

Q. They were kept at attained age?—A. Yes.

Q. Now, is not the natural premium, or the premium at age attained, sufficient to carry all classes?—A. It has been in some years, and in some years it has not been.

Q. Should it not be sufficient to carry all classes?—A. It should be, if the death loss was not at any time in excess of the tabular.

Q. That would be over 100 per cent of the American experience of mortality—is that what you mean?—A. Yes.

Q. Now, reading from the Bill H, page 3, line 13. 'The holder of any such assessment policy shall have the right to continue his said policy for the full amount thereof as a yearly renewable term policy upon which the premiums shall not exceed the net yearly natural premiums for the attained age of the insured, calculated upon the basis of the mortality table and rate of interest aforesaid, with a loading of 5 per cent for expenses.' You consider that that would be sufficient to carry all classes, did you not?—A. I presume that will be sufficient to carry all classes, including new and old business.

Q. I also want to call your attention to page 4 of Superintendent Payne's report, September 18, 1899, as follows:—'I then held that the bond statements issued in lieu thereof'—that is, in lieu of bonds—'by their terms are not a liability, is in my judgment unquestionable. I reached this conclusion in view of the financial condition of the association shown by the report of the examiner of this department, when it appeared that on December 31, 1897, the members holding these bond statements were indebted to the association some \$852,000. I recognized the fact that the association held a reserve fund of some \$3,300,000. It was made apparent, however, by the examiner's report that this reserve fund was created, not by the excess payments of the persistent members of the fifteen-year class, but by the excess payments of those who had taken insurance after the creation of the so-called fifteen-year class, holding these bond statements.' You say that is correct, and that they had received \$852,000 more at that time than they had contributed?—A. Yes, that the payments to the beneficiaries of that class had been in excess of their contributions.

Q. They had received a large amount more than they had contributed?—A. Yes.

Q. On the same page, 4, of the superintendent's report, I find the following statement: 'The officers of the association now attempt to justify credits allowed the persistent members holding bond statements on the ground that the increased rate charged the fifteen-year class policy-holders, in the call of February 1, 1898, brought in sufficient funds to make good the impairment referred to, and to leave a balance to their credit sufficient to meet the maturing bond statement obligations'—is that correct?—A. I never made such a claim.

Q. Is that statement of the Department of Insurance then false or is it true?—A. I think it states a mistaken conclusion.

Q. It cannot be that; he states positively that the officers of the association—would not that refer to you?—A. If he refers to me, I never made such a statement.

Q. You say that is not correct, then?—A. It is not correct, in my estimation—that is, if the language is to be interpreted that the call for February brought in enough to make up that \$800,000—

Q. No, not that; the reason of the premium to the age attained, the natural premium?—A. Not to make good that \$800,000.

Q. Then that is not correct?—A. Not if that is what he intends to state.

Q. That is what he does say. Is that statement of the superintendent correct or not?—A. This is the report of Mr. Payne, or the comments of Mr. Payne on it.

Q. Is that statement by the Superintendent of Insurance of the State of New York correct?—A. It is not.

By the Chairman:

Q. Did you ever notify the department that that statement was not correct, in due time?—A. This portion of the report does not appear until after our hearing, and the

ELDRIDGE