

In regard to the income from premiums and interest, the past eight years' results are given, together with the accumulated funds and the yearly rates of interest earned by them :—

Year.	Premium Income (excluding Annuities).	Interest Income.	Total Income.	Accumulated Funds.	Rate of Interest on Mean Funds.
	£	£	£	£	£ s. d.
1904 .. ..	309,239	158,196	480,716	3,665,583	4 8 2
1905 .. ..	314,003	169,153	490,925	3,822,577	4 10 4
1906 .. ..	319,775	175,512	507,070	3,991,599	4 9 10
1907 .. ..	325,903	183,618	526,713	4,147,411	4 10 3
1908 .. ..	330,806	193,870	534,441	4,264,685	4 12 2
1909 .. ..	330,927	201,327	546,566	4,405,141	4 12 11
1910 .. ..	338,487	206,552	561,150	4,554,730	4 12 3
1911 .. ..	342,977	215,530	575,849	4,699,970	4 13 0

The return on the growing funds is substantial and keeps up well, being considerably higher than eight years ago.

*Outgo.*—During the year 399 policies became void by death, for claims amounting to £126,813 (a decrease of £27,201), and this amount is considerably under what is provided for in the tables of mortality used by the Department. Four hundred and thirty-two policies also matured as claims during lifetime for £106,762. The total sum which has been paid in respect of claims by death and survival since the foundation of the Department forty-two years ago has amounted to £4,410,914.

In view of the triennial distribution of profits, and having regard to the increase in the investments during the past period, it has been thought wise to increase the Investment Fluctuation Reserve by £30,000. This reserve now stands at £113,663.

*Accumulated Funds.*—The net increase in the funds during the year was £145,240, and the total assurance, annuity, and endowment funds at the close of the year (apart from special reserves) amounted to £4,699,970.

*The Balance-sheet.*—On the 31st December, 1911, the total assets of the Department were £4,856,102, invested as shown in the following comparative statement :—

At 31st December, 1910.		Class of Investment.	At 31st December, 1911.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£			£	
2,723,876	57.9 per cent.	Mortgages on freehold property .. ..	2,899,753	59.7 per cent.
775,190	16.5 „	Loans on policies .. ..	791,704	16.3 „
668,049	14.2 „	Government securities .. ..	668,069	13.7 „
168,436	3.6 „	Local bodies' debentures .. ..	168,208	3.5 „
135,334	2.9 „	Landed and house property .. ..	135,879	2.8 „
111,577	2.4 „	Miscellaneous assets .. ..	114,808	2.4 „
117,886	2.5 „	Cash on current account .. ..	77,681	1.6 „
4,700,348	100.0 per cent.	Total .. ..	4,856,102	100.0 per cent.

*Triennial Investigation.*—The valuation of the Department's liabilities on the 31st December, 1911, was completed early this year, and full particulars are contained in the Actuary's Report.

After strengthening the valuation basis, thereby making it equivalent to an H<sup>m</sup> 3½-per-cent. valuation, and adding £30,000 to the Investment Fluctuation Reserve, there remained a surplus of £216,071, of which £207,105 was divided amongst the policyholders by way of bonus, and the balance of £8,966 carried forward. As on former occasions, the surplus divided was allotted as a compound reversionary bonus on the sum assured and bonuses in force, thus giving bonuses increasing with the duration of the policies to those policyholders who had not surrendered their previous bonuses. The bonuses so allotted range from 2½s. to 3½s. per cent. per annum on the sums assured, and show a substantial increase all round compared with those for the last triennium, with the exception that, whereas the bonuses in the Temperance Section were slightly higher than those in the General Section at the previous valuation, on this occasion they are equal in the two sections.

The total reversionary bonuses allotted this year amounted to £333,994. Since the inception of the Department in 1870, £1,598,377 in cash has been distributed by way of bonus, the corresponding additions to the sums assured being £2,907,530.

In summarizing the position it may be stated that the valuation basis has been strengthened, the bonuses have been increased, and the strong reserves indicate still larger bonuses in the future

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