

usually operated by power as distinguished from manual operations. (Text-Book, § 1795.) The mere fixing of such machinery upon timber, or encasing it with boards necessary for its operation, will not remove it from the category of "Machinery."

This answers queries: 1. *Flour mills* and 3 *steam engines*. 2. *Saw Mills*.—The chains and pulleys here are "machinery," but will not include the "ways" upon which the logs slide, which, with the receiving plat-forms, *ought to* be separately specified in the policy. As to shafting, pulleys and hangers, which are machinery, see Text-Book, sec. 1806. 4. *Steam Boilers*.—An insurance upon steam boilers alone would not cover the brick-setting thereof unless qualified by some expression intended to include it. While this brick work, though intended for the steam boiler alone, might by strict construction be included in a policy upon the building, if describing its uses and purposes, yet, to avoid confusion and misunderstanding, it would be much better to be specified as an appurtenance to the boiler, and included therewith. (Text-Book, sec. 1799.)

As the judgments of the Courts finally settle all disputes in the construction of badly worded policies, it is advisable that adjusters, when settling losses under such contracts, should endeavor to follow the court precedents, and give the doctrine above cited (Text-Book, sec. 1232), and settle amicably and equitably with the claimants, if found to be honest and fair-minded.

We have made references in this discussion to the Fire Underwriters' Text-Book, because our correspondent has provided himself with a copy of that work, and because it enforces its dicta by legal authorities in every case.

#### IS THE COMPANY LIABLE TO A BAILIFF IN POSSESSION UNDER A LEVY OF EXECUTION?

A certain stock of goods, under insurance, was taken possession of by a bailiff, under execution, and while in his custody was burned. The insurance company, though notified not to do so by the bailiff who had been in possession of the stock, paid the insurance money to the insured, who then decamped, and has not since been heard of. Under this condition of affairs we are asked if the insurance company can be held by the bailiff for the amount paid to the insured, after having been notified not to do so?

The question is one of simple law, and not of insurance, though the property was covered by insurance and the loss was paid to the insured under the policy.

As the taking possession of the property by the bailiff under a levy of execution, was an alienation, or change of title, without the consent of either the insured or the insuring company, the policy was made invalid by such change of ownership, and the Company need not have paid for the loss under the circumstances, the policy being void.

But whether the company elected to pay or not, the bailiff in possession had no interest in the insurance, though he had in the goods, the policy not having been transferred to him, hence his warning to the company not to pay the insurance money to the insured was of no avail or legal importance, as none of his rights were affected thereby.

The ordinary fire insurance policy provides for such

cases, and makes the policy void where they occur. Whether this policy so provided or not, our informant does not say. The single point of the inquiry being as to the liability of the company to the bailiff in possession; upon which point our opinion is that there was no such liability, the bailiff not being the party insured nor the assignee under the policy. To have given him any claim under the policy the legal process should have been to *garnish* the company, and thus prevent payments to the insured. Under a garnishee had the company paid the insured it would still have been compelled to pay the holder of the garnishee. Or the bailiff should have notified the insurance company of the levy, and had its consent to the continuance of the insurance under the new condition of affairs, though in such case before the company would assent, it should have the consent of the insured.

#### THE SUN INSURANCE OFFICE.

When an insurance company has attained an age of 183 years, as is the case with the Sun Fire of London, more than ordinary interest naturally attaches to its annual statements of condition and operations. Our readers will therefore be interested to examine the report of the company for 1892, which in this issue we lay before them. That very little trading profit, as the phrase goes, was realized by any of the companies on the fire underwriting of 1892, is well known, and the Sun shared in the common experience to a great extent, its loss ratio being a little less than 66 per cent.—a ratio to which that office is not accustomed. That this was below the general average of the British fire offices, however, presents some gratifying features to the managers. Glancing at the revenue account for 1892, we find that the net premium income was \$5,146,630, and about \$360,000 in excess of the previous year. Interest income was \$355,400, the total income being \$5,502,030. Of this amount, losses called for \$3,393,235 and expenses, all told, for \$1,650,530, leaving a balance of income over expenditure of \$458,265. After adding to the 40 per cent. reserve fund for unexpired risks, a balance of \$314,275 was carried to profit and loss. The end of the year found the company with funds amounting altogether to the large sum of \$9,455,305, and total assets aggregating \$10,270,535. The Sun, like its namesake in the heavens, now extends its influence well around the globe, and is known where fire insurance has made a history, the risks assumed by it last year in all countries being \$1,959,034,430—a gain in business for the year of \$93,453,885. In the United States, the company's business has been large, producing a premium income of over \$2,000,000 and risks written of nearly \$47,000,000. The loss ratio was 63.7, or about two per cent. less than the general average of the Company.

As most of our readers are aware, the Sun entered the Dominion for business in June of last year, under the management of Mr. H. M. Blackburn of Toronto. Less than seven months of the year were left for organization and prosecution of the business over a widely extended field. And yet, greatly to the credit of Manager Blackburn the risks written before the close of the year