

and by reason of perils of the sea insured against. The defendants say that the plaintiffs were fully covered, and therefore should not have accepted such a settlement, and that therefore the loss was not in any way due to the defendants' negligence, but to the plaintiffs accepting less than the amount to which they were entitled.

The total value of the plaintiffs' grain in elevator "B," after placing therein the cargo of the "Kewatin" was..\$228,098.45

The amount of salvage was 40,603.12

Amount of the plaintiffs' loss\$187,495.33

The amount of insurance was \$200,000, enough to pay in full and \$12,904.67 over.

The assurers asserted the right to adjust and pay, adopting the usage in settlement of losses under marine policies, viz., that of applying the doctrine of co-insurance, which is, that where the total value of the property exceeds the amount of insurance, and where the total loss is less than the amount of insurance, the amount payable by the insurers is found by the following proportion: as the total value of property is to the total insurance, so is the total amount of loss to the amount payable by the insurers.

Upon this adjustment the insurers admitted a liability for \$164,196.93, and no more.

This resulted in net loss to the plaintiffs of \$23,068.40, made up in this way:—

The plaintiffs' total loss\$187,265.33

Less paid by insurers 164,196.93

As above\$ 23,068.40

Total value, \$228,098.45; total insurance, \$200,000; total loss, \$187,365.33 = \$164,196.93, as above.

No evidence was given of rules and usages of companies comprising the Canadian Fire Underwriters Association. It does not appear that any such association exists, much less any rules or usages that may be relied upon as to mode of settlement of fire losses binding upon the parties; but, even if there were such rules, they would not preclude a settlement between the parties to the contract of insurance according to the real understanding and agreement between them. There was a settlement in good faith and in the honest belief of the parties that such settlement was all that the plaintiffs were entitled to get under their policy, and all that the insurance companies were liable to pay. No