

### School Insurance Topic Discussed

The following article is being reprinted from the Open Forum column of The Charlotte Observer, issue of December 3, 1948:

#### SCHOOL INSURANCE

To The Observer:

On October 1, 1948, The Durham Sun published an editorial criticizing the insurance department of this state for approving a 25 percent increase in fire insurance rates on public schools. The editorial failed to state that the increase does not apply to buildings of superior construction—generally known as "fire-proof" structures, and sprinklered properties.

The Sun editorial also stated that during the last 10 years the fire insurance companies, operating in North Carolina, collected premiums on public school prop-

erties amounting to \$4,500,000 and during the same period paid losses of \$2,800,000, and such a record "would seem to be profit enough on public schools to permit the insurance companies to operate comfortably". The statement quoted above is evidently intended to convey to the public the idea that the difference between premiums collected and losses paid equal profits. But this is not true. The fire insurance companies, like all other businesses, have to pay, expenses and taxes.

Furthermore, the premiums given in The Durham Sun editorial do not present a true picture, because losses must be calculated on earned premiums rather than on premiums written, if we are to reach a sound result of operations. We believe it is fair and liberal to assume that not more than 75 per cent of the three and five-year premiums under the policies in force have been earned. On that basis the actual premiums would be reduced to \$3,375,000, with losses paid of \$2,800,000, or a loss ratio of 80 per cent with premium expenses of 40 per cent.

During the last eight or ten years, as a result of greatly increased values, the amount of fire insurance on practically all schools has been materially increased, with the great majority of coverages written for terms of three and five years, with premiums paid in advance. (The three and five-year term premiums produce a savings to the schools of about 15 per cent and 20 per cent respectively). There-

fore, the insurance companies continue to carry the liability and must pay all losses that will occur until the expiration of the three and five-year policies. Losses calculated on earned premiums usually produce a loss ratio of about 40 per cent higher than the losses on premiums written and losses paid. If the existing policies should be canceled, for any reason, the unearned premiums would have to be refunded to the public schools and, in the meantime, losses continue to occur under the existing contracts, all of which proves the correctness of calculating the loss ratio on an earned premium basis.

The premiums presented by The Durham Sun produced a loss ratio of 62.22 per cent and the actual experience on public schools is tabulated as follows:

Loss Ratio, Premiums written and losses paid.....	62.22
Commissions to Agents for producing business and servicing policyholders.....	20.00
State Premium taxes.....	2.550
Firemen's Relief taxes.....	.25
Rating Bureau, Licenses and fees.....	2.00
Company administration expenses, salaries, rents, field expenses, supplies, etc.....	13.00
Adjustment expenses.....	2.40
	102.37

Firemen's Relief Tax is one-half of 1 per cent, but I have used one-fourth of 1 per cent because approximately one-half of the schools are in protected areas.

The tabulated figures above show a loss on public schools and, in addition to that, the Insurance Commissioners of all states agree that the insurance companies are entitled to at least 5 per cent underwriting profit, as well as some reserve for conflagrations.

The Insurance Department and the North Carolina Fire Insurance Rating bureau are making an earnest effort to rate all properties in this state by classes based on experience. At the time our Commissioner of Insurance approved the increase in fire rates for public schools, there were many classes up for consideration on the record of each class of property. The decreases approved by Commissioner of Insurance Hodges, on tenant dwellings and household furniture alone, amounted to a greater savings to the public than the increase on public schools. The average rate in North Carolina is lower than it was before World War II. Do you know of anything else that is selling at a lower cost than before World War II? In the meantime, the fire insurance companies have met all of the increased cost of operations.

After due consideration of the record on public schools—excluding so-called fire-proof and sprinklered risks—the Commissioner of Insurance agreed that the fire insurance companies would about break even with the increased rates, if losses continued as heretofore. If losses decrease over a reasonable period, rates will decrease on public schools and all other classes.

It is definitely the obligation of all of us to help reduce the alarming fire waste in this state and the entire nation.

P. W. D. JONES, Vice President, Piedmont Fire Insurance Company, Charlotte, North Carolina.

#### Singing January 30 Little Rock Church

The Southside Singing Convention will be held Sunday, January 30, at Little Rock Baptist church, beginning at 11 a. m. Chairman F. J. McDuffie announces that everybody is invited, especially all choirs, quartets, and other singers. Dinner will be spread picnic style at noon, therefore, Chairman McDuffie asks all to bring well-filled baskets.

#### ADMINISTRATRIX NOTICE

Having qualified as Administratrix, c. t. a., of the estate of Wiley Glenn Robbins of Wilkes county, North Carolina, this is to notify all persons holding claims against the estate of said deceased to present them to the undersigned within one year from date of this notice or same will be pleaded in bar of their recovery. All persons owing said estate will please make immediate settlement.

This 8th day of Dec., 1948. MRS. VALLIE BRANNOCK, Admrx. c. t. a. of Wiley Glenn Robbins, dec. Alexander & Neaves, Attorneys 2-3-6T

#### ADMINISTRATRIX NOTICE

Having qualified as administratrix of the estate of N. A. Wyatt, late of Wilkes county, North Carolina, this is to notify all persons having claims against the estate of the deceased to present them to the undersigned before the 20th day of December, 1949, or this notice will be plead in bar of recovery. All persons indebted to the estate will please make immediate settlement.

