co. has released a brochure describing all aspects of the Harrington safety latch for use on hoist equipment. For a free copy indicate number 242 on the order blank.

• The Kinnear rolling fire door and how it checks draft-induced spread of fire through otherwise unprotected doorways, corridors and other passageways is described in a new 12-page bulletin being offered by Kinnear Corp. The pamphlet contains, in addition to advantages and features, details on methods of installation, size limitations and labeling requirements and specifications. For copies write number 241 on the order blank.

• The National Safety Council has made available **Accident Facts—1971,** a booklet listing extensive accident statistics pertaining to the U.S. Copies may be obtained by writing the council, 425 N. Michigan Ave., Chicago, Ill. 60611. Payment of $2.65 for one copy must accompany the order, and please specify stock no. 021.71 when ordering. Quantity prices are available on request.

• **Basic Elements of Respiratory Protection** is a brochure intended for anyone concerned with establishing a respiratory protection

program. The booklet presents certain basic information for guidance purposes. Released by Mine Safety Appliances Co., the brochure is available by writing number 224 on the order form.

Security

• **The Internal Security Handbook,** an authoritative and comprehensive guide for securities firms on formalizing and improving internal security programs, is available from the Association of Stock Exchange Firms, 120 Broadway, New York, N. Y. 10005. Arising from a study conducted by the College of Insurance for ASEF, the 200-page manual was prepared with the help of insurance advisors, law enforcement officials, internal security officers of leading stock-brokerage firms, representatives of bonding companies and the staff of the New York Stock Exchange. Among the topics covered are: identifying the scope and objectives of an internal security program, planning and organizing internal security, achieving security control over new personnel and devising security measures for all employes. Two special features are check-lists for determining the effectiveness of present security operations and a pinpoint questionnaire on internal audit and security measures. Price information and a descriptive brochure are available by writing ASEF.

• Burns International Security Services Inc. has released literature on insurance investigations, a specialized Burns service for the investigation of arson, inland marine, ocean marine, fraud, aviation and subrogation. For a free copy indicate number 243 on the order blank.

• The State Farm Insurance Co., 112 E. Washington St., Bloomington, Ill. 61701, has made available a brochure dealing with the problems of burglary. **How's Business . . . After Hours?** discusses exterior doors, locks, windows, illumination, maintenance, alarms, safes and cash registers and personnel. It also provides a checklist for a rapid way of reviewing the security of your building. For a copy write number 266 on the order form.

info for buyers

• Symposium Enterprises has recently published **Legal Considerations: Drug Abuse in Industry and Business,** by Sidney H. Willig. The book is intended as a companion to **Drug Abuse in Industry** by W. Wayne Stewart, and features sections on employer-employe relations as affected by drug abuse, the employe's rights, the employer's rights, plant security, and workmen's compensation and drug abuse. Price information is available from Symposium Enterprises, P. O. Box 356, 1460 N. E. 129th St., North Miami, Fla. 33161.

• **Detex Alarm System,** a series of leaflets on self-contained, low cost exit and entry alarms for doors and windows has been released by the Detex Corp. For a copy write number 244 on the order form.

• Aerospace Research Inc. has made available **Advisor V,** a brochure describing the company's ultrasonic intrusion detector featuring an advanced type of signal processing which enables the unit to distinguish between phenomena which frequently cause "false alarms" and a real intruder. For your free copy of the booklet write number 245 on the order blank.

Why some insurance companies get big & fat.

There's nothing wrong with size. We think *big* is good. But *better* is better.

That's why we're not likely to be smug about being the largest independently owned property and casualty insurer in California.

Energy. Brains. Time. Talent. That's what we demand *more of* from our people, because that's what our industry needs. It's what you need, regardless of your business or policy interests.

And it's *not* what fat is made of.

Whether yours is a big company or small—whether you need workmen's compensation, general liability or surplus lines—investigate the specialist: Mission Equities Corporation. Call or write your insurance broker, today.

We're lean and aggressive enough to run faster for your business.

MISSION EQUITIES CORPORATION
Better At What We Do

California's Largest Publicly Owned, Independently Operated Property & Casualty Carrier. San Francisco, Seattle, Portland, Denver, Houston, Dallas, Phoenix. Headquarters: Los Angeles.

MISSION INSURANCE CO. • SAYRE AND TOSO, INC. • HOLLAND-AMERICA INSURANCE CO. • PACIFIC REINSURANCE MANAGEMENT CORP. • DATA TECH CORP.

• **Videoguard—Personnel Identification and Entrance Control System,** released by Mardix Security Systems, describes the Videoguard system that combines a television and interlocked multiple door booth enclosures. For your copy write number 246 on the order form.

• **On Guard For You 24 Hours Per Day** is a brochure produced by the Phelps Time Recording Lock Corp. describing the company's mechanical sequential locking system which assures all doors are locked at night. This is verified by a weekly written report. For a copy indicate number 247 on the order blank.

• The Maryland Casualty Cos. have released a booklet, **Dishonesty,** offering a businessman's checklist of employe dishonesty controls. Areas covered include cash sales, receipts and disbursements, credits and allowances, accounting, receiving and shipping, purchasing, payrolls and securities. For your free copy indicate number 289 on the order blank.

• Honeywell Inc. has released **Comprehensive Asset Protection,** a brochure describing how a master protection system, Alpha 3000, combines fire alarm, security, patrol tour, audio, command, television, equipment monitoring and environmental automation into one single system. For a copy indicate number 248 on the order form.

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

• **Hawkeye Central Station Alarm** Unit describes a system whereby transmission of alarm emergency information is performed by radio frequency instead of telephone lines. Released by A.T.A. Control Systems Inc., the booklet is available by writing number 249 on the order blank.

• Karl Heitz Inc. has issued **Robot Security,** a leaflet describing Robot 35mm security cameras which meet the requirements of the 1968 Bank Protection Act. For your free copy indicate number 250 on the order form.

• Bolen Industries Inc. has provided an **Office Security Checklist** which lists 33 important steps to check to insure the protection of your office and office equipment. For a copy indicate number 251 on the order blank.

• **Truck Theft Losses . . . 1970** offers a sampling of truck theft losses for 1970 listed by date, place, amount of loss and commodity carried. Made available by Babaco Alarm Systems Inc., the pamphlet may be obtained free by writing number 252 on the order form.

• Mosler Safe Co. has made available a brochure describing most of the products produced by the company for financial institutions. **With Mosler . . . About All You Add Are Customers** is available free by indicating number 253 on the order form.

• **Guarding Your Business** describes numerous security products which guard the privacy of a company's business activities. Products are described which provide protection against telephone eavesdropping and misuse, protection against hidden transmitters in the office, and products which afford protection in the disposal of waste documents. The booklet is produced by California Security Products Inc. To receive your copy indicate number 254 on the order form.

• **Security Locks and Access Control Systems,** a brochure from Unican Security Systems Corp., describes the procedures of mechanical, pushbutton combination locksets for use in industrial or office areas. These locksets are available with remote electrical supervision, key bypass features and emergency exit devices. To receive a copy indicate number 255 on the order blank.

• Advance Industrial Security Inc. has released **Positive Security With Advance,** a comprehensive brochure detailing the company's organization, services and methods. For a copy write number 256 on the order blank.

• **Protection** is a brochure from the Mosler Safe Co. describing the various degrees of protection that may be obtained from purchasing a money safe. Also discussed are a variety of functional features that should be considered. To obtain a copy indicate number 257 on the order blank.

info for buyers

• The Wackenhut Corp. has issued **Preventive Security Programs** describing the company's preventative security approach designed to stop losses before they occur. The program stresses joint effort between management and its security specialists. For your copy write number 258 on the order form.

• Bolen Industries Inc. has released **How to Get Top Security Out of Your Office Machine & Desktop Locks,** an installation and security guide demonstrating one method of securing office equipment. To order a copy indicate number 259 on the order blank.

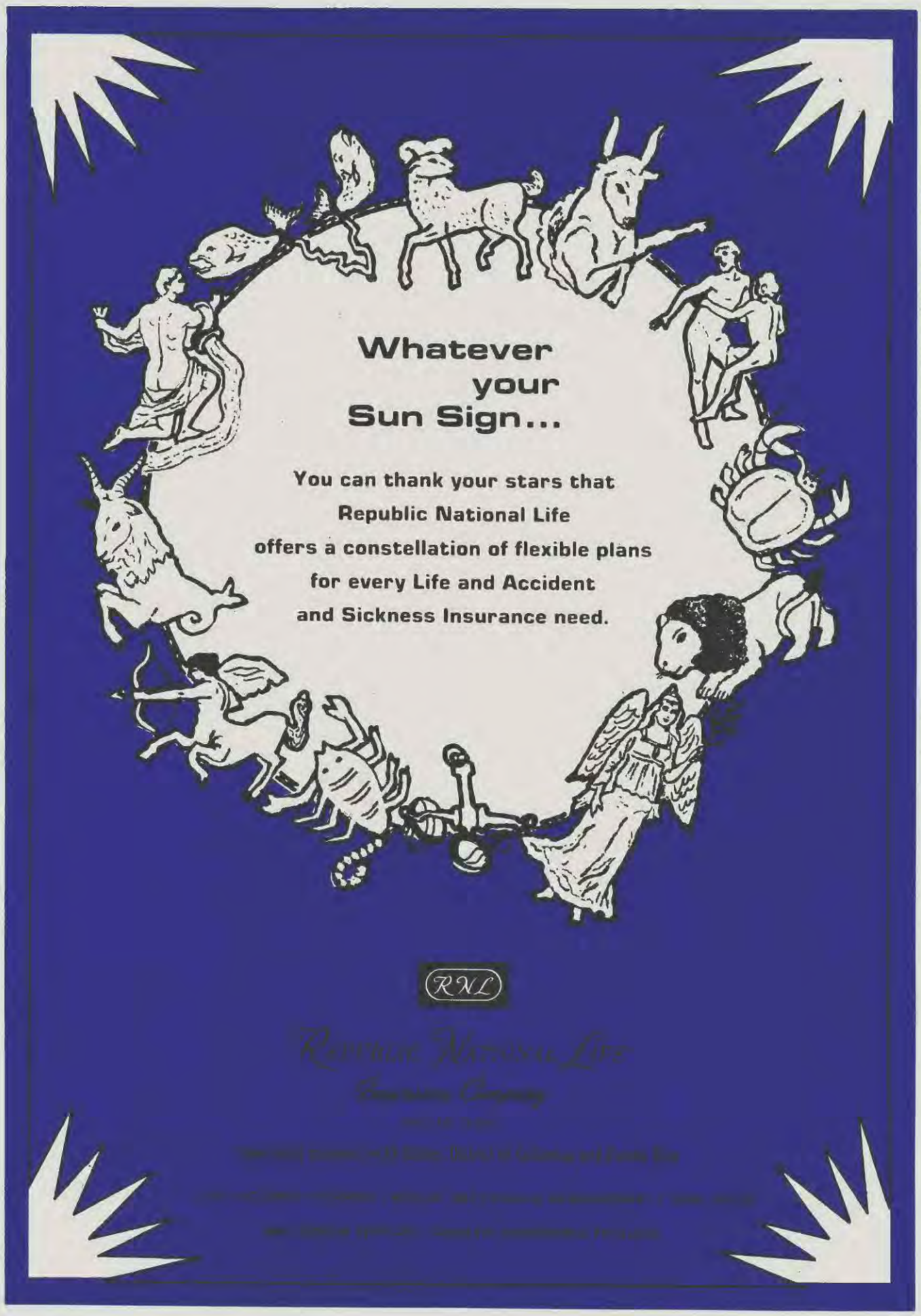
• Security Services Inc. has made available a brochure describing its complete line of security services. This includes uniformed guards, security classifications, technical and electronic security devices, investigation and detection and communications centers. For a copy indicate number 260 on the order form.

• **Paper Shredding Machines** has been issued by the Shredmaster Corp. The brochure contains all information on various models of shredding machines for the destruction of secret and confidential documents together with a sheet explaining the functions of shredders. For your free copy indicate number 261 on the order form.

• **Protection for Any Building Starts Here** is a leaflet made available by the Adams Rite Manufacturing Co. explaining their system of security for narrow style glass/metal entrances. For your free copy indicate number 263 on the order blank.

• Advanced Devices Laboratory Inc. has released a set of leaflets describing the Microwave and Infrared intrusion detection systems. Also discussed are operational considerations. For your free copy write number 264 on the order form.

Continued on page 34



Security

Continued from page 33

• Mosler Safe Co. has issued a **Condensed Burglary Insurance Manual and the Meaning of Labels,** a 19-page manual describing and showing fire and burglary protective equipment labels and explaining their relevance to insurance ratings on money and securities broad form and mercantile safe burglary policies. To order a copy indicate number 262 on the order blank.

• **Chances Are You Need the Reid Report** describes a paper and pencil test designed to aid in selecting only honest job applicants. Polygraph tested and psychologically validated, the test does not discriminate on the basis of race or sex. Produced by John E. Reid & Associates, the brochure is available by indicating number 265 on the order form.

• Card Key Systems has released **Product Catalog CC-6-69.** The brochure gives the firm's complete product line from the most simple access control lock through several stages of access control, each of which gives a higher degree of security. The ultimate is the reader/recorder which incorporates a Card Key encoder, specific combinations for entrance and employe number and upon insertion of this card into the reader records the employe number, date, time, entrance location and void or valid card status. If the card is a voided card, access is not allowed and an alarm can be transmitted to the guard station. For a copy write number 267 on the order form.

• The Identi-Logic Division of Eaton Yale & Towne has released a leaflet describing its Identi-Lock System. The system is available for multi-access installation or where there is a need to know what key was used, the location of entry, time and date. For your copy write number 268 on the order form.

info for buyers

• Two folders covering various phases of building security are available from Improved Risk Mutuals, 15 N. Broadway, White Plains, N. Y. 10601. The pamphlets describe various types of alarms, locks, fences, flood lighting and other deterrents, and are available without charge in single sets by writing number 269 on the order form.

• **Intermatic Electrical Control Products** is a general catalog published by the International Register Co. The catalog describes their complete line of electrical time switches and photo controls for alarms, lights and machines. For a free copy indicate number 270 on the order form.

• **Motorola Helps Solve Industrial Security Problems** by Motorola Communications and Electronics Inc. discusses industrial security and shows how closed circuit television, two-way radio, alarm reporting and radio control subsystems can be combined to provide better security. The brochure also includes examples of Motorola systems now at work in industry. For a copy indicate number 271 on the order form.

• **Low Light Level TV Camera** is a brochure describing low light level tv cameras that can see in the dark by Sylvania Electric Products Inc. It also shows a portable hand-held night viewing device for night observation. The brochure describes the products, gives specifications, and includes photographs of scenes observed at night. For a copy indicate number 272 on the order blank.

• **Proprietary Systems from Westinghouse** describes systems supplied by Westinghouse Electric Corp. for protection of plants and offices from breaches in security. Uses and actual examples of installation of the equipment are provided. For a copy indicate number 273 on the order form.

General educational

• **Bankers' Kidnap/Ransom Insurance** describes a new policy designed to protect bankers in an area not now covered by standard bankers blanket bond. The policy protects officers, their families and deposits from extortion attempts. Bowes & Co. Inc. has made the booklet available. It can be ordered by indicating number 274 on the order blank.

• **The College of Insurance General Bulletin** lists all degree and certificate programs offered by the college. The brochure also contains information on management seminars, home study division courses, NAIC programs as well as non-credit and special classes. For your copy indicate number 275 on the order form.

• **Equal Employment Opportunities in the Insurance Industry,** a monograph by Arthur H. Barnes, vp of the Consolidated Insurance Cos. manpower resources division, offers a reasoned, step-by-step program for the hiring and training of minority group members. The booklet is available by writing number 287 on the order form.

