Should risk managers back no-fault plan?

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Andre Jackson, a high school student in Oakland, Cal., prepares notes for a safety meeting he will lead for fellow classmates who are restoring a home in a vocational arts program teaching basic construction skills. Each student workday begins with a 15-minute safety session, followed by on-the-job accident prevention training. Supervising the safety program is James Faggiano, right, loss control supervisor at the Oakland office of Fireman's Fund American Insurance Cos.

Project aims to teach youths building safety

OAKLAND, Cal.—A recent statistical study by the state of California disclosed the startling fact that jobs in the building industry have become the most hazardous of all occupations within the state.

The result has been substantial losses to insurance carriers engaged in workmen's compensation, higher premiums to employers and reductions in their dividend premium return, and avoidable work-injury caused delays in construction.

One insurance company, Fireman's Fund American, of San Francisco, has jumped in where it all starts—with a "safety on the job" program for 16 Oakland high school vocational arts students. It has been launched as a "pilot" program and if it proves successful, as anticipated, it may expand to schools throughout the state.

THE STUDENTS, from McClymonds High School here, are taking part in a work-learn project sponsored by northern California's building industry. They are working eight hours on each of 15 successive Saturdays to rehabilitate a rundown home in a youth housing opportunity program sponsored by the Young Home Builders of Northern California. Co-sponsor, with the educational extension of the Associate Home Builders of the Greater East Bay, is Gibraltar Savings and Loan Assn.

On the job, the students are learning that safety at their work is just as important in the construction business as is skill with a hammer and wrench. Before their work begins, the students and their supervisors/instructors hold a safety meeting, led by a top professional safety counselor, James R. Faggiano, loss control manager in the Oakland branch of Fireman's Fund.

It was Mr. Faggiano who organized the safety program and conducted the initial safety meetings.

"We spend a minimum of 15 minutes at the start of each work day on safety and accident prevention instruction," he explained. "Then we work with the supervisors, to assure that the students stay safety conscious during their on-the-job training."

"THESE YOUNG would-be home builders," Mr. Faggiano added, "have an intense desire to get the job done right, without accidents. They are attentive during the meetings and it is obvious that they keep safety in mind during their work shifts."

The student workers are covered by workmen's compensation insurance and receive almost all the normal benefits of any construction tradesman.

The entire program is privately financed. No government help is provided other than to have the building inspections made by the City of Oakland. ■

1970—the good, the bad and the ugly—challenged risk men

By STEPHEN GILKENSON

NEW YORK—Garry Moore used to do a thing on television back in the Fifties. The crewcutted entertainer would come out on stage, put on a pork pie hat, lean casually against a street post stage prop and launch into a few pounds of nostalgia he called "That Wonderful Year . . ."

Crewcuts are no longer in, pork pie hats have been replaced by hair and television programming has changed. The changes were dictated by a moving society—or grooving society, depending upon on which side of 30 you sit.

It seems highly unlikely that at this juncture—January, 1971—corporate risk managers and others close to the commercial insurance field will remember 1970 as "That Wonderful Year." For the past year was one fraught with problems. More problems than solutions, really.

YET FOR SOME there is something strangely wonderful about all this. For the guy sitting in a corporate office working up insurance programs it all has to do with challenge. Society has created some problems for itself and now he must attempt to solve them.

On the property and liability side, for example, society has demanded the huge catastrophic risks corporate insurance buyers were faced with last year. The huge 747s got off the ground. A traveling society demanded that, but in its demands it didn't realize the jumbo insurance problems that were created. An urbanized society demanded more and more petroleum products, and oil refineries continued to flourish in and around our cities. One, a Humble Oil & Refining Co. installation, blew up in Linden, N. J., last month—to the tune of more than $50 million. A pill-oriented society demanded more and more of pharmaceutical houses and drug firms got more than they bargained for in terms of products liability. Garry Moore never reminisced about "The Pill."

On the employe benefits side, events in 1970 were less dramatic perhaps, but no less challenging. Unions demanded—and in most cases got—more in the area of benefits and pensions. And an increasingly unsilent majority continued its pressure on the health system and health insurance.

But 1970 was not without its lighter moments, although the people involved probably thought otherwise at the time. The Oklahoma supreme court, for instance, ruled that a hotel bell captain who was shot during working hours by a prostitute for whom he procured without the hotel's knowledge could not recover workmen's compensation benefits because the injury was not in the course of employment. *Business Insurance* headlined the story, "No comp for the wicked."

OF A MORE esoteric nature, Tiny Tim commissioned an eight-foot high wedding cake from a Wilmington, Del., baker. The cake had to make what could have been a shaky trip to New York. Fireman's Fund American took a $1,000 risk on it and won.

A risk 150,000 times greater than Tiny Tim's cake—$1.5 million—made another trip in January. That was the first scheduled Boeing 747, which Pan American World Airways took to the air on a flight to London. The night was a cold one in New York, but the insurance deal that preceded it was still warm from the oven. It was wrapped up in a flurry of last-minute activity.

Continued on page 6

Order Wards to pay credit life refund

CHICAGO—An undetermined number of charge account customers of Montgomery Ward & Co. may get a bonus Christmas present as a result of a court ruling here on the retailer's credit life insurance program.

Circuit Court Judge Nathan M. Cohen ruled that the company must give refunds in the form of merchandise certificates to charge account customers who enrolled in the credit life insurance program from January to March, 1968. He ruled that the company used deceptive trade practices in adding credit life premiums to charge account bills.

Company spokesmen described this method as a "positive option" as opposed to "negative options" now under criticism by consumer advocates and some legislators. Under the Wards billing system, customers were deemed to have accepted credit life coverage if they paid the premium portion of the bill.

MONTGOMERY WARD amended the program early in 1968 after it was criticized by the Senate antitrust subcommittee and by insurance commissioners in Colorado, Illinois, Maryland, Minnesota and Ohio. (*Business Insurance*, Jan. 29, 1968).

Edward W. Rothe, an attorney representing the retailer, said it is impossible to tell how many of Ward's 1.8 million insured charge account customers misunderstood the program and are therefore affected by Judge Cohen's ruling.

"OBVIOUSLY not all of these customers paid premiums during the period covered by the ruling," Mr. Rothe said, "and therefore

Continued on page 2

info for buyers

INFO FOR BUYERS, one of the most popular features of *Business Insurance*, presents its largest offering of items in a section beginning on page 13. An important trading place for buyers and sellers of insurance, benefits and services, Info for Buyers this week carries nearly 300 items to aid the buyer in making important decisions. Sections of the Info for Buyers supplement will be found on these pages: Employe benefits, page 13; Pension, profit-sharing plans and investments, page 15; Commercial property-liability insurance, page 18; Workmen's compensation, page 21; Foreign insurance, page 22; Group insurance, page 25; Financial services, page 26; Safety, page 27; General educational, page 32, and Security, page 43. Info for Buyers is your place to find booklets, pamphlets, study kits, films and other useful materials by marking their numbers on the reader service card or on the coupons that appear on pages 14, 24, 30 and 45.

Other bonding firms won't follow Continental's lead

NEW YORK—Hartford Insurance Group and Fireman's Fund American have apparently decided to openly challenge Continental Insurance Co.'s supremacy in the New York financial blanket bond market. These and other members of the Surety Assn. of America have failed to follow Continental's lead in withdrawing blanket bond coverage for federal government securities in bearer form from brokerage houses. (*Business Insurance*, Dec. 7.)

An association source pointed out that "if and when" Continental goes through with its announced withdrawal of this coverage (scheduled for Jan.. 1) the firms affected should explore the availability of such coverage from other surety companies.

"We might be willing to review coverage of a securities firm or bank we haven't insured before —if the coverage is part of the entire case," explain John F. Beardsley, vp in the bonding department of Hartford.

HARTFORD, he said, only looks at applicant risks who take pains to exercise maximum security measures. He voiced the opinion that the theft of these government securities in bearer form, while currently in vogue, would not last long.

Mr. Beardsley noted that the majority of robberies involving such securities weren't actually occurring within the environs of brokerage firms. On the contrary, most seem to mysteriously disappear. He seemed impressed with the Treasury Dept.'s proposal to turn the trading of these securities into merely a bookkeeping process.

Several sources noted that thefts of these securities had been quite high, recently. This apparently worried none of the companies attending the Surety Assn. meeting the other day who unanimously refrained from following Continental's lead. This was probably due to the fact that Continental is responsible for the lion's share of this business in New York. Consequently, the company would have obviously suffered the heaviest losses.

Apparently, the Surety Assn. membership felt that Continental's move would shake loose some business for themselves. They could then greatly lessen the danger of loss of these new risks by more stringent security requirements the companies would impose as a condition for such coverage.

In the meantime, the Federal Reserve Bank of New York has moved to take up the slack that Continental Insurance Co. (by far the biggest financial blanket bond insurer here) will leave in the government bond market when it terminates coverage. A new nationwide computer network is in the making for the Fed and this new system's accounting capabilities may be enlisted to replace the actual physical handling and transfer of the securities.

Instead of giving a buyer a bearer certificate in exchange for his purchase, a simple computer entry transferring the bond to the buyer would be made. Presumably, the buyer would be notified that he had made a successful purchase via computer print-out. The actual securities would remain in a repository, supposedly immune to thievery. A spokesman from the New York Fed noted that this might well be done if any large financial institution decided to get out of the bearer form government securities business due to a lapse in coverage.

IN ADDITION, it seems that the Treasury Department hasn't quite lost hope that Continental might not reconsider. At least the government plans to take steps to make the current $30 million a year in losses a little easier to accept—if that's possible. The government has traditionally indemnified insurance companies for the loss of a bearer instrument government bond being covered by the company, a practice followed with other registered bonds.

However, as a rule insurance companies have found cause to fret about the cash flow of this indemnification process. The wait is usually a year or more while government makes a careful check to make sure that no unsuspecting and honest investor has got himself saddled with a government bond about to be retired to an insurance company.

In a development late last month, Continental agreed to rescind a proviso it earlier decided to incorporate into policies in money center banks (those with $1 billion or more in deposits).

In addition to withdrawing from coverage on government securities in bearer form held by stock brokerage firms, Continental had told the large banks it would require a $50,000 deductible for each instrument to be covered after Jan. 1. Moreover, the insurer said it would delay payment to banks for losses until after these securities matured and also include a co-insurance feature that would have the insured participate up to the first 25% of all losses.

Continental announced the day before Christmas that it had agreed to drop the deductible provision. The other two provisions will stand, however. ■

Home insures burned hotel

TUCSON, Ariz.—Both the property and liability insurance on the Pioneer International Hotel, whose upper floors burned here late last month killing 28 persons and injuring another 26, were written by the Home Insurance Co. under a package-type policy, *Business Insurance* has learned.

Sources reported that the hotel had the coverage for business interruption and contents, as well as the building and liability. The broker was Snodgrass, Lovitt & Downey of Tucson.

The cause of the blaze, which did an estimated $1.5 million of damage, is not yet known though all signs point to arson and the police have been questioning several youths in connection with it.

The fire broke out on the third floor of the hotel and spread rapidly upward through stairwells, elevator shafts and corridors ■

Refund . . .

Continued from page 1

we cannot now estimate the number of refunds that will be made nor the amount of potential liability." Because the refunds will be in the form of merchandise certificates, the cost of the refund to Montgomery Ward will not be as great as the face amount of the awards.

The credit life insurance program, he explained, is underwritten by Montgomery Ward Life Insurance Co., a subsidiary of the retail firm, and by Old Republic Life Insurance Co. in the states in which Montgomery Ward Life is not licensed. The program operates in 33 states.

Reserves to pay refunds have been built up over the past three years by Montgomery Ward Life, but Old Republic Life was not involved in the class action suit and is not responsible for paying premium refunds.

Claims paid under the credit life program have covered $6 million in unpaid charge account bills of more than 30,000 customers who died or became disabled. ■

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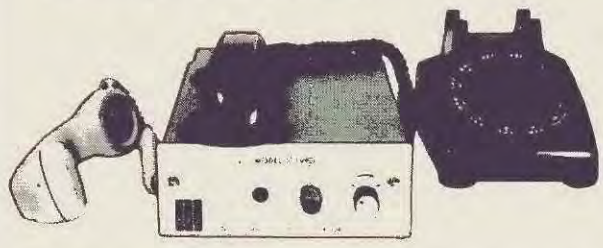

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American International starts insurance—fund

NEW YORK—Life insurance/mutual funds, seen as a financial service for employes, evokes a fiercely competitive gleam in most insurers' eyes these days. Most insurance companies have already "gone to bed," with a mutual fund or have started their own "in-house" version.

But George Abouzeid, the new face (and president) at the old American International Life Assurance Co. exudes a kind of confidence in talking about his company's entry into the field and

George Abouzeid

smiles away any specter of competition from big-name predecessors.

AI Life now markets a group split-dollar benefit through a payroll deduction method. Employes can contribute either $7, $10, $14 or $20 per week to the program. Half of the weekly withholding will go toward the purchase of life policy while the other portion of the contribution will go toward purchasing shares of a mutual fund.

ALTHOUGH AI Life will be set up to provide the split-dollar benefit to third-country nationals and Americans overseas, the company intends to direct its major sales thrust at domestic companies.

"We feel we will be able to successfully compete in this market because of our sales force's ability to sell the voluntary financial program to the employe," said Mr. Abouzeid.

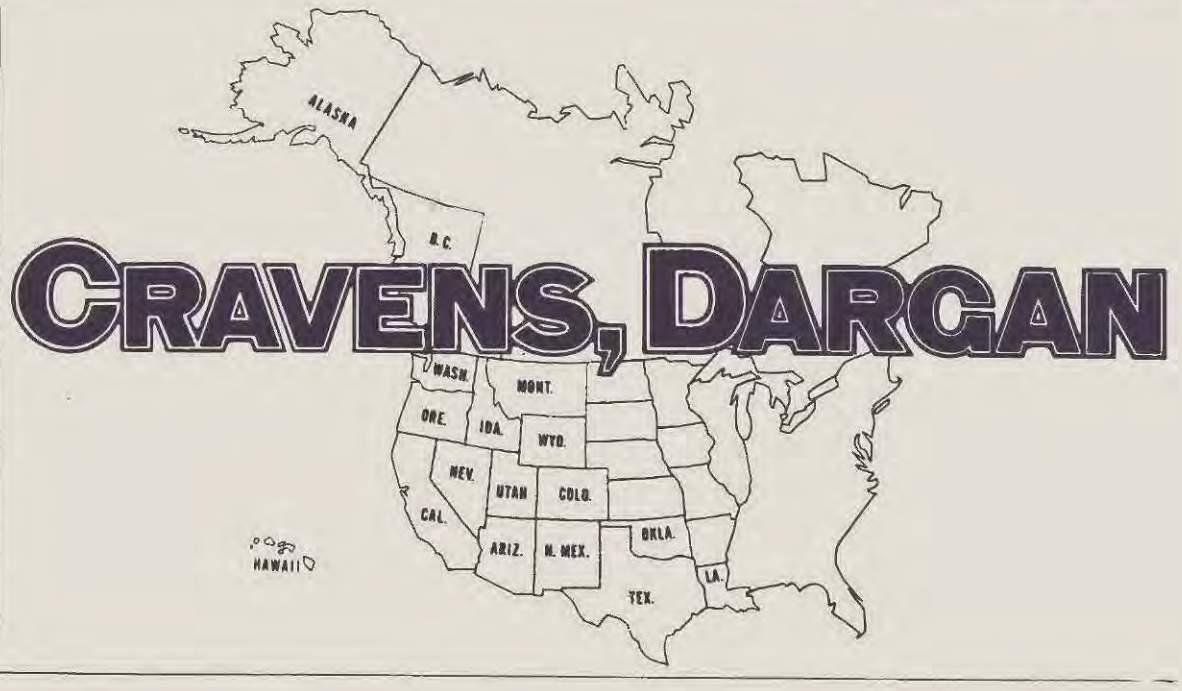
The marketing process will go something like this:

After being introduced to a corporation by an insurance broker, an AI Life representative (registered with the National Assn. of Securities Dealers) develops an agreement with the employer. In return for the employer's inviting the employe to look into the program and his own approval of it, AI Life will tailor-make brochures for that company explaining the split-dollar benefit.

Four to six weeks after the initial agreement these brochures, together with a letter from the employer, are given to all eligible employes. The program is then discussed by AI Life reps before employe groups of 10 to 12 on company time in a space provided by the employer. Those employes voicing an interest in the program are met with privately by the AI Life representatives.

Mr. Abouzeid plans to do more than merely direct the initial marketing operation—he'll conduct the first presentations himself. "The best way to find out what problems you face is to do it yourself and see for yourself," he said. "I'll be making the first few presentations to insurance brokers. And, I also plan to make some presentations to both employers and employes personally. That way I'll know how the process is working immediately," he explained.

The fund, with whose fortunes AI Life has combined its own, is the 34-year-old National Investors Corp. Fund. Total assets of the fund were listed at market value of $591.9 million according to Weisenberger Financial Reports on mutual funds. The fund is invested in more than 100 separate stocks, according to its prospectus, representing some 22 industries.■



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washington watch

House unit 'pulls rug from under' federal fire prevention commission

WASHINGTON—In a move attributed by some to the confusion of the closing days of Congress, the House appropriations committee on the day before Christmas pulled the rug from under the new National Commission on Fire Prevention and Control, an agency that has been under consideration for more than a decade.

Industrialists and businessmen concerned with the rising toll of fire losses may have reason to regret the committee's refusal to provide funds for the commission, whose 18 members were appointed by President Nixon on Nov. 17.

Commission Chairman David K. Wilson, president of Cherokee Insurance Co., Nashville, Tenn., was a bit bewildered by the committee action, which he described as being "thrown a curve ball."

On the heels of the committee action came the announcement from the National Insurance Acturial and Statistical Assn. that destructive effects of fire reached record proportions during 1970 with more than $2 billion in losses for the first 11 months of the year, an increase of 15.1% over 1969.

MR. WILSON AND other commission members share the conviction that the commission's operations could do much to advance the cause of fire prevention technology and administration. Some members have supported the creation of such a body for many years, arguing that there are insufficient private and local government funds to do any worthwhile research in fire prevention.

Owners and insurers of property risks looked to the new commission for some achievements in the fire prevention field, achievements that have been impossible to accomplish without federal funds. The commission is authorized to find effective fire prevention techniques in technological advance, construction techniques and better inspections; to analyze existing programs; to evaluate and improve fire suppression methods; to find ways to meet the need for fire-service personnel, and to assess the current efficiency of local fire departments and their relationship to state and federal agencies.

For this purpose, the Congress initially proposed to spend $500,000 over a two-year period, a proposal later amended to a single year's appropriation to be followed by an appropriation recommended by the commission. "Now even that one-year appropriation has been taken away from us," Mr. Wilson lamented, "and we've got to find out where we stand."

The value of the commission was explained by a member who supported its formation in testimony that preceded Congressional approval of the group's formation in a bill adopted in March, 1968, a bill that also authorized a fire research and safety program now in its infant stages at Gaithersburg, Md.

"IN THE PAST 75 years," the member said, "innovations in fire fighting technology have been limited to the development of the snorkel, high-expansion foam and the new ABC powder, a multipurpose agent that can be used on all three classes of fire. This lack of progress results, it seems to me, from two factors: heavy regulation of the fire prevention industry and shortage of funds to support industry research.

"If a company develops an innovative item—like an electronic gadget or an automobile fire suppressor—it must first convince the National Fire Protection Assn. of its efficacy and then submit it to Factory Mutuals Laboratories or Underwriters' Laboratories and then to government agencies for approval," the commission member explained.

All of this takes time and money, he said, and discourages private fire prevention companies from venturing vast sums to finance new products.

Another commission member pointed to the lean financing for local fire departments. "When you deduct necessary salaries and equipment maintenance costs from a department budget, there is nothing left to pay for experimentation with new equipment, even though it might save property and lives," he explained.

BOTH CONTENDED that the commission's potential is important to the society, and especially to major businesses, because it will open the way to "far out" fire prevention research projects now shunned by private industry.

Chairman Wilson conjectured that the rejection of an appropriation for the commission stemmed from last-minute confusion in Congress, but another commission member suggested that the failure to appropriate funds might be a hangover from the bitter fight over the establishment of the commission during the past decade.

"Some insurers," the commission member said "opposed the establishment of the commission because they have a knee-jerk reaction to anything with the name 'federal' on it. Others, including the NFPA, were lukewarm to the formation of the commission because they contended that enough was being done by private agencies, ignoring the lack of coordination in existing fire prevention programs."

Lack of funds and absence of coordination, he said, have effectively blocked the fire prevention industry from doing anything significant about fire technology for high-rise buildings and the development of truly fire protective clothing.

Unless and until the House appropriations committee restores funds for the commission to the Commerce Department budget, Mr. Wilson will be unable to call together the 18 people appointed by President Nixon to combat a problem that last year cost us more than $2 billion and more than 7,000 lives. ■

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Touchy Question #68

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If we ever reach a point at which the losses produced by any given peril exceed the premium resources of everybody who is willing to buy insurance against that peril, we'll have a capacity gap. That point has not as yet been reached. But it could be.

What we have now is not a capacity gap but a capacity strain. The strain is exerted by several forces, but the most significant is a trend toward concentration of higher and higher values in narrower and narrower geographic, economic, and distributional areas. The effect is to multiply potential catastrophe exposures.

Can the insurance industry (meaning its customers, remember) continue to build underwriting capacity to keep pace with these new and horrendous exposures?

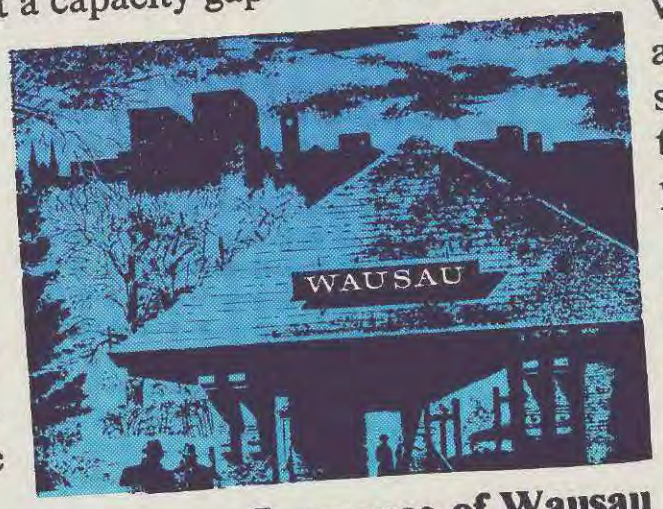
Maybe. But the real question is: *should* we?

It's your money, not ours. You can't have continuously-increasing capacity without paying continuously-increasing premiums.

We don't think that's the answer. Anyway, it's not *our* Company's answer.

We think that rather than keep on stretching underwriting capacity to match unreasonable exposures, we should shrink the exposures to match reasonable capacity. Employers of Wausau is not content to be a loss distributor. We prefer to regard ourselves as a loss inhibitor. But for success in that role, we need the full partnership of our policyholder family.

Are you interested in getting into the loss inhibition business? Then, let us extend an invitation to join our family. We'll have a lot in common.



Employers Insurance of Wausau

We think insurance ought to work for a living.

1970 . . .

Continued from page 1

In terms of dollar values and liability exposures, aviation risk managers probably faced the most crucial insurance problems in 1970. Each 747 is valued at about $23 million. However, liability exposures on each 747 surpass the $125 million mark. For aviation risk managers who think they might be comfortable with anything less than that there is always the nagging thought, "But what if two of them (747s) were to collide over Shea Stadium during a Jets game and my aircraft was determined at fault."

Well into the 747 trial runs and delivery schedule there were serious doubts that enough capacity could be generated in the conventional insurance markets to accommodate the craft. This led to the formation and continued development during 1970 of an airline-supported captive insurance company, Air Transport Insurance SA.

AS THE YEAR progressed, however, the insurance markets began to open up. While the consortium formally incorporated in Bermuda late in July, the necessity that it go into operation Jan. 1, 1971, as scheduled, had been all but whittled away. Later in the fall it was announced that ATI would maintain its corporate status and be ready to go "if and when needed."

But the airline industry's insurance woes were and are far from solved. On Sept. 6 Palestinian commandos blew up a Pan Am 747 that had been hijacked and flown to Cairo, Egypt. Six days later commandos destroyed in similar style three other commercial craft owned by Trans World Airlines, Swissair and BOAC. Total value of the crafts was in the vicinity of $50 million. Underwriters immediately began debating whether the losses were the result of an act of war, in which case Lloyd's of London would have been the major carrier, or whether or not they were simply exposures to which the conventional all-risk insurance policy would respond.

As if underwriters at Lloyd's had anticipated the question, the London market severely refined its policy language on war risks and had upped the rates ten-fold. American air carriers took their case to the federal government and, under a Federal Aviation Act, the Department of Transportation began writing war risk coverage because the conventional market could no longer supply it "for a reasonable rate."

The decision of who was to pay for the losses in the Middle East, however, remained up in the air for weeks and in one case, at least, is still up in the air. TWA, after much haggling with London underwriters, was eventually paid for its 707 because its policy language on war risks was "broader" than that on Pan Am's contracts. Pan Am was still unpaid for its $24.5 million 747 claim late last year.

THE LATEST double whammy to hit the aviation industry came early last month when London announced it was limiting all coverages for property losses resulting from strikes, hijackings, riots, civil commotion, sabotage and labor to about $25 million per year per airline. This has prompted airline risk managers to talk about an excess mutual aid pact to cover such perils.

In addition to the hull losses in the Middle East, there were several air crashes that took their toll in insured dollars. An Air Canada DC-8 worth $12.2 million and insured by Associated Aviation Underwriters fell short of a Toronto runway in July. Two supplemental carriers, Trans International and Capitol International Airways, also lost DC-8s later in the year. In addition there were two crashes involving university football teams, one leased by Wichita State University and the other chartered by Marshall University.

Zsa Zsa Gabor, the actress, also had her problems in 1970, though not as catastrophic. In August, while staying at the posh Waldorf Astoria Hotel in New York, she was allegedly mugged in an elevator and robbed of $625,000 worth of jewelry. The gems were uninsured because, as the "dahhling" Miss Gabor lamented, coverage would have cost her $15 per $100 of valuation. "For that," one underwriter remarked somewhat ruefully, "she could buy some new diamonds."

Miss Gabor was not alone with her problem. Jewelers the land over complained about the shrinkage of markets and increased rates for jeweler's block coverage.

ON ANOTHER front, that old black gold—oil—was also giving risk managers problems. They, too, complained of shrinking markets, restricted coverage, higher deductibles and rate increases.

Faced with exclusions for pollution, which had been introduced first by the Insurance Co. of North America in mid-1969 and then introduced across the board by other companies last year, the oil industry also began studying the possibility of setting up a pooling or captive insurance arrangement.

The American Petroleum Institute's insurance subcommittee

Continued on page 47

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Was injured juror county employe?

SAN RAFAEL, Cal.—Maria Elena Graham, the juror wounded last August in the Marin Civic Center "shoot-out" has sued Marin County and the state for $350,000.

Her suit charges that the county failed to provide "adequate or suitable safeguard for the protection of jurors and other persons." She also charges negligence by sheriff's deputies in engaging in a shoot-out with her abductors and "unduly" endangering lives.

A jurisdictional dispute is expected to develop because the state compensation and insurance fund, working on the theory that as a juror Mrs. Graham was a county employe at the time of the shooting, has filed a parallel claim with the state compensation claims board. ■

Buckeye meeting

The Chicago Buckeye Club, an insurance fellowship organization, will hold its annual meeting at the Union League Club in Chicago Jan. 25. The group consists of persons connected with property and casualty insurance in the Chicago area and who at one time were active in that business in the state of Ohio. Although eligibility does not depend on rank or title, a number of prominent Chicago insurance executives are members. The 24-year-old organization has about 80 members. Inquiries should be directed to the secretary, Cyril DuSell, Underwriters Service Assn., 222 W. Adams St., Chicago, Ill. 60603.

