

## OTHER INSURANCE WITHOUT NOTICE PERMITTED.

In the good old days, insurance companies very jealously guarded their rights in respect to other insurance, but in these latter days they appear to vie with one another in their eagerness to throw down the barriers and lay themselves open to be victimized by those of evil intent who see how easy is made the way to get money through the medium of the insurance company. Some companies even go to the extreme of having printed in their policy wordings "other insurance permitted." In the face of this what hope is there of convincing our legislators of the objection, on the ground of public policy, to departing from the time-honored condition rendering the policy void if there be other insurance without notice.

Our law-makers, conceding somewhat to the very general willingness on the part of the companies to grant this permission, but recognizing the danger of going the full length, have compromised to the extent of limiting the amount recoverable, where there is other insurance without notice, to sixty per cent. of the loss. This works a hardship in many cases since it is not made clear who pays the sixty per cent. If the condition saddled upon the company transgressing against good underwriting practice, the first loss up to the amount of its policy, and only entitled the assured to recover from the other company in the event of the amount so recovered falling short of sixty per cent. and then only for such shortage, there would be some semblance of reason in the provision; but to penalize a company for the wrong-doing of another lacks the element of justice.

### A CASE IN POINT.

As an illustration, we might mention a recent case brought to our attention. A company insured \$1,000 on household furniture, giving no permission for other insurance. Another company subsequently issued a policy for \$1,000 "with permission for other insurance." A fire occurred and the property, valued at \$1,200, was damaged to the extent of \$950. The adjuster apportioned the loss: \$285 to the first company (half of sixty per cent.) and \$475, half of the actual damage sustained, to the second company.

In our view, there is no authority for this. The contract reads: "he shall not be entitled to recover in excess of sixty per cent." which would be \$570. The insured actually recovers \$760.

There are two questions naturally suggested:

(1). Why should the company exercising prudence in its acceptance of risk, be prejudiced by the act of another company over which it has no control?

(2). Why should the company issuing the "wide open" policy benefit by the prudence of the more careful underwriter? But for this curious condi-

tion, introduced presumably, for the protection of the public, but directly opposed to public interest, that company would clearly be liable, if at all, for the whole loss.

This is a growing evil and those interested in the subject of "fire waste" might well consider to what extent "other insurance without notice" contributes to that waste.

## PRUDENTIAL INSURES ITS 16,000 EMPLOYEES.

The largest single amount of life insurance ever covered by any company in the world is announced by the Prudential Insurance Company of America. The insurance will total over \$16,000,000 and covers the lives of the Prudential's more than 16,000 employees, both those at work in the field and those working at the home office of the company in Newark, N. J.

The insurance will be carried by the company absolutely without cost to the employees and will be in sums ranging from \$500 to \$2000, according to the employee's length of service and without reference to age or position, except that it does not apply to officers or directors, or to those whose whole time is not given to the service of the company. It will affect employees in Canada as well as in the United States. No medical examination will be required.

The Prudential has had a disability plan in effect for some time for the care of its employees during illness, also a retirement system which provides an income after faithful service, and the latest gift of free life insurance is the rounding up of the company's effort to care for its employees and their dependents.

ESTABLISHED 1872.

# The Standard Bank of CANADA

## QUARTERLY DIVIDEND NOTICE No. 103

NOTICE is hereby given that a Dividend at the rate of THIRTEEN per cent. per annum upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st July, 1916, and that the same will be payable at the Head Office in this City, and at its branches on and after Monday, the 1st day of August, 1916, to Shareholders of record of 22nd July, 1916.

By Order of the Board,

GEO. P. SCHOLFIELD,  
General Manager.

Toronto, June 27th, 1916.