• **Introduction to Integrated Logistics/Product Support for Systems and Equipments** provides an insight to Department of Defense policies for prime contractors, sub-contractors and supplies related to product support requirements. The brochure defines what DOD agencies are responsible for procurements and management, and is designed to give contractors a perspective of contract requirements beyond design, manufacture and product delivery. For price information write G. H. Lehman, Aeospace Consulting Engineering Co., P. O. Box 723, La Habra, Cal. 90631.

TO GET FREE LITERATURE USE POSTCARD OR COUPONS

• Towers, Perrin, Forster & Crosby has made available a brochure detailing its consulting services in such areas as employe benefits, actuarial services, executive compensation and communications. A partial list of clients is also included. For a free copy write number 282 on the order form.

• The Maryland Casualty Cos. have released a brochure describing their checkmate comprehensive business protector. Offering general information to both buyers and agents, the booklet may be ordered by indicating number 290 on the order blank.

For the self-insurer. The economies of professional claimsmanship.

With the speed and precision of computerized management reporting.

Introducing the total solution to claims adjusting for the self-insurer. A service so complete it works wonders at one location or hundreds. Handles workman's compensation, auto fleets, property and transportation and liability. Does it all with the sure hand that's made General Adjustment Bureau the first choice of insurers and business insurance brokers for years.

We'd like to send you our booklet. It tells you the details about our newest EDP breakthrough. One that gives self-insurers, large and small, the precision control to manage all types of insurance coverage in compliance with the Occupational Safety & Health Act of 1970. This revolutionary claims management reporting system opens up vast possibilities. Gives you information flexibility and a space-age jump on monitoring activities such as safety engineering with no increase in input effort.

Write for your copy of GAB's "Complete Services For The Self-Insurer." And see what a total solution can do for you.

I want to stay on top of things. Send me your booklet "Complete Services For The Self-Insurer."

I. R. Gray
General Adjustment Bureau
123 William Street
New York, N.Y. 10038

GAB

NAME_____

TITLE_____

FIRM_____

CITY OR TOWN_____

STATE_____ ZIP_____

• **The Investment of the 70s,** a booklet composed of various reports on the projected growth of the insurance industry, as well as the potential of insurance stocks and the stocks of insurance oriented holding companies, has been published by Span Publications. The life and fire and casualty industries are reviewed in reports by: Merrill Lynch, Pierce, Fenner and Smith Inc.; Standard & Poor's Corp.; Moody's Investment Service; First Boston Corp.; A. M. Best Company and insurance stock specialist Arthur Milton. For information write Span Publications, P.O. Box 3857 G. S., Springfield, Mo. 65804.

• Bankers Security Life Insurance Society has released **Life Insurance Planning in Divorce & Separation** for executives concerned with the legal and tax aspects of their life insurance coverage with regard to divorce or separation. For a free copy write number 276 on the order blank.

• **Retrospective Rating Insurance Plans,** a book by John R. Stafford, is designed to teach the fundamentals of retrospective rating. The text is fully self-contained with all needed exhibits and illustrations. For price information write J & M Publications, Dept. Q, P.O. Box 338, Palatine, Ill. 60067.

info for buyers

• Insurors Press Inc. has produced an insurance glossary containing most commonly used insurance terms. This book is the official glossary of the National Assn. of Insurance Commissioners and the terminology committee of the American Risk and Insurance Assn. Price information may be obtained by writing Jeanne Chesley, promotions manager, Insurors Press Inc., P. O. Box 1430, Santa Monica, Cal. 90406.

• **You Benefit when You Self-Insure with ESIS,** published by Employers Self Insurance Service Inc., discusses the nature of ESIS, possible reasons for self-insuring and how an agent or broker fits into a self-insurance program. For your copy indicate number 278 on the order blank.

• **Aggressive Protection** describes a professional risk management service that can be purchased on an annual retainer basis by companies not large enough to require a full time risk manager. The service includes employe benefit reviews. The pamphlet is available through RM/i, a division of Alliance Brokerage Corp. For a free copy write number 279 on the order blank.

• **The Journal of Risk and Insurance,** issued quarterly by the American Risk and Insurance Assn., reports on both research and methods and procedures which have served insurance buyers and segments of the insurance business. For price information write William T. Beadles, ARIA, 112 E. Washington, Bloomington, Ill. 61701.

• Armstrong & Taylor Ltd. of Winnipeg has made available **Focus on A&T,** a brochure describing the company's activities in the fields of insurance brokerage and employe benefit consultation. For a free copy indicate number 280 on the order form.

• American International Life Assurance Co. has made available a resume of its products, people and facilities, including group lines in payroll deduction, credit life, mortgage life, mutual funds, mass marketing, special risk, and international coverages. For your copy indicate number 281 on the order blank.

• A glossary of terms, phrases and abbreviations commonly used in fire, liability and life insurance and bonding has been issued by the Hartford Insurance Group. The pamphlet provides a general understanding of insurance technology and is available by writing number 283 on the order blank.

Continued on page 40

Reinsurance underwriting facilities on all forms of group and individual accident and sickness insurance

DUNCANSON & HOLT, INC.
Managers of the American Accident Reinsurance Group
99 JOHN STREET NEW YORK, N.Y. 10038 (212) 233-2016

AMERICAN ACCIDENT REINSURANCE GROUP

Aetna Life Insurance Co.
American General Life Insurance Co.
American Home Assurance Co.
American National Insurance Co.
Baltimore Life Insurance Co.
Bankers Life & Casuality Co.
Benefit Trust Life Insurance Co.
Celina Mutual Insurance Co.
Constellation Reinsurance Co.
Constitution Reinsurance Co.
Employers' Mutual Liability Insurance Co.
Equitable Life Assurance Society of the U.S.
Federal Insurance Co.
Fidelity Mutual Life Insurance Co.
Globe Life Insurance Co.
Great Southern Life Insurance Co.
Guardian Life Insurance Co. of America
Insurance Co. of North America
Inter-Ocean Insurance Co.
ITT Hamilton Life Insurance Co.
Life Insurance Co. of California
Metropolitan Life Insurance Co.
Monarch Insurance Co. of Ohio
Monarch Life Insurance Co.
Monumental Life Insurance Co.
National Indemnity Co.
Occidental Life Insurance Co. of California
Pacific Fidelity Life Insurance Co.
Paul Revere Life Insurance Co.
Provident Life & Accident Insurance Co.
Prudential Insurance Co. of America
SAFECO Life Insurance Co.
State Mutual Life Assurance Co. of America
Sun Life Insurance Co. of America
Travelers Insurance Co.
United States Fidelity & Guaranty Co.

Group Life? Spouses Pension? Survivor Income?

The answers are as close as your nearest coupon.

BI 12

The Bankers Life, Group Sales
Des Moines, Iowa 50307

Please provide me with more information about Spouses Pension & Survivor Income.

Name_____

Company_____

Address_____

City_____ State_____ Zip_____

Designing the right employee retirement and pension program demands expert knowledge and the right products. That's why The Bankers Life Group Man offers, and understands, all three — Group Life, Spouses Pension and Survivor Income. He'll show you how they may be tailored to meet each particular need with new, innovative concepts that can be added to existing contracts.

Mail the coupon today or telephone The Bankers Life Group office listed in the Yellow Pages.

THE BANKERS LIFE
BANKERS LIFE COMPANY, DES MOINES, IOWA 50307
The big one that got that way by caring a little more.

Excess comp coverage from Argonaut.

Just what major self-insureds always needed:
It's our Excess Workmen's Comp Program for self-insureds. Big protection designed for major self-insured risks. Because the bigger you are, the more you'll benefit from an excess comp program planned by professionals. And that's Argonaut: workmen's comp specialists.

Here's where professionalism counts.
Our experience in handling major comp risks, nationwide, makes it possible to underwrite excess comp coverage tailored specifically to your needs. Argonaut will not only protect you against catastrophe loss, but will give expert assistance to help prevent excess losses from developing. It's a job for professionals.
Call your agent or broker and ask him about Argonaut.

Argonaut Insurance Companies
Home Office: Menlo Park, California
Principal Offices: San Francisco, Los Angeles, Portland, Boise, Dallas, New Orleans, Chicago, Minneapolis, Atlanta, New York, and other major cities.
Overseas: Saigon, Vietnam; Bangkok, Thailand.

business insurance/perspective

What is 'reasonable' when defending your business?

by William H. Rodda,
president,
Marine Insurance Handbook Inc.,
Chicago, Ill.

William H. Rodda

'The homeowner or businessman must have reason to believe that the intruder intends to commit a crime.'

TELEVISION and the movies have popularized the picture of a property owner standing with shotgun in hand and ordering a trespasser to get off his property or get shot. Does a property owner have the right to shoot a trespasser? The answer is a qualified "no."

How far can a property owner go in setting up defenses for his property? What can the businessman do to protect his own life and that of his employes without incurring liability to an intruder? Will his liability insurance cover awards by the courts if he steps beyond permissible bounds and injures a trespasser or criminal?

Common law and statute law both make a distinction between the amount of force that may be used in the defense of life and in the defense of property. A person has the right to use force, even to the extent of killing his attacker, when his life is threatened or when the life of a family member is threatened. It is not necessary that the innocent party wait for the attacker to strike the first blow. It is merely necessary that a person have an honest belief that his life is in danger.

THERE ARE LIMITS to what is considered a reasonable defense against threatened violence. You cannot counter a clenched fist with a shotgun blast if the fist is merely a gesture and not a real threat. Neither can you shoot a man for calling you a dirty name. The law draws a line between a threat of physical harm and something that is merely disagreeable. The person who responds with violence to a verbal threat becomes the attacker in the eyes of the law. Of course, there may be a fine line of distinction in the case of a dispute between two people, but there usually would be no question in the case of robbery or burglary.

The law is strongly on the side of the person who is threatened with attack in his home or place of business and the attacker is an intruder. However, the homeowner or businessman must have reason to believe that the intruder intends to commit a crime. A mere trespasser must be threated with more restraint that the robber who enters with a gun or other weapon. The question faced by the businessman is: What protective devices can he set up without making himself liable for injuries that may occur to intruders?

Defenses against intruders may be grouped as passive or active. Passive defenses are locks, bars, fences and other safeguards to prevent access to the premises. They are intended to make it more difficult for someone to enter the premises but are not intended to injure people. An intruder who cuts himself while climbing over a fence has no right of recovery from the property owner as long as the fence has no hidden knives or other injurious devices such as electrification. State and municipal laws in many places specify how barbed wire may be used. Fencing should be installed in strict compliance with such laws. Barbed wire may not be used, for example, where it might injure an innocent party who is on a public way or on adjoining property where he has a right to be.

Active devices are those intended to frighten or injure the intruder. Such a device may be considered a trap. The property owner is likely to be held liable for an injury that occurs to an intruder from a trap even though the intruder is a trespasser or a criminal. Newspapers have carried accounts recently about an Iowa farmer who rigged a spring gun in a vacant house. An intruder was injured and was awarded damages even though he admitted to being a trespasser and was fined for that act.

TEAR GAS DEVICES are sometimes installed in premises where valuable property is located. The usual, and we believe correct, practice is to post a warning about such an installation. The warning should be clear and in plain view so that the installation cannot be considered a trap. There is an additional advantage that a posted warning may discourage intruders from entering.

There is a legal distinction between devices that are intended to injure a trespasser or burglar and the equipment that is usual and normal for the occupancy of the premises. The owner is not liable if an intruder is injured by a machine or situation that is necessary or normal to the use of the property. A court decision of 40 years ago illustrates the principle and is still valid. A trespasser ignored a "Road End" sign and drove around it to a point where a bridge had been removed. He drove into a river. The court ruled that the owner had no duty to make the land safe for the trespasser.

The rule is modified somewhat where the owner should have anticipated trespassers. A frequent and known pattern of trespassing may obligate the owner to warn of dangers on the property. Persons may use the property for a short cut, and the owner may be aware of this, or he may actually permit it. The owner does have an obligation to warn the trespassers of any danger when he is aware of such continued use. The known use of property as a playground by children has been held by a court as obligating the owner to keep the property safe for such use. For example, the digging of a ditch on the property without posting a warning or erecting barricades might result in a judgment against the owner.

The owner also has an obligation to warn probable trespassers of any dangerous condition. For example, a power company has an obligation to install warning signs on high tension electrical equipment. A railroad has an obligation to put up warnings of the dangers of trespassing on the railroad. This is especially true where the property is easily accessible to passers-by. The contractor who is using machinery on the project cannot ignore the presence of trespassers (such as spectators). He must warn them of any dangers or see that they are removed from the premises in order to prevent injury.

THE DOCTRINE of the attractive nuisance applies to children under many circumstances. An attractive nuisance is an artificial condition on a property that is attractive to children and on which they are tempted to play. A vacant lot is not an attractive nuisance but any structure or machine that is left unguarded may be so considered. The owner may be liable for injuries that are sustained by children playing on such property.

Consideration thus far has been of the trespasser who enters a premises and is injured without any action by the owner. What are the owner's rights and privileges when he discovers a trespasser on

Continued on following page

Looking under the risk management umbrella

by Robert E. Abrahamson,
corporate insurance manager,
Control Data Corp.,
Minneapolis, Minn.

Robert E. Abrahamson

'Loss prevention and safety are a normal part of the administrative aspects of a corporate insurance program.'

TRUE RISK MANAGEMENT, as practised by most major corporations, is presently not a centralized function within the corporate structure. Corporate insurance management though, as we know it, normally is in one functional area as a part of overall financial management.

The acceptance of the concept of total risk management is what today's professional corporate insurance manager is, or should be, attempting to achieve. As a minimum then, he would either have within his department, or reporting to him, individuals directly responsible for fire protection and safety engineering (not merely someone reviewing loss prevention reports). This would include industrial safety, public safety, product and automobile safety, security and employe fidelity programs.

In most companies nationwide, fire protection and safety engineering frequently are in separate departments as is security, though it does vary from company to company. The routine involvements of loss prevention and safety, though, are a normal part of the administrative aspects of a corporate insurance program.

THE AMERICAN Society of Insurance Management can look to the recent survey conducted for its members by an independent consulting firm and say, "Yes, we do have many risk managers (although not in title) within our ranks." For example, 82% of the respondents said they had the responsibility for loss prevention and 63% had charge of safety ad-

Continued on following page

What is . . .

Continued from preceding page
his property? We have already pointed out that the owner may not shoot a trespasser who is not a threat to his life or person. The owner may not use excessive force or violence to a mere trespasser. May a discovered trespasser be ejected?

The trespasser may be ejected, even though this results in injury to the trespasser, as long as the force used is reasonable and is not intended to cause injury. However, the prudent property owner may find it wise to call the police and to get their assistance in removing the trespasser from the premises. Courts and juries may differ in their interpretations in what constitutes reasonable force and what is intentional injury.

It should be noted that all of these are general comments regarding the rights of property owners in their relations to trespassers, robbers, burglars and other intruders. Laws vary from state to state. The property owner who can anticipate problems with intruders would be wise to secure the advice of his attorney regarding methods of ejecting trespassers and of protecting intruders from injury.

WHAT PROTECTION does the property owner have under his liability insurance policies if an intruder does sue for damages? The comprehensive general liability policy requires the insurance company to "pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage to which this insurance applies caused by an occurrence." The word "occurrence" is defined as meaning "an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury or property damage neither expected nor intended from the standpoint of the insured."

The important words in this coverage as they relate to trespassers, robbers and burglars are "neither expected nor intended from the standpoint of the insured." What is the situation of the property owner who shoots a burglar? He clearly had the legal right to kill or injure in defense of his life, yet he intended to injure the burglar in order to protect his life. The insurance protects the property owner because the occurrence was not intended by the insured. The entire sequence of events is the occurrence. The burglar threatened the insured's life and the shooting by the insured was a part of this occurrence. The chances are that the burglar would have no cause of action against the insured, but the insured is protected by his insurance if the burglar should sue.

