

NOTICE

In accordance with the Dominion Insurance Act, 1917, notice is hereby given that The Fire Insurance Company of Canada has received License No. 755 for the transaction of Fire Insurance.

J. E. CLEMENT,
Vice-President and Managing Director

WANTED

Position in a good tariff Fire Company, four years' experience—both languages. Address:
G. A. B.,
360 Prefontaine St.
Montreal.

WANTED

Position in a Fire Insurance Office by a young lady having three years' experience in Fire Insurance. Thoroughly conversant with both languages and a typist. Best of References.

Address: A.B.C.
c/o The Chronicle,
Montreal.

WANTED

By British Fire Insurance Company, an experienced Clerk, suitable for position of Junior Inspector. Address:

JUNIOR INSPECTOR,
c/o The Chronicle,
Montreal.

CANCELLATION OF FIRE POLICY BY SUBSTITUTION.

When a fire insurance company orders a policy cancelled, the strict legal steps to effectuate such cancellation by notice to the insured and return of the unearned premium are not always taken by the company's agent; he usually presumes that the insured desires him to replace the cancelled policy and does so without any express instruction to this effect. Such a transaction often gives rise to the question as to which company was on the risk at the time of the loss. Just such a case as this was tried in the Supreme Court between the Synthetic Chemical Company and the Ohio Farmers Insurance Company. The court held that there was an effective cancellation and dismissed the suit of the Synthetic Chemical Company. On appeal to the Appellate Division of the Second Department, the lower court's judgment was followed and a decision has just been rendered sustaining the lower court in its dismissal of the complaint. The facts of the case are as follows, as reported by the New York Journal of Commerce:

William G. Bedle was the agent for several fire insurance companies at Matawan, N.J., including the Ohio Farmers and the Allemannia. On May 6, 1916, he issued a policy of the Ohio Farmers for \$5,000 covering the Synthetic Chemical Company at Matawan. On May 12 he was notified by that company to cancel his policy, since it already had a line on the risk. On May 20 Bedle wrote to the Synthetic enclosing a policy of the Allemannia to replace the cancelled policy of the Ohio Farmers and transferred the premium on his books from the Ohio Farmers' account to the Allemannia account. The insured did not acknowledge receipt of this policy until after the total loss which occurred on June 15.

The day after the loss Bedle met the president of the Synthetic and reminded him of the fact that he had not yet returned the Ohio Farmers' policy which had been cancelled, and the insured stated that this was due to an oversight and that it would be returned immediately. In conformity with this promise, on June 16, the day after the fire, the insured mailed back to Bedle the cancelled policy and gave notice and made proofs of loss under the Allemannia policy, but gave no notice and made no proofs to the Ohio Farmers. Later, the Synthetic Chemical Company brought suit against the Ohio Farmers upon this cancelled policy. This is the action above referred to.

Upon the above showing of facts, Justice Cropsey of the Supreme Court dismissed the Synthetic's complaint at the close of its case upon the ground that the policy had been cancelled prior to the fire. The action of the Synthetic in returning the cancelled policy on the day after the fire was held conclusive upon the question of its election to receive in lieu thereof the policy of the Allemannia sent to it on May 20.

It was agreed at the trial that there was no communication between the insured and the agent of the company between May 20, the date of the substitution of the policy and June 15, the date of the fire. If the insured had not returned the cancelled policy after the fire, there might have been some slight question as to its election to accept the policy of the Allemannia and, therefore, as to the validity of the cancellation of the Ohio Farmers' policy. In this event, however, the failure of the insured to object to the substitution for such a long time would have been evidence of its acquiescence in the substitution.

Apart from the fact that the evidence showed a clear acceptance by the insured of the substituted policy, the decision is important for another reason. It was shown that Bedle, the agent of the company, had been empowered by the insured to procure insurance for it to a stated amount and that such authority given to the agent by the insured would seem to include the authority to accept notice of cancellation of one policy and to accept another in lieu thereof, although ordinarily after a broker has delivered a policy to the insured he has no power to receive a notice of cancellation. William Otis Badger, Jr., and Joseph Thurlow Weed appeared for the Ohio Farmers Insurance Company, and Joseph O. Skinner and Arthur C. Mandel appeared for the Synthetic Chemical Company.