As this is the last report which I shall be making, I should like to draw attention to the following achievements during my three years' control, which speak for themselves:—

- (1.) A reduction in the uninvested balance at the end of the year from £205,142 in 1923 to £65,698 in 1924 and to £18,185 in 1925.
- (2.) An increase in the net effective rate of interest from £5 6s. 8d. per cent. in 1923 to £5 7s. 7d. per cent. in 1924 and to £5 9s. 1d. per cent. in 1925.

| (3.) An all-round reduction in expense ratios, namely: | 1923.      | 1924.         | 1925.      |
|--|------------|---------------|------------|
| (a.) Total expenses to total premium income            | <br>18.234 | 18.460        | 17.998     |
| (b.) Total expenses to total income                    | <br>11.174 | 11.292        | 11.081     |
| (c.) "Renewal" expenses to total premium income        | <br>8.7    | 8.8           | $8\cdot 2$ |
| (d.) "New business" expenses to new annual premiums    | <br>111.5  | $102 \cdot 1$ | 100.0      |

In addition, not only was the new business of the year the greatest ever transacted in a single year, but the increase as compared with the previous year (£191,171) is the greatest increase ever made in a year. I am also able to point to the fact that the rates of bonus are very much higher than have ever before been allotted in the history of the Department, whilst at the same time the reserves stand on the strongest basis in use amongst the offices of Australasia: thus, in short, I can point to an increased interest yield, reduced expense ratios, greater new business, increased bonuses, and a much stronger basis of actuarial reserves. I have abundant evidence that new hope has been instilled into the minds of the Department's field men: the increased new business returns in themselves prove this. In addition, I recommended to the Government legislation, which was approved, and passed last session, extending the powers of the Department to include (1) the transaction of sinking-fund, capital redemption, and other business; (2) facilities which will permit the Department to safely reduce its bank balance to the lowest point, and thereby enable the funds to be more closely invested; (3) power to make an annual distribution of bonuses in place of the present triennial distribution.

It had been my intention to commence distributing bonuses annually as from the end of this year, a reform which I feel sure would meet with the unqualified approbation of policyholders and the public

public.

In conclusion I have to say that on entering into office I decided to make it my paramount duty to strive for the best interests of the policyholders, to whom the funds belong, and of the Department in general; on leaving office it is a source of pride to be able to feel that I have accomplished something in this direction.

A. T. TRAVERSI, F.I.A., F.C.A.S., Commissioner.

REVENUE ACCOUNT OF THE GOVERNMENT LIFE INSURANCE DEPARTMENT FOR THE YEAR ENDED 31st December, 1925.

| Amount of Funds at 1st January, 1925 | £<br>6,448,658 | S. |    | Death claims under assurance policies, | £                   | 8. | d. |
|--------------------------------------|----------------|----|----|--|---------------------|----|----|
| Renewal premiums—Assurance, An-      | 0,440,000      | 9  | •  | including bonus additions              | 182,058             | 1  | 0  |
| nuity, and Endowment                 | 478,583        | 12 | 9  | Endowment Assurances matured, in-      | 2.02,000            | •  | •  |
| New premiums (including instalments  |                |    |    | cluding bonus additions                | 245,151             |    |    |
| of first year's premiums falling due |                |    |    | Endowments matured                     | 6,628               |    |    |
| in the year)                         | 54,873         | 0  | 0  | Premiums returned on endowments        | 72                  |    |    |
| Single premiums—Assurance and En-    | 4 110          | 10 | 9  | Bonuses surrendered for cash           |                     |    |    |
| dowment                              | 4,116          |    | 3  | Annuities                              | 21,451              |    |    |
| Interest and Rent. £364,702 16 7     | 22,791         | 9  | 17 | Surrenders                             | $30,746 \\ 36,582$  |    |    |
| Less land and income                 |                |    |    | Commissions, new* £36,745 7 9          | 30,382              | 9  | '  |
| tax, £10,870 3s. 11d;                |                |    |    | ,, renewal 3,645 4 8                   |                     |    |    |
| property expenses,                   |                |    |    |  | 40,390              | 12 | 5  |
| £4,049 5: 14,919 8 11                |                |    |    | Contribution to Superannuation Fund    | 1,156               |    |    |
|                                      | 349,783        | 7  | 8  | Expenses of management—                |                     |    |    |
|                                      |                |    |    | Salaries £ s. d.                       |                     |    |    |
|                                      |                |    |    | Head Office 23,706 17 9                |                     |    |    |
|                                      |                |    |    | Branch offices and                     |                     |    |    |
|                                      |                |    |    | agents                                 |                     |    |    |
|                                      |                |    |    | Extra clerical assist-                 |                     |    |    |
|                                      |                |    |    | ance 1,961 6 9 Medical fees and ex-    |                     |    |    |
|                                      |                |    |    | penses 6,562 1 4                       |                     |    |    |
|                                      |                |    |    | Travelling-expenses 902 10 11          |                     |    |    |
|                                      |                |    |    | Advertising 337 9 9                    |                     |    |    |
|                                      |                |    |    | Printing and stationery 1,831 17 4     |                     |    |    |
|                                      |                |    |    | Rent 5,748 1 0                         |                     |    |    |
|                                      |                |    |    | Postage and telegrams 1,529 6 3        |                     |    |    |
|                                      |                |    |    | Exchange 34 2 8                        |                     |    |    |
|                                      |                |    |    | General expenses 4,810 9 8             |                     |    |    |
|                                      |                |    |    | Triennial expenses 500 0 0             | <b>70.0</b> 00      |    |    |
|                                      |                |    |    | Amount of funds, 31st December, 1925   | 59,308<br>6,731,117 |    |    |
|                                      |                |    |    | Amount of funds, 51st December, 1925   | 0,731,117           | 10 | 10 |
|                                      | £7,358,806     | 13 | 3  |  | £7,358,806          | 13 | 3  |
|                                      |                |    |    | 1                                      |                     |    |    |

<sup>\*</sup> Including agents' allowances.