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C E N T R E  D E  D R O I T  D E S  O B L I G A T I O N S

# The insurance contract law provisions of the law on insurance of the Republic of Latvia

## Some critical observations

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# THE INSURANCE CONTRACT LAW PROVISIONS

# OF THE LAW ON INSURANCE

# OF THE REPUBLIC OF LATVIA

## Some critical observations

During our recent mission to Riga, it appeared that Latvia did not have any current plans to modify the rules on insurance contract law that are included in the 1992 Law on Insurance currently in force. Such reform should however be undertaken in a not too distant future, as the current rules are clearly insufficient, though they already state most of the general principles correctly.

The present note intends to provide a first critical commentary on the existing rules, which could be a starting point for a discussion on the preparation of a new draft. The note is structured with a view to single out the main issues of insurance contract law. On each item a brief comparative overview is given on the problems at stake and the main types of solutions found in different countries, followed by references to the Latvian Law provisions on the subject, and pointing out possible gaps or deficiencies.

If Latvian authorities intend to go further, each topic should naturally be re-examined in a much more thorough way. We have a large documentation on comparative law solutions (including a computerized data-bank covering insurance contract laws of 23 countries), and much more can usually be said about the different problems involved. Again, this note is only meant as a starting point.

During our mission in Riga Ms NEUHAUS also gave a draft in the German language on both contract and supervision law that had been initially prepared for the USSR by Prof. Reimer SCHMIDT and herself, but was not accepted by Moscow authorities. It is not referred to in this document as we still do not have a copy of it.

Finally we want to stress that in spite of the respective peculiarities of each of the Baltic States, there would be distinct advantages to attempt to adopt similar pieces of legislation. Estonia and Lithuania

are already working on drafts which present some similarities, and we would like to encourage Latvia to have the advantages of harmonisation in mind when it will also envisages the drafting a new law.

We will first express some general observations about the Latvian Law (I), before examining the different specific aspects of insurance contract law (II).

## I. General observations

### 1. A Single Law

The 1992 Latvian Law on Insurance covers both insurance contract law (art. 1, 4, 5, 8-13 and 15) and supervision rules (most other provisions). This is a usual feature of many of the laws of insurance appeared in Eastern and Central Europe in the past few years.

When a reform is envisaged, it would be advisable to separate the respective provisions. Supervision regulation belongs to public law, and it addresses insurers; it is subject to frequent modifications. Contract law is private law, and it mainly concerns the relationship between the insurer and the insured; it is of a more stable nature (in several countries, it is even included in the Civil Code).

### 2. A Very Concise Law

The contractual provisions of the Law are often extremely laconic, making it at times more a statement of principles than a real regulation of the different problems. This will be examplified in many instances below. A future Law should certainly be more detailed.

### 3. A Good Degree of Consumer Protection

In the past insurance contract law was very liberal. In general, its provisions were not mandatory, and allowed contractual deviations in the general conditions drafted by insurers. This had advantages as it provided the necessary flexibility for the adaptation of conditions to the development of insurance practices, but it also permitted insurers, most often the stronger party in the insurance

relationship, to impose all sorts of clauses that enabled them to refuse payment in as many cases as possible, thus upsetting the equilibrium of the contract.

Starting with the German insurance contract law of 1908, most countries have gradually enacted mandatory rules that would protect the consumer against such unfair clauses. The movement became very active in the recent decades, with the development of consumerism. Sweden even has a special law on Consumer protection in insurance. Major recent pieces of legislation are the Spanish law of 1980 and the Belgian law of 1992; the French Insurance Code has also been substantially modified in recent years, and important drafts are pending in the Netherlands and Luxembourg. The idea is to impose a set of rules that will enforce a fair balance between the legitimate interests of both parties, from which general conditions cannot deviate.

Naturally there can be different levels of consumer protection. All sorts of techniques can be used, with different intensities, to protect the interests of either party in a contract, and is a political choice to decide what will be considered as the "right" equilibrium. Some countries, like Sweden, are very much consumer-oriented. Others, like England, far less. Consumer protection diminishes the income of insurance companies, so one could think there should not be too much of it if the priority is to develop the insurance sector. On the other hand, too little protection can ruin the consumer's trust in the insurance business, and finally be equally detrimental to it.

