

## Correspondence.

To the Editor of the Monetary Times.

SIR,—In the last issue of the MONETARY TIMES reference is made to a deposit said to have been made with this Bank by the Western Fair Association, on which it was asserted interest was allowed at the rate of seven per cent. per annum, computed half-yearly.

The statement is entirely without foundation. We have no deposit of any kind bearing the rate of interest named, the deposit in question having been made with our London Manager, on behalf of a Building Society of which he happens to be a director. And the rate of interest paid by the Building Society on this very deposit, I learn, is six per cent., not seven, as stated.

In view of these facts, your editorial remarks respecting the management of this Bank are entirely misplaced.

The press are heartily welcome to criticize the management of this Bank as much as they please—to that I have no objection; but in doing so, care should be taken to avoid misrepresentation, which can serve no good end.

You will oblige by inserting this letter in your next issue. Your obedient servant,

H. S. STRATHY, Cashier.

Federal Bank, Toronto, Jan. 31, 1876.

[Our comments were based upon an extract from the official statement made by the Secretary of the Fair Association, the credibility of which we did not doubt. While we regard with favour the management of the Federal, we thought the report reliable. However, we are glad to learn that the rate of interest was only six per cent., and willingly make this explanation.—ED. MONETARY TIMES.]

## Insurance.

**FIRE RECORD.**—Montreal, Jan. 29.—C. S. Rodier's store was damaged to extent of \$150. Insured in Mutual Fire of Montreal. The occupant, A. Audoin's, manufacturer of chignons and braids, loss on stock \$2,500, insured in Stadacona.

Chatham, Jan. 25.—Clark and Ronald's drug store was damaged by fire to extent of \$3,000. Insured.

Ottawa, Jan. 28.—Thomas Clark's barn was burned. Loss \$1,000; no insurance.

Collingwood, Jan. 28.—The Commercial Hotel was burned. Loss \$1,200; uninsured.

Halifax, Jan. 28.—John Brander's store and barns were destroyed by fire. No insurance.

Shannonville, Jan. 28.—John Kelly's house was destroyed by fire.

Montreal, Jan. 30.—The residence of Madame Dufort was burned. Loss, \$1,000.

St. John, Jan. 22.—W. K. Reynolds' saw-mill at Lepreaux was destroyed by fire. Loss, \$20,000; insured for \$6,000 in St. John offices.

## THE SUICIDE CLAUSE IN LIFE POLICIES.

Life insurance has come to involve the interests of such multitudes of people, that everything relating to the conditions which affect the contract is of great concern. A contemporary, speaking of some recent decisions, recommends to the companies "to so frame their contracts as to be clearly not liable for payment in the event of the death of the insured by suicide." We suppose that the most careful and prudent companies have gone as far as they can go in aiming to exempt from liability when the insured

puts an end to his own life. We happen to have before us at this moment four policies issued respectively by four of the best conducted companies in this country. The exception clause in the Mutual Life's policy is, "die by his own act or hand, whether sane or insane;" that of the Continental reads, "die by his own hand or the hands of justice;" that of the Equitable is, "die by his own hand within two years from the date thereof;" and that of the Travellers', of Hartford, runs, "shall die by suicide, felonious or otherwise, sane or insane." How much these various forms of excluding the risk of suicide from the risks of the policy tend to secure to the company absolute immunity in any and every case of suicide, may, perhaps, admit of question. It is probably implied in every contract of life insurance, that the insured will not put an end to his own life. But self destruction is so liable to come to any man without that conscious intent which legal and ethical philosophy makes the test of wrong-doing, that the courts have held, that to constitute a suicide, which is to be followed by any legal consequence, the act must be premeditated and fully comprehended. The self destruction of an insane person is not suicide in the legal sense. The Court of Appeals of this State, construing the terms, "dies by his own hand" and "suicide," has held that they mean the same thing, and that both expressions refer to an act of criminal self-destruction—namely, one that is perpetrated under circumstances of moral responsibility. To avoid this discrimination has been the purpose of the clause which declares that the company shall not be liable if the insured shall die by his own hand, whether sane or insane." This is an express stipulation on the part of the insured that if he dies by his own hand, the company shall be absolutely exonerated from payment of the policy, even if he is morally irresponsible for his own death. Whether the law would regard such a contract as valid, may possibly admit of question. On the one hand, it may be said that there is some repugnance between the terms "suicide" or "death by his own hand" and "insanity." "Suicide," rightly defined, means, in its legal sense, the self-destruction of a sane person, and the self destruction of an insane person is not "suicide." It might be contended, therefore, that the terms "sane or insane" are to be rejected as inoperative, and that the clause is to be interpreted as an agreement that, if the insured commits "suicide," or "dies by his own hand," the policy to be payable or not payable according to the circumstances which make the death, in the legal sense, death by suicide or death by an act of insanity. On the other hand, it may be said that it is competent to parties to make any contract that they see fit to make; that self-destruction by an insane person is one of the risks against which the underwriter chooses to guard, just as he chooses to guard against the risk of death by the hands of justice, and that the one is just as likely to occur as the other; and that when the contract is, that the insurer shall not be liable if the insured "dies by his own hand and sane or insane," there is no repugnance, because the insane man who destroys himself in his insanity "dies by his own hand" as literally and legally as the man who puts an end to his own life in full possession of his reason. The Court of Appeals, in deciding the case to which we have referred, said that it was competent, no doubt, for the insurer so to frame his policy as to exempt him from liability for a death occasioned by a fit of insanity.

