

passed by the New York Legislature, permitting life companies, incorporated in the state, to invest in bonds and stocks of any state or foreign government when such investment is required by the laws of such state or government; and provided that the superintendent of the insurance department approves of the investment; and also permitting life companies to loan their funds upon government bonds and the stocks of the state of New York, or any incorporated city in the state. The signature of the Governor has also been obtained. Since the passage of the act, the Equitable has substituted a cash deposit for the previous deposit of U. S. securities.

### Communications.

#### AGENTS' PROVISIONAL OR INTERIM RECEIPTS.

The Editor of the Monetary Times.

SIR,—It is the practice with most of the companies doing business in Canada to allow their agents to make the contract of fire insurance in a conditional form, by the issue of an agents' "interim" or "provisional" receipt in acknowledgment of the premium, the policies being issued from the head office or chief agency of the company. The nature and terms of these agents' receipts vary, but their chief element and intention is to prevent the agent making a regular contract in the name of the company until the chief office has examined into and confirmed the risk.

While most of the companies adopt this feature, the American companies, as a general rule, place in their sub-agents' hands the policies themselves, which are filled up and issued by the agents as soon as the contract is entered into.

The variety of forms of these agents' receipts may be classified under two heads: Those which are not terminable by the effluxion of time; and those which, by their wording, cease to hold the company—professedly, at least—after a certain number of days.

Until the last few years, the business of fire underwriting in Canada has been of a limited nature compared with the experience and operations of older and more extensive countries, and for this reason there probably is not a class of agents in our various villages and towns having sufficient knowledge of the business to make it advisable to entrust them with the blank policies; not that I desire to disparage the agents, but insurance, like every other profession, requires study, practice, and experience such as few agents have had the opportunity of obtaining in their limited field. On these grounds I do not cavil at or object to the practice of allowing agents only conditional authority to enter into the contract; and, when the provisional receipts, as in the first class mentioned, contain no stipulation putting an end to the contract in case of non-delivery of policy within a certain number of days, it is probably a judicious and proper rule, in no material point affecting the interests of the applicant as between himself and the company.

The latter class of agents' receipts, those which specially stipulate for a cessation of the contract by the non-delivery of the policy within a certain number of days, are open to very grave objections, and may operate in a very unjust and inequitable manner against the assured. In fact the advantage taken by some companies of the terms of their agents' receipts in cases within my knowledge, justifies pretty strong language. Cases have occurred where the agents accepting the premium have issued this form of limited receipt, in one of which the policy had not arrived within the specified time, and on the applicant

enquiring of the agent how the insurer would be effected, was assured that the limited time was a "mere matter of form," and that the policies were often detained much longer than the specified time. In good faith the applicant accepted the agents' statement and waited for his policy. Meantime the property was burned, and it was then discovered that the agent had never sent the risk to the head office, nor asked for the policy. The company refused to pay the loss, solely on the ground that the provisional receipt made the contract void at the end of a certain number of days if the policy was not then delivered. No fraud or evil practice on the part of the assured is set up; in fact the company freely admit that no moral or equitable defense exists, but they defend on the pure technicality of the receipt. It may be alleged on behalf of the company that the assured having the terms of the receipt before him, could have applied to the head office for the policy, and that the receipts are so drawn in order that the applicants for insurance may be compelled to see that the head office is aware of their agents' transaction, and confirm or disallow them within a given time. Such arguments may quiet the conscience of the company, but will hardly suffice with discriminating and honest insurers. The duty of seeing that the agents discharge their duty devolves on those who appoint them, not on the public whose business these agents are sent by the chief office to solicit. If companies consider it advisable or necessary to issue this limited form, it should also contain a provision, that if the Policy is not delivered within the specified time, the agent should return the premium or the contract to remain in force until he had done so. Suppose the agent retains the premium after the lapse of the receipt, and is unable or unwilling to return it, who is to be responsible to the assured for the same? The agent receives the consideration on behalf of the company, and the company (so long as the money is in the agents' hands) is in receipt of, and retains the consideration for the contract, and I should be much surprised if equity would not hold the contract still in force, so long as the company retains the premium, spite of all the wording introduced into the receipts.

The case above alluded to is not an isolated one. There are several hinging upon the same principle, and while I am not disposed to blame any company which acts fairly and squarely with its customers, and conducts its business on properly established business principles, no matter with what caution and prudential restrictions, I must protest against inexperienced and too confiding, honest insurers being made sufferers by such plausible and one-sided transactions as are above alluded to.

Yours, &c.,

POLICY.

Toronto, May 30th, 1870.

