down is that the application shall not be considered with the policy except so far as the Court may determine that the application contains a material misrepresentation by which the company were induced to enter into the contract, thus shifting the onus of proof (Sec. 156). The company is now bound to furnish the assured with a copy of his application upon request (Sec. 157).

NON-PAYMENT OF PREMIUM.

A rather unsatisfactory attempt has been made to take away from companies the defence of non-payment by the assured of the premium. Section 159 provides that where the contract of insurance has been delivered it is binding on the company, although the premium has not been paid and even if delivered by an officer or agent of the company who had no authority to deliver it. The company, however, may recover the premium or deduct the amount of it from a loss, which latter is a doubtful consolation. If, however, the assured gives a worthless cheque or a promissory note which is not met at maturity, the contract at the option of the company, is void. Possibly the company, in the latter case, can treat the insurance as void from its inception, but in view of the silence of the Act on this point a nice question may arise as to liability for a loss occurring during the currency of a note which is dishonored at maturity. Section 192 (2), dealing with renewal receipts, seems to conflict with Section 159 in that it apparently makes a renewal receipt valid only on payment of the premium. A wise insured will therefore pay up promptly on renewal or if that is inconvenient, will take out a new policy.

THE CO-INSURANCE CLAUSE.

Section 193 carries into the new Act some traces of the proposed Standard Policy Law. It prescribes what must appear on the face of the policy and provides for the use of a co-insurance clause if the notice "This policy contains a co-insurance clause" is stamped in red ink in large type on the face of the policy and further enacts that if the policy contains any other stipulations or terms they will not be binding upon the assured if held by the court not to be just and reasonable. The actual wording to be adopted on the face of the policy is not given and the matters it must contain are only roughly indicated. For example, the location of the property insured is not required to be stated, but on the other hand, it would appear to be necessary to insert the name of the payee in all cases even though the insurance is payable to the assured.

The application of the provisions of this section has occasioned some difference of opinion between companies and the Department when preparing policy forms for use under the new Act. For example, certain of the companies who operate under the Safety Fund Law of the State of New York are required by the law of that State to print a reference to the Safety Fund provisions on every policy issued by them, but the Ontario Department, under this section, doubted the propriety of a company printing the necessary formula on the face of the policy. The difficulty was met by the Department consenting to the necessary wording being inserted on the back of the policy.

Similarly there has been much difference of opinion among those interested as to whether a company is sufficiently protected under this section if it prints the co-insurance clause on the face of the policy with the necessary notice in red ink or whether the co-insurance clause should still appear as a variation. A third view has also been entertained, namely, that the co-insurance clause should appear both on the face of the policy and as a variation. There are several objections to printing it as a variation, one being that it may be held to become subject to the jurisdiction of the Court as to its justness and reasonableness even though the assured has conceded the clause in exchange for reduced rates. Another objection is that some of the companies have evolved a co-insurance clause for use as a variation which refers the assured back to the face of the policy to ascertain the percentage of insurance to value required to be carried. It may well be that a judge, in considering the validity of such a clause, would hold that this percentage is the most essential ingredient of the co-insurance clause and that as it is not included in the variation the clause does not sufficiently comply with the requirements of the Act. Other companies have been in the habit of printing a co-insurance clause in red ink as a variation and leaving the percentage blank. If the companies continue to use the clause in this form there will always be a danger that the agent will omit to fill in the blank and will not fill it in in red ink, thus leaving the clause technically defective as a variation.

On the other hand, if the companies are justified in relying on Section 193 in inserting the clause on the face of the policy (or in the form attached to the face of the policy) it would seem that the justness or reasonableness of the clause is not open to question. The Department have ruled that the clause is not objectionable to them if printed upon the face of the policy, provided the necessary warning is properly stamped on the policy.

(To be continued.)

MONTREAL'S WATER SUPPLY.

At Monday's meeting of the Montreal City Council, the enquiry from the Canadian Fire Underwriters' Association as to whether the council will or will not give effect to its expressed opinion that the investigation asked for should be held, was considered, and the following resolution passed:—"That the city clerk be requested to inform the Canadian Fire Underwriters' Association that the council cannot do more than it has already done; that is to say, to urge the Board of Commissioners to have an investigation held anent the administration of the water department as requested by the said Association, inasmuch as such investigation will entail an expenditure of money, and that said expenditure must be previously authorized by the Board of Commissioners."

Dr. Lachapelle replied for the controllers to some remarks by Alderman Ward in favor of an investigation, that he thought the council should accept the repeated declarations made that no investigation was required. The controllers were in a position to judge, and until some specific accusation was submitted by the underwriters the board would adhere to their declaration. "If we have a definite charge we will investigate it," said Dr. Lachapelle."