

to total receipts, is only 8.89 per cent., being less than the ratio of any other company—large or small, in the country. This is an important fact, which cannot fail to be of immense advantage to the company in the future prosecution of its business. Other companies can rightly claim to be economically administered, but to be the leader of the list in this respect, is certainly an enviable position and one which any company might be expected to use as one of its strongest claims upon popularity. The sum set apart as applicable to dividends (payable in 1870) is 2,300,000, practical application of this bonus is illustrated by the circumstance that a friend, whom we met quite accidentally a few days ago, showed us a notification from this company informing him that his next premium (\$108.50) was not only entirely provided for by his dividend, but that nearly half as much more remained to his credit for future use in the same direction. Can the art of Putting Things go further than this?—*Chicago Spectator.*

—Thomas Drewry, the Toronto agent of three different insurance companies, has levanted, as it appears, leaving several parties in a state of anxiety respecting certain accounts and other claims, which are unadjusted.

INSURABLE INTEREST.

The object to be accomplished by securing a policy of insurance is a question of great importance to those granting such policy. If the insured expects anything more than protection against loss, or if a Company insures for an amount greater than the loss may be, an inducement is held out for the perpetration of wrong. And there is no justification for holding out any such inducement. It may be laid down as one of the first axioms in all commercial transactions, that no man has a right to receive money for that which does not belong to him. To conduct business on principles contrary to this self-evident truth would produce the worst evils imaginable. Contracts would be entered into, which if fulfilled all justice would be violated, and claims would be exacted without regard to the rights of others.

The nature of the insurance business is such, that it is not always easy to determine the amount of interest a policy holder may have in that which is insured. Those familiar with Fire Insurance will see the propriety of this remark, which is equally applicable to Life Insurance. Our object in this article is to point out as clearly as possible what constitutes an insurable interest, or what relation the one who has a right to receive the benefit of the insurance must sustain to the property or person upon which the insurance is made.

The legitimate object of all Insurance is to secure or protect against loss. It is not to make money, but to save that which is made, or replace its equivalent.

An insurable interest in a life, is a pecuniary interest in the continuation of that life. If there is no pecuniary interest or advantage in the continuation of that life, there can be no insurable interest. If there is no pecuniary loss when the person dies there is no insurable interest. If by any means there is a pecuniary gain by the death of the person in that case, by the very strongest negatives that can be used there is no insurable interest. To insure the life of one for the benefit of another, who will lose nothing by the death of the insured, but will gain the amount of the policy, is a contract which must shock the feelings of every thinking man.

The anxiety for money, and the willingness with which many would seek it, without regard to the rights or lives of others, are too great to venture upon such contracts.

From what we have said it is plain that two conditions must exist to constitute an insurable interest. The absence of either of these conditions renders such an interest impossible. And the first

condition is that the person whose life is insured is producing or earning money or its equivalent. Or if money already earned is applied in a certain way, during the life of the insured, but in a different way at his death, this would be the first condition in that case. And the fact that either of these conditions exist is the first step in establishing an insurable interest. Then there is a moneyed value in that life, and it is that moneyed value that is the thing to be insured. It is not the life but that which the life produces. The continuation of the life cannot be insured; but that which it produces or earns can. The object of our affections is not insurable, but the support derived from the one on whom our affections are placed. And as this distinction is important, it should not be forgotten.

But the second condition necessary to constitute an insurable interest is that the person for whose benefit the insurance is made, must have an interest in the money earned by the one on whose life the policy is issued. If I have no right to such money, if my support is not depending in any way upon it, if I have no claim to it by relationship or legitimate contract as pecuniary liability to me, then I have no insurable interest in that life. Only that which is mine is insurable. To insure for my benefit that which is not mine is a violation of the first principles upon which payments are made. Properly speaking, neither life nor property is insured, but its moneyed value. And if I am not interested in that value there is no reason why that value should be secured to me. For if it is secured to me by a policy of insurance, then I am benefitted by the death of the person or destruction of the property on which the insurance is taken; and I am deprived of that benefit so long as the life continues or the property remains. And upon what principle of justice can a contract be made which benefits me by the death of another, or destruction of property in which I have no pecuniary interest. Such contracts cannot be justified.

