

Carolina Investment Company,
 General Agent
State Life Insurance Company
 OF INDIANAPOLIS
 Columbia, South Carolina.

Department of the Carolinas.
State Life Insurance Company
 OF INDIANAPOLIS.
D. SAM COX, Manager of Agents.

North Carolina Security Co.,
 General Agent
State Life Insurance Company
 OF INDIANAPOLIS
 Greensboro, North Carolina.

D. SAM COX,
 President.
 W. H. LYLES,
 Vice President.
 T. H. MEIGHAN,
 Secretary.
DIRECTORS:
 LEROY SPRINGS,
 Lancaster.
 E. H. SPARKMAN,
 Charleston.
 W. H. LYLES,
 Columbia.
 J. J. FRETWELL,
 Anderson.
 T. B. GIBSON,
 McColl.
 W. W. ADAMS,
 Edgefield.
 T. H. MEIGHAN,
 Columbia.
 D. SAM COX,
 Columbia.

TO THE POLICYHOLDERS OF THE STATE LIFE IN THE CAROLINAS:
 It is always a pleasure to know that one's cause is righteous. It is still more pleasant to be able to demonstrate the fact beyond a doubt in the minds of your friends. But the crowning joy of it all comes when unbiased strangers take pleasure in testifying to your virtues, after giving your merits a thorough investigation. As sponsor for the State Life in South Carolina since its introduction to the State, and in North Carolina for some months past, it is peculiarly gratifying to me to be able to present to you the Directors' Report, which is given herewith. I need not say to you that your already strong faith in the State Life should be inexpressibly increased. You could not resist such effect if you would. I only ask you to carefully read this report, and to note the personnel of the Committee. And then I ask you to write me whether or not you are satisfied with your State Life Policy. I really want to know.

D. SAM COX,
 President.
 C. B. AYCOCK,
 Vice President.
 B. D. HEATH,
 Second Vice President.
DIRECTORS:
 HON. C. B. AYCOCK,
 Goldsboro.
 B. D. HEATH,
 Charlotte.
 FRANK H. COTTON,
 Fayetteville.
 GEORGE HACKNEY,
 Wilson.
 A. D. WARD,
 Newbern.
 J. O. CARR,
 Wilmington.
 R. E. L. BROWN,
 Chadbourne.
 J. D. FARRIOR,
 Wilson.
 O. L. CLARK,
 Clarkton.
 T. O. EVANS,
 Maxton.
 D. SAM COX,
 Columbia, S. C.

Claypool Hotel, Indianapolis, Ind., March 16, 1906.
 D. Sam Cox, Manager, Department of the Carolinas, for the State Life Insurance Company of Indianapolis:
 Sir: We, the joint committee appointed by you from the Boards of Directors of the Carolina Investment Company, and the North Carolina Security Company, which companies represent in the capacity of General Agent the State Life Insurance Company in the States of South Carolina and North Carolina, beg to submit the following report:
 At your request we reached the City of Indianapolis on the 12th of March, and for three days have employed such means as seemed to us best for ascertaining the nature of the Insurance Law of Indiana, the extent of compliance with it by the State Life Insurance Company, and the system and practices in operation in its Home Office. We went to the office of the Auditor of State without introduction from, or the company of any representative of the State Life Insurance Company, announcing ourselves as only policyholders and representatives of policyholders of the State Life, who desired to verify the statements made by the said company. The Auditor of State gave us access to all books and accounts kept with the State Life, as well as all the securities which were deposited with the Auditor by said company for the protection of all its policyholders. With the assistance of his chief clerk, we personally inspected the securities, which in order to guarantee the net cash values of all outstanding policies at this time, must amount to \$3,435,168.00, and found them to be all of the class prescribed in Section 22 of the Compulsory Reserve Deposit Law of the State of Indiana, which was approved by the Legislature on the 19th of February, 1899 and that the amount of said securities thus deposited was considerably more than was required to cover the liabilities of the company under all outstanding policies. The amount of surplus of deposit is stated in the Auditor's certificate, which is given herewith:

