

## CONSOLIDATED REVENUE ACCOUNT.

Triennium ending 31st December, 1911.		Previous Triennium.	Triennium ending 31st December, 1911.		Previous Triennium.
	£	£		£	£
Funds at beginning of triennium	4,264,685	3,822,577	Death claims .. ..	416,364	392,458
Renewal premiums ..	936,581	905,698	Matured claims .. ..	332,899	273,988
New premiums .. ..	75,810	70,786	Annuities paid .. ..	47,944	43,440
Consideration for annuities	47,755	38,705	Surrenders .. ..	*197,055	176,659
Interest .. ..	623,409	552,999	Bonuses surrendered for cash	24,712	16,668
Fees .. ..	10	36	Commission .. ..	58,151	52,307
Tontine Savings Fund No. 2 transferred at maturity	18,562	..	Taxes .. ..	39,152	33,677
			Expenses .. ..	120,565	116,919
			Investment reserves ..	30,000	20,000
			Funds at end of triennium ..	4,699,970	4,264,685
Total .. ..	£5,966,812	£5,390,801	Total .. ..	£5,966,812	£5,390,801

\* Including tontine policies at maturity.

It will be seen that the regularity of the increase of income and outgo has also been well marked.

*Income.*—The chief item of importance, besides a substantial increase in the premium income and purchase-money for life annuities, is the revenue from interest, which exceeded by £70,410 the interest-earnings of the previous three years. The average rate of interest realized each year for the past six years has been as follows :—

	£	s.	d.		£	s.	d.
1906 .. ..	4	9	10	1909 .. ..	4	12	11
1907 .. ..	4	10	3	1910 .. ..	4	12	3
1908 .. ..	4	12	2	1911 .. ..	4	13	0

These figures were obtained by finding the rate yielded each year on the mean of the funds at the beginning and end of the year, and they show that the rate of interest earned on the Department's investments has been more than maintained.

*Outgo.*—The claims have increased in a normal manner, taking into account the growth of the business and the increase in ages of policyholders and duration of policies. Indeed, the rate of mortality experienced has been extremely favourable, and the surplus has received a large accretion from this source.

The surrenders were abnormally increased in consequence of a large number of policyholders relinquishing their policies immediately after the expiry of the tontine period, on the 31st December, 1910. The amount of bonuses surrendered was also increased through the same cause. This cannot recur, as the Department does not now transact tontine business, and has none left on its books.

The amount paid in commission during the triennium has somewhat increased, in consequence of the larger amount of both new and renewal business; while, as regards the expenditure on commission and management combined, the business is now conducted at a lower cost than formerly, as the following table will show :—

RATIO OF COMMISSION AND EXPENSES (excluding Taxation).

Year.	To Total Income.	To Premium Income.
1890 .. ..	14·4 per cent.	20·2 per cent.
1893 .. ..	13·4 "	19·0 "
1896 .. ..	12·0 "	17·5 "
1899 .. ..	11·9 "	17·5 "
1902 .. ..	11·3 "	16·8 "
1905 .. ..	11·0 "	16·7 "
1908 .. ..	10·6 "	16·6 "
1911 .. ..	10·4 "	16·7 "

Here again the regularity and consistency of the improvement shown is very noticeable, and it will be seen that the expense-ratios have constantly diminished since the introduction of triennial valuations, and that they are now materially lower than they were twenty-one years ago.

The taxation, not included in the above, has now increased to nearly 4 per cent. of the premium income of the Department, which is a considerably higher rate than that borne by other Australasian offices.

## THE VALUATION.

The business to be valued consisted of 49,376 policies, assuring £12,683,276 inclusive of bonus additions, and £21,405 immediate and deferred annuities per annum, the ordinary annual premiums thereon amounting to £345,825. The Department also receives £2,329 per annum, representing additions to the tabular premiums imposed when assurances are effected on lives which are estimated to fall below the requisite standard for any reason. These extra premiums are held to cover the current year's extra risk, and are not brought into the valuation as an asset.