

Comparing the interest brought to account each year with the mean between the fund at the beginning and end of the year, we find that the rate of interest realized in the quinquennium has been as follows, viz. :—

				£	s.	d.	
1875-76	..	..	..	5	1	3	} Per cent. per annum.
1876-77	..	..	..	4	17	11	
1877-78	..	..	..	4	18	5	
1878-79	...	..	..	5	0	10	
1879-80	...	...	...	5	1	7	

The question of the rate to be assumed in the valuation will be discussed in Article 6.

4. The sheets containing the data for valuation were subjected to a very complete analysis; and, for Table I., the facts were re-scheduled for males and females separately, and again, so as to show the amounts at risk, with corresponding premiums at each year of birth, distinguished for yearly, half-yearly, quarterly, &c., payments of premium.

The following statement gives a summary of the most interesting facts elicited in the course of this examination, and derived from the risks under Table I. :—

ANALYSIS of the Risks shown under Table I.

PREMIUM PAYABLE	MALES (6,542).			FEMALES (202).		
	Average Sum Assured.	Proportionate Distribution.		Average Sum Assured.	Proportionate Distribution.	
		Number of Policies.	Sums Assured.		Number of Policies.	Sums Assured.
	£			£		
Yearly ..	414	21·17	23·43	286	21·78	21·78
Half-yearly . .	372	45·11	44·78	275	43·56	43·53
Quarterly	356	27·22	25·91	268	34·66	33·76
Monthly	339	6·50	5·88	..	..	
All Classes	£374	100·00	100·00	£275	100·00	100·00

From a further grouping of the sums assured, according to the ages at entry, we ascertained that the mean age at entry was—for males, 36·74 years; for females, 38·77; the mean present age being—for males, 40·45 years; females, 42·07

It will be seen, therefore, that the number of females is too small to justify their being treated separately; also the average duration of the contracts is too short, and the average age of the lives too low, to enable us to arrive at any trustworthy conclusions as to the rate of mortality that will prevail in future among the assured.

For Tables II. and III. no distinction of the sexes was attempted; but the facts were rearranged in groups, according to the number of premiums remaining to be paid, in order to obtain some idea of the period during which the assumed rates of mortality and interest might be affected, and of the time when the contributions for expenses in Class II. would expire.

5. As on the occasion of the last valuation, there is no definite information respecting the death-rate that may be expected to prevail amongst assured lives in New Zealand, nor any mortality statistics for the colony generally, available for the purposes of the present investigation.

From such tests as we have been able to make, there would not appear to be any great difference between the general rate of mortality experienced in the last quinquennium amongst the lives assured under Table I., and similar lives in this country. We do not, upon general grounds, see much reason for expecting a contrary result, but we consider that it would be wise to collect and tabulate all available information on this head, especially in regard to the death-rate of the older lives.

After full consideration, we think that the Institute of Actuaries' H^m Table is the most suitable table of mortality to adopt for the present valuation.

Nevertheless, we have thought it prudent (as will be hereafter shown) to make a further provision beyond what an estimate on this basis would provide.

We observe that, in a large number of cases, additional premiums have been charged, the lives having been assumed to be a certain number of years older, upon the ground that they were deemed to be below the average in point of future longevity. In these cases the risks have been classified according to the true, and not the assumed, ages, which we consider to be the most suitable method of procedure. The effect is that the surcharges, taken in the aggregate, form an annual fund applicable to meet the additional claims arising from the expected increased mortality in this class of lives.

6. At the last valuation the rate of interest assumed was 4½ per cent. per annum; and, from Article 3, it will be seen that rather more than this rate was realized in the last five years. The question for consideration, however, is not what has been or is, but what will be the rate of interest realized by the fund during a period of time covered by the present generation. This point has