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? WHY THE WEATHER ?

By Dr. Charles F. Brooks
of Clark University

WEATHER INSURANCE

It appears that the first insurance ever written was insurance against hazards to vessels at sea, and was, therefore, practically insurance against storms. Insurance can now be obtained against a variety of unfavorable weather conditions, though many of the lines are still quite new. Motion picture companies who wish to photograph "Alaska scenes" in the Sierras have even insured against lack of snow, and promoters of winter sports in Minnesota against melting temperatures!

More frequently insurance is taken out against hail, windstorms or tornadoes, rain or frost. The north central states, particularly Kansas, North Dakota, and Iowa, require large amounts of hail insurance on growing crops. Indeed, in the Dakotas, hail insurance is automatic, premiums being collected by the state like taxes. After the destructive tornadoes in Ohio in 1924 and in southern Illinois and Indiana in 1925, the demand for windstorm protection greatly increased. In fact, some banks in the Middle West require windstorm policies before they make loans on improved real estate.

Rain insurance has become popular because patronage at entertainments, especially outdoor events, depends quite largely upon the state of the weather. Frost insurance is written most extensively in California to cover the risk to citrus fruits. Only about 20 per cent. of the orange and lemon orchards are protected by heaters. A new form of weather insurance, crop insurance, is being experimented with. The obvious difficulty with this form of insurance is the moral hazard, for the farmer may neglect or mismanage his fields and blame the weather for a poor crop.

(Tomorrow: Rotation)
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