



1877

CHAUTAUQUA  
PATRONS'  
INSURANCE  
ASSOCIATION

1977





**CHAUTAUQUA PATRONS' INSURANCE ASSOCIATION**

*ONE HUNDRED YEARS OF DEDICATED SERVICE*

*1877 - 1977*

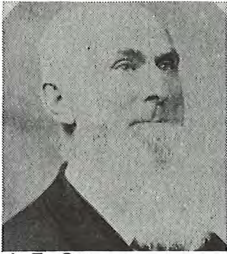
*Our sincere thanks and appreciation for the help given us by Calvin Bowen, Mrs. Everett Edson, Donald L. Jordan, Mrs. Earl Minckler, Mrs. L. Olmstead, Mrs. Everett Barmore, notes written by the late Mr. Edson, and all who gave assistance, encouragement and cooperation in compiling the events that make up this history.*

*Karen Sandberg  
Marian Oberg*

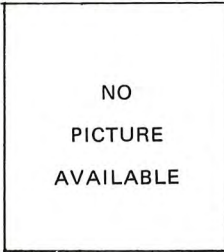
## PRESIDENTS



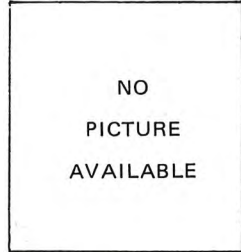
*A. A. Stevens*  
1877-1880



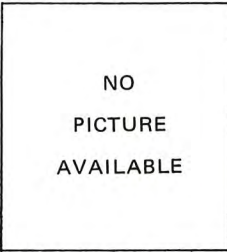
*J. E. Ottoway*  
1880-1881



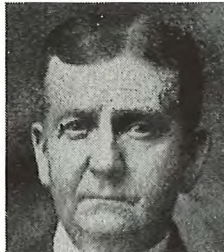
*Flint Blanchard*  
1881-1883



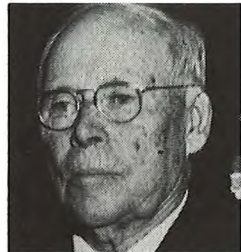
*Jesse Brown*  
1883-



*Thomas H. Gifford*  
1904-



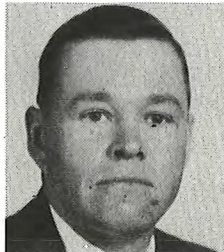
*Albert A. VanVleck*  
1918-1926



*Francis N. Rundell*  
1926-1947



*Clyde M. Lowell*  
1947-1967

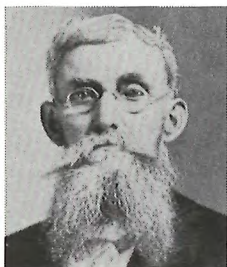


*Everett J. Edson*  
1967-1974



*H. Everett Barmore*  
1974-

## SECRETARIES



*W. C. Gifford*  
1877-1891



*Jared Hewes*  
1904-1935



*Walter Hewes*  
1935-1947



*Gunnard Sandberg*  
1947-1971



*Calvin A. Bowen*  
1971-

Articles of association of  
The Order of Patrons Fire Relief  
Association adopted Aug 24 1877.

Whereas: Cooperation for mutual benefit and protection is one of the fundamental principles of the Order of Patrons of Husbandry. Therefore; We as patrons of Husbandry believing that the present rates of insurance from loss by fire or lightning are higher than necessity requires, do hereby pledge ourselves mutually to share each others losses in the manner hereinafter provided in the articles of association and By Laws of the same, and for the faithful performance of the conditions contained therein. We do mutually pledge our honor as men and Patrons, as witnessed by our signatures hereunto affixed

G. D. Kinchley  
A. H. Stevens  
be Roy Whitford  
Geo. W. Rugg  
J. D. Berry

G. E. Rockman  
J. E. Ottoway  
D. W. Washburn  
A. Burnham  
W. C. Gifford

Sam Townsend	R V Love
John H Tompkins	Wm Reed
John H Scott	E A Ross
John Porter	G E Bates
W D Harris	Howard
David Riden	H W Harris
Selden Barker	Irwin Bedient
Phin Smith	Nelson Chamberlain
G M Barber	John Est Barker
A S Menton	James H Mit
Stephen S Hunt	Erasmus Gifford
T A Sindal	B D Dewey
Wm D Gifford	Wm Little
Major Sinclair	

The association then proceeded to the election of Officers for the year ending Jan 18<sup>th</sup> 1878 with the following result

President	A A Stevens Sinclairville
Secretary	W C Gifford Jamestown
Treasurer	G E Ryckman Brocton

Grange No 1	Directors
" " 2	G D Winckley
" " 36	G E Ryckman
" " 65	J E Altway
	Wm Hitchcock



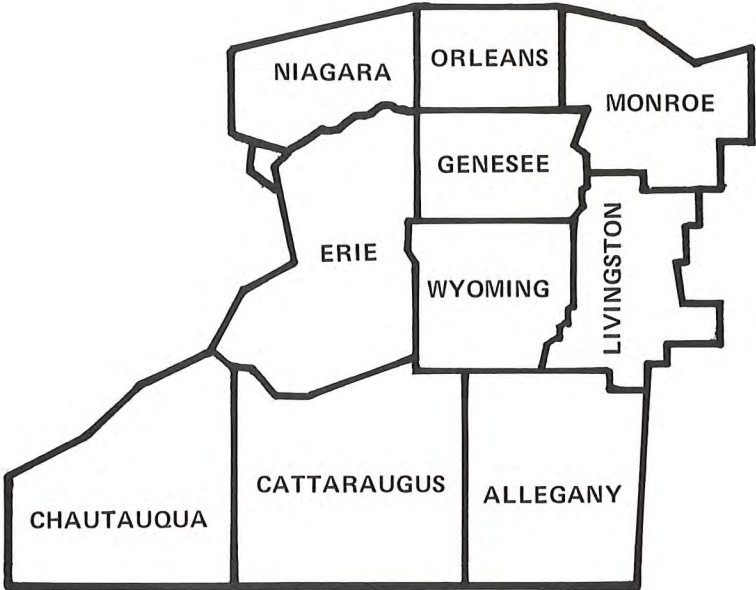
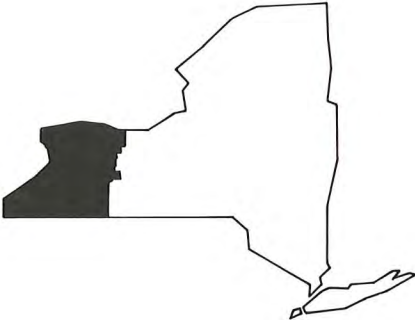
6-11 Grange No 300	Le Roy Whitford
" " 235	G. H. Goidwold
" " 241	J. D. Berry
" " 244	W. C. Gifford
" " 107	G. H. Barber
" " 169	Jesse Brown
" " 305	Ed W. Clegg
" " 316	Pliny Smith
" " 357	Saml Townsend
" " 401	C. A. Stevens
" " 412	Mejor Sinclair

On Motion Resolved that our Secretary be authorized to procure the necessary printing for the association. On Motion the association then proceeded to adopt the By Laws of the Seneca County P. O. A. subject to revision and amendment.

The association then adjourned to meet at Grange Hall in Jamestown Oct 19<sup>th</sup> at 10 a.m.

W. C. Gifford Sec

**NEW  
YORK  
STATE**



**Chautauqua Patron's Insurance Association  
is licensed to write insurance  
in ten counties of Western New York State**

This is the biography of the Chautauqua Patrons' Insurance Association, which began life in 1877 as the "Patrons' Fire Relief Association." It is the story of a company that looks forward with confidence to its second century after completing its first hundred years. Those that are successful, or sage enough to weather the hazards of a full ten decades have reason to be proud of their accomplishment and to observe the event, by compiling and printing a history of their first hundred years.

A glance into the history of cooperative fire insurance associations in New York State show that their growth was sparked by the organization of the Granges, starting in 1868. There were a few companies operating before the Civil War, but the great majority of them were organized in a short twenty year period following the organization of the Granges. It all began when farm families belonging to the fraternal organization called "The Order of Patrons of Husbandry," banded together for the purpose of providing insurance against loss by fire of farm-related property.

At the first annual meeting of the Chautauqua County Pomona Grange, on January 28, 1876, Brother W. H. Scott from Sinclairville was elected Master. At the July meeting, held at the Union Grange in Jamestown, Brother George D. Hinckley, Master of the New York State Grange, presented for consideration the By-Laws of the Patrons' Fire Relief Association of Seneca County. It was also by suggestion of Brother Hinckley that the Pomona Master, Mr. Scott, appointed a committee to draft rules and By-Laws for a fire insurance company to be organized. The committee on fire insurance reported in favor of adopting the By-Laws of the Seneca County Fire Insurance Company, with some small amendments.

Worthy Master W. H. Scott appointed one member from each Grange as a Director to complete the organization of a Patrons' Fire Insurance Company in Chautauqua County.

