

# The Chronicle

## Insurance & Finance.

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### Novel Suicide Case.

The Court of King's Bench, London, England, on 14th March, heard and decided a novel suicide case. One Firnberg, in November, 1902, secured a policy of assurance from the Mutual Life of New York, for \$20,000. He agreed that certain answers and statements should be the basis and form part of the contract, and signed another statement, which read:—"I also warrant and agree that I will not commit suicide whether sane or insane during the period of one year from the date of the said contract." In February, 1903, he committed suicide in a fit of insanity. Mr. Justice Biggam decided in favour of the company, it being clear that they intended that, in the event of the assured committing suicide they should not be liable under the policy. While the judgment is equitably sound it was most extraordinary for a man to undertake that he would not commit suicide, sane or insane, within a given period, as though becoming insane were a voluntary act.

### Is a Fire Policy Valid After it Has Expired?

This curious fire insurance question has been raised. A policy for \$5,000 covering property in Baltimore expired at noon on the Monday before the conflagration started, but the fire did not reach this property until after the maturity of the policy. Before the fire the policyholder had arranged with the agent to renew the policy for one-half, that is \$2,500. The question stated by our New York namesake, reads: "Would the company be liable for \$5,000; or \$2,500 or, in other words, whether it would be liable under the policy expiring at noon on Monday, or under the policy going into effect at that hour?" As the original policy for \$5,000 expired at noon on Monday, before the premises insured caught fire, it is clear that no claim can be valid under the original policy, which, having expired, was not legally in existence.

### A Fire Underwriter's Victory.

The fire underwriters of Boston were successful in their opposition to the proposition to enlarge the legal undivided floor area of a certain class of buildings in that city. It was proposed to enlarge this area to 60,000 feet, which was cut down to 20,000 feet where a fire-proof building has a frontage of not less than fifty feet on each of two streets, in other cases in a first-class fire-proof building the undivided area must not exceed 10,000 feet. All such buildings must be equipped with automatic sprinklers and other arrangement designed to prevent and restrict damage by fire.

### Insurance Interest Defined.

In a general way, it may be stated that when the relationship between the insured and the beneficiary of a life policy is such that the latter would naturally desire that the former should continue to live, an insurable interest exists. Such a relationship would be that existing between husband and wife, parent and child, or other near kindred. The relationship of guardian and ward, or of patron and dependent, creates such an interest. A creditor has an insurable interest in the life of his debtor to the extent of his debt. The employer may have an insurable interest in the life of the employee, and vice versa. A corporation has an insurable interest in its officers, superintendents or foremen, and a co-partnership in the members of the firm. Subscribers to the capital stock of a new corporation may have an insurable interest in the life of the promoter of the enterprise.

"It is a general rule that the assignee or beneficiary of a life insurance policy, who has no insurable interest in the life of the insured, can recover no part of the proceeds of the policy. Such a contract would be merely betting on the hazard of a life in which the beneficiary has no interest save to desire its termination. Canadian courts have made the