Accumulated Funds.—The net increase in the funds during the year amounted to £169,022, and the total assurance, annuity, and endowment funds now stand at £3,991,599. The following statement shows the growth of the Department in this and other respects during the past fifteen years:—

Year.	Policies in Force.					Revenue from Interest.	Accumulated Funds.	Ratio of Total Expenses (including Taxes) to Total Income.
	Number.	Sum Assured.	Bonuses.	Annuities	Premium Income.			
		£	£	£	£	£	£	Per cent.
1891	29,226	7,782,734	608,069	6,347	234,496	96,379	1,847,797	16·1
1906	45,981	10,667,591	1,183,901	53,588	331,546	175,512	3,991,599	13·4
Improvement in 15 years	16,755	2,884,857	575,832	47,241	97,050	79,133	2,143,802	2·7 (Decrease).

The Balance-sheet.—On the 31st December, 1906, the total assets of the Department amounted to £4,107,929, and were invested as shown in the following comparative statement:—

At 31st December, 1905.		Class of Investment.	At 31st December, 1906.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£			£	
2,132,039	54·3 per cent.	Mortgages on freehold property ...	2,171,237	52·8 per cent.
667,965	17·0 "	Government securities	667,980	16·3 "
679,493	17·3 "	Loans on policies	694,847	16·9 "
67,614	1·7 "	Cash on current account	183,102	4·5 "
154,334	3·9 "	Local bodies' debentures	163,444	4·0 "
122,436	3·1 "	Landed and house property ...	122,436	3·0 "
103,119	2·7 "	Miscellaneous assets	104,883	2·5 "
804	0·0 "	Properties acquired by foreclosure...	...	...
£3,927,804	100·0 per cent.	Total	£4,107,929	100·0 per cent.

It will be noticed that foreclosed properties, after being gradually reduced from the maximum of £37,684 in 1892, have entirely disappeared from the list of assets.

Overdue interest now stands at the remarkably low figure of £382, being less than ¼ per cent. of the total interest charges.

The progress of the Department has been well maintained through the operations of the year. The new-business returns have again improved, and there have been satisfactory increases in both the interest and premium income. The mortality experience has continued to be favourable, and an interim actuarial valuation of the liabilities under policies in force shows that the profit resulting from the year's business has been highly satisfactory, auguring well for the bonus-distribution due at the end of next year.

J. H. RICHARDSON,
Government Insurance Commissioner.