Insurers take sobering look at facts of alcoholism

By PATRICK A. THOMAS

(This is the second of two articles.)

NEW YORK—Frank Harrington, vp of INA Corp., was talking about alcoholism. "Years ago," he said, "a noted psychiatrist told me that most accidents were not accidental at all, that 85% of all accidents were due to some kind of subconscious motivation brought about by such things as fatigue, anger and alcohol. Well, accidents are a big part of our business and I thought that if that were the case, we, in the insurance industry, had better look into it."

So, is the insurance industry involved in the alcoholism problem? Should it be? The answer to both questions is "yes," though there is a divergence of opinion as to the extent of the industry's involvement.

"The insurance industry has a tremendous stake in the alcoholism story," said Ross Von Wiegand of the National Council on Alcoholism Inc. "Casualty companies suffer huge losses in the auto insurance area. Alcoholism directly affects this type of claim. Losses due to mattress fires in homes and hotels are another good example of the breadth of the problem. Many other kinds of accidents are also attributable to alcoholism.

"LIFE INSURANCE companies have an equal stake," he went on. "The average life span of the alcoholic is 12 years shorter than that of the non-alcoholic."

Mr. Von Wiegand and others involved in the alcoholism picture agreed that health insurance costs grew higher because of the disease. "There is a tremendous amount of waste because medical and hospital costs are involved in treatment that is no good," Mr. Von Wiegand pointed out. "Alcoholism is hidden and stigmatized so the treatment is usually done under a false diagnosis. The man is treated in the hospital, at high cost, for any number of false diagnoses: Gastritis and upper respiratory ailments are common. He leaves the hospital in good physical health but he still has the illness, alcoholism."

James Ray of Employers Insurance of Wausau agreed. "The insurance industry has been paying out claims for false diagnoses for years," he said. "Certainly the group health picture is affected through claims payments but the benefits programs are also hurt. Because of alcoholism, there is more absenteeism, time off, sick leave, accidents, many things."

"The insurance industry should collect statistical data on correct diagnosis," was the opinion of John R. Butler of the alcoholism division of the New York State Department of Mental Hygiene. "False diagnosis is an absolutely huge problem and insurance companies should demand the correct diagnosis. As it is now, it's hard for the carriers to say how much coverage should be given to the problem because of the false diagnosis. Because of it, they don't know who is being treated for what."

MR. RAY FELT that his company may have come up with a way to put a stop to the problem of false diagnosis. "The computer tab runs on group claims show complaints by classification, such as respiratory and musculo-skeletal complaints. The claims picture will show a certain group of people with repeated gastro-intestinal or upper-respiratory ailments.

"If the coding were more precise," he went on, "you could break the classifications down further, rather than lumping all of them together. In other words, you would have a section for broken arms, another for lower back pain and so on, instead of putting them all under musculoskeletal.

"When this is done, you could circle all the names that show up with repeated gastritis, or whatever, and send the sheet to the company. The company could use this information with their own, such as job performance or absenteeism, and they might be able to spot an alcoholic at an early stage," he said.

"This is no witch hunt," he emphasized. "We want to find the alcoholic early. It would cut down on repetitive claims and that's to everyone's advantage. If you get the alcoholic the help he needs, he has a good chance of recovery. Do you want to pay the cost of hospitalization once or do you want to pay for it again and again?"

MR. RAY ALSO pointed out that other kinds of claims could be curtailed if the alcoholic was treated early. "For example," he said, "if a man falls and breaks his clavicle, he's going to be out for about six weeks. If he was an alcoholic and the reason he fell was because he'd had a few drinks, his claim is still going to be paid."

Another problem facing both the alcoholic and the insurer is that of exclusion. Some companies exclude coverage for the disease itself while others exclude certain facilities where the illness could be treated.

The feeling among many of those interviewed about the exclusion of the disease was that the insurance company would write any kind of coverage for which the insured wanted to pay. It should be pointed out that most of the major carriers do not exclude alcoholism from their coverage but some smaller companies, particularly those doing business in just one state, do have exclusions.

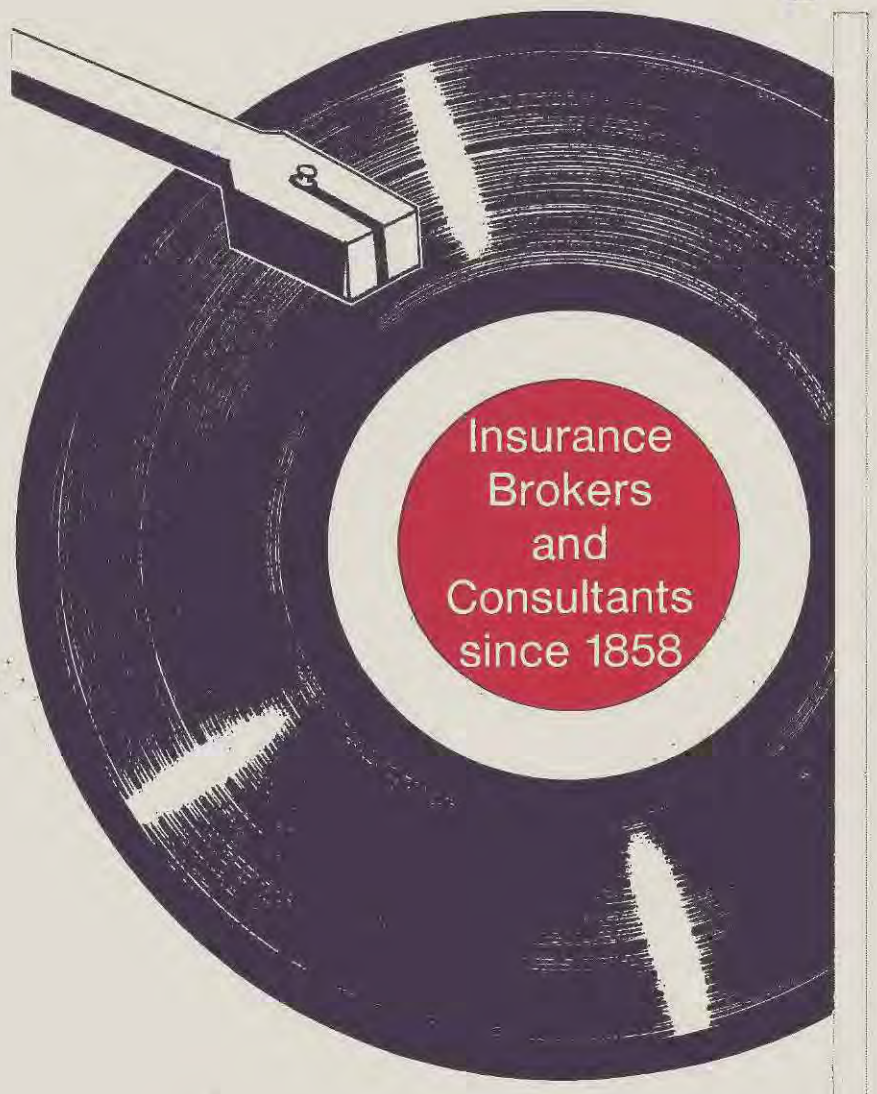
"Most major carriers make no distinctions as to what diseases they cover," said Dr. Luther Cloud, medical director of the Equitable Life Assurance Society of the U.S. "We pay for so many days in the hospital at so much per day. We pay no matter what the disease may be.

"IN GROUP policies, alcoholism may be excluded just to lower the rates," he continued. "The purchaser determines what is in his policy, we don't. The union might want to exclude it to save money or it might be management. They could exclude heart disease if they wanted to. Along the same lines, we would insure them against every disease known to man if they wanted us to and they were willing to pay the premiums."

William Richardson, assistant director of the alcoholism reha-

Continued on page 41

Top Long-Playing Record



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opinions

Name a risk manager

ONE OF THE MOST significant provisions of the newly adopted occupational health and safety bill is the authorization of a Presidential commission to study the adequacy of state workmen's compensation laws. President Nixon is to appoint 15 members from among those with special interest in workmen's compensation.

In addition to membership for insurance carriers, organized labor and the public, membership on the commission has been suggested for representatives of industrial commission administrators, self-insurers and state-operated workmen's compensation funds.

We suggest that to this list be added corporate risk managers, represented through the American Soceity of Insurance Management. Risk managers and corporate workmen's compensation administrators have a vital interest in the shaping of state workmen's compensation laws. They are interested, as we all are, in the adequacy of benefits and the existence of coverage for the greatest possible number of workers.

The interest of risk managers in workmen's compensation laws extends to the structure of the laws and how they affect risk management. Corporate buyers of workmen's compensation protection are concerned that they have freedom to cover their liabilities in a variety of ways, including self-insurance. And if the states are going to continue to control workmen's compensation, risk managers of interstate companies must also be concerned with gaining greater uniformity in the application and administration of the state system.

Many risk managers' concerns about workmen's compensation will be covered in a Spotlight Report to appear in the February 15 issue of *Business Insurance*. Copies of that report will be sent to the 15 study commission members appointed by the President.

We strongly urge President Nixon to recognize the risk management profession with an appointment to the workmen's compensation study commission. We commend Sen. Jacob Javits (R.-N.Y.) for his many years of work that resulted in the adoption of the study commission provision. The work of that commission would be helped by the participation of a professional risk manager in its deliberations.

Hiatus for benefits

A HEADLINE in *Business Insurance* in August proclaimed that "UAW-GM talks forge new patterns in benefits."

The settlement of the General Motors strike and the subsequent agreement between the United Auto Workers and Ford Motor Co. forged no particularly new patterns in benefits, unless one counts the 30-and-out pension program which may be copied in other union-management contracts.

In a time of inflation—particularly of consumer goods prices—and while money is tight, unions understandably aim for the top dollar in salary settlements and take the fringe benefits as they can get them.

Thus, an official of the United Steelworkers was quoted as saying that their contract demands will involve "a very substantial wage increase" as well as pension program improvements, more insured benefits, a summer shut-down, a guaranteed salary and income security. He also asked for reduction of the work week from five to four days and restrictions on outside contracting of work.

These demands were dropped as the union got down to the brass many fringe benefits demanded by steelworkers are likely to "slip from the table," just as certain fringe benefit demands of the UAW slipped from the table while the union negotiated for substantial wage increases and the 30-and-out pension proposal.

UAW presented to General Motors a set of fringe benefit proposals that included tuition refunds, dental care, discounts for employes and contributions to the UAW training center.

These, slipped from the table as the union got down to the brass tacks and negotiated for substantial salary increases and a major revision in the pension plan covering its members.

Fringe benefits may be in a hiatus because of current economic conditions. Unions are compelled to revert to the philosophy that employers should "put it in the envelope." But benefits are certain to come back, both as bargaining points and as goals of nonorganized workers.

PROTECTION FROM INCOME LOSS FROM SHORT-TERM SICKNESS

	Income loss	Amount of protection	Percent of loss protected
1950	$4.8 billion	$939 million	19.6%
1955	$6.5 billion	$1.6 billion	24.7%
1960	$8.5 billion	$2.4 billion	28.3%
1965	$11.2 billion	$3.3 billion	29.5%
1969	$15 billion	$5 billion	33.7%

Protection against income loss from short-term illness has been extended since 1950 from 19.6% of wage replacement to more than 33% of wage replacement. In 1969, individual inurance replaced $702 million in wages; group benefits to workers covereed $2.5 billion, and sick leave for government employes provided $1.8 billion. Benefit increases during the year averaged more than 15%, more than twice the annual advanced in the years 1960-67.

Source: Social Security Administration

Form a UL for toys?

Now that another Christmas season is behind us—this year's one which saw the Food & Drug Administration, in its first action under the Toy Safety Act, ban 39 toys as dangerous—it's time to take a hard look at toys and toy promotion and see if there is anything that can be done to improve this situation.

Every year when the Christmas selling season begins, it is accompanied by a rash of advertising standards which are supposed to be adhered to by toy makers and their advertising agencies. And in all fairness there are some toy makers who do adhere to these standards. But there are far too many manufacturers who are solely interested in making their share of that large Christmas gift buck, and will make any claims at all in their ads to do so.

Misrepresentation of a toy on tv is bad enough, and leads to many a disappointed youngster who finds that the super-splendid toy that he or she saw being demonstrated on the tube bears little resemblance to the gift that is opened on Christmas morn. But there also are the poorly made toys that often break down before Christmas Day is over, and the unsafe toys which can cause serious injury to a child.

We're afraid that getting something done right away to rectify this toy advertising situation is a little like seeking new guidelines for political advertising following an election—after a brief spurt of excitement and a flurry of activity, things will gradually die down, with no meaningful action being taken, and another year will roll quietly by.

But before this Christmas and the good and the bad things about it become just faded memories, we would like to suggest to the toy industry that it give serious consideration to setting up an organization that could function for the toy industry in much the same way that Underwriters' Laboratories functions for much of the nation's electrical industry.

Toy Laboratories, just to give it a temporary name, would test toys to see that they work properly and that they are safe. Those toys that passed the test would be awarded the "TL seal of approval" and would be allowed to feature this seal in their advertising.

Admittedly the TL plan would not solve the problem of the toy advertisers whose tv demonstrations misrepresent what a particular toy can do. But it could go a long way toward weeding out the poorly constructed and the unsafe toys.

(This editorial is reprinted from the Dec. 28, 1970 issue of Advertising Age.)

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letters

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

Not totally abandoned

To the Editor: I have just finished reading your recent editorial titled "Case of abandonment." You make some excellent points. I have more than a passing interest in the article because I was one of many American Insurance Assn. special agent investigators terminated as a result of the decision to cease operation of their fraud and arson bureau.

You are right when you state that continuation of the investigative service is needed. Many of the companies that support the AIA have indicated a desire and a need for this service. To that end many of us have formed our own companies to furnish this service. The response we have received is most gratifying. Needless to say, all of the people in the fire and police field that I have talked to in this area of the country have expressed their regret that AIA abandoned the arson department. They relied on it.

I would like to point out a fact that cinches the need for more investigations. The National Fire Protection Assn. data for 1968 points out that fires of unknown and undetermined cause numbered 140,600, second only to those caused by smoking and matches, numbering 144,100. Having been in this field for 17 years I feel quite sure that many of the undetermined are the result of little or no investigation being made, or the fact that many investigative staffs are undermanned and have their hands full with the known incendiary fires.

Walter E. Higgins
President, National Board Associates Inc., Dallas, Tex.

Pet protection

To the Editor: On page 61 of your Dec. 7, 1970, issue there is an article entitled "Health cover to meet high pet-care costs is here." You indicate that in " . . . the cities of Cincinnati, Philadelphia, Portland, and Des Moines" only one insurer has a pilot plan by mail. Would you kindly give me the name of the insurance company so that I might contact them directly to inquire about this particular coverage?

Gertrude J. Blumenthal
Floral Park, N. Y.

Editor's Note: Pet-A-Care insurance is available from Midwest Mutual Insurance Co., in cooperation with the Canine and Livestock Insurance Assn. The company is located in West Des Moines, Ia.

Dear Gerry reprint

To the Editor: Would you kindly rush us a copy of the July 20 Dear Gerry column, "How to handle the employe who uses his own auto?" Because this subject is of special interest to our company, we would appreciate receiving this article at the earliest possible date.

Bonnie L. Carlile
Insurance Department, Pacific Theatres, Hollywood, Cal.

Editor's Note: A tearsheet of the July 20 item and our Nov. 9 follow-up story, which presented Gerald Wilson's employe driving form in detail, are on the way.

THE FROSTING ON THE CAKE

With a sweet product like GOLI, you need something extra special to top it with.

That's what we've got in GOLI-*plus*—it makes the best group ordinary life insurance product on the employee benefit plan market an even richer dish than it was before!

Here's what makes GOLI so good:

- A built-in saving on employer cost
- Permanent, cash-value life insurance at steadily reducing employee cost
- Original age conversion
- Cash, paid-up insurance and annuity options at retirement
- A pay-in option to increase the amount of annuity or paid-up insurance

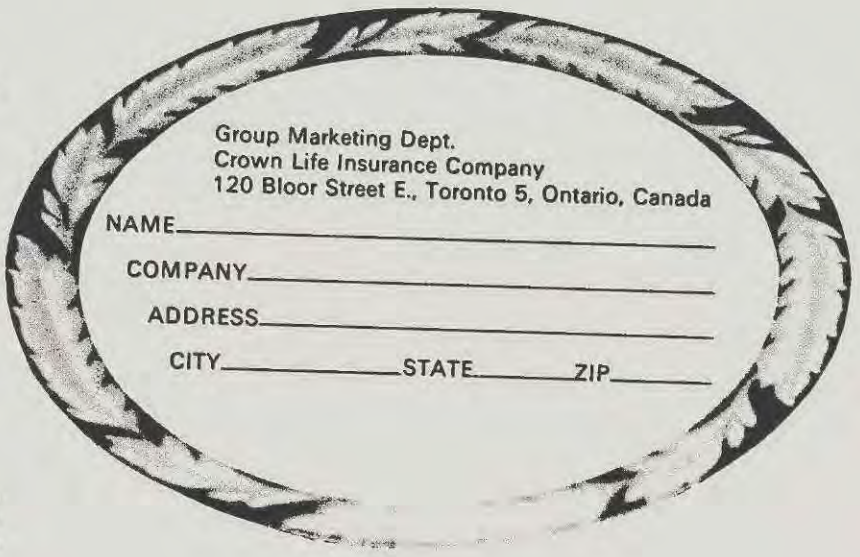
And now for the *plus*—the frosting on the cake!

- A steadily increasing amount of life insurance—an addition to the face amount, of the *larger* of the employee's total contributions or his cash values!

Aside from the obvious uses of GOLI-*plus* in meeting group insurance objectives, there are some extremely interesting pension applications.

Would you like a helping?

Just pass your plate.



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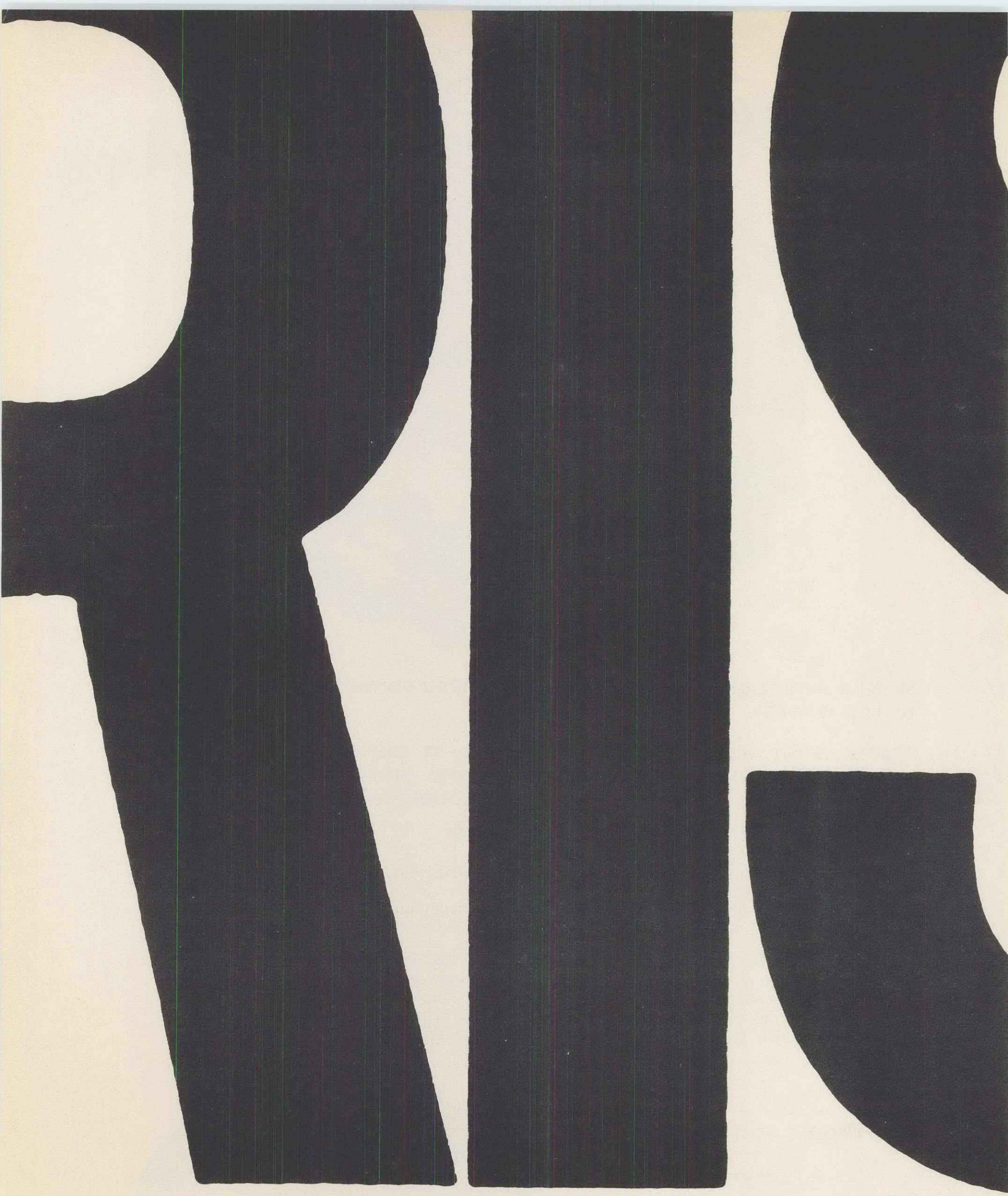

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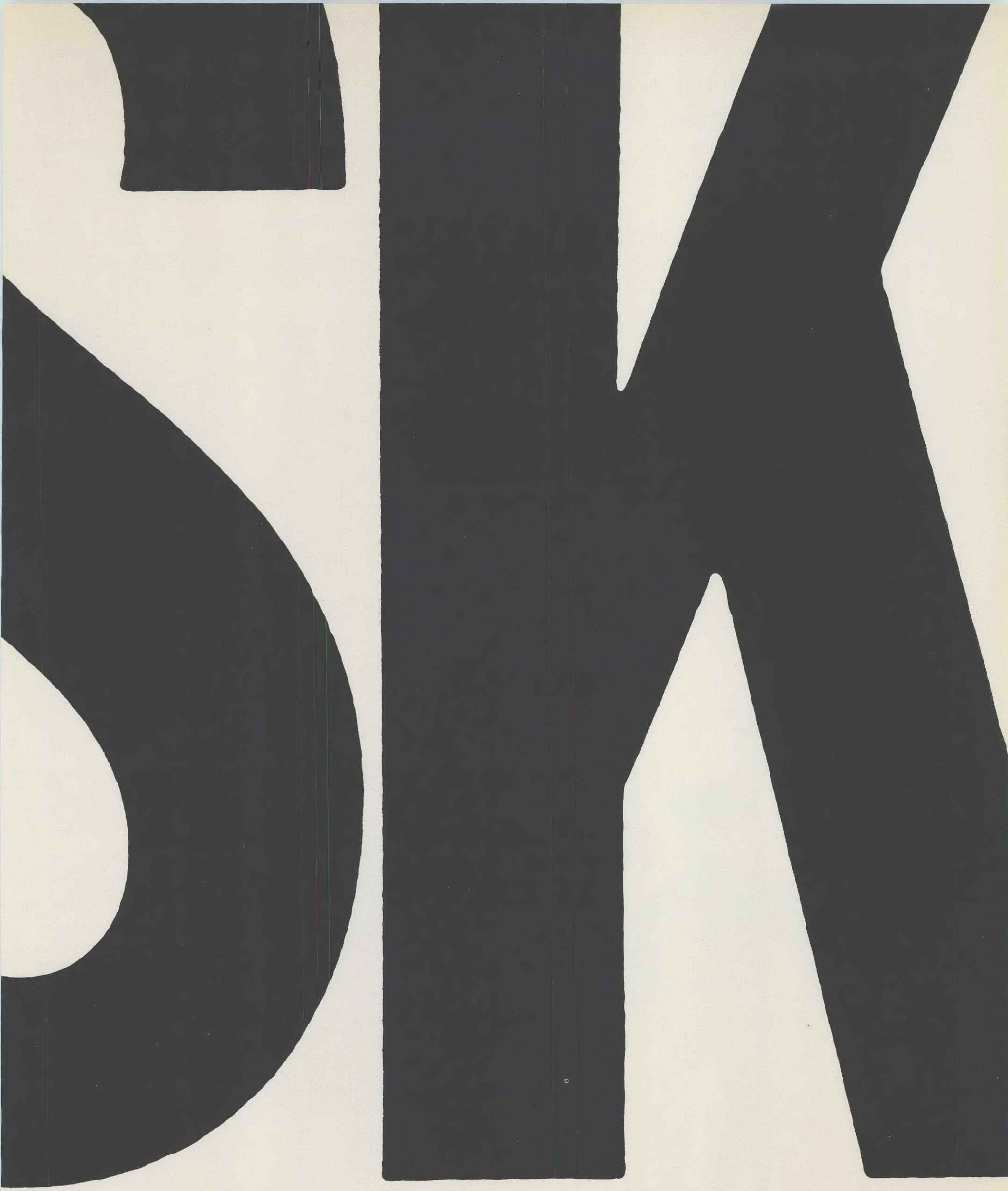

If it's too big to handle, we'll eat our hat.

Chew it over with your independent agent.

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Or our anything-but-ordinary Ordinary Excess—for both Commercial and Professional.

Or Product Withdrawal.

Or Errors and Omissions Insurance—for newspapers, broadcasters, advertisers, ad agencies, electronic data processors.

In short: whatever the risk, make sure your agent checks out Fireman's Fund. And while he's at it, ask him to get you our explanatory brochures.

We think you'll find we're just your size.

Fireman's Fund American/Excess Risk Insurance

Federal grand jury hears Florida's Williams on State Fire insolvency

MIAMI, FLA.—A federal grand jury here has summoned Florida's insurance commissioner to hear his account of the collapse of State Fire and Casualty Co. in 1969.

Insurance Commissioner Broward Williams, who also holds the title of state treasurer, has blamed the firm's troubles on Mafia infiltration.

Mr. Williams' testimony to the jury was presented in secret. He volunteered little information to reporters before entering the chambers, but he did say the jury had not asked him to bring any specific records.

SECURITIES and Exchange Commission and postal investigators have been looking into the case for several months. But a spokesman for the U.S. attorney's office in Miami declined to specify what phase of the State Fire operation the jury is looking into.

Two former State Fire executives were charged in May with mail fraud conspiracy and violations of SEC rules. The men, Raymond E. Karlinsky of Roselyn, N.Y., and William Malone of Newark, N.J., still are awaiting trial, the first to grow out of the April 1969 collapse that left thousands of Floridians holding worthless automobile insurance policies.

A Florida House insurance committee earlier this year claimed that most of State Fire's early trouble evolved from a milking operation by certain officers.

By the time the state stepped in to force the firm, into receivership, it was an estimated $8 million in the red, with numerous unpaid claims outstanding. Much of the stock that it had claimed as assets was ruled worthless for that purpose. ■

Pensions increased

Aetna Life & Casualty, Hartford, has increased pension benefits, for company employes who retired prior to 1968, by 9% to 25%.

O'Malley: 'Duty is to the people'

MIAMI BEACH—Florida's newly elected insurance commissioner has declared that his duty is "to the people of this state, not to the industry being regulated."

Tom O'Malley's comment came in a statement criticizing his predecessor for painting a "tragic" picture of the state to visiting insurance men.

