



The Signevierist

Issue Number 2022-3

The Official Newsletter of the Fire Mark Circle of the Americas

2022 Annual Convention – Gettysburg, Pennsylvania



The Fire Mark Circle of the Americas annual convention was held in Gettysburg, Pennsylvania on September 29th to October 1st, with 25 members gathering at the Wyndham Gettysburg Hotel. As usual some members arrived early on Wednesday while the official convention started with the board meeting on Thursday at 2:00PM. Thursday evening was dinner on our own. After dinner we congregated in the hospitality suite as Tom Hardy and Scott Tippen set up our Silent Auction items. Bob Shea displayed his fine collection of insurance trade cards and there were many spirited conversations about the future of our organization. Friday, we boarded our tour bus, to head to the Gettysburg Museum of the Civil War. First, we watched the film “A New Birth of Freedom”, then we headed to see the Cyclorama, a nearly 50-foot painting created by French artist Paul Philippoteaux in 1884, depicting Pickett’s Charge. After a quick tour of the Museum and gift shop we headed back to the bus to take a 2-hour guided tour of the battlefield. The tour was very educational, and we even got to see the restoration-in-progress of a confederate monument depicting Robert E. Lee atop his famous horse Traveller.

After the tour ended this hungry bunch was dropped off at the General Pickett’s Buffett. After some good food and good conversation, we switched buses to head to the Eisenhower National Historic

Site. Here we were given a tour of the Eisenhower house and learned much about “Ike” and his wife Mamie. Exhausted, we headed back to the hotel for dinner on our own and meeting again in the hospitality suite.

Saturday morning started off as usual with our business meeting, followed by lunch at the hotel. The much-anticipated live auction was started at 1:15PM by long time auctioneer Gabe Laubacher. This was our first year using HiBid as our online auction platform. The highest bid on the online auction was then used as the starting bid in our Live Auction. Many thanks to Scott Tippen for getting the auction going this year and to Tom Hardy for arranging one of the finest collections of American marks in years in our Live Auction.

We concluded the convention with a fine banquet dinner at 6:30PM on Saturday evening. Bob Shea was presented with the Silver Salver for his many years of being the editor for the *Signevierist*. Afterward the hospitality room was again opened for visiting and some final goodbyes.

Many thanks to Hal Sandstrom and Tom Hewitt, our convention co-hosts, for a wonderful time in Gettysburg!! We hope to see all of you next year as we head to Chattanooga, Tennessee!

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It is with deep regret that I announce the death of Peter Faber on Monday, August 22, 2022.

If it wasn't his “CRS (Can't Remember Shit)” or his “Hospice Box” of cigars and Scotch Whiskey, Peter always had something to entertain you with. From his British leads to his collection of Scotch Whisky's, he was always in the search for another prize.

Ever since we met at the 2003 FMCA Convention in Frederick, Maryland, Peter, and I bunked together at FMCA conventions and visited each other's homes. I guess it was our shared interest in learning about fire marks that nurtured our friendship. That, plus the fact that we both were long time employees in the insurance industry and were former insurance instructors. As a pipe smoker, I actually enjoyed his choice of tobacco.

Whether it was a road trip to the Nashville FMCA Convention or an adventure to the Antiques Roadshow in Philadelphia, where Peter got on TV and I got a donut in the makeup room, we had a great time chewing the fat and enjoying the experience.

There wasn't a person that didn't respond to his warmth and bigger than life stories as a combat platoon leader and pilot in Vietnam, a part time New England farmer raising a family, or the president of a mutual insurance company that issued fire marks.

My sympathies are extended to his wife Liz and his family.

He was a boon companion and a dear friend that will be missed. Rest in peace.

Bob Shea

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THE ABCs of AMERICAN FIRE MARKS

N is for the New England Fire and Marine Insurance Company, Hartford, Connecticut
1857 – 1867, Bulau 290

The New England Fire and Marine Insurance Company was incorporated on May 28, 1857 with an authorized capital stock of not less than \$200,000, not exceeding \$500,000. The \$200,000 was quickly subscribed to and paid for in cash.

The company commenced business on November 1, 1858, and by 1859 the company was writing insurance in some of the major cities across the United States. By the early 1860s the New England Fire and Marine had 500 agents who secured considerable business.

Even though the New England Fire and Marine was authorized to write marine insurance and “Marine” was in its name, the company appears to have written only a limited amount of marine business and by 1861 they advertised that they wrote fire insurance, exclusively. On June 10, 1863, the company’s charter was amended to drop “Marine” and change its name to the New England Fire Insurance Company.

