

SAN FRANCISCO CONFLAGRATION.

Vice-President C. D. Dunlop, of the Providence-Washington Insurance Company has issued a statement to its agents explaining the situation in connection with the adjustment of the San Francisco losses, in which he says:

"Much has appeared in public print in the last few weeks regarding the settlement of insurance losses in San Francisco, and condemnation of the companies has been freely expressed in the Pacific Coast papers. Particular emphasis has been laid upon a division of opinion among the companies interested, dividing them into what has been termed locally, 'Dollar-for-Dollar' companies and the 'Six Bitters.' Since we are placed in the latter class, a few words of explanation to our agents may be in order. An officer of this company reached San Francisco before the fire was extinguished, and, assisted by an able staff of adjusters, we have bent every effort to relieving the distress of those who had insured with us, being one of the first companies to open an office for the purpose of adjustments, and having already paid the majority of our individual losses.

"Conditions in San Francisco after the fire were so chaotic as to preclude absolutely the intelligent settlement of many of the claims that were held against us, for, in addition to the wreckage occasioned by the earthquake, which was the primary cause of the entire conflagration and the individual cause of the destruction of considerable property, the appalling fire had been so thorough in its work that in many cases vaults and safes had failed in their protection of the papers entrusted to them, making it impossible for merchants to determine the amount of stock they had on hand or to prepare satisfactory legal evidence in support of their claims. Further, from the happening of the earthquake to the dying out of the fire (nearly three days), the greatest confusion prevailed—buildings were broken open by the authorities and their contents confiscated for the use of the homeless thousands, and in many cases the merchants themselves, believing in the certain destruction of their property, opened their doors and invited the public to carry away what they needed.

"A large part of the property loss was occasioned by the use of dynamite, first with the hope of staying the flames, but after the fire for the razing of buildings supposed to be unsafe, though in many cases walls or even entire structures representing considerable value were destroyed, thus adding another complication in determining the insurance companies' measure of liability. Evidence is abundant that nearly every building in the city was damaged by the earthquake, many seriously, some totally destroyed, and, while hundreds of

photographs were taken during the progress of the fire and thousands of telegrams descriptive of conditions which were sent out of San Francisco have been collected, all supporting the wide extent of the earthquake disaster, it is, nevertheless, impossible to properly classify at the moment of destruction by fire, the condition of each of the 6,000 risks covered, which involve more than 100,000 policies that have since been submitted for adjustment.

"It was this condition that led many of the companies to the conclusion that the adjustment of these losses could be expedited and the interests of many of the claimants generously conserved by dividing the claims into classes,—those clearly destroyed by earthquake, those injured to a greater or less degree by the earthquake, and those where the earthquake damage was unimportant. The companies' offer to pay 75 p.c. of the insurance, relieving the claimant from the necessity of all evidences of value and other technical requirements of a properly executed proof, had reference to the second class of risks. We subscribed to this, and still consider it one of the most intelligent steps that have been taken in the progress of these adjustments; but in subscribing to it we did not disclaim responsibility for more than 75 p.c. of any of our policies (we are paying a greater figure in many cases), nor has any claimant been forced to accept this compromise if he preferred the orthodox form of adjustment. This, in a nutshell, is our position. Its application has been successful, and our adjusters advise us that in the settlement of claims falling in this class, our patrons have expressed themselves as satisfied.

"The other and numerically smaller set of companies, styling themselves 'dollar-for-dollar' corporations, embraces those who admitted that they believed in the above doctrine but disagreed as to the amount that should be deducted, in some cases demanding more, and those who thought the same end could be reached without united action. It is interesting to note that nearly every company has secured and is securing salvages through the individual application of the arguments previously referred to. The exchange of reinsurance proofs between companies of the two classes suggests that their method and amount of payment do not materially differ.

"Where salvages are obtained in settlements, it is presumably because a total loss had not occurred under the policy or full compliance with its conditions could not be performed. Therefore, the amount paid, be it 75 p.c. or any other figure, if mutually agreed upon between the claimant and the company, would constitute a payment of one hundred cents on the dollar, and there is, therefore, little or no distinction between the two classes of