"He told the insurance companies to get out of Florida," declared Tom O'Malley of the remarks made by outgoing Commissioner Broward Williams.

Mr. Williams was welcoming 1,200 members of the National Association of Independent Insurers (NAII) to a Miami Beach convention.

"HE IS PAINTING a very distorted picture, a very black picture for the insurance industry in Florida," said Mr. O'Malley, who attended the convention's opening session at the Hotel Fontainebleau uninvited.

Mr. Williams, who lost to Mr. O'Malley in the Democratic primary, told the conventioneers that this year he could not offer them his usual "optimistic welcome" to the state.

"I have to welcome you to a state where the legislature recently met in a special one-day session and declared a moratorium on insurance rates," Mr. Williams said.

"So, welcome to the state that has joined the growing list of those states where politicians are taking over your business."

Mr. Williams described Florida as "a state where the open-competition rating law, modeled after the law which has worked so successfully in California, has practically been declared Public Enemy No. 1."

Mr. O'Malley said he had neither been invited to speak nor introduced to the convention.

"It's not very subtle," he said.

He said Mr. Williams' deprecating speech "was a tragic thing to do."

But he added that "I don't look forward to an easy four years so far as the industry is concerned."

He said he intended to study problems of the insurance industry in the state and any solutions recommended by the NAII. ■

Suit asks payment for excess dumping

CHICAGO—The Campaign Against Pollution, a citizen's group, filed a class action suit in circuit court here asking that two firms compensate the Metropolitan Sanitary District for treatment of excessive waste dumped into sewers.

Defendants in the action are Corn Products Co., sued for $4.2 million, and Procter & Gamble Manufacturing Co. sued for $2.2 million. The suit alleges that the companies dumped in excess of 3.6 million gallons of waste a year without compensating the district for the cost of treatment.

An attorney for the district said there was no element of casualty loss involved in the pollution, and hence any judgment against the companies would not be covered by liability insurance but would rather be a belated payment to the district for treatment of the excessive waste.

Your Responsibility Is Insuring Protection. No One Knows It Better Than We Do.

As insurance buyer, you have responsibility for employee, property and liability protection.

And, responsibility for another form of insurance: full protection against fire, burglary, hold-up and other hazards.

And no one knows this kind of protection better than ADT. We design, manufacture, install and maintain some of the most advanced, comprehensive burglar and fire protection systems to be found anywhere, plus coordinated emergency evacuation signaling and public address services.

Because of premium reductions granted by insurers in recognition of ADT security systems, you may reduce insurance costs for your firm.

ADT can be a great help in resolving *both* your protection responsibilities. We invite you to consult with our people. On request, an ADT protection specialist will come to survey your particular problems. No obligation.

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Readers are invited to submit items for inclusion in this column. A sample of the literature should be sent to: Info for Buyers, *Business Insurance*, 740 Rush Street, Chicago 60611.

Employe Benefits

• Towers, Perrin, Forster & Crosby Inc. have made available a reprint of the article **A systems approach to total compensation** which appeared in Business Management by Gordon Wolf and Mario Leo, consultants with the firm. The article discusses a computer approach to employe benefits covering simulation techniques, efficiency index and common cost basis. For a copy write number 174 on the order blank.

• The U.S. Department of Labor has released a 147-page bulletin in booklet form entitled **Paid vacation and holiday provisions.** The bulletin is the ninth in the Bureau of Labor Statistics series covering major collective bargaining agreements. Paid vacation and paid holiday provisions have not been analyzed in detail since 1957 and 1958, respectively. The study is based on virtually all agreements in the United States covering 1,000 workers or more, exclusive of railroads, airlines, and government agreements. It is divided into six chapters covering: scope of studies; prevalence and trends of paid vacation provisions; administration of vacation provisions; innovations in vacation plans; prevalence and trends of paid holidays; and administration of holiday provisions. Twenty-six tables and four charts and a list of the previous bulletins are included in the booklet. It can be ordered for $1.25 from the Superintendent of Documents, U.S. Government Printing Office, Washington D.C. 20402.

• **What to do about the employe with a drinking problem—a neglected area of loss reduction** is a booklet prepared by the Kemper Insurance Group as an aid for business and industry on how costs can be reduced and valued employes retained through policies and procedures based on current knowledge about the disease of alcoholism. An initial order is free by indicating number 161 on the order blank.

• **Selected drug abuse education films** is a guide intended as a resource for persons using films in drug abuse education and prevention programs. Some of the films listed are intended for the general public and concern the nature of drug addiction, its treatment and control. Other films deal with drug abuse in relation to broader social issues such as poverty, inner city life and the alienation of youth. A synopsis of the film, the producer distributor, date of production, description, purchase and rental price, and target audience is listed for each film. Single orders are 10 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• Harlan Inc. has released **We have people where you have people** describing it's services which includes all lines of insurance as well as automated employe benefits programs for corporations worldwide. For a copy write number 79 on the order blank.

• Employe benefit plans and other institutional investors can receive **Portfolio planning news** without charge from Portfolio Planning Inc. This pamphlet explains the most effective methods of selecting investment advisers, both bank and counsel firms. For more information write number 165 on the order blank.

• **Financing rehabilitation services** is one of a series of five papers prepared for the use of delegates to the National citizens Conference on rehabilitation of the Disabled and Disadvantaged by the U.S. Department of Health, Education, and Welfare. The booklet discusses the basics of rehabilitation funding, how to obtain additional funds and contains a list of federal programs and amounts of appropriations. Copies are 25 cents each and may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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 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. For a copy indicate number 65 on the order blank.

• American Home Assurance Company's **Person catastrophe insurance** brochure illustrates the need for personal umbrella coverage for the working man or woman with something to lose. Available to agents, brokers and buyers it also provides a description of the various optional plans available with this program, including major medical. For a copy of the brochure indicate number 2 on the order blank.

• A guide to the mass or collective marketing of automobile insurance, including the history behind the movement, thorough

Continued on page 14

Here's how to order items you want from largest Info offering

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

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

Nearly 300 items are offered in this special Info for Buyers section by insurance carriers, brokers and agents, suppliers of safety and security systems, mangement 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 sections titled foreign insurance; safety; pension, profit-sharing plans & investments; general educational; employe benefits; workmen's compensation; security; financial services; group insurance and commercial property-liability insurance.

Those interested in specific areas 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 cost-free.

Those items for which there is a charge must be requested from the offering organization whose address is listed with the description of the item.

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 14, 24, 30 and 45 may be used to order cost-free items.

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Recognizing that many readers of BUSINESS INSURANCE are associated with agencies, or other insurance oriented organizations, we do not restrict our activities solely to the Corporate Risk Management field.

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Employe Benefits

Continued from page 13

explanation of plans being offered, a list of the companies offering plans, advantages and disadvantages to the consumer, affects by and on labor unions, affect on the employer, affect on the agents, legal ramifications, and an up-to-date listing of rulings regarding mass or collective marketing. **Mass merchandising of automobile insurance** is available for $10 from Insurors Press, P.O. Box 1430, Santa Monica, Cal. 90406.

• **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 indicate number 172 on the order blank.

• **An introduction to Deferred Compensation Administrators Inc.,** is a booklet offered free of charge by the company describing its services. Some of their services include: studies and reports on existing employe benefit plans, negotiations for union pension plans, comprehensive insurance reports, employe communications, deferred compensation for key executives, and pre-retirement counseling. For a copy write number 183 on the order blank.

• With today's outlay for benefits already averaging 30% of pay, what's in the future? **Up employe benefits** by Johnson & Higgins takes a long look at the future of benefits. The booklet urges a fresh look at benefit plans, their design and funding. For a copy write number 103 on the order blank.

info for buyers

• Towers, Perrin, Forster & Crosby, International consultants to management released their report on **Executive bonus awards and stock options in the top 100 U.S. industrial companies** contacting 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 71 on the order blank.

• **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. The booklet is available by writing number 184 on the order blank.

• **The changing goals of compensation** by Fred Cook, a consultant with Towers, Perrin, Forster & Crosby Inc. is a reprint of an article of Business Management. The material deals with balancing the priorities of compensation and the priorities of business management. For a copy indicate number 173 on the order blank.

• Towers, Perrin, Forster & Crosby has published **The invisible paycheck-its role in the total compensation package.** The booklet deals with, among other related areas of total compensation, the role of the benefit function and organizating responsibilities. For a copy indicate number 67 on the order blank.

Unionmutual graduates into the pension business.

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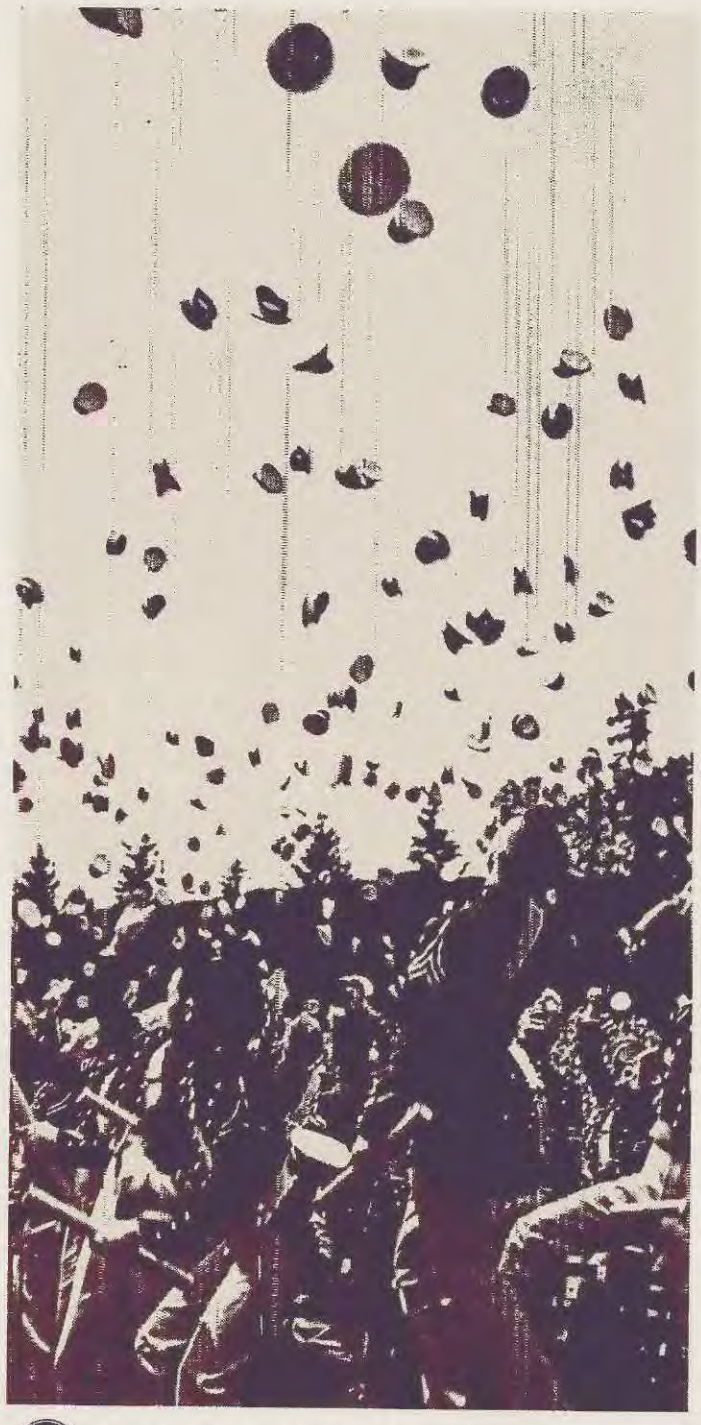

Sure, we know, for years now a handful of giants have had the Group pension business pretty much to themselves.

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So ask your agent, broker or consultant to find out about the breath of fresh air we've brought to the Group pension business. He can contact one of our field offices or write to Mr. Robert W. Stevenson, Vice President (Group Marketing), Union Mutual Life Insurance Company, 400 Congress Street, Portland, Maine 04112.

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Employe Benefits

• Towers, Perrin, Forster & Crosby has released **System 7,** a booklet describing their approach to design, organization, production, distribution, and evaluation of total compensation employe statements. For a copy write number 63 on the order blank.

• A booklet dealing with **The 10 commandments of executive compensation** has been released by Towers, Perrin, Forster & Crosby Inc. It deals with today's environment, taxation, cost effectiveness, reward equals risk and individualzation. For a copy write number 72 on the order blank.

• **DBL-place it and forget it with Security** is a folder offered by Security Mutual Insurance Co. of New York describing it's program and rates for disabillity benefits. For a copy write number 54 on the order blank.

• Towers, Perrin, Forster & Crosby has made available free of charge by indicating number 69 on the order blank a booklet dealing with **Survivor's income benefits.** The booklet deals with employer-provided death benefits, form of survivor benefits, funding and tax considerations.

Pension, Profit-sharing plans and Investments

• Transamerica Acutarial Consultants Inc. has published a 24-page booklet discussing the basics in lay terms of pension and profit sharing investment programs. Based on a lecture delivered at the University of California at Berkeley the illustrated **Fundamentals of pension and profit sharing fund investments** is free by writing number 24 on the order blank.

• A 14 page worksheet to be filled out by any firm considering a profit sharing plan or reviewing an existing plan is available from the Council of Profit Sharing Industries. **Profit sharing worksheet** helps companies to assemble essential facts relating to profit sharing. For a copy write number 129 on the order blank.

• Johnson & Higgins has released **Pension funding levels—the role of management decision.** The booklet discusses the implications inherent to various pension plan cost methods and actuarial assumptions taking into consideration the funding method, the interest assumption, the salary projection assumption, the market value of the assets, and the employe turnover assumption. For a copy write number 102 on the order blank.

• **Notes on old age benefits under Social Security—based on 1969 amendments** ($7800 maximum earnings) can be obtained by writing number 138 on the order blank. Tables covering social security benefits, and average monthly earnings are also included. The booklet is an updated version of a previous one offered by Alexander & Alexander Inc.

• Companies with pension plans that are concerned about the substantially higher cost that could result from pension reform legislation may be interested in becoming members of the Assn. of Private Pension and Welfare Plans Inc. Members receive extensive information on pension developments and opportunities to express their views on legislation through local meetings of members with their own congressmen. A free brochure and additional information may be obtained by indicating number 164 on the order blank.

info for buyers

• **Employe savings plans—the coming trend in retirement planning** has been published by *Business Insurance,* 740 Rush St., Chicago, Ill. 60611 for $12.95. The book deals with what retirement plans should do, balancing benefits and cost, contingent liability, tax plan provisions, and other related areas. Written by Bion Francis, a *Business Insurance* columnist, and manager of Benefits Planning of Colt Industries, the book may be ordered from *Business Insurance.*

• The Equitable Life Assurance Society of the United has released a set of five brochures in a **Profile of a pension program.** The material is not intended as the complete answer to any pension

Continued on page 16

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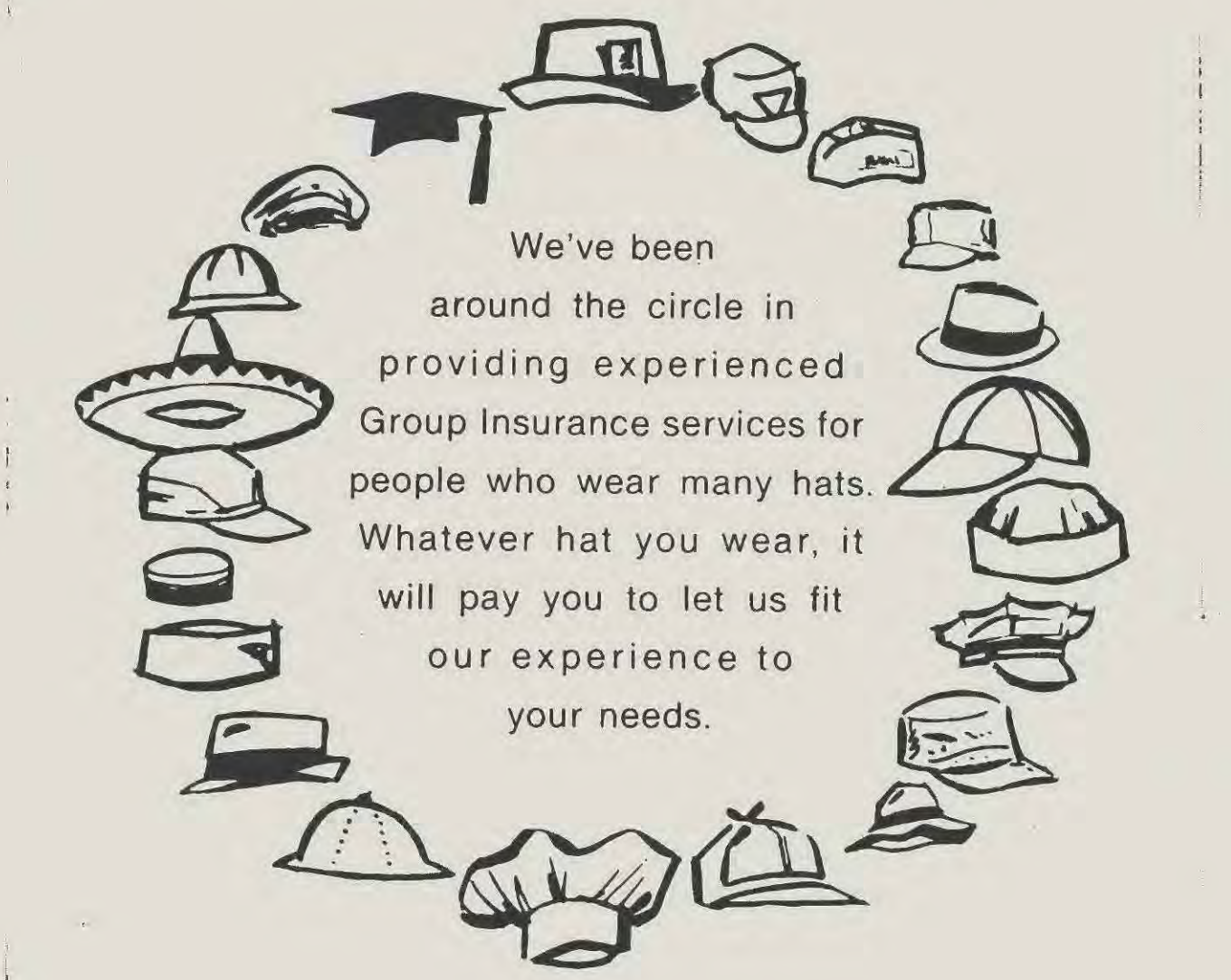

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Pension, Profit-sharing plans and Investments

Continued from page 15

situation, but as an aid to an employer who is in the initial stages of pension planning. Each brochure outlines a typical but different plan including estimated costs for a typical group of employes. Each brochure covers: eligibility for participation, retirement date—normal, early and deferred, pension benefits at normal retirement date, contribution, normal form of pension benefits, optional form of pension benefits, termination of employment, and an estimate of employer annual contributions. For **Profit of a pension program** indicate number 135 on the order blank.

• **A report on Inflation and pension income** by Towers, Perrin, Forster & Crosby, international consultants to management, is available by indicating number 70 on the order blank. The report deals with company objectives, pension adjustment techniques, nonautomatic pension adjustments, negotiated pension supplements and automatic adjustment formula plans. An index of related social security programs of the world is also included and the 1970 Social Security proposals in the U. S.

• **1970 survey of industrial pension plans** is a report of the results of a survey of salaried employe pension plans of major corporations conducted by Transamerica Actuarial Consultants Inc. The survey gives an overview of characteristics of pension programs as they exist in 1970, based on data supplied by 250 of the country's top corporations. The survey is available by writing number 25 on the order blank.

• **The trustees handbook** is designed as a basic guide for trustees and administrators of jointly

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managed employe benefit funds established under the Taft-Hartley Act of 1947. Some of the topics discussed in 14 separate chapters are: trustee responsibility and liability, investment fundamentals, methods of providing health and welfare benefits, collection of delinquencies, communication of employe benefits, and investment of pension funds. A pocket insert is provided for updated supplementary material. The book may be obtained from the National Foundation of Health, Welfare and Pension Plans, Inc., 910 Elm Grove Rd., P.O. Box 898, Elm Grove, Wis. 53122, for $6 per single copy for members, and $7.50 per copy for non-members.

• A 16 page booklet from the Council of Profit Sharing Industries discusses **Profit sharing and how it can help you.** The publication offers a basic explanation of profit sharing and explains the difference between profit sharing and pensions, the types of profit sharing plans, profit sharing's purpose, tax advantages and plan administration. For a free copy indicate number 128 on the order blank.

• **People and profit sharing** is a copy of a presentation by Roy G. Foltz, vp and director, Towers, Perrin, Forster & Crosby Inc. before the 23rd annual conference of the Council of Profit Sharing Industries. The presentation covers communication techniques, and the five basic motivation needs of an employe. For a copy write number 64 on the order blank.

• **The professional corporation** is a booklet released by Provident Mutual Life Insurance Co. which discusses significant tax savings as well as important non-tax advantages that the professional corporation can provide the professional employe. In a concise manner, it describes the various pension, profit sharing and group plans, and compares features of a Keogh Plan and a Qualified Corporate plan in chart form. For a copy indicate number 75 on the order blank.

• Pension plan administrators and attorneys faced with the need to revise plans having excess or step-rate benefit formulas, so as to maintain qualified status under Revenue Ruling 69-4, may obtain the A. S. Hansen. Inc. 69-4 Slide Rule, free. The instructions with the Slide Rule will show how to determine combinations of benefit rates and integration levels. The Slide Rule may be obtained by indicating number 185 on the order blank.

TO GET FREE LITERATURE USE POSTCARDS OR COUPON

• **The TPF/C Tax Manual** is a valuable book for pension plan administrators, bank trust administrators, accountants, attorneys, consultants, actuaries and others concerned with employer-sponsored pension and profit sharing plans. The reference book contains the Internal Revenue Code, rulings, and releases pertaining to deferred compensation plans established by employers for employes. The cost is $65 plus any applicable local taxes and mailing charges. Supplements are sold on a four-supplement subscription basis at a cost of $30. For more information write number 73 on the order blank.

• **Successful profit sharing plans —theory and practice** was written for management, plan administrators, trustees, consultants, attorneys, accountants, and others charged with designing or administering profit sharing plans. The book discusses profit sharing theories and plan objectives giving actual performance data of existing plans. The Council of Profit Sharing Industries, Suite 722, 20 North Wacker Dr., Chicago, Ill. 60606 offers the book for $6 per copy.

• The U.S. Dept. of Health, Education, and Welfare has prepared **Social Security information for young families.** The booklet deals with the protection social security has for younger people, how a worker earns his protection and about the benefits that can be paid and other information of interest to younger workers. For sale by the Superintendent of Documents U.S. Government Printing Office, Washington, D.C. 20402 at 15 cents per copy.

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Pension, Profit-sharing Plans and Investments

• **Improving your profit sharing plan at no cost: Coping with the 1969 Tax Reform Act** is an issue of a two-page newsletter by Johnson & Higgins showing how various kinds of annuities can help meet employe's needs now that the 1969 Tax Reform Act has changed capital gains treatment of profit sharing and thrift plans. For a copy of the newsletter write number 97 on the order blank.

• An insight into such new approaches as the investment value fund for profit sharing plans, a new prototype **Master plan** (approved by IRS) for pension plans and information related to group pensions and profit sharing is now available by indicating number 141 on the order blank from the Bankers Life.

• 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.

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.

• Computer programs of pensions and profit sharing materials are available to corporate employers, insurance companies, mutual funds and banks from Babb Computer Systems Inc. The information is available so that the reports can be produced on company computers or can be obtained on a service basis. For additional information containing the firms' clientele and describing its computer program and exchange library and the systems presently in the library and cost, write number 140 on the order blank.

• The Equitable Life Assurance Society of the United States has released a brochure describing a group pension contract to provide annuities at retirement for employes retiring under a deferred profit sharing or thrift plan. **Annuities under profit sharing and thrift plans** is available, free of charge, by indicating number 133 on the order blank.

• The research committee of the National Foundation of Health, Welfare and Pension Plans, Inc., initiated a series of studies in 1965 designed to develop standardized procedures by which investment performance could be compared. The result was a four-part series of research reports. Parts I and II were released in 1966 and 1967 respectively. Part III, **The implications of past investment performance for future investment policy of multiemployer pension funds** (April, 1970) analyzes the basic factors that contribute to investment results, highlights the major economic forces which must be considered in making future investment decisions, and assesses the effect on investment policy of a pension plan's financial characteristics and objectives. Cost for a single copy is $2.75 for members, and $3.75 for non-members. Copies may be ordered from the foundation at 910 Elm Rd., P.O. Box 898, Elm Grove, Wis. 53122.

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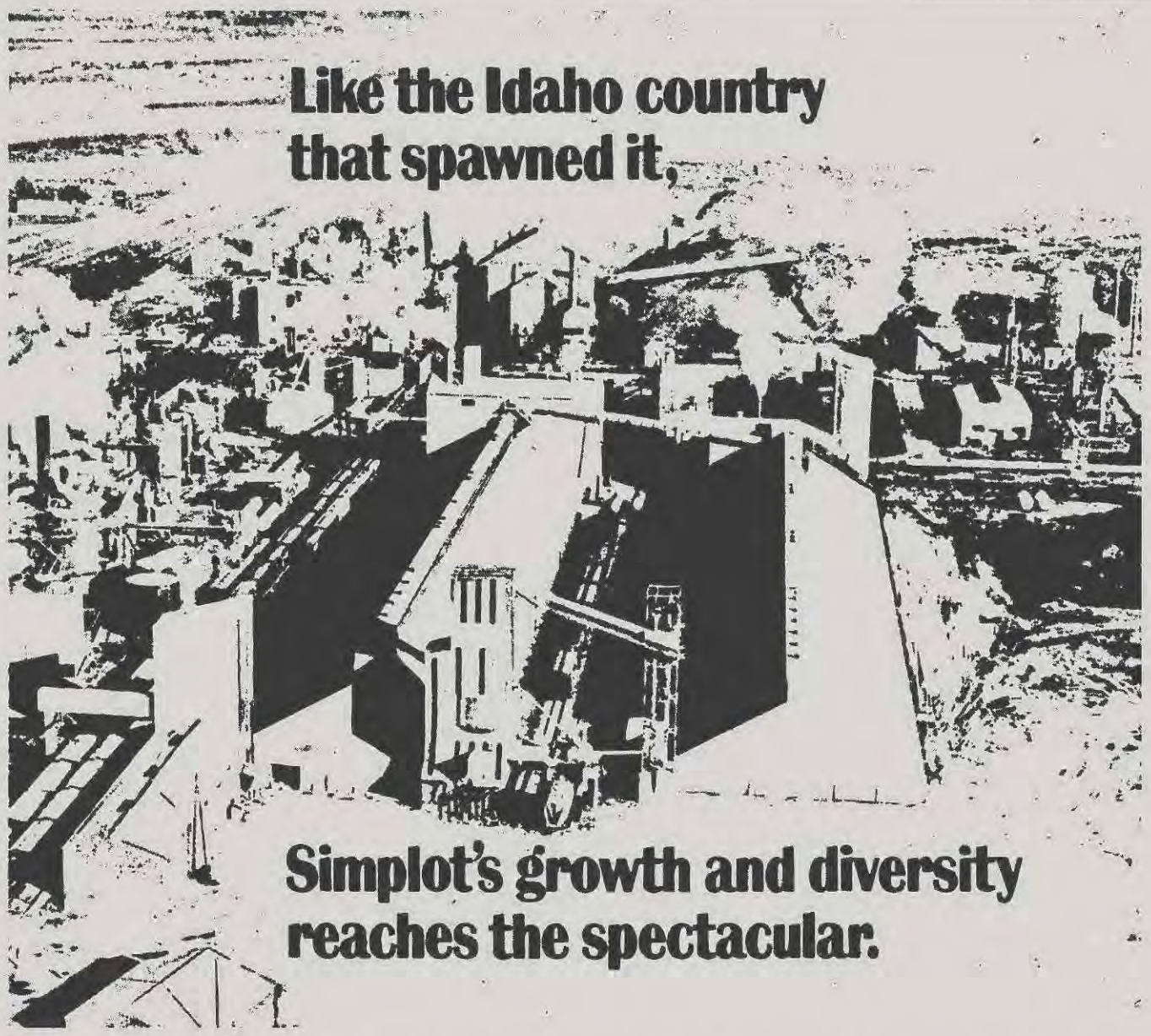

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Potato farmer Jack Simplot was already well-established in the business by 1930. That's when he began to diversify around the economy of the potato. He used its residue for cattle feed and launched large-scale feedlot operations. Today, J. R. Simplot Company markets over 200,000 steers and 70,000 lambs each year.

