

SUICIDE AND LIFE INSURANCE

Evidence in Judgment Against Dominion Trust Company— Judgment Releases Companies from Claims

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A clause providing that the assurance company shall not be liable if the assured commits suicide within a specified period is a common one in policies of life assurance, and if a claim is made under such a policy the company must resist payment on the ground of suicide, if it wishes to rely on that defence.

When such a case comes to trial the court must decide whether the evidence is sufficient to prove suicide or not, and in this connection the case of Dominion Trust Company vs. New York Life Insurance Company decided by the Privy Council and just reported is of vital importance, as insurance totalling \$170,000 was involved and the highest court in the Empire lays down some important principles governing cases where suicide is sought to be proved.

Uncertain if Suicide Committed

In this case W. R. Arnold, of Vancouver, B.C., died from a gunshot wound, either accidental or self inflicted, on October 12th, 1914, and less than a fortnight before he had taken out \$100,000 insurance in the New York Life Insurance Company. He also carried \$50,000 in the Mutual Life of Canada placed in November, 1912, and \$10,000 in the Sovereign Life taken out on October 27th, 1912.

All these policies contained the usual clause exempting the company from liability if the assured committed suicide within two years from the date of the policy, and the three companies named resisted payment on the ground that Arnold had, in fact, died by his own hand on the 12th day of October, 1914.

Belief Justified by Facts

First of all, the insurance companies attempted to prove and did prove a strong motive for suicide on Arnold's part. Lord Dunedin, in delivering the judgment of the Privy Council, refers to the evidence of motive in the following words:—

"Arnold was in a quite hopeless financial position. Enjoying a salary of \$14,000 a year, he owed at the time of his death about \$1,000,000, which he had not the faintest chance of repaying. But, further, it was not a case of simple indebtedness. He had been guilty of a long course of embezzlement in his position as managing director of the Dominion Trust Company. As he had confessed about a fortnight before to Hodges, the government inspector, who had been sent to investigate the affairs of the company, 'He had committed crimes for which he was liable to be sent to the penitentiary.' He was on the brink of exposure and disgrace as well as of irretrievable financial ruin. He had made an appointment on the day on which his death occurred to meet Hodges, in order to give explanations and exhibit securities. He knew that the result of such examination would be to confirm what Hodges already knew; and he knew that the presentation of Hodges' report to the government authorities meant the end so far as he was concerned. The counsel for the trust company was very anxious to demonstrate that there was no particular disclosure which on that particular day he had to dread—that Hodges knew the worst already. That, however, is not the point. The point is that the end was approaching, and was ever nearer as Hodges' investigation proceeded and the time for sending in his report drew nigh. Further, he was in absolute want of ready money. He owed small sums right and left, and he had no more than a few dollars in his bank account. In the whole circumstances, if ever there can be said to be motive for self-destruction, such motive was present in this case."

Although the above quotation is a strong one, Lord Dunedin goes on to point out that "motive, however, can never be of itself sufficient. The utmost that it can do is destroy or attenuate the inference drawn from the experience of mankind that self-destruction being contrary to human instincts is unlikely to have occurred. The proof of suicide must be sought in the circumstances of the death."

The evidence regarding the circumstances of Arnold's death showed that he had been shooting at a small country ranch and was killed in a garage shortly afterwards, after previously dismissing chauffeur and gardener. The counsel for the trust company held that death was accidental as he did not know that the gun was loaded, whereas the insurance companies maintain that he did know that it was loaded, and that moreover the evidence showed that death was intentional.

The decision of the Privy Council was that the defence of self-destruction was made out, and that the insurance companies were not liable on account of the suicide clause in the policies.

MONTREAL STOCK EXCHANGE MAY ENLARGE

A tentative proposal has been put forward by one of the members of the Montreal Stock Exchange to the effect that the membership should be extensively increased, and a vigorous policy for the enlargement of its operations should be pursued.

One suggestion is that the membership should be increased from the present 66 to 132 by the issue of 66 additional seats, which would go to the present members as bonus seats. Each member would, therefore, instead of possessing a seat worth about \$25,000 as at present, possess two of a value of probably \$12,500 each. Another suggestion is that the 66 additional seats should be sold at \$12,500 each, every present member to be the owner of the value or equity in the new issue, while the proceeds of sale would be provided pro rata. The new membership would be sold by the exchange authorities until disposed of by same. It is also suggested that rules be devised to prevent accumulation of the new membership in a few hands. The plan provides that a member with head office in some other city, such as Quebec or Sherbrooke, could have a resident partner and office in Montreal to transact the firm's business on the exchange.

ELECTRIC STATIONS CENSUS

A census of the central electric power stations in Canada has just been completed by the Dominion Bureau of Statistics and the Department of the Interior working in co-operation and with the assistance of the Ontario Hydro-Electric Commission, the Quebec Streams Commission and other provincial departments concerned. The statistics include only stations developing electrical power for sale.

The capital invested in power stations totals \$356,004,168, of which 79.5 per cent. is invested in commercial stations and 20.5 per cent. in municipal or publicly owned stations. Total employees number 8,847, receiving wages and salaries totalling \$7,777,715 per annum.

One of the most important facts disclosed as a result of the statistics is the outstanding position which water power takes in the central station field. Out of a total installed primary capacity of 1,844,571 h.p., 1,652,661, or 89.6 per cent., practically 90 per cent., is derived from water. This figure is indicative of the extent and availability of the water-power resources of the Dominion, and of the remarkable degree to which their adaptability for central electric station work has been appreciated in principle and realized in practice. The vast water power resources of the Dominion, the ready adaptability of the hydro-power to the production of electrical energy and the increasing extent and scope of economical electrical transmission form an industrial asset which probably more than any other will ensure a full measure of future prosperity.

Announcement has been made by President D. B. Hanna, of the Canadian National Railways, of the placing of orders for 2,830 cars. The business that has been placed will furnish activity for both the steel and car companies of Canada for some time to come, and will aid greatly in tiding over the period of readjustment of the steel industry from a war to a peace basis.