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CLEMENT MAKES APPEAL Urges Retailers to Fight Against Rating Bills

The committee on legislation of Risk Research Institute has issued and the institute has vigorously adopted a report condemning the all-industry rating bills as "economically unsound, extremely dangerous to the American business pattern, and seriously harmful to the public interest." William J. Fitzsimons, New York "Herald Tribune," president of the institute, called on business men in all parts of the country to prevent the property-casualty insurance business from becoming either "a private price-fixing system under state blessing" or "an anomaly of American business—privately owned, privately administered but under permanent government control such as this country has never known."

Individual members of the institute were urged to bring to the attention of business leaders in all parts of the country the dangers to free enterprise and to the public welfare inherent in the bills.

The committee report states that the clearly apparent aim of the bills is to exempt insurance, the biggest business in the country, from federal laws, by permitting insurers to fix prices in concert under state laws, a practice specifically prohibited under federal laws. The burden of procedures set up by the bills will further restrict and tend to destroy the already limited elements of competition among insurers, and the effect of the bills will be to give government excessive powers over the public's sources of insurance protection, the report charges.

W. W. Clement, executive secretary of Risk Research Institute, in addressing a meeting of the Metropolitan Conference Assn. at New York, urged retailers to exert their influence to prevent enactment of the so-called model insurance rating bills.

"Will you permit the biggest business in the nation," he asked, "to exempt itself from laws which govern your business and all other business, or will you recognize the precedents, so dangerous to all business set by such legislation? Do you want fair prices and fair practices in an insurance industry unfettered by any such law, if you want free enterprise in a free economy continued as the American pattern, you cannot remain silent in the face of these bills."

Another speaker was Milton M. Fritch, controller of Mangel Stores, who outlined a "comprehensive package plan" of insurance developed by the army exchange service during the war. He contended that this plan had simplified insurance procedures and brought about economies totaling about \$100 million a year for the army. He expressed the hope that such contracts would be made available to the retail community.

Fritch served as a colonel in the army exchange service during the war. He said insurance was procurable, he decided because of the war emergency, and because the insurers were doing it for the army, and because of pressure put on the underwriters. However, he said after the first policy had been issued, other insurers came forward to offer similar policies and he voiced the hope that if one retailer could get such a contract, other insurers might decide to offer the same kind of coverage available. He said he is now negotiating to have such a policy for Mangel Stores.

Clement suggested developing statistical bureaus rather than going through "pools" as at present. He said the attitude of many insurance executives and state insurance officials toward the model bills, Mr. Fritch said, "They will say, as they have said time and again, that collective action in the compilation of statistics, is the only way to get fair rates."

Launch New Chicago Office in Brilliant Style

About 150 turned out for the cocktail party and sumptuous buffet at the Saddle & Cycle Club Tuesday to welcome Life Associates, Inc., into the field. Most distinguished guest was U. S. Senator C. Wayland Brooks. Life Associates is general agent for Continental Assurance.

The principal owners of Life Associates which has opened an office in the Insurance Exchange are W. T. Cline and L. W. Zonsins of the important



W. T. Cline



L. W. Zonsins

casualty general agency of Conkling, Price & Webb. Operating head of the agency is Jerome Miller. Already two big league agents have become affiliated with the office—Dick Hanley, former Northwestern University football coach and for a brief period coach of the Chicago "Rockets," and John Lehman, former amateur golf champion. Both were formerly with the Woody agency of Equitable Society.

The head office family of Continental Assurance was out in full force, including President Roy Tuckbreiter, First Vice-president Rollin Clark, Vice-president Howard Reeder and Agency Manager Marshall Simms.

The Conkling, Price & Webb agency was also well represented. There were a number of Chicago general agents on hand. Ralph Cannon, sports editor of the Chicago "American," was a guest. There were a number of bankers, lawyers and industrialists.

Conkling, Price & Webb heretofore in the life field has represented John Hancock Mutual.

in the study of actuarial data, in the determination of loss figures, in the calculation of rates, is a peculiar essential of insurance. They will say that it is impossible to insure the great enterprises of American commerce and industry, except through such collaborative underwriting as is now practiced in the so-called "railroad pool," "oil pool," "cotton pool," and similar arrangements—all illegal under the federal laws, in their present pattern. They will say that these model bills will permit such action under state supervision, and will, at the same time, enable the state to determine that rates are adequate, not excessive, and not unfairly discriminatory; that such laws will provide a legal framework within which competition can flourish—if underwriters desire to compete.

