

RECENT LEGAL DECISIONS.

BANKING—REVOCATION OF CHEQUE BY DEATH OF DRAWER.—On the interesting question of the revocation of a cheque by the death of the drawer, it has been said that the legal authorities are very meagre. The Kentucky Court of Appeals has laid down distinctly that the death of a drawer operates as a revocation of a cheque, so that if a bank cashes a cheque after notice of that fact it does so at its peril. Various authorities on banking were cited, the quotation from Morse reading as follows: "If the drawer has revoked the order before the bank has made payment or bound itself to pay, it must not pay; nor if the drawer is insane, nor if the drawer is dead, not being a corporation or firm." In cases of death or insanity the fact must be brought home to the bank before it has paid the cheque or has become bound for it.

In commenting on this decision the "Central Law Journal" of St. Louis, says that it cannot approve of it. It injects an element of too much uncertainty into one of the most common transactions of modern business life. It has been estimated that three-fourths of the credit transactions of the United States are represented by commercial paper in the form of cheques. They have become a very popular medium of exchange and deserve to have added to them every element of certainty that it is possible to attribute to them. If the uncertainty of the maker's death is to be permitted to invalidate obligations of this character their usefulness as a medium of exchange will be seriously impaired. If such is the rule of common law the more quickly it is changed by statute the better it will be for the business interests of the country. (Weiland's Administrator vs. State National Bank, 65 S.W. Rep., 618.)

FIRE INSURANCE—MEASURE OF DAMAGES.—In an action against the Royal Insurance Company it has been decided in Pennsylvania that the measure of damages under a policy, when a factory has been destroyed, is the cost to the owner of replacing or repairing machinery damaged, and not its market value. (Standard Sewing Machine Company vs. Royal Insurance Company, 51 Atl. Reporter, 354.)

LIFE INSURANCE—REINSTATEMENT.—The Courts of Nebraska hold that where a suspended member signs the required certificate of good health he has complied with the requirements of the by-laws as to reinstatement, even though it does not reach the clerk until after the death of the suspended member. (Woodmen of the World vs. Grandon, 89 N.W. Reporter, 448.)

GUARANTEE INSURANCE—CONSTRUCTION OF BOND.—When an employee's surety bond is susceptible of two different constructions, one favourable and the other unfavourable to the insurance company, the latter, if consistent with the object for which the contract was made, must be adopted. This is a decision of the Courts in Washington. (Remington vs. Fidelity & Deposit Company, 67 Pacific Reporter, 389.)

RE-INSURANCE—OBJECTION BY THE RE-INSURING COMPANY.—It has been decided in New York that a re-insuring company is not entitled to object to a settlement made by the first insurance company with the owner of the property damaged, in the absence of any allegation and proof of fraud and collusion to its injury. (Insurance Company of State of New York vs. Associated Manufacturers Mutual Fire Insurance Company, 74 N.Y. Supp., 1038.)

THE VALUE AND THE DUTY OF LIFE ASSURANCE were admirably stated at the meeting of the Equitable by Mr. I. H. Yoxall, M.P., who said:—"A wise and artistic arrangement of a man's life would be this: a proper amount of life assurance provided for the great contingency, the death of the bread-winner, and then with such surplus

capital as is left after that provision has been made launch out more and more into the business enterprise for the future. The great duty of every man, whether he be a man in a profession with a fixed income, or a man in business with a non-fixed income, the duty is, no matter how large his income, to have regard to all the chances and contingencies of life, and to assure against his own death for the sake of those he may leave behind, and having made that provision then the business man may go ahead, with more business enterprise or more risk than he would have any right to do if he had not made that provision. I feel sure that the attitude towards life assurance on the one hand, and the fullest use of all possible surplus capital after life assurance has been effected on the other, accounts for a great deal of the extraordinary enterprise and success which is shown by the Americans as compared with ourselves. The existence and progress and management of our assurance companies form a favourable example of that self-aid and self-management which is the characteristic of our race. It is a great thing for this country that the Englishman manages things for himself. We have to rely upon ourselves more and more, and a great life assurance company which provides security and comfort and ease of mind for the individual, whether he be in business or in a profession, is doing not only a great commercial work, but a great national work too."

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