

By the Hon. Mr. Landry :

Q. With \$3 added for expenses in that table, the insufficiency would commence at an earlier age?—A. Yes, at the very beginning.

By the Hon. Mr. Lougheed :

Q. What would you estimate should be the expenses for management of a company of this kind?—A. That is a very broad question. I would not like to venture an opinion on that.

Q. What should be the difference, from your experience of expenses between the two?—A. There are two classes of companies in Canada, a mutual company and a mixed company, the mixed company being a company where there are stock shareholders. The best type, and probably the only type of the regular Mutual Life Insurance Company, is the Mutual Life Insurance Company of Canada, in which there are no stock-holders and in which surplus returns are given to the policy-holders. The rates of the Mutual Life of Canada are practically the same as the rates of a regular life insurance company.

By Mr. Geoffrion, Counsel for the Company :

Q. And the ratio of expenses?—A. And the ratio of expenses approximate somewhat the same. The returns by way of surplus to policy-holders may be better, but I will not say they are in the Mutual Life of Canada. There is no provision whatever for dividends to stock-holders, as there is no stock, and there you have probably the purest type of life insurance.

By the Chairman :

Q. Are the rates higher than those of the Mutual Reserve?—A. They are. We are in constant competition with all the companies in Canada. We know the rates of the Mutual Life of Canada, and they will only vary from about fifty cents per annum to \$1.50 per annum. I do not think the variation will be greater than \$1.50 per thousand. I was comparing the Mutual Life of Canada with a stock company.

By the Hon. Mr. Lougheed :

Q. What, in your judgment, would be the additional rate for expenses in one of the standard companies?—A. That varies according to the plan of insurance. It will vary on the whole life plan from that on the endowment system. It will again vary according to whether the policy is with profits or without profits. A without-profit policy, the addition for expenses in some companies will not amount to more than seven and one-half per cent on the net premium.

By the Hon. Mr. Béique :

Q. Without profits?—A. Without profits; and with profits policies, the addition for expenses to net premium will run all the way from 25 to 33½ per cent.

By the Hon. Mr. Lougheed :

Q. Some companies pay a good deal more than others?—A. It would be necessary to know what those commissions are.

By Mr. Geoffrion, Counsel for the Mutual Reserve :

Q. How much will it amount to per thousand insurance in force?—A. It will vary with the age of the insured. Take age 35; the net premium, according to the Institute of Actuaries healthy male table of mortality, 4 per cent interest, is \$19.69, adding for a without-profit policy, say 10 per cent, if you like, which is a very heavy loading, that would make \$1.97.