measure provides that companies need only reserve 85 per cent. of the unearned premiums for unexpired risks, which practically means that they will be allowed a deduction equal to the commissions. The adoption of this standard, whilst not really affecting the resources of a new company in any way, would still enable it to tide over initial difficulties. If the measure be passed we may look for a marked effect to follow upon the surplus showings at the end of this year. Had it been in force on 31st December last, the aggregate surpluses of the 39 New York Joint Stock Fire Companies would have been $16,261,799 instead of $12,201,052. The Bill is being strongly opposed by the Superintendent of Insurance, but the interests which would be benefited by its provisions are so strong that it may become law.

Construction of Accident Insurance Clauses.

AN accident insurance case, reported from Boston by the *Journal of Commerce*, is important as showing the interpretation placed upon certain policy conditions by the Supreme Court. One Fred. L. Keene, who was insured by the New England Mutual Accident Company "against personal bodily injuries effected through external, violent and accidental means," was killed by a detached car while he was crossing the track of the Old Colony Railroad Company, near the Brockton station. An umbrella which he held in his hand prevented him from observing the car. Notices were posted up prohibiting people from crossing the line, but evidence was given that from 1,000 to 2,000 persons crossed at that point daily, and the deceased was therefore not regarded as a trespasser. The policy contained a clause providing against "any voluntary exposure to unnecessary danger, hazard or perilous adventure." This was interpreted to mean a conscious intentional exposure, and having regard to the other provisions of the contract against intentional acts, the act of deceased was held not to violate this condition according to the evidence. Another clause requiring the insured "to use all due diligence for personal safety and protection" was construed not to be inconsistent with inadvertence, nor with running such risks as prudent people run, and upon the testimony of the witnesses, the deceased's act was not necessarily to be deemed a violation of this condition.

AGAINST PUBLIC POLICY.

A rather novel fire insurance case was recently decided on a rehearing in the Supreme Court of Iowa, involving a question as to public policy. The facts are reported as follows:—A building, valued at $6,000, was erected on land leased by one Griswold from the Illinois Central Railway Company, and adjoining its track and station at Winthrop. The property was insured for $4,000, and was destroyed by fire caused by sparks and cinders from one of the Company's locomotives which was not equipped with a spark arrester and was "negligently handled." The insurance companies paid the loss, and joined the owner in an action against the railway company for damages. The lease of the land contained a proviso holding the railway company free from all liability for damage by fire accidentally or *negligently* communicated to the property in the operation of the railroad or from cars or engines lawfully on its track. The railway company's defence was that the plaintiffs' right of action had been signed away. The plaintiffs argued that the stipulation in the lease purporting to save the railway company harmless in case of loss caused by its own negligence was void as being contrary to public policy. The plaintiffs' demurrer was sustained on the first hearing, but the decision was afterwards reversed by the Court, two judges dissenting. The reversal was based on the ground that the owner's agreement to indemnify the company in consideration of the permission to build on its right of way was simply a contract, within their right, as to which should bear the hazard incident to the location, and that the public had no interest in such a contract. The decision was, we think, a just one under the circumstances, but the views enunciated by the Court do not seem to be altogether conclusive on the question raised. It is difficult to see how any contract of indemnity for loss caused through carelessness or negligence, which may result in danger to public interests, can be consistent with sound public policy. In support of the Court's opinion, it was stated that fire insurance companies indemnify for loss incurred through the insured's own carelessness or negligence. Doubtless companies sometimes pay in such cases, but their policies do not undertake to do so. On the contrary, an examination of their contracts will show that extreme care is taken to provide against such risks.

A QUESTION FOR ENDORSERS OF NOTES.

A case has been recently decided by the Supreme Court of Nebraska—in harmony with previous decisions of higher Courts—which turns upon the question, whether a person other than the payee signing his name on the back of a note before its delivery to a person who receives it for value is liable thereon to a *bona fide* holder, as a joint maker of such note? The case came up by appeal from an inferior Court which had decided in favor of the First National Bank, where the note had been discounted. There is a general impression amongst those who, as the saying is, "lend their names" as "backers" or indorsers of promissory notes, made by persons whom they thus wish to help, that he who places indorsement on it prior to a note being passed away by the maker for value is merely assuming the liability of an ordinary indorser, and must be notified of dishonor in due course. The Supreme Court decided that, "when a third person indorses his name upon a note in blank at the time it is executed and before delivery, the law presumes that he intended to assume the liability of an original promisor." The Court presumed that the plaintiff intended to incur the liability of a maker. The question as to what was the intention of such an indorser, whether his undertaking was designed to be a joint maker, guarantor or indorser, could arise as between the