'The property owner must also be careful not to take any deliberate act that would injure a trespasser.'

What is the obligation of the store proprietor or bank owner to his customers? Are they responsible for injury to customers that might occur during a holdup? The store proprietor and the bank are not guarantors of their customers' safety. They normally would have no liability to a customer who was shot during a holdup. The only chance of such liability would be if the store or bank committed some act that could be considered negligence in regard to the safety of the customer. The comprehensive general liability insurance would cover any such negligence liability if there were some special circumstance that resulted in liability to a customer.

The conclusion may be reached that a property owner may be held liable to a trespasser for injuries under some circumstances. This is especially likely if the trespassers are children and the property is used regularly as a playground or contains an attractive nuisance. The property owner must also be careful not to take any deliberate act that would injure a trespasser. Liability insurance would cover any liability of the property owner that might arise unless the act of the insured was deliberately intended to cause injury. ■

Looking . . .

Continued from preceding page
ministration. How many of these two percentage groups, however, have within their functional areas a qualified individual or individuals with a free protection or safety engineering background who can develop, administer and implement loss control programs throughout the company? This key individual on the risk management team, to be effective, also needs the ability to consult from a safety standpoint on building design and design and use of production equipment, processes and chemicals to insure the safety of physical properties and people. There are very few among us, I'm sure, that have such a person or persons on their staff to effectively carry out this important safety and loss prevention function.

The risk management approach with its theme of risk control being cost control is a basically sound one, but a difficult one in its application. The long established companies, some being highly departmentalized and sometimes also decentralized, are unlikely candidates to have an overall risk manager.

Some of the relatively newer, dynamic companies are more likely to have risk managers, whether they have the title or not. The obstacles to overcome here, if any, are not as insurmountable as in a more staid organization where these separate functions have evolved over a long period of time and there is a resistance to changing the status quo.

Whether it be the newer company or the older established firm, the risk management concept has to gain its approval other than through the mere acceptance of the omnipresent term "risk management" or the title "corporate risk manager." We can all see definite strides in the acceptance of the term "risk management," but how many who have full time responsibility in managing corporate insurance affairs are true risk managers? A large number of companies are still in the transitional stage from the buyer of insurance to the corporate insurance manager, where a significant achievement would be acceptance in the field of corporate insurance management. Before they accomplish these goals, are they to take giant strides and suddenly become risk managers? Some may be able to achieve this, others will be left behind.

THE PHILOSOPHY of total risk management is one of centralization versus decentralization. Courses in risk management are being taught in colleges and universities and risk management degrees are even being conferred; the American Society of Insurance Management, American Management Assn. insurance division and the Machinery and Allied Products Institute insurance council are some of the national organizations furthering the cause of risk management and the acceptance of those managers of corporate insurance as professional risk managers.

The intent and purpose here is justifiable and cannot be denied. Risk management in its most sophisticated application will result in economies and efficiencies of operation, which will be a significant factor in assisting the corporation to achieve overall profitable production.

The buyer of insurance cannot realistically hope to become a corporate insurance manager, nor a corporate insurance manager a corporate risk manager, while shrouding himself within the confines of the achievements of his colleagues. The advent of risk management is upon us, but the individual risk manager will only become a reality through his own direct, personal, professional efforts. ■

Robert E. Abrahamson is corporate insurance manager of Control Data Corporation with headquarters in Minneapolis, Minn. He is a graduate of the University of Minnesota with a B.A. degree. Prior to becoming a risk manager, he was employed for a number of years by a major stock property-liability insurance carrier. He is a member of the board of directors of the Minnesota chapter of the American Society of Insurance Management, a member of the American management Assn. insurance division, and is associated with the Machinery and Allied Products Institute insurance council.

Watch third-party liability exposure as aviation grows

by Charles F. Levinson,
director of insurance,
United Brands Co.,
New York, N. Y.

THE GROWTH OF AVIATION and its increasing need for insurance parallels the growth of commercial aircraft in both size and capacity.

Typical of the commercial aircraft have been the various Douglas aircraft whose specifications are shown in the box. For comparison the Boeing 747 also is included.

As the planes have increased in size and number, facilities had to be created for loading, unloading, landing and takeoff, customs, passenger feeding, plane servicing, approaches and transportation to the airport and dozens of other necessities, many of which are not obvious to ordinary members of the public.

In 1969, airlines using U.S. airports flew more than 230 million passengers in excess of 185 billion miles from more than 6 million aircraft departures employing a minimum of 700,000 employes using 5,000 aircraft or more. United Airlines, the largest in passenger travel, has about 12% to 15% of the business. In air freight Pan Am, with its 722 million ton miles and $156 million cargo revenue, led all the rest.

ALL OF THIS REQUIRES a tremendous amount of ground facilities and concentration of values. While the loss potential of liability to third parties has been subordinated to the direct physical damage possibilities, I would classify them as about equal. The need for coverage in the liability area is the greater because there are more interests that could be charged with serious claims. This ranges from the restaurant concessionnaires who supply food on the ground and in the air, through the various contractors and suppliers who supply and maintain the planes and the airport area, to the airport operator and aircraft operators who control the coming and going of the aircraft as well as have a contingent liability for many third parties who could cause losses.

Greatest subject of exposure in my opinion is the grouping of aircraft either awaiting departures, sometimes in long lines at the large airport but many times with three or four in close proximity at smaller airports. A fully fueled aircraft having to make an emergency landing could come down in the midst of the area of greatest congestion and make a shambles of the planes and their passengers.

Incidentally, this emergency landing aircraft could be a corporate aircraft so that high limits of liability are needed by all. Many airports are expanding to meet the newer greater needs. This means construction debris and changes in operating procedures could lead to charges of negligence against the airport owner and the contractors involved.

On the property damage side, a new hangar and service buildings necessary to service the new 747s inside is costing $50 millon so if we add the value of three or four planes inside the building at $24 million each we have a new area easily subject to more than $125 million in one loss.

The aviation area for all concerned is one of high potential for loss that should be handled very carefully especially for the smaller agent, broker or buyer who handles any facet of its multiplicity of operation. ■

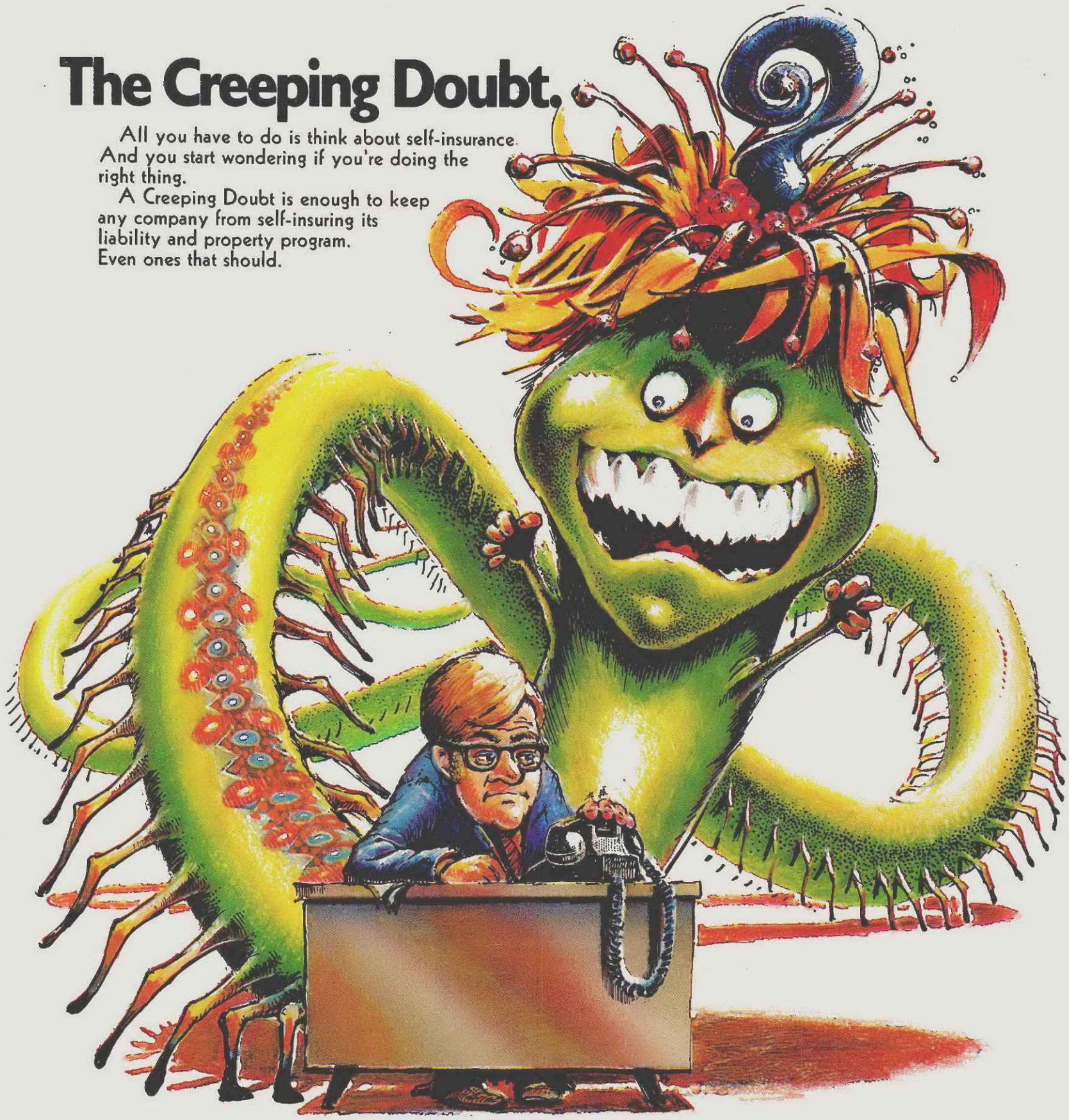
Introduction		Wing-span	Length	Height	Payload	Cruising speed	No. seats	Price in U.S. $
1934	DC-2	85′	62′	16′3″	6,220 lbs	149 mph	14	45,000
1936	DC-3	95′	64′6″	19′2″	7,050 lbs	174 mph	28	123,000
1945	DC-4	117′7″	93′5″	27′7″	15,720 lbs	211 mph	55	525,000
1947	DC-6B	117′6″	106′5″	28′8″	15,740 lbs	273 mph	69	1,237,000
1953	DC-7C	127′6″	113′5″	30′9″	19,000 lbs	342 mph	75	2,318,000
1959	DC-8	148′4″	157′5″	42′3″	41,930 lbs	544 mph	155	9,300,000
1965	DC-9	93′5″	119′3″	27′5″	23,100 lbs	528 mph	89	4,675,000
1971	DC-10	161′1″	180′1″	58′1″	81,570 lbs	551 mph	253	20,000,000
1970	Boeing 747 B	195′6″	231′3″	63′4″	112,880 lbs	570 mph	353	29,100,000

Charles F. Levinson, director of insurance for United Brands Co., holds a B.A. degree from Columbia University and a CPCU designation. He was formerly insurance manager, Port of New York Authority, and before that was associated with a number of Midwest stock insurance companies as insurance underwriter and field man. Mr. Levinson served as insurance manager of Magnavox Co. from 1954-57, subsequently becoming insurance consultant to Insurance Audit & Inspection Co.

The Creeping Doubt.

All you have to do is think about self-insurance. And you start wondering if you're doing the right thing.

A Creeping Doubt is enough to keep any company from self-insuring its liability and property program. Even ones that should.



Halt It.

With answers from a business insurance expert. CNA.

If you're thinking about self-insurance, we'll help you clarify your ideas.

By working with you to decide the services you'll need, we can help you identify your problems and opportunities.

CNA is the insurance company with the guts to halt the Creeping Doubt.

But he's just one of the ways insurance can lag behind your business.

And just one of the Insurance Lags we can help you beat.

Contact your CNA agent. Or write us.

CNA/*insurance*

Your way to beat the Lags

CNA/INSURANCE 310 S. MICHIGAN AVE. CHICAGO, ILL. 60604 CONTINENTAL CASUALTY CO. AMERICAN CASUALTY CO. NATIONAL FIRE INSURANCE CO. OF HARTFORD TRANSCONTINENTAL INSURANCE CO. TRANSPORTATION INSURANCE CO. VALLEY FORGE INSURANCE CO. VALLEY FORGE LIFE INSURANCE CO. CNA INVESTOR SERVICES, INC. a CNA enterprise

Attention Risk Managers, Quality Control Directors, Corporate Finance Officers: In just 1½ days you can brief yourself thoroughly on one of the most explosive problems facing business today . . . by participating in the

business insurance PRODUCT LIABILITY WORKSHOP

January 17-18, 1972
Regency Hyatt House • Chicago

This is an unusual 1½-day course designed to protect you against the rising tide of product claims from product defects, improper service or misrepresentation in advertising and labeling. It involves—in only one night and one day—eight hours of intensive instruction by an outstanding faculty of experts. They range from testing laboratory authorities and product withdrawal analysts to one of the nation's most prominent plaintiffs' lawyers. In the workshop's total-involvement sessions, you'll personally analyze and zero in on effective utilization of **each critical component of the management quality control team.** In short, this is an opportunity for you to absorb in a short time a massive amount of valuable information dealing with one of the biggest business problems of the '70s! Many Business Insurance readers have already said they wish to participate in the workshop, so enrollments must be accepted on a first-come, first-served basis. Don't wait. . . . Mail the registration form today, or telephone your enrollment toll-free from anywhere in the U.S. And remember—**the second registrant from the same company saves $10!**

Here is what your workshop program includes:

- **CONSUMERISTS' VIEW**
  Reuben Robertson III, a captain of Nader's Raiders and consultant, Center for the Study of Responsive Law.
- **GOVERNMENT VIEW**
  Lynn Sutcliffe, counsel, U.S. Senate Commerce Committee.
- **PRIVATE TESTERS' VIEW**
  Donal Breting, Vice President, Underwriters' Laboratories.
- **PRODUCT LIABILITY INSURANCE**
  Robert B. Johnson, Vice President, Continental Casualty Co.
- **PRODUCT WITHDRAWAL INSURANCE**
  Garrett Redmond, Vice President, Fireman's Fund American Insurance Cos.
- **PLAINTIFFS' LAWYER**
  Philip H. Corboy, American Trial Lawyers' Association, and President-elect, Chicago Bar Association.
- **DEFENSE LAWYER**
  Michel Coccia, chairman, Product Liability Committee, Defense Research Institute
- **RISK MANAGERS PANEL**
  Edward D. Hansen, Risk Manager and Attorney, Trans Union Corp.
  Norman Hoffman, Corporate Insurance Director, National Industries Corp.
  Donald Stehr, Director of Insurance and Employe Benefits, Jos. Schlitz Brewing Co.
  William J. Gibbons Jr., Director of Insurance, Standard Kollsman Industries Inc.

The Product Liability Workshop will be held at the new Regency Hyatt House, less than five minutes from Chicago's O'Hare airport. The hotel has reserved for the workshop a block of modern rooms at attractive rates. Registration for the workshop starts at 3 p.m., Jan. 17, followed by a get-acquainted period at 5 p.m., dinner at 6 p.m., and opening-evening work sessions at 7:30 p.m. Because of the intensive nature of the course, on the following day registrants will be kept busy until the workshop adjourns promptly at 4 p.m.

Regency Hyatt House

To enroll, use the coupon below or

phone 800-243-6000 toll-free

from anywhere in the U.S. Connecticut registrants should call 1-800-942-0655. A Listfax operator will take all necessary information and your enrollment will be confirmed immediately by Business Insurance.

business insurance PRODUCT LIABILITY WORKSHOP

Please enroll me for the Business Insurance PRODUCT LIABILITY WORKSHOP to be held Monday, January 17, and Tuesday, January 18, 1972, in Chicago. My registration fee is $135—$125 if I am the second registrant from the same company.

