

INTERNATIONAL COOPERATION ADMINISTRATION

Washington 25, D. C.

December 19, 1958

TO: All University Contract Coordinators

FROM: James E. Victory, Chief *JEV*  
Training Development Staff, DD/S

SUBJECT: New Health and Accident Insurance Coverage for ICA Participants

Effective January 1, 1959, ICA will enter into a new contract covering participants health and accident insurance coverage. We will also arrange for a new contract covering dependents who accompany participants to the U. S., the cost of which must be paid by the participants.

The new policies will be with the Indemnity Insurance Company of North America, 2133 Wisconsin Avenue, N. W., Washington 7, D. C. The broker is the C. A. Shortt Agency, 1700 "K" Street, N. W., Washington 6, D. C.

The new policy will provide substantially the same coverage as is currently provided with the following three exceptions:

1. The first \$10.00 of expense for each illness will not be covered and must be paid by the participant.
2. Hospital room and board costs are limited to those charged for semi-private accommodations.
3. The 26 weeks limitation on coverage for each illness or accident has been extended to 52 weeks.

We should like to explain why a \$10.00 deductible coverage has been accepted and what implications it might have for the University Contract participants.

For the past several years ICA has had a very favorable premium rate of \$3.00 per month per participant. The Company's losses were such, however, that a substantial increase in the rate was inevitable. In addition, it was anticipated that our total requirement for coverage would increase by a minimum of 15% for the coming year. This led us to solicit proposals on various types of coverage which would meet our basic needs and at the same time reduce our costs and work no real hardship on the participants.

It is estimated that even the \$10.00 deductible coverage which has been decided on will increase our costs by over \$70,000 this next year. To have continued full coverage would have cost in excess of 100% of the past year's costs the funds for which were not available.

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The deductible feature might possibly have an effect on the Universities in those cases where the infirmary or health fee has not been charged the participants and where University facilities are used for minor illness and treatment. In these cases it will be necessary for the infirmaries to collect from the participants for treatments costing less than \$10.00 or in the cases of larger bills, the first \$10.00 of the bill.

You will in due time receive copies of the new contract, claim forms and identification cards.

The new policy for participants is SGA-366 and the monthly rate is \$4.12.

The dependents policy will be number SGA-367 and the rate will be \$5.65 per month. All inquiries concerning dependents coverage should be addressed to the C. A. Shortt Agency, address as on page 1.

I hope you appreciate our position in regard to this matter. Should you have questions concerning the coverage for participants, please write to Mrs. Willie G. Brock, Chief, Training Services Branch, S/TDS, Room 424-R, 815 Connecticut Ave., N. W., Washington 25, D. C.

THE COMMERCIAL INSURANCE COMPANY  
OF  
NEWARK, NEW JERSEY  
(A stock company hereinafter called the Company)

through its

FOREIGN MANAGERS

AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

Hereby Agrees with

THE INTERNATIONAL COOPERATION ADMINISTRATION

(HEREINAFTER CALLED THE ICA)

That the coverage afforded by this policy insures, subject to the terms, conditions and other provisions of the policy, foreign nationals coming to the United States and/or its territories or Canada or elsewhere for study, training, teaching, observation and related activities under the sponsorship of the ICA.

(Americans going abroad as participants in the programs of the ICA, as well as the accompanying spouse and dependent children of such foreign and American nationals are also eligible for the coverage hereunder. Parts V, VI and VII of the policy are inapplicable to these individuals; in lieu thereof, individuals will receive instructions, upon application, from Marsh and McLennan, 70 Pine Street, New York, New York.)

PART I ACCIDENT EXPENSE INDEMNITY

"Injury" as used in this policy means loss resulting directly and independently of all other causes from bodily injury sustained during the term of this policy and effected solely through accidental means.

When by reason of such injury the insured shall require treatment by a professionally qualified doctor, duly licensed to practice medicine (including but not limited to surgery, dentistry and ophthalmology) in the State or province in which he resides, hospital confinement, employment of a qualified nurse, x-ray examinations, prescriptions, the use of an ambulance or any other therapeutic services and supplies deemed necessary by the attending doctor, including cosmetic dentistry, false teeth and bridgework when necessitated by injury to the insured, and the replacement of eye-glasses when broken as the result of an accident, the company will pay the expense actually incurred for such treatment within twenty-six weeks after the date of the accident up to an aggregate limit not exceeding \$750 for each accident.

