

**HAND-BOOK OF
ADJUSTMENT OF LOSS OR
DAMAGE BY FIRE: FOR THE
USE OF FIRE UNDERWRITERS**

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Hand-book of Adjustment of Loss Or Damage by Fire: For the Use of Fire Underwriters by J. Griswold

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J. GRISWOLD

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ADJUSTMENT

OF

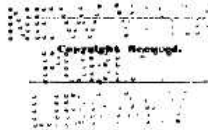
Loss or Damage by Fire,

FOR THE USE OF FIRE UNDERWRITERS;

BY

J. GRISWOLD, GENERAL AGENT,

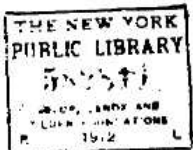
Of the North American Fire Insurance Company of New York.



NEW YORK:

INSURANCE MONITOR OFFICE, 16 WALL STREET.

1868



Entered according to Act of Congress, in the year of our Lord One Thousand Eight Hundred and Sixty-eight, by
JEREMIAH GRISWOLD,
In the District Court of the United States for the Southern District of New York.

NEW YORK
CLERK
GRISWOLD

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Introduction.

THIS HAND-BOOK is, with much diffidence, dedicated to the underwriting fraternity, in the hope that it may tend to supply, partially at least, a want long realized among local agents of reliable information as to the proper mode of adjusting fire losses, until something more complete and better adapted to the purpose shall be forthcoming.

No special claim to originality of ideas is made; it is rather a collection of scattered fragments of insurance wisdom, collated from a great variety of sources, freely appropriated, and brought into an aggregated form whence the tyro in the profession can gather the fruits, divested of technicalities.

In the preparation of the work, the aim has been to reach the more important facts appertaining to adjustments in the fire branch, and present them in the form in which they are generally accepted as the ruling of the courts, or as well recognized usage among underwriters; for which purpose every available source of information bearing upon the subject has been consulted, and the results digested in a popular form as concisely as due perspicuity and the limits of such a work would admit.

It is only necessary to add, that while no pretension is made that the subjects have been adequately treated in every particular, it may however be stated, with strict accuracy, that if the suggestions herein offered have no other merit, they may at least claim the distinction of being the only treatise upon the subject of fire adjustments exclusively, to be found in this country; and in this absence of any similar source of information, it is to be hoped that it may prove of some practical utility, and that it may fall into the hands of some one or more fire insurance agents, who will be glad that it has been made public; in which event it will have fully realized the expectations of

THE AUTHOR.

Definition of Terms

Used in fire insurance, and directly connected with the policy. Other terms and expressions are explained in the treatment of the several subjects.

The object sought in fire insurance is *indemnity* only ; or simply security against loss by fire.

The issuing of a policy of insurance is termed *insuring* or *underwriting*.

The party issuing the policy is termed the *insurer* or the *underwriter*.

The party accepting the policy is the *insured* or *assured* ; the latter term applying more particularly to life insurance.

The contingency insured against is the *hazard* or *risk*.

The property covered by the policy is the *subject*, or *insurable interest* of the insured.

The consideration is the *premium* paid.

The insurance is said to be *full*, when the total value of the subject is covered by the policy ; or *partial*, when only a portion of the property is thus covered.

The loss is said to be *total*, when the damage to the subject covered by the insurance exceeds the amount of the policy ; or *partial*, when the damage is less than the amount of the policy.

That proportion of the subject of insurance which may be saved from the fire, either in a sound or damaged condition, is termed the *salvage*.

Adjustment of Fire Losses.

The OBJECT of fire adjustments is to arrive definitely at certain facts, made contingent by the conditions of the policy upon the occurrence of loss or damage by fire to the subjects insured, by means of certain forms and processes intended to bring out and array the proofs or vouchers bearing upon such loss or damage, so that the amount of the liability of the insurer and the responsibility of the insured, under the terms and requirements of the contract of insurance, may be accurately determined and adjusted; to the end that, while the insured shall be justly indemnified for his loss, the insurer shall not be called upon to contribute more than his equitable proportion to the payment thereof.

The BASIS of adjustment is the contract of insurance, embracing the application with its representations and warranties, together with all written and printed conditions of the policy, as they may be modified or controlled by subsequent endorsements. In all cases the adjustment should be made up in accordance with the terms of the policy as given in the written portions thereof, without reference to any alleged verbal or other agreement between the insured and the agent not endorsed on the policy before the occurrence of the fire. Any claim of the insured for a different construction of the *intent* of the policy must be submitted to the company for consideration and approval.

The PROCESS of adjustment is simple or complex, according as the contract of insurance may be specific, general or mixed; and is based upon certain universally recognized *general principles*, which remain unchanged; yet there are issues constantly presented, arising from circumstances and conditions so varied, which have to be met and treated in so many ways, and under such a variety of aspects and phases, that adjusting *scientifically* may be termed an *art*, or more