

INSURANCE.

Many marine underwriters are in a bad way. Claims are being contested, and in some cases payment has had to be almost forced. This is the natural aftermath of maritime disaster. Quibbles are common, and in one case the underwriters concerned have refused to pay their losses until the vessel in question has passed the ordeal of a Board of Trade inquiry, something being believed to have been defective in the ballasting.

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The liner "Gallia" which at the time of writing is stranded in the St. Lawrence, may be another loss for London (shared with Liverpool). She is valued at \$150,000.

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Although most fire insurance offices have lost money in the Cripplegate dry-goods area, at rates much exceeding 1-4 per cent., there is a recrudescence of the old proposition from a mutual office in this district which will charge that rate uniformly, with the added provision that the mutual policy holders shall hold themselves responsible, should at any time the claims prove abnormally heavy. That is the very point; the claims in this inflammable locality have the knack of being abnormal, and whilst abnormalities may be all very well in Barnum's, or some of the other freak expositions, they are things to be very thoughtfully considered and avoided in assurance work.

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The Scottish Metropolitan Life Office, unlike its neighboring young competitors, the Scottish Life, and the Scottish Temperance, is not doing very well in its trading. To apparently make up a deficit on the last year's business, \$250,000 of share capital was issued at a premium of 50 per cent. A large portion of this premium was carried to the Life Fund, and there, besides making up the loss, left about \$35,000 in the way of a surplus. Under the description of a "substantial division of profits," a portion of this goes to the policy-holders.

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Another of a long and suspicious series of fires at various of the London docks, has occurred, the Victoria Dock being the locality this time. The damage is estimated at \$90,000, and the insurance is considerably distributed.

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It is announced that a Bill will be shortly laid before the House of Commons for the purpose of checking a perpetual loss of life from the explosions of petroleum oil lamps. A system of testing, supervision, etc., is proposed, and the manufacture of the lamps is to be regulated by certain rules of safety.

RECENT LEGAL DECISIONS.

NOTICE OF EXTRAORDINARY COMPANY MEETINGS.—A shareholder having commenced proceedings against the directors of the Violet Consolidated Gold Mining Company, which had been formed for the purpose of working gold-mining claims near Krugersdorp in the Transvaal, with the object of restraining them from carrying into effect certain resolutions

passed at an extraordinary general meeting of the company, Mr. Justice Kekewich, of the English Chancery Division, held, that the plaintiff was entitled to his injunction, to prevent the resolutions being carried into effect, without there being another meeting. The following points were decided:

Where the directors of a company are personally interested in the adoption of a proposed scheme for its reconstruction, and are to be remunerated by a call on shares, the notice convening the extraordinary general meeting to pass the requisite resolutions must disclose such interest, in order that the matter upon which the shareholders are to vote may be fairly brought before them. Where this has not been done, and the resolutions for reconstruction have been passed and confirmed, the notice will not be sufficient to bind absent shareholders, and the directors and the company will be restrained by injunction from carrying such resolutions into effect.

A notice of a meeting to be held at a certain place, time, and date, which states that, in the event of certain specified resolutions not being passed, another meeting will be held immediately afterwards to confirm resolutions which have been already provisionally passed, is not bad on the ground of being conditional.

The Judge also made the following remarks in the course of a lengthy judgment: A man may with great propriety throw a notice calling a meeting of shareholders into the waste-paper basket. He does not do that prudently without reading it, but if, when he reads it, he sees that it is a matter which he does not care to take any personal interest in, but is willing to leave to the decision of the majority; no one can say that he is not acting prudently, and safely. He is content to be bound by the vote of the majority, but he is content because he knows what the majority are to vote about, and what the matter is before the meeting; and if he does not know that, then he has not a fair chance of determining whether he ought to attend the meeting, or to make further enquiries, or whether he may leave it to others to determine for him.—*Tiessen v. Henderson*, 68 L. J. ch. 353.

EFFECT OF TRANSACTIONS, WITH THE PROMOTER OF A COMPANY, BEFORE INCORPORATION.—The North Sydney Investment and Tramway Company went into liquidation, and the liquidator sought to collect payments from certain of the shareholders. The question was, whether the shares held by these shareholders had or had not been paid for in cash, as the result of their dealings with the promoter before incorporation. The Privy Council, in dismissing an appeal by the liquidator, from a decision against him in New South Wales, lays down the following:—

The adoption and confirmation by the directors, of a contract made before the formation of the company, by persons purporting to act on behalf of the company, does not create any contractual relation whatever between the company and the other party to the con-