

in the town of Georgetown; the Bank of the Metropolis, the Patriotic Bank of Washington, and the Bank of Washington, in the city of Washington, be, and the same are hereby renewed, continued in full force, and limited to the first Saturday, and first day of October, in the year of our Lord eighteen hundred and thirty-six.

APPROVED, February 9, 1836.

STATUTE I.

Feb. 11, 1836.
[Obsolete.]

CHAP. VII.—*An Act making appropriations, in part, for the support of Government, for the year one thousand eight hundred and thirty-six.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums be, and the same are hereby, appropriated, to be paid out of any unappropriated money in the Treasury, viz :

For pay and mileage of the members of Congress and Delegates, five hundred and fifty-six thousand four hundred and eighty dollars.

For pay of the officers and clerks of the Senate and House of Representatives, thirty-three thousand seven hundred dollars.

For stationery, fuel, printing, and all other incidental and contingent expenses of the Senate, fifty-three thousand seven hundred dollars.

For stationery, fuel, printing, and all other incidental and contingent expenses of the House of Representatives, two hundred thousand dollars.

The said two sums last mentioned, to be applied to the payment of the ordinary expenditures of the Senate and House of Representatives, severally, and to no other purpose.

APPROVED, February 11, 1836.

Members of Congress.

Clerks of the Senate & House of Representatives.

Stationery, &c.

STATUTE I.

Feb. 17, 1836.

CHAP. XXXVIII.—*An Act to incorporate a fire insurance company, in the town of Alexandria, in the District of Columbia.*(a)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the persons who were

(a) Decisions of the Courts of the United States on Insurance against Fire :

Among the conditions which were printed on the same sheet with a policy of insurance against fire, was one requiring "that all persons insured, and sustaining loss or damage by fire, should forthwith give notice thereof to the company, and as soon after as possible deliver in a particular account of such loss or damage, signed with their own hands, and verified with their oath or affirmation, and also, if required, by their books of account and other proper vouchers." *Held*, that the particular account required by the above condition is a particular account of the articles lost or damaged, and does not refer to the manner and cause of the loss. *Catlin v. The Springfield Ins. Co.*, 1 Sumner's C. C. R. 434.

In stating a loss, it is sufficient to show it to have been occasioned by a peril within the policy, without negating the exception of losses from design, invasion, public enemies, riots, &c.; which are properly matters of defence. *Ibid*.

The words in a policy against fire, described the house as "at present occupied as a dwelling-house, but to be occupied hereafter as a tavern, and privileged as such." *Held*, that this is not a warranty that the house should, during the continuance of the risk, be constantly occupied as a tavern; but that it is, at farthest, a mere representation of the intention to occupy it as such, and a license or privilege granted by the underwriters that it might be so occupied. *Ibid*.

Where underwriters agree to make good any loss or damage "by fire originating in any cause, except design in the insured, invasion," &c., *held*, that the exception of losses by design admits all losses not by design; that, therefore, where the plaintiff negligently left the premises insured derelict, and intruders came and burnt them, without any co-operation or knowledge on the part of the plaintiff, it is a loss within the policy. *Ibid*.

The material inquiry is, does the offer for insurance state truly the interest of the assured in the property to be insured? The offer describes the property as belonging to Lawrence & Poindexter, and states it afterwards to be their stone mill. It contains no qualifying terms, which should lead the mind to suspect that their title was not complete and absolute. The title of the assured was subject to contingencies, and was held under contracts which had become void by the non-performance of the same. The supreme court is of opinion that a precarious title, depending for its continuance on events which might or might not happen, is not such a title as is described in this offer for insurance; construing the words of that offer as they are fairly to be understood. *The Columbian Ins. Co. v. Lawrence*, 2 Peters, 48.

The contract for insurance against fire is one in which the underwriter generally acts on the representation of the assured; and that representation ought consequently to be fair, and to omit nothing which is material to the underwriter to know. It may not be necessary that the person requiring insurance should state every incumbrance on his property, which it might be required of him to state if it was offered for sale; but fair dealing requires that he should state everything which might influence the mind of the underwriter in forming or declining the contract. *Ibid*. 49.

the proprietors of the stock of the late fire insurance company of the town of Alexandria, on the eighth day of March, eighteen hundred and thirty-five, and the representatives and assigns of such of them as have since that time died, or transferred their interests, be, and the same are, hereby incorporated and declared to be a body politic, under the name and style of the Fire Insurance Company of Alexandria.

