

OCULUS

on current new york architecture

The New York Chapter of the American Institute of Architects

Volume 47, Number 3, November 1985



Detail of Building A and adjacent Gatehouse

Photo: Stan Ries

OCULUS

In October, two prominent and long debated architectural and planning projects were opened in Manhattan—the World Financial Center at Battery Park City and the Portman Hotel on Times Square. A third opening of professional significance was the new International Design Center in Long Island City. Oculus reports in this issue on elements of those projects as well as on the crisis findings of the Chapter's Liability Insurance Survey.

Volume 47, Number 3, November 1985

Oculus

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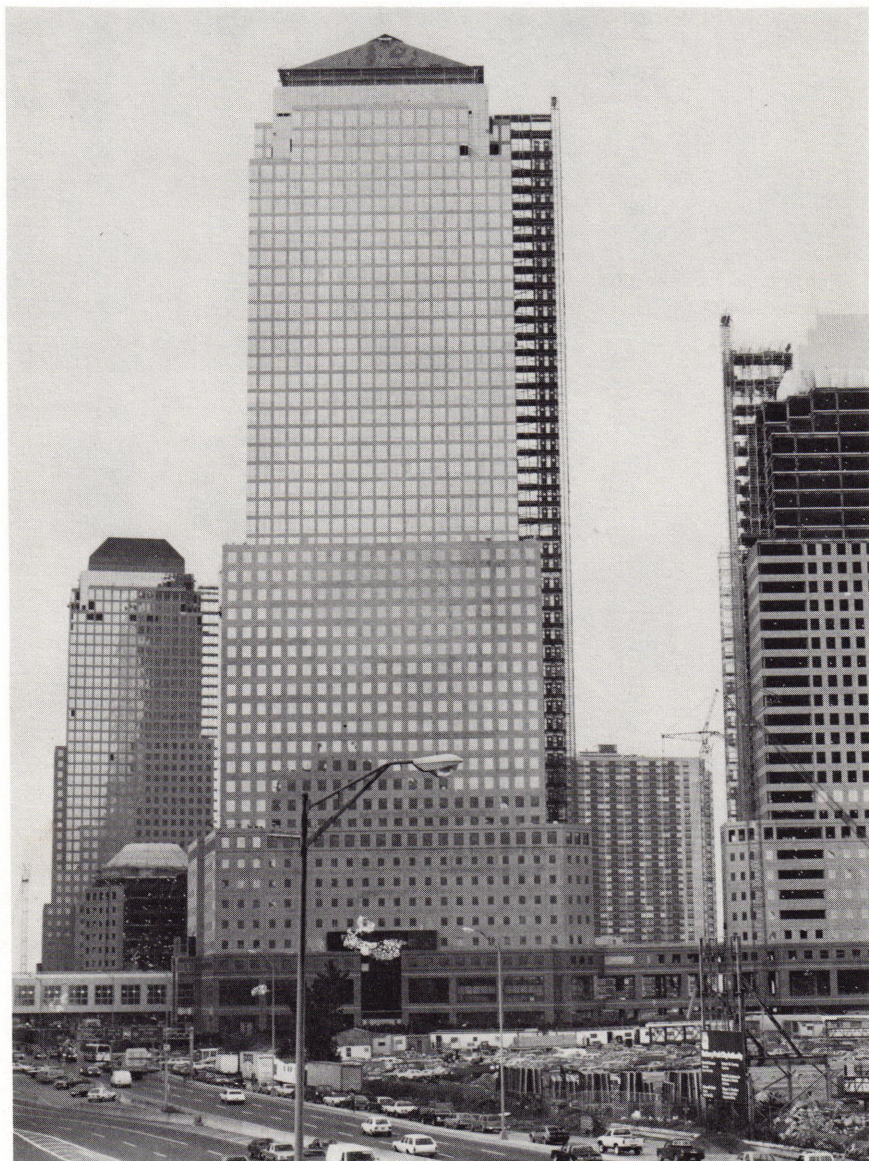
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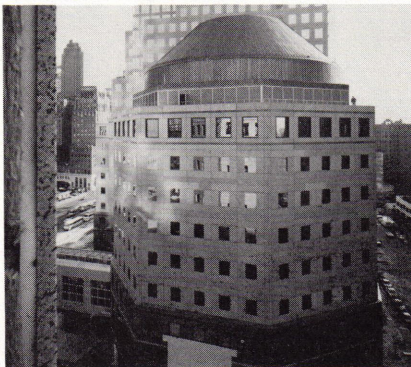
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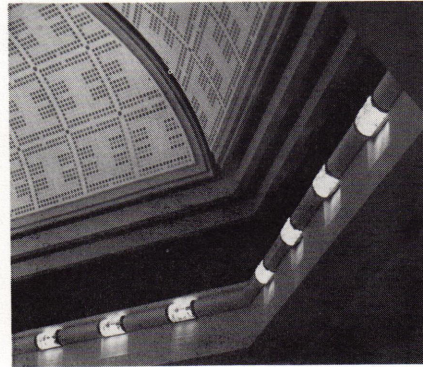
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View south with (from right) Building D, C, North Bridge, Gatehouse A, and Building A



Gatehouse A



The dome of Gatehouse A

WORLD FINANCIAL CENTER

With half of Building A occupied, the World Financial Center at Battery Park City was officially dedicated on October 17. Building A is the 41-story southernmost of the four towers, which is crowned with a truncated pyramid and owned by Dow Jones (see photo). At the same time, the first tenants were also moving into Building C—the 54-story and tallest of the Financial Center's four towers, which is crowned with a full pyramid (see photo) and owned by Shearson-Lehman-American Express. (See *Oculus* March 1985 for further orientation.) With this dedication ceremony, the Olympia & York \$1,500,000,000 business center designed by Cesar Pelli & Associates became an active part of New York life.

The opening ceremonies for the World Financial Center took place in the South Gatehouse at Liberty Street (see photo), which is adjacent to the lobby of Building A. The Gatehouse interior (see photo) shows the mind of Cesar Pelli at work in his mannerist vein. It is a major space. A split double stair is extended non-symmetrically, and escalators run up between them on a diagonal—in plan as well as in section.

Like the massive black-sheathed structural columns of the building, the heavy black handrails of the escalators contrast with the openness of the space and with other railings. Gray and red marble flooring pattern (see photo) enlivens the Gatehouse, and the fiberglass panels of the 40-ft. high dome—which appears to float on a half-floor high band of glass (see photo)—is stencilled with a pattern of square dots in several colors. The pattern may suggest keypunch systems on tickertape.