At a special meeting of the Pomona Grange in Sinclairville, on August 24, 1877, it was agreed that the Order of Patrons of Husbandry believed that the present rates of insurance from loss of fire or lightning were higher than necessary. They, therefore, pledged to share mutually each others' losses. The association then proceeded to elect their officers and adopt the By-Laws of the Patrons' Fire Relief Association of Seneca County, subject to revision and amendment. Mr. Allen Alonzo Stevens, of Sinclairville Grange, was elected President. Mr. Stevens first came to Chautauqua County in 1834, was educated here

and at Lima University, and adopted the teachers' profession, teaching several terms in his native village of Walworth. Returning to this county, he was married to Eliza Lake of Charlotte Center, and settled on a large farm there. He became noted as one of the most progressive and enthusiastic farmers of that period and during the Civil War and the years that followed, was one of Chautauqua's central figures in all that pertained to the advancement of agriculture. He and his wife were Charter members of Sinclariville Grange, which was organized on April 20, 1876. Both Mr. and Mrs. Allen were loved and revered by their friends. "Truly, it is well to build our monuments in the hearts of our associates." Garrett E. Ryckman, of Portland Grange, was elected Treasurer. His grandfather, "Deacon" Fay, was the first settler of Salem Cross Roads, which later became the Village of Brocton. He planted the first grapevines in Chautauqua County. Garrett spent his boyhood and youth with his grandfather, getting a practical education in the disposition of fruit, which stood him in good stead in the development of the grape industry in Western New York. In 1859, he and two others built and owned the "Brocton Wine Cellars." He was a Republican in politics, attended the Methodist Church, and took a great interest in brotherhood organizations. He was a Mason, and a prominent member of the Grange. He was instrumental in organizing the Village of Brocton, and at its first election was elected President. He was known as one of the successful and prosperous self-made men of Chautauqua County. Walter C. Gifford, a Charter member of the Union Grange, was elected Secretary. The Directors were also elected, and it was at this time that it was voted to loan the Company the sum of \$15.00 to purchase needed supplies to start the new "Patrons' Fire Relief Association."

The Association was fortunate in having such a progressive farseeing man as Walter Gifford as Secretary. While a delegate to the New York State Grange in Rochester in 1882, he met with other officers of assessment fire insurance companies and formed the Central Organization of Co-operative Fire Insurance Associations in New York State, serving as its Secretary for ten years. He also served as a State Assemblyman. His first nomination came from the influence of his many friends in the Order of Patrons of Husbandry, and not at his own request or solicitation, thus exemplifying one of the fundamental principles of the Grange that "The Office should seek the man, and not the man the office." He later became Master of the New York State Grange. He held the position of Secretary of the Patrons' Fire Relief Association from 1877 to 1891.

A brief statement of the principles under which the Association was formed might be in order. Of the two types of fire insurance: non-profit insurance and insurance for profit, the Patrons' was the nonprofit type. Its sole purpose was to provide cash indemnity to the person insured for loss to his property by fire or lightning. The method of providing such cash is the collection of funds from all who are insured to be paid to the few who suffer loss. This is the basic principle of mutual fire insurance first established by Benjamin Franklin back in the 18th century. It is interesting to note that for 67 years the association financed its operation on the principle of waiting to see how much the losses would be and then levying an assessment to pay them. This, of course, was the same method used by our towns and other government units to pay their bills. (It was not until 1944 that the By-Laws of the association were amended in order to levy an advance assessment to pay estimated losses. Interestingly enough, the town governments just the year before began levying for budgeted expenses!)

After the August meeting at which the Patrons' Fire Relief Association of Chautauqua County was organized, the next meeting was held in October, 1877. At this time the amended By-Laws and Articles of Association were accepted for publication. On motion, the Secretary was instructed to have the Articles of Association and the By-Laws, as amended, published as soon as possible, also to have the rules of the association printed on the back of each policy. The By-Laws were to be distributed as soon as printed. The Annual Meeting was fixed for the third Friday in January, 1878.

On January 18, 1878, the first Annual Meeting of the Chautauqua County Patrons' Fire Relief Association was held at the Grange Hall in Jamestown. The Minutes of that meeting tell us that a majority of the Directors and a large membership were present. At this time the requisite number and amount of applications were presented and passed upon by the Board of Directors. The Secretary was authorized to issue policies bearing the date of January 18, 1878, and the President and Secretary were authorized to issue policies in the interim between meetings, provided the applications were correct and duly certified by the Director viewing the premises.

By April, 1878, risks had been taken amounting in the aggregate to \$114,386. At a meeting in June of 1878, applications for insurance were passed upon and officially signed and issued, amounting to over \$30,000. On motion resolved, the Treasurer of the Association was to be required to give bonds in the sum of \$10,000. This raised the legality

of such a bond, and the Secretary was instructed to write to William G. Wayne for his opinion as to the legality of such a bond. Notice was given that an amendment to the By-Laws (Section 22) required the directors to meet on Thursday preceding the third Friday in January of each year.

The Annual Meeting which was to be held in January 1879 was self-adjourned because it was impossible for a quorum of the members to get there, owing to the snow blockade. The meeting was re-scheduled for February 10th, 1879. The first Financial Report, dated January 1879, was given, and the Annual Report of the Chautauqua County Patrons' Fire Relief Association was read by the Secretary, as follows:

“Mr. President, and members of the P.F.R.A. — the organization of this company was perfected January 18th, 1878. In common with other companies organized upon the Mutual plan, it met with bitter and determined opposition from the outset. Stock insurance companies and their agents denounced the whole scheme as a swindle and warned farmers both out of the Grange and in, not to countenance or support such an organization. Many of our own members were, to say the least, not over sanguine of its success, but were willing that the sanguine ones should test its merits. Influential farmers predicted its failure, and business men scoffed at the idea of farmers having the capacity to manage an insurance company. Our so-called representatives in the Legislature fearing that it would be dangerous to encourage farmers to do business for themselves, helped to enact a law prohibiting the organization of insurance companies without a paid up cash capital of \$200,000. All this was done to prevent farmers being subjected to loss, by unlawfully agreeing to mutually share each others losses. Not content with this, Senator Pierce of Buffalo, that noble self-sacrificing friend of the laboring classes, introduced a bill in our State legislature last winter, making it a misdemeanor for any body of men to organize Mutual Insurance Companies, except in strict conformity to the law. Such offence to be punishable the same as any misdemeanor. A few simple farmers protested against this kind of legislative protection, and failing to obtain redress from the powers that be, after vainly petitioning the legislature for the same, went forward, placing their faith and trust, **not upon the law**, but upon the honor and fidelity of their fellowmen, and today Mutual insurance is an acknowledged success throughout the entire State. But let us look well at this plan and see if it is worthy the endorsement and support of farmers. It is any better than the old plan of insuring in the Stock companies. We answer, yes,

and for several reasons. In the first place, we insure none but farm property, and consequently are much less liable to loss than companies that insure all kinds of property. In the second place, we pay but a mere nominal sum for insurance, relying upon assessments to pay losses. Thirdly, we never advise insuring high for the sake of increasing the percent of the agent, and then rely upon adjusters to get us out of the scrape in case of a fire. On the contrary, we hold to the theory that every man should insure so low, that he will be exceedingly careful of his buildings. Forthly, we believe it is better to pay our money **when** it is needed, to one of our own class, that has been unfortunate, than to contribute to the upbuilding of a monied power in our land that seeks to deprive the laboring classes of the right of representation. And lastly we claim that this plan, if universally adopted, would be a great saving and benefit to the farmers . . . Of course, we are liable to loss and may have to pay fully as much in five years, as we would in the Stock company, but we can if necessary do it with a good grace, knowing that it will afford relief to a brother in time of need. On the other hand, if we are fortunate enough to escape with slight loss, there will be a further gain in the use of the money that we saved in first cost . . . Farmers, is not this plan of insurance worthy of your patronage?"

W. C. Gifford, Sec.

At a special meeting of the Pomona Grange, held in Clymer, N.Y., on October 16, 1879, a check for \$32.00 was received from the newly organized insurance association in repayment of the money loaned them to start the business.

By January 16, 1880, the amount of risks were \$237,117., with 121 policies in force. A steady growth brought the amount of risks to \$314,055. by January 21, 1881. The Secretary's salary was now raised to \$30., and in January, 1882, to \$35., "after a careful investigation of the records showing the amount of labor performed." He was again raised to \$40. in December of 1882, "because the Secretary has faithfully discharged the duties of his office." By December, 1884, he was earning \$80.! John E. Ottaway was President for one year, from 1880 to 1881. He held positions of trust in his town and county, was on the Board of Supervisors and a Director of the State Bank of Sherman. Flint Blanchard was President from 1881 to 1883. Flint was a farmer and dairyman and prominent in Democratic politics and the Grange.

The Annual Report for the year ending December, 1884, showed risks remaining in force at that date — \$787,456.00 and 363 policies in

# FIRST ANNUAL FINANCIAL REPORT

January 17, 1879

First Policies issued – January 18, 1878

Number of policies issued and not cancelled during year ending January 17, 1879	—	92
Number of policies cancelled	—	3
Amount of Risks at present date – \$192,884.		
Average amount insured in each policy:		\$2,074.00
Total amount of premium received:		\$ 238.65
Amount received for 91 Policies:		<u>91.00</u>
Total receipts:		\$ 329.65
Amount of Policy not accepted:		<u>2.28</u>
		\$327.37

Average cost per Policy – \$2.54 3/10

Rate Per Cent – 1 1/5 Mills

## Disbursements

Expenses of Directors:	\$ 172.00
Director Pliny Smith:	6.00
Secretary's Salary:	25.00
Rent of Odd Fellows Hall:	<u>2.00</u>
	\$ 205.00
Balance in Treasury, January, 1879	<u>122.37</u>
	\$ 327.37



force. Following the Annual meeting held on January 13, 1885, in the Odd Fellows Hall in Jamestown, N.Y., a meeting of the Board of newly elected Directors took place. Officers elected were: President, Jesse Brown, of Clymer; Mr. Brown engaged in cattle dealing, was Town Superintendent, Supervisor for many years, Loan Commissioner, and also engaged in merchandising, a prominent Democrat and substantial citizen of Clymer where he was active in the Grange; W. C. Gifford was again elected Secretary, and William O. Brownell of Bemus Point, Treasurer.