In a country like Latvia where the insurance sector is in its early stages of development, it is obvious that the current priority should not be to adopt an avant-garde system of consumer protection, but a fair one. We feel that the current law goes into the right direction. Several provisions demonstrate an obvious concern for the interests of the consumer. In particular, art. 5-4° imposes prior approval of polices by Supervision authorities, a system that has just been abandoned in the UE but which it is advisable to keep in Latvia under present conditions. Art. 11 is ostensibly inspired by consumer protection. Art. 13-1° prohibits all contractual terms that would put the insured in a worse position that that provided by Latvian legislation.

## 3. Voluntary and Compulsory Insurance

Some classes of insurance are made compulsory by law. The main example is third party motor insurance. Much could be said about

compulsory lines of insurance, the reasons for establishing them and the techniques for making them workable. We only want to point out an aspect that is often perceived in different ways in Eastern and Central Europe than in the West. It is often considered that compulsory insurance is entirely regulated by law, and that the law on insurance contract does not apply to them. On the contrary, the Western conception is that even though concluding the insurance is made compulsory by law, and the law contains more or less detailed provisions about the contents of that insurance, it still rests on a contract concluded betwen the insured and an insurer, subject as such to the provisions of insurance contract law.

The Latvian Law, at its present stage, does not exclude anything. Art. 1 merely states that the classes of obligatory insurance are determined by a specific law, leaving it open whether they will still be subject to the general provisions of insurance contract law - which we feel should be advisable.

## 4. Reinsurance, Transport Insurance

Art. 7 sets certain rules about reinsurance. It is suggested that a future law on insurance contracts should exempt reinsurance from the application of its mandatory provisions. The counterpart of a reinsurer is a professional insurer, who does not need the special protection granted to the insured in the primary contract. In most countries, total freedom of contract applies to reinsurance.

The same could be provided about transport insurance, usually subscribed by experienced businessman, and often of an international character. Exceptions could be made for such transport insurance that concerns private consumers (e.g. in case of removals).

## 5. Main Subdivisions of Insurance Law

Two main types of insurance contracts must be distinguished, with important consequences. The distinction rests upon the nature of the insurer's obligations in case an insurance event occurs. In some cases ("sum insurance"), the insurer simply pays the sum which was agreed upon at the conclusion of the contract, without asking for any justification of the loss actually experienced. This is applicable to life insurance and other forms of "personal insurance". In other cases, the insurer only indemnifies up to the limit of the

loss that can be justified. This system, which governs "damage insurance", has developped from the earliest times of insurance; it rests on the "principle of indemnity", which prohibits the insured from getting any enrichment out of the insurance contract. The underlying rationale is the danger of voluntary losses should the insured be allowed to benefit from them.

This distinction is apparent in the definition of "Insurance Compensation", before Art. 1. Some of its consequences are developped further (see below, under "Rules Specific to Damage Insurance" and "Rules Specific to Personal Insurance"). A future law would gain by using this basic distinction as a main element of its structure, distinguishing the rules applicable to all types of insurance and the rules specific to either damage or sum insurance.

Damage insurance is itself subdivided into property and liability insurance. In developped insurance markets, the latter has known an extraordinary expansion (much beyond motor insurance), and provision should be made for it. The Latvian Law, contrary to some other laws of Central and Eastern Europe, has the merit to acknowledge the existence of liability insurance : see the definition of "Insurance Amount", as well as Art. 2-3° and 4°. A future law could devote a few provisions to some specific aspects of liability insurance.

## II. Particular Issues

### A. General Rules

#### 1. Conclusion of the Contract. Entry into Force

It is extremely important to determine the precise moment when a contract of insurance is concluded, since normally, insurance events are covered only after that moment (however a special clause can postpone the beginning of the coverage).

In Western countries, contracts in general are concluded by a mere agreement between the parties; they are put in writing only to provide the necessary evidence, and this often also applies to the insurance contract.

In countries where the conclusion of insurance contracts has not become a routine operation, where much uncertainty prevails over their content, and where there is a high risk that the policyholder will not pay the required premium, it is probably advisable to provide that the contract must be concluded in writing, and will come into force only when the first premium is paid.

This seems to be the system organized by Art. 5-2° par. 1 and Art. 5-3° of the Law, but those provisions could be phrased with more precision.