Up the stairs and escalators, the balcony level of the Gatehouse leads, with a semicircular inflection in both floor and ceiling, into the lobby of Building A and also to the South Bridge (designed to be long-span enough to accommodate the now defunct Westway).

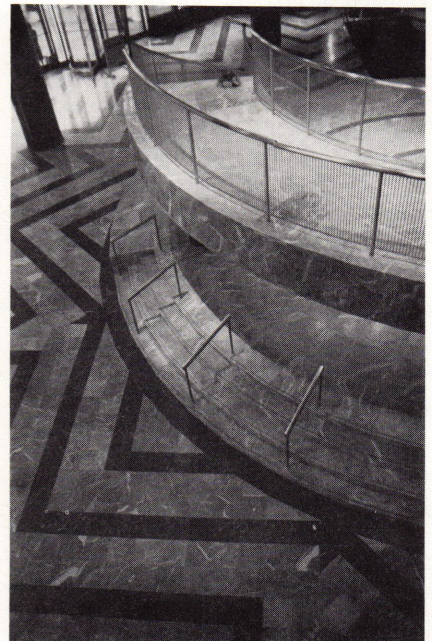


Gatehouse A interior

Photos: Stan Ries

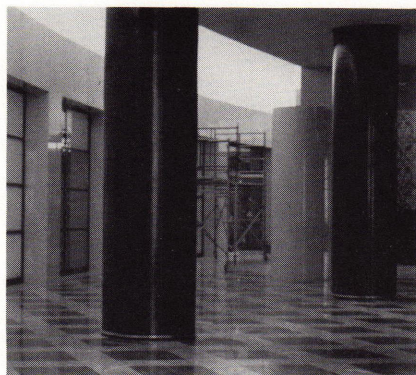


The stair rails



The flooring pattern

World Financial Center



Column detail

In the lobby, a donut-shaped reception/directory desk is backed by a screen of cream-colored marble; with its crisp, tall rectangular openings, the screen proclaims a triumphal entry (see photo). Offset to one side is a bowed section of the screen; at its top, a faceted arch gives the effect of superscale fluting (see photo). On its eastern end, the screen is anchored by a column (see photo) — round and heavy like the black columns of the building, but light colored in the same cream marble as the rest of the screen. The column stops short of both the top of the screen and the ceiling — reiterative but distinct.

Beyond, as introduction to the elevator lobby, Pelli has used a large-scale damask in a High Victorian Gothic motif (see photo). Primarily blue and gold, the fabric was worked out by the Pelli office with Scalamandre Inc. It is boldly reminiscent of decoration in the Houses of Parliament and one of the most startling recent examples of historical recall.

The overall interior creation is ordered and controlled yet mannered and lively, inflected and directional yet slightly ambiguous, monumental and public as well as highly personal. It is among the most vanguard of large-scale public interiors to be produced in the city.

Meanwhile, nearby, glass was being installed in the newly green-painted steelwork of the Winter Garden (see photo). It is expected to open in



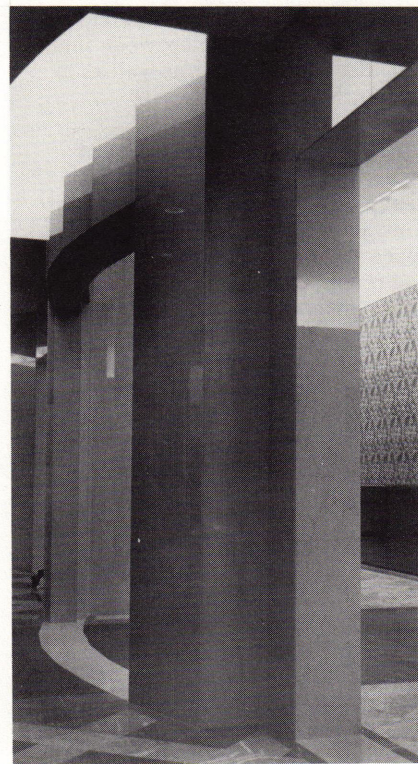
Information desk in Building A lobby



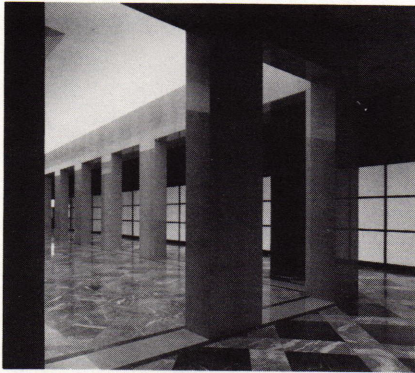
The screen with fluted effect



Semi-circular inflection in floor and ceiling



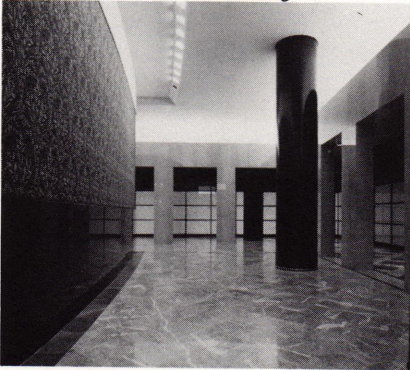
Superscale fluting



Entry to elevators in Building A



Entry to elevators in Building A



The wall damask



September 1986. Building C, delayed by a redesign of ten floors of interior space, will be fully occupied by the end of the year. Building D—the northwestern-most of the four towers, and the one crowned by a stepped pyramid—is already topped out and will be occupied in March 1986. When that building is finished, work can begin on the northwest segment of the main plaza that will surround the North Cove. Building B, crowned with a hemispherical dome is expected to receive first occupants in January 1987.

In addition, the first tenants were moving into the Rockrose housing unit—the first of the new apartment houses designed under the 1979 master plan devised by Cooper-Eckstut Associates for the Battery Park City Authority. This project is Charles W. Moore's first design in New York (see photo). Battery Park City's new residential community also is now a functioning reality.
—CRS



The Winter Garden with Buildings C and D



The Rockrose housing by Charles Moore

Liability Insurance: Findings of the Survey

by Martin Raab

NYAIA Liability Insurance Survey

City of Practice _____

Year	Technical Employees	Gross Fees (\$)	Liability Limits	Deductible	First Dollar Defense Cost Yes No	Carrier Name	Premium \$ Per Year
1985 (Est.)							
1984							
1983							
1982							
1981							

Approximate % of 1984 fees received for:

- A. Studies, Planning, Reports _____ %
 B. Interior Design _____ %
 C. Building Construction _____ %

In association with the New York State Association of Architects, the New York Chapter/AIA has undertaken a survey of the liability insurance coverage carried by architecture firms in both the City and the State. The results of the insurance aspects of the survey are reported here, interspersed with comments on the financial health of the profession, information about which was also derived from the survey. In conclusion is the author's evaluation, which is based on information gleaned from outside the survey.

