

THE BENEFICIARY AND THE CREDITOR.

Judge Kerr, of Minneapolis, recently read an interesting paper before the Life Underwriters' Association of that city in which he discussed the rights of beneficiaries as against those of creditors under the provisions of modern life insurance policies, which provide that the insured may change the beneficiary at any time by written request. The subject was brought out by the following question to Judge: Kerr: "To whom does such a policy belong? If to the beneficiary, what right has the assured to deprive her of her right in it? If to the assured, what is to prevent creditors from levying upon it as a part of his assets in case he should become insolvent?" His opinion may be summarized as follows:

"It is my opinion that where the policy contains provisions reserving the absolute right of disposition in the insured, the beneficiary has only an expectancy depending on the will and pleasure of the insured, and that the reservation of this right to the insured, even if his wife or children be named as beneficiaries, is the reservation of a benefit to the insured, which renders the policy void as against his creditors. If the policy has matured, or is about to mature, or is payable at or is about to mature, or has or will have any determined date, or has or will have at a determinate date a net reserve value, or is or will be at a given rate convertible into cash at the pleasure of the insured, or if it be an endowment policy or contain a provision giving the insured the right to change it for a paid-up policy in a certain amount, or in case of any statutory provision giving the insured the right to change it into an endowment or paid-up policy, then and in all such cases the policy is property of the insured, and can be reached by his creditors, and applied by them in satisfaction of his indebtedness; and in each of such cases, in case of an assignment by the insured, or in case of the appointment of a receiver for him, the policy and the rights of the insured therein would pass to his assignee or receiver, as the case might be. But if the policy be a straight life policy, payable only after death of the insured, and without any endowment, net reserve, paid-up or cash value features above mentioned, it could be reached by creditors only in case the insurer remained neutral and failed to take advantage of the usual stipulation in the policy prohibiting assignments without the consent of the insurer.

"The mere fact that the value of the policy depends on conditions to be performed, does not exempt it from the claims of creditors. Unmatured life insurance policies have been treated by courts as possessing a present value in distribution of assets of insolvent estates; and I see no reason why the claim of a creditor may not be declared and protected by the court and impressed upon the contract when all the parties are before the court. Any judgment entered will bind the insurance company, and thus it will be obliged to recognize the creditor's interest, and it is possible that, after such adjudication, the creditor will be entitled to preserve the policy from forfeiture by payment of future premiums upon equitable conditions.

"Under the last kind of a policy the rights of an assignee in bankruptcy or a receiver of the insured, are uncertain."

"I wonder," said the library editor, "why some of those Wall street chromos are called securities." "It is on the same principle," replied the dramatic critic, "that plays which won't draw are called attractions."—Pittsburg Chronicle-Telegraph.

—Regarding bi-metallism as a sort of canned issue, the Administration doesn't believe in re-opening it this time.—The Evening News, Detroit.

—It is estimated that 6,000,000 gallons of water come into Halifax through the pipes from the lakes every day now, and that two-thirds of this amount goes to waste. In summer time about 4,000,000 gallons come through daily.

—The annual statement of the Halifax electric railway shows that the gross earnings of the property were \$197,830, an increase of \$4,450. The operating expenses were \$113,081, against \$112,570, an increase of \$511.

—Two sections of a steel highway bridge at Glendive, Montana, U.S.A., on the line of the Northern Pacific Railroad, were swept away by an ice gorge the evening of the 8th April. The two spans, which cross the Yellowstone river, were 300 ft. long. The flow of ice from up the river came down in large masses and piled against the bridge until the pressure carried the spans away. The spans were carried a considerable distance by the ice to a bend in the river before collapsing and sinking. The press report states that the lives of 15 persons were lost in this disaster.

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Liverpool, April 20, 1930 p.m.

Wheat, Spring	6 3
Red Winter	6 0
No. 1 Cal	6 5
Corn old	3 2
" new	3 5
Pea	5 0
Lard	27 C
Pork	42 5
Bacon, heavy	29 6
Bacon, light	30 3
Tallow	23 9
Cheese, new white	51 6
Cheese new colored	51 6

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