☐ Payment Enclosed ☐ Bill my company

Name _____
Title _____
Company _____
Address _____
City _____ State _____ Zip _____

Please make checks payable to Product Liability Workshop, c/o Business Insurance, 740 Rush St., Chicago 60611.

WORKSHOP TUITION

First Enrollment **$135**
Second Enrollment From Same Company **125**

Fee includes participation in all sessions; one dinner, breakfast, lunch, cocktail social and coffee breaks; plus a detailed workbook of the meetings. Accommodations at Regency Hyatt House are not included in the fee and should be arranged separately. Hotel information will be sent automatically with registration acknowledgment. There is a $25 service charge for cancellations received between January 4 and January 12.

General educational

Continued from page 35

• The Hartford Insurance Group has issued **Insurance and Bonds,** a general information summary of the groups coverages. The booklet contains numerous definitions and explanations and a detailed table of contents. For a free copy indicate number 277 on the order form.

• **A Theoretical and Practical Approach to Risk Management,** a series of six articles by Dr. Tom C. Allen and Dr. Richard M. Duvall of the department of finance at the University of Tennessee, has been published in book form. The book establishes a theoretical use of a quantitative methodology and incorporates techniques of operations research associated with cost and benefit analysis as tools for the risk manager. For price information write the American Society of Insurance Management, 500 Fifth Ave., N.Y., N.Y. 10036.

• **GAB's Little Red Book** provides a description of all General Adjustment Bureau Inc. services and lists GAB offices in the 50 states, the District of Columbia and Puerto Rico. For a free copy indicate number 284 on the order form.

• Latham-Stevens has made available its corporate brochure to *Business Insurance* readers. The booklet details the services provided by this insurance brokerage. For a copy indicate number 285 on the order form.

• The Mission Equities Insurance Group has made available **Mission for the Seventies,** a brochure describing the company's corporate set-up, coverages, offices and officers with an introduction by Mission's president. Copies of the book are available by indicating number 288 on the order blank.

info for buyers

• **The Lexington Celebrates Independence** is a general information flier explaining the excess-surplus lines facilities of the Lexington Insurance Co. and a brief description of its key people. For your free copy indicate number 286 on the order form.

• Insurors Press Inc. has published **Insurance is a Funny Business,** a humor book with jokes, cartoons and anecdotes relating to every type and phase of insurance. For price information write Jeanne Chesley, promotions manager, Insurors Press Inc., P.O. Box 1430, Santa Monica, Cal. 90406. ■

State 'stopgap' system effective this week

SALEM, Ore.—As made mandatory by the 1971 Oregon legislature, all personal automobile insurance policies sold or renewed in the state after Jan. 1, 1972, will provide additional medical benefits and disability income protection.

The new program is a stopgap between the state's traditional tort concept system of assigning responsibility for an accident and no fault insurance, said Quentin Isham, spokesman for the state insurance commissioner's office.

The new program will provide these benefits to insured motorists:

• All policies will carry a minimum of $3,000 per person of medical benefits insurance. The protection includes the motorist, his family, passengers riding with him and any pedestrian unfortunate enough to step in front of his car.

• All policies must provide an income protection device going up to 70% of a person's wages for 52 weeks, following an initial 14-day waiting period. The coverage has a limitation of $500 per person per month.

• All policies must provide payment for loss of "essential services" of up to $12 per day. This permits the insured to recover expenses when a non-wage earning family member is injured.

How much more the coverage will cost will vary from community to community, and from company to company, it was reported.

MR. ISHAM noted the income protection program is almost totally new in Oregon with only one or two companies offering it before the new law was enacted.

The new plan was devised by a special statewide committee on automobile insurance appointed by Cornelius C. Bateson, insurance commissioner. The bill passed the house 33-25 and then swept to a 25-4 victory in the senate late in the 1971 session.

"While programs of this type have sometimes been referred to as no fault systems," Mr. Bateson said, "no restrictions have been placed on the tort concept of assigning responsibility of negligence or other wrongs. Within the limits of the protection afforded, the assignment of responsibility of payment of claims will be largely a matter to be settled between the insurance companies."

Coverage for medical expenses and disability income under the new Oregon law will be primary, except for workmen's compensation, other motor vehicle policies and other medical or disability benefits. The coverage will not automatically extend to all but will be included as new policies are written or renewed after Jan. 1.

IN A RELATED auto liability action the state court of appeals has ruled that persons injured in automobile accidents may collect damages from their own insurance companies if the companies of guilty drivers become insolvent.

Judge Herbert A. Swanson of the court's division in Seattle wrote the opinion. The appellate court affirmed a superior court decision in which a man won a $7,000 judgment against the negligent driver's insurance company but the firm failed to pay.

LESS THAN a year later the insurer was found to be insolvent. The injured man then sought payment from his own insurer.

The court found that the post-judgment insolvency made the negligent man the driver of an "uninsured automobile" within the meaning of the policy and thus the injured party was entitled to damages from his own company. ■

Mobil's Carlisle is moved to London base

NEW YORK—Gordon Carlisle, former general manager-insurance for Mobil Oil Corp., was relocated in London last month as manager of the company's international insurance department, in a move which Mr. Carlisle described as part of a "semi-decentralization process" aimed at better serving Mobil's overseas affiliates.

"Our operations in Europe have expanded to the point where we can't service our affiliates properly from New York," Mr. Carlisle told *Business Insurance* before his departure. "Up until now if, say, our German affiliate notified us of a problem there, we would wait to accumulate complaints from other areas as well before going over to take care of it. With London as a base I'll be able to service the affiliates immediately."

Mr. Carlisle, who had been Mobil's general manager-insurance since 1965, said that he had gone to London about 15 times in the last five years, and that the move was "logical." He also noted that such companies as Esso, Gulf Oil Corp. and Monsanto Co. have performed insurance operations from offices in London for some time, with the implication that Mobil's decision was a bit overdue.

"WE BEGAN thinking about the move last January," he said. "And it's been in the serious planning stage since mid-summer. For major international companies like Mobil, Gulf and Esso this kind of decentralization is a good idea, although it's not necessary for smaller companies."

He noted that Esso, for example, is even more decentralized than Mobil plans to be with, according to Mr. Carlisle, a London office serving the United Kingdom, Europe and Africa, an office in Coral Gables, Fla., serving South America, and a Canadian office to serve operations in Canada.

Aside from better serving Mobil affiliates, Mr. Carlisle said, "we will have the best of both worlds with operations in London as well as in New York. Our excess insurance is still led by the London Market with the U.S. market following. Except in the area of fire insurance, rates, trends and conditions are set by London, especially in marine insurance. A base over there is a natural advantage."

Mr. Carlisle said Mobil has split the insurance function in two, making a manager of the international insurance department responsible for "advising all Mobil affiliates operating outside the U.S. on insurance matters," and a manager of the corporate insurance department, based in New York, responsible for "truly corporate insurance matters like d&o, safety and loss prevention, and planning."

Allen Fletcher, former assistant general manager-insurance, became manager of Mobil's corporate insurance department upon Mr. Carlisle's relocation. ■

Five insurers lose suit

PITTSBURGH—An Allegheny County common pleas court jury has ruled that lightning—and not a structural defect—caused the roof of a department store to collapse.

Along with the verdict goes a judgment of $232,000 against North River Insurance Co., New York; St. Paul Fire and Marine Insurance Co., St. Paul; Mutual Insurance Co., Utica, N.Y.; Mutual Fire and Marine Insurance Co., Philadelphia; and Union Mutual Insurance Co., Greensburg, Pa. ■

Buckeye meeting

The Chicago Buckeye Club, an insurance fellowship organization comprised of Chicago area property and liability insurance businessmen who were once active professionally in Ohio, will hold its annual meeting on Jan. 31.

REUBEN WARNER ASSOC, INC.
SALUTES
THE GIANTS
of the Accident & Health
INDUSTRY
We hope we've helped you arrive!

GENERAL AGENTS, NEW YORK, NY
SPECIALISTS IN GROUP TRAVEL & ALL FORMS OF ACCIDENT & HEALTH
(212) 964-3670

"To err is human"

Accidents will happen . . . that's why you carry insurance. But not all accidents are inevitable . . . and not all of them have to be so serious. Employers-Commercial Union has proved it time and again, with a loss control program that helps minimize both the frequency and severity of accidents. Our engineers examine and analyze your operation. Because of their broad experience, they recognize hazards you may not even be aware of. Their finished study will present you with a series of ideas, and recommendations for improving systems, procedures, even equipment . . . for training your people to better safety practices. Because Employers-Commercial Union offers a full line of such services to some of the biggest companies in the country, they have a lot more to offer smaller ones as well. Why not talk with your ECU agent about first aid for your safety program.

Employers·Commercial Union Companies
110 MILK STREET, BOSTON, MASSACHUSETTS 02107
FULL SPECTRUM FINANCIAL SERVICE

business insurance
PRODUCT LIABILITY WORKSHOP

Please enroll me for the Business Insurance PRODUCT LIABILITY WORKSHOP to be held Monday, January 17, and Tuesday, January 18, 1972, in Chicago. I understand there is a $25 service charge for cancellations received by January 12.

☐ Payment Enclosed ☐ Bill my company

Name _____
Title _____
Company _____
Address _____
City _____ State _____ Zip _____

Note: There is a $10 savings for additional registrants from the same company. Please make checks payable to Product Liability Workshop, c/o Business Insurance, 740 Rush St., Chicago 60611.

YOU SAVE $10 ON EACH ADDITIONAL REGISTRANT FROM YOUR COMPANY!

First Enrollment $135
Second Enrollment From Same Company $125

Fee includes participation in all sessions; one dinner, breakfast, lunch, cocktail social and coffee breaks; plus a detailed workbook of the meetings. Accommodations at Regency Hyatt House are not included in the fee, and should be arranged separately. Hotel information will be sent automatically with registration acknowledgment. There is a $25 service charge for cancellations received by January 12.

Final chance to register for BI liability workshop

CHICAGO—Faculty members and participants are ready for the *Business Insurance* Product Liability Workshop to be held Monday and Tuesday, Jan. 17 and 18, in the Regency Hyatt House near O'Hare Airport in Chicago.

Late registration may be made by calling 800-243-6000, a nationwide toll-free number set up by Listfax to take necessary information from workshop participants. Tuition is $135 for the first registrant from any company and $125 for additional registrants from the same company.

Workshop registrants will be part of an outstanding program on one of the nation's biggest business problems of the 1970s. The program for the one-and-a-half day workshop, announced by *Business Insurance* Publisher Alfred Malecki, is:

MONDAY

5 pm—Get-acquainted social period.

6 pm—Dinner.

7:30 pm—Lynn Sutcliffe, counsel, U.S. Senate Commerce committee.

8 pm—Philip H. Corboy, member, board of governors, American Trial Lawyers Assn.

8:45 pm—Michel A. Coccia, chairman, product liability committee, Defense Research Institute.

TUESDAY

9 am—Reuben Robertson III, a Nader's Raider and consultant, Center for the Study of Responsive Law.

9:45 am—Film "Product Liability and Loss Control," produced by Kaiser Aluminum and Chemical Corp.

10:45 am—Risk managers' panel including Edward D. Hansen, risk manager and attorney, Trans Union Corp.; Norman Hoffman, insurance director, National Industries Corp.; Donald Stehr, director of insurance and employe benefits, Jos. Schlitz Brewing Co.; and William J. Gibbons Jr., director of insurance, Standard Kolsman Industries Inc.

12:15 pm—Lunch.

1:30 pm—Robert B. Johnson, vp, Continental Casualty Co.

2:45 pm—Donal Breting, vp, Underwriters' Laboratories.

3:30 pm—Garrett Redmond, vp, Fireman's Fund American Insurance Cos.

Toll-free number set for workshop

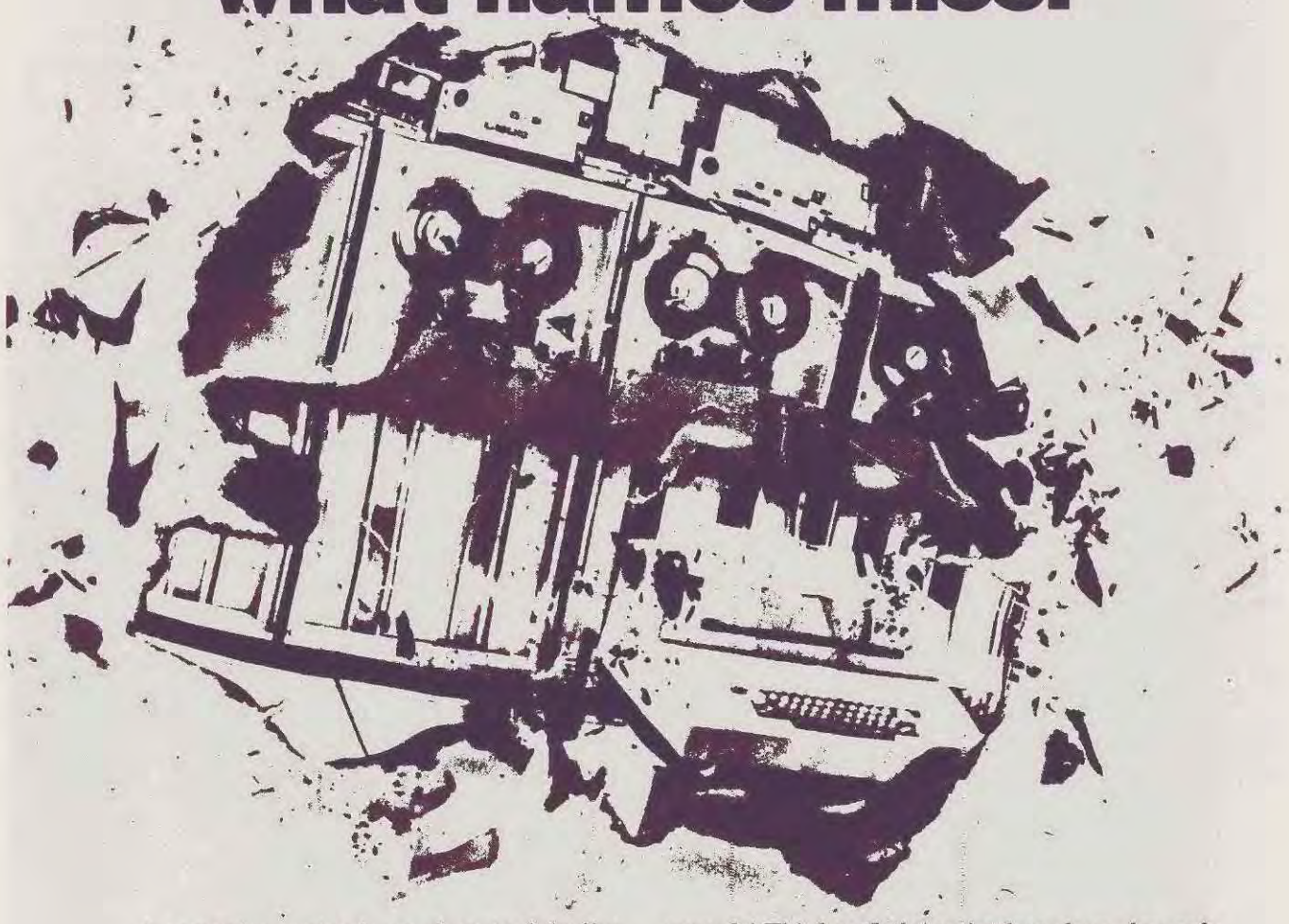
CHICAGO—Enrollments for the Product Liability Workshop may be made by phoning 800-243-6000 toll-free from anywhere in the U.S. Connecticut registrants should call 1-800-942-0655. A Listfax operator will take all necessary information and your enrollment will be confirmed promptly by *Business Insurance*.