### Insurance.

**FIRE RECORD.**—Toronto, May 28.—A fire broke out in the premises of James McLennan, assistant master, in the Upper Canada College. From that it spread to the residence of principal Cockburn, Dr. Barrett's residence was also destroyed. The total loss is put at \$15,000. Mr. Cockburn was insured in the Royal for \$2,000, and in the Phoenix for \$1,400. Other property uninsured.

London, May 29.—A fire broke out in a shed in the rear of the grocery owned by Alderman J. B. Smyth. The alarm was quickly given and the fire was soon extinguished. Damage \$500; principally through smoke injuring the groceries. They are fully insured.

St. John, May 24.—Pump factory, of John Dennis; loss stated at \$2,000.

Richmond Hill, May 28.—A fire broke out at Brown's Corners, Markham, about six miles from here, Mr. Perry's tavern and driving shed; along with other buildings, being destroyed. Insurance not known.

Listowell, Ont., May 24.—Carriage shop of W. G. Hay was destroyed; insured in Waterloo Mutual for \$350.

Halifax, May 17.—The dwelling house of Thos. Bushell, North Street, was damaged by fire. Insured in L. L. & Globe for \$800.

Halifax, May 18.—The restaurant of Mr. W. H. Thomas, known as "Acadia Gardens," situated in Upper Water Street, opposite the Naval Yard, was almost totally destroyed. Building insured for \$4,000 in the Liverpool and London and Globe; furniture \$2,000 in the Royal.

Halifax, May 20.—An unoccupied three-story house on Barrack Street, owned by William Ryan. The roof was completely destroyed, and other portions of the building considerably gutted. Insured for \$2,000 in the Liverpool and London and Globe.

Halifax, May 21.—The Calced Plaster Manufactory, owned by Messrs. Manning & Bros., at Noel, was destroyed. About 40 tons of manufactured plaster was destroyed, together with a lot of raw material, and a quantity of casks, &c.; \$4,000 was insured on the building, which will not cover half the loss sustained.

Riviere du Loup, May 19.—A tremendous conflagration was reported along the Saguenay River. From Mistassinié to St. Alphonse, the greatest part of the habitations are destroyed by fire, and over 5,000 persons are without shelter, and deprived of everything. Six lives were lost. Total No. of families who are destitute, 653. The fire covered an area of about five miles wide by thirty-six in length, and extended from Lake St. John to Chicoutimi. All the buildings were destroyed by fire between two o'clock in the afternoon and nine o'clock in the evening of the same day.

Montreal, May 27.—Three fires were extinguished to-day. The first broke out in the top flat of a stone building on the corner of McGill and Le-moine streets, formerly occupied by D. D. Mann, clothier. This part of the building was being fitted as a boot and shoe factory, the latter part was being arranged for a drug store. The firemen dashed at the fire and soon had streams of water playing upon it, and in a quarter of an hour the flames were got under. The second fire occurred in Seigneurs street, and seemed to be the work of an incendiary, who had placed shavings under a pile of wood and fired them. This fire was soon subdued. Number three occurred in a dwelling in Bronson Lane, and resulted through the placing of a stove too near a wall which had ignited. The firemen quenched it with but little trouble.

Kingston, May 30.—A destructive fire broke out in the rear of the block in Wellington street bounded by Earl and George streets, adjoining the Wellington Street School. The house owned and occupied by Peter Henderson in Wellington street, and the houses occupied by F. Folger and Robt. Folger, and the house owned and occupied by Mr. Brophy, sustained more or less damage. Henderson's house will require a new roof and extensive repairs. His furniture suffered much destruction in course of removal; uninsured. Messrs. Folger's house will also require extensive repairs. Damage \$4,000. Insured in the Home for \$5,000. Stable uninsured; loss on this estimated at \$600. Mr. Brophy's shed destroyed, and partial damage—but only slight loss.

Ainleyville, Ont., May 25.—A fire broke out in the steam grist mills owned by John Sherriff. The mill and its contents were totally destroyed; also the account books. Mr. Sherriff sustains a serious loss. The cause of the fire is unknown.

Stratford, May 27.—The large factory and cooper shop belonging to George Elder were burned; loss not known; partially insured.

Kincardine, May 27.—The steam grist and saw mills at Riversdale, owned by Miller & Mason, were burnt to the ground. The fire caught from the smoke stack, and in half an hour from the time the flames were first seen the entire premises were in ruins. Loss about \$6,000; insured for \$1,000.

Quebec, May 24.—The following is a statement of the insurances by the *Chronicle*, which varies