

*By the Hon. Mr Béique:*

Q. I think we fully understand the answer you had given in that respect, and which you have repeated, but what we do not understand is the last question put to you by Mr. Geoffrion, and which you have given an answer. The question is—would this table of rates, used as level rates for life for apportionment of losses, assessments being made for an amount sufficient to meet all losses, result in an equitable adjustment of costs? I do not understand the words ‘result in an equitable adjustment of cost’?—A. Even if an addition were made of \$3 per thousand for expenses, these rates would still be insufficient.

*By the Chairman:*

Q. Insufficient for mutual purposes or for level rate purposes?—A. For whole life insurance.

Q. Which is level?—A. Which is level. It makes no difference whether it is mutual or stock. A man has to die. The mortality is no greater in a mutual than in a stock company.

Q. But the expenses are less? (No answer.)

*By Mr. Geoffrion, Counsel for the Company:*

Q. Do I understand that a company starting on this basis is either bound to increase its rates or to go into insolvency?—A. Of course that is a big question to answer. The contracts may be re-formed, but these rates are insufficient for any company to guarantee \$1,000 of whole life insurance payable at death.

Q. You stated that this insufficiency of rates was for some ages. What do you mean? Are there some ages for which it is sufficient, and if so, point them out?—A. At age twenty-five the rates contained in this manuel, which has been described, of \$13.80 would, on the basis of four per cent interest, be sufficient, provided there was a proper provision for expenses made.

Q. In addition to the \$13.80?—A. In addition to the \$13.80.

*By the Hon. Mr Béique:*

Q. What is the \$13.80?—A. At age twenty-five for \$1,000 insurance.

Q. The \$13.80 is the premium?—A. Yes, mentioned in this table.

Q. And it would be sufficient to pay the mortality cost?—A. To pay the policy when it became a claim by death, but there would have to be some provision for expenses.

*By the Chairman:*

Q. Would not that be largely a matter of opinion as well as experience?—A. All life insurance companies must have a standard of mortality to base their rates upon. It would not be a matter of opinion; it would be a matter of standard rate of mortality.

Q. Does that apply as strongly and effectually to mutual as to stock companies?—A. Equally so.

Q. Then I do not understand how fraternal organizations live?—A. I am speaking now of whole life policies by level premiums.

*By the Hon. Mr. Landry:*

Q. What is the average duration of life at twenty-five?—A. The expectation of life; I can give you the expectation of life at age twenty-five from one of the mortality tables.

Q. Do I understand it is one of the elements of your calculation?—A. No, it cannot be. It is impossible.

*By the Hon. Mr. McSweeney:*

Q. Even the old line companies have increased their rates, have they not?—A. Not on the old policy-holders.