

The Story
of the
San Francisco Fire

as
viewed from an Adjuster's standpoint

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Adjuster's Standpoint

California has always commanded the admiration of the world for its magnificent scenery, wonderful climate, and boundless resources, but these have all been temporarily obscured by the terrible catastrophe which has befallen its Metropolis, the City of the Golden Gate, and the sympathies of the race have gone out to the victims of one of the greatest earthquakes, and by far the most disastrous conflagration in the world's history.

Within a week after the news reached the East, I left for the Pacific Coast, feeling quite confident that first reports as to the extent of the disaster, were, as usual, grossly exaggerated, and that the situation could not possibly be as bad as pictured in the press dispatches; but, as we crossed the Bay and viewed the barren hill-tops of the once proud and stately City, and then rode for miles, picking our way through such streets as were passable, and finally viewed the panorama of seemingly endless ruin from the summit of Nob Hill, I then realized that the half had not been told, and that no one, without seeing could have any adequate conception of the calamity which had so suddenly overtaken the people of San Francisco, and the underwriting interests of two Continents.

So much has already been said and written regarding the disaster, that this paper will be restricted to a brief review of general conditions, and to the events leading up to and connected with the adjustment of losses under no less than one hundred thousand policies of fire insurance, amounting in the aggregate to nearly two hundred and fifty million dollars.

According to the official report of the investigating committee of engineers, the time of the beginning of the earthquake, as recorded at the University of California, was twelve minutes past five o'clock on the morning of April 18th, and its duration was one minute and five seconds. Within an hour of the main shock twelve minor shocks were observed, and, during the day, thirty-one shocks were noted in addition to the main disturbance. The earthquake zone was approximately four hundred by fifty miles in extent, although its intensity varied greatly and pronounced evidence of its effects was restricted to a much smaller area. Water pipes, conduits and bridges were rent asunder, trees were uprooted and thrown to the ground in large numbers, and fissures opened in the earth and closed again, while in one instance a cow was engulfed, an innocent victim of the disaster, in this respect different somewhat from the historic animal of Mrs. O'Leary, which is said to have been both the originator and victim of the trouble she kicked up in Chicago in 1871.

Immediately following the earthquake, fires broke out in different portions of the city, doubtless due either to defective flues, escaping gas, the overturning of lamps or to short circuits caused by the breaking of electric wires. As the water mains had been disconnected by the shock, the Fire Department was practically helpless, and in addition to this series of unfortunate occurrences, the Fire Chief was killed by a falling wall. Dynamite was freely used to stay the progress of the flames, but all to no avail, and the fire extended in every direction, finally burning itself out, but not until it had covered an area of approximately four square miles.

The effects of the earthquake were most pronounced in the portion of the city south of Market Street, where there were three distinct slips, covering an area of several blocks, the earth movement ranging from one to six feet. In other portions of the city large areas indicated some earth disturbance, and it is quite noticeable that these were most marked on soft sandy soil and

on made ground. There were comparatively few chimneys in San Francisco and in the surrounding country, which were not thrown down; brick, terra cotta and metal cornices and portions of front and rear walls fell; in some instances side walls fell on lower buildings adjoining; and in certain cases buildings totally collapsed.

It is safe to say that high "Class A" buildings of steel frame construction on firm foundations were damaged comparatively little by the earthquake, but practically all of them were completely gutted by the fire, and owing to under-insurance, the loss in most cases proved nearly or entirely total under the policies.

Frame buildings, except in comparatively few instances, suffered very little from the shock, and aside from fallen chimneys and cracking of plastering, there was scarcely more than one frame building in five hundred in the saved residence district which showed any signs of damage, while all classes of stock, except those of a breakable nature, escaped with comparatively little damage.

