

THE QUEBEC ACT TO AMEND THE LAW RESPECTING INSURANCE COMPANIES provides that incorporated life insurance companies and incorporated fire insurance companies, not licensed under the statute of the Dominion, and doing business in the Province of Quebec, shall prepare annually and deposit at the Treasury Department a statement of the condition and affairs of such company at the usual balancing day of the company in the preceding year, which statement shall exhibit the assets and liabilities of the company and its income and expenditure during the previous year and such other information as may be deemed necessary by the Provincial Treasurer, and shall be verified upon oath by the president and secretary in the form "C" in the schedule to this law.

Such statement shall be deposited as aforesaid on the first day of January in each year, or within one month thereafter, and shall, in the case of life insurance companies, be made in the form and manner set forth in the form "A," and, in the case of fire insurance companies, shall be made in the form and manner set forth in the form "B," in the schedule to this act.

The schedule referred to provides for details of yearly statements—life insurance, showing property or assets held by company; liabilities, income, premiums, note account, expenditure, exhibit or policies. In fire insurance, the schedule contains a form calling for a statement of the assets of the company; liabilities, income, expenditure, risks, deducting reinsurance. The form of sworn declaration to accompany the statement is also given.

RECENT LEGAL DECISIONS.

GRATUITOUS LOAN OF CHATTEL.—Where a chattel is lent gratuitously for beneficial use by the borrower, it is the duty of the lender to communicate to the borrower any defect in it with reference to the use for which the loan is made, of which the lender is aware, and, if he willfully or by gross negligence omits to do so, he is liable for injury resulting from such defect to the borrower while using the chattel. This was decided by the English Court of Appeal, in a case where the plaintiff had borrowed a donkey engine, and the boiler of which burst and injured him. 68 L. J. Q. B. 149.

LOAN BY BANKS APPLIED TO PAY INTEREST ON DEBENTURES.—An English railway company made successive issues of debenture stock, the earlier of which ranked for payment of interest in priority to the later. When on the verge of insolvency, the company paid the interest on both issues with money borrowed from its bankers. The bank claimed against the holders of the later issue of stock priority of payment out of the company's assets to the extent the loan had been applied in paying the interest due on the earlier issue, on the ground that the holders of the preference debentures would have been entitled to such priority. It was decided by Mr. Justice Romer of the English Chancery Division that the bank was not entitled to maintain its claim. 68 L. J. Chy. 115.

PAYMENT OF A RAISED CHEQUE.—One Baner kept an account with the Bank of Hamilton. While there

was a sum of \$10.22 standing at the credit of his account, he drew a cheque for \$5, and presenting it had it marked good. He then raised the cheque to \$500, and deposited it with the Imperial Bank of Canada, which credited him with that amount. This amount he subsequently drew out by cheques. The Bank of Hamilton paid the raised cheque of \$500 to the Imperial Bank through the Toronto clearing house, and afterwards discovering the forgery sued the Imperial Bank to recover \$495. After argument before Judge McMahon last week, at Osgoode Hall, the learned Justice reserved his decision.

PROOFS OF LOSS.—A policy in the Atlas Assurance Company, upon a stock of goods, required the insured, in the event of a loss occurring, to deliver within fifteen days after the fire, in writing, as particular an account of the loss as the nature of the case permitted. A fire having occurred, an adjuster of the Atlas Company for the Provinces of Nova Scotia and New Brunswick called upon the owner, and demanded and obtained from him his books, invoices and other documents, and proceeded to make up an estimate of the loss. The proofs of loss were then prepared by the adjuster with the assent of the owner upon forms which the adjuster brought with him for that purpose. The adjuster failed to complete the proofs within the time limited by the policy. For this reason the company refused to pay the loss, and as a result the action which followed was tried before a judge with a jury. The jury among other things found that the adjuster, by his acts and words and conduct, induced the owner to delay sending to the company or its agent the necessary proofs within fifteen days. The facts being such as to warrant the jury in coming to the conclusion at which they arrived, it was held by the full Court in Nova Scotia that the adjuster must be treated as agent of the company, and that the company was estopped from alleging as a defence to the action that the proofs of loss were not put in within the time limited. 35 Can. L. T. 85.

WAIVER OF CONDITION AS TO APPRAISEMENT.—A policy of fire insurance issued in Nova Scotia by the Guardian Fire and Life Assurance Company contained a provision that, in the event of disagreement as to the amount of the loss, the amount should be ascertained by two competent appraisers. A fire having taken place, and proceedings having been taken upon the policy to recover the insurance moneys, it was held by the full Court in Nova Scotia that, the company having repudiated all liability in respect of the claim, they thereby most distinctly averred that there was no disagreement as to the mere amount of the loss, and that therefore no appraisal was required. That the insured having asked for an appraisal, and having named two disinterested appraisers, was discharged from the performance of the condition by the company's refusal. It was also held that the matter of the appointment of the appraisers was one for negotiation, and that the insured having named one person who was not accepted, was not, thereby debarred from naming another. 35 C. L. J. 83.