

The losses in 1882 reached 1,135,224 florins (against only 65,128 florins in 1881,) of which 80,256 florins fell upon the Company, and the remainder upon the reinsurers, thus leaving an excess of loss over the premiums retained by the Company of 28,602 florins to be assessed upon the 181 members, in the ratio of 55 per cent. of the premium already paid. The premium rate was 2.81. The ratio of losses to total premium receipts was 166 per cent., a rate that will tend largely to convince these sugar manufacturers that they can make more money by sticking to sugar-making and leaving the business of insurance to the regular offices, where they will accept such risk. This bit of experience should further teach them that the rates charged by the regular Companies, in view of the known aggregate heavy losses in this class of subjects, is none too large, if ordinarily adequate to the risk. *Ne sutor ultra crepidam* is a good maxim, and applies most pertinently in just such cases.

APPORTIONMENT OF INSURANCE IN FIRE LOSSES.

PART II.

In continuation of the subject the several kinds of policies, with their relations to, and bearing upon each other when in conjunction upon a fire loss, will be briefly considered as follows :

1st. The SPECIFIC : which covers property in specific or definite sums, as policy Y in the "knotty problem." In the event of a fire loss the liability of the office thereunder is at once evident. If the loss be total, the policy becomes liable for its full amount ; if partial only, the liability will be in the proportion that the insurance bears to the property covered. If there be other specific insurances upon the property, the co-insurers pay pro-rata. But if there be non-concurrent co-insurers, as in the "knotty problem," the specific policies sometimes, in order that the insured may have full indemnity, occupy an anomalous position, which will be explained more fully in the illustration of the apportionment of the insurances in this problem.

2nd. COMPOUND INSURANCES are those covering upon several subjects in one sum, either in one or several locations. If covering in several places they are technically termed "floaters ;" while those covering in but a single locality are called "blanket" or "general," of which policy X in the problem is a pertinent instance ; they are, nevertheless, floaters. but with a limited range, and as such must always *float with the loss upon the several subjects under their protection*, so as to give the utmost indemnity, within the amount of the insurance, to the insured.

Standing alone a general policy is nothing more than a specific ; in the event of a loss, if total upon one or more of the subjects at risk the liability will be total : if partial only, that is if the loss be but upon one of the subjects, or partially upon all, the insurance will be paid to the extent of such loss, or in other words, *the policy will float with the loss*. And this will be the case where there are co-insurers ; the liability of the compound insurance will also float with loss and become specific upon the several subjects, *and in those sums* the compound policy will contribute to the

general loss with its co-insurers, whether specific or compound ; its *specific* liability, when standing alone, is its contributive liability when in contact with other insurances, as why should it not be ? If it have co-contributors to aid in paying the loss, why should it be called upon to pay a greater proportion than when standing alone ? Why is not the stipulation of the "contribution clause" of the policies just as effective in its behalf as in the interest of the co-insurers ?

There is another peculiarity of compound insurances which none but experts know how to distinguish, but which it is absolutely necessary to comprehend if the apportionment of non-concurrent co-insurances is to be correctly and equitably made, and as this peculiarity cannot be better expressed than in the language of that valuable work, The Fire Underwriter's Text Book, we borrow therefrom the following, where, speaking of the concurrency and non-concurrency of compound insurances, it says : "Such concurrency may be *general* or *partial*: general where the compound policy covers only and identically the subjects covered by the other insurances, whether specific or compound. This will be designated as CLASS I. Partial, when the compound policy protects something not included in the "other insurance," either specific or compound. This will embrace most of the non-concurrent forms of insurance in use, and will be designated as CLASS II."

This will be more clearly comprehended by the following example, illustrating the two classes of the Text Book, viz :—

Class I. Policy A covers goods in building X. and Y, generally, to the amount of \$5,000.

Policy B covers goods specifically in building X to the amount of \$5,000.

Policy C covers goods specifically in building Y to the amount of \$5,000.

Loss on goods in building X.....\$5,000
" " " " Y..... 2,500

Here compound policy A covers generally in both buildings, and *floats with the loss*, either when standing alone or with co-insurers. This will make its liability in the ratio of $\frac{2}{3}$ on X and $\frac{1}{3}$ on Y, and in this ratio it will contribute with B and C in their full amounts respectively. This will give the apportionment of the *Insurances* as follows :

	Building X.	Building Y.
Company A.....	\$3,333.33	\$1,666.67
" B.....	5,000.00
" C.....	5,000.00
Total insurance.....	\$8,333.33	6,666.67
To pay losses.....	5,000.00	2,500.00

But to illustrate the "floating" quality of the general policy A we will suppose the loss in building X to have been \$10,000, and in building Y say \$4,000. Total loss \$14,000, total insurance \$15,000. Hence, as there is an excess of \$1,000 of insurance over the general loss, policy A must so "float" as to give the insured the indemnity called for by his insurance, and for which he has presumably paid the premium. To effect this policy A must "float" in its full amount where the largest loss calls for its protection. This will give the following apportionment of the insurances, viz :