



FIFTY YEARS *of* SURETYSHIP
and INSURANCE

*The Story of
United States Fidelity
and Guaranty
Company*

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It is the Company's aim to interpret its contracts in a broad and liberal spirit, giving the benefit of the doubt to the insured. Claimants are to be treated with courtesy, justice and honesty—and the Company does not propose to take advantage of a sincere claimant with a just claim . . . In compensation claims the spirit as well as the letter of the law must be carried out . . . Every claimant entitled to payment under the law should receive it promptly, regularly, and in full.

Policyholders are interested also in the effort of insurance companies to keep unjust and fraudulent claims down to a minimum, for the loss payments are one of the determining factors in rate making. Underwriters do not "set premium rates;" they compute them on the basis of loss experience. Other things being equal, rates go down if losses are reduced and go up if losses increase. No policyholder, therefore, if he considers his own and the public's interest, will countenance the payment of an unjust claim. In the end he will have to pay the cost through an increase in premiums. Again, while insurance companies have failed because of excessive losses incurred through incompetent underwriting, it is equally true that others have failed because losses piled up through incompetent claim adjusting.

The selling of capital-stock company insurance is unlike the selling of commodities. Bonds and policies are sold through agents and brokers—independent business and professional men—who ascertain the needs of their clients and recommend the proper forms of protection. Agents and brokers, schooled in the scope and uses of insurance and acquainted with the requirements of their clients, design a pattern to fit the need. In the field of safety

*The Agent
and Broker*