Participants in the *Business Insurance* Product Liability Workshop will learn about aspects of the problem from the viewpoint of corporate executives, plaintiffs' and defense attorneys, underwriters of product liability and product withdrawal insurance, private testing laboratories and government regulators.

In addition to the program items listed above, there will be coffee breaks in the morning and afternoon. All registrants are encouraged to participate in all workshop events, including discussion sessions with faculty members.

You may register for the *Business Insurance* Product Liability Workshop by completing the coupon on this page. Mail it with your registration fee to the workshop, c/o *Business Insurance*, 740 Rush St., Chicago 60611. To speed your reservation, call toll-free the Listfax number, 800-243-6000, where an operator will confirm your reservation. Nearly 150 persons are already registered to participate in the workshop ■

Stop fires dry in seconds before water damages what flames miss.



A computer center is no place to fight fire with water. Or with any other corrosive or conductive suppressant.

So Fenwal, leading developers of explosion suppression systems for industry, came up with an absolutely dry idea. The Fenwal high-speed fire suppression systems.

Using super-sensitive, solid state detectors to spot fire, smoke or temperature rise, these sensors instantly activate the discharge of a dry, colorless, non-corrosive gas to knock out fire in seconds! This leaves the entire area clean, dry, safe-for-people. In short, ready for immediate reuse. Which eliminates downtime, equipment loss, and costly increases in insurance rates. Now doesn't that make sense?

We'll be glad to show you this system in action. Just call Mr. George Grabowski, Division Manager, to arrange a showing of the color film, "The Fireaters," at your plant or office. Fenwal Incorporated, Ashland, Mass. Phone (617) 881-2000. A Division of Walter Kidde & Company, Inc.

FENWAL

Forecast for the '70s: Growth of dental plans

CHICAGO—While 7 million Americans now have group dental coverage, the number will grow to 75 to 100 million in the next decade, according to Roy L. Lindahl, D.D.S., chairman of the Council on Dental Care Programs.

"Most of the thanks for what group dental coverage is available should go to the dental profession and insurance carriers," said Dr. Lindahl while addressing the annual American Management Assn. employe benefits and pension conference.

Characterizing dental care as "one of the major medical problems of the 70s," Dr. Lindahl noted that over 100 million man hours were lost last year because of dental problems and that "in many cases, group dental programs were the one factor that helped those formerly unable to receive adequate dental care." For him, "No program of health care can be considered complete without dental coverage."

Roy L. Lindahl, D.D.S.

Dr. Lindahl repeatedly stressed the cumulative nature of dental disease and urged that employers encourage group members to utilize dental benefits as treatment costs tend to stabilize as prevention grows.

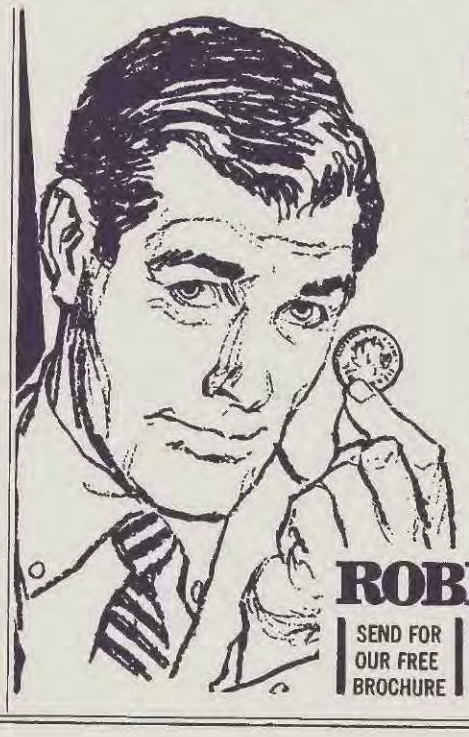
As an example, he cited the state of Washington dental plan which has resulted in long term lowering of program costs. Under the plan, individuals pay 30% of the premium the first year, 20% the second, 10% the third and nothing after that if they make use of the program every year. "Making use of the program" means that they must have at least a dental examination each year. So far, 75% of enrolled adults and 90% of enrolled children have reached the 10% level, and a 40% reduction in dental problems has been recorded in the 10% group as compared with the 30% and 20% groups.

According to Dr. Lindahl, a good dental group plan should include diagnostics—consultations and x-rays; prevention—fluoride treatments and cleaning; oral surgery; restorative surgery—fillings, crowns; pariodonics—root canals; prostodonics—bridges and dentures; and orthodonics, along with the encouragement of plan utilization.

"Fixed fees," he said, "should be on a local basis only, for nationally regulated fees are not fair to patients or the profession." He further warned, "Don't compound the problem with poor program design," and mentioned dental service corporations, the Blues and some private insurers among those offering planned dental programs.

Dr. Lindahl also cited the following as essential elements of a good dental group program:

- A three year contract. Though a deficit will mark the first year, gradual solvency should occur within a three year period.
- Judicious use of pre-treatment examinations.
- A good reporting system. Dr. Lindahl cited the standard forms, procedure and nomenclature offered by the American Dental Assn. and Delta Dental Plans, Inc.
- The preservation of dentition should receive top medical priority.
- Carriers should have extensive expertise both internally and externally. ■



A FEW WORDS ABOUT ALL THAT INSURANCE MONEY YOU GIVE AWAY.

You do it all the time. You do it whenever you pay your premiums on Workmen's Compensation or Public Liability. You give your money to somebody else and they work with it. Self Insurance will eliminate all that. It generates cash flow, there's no advance payment for primary losses, and your cash is used only when necessary.
Does this sound like found money? That's exactly what it is and you should have your insurance buyer or broker contact us right away.
Before you give away more money call:

SEND FOR OUR FREE BROCHURE

ROBERT F. COLEMAN INC.
• Workmen's Compensation • Public Liability
• Accident Control Specialists since 1923
120 East 23rd St., New York, N.Y. 212-777-4210

If only you had AFCO's extra line of credit.

Then you wouldn't have to tie up all that cash for insurance premiums.

Borrow the premiums from Afco. (You'll love our low interest rates.) Pay us monthly or quarterly, out of current income. You don't need a compensating bank balance, you don't need to disturb your other lines of credit. And we're sure you'll be able to think up a way of using that extra working capital. Ask your insurance agent or broker about Afco. Now.

AFCO

NEW YORK: 108 JOHN STREET, NEW YORK 10038
ATLANTA BALTIMORE BOSTON CHICAGO
COLUMBUS, O. EAST ORANGE HEMPSTEAD, N. Y.
KANSAS CITY LOS ANGELES MIAMI
NEW YORK SAN FRANCISCO SEATTLE
CANADIAN AFFILIATE: CAFO
HALIFAX MONTREAL TORONTO
EDMONTON VANCOUVER

TO OBTAIN INFO FOR BUYERS DATA—USE THIS COUPON

business insurance

P. O. Box 21204, El Paso, Texas 79998

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, 1972

Senate report shows involuntary retirement

WASHINGTON—The Senate committee on aging has contended in a special report that there is "strong evidence" of an increasing number of older workers "involuntarily" taking early retirement.

The report, issued to coincide with the Nov. 28-Dec. 2 White House Conference on Aging, also cited preliminary results of a pension study by the Senate labor committee showing the median monthly payment for "normal" retirement "is only $99 per month" and for early retirement $72 a month. Calling retirement income "far and away" the most important subject before the conference, the report urged participants to press for action this year on reforms that would provide more income for the elderly.

The report cited a Social Security Administration bulletin on benefit levels of newly retired workers in stating that there is "powerful evidence of a growing trend toward earlier and earlier retirement." It said the administration "revealed that nearly 85% of all persons awarded payable benefits in the last half of 1969 received some reductions in their primary insurance amounts because they claimed benefits before age 65."

ON WORKERS being eased out, the report said there is "strong evidence that many of these older workers are leaving the work force involuntarily" and added that "large numbers are claiming actuarially reduced benefits only as an alternative to prolonged periods of unemployment or because they have already exhausted their unemployment compensation."

Increasingly, said the report, "it is becoming apparent that millions of workers are losing pension benefits because of events beyond their control. Massive layoffs, plant shutdowns, company mergers, lack of vested benefits and employer bankruptcies have all played havoc with the lives of mature workers and their families." In "far too many cases," the report added, these events "have completely undercut even the most soundly conceived (retirement) plans."

The report was prefaced by Sen. Frank Church (D.-Id.), committee chairman, who said the committee didn't seek to "force major policy recommendations" on the conference. "It is merely attempting to report on new developments."

One of the new developments presented in detail was the release of preliminary results of a Senate labor committee staff analysis of 764 private pension plans. The labor committee is studying 1,500 plans in connection with pension reform.

"One of the key findings," said the Church committee report, "was that the median monthly payment for normal retirement is only $99 per month. For early retirement, the median monthly pension amounts to $72, and for disability retirement it is less than $50 a month."

Since Social Security benefits for the typical retired couple are $219 a month, said the report, the average couple entitled to Social Security and pension benefits receives "slightly more" than $3,800 a year from both these sources. It added: "This is nearly $700 below the Bureau of Labor Statistics budget of $4,489 for a retired couple living in an urban area." ■

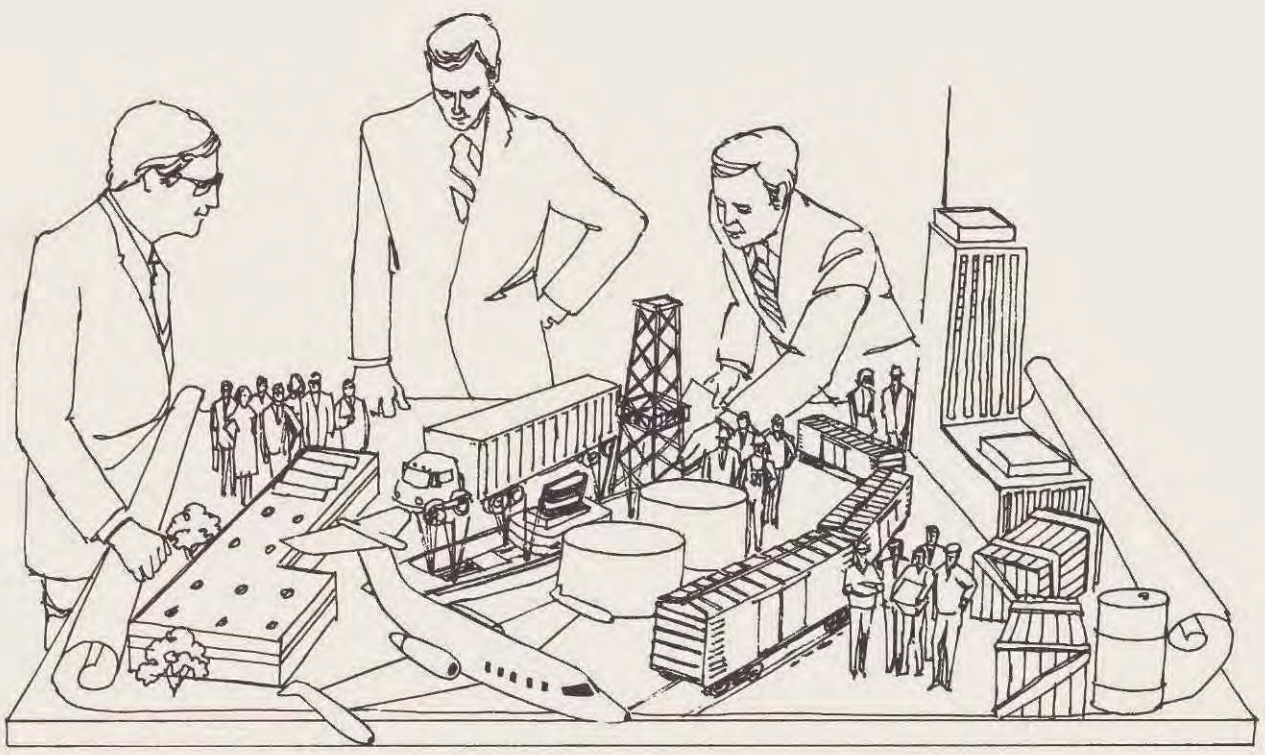
Sickles named to post

Carlton R. Sickles of Washington, D.C. has been named secretary-treasurer of the National Foundation of Health, Welfare and Pension Plan for 1972. Mr. Sickles is president of Carday Associates, administrators and consultants of employe fringe benefit programs.

Carlson is new vp

Willard J. Carlson of Hopkins, Minn. has been named vice-chairman of the National Foundation of Health, Welfare and Pension Plans. He is vice president—labor relations of Red Owl Stores, Inc., a large midwest supermarket chain.

RBH Means Excellence in Total Insurance Planning



"A man to carry on a successful business must have imagination. He must see things as in a vision, a dream of the whole thing."

—Charles M. Schwab

As a risk manager, you must balance the corporation's resources which are available for premium and loss control service costs against casualty, property, financial and special insurance risks, in the best interests of employees, shareowners and the public. Nothing less than a creative, professional approach to risk analysis and insurance planning will do.

To our clients, and throughout world insurance markets, the initials RBH mean comprehensive analysis of risks, broad knowledge of corporate insurance requirements and costs, and soundly designed insurance programs. We stress personal service, professional placement of insurance and extensive loss control and claims services, to which we attach the highest importance.

We will be pleased to send you a copy of our brochure, "Meeting Today's Risk Management Needs." Write: President's Office, Rollins Burdick Hunter Co., 231 South LaSalle Street, Chicago, Illinois 60604.

Rollins Burdick Hunter Co. insurance brokers/average adjusters

Principal Offices: *U.S.A.:* Chicago-Detroit-New York-St. Louis-Seattle
International, Rolibec: London-Tokyo-Yokohama-Seoul-Hong Kong-Bangkok
Sao Paulo-Rio de Janeiro-Caracas-Valencia-Bogota-Lima-Santiago

Rail unions demand sweeping health and welfare program improvements

WASHINGTON—Sweeping changes in the health and welfare program for 600,000 employes in various railroad unions and their 900,000 dependents have been proposed in a notice served on U.S. railroad companies.

The changes being sought would be included in the health and welfare program when a new Travelers Insurance Cos. policy is written to replace the present policy contract. The present contract expires February 29, 1972.

A spokesman for the Brotherhood of Maintenance of Way Employes, which represents 100,000 of the 600,000 employes affected by the proposal, told *Business Insurance*, however, that the railroad companies' response was a Nov. 9 counter-proposal which is "so vicious that I can't understand any rational human being's presenting it."

The union source said the companies' proposal would leave the employes bearing a large part of the cost. "Furthermore," he continued, "their proposal not only rejects our improvements, but offers a contract that is less comprehensive than the present one. Health and welfare in the nation as a whole have been improved over the years. To take a backward step is unthinkable, our members wouldn't even look at such an offer."

THE UNION spokesman said the premium for the present policy is $250 million per year, and that even without improvements a 20% increase in premium would be necessary "because the costs of health and welfare care are skyrocketing, as everyone knows."

He said it would be very difficult to estimate the increased cost of the policy if the union's proposed improvements are accepted.

"Costs depend on how you compute these things," he said. "The actual cost of the optical and dental coverages, for example, is nebulous—it depends on what final points are agreed on. Some of these items look big, but cost fairly little. We're asking that the 180 days of hospital expense benefits be increased to 365 days per calendar year, which looks like a huge demand, but the actual cost is only three cents per month per employe—a 1% increase. We're also asking that major medical expense benefits be increased from $20,000 to $50,000 which looks like two and a half times the burden, but the actual cost would go from $2.00 per month to $2.06 per month."

