could assure availability of insurance and make those rate and exclusion clause modifications discussed above.

Even under existing laws, some federal action is possible. One federal solution might take the form of the Federal Flood Insurance Act of 1950.[69] Although the Congress appropriated no money for the program, it is illustrative of a joint federal-state subsidy of insurance: the act provided for the establishment of a disaster insurance fund, composed of the assureds' premium payments and state and federal contributions, from which payments for losses were to be made.[70] The same reasons underlying passage of the Federal Flood Insurance Act are applicable to civil demonstrations. In both cases there are potential ruinous losses, the losses affect only a limited area, and these limited areas can be determined in advance with some degree of accuracy.

The federal antitrust lads, made applicable to the business of insurance by the McCarran-Ferguson Act,[71] might be used to prevent agreements among insurers not to insure property in civil demonstration areas. However, a recent case involving agreements not to insure illustrates the limitations of this approach.[72] The case involved alleged agreements not to insure the plaintiff property owner against loss from fire. It was held that the antitrust laws were not violated, since the effect upon competition in this instance was minimal.[73] By way of dicta, the court stated that in light of the plaintiff's previous susceptibility to fire loss and the insurers' obligations to their policy holders, refusal to insure the plaintiff was not unreasonable.[74] Because of the very high risk involved in insuring property susceptible to civil demonstration damage, insurers may very well be acting reasonably in refusing, even concertedly, to insure in such high risk areas.

In conclusion, the authors submit that a legal analysis of a "Watts-type" outburst by a court may well lead it to the conclusion that such an outburst constitutes an insurrection. The upshot is that insurance policies now available do not provide protection against civil demonstrations such as occurred in Watts. To afford such protection to property owners, we must look to the states, since federal activity in insurance regulation is curtained by McCarran-Ferguson, and because insurers are limited largely to suggestion. The authors feel that the optimum solution which can be afforded by the states would be the establishment of state-administered fire insurance assigned risk plans, with policies clearly covering loss due to civil demonstrations.

Civil Disobedience and Riot Damage—Current Liability and the New Immunity Statute

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(By Jack M. Siegel)*

INTRODUCTION

The events of the past year have more than ever before made the entire civil rights area a matter of vital concern to local governments. Recourse to the streets to promote or oppose the objectives of the "civil rights revolution" has produced violence and threats of violence beyond the experience of most municipal officials.

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[69] 70 Stat. 1078 (1956), 42 U.S.C. §§ 2401–21 (1958).

[70] Actual premium rates could be less than the rates estimated to be adequate to fund the program, but in no case could a policy premium be less than 60% of the estimated rate. Each participating state would have been required to pay one half of the difference between the actual rate and the estimated rate; the federal government would have paid the other half. The latest proposal for federal aid to victims of flood damage is the Disaster Relief Act of 1965, S. 1861, 89th Cong., 1st Sess. (1965). This program would provide an indemnity against loss resulting from major disasters. The federal government would pay 50% of the loss, the state would pay 25% of the loss, and the property owner or business concern would assume the remaining 25%.

[71] 59 Stat. 33 (1945), 15 U.S.C. § 1012 (1964).

[72] Ruddy Brooks Clothes, Inc. v. British & Foreign Marine Ins. C., 195 F. 2d 86 (7th Cir. 1952).

[73] Id. at 90.

[74] Ibid.

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