

## Indiana Lumbermens Mutual Insurance Company

Founded: March 1897

Location: Lemcke Building, Indianapolis (1897); Northeast Corner of Illinois and Washington Streets; Castle Hall, East Ohio Street (until 1909); 518 North Delaware Street (1909–25); corner of North and Meridian Streets (1925); 518 North Delaware (1926–48); 429 North Pennsylvania Street (1948–81); 3600 Woodview Trace (1981– )

During the 1895 Indiana Retail Lumber Dealers' Association meeting several members shared their frustration over the high rates they had to pay for fire insurance. For the next year and a half the group raised capital and made plans for an insurance company of its own. Almost two years after the association's meeting fourteen men formed the Indiana Lumbermens Mutual Insurance Company. Of the fourteen organizers several were the owners of large lumber companies. Henry Coburn and Chapin C. Foster were among the organizers and ran two of the largest lumber mills in the capital city.

The insurance firm faced many problems in its first few years. A state law required an insurance company to hold \$50,000 in cash and \$100,000 in premium notes before it could begin to insure any customers, but the group of fourteen had only \$10,000 in cash. Connections in the Indiana General Assembly created a new law that allowed a new insurance company to have only \$10,000 in cash and \$50,000 in notes, if it dealt with only one class of business. With the legal restrictions overcome, the new association began issuing fire insurance policies to lumber dealers in April 1897. The insurance firm elected Coburn as its first president. By September 1897 almost two hundred policies were in force.

Financial difficulties plagued the company, and the board of directors cut or eliminated the generous salaries for the general manager, the president, the treasurer, and several other officers to make up the \$1,000 deficit the company faced at the end of 1897. Company directors

took out personal loans to cover expenses, and the association lost several of its officers because of the cuts. Within one year, however, the company became stable and financially sound, dividends were paid, and salesmen were hired. The new insurance agency was so competitive that by the end of its third year in business several competitors offered to lower their rates if Indiana Lumbermens would liquidate its stock.

Instead of going away, however, the company expanded into new markets and began offering different types of coverage. In 1901 the company began making mortgage loans. Two years later Indiana Lumbermens hired its first inspector. The inspector enabled the agency to lower its costs by ascertaining if policyholders were working within safety guidelines. Policyholders not operating within safety guidelines were forced to adopt safety measures or would lose coverage. When Coburn retired in 1905, his friend and fellow board member, Foster, replaced him as president. By 1909 the agency had over \$6 million of insurance in force.

Foster brought uniformity to the company's rates, inspections, and classifications, and by the end of 1905 the company insured lumber companies across the Midwest. After World War I the company began writing policies for auto and tornado insurance. In June 1920 the Mutual Insurance Company was launched to provide insurance to nonlumber company concerns. Within a year the new subsidiary had assets of \$134,000 and profits topping \$100,000. Some new ventures, however, did not succeed. The Progressive Realty Corporation launched in 1925 folded within a year.

The Great Depression proved a bane to the existence of many corporations. Frank B. Fowler stepped to the presidency after the stock market crash. The lumber business, and construction in general, fell precipitously during the first years of the economic blight.

Fortunately, Indiana Lumbermens had begun offering general insurance in 1929, a move that allowed it to survive until prosperity returned. Three years later the Mutual Insurance Company was merged with its parent corporation. It had led the way to the general insurance business, but became a costly duplicate after Indiana Lumbermens began offering general insurance policies. Although the company survived the economic calamity, it did feel the effects of the economic declension. It had to cut salaries by 15 percent in 1933. In 1934 the company wrote over \$15 million in premiums.

The 1940s and 1950s were growth years for the Indiana company. Fowler steered the company through the depression, giving it a solid footing during the most prosperous years of the nation. Gold E. Beall became president in 1943, keeping the office until 1962, when T. R. Lubking took over. I. G. Saltmarsh became chairman of the board of directors in the same year that Lubking became president. In 1952 the company had policyholders in all forty-eight states and in the District of Columbia. By 1955 assets exceeded \$21.3 million, and profits grew to \$3 million a year.

In the 1960s and 1970s the company started offering workers' compensation, commercial and personal umbrella liability, and, beginning in 1972, bond insurance. By 1968 John C. McCormick, president of the McCormick Lumber Company, became chairman of the board, remaining in the position less than four years. H. A. Pasch was elected to the position of chairman in 1972, remaining through 1991. During the 1980s the company refocused its efforts on the lumber insurance business, divesting itself of its other interests.

In 1998 John Wolf presided over the multi-billion dollar company, a position he has held since 1995. The insurance firm continues to insure businesses dealing in forest products and

building materials. It employs 127 and operates in 42 states. It prides itself on its claims service and on its ability to customize insurance policies. To keep costs and accidents at a minimum, the company continues to stress safety, a theme it has emphasized since 1901.