The earthquake was evidently no respecter either of religion, education or government, but seems to have had a special antipathy to these three important pillars of our social and political fabric, for there was scarcely a church, schoolhouse or public building either in the burned or unburned district but what was either partially wrecked or quite badly damaged by the shock. And this seems to have been true of all buildings of large area which did not have the benefit of division walls or supporting columns, while the City Hall, which, on account of its isolation, sustained practically no fire damage, remains a standing monument to poor construction under political direction. In striking contrast to this, the brick building of the California Electric Company, located in the southern portion of the city, which was equipped with wire glass windows, stands practically uninjured in the midst of the ruin by which it is surrounded, a monument to first-class construction and fire protection. Fortunately for the people of San Francisco, the City Hall was not a fair criterion by which to judge general earthquake conditions.

On the other hand, the earthquake was particularly considerate in the time of its appearance, for if it had occurred several hours later while the streets were crowded with people, the falling chimneys, walls and cornices would undoubtedly have resulted in a mortality frightful to contemplate.

Before the fire was fairly out, the Pacific Coast Managers, who were fully alive to the situation and the responsibility which rested upon them, moved their offices with the remnant of their records to Oakland, Berkeley and Alameda—a trio of cities across the Bay from San Francisco secured accommodations as best they could, and promptly effected a permanent organization known as the "General Adjusting Bureau," with headquarters at Reed's Hall, Oakland, where all meetings of the General Body were held. Mr. George W. Spencer, General Agent of the Aetna, was elected Permanent Chairman. An Executive Committee, a Building Committee and a Salvage Committee were immediately appointed, and a Post Office and Information Bureau established.

A corps of engineers was employed who made a thorough examination of the burned district and prepared a map showing the solid and filled ground and the areas of pronounced earthquake disturbance.

Competent builders were employed under the direction of the Executive Committee who made a thorough examination of the unburned portion of the city and reported upon the earthquake damage to different classes of buildings therein, with a view to giving the adjusters some basis upon which to estimate the damage to similar structures within the burned district. This work, however, was found to be of little practical value, for subsequent investigation clearly demonstrated that the effect of the earthquake was much more severe in some sections than in others, and that the extent of the damage depended upon conditions other than the force of the shock itself.

In addition to this, the entire burned area was inspected by the Fire Insurance Patrol, and a very exhaustive report rendered as to conditions in each block. In many instances, they also reported upon the condition of specific buildings in the different blocks, which proved of great value to the adjusters in their subsequent investigations.

On the 3rd of May, just two weeks after the fire, officers and adjusters from all parts of the country having arrived, a General Adjusting Committee-consisting of fifteen representatives' adjusters-was formed, for the purpose of taking charge of all losses where six or more companies were interested. Mr. H. F. Atwood, Secretary of the Rochester German Insurance Company, was elected Chairman of the Committee, but, as he was called East shortly afterwards, he tendered his resignation and his duties were assumed by the General Adjuster of the Home. Some of the companies had already commenced to settle and pay individual losses, but, after the appointment of the Committee of Fifteen, the principal work in the line of adjustments began. The Committee, for the first few weeks, met daily and attended to the assignment of losses to Sub-Committees, but as the work progressed, this was found to be unnecessary, and meetings were held every alternate day, and finally, only once a week.

As the premium receipts of San Francisco were larger than those of Baltimore, and as the fire was fully five times as great, it was at first supposed that the number of Committee losses would be larger in proportion, and that we would have to provide for the adjustment of several thousand Committee losses, but to our great surprise, these aggregated only thirteen hundred and thirty-seven, or only two hundred and twenty-six in excess of those at Baltimore. This is easily accounted for by the fact that re-insurance was a very decided factor in San Francisco underwriting circles, individual company lines of from fifty to one hundred thousand dollars being quite frequent. This naturally kept numerous large claims out of the hands of the Committee and placed them in the column of individual losses. Then again, at Baltimore the Committee assumed jurisdiction where four or more companies were interested, while at San Francisco the limit was placed at six or more.