On motion it was resolved that the association pay the sum of \$2.00 to the N.Y. State Central Organization of Co-operative Fire Insurance to entitle it to membership in said organization. A meeting was set up for June, 1885, to act on amendments, and an additional one offered by W. C. Gifford, changing the time of holding the Annual Meeting to the second Tuesday in January of each year, in conformity with State Law.

This is the end of the first book of Minutes kept by Walter C. Gifford – 1885. Records for the next 32 years are missing.

## ANNUAL REPORT OF THE CHAUTAUQUA COUNTY PATRONS FIRE RELIEF ASSOCIATION

Annual report of the Chautauqua County Patrons Fire Relief Association for the year ending Jan. 21, 1882:

No. Policies written during the year .....	39
No. Policies written since the date of organization (Jan. 18, 1878) .....	204
No. Policies cancelled since date of organization .....	14
No. Policies now in force .....	190
Total risks on all policies issued previous to Jan. 21, 1882 .....	\$390,861.00
Total loss by cancellation since the date of organization .....	14,588.00
Total risks on policies remaining in force Jan. 21, 1882 .....	376,273.00
Average am't insured in each policy .....	1,980.38½
Total cost of insuring \$1,000 for 4 years, including all losses .....	1.96
Total cost of insuring \$1,000 for 3 years, including all losses .....	1.09

### RECEIPTS

For the year ending Jan. 21, 1882:

Amount remaining on hand Jan, 21, '81 .....	\$116.40
Premiums on policies .....	87.13
Issuing policies .....	<u>39.50</u>
Total receipts .....	\$243.03

### DISBURSEMENTS

For the year ending Jan. 21, 1882:

Paid Directors .....	\$85.50
Secretary's salary .....	35.00
Stationery, stamps, etc. ....	4.25
Printing notifications .....	2.75
Rent of hall .....	<u>1.50</u>
Total disbursements .....	\$102.00
Balance in treasury Jan. 21, '82 .....	<u>141.03</u>
	\$243.03

Table of comparisons of Mutual and Stock Insurance companies for Chautauqua Co.:

Total amount of risks covered by 190 policies now in force in the Chautauqua Co. P.F.R.A. ....	\$376,273.00
Premiums on 190 policies for five years .....	460.95
Issuing 190 policies .....	<u>190.00</u>
Total first-cost to policy holders in Mutual Co. ....	\$650.95

Cost of insuring the same amount in Stock Company for the same time:

Cost in premiums for insuring \$376,273 in a Stock Co. three years at ¾ per cent .....	\$2,821.93
Issuing 190 policies .....	<u>190.00</u>
Total cost three years .....	\$3,011.93

Cost for additional two years in Stock Co., making the time the same as in the Mutual Company .....	2,007.94
Total cost in Stock company five years.....	5,019.87
Total first cost in Chaut. Co. P.F.R.A. ....	<u>650.95</u>
Difference in first cost of insuring \$376,273 is.....	\$4,368.92

Thus we see that we have made an actual saving in first cost of \$4,368.92 by insuring in a Mutual company. This amount we have in our own pockets, as a reserve fund to meet possible future losses. There is a still further gain in interest on money saved in first cost. One year without loss will give an interest gain of \$262.13½. Five years a gain of \$1,310.67. Add to this the saving in first cost of \$4,368.92, and we have a total possible saving of \$5,679.59. From this amount deduct our *total loss* since date of organization of \$57, and we still have an actual saving of \$5,622.59. This shows an average saving per capita for 175 policy holders of \$32.12.9. There are 6,000 farmers in Chautauqua county, and if all insured in this way there would be a saving in first cost of \$192,747.00.

Of this amount we will set aside \$92,774, an amount more than sufficient to pay all losses on farm buildings for any period of five years, and we still have a clear saving of \$100,000 for the farmers of one county, or an average of \$20,000 per annum.

There are sixty mutual fire insurance companies in the State of New York, carrying risks amounting in the aggregate to \$57,746,230, and the total cost for all losses and expenses in the last three years is only \$1.62 on each \$1,000 insured. The actual saving to the farmers insuring their property in these companies is \$360,176 in three years.

Through careful and judicious management in taking risks, and extreme good luck, the Chaut. Co. P.F.R.A. has safely passed the critical period in its history and has to-day a sound financial basis. If we had experienced heavy losses, or even a loss of \$2,000 or \$3,000, when our entire risks amounted to but \$100,000 or \$150,000, the burden of assessments upon so small an amount would have tested our faith severely, and might possibly have resulted in the dissolution of the company. We have at present \$376,273 insured, and applications that will swell the amount to about \$400,000, upon which to make assessments in case of loss. Consequently our assessments will be 75 per cent lower than when we had but \$100,000 insured.

The auspices of the company are better today than at any previous time since its organization, and it is confidently believed that its risks will

exceed half a million before its next annual meeting. The necessary steps have been taken for incorporation under the law of 1881 entitled "An act to provide for the formation of county and town insurance companies." All policies heretofore and hereafter issued by this company will be under the sanction and protection of the laws of the State of New York.

In conclusion we most respectfully ask the careful consideration of the above report by all farmers.

W. C. Gifford, Sec'y.



*Members of The Chautauqua Patrons Fire Relief Association Executive Committee photographed about 1934. Front, 1 to r, Francis Rundel, Jared Hewes, and Fay Putnam. Rear, 1 to r, George Griffith, Jack Jacobson, Walter Hewes, and Alfred Blaisdell.*

The first Minutes in a book kept by Secretary Jared Hewes were recorded at a meeting of the Executive Committee held April 2, 1917, at Hotel Everett. A financial report given by Mr. Hewes at that time, showed an indebtedness of \$4,988.07. Evidently only one other meeting was held that year, on July 30, 1917.

The year 1918 started with an Executive Committee meeting held Jan. 1, at Hotel Everett, followed by a Directors' meeting on January 2nd, and an Executive Session of the Board on January 3rd! At this time claims were presented and settled. The Secretary presented a copy of the By-Laws with the amendments which were passed January 17, 1917, for adoption by the board, with the changes that called for "**not less than 30 Directors.**" The board voted to allow the Secretary \$1,000. salary, and to allow the Treasurer \$25. The Annual Meeting followed on January 16th. At this meeting, Albert A. VanVleck, of Union Grange, was elected President. Mr. VanVleck had been Secretary of Pomona Grange. It is interesting to note that it was moved and carried "to instruct the Executive Committee to arrange some plan whereby those which pay promptly shall receive a rebate or those which are late shall pay a forfeit."

1919 saw a change in the amount of insurance permitted within 100 feet. An appointed committee made the following report: "Class 6 — "where buildings are nearer than 100 ft. and not nearer than 60 ft. there may be \$10,000. written in two policies, with not more than \$7,000. in either policy, when owned by one person or family." So a new class was added to the application and policy By-Laws.

Jan. 1, 1920 — Mr. Hewes' notes read: "The day was a busy day, in settling with the Directors the year's work — which began at eight A.M. and lasted until 10 P.M. Many amendments to the By-Laws were passed upon, and declared carried unanimously. The Annual meeting held on January 21, 1920 had a small attendance owing to conditions of the roads, R.R., St. cars and public highways blocked with snow."

The Annual Meeting of 1921, was held on January 19, at the Board of Commerce Rooms. There was a general discussion of the insurance business, with questions answered by the Secretary. A recess at 1 P.M. was declared until 2:30 P.M., for a banquet at the Everett Hotel, served by the Bank of Jamestown to about 40 present. Lucius J. Warren represented the Bank. At the meeting that followed a new application was moved upon and carried, to be used from this date forward. The amount in the treasury on April 1, 1921 was \$12,453.42. The amount

of insurance written was \$877,450.00 and the number of policies, 282.

1922 saw the beginning of wiring of buildings for electricity, and the Executive Committee approved a form to be used. A copy of this was forwarded to the Superintendent of Insurance. A discussion was held at a meeting in the Everett Hotel "as to how much of a milking machine is personal property, and how much is a part of the barn when in operation?" The Forty-fifth Annual Report of the Chautauqua County Patrons' Fire Relief Association given at the meeting held on April 2, 1923, showed 6,269 Policies in force, an amount of insurance in force, \$18,616,815. and a Balance for January 1, 1923 of \$13,892.01.

