MAY, 1884.

Mr. Kinne goes on to define his method of adjusting the contribution, which is the "Griswold" method, until he comes to the matter of *single specific* insurances, class ² of the Text-Book, where he seems to take issue with the Text Book rule and says: "This" (his) new departure from the usual method of causing a compound policy, with a specific item, to first pay the loss on that item, and then contribute in its entire residue with the other Companies on the general items, is based on the loss to loss principle, and not the maximum liability (as claimed by Griswold). And why should the old method be longer observed? If it is correct to apply the loss ratios as true ratios in the segregation of a compound policy in one case, why not in another? and do away with ratable proportion, as a distinction from pro rata proportions."

In illustration of his apportionment Mr. Kinne cites the following example worked out both by his method and the Griswold rule, viz.:

Example.

Company A covers "B" Warel	Dwelling nouse and dwg	\$1000 Lo 1000 W	ss Dwg. \$300 arehouse \$200	
	Fotal Insuranc	e 2000 Tota	l Loss \$500	
Appor	TIONMENT BY	KINNE RUI	.E.	
Companies 1	Dwelling	Warehouse	Total	
A B	\$1000 600	400	\$1,000 1,000	
Total Ins	\$1600	\$ 400	\$2000	
To pay Loss	300	200	500	
	Contrib u'	rion.		
Co. A pays	\$187.50	•••••	187.50	
Co. B "	112.50	200	312.50	
Total Payment	\$300.00	\$200	\$500.00	
GRISWO	LD RULE, A	PPORTIONMEN	NT.	
Co. A	\$1000	· · · • • •	\$1,000	
Co. B	800	200	1,000	
	\$1800	\$200	\$2000	
To Pay Loss	300	200	500	

The difference being that Company B would first pay its pecific item on warehouse \$200, and contribute with Company A in the remainder of its insurance, \$800, instead of \$600, as in the Kinne Rule, giving the following as the

FINAL CONTRIBUTION.

	Dwelling	warehouse	Totals.
A pays	166.67		166.67
B pays	133.33	200	333-33
Total	\$200.00	\$200	\$100.00

By this process the Compound policy B pays \$20.83 more than by the Kinne Rule, in consequence of carrying a larger contributive insurance to share with A in payment of loss on dwelling. As explained by Mr. Griswold, the payment of the amount of its specific insurance by the compound policy B before going into contribution with A on its remainder was made in accordance with the many decisions of the United States Courts holding the insurance on the separate subject, warehouse, to be *specific*, and to be

first paid as such, and making such payment obligatory before co-insuring insurances could claim any contribution from the compound policy, as in the following example, where it will require all of Company B's insurance to meet the loss on its specific item, leaving to Company A the settlement of the loss on dwelling :

Company A or '' B	n dwelling "and warehouse		\$1000 1000	Loss "	\$800 1,000
	In	surance	\$2000	"	1800
APPORTIONMENT GRISWOLD RULE.					
Ľ	welling	Warel	nouse	Т	otal
Co. A Insurance	1000		••	Ι,	000
Co. B Insurance	• • • •	1,0	00	Ι,0	000
•	<u></u>				
Insurance	\$1000	1,0	00	2,0	000
To pay loss	80 0	1,0	00	1,8	Soo i

By the Kinne method Company B would *first* be divided in the ratio of the losses upon building and warehouse, as **\$** on the latter is to 10 on the former.

This will give the following as the

KINNE APPORTIONMENT OF THE INSURANCE.

Company	A	\$1000.00	555.56	\$1,000
Company	B	444.44		1,000
Total Ir	n s. S	\$1,444.44	555.56	2,000
To pay I	loss	800.00	1,000	1,800
		Contrib	UTION.	
Company	A	\$553.85	753.85	553.85
"	B	246.15		1,000.00

\$800.00

Insurance

To Pay Loss \$800.00 1,000.00 1,800.00 Leaving the insured short on warehouse exactly the same amount that Company B contributes to the loss on dwelling; which, as a matter of course, must be floated over to warehouse to give the amount of indemnity required, and produces the same result as though the whole sum of Company B's insurance had been applied to warehouse at the start, where, being *specific* insurance with which Company A has no connection, it belongs.

753.85

1,553.85

There is an equity in the "Kinne rule" that deserves consideration; but the difficulty is not, as he says, in the Griswold theory, but in the Kinne method of carrying it out. We think that the Kinne error lies in misunderstanding Griswold in the matter of "general and specific insurances being co-insurers." Griswold makes no such general assertion; on the contrary, he makes two classes of non-concurrent insurances--class one, he called "general concurrency," and class two, "partial concurrency," the examples above cited being of this latter class--and if the concurrency be partial only the policies can be co-insurers only so far as that concurréncy extends, hence the compelling of A to pay \$20.83 more in contribution in consequence of the specific item of Company B--with which it has not connection, so long as the amount of B is sufficient to cover it—is all wrong. (See Text-Book p. 653, secs. 2080-81), and as to what he calls specific insurances see ¹dem p. 649, sec. 2071.

We must defer our intended remarks upon the Sexton Rule until a future issue.