It was decided by the General Body that Sub-Committees should act under a non-Waiver Agreement; that they should only have authority to agree with claimants upon the sound value of the property and net fire losses thereon, after making proper deduction for earthquake damage,

but that no Committee should have power to admit liability in behalf of any company, or to waive the conditions of any company's policy.

Matters progressed very smoothly until the first few Sub-Committees had filed their reports, and when it was discovered that very little if any deduction had been made for earthquake damage, a cloud commenced to appear upon the horizon, and at the next meeting of the General Adjusting Bureau the first note of discord was sounded and the first sign looking toward a possible division made its appearance in the shape of a resolution introduced by a prominent adjuster, which had for its object the placing of still greater restrictions upon the power of the Sub-Committees limiting their authority to the ascertainment of the sound value of the property immediately preceding the earthquake and the amount of visible salvage, thus leaving each individual company free to discuss the question of earthquake damage with the claimant and reach a final adjustment. The resolution was strenuously opposed by the representatives of the larger companies, but it was adopted by a vote of forty-four to thirty-three, and the authority of the Sub-Committees was restricted accordingly.

By the end of May, considerable headway had been made by the representatives of many companies in the settlement of individual losses, while others-who were awaiting instructions from headquarters-had done practically nothing. All kinds of conflicting reports as to general conditions had been received in New York, England and Germany, and it is not at all surprising that the exact situation was not properly understood by company officials. About this time vague rumors were in circulation to the effect that large influential business and financial interests in San Francisco, New York and London were at work looking toward the bringing about of a speedy cash compromise settlement of all losses on the basis of some fixed percentage of the insurance, and the hope was seriously entertained by many that some such solution might possibly be reached in the interest of all the companies and all the people.

It subsequently developed that these rumors and hopes had for their origin a meeting of American companies which was about to be held in the City of New York, which finally took place May 31st, 1906. There were present executive officers representing eighty-five percent of the liability of the American companies growing out of the disaster, and a number of resolutions were unanimously adopted, expressing their views as to the class of cases which should be subject to a reasonable compromise, but the meeting wisely refrained from making any suggestions or expressing any opinions as to what such compromise should be, evidently and rightly assuming that each case would have to be considered on its merits and that the application of arbitrary percentage would be neither equitable nor practicable.

The resolutions, which were ably prepared and eminently sound in principle, were promptly telegraphed to San Francisco where they were fully endorsed and adopted as a basis of procedure in the settlement of all losses of a doubtful nature.

At the same time private telegrams were sent to San Francisco intimating that while not expressed in the resolution, the sentiment among a majority of the companies was that all losses where any doubt whatever as to legal liability existed, should be compromised at from fifty to ninety percent of the insurance irrespective of values, and in order to give practical effect to this sentiment a resolution was introduced in the General Adjusting Bureau, on the 12th day of June,

that all losses of a doubtful nature (and it was generally understood that under existing conditions it would be proper to consider practically everything doubtful) should be compromised at sixty-six and two-thirds percent of the face of the policies. An amendment was offered raising the figure to seventy-five percent, and the resolution as amended was adopted by quite a decisive majority.

These private telegrams, however, did not reflect the views of the leading American and British companies, whose instructions to their San Francisco representatives were to adjust each loss on its merits in a broad and liberal spirit in keeping with their usual practice, having due regard, however, for their rights under their policy contracts. Therefore, when the vote was taken on the compromise proposition, the parting of the ways had come. The minority, consisting of thirty-five companies, were referred to by the daily press as “one hundred percenters” or “dollar for dollar” companies, while the majority were characterized and caricatured as “six-bitters” and “welchers,” thus adding several new words to the insurance vocabulary. The thirty-five companies still retained their connection with the General Adjusting Bureau, but effected an auxiliary organization and entrusted to a Committee of Five the supervision and final approval of all their Committee losses. This Committee consisted of Mr. A. R. Hosford, of the Royal, Chairman; E.R. Morrison of the Aetna, J.C. Corbet of the Northern, W.B. Seaman of the Liverpool & London & Globe, and W.N. Bament of the Home.

