

read: "Property" includes use and occupancy, rents, charges and profits, where these form the subject matter of insurance.

Section 4 Contents of Policy.—The policy is a contest between the parties—the assured and the insurer—and it must of necessity contain the names of the parties. The section also provides that the name of the person to whom payable shall appear. If, as in the majority of cases, the money is payable to the assured, as already stated his name cannot help but appear; if to a third party it is hardly conceivable how the loss could be made payable to any such party without expressing his name.

As to the additional requirements of the section, the subject matter of the insurance,
the indemnity for which
the company may become liable
the event on the happening
of which such liability
accrues.

What better argument could be adduced in favor of a standard form?

Another suggestion of ours which evidently did not find favor with the commissioners was that the exceptions include.

- (1) Loss by theft.
- (2) Where assured has not used every effort to save property.
- (3) Where a building or material part thereof has fallen.

The argument is:—

(1) Loss by theft is not loss by fire. Where such loss is not excepted it leaves the door open to fraud.

(2) Where the property is under the control of one party to the contract it should be incumbent on that party to do his best to prevent its destruction.

(3) Where building or material part has fallen the character of the risk has changed and its value may have disappeared.

Section 7 Coinsurance.

This condition provides that where a policy contains a coinsurance clause it shall have stamped on its face "This policy contains a coinsurance clause," but it goes on to say the clause shall be deemed an addition and as such subject to the provisions of Section 6, i.e., left to the Courts to say whether it is just and reasonable. The reason is not apparent. Coinsurance is simple in its application. If it is ever just and reasonable it is always just and reasonable. My own personal view is that the practice of insuring property without the clause is unjust and unreasonable. There is no more reason for expecting a Company to sell indemnity without providing for coinsurance

than there would be to expect the dry goods man to use a 35 inch yard when selling to one customer and a 40 inch yard when selling to another, or the grocer to sell to one customer at 16 oz. to the pound and 20 oz. to another.

Another telling illustration that has been used is: The issue of policies free from coinsurance is equivalent to fixing the rate of taxation and allowing the property owner to do his own assessing. To preserve the equities between the parties all policies should be subject to coinsurance and the rate graded according to the percentage of insurance to value agreed upon.

Our suggestion is that the objectionable words be struck out making the wording to conform to the present Ontario Statute and that the section be transposed to follow Section 4.

Statutory Conditions Property not Insured

The original draft specified what was not insured under the final draft the words "unless otherwise stated in the policy" appear. This is very objectionable. Under the blanket form of policy now so commonly used, where the risk is described in such general terms, it might become necessary to specially except "money books of account, etc.," and even then it might necessitate the exception being introduced as a "variation." It should give rise to a lot of trouble and the words had better be struck out. If this provision be deemed necessary then we would suggest that the words "unless otherwise specifically stated in the policy" be substituted.

4. Risks not Covered.

Our recommendation was to interpolate the words "directly or indirectly and add the word "Earthquake." The intention evidently is to except losses from the specified causes and it would certainly seem desirable to place the meaning beyond doubt. Riot and Civil commotion insurance is becoming very common and whatever would tend to make clear the liability under one form begins and the other ends would be welcomed.

Earthquake is a catastrophe not contemplated in the ordinary fire hazard. Cover can very readily be obtained for all the excepted hazards at very low rates of premium.

We would again urge that this section read "Loss or damage cause directly or indirectly by invasion, insurrection, riot, civil war or commotion, or military or usurped power, or by order of any civil authority; or by theft; or by earthquake; or by neglect of the assured to use all reasonable means to save and preserve the property at and after a fire or when the property is endangered by fire in neighboring premises." Subsection (C), Strike out the words "and consent."

(4) *Use of Red Ink.*—Amend by interpolat-