In the forties, Jack Simplot perfected dehydrating and freezing techniques. At present Simplot Food Division processes 2 million pounds of French fries daily.

Simplot has moved into mining, fertilizer production, poultry processing, and soil treating services. Sales of the Boise headquartered company have climbed to about $200 million annually. And potatoes still provide the foundation.

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The Simplot complex includes a wide range of specialized activities. And each requires specialized handling of workmen's compensation insurance. Jess Swan, president of J. W. Swan Agency, Boise, brought Argonaut and Simplot together in 1955. Today, a master policy covers over 5,000 Simplot employees coast-to-coast.

Hugh Larkin, Industrial Relations Manager for Simplot, sees it this way: "We keep growing in new directions, and our compensation needs keep changing. But whatever we do, Argonaut covers us—*carte blanche*. With their safety engineering help, we now have a 77% experience modification. That converts into a good many dollars saved when we renew our policy."

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Pension, Profit-sharing Plans and Investments

• A manual for the purpose of supplying information and ideas concerning **Representative forms and records for the administration of profit sharing plans** has been published by the Council of Profit Sharing Industries, 20 North Wacker Dr., Chicago, Ill. 60606. The book is not intended to be a sample forms book that can be adopted to the needs of any particular firm. It is merely an attempt to show what other companies are doing and suggests administrative ideas which might help profit sharing companies appraise their own administration. The manual may be ordered for $10 per copy. Direct orders to Walter Holan at COPSI.

• Bankers Security Life Insurance Society's salary savings plan is described in **Employe benefits consultation service.** The plan allows employes to purchase, through payroll deductions, permanent life insurance policy. The policy's increasing cash values can

info for buyers

be used to provide retirement income, educational or emergency funds. The service provides individual consulting services to each employe enrolling in the plan. Premiums may be paid entirely by the employe or shared by the employer. For a copy indicate number 36 on the order blank.

Commercial Property-Liability Insurance

• **Airkem SOS directory 1970-71** contains the names, addresses, and day and night phone numbers of Airkem Division of Airwick Industries Inc.'s representatives throughout the world. Airkem removes odors professionally after fires. For a copy indicate number 58 on the order blank.

• The Kemper Insurance Co. has released **Industrial program-special multi-peril policy** describing a package policy designed for manufacturers, processors and industrial risks. The charts in the booklet graphically illustrate the complexities and scope of the package program. Color keyed to show both mandatory and optional coverage, the charts provide a step-by-step guide to tailoring a package policy to meet a firm's particular needs. For a copy of the booklet write number 94 on the order blank.

• Marshall and Stevens Incorporated/Appraisals has made available **What is value?** a booklet and film presentation. The question of value is increasingly complex. Actual cash value, fair market value, reproduction cost, original cost, book value and tax basis have distinct connotations. The folder defines each concept of value and its proper use for business purposes. The 25-minute slide presentation defines and illustrates the proper applications of the various kinds of value for business transactions. A representative of your nearest Marshall and Stevens office will make the presentation to your professional or management group upon request. For more information and a copy of the booklet indicate number 85 on the order blank.

• American Home Assurance Co.'s 12-page brochure on **Valued form business interruption insurance** illustrates the advantages of valued form over other business interruption plans. It explains how valued form coverage can be tailor-made to each individual need, and details the policy's important clauses. The booklet is free to agents, brokers and buyers by indicating number 13 on the order blank.

• Corroon & Black Co. has released **Ocean cargo insurance.** The booklet provides notes and comments on claims procedure in connection with ocean cargo insurance and claims on ocean carriers. For a free copy indicate number 55 on the order blank.

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• Machinery and Allied Products Institute, 1200 Eighteenth St. N.W., Washington, D.C. 20036, has released two memorandums in booklet form entitled **Directors' and officers' liability insurance—results of a MAPI survey of company experience,** and **Directors' and officers' liability insurance.** The survey is a compilation of answers to a number of questions concerning D&O liability insurance which perplex corporate executives. Of the 261 companies responding to the questionnaire, 144 carry D&O liability insurance. The second memorandum considers briefly the liabilities of directors and officers, including recent increases in such liabilities, corporate indemnification of directors and officers, some pertinent public policy considerations, the nature of D&O insurance liability and the possible division of premium costs in the individual case between the company and the officials covered by the policy. Single copies may be purchased for $2 each and both booklets may be purchased as a package for $3 from the company.

• **New techniques, new information, better communication, for greater product safety—summary of a national symposium** contains the recommendations of a cross-section of 100 business and industrial leaders for achieving greater product safety, and for minimizing the possibility of unjustified losses. Design, value engineering; purchasing, manufacturing; quality control; marketing, advertising; products service; legal; and insurance were the seven fields represented in the two day meeting. Single copies of the booklet by Employes Insurance of Wausau may be obtained by writing number 153 on the order blank.

• **For a small businessman, there's no such thing as a small disaster** is Commerce and Industry Insurance Co.'s new folder

Continued on page 19

Let Self Insurance unlock your capital... and put it to work. The Hewitt, Coleman way!

In the next thirty seconds, you're going to discover how our Premium Retention Plan can make a nice wave in your cash flow.

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With the profit squeeze getting tighter, isn't it time you unlocked *your* capital and put it back to work. Think about it. Then when you're ready, just say the word and we'll hand over the keys.

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Commercial Property-Liability Insurance

Continued from page 18

containing material on fire insurance for the preferred small or medium size business. As Commerce and Industry sees it: "It's a protection and service package for the small and medium size business that only big business usually gets." It is available free of charge to agents, brokers and buyers by indicating number 8 on the order blank.

• A guide to excess and surplus lines insurance, the **Excess and surplus lines manual,** has been published by Insurors Press. The manual has three general sections: general information regarding excess and surplus lines theory, practice and mechanics; an analysis of individual insurance areas within excess and surplus lines of insurance; and excess and surplus lines laws, consent-to-rate regulations, and FAIR plan regulations for each state. Costs for the manual are $100 for the initial annual service (including updating and the monthly Excess Express which presents a general review of covers not specifically analyzed in the manual but which have become available in the excess and surplus lines market) and $75 per year thereafter. A brochure containing additional information on the manual is free by indicating number 159 on the order blank.

• America's Insurance Center has published a booklet describing the coverage afforded for business interruption on a valued form for a maximum of 90 days with a three-day delay for all types of mercantile and manufacturing risks located in urban areas. **Valued use and occupancy coverage** is free by writing number 29 on the order blank.

• Airkem Division of Airwick Industries Inc. has released a brochure describing the do's and don'ts of odor removal to those who have recently experienced a fire. **What to do after the emergency** discusses the nature of odors, solutions and the Airkem process and procedures which will alleviate present complications. For a free copy write number 56 on the order blank.

• **Stop unnecessary water damage** is a brochure offered by Componentry Research & Development Enterprises Inc. describing how unnecessary water damage may be stopped instantly, without closing the sprinkler control valve, by using a sprinkler-stopper which makes it possible to keep the rest of the sprinkler system functioning, while cutting off the flow where unnecessary water damage is being caused. For a free copy write number 213 on the order blank.

• National Compensation Services Inc. has available to prospective self-insurers a brochure describing the firm's services, cash flow charts depicting a comparison between self-insurance and insurance, a loss pay-out chart showing the cash advantage to a self-insurer and a sample feasibility study comparing the new cost of an insured program with that of a self-insured program. For more information write number 59 on the order blank.

• The specialty lines division of America's Insurance Center has made available free of charge to *Business Insurance* readers information on their customers bailee insurance package which is a program established to provide customers bailee coverage for the mercantile and/or franchised dry cleaner located in urban areas, including all customers goods with or without box storage, and their Coin-op Package Insurance Program. The second booklet describes and includes rating structures for the writing of the complete package of insurance coverage. For the information write number 189 on the order blank.

• **The legal liability of manufacturers of aircraft and aircraft components** is a summary of law presented by the United States Aircraft Insurance Group. The booklet covers the following: increasing scope of liability; sources of liability aircraft design, fabrication and testing; armed services; components aircraft repair; the

info for buyers

importance of defense; the influence of non-aviation cases; the negligent claimant; second hand aircraft; safety features; liability limitation; uniform commercial code; warranties, strict liability; damages; and USAIG claim services. The booklet may be ordered, free of charge, by indicating number 179 on the order blank.

• The new **Valued form business interruption** 12-page explanatory brochure by the American International Group describes what valued form is as compared with regular business interruption coverage, the advantages of this form, the market for it, and the various features included in the policy form. Domestically, valued form is written by American Home Assurance Co., overseas the coverage is written by American International Underwriters. So in effect the company can now underwrite valued form business insurance interruption anywhere in the world on any kind of commercial industrial risk. It is free to agents, brokers and buyers by indicating number 9 on the order blank.

• It is the responsibility of the insured, not the insurer, to determine adequate coverage and furnish a detailed inventory of property and its values for proof of loss. **3 important obligations in your property insurance policy** by Marshall and Stevens Incorporated/Appraisals shows how to preclude problems in event of loss, including co-insurance clause precautions. For a copy write number 88 on the order blank.

• American Home Assurance Co.'s 8-page brochure on **Radio, television and motion picture producers liability insurance** shows the need for this coverage through the use of actual court cases. It outlines American Home's coverage, including the limits of insurance offered. It is free to agents, brokers and buyers by writing number 16 on the order blank.

Continued on page 20

We'll send you one man to do four jobs.

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The big one that got that way by caring a little more.

Commercial Property-Liability Insurance

Continued from page 19

as, including all customers goods with or without box storage, and their Coin-op Package Insurance Program. The second booklet describes and includes rating structures for the writing of the complete package of insurance coverage including fire, extended peril, vandalism and malicious mischief, single limit liability, hold-up and burglary, customers bailee, business interruption and plate glass coverage for the owners of individual or franchised coin-operated laundries and/or coin-operated dry cleaners. For the information write number 189 on the order blank.

• An address given to the Council of Engineering and Scientific Society Secretaries by John L. McMahan, president of Exemplar-McMahan, insurance consultants, on **Protecting assets** is free upon request in booklet form. The speech deals with risk abatement practices, transfer of risk or risk management, catastrophe exposures, direct damage catastrophe exposure, fringe benefits and the concept of something for nothing in claims. For a copy indicate number 191 on the order blank.

• The United States Aircraft Insurance Group has prepared a summary of the law concerning the **Legal liability of owners and operators of airports.** The booklet covers aircraft accidents, fueling, hangarkeepers, maintenance and service, loading stand rescue, automobile parking lots, elevators and escalators, police and security, slip and fall, special events,

info for buyers

tenants and contractors, vehicles, indemnity, and liability to surrounding property owners. Copies of the booklet may be obtained, free of charge by writing number 180 on the order blank.

• American Home Assurance Co.'s new 12-page brochure on **Directors and officers liability insurance** speakes to the directors, officers, or trustees of any kind of public, private or family-owned corporation, a bank or savings and loan association, or a non-profit and/or charitable organization. It is free to agents, brokers, and buyers by indicating number 14 on the order blank.

• **Umbrella liability insurance —What is it?** is a booklet offered by the Grain Dealers Mutual Insurance Co. offering a concise description of catastrophe liability insurance, why it is needed and who needs it. Included are specific coverage charts showing how personal or commercial umbrella provides vital supplementary protection for individual or business firms. For a free copy write number 35 on the order blank.

• American Home Assurance Co.'s **Specialized casualty guide,** to be published February, 1971, is a brief technical outline of all the products presently being underwritten in the commercial casualty department. It explains what the product covers, the market, insurance requirements, and the company's capacity on each line. It is free to agents and brokers by indicating number 22 on the order blank.

• **Mass marketing of property and liability insurance** is a study prepared by Spencer Kimball, dean and professor of law, University of Wisconsin Law School and Herbert Denenberg, Loman professor of insurance, Wharton School of Finance and Commerce, University of Pennsylvania, for the Department of Transportation. The authors evaluate the role that mass marketing of insurance plays in overall compensation system reform, the extent to which existing regulatory institutions helped or hindered the attainment of any such role for mass marketing and comment on legislative and administrative changes they felt would bring about an optimum regulatory environment for mass marketing of auto insurance. Single copies are 75 cents and may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• American Home Assurance Co.'s 12-page brochure on **Builders risk insurance** takes into consideration the fact that every structure is unique and every builder's approach is equally unique. It outlines the basic builders risk plans available, including extras, and explains the types of commercial structures they are designed to cover. It is available, free of charge to agents, brokers and buyers, by writing number 12 on the order blank.

TO GET FREE LITERATURE USE POSTCARDS OR COUPON

• **The valuation consultant** is a newsletter published quarterly by Marshall and Stevens Incorporated/Appraisals to keep management abreast of developments in valuations and business. The current issue discusses new accounting principles in mergers; tax reform and private foundations; federal savings and loan service corporations, and requirements affecting valuation services. For more information indicate number 86 on the order blank.

• National Union Insurance Co.'s **Hospital operating income** brochure describes in detail a new product being offered by the company which combines business interruption insurance with extra expense for hospitals adopting the new chart of accounts procedure. The brochure, to be published February, 1971, explains what the new coverage provides, what underwriting information is needed, and the importance of this product for modern hospitals. It is free to agents, brokers and buyers by indicating number 20 on the order blank.

• The new **Difference in conditions** 12-page explanatory brochure describes what the cover-

Continued on page 21

When fire strikes, it goes to pieces... but doesn't lose its head.

It happens automatically whenever things get too hot. And when it does, it releases a blaze-dousing spray to get the best of a fire, before it gets the best of a building.

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Affiliated FM Insurance
FM Insurance Co. Ltd.
FM Engineering Corporation
FM Engineering Association
FM Research

Commercial Property-Liability Insurance

Continued from page 20

age 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 18 on the order blank.

• The 1970-71 edition of **Loss prevention in print** is available by indicating number 112 on the order blank. The 28-page illustrated booklet briefly describes all Factory Mutual Engineering Corp.'s publications and films available at the time of it's printing. It is intended as a basic tool for directors of property conservation in getting help in loss-control communications and training. The items included cover a wide range of specific protection problems.

• **The legal liability of owners and operators of general aviation-aircraft** is a summary of law presented by the United States Aircraft Insurance Group. Some of the topics covered are: extent of liability; degree of care; vortex turbulence; collisions; power lines and towers; guest or passenger; student pilots; statutory provisions; and USAIG claim services. The booklet may be ordered, free of charge, by indicating number 181 on the order blank.

• The American Management Assn., 135 W. 50th Street, New York, N. Y. 10020, has released **Fact finding techniques in risk analysis.** The publication deals with the need and use of several forms in fact gathering, presentations to underwriters, presentations to boards of directors, contains a check list of exposures insurable or not insurable, and balance sheet approaches. Single copies are $4.95.

• Airkem Division of Airwick Industries has released **SOS on the move.** This brochure to the insurance claim man shows how Airkem smoke odor service serves to diminish salvage and business interruption claims and the total loss payment. It describes the products, process and people. For a copy write number 57 on the order blank.

• In conjunction with its entrance into the commercial umbrella field, Commerce and Industry Insurance Co.'s new brochure **Sorry. You're not covered** answers these important questions: Who needs commercial umbrella? How broad is the coverage? What does the coverage include? It is available free of charge to agents, brokers, and buyers by indicating number 17 on the order blank.

• Thomas F. Sheehan, JD, CPCU, has written **The liabilities of directors and officers: with practical solutions for their discharge.** The book contains 28 rules of conduct to prevent suits against directors and officers, a table of cases, safeguards to avoid liability, and explains how this cover relates to and overlaps other kinds of insurance. The book also covers examples of common limit and retention under D&O, and actions to limit responsibility of directors. The book may be ordered for $4 from Directors' Press, 5356 E. 72nd St., Indianapolis, Ind., or from Mr. T. F. Sheehan, c/o Excess Underwriters, 175 W. Jackson, Chicago, Ill.

info for buyers

• **Recent developments in trustee liability insurance** is a research report by David Livingston by the National Foundation of Health, Welfare and Pension Plans Inc., P.O. Box 898, Elm Grove, Wis. 53122. According to the paper only three major underwriters provice liability insurance coverage for trustees. Key provisions in each of the available policies are outlined and compared item by item in the article summarizing the study findings. Reprints are available for 25 cents.

• America's Insurance Center has published a booklet including information on all coverages available under a special program for malpractice and general liability for medical and/or clinical laboratories privately owned or owned and operated by industrial concerns. **Clinical laboratory malpractice coverage** is available by indicating number 28 on the order blank.

• Marshall and Stevens Incorporated/Appraisals has released a reprint of the article **Settling losses before they occur** by Warren G. Brockmeier on how not to cook your corporate goose with inadequate or unnecessary property insurance coverage. It discusses the importance of independent appraisals for acceptable proof of loss. For a copy write number 87 on the order blank.

Workmen's Compensation

• **Workmen's compensation in crisis** is a booklet by Clarence G. Johnson, senior vp and secretary of Industrial Indemnity Co., which analyzes the present state-operated workmen's compensation system, explores the threat offered by existing and proposed federal legislation, and calls for specific improvements to avert a federal takeover. A schedule of typical maximum benefits in selected states is also included. For a copy write number 81 on the order blank.

• An adaption of a speech by Fred Drexler, president of Industrial Indemnity Co. at the 1970 IAIABC convention, **What is best for workmen,** proposes a plan for action to protect and improve the present system of workmen's compensation. The speech is addressed to anyone interested in workmen's compensation, whether they represent labor, employers, the government, or the insurance industry. It deals with the situation today, threats of federalization, Social Security and takes a look at the alternatives. For a copy write number 82 on the order blank.

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Workmen's Compensation

• Security Mutual Insurance Co. of New York has released a brochure describing it's safety group concept plus details of individual plans for New York and New Jersey hotels and motels, New York restaurants, and New York tenements. **Safety group dividend plan** provides workmen's compensation and general liability coverage. For a copy of the folder write number 53 on the order blank.

• **Workmen's compensation and self insurance—a dialogue for decision makers** is a comprehensive discussion of self-insurance as it pertains to workmen's compensation by Hewitt, Coleman & Associates Inc. This in-depth study is designed to give the corporate decision maker or his broker a clearer understanding of the concept of premium retention plans and the advantages such programs have to offer to the sophisticated insurance buyer and/or broker. For a copy indicate number 77 on the order blank.

Foreign Insurance

• Towers, Perrin, Forster & Crosby Inc. has made available reprints of the following articles on employe benefits: "Are U.S. executives in Europe really overpaid?" by Arthur Bierwirth, TPC; "Retirement pension planning in Europe for local nationals" by Wolfgang Glage, reprinted from Worldwide P&I Planning; and "Planning benefits in Europe: The problem of consistency" by Andre E. De Montigny and Dieter Schmahl, reprinted from the Columbia Journal of World Business. Copies may be obtained by writing number 170 on the order blank.

• American International Underwriters **International holiday package policy** provides coverage for the following hazards faced by the overseas traveler: legal liability protection, medical payments, automobile physical damage, automobile marine, personal effects, personal accident and sickness. Included in the brochure are rate tables and a list of special features. Copies are free to agents, brokers and buyers by indicating number 21 on the order blank.

info for buyers

• **The modern concept in international group insurances** is a booklet published by Swiss Life Insurance and Pension Co covering the background, problems, and possible sollutions and special advantages for international group insurances and some facts concerning Swiss Life. The booklet may be ordered, free of charge, by indicating number 169 on the order blank.

• A research study by Towers, Perrin, Forster & Crosby Inc. of **Private pension practices in Germany** has been published by the company. The report analyzes some 732 companies, representing about 20% of all German companies with more than 500 employes. The survey provides an overall picture of private pension planning in Germany today as well as offering a basis for comparing companies of similar size, business and location. Copies of the complete report, 420 pages, in the German language edition only, are available for $250. For a free brochure describing the survey and listing some of the results or for more information concerning the survey write number 221 on the order blank.

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.

• AFIA Worldwide Insurance has made available, free of charge, a foreign insurance slide chart. The chart lists AFIA's telephone service facilities throughout the U.S. At a quick glance it answers 20 questions about insurance in 81 countries. Some of the questions are: is non-admitted insurance prohibited; is coverage for direct damage from explosion, windstorm, and riot written; is products liability coverage available; and is third-party motor vehicle liability insurance compulsory? For a copy indicate number 136 on the order blank.

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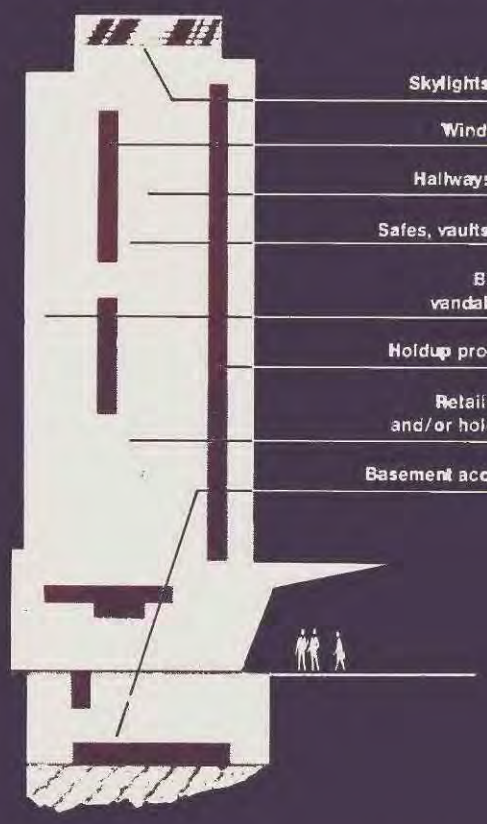

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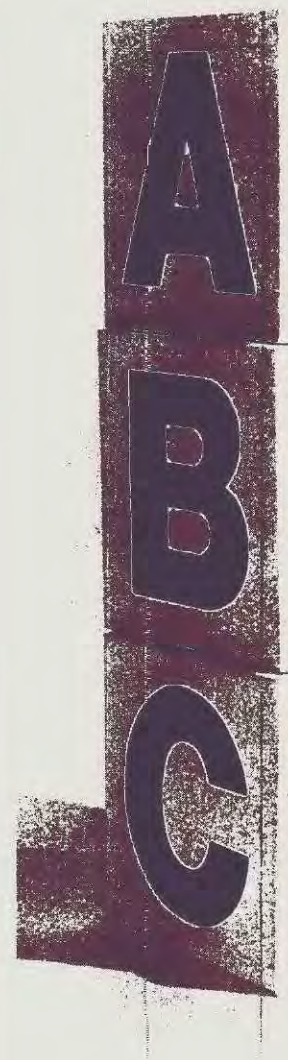

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Foreign Insurance

• The Swiss Life Insurance and Pension Co., publishes periodically the Swiss Life News Letter with current information on various aspects of European employe benefits. Anyone may be placed on the current mailing list, free of charge, by writing number 166 on the order blank.

• **The problems of total remuneration in the European economic community and United Kingdom** has been released by Towers, Perrin, Forster & Crosby, Inc. The report covers wages, salaries, benefits, and other forms of employe remuneration in the six Common Market countries and the U.K. Also included in the report is an expanded executive remuneration section. The report may be obtained free of charge by writing number 171 on the order blank.

• **International pension planning** is a booklet that briefly describes the capabilities of American International Reinsurance Co. and its associates and affiliates in the field of international pension planning. It covers locally written, tax qualified pension plans as well as Airco's facilities for writing off-shore plans for third country nationals. For a copy write number 93 on the order blank.

• AFIA has released four videotapes on foreign insurance free of charge on loan by indicating number 62 on the order blank. Each tape is an in depth discussion with a leading expert in foreign insurance covering fire and business interruption, the ABC's of guarantees of overseas-bonding, how a buyer looks at his foreign insurance carrier, and establishing a sound insurance program.

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.

• Tomenson, Saunders Ltd. offers information on the current position of **Directors and officers liability** for those corporations chartered in the Province of Ontario, Canada. Federally chartered companies can expect similar legislation, as the Federal Corporation Act is in the process of being re-written. For more information write number 199 on the order blank.

• Zurich Insurance Co. offers two booklets, free of charge, describing their firm and listing their international locations. The **Zurich Group . . . a world of security** lists the firm's service centers and provides a brief description of the company and history. **International list of addresses** lists their various addresses in cities throughout 26 countries of the free world. The addresses in the booklet are printed in German, French, English, Italian and Spanish. For copies of either booklet write number 175 on the order blank.

• **International bulletin June 1970** by Johnson & Higgins discusses changes in social security laws in Japan, Norway, Colombia and Australia. It also summarizes a recent metal-working industry wage agreement in the Netherlands, wage controls in U. K. and a new pension funding method in Brazil. For a copy indicate number 99 on the order blank.

• A brochure listing the INA offices, principal agents and claims agents in the major cities of 110 countries in Europe, Asia, Africa, Australia and Latin America has been published by the Insurance Company of North America. **INA International Facilities** may be ordered by indicating number 157 on the order blank.

• **Alexander International** is a booklet describing the professional service organization which provides advisory actuarial, banking, investment, and administrative services in the international employe benefit field. The booklet describes Alexander International services, employe benefit plans, and contains a list of the board of directors and their background. A copy may be ordered by indicating number 139 on the order blank.

• The American International Underwriter's **Guide to personal insurance overseas** is a brief technical guide to the products currently being underwritten for home-foreign and foreign risks. Available to agents, brokers and buyers, it describes the types of accident and sickness, automobile, inland marine, and property coverages available. For a copy write number 7 on the order blank.

• **The Zurich Group . . . experts in worldwide insurance** is a brochure aimed at boards and managers of international companies. The brochure describes the services of the Zurich Group, lists the addresses of head offices in 26 countries, and gives a brief history of the firm. Copies of the booklet may be received, free of charge, by writing number 176 on the order blank.

info for buyers

• **International bulletin April 1970** by Johnson & Higgins discusses new labor legislation in Mexico and social security changes in Switzerland. Other items discussed include benefits-related news from Spain, the Phillippines, Sweden, Germany, South Africa, Uruguay, Israel and France. For a copy indicate number 100 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 indicating number 23 on the order blank.

• **AFIA guide Asia** features a summary of insurance require-

Continued on page 24

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Foreign Insurance

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ments and forms in India, Indonesia, Iran, Lebanon, Pakistan and Turkey. Broad named perils are considered, covering explosion, windstorm, riot and strike or riot and civil commotion, damage by falling aircraft and vehicle impact damage, smoke, malicious damage, and earthquake The booklet may be obtained by indicating number 137 on the order blank.

• **Two aspects of benefit planning for international companies** has been published by Swiss Life Insurance and Pension Co., for the purpose of drawing attention to certain basic concepts and to

info for buyers

enunciate a few generalised rules of pension plan administration in Western Europe. Free copies may be ordered by indicating number 167 on the order blank.