PART II SICKNESS EXPENSE INDEMNITY

"Sickness" as used in this policy means sickness or disease causing loss during the term of insurance hereunder.

When by reason of such sickness the insured shall require treatment by a doctor, duly licensed to practice medicine (including but not limited to surgery, dentistry and ophthalmology) in the State or province in which he resides, hospital confinement,

*This contract in force prior Jan. 1, 1959.*

employment of a qualified nurse, x-ray examination, prescriptions, the use of an ambulance or any other therapeutic services and supplies deemed necessary by the attending doctor, the Company will pay the expense actually incurred for such treatment within twenty-six weeks after commencement of the sickness, up to an aggregate of \$750 for each sickness.

PART III ACCIDENT DISMEMBERMENT INDEMNITY

When injury results in any of the following losses, within fifty-two weeks from the date of the accident, the company will pay for:

Loss of both hands or both feet or sight of both eyes .....	\$3,000
Loss of one hand and one foot.....	3,000
Loss of one hand or one foot and sight of one eye.....	3,000
Loss of one hand or one foot.....	1,500
Loss of sight of one eye.....	1,000
Loss of thumb and index finger of either hand.....	750

Loss shall mean with regard to hands and feet, dismemberment by severance through or above the wrist or ankle joints, with regard to eyes, entire and irrecoverable loss of sight; with regard to thumb and index finger, severance through or above the metacarpalangeal joints.

If the insured has suffered, prior to the effective date of his insurance under this policy, or thereafter suffers, the loss of one hand or one foot or the sight of one eye, the benefit payable for any subsequent loss shall be the benefit provided above for such subsequent loss without reference to any previous loss.

PART IV MORTICIANS SERVICES AND TRANSPORTATION OF REMAINS

In the event of the death of the insured hereunder occurring within the term of the policy, the company agrees to pay the actual charges for adequate morticians services, with due regard to applicable international requirements for shipping and transporting of his remains from the place of death in the United States, its territories, possessions or Canada or elsewhere to his home country not to exceed \$1,000.

PART V EFFECTIVE AND EXPIRATION DATES FOR INDIVIDUAL INSURED

The effective date of individual insurance hereunder will be the date reported by the ICA to the company upon requesting coverage for the individual insured.

Insurance for the individual insured hereunder shall continue in force while the insured is in the United States, its territories or possessions, or Canada or elsewhere. All periods of insurance hereunder shall begin and end at 12:01 A.M., Standard Time, at the insured's address.

PART VI REPORTING OF INDIVIDUAL INSURED AND PAYMENT OF PREMIUM

The ICA shall submit a report to the Company each month which will show the total number of insureds in the U. S. or elsewhere as of the last day of that month. The ICA shall report by the 15th of each calendar month the exposure for the preceding month.

At the time of such report, the Company will bill ICA for each reported insured at the rate of \$3.36 per month for all coverages afforded under this policy, viz. accident expense indemnity, sickness expense indemnity, dismemberment indemnity, morticians' services and transportation of remains. Exhibit A attached hereto is

incorporated as a part of this contract.

PART VII INFORMATION LETTERS AND CLAIM REPORTS

The ICA will issue to the insured a claim report form and a letter outlining the insurance provided by this policy and the method of reporting claims to the company.

PART VIII EFFECTIVE DATE

This policy shall take effect November 1, 1956.

PART IX CONDITIONS AND LIMITATIONS

The insurance under this policy shall not cover death, disability or any other loss caused directly or indirectly, wholly or partly by:

- (1) Intentionally self-inflicted injury or suicide while sane and insane, or any attempt thereat,
- (2) Such injury or such sickness or disease for which benefits are paid to and insured under any workmen's compensation law, occupational disease acts, or any other health and welfare programs, insured or otherwise, effective in the United States or Canada,
- (3) Such injuries or such sickness sustained by the insured (a) while in active duty in military or naval service of any country at war, or (b) which is the result of, or is caused by, any act of war occurring during the policy period.
- (4) Pregnancy and resulting childbirth or miscarriage or complications therefrom.
- (5) \*Dental care, except as is required as a result of an accident, for emergency treatment given in alleviation of excessive pain and subsequent treatment related to the first call for alleviation of such excessive pain, but shall not include cosmetic dentistry or surgery excepting under Part I Accidental Expense Indemnity.

