

28th. A further term in the application read: "The policy issued thereon shall not become binding until the first payment due thereon has been actually received by the association or its authorized agent during my lifetime in good health." He died six days later of pneumonia, but it was declared that the disease had not actually begun until November 26th. At the trial of the suit which was commenced to enforce payment of the policy, the judge said: "A temporary or a slight cold in a man of usual good health does not constitute unsound health. Upon an appeal, the Supreme Court of Pennsylvania held that the trial judge had not erred. The Court said: "Slight troubles, temporary and light illness, unfrequent and light attacks of sickness, not of such a character as to produce bodily infirmity or serious impairment or derangement of vital organs, do not disprove the warranty of good health. In other words the term "good health," when used in a policy of life insurance, means that the applicant has no grave, important or serious disease, and is free from any ailment that seriously affects his general soundness and healthfulness of the system."—*Barnes vs. Fidelity Mutual Life Association*. 43 Atl. Rep. 341.

MUTUAL LIFE INSURANCE: RIGHT OF POLICY-HOLDER to a Share of Surplus.—An action was brought by one Grieff, the holder of a matured endowment policy, to recover his share of the amount which had been declared as a net surplus by the Equitable Life Insurance Society over and above all liabilities, and over and above all distributions of surplus which it had made among its policy-holders. The charter of the Society, provided: "The insurance business of the company shall be conducted upon the mutual plan. * * The officers of the company * * shall cause a balance to be struck of the affairs of the company, which shall exhibit its assets and liabilities, both present and contingent, and also the net surplus, after deducting a sufficient amount to cover all outstanding risks and other obligations. Each policyholder shall be credited with an equitable share of the said surplus." The policy contained the provision. "This policy during its continuance shall be entitled to participate in the distribution of the surplus of this Society by way of increase to the amount insured, according to such principles and methods as may from time to time be adopted by this Society for such distribution, which principles and methods are hereby ratified and accepted by and for every person who shall have or claim any interest under this contract."

It was held that the insured was entitled to his distributive share of all of the surplus declared by the Society; the waiver or ratification which the Society inserted in its policy could not be understood to go to the question of determining what portion of the surplus the Society should distribute, but to the principles and methods of distributing the surplus when it had been determined. It was further held that the plaintiff's plea was sufficient, since it showed

that he was entitled to recover a sum of money under his contract with the Society, the exact amount of which might be properly left to the determination of the jury upon the trial of the action. The defendants had taken a preliminary objection that the plaintiff on his own showing had not made out a case in law.

It was held further that the section of the New York insurance act which provides that "proceedings for accounting, injunction or a receiver must be upon the application of the Attorney-General, and no order, judgment or decree providing for an accounting or enjoining, restraining or interfering with the prosecution of the business of any domestic insurance corporation shall be made or granted otherwise than upon the application of the attorney-general, or in an action by a judgment creditor" could not be invoked to prevent the plaintiff from asserting his rights under the provisions of his contract with the company. If the statute were intended to effect that result, it would, as to antecedent policies, be unconstitutional. *Grieff vs. Equitable Life Insurance Society*. 33 Amer. Law Review 615.

STOCK EXCHANGE NOTES.

Wednesday, p.m., August 9th, 1899.

The duration of the low prices in stocks, brought about by the slump last week, was very brief, and so also was the succeeding buying movement, which came to an abrupt termination as soon as values had approached the level which prevailed prior to the decline. The market has again settled down into a state of decided inactivity, and no general improvement need be expected for several weeks yet.

The bank troubles appear to have subsided, and it is altogether likely that the Banque Jacques Cartier will resume business within a few days time, provided depositors agree to leave their money for a stated period of time, following the plan which was adopted by the Australian banks in the panic of a few years ago, when so many banks in that country closed their doors.

Money while not stringent is not plentiful, and an advance in the Bank of England rate to-morrow is not unexpected. Loans are being made in New York quite freely at 2 1-2 to 3 1-2 per cent., and the rate in London is 2 1-2. The bank rate in Berlin has been advanced from 4 1-2 to 5 per cent., and this will have the effect of stopping the flow of gold from Germany to London, which has been quite heavy of late.

Some apprehension is felt in New York that the demands which will be made almost immediately for moving the crops will cause a scarcity of money in that centre, but as there seems to be a good supply of funds in the West and South, the New York banks may not be as heavily drawn on as anticipated.

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Canadian Pacific closed in London to-day at 100½, precisely the same figure as a week ago. In Montreal, however, the stock advanced 1 per cent., name-