losses under policy, or moneys paid as premiums for insurance.

W. R. Riddell, K.C., and Angus MacMurchy, for plaintiffs.

G. F. Shepley, K.C., and F. A. Magee, Ottawa, for defendants.

The judgment of the Court (Moss, C.J.O., Osler, Garrow, Maclaren, JJ.A.), was delivered by

Osler, J.A.:—Defendants are an insurance company incorporated under the Ontario Insurance Act, registered and licensed to transact the business of fire insurance. It has not been suggested that there is anything to prevent them from carrying on business in the State of Maine, U. S.

They issued a policy of insurance, No. 43,618, in favour of plaintiffs, who have a line of railway running through part of that State, which reads in part as follows: "*On property as follows all more fully described in application for this insurance, which forms part and parcel of this policy, to wit:—*

"On property as per wording hereto attached.

"Canadian Pacific Railway Company, $75,000. On all claims for loss or damage caused by locomotives to property located in the State of Maine, not including that of the assured, or upon land owned, leased, or operated by the assured. The loss paid by the assured upon all verdicts, judgments, and settlements for said claims against the assured or the railroad company owning the line of road, shall be considered full proof of all claims under this policy. . . .

"It is also understood and agreed that this company shall not in any event be liable under this policy for loss to property located outside the State of Maine.

"It is understood and agreed that this company shall not in any event be liable under this policy for a greater sum than $20,000 for loss or damage caused by any one fire.

"It is understood and agreed that this insurance company shall not be liable under this policy except upon claims upon which the insured's payment is $5,000 or more on account of loss by any one fire, and then this company shall be liable only for the amount of loss sustained in excess of $5,000. . . ."