Briefly stated, the unions' proposal would renew policy contract GA-23000 for two years and improve it as follows:

- Eliminate coordination of benefits.
- Provide coverage for all surgical, radiation, X-ray and laboratory services.
- Increase major medical expense benefits lifetime maximum to $50,000 and otherwise improve these benefits.
- Permit hospital expense benefits to apply 365 days a year.
- Provide full hospital intensive-care coverage.
- Permit new hospital confinement to start after 60 days out of the hospital.
- Improve out-patient expense benefits.
- Cover voluntary sterilization expense.
- Add dental care and vision care coverage.
- Continue and improve pregnancy benefits.
- Cover discharged employes the same as furloughed employes.
- Start coverage on first day of month following employment.
- Provide that carrier shall pay premiums until age 65 for retirees below that age.
- Cover military service returnees immediately on return.
- Increase amount of life insurance and accidental death and dismemberment payments.
- Correct inequities with respect to insurance of retired employes.

Participating with the Brotherhood of Maintenance of Way Employes in the health and welfare movement are the railroad industry's 22 other unions, among them the Machinists, Electrical Workers, Firemen & Oilers, Sheet Metal Workers, Longshoremen and Yardmasters.

"Ever since 1968 the industry's 23 unions have presented a united front on health and welfare," said the union source. He said wages and other work contract matters had been settled already for all but two of the unions—the Firemen & Oilers and the Sheet Metal Workers. "The Firemen & Oilers shouldn't have too much trouble," he said, "but the Sheet Metal Workers contract may take quite a while to settle."

Asked what he expected to be the outcome of the insurance contract negotiations, he said "negotiations are one thing you can never predict too well." ■

No cash for Johnny Cash

VENTURA, Cal.—Country singer Johnny Cash has lost his suit to compel Sequoia Insurance Co. to repay him $72,000 he paid the U.S. Forest Service for a 1965 fire he accidentally caused in southern California's Los Padres National Forest.

A civil court jury here ruled that Mr. Cash cannot be reimbursed from his homeowner's insurance policy written by Sequoia.

A spark from the engine of a pickup truck owned by Mr. Cash started a June 27, 1965, blaze that burned 500 acres of forest land. Mr. Cash testified he had been trying to move the truck from the edge of the national forest, in the Ojai Valley.

A fire fighting crew of 450 men required eight aerial tankers and four helicopters to stop the fire.

Safety group dividend

The California Growers and Producers Safety Assn. has earned a 25% dividend on workmen's compensation insurance premiums from Fireman's Fund American Insurance Cos. The dividend, for the 1970 policy year, is the eleventh consecutive refund paid to the association by Fireman's Fund. The dividends have averaged more than 20% for the past six years. A statewide organization, the Growers and Producers Safety Assn. is composed of individuals and firms engaged in farming; nurserymen and flower growers; and cooperative marketing associations.

What is it worth?

cost price?
book value?
amortized value?
tax value?
replacement value?

If it is a complete loss!

You have probably given a lot of thought to valuing your equipment so that there would be sufficient funds to carry on your business in the event of a catastrophic loss. But no matter how carefully you figure, can you be sure there will be enough to cover replacements when the loss occurs? For instance, a machine purchased twenty years ago for $10,000 may have been depreciated to nothing today, but a used replacement in poor condition costs $18,000 and a new one $36,000. To help you solve these perplexing valuation problems Chubb can provide functional replacement cost—if replaced at the time of loss.

Think it over.

The more complex your requirements, the more extensive your operations, the more it will pay you to "THINK CHUBB."

CHUBB

CHUBB/PACIFIC INDEMNITY GROUP
Subsidiary of The Chubb Corporation, 90 John Street, New York, N.Y. 10038

CHUBB & SON INC., *Manager* Federal Insurance Company • Vigilant Insurance Company • Great Northern Insurance Company • The Sea Insurance Company Limited • The London Assurance • Alliance Assurance Company Limited • Sun Insurance Office Limited • The Sumitomo Marine and Fire Insurance Company, Limited • Affiliated with Pacific Indemnity Group through The Chubb Corporation • The Colonial Life Insurance Company of America • United Life and Accident Insurance Company • Aviation Insurance through Associated Aviation Underwriters.

HELICOPTERS ANYONE?

Those who enjoy the freedom and versatility of the helicopter often can't say the same thing about their insurance. Maneuver them complete helicopter coverage through **IWEST**

INSURANCE MANAGERS **iWest**

Main Office:
WELLS FARGO BUILDING, P.O. BOX 1651, STOCKTON, CA. 95201 • (209) 948-0555
Northwest Office:
SYLVAN WESTGATE BUILDING.
5319 S.W. WESTGATE DR., PORTLAND, ORE. 97221 • (503) 292-8828

speaking of safety

Article questions level of safety for exposure to asbestos fibers

NEW YORK—Air containing amounts of asbestos fibers long considered "safe" has been found to cause serious lung disease in asbestos workers exposed to it for two decades.

That is the gist of a report published this month by a Harvard research team in the New England Journal of Medicine. The article points up the need for a reconsideration of what is a safe, low level of exposure to asbestos fibers.

An editorial that appeared with the article stated that the present allowable level should be lowered and that "there is now a clear need for more decisive action on control measures."

The study was made on 195 workers in a private New England shipyard: 101 pipe coverers who prepared and applied insulating materials to machinery and pipes and 94 in a control group of similar age, duration of employment and smoking habits.

THE HARVARD team, led by Dr. Raymond L. H. Murphy Jr. of the department of physiology, found that asbestosis—lung scarring caused by asbestos fibers—was 11 times more common among the pipe coverers than among the control group. The doctors reported that 38% of the pipe coverers had evidence of asbestosis after 20 years of exposure to asbestos-containing air.

Dust exposure among asbestos worker in the shipyard had been under study for 20 years and had remained nearer the so-called "threshold limit value" than recommended—5 million particles per cubic foot of air. This level was long considered to be "safe" for workers chronically exposed. At present the industrial threshold limit value is expressed more precisely in terms of the amount of asbestos fibers in the air. However, the current value of 12 fibers of asbestos per milliliter of air is also considered to be too high by researchers in the field.

Recently the AFL-CIO and several researchers asked the U.S. Department of Labor to set a new "emergency standard" of two fibers per milliliter on grounds that the 12-fiber level represents a serious danger to the health of asbestos workers. In response to an inquiry the Labor department said that "this request is under consideration by the Occupational Safety and Health Administration."

Actually, according to another study by Dr. Murphy and his colleagues, even a level of two fibers per milliliter may be hazardous. The Harvard team found that some workers who sanded asbestos flood tiles also developed lung disease after chronic exposure to an estimated level of 1.3 fibers per milliliter.

THE JOURNAL editorial noted that even at a level of one fiber per milliliter a worker breathing 15 liters of air each minute for eight hours would inhale 10 million fibers every workday. "Although only a fraction of the inhaled fibers remain in the lung, these figures suggest that an alarming number will still accumulate over a 10-year period," the editorial stated.

Asbestos fibers have been linked to a greatly increased risk of developing lung cancer at great levels of exposure.

The general public—and particularly the urban resident—is also exposed to asbestos fibers, which can be found not only in air but also in drinking water, wine and beer. The fibers have been found in the lungs of persons who were never exposed to asbestos industrially. However, there is no evidence at present for asbestos-linked disease in the general population. ■

Group insurance service . . . in tune with your needs

Sure, we keep harping on service. And blowing our horn about the kind we deliver. Well why not? Fast, efficient group insurance service will keep harmony among your employees. When you choose Provident you get service—no strings attached!

Value and service are our cymbals. We cheerfully admit we're drumming up business. So if this message seems to strike a chord, don't fiddle around, call us!

GROUP DEPARTMENT

Provident LIFE AND ACCIDENT
CHATTANOOGA

Consider no-fault in Connecticut

HARTFORD—The Connecticut state legislative session beginning the first week in February will have to consider another no-fault-automobile insurance "package," *Business Insurance* has learned.

Lawrence DeNardis, Hamden Republican senator told the Auto Body Assn. of Greater New Haven Inc., that he would prefer a measure that "is genuine—plus a 'motorists' bill of rights.'"

A SPECIAL legislative committee, comprised of members of the judiciary and insurance units, conducts hearings at the state capital on the controversial no-fault issue.

Proposals introduced in the 1971 legislative session encountered sizable opposition and the law makers finally decided to hold off on approval of anything, pending additional study.

Mr. DeNardis intends to seek a no-fault law that would be "limited in form but nevertheless no-fault." ■

Study effect of private medicare on social welfare

LONDON—Problems developing from the tremendous expansion of Britain's private medicare services in the past 10 years, which compete at times with its overall National Health Service, have been probed to find how far they affect its social welfare setup.

By now nearly 2 million people, out of a 56 million man, woman and child population, have opted out of the state's free health service as far as some of its facilities are concerned. They prefer to invest in specialized private health insurance schemes that help them obtain quicker and, at times, more pleasant hospital facilities for ordinary illnesses and operations.

Everyone in Britain knows that in "life or death" issues, such as major auto crashes, they can call upon free hospital facilities as a taxpayer's right. There they will get prompt attention without paying a dime. The family doctor is also at their service if they need him for sudden illness at home without the worry of having to pay him, since he is reimbursed by the government's public funds.

BUT THE GRAY zone of hospital care for non-urgent operations and treatment is causing concern, because patients with either their own money or the resources of private fund-raising organizations can get it quicker.

Surgeons are legally permitted to look after a proportion of private patients in Britain's free hospitals, and this is causing "queue-jumping."

Michael Lee, consultant economist and former deputy director of the Office of Health Economics, has just made a survey in which he states: "The character of recent growth of private health insurance in Britain merits further study. With this kind of insurance increasingly linked to corporate employment, the private sector is meeting a demand which has no formal place inside the nation's public health service."

Facts in the survey show that subscription income to Britain's three largest private health insurance schemes rose from $10 million in 1960 to $41 million in 1969, and their membership hiked from 447,000 to 883,000. More than $27 million of this comes from group schemes promoted in factories or offices.

ALTOGETHER $60 million was spent on private health facilities by British citizens in 1969 including some money out of their own pockets. It is true that this is little more than 1% of the country's health costs, but its impact upon the hospital side of the National Health Service has caused heated debate.

Mr. Lee commented "The advocates of private medicine emphasize its value in improving career prospects of medics and attracting additional facilities in hospitals. But critics complain that the ordinary public patient might have to wait for admission in routine or static conditions of ill health, while the private patient gains rapid entry.

"Supporters of the 'free market' system point to the U.S.A., and its growth in health service spending and relative proportions of gross national product devoted to medical care. But opponents fear the private sector may erode the principles already embodied in Britain's national plan.

"The principal feature of patient care in the private sector is the facility it provides of choice of the time for admission to hospital.

"The growth of provident schemes has resulted largely from group schemes established by industrial and commerical organizations. Firms find it of advantage to reduce the risk of losing a key executive at short notice for hospitalization. Subscribers are usually people who hold senior positions in their profession or employment. Their work would be severely disrupted by unplanned absence. So the private sector reduces the risk that ill-health will disrupt employment responsibility."

Details of several private insurance schemes are given in the survey, which has been issued for Political and Economic Planning Organization by Research Publications, Fingal St., East Greenwich, London, S.E. 10. ■

Rio cave-in sets probe of performance bonds

RIO DE JANEIRO, Brazil—The damages caused by the cave-in of the Paulo de Frontin Expressway here in mid-November might have been avoided or at least minimized if the work had been covered by performance bond insurance, Claudio Luis Pinto, superintendent of the National Housing Bank, told a *Business Insurance* correspondent here.

Performance bond will be initiated in housing construction in January, 1972, in Brazil.

"In Europe and the U.S.," Mr. Pinto said, "firms specializing in performance bond keep up strict inspection of works guaranteed, because they always want to avoid having to pay for damages."

Mr. Pinto recently visited various European countries with specialists of the Brazilian Reinsurance Institute for the express purpose of becoming acquainted with techniques used by the biggest companies in performance bonding.

THE EXPRESSWAY, which was under construction and due to be finished this month, caved in on at least five cars, burying at least 30 people. There have been 21 bodies removed from the rubble. No estimate has been made of the damages, but the project cost $2.5 million to build.

There is still doubt about whether the construction firm, SOBRENCO was covered by liability insurance. The Brazilian Reinsurance Institute says it wasn't, but some of the firm's executives say it was. The state government says it will help victims and their families with some kind of fund. Meanwhile, survivors leaving the hospital don't know what to do to get indemnification. Most of them don't believe they will get anything from the state. The reinsurance institute says those who had cars damaged can receive indemnification from their insurance companies who will later bring suit against those responsible for the accident. Those with life and accident insurance can follow the same course.

Since SOBRENCO didn't have insurance, according to the institute, it will probably face financial trouble with the suits brought against it. An investigation is now going on to determine the cause of the cave-in. Meanwhile the cave-in has caused a general demand for inspection of at least 20 other expressways and bridges in the Rio area that many claim are also in danger of caving in. The Rio Engineering Club has made public a list of 30 suggestions it had presented to the government in May strongly criticizing the present mode of bidding, contracting and building of public works. The club is demanding better inspection. ■

City starts contributory pension plan

NEW LONDON, Conn.—The city council has unanimously approved a contributory pension program for new city employes that will save considerable money for this southeastern Connecticut city.

All municipal employes appointed after May 1, 1971, including police and regular fire department members, will participate in the contributory pension program, according to city manager C. Francis Driscoll. Excluded are all employes who are members of a bargaining unit that had a working agreement in effect last May 1, "during the remaining existence of said agreement," Mr. Driscoll said.

The council has been informed by Mr. Driscoll that the city had an accrued liability of $10 million in pensions under the present system by which New London pays the entire amount of municipal pensions through annual budget expenditure.

Mr. Driscoll said there are approximately 100 persons on city pensions, drawing more than $300,000 yearly. The city now has 370 general government personnel.

While the new ordinance puts an end to 100% city pension financing, the percentage contribution of employes to the pension fund is not specified in the ordinance. ■

There's a man behind you.

Latham-Stevens Company services continue long after the sale. We counsel with our clients periodically and especially in times of loss. Then we help them get the most equitable settlement with the least delay and confusion. Call the man from Latham-Stevens today, and get the services of a professional who'll be behind you when you really need him.

LS Latham-Stevens Company
Harrisburg, Pa. • (717) 232-6661
Buyers of Insurance for Commerce, Industry and The Family.

Introducing . . .
the hybrid umbrella

It's a new catastrophe liability policy combining personal and commercial coverage.

The "hybrid" takes up where your basic insurance policies leave off. It protects your assets from catastrophic losses.

It's the ideal one-policy catastrophe umbrella buy for retailers and wholesalers. It combines the best of two individual policies and does it at an attractive lower rate . . . a *single rate* country wide.

Sound interesting? Write or call your nearest Grain Dealers office for more information.

GDM GREAT DEAL MORE

Grain Dealers Mutual
INSURANCE COMPANY
Indianapolis, Ind. 46202 • Western Dept.: Omaha, Nebr. 68102
Branch Offices: Greensboro, N. C., San Francisco, Cal.

Member Company: Improved Risk Mutuals

Multi-national pension business has jumped 75% for Swiss Life this year

NEW YORK—The multi-national corporation faces complex problems ranging from varied social security systems to language difficulties in dealing with its pension plans. A European firm called Swiss Life and Pension Co. has been handling these problems since 1961 with a system of its own formulation called the master cover contract, and with incredible success, to judge by financial figures discussed at a press conference here.

According to Dr. Ernst Reber, president of Swiss Life, and Dr. Hans Ammeter, exec vp, the 113-year-old company's business shot up 45% last year, to more than $1.688 billion. Moreover, as of this October, business is up 75%, with 72% of the new business being in pension plans, group life and endowments.