Certain persons incorporated as a fire insurance company.

The description of the property insured must be such as the property is, and not such as will in any way reduce the rate of the premium. *Ibid.*, 56.

The doctrine, as applied to policies against fire on land, has for a great length of time prevailed, that losses occasioned by the mere fault or negligence of the assured, or his servants, unaffected by fraud or design, are within the protection of the policy, and as such are recoverable from the underwriters. This doctrine is fully established in England and America. *Waters v. The Merchants' Louisville Ins. Co.*, 11 Peters, 213.

It is a well established principle of the common law, that in all cases of loss we are to attribute it to the proximate cause, and not to the remote cause. This has become a maxim to govern cases arising under policies of insurance. *Ibid.*

L. & P. at the time an insurance was made for them against loss by fire, were entitled to one third of the property by deed, and to two thirds as mortgagees; but one moiety of the whole was held under an agreement which had not been complied with, and which purported on its face to be void, if not complied with; but the other contracting party had not declared it void, nor called for a compliance with it. L. & P. had an insurable interest in the property. *The Columbian Ins. Co. v. Lawrence*, 2 Peters, 46.

That an equitable interest may be insured, is admitted; and the court perceive no reason which excludes an interest held under an executory contract. While the contract subsists, the person claiming under it has undoubtedly a substantial interest in the property. If it be destroyed, the loss, in contemplation of law, is his. If the purchase money be paid, it is his in fact. If he owes the purchase money, the property is equivalent, and is still valuable to him. The embarrassment of his affairs, may be such that his debts may absorb all his property; but this circumstance has never been considered as proving a want of interest in it. The destruction of the property is a real loss to the person in possession, who claims title under an executory contract; and the contingency that his title may be defeated by subsequent events does not prevent this loss. *Ibid.* 46.

Action on a policy of insurance on the "Glenco Cotton Factory," against loss or damage by fire. The policy was dated the 27th day of September, 1838, and was to endure for one year. The policy contained a clause by which it was stipulated by the assured, that if any other insurance on the property had been made, and had not been notified to the assurers, and mentioned in or endorsed on the policy, the insurance should be void; and if afterwards any insurance should be made on the property, and the assured should not give notice of the same to the assurers, and have the same endorsed on the policy, or otherwise acknowledged by the assured in writing, the policy should cease; and in case any other insurance on the property, prior or subsequent to this policy, should be made, the assured should not, in case of loss, be entitled to recover more than the portion of the loss should bear to the whole amount insured on the property; the interest of the assured in the property not to be assignable, unless by consent of the assurers, manifested in writing; and if any sale or transfer of the property without such consent is made, the policy to be void and of no effect. On all the policies of insurance made by the insurance company, there was a printed notice of the conditions on which the insurance was made. The declaration alleged that Carpenter was the owner of the property insured, and was interested in the same to the whole amount insured by the policy; and that the property had been destroyed by fire. The facts of the case showed that the property had been mortgaged for a part of the purchase money, and the policy of insurance was held for the benefit of the mortgagor. Another insurance was made by another insurance company, but this was not communicated in writing to the Providence Washington Insurance Company; nor was the same assented to by them, nor was a memorandum thereof made on the policy. By the Court: No doubt can exist that the mortgagor and the mortgagee may each separately insure his own distinct interest in property against loss by fire. But there is this important distinction between the cases; that where the mortgagee insures solely on his own account, it is but an insurance of his debt; and if his debt is afterwards paid or extinguished, the policy ceases from that time to have any operation; and even if the premises insured are subsequently destroyed by fire, he has no right to recover for the loss, for he sustains no damage thereby; neither can the mortgagor take advantage of the policy, for he has no interest whatsoever therein: on the other hand, if the premises are destroyed by fire, before any payment or extinguishment of the mortgage, the underwriters are bound to pay the amount of the debt to the mortgagee, if it does not exceed the insurance. Upon such payment, the underwriters are entitled to an assignment of the debt from the mortgagee, and may recover the same from the mortgagor. The payment of the insurance is not a discharge of the debt, but only changes the creditor. *Carpenter v. The Providence Washington Insurance Company*, 16 Peters, 495.