Mr. Hewes' report of the Executive Committee meeting held at the Hotel Samuels on January 15, 1924 tells of a truly long meeting. It was called to order at 11 A.M. A claim for loss of property by fire was presented by a Mr. Harry Carney. "This claim was gone over in detail and records taken by Mary M. Woods, Stenographer. The Stenographer was excused and the items taken up by the Committee to get at the value of the loss." With other records presented and reports given, the meeting was finally adjourned at 12:30 A.M. with a six-hour recess. At 6:30 A.M. there was a recess for breakfast, and at 8 A.M. the Committee was busy at work again on the "further consideration of the Carney claim." This was adjourned at 10 A.M. so the Committee could attend the Annual Meeting of the Association at the Business College Auditorium. Mr. Hewes gave the following comparison report at that time:

In 1884, there was on Dec. 31 —	\$	787,456.00	in force
that year, the Total Cost — Expense		302.91	
or a Cost for Expenses —		.40	on \$1,000
In 1890, on Dec. 31 —		3,551,077.00	in force
— Expenses		1,197.80	
or a Cost —		.33+	on \$1,000
In 1915, on Dec. 31 —		13,526,385.00	in force
— Expenses		4,721.62	
a Cost of		.34	on \$1,000
In 1923, on Dec. 31 —		19,847,110.00	in force
— Expenses		7,020.83	
a Cost of —		.35	on \$1,000

“These amounts are the total costs, including Office, Directors, Officers, and every item of expenses charged, except assess, for losses paid.” In 1924 it was voted to make assessment at \$3.50 per \$1,000., and a notice went out to all Directors – “to send to Secretary all applications for insurance at least five days prior to expiration of policy.”

Again, in 1925, the annual meeting held on January 21st, was delayed because of deep snow, and members were late in arriving, so most reports were postponed till after dinner. Earlier in the year it had been recommended to amend the By-Laws to permit one person to act as Secretary-Treasurer. So at this meeting, Mr. Hewes became Secretary-Treasurer, Directors were to get \$2.00 for taking applications, and .03% for assessments; Mr. Hewes salary was raised to \$2,000., and the Executive Committee was to be raised to \$5.00 while acting as Committee men. The bond for the Secretary was fixed at \$10,000. It was resolved and carried that the assessment for 1925 be \$3.00 on \$1,000.

At an Executive Full Board meeting held at Hotel Samuels on January 15, 1926, the record reads: “There was a good attendance and extra good interest was manifested.” There was a general discussion, and the Secretary was presented with a very fine traveling bag by the Directors. Francis N. Rundell was elected President, a post he was to hold until 1947. “Mr. A. H. Blaisdell, speaking for the Directors, spoke of the growth of the company and the success it had accomplished. This, he said, was largely due from the hearty co-operation of the directors with the Secretary, thereby enabling him to keep pace with the increased work which has marked the growth of the company from its inception. Having grown from \$700,000 dollars in 1884, Dec. 31, to \$20,110,705., Dec. 31 – 1924, in a period of 40 years.” At their April meeting, the assessment was fixed at \$2.50 per M.

The Annual meeting of the association’s fiftieth year was held at the Jamestown Business College Auditorium on January 19th, 1927. After a general discussion, a recess was taken for one hour. The Minutes recall that a “banquet was served at the Hotel Samuels, and that all those present were entertained.” At the April meeting, it was moved that “The Secretary make an arrangement for printing assessment cards with the announcement of the fiftieth anniversary.” This was the year that the association joined the National Association.

At their annual meeting in January, 1928, the association had as their speaker, a Mr. Henry E. Straight, of Grand Rapids, Mich. “a thorough exponent of Mutual insurance. He stated that this Chautauqua Com-

## ANNUAL FINANCIAL REPORT

April 2, 1927

Losses to date	\$ 6,789.36	
Receipts to date	(370.34)	
Salaries	650.00	
Office	<u>115.76</u>	\$ 7,555.12
Receipts		<u>370.34</u>
Paid more than received		\$ 7,184.78
Balance in Treasury Dec. 31, 1926	41,185.24	
Received since	<u>370.34</u>	\$41,555.58
Losses to date	\$ 6,789.36	
Salaries	650.00	
Office	115.76	
Telephone Bill	7.45	
	6.25	

Balance in Jan. 1, 1927	\$41,195.24	
Received since	<u>370.34</u>	\$41,565.58
Jan. 1 — Losses paid	6,988.36	
Salaries	650.00	
Expenses	129.46	
Balance	<u>(33,798.03)</u>	<u>\$41,565.58</u>
Balance forward	34,602.81	
Balance April 1, 1926	<u>(24,427.35)</u>	
This represents Gain	\$10,175.46	



pany stood 16th in Mutual companies. There was good evidence of the appreciation given by his hearers." In a letter to Mr. Hewes, Mr. Straight wrote: "if I have (your name) definitely in mind, you are the Great, Great Grandson of one of the men who took part in the Boston Tea Party. The twelfth son." At their April meeting, Mr. Hewes gave an interesting 10 year Average report:

83 Assessment companies report an average cost to insure \$1,000. to be \$3,001 The Chautauqua Co. P.F.R.A. has an average cost of \$2,563, with an average insurance carried for 10 years of \$18,000,000.

At the Annual meeting held on January 15, 1929, at the Jamestown Business College, Mr. Hewes states in his Minutes: "The losses by fire very much exceeded the losses by lightning, and are much above the usual amounts. It is due to incendiarism, in my opinion. One person has been convicted and is now in prison serving a term, and we are certain that many other buildings have been set on fire." On March 30, 1929, the first Notice of delinquent assessment was adopted. A Financial Report given on July 1, 1929, showed an actual indebtedness of \$4,091.55. August found the Executive Committee, "pursuant to a call from Secretary Hewes" touring a portion of Chautauqua County, and checking at first hand many of the company's insured properties. The Committee members at that time were, A. H. Blaisdell, Van Warner, F. E. Durand, Francis N. Rundell, W. W. Hewes, and Jared Hewes also took part.

The Annual meeting of January 15, 1930 was held at the Westfield Portage Inn, with an attendance of 40 to 45 persons. This was followed by the Directors' meeting the next day. It was at this meeting that Leon Fardink was appointed to fill the vacancy caused by the resignation of Todd F. Brown. The third quarterly meeting showed the association in the red, and "There was some discussion as to making an extra assessment because of the heavy losses, the lightning loss as having been extra heavy as well as the losses by fire."

In 1931, the Executive Committee began meeting in the Directors' Room in the Bank of Jamestown. The Association was facing up to a struggle financially. They voted to make an assessment of \$5.00 on each \$1,000. of insurance, and arrangements were made with the Bank of Jamestown to borrow the sum of \$50,000. on a demand note, signed by the Executive Committee. The Bank of Jamestown was designated the depositing place.

The portage Inn in Westfield, N.Y. was chosen as the place to hold the

THE CHAUTAUQUA COUNTY  
PATRONS FIRE RELIEF ASSOCIATION

NOTICE

Route 1  
Ashville, N. Y. \_\_\_\_\_ 1930  
Phone: Lakewood 120-M-2

Mr. \_\_\_\_\_

Your assessment, Policy No. \_\_\_\_\_, amount  
\$ \_\_\_\_\_, assessed \$ \_\_\_\_\_ 193

Your assessment, Policy No. \_\_\_\_\_, amount  
\$ \_\_\_\_\_, assessed \$ \_\_\_\_\_ 193

Your assessment, Policy No. \_\_\_\_\_, amount  
\$ \_\_\_\_\_, assessed \$ \_\_\_\_\_ 192, has not been  
credited. Have you a receipted assessment card? If so,  
who receipted it? \_\_\_\_\_

This is to check up on 6000 policies.

This is a mutual assessment company—YOUR COM-  
PANY. Losses are paid with assessment money. You  
will have to give service if your company serves you.  
Shall we proceed to collect?

This is to notify you that we will consider that you  
do not wish to continue the insurance if this office does  
not hear from you within TEN days from date of this  
notice, and proceed to cancel.

FRANCIS N. RUNDELL  
President

JARED HEWES

*To be used by Secretary* \_\_\_\_\_  
Secretary and Treasurer

RETURN THIS STATEMENT WITH REPLY

Received Payment \_\_\_\_\_ 193

*Motion to adopt by Blaised*

*Carried*

1932 Annual Meeting of the Chautauqua County Patrons' Fire Relief Assn. on January 20th. The Association was still experiencing tough financial sledding. At an Executive Committee meeting held in April, the Secretary was asked to prepare a black list for members who refused to pay assessments due and cancel the insurance and not to renew the insurance until the back assessment was paid. In November, the Committee recommended an examination of the Association's records by a paid Audit firm, to be done after January 1, 1933. At the Annual Meeting, held on January 18th, Mr. Alfred H. Blaisdell, Senior member of the Executive Committee, "reported as having examined the accounting of the Secretary and Treasurer as reported by Ernst & Ernst." A special meeting of the Committee was called for Feb. 17, 1933 to go over the records to see about delinquent assessments. Attorney Cass was called in for counsel as to the best procedure to collect unpaid assessments for 1932. Mr. Cass gave a somewhat lengthy talk as to the collecting the assessments and did not think that radical measures should be used. "I have looked over the lists where I know the people well and am aware of their inability to pay or to borrow money." A list of the unpaid accounts was placed in his hands, with instruction to use his judgment in notifying the delinquents of their accounts. A motion was made that the Secretary instruct the Directors not to receive the assessments on the list sent to Mr. Cass. In March, 1933, a Financial report given by Jared Hewes showed an actual indebtedness of \$41,627.76. The depression years had dealt a hard blow. The Secretary and President were authorized to sign a note to borrow money in the amount of \$10,000., and also that when necessary that there be a note for \$5,000. additional drawn. There was a motion to levy an assessment on the 15th day of April for \$5.00 on each \$1,000. of insurance in force.

A Financial Report given on November 20, 1933 showed a deficit of \$21,804.02 – a note at the bottom of the report states: "Total deficit does not include bills for Directors' services and fees for the year 1933." Again there was a motion that the Association ask for a loan of \$10,000., and if allowed, to be obtained about Dec. 20, 1933. It was voted to cancel all insurance when the assessments were not paid by November 27, and notices to go out by registered mail.

