

ACTUARY'S REPORT.

The resulting VALUATION BALANCE-SHEET stands thus:—

| <i>Dr.</i> | £ | <i>Cr.</i> | £ |
|-----------------------------------|------------|----------------------------|------------|
| To Net value of liabilities | 1,482,541 | By Accumulated funds | 1,715,193 |
| Surplus | 232,652 | | |
| | £1,715,193 | | £1,715,193 |
| | £1,715,193 | | £1,715,193 |

I attach a detailed statement of the valuation of the several classes of policies.

In order to inaugurate the new system of allotting bonuses it was necessary to make a detailed valuation as at 31st December, 1885, on the basis of H^M 4 per cent., of all the participating policies issued before that date and remaining in force on the 31st December, 1890. This has been done; but the present valuation—which has also been made in detail, as well as in classes where possible—will obviate the necessity for a similar duplicate valuation at the end of the present triennium.

The extensive preliminary calculations necessary to effect the change in the method of allotting bonuses are now in progress, and will be completed in time for a speedy distribution on receipt of an intimation from the Consulting Actuaries as to the amount of the divisible surplus.

During the course of the valuation I have made arrangements which will in future enable a satisfactory office valuation to be performed at the end of each year with the least possible expenditure of labour.

I have the honour to be, Sir,

Your most obedient servant,

MORRIS FOX,

The Government Insurance Commissioner.

Actuary to the Department.