

WOJCIECH KASPERSKI

THE IMPACT OF MAJOR NATURAL DISASTERS ON THE SYSTEM AND THE INSURANCE MARKET OF THE INTERWAR POLAND

INTRODUCTION

Economically backward and legally divided, the young Polish society was rebuilding its unity not only under the pressure of time and aversion of the neighbouring states but also in the face of natural disasters. Though not located in a seismically active area or affected by permanent droughts lasting several years, or deadly cyclones, Poland of the interwar period was frequently troubled by natural disasters. Such natural disasters would wreak huge material losses and threaten lives. Even the most scrupulous research and observations would not shield Poland from major natural disasters.¹

1. DRAUGHTS, LARGE-SCALE FIRES, HURRICANE WINDS AND HARSH WINTERS

As early as in 1921, the record, Europe-wide heatwave reached Poland in July, affecting its whole territory and causing enormous damage to the economy, especially in agriculture.² The resulting caused a large number of fires which in turn

Dr WOJCIECH KASPERSKI runs a legal office at Szpitalna 40, 22-100 Chełm; e-mail: wojtek_kas@poczta.onet.pl

¹ I. KIENZLER, *Katastrofy i klęski żywiołowe*, Dwudziestolecie międzywojenne 40 (Warsaw: Bellona, Edipresse Polska, 2014), 8.

² *Zasoby wodne w dorzeczu górnej i środkowej Odry w warunkach suszy*, ed. A. Dubicki, (Warszawa: Instytut Meteorologii i Gospodarki Wodnej Atlasy i Monografie, 2002).

caused irreversible losses to the forest areas. Insurers appealed to the public via the press to have their property insured against damage caused fire: “Have an insurance policy against fire! Newspapers report fires every day. Enormous assets are devoured by flames. Crops are destroyed, cattle get killed, costly farming equipment as well as homes and forests perish, nay, whole settlements are reduced to ashes.”³ Deficiency of rainwater contributed to very low water levels and low flow rates in rivers, causing problems in supplying towns and villages as well as industry with water. On July 29, 1929, the town of Prószków, about 10 km from Opole, recorded a temperature of 40.2 °C.⁴ The day on which a record-high temperature was reported was also the end of the hot and sunny weather as on July 30 Poland saw storms and torrential rains, and the temperature fell dramatically.⁵ The reconstruction of the economy, including the agriculture, lasted several years.

Although today we often hear of tornadoes, in the Interbellum these phenomena were rare. In the period under discussion, several dozen such cases were reported. At the time, tornadoes caused enormous material loss and killed people, too.⁶

In the first days of July, 1928, there occurred a tornado killing over sixty people, who died from lightning or under the rubble of the crumbling houses.⁷

In July 1931, local and national newspapers yet again reported the devastating effects of a hurricane. On 20 July, 1931, a tornado of an unprecedented magnitude swept across Lublin and its vicinity.⁸

³ Idem.

⁴ [no author indicated] “Upały” in *Zagrożenia okresowe występujące w Polsce* (Warsaw: Rządowe Centrum Bezpieczeństwa, 2010), 20.

⁵ KIENZLER, *Katastrofy*, 19.

⁶ Ibid., 50.

⁷ Only in the Lublin Voivodship twenty-seven houses burnt down from lightning, a dozen hectares of forest burnt down as well as the Białowieża and Kurpiowska Forests, among others, were devastated. In the area surrounding the town of Turka, a hurricane wrecked about 500 buildings, killing „a great many cows and living stock in general”, W. SKRZYCZYŃSKI, “Okolo 500 budynków padło ofiarą huraganu w jednym powiecie,” *Słowo Polskie* 190 (1928): 2.

⁸ For example, near the municipal gasworks, a chimney collapsed smashing all of the flour mill facilities and damaging some other adjacent buildings. Extensive damage was done to the municipal gasworks, as a result of which Lublin was plunged into darkness, which made the rescue effort much harder. The second municipal mill, operated by the Krause brothers in the Kalinowszczyzna district, was demolished by the raging element. The wind overturned railway cars which were carrying race horses, see M. DĄBROWSKI, “Trąba powietrzna w Lublinie,” *Tygodnik Ilustrowany Światowid* 31 (1931): 6–7. The hurricane wind was accompanied by a terrible rainfall. Huge damage was done to the local tree population. The Bronowicki Park ceased to exist. All trees were uprooted and some were carried away by the hurricane beyond the premises of the park. Most of the telegraph poles shared the same fate. The roofs of the houses in the workers’ district in the vicinity of the Bronowicki Park were damaged too. See [no author indicated], “Niebywale gwałtowny huragan,” *Tygodnik Polesie* 31 (1931): 4–5.

In the wake of the tornado lasting a dozen minutes or so, three people were killed, and over a hundred were badly hurt.⁹ The State authorities started to assess the extent of damage. To this end, a technical commission was appointed, which provided a preliminary estimate amounting to around two million zloty.¹⁰ However, a few days later, the commission's in-depth analysis provided detailed data (with the participation of employees of the Polish Mutual Insurance Institution) suggesting that the bill for restoration work would amount to around five million zloty.¹¹

At the turn of the 1930s, Poland not only struggled with the problem of the ensuing world crisis but also had to brave the winter of the century, as the press hailed the winter of 1928–1929. The snowfall started as early as in the first half of October, and a permanent snow cover persisted from early December to late April.¹²

Heavy and long-lasting snowfall combined with the period of extreme frost made the daily functioning of the economy and the people in it difficult or in many cases even impossible.

In the coldest period, hot tea with sugar was distributed, coal was sold very cheaply, which was used mainly to defrost home installations.¹³ The frost also affected transport, especially the railway.¹⁴ Telephone and telegraph lines burst causing breaks in communication. On February 11, telephone links between Warsaw and local towns were nearly completely disrupted.¹⁵ Earlier on that day, a fire broke out in the automobile factory producing Polish cars under the name Ralf Stetyusz, located at Fabryczna 3, Warsaw.¹⁶ All of the fire fighting teams summoned to the locations

⁹ K. PIENIAŻEK, "Katastrofalny huragan przeszedł nad Lublinem. Straszliwe skutki trąby powietrznej," *Ziemia Lubelska* 195 (1931): 1.

