

short of indemnity to the insured. The former 3 being "over-insured" and the latter 2 being "under-insured." Just here it is that our critic finds itself at the end of its tether, and says that "contribution is exhausted," with an unpaid loss of \$1,917, and acknowledged unexhausted insurances of \$8,567, staring it full in the face at the same time! Mais, laissons-nous la ce frondering savant: rev-nous à nos moutons.

In this seeming *cul de sac* on Nos. 4 and 5 the insured was very fortunate in placing his insurance—the critic to the contrary notwithstanding—for on No. 5 he has \$10,000 of floating and \$1,000 of specific insurance, and it would be strange if \$11,000 of valid insurance could not pay \$5,250 loss; while on No. 4 he has the remnants of A and F, all of B, and any where up to \$5,000 of E, to make good any deficiency there. The increase of the first apportionment of the insurances of A and F on No. 5 will be done by a reassessment upon these two policies for the amount of deficiency in the ratios of their first apportionments severally. B, being a fixed insurance, undergoes no change, but remain liable as at first, for its *full amount*; so, also, with the deficiency under No. 4, which must be provided for by A and F, in the ratios of their balances brought from No. 5, and by E in the ratio of its initial liability,—these being all floaters must cover the loss over and above B, which, being specific or fixed, remains

as in No. 5, liable for its *full amount*, because the sums paid by A, E, and F, being already in excess of their several contributive, or initial liabilities, B cannot call upon either of them for an additional contribution to relieve itself. Having disposed of the shortage on Nos. 4 and 5, the policies covering on Nos. 1, 2 and 3 will contribute in their initial liability, while the partly-exhausted policies, A and E, will contribute in their several remainders, pro-rata, upon the three houses; and F, on No. 3 only, as if these respective sums were their original insurances thereon.

The reapportionment commences with the greatest deficiency, say No. 5, then with No. 4 next, for the very simple but obligatory reason, that until these shortages have been made good, the contributive liabilities of A, E, and F, on numbers 1, 2 and 3 cannot be known, nor the liabilities of the other policies arrived at. Had the contribution on 1, 2 and 3 been first made by us, we should have fallen into the same pit that Mr. Lye's method digs for him, and into which he so blindly falls, all because he began his contribution at the wrong end of the line, thus leaving not enough of the general policies to carry him through; though had he not been so chary of the specific insurance, he would have been able to have pulled through without \$573.71, "uninsured loss."

From the liabilities, original and re-assessed, as above stated, the contributions of the several offices will be obtained as they appear in the following formula:

#### RE-APPORTIONMENT OF INSURANCES, AND FINAL CONTRIBUTION TO LOSSES.

Companies.	No. 1.		No. 2.		No. 3.		No. 4.		No. 5.		Salvage.	Total Insur'ce.
	Insures.	Pays.	Insures.	Pays.	Insures.	Pays.	Insures.	Pays.	Insures.	Pays.		
A.	767 00	570 40	767 00	570 40	766 50	749 15	1105 50	1105 50	1504 00	1594 00	410 55	5000
B.	1000 00	743 66	1000 00	743 66	1000 00	976 71	1000 00	1000 00	1000 00	1000 00	535 97	5000
C.	2500 00	1759 15	2500 00	1759 15	.....	.....	.....	.....	.....	.....	1481 70	5000
D.	1667 00	1339 76	1667 00	1339 76	1666 00	1627 24	.....	.....	.....	.....	693 24	5000
E.	1125 71	837 03	1125 71	837 03	1125 70	1039 52	1622 88	1622 88	.....	.....	603 54	5000
F.	.....	.....	.....	.....	822 38	797 38	1521 62	1521 62	2656 00	2656 00	25 00	5000
Ins.	7059 71		7059 71		5580 58		5250 00		5250 00			30,000
Losses.		5250 00		5250 00		5250 00		5250 00		5250 00	3750 00	

In the foregoing we feel that we have closely approximated the splendid "Rule of 1880," if we have not filled it exactly. The insured got his money, the Companies contribute equably, if not pro-rata, each gets its share of the salvage and everybody is happy except perhaps——but we will not be invidious when things are so lovely in general.

Upon a comparison of our "Axioms" upon which all insurance adjustments should be predicated, with the "Principles" set forth by Mr. Lye, there is a noticeable absence in the latter of all reference to the insured or to any rights guaranteed to him by his policy, which in all insurance jurisprudence have ever been held paramount, and the first thing to be considered; whereas Mr. Lye ignores him entirely; and his fifth Rule is intended especially to abridge his rights, by preventing such a correction of a first apportionment, under which full indemnity is not given, so as to change the several pro rata assessments to ratable ones that would produce that result. So in his fourth Rule: Suppose that a compound policy should become exhausted under a first apportionment, on some of its own specific items, not covered by other policies, yet by a ratable re-apportionment

some of this compound policy's assessments on these specific items could be increased by lessening the assessment on subjects where it had unexhausted co-insurers, either specific or general, to assume it and thus the insured be further indemnified to that extent, would such policies be considered as "exhausted" beyond recall? Mr. Lye answers, "Yes" and proves it by his rules four and five, and by calling the deficiency brought about under these rules, on Nos. 4 and 5, "uninsured loss."

MORAL: When the loss falls within the amount of the aggregate insurance the insured *must be paid*, and the contributions thereto be settled among the companies.—Lord Mansfield, C. J.

#### PHENIX INSURANCE CO. OF BROOKLYN.

According to its last annual statement this Corporation shows gross assets of \$4,910,483; re-insurance reserve of \$2,845,049; net surplus over all liabilities of \$714,167, and a capital of \$1,000,000. It shows a gain in assets in 1885 of \$568,053, and in net surplus of \$73,176. The gross premiums received during 1885 amounted to \$4,883,963. The result of the year's transactions being a handsome trade profit of over \$345,000.