Insurance Aspects

The insurance survey covered 95 unidentified submissions from the New York Chapter and 105 submissions from the State Association. Use was made only of returns that were reasonably complete, indicated insurance coverage, and were received in time. Submissions were separately correlated so that the integrity of each organization's characteristics could be analyzed; variations in the results are

reported here separately, State Association figures being bracketed.

The tabulated portions of the survey reflect a reported total in 1985 fees of \$172,500,000 and a professional population of 2,472. The survey indicates that our liability insurance premiums have gone up 2.6 times, while fees have increased 1.5 times within the last five years. The major portion of the insurance impact has been within the last year. Liability insurance costs now average 2.8 percent (3.3 percent) — up from 1.8 percent in 1981 of gross billings. The survey also indicates that small firms with under \$500,000 of billings have the least income per employee but are paying the highest percentages of gross fees and the highest costs per employee for their liability insurance. This makes them increasingly marginal.

No rational statistical correlation has been found between the different amounts that each of our insurance companies has raised its rates over

the past year. But then, no information on the financial health and history of the companies was collected.

The following sections each describe the statistical sorts that were made to abstract information from the survey data. These sorts are discussed in terms of both City and State results, with the City results appearing first and the State results following in brackets. The actual tables are classified based on firm gross fees of below \$500,000; \$500,000 to \$1,000,000; greater than \$1,000,000; and an average for all firms by year from 1981 to 1985.

Table I: Percentage of Insurance Costs to Gross Fees

The most significant finding of the survey indicates that the portion of gross fees required to obtain liability insurance in the architecture profession remained constant through the 1981-84 period at 1.8 percent and that it has grown by 47 percent (83 percent) in the last year. The

cont'd. p. 11

Chapter Reports

by George Lewis

- The Liability Insurance Crisis continues to be, and will continue to be, the No. 1 Chapter concern. The Chapter/NYSAA survey is reported in this issue. At an Oct 1 meeting of city and state architectural and engineering organizations, chaired by Donald Ross, president of the N.Y. Association of Consulting Engineers, the nature of the crisis and possible strategies as to insurance coverage and legislative action were explored in depth. Underlying the discussion was a sense that the design professions, as well as many other sectors of society, are being required by the insurance industry to finance losses such as Bhopal; there were also questions raised as to the efficacy of legislative action as a means for reducing premiums, but it was agreed that efforts in that direction should be vigorously pursued. The Institute's Practice Management Conference held here Oct 10-11 concentrated on this subject.

- At the Sep 26 Planning Commission hearing on the Report of the Theatre Advisory Council, which proposed courses of action to save theater buildings, Paul Segal, testifying in general support of the effort, stated Chapter opposition to the use of zoning as a tool for raising funds, and he cautioned against revising zoning regulations to permit transfer of development rights to distant receiving sites. He said this would introduce "a tremendously potent force that is neither fully understood nor adequately studied at this time."

- Over 1000 students from across the country are expected to attend the national convention of The American Institute of Architecture Students, an AIA affiliated organization, in New York November 26-30. The program will include an 8-hour workshop "A Celebration of the City; An Interaction of the Arts;" a seminar hosted by *Architectural Record*; tours; and a Beaux Arts Ball atop the World Trade Center. Call Pratt Institute, 718/636-3405.

- At its October meeting the Executive Committee reviewed the Institute's draft Code of Ethics and Professional Conduct, and a letter was sent to Washington questioning whether a case had been made for a mandatory code. The draft itself was viewed as unnecessarily cumbersome, and the section of Obligations to the Client was severely criticized as an open invitation to clients to bring against their architects charges of a type which would belong in a civil court rather than before a Chapter or Institute ethics committee.

- Also at the October meeting George Lewis recommended that he relinquish the position of executive director this coming June.

Coming Chapter Events

- Tuesday, November 12, 6 p.m., The Urban Center. The Interiors Committee will sponsor a seminar with Michael Brill, architect researcher, and BOSTI's president, presenting the findings of an 8-year, \$3 million multi-sponsor research program on "The Impact of Office Design on Productivity and Quality of Working Life."

- Tuesday, November 19, 5:30 p.m. The Urban Center. The Energy & Environment Committee will sponsor a lecture "The Energy of Light: Architects' Response" on the occasion of the opening of a Pratt Institute exhibition by the same name.

- Wednesday, November 20, 5:15 p.m. A Tour of the new Shearson-Lehman-American Express headquarters at World Financial Center sponsored by the Corporate Architects Committee. Reservations through the Chapter Office by November 18 a must.

Computer Applications Committee

by Seymour L. Fish

The challenge of the 1980s and the 90s is clear. Our profession and our clients are facing building processes that are much more complex. Computers help. They have revolutionized many aspects of modern life, including architecture. They are designed to perform traditional drafting tasks as well as supplement the talents of the designer to a degree unimaginable a few years ago. Computers can be a data base for details, working drawings, modification of existing construction documents, combinations and permutations for design alternatives, and on an overall basis, can provide our clients with more options. They can enhance creativity and require fewer people to produce a better product in less time.

In keeping with that, the Computer Applications Committee has agreed to be a resource for the general membership and to provide unbiased feedback on as many computer-related issues as possible, not only in graphics, but word processing as well. For the upcoming year, we have scheduled three vendor presentations of CADD systems. We will also invite the membership to visit three offices with CADD installations to explore what others are doing, and we are planning an exhibit of CADD-generated drawings to be held at the Chapter, dovetailing with a Saturday morning CADD workshop. It will walk people through the basic differences between CADD and manual drafting and also touch upon the issues of management, basics of CADD, drawing on CADD—intelligent drawings, editing, design, and 3-D documents, and include some spread sheets and management applications as well.

The title of the workshop will be "How to Use CADD and How to Make It Productive," and there will be a nominal charge for the basics (equipment, etc.).