The Annual Meeting of January 17, 1934 was held in the Hotel Jamestown. A Financial Report dated December 31, 1933 showed a Total Deficit of \$33,294.03 – and a Total Loss for the year 1933, \$759.58. Insurance in force, \$16,735,820.00 – and 4,946 Policies. It

was voted to employ Mr. Jack Jacobson as bookkeeper at a salary of \$1,800. per year. A Statement of Condition dated January 31, 1934, showed a deficit of \$40,198.79. This report was submitted by Mr. Jacobson. The last meeting of 1934 was a special meeting of the Executive Committee, held at the Bank of Jamestown on December 28th. It is interesting to note that the condition of local banks was reflected in a motion made at this meeting. It was moved the loss of Mr. Sears, of company money, caused by the closing of the Sinclairville Bank, be sustained by the Company.

While Mr. Hewes was Secretary, he originated an accounting system for the association's records which was one of the most simplified methods that could be employed in the large field of insurance. He was a Director of Jamestown Metal Corporation, and a member of the original Board of Directors of the Bank of Jamestown.

Mr. Jared Hewes retired in 1935 for reasons of illness and was subsequently made Honorary Director and Secretary of the Company for Life. He was succeeded by his son, Walter Hewes.

Until 1935 the Committee meetings were held in various locations such as Odd Fellows Hall, Hotel Everett (Whitlock Inn), Hotel Samuels, Business College Auditorium, Portage Inn in Westfield, Cheney's Point, Hotel Jamestown and Hotel Humphrey. At this time, it became evident that a permanent office was needed; therefore, an office was set up in the Bank of Jamestown Building, where the Executive Committee met monthly. These meetings were held for the purpose of discussing losses and setting up salaries. Meetings for the full Board and Annual Policyholders meetings were held in January and August at the Union Grange Hall, where Directors were elected for a two year term. The Secretary-Treasurer and all other officers were elected for a one year term.

The assessment for 1935 was \$4.00 per \$1,000.00 and in 1936 was lowered to \$3.50 per \$1,000.00. The policies were issued for five years. At one point during this period it was decided that all of the office books and records should be audited each year by a public accountant. It wasn't until several years later, that an Accountant was hired on a monthly basis.

The By-Laws were revised in 1939 to read: "Insurable Property: All Farm Buildings & Contents, livestock, village dwellings, barns and garages and contents, schools, churches, Grange Halls, tractors, and auto when in any building insurable in this Association, except as follows: Non-insurable property: Sugar Houses and contents while in

# The Chautauqua County Patrons Fire Relief Association

ORGANIZED 1877

Fifty-Sixth Annual Report, December 31st, 1933

## FINANCIAL STATEMENT

### LIABILITIES

Bank of Jamestown (overdraft)	\$ 10.76	
Notes payable, Bank of Jamestown	20,000.00	
Unpaid claims for adjusted losses	13,556.60	
Interest accrued	<u>220.00</u>	\$33,787.36

### DEDUCT ASSETS

Cash on hand	61.57	
Amount due from directors	\$ 343.08	
Cherry Creek National Bank	57.93	
Office equipment	<u>30.75</u>	<u>493.33</u>
Total Deficit		\$33,294.03
Deficit January 1st, 1933		<u>32,534.45</u>
Total loss for 1933		759.58

## INCOME, LOSSES AND EXPENSES

For the period January 1st, 1933, to December 31st, 1933

### INCOME

1933 Assessments	\$86,191.49	
Prior years assessments	2,430.12	
Premiums	5,195.30	
Policy fees	<u>1,105.00</u>	\$94,921.91

### LOSSES AND EXPENSES

Rebates	\$ 48.35	
Adjusted losses	83,039.96	
Adjustments expense	1,182.00	
Application fees	2,212.00	
Directors' collection fees	2,603.85	
Board meeting expense	631.15	
Salary Secretary and Treasurer	2,600.00	
Stationery and office supplies	284.70	
Postage	202.54	
Telephone	77.87	
Legal and auditing	868.62	
Membership dues	46.50	
Interest expense	1,862.22	
Excise taxes	7.13	
Account charged off	2.89	
Miscellaneous expenses	<u>11.71</u>	<u>\$95,681.49</u>
Total loss for 1933		\$ 759.58

Insurance in force January 1st, 1933	5254 Policies	\$18,071,655.00
Written in 1933	<u>1105 Policies</u>	<u>3,615,500.00</u>
Totals	6359 Policies	21,687,155.00
Cancelled and expired	<u>1413 Policies</u>	<u>4,951,335.00</u>
In force December 31st, 1933	4946 Policies	\$16,735,820.00

JARED HEWES, Secretary and Treasurer

**CHAUTAUQUA COUNTY  
PATRONS FIRE RELIEF ASSOCIATION**

This Company was organized to get insurance at cost. No less than cost can maintain a business.

STATEMENT COVERING A NINETEEN-YEAR PERIOD.

			Debit	Credit
1916	Assessed	\$2.00		
1917	Assessed	2.50	\$ 4,488.07	
1918	Assessed	3.00	10,865.14	
1919	Assessed	2.50	4,627.60	
1920	Assessed	2.00		\$13,563.40
1921	Assessed	2.00		12,453.42
1922	Assessed	2.50		3,164.10
1923	Assessed	2.50		14,458.59
1924	Assessed	3.50	4,096.54	
1925	Assessed	3.00		4,815.79
1926	Assessed	2.50		24,427.46
1927	Assessed	2.50		33,705.76
1928	Assessed	2.50		15,635.82
1929	Assessed	3.00	17,032.52	
1930	Assessed	3.00	11,960.35	
1931	Assessed	5.00	46,375.63	
1932	Assessed	3.50	13,808.97	
1933	Assessed	5.00	33,916.69	
1934	Assessed		33,556.20	

			Losses and Expenses each year charged to the Company
1917	Rate Assessed	\$2.50	\$42,880.00
1918	Rate Assessed	3.00	45,041.00
1919	Rate Assessed	2.50	32,680.00
1920	Rate Assessed	2.00	38,912.00
1921	Rate Assessed	2.00	45,693.00
1922	Rate Assessed	2.50	46,881.00
1923	Rate Assessed	2.50	48,173.00
1924	Rate Assessed	3.50	72,550.00
1925	Rate Assessed	3.00	51,274.00
1926	Rate Assessed	2.50	43,881.00
1927	Rate Assessed	2.50	64,047.00
1928	Rate Assessed	2.50	92,125.00
1929	Rate Assessed	3.00	67,758.00
1930	Rate Assessed	3.00	95,570.00
1931	Rate Assessed	5.00	73,649.00
1932	Rate Assessed	3.50	86,931.00
1933	Rate Assessed	5.00	91,248.23

The average assessment for 17 years, \$2.97.

use for sugaring purposes, public shops or mills, vacant or unused buildings, brooder houses heated by oil with floor of combustible material." It was also decided that for purposes of insurance and adjustment that two yearlings equal one grown animal or that three calves equals one grown animal.

The annual meeting of policyholders in January 1941, opened with a discussion of Windstorm Insurance. Twenty directors had contributed \$10.00 a piece toward the necessary amount required to complete organization and the amount of insurance had been applied for to meet requirements. This was set up as a windstorm co-op, and it wasn't until 1954 that a windstorm agreement was entered into with Exchange Cooperative Windstorm Co. of Hornell.

Another Amendment to the By-Laws in 1944 provided for an advance assessment. Until this time the company had financed its operations by first seeing how much their losses were for the year and then levying assessments to pay them.

January 1947 brought about two changes in leadership in the company, Clyde Lowell was elected president succeeding F. N. Rundell and Gunnard Sandberg became Secretary-Treasurer succeeding Walter W. Hewes. Both Mr. Rundell and Mr. Hewes had served the company well and their resignations were deeply regretted.

Clyde Lowell was President of Chautauqua County Patrons for twenty years and served as a Director for thirty-two years. He was a member of the Fredonia Grange, receiving his Golden Sheaf in 1957. He was Master of the Grange in 1918. He also held offices in the Pomona Grange, became Master and then Deputy Master. He was treasurer of the Westfield Maid Co-op Association, a member of the Fredonia Methodist Church and the Scottish Rite in Jamestown.

Gunnard Sandberg had served as a Director for Frewsburg Grange for a period of nine years. He became active in all aspects of the insurance business. He was elected Vice President of the New York State Central Organization of Cooperative Insurance Companies in 1968 and President of the Organization for the following year. He faithfully performed 26 years as Secretary-Manager of the Chautauqua County Patrons, 10 years as President of Surety. His sage advice through years of insurance experience and also his good judgment were always a great help to the Executive Committee. It is also interesting to note that at this time, the Secretary-Treasurer was paid a salary of \$50.00 a month and was expected to put in as much time as he was able. He also

received mileage for inspection trips.

This same year (1947), John Jacobson was offered a contract for one year as Office Manager at a salary of \$4,870.00. However, this contract was not renewed and in April 1948, LaVerne Erickson took over as Office Manager and was with the company for 28 years, retiring in January 1976.

January 1948 marked a change in our policies, as we added perils of extended coverage (excluding windstorm), with no additional assessment. Representatives for Surety Co-operative Fire Insurance Co., Hornell, New York met with the Board of Directors several times and soon a contract was drawn up with their company. Small commercial risks were also written with individual rates for each separate risk.

