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Notice and Proofs of Loss through Agents.

THE vast mass of business coming to fire insurance companies through agents makes it a matter of high importance to them, as it does to policyholders, to have the powers and responsibilities of agents strictly defined. Those agents are constantly acting ostensibly on behalf of their respective companies, sometimes without direct authority, and occasionally going so far as to exceed the legal responsibilities of an agent. A case appealed to the Supreme Judicial Court of Massachusetts regarding such a question was decided on 22nd ult., by which the reception by an agent of notice of a fire accompanied by proofs of loss was declared to be service on the insuring company of such notice and proofs, although delay had occurred, and the commission to the agent does not specify his being authorized to receive such notices and proofs for and on behalf of his company. The fire in question occurred on 26th November, 1889, and the first statement was rendered at the end of January, 1890. The company pleaded that this was a breach of the contract in the policy that notice and proofs of loss must be "forthwith rendered." It was replied that the policyholder had been sick for three weeks after the fire, that on recovery he was unable to get his books for a week, that it took two weeks to get a complete statement of his stock account, and a further delay occurred to enable the Committee of Underwriters to print the statements, as was usual, consequently the long delay was unavoidable, and should not be held an infringement of the clause requiring such statement to be "rendered forthwith." On this point the Supreme Court ruled

that under such circumstances "due and reasonable diligence," had been, as had been found by the jury, in a lower Court. A request was then made for the Court to rule that, "a delivery of proof of loss to the local agents was not a delivery to the company of the written statements required by the policy, unless the plaintiff showed the local agents were authorized by the company to receive the proof." The commission to the agents did not name any authority being given to receive statements in regard to losses, nor could they know, nor could the policyholder know, that their powers in this respect were limited, the presumption being that no such restriction existed. The only reference in the policy to the matter of agency was in the words: "This policy shall not be valid until countersigned by the duly authorized agent of the company at Lynn," which the Court said only implied that the agent at Lynn was a general agent. There was nothing in the policy to show to whom notice and proofs of loss must be delivered. Testimony was given tending to show it to be "the universal custom of insurance companies for local agents to prepare proofs of loss and send them to the company, when it was not done by the adjusters," which was the case here. Apparent authority, said the judge, on the part of the local agents to receive proofs of loss would be implied from such a custom. The Court decided in effect that, "where local agents have apparent authority by custom, or instructions to receive proofs of loss, a delivery to them of such proofs is a delivery to the company." Judgment therefore was against the defendants, the Milwaukee Mechanics Insurance Company.

A Reply but no Answer.

IN our issue of the 15th October last, we stated the difficulties which exist in regard to the suppression of the currency of American silver in Canada, which are, its acceptability in all the stores and hotels of the Dominion. Since then we have had enquiries made of traders and hotel men in a number of our more inland towns and cities, who all echo what was said to us by a Brockville merchant: "I would be glad to receive ten times as much American silver every day." We expressed our doubt of this silver being driven out of circulation except by special legislation, which would