However it is important to allow for the rapid issuance of temporary covers, quite usual in motor insurance and some other sectors. This seems to be permitted by the phrase *"unless otherwise specified by the insurance contract"* in Art. 5-3°.

The Law rightly specifies the contents of the insurance policy (Art. 5-2° par. 2). Consumer protection is well-served by the requirement that the policy must be *"comprehensible"*. We have already commented of the prior approval of insurance policies by the supervisory authorities (Art. 5, 4°).

A more detailed law could set some rules about the legal value of the proposal form and other preparatory documents. Many countries have such rules.

## 2. Risk Description

The insurance contract is aleatory, and the insurance business can survive only if the insurer can adequately calculate the premium required to cover each risk. It is thus extremely important that at the conclusion of the contract, the insurer is informed of all circumstances that are relevant for appreciating whether the risk can be covered, and if so, at what price.

It would be impractical for the insurer to examine each single risk through its own investigations (though this may be done for some large risks). Since the necessary information is normally available to the future policyholder, the laws of most countries organize the transfer of that information to the insurer. However, different systems exist, more or less demanding on the insured.

The strictest system obliges the future policyholder to declare all relevant circumstances spontaneously; if it turns out that some information was withheld, or inaccurately provided, even in good

faith (error, absent-mindedness, ...), the contract is void (which means losses that may have occurred are not covered).

More generally, recent legislation restricts avoidance of the contract to cases of bad faith, and sets up more flexible consequences otherwise : in many cases, the contract can simply be adapted (e.g. higher premiums); if a loss has occurred, it can be at least partially covered.

Another way of alleviating the future policyholder's burden to describe the risk is to decide that he has fulfilled that obligation if he has correctly answered all questions put to him by the insurer (the so-called "questionnaire system").

All of this represents a major chapter of insurance contract law, which has had important developments in most countries.

The Latvian Law covers the subject in three separate provisions (which should be better related). Art. 5,-1° par. 2 states that *"the insured shall present truthful information on the insurance object"* , while Art. 10-1°-1 provides that *"the insured shall ... report to the insurer on all relevant circumstances at the conclusion of a contract"* . It should be sufficient to state the rule once, if only to avoid possible problems of interpretation between two different statements of the same obligation.

As far as consequences are concerned, Art. 12-5° allows for premature cancellation of the contract if ... *"the insured has intentionally presented false information on the insurance object, in order to conceal the size of the insurance risk"*. This does not seem to be very satisfactory. If "cancellation"(as it appears in contrast to "nullity") works only for the future, this would mean a loss occurred before discovery of the fraudulent misrepresentation would still be covered. Also, no rule is given for cases when the insured has acted in good faith when not delivering the relevant information. A future law should provide for the fate of losses and of the contract itself in such circumstances; possible solutions have been sketched above, and more precise models could be given.

## 3. Risk Modification

It is important for the insurer to be well informed of the risk when concluding the contract, but the same is true if the risk increases later (e.g. inflammable products are introduced into the insured premices). This is the subject of another traditional chapter of

insurance contract law. It usually obliges the policyholder to declare significant risk increases (which has to be defined) to the insurer, who can then adapt or cancel the contract, depending on the circumstances. Rules must determine to what extent losses are covered that have occurred before the insurer's decision on the contract. Sanctions must be provided in case the policyholder fails to declare a risk increase.

The Latvian Law allows the insurer to increase the premium (Art. 8) or to cancel the contract (Art. 12-4°) in case the risk increases, and also to cancel the contract if the insured refuses to pay the increased premium (Art. 12-6°).

Such rules go into the right direction, but we have two main observations. First, nothing is said about the insured's obligation to declare risk increases. Then this system seems to be limited to risk increases due to the policyholder's activity (Art. 8, 12-4°), which is not sound from an actuarial point of view : in order to ensure the constitution of adequate technical reserves, the insurer should be able to increase the premium or cancel the contract in all cases of significant risk increases, including cases outside the insured's control (e.g. increase in the criminality). We have been told this has been an issue in Latvia. In our opinion, the fact that the insured cannot do anything to prevent the risk from increasing is irrelevant. The rules on risk increase are not meant to impose certain types of behavior on the insured, but to ensure adequate premium calculation, i.e. ultimately the insurer's solvency, a concern for both parties.

As usual, several models could be provided of rules covering the different aspects of the problems involved.

