RECENT LEGAL DECISIONS.

GUARANTEE INSURANCE.—A policy of insurance issued by the Employers' Liability Assurance Corporation in favour of the Excelsior Life Insurance Company, guaranteeing the life company against loss which might be sustained through the fraud or dishonesty of one of their servants, contained a clause providing, that if any difference should arise in the adjustement of a loss the amount to be paid should be ascertained by the arbitration of two disinterested persons, one to be chosen by each party, and in case they were unable to agree they were to choose a third, and the award of the majority was to be final. The insurance company, alleging a loss through a dishonest servant, appointed an arbitrator and gave notice to the liability company to appoint a second, and stated that if they did not do so they would name their man as the sole arbitrator. The liability company contending that no difference had arisen which required an arbitration, made no appointment, upon which the insurance company named their arbitrator as the sole arbitrator. The life insurance company then applied to Judge Street, in Toronto, to set aside the appointment, which he refused to do, and this order was affirmed on appeal to a Divisional Court, and now on a further appeal the Court of Appeal for Ontario sets aside the appointment, holding under the circumstances, that the Arbitration Act could not be read into the policy, as was contended by the insurance company, so as to give either party the right to appoint their arbitrator the sole arbitrator. It was, therefore, held that notwithstanding any remedy which the disappointed party might have for breach of contract, they had no right to appoint a sole arbitrator, as if the Act applied to such a reference. (Re Employers' Liability Assurance Company, 2 Ont. Weekly Reporter 348).

TENDER OF BANK NOTES.—The Supreme Court in New Brunswick holds that a tender in bank notes is good, though the notes are not legal tender, if the tender is not objected to on that ground. (Stewart *v.* Freeman, 23 Canadian L. T. 157).

FRAUD OF LIFE INSURANCE AGENT.—The assistant superintendent of a life insurance company was also its local agent, and had sole charge of the business at one of the branches. A number of applications sent in by him to the head office, were with the exception of some five, on the lives of fictitious persons, and as to these five the insurances subsequently lapsed, of which fact the company was kept in ignorance. Afterwards, this dishonest superintendent, representing that the insured were dead, and the claims payable under the policies, sent in to the head office claim papers, filling in the names of the fictitious claimants and forging their alleged signatures. Cheques for the amounts of the various policies were made out by the company in favour of the supposed claimants. These were drawn on the Molsons Bank, and were sent to the superintendent, whose duty it was to see the persons to whom the cheques were payable, and to procure discharges from them. On receiving these cheques he forged the endorsements of the names of the fictitious payees, and the cheques being presented to the bank were paid in good faith, and the amounts charged to the account of the life insurance company. In an action by the London Life Insurance Co., the company in question, against the bank, it was held that the company was effected by what had been done by its dishonest officer, so as to preclude them from disputing the right of the bank to pay the cheques and charge the insurance company with the amounts. (London Life Insurance Company *v.* Molsons Bank, 23 Canada L. T. 155).

ESTATE DUTY ON LIFE INSURANCE MONEYS.—An English father, in 1866, effected a policy in the Commercial Union for £10,000 in his own name on the life of his son, then a lad of eleven, to commence at the age of twenty one. In 1884 the son married, and the father assigned the policy, with the approbation of the son and his wife, to the trustees under the marriage settlement. The father died in 1898, and the son in 1901, leaving his widow surviving. The Commercial Union paid to the trustees a sum of £14,196, the value of the policy moneys with accummulated profits. On these moneys the Crown claimed estate duty, and the Attorney-General instituted proceedings to collect the same. For the trustees it was contended that the father never had any insurable interest in the life of his son, and that the purported assurance was at all times null and void, as a wagering policy under the Statute of 14 Geo. III. It was also contended, though the company had paid the money, it was not in pursuance of any claim the trustees had, and no duty was payable on it. Mr. Justice Ridley held in favour of the Crown. The question was not, whether one had an actual right to the money, but whether it was in fact paid, and in this case it was always known that it would be paid. The policy came within the scope of the Finance Act, which included among "property passing at death" any "interest purchased or provided by the deceased, either by himself alone or in concert or by arrangement with any other person." It was true the father effected the insurance, and paid all the premiums, but he brought it into the marriage settlement with the approbation of the deceased. There would be judgment for the Crown with costs. (The Attorney-General *v.* Murray, 19 Times Law Reports 379).

THE AMERICAN ORDER OF DRUIDS is the latest fraternal concern in Massachusetts to throw up the sponge. Incorporated in 1888, it succeeded in getting a large membership around Fall River and the southern part of the State. In 1895 there were nearly 2,200 members. According to the commissioner's report it had 133 members in 1902, and last week it was stated that there were but fifty certificates in force.