

It will be seen that the essential feature of the proposed plan is the absence of any guaranteed assurance, the sum payable at death being made to depend in a certain way on the mortality actually experienced in the Diseased-life Section. It is obvious that this feature militates *pro tanto* against the popularity of the scheme, but the Government Actuary did not feel himself justified, in the present state of statistical knowledge, in incorporating any guarantee into his scheme, unless it were for a scale of sums assured so small as to fail in making the plan more popular. Under these circumstances, the Consulting Actuaries' opinion is requested as to whether a scheme of insurance for diseased lives can safely be inaugurated with fixed sums assured, and also whether the scheme devised by the Government Actuary, with or without modification, is safe, practicable, and otherwise satisfactory. Suggestions for improving it in any of these respects are invited.

(v.) *Questions submitted to the Consulting Actuaries.*

In pursuance of the foregoing remarks, the following questions are now submitted to the Consulting Actuaries :—

1. Would it be just, practicable, and expedient to amalgamate the funds of the General and Temperance Sections and, at future valuations, estimate the profit in each section in accordance with the principle of the draft clause quoted in (ii.) ?

If so, what would be the most desirable method of estimating the profit from favourable or loss from unfavourable mortality in each section, and what would be the best method of dividing this profit in each section among the individual policy-holders insured in it ?

2. Apart from the question of estimating special profit from mortality in the two sections, would it be equitable and expedient to change the method of allocating bonus (among individual policy-holders) hitherto adopted, for one which would tend to secure approximately constant or, if possible, increasing reversionary bonuses to the same policy-holder, at successive divisions ? If so, what method would it be best to adopt ?

3. Is the scheme of diseased-life insurance explained in (iv.), with or without modification, safe, practicable, and otherwise satisfactory ? Can any suggestions be made for its improvement, and in particular could minimum sums assured (and, if so, for what amounts), arranged on a sliding scale according to duration of policy, be safely guaranteed ?

The Consulting Actuaries are invited to explain, as fully as may be convenient, their reasons for the opinions they express in reply to these questions.

4th November, 1887.

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