

The return on the growing funds is substantial, and keeps up well, being considerably higher than seven years ago.

Outgo.—During the year 429 policies became void by death, for claims amounting to £154,015 (an increase of £18,603), but this amount is considerably under what is provided for in the tables of mortality used by the Department. Four hundred and fifty-six policies also matured as claims during lifetime for £114,921. The total sum which has been paid in respect of claims by death and survival since the foundation of the Department, forty-one years ago, has amounted to £4,177,253.

The total expenses were £71,534, the ratio of expenses to premium income being reduced to 20·2 per cent., and to total income to 12·7 per cent.

Accumulated Funds.—The net increase in the funds during the year was £149,589, and the total assurance, annuity, and endowment funds at the close of the year (apart from special reserves) amounted to £4,554,730.

The Balance-sheet.—On the 31st December, 1910, the total assets of the Department amounted to £4,700,348, and were invested as shown in the following comparative statement:—

At 31st December, 1909.		Class of Investment.	At 31st December, 1910.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£			£	
2,620,595	57·8 per cent.	Mortgages on freehold property	2,723,876	57·9 per cent.
764,279	16·8 ..	Loans on policies	775,190	16·5 ..
668,030	14·7 ..	Government securities	668,049	14·2 ..
179,303	4·0 ..	Local bodies' debentures	168,436	3·6 ..
132,549	2·9 ..	Landed and house property	135,334	2·9 ..
109,635	2·4 ..	Miscellaneous assets	111,577	2·4 ..
61,726	1·4 ..	Cash on current account	117,886	2·5 ..
4,536,117	100·0 per cent.	Total	4,700,348	100·0 per cent.

It may be mentioned that "foreclosed properties" are again nil, and that the total investments, now amounting to £4,472,237, show an increase of £105,858.

Tontine Fund No. 2.—The period of the Tontine Fund expired on the 31st December, 1910, and the accumulated amount, £18,561 13s. 9d., has been distributed amongst those policyholders whose policies were in force on the 1st January, 1911.

The fund was inaugurated by Order in Council, dated 19th January, 1891, and policyholders were permitted to join the scheme from the 29th January, 1891, until the 31st December, 1900, when it was closed for new entrants. Policyholders joining the fund were not allowed to surrender the bonuses allotted to them during the tontine period, and in the event of death or withdrawal the bonuses were transferred to the fund and accumulated at compound interest for distribution amongst those policyholders whose insurances remained in force on the 1st January, 1911.

The total number of policies which joined the fund was 6,775, assuring £1,655,700. Of these, 295 became claims by death, 411 were surrendered, and 2,719 were allowed to lapse, leaving 3,350 policies, assuring £802,259, in force at the close of the period and entitled to participate in the special benefits of the fund.

The value of the forfeited bonuses comprising the special fund was as follows:—

	£	s.	d.
By death	5,993	19	0
By surrender	2,057	19	1
By lapse	5,296	5	9
	13,348	3	10
Compound interest	5,213	9	11
	£18,561	13	9

This amount has been distributed as a reversionary bonus payable at death or maturity, the total addition to the sums assured being £34,065 1s. The bonuses granted during the time the policies were in the tontine class, £112,817 18s., were released from the tontine conditions, and, together with the special bonus of £34,065 1s., may now be dealt with in the same manner as non-tontine bonuses.

General.—The year was marked by an increase in the new business returns, a decrease in the expense rates, a continuance of favourable mortality, and steady progress in other directions. The usual triennial investigation will be made at the end of this year, when the tenth distribution of bonuses will take place, and an interim valuation gives every reason to expect a satisfactory surplus for division among the policyholders.

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Government Insurance Commissioner.