The difference of opinion between the two elements, and the rock upon which they split, was simply this: One class of companies took the position, that owing to the extraordinary conditions, the obliteration of evidence, and the consequent uncertainty as to the effect of the earthquake, it was only right and proper that there should be an equitable division of the loss, between the unfortunate policy holders, and the scarcely less unfortunate stockholders, and in the judgment of those ascertaining these views, seventy-five percent of the face of the policies irrespective of values was regarded as a fair proportion to be assumed by the companies. The other class was equally insistent upon a proper allowance being made for earthquake damage, and for depreciation from causes other than fire, but held that deductions should be made from the sound value of the property and not from the face of the insurance, except where there was clearly defined doubt as to legal liability, and in cases of this nature companies were unanimous in the opinion that compromises should be based upon the face of the policies.

Never was a great work involving so many millions and requiring such expedition in execution undertaken and prosecuted under such unfavorable conditions. Not a hotel was saved; the street car service was out of commission; maps, records and policies were destroyed; the Hall of Records was destroyed; office furniture and stationery were difficult to obtain; freight traffic was congested; some companies had offices in Oakland one-half mile apart, while others had theirs in San Francisco, twelve miles distant, from one to three miles apart; claimants who had traveled long distances crowded our waiting rooms, and altogether the adjusters led anything but “The Simple Life” for about three months.

Companies using the New York standard form of policy relied mainly on defenses of a general nature, chief among which were under the “Fallen Building” and “Civil Authority” clauses. The universal opinion among eminent lawyers was that unless some substantial portion of the building fell there could be no defense under the first, but on the question of dynamiting

by order of Civil Authority to arrest the spread of the flames, there was quite a difference of opinion among counsel.

Much has been said and written in regard to the "earthquake" clauses in the policies of certain companies. Some of these, which stipulate that they shall not be liable for loss or damage occasioned directly or indirectly by earthquake, are quite strong, leaving grave doubt as to the legal liability of the companies, while others, which state that they shall not be liable for loss by earthquake unless fire ensues and in that event for damage by fire only, have no legal defense whatever. In fact, in the opinion of many good authorities the clause is weaker than the New York standard form, as it might possibly be held that it nullifies the "Fallen Building" clause, when the fall is due to earthquake.

Several companies which have an "earthquake" clause as strong as the strongest have voluntarily waived it and have paid their losses in full. Several other companies having a similar clause are paying from fifty to seventy-five percent owing to location of the property, the time of fire, and general conditions.

Some of the German companies, whose policies contain the weakest form, have, up to the present time, paid nothing whatever, and are setting up as a defense that the fire was due to an act of God. One of these companies which had several million dollars at risk has offered to pay fifty percent under all policies of five hundred dollars or less, and to one claimant who had the misfortune to have a policy for fifteen hundred it was suggested that in order to secure the benefit of this munificence, he might voluntarily reduce his policy to five hundred dollars, and he could then collect two hundred and fifty.

The Supreme Court of California had, in a very strong decision, sustained the validity of the clause in the New York standard policy requiring proofs to be filed within sixty days, and in order to protect policyholders, the Insurance Commissioner requested all companies to waive formal notice of loss and to grant sixty days extension for filing proofs. A majority of the companies complied, having previously granted such extension by publication, but notwithstanding this, the people, not wishing to take any chances, filed their claims, and it is perhaps no exaggeration to say that during the week ending June 18th, 1906 no less than thirty thousand Proofs of Loss were received by the various companies, some having been sent by registered mail and others delivered in the presence of witnesses.

The Sub-Committees, after completing their labors, filed with the General Adjusting Bureau-on blanks prepared for that purpose,-a full report showing sound value of the property and amounts of visible salvage, together with full information, affidavits and photographs, if any, bearing on the subject of earthquake conditions. These were promptly mimeographed and copies sent to each company interested. A copy was also handed to the Committee of Five, and if the case presented reasonable grounds for compromise on account of incomplete records, earthquake damage or otherwise, the questions involved were taken up with the claimant for consideration, and the conclusion reached was accepted as final by the thirty-five companies represented by that Committee.

