

WAR RISK NOT COVERED BY ACCIDENT POLICY.

An interesting decision on the construction of a personal accident policy has just been handed down in the King's Bench Division in London in the case of Letts vs. Excess Insurance Company. The question before the court was: "If an insurance policy against death by accident contains conditions providing that (1) The company will not be liable in respect of any death of the assured directly or indirectly caused or contributed to by war * * * or for death by duelling or fighting (or by or resulting from any one of several other specified causes), and (2) The company will not be liable in respect of any death of the assured caused by an accident happening outside the limits of Europe unless same be agreed by special endorsement; but by a typewritten clause added to the policy it is provided that

"Notwithstanding anything herein contained the assured is fully covered while on a journey from the United Kingdom to the United States of America and, or, Canada, while there, and on return, has this added clause the effect of abrogating or suspending the operation of the war risks exception in clause (1) while the assured is on the journey mentioned in the added clause?"

The court said "no" to the above question and held that the added clause only meant that the assured was to be as fully covered while on his journey to America and back as he would be if the accident had happened in Europe. The action was brought by the widow of Gerald Arthur Letts, who was drowned in the Lusitania, against the above named company for £5,000 on a policy against death by accident, dated March 23, 1915.

ASSURED NOT COVERED AGAINST WAR RISKS.

Mr. Justice Bailhache, in the course of his judgment, said that with regard to the construction of the policy he could not agree with the construction of the typewritten clause that the assured was fully covered against war risks. Clause (1) included a large number of accidents from other causes besides war risks, in which cases the company were not to be liable, and he did not think that it was the intention of the defendant company that Mr. Letts should be covered against all those causes of accident while on his journey to the United States and back, and while there. He could not distinguish between those classes of accidents caused by war. He read the clause as meaning that the assured was to be as fully covered while on his journey to America and back as he would be if the accident had happened in Europe.

With regard to rectification, when two parties made a contract in clear terms which was afterwards written out in a formal document, if that formal document did not express the terms of the contract it might be rectified so as to make it conform to the original contract. The contract in this case was in the slip which contained the words "ex war." That slip was put forward by the broker on behalf of Mr. Letts, and, having regard to the broker's evidence and in the absence of evidence to the contrary, must be taken to represent the intention of Mr. Letts. The intention of the defendant company was to issue a policy in accordance with that slip. Therefore there was a common intention to make a contract on the terms of the slip, and if the policy did not carry out those terms it ought to be rectified. The plaintiff being wrong on

both points, judgment must be for the defendants. The Excess Insurance Company, after judgment had been given in its favor, repeated an offer which it had made before the case came on hearing, but which was then refused, to pay the plaintiff £1,000, the parties paying their own costs. The offer was accepted.

SCOPE OF BUSINESS INSURANCE.

The possibilities of business insurance are pointed out by the New York Spectator. By placing a group insurance on their sales force, the amount to be determined upon the individual records of salesmen, many corporations and firms could save themselves from acute embarrassment due to the death of a valuable man. Should the corporation insure its sales department for its own benefit, practically all of this stringency could be eliminated, for the cash return from the insurance could be put to immediate use in conserving the business developed by the particular salesman in question. By a proper system of accounting every concern having merchandise to sell could set aside a premium fund for insurance under a group plan against the loss of its salesman.

FIRE LOSSES IN HOMES.

Carelessness or neglect account for nearly every fire that starts in a home, according to those who have had occasion to make definite investigation into such matters. It is not that the occupants of these homes desire to cause fire damage, but there is lack of thoughtfulness due to want of special training along the lines of precautions against fire and a full conception of the fact that fire losses their thoughtlessness brings about have the direct effect of increasing the burdens of insurance rates on their own and their neighbors' property.

NEW LICENSES.

The General Accident Insurance Company of Canada has been authorised to transact in Canada the business of steam boiler insurance. A new license has been issued to the Dominion Fire authorizing it to transact hail insurance in the provinces of Alberta and Saskatchewan.

NEW ADDRESSES.

The head offices for Canada of both the Atlas Assurance Company and of the Union Assurance Society have been moved to the new Bank of Toronto building, 260 St. James Street, Montreal.

The Home Life of New York is now mutualising itself.

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On the Pacific Coast, the Phoenix of London has entered upon the insurance of standing timber after an investigation of the conditions confronting the venture.

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The Bank of Montreal has declared, in addition to the usual quarterly dividend of $2\frac{1}{2}$ per cent., the 1 per cent. bonus which has been paid every half-year since June, 1912, payable June 1st, 1916.