mission of not over fifteen per cent. on all classes of business should be ample, and on the basis of the business of 1902, between $9,000,000 and $10,000,000 would be thus saved. This amount could go to reduce rates, and the companies be as well off as now—aye, better off.

In order that the local agency expense of the company may be reduced to a more economical basis, it would seem that some regulation of the territory should be had which should take into consideration the district to which the agent is restricted and his exclusive occupancy of the same as the sole representative of such company or companies. Each State could be districted for underwriting purposes, as is already done for other purposes, and the lines of each underwriting district be established according to its population and its estimated values.

No company or agent should be permitted to pay any portion of the legal commission to anyone not duly authorized as an agent. Every agent would thus have his exclusive underwriting district in which to represent his company or companies, whose exclusive agency franchises he would hold. The broker and solicitor and multiple agent and side-line agent, and the rebater would disappear, for their occupation as such is gone, while every one of them would be eligible to appointment as a duly authorized agent, authorized to receive the legal commission, but forbidden by law to share it with any other not so authorized. This process of evolution in local agency work would bring into the local agency ranks the very best men now in the business.

RECENT LEGAL DECISIONS.

FIDELITY INSURANCE.—An insurance company cannot escape liability on the ground that the bond was not signed by the employee guaranteed, as where a company received premiums for two renewals of a bond, with the knowledge that the bond was not signed by the clerk whose fidelity was insured, and although the bond required such signature, by reason of a special condition endorsed upon it, the company was not allowed to set up the absence of the signature to prevent a recovery.

When a fidelity insurance contract commences for a year, and is then renewed from year to year, this is not a continuous contract of insurance running through the whole period, covered by the original bond and the years of renewal. The correct view is that each renewal is a separate and distinct contract. A provision that the company should not be responsible to the employer, under any bond previously issued, and that on the issuance of any subsequent bond, the responsibility under the bond in question should cease, are provisions which will be construed merely to prevent a double responsibility, and does not effect the employers' rights under another provision authorizing the recovery of any defalcation discovered within the time specified (six months) after the termination of the bond. (Proctor Coal Company v. The United States Fidelity Guarantee Company, 124 Federal Reporter 424).

MARINE INSURANCE, INSURABLE INTEREST.—The contract of marine insurance, in its essential nature and in all its incidents, is purely a contract of indemnity; hence, ordinarily, an insurable interest of appreciable value on the part of the insured, is of the very essence of the right to recover upon such a contract. If there is no interest, there can be no loss, and if there is no risk of loss on the part of the assured, there can be no valid contract of indemnity. Thus, Mr. Justice Crew, of the Superior Court, of Ohio, lays down, when that Court decides upon a policy that covered all shipments belonging to the assured, and, as agent, etc.; that the contract will apply to, and cover only such cargoes shipped by the assured, as shall belong to him as owner, and to such as shall be shipped by him as agent, in which he shall have some pecuniary interest at risk. Hence, the plaintiff's action was dismissed where he brought an action on his policy, for the use of another person. (Marine Insurance Company of London, England v. Walsh-up-Still Coal Company, 68 North Eastern Reporter 21).

FIRE INSURANCE, TERMINATING POLICY.—The Ontario Court of Appeal affirms the judgment in the Skillings case. Skillings had several policies on his lumber and among them one issued by the Royal. On May 30, 1901, Skillings wrote the agent of the Royal enclosing their policy and requesting that it be cancelled and the unearned premium returned. The letter was intended for the agent of the Royal at Barrie, as it was from his office that the policy had issued, but by mistake the envelope was addressed to him at Parry Sound, and it was not until June 6, that the letter finally reached the agent in Barrie. On June 5, the day before the lumber had been destroyed by fire. The Royal contended that the policy had been cancelled, as the assured intended, and they paid into court the return premium. At the trial in Toronto, judgment was given for the plaintiff. In the Court of Appeal it was argued for the company, that in addition to the statutory right of surrender and cancellation, the assured had a similar common law right, and if he had not well executed his statutory right, he had at least executed his common law right, when he mailed his letter with the policy. The court considered that there was no absolute cancellation the day the letter was mailed. Mr. Justice Garrow in the course of his judgment said: "This case is not to be distinguished from the New York decision in Crown v. Ætna Insurance Company, a decision of high authority, although of course not binding upon this court, where it was held that the insurance company, under a state of facts not unlike those in the present case, must prove that the notice