

REVIVAL OF A LIFE INSURANCE CONTRACT.**Interesting Judgment by Mr. Justice Archibald.****SUPERIOR COURT.**

Skaiffe vs. The Canada Life Assurance Company.—The plaintiff is the widow of the late Francis W. Newman, who died at Hampton-Wick, Middlesex Co., London, England, on the 30th day of April, 1908. Previous to Newman's death, his life had been insured with the company defendant under three policies, for an amount aggregating \$25,500, upon which policies said late Newman had secured loans and the policies were, in consequence, in the possession of the company defendant. The late Francis W. Newman had, some time previous to his death, failed to pay the premiums on these policies, and they had become by their terms, automatically cancelled. On the 5th March, 1908, a correspondence commenced tending to the revival of these policies. The first letter which is referred to in the declaration, is a letter written from the defendant's office in Toronto, addressed to Frank W. Newman, which acknowledges receipt of a letter by Newman, addressed to Mr. W. T. Ramsay, who appears to have been the agent of the defendant in London. As the issue of the case depends upon the interpretation to be put upon the letters which constituted this correspondence, it will be necessary to set them out practically in full. The first letter, which has been just referred to, was as follows:

"Frank W. Newman, Esq.:

"Mr. W. T. Ramsay has forwarded to me your favor of the 30th ult., in reference to your policies, Nos. etc., and has asked me to look into the matter and to write you direct. In arranging for re-instatement of these policies, we made you what we considered a very favorable proposal, and we trust you will be able to arrange the matter. In reference to the matter of policy loan, you mention the sum of \$2,250.00 on the three policies. Our correspondence here goes to show that the sum of \$2,000.00 was the largest amount which we quoted, and I have delayed answering your letter until I could communicate with Mr. Ramsay as to how the figures you mention came to be quoted, but Mr. Ramsay writes that he has no recollection of mentioning any amount in excess of \$2,000.00, which was the amount mentioned in my telegram of the 23rd January to Mr. Ramsay.

".....I do not think we will need to trouble you further in reference to medical examination, except that we will have to arrange for re-assurance if these policies be revived, and before going further with the matter, we would like to know whether, after receiving this explanation, you intend to revive all three policies and to take the amount for the loan, viz.: \$2,000.00. On hearing from you as to your decision, we will take the matter up again and complete the transaction."

After the receipt of this letter, the late Francis W. Newman wrote W. T. Ramsay, who was the then duly authorized agent of the defendant in London, Eng., as follows:

"W. T. Ramsay, Esq.:

"My Dear Mr. Ramsay:—I beg to acknowledge with thanks the receipt of Mr. F. Sanderson's favour under date of 5th inst., written from the Actuaries

Department of your company, Toronto. I have gone into this matter very carefully, and I think, if you will refer to my letter to you of the 13th ult., that I then and there decided to take on the whole of the three policies.....asking you in that letter to be good enough to give me the very fullest assistance in regard to the matter of a loan that you could. I still submit that your company might consider the question of increasing the loan beyond the sum of \$2,000.00. I was under the impression that the figure named was for the sum of \$2,250.00 upon the three policies. I now submit the matter to you in this shape. I am quite prepared to go on with these three policies and intend to do so, but would feel immensely relieved if it were possible for you to increase the loan to the sum of, say at least, \$3,000.00. If after careful consideration and examination of the matter you find that you cannot increase this beyond the sum named in Mr. Sanderson's letter of the 30th ult., all I can do then is to accept your offer as I cannot consider losing the benefits of taking on these policies. If you will therefore take them all up and put them in order, I will remit you the various amounts for arrears and premiums to start them afresh, but I have already pointed out to you that this will be an exceedingly heavy year on me and I would have very deeply appreciated your assistance in regard to the reduction in the amount which I shall have to pay for arrears. Will you please consider this final and proceed to reinstate all the policies, and I am prepared to place myself, as I have already stated in my letter of the 13th ult., in your hands, trusting you will render me all the assistance possible. In a year or two I shall not find it so difficult to meet, but this present year is going to strain me very hard. I trust this now will place the matter thoroughly in hand and that you will not require any further instructions from me in this matter."

On the 16th day of April, 1908, the company defendant wrote to the said late Francis W. Newman, from its head office in Toronto, stating again the terms on which it was proposed to continue the said policies:

"Frank W. Newman, Esq.

"Dear Sir:—Your letter of the 31st ult., addressed to Mr. W. T. Ramsay has been referred to me. Although we feel that \$2,000.00 was a very fair additional loan, still upon representations by Mr. Ramsay, it has been agreed to make a special case of this and loan a somewhat larger amount than is our practice." Then follows a statement showing the amount of arrears due on each of the policies and the amount necessary to be paid to free the policies up to the 1st May, 1908. Then an agreement to give a new loan to aid Mr. Newman to the amount of \$2,229.83, bringing the total loan upon the policies up to \$6,000.00, and leaving a balance of \$2,110.35 to be arranged for in cash. Here follows the expression of the company in that letter: "You will thus see there is a balance of \$2,110.35 to be arranged for in cash, and if you will kindly complete and return the enclosed agreement and favour us with a remittance of \$2,110.35 we will have the policies re-instated and forward you the receipts."

It may be at once stated that this letter did, in fact, include the loan agreement for the additional sum of \$2,229.83, but before the reception of this