

1873.

NEW ZEALAND.

GOVERNMENT ANNUITIES COMMISSIONER,
(ANNUAL REPORT OF THE).

Presented to the General Assembly in accordance with section 29 of "The Government Annuities Act, 1869."

SIR,— Government Annuities Office, Wellington, 30th July, 1873.
In accordance with the 29th section of "The Government Annuities Act, 1869," I have the honor to forward to you, for presentation to the General Assembly, my report of the transactions of this Department during the year ended the 30th ultimo, which is practically the third year of its existence.
The business of the past year shows the continued satisfactory progress of the Department, and the increasing probability of the successful attainment, by its means, of the great social objects which the Legislature had in view when it passed the Government Insurance and Annuities Acts.
The following statement shows the particulars of proposals received during the year :—

CLASS.	RECEIVED.			DECLINED, AND NOT COMPLETED.			COMPLETED AND POLICIES ISSUED.					
	No.	Amount.			No.	Amount.			No.	Amount.		
		£	s.	d.		£	s.	d.		£	s.	d.
Insurance	1,440	547,800	0	0	309	120,750	0	0	1,131	427,050	0	0
Endowment	30	3,200	0	0	7	800	0	0	23	2,400	0	0
Annuities	7	253	0	0	...	...			7	253	0	0
		per annum.								per annum.		
Total	1,477	551,000	0	0	316	121,550	0	0	1,161	429,450	0	0

NEW BUSINESS.

The following summary gives the particulars of the policies issued and the new business effected :—

Class.	No. of Policies.	Sum Assured.	Single Premium.	Annual Premiums.
		£	£ s. d.	£ s. d.
Insurance	1,131	427,050	...	13,858 6 5
Endowment	23	2,400	337 7 0	118 12 3
Annuity	7	253	2,116 4 1	...
		per annum.		
Total	1,161	429,450	2,453 11 1	13,976 18 8
				2,453 11 1
Total New Premiums				16,430 9 9

INCOME.

The foregoing return shows that the sum of £13,976 18s. 8d. has been added last year to the gross annual income of the Department, exclusively of £2,453 11s. 1d. added to its assets during that year in the shape of single premiums.

CLAIMS.

The claims during the year have been ten in number, caused by the death of nine persons. The amount of the claims was £2,800, which comprises all claims, except a disputed claim for £2,000.

ACCOUNTS.

The Return (No. I.) prescribed by the 29th section of "The Government Annuities Act, 1869," has been prepared, and is attached to this Report. I have also caused to be prepared and attached thereto a statement of the receipts and expenditure of the Department based on the form of account prescribed by the English law for private Insurance Companies. I would recommend that an amending Act should for the future prescribe the publication by this Department of full accounts. The cost of the management of the Department in proportion to the income is rapidly decreasing, and will in a short time, when exceptional and temporary causes of disproportion, inevitable in the infancy of institutions of this kind, have passed away, bear a very small ratio to that income. The sum of two thousand pounds (£2,000), originally advanced to this Department at its outset, has been repaid during the year. The balance at the credit of the Department on the 30th of June last was £36,801 13s. 8d.

AMENDING ACT.

There are several amendments of, or rather supplements to, the present Acts relating to this Department required; and I would recommend that an Act giving them legal effect should be passed this Session. Among them are the following, namely:—Permanent provision for the payment of interest on the funds of the Department that are from time to time deposited with the other Trust Funds of the Colony; the requirement of an Actuarial investigation of the liabilities of the Department at the end of every five years; the publication of fuller annual accounts; the extension of facilities in the apportionment of amounts insured for the benefit of wife and children; and the power of dispensing with—not by regulation as at present, but by special enactment—the necessity of probate or letters of administration in certain cases.

NEW REGULATIONS.

On the 6th of June last an Order in Council was passed issuing new Regulations, which combined into one set, with some amendments, the various Regulations hitherto issued. One important new feature in these Regulations is the 27th clause, providing, within certain limits, for the non-forfeiture of policies on account of the non-payment of premiums after the completion of the first year. The main principle which is to regulate the time within which forfeiture from such cause is not to take place, is the surrender value of the policy in question. In ordinary cases no surrender value is recognized until a policy has been held for three years; but in these cases, for the special purpose of maintaining a policy in force after default of premium, the surrender value of every policy will be calculated on the occurrence of such default, and will be recognized as a net single premium of temporary insurance, but the exact term for which it will insure will depend on age of the insured at date of default. If the insured die within the term covered by the temporary insurance, the policy will be paid, if its other conditions have not been violated, less the amount of the premiums that are due at the time of death, with interest thereon at the rate of 6 per cent;—it is also competent to the insurer within that term to take up his policy on payment of such arrears and interest. The practical effect of this provision, which I believe will generally be much appreciated, is to invest each policy with a power of self-support after default of premium, proportionate to the number of premiums paid, or, in other words, with an extension, on certain conditions, of the days of grace. Another new regulation provides that payment of claims under policies of insurance not exceeding £200 may be made on certain conditions without requiring production of probate or letters of administration. This privilege will be a great boon in the case of persons of small means who insure for small amounts, and whose representatives would heavily feel the cost in such cases of specially taking out probate or letters of administration. The principle of lessening to the lowest practicable amount the legal cost of obtaining possession of small sums has been already recognized by the Imperial Parliament and by our own Legislature.

