

The Popular Fire Insurance Adjuster

Depreciation in Value of Property Is Responsible for Over Insurance—Determination of Amount of Indemnity (Not Profit) Is Problem of Adjuster—Difficulties in His Way.

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Premising that a policy of fire insurance is a contract of indemnity, and not an arrangement whereby the insured may reap profit or suffer loss within its amount, there comes the question of the meaning of the term "indemnity."

When two persons, each entirely free from the influences of the absolute necessity of selling or buying, arrive at a valuation of the property under negotiation, apart from any question of good-will, it is quite reasonable to suppose they will have fairly established the value of the property. If the owner of the property then finds that he is not adequately insured against loss and damage by fire, he wisely increases his insurances; but, if he finds that he has been paying for insurance to an amount exceeding the real value of the property at risk, he will, if he is honest, at once reduce the insurance carried by him.

The matter is one of honest prudence, because, whilst no one can afford to pay for insurance which he cannot honestly count upon collecting in case of the total destruction of the property at risk, neither can he honestly tempt himself to a carelessness in the preservation of the property from destruction by fire, or to facilitate that destruction by any act or neglect, direct or indirect.

If, however, a fire does occur before he has cancelled his excess insurance, the question of "indemnity" immediately presents itself.

Surely, then, the maximum amount of indemnity which he can honestly lay claim to is that arrived at between the two negotiators; or such an amount as would have been arrived at in case such negotiations had taken place under the circumstances described.

In the process of such negotiations there would naturally arise the questions of marketable values, the vendor not sacrificing nor the purchaser being sacrificed.

In case of a building, its age, location, condition as to defects would be discussed and taken into account, as well as the probable cost of erecting such a building; in case of a stock of merchandise, similar conditions would be subjects of discussion and agreement.

If a fire occurs, from any cause, it is assuredly necessary to a real adjustment of the amount of indemnity claimable and payable, that similar facts and circumstances should be taken into account in order that a real adjustment may be arrived at.

But will the adjuster, who so does his duty, become popular; or will he, by complaisance with demands which do not take into account the factors which are necessary to a "real" adjustment, be doing his duty, both to the assured and to the insurance companies which he represents?

These are questions in which the insuring public are financially concerned, because it is they, and not the insurance companies, on whom fall all the losses and expenses caused by fires, whatever may be their origin.

I venture the opinion that the adjuster who tries to do his whole duty will never become "popular"; but if he complaisantly yields to the specious arguments and unjust demands of some of the claimants, he will become accessory to the incendiarism which naturally flows from the fact that he has made fires profitable. The general public has common sense and soon learns the facts, and it is certain that if any pursuit become profitable, it will be followed, regardless of the criminality of its operations.

It may be difficult to establish the causes of some fires, but one of the tests is the claim which is made for the loss and damage, and one of the tests as to the honesty of the parties who present and advocate those claims is the reasonable compliance with the question of "indemnity" or of "profit" involved in them.

INSURANCE NOTICE.

The British Columbia Accident and Employers' Liability Company, Limited, Insurance Company, Limited, now in liquidation, has applied to the Minister of Finance and Agriculture to release, on the 11th of May, 1915, the securities deposited by it with him, and all claimants contingent or actual opposing the release are called upon to file their opposition with the Superintendent of Insurance at Victoria on or before the above date.

Recent Fire Losses

Recent fire losses reported to Superintendent of Insurance, Victoria:—

Victoria, January 18.—624 Yates Street; owner, Moody Estate; occupant, W. Pennock; two-storey brick store; value of building \$25,000, insurance on same \$16,500; value of contents \$12,000, insurance on same \$12,000. Total loss, \$4,270.85. Cause unknown. Commercial Union, Imperial Underwriters, Employers Liability, Delaware Underwriters, Aetna Ins. Co., Hudson Bay.

Victoria, January 21.—941 Machin Street; owner and occupant, Mrs. Gordon; three-storey apartment building; value of building \$15,000, insurance on same \$9,000; value of contents \$7,000, insurance on same nil. Total loss, \$520. Phoenix of London.

Steveston, January 28.—Moncton Street; owner, B. C. Packers' Association; occupant, I. Kawaguchie; wood dwelling; value of building \$500, insurance on same nil; value of contents \$600, insurance on same nil. Total loss, \$1,100. Cause, clothing too near fire.

Vancouver, January 8.—1347 Seymour Street; owner, Nellie Hern; occupant, F. B. Carruthers; two-storey frame dwelling; value of building \$1,500, insurance on same \$800; value of contents \$2,000, insurance on same \$1,000. Total loss, \$696.90. Cause, Christmas decorations against stove pipe. Western Union, Pacific States, Dominion Ins.

Point Grey, January 19.—Twenty-ninth Avenue and McKenzie Road; owner and occupant, Albert Baker; wood dwelling; value of building \$2,400, insurance on same \$1,500; value of contents \$1,800, insurance on same \$1,500. Total loss, \$4,200. Cause, defective heating. Yorkshire Guarantee.

Port Haney, January 28.—Ontario Street; owner and occupant, Mrs. M. A. Pelletier; wood and brick dwelling; value of building \$3,500, insurance on same \$2,300; value of contents \$1,500, insurance on same \$800. Total loss, \$710. Cause, spark from stove falling on wood. Hudson Bay Ins. Co.

North Cowichan, January 31.—Owner and occupant, Mrs. G. A. Newhouse; wood store; value of building \$2,500, insurance on same \$2,000; value of contents \$8,000, insurance on same \$7,000. Total loss, \$10,500. Cause, defective chimney. London and Lancashire, Phoenix.

Peachland, January 24.—Fifth Street and Brandon Avenue; owner and occupant, Daniel J. White; value of building \$2,000, insurance on same \$1,000; value of contents \$500, insurance on same nil. Total loss, \$2,200. Cause, furnace insufficiently protected. Imperial Underwriters.

Nelson, January 24.—Josephine and Silica Streets; owner and occupant, Trinity Church; stone and frame church; value of building \$30,000, insurance on same \$15,000; value of contents \$5,000, insurance on same \$2,000. Total loss, \$21,000. Cause, from hot-air radiator. North British, Mercantile, Ben Franklin.

Nelson, January 22.—Water Street East; owner and occupant, W. S. Johnston; frame nurseries; value of building \$500, insurance on same \$1,500; value of contents \$1,500, insurance on same nil. Total loss, \$600. Cause, in boiler-room. Commercial Assurance.

Chilliwack, January 27.—Camp Slough Road; owner and occupant, Milton Hilbert; wood dwelling; value of building \$600, insurance on same \$350; value of contents \$1,500, insurance on same \$1,450. Total loss, \$2,100. Cause, spark falling on roof from chimney. Vulcan, Westchester.

Esquimalt, January 30.—Aberdeen, near Liverpool Street; owner and occupant, A. J. Julian; wood dwelling; value of building \$950, insurance on same \$950; value of contents \$4,000, insurance on same \$3,000. Total loss, \$4,950. Cause unknown. Home Insurance, National Union of Pittsburg.