Legal Intelligence.

ACCIDENT INSURANCE.

LIVERPOOL ASSIZES, March, 1893. *Bennett* vs. *Scottish Metropolitan Life.* Using due diligence for personal safety.

Plaintiff was appointed agent for the defendant company in October last, at the same time taking out a policy for £1,000.

He lived at Oxford Road, Aintree, and his garden abutted on the Lancashire & Yorkshire Railway Company's line. At the bottom of the road there was a sleeper fence, over which railway servants and others climbed in order to reach a footpath along the line. On the evening of November 29th, plaintiff left his house to go and see an overseer who lived on the other side of the line. He climbed over the fence as usual, and had crossed the up and down line when he stumbled against something, and fainted. When he came to himself, he found that a train must have passed over him, as one hand had been cut off, while the other was so mangled that it had to be amputated. The plaintiff denied that he was in difficulties at the time, or that there was the slightest ground for suggesting that he had wilfully gone on the line to injure himself. He held a policy of £1,000 in another company.

Counsel submitted that upon the plaintiff's evidence there was no liability on the part of the defendants. Among the provisions of the policy was one that "this policy is granted upon the expressed condition that the assured shall use all due diligence for his personal safety and protection," and another that "the policy shall not extend to assured wilfully, wantonly, and negligently exposing himself to any unnecessary danger." The plaintiff by his own showing could have gone across the bridge provided by the company, but instead chose a dangerous way. His Lordship held there was a case to go to jury. Several witnesses were called for the defence, and the jury found for the plaintiff. His Lordship said he entirely agreed with the finding and somewhat regrettted the line of cross-examination which counsel had been instructed to adopt.

FIRE INSURANCE.

IOWA SUPREME COURT, Feb., 1893. *Frane* vs. *Burlington Ins. Co.* Knowledge of agent that of the company.

The policy of the defendant provided that if the property insured should be encumbered by mortgage without the consent of the president or secretary of the company it should be void. It further provided that no agent had power to waive any of the provisions of the policy. The plaintiff bought the property insured, and took an assignment of the policy. He gave to the assignor a mortgage to secure part of the purchase-money. The agent was fully informed of all the facts, and asked to obtain the consent of the company to the assignment. The agent sent the policy to the company with request to assent to the assignment, but did not mention the fact of the mortgage. *Held*, that the company was estopped to defend on account of the mortgage, as it was bound by the knowledge of the agent.

It was also held, that where the evidence that the defendant's agent had been fully informed of the mortgage on the premises at the time of the transfer of the policy was direct and positive, the jury were justified in finding such evidence as true, even though the agent denied having any knowledge of the mortgage.

FARM PROPERTY FIRES.

Farm property is keeping up its reputation of being an absorbent, not merely of its own premiums but of a generous portion of premiums from more fortunate classes of risks as well. Underwriters who are wrestling with the farm problem wonder how much longer farmers will continue to reap where they have not sown. The heavy loss ratio on this class during the first three months of the year, when natural conditions usually favor an absence of fires, betokens an extraordinary season as soon as lightning begins its operations and the tramps start upon their annual barn-burning trip.

The undesirability of farm risks has become so firmly established among underwriters, that it is the exception rather than the rule that companies can be found willing to write the business; and agents having such lines to place can well inquire as to the conditions that make it so unprofitable and consequently so generally tabooed. The location of farm property, removed from fire protection, and even from neighboring habitations, has much to do with making fires more disastrous and the loss claims frequently total. The tendency toward cheapness in construction of farm houses also explains the large number of defective-flue fires. The lack of care of property and delay in repairing, account for the presence of dry and moss-covered shingles, and the resultant numerous fires from sparks on the roof. Lightning and tramps furnish more than their share of fires; while the steam thresher, kerosene oil lamps and lanterns provide their full quota of the many and varied causes assigned.

There is, of course, a rate that will cover all of these natural and unnatural hazards; but if the experience of the companies which have given this business a fair trial proves anything, it is plainly—and to them painfully—evident that the present rates are not capable of doing it. In many sections, farm rates are as low as protected village dwellings, which is manifestly unreasonable, and in other localities some distinction has been made; but very rarely can there be found a section where farm risks pay as much as 25 cents additional for three years. Farm property, in some sections, is rapidly depreciating in value, and this adds another and very serious factor, a species of moral hazard, which some underwriters claim cannot be rated, but which costs every company more or less money, if it has farm property on its acceptable list.

It is becoming an important question whether farmers will not be obliged to insure themselves, instead of being persuaded from so doing. With the present loss conditions, underwriters think they can well be encouraged in forming local mutual companies, that they might learn the lesson of rates. Farmers will, however, continue to buy as cheaply as possible, and many have had too much experience with farm mutual insurance companies to be caught again; therefore, farm insurance will no doubt hereafter be offered to stock companies, and it then becomes a problem for the agents. The latter must exercise unusual care in inspection and selection and show favorable results, if they expect that companies will continue to write farm property. Some companies assume that agents will not use discretion, and have already put farm property upon their prohibited lists.—*Commercial Bulletin.*

MERCHANTS BANK OF CANADA.

PROCEEDINGS AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS.

The annual general meeting of the shareholders of the Merchants Bank of Canada was held in the Board room of that institution on Wednesday, June 21, at noon, when there were present Messrs. Andrew Allan, president; Robert Anderson, vice-president; Hector Mackenzie, Jonathan Hodgson, James P. Dawes, M. Burke, John Crawford, William Francis, J. Y. Gilmour, John McConnel, Murdock Mackenzie, T. H. Dunn (Quebec) John Cassils, John Morrison, Col. Rippen (Lennoxville), J. H. R. Molson, J. P. Cleghorn, John Curran, George Cruickshank, J. A. L. Strathy, G. M. Kinghorn, H. J. Hague and James Moore.

The proceedings were opened by the President taking the chair and requesting Mr. John Gault to act as secretary. After the secretary had read the advertisement convening the meeting, the president submitted the following report of the directors:—