

MITIGATION AND INSURANCE - ACTIONS, POLICIES AND NEEDS

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Loss control, loss prevention or hazard mitigation, whatever the terminology, requires cultural assimilation over time, because we are dealing with extremely personal issues.

Insurance itself is a very personal business. The benefits of loss prevention are pursued because they can become personally cost effective to both the insurance seller and the insurance buyer. Reduced losses mean reduced premiums. That equation is basic, for mitigation has been and will continue to be a tool of insurance.

The insurance industry has participated in loss control efforts on behalf of the public interest for about a century. In 1893, the Columbian Exposition in the city of Chicago was experiencing repeated fires due to faulty electrical installations. A Boston electrical inspector was invited by the Chicago Board of Fire Underwriters to inspect the property. He recommended substantial changes, and from this effort was born the Underwriters Laboratories. This organization, begun and supported by the insurance companies, continues today, and has expanded its activity from testing