

APPENDIX No. 1

By the Hon. Mr. Watson:

Q. Per thousand?—A. Per thousand for a profit policy, at, say, 30 per cent, which would be about \$6 per thousand; on the with-profit policy the assured is entitled to receive profits when and as the company declares such at the end of each five years, or, if the contract is at the end of each ten years, or if the contract is at the end of each fifteen years, and so on; so that that rate will be reduced by these profits.

By Mr. Geoffrion, Counsel for the Mutual Reserve:

Q. You have given there the loading for expenses, but we want to get what is actually spent—what are all the expenses of a company per thousand?—A. I cannot give you that. I have not looked into that question; that is an individual case.

Q. You cannot give us what is the proportionate expense?—A. I have not investigated the matter in that light.

Q. That can be found in the report?—A. By taking the government reports, I suppose it would.

By the Hon. Mr. Watson:

Q. I am looking for information in this matter; you have taken thirty-five years of age. Would you please give us the average rate of expense on a policy at fifty years of age?—A. On the whole-life system, without profit?

Q. You gave us one and a half dollars on thirty-five, up to six dollars and some cents?—A. On a without-profit policy it would be about \$3.54.

Q. And with profit?—A. And with, it would be between nine and ten dollars.

By Mr. Geoffrion, Counsel for the Mutual Reserve:

Q. There is something I do not exactly understand. You have taken a premium of \$19.59 per thousand at 35?—A. Yes.

Q. You said the loading for expenses would be about \$1.97?—A. For a without-profit policy.

Q. You have no doubt the expenses of companies, as an average, exceeds considerably \$1.97 per thousand of insurance in force?—A. Yes, it would exceed that.

Q. You cannot say how much it would exceed it?—A. No, but as a matter of knowledge, I know that it does exceed that.

By Mr. Coster, K.C., Counsel for the Committee:

Q. To what extent?—A. Well, it would more than double that—a good deal more than double it, probably. Of course, that would depend a good deal upon the age of the company, on the volume of the old business, which is collected for a small percentage, and it would depend upon the progressive character of the company, whether it is seeking business aggressively, and, in consequence thereof, the expenses would be increased.

By Mr. Geoffrion, Counsel for the Mutual Reserve:

Q. Is not the only way to verify that fact to take the report of the superintendent and figure it up from all the companies, or any company?—A. It is the only way we can do that.

Q. Have you read questions put to the witness, Mr. Patterson, at the sitting of this Committee, volume No. 5, page 119, and then at the foot of page 121, the last line, and over on page 122? Have you read the questions and answers beginning: 'I will put you some simple questions that I do not attempt to understand myself,' and ending in the middle of that page, by the words 'That should be the net level premiums,' and also page 121, of the same part, the last line, and the whole of page 122?—A. Yes, I have seen those questions and answers.