Statistical Bureaus Recommended

"Since collective action in determining rates and rate levels appears to be both necessary and desirable, why not have independent, unsubsidized—non-profit, if you wish—statistical bureaus, licensed by the states, operated on fees charged for services rendered—why not such organizations collecting loss data from all underwriters and supplying loss rate or pure premium figures to all underwriters? To these loss rates each company could add its own expense loading, as necessity—or good management—determines it to be. Such a system would quickly show the commissioners rates—developing more than a reasonable

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Insurers Are Watching W. C., Particularly O. D.

NEW YORK—The companies are watching workmen's compensation closely. Losses are climbing, though the ratio is still on the safe side.

There is almost unanimous agreement in the insurance business that as soon as employment begins to taper off to any noticeable extent, losses will start pouring in. It is a question of when this will happen. One factor which may influence claims, but the effect of which underwriters are unable to measure because they have not met it in quite the form and intensity it has taken today, is the attitude of employees toward employers. The underwriters are worried. They expect it to stimulate the velocity of claims and to determine to some extent the character of those claims, but that is judgment in anticipation.

Physical Examinations

Specifically, about all the companies can do and what they are doing is to check closely for any signs of occupational disease. Before the war, workers put in claims for silicosis and other disabilities of this type promptly. They were urged by their unions to do so. Conditions were such that there was no advantage in not doing so. This is not true today. High wages are a tremendous attraction. Workers are going to stay on the job as long as possible. However, when layoffs or the threats of layoffs approach, these claims will start coming in. They may date back for some time. The same thing is true with hernia.

The companies are getting x-rays and physicians' examinations on workers whenever they take on a line. They don't want to be stuck with an occupational disease contracted and developed on another insurer's premium. The results of x-rays and examinations are being passed on by the insurer's own roentologist, and unless it gets examinations on all workers, it will not assume the risk.

Another thing some companies are doing is to hold down the percentage of compensation to other lines. And with premiums on practically all lines coming in in unusual quantities, a company can adjust its proportions between lines fairly readily. The companies did not worry much about the amount of workmen's compensation they took during the war, but they are readjusting their proportions now with a particular eye on that line.

Winchester D. C. Speaker

The Insurance Club of Washington, D. C., at its monthly luncheon heard F. M. Winchester, F.C.A.B., speak on settlement of claims under business interruption insurance.

Members of the Insurance Women's Club of Washington were invited to attend. At the women's luncheon meeting, postponed from last week on account of the hotel strike, Eugene Fields, Aetna Casualty, bond department, spoke in place of A. L. Kirkpatrick, manager U. S. Chamber of Commerce insurance department, who was in New York.

Newark Bank Loss \$21,671

Mrs. Mary Coleman, for 10 years a teller in the United States Trust Co. in Newark has been charged with embezzling \$21,671. An FBI agent said Mrs. Coleman admitted she made fraudulent withdrawals from the inactive savings accounts and concealed the shortages by maintaining duplicate ledger cards. The money was spent, it is stated, for medical expenses, clothes, entertainment and expensive vacations. New Amsterdam Casualty had the coverage.

Kentucky Annual Meeting Sets High Rate

75% of Membership
Out—Sheridan
New President

NEW OFFICERS

President—Sheridan Elizabethtown.
1st vice-president—Louisville.
2nd vice-president—Fulton.
Secretary—Peytonville.
State national director—Chrisman, Pikeville.

By ROBERT M.

LOUISVILLE—The Kentucky Insurance Agents was re-elected last week during its 50th annual meeting at the Brown hotel. 300 out of 393 members voted. Officers and members were most successful and in recent years.

Members from throughout the state were present, many by The Monday morning. A review of the new constitution by E. S. Stott, general, and an address by Stott, Norwich, N. Y., chairman National Agents.

That afternoon under the leadership of M. O. Diggs, manager Louisville, a panel of M. Howard, chairman, Ralph G. Hastings, and Lewis Y. Johnson, president American Insurance Association, reviewed the new Kentucky insurance law, which becomes effective January 1, 1947.

Reviews New Law

Mr. Howard reviewed the new Kentucky insurance law, which becomes effective January 1, 1947. He emphasized the administrative authority and emphasized the department is definitely of any scare tactics misinterpret the law, pose of selling insurance, that agents urge of same name on license plate registration to the department of the law, solicited their help to a leaflet to police departments. Another part of the use of 222 billboards, law, Mr. Howard said.

Every operator who person or does process of \$50 must receive a prescribed form.

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Whisky Cover Up

NEW YORK—The price controls of whisky now on and stores not expected to receive in the insuring of whisky entered in the years. The proceeds from prices of both mine the value of insuring or adjustment will continue to be