

**DAMAGE BY REMOVAL DURING A FIRE**

For lack of space we have deferred comment on the two communications heretofore printed, both referring to our article on the above subject in reply to the queries of "Q" appearing in our issue of July 15th. With regard to "R.'s" brief letter in our August 1-15 issue, we knew, and of course concede, that in Ontario the statutory conditions of that province override the conditions of the policy when in antagonism, and the section referred to is but a repetition of the ordinary policy clause when used. But then there are other provinces and States where the *INSURANCE AND FINANCE CHRONICLE* is read, that do not rejoice in a restrictive code of "statutory conditions," where the conditions of the policy, or the want of such, form the law of the contract, and in such localities the result as figured out in the article referred to would be the rulings of the courts generally, outside of Ontario.

With reference to the communication in our last issue from "V.G.G." of London, England, we note without surprise his criticism, knowing so well that the manner of writing and the conditions of our policies, as well as methods of adjustment under them as written, are so different from English practice that very few of the English underwriters fully comprehend them, and "V.G.G." is evidently one of these, as he asks for more information as to the tenor of the cited policies A and B in the example he reviews. He says:—"In the case in question, it is not stated what other stipulations the policies A and B contained, and the absence of this information renders it impossible to define the liability of Company B's policy—for instance, if, as it would seem, Company B's contract had no clause whatever providing for the contingency of damage by removal, it is clear that no liability could attach to it." This seems queer logic to an underwriter on this side of the ocean, where it is well understood that damage to insured property, while being removed to a place of safety from a building already on fire, is as much at the risk of the company as would be any other damage from fire, although the policy may not specify such damage as one of its special liabilities. The insurer is liable for all consequential damages arising from the peril insured against, unless excepted or qualified by some express stipulation, as in policy A's case. And, further, this is as much the law and custom in England as on this side of the world.

Again "V.G.G." says:—"If, on the contrary, its conditions stated that 'damage by removal of property to escape conflagration will be made good,' it is necessary to know whether the policy was subject to average or not; if it was, the amount payable would be in the proportion borne by the sum insured to the whole value; if it was not, did it contain the conditional average clause, *i. e.* : 'It is hereby declared and agreed, that in case of the insured holding a policy in this or any other company on the property insured hereby subject to average, the policy shall be subject to average in like manner.' The question would then arise:—Did Company A's policy contain the first or *pro-rata* condition of average? If it did, Company B's

policy would pay the same proportion as Company A's policy; if it did not, Company B's policy would be specific, and be liable for the full amount of the damage, less Company A's contribution."

Of the foregoing it is only necessary to say that "V.G.G." has not comprehended the adjustment of the case at all. All of the points needful to show the respective liabilities of the two policies were quoted in the example; there was the *pro-rata* clause fully stated to the effect that Company A would pay its proportion of the loss by removal, in the ratio that "the sum hereby insured bears to the whole value of the property at risk," and in this proportion its liability was assessed. Besides this, there was no "average clause" in either policy, had there been it would have been so stated, and the apportionment made accordingly. There being no average clause, Company B, as "V.G.G." says, "was liable for the full amount of the damage, less Company A's contribution," and it so appears in the adjustment. The "average clause"—an idiosyncrasy of English practice,—finds but little favor on this side, its use being chiefly confined to general or collective policies covering several subjects under one sum, where it operates to secure the underwriters from over-heavy losses under that class of insurance; it is seldom found in simple, specific policies like A and B in the case under consideration.

**UNITED BRETHREN MUTUAL AID SOCIETY.****ASSESSMENTISM DEMONSTRATED.**

This Society is now twenty-one years old, located at Lebanon, Pennsylvania, and, as everybody concedes, has been honestly and judiciously managed from the first. This being so, its experience is valuable as a demonstration beyond cavil of the inherent weakness of the assessment system when applied to life insurance. We have from time to time called attention to the steadily decreasing membership and as steadily increasing assessments, until the cost to the insured has become very much heavier than whole life insurance in an old-line company, and more than twice as heavy as regular term insurance. In 1874 the members were rejoicing, as members of new assessment concerns now blindly rejoice, over getting insurance "at cost," the cost per \$1,000 then being \$8.24. They are still getting it at cost, but they do not as formerly congratulate themselves on that fact. We present the following very instructive record of the U. B. Society's experience for the past thirteen years:—

Year	Mean amt. of Insurance.	Mortality Assessments.	Cost per \$1,000.
1878	\$21,241,500	\$422,319	\$19.80
1879	19,958,000	480,240	24.00
1880	18,755,000	447,331	23.85
1881	18,119,250	480,461	26.50
1882	16,559,250	503,634	30.40
1883	14,440,000	510,192	35.30
1884	12,495,000	439,336	35.14
1885	11,259,000	487,955	43.33
1886	10,726,250	557,847	42.60
1887	10,505,750	486,786	46.07
1888	9,894,250	451,237	43.55
1889	8,577,250	384,150	44.80
1890	6,999,500	362,183	51.74

It is to be borne in mind that the cost here given is