

cities and towns to total value of existing property and buildings is much greater in the United States and Canada, especially the former, than in the principal countries of Europe. Safer building construction and better supervision in the latter account for the difference. On this side of the water, where rapid growth is the order of the day and electric energy prevails, solidity is often sacrificed to haste, and safety to outside show. Naturally, building laws are less stringent than they ought to be, and but indifferently enforced. After allowing a score or so of buildings to be erected in Chicago, rising from thirteen to twenty storeys in height, the law makers there have at last put a limit to this dangerous folly. Boston has a very much improved building and inspection law, and we now notice there is pending in the New York Legislature a building code more thorough and perfect than any ever devised in this country. It is the joint production of the national associations of architects, builders, and underwriters, and will probably pass—if that body can spare time from politics to consider it. These are all hopeful signs for the underwriting of the future.

RECENT EVENTS HAVE awakened fresh interest in the United States with regard to the unrestricted use of proxies at the annual meetings of mutual life insurance companies. It has been the practice for officers to perpetuate themselves by the use of proxies gathered by the bushel from distant policyholders through agents of the company, whose favor at the home office largely depends upon the readiness with which they interpret hints about proxy-gathering. The dangers of such a state of affairs begin to be seen, and legal restrictions and regulation are talked of. As not indifferent spectators, we wonder whether the present agitation will end in talk? The fact that the regular mutual life companies doing business in the State of New York possess to-day considerably more than five hundred millions of dollars in assets, and that the control of this vast sum is practically in the hands of scarcely more than a dozen men, who hold, through unlimited proxies, the power to keep this control in defiance of all opposition, is such a significant and perilous fact, that we shall be disappointed if a remedy be not speedily found. That heretofore, in the main, good and safe men have kept themselves in controlling positions in these companies by using proxies is fortunately true; that bad and dangerous men could have done the same thing by the use of the same means is equally true.

A DECISION of general interest to fire underwriters has recently been made by the Court of Appeal of the State of New York. It was in the case of Alexander Armstrong against the Agricultural insurance company, and involved the question of waiver of certain conditions of the policy by an implied demand for proofs of loss and also by the silence of the company. Armstrong was the mortgagee, one Brown being the insured. The policy stipulated, that if proceedings to foreclose any mortgage upon the property should be commenced without the written consent of the company, then the policy should be void. Action for

foreclosure was commenced by Armstrong on Jan. 6, 1888, in ignorance of the above clause in the policy. On February 2nd, however, the company was notified by letter of the cause of the omission, and requested to consent to the continuation of the action. To this letter no reply was ever made. On Feb. 4 judgment of foreclosure and sale were entered, and on Feb. 10 the buildings burned. Brown, the insured, refused to make proofs of loss, and they were made by Armstrong, and duly sent to the company, who responded by letter on March 24 declining to accept the proofs as not having been executed by the insured named in the policy. It was claimed by plaintiff, and the court below affirmed the claim made, that there was a waiver of the above forfeiture stipulation on account of the failure of the company to reply to the letter of February 2, and also because of an implied demand in its letter of March 24, that Armstrong should furnish it with proofs of loss made by the insured, Brown. The ground has frequently been taken that a demand by the insuring company for proofs of loss waives any defence under the policy of which the company has knowledge. In this case the Court of Appeals held that neither the silence of the company nor the tenor of its letter of March 24 with reference to proofs of loss operated to waive the policy condition referred to.

#### THE PROPOSED ANTI-REBATE LAW AND ITS PENAL PROVISIONS.

That the penalty provided in the proposed amendment to the Dominion Insurance Act prohibiting rebates on life insurance premiums is a very moderate one, as compared with the penalties provided in the anti-rebate laws of several of the States, is apparent upon comparison. The above amendment provides for a penalty of fifty dollars fine for each offense, and an additional amount equal to one half the annual premium on the policy on which the rebate is granted. In case of default in the payment of the above fine, the alternative is three months' imprisonment in jail. The cancellation of the license of the offending agent for three years is also a punitive provision. In Michigan the penalty provided is a fine not less than fifty nor more than one hundred dollars, or imprisonment in jail for one year, *or both*. In New Hampshire the maximum fine is five hundred dollars, and a revocation of the agent's license for three years. In Illinois the penalty is a fine of *not less than five hundred* nor more than one thousand dollars, jointly and severally against both the agent and his company, and the license of the former to be revoked. The provisions of the Ohio law are, we believe, similar. An amendment to the anti-rebate law of New York is now before the legislature extending the provisions of the law to *policyholders* who accept of rebate advantages, and increasing the severity of the penalty. It allows the court to impose a fine of not less than fifty nor more than two hundred and fifty dollars, and also to imprison the offender for 60 days, and deprive him, if an agent, of his license. It will thus be seen that the penalties provided in the proposed Dominion anti-rebate law are anything but severe as compared with similar laws elsewhere, and we