

Expense Ratios and Rate of Interest.—The ratio of expenses to (a) total income, (b) premium income, and the effective rate of interest (after deduction of taxes) earned on the funds for 1934 and the two preceding years are :—

Ratio of Expenses to			1932.	1933.	1934.
			Per Cent.	Per Cent.	Per Cent.
(a) Total income	..	..	7·46	7·24	7·51
(b) Premium income	..	..	11·82	11·33	11·68
Net effective rate of interest	..	..	£4 10s. 10d.	£4 8s. 6d.	£4 8s. 10d.

General.—The results of the Department's trading during the past year may be viewed with every satisfaction. The new business for the year was exceptionally good and the rate of bonus declared for the previous year has been maintained. This rate, in conjunction with the low premiums charged by the Department, provides contracts which will bear comparison with those of any other life-insurance office transacting business in the Dominion.

In conclusion, I desire to express my appreciation of the good work performed by the Office and field staffs, which has contributed in a great measure to the success that has been achieved by the Department.

W. E. ARNOLD, Commissioner.