

My First Week at My New Job

It was early April 1974, over half-century ago. I had flown out to the San Francisco Bay Area from Milwaukee, Wisconsin, in four days in my Citabria, two-seater aircraft. I was a bachelor, at the time, and this was my first day on the job, April 8th. I was starting in a new job in the heart of San Francisco's Financial District on the second floor at 244 California Street. Because of my college major was insurance and my background as a pilot and part-time flight instructor, I was hired as an underwriter trainee for the San Francisco Branch Office of United States Aircraft Group (USAIG), a major company in the aircraft insurance industry.



USAIG competed for and insured major airlines – all the airline business was handled by the New York City home office. The branch office structure, six of them at the time across the US, was designed to provide physical damage (“hull”) and liability for smaller planes used for pleasure, business, flight schools, charter operators, and crop dusters. We also insured aviation products liability and airport liability.



The office consisted of about 20 people, including underwriters, management, and administrative staff. It was 1974: there were no computers and no cellular phones – they hadn't been developed for business – just dictation machines, telephones, and paper – lots of paper. I was one of five men and women underwriters. Each underwriter had their own desk and a multi-line telephone. There were no private offices and no partitions. The underwriters' desks were not crowded, but out on the open floor. When you were not on a phone call, you could hear the other underwriters speak, be it on the phone and to the other staff members - it was designed that way so you could hear one end of a telephone conversation and get thoughts from other underwriters.



We worked through independent insurance agents and brokers that presented their candidates and clients for aviation insurance.

Most of the time while I was an underwriter trainee was spent evaluating, quoting, binding, administering single-engine pleasure and business aircraft. We did not service claims; that function was handled by the USAIG Claims Department. If the airplane was on our approved list, then we were trained to “...match the pilot qualifications and experience to



airplane.” For USAIG, an unacceptable was an accident-prone, low-time pilot in a turbo-charged six-place twin-engine, with retractable gear aircraft. An acceptable risk was a low-time pilot in a Cessna 172 Skyhawk, a single-engine, four-seater, with fixed landing-gear; a docile aircraft with an excellent safety record. Our most profitable line was the jets (gas-turbine-powered aircraft) flown by professional pilots. They have the best safety

record because of the simulator training where, in a safe setting, the pilots are trained in all kinds of emergency situations. These include engine failures, other system malfunctions, and severe weather.

That is environment of the office at the time. You could hear all the underwriters speak (and they could also hear what you said). What follows is the story about Portland International Airport in Oregon – what I did not experience firsthand, but I heard about from another underwriters from telephone calls and discussing the situation with them.

The wide-body, high-passenger capacity jets had just become popular, Portland International Airport (PDX) – Oregon – had just gone a years-long reconstruction and modernization of their entire passenger terminal. USAIG insured the City of Portland for the liability occurring in and around the passenger terminal. We



insured the City for exposure for slips and falls and the personal injury, including death, of the public. We did not insure the City for their exposure to aircraft operations (including those accidents occurring on the runways and taxiways) nor physical damage to the terminal itself (such as a fire).

The renovation of the PDX passenger terminal included wider public aisles, larger passenger gates, faster moving walkways, quicker elevators, and speedier escalators. The larger capacity passenger jet airliners demanded that their passengers be moved quickly to avoid bottlenecks!

The engineers and architects designed the new PDX terminal to “high-speed” in an office building context. They made the escalators move fast, moving as they would be a business office environment.

Instead, the Portland International Airport was heavily populated with traveling passengers: toddlers, people carrying suitcases, packages, babies, needing walking devises (canes, etc.), and adults pushing baby-carriages.

One busy day, the PDX terminal was full of people. The aisles were crowded with lots of people hurrying to catch their flight, claim their luggage, hail a taxicab, rent a car, and meet business associates and loved ones.

On a crowded, high-speed down escalator, somebody fell down.

One passerby noticed the fallen person and was trying to be unsung hero, thought it was helpful to stop the escalator.

He went sprinting across the floor, got on the floor and activated the “STOP” button located at the bottom, near where the moving handrail goes to the escalator mechanism.



The “STOP” button worked as it was designed to. The escalator stopped—it came to abrupt stop.

The people on the escalator also came to an abrupt stop! This included toddlers, people carrying suitcases, packages, babies, needing walking devices (canes, etc.), and adults pushing baby-carriages. They came down on the people ahead of them on the escalator. There were numerous injuries. Fortunately, there were no fatalities. USAIG was on the hook. We paid hundreds of thousands of claim dollars in medical bills, loss of income, pain & suffering, and claims administrative expense. All the claim dollars spent could have been avoided if the escalators had a slower speed.

Eventually, when the underwriter got word of the escalator accident, a meeting was held in the insurance agent's office...with the Risk Manager of the City of Portland in attendance. The underwriter insisted that the speed of escalators be cut in half or USAIG sent a “Notice of Cancellation” to the City. The Risk Manager went back to the engineering firm for the PDX terminal renovation. The Risk Manager came back with the news that it was not possible to slow the speed of the existing escalators without replacing them. The options for the City of Portland were limited. No other insurance would be willing to insure the airport terminal given the publicity the accident had caused in the media and many outstanding claims.

The City had to rip out the existing escalators and replace them with the escalators at a much slower speed—at great expense.

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Nothing I experienced in my 33 years in the aviation insurance business could ever top that image in my mind, in my first week on the job in 1974, of the mass of people falling down like dominos on an escalator at Portland International Airport!