

MANITOBA AND THE NORTH WEST.

We have most reliable reports from Manitoba and the Northwest to effect that the harvest now on the eve of being gathered will be equal to, if it does not exceed last year's, always assuming that no untimely frost or other meteorological calamity does not suddenly modify this estimate. The wheat crop will be about 50 millions of bushels, and the yield of other cereals will also be large. The prosperity prevailing throughout the whole of the Northwest of Canada is indeed marvellous. Few realize the development which is now proceeding in Manitoba and The Territories. Settlers are flocking in, mostly men of experience as farmers in the northern States of America. Railway facilities are being extended, and, as we declared would be the case, settlement is enlarging as a direct consequence of the means of transportation being increased. The whole of Canada will benefit by the Northwest grain fields yielding their increase so bountifully and the time is certainly not remote when Canada will be able to provide the mother country with all the wheat she needs to import.

THE AGENTS' LIABILITY.

Amongst the questions put for the voluntary, self-examination of Agents and Clerks by "Rough Notes," were the following:

4. What, if any, is the personal liability of an agent acting for an insurance company not authorized to transact business in the State?
6. What, if any, is the personal liability of an agent for failing to comply with the request of a company represented by him to cancel a policy of insurance?
8. What, if any, is the personal liability of an agent for issuing a policy of insurance covering a property which his instructions from the company forbid him to insure?

Although these examination questions are framed to meet the special circumstances under which insurance business is conducted in the States, the replies thereto involve the same principles as those underlying the laws relating to such matter in Canada.

To the above queries Mr. Guilford A. Deitch, author of the Insurance Digest, has published answers of which the following is a synopsis.

An agent is held personally liable for loss arising from his writing a policy in an unlicensed company. If, however, an agent is instructed to place a risk with an outside company, respecting the standing of which he makes no representation to the insuring property owner, such agent is not liable for any loss that occurs. Should, however, an agent be instructed to write a risk in an outside company of good standing, and he, knowingly, places it with a company that is not reliable, then he can be held responsible for consequent loss.

A case is cited in which the insured sent money to the agent, with instructions that if he could not give him insurance in a good company to return the money. The agent insured him in a company which had not complied with the laws of the State and was not admitted to do business therein. It was held that, the company being insolvent, the agent was liable for the loss. The Court says: "In such undertaking they must be held to guarantee the solvency of the concern they represent to the extent of the requirements of our statute as cited, and that losses will be paid here. That law was intended to protect the citizen policy-holder and give him redress in the courts of the State. If the company was not worth \$200,000 in actual paid-up capital, the undertaking of the agent supplies that want for the benefit of the insured, and if a loss occurs the agent must respond to the insured and look to his principal for indemnity. His wrongful act has brought about the loss and he must sustain it." In another case it was held that a broker employed to secure a policy is bound to make inquiry and obtain information concerning the responsibility of the company in which he places his client's risk. If he provides a policy in an insolvent company, or one not authorized to do business in the State in which the property is situated, he is liable to his client for the damage resulting.

In regard to cancellations it is quite clear that if a company directs a certain policy to be cancelled, which instructions are neglected, and a loss occurs before cancellation, after the agent has had ample time to give notice to the policy-holder, the agent is liable for whatever loss falls on the company owing to such inexcusable delay. The question of fact as to whether such opportunity for notifying the insured of the policy being cancelled had occurred would be a question for a jury to decide. It follows as a matter of course that, if an agent accepts a risk on a class of property which is prohibited by the company he represents, he must be responsible for such disobedience or neglect of instructions. The placing of risks by an agent in companies not licensed to do insurance business in Canada is so clearly illegal and so justly penable as to need no comment. The only safe and honourable course for an agent to take is, to adhere strictly to instructions, to abstain from having any relations with unauthorized companies, to exercise his best judgment in advising those who may consult him as to their insurance, and in all transactions not only to keep on the right side of the law, but well within the line of honour.

CHICAGO is being overdone with new "Lloyd's," which are springing up there as fast as mushrooms, and most of them as solid. Not a few are glaringly dishonest; they are organized to receive premiums and avoid paying claims.