

BRITISH OAK INSURANCE COMPANY.

In view of the fact that the British Oak Insurance Company, of London, England, may some day enter the Canadian field, where its general manager, Mr. Bingham, is well known, the following comments by The Policy Holder are interesting:

The British Oak Insurance Company should prove an important and permanent factor in the insurance world, for it commences with powerful interests to support it, apart from the fact that a subscribed capital of £31,000,000, with £250,000 paid up, disposes of all doubts as to its financial standing. It is transacting fire, marine, accident, employers' liability, and all the usual classes of business known as "general." We hear that a good start has been made by the investment of £200,000 in National War Bonds.

Mr. H. B. F. Bingham, the manager, joins the company with the prestige of an old official of the Phoenix Assurance Company. For a number of years he has been assistant manager of the life department at the Fleet Street branch, having previously acted as life superintendent for Canada. He is in his ninth lustrum. To-day he has the ball at his feet, and we believe he will make the most of the opportunity.

Mr. J. E. Newark remains with the company as fire and accident superintendent.

The Board of the British Oak in the past has been identical with that of Messrs. Spiller and Baker, but now it is modified to a few of the members, viz.: Messrs. Wm. Edgar Nicholls (chairman), Walter Allen, Wm. Spiller Allen, Edgar A. V. Baker, and H. B. G. Morgan.

We understand a special feature of a fire prospectus now being issued by the British Oak is that a bonus of one year's premium is allowed after seven premiums have been paid and where no claim has arisen during that period upon such risks as private dwelling houses, churches, chapels, banks, offices, schools, hospitals, libraries and public buildings. The insurance of rent for which the policyholder is responsible, limited to one year, is included free of charge. Attractive commission terms are also set out, a profit-sharing scheme for agents being one way in which the management aims at securing loyalty and support.

Clearly, Mr. Bingham and the Board are not afraid of novel schemes and ideas.

MARINE BROKER LIABLE FOR PREMIUM.

In the case of the Globe & Rutgers Fire Insurance Company against Isaac C. Bunnell, an insurance broker, of 67 Wall Street, New York, an interesting point has just been decided by Judge William F. Moore in the Municipal Court, First District. The broker was sued for the full amount of two premiums on insurance certificates covering war and marine risks in the sum of \$25,000. The evidence upon the trial went to prove that the broker applied for the insurance on a cargo aboard the schooner Albert W. Robinson, stating that he was authorized by his principal, T. E. Reeve, an

export factor, to do so. It was, however, proven to the satisfaction of the court that the broker never received such an order from Mr. Reeve. Judgment was given against Bunnell for the full amount, which with costs and interest was \$738.63. It was urged at the trial on behalf of the insurance company that it was entitled to the full premiums from the broker, there being in fact no assured. It was shown that after the company, in good faith, accepted the lines from the defendant, it closed its books on this schooner, as its limit had been reserved.

The rule of law urged by the insurance company through its attorney, Charles Fischer, 1 Liberty Street, New York City, and which he contended is sustained by a leading court of appeals case in this State, and which was evidently accepted by the judge who presided, is as follows: "When one holds himself out as being duly authorized to act as the agent for another and thereupon does something which causes damage to a third party, the unauthorized agent will himself be held liable for any damages sustained by the innocent third person who relied upon the authority of the alleged agent." In this case the court held the broker personally liable for the full premium on the war and marine insurance which he caused the Globe & Rutgers, Fire Insurance Company to issue in the name of T. E. Reeve, who himself was a witness at the trial and testified that he never knew Bunnell or directly or indirectly gave him any order to place any insurance, and that it was not until the broker had caused the certificates to be issued did he meet Bunnell, who called at his office and asked him to certify to the Globe & Rutgers Fire Insurance Company in writing that he had no insurable interest aboard the schooner "Robinson." This, Mr. Reeve stated, he refused to do because as a matter of fact he did have a cargo on board the schooner "Robinson," but had procured the insurance thereon himself.

The foregoing decision is of very great importance to marine underwriters and will have the attention of insurance brokers, for it stands for the proposition that an agent who attempts to order insurance coverage without being duly authorized from the assured can be called upon himself to pay the premium. The Globe & Rutgers Fire Insurance Company is to be congratulated upon the excellent service it has rendered the insurance world by carrying this case to court at an expense perhaps greater than the amount involved in the premium. It is regarded as certain that the above decision will benefit the legitimate insurance broker who has found it difficult to place a legitimate risk because some unauthorized broker has closed the line, in the hopes of having the assured mentioned in the policy accept the same. It will be recalled that early this year Superintendent of Insurance Jesse S. Phillips held lengthy hearings on this subject, uncovering much abuse along this line, and as a result introduced legislation to check it by placing brokers handling marine insurance lines under a special broker's license law.

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