

WHAT IS A CONSEQUENTIAL LOSS.

The question as to what is a consequential loss is one not entirely free from difficulty, writes Mr. W. N. Bament, general adjuster of the Home of New York. It arises most frequently in connection with breweries, packing houses and cold storage plants. Where the cooling apparatus is located in the same building as the stock, there is no question as to liability for the incidental damage to the latter on account of the interruption of the process of refrigeration. It is where the stock is stored in a building which depends for its refrigeration upon an ice plant located in an adjacent or distant building, that the question of liability for so-called consequential damage presents itself.

Several years ago, in a western city, a large packing house, including the refrigerating plant, was destroyed by fire. About one hundred feet distant from the ice plant, and connected therewith by a cold air conductor, were two storage warehouses, containing about five million pounds of meat. No fire, smoke or water entered the storage buildings, the only damage to the meats therein being that due to a rise in temperature from the shutting off of cold air from the ice plant. The insured asked the consent of the local representatives of the insurance companies to "handle the salvage," and supposing that reference was made to the salvage in the packing house proper, consent was given, whereupon the insured took the entire stock in the two warehouses, shipped some to Boston, some to Buffalo, and some to other places, and presented a claim to the companies for loss and expense incurred of about \$250,000. The companies took exception to the amount of the claim, and demanded an appraisal, which resulted in an award of nearly \$50,000 more than the original claim. The policies simply covered on stock in the warehouses, and contained no reference to consequential loss. This is probably the largest loss of the kind on record.

NO COURT DECISION.

There never has been any court decision bearing directly on this question, and when the above loss occurred, some insurers, although willing to admit that if the whole plant, including the warehouses and contents had been written under blanket policies for single premiums the entire property might possibly have been regarded as one risk, took the position that inasmuch as the contents of the warehouses were written under specific policies which had no connection with the general insurance covering the packing house plant, no liability existed for damage to the stock caused by the rise in temperature. If the case could have been tried unaffected by the element of waiver, the court would no doubt have inquired, as in other contracts, whether the loss was within the reasonable intentment of the parties.

If, as has uniformly been held, damage to adjacent property by explosion caused by fire, is regarded as too remote to come within the protection of the policy, it is not clear why the same reasoning does not apply, with equal force, to damage by rise in temperature caused by fire in a neighboring building. If the loss is not regarded as the inevitable physical effect of the fire, in one case, it is not easy to perceive why it should be in the other. And as a matter of principle, it should make no difference whether all the buildings are owned by one man or whether there are separate ownerships.

In order to guard against any question arising in case of loss on this class of property, policies are now written expressly disclaiming liability for consequential loss, and if the insured desires insurance of this nature, he can secure it by taking out a separate policy covering such risk, or by having an endorsement made on his policy and paying an additional premium therefor.

INSURANCE.

Insurance! Word so often used

In casual talk, from lip to lip,

By fool and rogue debased, abused—

Thou art the Captain of the Ship!

Who dare to put to sea, if Thou

Deny thy permit to depart?

To Thee the Lords of Ocean bow,

And Merchant Princes in the Mart.

Hail, Fire and Tempest pour their wrath

On helpless man, and where shall he

Turn, shuddering, from their dreadful path,

For saving help except to Thee.

And when, in Fate's appointed hour,

He leaves his loves, his kith, his kind,

Who but Thyself shall have the power

Where he would fain have bound, to bind?

J. L. KENWAY.

THE ROLL OF HONOUR.

The roll of honour of those Canadians killed in action near Ypres at the close of last week includes two names of peculiar interest to Canadian insurance men. One is that of Lieutenant A. D. Kirkpatrick, the eldest son of Mr. A. M. M. Kirkpatrick, general agent for Ontario, of the Home Insurance Company of New York, and himself a special agent of the Home. The other is that of Lieutenant F. R. Medland, a son of Mr. W. A. Medland, and a partner in the old-established and highly-esteemed insurance firm of Medland and Son, of Toronto. While Canadian insurance men are proud to know that two of those so intimately associated with them have willingly and gladly made the supreme sacrifice in the cause of freedom and civilisation, they tender to those bereaved their respectful and sincere sympathy in their grief.

STATEMENT OF CANADIAN ACCIDENTS, MARCH, 1915.

Trade or Industry.	Killed	Injured	Total
Agriculture	6	6	12
Lumbering	7	6	13
Mining	5	26	31
Railway Construction	1	1	2
Building Trades	6	11	17
Metal Trades	3	41	44
Woodworking Trades	..	6	6
Textiles	..	2	2
Food and Tobacco preparation	2	1	3
Transportation—			
Steam Railway Service	3	49	52
Electric Railway Service	..	4	4
Navigation	1	2	3
Miscellaneous	..	7	7
Public Employees	1	8	9
Miscellaneous Skilled Trades	3	6	9
Unskilled Labour	..	4	4
Total	38	180	218