¹⁰ IDEM, "Obliczanie strat spowodowanych żywiołową katastrofą w Lublinie," *Ziemia Lubelska* 196 (1931): 1.

¹¹ "Wieczór i noc grozy," *Głos Lubelski*, July 23, 1931 r., reproduced in W. KLUSEK and E. PAJURO, "Największa nawałnica w historii Polski przeszła nad Lublinem," *Kurier Lubelski*, July 21, 2011, accessed July 5, 2016, <http://www.kurierlubelski.pl/artukul/430028,najwieksza-nawalnica-w-historii-polski-przeszla-nad-lublinem,id,t.html>.

¹² The thickness of the snow cover ranged from 20 to 60 cm in the lowlands to over 1 metre in the foothills, R. GUMIŃSKI, "Zima roku 1928/29 w Polsce," *Przegląd geograficzny* 11 (Warsaw: Polskie Towarzystwo Geograficzne, 1931), 123ff. Average temperatures ranged from –13 to –16 °C, while the lowest temperatures were recorded from February 10 to 12, 1929: –40.6 °C in Żywiec, –40.4 °C in Olkusz, and –40.1 °C in the town of Sianki, [no author indicated], "Rekordy klimatyczne", *Instytut Meteorologii i Gospodarki Wodnej*, accessed July 5, 2016, <http://www.imgw.pl>.

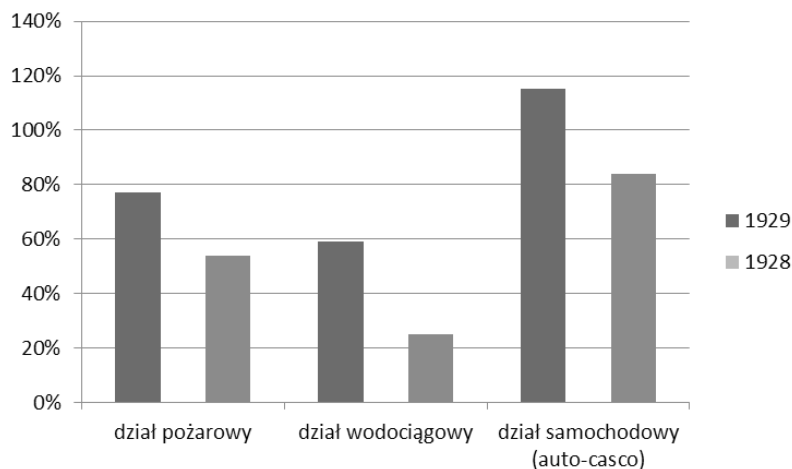
¹³ J. POTURAŁSKI, "Dni mrozu," *Gazeta Morska* 9 (1929): 1.

¹⁴ Locomotives and turnout controls would break down, and the rails burst. A large number of railway links were cancelled. The operation of railway directorates in south-eastern Poland was severely impeded by snow drifts reaching 3–4 m in height, see GUMIŃSKI, "Zima roku 1928/29", 125.

¹⁵ *Ibid.*

¹⁶ For more on the manufacture of the Ralf Sztetyusz car, see: "Samochody okresu międzywojennego," in S. SZELICHOWSKI, *Dzieje polskiej motoryzacji* (Łódź: Księży Młyn Dom Wydawniczy, 2012), 17ff.

of fire were unable to extinguish the flames because the fire hydrants in the factory and those nearby were frozen. The workshop burnt down almost completely. The losses were estimated at several million zloty. Since the factory was insured the losses were covered by the insurer.¹⁷ Also, in its report for the years 1928–1929, the Poznań–Warsaw Insurance Stock Company in Poznań indicated that the abnormal rise in the number of fire and water damage as well as road traffic damage (*auto-casco*, comprehensive cover) was due to the period of incredibly strong and long-term frost. Frozen water in pipelines and wells prevented any rescue operation, and bursting pipes caused extensive damage to buildings; bad weather conditions caused many road accidents.¹⁸ The unfavourable circumstances of the automobile sector (*auto-casco*), caused chiefly by motor cabs and buses, made the Poznań–Warsaw Insurance Stock Company withdraw their coverage of these risks.¹⁹



Source: POZNAŃ–WARSAW INSURANCE COMPANY IN POZNAŃ [POZNAŃSKO-WARSZAWSKIE TOWARZYSTWO UBEZPIECZEŃ SA], *Report on operations in the year 1929*.

Fig. 1. The number of damage claims in the years 1928–1929 relative to premium collection in individual sectors of insurance.

¹⁷ J. POTURALSKI, “Fabryka Stetysz spłonęła,” *Gazeta Morska* 9 (1929): 2.

¹⁸ POZNAŃSKO-WARSZAWSKIE TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA W POZNANIU, *Sprawozdanie z działalności za rok 1928* (Poznań: Drukarnia Katolicka Tow. Akc. w Poznaniu, 1929), 4.

¹⁹ IDEM, *Sprawozdanie z działalności za rok 1929*, Poznań: Drukarnia Katolicka Tow. Akc. w Poznaniu, 1930), 6.

Due to the increasing severity of the frost, the Gdańsk Port came to a halt. Ice jams formed in the Bay of Gdańsk, trapping three Danish ships. The main entry into the port was impossible due to the accumulated ice floe.²⁰

The early and deep snow cover protected majority of the sowed land from the frost. In contrast, extensive damage was done by the frost to fruit plantations. The losses reached 50% in the northern and south-eastern part of the country. Centrally, losses were nearly 90% in some parts.²¹ Orchard owners had to wait even a few years to make up for the losses.²²

2. DISASTROUS CONSEQUENCES OF GREAT FLOODS

Poland is often called a country of floods because it is here that extreme weather conditions occur every few years resulting in heavy flooding.