We examined in detail into the circumstances under which a great many of these investments were made, and secured facts which demonstrated that the State Department is exceedingly careful in its requirements with the company regarding its investments. We tested the accuracy with which the Department keeps the accounts of securities deposited by the company, and the results of this test proved the accuracy.
 We made an earnest effort to discover a discrepancy between statements or entries upon the books of the State Department, but found every entry to be properly certified by some other entry.
 After investigating to our entire satisfaction all the records at the Auditor's office, we visited the Home Office of the company and were conducted by the company's Secretary and Actuary through all departments of the records and accounts of the company. We were shown the system and basis of the cost of insurance and the accumulation and application of surplus and dividends, and we believe that absolute equity is afforded to each and every policyholder in the State Life. We gave considerable attention to the double-check system kept with all accounts on individual policies, and found said system apparently perfect.
 In the Home office, as in the office of the Auditor of State, we made every effort to find an error or some discrepancy in records or accounts; also some inequity to policyholders, but were unable to find any evidence upon either line.
 After carefully weighing and discussing all the information which we have secured, we have reached the following conclusion:
 First. That the State Life Insurance Company is officered and managed by men of unquestioned honesty and ability.
 Second. That the law of Indiana regulating domestic life insurance companies is as perfect in every detail as we could suggest or desire.
 Third. That the State Life Insurance Company has qualified under and complied with all the requirements of the Compulsory Reserve Deposit Law of Indiana.
 Fourth. That all policyholders are receiving perfect equity at the hands of the company.
 We desire to make special reference to the high class of men employed in the different departments of the company. We believe it scarcely possible to equip an organization with a more alert and capable lot of men than compose the Home Office force of the company.
 We desire only to add that as policyholders of the company, we are more than ever convinced that the law of Indiana affords the best possible protection to us under our policies, and that said law is in every way satisfactorily executed and complied with by the State Life Insurance Company.

"AUDITOR OF STATE,
 Warren Bigler, Auditor.
 INSURANCE DEPARTMENT.

C. W. Neal, Chief Clerk; H. W. Buttolph, Actuary; Chiffie B. Manlove, Assistant Clerk.
 "Indianapolis, Ind., March 15, 1906.
 "Mr. B. D. Heath, Chairman Investigating Committee, Department of the Carolinas, State Life Insurance Company.
 "Dear Sir: In reply to your inquiry concerning the deposit maintained in this office by the State Life Insurance Company, I have to say that the said company has on deposit to-day \$3,511,759.79 in the form of satisfactory evidence of the ownership of improved real estate, notes secured by first mortgages on real estate, worth at least double the amount loaned thereon, and loans upon its own policies, not exceeding the reserve liability charged against the company on account of such policies.
 "Yours very truly,
 "WARREN BIGLER,
 "Auditor of State."
 (Signed)

Respectfully submitted,
 B. D. HEATH,
 FRANK H. COTTON,
 JOSEPH J. FRETWELL.
 STATE OF INDIANA, SS.
 COUNTY OF MARION.
 Before me, a Notary Public in and for said County and State, personally appeared B. D. Heath, J. J. Fretwell and F. H. Cotton, and acknowledged the execution of the foregoing report, this 16th day of March, 1906.
 MARY L. EGAN,
 Notary Public.
 Commission expires August 11, 1906.



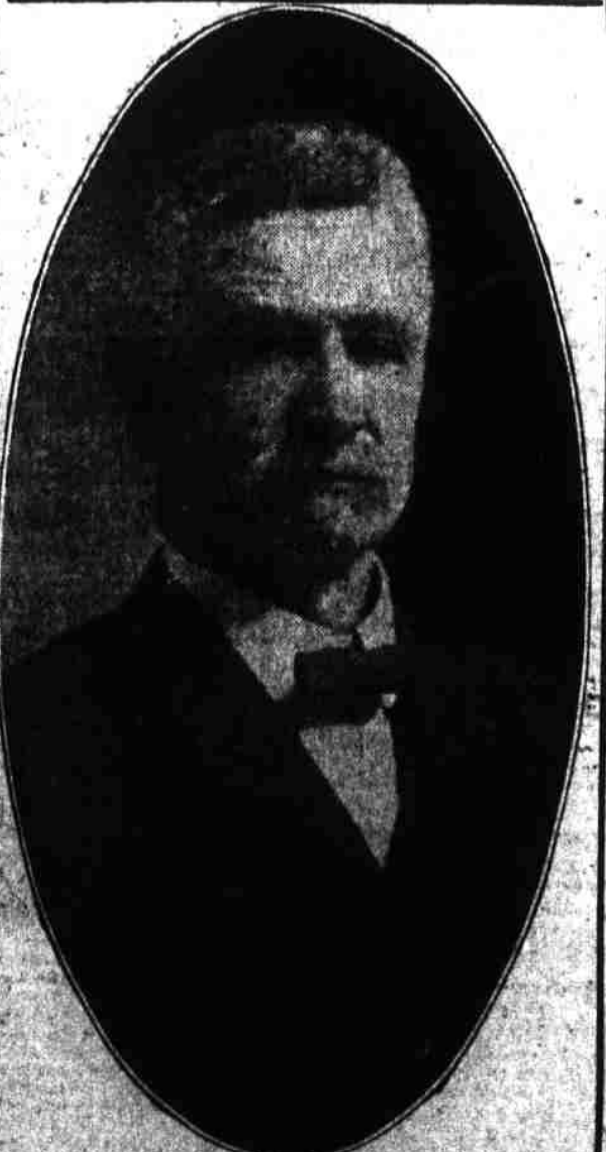
JOSEPH J. FRETWELL,
 President People's Bank, Anderson, S. C.



