

OTHER INSURANCE.

If the answers to the questions in the application are warranted to be true, a false answer to the enquiry concerning other insurance or applications to other companies vitiates the policy. The suppression by the insured of the fact of the existence of other insurance on his life in violation of the condition of such policy is such concealment as will make void the policy. If the applicant states that "to the best of his belief" no company has refused to issue a policy on his life, the fact that a policy has in fact been refused is a good defence.

GENERAL REMARKS.

Statements made by a person in a proposal for life insurance must be true at the *time* at which the contract of assurance is *actually made*. A policy obtained by fraud is not void, but *voidable* at the election of the party aggrieved. The materiality of warranties and representations in life insurance, is in most cases a matter of law, and must be decided by the court, but whether or not the answers made by an applicant for insurance, are true or false, are matters of fact which must be decided by the jury. The Courts have always acted with severity in cases of false representations in policies on life insurance.

In *New York Life Insurance Company v. Parent*, and the same *Company v. Talbot* (3 Quebec Law Reports, pp. 163-168), the Superior Court held:—1. "That when, by the terms of a policy of insurance, 'the statements and representations of the application for the policy are made part of the contract, and by the policy all such statements and representations are warranted to be true, and the application contains false representations and fraudulent suppressions, the same may be urged by the insurer as a cause of nullity in the contract, and an action lies to have the policy cancelled and delivered up." 2. That when the misrepresentations "contained in the application are to the knowledge of the assured, such nullity may be invoked by the insurer *without any return of the premiums paid*."

Brophy v. North American Life Assurance Company, 32 Supreme Court Reports, 261. "If the 'beneficiary of a life insurance policy having no interest in the life of the insured, has effected the 'insurance for his own benefit and pays all the 'premiums himself, the policy is a wagering policy 'and void." In this case it was also held that where a policy is cancelled, upon the ground that it covers a wagering contract (especially without any guilty participation by the company), the company, in such a case, is not bound to return the premiums received. On the other hand, where a company asks the cancellation of a policy, on the

ground of fraud and misrepresentation by the insured, Courts of Equity have frequently held that the premiums must be returned, but anyone who has obtained a policy by fraudulent misrepresentations cannot maintain an action to recover the premiums paid thereunder. It has been so held by the Supreme Court of the United States and by the Supreme Court of Canada.

PRINCIPAL AUTHORS ON LAWS OF LIFE INSURANCE.

BACON—On life insurance—(American) 3rd Ed. 1904.

BUNYON—On life insurance—(British) 4th Ed. 1904.

PORTER—Laws of insurance—(British) 4th Ed. 1904.

CRAWLEY—Law of life insurance—(British) 1882.

ELLIOTT—Law of insurance—(American) 1902.

BLISS—On life insurance—(American) 1874.

HOLT—Insurance Law of Canada—(Canadian) 1898.

MAY—Laws of insurance—(American) 1900.

HODGINS—Life insurance contracts—(Canadian) 1902.

LEFORT—Assurance sur la vie—(French) 1895.



OCEAN ACCIDENT AND GUARANTEE.

An increasing host of rivals in the British field has not served to check the progress of the Ocean Accident & Guarantee Corporation, Limited, as is evident from its report for the twelve months ending 31st December, 1906. The premium and interest income for the year amounted to \$5,891,900, a showing well in advance of that for 1905. The provision for claims outstanding was increased from \$2,000,000 to \$2,240,000, and that for liability on unexpired risks from \$1,752,500 to \$1,910,000. After strengthening its position in these and other ways, as well as declaring a substantial dividend and bonus amounting together to 25 pc, the corporation was able to carry forward to the balance sheet a sum of \$864,480—twice the amount brought forward from the preceding year. During the year, assets were increased by the amount of \$852,570 bringing the total value up to \$8,116,155.

With the enactment of the new Workmen's Compensation Act there has been a remarkable rush into the British casualty field, both by new companies and by offices originally founded for transacting other branches of insurance. The Ocean Accident is not likely to surrender its leading position in its old field, and will prove a claimant for a strong place in the fire business as well, its venture into the latter branch being prudently limited, for the present at any rate, to risks in the United Kingdom.