In July 1951, at the Board of Directors meeting, it was recommended by the State Insurance Department that our By-Laws be changed to read as "April 15th, the fiscal year for levying assessments, advance assessment from that date, assessments be paid in advance and new members pay on joining." This recommendation was passed. It was also at this meeting that it was passed that "Directors be elected for a term of three years." The Board also talked about the possibility of insuring non-Grange members, but it was not until January 1959 that this was adopted.

Since the reinstatement of policies after they had been cancelled involved so much time and work, it was decided in October 1952 that a \$2.00 reinstatement fee must be levied.

After many years of discussion on the subject of windstorm insurance, the Executive Committee entered into an agreement with Exchange Cooperative Windstorm Co. of Hornell in January 1954. Also, at this time, a loss register to meet state requirements to establish an unpaid, unreported liability reserve was set up.

In 1954, for the first time in the history of Chautauqua County Patrons, the President of the Company received a salary of \$300.00 per year; however, the following year he was again paid only for expenses he incurred.

A real change came in 1956 when the Secretary-Treasurer was elected to a full-time position with a salary of \$4,500.00 per year.

Since these years were really "years of few changes," a recommendation was made to set up a committee to review the business methods and policies with the possibility of modernizing the present way of



**CHAUTAUQUA COUNTY PATRONS FIRE RELIEF ASSOCIATION**  
**Balance Sheet**  
**December 31, 1952**

ASSETS

Cash in Banks and on Hand	\$ 17,619.54
United States Bonds at cost plus accrued Interest	215,510.00
Emergency Reserve Fund	<u>7,000.00</u>
Total Assets	<u>\$240,129.54</u>

LIABILITIES

Accrued Taxes Payable (Federal Income)	324.62
Unearned Premiums	25,200.00

SURPLUS

Balance January 1st		\$210,136.25
Adjustment*	*	(1,044.05)
Net Income		<u>5,512.72</u>
Balance December 31st		<u>214,604.92</u>
Total Liabilities & Surplus		<u>\$240,129.54</u>
Insurance in Force December 31st		\$34,743,446.00

\*Adjustment in Surplus of \$1,044.05 during 1952 is payment of Federal Income Tax for years 1948, 1949, 1950 and 1951.

**CHAUTAUQUA COUNTY PATRONS FIRE RELIEF ASSOCIATION**  
**Profit and Loss Statement**  
**December 31, 1952**

Revenues:

Assessments levied April 15th	\$91,826.52	
Advance Assessments	8,359.28	
Reinsurance Assessments Received	9,174.32	
Reinsurance Recovered	26,883.40	
Interest Earned	<u>5,310.00</u>	
Total Revenues		\$141,553.52

Expenses:

Gross Amount Paid Policyholders for losses	87,349.65	
Directors Fees & Commissions	13,836.83	

Office:

Salaries	6,246.00	
Stationery & Supplies	694.05	
Postage, Telephone & Telegraph	497.01	
Rent, Light, Heat	698.72	
Legal & Professional	874.95	
Board & Associations	828.98	
Furniture & Fixtures	—	
Miscellaneous Expenses	100.52	
Interest Paid	210.90	
Social Security	84.62	
Reinsurance Assessments Paid	<u>24,293.95</u>	

Total Expenses & Losses \$135,716.18

Income, Before Provision for Income Tax		5,837.34
Provision for Federal Income Tax		<u>324.62</u>
Net Income Carried to Surplus		<u>\$ 5,512.72</u>

doing business. This committee brought out the idea of Homeowners and Farmowners policies that were eventually written in the 1970's.

"Theft of Livestock" also became an added peril of extended coverage with no additional charge in 1956.

1959 brought about a change in classification of insurable property as follows: "Class 4, Commercial: a) Stores, Gasoline Stations, no repair; b) shops and garages, minor repair; c) shops and garages, major repair." However, all policies under this new class must be approved by the Executive Committee. It was also at this meeting that the Secretary was authorized to cancel policies where the buildings were found to be bad risks. He must confer with the Director and the Executive Committee before final cancellation.

"While we did not formally set up a loss and expense reserve until 1943, we have been steadily accumulating a surplus since the tough financial sledding we had during the early thirties. On January 1, 1934, our company was in the red \$40,385.00 and on December 31, 1960 our assets were \$306,857.00. This shows a steady growth with an average gain of over \$13,000.00 per year."

The 1960's seemed to be the "years of many meetings." The company Secretary attended the School of Insurance Management at Penn State University and meetings in Syracuse. The Directors attended many meetings held in the office and at the Grange Hall. Some of these meetings brought about the discussion of Farmowners and Homeowners policies.

For many years the Directors had received a commission fee of 10% on assessments collected. In August 1960 this was raised to 12½% on fire policies only. This new commission fee went into effect in 1961.

At the annual policyholders meeting on January 20, 1960, the By-Laws were changed as follows: "The Annual Meeting of the Board of Directors shall be held after the Annual Meeting of the Association and the Executive committee is herewith authorized and empowered to hold on behalf of the Board three additional regular meetings each calendar year in lieu of the Board of Directors meetings. Other Board of Directors meetings may be ordered by the Executive Committee upon five days notice by mail, or at written request of at least five Directors."

It was also decided at this same meeting that there would be imposed a five day limit on holding cattle that were injured but not killed by an insured peril.

Until January 1962, any vacancy in a territory was filled upon recommendation by the Grange and election by the Board of Directors. However, this policy was changed, authorizing the Secretary to appoint a Director until a new Director could be elected by the Board.

A new resolution regarding "Conflict of Interest" was adopted at the Summer Meeting of the Board of Directors in August 1963. Each Director was to sign a statement stating that he had no interest or affiliation which would conflict with the duties as a Director, Officer or Employee of the Chautauqua County Patrons.

New Directors were now elected with the provision that they act as agents only after they were certified by the State Insurance Department. It was also suggested at this time that the Grange first confer with our association to determine the qualifications necessary before recommending a Director to fill a vacancy.

It is interesting to note that at an Executive Committee meeting in September 1964, Mr. Donald Rosenbaum, State Insurance Examiner, made the following suggestions: Grange dues not be included in the assessment notice; assessments should be collected in the 60 days prescribed by the terms of the policy. He also discussed the possibility of using the anniversary policy method for payments that was put into effect in 1976. A suggestion regarding the changing of the company name also became a reality in 1976. His suggestion that the charter could be amended to authorize the writing of Farmowners and Homeowners policies also became a reality several years later.

On January 20, 1965, the Executive Committee recommended that broader coverages should be written and also a school for Directors be conducted to train them to write these coverages. It was decided at this meeting that barn cleaners and permanent elevators be insured as part of the building; silo unloaders and bulk coolers as farm machinery.

The amendment of the Charter permitting Chautauqua County Patrons to write Homeowners policies was completed in 1966. However, coverage could not be written until we received a license, secured a Re-insurance Contract, and a Rating Bureau Contract, all of which were to be approved by the State Insurance Department.

At the Annual Meeting of the Policyholders held on January 18, 1967, in the Union Grange Hall in Jamestown, the Secretary announced the receipt of a letter of resignation from Clyde M. Lowell, President, and Director of Fredonia Grange, to be effective at that meeting. A rising vote of thanks was given Mr. Lowell for his 32 years of service as a

Director, 20 of them as President of the Association. At the Directors' meeting, it was voted to separate the office of Secretary-Treasurer. This was done because all checks had to be signed by two officers. So Douglas F. Seymour was elected Treasurer. Mr. Everett J. Edson, Director of Sinclairville Grange, was elected President. Besides being a Dairy farmer, Mr. Edson was a member of many organizations; a Golden Sheaf member of Sinclairville Grange, also holding the 7th degree; a past master of Pomona Grange, a 45 year member and Secretary of the Central Chautauqua County Dairymen's League, the Cassadaga Valley School Board, Farm Bureau and Extension, President of the Sinclairville Library Association, and County 4-H, he was also Gerry Town Supervisor for 10 years.

At the Directors' Annual Meeting held on January 17, 1968, it was voted to give a fee of \$50. to the Treasurer. A Committee headed by Warner Rundell reported on the possibility of combining some of the territories and writing agents, but no action was taken. It had become increasingly difficult to find qualified Directors.

The 1969 Annual Policyholders' meeting was held on January 15. Douglas Seymour resigned as Director and Treasurer. Recognition was given to former President, Clyde Lowell, who was present. He gave a short talk about insurance problems, coupled with good advice and bits of wisdom gleaned from many years in insurance. He stressed the importance of every Director being a good public relations man for the Association.

The Directors' meeting, following the Policyholders' meeting, saw these men elected to office: President, Everett J. Edson, Vice President, Calvin A. Bowen, Secretary, Gunnard L. Sandberg, Treasurer, Albert M. Nelson; the Executive Committee, Leon Fardink, Gerald Mathewson and H. Everett Barmore.

At the Mid-Year meeting held at the Union Grange Hall on August 6, 1969, Richard Bloom was the speaker, his topic being Reinsurance and Legislation. He commented on the Magnuson Bill, which, if passed, would put Federal control on insurance. James Campbell, Field Representative of Surety, explained the new law on cancellation of insurance policies to become effective September 1, 1969. This law would change the entire concept of underwriting, as it specified in no uncertain terms how one may cancel a fire policy, homeowners, inland marine or a personal liability policy. In essence, a new section had been added to the law known as Section 167-b. As with all new laws, it took time and

some trial and error to establish their prerogatives. At this meeting, it was voted on, and passed, that any out-building not qualifying for 10% coverage be excluded at the time the policy was written, and so stated before the assured signed it.

