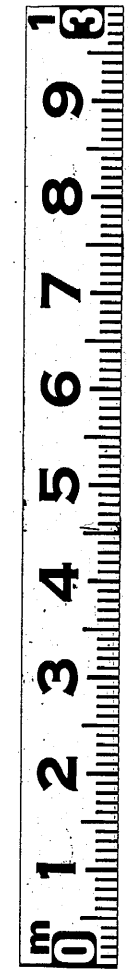


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AN *n*
E S S A Y

To P R O V E that all
I N S U R A N C E S
O N
S H I P S and G O O D S at *S E A*,
B E Y O N D T H E
I N T E R E S T of the A S S U R E D,
O u g h t to be P R O H I B I T E D.

By a M E R C H A N T.

*Non tenetur Affecurator, nisi pro ea quantitate,
quam habebat Affecuratus in Navi depertita.*
Roc. de Affecur. Not. 10.

L O N D O N: *J*
Printed in the Y E A R M D C C X L V I I.

A N
E S S A Y, &c.

THE original Design of making Insurance on Shipping, was undoubtedly no more, than a general Indemnity against the Perils and Dangers of the Sea, and being confined within the Bounds of that Intention is of great Encouragement to Trade and Navigation: And in that Point of View, it has been treated in all Countries where Commerce has flourished as a Matter of the highest Importance; and almost every where, except in *Great Britain*, is subject to Ordonnances, and Regulations fixing, and ascertaining the Limits thereof.

But the best Institutions are often liable to be applied to the worst Purposes; there is no Case which affords more Instances of this Kind, than that of Insurances, especially in this Country; for there is no other where

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an Insurance on *no Interest* is not prohibited.

The permitting this absurd Species of Insurance upon *no Interest* to gain Ground here, hath been the Introduction of all those fraudulent Practices, by which so many Ships and Cargoes have been wilfully lost at Sea.

It was about the Time my Lord *Somers* held the Great Seal, that Insurance *Interest, or not*, first appeared; but then the Court of *Chancery* could not conceive upon what Principle, either of Law or Equity it was, that a Recovery of a Recompence in Damage, for a Loss not sustained could arise; and therefore vacated an Insurance, because it appeared that it was made upon *no Interest*; but afterwards Means were found, under Suggestions of Advantage to the Trade of the Nation, to bring the Law to acknowledge a Validity, and Force in that, which before was esteemed absurd, and nugatory; and thus the Policy of Insurance *Interest, or not*, became established.

Soon after this, the making of Insurance vastly increased, for Gamesters, Wagerers, and cunning Fellows who pretended to deal in Speculation, began to be almost as much concerned

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concerned as the Merchants; so that a Policy of Insurance in a short Time acquired rather the Effect of a Box and Dice, than a Contract to secure Trade: And as Gamesters seldom play fair after a few of the first Games, it was not long before foul Play in Assurances began to appear, and which has ever since continued increasing, insomuch that now it is almost as common to hear of a wilful, and fraudulent, as of an inevitable Loss at Sea.

Practice and Experience are the great Lights of Business, without which it is not known what Things may be made to bear; tho' *speculative* Insurance, under the Direction of proper Intelligence, and other useful Helps, was become a considerable Branch, and carried on without employing any other Money, or Stock, than the Premios of Insurance; yet Experience disclosed, that as all those Insurances were to be made on the Ship only, the Care of a Cargo might sometimes obstruct the *beneficial* Loss of a Ship, and keep Insurance upon *no Interest* within narrower Bounds than otherwise it would be, if Ways could be found of profiting by the Loss of the Cargo, as well as by that of the Ship; for hitherto Insurance on Goods could not

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not be otherwise made, than upon their Value.

This introduced another new Species of Insurance called a *Valued Policy*, whereby the Insured might value his Interest at 1000*l.* tho' it was not really worth so many Shillings, and no other Proof was to be required than the Production of the Policy; so that now by insuring *Interest, or not*, on the Ship, and valuing the Goods at ten Times their Worth, nothing can happen so much to the Disadvantage of the Insured, as the Arrival of the Ship and Cargo, a Circumstance affording small Hopes of Safety in such Adventures, but it is the State into which the Business of Insurance is brought, by leaving the Door of Fraud wide open; for the Frauds of the Insured in common Estimation, are almost equal in Risque to any other Peril usually insured against, especially in Time of War, when colourable Captures are easily contrived by entering into Confederacies with the Enemies of the Nation; a Practice of which Instances appear almost every Day: Under these Circumstances it is, that this great Branch of Trade, called Insurance, which hath been accounted so valuable, is now esteemed upon the Whole, rather a losing, than a beneficial Part of Business.

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The making Assurance in such Manner as manifestly interests the Party insured in a Loss, is a Thing on the first View appearing so dangerous, that one would think it impossible to be endured: It is so far from being tolerated in any other Country, that there is no State in *Europe*, where Insurance is used, that hath not expressly prohibited the making it beyond the Interest of the Party under severe Penalties, such as Confiscation of Goods, or Corporal Punishment, as appears by the Ordonnances of *Fountainbleau touchant la Marine*, and also those of many other Places. And by a late Act of Parliament, intituled, *An Act, to regulate Insurance on Ships, &c.* It is enacted, that no Insurance shall be made after the 1st of *August* 1746, on any Ship belonging to his Majesty, or any of his Subjects *Interest, or no Interest*, or without further Proof of Interest than the Policy, by which the Sense of the Legislature here seems to be declared, that Insurances of that Nature are unlawful, and ought to be prohibited; but it is conceived that Statute is not sufficient effectually to answer the End proposed, though it has gone a good Way towards it.

An effectual, and absolute Prohibition therefore of all Assurance whatsoever upon *no Interest*

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Interest, or for more than the real Interest of the Assured, is still wanting; for such a Prohibition would manifestly tend to prevent *Frauds*, restore fair *Dealing*, preserve the *Marine*, encourage *Insurance*, and finally to support, and maintain Trade, and Commerce in General.

F I N I S.