

1875.

## NEW ZEALAND.

**GOVERNMENT INSURANCE COMMISSIONER,**  
(ANNUAL REPORT OF THE).

*Presented to the General Assembly in accordance with Section 41 of "The Government Insurance and Annuities Act, 1874."*

SIR,—

Government Insurance Office, Wellington, 30th September, 1876.

In the absence of the Commissioner, I have the honor to forward you the Report of the department for the past financial year, together with the Report made by Messrs. Bailey and Pattison, on the transactions of the first quinquennium which has already been laid before Parliament, but is appended to this Report; as taken in conjunction with the statement I am now enabled to submit, it will, I trust, show both to Government and Parliament the soundness of the business that has been done, and the steady progress that continues to be made.

## NEW BUSINESS.

1,986 proposals were received during the year for £717,341, of which 501 were declined or not completed leaving 1,485 policies issued for £504,509, the particulars of which are shown in the following summary:—

Class.	No. of Policies.	Sum Assured.	Single Premium.	Annual Premium.
		£ s. d.	£ s. d.	£ s. d.
Insurance ... ..	1,215	477,120 0 0	279 6 9	16,224 1 1
Endowment ... ..	27	3,950 0 0	...	193 8 9
Annuity ... ..	6	£218 7s. 5d. per an.	2,356 4 5	...
Industrial ... ..	237	23,439 1 0	...	848 0 8
Total .. ..	1,485	504,509 1 0	2,635 11 2	17,265 10 6 2,635 11 2
TOTAL NEW PREMIUMS				£19,901 1 8

## CLAIMS.

The claims that fell in during the year were 41 in number, and amounted to £21,550, caused by the death of 37 persons. The number of losses is but slightly larger than those for the previous year, but the amount is increased by upwards of £9,000. This is accounted for by the fact that 3 of the claims amounted to more than one-third of the whole sum that was claimed. On the other hand, 2 annuitants have died, by which annuities amounting to £180 have ceased to be payable.

## POLICIES DISCONTINUED.

A summary of the policies discontinued during the year is given in the following table:—

How Discontinued.	No. of Policies.	ASSURANCE BRANCH.		No. of Policies.	ENDOWMENT BRANCH.		No. of Policies.	ANNUITY BRANCH.		No. of Policies.	INDUSTRIAL BRANCH.	
		Sum Assured.	Annual Premiums.		Sum Assured.	Annual Premiums.		Amount of Annuity per ann.	Annual Premiums.		Sum Assured.	Annual Premiums.
By death ...	41	£ 21,550	£ s. d. 683 1 0	...	£ ...	£ s. d. ...	2	£ s. d. 180 0 0	£ s. d. ...	...	£ s. d. ...	£ s. d. ...
„ expiry ...	1	100	1 10 3	...	...	...	...	...	...	...	...	...
„ surrender ...	25	7,000	252 3 3	2	200	14 4 0	...	...	...	...	...	...
„ change ...	4	2,700	64 19 10	...	...	...	...	...	...	...	...	...
„ lapse ...	27	7,010	199 11 7	4	450	23 18 3	...	...	...	28	2,778 10 0	92 14 8
Not taken ...	...	...	...	...	...	...	...	...	...	10	982 17 0	45 14 4
Totals ...	98	38,360	1,201 5 11	6	650	38 2 3	2	180 0 0	...	38	3,761 7 0	138 9 0

The number of the policies issued since the establishment of the department is 7,413, assuring £2,602,285, of which 1,007 have been discontinued, leaving 6,406 existing policies, assuring £2,303,662.

## ACCOUNTS.

The revenue account and balance sheet have been prepared in accordance with the 41st section of "The Government Insurance and Annuities Act, 1874," and are attached to this report. In the Ordinary Branch, notwithstanding the expenses attending the quinquennial valuation (which are not properly chargeable to the year's expenses), the ratio of the expenses of management (including commission) to the premium income, has been reduced to 16·3 per cent., as against 37·4 per cent. in the year ending 30th June, 1872, clearly showing that the expenditure incurred on new business has been a good investment, although no credit whatever was taken for such investment in the recent quinquennial valuation.

## INDUSTRIAL BRANCH.

The new business in this branch was discontinued at the end of the financial year, although it was fast increasing; the Government having considered that there were circumstances connected with the business that rendered its continuance undesirable, and the report of the English Actuaries shows that this discontinuance was in accordance with their views.

## INVESTMENTS.

Investments continue to be made in the manner mentioned in the last report, and a comparison of the present balance sheet with the last will show that the Treasury Bills held by the department have increased during the year from £105,300 to £147,400.

