

Insurance.

1. If I pay \$25 to an insurance company to insure my house for five years, what will the company give me in case the house burns down? What in case the house is not burned? The paper or contract that the company gives is called a *policy*. The sum that I pay to insure the house is called the *premium*. The party who insures the house is called the *insurer* or *underwriter*.
2. Define policy; premium; underwriter.
3. There are two kinds of insurance companies: joint stock companies, in which all profits or losses are divided among stockholders; and mutual companies, in which the profits or losses are shared by the policy holders. Read over an insurance policy, explain all parts of it. Is it issued by a joint stock company or a mutual company?
4. A house was insured for \$3000 at $1\frac{1}{4}\%$. What was the premium?
5. A store worth \$8000 was insured for 75% of its value at $\frac{1}{4}\%$ a year for 5 years. What was the premium? If the store should be burned down, what would be the owner's loss?
6. The premium for insuring some furniture at 1% was \$1. For what was the furniture insured? $1\frac{1}{10}\% = \$-$. $1\frac{1}{8}\% = \$-$.
7. In each of the above problems give the base, rate, and commission.
8. Give the rule for finding the commission; for finding the amount of policy.
9. A merchant has his goods insured in two places—in one place for \$5000 at $1\frac{1}{4}\%$, and in another place for \$2000 at $\frac{3}{4}\%$. The policies cost \$1 apiece. What was the total cost of insurance?
10. A man 40 years of age takes out a life policy for \$5000 at a yearly rate of \$94.50. Should his death occur at the age of 65, how much more or less would his widow receive than had been paid in yearly premiums?
11. What was the premium for insuring a cargo of 5680 bushels of grain valued at 90¢ a bushel at $1\frac{1}{4}\%$ on $\frac{3}{4}$ of its value?