

**BRITON MEDICAL AND GENERAL LIFE ASSOCIATION, LIMITED.**

As we stated in our last issue there is a provision in the English law by which a Company getting into difficulties like the B. M. & G. can have its policies reduced by a percentage of the sums assured. This is the course which is being taken as the following circulars will show. Our readers will notice that a separate account is being kept of all premiums paid after the suspension.

The following circulars have been addressed to the policyholders and shareholders of the Company :

429 Strand, London, W. C.

January 20, 1886.

SIR,—It is my duty to inform you that a Petition was presented on the 9th inst. to the Court for winding up this Association, asking, in the alternative, that the contracts of the Association should be reduced; and an Order has been made by the Court appointing a Provisional Liquidator, Mr. Henry Dever of the firm of Messrs. Dever, Dever, Griffiths & Co., Chartered Accountants, of 4 Lothbury, E. C.

The Directors, under the advice of counsel, with a view to avoid expense and unnecessary litigation, felt it to be their duty in the interests of all parties to acquiesce in an arrangement which would be likely to result in securing the proper protection of the interests of all parties, and, in the end, bring about a satisfactory solution of the Company's present financial difficulties. In order to restore the Association to the position of perfect stability, it is felt by the Directors to be necessary to make some reduction all round in the amounts assured under the policies now current.

A plan is in preparation which, it is anticipated, will be equitable and satisfactory to the Policyholders, having regard to the assets of the company, and which will, it is hoped, receive the sanction of the Court.

It should be mentioned that on the death of the late Actuary and Secretary, Mr. Messent, in October last, the Directors placed the books of the Company in the hands of Messrs. Deloitte & Co., with instructions to prepare a Balance Sheet and to make a verification of the assets.

Their Report is expected to be received very shortly, when a further communication will be addressed to the shareholders and policyholders, and a full statement of the position of affairs will be submitted.

In the meantime, the Directors assure both Policyholders and Shareholders that no effort will be spared to endeavor to bring about the most satisfactory reconstruction of the affairs of the Association upon a sound basis.

Yours faithfully,  
WM. BEAMAN, Secretary.

January 29, 1886.

SIR,—In reference to my previous communication, dated the 13th instant, I am directed to inform you that upon the proposals made to the Court by Counsel instructed on behalf of the Association, the Court has ordered the petition for winding-up to stand adjourned generally, and has directed an enquiry to be made as to the terms upon which, having regard to the present value of the assets when ascertained, a scheme of reconstruction can be carried out on the basis of an equitable adjustment of the amounts assured upon the current policies.

In the meanwhile Premiums should be paid as usual, the Court having ordered the Provisional Official Liquidator to carry to a suspense account all Premiums received after the 8th January, 1886.

So soon as this proposed scheme of Reconstruction can be submitted to the Policyholders and Shareholders, meetings will be convened at which the wishes of the whole body will be obtained, and of which meetings the earliest possible notice will be given to you.

In order to secure protection for all classes of Policyholders, the Court has directed that independent representatives should be appointed by the Court to attend the proceedings under the enquiry, so that the views of all interested may be properly represented in reference to the scheme of Reconstruction. The whole position of matters will therefore have been carefully investigated and considered before the scheme of Reconstruction is submitted to the meetings for approval.

The Directors believe that by the course pursued they have obtained for the Policyholders and Shareholders the best means of guarding their respective rights. The Directors therefore beg both the Policyholders and the Shareholders in their own interests to abstain from any opposition to the proposed Reconstruction until the scheme is fully before them, and not to lend themselves to any adverse suggestions founded upon an inaccurate knowledge of the facts.

Yours faithfully,  
WM. BEAMAN, Secretary.

Since the above was printed we learn that on the matter again being brought before the Court, it was admitted on behalf of the Company that the funds, including the uncalled capital amounted to hardly more than £500,000. It was therefore decided that the matter be referred to the two following actuaries:—Mr. A. H. Bailey of the London Assurance Corporation, and Mr. R. P. Hardy of the Guardian Assurance Company, to make an actuarial valuation of the Company's affairs and report same when completed.

**ADJUSTMENT AND APPORTIONMENT OF FIRE LOSSES.**

REVIEW OF MR. LYE'S ADDRESS.

As promised in a previous issue, we now take up Mr. Lye's very able and instructive address upon "The Adjustment and Apportionment of Fire Losses," with the intention of passing in review his method of treating this much-mooted question, and applying thereto, as a test of his "Rule," the recognized underlying principles of law and equity in connection with the insurance contract, as exhibited in the Article upon "Contribution in Fire Underwriting," Part iv., contained in the July, 1884, issue (page 161) of *INSURANCE SOCIETY*, as follows:

The fixed conditions or "axioms" under which the distribution of contributive liability among co-insurers, whether concurrent or non-concurrent, are to be made, may be summed up in the following:

1st. Indemnity: The insurance contract is one of indemnity under every circumstance.

2nd. No arrangement of the clauses of the policy shall be used to the disadvantage of the insured; he must be paid, and the dispute, if any, be settled between the Underwriters.

3rd. The insured cannot be called upon to bear any portion of his own loss, either as self-insurer or co-insurer, while any of his insurance, compound or specific, remains unapplied to the full extent of its liability, except where the policy may be made subject to average or other limitation by specific stipulation in the contract, in which event he may become a co-insurer.

4th. All co-insurers shall be bound with equal certainty, and in the same sense, upon the same loss.

5th. No one policy can take precedence in claiming contribution from or at the expense of co-insurers upon the same loss.

6th. The contribution clause is per se operative only between co-insuring Companies, in cases of double or concurrent insurances, and then pro-rata only so far as they may be, or can be made concurrent.

7th. When the amount of the general loss exceeds the sum of the total insurance, the principle of pro-rata apportionment is not applicable; Each insurance is paid without reference to co-insurers.

8th. The insured can recover from no company more than its ratable proportion of an accrued general loss; but when direct contribution among co-insurers fails to meet full indemnity, the insured can call upon any unexhausted insurance to fill up the deficiency; if more than one policy remain unexhausted they must contribute their ratable quotas to the deficiency.

By these universally recognized fundamental principles, underlying the process of adjustments of fire losses, we propose to judge Mr. Lye's method, without reference to methods or mis-called "rules" of others, for nothing can be truly called a "rule" that will not apply alike in all cases for which it purports to provide, and in many cases these rules, as Mr. Lye truly says, "have been conceived on account of and applied to special circumstances, so each and all are unsound and incapable of application,"—he should have added, in every case.