Numerous photographs had been taken by professionals and amateurs immediately after the earthquake, and these of course afforded by far the best evidence as to the condition of specific risks. In many instances claimant had no personal knowledge regarding the condition of the property, and there can be no reasonable doubt but that many losses were paid in full which, had a photograph been taken or all the facts known, would have been fair subjects for compromise. Single negatives, showing collapse of buildings, were sold for as high as one hundred dollars.

There were a number of cases where people, in order to escape the rapidly approaching flames, placed their belongings on wagons and moved them to a supposed place of safety, only to have them caught while in transit by another section of the fire coming more rapidly from a different direction, thus literally "jumping from the frying pan into the fire." These claims were either paid in full or by the application of the average clause.

In many instances inventories and books of account were destroyed either in whole or in part, while in some cases only one set of books was kept covering merchandise in several warehouses, with no means whatever of determining the values in each. Loss of this character were usually settled by compromise, the allowance being a matter of mutual agreement, depending upon the number and character of the missing links in the chain of evidence.

Losses on buildings were generally settled on the basis of builders' estimates, with proper deduction for depreciation and earthquake damage. Losses on "Class A" buildings where large amounts were involved were settled by appraisers, but aside from these, there were very few appraisements.

The largest loss was that of the Palace Hotel, which amounted to \$1,852,423.31 on building and contents, with an insurance of \$1,518,500.00 This is said to have been the largest loss on a single risk which has ever been adjusted in the United States.

The world-famous Chinatown - like all of the business district - was totally destroyed and is now a thing of the past. Chinese losses belonged to a special class by themselves and some of the companies had special departments for the consideration of these claims. Books were kept in Chinese hieroglyphics, and interpreters were employed at the rate of \$5.00 for the first hour and \$1.00 for each succeeding hour. A high-school girl was once asked by her teacher how many words there were in the Chinese language, and she replied "Five Thousand." "And how many words would one have to know in order to understand the language?" asked the teacher. She replied, "About fifty thousand," and judging from what I saw and heard, her estimate was none too high. Chinatown has always been particularly free from disastrous fires, and as a consequence, the percentage of value to insurance on Chinese risks was probably less than on any other class of property in the city.

Many of the companies made it a rule to insist upon affidavits from claimants and their employees in regard to the extent of the earthquake damage in all cases, but it soon developed that, like Artemus Ward, who was willing to sacrifice all his wife's relations for the good of the country, everyone was perfectly free to admit that the earthquake had done considerable damage to his neighbor's property, while some special Providence had protected his own. If our faith in

the time-honored axiom that the whole is no greater than the sum of all its parts has not been unduly shaken by recent events, then, judging by these affidavits alone, one will inevitably be forced to conclude that San Francisco either had no earthquake worthy of the name, or that, instead of being one of the greatest within the knowledge of man, it was in reality one of the smallest.

As proofs for nearly ninety-five percent of the losses had been filed prior to June 18th and it was absolutely impossible to get much more than half of them adjusted within sixty days, we were all apprehensive that promptly after maturity we would be overwhelmed with demands for immediate payment, but to our great surprise and to the credit of San Francisco claimants be it said, that they not only patiently awaited the convenience of the companies, but sixty or ninety days after claims were filed, they voluntarily granted from one to two percent discount for cash payment, on the theory that satisfactory proofs had not been furnished until the claim had been formally approved by the Committee.

One of the anomalies of the situation was the fact that five months after the fire there was a general complaint among the leading companies that it was next to impossible to get claimants to call and collect their money. I mentioned this to a caller, an old Scotchman, who said he knew a number of companies which had no such complaint to make, but that it was just like the old story of Pat and the Priest. Said the Priest: "Pat, suppose the Devil should meet us right now, which one of us do you think he would take?" "Sure, your Reverence," said Pat, "he'd take me." "Why Pat," said the Priest, "what makes you think he would take you?" "Why sure," said Pat, "he knows very well he can get you at any time, and he's not at all sure about me."

