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*FIFTH SCHEDULE.*

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*Question 11.*—A statement to be furnished of the manner in which policies on unhealthy lives are dealt with.

*Answer.*—When proposals are made on lives which, although not of such inferior quality as to merit total rejection, are considered not to reach the requisite standard for insurance at the ordinary rates of premium, such proposals are accepted at increased rates. Great refinement is not attempted in the assessment of lives, proposals being as a rule either accepted at par, with an extra premium of 10s. per cent. of the sum assured, an extra of 20s. per cent., or declined. The alternative of a fixed contingent debt in lieu of extra premium, if not remissible, is always offered.

The true age is taken as the basis of surrender calculations, except in the cases of paid-up policies, the surrender values of which are calculated at the rated-up ages.

The Appendices alluded to above have been compiled under the immediate supervision of Mr. Percy Muter, F.I.A., the Actuary to the Department.

J. H. RICHARDSON,

*Government Insurance Commissioner.*

9th August, 1921.

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