

Attempt at a Mortgage Fraud.

THE Confederation Life Association has had to defend itself from an attempt to defraud it of a sum of money advanced on security of a mortgage, the plea upon which the attempt was based being somewhat peculiar. A married woman named Kinnear executed a mortgage in September, 1890, upon which the Confederation advanced money. When payment became due, default was made, whereupon the Association entered suit to recover its advance. The case came up in Chancery in the Court presided over by Justice Falconbridge, a few days ago. The defence was set up that the mortgagor, when she executed the mortgage, was an "infant,"—that is, under legal age for such an action. The evidence led to the Judge deciding that the defendant mortgagor had been guilty of at least a legal and technical fraud, which her husband instigated and participated in, and he was therefore her agent when he represented, at the time the money was advanced, that she was of age. Judgment went in favor of the Confederation Life with full costs of the action, including incidental costs of examination for ascertaining the facts. As the defendant had engaged two of the most expensive counsel at the Ontario bar to assist her in carrying out what Judge Falconbridge denounced as a "fraud," she will have to pay a heavy penalty for the experiment. It is highly probable that she and her husband were under the impression that an insurance company usually gets beaten in a law suit,—an idea too well founded when it is left to the mercy of a common jury, but the Court of Chancery is above the prejudices which too often bring strange verdicts out of jury boxes.

ENDOWMENT LIFE INSURANCE.

Unquestionably the primary object of life insurance is protection for the family, at the lowest cost consistent with perfect safety. It affords the opportunity, furnished by no other institution, whereby a man, of limited, even scanty, income is enabled to secure the payment to those dependent upon him, in the event of his death, of a sum sufficient, even when small, to drive want from the door until these dependents are able to adjust themselves to their changed circumstances and successfully face the world. Where the amount of the whole life policy is large, its proceeds, invested judiciously, or left with the insuring company to be paid over in annual installments covering a long period, may serve to yield a stated income sufficient to keep at least in reasonable comfort the widow and children of the departed husband and father. It is not our purpose, however, at this time to enlarge upon the beneficent character of ordinary life insurance or its indispensable value to society—for these are now conceded by all intelligent men and women,—but rather to call attention to modern life insurance as an institution combining a good investment, available for the benefit of the insured himself and protection for dependents, as provided in the endowment policy.

A quarter of a century ago, neither British nor American life companies had found a demand for endowment insurance to any considerable extent. But steadily

the demand has grown and been supplied in both countries, until in Great Britain more than one-eighth of the life insurance in force is on the endowment plan, according to Actuary McClintock, while in the United States and Canada nearly one-fourth of the total in force is under some form of endowment. In order to show the steady growth of this form of insurance, we compile from the New York Insurance Reports the following brief summary for fifteen years, by five year periods, covering the business of the principal companies in the United States:

Year.	Total Ins. in Force.	Whole Life Plan.	Per cent.	Endowment Plan.	Per cent.
1880	\$1,475,994,672	\$1,215,082,831	82.3	\$216,574,461	14.6
1885	2,022,517,488	1,517,053,856	75.0	442,209,521	21.9
1890	3,542,955,751	2,543,961,449	71.8	817,579,732	23.0
1894	4,657,533,046	3,361,199,199	70.9	1,645,117,780	22.4

It will be seen from the above that the increase in the percentage of endowment insurance has gone on steadily from 14.6 to 22.4 during the fifteen years under observation, while the percentage of whole life policies to the total in force has diminished even a little more rapidly, owing to the increase of term insurance, which, combined with the increase of the endowment form, has reduced the percentage of the whole life materially. There must manifestly be sound reason for the increased demand for the investment form of life insurance continuing as it has for a long period. It is perfectly evident that endowments have come to stay, and that because they fill a legitimate want. There are solid reasons why a class of people who have no dependent ones to provide for should seek safe provision for their own future by taking a policy which, fifteen, twenty or twenty-five years hence, will yield them a definite sum quite as available as money in a bank. Single men and women, teachers and the like, who from current earnings or profits in business can pay annually without much difficulty the premium required to keep up an endowment policy, can thus in a few years be placed in comparative independence, and find themselves provided for when the ability to work and earn has departed.

Then, too, experience has demonstrated to the man engaged in business that the safest anchor he can cast to windward is the endowment policy. Mr. Wanamaker, the great Philadelphia merchant, and ex postmaster-general of the United States, carries, all told, about \$2,000,000 of life insurance, and a considerable portion of it is under the endowment form. The same is true of scores of other large insurers, many of them engaged in great mercantile or manufacturing enterprises. They command large capital, and may be doing a profitable business and accumulating money for a time, but to the majority of men in business, reverses come sooner or later, and the reputed millionaire of to-day may be as poor as Lazarus to-morrow, so far as their business is concerned. At such a time a good sized endowment policy, if ready to mature, may save the home and possibly the business, and if not matured has a definite