

STATUTE OF LIMITATIONS PLEADED BY LONDON LLOYDS' UNDERWRITER.

English Judge makes Sarcastic Comments—An Important Decision.

It is announced in England that the private negotiations to get a settlement from Lloyds, London, underwriters on the loss of the Progreso Steamship Company of San Francisco have failed and the Lloyds underwriters have entirely dodged payment of the loss by having pleaded the statute of limitations.

The plaintiffs, the Progreso Steamship Company of San Francisco, were the mortgagees of two American river steamers, and the defendants were underwriters at Lloyds. The action was brought to recover the amount on two policies of insurance on those steamers against total loss only. The policies were dated June 15, 1898. The voyage commenced on the 25th of the same month, the steamers being in tow to proceed from Portland, Ore., to Alaska. The vessels met with bad weather and sustained heavy damage, so much so that they were taken back to Portland and sold for a trifling sum, being, it was claimed, constructive total losses. There were a number of policies in American companies in addition to the policies with Lloyds.

Suit was brought against one of the American companies, and in 1906 the Court of Appeals decided in favor of the plaintiffs, whereupon the American insurance was paid. The plaintiffs were under the impression that they had an agreement with the Lloyds, London, underwriters that they would be bound by the result of the American proceeding. The Lloyds, London, underwriters, however, denied the existence of any such agreement, and the plaintiffs were unable to produce it, as almost all of the documents in the suit had been destroyed in the San Francisco conflagration.

PLEADING THE STATUTE OF LIMITATIONS.

An action was therefore brought in London against the leading underwriter on the Lloyds, London, policies. Their defense was put in, including the statute of limitations. Counsel for the plaintiffs said in court that his clients had hoped up to the last hour that if the defendants had a good defense to the claim he would have withdrawn his plea in regard to the statute of limitations, but, as he persisted in it, he, the counsel, was unable to resist it and would have to submit to judgment.

Counsel for defendant did insist, and wanted to make a statement, but Justice Scrutton told him very bluntly that he must either stand firm upon his plea or drop it; his lordship did not want to hear his reasons. Counsel persisting in his effort to explain matters, the judge caustically remarked that his client had better make his explanation at Lloyds. The merits of the case were, therefore, not gone into. The statute of limitations had been pleaded, and that put a stop to the whole thing. It was just as effective as the pleading of the gaming act would be for a bookmaker's debtor.

Justice Scrutton took the opportunity, however, to make a few remarks in giving formal judgment. "The defendant," he said, "is not, apparently, quite happy in raising this point, and desires to address a long speech as to why he raises it. He must make that speech to the brokers who come to him at Lloyds with business, and not to me. My duty is only to enforce the law. He has raised a legal defense, and

he must have judgment with costs. Parties who have dealings with underwriters must take care, when losses happen, that they issue their writ against them at once, or obtain an agreement that the underwriters are to be bound by other proceedings." His lordship had no power to deprive a successful party of his costs under such circumstances, being governed by a decision of the Court of Appeal. "My personal views of the matter," he said, "have nothing to do with it." Counsel was still explanatory, but the judge rapped out, "Tell that to the brokers at Lloyds."

REMARKABLE GROWTH OF THE PRUDENTIAL OF AMERICA.

"The Company has grown remarkably in all respects." Thus begins the report of the examination of the Prudential Insurance Company of America by the Department of Banking and Insurance of New Jersey, recently issued. This examination occupied a period of several months and required the services of forty examiners at the Home Office and four hundred and thirty others employed on appraisals and other matters at a distance. The examination was under the supervision of David Parks Fackler and Edward B. Fackler, specially employed by the Department of Banking and Insurance to supervise the examination and investigation of the Company, which is required by the laws of New Jersey to be made every three years.

GREAT GROWTH IN ASSETS.

Referring to the Company's growth, the report shows that the assets of the Prudential have increased since the last examination from \$200,000,000 to \$291,000,000, or forty-five per cent., while the insurance in force has increased from \$1,703,000,000 to \$2,220,000,000, or more than thirty per cent. The Company's annual statement as of December 31, 1912, was tested to determine its accuracy, with the result that the examiners' figures in many instances were more favorable than the Company claimed in its statement, causing commendation of the Company's management by the examiners.

The examination also showed that the Company has over \$73,000,000 loaned on mortgages on real estate, which is almost double the amount of three years ago.

INCREASED ECONOMY OF OPERATION.

The Company's statement with regard to dividends on non-participating policies and on annual dividend policies was tested and approved. The income and disbursements were also investigated for the three-year period and the examiners reported that "No disbursements appear to have been in any way objectionable."

The examiners conclude their report by saying: "Though the insurance in force in the Company has increased in the last nine years from \$941,000,000 to \$2,220,000,000, with more than corresponding increases in the assets and liabilities, the Company has shown itself well able to develop an organization sufficient to care for the immense detail connected with this growth. The co-operation of its various departments and their managers has enabled the Company to put into effect increased economy of operation without diminishing the general accuracy of the work performed."