The greatest and most calamitous floods in the interwar Poland were reported in March of 1924 and July of 1934.²³

In terms of extent and the resulting damage, the 1924 flood surpassed not only the tragic flood of 1888 but was also the greatest natural catastrophe in Poland in the previous three centuries.²⁴ The flooding ensued after the long and frosty winter which was followed by a sudden thaw. The ice cover on the rivers, reaching in places the thickness of nearly 1 metre and length exceeding 7 kilometres, began to shift as a result of the warming weather, destroying floodbanks and causing water to spill into the areas along the river.

Although the forthcoming calamity had been anticipated and all security authorities had been mobilised for relief operations, the damage amounted to several dozen zloty.²⁵

The next flood occurred in 1934, that is in the period when Poland had not yet risen from its economic collapse caused by the world economic crisis. The shaken financial foundations of the Polish Mutual Insurance Company and other insurers were forced to bear the cost of another catastrophe – the flood of the century. It was preceded by intense rainfall which occurred from 13 to 16 July. The daily precipitation of 16 July, in particular in the basin of the Dunajec River, reached

²⁰ J. POTURAŁSKI, "Ogromne zatopy lodowe w Zatoce Gdańskiej", *Gazeta Morska* 10 (1929): 4.

²¹ GUMIŃSKI, "Zima roku 1928/29", 125.

²² KIENZLER, *Katastrofy*, 16.

²³ *Ibid.*, 23.

²⁴ P. GRUNKE, "Tegoroczna powódź wiosenna," *Słowo Pomorskie* 81 (1924): 3–5.

²⁵ *Ibid.*, 3.

unprecedented levels.²⁶ A similar level of precipitation was recorded also in the basins of the Raba, Skawa and Wisłoka. The heaviest rainfall occurred in the basin of the Dunajec, especially the Tatra Mountains and the village of Gorc.²⁷

Only in the Region of Lesser Poland (formerly the Krakow Voivodship) the damage was estimated at 64 million zloty. If we add the damage sustained by other voivodeships, amounting to 20 million, we will arrive at a total of 84 million zloty worth of damage.²⁸

3. RELIEF EFFORT FOR THE FLOOD VICTIMS

The tragic situation of the flooded areas, mainly the southern stretches of our country, required immediate intervention. Since the scale of destruction was so enormous that the Polish State alone was not able to bear the financial burden, all strata of the society were called upon to show generosity in a longer term in order to help the flood-stricken citizens. With a view to provide protection against famine and disease, as early as on 18 July 1934 the Government appointed the National Flood Victims Relief Committee. The role of the Committee was to organise aid for the flood victims; it was authorised to make use of money and in-kind donations to be offered by the society.²⁹

Table 1. A summary of amounts donated for flood victims since the beginning of the operation of National Flood Victims Relief Committee until 1 October 1935.

Poles living in: (amounts in zloty)	
England	18,707.47
South Africa	914.75

²⁶ W. MEŻNICKI, "Kłęska powodzi na Podhalu," *Gazeta Gdańska* 158 (1934): 1.

²⁷ During the flood of 1934, water inundated 1,260 km² of land, 167 km of roads were damaged, 78 bridges broken, floodbanks ruptured, and more than 22,000 buildings demolished. B. FAŁ, "Powódź Tysiąclecia?" *Wiedza i życie – pismo o nauce* 10 (1997): 14–17. The houses and utility buildings which had withstood the disaster, weakened by the flood, after a relatively short time were turned into ruins, thus increasing the amount and extent of the ruined areas, see *Sprawozdanie z działalności Ogólnopolskiego Komitetu Pomocy Ofiarom Powodzi za okres od początku akcji do dnia 1 października 1935 roku* (Warszawa: Zakłady Graficzno-Intrologatorskie J. Dziewulski, 1935), 3.

²⁸ *Sprawozdanie Wojewódzkiego Komitetu Pomocy Ofiarom Powodzi za okres od początku akcji aż do 31 grudnia 1934 roku względnie do 31 stycznia 1935 roku* (Kraków: Wojewódzki Komitet Pomocy Ofiarom Powodzi, 1935), 3.

²⁹ *Ibid.*

Austria	3,955.51
Australia	2,083.56
Belgium	56,155.18
Czechoslovakia	10,503.60
Denmark	1,725.17
Egypt	5,644.75
Estonia	14.60
Finland	1,454.60
France	103,979.24
Spain	1,000.00
Netherlands	4,526.27
Japan	1,495.40
Yugoslavia	499.40
Lithuania	100.00
Latvia	1,426.96
Germany	15,287.24
Palestine	5,230.00
Romania	750.82
Switzerland	25,563.71
Sweden	118.00
Italy	2,205.60
Hungary	33.33
Turkey	788.24
USSR	799.70
Argentina	16,489.95
Brazil	14,617.29
Canada	36,591.41
USA	681,666.01
Poles abroad total	1,014,327.76
Foreign nationals	322,403.89
Total	1,336,731.65

Source: *Financial report of the National Flood Victims Relief Committee. Revenue and expenditure involved in the relief action for the period from July 20, 1934, to October 1, 1935. [Sprawozdanie Kasowe Ogólnopolskiego Komitetu Ofiarom Powodzi. Wpływy i wydatki. W akcji pomocy ludności dotkniętej klęską powodzi za czas od: 20 lipca 1934 roku do 1 października 1935 roku.*

The Government was actively involved in the relief effort through respective ministries. The Ministry of Military Affairs made available all of its warehouses located in the affected areas, which served as centres for the distribution of food and apparel. Speaking of the active involvement of the Ministry of Military Affairs, we must not forget about the dedicated contribution of the military.³⁰ The Ministry of Social Welfare, working through the State Health Service, provided sanitary aid consisting, in a nutshell, in: cleansing and chlorinating manholes, disinfecting homes, vaccinating and providing doctors and nurses on call. The Ministry also supplied food to the children from the affected areas or sent them to recreational camps in order to protect them from the fatal atmosphere created by the receding waters which had left behind silt and musty homes, for a total of 200,000 zloty. The Ministry of Agriculture and Agricultural Reform allotted the flood victims timber and fire wood for a total of 2 million zloty. The Ministry of Communication allowed the free transport of rail shipments intended for the victims, and the State Treasury suspended tax collection and ensured discounts for overdue payments and taxes as well as import duty exemptions for goods shipped from abroad.³¹ The Ministry of the Interior bought 4,250 tonnes of seed rye and distributed it among the flood victims.³² The following numbers illustrate the scale of the demand and the aid supplied from abroad: The government of the German Reich donated 5 rail cars of farming equipment and implements. The Federation of Polish-Hungarian Associations (Budapest) offered over 100 tonnes of wheat, the North American Polonia donated over 15 tonnes of apparel.³³

