

**INSURANCE—LIFE POLICY—MUTUAL ASSURANCE—STIPULATION AS TO PARTICIPATION IN PROFITS—POWER OF COMPANY TO ALTER RIGHTS OF POLICY HOLDER BY BY-LAW.**

*Barly v. British Equitable Assurance Co.* (1904) 1 Ch. 374, is an important decision on a point of insurance law. The defendant company had a department called "the Mutual Life Assurance Department," and by a by-law made in 1854 they provided that the profits of that department, ascertained triennially, should, after deduction of expenses, be divided among the policy holders in that department. The plaintiff effected an insurance in that department while the by-law was in force. The deed of settlement under which the company was constituted provided that the profits should be divided as provided by by-law, and that any provision of the deed and every by-law might be altered by by-law. After the plaintiff's insurance was effected, and while it was still in force, the defendant company passed a by-law making a different division of the profits, and one less beneficial to the plaintiff, and the question was whether this could be validly done as against the plaintiff; and the Court of Appeal (Williams, Stirling, and Cozens-Hardy, L.JJ.) affirmed the judgment of Kekewich, J., holding that the company could not by a subsequent by-law altering its articles justify a breach of contract, and that the attempted alteration in the division of the profits was therefore inoperative as against the plaintiff.