## 4. Premium

Payment of the premium is the policyholder's main obligation. It is normally stated in the law, and some specific rules can cover such practical problems as when the premium has to be paid, where it has to be paid, by whom and to whom, when the payment is considered as effective when it is made by bank transfer, etc...

Especially sensitive are the remedies available to the insurer when the premium is not duly paid. The policyholder must bear some consequences when he fails to pay the premium, but the sanctions may not be disproportionate, and should come after some warning. It should not be possible, for instance, that coverage would be

automatically lost the very first moment a premium due is not paid in time. All modern laws on the insurance contract set some mandatory rules to control the way remedies for failure to pay the premium are carried out.

The Latvian Law obliges the insured to pay the premium on due date (Art. 5-1° par. 2), and specifies it is in principle to be paid in the same currency as insurance benefits (Art. 8). It allows the insurer to cancel the contract when the insured has failed to pay a premium due (Art. 15-8°).

This is right but largely insufficient. It should be complemented with rules about the different problems mentioned above (time and place of payment, etc...). The insurer's right to cancel the contract should also be organized : for instance, it could be provided that the insurer should send a previous notice to the policyholder, calling his attention to his default and stating that the insurer reserves the right to cancel the contract if payment is not made within a short period (such as two weeks); the law could specify the form of cancellation and the precise moment it is effective; it could also envisage the reactivation of the contract in case of late payment.

## 5. Insured's Obligations in Case of Loss

Traditionally the occurrence of an insurance event subjects the insured to two obligations : he must attempt to mitigate the loss and notify it rapidly to the insurer. These two obligations are usually stated in insurance contract laws, as well as the consequences of failure to act accordingly. This is another field where contemporary statutes attempt to prevent disproportionate remedies; too often in the past policies enabled the insurer to refuse payment for the slightest failure to perform either of these obligations (e.g. in case the loss was notified 8 days afterwards instead of 7). The most common solution is to restrict the sanction to a reduction of the insurance benefit up to the loss actually suffered by the insurer in consequence of the breach.

Another common rule is that the insurer will bear the costs of reasonable mitigation measures taken by the insured.

The Latvian Law merely states the two obligations in Art. 10-2°-3) and 4). A future law should also deal with the costs of mitigation, and with the problem of sanctions.

## 6. Settlement of the Claim

A frequent complaint against insurers concerns the time it takes to be paid after the occurrence of a loss. This is especially painful as the payments are expected to remedy the often critical situations into which the loss has put the insured or the victim. On the other hand, an insurer cannot pay before having verified that the conditions for coverage are present, and before the amount of the loss has been properly established.

Insurance contract laws often try to conciliate the different interests by obliging the insurer to pay rapidly when all the necessary information has been gathered, but also by providing for the payment of advances under certain conditions.

In the Latvian Law, the insurer's obligation to pay is stated in Art. 1 and 5-1°. Art. 10-1°-3) obliges the insurer to *"request and aggregate the approving documents of the insurance event"*, steps that are necessary prerequisites to payment of the insurance benefit. Art. 11, read *a contrario* (this provision is phrased in a curiously negative way), obliges the insurer to "verify" the insurance event before deciding whether to cover it or not (this seems to be fairly obvious), to investigate all available information before refusing to pay, and to pay *"within a reasonable time"* after having received evidence of the damage. Again, these provisions are in principle adequate, but a future law could make them more precise and complete. What is a "reasonable time" could be better specified, and the possibility of advance payments should be organized.

## 7. Exclusions

Insurance contract laws usually contain provisions that exclude coverage of losses caused either by certain types of behavior of the insured, or by events of a catastrophic nature.

Losses caused intentionally must naturally be excluded, as they are everywhere. Some countries also exclude "gross negligence". Other types of negligence are usually covered (in liability insurance, the main risk covered is precisely the insured's negligent behavior). It must be added that legal systems vary as to their acceptance and definitions of various degrees of negligence.

In the Latvian Law, the insurer will not pay *"if the insurance incident has set in as a result of crime, committed intentionally by*

*the insured or the third person (beneficiary)"* (Art. 11-4°). No exclusion, on the other hand, appears to be provided in case of gross negligence. Latvia does not stand alone with such a solution, but the problem should be discussed when preparing a new law. In an insurance market where standards of behavior are still uncertain, it could be important to discourage gross negligence by making it a cause for exclusion.

