



The Signevierist

Issue Number 2018 – 1

The Official Newsletter of the Fire Mark Circle of the Americas

FIREMEN'S INSURANCE COMPANIES: ASSOCIATED FIREMEN'S INSURANCE COMPANY OF BALTIMORE (Bulau 166)

The **Associated Firemen's Insurance Company of Baltimore** began life on March 10, 1846, when it was chartered as an insurance company under the name of the "Association of Active Firemen in the City of Baltimore."¹ Feeling that the act was inadequate to form an insurance company as promptly as desired, it was repealed and replaced on March 9, 1847² with an act chartering the Associated Firemen's Insurance Company. A review of the charter's various sections show that the company was organized for the benefit of the volunteer fire department:

Stock

- The capital stock was \$67,500 with 13,500 shares at \$5 each. \$2 was paid for each share at subscription with an additional \$1 sixty days after the company began operations, \$1 sixty days later, with the last \$1 sixty days thereafter. Capital stock could be increased up to \$300,000.
- Only members of a fire company could subscribe to stock. Each of the seventeen fire companies could subscribe to 200 shares for its own use and the individual members could subscribe to an additional 550 shares. After one year, shares not subscribed by the company could be taken by the members.
- The Baltimore United Fire Department, organized in 1834 to promote uniform supervision of the volunteer firemen, could subscribe to 750 shares.
- A stockholder who ceased to be a member of a fire company had sixty days to transfer his stock to a fire company, fire company member or the Baltimore United Fire Department. After the sixty days, the stockholder would not receive any portion of the company's profits.
- Shares of a deceased stockholder had to be transferred to a member of a fire company within two years. A member could hold in trust for the benefit of the widow or children, but when the child became of age they must become members of a fire company
- Business began as soon as 5,000 shares were subscribed.

Directors

- The directors had to be stockholders and elected a president from their own body or other stockholders. Previous to entering their offices they had to take the following oath, "I _____ do

swear, or affirm, as the case may be, that I will faithfully, diligently, impartially and honestly fulfill the duties of my office of _____ to the best of my knowledge and ability.”

- There were not a stated number of directors. However, each company with 200 shares was entitled to one director. The Baltimore United Fire Department was also entitled to one director provided they held 200 shares.
- The directors were elected in each fire company, each company a stockholder and each individual stockholder had one vote, and the person having the highest number votes was chosen as the director.
- No director of any other fire insurance company could be a director of the company.
- The directors and president could appoint a secretary, clerks and other officers to transact business and allow them salaries, including compensating the president.

Miscellaneous

- The company was authorized to make all kinds of fire insurance only within the limits of the city of Baltimore. (The limitation to Baltimore was repealed in 1865.³)
- 50 stockholders, who together own 500 shares, could at any time apply to the president and directors to call for a general meeting of the stockholders. Should the board refuse, the stockholders may on their own call for a general meeting by publishing at least a fifteen day notice in the newspapers stating the object of the meeting.
- Fire company members were entitled to a 5% discount on their insurance.
- Dividends on profits were payable semi-annually, but not exceeding twelve and a half percent, with the remainder of profits retained as a reserve fund until the fund accumulated \$50,000. Once this fund accumulated \$50,000, profits over twelve and a half percent could be declared equally between the fire companies and the United Fire Department. (In 1852 this was replaced so that the board was authorized to make, at its discretion, donations to the fire companies. It appears that the Baltimore United Fire Department did not subscribe to its allocated 750 shares.)
- Dividends could not be paid where losses reduced the capital stock until profits replaced the capital.
- The company was not authorized to issue any note, script or any debt to be used as currency.

The volunteers, operating under the Baltimore United Fire Department, were replaced by a paid department with an ordinance passed on December 10, 1858.⁴ Although not in active service, the United Fire Department did not disband immediately. Recognizing the inevitable, the Associated Firemen’s Insurance Company inserted the following preamble to its December 19, 1861 charter amendment:

WHEREAS, The city of Baltimore having established a Paid Steam Fire Department, and the Volunteer Fire Department being about to disband, it becomes necessary to provide for the election of directors....instead of as at present by the stockholders in the respective fire companies composing the Volunteer Fire Department;⁵

The amendment repealed sections relating to the restrictions of stock ownership and directorship to

members of a fire company, the 5% discount to firemen, and fixed the number of directors to fifteen. Most likely, in an effort to prevent the control of the company by individuals with large blocks of stock, new directors were chosen as follows:

- One votes 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 & ten,
- One vote for every twenty shares over one hundred & ten, but no person could have more than thirty votes.