Upon the whole, however, we are inclined to think that the best course for life insurance companies to pursue in regard to this particular cause of death, is to stipulate that they will not be responsible in case of suicide, leaving it to the law to determine what constitutes suicide.

They would thus insure against death inflicted by the insured on himself in a fit of delirium, just as they insure against death by smallpox, or any other disease; and we do not see why men may not properly seek and be allowed to have the continuance of their reason insured as well as to insure the continuance of their health in any other respect. It is no more difficult for a medical examiner to estimate the present average soundness of a man's mind than it is to estimate the present average health of his body.—U. S. Ins. Gazette.

## STOCKS IN MONTREAL.

4 o'clock, Feb. 2, 1876.

STOCKS.	LOWEST POINT IN WEEK.	HIGHEST IN WEEK.	TOTAL TRANS.	BUYERS.	SELLERS.
Bank Montreal	183½	184½	679	184½	184½
Ontario .....	.....	.....	.....	107½	109
City .....	.....	.....	.....	.....	.....
People's .....	.....	96	35	96	97
Molson's .....	107½	108½	199	108½	109½
Bk. of Toronto .....	.....	184	36	181	184½
Jacques Cartier .....	28½	30	161	28½	28½
Merchants' ....	93½	94½	307	94½	94½
Royal .....	93½	94½	275	94½	95
Commerce ....	119	121	659	120½	121½
Metropolitan....	.....	.....	.....	60	62½
Maritime .....	.....	.....	.....	70	.....
Exchange .....	.....	.....	.....	94	97½
Hamilton .....	.....	.....	.....	94½	98
Union .....	.....	90½	27	89½	90½
Mont. Telegraph .....	155	158½	1161	158	158½
Dominion Tel..	.....	.....	.....	.....	.....
Gas .....	.....	.....	.....	137½	138½
City Pass.....	172½	172½	615	172½	172½
Stg. Ex., .....	109½	109½	.....	109	.....
Gold .....	112½	113½	.....	113½	.....

**MIDLAND RAILWAY OF CANADA.**—Statement of traffic receipts for week ending 31st December, 1875, in comparison with same period last year. Passengers, \$2,211.74; Freight, \$2,011.49; Mails and Express, \$323.45; Total, \$4,546.68. Same week last year, \$4,932.08; Decrease, \$385.40. Total traffic to date, \$284,322.84; Total year previous, \$303,602.56; Decrease, \$19,279.72.

## GOOD EFFECTS OF HARD TIMES.

The nation is said to be happy that has no history; in the same sense this is equally true of a life insurance company. Its period of prosperity is not when it is winning victories in the courts, or fighting its rivals in the public prints, but when it is wholly engaged in its business of insuring lives. Judged by this standard, life insurance is better conducted in this country than it was eight or ten years ago. The stories of waste and extravagance then current are not true of the management of to-day. Many of the young companies that started in the era of prodigality at the close of the war, spent a large proportion of their means to secure a footing among the older concerns and ruined themselves in the attempt. Few of even the best companies could withstand the popular tendency to extravagance. These were the days of competition, when the canvassing agent who could bring the heaviest line of new business was master of the situation, and named and got his price for his services. Medical examinations were not made with their wonted care. New ways of insuring were trumpeted; new schemes for making the public believe that some profit could be made by the insurer himself aside from the death pay-