SORM
STATE OFFICE of RISK MANAGEMENT

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Senate Bill No. 1, 81st R.S.

STATE INSURABLE ASSETS STUDY

JANUARY 2011

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I. Background

The State Office of Risk Management (Office) is responsible for administering insurance services obtained by State agencies, including the government employees' workers' compensation insurance program and the State risk management programs.[1] Pursuant to Senate Bill No. 1, 81st R.S., as codified in the General Appropriations Act, the Office was directed to prepare a report and offer recommendations for a potential statewide strategy to insure State assets against damage or loss and comment on the advisability of various insurance options, including self-insurance, privately placed insurance, and stop-loss insurance.[2]

The Office currently administers the voluntary State of Texas Property Insurance Program, which currently insures approximately $11B in Total Insurable Values (TIV). State agencies are not generally required to insure their assets, but 27 agencies have elected to participate to insure their real property and contents, either for a business purpose or to comply with external requirements, such as property financed with public bonds or as a prerequisite to Federal Emergency Management Agency assistance. Only a minority of State property is currently covered by insurance. The Office estimates the State in total has approximately 40,000-45,000 properties with a combined TIV of $50B-$80B.

It is often assumed the State of Texas self-insures its real and personal property.[3] This long-held belief partially stems from the 1921 Senate Concurrent Resolution No. 3, 37th R.S., and partially from the existence of unappropriated general revenue and mechanisms for requesting supplemental appropriations for sustained losses.[4] The latter is not technically self-insurance, as the State has no specific funded reserve for losses to real or personal property nor has it established a process for adjusting claims and distributing payments. Most agencies are functionally uninsured, unless they have obtained specific insurance policies or established agency funding reserves.

Under the current statutory insurance program administered by the Office, each agency makes an individual decision to either insure its property, or a portion thereof, or retain any potential loss. When uninsured losses occur, the agency must either absorb those losses within current budgets or request additional appropriations from the Legislature.

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[1] Texas Labor Code §412.011, et seq.

[2] GAA, pg. I-80, Rider 4

[3] For the purposes of this report, real property is defined as "land and immovable structures attached to the land," and personal property is defined as "tangible property, which is often called 'contents'." Richard V. Rupp, CPCU, Rupp's Insurance & Risk Management Glossary, 2nd Edition, 1996

[4] The 1921 resolution sets forth that it is "the policy of the state to self-insure its buildings" and recommended establishment of a fund for paying losses. No fund has been established.

For agencies that do not purchase insurance, the Legislature has historically assisted those agencies in financing uninsured catastrophic losses. Past sessions have seen multiple agencies requesting financial assistance from the Legislature for damage sustained; most recently from natural disasters such as Tropical Storm Allison and Hurricanes Rita, Katrina, Dolly, Gustav, and Ike. Similar situations may occur from manmade events, such as the arson attack on the Governor's Mansion in June 2008.[5]

Requests for financial assistance over the last few legislative sessions have exceeded a quarter of a billion dollars. Known appropriations for general costs caused by natural disasters from Sept. 1, 2007, through June 29, 2009, as reported in HB 4586, are provided in the Appendix. These figures reflect only known payments that were to be distributed to the respective agencies at the time of the report.

[5] The building had a Builder's Risk insurance policy in place during a roof repair at the time of the fire. The Builder's Risk insurance policy provided some recovery but was well below the approximately $22M requested of the Legislature to rebuild the historically classified building to its previous state.

II. Methodology

While the State tracks some properties in a centralized manner, there is currently no single existing source that identifies or tracks the condition, replacement value, and geographical location of all State assets. The lack of complete current or verifiable information regarding full exposures prohibits accurate cost evaluations as part of this report. According to industry experts consulted during the preparation of this report, this is a common issue in state insurance plans and is a fundamental prerequisite to performing a cost analysis for all methods of protection.

The Office's study was conducted by identifying categorical strategies, utilizing reasonable extrapolations based on data collected in the current voluntary program, and consulting with practicing industry experts on various strategies, including strategies utilized by other states. The experts provided information and responded to specific inquiries on concepts and approaches. The strategies identified include both financial and non-financial options, including traditional insurance, individual self-insured retention, pooling, captives, CAT (catastrophic) bonding, and set asides. Non-financial options include strengthening of procedural mechanisms and potential legislative policy.