The National Committee was joined by the Powszechny Zakład Ubezpieczeń Wzajemnych (Polish Mutual Insurance Institution), which allocated 1,750,000 zloty for an interest-free loan, payable after 30 years, for the households whose buildings sustained damage in over 50%; it opened a credit line for the Communal Savings Banks in the amount 150,000 zloty at 2%, payable after 3 years for those households whose damage was less than 50%; it also opened a credit line for the powiat (county) assemblies for a general rebuilding scheme in the amount 175,000 zloty at 1%, payable after 20 years.³⁴ Of the said amount (1,750,000 zloty), pursuant to art. 48

³⁰ *Sprawozdanie z działalności Ogólnopolskiego Komitetu Pomocy Ofiarom Powodzi*, 16.

³¹ *Ibid.*, 17ff.

³² *Sprawozdanie z działalności Ogólnopolskiego Komitetu Pomocy Ofiarom Powodzi*, 6.

³³ *Sprawozdanie Kasowe Ogólnopolskiego Komitetu Ofiarom Powodzi. Wpływy i wydatki. W akcji pomocy ludności dotkniętej klęską powodzi za czas od: 20 lipca 1934 roku do 1 października 1935 roku* (Warsaw: Zakłady Graficzno-Introligatorskie J. Dziewulski, 1935), 45.

³⁴ *Sprawozdanie z działalności Ogólnopolskiego Komitetu Pomocy Ofiarom Powodzi*, 13.

of the Regulation of the President of the Republic of Poland of 27 May 1927,³⁵ the PZUW allocated the following amounts to:

Table 2. The total amount of loans awarded to flood victims by PZUW in 1934 for the rebuilding of devastated residential districts.

Beneficiary	Amount of loan (zloty)
fire victims	417,500
flood victims	895,700
unions of local gov't units	192,700
Total	1,505,900

Source: POLISH MUTUAL INSURANCE INSTITUTION, *Accounting report for the year 1934*.

In order to carry out the operation of rebuilding of the destroyed households, special construction regulations were drafted which laid emphasis on the building on foundations and fire-proof cladding. PZUW also provided free loans of equipment to produce cement building materials to the unions of local government units. At the end of 1934, 112 towns received equipment that provided the local residents with cheap and fireproof building material, mainly for roofing.³⁶ For builders, drawings of model chimneys, houses and outbuildings were handed out, with a recommendation to comply with.³⁷

PZUW also maintained a special bureau for the reconstruction covering the administrative costs using its own resources.³⁸ Thanks to these convenient mechanisms, the restoration work proceeded rapidly and successfully.³⁹

³⁵ Regulation of the President of the Republic of Poland of 27 May 1927 on mandatory fire insurance and on the Polish Mutual Insurance Institution, Journal of Laws No. 46, item 410.

³⁶ POWSZECHNY ZAKŁAD UBEZPIECZEŃ WZAJEMNYCH, *Sprawozdanie rachunkowe za rok 1934* (Warsaw: Wydawnictwo Powszechnego Zakładu Ubezpieczeń Wzajemnych, 1935), 18.

³⁷ *Sprawozdanie z działalności Ogólnopolskiego Komitetu Pomocy Ofiarom Powodzi*, 17.

³⁸ *Sprawozdanie z działalności Ogólnopolskiego Komitetu Pomocy Ofiarom Powodzi*, 13.

³⁹ The above is confirmed by the memories of Oswald Einfeld, an employee of the Polish Mutual Insurance Institution: "1934 was a year of a dreadful flood which affected vast stretches of the country, took away or destroyed many houses and outbuildings, and threatened tens of thousands of people with hunger. Of the many individuals and institutions which responded to the Government's appeal and rushed to extend instantaneous financial help to the flood victims was definitely the PZUW, which besides donating 110,000 zloty for the temporary assistance allocated 1 million, and then an additional 750,000 zloty for long-term, interest-free loans for the flood-stricken citizens for the rebuilding of homes using refractory materials." See A. KNYT, *200 lat ubezpieczenia, 1803-2003 geneza powołanie czas* (Warszawa: Wydawnictwo Karta, 2003), 84.

4. CHANGES IN THE LAW TRIGGERED BY NATURAL DISASTERS

On May 18, 1934, a law on protective measures against fires and other calamities was promulgated in the Journal of Laws.⁴⁰ The act entered into force 6 months after its promulgation, that is on November 19, 1934. On that date, all provisions regulated by the said act were repealed.⁴¹ The act had a decisive influence on the residents, both of towns and villages. Natural disasters, which so often plagued Poland in the interwar period, and their consequences which ravaged the budget of the public were considerably mitigated, both in terms of their extent and the number of human tragedies.

