

*By the Hon. Mr. Domville:*

Q. This exhibit about claims paid at less than the face in Canada in 1895 shows that there was paid thereon 89 per cent. If it was taken down that way it is not right; the amount was \$89,642?—A. 89 per cent of the face of all claims that year was paid.

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

Q. In one statement filed by Mr. Patterson it is stated that you testified that the last examination of compromised claims had been made in 1898?—A. At the bottom there is a note 'See testimony, part 4, Page 35'. I think a reference to the testimony on that page will show that Mr. Patterson is misled. I stated that in all the examination they examined the matter of compromise and reduced claims but that in the report of 1898 was last reference that he made in the report thereto.

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

Q. On page 35 you were asked the question 'What was the last of those examinations by the New York department,' and you answer 'One in 1898, one in 1899, one in 1902. I think the one that dealt specifically with it was the one in 1898.'—A. Yes. I simply refer to page 35 and the various questions there in regard to the matter as showing what I did testify to, which I think has been certainly misapprehended by Mr. Patterson in his note at the bottom of that exhibit.

Q. Mr. Patterson filed a statement, selection against the system, showing that the death rate has increased in the later years. Have you any statement to make in regard to that?—A. There is no question that the death rate has increased in the later years, as would naturally be the case with the decreasing proportion of new applicants, and with the larger lapse which has unquestionably produced to a greater or less extent a selection against the company as to the character of the risks. It is a thing that would be inevitable. However, in the last three years the larger portion of death rate arised from including in the general exhibit among the reinsured members of the North-western Mutual of Chicago in which company the death rate is very large, but by the provisions of the contract of reinsurance with the North-western, we simply accept them as a class by themselves and arrange their premium payments, they having to pay their own death rate, and none of it is imposed upon the general membership of the company, so that the showing of a large death rate based upon the entire membership as it must be from the reports of the department would not necesarily show that it was an increasing death rate from the general membership on account of this special class.

Q. You state that the North-western members bear their own death losses and are kept separate?—A. They do.

Q. Do they bear their own expenses?—A. They provide for all expenses incurred in the business.

Q. And so the Canadian policy-holders are not interested in that section of the business at all?—A. There are none of the assessment policy-holders in Canada included in that business. There are a few reinsured members in the North-western in Canada but that is included under the legal reserve business.

Q. Reference has been made in Mr. Wells' evidence to an advance of £1,500 made to Mr. Moss while he is in Europe and which was subsequently credited to him or balanced in the books?—A. I have nothing new to say on that. In the mass that I have had to testify to, I had over-looked the fact that I had testified in regard to that.

Q. Did you give the ratio that this amount cost?—A. It amounted to about \$1 per thousand.

Q. The fifteen hundred pounds paid to him represented about \$1 per thousand on insurance obtained outside his department by him?—A. Yes.