

## ACCIDENT INSURANCE.

ing the scientific construction of a sound system of insurance. The pioneer company is fairly entitled to the credit of developing this system, and proving that the principle of average can be skilfully generalized into a real protection against loss by accidental bodily injuries. It now is the largest and best arranged accident company in the world, having issued during the ten years of its existence over 250,000 general accident policies and paid more than \$2,000,000 on over 17,000 claims; an average compensation for losses equal to about seven hundred dollars a day for every secular day the company has done business.

Probably most persons imagine that, in these days of frequent casualty on land and sea in public conveyances, accident insurance is designed for travellers chiefly. The reported cases, however, suggest the mistake of this supposition, and in fact accidents from travel are only a small part of the losses for which compensation is paid. Since the Travellers' Company is the most successful association, as well as the oldest, the discussion of the subject becomes of necessity, in its present form, little more than an examination of its policy and practice, although its defunct rivals have contributed something to the law of such insurance, and some of them have left in the reports decided indications not only why they failed but how well it is for the public that they died.

Accident insurance in this country began with the sale of "accident tickets" to travellers on railroads. They were of three classes: insuring the passenger, first, against accidents to the conveyance; second, against all sorts of accidents while travelling by public conveyance; third, against all accidents set forth in the contract, without reference to conveyance, mode of travel, or occupation. These tickets were sold at railroad stations. By common agreement, however, of all the American companies, this branch of insurance was at an early day given up to the Railway Passengers' Assurance Company, which was owned by all the companies, and is now under control of the Travellers' Insurance Company. These tickets cover only a specific journey, or a short period of time, and contain the same general provisions as the common policy.

The policy grants a limited insurance. It insures either indemnity for injury by payment of a specified weekly allowance during the time the insured is disabled by the injury, or compensation for death by payment of a fixed sum if the insured dies in consequence of an accident. These two forms of insurance are issued separate-

ly or in a joint policy covering both indemnity and compensation. The policy now in use covers all "bodily injuries effected through *external, violent, and accidental means.*" Indemnity is limited to twenty-six weeks, and exception is expressly made against all forms of disease, drunkenness, duelling, suicide, self-inflicted injuries, and wilful exposure to an unnecessary risk. Formerly the word "external" was not inserted, but now, in order to guard against frauds, the injury must be from some external means and produce a visible injury. Death must occur within ninety days from the happening of the accident to entitle the insured to compensation, and indemnity is not earned except it totally disables him from prosecuting any and every kind of business for the continuous period for which it is claimed. These are the peculiar provisions of an accident policy, which otherwise resembles an ordinary life policy, though in its effect and analogy accident insurance more closely resembles fire insurance than life insurance, and is truly a provision for indemnity except in cases of death, when it becomes a contract to pay a fixed sum of money upon the happening of death caused by accident. The form of the policy has been changed frequently in order to adapt it to new judicial decisions, and too little regard is had to the expediency of retaining the form of words which has been judicially construed, and thus expressing the rights of all parties by a contract which gradually becomes quite exact in its construction. Indeed the introduction of certain phrases from time to time shows the effect and marks the date of certain legal controversies, and makes a file of policies of successive years a condensed history of the law of this department of insurance.

What is an accident? The term, as used in policies, has been several times defined in the adjudicated cases. It is "any event which takes place without the foresight or expectation of the person acted upon or affected by the event."\* The same definition is substantially adopted in Maryland.† It is "an unusual and unexpected result attending the performance of a usual and necessary act." It is "any unexpected event which happens as by chance, or which does not take place according to the usual course of things,"‡ It is something

\* Withey, J. in *Ripley v. Railway Passengers' Assurance Co.*, U. S. Circuit Court for Western District of Michigan (1870); reported 2 Big. Cases, 738.

† *Prov. Life Ins. & Inv. Co. v. Martin*, 32 Maryland, 310.

‡ *North American Ins. Co. v. Burroughs*, 23 Legal Intell. 342; s. c. 69 Pa. St. 43.