

which generally attaches to what may be termed speculative gains. With regard to the profits yielded by the Government Insurance Department there is an element of certainty that should not be overlooked. From the very moment of the entrance of a policy-holder he is practically the recipient of an annual bonus in the shape of an immediate saving. This arises from the very low rate of premiums, which in this respect are unequalled by any British or Colonial institution of the kind, with one single exception, a Scottish office. In order to illustrate this immediate saving, the subjoined figures, referring to Australasian institutions, are copied from an elaborate and instructive table compiled by Mr. Morrice A. Black, the accomplished actuary of the leading Australian assurance society. The table gives examples of the rates of premium charged by different offices at age 35 for an assurance of £100 for the whole term of life by even annual premiums. The "net premium" is £1 19s. 5d., being that for a healthy male according to the table of the Institute of Actuaries. What is termed the "loading," as levied by the various offices, and to which special allusion is now made, is set forth in the table as given below:—

Name of Institution.	Premium charged per £100 at age 35.	Loading contributed.	Percentage of Loading on Premium charged.
	£ s. d.	£ s. d.	
Australian Mutual Provident Society	2 15 4	0 15 11	28·7
Mutual of Victoria	2 14 9	0 15 4	28·2
National Mutual (Victoria)	2 13 3	0 13 10	26·0
Mutual Life Association of Australia	2 12 7	0 13 2	25·0
Colonial Mutual of Victoria	2 11 9	0 12 4	23·8
Australian Widows' Fund	2 11 6	0 12 1	23·5
New Zealand Government... ..	2 7 2	0 7 9	16·5

The loading, *per se*, in all the six foreign cases enumerated ranges from 56 to 105 per cent. above the very moderate loading which marks the tables of this Department. Hence, the average policy-holder in the New Zealand Government Insurance Office receives an immediate advantage, as compared with what is offered by other Australasian institutions, extending to so much as 8s. 2d. on the premium payable for every £100 insured. In other words, between the two most prominent examples enumerated in the foregoing table, there is a difference in the rates of premium to the extent of fully 17 per cent., that difference in the case referred to being in excess of the rates charged by the Government Department. The advantage thus arising to the policy-holder in this office continues yearly during the whole term of the policy, and is practically equivalent to an annual bonus, for the money, instead of being paid away, is retained in the pocket of the assured person. This, together with the comfortable security afforded by the Government guarantee, and the fact of the profits being secured by law to the policy-holders, will largely account for the rapid growth and present position of the Government Insurance Department.

. D. M. LUCKIE,
Commissioner.

STATEMENTS OF ACCOUNTS.

SECOND SCHEDULE.

REVENUE ACCOUNT of the GOVERNMENT INSURANCE DEPARTMENT (Ordinary Branch) for the Year ended 30th June, 1879.

£	s.	d.	£	s.	d.
Amount of funds at the beginning of the year (as per last published Revenue Account)	292,523	2 4	Claims under policies, Assurance	30,300	0 0
Renewal premiums—Assurance, Annuity, and Endowment	100,725	17 5	Annuities	1,845	16 7
New premiums on 2,071 policies, assuring £686,283, and yielding an annual revenue of £21,347 15s. 6d.	11,156	13 0	Surrenders	3,553	7 3
Single premiums—Assurance and Endowment	926	13 8	Commission, New	£3,315	11 8
Consideration for Annuities granted	3,049	0 7	„ Renewal	934	6 2
Interest	16,737	9 11		4,249	17 10
Fees	26	7 10	Expenses of Management—		
			Salaries, Head Office	4,496	4 8
			„ Branch Offices and Agents	3,169	17 2
			Medical fees	2,617	9 0
			Travelling expenses, Agents	1,515	13 6
			„ Others	116	3 10
			Advertising	203	8 0
			Printing and stationery	403	1 7
			Rent	65	12 0
			Postage	475	0 0
			Telegrams	68	16 0
			Exchange	12	14 6
			Office furniture, depreciation	76	0 0
			General expenses	86	6 1
				13,306	6 4
			Amount of funds at the end of the year (as per Third Schedule)	371,889	16 9
£425,145	4	9		£425,145	4 9