

## CASES OF INSURABLE INTEREST.

Two cases are recently reported of claims of a life assurance nature, in which the question arose as to what does or does not constitute an insurable interest. Such cases are governed by "an Act for regulating insurances upon lives, and for prohibiting all such insurances, except in cases where the persons insuring shall have an interest in the life or death of the person insured." The intent of this measure is expressed by its commonly known title, "The Gambling Act," the aim of it being to put a stop to insurance being effected having the nature of a wager, or a gambling transaction, all such insurance made contrary to the true intent and meaning of the Act being null and void. The third section restricts the amount recoverable under any policy to "the amount or value of the interest of the insured in" the life covered by the policy. This section indicates that by the words "insurable interest," a financial interest is meant, which is, however, only based on an inference, so far as the Act itself goes, though this inference is doubtless one which any Court will sustain according to the decision of Justice Lawrence, whose definition of an interest in event is that, "if the event happens, the party will gain the advantage; if it is frustrated, he will suffer loss." This is not as lucid as it should be for an authoritative definition, nor is there any decision on record which provides a rule for governing all cases. The possession of an "insurable interest" by one person in the life of another might be defined as an interest of such a pecuniary character in that life as renders it valuable in a monetary sense to the person who insures it, and the extinction of that life as certain, or likely, to inflict a pecuniary loss upon the person who has insured it. The case should be strictly analogous to that of fire insurance, a person's life being substituted for a building, or other property covered by a fire policy. A fire insurance policy protects the owner from loss in case he is deprived of his property by fire, to the extent of such risk he has an insurable interest in such property. Were a fire insurance company to know that a policy-holder ran no risk of loss by a fire, the risk would not be accepted. By analogy, the person who insures the life of another should be subject to the contingency of pecuniary loss by his beneficiary relationship with that life being extinguished by death. We believe the above to be declarative of a principle broad enough and explicit enough to cover all cases of insurable interest. One of the cases before us was a claim for the amount of a life policy taken out by a Cornish postman, covering the life of his mother-in-law. The defence was that the policy had lapsed; this plea was not sustained, and the claim would have been upheld by the Court had not the judge of his own motion declared that, as the claimant had no insurable interest in the life of his mother-in-law, the insurance was illegal. He therefore closed the case by ordering the premiums to be returned. The other case was a claim under a policy of assurance effected in the Scottish Provident by Turnbull & Co., of Leith, on the life of one Jonasson, their agent in Iceland. The insurable

interest was stated to be the value of this agent's services, the profits of which would cease at his death. The claim is so far reasonable, such an interest is often of high pecuniary value. But it was proven that the agent's contract of service was terminable by either party on March 1st any year on three months' notice, and that notice was given by the agent on December 1st, 1894, of his intention to close the connection on the 1st March, 1895. The policy was only dated 24th December, 1894, apparently after the firm had reason to regard the contract with its agent as likely to be terminated in a few months. The agent died on 9th April, 1895. The case was somewhat mixed, owing to certain misstatements made by the agent in the application and other papers, which the judge charitably attributed to his ignorance of English. The claim was for \$10,000 under the policy which the Court allowed, although the evidence was conclusive, that the insurable interest which existed when the policy was issued had ceased some time before the death of the person insured. We are not surprised to find this judgment being sharply condemned by several prominent English journals. It is certain to be appealed against.

## OBITUARIES.

Mr. Benjamin F. Dyer, general manager of the New England Accident Insurance Company, and president of the International Society of Accident Underwriters, died on 24th August, at his residence in Melrose of heart disease. He was fifty-five years of age, married, and leaves a wife and daughter. He was a strong figure among mutual accident insurance men, and greatly respected for his integrity and ability.

Mr. Robert Martin Smith, Liverpool, manager of the Northern Insurance Company, died on 5th August. He commenced his career, as have done so many prominent insurance officials, with the Royal. He was appointed in 1879 to the position he held in the Northern. Being very highly respected amongst professional men, his premature death in his forty-ninth year is much lamented.

The death of Mr. Arthur P. Taylor on the 22nd Aug. removed one of the most promising of the younger insurance officials. Mr. Taylor began his insurance career in the Toronto office of the Lancashire Insurance Company at the lowest rung of the ladder, from there he joined the staff of the British America Assurance Co., where he rapidly advanced, and was highly regarded and esteemed by his employers and associates. In March, 1892, he accepted the position of Inspector of the London Assurance Corporation, which he filled with marked ability, and so acceptably that he earned the highest possible esteem of the management both in Canada and at the Head Office in England, as well as all with whom he came in contact in the ordinary discharge of his duties. His removal by consumption at the early age of 27 is much lamented by a wide circle who had learnt to look upon him as destined to occupy a very prominent position.