14. *Mr Buxton.*] You say that the tontine period in the Government Life Department expires during this year It is the last tontine, is it not?—Yes, we have only had two.

15. No tontine business is now being taken?—No.

16. I think the National Mutual Association are carrying it on?—I think the National Mutual's scheme is more associated with trustees outside. I do not think the association itself conducts the business.

17 *Mr Hogan.*] You said that Mr Larsen had appealed to the Court. He has not. Others have?—I was speaking generally

18. Regarding the issue of these leaflets, do you think it would unnecessarily handicap companies if they were compelled by legislation to make these leaflets part of the contract? Do you not think it would make them careful in their calculations?—I do not see any harm in that, but it seems to me there would be difficulties. You cannot foresee what is going to actually occur Nobody can say what the rate of interest is going to be. He is a very wise man who can say what the mortality will be.

19 If legislation were in operation, would not a company be compelled simply to put the proposal before a proponent, without working out any tables or estimates, or showing any highly coloured examples?—You cannot dry-nurse everybody, you know If you had to dry-nurse a man at every turn, the trouble would be endless.

20. We do not want to dry-nurse any one, but what we do want is to prevent what you yourself admit is taking place—people being misled by highly coloured examples?—That really means that you would like an estimate to be part of the contract. It gets back to that, does it not?

21 Well, yes?—Well, I do not think it is possible. All a company can do is to show what its experience has been in the past, and what it is probable will happen in the future. But to tie itself down to certain things happening as they had happened in the past would be impossible, I think.

22 You stated, I think, that your Department issues estimates?—No, I have always refused to do so.

23 Then the Department does not issue any of these examples of how policies work out?—We might issue examples relating to ordinary policies. I do not see any objection to that. They are simply something that is based on the experience of the past. I drew up our original tontine, and it was more on the lines of book-keeping. We have always refused to issues estimates, because we were perfectly satisfied that the American tontine estimates could never be realized. The agents pressed us very much to do it, but we always refused, on that ground.

24. Are you prepared to state that all the literature issued by your office could be taken as part of the contract?—I am not prepared to say that. We do our best to make the literature as clean as possible, and that is all we can do.

25. You said that you do not consider the methods at present followed called for legislation do you, then, think the people are adequately protected against any proposals that may be put before them by any insurance company that cares to start business in New Zealand, or is now in business here?—I think they are as well protected in this direction as they would be with respect to any ordinary contract that they might enter into. It gets back to "dry-nursing" the man at every turn.

26. You know what has happened in America do you not think it would be advisable to prevent such a thing happening in New Zealand?—The trouble that has happened in America has been mainly in connection with the funds and the administration. I do not think it has been so much in the direction you indicate—although, of course, there has been a good deal of extravagance in the statements of what was going to happen with regard to bonuses.

27 *Mr. Buxton.*] With regard to the New York Life Insurance Society, do they not issue a policy in which they state each year the position—that is to say, surrender value and bonuses added right from the commencement to the end?—I could not say

Mr Morris Fox (Government Actuary): They do. Many American offices do.

Witness The bonuses shown would not be on a very liberal scale; they must protect themselves. In justice to the Colonial Mutual Association, I should like to say this: I think their original estimates were based on these American estimates, and they, to a large extent, "fell in." I do not think they were entirely to blame, but they were to some extent. They should not, in my opinion, have adopted these estimates without satisfying themselves.

Mr Leslie You said that I admitted that those estimates were highly coloured. I have not admitted anything of the sort. What I do say is that at the time those estimates were issued the society was fairly entitled to suppose that it could carry them out, and it was only owing to the drop in the rate of interest that we were unable to do so. Some member of the Committee referred to "wild-cat" schemes. I object very strongly to remarks of that sort.

The Chairman I used that phrase, but I did not refer to your particular scheme.

28. *The Chairman* (to witness).] The complaint of this petitioner, Mr. Richardson, is that he has paid in premiums a total sum of £334 7s. 6d., and he has been offered in full settlement of his claim £104 6s.—less than the premiums paid by £230 1s. 6d From your study of the case, do you think that has been a fair result on the working of the society?—I should not like to say It seems to me it must resolve itself into a question of the surrender values adopted by the society No doubt these are based on their actual experience they know what they can afford to refund.

29 From your own experience in the Government Life Insurance Department, would you regard that as so disappointing a result to the man as to suggest that he had not received fair treatment?—I should not like to say that. But I can say this: that those surrender values—those returns—are low as compared with ours.

30. Can you give any idea as to how much lower than yours they are, roughly?—I should not like to say without going into the matter