Article 1 of the Act regulated the organisation of protection programmes to guard against fires and other natural disasters. It transpires from the cited article that the legislator imposed on both the fire service and the entire society the obligation to extend help to those affected by events which can be generically classified as “disasters”, enumerating only one case – fire. The intent of the legislator was to enumerate such cases which fall into the category of “disasters”, that is those which pose an equal threat to the life and property of the citizens. Since fire is a natural disaster, it should be noted that other catastrophes are also cases of *force majeure* whose destructive force can affect a number, larger or smaller, of people or their property. These would be: flooding, avalanche, hurricane, land subsidence, etc. Cases which threaten a particular area and cannot spread therefrom, for example the collapse of a house, are not disasters as construed by the law, hence the society would be exempt from the duty to provide help in the extent defined by the said act.⁴²

According to the Act, every Polish *gmina*, be it a municipality or a rural unit, should maintain its own fire brigade, at least one, depending on its demands and the number of residents. In *gminas* counting fewer than 40,000 inhabitants, a voluntary fire brigade shall be established except when such a brigade is insufficient relative to the local demand, the *gmina* is obliged to establish a compulsory fire service. For towns of more than 40,000 residents, the act imposed an obligation to maintain professional fire service. Moreover, the act provided for the creation of private fire brigades, to be maintained by certain undertakings, workshops or institutions. Finally, the act envisaged the establishment of district fire emergency service. These

⁴⁰ Act of 13 March 1934 on the protective measures against fires and other calamities, Journal of Laws No. 41, item 365.

⁴¹ J. KOWAL, “Ustawa o ochronie przed pożarami i innymi klęskami,” *Przegląd Ubezpieczeniowy* 2 (1934): 3–9 (a periodical devoted to insurance and economic issues, published by the Polish Association of Private Insurers).

⁴² *Ibid.*

units were created in order to secure the places where fire brigades were insufficient or none. The district emergency services were established by unions of several or a dozen gminas.

In this way, entire Poland was supplied with a network of well-organised fire fighting units, whose personnel and equipment would be enlarged as their revenue grew.

The members of fire brigades and fire emergency service, both voluntary and compulsory, performed their duties for free. Therefore, the establishment of voluntary or compulsory fire units did not pose any financial burden on particular gminas. However, a gmina was in charge of providing necessary protective equipment, making room for the emergency service and permanent fire duty, training and storage of technical equipment, as well as sufficient water supply for rescue actions.⁴³ The law secured many rights to fire brigades so that their operation would be as efficient as possible. These entitlements with respect to transport and passage authorised fire brigades to use both public and private transport to carry fire fighters and their equipment. Fire fighting units had the right of passage along all roads and through private land when travelling to the site of emergency. The drivers of fire engines were not obliged to respect speed limits, the rules of traffic at junctions as well as rules of passing and overtaking other vehicles, while people who were in the way were obliged to stand clear or stop and leave room for a smooth transfer of fire fighting vehicles. As signalled by the fire brigade, all barriers were to be raised. Fire brigade had a privilege of using all objects and machines that belonged to private individuals as long as these things or equipment were necessary for fire fighting or rescue action.⁴⁴ Moreover, every gmina resident had a duty to provide help and be involved in rescue and preventive actions in case of fires or other disasters. Aid and cooperation consisted in providing immediate help in extinguishing fires and combatting other calamities, giving first aid and taking care of victims in case of accidents, protection of property, and keeping daily guard over people's property, and keeping round-the-clock guard to prevent fires or other adverse events. The said obligation did not apply to disabled individuals, mothers of children aged up to 6, children aged up to 14 and persons aged over 60.

The act required also public-law insurance institutions and private fire insurance companies to allocate certain sums for fire prevention, whose amount would be determined annually by way of regulation. Their amount was calculated as percentage and depended on the gross sum of contributions collected by these institutions in the

⁴³ W. MEŻNICKI, "Na drodze do skutecznej walki z klęską pożarów," *Gazeta Gdańska* 153 (1934): 3.

⁴⁴ KOWAL, "Ustawa o ochronie przed pożarami i innymi klęskami", 3–9.

previous year towards fire insurance policies covering real estate and movables.⁴⁵ These costs constituted burden only for the insurers and were not to be transferred to the policy holders. They were mainly intended as subsidies for gminas. The allocation of subsidies for gminas depended on the local needs, their budget and then on the share of the sums earmarked for fire fighting in the gmina's own budget; this meant that the less wealthy a gmina was and the greater amounts it would allocate for fire fighting, the more deserving it was to be subsidised. Formulated in this way, the provisions of the act encouraged gminas to enlarge and upgrade the existing fire fighting base.⁴⁶ Another kind of expenditure covered by insurance institutions were the subsidies for unions of local government units at the *poviat* (county) level, whose role was to maintain professional organs which would ensure training, organisation and adequate mobilisation of fire brigades and emergency services in poviats. The costs of fire prevention to be borne by insurance institutions also included sums spent on *poviat*, voivodship and central organisation of fire brigades, as well as an advisory commission appointed to provide opinion on various regulations. The advisory commission included representatives of insurance institutions.⁴⁷

5. RESPONSE OF THE INSURANCE MARKET TO CHANGES IN THE LAW TRIGGERED BY MAJOR NATURAL DISASTERS

Before the act entered into force, dissatisfaction was voiced by private insurers. These undertakings, represented by the Association of Private Insurers in Poland, claimed that the contributions of those insurers towards fire protection were not justified. They argued that they were private/commercial establishments which assessed the fire risk of each town individually to calculate the amount of contributions. They also pointed out that fire protection was in the best interest of the general public, but only those who bore the cost of insurance must carry that burden which allowed the whole society to draw benefits from that. Further, the statutory dispo-

⁴⁵ For example, in 1935 public insurers were obliged to transfer the following shares of their earnings: Polish Mutual Insurance Institution (Warsaw) – 4% of compulsory contributions and 2% of voluntary premiums, Mutual Insurance Institution (Poznań) – 3%, private insurers – 1.25% each, calculated as a percentage of the gross sum of premiums, both current and outstanding, collected by these insurer in 1934 under fire insurance policies. See Regulation of the Ministers of the Interior and Treasury of 7 October 1935 on the sums contributed towards the costs of fire prevention for the year 1935, Journal of Laws No. 75, item 473.

⁴⁶ KOWAL, “Ustawa o ochronie przed pożarami i innymi klęskami”, 3–9.