At the Policyholders' meeting held on January 21, 1970, the Secretary announced that a law establishing a new financial security fund for New York State became effective September 1, 1969. This affected all insurance companies. Until the fund reached \$5,000,000. all companies were required to deposit 1% of collected assessments with the Superintendent of Insurance. New Farm Forms were issued in 1969 with lines 35 and 36 deleted.

Proposals were to be submitted to the State Legislature in 1970 which would give Cooperative companies broader underwriting powers.

At the mid-year meeting held August 5, 1970, the President, Mr. Edson, and the Secretary, Mr. Sandberg reported their attendance at a meeting in Batavia, the purpose of which was to discuss the spreading of jumbo risks, which exceeded reinsurance capacity, among several companies. By their vote, the Directors gave the Executive Committee their approval of taking the necessary steps toward proceeding with the proposed plan.

Legislation passed by the Legislature now enabled Cooperative Insurance companies to write broader coverages, such as: Theft of personal property and farm personal property, glass breakage and water damage; Extending the territory into all counties of New York State, with the exception of the four counties in the New York City area; Employers Liability. A motion was made and carried that these additional perils be added to the lines already carried by the association. The Executive Committee was given the authority to take the necessary steps for amending the charter in order to write the coverages.

During the dinner, Mr. Bloom of Surety, presented a beautiful mantel clock to Gunnard Sandberg, in recognition of his ten years as President of the Surety Cooperative Reinsurance Company. Mr. Sandberg had retired as President at their annual meeting in May.

At their Annual Meeting on January 20, 1971, the assembled Directors voted to amend the Charter to give the Association the power to write broader coverages. Added to the writing powers were Water damage insurance, Glass insurance, Burglary and Theft insurance and Employers' Liability insurance, in accordance with a recent amendment to the Insurance Law.

In 1972, some of the Directors were taking the full agent's course, under the instruction of James Campbell, Field Representative of Surety and Exchange, and sponsored by the Chautauqua County Patrons'. A list of all proposed agents, indicating those who were licensed agents, and those who qualified under the Grandfather's Clause, had to be sent to the New York State Insurance Department for their approval and issuance of license. Directors not qualifying had to terminate their soliciting insurance and close their accounts with the Association.

In July of 1972 the Directors voted on an amendment to the Certificate of Incorporation, adding to the kinds of insurance the Company was authorized to write. The company's license had to be amended, re-insurance contracts negotiated and a special contingent surplus set up and maintained. Like all business, farming was changing, and the insurers that served the rural insurance-buying public had to change to meet their demands.

At their meeting on January 17, 1973, recommendation was made that a committee be appointed "to investigate the new underwriting procedures, to assure the company that their initial experience will not result in a loss from adverse business."

In August of 1973, the Directors voted to change the By-Laws in compliance with a report of the Examiner from the New York State Insurance Department. The new wording was to read: "The Executive Committee shall consist of at least six (6) members elected by the Board of Directors from among its members for terms of one (1) year." All the new forms were submitted to the New York State Insurance Department for their approval. The Secretary read a report on the Multi-Line business as of June 30, 1973.

Cost for New Line		\$ 2,675.54
Number of Farmowners	– 24	
Number of Homeowners	– 76	
Number of Floaters	– 12	
CPL & FCPL to Standard Fire	– 37	
Reinsurance Cost (All Lines)		\$ 5,768.92
Total Cost		\$ 8,444.46
Total Income from all New Lines		<u>\$15,853.00</u>
Balance		\$ 7,408.54

## BOARD OF DIRECTORS - AGENTS

<i>H. Everett Barmore</i>	<i>Gerald W. Mathewson</i>
<i>Gaius W. Becker</i>	<i>Ruth Newton</i>
<i>Calvin A. Bowen</i>	<i>James H. Overend</i>
<i>Warren J. Chase</i>	<i>Robert A. Owens</i>
<i>Leon H. Ciesla</i>	<i>Warner L. Rundell</i>
<i>Merle S. Crandall</i>	<i>Donald A. Seeley</i>
<i>Charles R. Cunningham</i>	<i>Douglas F. Seymour</i>
<i>Lyle E. Fardink</i>	<i>Wilson S. Sherwood, Jr.</i>
<i>Charles L. Guertin</i>	<i>George A. Shevlin</i>
<i>John H. Jones</i>	<i>David J. Sturges</i>
<i>Craig Kinney</i>	<i>Charles S. Sundquist</i>
<i>William L. Lipsey, Jr.</i>	<i>Dona Swanson</i>
<i>Maurice E. Lown</i>	<i>Jared A. Woolley</i>
<i>Henry A. Macro</i>	<i>Robert Woolley</i>

*Joe Edwards, Jr.—Director*

## OFFICE EMPLOYEES



*Seated, l to r, Dona Swanson, Office Manager, and Linda Allen. Standing, l to r, Sally Stohl and Dorothy Hedstrom.*



## EXECUTIVE COMMITTEE



*Seated, 1 to r, H. Everett Barmore, President; David J. Sturgis, Vice President; Calvin A. Bowen, Secretary. Standing, 1 to r, Charles S. Sundquist, Treasurer; Warren J. Chase and Gerald W. Mathewson.*

At the January 16, 1974 Annual Policy Holders' Meeting, the Secretary reported an over-all increase in the number of policies, an underwriting income of \$401,329.02, interest income of \$37,211.46, with a dividend from the Surety Reinsurance Company in the amount of \$7,877.43, making a total income of \$446,417.91. The breakdown on policy numbers and endorsements to Standard Fire were as follows: Standard Fire, 3375, insurance in force, \$68,657,262. — Wind, in force, \$38,478,215., FCPL, 39 — CPL, 29, Floaters, 24 — Homeowners, 149 — insurance in force, \$4,699,900. — Farmowners, 44, insurance in force, \$2,481,105.”

The Secretary read some facts that proved a need for the assessment co-operative fire insurance companies in New York State:

“In round figures, there are seventy such companies. Ten of these have been in business for more than 100 years, at least 48 such companies have been successfully operated for between 75 to 100 years. These seventy-some companies insure properties valued at well over two billion dollars. 75% is on farm and other rural properties. These properties are not covered by other type companies, or if purchase they are, it is with a great reluctance. They also use rates from three to five times higher than those charged by the co-operatives. For example: back in 1968, when the Survey was completed (to prove a need for the assessment co-operative companies to enlarge their coverages and write multi-lines) it was shown that a saving of \$9,400,000. could be effected by the policy holders. In measurement of premium volume, or insurance in force — the assessment co-operative companies write more than three times the insurance on New York Farm properties than all other licensed insurers in the state, combined.”

At the Directors' meeting a motion was made to comply with the Insurance Law, Section 375, and have the Board of Directors vote upon rates for the coming year. In April, 1974, the new “Notice of Loss” Forms went into effect. At the May 17, 1974 meeting, the Secretary reported that Items of Interest to watch were the number of Bills in the Legislature, where 35 pertained directly to insurance and 400 had an indirect effect on the insurance industry.

At this meeting a letter was read from Charles A. Farmer, Vice President of Administration of the National Grange Mutual Insurance Co., congratulating the Chautauqua County Patrons' on their superior field underwriting for the past year.

At the mid-year meeting of the Board of Directors, held on August 14,

1974, H. Everett Barmore was elected President, to fill the post left empty by the death of Everett J. Edson, who had passed away on July 15, 1974. Mr. Barmore, a dairy, beef and sheep farmer, was a 50 year member of the Gerry Grange, Past Master of Pomona Grange and New York State Grange Deputy, G.L.F. committeeman for 30 years, Gerry Town Assessor for 20 years, and A.S.C. committeeman. At this time, David Sturges was elected Vice President. Richard C. Bloom, of Albion, Secretary of the Reinsurance Companies of Surety (Fire) and Exchange (Wind) was often called upon to speak at the Association's meetings, and was speaker at this meeting. The Chautauqua County Patrons' is the largest of the eighteen co-operative companies that make up the Surety Reinsurance Company.

In November of 1974, the Chautauqua Patrons' moved their office from the third floor of the Bankers Trust Building into larger quarters on the second floor. Old equipment and furnishings that had been used for many years were replaced by new, with a lay-out specifically arranged for them by a local designer. This was a real improvement for efficient operation and provided room for future expansion as more employees were added to the office staff.

At the Executive Committee meeting, Calvin Bowen, Secretary reported: "The capital investments of the insurance business accounts for more than 12% of all long range investments in this country. The money invested in Stocks, Bonds and Mortgages help build schools, highways, homes, office buildings, factories and water systems. To further the economic thrust of the Casualty companies, their employees and agents now earn about 6.5 billion dollars a year in salaries and commissions."

From its humble beginning when \$15. was borrowed from the Pomona Grange to start the company, the association had seen a steady growth. In July of 1975, the Finance Committee reported a total of \$51,732.12 in Savings Accounts; \$685,000. in Tax Free Investments; \$77,393.40 in the Company checking account, with \$365,000. in taxable investments. This year the association began the use of a six-part billing system, which furnished the agent a copy of the Annual Assessment, as well as the policy-holder. This form was a time saver in processing payments received. By action taken by the Executive Committee at their March meeting, daily deposits were made, beginning at the start of the Annual Assessment collection period.

