

others, and I can produce letters to prove that this has been going on for some considerable time with other policyholders in the same company. Therefore we think it necessary that there should be some interference by Parliament.

2 *Mr Fraser.*] What is offered by the company in regard to the paid-up policy for £500?—I think that points like that would be better brought out by questions to the petitioners. This letter from the company to Mr Larsen will show the position on the 25th June, 1908. “In reply to your inquiry, I beg to inform you that the tontine period of the above-noted policy will expire on the 30th instant, and it is now open to you to exercise any one of the following options:—Option A The cash profits may be applied to purchase a paid-up policy for £24, payable after death of the assured. No further payment would be required under this policy for £24, which would be in addition to the present policy. Option B: The cash profits may be applied to purchase an annuity of £1 10s. 10d., to be used to reduce future yearly premiums under the present policy to £20 15s. Option C The profits, amounting to £15 17s., may be withdrawn in cash. Option D The cash value of the whole of the policy and profits may be applied to purchase a paid-up policy for £177. This would be payable on the death of the assured, and no further payments would be required under it. Option E The cash value of the whole of the policy and profits may be applied to purchase an annuity of £9 3s. 9d., payable during the remainder of your life. Option F The present value of the whole of the policy and profits, amounting to £104 6s., may be withdrawn in cash. If either option A, B, or C be exercised, the present policy may be continued by payment of the same rate of premium as heretofore, or the reduced rate quoted under option B, and will participate during its currency in profits to be distributed every five years. If option D, E, or F be exercised, the present policy will be given up. The options are only available for one month from the date of the expiry of the tontine period—*i.e.*, until the 30th July, and I shall be obliged therefore if you will kindly indicate before that date which option you wish to exercise.”

3 You will put that letter in?—Yes. Then there is Mrs. Larsen’s letter of a similar nature, but the figures are different.

4. *The Chairman.*] Were the dates of the closing of the policies simultaneous with husband and wife?—There is a difference of one month. That is all I have to say just now, Mr Chairman. Other points will be brought out as the case proceeds, especially as the petitioners are here to give evidence.

WILHELM THEODOR LARSEN Retired Hotelkeeper, Wanganui, examined. (No. 2.)

1 *The Chairman* ] Will you state your case, Mr Larsen, confining yourself as closely as possible to the facts?—First of all, when we took out a policy in the Colonial Mutual Society, we took out a life policy.

2. *Mr Fraser.*] How much was it for?—Five hundred pounds. About six or nine months later another agent came along named Maule.

3. *The Chairman.*] What was the name of the first agent?—Osborne. Mr Maule advised us very strongly to change our policy from life to tontine. He was staying in the house, and he was continually at me to do so. After a lot of persuasion I did. When we made the change he thought that he was entitled to a little bonus, because he reckoned he had made a small fortune for us. He said, “You will have £1,000 when the time expires, and you will have a paid-up policy,” and so on. Well, we made the change and went on paying. On one occasion some years after I was a few days late in paying my premium, and the agent—Mr Adams—had a job to get them to accept the money. He said, “I don’t think they will accept it,” but after persuasion they took the money, and I went on again paying. About three years before the fifteen years were up I went over to the bank one day, and the manager and I began to talk insurance. He said he thought it was a very good policy, because he knew of a man in Wanganui who did very well out of it. I said that I had always had that idea, but that of late I had begun to doubt. But, I said, “I will tell you what we will do. You had better write a letter to the head office of the company—coming from you it will carry more weight—and ask what they will allow me if I surrender now.” I got a letter back to the effect that they would allow me £137.

4. What became of the first policy? Did you hand that back?—Yes; the life policy was handed back. The other one I have here. [Policy handed in.] I have here a letter dated 8th June, 1906, that was sent to Mr Adams, the agent of the society, and he brought it to me. “Queen and Fort Streets, Auckland, 8th June, 1906.—DEAR SIR,—Policy 70680, W T Larsen: Referring to your favour of 29th ult., I beg to inform you that the approximate surrender value of this policy is £137.—Yours faithfully, F THOS. WARD, Local Secretary, per M.E.W.” I made a blunder in not accepting this, apparently. However, we went on paying, and later on got some letters from Mr Adams. I may say that another party had insured, and he was offered a great deal more than I was—pretty nearly his own money back. Very well, I came down here later on to see Mr Leslie, the resident secretary of the society, and we had a long discussion over the matter, and he said that that was all we could get, and so on. There is no need to go over it. He said that they sent out reports every year, and I replied that it was very strange I had never received one. So he rang for his clerk, and asked him how he dealt with the reports, and he assured me that he sent out a leaflet every year. However, nothing could be done. Later on I came to Wellington again, and saw Mr Leslie. I said I had come to ask him why it was that Mrs. Larsen was offered 7s. 6d. in the pound and I only 6s. 3d.? He said that I was so much older. I said, “That means to say that the more you pay in, the less you take out,” and he replied, “That is so.” I asked then why did the company make me eight years older than I was at the time. He replied, “It is peculiar that you should come with that now. You were satisfied at the time you were insured.” I told him that when I insured I looked on them as straightforward honourable men; but, I said, I am sorry to tell you that I find I am dealing with a pack of robbers.”