As was common in the period, capital and surplus were combined to show its

financial soundness. The most frequent combined amount shown in its advertising

was \$226,000 with the highest reported at \$246,000 for 1862. After years of operation, the company never really showed a growing surplus. Also, in order to appear financially stronger, some of their advertising pointed out that their authorized capital was \$500,000. Stressing an authorized capital is actually meaningless to a balance sheet, and somewhat deceptive. At the same time, total losses paid for an annual period were never shown. Its advertising did not show that the company was making a profit or that its underwriting was sound.

By 1865 New York State determined that their capital was impaired, which was made up by assessing the stockholders. Abridged financial statements in newspaper ads across the country did not indicate that there were any problems. It wasn't until New York State did not renew their license for 1867, again for impaired capital, that there was any indication of a problem.

On June 15, 1867, Connecticut's Probate Court ordered the company into liquidation and appointed a receiver. The insurance press later reported that the New England Fire Insurance Company was able to pay all its losses.

The Old Underwriter

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THE ABCs of AMERICAN FIRE MARKS

O is for the Omaha Fire Insurance Company, Omaha, Nebraska
1889 – 1896, Bulau US-OA-1

Organized by wealthy businessmen and backed by the banks, the Omaha Fire Insurance Company was incorporated on May 15, 1889, and commenced business the next day on May 16, 1889. Its authorized capital stock was \$100,000 at \$100 a share of which \$50,000 was paid in cash and the other half in notes.

Unlike most other insurance companies of the period, I was unable to find any newspaper advertising, either by the company or its agents, from 1889 to 1896. The only reference to the company was either a court dispute or the occasional praise by a policyholder for payment of a minor claim.



It seems that the story of Omaha Fire Insurance Company doesn't begin until its failure. It wasn't until the company declared insolvency in February 1896 and a receiver was appointed, that revelations about the company surfaced. The court appointed receiver, Earl W. Gannett, was recommended by the failed insurer's board of directors and was a director and stockholder of the failed company. Such an appointment of an insider seemed unusual considering the function of a receiver is to preserve the assets of the company and pay off the creditors of the failed insurer.

Rumors surfaced that the policyholders were not receiving full refund of their unearned premiums and were told by the receiver to go to other insurers for coverage. The new agent would cancel the old policy short rate and deduct their commission from the refund. The resultant premium, in most cases, would not cover the cost of the new policy. At that point, the State Auditor, Eugene Moore, stepped in and asked the court to allow him to intervene on behalf of the policyholders to require the receiver to reinsure the almost \$2,000,000 worth of insurance with about \$30,000 worth of unearned premium or return the full unearned premiums to the insureds. While the court denied the Auditor's intervention on March 7, it did require the receiver to solicit bids for reinsurance of the existing policies.

By the end of 1896, the receiver had not asked for reinsurance bids and a judge directed the receiver to sue the stockholders for the \$50,000 on their unpaid

notes. Claiming that the assets were considerably less than liabilities, the creditors asked the court to replace receiver Gannett. On March 1897 Gannett was replaced by L. F. Crofoot. So worthless were some of the assets that at auction over

\$31,000 in notes were sold for \$350. The new receiver pursued a more productive course and continued for years to go after stockholders for their unpaid notes. It seems that the directors, who ran the company into the ground, owned 71% of the stock.

After reviewing past annual statements from the Omaha Fire Insurance Company several items stand out. For example, in the first two years the company indicated that dividends were not paid to stockholders. Also, the payment of dividends was not shown in statements for the years 1891 through 1895. Why would businessmen invest in an insurance company that did not pay dividends? What did they get in return for the use of their capital?

Another example is the 12/31/1895 annual statement, which covers the year before the bankruptcy. The company reported that since organization the company received \$657,000 in premium and paid \$277,000 in losses. That's very profitable for an insurance company. How come their surplus never came to at least \$9,000 in any year? Also, what happened to the \$66,000 reserve for reinsurance?

Lots of questions, with few answers.

The Old Underwriter

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ANOTHER NEW ZINC SURFACES!

A great advantage to going to the conventions each year is that members can showcase their latest finds for other members to enjoy. This was the case when member Scott Tippen brought along this amazing find:



Per Bob Shea the Great Western Mutual Fire and Marine Insurance Company of St. Louis was a fly by night company, who paid more in salary than in claims. Its president and secretary were the same officers in the Home Mutual Fire and Marine Insurance Company of St. Louis. The Great Western had lots of fire business on the books but no cash. It was a mutual that counted its premium notes as capital. In fact, the Home Mutual gave the Great Western \$5,000 to pay for its reinsurance in 1871. Never saw that before and shows how inadequate state regulation was in Missouri at the time.

The great Western made a 10% assessment in October 1873 and never showed up again. Although incorporated in 1855, they did not commence business until 1867. It most likely went bankrupt ca. 1873.

This zinc mark has an interesting history!

This mark will be classified as US-GH-1 in the addendum. The page will be attached for those getting the newsletter electronically or printed out for those requesting a mailed copy.