The re-insurance bug-bear made its appearance on the scene quite early, and all the leading companies were officially notified by their re-insurers that they would not stand for any allowances in the way of liberal concessions or recognize any claims except those for which there was an unquestionable legal liability. This ghost seems to still be haunting some of the companies, but in general they have pursued the even tenor of their way undisturbed, have settled their losses strictly in accordance with their policy conditions, and have collected in full from their re-insurers. Some of the companies which have not made the slightest pretence of settling losses with direct claimants have paid their re-insurers in full, thereby very properly admitting that they are bound by the conditions of the re-insurance rider, which takes precedence over the terms and conditions of their own policies.

At one of the early meetings of the General Adjusting Bureau a resolution was adopted to the effect that all losses in the hands of Public Adjusters should be put at the bottom of the list for attention after all other claims had been provided for. Adjusters for the People had not succeeded in getting a foothold at Baltimore and had never yet made their appearance on the Pacific Coast, so it was proposed to eliminate them as a factor in the adjustment of conflagration losses. A resolution looking to that end was accordingly introduced and carried by a unanimous vote; a number of gentlemen from the East having refrained from voting out of consideration for the views entertained by their associates on the Coast. But this evolutionary product of the insurance business is not easily suppressed, and it was soon discovered that the Public Adjuster was to be something of a factor in loss adjustments, although the number of claims settled through that medium were comparatively few.

One of these gentlemen, who had several cases with our office, after a sojourn of four months called to say "Farewell." I inquired whether he had enough money to get home on, whereupon he presented for my inspection the latest check he had received from a client, which was for an amount that almost any special agent would be glad to accept in exchange for a year's salary, and as this was only one of fifteen of almost similar amount which he had received, I concluded that by the exercise of a reasonable degree of economy he might possibly manage to get home without experiencing any great discomfort. I afterward learned that he was a "non-boarder" and had secured the first mentioned case by under bidding his competitor to the extent of two thousand dollars.

Another gentleman of this school is currently reported to have had over four million dollars in claims to collect, and even calculating at the modest percentage which he usually secures for his services, it does not require a mathematical genius to figure out that he will be fairly well compensated for five months' work, all of which demonstrates that this is a branch of the business which in its financial possibilities is almost as attractive as a local agency.

There was one actor in the drama who stood out more prominently than all the rest and occupied the center of the stage from the beginning, and that was the "Eastern Adjuster." He was constantly in the lime-light and received daily consideration, either at the hands of the editor, the critic or the cartoonist.

One kind hearted citizen suggested that the insurance atmosphere might be cleared considerably if some of those gentlemen from the East were taken out and hanged. A coach filled with sightseers was held up by a highwayman in the Yosemite Valley and it was immediately concluded that any one with such colossal nerve could be none other than an Eastern Adjuster who had stolen away from the field of his usual activities for a brief vacation. The latest arrival at the Infernal Regions is reported to have looked about and expressed the opinion that there was a great deal of salvage to be found there, and he was not only accorded a cordial welcome, but was immediately hailed as an Eastern Adjuster who had come direct from San Francisco.

A claimant said to a skeptical special agent that he could secure any number of affidavits in support of contention that there was no earthquake damage to his property. The Special replied that according to the latest quotations the market price of affidavits was steadily advancing, whereupon the claimant said, "I really don't believe that the influx of Eastern Adjusters has had such a demoralizing effect upon the people of San Francisco that they cannot tell the truth, especially when under oath."

He was a very much advertised and criticized individual, and if he possessed any virtues, they were not discovered, or at least not recognized by the local press, but through it all he managed to pay out on an average about a million dollars daily during his entire sojourn on the Coast, which indicates that with all his alleged faults he was no mean paymaster.

