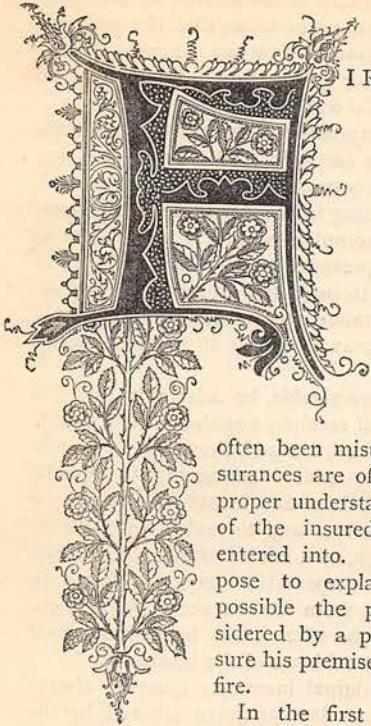


A FEW WORDS ABOUT FIRE INSURANCE.



IRE insurance, the policy for which is simply a yearly contract between the insuring company and the insured (the former agreeing to indemnify the latter against the possibility of loss arising from any fire happening on his premises), has

often been misunderstood, and insurances are often made without a proper understanding, on the part of the insured, of the contract entered into. We therefore propose to explain as briefly as possible the points to be considered by a person about to insure his premises or goods against fire.

In the first place, it must be borne in mind that by the printed conditions of the policy the insurance company undertakes only to guarantee the insured against loss. No matter for what amount the insurance may be effected, the company will not, in the event of a loss, pay more than what may have been the actual value, at the time of the fire, of the goods destroyed. For instance, the cost of a new building would not be paid should an old building or one wanting repair be destroyed, nor would a half-worn-out carpet or article of furniture be replaced by a new one. In effect, the company says, "You may insure your goods for any amount you like, but should a fire happen, you must give us as detailed an account as possible of the articles destroyed or damaged, showing their values at the time of the fire." For his own guidance, the insured should therefore keep at least a rough inventory of his effects, and revise it from time to time. It is a curious fact that, even with the most careful, the preparation of such an inventory generally shows household furniture in particular to be under-insured, the total value being almost invariably under-estimated.

While an insurance on household goods, clothing, &c., effected by the head of a family includes the property of all those members habitually residing with him, it would not protect the goods of a lodger or visitor, or of any member of the family not customarily residing under his roof. Nor does it insure any of his own property stored in any premises other than those mentioned in the policy; and therefore in the event of such an ordinary occurrence as a change of residence, notice should be given to the insuring company of the expected time and places of removal, in order that the property may be held secured by

them against loss by fire in either house. Should any member of the family, too, be visiting at a friend's, and a fire happen there, the insurance would not cover the clothing and property while away from the place mentioned in the policy. All these contingencies can, however, be provided for by special insurances.

The question of what is loss by fire has often arisen, and has at times been the subject of litigation. It is now generally settled that, with the exception of damage from explosions of gas, actual ignition must take place. For instance, damage from lightning, or gunpowder explosion, would not be paid for, unless the goods were actually burnt. It may here be mentioned, too, that articles destroyed by fire occasioned through their own natural fermentation or heating, or while undergoing any operation in which fire-heat is necessary, are placed out of the insurance by the printed conditions of the policy, though the value of any other articles injured by the spread of the fire would be paid by the company.

While effecting an insurance, a full and proper description of the premises in which the goods are kept or placed must be given to the company. Thus, the house must be described as detached, semi-detached, or part of a row of houses; and the construction of it should be mentioned, if built of brick, or stone, or a combination of both; or if timber (other than for floors, &c.) forms part of the erection, it must be so described. If any business or profession be carried on in the house, it must also be mentioned, and if other houses near be occupied as shops, or for any manufacture, notice must be given. As the risk of fire, and consequently the risk to the company (and the rate they must charge), is affected by these particulars, any omission to name them would in all probability vitiate the insurance.

In the case of household furniture, it was customary at one time for different insurances to be made (1) on Ordinary Furniture, (2) on China, Glass, and Looking-glasses, (3) on Musical Instruments, (4) on Pictures and Prints, &c., (5) on Curiosities—and so on. The rates charged for insuring these varied from 1s. 6d. to 5s. for every £100 insured—that is, if the goods were in ordinary brick or stone-built dwelling-houses. At the present time it is more customary to insure household goods of every description, and wearing apparel, jewellery, &c., in one amount, the rates in that case being—

For £100	...	...	...	...	2s. 6d.
For £200	...	...	...	...	4s. 6d.
For £300 and over,	2s. for every £100.				