• American International's **Guide to international employe benefits** is a descriptive brochure which explains American International Life's approach to the area of international employe benefits. It describes the experience of the company in this area, the products currently being written, the territories and countries where licensed, and the general way the company does business overseas. It is free to agents, brokers and buyers by indicating number 10 on the order blank.

• **FM Insurance Co. Ltd.** is a booklet describing the services of this international firm, owned and operated by the Factory Mutual System. The firm provides property insurance coverage and loss prevention engineering outside of the North American continent. Copies may be received by indicating number 151 on the order blank.

• The International Division of Alexander & Alexander has published **Are your company's assets abroad as safe as those at home?** describing the services of the division in placing, writing, and understanding foreign insurance contracts and foreign employe benefits for local nationals abroad and expatriate and third-country (international) employes. For a copy of the pamphlet indicate number 146 on the order blank.

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.

• **Group life and pension plans for international companies** is a booklet published by the Swiss Life Insurance and Pension Co. concerning the problems with which a large firm employing a staff spread over several European countries must deal with when devising pension plans such as diversity of legislation, varied Social Security systems, taxation changing from country to country, and disparity in the customary levels of pension in different countries. Free copies may be obtained by writing number 168 on the order blank.

• The latest edition of **AFIA guide Latin America** has been released. The publication covers 14 Latin American countries and summary information for 11 islands and their respective insurance requirements. A copy can be obtained by writing number 144 on the order blank.

• American International Underwriters' **Worldwide directories** (two brochures) list the company's offices around the world and

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the entire financial community benefits when a small client is as welcome as the multicity or multinational (our corporate structure is such that the small are welcome — and cannot get lost)

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Foreign Insurance

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give a description of the coverages available to foreign and domestic companies with overseas risks or operations abroad. It is available free of charge to agents, brokers and buyers by indicating number 6 on the order blank.

• **AFIA guide Europe,** features a summary of insurance requirements and forms in foreign countries. It is published to provide agents, brokers, and insureds reliable insurance information. The 14 countries covered are; Austria, Belgium, Denmark, France, West Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Switzerland, and the United Kingdom. A copy of the latest edition can be obtained by writing number 145 on the order blank.

• **Third country nationals** is a booklet published by the American International Reinsurance Co. discussing the problem of third country national and foreign service employes and the difficulties encountered in providing them with adequate group insurance and pension benefits. The brochure then describes the off-shore facilities of Airco that p ovide an approach to what is becoming an increasing problem for the broker or benefits manager. For a copy indicate number 92 on the order blank.

• American International Underwriter's **Specialized casualty facilities** is a brief technical guide to the products. currently being underwritten for the home-foreign and foreign casualty risks. The booklet, to be published February 1971, describes the coverage each product provides, its market, and the insurance requirements. It is free of charge to agents and brokers by indicating number 15 on the order blank.

info for buyers

• **International bulletin November 1970** by Johnson & Higgins gives a review of likely benefit plan legislation in U.K. under the new Conservative government and a look at upcoming pension and medical plan changes in the Netherlands. Short items on France, South Africa, Venezuela, Brazil, Australia and Colombia are included. For a copy write number 101 on the order blank.

• The Swiss Life Insurance and Pension Co. has made available, **Life network in European countries,** a speech given by Mr. Rene Virchaux, vp of Swiss Life, at the European employe benefit conference describing the Swiss Life facilities available to international benefit plans in Europe. For a copy write number 84 on the order blank.

• The Swiss Life Insurance and Pension Co. has made available free of charge, the following speeches in booklet form: "Scope of the master cover contract" by Y. M. Thakkar; "Advantages and limitations of multi-national pension coverage in Europe" by William B. Jadden; and "Background and objectives of Swiss Life multi-national program" by Dr. Hans Ammeter. The addresses were given at the Swiss Life European employe benefit conference held May, 1970. For a copy write number 187 on the order blank.

Group Insurance

• **Group accident insurance plan** is a brochure by Bankers Life and Casualty explaining their complete accidental death and dismemberment plan for salaried employes and their families. For a copy of the booklet indicate number 89 on the order blank.

• How do health insurance plans treat organ transplants? What can an employer expect as transplants become more frequent? **Organ transplants: Another challenge for health insurance** by Johnson & Higgins cites four possible types of claim situations, and offers three different answers to providing coverage for transplants. For a copy of the newsletter write number 98 on the order blank.

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.

• **GP-10/33** is a foldout describing group protection for small companies employing 10 to 33 employes by Northwestern National Life Insurance Co. The booklet describes the plan designed with protection against the loss or reduction of employes' earning power, whether caused by death or disability, and against most health care expenses, major and minor. Included is a schedule of benefits available and their descriptions along with special features to the major medical insurance including the package, minimum volume, eligibility, participation and maintenance requirements, employer contribution, effective date of coverage, and termination of insurance. For a free copy write number 109 of the order blank.

• A booklet describing a combination of permanent and group life insurance has been released by The Lafayette Life Insurance Co. **Announcing PERMA/TERM protection** deals with benefits, insurance during disability, options upon termination of insurance, underwriting and installation. For a copy indicate number 91 on the order blank.

• **Image 10-40** is a booklet describing a program of long term disability coverage for firms with from 10 to 40 eligible employes. The Combined Insurance Co. of America has made the publication available by indicating number 127 on the order blank.

• The Employers-Commercial Union Cos. has published **Spectrum uni-plan** which is a kit describing their mass marketing plans for medium and large com-

Continued on page 26

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Group Insurance

Continued from page 25

panies. The kit includes leaflets on auto, home, life and health insurance and financial planning and sample personnel poll and membership charge card. For a copy write number 38 on the order blank.

• 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 indicating number 19 on the order blank.

• **Group 10/35** by the Bankers' Life and Casualty Co. explains their complete group insurance product for employers with from

info for buyers

ten to 35 employes including possible benefit combinations of accidental death and dismemberment, disability income, medical care, dependent life, and dependent medical care. For a copy of the booklet write number 90 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 114 on the order blank.

• The Equitable Life Assurance Society of the United States has released a booklet describing dependent group life insurance available under a group insurance policy. **Touching home base with dependent group life insurance** is available, free of charge, by indicating number 134 on the order blank.

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.

• Combined Insurance Co. of America has released the revised edition of **Insurance and the association.** The booklet describes the firm's approach to tailoring its programs to meet special trade and professional association needs in providing long-term disability, hospital indemnity and life insurance. For a copy write number 126 on the order blank.

• **Group benefit selector** is a concise guide to group insurance programs and benefits offered by Occidental Life Insurance Co. of California. The foldout provides a checklist for group term life, group/ordinary life, group family income, creditors life, accidental death and dismemberment, disability income, basic medical, major medical and dental. For a copy write number 26 on the order blank.

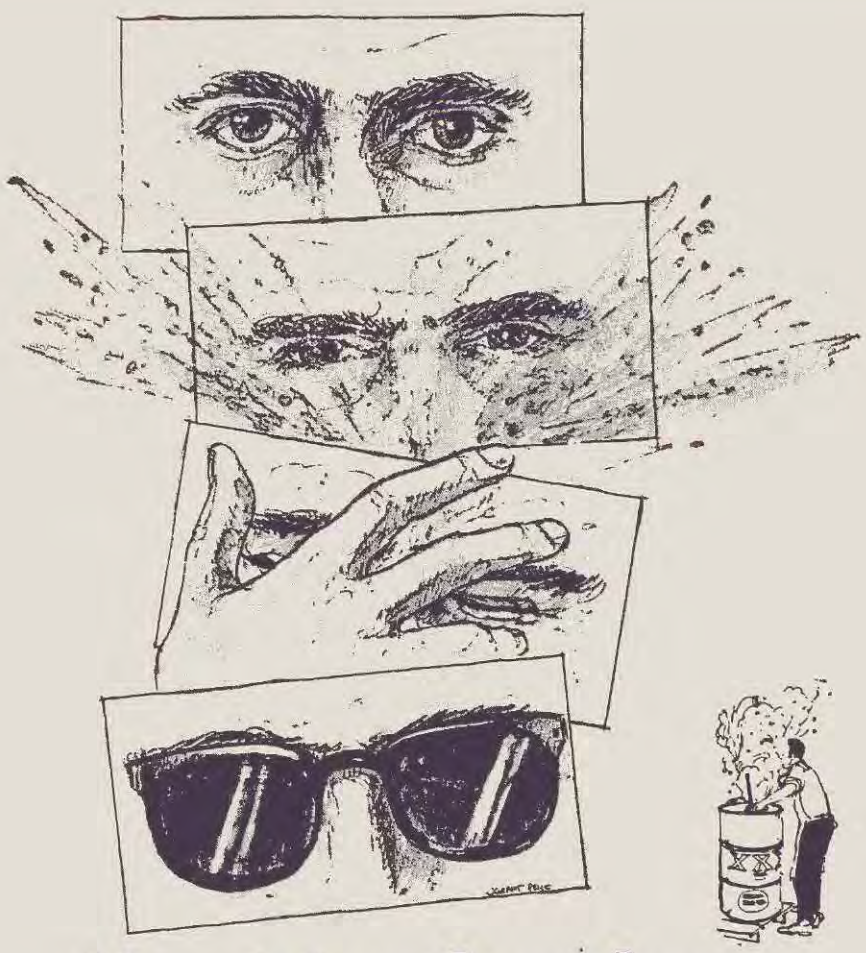
• **Group dental expense insurance** is a brochure outlining some reasons why an employer should consider group dental expense insurance. The brochure also briefly describes there types of dental expense plans offered by the Equitable Life Assurance Society of the United States. For a copy write number 132 on the order blank.

Financial Services

• **Excellence in portfolio management** is a booklet outlining Bear Stearns Capital Management's investment policies and advisory services, and defining its portfolios. It is available by writing number 142 on the order blank.

• Towers, Perrin, Forster & Crosby has released **Venture management,** a comprehensive survey of the venture management operations in 36 large, United States industrial companies. Venture management is the formalization of a new corporate-level activity designed to generate new businesses for the large organization primarily through the use of internal resources. Diagrams are included. For a copy write number 66 on the order blank.

• **On the move with Latham-Stevens Co.** is a brochure describing the services of the company including factual studies of the client's business, planning, engineering and rating, contracts, office and field staff and a yearly review. For a free copy indicate number 1 on the order blank.



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Safety

• **The Ansul system** is a brochure describing the Ansul Company's approach to fire protection. Ansul appraises your fire hazard and compiles a definition of the hazard in terms of manpower available, hazard area, fuel and type of fire. For a copy of the brochure indicate number 197 on the order blank.

• A bulletin discussing the latitude and limitations of injury statistics, suggesting how such statistics can be utilized as a means for establishing an injury prevention program is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. **Using injury statistics** covers evaluation of disability, frequency rate of disabling work injuries, with charts and tables included. The cost is 20 cents per copy.

• Haws Drinking Faucet Co. has released a 60-page safety equipment catalog containing their latest designs in decontamination equipment, including eye-wash and eye/face-wash fountains, drench showers and complete decontamination stations. It also features new stainless steel and plastic decontamination stations for use in highly corrosive atmospheres. **Catalog of emergency drench shower & eye/face-wash equipment** is available free of charge by indicating number 204 on the order blank.

• Improved Risk Mutuals has compiled a list of precautions to take if rain, snow or floods are hampering firemen to reach your property during an emergency. For a free copy of **Rain, Snow, Floods** indicate number 201 on the order blank.

• The Cardox Division of Chemetron Corp. has released two brochures describing their fire extinguishing systems. **Cardox foam fire extinguishing systems: Folio 5-1** describes the Cardox pressurized and pumped foam systems and the Cardox foam-maker pump. **Cardox Halon 1301 fire extinguishing systems and equipment: Folio 9-2** describes the firm's high-pressure, modular and low-pressure Halon 1301 systems. Included are illustrations of a typical high-pressure setup and actuation diagram. Additional information is on optional components, Cardox engineer capabilities and advantages in safety and operation of Cardox Halon 1301 systems. For copies of the material write number 203 on the order blank.

• **The use and handling of compressed gases** is a 30-page booklet covering some of the chemical hazards and properties of compressed gases. General physical properties of gases, specific properties of some industrial gases, design, installation, and operation of systems are some of the material covered. The booklet can be purchased for 25 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• General Fire Extinguisher Corp.'s **Fire extinguisher selection guide** is a foldout containing color illustrations of the company's line of hand portable and wheeled fire extinguishers including models in dry chemical, CO_2, water type, Freon 1301, soda acid and foam. For a copy write number 202 on the order blank.

• **Pyroxylin plastics in warehouses, wholesale & retail stores,** NFPA No. 43, lists the recommended practices in section cover sales and handling of articles (loose or packed), storage of pyroxylin plastics not in containers, and the storage of finished articles or raw stock in containers. The pamphlet may be ordered for 40 cents from the National Fire Protection Assn., 60 Batterymarch Street, Boston, Mass. 02110.

• The U.S. Bureau of Mines conducted radiation ventilation studies in six large underground uranium mines to investigate the extent of radium exposure experienced by the miners and to analyze the ventilation systems to see what changes were required to achieve

info for buyers

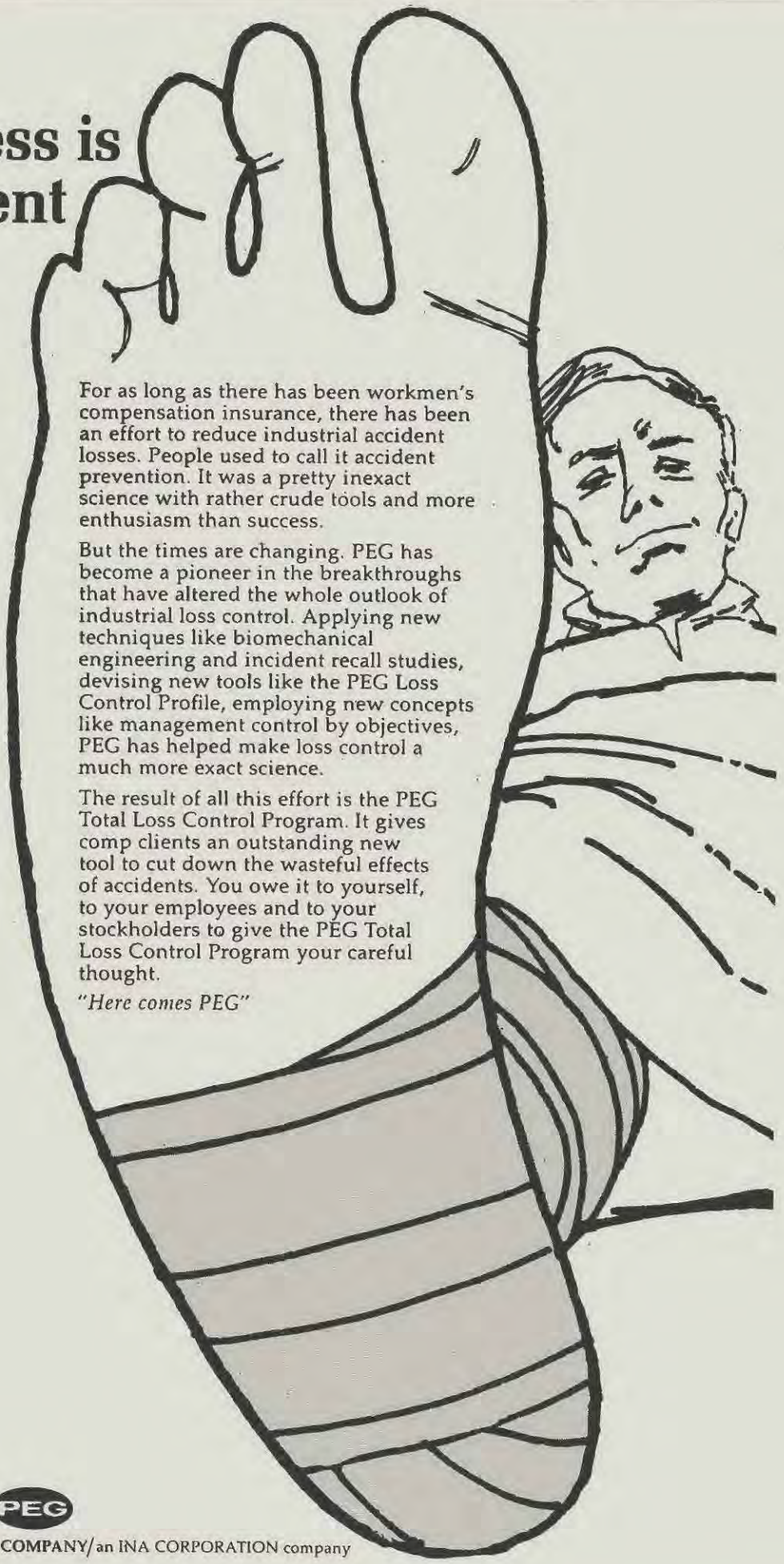
recommended radiation standards. **Radiation-ventilation relations in six underground uranium mines** can be purchased for 30 cents by writing the Superintendent of Documents, U.S. Printing Office, Washington, D.C. 20402.

• **Safety above all** is an illustrated booklet for use by roofing and sheet metal contractors to inform their employes of the many hazards existing in the sheet metal and roofing industry. This booklet is published by the safety engineering department of Hewitt, Coleman & Associates Inc. in cooperation with the safety committee of the Carolinas Roofing & Sheet Metal Contractors Self-insurers Fund. For a copy write number 78 on the order blank.

• The 1970-71 edition of **National fire codes** is available from the National Fire Protection Assn., 60 Batterymarch St., Boston, Mass. 02110. The codes consist of 10 volumes containing 206 separate standards and are priced at $5 per volume or $40 for the complete set. Subjects of the volumes are: flammable liquids, ovens and boiler-furnaces; gases; combustible solids, dusts and explosives; building construction and facilities; electrical; sprinklers, fire pumps and water tanks; alarm and special extinguishing systems; portable and manual fire control equipment; occupancy standards and process hazards; and transportation.

• **The Apex safety products** brochure describes the various safety hats and caps and bump caps and winter liners offered by the Apex Safety Products Co. For a free copy write number 209 on the order blank.

• The U.S. Department of Labor has released **Rigging cargo gear.** The bulletin is part of the safety-in-industry series offered by the government. The publication contains suggested safe practices in rigging and using cargo handling gear accompanied by diagrams. The revised 1969 edition may be ordered for 25 cents per copy by writing to the attention of the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.



Safety

• American District Telegraph Co. has released **Protecting life, property and profits.** The 38-page illustrated book describes its protection services against fire, burglary, holdup and other hazards and the ADT central station which is the nerve center of its protection services, the sprinkler supervisory and waterflow alarm service, the automatic fire alarm system, smoke detection and alarm service, burglar alarm services for premises, ultrasonic and intrusion detection alarm services, camera surveillance system, and industrial process supervisory service. The book also contains a list of the ADT sales offices in the United States. For a free copy indicate number 116 on the order blank.

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• **Chimneys, fireplaces and venting systems** (No. 211), is a 36-page pamphlet released by the National Fire Protection Assn. The booklet deals with the safe installation and use of chimneys, fireplaces and venting systems in residential, commercial, and industrial applications. A copy can be obtained from the NFPA, 60 Batterymarch St., Boston, Mass. 02110 for $1.

• **Standards for preventing the horizontal and vertical spread of fires in grain handling properties** has been compiled by The Mill Mutul Fire Prevention Bureau. The publication lists the minimum requirements that can prevent the vertical and horizontal spread of fires. Construction and equipment is described in detail as well as fire ratings for specific construction. Tables and diagrams are included for better understanding. A list of the Mill Mutuals and regional offices is included. For a copy indicate number 95 on the order blank.

• **Honeywell fire protection planning guide** is a handbook covering various types of local, central station, remote station and proprietary fire-detection systems; thermal, pneumatic, sprinkler and ionisation detectors; plus "roadmaps" showing fire-protection

info for buyers

systems for stores, shopping centers and office buildings, hospitals, schools and colleges, industrial buildings, apartments, motels, hotels and dormitories, libraries and record-storage areas. The handbook is free by indicating number 3 on the order blank.

• **Guide to eye safety** is a pamphlet released by the General Scientific Equipment Co. with helpful hints on detecting risks, reducing injury, what types of eye protection to look for when preforming certain jobs, what to do in the first aid area, and a list of do's and don'ts for eye safety. For a copy write number 118 on the order blank.

• **Specifying fire protection with intumescent coatings** is a brochure offered by the Albi Manufacturing Dept. of Cities Service Co. A guide is given to prevention inspectors and to those responsible for specifying fire protection materials used in construction. It also explains the distinction between intumescent fire retardant paints and intumescent mastic fireproofings. Also available is a paper presented before the National Petroleum Refiners Assn. discussing the use of intumescent mastic fireproofing for chemical plants and refineries. The material is said to offer an asbestos-free material for areas where air pollution by soft, friable spray-on fireproofings is to be avoided. For the above material indicate number 190 on the order blank.

• **Saf-T-climb fall prevention device** is a brochure offered by Air Space Devices Inc. that describes through both illustrations and copy, the multiple uses of their climbing equipment for any vertical structure. Complete specifications and installation instructions are included as well as brief case studies. For a copy write number 188 on the order blank.

• **The Ansul clean agent system** is a brochure describing The Ansul Co.'s newest addition to its total fire protection capability. It describes the development, engineering, and hardware which combined to produce an effective fire protection system which will minimize the interruption of business continuity resulting from fires. For a copy indicate number 80 on the order blank.

• A film about **What doesn't have to happen . . . in the crash** has been prepared by the Insurance Institute for Highway Safety, Watergate Office Bldg., Washington, D.C. 20037. The film is a 16 mm color, 22 minute

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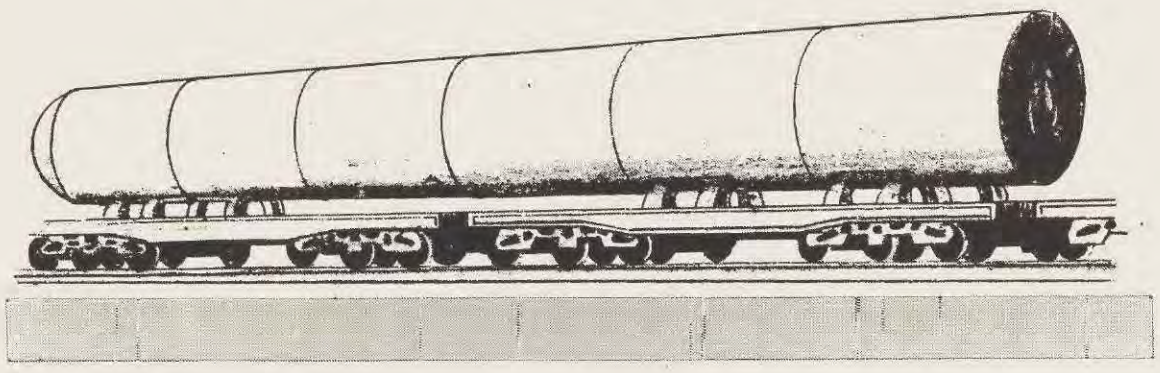
You can count on it



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(No. 3 of a series)

Group Department

Chattanooga

Provident LIFE AND ACCIDENT

Safety

Continued from page 28

vehicle which lets the viewer see the crash the way highway loss reduction advocates see it. Slow motion shots range across a wide selection of recent car crash experiments to let you see how—and why—the metal gets twisted, and lives broken. It may be purchased from the Institute for $195. The Kemper Insurance Group has arranged to show the film, free of charge, to groups which contact local Kemper Insurance Branch offices or write to Robert P. Palmer at Kemper, 4750 N. Sheridan Rd., Chicago, Ill. Kemper provides suggested press releases, introductory remarks and a feed-back report to supplement the film. When contacting a Kemper agent, keep more than one date in mind for the showing of the film.

• A checklist to prevent the major problems of fuel shortage—the interruption of processes, frozen tanks and pipes, costly water damage, and impaired fire protection are provided by Improved Risk Mutuals in **Fuel Shortage Predicted.** For a copy write number 200 on the order blank.

• The Miller Equipment Division of ESB Inc. has published **Miller-safety—the world over** #1068 which illustrates and describes linemen's equipment, industrial safety belts and lanyards, safety life nets, vinyl coated nylon bags and buckets, and load binders. For a free copy indicate number 211 on the order blank.

• **The consultative approach to safety** is part of the U.S. Dept. of Labor's safety in industry series. The consultative approach to safety in industry is advocated as the modern technique of industrial accident prevention. The bulletin discusses the meaning of safety consultation and suggests how it can be put into practice. The method is a supplement to routine inspection and other educational and promotional means now being used in safety promotion. The bulletin is 15 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

TO GET FREE LITERATURE USE POSTCARDS OR COUPON

• **Standards for the installation of combustion safeguards for high pressure boilers in grain handling properties** has been published by the Mill Mutual Fire Prevention Bureau. The booklet deals with the minimum standards for providing a safe installation and safe operation of fuel burners installed in automatic and semi-automatic fired high pressure boilers. Also included is a list of definitions of terminology and a list of the Mill Mutuals and their regional offices. For a copy write number 96 on the order blank.

• The Highway Safety Foundation Inc. has released a brochure listing films available on the subjects of highway safety and security, crime prevention and training. **Motion pictures that tell it like it is** gives a synopsis of each film, including specifications, time and purchase price. For a copy of the brochure write number 42 on the order blank.

• **Supervisory responsibility for safety** is an 8-page booklet offered by the U.S. Printing Office for 10 cents. The booklet offers hints on how the supervisor can maintain safe work conditions and promote safe work methods. For a copy write the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• **Engineered systems for combustible gas detection,** describing their continuous monitoring combustible gas alarms has been released by Bacharach Instrument Co., Division of AMBAC Industries Inc. The booklet covers such items as applications, operating principle, maintenance, safety and sampling methods. Diagrams and specfication data is also included. For a free copy indicate number 76 on the order blank.

• **Insurance and restaurant fires** is a 16-page, full color booklet on fire safety for restaurants from the Pacific Fire Rating Bureau, 465 California St., San Francisco, Cal. 94104. Especially written to provide an educational tool that could be used by agents, brokers, company personnel and rating bureau people, it explains the reasons and the need for some of the newer fire safety requirements and their effect on restaurant fire insurance rates. Copies are 25 cents each (minimum order of four copies). The order must be accompanied by a check made out to the PFRB.

info for buyers

• **Flammable liquids—a challenge for the 70s** summarizes the problems and suggested remedies in the storage, use and disposal of flammable liquids along with a collection of case histories of careless storage use and disposal of liquids that resulted in fires. An index of common terms and a safety check chart are included. The Justrite Manufacturing Co. offers this publication free to *Business Insurance* readers who indicate number 108 on the order blank.

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Safety

• The National Fire Protection Assn. has released the following 1970 editions of previously published manuals: **Manual for fire protection for archives and record centers** (NFPA No. 232A-M-T), 32 pages, $1; **Standard for the protection of records** (NFPA No. 232), 100 pages, $1.50; and **Recommended practice for protection of library collections from fire,** (NFPA No. 910), 32 pages, 75 cents. When ordering the publications, list the accompanying NFPA numbers for easy identification. Direct orders to the NFPA Publications Service Dept., 60 Batterymarch St., Boston, Mass. 02110.

• **Safe lifting** is an eight page booklet published by the U.S. Government Printing Office, Washington, D.C. 20402, listing and diagraming the eight steps involved in lifting heavy loads. The booklet is available for 15 cents from the Superintendent of Documents.