Lastly, the Committee will concentrate on the economics of CADD for those firms that do not yet have it, and firms with CADD will share their experiences with others considering the acquisition of their first system.

OCCULUS NYC/AIA NOV 85

CONTINUING EVENTS

Oculus welcomes information for the architecture pertaining to public events about architecture and the other design professions. It is due by the 5th of the month for the following month's issue. Because of the time lag between information received and printed, final details of events are likely to change. It is recommended, therefore, that events be checked with the sponsoring institutions before attending.

Send *Oculus* Calendar information to:
New York Chapter/AIA, 457 Madison Avenue, N.Y. 10022.

MONDAY 4

EXHIBITION

"The Treasure Houses of Britain: Five Hundred Years of Private Patronage and Art Collection." National Gallery of Art, Washington, D.C. Closes March 16.

THE SHAPE OF THE CITY

Frank O. Gehry in lecture series moderated by Paul Goldberger. 8:15 pm. 92nd Street Y, 1395 Lexington Ave. 831-9603.

MONDAY 11

NYC/AIA COMPETITION DEADLINE

Unbuilt Projects Competition entries due 5 p.m. NYC/AIA Chapter Headquarters.

ADPSC

Architects/Designers/Planners for Social Responsibility Membership Day, "Design for the Future." 6 pm. NYU's Loeb Student Center, 566 LaGuardia Place. 334-8104.

THE SHAPE OF THE CITY

Eugene Kohn and William Pedersen in lecture series moderated by Paul Goldberger. 8:15 pm. 92nd Street Y, 1395 Lexington Ave. 831-9603.

EXHIBITION

Work from the five New York architectural schools. AIA Members Gallery. 838-9670. Closes Nov. 10.

EXHIBITION

Three Firms: Steven Holl Architects, NYC; UKZ, Ithaca, NY; Giuseppe Zambonini, NYC. Columbia, Avery Hall. 280-3473. Closes Nov. 15.

EXHIBITION

"On the Avenue, The Evolution of the Upper East Side." Museum of the City of N. Y. 534-1672. Closes Nov. 17.

TUESDAY 5

EXHIBITION

"The Golden Eye." focusing on India's traditional crafts expressed in modern designs. Cooper-Hewitt Museum. 860-6868. Closes Feb. 23.

EXHIBITION

"The Architects and the British Country House, 1620-1920." The Octagon Museum, Washington, D.C. 202-638-3105. Closes April 6.

TUESDAY 12

SEMINAR

"The Impact of Office Design on Productivity and Quality of Working Life," by NYC/AIA Interiors Committee. 6 pm. at the Chapter.

LECTURE

Robert Campbell, architecture critic of the Boston Globe on the "Albany Mail." 8 pm. The Metropolitan Museum of Art. 570-3949.

LECTURE

Derek Ostergard in series on "Search for New Form Seminal European Designers from the Turn of the Century." 6:15 pm. Cooper-Hewitt. 860-6868.

EXHIBITION

Furniture, lighting, architectural drawings by Italian architect/designers Afra and Tobia Scarpa. International Design Center, Long Island City.

EXHIBITION

20 artists & architects exhibit new furniture designs, prints, paintings. Novo Arts, 57 E. 11 St. 674-3093.

ARCHITECTURAL PHOTOGRAPHS

Wurts Brothers Photograph New York. 1895-1960. Museum of the City of New York. 534-1672.

WEDNESDAY 6

NYC/AIA ARCHITECTS-IN-TRAINING COURSE

Michael Parley and Frances Halsband on "Other Governmental Agencies and Regulations: City Planning Commission, Zoning Resolution, Board of Standards & Appeals, Landmarks Preservation Commission." 6-8 pm. NIAE, 30 W. 22 St. 838-9670.

LECTURE

Max Bond on "My Work" in Columbia's Graduate School of Architecture and Planning Series. 6 pm. Wood Auditorium. 280-3473.

WEDNESDAY 13

NYC/AIA ARCHITECTS-IN-TRAINING COURSE

John Winkler on "Players and Roles on a Project: The Owner, Architect, Consultant, Contractor, Construction Manager, etc." 6-8 pm. NIAE, 30 W. 22 St. 838-9670.

LECTURE

William Pedersen on "Recent Work" in Columbia's Graduate School of Architecture & Planning Series. 6 pm. Wood Auditorium. 280-3473.

LECTURE

Robert Landsman on "Restoration of the Statue of Liberty." 5:45 pm. The Chemist Club. 52 E. 41 St. Philip

FRIDAY 1

EXHIBITION

"Dictionary for Building IV." Siah Armajani's sculptured interpretations of architectural elements. Max Protetch Gallery, 37 W. 57 St. 838-7436. Closes Nov. 30.

SYMPOSIUM, NOV. 1-2

"The Art Nouveau Influence on American Design." 13th Annual Symposium of The Victorian Society in America in conjunction with the Art Nouveau Chapter. Philadelphia. 215-627-4252.

FRIDAY 8

LECTURE ON NOV. 9

John Maxtone-Graham on "The Statue of Liberty," first in 3-Saturday series on New York Monuments. 11 am. The Metropolitan Museum of Art. 570-3949.

THURSDAY 7

LECTURE

Teodoro Gonzalez DeLeon, FAIA, on "Work in Mexico" in Pratt guest lecture series. 6 pm. Higgins Hall, Brooklyn. 718-636-3405.

LECTURE

Mark Girouard in Architectural League series on "Inside Architecture." 6:30 pm. The Urban Center. 753-1722.

PANEL DISCUSSION

Hunters Point Development: Future Directions. 6-8 pm. CUNY Graduate Center, 33 W. 42 St. 3rd floor.

THURSDAY 14

LECTURE

Alex Cooper on "Work in Progress" in Pratt series. 6 pm. Higgins Hall, St. James Place & Lafayette Ave., Brooklyn. 718-636-3405.

PANEL DISCUSSION

"On Criticism" moderated by Donlyn Lyndon. 6:30 pm. The Architectural League, 457 Madison. 753-1722.

SEMINAR

Bill Stumpf of Herman Miller, James Wines of SITE, Inc. in IDSA Fall Design Narratives Seminar: Space Formers. IDCNY Center Two. 486-5252

FRIDAY 15

EXHIBITION, NOV. 16-DEC. 14

"The Energy of Light," contemporary projects which utilize light as an esthetic element and energy source. Pratt Manhattan Center, 160 Lexington. 718-636-3517.