To compare various approaches, experts addressed the following inquiries from the Office:

What should be the goal of a State Property Program?
What are the recommended approaches for the State to handle the risk of its insurable assets?
What are other states' approaches to property programs, specifically those with similar exposures and size of Texas?
What important aspects must be, and should be, addressed prior to, during, and after instituting a statewide program?
What additional services would the State require to implement various strategies?
How should agencies be motivated to participate?
What are available and/or recommended approaches to funding a statewide program?

III. Options

All of the industry experts consulted stressed the importance of developing and maintaining a comprehensive database of all of the real property and contents currently owned by the State, the geographical location of the properties, the replacement cost, and the COPE (Construction, Occupancy, Protection, and Exposure) characteristics on each piece of property before any program can or should be recommended or implemented. Complete and accurate identification of the property to be insured is a necessary prerequisite of all the approaches discussed.

The experts offered diverse options, recommended best practices, and proposed methodologies for structuring a large insurance program for State use. The following sections address the potential distinct approaches and strategies identified by the Office and by consultants responding to the Office's request for consultations. The options presented are not listed in order of benefit, preference, or advisability for adoption.

A. Financing Options

1. Traditional/Commercial Insurance

Traditional insurance is a component of most basic risk financing plans. In general, traditional insurance transfers the risk of loss from damage to property from the owner to an insurance company, which collects a premium from the owner in return for payment of covered losses.

Advantages. Traditional insurance reduces the financial uncertainty of accidental losses, as a known premium can be incorporated with attendant deductibles to limit State exposure in the event of a large loss. Transferring this risk, particularly in the event of a large (or catastrophic) loss, provides additional financial resources for the State to address other needs. Claims handling and risk control services are typically incorporated in traditional insurance options, providing for value-added services and potential loss control.

Disadvantages**.** In commercial insurance, terms and conditions of an off-the-shelf policy may be unstable, as may be premium charges in response to loss experience both at the individual agency and within the industry-covered population. Traditional insurance routes would likely represent a more expensive option for the State, based on the potential number of buildings and total insurable value of the buildings. Traditional insurance is primarily advantageous for small geographical spreads and may be inappropriate for a statewide approach. In a time of catastrophic

losses, some insurance companies may opt to discontinue insurance coverage in certain counties within the State, leaving portions of the State or subsets of agencies uninsured. Commercial insurance will include the insurer's expense, profits, and risk charges in the premium paid. The insurance premium to cover an estimated 40,000-45,000 buildings could be a considerable increase over current premium costs, decreasing the cash flow for the State. Traditional insurance may not be a complete transfer of hazard risk, as some agencies may have exposures that an insurance company may not be willing to cover (e.g., agencies located in flood zones may be required to purchase additional flood insurance from the National Flood Insurance Program).

2. Individual Self-Insured Retention

Individual self-insured plans would require each state entity to pay for its losses out of its own budget, but without the costs associated with procuring insurance. This type of strategy requires a specific, formal system for recording losses and processing payments from a dedicated revenue source.

Self-insurance works best for high frequency and low severity claims. Unpredictable, high severity claims, such as property losses, are not ideal for this type of program as the claims fund may be inadequate to pay a large loss. Self-insurance is best suited to organizations committed to risk control, able to tolerate risk retention, and willing to provide funding and administrative resources necessary to make the program work. Self-insured programs are usually coupled with excess liability insurance to assist in covering catastrophic losses.

Advantages. A self-insured program would allow the State to have control over its own claims: claims adjusters could be independently selected; claims handling guidelines can be written to State specifications; and timelines for settling claims could be handled internally. There is a potentially significant cost savings if the frequency and severity of losses is minimal, avoiding recurrent premium and administrative costs associated with traditional insurance. This approach is not reliant on insurance market trends.

Disadvantages. Frequency and severity of losses can be unpredictable, leading to loss of cost savings compared to premium-based, risk-transfer mechanisms. Catastrophic property losses, even if infrequent, must be allocated for and dedicated funds protected in the form of minimum reserves in the event of a large loss. The financial costs of property losses, particularly from

natural disasters or external intentional acts, can be extremely large and subject to events outside effective loss control mechanisms, unlike other forms of self-insurance where losses may be limited or controlled (e.g., tort liability limitations, workers' compensation losses, etc.). Internal administrative handling of a self-insured program (recording, adjusting, scheduling, payment, and possible litigation) can require significant resources when dealing with losses. Assets and reserves must be rebuilt after payment processing, further reducing potential savings over other strategies.

