APPENDIX No. 1

Q. Why not ?—A. In one case, you are presumed to have a policy that continues for the whole of life, and in the other case you have a policy which terminates at the end of twenty years.

Q. It has a cash surrender value at the end of that time?—A. Yes, but you are contrasting a twenty-year term policy with the whole-life.

Q. I could get the cash surrender value, according to these tables ?—A. You are contrasting two different contracts.

Q. What is the cost of these two policies ? Is it not as I have given it to you ?—A. No.

Q. The cost of the protection is not the same for the twenty years?—A. The contracts are entirely different, and you cannot compare costs on different contracts.

Q. Is that not the cost of insurance for twenty years ?—A. You must have regard to the condition of the contract at the end of twenty years to define the cost.

Q. One policy has a cash surrender value of $280 and the other has not; he is covered for a period of twenty years ?—A. On the one policy you have a right to continue for life, and on the other if you take the cash surrender value, the contract terminates.

Q. And the other would terminate at the end of twenty years, if you wanted it ? —A. But there is no cash surrender value.

Q. Put the question a little differently : say both policies were terminated at the end of twenty years, would that not be the result as I have given it to you?—A. I cannot say, because I have not been able to admit the figures which you have.

Q. But admitting the figures, would this not be right ? Say both policies terminate at the end of twenty years?—A. You have left out of consideration the matter of interest.

Q. The interest is left out in both?—A. What is your question?

Q. Is that not the result ? Say both policies terminate at the end of twenty years, admitting these figures to be correct, for the sake of argument ?—A. In answer to that question, I will say that the operations which I have made in addition, subtraction and division are correct.

Re-examined by Mr. Geoffrion:

Q. Is the inference that has been drawn by the counsel form the operations, that we are asked to make to the effect that the cost of insurance under the Mutual Reserve rate was practically double the cost of insurance under the Mutual Life rates that were shown to you ?—A. I do not know. I did not make any inference. (Book marked for identification.)

Q. Take the question of interest, the initial payments in the Mutual Life policy are much larger than the initial payments in the Mutual Reserve ?—A. I have to look at the rates of the two companies to compare.

Q. The rates that were given you there ?—A. I think the first year the rate in the Mutual Reserve is higher than in the Mutual Life.

Q. I understand you were made to say that the cost of 35 under the pamphlet would be $21.70 per thousand ?—A. Yes.

Q. And in the Mutual Reserve at the same age, the cost of $14.94, you say. The very first year the cost in the Mutual Reserve is greater than the Mutual Life, because there is the membership fee ?—A. Yes.

Q. But in that cost there is included $8.96, which is an extra cost, payable only in the first year, and not in the subsequent years?—A. Yes.

Q. And the cost leaving aside the extra entrance fee is $14.94 for the first year ? —A. Yes.

Q. So apart from receiving the $8.96 as entrance fee, the Mutual Reserve receive much less money throughout the twenty years, than the Mutual Life?—A. Yes.

Q. Considerably less?—A. Receives almost the difference between $14.94 and $21.70—$6.77 per annum.

BRADSHAW