• The National Fire Protection Assn. 60 Batterymarch St., Boston, Mass. 02110, offers two manuals dealing with the codes, standards and recommended practices of sprinkler systems. **Installation of sprinkler systems,** (No. 13) contains 192 pages and costs $2.00. **Care & maintenance of sprinkler systems** (No. 13A), contains 26 pages and costs 75 cents. Both manuals are 1969 editions.

• Continental Insurance Cos. has released, free of charge by indicating number 120 on the order blank, **How to abandon a burning house.** The brochure lists suggestions for families to follow in case of fire and provides a diagram for a family to preplan an escape route.

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.

• **Industrial furnaces** is a 90-page pamphlet (86B-TR) offered by the National Fire Protection Assn. for $1.75 per copy. It covers Class B furnaces which approximately operate in excess of 1400° F. The standard deals with location, construction, heating systems, ventilation, safely controls and fire protection considerations. For a copy write the association at 60 Batterymarch St., Boston, Mass. 02110.

• The National Fire Protection Assn., 60 Batterymarch St., Boston, Mass. 02110, offers a recommended system for the identification of the **Fire Hazards of materials,** (NFPA No. 704M). The booklet contains key methods to mark containers indicating the reactivity, flammability, and health hazards of materials in storage. The booklet is a 1969 edition, contains 23 pages, and can be ordered for 75 cents from the association.

• **Community action . . . before the emergency** is a booklet published by Employers Insurance of Wausau describing the common-errors of unpreparedness in communities. The booklet lists a number of national organizations that can provide valuable information, assistance and guidelines for evaluation and action in preparing a community for disaster. The firm also furnishes a free-loan film **Before the emergency** that won the safety film of the year award from the national committee on films for safety. Single copies of the booklet are available by writing number 152 on the order blank.

• The National Safety Council offers the **NSC catalog-poster directory 1969-70** free upon request. The catalog is an 30-page descriptive book containing information and price lists for the Council's catalogues and posters. For a copy write number 163 on the order blank.

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Safety

• The National Safety Council has compiled a list of safety films and their sources—producers, sponsors, distributors—in its **National directory of safety films.** The films are categorized into their respective sections and brief descriptions are provided including such information as whether the film is black and white or color, price of rental, length and film specifications. Price information on the directory may be obtained by writing NSC, 425 N. Michigan Ave., Chicago, Ill. 60611.

• A 70-page illustrated book covering safety precautions to be taken during hurricanes, tornadoes, earthquakes, floods, storms, nuclear attack, civil riots, and even what to do if your airplane is hijacked, is available for $1.25 per copy, including postage and handling. Lower prices are offered when ordering in quantity. **Timely tips when disaster strikes**

info for buyers

also includes matters of insurance coverage against disaster, and insurance procedures thereafter and deals with proper medical preparation for prolonged emergencies. Copies can be ordered from Howard Warren Publishers, P.O. Box 6112, Cherry Creek Station, Denver Colo. 80206.

• The National Fire Protection Assn., 60 Batterymarch St., Boston, Mass. 02110, has released **Recommendations for evaluating fire protection at a new facility** (NFPA No. 5A-T). The 1970 edition is designed to alert management to the fire protection factors that should be considered when acquiring or renovating an existing facility and when planning a new one. The pamphlet may be ordered for $1 from the association.

• The slide rule Sound Level Calculator (stock no. 129.94) was prepared to assist safety professionals in performing calculations required in implementing an industrial hearing conservation program. Slide 1 is of use to the safety professional interpreting noise levels, and Slide 2 is of value to doctors, nurses, and safety professionals with compensation responsibilities. Instructions are included with the slide rule. The calculator may be ordered from the National Safety Council, 425 N. Michigan Ave., Chicago, Ill. 60611. Single orders are $6.75 each, orders of 10 are available for $3.00 each.

• The Chemical Safety Slide Rule (stock no. 129.91) contains a guide to 166 chemical substances. Injury Rate Calculator (stock no. 129.92) can calculate accident frequency rates, severity rates, hours of exposure, and average days charged. Safety Standards Locator (stock no. 129.93) contains a guide to the most commonly used standards: USA Standards Institute, NFPA American Society of Mechanical Engineers and codes applicable to industry. All three slide rules can fit in a shirt pocket and can be ordered from the National Safety Council, 425 N. Michigan Ave., Chicago, Ill. 60611. Single orders each are $3.00.

• **Fire protection guide on hazardous materials** is designed to give quick, authoritative, accurate data on fire, explosion, and health characteristics of thousands of chemicals and materials. The guide consists of 912 pages, single copies are $5.50. To order write the National Fire Protection Assn., 60 Batterymarch St., Boston, Mass. 02110.

• What a person does before, during and immediately after an earthquake strikes may mean the difference between life and death. **Earthquake safety rules** offers guidelines to follow in such a crisis. Single copies are 10 cents and quantity orders of 100 are $5.50 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• The National Fire Protection Assn. has published a 2100-page fire encyclopedia containing a reference volume on every aspect of fire prevention and protection, authoritative information on fire behavior and control, process hazards, buildings and other structures, building equipment, protection systems, water supplies, the public fire service and other subjects. The latest edition of the **Fire protection handbook** can be ordered from the NFPA Publications Service Dept., 60 Batterymarch St., Boston, Mass. 02110.

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• What do professional drivers need to learn about driving? **Deadly driving errors** is a 30-minute film series divided into three 10-minute segments dealing with particular professional driving problems; **A matter of speed, A matter of adjustment,** and **A matter of distance.** The films are available in both standard 16mm or the new Super-8 and can be ordered in either color or black and white and either as a series containing all three films or separately under the individual titles. One copy of the series costs $435, color, and $290, black and white. Individual segments for one copy costs $155, color, and $103, black and white. Discounts are available when ordering in quantity. For more information write the National Safety Council, 425 North Michigan Ave., Chicago, Ill. 60611.

• **Safety inspecting for** is a booklet that discusses types of inspections, steps in a safety inspection, and tips on how to conduct inspections. It can be purchased for 10 cents from the Superintendent of Documents, U.S. Printing Office, Washington, D.C. 20402.

• The latest editions of **Guide on building areas and heights,** (NFPA No. 206m) has been published by the National Fire Protection Assn. The 12-page text explains the necessary considerations in limiting building heights and areas from the standpoints of safety to adjoining property, safety to firemen, opportunity for successful extinguishment or containment of a fire and prevention of excessive demands on fire fighting facilities including water supply systems. Single copies of the recommended code are 50 cents and may be ordered from NFPA at 60 Batterymarch St., Boston, Mass.

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Safety

• **Accident cost control** is an occupational safety aid compiled by the U.S. Department of Labor Safety Training Programs. The pamphlet covers the direct and indirect costs of injured employes, the elements of production concept, and an accident-cost program procedure. The pamphlet is available for 15 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• **Rite Whitecap** offered by Personal Environment Systems Inc. is a booklet describing in illustrations and text their air-supplied helmet and hood systems to protect workers from dust, smoke, toxic vapors, insects, chemicals, dirt, cold, fumes, odors, noise, pollen, chapp, heat, sand, falling objects and other problems caused by some working environments. For a copy of the booklet indicate number 210 on the order blank.

• The third edition of the **NFPA inspection manual,** Sept. 1970, is available for $6.75 from the NFPA Publications Service Dept., National Fire Protection Assn., 60 Batterymarch St., Boston, Mass., 02110. The 352-page manual tells

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what to look for in inspecting all types of properties. It describes common and special hazards, building features, exits, inspection of extinguishing equipment, detection systems, writing reports and other information.

General Educational

• Insurors Press Inc., P.O. Box 1430, Santa Monica, Cal. 90406, has published **Insurance agency purchases and mergers** by Robert Morrison and David Bakst. The revised edition provides up-to-date information about the value of insurance agencies and brokerage houses, gives the tax implications of buying or selling agencies, includes sample contracts along with hundreds of examples of how agencies have been purchased or merged. For a copy write the company.

• The 1971 edition of **GAB's little red book** proving the complete mailing address for each office as well as day and night phone numbers of the General Adjustment Bureau in the United States, Puerto Rico, The West Indies and The Virgin Islands is available free of charge by indicating number 208 on the order blank.

• **Long term disability income insurance** is a brochure describing long term disability income insurance and also includes typical plan provisions. Offered by the Equitable Life Assurance Society of the United States, the booklet is free by indicating number 131 on the order blank.

• Belson, Hemingway and Associates, Inc., nationwide insurance personnel consultants, released a 20-page booklet entitled **Decision and approach** to provide guidelines for the individual seeking new opportunities in the insurance field. The authors, Harold M. Belson and Willard G. Hemingway, deal extensively with individuals reaching goals, qualifications, motivation and the importance of objectivity. The booklet is available by writing number 143 on the order blank.

• **SPAN** (supporters for political action now)—**Political action kit** is being offered by the Harleysville Insurance Cos. The kit is designed to aid and assist anyone who is interested in getting involved politically in the areas of insurance legislature both on a local and national level. According to the kit, about 4,000 insurance bills were brought to the attention of state legislatures during the past year. The kit is to help 'bridge the information gap with your legislators.' The kit lists the duties of the various political jobs on the local level, shows how to write your legislator, and how to obtain a personal record of your congressional representatives. The kit is free by writing number 206 on the order blank.

• American Home Assurance Co.'s two group accident brochures, **One of your key people just had an accident,** illustrate the benefits of such a program for the employer with five to ten of 10-25 key employes. They give brief descriptions of coverage, including schedule of benefits and exclusions, and provide a tear-off application for enrollment. The brochures are available free of charge to agents and brokers by indicating number 11 on the order blank.

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.

• **Business life insurance is a kit** describing the principles and concepts behind business life insurance, including separate pamphlets on key man insurance, close corporation, partnership and sole proprietorship and a summary and of definition of basic plans and combinations of the basic types of plans offered by the Employers' Life Insurance Co. of America. For a copy indicate number 37 on the order blank.

• The Gypsum Assn. has made available by indicating number 196 on the order blank free information on the following subjects: **Application of gypsum base for Gypsum veneer plastics and application of gypsum veneer plaster, Design data poured gypsum roof decks, Design data fire resistance/sound control 69-70 Ed.,** and information on their film, **Beauty—with safety.**

• The cost of alcohol-related claims can be enormous in terms of accidents, poor judgment, hospital-medical claims (under disguised diagnoses) and disability and early retirement payments. **Alcoholism loss control** provides information on a tested alcoholism loss-control program. The publication, offered by the Labor-Management Division of the National Council on Alcoholism Inc., can be received free of charge by indicating number 223 on the order blank.

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• Business life insurance may be more efficiently purchased under the minimum deposit plan than under a term insurance plan. The advantage depends largely on the firms opportunity cost of capital. **Buying whole life insurance and investing the difference as compared to term** illustrates numerous situations. The book may be obtained for $5 from Dr. Stuart Schwarzschild, 78 Carlton Dr., N.E. Atlanta, Ga. 30303. Dr. Schwarzschild is a professor of insurance at the School of Business Administration, Georgia State University.

• Exemplar Service Inc. has made available a reprint of an article from Life Association News on **Section 303 as a sales vehicle.** Section 303 of the federal estate tax laws is for owners of successful businesses enabling corporate funds to be used to pay estate taxes, funeral and other such expenses without being taxed. For a copy indicate number 192 on the order blank.

• The Department of Health, Education and Welfare, Social and Rehabilitation Service, has published **Legal rights of the disabled and disadvantaged** for the National Citizens Conference on Rehabilitation of the Disabled and Disadvantaged, one of a series of five papers prepared by the department for the conference. The book defines the disabled and disadvantaged and divides them into the following categories; the mentally retarded, the mentally ill, alcoholics and drug addicts, the physically handicapped and the aged. The book also contains some specific needs of the disadvantaged and disabled and suggestions for their implementation. Single copies are 50 cents and may be ordered from the Superintendent of Documents U.S. Government Printing Office, Washington, D.C. 20402.

• **Insurance facts** published annually by the Insurance Information Institute can be ordered free of charge by indicating number 110 on the order blank. The book provides some facts relating to the property and liability insurance business for editors, writers, speakers, teachers, students and insurance people. The book discusses the dimensions of insurance, insurance statistics, facts about losses, and provides a background reference listing state FAIR plans, state regulatory authorities, definitions of insurance terms, and national insurance service organizations.

• A foldout describing the services of Towers, Perrin, Forster & Crosby, international consultants to management is available free of charge by indicating number 68 on the order blank. The foldout covers the firms' background, approach, qualifications, fees, actuarial and related mathematical services, organization planning, international consulting services, and morale and attitude surveys among others.

• Underwriters Adjusting Co. has published a **Directory of service locations** listing 277 service locations staffed with over 3,000 trained employes. The firm offers claims and loss adjustment services, including catastrophe response, in the fields of casualty, automobile, fire and allied lines, inland marine, wet marine, fidelity, surety, burglary, aviation, and accident and health. For a copy indicate number 125 on the order blank.

• **One year multiple line certificate program** is a brochure describing the program offered by The College of Insurance. The program was designed for the college graduate who requires training in the technical aspects of insurance. The program is conducted in three ten-week terms. For a copy indicate number 48 on the order blank.

• The Gypsum Assn. has made available, free of charge by indicating number 195 on the order blank, single copies of the following brochures describing their products: **Fire-block gypsumboard. The study and use of gypsum, Gypsum association specifications for the installation of screw type steel framing members to receive gypsumboard,** and a complete manual on the handling and application of gypsumboard, **Using gypsum board for walls and ceilings.**

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• The National Institute of Mental Health prepared a summary of the substance and implications of Medicare and Medicaid as they relate specifically to benefits for psychiatric care as an aid for those in a position to advise people about mental health benefits available to them. **Mental health benefits of Medicare and Medicaid** is 45 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• **Information systems for insurance companies** is a descriptive brochure by Eastman Kodak Co. detailing effective, economical information management programs utilizing Kodak Microfilm Systems. The brochure explains the benefits of microfilm and the systems Kodak has designed for the insurance filed ranging from computer compatible microfilm systems to simpler systems for policy application files and policy status files. For a copy write number 60 on the order blank.

• **The College of Insurance professional certificate programs** is a booklet describing in detail the nine different professional certificate programs offered by the College of Insurance. Certificates are awarded in bonding, casualty insurance, insurance accounting, insurance adjusting, life insurance, multiple line insurance, ocean marine insurance, property insurance and reinsurance. For a copy write number 51 on the order blank.

• A monthly newsletter on the latest developments in the battle against noise pollution is being produced and distributed by the National Council on Noise Abatement in Washington, D.C. Members of the council receive it free, however, there is a $20 yearly fee for non-members. For more information or to subscribe, write: Noise, News & Reviews c/o National Council on Noise Abatement, 1965 K Street, N.W., Washington, D.C.

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General Educational

• **Records retention timetable** is a booklet by the Electric Wastebasket Corp. describing retention periods as allowed by government authorities, and how to dispose of important papers safely without loss or worry. For a copy write number 123 on the order blank.

• **The College of Insurance general bulletin** is the general catalogue of the college listing all courses and programs offered by the school, as well as entrance requirements, tuition costs and scholarship funds. The school is a fully accredited degree granting institution in New York City. For a copy of the book write number 49 on the order blank.

• A guaranteed renewable policy for life providing up to $5200 for medical expenses in treatment of cancer, offered by Unity Mutual Life Ins. Co. of New York, is described in **Cancer policy.** For information from the company or for a copy of the brochure indicate number 194 on the order blank.

• **Kirschner's insurance directories** published since 1925 include insurance companies and personnel, insurance brokers, independent adjusters, associations and bureaus and firms serving the insurance industry. Their names, titles, addresses with zip code and telephone numbers are given. The directory for the Los Angeles area is published every January and July, and the directory for the San Francisco Bay cities is published every April and October. Each copy is $2 from Kirschner and Co., 644 Emerson St., P.O. Box 120, Palo Alto, Cal. 94302.

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• The American Credit Indemnity Company of New York has published **How's your sight,** an interesting direct mail piece giving 11 short statements describing the company, and **Bouquets,** a small folder with letters enclosed giving experience of users of the American Credit Insurance Co. For free copies indicate number 207 on the order blank.

• The 1970 edition of **A list of worthwhile life and health insurance books** has been published jointly by the Institute of Life Insurance and the Health Insurance Institute. The 80-page booklet provides a reference guide to current writings on personal insurance including 445 book titles and a list of 27 periodicals. Items of special interest to the management of insurance companies are contained in sections on investments, actuarial mathematics, estate planning, gerontology, Social Security and Medicare. Single copies may be ordered from either organization for 25 cents each at 277 Park Ave., N.Y., N.Y. 10017.

• The College of Insurance is accredited by the Middle States Assn. of Colleges and Secondary Schools. It offers the Bachelor of Business Administration, Bachelor of Science and the Master of Business Administration degrees. **Viewbook** is an attractive booklet describing the program and facilities of the College of Insurance, located in New York City. For a copy write number 52 on the order blank.

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• The NAIA Management Service is a bi-monthly supplemented service which is designed to keep agency and brokerage managers up-to-date with new, proven management ideas. The manual includes information on internal office mangement, advertising and public relations, money, congeneric activities, legal problems, office manual, agency agreements and contracts, forms, purchases & mergers, research and development, educational opportunities—publications, new products, and personnel. The service is $36 for the first year and $25 per year thereafter. To order write directly to the National Assn. of Insurance Agents, 96 Fulton St., New York, N.Y. 10038.

• Sony Corp. of America has published the **Sony videocorder application bulletin vol. II** providing a compendium of applications of video tape recording and closed circuit television equipment covering a wide variety of users in business science, industry, government and education. The illustrated booklet contains case histories covering such things as settling hurricane Camille claims, ranging and investigating tools for El Monte police, and aiding crime fighters. For a copy of the publication indicate number 74 on the order blank.

• The College of Insurance has released **3 Important steps.** The pamphlet contains booklets describing the three levels (supervisory, middle and executive) of management seminars offered by the college. Also included is a schedule of the programs scheduled for 1971. For a copy write number 47 on the order blank.

• **The facts about smoking and health** has been published by the U.S. Dept. of Health, Education, and Welfare. The leaflet presents a summary of the current knowledge about smoking and health, drawn from comprehensive reports by health agencies and services. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 at 15 cents for single orders, $11.25 per 100.

• The Kemper Insurance Group has prepared **Detour alcoholism ahead** for supervisors and others who require a basic understanding of alcoholism; to enable them to identify the various signs and condition of developing alcoholism

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WHY THE ST. LOUIS BLUES ARRANGED INSURANCE PROTECTION THROUGH ICI

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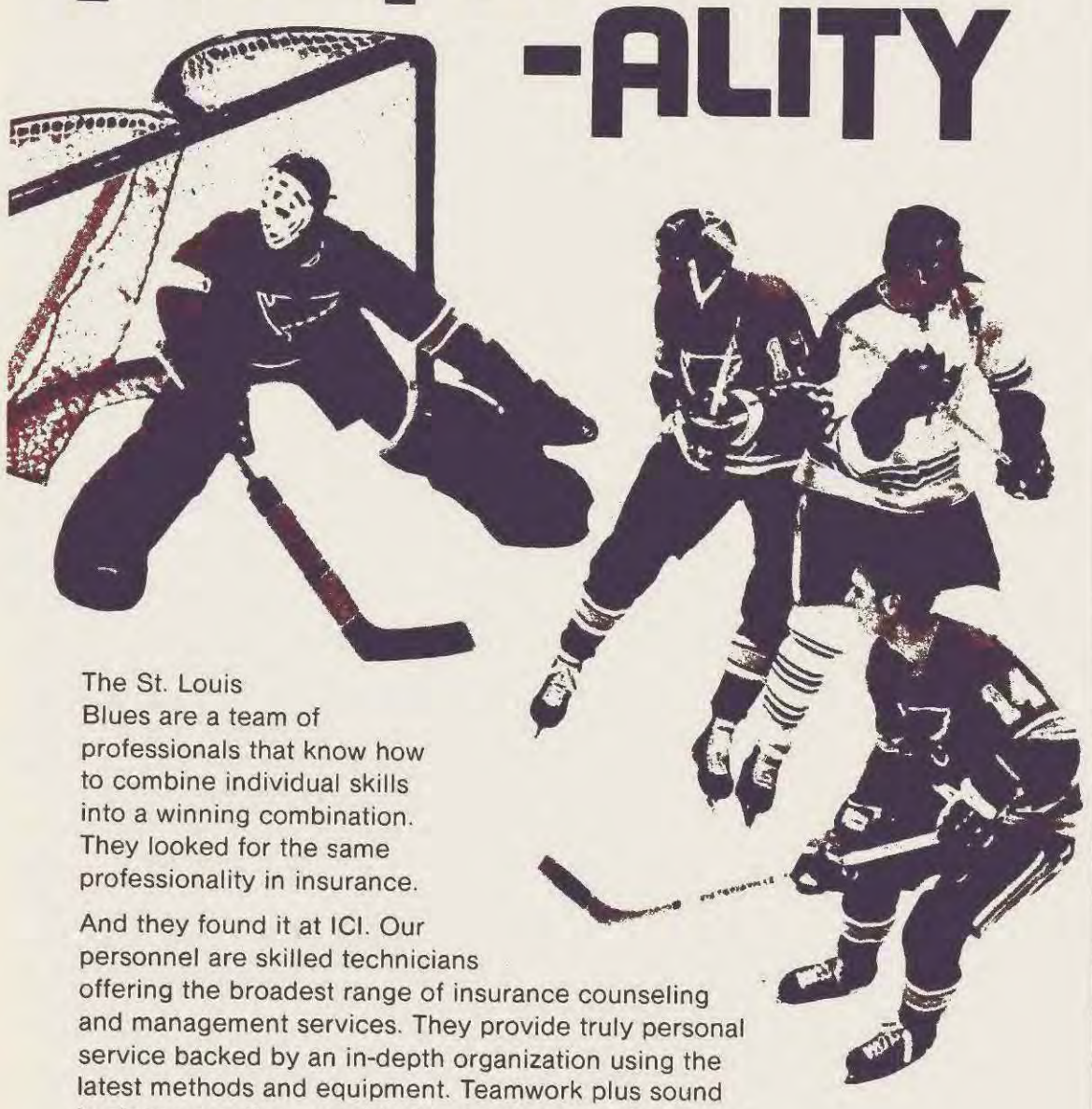

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Should risk managers back no-fault propositions?

by Charles F. Levinson, insurance manager, The Port of New York Authority

Charles F. Levinson

'I've seen claims for loss in which the man agreed that he was well enough to work but not to work the overtime that he formerly did.'

The no-fault auto legislation, like workmen's compensation about 1912, is beginning to catch the public fancy because it is based on common sense. Our way of life exposes man, woman and child to the constant threat of injury or death and someone has to pay the bill. Opponents state that such laws relieve the wrongdoer of any punishment yet the present method of doing business transfers the punishment to the insurance carrier and not the wrongdoer.

We who have been in the insurance business a *long* time hate to give up our traditional way of doing things. We can understand a homeowners policy that replaces separate dwelling, contents and liability policies or a broad form of manuscript liability policy but to buy or market a restricted type of auto policy called "no-fault" is hard for us to swallow.

Perhaps, I'm a little better prepared from a practical viewpoint to buy the basic idea. Until 1962 my firm, under workmen's compensation, paid each employe legitimately injured; all medical bills, a stated amount per week for loss of income and in a more serious case indemnity for loss of use of an eye, an arm or a leg.

Awards were made promptly and attorneys were not even necessary in most cases.

THEN IN 1962 my firm took over an interstate commuter train operation with 1,100 employes. Instead of workmen's compensation, Federal Employers Labor Act (FELA) applied. This gives each employe the same status as though he were a third party and could sue for injuries. Theoretically, these employes have to prove negligence of the employer but a strictly interpreted "safe place to work" policy of the federal courts negates this defense almost entirely. So, side by side in our organization, a seriously injured employe might get a maximum award of $100,000 under workmen's compensation or, if engaged in our railroad activity, a minimum of $200,000 to $300,000. The difference between the two awards points out the fault of our present auto liability system.

First, any award on loss of income is based on full pay including overtime and not on net take-home pay that the average worker receives. This tends to cause the injured person to delay return to work as long as possible since he gets more income than if he worked.

On medical bills, there could be a windfall. When I traveled, another member of the firm was injured in an accident when he ran into the back of a truck that had broken down at night on the highway and was left without lights. On his medical bills, he collected the same several thousand dollars from each of four different coverages—his own medical payments, the truck owner's liability, his own personal accident policy and Blue Cross-Blue Shield coverage.

A large part of any settlement is so-called "pain and suffering." This is an intangible and unmeasurable factor that includes something for the inconvenience and pain such as comes from a broken leg and perhaps the future pain and suffering that might be expected from a permanent limp that might develop. Many claims adjusters feel that the so-called "specials," that is, the measurable loss of earnings and medical bills, form a base. Factoring this base by five to seven times reflects the worth of the claim on which they can base an offer. That is, if the total of lost work time and medical bills is $10,000, the adjuster will try to settle for $50,000 to $70,000.

ANOTHER FACTOR that might add to the value of the claim is the possible future potential earning power that is reduced by the injury. Mutilation of a surgeon's hand is easily recognizable but a back injury to a heavy laborer that might prevent him from manual labor in the future must be considered. I've seen claims for loss in which the man agreed that he was well enough to go back to work but not well enough to work the overtime that he formerly did.

Now we come to the nitty gritty of why there is so much opposition to the change-over to no fault—the attorney. His part in many auto claims was encouraged by the posture of the auto insurance carriers. Their attitude is best expressed by the

Continued on following page

Financial strength—protecting installment sales property

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

William H. Rodda

'Insurance under an installment payment floater policy will provide many benefits to merchant and to customer.'

A substantial portion of a merchant's assets may be in accounts receivable from installment buyers. Destruction of such property while it is in the custody of customers may have an adverse effect upon the merchant's financial strength.

Many customers who buy on the installment plan do not have any surplus money. The destruction of the property is likely to result in a default in the payment of the installments. It may be difficult or impossible for the merchant to collect the remaining installments from a customer who has little current assets. The merchant who does pursue the customer and force the further payment of installments after the destruction of the property will incur the ill will of the customer and may get bad publicity in the community.

The merchant's plight may not be any better if he has passed the loan paper to a banker. The banker may have recourse against the merchant in case of default. The merchant is likely to receive the adverse publicity and ill will if the banker proceeds against the customer after the property is destroyed.

INSURANCE UNDER an installment payment floater policy will provide many benefits to merchant and to customer. Several plans of protection are available, depending upon the protection that the merchant wants to arrange for himself and for his customers. The simplest plan is one that merely pays off the outstanding balance in case the property is destroyed by a peril that is covered by the policy. The customer is relieved of his remaining debt, and the merchant is paid for his outstanding balance. This is a single interest policy that covers only the interest of the merchant or the financial institution that has taken over the loan agreement from the merchant. The policy does relieve the customer of any further obligation to the merchant, but the customer must depend upon his own insurance to cover the equity that he has acquired in the destroyed property. The unfortunate fact is that many customers who buy on installments have no insurance or inadequate insurance to cover a substantial loss.

A more advantageous policy is the double interest form, which covers not only the outstanding balance but also the interest of the customer in the property. For example, suppose the customer has bought a $600 refrigerator and has paid off $500

Continued on following page

No-fault...

Continued from preceding page

instructions to their insured on how to conduct themselves at the time of an accident. "Don't admit you were at fault." Some firms totally disregard small claims against their policyholders, relying on the hesitancy of most people to begin a lawsuit.

Such carriers have created the atmosphere of "you need an attorney to get what's due." The purpose of this new law is to eliminate the need for an attorney on the smaller cases and perhaps on many large cases as well. The introduction of an attorney automatically increases the estimated reserves that insurance carriers set up by 33% to 50%. This doesn't mean more to the injured party but it does mean greater losses to a society that will have to share these in the form of increased premiums.