The exclusion of catastrophic events concerns losses caused by wars, riots, some other forms of violence, natural catastrophes and often also nuclear energy. Such losses have a cumulative nature, and their coverage exceeds the normal capacity of an insurer. Insurance contract laws usually exclude some of those risks. The provisions, however, are seldom mandatory : with adequate premiums, specific coverages do exist, and they should be permitted.

No provision concerns catastrophic risks in the Latvian Law. It is certainly a gap to be filled by a future new law.

## 8. Duration of the contract

In the past duration of an insurance contract was normally left to the freedom of contract. This enabled insurers to impose long-term contracts (10 years, 20 years), usually subject to tacit renewals for further equivalent periods.

The recent evolution has been to restrict the duration of insurance contracts, to shorter durations of a few years, sometimes even one year (or to give each party a yearly cancellation right). This is a very effective way to increase competition between insurers, and thus to improve the insured's position towards his insurer.

The Latvian Law provides for different cases of early cancellation (Art. 12) and nullity (Art. 13) of the contract, but it does not say anything about its normal duration, thus leaving it to freedom of contract. We feel there should be a rule to prevent excesssive duration, but it should still allow for contracts of a few years; in an emerging market, insurers need some stability to ensure regular growth.

9. Limitation of Claims

Insurance contract laws often contain specific rules about limitation of claims deriving from an insurance policy : specific periods (often shorter than standard ones), also particular causes for interruption or suspension of the limitation time. One concern is to prevent insurers from imposing an excessively short time-bar for claiming the indemnity.

Nothing is said about limitation of claims in the Latvian Law. It could be considered for a future new law.

10. Coinsurance

Provisions on coinsurance appear in many statutes. The Latvian Law mentions it in Art. 5-6°. A more elaborate rule could specify the part played by the leading insurer, sometimes a cause of difficulties.

B. Rules Specific to Damage Insurance

1. Indemnitary Principle

It has been recalled that two main types of insurance contracts must be distinguished, depending upon the nature of the insurer's obligations in case an insurance event occurs. In some cases, such as life insurance, the insurer simply pays the sum which was agreed upon at the conclusion of the contract, whilst in other cases, the indemnification is limited to the loss that can be justified. The latter system, which governs "damage insurance", rests on the "principle of indemnity", which prohibits the insured from getting any enrichment out of the insurance contract. Any law on insurance contracts must provide for certain rules enforcing the principle of indemnity in damage insurance. Not only must indemnification be limited to the actual and justified loss (but there can be some flexibility, mainly to accept replacement value insurance), but excessive coverage through over-insurance or multiple insurance should be prohibited, and the insured may not collect both the insurance indemnity and the indemnity that could be due by a liable third party : the claim to the latter indemnity goes over to the insurer who has paid the insurance compensation.

In the definition of "Insurance compensation", the Latvian Law rightly refers to *"compensation of losses"* for classes of insurance other that life, accident and health. The principle of indemnity is further expressed in Art. 9-2°, which states that *"The insurance compensation for classes of property and civil liability insurance shall not exceed the losses suffered by the insured"*. A future new law should confirm this, but also state the conditions under which replacement value insurance can be accepted.

Other consequences of the principle of indemnity are examined in the following paragraphs.

## 2. Over-insurance, Multiple Insurance

Since its early times, the law of damage insurance has forbidden two ways of getting excessive coverage, over- and multiple insurance. In both cases, a piece of property is insured for a value superior to its real value, the first time with a single contract, the second time with two or more contracts that can be concluded with different insurers. Such situations create a risk of enrichment, i.e. temptations to provoke the loss.

Most laws have provisions on both varieties. Bad faith and good faith are often distinguished. In the former case, nullity is a usual sanction. In the latter case, it is enough to provide for reduction of the excessive coverage, but this is easier with over-insurance (a single contract is involved) than with multiple insurance (where rules must determine which contracts will be reduced or cancelled; different systems are available). In multiple insurance, it is also necessary to decide who will bear losses occurred before the reductions or cancellations have taken place.

The Latvian Law prohibits over-insurance in Art. 9-1°, but fails to determine the consequences. Multiple insurance is dealt with in Art. 9-3°, which covers the situation when a loss has occurred, but does not tell what to do with the different contracts otherwise (on multiple insurance, also see Art. 9-4° and 10-2°-2). Obviously, a future new law should again be more elaborate.