\*Pyorrhea is a disease and is covered under Part II.

- (6) Routine physical, or any other examinations, where there are no objective indications of impairment in normal health, and laboratory diagnostic or x-ray examinations except in the course of a disability established by the prior call or attendance of a physician.
- (7) Fitting of or prescription for eyeglasses and eye examinations connected therewith, except as provided under Part I. However, accompanying bodily injury shall not be a pre-requisite for payment of replacement cost of eyeglasses.

1. No statement made by the applicant for this insurance shall void the insurance or reduce benefits hereunder. No agent has authority to change this policy or to waive any of its provisions. No change in this policy shall be valid unless

approved by an officer of the company and evidenced by endorsement on the policy, or by amendment of the policy signed by the ICA and the Company.

2. All statements made in connection with this insurance shall be deemed representations and not warranties.
3. All premiums due under this policy shall be remitted by the ICA to the company as soon as practicable.
4. Written notice of injury must be given to the company within twenty days after the date of the accident. Failure to give notice within the time provided in this policy shall not invalidate any claim if it can be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible. Notice given by or in behalf of the claimant to the American International Underwriters Corporation, 102 Maiden Lane, New York 5, New York, with particulars sufficient to identify the insured shall be deemed to be notice to the company.
5. Affirmative proof of loss on which claim may be based is to be furnished to the Company not later than ninety days after the date of such loss. Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to furnish such proof and that such proof was furnished as soon as was reasonably possible.
6. The Company, upon receipt of the notice required by this policy, will furnish to the claimant such forms as are usually furnished by it for filing proof of loss. If such forms are not so furnished within fifteen days after the company received such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.
7. The Company shall have the right and opportunity to examine the person of the insured, when and so often as it may reasonably require during pendency of claim hereunder.
8. All indemnities provided in this policy will be paid immediately after the receipt of due proof.
9. No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty days after proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within four years from the expiration of the time within which proof of loss is required by the policy.

In witness whereof, the Commercial Insurance Company has caused this policy to be issued, but it shall not be binding upon the Company unless countersigned by an authorized representative of the Company.

ACCEPTED ON BEHALF OF  
INTERNATIONAL COOPERATION  
ADMINISTRATION

AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION  
Foreign Managers

BY /s/ Julius J. Kessler  
Director, Office of Contract  
Relations

BY [Signature]  
Authorized Representative for  
Commercial Insurance Company

EXHIBIT A

1. The ICA agrees to purchase 29,760 months of coverage. In consideration of such coverage ICA shall reimburse the Company for the costs thereof in an amount not to exceed \$100,000.
2. Payment will be made by ICA to the Company monthly upon submission to the Office of the Controller, International Cooperation Administration, Washington 25, D. C. of the following documentation:
  - (1) Vouchers SF-1030 (revised) or SF-1146 in original and three copies.
  - (2) Original and one copy of Company's invoice describing the services rendered.
  - (3) Form ICA 280 in Original and one copy.
3. It is agreed that ten months after the effective date of the contract the premium provided for in Part VI will be renegotiated for the next policy year to reflect the experience of the Company under the contract.
4. The ICA may terminate this contract at any time by providing the Company with notice of termination in writing. Such termination shall be effective as of the last calendar day of the month in which notice of termination is received by the Company. In the event of any such termination the Company shall provide all the benefits of the coverage afforded under this policy for each individual to be reported by the ICA in accordance with Part VI of the policy as insured as of the effective date of termination. In particular, the Company shall be liable for payments in accordance with Parts I and III of the policy for all injuries and losses sustained by individuals insured hereunder which result from accidents which occurred prior to the effective date of termination and in accordance with Part II of the policy for all sickness which commenced prior to said effective date. The Company shall also be liable for payments in accordance with Part IV and the policy for morticians' services and transportation of remains in connection with deaths which occurred prior to the effective date of termination. The ICA will reimburse the Company for all premiums payable in accordance with Part VI of the policy as of the effective date of termination.