

RECENT LEGAL DECISIONS.

INSURANCE, DURATION OF RISK.—When an insurance contract is in force for so many days after a certain event, the days are not to be considered as calendar days from midnight to midnight, but as periods of twenty-four hours each commencing at the time mentioned. A ship, the "Inchcape Rock," was insured by an ordinary Lloyds policy, for a voyage from Portland Oregon to Algoa Bay, "and for 30 days in port after arrival." As originally printed the risk was described as running until the vessel "hath moored at anchor 24 hours in good safety." These words were struck out and the words, as above, were written over them, thus incorporating the earlier words above given. In an action upon the policy, against the Royal Exchange Assurance Corporation, the jury found that the vessel arrived in Algoa Bay at 10 a.m. on August 2, 1902, and was safely moored at anchor in the bay at 11.30 a.m., on the same day, and that she was totally lost at 4.30 p.m. on September 1. Judge Bigham, of the High Court in England, in giving judgment in favour of the insurance company, said: It will be seen that if the 30 days are to be calculated as periods of 24 hours beginning at 11.30 a.m. on August 2, the risk had run off at the time of the loss, otherwise the 30 days are to be taken as meaning 30 clear calendar days. I do not suppose that there could be any doubt about the duration of the risk, if the policy had been issued in its original printed form, unaltered and without the written words which I have read. The risk would have lasted until 11.30 a.m., on August 2, and from that moment until 11.30 a.m. on August 3. It could not have been contended that the first of the 24 hours did not begin to run until noon on August 2, for the period of time from 11.30 to 12.30 is as much an hour, as the period of time from noon to 1 p.m. Why should the expression "30 days" be read in a different way? No doubt in some cases the word "day" means a period of 24 hours, from midnight and ending at midnight. That is a calendar day—a Monday or a Tuesday. But did the parties to the contract use the word in that sense? I think clearly not. The risk was to be a continuing risk. It was not to stop at 11.30 on the morning of August 2, and then to revive at midnight. It was to run continuously from 11.30 on August 2, until the expiration of the 30 days, and no longer. To interpret the contract in the way contended for by the plaintiff would have the effect, either of imposing on the company a longer risk than they bargained to undertake, or of relieving them from liability during the hours from 11.30 a.m., on August 2, until midnight. Neither party intended to make such a contract. *Cornfoot v. Royal Exchange Assurance Corporation*, 19 The Times L. R. 417.)

STOCK BROKER, INSTRUCTIONS FROM CUSTOMER.—In an action by a resident of Louisville, Kentucky, against a New York stock broker, the Cir-

cuit Court for Kentucky lays down as follows:

A telegram sent to a New York stock broker, directing him to "sell 100 shares Northern Pacific common at 83" on its face imports an actual sale of the stock for future delivery, and not a wagering transaction, and the burden rests upon the party alleging otherwise, to prove that no actual sale and delivery of the stock was intended, and that both parties so understood. If such is shown to be the fact, however, the form of the transaction is immaterial.

An order by a customer to a New York broker to sell stock must be considered as having relation to the usages of the New York Exchange, and where the same are shown they will govern the rights of the parties in their relations to and dealings with each other.

Where, by the usages of a stock exchange, a broker instructed by a customer to sell stock, where the customer does not furnish the stock, is authorized to borrow the same for delivery to the person to whom it is sold, being protected against loss in the transaction by the security of the margins deposited by the customer; he may demand additional margins when unwilling to longer stand bound to repay the borrowed stock without further protection; unless the same is furnished within a reasonable time after notice to the customer, he has the right to take such fair and reasonable steps for the purchase of the stock to repay that borrowed as may be necessary to prevent loss to himself, and to charge the cost thereof to the customer's account, being liable only for a failure to exercise reasonable care and skill in the matter of making such purchase.

All demands by a broker upon his customer for margins must be specific, definite and certain, and the customer is entitled to a reasonable time under all the circumstances of the case, and taking into consideration the amount demanded, within which to comply with such demand.

No demand made by a broker on his customer for margins is specific unless it mentions the particular sum of money, or unless it states facts from which the particular sum of money may be certainly ascertained. (*Boyle v. Henning*, 121 Federal Reporter 376.)

LIFE INSURANCE, POWER TO INCREASE PREMIUMS.—Where the charter of a Mutual Life Insurance Company gave it power to change the rate or basis of assessments upon its policyholders from time to time, and its contracts did not prohibit such a change, the fact that it changed its methods and graduated its assessments according to the age of the policyholder when each assessment was made, instead of basing them on his age when the policy was issued, which was the method pursued for a number of years, does not, according to the United States Circuit Court for Tennessee, entitle the policyholder to refuse to pay the same and to recover damages for breach of contract, unless it is