⁴⁷ Ibid.

sition banning the transfer of those payments to their clients was irrelevant since these undertakings derived their income mainly from the collection of insurance premiums to cover their running costs. In consequence, sooner or later, they would be forced to raise their rates, which would lead to increased prices of insurance policies and cause the insurance market to lose its appeal, leading to further shrinkage of the already slim circle of insured individuals in Poland.⁴⁸ It was argued that the function of the compulsory character of the insurance system was to cope with the effects of natural disasters. However, for the coercive nature of insurance to achieve the intended purpose, policy holders must not be excessively encumbered while insurance plans must be cheap. The essential criterion for the offered insurance cover to be cheap is to have a relatively large pool of clients distributed over an adequately large area, enabling better compensations and fairer distribution of the burden of insurance while in compliance with the economic policy of the State, better reflecting the economic strength of the insured entities.⁴⁹ The most essential attributes of the compulsory system, that is the highest possible concentration of risks, pro bono activities and the cheapness of insurance, would be disturbed by having yet another tax payable by insured individuals in addition to stamp and turnover taxes.⁵⁰

In the opinion of private insurers, the expenses related to fire prevention, referred to in articles 39–40 of the Act on protective measures against fires and other calamities, should be borne by the Polish Mutual Insurance Institution. It was also argued that this duty belongs to PZUW because in return this institution is allowed to have monopoly in the area of fire protection. Therefore, no analogy could be traced between the status of PZUW and the circumstances of private insurance undertakings with respect to fire prevention since the funds raised from the collections would be allocated to the organisation of fire prevention in locations where this aspect was the most neglected, and such places are for the most part covered by PZUW. In industrial regions, where no PZUW monopoly was present, fire prevention was advanced and would not require any support using the assets from the fund created by insurers.⁵¹ It was indicated that private insurers would be subject to permanent lack of profitability of the fire department and the risk of liquidation, which compounded with the generally decreased popularity of insurance would reduce the earnings of the Treasury, with the source of money for fire prevention

⁴⁸ *Memorial w przedmiocie projektu ustawy o ochronie przed pożarami i innymi klęskami żywiołowymi* (Warsaw: Związek Prywatnych Zakładów Ubezpieczeń w Polsce, 1934), 2ff.

⁴⁹ E. MONTALBETTI, *O dalszy rozwój publicznych ubezpieczeń od ognia* (Warsaw: Drukarnia Matematyczna H. Zajączkowski, 1938), 23.

⁵⁰ KOWAL, “Ustawa o ochronie przed pożarami i innymi klęskami”, 3–9.

⁵¹ *Memorial w przedmiocie projektu ustawy*, 2ff.

drying up, not to mention the sources of livelihood for thousands of clerks together with their families.⁵²

The Act was also novel in that it imposed on gminas the duty to insure the members of their fire brigades against accidents occurring in connection with the performance of their duties.

Insurers, apart from the duty to hand over certain sums of money for fire prevention, they were obliged to reimburse the costs of a rescue action borne by the insured person if the salvaged property had a cover. Combined with the the sum of damages, they were not to exceed the sum of insurance. However, if the expenditure on the saved property was incurred as a result of instructions given by a representative of the insurer, this institution was obliged to reimburse it even if the sum of insurance was exceeded by the sum of the expenses and the claim. The insurer would compensate for the cost of transport, draught animals, rescue equipment or any other property which had been used, destroyed or damaged in the course of a rescue action. The insurer was also obliged to compensate for damage done to a property which was not exposed to the fire but used as storage space for the fire fighting or other rescue equipment.

Also, in order to defend their interests, private insurers argued that the provision requiring that the insuring institution refund the cost of rescue activities borne by insurers, should be included in an insurance law rather than a law regulating measures against fires and other calamities.⁵³ A departure from the legislative practice with respect to insurance was the extension of the insurer's liability for fire damage, that is the duty to pay a compensation for movables not covered by an insurance policy, whose kind, value or owner could not be determined. The introduction of the duty to pay damages for things used in fire fighting does not specify the upper limit of the insurance sum, that is the insurer's maximum liability, or the proportion of the value of the salvaged property to the value of the property which had no insurance cover.⁵⁴ It was rightly emphasised that there was a presumption in the insurance practice that the insurance cover depended on the will of the parties, whereas in case of a fire or other disaster the insurer was liable only for the destruction of objects covered by the contract with their kind and value precisely defined.⁵⁵ An insurer would be indemnified only in a situation when it was able to prove that the wear, destruction or damage to things occurred through the exclusive fault of their owner, or when

⁵² *Ibid.*, 5.

⁵³ *Ibid.*

⁵⁴ KOWAL, "Ustawa o ochronie przed pożarami i innymi klęskami", 3–9.

⁵⁵ *Memorial w przedmiocie projektu ustawy*, 6.

the wear, destruction or damage did not occur in connection with the protection of the said property against fire or other calamity.

On the basis of the above-mentioned provisions, the PZUW established the Prevention Bureau in 1935.⁵⁶ Its main responsibilities included the raising of public awareness in respect of home construction by getting rid of thatched roofs, the provision of assistance with restoration work following fires, and the performance of inspections of fire safety standards of buildings and fire-fighting equipment as required by statute, as well as providing water supplies by building tanks and other water equipment.⁵⁷ PZUW also granted long-term loans for fire-proof cladding.⁵⁸

In 1936, the position of Director was assumed by Bronisław Ziemięcki, succeeding Władysław Strzelecki, the former Minister of Labour and Social Welfare, who died on December 12, 1935.⁵⁹ Ziemięcki presented the view that the insurance system should not be only profit-oriented, but its pillars should be based social-economic activity combined with efficient and professional realisation of insurance tasks to benefit the policy holders. In his first speech after he assumed the position, Ziemięcki stated: "I am fully convinced that our approach to the matters dealt with by the Institution shall not be rigid and that the PZUW will fulfil its social mission; that, apart from regulations and figures, we will see the person, whom PZUW is expected to serve as a social institution."⁶⁰

⁵⁶ [no author indicated], *Sukces i renoma PZU. Odpowiedzialność społeczna*, accessed July 3, 2016, <https://www.pzu.pl/relacje-inwestorskie/spolka/odpowiedzialnosc-spoeczna>.

⁵⁷ M. SZCZĘŚNIAK, *Zarys dziejów ubezpieczeń na ziemiach polskich* (Warszawa: Przedsiębiorstwo Wydawnicze LAM Sp. z o.o., 2003, 217.