SEMINAR, NOV. 16

"Designing for Profit." 8 am-5 pm. The Tarrytown Hilton, 455 Broadway. To register: Westchester/ Mid-Hudson Chapter, AIA. 914-666-5756.

SEMINAR, NOV. 16

John Maxtone-Graham on "The Empire State Building" in series on New York Monuments. 11 am. Metropolitan Museum. 570-3949.

MONDAY 18

EXHIBITION

Fred Thompson, University of Waterloo, Ontario, "Ritual Renewal of Space in Kakunodate and Shiraiwa." Columbia Graduate School of Architecture & Planning, Avery Hall. 280-3473. Closes Dec. 13.

THE SHAPE OF THE CITY

Con Howe, NYC Planning Commission, in lecture series moderated by Paul Goldberger. 8:15 pm. 92nd Street Y, 1395 Lexington Ave. 831-9603.

TUESDAY 19

LECTURE

The Chapter's Energy & Environment Committee lecture on "The Energy of Light: Architects' Response" in association with Pratt exhibition (see Friday 15) 5:30 pm. Chapter conference room. 838-9670.

LECTURE

Robert Campbell, architecture critic of the Boston Globe on "AT & T" in 5-Tues. series on Contemporary Architecture: A Critic's View. 8 pm. The Metropolitan Museum. 570-3949.

TUESDAY 26

EXHIBITION

Michael Graves & Robert Venturi — Architectural Prints, Drawings, and Household Objects. John Nichols Printmakers, 83 Grand St. 226-1243. Closes Jan. 4.

LECTURE

San Francisco architect David Ireland in Architectural League's "Inside Architecture" series. 6:30 pm. Urban Center. 753-1722.

LECTURE

Robert Campbell, Boston Globe architecture critic on "Boston is Red, San Francisco is White." 8 pm. Metropolitan Museum. 570-3949.

TUESDAY 3 DEC

EXHIBITION

Garden and Campus: The Landscape Architecture of Beatrix Farrand. Harvard Graduate School of Design, Gund Hall Gallery, Cambridge. 617-495-9340. Closes Jan. 3.

LECTURE

Robert Campbell, Boston Globe architecture critic on "What buildings mean or why hospitals shouldn't be sterile" in 5-Tues. series on Contemporary Architecture: A Critic's View. 8 pm. The Metropolitan Museum of Art. 570-3949.

WEDNESDAY 20

NYC/AIA ARCHITECTS-IN-TRAINING COURSE

Charles Gwathmey on "Design." 6-8 pm. NIAE, 30 W. 22 St. 838-9670.

GROUP TOUR

NYC/AIA's Corporate Architects Committee tour of Shearson-Lehman American Express headquarters at the World Financial Center in lower Manhattan. Must register by Nov. 18. Meet 5:15 pm. for security pass. 838-9670.

LECTURE

Rafael Moneo of Harvard's Graduate School of Design in Columbia's series. Wood Auditorium. 280-3473.

WEDNESDAY 27

1814: French architect Viollet-le-Duc born.

WEDNESDAY 4 DEC

NYC/AIA ARCHITECTS-IN-TRAINING COURSE

Denis Glen Kuhn on "Design and Technical Production." 6-8 pm. NIAE, 30 W. 22 St. 838-9670.

LECTURE

Diana Balmori on "Campus: Rural, Suburban, Urban: notes for a new synthesis" in Columbia's series. 6 pm. Wood Audit. 280-3473.

LECTURE

"Lutyens in Delhi" by Erika Franke in 5-Wed. series on A History of Reciprocity: Indian & Western Architecture." 6:15 pm. Cooper-Hewitt Museum. 860-6868.

THURSDAY 21

LECTURE

Mario Botta on recent work. Architectural League. 6:30 pm. The Great Hall, Cooper Union. 753-1722.

LECTURE

Moshe Safdie on "The Challenge of Urban Design" in Pratt series. 6 pm. Higgins Hall, St. James Place & Lafayette Ave., Brooklyn. 718-636-3405.

THURSDAY 28

1985: Thanksgiving Day

1888: Groundbreaking for Sullivan's Chicago Auditorium

THURSDAY 5 DEC

PANEL DISCUSSION

"Art Against the Wall: Building the New Museum I" with architects, artists, curators, sponsored by Architectural League and moderated by Suzanne Stephens. 6:30 pm. The New-York Historical Society, 170 Central Park West. 753-1722.

FRIDAY 22

LECTURE, NOV. 23

John Maxtone-Graham on "Manhattan terminals" in 3-Sat. series on New York Monuments. 11 am. The Metropolitan Museum of Art. 570-3949.

FRIDAY 29

TWO BIRTHDAYS ON SATURDAY

NOV. 30

Andrea Palladio (1508-1580)
Architectural historian Sir Nikolaus Pevsner (1902-1983)

MONDAY 2 DEC

WEDNESDAY 4 DEC

THURSDAY 5 DEC

FRIDAY 6 DEC

EXHIBITION

Michael Graves, new drawings. Max Protetch Gallery, 37 W. 57 St. 838-7436. Closes Jan. 4.

Names and News

Shanghai Red's— that mining town at the Lincoln Tunnel entrance on the Jersey side.



Edward L. Barnes, Philip Johnson, I.M. Pei, and Der Scutt are the New York architects among sixteen invited international participants in the List Aerospace Center Limited Architectural Competition in Colorado Springs . . . Warner Burns Toan Lunde has changed its designation to WBTL. The firm also has announced the appointment of Fredric Bell as an Associate, Bernard Ehrlich and Erdmann K.H. Riedel as senior partners . . . "Thomas Jefferson's Monticello remains, perhaps, the ultimate example of a negotiable environment. He designed his house to fit his preferences for working and living" it is a quote from *The Negotiable Environment* published by Facility Management Institute, 3971 South Research Park Drive, Ann Arbor, Michigan 48104 . . . Edgar Tafel has been awarded a grant by the Chicago-based Graham Foundation for Advanced Studies in Fine Arts to continue preparation of a second book on Frank Lloyd Wright . . . Walter Schamu and Associates of Baltimore has announced an Architectural Tour of India & Bangladesh including the cities of New Delhi, Dacca, Chandigarh, and others, February 12-March 4. For more information: Peter C. Doo, AIA, 107 E. Preston St., Baltimore 21202 (301-685-3582) . . . Mitchell/Giurgola, John Carl Warnecke, and Kohn Pedersen Fox were among the five finalists in the national

