PROPER VICE.

We have been favoured with a copy of the following interesting paper by Mr. Bernard Faymonville, of the Pacific Coast, which deals with the problem expressed in the term "Proper Vice" in a masterly manner. It throws light upon one of the questions that perplexes fire insurance officials as to how far a company's liability under its fire policies, applied to damage sustained by or from the inherent hazard of a particular article or machine, notably the case in respect to chimney fires, lamp explosions, electric dynamos, etc. It is commended to the careful perusal of all interested in fire insurance.

The subject of "Proper Vice" is by no means one of only recent interest. It is mentioned in the Rules of Amsterdam made in 1598, wherein, however, it relates to subjects of marine and not fire insurance. The bearings of Proper Vice on insurance are also dealt with in other ancient writings, among them the Guidon de la Mer, a French work on marine contracts. Emerigon, in his admirable work, treats of "Proper Vice" and quotes ancient laws and regulations written in the tenth century.

Then, what is Proper Vice? That question has been before me ever since our worthy president saw fit to place upon me the duty of answering it.

Groping in the mist and obscurity which still surrounds the subject, we encountered two separate species of vice, both of which have their distinctive features, and both of which are important in their bearings on our business as insurers. For the purposes of consideration we will designate the first as

INTRINSIC PROPER VICE

which consists of that peculiar natural tendency to decay and deterioration which is found domiciled in nearly all organic matter. . It includes such causes of damage as are represented by spontaneous combustion without external influence, the spoiling, spotting, discolouration, corrosion or shrinkage of any chemically constituted substance, either liquid or solid, resulting from the effects of climatic, elementary, or other natural changes upon the native qualities of the substance itself. In fact, it includes many causes of damage and deterioration not related to the insurance business, except in so far as they may be the means of reducing values. In this case the vice, or, to use the insurance phrase, the "hazard," which creates the damage is intrinsic or proprietary to the subject-it belongs there-is placed there by nature, and is in no way of accidental origin.

The second species we will name-

EXTRINSIC PROPER VICE.

and embraces the susceptibility of artificial bodies to damage from being put to the uses and purposes for which they are intended; the natural consequence of the service for which a thing is designed. As examples of this vice we may mention the injury done to chimneys, stoves and fire-places by the heat generated therein; the damage done to lamps by reason of their own flame; the darkening of walls and frescoes, and even damage to furniture, occasioned by the smoke or soot created by gas jets, lamps, or heating apparatus while performing the usual func-

tions, or the injury done to dynamos and electric wires by being charged with electricity beyond their carrying capacity.

In the first instance the vice is an endowment of providence, and in the second instance it is the secondary effect of a premeditated act. In either case the damage and destruction may be slow, but it is sure, and day by day the value of the property to which it attaches is impaired by its operation. These vices first appear as an element of depreciation often developing into a cause of fire, and not infrequently terminates as the basis for a loss claim. Now the question arises, where does our liability as insurers in such cases begin, and where does it end?

We may premise by repeating the well-known maxim that *accident* must be the primary element of a valid loss claim, but it is by no means an accepted principle that *all accidental fires* are proper loss claims.

The result of some premeditated act, or the operations of some naturally endowed quality, are the essential components of Proper Vice, and it may therefore be safely laid down as a rule that the immediate effects thereof are not within the scope of ordinary policies of insurance. It must be borne in mind, however, that the direct effects of Proper Vice are often the cause of subsequent accidental damage for which we are liable, in so far as it pertains to the objects so subsequently destroyed or damaged.

I recall a peculiar case which fell to my lot for adjustment some five years ago. The claimant resided in a southern town and was in the habit of heating the rooms of his dwelling with an ordinary coal oil burner. On the morning of the accident the burner was placed in the parlour and lighted. Everything appearing safe, the lady of the house went about her duties, but shortly afterwards became aware of the presence of coal oil soot in the various rooms. Going to the parlour she found the oil burner all blaze and the room full of oil smudge and smoke. With great presence of mind, and with no little risk to her personal safety, she picked up the whole outfit and carried it into the yard, then returned and ventilated the dwelling. Scarcely five minutes later, on looking out of the window, she noticed that the laundry, a small building detached from the dwelling, was afire, and then realized that in her haste and excitement she had placed the burning oil stove dangerously near said building, with the result stated. The claim on my company, which soon followed, included the price of the stove, smoke damage to the drapery, carpets and furniture, and for the laundry building.

Here was a case which had the elements of both Proper Vice and accidental loss. Naturally enough it was contended on behalf of the insured that the fire became accidental the moment the flame of the burner assumed larger proportions than was intended. This position was hardly tenable, however, as under that rule insurers would be liable to pay for nearly all the stoves in the country, as very few, if any, of them are not at some time or other during their existence unintentionally overcharged with fuel and are thus damaged or rendered useless. I settled this loss upon a basis which, after further