that the assurances discontinued in the two years by assured members amount to the enormous sum of £665,700; a proof plain and palpable of a backward movement, arising out of the withdrawal of public confidence.

The subject of bonuses and valuations is alluded to in this year's Report at greater length than in former years; but not unduly, for the whole question is of the greatest consequence to the Company and the assured. In the earliest divisions of profit, the temptation to new offices to over-estimate their profits is very great; as the presumed effect of what is called a good show is to lead to the introduction of a large number of new members. In such circumstances an Actuary is prone to circumscribe his estimate of the future within too narrow limits; forgetting that if he over-estimate the profits of the first few years, the time must come when there will be a diminution of profit below even the moderate standard which might have been otherwise uniformly sustained. Our Report alludes generally to the fact that British offices of high standing have recently had to acknowledge their error in this respect. Without mentioning names, he would notice the action in this direction of two of the leading offices of Scotland. One of these, at its first three divisions, with five years' interval, divided £12 10s. per year per thousand pounds assured; but in 1850, when the fourth division took place, only £10 10s. per year was divided. The other divided two per cent. per annum bonus in arrear and prospectively for three or four divisions, until, in 1853, its managers were compelled to acknowledge that they could afford only 1½ per cent. in arrear, and 1 per cent. prospectively. In their last Report they say:

"In regard to the reduction of the rate of bonus from 2 to 1½ per cent., the Directors are desirous to have it understood that it does not arise from any decrease in the Society's prosperity."