Always smaller than the Firemen's Insurance Company, the Associated Firemen's prospered. Even though the company was authorized to write insurance outside Baltimore, their efforts to do so were half-hearted and confined to Maryland, primarily in Baltimore. For years the company had modest losses and paid dividends of around \$20,000 per year. However, Maryland business in the late 1890s became unprofitable with mergers and retired companies as a result. The stock of the Associated Firemen's Insurance Company was purchased by the newly organized Fidelity Fire Insurance Company of Baltimore in 1899 and in 1900 the company was absorbed by the Fidelity Fire.

Bob Shea

¹ Maryland State Archives. *Session Laws, 1845*. Volume 611, pp. 419-427, Chapter 372. *Archives of Maryland Online*.

² Maryland State Archives. *Session Laws, 1846*. Volume 611, pp. 17, 340-348, Chapter 352. *Archives of Maryland Online*.

³ Maryland State Archives. *Session Laws, 1852*. Volume 615, pp. 161-162, Chapter 167. *Archives of Maryland Online*.

⁴ Forrest, Clarence H. *Official History of the Fire Department of the City of Baltimore: Together with Biographies and Portraits of Eminent Citizens of Baltimore*. Baltimore: Williams & Wilkens, 1898, p. 103. *Google Book Search*

⁵ Maryland State Archives. *Session Laws, 1862*. Volume 532, pp. 9-11, Chapter 7. *Archives of Maryland Online*.

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## ANOTHER UNFOUND FIRE MARK

The following is from the Lykens Valley Mutual Fire Insurance Company's publication *Through the Years: 100 Anniversary, 1954*. Miles V. Miller, The Valley Citizen, View, PA., page 33:

### HOUSE PLATES - 1875

During the 1700's and 1800's it was the custom of some insurance companies to fasten metal plates of their name and insignia on all buildings insured by them. In view of this practice, the Lykens Valley Mutual on June 26, 1875 directed its Secretary to correspond with manufacturers concerning same. Two months later an order was drawn for \$45.59 to Kellogg & Bulkeley, of Hartford, Conn., for 1013 House Plates for use by the Company.

The firm of Kellogg & Bulkeley also made the fire mark for the Des Moines Insurance Company, B452, and paper cutters for such companies as the National Fire, Travelers, Connecticut Fire, Guardian Assurance, Western Assurance and the Queen.

To date no fire mark has surfaced for the Lykens Valley Mutual Insurance Company, Elizabethville, PA. It's interesting to note that the cost for each fire mark was 45 cents. I wonder what such a mark would bring at our FMCA auction.

Bob Shea

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SUN INSURANCE COMPANY, CLEVELAND, BULAU 361

Most of the time I have to track down what happened to an insurance company to determine how it ended its days. It's not often that I find something as clear and honest as the following:

The president of the Sun Insurance Company, of Cleveland, Ohio, Mr. E. C. Rouse, has addressed his agents in a circular letter as follows: In view of the extreme demoralization existing in the fire insurance business, which affords no promise of profit to compensate for the *personal liability* which attaches to this stock, the stockholders of this company, on the recommendation of the management, have decided to discontinue the business of insurance, and retire the capital.

After all losses and re-insurance shall have been provided for, it is estimated that the stockholders will receive one hundred and seventy on the par value of their stock. While the policy of the company was never so strong as at this date, the company, for the further protection of its policyholders, has caused all its risks to be re-insured in the Continental Insurance Company of New York city, a recognized standard company, possessing three millions of assets.

Please forward to this office, by express, all supplies held by you for account of this company; also, kindly render your final account with the company *by earliest mail*, enclosing all unpaid policies on which premium cannot be collected during the month of December. Also, please remit for balance due company, without fail, during present month, so that we may be enabled to close our books with this year.

Thanking our agents, many of whom have long served our interests with rare fidelity, we greatly regret the occasion for the severance of our connection, which has been almost uniformly mutually pleasant and profitable.

The Baltimore Underwriter, Volume XVI, No. 24, December 14, 1876, p. 376. *Google Book Search*. Web.

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