competition for the design of a new county Court Complex in Central Islip, Suffolk County . . . Among those taking part in Columbia University's The Mathews Lectures 1935-1985 on November 2 (see Calendar) are Professor Georges Duby, College de France; James Stewart Polshek; Dean James Morton, Cathedral of St. John the Divine; Professor Helen Searing, Smith College; Professor Linda Seidel, University of Chicago; Professor Steven Murray, Indiana University, Professor George Collins, Columbia; and Professor Howard Saalman, Carnegie Mellon University . . . The Municipal Art Society is offering a course on "Urban Genealogy: How to Conduct Architectural Research" on five Fridays beginning November 6. For more information: Randi Kepecs 935-3960 . . . Robert Hutchins has designed a bookshop for the National Academy of Design, 1083 Fifth Avenue, described as "a mahogany creation in the Chippendale style." . . . Folkways Institute of Oak Grove, Oregon, is planning a tour to explore China's architectural heritage next August led by Michael S. Myler, AIA. For more information: Folkways Institute, 14903 S.E. Linden Lane, Oak Grove 97267-2732 (800-547-7400 Ext. 12) . . . John Nichols Printmakers and Publishers of Grand Street has announced that for the first time this season its exhibition program will include shows devoted to architecture

(see Calendar) . . . The National Preservation Institute in cooperation with The National Building Museum are offering several courses this fall including "Inside and Outside the Victorian House: Victorian Architecture and Decoration in America" on November 22, December 6 and 13; and "Architectural Photography of Historic Structures" on November 12, 13, 14, and 15. For more information: National Preservation Institute, c/o National Building Museum, Pension Building, Judiciary Square, NW, Washington 20001 (202-272-2884) . . . Julia Monk has been appointed an associate of Brennan Beer Gorman . . . Rice Design Alliance and Central Houston Civic Improvement, Inc. have announced an open two-stage national design competition: "Sesquicentennial Park Design Competition: Celebrating 150 Years of Houston and Texas on the Buffalo Bayou Waterfront in the Heart of Downtown Houston." November 25 is the deadline for registering in the first stage: Theodore Liebman, AIA, Professional Advisor, Sesquicentennial Park Design Competition, c/o Central Houston Civic Improvement, Inc. 2040 Two Shell Plaza, Houston 77002 . . . *Oculus* deeply regrets the death of Herbert Bayer in Santa Barbara on September 30. Among the last of the Bauhaus masters, Bayer was 85.

Liability Insurance: Findings of the Survey

cont'd. from p. 6

percentage has risen from a 1984 average of 1.9 percent (1.8 percent) of gross fees to 2.8 percent (3.3 percent). The result is dominated by the fee volume of the over \$1,000,000 category, which represents 85 percent (72 percent) of the total fee generation. This masks the fact that the insurance costs of the below \$500,000 firms represented 5.7 percent (5.2 percent) of their gross—up from 2.3 percent (2.9 percent) in 1981 and a 120 percent (67 percent) increase in 1984-85.

In addition, those who were "going bare" (6 NYC/AIA; 12 NYSAA) fall preponderantly in the below \$500,000 category and are unrepresented in the statistics. The increase has driven many of these firms out of the market or has rendered them unable to obtain liability insurance in the first place.

In a profession that historically has made profits of below 6 percent, liability insurance costs to small practices now equal the historical profit margin. This was also seen to be true in the \$500,000 to \$1,000,000 category, where insurance rates went from 1.8 percent to 4.1 percent (1.8 percent to 3.8 percent) in the same five-year period.

It must be emphasized that the increase has occurred primarily in the 1984-85 period, whereas 1981-84 was virtually flat. This is truly a crisis. If the trend continues, it will have a disastrous affect on the limited profitability of architecture firms.

Table II: Average Liability Limits Per Firm

The survey finds that the average liability limits per firm in the five-year period have increased approximately 50 percent (25 percent). They have gone from \$1,000,000 to \$1,500,000 (\$800,000 to \$1,000,000). The highest percentage increases have been in the large firms, which are obviously more exposed to liability claims and have increased their coverage by 63 percent (64 percent)—going from \$1.9 million to \$3.1 million (\$1.1 million to \$1.8 million).

Statistical Table I (N.Y. Chapter Data)
Percentage of Insurance Cost to Gross Fees

Year	Firm Classification by Gross Yearly Fees			All Firms
	◀ 500,000	500,000 - 1,000,000	▶ 1,000,000	
1985	5.7%	3.8%	2.6%	2.8%
No. of firms	29	14	17	60
Gross fees	6956180	9726000	94015000	110697180
1984	2.6%	2.1%	1.8%	1.9%
No. of firms	30	13	20	63
Gross fees	7712968	8732892	93239825	109685685
1983	2.9%	1.8%	1.5%	1.6%
No. of firms	35	11	17	63
Gross fees	7991326	7921463	82305454	98218243
1982	2.5%	1.4%	1.4%	1.5%
No. of firms	25	11	17	53
Gross fees	5719344	8228034	82218985	96166363
1981	2.3%	1.8%	1.8%	1.8%
No. of firms	23	8	16	47
Gross fees	5081715	5768377	63008665	73858757

Gross fees refers to the total fees a company has earned for the stated year.

Statistical Table II (N.Y. Chapter Data)
Average Liability Limits Per Firm

Year	Firm Classification by Gross Yearly Fees			All Firms
	◀ 500,000	500,000 - 1,000,000	▶ 1,000,000	
1985	\$840000	\$1033333	\$3147059	\$1519355
No. of firms	30	15	17	62
1984	\$1156667	\$1423077	\$2725000	\$1709524
No. of firms	30	13	20	63
1983	\$942857	\$1204545	\$3073529	\$1563492
No. of firms	35	11	17	63
1982	\$584615	\$931818	\$2882353	\$1378704
No. of firms	26	11	17	54
1981	\$530435	\$618750	\$1968750	\$1023958
No. of firms	23	8	16	48

1. Listed are the average liability limits per firm for 1981 thru 1985.
2. Survey data for 1985 was estimated by some firms.
3. No. of firms refers to the number of firms that meet classification criteria for that year.
4. Total number of firms surveyed for N.Y. Chapter is 63. Note that for some years complete data were not provided and, therefore, were excluded for that year.