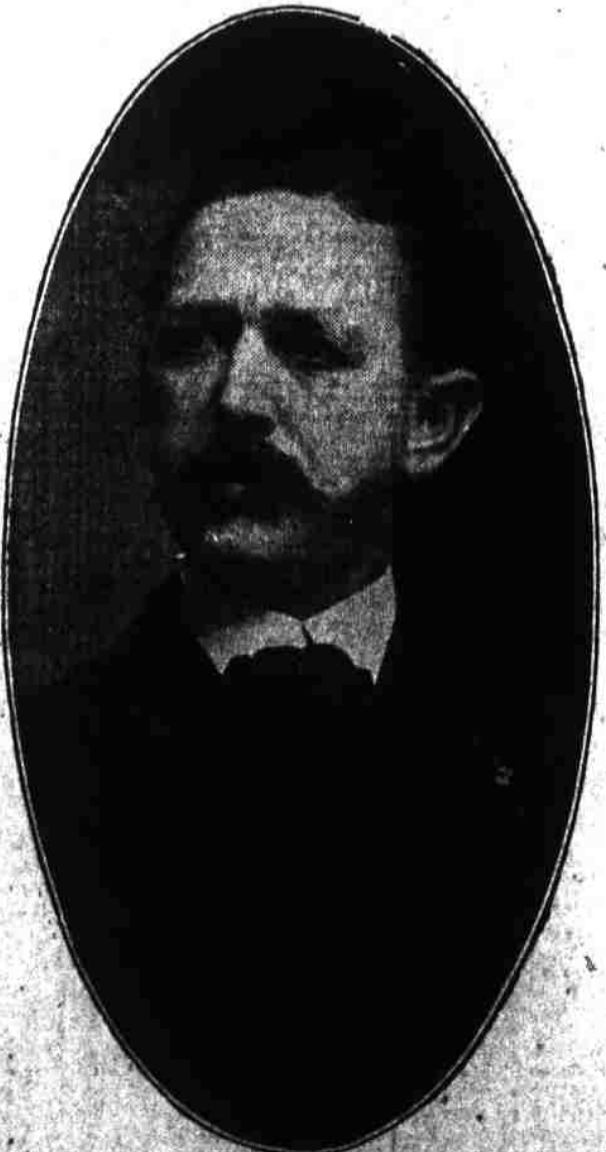
ANDREW M. SWEENEY,
 President State Life Insurance Co.

I want to call attention to one very important fact. On the date of this report, it was necessary that the State Life should have on deposit with the State Department \$3,435,168.00 to cover the liability under all outstanding policies, but the Company actually had on deposit securities amounting to \$3,511,759.79, or **seventy-six thousand, five hundred ninety-one dollars and seventy-nine cents in excess of the requirements of the law.** Further than this, I feel no desire to comment on this report. It doesn't need any. I only want a word or two with the outsider. Wouldn't you like to have a report like this made on the companies which issued all your policies? Since that can't be, wouldn't you like to own at least one policy issued under the Indiana law? Honestly, now, wouldn't you? Fill out this coupon and we will get started on the right track.

D. Sam Cox, Manager of Agents, Columbia, S. C. :
 Dear Sir:—I would like to have a copy of the report of the Investigating Committee, in pamphlet form. I was born on the day of, 18.....
 Name.....
 City or Town.....
 State.....



B. D. HEATH,
 President Charlotte National Bank, Charlotte, N. C.



FRANK H. COTTON,
 President Algodon Mills, Fayetteville, N. C.



W. S. WYNN,
 Secretary State Life Insurance Co.



S. QUINN,
 Vice President State Life Insurance Co.