

43. *Mr. Glover.*] Did I understand you to say that your company has never coerced or at any time offered a person less than he was entitled to?—Mr. Millar asked me whether any of my agents had ever compromised a claim. Well, I say this: it is not our practice—we do not do that sort of thing. If the law says the man is to get £400 there is “no bones” about it—he gets the £400; but if there is a question as to whether we are liable or not, you cannot blame the company for contesting the payment of the £400.

44. Would it surprise you to learn that some reputable companies have got people to take a less sum than they were entitled to?—I have heard of it, but should be surprised to know it.

45. As regards the £12,000 balance, you contribute a great portion of that to the expense of carrying on your business. Would not the ramifications of your business lead to a certain amount being set aside?—No, that is dealing with the workers’ compensation department of our business, which is most expensive. We have to pay, in the first instance, a very much higher commission for getting the business. I do not know why, but it is the custom to pay up to 25 per cent. to get the business.

46. *Mr. McLaren.*] In your experience of the business, have the workers, when they come to settle with the companies, got a full knowledge of the value of their claims they are making?—My experience is this: that the average claimant is very well equipped with intelligence, and has a good idea of the Workers’ Compensation Act of New Zealand. We never have a man asking asking for less than he is entitled to—never. If he is not accompanied by a lawyer’s advice, he has found out somewhere that he is entitled to have his wages or so-much as a lump sum.

47. Are they generally advised by the officers of their union?—Yes, I believe so. With Mr. Young, the secretary of the Seamen’s Union, we have always had pleasant relations. I think the secretaries of the unions would bear out my statement that no quibbling is made when once we arrive at a decision as to what the law says—we pay it.

48. You would not be in a position to contradict me if I stated that I got in several cases £30 or £40 more than what the claimant was asked to receive by the company?—In some cases, with your help, they might have got more than the claim, but not with the Ocean Accident Company.

49. With regard to the clause about the permanent loss of a member, I had one case when business secretary of a union where a man got his finger cut. The finger was stiff, and he was advised that he would never be able to bend it. Would you consider that finger lost?—We find that where fingers are very stiff and legs are very sore, that it only requires a plaster costing a few pounds to put the thing right. With a little massage the finger would be all right. We take the Act as our guide. The Act does not say that because a finger is stiff you should compensate the owner for the total loss of it. We do not do that.

50. In this case the medical officer of the company admitted that the finger was disabled or permanently disabled in the sense that it could never be bent. Would you recognize that as a loss of a finger?—No. There is nothing in the Act to say so.

51. *Hon. Mr. Millar.*] You practically said there is no philanthropy in the business; you stick to the strict letter of the law, and give what the person is entitled to and no more?—I will not say no more.

52. You said that you took the Act as a guide?—Yes.

53. You said that, so far as the profits are concerned, they have come down almost to the vanishing-point?—Yes.

54. Is that because of this Act or on account of competition? How many companies have started here?—I am only talking for four years back.

55. I can name the South British Company, which was a purely marine underwriting office, which has taken up the business profitably?—Profitably, have they?

56. I presume they are not working for nothing; and I think there are at least four branches of English companies which have started in the business during the last four years. Now, if there was nothing in the business, is it at all likely that keen business men in England who are looking all over the world for fields for investment would not see whether they could not do a profitable business in New Zealand before starting out here?—Yes; all sorts of companies were started many years ago.

57. I am only speaking of recent years. From the accident-insurance point of view that proves that there is a profitable field in New Zealand?—I doubt it very much. At any rate, the New Zealand balance-sheets for last year are available to you.

58. You will also admit that these same balance-sheets are available to the companies in London?—Yes, I said my general manager was considering whether it would not be better to close the New Zealand branch altogether.

59. You see there are other companies ready to come here to replace the Ocean Accident Company?—There is an old adage which says “Fools rush in where angels fear to tread.” My experience is that some of the managers say they wish they had never seen the accident business. The fire men coming in are losing all the time, for the reason that they do not know where they can make little savings.

60. Are you aware that the New Zealand Insurance Company fifteen years ago made a profit of £9,000 per annum on their accident business?—Fifteen years ago we were sending Home thousands of pounds, but there is no profit to-day.

61. Is that not owing to the English companies doing business here?—No, the Acts are responsible. You remember my predecessor stated that 10 per cent. would cover the whole loss, but do you know that in the old days where we paid £5 for a joint we now have to pay £40 or £50. It is the schedule of the Act which is the cause of the trouble.

62. It is not the lawyers’ casts? You cannot deny the statement made by your predecessor that the increased amounts coming under the schedule would be saved by the legal costs paid?—Whoever said it had not the experience of what that schedule meant. You get the whole of the insurance men before you, and I guarantee they will corroborate what I say. Mr. Montefiore was a very experienced expert in insurance business, but I believe he spoke without the book when he said that.