

How Discontinued.	No. of Policies.	ASSURANCE BRANCH.		No. of Policies.	ENDOWMENT BRANCH.		No. of Policies.	ANNUITY BRANCH.		No. of Policies.	INDUSTRIAL BRANCH.	
		Sum Assured.	Annual Premiums.		Sum Assured.	Annual Premiums.		Amount of Annuity p annum.	Annual Premiums.		Sum Assured.	Annual Premiums.
		£	£ s. d.		£	£ s. d.		£	£ s. d.		£ s. d.	£ s. d.
By death ...	82	30,100	1,016 7 4	...	...	...	1	40	...	1	100 0 0	4 6 8
" maturity ...	...	...	...	2	200	11 17 4	...	...	...	...	...	...
" surrender ...	60	30,150	1,016 5 5	2	300	26 7 0	...	...	...	21	2,353 4 0	81 13 8
" lapse ...	404	138,639	4,200 17 3	5	1,000	58 2 7	...	...	...	11	1,047 6 0	36 12 4
" expiry ...	...	...	...	1	100	7 3 0	...	...	...	...	...	...
" reduction ...	...	1,650	39 11 3	...	...	...	...	...	...	...	...	...
" cancellation ...	1	425	13 2 10	...	...	...	...	...	...	...	...	...
" transfer to ordinary branch ...	...	...	...	...	...	...	...	...	...	27	3,028 19 0	108 19 8
Total ...	547	200,964	6,286 4 1	10	1,600	103 9 11	1	40	...	60	6,529 9 0	231 12 4

TOTAL BUSINESS.

The policies issued for the nine and a half years during which the department has been in operation number 12,896, assuring the sum of £4,533,733. Of these policies, 2,582 have been discontinued by lapse, surrender, death of the assured, or otherwise; and there were at the close of the financial year 10,314 existing policies, assuring £3,744,997.

ACCOUNTS.

Appended to this report are the accounts for the year under review, in the form prescribed by law. The year's income, derived from all sources (including £450 12s. 5d. from the Industrial Branch), was £133,072 14s. 10d., showing an increase of £21,234 13s. 11d. over that of the previous year. The accumulated funds of the department, as at 30th June last, amounted to £372,654 14s. 5d., giving an increase during the period of £79,592 10s. 4d. In view of the trade depression already referred to, this increase cannot be deemed other than satisfactory, as showing the continued progress of the department and the spread of a prudent thrift among the inhabitants of the colony.

The ratio that the expenses of management for the year (including commission) bear to the premium income, shows a reduction of nearly one and a half per cent. as compared with that of the previous year.

INDUSTRIAL BRANCH.

From this branch the policies continue to be transferred to the ordinary branch, as occasion serves. A payment of £100 was made during the year, arising from the death of one policy-holder.

GENERAL REMARKS.

In one of his annual reports a former Commissioner (the Hon. Mr. Gisborne), after referring to the fact that the profits arising from the transactions of the department were thenceforward to be divided periodically among policy-holders, remarked that "the State is satisfied with the recompense which it derives from the increase of provident habits and the decrease of destitution among its people, while the insurer receives the more immediate advantage." Speaking of the success of the system, he viewed it as "a social object of inestimable worth," and one which should be "carefully cherished," inasmuch as "the whole community collectively, and members of it individually, are directly interested in that success, and directly share in the gain."

It has been my object to extend the sphere of these advantages, and arrangements have been made by which further facilities for assurance have been placed before persons employed on the railways of the colony and otherwise, many of whom have promptly availed themselves of the opportunities thus offered for providing for the future welfare of their dependents, and also for securing endowments for themselves in their later years.

I entertain strong hopes that the steady progress of life assurance—a progress greatly fostered and maintained by the feeling of security given to the assured by the inviolable guarantee of the Legislature of the colony—will produce social advantages further-reaching in their influence than even the beneficial growth of that provident forethought of which life assurance is both a cause and an effect. Of late years it has been steadily inculcated in the public mind among all classes, and is becoming now almost universally recognized, that life assurance is a duty incumbent on every man who now has or is likely to have persons dependent upon him.

When it is generally understood that among the conditions of successful entry into an assurance institution that of a temperate life is a prominent qualification, a further social reform will receive an important stimulating impetus. When it is known that a person of intemperate habits, or having a tendency in that unwholesome direction, will seriously imperil, and, in most cases, actually destroy, the chances of his acceptance by an assurance office, there will in time, I believe, be induced the practice of a higher self-control, springing from a growing self-respect and from the sacred claims of domestic affection.

Allusion has been made to the Act of Parliament by the provisions of which the profits arising from the business of the department shall be divided quinquennially among the policy-holders. The first division of profits will, after an actuarial investigation, take place on the close of the financial year now current; that is to say, after 30th June, 1880, in accordance with the statutory enactment. The attractiveness of such division is not unnatural, in view of the charm