⁵⁸ For more on this, see "Komunikat Urzędu Wojewódzkiego Śląskiego Wydziału Oświecenia Publicznego z dnia 3 stycznia 1938 roku w sprawie zasiłków na ogniotrwałe krycie dachów publicznych szkół powszechnych," *Gazeta Urzędowa Województwa Śląskiego. Dział Administracji Szkolnej* 1 (1938): 17.

⁵⁹ Bronisław Ziemięcki (born January 27, 1885 in Vilnius, died February 22, 1944, in Warsaw), was a Polish politician, member of the Sejm of the first term in the Second Polish Republic. He was Minister of Labour and Social Welfare, he was Vice-President of the Association of Polish Cities, a member of the supervisory board of the Polish Mutual Insurance Institution. After stepping down as president of the city of Łódź, he returned to Warsaw, where he was appointed president of the Polish Mutual Insurance Institution. By profession, he was an technology engineer. He was fascinated by economics. On February 10, 1944, he was arrested by Germans and shot dead in a street execution on February 22 in the ruins of the Warsaw Ghetto, SZCZĘŚNIAK, *Zarys dziejów ubezpieczeń*, 324ff

⁶⁰ KNYT, *200 lat ubezpieczenia*, 88.

CONCLUSION

By way of summary, it should be highlighted that the Polish society and economy during the Interbellum were afflicted by the consequences of natural disasters. If we add to that the very hard and turbulent periods of economic growth as well as downturns in the economy caused by inflation and subsequently the World Crisis, Poland will appear as a country which had to grapple with various natural disasters or economic turbulences that claimed human lives and caused millions of zloty in losses. While crises and all kinds of fluctuations in economy could be predicted, nature was typically unpredictable, and the use of all, even the most sensible, preventive measures turned out to be unreliable.⁶¹ Nonetheless, the well-managed preventive policy, introduction of adequate regulations and their efficient enforcement enabled the interwar Poland to oppose the elements successfully by minimising their consequences. The awareness of the fact that humanity is unable to fully control the natural hazards triggered the introduction of many preventive measures. For example, the behaviour of avalanches and mudslides in the mountain areas came to be monitored, the snow cover was now measured, and in 1909 the Tatra Voluntary Emergency Service was established. The examination of potential flood risks and meteorological observations were carried out by two independent services, hydrological and meteorological ones, respectively.⁶² Finally, in 1934, a law was passed pursuant to which fire brigades and fire emergency service could function, partially funded by insurers, so that the citizens and their property and possessions might be protected as well as possible. The law was in force until as late as 1950, when the law on fire prevention and its organisation was enacted.⁶³

BIBLIOGRAPHY

SOURCES OF LAW

- Act of 13 March 1934 on the protective measures against fires and other calamities, Journal of Laws No. 41, item 365.
Act of 4 February 1950 on fire protection and its organisation, Journal of Laws No. 6, item 51.
Regulation of the President of the Republic of Poland of 27 May 1927 on mandatory fire insurance and on the Polish Mutual Insurance Institution, Journal of Laws No. 46, item 410.

⁶¹ KIENZLER, *Dwudziestolecie*, 8.

⁶² *Idem*.

⁶³ Act of 4 February 1950 on fire protection and its organisation, Journal of Laws No. 6, item 51.

- Regulation of the Ministers of the Interior and Treasury of 7 October 1935 on the sums contributed towards the costs of fire prevention for the year 1935, *Journal of Laws* No. 75, item 473.
- POWSZECHNY ZAKŁAD UBEZPIECZEŃ WZAJEMNYCH. *Sprawozdanie rachunkowe za rok 1934*. Warsaw: Wydawnictwo Powszechnego Zakładu Ubezpieczeń Wzajemnych, 1935.
- POZNAŃSKO-WARSZAWSKIE TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA W POZNANIU. *Sprawozdanie z działalności za rok 1928*. Poznań: Drukarnia Katolicka Tow. Akc. w Poznaniu, 1929.
- POZNAŃSKO-WARSZAWSKIE TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA W POZNANIU. *Sprawozdanie z działalności za rok 1929*. Poznań: Drukarnia Katolicka Tow. Akc. w Poznaniu, 1930.
- Sprawozdanie Kasowe Ogólnopolskiego Komitetu Ofiarom Powodzi. Wpływy i wydatki. W akcji pomocy ludności dotkniętej klęską powodzi za czas od: 20 lipca 1934 roku do 1 października 1935 roku*. Warsaw: Zakłady Graficzno-Intrologatorskie J. Dziewulski, 1935.
- Sprawozdanie Wojewódzkiego Komitetu Pomocy Ofiarom Powodzi za okres od początku akcji aż do 31 grudnia 1934 roku względnie do 31 stycznia 1935 roku*. Kraków: Wojewódzki Komitet Pomocy Ofiarom Powodzi, 1935.
- Sprawozdanie z działalności Ogólnopolskiego Komitetu Pomocy Ofiarom Powodzi za okres od początku akcji do dnia 1 października 1935 roku*. Warsaw: Zakłady Graficzno-Intrologatorskie J. Dziewulski, 1935.
- “Komunikat Urzędu Wojewódzkiego Śląskiego Wydziału Oświecenia Publicznego z dnia 3 stycznia 1938 roku w sprawie zasiłków na ogniotrwałe krycie dachów publicznych szkół powszechnych.” *Gazeta Urzędowa Województwa Śląskiego. Dział Administracji Szkolnej* 1 (1938): 17.