3. Statewide Self-Insured Retention

This strategy is identical to the preceding section, excepting its State-level approach (i.e., the funds for paying losses are retained centrally by the Legislature or a designated agency that receives a direct appropriation). This option is most closely associated with Senate Concurrent Resolution No. 3, 37th R.S., which is attached as Appendix 2.

4. Pooling

The concept of pooling refers to the strategy of entities combining resources to finance experienced losses. Pools may be grouped by common exposure(s), business focus, geography, genesis, or any other mutuality supporting combination. Each entity contributes resources to the group as a whole, used for the equal benefit of the members.

Generally, protection against exceeding pool resources must be factored in, including consideration of reinsurance treaties purchased to ensure the pool does not become insolvent in a particularly catastrophic year, or obtaining excess insurance based on the catastrophic exposures in different demographic areas (in this configuration, the pool would fund the primary layer of coverage and excess would cover losses exceeding the primary layer).

The State of Arkansas uses an "all in or all out" pooling approach, with universities permitted exemption. The Arkansas pool uses a state's master insurance policy form, although the form may be altered to suit Arkansas' universities' specific needs. Buildings are appraised every three years to ensure they are insured to value (however, Arkansas insures approximately 3,600 structures compared to Texas' potential estimated 40,000-45,000 structures).

Pooling programs would allow the State to include or exclude agencies based on ability to meet underwriting guidelines and create layers for certain properties based on exposure to catastrophic losses.

Potentially, each entity would be treated as a separate insured and have separate limits of liability for each insured building. As noted, a reinsurance treaty would be recommended to follow form to the master policy and stand behind it to ensure pool solvency. Claims handling may be outsourced or internally administered (either centrally and/or on a loss-value basis by individual entities), with authority of the pool administrator to set retention rates, designate surcharges, exclude non-maintained or non-compliant buildings, or assess penalties or modifiers for loss control failures.

Advantages. Pooling increases the predictability of each participant's losses by reducing the variability of their average loss.[6] Premium (contribution) stability in risk pooling allows for more consistency in the annual budgeting for agencies. Similar to individual self-insurance retention, pooling allows the State the option of handling claims either in-house or through a third-party administrator and adds additional consistency in the regulation of loss-control programs for participants. Pooling is a common approach to real and personal property protection in the United States, and there is an availability of third parties to assist in the administration of this strategy.

Disadvantages**.** Pooling requires large participation and diversification of the State's property to be successful and to avoid adverse selection limiting the successful spreading of risks (i.e., high and low risks, covered properties both in and out of Tier 1). Statewide participation may be required to be mandated by the Legislature to ensure pool viability. Losses may exceed pooled assets, or assets may be substantially reduced by losses or other events, leading to pool insolvency.

5. Captives

Captives are another form of risk financing that operates to pool the State's risks and refers to a dedicated subsidiary insurer or insurers to address the State's risk financing needs. In such a strategy, the State retains a significant share of its own losses in exchange for the benefit of having its own dedicated insurer, who collects premiums, issues policies, and handles claims. A Captive insurer usually purchases reinsurance to transfer some of the loss exposure to another insurance company.

A Captive approach may also operate to centralize the loss retentions between agencies, allowing for potentially higher loss retentions at a statewide level, and the dedicated nature of the subsidiary relationship

[6] Risk Financing, 4th Edition, Berthelsen, Elliott & Harrison, 2006, at 24.

allows the parent to design and control the claims-handling process to suit its needs.

Advantages. Generally, the administrative costs associated with procuring traditional insurance are not included in Captives. Captives typically adjust the claims, reducing internal resources and/or funds that would have been spent on a third-party administrator, and overhead or profit costs are eliminated from premiums. Direct access to the international market of reinsurers is immediately available through the Captive (where a self-administered pool would have to be certified by the Texas Department of Insurance or otherwise specifically authorized through legislation to access these markets). Captives may have increased negotiating power with commercial insurers during market downturns, particularly in a statewide program with a large TIV.

