

where than in Saskatchewan and to examine into the general condition and affairs of such company.

POSITION OF DOMINION LICENSES.

Insurance licenses of the Dominion of Canada shall upon due application and upon proof of such Dominion license subsisting and upon otherwise conforming to the provisions of this act applicable to Dominion licenses be entitled to a license under this act.

Before the issue of a license to a company other than a provincial company such company shall file in the office of the superintendent the documents provided for in the next following paragraphs, that is to say:

A certified copy of its act of incorporation or other instrument of association of the company, which shall include its charter and regulations verified in manner satisfactory to the superintendent.

An affidavit or statutory declaration that the company is still in existence and legally authorized to transact business under its charter.

A certified copy of the last balance sheet and auditor's report thereon.

Notice of the place where the head office of the company in Saskatchewan is to be situate.

The amount of capital of the company and the number of shares into which it is divided, and number of shares subscribed and the amount paid up thereon.

A duly executed power of attorney under its common seal empowering some person therein named and residing in the city or place where the head office of the company in Saskatchewan is situate verified in manner satisfactory to the superintendent to act as its attorney and to sue and be sued, plead and be impleaded in any court and generally on behalf of such company and within Saskatchewan to accept service of process and to receive all lawful notices and to do all acts and to execute all deeds and other instruments relating to the matters within the scope of the power of attorney and of the company to give to its attorney.

EXAMINATION OF ANNUAL STATEMENTS.

If from the annual statements or from an examination of the affairs and conditions of any company it appears that the reinsurance value of all its risks outstanding in Saskatchewan, together with any other liabilities in Saskatchewan, exceeds its assets in Saskatchewan, including the deposit in the hands of the minister, then the company shall be called upon by the minister to make good the deficiency at once and on failure so to do its license shall be cancelled.

Where a company fails to make the deposits under this act at the time required, or where written notice has been served on the superintendent of an undisputed claim arising from loss insured against in Saskatchewan remaining unpaid for the space of sixty days after being due, or of a disputed claim after final judgment in the regular course of law and tender of a legal valid discharge being unpaid so that the amount of securities representing the deposits of the company is liable to be reduced by sale of any portion thereof, the license of the company shall ipso facto be null and void and shall be deemed to be cancelled; but the license may in the two last mentioned cases be renewed and the company may again transact business, if within six months after notice to the superintendent of the company's failure to pay, any undisputed claim or final judgment upon or against the company is paid and satisfied and the company's deposit is no longer liable to be reduced below the amount required by this act.

Any company shall be liable upon the application of any creditor or policyholder, to have its deposits in the hands of the minister administered in manner hereinafter mentioned upon the failure of the company to pay any undisputed claim arising under any contract within the last preceding section for the space of sixty days after being due or if disputed after final judgment and tender of a legal, valid discharge and (in either case) after notice thereof to the minister; in the event of such administration all deposits of the company held by the minister shall be applied pro rata towards the payment of all claims duly authenticated against the company as well as in respect of unearned premiums, such being claims and premiums under the contract aforesaid; and the distribution of the proceeds of such deposits may be made by order of the court.

THE STATE EXAMINATION OF THE NEW YORK LIFE.

Points from the Examiners' Report.

There has now been issued by the Insurance Department of the State of New York, the full report of its recent examination of the New York Life Insurance Company. The magnitude of the task undertaken by the Insurance Department may be gauged from the fact that while at the outset of the examination it was estimated that six months and fifteen days would be required to complete the work, actually, owing to the involved nature of certain items, three additional weeks beyond this period were required. The examination included an audit of the accounts of the company, a detailed examination of the assets of the company, the making of tests, checks and computations necessary to establish the correctness of the policy reserves maintained by the company, the preparation of estimates of the company's liability to policyholders and beneficiaries, etc., and an investigation of all the activities of the company to see if there had been general compliance with the law. Attention has previously been called to the memorandum by ex-Superintendent Hotchkiss, giving the official approval of the department to the company's methods. We now propose to publish some of the more interesting points contained in the report itself, and the first instalment of these follows. "The average policyholder," observe the examiners, "does not fully realize the amount of executive thought, care and energy necessary to establish and operate the systems that make it possible to handle the business of the company with precision and despatch."

TREATMENT OF POLICYHOLDERS.

The examiners devoted considerable time to an investigation of the company's treatment of policyholders, and as a result of a detailed examination of all claims pending and of all claims paid during the period covered by the examination, it appears that the merits of every claim are carefully gone into by the claim division.

The company is a mutual one and operated solely in the interest of its policyholders; that fact is not lost sight of by the company's officers in their dealings with the policyholders and beneficiaries. Careful judgment and proper motives are evidenced in such dealings.

In cases where errors in settlement were disclosed by the examiners the head of the division at once arranged for a proper adjustment of such settlement.

DEATH CLAIMS.

Whenever a death is reported to a branch office blank proofs are furnished to the claimants. In cases of a doubtful nature the branch office does not issue blanks but refers the claim to the home office.

While the proofs of death are awaited the various facts in regard to the case are examined and the papers in the case assembled. The application is taken from the files; the policy index is searched to determine how many policies have ever been issued to the insured; the actuary's records are examined to ascertain what policies are in force and the amount of insurance; the comptroller's records are gone over to learn the dates to which premiums have been paid; and the policy loan division is required to furnish information as to policy loans.

So soon as the policy is shown to have a value, a claim number is given it and it is entered in the "Reported Dead" book. The reported dead book shows the policy number, the kind and amount of insurance, the branch office through which payment is made and date of payment.

There is also prepared a book under geographical distribution. This book shows the amount of unpaid claims in each state and country at the beginning of the year, the total amount filed during the year, the amount of the adjustments made during the year and the total amount of liability on account of unpaid claims at the end of the year.

At the end of the year open cases in the reported dead book are carried to the new year.