

The particulars of the new and discontinued business of the year, and the progress of the department from its inception, are given in great detail in the annexed statement of progress of business.

Civil Service Insurance Scheme.—Regulations were framed for the proper administration of "The Civil Service Insurance Act, 1893," and during the year the scheme was started, and is now working smoothly. At the end of the year 43 annuity assurances had been issued, assuring £5,400 at death, and entitling the survivors at age 60 to annuities amounting to £1,976 16s. 11d. per annum. One of these assured Civil Servants died during the year, and the sum assured, with accrued bonus, was paid to his family. There were also issued in connection with this scheme 24 assurances for £6,068, and a deferred annuity for £6 os. 4d. per annum.

Premiums received.—The total new premiums received amounted to £23,117, being slightly in excess of the previous year. The renewal premiums received amounted to £219,307. The consideration for annuities granted during the year was £11,780.

Interest.—The interest earned during the year amounted to £115,270, being £7,172 in excess of the interest for the previous year.

Total Revenue.—The total revenue from all sources showed an increase of £7,794, and amounted to £369,478.

Claims under Policies.—Death claims arose under 278 policies through the deaths of 254 policyholders, representing (after deduction of contingent debts) a total sum assured, including bonus additions, of £88,683. Matured endowment assurances and children's endowments amounted to £25,285. Since its foundation the department has paid in claims considerably over a million sterling.

Expenses of Management.—The expenses of management (including commission £14,626, and land- and income-tax £5,917) amounted to £55,722. This amount was considerably increased by the inclusion of the necessary expenses in connection with the periodical bonus investigation, an item which will not recur this year.

Accumulated Funds.—The funds have increased by £135,649, and at the end of the year amounted to £2,264,239.

General Remarks.—It is an appropriate time to draw attention to the fact that, the department having been founded early in 1870, the end of last year saw the completion of the first quarter of a century of its existence. The following table contains a Consolidated Revenue Account of the department from March, 1870, to 31st December, 1894:—

CONSOLIDATED REVENUE ACCOUNT for the Period between March, 1870, and 31st December, 1894.

	£		£
Premiums	3,467,421	Claims by death	990,540
Consideration for annuities	113,203	Claims by maturity	140,429
Interest	1,081,558	Surrenders	328,840
Fees, &c.	613	Surrender of bonus	92,486
		Annuities	71,436
		Commission	184,804
		Expenses of management	492,679
		Taxes	52,631
		Losses on properties foreclosed	1,711
		Investment reserves	43,000
		Amount of funds	2,264,239
	<u>£4,662,795</u>		<u>£4,662,795</u>

From this consolidated account can be seen at a glance the various items of income and outgo for the twenty-five years, and the table cannot fail to be of interest.

The Government Insurance Amendment Act, passed in the last session of Parliament, extending the department's powers of investment in mortgages, is affording much assistance in the remunerative employment of the department's funds. Whilst from a variety of reasons the ruling rates of interest have latterly materially declined, the result of recent legislation appears to be manifesting itself chiefly in the equalisation of rates for large and small investments, and in present circumstances the department is experiencing little difficulty in obtaining eligible securities on terms which must be regarded as satisfactory, especially bearing in mind the statutory requirements as respects security, and the scrupulous regard with which they are observed.

The commercial depression of last year pressed severely upon the life insurance institutions of Australasia, but the department has been fortunate in escaping any appreciable arrestment of its advancement. The new business has almost reached the high figures of 1893, whilst the progress of the business generally has not been exceeded by that of any other colonial life office. Any unfavourable features of the year's experience, such as a heavy lapse-rate, will be found to have been more than shared by all the other offices. In the face of great difficulties, every effort has been made by the officers of the department to make the year a success, and a careful study of the accounts and statements will probably lead to the conclusion that the department was never in a sounder or more prosperous condition than at the present time.

JOSEPHUS H. RICHARDSON,
Commissioner.