

Insurance and Finance. CHRONICLE.

OFFICE:
1724 Notre Dame Street.

MONTREAL, JULY 1, 1894

SUBSCRIPTION:
\$2.00 per ANNUM

THE Insurance and Finance Chronicle.

Published on the 1st and 15th of each month.

AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Editor and Proprietor.

Annual Subscription (in Advance) \$2.00
Prices for Advertisements on application.

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

The Institute of
Actuaries, Report
1893-4.

THIS report, for a copy of which our thanks are due to the honorary secretary, shows that the increase in the number of members during 1893 was 60 as compared with 29 for the previous year, bringing the total up to 734, exactly 300 more than in 1885. Six Fellows died during the year, amongst them being Mr. G. Humphreys, vice-president; Mr. H. J. Rothery, a member of the Council and honorary editor of the *Journal*; and Mr. W. S. B. Woolhouse, one of the foremost non-academical mathematicians of his time. The finances of the Institute are in a very satisfactory condition, funds amounting to £5,135, an increase of £582. At the examination held in the United Kingdom in April last, 125 candidates presented themselves. Sixty-three companies have agreed to contribute their experience to the New Mortality Investigation in regard to assured lives, and many of these as well as other offices have promised to do the like in respect of annuity nominees. The proposed French edition of the Text-Book is nearing completion, two-thirds of Part II being now in print.

Waiver by an
agent.

THE case of Solomon Hart vs. Phenix Insurance Company, heard before the Supreme Court of Illinois, emphasizes the necessity for companies to carefully and fully instruct agents as to their powers and the legal effects of their acts. The plaintiff insured his dwelling with the Company for \$3000. A clause in the policy provided that the insurance would be forfeited if the property became mortgaged or encumbered without the written endorsement of consent by the company. The policy also contained the following condition as to waiver: "No agent or employee of the company, or any other person or persons, have power or authority to waive or alter any of the terms or conditions of this policy, except only the general agents at

Chicago, Illinois, and any waiver or alteration by him must be in writing." The plaintiff did encumber the property, but was informed by the local agent that the company's consent was not necessary. The Court held that in accepting a policy effected by its agent the defendant was bound by his acts, and that the agent being clothed with apparent authority had power to waive conditions, including even a clause providing that he should not have such power. If the agent's assurance was given to Hart at the time the policy was effected, we can see some reason in the Court's arguments, but otherwise, according to the decision, an agent's powers would be practically unlimited and a company's contracts would be at the mercy of its agents.

Another case of
premium notes.

A most important case, illustrative of the remarks contained in our last issue respecting the practice of taking premium notes, was brought before the Supreme Court of California a short time ago. One E. J. Griffith, lawyer, applied to the New York Life in 1889 for two 20 year endowment policies for \$20,000, to be payable to his wife in case of his death or himself on maturity, and gave two promissory notes in payment of the premiums. On the solicitor discovering that Griffith was in financial difficulties at the time, it was arranged that only one of the assurances should be completed. A policy was accordingly delivered, one of the premium notes returned to the assured, and the other policy handed back to the Company's agents, and cancelled. Finding that he was not able to meet the rate for first year's premium, Griffith requested the local agent to return it, and surrendered the policy which was then cancelled for non-payment. No premiums whatever were paid; but on the death of Griffith in 1891, his wife, who until then was altogether ignorant of the whole transaction, demanded of the company the payment of the amount of both policies, and on being refused brought action in the Superior Court in Fresno, with the result that judgment was given in favor of the company. On appeal to the Supreme Court, the decision was upheld as regards one assurance, on the ground that the contract was not completed, no policy having been delivered. The judgment in respect to the other assurance, however, was reversed, the reasons given