## GENERAL REMARKS.

Messrs. Bailey and Pattison having pointed out that the rates of premium charged on older ages were too low, the tables are now being revised on the basis of the "Mortality Experience of the Institute of Actuaries."

A valuation is also being made by the department, which is intended to be done annually, in addition to the quinquennial investigation prescribed by law. The whole of the operations will thus be kept under review, while errors (if such should creep in) will be detected, and the stability of the office placed beyond doubt. These arrangements will give additional confidence to the public, and doubtless will tend still further to increase the business of the department.

I have, &c.,

J. WOODWARD,

Deputy Commissioner.

The Hon. the Colonial Treasurer.

## REVENUE ACCOUNT of the ORDINARY BRANCH from 1st July, 1875, to 30th June, 1876.

	£	s.	d.		£	s.	d.
Amount of Funds on 1st July, 1875	109,967	12	1	Claims	21,550	0	0
Renewal Premiums	61,136	13	6	Surrenders	820	4	7
New Premiums	8,414	2	1	Annuities	1,384	17	0
Single Premiums	346	1	9	Commission, New	1,507	4	2
Consideration for Annuities granted	2,356	4	5	Commission, Renewal	1,408	5	7
Interest	6,669	6	11	Travelling Allowance, Agents'	1,266	4	3
Fines	Nil.			Medical Fees	1,794	0	0
Miscellaneous	11	19	0	Travelling Expenses	299	6	6
				Advertising	276	7	3
				Salaries, Head Office	2,500	0	0
				Extra Clerical Assistance	284	10	0
				Salaries, Travelling Agents'	938	1	2
				Printing	205	4	6
				Rent	115	8	0
				Cost of Actuarial Valuation	705	11	8
				Miscellaneous	76	7	10
				Written off Furniture	52	19	9
				Amount of Funds on 30th June, 1876	153,717	7	6
	£188,901	19	9		£188,901	19	9

## BALANCE SHEET of the ORDINARY BRANCH, 30th June, 1876.

LIABILITIES.			ASSETS.		
	£	s. d.		£	s. d.
Total Funds, as per Revenue Account	153,717	7 6	Loans upon Policies	584	1 3
Claims announced but not paid	2,800	0 0	Investments (Treasury Bills)	147,400	0 0
Annuities due and unpaid	122	8 8	Office Furniture, Head Office and Agencies	476	18 6
Commission, New	660	4 11	Agents' Balances	55	17 4
Commission, Renewal	36	14 3	Outstanding Premiums	5,817	2 4
Travelling Expenses	59	5 7	Outstanding Interest	42	10 10
Medical Fees	535	10 0	Accrued Interest	1,227	14 1
Advertising	37	16 4	Advance to Industrial Branch	478	4 3
Agents' Salaries	6	1 0	Cash	2,560	17 2
Stationery	119	8 1			
Rent	35	8 0			
Messrs. Pattison and Bailey's Fees	500	0 0			
Miscellaneous	13	1 5			
	£158,643	5 9		£158,643	5 9

## REVENUE ACCOUNT of the INDUSTRIAL BRANCH from 1st July, 1875, to 30th June, 1876.

			£	s.	d.				£	s.	d.
Funds on 1st July, 1875	...	...			Nil.	Balance against Branch, 1st July, 1875	...	...	501	3	7
Premiums	...	...	565	12	10	Commission	...	...	154	5	11
Medical Fee Deposits forfeited	...	...	2	12	6	Travelling Expenses	...	...	152	2	3
Miscellaneous	...	...	1	14	3	Advertising	...	...	9	2	3
						Salaries	...	...	43	5	0
Balance (deficiency)	...	...	443	13	8	Medical Fees	...	...	135	13	6
						Miscellaneous	...	...	18	0	9
			<u>£1,013</u>	<u>13</u>	<u>3</u>				<u>£1,013</u>	<u>13</u>	<u>3</u>

## BALANCE SHEET of the INDUSTRIAL BRANCH, 30th June, 1876.

LIABILITIES.			£	s.	d.	ASSETS.			£	s.	d.
Temporary Advance from Ordinary Branch	...	...	478	4	3	Cash	...	...	56	6	4
Claims announced and not paid	...	...			Nil.						
Annuities due and unpaid	...	...			Nil.						
Commission	...	...	3	8	9						
Medical Fees	...	...	18	7	0	Balance (deficiency) 30th June, 1876	...	...	443	13	8
			<u>£500</u>	<u>0</u>	<u>0</u>				<u>£500</u>	<u>0</u>	<u>0</u>

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