It will be seen that there has been a further decrease in Government securities amounting to £59,988, and an increase of £155,381 in the amount lent on mortgages of freehold property. This change was authorised by "The Government Life Insurance Acts Amendment Act, 1894," and the amount of Government securities, which at the end of 1894 stood at £926,923, has from time to time been reduced by £199,024, and mortgages on freehold property increased by £971,679.

Tontine Fund No. 1.

The period of the Tontine Fund No. 1 expired on the 31st December, 1900, and the amount, £16,752 13s. 11d., has been distributed amongst those policyholders whose policies were in force at that date, the addition to the sums assured being £33,350 3s.

The fund was inaugurated by Order in Council, dated September, 1887, and policyholders were permitted to join until the 31st December, 1890, when it was closed for new entrants. Policyholders joining the fund were not allowed to deal with the bonuses allotted to them during the tontine period, and in the event of death or withdrawal the bonuses were forfeited to the fund, and accumulated at compound interest for distribution amongst those policyholders whose insurances remained in force at the 31st December, 1900.

During the time the fund was open 6,237 policies, assuring £1,734,591, joined, of which 275 became claims by death, or about 4½ per cent. of the number entering; 310 surrendered, and 2,103 lapsed, leaving 3,549 policies, assuring £994,427, in force at the close of the period.

In addition to the special bonus of £33,350 3s. from the Tontine Fund, the bonuses granted during the time the policies were in the tontine class, £130,512 7s., were released from the tontine conditions, and may now be dealt with in the same manner as non-tontine bonuses.

J. H. Richardson,
Government Insurance Commissioner.