

Staniforth, 5 T. R., 695. The insurance was from half-year to half-year as long as the insurers should agree to accept the same, with fifteen days' grace, but there was to be no insurance until the premium was actually paid.

The loss occurred within the fifteen days but before payment of the premium. It was held the insurer was not liable.

Subsequently, in a life insurance case (38) it was held that if the death occurred during the days of grace, the company was not bound to receive the premium during the remaining days of grace, but could treat the policy as lapsed.

These and other decisions were reviewed by the Court of Appeal in Ontario in *Manufacturers' Life Ins. Co. vs Gordon*, (39) where the judges disagreed as to how far they should follow the English decisions. Hagarty, C. J. O., treats the matter as follows:

"A semi-annual premium was payable on the 5th of January; it was not paid. The insured died on the 4th of February, the premium still unpaid, but within the month, and on the 5th of February, also within the month (if the month be calendar) the amount was tendered and refused.

"The life, the subject matter of the insurance contract, had dropped — a premium being in default. The beneficiary under the policy (the defendant) insists that as payment was tendered within the month, there was in fact no default, but an absolute continuance of the risk until the end of the month.

"I feel great difficulty in accepting this view. The whole scheme of insurance seems based upon the payment in advance at the commencement, or, as it were, to start the running or inception of the risk. When default was made by non-payment on the 5th of January, the risk was at an end or had ceased to continue, subject to a provision in the way of a grace or indulgence to the assured by payment within a month; but under another provision, with interest from the time of actual default.

(38) *Pritchard vs Merchants Life Ass. Soc.*, 3 C. B. N. S., 622.

(39) 20 A. R., 309.