

§ 122. Pawnbrokers.

A pawnbroker has an interest to insure things held by him in pledge; for he is liable (in the Province of Quebec and in France) even for *faute légère*; but if insured, though there may have been *faute légère*, he will recover the sum insured. Goods in pawn are generally required to be insured as such.¹

§ 123. Innkeepers.

An innkeeper can insure to cover the value of his own and traveller's goods; for if traveller's goods be lost in the inn, or damaged, they are presumed to have been so through the negligence of the innkeeper who must pay.²

§ 124. Agents.

An agent insuring ought to say for those interested, for whom it may concern; for otherwise he may not be able to recover the amount insured. How can he in his own name, having lost nothing? Where he has a lien he may perhaps claim indemnity to the extent of it. It was held in the case of *Cusack v. Mut. Ins. Co. of Buffalo*³ when an agent claims indemnity he will have to declare his interest.

The *negotiorum gestor* may insure but ought to state his quality.

Where an insurance is effected by A as agent for B, nobody is insured but B. If he have no interest at the time of the loss he cannot recover.⁴

An agent may insure simply "as agent." It may be shown afterwards who was principal; but there must not be fraud.⁵

§ 125. Consignees.

An ordinary consignee having a beneficial interest may insure for the benefit of the owner, though a naked consignee, being a mere agent of the consignor, cannot do so, as he can suffer no damage from the loss, as *e.g.* commission. Only in his principal is

there an insurable interest.¹ He is not like a trustee having the legal interest in the thing.²

In *Crowley v. Cohen*³ it was held that where a consignee or trustee insures as such, he need not specify the exact interest he has; the nature of his interest may be left at large. But it must be observed that by our Civil Code the nature of interest must be specified, (2571).

Whether consignees merely to take possession, but not having power to sell, can insure for themselves or principal is unsettled, says Story, (Agency). Evidently Lord Eldon thought that such consignees could insure, stating the interest in the principal;⁴ and to the same effect is Boudousquie.

Consignees for sale may insure for themselves to the extent of their own interest. They have also an implied authority to insure for their principal.

The better to keep covered what he has on consignment the consignee ought to insure (says Boudousquie) for account of whom it may concern. This will cover any interest existing at the date. As to his commission in expectancy, the consignee may insure that, valued at some sum stated. If his interest be so declared he will recover if a loss happen.

A consignee insuring in his own name insures only his own interest. If he wish to cover the owner as well as himself, he must take a policy as well in the name of the owners as in his own name, or for himself and as agent.⁵ Then, as regards the owner he must sue for himself.

Goods "owned or held in trust or on commission" will cover goods sent and held for sale, and the owner can hold the consignee or trustee accordingly. Angell, § 80. And this is the case though he did not order insurance previously.

¹ *Lucena v. Crawford*, 2 B. & P. 306, 307.

² *De Forest v. Fulton Ins. Co.*, 1 Hall, is approved in *Elsworth v. Alliance Marine Ins. Co.*, Common Pleas, England, 1873. It follows a good deal *Lucena v. Crawford*.

³ 3 B. & Ad.

⁴ 2 Bos. & P. 324, new R.

⁵ *Cusack v. Mutual Insurance Co. of Buffalo*, 6 L. C. Jur.

¹ Can the pawnbroker charge premium against the pawn? Apparently not.

² *Dawson v. Channery*, 5 Q. B. Ad. & Ell.

³ 6 L. C. Jurist.

⁴ *Russell v. N. E. M. Ins. Co.*, 4 Mass. R. In the Province of Quebec it would be for B. to sue in case of loss.

⁵ 12 Mass. R.