

Expense Ratios and Rate of Interest.—The ratio of expenses to (a) total income and (b) premium income have further declined, and the effective rate of interest (after deduction of taxes) earned on the funds has increased. The respective figures for 1930 and the two preceding years are :—

				1928.	1929.	1930.
Ratio of expenses to—				Per Cent.	Per Cent.	Per Cent.
(a) Total income	..	..	..	9.35	8.79	8.41
(b) Premium income	..	..	..	15.29	14.40	13.88
Net effective rate of interest	..	..	..	£5 9 9	£5 10 10	£5 11 7

Annual Bonus Distribution.—The attached Valuation Report, pursuant to section 40 of the Government Life Insurance Act, 1908, discloses a net surplus of £228,799 (excluding interim bonuses paid during the year), and of this sum £224,145 has been allotted in the form of compound reversionary bonuses upon the sum assured and existing bonuses. The total reversionary bonuses thus allotted amount to £371,096.

The rate of bonus allotted in the case of ordinary endowment and whole-life assurances under the present premium tables ranges from £1 18s. per cent. to £2 2s. per cent. on the sum assured for policies one year in force, and up to £3 15s. per cent. in the case of policies of long duration. The declaration of such satisfactory rates of bonuses, coupled with the stringent basis employed in the valuation, speaks for itself of the Department's strong financial position.

General.—Notwithstanding trade conditions prevailing in the Dominion, the new business for the year was very satisfactory, and was again the highest in the history of the Department. The rate of bonus declared for 1928–29 has been maintained, and this rate, in conjunction with the low premiums charged by the Department, provides contracts which will bear comparison with those of any other life-insurance office transacting business in the Dominion.

A. E. ALLISON, Commissioner.