The evils arising out of the practice of issuing policies of insurance for the benefit of those who have no insurable interest, or less interest than the amount insured is frequently seen in the burning of property, which burning could only be accounted for on the ground of carelessness, or willful crime, and a determination to make money out of the property which the insured did not consider worth the amount to be realized. And if evils of a more horrible character have not been perpetuated to the same extent in connection with Life Insurance in America, they have in other countries. A chapter of fearful warnings in the history of Life Insurance may be read, which shows the extent to which the evil may be carried in this country, if Insurance is made without regard to insurable interests. The weakness of human nature is so great that in every contract in which money is involved there must be conditions expressed, or clearly implied, which will fortify against any advantages that might be taken by that weakness. In every legitimate transaction, the question of morals as well as money comes up for consideration. And the former should be secured just as certainly as the latter. Avarice must be kept under restraint, and greed must be kept in check—unrestrained liberty is tyranny of the darkest hue. Justice maintained invariably, and rights regarded universally, is the law of prosperity and happiness.

But unfortunately in many of our business transactions we overlook the moral questions involved and hurry on to make sure of the money considerations. And this is too often true of the contracting parties on both sides. In the case of Insurance in both life and property, the Company may only look at the money to be received till the policy becomes a claim, while the insured only looks at the money to be received, as soon as (by some good luck), the policy can be presented to the Company as a claim. And to whatever extent the business may be conducted on such principles, to that extent is the business a damage to the

moral and pecuniary interests of society. It may pay in money on one side, but it cannot on both sides, nor can it pay in morals on either side.

But one says such policies have been issued and are now in force. What shall be done with them? Our reply is, cancel them at once, and return the unearned premium at least to the one who paid it. There need be no difficulty in disposing of such cases. A dash of the pen accomplishes the work and shuts out temptation to do evil. But what shall be done with policies of Insurance now existing where the insurable interest has run out. Cases of this kind may be found, but the difficulty of disposing of them without doing injustice to any one is not great. Let the surrender value of the policy be returned to the party bearing the expense of the insurance, or revert to the benefit of the party on whom the insurance is made.

If the principles we have advocated in this article were rigidly adhered to, it would be but seldom that money could be made by burning property or insuring a life and putting that life out of the way. In all insurance the presumption should be that the amount of the policy shall no more than cover the loss. It may call for less than the loss, but not for more. For then it would run into speculation—speculation in life, which is admissible under no circumstances.

Before closing our remarks, we may say that it is possible instances may exist in our midst at this time where policies of Insurance are in force, both in fire and life, where no insurable interest can be found. Sufficient care is not always exercised in this direction, and the dangers consequent not thought of, perhaps, when the insurance is made.

Our observations have led us to the conclusion that the points we have here presented are but little understood by the insuring public. Some seem to think that any insurance a man will pay for is legitimate; that all insurance contracts are correct and binding. But we have shown that they are not all correct, or based on principles of justice. As to their binding force in the future, nothing can be said in its favor. The contract should be cancelled at once. The axiom stated in the first of this article leads to this course. No man can set up a claim which can be supported, that he has a right to receive money for that which does not belong to him. Insurance is only an indemnity in case of loss. It is a legitimate transaction only where an insurable interest exists. But where such interest does not exist, it is a contract for crime, or at least a contract which may lead to crime. Therefore, such policies should never be written, no matter how high the standing of the applicant may be. No man knows what he may be led to do, even from a small temptation. Men only learn their moral weakness when their moral strength is tried.—*Western Insurance Review.*

Commercial.

Toronto Market.

The lovely weather now prevailing tends strongly to stimulate business and impart cheerfulness and animation to those engaged in it.

DRY GOODS.—Though the season is now drawing to a close the trade is still reported very active; the fine weather has led to an unexpected demand for certain lines, in which sales have been brisk. Present appearances indicate that the season will close with entirely satisfactory results to the wholesale trade.

GROCERIES.—A steady, quiet trade is doing, without any material change in prices, as quoted in our list.

LEATHER.—The market has been active and prices are firm, as quoted. Spanish Sole is moving in small lots; upper, continues firm; harness cull.

LUMBER.—The final opening of navigation has proven what was anticipated during the first week of shipping, viz., that the trade this season is going to be pushed with more than ordinary ac-