ETHYL GASOLINE CORPORATION

CHRYSLER BUILDING
405 LEXINGTON AVENUE

NEW YORK August 5, 1935

INTER-OFFICE
CORRESPONDENCE

Dr. Willard F. Machle,

Dear Dr. Machle:

Attached hereto is copy of letter from Tom Ronan under date of May 24th, together with copy of my letter to the Metropolitan Life Insurance Company under date of May 27th, copy of their reply of June 14th, copy of my letter to Ronan of June 20th and his reply of August 2nd, all with regard to the insurance companies charging a higher rate for Ethyl mixing operators than the normal rate for refinery operators.

As discussed with you today, I think it would be desirable for your department to work up some statistics accompanied by comments and conclusions as to the relative hazard of mixing ETHYL fluid with gasoline at refineries compared with the ordinary duties of refinery employees, and possibly also compared with chemists. I think we should then arrange to have a full discussion with the Metropolitan experts and the rating bureau in an endeavor to obtain a more favorable rating for these men.

After you have given some thought to this matter would you please try to indicate to me about when you think you will be ready to get together in a meeting with the Metropolitan people.

Very truly yours,

C:C

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C O P Y

ETHYL GASOLINE CORPORATION

305 South Kenosha Avenue

TULSA, OKLAHOMA

May 24, 1935

Mr. J. C. Taylor,   Attention: Mr. E. M. Walter,

Dear Ed:

Mr. Bennett, chief chemist for Mid-Continent Petroleum Corporation, called me this morning to ask if I had any information in regard to the increased rate on insurance premiums that would be in effect for an oil company employee working in the ETHYL mixing plant. One of their employees recently took out an insurance policy in the amount of $2500 through the Prudential Insurance Company and he claimed that Prudential increased his rate in the amount of $6.00 per thousand because of the additional hazard. This increase was over a chemists classification.

Mr. Bennett asked me to call the local office of Prudential and check this matter. I talked with a Mr. Hadley at the Prudential office who stated that it would not be possible for him to discuss any particular policy but he believed that under the circumstances which I had outlined that their agent in finding a man doint additional work than that described under a particular classification would make out a special questionnaire form which would be submitted to their headoffice at New York and the special rate determined. He checked his special classification lists and while he did not definitely claim that tetraethyl lead or ETHYL mixing was listed as being a special rate nevertheless he expressed the opinion that the above described action had taken place. I asked him how they would arrive at the hazard and he said that it would be done on an actuarial basis at their headoffice.

This information was relayed to Mr. Bennett together with my comments that as far as I knew none of our people have been forced to pay additional premium for any insurance which has been taken out and that in my own case additional premiums were not required on two policies taken out during the past four years. Mr. Bennett said he would discuss the matter further with the man in question and see if he could get him to have the insurance company give him an analysis of the rates and he said that the matter had a two-fold bearing both to assist their employees in keeping their insurance rates down but, what was more important to their company, was the fact that the employees in the ETHYL plant have recently requested increases in rates of pay. Mr. Bennett felt that no increase is warranted but in view of the present situation where it is indicated that the insurance company felt that a hazard existed over and above normal he felt that they should increase the compensation to the men. He has no recollection of any insurance company inspection for determination of hazard in the plant.

Later in the day Mr. Bennett called back to state that another of their employees claimed to have applied to the Metropolitan Insurance Company for a policy and was advised that the company had no rate established to cover a man working in an ETHYL Blending plant and that the agent has written to New York to get correct rates. Another of their men claimed that this insurance company classified him as a "compounder" and added $5.00 additional premium.

Mr. Bennett felt that our company might wish to look into this matter from the standpoint of assisting the refinery personnel in having a low rate as it would mean not only a reduced cost to the men themselves but it would also assist the refining companies in keeping their wage scales down, particularly since this type of work is generally intermittent and of short duration in most plants.

I advised him that I could not predict what action, if any, you would take but would put the matter up to you as fully as possible.

