

and Process at Law", sub-title "Pleadings", said new section to be known as Section 14A and to follow immediately after Section 14 of said Article, relating to actions for damages against charitable institutions.

By the terms of Senate Bill 594, there is proposed to be added a new section to Article 75 which would relate to actions for damages against charitable institutions.

Briefly stated, the bill provides that where insurance is carried neither the charitable institution nor the insured shall be allowed to plead immunity from liability because of the fact that the institution is established for charitable purposes. As to the origin of the bill, it might be stated that persons injured as a result of the negligence of agents of charitable institutions feel that they should have the right to recover damages against such institutions, in those cases where an insurance company has accepted premiums covering the institution.

Cases have occurred, it is contended, where the insurance companies have accepted premiums from charitable institutions and then, after an accident resulting in personal injury, have set up the defense that a charity cannot be sued. Various questions have been raised as to possible difficulties affecting the charitable institutions if this bill is approved. One possibility is, some contend, that a charitable institution, once insured, would have to pay the excess of the amount of judgment returned in court, over the face amount of the insurance policy. Others contend, that if, between the time of the acceptance of the premium and the time of assertion of claims, the insurance company becomes financially involved, then considerable difficulties might ensue in regard to the pro-rating of its assets in connection with claim for damages.

Inasmuch as the bill only covers those situations where a charitable institution takes out insurance, it is argued that such charities may refrain from continuing any liability policies now in effect. Meanwhile, they would be subject to judgment as above indicated.

My investigation shows that a number of charitable and religious organizations are now carrying insurance with which to meet claims for injuries which are deemed meritorious. This bill might penalize those institutions for the very fact of their taking insurance with which to meet any just claims.

The able chairman of the Senate Judicial Proceedings Committee, who introduced this measure, has pointed out the difficulties which might arise, and he suggests the veto of his bill, with provision for a study of this question by all the interested parties.