The premium dollar under the present insurance operation is as follows: 33 cents for administrative costs, 23 cents for claims adjustment, 44 cents for total losses.

OF THE 44 CENTS, total losses, 8.5 cents duplicates other insurance coverages such as Blue Cross or disability income, 21.5 cents is for pain and suffering not actually tangible, leaving only 14 cents to compensate the injured parties for their real losses of medical expenses and income. The purpose of the proposed new auto insurance no-fault regulations is to increase the amount available out of each dollar for the real loss and at the same time, perhaps, reduce the overall cost.

All of the foregoing reasons make sense to the average auto owner when they are used to discredit our existing system. For years he has carried collision on his own car and been paid off for most of his loss of a major impact regardless of who caused the accident. He realizes that if he had to collect for a wrecked new car from the other fellow's insurance, it might take several years under our present setup.

It is, therefore, my personal opinion that no-fault auto coverage will spread from state to state. Perhaps we might eventually end up, as in Puerto Rico, buying the coverage with our license plates. Maryland is considering the creation of a state-owned insurance corporation from which the states two million drivers would be required to purchase their minimum auto insurance. Personally, I look for some insurance carrier operated pool like the FAIR plans in each state. While carriers are not going to be in favor of perhaps being in a pool and sharing this coverage, none of them are happy with what they have at present anyway. The same thing applies to agents and brokers who would still write excess coverages for their customers who wanted more than the basic.

Meantime, buyers and other insurance people in positions of importance can work toward having a practical no-fault law that will work. We here in New York are faced with one that contains a provision particularly onerous to the commercial risk. It creates almost absolute liability on commercial operators. When questioned about the reason for so wording the recommended law, the state insurance department stated that otherwise the commercial operator would obtain a windfall since injuries to his occupants would ordinarily be paid under Workmen's Compensation for less benefits than third parties. Their application of almost absolute liability would allow the insurance carrier of the other car involved to recover from the commercial operators carrier whatever was paid under the coverage of the private car. Outside of New York, buyers should be concerned with commercial use penalties such as this, that might creep into future laws in their state.

The insurance buyers should unite to oppose the idea of their firm's absolute liability in New York. The insurance department of New York needs friends in the state in order to have this no-fault law passed. They probably would be glad to bring their plan more in line with other plans if the buyers of the area would pledge their help. Since we have to eventually accept no fault, let's get the best deal possible. ■

Installment

Continued from preceding page

of this price when the refrigerator is destroyed by fire. The insurance company pays the merchant his remaining $100, and also pays the customer the $500 that he has paid in installments up to the time of the fire.

The merchant receives two advantages from this double interest installment sales floater policy. First, the customer is happy because his own loss has been paid in addition to the fact that he owes nothing further to the merchant. Second, the merchant usually has an opportunity to sell another refrigerator. This comes about because the insurance has been arranged by the merchant, and ordinarily the insurance payment to the customer can be made through the merchant. In any case, payment can be made with notice to the merchant so that he can contact the customer immediately regarding a replacement for the destroyed property.

There is a third form of installment sales floater policy that should be described in order to complete the picture. This is not used to any extent with household type merchandise, and it has disadvantages. It is a contingent form under which the merchant is paid for his remaining installments only if he cannot collect them from the customer. Under this arrangement, the customer agrees to pay his entire loan even if the property is destroyed before the loan is paid off. The merchant, in turn, is expected to collect from the customer if possible. The insurance covers the merchant's loss only if he is unsuccessful in collecting from the customer. It is obvious that such an arrangement would cause customer ill will if it were used to cover purchases of household goods and consumer types of property. Its use is primarily in connection with large purchases by sophisticated corporations or other organizations that would have their own insurance programs. The function of this contingent form of installment sales floater policy is to protect the seller against the possible insolvency or other inability of a customer to pay for an expensive piece of equipment that has been destroyed.

INSTALLMENT SALES floater insurance ordinarily is written under an inland marine type of policy. The basic reason for this is to provide a floater type of coverage that is not tied to any particular location. It can cover the property, wherever it may be, including while in transit to the purchaser's location. Such policies, in most states, are subject to an insurance department regulation that is called the "nationwide marine definition." This provides that inland marine policies may cover property sold under conditional contract of sale, partial payment contract, or leased property. The policies must cover the property while it is in transit as well as at the customer's location, and coverage must cease when the financial interest of the seller ends.

The laws of many states allow insurance companies to write such policies as inland marine coverages without any prior approval of the policies or forms. In all states, the rates are calculated by the insurance companies without the formality of prior filings or approval by the insurance department. This provides a flexibility of rate and form so that coverage and cost can be adjusted to the exact needs of the merchant. In actual practice the policies are developed for merchants and for lending institutions on an individual basis. Coverage may be local in nature for the local merchant, or it can be multi-state for the lending institution that accepts loan contracts from merchants over a wide area.

It should be noted that the inland marine form of insurance is not available under state regulations to cover property that is pledged as security for a chattel mortgage. It can be used only when there is a bona fide sale and some form of installment payment contract.

The perils that may be covered under an installment sales floater policy are limited only by what the insurance company is willing to cover and what the merchant is willing to pay for the insurance. The merchant's willingness to pay a high premium is limited only by what he believes he can collect from his customers to pay for the premium. The usual practice is for the merchant or the lending institution to add the insurance premium to the customer's installment payments. So the practical limitation on coverage is what the insurance company is willing to provide in the way of coverage.

A POLICY THAT IS used extensively covers property from loss by fire and lightning, and a variety of hazards during transportation. These include collision of the transporting conveyance, earthquake, cyclone, windstorm, and flood, but only while in transit. This is a rather limited coverage and amounts to fire and lightning as far as the premises of the customer is concerned. Many insurance companies will include windstorm coverage rather freely except in hurricane areas. The willingness of an insurance company to cover more perils will depend largely upon the concentration of the merchant's business. Where the business is concentrated within a small area, such as a few counties or within a metropolitan area, there would be a reluctance to cover riot and crime-related perils. A company might resist providing windstorm coverage in a concentrated geographical area where tornadoes are a probability. These are all questions that would be worked out between the merchant or financial institution and the insurance company. The rate as well as coverage would be negotiated on the basis of the coverage and the apparent exposure to loss.

Theft and dishonesty losses present a special problem. Many of these policies provide no coverage for theft or other crime losses. Burglary and theft losses from the premises of customers sometimes are covered but at substantially increased rates. It is very rare that an installment sales floater policy provides coverage for infidelity of the customer. Insurance companies believe that merchants should pick their customers with due regard for their honesty. An infidelity coverage might encourage the merchant to be careless in his investigation of a customer's reliability.

'The installment sales floater policy will help to assure that the property is protected for the benefit of the merchant and the customer.'

Installment sales floater policies usually include several incidental coverages as a convenience to the merchant and the customer. Policies may also cover for a limited period (perhaps 30 days) any property that is leased, loaned or rented or sent out on approval by the merchant. This would take care of a situation in which the merchant loaned replacement property during a time when the insured property was under repair, or where the merchant wanted to send something to a prospective customer on approval.

Another incidental coverage applies to property that has been sold on an installment sales plan but is in the merchant's place of business or at some other location for repair or adjustment.

THE COST OF installment sales floater insurance is nominal and is in line with the charges for comparable insurance or property under similar conditions of exposure. For example, the rates for property sold by a dealer in household appliances would be based primarily upon the rates for contents of dwellings in that area. An average fire rate for contents of dwellings or apartments would be calculated by the insurance company and this would be applied to the amount of values that are exposed to loss. Charges would be added for any additional perils covered by the policy.

The rate that is calculated by the company is applied to the values reported by the insured. The insured reports to the insurance company each month the total amount of his outstanding balances for a policy that covers only his interest in the property. He would have to report the total amount of property covered by the policy where it covered both the merchant's outstanding balances and also the value represented by the interest of the customers.

The premium usually is paid by the customer as a part of the financing charge. This charge would be in line with what the customer would have to pay for insurance of his own. There are cases in which the customer would pay less than he would for his own insurance because the merchant actually is buying insurance at a wholesale rate, whereas the customer would have to buy a relatively small policy.

It has already been pointed out that many customers who buy on an installment plan have little or no insurance of their own. The installment sales floater policy provides them with insurance, or with additional coverage in areas in which they do have some insurance. Some customers have substantial insurance of their own. The result is a dual coverage when an installment sales floater is added. The customer is not hurt by this situation. The installment sales floater may be specific insurance on the property named, in which case this insurance company would pay the loss on the described property regardless of other insurance. It may also be possible for the installment sales floater to be contributing insurance, in which case all policies would contribute to the loss in their proper proportion. These conditions are subject to negotiation with the insurance company that writes the installment sales floater policy. In any case, the installment sales floater policy will help to assure that the property is protected for the benefit of the merchant and the customer.

This discussion has been directed toward the situation in which a retail merchant sells appliances or other property to a householder. Individual sales amount to a few hundred or a few thousand dollars. The number of sales is relatively large and the amount of each individual sale is relatively small. The total exposure of the merchant to loss can be very large. It is worth his while to buy the protection, particularly since he can pass all or most of the cost to his customers because he is arranging for their protection, too. This same method can be used to protect large values that may be involved in purchases by corporations or other businesses. Contractors' equipment that is bought on an installment sales plan is fertile field for this type of insurance. The insurance is always written to cover specifically named pieces of equipment and is not written to cover on an inventory basis. ■

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Higher fringe benefits help avert San Francisco newspaper strike

SAN FRANCISCO—A substantial boost in health, welfare and pension benefits as well as a new dental care program are included in a new contract just negotiated here in an effort to avoid the "kind of brinkmanship" that helped cause a 52-day newspaper strike here in 1968.

The settlement, covering some 5,000 newspaper workers in the San Francisco bay area, will bring an average of $68-a-week increase over the next three years in additional pay and fringe benefits.

The new contracts are expected to cost the newspapers about $35 million in the 38-month period ending Dec. 31, 1973. In San Francisco alone, according to the San Francisco Newspaper Printing Co., which prints and distributes both the Chronicle and the Examiner, the increase in cost will exceed $21 million.

SPOKESMEN for the printing company pointed also to a $10-a-ton-increase in newsprint cost this year, to be followed next Jan. 1 by an additional $8 a ton jump.

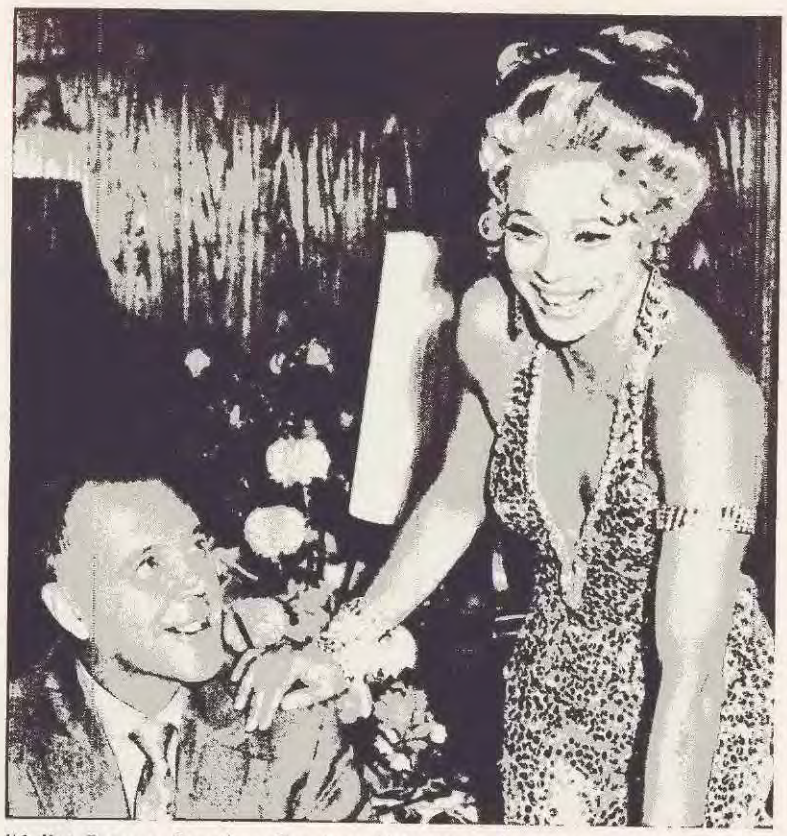
To help meet the increased costs, the Chronicle has increased the street and newstand sale price of the daily paper from 10 cents to 15 cents per copy, the first such price adjustment in 18 years.

The newspaper publishers and 16 Bay Area unions agreed late last summer to begin negotiations well in advance of the Feb. 28, 1971 expiration date of the existing contracts.

THE NEWSPAPER Guild split its package in $56 for wages and $12 for the fringe benefits, with $8 of the fringe portion to improve the health and welfare program and $4 for the pension fund.

The health and welfare program additionally will provide for dental care, starting in 1973 or possibly earlier.

The printers, however, added only $2 a week to their welfare program and increased their pay scales by $66 a week. ■



"Juliet Prowse Breathes Fire into Mame" is the way the International Hotel in Las Vegas billed its most recent headliner. So "fiery" was the claim for the performance of Miss Prowse as "Mame" that the hotel took specific precautions for the sake of male patrons who might suffer from "overburn" or "overheating." The Hotel took out a special insurance policy to pay up to $200 for damage to a male patron's clothing "which might result from spontaneous combustion while watching the performance of Juliet Prowse as Mame." The policy was arranged through Trans World Insurance brokers of Los Angeles and was underwritten by the excess and special risk department of Fireman's Fund American Insurance Cos. Accepting the policy is Ted Nelson of the hotel; Miss Prowse, if you will follow Mr. Nelson's eyes, is at the right.

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Alcoholism . . .

Continued from page 7

bilitation program for the Community Council of Greater New York, agreed. "The main problem is the failure of a group to include alcoholism coverage in its package. This is usually an attitudinal thing," he said. "There may, however, be an attitudinal problem on the part of the carrier, too. The carrier could say 'Well, you've got X number of dollars to spend for so much coverage. Alcoholism isn't as important as heart disease, so. . .' That has to have an indirect effect on the purchaser."

Regarding facility exclusions, the opinions were more diversified. Some felt that treatment should be fully covered in specialized alcoholism treatment centers while others felt that the coverage should be limited to treatment in general hospitals.

Lewis Presnall, director of rehabilitation services at Kemper Insurance, was one of those who felt that the coverage should be limited to general hospitals. "The variety and quality of these specialized institutions differs to a great degree," he said. "Some of them are excellent; some are no good at all.

"THE PROBLEM with allowing coverage at these places is that you'd be opening the barn door. To be consistent, you would then have to cover long-term care at special institutions for premature senility and tuberculosis. The rates would be exorbitant if that happened.

"The rates are low at most of the alcoholism treatment centers," Mr. Presnall, whose company is very much involved with the problems of alcoholism, pointed out. "The total cost might not be as much as one good drunk. If the employe had to pay for some of it himself, he could manage it."

He went on to say, "The key here is consistency. We all say that alcoholism is a disease like any other. We don't then turn around and give it special treatment."

Mr. Harrington at INA felt that the recovery rate might be affected if insurance covered a stay at a treatment center. "The employe might feel that he should just go dry out for a few days and let his insurance pay for it," he said.

AT THE OTHER end of the spectrum was the National Council on Alcoholism. Mr. Von Wiegand felt that insurance should pay the full cost of treatment at specialized centers. "The rates are lower there," he said. "The insurance companies would be rewarding themselves."

August Hewlett of the North American Assn. of Alcoholism Programs also felt that coverage should be extended to include treatment in the centers.

Freeport Hospital in Freeport, N. Y., is one of those centers. A staff member there, Charles Shirley, told *Business Insurance* that most of the patients there were covered for a three-day stay by Blue Cross. He said that detoxification takes seven days so all anyone needs is "a Blue Cross card and $215."

He pointed out that some insurance companies pay for a partial stay while others, like the Travelers, cover the entire process. "Insurance companies see legislation coming down the line and there is a lot of pressure being put on them. They see a lot in the works and they'll have to adjust." He noted that Blue Cross coverage had gone from just $60 to $135 within the last six months.

HIS OPTIMISM was shared by most of those interviewed. They all seemed to agree that things were still being done on a small scale but that things were getting better. Mr. Hewlett said that he "wouldn't be surprised to see specifics about alcoholism put into the pending national health insurance bill."

Those persons interviewed all had feelings about what the insurance industry could do to help the alcoholic. The one word that most of them stressed was education.

Edward Sands of the National Institute of Mental Health, division of alcohol abuse and alcoholism, said that the insurers merely "lacked experience. Most of them now recognize alcoholism as a treatable illness and are covering it."

He felt that the industry should help to educate the public about alcoholism. "They could do

Continued on page 42

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HOUSTON—Employe benefit liability insurance, while not new, should certainly not be overlooked by benefits managers, a seminar here was told. The coverage can protect a company if it fails to advise an employe of an additional plan or to enroll him in a group plan, or it a risk manager fails to properly explain retirement options or recommends one plan over another to the detrimen of the worker.

During a liability insurance problem seminar here William E. Tabb, partner, John L. Wortham & Son, Houston, told insurance buyers, brokers and agents that benefits liability is not part of comprehensive coverage but may be attached to it. "It pays on behalf of the insured all sums it is legally obligated to pay," he said, but fault must be established.

The Houston seminar was sponsored by the local Assn. of Insurance Agents and the Society of Chartered Property & Casualty Underwriters and provided information on how to negotiate necessary coverage in today's tight liability insurance market.

MR. TABB SAID the plaintiff in an employe benefit liability suit may be an employe, former employe or legal representative of a former employe. He added there must have been neglect, error or omission in the administration of the employe's benefit program. Company personnel affected by this coverage are those who give counsel, interpret insurance programs or the handle records.

Exclusions to the coverage, Mr. Tabb said, include dishonest or fraudulent acts, criminal and malicious acts, and slander, bodily injury or property damage as defined in the comprehensive coverage.

He said most firms will write this coverage rather freely as part of the comprehensive liability coverage. He said there is usually a limit per claim and an aggregate limit. Also, "there has been a deductible of $1,000 each claim on the contracts I have seen," Mr. Tabb added.

He said the "going rate" he has seen per employe is 6 cents for the first 5,000 employes, 4.5 cents for the next 5,000 and 3 cents thereafter. "The minimum premium is usually $50, up to $300 for an average of 5,000 employes. Exposure under this coverage is limited," he commented. ■

Daugherty is named

Richard M. Daugherty, former secretary-treasurer of Business Press International, Elmhurst, Ill., has been named comptroller of Crain Communications Inc., publisher of *Business Insurance* and other publications. Mr. Daugherty, who has been with Business Press International, which recently merged with Hitchcock Publishing Co., for 20 years, succeeds Jack H. Terry, who has resigned.

Alcoholism...

Continued from page 41

it on their own or in cooperation with federal and state agencies. They could focus on distinguishing between responsible and irresponsible drinking. They could also get together with HEW and discuss how they could help each other."

MR. BUTLER felt that management should be educated. "If management is aware of the savings possible from covering alcoholism, they will demand it from their insurers," he said.

Mr. Hewlett and Mr. Presnall agreed that underwriters should be educated so they would have a better understanding of the alcoholic and his problems.

"The underwriters might not know much about the disease," Mr. Hewlett pointed out, "and they might believe the old wives' tales. I mean, they may have heard that printers have a high incidence of alcoholism. If they believed it, they could go to a print shop and charge high rates for health coverage because they thought there would be a great many claims."

Mr. Presnall said the problem was a lack of trained staff. "We have control over our agents but they have got to be educated. The best way is for an insurance company to install its own alcoholism rehabilitation program, as we did. Then they see that it works."

HIS COMPANY, Kemper, is active in the field of behavioral problems rehabilitation.

"The most important thing is to get it out in the open where you can discuss it intelligently," said INA's Mr. Harrington.

Staff members at the National Council on Alcoholism felt that insurance companies "should be extremely concerned that their physicians know about alcoholism. Whether that doctor likes it or not, about one in 15 of his applicants will be an alcoholic. Physicians are just as easy to con as other people and an alcoholic is the best liar in the world.

"Another problem with doctors," the staff members said, "is that they are just as likely to make a moral judgment as anyone else. Many doctors do not accept alcoholism as an illness. They feel that the alcoholic has brought his problems on himself and that's just not the case."

THE TASK FORCE on insurance of the Advisory Committee to Alcoholism Services in Wisconsin studied the problem of coverage and came up with the following recommendations:

- That alcoholism be covered to the extent of the basic policy in every health insurance plan operable in Wisconsin.
- That insurance coverage should be flexible enough to permit individualized treatment as determined by the hospital staff, and to include both inpatent and outpatent care.
- That insurance carriers be urged and encouraged to conduct educational programs for their staffs so as to develop better understanding on alcoholism.
- That management and labor accept their responsibilities to work together with their health insurance carrier to provide comprehensive health services for the alcoholic employe.
- That health and compensation carriers inaugurate insurance alchoholism programs similar to safety engineering programs designed for early referral and treatment of alcoholism in business and industry with the consequent reduction of economic losses due to alcoholism. ■

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General Educational

Continued from page 34

and to highlight the fact that it is a treatable illness. Initial orders are free by writing number 162 on the order blank.

• **CPCU courses** is a booklet describing the course offerings of The College of Insurance which will help prepare the student for the national Chartered Property and Casualty Underwriters' examinations. The school is a fully accredited degree granting institution in New York City. For a copy of the brochure indicate number 50 on the order blank.

• A foldout discussing **Smoking and lung cancer** has been published by U.S. Dept. of Health, Education, and Welfare. Lung cancer is defined, a list of symptoms is given and methods for diagnosing the disease are covered. What causes lung cancer and the relationship between lung cancer and cigarets is discussed along with some preventive measures for those smokers who can't kick the habit. This would make an excellent employe handout. Single copies are 10 cents, 100 copies are $5. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

• **Stop wasting your insurance dollars** deals with business, personal, life, health and property insurance. The book offers tips on package insurance, co-insurance, the value of group or association insurance and other aspects of insurance purchase. The book is $1.71, including handling, postage and tax. Orders are to be directed to Dave Goodwin, Goodwin Associates, P.O. Box 6094, Surfside, Fla. 33154.

• **Life insurance price measurement** is a 22-page booklet written by Joseph M. Belth, a professor of insurance at Indiana University. The booklet is divided into four sections: Section I describes the level-price method; Section II describes the benefits-premiums method; Section III compares selected data from 15 major companies gathered in 1968-69; and Section IV contains the author's conclusions. The booklet is available for $1 from the Bureau of Business Research, Indiana University, Bloomington, Ind. 47401.

Security

• **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 is provided. For a copy indicate number 34 on the order blank.

• Westinghouse Electric Corp. has released a brochure describing its **Periguard system** which is concealed underground in paths around a guarded area, detects the footsteps of the intruder as he approaches and flashes a warning signal to a security center to bring assistance. For a copy of the brochure write number 32 on the order blank.

• **A handbook of Pinkerton's insurance claims investigations** is a booklet describing the various types of investigations Pinkerton's Inc. perform related to corporations, insurance companies, banks and the legal profession. The booklet deals with investigation, surveillance, liability, workmen's compensation, life, accident and health, malpractice, fidelity bond, fire losses, inland marine, and internal losses. For a copy indicate number 124 on the order blank.

• The Polaroid Corp. has made available a booklet describing their ID-2 Land Identification System which produces full color ID cards and badges on the spot. The subject's image and data are recorded simultaneously on one piece of film. The film is laminated with a sheet of clear plastic which is chemically bonded to the face. A photographically reproduced validating signature or seal overlaps the photo and data portions of the card, making it difficult to alter the subject photo. For more information or a copy of the booklet write number 186 on the order blank.

• Wells Fargo Security Guard Services has released **Pre-planning for civil disorders** to help business and industry prepare an established system to handle these conditions. For a free copy write number 177 on the order blank.

• **Humanly impossible protection—night and day** is a 16-page booklet released by the National Fire Protection Assn., 60 Batterymarch St., Boston, Mass. 02110, to educate property owners in the value of automatic protection. The publication discusses the six types of automatic protection systems; carbon dioxide, dry chemical, foam, Halon, sprinkler, and water spray. Copies are available in units of 25; 25 to 100 copies are 15 cents each.

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.

• **Microwave intruder detector** is a brochure discussing the effectiveness of Microwave, ultrasonic and radar detectors and explaining why this detector provides freedom from false alarms. It also includes diagrams showing how the unit may be used to provide trap and broad area surveillance patterns. Advanced Devices Laboratory Inc. has made the brochure available free charge by indicating number 4 on the order blank.

• Normda Industries Inc., has published a brochure discussing the principle of ultrasonics, the difference between ultrasonics and microwaves and other frequency radio systems, placement and procedure notes. **Ultrasonic for security** may be ordered by writing number 155 on the order blank.

• **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 41 on the order blank.

• 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

info for buyers

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 indicate number 30 on the order blank.

• **Perim-alert perimeter protection system** is a booklet containing specific product information on perimeter protection system. Applications and descriptions of equipment versatility are portrayed with complete specifications on all product components of the Air Space Devices company. For a copy write number 27 on the order blank.

• General descriptions of the various systems and components Honeywell provides for fire detection and alarm are available free of charge in the **Honeywell fire alarm systems and components.** It is designed to assist the owner or manager of any facility in determining his particular requirements for fire alarm equipment. For a copy of the catalog write number 147 on the order blank.

• **Loss prevention program** is a booklet by Firemen's Fund Insurance Co.'s outlining authoritative recommendations that will help effectively safeguard business against embezzlement, forgery, burglary and robbery. Plans for internal controls are provided covering audit reports and other similar material. Single copies are free by indicating number 150 on the order blank.

• **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 107 on the order blank.

• Phelps Time Recording Lock Corp. has released a brochure explaining the use of the firm's door lock and interlocking door control. **On guard no. 110** is available by writing number 121 on the order blank.

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Security

• Sylvania Electric Products Inc. has made available an article on its **Low-light-level TV surveillance system.** The article is taken from the proceedings of the 1970 Carnahan conference on electronic crime countermeasures taken from information given by D. T. Heckel, product manager of the night surveillance equipment of the company. The article describes in laymen's language the principle of light amplification and how LLLTV cameras function. It describes how these cameras can be used for industrial security, civil disorders, theft and industrial espionage. It also gives numerous applications for police and industrial surveillance. Photographs were taken of TV monitors displaying scenes viewed at night through a low light level TV camera. Photographs are included that show the actual hardware. For a free copy indicate number 40 on the order blank.

• **The Honeywell building security catalog,** gives general descriptions of the various systems and components the firm provides for such security. The booklet also provides a building security checklist. For a free copy of the catalog write number 148 on the order blank.

• Air Control systems Inc. has made available specification sheets of their automatic telephone dialers describing uses of the equipment as part of alarm systems. The Automatic Telephone reporting device can communicate emergency information by

info for buyers

voice recorded type to the proper authorities, or a different style device that can be remotely activated by a pocket sized radio transmitter. For the information write number 106 on the order blank.

• **Security equipment catalog** provides a complete description, product by product, of various types of security equipment by Normda Industries and how to use it. It allows the reader to understand and select combinations of security devices to fit any circumstance. For a copy write number 105 on the order blank.

• Elan Industries Inc. has released a brochure describing their **Emergency lighting systems.** The illustrated brochure tells what the product is and where it can be used. Specifications of all units plus accessories is included. For a free copy write number 111 on the order blank.

• The William J. Burns International Detective Agency Inc. has released **Detect, report, deter fire-burglary automatically,** describing the company's central station alarm service which automatically signals fire, burglary or other trouble points for client companys. Devices for detection outlined in the foldout include, manual fire alarm service, automatic waterflow alarm service, air temperature supervision, early warning automatic alarm service and others. For a copy write number 113 on the order blank.

