	Building X.	Building Y.
Company A.....	$5,000	.....
" B.....	5,000	.....
" C.....	.....	5,000
Total insurances.....	$10,000	$5,000
To pay losses.....	10,000	4,000

Leaving a salvage to office C of $1,000, but making total losses for A and B.

Under the axiom of the law that "no apportionment between companies in the adjustment of general loss will be allowable that fails to give the insured full indemnity within the "amount of his insurances," no other adjustment can be made that will pay the loss.

Class 2 will present another phase of the blanket policy and its liability, but it will preserve its identity throughout, and continue to so "float" with the loss as to give the insured the full benefit of his insurances, specific or compound, In exemplification of this class we offer the following:

Company A covers merchandize in buildings X and Y, generally, to the amount of $8,500.

Company B covers merchandise in building Y to the amount of $3,500. Total $12,000.

Loss in building X.....	$9,000
" in " Y.....	2,000
Total.....	$11,000

Here, as in the previous examples, policy A will *float with the loss* in X, where it alone covers, and being exhausted there it will leave office B to make good the loss upon building Y, but the insured will be loser to the extent of $500 in consequence of short insurance upon building X, upon which office B has no risk, hence no liability. This is one of the phases of the "knotty problem," and agrees with "ADJUSTER'S" solution of it. The solution of "BUILDER'S" problem, making the loss in X $10,000, would be the same, except that the insured would be his own insurer for $1,500 in consequence of short insurance. The difficulty with "Builder's" plan is that he introduces an element into the calculation that has no business there, and serves only to confuse and confound his computations, leading him into consequent error. The value of the property at risk has no status in the apportionment of the insurances as given in this problem, as any well-informed adjuster knows. The loss and the insurances thereupon contribute all of the figures needed to apportion the liability of co-insurers, under specific or general policies. There is an old Latin maxim which reads: "*Tractent fabilia fabri*," which we commend to the attention of outsiders essaying the somewhat technical business of adjusting fire losses.

OUR GLOSSARY.

Compact—In Insurance a corruption of "Come Packed," or Companies Packed—signifies a coming together for a predetermined purpose, such as agreeing to a Tariff of Rates. A Union for offence and defence.

Sequence—A corruption of "See whence" or "whither," or perhaps, "Seek whence" or "whither"—signifies in Insurance a following up (or after) of an Insurance Agent for the purpose of stealing his risks, the locality of which is betrayed by his entry therein. Also applicable to procuring surreptitiously Renewal Lists of a Rival Coy.

THE MORTGAGEE CLAUSE.

(*For* INSURANCE AND REAL ESTATE SOCIETY).

The article in the January ult. issue of the INSURANCE SOCIETY upon that monstrosity in fire underwriting, the "Mortgagee Clause" is a very pertinent and timely one. Of the origin of this clause the writer of the article seems ignorant, as he ascribes it to the blandishments of some Loan Society held out to some Insurance Company, "name unknown," &c. In so far, his surmise is correct. Its first appearance upon this Continent was in the service of the Mutual Life Insurance Company of New York city, somewhere early in 1850-60 in the following form, viz.:

"In consideration of one dollar to us in hand paid by the Mutual Life Insurance Company of New York, the receipt whereof is hereby acknowledged, and for other valuable considerations, we, the—— Fire Insurance Company of —— hereby covenant and agree that all the policies of Fire Insurance issued by us, which are, or may be assigned to, or held by the Company first aforesaid, as mortgagees, shall be considered absolutely insured, and subject to no plea in bar of their right to recover from us such sum or sums of money as shall save them from loss, under such policies, in consequence of any fire which may happen, except such loss as may take place by means of any invasion, insurrection, riot, or civil commotion, or of any military or usurped power.

"And it is further understood by the said Fire Insurance Company, that as soon as any change of occupation, rendering any risk more hazardous, becomes known, either to the said mortgagees or to us, privilege for the same shall be noted on the proper policy, and said Fire Insurance Company shall be paid by the said mortgagees the additional premium for the entire term of use of said risk, during the current year of such increased hazard."

Here follows the subrogation feature as customary in mortgagee clauses of the present day, closing with the following especial phrase, viz.: "It being understood that the only object of this agreement is to protect the mortgagees from loss."

This form soon became common among money-loaning societies and individuals, and the Fire Insurance Companies had to accept it or lose the business. Of course they accepted it, and for a time things ran more or less smoothly under this stipulation. But early in 1858 the New York Commission of Appeals made a decision upon the rights of mortgagees under policies of insurance that set the whole fire insuring community to work out some way that they could meet the exigencies of the law, and at the same time retain the business of these money-loaning institutions. On June 28, 1858, a committee of the New York Board was appointed to report a form of policy that would cover the difficulty. On the 15th of September following this committee reported a species of double-headed policy which is undoubtedly the progenitor of all of the forms of this class now in use; it is as follows:

"Do insure——as owner and——as mortgagee, as interest may appear, loss, if any, first payable to——as such mortgagee, against loss or damage by fire, etc., etc.

"It is hereby agreed that this insurance, as to the interest of the mortgagee only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the property insured, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy.

The next section provides that the mortgagees shall notify the Insurance Company of any change of ownership or increase of hazard within their knowledge and "on reasonable demand" shall pay additional premium "according to