When the insurance is made by the mortgagor, he will, notwithstanding the mortgage or other encumbrance, be entitled to recover the full amount of his loss, not exceeding the insurance, since the whole loss is his own. The mortgagee can only insure to the amount of his debt; whereas the mortgagor can insure to the full value of the property, notwithstanding any encumbrances thereon. *Ibid.*

An assignment of a policy by the assured only covers such interest in the premises as he may have had at the time of the insurance, and at the time of the loss. If a loss takes place after the policy has been assigned, the assignee alone is entitled to recover. The rights of the assignee under the policy cannot be more extensive than the rights of the assignor. Cited *The Columbia Insurance Company v. Lawrence*, 10 Peters, 507, 512; 2 Peters, 25, 49. *Ibid.*

Policies of insurance against fire are not deemed in their nature incidents to the property insured, but they are mere special agreements with the person insuring against such loss or damage as they may sustain; and not the loss or damage that any other person having an interest as grantee, or mortgagee, or creditor, or otherwise, may sustain by reason of the subsequent destruction by fire. *Ibid.*

The public have an interest in maintaining the validity of the clauses in a policy of insurance against

The property of the late company vested in them.

Parts of the Act of Congress of 1814, ch. 24, revived.

Election of officers, when held.

SEC. 2. *And be it further enacted*, That the property, real and personal, owned by the late fire insurance company of Alexandria, be, and the same is hereby vested in the company newly created, subject, however, to all debts, contracts, and engagements of the former company.

SEC. 3. *And be it further enacted*, That an act of Congress, passed on the ninth day of March, eighteen hundred and fourteen, entitled "An act to incorporate a fire insurance company, in the town of Alexandria, in the District of Columbia," with the exception of the first, second, and tenth sections thereof, be, and the same is hereby revived and declared to be in full force as to the company hereby created, and that the company hereby created, shall have all the powers and capacities which were granted to the former company by the said act; and shall be subject to the payment of all debts due, or contracted by the former company, and shall be chargeable with all their contracts.

SEC. 4. *And be it further enacted*, That the election of president and directors as made by the stockholders of the former company on the first Monday in November last, be, and the same is hereby confirmed; that the president and directors shall continue in office for one year from the first Monday in November last, and until others shall be chosen in their stead; and that all acts by them done within the provisions of the former charter shall be, and are hereby declared to be binding and obligatory on the company hereby created.

SEC. 5. *And be it further enacted*, That this act shall continue in force, for the term of eighteen years, from and after the passing thereof, and until the end of the session of Congress then next following.

APPROVED February 17, 1836.

STATUTE I.

Feb. 25, 1836.

[Expired.]

The charters extended and limited to the 4th of March, 1839.

Proviso.

CHAP. XL.—*An Act to extend the charters of the Bank of Columbia in Georgetown, and the Bank of Alexandria in the city of Alexandria.*

Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled, That to enable the president and directors of the Bank of Columbia in Georgetown, and the president and directors of the Bank of Alexandria in the city of Alexandria, to close all the concerns of the said banks, to recover the debts due to said banks, or either of them, to pay the sums due from said banks or either of them, and to divide the capital and profits which may remain among the stockholders of said banks, in proportion to their respective interests, the charter of the said Bank of Columbia, and the charter of the Bank of Alexandria, shall be, and are hereby, extended and continued and limited to the fourth day of March, one thousand eight hundred and thirty-nine; and that all laws now in force, imposing penalties, or inflicting punishments, for crimes or offences committed in relation to said banks, shall be, and the same are hereby, declared to be extended and continued, and to remain in force, to the same period of time: *Provided*, That no new discounts shall be made by either of said banks, except such as may be deemed proper to renew such notes as have already been discounted, nor any promissory note thereof be put in

fire. They have a tendency to keep premiums down to the lowest rates, and to uphold institutions of this sort, so essential to the present state of the country for the protection of the vast interests embarked in manufactures, and on consignments of goods in warehouses. *Ibid.*

Questions on a policy of insurance are of general commercial law, and depend upon the construction of a contract of insurance, which is by no means local in its character, or regulated by any local policy or customs. *Ibid.*

The Circuit Court charged the jury, that at law, whatever might be the case in equity, mere parol notice of another insurance on the same property was not a compliance with the terms of the policy; and that it was necessary in the case of such prior policy, that the same should not only be notified to the company, but should be mentioned in or endorsed on the policy; otherwise the insurance was to be void and of no effect. *Held*, that this instruction of the Circuit Court was correct. It never can be properly said that the stipulation in the policy is complied with, when there has been no such mention or endorsement as it positively requires; without which it declares that the policy shall be void and of no effect. *Ibid.*