

of the Act of 1870, and in the following table we give the main figures from the summary:—

Year.	Sums Assured.		Revenue.	Assets.
	Industrial.	Ordinary.	£	£
1889 ..	86,203,873	443,362,228	27,510,195	203,610,042
1894 ..	144,142,569	529,184,344	33,954,345	240,397,866
1899 ..	181,135,538	616,911,783	41,813,166	300,403,768
1904 ..	241,866,981	697,627,128	49,362,998	366,717,173
1905 ..	251,533,949	713,491,783	51,671,982	384,398,398
1906 ..	267,469,613	726,875,009	54,214,221	395,754,177
1907 ..	285,444,501	757,048,167	55,357,953	413,754,644
1908 ..	288,807,599	767,644,459	57,385,002	429,299,886
1909 ..	292,689,157	782,198,531	60,677,532	447,342,644

As the companies only state the total sums assured in their valuation returns, that is, every five years in most cases, a year-to-year comparison of the figures of sums assured is of little value. But the figures of revenue and assets show larger increases than ever, so we may assume that the companies' progress was most satisfactory.

The total premiums received amounted to £43,529,000, of which £29,402,000 were in respect of ordinary business and £14,127,000 from industrial business. Commission absorbed £5,400,000 and expenses of management £5,091,000, the commission being divided as to £1,866,000 on ordinary business and £3,534,000 on industrial, while expenses were £2,506,000 on ordinary and £2,583,000 on industrial. These figures show clearly the enormous cost of industrial business as compared with ordinary, the ratio of expenses and commission to the premium income being 14.87 in the case of the ordinary companies and 43.30 in the industrial class. This is a slight increase on the part of the ordinary companies, the ratio having been 14.02 on last year's figures, while the industrial figure is very slightly lower, the proportion last year being 43.33 per cent. As more than half the total industrial premium income comes through the Prudential, the results attained by that company influence the aggregate to a very great extent, and as that company's own expense ratio fell by 0.23 per cent., there must have been an increase in expenses on the part of the others. Were the figures available a very valuable comparison might be made of the growth or decline of the average policy issued by industrial and ordinary companies. The larger the average policy the smaller is the expense, and the increase in the ratio of expenses of the ordinary companies may be due to their possible catering for small policies.

THE COMPANIES' INVESTMENTS.

We have shown above that the assets of the companies rose last year by over £18,000,000, and as investments have to be found for this huge sum, it is of interest to look at the forms of security most favoured by life offices. Last year "debentures" increased by £7,680,000, debentures meaning "railway and other debentures." Mortgages rose by £4,430,000, and Foreign Government securities by £2,272,000, while loans on policies were £889,000 higher. There was a decrease of £711,500 in British Government securities, which are evidently out of favour with the largest investors as well as with smaller. Shares and stocks were £272,000 lower, a favorable sign, since in these days of cheap investments, life offices ought not to go in for securities where the income is dependent upon earning power. Glancing at the summarised balance-sheet of the companies, we see that out of the total assets of £447,343,000, as much as £193,292,000, or nearly one-quarter, is invested in mortgages. But the term is a wide one, ranging from mortgages on freehold property in the heart of London to loans to the Egyptian fellahs and the farmers of the Canadian West. Between such extremes the rates of interest to be obtained naturally vary, and ordinary investors would probably be startled if they knew the rates obtained from some of the mortgages in which some big life offices deem it prudent to invest large portions of their funds.

A close second to "mortgages" is "debentures," in which £99,485,000 is invested. These debentures are comprised under the heading of "railway and other debentures," in which there is considerable scope. The third class of investment in point of popularity is loans on security of the rates, amounting to £53,111,000. This sum has all been lent to municipalities and corporations by direct mortgage of the rates, and does not include Corporation stocks or debentures. Under each of

the headings "Stocks and shares" and "Land and house property and ground rents" nearly £45,000,000 is invested and £23,592,000 is sunk in loans on policies. A company's own policies form probably the best security for loans that can be desired, since the loans never exceed the surrender values, and in the event of default in the rate of interest the policy may be cancelled at once. The loans are naturally small individually, but their volume is great, and the comparatively high rate of interest more than compensates for the additional expense involved from this cause.

Among the smaller classes of investments are "life interests and reversions," absorbing over £10,000,000. This form of investment is practically a monopoly of life insurance companies, and on the average the rates realised are very remunerative. British Government securities only account for £7,307,000 out of the total of £447,343,000, life offices having deserted Consols and similar stocks in favour of higher yields. Now that Consols yield a higher rate than most offices assume in their valuations, however, there is something to be said in favour of gilt-edged investments for life assurance companies, partly to provide a backing of the best security possible, and also with regard to the possibility of a period of cheap money at some future time when Consols and all gilt-edged stocks would rise to higher levels. No such improvement can be expected in mortgages and other loans, though the rate of interest to be obtained on such security would undoubtedly fall were such a period of cheap money to come.

DOMINION LIFE ASSURANCE COMPANY.

Mr. Thomas Hilliard, President and Managing Director of the Dominion Life Assurance Company, issues a very favorable report with regard to the operations of this Company in 1910. It was the year of the Company's greatest growth and at the same time the actual results to policyholders under matured policies exceeded those of any previous year.

The leading figures of 1910 in comparison with those of the preceding year are shown in the following table:—

	1909.	1910.
Assurance issued	\$1,910,490	\$2,298,763
Amount in force	9,276,322	10,720,766
Assets	1,860,953	2,127,823
Reserves	1,545,156	1,731,509
Cash Income	413,886	463,745
Payments to policyholders..	65,319	99,286
Average rate of interest ..	7.21 p.c.	7.52 p.c.
Surplus	315,922	384,753

From this comparative statement the extent of the general progress made by the Company during 1910 will be gathered. New business was well over two and a quarter millions, this being a record for the Company and for the first time, also, the total business in force went over the \$10,000,000 mark, there being a net increase in this respect during 1910 of approaching \$1,500,000, also a record in the Company's history. The total income reached \$463,745, an increase over 1909 of \$49,858. Of this income \$99,286 was paid to policyholders and, after defraying all expenses of management, there was left a balance to be carried forward of \$244,247.

The Company was again very fortunate in the matter of death claims, which were only 40 p.c. of the exception. This, as we pointed out a year ago, when there was a very low mortality, is