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American Foreign Insurance Association

80 MAIDEN LANE

NEW YORK

UGO E. GUERRINI, GENERAL MANAGER

L.H. DOMAN, GENERAL COUNSEL

November 14th, 1947

NOV 25 1947

Rec'd in O E 11/20

Far Eastern Commission
2516 Massachusetts Avenue, N. W.
Washington 8, D. C.

Attn: Mr. Frank L. Turner
Research and Analysis Secretary

Japan

*Reply drafted 11/21
Dep Jic*

Gentlemen:

Under date of October 29th the American Foreign Insurance Association representative in Japan, Mr. Warren F. Provost, received a license from SCAP to transact insurance business in Japan. This license authorizes the A.F.I.A., on behalf of its member companies, to transact all classes of insurance in Japan subject to certain limitations.

The member companies of the American Foreign Insurance Association are Fire, Marine, and Casualty insurance companies, each one of which is incorporated in a State of the United States, with its stockownership, management, and control in each case in the hands of American nationals.

It has now come to our attention that, with regard to Marine insurance, SCAP has advised that all letters of credit should state that insurance and freight will be paid by the consignee. This means that with regard to exports from Japan to the United States, for example, the insurance would have to be placed in the United States.

One of the main purposes of reopening our office in Japan was to reestablish facilities for Marine insurance in that country. There is no prohibition in the license above mentioned against Marine insurance, but the effect of SCAP's instructions would be to eliminate the placing of Marine insurance in Japan. We realize that in view of conditions in Japan certain extraordinary measures are justified. However, as we understand it, the present policy of our government is to reestablish the peace time economy of Japan and encourage the resumption of peaceful economic activity. It is our thought that in furtherance of this, Marine insurance activities by American insurance companies in Japan could play a useful part.

We would appreciate it very much if you would be good enough to let us know whether in fact SCAP has issued orders that insurance and freight should be paid by the consignee. In such event, we should like the opportunity of discussing the situation with you at an early date for the purpose of exploring the situation.

DOR - ITP Unit	
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Very truly yours

[Signature]
General Counsel

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In reply refer to
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My dear Mr. Doman:

Your letter of November 14, addressed to the Far Eastern Commission, has been handed to this Department for reply. Your letter inquires whether or not SCAP has issued orders that insurance and freight should be paid by the consignee.

I am unable to say whether SCAP has "issued orders" but SCAP does intend export sales to be made f.o.b. Japanese port. I think it doubtful, however, that such intention was meant to prevent a buyer in Japan from purchasing his insurance coverage from an American firm with representation in Japan.

I have discussed your inquiry with Lt. Col. Nagle, Civil Affairs Division, Department of the Army, Washington, D.C. Col. Nagle would be happy to discuss the matter whenever it is convenient for you to be in Washington.

Sincerely yours,

DOR - IIP Unit	
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Rev.	<i>ep</i>
Cat.	<i>W.P.</i>
Dist.	

RWH
Roswell H. Whitman
Acting Chief
Division of Occupied Areas
Economic Affairs

Mr. L. H. Doman,
General Counsel,
American Foreign Insurance Association,
80 Maiden Lane,
New York, New York.

NOV 25 1947

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