On January 15, 1975 a motion was made, seconded and carried to

change the name of the Association to: Chautauqua Patrons' Insurance Association. A recommendation was also made to have a committee appointed to study the possibility of changing to an anniversary billing. These were placed in the attorney's hands to be prepared for presentation to the New York State Insurance Company, thirty days in advance of the Annual Meeting in 1976. The fiscal year of the company was also being changed to run from January 1 to December 31 on a normal calendar year basis.

In August of 1975, the By-Laws were amended to read: Article V – "The number of Directors authorized to constitute the Board of Directors shall be (29) twenty-nine, but in no case shall the number be less than eleven." The Directors also voted to amend Article VI, changing the meeting date to the first Wednesday in February.

At the Annual Meeting held at the Ross Grange Hall on February 4, 1976, a part of the Minutes was a Resolution of Condolence because of the death of Leon Fardink, a long time Director and member of the Executive Committee, recalling with gratitude his devoted service to the Organization, his pleasant greetings and sage advice. At this meeting, the association elected its first woman Director, Ruth Newton, of Sinclairville.

An important amendment to the Certificate of Incorporation was voted on, and carried, changing the name of the association to read: "Chautauqua Patrons' Insurance Association." Also voted on and carried, was Article V, Sections 1 and 2 of the By-Laws, changing the method of assessment for the annual levy of premiums from a fiscal year to a policy anniversary date levy. The Secretary gave a brief review of Homeowners Insurance – "In 1971, Homeowners were in the black, for the first time making a profit of 29.5 million, and the following year, an underwriting profit of 184 million. But since then, they have been in the red. In 1975, the loss was estimated at over 540 million; premiums were up 13%, but losses went up 18%."

Mr. Bowen also read his notes on the economy. The widely accepted measurements of business activity indicated that the long steep slide in the U.S. economy came to an end in the Spring of 1975. Since that time there was a healthy increase in industrial production, total employment and new home construction. Corporate profits had a good rebound, given stronger sales and a sharp increase in productivity. Notwithstanding the recent turn of events, there was still evident a widespread concern that the economic road ahead would be a difficult one.

The U.S. had experienced a frothy prosperity, giving way to spiraling inflation and interest rates, and ultimately to deep recession. Along the way there were shortages of energy and other basic resources, and a financial crisis in the Nation's largest city.

At the Directors' meeting held on August 25, 1976, at the Ross Grange Hall, the Financial Statement showed an increase in the annual assessment of nearly \$200,000. over August of 1975. This was mainly due to the anniversary type billing.

The New York Cooperative Insurance Association's 94th Annual Report placed the Chautauqua Patrons' Insurance Association 9th, in Financial standing, as to 71 other Cooperative Companies, in N.Y. State. The Patrons' had an increase of \$7,022,675. insurance in force and \$66,184. in admitted assets.

The 1977 Annual Meeting of policy holders of the Chautauqua Patrons' Insurance Association was held on February 2nd, at the Ross Grange Hall. A moment of silent prayer was held for Director-Agents Joe Edwards, Sr. and Leslie Baker, who had passed away. A resolution of Condolence was presented and made part of the Minutes. Their devoted service to the organization and the general welfare of their Community and Country was recalled with gratitude.

The inclement weather, which had set a record for the worst winter on record, prevented the speakers, Richard Bloom and Milton Wright, from being present at the meeting. At this meeting, the Association added another woman to their list of Director-Agents, Mrs. Dona Swanson.

The By-Laws were amended to establish a Company payment plan. A proposed Company Installment Payment Plan was presented, the 40-30-30 plan, with a six month payment plan carrying a minimum policy assessment to be eligible. This was voted on, and carried, with a stipulation that the minimum annual assessment allowed to be paid by installments should be \$400. Due to the underwriting of the E & O coverage, requiring a Company Agency Agreement, the Executive Committee proposed that this agreement be adopted by the Board of Directors, and made available to Directors interested in the agreement. This was voted on, and carried, "that the proposed agreement be adopted as a Chautauqua Patrons' Insurance Association Company Ownership of Business Agency Agreement." The Standard Fire Five-Year Policy was changed to a Three-Year Policy, effective March 1, 1977.

Recommendations presented to the Board of Directors at this meeting

were that the Directors receive \$20. per day for attending meetings. This was their first increase in fees in many years, and it is easy to see why it was carried, when voted upon! The Executive Committee also was granted \$20. per day for attending meetings, and both they and the Directors were to receive \$.15 per mile for car expense, and actual subsistence. The Directors also were to receive \$20. for adjusting losses in neighboring territory, 15% commission on all business placed with the Chautauqua Patrons' Insurance Association, less 15% on cancellations and refunds prorated back to the policyholder. It was also voted on, and passed, to have all Director-Agents' commissions paid on a semi-annual basis on June 15 and December 15.

As the association grew and expanded, so did the complexity of its operations, with added lines of service to its policyholders, and added responsibilities on the shoulders of the Executive Committee and Director-Agents. This is especially so for Calvin Bowen, the present Secretary, whose many duties keep him busy in and out of the office. It calls for a large measure of correlation with Director-Agents and Policyholders for a harmonious relationship and an effective communication. It calls for discretion, and a sagacious knowledge of financial matters.

His untiring efforts and devoted service on behalf of the Association have earned him the respect of all his associates. His consideration, courtesy and congeniality have won him the esteem of all his friends. He has attended many local seminars, and the School for Continued Education at State College, Pa., taking eight courses in a period of six years. He is a member of the Board of Directors of Surety and Exchange, and on the Board of Directors of the New York Cooperative Insurance Association.

“The Association extends its facilities with a feeling of trust and confidence in its authorized Director-Agents and desires that the Director-Agent return that same trust and confidence unto this Company. The harmony created by such an atmosphere will greatly benefit the policyholder and will induce equal rewards to all who serve the policyholder.”

The Chautauqua Patrons' Insurance Association can and does service for its policyholders: Farmowners and Homeowners Policies, Farm and Personal Liability, Theft on Farm and Personal Property, Livestock and Equipment Floater Coverages, as well as Standard Fire, Windstorm and Extended Coverages.

Yes, in this year of 1977, the Chautauqua Patrons' Insurance Associa-

tion's birthday cake has a hundred candles on it. Our wish is that we may continue to make great progress, and have many happy birthdays in the years ahead.

**CHAUTAUQUA PATRONS' INSURANCE ASSOCIATION  
STATEMENT OF PROFIT & LOSSES  
MONTH OF DECEMBER 1976**

<u>INCOME</u>	<u>Year to Date</u>
Annual Assessments	\$718,998.51
Advance Assessments	27,448.21
Refund of Assessments	(5,129.00)
Taxable Interest Income	15,490.40
Tax Free Interest Income	37,493.61
Income on Disposal of Bonds	2,446.05
Loss on Disposal of Bonds	—
TOTAL INCOME	<u>\$796,747.78</u>
<u>EXPENSES</u>	
Losses Paid	\$222,887.71
Less: Reinsurance Recoverable	(67,907.01)
Loss Adjustment Expense	2,984.11
Commissions	93,321.40
Gross Office Salaries	26,170.18
Officers' Salaries	11,250.00
Directors Fees	2,174.00
Travel & Travel Items	2,589.01
Boards, Bureaus & Associations	3,447.55
Legal & Audit	2,207.77
Depreciation-Furniture & Fixtures	1,117.67
Rents, Office & Equipment Maintenance	4,131.57
Advertising	677.67
Printing & Stationery	5,024.78
Postage, Telephone & Express	3,610.00
Insurance	6,817.53
Charitable Contributions	255.00
New York Insurance Department	1,186.74
Payroll Taxes	3,186.45
Interest on Borrowed Money	738.88
Reinsurance	208,717.94
Seminars & Meetings	5,179.73
Fees-Bonds & Securities Transfer	120.00
Pension Fund	2,251.64
Others	<u>105.07</u>
TOTAL EXPENSES	\$542,245.04
INCOME (LOSS) BEFORE TAXES	254,502.74
PROVISION FOR TAXES	<u>12,000.00</u>
NET INCOME (LOSS) CARRIED TO SURPLUS	<u>\$242,502.74</u>



**CHAUTAUQUA PATRONS' INSURANCE ASSOCIATION**  
**BALANCE SHEET**  
**DECEMBER 31, 1976**

ASSETS

Bankers Trust – Checking	\$	44,041.66
Petty Cash		50.00
Savings Accounts & Certificates		251,734.43
Bonds & Securities		686,403.31
Emergency Reserve Fund		5,000.00
Due from Directors – Advances		1,759.50
Fire Losses Receivable – Surety		11,728.39
Wind Losses Receivable – Exchange		8,628.44
National Grange Losses Receivable		4,030.46
Furniture & Fixtures		17,546.33
Less: Depreciation – Furniture & Fixtures		<u>(3,838.27)</u>
TOTAL ASSETS		<u>\$1,027,084.25</u>

LIABILITIES

Notes Payable		–
Accrued Payroll Taxes Payable		878.05
Accrued Directors Commissions		3,615.00
Federal Income Tax Payable		(12,523.85)
Estimated Federal Income Tax		<u>12,000.00</u>
TOTAL LIABILITIES	\$	3,969.20

SURPLUS

Loss & Expense Required Reserve	\$	254,973.47
Contingent Reserve		100,000.00
Unassigned Funds		425,638.84
Net Income (Loss) Year to Date		<u>242,502.74</u>
TOTAL SURPLUS		<u>\$1,023,115.05</u>
TOTAL LIABILITIES & SURPLUS		<u>\$1,027,084.25</u>