Liability Insurance: Findings of the Survey

**Statistical Table III (N.Y. Chapter Data)
Average Deductible Per Firm**

Year	Firm Classification by Gross Yearly Fees			All Firms
	◀ 500,000	500,000 - 1,000,000	▶ 1,000,000	
1985	\$5983	\$9267	\$40059	\$16121
No. of firms	30	15	17	62
1984	\$5017	\$7846	\$27600	\$12770
No. of firms	30	13	20	63
1983	\$4943	\$7636	\$27059	\$11381
No. of firms	35	11	17	63
1982	\$5081	\$8455	\$22412	\$11224
No. of firms	26	11	17	54
1981	\$4500	\$7875	\$24562	\$11865
No. of firms	23	8	16	48

1. Listed is the average deductible per firm for 1981 thru 1985.
2. Survey data for 1985 was estimated by some firms.
3. No. of firms refers to the number of firms that meet classification criteria for that year.
4. Total number of firms surveyed for N.Y. Chapter is 63. Note that for some years complete data were not provided and, therefore, were excluded for that year.

Table III: Average Deductible Per Firm

The survey also reveals that the average deductible is \$16,100 from \$11,800 (\$12,800 from \$9,300) for all firms. The variation between those firms below \$500,000 and those above \$1,000,000 is significant. Those below \$500,000 average \$6,000 (\$7,300) — up from \$4,500 (\$6,700) at the beginning of the survey period. On the other hand, firms of over \$1,000,000 have increased their deductibles from \$24,600 (\$21,700) to \$40,000 (\$38,500) during this period. Those in the mid range between \$500,000 and \$1,000,000 show a current average deductible of \$9,300 (\$11,500). This indicates the upward trend as offices become more able to accept self-insurance.

Table IV: Ratio of Liability Limits to Insurance Costs

Another survey finding indicates the loss of coverage over the period for each dollar of insurance premium. It has plunged this year from \$52 to \$28 (\$62 to \$32) of insurance per dollar of premium. As would be expected, large

architecture firms are receiving less for each dollar of premium — obtaining only \$21.96 (\$14.77) coverage versus \$58.00 (\$71.73) per dollar of premium for smaller firms.

It is interesting to note that total liability insurance costs for City and State architects have gone from \$1,340,000 (\$655,000) in 1981 to \$3,200,000 (\$2,065,000) in 1985 or 240 percent (325 percent). At the same time, income has risen 55 percent (104 percent).

Table V: Liability Limits to the Number of Technical Employees

Another calculation indicates that the liability insurance coverage carried per individual employee is an average of \$62,000 (\$72,000). Of interest is that the average in the State has gone down over the five-year survey period, from \$79,000 to \$72,000 while the City average has risen from \$36,000 per employee to \$62,000.

In general, coverage per employee rose over the period until 1984, when a

14.6 percent (18 percent) drop occurred. Again, this indicates the pressure that insurance cost rises had on insurance coverage decisions. Employees rose during the 1984-85 period 2 percent (30 percent). There is a large disparity between firms below \$500,000 and those above \$1,000,000. Small firms carry \$204,000 (\$199,000) of insurance per employee while large firms carry \$29,000 (\$44,000).

Table VI: Ratio of Insurance Costs to Number of Technical Employees

The survey found an average cost of liability insurance per technical employee of \$2,124, (\$2,215). These numbers have doubled during the survey period — up from \$1,000 (\$1,151) in 1981. This ratio was flat during the early survey period, with a 55 percent (81 percent) increase occurring during 1984-85.

There is an unfortunate disparity between the smaller and larger firms sampled. Larger firms have gone from \$975 to \$2,000 (\$1,044 to \$1,968), while smaller firms went from \$1,132 to \$3,540 (\$1,460 to \$2,820). This doubled insurance costs per employee at a time when small firm income per employee rose 26 percent (8 percent) and large firm 40 percent (20 percent). Both are well below the cost of living index, which rose in the 1981-85 period.

Table VII: Insurance Carriers

Table VII indicates the carriers that are currently being utilized. The number of carriers has risen since the 1978 City survey, when only three carriers were identified. Those were CNA, Northbrook, and The Stuyvesant Insurance Company. Only one of those remains — CNA.

This sort has been made to show gross fees of architects insured, average fees per architect, gross premiums for each insurance company, the percentage that premiums represent of gross architectural income, and the increase that the 1985 premiums represent in percentage over what an increase based only on increased fee volume — or *who has raised their premiums the most.*

Statistical Table (N.Y. City & State) Summary of Insurance Company 1985 Activities

Insurance Company Name	No. of Policies	Average Fee/Policy 1985	Total Gross Fees for 1985	Total Insur. Premium for 1985	Ave. % Gross Fee Increase 1984-1985	Average % Prem. Inc. 1984-1985	% Prem. Inc. Less % Fee Increase	Percentage Prem./Gross Fee
N.Y. City								
The Continental Casualty Company (CNA)	8	\$ 4,681,638	\$37,453,100	\$1,019,568	19.4%	51.6%	32.2%	2.7%
General Accident Insurance Company	7	\$ 2,955,429	\$20,688,000	\$ 336,207	12.7%	91.8%	79.1%	1.6%
Insurance Company of North America (INA)	1	\$18,000,000	\$18,000,000	\$ 350,000	-10.3%	135.5%	145.8%	1.9%
International Insurance Company	9	\$ 1,431,111	\$12,880,000	\$ 498,780	- 3.4%	38.7%	42.1%	3.9%
Kemper/Design Professional Insurance Co.(DPIC)	5	\$ 729,000	\$ 3,645,000	\$ 278,770	14.1%	65.0%	50.9%	7.6%
Connecticut General Insurance of NA (CIGNA)	6	\$ 299,167	\$ 1,795,000	\$ 137,589	- 9.7%	204.2%	213.9%	7.7%
Republic Insurance Company	5	\$ 284,016	\$ 1,420,080	\$ 43,637	21.5%	102.1%	80.6%	3.1%
Totals for N.Y. City	41	\$ 2,338,565	\$95,881,180	\$2,664,551	5.9%	67.4%	61.5%	2.8%
N.Y. State								
The Continental Casualty Company (CNA)	18	\$ 814,998	\$14,669,956	\$ 521,768	- 1.4%	38.4%	39.8%	3.6%
International Insurance Company	3	\$ 3,899,667	\$11,699,000	\$ 279,405	21.1%	128.5%	107.4%	2.4%
Republic Insurance Company	12	\$ 447,083	\$ 5,365,000	\$ 174,806	22.2%	109.6%	87.4%	3.3%
General Accident Insurance Company	6	\$ 493,297	\$ 2,959,000	\$ 115,288	- 1.1%	95.7%	96.8%	3.9%
Kemper/Design Profession Insurance Co.(DPIC)	3	\$ 800,000	\$ 2,400,000	\$ 137,899	-17.8%	93.4%	111.2%	5.7%
Insurance Company of North America (INA)	3	\$ 693,790	\$ 2,081,370	\$ 50,990	24.0%	51.2%	27.2%	2.4%
American Motorists	1	\$ 1,161,632	\$ 1,161,632	\$ 38,000	-13.2%	11.6%	24.8%	3.3%
Totals for N.Y. State	46	\$ 876,886	\$40,336,738	\$1,318,156	6.6%	68.9%	62.3%	3.3%

