

An Interesting Insurance Case

An interesting insurance case was heard at Winnipeg recently which is reported in "The Commercial." R. J. Whitla & Co. were the plaintiffs in two cases, one against The Royal Insurance Company and the other against The Manitoba Assurance Co. The action was brought to recover insurance on the stock of P. Bourque, of Altamont, Man. Bourque was burnt out January 10 of last year, a short time before which he had effected an insurance with the Royal for \$3,000 on his stock of general merchandise, promising at the same time to cancel a policy then existing with the Manitoba company covering the same risk. This promise he failed to redeem before his place was burned. The Royal refused to pay on the ground that Bourque had not carried out his agreement with them and the Manitoba also refused to pay on the ground that his arrangement with the other company released them. The court held that the Royal was absolved from liability on the ground that the terms of the contract were not completed, and gave the plaintiffs a verdict against the Manitoba company. It should be explained that after the fire Bourque assigned his insurance to R. J. Whitla & Co.

Life Assurance And Banks

The resources of the savings banks of the State of New York were \$1,105,000,000 on July 1, as against \$1,037,000,000 a year ago, and \$968,000,000 in 1899. Deposits were \$987,000,000 on July 1, the gain in one year having been about \$65,000,000.

In quoting these figures The "Equitable Record" remarks: "Compared with the business done in the same State by all the life assurance companies reporting to the Department these figures, large as they are, seem of much less magnitude. There was outstanding, on December 31, 1900, in New York State assurance business aggregating \$1,476,150,662, an increase over the preceding year of more than \$131,000,000. The gross assets held by these companies reached the sum of \$1,723,737,723.

"Three companies had each an amount assured in excess of \$1,100,000,000 and the assets, or resources, of these same companies aggregated nearly \$900,000,000.

"Savings banks are a benefit to the community through the opportunities they furnish to save small sums of money. Life assurance acts in a precisely similar way with the additional provision that the depositor is given title to a much larger sum than his deposits amount to in case of premature death. As the growth of the savings bank signifies the increasing prosperity of the community in which it is located, so the increase in the magnitude of the

operations and resources of the life companies indicates the development of an idea which will in time revolutionize the thoughts and habits of the world.

Arbitration Clause.

In the case of Brown against the Hartford Fire Insurance Co. Judge Dempsey, of the Superior Court in Cincinnati, has rendered a decision reported in the "Insurance Field" to effect that an insurance company has no right to insert an arbitration clause in its policies, thus throwing away the freedom of contract in this case. He admits that all the opinions of high tribunals in other states have been opposed to his idea, but says that in the absence of a decision of the Ohio Supreme Court he will decide against the use of the clause. In making the decision he referred to the valued policy law, Section 3643 of the statutes, but seems to have overlooked Section No. 3643 b, in which it is specified that arbitrators must be chosen from the county in which the fire occurs. In the last edition of the Ohio Insurance Law the case of the Phoenix Insurance Company against Carnahan, 63 O. S. 258, is cited in connection with this county appraiser law.

The lower courts had the case and gave the decision to the plaintiff who had refused to arbitrate and brought suit, notwithstanding the fact that his contract specified that, in case of disagreement in the settlement of a loss, it must be submitted to a board of arbitration before suit is instituted for recovery.

Fire Companies in 1901.

The details of the annual statements of the fire insurance companies, in the judgment of the "N. Y. Commercial Bulletin," show an almost uniform loss on their underwriting operations. Our contemporary remarks: "While quite a number of companies show gains in surplus, these are due to advances in security values, and the same factor operates to lessen losses in this item in other companies. It is clear that Wall Street will not continually adjust its quotations to make up for the difference between premium receipts and losses and expenses, therefore the question arises as to whether anything will be done to put such an important business on a self-supporting basis before security prices moves in a different direction. Probably no one will deny that insurance shareholders who are risking their capital should at least come out even on their fire insurance trading, but this they are not now doing. Evidently the income of the companies must be increased or the outgo cut down. Undoubtedly the fire companies should cut down some of their expenses, and the fire losses could be much reduced by proper building laws, efficient fire protection and fire marshals who are not merely lazy politicians feeding at the public crib."