

being made—it was a clear case for compromise out of court. But no, the craze for litigation must be gratified, however costly to the citizens, and however oppressive to the poor suitor whose righteous plea was sought to be squelched by dragging the case from Court to Court.

Several meetings have been held of Committee of Board of Trade with Fire Underwriters, where those present had the advantage of hearing Mr. Robt. Howe's able report. From this it is clear that a large expenditure is needed to improve fire protection and water supply. But, if by spending two to four hundred thousand dollars an annual saving in insurance rates of about the same amount can be effected, besides saving the loss of millions of dollars worth of property, it seems recklessness to run such risks and avoid such economies for so small an outlay. Then again, the city annually loses a large sum on taxes after a fire, enough, indeed, to pay for the improvements needed. Montreal cannot afford to be behind the age in fire protection, cleanly streets, provisions for health, etc., and the sooner the citizens wake up out of their apathy, the better it will be for their interests and the credit of Montreal.

OBJECTIONABLE CLAUSES IN COTTON POLICIES.

In policies commonly issued covering cotton, there are clauses which an insurance lawyer, writing in the New York "Commercial Bulletin," regards as very objectionable. "As to the effect of the following indorsement often placed upon policies covering on cotton in the South, 'loss, if any, payable to the legal holders thereof,' an insurance lawyer says: 'This clause is ambiguous.' If the phrase 'legal holders thereof' means the legal owners of the cotton the word 'owners' should be substituted for the word 'holders.' If the phrase means the legal holders of the policy, the word 'hereof' should be used instead of 'thereof.' If the clause is intended to cover cotton in the location described in the policy, which is owned by parties other than the parties to whom policy is issued, I should regard the clause as objectionable because, if given that construction, it would extend the liability of the company in the event of a loss to parties not known to the company prior to the fire, and, as the parties to whom the policy was issued would not be authorized by such a clause to act as the agents of the several legal owners of the cotton in the adjustment and collection of the insurance, the company would have a lot of claimants to deal with of whom they had no previous knowledge.

"If the holders of the policy desire to cover their own cotton and the cotton for which they may be liable or which they hold on trust, etc., the usual trust and commission clause, with the words added 'or for which they may be liable,' would fully protect the policyholder and be a much better form for the company. The fact that this clause is used instead of the trust, etc., clause, leads me to think that the parties to whom the policy is issued desire to give the policy a broader application than the trust, etc., clause would give; in short, to make it a kind of open policy covering the cotton of parties in the location described in the policy, whose ownership thereof is independent of any interest the holders of the policy

might have therein. Another important point is that if the clause covers the independent interest of strangers, the policy, so far as such interests are concerned, could not be legally cancelled, because the company could not serve notice on unknown parties.

"If the clause we are now discussing means the legal holders of the policy, it is without force or effect, because a transfer of the insurance could not be made without the consent of the company unless the clause so provided, and this it does not do. While, as before stated, this clause is ambiguous, and needs interpretation by the parties who desire to use it, before it is adopted, it doubtless is intended to apply to the legal owners of the cotton at the time of the fire, whoever they may be.

"As to the clause reading 'loss, if any, payable to the order of the assured indorsed hereon,' he says: 'This clause authorizes the assured or party to whom the policy is issued to make loss, if any, payable to such party or parties as he may see fit without the knowledge or consent of the company. In such a case the company would not know the parties it was insuring, and could not serve a legal cancellation notice if it for any reason desired to cancel. In fact, the whole policy might be made to pass from hand to hand by indorsement of last holder thereof, as he would be the assured. This clause makes the policy a negotiable instrument or it makes it an open policy, as the original insured may choose to use it. It seems to me to be very objectionable.'

THE VALUE OF POLICY HISTORIES.

On the above topic the "Pacific Underwriter" makes the following remarks: "As there can be no doubt of the financial strength of all well established regular life insurance companies, and as these companies issue substantially the same policy contracts, competition resolves itself into a question of results. While the reasons for selecting any particular company are various, the principal influence is that of the personality of the solicitor. But in addition to those persons who are influenced by such considerations, there is a large class of more intelligent purchasers, who, after satisfying themselves of the solidity and fairness of all companies, desire to limit their selection by a study of comparative results. It is for this class that many companies publish policy histories, showing the results of individual investments. Those companies which are able to do so, also publish these histories in comparison with the results of similar policies issued by their competitors. These comparisons show the prospect where he would stand had he insured in the companies compared at the same time and on the same plan. As to the value of these comparisons there is naturally some argument, for evidently policy comparisons are not a form of canvassing literature adaptable to all companies.

It would seem, however, a self-evident proposition that all other things being equal, that company is most desirable which has, in the past, paid the highest dividends. The reason for this lies in the fact that these dividends, whether paid annually or at the end of a term of years, are in no sense profits on the result of speculation which may, at any time, result in loss instead of gain. Dividends are over payments returned. The company is sent to market with the gross premium to purchase a specific article. By care and economy it is able to obtain