ON THE INTEREST IN ASSURANCES MADE BY ONE PERSON ON THE LIFE OF ANOTHER.

To the Editor of the Assurance Magazine.

SIR—I have just received the last Number of the *Magazine*, which contains much interesting matter, and on which I have great pleasure in complimenting you.

My reason for writing you is because an article there, that is dated from the Eagle Office, does not meet my ideas of what is desirable, and I should be glad to learn that Mr. Bailey is not expressing the sentiments of "*the Eagle*" in his letter.

I believe that the Act 14 Geo. III., cap. 48, has been and is a valuable protection to life assurance, and has a material effect on the whole of that class of business against which the Act was intended to provide. It is, indeed, very rarely that any case occurs in which the Offices would ever think of pleading a want of interest as a reason for not paying, but the rarity of such cases arises from the wholesome influence of the Act; and, when necessary, an Office can fall back upon the want of interest with a facility and a confidence that it could not have, if it had to prove fraud or swindling.

I thought it was a point which was universally admitted to be an advantage which we possessed, in this country, above the sister isle, that we had a comparative immunity from gambling insurances. The proof of this is the fact that we have so very seldom occasion to agitate the question of interest, or to object, on any ground, to the right of the insurer to claim the contents of the policy.

Mr. Bailey says, that the interest in assurances on the "life of another" must be "*pecuniary*," and that no other will suffice; but the case he refers to as an example of an illegal insurance is strictly within the meaning of that term. A man who has *a mother*, *sister*, or other relative dependent upon his exertions, and for whom he is desirous of making some provision at his death, can have no difficulty in satisfying any Office of the validity of their interest, and a policy taken in their names upon his life would be quite unobjectionable. The real ground of objection that might be started in such a case, and which is the same with that of *a wife* insuring her husband, arises from a totally different cause—viz., the fear that *the interest* (admitted to exist) may prove too great a temptation to parties who have the power of hastening the contingency upon which the payment depends, or who may not exert themselves in warding off that contingency.

The case of insuring a debtor's life may be a bad speculation, but it is quite a fair mode of securing payment of a bad debt. I may not choose to lose a large amount of my capital, and may prefer a certain outlay each year which I can easily afford, and by which the capital will at a future period be replaced.

Again: in cases where policies are sold, the law, as it stands, is very useful; for the party purchasing is well aware that, if anything fraudulent or incorrect be mixed up with the policy, the Office can, through the question of interest, stand upon strong grounds in refusing to pay either in whole or in part. It is only the invariable practice of the Offices to pay, because cases of an exceptionable character are hardly ever met with; and this, I believe, arises solely from the salutary influence of the law as it at present stands.

I confess myself in total ignorance of the question of interest having ever diverted the attention of boards of directors from the more important points of health and habits; but I believe that the high mortality which has prevailed among Irish assurances has been in part attributable to the state of the law, and consequently to the ideas of the Irish people being very different from ours on that subject.

I trust the views of Mr. Bailey are not at all general, and not likely to have any influence upon the intentions of Mr. Wilson or the legislature, in the Bill about to be brought before Parliament.

I am Sir,

Your most obedient servant,

Edinburgh, 7th July, 1854. VERUS.