LITERATURE

- [no author indicated]. „Niebywale gwałtowny huragan.” *Tygodnik Polesie* 31 (1931): 4–5.
- [no author indicated]. „Rekordy klimatyczne w Polsce.” In *Instytut Meteorologii i Gospodarki Wodnej*, accessed July 5, 2016, <http://www.imgw.pl>.
- [no author indicated]. Sukces i renoma PZU. Odpowiedzialność społeczna, accessed July 3, 2016, <https://www.pzu.pl/relacje-inwestorskie/spolka/odpowiedzialnosc-spoeczna>.
- [no author indicated], *Zagrożenia okresowe występujące w Polsce*. Warsaw: Rządowe Centrum Bezpieczeństwa, 2010.
- DĄBROWSKI, Marian. “Trąba powietrzna w Lublinie.” *Tygodnik Ilustrowany Światowid* 31 (1931): 6–7.
- FAL, Barbara. “Powódź Tysiąclecia?” *Wiedza i życie – pismo o nauce* 10 (1997): 14–17.
- GRUNKE, Paweł. “Tęgoroczna powódź wiosenna.” *Słowo Pomorskie* 81 (1924): 3.
- GUMIŃSKI, Romuald. “Zima roku 1928/29 w Polsce.” *Przegląd geograficzny* 11. Warsaw: Polskie Towarzystwo Geograficzne, 1931.
- KIENZLER, Iwona. *Katastrofy i klęski żywiołowe, Dwudziestolecie międzywojenne* 40. Warsaw: Bellona, Edipresse Polska, 2014.
- KLUSEK, Wojciech, and Ewa PAJURO. “Największa nawałnica w historii Polski przeszła nad Lublinem.” *Kurier Lubelski*, July 21, 2011. Accessed July 5, 2016, <http://www.kurierlubelski.pl/artukul/430028,najwieksza-nawalnica-w-historii-polski-przeszla-nad-lublinem,id,t.html>.
- KNYT, Agnieszka. *200 lat ubezpieczania 1803-2003 geneza powołanie czas*. Warsaw: Wydawnictwo Karta, 2003.
- KOWAL, Józef. “Ustawa o ochronie przed pożarami i innymi klęskami.” *Przegląd Ubezpieczeniowy* 2 (1934): 3–9.
- [no author indicated]. Memoriał w przedmiocie projektu ustawy o ochronie przed pożarami i innymi klęskami żywiołowymi. Warszawa: Związek Prywatnych Zakładów Ubezpieczeń w Polsce, 1934.
- MĘŻNICKI, Witold. “Klęska powodzi na Podhalu.” *Gazeta Gdańska* 158 (1934): 1.
- MĘŻNICKI, Witold. “Na drodze do skutecznej walki z klęską pożarów.” *Gazeta Gdańska* 153 (1934): 3.
- MONTALBETTI, Edward. *O dalszy rozwój publicznych ubezpieczeń od ognia*. Warsaw: Drukarnia Matematyczna H. Zajączkowski, 1938.
- PIENIAŻEK, Kazimierz. “Katastrofalny huragan przeszedł nad Lublinem. Straszliwe skutki trąby powietrznej.” *Ziemia Lubelska* 195 (1931): 1.

- PIENIĄŻEK, Kazimierz. "Obliczanie strat spowodowanych żywiołową katastrofą w Lublinie." *Ziemia Lubelska* 196 (1931): 1.
- POTURALSKI, Józef. "Dni mrozu." *Gazeta Morska* 9 (1929): 1.
- POTURALSKI, Józef. "Fabryka Stetysz spłonęła." *Gazeta Morska* 9 (1929): 2.
- POTURALSKI, Józef. "Ogromne zatopy lodowe w Zatoce Gdańskiej." *Gazeta Morska* 10 (1929): 5.
- SKRZYCZYŃSKI, Wilhelm. "Okolo 500 budynków padło ofiarą huraganu w jednym powiecie." *Słowo Polskie* 190 (1928): 2.
- SZCZĘŚNIAK, Marian. *Zarys dziejów ubezpieczeń na ziemiach polskich*. Warsaw: Przedsiębiorstwo Wydawnicze LAM Sp. z o.o., 2003.
- SZELICHOWSKI, Stanisław. *Dzieje polskiej motoryzacji*. Łódź: Księży Młyn Dom Wydawniczy, 2012.
- Zasoby wodne w dorzeczu górnej i środkowej Odry w warunkach suszy*. Ed. A. Dubicki. Instytut Meteorologii i Gospodarki Wodnej Atlasy i Monografie, 2002.

THE IMPACT OF MAJOR NATURAL DISASTERS ON THE SYSTEM AND THE INSURANCE MARKET IN THE INTERWAR POLAND

Summary

The article is an attempt to present the problem of natural disasters and their influence on the economy and the functioning of the insurance market during the interwar period in Poland. The Author reveals the picture of Poland grappling with a number of challenges such as the unification of the legislation or rebuilding of the economy deteriorated by the war. The country had to increase its expenditure in the aftermath of natural disasters. Poland is presented as a state that had to cope with disasters and various economic turbulences every three years on average. As early as in 1921, the whole territory of Poland was struck by scorching heats resulting in huge losses in its economy, especially in agriculture. Mid 1920s was a period of raging inflation but also a struggle with the flood, which had been the greatest natural disaster in the territory of Poland in over three centuries. The years 1926–1929 were the heyday for the Polish economy, yet Poland suffered the first signs of an economic breakdown in 1929. In the summer of 1928, it had faced a tornado that destroyed houses, obliterated forests and claimed the lives of many. A similar occurrence was recorded in 1931 in the area of Lublin, where a hurricane of unprecedented force ravaged the land. The turn of the year 1929 went down in the history of our nation as the winter of the century. Another flood ravaged Poland in 1934, when the country had not yet fully recovered after the economic collapse caused by the Great Depression. The flood caused losses exceeding 84 million zloty. The Author also presents changes in the legislation of that time forced by the disasters and, above all, the law concerning prevention of fire and other natural disasters. It was a law which owing to the support of insurers enabled fire brigades and fire fighter units to develop so that the general public and its property could be safeguarded against disasters in the future.

Key words: natural disasters; interwar period; insurance market; history of insurance.

Translated by Tomasz Pałkowski



The preparation of the English version of *Roczniki Nauk Prawnych (Annals of Juridical Sciences)* no. 2 and its publication in electronic databases was financed under contract no. 753/P–DUN/2017 from the resources of the Minister of Science and Higher Education for the popularization of science.