Disadvantages. Captive insurance requires a considerable capital outlay and start-up cost. Start-up and annual operating costs for a Captive are estimated to range from $35,000-$150,000 depending on the size of the insured base. Unless directly funded by the Legislature, each State agency would need to have a designated fund available for costs associated with utilizing the Captive, including adequate retention limits, administrative costs, premiums, and other charges. If the Captive is designed with inadequate resources and losses exceed the Captive's ability to pay, the loss could financially cripple the Captive and the State. Reinsurers may choose not to follow the form of a Captive, leaving gaps in coverage.

6. CAT Bonding

A CAT Bond is an insurance-linked security. The purpose of a CAT Bond is to transfer otherwise insurable large risks to potential investors. CAT Bonds were developed because of the limited availability and affordability of catastrophe reinsurance. These bonds are issued by securitization and special purpose vehicles (SPV) of large reinsurers, insurers, or large corporations. They are designed to imitate the traditional excess catastrophic insurance and reinsurance. They can be issued for any type of catastrophic insurable risk such as hurricanes, tornados, and other naturally occurring risks.

CAT Bonds are highly specialized and are not a commonly used form of protection of assets. The strategy is identified herein as an option that may warrant additional consideration should the Legislature specifically identify further study respecting non-traditional or highly specialized risk transfer mechanisms.

B. Non-Financial Options

1. Procedural Mandates

One aspect of catastrophic losses experienced by the State is the lack of standardized and recurring procedural methodologies for the reporting, oversight, financing/appropriation, and payment of losses.

Given the estimated 40,000-45,000 structures owned by the State, it should be possible, with adequate data, to project the average annual loss with a fair degree of accuracy. While the State of Texas has some concentrations of property (notably in Austin, Tier 1 coastal areas, and college campuses) the size and diversity of the State makes it unlikely that any single catastrophic event could threaten all of its assets. Put in simpler terms, while we cannot establish the probability that an individual State building will experience a loss with any degree of accuracy, given historical and current data, we should be able to project the average annual loss across all state properties.

To finance large losses that currently fall to the legislative budget process, the State could establish a reserve sufficient to deal with moderate spikes in losses from year to year and establish a formalized process for requesting necessary financing. The details of application could be established by legislation, and oversight and administration could be delegated if, and as, required.

2. Asset Restructuring

Ownership of the asset involves ownership of the risk of loss and responsibility for replacement and/or repair. Some states have utilized nominal sales of state assets and period lease-backs from investors as a method of balancing the budget.[7] While outside the scope of this study, these budget approaches raise the possibility of transferring risk from the state to the owners of leased properties, at least in situations where there would be no ownership interest retained (i.e., outright sale to a new owner with leasing rights versus a nominal sale as collateral with buy back rights). This approach represents a significant shift in the State's current risk management policy. Although this method of risk transfer has been utilized by other states, none were the size of or had the estimated TIV of the State of Texas. Asset restructuring is mentioned here in an effort to present the Legislature with as many risk management options as possible.

[7] See, http://tucsoncitizen.com/hot-off-the-press-release/2010/01/14/state-sells-buildings-for-735-million-money-to-help-balance-budget/ for a description of such an approach by the State of Arizona.

C. Hybridized System

Given that each option has both identified strengths and weaknesses, an ideal program would be specifically designed to ensure an approach customized to meet the unique needs and exposures of Texas. The development of a hybridized system is heavily dependent on accurate and current information for the selection of procedure, programs, services, and products.

One problem with the State's current decentralized and non-mandatory approach to insuring State properties is that incurred losses do not fall to agencies proportionally. While small losses may be absorbed within agencies' operational budgets, large losses can threaten an agency's continuity of service and fall disproportionately on the legislative budget process. By creating a centralized, mandatory state property insurance program, whether funded by assessments to covered agencies, legislative appropriation, or some combination thereof, it would be possible to normalize the cost of ordinary losses to individual State agency budgets at minimized additional expense. Such a program offers the additional benefit of providing timely disbursements of funds to covered entities that experience a loss to minimize disruption of agency operations. Importantly, the losses described here are not new expenditures. Because a majority of State property is currently not protected by insurance and the State currently pays the entire loss from some part of its budget, this approach is intended to improve the current process for paying losses.

A mandatory property insurance program as described would pool losses to the extent that individual agencies would minimize the budget impact of a casualty loss, but in such a system the legislative budget process retains the liability of large losses. This approach can be combined with other financing approaches as described above.