This 20th day of Dec., 1948. MRS. N. A. WYATT, Admrx. estate of N. A. Wyatt, deceased. 2-3-6T

# Friday And Saturday

# ODD AND ENDS SALE

There were some items left from Our Odds and Ends Sale of last week, so, With new low prices for quick Clearance—Buy what you can use in the next two days and Saturday we have re-grouped these and save. After this sale the regular prices will prevail—Hurry!

#### 14 Men's TWEED TOPCOATS—

Sizes from 34 to 42. Assorted patterns.

Were \$26.00—Now \$9.87

#### 27 MEN'S WOOLEN SUITS—

Beautiful Patterns in stripes, fancy and solids. 100 per cent all wool. Sizes 34-42.

Were \$32.50—Now \$19.87

#### 31 MEN'S SPORT SHIRTS—

Wool and Rayon. Assorted colors in greens, tan, gold and brown. Sizes small and medium only—

Were \$6.95—Now \$2.87

#### 17 WOMEN'S RAINCOATS—

Natural colors. Cotton twill. Slightly on the short style—a little soiled—

Were \$8.95—Now \$3.37

#### 13 WOMEN'S SKIRTS—

Assorted patterns—slightly short in length. Sizes 24 to 30. Wool materials—

Were \$5.95—Now \$1.00

#### 5 WOMEN'S DRESSES—

Sizes 9 to 20. Assorted colors and styles. Slightly short—

Were \$8.95—Now \$1.00

### 9 Men's TWEED SUITS

Sizes 36 to 40.

Assorted patterns.

Were priced to

\$29.95

Now 9.87

#### 33 PAIRS— Children's Corduroy Overalls

Colors green, maroon and tan. Sizes 4 to 6

Were \$2.98—Now \$1.87

#### 29 Women's House Coats—

Wools and Crepes. Assorted colors. Sizes 12 to 40—

Were to \$9.95—Now \$3.37

#### 9 Men's Lined Jackets—

All Wool, blue color. Sizes 36 to 46—

Were \$12.95—Now \$6.87

#### 10 Boys' Corduroy Coats—

Reversible, dark brown and tan colors. Sizes 8 to 16—

Were \$8.75—Now \$4.37

#### 49 Men's Briefs—

Cotton material. Sizes small, medium and large—

Were 98c—Now 67c

#### Transactions Are Cash. No Refunds or Exchanges

### 89 Prs. Women's NYLON HOSE

51 gauge, 15 Denier.

Sizes 8 1-2 to 10 1-2.

Assorted shades. Were \$1.98—

Now 1.00

#### THIS IS THE TIME AND PLACE TO REALLY SAVE!

#### 17 WOMEN'S COATS—

Sizes 9 to 20—Assorted patterns. Some fur trims included—

Were priced up to \$49.95—Now \$16.87

#### 7 WOMEN'S SUITS—

Assorted Patterns. Sizes 10 to 14—

Were to \$29.95—Now \$5.00

#### 29 BOYS' SWEATERS—

Slipon and Button Styles—Assorted patterns and sizes—

Were \$2.48—Now \$1.00

#### 89 PAIRS CHILDREN'S SHOES—

Browns and blacks—Sizes 8 to 3—

Were \$3.95—Now \$1.87

#### 14 MEN'S DRESS SHIRTS—

Regular and buttoned down collars. Sizes 15 to 16 1-2—

Were to \$3.98—Now \$1.37

#### 19 BOYS' LONGIES—

Good tailoring—Sturdy fabrics. Sizes 8 to 14—

Were \$2.95—Now \$1.47

### 107 Prs. Women's DRESS SHOES

Pumps and Ties.

Browns and blacks

All sizes & widths.

Were to \$5.95

Now 1.00

### NOTICE! NOTICE!

To Taxpayers of the Town of Wilkesboro: Beginning February 2, 1949, penalty will be added to all unpaid taxes due the town of Wilkesboro for the year 1948. Pay now and save the penalty.

### J. R. HENDERSON

Town Clerk and Tax Collector.

### FREE \$5.00 TO ANYONE

Fill in the space below of a friend or neighbor who is a prospect for a piano. If we sell them, you will receive \$5.00.

Prospects Name -----

Address -----

Your Name -----

Address -----

### KLÜTTZ MUSIC COMPANY

Granite Quarry, N. C.

### MILLERS CREEK THEATRE PROGRAM

Friday, January 21—

#### "SISTER KENNY"

"Polio Drive" Starring Roslyn Russell. Also: Western Welcome and Ain't Nature Grand.

Saturday, January 22—

#### "UNCERTAIN FEELING"

Starring Merle Oberon and Melvin Douglas. Also "Spinich vs Hambergers"

Sunday, January 23—

#### "THAT DARING YOUNG MAN"

Starring Joe E. Brown. Also "The Big Flash" and "Snow Place Like Home."

Two Shows Each Night. First Show Starts At 7:00 o'clock.

### Wearing Apparel

# Prevette's Stores

914-916 B STREET • NORTH WILKESBORO, N. C.