

veto upon this destroyer of our American cities, instead of this being the case we regret to observe that even the insurance offices themselves, as instanced by two prominent insurance companies in the construction of their new buildings, are leading Toronto headlong to the brink of a precipice. Scarcely a new block is erected or an old one renovated in the above city but we see it crowned with a mansard roof, so that, in a few years, the business portion of Toronto will have a fine lumber pile as a head piece. Beauty—if a mansard roof can be called beautiful in architecture, which we do not admit—is very enticing, and we are reminded of Pope's lines:

"Fair tresses man's imperial race ensnare,
"And beauty draws us with a single hair"—

to our destruction, we would add in connection with our present subject, for, unless a change is speedily wrought with regard to the present mode of building in Toronto, we have no hesitation in saying that the commercial capital of Ontario will shortly become a dangerous spot for fire underwriters.

"Forewarned is forearmed," and we trust that our having drawn attention to two serious blots in Toronto as a fire risk will not, in the interests of insurance, pass entirely unheeded.

PROTECTION FOR WIVES AND CHILDREN UNDER LIFE POLICIES AGAINST THE CLAIMS OF CREDITORS.

In the JOURNAL OF COMMERCE of December 1st, 1876, we drew attention to a Bill then before the Quebec Local Legislature, entitled, "An Act to Consolidate and Amend the Law to Secure to Wives and Children the Benefit of Insurances on the Lives of their Husbands and Parents." Press of other business before the House prevented its being carried through during that session, but it was passed last session and has now become law.

In conformity with our usual practice of keeping our readers fully informed on all matters affecting life insurance interests, we deem it advisable to review the Act, with its further amendments, as it now stands.

The Act is very beneficent in its design, as set forth in its preamble, which reads thus:—"whereas it is expedient to encourage insurance on the lives of husbands and parents for the benefit of their wives and children, etc.," and, let us advise, *en passant*, all who have not already made a provision for their wives and children after death has deprived them of

their natural protector and bread-winner, at once to avail themselves of the benefits conferred by this Act, as life insurance is, without exception, the best mode of making such provision, for the moment the first premium has been paid a capital is created, and is available whenever death may occur, while the policy continues in force; and, provided a sound, well-managed Company, of which we can now boast of several among our Canadian institutions, is selected, such an investment is more secure than almost any other kind. On this point we may repeat our remarks made in a former article, that the whole system of life insurance is based upon such accurately ascertained data and the calculations are made with such mathematical precision that it is scarcely possible for a life insurance company to miscarry, provided only it is managed by men of integrity and of the necessary amount of business capacity and prudence. There is nothing so foreign to the business of a life insurance company as to run any kind of risk with its funds. The chief aim in making all its investments is, first, *absolute security*, and then as high a rate of interest as compatible therewith, and not only does the charter of each company tie it down as to the class of securities to be selected, but, in order to render assurance doubly sure, all companies in Canada, and more particularly Canadian companies, are under the strict supervision of the Government "Superintendent of Insurance."

The essential features of the Act are contained in sections Nos. 2 & 26, which we repeat *verbatim*.

"It shall be lawful for any husband to insure his life for the benefit of his wife; or for the benefit of his wife and their children generally; or for the benefit of his wife and his, her and their children generally; or for the benefit of his wife and his or her children generally; or for the benefit of his wife and one or more of his, or her, or of their children; and for any father or any mother to insure his or her life for the benefit of his or of her children or of one or more of them.

"Policies effected or appropriated for the benefit of a wife, or of a wife and child or children, or of a child or children only, shall be exempt from attachment for debts due either by the insured or by the persons benefited, and shall be unassignable by either of such parties; and the insurance-money, while in the hands of the company, shall be free from and be unattachable for the debts either of the insured or of the persons benefited, and shall be paid according to the terms of such policies, or of any declaration of appropriation, or of any revocation relating to the same. Such exemption shall not apply to any policy or to any share or shares of a policy, which may have reverted to and be held by the insured."

Under the former Acts there was no provision for a woman, who might be a trader on her own account, insuring her life for the benefit of her children, and claiming

immunity against creditors; but this was a simple oversight, and has been remedied by the introduction of the word "mother" on same terms with "father" in section 2. Another important amendment is that under section No. 26: the insurance money is now not only exempt from attachment for the debts of the insured himself, but for the debts of the beneficiaries as well, at least so long as it remains in the hands of the company. It is further provided by section 27 that the receipt by any person benefited shall not constitute an acceptance of the succession nor of any community of property which may have existed with the insured. It will be observed from section 26 that such policies shall be *unassignable*, except as hereafter noticed. This unassignability is worthy of more than mere passing notice, as in practice it has been the source of no small degree of trouble and inconvenience to parties who, in ignorance of this fact, have put their policies under protection of the Act. It is quite voluntary on their part to do so in the first place, but, after it has once been done, such policies cannot be made use of as collateral security, nor alienated from the family in any way whatever; they cannot even be surrendered, with consent of the beneficiaries, for their cash value; but, in the event of the parties being unable to continue their payments of premium, it is lawful for them, (see sec. 25) "from time to time" to borrow on the security of the "policy such sum as may be necessary to keep the policy in force.....Such loan shall be secured by privilege on the policy,"—or, sec. 23, "to surrender the policy to the company which granted the same and to accept in lieu thereof a paid-up policy for such sum as the premiums may represent and for the company to accept such surrender and grant such paid-up policy, payable at the time and in the manner and for the benefit of the persons mentioned in the original policy."

By section 3 such insurances may be effected either for the whole term of life or any definite period, or upon the endowment plan, but if the last mentioned, the endowment period must not be less than ten years, and by section 4 the premiums must in all cases extend over a period of not less than ten years, except, of course, in cases of policies for shorter terms.

The policies may be made or appropriated for the benefit of the wife and children generally (sec. 5), or for any one or more of the individuals, and the apportionment may be freely altered from time to time at the discretion of the insured, by will or otherwise, so long as its destination is with-