The German life companies have a scale of premiums for insuring policyholders against war risks. For the class liable to be called out in case of war for active duty, the additional premium charge is about $3 per $1,000; while for professional military men, not combattants, such as surgeons, paymasters, auditors, etc., the extra charge is much less. We understand that the Mutual Life of New York, doing a large business in Germany, has arranged to take war risks in that country in competition with the German companies.

There is a comical, interchangeable sort of see-saw in the idea of insuring against damage from those immaculate things, called sprinklers; a kind of endorsing the endorser, protecting the protector, watching the watchman, and so on. To make the tangle just perfect, there should be one more mechanical intervenor, some sort of automatic preventor set to guard the sprinklers from sprinkling when they ought not. Then the insurer could come in on this last device, as a remove so delicate and distant from a probable cause of loss as to charm even a Philadelphia lawyer, if he should be retained to defend the company against the claim.—*Insurance Monitor.*

The case of McLachlan *et al.* against the Accident Ins. Co. of North America, tried some time ago, and appealed to the Court of Queen's Bench sitting at Montreal, has recently been heard and a new jury trial ordered. The case involved a partnership accident policy for $10,000 issued to the firm of McLachlan Bros. & Co., composed of four members, the *registered* partnership being confined to the two McLachlan brothers. The policy provided that in case either member of the firm should withdraw, the insurance on his person should cease. In April, 1886, John S. McLachlan withdrew from the registered partnership, retaining an interest, however, as to profits. In November, 1886, John S. McLachlan was drowned accidentally. The company resisted payment, on the ground that the deceased had quitted the firm. The verdict below was adverse to the plaintiffs and they appealed. The Court of Appeal has decided that the real question as to whether the deceased had actually quitted the firm was not properly decided in the former trial, and hence ordered a new trial.

Legal Intelligence.

GUARANTEE INSURANCE—CONSTRUCTION OF POLICY.

REPORTED BY CHAS. RAYNES, ADVOCATE, MONTREAL.

SUPERIOR COURT, MONTREAL.—*The Commercial Mutual Building Society* vs. *The London Guarantee and Accident Company.*

This was an action on a guarantee policy for losses alleged to have been sustained by the plaintiffs, owing to various defalcations on the part of the employee warranted by the policy.

The policy issued in January, 1883, was renewed in 1884, and lapsed on the 1st January, 1885. The defalcations complained of were alleged by the declaration to have occurred between the 1st of September, 1884, and the end of the insurance. They were discovered on the 14th April, 1885, and immediately notified to the company.

By the terms of the policy the guarantee company undertook to make good defalcations "committed and discovered during the continuance of this agreement, and within three months from the death, dismissal or retirement of the employee." The policy also contained the following stipulation:—"And no more than one claim, and that only in respect of acts or defaults committed within twelve months from the date of the receipts by the company of such notice of discovery as aforesaid shall be made under this agreement."

The defendants denied all liability, contending that no defalcation had occurred for which they were responsible, inasmuch as any such defalcation had not only to be "*committed*" but also "discovered" during the continuance of the agreement.

Mr. Justice Davidson, before whom the case was twice argued, adopted this view of the case, and dismissed the action, holding that the proper interpretation of the clauses above cited, as far as the present case was concerned, was that the defalcation must not only be committed but also discovered during the continuance of the policy, and that the present cause of action not having been discovered within that term, but only four months after the policy ceased to exist, did not amount to a liability for which the defendants were responsible. The clauses of the judgment relating to this part of the case are as follows:

Considering that the policy only promises to make good defalcations "committed and discovered during the continuance of this agreement, and within three months from the death, dismissal, or retirement of the employee;" considering that the defalcation did not of itself make the company responsible, seeing that such defalcation had not only to be "committed" but also "discovered," and that both committal and discovery had to be "during the continuance of this agreement," which discovery did not exist in the present case; considering that the issue presented is not as to the application of a technical condition subsequent, but involves an interpretation and the extent of the very condition itself; considering that the defendant has maintained his third plea doth dismiss, etc.

(A writ of appeal has been issued by Plaintiffs from this judgment.)

VACANT AND UNOCCUPIED.

Snyder v. *Firemen's Fund Ins. Co.* (*S. C. Iowa, 42 N. W. Report.*)

A clause in an insurance policy, stipulating that "no liability shall exist under this policy for loss on any vacant and unoccupied building, unless consent for such vacancy or unoccupancy be hereon indorsed," is not limited to vacancy at the date of the policy, but refers as well to buildings becoming vacant and unoccupied after the policy is issued.