

edness for that year, provided, however, that if the remainder in the case of any year of the first three years of the five years immediately preceding the date as of which the statement is made shall be less than the sum of the three following items for that year at that date (a) the number of suits, except suits in which liability is not dependent upon negligence of the insured, being defended under policies written in that year and a charge of seven hundred and fifty dollars for each suit, (b) the amount necessary to pay for all deaths for which the insured are liable without proof of negligence, covered by policies written in that year, and (c) the present value of estimated unpaid claims on account of non-fatal injuries for which the insured are liable without proof of negligence, covered by policies written in that year, then the sum of said items (a), (b) and (c) shall be in the indebtedness for that year. A corporation which has been issuing such policies for a period of less than ten years shall nevertheless include in its annual statement, a schedule as hereinbefore required for the years in which it shall have issued such policies, and shall be charged with an indebtedness determined in the same manner, but in determining the indebtedness for policies written in the five years immediately preceding the date as of which the statement is made, the minimum ratio hereinbefore prescribed shall be used subject to the same deductions and provisions as in the case of corporations that have been issuing such policies for ten years or more.

*Thirteenth.* The reserve for all other outstanding losses under any and all other classes of casualty insurance policies and under every character of bond and writing obligatory, executed by such casualty or bonding insurance company, shall be determined by a consideration of the facts and circumstances of each particular claim, the amount so set aside as a reserve to be reasonably sufficient to cover the probable expenses and payments in each case. The reserves for claims of the classes mentioned in this sub-section (Thirteenth) shall be first estimated and set aside by each such corporation, and may be inquired into and verified by the Insurance Commissioner, or any deputy, examiner, or assistant from his office, during any regular examination of said corporation, and, if found to be inadequate, the said corporation may be required to set aside such reserves on claims mentioned in this section as may in the aggregate be deemed reasonably and fairly sufficient by the Insurance Commissioner.

*Fourteenth.* On all policies of casualty insurance and bonds in force and written for one year or less there shall be maintained a premium reserve of fifty *per centum* of the current year's premium. On all such policies and bonds in force and written for more than one year there shall be maintained a premium reserve of fifty *per centum* of the current year's premium, plus the whole of the premium for subsequent years. If the premium for the entire term is paid in one installment the premium for the current year shall be calculated on a pro rata basis.