

## APPENDIX No. 1

business transacted, the extent of the new business, the general method of conducting the business, before I could give an answer.

Q. Would it not strike you as an extraordinary statement, that the expenses of that company have been, in round figures, two hundred per cent more than the payments to policy-holders? This statement shows that the expenses are \$363,493 against \$188,770 paid to policy-holders. Would it not strike you as an extraordinary statement?—A. No, not without an examination, for the reason that you would have to find out first, what amount of money had been accumulated for risks. You can very well understand that a company in the early years, starting its business, will spend far more, proportionately speaking, than an old company will. In the early years of a company, on the other hand, the payments to policy-holders are comparatively small, for the reason that the lives have been carefully selected, and the deaths are comparatively few. The endowments have not commenced to come in in the early years of the company, and comparatively the payments to policy-holders would naturally be smaller.

Q. Assuming that this business cost \$10.23 a thousand for expenses, will that exceed the average which, according to your judgment in a general way is the cost of expenses for standard insurance companies?—A. It is impossible to answer that question.

Q. Or, in other words, it is impossible to say, looking generally at the cost of expenses, as to whether the company is well administered or not?—A. In some companies, the expense rate is 50 per cent higher than in other companies, and yet in the long run, taking a long period of time, it may be that that company whose expenses are high, is conducting its business more economically than the company whose expenses are low.

Q. In other words, taking the table of expenses of a dozen companies, you cannot tell whether one company is more successfully managed than another?—A. I would not give the snap of my finger for the expenses of a company made up in the ordinary way.

Q. You attach no importance to comparative statements?—A. I do not know anything about the statements.

The Committee then adjourned.

OTTAWA, July 22, 1904.

The Committee met at 10.15 a.m.

JOHN L. CULBERT, of the city of Ottawa, insurance agent, sworn and examined by Mr. Coster, K.C., Counsel for the Committee.

Q. You are the manager here of the Mutual Life Insurance Company of New York?—A. I am.

Q. Look at that book which was referred to yesterday, in the examination of Mr. Bradshaw. Is that a book of rates adopted by the company which you represent?—A. It is a book of rates on the ordinary life plan.

Q. And the contracts mentioned and referred to therein you are willing to give on behalf of the company?—A. Whatever is stated inside there we are willing to fulfil.

Q. Look at page 139 of the book and tell me what it would cost for a non-participating policy per annum at age thirty-five?—A. Do you want a life policy or limited life policy?

BRADSHAW