## 3. Under-insurance

The opposite of over-insurance is under-insurance : the insurance amount is inferior to the value of the insured property. This

situation creates no risk of enrichment, and there is no reason to forbid it; a policyholder may decide to bear part of the risk himself. However, since the insurer will receive a premium calculated on the underestimated value, it can only cover part of the losses. The so-called "proportional rule" applies : in case of under-insurance, the indemnity will be in the same ratio to the loss than the insured value was to the insurable value.

Example : A house worth 1.000 is insured for 800. In case it is totally destroyed, the insured will receive 800. In case it is half destroyed, the insured will receive 8/10th of the loss, i.e. 400.

Most insurance contract laws have a provision that applies the proportional rule to under-insurance, often allowing for some contractual deviations.

The Latvian Law has no rule on the subject, an obvious gap to be filled in a future new law.

## 4. Subrogation

It can happen that the loss was caused by a third party who bears liability for it. In damage insurance, however, the insured cannot be indemnified twice, once by his insurer and once by the third party. This would be against the "principle of indemnity". A very general rule is that the claim the insured may have against a third party goes over automatically to the insurer at the moment the latter indemnifies the insured.

This is provided in Art. 15 of the Latvian Law. A more detailed provision could state that such subrogation does not take place when the liable third party is a close relative of the insured, unless the damaging act was intentional.

## 5. Transfer of the insured property

When an insured property is transferred to another person (sale, donation, etc...), the original owner loses his insurable interest, and the contract normally comes to an end. It is up to the new owner to provide for his own insurance. However, some laws organize a temporary survival of the first insurance to the benefit of the new owner in case he has not concluded a new contract yet. The idea is to prevent any gaps in insurance coverage, which would be detrimental not only to the new owner, but also to the public interest.

The Latvian Law has no provision on the subject. Whether or not a future law wants to organize such temporary survival of the policy, it should explicitly state the consequences of change of ownership of insured property, a very frequent phenomenon.

C. Rules Specific to Personal Insurance

Personal insurance, where the principle of indemnity must not apply, is subject to a very different regime : when the insurance event occurs, the insurer simply pays the insurance amount, without asking for any justification of the actual loss, over- and under-insurance have no meaning (since the insurance amount can freely be determined), multiple insurance is allowed, the beneficiary can benefit from the indemnity that may be due by a liable third party beside the insurance sum paid by the insurer and the insurer is not subrogated.

This can be stated in a chapter devoted to personal insurance. It can also be omitted if the opposite rules have been clearly described as applying only to damage insurance.

D. Rules Specific to Individual Types of Insurance

A law on the insurance contract can limit itself to general rules applicable to all contracts or to the main categories of insurance, damage insurance (property and liability) and personal insurance. The vast variety of individual types of insurance can simply be subject to those general rules, and the necessary specific conditions be left to contractual freedom.

There are arguments for such a system. Individual types of insurance are extremely numerous and subject to rapid evolutions; new types appear constantly. Attempts to regulate them all can never be fully successful, and may hinder the necessary flexibility.

However it may be useful to set a few rules for some important types of insurance (such as fire or life insurance), sometimes to impose mandatory solutions to problems where abuses have appeared, sometimes to give a practical, non-mandatory solution (such as a definition) where problems of interpretation can occur.

Some countries are content with general provisions, some go very far into regulating individual types of insurance, most take an

intermediate and often empirical position, with certain sets of rules for important branches, or branches with particular difficulties.

We feel the first step for a country like Latvia should be to adopt a good set of rules on the general principles of insurance contract law. Adding chapters on some specific lines of insurance could come at a later stage, in order not to delay the urgent process of having a sound basic legislation.

Motor TPL insurance is a special case. In the different countries, it is usually governed by a special law, as its regulation must cover many very specific aspects. It is clearly a priority for Latvia to adopt such a regulation, and we are aware a draft law is under consideration.

## Conclusion

The 1992 Latvian Law on Insurance contains provisions that already state most of the main principles of insurance contract law, but the provisions are extremely brief, and several gaps are apparent. The above observations are meant to suggest orientations that could be taken in preparing a new law. We are ready to provide documentation and to offer more detailed analyses if it is felt to be useful.

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