

In conclusion I would point out that the rates of bonus recommended above are substantially greater than those hitherto declared, and, in addition to calculating the value of the liabilities on a strong valuation basis, the Department has a substantial Investment Fluctuation Reserve of £209,707.

The profit-earning capacity of a life-assurance company is dependent on the average rate of interest combined with adequate security of the investments, favourable mortality, and economical management. During the past year the Department's favourable experience in these respects has produced the excellent results disclosed by this valuation, but I consider it wise to emphasize that the future of the Department is dependent on the maintenance of these favourable features.

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The Government Insurance Commissioner, Wellington.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,450 copies), £13 10s.

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By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1923.

*Price 6d.*]