By the printed conditions of the policy, £10 is the highest amount recoverable for any one picture or curiosity, unless some special arrangement be made with the company, and expressed on the face of the policy. The highest limit allowed, without extra payment on the rates mentioned above, has been 10 per cent. on the total amount insured; but any value can

be arranged for by naming the picture and its artist, or otherwise describing it, and by paying for the insurance at a higher rate (usually of 4s. 6d. per £100).

When the house belongs to the householder (or when he is bound by the terms of an agreement or lease to insure the building, the amount to be so insured being usually stated in the document), the loss likely to arise from fire can be insured ("on the building") at, for a private dwelling-house, 1s. 6d. for every £100. Should a fire happen, and the premises become uninhabitable, it is not generally known that, even in the event of a yearly tenancy, the householder is legally bound to pay rent until the end of the term. It is therefore advisable for a person so situated to insure his house for the amount of one year's rent, that being a length of time in which it is certainly possible for the premises to be rebuilt. It is not, too, generally known that, by a special Act of Parliament, any person interested in premises destroyed by fire (and knowing the company with whom the building is insured) can call upon the company to see that the amount for which it is insured be spent in the reinstatement of the building. In the case of leases, however, this would not be necessary, as it is the custom for a stipulation to be made for the building to be insured in the joint names of both landlord and tenant, in which case neither could touch the money without the consent of the other.

If there be any outbuildings (such as a greenhouse or workshop) attached to the premises, separate insurances must be made on both buildings and contents, the rates charged varying, of course, with the uses made of the outbuildings. Stables, and horses therein, cow-sheds and cattle, harness-rooms and harness, coach-houses and carriages, and in fact all buildings and goods not coming under the heading of dwelling-houses and household furniture and clothing, have to be separately insured and arranged for.

If a portion of the house be used for a workshop or for any trade or profession (even for an artist's studio, for instance), a statement to that effect must be made to the insuring company, and a separate insurance effected for any goods or tools used or kept there.

Agricultural and trade insurances open up too wide a field to be discussed in an article of this nature, as each trade comes under some special condition or rate, for which the companies either have a scale of charges, or it becomes a matter of agreement between the company and the insured.

When the application for insurance is made, and all the necessary particulars are given, the company gives the insured either a full printed receipt for the premium or a provisional deposit receipt, which fully protects the property pending the delivery of the policy. This receipt should be examined with the view of ascertaining if it contains any printed condition limiting the protection to any stated time

(fifteen days from the date of the receipt, for instance). Should it do so, care must be taken that the policy is received within that time, or that the company extends the protection by either a fresh form of receipt or an endorsement of the old one.

When received, the policy and the printed conditions on its back should be carefully read over, to see that it fully describes the property intended to be insured, and that there is nothing in the conditions which cannot be accepted or complied with. If a fire were to happen through the presence of anything forbidden in these conditions, or through the omission of any requirement, the insurance might become worthless—and the plea of ignorance of the stipulations would avail nothing.

It would, where practicable, be advisable that the policy and its renewal receipts, together with a rough inventory of the property insured, should be kept elsewhere than in the premises containing the goods. Should a fire happen, these documents then would be at hand to prove the loss and to make the claim on the company—though, as a matter of fact, no instance has occurred of any respectable company refusing to recognise its liability from the absence of these documents, the copies in the office books being recognised by them as sufficient evidence of the insurance.

Renewals of the original insurance must be always made within the fifteen days of grace allowed by the companies, as the omission to do this would cause the policy to lapse. If the insured is able to make a statutory declaration of his intention to renew the insurance, and a fire happens within this time, the loss would be made good by the company, they simply treating the amount of the yearly premium as a debt due to them.

Should a fire occur, the insured is bound to act as if he was uninsured, doing all he would do if all the loss would be falling upon himself, but not moving anything off the premises unless absolutely necessary for their safety. On the arrival of the brigade (or a representative of the insurance company) he would surrender everything into their hands, as being more competent to deal with such emergencies. Within fifteen days he must deliver to the company as closely detailed a list as possible of the articles destroyed, with an estimate of their value at the time. He must furnish all the particulars in his power to substantiate the claim, give any explanations and details that may be asked for by the company or its representative, and be prepared (if it should be required) to make a statutory declaration regarding its correctness. Care must be taken that the claim is a fair and proper one, as should the company on examination suspect any exaggeration, considerable trouble would be given in settling for the loss; and if any fraudulent exaggerations were proved, they would undoubtedly vitiate the policy.

W. J. W.