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FIREMEN'S INSURANCE COMPANIES: FIREMEN'S INSURANCE COMPANY, LOUISVILLE, KENTUCKY

The **Firemen's Insurance Company, Louisville, KY** was chartered on February 22, 1834.¹ A review of the original charter shows that the company was owned and controlled by the Louisville volunteer firemen:

Stock

- The capital stock was set at \$100,000 with 5,000 shares at \$50 each. \$2.00 was paid for each share at subscription with an additional \$3.00 after the board of directors was elected and before the company went into operation. A further \$0.50 was payable on the first Saturday of the month for ten months. The balance was to be secured by notes, other stock and property.
- Business would begin as soon as 1,000 shares were subscribed.
- Only members of a fire company may subscribe to stock.
- Each member may purchase no more than 100 shares.
- A stockholder who ceases to be a member of a fire company must sell or transfer his stock to a fire company member within one year, unless he has served as a fireman for five years.
- Stock of a deceased a stockholder not held by the widow or his legal representative, who is also a member of a fire company, must be sold or transferred within one year.
- No stockholder could assign, transfer stock or receive a dividend until the stock was fully paid or secured to the satisfaction of the president and board of directors.

Directors

- The company is managed by a president and eight directors, who are stockholders. The directors choose by ballot a president, either from themselves or from the other stockholders. When a director is chosen president, the place shall be filled by the directors from the other stockholders.
- The directors were elected on the basis of shares owned:

- One vote for each share up to five,
 - One vote for every five shares over five shares up to fifty,
 - One vote for every ten shares over fifty shares up to one hundred,
 - No person could have more than twenty votes.
- Before assuming office the directors had to produce a certificate signed by the officers of the respective fire companies, that they were firemen.
 - No director of any other fire insurance company could be a director of the company.
 - The directors have the authority to appoint a secretary, clerks and other officers necessary to transact business with salaries they judge reasonable.

Miscellaneous

- The company was chartered to insure within the United States all kinds of property against loss or damage by fire; insure vessels, crafts and boats; property transported by land or water and insurance on lives.
- The board had authority to set up a fund out of the profits for the benefit of members of the several fire companies who become injured or disabled in the discharge of their duty.
- Any number of stockholders not less than twenty-five, who together own 500 shares, may at any time apply to the President and Directors to call for a general meeting of the stockholders.
- Fire company members are entitled to a 10% discount on their insurance.
- No dividends may be paid that lessen the capital stock. Until one half the capital stock is paid in, dividends may only be used to credit stock as part payment. Thereafter, dividends may be paid to stockholders.

At \$50.00 a share, it may have proved difficult to sell stock to the firemen. By 1837 the charter was amended to allow other than firemen to purchase stock. However, the requirement that the president and directors be firemen remained.² It wasn't until 1843 that the charter was amended to allow any person owning five shares of stock to be a director.³ An 1844 listing of officers and directors does not show anyone who was connected with the Louisville volunteer fire department.⁴

The last reference to the company I found was February 15, 1854, when Peter Atwood, long time secretary of the Firemen's, attended the organizational meeting of the Louisville Board of Fire Underwriters.⁵ The Firemen's Insurance Company was not listed in "The Louisville Directory and Business Advertiser for 1859-60" and Peter B. Atwood was now listed as the secretary of the Commercial Insurance Company of Louisville.

When the Louisville paid fire department was created in 1858, Engine #1 of the new Steam Engine Fire Department was named the "P. B. Atwood."⁶ I'd like to think that the honor was bestowed on Mr. Atwood because of the company's continued contributions of profits to the fund for injured and disabled firemen authorized by the city in 1843.⁷

Bob Shea

¹. *Acts Passed at the First Session of the Forty-Second General Assembly of the Commonwealth of Kentucky*. Frankfort: Albert G. Hodges, 1834, p. 690. Google Book Search.

². *Acts of the General Assembly of the Commonwealth of Kentucky. December Session, 1836*. Frankfort: A. G. Hodges, 1837, p. 16. Google Book Search.

3. *Acts of the General Assembly of the Commonwealth of Kentucky. December Session, 1842.* Frankfort: A. O. Hodges, 1843, p. 16. Google Book Search.
4. *Haldeman's Picture of Louisville. Directory and Business Advertiser, for 1844-1845.* Louisville: W. N. Haldeman, 1844, p. 14. Google Book Search.
5. Kleber, John E., et al. (editor), *The Encyclopedia of Louisville.* Lexington: University Press of Kentucky, 2001, p. 535. Google Book Search.
6. *Ibid.*, p. 546.
7. Strattan, Oliver H. & John M. Vaughan. *A Collection of the State and Municipal Laws, in Force and Applicable to the City of Louisville, Ky.* Louisville: C. Settle, 1857, p. 194. Google Book Search.

