

to the effect that if he lived ninety days it was full payment, while if he died within that time it was payment on account. The peculiar spectacle is presented of a man refusing money from an insurance company, and the company pressing it upon him without receiving a quit-claim.—*Insurance Critic.*

GERM PROOF HOUSES.—The London "Chronicle," anticipating the march of science in house building, thinks that the Germ Proof Houses "will be single storied without the stairs, built on gravel soil, destitute of cellars, with concrete and blocks of earthenware 'pierced for ventilation,' placed under the floor, and the ordinary bricks will be superseded by glazed and tightly fitting hygienic bricks. The roof will be tiled, not slated, and the windows will reach from top to bottom of the walls. The dining table will be polished mahogany, the chairs cushionless or stuffed with medicated wool. The walls ought to be made of a cement that takes a high polish, can be stained to any colour and washed frequently. Curtains and draperies of all kinds will be abolished; pictures will be permitted only when let into the cement wall; for artistic touches we shall be depending on 'plants of the India rubber and eucalyptus type.' In no room will there be corners to harbour dust and bacteria, and the skirting will always curve into the hardwood parquet floors, instead of striking them at right angles." If this sort of thing goes on, life will become intolerable by and women to worry over without everlastingly being perpetual fear of germs. There is quite enough for men anxious about bacteria.

"WHAT LIFE ASSURANCE DOES," is put graphically and pithily in the "New York News Letter;" It may claim to be judged on the principle, "By their fruits ye shall know them."

It keeps the family together. It educates the children. It takes care of the mother. It pays the mortgage on the home. It provides ready money to keep a business solvent. It supports the insured in his old age.

It saves the respect of the family. It saves the credit of the insured. It saves money which would otherwise be lost. It saves the insured from anxiety as to the future of his family. It saves the insured from anxiety for his own old age. It saves the capital which is locked up in human life.

It prevents poverty. It prevents ignorance. It prevents a lowering of the family's social standard. It prevents forced sales of property.

It does the very things which the insured plans for, works for, hopes for, prays for, is happy if he secures, and unhappy if he fails to get. It helps him to make a success of life, takes up his work when he dies and carries it forward to completion.

Can you afford to be without it?

RECENT LEGAL DECISIONS.

ANNUAL CERTIFICATES TO GUARANTY COMPANIES.—A restaurant company employed a general manager who had responsible duties to fulfil, and, to safe-guard the latter's honesty, a guaranty bond was issued by an American company. For money matters the manager employed a bookkeeper, and himself received all the bookkeeper's monthly balance sheets, and through this source they were submitted to the officers of the restaurant company. The insurance company required an annual certificate as a basis for renewing their bond from year to year in each December. In that month, in 1899, the treasurer signed a certificate for the employing company, which, among other words, had these: "that on the 23rd Dec., 1899, the books and ac-

counts of the manager were examined by us, and we found them correct in every respect, and all moneys handled by him accounted for to the best of our knowledge and belief." Between February and May following, the manager appropriated moneys, and as a result the restaurant company became involved, and the liquidator appointed brought an action against the insurance company. It appeared from the evidence that the treasurer knew nothing personally of the books, and took it for granted that the balance sheets submitted by the manager were correct. In giving judgment for the insurance company, Judge Gray, of the United States Federal Court, said, that the monthly reports made by the manager, through his bookkeeper and upon which the treasurer testified that he relied in making his certificate, did not and could not furnish information which would justify the statements in the certificate. It appeared, therefore, that no examination at all of the books and accounts of the manager was made as certified to by the restaurant company. There was then a clear and absolute non-compliance with an essential requirement. The certificate, on the contrary, was a false certificate, and as that certificate was made by express stipulation between the parties "to constitute an essential part and form a basis of this contract," the obligation of the contract itself was destroyed.

It was further said by the judge, that written contracts of indemnity have come to be looked upon by the courts, and to be treated more as policies of insurance, than as bonds. As contracts of indemnity they will be liberally construed, so as to effectuate the purpose for which they were issued, and, as like policies of insurance, they are generally prepared by the bonding company, the rule of reading them against the hand which drafted them will often be applied in construing their stipulations. (*Carstairs v. American Bonding and Trust Co., of Baltimore, 116 Fed. Rep., 449, A Pa. appeal.*)

IMPORTANT CANCELLATION DECISION.

In a recent issue of the "Insurance Law Journal," is reported the case of the New Jersey Rubber Company vs. Commercial Union Assurance Company, Court of Errors and Appeals of New Jersey, the court of last resort in that State. There is a point in this decision of importance to fire insurance companies. The facts seem to be that when the defendant issued its policy of insurance for \$25,000 the plaintiff agreed to carry other concurrent insurance to the amount of \$75,000. This the plaintiff neglected to do, and the court held that this was a perfect defense. But the defendant subsequently waived its defense by its conduct after the fire. With full knowledge of all the facts in the case the company served a cancellation claim pending notice on the plaintiff, retaining pro rata earned premium from the date of its policy to the date of cancellation. The court held that the defendant could not retain full earned premium as for valid insurance and at the same time insist that the insurance had never been affected—that is, that the policy had never been in force by reason of the failure of the plaintiff to carry the amount of insurance agreed upon. This, says "The Insurance Press," seems to be good law and good sense.

Companies often serve claim pending cancellation notices after a fire, and there can be no waiver by such action if they have no knowledge of a forfeiture, but hereafter if they are in possession of any fact indicating a forfeiture or a possible forfeiture of the policy, or of any fact which might lead them to think it desirable to resist the claim, the proper thing to do will be to return all the premium collected on the policy. The small amount of earned premium usually involved in such cases would not justify them in taking any chances of a waiver, as in the case just cited.