

PRUDENTIAL'S SERVICE RETIREMENT PLAN.

Company will make Retiring Allowances to Members of its "Old Guard"—How the Scheme will be Worked.

President Forrest F. Dryden, of the Prudential Insurance Company of America, announces that the Prudential, in recognition of the loyalty of its Industrial field staff as well as the Home Office force, has put into effect a plan for the recognition of its older employees through service retirement allowances, the cost to be borne by the company and no contributions whatever to be required from employees. Those employees who become eligible to the retirement allowances must be members of the Prudential "Old Guard," now comprising five thousand employees.

Male employees age sixty-five, as well as female employees age sixty, who have had twenty-five years consecutive service with the Prudential, will be eligible for retirement, with allowances running from \$30 to \$100 per month for the balance of their lives. These allowances cannot be assigned, but the retired employee may undertake other employment, if so desired, not detrimental to the company's interests. All male employees reaching age seventy, and all females reaching age sixty-five, shall be retired. These service retirement allowances will be granted only to employees who shall have received a stated and regular compensation, and the plan will not apply to the field employees of the ordinary department whose compensation is entirely on a commission basis, nor to Medical Examiners rendering service on the basis of fees, nor to the officers of the company.

The rate of service retirement allowance shall be, for each year of service rendered, one per cent. of the average annual earnings in wages or salary, exclusive of compensation on account of ordinary insurance, new or renewed, received during the ten years of employment preceding the retirement.

The computation of service retirement allowances is illustrated in the following example: Assuming an employee to have attained the age of sixty-five years and to have been continuously twenty-five years in the company's service and his average earnings for the previous ten years of service to have been \$1,440 per annum—the retirement allowance would be 1 per cent. of \$1,440, i.e., \$14.40, multiplied by 25, the number of years of service, or \$360 per annum. If the length of service had been thirty years, the retirement allowance for the remainder of life would be \$432 per annum, or \$36 per month.

This retirement allowance idea originated with the late President of the Prudential, former Senator John F. Dryden, who founded the company, but its details had not been perfected at his death last November. Since then, however, the plan has been completed and it remained for his son, Forrest F. Dryden, the new president of the company, to put the plan into effect. The Prudential is the first big life insurance company to adopt a retirement allowance system and the company is also giving attention to a plan to aid employees in case of incapacity from sickness or other infirmity.

President Dryden's announcement says: "In establishing a system of Service Retirement Allowances the company desires to have it understood that this is done primarily as an encouragement and reward for continuous, loyal and efficient service. The allowances to be granted are not intended to furnish full or adequate support in old age, or during incapacity for work, but only as a partial contribution

toward such support, the major portion of which should properly be provided for in the future, as heretofore, by the employees, at their own cost and in their own way. It is, therefore, urged upon all our employees to seriously consider and always keep in mind the important question as to how far the best possible provision through insurance can be made for their own personal needs in old age, or the sufficient support of dependent survivors in the event of death. If adequate insurance protection be combined with the Service Retirement Allowances hereafter to be granted by the company, all those who come within the operation of the plan can look forward more hopefully to comfort and security in old age."

NEW FIRE INSURANCE BILL IN SASKATCHEWAN.

We referred briefly in our last issue to the new legislation regarding fire insurance companies, which is now passing through the Saskatchewan legislature. The following are among the chief clauses of the new bill:—

SUPERINTENDENT OF INSURANCE.

The Lieutenant-Governor in Council may appoint an officer to be called "The Superintendent of Insurance" who shall have such powers, rights and privileges of administration as may be required under the provisions hereof; and such officer shall be paid such salary as may be determined from time to time by the Lieutenant-Governor in Council.

The superintendent shall act under the instructions of the minister and shall examine and report to the minister from time to time upon all matters connected with fire insurance as carried on by the several companies licensed to do business in Saskatchewan or required by this act to make return of its affairs.

The superintendent shall keep a record of the several documents required to be filed by each company under this act.

If the superintendent after a careful examination into the conditions and affairs and business of any company licensed to transact business in Saskatchewan from the annual or other statements furnished by such company to the minister or for any other cause deems it necessary and expedient to make a further examination into the affairs of such company and so reports to the minister, the minister may in his discretion instruct the superintendent to visit the head office or chief agency of such company to thoroughly inspect and examine all its affairs and to make all such further inquiries as are necessary to ascertain its conditions and ability to meet its engagements and whether it has complied with all the provisions of this Act applicable to its transactions.

SUSPENSION OF COMPANIES.

* If it appears to the superintendent that the assets of any company are insufficient to justify its continuance in business or that it is unsafe for the public to effect insurance with it, he shall make a special report on the affairs of such company to the minister.

If the minister after full consideration of the report and after a reasonable time has been given to the company to be heard by him and upon such further inquiry and investigation as he sees proper to make, report to the Lieutenant-Governor in Council that he agree with the superintendent in the opinion expressed in his report, the Lieutenant-Governor in Council may if he also agrees in such opinions suspend or cancel the license of such company and prohibit the company from doing further business; and thereafter it shall be unlawful for the company to do further business in Saskatchewan until the suspension or prohibition is removed by the Lieutenant-Governor in Council.

The minister may from time to time instruct the superintendent to visit the head office of any company licensed under this act and incorporated or legally formed else-