

WAR DAMAGE ACT, 1941 (Part II)

Private Chattels Scheme

EXPLANATORY MEMORANDUM

1. **General.**—The Government scheme for the insurance of private chattels against war damage will come into force on 1st May, 1941.

Generally for the purposes of the scheme "private chattels" covers the movable belongings of a household (furniture, clothing, valuables, etc., and also motor cars and cycles). It also covers private yachts and boats.

The private chattels scheme falls into two parts:—

- (a) free compensation;
- (b) insurance.

Everyone is entitled to free compensation up to the limits stated in paragraph 2 without any policy of insurance. If you do not consider this sufficient cover for your needs you can by paying a premium insure for any amount (which will be *additional* to your free cover) up to £10,000.

2. **Free Compensation.**—The free compensation for householders is as follows:—

£200 with an extra £100 if you are married and have your wife living with you and an extra £25 for every child under 16.

This will mean that a married householder, with three children, will get free compensation up to £375.

Every other adult person who is not a householder will get free compensation up to £50.

You are a householder (for this purpose) not only if you own or rent unfurnished a house or part of a house, but also if you rent a room or rooms, always provided that most of the staple furniture in the room or rooms, by value, is your own.

You will be treated as a householder if you are a householder in the above sense now or whenever the loss occurs, and also if you can show that you have been one at any time since the outbreak of war. So, if after the outbreak of war, you shut up your house and stored your furniture, you will be given all the benefits of a householder under the scheme.

The householder's benefits will also be extended to households where one member pays the rent and another owns the furniture.

3. **Limits of Free Compensation.**—If you have not insured and are relying on free compensation you will not be able to receive more than £25 on any one article.

4. **Insurance.**—Over and above the limits of free compensation you can obtain additional cover by paying a premium and taking out a policy of insurance. These are the terms:—

- £1 per cent. up to £2,000;
- £1 10s. per cent. for the next £1,000;
- £2 per cent. for the next £7,000.

There is a minimum premium of £1.

If you apply for a policy at any time during May, 1941, and your premium is in the hands of an agent of the Board of Trade within that month, you will receive a policy dated 1st May, 1941, and consequently cover for that month. The policy will be valid till 30th April, 1942. If your premium is received after the end of May, 1941, your policy will be issued as from the date on which the premium is received and will be valid for one year from that date. In that case you would not be covered during May, 1941.

5. The policy will be what is called a "first loss policy." Suppose you are a married householder with three children, you are entitled to £375 free compensation. Suppose further that your furniture and other private effects are worth £1,000 and that you have insured, not for the full amount, but only for a further £400. Then, if your furniture and effects are totally destroyed, you will receive £775 in all because that is the amount for which you are covered, *i.e.*, £375 free compensation plus £400 under your policy. If your loss is £500, you will get £500, but you cannot get more than £775, unless you insure for more than £400.

6. You can have only one policy, even if you have more than one house; but your policy will cover war damage to your chattels anywhere in the United Kingdom up to the sum for which you have insured.

7. **Valuables.**—On the following articles the cover you will receive under your policy is limited to £100 in the aggregate, or 20 per cent. of the total sum covered by the policy, whichever is the greater:—

Works of art, gold and silver plate, jewellery, precious and semi-precious stones, furs, objects of historical or scientific interest, small-scale models, curiosities, stamp collections, printed books more than fifty years old, manuscripts.

It follows, therefore, that, if you have insured for £500 or less, you cannot recover more than £100 for all articles together falling within this class. If you have insured for more than £500, the amount which you will be able to recover on these articles will increase up to £2,000 if you have insured for £10,000.

8. **Amount recoverable on any one article.**—On any one article you will not be able to recover more than £50 or 5 per cent. of the total sum insured, whichever is the greater. This applies to luxury articles of furniture, expensive radiograms and the like, as well as to the valuables mentioned above. Therefore, you cannot get more than £50 for any single article unless you have insured for more than £1,000. If your policy is for £2,000, you could get up to £100 on any one article, and if for £10,000, up to £500.

9. How to value your property.—Before taking out a policy, you should make the best estimate you can of the value of your furniture and personal effects. Whatever the sum for which you insure, you cannot recover more than the value of your furniture at the time of the loss. You cannot expect new furniture for old, and you must, therefore, make a reasonable allowance for wear and tear, but you may allow for any general rise in the cost of furniture that may have occurred.

It would be useful to collect and keep in a safe place any invoices or other evidence which you may have of the value of your chattels.

10. Limitation on the amount for which you can insure.—You cannot have a policy of insurance under the private chattels scheme for a sum which at any one time exceeds £10,000. If the value of your chattels is, say, £15,000 and your insurance is for £10,000, and you sustain a loss of, say, £5,000, you may claim for £5,000 under your policy. The cover under it is then reduced to £5,000, and you may at once take out a fresh policy for £5,000 on paying the premium on that amount so as to bring your total insurance up to the maximum (£10,000).

11. Motor Cars.—The limitations on the amount recoverable, which are referred to in paragraph 8, do not apply to motor cars or ships.

12. How to effect Insurance.—You can insure through any of the principal Fire Insurance Companies or Lloyd's. After 1st May, 1941, you should apply to the agent or broker through whom you effect your fire insurance and ask him for the form of application. Fill it up and send it back to him with a cheque for the premium. If you are not insured against fire, apply to any of the principal Insurance Companies or to Lloyd's.

After 31st May, you will not be covered if your property is bombed, unless, in the meantime, you have taken out a policy. If you have not done so, you would only be entitled to the free compensation mentioned above. So if you want more cover, you should insure.

13. How to make a Claim.—If your property is bombed, then, if you have taken out a policy of insurance under the private chattels scheme, apply

at once to your insurance agent for a claims form. Fill it up and send it in to him within 30 days of the bombing.

14. If you have not taken out such a policy and are relying on the free compensation to which you are entitled, apply to the local Information Centre for a form, fill it up and send it to the District Valuer, Department of Inland Revenue, for your district.

15. Property destroyed or damaged before the Insurance Scheme comes into force.—The War Damage Act also provides for those cases in which the damage occurred before the Scheme came into force. If your property has sustained war damage at any time between 3rd September, 1939, and the 1st May, 1941, you will be treated as if you had a policy under the scheme and you will receive the same compensation as you would have received in that case. A sum will be deducted from your compensation to cover any premium which you would have paid if the scheme had been in force.

16. If you have filled up form V.O.W.1 you need do nothing more unless and until you are otherwise instructed by the Board of Trade. If you have not filled up form V.O.W.1, ask for a copy of the form at the nearest office of the District Valuer, Inland Revenue, or of the local authority and do so at once.

17. When payment will be made.—In general payment will be deferred till after the war and interest at 2½ per cent. a year will accrue from the date of the damage on the amount due to you, but will not be paid until the final settlement. Earlier payment will be made if the total amount of the claim does not exceed £25. Earlier payment will also be made (in whole or in part) if the Board of Trade are satisfied that the payment in whole or in part should be made to avoid undue hardship.

18. Undue Hardship.—If you consider that you would suffer undue hardship if you have to wait until the normal date of payment (*i.e.* till after the war) ask the local Information Centre or the local officer of Customs and Excise for a special form. You must be able to prove real hardship. Mere inconvenience is not enough.

19. Immediate Distress.—In cases of immediate distress persons may apply to the Assistance Board for an advance.