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## HOW TO TELL A GOOD FIRE INSURANCE AGENT

The following by C. C. Hine is from *Letters To An Agent From The Patriarch.* New York: The Insurance Monitor, 1876. Google Book Search. Web. Pp. 17-18:

A General agent of one of your companies on his return from a recent tour said to me: "Without knowing a soul in town I visit, I can always tell before I have been there an hour which is the live agent. As I start from the depot I learn which companies he represents, for I see his house-plates on the best risks. When I get to the hotel I learn his name, for his cards are there displayed in the most advantageous positions, and if I make any inquiries of the landlord or of the principal merchants, his is the name first and most naturally mentioned. If I approach his office, I observe that his signs seem to know what is required of them, for they have gotten where they are sure to be looked at. If I turn the knob and walk in, I find an office that looks like business, and if he happens to represent our company I always have a treat in the examination of well-kept books and files, where applications, diagrams, side notes of value, well-worded policies and well-selected risks are the rule. He is always glad to see a supervisor, for his active mind has discovered some problem in the business which he wants solved, and the visitor himself must be wide awake or he will find himself in an awkward corner. Competition sometimes assumes so mean a phase as to make him indignant, but never desponding. He never 'squeals,' but, summoning a determined and energetic spirit, creates new resources and overcomes all obstacles. In short, he is the leading insurance man in that town, and will probably be a leader and a model and an honor in some town and some profession, all the way through life.

Bob Shea

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YOUR ASSISTANCE REQUESTED

FMCA member John Eubank is searching for information about a Continental Insurance Company sign found in *Signs of Insurance*, No. 94.15, page 40. It is a spectacular full color sign of plaster/wood casing, 23 1/8" X 17 1/8" (2 1/2" frame). In high relief, "Continental" in slight arc / "Fire" / "Insurance Co." / "New York" in slight arc, left / four Continental soldiers: 2 drummers, 1 man with fife, 1 dead at their feet; broken caisson parts.

The sign was acquired by John's dad, who was a Continental executive, and has been in the family for over fifty years. John would appreciate any information a member may have about the sign and can be contacted at inspeak1@bellsouth.net or 615-383-5443.

MORE on the BURLINGTON INSURANCE COMPANY, BULAU US-BB-1

The following article is an update of my earlier article on the Burlington that appeared in the 2004-3 issue of *The Signevierist*, which may be view on the FMCA Website.

The statement below of C. G. McCarthy appeared in *The Twenty-Fifth Annual Report of the Auditor of the State of Iowa, on Insurance, 1894*. Des Moines: G. H. Ragsdale, 1894, page vi. *Google Book Search*. Web:

The Burlington Insurance Company, of Burlington, Iowa, failing in a well-meant struggle to make good an impairment to its capital, was compelled in the first days of February to make a general assignment of its affairs to W. E. Blake of Burlington, Iowa. This company's business was spread out over a large territory, and unfortunately was in several States where the fire losses were most disastrous. In the effort to restrict its business it withdrew from the most undesirable territory, and by aggressive and energetic work in a more circumscribed field endeavored to make up the severe losses it had sustained. But it was too late; the end of the year found the company impaired. The stockholders used every means to raise money, that the impairment to the capital might be made up and the failure averted, but without avail. Under the law, claimants had until May 27th to file claims, hence at this writing I am not in possession of any information from the assignee as to the assets and liabilities of the company.

Originally formed as a mutual in 1860, it converted to a stock company in 1865 with \$50,000 authorized capital stock of which ten percent was paid in and the rest secured by notes. After a year a five percent dividend was applied to the stock notes, the capital increased to \$100,000 and an additional ten percent assessed to comply with the requirement of twenty-five percent of the capital stock be paid up.¹ Writing only farm property, churches and schools the company wrote large amounts of premium throughout the entire West and by 1892 had \$200,000 paid capital. It was the largest Iowa insurer and highly respected for its fair dealings.

However, in November 1893 unsubstantiated rumors surfaced that the stockholders wanted the state insurance department to examine the company² and by early February of the next year the company failed.

What happened is an interesting insurance story.

The company's president John G. Miller claimed that he became ill in late 1893 and was not able to personally manage the business that had sustained considerable fire losses. According to an article in Chicago's *Inter Ocean*, reported in *The Chronicle*, the Burlington would annually reinsure its outstanding risks for about one week at the close of the year. This gave the company nominal solvency for its annual report of the insurance department.³ Even if there were no other problems, the president's inability to arrange the reinsure exposed its capital impairment and resulted in its failure.

Bob Shea

¹ *Western Insurance Review*. Volume I, April – May 1868, p. 246.

² *The Spectator*. Volume 51, No. 20, November 16, 1893, p. 232 and No. 21, November 23, 1893, p. 249.

³ *The Chronicle*. Volume LII, No. 9, March 1, 1894, p. 110. *Google Book Search*. Web.