

minence again in connection with female lives. It has been often urged that a wife has a money value to her husband and children so great as to justify and even require a policy on her life for his and their protection. This may be perfectly true in theory, and yet the hard practical fact remains that a widower, even with a family, can more easily get a second wife than a widow can secure a second husband. The death of a wife, moreover, usually causes no actual loss of income or wages, while that of the husband does. Policies on wives, therefore, partake of a more speculative character generally than do those on husbands, and the result could almost be foretold. The death-rate among this class of lives has almost invariably, on this side of the Atlantic at least, been excessive especially among those assured on the whole life plan.

The manner in which a certain section of the public view this matter may be illustrated by one or two actual incidents of which we have heard. A life company some time ago granted an assurance on the wife of a person living in Montreal. After running several years, this policy became a claim by death, and was duly paid. About six months afterwards, an official of that same company received a visit from the bereaved husband. He stated that he "wished to assure his wife's life." "Assure your wife's life!" said the astonished official, who began to think his memory was entirely failing him, "why, I thought we had the claim on her just a short time ago." "Oh, yes! But I have married again and it is my second wife I wish to assure." The company politely declined. That same official was approached at another time by a person who wished to secure a joint life policy on himself and his wife, payable on the death of the first to the survivor. When urged to take a larger amount on his own life alone, he adhered to his first request, and laid down the principal: "If I give my wife a chance to make money out of me, she must give me a chance to make money out of her." Is it strange that such lives prove undesirable risks?

There is yet another class of speculation which is happily less common but is even more reprehensible. A proportion of the lives on the books of every company become in course of time more or less deteriorated in health. The policies on these under-average cases are usually kept in force by the relatives or friends, even if the assured themselves be unable to pay the premiums. But it occasionally happens that some of these bad lives desire to drop their policies. This is particularly the case where the failure in health is due to drinking habits, for intemperance is not only frequently accompanied by financial trouble, but also has a tendency to alienate the sympathy of friends. No objection can of course be made by the company to any arrangement which may be made to continue such a policy in force, even if it be by assigning it entirely to a third party who purchases it as a speculation. But if any of the agents or other employees of the company itself secure assignments of such policies for their own benefit, the case is entirely altered. They are then using the information obtained by them in

their official capacities to further their private interests at the expense of the company which employs them. If any advantage is to be secured from the cancelling of undesirable risks, that advantage fairly belongs to the company, and any attempt by the agent to appropriate it to himself deserves the severest condemnation. Nevertheless, we have heard of some agents who have induced invalid policyholders to transfer their assurances to them by offering a larger cash value than that quoted by the head office. For their own protection, the companies should relentlessly stamp out any indication of such a tendency on the part of any agent. They cannot always prevent other forms of speculation from getting a certain foothold in the business in spite of their best endeavors, but this form of the disease is subject to their own control and the remedy is in their own hands.

EFFECT OF A COMPROMISE UPON A FRAUDULENT LOSS CLAIM.

Several fire insurance companies were jointly interested in a case where the value of the property at risk and the actual amount of the loss being in doubt, a submission to arbitration was agreed to by insurers and insured, upon the result of which a compromise was effected, and the several proportions of the co-insurers were duly ascertained and accepted, some of the offices forthwith paying their respective quotas, two of the offices, however, declined to pay, upon the ground of misrepresentation and fraud discovered after the compromise had been made, by which the insurance was invalidated before the loss, on the part of the claimant. In the meantime, after the compromise had been completed, the insured, with notice to the several offices, had disposed of his claims for cash, to a third party, the questions being: "Are the companies legally bound by the compromise—despite of the newly discovered evidence of fraud on the part of the insured, at the time of taking out the insurances—to pay their respective quotas? Is the notice by a third party, purchaser of the claims, to the company, of such transfer, of any force and effect in such a case?"

The adjustment of a fire loss is the act of arriving at the amount of indemnity which may be due from insurers to the insured. It is entirely immaterial how such adjustments may be made, whether directly between the parties in interest themselves, upon an agreed amount, or through the intervention of chosen arbitrators, under the stipulation of the policies, usually limiting their duty to the ascertainment of the amount of loss only to be paid by the insurers; the entire transaction supposed to be *uberrime fidei*, the utmost good faith between the parties, and, when so made, is but an admission that, under a true and honest statement of facts, and in the absence of fraud, the claimant is entitled to recover under the policy, to the amount agreed upon by the parties, or as found by the arbitrators. It is simply a promise to pay upon an admitted liability; but until the insurer has paid the money, or its equivalent, to the insured, he is at liberty to avail himself of any legal de-