

CORRESPONDENCE

To the Editor of the Transactions of the Faculty of Actuaries.

SIR,

“ON PREMIUM RATES FOR DISCOUNTED BONUS ASSURANCES.”

In the above paper, on page 130 of the *T.F.A.*, vol. vi., there is given an extract from the New York Insurance Report for 1910 referring to the Gain and Loss Exhibit of Life Assurance Companies working in New York State.

Mr. W. A. Hutcheson, F.F.A., F.I.A., F.A.S., has been good enough to call my attention to the fact that the item “Interest to Maintain Reserve” does not contain any interest on the deferred dividend funds held by the various companies. The consequence of this is that the gain from interest is considerably greater than it would be were the Companies all on an annual dividend basis, and an incorrect inference as to the proportion of surplus earned from interest might be drawn from the figures were the above fact not known.

I am, SIR,

Your obedient Servant,

G. W. RICHMOND.

EDINBURGH, 7th January 1913.