Yours very truly,

T. E. RONAN (S)

TER:EC

C O P Y

ETHYL GASOLINE CORPORATION
Chrysler Building
405 Lexington Avenue

NEW YORK May 27, 1935

Mr. Fred E. Hamilton, Supervisor
Metropolitan Life Insurance Company
Group Insurance Division
New York City

Dear Mr. Hamilton:

Confirming our today's conversation, we have a report from our Division Manager in Tulsa reading as follows:

"Mr. Bennett, chief chemist for Mid-Continent Petroleum Corporation, called me this morning to ask if I had any information in regard to the increased rate on insurance premiums that would be in effect for an oil company employee working in the ETHYL mixing plant. One of their employees recently took out an insurance policy in the amount of $2500 through the "X" Insurance Company and he claimed that "X" increased his rate in the amount of $6.00 per thousand because of the additional hazard. This increase was over a chemist's classification.

"Mr. Bennett asked me to call the local office of "X" and check this matter. I talked with a Mr. Hadley at the "X" office who stated that it would not be possible for him to discuss any particular policy but he believed that under the circumstances which I had outlined that their agent in finding a man doing additional work than that described under a particular classification would make out a special questionnaire form which would be submitted to their headoffice at New York and the special rate determined. He checked his special classification lists and while he did not definitely claim that tetraethyl lead or ETHYL mixing was listed as being a special rate nevertheless he expressed the opinion that the above described action had taken place. I asked him how they would arrive at the hazard and he said that it would be done on an acturial basis at their headoffice.

"This information was relayed to Mr. Bennett together with my comments that as far as I knew none of our people have been forced to pay additional premium for any insurance which has been taken out and that in my own case additional premiums were not required on two policies taken out during the past four years. Mr. Bennett said he would discuss the matter further with the man in question and see if he could get him to have the insurance company give him an analysis of the rates and he said that the matter had a two-fold bearing both to assist their employees in keeping their insurance rates down but, what was more important to their company, was the fact that the employees in the ETHYL plant have recently requested increases in rates of pay. Mr. Bennett felt that no increase is warranted but in view of the present situation where it is indicated that the insurance company felt that a hazard existed over and above normal he felt that they should increase the compensation to the men. He has no recollection of any insurance company inspection for determination of hazard in the plant.

"Later in the day Mr. Bennett called back to state that another of their employees claimed to have applied to the Metropolitan Insurance Company for a policy and was advised that the company had no rate established to cover a man working in an ETHYL blending plant and that the agent has written to New York to get correct rates.

Another of their men claimed that this insurance company classified him as a "compounder" and added $5.00 additional premium.

"Mr. Bennett felt that our company might wish to look into this matter from the standpoint of assisting the refinery personnel in having a low rate as it would mean not only a reduced cost to the men themselves but it would also assist the refining companies in keeping their wage scales down, particularly since this type of work is generally intermittent and of short duration in most plants."

As advised, all blending operators are examined by our Medical Staff before they are accepted for the work to see that they are in good physical condition. We examine them periodically and the doctors employed by the oil companies to supervise the medical work at refineries are fully instructed by our Medical Department and they also examine the men periodically. In ten years of operation we have not had one substantiated case of the slightest illness arising from this occupation. As a matter of fact, the men are only engaged in the work for a few hours each week. To compare this refinery mixing of our product with gasoline to our own manufacturing operations, we might say that there is not one operator in the field that handles over 1/4 of 1% of our total production of ETHYL fluid, which is all done at Carney's Point. We have never had the slightest illness in our Manufacturing Department and the Travelers Insurance Company has issued a chemical rating to our Manufacturing group.

There is absolutely no reason why blending operators of refineries should be penalized and we would greatly appreciate your permitting us to advise such of your representatives as might be the interested parties in order that a proper rate may be obtained.

Yours very truly,

A. E. Mittnacht (S)

C:C

C O P Y

METROPOLITAN LIFE INSURANCE COMPANY

New York City

June 14, 1935

Mr. A. E. Mittnacht, Secretary & Treasurer
Ethyl Gasoline Corporation
Chrysler Building, 405 Lexington Avenue
New York City

Dear Mr. Mittnacht:

Upon receipt of your May 27th letter addressed to Mr. F. E. Hamilton regarding ratings on persons employed in Ethyl mixing plants, we promptly submitted it and the enclosures to the Officers of the Ordinary Department of our Company.

