THE APPLICATION IN FIRE INSURANCE.

Last year this question received considerable prominence through a recommendation of the Dominion Fire Prevention Committee that legislation be enacted, making the taking of an application compulsory.

This recommendation met with opposition from various quarters, but none of the grounds of opposition seemed to touch upon the main point: would the taking of the application tend to reduce the fire waste?

Mr. William B. Ellison, the eminent insurance legal authority in New York, recently contributed to the Journal of Commerce and Commercial Bulletin an article that has a more or less direct bearing on the subject, which we reproduce for the benefit of our readers.

The suggestion that where an applicant is not interrogated in regard to matters which would void the policy, the Company should be debarred from availing itself of the condition, would seem to "make the punishment fit the crime."

Mr. Ellison's article is as follows:—

"In view of the fact that the vast amount of litigation between insurers and insured has arisen by reason of some alleged act of omission on the part of the insured either before or after the loss, it is important that the obligations resting on the insured should be more clearly understood

The ordinary citizen will take due notice of the admonition "Watch Your Step," but how many of us pay any attention to the warning "Read Your Policy?" Very few.

The forms of policies generally in use contain vital conditions, so arranged and so often couched in cumbersome and indefinite words that it is a matter of extreme difficulty for the insured to readily understand just what is requred of him.

The following is therefore offered with the hope that it may in some degree at least prove an aid to both insurer and insured in their efforts to perform the reciprocal obligations that usually exist between them.

The form contains a mass of technical conditions and provisions that the public finds very difficult indeed to understand. Indeed, they are so fraught with technicality and ambiguity that the courts themselves, the highest courts of record in the country, constantly differ in matters of construction. This should not be difficult to remedy and the public welfare demands that it be remedied.

One must not attempt to destroy any reasonable protection that may be claimed for the fire insurance companies, but at the same time it will not be contended that the rights of the insured should be left, as is frequently the case under the present form, to the charity of the company. The provisions of the policy should be made so clear that the right of both are apparent and the interests of both are safeguarded.

Let us refer to a phase of this matter, i. e., that provision which provides that the policy shall be void if the insured has any other contract of insurance on the property in question, or if the interest of the insured is other than unconditional and sole ownership, of if the subject of insurance is a building on ground not owned by the insured in fee simple, or if the subject of insurance is personal property and is encumbered by a chattel mortgage, or if any of the multitude of things exist at the time of the issuance of the policy that by its terms will avoid it. The insured, as a rule, is not aware of these technical violations of his policy; in fact, not for some days does he get the policy into his possession. Should fire occur he has no claim for his insurance. These features of the policy form now in use have defeated thousands of what would otherwise have been meritorious claims. Sometimes the insurer does not take advantage of its position, but the rights of the insured are in his hands. It may be charitable or it may not be. This is not such a situation as the law should countenance, and especially is this so when we consider that by a slight amendment to the present policy form the obligation may be put upon the insurer to interrogate the insured upon these questions of a condition precedent to issueing the policy. Many of the highest courts of record in other jurisdictions than in the State of New York have held that under such circumstances and in the absence of interrogation by the insurer of the insured regarding these violations, and the issuance of the policy and receipt of the premiums without interrogations, estops the insurer from setting them up as defenses. Our policy should be amended so as to set this question at rest.

An illustration of the point I have just endeavored to make will appear from the following facts:

A man was employed for many years in a printing house. By economy and diligence he succeeded in saving up sufficient money to warrant him in his own mind, to start in business for himself. He secured a long lease of a piece of vacant property and on it built a building. He then equipped his plant with presses, binders and the other machinery that is incidental to such a business. Having thus put himself in a position to carry on his vocation in his own name and at his own risk, and having invested therein all of the money that he had, during the many years referred to, accumulated by economy, he sought to cover his plant with necessary protection against fire. He had had no experience

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