

# Titanic to insure or not to insure outline research paper

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## I. Introduction

A. One of the most controversial naval disasters back in the early 1900s is the sinking of the passenger liner RMS Titanic while on its maiden voyage from Southampton to New York. According to historians, the infamous passenger liner had a collision with an unnoticed iceberg somewhere in the southeast of Halifax.

B. Thesis Statement: Insurance companies back then had argued that insuring the large cruise liner would be a big gamble should anything happen to it. There were some who insured the ship, but not to its full amount. Disbursement of claims was also shared by these companies who have agreed to insure the Titanic, even if there were complications as to the claims.

## II. Background of the Titanic

A. Early Planning: The owner of the RMS Titanic is the White Star Line, who offers trips between England and Australia. J. P Morgan bought the company from Joseph Bruce Ismay and allowed Ismay and William Pirrie to take over building the ships for White Star.

1. Due to a rivalry with Cunard Lines, White Star builders decided to build the biggest and most luxurious ships that would cater to both poor and rich passengers.

2. The two ship builders sketched the blueprints of the Olympic, Titanic and Gigantic exactly after Cunard released its new vessels in the summer of 1907. Each ship is 100 feet longer than Cunard's, but it is 4-5 knots slower and 15, 000 tons heavier than the Cunard .

B. The Titanic was built by Messrs' Harland and Wolff in Queen's Island,

Belfast while they are also working with the sister ship of the Titanic known as the Olympic on March 1909.

1. The keel of the Titanic was the first part which was placed on the ship on March 31, 1909. This part runs the length of the whole ship. The hull frame followed after the keel and it took the workers until April 1910 to complete the process. The gantry and riveting happened after the next few months, leaving casualties in the process.

2. The Titanic's fitting out took at least 10 months to finish as the 880 feet long ship had to be fitted with parts such as electricity, wall covering, decorations and other amenities available. Once the ship was finished, the Titanic was known as the largest man-made ship with building cost up to \$7.5 million or \$150 million at present time .

III. To insure or not to insure?

A. Insurance company sentiment: Although many loved the cruise liner, there were insurance companies who have second thoughts over insuring the liner.

1. After the incident over the Olympic, the sister ship of the Titanic, ran over a dam after its completion and companies had to pay for reparation and repair fees, many insurance companies feared that the White Star Line is cursed.

2. If the ship is somehow wrecked, at least £52 million must be funded by companies. They are also afraid that the White Star Line will replace the Titanic's losses that with Olympic .

## **B. Titanic's Insurance Coverage**

1. According to reports, the Titanic is insured for \$5, 666, 820. \$4, 875, 000 is for regular coverage and \$701, 821 is allotted for total losses. Insurances are covered by several European companies and even some American firms. Some of the money, averaging up to \$750, 000, was handled by the White Star Line for immediate releases.

2. Upon the disaster, some had a problem getting their insurances especially as the vessel is not fully covered. Many of the insurance firms could not cover the whole coverage, especially the cargo placed in the ship .

### **IV. Conclusion**

One cannot say for certain if the Titanic's disaster was done on purpose or by accident, although the latter is mostly proven at present. In the end, the insurance companies did have a point over the Titanic's insurance coverage. It was much too big of a risk and the market as of then, was not fully able to cover the whole extent of the damages and casualties upon their insurance claims.

## **Works Cited**

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