They advise us that since 1931 our Company has charged such people the premium for the mortality next above that to which their usual occupation would entitle them. That is to say, Refinery Employees who would be entitled to Life Insurance at Standard Rates but who on certain days of the week blend Ethyl fluid with the gasoline, would be charged our Intermediate rate which represents an additional charge of only from two to five dollars annually per $1,000 Insurance above the regular premium depending on age. The increased premium charge, therefore, represents only about four to ten cents extra per week and obviously does not indicate any anticipation of an unusual mortality experience.

Our Company's ratings are determined by an Occupational Rating Committee. In determining rates, all available experience on the particular type of risk is used. In some cases this experience is very scanty and the rates must be determined by a study of the particular occupation, the conditions of employment, the reported accidents in that occupation, etc. In case of persons employed in Ethyl mixing plants, the rating was made after study of a large number of reports and after some discussion with authorities on the subject. Prior to our recent study the Metropolitan had declined to insure persons engaged in the manufacture of tetraethyl lead or the preparation of Ethyl gasoline. We have since, however, taken a much more favorable attitude and we believe that our ratings are very liberal at the present time.

Our company is always anxious to get any further information concerning the various occupations in order to determine the correct rating for each occupation. Our Rating Committee, therefore, will be pleased to receive any information which you have concerning the various occupations in your plant which you think may be of value to us. When you consider, however, that once a rate is quoted, it is not subject to increase by the Company, you will appreciate that the Company has to be very careful in determining the proper rates for various occupations.

Very truly yours,

A. C. CAMPBELL

Third Vice-President

COPY

ETHYL GASOLINE CORPORATION
405 Lexington Avenue
New York

June 20, 1935.

Mr. T. E. Ronan,

Dear Tom:

I have been giving a lot of thought to your letter of May 24th to Eddie Walter regarding the Mid-Continent Petroleum employee who was asked to pay $6.00 per thousand additional insurance premium by reason of the fact that he handled the mixing of ETHYL fluid with gasoline at their Plant and have had several exchanges of letters with some of our friends in the insurance business.

You don't give quite enough information in your letter for me to be sure of what you are talking. I assume the insurance was ordinary life. Would you please confirm this.

Also, you say the rate was increased $6.00 per thousand over the chemical classification. I find there is no set chemical classification as each man working in this capacity is asked to fill out a form giving his specific duties and then the rate is made up on the basis of whether or not he is engaged in any extra-hazardous occupation. Ordinarily, chemist's classification in refineries carries what is known as the "standard" rate. In order to clear up this point, I wish that you would please find out just what premium the man does pay and how old he is.

When I receive this information I think that possibly I will be able to accomplish some results in my efforts to educate some of the insurance companies and the rating bureaus to eliminate much increase in rate, if any at all, by reason of these men working in the Ethyl mixing plant. However, I don't want you to tell the Mid-Continent people this until it has actually been accomplished.

Awaiting your advice in due course, I am

Very truly yours,

A. E. Mittnacht

C:C

COPY

ETHYL GASOLINE CORPORATION
Tulsa Office
305 South Kenosha Avenue

Tulsa, Oklahoma
August 2, 1935

Mr. A. E. Mittnacht

Dear Art:

Absence from the city of Mr. Bennett, chief chemist of Mid-Continent Petroleum Corporation, prior to my vacation delayed the development of information requested in your letter of June 20th with regard to the insurance matter brought up by Mr. Bennett some time ago.

Mr. Bennett advised me yesterday that the man in question took out a twenty year paid up life insurance policy with the Metropolitan Life Insurance Company. His age was given as thirty-one years. The premium which he would pay under the chemical classification of "oil tester" would be $22.43 per $1000.00. In classifying him in accordance with his work to include ETHYL blending, his return was $34.59 per $1000.

Mr. Bennett understands that the ETHYL blenders rate was placed after data on the application was submitted to the head office.

One of the other men took out a policy under Prudential through a friend of his and was listed simply as a blender and he told Mr. Bennett that this got him a lower rate than if he had been rated as an ETHYL blender. The third man told Mr. Bennett that the Beacon Life Insurance Company had indicated they would charge a higher rate if he were engaged in the ETHYL blending.

The rates which these latter men pay were not developed, inasmuch as Mr. Bennett did not want to go too far in his investigation, which might stir up an immediate demand for salary increases. He does feel that if the insurance companies consider the work as requiring a higher premium for insurance, that they would in justice be required to pay higher salaries.

Yours very truly,

T. E. Ronan (signed)

TER:RA