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## Insurance and Finance Chronicle.

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### A Suicide Claim.

AN action was recently brought in the Edinburgh Sheriff Court by a widow, to recover from the British Legal Assurance & Loan Company the amount of a policy on the life of her husband who had committed suicide while suffering from "softening of the brain." The Court held that the Company was not liable, finding that death was "caused by suicide" in the sense in which the words were used in the policy, and that suicide in law simply meant self-destruction. The case opens up the question whether companies should or should not pay such claims? It seems to us that the usual distinction drawn between the irresponsible act of an unsound mind and the deliberate one of a perfectly sane man should apply in life assurance as well as in all other matters. The latter is rightly held accountable in law, the former is not. A deranged person may kill another without incurring punishment; why should his act be penalized because it is directed against himself? The argument commonly urged against the payment of suicide claims, viz., that it is against public policy, does not hold good in the case of a deranged man. Insanity should be classed as a disease, the risk of death from which in any shape should, and may, safely be assumed by life companies. On broad humanitarian grounds it would be politic for them to do so. Insanity is of itself a sufficient misfortune to the assured and his family, and has special claims upon the consideration of assurance institutions.

### Suggestions to reduce fires.

In drawing attention to the startling amount of fire losses in Massachusetts in 1893, Commissioner Merrill of the Insurance Department for that State points out that the majority of them were due to preventible causes, such as gross neglect and carelessness, and puts

forward several suggestions, which are deserving of notice, with a view to reducing the increasing and unnecessary waste. Long-term policies, he thinks, tend to laxity on the part of the companies in inspecting properties and to carelessness on the part of the insured. In his opinion, improvement would result if term business were prohibited, and inspection made compulsory before the issue and renewal of policies. There is an impression in the minds of some of the best authorities that term policies are not desirable, especially at the current rates; and whether that view be in accordance with the facts or not, the question is deserving of investigation for future guidance. The unfavorable results of fire underwriting of recent years demand close questioning on the part of the companies into their methods and practices, and the objections which may be advanced upon presumptive grounds against term business justify enquiry into the relative experience of the companies under their term and annual policies, as regards both the fire rate and the ratio of losses to premiums. Two other suggestions thrown out in the commissioner's report are that the insured should not be allowed to obtain full indemnity under his policy if it be proved that he has persistently neglected to keep his property in a prudent condition, as advised by the inspector, and that recovery for more than seventy-five per cent. should be forbidden on a loss by fire starting on the premises. The former seems to us to be perfectly defensible on the ground of public policy, and so also would the latter if applied only in cases where the fire has been due to the carelessness or neglect of the insured or his family. Both remedies, however, would be regarded as of an extreme character by the public, and only necessary to be resorted to failing the success of others less objectionable to honest insurers. The Commissioner advocates investing the police or other officials, with power to remove any conditions upon premises tending to fire from carelessness or spontaneous combustion, or inviting incendiarism. The idea is a good one if it could be carried out under proper conditions, without abuse of authority or officious interference. Mr. Merrill complains that the undue haste with which some companies have paid losses has interfered with the investigation of fires provided by law, and recommends that companies be prohibited from paying or advancing upon a loss until after such