"Our international group and pension business has gained increasing importance in recent years," said Dr. Ammeter, "and its proportion to the total new group and pension business is significant." Dr. Ammeter also said that "perhaps the principal reason for this success lies in the wide acceptance by international firms of Swiss Life's master cover contract."

According to the company's two officers, the multi-national pension business underwritten by Swiss Life has grown since 1961 to include over more than 300 local pension contracts under 62 master cover contracts, with an even greater number of such contracts awaiting approval. Among the international policyholders presently serviced by master cover contracts are such firms as British Leyland Motor Corp., Bank of America, First National City Bank, Insurance Co. of North America, Merck & Co., Bell & Howell, Honeywell, RCA, Gillette, AB Dick, Goodyear and Occidental Petroleum.

THE MAIN problems faced by such companies when establishing pension plans, according to the Swiss Life spokesman, are diversity of pertinent legislation, varied social security systems, taxation changing from country to country, disparity in the customary benefits found in different countries and language difficulties.

Swiss Life, which operates in almost every country in Western Europe, deals with the problems by writing separate contracts for each country according to the prevailing local conditions and then pooling all the contracts within the framework of a master cover contract.

Dr. Reber described the master contract as "a unilateral agreement underwritten by the insurance carrier who guarantees certain outstanding advantages." Among the advantages mentioned by him and Dr. Ammeter were an overall experience rating for all contracts, resulting in lower costs, the transferability of accrued pension rights in case of interchange of staff between different countries, the maintenance of the same insurability conditions in the case of transfer of an employe to another country even if his health has deteriorated in the meantime, and the modification of local underwriting rules with respect to medical evidence and contract cancellation charges.

"Pension plans are mandatory by law in several European countries, or are about to become mandatory," said Dr. Ammeter. "This is one reason for Swiss Life's extraordinary growth." He noted that the company's success induced the largest U.S. insurers to adopt similar techniques several years after Swiss Life's start 10 years ago.

THE EXEC VP also attributed Swiss Life's success to the company's flexibility with regard to funding methods and experience rating, which he said, have tended to remain more traditional and conservative on the Continent. "Also," he added, "many people have a confidence in Swiss management because of the country's international flavor.

"Multi-national contracts as a practice are very new, even with us," Dr. Ammeter said. "People have to learn to think of their companies as a whole, not just to think of their subsidiary in their country."

Asked if Swiss Life intended to try for admission in any of the U.S. states, the executive vp said "it has been considered, but the idea is on a back burner; it's not intended right now."

While in the U.S., Drs. Reber and Ammeter met with executives at the Prudential Insurance Co. of America and the Equitable Life Assurance Society of the U.S.

Swiss Life works closely with both insurers in extending the financing of domestic coverage to similar insurance of European subsidiaries under the Swiss Life multi-national contract.

Swiss Life has its own branch offices in Belgium, France, Germany, Holland and the United Kingdom in addition to its head office in Zurich. In the other European countries, non-exclusive arrangements have been concluded with underwriters in order to extend the network beyond the company's area of direct operations.

According to William B. Jadden, Swiss Life's American executive consultant, the company will send two representatives, Dr. Andre Chardon, vp, and Mr. Yogendra Thakkar, legal counsel, to New York in January to participate in an American Management Assn. meeting on foreign benefits and to visit Swiss Life clients throughout the U.S. ■

The problems of the multi-national corporation are everyday fare for Swiss Life and Pension Co. president Dr. Ernst Reber (center) and Dr. Hans Ammeter (right), exec vp, and William B. Jadden (left), their American executive consultant.

Dispute involves insurance

LACONIA, N. H.—A spokesman for the Carpenter and Patterson Co. here said that a strike against the company that started Dec. 1 centered around the choice of an insurance carrier for the workers. A union spokesman, however, said this was untrue and accused the company source of "the usual attempt to make employes appear stupid."

"I'm really puzzled by this," said the spokesman for United Steelworkers of America Local 5173. 'We have a traditional labor strike here and company publicity is pursuing a miniscule part of it." According to the union spokesman the 160 workers involved struck after their old contract expired. "The men would not accept Carpenter and Patterson's money offer," he said. "It was insufficient." Asked if he considered the dispute over the insurance carrier at all important he said, "Heavens no."

The Carpenter and Patterson source, however, said that the company had "negotiated with the union until 5:30 am on Dec. 1, at which time we agreed on everything but the insurance issue." According to the company spokesman, Carpenter and Patterson changed carriers a year and a half ago.

"AFTER the changeover," he said, "employes had a lot of trouble getting the right information to hospitals, the men were billed instead of the insurance carrier in some cases, and procedure in general seemed to cause a lot of problems which hadn't been the case with the old carrier." The source said that when Carpenter and Patterson offered to return to the original insurer the union balked. Both union and management refused to name the insurers involved in the dispute.

"Once they got out there on strike," he said, "all sorts of new issues began to be raised. Now they're demanding more money when they know we can't go over 5.5%. The original issue, however, and the start of all this, was the men's dissatisfaction with the insurance carrer." ■

Auto safety research

Britain's state-run Road Research Laboratory is to embark on a $1 million project for auto safety. It will examine the design, development and manufacture of an experimental type of "passive restraint" system. The long-term aim is to decide on a workable device that will protect the occupants of road vehicles if they are involved in crashes. Various kinds of potential safety devices will be studied in detail.

independent CONSULTANTS...
insurance and employee benefits
complete analysis
we do not sell or place insurance
CPC Since 1898
CORPORATE POLICYHOLDERS COUNSEL, inc.
20 North Wacker Drive
Chicago, Illinois 60606
Phone: 312-372-8225

ideas*

EBASCO RISK MANAGEMENT specialists can give you another view . . . an independent and competent evaluation of your idea or problem—an analysis by people who are experienced, unbiased, respected.

EBASCO experts also have ideas for improving your corporate insurance and risk management programs . . . ideas which involve methods and approaches not experienced by your staff . . . ideas which are too involved or too time consuming for your technical staff to undertake.

EBASCO services—available at offices across the country—are specifically designed to provide professional outside assistance in all areas of corporate risk management programs.

* EBASCO Specialists Provide Services. No Insurance Sold.

Write For Our Brochure.

EBASCO SERVICES INCORPORATED

a Boise Cascade Company

NEW YORK
100 Church Street
New York, New York 10007
(212) 344-4400

CHICAGO
100 South Wacker Drive
Chicago, Illinois 60606
(312) 346-3458

SAN FRANCISCO
44 Montgomery Street
San Francisco, Cal. 94104
(415) 433-2930

WASHINGTON
1625 Eye Street, N.W.
Washington, D.C. 20006
(202) 737-3240

CANADA
250 Bloor Street East
Toronto 5, Ontario
(416) 923-0951

BERMUDA
P.O. Box 1617
Hamilton, Bermuda
Telephone: 1-3973

General Aviation Facilities
For all light private, pleasure and business aircraft.

Special Risks
For older low valued aircraft, crop dusters, float planes... all handled in a streamlined manner using strong, reliable domestic markets.

BIG CAPACITY Facilities
For industrial aid fleets and airlines.

AOA AVIATION OFFICE OF AMERICA
7025 EASTEX FREEWAY
BEAUMONT, TEXAS 77706
TELEPHONE (713) 892-7025
CABLE: FOLMAIRINS

For Excellence in Underwriting
Ask your Agent to find out more or . . . write to us. We'll tell you where the nearest authorized AOA Agent can be reached.

Capacity problem died in '71; others survived it

Continued from page 1

this year. I've found that in the past two or three months reductions in rates are possible." The reason, Mr. McCahill said, is obvious: "You know how the insurance industry has done in the past couple of years.

"I renewed a product liability policy last year and it was rather difficult because of price. I wasn't able to get the same coverage I had before for the same price but I'm hopeful this will change this year," he said.

Of projects for himself in 1972, the Bristol-Myers risk man said top priority will be given to "establishing a more reasonable product liability program. Again," he said, "if we can't do that through the conventional insurance approach we will continue to study the alternatives. I'm not anxious to do that because I want to continue to buy insurance as I have for the past 20 years. In fact, I hate to even think about it, but if underwriters continue to be stubborn—and that's all it is—we'll have to start looking at the other approaches."

E. WILLIAM ALTSTAETTER, insurance manager, North American Rockwell Corp., Pittsburgh:

"I'd say signs are pointing that way," he said of the capacity question. "The entry of the major life companies into the property and liability business as well as the increased profitability at Lloyd's are the reasons, though I don't think the capacity problem is completely over by any stretch of the imagination."

Asked about problems he faces in 1972, Mr. Altstaetter said that OSHA was not necessarily one of them. "No this won't be a major problem. Obviously it is something we are looking at quite closely, but companies such as ours have always been quite safety conscious and OSHA won't force any major changes."

Employe benefits: "I would not be at all surprised if federal legislation did begin moving in the health and pension area, but time and politics will decide whether or not they get billed out of Congress this year."

EDWARD P. LALLEY, insurance manager, Kraftco Corp., New York:

"It just so happens that none of our big contracts came up for renewal last year," Mr. Lalley said, noting that perhaps he was a poor one to judge the capacity question. "We really don't have the huge needs for capacity, since most of our locations are rather small." He did say, however, that from all he can gather "there are still capacity problems on the higher ends of coverage."

Looking ahead to 1972: "The continuing effects of OSHA will command our attention and internally I want to improve our cost data."

NORMAN HOFFMAN, insurance director, National Industries Corp., Louisville, Ky.:

"The capacity situation has eased. I don't have a single big problem from the capacity angle. Of course," he added, "it all has to do with price. For years insurance companies told us their product was underpriced. So they raised the rates and in the meantime industry has cleaned up its bad risks and as a result capacity has increased because insurance company profitability has done the same."

For 1972, Mr. Hoffman said OSHA will be a big factor, as will "the control of product liability."

"We've had a violation," Mr. Hoffman said of OSHA, "and we are concerned about it. This is something that will take a lot of time and energy in 1972."

CHARLES F. LEVINSON, insurance manager, United Brands Co., New York:

"I don't really agree," Mr. Levinson said when it was suggested that the capacity "crisis" had ended. "At least," he added, "it hasn't ended for the people that have had a capacity problem in recent years."

Mr. Levinson's biggest problem in 1972: "The new Occupational Safety and Health Act. It's loaded with dynamite and I think you're going to see it dragged in the door of negotiation by union people."

WILLIAM L. HOLLINGSWORTH, director of insurance and loss prevention Olin Corp., Stamford, Conn.:

"Yes, I've noticed a slight ease in the capacity situation, especially in the area of fire insurance.

"The biggest problems for 1972 will be those presented by the passage of OSHA. We have no serious problems here at Olin, but OSHA will certainly add a lot of work to our schedule, if for nothing more than seeing that we are complying with the act at our various locations."

ROBERT J. McRELL, vp Eastern Freightways, Carlstadt, N. J.:

"The capacity situation has not eased at all for us. You still can't pick up the phone and get what you need, although I suppose our liability situation has eased somewhat over what it had been when we were in the thick of the capacity crunch."

Mr. McRell said he still has problems with the layering of liability coverage. "It's sort of like building a 20-story building and then having someone pull the ninth floor out from under you. You've got a gap there and unless you fill it quickly the whole thing topples over."

For 1972, Mr. McRell has captives on his mind. "We have been seriously looking at the captive and I plan to go to Bermuda early in the year. Hopefully, if all goes well the whole thing could be wrapped up by the end of the year."

Employe benefits? Eastern Freightways self-insures much of its benefits program, including the first $2,000 of major medical expense and $7,500 in life insurance for younger employes. Federal intervention does not have Mr. McRell particularly disturbed because he feels the benefits package at the trucking firm already exceeds whatever minimums government might impose on employers.

WALLER SMITH, director of insurance, United Airlines Inc., Chicago:

"I would say that on the broad picture the capacity situation is tremendously improved. In our own situation we did have the problem of the 747s in the last couple of years, but there it was really just a case where there was a tremendous demand and a short supply. Things were very tight 18 months ago but around the middle of the year (1971) we began to find ourselves in a highly competitive position.

"The lone exception," Mr. Smith said of the capacity situation, "is in earthquake coverage. This is one place where I have had an unfilled order sitting on my desk for three years and I still can't fill it."

Looking ahead to 1972, Mr. Smith said he hopes United will be able to make "a complete transition to self-insured workmen's compensation and from there move to other areas of self-insurance"

On the benefits side, Mr. Smith feels that national health and pension legislation will take shape in the year ahead. "I'll be surprised if something gets passed this year, but I definitely think government legislation will take shape this year, with implementation coming later."

DONALD W. CURRIE, manager of employe benefits, The Singer Co., New York:

"In addition to dealing with the usual problems in 1971, I think benefits men tightened their general management tools and made stronger contributions to the operating results of their companies.

"This, of course, will continue in 1972. In addition, though, I think many of them will be laying out their game plans for the years ahead—plans they will need to set up the best practical responses to the major increases we will see in years ahead, along with the government intervention that's certainly to come in the next two or three years."

Mr. Currie also said he feels changes will come in the workmen's compensation area this year, although implementation may not take place until 1973.

DOUGLAS A. BARLOW, general risk manager, corporate, Massey-Ferguson Ltd., Toronto:

"I'm not qualified to generalize," the American Society of Insurance Management president said, "but in our own case the problems of lack of capacity did not arise last year. Three years ago we had quite a struggle. We renew on Nov. 1 and for the past two years have renewed without difficulty, and we do require considerable capacity."

On his term as ASIM president, which ends in April, Mr. Barlow said that perhaps his biggest accomplishment in the past year was an attempt to "shorten the psychological difference between the national organization and the local chapters" through the establishment of regional meetings. He hopes they will continue after he leaves office.

ALEXANDER A. STANICH, manager of employe benefits, E. R. Squibb & Son:

"In my mind, 1971 wasn't that unusual a year from the benefits point of view. In fact, in retrospect it seems very mild compared to the initial years of Medicare and Medicaid, but I think things will begin to get hot again next year."

"One of the things we are looking at and may offer to employes by the end of this year is a prepaid group health plan. I suspect we'll see some form of national health in 1973 and I think it will revolve around this prepaid concept with involvement of private insurers. In the pension area," Mr. Stanich said, "I don't think 1972 will be the year. You'll likely see a refinement of proposals now on the table but actual takeover by the federal government is years away, if at all.

"This year should be a wait-and-see year, especially with the national elections coming up, but 1973 and 1974 will undoubtedly produce more significant developments. This," he said of the new year, "is a good time for benefits men to take a look at their own operations and gear up for the changes ahead." ■

Compulsory cover is ruled illegal

PHOENIX—Judge T. J. Mahoney of Pinal County superior court has ruled that it is illegal for Maricopa County to require employes to take group health insurance as a condition of employment.

The decision will be appealed, according to Charles Miller, county manager. The judge said he would stay the ruling if the county appeals.

Arizona Public Employes Local 1297 maintained in a superior court complaint filed in April that Mr. Miller and the Maricopa board of supervisors acted illegally by making participation in the insurance plan mandatory. Attorney for the union also argued that the county policy was unconstitutional because it deprived employes of their property through monthly payroll deductions without due process of law.

AS A CONDITION of employment, the county requires that employes enroll in the health insurance plan and pay $9.76 a month.

Mr. Miller said compulsory insurance will be retained until the question is resolved either in the appellate courts or by the legislature.

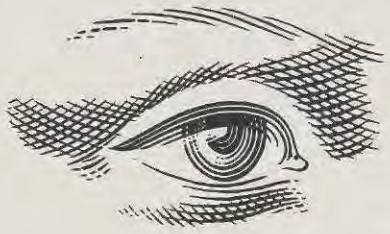
Judge Mahoney, in his ruling, said he realized his decision "may give rise to many problems which could be solved by the legislature." He said the county had no statutory authority to require all employes to enroll in the insurance program.

