

4. Do you remember what it was he said you would get at the end of the time?—Oh, yes! they made me believe I was going to get all sorts of things—£500 at the end, or £1,000, as the case might be, according to the profits.

5. Those were the statements of the agent?—Of the agents.

6. *Mr. Hogan.*] Would you have gone in for this policy if you had known there was that loading to be paid?—I would not have touched the society on any account.

7. Have you any reason to believe that the agent paid the loading so that you would be insured, and then when you were insured you would have to continue paying that premium?—Well, I suppose he did that just on the off chance, of course. You must remember that there is a certain amount of money put down when the proposal is made out, but then the loading came in after. That was not mentioned by Mr Osborne at the time.

[Printed matter issued by the society handed in by Mr Hogan.]

8. *Mr Buxton.*] The loading must have taken place when the policy was first taken out, if you were in the hotelkeeping business, the loading would be there from the very first?—The agent forgot to mention it, or intentionally did not mention it.

9. But when you made the change from tontine you had been paying the premium with the loading?—Yes.

10. *The Chairman.*] Was this table of payments [document shown to witness] submitted to you as the one under which you would have to pay your premium?—Yes.

11. *Mr Allen.*] Did you read it at the time?—I dare say I read it, but I do not suppose I had as much sense then as I have now

THURSDAY, 18TH AUGUST, 1910.

PETER DENNY LESLIE further examined. (No. 7.)

1. *The Chairman.*] Have you got answers to the written questions submitted to you at our last meeting, Mr Leslie?—Yes, sir

2. Will you read out the questions and your answers, please?—*Re Mr. Larsen's tontine policy:* The surrender value of the policy for £500 life insurance and the profits was given in evidence as £104 6s. Question No. 1: What was the surrender value of the life-insurance policy for £500 at the time of the conclusion of the tontine?—Answer £88 9s. Question No. 2: What was the amount of profit due on account of the tontine to Mr Larsen at the above time?—Answer: Cash value, £5 3s. Question No. 3: What was the surrender value of the tontine profits due to Mr Larsen?—Answer: £15 17s. Question No. 4: If Mr Larsen had continued a 500-pound life insurance on the usual terms, what would have been the accrued bonuses and the surrender value of the same at the end of a period equal in length to the tontine period in this case?—Answer: Cash value of accrued bonuses, £10 14s. Question No. 5: What would be the present value, at the end of the tontine period, on Mr Larsen's life, for the remainder of his life, of the difference between what Mr Larsen would have paid under an ordinary policy—namely, £19 per annum—and what Mr Larsen is paying as a result of selecting the tontine—namely, £22 5s. 10d.? When the tontine period ended, Mr Larsen would be paying £22 5s. 10d. for the rest of his life to insure £500 at death; had he continued an ordinary policy, he would have had to pay £19 per annum: was the value of the difference, £3 5s. 10d. per annum, for the remaining period of Mr Larsen's life, assessed, and the then value of that annual payment added to the profits that were divided amongst the tontine-holders of that particular group? In other words, did Mr Larsen get, at the end of the tontine period, any value for the extra payment of £3 5s. 10d. for the rest of his life, or will Mr Larsen get at any time any such value for his extra annual payment?—Answer: This question implies that the member paid £3 5s. 10d. per annum more for a tontine policy than would have been charged for an ordinary policy. This is not so. In my evidence I showed clearly that the rate of premium charged was the same for a policy under which the profits were tantined as it would be for a policy under which the profits were allotted on the ordinary system. The extra charge of £3 5s. 10d. was to cover the special guaranteed mortuary dividend risk under which the society agreed to refund the whole of the premiums paid in the event of the member's death during the tontine period. An extra premium having been charged for covering this special risk, no allowance for same was made in the amount of the cash value of the profits allotted to the policy at the expiry of the tontine period. The premium shown in the policy is payable until death. The extra premium charged for covering the risk of having to refund all premiums paid if the member died during the tontine period was based upon the assumption that premiums would be payable until death, and not merely until the expiry of the tontine period.' In connection with this reply to question No. 5, I may say, as I said previously, that it is really a question that should be answered by the actuary. I have given you my personal opinion on the matter, but I have communicated with the society's actuary in Melbourne to get his official reply. If you would allow me, I should like to correct evidence that I gave formerly. Upon reviewing my evidence I saw that I had made a slight mistake in reference to the rating-up of Mr Larsen's policy. I had to make the calculation very hurriedly, and in doing so I unfortunately quoted the rating-up of Mrs. Larsen's policy instead of Mr Larsen's. I quoted the loading of Mr Larsen's policy as £3 17s. 6d. per annum, instead of £6 4s. 7d. per annum. The total loading in the fifteen years would therefore amount to £93 8s. 9d., instead of £58 2s. 6d. When giving evidence on this point I pointed out that in contrasting the amount of the surrender value at the end of the tontine period with the amount paid in premiums, no allowance whatever could be made for this loading.