LEGAL DECISIONS

ASSIGNMENT BY HUSBAND DIRECT TO WIFE.

(*Bliss* v. *Ætna Life, S. C., Nova Scotia, Nov.*, 1887.)

One R. P. B. effected two policies on his life, one payable to his wife and children, and the second to his executors, administrators or assigns. Prior to his death he indorsed the second policy as follows: "I hereby hand over to my wife all interest in this policy for the benefit of herself and children." Plaintiff sued on the policies for the benefit of herself and children;—

Held.—That she was entitled to recover on the first policy but not on the second.

FOR "WHOM IT MAY CONCERN"—BUILDERS' INTEREST.

Mosser et al. v. *Donaldson* (S. C., Penn, Oct., 1887).

A land-owner and a builder entered in a contract for the erection of a building on the former's land, wherein it was provided that the "party of the second part (the builder) shall keep the said building at all times fully insured against fire, for the benefit of whom it may concern; and in case of loss the indemnity shall be divided between the parties hereto according to their respective interests in the property destroyed." The contractor insured the building accordingly, and the policy was assigned by him to the land-owner. Plaintiff furnished the contractor material upon the credit of the building. A loss having occurred, the insurance money was paid to the land-owner, and the plaintiffs sued him for so much thereof as would satisfy their claims.

Held.—That the expression "for the benefit of whom it may concern" applied only to the parties to the contract, and that there being no evidence that the insurance was to be for the plaintiff's benefit, or evidence of a subsequent promise to pay them therefrom, their action was not maintained.

ROYALTY INSURANCE.

National Filtering Oil Co. v. *Citizens' Ins. Co., N. Y. C. App.*, 1887.)

The National Filtering Oil Company licensed E. & Co. to use certain patents, in consideration of a specified royalty to be paid for such use. The defendant Co. insured plaintiffs against the loss of such royalties by fire on the premises of said E & Co.

Held.—That the royalties were capable of supporting an insurance, and that the policy was not a wager policy.

The agreement for the insnrance of such royalty payments read as follows:—"Whereas E. & Co., by virtue of an agreement with the assured, are bound to pay these royalties for the privilege of using their patents, which royalties are guaranteed to the amount of $250 a month. Now, therefore, the conditions of this insurance are that, in case the premises occupied by E. & Co. shall be damaged by fire so as to cause a diminution of said royalties, the Company will make good to the insured the amount of such diminution during the restoration of said premises to their producing capacity immedia ely before said fire, etc."

Held.—That "the proper construction of the contract was that all the royalties payable under the contract between plaintiff and E. & Co. were insured, and not merely the guaranteed minimum of $250 per month."

The points covered in these decisions are those known in France as Chômage insurance, and in the States as Profit insurance, which will be found treated upon elsewhere in our columns.

LIABILITY OF AGENT'S BONDSMAN.

Superior Court of Cincinnati, O.

A case where the liability of an agent's bondsman for shortage in his account was decided upon appeal in the Superior Court, at Cincinnati, recently reads as follows:—

One Olhaber, agent of the National Life Co., was short in his account; his bondsman, Roach, refused to make the shortage good, upon the plea that the failure of the company to notify him of the shortage when first discovered, annulled the bond, as to his liability for any shortage accruing after the date of the first discovery. Suit was brought in the trial Court, and judgment given for the Company. Defendant took an appeal to the Superior Court, where the verdict of the trial court was affirmed, the Court holding that if there had been any evidence of fraud on the part of Olhaber, the agent, the contract of liability of the bondsman would have been cancelled thereby. But as the shortage was due to Olhaber not attending to the business, by reason of sickness, and want of diligence generally, the bond was good, and Roach was liable thereunder.

A MARINE INSURANCE CASE.

Orient Mutual Insurance Co., v. *Adams, U. S. Supreme Court.*

The following decision was rendered by the United States Supreme Court, at Washington, Oct. 24th, 1887. Judge HARLAN reading the opinion:

The case was that of Orient Mutual Insurance Co. vs. John S. Adams and Chas. F. Adams. Appeal from the U. S. C. C. Dist. of Pennsylvania. The steamboat *Alice* was the subject at risk, valued at $27,000, total insurance thereon $18,000, of which $13,000 had been paid, the suit was for the remaining sum of $5,000. The Supreme Court say:

"There was evidence by the owners tending to show that without design, etc., on the part of the captain, the vessel, during the life of the policy, was carried over the falls of the Ohio River, at Louisville, Ky., and sunk, receiving damage equal to 50 per cent. of her agreed value; and it being apparently impracticable to float and repair her, she was abandoned to the insurers as a total loss, and the sum of the policy demanded.

"The insurance company's evidence tended to show that the master before sailing, was reported to be a 'drinking' man; that on the morning of the day of loss, he signalled to the engineer that he had no present need of the engine; that to make repairs to the mud-valve, the steam was thereupon blown off; that in this condition the master without enquiring into the condition as to steam, etc., ordered the boat let go without steam on, and in this condition she was carried over the falls, struck a pier, sunk, etc. That she was raised in 1881, and put in her original condition for less than $6,000, which expense plaintiff refused to pay; that in May, 1880, soon after her sinking, the insured sold her furniture, etc., without the Company's consent, and put her in possession of a wrecking company." The judgment in the Court below was for $5,000 against the Company. Affirming this judgment the Supreme Court *Held*:

1. "In marine policies a loss whose approximate cause is a peril insured against is within the protection of the policy, notwithstanding, it might have been occasioned remotely by the negligence of the master and mariners. The misconduct of the master, unless affected by fraud or design, would not defeat a recovery on the policy.

2. "The right of abandonment does not depend on the certainty, but on the high probability of a total loss, either of the property, or the voyage, or both. The insured is to act, not upon certainties, but upon probabilities; and if the facts present a case of extreme hazard and of probable expense, exceeding half the value of the ship, the insured may abandon, though it should happen that she may afterwards be recovered at a less expense."

The ruling upon the vexed question of the right to abandon in cases of marine losses, emanating from so high an authority as the Supreme Court of the United States, will be a valuable precedent for marine underwriters and vessel owners of other countries as well.

How it should be done:—The principles of Civil Service Reform have been introduced into the Milwaukee Police and Fire Departments, the members being appointed only after competitive examinations. Partizanship is allowed no influence in either selections or removals. As to the results the *Sentinel* says: "The experiment has been faithfully and honestly tried; the system has been in operation several years; it has proved entirely successful, and resulted in a great improvement of the service, while destroying a fruitful source of petty troubles by putting an end to the clamors and intrigues which formerly characterized the appointments in these departments when they used to be rewards for party services.

When shall we see Civil Service, or any other reform introduced into Montreal Police and Fire Brigade Service? Don't all speak at once!