Bank of New York, "the average business man does not, perhaps, have in mind any set of rules or formulae.

"He does not attempt to analyze and catalogue the qualities the applications should possess, as a basis for the credit they ask. He reaches a conclusion by the short cut to which he is accustomed, viz.: the man's manner, appearance, reputation, financial standing, and somewhat by his words and promises. He should in some way either general or specific, by inquiry or intuition, seek and obtain answers to a number of questions such as these: Has the man ability, self-control, prudence and forethought? Is he cautious, frugal and normal in his habits of life? Has he a sense of justice and a proper regard for the rights of others? Is he accustomed to assume responsibility and does he understand the need for being prepared to meet emergencies? Is he home-loving, industrious and mindful of duty? Is he progressive and likely therefore, to keep pace with his competitors? Does he know how to get money's worth for money expended? Is he fickle and erratic, or are his habits fixed and his purposes in life well defined? Has he integrity and reputation and does he cherish his standing among his fellowmen? Is he selfish and self-centered, or does he think of others, and especially of wife, children and those who may be dependent upon him?"

These statements of Mr. Hepburn are, in my judgment, the most convincing reason for any man taking a business life insurance that can be put forth in a single paragraph.

LEGAL QUESTIONS.

As to form of the policy.

It is most important that a business insurance contract be written in a way that will make the business the direct owner of the policy. There are two legal points in the writing of corporation insurance that are of the utmost importance. One is the fixing of the insurable interest and the other is in the right of assignment—both having to do with the ownership of the policy. To absolutely insure that the business is the owner of the policy it is advisable in all instances and necessary in most that the corporation be made the direct applicant-beneficiary. It is also necessary that the relationship under which the life becomes valuable to the corporation be clearly set forth. It is further necessary that the insured consent to the insurance upon his life, and that the insured act in his individual capacity while the corporation applicant-beneficiary acts in legal capacity as its rights are wholly statutory. By so doing all assignable rights and in fact the entire ownership of the policy legally vests where it is desired to vest, in the applicant-beneficiary.

Any other plan is likely to bring a contest as to the insurable interest in the policy taken out by the man's individual act for the benefit of a corporation, or raise issue as to rights under an assignment of such policy to a corporation both as to the matter of the rights themselves and as to the extent of these rights as provable under the assignment.

LIMITATIONS—JOINT LIFE INSURANCE.

It is desirable in practically all cases to issue separate policies where more than one life is concerned. A common fallacy in co-partnership insurance has been the thought that the insurance should be on the joint life plan. A joint life insurance is merely a promise to pay one claim on the first death, which cancels the whole contract, whereas each life should be protected to the extent of the value to the company in such way that the contract cannot be cancelled upon the payment of the first claim. A joint life insurance on two lives leaves the surviving partner without insurance on his own life and perhaps without insurability. It also means that in the event of discontinuance of the partnership there is the necessity to surrender the whole insurance to avoid carrying insurance on a man no longer valuable to the concern. Where there are three partners or three lives involved in one policy the case becomes much worse, and four lives or more are practically prohibitory from an underwriting standpoint. Moreover, there are difficulties in the way of placing business insurance upon two lives or more upon the joint plan because the probabilities are greatly increased that the lives will not all be found uniformly acceptable by the medical department.

On a joint insurance this means a loss of the business. On single life policies often a different form of rated or higher premium insurance or substandard insurance can be placed on the weaker life and the protection consummated that way. By carrying separate policies in event of discontinuance of partnership or retirement from partnership for various reasons, the terminating individual may either have his particular policy surrendered for its cash value to the firm or else continue this insurance as an individual policy by paying individually the cash value back to the firm.

THE PLAN OF POLICY.

The form of insurance is usually the whole life plan, although there are many business insurances written on endowment plans. Endowment plans are most applicable where it is desired to use the same both as indemnity and as a sinking fund against the future impairment of the life or against some other contingency calculated to arise at the end of the endowment period. Term insurance is occasionally used, but in business insurance just as in individual insurance the use of the term plan usually means a weak agent. In the term plan some arbitrary number of years must be fixed for the continuance of the insurance and it is obviously difficult to prophesy in advance just what this period should be. Where there is no right to renew, to understate the period would be serious, and where there is a right to renew the insurance at attained age the increased cost of doing so may prove awkward and disappointing. The ordinary life policy fits admirably here for pure protection because it is a contract with unlimited right to renew from year to year for the same level premium for the term of life. The surrender values of this policy are such as to make the net cost of the insurance during the period for which it is carried compare favorably with the limited term plan.

FOUND ON THE GOLF LINKS AT ST. ANDREW'S, N. B.

Found on the golf links at St. Andrew's, N.B., on June 21st a valuable set (large size) of Fire Underwriter's teeth, in perfect condition, and made expressly for special occasions. The owner, who is supposed to have been a guest at the Algonquin Hotel attending the annual meeting of the C. F. U. A. can have the above by applying at THE CHRONICLE office and paying cost of this notice. No questions asked if ownership is established.