

A NOTABLE LIFE ASSURANCE CASE.

The case of David Blackley *versus* the Great West Life Assurance Company is one of much interest. It is always a risky matter for an insurance company to dispute a claim, or to cancel a policy, as juries are apt to give a verdict, less from consideration of the evidence than sympathy with an individual suitor. In the case in question the Great West was sued for recovery of \$10,000 assurance upon the life of the late John A. Taylor, of Toronto, whose estate was represented by Mr. David Blackley, official assignee, Hamilton. The person insured applied in August, 1892, for a policy of \$10,000, which was payable to Mr. Blackley, who was a creditor of his, and near relative.

Some months after the issuance of the policy the Company discovered material misstatements in the application, and in consequence the policy was cancelled. Three months afterwards Taylor died, whereupon suit was brought to recover the amount of the policy. The case was tried at Hamilton, Mr. B. B. Osler appearing for the Company and Mr. Aylesworth for plaintiff. A large body of evidence was given, and the following questions were submitted to the jury, the answers being attached as below:

QUESTIONS FOR THE JURY.

1. The 10th question in the application is: "To what extent do you use wine, spirits or malt liquor?" The answer is, "None." Was this answer true or false? Answer—True. Was the answer material to the contract or not? Answer—Material.
2. The 11th question is, "Former habits of drinking wine, spirits or malt liquor?" The answer is: "For several years past a total abstainer and never to excess." Was this answer true or false? Answer—Untrue. Was this answer material to the contract or not? Answer—Material.
3. In "Family record" a statement is made respecting deceased sister—which is "two sisters died of some form of croup under two years; one sister died under two from some infantile disease." Was this true or false? Answer—Untrue. Did the statement set forth the whole truth on the subject? Answer—No. Was there any concealment in making this statement? Answer—Yes. What was the concealment, if any? Answer—Death of two sisters. Was the concealment, if any, material to the risk? Answer—Yes. Was this statement material to the contract or not? Answer—Yes.
- 4.—Did the sister Susan die of consumption. Answer—We can not agree. Was the non disclosure of the death material to the risk? Answer—Yes.
- 5.—Of which disease did the sister, Mrs. Jones, die? Answer—Not proven. Was the non-disclosure of her death material to the risk? Answer—Yes.
- 6.—Were the contents of the letters from Cromar to Munloch of 18th and 21st November, 1893, communicated to the plaintiff? Answer—Yes.

The Judge clearly indicated that he thought the Company were fully justified in resisting the claim, as they had been misled. The answers of the jury were most decisive against the plaintiff, and they gave a unanimous verdict in favor of the Great West Life Co. The importance of this suit is very great, as a lesson was much needed to warn applicants against concealing or mis-stating the truth in answering the questions of a life assurance company. The verdict will be a caution to the public, and a protection to companies. It establishes the right of an insurance company to cancel a policy if it has been procured by incorrect statements as to habits, or the family health record, and gives a company so imposed upon the right to retain all premiums paid on such cancelled policy.

THE MANCHESTER FIRE ASSURANCE COMPANY.

The 71st annual statement of the Manchester Fire Assurance Co. for 1894, which we present to our readers on another page, shows gratifying results under the highly successful management of Mr. J. B. Moffat, manager and secretary. Indeed, Mr. Moffat has been followed by, or perhaps has compelled, substantial yearly increases both in the volume of premiums and the underwriting profits of the Manchester. In 1889, the first year of his taking office, the premium receipts were \$816,840, whilst the report before us for 1894, five years later, shows the present premium revenue to be no less than \$3,787,393. The increase in 1894 over 1893 alone was \$456,667. The losses of 1894 amounted to \$2,411,420, giving a loss ratio of 63.5 per cent. of premiums. Interest on investments and profit on securities amounted to \$108,534. The profit or surplus after all disbursements on fire account was \$120,818. The paid up Capital and Reserve Funds amount to \$3,400,270. It is an interesting item in the history of the Manchester that the Reserve Fund above named has been built up at the rate of \$390,000 a year for the past five years. It is also pleasing to note that the Company was able to pay its shareholders a dividend of 15 per cent. for the past year, being an advance on the dividend paid in 1893, which was 12½ per cent. The absorption of the Albion has of course greatly augmented the Manchester's business, and we are glad to hear that the chairman at the annual meeting, Mr. Thomas B. Foster, stated that the result of the Albion business continues to be satisfactory.

Under Mr. James Boomer, the Manager for the Dominion, the Company's affairs in Canada have the best possible supervision and most able direction, Mr. Boomer being an energetic and experienced underwriter.

**THE EXPOSURE HAZARD IN CANADA.
ARE ADEQUATE RATES COLLECTED?**

It is well known that some years ago, when the Canadian Fire Underwriters' Association was organized, and entered upon the many and varied ostensible duties for which it was called into existence, one of the most pressing and important of these was the preparation and compilation of such tables or tariffs of rates for the many and differing hazards of various localities as, in the opinion of experienced underwriters well acquainted with the field, would be adequate.

Several previous years of lively competition for fire risks, with perfect freedom as regards rates, had demonstrated, to the complete satisfaction of the various head offices, that some mutual agreement, some generally binding tariff, must be adopted and closely adhered to, if the fire insurance business in Canada was expected to yield a profit. Under the auspices of the Association therefore were issued certain rate tables for use of agents, each familiarly known as the "Tariff of Minimum Fire Insurance Rates for Ordinary Mercantile Risks;" and which with some later modifications are still authoritative, as the general rule for rating the great bulk of mercantile risks in Canada, always ex-