

REVIEW OF CURRENT ENGLISH CASES.

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INSURANCE (LIFE)—RE-INSURANCE—CONSTRUCTION OF POLICY— STATEMENTS OF ASSURED BASIS OF CONTRACT—SETTLEMENT OF CLAIM BY RE-INSURERS—LIABILITY OF REINSURERS.

Australian Widows Fund v. National Mutual Life Association (1914) A.C. 634. This was an appeal from the High Court of Australia. The action was on a policy of reinsurance effected in the following circumstances. The plaintiff had insured the life of a man named Moran, the policy containing a usual clause that certain written statements by Moran, as to his health, should be the basis of the policy which should be void if they were untrue. The defendants reinsured the risk which recited that the written statement of Moran was to be the basis of the contract. Moran died in 1909. The defendants informed the plaintiffs that they had reason to believe that Moran's statements were untrue and warned them that they would not acquiesce in a settlement. The plaintiffs, however, paid the £5,000 in settlement of the claim. The jury found that certain statements of Moran were untrue, and that he had been guilty of concealment and misrepresentation in obtaining the policy, but that the plaintiffs had acted reasonably and *bonâ fide*. The Court below held that in these circumstances the plaintiffs could not recover and the Judicial Committee of the Privy Council (Lord Haldane, L.C., and Lords Dunedin, Shaw, Moulton and Parker) affirmed the decision, and the fact that by the terms of the policy sued on, it was provided that in the event of a claim the settlement was to be made by the plaintiffs, was held not to make any difference and could not alter the express words of the contract whereby the statements of Moran were declared to be the basis of the contract.

CONTRACT—ARBITRATION CLAUSE—ABORTIVE ARBITRATION PRO- CEEDINGS—DUTY OF COURT.

Cameron v. Cuddy (1914) A.C. 651. This was an appeal from the Supreme Court of Canada. The action was to recover the price agreed to be paid *inter alia* for certain timber limits, logs and shares, according to a schedule subject to a proviso that in case of deficiency a proportionate deduction should be made from the price of the value of such deficiency. A dispute having arisen as to the goods, a reference to arbitration took place and a general