year's Report it was explained, that in each year, without reference to the losses incurred, whether trifling or excessive in amount, the mathematical value of the risk run is invariably set aside in the estimation of profit; as, therefore, last year the excess of claims over the tabular expectation did not reduce the profits of the Company, so, this year, the small amount of loss as compared with the risk of the year [£4703] will not increase them. Among the claims was one which the Directors deem worthy of notice—a Policy for £200 was issued on the 1st December, 1852, upon which the Premium for the year of £4 9s was paid; within 10 days after its issue, the party whose life had been assured thereby was accidentally killed; the death was proved, the claim substantiated and paid within 68 days of the date of the Policy; the parties benefitted being the widow and children of the deceased.

It rarely happens that a death occurs so speedily after the issue of a Policy, or that a Company is enabled so forcibly to illustrate the fact that Life Assurance can secure in a moment, as it were, that which otherwise it might take an ordinary life-time to secure.

The valuation of the Assurance Branches, in order to ascertain the amount of profit available for distribution, has been accurately completed in accordance with the system heretofore fully explained. The liabilities for sums assured have been valued in full, and the income from Premiums reduced for the purpose of valuation to the net or office premium; the *loading* or addition made to each premium to cover the necessary charges of management, &c., being thus cast aside, and only brought to account yearly, as received.—The result of this valuation shows that the sum of £8,807 1s. 4d. is the increased value of the Policies in force, or in other words, that this sum, together with the net income, will yield the means required to meet each claim as it matures.

The Directors are aware that it is more customary to value the gross income under deduction of a small percentage, equivalent to the estimated cost of collection alone, while a few offices calculate the value of the full income, without even this protection—the natural effect of either course is to base the continuance of their dividends upon a progressive increase