In the matter of standard or solar time : While it is a rule of law that "the time must follow that at the place of the contract," the question arises: Which is the "time" at the place where the policy was issued, the new or the solar?

The decision, as we have already said, will be for the courts, but we venture the opinion that, inasmuch as the "standard" time has never been legally adopted by competent authority, it cannot be substituted, in the construction of contracts of which time is said to be the essence, by either party to the detriment of another, as in this case. If this be correct it settles the question by placing the loss after the expiration of Policy No. *one* and the commencement of No. *two*.

In the assumed hypothesis, however, that the new standard of time shall rule, the question of the liability of policy No. *one* for loss after the time of expiration, as fixed by its own terms, seems to be settled by the following judicial decisions, where the same point, as to time, was at issue, viz: There was insurance upon a ship for six months; *three days* before the expiration of the policy, it received its "death wound," but by pumping and other efforts it was kept afloat until *three days* after the policy expired,—Held by the courts that the insurers were not liable, (1 Term R. 260).

Another case where a policy upon a ship was to expire December 1st (no hour fixed.) On *that day*, between one and two o'clock *p. m.*, she struck upon a wreck, and between two and four o'clock, *next a. m.*, December 2nd, she sank, in consequence of the injury, and became a total loss. Held—If the ship receive her death wound before the policy expires, and it results in a total loss after the policy expires, the insurer is liable only for a partial loss (Howell v. Protection Ins. Co., 7 Ohio, p. 1. 284); see also Lockyer v. Offley, 1 Term R. 252.

The inference to be drawn from these cases is that the liability of the policy ceases from and after the time fixed in the contract, under any circumstances, provided only that any interval of time occurs between the injury received and its fatal results, or, in other words, that the injury was the remote and not the direct cause of the eventual loss.

On the other hand, we have a case of fire loss, whence an inference, seemingly more in harmony with the construction of the policy as an instrument of indemnity, may also be drawn. The point of dispute was that of time, when the insurance would terminate under the terms of the policy. The case was that of Isaacs v. Royal Insurance Co. (5 L. R. Ex. 296), and is briefly as follows: A policy was taken upon property for six months, from February 14th to August 14th of same year,—no hour of expiration given. Between 10 and 11 o'clock on the night of August 14th a fire occurred upon the premises, causing loss and damage to the amount of £3,500. (No particulars as to the loss in the report of the case.) Payment was resisted, upon the plea that the policy expired at midnight, August 13th. The Court held that the policy was in existence up to the last moment of August 14th, and gave judgment for the plaintiff for the full amount.

The inference here is that a fire commencing between 10 and 11 o'clock at night could not, under ordinary circumstances, have destroyed $17,500 worth of property in the brief period intervening before midnight; and, if there had been any question as to the liability of the insurers for loss occurring after that hour, some mention of the fact would be found in the defence of the Company and the dicta of the Court.

The difference between the two classes of cases is in the fact that in the first case under consideration the injury was continuous; hence fire was the direct and continuous cause of the loss. The distinction however, is so slight as scarcely to carry any force with it; and as the weight of authority seems to preponderate on the side of the non-liability of policy No. *one* after 12 o'clock noon we must so conclude.

As to policy number *two*: It is an insurance axiom that where a policy is taken out to cover property in existence at the time the contract is executed, though to take effect some days thereafter, such insurance is liable for any loss occurring at or after the commencement of its currency, although, as in the present case, the premises may chance to be on fire at that moment. The only escape for the Company would be a stipulation in the policy providing that the property was not on fire at the time of such commencement. Policy No. *two* being a bona fide contract, its liability is co-existent with its currency.

Policies Nos. *one* and *two*, being non concurrent, and not co-existent, cannot be held as co-insurers; each has its own liability, that of No. *one* ceasing before that of No. *two* comes into existence. Policy No. *one* will pay all loss occurring before and up to 12 o'clock noon, and No. *two*, all happening after that hour, within the amounts of their several policies.

Just how the losses can be ascertained will depend upon the class of hazard. It will be the duty of the insured to present his proofs, distinguishing the liability of each office, *if he can*. If not the adjustment should be a matter of compromise to the benefit of all concerned.

LUMBER LOSS ADJUSTMENTS.

An esteemed correspondent sends us the following, upon the affixing of values on manufactured lumber at the mill, which we publish as of interest to many of our readers:

HAMILTON, January 10, 1884.

Editor INSURANCE SOCIETY.

DEAR SIR,—I have been very much interested in reading the excellent article in the December issue of your esteemed journal upon the subject of the correct adjustment of lumber losses, in the hands of the manufacturer; the more so, perhaps, because the views therein expressed as to what you denominate "the measure of damage" to the mill owner correspond closely to my own upon this subject, and the reading of which called to mind a lumber loss that occurred in this Province in 1880, the adjustment of which was entrusted to a party, who claimed to be competent to the task he had undertaken. But when the adjustment papers reached the Companies interested, of which there were several, their surprise may be better imagined than described to find that the assured had been settled with for his loss upon the basis of the *selling price* of the lumber at the mill, at which rate the claimant would have been glad to have filled any amount of orders from any body, for this selling price included his profits upon the lumber above the cost!

The offices interested at first protested against the adjustment; but, as is customary in such cases where there are several Companies