• **Testing the defender** is a 16mm and 8mm film from Kane Manufacturing Corp. showing actual tests made on Kane screens by a large midwest fire department and the results of the tests. The 1970 film is available for showing, free of charge, from the company. For more information write number 193 on the order blank.

• The W. H. Brady Co. has published **Catalog No. 520** which includes product descriptions covering industrial identification systems to promote safety and protection of property such as wire markers, pipe markers, accident prevention signs, reflective marking, warning stripes and aisle markers. For a free copy write number 222 on the order blank.

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• The Mosler Safe Co. has released a **Brief guide to security alarm systems for financial institutions.** The booklet has been prepared for the purpose of explaining, in an objective sense, the state of the art in its present form. Except where noted, it is not intended to describe particular brands of equipment or systems. The prices shown are included only as rough comparison guides. The publication defines local, central station, proprietary and police connection alarm systems. Also covered are vault protection, night depository, perimeter and interior security doors, emergency switches, watchman's tour system, fire protection and detection, communication systems, area protection, authorized access control, auxiliary supervision, safe and security files protection central console, and tips on planning a security alarm installation. In addition, the guide contains a glossary of commonly used technical terms. For a free copy indicate number 205 on the order blank.

• **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 122 on the order blank.

• Optronix Inc. has published the **applications manual for LITE-LINK all-weather infrared intrusion detector.** The manual describes a new false alarm-free outdoor perimeter intrusion detector which operates in rain, snow, or heavy fog. The manual presents diagrams showing effective use of infrared detectors for personnel intruder detection and includes typical case histories of perimeters that have been protected and how to avoid installation pitfalls. For a copy indicate number 39 on the order blank.

• **The Mardix TC6 series television cameras** is a brochure explaining its three-year guarantee, specifications and illustrations of the equipment. The camera was designed by Mardix Security Systems as an industrial quality camera for continuous-duty applications where reliable performance, long life and low down time are of prime importance. For more information write number 45 on the order blank.

• **Protection for any building starts here** is a booklet describing methods of preventing forced entry through narrow stile (glass and metal) entrances by using the Adams Rite Manufacturing Co. lock. For a free copy indicate number 119 on the order blank.

• Advanced Devices Laboratory Inc. has released a brochure explaining how its **Infrared intruder detector** works, how to install it and provides technical specifications on the multiple sensor system. One system provides space protection for up to 8 remotely located areas. The system will detect an intruder when he enters into or moves within any of the areas of protection. For a copy write number 5 on the order blank.

• The Detex Corp. has made available brochures describing their **Entry control system** and **Guardsman watchclock system.** The entry control system is a low-voltage doorway control system which limits doorway use to persons who have been issued special cards. The cards act as keys would for ordinary locking systems. The watchclock provides mechanical supervision of guards on weekends, during holidays and extended plant closings, as well as every week night. It operates on a continuous roll of tape that records your guard's activities for up to 96 hours without changing the tape. For more information write number 198 on the order blank.

• Westinghouse Electric Corp. has made available by indicating number 33 on the order blank, information on its TV-500 pass pedestrian system. The system tightens gate security by providing remote TV viewing of a face alongside a blown-up picture of the identification pass.

• The Mardix Security Systems Co. has made available information on their electronic entrance —automatic control of personnel and vehicle traffic. Electroguards take the place of human guards or of Mardix videoguards when fully automatic entrance and exit control of personnel and vehicle traffic is required. Electroguards of two types, stand alone and central computer control, are op-

Continued on page 45

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Security

Continued from page 44

erated by the use of coded cards and ten-digit keyboards. For more information indicate number 46 on the order blank.

• **Eye-24 CCTV surveillance systems** is a brochure by Westinghouse Electric Corp. describing its lowlight level TV surveillance system. The system is ideal for round-the-clock security surveillance of plants, parking lots, warehouses, truck terminals and other applications. The system is remotely controlled and automatically adjusts to varying light conditions. Write number 31 on the order blank for a free copy.

• **Early warning** is a free brochure offered by Mosler electronic Systems. It is concerned with integrated monitoring systems, their advantages, typical functions with photos of various systems offered by the company. For a copy of the brochure write number 156 on the order blank.

• Markel Service Inc. has released **The Markel service road patrol** booklet describing the only nationwide road patrol service available to commercial fleets. Reports are sent to management describing driver conduct on the highway—many times accompanied by an actual photo of the vehicle in operation taken by the patented Markel safety camera. The booklet also contains letters from companies using the service. For a free copy indicate number 115 on the order blank.

• **Basic planning for pilferage control** is a booklet furnished by Wells Fargo Security Guard Services. The object of the booklet is to provide methods and procedures for the protection of industry's assets through security measurers. For a free copy write number 178 on the order blank.

• Thieves and robbers take $1 billion from businessmen every year, mostly from small businesses according to **Ten tips that could save your business or your life** by American Hardware Mutual Insurance Co. The booklet offers several tips to help business owner and managers reduce the danger of loss or injury from the growing crimes of robbery and burglary. It also includes a cutaway diagram illustration of good crime prevention measures to be incorporated in your business. For a free copy write number 117 on the order blank.

• The Mosler Safe Co. has published a **Condensed insurance manual** describing construction of and how to identify fire resistive and burglar resistive safes, vaults and lockers. The publication also gives comparison of Underwriter's Laboratories Labels and money and securities broadform and merchantile safe police base premiums. For a free copy write number 104 on the order blank.

• **Veil of steel** is a brochure describing features of Kane Screens and their possible applications to provide security and protection against violence, theft and burglary. For a copy write number 43 on the order blank.

• Reprints of the article **"Loss Prevention and Proper Motivation"** by John P. Gausch are available upon request from EBS Management Consultants Inc., by writing number 154 on the order blank. The article asserts that police systems are not the answer to prevent loss through accident, theft, and fire, but rather an insight into behavioral sciences is what is necessary.

• Mardix Security Systems has published **Personnel entrance control with videoguard entrance model VG-300** explaining the advantages and cost savings derived from use of their system. The system enables one operator-guard to control several entrances from a single location with a remote-control console. For a copy write number 44 on the order blank.

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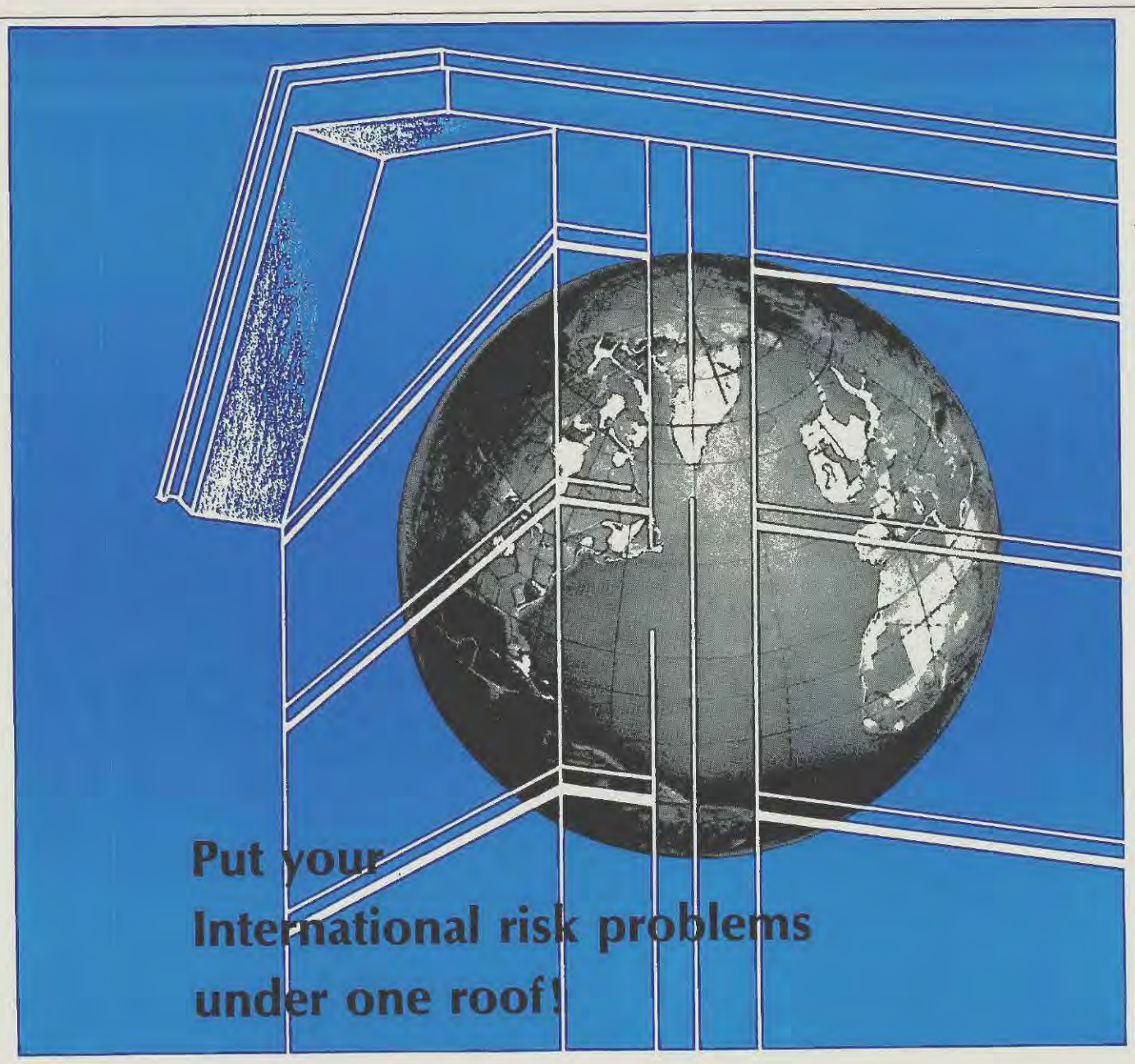

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following the funds

Canadian official urges pension funds invest more in mortgages

OTTAWA—Robert Andras, Canada's housing minister, has followed in the footsteps of our own Secretary of Housing and Urban Development George Romney. He too has begun a quixotic campaign to induce his country's private pension funds to increase their investments in new housing and mortgages.

Holding a day-long parley with 80 uncomfortable pension administrators, Mr. Andras impressed on his listeners that the Canadian government is dependent on the private sector to provide the financing for middle-income housing starts. He noted that a program already exists to provide funds for lower-cost housing.

Mr. Andras pointed out that only 11% of the more than $10 billion in pension assets in Canada is now invested in housing construction. "I am hoping you can improve considerably on that," he said.

THE ADMINISTRATORS were chided by Mr. Andras, who held up several large Canadian investment funds as examples—funds that "have more than 30% of their fixed income funds in mortgages." He declared that mortgage lending can be as "secure an investment as anything in the market."

Mr. Andras seemed to leave no vestiges of doubt that the Canadian government is unwilling to finance middle-income housing. The pension administrators were reminded subtly that the funds with which they were entrusted are an "increasingly important" national resource recognized by the government's taxation policies. He drove home his point by explaining that, "Pension funds to me are plainly a vital source of investment for housing when we look to the private sector."

He noted that he would be more favorably disposed toward a $200-million- or $300-million-a-year mortgage allocation from pension funds, rather than the current level of $100 million. About $3.5 billion is now invested annually in Canada for housing, half of which is handled through banks, insurance and trust companies. A target average for new housing starts was recently set at 200,000 a year, Mr. Andras noted. If this is to be met, total financing required for housing in Canada would rise to an estimated $6 billion by 1975, he said.

Apparently the government is eager to establish a precedent of tapping the pension funds for mortgage investment because of the fast growth of pension funds. At the beginning of 1970, some 4,072 trusteed pension funds had accumulated assets of more than $10 billion. Their holdings grow on the average of about 12% yearly, or $1.2 billion in 1970.

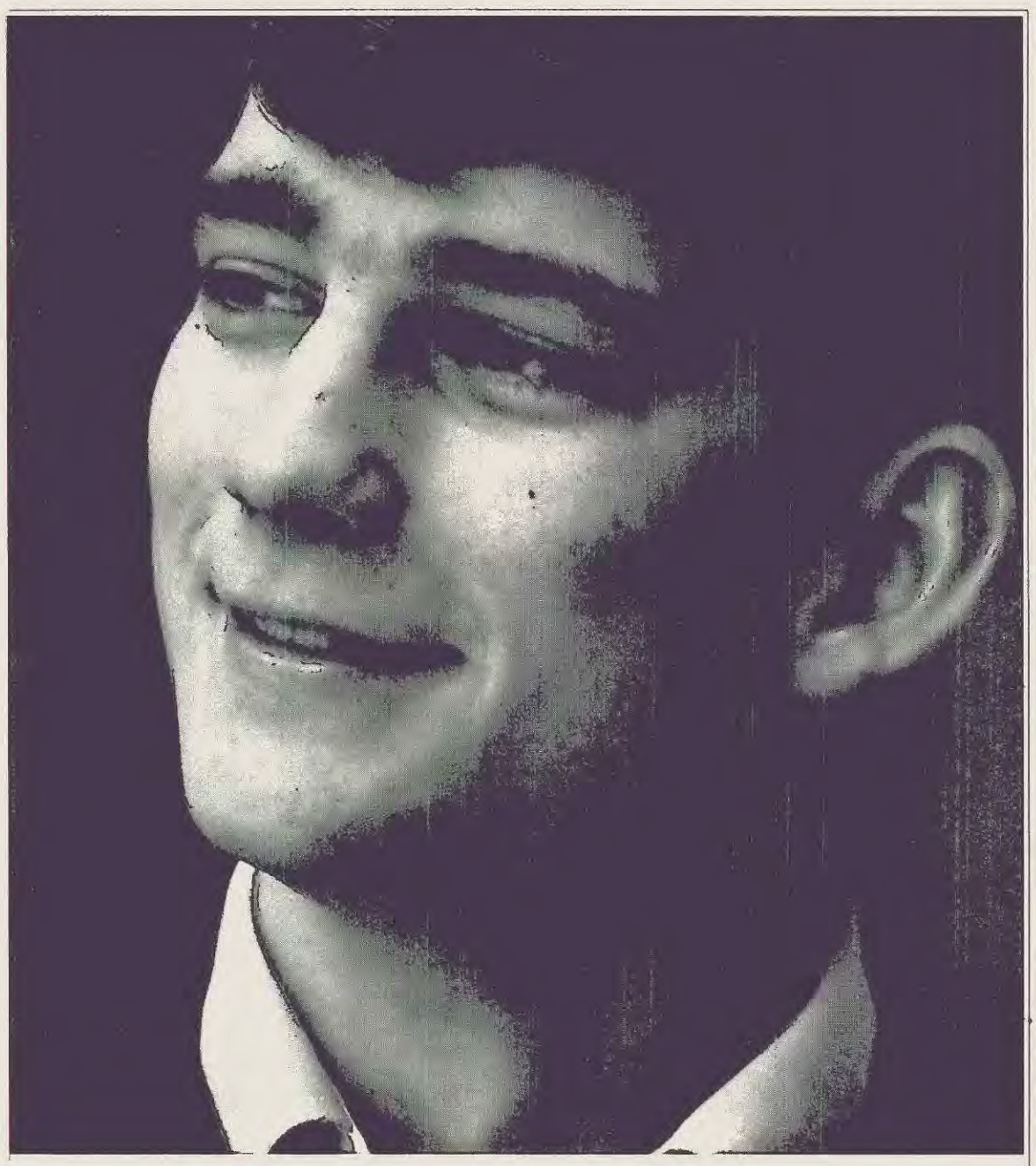
GETTING pension funds to go along with increased investments in housing is important to the Canadian government also because insurance companies have been decreasing their mortgage investments lately.

Aside from more coercive forms of persuasion, the Canadian government is also considering other tacks. For example, plans are on the drawing board for a central mortgage bank that would make it easier for pension managers and others to put money into mortgage loans. This bank would keep the flow of funds going in slack times. Another plan calls for a string of home-loan banks that would finance housing on a regional basis. Another angle suggested was mortgages with variable interest rates.

Pension administrators in attendance at the housing minister's meeting may well take the lead of their American counterparts. Last December, Rep. Wright Patman (D.-Tex.) introduced a bill in the House that proposed to require by law the investment of pension fund assets into mortgages, as determined by a schedule prescribed by the secretary of housing and urban development.

This proposal raised a hue and cry of sorts. Pension fund administrators and their adherents were at pains to demand their freedom to invest where, and only where, they saw fit. The most important consideration, they argued, was that they exercise their fiduciary responsibilities. Federal regulation of investment of any kind, they contended, posed a real threat to the investment flexibility needed to preserve the pension fund assets against inflation, and other financial hazards.

Apparently, their arguments were neither considered spurious nor did they fall on deaf ears. Rep. Patman's bill was turned down by the U.S. Congress. ■



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1970—the good, bad and the ugly—a challenge

Continued from page 6

proposed in June that a captive be set up to cover physical property, both domestic and offshore, oil pollution clean-up costs resulting from oil spills, the costs of controlling runaway wells and direct damage to offshore drilling installations, including damage from winds. Lloyd's, for example, had earlier excluded losses arising from "named windstorms and/or hurricanes" from standard policy forms and made the coverage available on a "buy-back" basis—but at rates almost double what oil companies had been paying.

The oil insurance pool, while beyond the proposal stage, is still far from a viable alternative to conventional insurance coverage.

AT LEAST ONE event late in 1970—Saturday, Dec. 5, at 11:02 p.m., to be precise—may be influential in spurring an oil pool on, especially after underwriters have the final totals in hand. That was the explosion at a Humble Oil & Refining Co. installation in Linden, N. J. Underwriters, and especially those in London, could be hit for as much as $70 million for that one and there's no telling now, a month later, what thay may do to the petro-chemical insurance markets the world over. The Humble loss, self-insured for a total of $15 million on primary layers of property and liability coverage, is said to have been the largest single insured loss the industry has suffered.

Humble was not the only loser last year. Chevron and Shell also had offshore drilling losses, costing several million dollars each.

If oil seems to have been a sticky insurance problem in 1970, consider the pharmaceutical industry, where the ominous threat is products liability.

Confronted with headlines like, "Couple files $1 million 'pill' suite against G. D. Searle," drug firms seriously began looking for relief. The insurance industry, understandably or not, would not provide it in the form of increased limits or new capacity.

THUS, IT WAS disclosed in October that more than 20 of the nation's leading drug firms had formed a products liability council and hired a leading insurance consultant to study the problem and seek solutions. One solution suggested is a pool or captive company, although members of the council appear to prefer other alternatives. Ebasco Services Inc. is doing the study and its report is due shortly.

Products liability, while it is probably a more universal problem in the drug industry, was not a problem for pharmaceutical firms alone in 1970. For example, even firms with such mundane products as beer kegs are being hit by an increasingly quality-minded public. In Windsor Locks, Conn., a youth was accidentally killed in the summer of 1969 when a beer keg exploded in his face. His parents last year initiated a suit for $1 million in a Hartford Court.

"If you thought products liability is a problem this year," someone remarked late in 1970, "wait until next. And the next and after that." The Research Institute of America noted last summer, for instance, that 500,000 products suits were being filed annually then, double the rate of 1963. Moreover, some say, if no-fault auto catches on rapidly products liability cases will take even longer strides as plaintiff's attorneys turn from auto accidents to product accidents for fees.

Motor fleets' 'windfall' retained in no-fault law signed in Massachusetts

Federal grand jury indicts Phil Wilson, 3 others on 16 counts of using mail in fraud

Pigskinners tackle owners in haggle over (would you believe?)—pensions

Pru entering property-liability field; will stick with personal lines at first

While it was also pointed out sometime in 1970 that lawyers are facing stiffer professional liability problems, the far more sweeping problem in malpractice insurance lines was that facing doctors. Rates have skyrocketed. Everyone seems to have a more outrageous figure than the next person when mentioning a doctor's rapidly increasing malpractice rates. This, too, is a products liability problem—albeit that service is the product in a doctor's case—and one compounded by a product-conscious public. A frightening byproduct of the problem was reported on these pages in October. The American Medical Assn. noted that the threat of malpractice litigation "is having a dramatic effect on the practice of medicine in the United States." Some doctors, the AMA said, are becoming "super cautious" in their efforts to protect themselves from suits. "Instead of resulting in better medicine, the specter of malpractice has forced physicians into a defensive posture"

LAST YEAR also saw experimentation with some possible solutions to the malpractice dilemma. In Los Angeles County, for example, the Hartford Insurance Group began writing malpractice on a group basis for members of the Los Angeles County Medical Assn. Rates are considerably below those a doctor could get on his own because of group servicing and more efficient risk management and claims handling procedures.

Directors and officers liability insurance, which protects business professionals, seemed to settle into a quiet upstream swim. Insurers that write the coverage, principally Lloyd's of London and American Home Assurance, would not work, at least not in the sense that Lloyd's of London has worked because of its long and traditional history.

There was a total eclipse of the sun in March, leading some to wonder if persons who stared at the phenomenon, with damage to their eyes, could recover under group health insurance contracts. They could, but apparently claims were insignificant for they did not warrant a National Insurance Actuarial and Statistical Assn. catastrophe number.

QUINTUPLETS were born to Mr. and Mrs. William G. Kienast of New Jersey in April. *Business Insurance* noted the happy arrival by reporting that Mr. Kienast's employer, Tenneco Chemicals Inc., had a group health insurance policy with the Tennessee Life Insurance Co. The birth of the quints cost him little more than it would have had Mrs. Kienast been delivered of one.

Fringe benefits continued to make significant strides in 1970, with nary a labor dispute that didn't in some way include as issues welfare and pensions. But the real heat was on management in the latter area.

The fire was the hottest in Detroit, where General Motors and the United Auto Workers went at it. It was a short bout by most measurements and when the dust had settled GM and the UAW came to a compromise on the much publicized pension feud. The union had demanded a 30-and-out pension (retirement at any age after 30 years of service with $500 a month). The measure finally agreed to, which does not go into effect until next October, gives the UAW retirement at age 58 after 30 years of service. The age drops to 56 the following year.

In July and August a motley group of 1,200 guys also got into a pension hassle with their employers, threatening to make Sundays during fall the longest days of the year. It was the National Football League owners vs. the Players Assn. and the contest was a draw. The players had sought $25 million over four years in a benefits and pension package. They settled for $19.1 million, of which $4.5 million was to have been for increased pensions.

ANOTHER subject that spent the year simmering under flames of varying intensity was national health insurance.

It was an election year, of course, and every politico worth his salt took the issue to heart—and his constituents. While it is hard to say which of the national health scheme proposals brought forth upon this continent in 1970 will most closely resemble an ultimate health system, proponents, opponents and skeptics alike seemed to agree on one thing by Dec. 31: Changes are coming.

On the educational front, college and university administrators learned a lesson or two that weren't in the textbooks when they were going to school. They didn't exactly wake up one morning and find their insurance programs shot full of holes, but that is almost the way it might have happened. Insurers, suddenly or not, withdrew en masse from the campus market. Uptight with the college set, underwriters did have to face a couple of harrowing losses in 1970. But even more onerous were the thoughts that campuses could become a source of continued losses for them. Insurance after all is the business of predicting, they reasoned, but how could you predict university losses as long as campuses were occupied by a bunch of unpredictable kids.

That being the case, a group of insurance managers from 56 colleges and universities gathered in West Lafayette, Ind., late in October to hear a proposal that a financial risk pool be set up. The proposal was drawn up by the consulting division of Alexander & Alexander, New York broker. The proposal is now being refined and worked into a more detailed concept, which could be ready to go by the middle of this year. University insurance managers will meet again on it late next month.

Special $100 million policy covers Humble refinery blast

University insurance managers are told to form financial pool

ON THE BROKERAGE end of the business, mergers and acquisitions continued to take place like June weddings. The year did hold one relatively unusual twist, however—a dismerger. That was the announcement early last year that Paige OBrion Russell & Co. were splitting up. The Boston broker, formed in July 1968 from John C. Paige & Co. and OBrion Russell & Co., reverted to separate entities. Both appear to have survived the divorce well, nonetheless. Paige, in fact, was courted late in the year by Sperry & Hutchinson, the Green Stamp people, but that engagement was broken off late in acquisition negotiations.

Likewise, insurance companies managed to survive 1970, despite a public that was even more outraged than the year before with auto insurance rates and coverages. No-fault auto insurance, which began auspiciously enough in the Commonwealth of Massachusetts, where the Pilgrims first landed, could change that in 1971. The last has not been heard on that subject, despite a rather wide industry split on the matter.

In mergers and acquisitions there was of course the ITT-Hartford Fire Insurance Co. deal. And the last has not been heard there as well. The insurer was formally acquired by ITT, but the last chapter won't be written until a court case contesting the acquisition is closed, likely this year.

INA Corp., the holding corporation, acquired Blyth & Co., a leading investment banking firm, early last year and that move augured new directions in financial services for the Philadelphia-based insurer. Prudential also made a formidable move when it announced it was going into the property and casualty business soon. Later in the year the nation's largest life insurer disclosed it was reinsuring airline liability insurance for American Airlines.

PHILIP M. WILSON, a name that has appeared on these pages at various times over the past two years, had his name appear elsewhere last year—on a federal grand jury indictment handed down in St. Louis. Mr. Wilson and three associates were charged on 16 counts of mail fraud, alleging failure to pay claims in connection with the operation of three insurance companies that write such coverages as high-risk auto, fire, aviation, marine and other commercial insurance coverages. The indictment came a year and a half after *Business Insurance* first disclosed that their operations in Missouri went far beyond their chartered authority. The trial is now set for Feb. 8 in St. Louis.

It was, to say the least, a very eventful year for corporate risk managers, employe benefits people, brokers and insurance companies. But no less eventful than it was for a San Francisco woman. To wit:

Gloria Sykes, 29 and blonde, sued San Francisco's Municipal Railway for $500,000, claiming the emotional stress caused by a cable car accident in which she was injured in 1964 turned her into a nymphomaniac. Miss Sykes did not get the $500,000, but she was awarded $50,000 for her pain and suffering. The amount was paid out of self-insurance funds. Although the jury split 9-3 on the matter, with two holding out for a $300,000 award, it was not an all-male body. The cable car on which the accident took place has since gained recognition as "Cable Car Named Desire." ■

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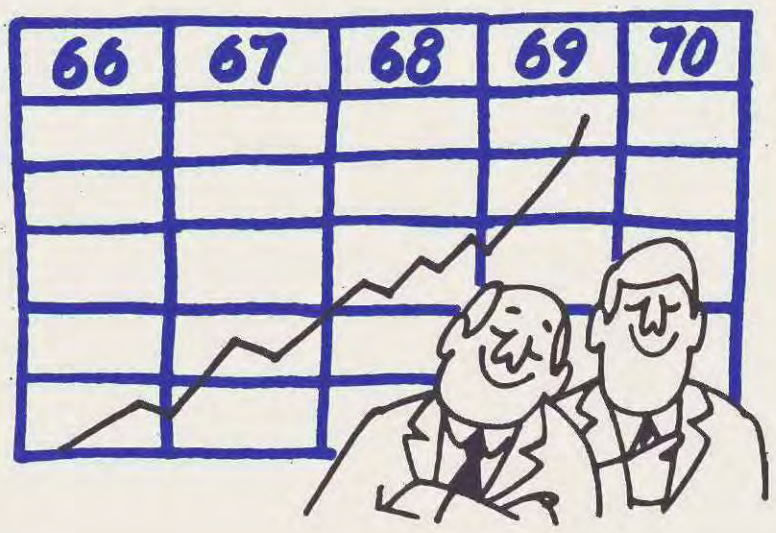

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