It was termed unfair by James R. Bacon, union business manager, for the county to force insurance on persons who were already covered by their spouses' insurance. Mr. Bacon also contended that the county plan is a poor one and that Maricopa is the only Arizona county that compels employes to enroll in an insurance plan. ■

If you don't know...
ASK McGEE

SPECIALISTS IN
OCEAN
INLAND
M.O.P.
LOSS PREVENTION

Wm. H. McGee & Co., Inc.
MARINE UNDERWRITERS
111 John St., New York, N.Y. 10038
Baltimore • Boston • Chicago • Columbus, O. • Dallas
Detroit • Houston • Los Angeles • New Orleans
Philadelphia • San Francisco • Seattle • Montreal
Toronto • Vancouver



Haws Model 7760-BT Eye-Wash/Face-Spray Fountain

Push for our special kind of sight insurance.

Damages and claims can shrink with a Haws sight saver on the job. It floods eyes and face instantly. Safely. Blinding and disfiguring caustics are flushed away. Injuries and claims go down. Morale and production go up.
Push sight insurance with our special kind of sight savers, skin savers, and life savers, too.
It's good insurance for everyone. Write for your catalog today. Free reprints of this advertisement, for mailing to your clients, are available.

Haws Drinking Faucet Company, 1443 Fourth Street
Berkeley, California 94710

HAWS EMERGENCY EQUIPMENT

Haws Emergency Safety Equipment:
Eye/Face-Wash Fountains • Drench Showers • Decontamination Stations • Laboratory Units • Freeze-Proof Units

Look who will be reading your help wanted ad...

Insurance Manager
Corporate Insurance Manager
Director, Corporate Insurance
Insurance Analyst
Insurance Administrator
Corporate Risk Manager
Superintendent
Safety Director
Division Insurance Representative
Insurance & Security Manager
Trust Insurance Officer
Manager, Insurance & Real Estate
Manager, Property & Casualty
Safety Engineer
Manager, Insurance & Safety
Insurance & Safety Administrator
V.P. & Director of Risk & Insurance
Insurance Supervisor
Manager, Tax & Insurance
Manager, Insurance Department
Corp. Director of Insurance & Safety
Legal & Insurance Director
Supervisor of Claims
Claims Attorney
Secretary & Insurance Manager
Loss Prevention Manager
Director—Safety, Training Personnel
Asst. to Insurance Manager
Claims Administrator
Supervisor, Banking & Insurance
Claims & Insurance Manager
Manager, Security Services
Insurance Clerk
Insurance
Director of Security
Claims Supervisor
General Manager, Insurance
Claims Manager
Director of Safety & Security
Director of Safety & Insurance
Assistant Manager, Insurance Dept.
Insurance Manager & Director
Manager, Claims Dept.
System Manager of Insurance
Insurance & Safety Supervisor
Director, Banking & Insurance
Insurance Accountant
Supervisor, Property & Casualty
Manager, Insurance & Properties
Insurance Coordinator
Vice President, Safety
Vice President, Corporate Personnel
Assistant Personnel Director
Director of Personnel
Director, Employe Relations
Manager of Employe Benefits
Personnel Manager
Personnel Supervisor
Personnel, Labor Relations & Safety
Personnel Services Supervisor
Industrial Relations Manager
Vice President, Salary & Benefits
Manager of Employment
Personnel Secretary
Manager, Benefits & Compensation
Manager, Pensions & Insurance
Group Insurance Manager
Manager, Personnel Administration
Vice President, Industrial Relations
Trustee of Retirement Trust
Administrator, Benefit Services
Personnel & Safety Director
Manager, Benefits & Manpower Dev.
Department Chief, Pension Fund
Manager, Employe Insurance
Employe Benefits Department
Manager of Personnel Relations
Director of Employe Benefit Plans
Insurance & Employe Benefits Mgr
Director of Industrial Relations
Personnel Assistant
Salary & Insurance Administrator

The above titles are typical of Business Insurance readers who replied to a recent survey.

If your personnel requirements include executives like these now serving in responsible positions in the 14,000 leading United States corporations, you should place your Help Wanted ads in the Career Opportunities columns of Business Insurance. BI is the only national newsmagazine that's exclusively devoted to their special job interests.

Your Help Wanted ad in Business Insurance is the easy, low-cost way to find the right man for your job opening.

business insurance

740 Rush Street, Chicago 60611

. . . reaching 35,000-plus specialists, including in-depth penetration in the 14,000 most important United States corporations.

Employe benefits communications: Marketing most effective technique

CHICAGO—Employe benefits have to be marketed and advertised to employes as much as any commercial commodity, according to Eugenie M. Bodenhoff, manager of employe benefits for Hunt-Wesson Foods, Inc., Fullerton, Cal.

"You must answer the employe's most important question —'What's in it for me?'" said Mrs. Bodenhoff while addressing the American Management Assn. benefits and pension conference held here.

Citing her own company's troubles with the traditional "educational" approach—small groups of employes and their spouses studying slide presentations—she emphasized that educational efforts are often amateurish and not the same as marketing.

"WHY SHOULD EMPLOYES put forth the effort to learn?" she asked, and "Why cram their minds when the plan is going to change anyway?" Education isn't really the objective and employe loyalty as an incentive went out years ago."

What is needed, Mrs. Bodenhoff stated, is a heightened awareness of the program and a reduction of dissatisfaction. She added that, according to many social scientists, benefits are not always an incentive and can be a negative factor in employe-management relations.

"To learn how to market, take a tip from the ad men," advised Mrs. Bodenhoff. "Don't sell the product, sell the people." The sales appeal of the benefits, she continued, should be based on peace of mind, financial reassurance, financial gain and pride.

Eugenie M. Bodenhoff

FOR MRS. BODENHOFF, marketing employe benefits begins with market research, or as she put it "find out what your employes think, what they want to know, and do a little media research—what's the impact of your employe benefits handbook and employe publications?"

Packaging, she continued, should be colorful and attractive. "Surround your packaging with an atmosphere of quality. What you're saying to your employes is 'this is important—important enough for management to spend money on telling you about it,'" was her advice. Mrs. Bodenhoff pointed out that employe benefit marketing competes with hundreds of ads for commercial products and must be capable of standing up to that kind of competition.

Encouraging the use of audio-visual aids, she explained that "We're conditioned to them. We need audio-visual to reinforce the print story."

Continuing with her marketing approach, Mrs. Bodenhoff noted that management does have benefit "salesmen" in the field, namely a company's supervisors, and added that "while you can't force benefits knowledge on supervisors, you can make sure the supervisor knows where to go to get any needed benefits information. And," she said, "you have to remember that supervisors and managers are employes first, benefits communicators second."

While benefits communications may seem like a static enterprise, Mrs. Bodenhoff pointed out that, again, marketing techniques could be useful to the benefits manager. "If it's not new, keep hammering away, anyway," was her comment, "and remember that employe groups, like any marketing audience, change and generally have short memories."

She explained that periodic personal benefits statements were highly effective, particularly when colorful and well-designed. Another benefits communications technique she mentioned was special benefits issues of employe publications or "benefits" as the theme for employe picnics or other social events.

"With marketing seen as an information service to the employes" said Mrs. Bodenhoff, "employe benefits communications becomes a part of the new consumerism." ■

Expansion of Social Security system would create vicious circle, prof says

NEW YORK—Noting that the nation's Social Security programs have been "significantly expanded" in the past, and that further expansion seems likely, Robert J. Myers, professor of actuarial science at Temple University and former chief actuary of the Social Security system, warned in a speech here that the "expansionist philosophy" would "create one of the most powerful of vicious circles."

Mr. Myers addressed the morning session of Tax Foundation Inc.'s 23d national conference on the topic "Where Is Social Security Going?" He focused his remarks on pending legislation H.R. 1, presently being considered by the Senate finance committee.

"The bill," he said, "has received widespread attention because of its far-sweeping provisions for welfare reform. In this same bill, however, there are significant changes in the Social Security program that have received far too little public attention."

Mr. Myers noted that under H.R. 1 the ultimate combined employer-employe contribution rate for the cash benefits portion of the program would be increased "from the present 10.3% to 12.2%, an increase of almost 20%. At the same time," he said, "the corresponding ultimate tax rate for the hospital insurance portion of Medicare would be increased from the present 1.8% to 2.6%. This would mean an ultimate combined employer-employe tax rate for the Social Security program of 14.8% of payroll, which is certainly a very sizable tax burden for those concerned."

MR. MYERS declared that the "expansionist philosophy" would leave very little need for private pension plans, for life insurance or, indeed, "any other form of individual long-range savings, other than perhaps home ownership."

He pointed out that the greatly increased taxes required under the new bill—whether direct or indirect—would have a "significant impact" on the economy and would 'necessitate further governmental intervention into the area of financing the growth and development of private industry."

Mr. Myers also warned those concerned about overexpansion of the Social Security system that the lower cost estimates resulting from new cost-estimating procedures will encourage the "expansionists" to push for higher benefits now.

"Then," he said, "if the cost experience is not as favorable (because the predicted economic conditions do not occur), the program will have both higher costs and a higher benefit structure."

The speaker added that "changes in the financing procedure to bring it more nearly to a precise current-cost approach and revisions of the cost estimating methods cannot hide the fact that long-range expansion of the scope of the program has been made. And this will not be the end of expansionist activities." ■

classified advertising

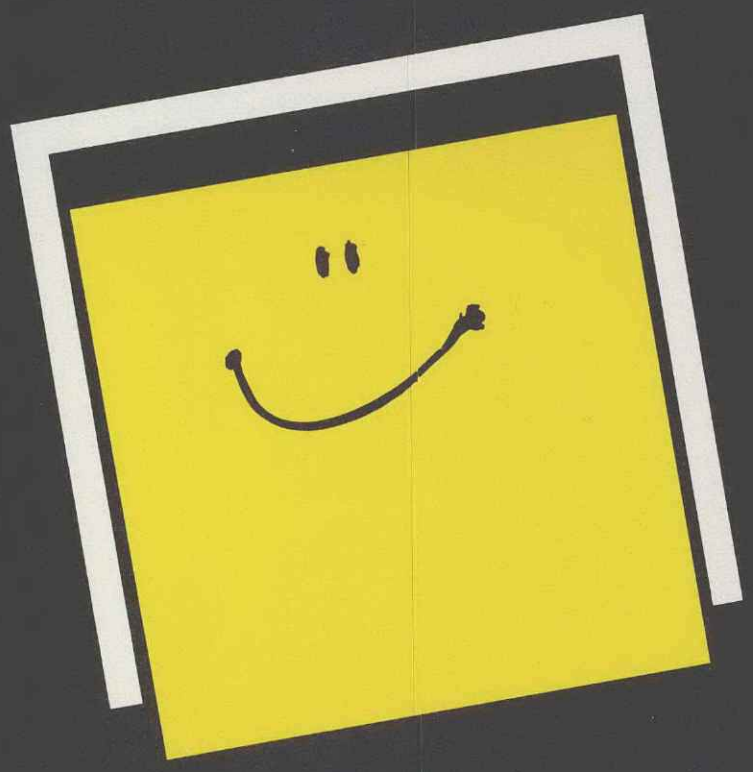
RATES AND CLOSING TIME: *$2.00 per line, minimum charge $8.00. Cash with order. Figure all cap lines (maximum—two) 30 letters and spaces per line, upper & lower case 40 per line. Add two lines for box number. Replies are forwarded daily. Closing deadline: Copy in written form in Chicago office not later than noon, Monday 7 days preceding publication date. Published every other Monday. Display classified takes card rate of $18.00 per column inch, and card discounts on size and frequency. Mail ads to Business Insurance, classified advertising dept., 740 N. Rush St., Chicago, Illinois 60611.*

TREASURER-CONTROLLER

For growing New York City insurance brokerage firm, with staff of 100. Strong supervisor skilled in systems, controls, EDP, reporting. Capable of participating at management level with proven record of accomplishment. Must now be earning in excess of $20M.

Box 205, BUSINESS INSURANCE
740 Rush St., Chicago, Ill. 60611

GET RESULTS HERE



We can get it for you wholesale . . .
and it will fit!

We don't have a one-size-fits-all attitude about mass coverage insurance. Bankers Security knows each group plan must be designed especially for the people it protects.

Fifty years of experience has enabled us to develop three flexible plans which can be *custom tailored* to do the job.

• WHOLESALE: for like-occupation organizations, a specially designed term (non-par) plan. Discounts based on volume. Special underwriting.

• DIRECT MAIL SOLICITATION: individual term policies solicited by mail among members of organizations, such as alumni associations. Rates as low as $3.86 per $1,000 (male age 30, par plan) with options available.

• GROUP INSURANCE: A master contract is issued. Volume discounts. Group underwriting. Guaranteed issue.

Got a group insurance problem? We'll tailor-make the plan to cover it—Call us for a fitting!

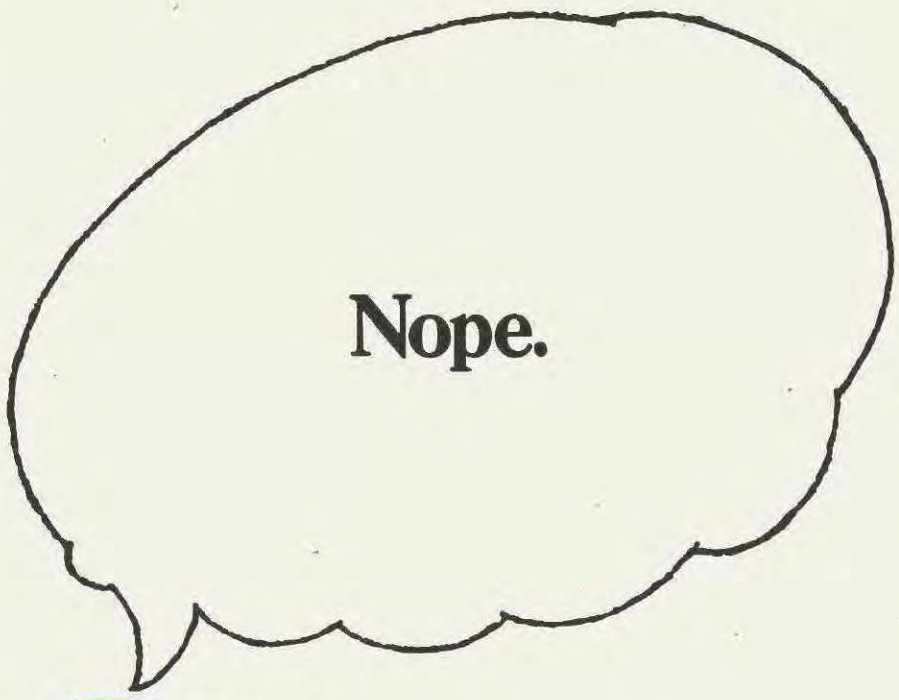
Bankers Security

Leaders in Insurance for Better Living.

CONTACT YOUR NEAREST BANKERS GENERAL AGENT OR WRITE:

Bankers Security Life Insurance Society, Executive Office, 1701 Pennsylvania Avenue, N.W., Washington, D.C. 20006 ■ Home Office: New York City

If you only have one business–is there any reason you need more than one business insurance policy?



No sir.

If you have several different policies, you probably have several too many. Your coverage might over-lap in some areas, or may leave you unprotected in others.

Or both.

One policy is all you need: Allstate's Business Package Policy.

It fits almost every type of business and offers almost every type of coverage.

All your Property and Liability insurance is in the package. Plus, if you want it, Automobile, Business Income, Burglary, Vandalism insurance . . . the works.

As much or as little as you want.

It's simple: one premium, one agent, one company. And just one more reason you should hook-up with Allstate.

If you're like most, you'll save money.

Think *one:* Allstate. Next time you need a quote, call us.

Allstate®
BUSINESS INSURANCE

Available in most states. Allstate Insurance Company.