An arrangement has been made, with the sanction of the Hon. the Minister for Immigration, by means of which Immigration Agents and Government Insurance Agents can reciprocally aid and act for each other in obtaining proposals and nominations of immigrants. This arrangement will, it is hoped, prove advantageous to public interests.

A Guide and Tables, containing, in a popular form, full information relative to Government Life Insurance, has recently been prepared and published by authority, and I have caused copies of the pamphlet to be widely distributed.

I have called the attention of the Government to the importance, in connection with this Department, of special Vital Statistics for New Zealand, on the model adopted, on the recommendation of the International Statistical Congress, in most civilized countries; and the Government have authorized steps to be taken to prepare, so far as it is practicable to do so, such returns for the past five years, and to secure their due preparation in future.

I have the honor to be,

Sir,

Your most obedient humble Servant,

W. GISBORNE,

Commissioner.

His Excellency Sir James Fergusson, Bart.

No. 1.

RETURN showing the Gross Amount of all Sums of Money received, and the Gross Amount of Life Assurance Endowments and Annuities granted, from the 1st July, 1872, to 30th June, 1873.

MONEYS RECEIVED.	Insurances granted.			Endowments granted.			Annuities granted.		
	No.	Amount.		No.	Amount.		No.	Amount.	
		£	s. d.		£	s. d.		£	s. d.
Insurance ...	27,317	7	1	1131	427,050	0 0	...	...	...
Endowment ...	672	8	3	...	...	...	23	2,400	0 0
Annuities ...	2,142	0	8	...	...	...	...	...	...
Fines and Fees ...	16	2	8	...	...	...	7	253	0 0
Interest ...	1,342	13	4	...	...	...	...	...	...
Total, 1872-73 ...	31,490	12	0	1131	427,050	0 0	23	2,400	0 0
„ 1871-72 ...	18,100	19	2	1322	453,225	0 0	27	3,000	0 0
„ 1870-71 ...	7,151	8	4	395	177,574	0 0	10	1,100	0 0
„ 70 ...	357	8	0	53	27,800	0 0	...	...	...
Totals ...	57,100	7	6	2901	1,085,649	0 0	60	6,500	0 0
							17	950	15 8

No. 2.

STATEMENT of Receipts and Disbursements for the Year ending 30th June, 1873.

RECEIPTS.			£	s. d.	EXPENDITURE.			£	s. d.
Balance on 30th June, 1872	...	...	15,056	1 9	Claims on Assurance Policies	...	...	2,600	0 0
Insurance Premiums, New and Renewal	...	...	27,317	7 1	Annuities Paid	...	...	613	0 11
Insurance Fines and Fees	...	...	16	2 8	Commission	...	...	1,243	11 9
Endowment Premiums, New and Renewal	...	...	672	8 3	Expenses of Management:—				
Annuity Premiums, New	...	...	2,142	0 8	Travelling Expenses of Sub-Commissioners	...	...	827	1 10
Interest from Investments	...	...	1,342	13 4	Medical Fees	...	...	1,398	1 2
					Advertising	...	...	711	16 5
					Salaries	...	...	1,962	12 9
					Extra Clerical Assistance	...	...	155	0 0
					General Expenses and Printing	...	...	233	15 3
					Balance in favour of Department on 30th				
					June, 1873	...	...	36,801	13 8
								46,546	13 9
By Advance from Colonial Treasurer,	...	...	...	...	Repayment of Advance from Colonial	...	...	...	...
1870-71	...	...	...	...	Treasurer on 31st December, 1872	...	...	£2,000	0 0
			£2,000	0 0					

NOTE.—The discrepancy between the Balance on 30th June last, above shown, and the Balance shown in the Treasury Accounts, arises in consequence of the Treasury crediting the Department only with such moneys collected in the Colony as have been received at Wellington, while the above statement shows the moneys received and brought to charge by the Agents of the Department throughout the Colony up to the 30th June last.

* £2,000 is the total amount of the sums advanced by the Colonial Treasurer for the purposes of meeting the preliminary expenses of the Department, and as this amount has never been shown as a receipt in the published accounts of the Department, its repayment does not affect the above Balance.

By Authority: GEORGE DINSBURY, Government Printer, Wellington.—1873.

[Price 3d.]

