of their value, the assured can recover even though the warranty has not been broken.

There are many kinds of "Average" clauses drawn up in connection with various classes of goods, which time did not permit the speaker to touch on.

The last form of insurance is an "All Risks" policy, and by this term the speaker means a policy which covers all and every risk of whatsoever nature. As stated above, it is difficult to obtain this form of insurance, and the rate runs anywhere from four to ten times the amount charged for "F.P.A." insurance.

Now as to the settlement of claims, which after all is the point in which the assured is most interested, Mr. Phillips said, first of all that where goods arrive damaged at their port of destination, the consignee is not entitled to abandon them merely because they are damaged, but must take delivery of them, pay the charges in the ordinary way and prove his loss. If the underwriter decides to compromise the claim or to pay a total loss and take over the goods himself, he is entitled to have these goods handed to him free from all charges for freight and duty, the reason being in most instances that he does not insure the freight and duty. It is settled law that the basis of adjustment of losses, in connection with cargo, is the sound market value at destination, and in this connection he gave two instances to show how this works out.

Supposing for example, that a consignee is importing a shipment of goods, the invoice price of which is $1,000—he probably insures for $1,100, covering his profit of 10%. The goods, on arrival at destination, with the addition of freight and duty, are probably worth say $1,500. Now if they arrive damaged, the first thing to be ascertained is what their wholesale value in damaged condition actually is.

Supposing that the consignee feels that he can dispose of the goods for say $1,200, or in other words, that there is a damage of 20%, and this basis is agreed to by underwriters, he recovers from underwriters 20% of the insured value or $220.

If, on the other hand, no agreement can be reached as to the actual percentage of damage, the only method of arriving at the amount of the loss is by selling the goods at auction, and assuming that they realize $750 gross, or in other words, that there is a 50% loss on the sound value, the consignee can recover 50% of the insured value, or $550.

Now in the first instance, it will be seen that the loss on the sound value is $300 and the consignee recovers only $220, and in the second instance the consignee's loss is $750 and he only recovers $550. This difference is a frequent cause of dissatisfaction and complaint on the part of consignees as they feel that they are not receiving justice from underwriters. As a matter of fact this is not the case.

The value of any shipment of goods at destination is really made up of four component parts:

(Continued on Page 14.)