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# Bomb May Blast State Insurance Fund

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The explosion which shattered two University of Wisconsin buildings last month also may have blown the bottom out of the state insurance fund.

Belford E. Hogoboom, chief of the State Fire Insurance Fund, said the loss, estimated at \$2.7 million to buildings and equipment, will wipe out the fund's \$2.5 million surplus.

**ACCORDING TO** state law, if the state fund does not cover

losses, the Department of Administration is required to draw the extra money needed from the general fund, made up of tax dollars.

Assuming that the \$2 to \$3 million surplus maintained over the past several years would be enough to cover most contingencies, lawmakers have halted state premium payments, relying on municipal and county premiums to keep the fund solvent after paying routine losses.

In addition, they have occasionally dipped into the fund to balance state budgets.

The University of Wisconsin bombing, however, coupled with a \$1.3 million loss in the fire-bombing of Whitewater State University's Main Hall last February, could put the fund in the hole.

**IF THE LOSSES** are paid out of the fund, the state would be put back in the position of having to pay premiums again. State law requires premiums when the surplus drops below \$2 million.

There have been suggestions

by state officials, however, to keep the fund as it is and cover the losses of the two college buildings out of the state building fund or by borrowing money through bonding.

This question may be answered when the State Building Commission meets next Monday.

Hogoboom said the last time the fire insurance fund was wiped out and the state was forced to dip into the general fund for loss coverage was in 1904 when the State Capitol burned.