

## ANNUAL REPORT.

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set apart for division represents no less a sum than £319,391 4s. of reversionary bonus additions to the policies of the assured. These figures are of a most satisfactory nature, and of themselves testify to the sound condition of the department. Taking the age of the office into account, they show results which, I am assured, are unequalled in the history of the life assurance institutions of Great Britain or her dependencies.

On the subject of the Temperance section the Actuaries state that this section showed a deficiency of £2,759. On this circumstance these gentlemen, in their preliminary letter to the Agent-General, remark that it "need excite no uneasiness, as no surplus could have been expected to accrue during the short period of the three years and a half of the existence of this separate section." The nett cash profits, after allowing for the Temperance deficiency, are £242,556 11s. 11d.

The results were transmitted by cable message and duly published. A brief interim report was also subsequently received. It was found, however, that a considerable time would elapse before the full Report of the Actuaries would reach this colony. In order to save time in computing and allocating the bonuses and notifying the same to policyholders the Government resolved that there should be exercised the provisional powers vested in the Governor by the Act of 1886, under which His Excellency can direct that the profits may be divided although the Actuaries' Report has not been laid before both Houses of the Assembly. Accordingly an Order in Council was issued directing that the proportion of the cash profits recommended for division by the Actuaries should be so divided and allocated. The calculation of the bonuses to the individual policyholders necessitated a large amount of work. Much time has also been required to prepare the comprehensive tables attached to the Report which had subsequently to be computed and compiled here in reply to the statutory queries specified in the schedules of the Act referring to the valuation procedure.

## THE INDUSTRIAL BRANCH.

The closing of this branch is now nearly completed; all the large centres have been practically closed, except two, and the winding-up of the business there is now rapidly approaching completion.

## THE RISE AND PROGRESS OF THE DEPARTMENT.

At this stage in the history of this institution a brief narrative of its origin and progress may not be devoid of interest.

The Government Insurance Department has now been in existence nearly eighteen years. It was established by Act of Parliament in 1869. The Bill which became law was introduced by the present Colonial Treasurer, Sir Julius Vogel, who described the disastrous effects\* which the failure of numerous private insurance offices had produced in Great Britain, and

\* It was shown on this occasion, from a petition presented to the British Parliament in the previous year, that, out of about 400 assurance companies which had been established up to that time in Great Britain, only about 120 then existed; that one-half of the latter number had been set on foot within the previous seven years; and that more than fifty companies were then winding-up in Chancery. It was shown further that serious decrease in the value of life policies had occurred in these cases, although the policyholders had fulfilled their original contracts. Several years ago Mr. Morrice A. Black gave a list of 130 companies which had either been bankrupt, abortive, or fraudulent. Recent years have disclosed numerous other examples of a similar kind in both Great Britain and the United States, in which the bankruptcy of private companies has produced serious loss and disaster to the policyholders and those dependent on them. The most notable of these companies were the Albion, the European, the Albert, the Great Britain Mutual, the Oak, the London and Westminster, the Security Mutual, the Briton Medical and General, and the Continental of America; besides various others, including the French Credit Viager, and the Mutual Trust Fund Life Association of New York.