TORONTO LETTER.

The recent legal decision in the Doherty case.—Remarks on the general custom as to payment of fire premiums — Annual Meeting Toronto Board.

DEAR EDITOR,—The recent decision of Judge Street in *re* W. Doherty & Co., organ factory fire loss, versus Millers' and Manufacturers' Insurance Co., to the effect that a claim for loss by fire is invalid unless the premium be first paid, notwithstanding that the insurance company may have issued to the party called the insured a renewal receipt, and thereby acknowledged its willingness to continue the policy, is a matter worth some attention by insurers and insured. You refer to this case in your last issue, and I desire to add a few words to what you say. I speak, of course, generally, and without going into the merits or demerits of this particular Doherty matter, all the details of which I am ignorant of. It seems that the decision referred to means just this: if your premium be not first paid it is always in the power of the insurance company to plead such non-payment, should a loss occur, as sufficient reason for rejecting your claim. Now this might be good law, but would it be equitable if you had been given a receipt by the company which stated you were duly insured? I venture to say that perhaps not one-half of the premiums collectable under fire insurance policies in Canada are paid for by "spot cash." The delay in payment may run from one day to thirty days, in some instances, perhaps longer, still, it is a well established custom (perhaps a vicious one) for companies to issue receipts for applications they accept and the policies they desire to renew, and the same are accepted by their customers all in mutual good faith. The one party believes that the insurance is in force, the other that the premium, or such part of it as may be earned, will be honourably paid. This, I say, is the custom all over the land, and it is both convenient and workable as a business arrangement, founded, as our business life of to-day so universally is, on the principles of trust in one another. It has been held in law that the delivery of these binding receipts by the company and their retention by the insured over a reasonable time makes the latter liable for the premium, or at least the earned portion thereof, should the said receipts for any cause be returned to the company. This being so, and the insured having done nothing to release the company from its so expressed willingness to stay on the risk, it is reasonable to infer that on the company's side liability for loss remains until it has recalled its receipts or policy in the manner provided for by the statutory conditions. This is the simple aspect of the case. Complications and irregularities in certain instances may arise to spoil, to invalidate this simplicity, but I should be sorry to think that the great bulk of dealings between the insurance companies and the insuring community were really jeopardized because a rule of spot cash for all premiums, or no liability, was not enforced. It speaks well for the parties interested, to recall how very seldom one hears of the plea of non-payment of premium advanced as a reason for non-payment of a claim, otherwise unobjectionable.

Nothwithstanding the Judge Street decision, I believe the present prevailing custom of doing insurance business will continue. If not, there is certain to be a lot of annoyance and extra trouble introduced into our modern methods of collecting fire premiums. I well remember that in bygone days the premium for an insurance had to be paid over the counter before the delivery of any receipt or binder, and there were no days of grace allowed for renewals either. Those were the days, too, when, if you paid your premium for a year's insurance that was the end of your premium. If you did not require the insurance for the full time, through some after happening, that was your affair. No return premium was allowed you.

The requirements of present day business methods have changed these customs, and the larger volume of transactions call for a different treatment.

The Annual Meeting of the Toronto Board of Fire Underwriters has been arranged to take place on Thursday, 16th April.

Yours,

ARIEL,

TORONTO, 10th March, 1903.

LONDON LETTER.

London, Feb. 26, 1903.

FINANCE.

At a time when all the old mining sections show inactivity to the extent bordering upon stagnation, it is not surprising that ingenious market manipulators should follow their old plan of rushing a new mining department into existence.

In previous years, at times of equal depression, we have had the Klondike and Jungle booms; this year it is Egypt and the Soudan. Properties have been taken up there in large numbers. They are so full of gold, that in the place of extracting the yellow metal from the rock, we are almost given to understand that the difficulty is to pick the quartz out of the gold. Vehement attempts are being made to flog the new section into activity.

INSURANCE.

The fact that the Rock Assurance Company published in a South African newspaper the fact that amongst its directors was Mr. St. John Brodrick (Secretary of State for War), led to quite a heated little debate in the House of Commons this week.

An Irish member wanted to know whether Mr. Brodrick proposed to take any steps with reference to the unauthorized use of his name. Mr. Brodrick replied to the effect that he had taken the necessary steps as soon as his attention was called to the matter. Asked further, whether this meant that the Right Honorable gentleman had resigned his position on directorate, Mr. Brodrick vouchsafed no answer; he merely smiled.

As readers of THE CHRONICLE are by this time well aware, "fancy" business is indulged in by the London Lloyds upon any occasion. Does a cloud loom up no bigger than a man's hand upon the horizon, straightway the peculiar risks are quoted for in the "Room."

At the present time a small amount of special business has been done at five per cent. to cover the risk of war between Russia and Turkey within the next six months. In another case, a fleet of tramp steamers was insured at a low figure for twelve months against the risk of capture, seizure, etc, by the enemy.

Considerable discussion has been caused by Mr. Justice Phillimore's judgment upon the income tax and insurance premiums question—a topic which age cannot wither nor custom stale. It is pointed out that if the ruling of the Appeal Court is right, we are to suppose that if a policy holder raises half his premium by any means other than an advance from the assurance company he is entitled to exemption, but if he borrows from the company he is debarred from relief.

DEATH CLAIMS BY OCCUPATIONS.—The Massachusetts Mutual Life has published the following information showing the death claims classified by occupation and number;—