

WORDINGS AND WARRANTIES

The following extracts are a continuation from our last issue, of a paper read before the Fire Insurance Association of Montreal by Mr J. D. Simpson, Liverpool & London & Globe, Montreal.

SUNDRY ITEMS.

Companies are frequently asked to meet small claims for loss of property which is not insured and as the number of these extraneous items seems to be increasing I would ask you to consider them for a moment. Some of them are as follows:—

Personal belongings in Trains, Hotels or Boarding Houses while travelling.

Property sent to a laundry, or suits to sponge and press.

Golf clubs and equipment left at a golf club.

Boats and personal property at a boat club.

Guns and equipment in a shooting club.

Property in course of transit from one location to another.

Ordinary detached outbuildings and their contents usually of frame construction to rear of the dwelling.

These small items frequently cause trouble and inconvenience when a loss occurs and it is found that there is no insurance upon them. It would be a decided advantage to have included on the household furniture form an item for these extras and an amount insured or the word "nil" inserted to prove definitely in the event of loss the Insured's intention. Possibly we might find a source of untapped revenue for Companies and Agents. These several items could be included in one amount at the rate for the Insured's household furniture, but with a maximum sum of say \$500. and a minimum premium for that special item of \$5.00 for three years. Some people may have such cover at present and many more would take it were it advertised and generally available. There would be an increased revenue and an end to those delicate refusals or disappointing "Ex Gratia" payments. I would not suggest that we include "other private dwellings" as the usual household furniture form includes "Guests and Servants property", and the loss would fall on the Policy of the householder. If, however, he had not enough insurance to cover his own loss. Well, there you are again ! ! ! Furs in storage might be included but in that case the amount would have to be increased, though I do not think that that item would be availed of, the present practice of the fur storage people covering against fire, burglary and moth being satisfactory.

Occasionally parts of an automobile may be taken from the machine itself and sent to be repaired.

e.g., re-charging of batteries. This brings us to the question of a merchant insuring customer's goods. The question may sometimes arise as to whether the merchant himself is legally liable. I believe that provided he *undertakes* the responsibility for damage by fire to these goods he has an insurable interest in them and a Policy written to cover them might contain the following clause:—

"The Insured having given notice to his customers that goods sent to him for the purpose of repair, or otherwise temporarily in his custody, are insured by him against loss by fire, it is hereby agreed that all such goods in said building shall be held to be insured by the item of this Schedule covering "Stock in trade" but in no case shall the total amount payable exceed the sum set against the said item."

The notice could be given on the customer's receipt.

Another unusual risk a Company is occasionally asked to cover is that of dilapidated buildings. The insurance is not very desirable, but if accepted the following clause might be included in the wording:—

"It is understood that this insurance only extends to cover the present and actual value of the buildings destroyed or partly damaged and the sum insured even if in excess of said value is not to be held to include the cost of the re-instatement or cost of superior material as may be required by local authority."

In the permits granted for Acetylene Gas or Gasoline Lighting or Stoves it would be well to exclude explosion damage to the machine itself: for while the introduction of and permission for such machines would not bring the risk under the class "Gas Works" yet I do not think it is contemplated to assume the selfignition or explosion hazard though I am afraid the use of our present forms leave the Companies liable.

RENT INSURANCE.

I find some difficulty in appreciating the 40% discount from the gross non-co-insurance building rate. It is true that we endeavor to write Rent Insurance on a basis equal to 100% Co-insurance, but we still seem to offer a lower rate than that for the building with co-insurance. Now in these cold winters of ours a small fire in say the furnace room might make a very large building untenable and the Company would have small hope of success in defending a refusal to pay. Rent with Co-insurance seems no better than building with Co-insurance.

Again: we insure rentals of the building "whether occupied or unoccupied." To insure against loss of rent of an unoccupied building looks