REPORT OF THE GOVERNMENT ANNUITIES COMMISSIONER.

SIR,— Government Annuities Office, 18th July, 1871.

In conformity with the requirements of the 29th section of "The Government Annuities Act, 1869," I have the honor to forward to Your Excellency an account made up to the 30th June last of the gross amount of all sums of money paid, and the gross amount of annuities granted for the same, and contracts for payments at death and otherwise, under this Act.

Since the date of my last Report, "The New Zealand Goverment Insurance and Annuities Act, 1870," has been passed, amending and extending the Act of 1869 in several important particulars. In order to convey intelligibly the combined effect of both Acts, I recapitulate the following advantages which they secure to persons contracting under them:—

1. All money received and paid by the Government under the Acts is kept in a separate account, the particulars of which must be annually laid before the General Assembly.

2. In case the funds held by the Government under the Acts shall be insufficient to meet the liabilities, the deficiency is to be met out of the Consolidated Revenue. Insurers are thus not only enabled to obtain authoritative information of the exact position in each year of the transactions effected under the Acts, but have also the security of the Consolidated Revenue for the performance of the Commissioner's contracts.

3. Annuities payable under the Act are exempted from all taxation.

4. Policies, powers of attorney authorizing the receipt of moneys, and receipts for moneys payable under the Acts, are exempted from stamp duty.

5. The following transactions, subject to the limitations noted below, are exempted from liability to the law of Bankruptcy, and from seizure under process of execution, namely—(*a.*) A Policy of Assurance *bonâ fide* effected by the Assured upon the life of himself. (*b.*) A Policy for future Endowment for the wife or any child of the Assured. (*c.*) Any purchase of an Annuity for the wife or any child of the Assured.

In the cases (*a*) and (*b*), however, no policy or the contributions made towards the same are protected until it has endured for at least two years, in which case the protection extends to the sum of £200; after five years, to £500; after seven years, to £1,000; and after ten years, to £2,000.

In the case (*c*), the Annuity and the contributions towards it are only protected—(1.) When payments on behalf of the Annuity have extended over six years; or (2.) When it has been purchased at least six years before the commencement of the Annuity; and (3.) When the Annuity does not exceed £100 per annum.

Further, the protection applies, in the case of an Assurance Policy, only in favour of the personal representative of the Assured; in the case of an Endowment Policy, only in favour of the nominee; and in the case of an Annuity, only in favour of the actual Annuitant, and then to such parts only of the Annuity as shall be payable after the Annuitant attains the age of fifty years.

6. Married women may effect policies and dispose of the money assured by will, as if single; and policies effected by married women are, subject to the following restrictions, freed from the debts or control of their husbands. The restrictions are—(*a.*) That a policy or contract for a Payment to be made on Death or otherwise, or for a Life Assurance or Endowment, held by any married woman, shall not be protected against the debts of her husband, unless it has endured for two years, and then only to the extent of £200; if for five years, £500; if for seven years, £1,000; if for ten years, £2,000. (*b.*) That an Annuity shall not be so protected unless the payments made on account thereof have been made at annual or more frequent intervals during a period of at least six years, or unless purchased more than six years prior to the commencement of the Annuity, and that such Annuity shall not exceed £104 per annum.

7. Insurances may be effected by way of settlement for the benefit of the wife and children of the Assured, with power to apportion the amount; and such Insurance may be effected either in the name of the Assurer or of his wife, or of a third person as trustee, with his consent. The premiums may be payable during life, or any less period not under seven years, and, in any case, yearly, half-yearly, or quarterly, at the option of the Assured. When no apportionment is made on such policy in favour of children specially, all the children of the Assured living at his death share equally. To the extent of £2,000, the money payable under any such policy is to be free from the claims of creditors.

8. Proof of age once received, is sufficient for further transactions.

In addition to the foregoing advantages, which are specially provided in the Acts themselves, the following additional advantages are secured by the Regulations promulgated under their authority:—

1. Transactions are effected without any charge to the Assured, and Proposers are not required to pay any fee for medical examination, or to pay the cost of any inquiry which the Commissioner may think fit to make with regard to their health, habits, age, and occupation, or to pay any fee for the issue of any contracts which may be made in accordance with their proposals, or to pay any postage for the transmission of their proposals, or for the transmission of any correspondence arising out of such proposals between them and the Commissioner.