1. Listed are those insurance companies that architectural firms maintained for both 1984 and 1985.
2. Total number of firms surveyed for N.Y. City is 63.
3. Total number of firms surveyed for N.Y. State is 67.
4. Firms that provide incomplete data were excluded.

Evaluation

We leave our readers to puzzle over these statistics. Clearly, however, it would be better to be in an industry that raises its prices only to cover its losses.

In all, it appears that we are on the wrong side of the transaction. As architects we have been affected less by our actual liabilities and loss records than by Bhopal, Johns-Manville, airplane crashes, hurricanes, and the inability of insurance companies to assess their rate/risk structures accurately. The results of this are that we bear far more than our share of the risks than is appropriate and that we as a profession are paying for social risks outside of architectural practice rather than merely for those incurred in producing what architectural practice provides to society.

Support for this position is found in the 1985 state-wide Massachusetts architectural survey, which covered gross billings of \$152,000,000; three-

year insurance premiums of \$8,850,000; and cost of claims over that period of \$6,118,000 for an average loss ratio of 69.1 percent. A current loss ratio is reported in the survey as 50 percent nationwide with average claims in Massachusetts of \$78,000 and average claims nationwide of \$36,000.

Our 1985 New York premium volume was \$5,250,000 for the surveyed firms. If we had a 50 percent loss ratio it would appear that New York is a prime candidate for the possibility of self-insurance. For the risk to society appears to be less than those damages in the form of insurance that society chooses to impose on our profession.

Recommendation

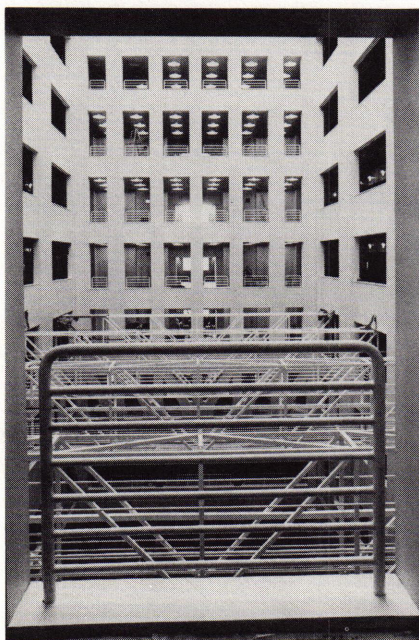
A survey of the losses paid out by insurance companies on behalf of architecture firms should be the next investigation of our professional societies. It should lead toward evaluation of self-insurance for architects in New York State. It might indicate the possible efficacy of those firms in the lower and mid range to

increase their deductibles as a way toward reducing premium costs. Certainly high cost as percentage of income and low deductibles are linked, since large firm deductible equals the current national claim settlement of \$36,000 whereas small firm deductible represents only 14 percent of average claims.

Since we have a \$16,000 deductible against \$36,000 in average national claim payments, it would indicate that we are already self-insured. Let's get on with it so we can balance the social and the professional risk.

International Design Center, New York

The new interior design center in Long Island City opened officially on October 10 with eighteen charter tenants open for business. Center Two — originally the American Eveready Building of 1914 — was redesigned by Gwathmey/Siegel & Associates, who are the design architects for International Design Center/NY. Center Two provides 470,000 sq. ft. on nine floors as well as a central atrium.



The Portman Hotel on Times Square

After a month's tryout of guests, the New York Marriott/Marquis Hotel was officially dedicated on October 10. Outside, the hotel is big, fortress-like, and too far forward on the Square, like other examples of planning and architecture based on thinking of a decade ago. And there should be no surprise in this now.

Inside, the main atrium of the hotel brings one of John Portman's hotel concepts to the city for the first time. And elements of that space are almost surprising and surprisingly enjoyable.

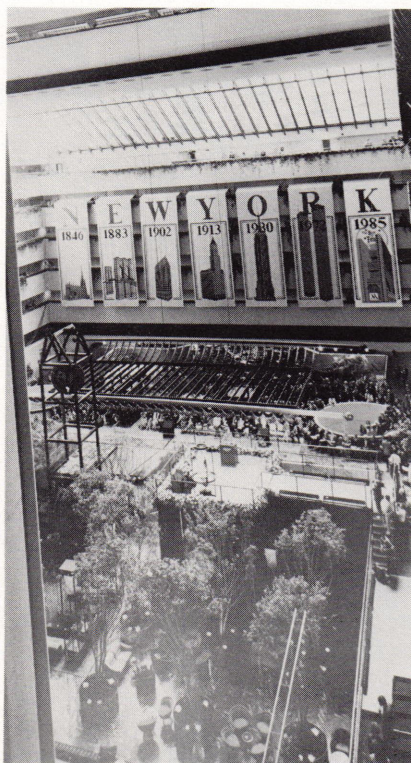
Many New Yorkers want to be bowled over every time, it seems, with something never seen by God nor man before. The long planning period and the procedural constraints, (as they say), for large architecture projects in the city militate against this. And the twelve-year wait — like standing in an endless line for an exhibition or a movie — makes it nearly impossible for anything to live up to expectations — not even Titian.

Still, the 37-floor rise of the exposed elevator tower is dramatic and a continual floor show. Within this tall, if too narrow atrium, intimate-scale areas for conversation are created by a revolving bar area on the 8th floor which serves as a merry-go-round from which to see new views of Times Square activity. And the variations in restaurant design, lighting, furnishings, plantings, sculpture, and banners show that, even against the odds of building in New York City, some gains can be made in the form of amenities and adventure for our citizens by perseverant architects and designers. Things aren't what they were in Times Square. They never have been, and, it seems, they never will be.

— CRS



Photos: Stan Ries



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