

### ACTUARY'S REPORT.

But it would be unwise to infer therefrom that the Temperance bonuses will necessarily be higher than the others in future. Such a small body as the Temperance Section is at present is subject to fluctuations which might at any time cause the opposite result.

A summary of the mortality experienced in the General and Temperance Sections respectively is given in Table E. A noteworthy fact in connection with the deaths of the triennium, although not shown in the summary, is that no women suffered violent deaths, although fully 8 per cent. of the total number of deaths were those of women, and over 14 per cent. were due to suicide, homicide, or accident.

The statistics relating to the proposals accepted and declined, and new policies issued during the triennium, show that the tendency of very recent years has been to rate up fewer proposals and to decline more. This will be gathered from the following schedule :—

Year.	Proposals Received.			Policies Issued.	
	Accepted at Ordinary Rates.	Rated up	Deferred or Declined.	Annual Premiums.	
				Ordinary.	Extra.
1891	76 per cent. ..	14 per cent. ..	10 per cent. ..	£ 20,148	£ 418
1892	79 " ..	9 " ..	12 " ..	19,219	225
1893	82 " ..	7 " ..	11 " ..	22,390	211

*Interest.*—At the close of the triennium the funds of the department were earning about  $5\frac{1}{4}$  per cent. interest, a rate slightly lower than that which was being obtained at the beginning of the period. The decline is principally due to a lowering of the rate of interest on Government securities from 5 to  $4\frac{1}{2}$  per cent.

The yearly average rates of interest earned in the past have been as follows :—

Year	£ s. d.	per cent. per annum.	Year	£ s. d.	per cent. per annum.
1871-72 ..	5 7 2		1883 ..	5 6 2	
" 1872-73 ..	5 3 2	" "	" 1884 ..	5 6 7	" "
" 1873-74 ..	4 9 7	" "	" 1885 ..	5 0 6	" "
" 1874-75 ..	4 15 0	" "	" 1886 ..	4 19 9	" "
" 1875-76 ..	5 1 2	" "	" 1887 ..	5 3 8	" "
" 1876-77 ..	4 17 11	" "	" 1888 ..	5 5 7	" "
" 1877-78 ..	4 18 6	" "	" 1889 ..	5 7 3	" "
" 1878-79 ..	5 0 9	" "	" 1890 ..	5 8 11	" "
" 1879-80 ..	5 1 6	" "	" 1891 ..	5 8 2	" "
" 1880-81 ..	5 4 4	" "	" 1892 ..	5 5 2	" "
" 1881-82 ..	5 3 5	" "	" 1893 ..	5 5 3	" "
Half-year 1882 ..	5 4 4	" "			

*Expenses.*—The total expenditure of the period under review, including taxes and commission, amounted to £160,012 3s. 7d. The ratio of expenses to income has declined substantially during the triennium, and now stands lower than for many years past. In view of the small loading contained in the premiums it is to be desired that this ratio should still further diminish. It is only right, however, to point out that the taxes accounted for £18,756 13s. 11d. of the total amount, being 2·70 per cent. of the premium income during the period. In their last report Messrs. Bailey, Hardy, and King drew attention to this matter in the following words: "The property-tax, the burden of which was unimportant five years ago, has become a serious item, being 2·55 per cent. of the premium income during the quinquennium, with a certainty of material increase. The accumulation of the funds of a comparatively young life assurance institution increases more rapidly than the premium income, so that the property-tax, being levied upon the capital, becomes every year a heavier charge." This matter is of the greatest importance in reference to future bonuses, and I therefore set forth the following schedule in order to compare the taxation of the Department with that imposed upon English and Australian offices. This information is taken from the latest reports of those offices which state their taxation separately :—

PROPORTION OF ANNUAL TAXATION TO						
—				Accumulated Funds.	Yearly Interest.	Yearly Surplus.*
5 Australian offices	..	..	..	0·09%	1·67%	2·49%
45 English offices	..	..	..	0·09%	2·31%	4·45%
1 New Zealand office	..	..	..	0·27%	5·35%	12·39%

\* The average yearly surplus allotted at last division of profits.