

power of the respondent or its council in the construction of the sewer, the laying of which necessitated the removal of the pipes, and the appellant was entitled to compensation for the damages necessarily resulting from the exercise of that power, and it follows that the appellant cannot be required to repay to the respondent the expense incurred in taking up and relaying the pipes.

The appeal should be allowed with costs and the judgment appealed from reversed and in lieu of it judgment should be entered dismissing the action with costs.

MACLAREN, MAGEE, and HODGINS, J.J.A., concurred.

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MIDDLETON, J.

SEPTEMBER 22ND, 1914.

ANTISEPTIC BEDDING CO. v. LOUIS GUROFSKI.

7 O. W. N. 95.

*Principal and Agent—Insurance Broker — Fire Insurance Obtained for Principal—Payment of Premiums to Agent—Premiums paid by Broker by System of Credits—Set-off Assented to by Payee Equivalent to actual Payment—Validity of Policies.*

F. Arnoldi, K.C., for plaintiffs.

C. A. Moss, K.C., for defendant.

MIDDLETON, J.:—The action is brought to recover from the defendant the amount of the loss sustained by the plaintiff company by reason of the destruction of their property by fire on the 22nd of June, 1912. The plaintiffs allege that the defendant was employed by them as an insurance agent or broker to place insurance upon the property afterwards destroyed, and that, by reason of the breach of his duty, the insurance was not valid.

The defendant had acted as agent or broker in the effecting of insurance on behalf of the plaintiffs for some years. A change had taken place in connection with the premises and the defendant wrote the plaintiffs suggesting that, as a result of this change, it would be advisable to have the insurance re-adjusted. In consequence of this, instruc-