27 *Mr Reed*.] Were you loaded under both policies—the life policy and the tontine?—I was loaded under both, 9s. 2d. per £100, but instead of that it turns out to be £1 4s. 11d.

28. *The Chairman*.] Were you notified that you were loaded £1 4s. 11d.?—No. I got it in writing from them what I was loaded.

29. Is that produced?—No. I think Mr Hogan has the letter

30. Did you not know at the time that you were being charged a heavier premium than you should have been charged?—I did not look closely into the details. I thought I was dealing with a straightforward company, and did not allow the matter to bother me.

31 As a business man, did you not go and say, "I thought I was going to pay such-and-such a premium, but I am paying so-much more: what is the reason for it"?—No. That is where I made a blunder I did not go into those details.

32. *Mr Massey* (to Mr Leslie).] Have you any grounds for believing that Mr Larsen was misled at the time he took up the tontine policy—I mean with regard to profits and possible advantages?—From my own personal knowledge I cannot answer your question I was not there when the proposal was given

33 Have you had any complaints from other members besides Mr Larsen?—Yes.

34. Complaints of being misrepresented?—Yes.

35. Did you look into them?—Yes.

36. Were you able to put them right in any way?—Well, I could not say that I was able to satisfy them all. We gave them an explanation.

37 Do you consider the society responsible for misrepresentation on the part of canvassers?—Well, we certainly would not knowingly employ a man who would misrepresent.

38. When you discover that a man has misrepresented the position, what happens to the man?—He is immediately discharged, no matter who he is.

39. You have done that?—Oh, yes! in many instances.

40. Do you consider that in equity—apart altogether from law—Mr or Mrs. Larsen have any claim against the society?—No, I do not. We have covered a very heavy liability during the fifteen years.

41 Has the society at any time since the date mentioned here—I think 1893—issued any leaflets similar to the one that has been handed in?—No.

42 *Mr Allen*.] Do you agree with the statement made by Mr Larsen that he was paying £19 under the old policy? Can you check that?—I can tell you now, I think. The position appears to be that the first proposal was for £200, payable at death, and the premium was £7 12s. Then there is a further proposal for £500, payable at death, on which the annual premium was £19 Then, the last one, and the one with which we are dealing, is a policy for £500, on which the premium was £22 5s. 10d. Possibly you would like to have the explanation of the difference between the premium charged in the first instance—viz. £19—and the £22 5s. 10d. I told you that under this tontine policy in the event of Mr Larsen's death during the tontine period the society would pay out not only the sum assured—£500—but a refund of the whole of the premiums that had been paid. That is the explanation of the difference in the premium—the extra cover

43 Would you explain to the Committee the difference in the method of applying bonuses by tontine and by the ordinary method?—Yes. The ordinary system, of course, is simply the system that is adopted by most life offices of allotting profits. Under the tontine system the profits of our society were allotted every five years in the same way that the ordinary profits were allotted, but they were not announced to the members, because they were to be reserved for a period of fifteen years. At the end of every five years the proportionate share of the profits on tontine policies which had gone off our books by death, surrender, or lapse was added to the remaining tontine policies. I think perhaps that I could not give you a better instance of it than just to show you how Mr Larsen's profits were arrived at. His general profits were £10 14s. The profits arising from deaths amounted to £3 2s., and the profit from lapses £2 1s. That shows that the tontine profits were larger than the ordinary profits, and that was what the society claimed they would be. I may say that the society is intensely disappointed with the profits. We frankly admit that. There are many reasons for it.

44. The £3 2s. and the £2 1s. profits have accrued owing to the tontine?—Yes; they would not have accrued otherwise.

45 Have you got a copy of the proposal?—I have the original proposal.

46. Can you lay that on the table?—If I lay it on the table, will it be returned to the society's possession?

47 *The Chairman*.] Certainly?—Then I have not the slightest objection.

48. *Mr Allen*.] Was the proposal altered?—No.

49 The question is, what is in the policy now?—The policy which you have here before you is strictly in accordance with the proposal. [Proposal handed in.] There is just one thing in connection with this proposal which I should like to explain Some years after we had adopted this tontine system we found that we were getting complaints, people did not understand their policies, and in order to try and protect the public we indorsed on the back of the proposal form something which we thought would get over all the trouble. Some people thought that at the end of the tontine period they were going to draw the sum assured although they had only got a whole-life policy Well, now this is the indorsement we had placed on the back of the proposal: "It is thoroughly understood by me that the 'amount to be assured' mentioned in this proposal is *not* payable at the expiration of the tontine period, and is only payable at my death."

50. Is it put on afterwards?—It is put on, and signed by the proponent at the time.

51 *Mr Massey*.] Is that indorsement on Mr Larsen's proposal?—Yes, signed by him.