

The Insurance & Finance Chronicle.

VOL. XVI.

MONTREAL, MARCH 15, 1896.

No. 6.

THE Insurance and Finance Chronicle.

Published on the 1st and 15th of each month.

1 AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Proprietor.

Annual Subscription (in Advance) - - - \$2.00

Prices for Advertisements on application

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

Technicalities Overdone.

THERE must be some respect paid to technicalities in Courts of justice, to ensure regularity and uniformity in procedure. They are like the rules of etiquette in social life, which are necessary to protect society from disorder. But to sacrifice justice to technicalities is like refusing to drag a person out of danger because of not having been introduced to him. It is useful to know of the technical points raised in Courts of law, so that business may be conducted with an eye to their being possibly raised. The insurance business is beset with pitfalls for the unwary and inexperienced, and the following case shows that clerks charged with such humble duties as mailing notices and stamping letters may bring a company to trouble by non observance of some technicality. One Nixon held policies of the Provident Savings Co. for \$20,000. He was in arrear with the premiums. The law of New York State requires thirty days notice to be given to persons in arrear, within which time they can pay any premium due, and in default the policy is null and void. Notices were mailed to the delinquent, but they were unheeded. A few months later he died, and suit was brought to recover amount of the policies which the deceased had forfeited by neglect. Secretary Stevens and two clerks testified in proof of the notices having been mailed. The evidence of the former was ruled out, as he was not regarded a competent witness, a very eccentric ruling when the matter in hand turned upon the discharge of duties over which he, as secretary, had supervision. The evidence of the clerks was also ruled out, because they were unable to demonstrate that the notices had been sent to Nixon's "last known post office address," as the law requires, or that "the postage on them had been paid by the company." To adduce such evidence in regard to the letters mailed

daily by a business house is impossible. The clerks swore that the notices were sent to the best of their knowledge and belief, which is as far as mailing clerks can go, unless each letter is posted separately in the presence of a witness, who at the time registers the fact so as to be able to swear to it in Court. To condemn an insurance company to pay the amount of a policy which was well known to the insured person to be six months in default, solely because the company could not prove to a certainty that notice had been sent to him, seems to us an outrage upon justice, and utterly at variance with common sense. The man knew in October, 1890, that he was a month in arrear, yet he went on neglecting payment of the premiums for several more months without any communication with the insuring company. An appeal can be made to the United States Supreme Court, which would be extremely unlikely to pay more profound respect to such trivial technicalities as this case was decided upon than to equity and to justice, which have been sacrificed.

All letters, if practicable, but certainly all having relation to legal matters, or with a bearing upon the legal positions respectively of the person writing and the one he addresses—such as a company's notice of premium being in arrear—ought to be registered in the office Letter Book, as it has been held by an English Court that such a form of registration is almost conclusive proof of such letter having been mailed. Attention to these mechanical rules is not only found a great convenience at times, but valuable in settling disputes.

A Blow at Bank Directors.

THE Bill introduced to the House of Commons on 22nd January, "to amend the Bank Act," is an evidence rather of ill-will towards bank directors than of an intelligent and reasonable desire to amend banking practice. It provides that "Every director of a bank who, directly or indirectly, in his own name or as endorser or surety, is indebted to the bank in a sum exceeding the total amount paid in by him on his shares in the stock, or authorizes or permits a loan by the bank to any of its officers, clerks, or servants, shall thereupon *ipso facto* cease to be a director of the bank." Were this enforced it would prevent many a man, however wealthy or however reputable, doing business with the bank of which he had been elected a director. As