The situation in San Francisco presented greater opportunities for the study of human nature than it did of the fine points in loss adjustments, for owing to the extraordinary conditions, many losses were not adjusted, but simply settled. Some companies, whose estimated

losses were equal to or in excess of their entire assets, effected settlements at from thirty to fifty percent by reason of their financial condition and their drafts were accepted philosophically by rich and poor alike. Other companies effected settlements at from sixty to eighty percent and their drafts were accepted as a matter of compromise to avoid litigation, while others adjusted losses on their merits to the mutual satisfaction of themselves and of the assured, and their drafts were received with appreciative thanks and expressions of good will.

It must not be assumed that all virtue was vested in the thirty-five companies represented by the Committee of Five, for there were a few companies of the highest standing which acted independently of that organization and settled their losses in full in the most honorable manner, while some within the fold are reported to have fallen from grace temporarily, and later on some of the "six-biters" got religion and paid as rapidly and as generously as the rest.

In attempting to form any just conclusion regarding the settlement of these losses, all fair-minded and unprejudiced men must take into consideration the unprecedented events leading up to the fire, as well as the extraordinary conditions prevailing after its occurrence. An earthquake of enormous proportions had taken place, and it was not in the power of human wisdom even to approximate the ruin it had wrought. The Adjusters were confronted with a state of affairs which had never before arisen, and it may well be doubted whether the people of San Francisco as a whole would have been accorded as generous treatment by the Blindfolded Goddess herself, as they have received at the hands of their insurers.

This, the greatest of all fires, following so closely those at Baltimore and Toronto, has again directed the special attention of Underwriters to the fact that the conflagration hazard in all our large cities is one which has to be reckoned with and adequately provided for. It has also brought up for serious consideration the question of re-insurance between companies which transact business in the same territory. It has called attention to the desirability of uniformity in policy contracts. It has given food for thought to the scientist, the architect, and the engineer, and to the people at large it has demonstrated that the subject of insurance is one which deserves more careful consideration at their hands than it has ever before received.

The average ratio of loss to insurance, as finally paid by companies of the first-class, is known to be between ninety and ninety-five percent; that of the next class of companies will be fully eighty-five percent; and the general average of all companies will in all probability not fall much short of eighty percent.

There were one hundred and twenty authorized companies, besides a large number of surplus-lines companies, interested in the fire, and the official list shows that two hundred and twenty-one adjusters participated in the adjustments.

Up to September 24th, when all but ninety-nine Committee Reports out of thirteen hundred and thirty seven had been received, the sound value of property embraced in said reports amounted to \$120,000,000, with a gross insurance of \$84,000,000, or exactly seventy percent, and a visible salvage of \$8,750,000, or about seven and three-tenths percent.

It is too early to form any definite conclusions, but from the best information this far obtainable, I think it may be safe to assume that the total loss occasioned by the San Francisco disaster will not be much short of \$300,000,000 and that the net insurance loss will prove to be between \$175,000,000 and \$200,000,000 of which \$125,000,000 were paid within five months after the fire.

Never in the history of the world has such an overwhelming calamity, the combined result of two such powerful elements of destruction, been visited upon a community, and never has a Nation responded more promptly or more generously than have the people of these United States to the pressing needs of their unfortunate countrymen. But these voluntary offerings of a sympathetic people, great as they have been, can hardly be mentioned in comparison with the contributions which have been made by the Insurance Companies of the Old and New Worlds in fulfillment of their policy obligations, and while a few have been weighted in the balances and found wanting, and others have not quite measured up to their usual standard in the settlement of conflagration claims, those companies which represented the greater part of the amount at risk have met the situation in a manner worthy of the best traditions of the business, and, when accounts are finally settled, it will be found that Insurance Companies as a whole have not only acquitted themselves well, but have more than fulfilled public expectations and have contributed infinitely more than any other single agency toward the rebuilding of a Greater San Francisco.