To finance large losses that currently fall to the legislative budget process, the State could establish a reserve sufficient to deal with moderate spikes in losses from year to year and even consider purchasing reinsurance for large, catastrophic losses. Determining the dollar limits that should be applied to the portion of the loss that would be retained by the State, including deductibles paid by the affected property owner, and the portion that would be commercially insured is a matter for legislative discretion and will be heavily influenced by market conditions and the availability of reinsurance.

IV. Considerations

As the State agency administering the specialized government employees' workers' compensation program and the State's risk management program, including the insurance purchasing program, the Office strongly emphasizes the following considerations as part of any evaluation of identified strategies herein.

A. Adjusting Services

Claims handling involves a team of specially trained individuals able to adjust the many varieties of property loss the State could experience. Claims handlers require specialized skills in adjusting, settling and administering claim payments, so decentralization of this function should be carefully scrutinized. Should the State undertake internal claim management as part of any insurance strategy, it is strongly recommended that any program emphasize professional training and standardization, including potential centralization, and have the resources required to adequately oversee timely and accurate claim processing.

Alternatively, as discussed above, a third-party administrator (TPA) may be used for handling the State's claims. Depending on claim frequency, a TPA may bring additional flexibility to handle spikes of activity related to catastrophic claims. Another potential advantage to this approach is additional transfer of liability for handling the claims to the external administrator. On the negative consideration, there is a financial trade-off respecting the cost of contracting with a TPA for such a program. Contract maintenance and oversight and specific fiscal controls must be put in place for such an arrangement, including consideration of long-tail claims that could potentially cross vendor and/or insurer contracts.

B. Loss Prevention/Risk Control Services

To ensure a program results in long-term savings to the State, any program must be proactive in reducing claims. Risk control services specifically related to property and historical buildings, as well as best practices for property maintenance, prevention, and control of losses will be highly important to a successful strategy. As with adjusting, the State may utilize in-house staff to provide the loss prevention and loss control services or opt for a contracted service.

V. Recommendations

The actual mechanism(s) chosen for a statewide strategy for adequately insuring State assets should be determined by the Legislature after considering the impact on overall State operations, the costs associated with retaining the risk versus transferring the risk through reinsurance, and should provide clear procedures for identifying when and how funding will be made available in emergencies. Based on the study identifications, a **hybridized system** that incorporates multiple approaches would be the most advantageous to the State.

To determine which, if any, of the identified options is most financially advantageous to the State within such a system, an appraisal must be commissioned identifying all property and contents currently owned by the State, the geographical location of the properties, the replacement cost, and the COPE characteristics on each piece of property. The maximum probable and maximum possible losses should also be calculated per building and across the entire program from reported information, allowing for accurate provisioning and selection of an appropriate strategy.

It is recommended the Legislature allocate responsibility and resources to undertake a data collection and modeling process, including legislative mandates for agency compliance and a time frame for the completion of the data collection. Completion of reporting, analysis, and modeling should result in a formal recommendation of prioritized strategies for Legislative consideration on the best-suited model and strategies for protecting State of Texas assets.

After selection and authorization of strategy, procurement, and marketing, implementation should be undertaken under designated agency authority and require ongoing analysis and data collection to ensure the State is insuring its assets in the most cost-effective way for the taxpayers.

The Board of Directors and staff of the State Office of Risk Management are available to respond to any inquiries and to undertake all efforts respecting the matters herein. Any inquiries may be directed to Jonathan D. Bow, Executive Director, State Office of Risk Management, P.O. Box 13777, Austin, TX 78711-3777, by telephone to (512) 936-1502, or facsimile at (512) 370-9025.

Appendices

Appendix 1

Table 1
Appropriations for General Costs Caused by Natural Disasters Reported in the Sept. 1, 2007, Biennial Presentation to the Legislature on June 29, 2009

