

WHEN MARINE AND FIRE POLICIES OVERLAP.

A case was recently decided in the Commercial Court, London, Eng., arising out of conditions created by a marine and a fire policy covering practically the same risk. When goods are being removed from a vessel to a wharf and there to be temporarily stored awaiting delivery to the consignee, they are apt to be left uncovered by insurance, as the policy which has covered them when on board ship has been held to expire immediately the goods are removed from the vessel. There is, indeed a time when the goods are neither afloat nor ashore in their entirety, as described in a policy, for part of them have been landed, part are in transit from the hold to the wharf and part are still on the vessel. Marine underwriters naturally do not care to be liable for loss by fire when the goods they have insured have been put away from the ship, unless an extra premium is paid for this extra risk, and merchants as naturally desire to have their goods covered until they are so placed on a wharf or in a warehouse as to be covered by a fire policy. As put by the "Observer" the matter stands thus:—

"Goods in warehouses are almost always insured under floating policies with fire insurance companies, and the fire policies contain a clause exempting the companies from liability in respect of any damage insured under a marine policy. Thus it happens that goods which are being transferred from a ship to a warehouse are insured against damage from fire under marine policies, but not under fire policies. In the case referred to above some jute was burned while on the quay at Dundee. Disputes arose as to whether the Westminster Fire Office, which had insured the land risk, was liable, or the Reliance Marine Company, which had insured the marine risk. The Westminster Office ultimately paid the claim in return for an assignment of the marine policies, and then proceeded against the Reliance Company under the clause which extended the marine risk to goods while temporarily on the quay. The Reliance Marine Company maintained that their risk was at an end, as the jute had been discharged and safely landed, but Mr. Justice Kennedy held that the goods had only been temporarily placed on the quay and were, therefore, covered by the special clause under which the marine risk had been extended, and for which an extra premium was paid. The decision, says "The Times," appears to be regarded by underwriters as just. The relations, however, between marine companies and underwriters and fire companies are not very cordial, and the clause under which the fire companies decline to be liable for any loss which is covered by

marine policies is a good deal resented. It is felt that where marine and fire policies overlap—as under the conditions of daily business is often practically inevitable—losses which are common to both should be shared equally."

POLICY VALUES DEDUCED FROM THE MORTALITY EXPERIENCE (1863-1893) OF BRITISH LIFE OFFICES.

At a meeting of the Faculty of Actuaries in Scotland, held at Edinburgh, 10th Nov. last, a paper was read on above topic, by Mr. James Chatham, F. F. A., F. I. A., secretary and actuary of the Scottish Life Assurance Co., which is reported as follows in "The Insurance Record":—

Mr. Chatham based his calculations upon the "Grouped Select and Ultimate" rates of mortality obtained from the unadjusted observations in the manner explained in his recent paper on premiums. The period during which selection was assumed to exist was ten years, and the observations at five consecutive ages at entry were grouped together, and the results assumed to relate to the central age of the group. Notwithstanding that the unadjusted observations had been used, the results were found to be very regular. The rate of interest used in the calculations was, as before, 3½ per cent.

The select policy values thus obtained formed the standard for the comparisons given in the paper. They were based upon the experience of each section in the New Experience to which the class of policy dealt with related. For shortness they were generally called "New Select."

The classes of assured lives dealt with were (1) whole-life, males, (a) with profits, (b) without profits; (2) whole-life, females, (a) with profits, (b) without profits; (3) limited payment, with and without profits, males; (4) endowment assurances, with and without profits, males.

The principal tables used for comparison were the Hm and the Om, and he gave the ratio per cent. of the policy values he had deduced from the New Experience to the values according to these tables, thus showing at a glance whether the standard values he had adopted—the select policy values deduced by him—were greater or less than the values with which they were compared. In all the classes, except those relating to females, he gave three ratios, (1) New Select to Hm; (2) New Select to Om; (3) Om to Hm; but in the first class the last-mentioned ratio was given for one section only, namely, the with profits section. The ratios of the New Select to the Hm and Hm (5) and to the Om and Om (5) were also given for that section, and for endowment assurances. In the female class it was only necessary to give the first two ratios.

Tables of these ratios for quinquennial ages at entry and various durations were then submitted, with explanatory remarks.

The conclusions arrived at in the paper may be briefly summarized as follows:—

Dealing, first of all, with whole-life with profits assurances on the lives of males, the Om Table gave reserves which differed on the whole very little from those of the Hm. The former table gave larger values than the latter at the younger ages at entry, and smaller at the older. Speaking some time ago, he had given the results of a valuation of this class of policy in a young office at 3 per cent. interest. Leaving out of account bonus, the reserve by the Om Table was 1.22 per cent. greater than that required by the Hm Table—that is to say, if the Hm reserve was 100, the Om reserve was 101.22. If, however, bonus was taken into account, the Om reserve was reduced from 101.22 to 100.46, a very material reduction. He had added