

as if he addressed the party present in words.<sup>1</sup>

The language used at the place where the writer of the first letter lives will generally be regarded, not that of the place of the receipt and assent: though the contract is held concluded at the latter, says Savigny, by Guthrie, p. 196.

An example of contract by letter is to be found in *Harris'* case, L. R. 7 Chanc. A applies for shares in a company. The application is by letter, and an answer granting the shares, is posted by the company. Before receipt of this answer, A posts another letter recalling his application. Held, that the contract of allotment was complete from the moment the answer of the company was posted.

#### § 29. *Tacit reconduction.*

Some policies agree to allow *tacit reconduction*, or renewal of the insurance, by new payments of premium on conditions, (*e.g.*, on the company agreeing to accept the same) made before the expiration of the original term, or at a time fixed. In the absence of such an agreement fire insurers generally cannot be compelled to renew insurance.

In Canada, there is no usage under which days of grace are allowed, within which to pay premiums for renewals, or to continue a fire policy. In England, in the case of annual insurances, many offices allow fifteen days from the expiration of each year for the payment of the premium for the next year, and the insured is under protection of the policy until the expiration of the fifteen days, though after the happening of a fire. But under some policies, the insured, to have the benefit of insurance during the said fifteen days, must not only pay the premium, but the insurers must "agree to accept it."<sup>2</sup>

When an insurance exists, verbal contracts

<sup>1</sup> The ruling in this case is very like that in *Taylor v. M. F. Ins. Co.*, 9 Howard. *Quære*, could A's letter not be revoked by telegram to B?

<sup>2</sup> See *Tarleton et al. v. Staniforth*, 1 Bos. & P. Article 2583 of the Civil Code of Lower Canada, says, when by the terms of the policy a delay is given for the payment of the renewal premium, the insurance continues, and if a loss occur within the delay, the insurer is liable, deducting the amount of the premium due.

of renewal by agents are generally held valid in the United States.

#### § 30. *Premium falling due on Sunday.*

If a policy be for a term of years, the premium payable semi-annually, the premium falling due on a Sunday may be paid on the Monday following, and may be tendered accordingly, though the property insured has been lost by fire on the last Sunday.

In France the policies of most companies allow fifteen days of grace to pay renewal premiums in, and insurers cannot refuse to accept during the fifteen days.

#### § 31. *Abandonment.*

Abandonment (*délaissement*) is not allowed in fire insurance; but there is nothing to prevent a stipulation that if things insured for, say £500, be damaged say 75 per cent., they may be abandoned, and the whole £500 be payable.<sup>1</sup>

#### § 32. *Some things the insured should look to.*

The policies of the companies doing business in Canada are generally favorable enough to the insured as regards the right of action that they confer, in the event of loss. They stipulate generally that the stock or funds of the company insuring shall be liable to make good to the insured all his loss, and they bind the company to the extent of its funds and capital to pay; so it is hardly necessary to advise the insured to see that the policy does clearly allow him a right of action at law against the company insuring or the parties executing the policy to such extent. In England the insured is advised to see that his right is not confined to a mere order for payment made by the subscribing directors upon the general body of the directors, or upon the company, to pay the loss, if loss should happen; as in *Achorne v. Sarrille*,<sup>2</sup> where the policy read: "now we the trustees and directors of the said society whose names are subscribed, do order, direct, and appoint the directors for the time being of the said society to raise and

<sup>1</sup> See *post* (abandonment guarded against).

<sup>2</sup> 6 Moore.