State Agencies that Received Money from Legislature	Funds provided from the General Revenue Fund	Notation Location
UT Medical Branch at Galveston	$150,000,000	H.B. No.4586 Section 55
Brazosport College	$120,111	H.B. No.4586 Section 55
Parks and Wildlife Department	$12,000,000	H.B. No.4586 Section 55
UT M.D. Anderson Cancer Center	$1,725,995	H.B. No.4586 Section 55
Alvin College	$2,358,771	H.B. No.4586 Section 55
Texas A&M Galveston	$6,200,000	H.B. No.4586 Section 55
Texas Forest Service	$385,091	H.B. No.4586 Section 55
Houston Community College	$1,507,670	H.B. No.4586 Section 55
Commission on Environmental Quality	$4,600,000	H.B. No.4586 Section 55
San Jacinto College	$3,045,820	H.B. No.4586 Section 55
Galveston College	$407,406	H.B. No.4586 Section 55
Texas Engineering Extension Service	$1,200,000	H.B. No.4586 Section 55
Adjutant General's Department	$1,244,007	H.B. No.4586 Section 55
The University of Texas at Brownsville	$1,200,000	H.B. No.4586 Section 55
Lamar University	$2,803,561	H.B. No.4586 Section 55
Lamar Institute of Technology	$2,007,758	H.B. No.4586 Section 55
Lamar State College - Port Arthur	$829,530	H.B. No.4586 Section 55
Texas Southern University	$9,720,192	H.B. No.4586 Section 55
College of the Mainland	$176,236	H.B. No.4586 Section 55
The University of Texas Pan American	$102,258	H.B. No.4586 Section 55
The University of Texas Health Center at Tyler	$1,461,557	H.B. No.4586 Section 55
The University of Texas Health Science Center at Houston	$1,000,000	H.B. No.4586 Section 55
University of Houston System Administration	$7,339,000	H.B. No.4586 Section 55
Texas State Technical College - Harlingen	$904,558	H.B. No.4586 Section 55
Lamar State College - Orange	$600,000	H.B. No.4586 Section 55

Prairie View A&M University	$488,864	H.B. No.4586 Section 55
Lee College	$137,554	H.B. No.4586 Section 55
Department of Agriculture	$20,000,000	H.B. No.4586 Section 55
Total	**$233,565,939**	

Table 2

Certain Appropriations for Disaster Relief
Reported in the Sept. 1, 2007, Biennial Presentation
to the Legislature on June 29, 2009

State Agencies that Received Money from Legislature out of this fund	**Appropriated Funds from the General Revenue Fund to the Trusted Program of the Office of the Governor**	**Notation Location**
Texas Education Agency	$10,000,000	H.B. No.4586 Section 58
Texas Engineering Extension Service	For TX Task force 1 Flooding - No $ amount provided.	H.B. No.4586 Section 58
General Land Office	For repairs made to the Protective Dune System for County Road 257. No $ amount provided.	H.B. No.4586 Section 58
Total Available for Disbursement	**$62,000,000**	**HB4586 Appropriations for state agencies.doc**

Appendix 2

CONCURRENT RESOLUTIONS

PROVIDIXG THAT THE STATE SHALL CARRY ITS OWN INSURANCE ON STATE BUILDINGS AND CONTENTS

S. C. R. No. 3.]

Whereas, It is of great financial importance to the State that a fixed policy be established with reference to carrying fire insurance upon buildings and contents belonging to the State and its various institutions, and

Whereas, The insurance data and information tabulated and set out on page 261 of the First Annual Report of the State Board of Control indicate that a substantial saving can be made to the State in carrying its own insurance; therefore be it

Resolved, by the Senate of the State of Texas, the House of Representatives concurring herein, That hereafter it shall be and is the Fixed policy of this State that the State shall carry its own insurance upon State buildings a:nd contents, and that no insurance policies shall be taken out upon any of the public buildings of this State, nor upon the contents thereof, and the State Board of Control and all other Boards having charge of buildings of the State, and the contents of such buildings, are hereby instructed not to have such buildings nor property insured, notwithstanding there may be items in the appropriation bills authorizing the expenditure of money for the payment of insurance premiums.

Provided that it is declared to be the policy of the State hereafter at the end of each two years period to set aside approximately one per cent of the value of all public buildings owned by the State, as a sinking fund until ten per cent of the total value of all such buildings has been accumulated, and that this sinking fund shall be invested in school bonds in the school districts of this State.

Provided, however, that this resolution, or any part of its provisions shall not apply to or affect the University of Texas, and its branches, and that it is the fixed policy of the State that all buildings and the contents thereof belonging to the University of Texas, and its branches, shall be kept insured at all times against any loss by fire or tornadoes.

[NOTE.–The foregoing resolution was adopted by the Senate, August 24, 1921; and was adopted by the House August 24, 1921.]

Acknowledgements

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